

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, October 9, 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
- C. Financial Report
 - 1. Investment Reportpg. 11
 - 2. Investment Update, August 2023pg. 15
- D. Engineering Capital Projects Report.....pg. 33
- E. Commission Requested Staff-Level Action Items..... pg. 36
- F. RESCU Program Design-Build Project Status Update..... pg. 38

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 47)

8. BUSINESS ITEMS –

- A. CONSIDERATION OF MOTION APPROVING BROWN AND CALDWELL TASK ORDER SCOPE AND BUDGET FOR PRELIMINARY DESIGN, DETAILED DESIGN, AND BID PERIOD SERVICES FOR THE SIDESTREAM TREATMENT PROJECT (CIP #9401) (pg. 59)

Proposed Actions:

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR PRELIMINARY DESIGN, DETAILED DESIGN, AND BID PERIOD SERVICES RELATED TO THE SIDESTREAM TREATMENT PROJECT (CIP# 9401) IN THE AMOUNT NOT TO EXCEED \$1,469,879 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BROWN AND CALDWELL

- B. CONSIDERATION OF MOTION APPROVING TANNER PACIFIC, INC. TASK ORDER SCOPE AND BUDGET FOR PROFESSIONAL CONSTRUCTION MANAGEMENT SERVICES FOR SVCW CIP AND CAPITAL PROJECTS (pg. 63)

Proposed Actions:

Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION MANAGEMENT SERVICES IN AN AMOUNT NOT TO EXCEED \$9,022,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - TANNER PACIFIC INC.

9. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code §54956.9(d)(1)) Case Name: In re Bryan K. Clark, CERCLA
Appeal No. 23-01 (Environmental Appeals Board United States Environmental
Protection Agency Washington, D.C.) (pg. 66)

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 – September 11, 2023 - Regular Meeting (pg. 47)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED AUGUST 8, 2023 – SEPTEMBER 5, 2023 AND NECESSARY PAYMENTS THROUGH SEPTEMBER 5, 2023 (pg. 54)
- C. CONSIDERATION OF MOTION APPROVING CONTRACT CHANGE ORDER TO THE PUMP STATIONS IMPROVEMENTS PROJECT (CIP #9501) FOR MENLO PARK PUMP STATION AND REDWOOD CITY PUMP STATION PG&E RELATED IMPACTS (pg. 56)

Proposed Action:

Move approval of CONTRACT CHANGE ORDER TO THE PUMP STATIONS IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$851,287

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

Tips on How to Get Organized

Your home should give you a sense of peace -- and that means keeping clutter to a minimum. Research shows that a visual mess doesn't just affect your ability to find your car keys. It makes it harder for you to focus on other tasks and hikes your stress level.

Ready to get organized for good? Here are a few tips to get you started.

Start small. The more out-of-control your house, the harder it may seem to try to create order. Set realistic goals: Set a timer for no more than an hour and choose a specific area to clear out, like one corner of your basement or the floor of a junky closet. Play music you love or have a friend keep you company while you work.

Purge what you don't use. Go through each space with bags marked "Recycle," "Toss," "Donate," and "Yard Sale." Make the easy decisions first, like finally getting rid of that broken TV set you'll never fix. Can't decide what to do with something? Put it aside and forge ahead so you don't lose your drive.

Organize first, store second. Don't spend time and money picking out storage containers only to bring them home and find they're not what you need. Wait until after you've cleaned out a space and organized the leftover items to shop for a storage system. Otherwise, you're only collecting more junk.

Take control of your closets. These spaces are magnets for clutter since you can just shut the door and walk away. To reclaim them, start by removing all empty hangers and unused boxes so you don't waste precious room. Then use labeled clear containers to group other items together so nothing falls out of sight. Even better, install a closet organizing system or double-hanging bars to make the most of the space.

Reduce the paper pile-up. Clutter can creep into your workspace, too. One survey found that 66% of people said they spent 30 minutes each week looking for a lost item in their office. To reduce pack rat habits, shred outdated documents. Scan newspaper and magazine articles you haven't gotten around to reading and recycle the rest. Make a folder or basket for "action items" like bills to pay, invitations, and event flyers, then file things inside according to [due date](#). Keep the folder where you can get to it easily, then go through it on the same day each week.

Get the kids involved. Add shelving in a bedroom, basement, or garage to make it easy for even young kids to help clean up their toys, books, and clothes. Then every season, have them go through their collection and decide what they no longer play with and are ready to donate.

Put things away, not down. Break the habit of putting things down on the nearest flat surface. Where does each item belong and fit? For instance, keys can always hang on a hook by the door, and you can toss junk mail into the recycle bin right away.

Think before you buy. Each time you're about to make a purchase other than groceries, ask yourself: Do I need this? Where would I put it? If you're not sure, put it back on the shelf.

AGENDA ITEM 5B

Recurring and Upcoming 2023 Commission Actions
Updated for October 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 	<ul style="list-style-type: none"> Approve Resolution 77-6 "Personnel Resolution" Perform Manager Evaluation Review Reserve Funds Policy Receive Q1 Investment Summary 	<ul style="list-style-type: none"> Elect Chair, Vice Chair; Appoint Secretary 	<ul style="list-style-type: none"> Special Meeting
September	October	November	December
<ul style="list-style-type: none"> Review Investment Policy Review Debt Management Policy 	<ul style="list-style-type: none"> Conflict of Interest Update (Biennial; even numbered years) Annual Investment Update 	<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 5C1

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

Description	Market Value	% of Total Holdings	Yield to Market
Reserve Accounts			
Operating Reserve* - Securities	\$ 2,919,485	2.27%	1.55%
Operating Reserve - Money Market Fund Balance	1,041,579	0.81%	5.19%
CIP Reserve* - Securities	21,786,502	16.94%	2.47%
CIP Reserve - Money Market Fund Balance	325,001	0.25%	5.19%
Stage 2 Capacity Reserve* - Securities	13,410,665	10.43%	1.88%
Stage 2 Capacity Reserve - Money Market Fund Balance	1,746,012	1.36%	5.19%
Debt Coverage Reserve - LAIF	2,500,000	1.94%	3.43%
Total Market Value: Operating and Reserve Accounts	\$ 43,729,244	34.0%	2.48%
Total Accrued Interest: Operating and Reserve Accounts	241,359		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 43,970,603		
Trustee Accounts:			
2018 Bond Project Fund Account - CAMP	\$ 6,623,481	5.15%	5.52%
2018 Bond Revenue Account	4,718	0.00%	4.99%
2019A Notes WIFIA - Money Market Fund	1,642,381	1.28%	4.99%
2019A Notes Capitalized Interest Account - Money Market Fund	3,152,768	2.45%	4.99%
2019A Notes Capitalized Interest Account* - Securities	3,163,991	2.46%	2.16%
2021 Refunding Bonds Revenue Account	6,931	0.01%	4.99%
2021A Notes (RESCU) - Money Market Fund	493	0.00%	4.99%
2021A Notes (RESCU) - LAIF	6,332,764	4.92%	3.43%
2021B Notes (WWTP) - Money Market Fund	14,869,938	11.56%	4.99%
2021B Notes (WWTP) - CAMP	12,866,820	10.01%	5.52%
2021B Notes (WWTP)* - Securities	8,029,526	6.24%	2.83%
2021B Notes (WWTP) - LAIF	23,359,284	18.17%	3.43%
2021 Notes Capitalized Interest Account - Money Market Fund	1,065,809	0.83%	4.99%
Total Market Value, Trustee Accounts	\$ 81,118,905	63.08%	4.22%
Accrued Interest:	232,867		
Operating Cash (includes outstanding checks)	3,525,788	2.74%	0.00%
Local Agency Investment Funds (LAIF) Balance	216,816	0.17%	3.43%
Total Cash & Investments	\$ 129,064,980	100.00%	3.51%


Matthew P Anderson

Chief Financial Officer / Assistant Manager

9/13/2023

Date

* Monthly report of security transactions and interest available upon request

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

Security Type	Operating Reserve	CIP Reserve	Capacity Reserve	Debt Coverage Reserve	Total Market Value	% of Total Portfolio	% Allowed by Policy	In Compliance	% Change vs. Prior Month
U.S. Treasury	\$ 1,875,439	\$ 10,937,543	\$ 6,123,918	\$ -	\$ 18,936,900	43%	100%	✓	(4.2%)
Supranationals	172,971	-	-	-	172,971	0%	15%	✓	(0.0%)
Federal Agency/GSE	348,234	1,070,850	749,916	-	2,169,000	5%	100%	✓	(0.9%)
Federal Agency/CMBS	-	1,423,638	748,525	-	2,172,163	5%	100%	✓	(0.6%)
Federal Agency CMO	-	738,684	410,761	-	1,149,445	3%	100%	✓	0.2%
Federal Agency MBS	-	2,162,372	1,402,519	-	3,564,892	8%	100%	✓	(0.4%)
Municipal	-	849,690	688,154	-	1,537,844	3%	30%	✓	(0.3%)
Corporate Notes	437,610	4,256,002	3,024,206	-	7,717,817	18%	30%	✓	(1.8%)
Asset-Backed Securities	85,231	347,722	262,666	-	695,619	2%	10%	✓	(0.3%)
Securities Sub-Total	2,919,485	21,786,502	13,410,665	-	38,116,651	87%			
Accrued Interest	11,016	91,211	53,282	-	155,509				
Securities Total	2,930,501	21,877,713	13,463,947	-	38,272,161				
Money Market Fund	1,041,579	325,001	1,746,012	-	3,112,592	7%	20%	✓	2.2%
LAIF	-	-	-	2,500,000	2,500,000	6%	100%	✓	0.0%
Accrued Interest - LAIF	-	-	-	85,850	85,850				
LAIF Sub-Total	-	-	-	2,585,850	2,585,850	6%			
Total Investments	\$ 3,972,080	\$ 22,202,714	\$ 15,209,959	\$ 2,585,850	\$ 43,970,603	100%			
<i>As % of 6/30/24 Target:</i>	<i>94.9%</i>	<i>89.8%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>94.3%</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.*
- 9. Amounts will slight differ due to timing of custodian account reports.*

AGENDA ITEM 5C2



October 09, 2023

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update

Monique Spyke and Allison Kaune from PFM Asset Management LLC (PFMAM) will attend the meeting virtually to provide a brief update on the SVCW Cash Reserves portfolio and will be available to answer any questions.

Market Highlights:

- Headline inflation trending lower, but “supercore” inflation remains high. Meanwhile, a strong labor market and consumer optimism caused talks of recession to recede.
- The Federal Reserve paused interest rate hikes in June but hiked rates again in July, and there is the potential for one additional rate hike in 2023.
- Interest rates are at highest levels seen since 2007 and the yield curve remains inverted.

SVCW Investment Program:

- As of August 31, 2023, the Authority had over \$41.3 million in combined assets under management. Each reserve balance meets or exceeds SVCW credit quality policy.
- During the quarter, the impact of rising interest rates on the Authority’s portfolios was two-fold:
 - Market values of existing holdings were negatively impacted, particularly on longer-maturity securities.
 - Newer securities were purchased at higher yields, resulting in an increase in the portfolios’ yield at cost and interest earnings potential.
- As information was provided to PFMAM on the estimated spenddown schedule of the Stage 2 portfolio funds, the portfolio’s strategy was adjusted accordingly.
- The Authority and PFMAM continue to focus on safety and liquidity, with close communication about cash needs.

- Refer to the following page table for information on each reserve fund.

Table 1. SVCW Reserve Funds

Reserve Fund	Market Value (\$M)	Yield at Cost	Current Quarter Returns	1-Year Returns	Since Inception
Operating Reserve	\$3.97	1.47%	0.30%	1.19%	0.45%
CIP Reserve	\$22.20	2.18%	-0.42%	-0.14%	-0.45%
Stage 2 Capacity Reserve	\$15.21	1.88%	-0.50%	-0.31%	-0.49%

Outlook:

- Post quarter-end, short-term interest rates continued to rise in line with evolving expectations for Fed rate hikes; longer-term rates have been moving higher as well, on the expectation the Fed will need to keep rates higher for longer.
- Increased rates continue to provide new opportunities to reinvest at higher rate levels, but any new investment opportunities are weighed against the probability for further rate increases and their potential to diminish the fair value of the Authority's investments.
- Diversification across permitted investments will remain a key element of our strategy.

Silicon Valley Clean Water

Annual Investment Update

October 9, 2023

415-393-7270

pfmam.com

Monique Spyke, Managing Director
PFM Asset Management LLC

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

For Institutional Investor or Investment Professional
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Agenda Packet Page 18

Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Headline inflation numbers trending lower, but the Fed's current focus, "supercore inflation," is showing little sign of slowing.
 - ▶ A labor market that has proven to be exceptionally strong.
 - ▶ A more optimistic sentiment around economic growth due to resilient consumer spending.

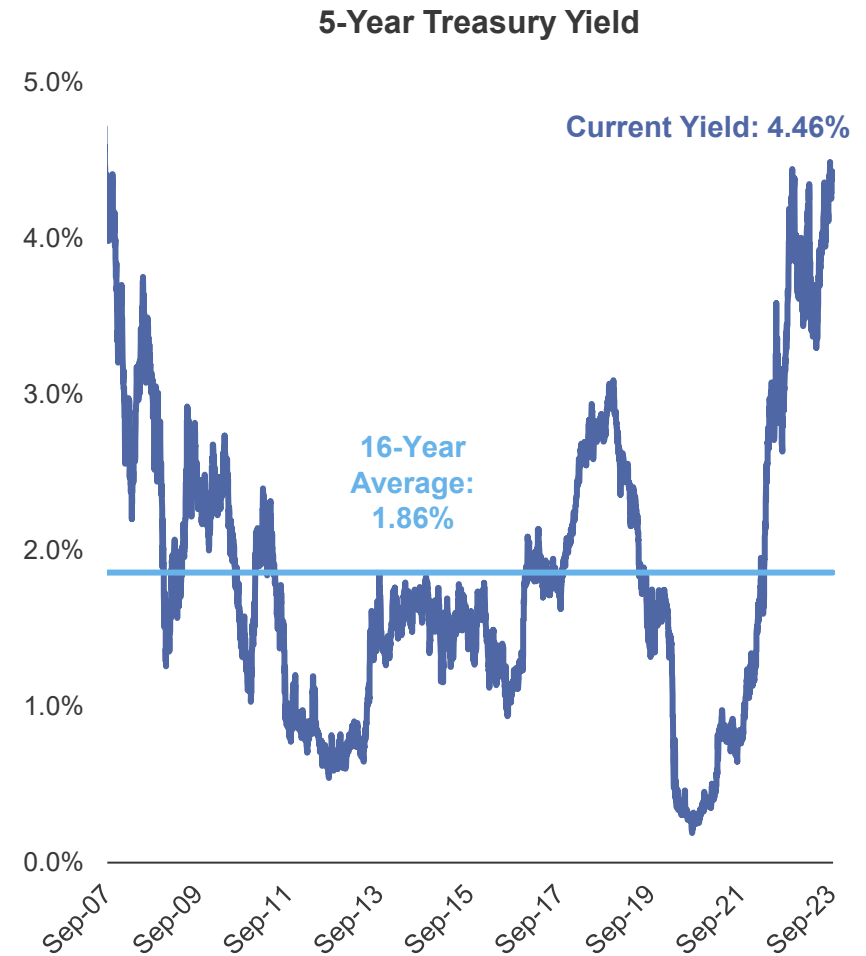
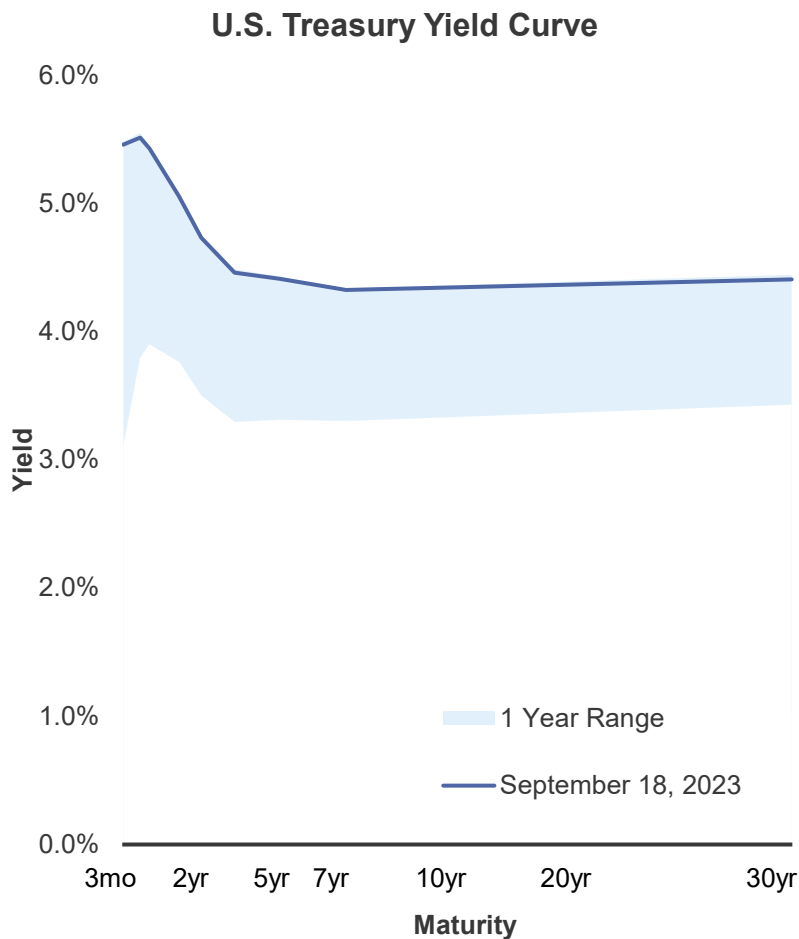


- ▶ Fed temporarily pauses rate hikes
 - ▶ The most aggressive series of interest rate hikes in recent history came to a temporary pause in June, before the Fed hiked again in July.
 - ▶ The Fed's most recent dot plot, as of September, shows the potential for one additional rate hike by the end of the year.
 - ▶ Rates have moved up due to the Fed's rate trajectory shifting higher, the economy remaining stronger than expected, persistent inflation, and the market's "higher-for-longer" mindset.



- ▶ Bond market yields continue to move higher
 - ▶ After plummeting at the end of March due to volatility in the banking sector, yields have climbed steadily.
 - ▶ Interest rates are at or near their highest levels since 2007. Rates have moved up due to the Fed's rate trajectory shifting higher, the economy remaining stronger than expected, persistent inflation, and the market's "higher-for-longer" mindset.
 - ▶ The curve inversion has moved toward historic levels.

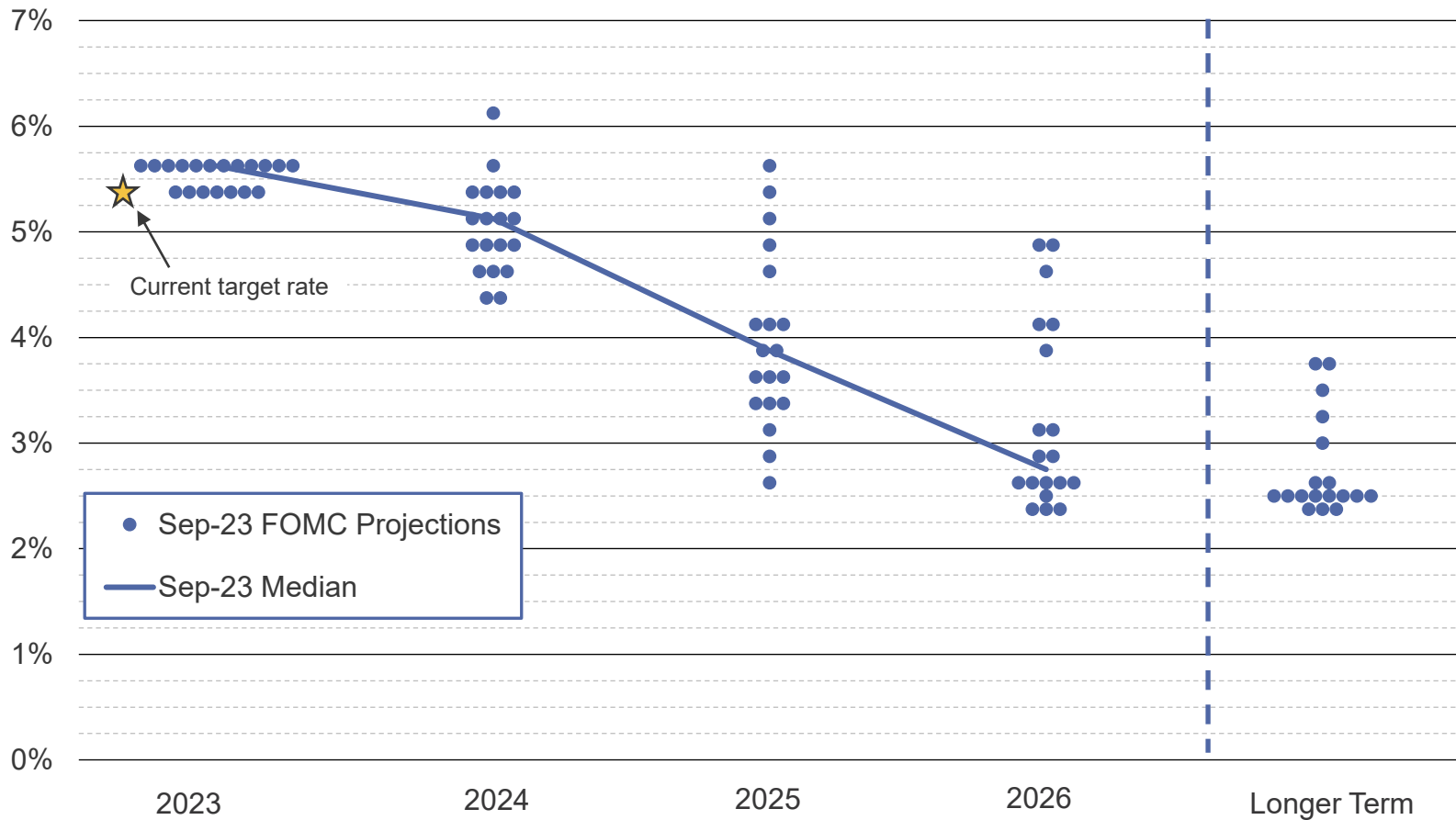
Yields at Highest Levels Since 2007; Higher-for-Longer Mindset Reflected in Curve



Source: Bloomberg, as of 9/18/23

Fed's "Dot Plot"

Fed Participants' Assessments of 'Appropriate' Monetary Policy



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

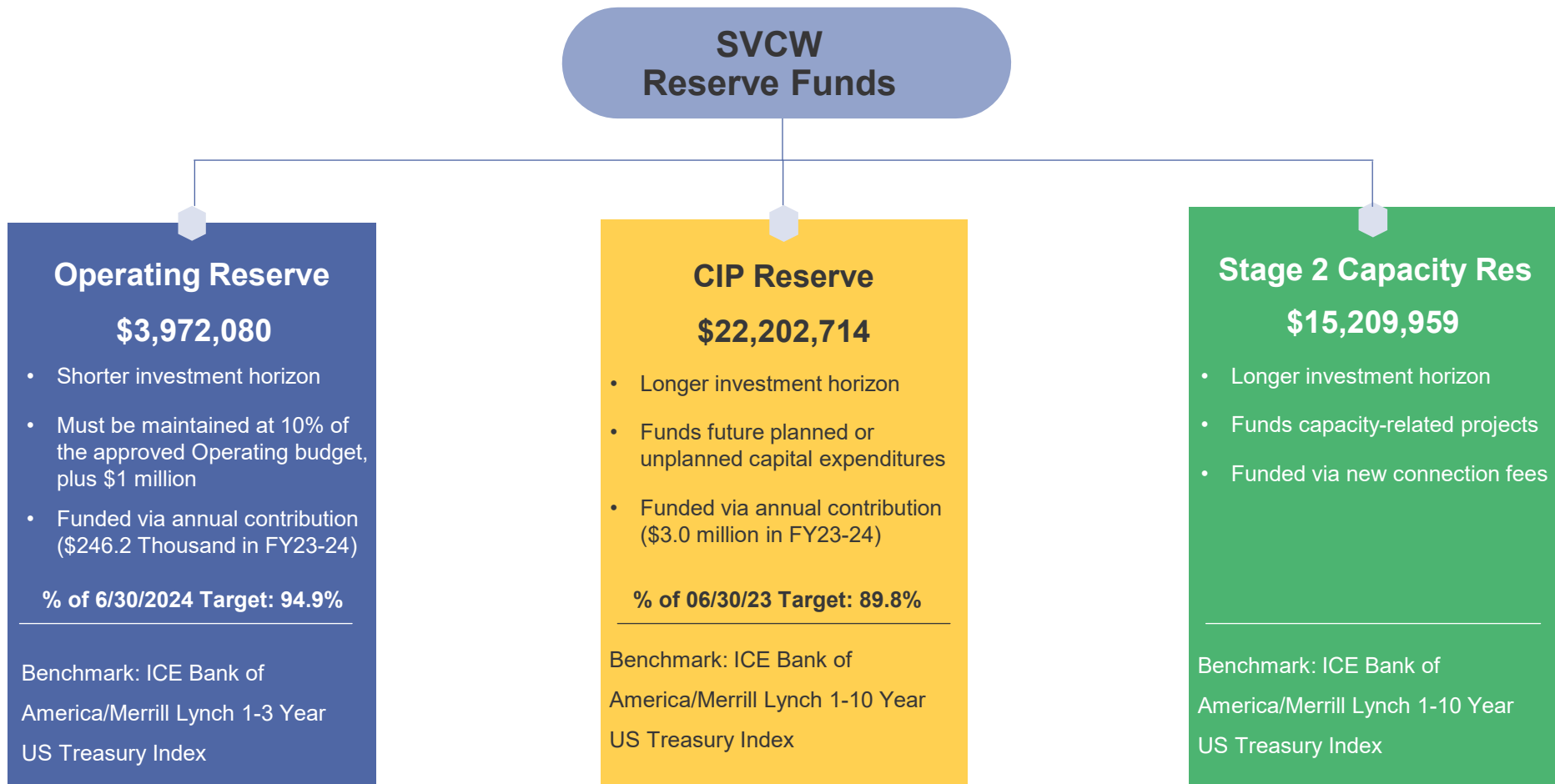
Investment Program Highlights

Achieving SVCW's Investment Objectives

Objective	Achieved Through...
<p>Safety</p> <p><u>Safety of the principal</u> shall be the top priority in the consideration of any investment undertaken by the CFO</p>	<ul style="list-style-type: none"> • <u>High-quality</u> investments • <u>Diversification</u> by sector, issuer, and maturity • Continual <u>monitoring</u> of the creditworthiness of all investment securities
<p>Liquidity</p> <p>The CFO shall keep the portfolio <u>sufficiently liquid</u> to meet the operating and capital needs of the authority which can be reasonably anticipated from his/her experience of the Authority's operations and adopted budget</p>	<ul style="list-style-type: none"> • <u>Cash flow</u> coordination with SVCW • Appropriate <u>allocation</u> among short-term liquidity vehicles and the longer-term managed portfolios • Investment in <u>highly liquid</u> securities which could readily be sold in the open market
<p>Return on Investment</p> <p>Within the safety and liquidity constraints imposed by law and the Authority's own safety objective and cash flow requirements, the investment portfolio shall be designed to <u>attain the market rate of return</u></p>	<ul style="list-style-type: none"> • <u>Duration</u> management • <u>Active trading</u> and continual evaluation of relative value among allowable sectors



SVCW's Reserve Fund Investment Program



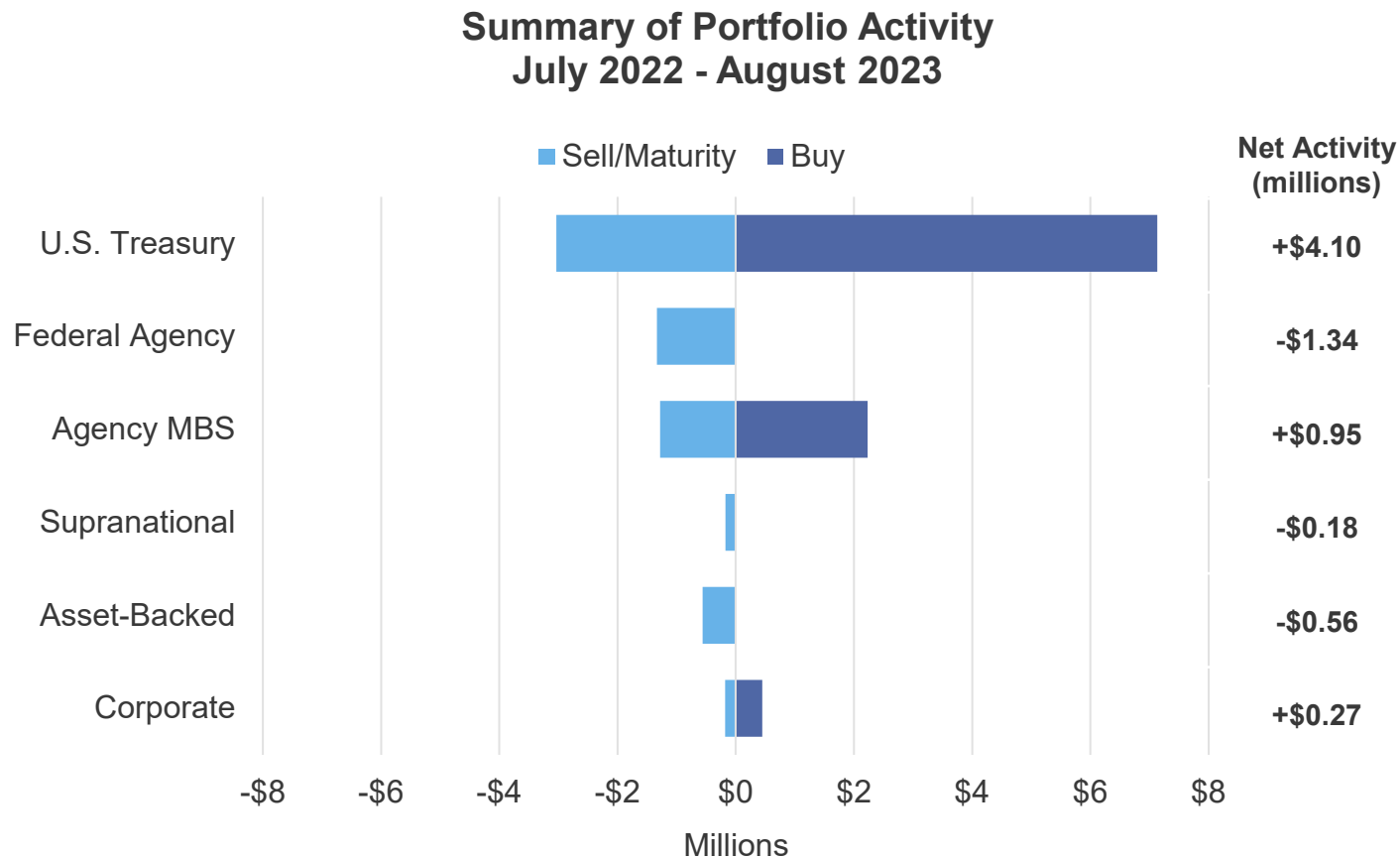
Market values of portfolio holdings plus accrued interest and money market fund balances as of August 31, 2023.

Aggregate Portfolio: August 31, 2023 Statistics

Security Type	August 31, 2023	% of Portfolio	% Change YOY	Permitted by Policy
U.S. Treasury	18,936,900	46%	+5.0%	100%
Supranationals	172,971	<1%	-0.5%	15%
Federal Agency/GSE	2,169,000	5%	-1.6%	100%
Federal Agency/CMBS	2,172,163	5%	+0.4%	100%
Federal Agency CMO	1,149,445	3%	-0.7%	100%
Federal Agency MBS	3,564,892	9%	-2.2%	100%
Municipal	1,537,844	4%	-0.4%	30%
Corporate Notes	7,717,817	19%	-2.1%	30%
Asset-Backed Securities	695,619	2%	-1.7%	10%
Money Market Fund	3,112,592	7%	+3.8%	20%
Accrued Interest	155,509			
Total Investments	\$41,384,753	100%		

End of month trade-date market valuations, excluding accrued interest. Details may not add up due to rounding. Current Investment Policy as of August 31, 2023.

Summary of Portfolio Trade Activity



Summary based on total cost of buys, sells, maturities, and paydowns in Operating Reserve Portfolio, CIP Reserve Portfolio, and Stage 2 Capacity Reserve Portfolio from July 1, 2022 – August 31, 2023.

Total Return Performance

As of June 30, 2023

	Yield to Maturity at Cost	Duration (years)	Total Return Quarter Ended		
			Current Quarter	1 Year	Since Inception
SVCW Operating Reserve Fund	1.47%	1.20	0.30%	1.19%	0.45%
<i>Benchmark: ICE BofAML 1-3 Year U.S. Treasury Index</i>	<i>N/A</i>	<i>1.75</i>	<i>-0.57%</i>	<i>0.13%</i>	<i>0.07%</i>
Difference		-	+0.87%	+1.06%	+0.38%
SVCW CIP Reserve Fund	2.18%	2.98	-0.42%	-0.14%	-0.45%
<i>Benchmark: ICE BofAML 1-10 Year U.S. Treasury Index</i>	<i>N/A</i>	<i>3.62</i>	<i>-1.13%</i>	<i>-1.12%</i>	<i>-0.79%</i>
Difference		-	+0.71%	+0.98%	+0.34%
SVCW Stage 2 Capacity Reserve Fund	1.88%	3.06	-0.50%	-0.31%	-0.49%
<i>Benchmark: ICE BofAML 1-10 Year U.S. Treasury Index</i>	<i>N/A</i>	<i>3.62</i>	<i>-1.13%</i>	<i>-1.12%</i>	<i>-0.79%</i>
Difference		-	+0.63%	+0.81%	+0.30%

- Portfolio performance is gross of fees unless otherwise indicated.
- ICE Bank of America Merrill Lynch (BofAML) Indices provided by Bloomberg Financial Markets.
- The performance inception date for each of the funds is September 30, 2019.

Spenddown of Stage 2 Capacity Reserve Fund

- ▶ From January 2024 to September 2024, it is expected that portfolio monies will be withdrawn to fund capital projects.

Estimated Draw Schedule as of 9/26/23

Draw Month	Amount
Jan-24	\$1,356,194
Feb-24	\$922,160
Mar-24	\$863,160
Apr-24	\$1,908,160
May-24	\$7,512,210
Jun-24	\$837,278
Jul-24	\$837,278
Aug-24	\$837,278
Sep-24	\$150,937
Total	\$15,224,655

- ▶ Securities will need to be sold to raise cash for the withdrawals.



Outlook

ECONOMY AND INTEREST RATES

- ▶ The U.S. Economy continues to outperform expectations. Fed may enact another rate hike or, at a minimum, maintain an extended period of high rates.
- ▶ Bond market yields are at or near their highest levels since 2007, reflecting the 'higher for longer' expectation.
- ▶ Risks of a recession in 2023 have receded, but economic activity will likely decelerate moving forward, and we may experience a brief but mild contraction next year.

PORTFOLIO STRATEGY IMPLICATIONS

- ▶ Continued focus on safety and liquidity.
- ▶ Stay in communication with the Authority regarding cash needs.
- ▶ Maintain broad diversification by sector, industry and issuer.
- ▶ Evaluate all opportunities to safely add value to the portfolios.

Disclaimer

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AGENDA ITEM 5D

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

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 testing of the FoP project is ongoing, with the processes receiving flow from West Bay and Redwood City through the gravity pipe. The FoP and PSI Projects are expected to be substantially complete in late 2023 and late 2024 respectively. Refer to Commission Item 5F for status updates.

Planned Commission Actions: Contract Change Order Approval for PSI Electrical Work – October 2023

Sidestream Treatment for Nutrient Removal (CIP#9401): Approval of Design Task Order for Sidestream Treatment

SVCW staff is in the process of selecting a design team for the design of a nutrient removal project. The selection process includes proposal and interview. A total of three teams are participating and the final selection is expected by the end of September.

Planned Commission Actions: Approve Design Task Order – October 2023

Fixed Film Reactor Project (CIP#9242): Rehab of FFRs and 3W System Upgrade

This project includes rehab of the three remaining fixed-film reactors and upgrade plant process water system. This project design is complete and it is currently out to bid.

Planned Commission Actions: Award Construction Contract and Task Orders – November 2023

Chiller Replacement Project (342): Installation of Water-Cooled Chillers

This project includes replacement of existing air conditioning chillers. The chillers have been operational for more than a decade and need replacement. The chiller that fits the existing footprint is being phased out starting January 1, 2024. SVCW has pre-

SVCW Engineering Division - Task Order Summary 01/01/2023-09/30/2023

Task Order Date	Consultant	TO Amt.	Project #	Project Name	Scope of Work	Commission Approval Date
Commission-Approved Task Orders:		\$2,172,465				
1/11/2023	Kennedy Jenks	\$281,100	9120	RAS Rehabilitation	Engineering Services During Construction	12/22/2022
1/17/2023	Brown & Caldwell	\$607,033	9600	Buried & Exposed Process Pipe Repair	Engineering Planning Services	12/12/2022
3/28/2023	Beecher Engineering	\$251,702	9247	SHB Electrical Rehabilitation	Electrical Engineering for Kohler Standby Power	3/13/2023
3/30/2023	CDM Smith	\$200,000	9223	Final Effluent Pump Replacement	Phase I Owner's Advisory Services - Progressive Design Build	3/13/2023
4/14/2023	Tanner Pacific	\$37,000	362	Emergency Force Main Leak Repair @ RWS	Construction Management Support	4/10/2023
5/23/2023	Brown & Caldwell	\$395,630	9600	Buried Exposed Pipe Repair	Engineering Design Services	4/10/2023
6/26/2023	WET Water Environment Technical	\$400,000	9130	Capital Improvements Engineering	CIP/Operations Technical & Advisory Consulting Services	4/10/2023
IP	Tanner Pacific	\$1,430,000	9501	Pump Stations Improvements	Construction Management and Quality Assurance Services	9/11/2023
IP	Collaborative Strategies	\$280,000	9501	Pump Stations Improvements	Project Management	9/11/2023
IP	Beecher Engineering	\$20,000	9501	Pump Stations Improvements	Electrical Engineering owner's Advisory Services	9/11/2023
IP	Tanner Pacific	\$510,000	9502	Front of Plant	Construction Management and Quality Assurance Services	9/11/2023
IP	CDM Smith	\$190,280	9223	Final Effluent Pump Station Improvements	Owner's Advisor Services	9/11/2023
IP	Tanner Pacific	\$247,500	9223	Final Effluent Pump Station Improvements	Construction Management and Quality Assurance Services	9/11/2023
Manager-Approved Task Orders*:		\$404,025				
1/19/2023	Zenith Engineers	\$11,840	341	Rotary Drum Thickener Process Pipe Upgrades	Structural Engineering Services	
2/15/2023	West Yost	\$38,942	9223	Final Effluent Pump Replacement	Owner's Advisor (OA) Services	
2/21/2023	CDM Smith	\$74,109	9257	Food Waste Improvements	Geotechnical Investigation and Reports	
2/21/2023	Freyer & Laureta	\$68,140	9232	Long Term Strategic Recycled Water Planning	WWTP Consulting Services	
2/24/2023	Freyer & Laureta	\$12,000	9257	Food Waste Improvements	Topography Survey	
3/9/2023	JHS Consulting	\$5,200	810	As Needed Services FY 22-23	As-Needed Environmental Review/CEQA Services	
3/20/2023	Kennedy Jenks	\$36,000	810	As Needed Services FY 22-23	As-Needed Engineering Services	
4/7/2023	Cascade Integration & Development	\$25,272	9242	Fixed Film Reactor Rehabilitation	Control Narrative Review & Control Strategies Dev. Svcs. Design Phase I	
4/10/2023	Kennedy Jenks	\$71,291	9244 @ 50% 9245 @ 50%	Digester 2 & 3 Cleaning & Rehabilitation	Condition Assessment/Evaluation Engineering Support Services	
4/28/2023	Zenith Engineers	\$7,680	9014	Process Tanks Concrete & Steel Protective Coatings Replacement	Structural Engineering Services for RCPS	
5/8/2023	DHI Water Environment	\$38,000	9401	Side Stream Treatment	Plant Stress Testing, WEST Software License, Extended Support Agreement	
6/26/2023	Zenith Engineers	\$3,060	810	As Needed Services FY 22-23	Structural Engineering Services for Pipe Support	
6/27/2023	Kennedy Jenks	\$12,491	810	As Needed Services FY 22-23	As-Needed Engineering Services: Digester Foaming Evaluation	
8/1/2023	Beecher Engineering	\$40,000	810	As-Needed Services FY 23-24	Electrical Engineering Support	IP
8/1/2023	Cascade Integration & Development	\$98,000	810	As-Needed Services FY 23-24	IAP, SCADA, PLC, Network Support	IP
8/3/2023	Sierra Research/Trinity Consultants	\$10,000	810	As-Needed Services FY 23-24	Air Quality Permitting & Consulting Services	
8/4/2023	Zenith Engineers	\$4,400	9107	CCT Concrete & Steel Protective Coating Replc.	Design Structural Modifications Eng. Svcs.	
8/4/2023	Pagilla, Khrishna	\$5,000	810	As-Needed Services FY 23-24	Advisory Consulting Services	
8/7/2023	Tanner Pacific	\$40,000	810	As-Needed Services FY 23-24	Construction Management General Support Services	
8/7/2023	Tanner Pacific	\$5,000	810	As-Needed Services FY 23-24	Contract Advisory Services, Record Drawings	
8/7/2023	Larry Walker Associates	\$8,000	810	As-Needed Services FY 23-24	As-Needed Support Services NPDES Permit	IP
8/7/2023	Stemstrom, Michael	\$5,000	810	As-Needed Services FY 23-24	Advisory Consulting Services	IP
8/7/2023	Tchobanoglous, George	\$5,000	810	As-Needed Services FY 23-24	Advisory Consulting Services	
8/7/2023	Kennedy Jenks	\$30,000	810	As-Needed Services FY 23-24	As-Needed Engineering Services	
8/15/2023	Kennedy Jenks	\$74,790	9223	Final Effluent Pump Replacement	Design Build Early Work Engineering Services (to be folded into DB Agreement budget)	IP
9/11/2023	Tanner Pacific					
9/13/2023	Beecher Engineering	\$75,000	9223	Final Effluent Pump Replacement	Design Build Early Work Electrical Eng. Services (to be folded into DB Agreement budg	IP
	Cascade Integration & Development	\$28,480	9240	Standby Generators Feed Relocation & Elec. Panel Project	12kV Wonderware Clean-up	IP
	Cascade Integration & Development	\$46,700	9223	Final Effluent Pump Replacement	FEP Stage 1 Consulting Support Services	IP
	Schaaf & Wheeler	\$58,120	9237	Radio Road Habitat Grading Project	Flood Hazards & Sea Level Rise Resilience Evaluation Services	IP
	JDH Corrossion Eng. Services	\$50,920	9600	Buried & Exposed Process Pipe Services	Corrosion Control Consulting Services	IP

*JPA level of Manager approval is \$75,000

IP = In Progress

AGENDA ITEM 5E

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

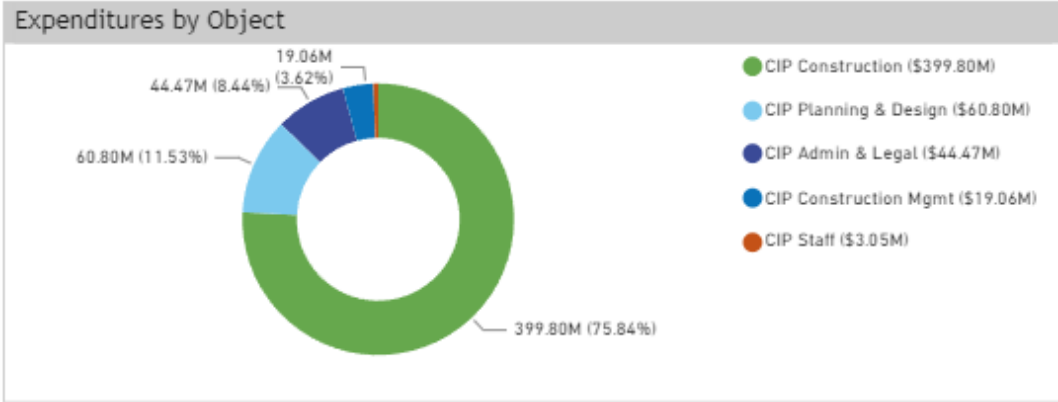
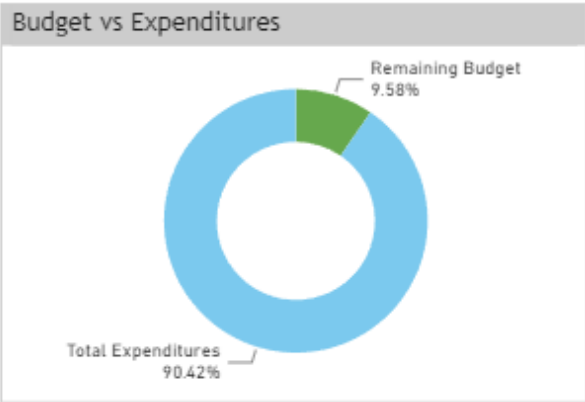
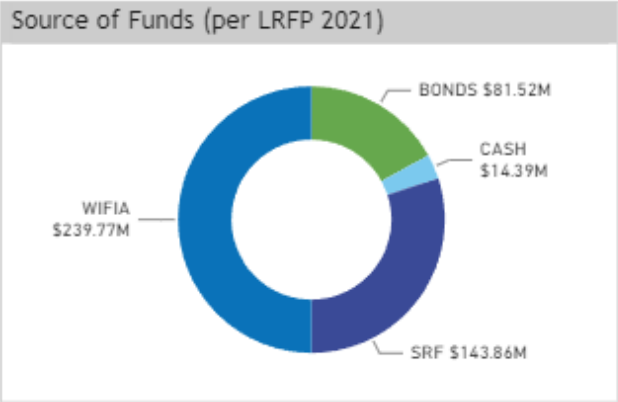
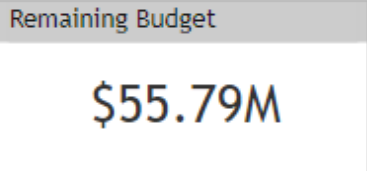
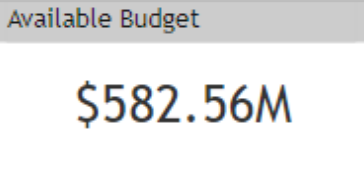
**OCTOBER 09, 2023
AGENDA ITEM 5E**

Updated: 09/29/2023

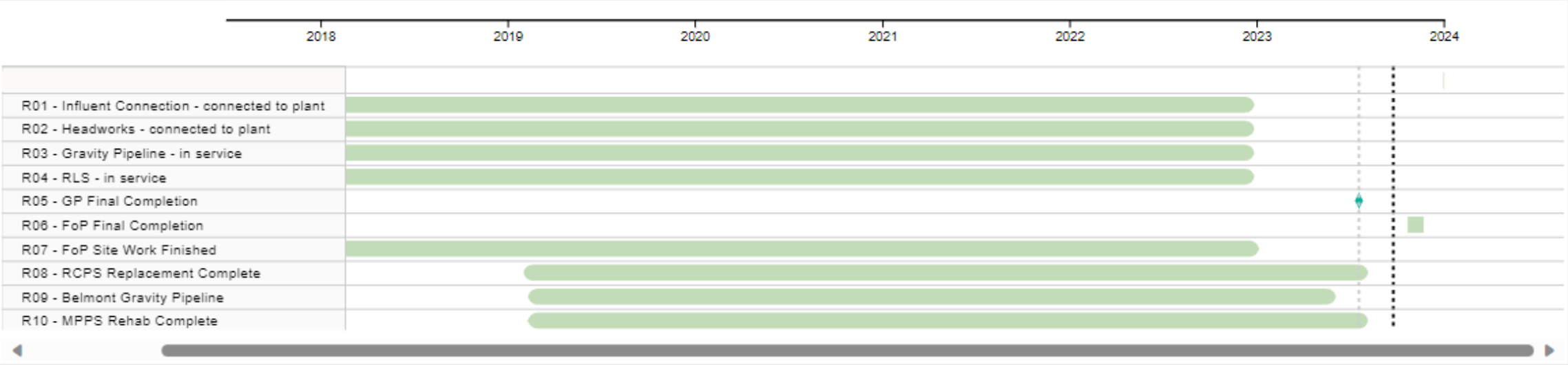
Commission Meeting Date	Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
			Ongoing	In Progress	Complete		
9/11/2023	Strategic Planning	12/1/2023		✓			Appoint subcommittee (Commissioners Aguirre and Otte) to develop new strategic plan. Manager poll other commissioners for input.
7/17/2023	Bylaws - Election/Appointment of Officers						Suggested to change bylaws such that new officers elected in February of each year. Decided against and will keep to July.
5/8 & 6/12 2023	No Action Items						
4/10/2023	Financial Funds	N/A			✓	6/12/2023	Described the various funds and reserves contained within SVCW's budget. Next CIP Update will include projects supporting sustainability
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						
> One Year	8E - JPA Amendment; re-initiate "clean up" to JPA	N/A		✓			Manager presented a pathway to address critical changes to the JPA at the April 2023 meeting. Commission concurred; Manager following up with Members.
	Project Changes/Commission Notification	N/A	✓			Ongoing	Ensure Commission is kept apprised of possible/potential project cost and/or schedule increases.
	Pump Stations Improvements - Capital vs Life Cycle Costs	N/A		✓			Reducing pump stations from 5 to 2 have been reported to save long-term costs; provide analysis results to Commissioners.

AGENDA ITEM 5F

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



Project Schedule



Startup Progress						Major Accomplishments To Date	
Project	PreCommissioning	Functional Testing (Design verification)	Functional Testing (Dry verification)	Functional Testing (Wet verification)	Acceptance Testing		
FoP	100%	100%	100%	100%	50%	Front of Plant	<ul style="list-style-type: none"> - FoP Control Strategies completed. - FoP Design Intent presentation completed. - Acceptance Testing plan completed. - All vendor trainings completed. - Headworks and SFS/RLS Functional Testing completed.
GP	100%	0%	0%	0%	0%	Gravity Pipeline	<ul style="list-style-type: none"> - GP Design Intent presentation completed. - Acceptance Testing plan completed. - FM to GP switchover completed.
MPPS A side	70%	0%	0%	0%	0%	Pump Stations Improvements	<ul style="list-style-type: none"> - MPPS B Side Acceptance Testing completed. - MPPS Design Intent presentation completed. - MPPS Acceptance Testing plan completed. - Control Strategies workshop completed. - MPPS Equipment Tags finalized.
MPPS B side	100%	100%	100%	100%	100%	Program	<ul style="list-style-type: none"> - RESCU Commissioning Risk Register workshop completed. - Bi-weekly Risk Register meeting ongoing.
BGP	0%	0%	0%	0%	0%		
RCPS	0%	0%	0%	0%	0%		

3 - Month Look Ahead						
	Start	End	October	November	December	
Headworks Functional Testing	August 8, 2023	October 10, 2023	X			
SFS/RLS Functional Testing	August 8, 2023	October 10, 2023	X			
MPPS A Side Functional Testing	November 10, 2023	November 16, 2023		X		
San Carlos Connecting Piping Startup	October 30, 2023	December 4, 2023	X	X	X	



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

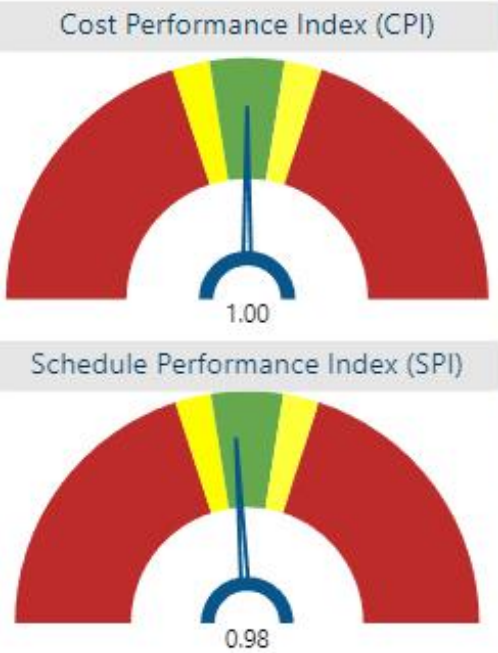
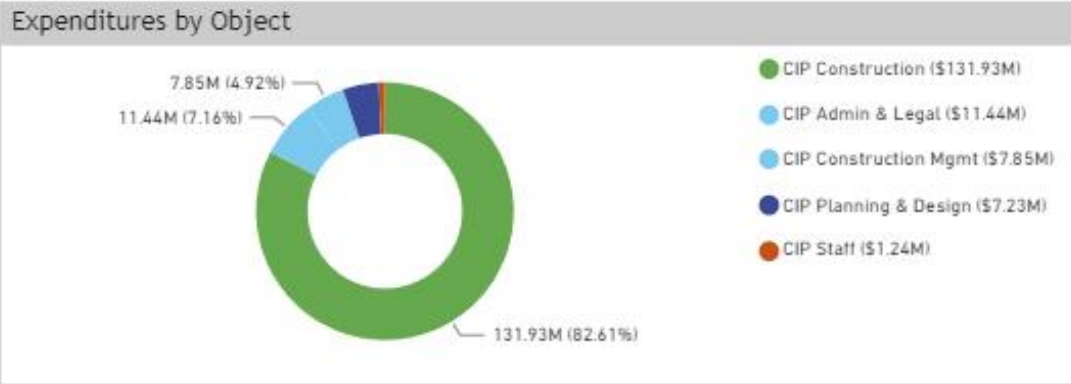
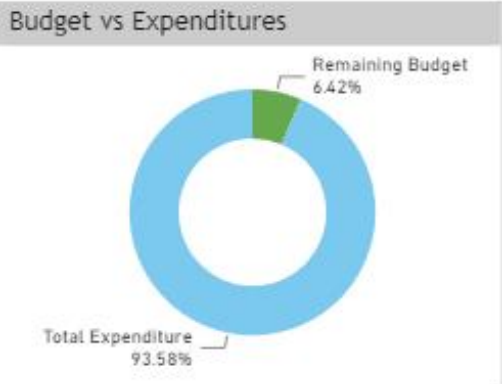
\$157.89M

Remaining Budget

\$10.82M

Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	8/1/2023
Headworks Facility Completed	12/6/2018	11/30/2022
SFS/RLS Completed	12/6/2018	2/22/2023
Bair Island Connecting Piping Startup	10/3/2022	12/8/2023
San Carlos Connecting Piping Startup	8/5/2022	12/4/2023
Substantial Completion*		2/16/2024

* Schedule extension is currently in discussion



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - SPJV installed scaffolding, ventilation, and cleaning pipes for CFRP work. The CFRP was installed with the termination rings and seals. It cured and a final walk was initiated. - SPJV installed the 12" spool off the 60" PI in the gallery. - SPJV restored utilities, backfilled, and installed pea gravel in the Admin parking lot of SVCW. - Vendor training is complete. - The 30-day acceptance testing of the Headworks, SFS, and RLS was initiated. - Inside the San Carlos pump station, PEC completed installation of the fan ducting and blower for the drop structure. Outside the pump station, PEC cored and excavated a trench for future electrical work.
Design	- SPJV continues design of various site improvements.
Procurement of Trade Packages	- Front of Plant Trade Procurement is complete.

Potential Issues

Utilidor extension for piping
 Plant water pipeline size upgrade and related fixtures
 Additional cost due to changes to the temporary ILS bypass and procurement delays

3 - Month Look Ahead

	Start	End	October	November	December
ILS CFRP Repair Work	May 31, 2022	October 20, 2023	X		
SCPS Connecting Piping	August 5, 2022	January 4, 2024	X	X	X
Bair Island Connecting Piping	October 3, 2022	December 27, 2023	X	X	X
30 Day Acceptance	September 7, 2023	October 7, 2023	X		
Final Site Improvements	December 14, 2022	February 6, 2024	X	X	X

Approved Project Changes

San Carlos and Bair Island Connecting Piping
 Project Management past December 2021
 Power Loss and Recovery and Other Electrical Improvements
 New County/Local Sales Tax
 Miscellaneous Site Improvements
 ILS Pipe Repair
 Extended Overhead Costs Associated with CFRP Delays
 Electrical System
 Credit for the deletion of the chemical storage system
 Credit for deletion of 48" bypass from 54" force main
 Change order for odor control system
 Bair Island and San Carlos Pump Station Pipe Connection Work - mechanical
 3 Water and Utilidor Improvements

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

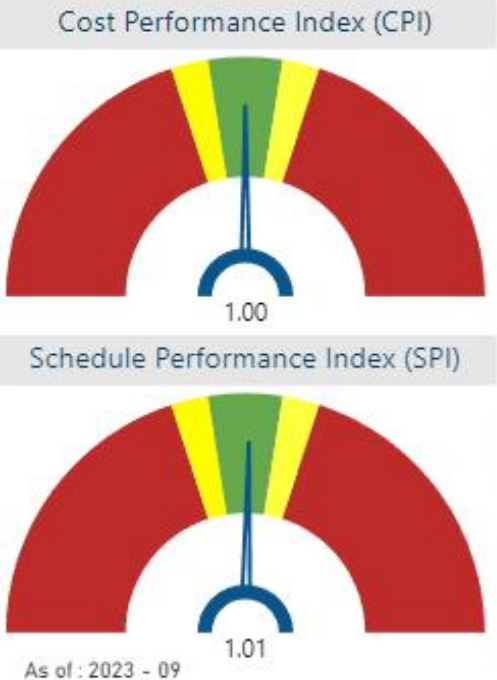
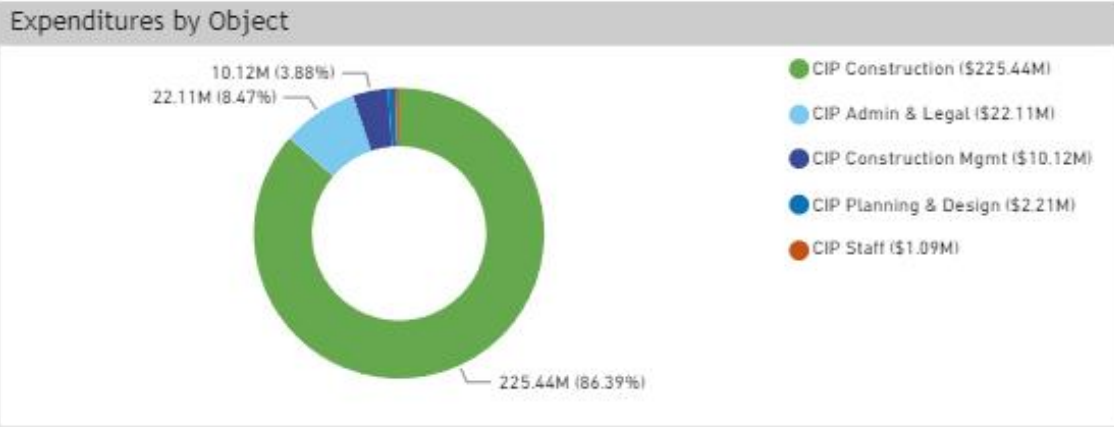
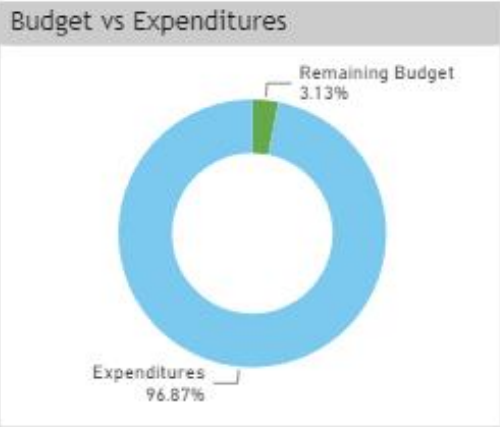
\$256.07M

Remaining Budget

\$8.29M

Milestone Schedule		
	Start	Finish
Conditional Substantial Completion		7/1/2022
Final Completion*		3/15/2024

* Schedule extension is currently in discussion



Potential Issues

Approved Project Changes

Soil Conditioner Leak at CPT Hole STA 171 + 80
SFS Slurry Wall Hardness DSC
SCPS Basement Connection
San Carlos Shaft Ammonia Mitigation
San Carlos Adit Ammonia Mitigation
Redwood City Sales Tax Increase 2021
New County/Local Sales Tax and US Tariffs
Exceedence of Muck Offhaul Allowance
Bair Island Weir Optimization
Bair Island Force Main Exposure and Additional Monitoring
Additional Survey at Governors Bay
Acceptance Testing Time Extension

Safety Spot Light

Lost Time	1
Near Misses	4
Recorded Losses	5

Pump Stations Improvement Progressive DB Project (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

\$98.87M

Remaining Budget

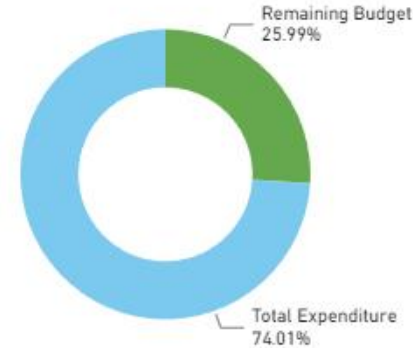
\$34.72M

Milestone Schedule

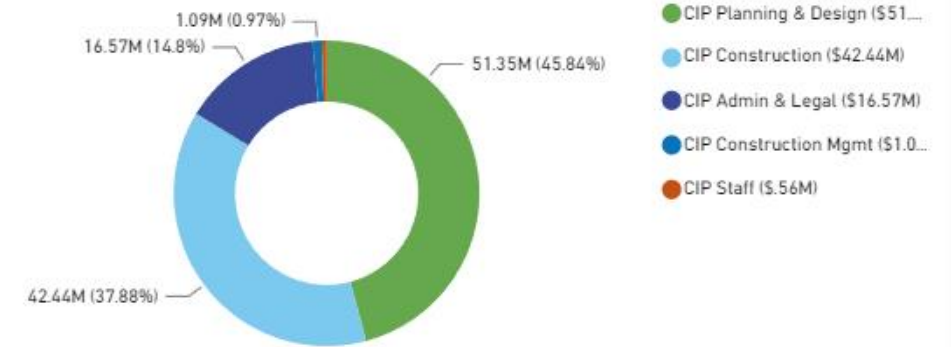
	Start	Finish
MPPS - B-side Pumps Completed	3/15/2022	10/13/2022
MPPS - A-side Pumps Completed	10/4/2022	12/16/2023
BGP - Gravity Pipe Installed	11/22/2023	1/31/2024
BGP - Shaft/Tunneling Work on Shoreway Road	4/12/2021	4/18/2023
RCPS - PG&E Service Work	5/4/2021	3/27/2024
RCPS - Wet Well & Screening Building Completed	4/17/2022	4/18/2024
RCPS - Electrical Building Completed	2/8/2021	11/21/2023
Substantial Completion - MPPS*		8/7/2023
Substantial Completion - RCPS*		8/7/2023
Substantial Completion - BGP*		6/5/2023

* Schedule extension is currently in discussion

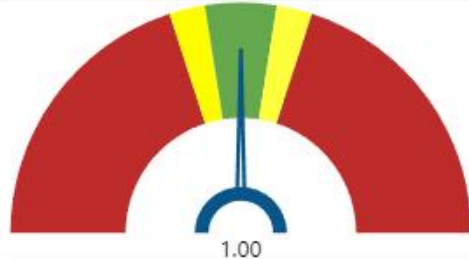
Budget vs Expenditures



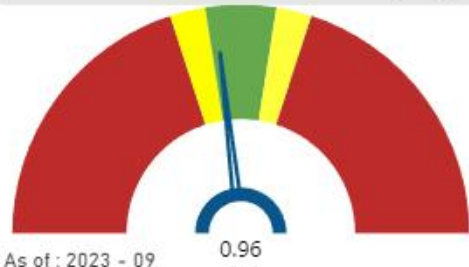
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2023 - 09



Pump Stations Improvement Progressive DB Project (CIP 9501)



Major Accomplishments this Period

Construction	<p>- BGP: PEC has continued restoration and demobilization at the JS-4 and RS-4 sites. At RS-4, PEC graded and compacted the area for paving and curb work. The curb and gutter was formed and poured as the contractor stripped the formwork afterwards. The landscaping subcontractor will come onsite. The parking lot was paved. The manhole collar was installed at both RS-4 and JS-4.</p> <p>- RCPS: Junction Box floor and lower walls were poured and successfully hydrotested. Lower wall exterior damp proofing was applied and backfilled. CalTrans Easement was graded.</p> <p>- MPPS: New Pump Drive Shaft Guards were installed. New sump pumps were installed on the Dry-Side, with control panel and associated wiring installed. Dry Side supply fan and HVAC were installed. Flow Meter is relocated to final location and associated wiring was installed; temporary conduit and wiring were removed. Existing Auxiliary Panel was demolished and removed; remaining equipment pads were demolished. MCC was installed, commissioned, and started up; equipment was removed from temporary power and placed on permanent power. Repairs for the Force Main Header and discharge piping were completed. Bollards were installed. Site was prepared for AC Paving.</p>
Design	- BGP: SPJV provided declassification drawings, including changes to transmitter screen locations.

3 - Month Look Ahead

	Start	End	October	November	December
MPPS - Electrical Room Improvements	July 6, 2021	October 12, 2023	X		
MPPS - Pump & Motor Rooms	March 15, 2022	October 12, 2023	X		
BGP - JS4 & RS4 Restoration	July 18, 2022	October 6, 2023	X		
BGP - SCPS Connection to GP	November 22, 2023	January 23, 2024		X	X
RCPS - Structural Concrete	September 8, 2021	December 22, 2023			X
RCPS - Mechanical - Wet Well	November 28, 2022	April 18, 2024	X	X	X
RCPS - Mechanical - Screening Structure	October 31, 2022	January 30, 2024	X	X	X
RCPS - Electrical / I&C	July 6, 2023	April 9, 2024	X	X	
RCPS - Junction Box	March 24, 2023	May 17, 2024	X	X	
RCPS - Electrical Building & Restroom	February 8, 2021	November 21, 2023	X	X	
RCPS - Effluent Piping and Meter Vault	October 18, 2023	May 10, 2024	X	X	X
RCPS - Standby Generator	June 2, 2021	November 7, 2023	X	X	

Potential Issues

San Carlos Pump Station Electrical
 RS2 Recology Changes (Single Lane Closure)
 Redwood City 60-inch Pipe Installation/Connection
 Redwood City 48-Inch Pipe Rehabilitation and condition of existing inflent pipe
 MPPS and RCPS PG&E Related-Changes
 Izzys Fence
 Contract time extension
 Challenges from permitting and land acquisition conditions at RCPS

Approved Project Changes

Traffic Control Changes Allowance Release
 Stage 2 Baseline Schedule Revision
 Segment 1 Force Main Junction Box Repairs
 SCPS Electrical
 PSI Catch-up: Revised BGP Piping, Phase Loss Relay, Autostart for Portable Generator (RCPS and MPPS), MPPS Bathroom Items, RCPS Pump Protection Panel Reset Button, Additional Paving Thickness in San Carlos
 Differing Site Conditions and MPPS Generator Warranty Release
 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
 BGP Design Development
 Bair Island and San Carlos Pump Station Pipe Connection Work - electrical/instrumentation
 Allowance Release, JS-4 Unforeseen Fiber Optic Utility Impacts

Safety Spot Light

Lost Time	0
Near Misses	0
Recorded Losses	0

AGENDA ITEM 7A

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – September 11, 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 – Member

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 – SVCW Senior Engineer
Jane Kao - SVCW Senior Engineer
Cindy Hui – SVCW Finance Supervisor
Kiki Newberry – SVCW Financial Analyst
Chris Leon – SVCW Instrumentation Technician
Mark Minkowski – Kennedy Jenks
Catrina Paez – Kennedy Jenks
Norite Vong - City of Redwood City
Teresa Yee - City of Redwood City
Sergio Ramirez – West Bay Sanitary District
Vince Guillama - WMLyles Co

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 7A Safety Moment concerned tips on how to prepare an emergency kit.

The manager introduced SVCW's new instrumentation technician to the Commission. For other written reports contained within the agenda packet, there were no questions or comments.

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

The Manager and Commission discussed a plan to create a subcommittee to develop a strategic plan. Two commissioners (Chairperson Aguirre and Vice-Chair Otte) were appointed to be the subcommittee members.

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

- A. APPROVAL OF MINUTES – July 10, 2023 - Regular Meeting and August 14, 2023 – Special Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JUNE 27 – AUGUST 7, 2023 AND NECESSARY PAYMENTS THROUGH AUGUST 7, 2023
- C. CONSIDERATION OF RESOLUTION APPROVING REVIEW AND UPDATE TO SVCW COMMISSION POLICY 1992-01, INVESTMENT POLICY AND GUIDELINES

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION V TO COMMISSION POLICY 1992-01, SILICON VALLEY CLEAN WATER'S INVESTMENT POLICY AND GUIDELINES

D. CONSIDERATION OF RESOLUTION APPROVING REVISIONS TO SVCW COMMISSION POLICY 2017-01, STATEMENT OF DEBT MANAGEMENT POLICY

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION F TO COMMISSION POLICY 2017-01, STATEMENT OF DEBT MANAGEMENT POLICY

E. CONSIDERATION OF RESOLUTION APPROVING REVISIONS TO SVCW COMMISSION POLICY 2000-01, PROCEDURE FOR ADMINISTRATIVE PENALTIES

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION A TO COMMISSION POLICY 2000-01, PROCEDURE FOR ADMINISTRATIVE PENALTIES

F. CONSIDERATION OF RESOLUTION APPROVING SVCW STANDARD SHORT FORM AND PROCUREMENT CONTRACT DOCUMENTS, VERSION SEPTEMBER 2023

Proposed Action:

Move adoption of RESOLUTION APPROVING SVCW'S STANDARD SHORT-FORM AND PROCUREMENT CONTRACT DOCUMENTS - VERSION SEPTEMBER 2023

G. CONSIDERATION OF RESOLUTIONS REJECTING BID FROM SYNAGROW-WWT, INC. AND APPROVING PURCHASE ORDER WITH WASTEWATER SOLIDS MANAGEMENT COMPANY FOR THE DIGESTER NO. 3 CLEANING AND REHABILITATION PROJECT

Proposed Actions:

- i. Move adoption of RESOLUTION REJECTING ALL BIDS FOR THE 2023 DIGESTER NO. 3 CLEANING PROJECT (CIP #9245)
- ii. Move adoption of RESOLUTION APPROVING PURCHASE ORDER FOR DIGESTER 3 TRANSFER AND CLEANING IN AN AMOUNT NOT-TO-EXCEED \$99,960 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – WASTEWATER SOLIDS MANAGEMENT COMPANY

H. CONSIDERATION OF RESOLUTION REJECTING BID FROM ACCO ENGINEERED SYSTEMS, INC. FOR THE CHILLER REPLACEMENT PROJECT (Capital Project # 0342)

Proposed Action:

Move adoption of RESOLUTION REJECTING SINGLE BID RECEIVED FOR THE CHILLER REPLACEMENT PROJECT (CAPITAL PROJECT # 0342)

Motion/Second: Ms. Hurt / Mr. Otte

The Motion carried by Unanimous Vote

ITEM 8A

CONSIDERATION OF MOTIONS APPROVING ADDITIONAL OWNER ASSIST FUNDING FOR TANNER PACIFIC FOR CONSTRUCTION MANAGEMENT AND QUALITY ASSURANCE SERVICES, COLLABORATIVE STRATEGIES CONSULTING FOR PUMP STATIONS IMPROVEMENTS PROJECT MANAGEMENT SERVICES, AND BEECHER ENGINEERING, INC. FOR ELECTRICAL ENGINEERING CONSULTING SERVICES

Proposed Actions:

- i. Move approval of TASK ORDER SCOPE AND BUDGET AMENDMENT FOR CONSTRUCTION MANAGEMENT AND QUALITY ASSURANCE SERVICES FOR PUMP STATIONS IMPROVEMENTS PROJECT (CIP #9501); IN AN AMOUNT NOT TO EXCEED \$1,430,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – TANNER PACIFIC INC.
- ii. Move approval of TASK ORDER SCOPE AND BUDGET AMENDMENT FOR PROJECT MANAGEMENT ASSISTANCE FOR PUMP STATIONS IMPROVEMENTS PROJECT (CIP #9501); IN AN AMOUNT NOT TO EXCEED \$280,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – COLLABORATIVE STRATEGIES CONSULTING INC.
- iii. Move approval of TASK ORDER SCOPE AND BUDGET AMENDMENT FOR OWNER'S ADVISOR SERVICES FOR PUMP STATIONS IMPROVEMENTS PROJECT (CIP #9501); IN AN AMOUNT NOT TO EXCEED \$20,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BEECHER ENGINEERING, INC.
- iv. Move approval of TASK ORDER SCOPE AND BUDGET AMENDMENT FOR CONSTRUCTION MANAGEMENT AND QUALITY ASSURANCE SERVICES FOR FRONT OF PLANT PROJECT (CIP #9502); IN AN AMOUNT NOT TO EXCEED \$510,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT

CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS –
TANNER PACIFIC INC.

Motion/Second: Mr. Otte / Ms. Hurt

The Motion carried by Unanimous Vote

ITEM 8B

CONSIDERATION OF RESOLUTION AND MOTION APPROVING DESIGN-BUILD AGREEMENT FOR FINAL EFFLUENT PUMP STATION IMPROVEMENTS WITH W.M. LYLES CO.; APPROVE TASK ORDER FOR OWNER'S ENGINEERING ADVISORY SERVICES WITH CDM SMITH; APPROVE A TASK ORDER FOR CONSTRUCTION QUALITY ASSURANCE SERVICES WITH TANNER PACIFIC, INC.

Proposed Actions:

- i. Move adoption of RESOLUTION APPROVING DESIGN BUILD AGREEMENT FOR FINAL EFFLUENT PUMP STATION IMPROVEMENTS PROJECT (CIP #9223); AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – W.M. LYLES CO. - \$1,350,917
- ii. Move approval of TASK ORDER SCOPE AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR PUMP STATIONS IMPROVEMENT PROJECT (CIP #9223) IN AN AMOUNT NOT TO EXCEED \$190,280 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – CDM SMITH INC.
- iii. Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION QUALITY ASSURANCE SERVICES FOR FINAL EFFLUENT PUMP STATION IMPROVEMENTS PROJECT (CIP #9223) IN AN AMOUNT NOT TO EXCEED \$247,500 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – TANNER PACIFIC INC.

Motion/Second: Ms. Hurt / Mr. Otte

The Motion carried by Unanimous Vote

ITEM 8C

CONSIDERATION OF RESOLUTION APPROVING ANNUAL SALARY FOR FISCAL YEAR 2023-2024 AND BONUS FOR FISCAL YEAR 2022-2023 FOR THE MANAGER OF SILICON VALLEY CLEAN WATER

Proposed Actions:

- i. Chair to summarize recommended action in accordance with Government Code Section 54953(c)(3)
- ii. Move adoption of RESOLUTION APPROVING ANNUAL COMPENSATION FOR THE SILICON VALLEY CLEAN WATER MANAGER

- iii. Move adoption of RESOLUTION APPROVING AND ADOPTING UPDATED CONSOLIDATED PAY SCHEDULE FOR ALL REPRESENTED AND UNREPRESENTED EMPLOYEES OF SILICON VALLEY CLEAN WATER FOR FISCAL YEAR 2023-2024

Motion/Second: Mr. Otte / Ms. Hurt

The Motion carried by Unanimous Vote

ITEM 9

CLOSED SESSION – None

ITEM 10

RECONVENE IN OPEN SESSION – None

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:36 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 August 8 – September 5, 2023, were scanned and a copy was emailed to Commissioners and Legal Counsel on October 4, 2023.

AGENDA ITEM 7C

**PUMP STATIONS IMPROVEMENTS PROJECT (CIP # 9501)
APPROVE CONTRACT CHANGE ORDER****ISSUE**

Approve Contract Change Order to the Pump Stations Improvements Project (CIP #9501) for Menlo Park Pump Station and Redwood City Pump Station PG&E Related Impacts

BACKGROUND

SVCW's Regional Environmental Sewer Conveyance Upgrade (RESCU) Program includes conveyance system improvements to transport wastewater from member agencies' collection systems to the SVCW wastewater treatment plant. RESCU is comprised of three projects: Pump Stations Improvements, Gravity Pipeline, and Front of Plant. The Pump Stations Improvements (PSI) Project improves the facilities that move flow from the member agency collection systems into the SVCW force main and gravity pipeline system, which then discharge flow to the Front of Plant Headworks facilities. The PSI Project includes three distinct scopes of work: Menlo Park Pump Station (MPPS) Rehabilitation, Redwood City Pump Station (RCPS) Replacement, and Belmont Gravity Pipe Construction.

The electrical design and construction for work at both MPPS and RCPS required coordination with PG&E, as the scope of work includes replacement of the transformers on each property, scope that is typically performed by PG&E contractors. At the time that 60% designs were completed and the Stage 2 contract with the PSI Design-Builder (SPJV) was negotiated, PG&E had not yet reviewed the SPJV drawings. Since it is typical for PG&E to install transformers and connect them to their system with their own contractors, this work was assumed to be done by PG&E, not SPJV and only a small allowance of \$65 thousand was included in the Stage 2 contract.

DISCUSSION

The 60% designs for MPPS and RCPS informed pricing for the Stage 2 design-build contract amendments. The contract amendments were authorized in March and June 2020 for MPPS and RCPS, respectively. The MPPS contract amendment is titled Stage 2A Amendment and the RCPS contract amendment is titled Stage 2C Amendment.

PG&E review comments to the designs were not received until well into construction, in March 2021 for RCPS and May 2022 for MPPS. The comments from PG&E resulted in several changes to the project. They are described briefly below:

1. MPPS Rehabilitation PG&E Related Changes

On May 16, 2022, PG&E issued the MPPS drawings, which changed the locations of the new transformer, the main switchboard, and the meter. These PG&E required changes resulted in significant redesign by the Design-Builder including additional materials and labor for the redesigned configuration, reorganized installation, and changes to the cutover sequence and methodology.

The allowance contained within the Stage 2A Agreement for PG&E-initiated changes relied on the assumption that PG&E would complete the work with their own forces. However, that was not the case; some portions of the PG&E work were transferred to SPJV and costs to do so are substantial. One of the highest-cost elements to this work included the fact that PG&E would not be installing the cables between the new transformer and the meter, which added additional labor and materials' costs to SPJV's scope of work. Other costs included a new 800 Amp breaker and renting a temporary generator to provide power to the existing pump station during the transformer switch out process.

The resulting costs due to the PG&E changes totaled \$518,916 for MPPS work.

2. RCPS Secondary Conductors

The RCPS PG&E design review was finalized in March 2021 and the changes required by PG&E were extensive, exceeding the Stage 2C Amendment allowance. A change order to the Stage 2C RCPS contract for some of the PG&E initiated changes was authorized in December 2021 in the amount of \$95 thousand. Additional scope for labor and materials to install a set of secondary cables between the new transformer and new meter was later identified which was not included in that authorization. The material and labor costs for secondary cable installation work is \$397,371, bringing the total cost of PG&E required work at RCPS to \$492,247.

CLIMATE EFFECTS

There are no anticipated climate effects as a result of this item.

FINANCES

These changes result in a total cost of \$851,287; \$518,916 attributable to MPPS and \$397,371 to RCPS. Funding will derive from the project construction budget for the Pump Stations Improvements Project. There is adequate budget in this project to absorb these costs.

RECOMMENDATION

Move approval of CONTRACT CHANGE ORDER TO THE PUMP STATIONS IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$851,287

AGENDA ITEM 8A

**SIDESTREAM TREATMENT PROJECT (CIP #9401)
ENGINEERING DESIGN AND BID PERIOD SERVICES****ISSUE**

Approve Brown and Caldwell Task Order Scope and Budget for Preliminary Design, Detailed Design, and Bid Period Services for the Sidestream Treatment Project (CIP #9401)

BACKGROUND

SVCW operates a wastewater treatment plant serving over 225,000 people and businesses located within its service area. The Environmental Protection Agency (EPA), through the local Regional Water Quality Control Board (RWQCB), has issued a permit for SVCW to discharge treated effluent to San Francisco Bay under the National Pollutant Discharge Elimination System (NPDES), with specific criteria for effluent Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD).

In addition, the RWQCB recognizes that municipal wastewater treatment plants contribute nutrients (Nitrogen and Phosphorus) to San Francisco Bay and are of the opinion that these nutrients, particularly nitrogen, pose a potential threat to San Francisco Bay beneficial uses. The first watershed permit established in 2014 allowed for a regional approach to monitoring nutrients and developing a pathway to limit the nutrients in treatment plant effluents should the science support the theory that nutrients from wastewater treatment facilities have negative impact on the Bay.

The watershed permit is renewed every five years, and the current 2nd watershed permit came into effect in July 2019. Recently, in the summer of 2022, there was a harmful algal bloom in the San Francisco Bay that resulted in a large quantity of fish killed. Another algal bloom occurred in 2023. While the triggers for these algal blooms are not fully understood by scientists, it is known that nutrients contribute to the magnitude of algal blooms once initiated. As a result, the RWQCB has informed wastewater treatment agencies which discharge into the San Francisco Bay that it intends to require significant reductions of effluent discharge nutrient loading in the next 2024 Watershed Permit with required implementation by 2034. While originally the theory included both Nitrogen and Phosphorous, indications from the Regional Board are that only limits to Nitrogen will be placed in the 2024 Watershed Permit.

SVCW has been monitoring the nutrients loading developments since before 2014 and participates in Bay Area-wide meetings and conversations with RWQCB staff. SVCW also contributes funding for scientists with the San Francisco Estuary Institute (SFEI) who take water samples and model the impacts of nutrients on the Bay. While the science is still unclear as to the impact of wastewater nitrogen discharges to the bay, it is safe to say that, should nitrogen levels be reduced, no negative effects will occur. In other words, removing nitrogen from the bay will lead to either neutral or positive effects.

In preparation for new limits to nitrogen discharge, staff has identified that the most cost-effective first-step approach to substantially reduce nutrients in its effluent is to implement a sidestream treatment project. The project would remove the nitrogen in the solids dewatering process filtrate from SVCW's rotary fan presses. The rotary fan press filtrate is a concentrated source of nitrogen, comprising approximately 15% of total nitrogen (TN)

load to the plant. This amount would enable SVCW to meet the 2024 Watershed Permit short term requirements.

To fully meet the 2024 watershed permit requirements (which will require a higher amount of nitrogen removal by 2034), SVCW likely will need to implement a mainstream nutrient removal process. It is the intention that the sidestream and mainstream removal technologies would complement each other.

DISCUSSION

Reducing nitrogen from SVCW's wastewater flows requires a new biological process to be introduced to the treatment process train. Treatment technologies for nitrogen removal are proven, though limited in number and relatively new. Also, this will be the first new biological process to be added to SVCW's treatment facility and will require a high learning curve for operations staff. Based on the importance and significant impact of this project on SVCW's operations, SVCW conducted a competitive procurement using a request for proposal (RFP) process with three of the engineering firms that provide services to SVCW. A successful project will require detailed process understanding, robust design documents, and expertise to assist with startup. The engineering firm of Brown and Caldwell was selected as the top-ranked proposer based on the submitted proposal and interview.

The proposed Task Order to Brown and Caldwell is for Preliminary Design, Detailed Design, and Bid Period Services to implement a sidestream treatment project. The project construction will include demolition of unused piping and equipment, structural rehabilitation of existing gravity thickeners in which sidestream bioreactors will be placed, new conveyance pumps and piping, electrical power connections, and related miscellaneous improvements. Brown and Caldwell's scope of services includes review of previous SVCW efforts; condition assessment of the gravity thickeners; technical evaluation on sidestream technology selection for optimal nutrient removal; pumping configurations and hydraulics; preliminary design; detailed design; and bid period services. The not-to-exceed budget for these services is \$1,469,879.

CLIMATE EFFECTS

Nutrient removal processes can be very energy intensive and will require additional electrical support. Sidestream treatment will be an efficient first step towards nitrogen removal and is anticipated to lessen the energy impact of future nutrient projects needed to comply with limits from the RWQCB.

As noted above, removing nitrogen from discharges to the San Francisco Bay may have positive impact to the Bay's beneficial uses.

FINANCES

Work under this task order is captured within the Sidestream Treatment Project (CIP #9401), which has an allocated budget of \$10,481,841. Staff anticipates that this will not be sufficient for providing adequate sidestream treatment. As part of Brown and Caldwell's work tasks Opinions of Probable Construction Costs will be provided at various stages of the design. Staff's current estimate for sidestream treatment costs is \$15 million. This project will be funded using a loan through the Federal Water Infrastructure Finance and Innovation Act (WIFIA) Program.

RECOMMENDATION

Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR PRELIMINARY DESIGN, DETAILED DESIGN, AND BID PERIOD SERVICES RELATED TO THE SIDESTREAM TREATMENT PROJECT (CIP# 9401) IN THE AMOUNT NOT TO EXCEED \$1,469,879 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BROWN AND CALDWELL

AGENDA ITEM 8B

**PROFESSIONAL CONSTRUCTION MANAGEMENT SERVICES
GLOBAL TASK ORDER**

ISSUE

Approval of Tanner Pacific, Inc. Task Order Scope and Budget for Professional Construction Management Services for SVCW CIP and Capital Projects

BACKGROUND

In March 2016 the Commission approved a Master Services Agreement and corresponding task order with Tanner Pacific, Inc. (TPI) for construction management and construction contract advisory services (CM services). Since that time, TPI has provided professional services related to construction management and inspection, including: ensuring construction contractors abide by project requirements, providing input to designers on bid-ability and constructability of projects during their design phases, providing review of cost estimates by the designers, customizing the standard contract documents for each project, keeping apprised of ongoing changes in legislation and regulations pertaining to construction and, in turn, updating SVCW's standard contract documents.

DISCUSSION

SVCW has used services of outside construction management specialty firms for its entire existence, beginning with the original treatment plant construction. Construction management is a specialty within itself and to hire staff that could fulfill the functions that TPI fills would involve hiring at least ten additional staff. Several staff members of TPI have worked on SVCW projects for 15+ years with the previous incarnation of this firm and, thus, are highly familiar with SVCW project delivery procedures.

SVCW's last global task order with TPI was authorized in July 2020, at a budget of \$3.6 million. That task order was authorized presuming services covering an 18-month period but, instead, has lasted for 38 months. The reason why the 2020 task order extended so much longer than anticipated is due to the minimal amount of construction activity occurring during that period (approximately \$12 million in construction dollars). Much of TPI's activities over the past three years has related to design bid-ability and constructability reviews, standard SVCW contract document updates, project management for small tasks, along with the inspections and construction management for the ongoing construction work. Since payments to TPI are authorized on a time-and-expense basis, SVCW pays only for services rendered (note that this is true for all SVCW's consultants).

Moving forward, there is a large amount of construction work anticipated to occur within the treatment plant over the next 30 months; in the range of \$74 million in construction dollars. Much of this work is WIFIA-funded and there is a time schedule to meet the WIFIA loan requirements. SVCW and TPI have negotiated a task order for construction management services in the amount of \$9.02 million, equating to 12.2% of the projected construction expenditures, well within industry standard for these types of professional

services. The scope includes construction management services on all CIP projects occurring within the treatment plant.

CLIMATE EFFECTS

There are no anticipated climate effects as a result of this item.

FINANCES

Construction Management Services are budgeted as part of all CIP project budgets and vary between 13% to 15% of the estimated construction cost for each project. The cost associated with the TPI global task order has been negotiated in the amount of \$9.022 million. This amount is within the amounts incorporated for these services in the CIP project budgets and in line with both industry standards and previous SVCW contracts for similar services.

RECOMMENDATION

Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION MANAGEMENT SERVICES IN AN AMOUNT NOT TO EXCEED \$9,022,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - TANNER PACIFIC INC.