

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, August 16, 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 Report
 - 1. Investment Report.....pg. 12
 - 2. Annual Investment Update.....pg. 16
- D. Engineering Capital Projects Report.....pg. 19
- E. Commission Requested Staff-Level Action Items..... pg. 22
- F. RESCU Program Design-Build Project Status Update..... pg. 25

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 33)

8. BUSINESS ITEMS

- A. CONSIDERATION OF RESOLUTION AND MOTIONS AUTHORIZING SILICON VALLEY CLEAN WATER TO ENTER INTO TWO WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) LOANS, AMEND AN EXISTING WIFIA LOAN AGREEMENT, AND ISSUE 2021A AND 2021B WASTEWATER REVENUE NOTES (pg. 39)

Proposed Actions:

- i. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE EXECUTION AND DELIVERY OF TWO WIFIA LOAN AGREEMENTS, AN AMENDMENT TO AN EXISTING 2020 WIFIA LOAN, THE ISSUANCE OF CERTAIN INTERIM FINANCING AND CERTAIN DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH
- ii. Move approval of FUNDS FOR FINANCIAL ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$165,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – FIELDMAN ROLAPP & ASSOCIATES

- iii. Move approval of FUNDS FOR LEGAL SERVICES IN AN AMOUNT NOT TO EXCEED \$180,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – STRADLING YOCCA CARLSON & RAUTH, P.C.

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 – July 19, 2021 – Regular Meeting (pg. 33)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JUNE 25, 2021, JULY 1, 2021, JULY 9, 2021, JULY 23, 2021, AND JULY 26, 2021, AND NECESSARY PAYMENTS THROUGH JULY 26, 2021 (pg. 37)

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, August 16, 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

Safety Tips for Unexpected Wildlife Encounters

Here's what you need to know about [wildlife encounters](#) in the great outdoors.

- Don't feed the animals. Any animals. It's not great for them, and it can be potentially dangerous for you. From a slight nip to an all-out attack, giving food to wild animals can set you up for an injury or worse.
- Don't try to pet the animals. That beautiful baby moose walking across the road probably has a mama moose nearby who'll attack. Don't even go near any cute and cuddly animals. Avoid touching any wildlife you see. It's not safe for you or them.
- Don't get too close. Believe it or not, you're in their territory. Most wild animals don't love it when you invade their space.
- Don't provoke, sneak up on, or scare animals. Wild animals are unpredictable and that innocent-looking deer will protect itself at all costs. Trying to provoke them is a recipe for disaster.
- Don't wander off the trail after dark.
- Don't surprise a mother who's with her babies.
- Do make noise. It'll let animals know you're nearby so you don't startle them.
- Do watch for animal tracks and poop. They can let you know what might be around.
- Do carry [bear spray](#) if you're in an area known to have bear.
- Do tell a park ranger if you have an encounter with a wild animal or have a close call or sighting.

Here's what to do if you encounter a wild animal

Snake: Back away. Give it as much space as possible. Be calm and quiet and move away from the area where the snake is located. If you're bit, seek medical attention as quickly as possible. You can avoid snakes by checking logs and rocks before you sit down. Don't stick your hands inside logs or large piles of rocks. When you step over a log, do so carefully.

Deer or elk: Give it space. Much like a moose, deer and elk would rather run away than deal with humans. They'll only charge if provoked. Run away or climb a tree. If a deer is attacking you and you can't run away, play dead. If you get knocked down by an elk, get up and keep running.

Mountain lion: Stand tall and make loud noises while backing away slowly. Again, you don't want to give the lion any reason to think you're prey. You must act the part of a predator. Don't turn your back, run way, or crouch down to pick anything up in front of a mountain lion. If a mountain lion attacks, fight back and protect your head and neck.

Bear: Back away slowly if it hasn't seen you. If it has, talk to it in quiet tones. If it charges, use bear spray and stand your ground. Act like the predator and not the prey. Often, a bear charge will be a bluff. If the bear makes contact with you, drop to the ground and

play dead by covering the back of your neck with your hands and your face with your elbows. Play dead longer than you think, as a bear will try to sniff you. Getting up too early will catch the bear's interest again. In the rare case a bear starts biting you, fight back with all you have.

In the majority of cases, wild animal encounters are a non-issue. But you should always use common sense and know what to do if an animal encounter goes wrong.

AGENDA ITEM 5B

Recurring and Upcoming 2021 Commission Actions
Updated for August 2021 Meeting

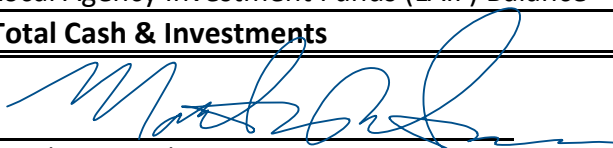
January	February	March	April
<ul style="list-style-type: none"> Review Investment Policy CIP Update (annual or biennial) 	<ul style="list-style-type: none"> Long Range Financial Plan (typically in January) 	<ul style="list-style-type: none"> Budget Workshop Line of Credit Renewal Conflict of Interest 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 5C1

**Silicon Valley Clean Water Authority
Cash & Investments Summary Report
June 30, 2021**

Description	Market Value	% of Total Holdings	Yield
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,835,954	5.41%	1.04%
Operating Reserve - Money Market Fund Balance	13,582	0.02%	0.03%
CIP Reserve* - Securities	17,918,665	25.28%	1.73%
CIP Reserve - Money Market Fund Balance	423,572	0.60%	0.03%
Stage 2 Capacity Reserve* - Securities	14,407,724	20.33%	1.69%
Stage 2 Capacity Reserve - Money Market Fund Balance	149,046	0.21%	0.03%
Total Market Value: Operating and Reserve Accounts	\$ 36,748,543	51.8%	1.62%
Total Accrued Interest: Operating and Reserve Accounts	175,629		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 36,924,172		
<u>Trustee Accounts:</u>			
2018 Project Fund Account - CAMP	\$ 12,244,034	17.27%	0.05%
2018 Revenue Account	5,029	0.01%	0.01%
2019A Notes WIFIA - Money Market Fund	1,580,158	2.23%	0.01%
2019A Capitalized Interest Account* - Securities	18,759,331	26.47%	1.97%
2019A Capitalized Interest Account - Money Market Fund	8,058	0.01%	0.01%
2021 Cost of Issuance Account	62,754	0.09%	0.01%
Total Market Value, Trustee Accounts	\$ 32,659,365	46.08%	1.15%
Accrued Interest:	123,109		
Operating Cash (includes outstanding checks)	1,262,860	1.78%	0.00%
Local Agency Investment Funds (LAIF) Balance	210,030	0.30%	0.26%
Total Cash & Investments	\$ 71,179,536	100.00%	1.37%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

7/15/2021
Date

* Monthly report of security transactions and interest available upon request

Silicon Valley Clean Water
Operating and Reserve Funds - Sector Allocation & Compliance June 30, 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	\$ 1,318,938	\$ 7,070,105	\$ 6,001,750	\$ 14,390,793	39%	100%	✓	0.4%
Supranationals	356,912	-	-	356,912	1%	15%	✓	0.0%
Federal Agency/GSE	1,095,699	2,900,392	2,196,484	6,192,576	17%	100%	✓	0.2%
Federal Agency CMO	-	2,217,833	1,582,521	3,800,354	10%	100%	✓	(0.6%)
Federal Agency MBS	-	1,008,474	946,444	1,954,919	5%	100%	✓	(0.5%)
Municipal	-	1,055,309	807,918	1,863,227	5%	30%	✓	(0.1%)
Corporate Notes	689,306	3,252,317	2,558,180	6,499,802	18%	30%	✓	0.3%
Asset-Backed Securities	375,099	414,235	314,426	1,103,760	3%	10%	✓	1.1%
Securities Sub-Total	3,835,954	17,918,665	14,407,724	36,162,343	98%			
Accrued Interest	9,814	91,374	74,442	175,629				
Securities Total	3,845,768	18,010,039	14,482,166	36,337,972				
Money Market Fund	13,582	423,572	149,046	586,200	2%	20%	✓	(0.8%)
Total Investments	\$ 3,859,350	\$ 18,433,611	\$ 14,631,211	\$ 36,924,172	100%			
<i>As % of 6/30/21 Target:</i>	<i>102%</i>	<i>104%</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 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 5C2



August 16, 2021

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update for Year Ended June 30, 2021

This item presents an annual update from PFM Asset Management LLC (PFMAM) regarding the investment performance of SVCW Cash Reserves portfolio for the year ended June 30, 2021. Lesley Murphy from PFMAM will attend the meeting to provide a brief report and to answer any questions.

Highlights include:

Market Update:

- The U.S. economy continues to expand, bolstered by widespread vaccine deployment and strong consumer spending, but uncertainties remain as Delta variant spreads.
- The job market continues to rebound from pandemic lows; year-over-year headline unemployment has dropped from 11.1% to 5.9%.
- Federal Reserve signals possible acceleration of interest rate hikes as inflation heats up.

SVCW Investment Program:

- As of June 30, 2021 the Authority had over \$36.9 million in combined assets under management, and each reserve balance meets or exceeds SVCW policy
- The Authority's portfolios continue to deliver strong performance relative to assigned benchmarks over longer time periods. Since inception, returns demonstrate value of longer investment horizon

Reserve Fund	Market Value (\$M)	1 st Quarter Returns	1-Year Returns	Since Inception
Operating Reserve	\$3.86	0.00%	0.22%	2.06%
CIP Reserve	\$18.43	0.52%	-0.20%	3.01%
Stage 2 Capacity Reserve	\$14.63	0.50%	-0.20%	3.06%

Outlook:

- Future path of longer-term interest rates is uncertain, warrants neutral duration stance.
- Strong investor demand likely to keep credit sector spread levels lows, but relatively high allocation to U.S. Treasury obligations provides “dry powder” should opportunities arise.
- Earnings expected to remain constrained and PFMAM’s active portfolio management will seek to generate incremental earnings over time.

AGENDA ITEM 5D

**ENGINEERING REPORT: JULY 2021
CAPITAL IMPROVEMENT PROGRAM****UPCOMING COMMISSION ACTIONS:**

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

This project includes improvements and rehabilitation of three originally built fixed-film reactors (FFRs). Engineering work will include a condition assessment of the structure, evaluation of the media, and analysis of the overall process performance. After these items have been evaluated, the design will be completed to implement the necessary repair/rehabilitation items. One FFR will be rehabilitated at a time to ensure continuous treatment throughout the project. SVCW is currently evaluating proposals from design firms to perform the engineering design. The project will enter its design phase in fall 2021.

Planned Commission Actions: Approve Design Task Order – September 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 engineering consultant Kennedy Jenks to complete the design of a new, above ground storage tank that will replace the underground tank. The bid documents were publicly advertised in July 2021.

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.

CCT Valve Replacement (9107): Rehabilitate Chlorine Contact Tank

Recoat concrete surfaces in all three passes of the Chlorine Contact Tank, replace valves and piping. This project is in the construction phase; work anticipated to be complete in December.

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

Replace feed conveyor system, followed by 12-months co-operation of the facility.

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

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

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

Relocating the power feed and a new transformer will enable SVCW's existing backup generators to be used for the Front of Plant facility. This project will use existing infrastructure, saving significant costs. Construction is scheduled for completion in December 2021.

Primary Channels Rehabilitation and Hatch Replacement (9241): Re-coating concrete surfaces and replacing deck 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. Construction is currently underway by ERS Industrial, with an anticipated completion date in November 2021.

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

The HVAC system serving the Laboratory is original (circa 1991), is past its useful life and system maintenance is no longer possible. Construction is in progress to replace all of the major mechanical and electrical components of this critical system.

AGENDA ITEM 5E

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

**AUGUST 16, 2021
AGENDA ITEM 5E**

Updated: 08/05/2021

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
7/16/2021	1	Cyber-Security Training	N/A		✓			Fake phishing emails to workgroup; report out on progress and % of effectiveness
	2	Recycled Water Expansion	N/A		✓			Report out on progress of recycled water expansion feasibility investigations.
6/21/2021	1	No Action Items						
5/17/2021	1	CWEA Plant of the Year Award - Public Info	6/21/2021			✓	6/20/2021	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.

Silicon Valley Clean Water
Commissioners' Requested Action Items

AUGUST 16, 2021
AGENDA ITEM 5E

Updated: 08/05/2021

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
> 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.
	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

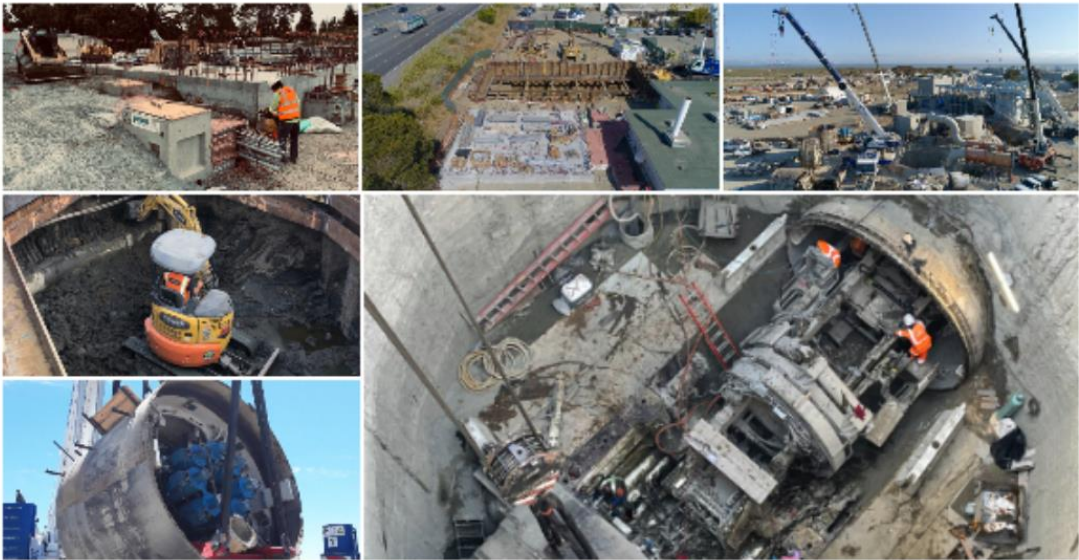
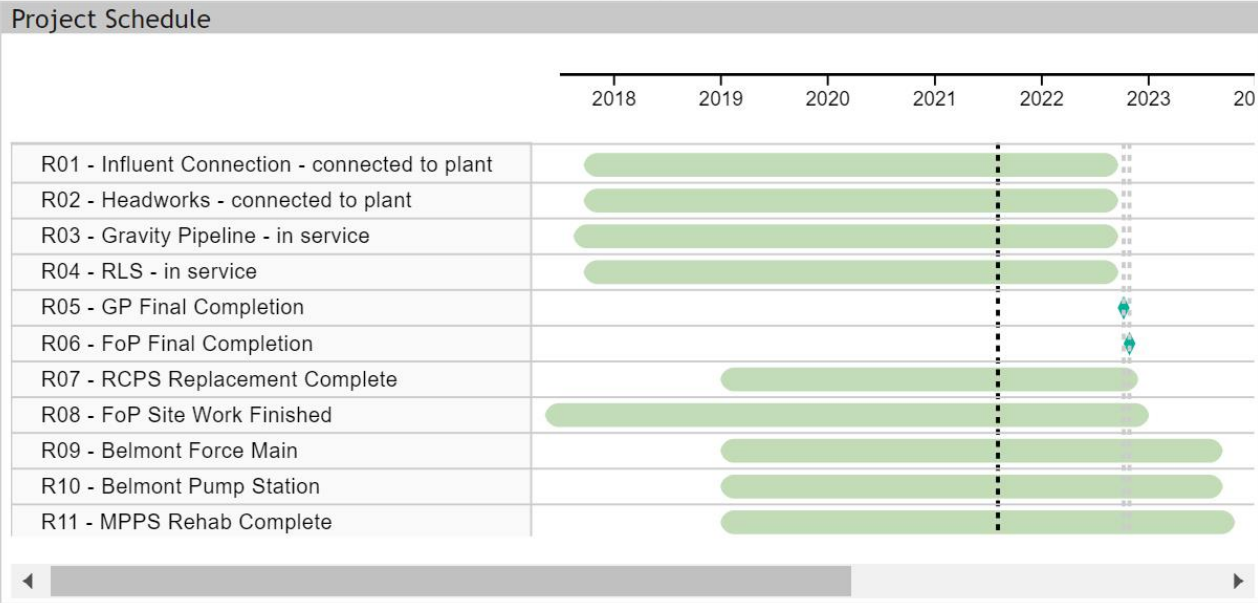
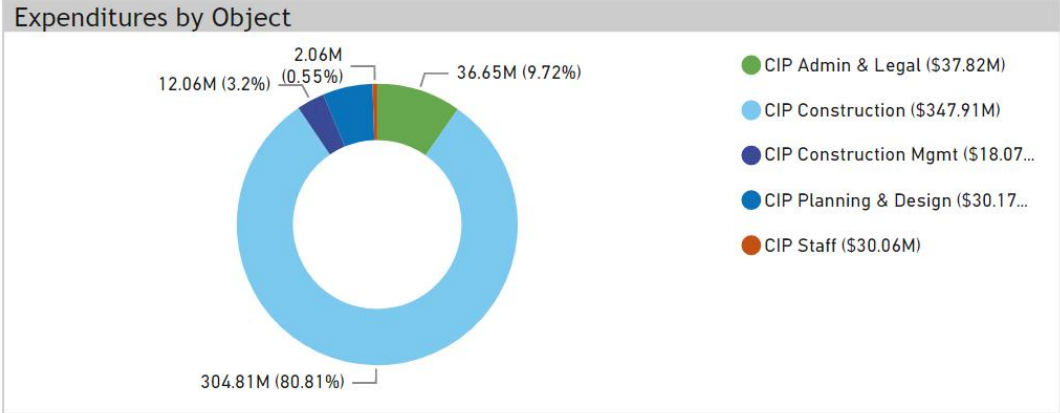
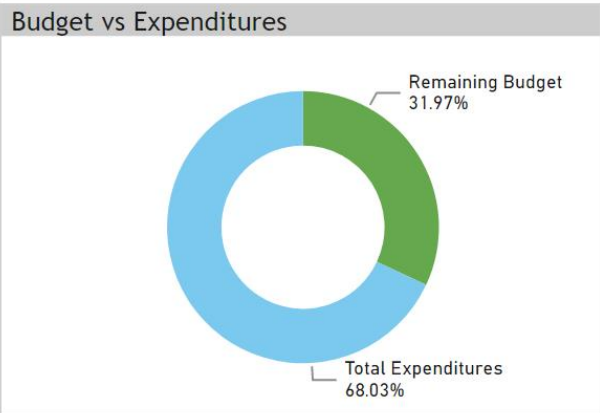
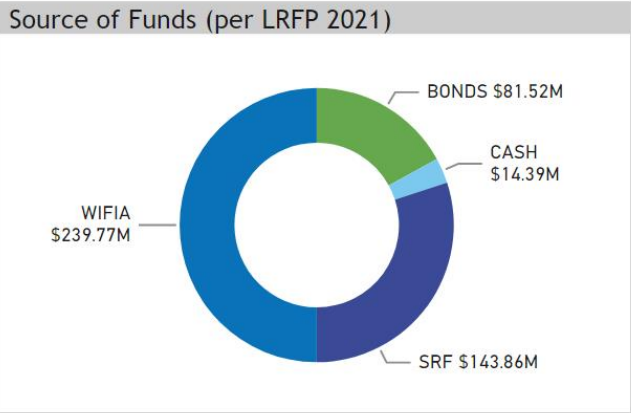
\$554.36M

Total Expenditure

\$377.20M

Remaining Budget

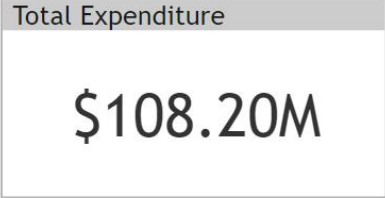
\$177.16M



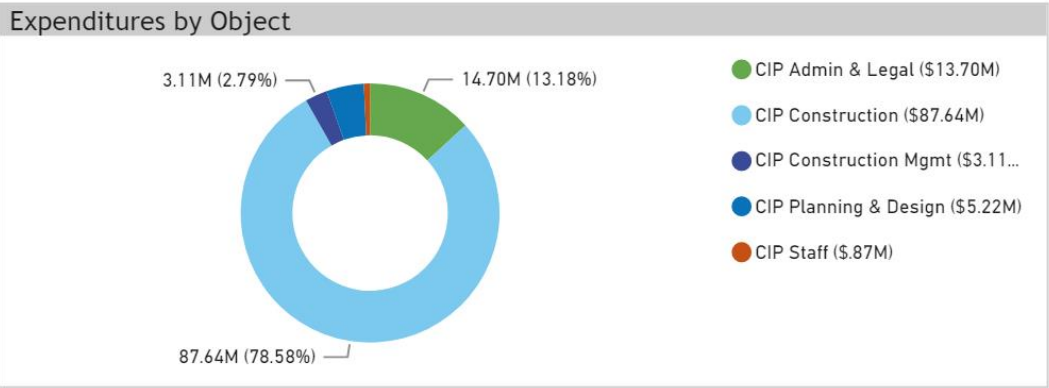
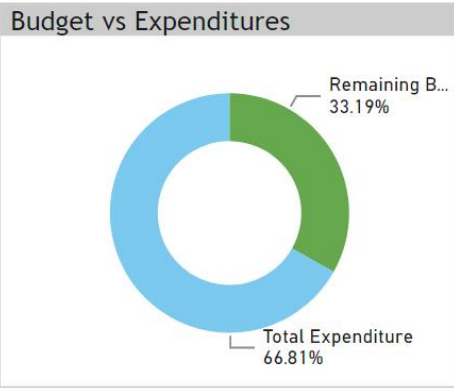
Front of Plant Progressive DB Project (CIP 9502)



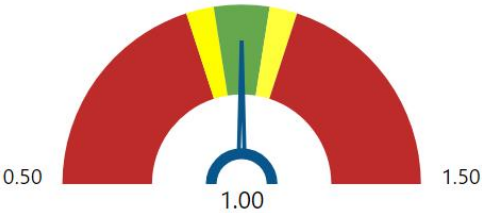
The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control System, Influent Connector Pipe, Emergency Overflow pipe to an existing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



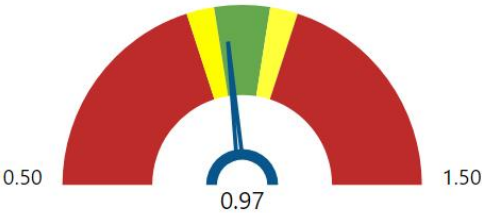
Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	4/13/2022
Headworks Facility Completed	12/6/2018	11/5/2021
SFS/RLS Completed	12/6/2018	7/1/2022
Substantial Completion		9/30/2022



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



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 continued installation of anchoring for Equipmeing in the electrical room. - SPJV finished the installation of cables onto cable busses in the Electrical Room and began installing power cables from the transformers to the portable generator cabinets. - SPJV completed the installation of 4 of 6 24-inch HDPE discharge lines and backfilled the northern portion pile-supported apron slab between the Headworks Facility and the RLS. - SPJV continues installing ducting for the RLS HVAC system began and is expected to be completed early August. - SPJV completed the installation of the RLS Upper Mezzanine. SPJV's electrical subcontractor to begin placing panels and conduit. - 2 of 8 RLS precast concrete roof panels were constructed SPJV. Panels have cured and test breaks were completed, they are planned to be placed on top of the RLS in August. - SPJV placed a shallow concrete slab over the 63-inch IPL in the area that it is most shallow to protect it from traffic loading. - RLS manifold piping arrived onsite, coated and will be installed at the base of the RLS in August. - SPJV installed the Slide Gate Actuators at the Headworks Facility. - SPJV completed the installation of aluminum cover plates over the channels the Headworks Facility.
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. - RLS manifold piping arrived onsite for coating and installation.

3 - Month Look Ahead

	Start	End	August	September	October
Form/Set Rebar/Place Concrete for Precast RLS Roof Sections	March 15, 2021	August 18, 2021	X		
Install 24-inch HDPE RLS discharge piping between RLS to Headworks	April 6, 2021	August 3, 2021	X		
Install grit piping and pumps	July 29, 2021	August 6, 2021	X		
Install 48-inch Foul Air Piping and Storm Drain Line from HW to SFS	July 23, 2021	August 11, 2021	X		
Installation of upper mezzanine electrical panels	June 11, 2021	September 10, 2021	X	X	
Excavate Utilidor and place Pre-Cast Trench Boxes	August 13, 2021	October 15, 2021	X	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.

Available Budget

\$259.23M

Total Expenditure

\$230.22M

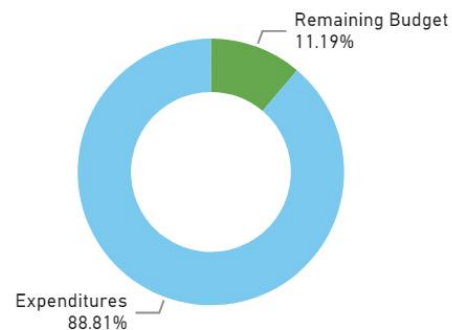
Remaining Budget

\$29.01M

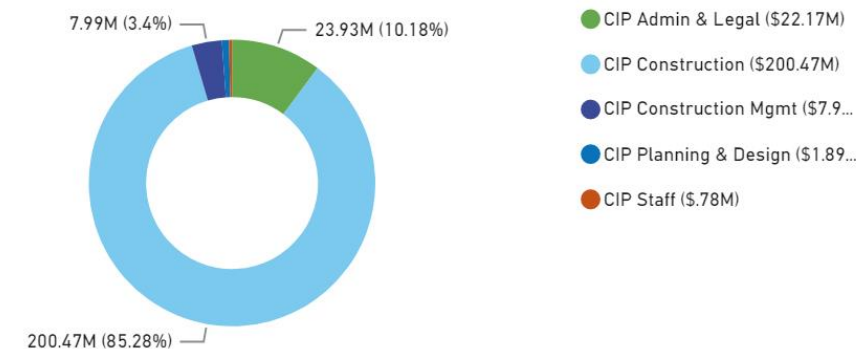
Milestone Schedule

	Start	Finish
San Carlos Shaft and Adit Construction	2/4/2021	10/4/2021
FRP Pipe Installation	10/25/2021	12/31/2021
Substantial Completion		7/1/2022

Budget vs Expenditures



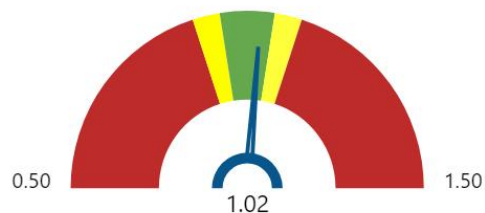
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2021 - 08



Major Accomplishments this Period

▼	
Construction	<ul style="list-style-type: none"> - BBJV began disassembly of the TBM - BBJV began construction of the San Carlos Adit
Design	- BBJV incorporating SVCW comments into the 100% design for San Carlos and Bair Island connection piping.
Muck Disposal	<ul style="list-style-type: none"> - 76% of Muck Disposal Amendment spent - 24% of Muck Disposal Amendment remaining
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

3 - Month Look Ahead

	Start	End	August	September	October
San Carlos Adit Construction	July 8, 2021	October 4, 2021	X	X	X
San Carlos Drop Structure Installation	October 5, 2021	November 3, 2021			X
TBM Removal at SFS	June 25, 2021	August 26, 2021	X		

Potential Issues

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

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 Adit Ammonia Mitigation
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	4

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		7/25/2022
MPPS - B-side Pumps Completed		11/18/2022
MPPS - Segment 1 and 2 CARVs Completed		12/3/2021
BGP - Gravity Pipe Installed		11/10/2022
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

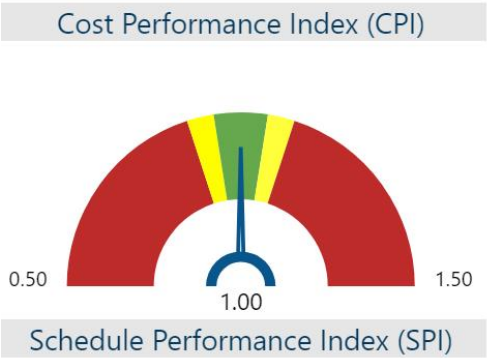
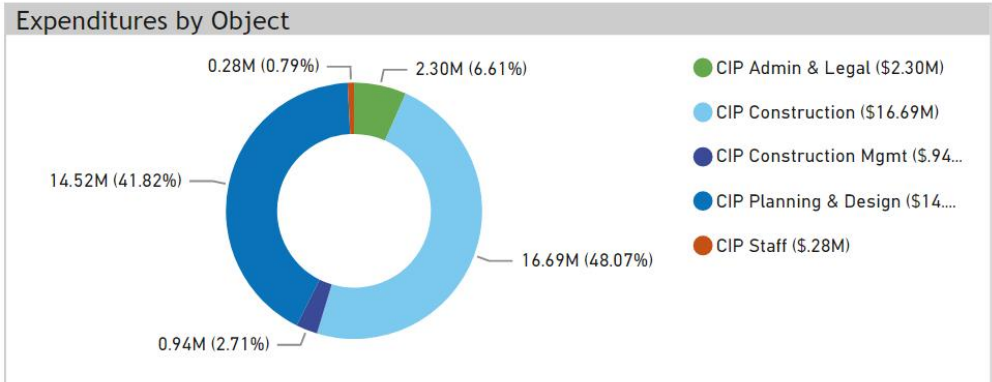
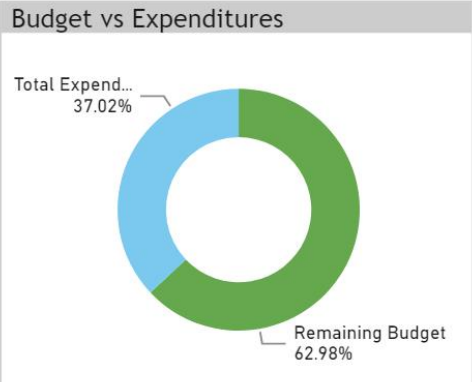
\$119.68M

Total Expenditure

\$44.31M

Remaining Budget

\$75.37M



As of : 2021 - 08



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - BGP: Placed concrete for base slab at JS-1. Excavated, installed walers, and placed base slab at JS-2. Finished installing shoring and began excavating and installing walers at JS-4. Began installing shoring at RS-4. Pulled back asphalt for the open cut section up to the SCPS. Vadnais mobilized microtunneling equipment to JS-1. - RCPS: Placed concrete for generator foundation and electrical building slab. Excavated to level 2 of the wet well and screening structure and began installing walers. - MPPS: Mobilized and began site demo.
Design	- Design of the SCPS declassification kicked off with a site visit by the SPJV design team in July.
Procurement of Trade Packages	- HDPE pipe for BGP delivered.

3 - Month Look Ahead

	Start	End	August	September	October
RCPS - Permits & Easements Acquisition - PG&E Undergrounding	December 15, 2020	August 4, 2021	X		
RCPS - PG&E Undergrounding	August 5, 2021	August 9, 2021	X		
MPPS - Electrical Room Improvements	July 6, 2021	October 23, 2022	X	X	X
BGP - Install Shoring & Excavate at JS-4 and RS-4	June 30, 2021	October 27, 2021	X	X	X
BGP - Microtunnel JS-1 to RS-1, JS-2 to RS-1	July 19, 2021	November 1, 2021	X	X	X
MPPS - Segment 1 and 2 CARVs	August 25, 2021	December 3, 2021	X	X	X
RCPS - Wet Well & Screening Building Excavation and Backfill	May 24, 2021	February 3, 2023	X	X	X
BGP - Backfill and Remove Shoring at JS-1	September 10, 2021	November 4, 2021		X	X

Potential Issues

Challenges from permitting and land acquisition conditions at RCPS
--

Project Changes

BGP Design Development
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 – July 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, 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
Brent Brown, SVCW IT Director
Robert Chapman Jr., SVCW Sr. Information System Analyst
Socorro Ramilo, SVCW Sr. Information System Analyst
Sheryl Chia, Tanner Pacific, Inc.
Sergio Ramirez, West Bay Sanitary District
Steven Machida, City of San Carlos
Lawrence Chan, Stradling, Yocca, Carlson, Rauth
Doug Brown, Stradling, Yocca, Carlson, Rauth
Jim Lewis, Member of the Public

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.

Item 5A Safety Moment concerned tips on bike safety.

Under Item 5B a presentation was made on SVCW's cyber-security efforts.

Under Item 5F comment was made on the Gravity Pipeline tunneling completion and early decision to use this construction method for the project.

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

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

Commissioner Aguirre was nominated and elected Chair.

Motion/Second: Dr. Lieberman / Mr. Collins

Commissioner Otte was nominated and elected Vice Chair.

Motion/Second: Dr. Lieberman / Mr. Collins

Commissioner Lieberman was appointed Secretary.

Motion/Second: Mr. Collins / Mr. Otte

The Motions carried by Unanimous Roll Call Vote

ITEM 7

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

A. APPROVAL OF MINUTES – June 21, 2021 – Regular Meeting

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

Motion/Second: Dr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 8A

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

Proposed Action:

No Commission action was required or taken

ITEM 9

No Closed Session

ITEM 10

No Closed Session

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:48 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 June 16 – June 28, 2021, June 29 – July 12, 2021, and July 13 – July 26, 2021, were scanned and a copy was emailed to Commissioners and Legal Counsel on August 10, 2021.

AGENDA ITEM 8A

**AUTHORIZATION TO ENTER INTO TWO WATER INFRASTRUCTURE FINANCE
AND INNOVATION ACT (WIFIA) LOANS, AMEND AN EXISTING WIFIA LOAN
AGREEMENT, AND ISSUE 2021A AND 2021B WASTEWATER REVENUE NOTES**

ISSUE

Authorization for Silicon Valley Clean Water to Obtain Two Water Infrastructure Finance and Innovation Act Loans from the United States Environmental Protection Agency, Amend an Existing WIFIA Loan Agreement, Approve Issuance of 2021A and 202B Wastewater Revenue Notes, and Approve Certain Specified Documents

BACKGROUND

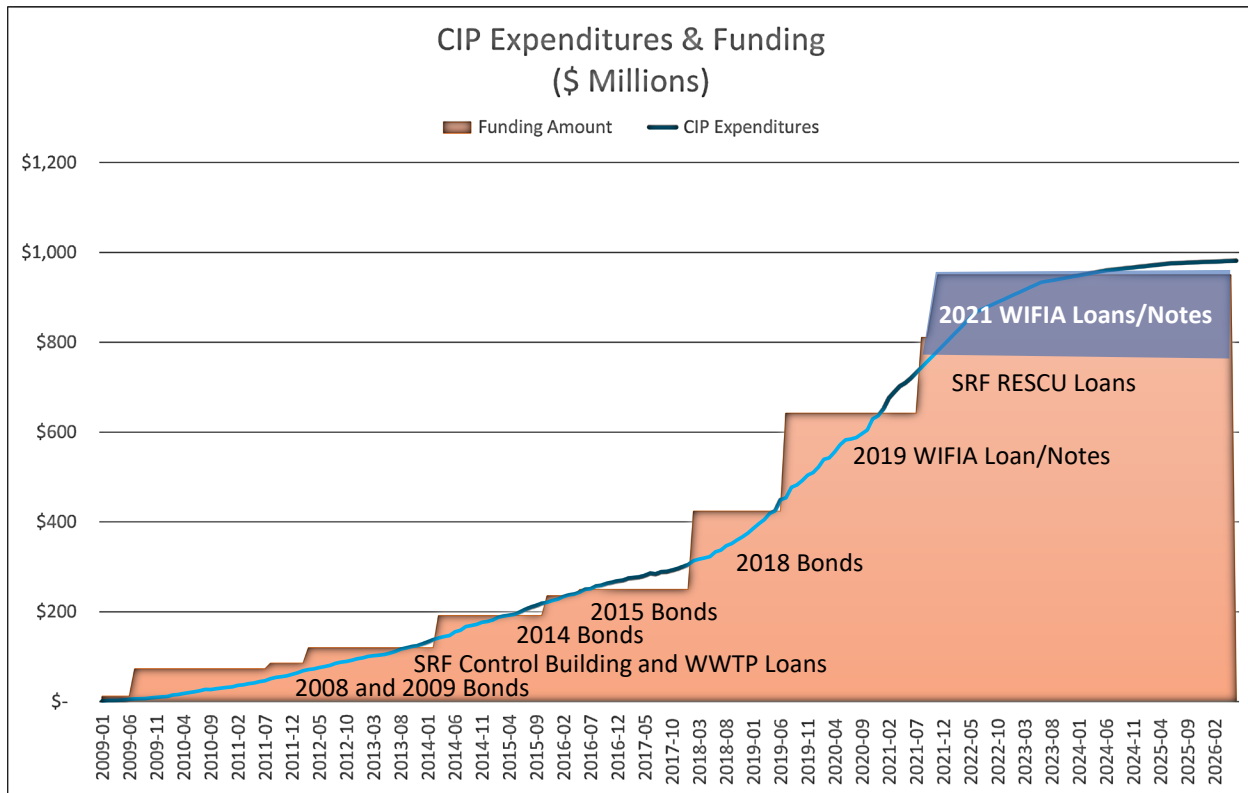
Silicon Valley Clean Water (“Authority” or “SVCW”) is a Joint Powers Authority created to, among other things, manage and operate wastewater conveyance, treatment and disposal facilities for the City of Redwood City, the City of San Carlos, the City of Belmont, and West Bay Sanitary District (together 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 June 30, 2021, approximately \$662 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 2017 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.

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 side stream nutrient removal solutions, and repairs to pipe systems throughout the plant.

To date, funding for RESCU has drawn from five series of Wastewater Revenue Bonds, seven Clean Water State Revolving Fund Loans (“CWSRF”), a prior WIFIA Loan executed in 2019 and re-executed in 2020, and certain cash contributions from Members. This proposed WIFIA Loans / 2021 Notes transaction is anticipated to be the final significant effort needed to fund known CIP projects.



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, 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 \$73.8 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 1.24% based upon current market conditions. This presents savings as compared to the higher taxable WIFIA Loans interest rate estimated at ~1.92% 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.

By August 23, 2021, SVCW and its Members will have adopted Resolutions authorizing SVCW to execute the WIFIA Loans and 2021 Notes transaction, and to enter into or amend financing agreements between respective Members and SVCW. All Members have chosen to fully participate in the proposed 2021 WIFIA Loans and the Notes transaction. This debt will be apportioned according to the respective capital percentage allocations defined in the Joint Powers Agreement. Proceeds from the 2021 Notes will be approximately \$152 million in total, used to fund construction costs, capitalized interest and costs of issuance.

The financing schedule below highlights key activities and participation:

- July 27, 2021: Belmont adopted resolution
- August 13, 2021: Receive credit ratings on WIFIA Loans / Notes
- August 16, 2021: Commission adopts resolution
- August 18, 2021: West Bay Sanitary District adopts resolution
- August 23, 2021: Redwood City and San Carlos adopt resolutions
- August 26, 2021: Price / Close WIFIA Loan
- August 27, 2021: Post Preliminary Official Statement / Notice of Sale
- September 14, 2021: Competitive Note Issuance Sale
- September 28, 2021: Close Note Issuance and Receive proceeds

The resolution attached to this agenda letter includes the good faith estimates required by Government Code Section 5852.1. Specific items to be authorized under the proposed Commission action include:

- Authorization of two WIFIA Loans, including Term Sheets, Loan Agreements, and a Paying Agent Agreement.
- Authorization to amend an existing WIFIA Loan last re-executed in 2020 that, upon satisfaction of certain requirements, the State Water Resource Control Board State Revolving Fund Loans will be on a parity basis with SVCW's WIFIA Loans.

- 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
- Approval of Indenture of Trust between SVCW and Zions Bank as trustee
- Approval of Continuing Disclosure Certificate in accordance with Securities Exchange Act of 1934
- Authorization to release the Official Notice of Sale for Wastewater Revenue Notes, Series 2021A and 2021B

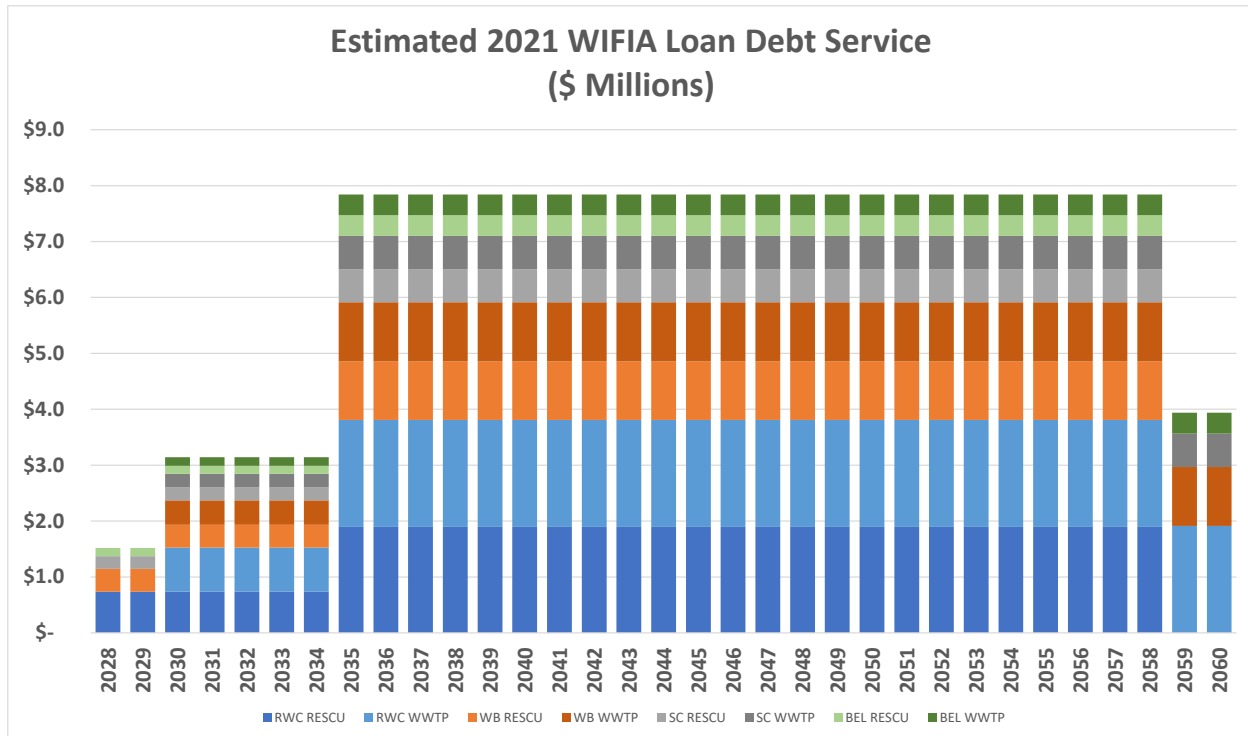
SVCW is approving its portions of the Preliminary Official Statement for the 2021 Notes in substantially final form, which is the disclosure document used to sell the 2021 Notes. The Indenture of Trust sets forth the terms and provisions related to the 2021 Notes. The Continuing Disclosure Certificate obligates 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 recommends 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.

Financial advisory services are provided by Fieldman Rolapp & Associates, and bond counsel is Stradling Yocca Carlson & Rauth. Together they craft an effective, low-cost debt strategy, negotiate loan terms, and produce the preliminary official statement and other legal documents. Fieldman Rolapp fees are estimated at \$165 thousand and Stradling at \$180 thousand. Financial advisory and legal fees will be paid from Notes proceeds.

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 \$209.1 million over 31 years with a final maturity in fiscal year ended 2060. Annual debt service will range between \$1.4 million to \$7.7 million per year over 31 years, assuming the 2021 Notes are taken out by WIFIA Loans as planned.



The issuance of up to approximately \$145 million in 2021 Notes will not increase annual debt service for the Authority and, as opposed to drawing solely from the WIFIA Loans, is estimated to save Net Present Value \$7 million over the life of the WIFIA Loans repayment.

RECOMMENDATION

- i. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE EXECUTION AND DELIVERY OF TWO WIFIA LOAN AGREEMENTS, AN AMENDMENT TO AN EXISTING 2020 WIFIA LOAN, THE ISSUANCE OF CERTAIN INTERIM FINANCING AND CERTAIN DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH
- ii. Move approval of FUNDS FOR FINANCIAL ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$165,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – FIELDMAN ROLAPP & ASSOCIATES
- iii. Move approval of FUNDS FOR LEGAL SERVICES IN AN AMOUNT NOT TO EXCEED \$180,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – STRADLING YOCCA CARLSON & RAUTH, P.C.

RESOLUTION NO. SVCW 21-XX

RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE EXECUTION AND DELIVERY OF TWO WIFIA LOAN AGREEMENTS AND AN AMENDMENT TO AN EXISTING WIFIA LOAN AGREEMENT, THE ISSUANCE OF CERTAIN INTERIM FINANCING AND CERTAIN DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Redwood City, the City of San Carlos, the City of Belmont, and the West Bay Sanitary District (collectively, the “Members”), have previously entered into a Joint Exercise of Powers Agreement dated as of November 13, 1975, as amended (as amended, the “Joint Powers Agreement”), under which Silicon Valley Clean Water (the “Authority”) has been organized as a joint powers authority for the purpose of providing for the transmission, treatment and disposal of wastewater on behalf of the Members; and

WHEREAS, under the Joint Powers Agreement, the Authority owns and operates a sub-regional wastewater treatment plant and related conveyance facilities which serve the Members, and the Commission of the Authority has approved a Capital Improvement Program for the construction of improvements to such plant and facilities (the “Project”); and

WHEREAS, in order to provide financing for the portion of the costs of such improvements which are allocable to the City of Redwood City, the City of San Carlos, the City of Belmont and the West Bay Sanitary District, the Authority has previously issued multiple series of its revenue bonds and has entered into financing agreements with the California State Water Resources Control Board and other lending institutions; and

WHEREAS, in order to provide for financing and/or refinancing for the Project, the Authority has executed and delivered a loan agreement dated as of November 17, 2020 (the “2020 WIFIA Loan Agreement”) for a loan with the United States Environmental Protection Agency (the “EPA”), as WIFIA lender (the “WIFIA Lender”), under the authority of the Water Infrastructure Finance and Innovation Act (“WIFIA”); and

WHEREAS, in order to provide for additional financing and/or refinancing for the Project, the Authority has submitted a separate Application for Financial Assistance to the EPA for two loans (together, the “2021 WIFIA Loans”) to be made by the EPA, as WIFIA Lender, under the authority of WIFIA; and

WHEREAS, the Authority and the WIFIA Lender have negotiated the terms of the proposed 2021 WIFIA Loans which are set forth in the related WIFIA Term Sheet (together the “2021 WIFIA Term Sheets”) and the related WIFIA Loan Agreement (together, the “2021 WIFIA Loan Agreements”); and

WHEREAS, the Authority and the EPA are proposing to amend the 2020 WIFIA Loan Agreement in the form of the amendment to the 2020 WIFIA Loan Agreement (the “2020 WIFIA Loan Agreement Amendment”) to amend certain provisions thereto as required by the State Water Resources Control Board in connection with low-cost State Revolving Fund loans; and

WHEREAS, the Authority is authorized under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”) and the Joint Powers Agreement to enter into the 2020 WIFIA Loan Agreement Amendment, the 2021 WIFIA Loan Agreements and to pledge payments from the Members to secure the 2021 WIFIA Loan Agreements; and

WHEREAS, in order to provide interim financing for the Project, the Authority wishes to authorize the issuance and sale of notes prior to a draw under the 2021 WIFIA Loans under the provisions of the Bond Law; and

WHEREAS, the 2021 WIFIA Loans and the notes will be payable from revenues consisting primarily of payments made by the Members under Financing Agreements between the Authority and each of the Members; and

WHEREAS, the Commission wishes to take its action at this time authorizing the issuance and sale of the notes to provide interim financing prior to drawing on the 2021 WIFIA Loans, the execution and delivery of the 2021 WIFIA Term Sheets, the 2021 WIFIA Loan Agreements, the 2020 WIFIA Loan Agreement Amendment and approving related financing documents and official actions; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to 2021 WIFIA Loans and the notes is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of Silicon Valley Clean Water Authority as follows:

Section 1. Findings. The Authority finds and determines that all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and/or refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing and/or refinancing of the Project in the manner and upon the terms herein provided.

Section 2. Authorization of 2021 WIFIA Loans and Amendment to 2020 WIFIA Loan Agreement. The Commission hereby authorizes the delivery of the 2021 WIFIA Loans in accordance with the terms of the 2021 WIFIA Term Sheets and the 2021 WIFIA Loan Agreements, and the 2020 WIFIA Loan Agreement Amendment, which documents are authorized to be finalized and executed in accordance with Section 4 below; provided, however, that the 2021 WIFIA Term Sheets and 2021 WIFIA Loan Agreements shall only be executed if the total principal amount authorized to be drawn thereunder does not exceed \$145,000,000 (exclusive of capitalized interest).

Section 3. Authorization of Notes. The Commission hereby authorizes the issuance of the notes in one or more series under the Bond Law for the purpose of providing interim financing for the costs of the Project which are allocable to the Members, in the amount of not to exceed \$145,000,000 (exclusive of capitalized interest). The notes shall be issued under the Indenture of Trust which is approved pursuant to Section 4. The notes shall be executed by the manual or facsimile signature of the Chair, and shall be countersigned by the manual or facsimile signature of the Secretary or Secretary Pro Tem of the Authority in the form set forth in and otherwise in accordance with the Indenture.

Section 4. Approval of Financing Agreements. The Commission hereby approves each of the following agreements required for the execution and delivery of the 2021 WIFIA Term Sheets and the 2021 WIFIA Loan Agreements, the issuance and sale of the notes, the financing and/or refinancing of the Project, and the amendment to the 2020 WIFIA Loan Agreement in substantially the respective forms on file with the Office of the Manager and made available to the Commission, together with any changes therein or additions thereto deemed advisable by the Manager, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The Manager is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary or Secretary Pro Tem is hereby authorized and directed to attest the final form of each such agreement:

- 2021 WIFIA Term Sheets and 2021 WIFIA Loan Agreements each between the Authority and the WIFIA Lender setting forth the terms and provisions relating to the 2021 WIFIA Loans.
- Financing Agreement between the Authority and the City of San Carlos, which provides security for the obligations of the City of San Carlos in respect of the notes and the 2021 WIFIA Loans.
- Financing Agreement between the Authority and the City of Belmont, which provides security for the obligations of the City of Belmont in respect of the notes and the 2021 WIFIA Loans.
- Fifth Amendment to Financing Agreement between the Authority and the City of Redwood City, which, together with the Financing Agreement dated as of December 1, 2008 between the Authority and the City of Redwood City, as previously amended, provides security for the obligations of the City of Redwood City in respect of the notes and the 2021 WIFIA Loans.
- Fifth Amendment to Financing Agreement between the Authority and the West Bay Sanitary District, which, together with the Financing Agreement dated as of December 1, 2008 between the Authority and the West Bay Sanitary District, as previously amended, provides security for the obligations

of the West Bay Sanitary District in respect of the notes and the 2021 WIFIA Loans.

- Indenture of Trust between the Authority and Zions Bancorporation, National Association, as trustee, setting forth the terms and provisions relating to the notes.
- Continuing Disclosure Certificate pursuant to which the Authority will agree to provide updated financial information and certain enumerated events in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”).
- 2020 WIFIA Loan Agreement Amendment which amends certain provisions of the 2020 WIFIA Loan Agreement as required by the State Water Resources Control Board in connection with low-cost State Revolving Fund loans.
- Paying Agent Agreement which sets forth the provisions pursuant to which Zions Bancorporation, National Association agrees to act as paying agent for the 2021 WIFIA Loans.

Section 5. Municipal Bond Insurance. The Commission hereby directs the Manager to determine whether it is feasible and in the best interests of the Authority to obtain a policy of municipal bond insurance or debt reserve fund policy for the notes. If the Manager determines that such insurance is available and is in the best interests of the Authority, the Manager is authorized to accept a commitment from a municipal bond insurer to issue either or both of such policies, in the name and on behalf of the Authority.

Section 6. Sale of Notes. The Commission hereby approves the competitive public sale of the notes under Section 6591(f) of the Bond Law. The notes shall be sold upon the terms and conditions set forth in an Official Notice of Sale for each series of the notes in substantially the forms on file with the Office of the Manager and made available to the Commission, together with any changes therein or additions thereto deemed advisable by the Manager. The Commission hereby delegates to the Manager the authority to accept the winning bids for the purchase of the notes, which shall be determined in accordance with the provisions of each Official Notice of Sale.

Pursuant to Section 53692 of the Government Code of the State of California, the Commission hereby approves and authorizes the publication by Fieldman, Rolapp & Associates Inc., municipal advisor to the Authority, of a Notice of Intention to Sell Notes for each series of the notes in form and substance acceptable to Bond Counsel, in *The Bond Buyer* or such other financial publication in accordance with applicable law, once at least five days prior to the date fixed for receipt of bids.

Section 7. Official Statement. The preparation and distribution of the Preliminary Official Statement for the notes (excepting therefrom the information under the caption "PARTICIPATING MEMBERS," "CERTAIN PARTICIPATING MEMBER RISK FACTORS" and in Appendices A through D relating to the Members) (the "Authority Portion") in substantially the form on file with the Office of the Manager and made available to the Commission, is hereby approved, subject to final approval as to form by Bond Counsel. The Manager is hereby authorized to sign a certificate pursuant to Rule 15c2-12 relating to the Authority Portion of the Preliminary Official Statement, and is hereby authorized and directed to execute, approve and deliver the final Authority Portion of the Official Statement with such changes, insertions and omissions as may be approved by Bond Counsel, said officer's execution being conclusive evidence of such approval.

Section 8. Good Faith Estimates. The Commission acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A hereto and are available to the public at the meeting at which this Resolution is approved.

Section 9. Official Actions. The Chair, the Manager, the Secretary, Secretary Pro Tem, the Chief Financial Officer, general counsel to the Authority and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including any agreement for paying agent services, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or

countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 10. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

Regularly passed and adopted by the Commission of Silicon Valley Clean Water at a Regular Meeting thereof held on the 16th day of August, 2021, by the following vote:

AYES, and in favor of the passage and adoption of the foregoing resolution:

NOES, and against the passage and adoption of the foregoing resolution:

ABSENT:

ABSTAIN:

Alicia Aguirre, CHAIR
Silicon Valley Clean Water Commission

Attest: _____
Warren Lieberman, SECRETARY
Silicon Valley Clean Water Commission

EXHIBIT A

GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor to Silicon Valley Clean Water, as required under Section 5852.1 of the California Government Code (the "Code"). The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution. The following are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth below.

Wastewater Revenue Notes, Series 2021A

- (a) The true interest cost of the 2021A Notes is estimated at 0.83%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2021A Notes, including all fees and charges paid to third parties, is estimated at \$574,876.
- (c) Proceeds of the 2021A Notes allocated to the Authority for the sale of the 2021A Notes, including the estimated principal amount of the proposed 2021A Notes of \$68,900,000, plus the proposed premium of \$4,168,450, less the finance charges set forth in (b) above and capitalized interest fund of \$5,259,619, is equal to \$67,233,955 (estimated amount for the Project Fund).
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$68,900,000 (does not include interest payable from the capitalized interest fund referenced in section (c)).

Wastewater Revenue Notes, Series 2021B

- (a) The true interest cost of the 2021B Notes is estimated at 1.27%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2021B Notes, including all fees and charges paid to third parties, is estimated at \$612,249.
- (c) Proceeds of the 2021B Notes allocated to the Authority for the sale of the 2021B Notes, including the estimated principal amount of the proposed 2021B Notes of \$73,840,000, plus the proposed premium of \$6,034,204, less the finance charges set forth in (b) above and capitalized interest fund of \$10,087,505, is equal to \$69,174,450 (estimated amount for the Project Fund).

- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$73,840,000 (does not include interest payable from the capitalized interest fund referenced in section (c)).

RESCU WIFIA Loan

- (a) The true interest cost of the loan is estimated at 1.92%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the loan, including all fees and charges paid to third parties, is estimated at \$200,000 (inclusive of the application fee). The annual servicing fee, operation and construction period fees have not yet been determined.
- (c) Proceeds of the loan allocated to the Authority, including the estimated principal amount of the proposed loan of \$72,969,524, will be available to fund \$68,904,163 of eligible project costs and the applicable deferred interest. The finance charges set forth in (b) above are not included in the loan proceeds.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$101,761,612 (total of all payments the Authority will make to pay debt service on the loan plus the finance charges set forth in section (b) which are not paid from proceeds of the loan).

WWTP WIFIA Loan

- (a) The true interest cost of the loan is estimated at 1.92%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the loan, including all fees and charges paid to third parties, is estimated at \$53,680 (inclusive of the application fee). The annual servicing fee, operation and construction period fees have not yet been determined.
- (c) Proceeds of the loan allocated to the Authority, including the estimated principal amount of the proposed loan of \$78,197,039, will be available to fund \$73,840,436 of eligible project costs and the applicable deferred interest. The finance charges set forth in (b) above are not included in the loan proceeds.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$107,772,234 (total of all payments the Authority will make to pay debt service on the loan plus the finance charges set forth in section (b) which are not paid from proceeds of the loan).