

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, May 9, 2022
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. 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. 9
- C. Financial Report
 - 1. Investment Report.....pg. 11
 - 2. Quarterly Investment Reportpg. 15
- D. Engineering Capital Projects Report.....pg. 40
- E. Commission Requested Staff-Level Action Items..... pg. 44
- F. RESCU Program Design-Build Project Status Update..... pg. 47

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 55)

8. BUSINESS ITEMS

- A. CONSIDERATION OF RESOLUTION AUTHORIZING RETURN TO IN-PERSON COMMISSION MEETINGS AND TERMINATING SVCW'S EMERGENCY COVID-19 PROCLAMATION (pg. 87)

Proposed Action:

Move adoption of RESOLUTION TERMINATING PROCLAMATION OF LOCAL EMERGENCY, AUTHORIZING RETURN TO THE COMMISSION'S REGULAR MEETING LOCATION AND ESTABLISHING NECESSARY SAFETY PROTOCOLS

9. CLOSED SESSION

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

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

11. ADJOURN

CONSENT CALENDAR

NOTICE TO PUBLIC

All matters listed under CONSENT CALENDAR are considered to be routine. There may be discussion on items on the CONSENT CALENDAR. All items will be enacted by one motion with a voice vote unless members of the Commission, staff, or public request specific items be removed from the CONSENT CALENDAR for separate action.

7. A. APPROVAL OF MINUTES – April 11, 2022 - Regular Meeting (pg. 55)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED MARCH 18, APRIL 1, APRIL 11, AND APRIL 15, AND NECESSARY PAYMENTS THROUGH APRIL 15, 2022 (pg. 61)
- C. CONSIDERATION OF RESOLUTION APPROVING SUBMITTAL OF APPLICATION TO ALL ELIGIBLE CALRECYCLE GRANT PROGRAMS AND LETTER OF DESIGNATION TO MANAGER AND HER DESIGNEE TO EXECUTE DOCUMENTS NECESSARY TO SECURE GRANT FUNDS AND IMPLEMENT APPROVED GRANT PROJECTS (pg. 63)

Proposed Action:

Move approval of RESOLUTION TO AUTHORIZE SUBMITTAL OF APPLICATION FOR ALL ELIGIBLE CALRECYCLE GRANT PROGRAMS AND APPROVE LETTER OF DESIGNATION TO MANAGER AND HER DESIGNEE TO EXECUTE ALL GRANT DOCUMENTS NECESSARY TO SECURE GRANT FUNDS AND IMPLEMENT APPROVED GRANT PROJECTS

- D. CONSIDERATION OF MOTION APPROVING TASK ORDER FOR KENNEDY JENKS CONSULTANTS DESIGN AND BID PERIOD SERVICES SCOPE AND BUDGET FOR RETURN ACTIVATED SLUDGE PIPE REPLACEMENT PROJECT (CIP #9601) (pg. 66)

Proposed Action:

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN AND BID PERIOD SERVICES RELATED TO THE WASTE ACTIVATED SLUDGE INFLUENT PIPE REHABILITATION PROJECT (CIP #9601) IN THE AMOUNT NOT TO EXCEED \$156,020 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY JENKS CONSULTANTS

E. CONSIDERATION OF MOTION SUSPENDING COMPETITIVE BIDDING REQUIREMENTS FOR PROCUREMENT OF ACCESS CONTROL SYSTEM TO MATCH EXISTING SYSTEM (pg. 69)

Proposed Action:

Move approval to SUSPEND COMPETITIVE BIDDING REQUIREMENTS FOR OPENING TECHNOLOGIES ACCESS CONTROL SYSTEM PROCUREMENT AND INSTALLATION ON THE GROUNDS THAT THAT IT IS NECESSARY TO MATCH EXISTING PRODUCTS IN USE AND AVAILABLE FROM A SINGLE SOURCE ONLY (5/7th WEIGHTED VOTE COUNT REQUIRED)

F. CONSIDERATION OF RESOLUTION REVISING FEE SCHEDULE FOR SVCW LEGAL SERVICES UNDER SVCW GENERAL COUNSEL LEGAL SERVICES AGREEMENT WITH FITZGERALD LAW OFFICES (pg. 72)

Proposed Action:

Move adoption of RESOLUTION APPROVING SECOND AMENDMENT TO GENERAL COUNSEL LEGAL SERVICES AGREEMENT (FITZGERALD LAW OFFICES)

G. CONSIDERATION OF RESOLUTION AUTHORIZING USE OF ELECTRONIC SIGNATURES TO CONDUCT AUTHORITY BUSINESS IN ACCORDANCE WITH STATE LAW (pg. 80)

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING COMMISSION POLICY NO. 2022-01 "ELECTRONIC AND DIGITAL SIGNATURE POLICY"

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, May 9, 2022

WEBSITE: [Link to access meeting](#)

MEETING ID: 395 025 034#

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 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 change 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

May is Clean Air Month

As many people are working from home and practicing social distancing, you might find yourself spending more time outdoors enjoying the fresh air. But have you stopped to think about the impact clean air has on our lives?

More than 40% of people live where pollution levels are too often dangerous to breathe, according to the American Lung Association. Poor air quality can irritate your eyes and nose, aggravate asthma and lung conditions, and even shorten life expectancy. An EPA report to Congress concluded that poor air quality may cost the U.S. tens of billions dollars each year in lost productivity and medical care.



Every May since 1972, the American Lung Association celebrates Clean Air Month to educate people about the importance of clean air. Here are 10 ways you can participate in Clean Air Month and improve the air quality in your workplace, community, and beyond:

1. **Check out the State of the Air** where you live and work using the American Lung Association's [interactive website](#).
2. **Celebrate Bike to Work Day** on Friday, May 15. Or, if you're working from home, avoid the crowds and make time for a bike ride.
3. **Open the windows to let fresh air in**, especially after painting, cooking, or cleaning. Proper ventilation is crucial to healthy indoor air.
4. **Switch to low-VOC cleaning products**. There are many low-VOC products on the market that work as well as traditional industrial cleaners.
5. **Add air purifiers and air purifying plants** to your office.
6. **Avoid scented candles and air fresheners and choose fragrance-free cleaners**. Scented products can irritate allergies and asthma.
7. **Take steps to reduce your energy usage**, such as installing LED lighting or energy efficient heating and cooling systems. Reducing energy usage helps reduce air pollution and greenhouse gas emissions.
8. **Consider switching to clean energy sources such as wind and solar**. The EPA's [Green Power Locator](#) can help you to identify different green power supply options for your business.
9. **Reduce, reuse, and recycle**. Conserving resources helps reduce both air and water pollution.
10. **Post to social media using the hashtag #cleanairmonth**.

AGENDA ITEM 5B

Recurring and Upcoming 2022 Commission Actions
Updated for May 2022 Meeting


January	February	March	April
<ul style="list-style-type: none"> Review Investment Policy CIP Update (annual or biennial) Long Range Financial Plan 	<ul style="list-style-type: none"> Recycled Water Planning Organic Co-Digestion Update 	<ul style="list-style-type: none"> Budget Workshop 	<ul style="list-style-type: none"> Operating Budget Approval
May	June	July	August
<ul style="list-style-type: none"> Initiate Manager Performance Evaluation Receive Q1 Investment Summary 	<ul style="list-style-type: none"> Approve Resolution 77-6 "Personnel Resolution" Perform Manager Evaluation Review Reserve Funds Policy 	<ul style="list-style-type: none"> Nominate Commission Chair & Vice Chair; Appoint Secretary 	<ul style="list-style-type: none"> Conflict of Interest Update (Biennial; even-numbered years) Investment Program Status Annual Update
September	October	November	December
<ul style="list-style-type: none"> Review Debt Management Policy 		<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
March 31, 2022

Description	Market Value	% of Total Holdings	Yield
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,704,973	1.97%	0.98%
Operating Reserve - Money Market Fund Balance	42,058	0.02%	0.16%
CIP Reserve* - Securities	18,225,444	9.71%	1.71%
CIP Reserve - Money Market Fund Balance	664,480	0.35%	0.16%
Stage 2 Capacity Reserve* - Securities	14,041,412	7.48%	1.68%
Stage 2 Capacity Reserve - Money Market Fund Balance	215,125	0.11%	0.16%
Total Market Value: Operating and Reserve Accounts	\$ 36,893,493	19.7%	1.59%
Total Accrued Interest: Operating and Reserve Accounts	155,408		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 37,048,901		
<u>Trustee Accounts:</u>			
2018 Bond Project Fund Account - CAMP	\$ 7,284,745	3.88%	0.25%
2018 Bond Revenue Account	7	0.00%	0.01%
2019A Notes WIFIA - Money Market Fund	1,580,292	0.84%	0.01%
2019A Notes Capitalized Interest Account* - Securities	12,359,624	6.58%	2.27%
2019A Notes Capitalized Interest Account - Money Market Fund	10,143	0.01%	0.01%
2021 Refunding Bonds Revenue Account	4	0.00%	0.01%
2021A Notes (RESCU) - Money Market Fund	285,946	0.15%	0.01%
2021A Notes (RESCU) - LAIF	50,300,000	26.79%	0.37%
2021B Notes (WWTP) - Money Market Fund	4,368,284	2.33%	0.01%
2021B Notes (WWTP)* - Securities	39,153,667	20.86%	1.22%
2021B Notes (WWTP) - LAIF	24,175,000	12.88%	0.37%
2021 Notes Capitalized Interest Account - Money Market Fund	1,821,407	0.97%	0.01%
2021 Notes Cost of Issuance Account	49,093	0.03%	0.01%
Total Market Value, Trustee Accounts	\$ 141,388,211	75.31%	0.74%
Accrued Interest:	126,670		
Operating Cash (includes outstanding checks)	9,245,654	4.92%	0.00%
Local Agency Investment Funds (LAIF) Balance	210,549	0.11%	0.37%
Total Cash & Investments	\$ 188,019,984	100.00%	0.87%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

4/12/2022
Date

* Monthly report of security transactions and interest available upon request

Silicon Valley Clean Water
Operating and Reserve Funds - Sector Allocation & Compliance March 31, 2022

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	\$ 1,703,873	\$ 7,795,801	\$ 5,886,102	\$ 15,385,776	42%	100%	✓	0.0%
Supranationals	345,632	-	-	345,632	1%	15%	✓	0.0%
Federal Agency/GSE	633,450	1,874,578	1,400,038	3,908,065	11%	100%	✓	0.0%
Federal Agency/CMBS	-	511,398	350,931	862,329	2%	100%	✓	0.0%
Federal Agency CMO	-	896,847	686,403	1,583,250	4%	100%	✓	0.0%
Federal Agency MBS	-	2,187,521	1,755,536	3,943,057	11%	100%	✓	0.0%
Municipal	-	860,668	697,176	1,557,844	4%	30%	✓	0.0%
Corporate Notes	663,397	3,556,722	2,853,931	7,074,050	19%	30%	✓	1.0%
Asset-Backed Securities	358,621	541,910	411,296	1,311,827	4%	10%	✓	0.0%
Securities Sub-Total	3,704,973	18,225,444	14,041,412	35,971,830	98%			
Accrued Interest	12,425	84,502	58,481	155,408				
Securities Total	3,717,398	18,309,946	14,099,893	36,127,238				
Money Market Fund	42,058	664,480	215,125	921,663	2%	20%	✓	(1.6%)
Total Investments	\$ 3,759,456	\$ 18,974,426	\$ 14,315,018	\$ 37,048,901	100%			
<i>As % of 6/30/22 Target:</i>	<i>97.7%</i>	<i>92.1%</i>	<i>100.0%</i>	<i>95.6%</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 bond, 2019A note, 2021 bond, 2021A and 2021B notes 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 and 2021A&B notes 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



May 09, 2022

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update for Quarter Ended March 2022

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 March 31, 2022. Highlights include:

Market Update:

- The invasion of Ukraine and surging inflation have overshadowed the COVID-19 epidemic
 - Commodity prices, especially energy, have soared
- U.S. labor market has strengthened, reflected by decline in unemployment
- Federal Reserve suggests an aggressive monetary policy with many rate hikes in 2022
 - Balance sheet reduction likely to begin soon
- U.S. Treasury yield curve has partially inverted as short- and intermediate-term yields have increased dramatically
 - Quarterly performance of many U.S. Treasury indices was worst in over 40 years

SVCW Investment Program:

- As of quarter end, the Authority had over \$37.1 million (Market Value) in combined assets under management
- As interest rates increased significantly during the quarter, total return performance was challenged; however, in the longer-term, increasing rates will be a boost to the future performance of the portfolios as newer securities will be purchased at higher yields
- The Authority's portfolios continue to deliver strong returns (*net of management fees) relative to assigned benchmarks over longer time periods.

Reserve Fund	Market Value (\$M)	Yield at Cost	Quarterly Return*	1-Year Returns*	Since Inception*	Benchmark (Inception)
Operating Reserve	\$3.76	0.98%	-2.19%	-2.66%	0.31%	0.25%
CIP Reserve	\$18.97	1.71%	-4.11%	-4.48%	-0.00%	-0.10%
Stage 2 Reserve	\$14.32	1.68%	-4.14%	-4.54%	0.01%	-0.10%

Outlook:

- Inflation on gasoline, fuel oil, and food is especially concerning
- Federal Reserve Policy has lagged surging inflation, but Fed officials have recently signaled intention to play “catch up” via aggressive rate hikes in the first half of 2022
- Increasing yields and fluctuating yield spreads between sectors present challenging investment environment, but recent spread widening in the Corporate Note and Asset-backed Security present selective investment opportunities
- In such an environment diligence remains important; PFMAM will maintain a disciplined, long-term strategy of
 - active portfolio management and
 - diversification of the portfolio by sector, industry, and issuers with a heavy focus on high-quality investments



SILICON VALLEY CLEAN WATER

Investment Performance Review For the Quarter Ended March 31, 2022

Client Management Team

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

PFM Asset Management LLC

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

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

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Market Update

Current Market Themes



- ▶ Invasion of Ukraine impacted the economic landscape
 - ▶ Commodity prices soared, especially energy
 - ▶ Created significant geopolitical uncertainty
 - ▶ Triggered market volatility



- ▶ The U.S. economy is characterized by:
 - ▶ A strong labor market
 - ▶ Inflation at a 40-year high
 - ▶ Depressed consumer confidence



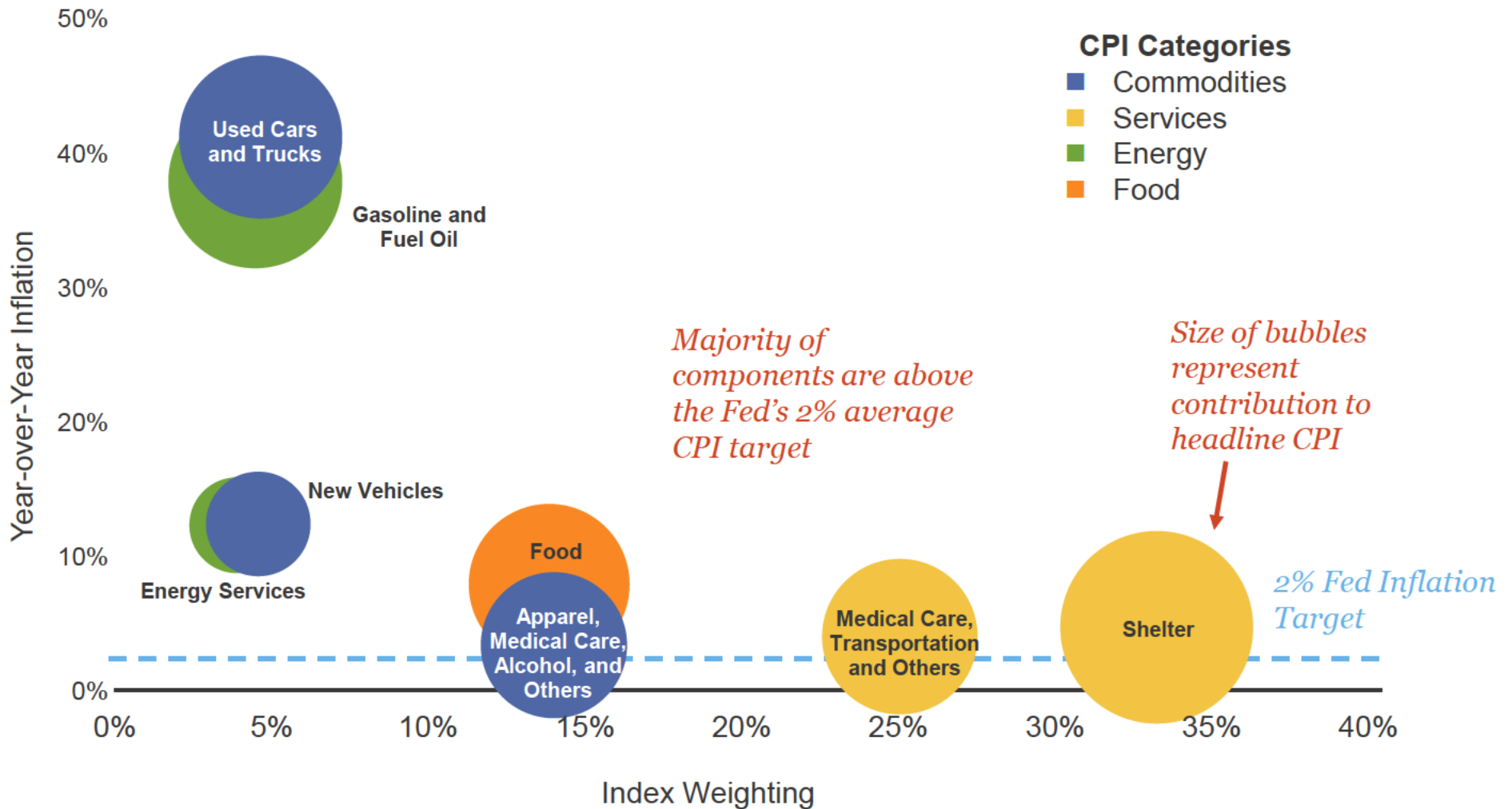
- ▶ The Federal Reserve is tightening monetary policy
 - ▶ Initiated the first of what will be many rate hikes in 2022
 - ▶ Balance sheet reduction likely to start soon



- ▶ U.S. Treasury yield curve has partially inverted
 - ▶ Yield on 2-year Treasury notes rose above the 10-year Treasury
 - ▶ One early, but imperfect warning sign for a future recession

Inflation is Prevalent Throughout the Economy

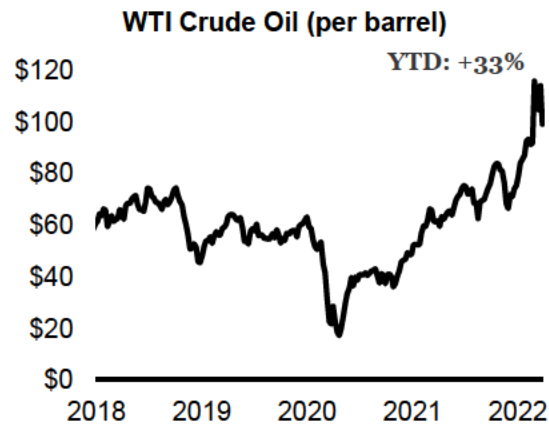
CPI Components



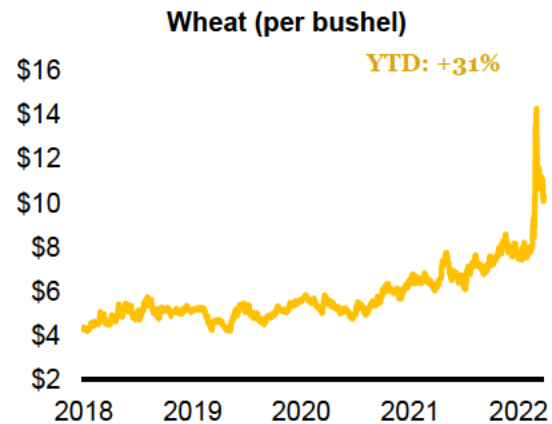
Source: BLS. Gov, data as of February 2022.

Russia's Invasion of Ukraine Has Put Additional Pressure on Supply Chains and Commodity Prices

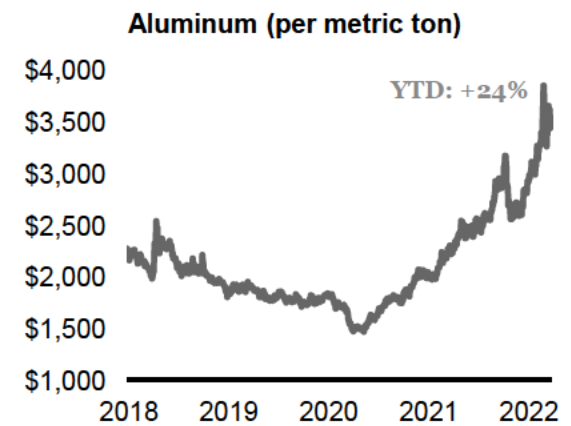
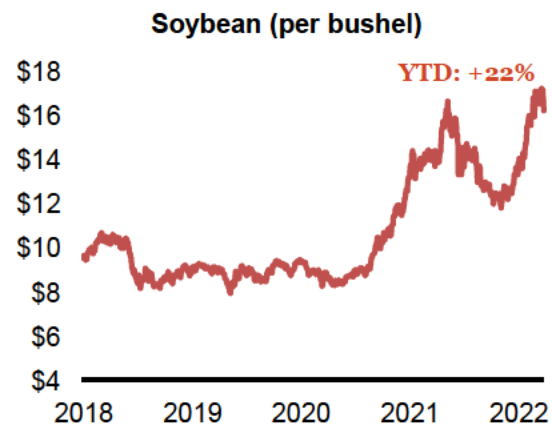
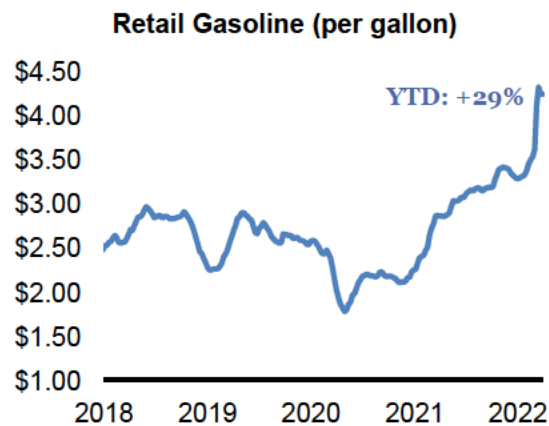
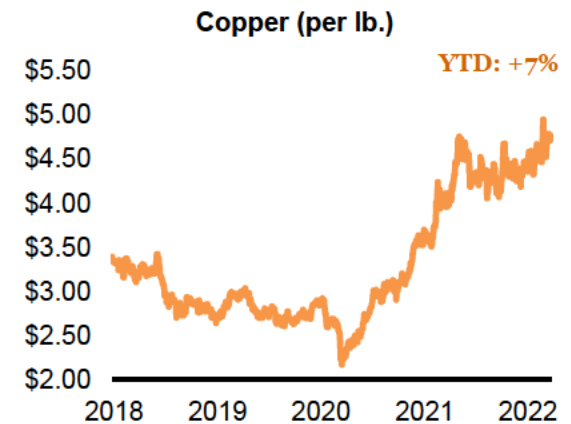
Energy



Agriculture

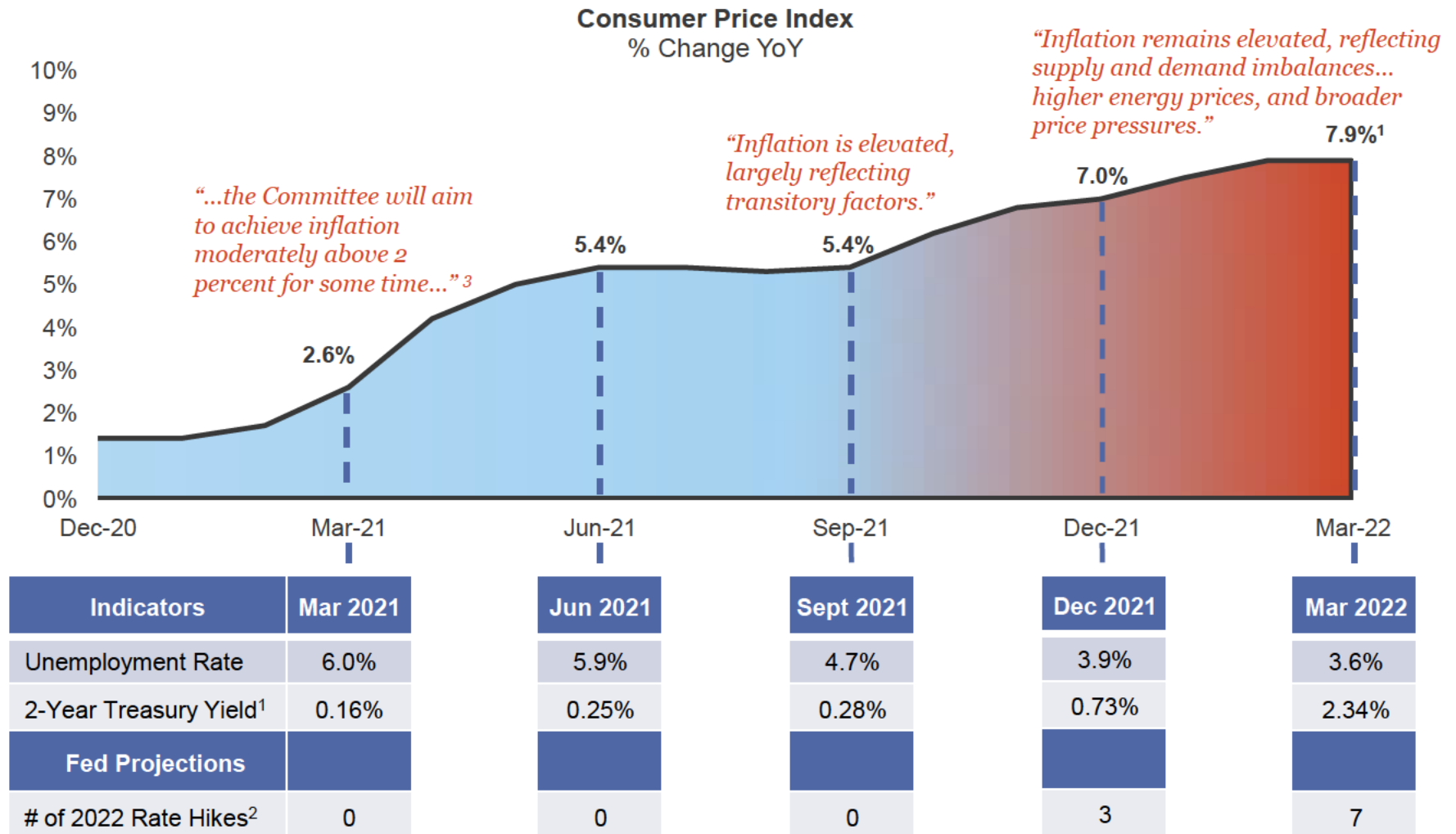


Industrial Metals



Source: Bloomberg, as of 3/31/2022.

Federal Reserve Policy Has Lagged Surging Inflation



Source: Bloomberg, data as of 4/01/2022.

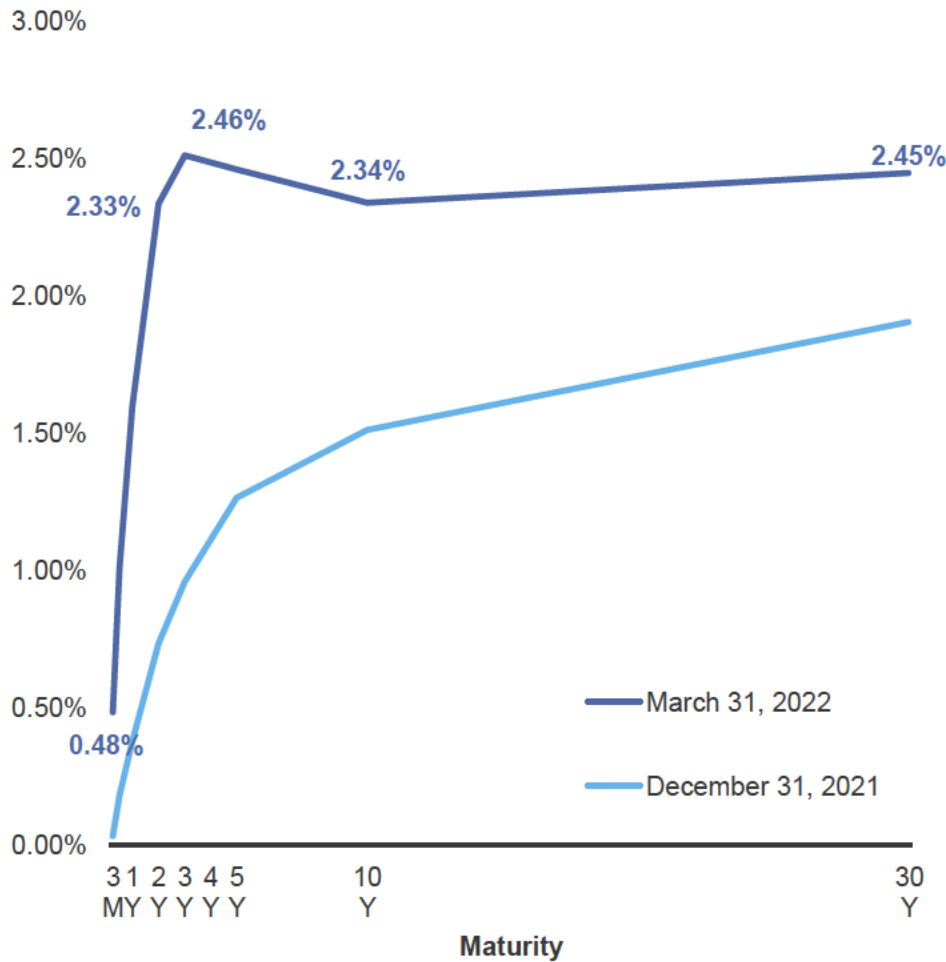
1. March's CPI is assumed to remain unchanged from February's CPI reading of 7.9%; Treasury yields are as of month-end.

2. Calculated using the 2022 median Federal Funds rate from the FOMC Summary of Economic Projections. Assumes 0.25% rate hikes.

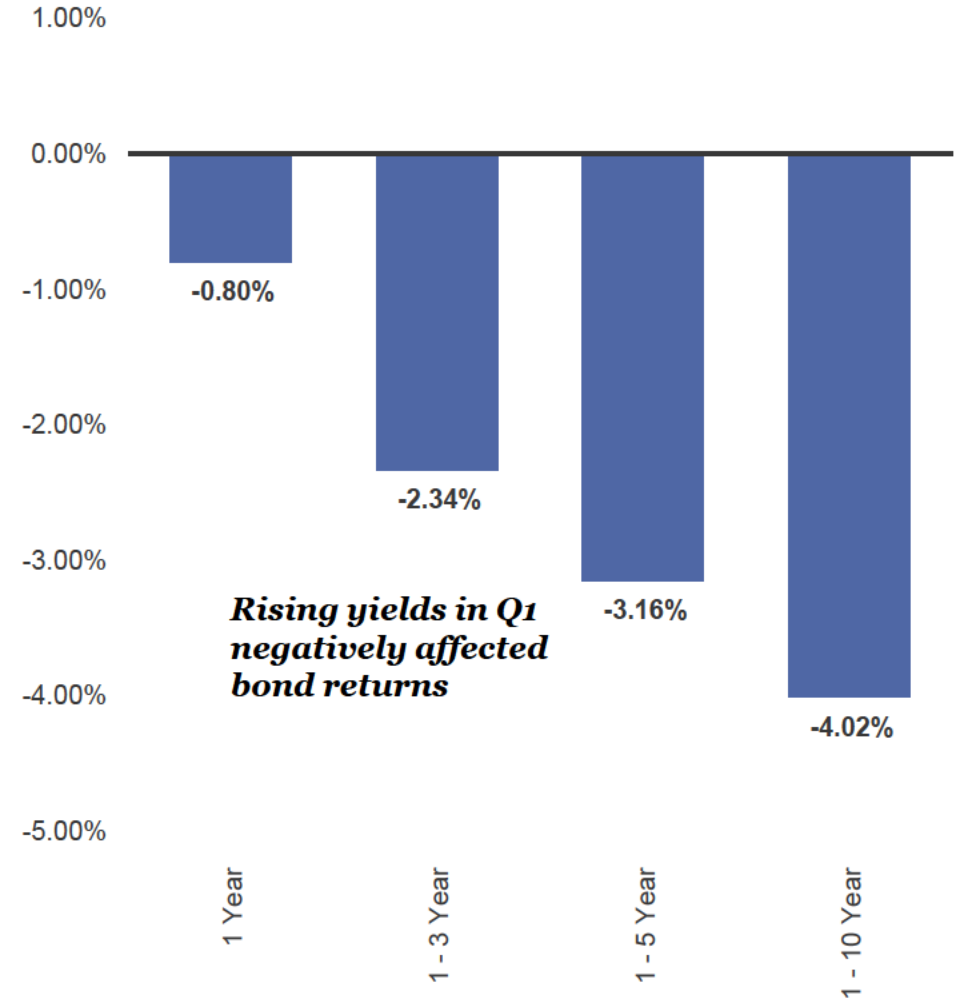
3. Quotes are sourced directly from FOMC press release statements.

Treasury Yield Curve Partially Inverted; Sharp Rise in Yields Has Negatively Impacted Returns

U.S. Treasury Yield Curve



U.S. Treasury Returns – Q1 2022



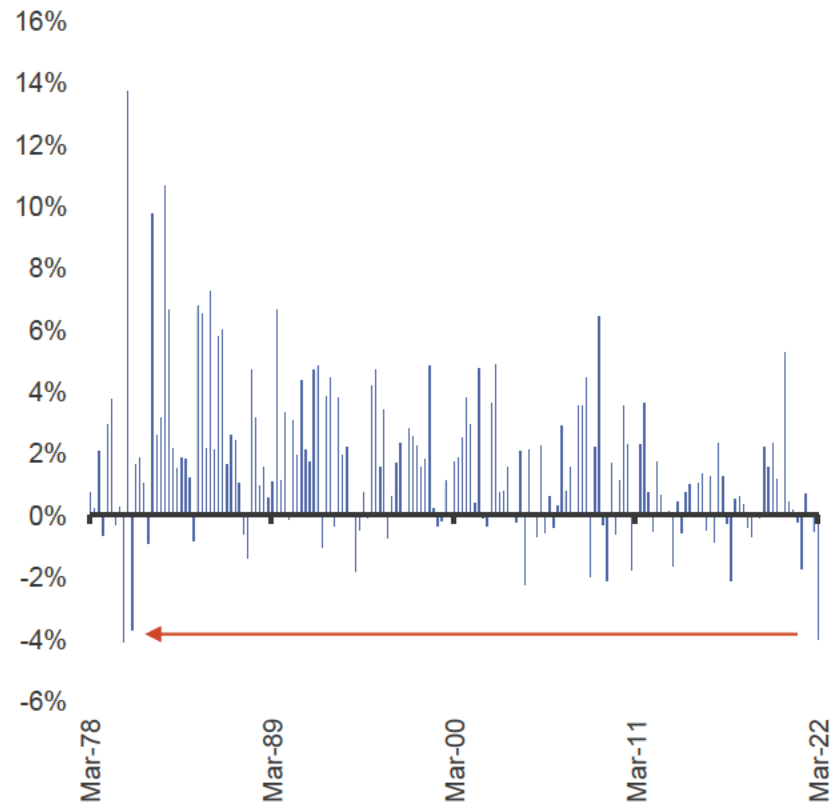
Source: Bloomberg, as of 3/31/2022.

Worst Performance in Over 40 Years

ICE BofA 1-10 Year Treasury Index

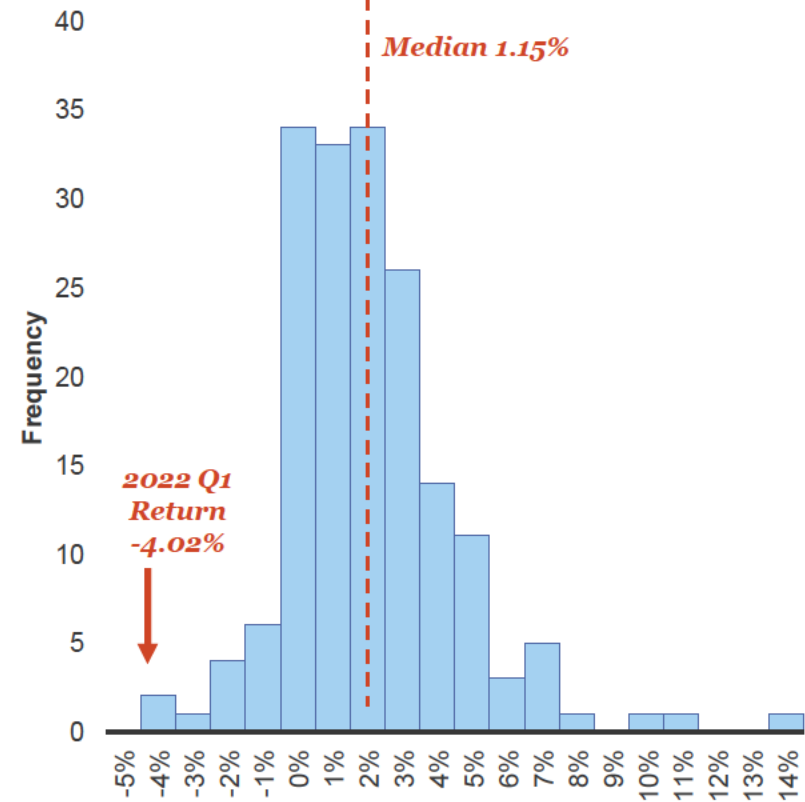
Quarterly Performance

(3/31/78 - 3/31/22)



Distribution of Quarterly Returns

(3/31/78 - 3/31/22)



Source: Bloomberg, as of 3/31/2022.

Performance Has Historically Suffered as the Fed Raised Rates

5-Year Treasury Yield



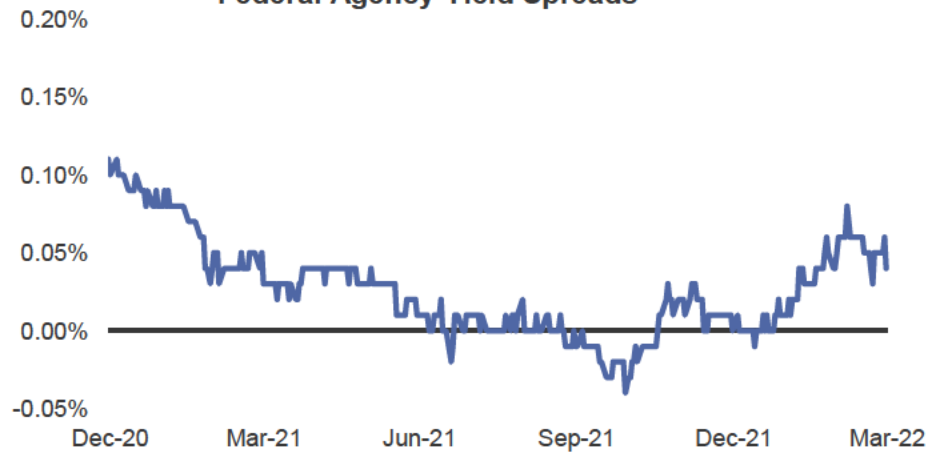
Annual Returns of the ICE BofAML 1-10 Year Treasury Index

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
1.87%	-1.65%	2.82%	1.24%	1.14%	1.08%	1.43%	5.15%	5.65%	-1.65%	-4.02%

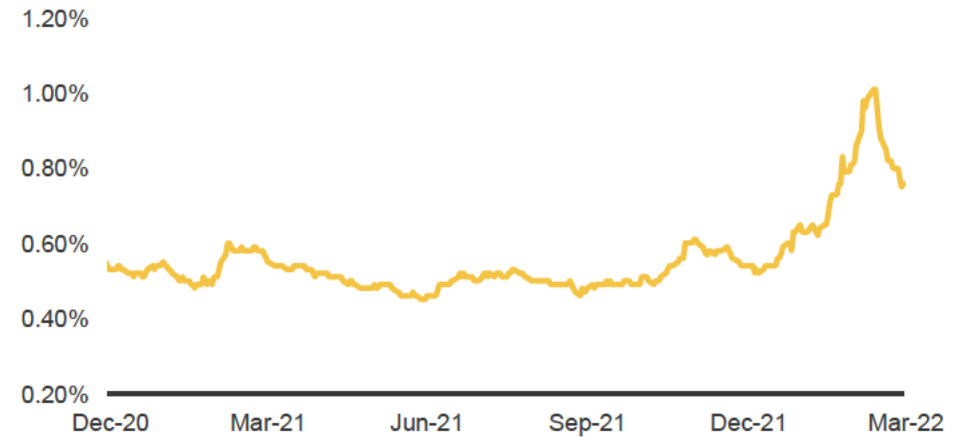
Source (graph): Bloomberg, data as of 3/31/2022. Source (table): ICE BofAML Indices, data as of 3/31/2022.

Sector Yield Spreads Have Widened in Q1 2022

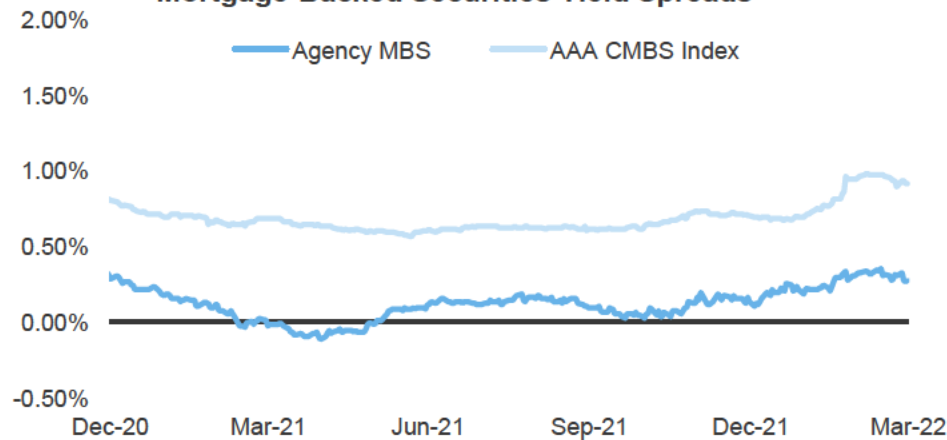
Federal Agency Yield Spreads



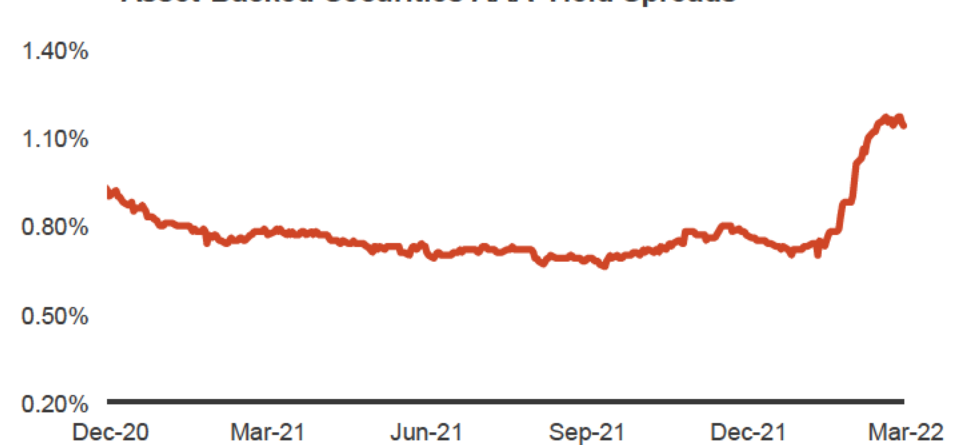
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



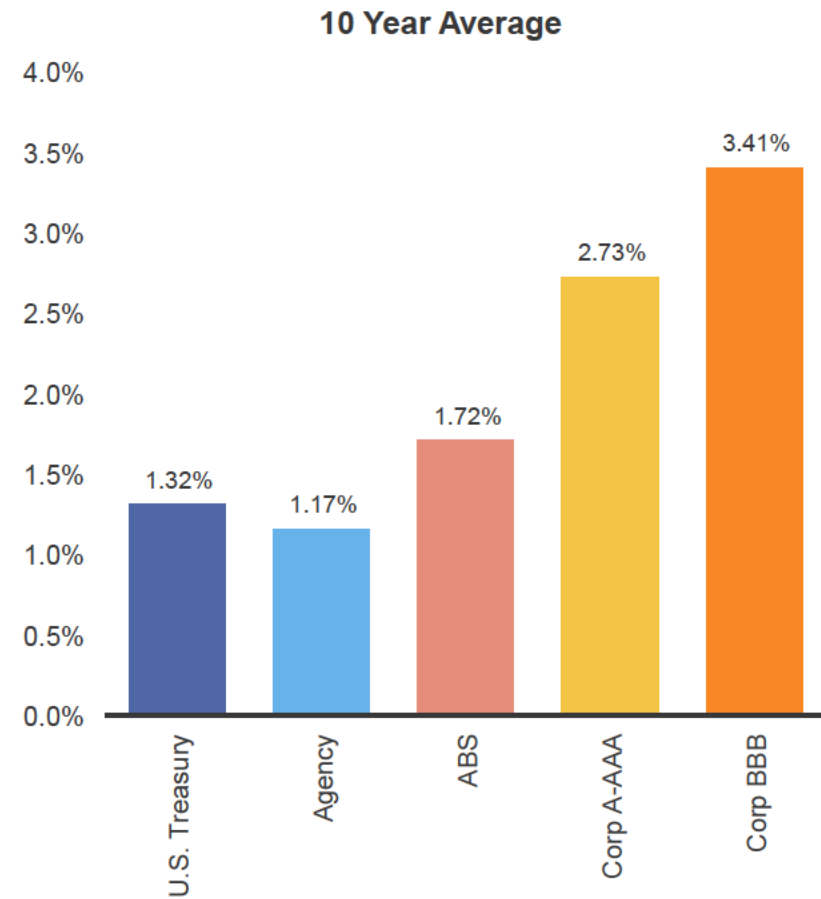
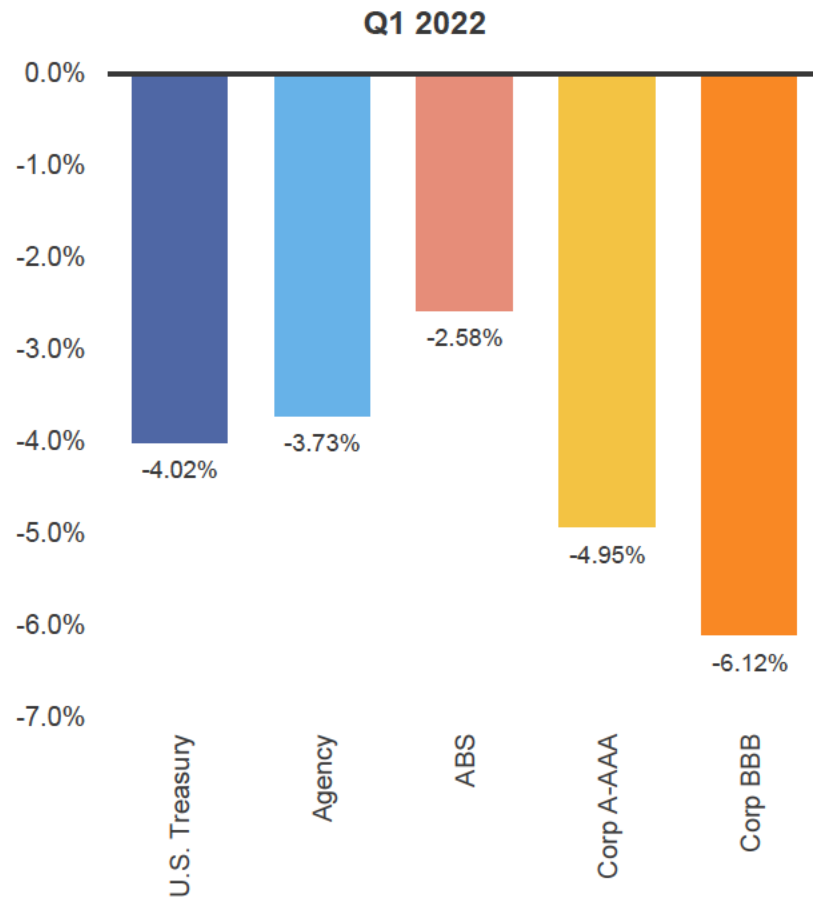
Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-10 year Indices via Bloomberg, MarketAxess and PFM as of 3/31/2022. Spreads on ABS and MBS are option-adjusted spreads of 0-10 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Rising Rates and Wider Spreads Hurt Fixed-Income Returns in Q1

1-10 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-10 year, based on weighted average life. As of 3/31/2022.

Fixed-Income Sector Commentary — 1Q 2022

- ▶ **U.S. Treasury** securities generated negative performance as the market repriced for an aggressive Fed rate hike cycle, pushing yields higher across all maturities. By quarter-end, 2-year Treasury yields rose to 2.34%, the highest level since April 2019.
- ▶ **Federal agency** sector remained unattractive given the historically tight yield spreads and minimal pickup vs. Treasuries. While volatility pushed spreads wider on callable structures, the rising rate environment was not favorable for taking on increased optionality risk.
- ▶ **Supranational** spreads remained tight, and supply was limited as issuance lagged projections. New issue opportunities, while sporadic, remained the best entry point.
- ▶ **Corporate** credit spreads widened through the quarter, driven by rising global tensions and a less certain macro-economic environment. Yield spreads reached the widest levels since 2019 despite stable-to-strong fundamentals.
- ▶ **Asset-Backed** AAA-rated auto and credit card yield spreads increased toward 18-month wides. ABS offered relative value compared to corporates as spreads between the two widened during the quarter.
- ▶ **Mortgage-Backed Securities** continued to underperform. Prepayments experienced a material slowdown as rates rose, which lengthened durations and compounded the negative impact. The Federal Reserve is poised to begin reducing their MBS holdings, so weakness in the sector could persist. CMBS valuations remained below historical averages relative to Treasuries as spreads remained tight.
- ▶ **Taxable Municipal** securities deals remain heavily oversubscribed. Valuations remained stretched which warrants some selectivity in the sector.
- ▶ **Commercial Paper and CDs** saw significant repricing to higher yields, especially on maturities greater than six months as issuers sought longer-term funding in response to Fed rate hike expectations.

Fixed-Income Sector Outlook – 2Q 2022

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

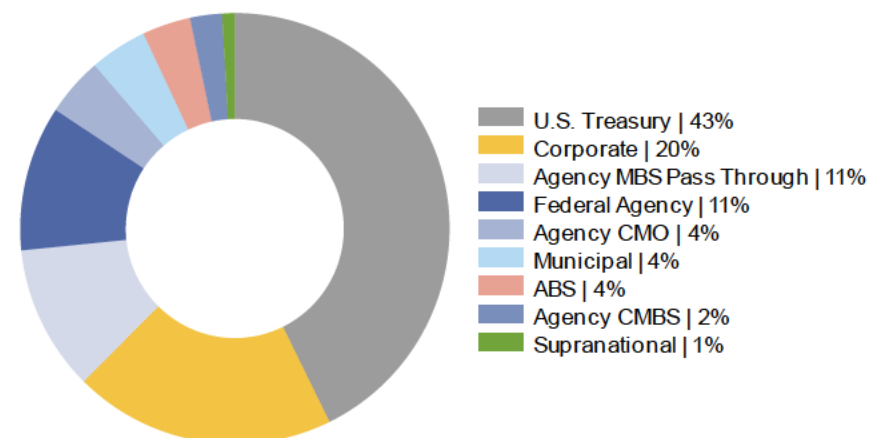
Account Summary

Consolidated Summary

Account Summary

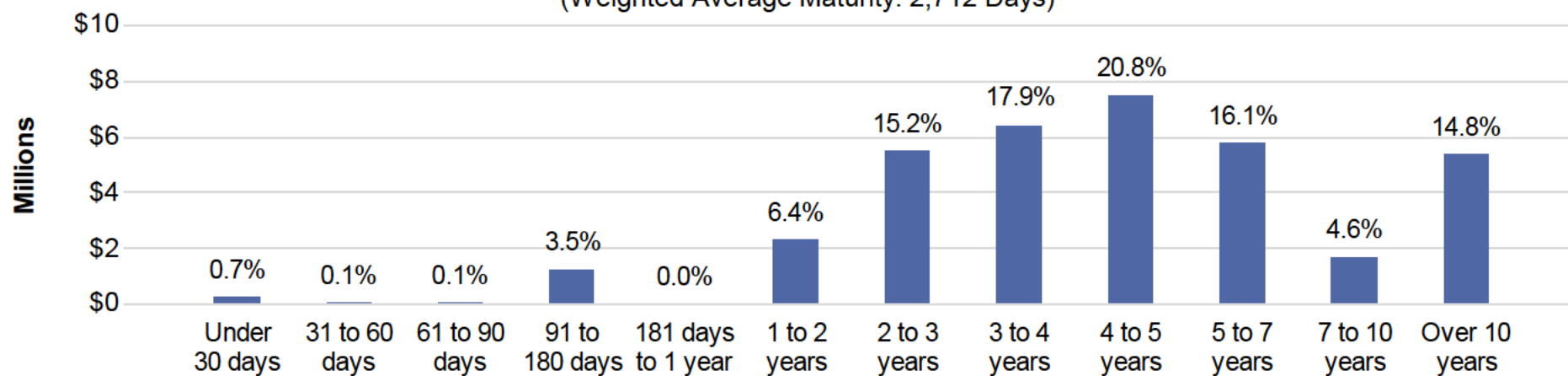
PFMAM Managed Account	\$37,048,901
Total Program	\$37,048,901

Sector Allocation



Maturity Distribution

(Weighted Average Maturity: 2,712 Days)



1. Account summary includes market values, accrued interest, cash and cash equivalents. Sector allocation and the maturity distribution include market values and accrued interest.

Account Summary

SVCW - OPERATING RESERVE FUND			
Portfolio Values	March 31, 2022	Analytics ¹	March 31, 2022
PFMAM Managed Account	\$3,704,973	Yield at Market	2.12%
Amortized Cost	\$3,794,813	Yield on Cost	0.98%
Market Value	\$3,704,973	Portfolio Duration	1.68
Accrued Interest	\$12,425		
Cash	\$42,058		

SVCW - CIP RESERVE FUND			
Portfolio Values	March 31, 2022	Analytics ¹	March 31, 2022
PFMAM Managed Account	\$18,225,444	Yield at Market	2.58%
Amortized Cost	\$19,038,274	Yield on Cost	1.71%
Market Value	\$18,225,444	Portfolio Duration	3.85
Accrued Interest	\$84,502		
Cash	\$664,480		

SVCW - STAGE 2 CAPACITY RES FUND			
Portfolio Values	March 31, 2022	Analytics ¹	March 31, 2022
PFMAM Managed Account	\$14,041,412	Yield at Market	2.58%
Amortized Cost	\$14,687,120	Yield on Cost	1.68%
Market Value	\$14,041,412	Portfolio Duration	3.83
Accrued Interest	\$58,481		
Cash	\$215,125		

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

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	42.7%	
UNITED STATES TREASURY	42.7%	AA / Aaa / AAA
Federal Agency	10.9%	
FANNIE MAE	5.6%	AA / Aaa / AAA
FEDERAL FARM CREDIT BANKS	2.3%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	1.2%	AA / Aaa / NR
FREDDIE MAC	1.6%	AA / Aaa / AAA
TENNESSEE VALLEY AUTHORITY	0.3%	AA / Aaa / AAA
Agency CMBS	2.4%	
FANNIE MAE	0.6%	AA / Aaa / AAA
FREDDIE MAC	1.8%	AA / Aaa / AAA
Agency CMO	4.4%	
FANNIE MAE	2.6%	AA / Aaa / AAA
FREDDIE MAC	1.8%	AA / Aaa / AAA
Agency MBS Pass Through	10.9%	
FANNIE MAE	10.1%	AA / Aaa / AAA
FREDDIE MAC	0.8%	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	4.3%	
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	0.8%	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	0.8%	AA / Aa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Municipal	4.3%	
STATE OF CONNECTICUT	0.4%	A / Aa / AA
Corporate	19.7%	
AMAZON.COM INC	0.6%	AA / A / AA
AMERICAN EXPRESS CO	1.0%	BBB / A / A
AMERICAN HONDA FINANCE	0.9%	A / A / A
APPLE INC	0.7%	AA / Aaa / NR
ASTRAZENECA PLC	0.6%	A / A / NR
BANK OF AMERICA CO	1.0%	A / A / AA
BERKSHIRE HATHAWAY INC	1.4%	AA / Aa / A
BMW FINANCIAL SERVICES NA LLC	0.6%	A / A / NR
CATERPILLAR INC	0.8%	A / A / A
CHARLES SCHWAB	0.0%	A / A / A
CITIGROUP INC	1.0%	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
HOME DEPOT INC	0.1%	A / A / A
JP MORGAN CHASE & CO	1.6%	A / A / A
MORGAN STANLEY	0.9%	BBB / A / A
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.0%	A / A / A
PACCAR FINANCIAL CORP	0.1%	A / A / NR
PEPSICO INC	0.1%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.8%	A / A / A
STATE STREET CORPORATION	0.0%	A / A / AA
TARGET CORP	0.1%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.4%	A / A / AA

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. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	19.7%	
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
US BANCORP	1.0%	A / A / A
WASTE MANAGEMENT INC	0.1%	A / Baa / BBB
ABS	3.6%	
BMW FINANCIAL SERVICES NA LLC	0.0%	AAA / Aaa / NR
CAPITAL ONE FINANCIAL CORP	0.7%	AAA / NR / AAA
CARMAX AUTO OWNER TRUST	0.5%	AAA / NR / AAA
FORD CREDIT AUTO LEASE TRUST	0.1%	NR / Aaa / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.2%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.4%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.4%	AAA / NR / AAA
Toyota Lease Owner Trust	0.2%	AAA / Aaa / NR
TOYOTA MOTOR CORP	1.1%	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. Includes accrued interest and excludes balances invested in overnight funds.

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- 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: APRIL 2022
CAPITAL IMPROVEMENT PROGRAM****UPCOMING COMMISSION ACTIONS:****CalRecycle Grant Application:** Approval of Resolution for Grant Application.

CalRecycle recently issued a solicitation for grant applications. SVCW has been tracking this opportunity for some time and is completing an application for a \$4 million grant to expand the existing organics co-digestion program at SVCW. One of the application requirements is to submit a resolution approved by the JPA.

Planned Commission Actions: Approve Resolution – May 2022

Return Activated Sludge (RAS) Pipe Rehabilitation (9120): Rehabilitate RAS piping.

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 have been conducted indicating that these pipes have significant corrosion and have lost up to 30% pipe wall thickness. Kennedy Jenks has completed design for rehabilitation of the pipeline.

The project was publicly advertised for bidding but was cancelled in February after staff received feedback from bidders about issues with the materials procurements. Additionally, impacts of construction on plant operations were anticipated to conflict with RESCU startup and commissioning. Cancelling the bid offers an important opportunity to combine this project with the Waste Activated Sludge (WAS) pipeline rehabilitation project. WAS and RAS pipelines would require the same shutdowns and contractors will have the benefits of doing work on both pipes in the same shutdown which will offer economy of scale. The project will be rebid in late 2022.

Planned Commission Actions: Task Order for Design Services – May 2022

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

SVCW 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.

Work to connect San Carlos and Belmont flows to the new gravity pipe were not originally designed and priced into the Stage 2 contracts. One segment will be done by BBJV under the GP project and one by SPJV under the PSI project. A change order was awarded to BBJV in February and a change order to SPJV will be brought to the Commission in June.

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

Planned Commission Actions: Contract Change Order for Connecting Pipe Construction – June 2022

CCT Valve Replacement (9107): Rehabilitate Chlorine Contact Tank

Recoating concrete surfaces in all three passes of the chlorine Contact Tank, recoating and/or replacement of CCT valves and piping. Work is near complete.

Planned Commission Actions: Accept Construction Project – June 2022

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

Relocation of the power feed and a new transformer will enable SVCW's existing backup generators to be used for the Front of Plant facilities. This project will use existing infrastructure, saving significant costs. Work is near complete.

Planned Commission Actions: Accept Construction Project – June 2022

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, the project bid and construction is in progress with anticipated completion in May.

Planned Commission Actions: Accept Construction Project – June 2022

ONGOING PROJECTS IN CONSTRUCTION:

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

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

The extreme storm event on October 24, 2021 presented the potential for flooding due to constricted flow, in turn posing significant risk to the facilities and permit compliance. For these reasons, staff instructed the contractor to remove a channel bypass that was placed for this project and to stop work. The remaining work has been moved to this year's dry season period.

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 new treatment systems in conjunction with Stanford University

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

SVCW also received final grants contract documents from USBR in February.

AGENDA ITEM 5E

Silicon Valley Clean Water
Commissioners' Requested Action Items

MAY 9, 2022
AGENDA ITEM 5E

Updated: 4/26/2022

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
4/11/2022	1	CWEA State Employee Awards	N/A			✓	4/26/2022	Send letters of commendation and slide showing names to Commissioners to enable them to share with respective Councils.
	2	Commission Meetings: in person and hybrid	5/9/2022		✓			Determine capability to offer hybrid (onsite, in person and remote access).
3/14/2022	1	CWEA State Employee Awards	4/11/2022			✓	4/11/2022	Ask winners of State CWEA awards to attend and be recognized by Commission
	2	Remote Meetings	April or May			✓	4/11/2022	Determine when to return to onsite meetings. Will meet in person for May 2022 meeting.
2/14/2022	1	Recycled Water	N/A		✓			Possible BAWSCA water system facilities tour May 31; attendance dependent on BAWSCA Board members interest first
1/10/2022	1	Long-Range Financial Plan	prior to finalizing			✓		Enhance discussion re: nominal savings and NPV savings as to reflect (positive) impact on fixed-income individuals. Enhance description of dips and increases on treatment unit costs (primarily dependent on flows/drought conditions). LRFP redistributed to member agency finance staff.
12/13/2021	1	Investment Report Summary	N/A			✓		Show information on p. 43 of report for <u>all</u> funds on a single summary page (esp. Yield @ cost and Yield @ market)
	2	Article in Climate Magazine featuring SVCW	N/A			✓	12/13/2021	Send copy of article to all Commissioners
	3	RESCU Update	1/10/2022			✓	1/3/2022	Analyze effect of including all known risks into LRFP model. State values as \$ (vs %) as this translates to rates more readily
	4	Commission meeting dates	1/10/2022			✓	1/3/2022	Bring to Commission an agenda item to change meeting dates to 2nd Monday/month (vs 3rd Monday/month)
11/15/2021	1	Recycled Water Exploratory Program	Jan/Feb			✓	2/14/2022	Provide discussion on PREP (Potable Reuse Exploratory Program), status and activities. Summary provided Feb 14.
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	MTBM became stuck while tunneling the Belmont Gravity Pipe. It was repaired & tunneling continues. No schedule impact.
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.

Silicon Valley Clean Water
Commissioners' Requested Action Items

MAY 9, 2022
AGENDA ITEM 5E

Updated: 4/26/2022

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
	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			✓		Included in December Commission meeting agenda
7/16/2021	1	Cyber-Security Training	N/A			✓	11/15/2021	Reported at November Commission meeting
	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 February 2022, source remains 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
> 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. Incorporate plant capacity information re: connection fees.
	2	Project Changes/Commission Notification	N/A	✓			Ongoing	Ensure Commission is kept apprised of possible/potential project cost and/or schedule increases.
	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

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

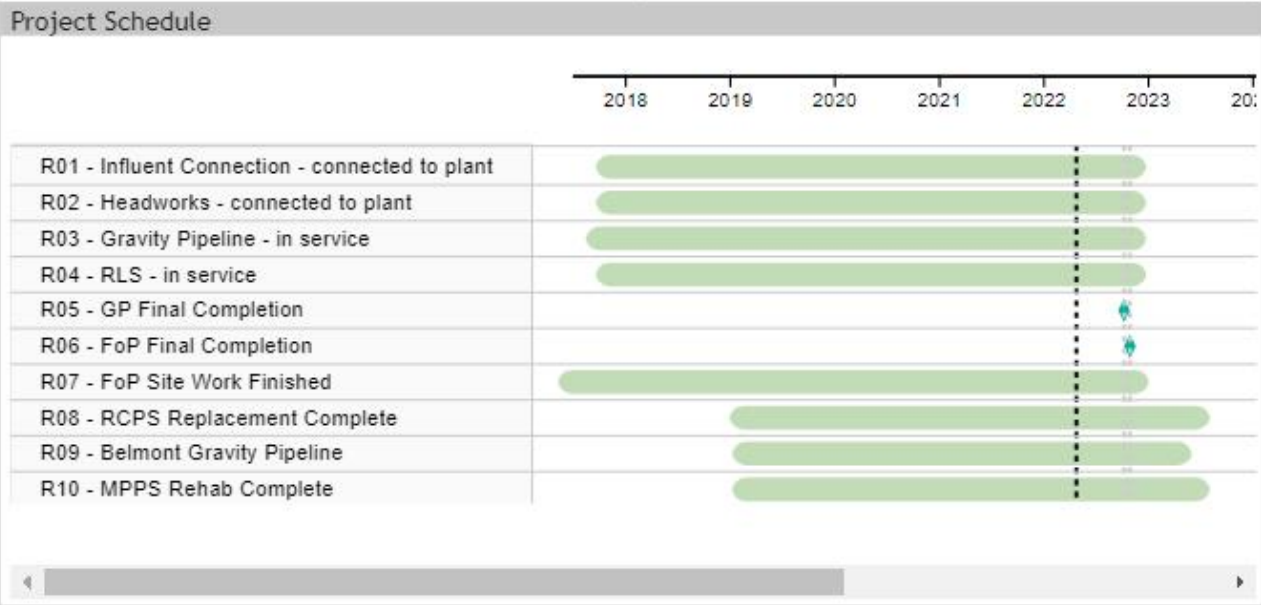
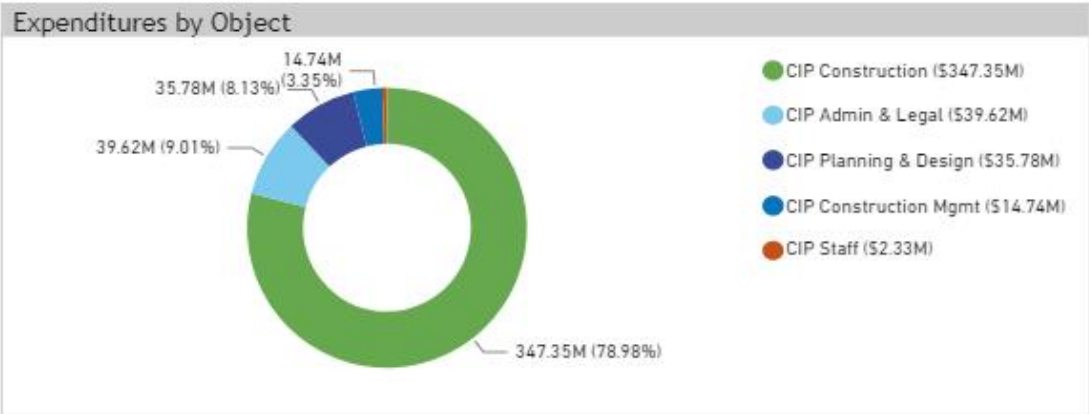
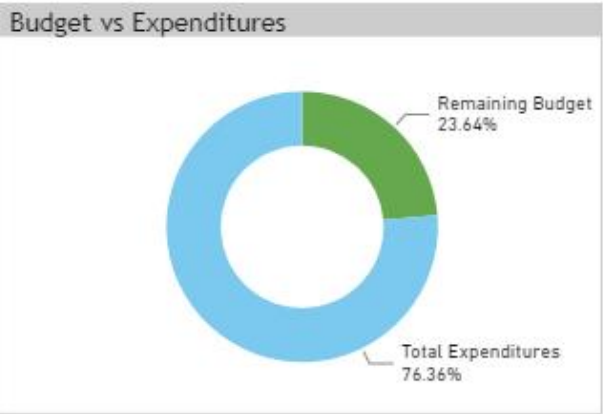
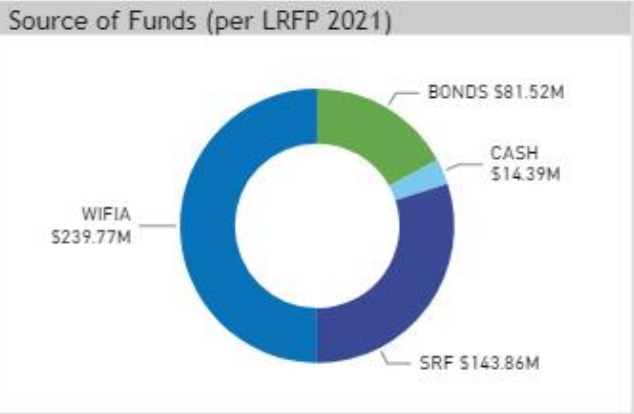
\$574.16M

Total Expenditure

\$438.44M

Remaining Budget

\$135.72M



NOTE: all information in this report are as of the end of previous month, except for the SPI data, which is one month behind all other information.

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

\$162.21M

Total Expenditure

\$124.81M

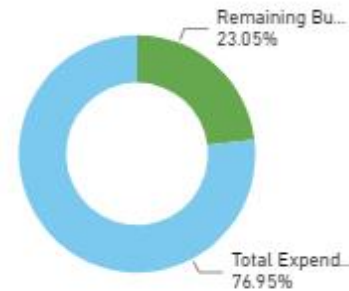
Remaining Budget

\$37.40M

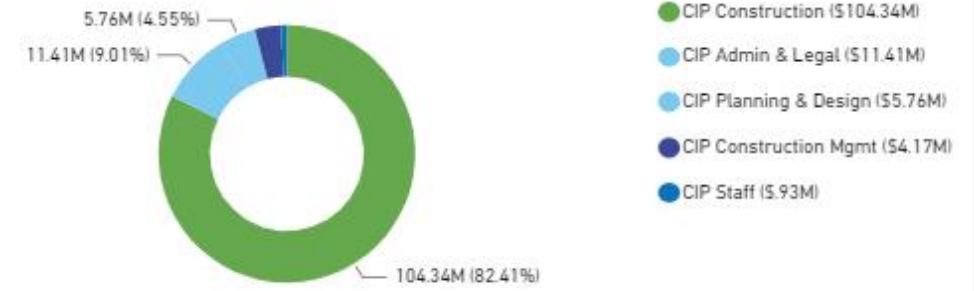
Milestone Schedule

	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		12/28/2022

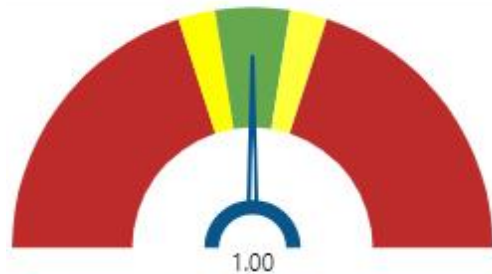
Budget vs Expenditures



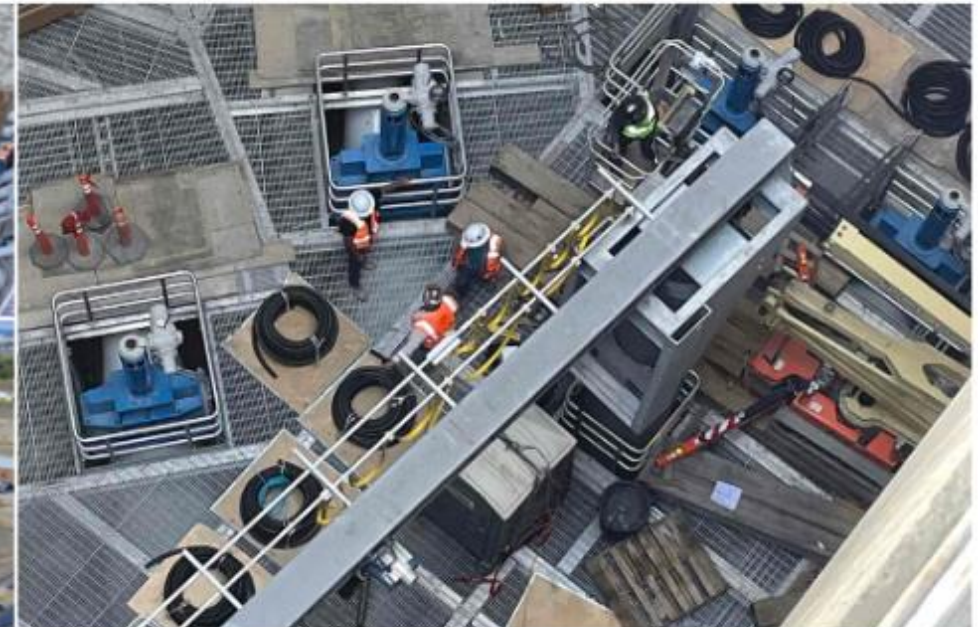
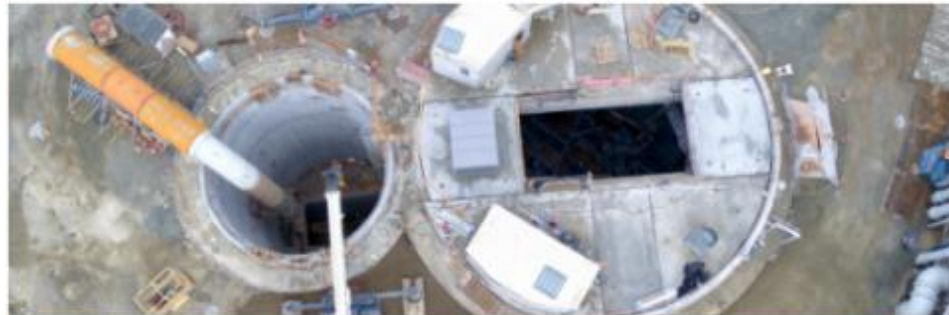
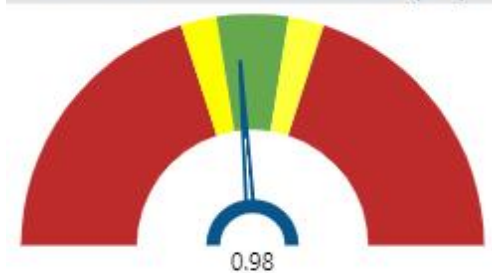
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - Installation of 48 inch pipe routing into the Surge and Flow Splitter (SFS) shaft including excavation to the exterior side of the shaft, installation of reinforcement, and placement of forms and concrete. - Contractor continues to make progress on the Surge and Flow Splitter (SFS) shaft sloped side walls including reinforcement installation, forming, and placing concrete. - Miscellaneous electrical work throughout the Receiving Lift Station (RLS) shaft and headworks facility is underway including pulling wiring, and terminating cables to equipment throughout the facility. - Contractor continues preparation to secure precast roof panels for section 8 of the RLS shaft roof. - Install finish concrete for SFS shaft second pass walls. - Complete remaining elements of jib crane installation and perform testing / certification of the permanent jib crane assembly. - Coordination is ongoing to the 1-water and 3-water tie-in between the headworks facility and the main plant. Preparations for the tie-in have already been completed including scaffolding erection and concrete coring for utilities penetration.
Design	- SPJV and SVCW continued coordination for the IPL bypass plan and the ILS rehabilitation.
Procurement of Trade Packages	<ul style="list-style-type: none"> - Dry well non-clog submersible pumps have arrived on-site, and VFD's for grit pumps are being procured. - SPJV coordinating with coatings subs for the SFS.

3 - Month Look Ahead

	Start	End	May	June
Install RLS Submersible Non-Clog Pumps	April 25, 2022	May 13, 2022	x	
Install SFS Second Pass Walls	March 17, 2022	May 5, 2022	x	
Procure grit pump VFD's	August 2, 2021	June 17, 2022	x	x
Install conduit, pull and terminate cables throughout the Headworks Facility	September 27, 2021	May 27, 2022	x	
Install RLS gas detection system	April 11, 2022	June 17, 2022	x	x
Headworks Architectural (doors, restrooms, and signage)	February 7, 2022	May 6, 2022	x	

Potential Issues

Bair Island and San Carlos Pump Station Pipe Connection Work
 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
 ILS Pipe Repair
 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

\$264.36M

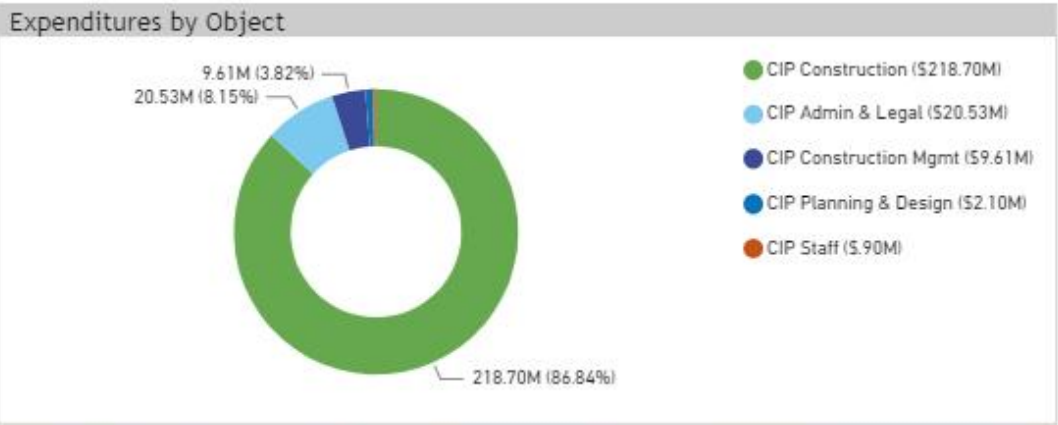
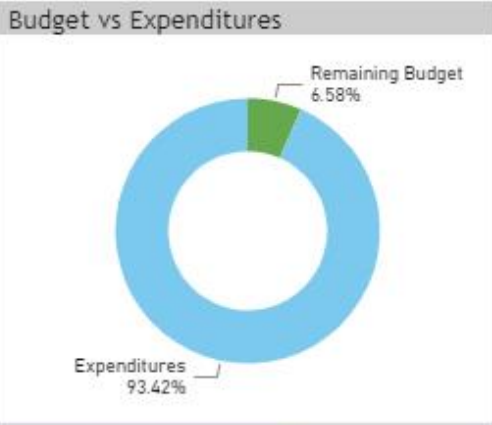
Total Expenditure

\$246.95M

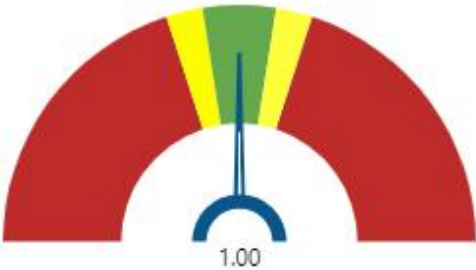
Remaining Budget

\$17.41M

Milestone Schedule		
	Start	Finish
San Carlos Inlet Structure Installation	4/6/2022	5/12/2022
Bair Island Inlet Structure Installation	1/4/2022	4/21/2022
Basement Connection	2/15/2022	4/28/2022
Substantial Completion		7/1/2022



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2022 - 04



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - BBJV completed the FRP tie in between the two drives in the AAS. - BBJV completed installation of the Bair Island Drop Structure - BBJV completed the San Carlos Basement Connection work. - BBJV continues site restoration at the AAS
Design	- BBJV completed transferring Connecting Piping design documents to SPJV
Muck Disposal	<ul style="list-style-type: none"> - 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	- Outreach in conformance with SRF and WIFIA funding requirements

3 - Month Look Ahead

	Start	End	May	June
AAS Site Restoration	May 4, 2022	June 15, 2022	x	x

Potential Issues

Additional costs for SFS Break-in approach

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
 SCPS Basement Connection
 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)

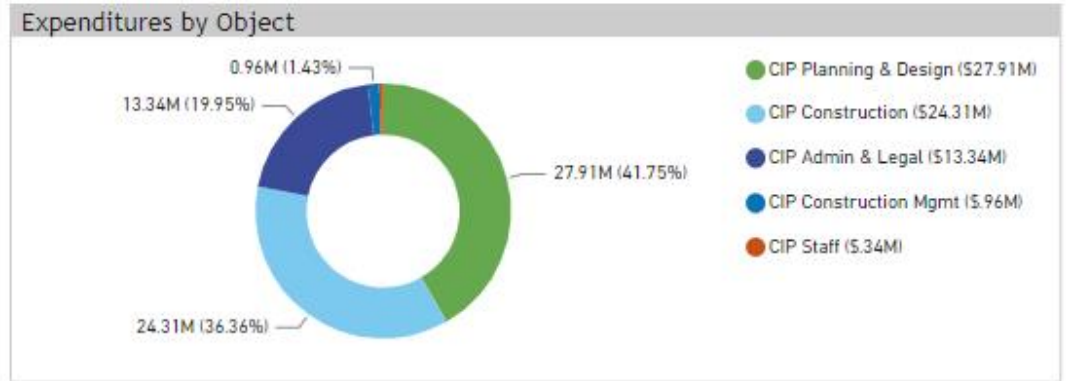
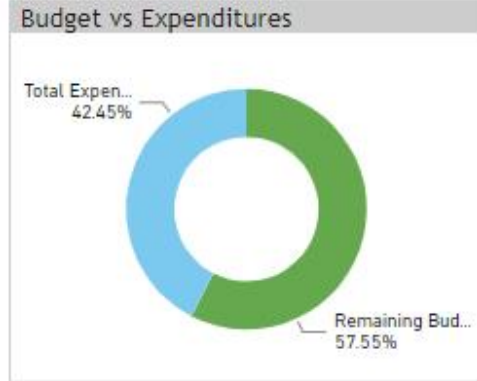
All SVCW pump stations require replacement or rehabilitation. Menlo Park PS will be rehabilitated. Redwood City PS will be replaced. Belmont PS will be replaced with a gravity pipeline. San Carlos PS is no longer needed due to the new gravity pipeline; flows from San Carlos and Belmont will enter into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

Available Budget
\$132.29M

Total Expenditure
\$56.16M

Remaining Budget
\$76.13M

Milestone Schedule		
	Start	Finish
BGP - Gravity Pipe Installed	9/30/2022	12/13/2022
MPPS - A-side Pumps Completed	8/25/2022	2/11/2023
MPPS - B-side Pumps Completed	3/15/2022	8/24/2022
MPPS - Segment 1 and 2 CARVs Completed	3/15/2022	6/21/2022
RCPS - Electrical Building Completed	2/8/2021	2/3/2023
RCPS - PG&E Service Work	11/15/2022	11/30/2022
RCPS - Wet Well & Screening Building Completed	3/24/2023	4/7/2023
Substantial Completion - BGP		6/5/2023
Substantial Completion - MPPS		8/7/2023
Substantial Completion - RCPS		8/7/2023



Cost Performance Index (CPI)



Major Accomplishments this Period

Construction	BGP - PEC is constructing RS-3 on Shoreway Road including excavation and waler installation, and including displacement portal grouting for ground improvement.
	RCPS - SPJV has performed crack injection and has begun hydrotesting of the exterior walls of the wet well and screening structure.
Design	- MPPS: PEC has continued work on the ARV and VRV installation along the existing Segment 1 Force Main. SPJV has performed demolition in the existing MPPS wet well and has started performing concrete repairs and coating the wet well and channels. Morrow Meadows has also installed overhead conduits in the motor room, core holed for panels in the motor room, and installed electrical conduits and disconnects to the roof fans.
	BGP - SPJV is preparing to hold a workshop with SVCW to review the selected alternative for declassifying the San Carlos Pump Station.
	RCPS - SPJV provided pricing on the 60-inch connection at RCPS and the OA team is reviewing the pricing.

3 - Month Look Ahead

	Start	End	May	June	July
MPPS - PG&E Design and Construction	August 26, 2020	September 15, 2022	x	x	x
MPPS - Segment 1 and 2 CARVs	March 15, 2022	June 21, 2022	x	x	
MPPS - Building/Roof Improvements	September 10, 2021	November 29, 2022	x	x	x
MPPS - Electrical Room Improvements	July 6, 2021	December 12, 2022	x	x	x
BGP - Remobilize Microtunnel Subcontractor and Install Microtunnel from JS4 to RS4	May 17, 2022	June 24, 2022	x	x	
RCPS - Wet Well & Screening Building Excavation and Backfill	May 24, 2021	September 26, 2022	x	x	x
RCPS - Wet Well and Screening Building Structural Concrete	September 8, 2021	November 29, 2022	x	x	x
RCPS - Electrical Building & Restroom	February 8, 2021	February 3, 2023	x	x	x

Potential Issues

Additional costs due to paving thickness in City of San Carlos
BGP Piping in San Carlos Pump Station
Challenges from permitting and land acquisition conditions at RCPS
Redwood City 60-inch Pipe Installation/Connection

Project Changes

BGP Design Development
Differing Site Conditions and MPPS Generator Warranty Release
Segment 1 Force Main Junction Box Repairs
Stage 2 Baseline Schedule Revision
Traffic Control Changes Allowance Release

Safety Spot Light

Lost Time	0
Near Misses	0
Recorded Losses	0

AGENDA ITEM 7A

MINUTES OF SILICON VALLEY CLEAN WATER

REGULAR MEETING – April 11, 2022

8:00 a.m.

**This meeting took place remotely pursuant to
SVCW Resolution No. 22-08 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

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 & Environmental Services Director
Kara Tremblay, SVCW Engineer
Cindy Hui, SVCW Accounting Supervisor
Kiki Newberry, SVCW Financial Analyst
Jessica Mangual, SVCW Secretary Pro Tem
Mark Minkowski, Kennedy Jenks
Sheryl Chia, Kennedy Jenks
Derek Rampone, City of Redwood City
Molly Flowerday, City of Redwood City
Aren Hansen, Brown & Caldwell
EJ Shalaby, DNS Strategic Partners
Sergio Ramirez, West Bay Sanitary District
Steven Machida, City of San Carlos
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 the importance of stretching.

Item 5B the Manager presented two SVCW employees who received awards from the State-level California Water Environment Association with letters of Commendation signed by the Chair.

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

ITEM 6**MATTERS OF COMMISSION MEMBER'S INTEREST**

There were no matters discussed.

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

- A. APPROVAL OF MINUTES – March 14, 2022 - Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED FEBRUARY 14, 2022, FEBRUARY 18, 2022, MARCH 1, 2022, AND MARCH 4, 2022, AND NECESSARY PAYMENTS THROUGH MARCH 4, 2022
- C. CONSIDERATION OF RESOLUTION APPROVING REIMBURSEMENT AGREEMENT WITH EDWARDS DEVELOPMENT FOR ENGINEERING AND QUALITY ASSURANCE SERVICES

Proposed Action:

Move adoption of RESOLUTION APPROVING REIMBURSEMENT AGREEMENT FOR SERVICES RELATED TO MAPLE STREET FORCE MAIN MODIFICATIONS PROJECT (CIP #9504) – 1548 MAPLE LLC.

- D. CONSIDERATION OF MOTION AUTHORIZING TASK ORDER FOR FRONT OF PLANT (CIP #9502) STARTUP/COMMISSIONING OPERATIONS AND MAINTENANCE DOCUMENTATION

Proposed Action:

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR OPERATIONS AND MAINTENANCE DOCUMENTATION SERVICES IN AN AMOUNT NOT TO EXCEED \$319,611 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY/JENKS CONSULTANTS

Motion/Second: Dr. Lieberman / Mr. Otte

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. Otte/ Dr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8B

CONSIDERATION OF MOTIONS AND RESOLUTION AWARDING CONSTRUCTION CONTRACT AND APPROVAL OF ENGINEERING SERVICES DURING CONSTRUCTION TASK ORDER FOR DIGESTER NO. 1 REHABILITATION PROJECT (CIP #9215) (pg. 50)

Proposed Actions:

- i. Move approval to SUSPEND COMPETITIVE BIDDING REQUIREMENTS FOR DIGESTER NO. 1 REHABILITATION PROJECT (CIP #9215) ON THE GROUNDS THAT THE PUBLIC INTEREST WOULD NOT BE SERVED BY STRICT COMPLIANCE WITH SAID REQUIREMENTS (5/7th WEIGHTED VOTE COUNT REQUIRED)

Motion/Second: Dr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

- ii. Move adoption of RESOLUTION APPROVING CONTRACT DOCUMENTS AND ACCEPTING NEGOTIATED BID PRICE FOR DIGESTER NO. 1 REHABILITATION PROJECT (CIP #9215) WITHOUT COMPETITIVE BIDDING, FINDING THAT COMPETITIVE BIDDING WOULD BE UNAVAILABLE, WOULD NOT PRODUCE AN ADVANTAGE NOR BE IN THE PUBLIC INTEREST; AUTHORIZING EXECUTION

OF AGREEMENT FOR SAID WORK, AND AUTHORIZE MANAGER TO APPROVE CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT VALUE FOR SAID PROJECT – TRINET CONSTRUCTION INC. (\$2,539,269)

- iii. Move approval of TASK ORDER FOR ENGINEERING SERVICES DURING CONSTRUCTION FOR DIGESTER NO. 1 REHABILITATION PROJECT (CIP #9215) IN AN AMOUNT NOT TO EXCEED \$169,600 AND AUTHORIZE MANAGER TO APPROVE UP TO A TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY JENKS.

Motion/Second: Mr. Otte/ Dr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8C

CONSIDERATION OF RESOLUTIONS APPROVING FISCAL YEAR 2022-23 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET

Proposed Actions:

- i. Move adoption of RESOLUTION ADOPTING FISCAL YEAR 2022-23 REVENUE PLAN IN THE AMOUNT OF \$29,259,151 IN NET OPERATING REVENUES REQUIRED AND \$1,404,000 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. Move adoption of RESOLUTION ADOPTING FISCAL YEAR 2022-23 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$2,500,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND AND \$111,176 TO THE OPERATING RESERVE FUND
- iii. Move adoption of RESOLUTION ADOPTING FISCAL YEAR 2022-23 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$18,860,826
- iv. Move adoption of RESOLUTION AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN THE FISCAL YEAR 2022-23 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION

Motion/Second: Dr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 9

No Closed Session

ITEM 10

No Closed Session

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:33 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 March 8 – March 21, 2022, March 22 – April 4, 2022, and April 5 – April 18, 2022, were scanned and a copy was emailed to Commissioners and Legal Counsel on May 4, 2022.

AGENDA ITEM 7C

**CONSIDERATION OF RESOLUTION AUTHORIZING
APPLICATION FOR CALRECYCLE GRANTS****ISSUE**

Approve Submittal of Application to all Eligible CalRecycle Grant Programs and Letter of Designation to Manager and Her Designee to Execute Documents Necessary to Secure Grant Funds and Implement Approved Grant Projects

BACKGROUND

Since 2014, SVCW has been working with the South Bayside Waste Management Authority (SBWMA) to collaborate on a food waste project that could mutually benefit both agencies. Work has been proceeding since that time on both agencies' parts. Feasibility studies performed in 2018 through 2021 proved that organic wastes derived from solid waste could be positively handled in SVCW anaerobic digesters and provide additional biogas which can be beneficially used by SVCW.

In February 2022 the Commission received a presentation on the status of organics co-digestion efforts and were presented with three summary points:

1. A tipping fee of \$50 per wet ton of material would be levied upon SBWMA as the estimate for recouping SVCW costs. Note that, as of March 2022, SBWMA has accepted this rate.
2. SVCW staff will seek to modify its air permit with the Bay Area Air Quality Management District to allow flexibility for SBWMA food waste trucking operations, thereby potentially reducing SBWMA delivery costs. This work effort has not yet begun.
3. Grants from state governmental entities are available and staff is investigating the potential to receive grant funds. Application for grant funding is the topic of this agenda item.

DISCUSSION

California's Department of Resources Recycling and Recovery (CalRecycle) has recently opened a grant program to provide funding to build new and expanded food waste co-digestion projects at existing wastewater treatment plants. The program's goal is to achieve greenhouse gas emission reductions by significantly increasing the tonnage of California-generated organic waste diverted from landfills to co-digestion systems. The grant program provides up to \$4 Million in funding for projects expanding food waste diversion from landfills.

SVCW is well poised to apply for this program and benefit from State grant funds to expand the current food waste receiving facility and increase the amount of food waste that can be received from SBWMA. Increasing organic waste volume has the benefit of increasing biogas production without financially impacting ratepayers for capital improvements related to a receiving facility expansion. Additional benefits include assisting SBWMA in reaching their organics diversion goal without an increase in the current tipping fee.

FINANCES

There is no financial impact associated with applying for this CalRecycle grant program.

RECOMMENDATION

Move approval of RESOLUTION TO AUTHORIZE SUBMITTAL OF APPLICATION FOR ALL ELIGIBLE CALRECYCLE GRANT PROGRAMS AND APPROVE LETTER OF DESIGNATION TO MANAGER AND HER DESIGNEE TO EXECUTE ALL GRANT DOCUMENTS NECESSARY TO SECURE GRANT FUNDS AND IMPLEMENT APPROVED GRANT PROJECTS

AGENDA ITEM 7D

**RETURN AND WASTE ACTIVATED SLUDGE
SUCTION PIPE REPLACEMENT PROJECT (CIP # 9120)
WAS SUCTION PIPE DESIGN AND BID PERIOD SERVICES**

ISSUE

Approve Task Order Scope and Budget for Kennedy Jenks Consultants Design and Bid Period Services for WAS Suction Pipe Replacement (CIP #9120)

BACKGROUND

SVCW's activated sludge process promotes microbiological growth that reduces the oxygen demand in the wastewater. This treatment process includes four aeration basins and four clarifiers. In the aeration basins, air is introduced to the wastewater to encourage the growth of microorganisms. In the clarifiers, the microorganisms and other biomass are removed from the water through settling. An important aspect of this process is pumping a portion of the settled biomass from the clarifiers back into the aeration basins to maintain the population of microorganisms in the aeration basins. This is called Return Activated Sludge (RAS). Activated sludge not returned to the aeration basins are removed from the clarifiers and diverted to the solids treatment train of the wastewater treatment process. This wasted material is referred to as Waste Activated Sludge (WAS).

RAS and WAS piping and pumps move material to and from the various process tanks. A condition assessment of the RAS piping was performed in 2009-2010 which indicated that pipes have undergone significant corrosion of their 30-year life with a loss of 22% to 40% pipe wall thickness. The assessment also noted that permanent repairs should be pursued within a 10- to 12-year time frame.

In January 2021, SVCW hired Kennedy Jenks Consultants (KJ) to evaluate rehabilitation alternatives of the RAS pipelines. This work effort was completed in early 2022 as part of CIP #9210, RAS Piping Rehabilitation Project. WAS piping was not included in this design effort as rehabilitation of the WAS piping was not evaluated in the 2009-10 assessment and its condition was unknown.

The WAS pipe material is steel with cement mortar lining. There are four WAS pipes, each 6-inches in diameter and 50 to 150 feet long. KJ performed a condition assessment of the WAS piping as part of the RAS piping design and it was discovered that some sections of the WAS pump suction piping near the pump inlets and WAS header piping are in need of replacement. As this pipe is primarily encased under concrete structures, localized repairs to prevent leaks are not possible and a permanent rehabilitation solution like interior lining is needed to stop the corrosion, prevent further degradation, and repair the compromised portions of pipe.

A WAS pipeline rehabilitation project was included in the 2022 CIP Update. This project, the WAS Influent Pipe Rehabilitation project, was assigned to be CIP #9601, with an allocated budget of \$2.1 million.

DISCUSSION

The WAS and RAS pipe rehabilitation projects are in the same process area and would require shutdown of the same wastewater treatment processes. With an intent to find economy of scale with similar pipeline rehabilitation work in this area while reducing conflicts from multiple contractors and minimizing operational impacts on the plant, SVCW management intends for the WAS Influent Pipe Rehabilitation project to be bid and constructed with the RAS Pipe Rehabilitation Project as a single project.

Based on their understanding of the SVCW treatment plant operation, expertise on rehabilitation projects, and previous engineering design on the RAS pipeline and pumps, staff believes KJ is well suited to efficiently incorporate the WAS piping design into the completed RAS piping design.

Staff worked with KJ to prepare a scope of work and budget for the design services and negotiated a not-to-exceed fee of \$156,020. The scope of work includes preparing interim designs at the 50% and 100% stages and a final biddable set of contract documents, including plans and specifications. The project will use a design-bid-build delivery method and KJ's scope and budget includes bid period services.

FINANCES

Economies of scale can be achieved by combining the two projects, therefore, the budget for each project (RAS Piping Rehabilitation and WAS Piping Rehabilitation) will be combined into a single project as CIP #9120, RAS and WAS Suction Pipe Rehabilitation. In turn, the WAS Piping Rehabilitation Project (CIP #9601) will be removed from the CIP. The new combined budget for CIP #9120 is \$5,900,000.

	Current CIP #9120	Current CIP #9601 (to be deleted from CIP)	Combined Budget CIP #9120
Allocated Budget	\$3,800,000	\$2,100,000	\$5,900,000
Expenditures To Date	\$602,648	\$0	\$602,648
WAS Piping Design & Bid Period Services			\$156,020
Balance Remaining	\$3,197,352	\$2,100,000	\$5,141,332

RECOMMENDATION

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN AND BID PERIOD SERVICES RELATED TO THE RAS AND WAS SUCTION PIPE REHABILITATION PROJECT (CIP #9120) IN THE AMOUNT NOT TO EXCEED \$156,020 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY JENKS CONSULTANTS

AGENDA ITEM 7E

**SUSPEND COMPETITIVE BIDDING REQUIREMENTS FOR
ACCESS CONTROL SYSTEM PROCUREMENT AND INSTALLATION**

ISSUE

Suspend Competitive Bidding Requirements for Procurement of Access Control System on the Grounds that it is Necessary to Match Existing Systems Available from Single Source

BACKGROUND

RESCU's Front-of-Plant pretreatment facility is anticipated to be complete in Fall 2022 and, concurrent with its completion, two access gates will be installed. Additionally, the existing main facility gate entrance is being reconfigured to improve traffic flow and to reduce the risk of large trucks damaging gates and equipment. Reconfiguration necessitates relocating the main entrance gate and control panel inward from Radio Road.

Gate control systems need to be replaced concurrent with the gate work and will be upgraded to add necessary features. These features include remote-open capability, hold-open for emergency vehicle access or events, call-out capability to the visitor call box, and call routing through SVCW's phone network. None of these features are currently available and have proven to pose challenges to staff over the years.

The original access control system was installed in 2011 by Opening Technologies, LLC. The control system integrated HID® proximity readers with door and gate hardware across SVCW's technology network to provide safety, security, and control over people and property entering and leaving the site. The system includes access points at the front gate as well as more than 10 doors throughout the treatment plant. Opening Technologies has maintained these systems since installation.

DISCUSSION

The new gates being installed for the Front of Plant facility and the newly relocated front entrance gate require accompanying access control systems and the access control systems need to continue to integrate with the products currently in use. Therefore, staff recommends that Opening Technologies is used to provide and install the new gate control systems. Doing so will ensure new gates and doors will match existing products and services.

Pursuant to the provisions of California Public Contracts Code (PCC) Section 3400(c), under certain circumstances a particular material, product, thing, or service can be designated by brand or trade name for any of the following purposes:

1. In order that a field test or experiment may be made to determine the product's suitability for future use.
2. To match other products in use on a particular public improvement either completed or in the course of completion.
3. To obtain a necessary item that is only available from one source.

4. To respond to an emergency declared by a local agency (provided the declaration is approved by four-fifths of the governing board of the local agency issuing the invitation for bid or request for proposals).
5. To respond to an emergency declared by the state, a state agency, or political subdivision of the state (provided the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the invitation for bid or request for proposal).

Staff recommends that competitive bidding requirements for gate and door access control systems be suspended per California PCC Section 3400(c) Purpose #2. Pending approval of this item, Opening Technologies will be added to SVCW's sole source list.

FINANCES

There is no anticipated cost implication to approval of this item. The estimated cost for procurement and installation of gate control systems is \$95 thousand, to be drawn from the Revenue-Funded Capital Fund (Fund 14 Project #340) and later authorized.

RECOMMENDATION

Move approval to SUSPEND COMPETITIVE BIDDING REQUIREMENTS FOR OPENING TECHNOLOGIES ACCESS CONTROL SYSTEM PROCUREMENT AND INSTALLATION ON THE GROUNDS THAT IT IS NECESSARY TO MATCH EXISTING PRODUCTS IN USE AND AVAILABLE FROM A SINGLE SOURCE ONLY (5/7th WEIGHTED VOTE COUNT REQUIRED)

AGENDA ITEM 7F

**SECOND AMENDMENT TO
SVCW GENERAL COUNSEL LEGAL SERVICES AGREEMENT
(FITZGERALD LAW OFFICES)**

ISSUE

Revise Fee Schedule for SVCW Legal Services under SVCW General Counsel Legal Services Agreement with Fitzgerald Law Offices

BACKGROUND

On March 10, 2016, this Commission appointed Christine C. Fitzgerald of Fitzgerald Law Offices as General Counsel to Silicon Valley Clean Water (SVCW), following the resignation of Mr. David E. Schricker after over forty years of general counsel service. In March 2016, SVCW entered into a Legal Services Agreement (LSA) with Ms. Fitzgerald for the performance of general legal services based on hourly billing rates. The Commission last approved a rate increase to the LSA on March 18, 2019.

DISCUSSION

Fitzgerald Law Offices was initially retained by the Authority as special eminent domain counsel in 1992. Over the years, the firm provided specialized acquisition services as well as general counsel services in Mr. Schricker's absence until his retirement in 2016. For the five years preceding Mr. Schricker's retirement, Christine Fitzgerald not only provided legal services to SVCW as an expert in needed acquisition transactions and eminent domain litigation related to the implementation of the SVCW Capital Improvement Program, but also provided general legal counsel services in support of Mr. Schricker as required.

In her over 30 years of experience, Ms. Fitzgerald has represented upwards of 20 public agencies throughout California including cities, counties, redevelopment agencies and special districts, appearing before their governing boards and working directly with staff and consultants. With this in mind, the Commission appointed Ms. Fitzgerald in 2016 to provide General Counsel legal services to SVCW while utilizing and directing special counsel acquisition and litigation services as needed to meet the legal needs of SVCW. Since her appointment, Ms. Fitzgerald has developed substantial knowledge of SVCW's operations necessary to advise SVCW and effectively represent its interests. Working with both staff and consultants, she supports the legal needs of SVCW in a way that makes her an invaluable asset to the day-to-day operations of the authority.

From 2016-2019, services as General Counsel for Ms. Fitzgerald were billed on a Time and Expense basis at the rate of \$270 per hour (no retainer), and at the rate of \$300 per hour for specialized acquisition and litigation services. From 2019 until present, the hourly rates were \$290 per hour for general services, \$300 per hour for specialized acquisition services and \$325 per hour for litigation services. These rates have been/are competitive with other public agency counsel rates charged for comparable experience, which span a very broad range of between \$200–375 for general counsel work and \$375-475 for special counsel services, and are impacted by firm size, experience, type of

agency/location, volume of work and other factors such as retainer arrangements, benefits, and automatic cost of living increases.

By this item, Ms. Fitzgerald proposes the following billing rates:

\$320 – General matters
\$330 – Acquisition matters
\$355 – Litigation matters

The proposed rates are within the range of comparable legal services. Further, the proposed rates are an approximate 10% increase from current rates, which is slightly below the 11% CPI-W (Wage Earners and Clerical Workers for San Francisco Area) increase for the last 3 years (Feb 2019 to Feb 2022). In addition to a rate increase, it is proposed that the LSA be amended to include an automatic cost of living adjustment (COLA) increase starting fiscal year July 1, 2023 based on the CPI-W or 3%, whichever is lower.

Finally, in accordance with California's conflict of interest laws, please see attached memorandum from Ms. Fitzgerald addressing this item.

FINANCES

General Counsel fees are paid in one of two ways: 1) for general and litigation matters, through the Administrative Services Department operating budget or 2) for acquisition matters, to specific capital projects for which Ms. Fitzgerald puts effort. Monthly fees vary significantly depending on specific needs of the agency. During Fiscal Year 21-22, fees have ranged from \$2,300 to \$7,100 with an average of \$4,700. The newly adopted FY2022-23 SVCW operating budget can absorb the increased fees.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING SECOND AMENDMENT TO GENERAL COUNSEL LEGAL SERVICES AGREEMENT (FITZGERALD LAW OFFICES)

FITZGERALD LAW OFFICES
A PROFESSIONAL CORPORATION

CHRISTINE C. FITZGERALD

1141 CAPUCHINO AVE.
BURLINGAME, CALIFORNIA 94010
TELEPHONE (650) 348-5195
fitzgeraldlaw@mac.com

MEMORANDUM

To: Honorable Commissioners, Silicon Valley Clean Water

From: Christine C. Fitzgerald

Re: May 9, 2022 Agenda Item 7F Amend Legal Services Agreement

The above referenced agenda item concerns a proposed increase in the amount of compensation for general counsel services to SVCW. In accordance with California's conflict of interest laws, please be advised that I am representing myself in a personal capacity with regard to the proposed amendment to the existing legal services agreement and not participating in the contract decision in my official capacity as SVCW General Counsel.

As an aside, it has been my honor and privilege to serve SVCW these past many years and to continue the high standards and traditions set by my predecessor (and mentor) Dave E. Schricker, as well as the long line of dedicated, professional and experienced Commissioners, staff and consultants with whom I've had the pleasure of working.

SECOND AMENDMENT TO LEGAL SERVICES AGREEMENT

This *Second Amendment to Legal Services Agreement* is made and entered as of the 9th day of May, 2022, by and between Silicon Valley Clean Water Joint Powers Authority (“Authority” or “SVCW”) and Fitzgerald Law Offices, a Professional Corporation (“Attorney”). Authority and Attorney are hereinafter collectively referred to as the “Parties” and singularly as a “Party”.

RECITALS

WHEREAS, SVCW and Attorney entered into that certain Legal Services Agreement dated March 10, 2016 for General Counsel legal services to be performed by Attorney for the Authority, as amended by that First Amendment to Legal Services Agreement dated March 18, 2019 (“Agreement”);

WHEREAS, the Parties desire to modify the Agreement in accordance with the terms and conditions as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, the Parties hereto agree as follows:

3. COMPENSATION.

Authority shall compensate Attorney for the services described in paragraph 2 of this Agreement at the rates specified in Exhibit A, revised as of May 9, 2022, attached hereto and incorporated herein by this reference, effective immediately.

Attorney hourly rates will be adjusted thereafter by an amount equal to the Consumer Price Index (Urban Wage Earners and Clerical Workers) issued by the Bureau of Labor Statistics of the United States Department of Labor for the San Francisco - Oakland - San Jose, California area or by 3%, whichever is lower, and not earlier than July 1, 2023, and not more than once per fiscal year (July 1 to June 30) thereafter.

ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, this *Second Amendment to Legal Services Agreement* has been executed as of the day and year first above written.

SILICON VALLEY CLEAN WATER
a public agency of the State of California

By: _____
Chair, Commission of Silicon Valley Clean Water

ATTEST:

Secretary, Silicon Valley Clean Water

FITZGERALD LAW OFFICES

By: _____

Print Name: _____

Print Title: President, Fitzgerald Law Offices

EXHIBIT A (updated 5/9/2022)

GENERAL LEGAL SERVICES

Attorney shall provide, through its own services or those of such members or associates of Attorney's law firm or associated with Attorney's law firm, the following routine services (not intended to be exhaustive) at the rate of **\$320.00/hr**:

- Render legal advice (both oral and written, as requested of, or determined by, Attorney) to the Commission, Manager, staff and consultants on all legal matters pertaining to SVCW business and operations;
- Attend all regularly scheduled and special Commission meetings, unless excused therefrom by the Chairman; attend staff and/or consultant meetings, workshops, technical committee meetings as requested by the Commission or SVCW Manager, as needed;
- Prepare and/or review agendas, resolutions, staff reports, agreements, contracts, forms, notices, declaration, certificates, deeds, leases and similar legal documents necessary or appropriate for conducting SVCW's business;
- Assist with Public Records Act requests;
- Advise on labor and employment matters not included in special services;
- Provide advice on conflicts of interest, whether relating to the Political Reform Act, the Brown Act, the Government Claims Act, or other areas;
- Perform routine legal work, supervise and administer negotiations pertaining to property acquisition, property disposal, public improvements, public rights of way and easements, and matters relating to public entities;
- Make recommendations concerning the selection of outside legal counsel on appropriate matters and supervise such outside legal counsel handling transactional or litigation matters on behalf of SVCW;
- Provide legal services on-site during regularly scheduled office hours as otherwise mutually agreed or requested by the SVCW Manager;
- Monitor new legislative developments and provide updates on new legislation and case law which could affect SVCW;
- Perform research and interpret laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the Commission, the SVCW Manager and SVCW Department Heads on legal matters pertaining to SVCW operations;
- Represent SVCW in litigation and/or arbitration or other judicial proceedings, including activities preliminary to such proceedings with respect to which SVCW is or may become a party either at the institution of SVCW or instituted against SVCW;
- Represent SVCW with respect to proceedings of other public agencies held in a quasi-judicial, legislative or other capacity, including but not limited to permitting, licensing and enforcement proceedings;
- Represent and advise SVCW with respect to such matters as contract or other negotiations regarding disputes in avoidance of litigation and similar such matters.

SPECIAL LEGAL SERVICES

Attorney shall provide, through its own services or those of such members or associates of Attorney's law firm or associated with Attorney's law firm, the following special services at the rate of **\$330.00/hr.** for Acquisition/Right of Way Matters (non-litigation), and **\$355/hr.** for Non-complex Litigation and Eminent Domain Litigation.

SPECIAL OUTSIDE COUNSEL SERVICES*

The following special counsel services that may be necessary by SVCW require the retention of outside counsel upon approval by the Authority's Commission:

- Complex litigation;
- Employment- related hearings, including PERB hearings, arbitrations, grievance hearings, fact-finding hearings, and disciplinary hearings;
- Complex CEQA and environmental issues consultation and litigation;
- Construction litigation
- Bond counsel and specialized finance services;
- Regulatory and administrative hearings before other public agencies;
- Other special counsel work approved by the Commission

*Attorney will maintain a pool of qualified legal specialists, available as needed.

AGENDA ITEM 7G

**AUTHORIZATION TO USE ELECTRONIC SIGNATURES
AS ALLOWED BY STATE LAW**

ISSUE

Authorize Use of Electronic and Digital Signatures to Conduct Authority Business in Accordance with State Law

BACKGROUND

As part of the COVID-19 emergency resolution adopted on April 20, 2020 (Resolution No. SVCW 20-08), this Commission authorized the use of electronic signatures for the duration of the emergency in order to reduce in-person contact, allow for social distancing, and decrease the risk of Covid-19 spread while maintaining efficient Authority functions. Following termination of the emergency, this item would authorize the continued and permanent use of electronic signature technology to make SVCW business practices more efficient and reduce the unnecessary use of paper and ink, streamline document review, and reduce the inefficient transfer of physical documents.

DISCUSSION

There are two types of electronic means recognized by state law that can be used by public agencies to legally sign or execute documents. The Uniform Electronic Transactions Act (Civil Code section 1633.1 et seq.) governs “electronic signatures”, and Government Code Section 16.5 governs “digital signatures.”

Electronic signature means an electronic sound, symbol, or process attached to, or logically associated with, an electronic record and executed or adopted by a person with the intent to sign the electronic record. UETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency, when both parties agree to its use. (Cal. Civ. Code §§1633.1 – 1633.17). The electronic signature must be supported by evidence that the signature is the act of the intended person. An agreement executed with an electronic signature has the same legal enforceability as a wet signature, excluding documents that are exempt. Examples of electronic signatures include a scanned image or photograph of a person's manual signature, or a mouse-created signature on a computer screen. Fill and sign features, including signature or initials, are also allowed to sign or initial internal documents.

Digital signatures are a type of electronic signature that have the same force and effect as a manual signature on legally-binding documents. A digital signature is, in short, the process of accepting and securing an online signature -- relying more on the encryption technology, rather than the party's actual signature. It has an electronic identifier, created by computer algorithm, intended by the party using it to have the same force and effect as the use of a manual signature. For purposes of UETA, a digital signature is a type of "electronic signature" as defined in subdivision (h) of §§1633.2 of the California Civil Code. A digital signature has strict security requirements that may be used to execute certain written communications and agreements if it satisfies the requirements found in Cal. Gov. Code §16.5, et. seq. and Title 2, Division 7 Chapter 10 of the California Code of Regulations. (2 CCR §§22000- 22005). Government Code Section 16.5 authorizes

public entities to accept digital signatures, and the Secretary of State maintains an approved list of digital signature verification authorities.

While State law allows the use of electronic and digital signatures, it does not require it. Rather, any individual who wishes to use a traditional wet-ink signature is still allowed to do so. Moreover, and depending on the varying level of security, user friendliness and verifiability, the means by which signatures on public documents will be accepted (electronic or digital) are a governmental affair for SVCW to determine and for which it may set policy. SVCW's proposed policy sets minimum standards and guidelines for determining which level of signature verification is appropriate for a particular document (e.g., electronic signatures acceptable for internal documents such as memos, reports HR documents; digital signatures acceptable for external documents such as agreements between SVCW and outside party; and, wet signature required for documents requiring recordation with County recorder). Moreover, acceptable use of electronic signatures is determined by SVCW's Manager, in consultation with SVCW's General Counsel.

Staff suggests that allowing the continued use of electronic and digital signatures in compliance with state law would benefit SVCW for several reasons. First, as communities learn to live with the new realities of Covid-19 for the foreseeable future, decreasing in-person contact is an ongoing tool to reduce virus spread. The use of digital signatures is an additional mechanism that SVCW can use to reduce in-person contact, while efficiently maintaining SVCW's functions. Additionally, electronic and digital signatures have a positive environmental effect by decreasing the use of travel, paper, and ink. Electronic and digital signatures can also improve efficiency by streamlining document review, removing the need to scan documents, and reducing the time necessary to transfer physical documents.

As proposed, the policy would allow the use of electronic and digital signatures for all SVCW documents unless an exception applies by law. SVCW currently uses DOCUSIGN and Adobe Sign for electronic signature capabilities and services. The office of California's Secretary of State had maintained an Approved List of Digital Signature Certification Authorities for use by public entities prior to the pandemic but no longer maintains such a list. Whether the state will re-institute use of a list is unknown at this time. The proposed policy does not reference specific signatory programs.

The proposed policy is attached.

FINANCES

The cost of an annual subscription for DocuSign is \$180 and for Adobe Sign is \$2.50 per month. Such costs are minimal and are readily offset by reducing document shipping costs by FEDEX, UPS or other carriers.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING AND ADOPTING COMMISSION POLICY NO. 2022-01 "ELECTRONIC AND DIGITAL SIGNATURE POLICY"

Approved by Commission at Meeting of May 9, 2022 by Resolution No. SVCW 22-18

SUBJECT: Electronic and Digital Signature Policy

PURPOSE:

This policy prescribes the guidelines for the use of electronic signatures by Silicon Valley Clean Water (“SVCW” or “Authority”). The policy establishes the requirements for the use of electronic signatures in lieu of manual, or “wet” signatures and ensures the same force and effect of a manual signatures. The policy is designed to increase efficiency and staff productivity by leveraging technology to collect, preserve, and secure Authority documents.

POLICY:

A. Definitions

1. **“Digital signature,”** as defined by California Government Code Section 16.5, is a type of electronic signature.
2. **“Electronic record”** is a record that is created, generated, transmitted, communicated, or stored using electronic means.
3. **“Electronic signature”** or **“e-signature”** is an electronic marking, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record, and includes digital signatures. The following are also considered to be electronic signatures when the requirements of this Policy are followed: (a) facsimile signatures, and (b) an image of a signature electronically affixed to a document.
4. **“External Document”** is any document generated by or required to be signed by persons other than Authority employees. Examples of external forms would include contracts to which the Authority is a party that must be signed by a non-Authority party or applications to be completed by members of the public and submitted to the Authority.
5. **“Internal Document”** is an administrative form or document designed for use exclusively by Authority staff to support internal workflow processes. Examples of such documents would include human resources administrative forms, purchase requests, or other documents available over the Authority Intranet.
6. **“Proxy signature”** is when Person A authorizes Person B to affix Person A’s signature on their behalf. Proxy signatures are prohibited under this policy.
7. **“Record”** is information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
8. **“Signature authority”** is the authority to execute a document on behalf of the Authority via signature, whether electronic or manual.
9. **“Uniform Electronic Transaction Act (UETA)”** UETA is a California state law that authorizes uses of an electronic signature for transactions and contracts among parties in California, including a government agency. It also governs how electronic signatures are used. (See Civil Code Section 1633.1 et seq.)

10. “**E-Sign Act**” is a federal law passed to facilitate the use of electronic records and electronic signatures in interstate and foreign commerce. Under this law, contracts that are signed electronically are as valid as those with wet signatures. It defines terms (e.g., electronic signature and electronic record), requires intent of the signer, gives special considerations for consumers, and gives certain directions for electronic records retention. (See 15 U.S.C. Section 7001 et seq.)

B. Requirements for Accepting Electronic Signatures

The use of electronic signatures is permitted and shall have the same force and effect as the use of manual, or “wet” signatures if all of the following criteria are met:

1. The electronic signature or initial has been generated using an acceptable form of technology to generate and save the signature. Acceptable forms of technology shall be determined by the Authority Manager or his or her designee.
2. The electronic signature is capable of verification.
3. The electronic signature is under the sole control of the person using it.
4. Electronic notifications requesting electronic signatures are not forwarded to a third party unless the authority to sign the document has been properly delegated through an acceptable form of technology (e.g., an automated document workflow process).
5. The electronic signature can be linked to the data in such a manner that it is readily ascertainable if the data has been changed after the signatures is applied.
6. All documents submitted for electronic signature must be in PDF format.

C. Documents and Uses

1. SVCW will utilize electronic signatures in lieu of manual, or “wet” signatures whenever possible.
2. If a third party entity who is required to sign a document does not consent to the use of electronic signatures, or if the entity requires a wet signature for legal purposes, the Authority will honor such requirements and provide a manual signature in lieu of an electronic signature. Language will be added to all Authority agreements informing the parties that an electronic signature will be used and treated with the same force of a wet signature, unless the third party does not agree to sign using an electronic signature, in which case a manual signature will be accepted.
3. Acceptable use of electronic signatures shall be determined by the Authority Manager in consultation with the Authority Attorney, and applicable laws. In general, this policy addresses three categories of documents when determining the acceptability of an electronic signature.
 - a. Internal Documents – Examples include memos, reports, request forms, Human Resources documents, and other documents that are used to conduct business within and between Authority departments and staff. The use of a facsimile signature and an image of a signature electronically affixed to a document are acceptable for Internal Documents provided that appropriate safeguards are observed, as determined by the Authority Manager or designee.

- b. External Documents– Examples include agreements for services and/or goods, and other agreements between the Authority and outside entities seeking to do business with SVCW. The use of a facsimile signature and an image of a signature electronically affixed to a document is not acceptable for External Documents.
- c. Recorded Documents – Examples include deeds, documents required for real property transactions, other documents that affect title to real property, and any document that requires recordation with the County Recorder. Wet signatures shall be required for Recorded Documents and for signatures that must be made in the presence of a notary. The use of electronic signatures (including facsimile signatures and an image of a signature) is not acceptable for Recorded Documents.

A comprehensive list of acceptable documents and uses may be made available by the Authority Manager and updated or revised administratively as needed. Procedures for use of electronic signatures, and for seeking approval for new uses of electronic signatures shall be established by the Authority Manager in consultation with the Authority Attorney.

Unauthorized use of someone else’s electronic signature is a violation of this policy and may be punishable by discipline, up to and including termination.

D. Automated Document Workflow

- 1. The Authority will implement the use of electronic signatures in conjunction with an automated document workflow process that will result in the creation of electronic records.
- 2. The automated document workflow shall be capable of capturing an audit trail and maintaining the information in conjunction with the signed document.
- 3. Through the automated document workflow, authorized signers will be authenticated using an email address. It is expected that all Authority employees safeguard access to business email to ensure the security of their unique electronic signature.
- 4. The Authority Manager is authorized to make final determination of acceptable vendors to provide electronic signature and automated document workflow services.

E. Treatment of Documents

- 1. Documents fully executed in accordance with this Policy shall be considered the original document for the purpose of complying with records retention practices and requirements under the Authority’s retention schedules.
- 2. The Authority Manager or the department head of record should maintain all original documents in a manner that is safe, reliable, and easily accessible in the course of business.

F. Designation of Authority

- 1. Where an Authority employee is authorized to execute a document (independent of this policy), the use of electronic signatures for that document is allowed, and this policy permits the designated signer to authorize another Authority employee to sign that document on the designated signer’s behalf. In situations where the act of signing a document has been delegated

to someone other than the original recipient, the signature authority will be delegated through an automated workflow process and the employee to whom the signing has been delegated will use their own electronic signature. The use of a proxy signature, Person B affixing Person A's signature to a document, is prohibited.

2. This policy permits department heads to use electronic signatures for documents within their authority and allows department heads to designate a member of their staff to sign on their behalf.
3. If an Authority employee designates another Authority employee to electronically sign a document on their behalf, this designation shall be documented in the automated document workflow and such information shall be retained and preserved along with the original document.

G. Administration of Policy

If an emergency is declared, the Authority Manager is authorized to adapt this policy in order to conduct necessary business on the Authority's behalf.

AGENDA ITEM 8A

**CONSIDERATION OF TERMINATING COVID-19 EMERGENCY CONDITIONS AND
RETURNING TO IN-PERSON COMMISSION MEETINGS**

ISSUE

Authorize Return to In-Person Commission Meetings and Terminate SVCW's Emergency COVID-19 Proclamation

BACKGROUND

On April 20, 2020, this Commission adopted Resolution No. SVCW 20-08 proclaiming the existence of a local emergency due to the COVID-19 pandemic and authorizing the Commission to hold its meetings remotely pursuant to the Governor's emergency executive orders and, thereafter, pursuant to AB 361 (eff. October 1, 2021) by making the required emergency findings every 30 days.

DISCUSSION

During the last two meetings, this Commission discussed transitioning back to in-person meetings beginning May 2022. As the COVID-19 pandemic has eased, Governor Newsom announced the lifting of the indoor masking requirement for vaccinated people effective February 16, 2022; and on February 28, 2022, the Governor announced lifting the indoor masking requirement for unvaccinated people effective March 1, 2022. The County of San Mateo is aligned with the State's masking requirements.

The Commission further indicated its desire to adopt a hybrid meeting approach that would allow the Commissioners, staff, and the public to attend meetings in-person, while continuing the option for participation via Teams. Staff have been working towards creating a suitable "hybrid" attendance option and will use the created option for the May 2022 meeting. The remote meeting option would be subject to the requirements of the Brown Act rules pertaining to teleconferenced meetings in the event a Commissioner desires to attend remotely.

This item will 1) terminate the Commission's local emergency declaration, 2) resume the Commission's physical meeting location in the Pelican Boardroom and authorize the Manager to put in place measures to ensure the health and safety of attendees, and 3) authorize the continued use of Teams as an additional virtual meeting location.

FINANCES

No financial impacts are anticipated related to this item.

RECOMMENDATION

Move adoption of RESOLUTION TERMINATING PROCLAMATION OF LOCAL EMERGENCY, AUTHORIZING RETURN TO THE COMMISSION'S REGULAR MEETING LOCATION, AND ESTABLISHING NECESSARY SAFETY PROTOCOLS