

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, April 10, 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 6 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. 8
- B. Manager's Report
 - 1. Upcoming Commission Actions.....pg. 11
 - 2. Manager Memo to Commission.....pg. 13
- C. Financial Report
 - 1. Investment Report.....pg. 17
- D. Engineering Capital Projects Report.....pg. 21
- E. Commission Requested Staff-Level Action Items..... pg. 23
- F. RESCU Program Design-Build Project Status Update..... pg. 26

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 34)

8. BUSINESS ITEMS

- A. CONSIDERATION OF RESOLUTION AND MOTION RATIFYING SVCW MANAGER'S DECLARATION OF EXISTENCE OF AN "EMERGENCY CONDITION" AND APPROVING REPAIR OF ESSENTIAL FACILITIES (pg. 49)

Proposed Actions:

- i. Move adoption of RESOLUTION DECLARING EXISTENCE OF EMERGENCY CONDITION REQUIRING IMMEDIATE EXPENDITURE OF FUNDS IN FURTHERANCE OF PUBLIC HEALTH, WELFARE AND SAFETY AND APPROVING AND RATIFYING EXECUTION OF CONTRACTS FOR REPAIR OF ESSENTIAL PUBLIC FACILITIES RELATING THERETO (54-INCH INFLUENT FORCE MAIN) (4/5th weighted vote required)
 - ii. Move approval of EXPENDITURES UP TO \$475,000 AT THE DIRECTION OF THE SVCW MANAGER FOR REPAIRS OF THE 54-INCH INFLUENT FORCE MAIN FROM CAPITAL BUDGET RESERVE FUND.
- B. CONSIDERATION OF RESOLUTIONS APPROVING FISCAL YEAR 2023-24 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET (pg. 53)

Move Approval of Resolutions Adopting:

- i. FISCAL YEAR 2023-24 ANNUAL OPERATING BUDGET IN THE AMOUNT OF \$31,012,421 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 \$246,236 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

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

Jessica Mangual, Business Operations Associate

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 – March 13, 2023 - Regular Meeting (pg. 34)

B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JANUARY 25 – MARCH 20, 2023, AND NECESSARY PAYMENTS THROUGH MARCH 20, 2023 (pg. 39)

C. CONSIDERATION OF MOTION APPROVING DESIGN TASK ORDER SCOPE AND BUDGET FOR BURIED AND EXPOSED PROCESS PIPE REPAIR (pg. 41)

Proposed Action:

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN SERVICES FOR THE BURIED AND EXPOSED PROCESS PIPING REPAIR (CIP #9600) IN AN AMOUNT NOT TO EXCEED \$395,630 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BROWN AND CALDWELL

D. CONSIDERATION OF MOTION APPROVING WATER ENVIRONMENTAL TECHNICAL (WET) CONSULTING TASK ORDER SCOPE AND BUDGET FOR OPERATIONS INPUT INTO CIP PROJECTS AND OPERATIONAL SUPPORT TASKS (pg. 44)

Proposed Action:

Move approval of TASK ORDER SCOPE AND BUDGET FOR OPERATIONAL CONSULTING SERVICES IN AN AMOUNT NOT-TO-EXCEED \$500,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – WATER ENVIRONMENTAL TECHNICAL CONSULTING

E. CONSIDERATION OF RESOLUTION AMENDING PRICING ASSOCIATED WITH A LINE OF CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION (pg. 47)

Proposed Action:

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY
CLEAN WATER AUTHORIZING AMENDMENT TO AGREEMENT WITH WELLS
FARGO BANK, NATIONAL ASSOCIATION, PURSUANT TO THE TERMS OF
THE NOTICE, AND APPROVING OFFICIAL ACTIONS

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, April 10, 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

Situational Awareness in the Workplace

Situational awareness is the practice of actively monitoring your surroundings in the workplace so you can identify threats before they occur and have time to react.

The types of problems you might come across in your daily life are likely to differ from the ones that could occur at work, so it's important that you remain in the appropriate mindset depending on your location and present occupation.

EXAMPLES OF WORKPLACE HAZARDS

The specific hazards that your workforce faces may be unique from those of other organizations. But we can look at some of the most common workplace risks to consider:

Fire — Fires result in [hundreds of billions of dollars of damage](#) to businesses every year, and their causes are often commonplace and preventable. Situational awareness in the workplace can help you spot factors that increase the risk of fire, such as faulty wiring or poorly maintained kitchen appliances, so you can address the risk before it's too late.

Slips, trips, and falls — Whether at a construction site, a grocery store, or an office building, there are a multitude of ways someone can fall and injure themselves. Be it wet floors, working at heights without PPE, or tripping hazards in work areas—workers need to be cognizant of fall risks at all times and work to prevent accidents.

Chemical exposure — Many professions require workers to be in close proximity to various noxious substances, such as supplies involved in cleaning, maintenance, and manufacturing. Without proper precautions and workplace situational awareness, employees are liable to suffer skin damage, eye damage, or even poisoning.

Workplace violence — It's a sad truth that threats of violence, such as [active shooters](#), are a risk every business should consider. These attacks often have precursors, such as speaking about weapons and violence, and the situationally aware may help to prevent potential threats.

Cyber danger — Cybersecurity risks involve all information technology and equipment used by the company. In a matter of moments, bad actors—such as hackers—can infect entire networks with malware and ransomware. The good and bad news is that cyber threats often rely on employee choices. Training to sharpen cyber situational awareness in the workplace can often thwart these attacks entirely.

HOW TO IMPROVE EMPLOYEES' SITUATIONAL AWARENESS

Implement situational awareness training

Make training on situational awareness and reasonable action a part of onboarding for every new employee. This is safety training that should be updated and repeated regularly for all staff.

Situational awareness is a skill and, as with any skill, it improves with practice. Guide workers in examining their work environment so they become familiar with taking in their

surroundings. [Fire drills](#) are one of the most familiar examples of practicing awareness and emergency response plans. During training exercises, introduce unexpected, unfamiliar circumstances to test attention and adaptability. Review examples of previous incidents—discussing steps that could have prevented or mitigated harm—or near misses that were averted thanks to an employee’s sharp situational awareness skills. [Tabletop exercises](#) are great ways to familiarize employees with their role in safety and risk management in specific workplace situations.

Avoid multitasking

Multitasking can have serious consequences for decision-making and situational awareness in the workplace. We’ve all been in a position where we had to juggle multiple tasks at once, and the quality of our efforts suffered as a result. To avoid this risky overload, make sure your teams are adequately staffed and responsibilities are delegated in such a way that people can focus on one task at a time. A balanced task load frees employees’ attention to take notice of what’s going on around them and avert safety violations and accidents.

Limit distractions

Distractions in the workplace are stimuli that detract from an employee’s ability to do their job. These can include loud or irritating noises, harsh or flashing lights, other workers, and other burdens on their attention. Distractions not only reduce workers’ productivity but also prevent them from being situationally aware because they may need to ignore or “tune out” their surroundings to compensate for the productivity strain.

See something, say something

If you’ve passed through an airport or taken a subway train in the United States over the past two decades, you’ve probably noticed signage with slogans to the effect of, “see something, say something.” These reminders are encouraging situational awareness among passengers and giving them the confidence to call attention to behavior they find suspicious. The same principle can be applied to workplaces. By instilling responsibility and accountability in all employees, you are cultivating a positive [safety culture](#), which has even broader, lasting benefits for your organization’s resilience. If your workers, leaders, and policies encourage and reward employees for speaking up when they notice something amiss, your organization’s collective situational awareness will continue to grow and strengthen over time.

Allow for proper rest

While you can’t oversee employees’ sleep schedules, you can ensure that their work schedules do not prevent healthy sleeping habits. You can also ensure that workers are taking regular breaks during the workday for brief physical and mental rest to help them stay sharp.

AGENDA ITEM 5B1

Recurring and Upcoming 2023 Commission Actions
Updated for April 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
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"> 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 CIP Update (biennial) 	<ul style="list-style-type: none"> Commission Meeting Schedule for following year

 - Recurring Commission Actions

 - Upcoming Commission Actions

AGENDA ITEM 5B2



To: SVCW Commission

From: Teresa Herrera, SVCW Manager

Subject: SVCW Joint Powers Agreement

Direction provided to the previous SVCW Manager, then to me, was to update SVCW's Joint Powers Agreement (JPA). Over the past five years, I have sought input from member agencies and thus far have received input from the previous General Manager and current Counsel of West Bay Sanitary District.

I also have prepared a document which I reviewed with SVCW's Assistant Manager/CFO and General Counsel. The document contains summary issue statements and questions that these issues could pose. It also enabled us to zero in on items that could be useful to address in a JPA re-write.

Summarizing the possible issues to address brought with it realization of the enormity of a wholesale JPA re-write. Given other high priority items that SVCW and member agency staff are attending to, and the limited benefits, I pose the option of re-thinking the need for a re-write of the JPA at this time.

The overall document, granted, is out of date and certain references are no longer valid or needed. But many agreement terms do remain pertinent and valid, and the agreement has been updated over the years via amendments to comply with changed legal requirements or other circumstances agreed to by the member agencies. In my opinion there are three critical items that should be addressed as soon as feasible while the remainder of the JPA can remain as-is until a future time¹.

The three items are:

1. Change capacity rights for peak wet weather flows to match those provided by member agencies for RESCU conveyance system design and construction.
 - Currently the JPA stipulates capacity rights for each member agency. Capacity rights are delineated for wet weather flows, dry weather flows, Suspended Solids, and Biochemical Oxygen Demand.

¹ Any amendment to the JPA requires each member agency's governing Council/Board to vote to approve the amendment. Thus far there have been nine supplemental amendments to the original JPA.

Memo to SVCW Commission

SVCW Joint Powers Agreement

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- The JPA further requires that, should an individual member agency exceed their capacity rights, that member will incur consequences for that exceedance. The JPA requires that the member immediately resolve the exceedance and, if not able to resolve it, to purchase capacity from another member or pay SVCW to increase capacity on the member's behalf.
- RESCU facilities increase the overall peak weather flow capacity that SVCW can convey. The increase was based on future wet weather flow values provided by each member agency for RESCU planning.

Why this is important: updating the capacity rights in the JPA will be important since some member agencies' peak flows already occasionally exceed the capacity rights granted them in the JPA.

2. Redefine Stage 2 Project to include capacity increases to average dry weather flow (ADWF), peak wet weather flow, Biochemical Oxygen Demand, and/or Suspended Solids.
 - The JPA currently defines the Stage 2 Project as bringing average dry weather treatment capacity from 24 million gallons per day (mgd) to 29 mgd. Input from SVCW engineering consultants and member agencies' staff give indication that ADWFs of 24 mgd may not ever be reached (currently ADWFs are 13 mgd, down from 18 mgd 12 years ago).
 - Peak Wet Weather Flow (PWWF) capacity, however, is needed. Currently the PWWF capacity is 80 mgd. Member agencies provided values for PWWF which were used for RESCU program planning. The projected PWWF is 108 mgd.
 - SVCW's Long Range Financial Plan provides that the currently-held Stage 2 funds be used for "capacity", whether that "capacity" is dry weather, wet weather, or loadings (BOD and SS) capacity.

Why this is important: the Stage 2 Project is specifically defined as dry weather flow; dry weather flow capacity is not needed and will not be needed for the long-term foreseeable future. Therefore, updating the definition of the Stage 2 Project in the JPA will allow SVCW to use the funds already collected for increasing capacity where it is needed (i.e., for wet weather capacity).

3. Change Manager authorization to be directed by the Commission via Resolution rather than stated in the JPA. Specifically:
 - Currently the JPA does not allow for the Commission to authorize Manager to sign agreements. This poses an inefficiency in administration of agency business.

Memo to SVCW Commission

SVCW Joint Powers Agreement

April 10, 2023

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- The JPA states the Manager's spending authority rather than allowing the SVCW Commission to stipulate the amounts. If the amounts ever need to change, it requires a JPA Amendment which is a time-consuming and administratively burdensome task. Currently, the spending authority noted in the JPA is \$50 thousand for contracts, \$75 thousand for professional services contracts, and \$300 thousand for expenditures under an emergency condition.

Why this is important: changing these two items will appropriately place these types of administrative decisions into the Commission's purview via Resolution authority, rather than being subject to JPA Amendment.

AGENDA ITEM 5C1

Silicon Valley Clean Water Authority
Cash & Investments Summary Report
February 28, 2023

Description	Market Value	% of Total Holdings	Yield to Market
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,538,692	2.59%	1.34%
Operating Reserve - Money Market Fund Balance	258,499	0.19%	4.32%
CIP Reserve* - Securities	19,554,580	14.31%	2.11%
CIP Reserve - Money Market Fund Balance	870,420	0.64%	4.32%
Stage 2 Capacity Reserve* - Securities	13,663,597	10.00%	1.88%
Stage 2 Capacity Reserve - Money Market Fund Balance	228,919	0.17%	4.32%
Total Market Value: Operating and Reserve Accounts	\$ 38,114,706	27.9%	2.03%
Total Accrued Interest: Operating and Reserve Accounts	147,456		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 38,262,162		
<u>Trustee Accounts:</u>			
2018 Bond Project Fund Account - CAMP	\$ 6,636,877	4.86%	4.73%
2018 Bond Revenue Account	2,243	0.00%	4.21%
2019A Notes WIFIA - Money Market Fund	1,605,960	1.18%	4.21%
2019A Notes Capitalized Interest Account - Money Market Fund	3,151,332	2.31%	4.21%
2019A Notes Capitalized Interest Account* - Securities	6,151,938	4.50%	2.48%
2021 Refunding Bonds Revenue Account	1,251	0.00%	4.22%
2021A Notes (RESCU) - Money Market Fund	189	0.00%	4.22%
2021A Notes (RESCU) - LAIF**	15,237,175	11.15%	2.62%
2021B Notes (WWTP) - Money Market Fund	4,083,464	2.99%	4.21%
2021B Notes (WWTP) - CAMP	12,536,588	9.17%	4.73%
2021B Notes (WWTP)* - Securities	23,158,040	16.95%	1.63%
2021B Notes (WWTP) - LAIF**	22,593,685	16.53%	2.62%
2021 Notes Capitalized Interest Account - Money Market Fund	1,306,030	0.96%	4.21%
Total Market Value, Trustee Accounts	\$ 96,464,773	70.59%	2.96%
Accrued Interest:	174,269		
Operating Cash (includes outstanding checks)	1,854,429	1.36%	0.00%
Local Agency Investment Funds (LAIF) Balance	213,606	0.16%	2.62%
Total Cash & Investments	\$ 136,969,239	100.00%	2.66%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

3/14/2023
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 February 28, 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	\$ 1,850,838	\$ 9,280,749	\$ 6,061,508	\$ 17,193,095	45%	100%	✓	(0.9%)
Supranationals	343,693	-	-	343,693	1%	15%	✓	(0.1%)
Federal Agency/GSE	635,138	1,081,030	756,366	2,472,533	6%	100%	✓	(0.5%)
Federal Agency/CMBS	-	1,110,947	792,454	1,903,401	5%	100%	✓	(0.0%)
Federal Agency CMO	-	599,093	473,091	1,072,184	3%	100%	✓	(0.2%)
Federal Agency MBS	-	2,093,458	1,522,293	3,615,751	9%	100%	✓	(0.5%)
Municipal	-	835,175	676,296	1,511,471	4%	30%	✓	(0.0%)
Corporate Notes	486,473	4,050,103	2,998,902	7,535,478	20%	30%	✓	(0.2%)
Asset-Backed Securities	222,550	504,025	382,688	1,109,262	3%	10%	✓	(0.1%)
Securities Sub-Total	3,538,692	19,554,580	13,663,597	36,756,869	96%			
Accrued Interest	11,362	82,744	53,350	147,456				
Securities Total	3,550,054	19,637,323	13,716,947	36,904,325				
Money Market Fund	258,499	870,420	228,919	1,357,837	4%	20%	✓	1.6%
Total Investments	\$ 3,808,553	\$ 20,507,743	\$ 13,945,866	\$ 38,262,162	100%			
<i>As % of 6/30/22 Target:</i>	<i>94.7%</i>	<i>90.4%</i>	<i>100.0%</i>	<i>94.1%</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 5D

**ENGINEERING REPORT: MARCH 2023
CAPITAL IMPROVEMENT PROGRAM**

UPCOMING COMMISSION ACTIONS:

Buried and Exposed Pipe Rehabilitation (9600): Rehabilitate buried and exposed pipe.

As the initial phase of the project, staff has identified two sets of pipes that are in critical conditions. Dual Media Filter (DMF) feed pipe and Aeration Basin (AB) inlet pipes have had a few repairs already. Staff has conducted condition assessments and ready to move into the design phase to repair these pipes.

Planned Commission Actions: Approve Task Order for Design of DMF and AB pipes
– April 2023

Digester #1 Rehabilitation (9215): Rehabilitation of 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 the Project/File Notice of 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**

**APRIL 10, 2023
AGENDA ITEM 5E**

Updated: 03/30/2023

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
3/13/2023		Sustainability Efforts	N/A		✓			Present to Commission efforts related to sustainability, decarbonization, sea level rise, etc. Investigate grants available for EV fleet conversion.
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.

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

**APRIL 10, 2023
AGENDA ITEM 5E**

Updated: 03/30/2023

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
	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.
> One Year		8E - JPA Amendment; re-initiate "clean up" to JPA	N/A		✓			Make required and requested changes to the JPA a priority. Manager to present memo at April meeting.
		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

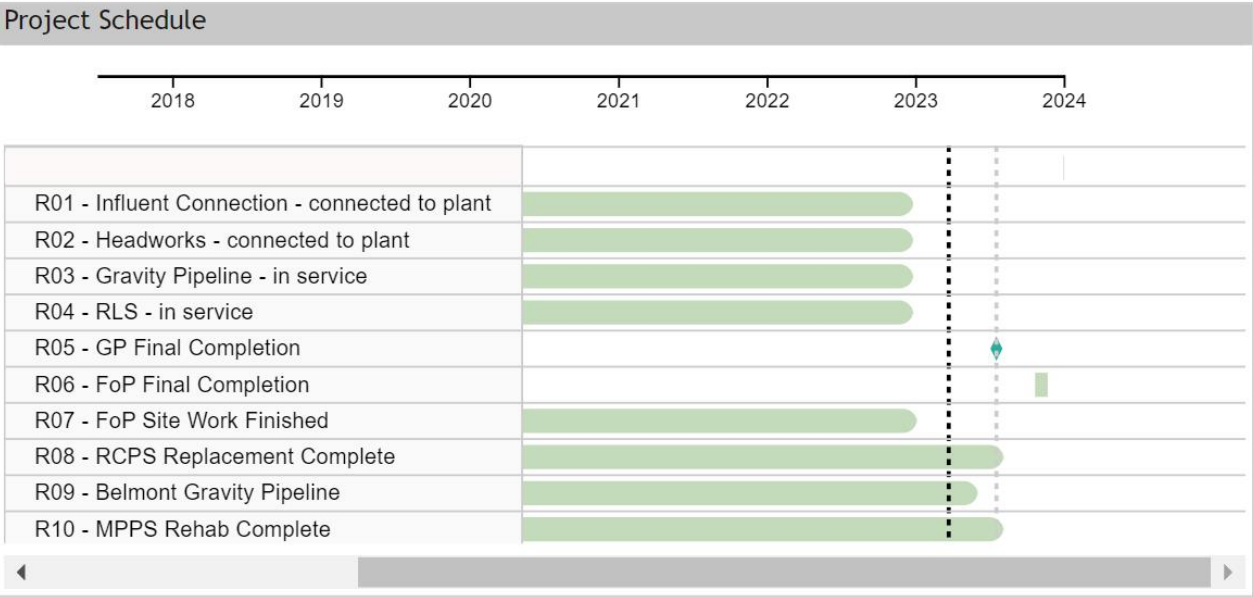
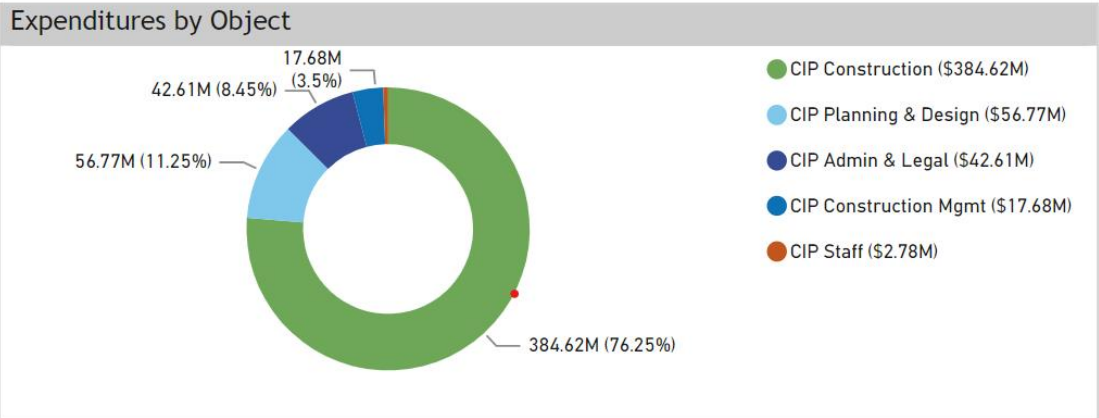
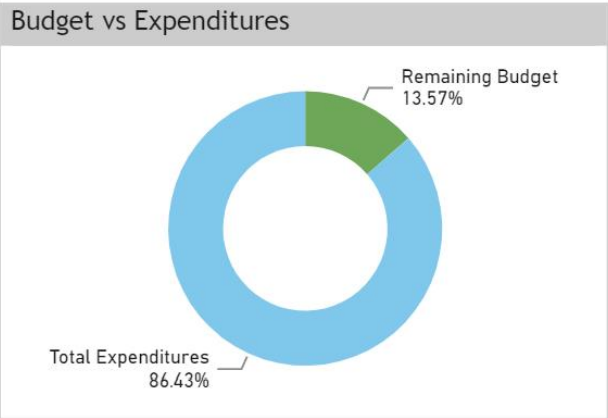
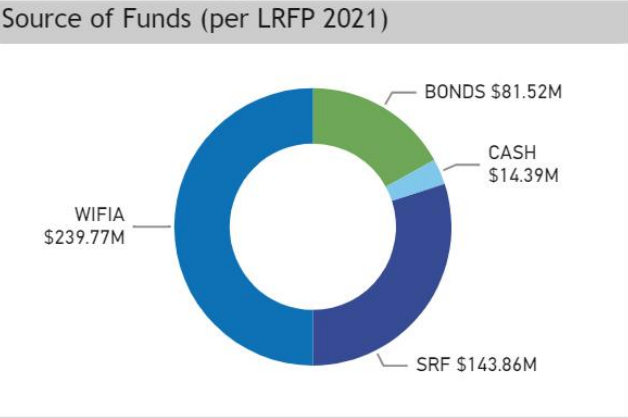
\$582.56M

Total Expenditure

\$503.48M

Remaining Budget

\$79.08M



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

\$168.71M

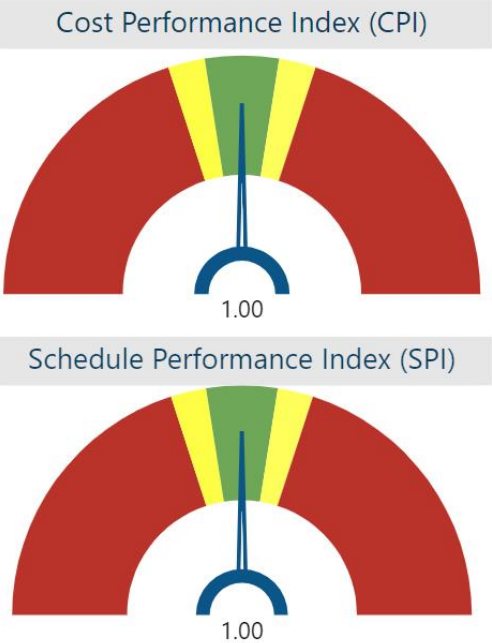
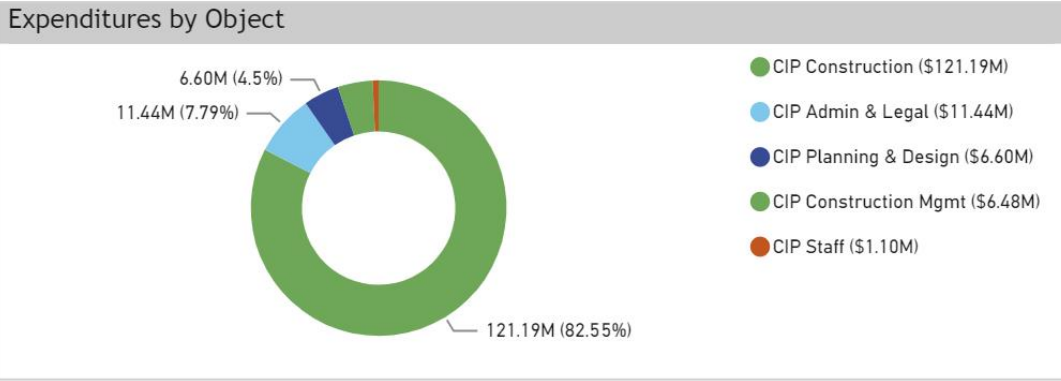
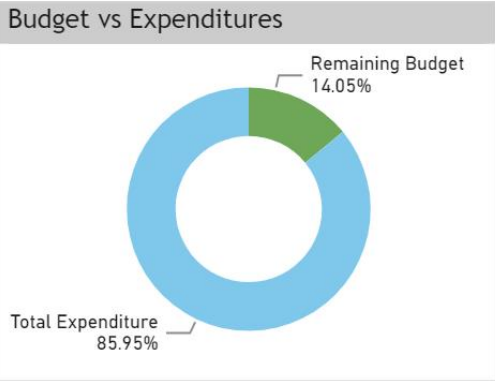
Total Expenditure

\$145.01M

Remaining Budget

\$23.70M

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



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 site grading throughout the yard and formed and placed rebar for the driveway and portions of the FoP entry gate. Valves and blow off covers were installed around the yard. - Inside the SVCW gallery, the remaining utilidor piping and supports continued to be installed. - At the utilidor and pipe gallery, SPJV hydrotested the 10" 3W HDPE piping. - SPJV began work to isolate the 54-inch influent force main in preparation for the IPL construction. - Vendor training is complete. - Startup is continuing for the odor control system, RLS pumps and sump pumps, and headworks. - At San Carlos, PEC began installation of the 30" stainless steel piping inside the pump station. PEC continues to excavate the open cut trench and installed a support for the 36" RCP.
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	April	May	June
ILS CFRP Repair Work	March 20, 2023	August 23, 2023	X	X	X
SCPS Connecting Piping	August 5, 2022	October 3, 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 4, 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 6, 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
Miscellaneous Site Improvements
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

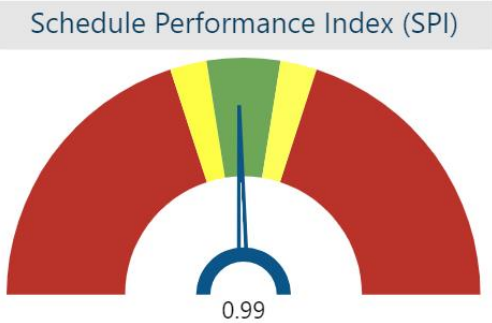
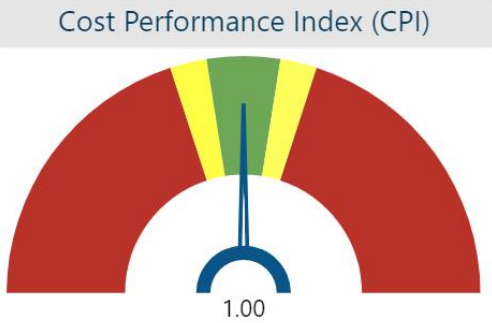
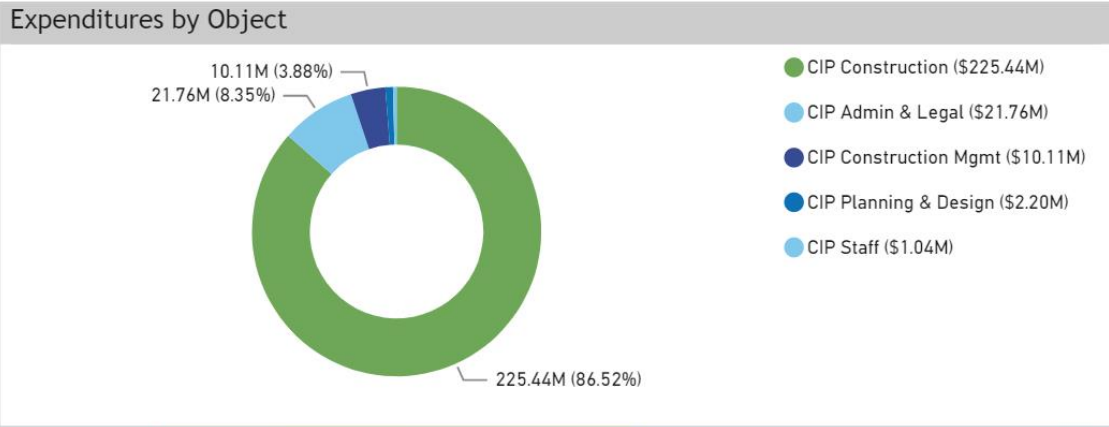
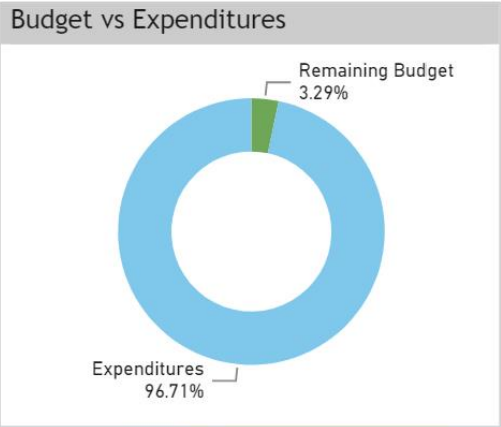
Total Expenditure

\$255.65M

Remaining Budget

\$8.70M

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





Major Accomplishments this Period

▼	
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.

3 - Month Look Ahead

	Start	End

Potential Issues

--

Approved Project Changes

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

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

\$133.59M

Total Expenditure

\$90.53M

Remaining Budget

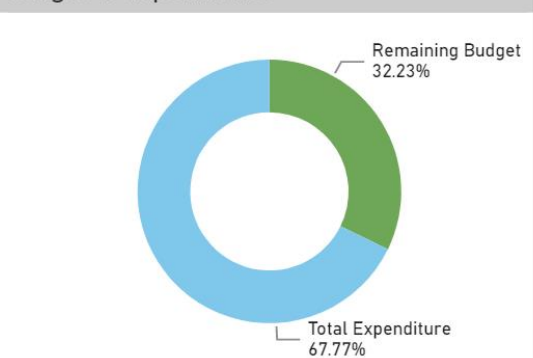
\$43.06M

Milestone Schedule

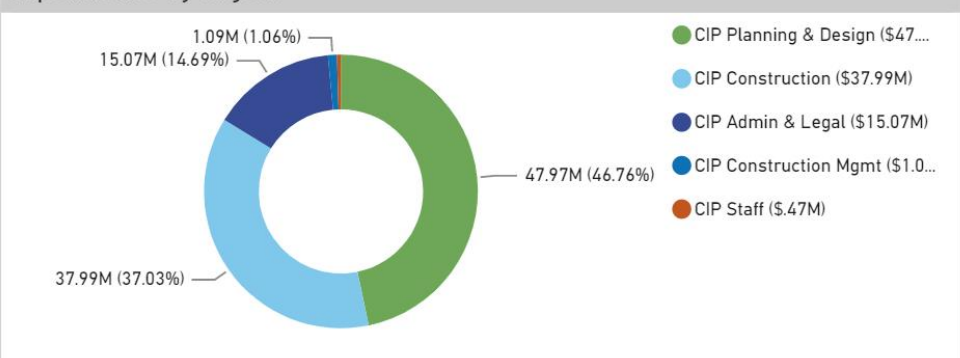
	Start	Finish
MPPS - B-side Pumps Completed	3/15/2022	10/13/2022
MPPS - A-side Pumps Completed	10/13/2022	8/5/2023
BGP - Gravity Pipe Installed	5/15/2023	9/27/2023
RCPS - PG&E Service Work	5/3/2023	5/16/2023
RCPS - Wet Well & Screening Building Completed	4/17/2022	11/21/2023
RCPS - Electrical Building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

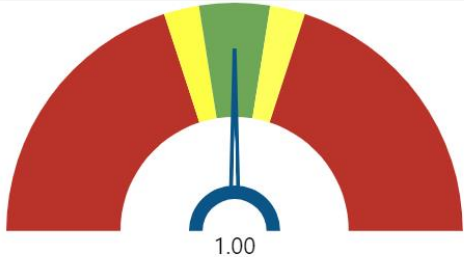
Budget vs Expenditures



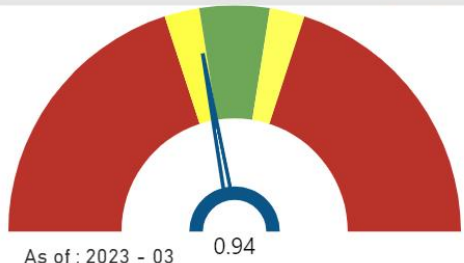
Expenditures by Object



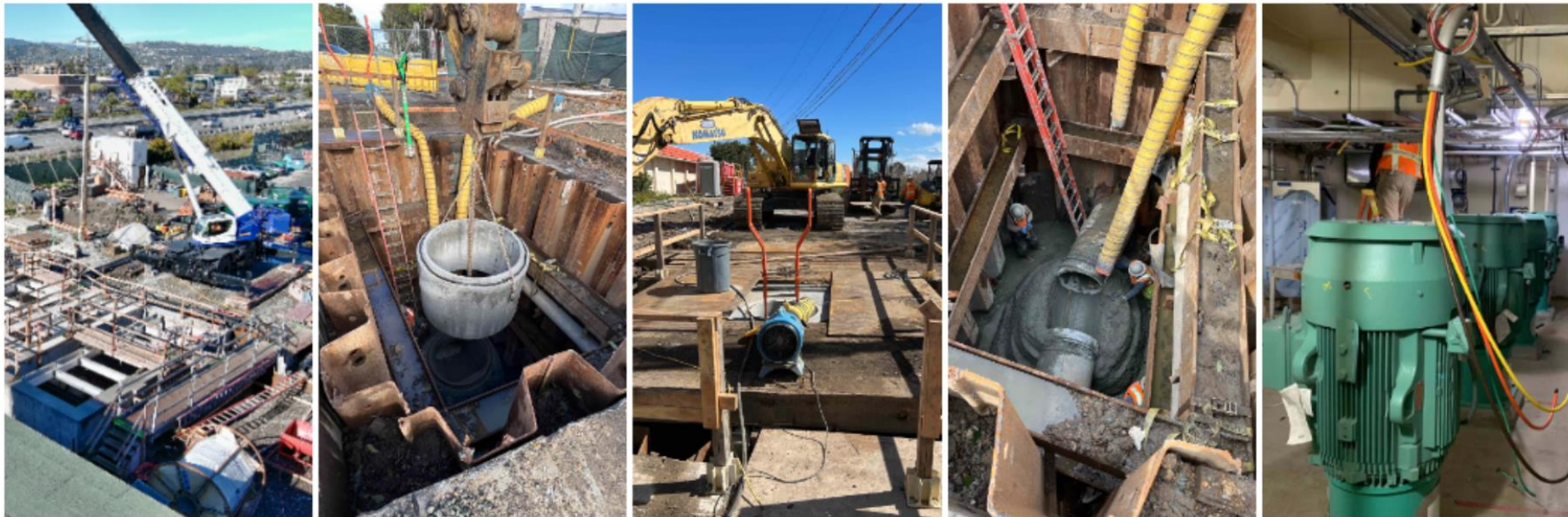
Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2023 - 03



Pump Stations (CIP 9501)



Major Accomplishments this Period

Construction	<p>- BGP: At JS-3, PEC installed the new curb, pavement, and fencing. The manhole was completed and the road was reopened. At RS-3 the road closure began once JS-3 was open. Phase 8 is in progress. The SS manhole base was poured and the risers were installed. The interior of the manhole was sandblasted and coated by Jeffco. PEC to backfill the shaft with CLSM up to the walers, remove the walers, and AB backfill to grade.</p> <p>- RCPS: SPJV completed re-lining the existing RWC 48" pipe and removed the bypass. SPJV is scheduled to begin jet grouting and excavation for the RCPS Junction Box.</p> <p>- MPPS: MMC received and installed VFDs 2-5, performed cutover to new utility power, and began cutover for equipment to new utility power. SPJV completed work within Wet Well A.</p>
Design	<p>- RCPS: Redwood City has elected to omit the installation of the 60-inch pipe from the PSI project. SPJV is putting together a sketch for an alternative of leaving a connection point for a future 60-inch line.</p> <p>- BGP: The Belmont Pump Station demolition drawings were received from SPJV and comments from OA based on pricing were sent back. The San Carlos Pump Station declassification drawings were received from SPJV. O&M/OA comments were sent back to SPJV.</p>

3 - Month Look Ahead

	Start	End	April	May	June
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		
RCPS - Wet Well and Screening Building Structural Concrete	September 8, 2021	September 26, 2023	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	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		
RCPS - Standby Generator	June 2, 2021	May 1, 2023	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
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)

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 – MARCH 13, 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 8:01 a.m.

ITEM 2

ROLL CALL - Commissioners Duly Appointed by Each Agency

Council Member Alicia Aguirre, Redwood City – Chair
Board Member George Otte, West Bay Sanitary District – Vice-Chair
Council Member Ron Collins, San Carlos – Secretary
Vice Mayor Davina Hurt, Belmont

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
Jane Kao – Senior Engineer
Mark Minkowski, Kennedy Jenks
Sheryl Chia, Kennedy Jenks
Theresa Yee, City of Redwood City
Carolyn Kerans, City of Redwood City
Aren Hansen, Brown & Caldwell
Bill Tanner, TPI

ITEM 3

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by those in attendance

ITEM 4**PUBLIC COMMENT**

There was no Public Comment

ITEM 5**SAFETY MOMENT AND REPORTS**

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

Item 5A Safety Moment concerned tips on how to deal with aggressive drivers.

Item 5B Manager's Report, included a presentation on SVCW services.

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

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

Commissioner Hurt expressed interest in hearing more about SVCW's endeavors in clean technology, transition to EV, and response to sea level rise.

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

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

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.

Motion/Second: Ms. Hurt/ Mr. Collins

The Motion carried by Unanimous Vote

ITEM 8A

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)

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.

Public Hearing opened at 8:47 a.m.
Public Hearing closed at 8:48 a.m.

Motion/Second: Mr. Otte / Ms. Hurt
The Motion carried by Unanimous Vote

ITEM 8B

RECEIVE PRESENTATION ON THE FISCAL YEAR 2023-24 PROPOSED ANNUAL
OPERATING AND CAPITAL EXPENDITURES BUDGET

Proposed Action:
NO ACTION REQUIRED AT THIS TIME

ITEM 9

Closed Session was called to order at 9:11 a.m.

ITEM 10

RECONVENE IN OPEN SESSION

Open Session reconvened at 9:34 a.m.

Ms. Fitzgerald reported that, as to closed session item 9, no action was taken and
direction was given to staff and Counsel.

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 9:36 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 January 25 – March 20, 2023, were scanned and a copy was emailed to Commissioners and Legal Counsel on April 5, 2023.

AGENDA ITEM 7C

**BURIED AND EXPOSED PROCESS PIPE REPAIR
ENGINEERING DESIGN SERVICES TASK ORDER****ISSUE**

Approve Design Task Order Scope and Budget for Buried and Exposed Process Pipe Repair

BACKGROUND

SVCW's treatment plant was built in the late 1970s and commissioned in 1981, making much of the treatment plant structures and piping over 40 years old. Most of the piping systems that connect process tanks are welded steel and buried underground or encased in concrete, vulnerable to decay from corrosion over time. Pipe sizes range from 6-inches to 84-inches in diameter. Some piping has been renovated in recent years including the final effluent outfall pipe while some of the other piping systems will be renovated through CIP projects such as Digester 1 Rehabilitation project, Return Activated Sludge Pump Suction Pipe Replacement project, and Waste Activated Sludge Influent Pipe Rehabilitation project.

In December 2022, the Commission approved a task order authorization to Brown and Caldwell to develop an inventory, perform condition assessments, create a prioritization list, and to recommend repair, rehabilitation, and replacement alternatives for buried and exposed pipelines at the treatment plant. As mentioned in the December 2022 Commission agenda letter, staff intended to seek subsequent approvals to rehabilitate pipelines under this program as work packages are identified. This is the first design project initiated under the Buried and Exposed Pipe Repair program and will be referred to as Treatment Plant Piping Renovations, Phase 1.

DISCUSSION

Treatment Plant Piping Renovations, Phase 1 project will address the Dual Media Filter (DMF) feed pipeline and the Aeration Basin (AB) inlet pipeline. These are identified as critical process pipelines needing rehabilitation. The DMF Feed piping system consists of pipe segments ranging from 66-inches to 18-inches in diameter. There recently have been two emergency spot repairs made in the interior of the 66-inch DMF feed pipe. The AB inlet piping system consists of pipe segments ranging from 84-inches to 42-inches in diameter. Several patches have been made on exterior of the 42-inch section of pipe.

Large portions of both piping systems are encased in concrete and, due to the size and similarity of how they are installed, both pipelines can use similar interior rehabilitation methods. Additionally, both piping systems are already showing signs of compromise and have previously been repaired. Combining repair of both piping systems into this first phase project will result in lower construction costs compared to rehabilitating them in separate projects and will also alleviate the worst-condition pipes identified thus far.

SVCW engineering staff has negotiated a scope of work and budget with Brown and Caldwell to design pipe rehabilitation for the DMF feed pipeline and the AB inlet pipeline,

comprising the Treatment Plant Piping Renovations, Phase 1. The budget for this scope of work is a not-to-exceed amount of \$395,630.

Since the DMF will be out of service for the feed pipeline repair work, the discharge pipeline will be able to be physically inspected. The task order to Brown and Caldwell includes an as-needed allowance amount of \$50 thousand to design a repair method if the DMF discharge pipeline is found to be in a similarly deteriorated condition as the feed pipeline.

As planning efforts progress, additional task orders for the pipe renovation program will be identified and brought to the Commission approval.

CLIMATE EFFECTS

This project is climate neutral.

FINANCES

Work will be funded from CIP #9600, Buried and Exposed Process Pipe Repair program which has an allocated budget of \$16.92 million. As of February 2023, \$104,561 has been expended. This project is funded through a low interest loan from EPA's Water Innovation and Finance Act (WIFIA) loan program.

RECOMMENDATION

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN SERVICES FOR THE BURIED AND EXPOSED PROCESS PIPING REPAIR (CIP #9600) IN AN AMOUNT NOT TO EXCEED \$395,630 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BROWN AND CALDWELL

AGENDA ITEM 7D

**TASK ORDER AUTHORIZATION FOR PROJECT AND
OPERATIONS CONSULTING SUPPORT
WATER ENVIRONMENTAL TECHNICAL CONSULTING**

ISSUE

Approval of Water Environmental Technical (WET) Consulting Task Order Scope and Budget for Operations Input to CIP Projects and Operational Support Tasks

BACKGROUND

For approximately ten years, SVCW has contracted and worked with Water Environmental Technical (WET) on various aspects of plant and pump stations operations and capital improvements.

Mr. Chuck Fenton, Principal of WET, has over 30-years of experience in water and wastewater treatment and extensive specific experience in operations, maintenance, training, troubleshooting, plant optimization, laboratory analysis, and new plant startups. He is a certified instructor who has taught numerous water and wastewater courses throughout his years in the industry and holds the highest levels of certification issued from the internationally recognized Water Professionals International (WPI) for both water and wastewater. Certification by WPI is recognized in 49 states, including California, and many countries beyond the United States.

DISCUSSION

In April 2017, the Commission authorized a 6-year task order for Mr. Fenton's services. The focus of his services has been to supplement the Operations & Maintenance (O&M) Divisions in the planning, design review, and construction coordination efforts of the three RESCU projects. While O&M had staff representatives involved in project decision-making, staff has little bandwidth to handle both their O&M responsibilities and the high demands from the RESCU projects.

Mr. Fenton also provides support to the Operations Division, helping on special projects involving potential process improvements.

The RESCU projects' construction and startup are anticipated to be complete within one year and staff seeks to extend WET's task order to allow Mr. Fenton to continue support on construction and startup coordination efforts for RESCU. Additionally, WET will continue to provide Operations Division support and input to other SVCW CIP projects currently in design. Staff recommends a not-to-exceed amount of \$500 thousand which is anticipated will extend WET's services approximately six months beyond the RESCU program's end.

CLIMATE EFFECTS

This item is climate neutral.

FINANCES

WET's services are funded from both Fund 20 – Capital Improvement Program and Fund 18 – Operations Division Budget. The Fiscal Year 2023-24 Operations Division budget includes \$100,000 for WET consulting support. WETs charges under Fund 20 are included in specific project budgets for which Mr. Fenton provides consulting support.

RECOMMENDATION

Move approval of TASK ORDER SCOPE AND BUDGET FOR OPERATIONAL CONSULTING SERVICES IN AN AMOUNT NOT-TO-EXCEED \$500,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – WATER ENVIRONMENTAL TECHNICAL CONSULTING

AGENDA ITEM 7E

AMEND EXISTING LINE OF CREDIT PRICING

ISSUE

Authorization to Amend Pricing Associated with a Line of Credit Agreement with Wells Fargo Bank, National Association

BACKGROUND

Since 2015 Silicon Valley Clean Water (“SVCW” or “the Authority”) has maintained a Line of Credit (“LOC”) facility with Wells Fargo, National Association (“Wells Fargo”). This LOC is used for cash liquidity purposes, allowing SVCW to manage cash flows associated with its State Revolving Fund Loan program.

As SVCW draws from the LOC facility, interest has been assessed using the London Interbank Offered Rate (“LIBOR”), a variable rate index benchmark.

When the Wells Fargo LOC Agreement was last renewed in 2018, negotiations included provisions to address replacement of LIBOR which will no longer be available after June 30, 2023. As the LIBOR benchmark phases out, the parties have agreed it will be replaced with the Secured Overnight Financing Rate (“SOFR”), a similar index that broadly measures the cost of borrowing cash overnight collateralized by Treasury Securities.

DISCUSSION

Wells Fargo requests that SVCW sign a Rate Election Notice (“Notice”) to convert the LOC facility from 1-month LIBOR to 1-month Term SOFR at agreed-upon terms. SVCW’s Chief Financial Officer and its Financial Advisor have reviewed the terms and determined there is no financial impact to this Notice. SVCW’s Bond Counsel has also reviewed the Notice and confirms no adverse effects. The credit agreement between SVCW and Wells Fargo will be amended to replace all LIBOR references to SOFR references.

CLIMATE IMPACTS

This item is climate neutral.

FINANCES

There is no financial impact associated with this action.

RECOMMENDATION

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING AMENDMENT TO AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, PURSUANT TO THE TERMS OF THE NOTICE, AND APPROVING OFFICIAL ACTIONS

AGENDA ITEM 8A

**DECLARATION OF EMERGENCY
FOR 54-INCH DIAMETER FORCE MAIN**

ISSUE

Ratification of SVCW Manager's Declaration of Existence of an "Emergency Condition" and Approving Repair of Essential Facilities

BACKGROUND

On March 20, 2023, at approximately 16:00 hour, SVCW's Operation Division was notified that water was seeping out of the pavement at the corner of Redwood Shores Parkway and Marlin Drive, where SVCW's 54-inch force main is located. Visual inspection and water samples analyzed for ammonia indicated raw sewage. SVCW and Redwood City staff quickly contained the leak, preventing seepage from reaching a nearby storm drain, and therefore, no sewage reached Waters of the State.

On March 21, 2023, the SVCW Manager issued an Emergency Declaration related to the force main leak to protect public health.

The 54-inch force main is a part of SVCW conveyance system, conveying wastewater flows from the member agencies of West Bay Sanitary District, City of Redwood City, City of San Carlos and City of Belmont. The force main is slated to be decommissioned upon startup of the Gravity Pipeline installed by the RESCU Program later this year. As opposed to most sewers, which are sloped to allow flow by gravity, force mains are under a small amount of pressure, with the pressure provided by the conveyance system pump stations. Since force mains are under pressure, when they develop a leak, the flow gets pushed out of the leak.

DISCUSSION

The current leak allows raw, untreated wastewater to seep out from the ground onto the pavement surface, which has high potential for reaching a nearby storm drain and incurring fines for a sanitary sewer overflow. It is imperative to stop and repair the leak immediately. An Emergency Declaration was issued by the SVCW Manager to protect the public health and welfare due to the need to implement repairs immediately.

The SVCW Manager is authorized by the SVCW Joint Powers Agreement to spend up to Three Hundred Thousand Dollars (\$300,000) in emergency situations to immediately address the problem. Critical steps taken immediately included:

- Mobilize A-1 Septic, Inc. (A-1) for 24-hour operation to vacuum seepage from the leak site into vactor trucks for proper disposal, and
- Contact and authorize Power Engineering Construction Co. (Power) to begin investigation and repair work.
- Mobilize SVCW's public information team to notify stakeholders of the situation.

A-1 Septic Leak Containment

SVCW Operations staff contacted A-1 Septic to use their vacuor truck to vacuum seepage from the area continuously between Tuesday March 21 and Friday March 24. A-1. The cost for A-1's services is \$45,263.

Power Engineering Activities

Power's work began with identifying utilities in the area by calling an emergency Underground Service Alert (USA). A USA is used by anyone who are plan to dig in any public area; it allows utility companies and agencies to mark their owned utilities in the planned excavation area. Once the emergency USA ticket expired, Power began to excavate the area to expose the pipe and find the leak. The leak was found on Friday, March 24.

Power then began to develop an excavation shoring design and pipe repair method. Repair work will require a full-depth excavation and installation of repair clamp(s). Since Monday, March 27th, Power and SVCW staff have been working together to implement work to repair the pipe.

Outreach Efforts

From the onset of becoming aware that a force main leak existed, outreach efforts initiated. Outreach included flyers delivered to all houses in the affected neighborhood and communication with the Redwood Shores Homeowner's Association and the Sunrise Homeowners Association. Coordination with the city of Redwood City is ongoing. Efforts will continue to ensure affected residents and agencies are informed of the progress and impacts.

Estimated Costs

As of the writing of this agenda item, approximately \$75 thousand has been spent between A-1 Septic, Power Engineering, Tanner Pacific Inspection, and Public Information services. Due to the complexity of the area to adequately shore the excavation and the unknown nature of the pipe condition and, therefore, the type of repair needed, the costs for final repair are difficult to estimate but could be in the range of \$400 to \$600 thousand. Under this agenda item, the Manager is seeking approval to expend up to \$475 thousand for purposes of the force main leak repair. The Manager will apprise the Commission of the status and estimated costs at the April and succeeding meetings.

CLIMATE EFFECTS

Repair of the leaking force main will eliminate public exposure to wastewater and wastewater from reaching the Waters of the State (i.e., San Francisco Bay).

FINANCES

Funds for this work will derive from the SVCW Capital Budget Reserve.

RECOMMENDATION

- i. Move adoption of RESOLUTION DECLARING EXISTENCE OF EMERGENCY CONDITION REQUIRING IMMEDIATE EXPENDITURE OF FUNDS IN FURTHERANCE OF PUBLIC HEALTH, WELFARE AND SAFETY AND APPROVING AND RATIFYING EXECUTION OF CONTRACTS FOR REPAIR OF ESSENTIAL PUBLIC FACILITIES RELATING THERETO (54-INCH INFLUENT FORCE MAIN) (4/5^{ths} weighted vote required)
- ii. Move approval of EXPENDITURES UP TO \$475,000 AT THE DIRECTION OF THE SVCW MANAGER FOR REPAIRS OF THE 54-INCH INFLUENT FORCE MAIN FROM CAPITAL BUDGET RESERVE FUND.

AGENDA ITEM 8B

**FISCAL YEAR 2023-24 ANNUAL OPERATING
AND CAPITAL EXPENDITURES BUDGET****ISSUE**

Approval of 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

A draft version of this 2023-24 Budget was presented to the Commission on March 13, 2023. One change is reflected into this final budget proposal: based on negotiation discussions with Stationary Engineers, Local 39 which represents a portion of SVCW staff, a slight increase to personnel costs is incorporated.

Total Member Contributions described in the Proposed Budget increase by \$1.65 million, or 3.2% over last year. It allots \$31.0 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 \$246 thousand to the Operating Reserve. Debt Service Payments are budgeted to be \$19.05 million, consistent with adopted debt schedules described in recent Long Range Financial Plans.

Budgeted Member Entity Contributions				
Description	2022-23 Adopted Budget	2023-24 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 30,215,751	\$ 31,861,220	\$ 1,645,469	5.4%
Less: Miscellaneous Revenue	(956,600)	(848,799)	(107,801)	(11.3%)
Contributions, Net Operating Expenses	\$ 29,259,151	\$ 31,012,421	\$ 1,753,270	6.0%
Add: Revenue-Funded Capital Projects	1,404,000	480,000	(924,000)	(65.8%)
Contributions, Before Reserves & Debt Service	\$ 30,663,151	\$ 31,492,421	\$ 829,270	2.7%
Add: Reserve Designations	2,611,176	3,246,236	635,061	24.3%
Add: Debt Service, Participating members	18,860,826	19,047,831	187,006	1.0%
TOTAL MEMBER CONTRIBUTIONS	\$ 52,135,152	\$ 53,786,489	\$ 1,651,337	3.2%

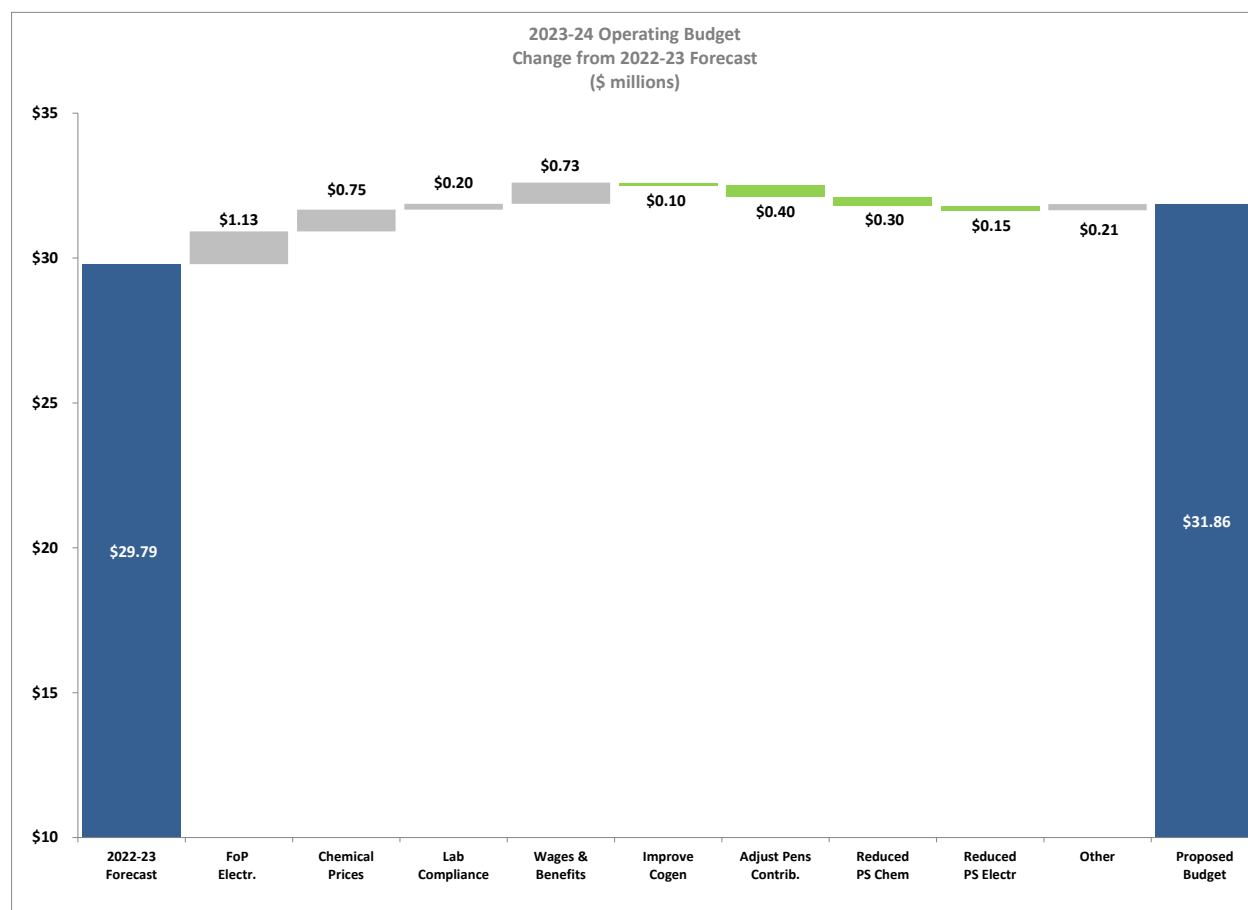
Gross Operating Expenses

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 \$2.07 million, or 6.9%, 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	\$ 19,713,950	\$ 924,463	4.9%
Utilities	2,047,966	1,887,758	2,697,093	809,335	42.9%
Administrative Expenses	744,875	697,225	733,697	36,472	5.2%
Equipment & Supplies Expense	2,842,483	2,611,296	2,686,826	75,530	2.9%
Chemicals	2,338,080	2,461,793	2,991,112	529,320	21.5%
Professional & Contractual Services	2,938,434	3,015,938	2,614,952	(400,985)	(13.3%)
Training, Memberships, Travel	436,602	328,652	423,589	94,937	28.9%
TOTAL	\$ 30,215,751	\$ 29,792,149	\$ 31,861,220	\$ 2,069,071	6.9%



- Personnel costs will increase by \$924 thousand, or 4.9% compared to the Forecast. Approximately \$730 thousand of this increase is to recognize cost-of-living and step wage adjustments. To offset the extraordinary inflation-driven increases anticipated in electricity use and chemical prices in 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 by late Spring for Sodium Hypochlorite, Sodium Bisulfite, and Polymer.
- Professional and Contractual Services will decline by \$401 thousand (13.3%), reflecting completion of one-time activities that are occurring in the current fiscal year. Additionally, startup of RESCU facilities 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 each with costs less than \$1 million that can be completed within one year. These projects address immediate needs for equipment, facilities and other capital resources 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	\$ 480,000

- 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 \$246 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

Move approval of RESOLUTIONS ADOPTING:

- FISCAL YEAR 2023-24 ANNUAL OPERATING BUDGET IN THE AMOUNT OF \$31,012,421 IN NET OPERATING REVENUES REQUIRED AND \$480,000 FOR REVENUE-FUNDED CAPITAL PROJECTS
- FISCAL YEAR 2023-24 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$3,000,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND AND \$246,236 TO THE OPERATING RESERVE FUND
- FISCAL YEAR 2023-24 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$19,047,831
- 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