

**COMMISSION OF SILICON VALLEY CLEAN WATER  
JOINT POWERS AUTHORITY  
REGULAR MEETING – Monday, February 12, 2024  
8:00 a.m.**

Place: Silicon Valley Clean Water  
1406 Radio Road  
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 Report – November.....pg. 11
  - 2. Investment Report – December.....pg. 15
- D. Engineering Capital Projects Report.....pg. 19
- E. Commission Requested Staff-Level Action Items..... pg. 23
- F. RESCU Program Design-Build Project Status Update..... pg. 25

6. MATTERS OF COMMISSION MEMBER'S INTEREST

- A. 2024 Commission Meeting Schedule (pg. 35)

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 37)

8. BUSINESS ITEMS –

- A. CONSIDERATION OF RESOLUTION ADOPTING THE 2024 CIP UPDATE AND CORRESPONDING CEQA CONCLUSIONS (pg. 48)

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2024 UPDATE OF THE SILICON VALLEY CLEAN WATER CAPITAL IMPROVEMENT PROGRAM AND CORRESPONDING CEQA CONCLUSIONS

- B. CONSIDERATION OF MOTION APPROVING SILICON VALLEY CLEAN WATER LONG RANGE FINANCIAL PLAN 2024 UPDATE (pg. 53)

Proposed Action:

Move approval of RECEIPT AND ACCEPTANCE OF SILICON VALLEY CLEAN WATER LONG-RANGE FINANCIAL PLAN 2024 UPDATE

- C. CONSIDERATION OF RESOLUTION REVIEWING AND ADOPTING SVCW STRATEGIC PLAN FOR YEARS 2024 - 2029 (pg. 58)

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2024 -  
2029 SILICON VALLEY CLEAN WATER STRATEGIC PLAN

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code §54956.9(d)(1)

Case Name: *Brian K. Clark v. Tanner Pacific, et al.* (San Mateo County Superior  
Court No. 24CIV00369)

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 – December 11, 2023 - Regular Meeting (pg. 37)

#### B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED NOVEMBER 28 – DECEMBER 26, 2023, AND NECESSARY PAYMENTS THROUGH DECEMBER 26, 2023 (pg. 41)

#### C. CONSIDERATION OF MOTION AUTHORIZING CONSULTING SERVICES AGREEMENT FOR UNFUNDED PENSION LIABILITIES FUNDING STRATEGIES (pg. 43)

##### Proposed Actions:

Move approval of CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$5,500 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – RIDGELINE MUNICIPAL STRATEGIES, LLC

#### D. CONSIDERATION OF MOTIONS APPROVING ADDITIONAL OWNER ASSIST FUNDING TO DAVID J POWERS AND ASSOCIATES FOR ENVIRONMENTAL SERVICES AND JHS CONSULTING FOR ENVIRONMENTAL PLANNING SERVICES (pg. 45)

##### Proposed Action:

- i. 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 \$90,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – DAVID J. POWERS AND ASSOCIATES.
- ii. 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 \$50,120 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JHS CONSULTANTS.

Microsoft Teams Access Information  
Silicon Valley Clean Water  
Regular Meeting  
Monday, February 12, 2024

**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](mailto: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](mailto: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](http://www.svcw.org).

## AGENDA ITEM 5A

**4 Steps to Prevent Food Poisoning**

Every year, an estimated 1 in 6 Americans (or 48 million people) get sick, 128,000 are hospitalized, and 3,000 die from foodborne diseases.

**4 Steps to Prevent Food Poisoning**

- [Clean](#)
  - Wash your hands and work surfaces before, during, and after preparing food. Germs can survive in many places around your kitchen, including your hands, utensils, cutting boards, and countertops.
- [Separate](#)
  - Separate raw meat, chicken and other poultry, seafood, and eggs from ready-to-eat foods. Use separate cutting boards and keep raw meat away from other foods in your shopping cart and refrigerator.
- [Cook](#)
  - Cook food to the [safe internal temperature](#) to kill harmful bacteria. Use a food thermometer.
- [Chill](#)
  - Keep your refrigerator 40°F or below. Refrigerate leftovers within 2 hours of cooking (or within 1 hour if food is exposed to a temperature above 90°F, like in a hot car).

**Some People Are at Higher Risk**

Anyone can get food poisoning, but some groups of people are more likely to get sick and have a more serious illness. Their ability to fight germs and sickness may not be as effective. These groups include:

- Adults aged 65 and older
- Children younger than age 5
- People whose immune systems are weakened by health conditions or medicine used to treat them, including people with diabetes, liver or kidney disease, HIV/AIDS, or cancer
- Pregnant people

People who are more likely to get food poisoning should not eat:

- Undercooked or raw food from animals (such as beef, pork, chicken, turkey, eggs, or seafood)
- Raw or lightly cooked sprouts
- Unpasteurized (raw) milk and juices
- Soft cheese (such as queso fresco), unless it is labeled as made with pasteurized milk

## AGENDA ITEM 5B



Recurring and Upcoming 2024 Commission Actions  
Updated for February 2024 Meeting


January	February	March	April
<ul style="list-style-type: none"> <li>Meeting Cancelled</li> </ul>	<ul style="list-style-type: none"> <li>Review Investment Policy</li> <li>Long Range Financial Plan</li> <li>Capital Improvement Plan Update</li> </ul>	<ul style="list-style-type: none"> <li>Operating Budget Workshop</li> </ul>	<ul style="list-style-type: none"> <li>Operating Budget Approval</li> <li>Initiate Manager Performance Evaluation</li> </ul>
May	June	July	August
<ul style="list-style-type: none"> <li>Continue Manager Performance Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Approve Resolution 77-6 "Personnel Resolution"</li> <li>Finalize Manager Evaluation</li> <li>Review Reserve Funds Policy</li> <li>Receive Q1 Investment Summary</li> </ul>	<ul style="list-style-type: none"> <li>Elect Chair, Vice Chair; Appoint Secretary</li> </ul>	<ul style="list-style-type: none"> <li>No Meeting</li> </ul>
September	October	November	December
<ul style="list-style-type: none"> <li>Review Investment Policy</li> <li>Review Debt Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Conflict of Interest Update (Biennial; even numbered years)</li> <li>Annual Investment Update</li> </ul>	<ul style="list-style-type: none"> <li>Audited Financial Report</li> </ul>	<ul style="list-style-type: none"> <li>Commission Meeting Schedule for 2025</li> </ul>

- Recurring Commission Actions
- Upcoming Commission Actions

## AGENDA ITEM 5C1

**Silicon Valley Clean Water Authority  
Cash & Investments Summary Report  
November 30, 2023**

Description	Market Value	% of Total Holdings	Yield to Market
<b><u>Reserve Accounts</u></b>			
Operating Reserve* - Securities	\$ 2,110,639	1.73%	1.78%
Operating Reserve - Money Market Fund Balance	1,963,258	1.61%	5.25%
CIP Reserve* - Securities	22,649,717	18.53%	2.72%
CIP Reserve - Money Market Fund Balance	558,433	0.46%	5.25%
Stage 2 Capacity Reserve* - Securities	12,931,661	10.58%	1.79%
Stage 2 Capacity Reserve - Money Market Fund Balance	2,392,361	1.96%	5.25%
Debt Coverage Reserve - CAMP	2,532,615	2.07%	5.58%
<b>Total Market Value: Operating and Reserve Accounts</b>	<b>\$ 45,138,683</b>	<b>36.9%</b>	<b>2.85%</b>
Total Accrued Interest: Operating and Reserve Accounts	184,025		
<b>GRAND TOTAL, RESERVE ACCOUNTS</b>	<b>\$ 45,322,708</b>		
<b><u>Trustee Accounts:</u></b>			
2018 Bond Project Fund Account - CAMP	\$ 6,715,749	5.49%	5.58%
2018 Bond Revenue Account	4,778	0.00%	5.00%
2019A Notes WIFIA - Money Market Fund	27,606	0.02%	5.00%
2019A Notes Capitalized Interest Account - Money Market Fund	7,833	0.01%	5.00%
2029A Notes Revenue Account	148,730	0.12%	5.00%
2021 Refunding Bonds Revenue Account	7,018	0.01%	5.00%
2021A Notes (RESCU) - Money Market Fund	243	0.00%	5.00%
2021A Notes (RESCU) - LAIF**	1,385,070	1.13%	3.84%
2021B Notes (WWTP) - Money Market Fund	18,772,769	15.36%	5.00%
2021B Notes (WWTP) - CAMP	13,046,061	10.67%	5.58%
2021B Notes (WWTP)* - Securities	1,447,722	1.18%	3.02%
2021B Notes (WWTP) - LAIF**	23,247,203	19.02%	3.84%
2021 Notes Capitalized Interest Account - Money Market Fund	1,080,117	0.88%	5.00%
<b>Total Market Value, Trustee Accounts</b>	<b>\$ 65,890,901</b>	<b>53.90%</b>	<b>4.70%</b>
Accrued Interest:	188,317		
Operating Cash (includes outstanding checks)	674,324	0.55%	0.00%
Local Agency Investment Funds (LAIF) Balance	10,541,155	8.62%	3.84%
<b>Total Cash &amp; Investments</b>	<b>\$ 122,617,405</b>	<b>100.00%</b>	<b>3.91%</b>

  
Matthew P Anderson

Chief Financial Officer / Assistant Manager

\* Monthly report of security transactions and interest available upon request

\*\*Market value of LAIF based on the most available Fair Value factor

12/14/2023

Date

**Silicon Valley Clean Water**  
**Operating and Reserve Funds - Sector Allocation & Compliance November 30, 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	\$ 1,567,095	\$ 10,297,085	\$ 5,769,238	\$ -	\$ 17,633,418	39%	100%	✓	(0.7%)
Supranationals	99,477	-	-	-	99,477	0%	15%	✓	(0.2%)
Federal Agency/GSE	-	1,061,642	743,987	-	1,805,629	4%	100%	✓	(0.2%)
Federal Agency/CMBS	-	2,779,000	744,518	-	3,523,517	8%	100%	✓	0.7%
Federal Agency CMO	-	688,649	381,822	-	1,070,471	2%	100%	✓	(0.0%)
Federal Agency MBS	-	2,081,502	1,347,292	-	3,428,794	8%	100%	✓	(0.0%)
Municipal	-	858,517	695,313	-	1,553,830	3%	30%	✓	(0.1%)
Corporate Notes	392,754	4,615,405	3,046,819	-	8,054,978	18%	30%	✓	(0.3%)
Asset-Backed Securities	51,314	267,917	202,672	-	521,903	1%	10%	✓	(0.1%)
<b>Securities Sub-Total</b>	<b>2,110,639</b>	<b>22,649,717</b>	<b>12,931,661</b>	<b>-</b>	<b>37,692,017</b>	<b>83%</b>			
Accrued Interest	8,853	110,671	52,938	-	172,461				
<b>Securities Total</b>	<b>2,119,492</b>	<b>22,760,388</b>	<b>12,984,598</b>	<b>-</b>	<b>37,864,478</b>				
<b>Money Market Fund</b>	<b>1,963,258</b>	<b>558,433</b>	<b>2,392,361</b>	<b>-</b>	<b>4,914,052</b>	<b>11%</b>	20%	✓	1.0%
CAMP	-	-	-	2,532,615	2,532,615	6%	100%	✓	(0.1%)
Accrued Interest - CAMP	-	-	-	11,563	11,563				
<b>CAMP Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,544,178</b>	<b>2,544,178</b>	<b>6%</b>	100%	✓	0.0%
<b>Total Investments</b>	<b>\$ 4,082,750</b>	<b>\$ 23,318,821</b>	<b>\$ 15,376,959</b>	<b>\$ 2,544,178</b>	<b>\$ 45,322,708</b>	<b>100%</b>			
<i>As % of 6/30/24 Target:</i>	<i>97.5%</i>	<i>94.3%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>96.8%</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](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

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

<b>Description</b>	<b>Market Value</b>	<b>% of Total Holdings</b>	<b>Yield to Market</b>
<b><u>Reserve Accounts</u></b>			
Operating Reserve* - Securities	\$ 2,117,857	1.66%	1.78%
Operating Reserve - Money Market Fund Balance	2,005,672	1.57%	5.24%
CIP Reserve* - Securities	23,460,283	18.34%	2.80%
CIP Reserve - Money Market Fund Balance	352,493	0.28%	5.24%
Stage 2 Capacity Reserve* - Securities	13,104,847	10.24%	1.79%
Stage 2 Capacity Reserve - Money Market Fund Balance	2,455,289	1.92%	5.24%
Debt Coverage Reserve - CAMP	2,544,557	1.99%	5.55%
<b>Total Market Value: Operating and Reserve Accounts</b>	<b>\$ 46,040,997</b>	<b>36.0%</b>	<b>2.87%</b>
Total Accrued Interest: Operating and Reserve Accounts	205,928		
<b>GRAND TOTAL, RESERVE ACCOUNTS</b>	<b>\$ 46,246,925</b>		
<b><u>Trustee Accounts:</u></b>			
2018 Bond Project Fund Account - CAMP	\$ 6,747,417	5.27%	5.55%
2018 Bond Revenue Account	4,797	0.00%	5.01%
2019A Notes WIFIA - Money Market Fund	-	0.00%	5.00%
2019A Notes Capitalized Interest Account - Money Market Fund	-	0.00%	5.00%
2029A Notes Revenue Account	-	0.00%	5.00%
2021 Refunding Bonds Revenue Account	7,047	0.01%	5.01%
2021A Notes (RESCU) - Money Market Fund	244	0.00%	5.01%
2021A Notes (RESCU) - LAIF**	1,395,231	1.09%	3.93%
2021B Notes (WWTP) - Money Market Fund	18,717,192	14.63%	5.01%
2021B Notes (WWTP) - CAMP	13,107,580	10.25%	5.55%
2021B Notes (WWTP)* - Securities	950,000	0.74%	2.63%
2021B Notes (WWTP) - LAIF**	23,417,741	18.31%	3.93%
2021 Notes Capitalized Interest Account - Money Market Fund	1,084,547	0.85%	5.01%
<b>Total Market Value, Trustee Accounts</b>	<b>\$ 65,431,797</b>	<b>51.15%</b>	<b>4.73%</b>
Accrued Interest:	190,959		
Operating Cash (includes outstanding checks)	3,850,719	3.01%	0.00%
Local Agency Investment Funds (LAIF) Balance	12,599,608	9.85%	3.93%
<b>Total Cash &amp; Investments</b>	<b>\$ 128,320,008</b>	<b>100.00%</b>	<b>3.84%</b>

  
Matthew P Anderson

Chief Financial Officer / Assistant Manager

\* Monthly report of security transactions and interest available upon request

\*\*Market value of LAIF based on the most available Fair Value factor

1/18/2024

Date

Silicon Valley Clean Water Operating and Reserve Funds - Sector Allocation & Compliance December 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	\$ 1,579,519	\$ 10,929,975	\$ 5,856,836	\$ -	\$ 18,366,330	40%	100%	✓	0.8%
Supranationals	99,655	-	-	-	99,655	0%	15%	✓	(0.0%)
Federal Agency/GSE	-	1,088,295	762,518	-	1,850,813	4%	100%	✓	0.0%
Federal Agency/CMBS	-	2,835,433	753,622	-	3,589,055	8%	100%	✓	(0.0%)
Federal Agency CMO	-	698,920	387,843	-	1,086,763	2%	100%	✓	(0.0%)
Federal Agency MBS	-	2,121,132	1,375,263	-	3,496,395	8%	100%	✓	(0.0%)
Municipal	-	867,187	702,332	-	1,569,519	3%	30%	✓	(0.0%)
Corporate Notes	395,367	4,662,986	3,072,472	-	8,130,826	18%	30%	✓	(0.2%)
Asset-Backed Securities	43,316	256,354	193,961	-	493,631	1%	10%	✓	(0.1%)
<b>Securities Sub-Total</b>	<b>2,117,857</b>	<b>23,460,283</b>	<b>13,104,847</b>	-	<b>38,682,987</b>	<b>84%</b>			
Accrued Interest	6,109	128,306	59,571	-	193,985				
<b>Securities Total</b>	<b>2,123,966</b>	<b>23,588,588</b>	<b>13,164,418</b>	-	<b>38,876,972</b>				
<b>Money Market Fund</b>	<b>2,005,672</b>	<b>352,493</b>	<b>2,455,289</b>	-	<b>4,813,453</b>	<b>10%</b>	20%	✓	(0.4%)
CAMP	-	-	-	2,544,557	2,544,557	6%	100%	✓	(0.1%)
Accrued Interest - CAMP	-	-	-	11,943	11,943				
<b>CAMP Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,556,500</b>	<b>2,556,500</b>	<b>6%</b>	100%	✓	0.0%
<b>Total Investments</b>	<b>\$ 4,129,637</b>	<b>\$ 23,941,081</b>	<b>\$ 15,619,707</b>	<b>\$ 2,556,500</b>	<b>\$ 46,246,925</b>	<b>100%</b>			
As % of 6/30/24 Target:	98.7%	96.8%	100.0%	100.0%	98.2%				

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- 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](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 5D

**ENGINEERING REPORT: JANUARY 2024  
CAPITAL IMPROVEMENT PROGRAM**

**UPCOMING COMMISSION ACTIONS:**

**2024 CIP Update:** Receive Presentation and Approve CIP 2024 Update

SVCW's Engineering Division updates the CIP every two years to ensure the Authority's needs are reflected accurately and remain current. CIP 2024 will update all projects within the CIP's 10-year projections including allocated budgets for each.

Planned Commission Actions: Approve the CIP 2024 Update – February 2024

**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: Approve Environmental Owner's Advisor Task Order Amendments – February 2024

**Diesel Aboveground Storage Tank Project (329):** Install an aboveground Diesel Tank for Standby Generators

This project includes replacement of the existing underground single wall diesel tank with an aboveground double walled diesel tank as mandated by the State of California. The aboveground tank has been installed and is in operation. The underground storage tank now (UST) can be decommissioned.

Planned Commission Actions: Accept the Project and File Notice of Completion – March 2024  
Approve UST Decommissioning Purchase Order – March 2024

**Final Effluent Pump Project (CIP#9257):** Replace Final Effluent pumps, motors, and electrical system.

The Final Effluent Pump project will replace all five pumps that pump final treated effluent into San Francisco Bay. These pumps were installed in the late 1970's original plant construction and have been operational since the Plant was commissioned in 1982. A competitive selection process was followed for a Progressive Design-Build team to do the work. Work has progressed to allow for SVCW staff and the design-builder to negotiate the first Stage 2 Amendment to allow for early procurement of long lead time equipment.

Planned Commission Actions: Award Stage 2 Amendment to Progressive Design-Build Agreement – April 2024

## **ONGOING PROJECTS IN CONSTRUCTION:**

**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.

**Digester 3 Cleaning and Rehabilitation (9245):** Cleaning of Digester No. 3

This project includes transfer of sludge and cleaning of Digester No. 3. This work will prepare the Digester No. 3 for rehabilitation work after which it will be placed into service. Once Digester No. 3 rehabilitation is complete, work on Digester No. 2 will start.

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

This project includes rehabilitation of the three fixed-film reactors and upgrading 3W system to increase the process water system capacity (3W = disinfected effluent, used in-plant for all process water needs).

**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.

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**TASK ORDERS APPROVED CALENDAR YEAR 2024:**

To date, there have been no task orders approved in calendar year 2024.

## AGENDA ITEM 5E

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

**FEBRUARY 12, 2024**  
**AGENDA ITEM 5E**

Updated: 01/17/2024

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
12/11/2023		Strategic Plan	1/1/2024		✓			Add a section for long-term strategies (10-15 year timeframe)
11/13/2023		Recycled Water and Energy Management	N/A	✓				Bring regular updates to meetings. Presentation on SPRP at December 2023 meeting given.
10/9/2023	1	Investment Portfolio	N/A			✓	11/13/2023	Bring information on expected returns and administrative fees re: investing in ESG companies.
	2	Public Comments during Meetings	N/A		✓			Changes discussed at November meeting. Possible policy will be brought to the Commission at January 2024 meeting.
9/11/2023		Strategic Planning	1/1/2024			✓		Appoint subcommittee (Commissioners Aguirre and Otte) to develop new strategic plan. Subcmte appointed; draft provided to full Commission in Dec 2023. See action item from 12/11/23.
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						
> 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.

Available Budget

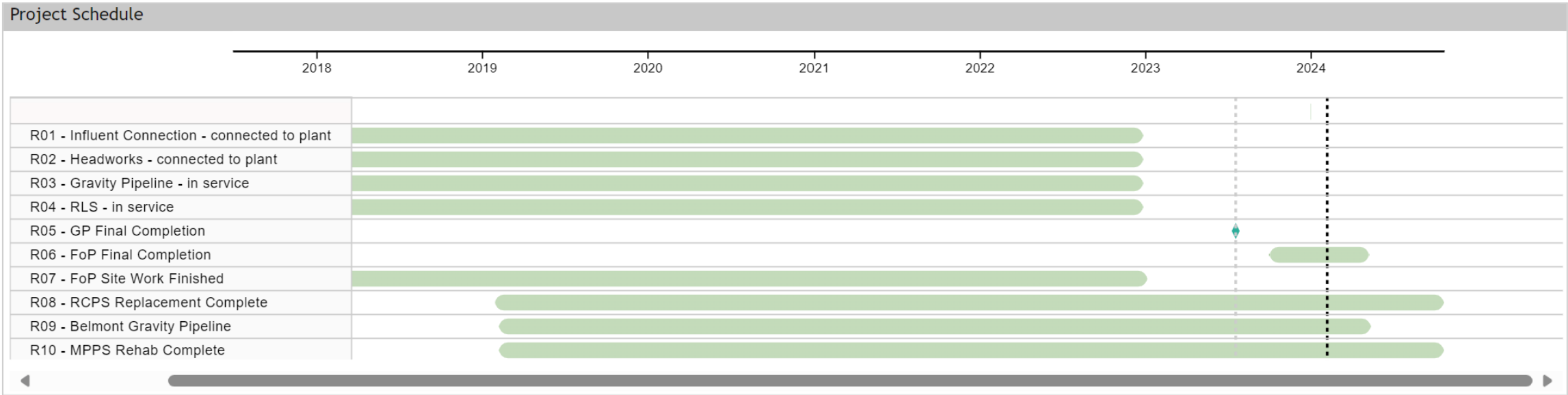
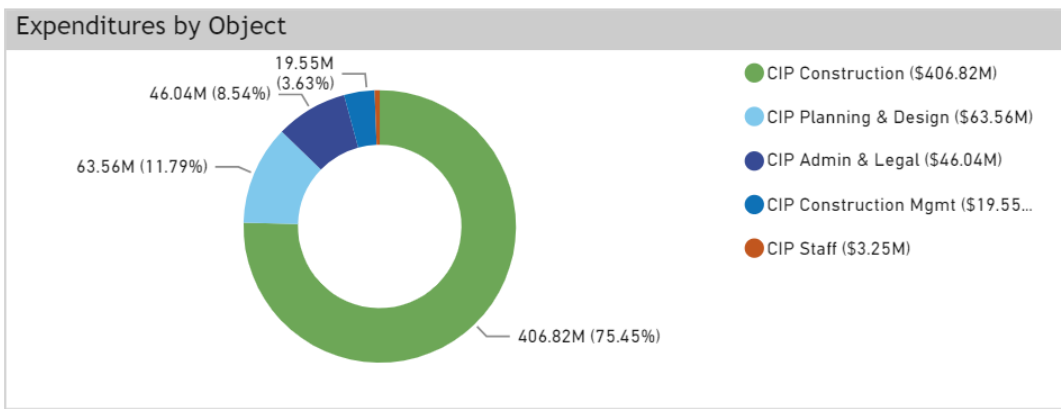
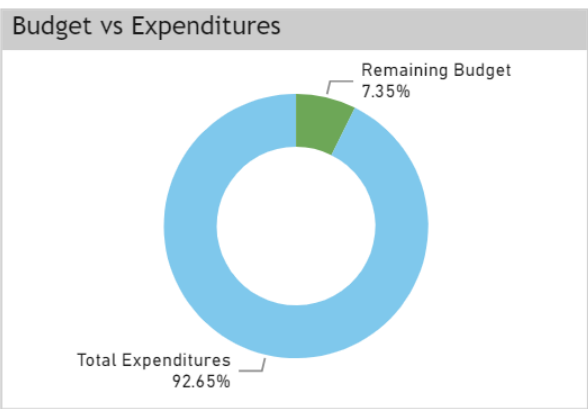
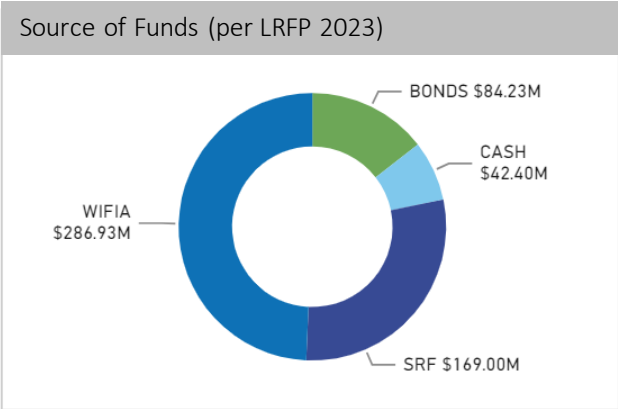
\$582.56M

Total Expenditure

\$539.71M

Remaining Budget

\$42.84M



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%	100%		Front of Plant <ul style="list-style-type: none"><li>- FoP Control Strategies completed.</li><li>- FoP Design Intent presentation completed.</li><li>- Acceptance Testing plan completed.</li><li>- All vendor trainings completed.</li><li>- Headworks and SFS/RLS Functional Testing completed.</li></ul>
GP	100%	0%	0%	0%	0%		Gravity Pipeline <ul style="list-style-type: none"><li>- GP Design Intent presentation completed.</li><li>- Acceptance Testing plan completed.</li><li>- FM to GP switchover completed.</li></ul>
MPPS A side	100%	100%	100%	100%	25%		Pump Stations Improvements <ul style="list-style-type: none"><li>- MPPS B-Side 30-Day Acceptance Testing completed</li></ul>
MPPS B side	100%	100%	100%	100%	100%		Program <ul style="list-style-type: none"><li>- RESCU Commissioning Risk Register workshop completed.</li><li>- Bi-weekly Risk Register meeting ongoing.</li></ul>
BGP	0%	0%	0%	0%	0%		
RCPS	0%	0%	0%	0%	0%		

3 - Month Look Ahead					
	Start	End	February	March	April
MPPS A-Side Start-Up 30 Day Acceptance Testing	January 15, 2024	February 14, 2024	X		
San Carlos Connecting Piping Startup	March 12, 2024	April 11, 2024		X	X
Bair Island Connecting Piping Startup	January 16, 2024	February 15, 2024	X		
BGP Start-up	March 12, 2024	April 11, 2024		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

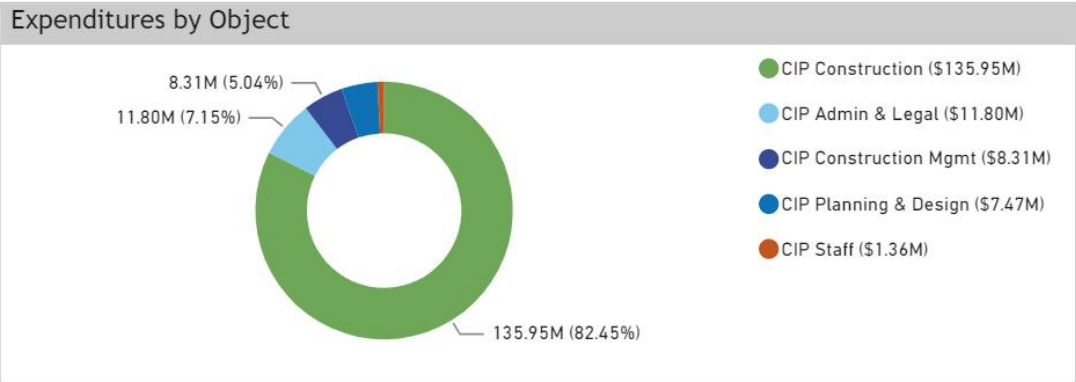
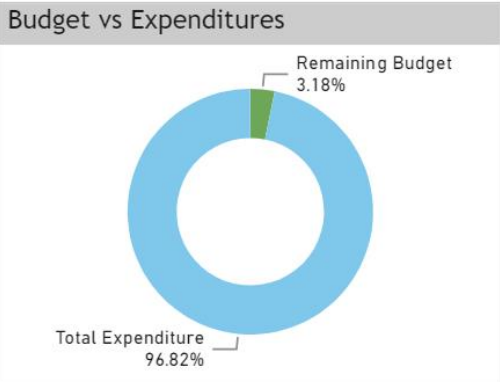
Total Expenditure

\$163.34M

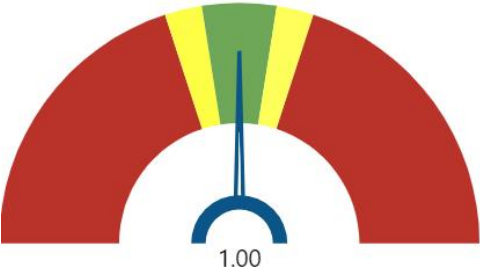
Remaining Budget

\$5.37M

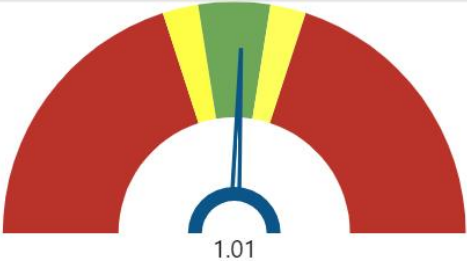
Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	8/1/2023
Headworks Facility Completed	12/6/2018	11/30/2022
SFS/RLS Completed	12/6/2018	2/22/2023
Bair Island Connecting Piping Startup	10/3/2022	2/15/2024
San Carlos Connecting Piping Startup	8/5/2022	4/11/2024
Substantial Completion		4/11/2024
Final Completion		5/9/2024



## Cost Performance Index (CPI)



## Schedule Performance Index (SPI)





Major Accomplishments this Period

▼	
Construction	<div><div>- SPJV began to address corrective work items throughout the RLS and Headworks.</div><div>- SPJV continued site grading and paving throughout the site.</div><div>- Vendor training is complete.</div><div>- The 30-day acceptance testing of the Headworks, SFS, and RLS was completed.</div><div>- SPJV began work on the permanent connection of the force main to the drop structure at Bair Island.</div></div>
Design	<div><div>- FoP design is complete.</div></div>
Procurement of Trade Packages	<div><div>- Front of Plant Trade Procurement is complete.</div></div>

Potential Issues

Utilidor extension for piping
Plant water pipeline size upgrade and related fixtures
Odor control fan
Air permit coordination
Additional cost due to changes to the temporary ILS bypass and procurement delays

Approved Project Changes

SCPS Miscellaneous Improvement
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
Extended Overhead Costs Associated with 54-inch Valve Delays
Electrical System
Electrical and Mechanical Miscellaneous Improvement
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

3 - Month Look Ahead

	▼ Start	End	February	March	April
SCGL Connecting Piping	August 5, 2022	April 18, 2024	X	X	X
Bair Island Connecting Piping	October 3, 2022	February 15, 2024	X		
Final Site Improvements	October 17, 2022	March 25, 2024	X	X	
Project Closeout	April 12, 2024	May 9, 2024			X



# 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

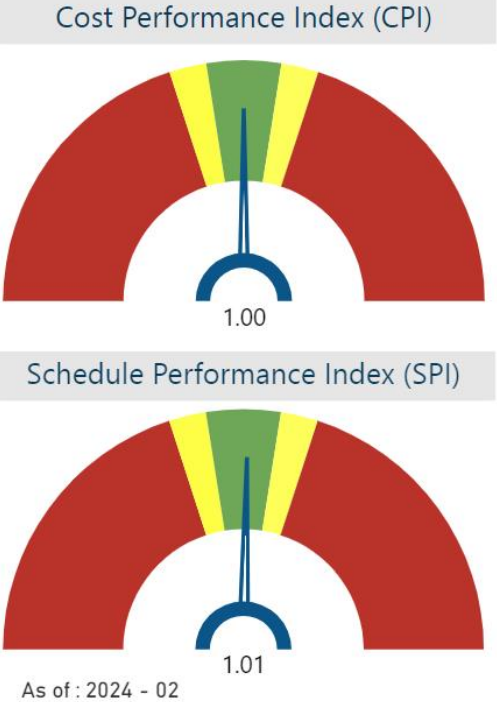
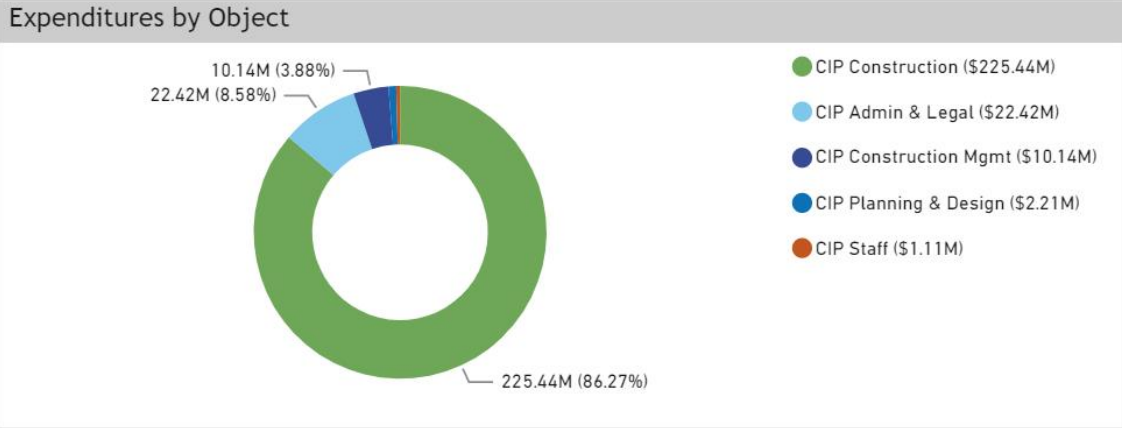
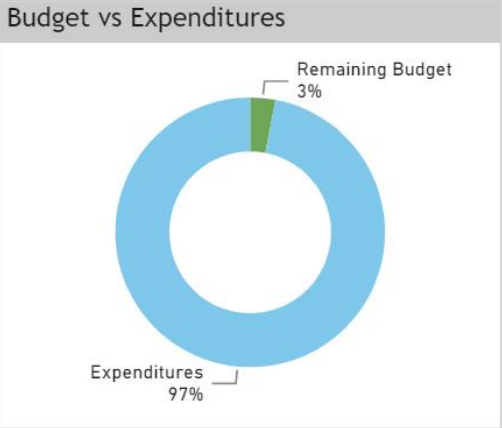
\$256.42M

Remaining Budget

\$7.93M

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

\* Schedule extension is currently in discussion





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.	

Potential Issues	
Remaining budget to be transferred to other project	
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)



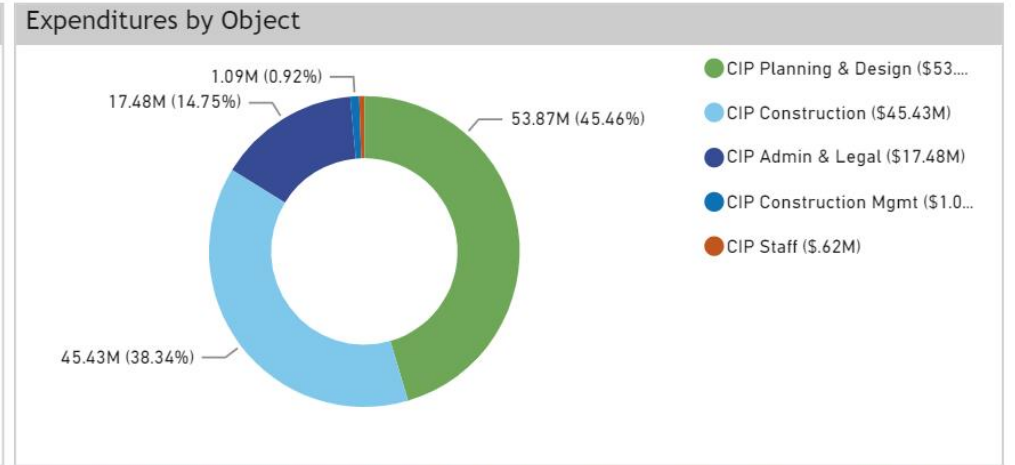
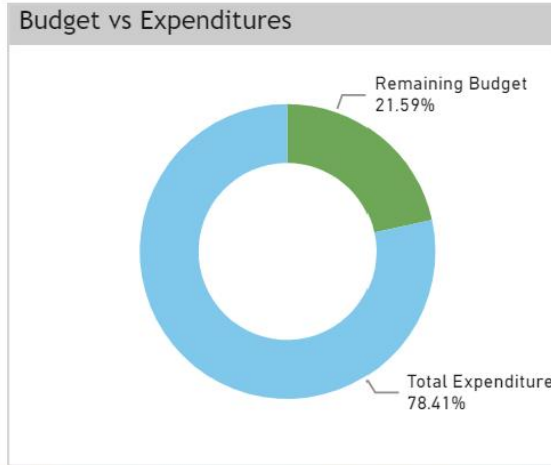
All SVCW pump stations require replacement or rehabilitation. Menlo Park PS will be rehabilitated. Redwood City PS will be replaced. Belmont PS will be replaced with a gravity pipeline. San Carlos PS is no longer needed due to the new gravity pipeline; flows from San Carlos and Belmont will enter into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

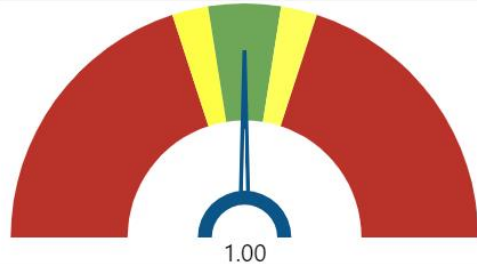
Total Expenditure  
**\$104.75M**

Remaining Budget  
**\$28.84M**

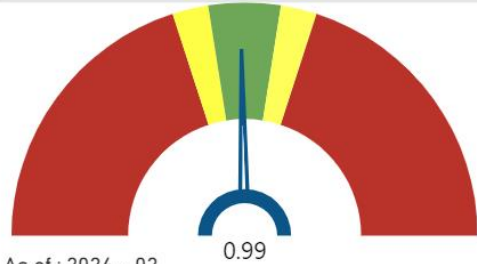
	Start	Finish
MPPS - B-side Pumps Completed	3/15/2022	10/13/2022
MPPS - A-side Pumps Completed	10/4/2022	2/14/2024
BGP - Gravity Pipe Installed	11/22/2023	3/6/2024
BGP - Shaft/Tunneling Work on Shoreway Road	4/12/2021	4/18/2023
RCPS - PG&E Service Work	5/4/2021	4/30/2024
RCPS - Wet Well & Screening Building Completed	4/17/2022	7/24/2024
RCPS - Electrical Building Completed	2/8/2021	3/5/2024
Substantial Completion - MPPS		10/21/2024
Substantial Completion - RCPS		10/21/2024
Substantial Completion - BGP		5/13/2024



## Cost Performance Index (CPI)



## Schedule Performance Index (SPI)



As of : 2024 - 02



# Pump Stations Improvement Progressive DB Project (CIP 9501)



## Major Accomplishments this Period

Construction	- BGP: SPJV demoed the existing pumps and piping inside the San Carlos Pump Station. The piping, KGV, and meters were installed.
	-Bair Island Road Restoration: Cut and cleared vegetation for the new access road. Ground out the staging area and entire access road.
	- RCPS: Wet Well, Screening Building, and Junction Box exterior walls had waterproofing applied. Bar Screens, Washer Compactor and associated piping were installed. Screening Building deck covers were installed.
	- MPPS: MPPS Construction is complete, B-Side 30-Day Acceptance Testing complete. A-Side 30-Day Acceptance Testing began. SPJV continues to complete remaining Punch List Work.
Design	- BGP: SPJV provided declassification drawings, including changes to transmitter screen locations.
	- RCPS: SPJV provided updated Yard Piping Design for double pumping with MPPS.

## Potential Issues

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 CARV Installation
MPPS and RCPS PG&E Related-Changes
Izzys Fence
Contract time extension
Challenges from permitting and land acquisition conditions at RCPS
Bair Island Road Restoration

## 3 - Month Look Ahead

	Start	End	February	March	April
MPPS - Punchlist	February 19, 2024	February 29, 2024	X		
BGP - SCPS Connection to GP (Demo + Piping Installation)	November 13, 2023	February 27, 2024	X		
BGP - Belmont Pump Station Demo	March 13, 2024	May 29, 2024		X	X
RCPS - PG&E Service	May 4, 2021	April 30, 2024		X	X
RCPS - Structural Concrete	September 8, 2021	March 13, 2024	X	X	
RCPS - Mechanical - Wet Well	November 28, 2022	July 24, 2024	X	X	X
RCPS - Mechanical - Screening Structure	October 31, 2022	March 20, 2024		X	
RCPS - Electrical / I&C	January 5, 2024	May 13, 2024	X	X	X
RCPS - Junction Box	June 24, 2022	May 23, 2024	X		X
RCPS - Electrical Building & Restroom	February 8, 2021	March 5, 2024	X	X	
RCPS - 36" MPPS Force Main and Valve Vaults	March 22, 2024	June 18, 2024		X	X
RCPS - Site Utilities	September 28, 2023	July 10, 2024		X	X
RCPS - Effluent Piping and Meter Vault	December 19, 2023	July 26, 2024	X	X	

## Safety Spot Light

Lost Time	0
Near Misses	0
Recorded Losses	0



## Approved Project Changes

Updated MPPS Schedule to address Electrical Equipment Delays
Stage 2F Traffic Control Allowance Release
Stage 2 Baseline Schedule Revision
Segment 1 Force Main Junction Box Repairs
Revised Piping and Flowmeter for BGP Piping in SCPS, Autostart for MPPS and RCPS Portable Generator, RCPS Pump Protection Panel "Reset" Button, MPPS Chemical Feed Pump Receptacles, MPPS and RCPS Phase Loss Relay, MPPS Bathroom Items, Additional Paving Thickness in San Carlos
Redwood City 48" Pipe Rehabilitation Costs and Impacts, Updated Stage 2A and 2C Substantial Completion
PSI Allowance Release - All Stages
Pre-design for 33-inch FM Stabilization and Maple Street Improvements
MPPS Roof Receptacle, MPPS E/I&C Adjustment from 60% to 100%, SCPS E/I&C Adjustment from 60% to 100% (Credit), BGP Manhole Lids, Differing Site Conditions at JS-1 and RS-1, San Carlos Pump Station Declassification Design, RCPS Chopper Pump Replacement (Credit), Raising Screenings Deck, Design of 60-inch Connection and Isolation Gate to RCPS Junction Box, PG&E Impacts at RCPS, RCPS E/I&C Adjustment from 60% to 100% (Credit)
MPPS PG&E Allowance Release, MPPS PG&E Electrical Impact Costs, MPPS PG&E Transformer Swap - Temporary Generator Additional Costs, RCPS Secondary Conductors
BPS Demo Allowance Release, Retaining Wall Slab Concrete Removal, Existing RCPS Crack Repair, Biggie Crane Costs, RCPS Hauling (Credit), Moving Conex and Equipment to the Cargill Lot, Updated Stage 2F Substantial Completion
BGP RS-2 Lane Realignment
BGP Design Development
Bair Island and San Carlos Pump Station Connecting Piping Electrical Scope (transfer from GP Project)
Allowance Release, Monitoring Off Position for PSI Valves, Communications Cable and Power Updates Related to Smartlinx Addition at MPPS, Remote ARV Monitoring Modification, RCPS Standby Generator Cost Increase, MPPS Sampler Piping, RCPS CARVs, Monitoring MPPS PRV, 12" Water Relocation and Calwater Costs (RS3) (Credit), MTBM Stoppage at STA 46+43, Irrigation Piping at ARV Vault, Raise KGVs and Piping, Credit for Segment 2 ARV (Sta. 155+80) (Credit)
Allowance Release, JS-4 Unforeseen Fiber Optic Utility Impacts, MPPS Baffle Wall, BPS Demo Design

## AGENDA ITEM 6A

**Silicon Valley Clean Water  
Commission Meeting Dates for Calendar Year 2024\***

<b>Meeting Date</b>	<b>Type of Meeting</b>
January 8, 2024	Cancelled
February 12, 2024	Regular
March 11, 2024	Regular
April 8, 2024	Regular
May 13, 2024	Regular
June 10, 2024	Regular
July 8, 2024	Regular
September 9, 2024	Regular
October 14, 2024	Regular
November 11, 2024	Regular
December 9, 2024	Regular

\*Regular Meetings are scheduled for the second Monday of each month  
No meetings in August each year

## AGENDA ITEM 7A

**MINUTES OF SILICON VALLEY CLEAN WATER  
REGULAR MEETING – December 11, 2023  
8:00 a.m.**

Place: Silicon Valley Clean Water  
1406 Radio Road  
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  
Council Member, Tom McCune, Belmont – Alternate

**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  
Mark Minkowski – Kennedy Jenks  
Bill Tanner – Tanner Pacific  
Aren Hansen – Brown & Caldwell  
EJ Shalaby – DNS Strategies  
Sergio Rameriez – West Bay Sanitary District  
Dawn Taffler – Kennedy Jenks

**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 holiday safety.

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

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

- A. APPROVAL OF MINUTES – November 11, 2023 - Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED OCTOBER 3, 2023 - NOVEMBER 27, 2023, AND NECESSARY PAYMENTS THROUGH NOVEMBER 27, 2023
- C. CONSIDERATION OF MOTIONS APPROVING FINAL ACCEPTANCE AND AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE DIGESTER NO. 1 REHABILITATION PROJECT (CIP# 9215)

Proposed Actions:

- i. Move approval to ACCEPT DIGESTER #1 REHABILITATION PROJECT (CIP #9215) AND AUTHORIZE FILING NOTICE OF COMPLETION – Trinet Construction, Inc.
- ii. Move approval of INCREASE IN BUDGET TO CAPITAL IMPROVEMENT PROGRAM PROJECT #9215 TO \$4,400,000
- D. CONSIDERATION OF RESOLUTION APPROVING REVISION D TO COMMISSION POLICY NO. 2016-01 FOR IMPLEMENTING DESIGN-BUILD AND PROGRESSIVE DESIGN-BUILD PROJECTS

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION D TO COMMISSION POLICY 2016-01, FOR IMPLEMENTING DESIGN-BUILD AND PROGRESSIVE-DESIGN-BUILD PROJECTS

**Motion/Second: Mr. Collins / Mr. Otte**

The Motion carried by Unanimous Vote

**ITEM 8A**

RECEIVE PRESENTATION ON SF-PENINSULA REGIONAL PUREWATER (SPRP) PROJECT

No action was taken; direction was provided to staff.

**ITEM 8B**

CONSIDERATION OF RESOLUTION APPROVING NON-DISCLOSURE AGREEMENT WITH MAINSPRING ENERGY, INC FOR SVCW POWER GENERATION

Proposed Action:

Move adoption of RESOLUTION APPROVING NON-DISCLOSURE AGREEMENT WITH MAINSPRING ENERGY INC

**Motion/Second: Mr. Otte / Mr. Collins**

The Motion carried by Unanimous Vote

**ITEM 9**

Closed Session was called to order at 9:47 am

**ITEM 10**

RECONVENE IN OPEN SESSION

Open Session reconvened at 10:12 am

Ms. Fitzgerald reported that, as to closed session item 9A, no action was taken.

**ITEM 11**

ADJOURN

There being no further business, the meeting adjourned at 10:13 am

Minutes prepared by Teresa A. Herrera

Reviewed by General Counsel

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Ron Collins, Secretary

## AGENDA ITEM 7B



**SVCW WARRANT REGISTER**

SVCW Warrant Registers dated November 28, 2023 – December 26, 2023, were scanned and a copy was emailed to Commissioners and Legal Counsel on February 7, 2024.

## AGENDA ITEM 7C

**CONSULTING SERVICES AGREEMENT  
FUNDING STRATEGIES FOR UNFUNDED PENSION LIABILITIES**

**ISSUE**

Authorization of Agreement for Consulting Services on Unfunded Pension Liabilities Funding Strategies

**BACKGROUND**

As a public agency, Silicon Valley Clean Water (“SVCW”, or “the Authority”) provides employees with a defined benefit pension through the California Public Employees’ Retirement System (CalPERS). Over the past decade CalPERS reduced its planned discount rate and experienced volatile investment returns, the results of which have increased the unfunded pension liabilities faced by agencies across the state.

As of June 30, 2023, SVCW’s Fiduciary Net Position as a percentage of its Total Pension Liability was estimated at 76.7%, with a Net Pension Liability of \$20.2 million. Beginning in 2020, SVCW established a Section 115 irrevocable trust to help address this liability; as of June 30, 2023 the trust had assets valued at \$2.4 million. SVCW seeks additional strategies that may complement its efforts to reduce its unfunded pension liability.

**DISCUSSION**

Ridgeline Municipal Strategies, LLC (“Ridgeline”), is a California-based independent registered municipal advisory and financial consulting firm serving local government agencies. Its specialty in CalPERS pension plan management seeks to uncomplicate the topic of public pensions and develop strategies to address unfunded liabilities.

Discussions between Ridgeline and SVCW management have led to a scope of services which includes an initial pension liability assessment, with an analysis of the CalPERS actuarial reports specific to SVCW. Ridgeline will provide its analysis of the CalPERS report and an overview of cost optimization strategies available to SVCW. The firm will also develop a pension liability management policy with draft language incorporating selected cost optimization strategies.

**CLIMATE EFFECTS**

There is no environmental impact associated with this action.

**FINANCIAL IMPACT**

Proposed fees for Ridgeline’s scope of services is \$5,500. Funding for these services will derive from the 2023-24 Operating Budget.

**RECOMMENDATION**

Move approval of CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$5,500 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – RIDGELINE MUNICIPAL STRATEGIES, LLC

## AGENDA ITEM 7D

**RESCU PROGRAM  
ENVIRONMENTAL OWNER'S ASSIST FUNDING AUTHORIZATION**

ISSUE

Approve Additional Owner Assist Funding to David J Powers and Associates for Environmental Services and JHS Consulting for Environmental Planning Services

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. A major component of the conveyance system is the Pump Stations Improvements (PSI) project which includes: 1) the Menlo Park Pump Station rehabilitation 2) a new Redwood City Pump Station-Booster Station and 3) the new Belmont Gravity Pipeline.

SVCW's two environmental and permitting consultants, David J. Powers and Associates (DJPA) and JHS Consulting (JHS), were heavily involved in the planning process for SVCW in obtaining environmental permits and preparing the Environmental Impact Report (EIR). During the construction phase, these entities are responsible for tracking the contractors' and SVCW's compliance with the permit and EIR mitigation requirements.

Starting July 2020, the Stage 2 construction phase consultant agreements were negotiated for Owner Assist Services during PSI project construction. The current authorizations assumed a substantial completion date of December 2023 for the program. Currently, the substantial completion date for the PSI project is October 2024. The schedule extension is due to several factors including delays in procuring services and equipment due to supply chain issues and challenges with PG&E in providing electrical service.

The Owner Assist task order funding levels were based on the project scope and schedule information available in 2020. Consultant costs are highly dependent on project schedule as many of the consultants contribute to weekly and monthly meetings and provide regular reporting services required for the duration of the project.

DISCUSSION

SVCW's Owner Assist consultants supporting the RESCU Program have been successful in delivering high-quality specialty services and adding value to the overall project activities. Using consultants for specialty services is both efficient and economic from the standpoint that hiring staff to perform the same work would be cost and work-force prohibitive.

The environmental consultants and their responsibilities on the RESCU program are:

**JHS Consulting** has been SVCW's CEQA/NEPA consultant since 2016, advising SVCW staff on best practices and helping resolve specific issues in complying with State and Federal environmental laws. JHS oversees the RESCU environmental program, ensuring that SVCW and its contractors comply with the various permit requirements and EIR

mitigation requirements. In this capacity, JHS Consulting oversees the work of David J. Powers and Associates (DJPA).

**David J. Powers and Associates (DJPA)** authored the RESCU Program Environmental Impact Report (EIR) and the Mitigation Monitoring Plan (MMP). During construction of the RESCU projects, it is necessary to implement the MMP. While the design-build entities have the responsibility for implementing the MMPs, SVCW is required to verify and document that the mitigations are being completed. DJPA and their subconsultants provide these services. Examples of services include annual bird surveys to ensure the projects are not interfering with endangered species, and noise monitoring to ensure the projects are mitigating the noise inevitably created during construction activities.

The additional requested funding for each consultant is:

JHS Consultants:	\$50,120
David J Powers and Associates:	<u>\$90,000</u>
Total	\$140,120

#### CLIMATE EFFECTS

No climate effects are attributable to this action.

#### FINANCES

Additional scope and extended schedule for the PSI Owner Assist specialty consulting team will add approximately \$140,120 to the project budget. This cost can be absorbed by the contingency budget in the RESCU program budget.

#### RECOMMENDATION

- i. 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 \$90,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – DAVID J. POWERS AND ASSOCIATES.
- ii. 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 \$50,120 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JHS CONSULTANTS.

## AGENDA ITEM 8A

**CAPITAL IMPROVEMENT PROGRAM  
2024 CIP UPDATE AND CEQA COMPLIANCE****ISSUE**

Adopt the 2024 CIP Update and Corresponding CEQA Conclusions

**BACKGROUND**

The core function of a wastewater treatment facility is to protect public health and the environment. To meet this core function, it is necessary for a public agency to adequately protect its capital assets. A current and comprehensive Capital Improvement Program (CIP) is a common and invaluable tool for public agencies, as it allows methodical planning for capital improvements to ensure that facilities necessary for transport and treatment of the community's wastewater are provided.

There are many uses of a long-range CIP. For example, it allows an agency to make informed decisions about funding it will need, it serves to ensure the rates it collects from its citizens are adequate to meet the required expenditures when they occur, and it is a valuable vehicle to comply with environmental documentation necessary for California Environmental Quality Act (CEQA) compliance. Anticipated budget needs contained within the CIP are captured in SVCW's Long Range Financial Plan which is updated at the beginning of each calendar year. The LRFP is the subject of this Commission Meeting Agenda Item 8B.

SVCW's first Capital Improvement Program was adopted by the Commission in May 2008. At the time, it was intended that the CIP would be a "living program" and regularly updated to accurately reflect the status of infrastructure needs at SVCW and appropriately plan and implement capital facility replacement and improvements. To that end, the CIP has been updated 9 times since its inception and, to date, over 130 projects have been undertaken and completed. Using a long term, rolling-process approach to identify and address capital facility needs keeps the SVCW facilities in good operating condition and performing their intended service.

**DISCUSSION**

This current CIP Update includes information on projects previously identified and newly identified, updates estimated project costs and timing, and includes consideration of necessary CEQA actions. For most of the projects within the treatment plant, CEQA actions are comprised of Statutory Exemptions or Categorical Exemptions\*. For projects that occur outside the wastewater treatment plant boundary, Initial Studies and subsequent environmental documentation may be needed. Specific CEQA actions are determined on a project-by-project basis and anticipated actions for every project are included in this CIP Update.

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\* Statutory Exemptions are applicable to planning or feasibility studies. Examples for a Categorical Exemption are projects that replace or restore existing facilities, new construction of small structures, and cogeneration projects at existing facilities.



SVCW has a robust preventative maintenance program in place and to augment this capability for long-range planning, is implementing an asset management program. The asset management program is used to ensure SVCW's assets are rehabilitated or replaced prior to failure, informs future CIP updates, and enable funding needs' forecasting.

The CIP is organized into seven categories:

1. Conveyance System, including RESCU
2. Structural Rehabilitation, including Corrosion Control
3. Underslab and Above Grade Piping Rehabilitation
4. Mechanical, Electrical, and Instrumentation Rehabilitation
5. Site Civil Rehabilitation
6. Process Efficiency and Regulatory Mandates
7. CIP Support

### **1. Conveyance System**

Projects within the Regional Environmental Sewer Conveyance Upgrade program (RESCU) comprise most of the Conveyance System section of the CIP. The RESCU Program budget was adjusted in December 2022 to account for identified risks and potential change orders in the risk register. The 2024 CIP makes no additional increases to the RESCU program as a whole; however, it reallocates the budgets amongst the four projects contained within RESCU.

A new project added into the 2024 CIP is the repair and/or replacement of the 33-Inch Force Main (the pipeline between the Menlo Park Pump Station and the Redwood City Pump Station which conveys sewage from West Bay Sanitary District's service area). A 2021 inspection of the pipeline indicated that it has 10+ years of life remaining, so this project is projected to be started and completed near the end of the ten-year CIP timeframe.

### **2. Structural Rehabilitation**

This section of the CIP covers structural issues associated with the corrosive environment inherent in a wastewater environment. It includes replacement of protective coatings inside process tanks and channels, replacement of coatings on steel piping, crack repair on structures, and seismic improvements. Investigation of corrosion issues and replacement of coatings is a constant process and coating projects that were completed early in the CIP's 2008 inception need to be repeated.

### **3. Underslab and Above Grade Piping Rehabilitation**

Recent inspections have revealed that the steel piping conveying wastewater from process to process within the treatment plant is experiencing corrosion and loss of thickness. A condition assessment and prioritization of pipelines for rehabilitation projects is currently underway. Approximately \$13.6 million was added to the CIP to address known and unknown piping rehabilitation. This additional budget will allow for further inspection and major repair of in-plant piping.

#### **4. Mechanical, Electrical, and Instrumentation Rehabilitation**

This section covers rehabilitation and/or replacement of equipment that is no longer performing efficiently. Almost every piece of equipment in the plant has been replaced over the last 16 years and are ready, again, for repair/rehabilitation or replacement. Most of the projects in this section fall into this category.

Five new projects were added to this section. The largest is the Secondary Clarifier Rehabilitation, with an allocated budget of \$30 million. This treatment process tank and equipment have never undergone a major rehabilitation. The other four projects total \$18 million in projected costs.

#### **5. Site Civil Rehabilitation**

This section of the CIP includes grounds and site improvements and repair/replacement projects. The treatment plant location is situated on a deep layer of Young Bay Mud; anything not on constructed upon deep piles moves significantly. This results in settlement of roadways, walkways, stairs, and non-pile-supported pipes and structures. The need to attend to such settlement is an ongoing work effort for SVCW engineering and maintenance staff.

Also within this CIP section, a project to repair the levee that protects the treatment plant has been added. In 2023, it was discovered that bay water is leaking through the sheet-pile levee near the south-east corner of the plant. A feasibility study is underway to determine what capital project is needed to repair the leak. This project has a budget of \$20 million allocated to it.

#### **6. Process Efficiency and Regulatory Mandates**

Contained in this section are improvement projects that will help the plant perform more efficiently and/or more cost effectively. Examples of projects in this section include the BioForceTech biosolids drying system and the Food Waste System. An example of regulatory mandates is an anticipated requirement to replace the waste gas burners which is anticipated as an upcoming industry-wide mandate by the Bay Area Air Quality Management District for San Francisco Bay treatment plants.

A very large capital project has been added to this section of the CIP: addressing capital needs to comply with the Regional Water Quality Control Board's upcoming 2034 Total Nitrogen effluent limits. A budget of \$50 million has been allocated as a placeholder amount, as the limits have not yet been announced and, therefore, the project has not yet begun the planning phase.

#### **7. CIP Support**

This section covers administrative tasks for supporting the CIP, including standard specification updates, cost estimating services, and support for SRF and WIFIA funding.

Staff will provide a presentation at the meeting to explain the CIP 2024 Update in greater detail.

### CLIMATE EFFECTS

Each individual project within the CIP is analyzed for climate impacts documented within CEQA actions.

### FINANCES

This 2024 CIP predicts approximately \$445.8 million will be spent in the next 10 years (beginning July 1, 2023), which will be financed using a defined long-term debt strategy. Since Member Agency sewer rates provide the underlying repayment security for this financing, SVCW annually updates its LRFP as a roadmap for funding the CIP. The LRFP Update is the subject of a separate action (Agenda Item 8B).

### RECOMMENDATION

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2024 UPDATE OF THE SILICON VALLEY CLEAN WATER CAPITAL IMPROVEMENT PROGRAM AND CORRESPONDING CEQA CONCLUSIONS

## AGENDA ITEM 8B

**LONG RANGE FINANCIAL PLAN  
2024 UPDATE****ISSUE**

Receipt and Approval of the Silicon Valley Clean Water Long Range Financial Plan 2024 Update

**BACKGROUND**

Silicon Valley Clean Water (“SVCW”) updates its Long-Range Financial Plan (“LRFP” or “the Plan”) at the beginning of each calendar year. The Plan describes cash flows needed over a 10-year forward projection and, therefore this proposed LRFP 2024 update describes the cash flows needed by SVCW through fiscal year 2033-34. It includes funding for operations and maintenance of wastewater facilities, revenue-funded capital projects, debt service payments, and ongoing cash reserve contributions. The purpose of the LRFP is to inform Member Agency staff who may incorporate the financial projections into rate planning and other decision-making associated with its sewer operations.

The Plan conforms to the financial and budgetary aspects of the SVCW Joint Powers Agreement. It incorporates the adopted 2023-24 operating/capital budgets along with relevant fiscal policies that may shape SVCW cash flow requirements. SVCW staff intends the Plan to fairly reflect actual operating costs, anticipated construction activities, and debt service payments.

A draft Plan with details have been discussed and provided to Member Agency staff.

**DISCUSSION**

Under SVCW’s Capital Improvement Program (“CIP”) much of SVCW’s wastewater conveyance and treatment facilities have been replaced and rehabilitated since 2008. Now in its sixteenth year, the CIP has completed over 131 projects. The Authority will complete its largest capital project in its history, the Regional Environmental Sewer Conveyance Upgrade (“RESCU”), this year. In addition to RESCU, other critical projects at the treatment plant include replacement of fixed film reactors (FFR’s), the 33” Force Main which conveys West Bay Sanitary District’s wastewater, a project to remove nutrients from wastewater effluent, and general rehabilitation of a network of original pipe. From July 01, 2023 through Fiscal Year ending 2034, expenditures for projects identified in the CIP are estimated at \$438 million as illustrated below:

Identified Capital Expenditure Projections through Fiscal Year 2033-34; by Capital Program												
Program	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	TOTAL
Gravity Pipeline	\$ 3.56	\$ 0.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.45
Front of Plant Facilities	21.53	5.38	-	-	-	-	-	-	-	-	-	26.91
Pump St. / Conveyance	19.41	19.91	-	-	-	-	-	7.30	21.91	21.91	21.91	112.36
Pipeline Improvements	3.51	5.51	6.69	5.02	-	1.28	2.56	5.12	3.84	-	-	33.52
Treatment Facilities	12.54	30.07	35.51	9.84	9.96	15.63	16.22	11.66	7.30	2.55	2.50	153.79
Nutrient Removal	1.71	3.42	6.83	5.13	-	-	-	5.00	15.00	15.00	15.00	67.09
Site Civil	1.56	4.00	2.00	5.90	10.90	0.90	0.90	-	-	-	-	26.16
Efficiency/Regulatory	1.53	5.26	1.60	0.58	0.96	1.56	1.00	0.80	0.20	0.20	0.10	13.77
<b>TOTAL</b>	<b>\$ 65.34</b>	<b>\$ 74.43</b>	<b>\$ 52.63</b>	<b>\$ 26.46</b>	<b>\$ 21.82</b>	<b>\$ 19.37</b>	<b>\$ 20.68</b>	<b>\$ 29.88</b>	<b>\$ 48.25</b>	<b>\$ 39.66</b>	<b>\$ 39.51</b>	<b>\$ 438.04</b>

The CIP has been funded principally with long-term debt; SVCW has secured over \$575 million in low-interest government loans and raised \$310 million through issuance of sewer revenue bonds. In addition, over the past twelve years three members selectively contributed approximately \$70 million in cash rather than fully participate in all SVCW debt issuance transactions.

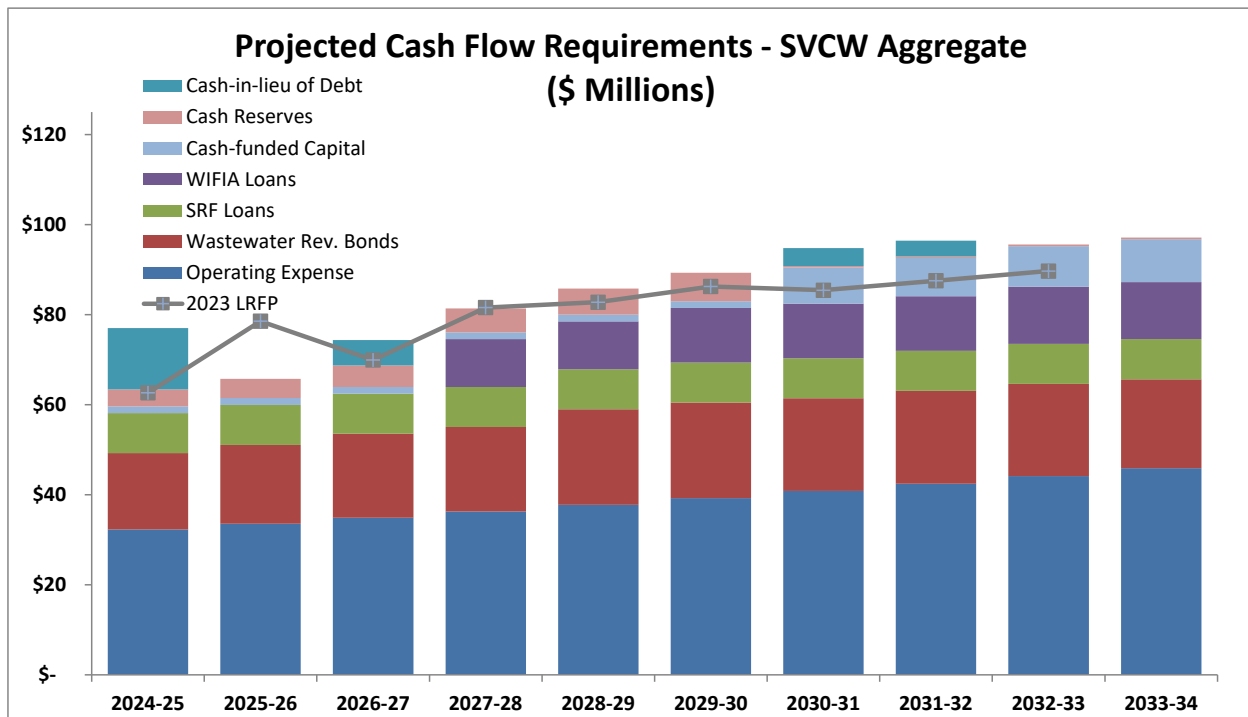
Each year SVCW updates its future funding strategy using the LRFP and considering three critical areas:

- **CIP Update:** SVCW regularly updates the cost estimates of remaining CIP projects by adjusting for project additions and deletions, changes in project scopes, and new construction cost information. The 2024 CIP Update, as presented to the Commission in February 2024 as Agenda Item 8A, identifies an additional \$221 million in projects over the next decade. Updated information has been incorporated into this LRFP.
- **Construction Timing:** To ensure projects can both be constructed and managed in a reasonable timeframe, the Engineering Division collaborates with other operating divisions on project timing. Together they develop construction schedules that provide treatment reliability, at a pace manageable by the operating divisions.
- **Financing Sources and Rates:** The LRFP seeks to pursue low-cost sources of project funding, including governmental loans from the U.S. Environmental Protection Agency (“U.S. EPA”) and the California State Water Resource Control Board (“SWRCB”). When necessary, the Authority will issue revenue bonds to ensure project construction is not constrained for funding reasons. Approximately \$221 million of new funding sources would be needed to fund the proposed CIP, as follows:
  - One SWRCB State Revolving Fund (“SRF”) Loan valued at \$73 million, assumed to be drawn upon in FY 2030-31 at an interest rate of 3.25%. Debt service payments will commence one year after project completion.
  - Three U.S. EPA Water Infrastructure Finance Innovation Act (“WIFIA”) Loans, together valued at \$49 million, would fund up to 49% of dedicated projects. These loans are assumed to be secured in 2025, 2029, and 2031, respectively. The assumed interest rate of each loan is estimated at 4.50%. WIFIA amortization schedules can be wrapped around existing debt service payments to avoid significant demands on cash flow.
  - Two Bond Issuances are assumed, for a combined \$99 million of project funding. In fiscal year 2025-26, a variable-rate bond issuance for \$50 million is assumed at an average interest rate of 3.40%. Additionally, \$49 million in fixed-rate bonds would be issued in fiscal year 2027-28 at an estimated interest rate of 5.0%.

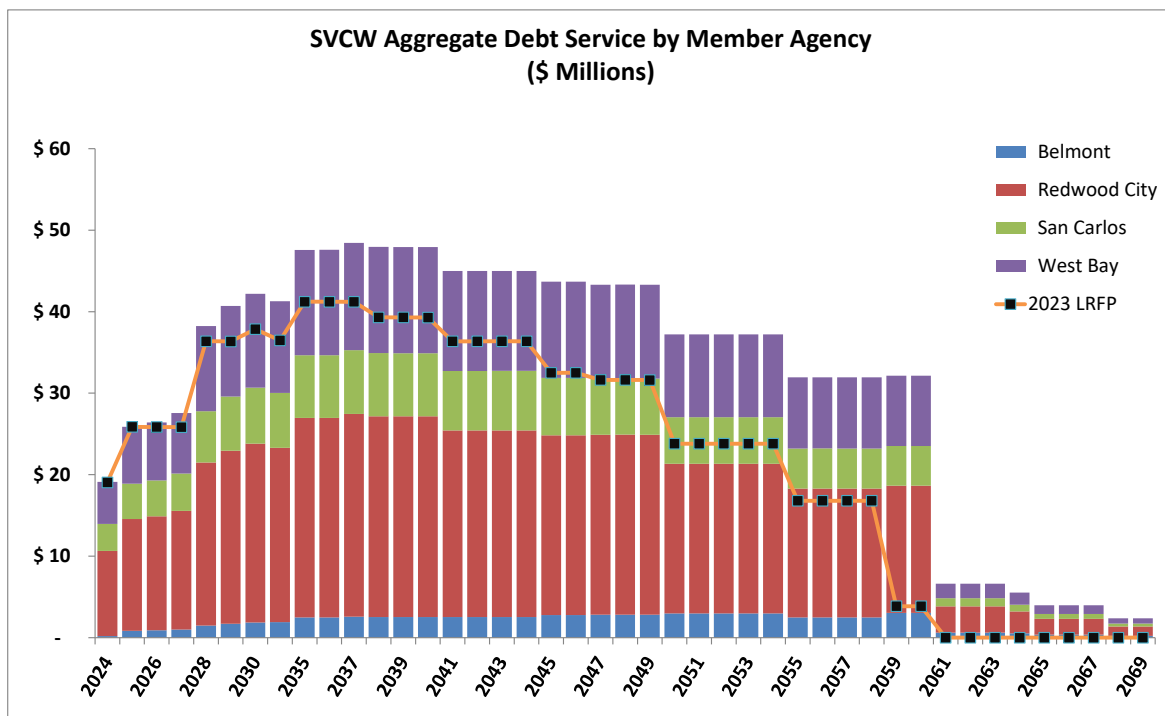
## FINANCES

The 2024 LRFP describes the structure, timing, and amount of all SVCW expenditures over the next decade and is intended for use by Member Entities for financial planning purposes, especially when considering future sewer rates. It incorporates inflationary factors, estimates debt service payments, provides for cash-funded capital projects, and accounts for future contributions to cash reserves. SVCW anticipates \$77 million will be needed in fiscal year 2024-25, which includes \$32.3 million for Operating Expenses, \$25.9 million for Debt Service Payments, \$3.8 million in contributions to cash reserves,

and \$1.5 million for pay-go capital projects. It also includes a \$13.6 million member contribution for large capital projects, in lieu of issuing new debt next year. Total projected cash flow requirements are shown below:



Compared to the prior year's update to the Long-Range Financial Plan, debt service payments would materially increase. The Maximum Annual Debt Service ("MADS"), anticipated in fiscal years 2035 through 2040, is estimated at approximately \$48 million.



To reduce the amount borrowed, management continues to recommend strategic use of cash reserves to fund \$89 million of projects, including drawing \$26.7 million from Members' sewer funds.

Identified Capital Expenditure Funding Projection through Fiscal Year 2035-34; by Capital Program												
Program	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	TOTAL	
Stage 2 Reserves	\$ 14.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14.23	
Cash in lieu of debt	13.62	-	5.63	-	-	-	4.00	3.50	-	-	26.76	
SVCW Liquidity / Reserves	4.20	-	-	-	-	-	11.52	12.35	10.20	10.15	48.42	
<b>TOTAL</b>	<b>\$ 32.05</b>	<b>\$ -</b>	<b>\$ 5.63</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15.52</b>	<b>\$ 15.85</b>	<b>\$ 10.20</b>	<b>\$ 10.15</b>	<b>\$ 89.40</b>	

- **Stage 2 Reserves:** As of December 31, 2023, approximately \$15.6 million is held in this reserve and available for projects designed to maintain SVCW's treatment capacity.
- **Cash in lieu of Debt:** As surplus cash has been available, Members have at times opted to fund CIP construction with cash rather than issuing additional debt. A similar approach is proposed over the next ten years for approximately \$26.7 million in project expenditures. Alternatively, Members may choose to utilize SVCW's line of credit or issue a modest amount of wastewater revenue bonds.
- **SVCW Liquidity / Reserve Contributions:** By the end of fiscal year 2029-30, the CIP Reserve Fund is predicted to reach its target balance. Per CIP Reserve Policy (Commission Policy No. 2013-03), Members' annual contributions would thereafter be directed to fund CIP projects. Through this practice, Members' ordinary amounts for reserve contributions continue but are used towards \$44.2 million for projects in fiscal years 2030-31 through 2033-34.

Cash flows for each Member will be presented in detail at the Commission meeting.

#### RECOMMENDATION

Move approval of RECEIPT AND ACCEPTANCE OF SILICON VALLEY CLEAN WATER LONG-RANGE FINANCIAL PLAN 2024 UPDATE



## AGENDA ITEM 8C

**SVCW STRATEGIC PLAN**

**ISSUE**

Review and Adopt SVCW Strategic Plan for Years 2024 - 2029

**BACKGROUND**

Silicon Valley Clean Water had prepared a five-year Strategic Plan covering the period 2018 to 2023. In September 2023, a subcommittee of the SVCW Commission was formed to review and revise SVCW's five-year strategic plan. Subcommittee members are Commission Chair Aguirre and Vice-Chair Otte.

A draft strategic plan was reviewed with the full commission in December 2023<sup>1</sup>. Comments were received on the strategic plan at this meeting.

**DISCUSSION**

In the December 2023 commission meeting, comments were provided to the Manager and subcommittee on the draft version presented. Comments included:

- The presented version captures a good basis for the next five-year period. Minor edits were provided.
- While the current version covers a five-year period, it is important that the Commission set the tone for a longer time period; ten to fifteen years.
- To this end, the Manager received direction to state long-term strategies within the strategic plan.
- Activities to meet the goals outlined in the strategic plan will be reviewed with the Commission annually.

The attached version (v.2) presented today captures comments from the Commission.

**CLIMATE EFFECTS**

There are no direct climate impacts resulting from adoption of the Strategic Plan. Depending on actions needed to meet the goals of the Plan, climate effects may be experienced.

**FINANCES**

There is no financial impact from adoption of the Strategic Plan. Depending on actions needed to meet the goals of the Plan, overall agency finances could be impacted.

**RECOMMENDATION**

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2024 - 2029 SILICON VALLEY CLEAN WATER STRATEGIC PLAN

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<sup>1</sup> Commissioner Hurt was not present; the City of Belmont was represented by Councilmember McCune.



# **Silicon Valley Clean Water**

## **Sustaining Excellence**

**Five-Year Strategic Plan**  
2024-2029

# Silicon Valley Clean Water Strategic Plan 2024-2029

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# Strategic Plan

## Sustaining Excellence

2024-2029

In an environment where wastewater agencies are facing converging challenges, SVCW's unwavering commitment remains to its mission to protect public health and the environment by providing wastewater conveyance and treatment for reuse or disposal in a safe and sustainable manner.

SVCW is an agency where safety is inherent in everything we do and where we perform our work collaboratively, respectfully, and with the highest technical and ethical standards.

Our Actions revolve around our **core priorities**:

### Safety



### Regulations



### Sustainability



## Emphasis

SVCW recognizes that, to maintain our excellence, proactive emphasis is needed. To meet this end, we take action on our core priorities:

**Safety:** All activities performed will keep safety as the top priority. Our front-line staff, management, and the Commission are committed to ensuring our strong safety culture is maintained.

**Regulations:** By holding the principle of ethics in the forefront, complying with laws and regulations comes naturally. This ensures stewardship of resources and natural environments entrusted by the communities we serve is maintained.

**Sustainability:** All endeavors require that they are envisioned with sustainability at their core. This translates to growing leaders within our high-performing workforce, seeking technological advancements, and maintaining our assets' functionality.

## Our Commitment to Sustaining Excellence

SVCW is a leader in the wastewater community and every action we take supports our leadership stance. Our ongoing strategy is to continually excel, to sustain our leadership role, and to meet looming challenges with unwavering commitment.

[svcw.org/sustainingexcellence](https://svcw.org/sustainingexcellence)

# Silicon Valley Clean Water Strategic Plan

## Sustaining Excellence

2024-2029

### INTRODUCTION

SVCW's Strategic Plan is a top-level planning document intended to communicate clear direction over all aspects of the agency. It serves as a framework for decision making over a five-year period and shapes what this agency plans to accomplish by matching a rational course of action with top agency priorities. It provides policy guidance for future Commissioners and Managers to ensure a sustainable business environment and is revisited annually for updates.

The Commission of SVCW represents the four member agencies that make up SVCW and is committed to working together to further the mission and priorities in this Strategic Plan.

### MISSION STATEMENT

SVCW protects public health and the environment by providing wastewater conveyance and treatment for reuse or disposal in a safe and sustainable manner.

### VISION STATEMENT

SVCW will be an agency where safety is inherent in everything we do and where we perform our work collaboratively, respectfully, and with the highest technical and ethical standards.

### SVCW PRIORITIES

Silicon Valley Clean Water's top priorities<sup>1</sup> are:

#### **Safety - - - Regulatory Compliance - - - Sustainability**

1. All activities performed will keep safety as the top priority.
2. Regulatory compliance ensures stewardship of resources and natural environments entrusted by the communities served.
3. Sustainability (inclusive of all aspects) is a guiding principle for all endeavors.

### FIVE-YEAR STRATEGIC PLAN ELEMENTS

The Strategic Plan Elements consider SVCW's Mission, Vision, and Priorities; all interconnected to create a holistic Plan. The following section outlines which division and staff are responsible for ensuring each priority of the agency is met.

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<sup>1</sup> Appendix expands on what each priority encompasses.

## Priority 1 – Safety

**Inherent in every action & decision, Safety is Always**

Pertinent Divisions	Primary Responsibilities	Secondary Responsibilities	Goals
All	All Staff	H&S Director, Manager	Have the best safety record in CA; measure by annual LTIR & EMR

## Priority 2 – Regulatory Compliance

**SVCW operates under a myriad of regulations and laws, as follows:**

NPDES / Biosolids / Air Permit		
Primary Responsibilities	Secondary Responsibilities	Goals
Operations/COO	Engineering, Environmental Services, Laboratory, Maintenance	Meet all permit requirements; all reports submitted accurately, complete, and on time

## Finances

Primary Responsibilities	Secondary Responsibilities	Goals
Finance/CFO	Division Directors (Budget)	Meet all fiscal requirements; Meet debt reporting & coverage requirements, GASB, satisfy audit, Form 700s submitted

## Laboratory Accreditation

Primary Responsibilities	Secondary Responsibilities	Goals
Laboratory/ Authority Engineer	None	Maintain Accreditation; measure by ability to continue as a CA certified laboratory

Capital Projects		
Primary Responsibilities	Secondary Responsibilities	Goals
Engineering / Authority Engineer	None	<p>Meet all legal requirements of capital projects, including EIR, public contract codes, permit requirements, contractual obligations.</p> <p>Projects completed with no claims or lapse in ethics; no fraud or embezzlement.</p>

Labor		
Primary Responsibilities	Secondary Responsibilities	Goals
Human Resources/SVCW Manager	All Management staff	<p>Provide resources to management and staff required by law and Union MOU; No harassment claims, all required training provided</p>



## Priority 3 – Sustainability

Foci of Sustainability is multi-faceted:

Staffing		
Primary Responsibilities	Secondary Responsibilities	Goals
Human Resources/ SVCW Manager	None	Meet succession planning requirements to ensure all SVCW staffing needs are met; measure by no vacancies over 6 months in duration

Fiscal Stance		
Primary Responsibilities	Secondary Responsibilities	Goals
Accounting/CFO	Division Directors (Budget)	Maintain adequate funding for all required agency spending needs, including labor, materials, and projects.  Pay bills accurately & on time.  Keep to 4% or less annual increase in budget

SVCW Assets		
Primary Responsibilities	Secondary Responsibilities	Goals
Maintenance/ COO	Engineering (Capital projects)	Maintain SVCW's assets in workable condition via preventive maintenance & proactive asset management system  Minimal breakdown of equipment: <ul style="list-style-type: none"> <li>• 100% uptime on process</li> <li>• 70% uptime on cogeneration</li> </ul>

Process Improvements		
Primary Responsibilities	Secondary Responsibilities	Goals
Engineering/ Authority Engineer	Operations/COO	<p>Consistently seek ways to improve the overall process of SVCW treatment facilities</p> <p>Alternatives to Cogen Engines for power production</p> <p>Fully utilize digester capacity</p> <p>Identify innovative technologies</p>

Climate Actions & Effects		
Primary Responsibilities	Secondary Responsibilities	Goals
Engineering/ Authority Engineer	Division Directors	<p>Ensure agency facilities are protected from sea level rise.</p> <p>Investigate feasibility of horizontal levee for nutrients removal</p> <p>Continue to make progress on and support Potable Reuse program</p>

Regulations & Legislative Advocacy		
Primary Responsibilities	Secondary Responsibilities	Goals
Senior Management	Division Directors	<p>Proactively engage with regulators and legislators for the benefit of SVCW and all CA wastewater agencies</p> <p>Sit on boards and committees to be influencers in any new regulations and legislation statewide</p>

## LONG-TERM STRATEGIES

Recognizing that worthy endeavors take significant time for full implementation, the following strategies will be pursued over a 10- to 15-year timeframe. These include:

### Potable Water Reuse



### Energy Neutrality



### Potable Water Reuse

SVCW is partnering with San Francisco Public Utilities Commission and other local water distribution agencies for developing direct and/or indirect potable water. This endeavor began in 2016 and continues to make progress. The state of California adopted regulations for potable water reuse in December 2023 which provides the regulatory framework for an advanced water purification facility. These types of large water supply infrastructure projects take significant time to implement; the current schedule for delivery of water is calendar year 2039.

### Energy Neutrality

SVCW has made great strides in its energy management given that power use, along with chemical use, is the largest operational expense. Using renewable biofuel, SVCW's treatment facility produces electricity at an average of 70% of the facility's power use. Energy neutrality is within reach provided initiatives toward this end are pursued. One initiative currently active is expanding the agency's ability to receive organic waste from local solid waste processors. This will provide higher biofuel production. A necessary follow-on project will involve facilities to produce power with the additionally available biofuel. Staff anticipates energy neutrality is within the agency's reach in the long term.

## APPENDIX - DEFINITIONS

### **Safety Encompasses:**

- Culture of Safety – Ensure staff works safely
- Engineered solutions – to keep the workplace and work tasks safe
- OSHA, HazMat County, and Insurance Requirements

### **Regulatory Compliance Encompasses:**

- NPDES, Biosolids, and Air Permits, Industrial Pretreatment, HazMat
- Financial Statutes
- Laboratory Accreditation
- EIR Mitigations
- Employment Laws

### **Sustainability Encompasses:**

- Staffing – Adequate Number, Certifications, Competency, Succession Planning
- Fiscal Stance – Adequate finances to cover expenditures (labor, materials, projects, loans)
- SVCW Assets – Preventive Maintenance, proactive asset management
- Process Improvements – Energy Management, innovative technologies
- Climate Actions & Effects – in light of climate change, ensuring facilities are protected
- Regulations and Legislation Advocacy – Proactively engage with regulators and legislative actions.