

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, March 13, 2023
8:00 a.m.**

Place: Pelican Conference Room
Silicon Valley Clean Water
1400 Radio Road, 2nd Floor
Redwood City, California

Consistent with Government Code Section 54953, this meeting will be held both in person and virtually. See page 5 of this agenda for virtual 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 RON COLLINS, SAN CARLOS – SECRETARY
VICE MAYOR, DAVINA HURT, BELMONT

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
 - 2. Presentation on SVCW Services
- C. Financial Report
 - 1. Investment Reports.....pg. 11
- D. Engineering Capital Projects Report.....pg. 18
- E. Commission Requested Staff-Level Action Items..... pg. 21
- F. RESCU Program Design-Build Project Status Update..... pg. 24

6. MATTERS OF COMMISSION MEMBER'S INTEREST

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

8. BUSINESS ITEMS

- A. PUBLIC HEARING: CONSIDERATION OF MOTION AND RESOLUTION APPROVING ENERGY CONSERVATION CONTRACT AGREEMENT AND STAGE 1 SERVICES WITH CDM CONSTRUCTORS INC. FOR FOOD WASTE RECEIVING IMPROVEMENTS PROJECT (CIP #9257) (pg. 47)

Proposed Actions:

- Open Public Hearing and Receive Testimony
- Close Public Hearing

(i) Move approval of CEQA DETERMINATION THAT THE PROJECT IS CATEGORICALLY EXEMPT UNDER TITLE 14 SECTIONS 15301 AND 15329 OF THE CALIFORNIA CODE OF REGULATIONS BECAUSE IT IS A COGENERATION PROJECT AT EXISTING FACILITIES

(ii) Move adoption of RESOLUTION APPROVING ENERGY CONSERVATION CONTRACT AGREEMENT AND STAGE 1 SERVICES FOR FOOD WASTE RECEIVING IMPROVEMENTS PROJECT (CIP #9257) IN AN AMOUNT NOT TO EXCEED \$655,954 AND AUTHORIZE MANAGER TO APPROVE UP TO A TEN PERCENT CONTINGENCY FOR

ADDITIONAL WORK ON AN AS-NEEDED BASIS – CDM
CONSTRUCTORS INC.

B. RECEIVE PRESENTATION ON THE FISCAL YEAR 2023-24 PROPOSED
ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET (pg. 51)

Proposed Action:
NO ACTION REQUIRED AT THIS TIME

9. CLOSED SESSION -

LABOR NEGOTIATIONS (Govt. Code Section 54957.6(a))

AGENCY NEGOTIATORS: Teresa Herrera, Manager
Matt Anderson, CFO/Asst Manager
Jennifer Flick, Human Resources Director
Monte Hamamoto, Chief Operating Officer
Charles Flesher, IEDA

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 – January 9, 2023 - Regular Meeting (pg. 33)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED DECEMBER 28 – JANUARY 24, 2023, AND NECESSARY PAYMENTS THROUGH JANUARY 24, 2023 (pg. 38)
- C. CONSIDERATION OF MOTION APPROVING DESIGN SERVICES TASK ORDER SCOPE AND BUDGET FOR STANDBY GENERATOR CONTROL UPGRADES AT POWER DISTRIBUTION PANEL 1 (CIP #9247) (pg. 40)

Proposed Action:

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN SERVICES FOR THE STANDBY GENERATOR CONTROL UPGRADES (CIP #9247) IN AN AMOUNT NOT TO EXCEED \$251,702 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BEECHER ENGINEERING

- D. CONSIDERATION OF MOTIONS APPROVING PROGRESSIVE DESIGN-BUILD DELIVERY METHOD AND OWNER'S ADVISOR (OA) SERVICES TASK ORDER FOR THE PLANT FINAL EFFLUENT PUMP REPLACEMENT PROJECT (pg. 43)

Proposed Actions:

- i. Move approval to AUTHORIZE MANAGER TO UTILIZE PROGRESSIVE DESIGN-BUILD PROCUREMENT CONTRACTING APPROACH FOR PLANT EFFLUENT PUMP REPLACEMENT (CIP#9223) IN ACCORDANCE WITH ADMINISTRATIVE POLICY 2016-01: DESIGN-BUILD PROJECTS
- ii. Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE EFFLUENT PUMP STATION UPGRADES (CIP #9223) IN AN AMOUNT NOT TO EXCEED \$200,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – CDM SMITH INC.

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, March 13, 2023

WEBSITE: [Link to access meeting](#)

MEETING ID: 270 547 566 14

CALL IN PHONE NUMBER: +1 747-216-0281 **ID:** 925 412 740#

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

How to Deal with Aggressive Drivers

Common aggressive driving behaviors

- Running stop signs and red lights
- Speeding, tailgating, and weaving between lanes
- Passing on the right of a vehicle
- Making inappropriate hand and facial gestures
- Screaming, honking the horn, and flashing headlights

If you are confronted by an aggressive driver, or witness aggressive driving behavior, follow these guidelines:

- Make every attempt to safely move out of the aggressive driver's way.
- Do not challenge an aggressive driver by speeding up or attempting to "hold your own" in the travel lane.
- Always wear your seat belt — not only will it hold you in your seat and behind the wheel in case you need to make an abrupt driving maneuver, but it will also protect you in a crash.
- Avoid eye contact with the aggressive driver.
- Ignore gestures and refuse to return them.
- Report aggressive drivers to the appropriate authorities by providing a vehicle description, license number, location, and if possible, direction of travel.
- If an aggressive driver is involved in a crash farther down the road, stop at a safe distance from the crash scene, wait for the police to arrive, and report the driving behavior that you witnessed.



AGENDA ITEM 5B

Recurring and Upcoming 2023 Commission Actions
Updated for March 2023 Meeting

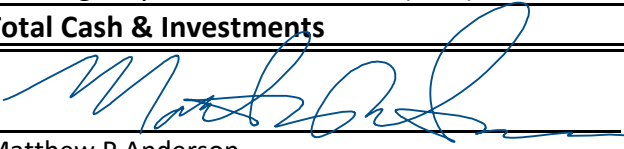
January	February	March	April
<ul style="list-style-type: none"> Review Investment Policy Long Range Financial Plan 	<ul style="list-style-type: none"> Meeting Cancelled 	<ul style="list-style-type: none"> Operating Budget Workshop 	<ul style="list-style-type: none"> Operating Budget Approval Consider MOU w/Local 39 (schedule prior to June 30)
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 CIP Update (biennial) 	<ul style="list-style-type: none"> Meeting Cancelled
September	October	November	December
<ul style="list-style-type: none"> Review Debt Management Policy Investment Program Status Annual Update 	<ul style="list-style-type: none"> Conflict of Interest Update (Biennial; even numbered years) 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

 - Recurring Commission Actions
 - Upcoming Commission Actions

AGENDA ITEM 5C1

Silicon Valley Clean Water Authority
Cash & Investments Summary Report
December 31, 2022

Description	Market Value	% of Total Holdings	Yield
Reserve Accounts			
Operating Reserve* - Securities	\$ 3,580,062	2.46%	1.33%
Operating Reserve - Money Market Fund Balance	190,369	0.13%	4.06%
CIP Reserve* - Securities	19,715,167	13.53%	2.11%
CIP Reserve - Money Market Fund Balance	260,416	0.18%	4.06%
Stage 2 Capacity Reserve* - Securities	13,781,787	9.46%	1.88%
Stage 2 Capacity Reserve - Money Market Fund Balance	82,642	0.06%	4.06%
Total Market Value: Operating and Reserve Accounts	\$ 37,610,444	25.8%	1.98%
Total Accrued Interest: Operating and Reserve Accounts	149,012		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 37,759,456		
Trustee Accounts:			
2018 Bond Project Fund Account - CAMP	\$ 6,751,419	4.63%	4.30%
2018 Bond Revenue Account	1,432	0.00%	3.83%
2019A Notes WIFIA - Money Market Fund	1,595,771	1.10%	3.83%
2019A Notes Capitalized Interest Account - Money Market Fund	11,270	0.01%	3.83%
2019A Notes Capitalized Interest Account* - Securities	9,163,530	6.29%	2.53%
2021 Refunding Bonds Revenue Account	2,110	0.00%	3.83%
2021A Notes (RESCU) - Money Market Fund	796	0.00%	3.83%
2021A Notes (RESCU) - LAIF**	23,653,670	16.24%	2.17%
2021B Notes (WWTP) - CAMP	13,028,244	8.94%	4.30%
2021B Notes (WWTP)* - Securities	27,458,686	18.85%	1.74%
2021B Notes (WWTP) - LAIF**	22,476,270	15.43%	2.17%
2021 Notes Capitalized Interest Account - Money Market Fund	1,566,751	1.08%	3.83%
Total Market Value, Trustee Accounts	\$ 105,709,949	72.57%	2.54%
Accrued Interest:	309,017		
Operating Cash (includes outstanding checks)	2,129,824	1.46%	0.00%
Local Agency Investment Funds (LAIF) Balance	211,828	0.15%	2.17%
Total Cash & Investments	\$ 146,120,074	100.00%	2.36%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

1/19/2023
Date

* Monthly report of security transactions and interest available upon request

**Market value of LAIF based on Fair Value factor as of 9/30/2022 (most available)

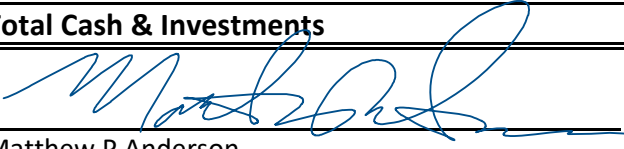
Silicon Valley Clean Water Operating and Reserve Funds - Sector Allocation & Compliance December 31, 2022								
Security Type	Operating Reserve	CIP Reserve	Capacity Reserve	Total Market Value	% of Total Portfolio	% Allowed by Policy	In Compliance	% Change vs. Prior Month
U.S. Treasury	\$ 1,854,859	\$ 9,302,713	\$ 6,080,410	\$ 17,237,982	46%	100%	✓	3.8%
Supranationals	342,353	-	-	342,353	1%	15%	✓	(0.0%)
Federal Agency/GSE	631,188	1,082,705	757,537	2,471,430	7%	100%	✓	(0.1%)
Federal Agency/CMBS	-	1,124,259	801,597	1,925,856	5%	100%	✓	(0.0%)
Federal Agency CMO	-	631,072	495,244	1,126,316	3%	100%	✓	(0.1%)
Federal Agency MBS	-	2,147,594	1,562,624	3,710,217	10%	100%	✓	(0.2%)
Municipal	-	834,463	675,747	1,510,211	4%	30%	✓	(0.0%)
Corporate Notes	486,330	4,061,416	3,005,637	7,553,384	20%	30%	✓	(0.1%)
Asset-Backed Securities	265,333	530,945	402,990	1,199,268	3%	10%	✓	(0.1%)
Securities Sub-Total	3,580,062	19,715,167	13,781,787	37,077,016	99%			
Accrued Interest	7,970	80,169	60,873	149,012				
Securities Total	3,588,033	19,795,336	13,842,659	37,226,028				
Money Market Fund	190,369	260,416	82,642	533,428	1%	20%	✓	(3.1%)
Total Investments	\$ 3,778,402	\$ 20,055,752	\$ 13,925,302	\$ 37,759,456	100%			
As % of 6/30/22 Target:	94.0%	88.4%	100.0%	92.9%				

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.*

**Silicon Valley Clean Water Authority
Cash & Investments Summary Report
January 31, 2023**

Description	Market Value	% of Total Holdings	Yield
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,586,445	2.52%	1.33%
Operating Reserve - Money Market Fund Balance	216,485	0.15%	4.06%
CIP Reserve* - Securities	19,965,449	14.02%	2.11%
CIP Reserve - Money Market Fund Balance	560,099	0.39%	4.06%
Stage 2 Capacity Reserve* - Securities	13,957,748	9.80%	1.88%
Stage 2 Capacity Reserve - Money Market Fund Balance	151,549	0.11%	4.06%
Total Market Value: Operating and Reserve Accounts	\$ 38,437,775	27.0%	2.00%
Total Accrued Interest: Operating and Reserve Accounts	145,727		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 38,583,502		
<u>Trustee Accounts:</u>			
2018 Bond Project Fund Account - CAMP	\$ 6,650,810	4.67%	4.53%
2018 Bond Revenue Account	2,573,689	1.81%	3.97%
2019A Notes WIFIA - Money Market Fund	1,600,660	1.12%	3.97%
2019A Notes Capitalized Interest Account - Money Market Fund	11,304	0.01%	3.97%
2019A Notes Capitalized Interest Account* - Securities	9,175,831	6.45%	2.53%
2021 Refunding Bonds Revenue Account	1,396,153	0.98%	3.97%
2021A Notes (RESCU) - Money Market Fund	485	0.00%	3.97%
2021A Notes (RESCU) - LAIF**	15,587,531	10.95%	2.43%
2021B Notes (WWTP) - Money Market Fund	1,565,350	1.10%	3.97%
2021B Notes (WWTP) - CAMP	12,491,229	8.77%	4.53%
2021B Notes (WWTP)* - Securities	25,994,418	18.26%	1.65%
2021B Notes (WWTP) - LAIF**	22,593,685	15.87%	2.43%
2021 Notes Capitalized Interest Account - Money Market Fund	1,571,551	1.10%	3.97%
Total Market Value, Trustee Accounts	\$ 101,212,698	71.09%	2.77%
Accrued Interest:	944,405		
Operating Cash (includes outstanding checks)	2,502,060	1.76%	0.00%
Local Agency Investment Funds (LAIF) Balance	213,606	0.15%	2.43%
Total Cash & Investments	\$ 143,456,270	100.00%	2.51%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

2/16/2023
Date

* Monthly report of security transactions and interest available upon request

**Market value of LAIF based on Fair Value factor as of 9/30/2022 (most available)

Silicon Valley Clean Water
Operating and Reserve Funds - Sector Allocation & Compliance January 31, 2023

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	\$ 1,868,060	\$ 9,445,699	\$ 6,175,590	\$ 17,489,349	46%	100%	✓	3.9%
Supranationals	343,436	-	-	343,436	1%	15%	✓	0.1%
Federal Agency/GSE	633,555	1,112,526	778,162	2,524,243	7%	100%	✓	0.4%
Federal Agency/CMBS	-	1,137,603	811,482	1,949,085	5%	100%	✓	(0.2%)
Federal Agency CMO	-	627,085	494,057	1,121,142	3%	100%	✓	(0.1%)
Federal Agency MBS	-	2,177,224	1,584,903	3,762,127	10%	100%	✓	(0.1%)
Municipal	-	845,503	684,675	1,530,178	4%	30%	✓	(0.0%)
Corporate Notes	489,813	4,098,530	3,033,185	7,621,528	20%	30%	✓	(0.2%)
Asset-Backed Securities	251,580	521,280	395,694	1,168,554	3%	10%	✓	(0.2%)
Securities Sub-Total	3,586,445	19,965,449	13,957,748	37,509,642	98%			
Accrued Interest	10,067	80,254	55,405	145,727				
Securities Total	3,596,512	20,045,703	14,013,153	37,655,369				
Money Market Fund	216,485	560,099	151,549	928,133	2%	20%	✓	(2.6%)
Total Investments	\$ 3,812,998	\$ 20,605,802	\$ 14,164,702	\$ 38,583,502	100%			
<i>As % of 6/30/22 Target:</i>	<i>94.8%</i>	<i>90.8%</i>	<i>100.0%</i>	<i>94.4%</i>				

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- 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 5D

**ENGINEERING REPORT: FEBRUARY 2023
CAPITAL IMPROVEMENT PROGRAM****UPCOMING COMMISSION ACTIONS:**

Food Waste Co-Digestion Receiving Station Improvements (9257): Expand Food Waste Receiving Storage and Construct Associated Tanks and Equipment

SVCW received a \$4 million grant from CalRecycle to improve its organic co-digestion facility. Staff has worked with CDM Constructors Inc (CCI) and negotiated an agreement to design and construct the improvements to its existing Food Waste Co-Digestion Receiving facility. Phase I of the agreement will allow the project team to develop 60% design, negotiate a lump sum cost to complete the design and build the new facility. Staff will bring the Phase 2 of the agreement for commission approval later. The new facility will increase the capacity of organic received from its sister agency South Bayside Waste Management Authority, increase biogas production, and hence increase total electrical power generation capacity of the plant.

Planned Commission Actions: Approve Energy Conservation Contract Agreement with CDM Constructors Inc (CCI) – March 2023

Standby Generator Control Upgrades (9247): Replace Controls Systems of SHB Standby Generators

Three 1-mega-watt (MW) standby generators located at PDP 1 that provide backup power during a power outage were installed in 2011. The control system that operates breaker switching has had several failures in recent years, failing to switch from generator power to utility power at the end of an outage event. These failures occurred in controlled environments during quarterly generator testing activities. These recurring generator control failures present a reliability risk to the plant. This project will replace outdated Programmable Logic Controller (PLC) hardware and adopt an industry standard programming language that is more user-friendly. New programming algorithms will be tested in simulated environments to ensure reliable operation with existing hardware.

Planned Commission Actions: Approve Design Task Order for Standby Generator Control System Upgrades – March 2023

Final Effluent Pump Station Upgrades (9223): Replace Five Final Effluent Pumps and Associated Equipment

SVCW's final effluent pump station is comprised of five 150 horsepower pumps responsible for pumping treated final effluent into San Francisco Bay for disposal. These pumps have not been upgraded beyond motor replacement and maintenance rehabilitations since their original installation in 1980. This project will replace all five pumps and their associated equipment such as motors, drives and pipes.

Planned Commission Actions: Approve Resolution for Progressive Design-Build for Plant Effluent Pump project– March 2023
Approve Task Order for Owners Advisor Services – March 2023

Digester #1 Rehabilitation (9215): Rehabilitate Digester #1

This project includes repair of coatings and structural elements in Digester #1. Construction is underway and expected to be completed in 2023.

Planned Commission Actions: Accept Project/Final Completion – May 2023

ONGOING PROJECTS IN CONSTRUCTION:

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.

GP project construction is complete. Construction continues on the PSI and FoP projects. Acceptance of the GP project will occur concurrently with acceptance testing of the FoP project. The FoP and PSI Projects are expected to be completed in late 2023. Refer to Commission Item 5F for status updates.

SAF-MBR (9236): Pilot Testing New Treatment Systems in Conjunction with Stanford University

SAF-MBR is operational with particular equipment being tested. Additional equipment continues to be procured to further test different scenarios of treatment

AGENDA ITEM 5E

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

**MARCH 13, 2023
AGENDA ITEM 5E**

Updated: 02/27/2023

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
2/13/2023		Meeting Cancelled						
1/9/2023		Water Feature - Avian Habitat	N/A		✓			Reach out to Audubon and other potential community partners. Identify benefits inline with SVCW's Mission.
12/12/2022		No Action Items						
11/14/2022		No Action Items						
10/10/2022	1	Remote Meetings	11/14/2022			✓	11/2/2022	Add 30-day remote meeting per AB361 to November agenda
	2	Hybrid Meetings	N/A		✓			Show attendees while showing powerpoint presentations for hybrid meeting attendance. Continuing to investigate.
	3	RESCU Report	N/A			✓	11/7/2022	Change RESCU monthly report to clarify "Project Chagnes" are complete w/amendments finalized.
8/8 & 9/12		Meetings Cancelled						
7/11/2022	1	State Water Resources Control Board - SVCW's COO Appointment to Certification Advisory Board	N/A			✓	7/11/2022	Provide talking points for Commissioners' use re: Monte Hamamoto's appointment to the Certification Board
	2	SAF-MBR	N/A		✓			Have Stanford lead person provide Commissioners a presentation on SAF-MBR
	3	Potable Reuse	N/A			✓	7/11/2022	Provide talking points for Commissioners' use re: SVCW potable water reuse activities
6/13/2022	1	No Action Items						
5/9/2022	1	No Action Items						
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			✓	6/13/2022	Determine capability to offer hybrid (both onsite & remote access). June meeting held in person and remote.

Silicon Valley Clean Water
Commissioners' Requested Action Items

MARCH 13, 2023
AGENDA ITEM 5E

Updated: 02/27/2023

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
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. Met in person for June 2022 meeting.
> One Year		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 present changes to Commission.
		Project Changes/Commission Notification	N/A	✓			Ongoing	Ensure Commission is kept apprised of possible/potential project cost and/or schedule increases.
		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.
		Pump Stations Improvements - Capital vs Life Cycle Costs	N/A		✓			Reducing pump stations from 5 to 2 have been reported to save long-term costs; provide analysis results to Commissioners.

AGENDA ITEM 5F

Overview



RESCU Program describes eleven projects which constitute full replacement and rehabilitation of SVCW's conveyance system. RESCU includes the Gravity Pipeline, Front of Plant, Pump Stations, and Belmont Force Main projects. The Front of Plant includes six and Pump Stations includes four of the eleven projects. The Conveyance System Improvements Environmental Impact Report completed and adopted by the SVCW Commission in April 2017 covers work to be done under all the RESCU Program projects.

Available Budget

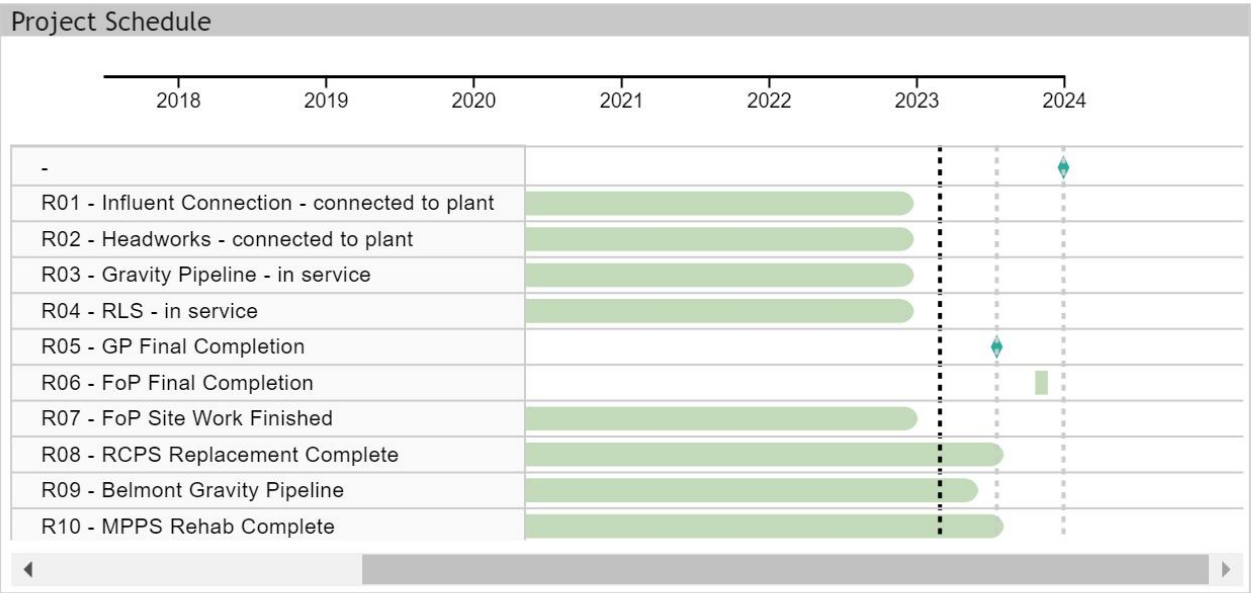
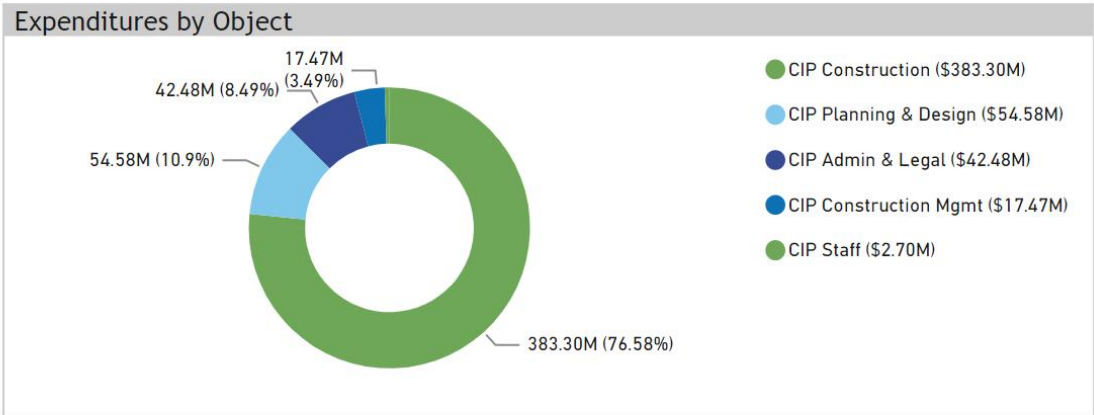
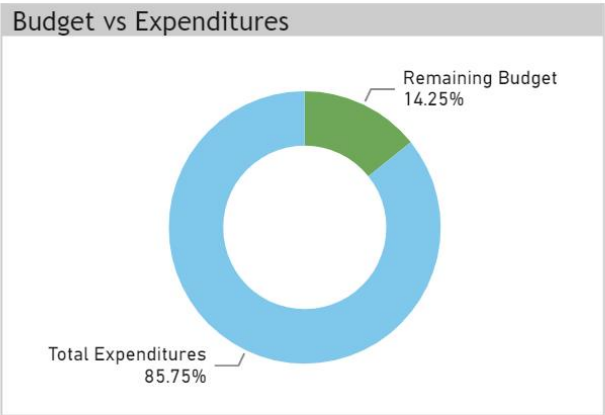
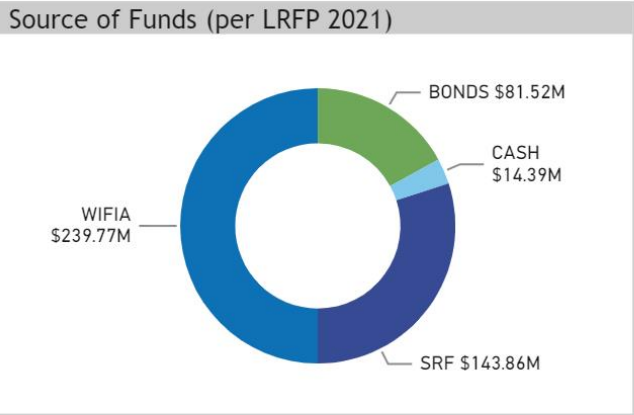
\$582.56M

Total Expenditure

\$499.56M

Remaining Budget

\$83.00M



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.

Agenda Packet Page 24

Front of Plant Progressive DB Project (CIP 9502)



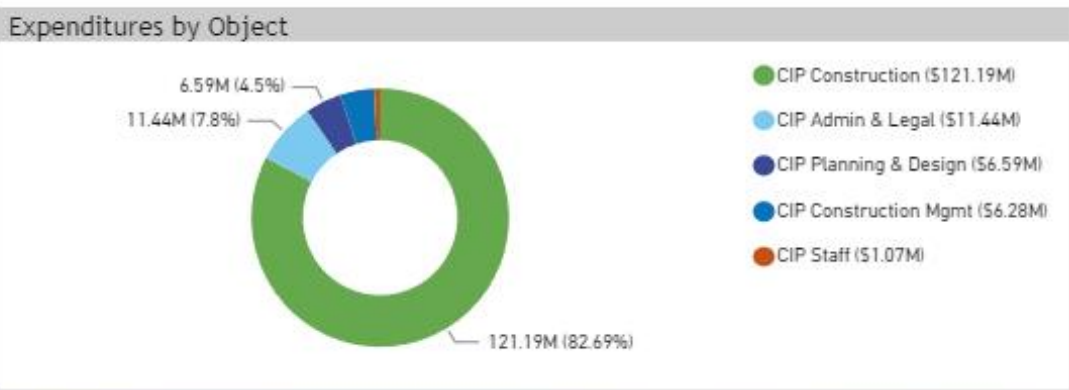
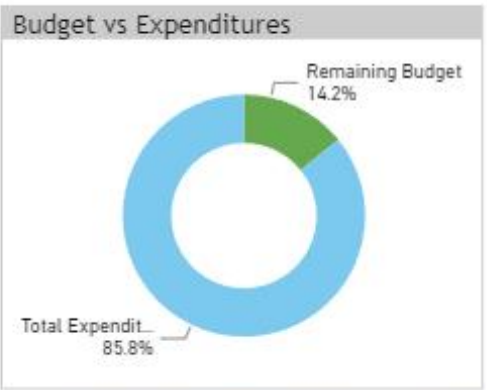
The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control System, Influent Connector Pipe, Emergency Overflow pipe to an existing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

Available Budget
\$168.71M

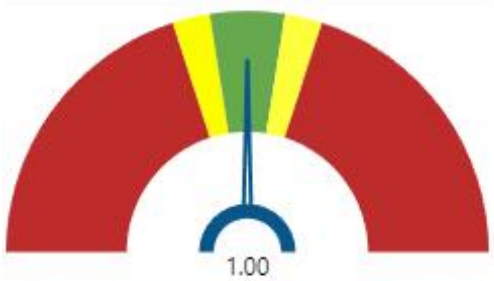
Total Expenditure
\$144.75M

Remaining Budget
\$23.96M

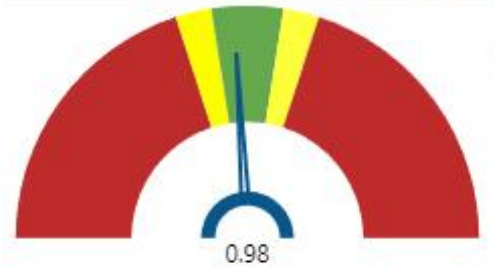
Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	3/2/2023
Headworks Facility Completed	12/6/2018	9/14/2022
SFS/RLS Completed	12/6/2018	7/1/2022
Bair Island Connecting Piping Startup	10/3/2022	8/19/2023
San Carlos Connecting Piping Startup	8/5/2022	8/6/2023
Substantial Completion		10/23/2023



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Front of Plant Progressive DB Project (CIP 9502)

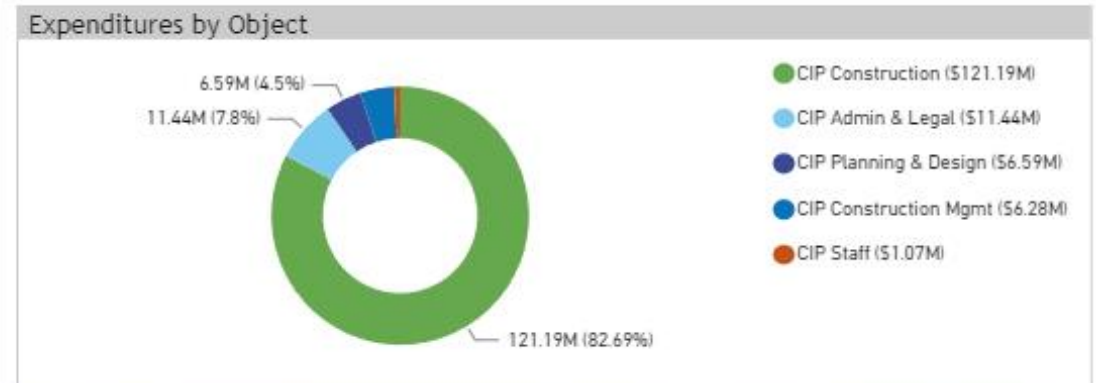
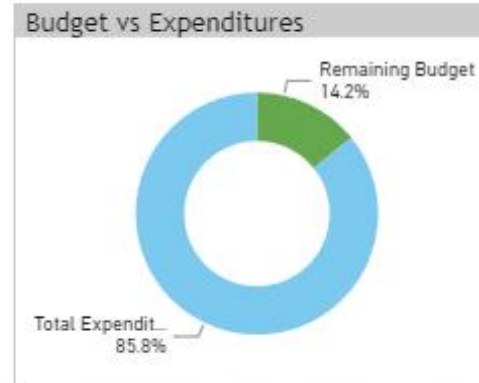
The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control System, Influent Connector Pipe, Emergency Overflow pipe to an existing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

Available Budget
\$168.71M

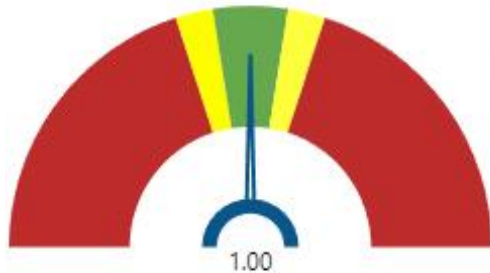
Total Expenditure
\$144.75M

Remaining Budget
\$23.96M

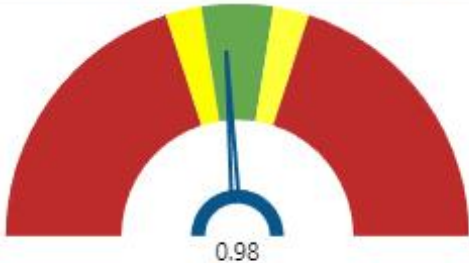
Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	3/2/2023
Headworks Facility Completed	12/6/2018	9/14/2022
SFS/RLS Completed	12/6/2018	7/1/2022
Bair Island Connecting Piping Startup	10/3/2022	8/19/2023
San Carlos Connecting Piping Startup	8/5/2022	8/6/2023
Substantial Completion		10/23/2023



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> -SPJV trimmed, pickled, and passivated/checked the tightness of the bolts around the Headworks facility. -SPJV continues to install pipe identification labels to all utilities at the RLS. -SPJV continues site grading throughout the yard as they began to form and place rebar for the driveway and installed bollards around the site. Valves, settlement, and blow off covers were installed around the yard. -Electrical work included continual camera installation around the headworks and RLS. -Inside the SVCW gallery, the remaining utilidor piping and supports were installed. -Training is almost complete for SVCW's operations, mechanical, electrical, instrumentation, and control teams. -Startup is continuing for the headworks system. -At San Carlos, PEC re-installed the West sump pump 2inch PVC piping and installed ceiling anchors inside the pump station. The open cut was excavated to subgrade and supports were installed for the 36inch RCP. -At Bair Island, PEC completed the first SOR which involved exercising the existing valve and replacing the flange downstream of it. PEC is awaiting material in preparation for the second SOR.
Design	-SPJV continues design of various site improvements.
Procurement of Trade Packages	-Front of Plant Trade Procurement is complete.

3 - Month Look Ahead

	Start	End	March	April	May
SCPS Connecting Piping	August 5, 2022	September 5, 2023	X	X	X
Bair Island Connecting Piping	October 3, 2022	September 5, 2023	X	X	X
63" HDPE IPL Line Installation (Sta 7+65 to 9+05)	April 24, 2023	May 1, 2023		X	X
Hydro Test 63" IPL Line (Sta 0+55 to 9+05)	May 5, 2023	May 11, 2023			X
Start-Up and Commissioning	November 10, 2022	June 20, 2023	X	X	X
Final Site Improvements	November 28, 2022	October 23, 2023	X	X	X

Potential Issues

Additional cost due to changes to the temporary ILS bypass and procurement delays

Intrinsically Safe Relay Panel

Plant water pipeline size upgrade and related fixtures

Utilidor extension for piping

Approved Project Changes

3 Water and Utilidor Improvements

Bair Island and San Carlos Pump Station Pipe Connection Work - mechanical

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

Extended Overhead Costs Associated with CFRP Delays

ILS Pipe Repair

New County/Local Sales Tax

Project Management past December 2021

San Carlos and Bair Island Connecting Piping

Safety Spot Light

Lost Time	0
Near Misses	5
Recorded Losses	2

Gravity Pipeline Progressive DB Project (CIP 6008)

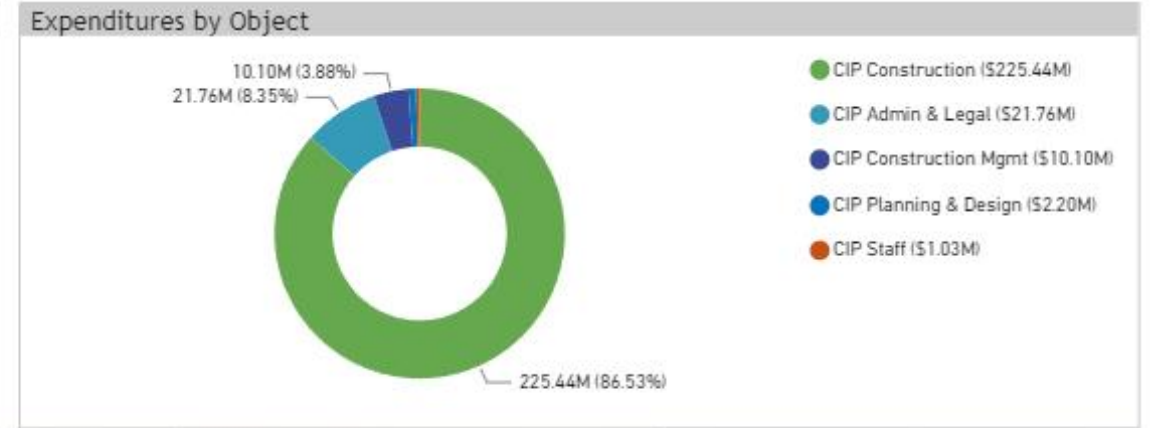
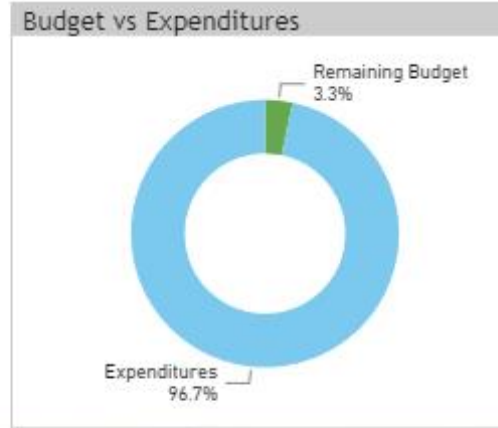
The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP)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

Available Budget
\$264.36M

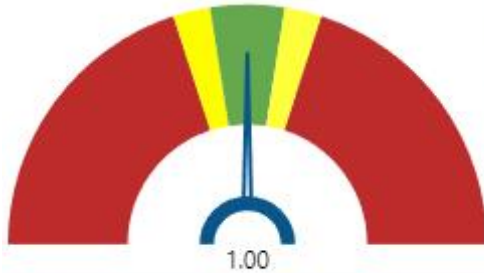
Total Expenditure
\$255.63M

Remaining Budget
\$8.73M

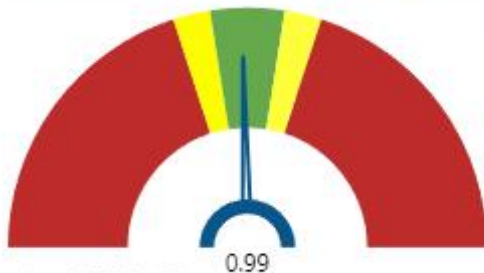
Milestone Schedule		
	Start	Finish
Conditional Substantial Completion		7/1/2022
Final Completion		7/20/2023



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2023 - 02



Construction	-BBJV completed backfill of the Airport Access Shaft. -BBJV completed site restoration at the AAS.
Design	-Gravity Pipeline design is complete.
Muck Disposal	-79% of Muck Disposal Amendment spent -21% of Muck Disposal Amendment remaining. Credit was issued for remaining funds.
Procurement of Trade Packages	-Gravity Pipeline Trade Procurement is complete.

Acceptance Testing Time Extension
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
SFS Slurry Wall Hardness DSC
Soil Conditioner Leak at CPT Hole STA 171 + 80

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

\$133.59M

Total Expenditure

\$86.99M

Remaining Budget

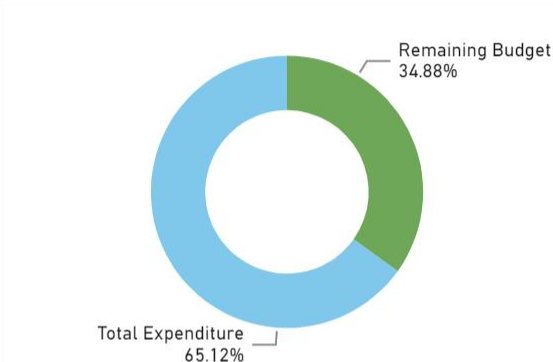
\$46.60M

Milestone Schedule

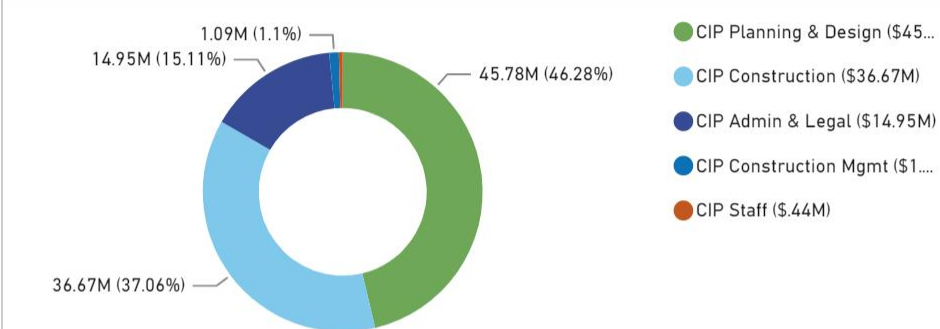
	Start	Finish
MPPS - B-side Pumps Completed	3/15/2022	10/13/2022
MPPS - A-side Pumps Completed	10/13/2022	8/5/2023
BGP - Gravity Pipe Installed	5/15/2023	9/27/2023
RCPS - PG&E Service Work	5/3/2023	5/16/2023
RCPS - Wet Well & Screening Building Completed	4/17/2022	11/21/2023
RCPS - Electrical Building Completed	2/8/2021	6/15/2023
Substantial Completion - MPPS*		8/7/2023
Substantial Completion - RCPS*		8/7/2023
Substantial Completion - BGP*		6/5/2023

*schedule extension is currently in discussion

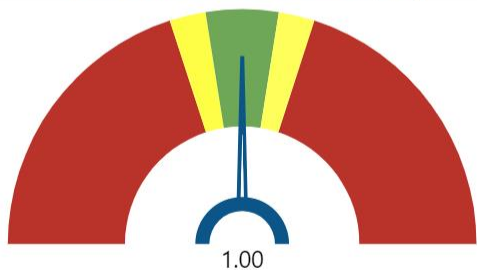
Budget vs Expenditures



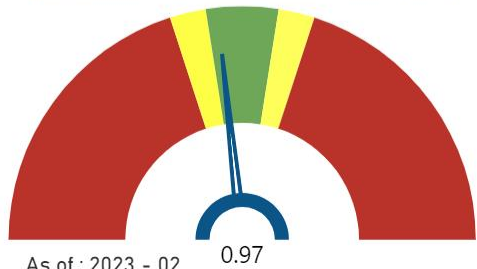
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2023 - 02



Pump Stations (CIP 9501)



Major Accomplishments this Period

Construction	-BGP: At RS-2, the site was paved and the curb was restored. The road was reopened. At JS-3, PEC backfilled the shaft up to grade and removed the walers. The 30 inch storm drain was restored. The site will be prepped and paved. The contractor will then demobilize and reopen the road.
	-RCPS: SPJV began re-lining the existing RWC 48" pipe. SPJV poured concrete Pump Pads and Baffle Beam.
	-MPPS: MMC received and installed PLC, and continued pulling wires. Two of 5 VFDs arrived on-site.
Design	-RCPS: Redwood City has elected to include the 60-inch pipe installation in SPJV's scope, as a part of the PSI project. SPJV to coordinate schedule to determine when this work will occur.

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
Contract time extension
MPPS and RCPS PG&E Related-Changes
Redwood City 48-Inch Pipe Rehabilitation and condition of existing inflent pipe
Redwood City 60-inch Pipe Installation/Connection
RS2 Recology Changes (Single Lane Closure)

3 - Month Look Ahead

	Start	End	March	April	May
MPPS - A-side Wet Well and Pumps	October 14, 2022	August 5, 2023	X	X	X
MPPS - Pump & Motor Rooms	March 15, 2022	June 7, 2023	X	X	X
MPPS - Electrical Room Improvements	July 6, 2021	June 20, 2023	X	X	X
BGP - Restoration of RS3	March 1, 2023	April 17, 2023	X	X	
RCPS - Wet Well and Screening Building Structural Concrete	September 8, 2021	September 26, 2023	X	X	
RCPS - Mechanical - Wet Well	November 28, 2022	July 27, 2023	X	X	X
RCPS - Mechanical - Screening Structure	October 31, 2022	October 31, 2023		X	X
RCPS - Electrical / I&C - Wet Well	January 3, 2023	July 18, 2023		X	X
RCPS - Junction Box	February 24, 2023	July 27, 2023	X	X	X
RCPS - Electrical Building & Restroom	February 8, 2021	June 15, 2023	X	X	X
RCPS - 36" MPPS Force Main and Valve Vaults	March 22, 2023	September 25, 2023	X	X	
RCPS - Site Utilities	March 20, 2023	December 19, 2023	X	X	
RCPS - Standby Generator	June 2, 2021	May 1, 2023	X	X	

Approved Project Changes

Allowance Release, JS-4 Unforeseen Fiber Optic Utility Impacts
Bair Island and San Carlos Pump Station Pipe Connection Work - electrical/instrumentation
BGP Design Development
Credit for installation of Segment 2 FM ARV/VRV, Monitoring Off Position, RCPS Standby Generator Cost Increase, RCPS CARVs, Credit for 12" Water Relocation and Calwater Costs
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 – January 9, 2023
8:00 a.m.**

Place: Pelican Conference Room
Silicon Valley Clean Water
1400 Radio Road, 2nd Floor
Redwood City, California

Members of the public and SVCW staff and consultants were also able to observe and participate remotely per instructions provided in the agenda.

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
Vice Mayor Davina Hurt, Belmont – Alternate
Council Member Ron Collins, San Carlos – Secretary

Staff, Consultants and Visitors Present

Teresa A. Herrera, SVCW Manager
Christine C. Fitzgerald, SVCW Legal Counsel
Matt Anderson, SVCW Chief Financial Officer/Assistant Manager
Monte Hamamoto, SVCW Chief Operating Officer
Kim Hackett, SVCW Authority Engineer
Jennifer Flick, SVCW Human Resources Director
Arvind Akela, SVCW Engineering & Environmental Services Director
Jessica Mangual, SVCW Secretary Pro Tem
Anir Bhagwat – Senior Engineer
Mark Minkowski, Kennedy Jenks
Sheryl Chia, Kennedy Jenks
Theresa Yee, City of Redwood City
Aren Hansen, Brown & Caldwell
Sergio Ramirez, West Bay Sanitary District
Bill Tanner, TPI
Lora Carpenter – Fieldman, Rolapp & Associates
Robert Porr - Fieldman, Rolapp & Associates

ITEM 3

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by those in attendance

ITEM 4**PUBLIC COMMENT**

There was no Public Comment

ITEM 5**SAFETY MOMENT AND REPORTS**

Instructions for enabling live captioning and providing public comment during the remote meeting site were provided.

Item 5A Safety Moment concerned tips on how tips to keep your vehicle under control if you begin hydroplaning.

Item 5B Manager's Report, a summary of response to storm flows and was provided.

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

ITEM 6**MATTERS OF COMMISSION MEMBER'S INTEREST****ITEM 7****CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7G**

- A. APPROVAL OF MINUTES – December 12, 2022 - Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED NOVEMBER 29 – DECEMBER 27, 2022, AND NECESSARY PAYMENTS THROUGH DECEMBER 27, 2022
- C. 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

- D. CONSIDERATION OF RESOLUTION APPROVING APPLICATION FOR GRANT FUNDING THROUGH THE UNITED STATES DEPARTMENT OF ENERGY

Proposed Action:

Move adoption of RESOLUTION APPROVING AND AUTHORIZING SUBMITTAL OF APPLICATION TO UNITED STATES DEPARTMENT OF ENERGY FOR “DECARBONIZATION OF WATER RESOURCE RECOVERY FACILITIES” GRANT AND RELATED EXISTING MATCHING FUNDS

- E. CONSIDERATION OF MOTION APPROVING ADDENDUM NO. 2 TO ORGANICS CO-DIGESTION PROJECT (CIP# 9229) MEMORANDUM OF UNDERSTANDING

Proposed Action:

Move approval of ADDENDUM NO. 2 TO MEMORANDUM OF UNDERSTANDING BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY AND SILICON VALLEY CLEAN WATER

- F. CONSIDERATION OF RESOLUTION APPROVING ADOPTION OF THE SILICON VALLEY CLEAN WATER PROCUREMENT MANUAL

Proposed Action:

Move adoption of RESOLUTION ADOPTING THE SILICON VALLEY CLEAN WATER PROCUREMENT MANUAL

- G. CONSIDERATION OF RESOLUTION APPROVING AGREEMENT WITH BIOFORCETECH FOR SVCW BIOSOLIDS DRYING AND PYROLYSIS

Proposed Action:

Move adoption of RESOLUTION APPROVING SERVICES AGREEMENT AND NON-DISCLOSURE AGREEMENT WITH BIOFORCETECH

Motion/Second: Mr. Collins / Mr. Otte

The Motion carried by Unanimous Vote

ITEM 8A

CONSIDERATION OF RESOLUTION APPROVING APPLICATIONS FOR GRANT FUNDING FOR DESIGN, ENVIRONMENTAL REVIEW, STATE LAND USE APPROVAL, AND PERMITTING PHASES

Proposed Action:

Move adoption of RESOLUTION AUTHORIZING SUBMITTAL OF GRANT FUNDING APPLICATIONS FOR DESIGN, ENVIRONMENTAL REVIEW, STATE LAND USE APPROVAL, AND PERMITTING PHASES FOR AN AVIAN HABITAT ENHANCEMENT PROJECT

Motion/Second: Mr. Collins / Mr. Otte

The Motion carried by Unanimous Vote

ITEM 8B

CONSIDERATION OF MOTION ACCEPTING THE SILICON VALLEY CLEAN WATER
LONG RANGE FINANCIAL PLAN 2023

Proposed Action:

Move approval of RECEIPT AND ACCEPTANCE OF SILICON VALLEY CLEAN WATER
LONG-RANGE FINANCIAL PLAN 2023 UPDATE

Motion/Second: Ms. Hurt / Mr. Collins

The Motion carried by Unanimous Vote

ITEM 9

Closed Session – No Closed Session

ITEM 10

RECONVENE IN OPEN SESSION – No Closed Session

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:58 a.m.

Minutes prepared by Teresa A. Herrera
Reviewed by General Counsel

Ron Collins, Secretary

AGENDA ITEM 7B

SVCW WARRANT REGISTER

SVCW Warrant Registers dated December 28 – January 24, 2023, were scanned and a copy was emailed to Commissioners and Legal Counsel on March 9, 2023.

AGENDA ITEM 7C

**SHB ELECTRICAL REHABILITATION (CIP #9247)
STANDBY GENERATOR CONTROL UPGRADES
POWER DISTRIBUTION PANEL 1
ENGINEERING DESIGN SERVICES**

ISSUE

Approve Design Services Task Order Scope and Budget for Standby Generator Control Upgrades at Power Distribution Panel 1 (PDP 1) CIP #9247

BACKGROUND

Power Distribution Panel 1 (PDP 1) is located on the 2nd floor of the Solids Handling Building (SHB). This facility distributes power to most solids handling systems such as digester mix pumps, rotary drum thickeners, and fan presses. It also distributes power to other critical facilities such as the Final Effluent Pump Station.

There are three 1-megawatt (MW) standby generators connected to PDP 1 that provide backup power during power outages. These generators were installed in 2011 and encompass associated control systems for power metering, breaker switching, and output power synchronizing.

The standby generators are tested quarterly to ensure they will work in an emergency such as when a power outage occurs. The control system that operates breaker switching has had some failures in recent years, failing to switch from generator power to utility power at the end of the generator test. Thus far, SVCW's Electricians have successfully returned PDP 1 to utility power without interruption to any plant processes by manually switching breakers. However, these recurring generator control failures present a reliability risk to plant operations.

DISCUSSION

To mitigate the above-mentioned reliability risks, the Capital Improvement Program (CIP) includes a project to upgrade the generator control system. The PLCs were put into place in 2011 and the expected seven-to-ten-year life cycle for electronic systems has been met. This project will replace outdated Programmable Logic Controller (PLC) hardware and adopt current industry standard programming language that is more user-friendly than what is now in place. New programming algorithms will be tested in simulated environments to ensure reliable operation with existing hardware.

Staff has developed a scope of work for this project with the engineering firm Beecher Engineering Inc. who will prepare detailed design documents, including wiring diagrams. The scope of work includes evaluating the existing breaker control system, preparing detailed end-to-end wiring modification construction drawings, and providing bid period support services. The wiring diagrams that will be completed by Beecher Engineering would otherwise typically be provided by an electrical contractor but, in this case, it is more efficient and beneficial to SVCW to have the Beecher electrical engineers complete this task.

SVCW engineering staff has negotiated a budget with Beecher Engineering, Inc. to perform the items noted above in a not-to-exceed amount of \$251,702. After completion of the design and bidding phases, staff will seek Commission approval for award of the construction contract.

CLIMATE EFFECTS

note this is a new section that will be added to each agenda item henceforth brought to the Commission

Implementation of this project will result in a small reduction in the amount of diesel fuel consumed by the standby generators, as it will improve the performance of the system that automatically stops the generators when utility service is re-established.

FINANCES

Work will be funded from CIP #9247, SHB Electrical Rehabilitation which has an allocated budget of \$4,374,381. As of December 2022, \$21,965 has been expended; the project has a remaining budget balance of \$4,352,416.

RECOMMENDATION

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN SERVICES FOR THE STANDBY GENERATOR CONTROL UPGRADES (CIP #9247) IN AN AMOUNT NOT TO EXCEED \$251,702 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BEECHER ENGINEERING

AGENDA ITEM 7D

**FINAL EFFLUENT PUMP REPLACEMENT PROJECT (CIP #9223)
PROGRESSIVE DESIGN-BUILD PROCUREMENT AUTHORIZATION AND
OWNER'S ADVISER SERVICES APPROVAL**

ISSUE

Approval of Progressive Design-Build Delivery Method and Owner's Advisor (OA) Services Task Order for the Plant Final Effluent Pump Replacement Project

BACKGROUND

Silicon Valley Clean Water (SVCW) has five pumps that pump final treated water into the San Francisco Bay. These pumps are from the original treatment plant construction and have been in operation for over four decades. They are past their useful life and, to continue plant operation reliability, SVCW's Capital Improvement Program (CIP) includes CIP Project #9223 – Final Effluent Pump Replacement Project ("Project") to replace these original pumps and upgrade the electrical and control systems. The Project consists of replacing or rehabilitating several components of the existing plant effluent pump station.

After considering available project delivery methods, staff recommend using a Progressive Design-Build (PDB) procurement process for design and construction of the Project in accordance with SVCW Administrative Policy No. 2016-01.

DISCUSSION

In a design-build process, the designer and contractor are a single entity with whom the Owner enters a single contract to accomplish the identified project. There are two design-build methods that can be used: 1) Lump Sum Design-Build or 2) Progressive Design-Build. Under Lump Sum, the Design-Build entity prepares a lump sum cost for the entire project at the proposal stage, whereas under Progressive Design Build, the design-build entity designs the project to a certain level (approximately 60%) and then prices the work. Under the first method, the Request for Proposal (RFP) needs to be very specific and prescriptive in what the Owner requires and leaves little room for Owner input to the design, since the Design-build entity has already provided a cost and is held accountable to that cost. Under the Progressive Design-Build process, the RFP contains less prescriptive requirements and allows flexibility to both the Owner and Design-Builder to innovate, value engineer, and design to the prescribed performance standards up to the point of entering the final negotiated contract.

This Project is funded through Water Infrastructure Finance and Innovation Act (WIFIA) which has a timeline to complete the project by June of 2026. One of the main elements of the Project is procurement of large motors and variable frequency drives (VFDs). Existing pumps have 200 horsepower motors which are likely to be replaced by similar or larger motors and VFDs. Due to the very long lead time of these electrical components (up to two years), conventional design-bid-build will add at least one to two years into the project completion schedule and greatly increase the chances of significant schedule delay and cost overruns.

Use of Progressive Design Build

After reviewing the Project, the available procurement methods, and the fundamental rationale for using design-build, staff finds significant benefits of using a Progressive Design Build process over other methods. The main advantage is that with PDB, an early procurement of the long lead time equipment can be issued while the design advances. The focus will be to finalize the equipment sizing very early in the project development and issue the purchase order for the long lead-time components. It is expected that with this approach, the project completion can be accomplished within WIFIA timeline.

Additional advantages of the PDB include increased opportunity for collaboration and flexibility in the early stages of design. Also, there is the advantage of “designing to budget” since the Design Build entity will be intricately involved in pricing the design throughout the entire process. The main disadvantage to the Owner in using this process is that the construction cost is not known at the time of signing the initial contract. This disadvantage is alleviated by using a two-step process whereby an initial contract is signed for the design portion of the work, to approximately the 60% level, and a second (final) contract is awarded to finish design and move into construction. The Owner has flexibility up to this point and can reject the cost and can choose not to move into the second contract if it proves to be in the owner’s best interest. The overall flexibility of a Progressive Design Build process has already proven to be very beneficial to the Authority, evidenced by the success of the RESCU projects which are using Progressive Design Build.

Procurement Process

Procuring a design-builder involves two steps: 1) Request for Qualifications (RFQ) phase and 2) Request for Proposals (RFP) phase. The first step is to prepare the Request for Qualifications. Preparing the RFQ involves defining the qualifications sought in a Design-Build entity, working with the Authority’s attorney to define important contractual factors, responding to questions during the qualifications phase, and ultimately reviewing and evaluating the Statements of Qualifications. The conclusion of this phase is a shortlist of design build entities who will receive a Request for Proposal.

Typically, three to four shortlisted Design Build entities are invited to propose. Step 2, the Request for Proposals phase, involves development of the RFP that will be provided to the shortlisted companies. The RFP provides more detail on the project objectives and seeks detailed information on the proposers’ approach to completing the project. In the RFP phase, a higher level of project description is provided, including those aspects of the work that are fixed and unchangeable or work that can be modified and open to design interpretations. This phase involves workshops with the shortlisted design-build entities. As part of their proposals, the design builders will be required to submit an indicative cost that demonstrates their approach to their project, their proposed overhead and profit rates, and their expected total costs for the project.

Owner’s Advisory Services

Design-Build projects require the services of an Owner’s Advisor to provide technical support during procurement and, later, during the design and construction phases. The

Owner's Advisor services begin at the Request for Qualifications phase with developing the RFQ for the project. SVCW proposes to use the services of CDM Smith, an engineering firm who has worked at SVCW for the past thirteen years and has significant experience with the Progressive Design Build procurement method. SVCW staff has negotiated scope and budget for CDM Smith to assist with both steps in the procurement process by preparing an RFQ, assisting with short-listing firms, preparing the RFP, and supporting the final selection of the design builder. Since it is unknown what the interest level is by prospective design builders and, therefore, the scope of work is not able to be fully described, staff negotiated an "as-needed" approach to the work at a not-to-exceed fee of \$200 thousand.

CLIMATE EFFECTS

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Implementation of this project may result in higher horsepower motors on the Final Effluent Pumps because sea level rise likely will increase the horsepower required to pump effluent into the bay. The operation of higher horsepower pumps will slightly increase the electrical needs at the treatment plant, increasing the annual amount of electricity consumed. SVCW purchases electricity from Peninsula Clean Energy, which provides electricity generated from renewable sources.

FINANCES

Work will be funded from CIP #9223, Plant Effluent Pump Replacement which has an allocated budget of \$2,836,241 and has a remaining budget of \$2,827,470. Preliminary analysis of the project indicates that this budget may not be sufficient to cover the costs of the construction project. If indicative costs from the design-builder indicate that more budget is required, SVCW will request additional project funds from the Commission and will reflect the increase in the 2024 CIP update. The Project is funded through WIFIA loan at a low interest rate of 1.94%.

RECOMMENDATION

- i. AUTHORIZE MANAGER TO UTILIZE PROGRESSIVE DESIGN-BUILD PROCUREMENT CONTRACTING APPROACH FOR PLANT EFFLUENT PUMP REPLACEMENT (CIP#9223) IN ACCORDANCE WITH ADMINISTRATIVE POLICY 2016-01: DESIGN-BUILD PROJECTS
- ii. Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE EFFLUENT PUMP STATION UPGRADES (CIP #9223) IN AN AMOUNT NOT TO EXCEED \$200,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – CDM SMITH INC.

AGENDA ITEM 8A

**ENERGY CONSERVATION CONTRACT AGREEMENT – STAGE 1 SERVICES
FOOD WASTE RECEIVING IMPROVEMENTS PROJECT (CIP #9257)**

ISSUE

Approve Energy Conservation Contract Agreement and Stage 1 Services with CDM Constructors Inc. for Food Waste Receiving Improvements Project (CIP #9257)

BACKGROUND

SVCW's treatment processes remove solids from incoming wastewater. The solids are conveyed to three 70-foot diameter digesters where they are broken down through anaerobic microbiological activity. This process, called anaerobic digestion, leads to destruction of harmful bacteria in the solids and makes the resultant biosolids ready for beneficial re-use through composting or land application. The digestion process also results in a byproduct called digester gas or biogas. Digester gas goes through a gas conditioning system to remove its impurities before fueling internal combustion engines to produce electricity. Waste heat from the engines is captured and used to heat the digesters and buildings throughout the treatment plant.

SVCW's two 633 kW cogeneration engines currently generate 61% of the treatment plant power demand and have significantly lowered the amount of power purchased from PG&E. Use of biogas to produce electricity improves SVCW's overall energy costs: SVCW's in-house cost of power production is approximately 7 cents per kilowatt-hour as compared to more than 22 cents per kilowatt-hour when purchased from PG&E. Therefore, any improvements that can be made to the biogas production system has a direct positive impact on power costs.

Since 2014, SVCW has been collaborating with the South Bayside Waste Management Authority (SBWMA) on a food waste project that could mutually benefit both agencies. Feasibility studies performed in 2018 through 2021 proved that processed organic wastes derived from solid waste could be added to SVCW's wastewater solids, in turn, increasing the production of biogas that is beneficially used by SVCW. During 2022, SBWMA worked to optimize their processing facility and was able to deliver material to SVCW. Therefore, in October 2022 and January 2023 SBWMA and SVCW, respectively, approved an amendment to the Memorandum of Understanding (MOU) between the two agencies to extend operation. SBWMA continues to work to optimize their processing system and SVCW awaits further delivery of material.

In May 2022, the SVCW Commission approved a resolution to apply for grant funding from California's Department of Resources Recycling and Recovery (CalRecycle). The grant program provides funding to build new and expanded food waste co-digestion projects with the goal to achieve greenhouse gas emission reductions. In September 2022, SVCW was awarded a \$4 million grant as part of this program and a notice to proceed was issued by CalRecycle in November 2022.

DISCUSSION

The scope of work for this grant-funded project includes construction of approximately 100,000 gallons of storage, including tanks, pumps, mixers, and piping. Additional storage will allow SVCW to accept more organic waste slurry from SBWMA and provide optimization of the process to maximize gas utilization.

The project must be constructed and substantially completed by February 2025 to meet CalRecycle grant requirements. SVCW staff determined that with the aggressive CalRecycle deadline, this project is best served by directly awarding the project under California Government Code Section 4217 for Energy Conservation Contracts. This Code section authorizes public agencies to develop energy conservation, cogeneration and alternate energy sources at facilities owned by such public agencies. It allows public agencies to enter an energy service contract on terms that its governing body determines are in the best interests of the public agency. SVCW staff is of the opinion that using an energy services contract in lieu of a traditional design-bid-build process will allow SVCW to meet the grant's schedule requirements. Traditional design-bid-build would take significantly more time to deliver a project and it would pose a high risk to meeting the 2025 deadline. If CalRecycle's deadline is not met, the full grant amount would not be available to SVCW.

This project complies with California Government Code Sections 4217.10, et. seq. Energy service contracts for the implementation of energy related conservation improvements must be approved by the Commission at a regularly scheduled public hearing, with public notice of said hearing being given at least two weeks prior to the date of the hearing. On February 22, 2023, SVCW staff caused public notice of this hearing to be posted on the Authority's website and at the front entrance to SVCW's administration building. This posting satisfies GC Section 4217.10 requirements.

Based on their understanding of operation of the SVCW plant and expertise on food waste co-digestion projects, SVCW staff recommends CDM Constructors Inc. (CCI) to design and build the food waste receiving facility. CDM Smith Inc., the parent company of CCI, has an ongoing Master Services Agreement with SVCW for design services and worked on the detailed Food Waste Co-digestion Impact Study for SVCW in 2020. CCI holds a California General Contractor Class A License and meets all the requirements for the CalRecycle grant. Having an engineering design services firm with a construction division will bring the benefits of alternative delivery to the project by:

- a single entity coordinating design and construction of this project,
- bringing price certainty with a design-to-budget philosophy, and
- accelerating the schedule to meet the CalRecycle deadline.

A scope of work for Stage 1 services as listed below has been developed with CCI at a negotiated budget of \$655,954. Tasks included in the Stage 1 services are:

1. develop the basis of design,
2. prepare design package to 30% design level,
3. prepare design package to 60% design level, and
4. prepare Guaranteed Maximum Price submittals at each design level.

Once Stage 1 is complete, SVCW will have the option to award the Stage 2 construction contract to CCI. If CCI and SVCW cannot come to an agreement on terms for Stage 2 construction services or if SVCW is otherwise not satisfied with CCI's performance, SVCW will be able to bid the project construction. This "off ramp" is an important contract term that helps ensure that SVCW is receiving the best value from CCI.

This project was analyzed for compliance with the California Environmental Quality Act (CEQA) and was determined to be Categorically Exempt. The reason for the exemption is Cogeneration Projects at Existing Facilities pursuant to Title 14 Sections 15301 and 15329 of the California Code of Regulations. (Reference CCR§15301 and §15329).

CLIMATE EFFECTS

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This project has a beneficial climate impact.

Accepting and processing food waste at SVCW's wastewater treatment plant reduces regional greenhouse gas emissions. The waste would otherwise be disposed in landfills and, while many landfills have facilities to capture and burn methane, they are not 100% efficient and, thus, allow for methane emissions whereas SVCW's process does not.

FINANCES

Work under this task order will be funded from Food Waste Receiving Improvements Project (CIP #9257), which has an allocated budget of \$2 million. An additional \$4 million of CalRecycle grant funding will be added to this project budget. The not-to-exceed fee for the Stage 1 work by CCI is \$655,954. A Guaranteed Maximum Price or Lump Sum Cost to construct will be determined as part of Stage 1 and will be brought for Commission approval later.

RECOMMENDATION

- i. Move approval of CEQA DETERMINATION THAT THE PROJECT IS CATEGORICALLY EXEMPT UNDER TITLE 14 SECTIONS 15301 AND 15329 OF THE CALIFORNIA CODE OF REGULATIONS BECAUSE IT IS A COGENERATION PROJECT AT EXISTING FACILITIES
- ii. Move adoption of RESOLUTION APPROVING ENERGY CONSERVATION CONTRACT AGREEMENT AND STAGE 1 SERVICES FOR FOOD WASTE RECEIVING IMPROVEMENTS PROJECT (CIP #9257) IN AN AMOUNT NOT TO EXCEED \$655,954 AND AUTHORIZE MANAGER TO APPROVE UP TO A TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – CDM CONSTRUCTORS INC.

AGENDA ITEM 8B

FISCAL YEAR 2023-24 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET

ISSUE

Receive Presentation on Proposed Fiscal Year 2023-24 Annual Operating and Capital Expenditures Budget

BACKGROUND

Prior to May 1st of each calendar year, Silicon Valley Clean Water must adopt an Operating and Capital Expenditures Budget (Budget) for the upcoming Fiscal Year. The Budget outlines revenues needed for operations, maintenance, administration, and regulatory compliance monitoring activities. Furthermore, it describes cash flow requirements to meet capital projects, debt service, and cash reserve needs.

This 2023-24 Budget incorporates the long-term impact of capital expenditures and follows a funding strategy described in the January 2023 Long-Range Financial Plan.

DISCUSSION

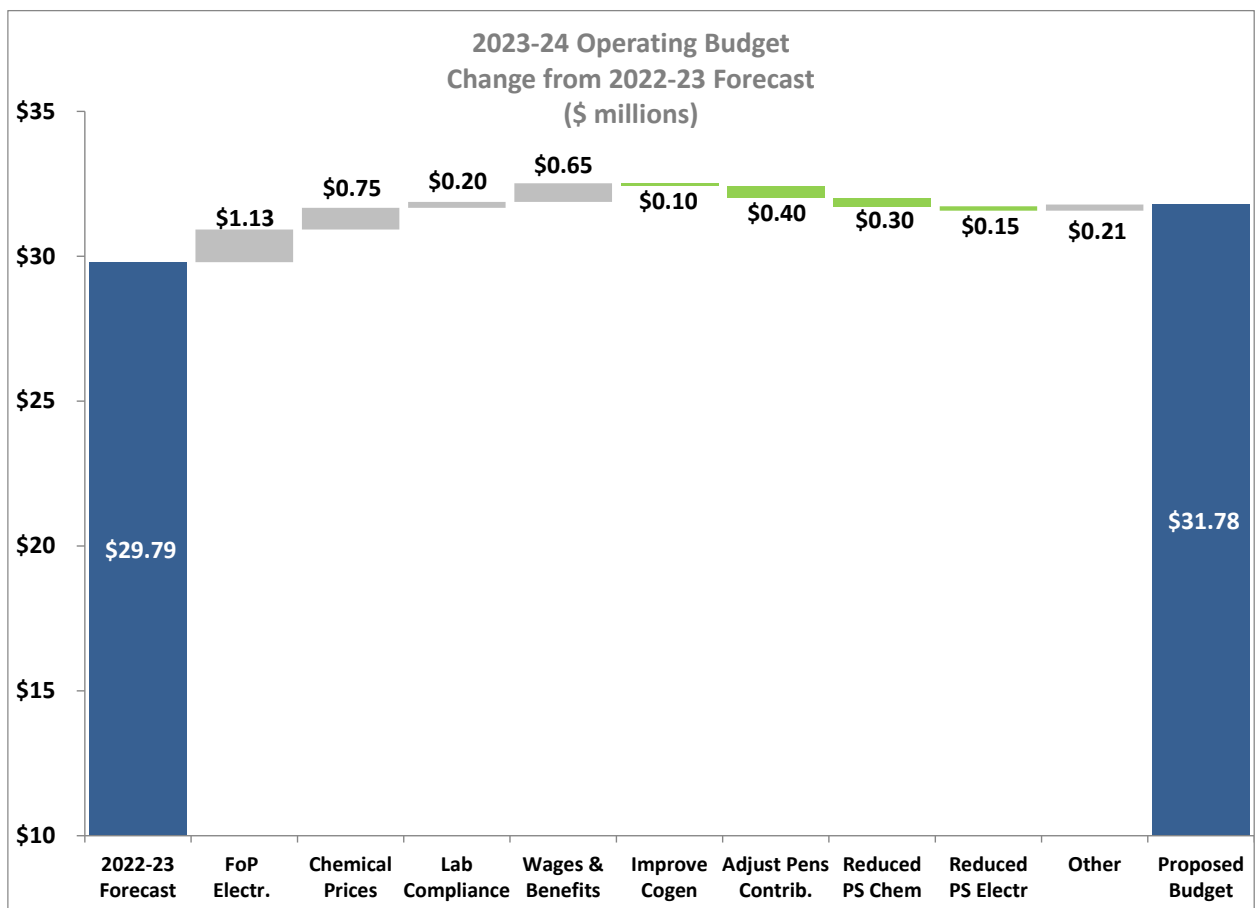
Total Member Contributions described in the Proposed Budget increase by \$1.67 million, or 5.7% over last year. It allots \$30.9 million for Net Operating Expenses and \$480 thousand for Revenue-Funded Capital projects next year. Reserve Designations are aligned with Agency policy and include \$3.0 million in contributions to the CIP Reserve and \$238 thousand towards the Operating Reserve. Debt Service Payments are budgeted to be \$19.04 million, consistent with adopted debt schedules described in recent Long Range Financial Plans.

Year-over-year Budgeted Member Entity Contributions				
Description	2022-23 Adopted Budget	2023-24 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 30,215,751	\$ 31,781,660	\$ 1,565,909	5.2%
Less: Miscellaneous Revenue	(956,600)	(848,799)	(107,801)	(11.3%)
Contributions, Net Operating Expenses	\$ 29,259,151	\$ 30,932,861	\$ 1,673,710	5.7%
Add: Revenue-Funded Capital Projects	1,404,000	480,000	(924,000)	(65.8%)
Contributions, Before Reserves & Debt Service	\$ 30,663,151	\$ 31,412,861	\$ 749,710	2.4%
Add: Reserve Designations	2,611,176	3,238,281	627,105	24.0%
Add: Debt Service, Participating members	18,860,826	19,047,831	187,006	1.0%
Contributions, Total	\$ 52,135,152	\$ 53,698,973	\$ 1,563,821	3.0%

Gross Operating Expenses

Specific to the operating budget only, the following table and chart compares the 2023-24 Proposed Operating Budget to 2022-23's forecasted expenditures ("Forecast"). The comparative increase is \$1.99 million, or 6.7%, though it is estimated that forecasted expenditures will end the year \$423.6 thousand (1.4%) below the 2022-23 Budget. Additional comments comparing next year's proposed budget are below.

Silicon Valley Clean Water Expenditure Summary - By Expense Category						
Description	2022-23 Budget	2022-23 Forecast	2023-24 Budget	\$ Incr/(Decr) v. Forecast	% Incr/(Decr) v. Forecast	
Personnel	\$ 18,867,311	\$ 18,789,487	\$ 19,634,859	\$ 845,372	4.5%	
Utilities	2,047,966	1,887,758	2,696,989	809,231	42.9%	
Administrative Expenses	744,875	697,225	733,669	36,443	5.2%	
Equipment & Supplies Expense	2,842,483	2,611,296	2,686,723	75,426	2.9%	
Chemicals	2,338,080	2,461,793	2,990,997	529,204	21.5%	
Professional & Contractual Services	2,938,434	3,015,938	2,614,851	(401,086)	(13.3%)	
Training, Memberships, Travel	436,602	328,652	423,572	94,921	28.9%	
TOTAL	\$ 30,215,751	\$ 29,792,149	\$ 31,781,660	\$ 1,989,511	6.7%	



- Personnel costs will increase by \$845 thousand, or 4.5% compared to the Forecast. Approximately \$650 thousand of this increase is to recognize cost-of-living and step wage adjustments. To offset the extraordinary inflation-driven increases anticipated the upcoming year, this budget includes a \$400 thousand reduction in the amount contributed to SVCW's pension liability trust fund.
- Electricity use will increase at the treatment plant when the new headworks facilities lift pumps and odor control fans are fully operational next fiscal year. It is estimated that this additional power demand will increase costs by approximately \$1.1 million compared to the Forecast, which no longer anticipates headworks will operate in the current fiscal year. Approximately \$260 thousand in offsets to this increase are budgeted, which includes reduced pumping from pump stations once the gravity pipeline is operational, as well as improved cogeneration performance. PG&E rates are assumed to remain unchanged.
- Administrative Expense will increase from the Forecast by \$36 thousand (5.2%) primarily due to higher regulatory permit fees.
- Chemical prices are increasing at unprecedented rates, a net increase of \$529 thousand compared to the Forecast. Known price increases are thus far estimated at \$850 thousand, with a range of 17% to 80% on some chemicals. Suppliers claim prices are driven by instability in the petroleum and other materials' markets, high transportation costs, and increased demand. While SVCW blunts the impact of such price increases by reducing chemical use as RESCU (Regional Environmental Sewer Conveyance Upgrade) construction projects are completed, it also intends to seek better pricing by issuing a Request for Bids for Sodium Hypochlorite, Sodium Bisulfite, and Polymer by late spring.
- Professional and Contractual Services will decline by \$401 thousand (13.3%), reflecting timing of one-time activities that are occurring in the current fiscal year. Additionally, the completion of RESCU construction will eliminate certain activities such as pump station tank cleaning and grit removal in the Treatment Plant.
- Training, Memberships, and Travel will increase by \$95 thousand (26%). Most training and travel continued to be suspended since the beginning of the pandemic. SVCW anticipates a return to ordinary training and education practices and plans on additional training as new RESCU facilities go into service.

Miscellaneous Revenue

SVCW is paid to receive grease & septage from community restaurants and other commercial sites, to monitor stormwater management programs, and to manage some communities' discharges from restaurants and business. SVCW also receives grant revenue from a battery storage incentive program. Tipping fees also are received from the local solid management authority for organic waste disposal.

Next year this Miscellaneous Revenue is anticipated to decline by \$107 thousand (11%) from the 2022-23 Budget, mainly due to the uncertainty of receiving organic waste from the local solid waste management agency.

Flow and Loading Changes

Since the pandemic's advent SVCW Members experienced shifts in relative flow and loading values. Flows are measured by calibrated meters and composite loading values calculated from samples taken at the pump stations serving the respective Members' service areas. Updating for 2022 data, relative flows and loadings continued to see higher flow and loading values in Redwood City as compared to other Members. Influencing factors include the completion of denser housing projects, the condition of Members' respective collection systems, and the lack of rainfall in previous years. Overall, the pandemic appears to have unevenly impacted communities as work-from-home practices led to vacant office campuses and lower occupancy at businesses and restaurants. As communities and the workforce have begun returning to pre-pandemic activities, SVCW has started to see a similar trend begin to emerge for three-year flow and loading measures. If this trend continues, a return to historical cost allocations seems likely.

Revenue-Funded Capital

Revenue-Funded Capital Expenditures fund individual capital projects with costs less than \$1 million each that can be completed within one year. These projects address immediate needs for equipment, facilities and other capital resources needed to support divisions' activities. The proposed budget includes revenue-funded capital expenditures of \$480 thousand, far less than the \$1.5 million typically budgeted.

2023-24 Revenue-Funded Capital Expenditures	
Project Name	Estimated Cost
Elevator #1 repairs	\$ 29,000
Operations Utility Truck	75,000
Personal Gas Meter / Docking Station Replacement	26,000
Fast Chemical Oxygen Demand Analyzer	65,000
Laboratory Office Reconfiguration	35,000
Equipment Data for Asset Management	150,000
EV Fleet migration, Phase I	100,000
TOTAL	<u>\$ 480,000</u>

- The treatment plant's two freight elevators and two passenger elevators are aging and have had specific maintenance needs identified. Elevator #1 will receive repairs to its cabling system in FY23-24. Staff anticipates additional elevator costs over the next several years and has initiated a review of all four elevators by its service provider.

- A replacement utility truck is planned and will be specifically equipped for servicing air relief valves along the 33-inch and 48-inch force mains and drop structures along the new gravity pipeline.
- As gas meters and docking stations exceed their useful life, they will be replaced to ensure continued safe operations.
- SVCW's Laboratory will replace a 15-year-old Total Organic Carbon (TOC) analyzer with a fast Chemical Oxygen Demand analyzer. The new analyzer provides same-day results which will support operational decisions and optimize regulatory compliance.
- SVCW's Laboratory has added a position to meet new regulatory compliance requirements. The budget includes funds to reconfigure laboratory office space to support the new position.
- A capitalizable software project will improve access to data for asset management purposes. With this investment, SVCW staff will be able to associate equipment with spare parts, whether in inventory or with a supplier.
- To meet air quality policies set by the State of California, SVCW will begin to migrate its fleet vehicles to be zero emission vehicles (ZEV). Next year's budget assumes one replacement electric vehicle will be purchased.

Reserves

Operating Reserve contributions follows Policy to ensure a balance of \$4.18 million is reached by the end of the fiscal year. It is estimated that \$238 thousand in contributions to Operating Reserves is needed. Separately, this Budget recognizes a required \$3.0 million contribution to Capital Improvement Program Reserves to comply with Policy.

Debt Service

SVCW's debt service payments for next fiscal year will be \$19.05 million. This amount reflects the full CIP funding strategies as outlined in the Long-Range Financial Plan.

RECOMMENDATION

No Commission action is requested or required at this meeting. Staff will present information and receive input on the proposed budget and return at the April Commission Meeting with an updated budget proposal to present for approval at that time.

It is anticipated the following items, or modified versions per Commission direction, will be proposed for adoption at the April 2023 Commission Meeting:

- i. FISCAL YEAR 2023-24 REVENUE PLAN IN THE AMOUNT OF \$30,932,861 IN NET OPERATING REVENUES REQUIRED AND \$480,000 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. FISCAL YEAR 2023-24 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$3,000,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND AND \$238,281 TO THE OPERATING RESERVE FUND

- iii. FISCAL YEAR 2023-24 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$19,047,831
- iv. AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN THE FISCAL YEAR 2023-24 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION