

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
SPECIAL MEETING – Monday, December 13, 2021
8:00 a.m.**

THIS MEETING WILL BE HELD REMOTELY UNDER PARAGRAPH (1) OF SUBDIVISION (e) OF GOVERNMENT CODE SECTION 54953 DUE TO THE CURRENT PROCLAIMED STATE OF EMERGENCY. THIS MEETING WILL NOT HAVE A PHYSICAL LOCATION.

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. Instructions for addressing the Commission during public comment periods are provided below. 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.

5. SAFETY MOMENT and REPORTS

- A. Safety Moment.....pg. 7
- B. Manager's Report
 - 1. Upcoming Commission Actions.....pg. 10
- C. Financial Report
 - 1. Investment Report.....pg. 12
 - 2. Quarterly Investment Reportpg. 16
- D. Engineering Capital Projects Report.....pg. 67
- E. Commission Requested Staff-Level Action Items..... pg. 70
- F. RESCU Program Design-Build Project Status Update..... pg. 73

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 81)

8. BUSINESS ITEMS

- A. CONSIDERATION OF RESOLUTION APPROVING REMOTE COMMISSION MEETINGS UNDER GOVERNMENT CODE SECTION 54953 OF THE BROWN ACT DURING EMERGENCY CONDITIONS (pg. 91)

Proposed Action:

Move adoption of RESOLUTION MAKING FINDINGS AND DETERMINATIONS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE COMMISSION OF SILICON VALLEY CLEAN WATER UNDER GOVERNMENT CODE SECTION 54953 OF THE BROWN ACT DURING EXISTENCE OF STATE OF EMERGENCY CONDITIONS RELATED TO THE COVID-19 PANDEMIC

- B. CONSIDERATION OF MOTION APPROVING SVCW COMMISSION MEETING SCHEDULE FOR CALENDAR YEAR 2022 (pg. 95)

Proposed Action:

Move adoption of COMMISSION'S REGULAR MEETING SCHEDULE FOR CALENDAR YEAR 2022

- C. CONSIDERATION OF RESOLUTIONS APPROVING CONTRACT CHANGE ORDERS TO RESCU PROJECTS (CIP #6008, 9501, AND 9502) (pg. 98)

Proposed Action:

- i. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE GRAVITY PIPELINE PROJECT IN AN AMOUNT NOT TO EXCEED \$558,000.
 - ii. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE FRONT OF PLANT PROJECT IN AN AMOUNT NOT TO EXCEED \$2,250,000.
 - iii. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE PUMP STATIONS IMPROVMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$208,000.
- D. CONSIDERATION OF RESOLUTION APPROVING PROFESSIONAL SERVICES AGREEMENT WITH OPERATIONAL TECHNICAL SERVICES, LLC FOR TEMPORARY STAFFING (pg. 103)

Proposed Action:

Move adoption of RESOLUTION AUTHORIZING SVCW MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH OPERATIONAL TECHNICAL SERVICES, LLC

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 – November 15, 2021- Regular Meeting (pg. 81)

B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED OCTOBER 29, 2021, NOVEMBER 1, 2021, AND NOVEMBER 12, 2021, AND NECESSARY PAYMENTS THROUGH NOVEMBER 12, 2021 (pg. 86)

C. CONSIDERATION OF RESOLUTION APPROVING SVCW STANDARD CONTRACT DOCUMENTS, VERSION DECEMBER 2021 (pg. 88)

Proposed Action:

Move adoption of RESOLUTION APPROVING SVCW'S STANDARD LONG-FORM CONTRACT DOCUMENTS AND STANDARD SHORT-FORM CONTRACT DOCUMENTS - VERSIONS DECEMBER 2021

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, December 13, 2021

WEBSITE: [Link to access meeting](#)

MEETING ID: 965 853 36#

CALL IN PHONE NUMBER: +1 747-216-0281

You may log in via URL located on SVCW's website at <https://svcw.org/about/governance/commission-meetings>. You may view video during the meeting via live stream. An audio recording 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. Members of the public may provide public comments via the Teams platform by using the "raise hand" feature or, if calling in by phone, by unmuting and beginning to speak. In response to a "raised hand", SVCW will unmute the member of public and allow them to speak. In response to a phone request to speak, SVCW will ask what is the nature of the comment and will provide directions to follow to provide comment. Public comments will be limited to three minutes.

Public comment may also be made by emailing comments to commission@svcw.org up to two hours prior to the scheduled meeting time. 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.

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

ENJOY A SAFE HOLIDAY SEASON**Traveling for the Holidays? Be Prepared**

While many will choose to stay home this year, if you do travel, be sure your vehicle is in good running condition, get plenty of rest and be prepared for any emergency. Traveling by car during the holidays has the highest fatality rate of any major form of transportation based on fatalities per passenger mile.

- [Prepare your car for winter](#) and keep an [emergency kit](#) with you
- Get a good night's sleep before departing and avoid [drowsy driving](#)
- Leave early, planning ahead for heavy traffic
- Make sure every person in the vehicle is properly buckled up no matter how long or short the distance traveled
- Put that cell phone away; [many distractions occur while driving](#), but cell phones are the main culprit
- Practice defensive driving
- Designate a sober driver to ensure guests make it home safely after a holiday party; [alcohol, OTC](#), prescription, and illegal drugs can cause impairment

Decorate Safely

Decorating is one of the best ways to get in a holiday mood, but emergency rooms see thousands of injuries involving holiday decorating every season.

- Keep potentially poisonous plants – mistletoe, holly berries, Jerusalem cherry and amaryllis – away from children
- If using an artificial tree, check that it is labeled “fire resistant”
- If using a live tree, cut off about 2 inches of the trunk to expose fresh wood for better water absorption, remember to water it and remove it from your home when it is dry
- Place your tree at least 3 feet away from fireplaces, radiators and other heat sources, making certain not to block doorways
- Avoid placing breakable ornaments or ones with small, detachable parts on lower tree branches where small children can reach them
- Only use indoor lights indoors and outdoor lights outdoors, and [choose the right ladder](#) for the task when hanging lights
- Replace light sets that have broken or cracked sockets, frayed or bare wires, or loose connections
- Follow the package directions on the number of light sets that can be plugged into one socket
- Never nail, tack or stress wiring when hanging lights and keep plugs off the ground away from puddles and snow
- Turn off all lights and decorations when you go to bed or leave the house

Watch Out for Fire Starters – Candles & Fireplaces

Use of candles and fireplaces, combined with an increase in the amount of combustible, seasonal decorations in many homes during the holidays, means more

risk for fire. The [National Fire Protection Association](#) reports that one-third of home decoration fires are started by candles and that two of every five decoration fires happen because the decorations are placed too close to a heat source.

- Place candles where they cannot be knocked down or blown over and out of reach of children.
- Keep matches and lighters up high and out of reach for children in a locked cabinet.
- Use flameless, rather than lighted, candles near flammable objects.
- Don't burn trees, wreaths or wrapping paper in the fireplace.
- Use a screen on the fireplace at all times when a fire is burning.
- Never leave candles or fireplaces burning unattended or when you are asleep.
- Check and clean the chimney and fireplace area at least once a year.

It's Better to Give Safely



Gifts and toys should inspire joy, not cause injuries. More than a quarter of a million children were seriously injured in toy-related incidents in 2017. Avoid safety hazards while gifting with these tips from the [U.S. Consumer Product Safety Commission](#):

- Toys are age-rated for safety, not for children's intellect and physical ability, so be sure to choose toys in the correct age range
- Choose toys for children under 3 that do not have small parts which could be choking hazards
- For children under 10, avoid toys that must be plugged into an electrical outlet
- Be cautious about toys that have [button batteries or magnets](#), which can be harmful or fatal if swallowed
- When giving scooters and other riding toys, give the gift of appropriate safety gear, too; helmets should be worn at all times and sized to fit

AGENDA ITEM 5B

Recurring and Upcoming 2021 Commission Actions
Updated for December 2021 Meeting

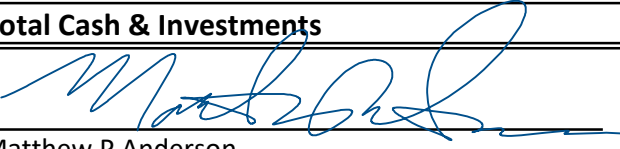
January	February	March	April
<ul style="list-style-type: none"> Review Investment Policy CIP Update (annual or biennial) 	<ul style="list-style-type: none"> Long Range Financial Plan (typically in January) 	<ul style="list-style-type: none"> Budget Workshop Line of Credit Renewal Conflict of Interest 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 Local Limits Public Hearing 	<ul style="list-style-type: none"> Local Limits Adoption 	<ul style="list-style-type: none"> Audited Financial Report 	<ul style="list-style-type: none"> Commission Meeting schedule for following year Specifications Update (annual or biennial)

 - Recurring Commission Actions
 - Upcoming Commission Actions

AGENDA ITEM 5C1

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

Description	Market Value	% of Total Holdings	Yield
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,774,078	1.79%	0.92%
Operating Reserve - Money Market Fund Balance	89,687	0.04%	0.02%
CIP Reserve* - Securities	18,589,063	8.83%	1.69%
CIP Reserve - Money Market Fund Balance	314,097	0.15%	0.02%
Stage 2 Capacity Reserve* - Securities	14,820,810	7.04%	1.65%
Stage 2 Capacity Reserve - Money Market Fund Balance	81,222	0.04%	0.02%
Total Market Value: Operating and Reserve Accounts	\$ 37,668,957	17.9%	1.58%
Total Accrued Interest: Operating and Reserve Accounts	140,481		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 37,809,438		
<u>Trustee Accounts:</u>			
2018 Bond Project Fund Account - CAMP	\$ 9,840,207	4.67%	0.05%
2018 Bond Revenue Account	5,044	0.00%	0.01%
2019A Notes WIFIA - Money Market Fund	1,580,210	0.75%	0.01%
2019A Notes Capitalized Interest Account* - Securities	15,664,726	7.44%	2.15%
2019A Notes Capitalized Interest Account - Money Market Fund	9,414	0.00%	0.01%
2021 Refunding Bonds Revenue Account	61,216	0.03%	0.01%
2021 Refunding Bonds Interest Account	0	0.00%	0.01%
2021A Notes (RESCU) Securities	68,218,793	32.41%	0.01%
2021B Notes (WWTP) Securities	71,785,028	34.10%	0.67%
2021 Notes Capitalized Interest Account Securities	2,051,418	0.97%	0.01%
2021 Notes Cost of Issuance Account	74,417	0.04%	0.01%
Total Market Value, Trustee Accounts	\$ 169,290,474	80.42%	0.49%
Accrued Interest:	181,471		
Operating Cash (includes outstanding checks)	3,325,521	1.58%	0.00%
Local Agency Investment Funds (LAIF) Balance	210,428	0.10%	0.20%
Total Cash & Investments	\$ 210,817,332	100.00%	0.68%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

11/16/2021

Date

* Monthly report of security transactions and interest available upon request

**Project funds recently deposited; not yet invested by month end

Silicon Valley Clean Water
Operating and Reserve Funds - Sector Allocation & Compliance October 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	\$ 1,467,547	\$ 7,855,402	\$ 6,504,965	\$ 15,827,914	42%	100%	✓	2.1%
Supranationals	355,117	-	-	355,117	1%	15%	✓	0.1%
Federal Agency/GSE	932,680	2,452,822	1,820,670	5,206,171	14%	100%	✓	(1.0%)
Federal Agency/CMBS	-	545,572	374,650	920,221	2%	100%	✓	2.0%
Federal Agency CMO	-	1,268,515	939,165	2,207,680	6%	100%	✓	(3.3%)
Federal Agency MBS	-	1,683,176	1,404,989	3,088,165	8%	100%	✓	2.1%
Municipal	-	912,250	738,770	1,651,020	4%	30%	✓	(0.4%)
Corporate Notes	644,593	3,458,837	2,724,499	6,827,929	18%	30%	✓	(0.4%)
Asset-Backed Securities	374,141	412,489	313,104	1,099,734	3%	10%	✓	0.1%
Securities Sub-Total	3,774,078	18,589,063	14,820,810	37,183,951	99%			
Accrued Interest	6,971	73,975	59,534	140,481				
Securities Total	3,781,049	18,663,039	14,880,345	37,324,432				
Money Market Fund	89,687	314,097	81,222	485,006	1%	20%	✓	(2.1%)
Total Investments	\$ 3,870,736	\$ 18,977,136	\$ 14,961,566	\$ 37,809,438	100%			
<i>As % of 6/30/22 Target:</i>	<i>100.6%</i>	<i>92.1%</i>	<i>100.0%</i>	<i>95.9%</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



December 13, 2021

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update for Quarter Ended September, 2021

This item presents a quarterly update from PFM Asset Management LLC (PFMAM) regarding the investment performance of SVCW Cash Reserves portfolio for the quarter ended September 30, 2021. Monique Spyke from PFMAM will join the Commission meeting to respond to any questions. Highlights include:

Market Update:

- COVID-10 continues to overshadow the economic and market landscape.
 - Economic activity and consumer sentiment declined with increase in covid cases
- Federal Reserve continues accommodative monetary policy but intends to reduce support:
 - Suggested a moderation in asset purchases
 - Signaled an increase to overnight federal funds rate in 2022
- Inflation continues to be persistent with CPI reaching 5.3% during the quarter
- Job market continues to perform well with Q3 unemployment at 4.6%.

SVCW Investment Program:

- As of quarter end the Authority had over \$37.2 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 (*net of management fees) demonstrate value of longer investment horizon

Reserve Fund	Market Value (\$M)	Yield at Cost	Quarterly Return*	1-Year Returns*	Since Inception*	Benchmark (Inception)
Operating Reserve	\$3.77	0.96%	0.06%	0.05%	1.76%	1.78%
CIP Reserve	\$18.66	1.67%	-0.04%	-0.61%	2.54%	2.21%
Stage 2 Reserve	\$14.87	1.64%	-0.03%	-0.64%	2.59%	2.21%

Outlook:

- The economic recovery remains fragile as COVID-19 variants complicate growth prospects.
- Federal Open Market Committee guidance has set the expectation that portions of its policy accommodations will soon be reduced.
- Despite recent yield curve steepening, yields remain historically low on an absolute basis.
- Low yields and narrow yield spreads between sectors presents challenging investment environment.
- In such an environment diligence remains important, therefore we will:
 - Seek to enhance the diversification of the portfolio by sector, industry, and issuer, and
 - Remain duration neutral



SILICON VALLEY CLEAN WATER

Investment Performance Review For the Quarter Ended September 30, 2021

Client Management Team

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

PFM Asset Management LLC

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

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

Agenda

- Market Update
- Account Summary
- Portfolio Review

Market Update

Current Market Themes



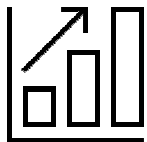
- COVID-19 continues to overshadow the economic and market landscape



- The U.S. economy is characterized by:
 - Continued recovery aided by supportive monetary policy
 - Potentially stagnating labor market growth
 - Heightened inflationary pressures



- Federal Reserve is contemplating the end of unprecedented support
 - Near-term tapering of asset purchases
 - Fed Funds Rate hike now seen possible in late 2022
 - Significant turnover of FOMC leadership

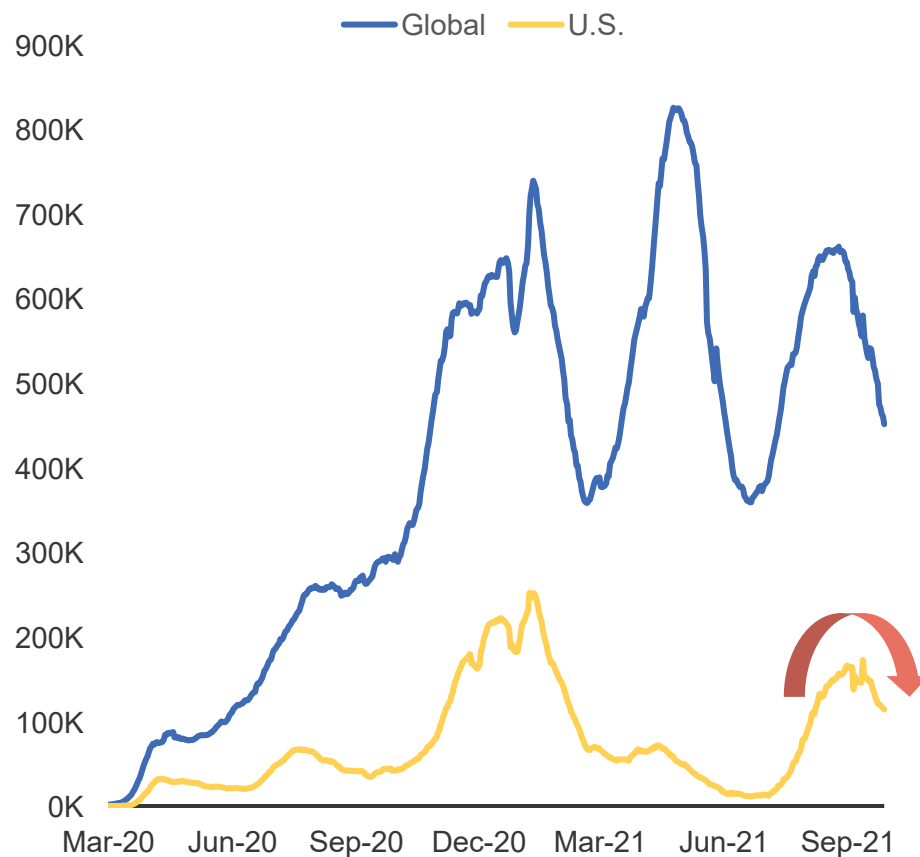


- Fixed income market reacting to changing market dynamics
 - Short-term yields anchored by Fed rate policy
 - Long-term yields rising due to inflationary pressures and tapering

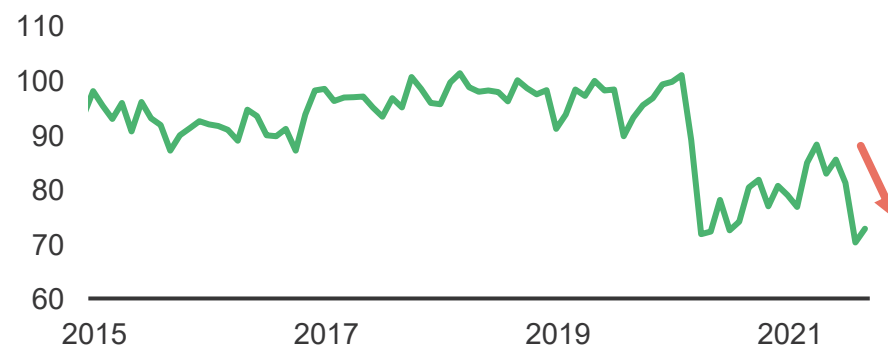
As COVID Goes, So Goes the Economy

U.S. New Cases Reported Daily

7-Day Moving Average

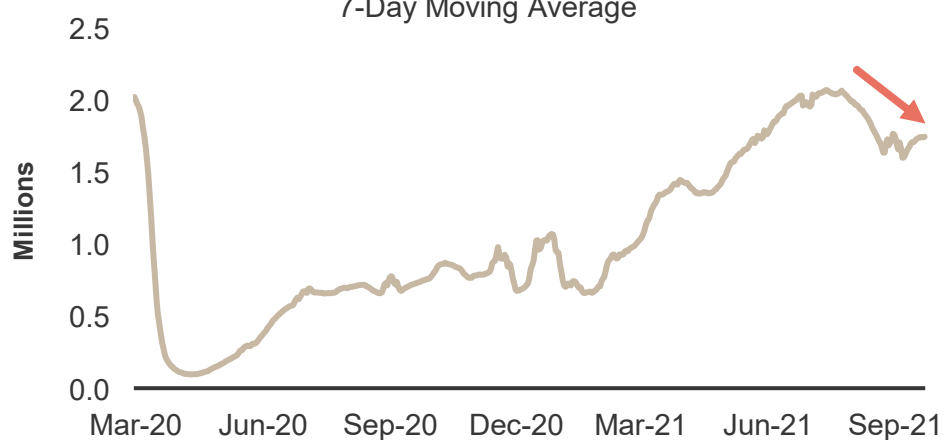


University of Michigan Consumer Sentiment Index



TSA Checkpoint Travel Numbers

7-Day Moving Average

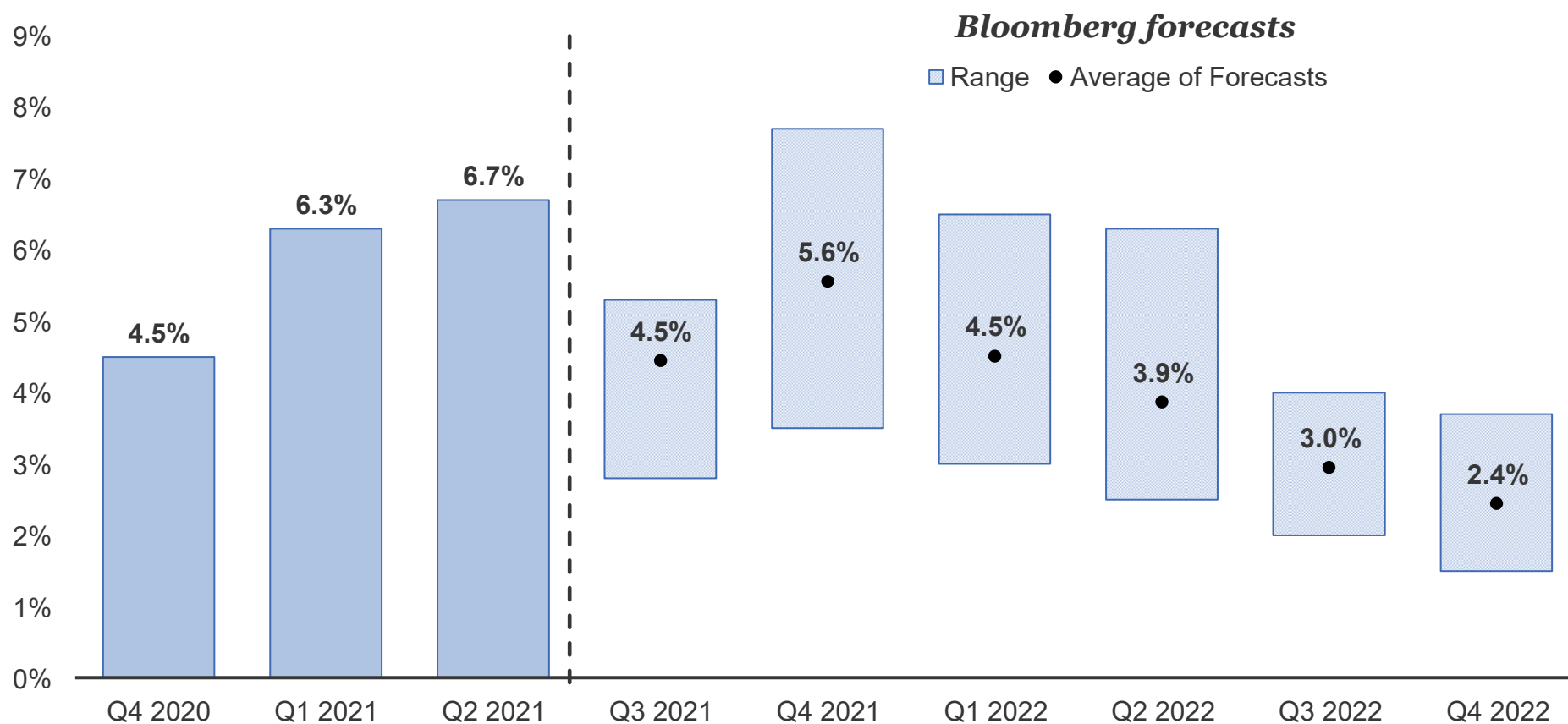


Source: John Hopkins University Coronavirus Resource Center, PFM calculations (left); Bloomberg (top right, bottom right) as of 9/30/2021.

U.S. Economic Growth Expected to Moderate, but Uncertainty Is High

U.S. GDP Forecasts

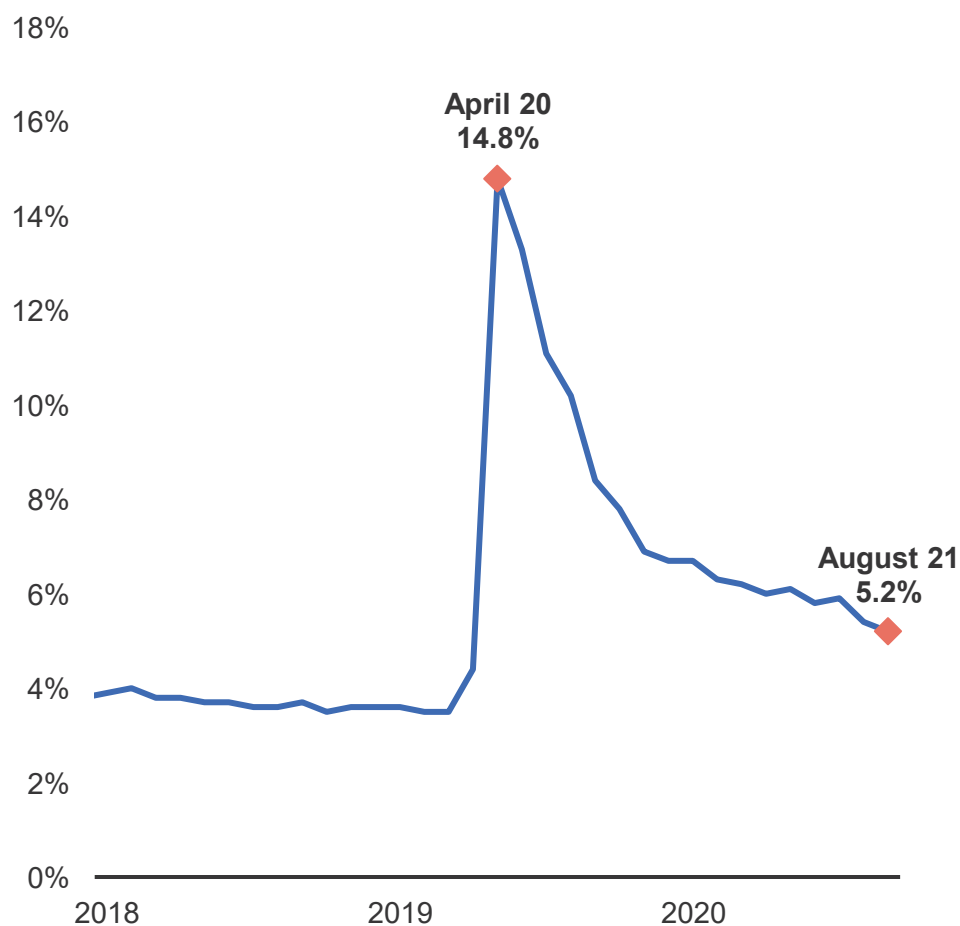
Annualized Rate



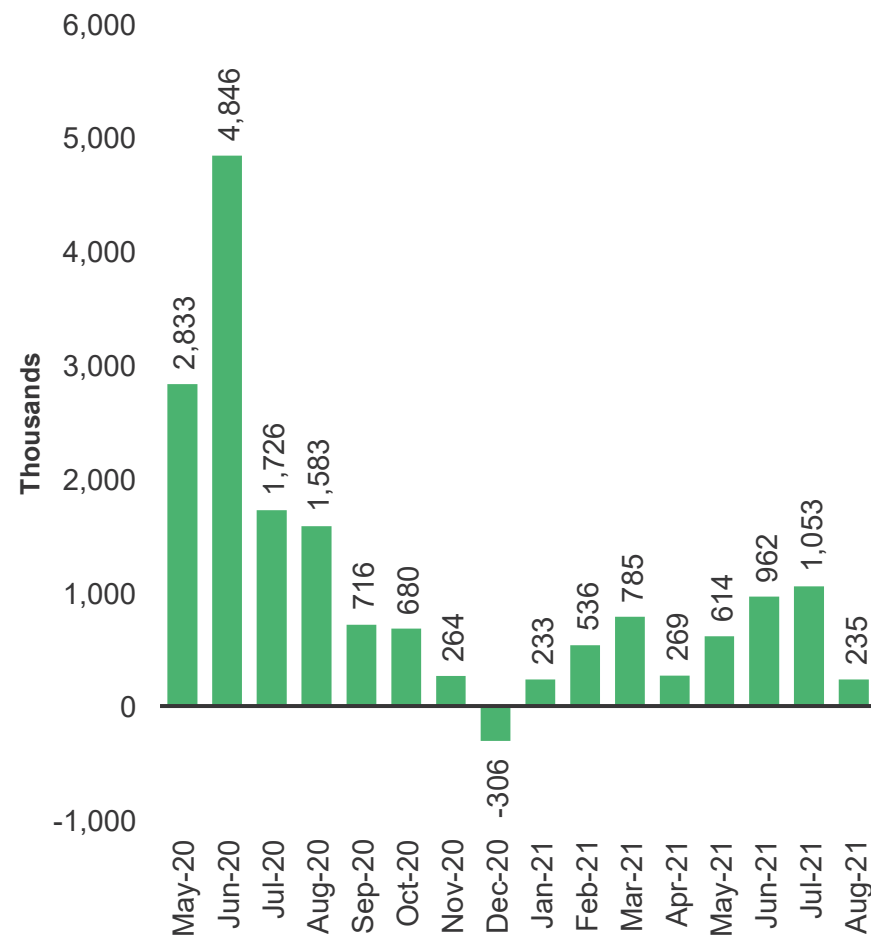
Source: Bloomberg, as of September 2021. Forecasts by Goldman Sachs Group, Deutsche Bank, ING Group, JPMorgan Chase, BMO Capital, Barclays, UBS, Morgan Stanley, and Wells Fargo.

U.S. Hiring Slowed in August as New Covid-19 Cases Impede Job Gains

Unemployment Rate



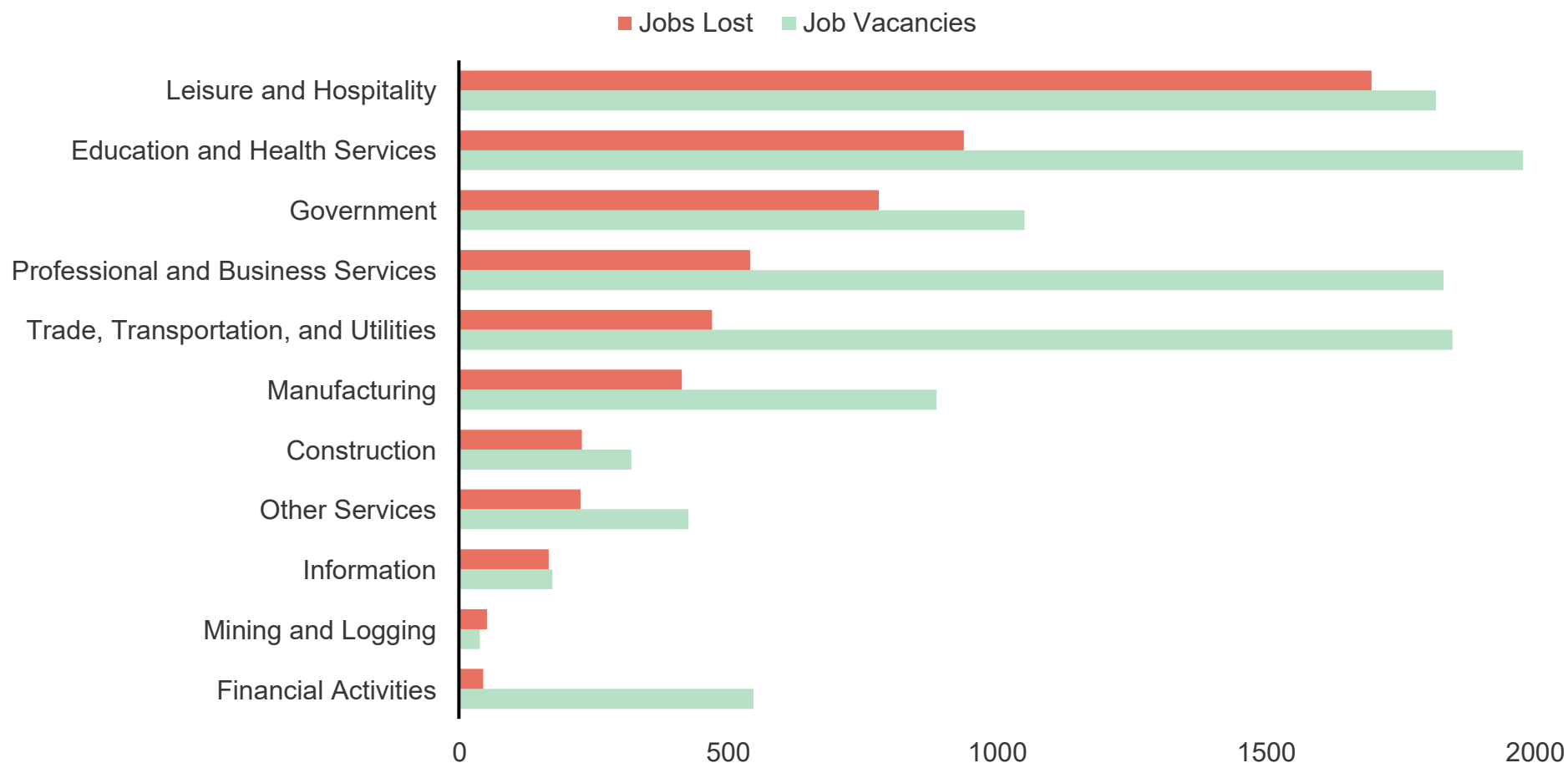
Monthly Change In Nonfarm Payrolls



Source: Bloomberg, as of September 2021. Data is seasonally adjusted.

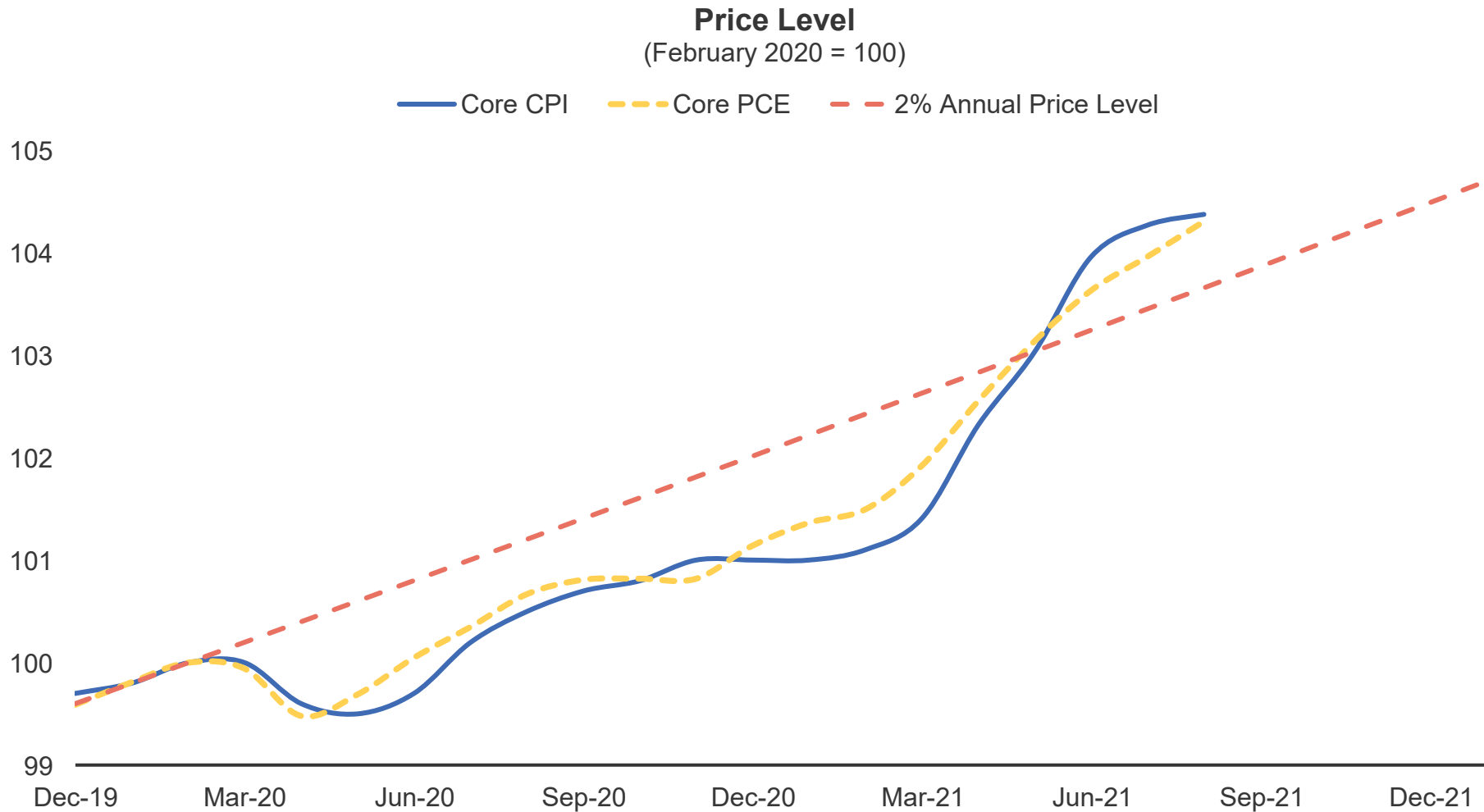
Labor Shortages Are More Dramatic in Select Industries

Jobs Lost to the Pandemic vs. Current Job Openings (in '000s)



Source: Bureau of Labor Statistics, PFM calculations; as of 9/30/2021. Jobs Lost represents a change in payroll employment numbers from February 2020 to July 2021.

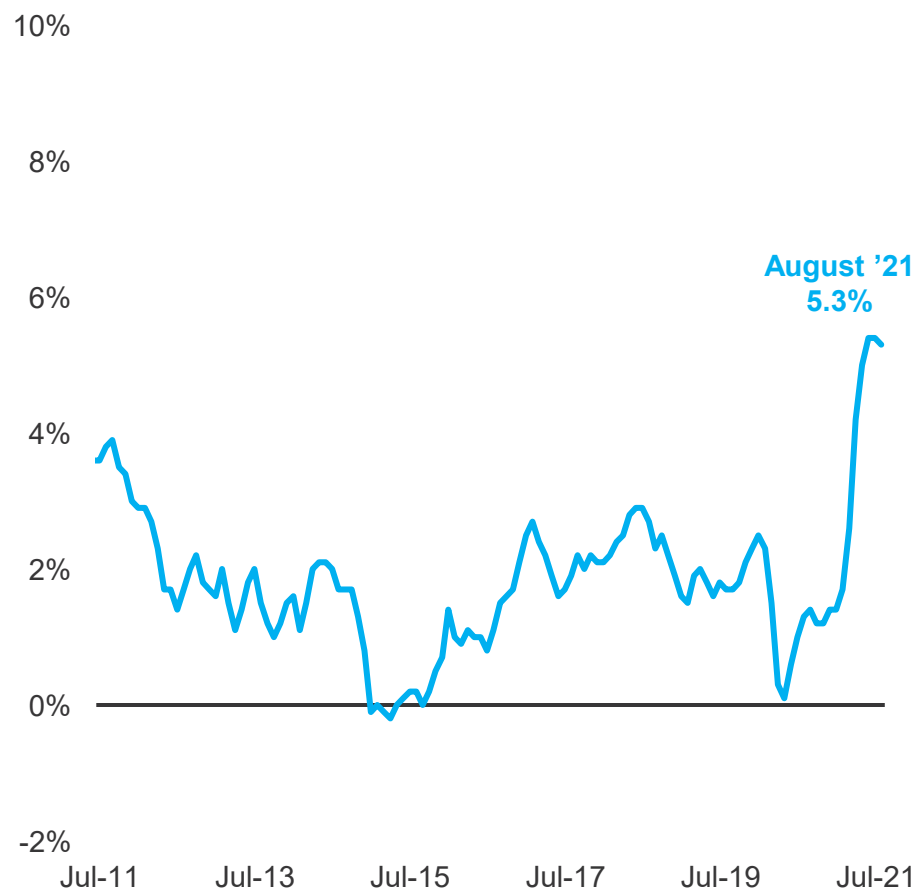
Inflation Indicators Surpass Pre-Covid Trend



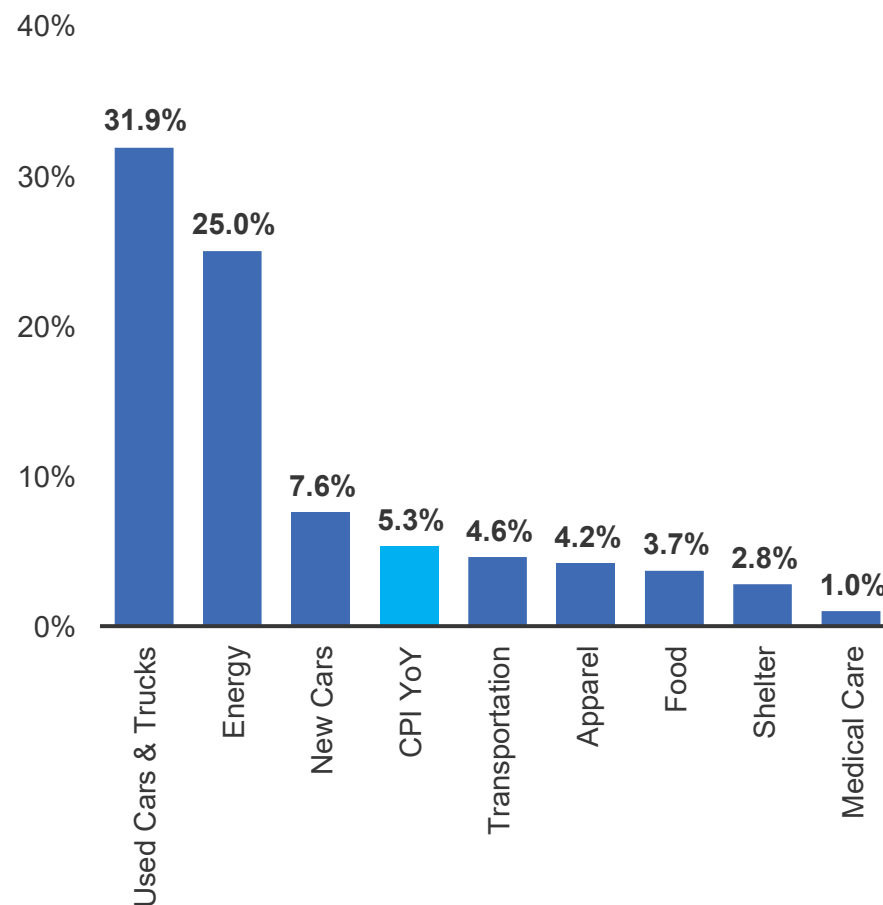
Source: Bloomberg, as of 9/30/2021.

Consumer Prices High; Investors Still Appear to Believe It Is Transitory

Consumer Price Index
% Change YoY



Key Consumer Price Index Components
% Change YoY



Source: Bloomberg, as of September 2021.

FOMC Acknowledges Economic Progress, Queues Up Taper

September

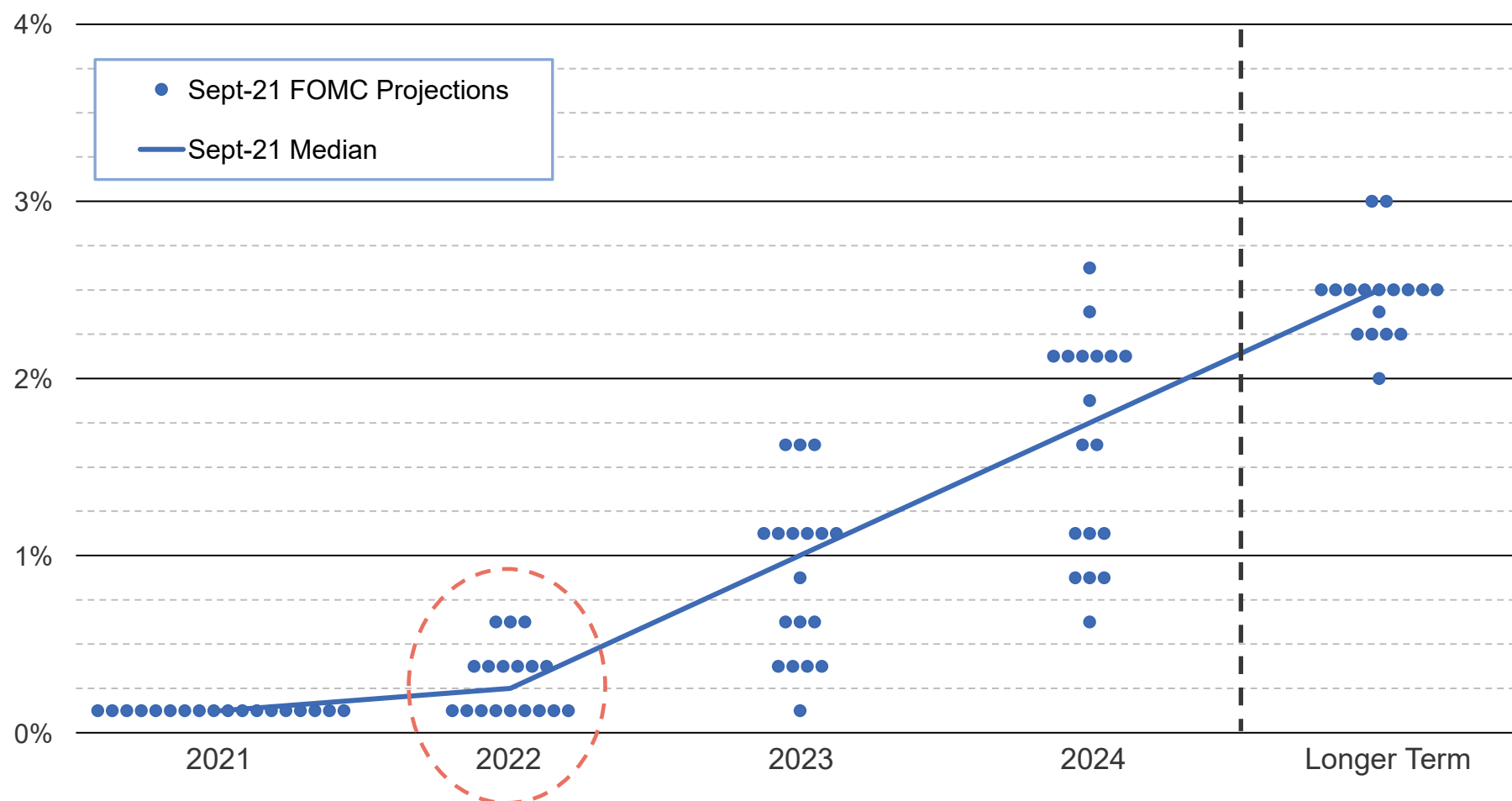
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- With progress on vaccinations and strong policy support, ***indicators of economic activity and employment have continued to strengthen***. The sectors most adversely affected by the pandemic have improved in recent months, but the rise in COVID-19 cases has slowed their recovery.
 - ***Inflation is elevated, largely reflecting transitory factors***. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
 - The path of the economy ***continues to depend on the course of the virus***.
-
- The Committee ***decided to keep the target range for the federal funds rate at 0 to 1/4 percent*** and expects it will be appropriate to maintain this target range ***until*** labor market conditions have reached levels consistent with the Committee's assessments of ***maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time***.
 - Last December, the Committee indicated it would continue to increase its holdings of Treasury ... and of agency mortgage-backed securities...until substantial further progress has been made toward its maximum employment and price stability goals. Since then, the economy has made progress toward these goals. ***If progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted***.

Source: Federal Reserve.

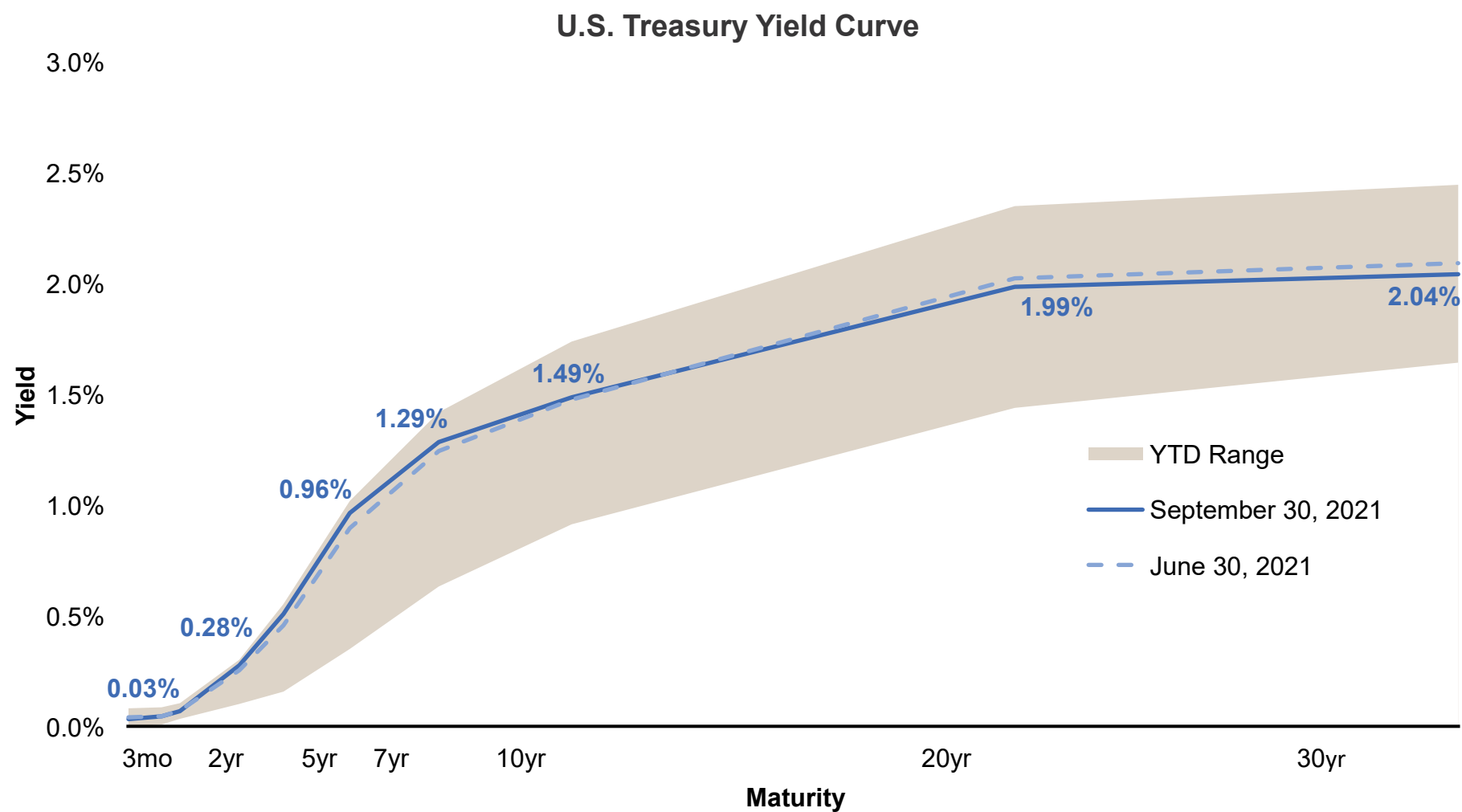
Fed's September "Dot Plot" Signals Rate Liftoff in 2022

Fed Participants' Assessments of "Appropriate" Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

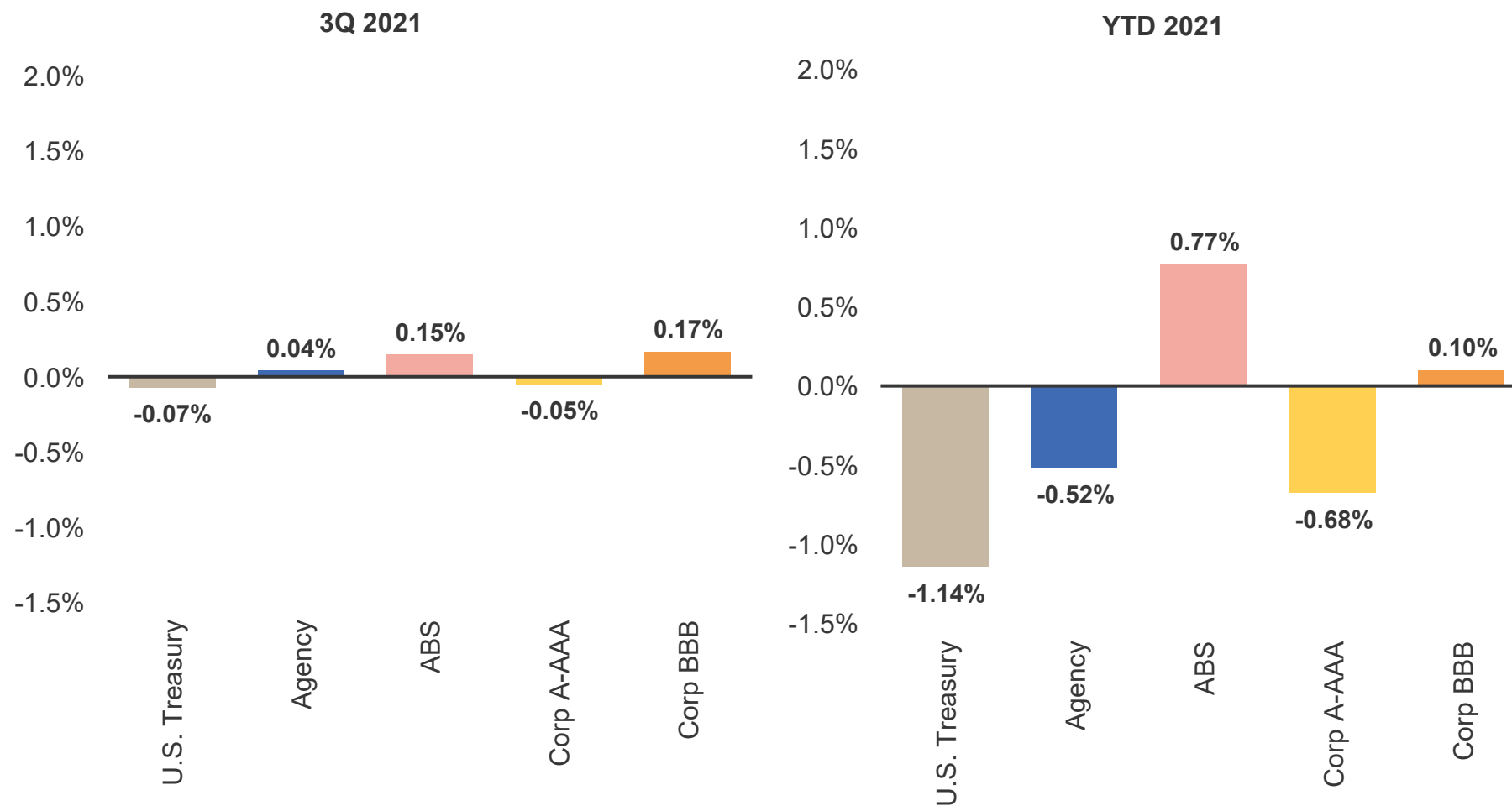
Despite Volatility, Yields Changed Little Quarter-Over-Quarter



Source: Bloomberg, as of 9/30/2021.

Long-Duration Strategies Mostly Underperform Year-to-Date

1-10 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-10 year, based on weighted average life. As of 9/30/2021.

Fixed Income Sector Outlook – Third Quarter 2021

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Fixed Income Sector Commentary – Third Quarter 2021

- ◆ **U.S. Treasury** bills were under pressure near the end of the quarter from debt ceiling concerns. Short-term yields remain range-bound due to Fed policy, while longer-term yields have climbed due to changing policy and economic expectations, offering extension and roll-down opportunities.
- ◆ **Federal Agency/GSE** securities offer essentially zero additional yield benefit against Treasury securities out to seven years. There is little room for further spread narrowing.
- ◆ **Supranational** debt issuance increased during the quarter, widening spreads, and creating good investment opportunities.
- ◆ **Corporate Notes** have benefited from economic tailwinds, strong profits, improving credit fundamentals, and supportive global monetary policy. Overall, valuations remain rich and spreads have narrowed, approaching June tights.
- ◆ **Asset-Backed Securities** issuance has picked up ahead of forecasts. Collateral performance continues to be strong and yield spreads remain narrow. Shorter tranches offer good relative value.
- ◆ **Mortgage-Backed Securities** have experienced some spread widening, especially in lower coupon issues where collateral is most susceptible to rising Treasury yields.
- ◆ **Taxable Municipal** yield spreads narrowed as issuance slowed. Short maturities are especially tight. Proposed legislation that would again permit advance refundings could shift issuance to tax-exempts.
- ◆ **Commercial Paper and CD** rates have remained range-bound and near historical lows. Value can selectively be found in longer maturities, although rates remain anchored by Fed rate policy which is not expected to change in the near term.

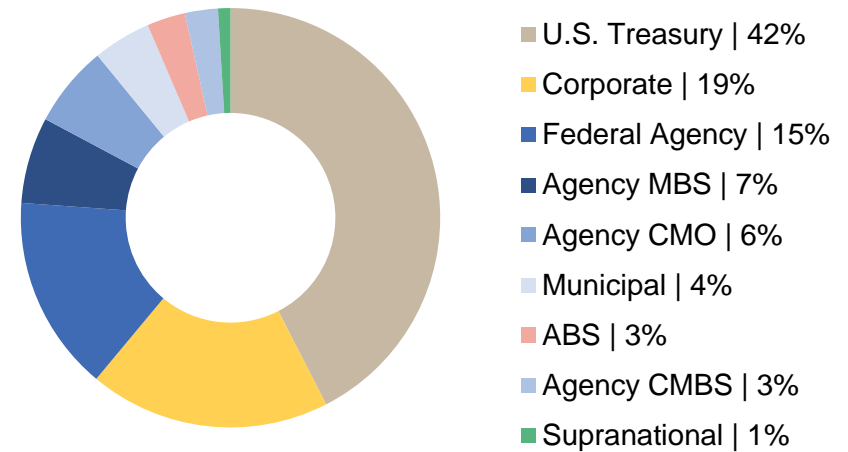
Account Summary

Consolidated Summary

Account Summary¹

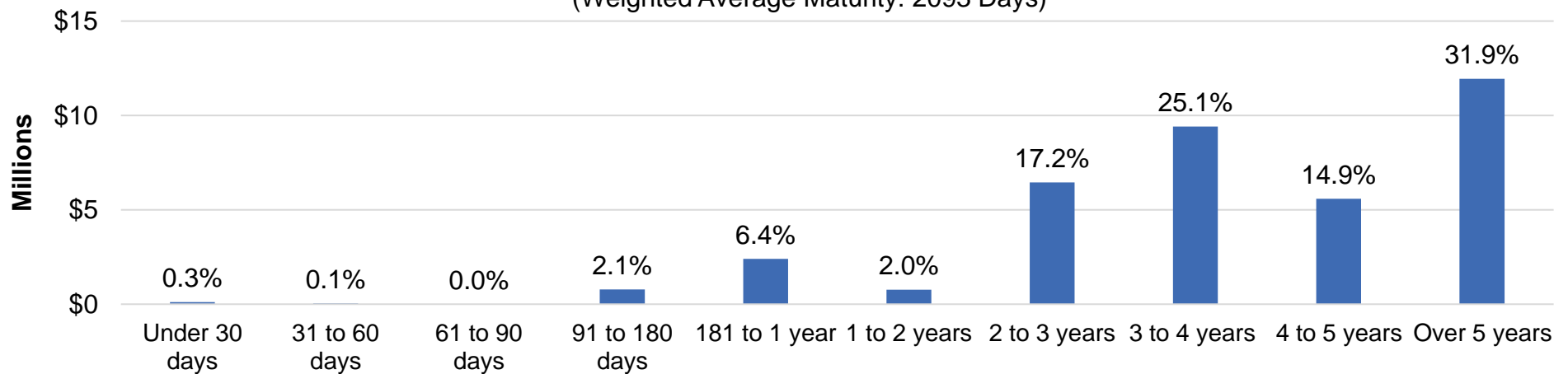
PFM Managed Account	\$37,295,313.71
Total Program	\$37,295,313.71

Sector Allocation



Maturity Distribution

(Weighted Average Maturity: 2093 Days)



1. Market values exclude accrued interest, as of September 30, 2021.

Account Summary

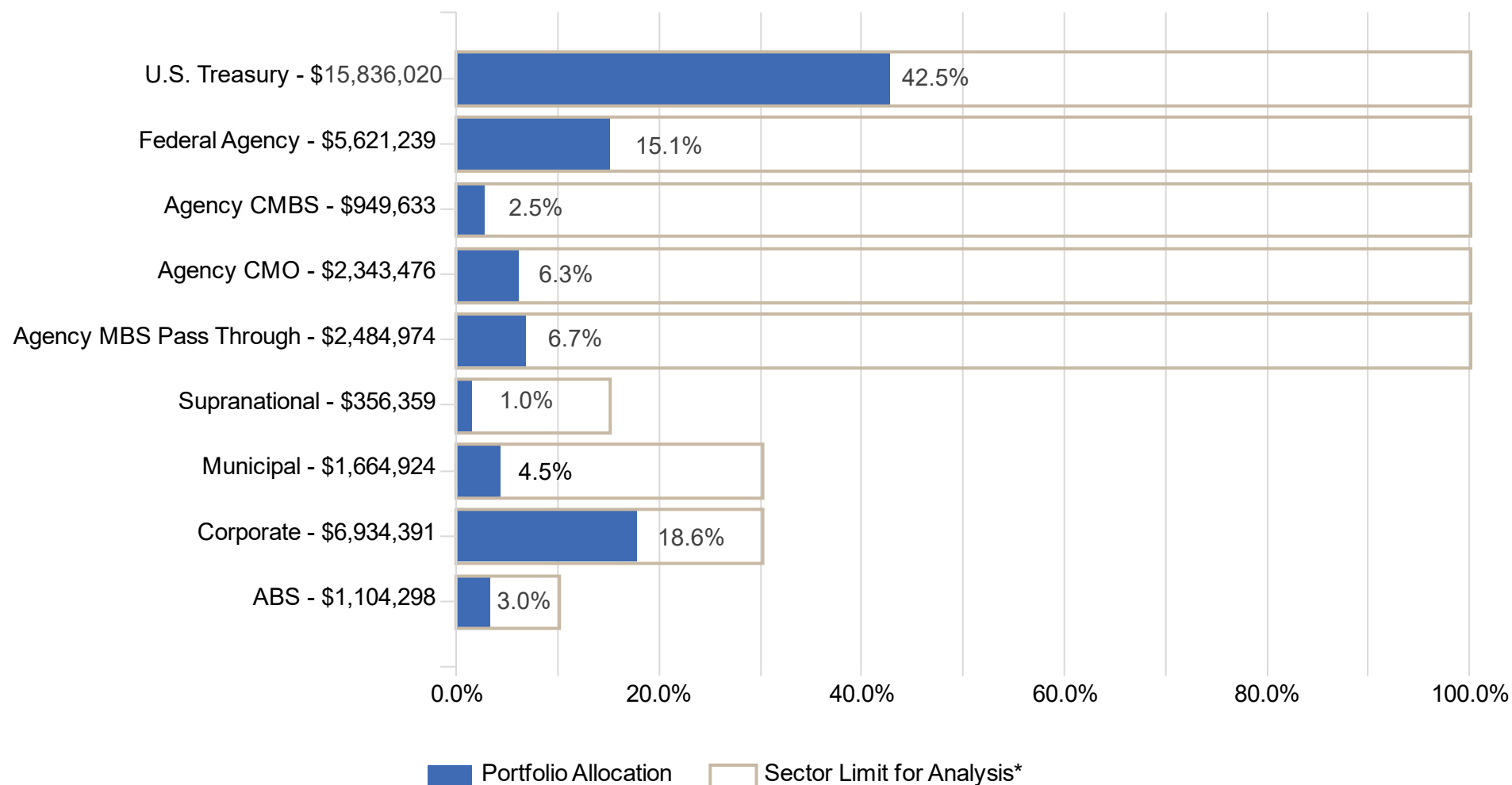
SVCW - OPERATING RESERVE FUND			
Portfolio Values	September 30, 2021	Analytics ¹	September 30, 2021
PFM Managed Account	\$3,771,651	Yield at Market	0.37%
Amortized Cost	\$3,740,756	Yield on Cost	0.96%
Market Value	\$3,771,651	Portfolio Duration	1.72
Accrued Interest	\$12,822		

SVCW - CIP RESERVE FUND			
Portfolio Values	September 30, 2021	Analytics ¹	September 30, 2021
PFM Managed Account	\$18,657,158	Yield at Market	1.09%
Amortized Cost	\$18,354,565	Yield on Cost	1.67%
Market Value	\$18,657,158	Portfolio Duration	3.74
Accrued Interest	\$87,364		

SVCW - STAGE 2 CAPACITY RES FUND			
Portfolio Values	September 30, 2021	Analytics ¹	September 30, 2021
PFM Managed Account	\$14,866,505	Yield at Market	1.09%
Amortized Cost	\$14,643,152	Yield on Cost	1.64%
Market Value	\$14,866,505	Portfolio Duration	3.75
Accrued Interest	\$62,151		

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s).

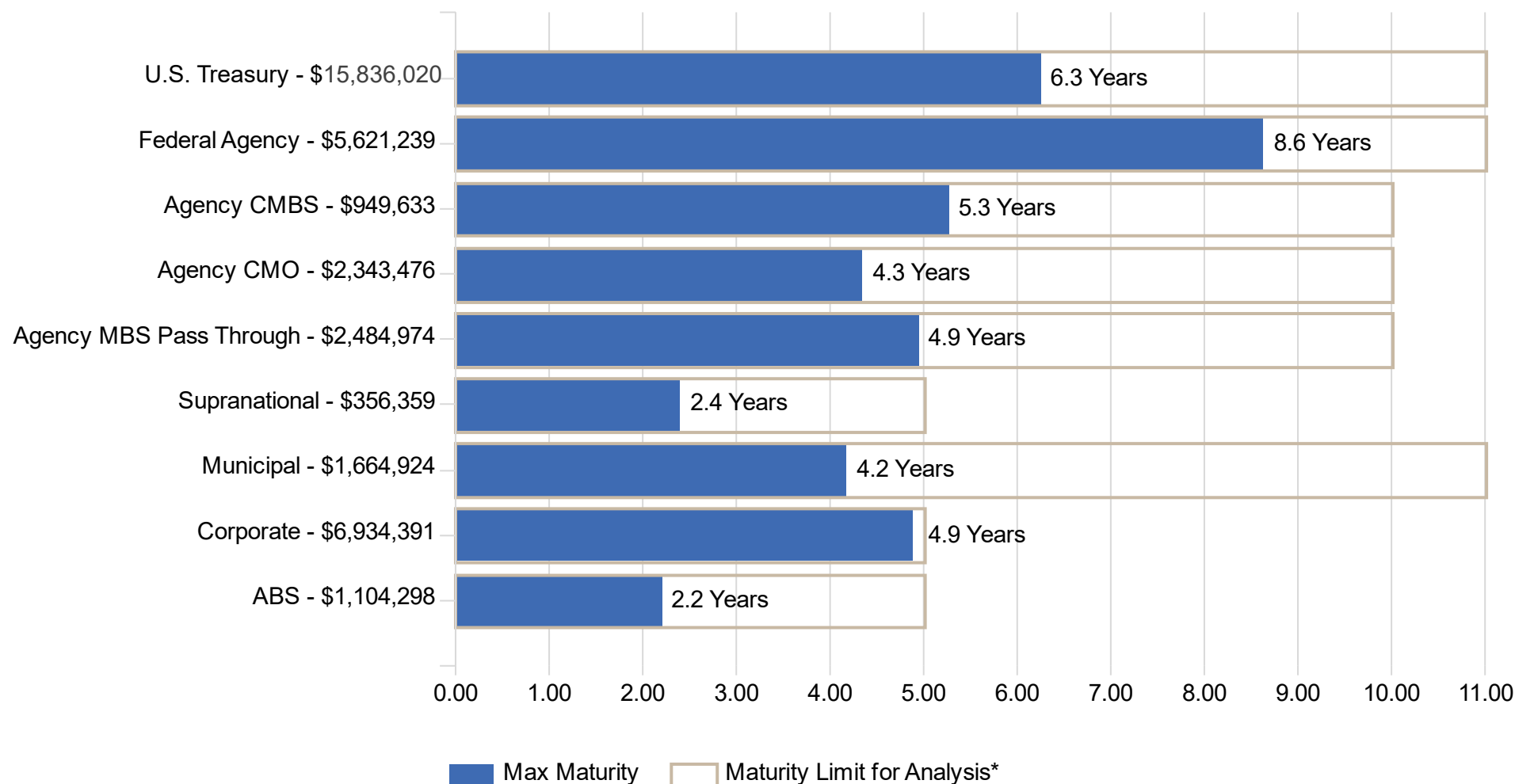
Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Excludes balances invested in overnight funds.

*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.

Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	42.5%	
UNITED STATES TREASURY	42.5%	AA / Aaa / AAA
Federal Agency	15.1%	
FANNIE MAE	7.2%	AA / Aaa / AAA
FEDERAL FARM CREDIT BANKS	2.5%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	1.6%	AA / Aaa / NR
FREDDIE MAC	3.5%	AA / Aaa / AAA
TENNESSEE VALLEY AUTHORITY	0.3%	AA / Aaa / AAA
Agency CMBS	2.5%	
FANNIE MAE	0.7%	AA / Aaa / AAA
FREDDIE MAC	1.8%	AA / Aaa / AAA
Agency CMO	6.3%	
FANNIE MAE	3.8%	AA / Aaa / AAA
FREDDIE MAC	2.5%	AA / Aaa / AAA
Agency MBS Pass Through	6.7%	
FANNIE MAE	6.7%	AA / Aaa / AAA
Supranational	1.0%	
INTER-AMERICAN DEVELOPMENT BANK	0.6%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	0.3%	AAA / Aaa / AAA
Municipal	4.5%	
CALIFORNIA DEPARTMENT OF WATER RESOURCES	0.9%	AAA / Aa / NR
CALIFORNIA STATE UNIVERSITY	0.2%	AA / Aa / NR
FLORIDA STATE BOARD OF ADMIN FIN CORP	0.9%	AA / Aa / AA
NEW YORK ST URBAN DEVELOPMENT CORP	0.8%	AA / NR / AA
SAN JUAN UNIFIED SCHOOL DISTRICT	0.4%	NR / Aa / NR
SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT	0.9%	AA / Aa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Municipal	4.5%	
STATE OF CONNECTICUT	0.4%	A / Aa / AA
Corporate	18.6%	
AMAZON.COM INC	0.6%	AA / A / AA
AMERICAN EXPRESS CO	0.9%	BBB / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / NR
APPLE INC	0.8%	AA / Aa / NR
ASTRAZENECA PLC	0.6%	A / A / NR
BANK OF AMERICA CO	1.0%	A / A / AA
BMW FINANCIAL SERVICES NA LLC	0.6%	A / A / NR
CATERPILLAR INC	0.9%	A / A / A
CHARLES SCHWAB	0.0%	A / A / A
CHEVRON CORPORATION	0.2%	AA / Aa / NR
CITIGROUP INC	0.9%	BBB / A / A
DEERE & COMPANY	0.1%	A / A / A
EXXON MOBIL CORP	0.0%	AA / Aa / NR
GOLDMAN SACHS GROUP INC	0.9%	BBB / A / A
JP MORGAN CHASE & CO	1.6%	BBB / A / A
MORGAN STANLEY	0.9%	BBB / A / A
PACCAR FINANCIAL CORP	0.1%	A / A / NR
PEPSICO INC	0.1%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.9%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.4%	A / A / AA
THE WALT DISNEY CORPORATION	0.8%	BBB / A / A
TOYOTA MOTOR CORP	1.7%	A / A / A
TRUIST FIN CORP	0.8%	A / A / A
UNITEDHEALTH GROUP INC	0.6%	A / A / A

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	18.6%	
US BANCORP	1.1%	A / A / A
WASTE MANAGEMENT INC	0.1%	A / Baa / BBB
ABS	3.0%	
BMW FINANCIAL SERVICES NA LLC	0.0%	AAA / Aaa / NR
CARMAX AUTO OWNER TRUST	0.5%	AAA / NR / AAA
FORD CREDIT AUTO LEASE TRUST	0.1%	NR / Aaa / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.4%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.3%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.4%	AAA / NR / AAA
Toyota Lease Owner Trust	0.2%	AAA / Aaa / NR
TOYOTA MOTOR CORP	1.0%	AAA / NR / AAA
VERIZON OWNER TRUST	0.1%	NR / Aaa / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Certificate of Compliance

During the reporting period for the quarter ended September 30, 2021, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

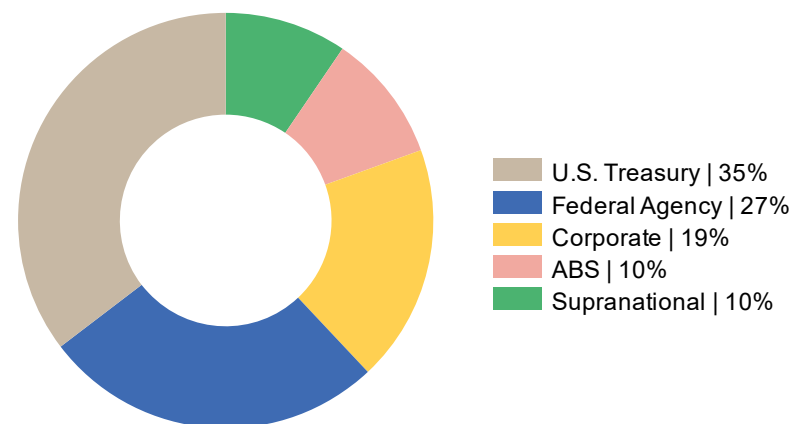
Portfolio Review:
SVCW - OPERATING RESERVE FUND

Portfolio Snapshot - SVCW - OPERATING RESERVE FUND¹

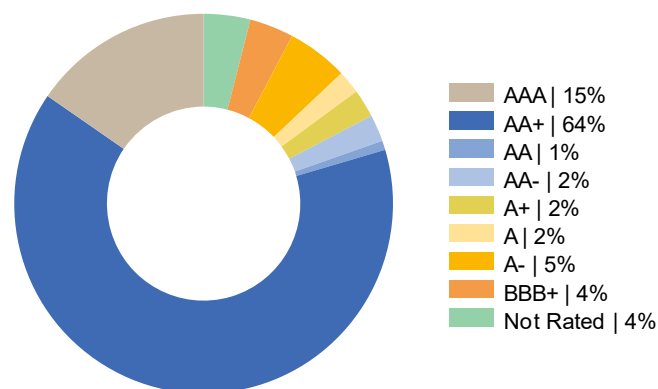
Portfolio Statistics

Total Market Value	\$3,862,238.88
Portfolio Effective Duration	1.72 years
Benchmark Effective Duration	1.83 years
Yield At Cost	0.96%
Yield At Market	0.37%
Portfolio Credit Quality	AA

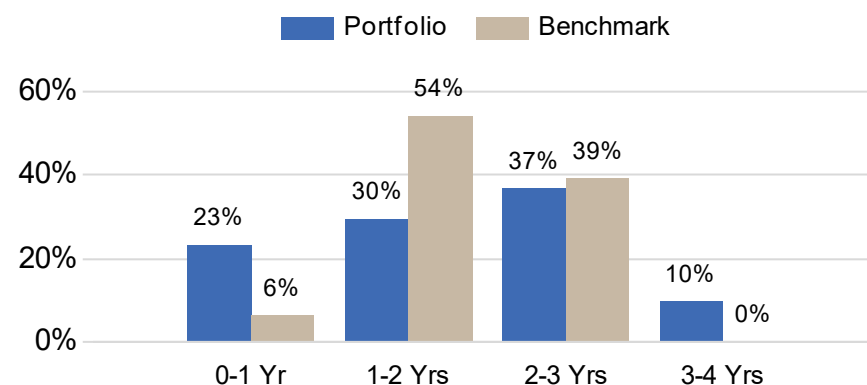
Sector Allocation



Credit Quality - S&P



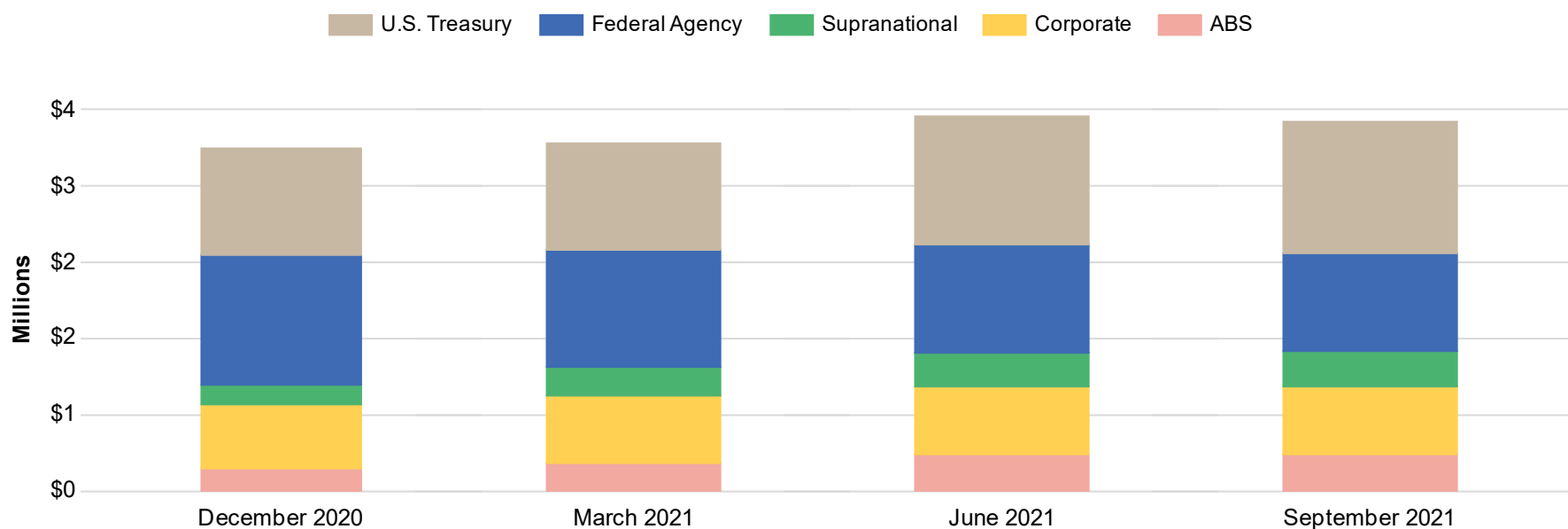
Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - SVCW - OPERATING RESERVE FUND

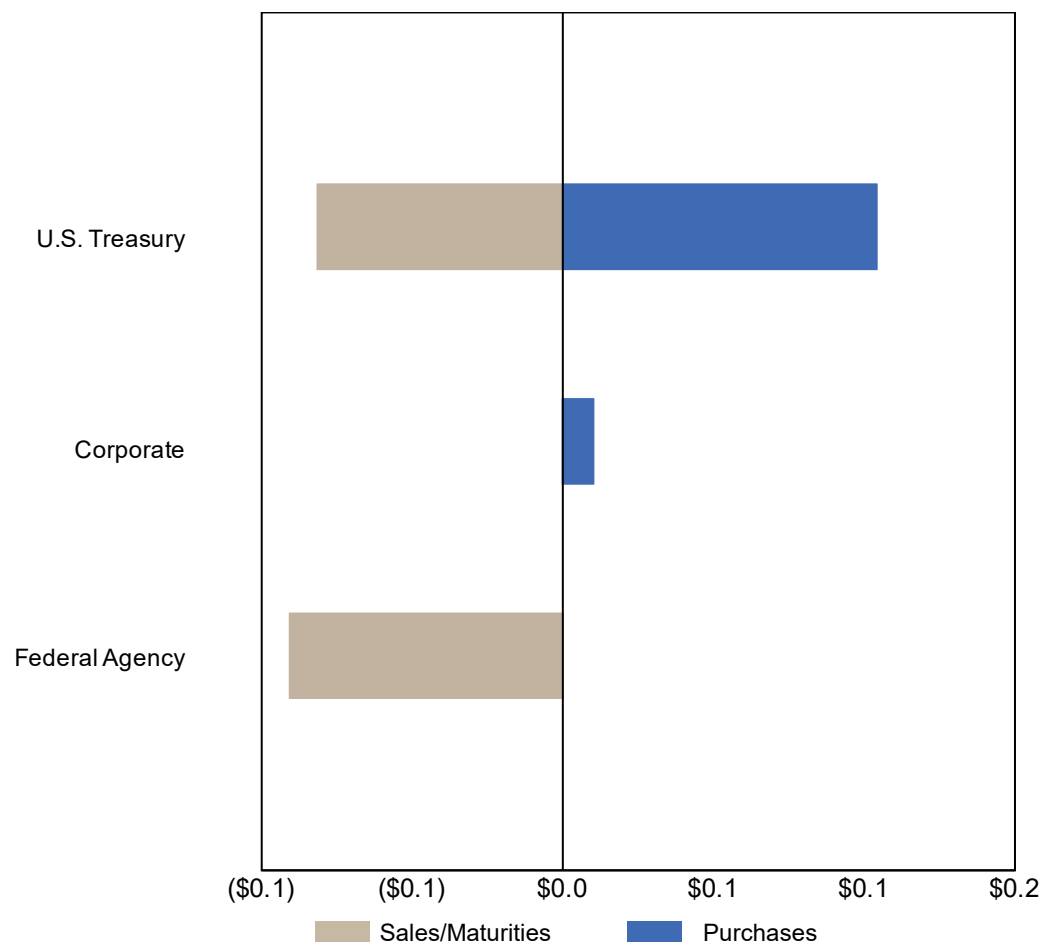
Security Type	Dec-20	% of Total	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total
U.S. Treasury	\$1.1	31.3%	\$1.1	30.7%	\$1.3	34.3%	\$1.3	35.4%
Federal Agency	\$1.3	37.6%	\$1.2	33.4%	\$1.1	28.6%	\$1.0	26.6%
Supranational	\$0.2	5.7%	\$0.3	8.7%	\$0.4	9.3%	\$0.4	9.5%
Corporate	\$0.7	19.0%	\$0.7	18.9%	\$0.7	18.0%	\$0.7	18.5%
ABS	\$0.2	6.4%	\$0.3	8.3%	\$0.4	9.8%	\$0.4	10.0%
Total	\$3.5	100.0%	\$3.6	100.0%	\$3.8	100.0%	\$3.8	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Portfolio Activity - SVCW - OPERATING RESERVE FUND

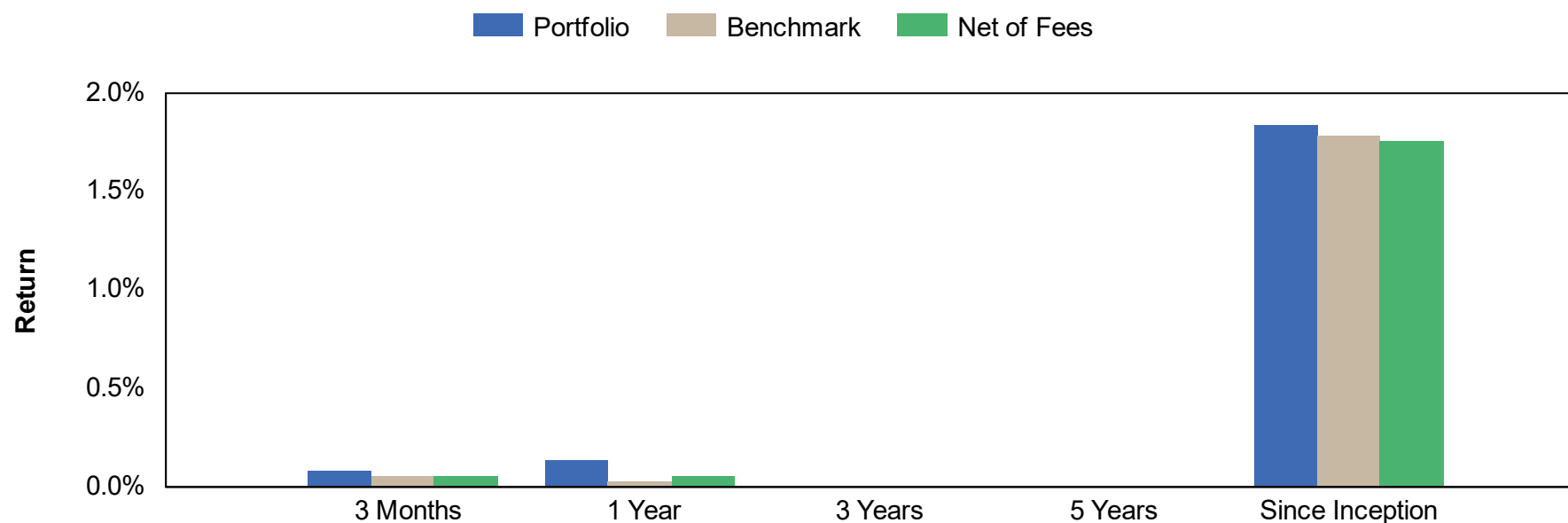
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$23,419
Corporate	\$9,994
Federal Agency	(\$90,563)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$11,490	\$44,590	-	-	\$106,127
Change in Market Value	(\$8,483)	(\$39,400)	-	-	\$30,580
Total Dollar Return	\$3,007	\$5,190	-	-	\$136,707
Total Return³					
Portfolio	0.08%	0.14%	-	-	1.84%
Benchmark ⁴	0.06%	0.03%	-	-	1.78%
Basis Point Fee	0.02%	0.08%	-	-	0.08%
Net of Fee Return	0.06%	0.05%	-	-	1.76%

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.

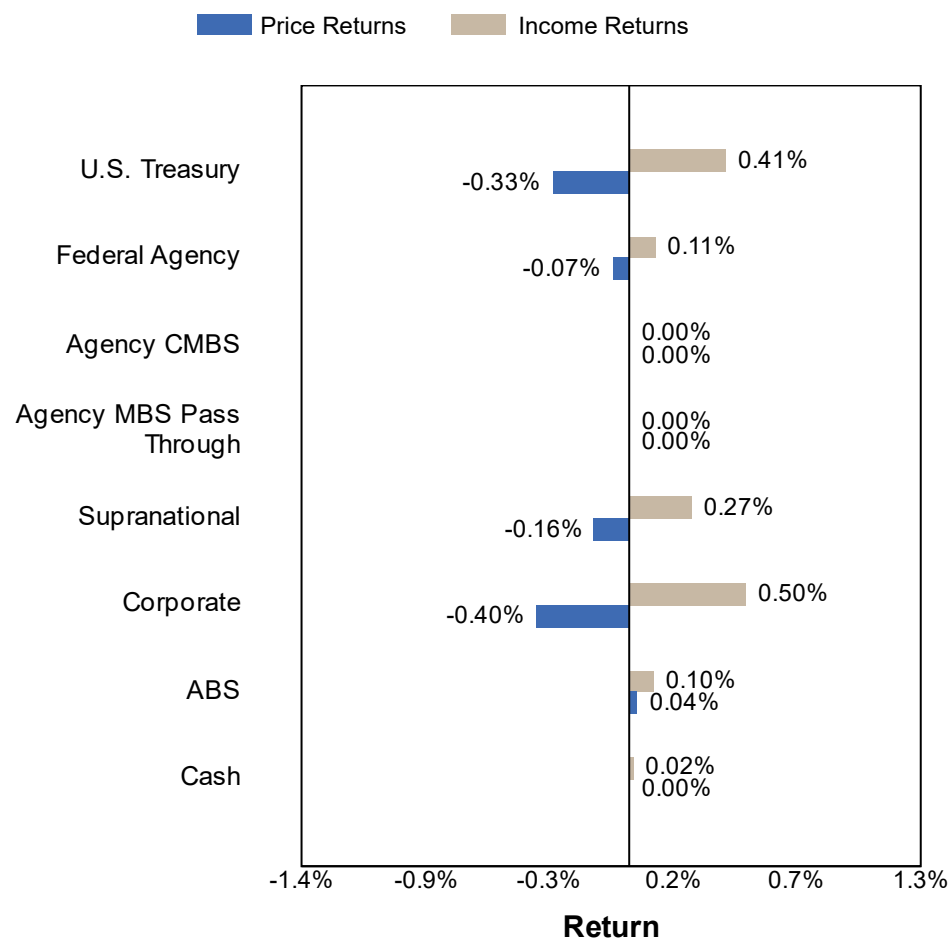
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

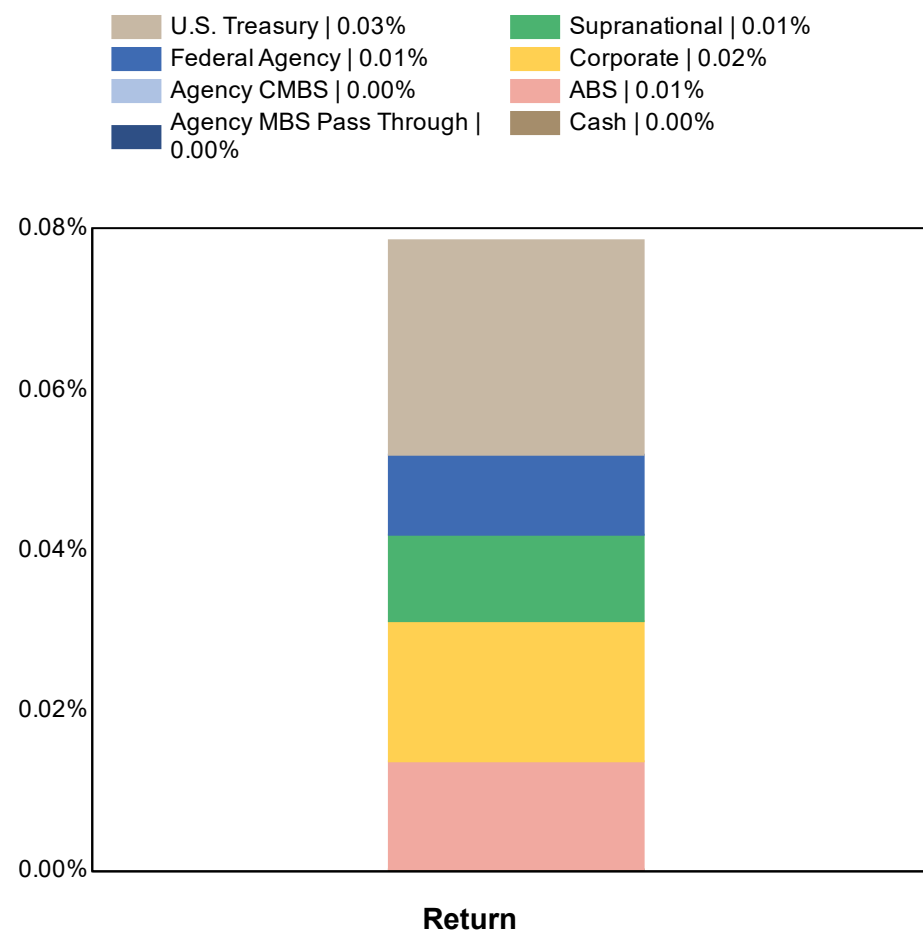
4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

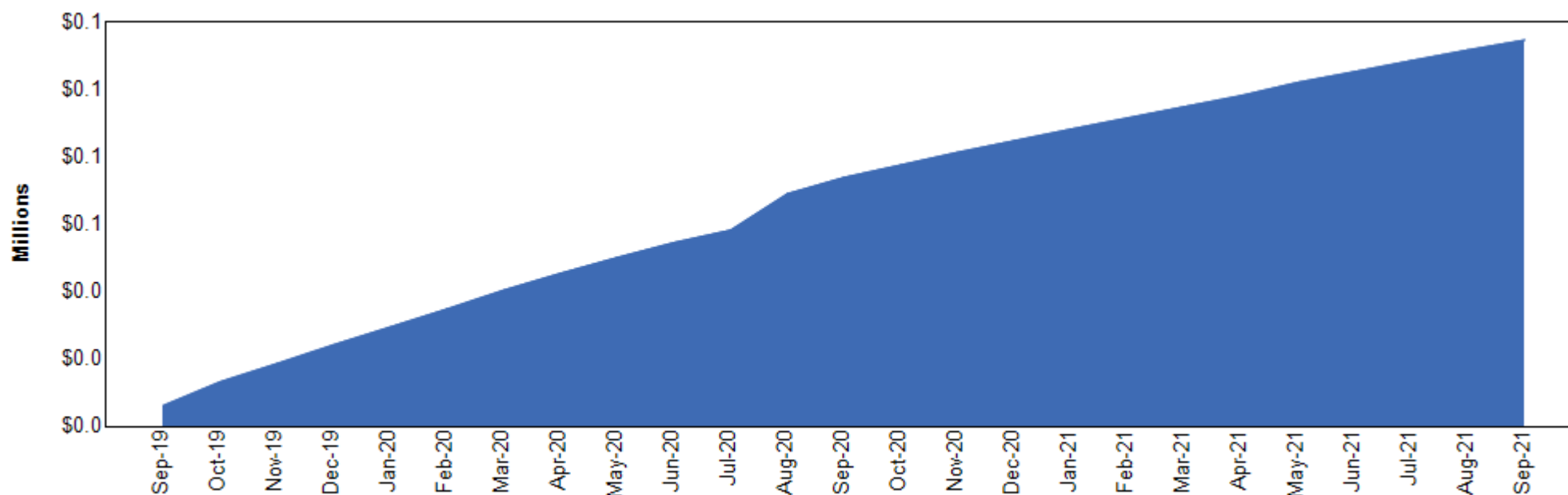


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings - SVCW - OPERATING RESERVE FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$11,490	\$44,590	-	-	\$106,127
Realized Gains / (Losses)	\$5	\$672	-	-	\$7,673
Change in Amortized Cost	(\$2,111)	(\$4,477)	-	-	(\$5,305)
Total Earnings	\$9,384	\$40,785	-	-	\$108,495

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

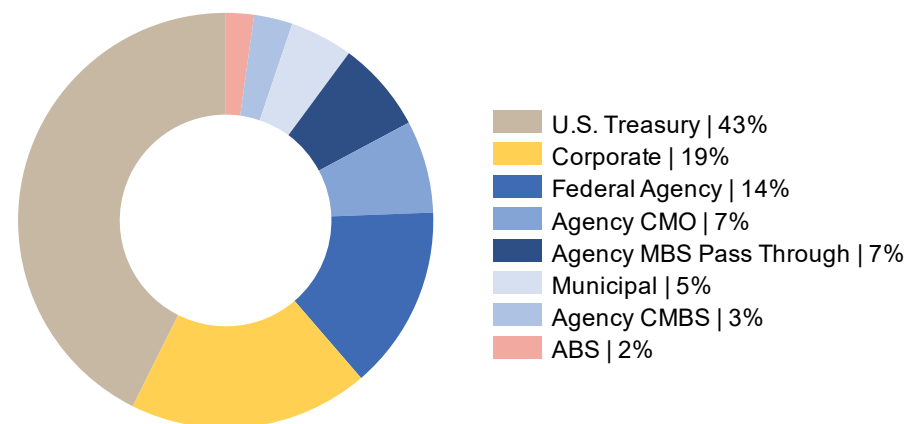
Portfolio Review: SVCW - CIP RESERVE FUND

Portfolio Snapshot - SVCW - CIP RESERVE FUND¹

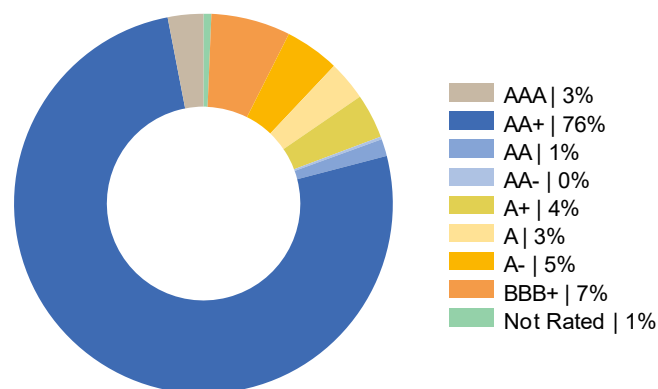
Portfolio Statistics

Total Market Value	\$18,927,763.88
Portfolio Effective Duration	3.74 years
Benchmark Effective Duration	3.87 years
Yield At Cost	1.67%
Yield At Market	1.09%
Portfolio Credit Quality	AA

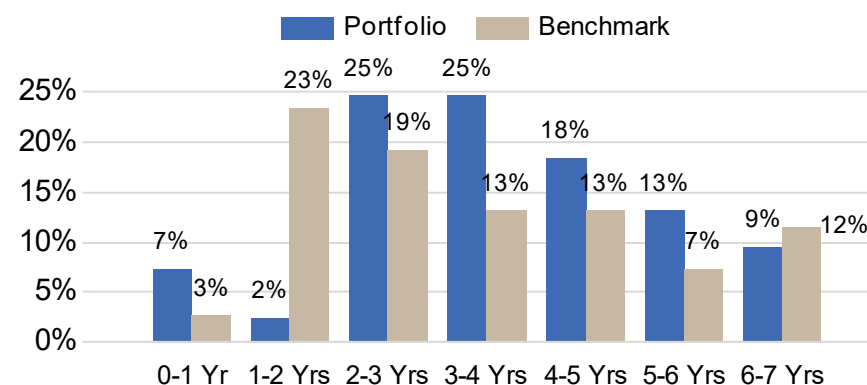
Sector Allocation



Credit Quality - S&P



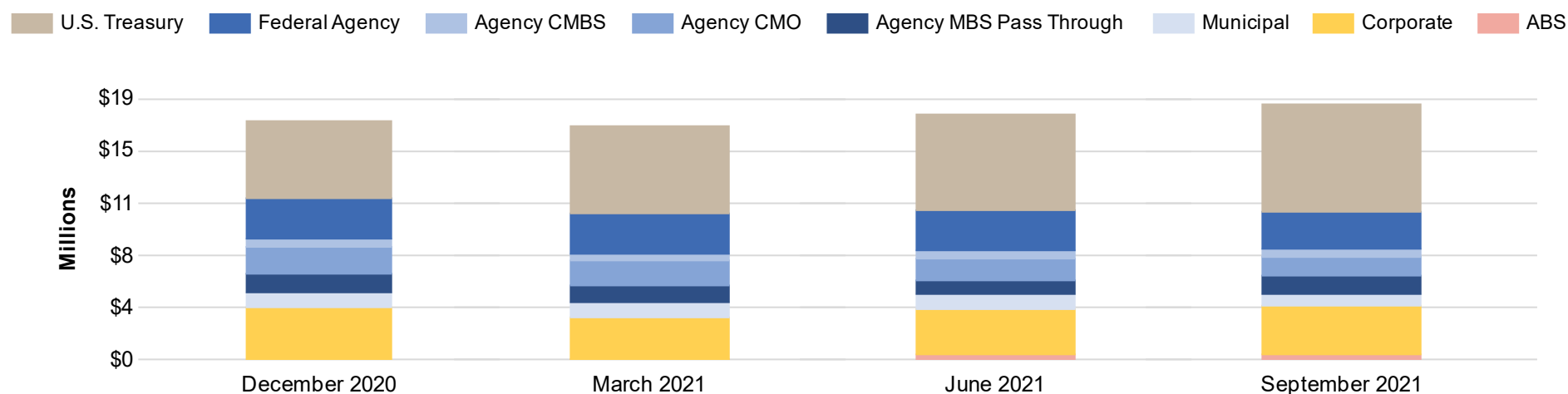
Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-10 Year U.S. Treasury Index. Source: Bloomberg.
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - SVCW - CIP RESERVE FUND

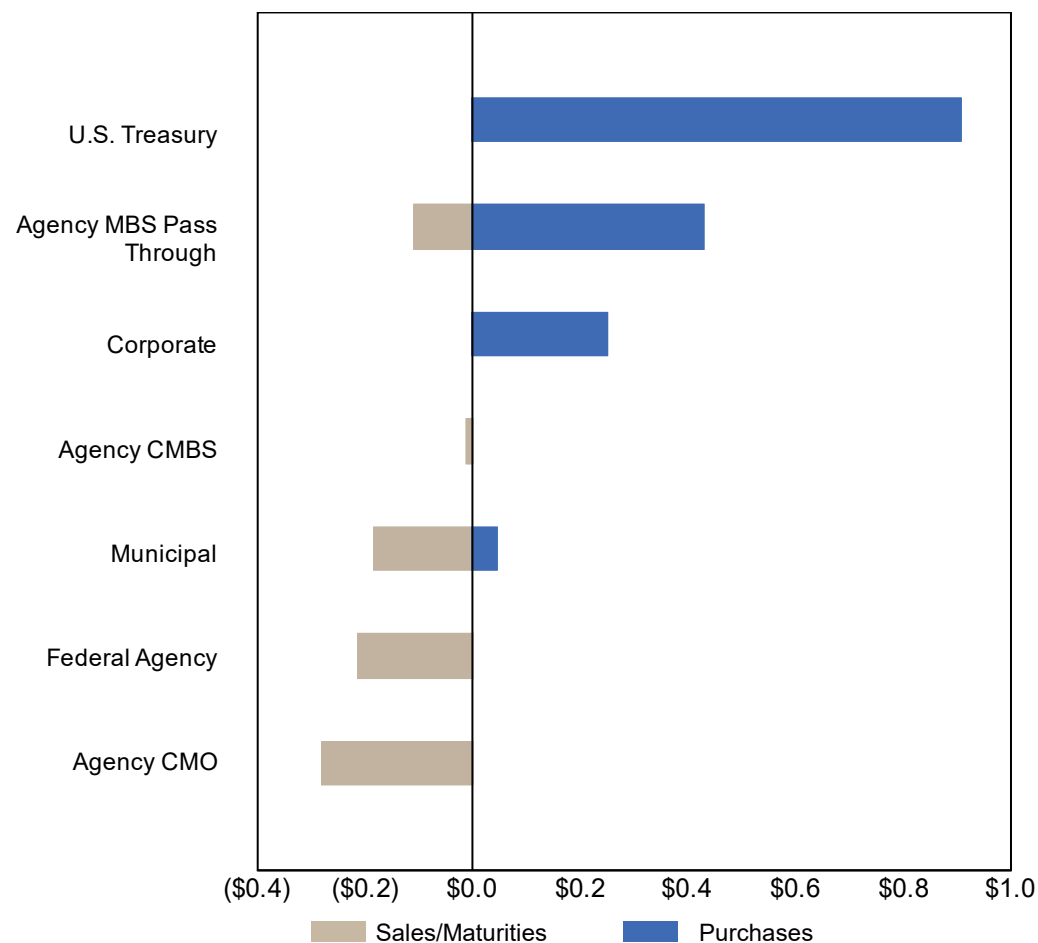
Security Type	Dec-20	% of Total	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total
U.S. Treasury	\$5.7	32.5%	\$6.4	37.4%	\$7.1	39.4%	\$7.9	42.6%
Federal Agency	\$3.0	17.0%	\$2.9	17.0%	\$2.9	16.2%	\$2.7	14.3%
Agency CMBS	\$0.6	3.6%	\$0.6	3.5%	\$0.6	3.2%	\$0.6	3.0%
Agency CMO	\$2.0	11.2%	\$1.8	10.8%	\$1.6	9.2%	\$1.3	7.2%
Agency MBS Pass Through	\$1.3	7.6%	\$1.2	6.9%	\$1.0	5.6%	\$1.3	7.1%
Municipal	\$1.1	6.2%	\$1.1	6.3%	\$1.1	5.9%	\$0.9	4.9%
Corporate	\$3.8	21.9%	\$3.0	17.8%	\$3.3	18.2%	\$3.5	18.7%
ABS	\$0.0	0.0%	\$0.0	0.3%	\$0.4	2.3%	\$0.4	2.2%
Total	\$17.4	100.0%	\$17.0	100.0%	\$17.9	100.0%	\$18.7	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Portfolio Activity - SVCW - CIP RESERVE FUND

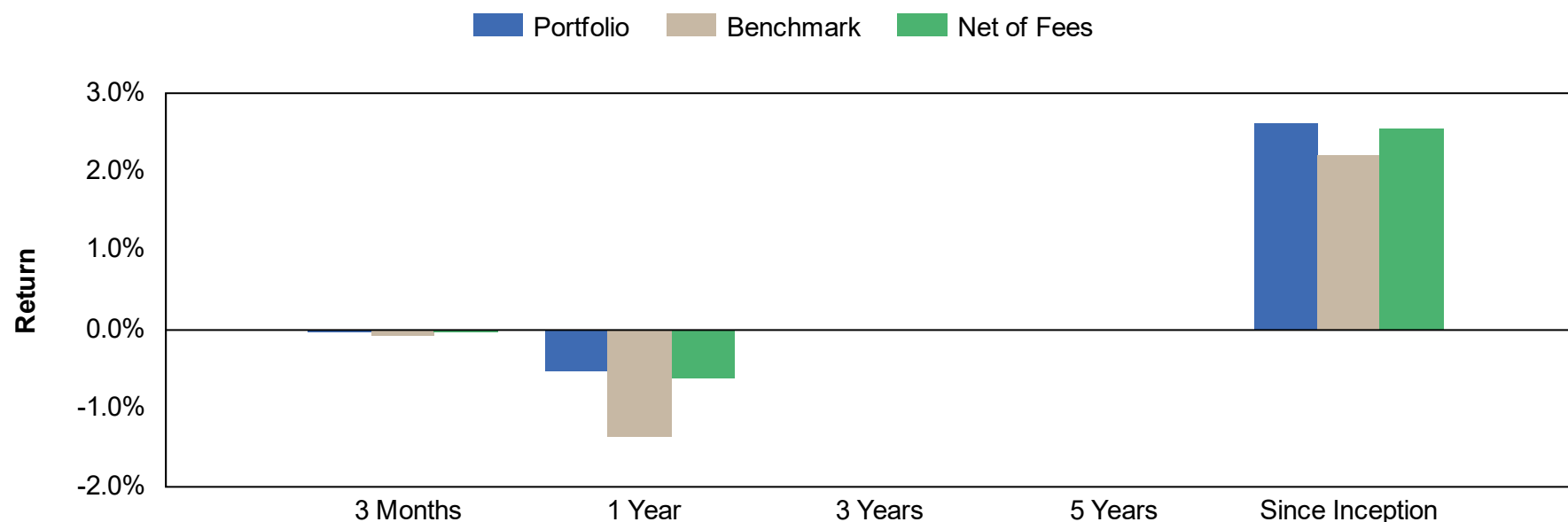
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$907,040
Agency MBS Pass Through	\$323,945
Corporate	\$250,347
Agency CMBS	(\$10,910)
Municipal	(\$138,454)
Federal Agency	(\$212,042)
Agency CMO	(\$279,818)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$96,626	\$396,640	-	-	\$857,174
Change in Market Value	(\$101,968)	(\$493,667)	-	-	\$190,978
Total Dollar Return	(\$5,342)	(\$97,027)	-	-	\$1,048,152
Total Return³					
Portfolio	-0.02%	-0.53%	-	-	2.61%
Benchmark ⁴	-0.07%	-1.37%	-	-	2.21%
Basis Point Fee	0.02%	0.08%	-	-	0.08%
Net of Fee Return	-0.04%	-0.61%	-	-	2.54%

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.

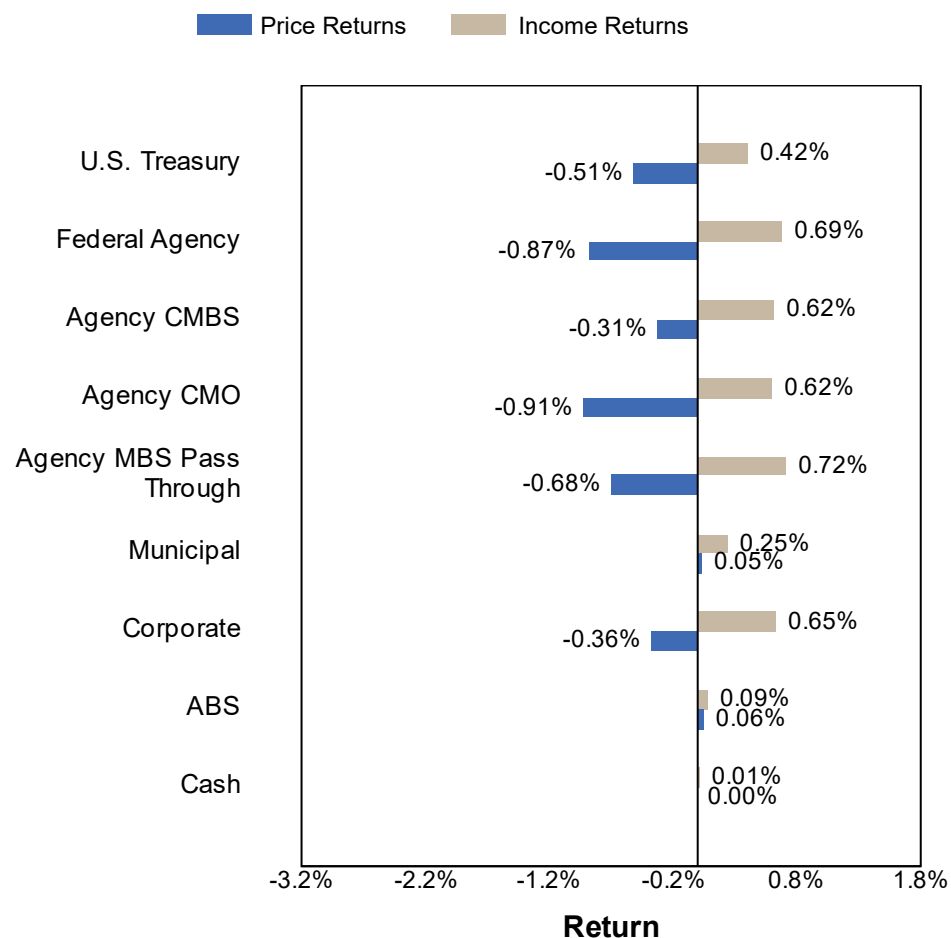
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

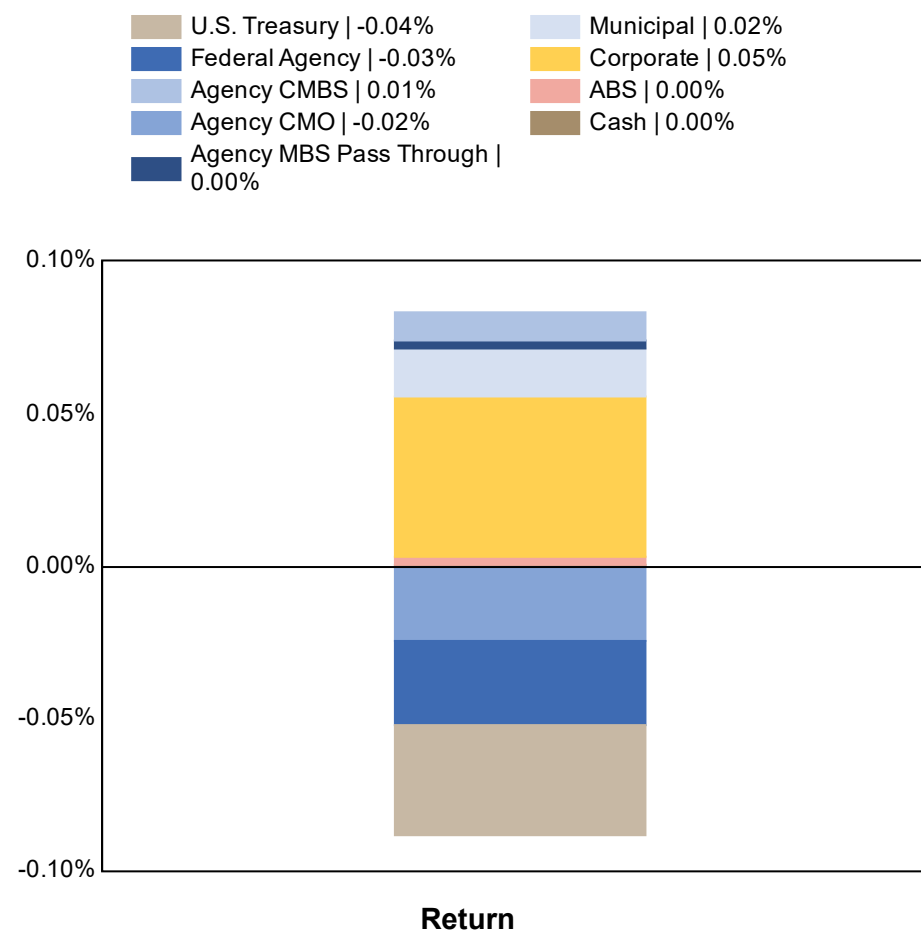
4. The portfolio's benchmark is the ICE BofAML 1-10 Year U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

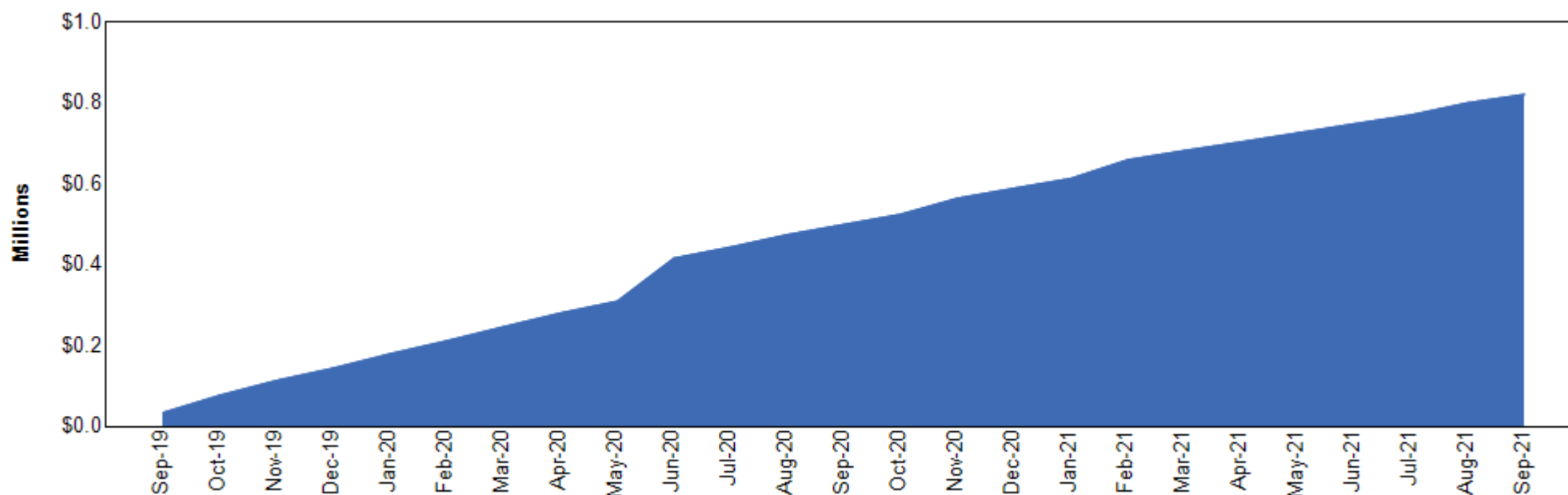


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings - SVCW - CIP RESERVE FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$96,626	\$396,640	-	-	\$857,174
Realized Gains / (Losses)	\$8,292	\$44,769	-	-	\$141,145
Change in Amortized Cost	(\$32,210)	(\$119,625)	-	-	(\$211,295)
Total Earnings	\$72,708	\$321,784	-	-	\$787,024

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

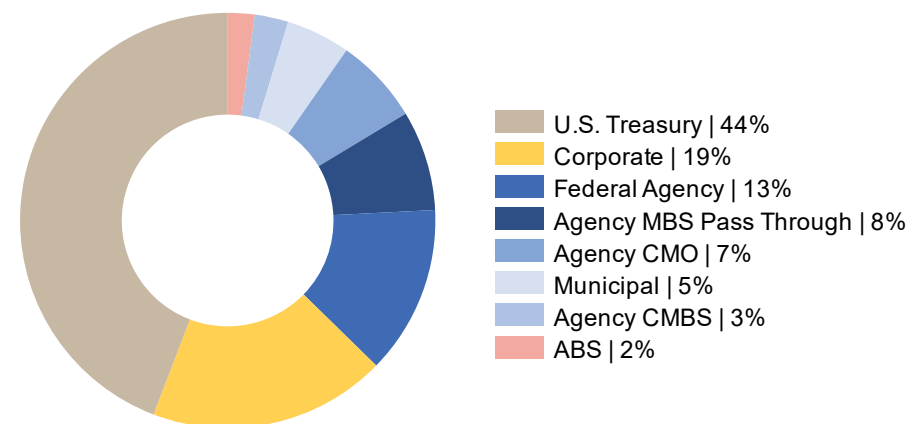
Portfolio Review:
SVCW - STAGE 2 CAPACITY RES FUND

Portfolio Snapshot - SVCW - STAGE 2 CAPACITY RES FUND¹

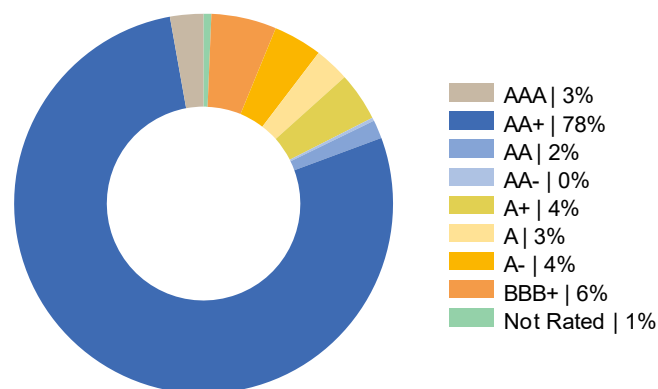
Portfolio Statistics

Total Market Value	\$15,056,170.59
Portfolio Effective Duration	3.75 years
Benchmark Effective Duration	3.87 years
Yield At Cost	1.64%
Yield At Market	1.09%
Portfolio Credit Quality	AA

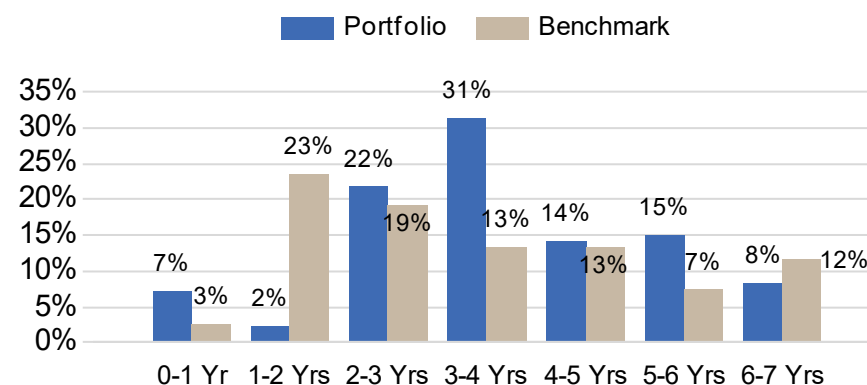
Sector Allocation



Credit Quality - S&P



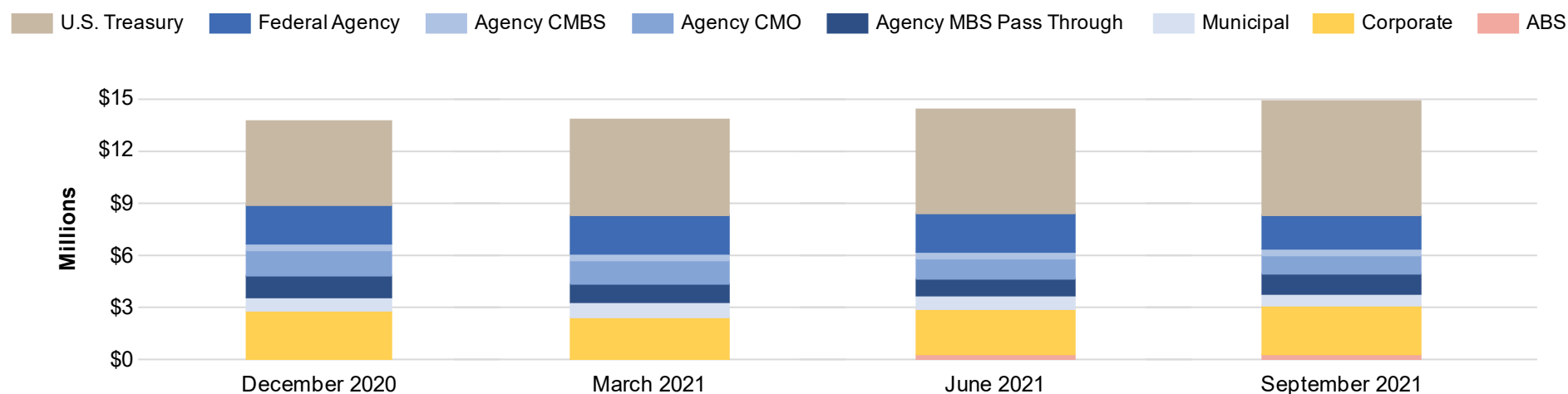
Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-10 Year U.S. Treasury Index. Source: Bloomberg.
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - SVCW - STAGE 2 CAPACITY RES FUND

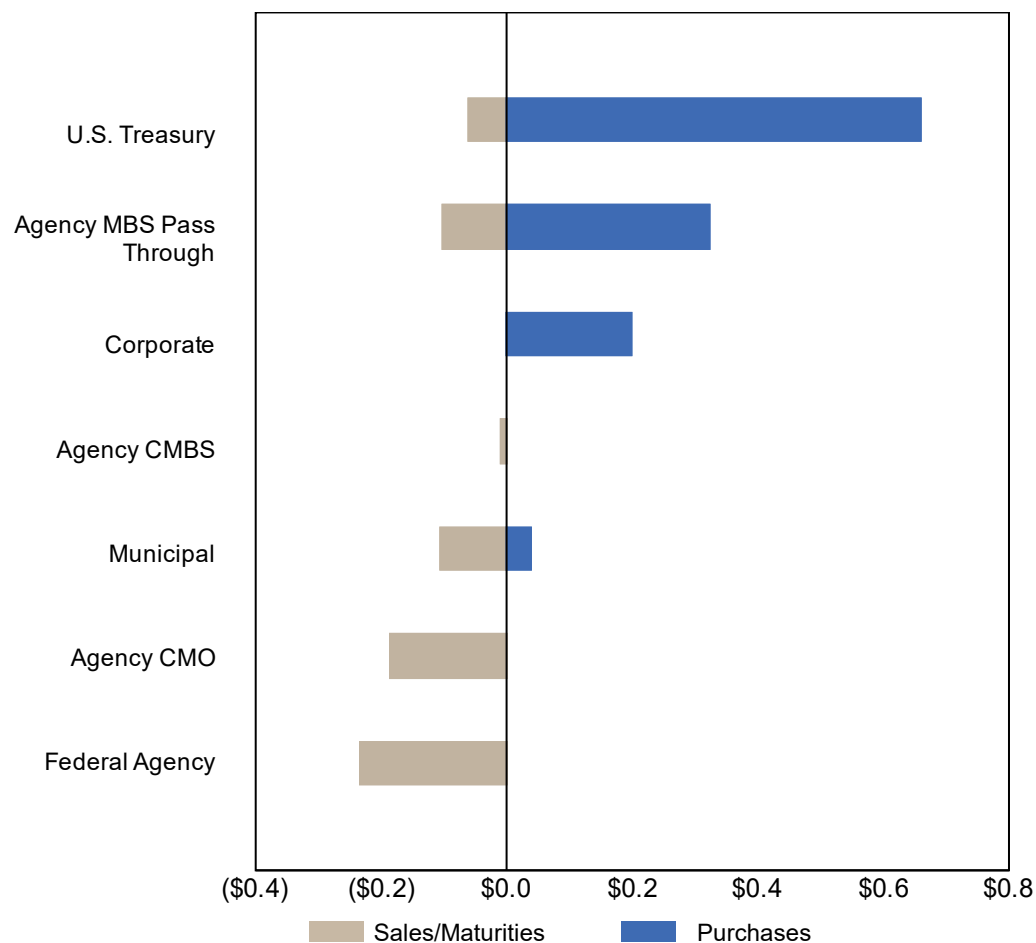
Security Type	Dec-20	% of Total	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total
U.S. Treasury	\$4.8	34.7%	\$5.6	40.3%	\$6.0	41.6%	\$6.6	44.2%
Federal Agency	\$2.2	16.4%	\$2.2	15.8%	\$2.2	15.3%	\$2.0	13.1%
Agency CMBS	\$0.4	3.1%	\$0.4	2.9%	\$0.4	2.7%	\$0.4	2.6%
Agency CMO	\$1.4	10.2%	\$1.3	9.5%	\$1.2	8.2%	\$1.0	6.7%
Agency MBS Pass Through	\$1.2	9.1%	\$1.1	7.9%	\$0.9	6.6%	\$1.2	7.8%
Municipal	\$0.8	6.2%	\$0.8	6.1%	\$0.8	5.6%	\$0.7	5.0%
Corporate	\$2.8	20.3%	\$2.4	17.2%	\$2.6	17.8%	\$2.7	18.5%
ABS	\$0.0	0.0%	\$0.0	0.3%	\$0.3	2.2%	\$0.3	2.1%
Total	\$13.7	100.0%	\$13.8	100.0%	\$14.4	100.0%	\$14.9	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Portfolio Activity - SVCW - STAGE 2 CAPACITY RES FUND

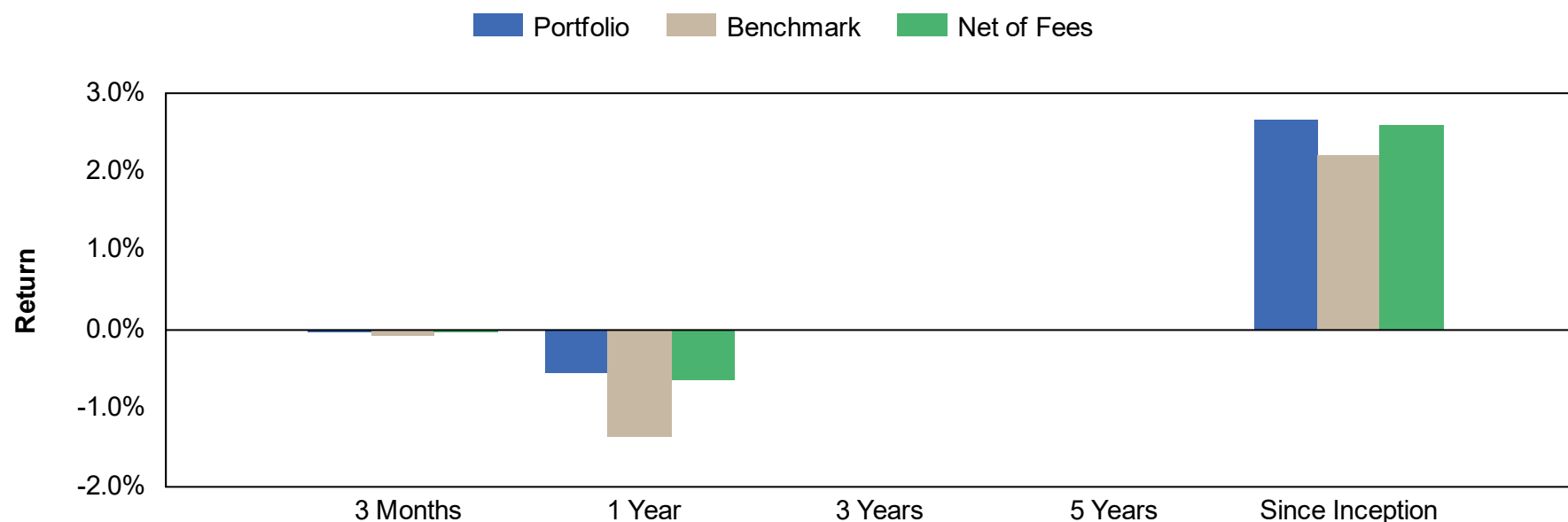
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$600,655
Agency MBS Pass Through	\$222,850
Corporate	\$200,277
Agency CMBS	(\$7,213)
Municipal	(\$64,831)
Agency CMO	(\$184,537)
Federal Agency	(\$231,682)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$74,724	\$304,891	-	-	\$620,021
Change in Market Value	(\$77,979)	(\$391,275)	-	-	\$74,266
Total Dollar Return	(\$3,255)	(\$86,384)	-	-	\$694,287
Total Return³					
Portfolio	-0.01%	-0.56%	-	-	2.66%
Benchmark ⁴	-0.07%	-1.37%	-	-	2.21%
Basis Point Fee	0.02%	0.08%	-	-	0.08%
Net of Fee Return	-0.03%	-0.64%	-	-	2.59%

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.

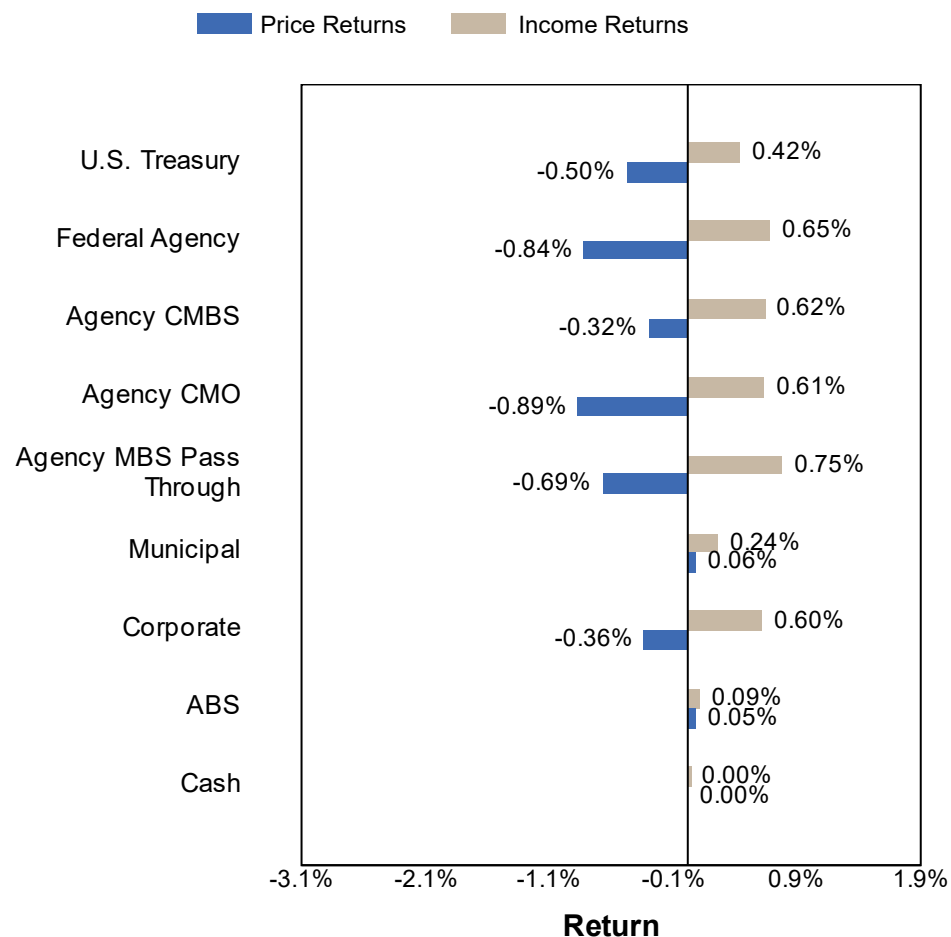
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

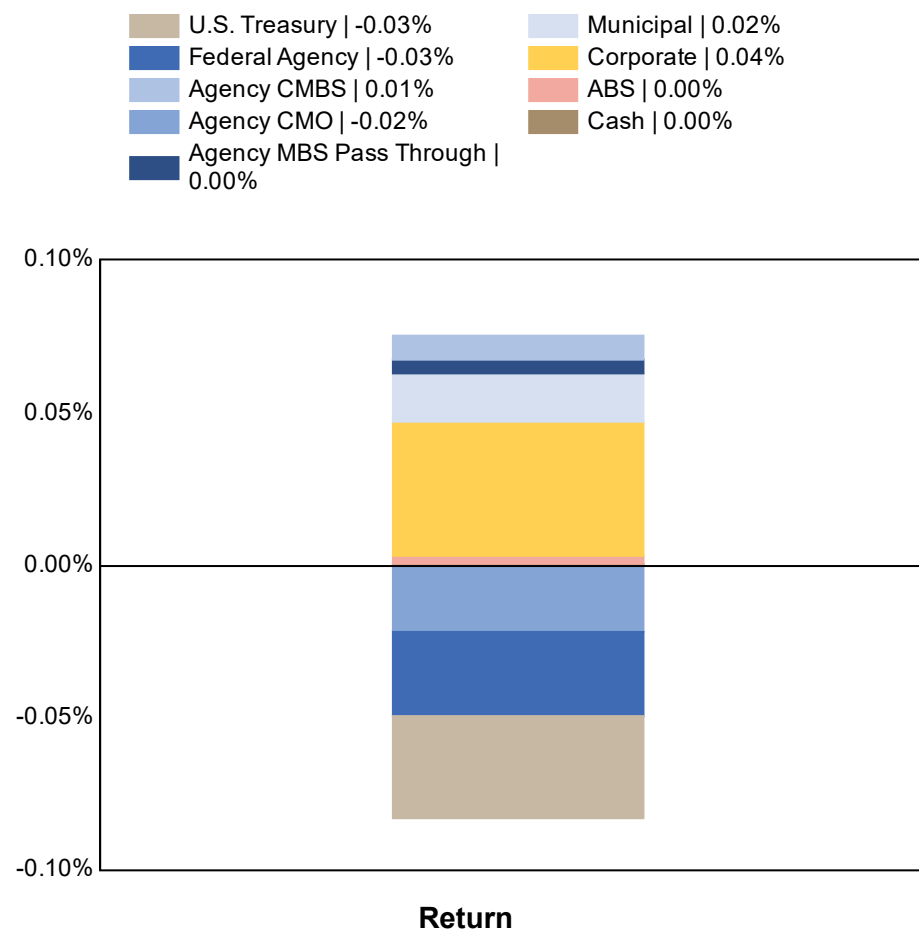
4. The portfolio's benchmark is the ICE BofAML 1-10 Year U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

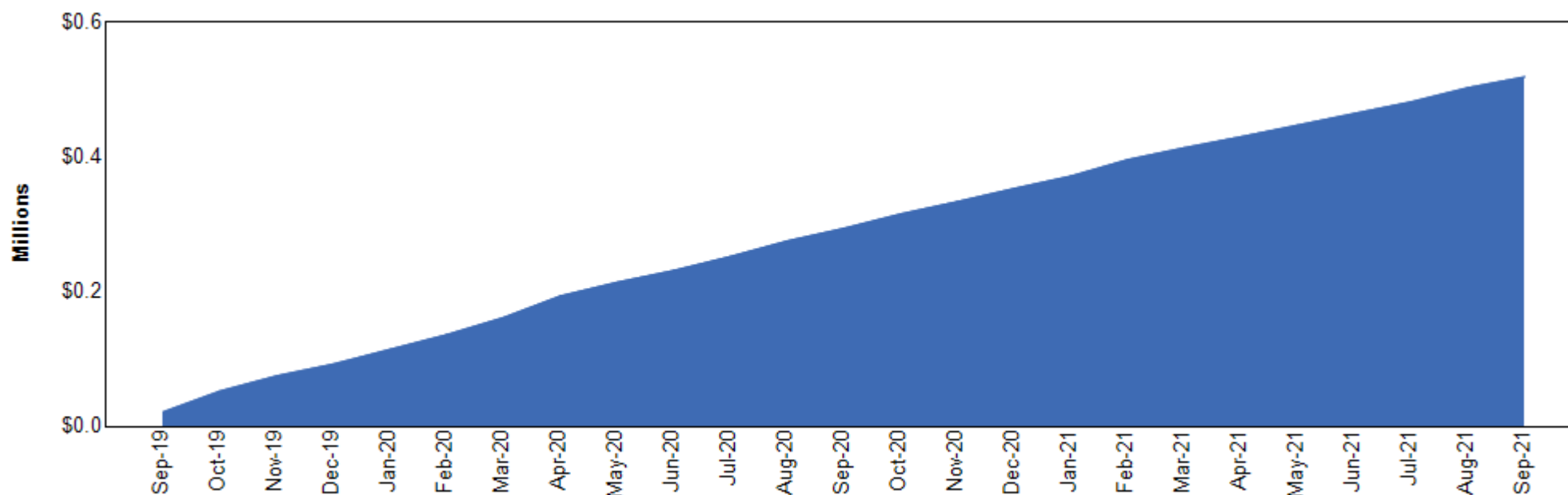


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings - SVCW - STAGE 2 CAPACITY RES FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$74,724	\$304,891	-	-	\$620,021
Realized Gains / (Losses)	\$4,677	\$14,889	-	-	\$33,351
Change in Amortized Cost	(\$25,096)	(\$95,015)	-	-	(\$156,132)
Total Earnings	\$54,305	\$224,765	-	-	\$497,240

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

Important Disclosures

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

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

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

AGENDA ITEM 5D

ENGINEERING REPORT: NOVEMBER 2021
CAPITAL IMPROVEMENT PROGRAM

UPCOMING COMMISSION ACTIONS:

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.

There are changes to all three projects that will be described fully to the Commission under Items 5F and 8C of the December Commission meeting.

Planned Commission Actions: Approval of Contract Change Orders for RESCU Projects
– December 2021

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 designed, and construction is in progress.

Planned Commission Actions: Acceptance of Construction Project – January 2022

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.

Planned Commission Actions: Accept Construction Project – February 2022

Return Activated Sludge (RAS) Pipeline Rehabilitation (9120): Rehabilitation of RAS pipeline.

The RAS pipes, connecting the secondary clarifiers to the six RAS pumps in the pump room, are steel pipes with cement mortar lining and were constructed more than 40 years ago. Various condition assessment reports conducted indicate that these pipes have undergone significant corrosion and have lost 10% to 30% pipe wall thickness.

Kennedy Jenks is currently designing the rehabilitation of the pipeline. The bidding process is expected to start in January of 2022.

Planned Commission Actions: Award Construction Contract – March 2022

Digester #1 Rehabilitation (9215): Rehabilitation of Digester#1.

This project includes repair of coatings and structural elements in Digester #1. The design of the project is being completed by Kennedy/ Jenks and the bidding process is expected to start in January of 2022.

Planned Commission Actions: Award Construction Contract – March 2022

ONGOING PROJECTS IN CONSTRUCTION:

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.

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.

The extreme storm event on October 24th caused staff to instruct the contractor to remove a channel bypass that was placed for this project and stop work. The potential for flooding due to constricted flow posed a risk to the facilities. The remaining work may be moved to next year's dry season period (April/May 2022).

AGENDA ITEM 5E

Silicon Valley Clean Water
Commissioners' Requested Action Items

DECEMBER 13, 2021
AGENDA ITEM 5E

Updated: 11/24/2021

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
11/15/2021	1	Recycled Water Exploratory Program	Dec/Jan		✓			Provide discussion on PREP (Potable Reuse Exploratory Program), status and activities.
10/18/2021	1	Water Feature Development	N/A		✓			Research feasibility of creating a water feature behind the Shores Dog Park including possible funding mechanisms.
	2	RESCU Pump Station project	N/A			✓	11/9/2021	The MTBM became stuck while tunneling the Belmont Gravity Pipeline. Provide status updates as details become known.
9/20/2021	1	Financial Information / Notes Issuance	N/A			✓	9/20/2021	Commission request powerpoint slides re: Notes Issuance. Slides sent to Commission and member agency finance staff.
	2	Meeting Log-in	10/18/2021			✓	10/11/2021	Spell out URL for Commission meeting log-in. Note that the URL is very long but it is now included in the agenda packet. Note also that logging in can be accomplished easily via the SVCW website.
8/16/2021	1	Investment Reports	next qrtly report		✓			Back out PFM Fees from total return values.
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	8/16/2021			✓		Presentation made to Commission at August meeting. As information changes, updates will be provided.
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. As of November 2021, source unknown.
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.

Silicon Valley Clean Water
Commissioners' Requested Action Items

DECEMBER 13, 2021
AGENDA ITEM 5E

Updated: 11/24/2021

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
	2	Project Changes/Commission Notification	N/A	✓			Ongoing	Ensure Commission is kept apprised of possible/potential project cost and/or schedule increases.
> 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. Historic marker applied Aug. 28, 2021.
	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

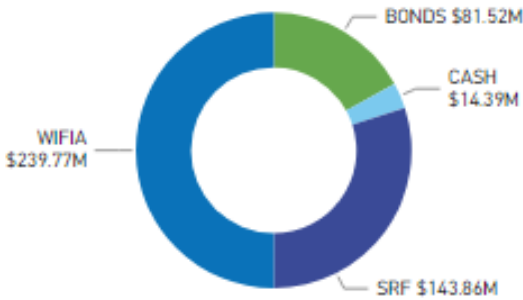
Total Expenditure

\$406.53M

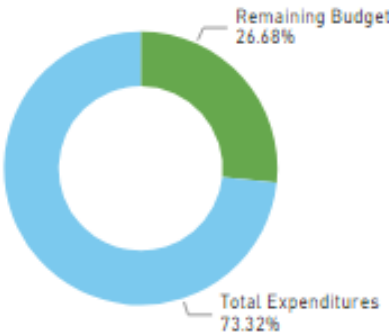
Remaining Budget

\$147.84M

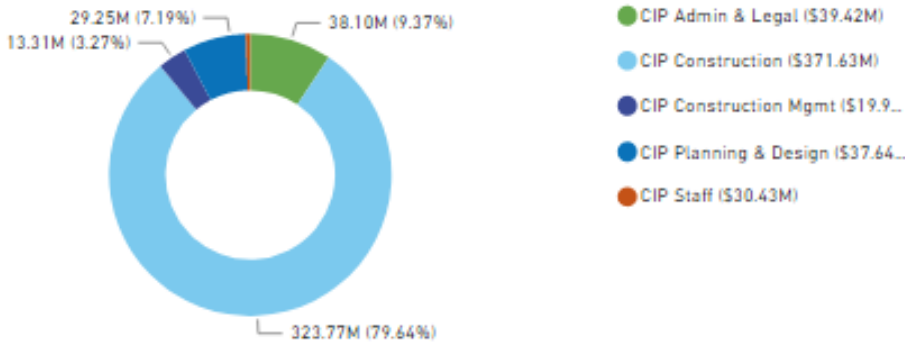
Source of Funds (per LRFP 2021)



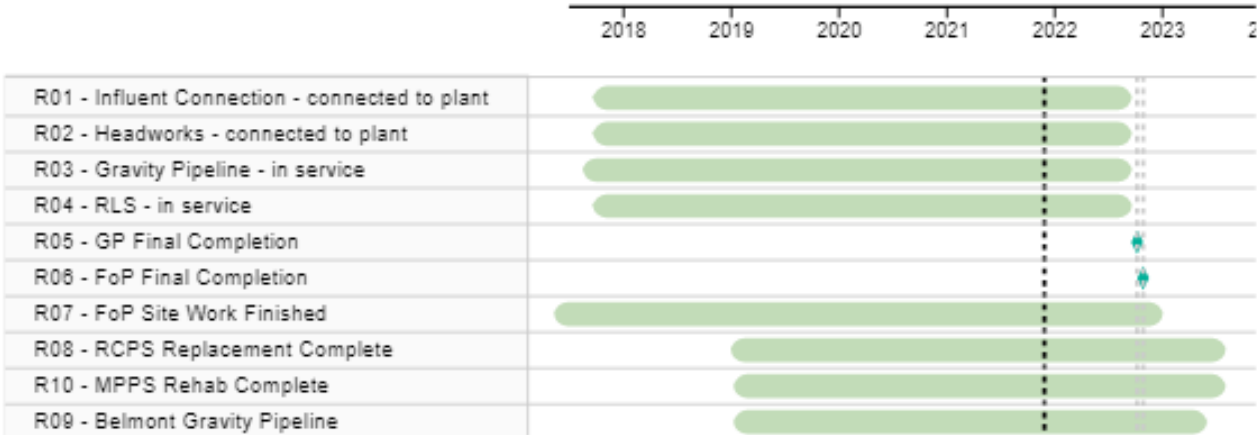
Budget vs Expenditures



Expenditures by Object



Project Schedule



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

\$118.01M

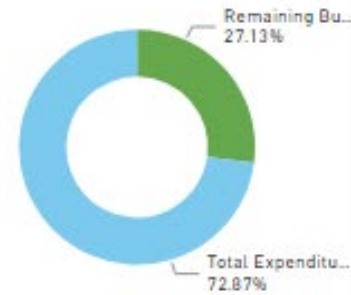
Remaining Budget

\$43.94M

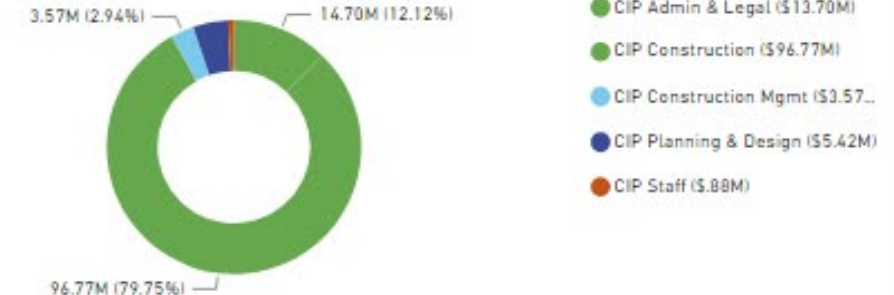
Milestone Schedule

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

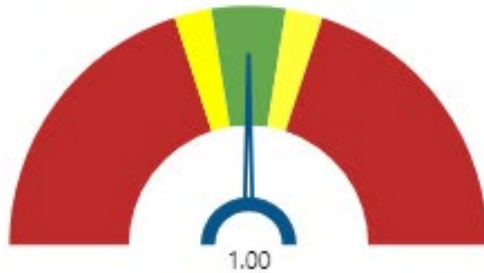
Budget vs Expenditures



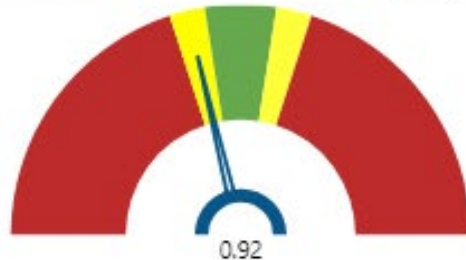
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - SPJV continues the installation of exterior lighting and electrical control devices and conduits around the Headworks Facility. - SPJV has completed major mechanical portions of work on the elevation 125' deck and the solids loading truck bay. - SPJV placed two RLS precast roof sections and installed the two RLS permanent exhaust fans. - SPJV completed the installation of the RLS manifold including four 60-inch knife gate valves and the connection piece between the RLS and SFS. - SPJV began anchoring rebar supports at the base of the SFS in preparation for construction of the second pass walls. - SPJV completed excavation and placed new precast concrete utilidor sections for Phase 1 of 2 which will bring high pressure air, potable water and 3W to the FoP site.
Design	<ul style="list-style-type: none"> - SPJV is working with CID and O&M 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 issued. - All major headworks equipment is onsite except RLS pumps. Factory testing of the RLS pumps is scheduled to take place January 2022.

3 - Month Look Ahead

	Start	End	December	January	February
Install conduit, wire and electrical devices to major equipment at the Headworks Facility	July 1, 2021	December 24, 2021	X		
Install storm drain lines around the Headworks Facility	November 15, 2021	December 30, 2021	X		
Install RLS Wall Mounted Jib Crane	January 5, 2022	January 18, 2022		X	
Install (6) RLS Pumps	February 18, 2022	February 28, 2022			X
Install SFS Second Pass Walls	November 16, 2021	March 14, 2022	X	X	X
Form/Set Rebar/Place Concrete for Precast RLS Roof Sections (8 Cast, Place in March)	March 15, 2021	March 1, 2022	X	X	X

Potential Issues

Influent pipeline repair - Carbon fiber wrap repair inside of pipe to address internal corrosion. This will also provide structural integrity for the pipe.
Intrinsically Safe Relay Panel
Plant water pipeline size upgrade and related fixtures
Utilidor extension for piping

Project Changes

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

Safety Spot Light

Lost Time	0
Near Misses	5
Recorded Losses	2

Gravity Pipeline Progressive DB Project (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

\$238.01M

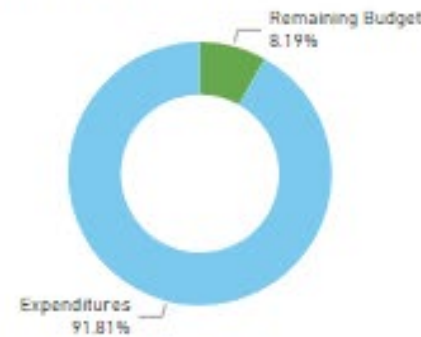
Remaining Budget

\$21.22M

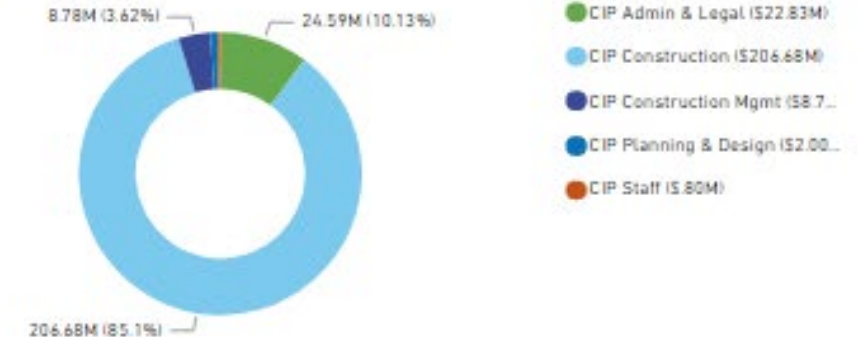
Milestone Schedule

	Start	Finish
San Carlos Inlet Structure Installation	1/5/2022	2/9/2022
Bair Island Inlet Structure Installation	11/19/2021	5/31/2022
FRP Pipe Installation and Annular Grout	9/27/2021	4/27/2022
Substantial Completion		7/1/2022

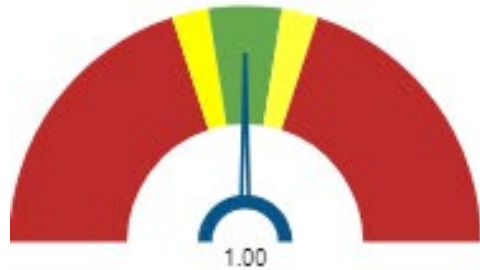
Budget vs Expenditures



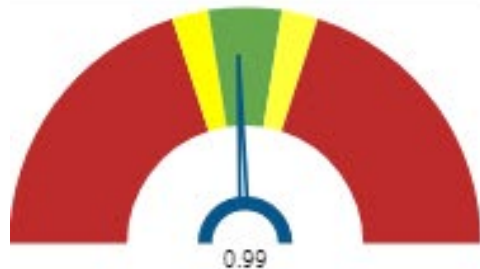
Expenditures by Object



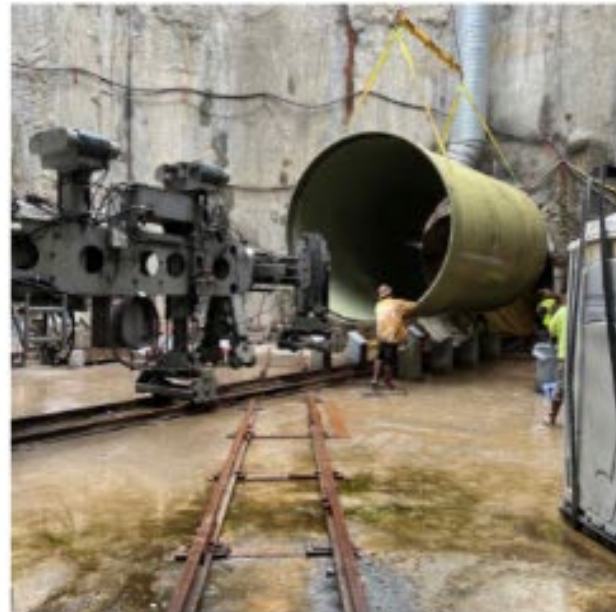
Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of: 2021 - 11



Major Accomplishments this Period

Construction	- BBJV completed the first half of pipe installation in the now-completed second tunnel drive. Grouting sub is mobilizing.
Design	- BBJV is incorporating SVCW comments into the Issued-for-Construction (IFC) design drawings for San Carlos and Bair Island connection piping.
Muck Disposal	- 76% of Muck Disposal Amendment spent - 24% of Muck Disposal Amendment remaining - Last Muck bin offhaul and San Carlos Adit spoils remaining
Procurement of Trade Packages	- San Carlos/Bair Island piping subcontractor outreach in progress - Outreach in conformance with SRF and WIFIA funding requirements

3 - Month Look Ahead

	Start	End	December	January	February
FRP Pipe Installation	September 27, 2021	February 3, 2022	X	X	X
FRP Annular Space Grouting	November 18, 2021	April 27, 2022	X	X	X
San Carlos Drop Structure Installation	December 13, 2021	February 9, 2022	X	X	X

Potential Issues

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

Project Changes

Additional Survey at Governors Bay
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
Redwood City Sales Tax Increase 2021
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	5

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 - B-side Pumps Completed	3/15/2022	8/25/2022
MPPS - A-side Pumps Completed	8/26/2022	2/12/2023
MPPS - Segment 1 and 2 CARVs Completed	1/28/2022	5/6/2022
BGP - Gravity Pipe Installed	9/30/2022	12/13/2022
RCPS - PG&E Service Work	6/27/2022	7/11/2022
RCPS - Electrical Building Completed	2/8/2021	11/1/2022
RCPS - Wet Well & Screening Building Completed	2/22/2021	2/8/2023
Substantial Completion - MPPS		8/7/2023
Substantial Completion - RCPS		8/7/2023
Substantial Completion - BGP		6/5/2023

Available Budget

\$119.68M

Total Expenditure

\$56.03M

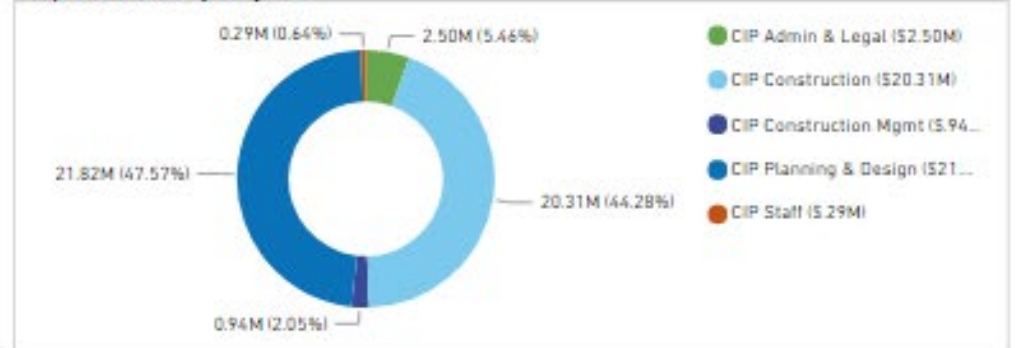
Remaining Budget

\$63.64M

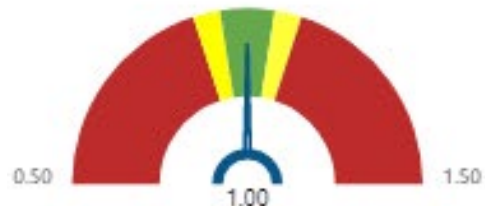
Budget vs Expenditures



Expenditures by Object



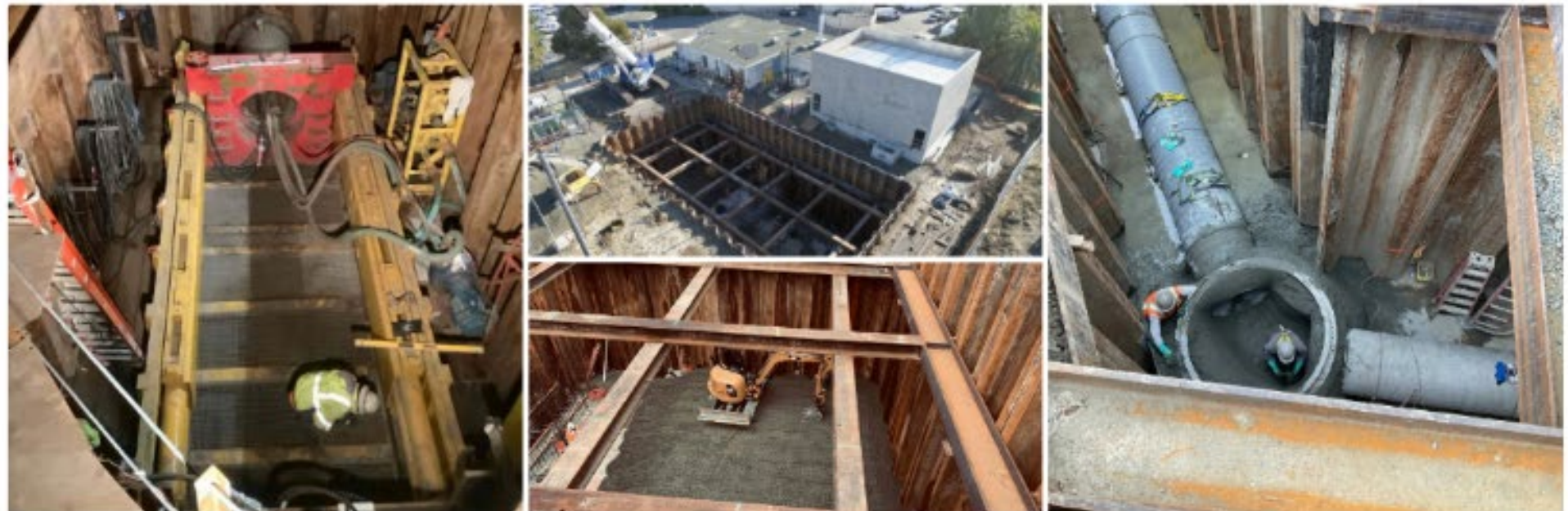
Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of: 2021 - 11



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - BGP: PEC completed restoration of JS-1. Vadnais completed microtunneling drive 2 from JS-2 to RS-1. PEC and Vadnais reoriented the microtunneling equipment in JS-2 and prepared JS-2 for beginning the tunnel drive from JS-2 to RS-2. - RCPS: SPJV installed the screening building footing and installed form work for the wet well first lift walls. - MPPS: SPJV completed roof improvement work at the MPPS. SPJV poured the lightweight concrete pad for the manual transfer switch.
Design	SPJV is preparing an additional alternative for declassification of the San Carlos Pump Station.

3 - Month Look Ahead

	Start	End	December	January	February
MPPS - PG&E Design and Construction	August 26, 2020	March 25, 2022	X	X	X
MPPS - Segment 1 and 2 CARVs	January 28, 2022	May 6, 2022	X	X	X
MPPS - Electrical Room Improvements	July 6, 2021	November 29, 2022	X	X	X
BGP - Construct Open Cut	August 16, 2021	December 3, 2021	X		
BGP - Install Microtunnel JS-2 to RS-2	November 29, 2021	December 16, 2021	X		
BGP - Demobilize Microtunnel Subcontractor	December 17, 2021	January 3, 2022	X	X	
BGP - Backfill and Remove Shoring at RS-1	November 29, 2021	January 11, 2022	X	X	
BGP - Backfill and Remove Shoring at JS-2	January 12, 2022	February 17, 2022	X	X	X
RCPS - Wet Well & Screening Building Excavation and Backfill	May 24, 2021	May 5, 2022	X	X	X
RCPS - Wet Well and Screening Building Structural Concrete	September 8, 2021	August 10, 2022	X	X	X

Potential Issues

BGP Storm Drain Impacts
Challenges from permitting and land acquisition conditions at RCPS

Project Changes

BGP Design Development
Segment 1 Force Main Junction Box Repairs
Stage 2 Baseline Schedule Revision

Safety Spot Light

Lost Time	0
Near Misses	0
Recorded Losses	0

AGENDA ITEM 7A

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – November 15, 2021
8:00 a.m.**

**This meeting took place remotely pursuant to
SVCW Resolution No. 21-33 due to coronavirus pandemic**

ITEM 1

CALL TO ORDER

The meeting was called to order at 8:00 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, Belmont – Secretary
Council Member Ron Collins, San Carlos

Staff, Consultants and Visitors Present

Teresa A. Herrera, SVCW Manager
Christine C. Fitzgerald, SVCW Legal Counsel
Jennifer Flick, SVCW Human Resources Director
Matt Anderson, SVCW Chief Financial Officer/Assistant Manager
Monte Hamamoto, SVCW Chief Operating Officer
Kim Hackett, SVCW Authority Engineer
Arvind Akela, SVCW Engineering Director
Alexandre Miot, SVCW Senior Engineer
Ben Padua Jr, SVCW Environmental Services Director
Cindy Hui, SVCW Finance Supervisor
Kiki Newberry, SVCW Financial Analyst
Jessica Mangual, SVCW Secretary Pro Tem
Bill Tanner, Tanner Pacific
Mark Minkowski, Kennedy Jenks
Sheryl Chia, Kennedy Jenks
Grace Zhang, Maze & Associates
Sergio Ramirez, West Bay Sanitary District
Steven Machida, City of San Carlos
Theresa Yee, City of Redwood City
Molly Flowerday, City of Redwood City
Aren Hansen, Brown & Caldwell
EJ Shalaby, DNS Strategic Partners
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 and providing public comment during the remote meeting site were provided.

Item 5A Safety Moment concerned tips on how to drive safely in the rain.

Under Item 5B, Manager's Report summaries of recycled water activities and cyber-security enhancements at SVCW were provided.

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

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

A reminder was given that the December Commission meeting is a Special Meeting one week early, on December 13.

ITEM 7

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

- A. APPROVAL OF MINUTES – October 18, 2021 - Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED OCTOBER 1, 2021 AND OCTOBER 15, 2021, AND NECESSARY PAYMENTS THROUGH OCTOBER 15, 2021
- C. CONSIDERATION OF RESOLUTION APPROVING REVISION E TO COMMISSION POLICY 1988-05 "PROHIBITION OF DISCRIMINATION, HARASSMENT, AND RETALIATION; REVISION B TO COMMISSION POLICY 2007-03 "WORKPLACE VIOLENCE"; AND REVISION A TO COMMISSION POLICY 2018-02 "ANTI-BULLYING"; DELETING POLICY NO. 1989-02 "GUIDELINES FOR DISCIPLINARY PROCEDURES" AND POLICY NO. 1989-01 "SBSA HOUSE RULES"

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION E TO COMMISSION POLICY 1988-05 "PROHIBITION OF DISCRIMINATION, HARASSMENT, AND RETALIATION; REVISION B TO COMMISSION POLICY

2007-03 "WORKPLACE VIOLENCE"; AND REVISION A TO COMMISSION POLICY 2018-02 "ANTI-BULLYING"; AND DELETING ADMINISTRATIVE POLICY NO. 1989-02 "GUIDELINES FOR DISCIPLINARY PROCEDURES" AND ADMINISTRATIVE POLICY 1989-01 "SBSA HOUSE RULES"

D. CONSIDERATION OF MOTION ACCEPTING SILICON VALLEY CLEAN WATER (SVCW) BASIC FINANCIAL STATEMENTS AND AUDITOR'S REPORTS FOR FISCAL YEAR 2020-21

Proposed Action:

Move approval of RECEIPT AND ACCEPTANCE OF BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR YEAR ENDED JUNE 30, 2021

Motion/Second: Mr. Otte / Dr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8A

CONSIDERATION OF RESOLUTION APPROVING REMOTE COMMISSION MEETINGS UNDER GOVERNMENT CODE SECTION 54953 OF THE BROWN ACT DURING EMERGENCY CONDITIONS

Proposed Action:

Move adoption of RESOLUTION MAKING FINDINGS AND DETERMINATIONS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE COMMISSION OF SILICON VALLEY CLEAN WATER UNDER GOVERNMENT CODE SECTION 54953 OF THE BROWN ACT DURING EXISTENCE OF STATE OF EMERGENCY CONDITIONS RELATED TO THE COVID-19 PANDEMIC

Motion/Second: Mr. Collins / Dr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8B

CONSIDERATION OF RESOLUTIONS APPROVING MASTER SERVICES AGREEMENTS FOR ACADEMIC ADVISORY COMMITTEE MEMBERS

Proposed Actions:

- i. Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR DR. GEORGE TCHOBANOGLOUS
- ii. Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR DR. MIKE K. STENSTROM
- iii. Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR DR. KRISHNA R. PAGILLA

Motion/Second: Mr. Otte / Mr. Collins

The Motion carried by Unanimous Roll Call Vote

ITEM 9

No Closed Session

ITEM 10

No Closed Session items to report

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:30 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 October 21 – November 2, 2021 and November 3 – November 15, 2021, were scanned and a copy was emailed to Commissioners and Legal Counsel on December 7, 2021.

AGENDA ITEM 7C

APPROVE UPDATED SVCW STANDARD CONTRACT DOCUMENTSISSUE

Approve SVCW Standard Contract Documents, Version December 2021

BACKGROUND

Construction projects are carried out by completing a set of specifications and plans (collectively, "Contract Documents") that spell out, via words and drawings, what is involved in the construction project and what work the construction contractor agrees to perform. There is an industry-standard for the method in which Contract Documents are organized. They are comprised of three main sections:

Section	Divisions/Sheets	Notes
Standard Contract Specifications	0 and 1	Stipulates Contractual Terms
Technical Specifications	2 through 17	Each Division is pertinent to an area of construction; i.e., Div 3 = Concrete while Div 16 = Electrical work
Drawings	As Needed	Depicts existing facilities and construction needs

Standard Contract Specifications contain contractual requirements with most of the language constant from project to project. Technical Specifications and Drawings are unique to each project and vary accordingly. Typically, a public agency owns and prepares the Standard Contract Specifications, while the Technical Specifications and Drawings are prepared by a project's Engineer-of-Record.

It is industry standard for the contracting agency to "own" the Standard Contract Specifications and SVCW has owned its Standard Contract Specifications since the inception of the Capital Improvement Program in 2008. In August 2008 and approximately once per year since, the Commission has approved the Standard Contract Specifications allowing SVCW construction projects to be bid and subsequent action by the Commission approving the Contract Documents when the project construction contract is awarded.

They are updated annually or biennially by an SVCW consultant who keeps apprised of pertinent changes in law, regulations, and the insurance industry. Changes are reviewed by SVCW's insurance provider and Legal Counsel, as necessary. The last update to SVCW's standard contract specifications was made in December 2020 (approved by the Commission via Resolution No. 20-41).

SVCW uses two forms of contract specifications for construction: "Long-Form" and "Short-Form". Long-form Standard Contract Specifications are used for projects that are publicly advertised for bidding and over \$100,000 in anticipated contract value. Short-Form

Standard Contract Specifications are used for projects having an anticipated construction value under \$100,000. For these smaller projects, staff solicits quotes from three or more contractors and projects are then awarded at the lowest quoted price. This process is allowed under California's Public Contracts Code and SVCW's Purchasing Guidelines, and preferred, as producing specifications and drawings to publicly bid projects can be cost prohibitive for projects of this small size.

DISCUSSION

Updates to the Long-Form and Short-Form Standard Contract Documents have been prepared and staff recommends the Commission approve the revised versions effective December 2021. Changes to each are:

Standard Contract Specifications	Affected Sections	Change
Long Form	00010 – Invitation to Bid 00800 – Supplementary General Conditions Appendix 2	Updated SRF requirements. Added WIFIA requirements.
	00420 – Certification of Bidder's Experience and Qualifications 00420A – Certification of Subcontractor's Experience	Changed contractor's Experience Modification Rating (EMR) requirement from 1.10 to 1.00 (reflects a higher safety requirement)
	01010 – Summary of Work	Updated System Outage Request requirements
	Other	Minor editorial changes
Short Form	Same as above	All changes proposed in Long Form

Staff recommends approval of the revised Standard Long-Form and Short-Form Contract Documents effective December 2021.

FINANCES

There are no direct financial impacts from this action.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING SVCW'S STANDARD LONG-FORM CONTRACT DOCUMENTS AND STANDARD SHORT-FORM CONTRACT DOCUMENTS - VERSIONS DECEMBER 2021

AGENDA ITEM 8A

COMMISSION MEETINGS ATTENDANCE

ISSUE

Remote Commission Meetings Under Government Code Section 54953 of the Brown Act During Emergency Conditions

BACKGROUND

AB361 was signed into law by the Governor on September 16, 2021. AB361 amends Government Code Section 54953 of the Brown Act by allowing local agencies to hold meetings remotely during emergency situations, under the following conditions:

1. An emergency situation arises that produces an imminent risk to public health and safety.
2. A gubernatorial state of emergency is declared (pursuant to Gov't. Code § 8625).
3. A local agency wishes to meet remotely via teleconferencing as a result of the emergency. A meeting notice/agenda are produced and posted, with an agenda item dedicated to consideration of a resolution to transition to teleconferenced meetings consistent with the terms of Gov't. Code § 54953, subdivision (e).
4. A resolution is passed by majority vote consistent with the terms of Gov't. Code § 54953, subdivision (e), paragraph (1), subparagraph (B) i.e., determining that in-person meetings present imminent risks to the health or safety of attendees or when state or local officials impose or recommend social distancing measures. This resolution is valid for 30 days.
5. 30 days later: if the state of emergency remains active, a local agency may pass a resolution authorizing continued teleconferenced meetings upon finding that legislative body has both 1) reconsidered the circumstances of the state of emergency, and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person or state/local officials continue to impose or recommend social distancing measures.

At its September 20 meeting the Commission considered the above requirements and made the determination to hold remote meetings by adopting Resolution No. 21-32. At its subsequent two meetings, the Commission reiterated its determination via Resolution Nos. 21-33 and 21-36, respectively.

DISCUSSION

At last month's meeting, the Commission raised questions regarding whether the emergency remote meeting item should be heard at the beginning of the agenda and whether it could be placed on consent agenda. SVCW's General Counsel and Manager addressed these questions, which are summarized as follows:

- 1) The consent calendar is for items that are routine, non-controversial and that do not need discussion, debate or individual motions. Conversely, emergency items, by their very nature, are not routine. AB361 is an emergency law that allows the use of remote public meetings *only* in an emergency situation to address a local public health and safety issue.

Every 30 days, the Commission is required to re-consider current conditions to ensure that circumstances justify the emergency and to adopt findings that the proclaimed emergency remains active. According to the implementation guidelines published by the California Special Districts Association (CSDA), the proponent of the law, AB 361 "...requires that the renewal of the resolution effecting the transition to the modified Brown Act requirements must be based on findings the local agency has *thoughtfully reconsidered the circumstances of the state of emergency*, and the local agency has either identified a) ongoing, direct impacts to the ability to meet safely in-person or b) active social distancing measures as directed by relevant state or local officials." Not only is the COVID emergency fluid and ever-changing, determining whether to hold remote meetings during any state of emergency is not an appropriate item on consent.

- 2) Under AB361, the Resolution adopted by the Commission authorizes remote meetings for the *upcoming* 30 days; therefore, the resolution is prospective in its application and each remote meeting is authorized by the prior month's Resolution. Moreover, AB361 is self-executing in that it allows the Commission to hold a remote meeting in the first instance (no prior resolution or other authorization required) to determine whether emergency conditions exist to hold remote meetings.

This item is for the purpose of reconsidering whether the current state of emergency warrants holding remote meetings for the next 30 days. To continue to qualify for AB 361's waiver of in-person meeting requirements, the Commission must, within thirty (30) days of its first meeting under AB361, and every thirty (30) days thereafter, make findings that a) state or local officials continue to recommend measures to promote social distancing, or that b) an in-person meeting would constitute an imminent risk to the safety of attendees.

Despite sustained efforts to reduce the threat of COVID-19, the underlying state of emergency proclaimed by the Governor on March 4, 2020 remains active, as well the local emergency proclaimed by the County of San Mateo on March 11, 2020. At present, the SARS-CoV-2 B.1.617.2 (Delta) variant has been circulating throughout the County, is highly transmissible in indoor settings, and requires multi-component prevention strategies to reduce spread; despite high vaccination rates, San Mateo County is experiencing substantial levels of community transmission due to the Delta variant.

While most COVID-19 cases are among unvaccinated residents, the proportion of breakthrough cases is increasing; hospitalizations have also increased, primarily among unvaccinated persons. Moreover, Cal-OSHA regulation 3205 recommends physical distancing in the workplace generally and regulates a "close contact" defined as being within 6 feet of another under certain circumstances.

Finally, a new variant of the virus called Omicron (SARS-CoV-2 B.1.1.529) has recently emerged and preliminary research indicates it can spread more easily than the Delta; in fact, it is reported that the first case of this new variant has been confirmed in Northern California and at least fifteen states have confirmed its presence.

For the above reasons, holding in-person meetings poses an imminent risk to attendees and staff recommends that remote meetings are presently necessary to protect the health and safety of all attendees, including SVCW staff and Commissioners.

FINANCES

There is no financial impact to this agenda item.

RECOMMENDATION

Move adoption of RESOLUTION MAKING FINDINGS AND DETERMINATIONS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE COMMISSION OF SILICON VALLEY CLEAN WATER UNDER GOVERNMENT CODE SECTION 54953 OF THE BROWN ACT DURING EXISTENCE OF STATE OF EMERGENCY CONDITIONS RELATED TO THE COVID-19 PANDEMIC

AGENDA ITEM 8B

**CONSIDERATION TO ESTABLISH
CALENDAR YEAR 2022 COMMISSION MEETING SCHEDULE**

ISSUE

Approve SVCW Commission Meeting Schedule for Calendar Year 2022

BACKGROUND

The day and time of regular meetings are established by Commission resolution pursuant to the SVCW Bylaws. Per Resolution 18-82, adopted by this Commission on Dec. 6, 2018, the regular meetings of the SVCW Commission have been held at 8:00 a.m. on the third Monday of each month. Resolution 18-82 further provides that the Commission establish and adopt a yearly meeting schedule.

DISCUSSION

The attached table indicates dates in each month that a Commission meeting would fall (third Monday of each month). There are two instances whereby the regular meeting falls on a national holiday (January and February meetings). Additionally, there are two instances whereby regular meeting dates fall close to holidays (Thanksgiving and Hanukkah/Christmas).

It is recommended that the Commission discuss the 2022 calendar of Commission meetings and, if preferred, establish special meetings dates for the four meetings noted in red font on the attached table. Upon final decision, the calendar will be finalized and uploaded to the SVCW website.

FINANCES

There are no direct financial impacts to this action.

RECOMMENDATION

Move adoption of COMMISSION'S MEETING SCHEDULE FOR CALENDAR YEAR 2022

DRAFT FOR DISCUSSION

Silicon Valley Clean Water
Commission Meeting Dates for Calendar Year 2022*

Meeting Date	Type of Meeting
January 17, 2022 (MLK Day)	Regular
February 21, 2022 (Presidents' Day)	Regular
March 21, 2022	Regular
April 18, 2022	Regular
May 16, 2022	Regular
June 20, 2022	Regular
July 18, 2022	Regular
August 15, 2022	Regular
September 19, 2022	Regular
October 17, 2022	Regular
November 21, 2022 (Monday of Thanksgiving week)	Regular
December 19, 2022 (Hanukkah/Christmas)	Regular

*Regular Meetings are scheduled for the third Monday of each month

AGENDA ITEM 8C

**RESCU PROGRAM (CIP #6008, 9501, 9502)
APPROVAL OF PROJECT CHANGE ORDERS****ISSUE**

Approve Contract Change Orders to RESCU Projects (CIP #6008, 9501, and 9502)

BACKGROUND

In 2017 SVCW approved design-build contracts for the design and construction of the projects within the Regional Environmental Sewer Conveyance Upgrade (RESCU) program. Since that time, SVCW has been monitoring and tracking risks to the program's cost and schedule by using a tool called a risk register. The risk register tool helps identify the probability of risks, mitigate risks, and estimate potential cost increases to the program. There are risk registers for each RESCU project, as well as a program-wide risk register. All risk registers are reviewed and updated regularly as the program moves through projects' construction phases.

For design-build projects, a single entity is responsible for both design and construction. The design-build contract outlines two stages for the project. In Stage 1, the design-builder completes the design from the preliminary phase (~10%) through the 60% design phase, at which time the price for completing the project is prepared and a Stage 2 contract awarded. Stage 2 consists of completing the engineering design (moving design from 60% to 100% completion) and construction.

Over the last few months, some issues that SVCW has been tracking have developed into contract change orders. For design-build projects, there are three circumstances in which a contract change order is warranted: 1) owner-requested changes to the scope of work, 2) differing site conditions, whereby the construction site conditions are significantly different from the information that was provided by the owner to the contractor and 3) changed conditions forced upon a project by a regulatory body or other outside entity.

DISCUSSION

Three contract change orders (CCOs) are to be considered as part of this Agenda Item, one for each project.

Gravity Pipeline Project (CIP #6008): Connecting Piping CCO

The Gravity Pipeline project design-builder, Barnard Bessac Joint Venture (BBJV), is constructing a tunnel for wastewater conveyance from the four member agencies' collections systems to the treatment plant. Constructing San Carlos and Bair Island drop structures, located on the current San Carlos Pump Station property and on Inner Bair Island, respectively, are part of BBJV's scope of work under the project. These drop structures will take water from West Bay Sanitary District and Redwood City at the Bair Island location and San Carlos and Belmont at the San Carlos location.

At the completion of Stage 1, most project elements were designed to the 60% level, but some items that were sequenced to be constructed near the end of the project were not

designed and, therefore, were not priced into the Stage 2 contract. Specifically, the design for the connecting piping at the San Carlos and Bair Island drop structures had not been completed. These connections were to be added to the Stage 2 scope of work via Amendment once their designs were completed. The reason why design for these two elements of work were held in abeyance is because determining the type of drop structures to use at these locations were in flux due to the highly complex nature of such structures. While Stage 2 negotiations were occurring, however, the structures' designs were close enough to completion to enable pricing and, thus, they were able to be included in the contract. However, without the drop structure designs being finalized, the connecting piping designs could not begin.

The designs for the two connecting pipe systems have now been completed and BBJV has provided cost estimates for completing the work. The SVCW Owners Advisors team is currently providing independent reviews of BBJV's costs to ensure that the costs are in line with the scope of work. The scope of work involves both procuring necessary materials and providing the labor necessary to complete the construction.

Some of the materials that need to be procured have long lead times and, to maintain the project schedule, these items should be purchased soon. SVCW staff and consultants met with BBJV to identify the specific long lead time materials that are required to be released prior to the final negotiations of the Stage 2 Connecting Piping Contract Amendment. Identified below are the critical materials in need of immediate procurement to maintain the current Substantial Completion date of 7/1/22.

- 33-inch HDPE Pipe
- Pipe Supports
- Knife Gate Valves
- Flowmeter

Upon approval to procure the items listed above, BBJV will order these materials for this critical scope work while the cost of remaining work (miscellaneous materials and construction labor) is negotiated. A future contract change order will be created for the work not included in this early release package. The total amount requested for authorization at this time is \$558 thousand. The total cost for the complete connecting pipe work is expected to be approximately \$3 million.

Front of Plant Project (CIP #9501): Influent Piping Repair

The Front of Plant (FoP) Project is constructing a pipeline to connect the screened and de-gritted wastewater to the current primary sedimentation process at the existing treatment plant. This new pipeline will connect to a 60-inch steel pipe that was part of the original plant construction. In preparation for connecting the two pipes, the old 60-Inch pipeline was inspected with an ultrasonic testing (UT) method. The UT method is a nondestructive method to measure pipe wall thickness in steel pipes. The UT testing indicated that the pipe wall thickness had deteriorated since the original installation (40 years ago). In some areas, the pipe wall thickness measures at 50% of the original thickness.

Loss of pipe wall thickness indicates that corrosion, likely due to high hydrogen sulfide in wastewater, has compromised the integrity of the pipe. Additionally, the corrosion barrier inside the pipe (an epoxy compound) has been compromised which further exacerbates pipe deterioration. Without addressing this issue, the steel pipeline will continue to corrode from the inside. As an immediate fix, SVCW requested that Shea Parsons Joint Venture (SPJV, the design-builder for FoP project) perform temporary repairs in the worst areas. Three temporary repairs were performed in October and November 2021.

As part of the FoP project scope of work, SPJV will install a temporary bypass system to make the connection between the new pipeline and the existing pipeline. When this temporary bypass system is in place, it provides a window of opportunity to perform a permanent repair to the corroding 60-inch steel pipe. SVCW Engineering staff together with Brown and Caldwell (Owner's Advisors on FoP) evaluated options for a permanent repair solution which could be installed while the influent temporary bypass is in place.

The use of Carbon Fiber Reinforced Polymer (CFRP) composite wrapping of the pipe interior is a superior option to the alternative of replacing the pipe. Utilizing CFRP is less expensive and faster than removing and replacing the existing pipe in-kind. This method provides a shorter lead-time as compared with procuring a replacement pipe and allows for the repairs to be performed while the temporary bypass is in place thus saving money and potential conflicts and delays to the FoP project. The CFRP has the structural integrity to replace the steel piping making the host pipe virtually irrelevant. Additionally, CFRP has a long service life expected to last well over 50 years.

Since the repair work is integral with the work that SPJV is contracted to perform, it is reasonable to issue a contract change order to the FoP project as it will allow repair of the existing 60-inch steel pipe while the temporary influent bypass is in place and the pipe connections are being made. SPJV and SVCW's Owner's Advisor team are currently negotiating the cost to perform the work and it is anticipated to be in an amount not-to-exceed \$2.25 million. This is work that SVCW would need to undertake regardless of the RESCU work and performing it at this time not only ensures that SVCW is able to fulfill its primary mission but also provides the lowest cost method to have the repair work completed.

Pump Stations Improvements Project (CIP #9502): Differing Site Condition

The Pump Stations Improvements (PSI) Project includes rehabilitating the Menlo Park Pump Station, building a new Redwood City Pump Station, building a new gravity sewer to connect the Belmont system to the tunnel, and abandoning the Belmont Pump Station.

A portion of the Belmont scope of work involves building receiving shafts and jacking shafts for the microtunnel boring machine that constructs the Belmont gravity pipeline along Shoreway Road in the City of San Carlos and City of Belmont. The first step in constructing these shafts is locating the underground utilities that conflict with shaft footprint and relocating any conflicting utilities around the shafts.

During construction of the first jacking and receiving shafts, SPJV's subcontractor, Power Engineering, was required to permanently relocate an existing 8-inch water line at two locations on Shoreway Road, adjacent to Jacking Shaft 1 and Receiving Shaft 1. This permanent relocation alignment was designed and coordinated based on record drawings of Shoreway Road. Upon excavation of the road, Power Engineering discovered that a storm drain was in a different location from what was shown on the record drawings. The difference in storm drain location required Power Engineering change the design for the relocated 8-inch water line and perform more work than was anticipated. This also required Power Engineering to complete additional exploration and demolition work to determine the extent of the existing storm drain.

Staff has analyzed the details of this issue and negotiated a contract change order with SPJV that includes compensation and a time extension for the following items:

1. Potholing, exploration, and demolition of the storm drain related concrete.
2. Removal of temporary 8-inch water line relocation at two locations on Shoreway Road.
3. Reinstallation of original 8-inch water line alignment at two locations on Shoreway Road.
4. Extended traffic control during the additional work items described above.

These changes result in a CCO of \$208 thousand.

FINANCES

The three change orders result in an increase of \$3,016,000 in the construction budget for the program. While there is currently enough contingency in the program budget to accommodate these extra costs, analysis of the risk register indicates that the overall RESCU program will exceed the current RESCU budget by \$19,800,000, or 3.6%. SVCW will request the additional budget to be added to the program as part of the 2022 CIP update, which will be presented to the Commission in January.

RECOMMENDATION

- i. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE GRAVITY PIPELINE PROJECT IN AN AMOUNT NOT TO EXCEED \$558,000.
- ii. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE FRONT OF PLANT PROJECT IN AN AMOUNT NOT TO EXCEED \$2,250,000.
- iii. Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE A CONTRACT CHANGE ORDER FOR THE PUMP STATIONS IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$208,000.

AGENDA ITEM 8D

OPERATIONAL TECHNICAL SERVICES TEMPORARY STAFFING

ISSUE

Approve Professional Services Agreement with Operational Technical Services, LLC for Temporary Staffing

BACKGROUND

Silicon Valley Clean Water (SVCW) operates its conveyance and treatment facilities 24/7/365. Operation Division employees staff the facility 24/7 while other employee positions work 40 hours per week (unless planned shutdowns or unplanned emergency situations arise in which case, all staff work as required). Most SVCW employees are highly specialized technical staff such as operators, mechanics, engineers, controls technicians, laboratory analysts, instrumentation technicians, and electricians.

Over the past four years, a significant number of technical positions at SVCW have opened due to retirements. SVCW has encountered challenges to quickly fill these vacated positions due to an industry-wide high number of retirements along with shortages of qualified technical staff to replace these retirees. However, since SVCW has a strong positive reputation in the wastewater industry, some of the otherwise challenging positions to fill have been successfully filled with quality individuals. Regardless, two positions are particularly challenging to fill: certified senior electricians and controls technicians. These two positions are critical to the functioning of the agency's facilities and additional criticality is imminent due to the high level of automation and the new RESCU facilities soon to come online. Along with the shortage of qualified individuals, the challenges are exacerbated by high demand for these two specialties across all industries. After several iterations of recruitment efforts, a qualified Controls Technician recently applied for and was offered a job at SVCW. The on-boarding process is ongoing, and this individual will start work on December 27.

DISCUSSION

In March 2020 and again in August 2020, two Senior Electricians left SVCW. Human Resources staff have conducted five recruitment efforts since that time, including a currently open recruitment. SVCW was successful in hiring one Senior Electrician in August 2020 but that individual just applied for and was promoted to Maintenance Supervisor, replacing a recent Supervisor retiree. Currently, there remain two positions open for Senior Electricians. The current recruitment opened in October 2021 and, thus far, SVCW received one application from an individual who did not meet the minimum qualifications.

The need for qualified senior electricians has reached a critical level at SVCW and the Manager and Chief Operating Officer are using a myriad of approaches to meet this need. One of the approaches involves in-house training of maintenance mechanic staff who have shown aptitude for and interest in electrical work. Another approach is hiring electrician-level staff who, eventually, can be trained and certified to reach Senior Electrician levels. While both approaches are suitable for long-term sustainability, there remains a short-term need for qualified senior electrician expertise.

A company, Operational Technical Services (OTS), provides temporary staffing to wastewater agencies. Their services include qualified electricians as well as operators, laboratory analysts, mechanics, etc. Most people who work with OTS are retired technicians who seek to work intermittently and on a temporary basis. This approach is used successfully by SVCW to fulfill temporary administrative and accounting functions through a company called AppleOne.

To ensure that the agency's needs for qualified electricians are met, the Manager recommends that SVCW enter into a professional services agreement with OTS. Hiring an electrician via OTS will be dependent upon the success or failure of the currently open senior electrician job recruitment. That is, if the recruitment efforts are successful, SVCW will not need to use OTS' services. However, the outlook for a successful recruitment is dim.

In addition to entering into an agreement with OTS, staff is also reaching out to two electrical contractors currently working at the SVCW site to determine if one of these firms have staff available to "lend" to SVCW for a short-term assignment. Thus far, one of the companies have indicated that their workforce is equally strained due to electrician shortages and the other company has indicated that there may be possibility for an arrangement to be made. Should this possibility come to fruition, a Commission agenda item will be presented at a future meeting.

FINANCES

Entering into an agreement with OTS does not render financial impact. Should an electrician be hired via OTS, the expense would be borne by the SVCW Maintenance Division Operating Budget which, to date, is under budget due to the current vacancies.

RECOMMENDATION

Move adoption of RESOLUTION AUTHORIZING SVCW MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH OPERATIONAL TECHNICAL SERVICES, LLC