

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, April 8, 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
 - 2. Sustainability Report..... pg. 11
- C. Financial Report
 - 1. Investment Reportpg. 14
- D. Engineering Capital Projects Report.....pg. 18
- E. Commission Requested Staff-Level Action Items..... pg. 22
- F. RESCU Program Design-Build Project Status Update..... pg. 25

6. MATTERS OF COMMISSION MEMBER’S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 35)

8. BUSINESS ITEMS

A. CONSIDERATION OF RESOLUTIONS APPROVING FISCAL YEAR 2024-25 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET (pg. 47)

Proposed Actions:

- i. FISCAL YEAR 2024-25 REVENUE PLAN IN THE AMOUNT OF \$32,468,378 IN NET OPERATING REVENUES REQUIRED AND \$1,499,635 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. FISCAL YEAR 2024-25 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$3,500,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND
- iii. FISCAL YEAR 2024-25 CASH IN LIEU OF DEBT CONTRIBUTIONS IN AN AMOUNT OF \$13,622,706
- iv. FISCAL YEAR 2024-25 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$25,863,091
- v. AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN THE FISCAL YEAR 2024-25 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION

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)

- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't Code §54957)
Title: Manager
 - C. CONFERENCE WITH LABOR NEGOTIATOR (Gov't Code §54957.6)
Unrepresented Employee: Manager
10. RECONVENE IN OPEN SESSION – Announce action taken in Closed Session, if any
 11. ADJOURN

CONSENT CALENDAR

NOTICE TO PUBLIC

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

7. A. APPROVAL OF MINUTES – March 11, 2024 - Regular Meeting (pg. 35)

B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JANUARY 9 – FEBRUARY 19, 2024, AND NECESSARY PAYMENTS THROUGH FEBRUARY 19, 2024 (pg. 39)

C. CONSIDERATION OF RESOLUTION AUTHORIZING TEMPORARY EXTENSION OF CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION FOR REVOLVING LINE OF CREDIT (pg. 41)

Proposed Action:

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING AND RATIFYING FIFTH AMENDMENT TO CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

D. CONSIDERATION OF MOTION APPROVING MUNICIPAL FINANCIAL ADVISORY SERVICES MASTER SERVICES AGREEMENT AND TASK ORDER (pg. 44)

Proposed Action:

Move approval of MUNICIPAL ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$965,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – FIELDMAN ROLAPP & ASSOCIATES

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, April 8, 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 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

Five Ways to Cope with Seasonal Allergies

1. **Reduce your exposure** - Run your air conditioning to keep pollens outdoors; air purifiers are also helpful, Dr. Hong states. Avoid drying clothing outdoors as they'll take on pollen and take a shower and change your clothes before going to sleep.

2. **Travel smart** - If you're [planning a trip](#), research your destination to determine what allergens will be in the air. Keep the air conditioning on and the windows closed in your accommodations to reduce indoor pollen exposure.

If you're driving to your destination:

- Run the air conditioning in the car for 10 minutes before you leave.
- Leave in the early morning or late evening so you encounter less traffic and air pollution.
- Recirculate the air in your car. This way, you're not venting in pollen.

3. Rest easy

- Close your bedroom windows and run an air purifier or air conditioning, even on days that aren't hot.
- Keep your sleeping space clean and free from allergens. Get rid of materials that attract dust.
- Use zippered covers for your pillow, mattress, and box springs if you have dust mite allergies.
- Use blinds instead of fabric curtains and install hardwood floors instead of carpet.
- Get rid of your ceiling fan, which flings dust around the room if it's not kept clean.

4. Avoid pollen

- Since pollen counts are highest between 5 a.m. and 10 a.m., stay indoors during those times. Do the same on hot, dry, windy days when pollen counts are high.
- Try not to stop and smell the roses, and avoid wooded areas, too. Admire nature from afar (if you can bear it) and wear a mask if you need to mow the lawn or tend a garden.
- If you have [kids with seasonal allergies](#):
 - o Plan outdoor play toward the evening when possible.
 - o Have them wear tight-fitting sunglasses to protect their eyes from pollen.
 - o Create a pollen-free bedroom: Keep the windows shut. Shower and wash their hair after outdoor play and before going to bed.

5. **Filter the air** - Clean air vents regularly and use a high-efficiency particulate air filter (HEPA) if you have a forced-air furnace. Clean air filters frequently and air ducts at least once a year.

AGENDA ITEM 5B

Recurring and Upcoming 2024 Commission Actions
Updated for April 2024 Meeting

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

-  - Recurring Commission Actions
-  - Upcoming Commission Actions

AGENDA ITEM 5B2

Sustainability Report: Silicon Valley Clean Water (SVCW)

Provided to SVCW Commission April 08, 2024

Silicon Valley Clean Water (SVCW) is committed to sustainability practices that minimize environmental impact, promote resource efficiency, and contribute to a cleaner, greener future. This table outlines our efforts and achievements in key areas of sustainability.

Key Areas	Description	Benefits
1. Onsite Power Generation:	SVCW produces 65% of its electricity onsite through biogas generated from anaerobic digesters.	Significantly reduces reliance on grid electricity and decreases greenhouse gas emissions.
2. Waste Heat Recovery:	Waste heat from cogeneration engines meet our entire heat demand, including process and building heating requirements.	Maximizes energy efficiency and minimizes waste, contributing to cost savings and environmental benefits. This effort reduces reliance on fossil fuel to meet heat demands.
3. Energy Storage System:	SVCW has installed 1 megawatt/2 megawatt-hour capacity energy storage using Tesla Batteries,	Reduces stress on the public utility grid during peak periods and supports grid stability during summer heat waves. Saves costs and enhances overall grid resilience.
4. Food Waste Co-digestion Program:	Diverts organic waste from landfills and utilizes anaerobic digesters to produce more biogas resulting in more electricity production.	By preventing methane emissions from landfill disposal, SVCW contributes to mitigating greenhouse gas emissions and promoting sustainable waste management.
5. Power Generation System Expansion:	Plans to add 1,150 kW of additional power generation capacity to meet 100% power demand.	This expansion represents a significant step towards enhancing our sustainability and resilience, aiming to achieve self-sufficiency in power generation.

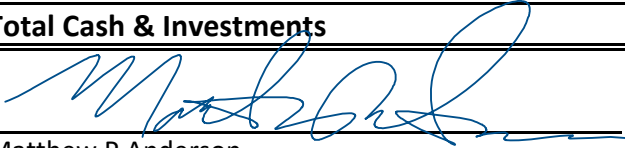
6. Energy Efficiency Initiatives:	Implementation of sustainable practices, such as Invent Mixers, high-efficiency turbo blowers, and rotary fan presses.	Changing existing equipment to higher efficiency units reduces power demand by over 30%. These measures demonstrate commitment to continuous improvement and resource optimization.
7. Electric Vehicle (EV) Infrastructure:	10 EV charging stations for staff use have been installed, encouraging adoption of emission-free vehicles.	The number of EVs among our staff has increased from two to more than 20 within the last two years, reflecting our commitment to sustainable solutions.
8. Fleet Electrification:	Thus far, four fleet vehicles have been replaced with ZEVs with plans to transition our entire fleet to zero emission vehicles.	This initiative not only reduces emissions but also showcases SVCW's commitment to state mandate towards cleaner transportation.
9. Recycled water program	1 MGD recycled water is provided for use in Redwood City. Use of treated water (“3 water”) for washdown, process blending water, and other in-plant uses.	Reduces reliance on high quality potable water for landscape irrigation and other Title 22 uses. In-plant use of 3W reduces pumping and avoids use of potable water.
10. Potable Reuse Program	Involved in regional planning to provide water for potable use.	Relieves dependence on Hetch Hetchy water, particularly useful during drought years.
11. Biosolids Drying	Use solar drying and biodryers for biosolids. Pyrolysis producing biochar follows biodryers.	Minimal energy input is needed for solar and biological drying. Reduces greenhouse gases otherwise produced by offsite trucking.
12. Innovative Technologies	SVCW consistently pilot tests various innovative technologies.	Increases treatment efficiencies and provides crucial information to the industry as a whole.

SVCW's sustainability initiatives demonstrate our dedication to environmental stewardship, resource efficiency, and community well-being. Through ongoing efforts and innovation, we lead by example and contribute to a more sustainable and resilient future for all.

AGENDA ITEM 5C1

**Silicon Valley Clean Water Authority
Cash & Investments Summary Report
February 29, 2024**

Description	Market Value	% of Total Holdings	Yield to Market
Reserve Accounts			
Operating Reserve* - Securities	\$ 2,006,039	1.72%	1.87%
Operating Reserve - Money Market Fund Balance	2,163,090	1.86%	5.17%
CIP Reserve* - Securities	23,896,465	20.54%	2.98%
CIP Reserve - Money Market Fund Balance	274,622	0.24%	5.17%
Stage 2 Capacity Reserve* - Securities	12,920,207	11.10%	1.78%
Stage 2 Capacity Reserve - Money Market Fund Balance	2,622,149	2.25%	5.17%
Debt Coverage Reserve - CAMP	2,583,706	2.22%	5.50%
Total Market Value: Operating and Reserve Accounts	\$ 46,466,278	39.9%	2.98%
Total Accrued Interest: Operating and Reserve Accounts	194,888		
GRAND TOTAL, RESERVE ACCOUNTS	\$ 46,661,166		
Trustee Accounts:			
2018 Bond Project Fund Account - CAMP	\$ 6,808,607	5.85%	5.50%
2018 Bond Revenue Account	3,182	0.00%	4.96%
2021 Refunding Bonds Revenue Account	1,756	0.00%	4.96%
2021A Notes (RESCU) - Money Market Fund	246	0.00%	4.96%
2021A Notes (RESCU) - LAIF**	1,414,610	1.22%	4.12%
2021B Notes (WWTP) - Money Market Fund	19,080,763	16.40%	4.96%
2021B Notes (WWTP) - CAMP	13,226,449	11.37%	5.50%
2021B Notes (WWTP) - LAIF**	23,652,999	20.33%	4.12%
2021 Notes Capitalized Interest Account - Money Market Fund	823,285	0.71%	4.96%
Total Market Value, Trustee Accounts	\$ 65,011,898	55.87%	4.80%
Accrued Interest:	167,039		
Operating Cash (includes outstanding checks)	2,556,746	2.20%	0.00%
Local Agency Investment Funds (LAIF) Balance	2,323,414	2.00%	4.12%
Total Cash & Investments	\$ 116,720,263	100.00%	3.95%



 Matthew P Anderson
 Chief Financial Officer / Assistant Manager

3/13/2024

 Date

* Monthly report of security transactions and interest available upon request
 **Market value of LAIF based on the most available Fair Value factor

Silicon Valley Clean Water
Operating and Reserve Funds - Sector Allocation & Compliance February 29, 2024

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	\$ 1,581,273	\$ 11,101,542	\$ 5,814,242	\$ -	\$ 18,497,057	40%	100%	✓	(0.5%)
Supranationals	-	-	-	-	-	0%	15%	✓	(0.2%)
Federal Agency/GSE	-	1,070,876	750,610	-	1,821,486	4%	100%	✓	(0.1%)
Federal Agency/CMBS	-	2,750,638	717,652	-	3,468,290	7%	100%	✓	(0.2%)
Federal Agency CMO	-	671,097	372,408	-	1,043,505	2%	100%	✓	(0.1%)
Federal Agency MBS	-	2,031,973	1,314,853	-	3,346,826	7%	100%	✓	(0.2%)
Municipal	-	869,761	704,321	-	1,574,083	3%	30%	✓	(0.0%)
Corporate Notes	396,715	5,168,398	3,070,379	-	8,635,491	19%	30%	✓	1.0%
Asset-Backed Securities	28,052	232,181	175,741	-	435,974	1%	10%	✓	(0.1%)
Securities Sub-Total	2,006,039	23,896,465	12,920,207	-	38,822,711	83%			
Accrued Interest	8,138	123,471	52,065	-	183,674				
Securities Total	2,014,177	24,019,936	12,972,272	-	39,006,385				
Money Market Fund	2,163,090	274,622	2,622,149	-	5,059,861	11%	20%	✓	0.2%
CAMP	-	-	-	2,583,706	2,583,706	6%	100%	✓	0.1%
Accrued Interest - CAMP	-	-	-	11,214	11,214				
CAMP Sub-Total	-	-	-	2,594,920	2,594,920	6%	100%	✓	0.0%
Total Investments	\$ 4,177,267	\$ 24,294,557	\$ 15,594,421	\$ 2,594,920	\$ 46,661,166	100%			
<i>As % of 6/30/24 Target:</i>	<i>99.8%</i>	<i>98.3%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>99.1%</i>				

This report contains financial information which has not been reviewed or audited by an independent auditor, does not reflect the application of generally accepted accounting principles in all instances and is subject to future revision. This report has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in this report are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and website, maintained at <https://emma.msrb.org>

1. All operating fund accounts are in compliance with SVCW's Investment Policy, and all bond proceeds accounts are in compliance with the relevant bond documents.
2. SVCW has adequate funding levels for more than six months of operations and claim payments, as referenced in CA Code Section 53646.
3. Market valuations for the Operating and Reserve accounts along with the 2018 bond, 2019A note, 2021 bond, 2021A and 2021B notes proceeds accounts are provided by PFM Asset Management LLC (PFM). Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.
4. In accordance with Generally Accepted Accounting Principles (GAAP), month-end holdings and information are reported on a trade date basis.
5. The yields shown for securities portions of the operating and reserve accounts and the 2019A and 2021A&B notes proceeds accounts are the yields to maturity at cost.
6. The yield for LAIF is the average monthly effective yield. Source: https://www.treasurer.ca.gov/pmia-laif/historical/avg_mn_ylds.asp
7. The yields shown for the PFM-managed money market funds are the Yield to Maturity at Cost, and the Yield to Maturity at Market sourced from the respective fund providers' statements. Yields for BNY-managed funds are Market Yields sourced from the respective fund providers' statements.
8. Yield shown for CAMP is the monthly distribution yield.
9. Amounts will slight differ due to timing of custodian account reports.

AGENDA ITEM 5D

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

UPCOMING COMMISSION ACTIONS:

Food Waste Receiving Improvements Project (CIP #9257): Expand Food Waste Receiving Storage and Construct Associated Tanks and Equipment.

SVCW received a \$4 million grant from CalRecycle to improve its organic co-digestion facility. Staff negotiated an agreement with CDM Constructors Inc (CCI) to design and construct improvements to the existing Food Waste Co-Digestion Receiving facility. Under Stage 1 of the agreement, the project team has developed design to the 60% level. Initial cost proposal to complete the project provided by CCI is above the project budget. SVCW is negotiating a contract amendment to allow CCI to complete the design to 100% , attempting to optimize the cost and bring the project within the budget.

Planned Commission Actions: Approve Stage 1 Amendment to Energy Conservation Contract Agreement with CDM Constructors Inc – May 2024

Biogas Utilization Project (CIP #9269): Expand Onsite Power Generation Capacity

Install Linear Generator or other technology to efficiently convert biogas to electricity for plant use.

Planned Commission Actions: Approve Agreement with Mainspring to Design, Procure and Install Linear Generators – May 2024

Final Effluent Pump Project (CIP#9223): 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 1 Amendment to allow for early procurement of long lead time equipment.

Planned Commission Actions: Award Stage 1 Amendment to Progressive Design-Build Agreement – May 2024

ONGOING PROJECTS IN CONSTRUCTION:

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): Rehabilitate FFRs and Upgrade 3W System

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

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

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

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.

TASK ORDERS APPROVED CALENDAR YEAR 2024:

A list of task orders approved by the engineering division is attached.

SVCW Engineering Division - Task Order Summary 01/01/2023-03/29/2024

Task Order Date	Consultant	TO Amt.	Project #	Project Name	Scope of Work
Commission-Approved Date Task Orders:		\$140,120			
1/23/2024	David J. Powers & Assoc	\$90,000	9501	Pump Station Improvements - TO Amendment	Environmental Services for RESCU Program
2/12/2024	JHS Consulting	\$50,120	9501	Pump Station Improvements - TO Amendment	Environmental and Permitting Advisory for RESCU Program

*Use Commission approved date

Task Order Date	Consultant	TO Amt.	Project #	Project Name	Scope of Work
Manager-Approved Task Orders*:		\$121,640			
2/6/2024	Freyer & Laureta	\$7,300	810	As-Needed Services FY 23-24	As needed surveying and civil engineering services
2/21/2024	Trinity Consultatns	\$30,000	9502	Front of the Plant - TO Amendment	Air Permit Application Support
2/23/2024	Brown & Caldwell	\$40,000	810	As-Needed Services FY 23-24	General Engineering Services
3/8/2024	Sierra Research/Trinity Consultants	\$5,000	810	As-Needed Services FY 23-24 - TO Amendment	Air Quality Permitting Services
3/26/2024	Cascade Integration & Development, Inc.	\$46,640	9247	SHB Electrical Rehabilitation	Switchgear programming

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

**Use last approval signature (TAH) date

AGENDA ITEM 5E

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

**APRIL 08, 2024
AGENDA ITEM 5E**

Updated: 03/29/2024

Commission Meeting Date	Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
			Ongoing	In Progress	Complete		
3/11/2024	1 Agenda Packet Distribution	4/8/2024		✓			Provide agenda packets to Commissioners' alternates with the exception of WBSD
2/12/2024	1 Strategic Plan	3/11/2024			✓	3/11/2024	Integrate "Innovation" into the strategic plan; completed via adding to the Vision Statement.
	2 NPDES Annual Report	N/A		✓			Question: how are SVCW's treatment issues/problems/maintenance requirements codified and captured for future action? Mainly in our Annual Report to the Regional Water Board. Place this onto the SVCW website.
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	✓			Ongoing	Present to Commission efforts related to sustainability. Comprehensive report will be provided at April 2024 meeting

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

**APRIL 08, 2024
AGENDA ITEM 5E**

Updated: 03/29/2024

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
> 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.

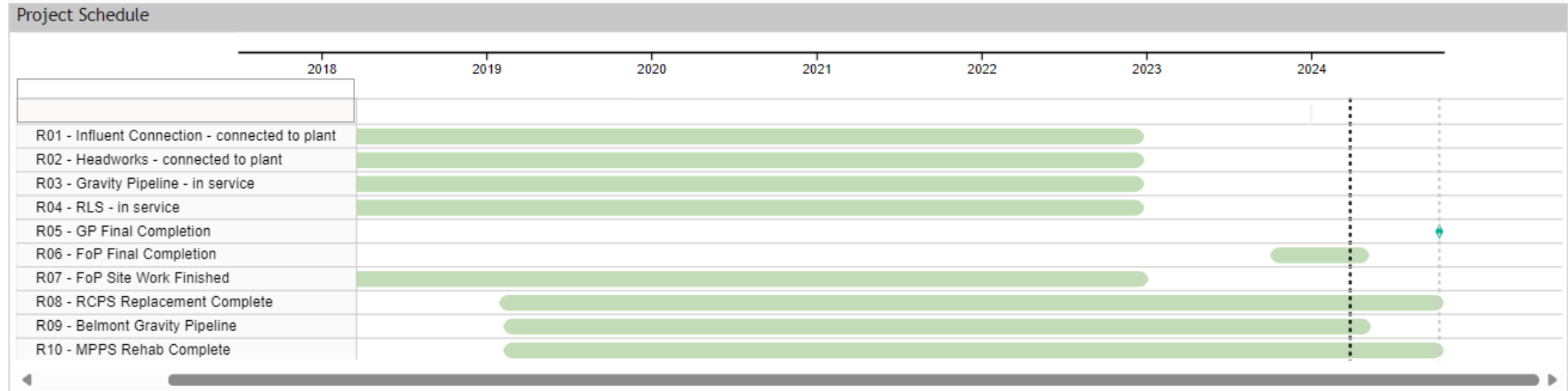
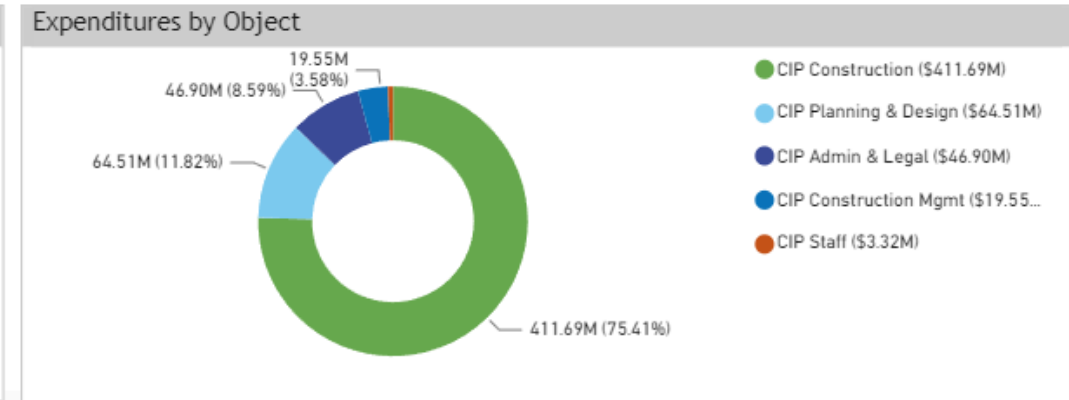
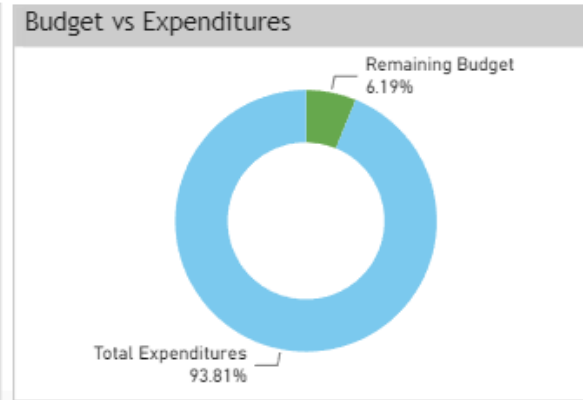
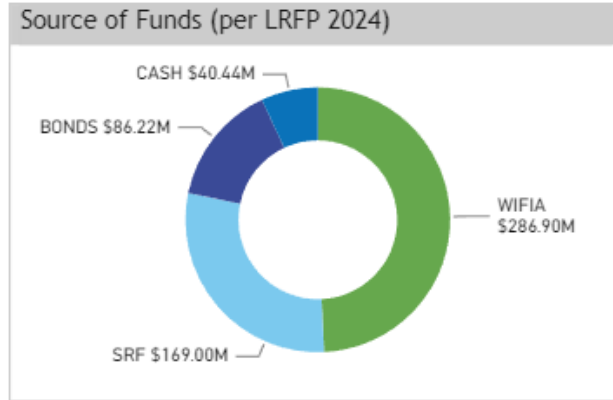
AGENDA ITEM 5F

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
\$546.47M

Remaining Budget
\$36.09M



Startup Progress					
Project	PreCommissioning	Functional Testing (Design verification)	Functional Testing (Dry verification)	Functional Testing (Wet verification)	Acceptance Testing
FoP	100%	100%	100%	100%	100%
GP	100%	100%	100%	100%	0%
MPPS A side	100%	100%	100%	100%	100%
MPPS B side	100%	100%	100%	100%	100%
BGP	100%	100%	100%	100%	0%
RCPS	0%	0%	0%	0%	0%

Major Accomplishments To Date	
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.
Gravity Pipeline	<ul style="list-style-type: none"> - GP Design Intent presentation completed. - Acceptance Testing plan completed. - FM to GP switchover completed.
Pump Stations Improvements	<ul style="list-style-type: none"> - MPPS A-Side 30-Day Acceptance Testing completed. - MPPS B-Side 30-Day Acceptance Testing completed. - BGP Cutover completed and Functional Testing completed.
Program	<ul style="list-style-type: none"> - RESCU Commissioning Risk Register workshop completed. - Bi-weekly Risk Register meeting ongoing.

3 - Month Look Ahead				
	Start	End	April	May
San Carlos Connecting Piping Startup (Acceptance Testing)	April 22, 2024	May 22, 2024	X	X
BGP Startup (Acceptance Testing)	April 22, 2024	May 22, 2024	X	X



Front of Plant Progressive DB Project (CIP 9502)

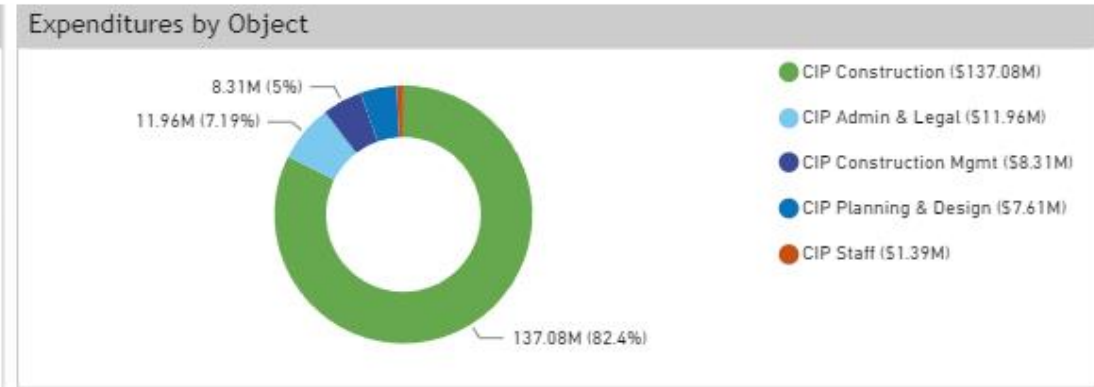
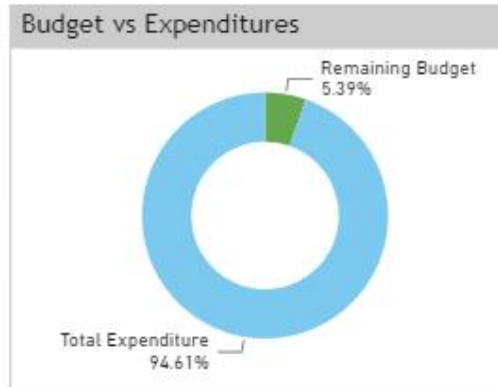
The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control System, Influent Connector Pipe, Emergency Overflow pipe to an existing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

Available Budget
\$174.19M

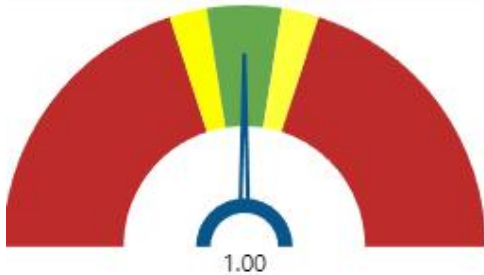
Total Expenditure
\$164.80M

Remaining Budget
\$9.39M

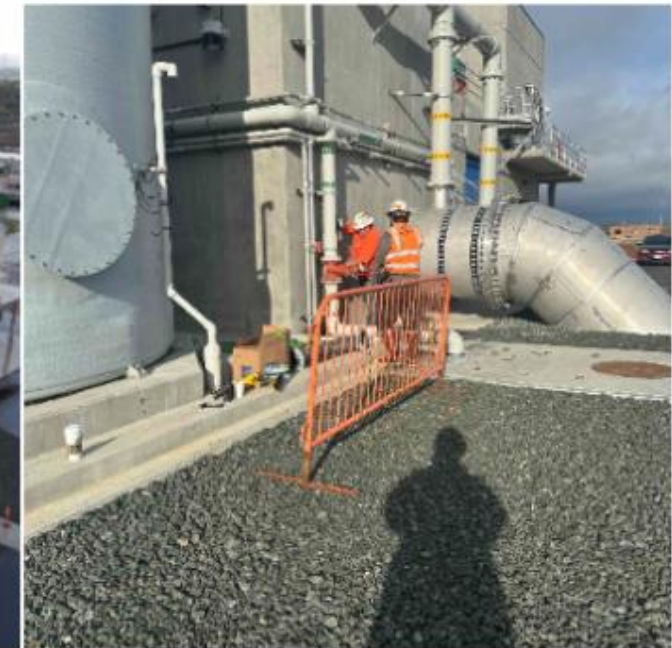
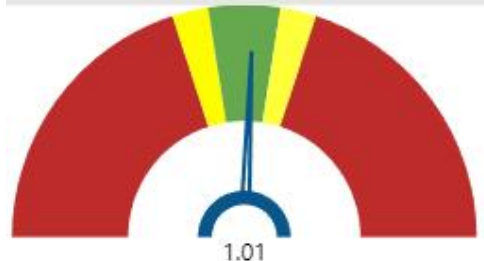
Milestone Schedule		
	Start	Finish
Interconnection Pipe Completed	7/24/2020	8/1/2023
Headworks Facility Completed	12/6/2018	11/30/2022
SFS/RLS Completed	12/6/2018	2/22/2023
Bair Island Connecting Piping Startup	10/3/2022	4/22/2024
San Carlos Connecting Piping Startup	8/5/2022	4/22/2024
Substantial Completion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



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - SPJV continued to address punch list items throughout the RLS and Headworks. SPJV installed utility valve covers throughout the FoP site. - SPJV continued site grading, paving, and striping throughout the site as weather permitted. The Admin/Grassilli Lot concrete paving work was completed. - Vendor training is complete. - The 30-day acceptance testing of the Headworks, SFS, and RLS was completed. - SPJV completed the permanent connection of the force main to the drop structure at Bair Island.
Design	- FoP design is complete.
Procurement of Trade Packages	- Front of Plant Trade Procurement is complete.

Potential Issues

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

3 - Month Look Ahead

	Start	End	April	May
SCGL Connecting Piping	August 5, 2022	April 22, 2024	X	
Final Site Improvements	October 17, 2022	April 5, 2024	X	
Project Closeout	April 9, 2024	April 22, 2024	X	
Extended Commissioning/Training	April 24, 2024	May 24, 2024	X	X

Safety Spot Light

Lost Time	0
Near Misses	5
Recorded Losses	2

Gravity Pipeline Progressive DB Project (CIP 6008)



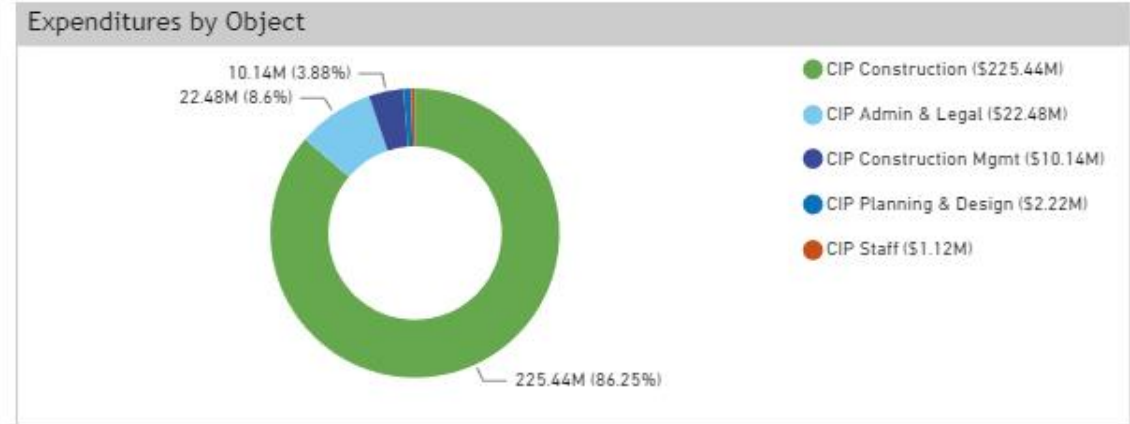
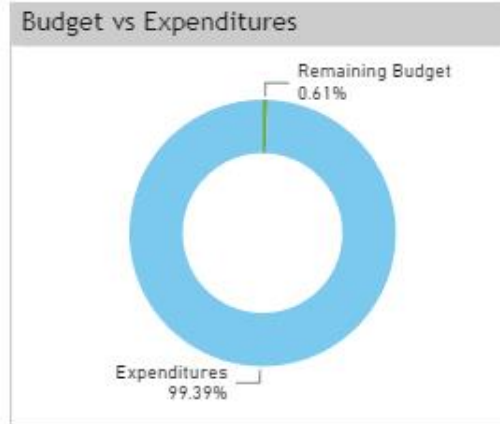
The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP)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

Available Budget
\$258.06M

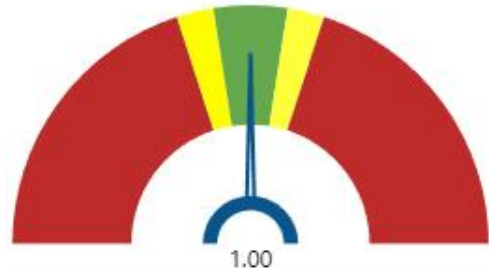
Total Expenditure
\$256.49M

Remaining Budget
\$1.56M

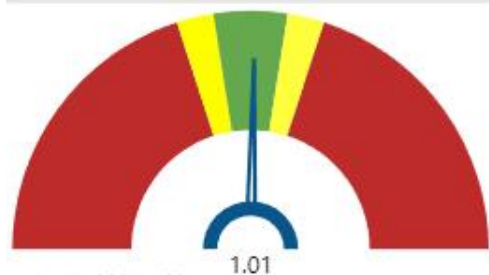
Milestone Schedule		
	Start	Finish
▲ Conditional Substantial Completion		7/1/2022
Final Completion		10/11/2024



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - BBJV completed backfill of the Airport Access Shaft. - BBJV completed site restoration at the AAS. - Acceptance Testing to begin after Belmont flows are introduced to the Gravity Pipeline tunnel - date TBD
Design	- Gravity Pipeline design is complete.
Muck Disposal	<ul style="list-style-type: none"> - 79% of Muck Disposal Amendment spent. - 21% of Muck Disposal Amendment remaining. Credit was issued for remaining funds.
Procurement of Trade Packages	- Gravity Pipeline Trade Procurement is complete.

3 - Month Look Ahead

	Start	End

Potential Issues

Remaining budget to be transferred to other RESCU 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)



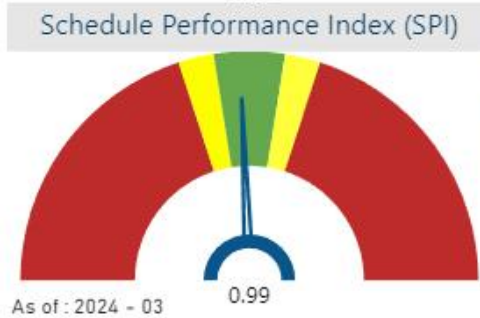
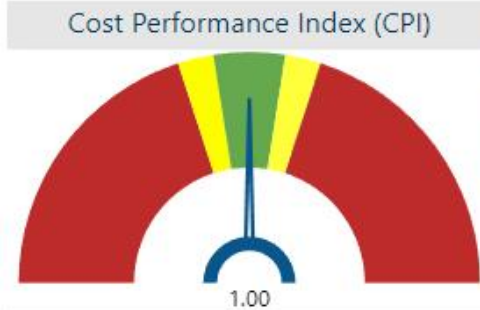
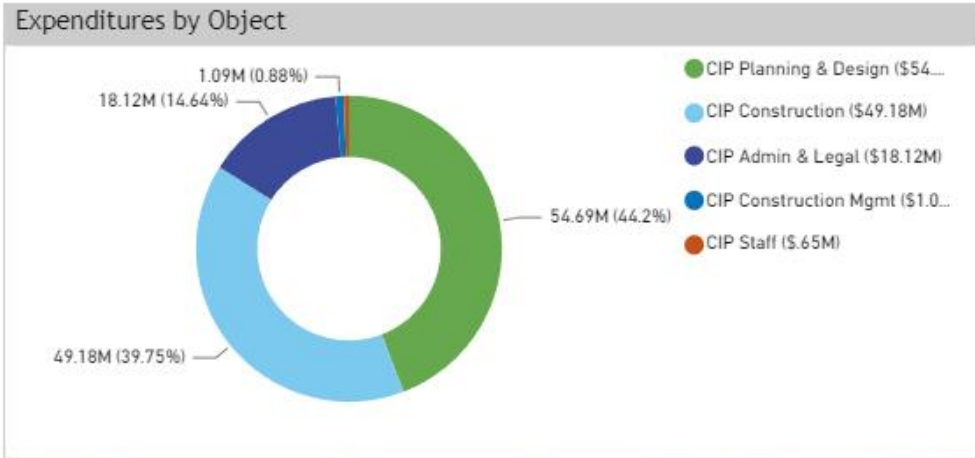
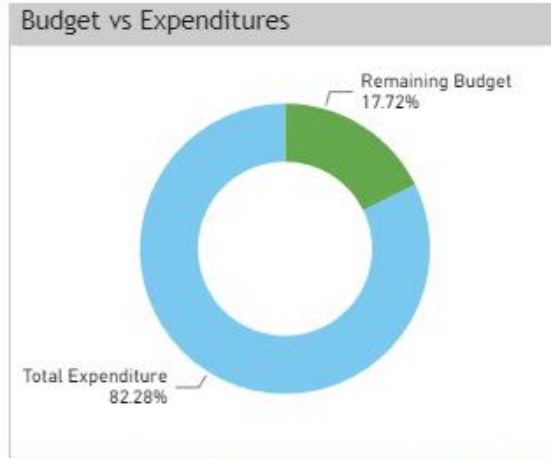
All SVCW pump stations require replacement or rehabilitation. Menlo Park PS will be rehabilitated. Redwood City PS will be replaced. Belmont PS will be replaced with a gravity pipeline. San Carlos PS is no longer needed due to the new gravity tunnel; flows from San Carlos and Belmont will enter into the gravity tunnel via a drop structure at the current San Carlos pump station site. Flows from MPPS and RCPS will flow through the 48-inch force main to a drop structure at Inner Bair Island. RCPS pumps MPPS flows during wet weather events.

Available Budget
\$133.00M

Total Expenditure
\$109.42M

Remaining Budget
\$23.57M

Milestone Schedule	Start	Finish
MPPS - B-side Pumps Completed	3/15/2022	10/13/2022
MPPS - A-side Pumps Completed	10/4/2022	2/16/2024
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	4/12/2024
RCPS - Wet Well & Screening Building Completed	4/17/2022	8/5/2024
RCPS - Electrical Building Completed	2/8/2021	4/3/2024
Substantial Completion - MPPS		10/21/2024
Substantial Completion - RCPS		10/21/2024
Substantial Completion - BGP		5/13/2024



As of : 2024 - 03



Pump Stations Improvement Progressive DB Project (CIP 9501)



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - BGP: BGP/SCPS Cutover to the Gravity Pipe was completed. - Bair Island Road Restoration: The Northside of the road was completed and hydroseeded. The Southside was completed with the contractor receiving the amendment soil and spreading it out. - RCPS: New PG&E Transformer was received and installed. Junction Box interior was lined and coated. Temporary Irrigation Piping was installed for future irrigation per CalTrans requirements. All Wet Weather VFDs have been received and installed. - MPPS: A-Side 30-Day Acceptance has been completed. SPJV continues to complete remaining Punch List Work.
Design	<ul style="list-style-type: none"> - BGP: SPJV provided declassification drawings, including changes to transmitter screen locations. - RCPS: SPJV provided updated Yard Piping Design for capability to double pump MPPS flows in wet weather.

Potential Issues

SCPS Site Restoration
SCPS Declassification
Hiller Parking Lot Restoration
Future Connection for Redwood City 60-inch Pipe
Challenges from permitting and land acquisition conditions at RCPS
Bair Island Road Restoration

3 - Month Look Ahead

	Start	End	April	May	June
MPPS - Punchlist	February 19, 2024	April 24, 2024	X		
BGP - Belmont Pump Station Demo	March 19, 2024	June 24, 2024	X	X	X
RCPS - PG&E Service	May 4, 2021	April 12, 2024	X		
RCPS - Structural Concrete	September 8, 2021	April 3, 2024	X		
RCPS - Mechanical - Wet Well	November 28, 2022	August 5, 2024	X	X	
RCPS - Mechanical - Screening Structure	October 31, 2022	April 10, 2024	X		
RCPS - Electrical / I&C	January 5, 2024	May 6, 2024	X	X	
RCPS - Junction Box	June 24, 2022	June 14, 2024	X	X	X
RCPS - Electrical Building & Restroom	February 8, 2021	April 3, 2024	X		
RCPS - 36" MPPS Force Main and Valve Vaults	April 12, 2024	July 10, 2024	X	X	X
RCPS - Site Utilities	September 28, 2023	July 22, 2024	X		X
RCPS - Effluent Piping and Meter Vault	December 19, 2023	August 16, 2024	X		

Safety Spot Light

Lost Time	0
Near Misses	1
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

MPPS CARVs, MPPS 404 Valve Wiring, MPPS Irrigation Scope Removal, MPPS PVC Coating Scope Removal, MPPS FIT Re-Location, SCPS Leachate Flowmeter, Reuse Existing RCPS Sampler, RCPS Encased PG&E Conduit, Install MPPS UPS Power Display, Install SCPS UPS Power Display, Install RCPS UPS Power Display

Izzy's Lot Restoration

BPS Demo Allowance Release, Retaining Wall Slab Concrete Removal, Existing RCPS Crack Repair, Bigge 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 7A

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – March 11, 2024
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 8:02 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 Davina Hurt, Belmont (Not Present)

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
Daniel Buenrostro, Operations Director
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
EJ Shalaby – DNS Strategies
Sergio Rameriez – West Bay Sanitary District
Debra Fisher – West Bay Sanitary District

ITEM 3

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by those in attendance

ITEM 4

PUBLIC COMMENT

There were no Public Comments

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 described the importance of avoiding the mindset of “it won’t happen to me”.

Item 5D Engineering Report, SVCW’s Authority Engineer described how the RESCU project achieved another milestone. The new Belmont Gravity Pipeline is being put into service and all member agencies’ flows will be conveyed via the Gravity Pipeline, entering the treatment plant via the new Receiving Lift Station and Headworks.

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

ITEM 6

MATTERS OF COMMISSION MEMBER’S INTEREST

SVCW’s Manager discussed the draft schedule of the RESCU ribbon cutting ceremony.

ITEM 7

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

- A. APPROVAL OF MINUTES – February 12, 2024 - Regular Meeting

- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED DECEMBER 27, 2023 – JANUARY 8, 2024, AND NECESSARY PAYMENTS THROUGH JANUARY 8, 2024

- C. CONSIDERATION OF MOTION AND RESOLUTION APPROVING FINAL ACCEPTANCE OF AND AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE UNDERGROUND FUEL TANK REPLACEMENT PROJECT (CIP #0329) AND APPROVE PURCHASE ORDER WITH CATALYST ENVIRONMENTAL, INC. FOR UNDERGROUND FUEL TANK ABANDONMENT (CIP #9041)

Proposed Actions:

- i. Move approval of MOTION TO ACCEPT UNDERGROUND FUEL TANK REPLACEMENT PROJECT (PROJECT #0329) AND AUTHORIZE FILING NOTICE OF COMPLETION – JMB CONSTRUCTION, INC.
- ii. Move adoption of RESOLUTION APPROVING PURCHASE ORDER FOR UST ABANDONMENT PROJECT (PROJECT #0329) FOR AN AMOUNT NOT TO EXCEED \$82,600 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FUNDING FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – CATALYST ENVIRONMENTAL, INC.

D. CONSIDERATION OF RESOLUTION APPROVING CONTRACT CHANGE ORDER TO RAS PIPE REHABILITATION PROJECT (CIP #9120)

Proposed Action:

Move adoption of RESOLUTION AUTHORIZING CONTRACT CHANGE ORDER FOR THE RAS PIPE REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$502,599 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FUNDING FOR ADDITIONAL SUPPORT WORK ON AN AS-NEEDED BASIS – TRINET CONSTRUCTION INC.

Motion/Second: Mr. Collins / Mr. Otte

The Motion carried by Unanimous Vote

ITEM 8A

RECEIVE PRESENTATION ON THE FISCAL YEAR 2024-25 PROPOSED ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET

No Action Required

ITEM 9

Closed Session – None

ITEM 10

Closed Session – None

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:56 am

Minutes prepared by Teresa A. Herrera

Reviewed by General Counsel

Ron Collins, Secretary

AGENDA ITEM 7B

SVCW WARRANT REGISTER

SVCW Warrant Registers dated January 9 – February 19, 2024, were scanned and a copy was emailed to Commissioners and Legal Counsel on April 3, 2024.

AGENDA ITEM 7C

**AUTHORIZATION TO TEMPORARILY EXTEND EXISTING
LINE OF CREDIT AGREEMENT**

ISSUE

Authorization to temporarily extend Credit Agreement with Wells Fargo Bank, National Association for a Line of Credit

BACKGROUND

The timing and amount of SVCW capital expenditures can fluctuate significantly as SVCW implements its capital improvement program. Since 2012 SVCW has used a Line of Credit facility (LOC) to manage its cash liquidity needs. The LOC remains a valuable tool that also helps reduce borrowing costs for capital projects. In 2015, SVCW entered into an LOC Agreement with Wells Fargo, National Association (Wells Fargo), with an authorized renewal in 2018 and again in 2021.

SVCW's LOC is especially useful to accommodate cash flows needs associated with the Authority's State Revolving Fund (SRF) Loans from the State Water Resource Control Board (SWRCB). The SRF loan program is structured such that, during construction, SVCW initially settles contractor invoices and afterwards seeks reimbursement from the SWRCB. Reimbursement claims may take 90 to 120 days to be processed and settled. The SWRCB designates those reimbursed funds as principal amounts owed on SRF Loans and accrues interest until construction is completed.

DISCUSSION

As described in the February 2024 Capital Improvement Program Update, SVCW will pursue approximately \$438 million in new funding over the next decade. Sources of funding will include SRF loans. Given the reimbursement timeline of governmental loans, it would be prudent to have liquidity from an LOC for approximately \$20 to \$30 million.

Staff have initiated discussions with Wells Fargo for a three-year LOC extension (Sixth LOC Agreement Amendment) but negotiations will not be completed before the current Agreement expires. To ensure adequate liquidity remains available, the Manager authorized a Fifth Amendment to the LOC Agreement which allows for a temporary 60-day extension with all other terms remaining unchanged. This Fifth Amendment extension will allow the parties sufficient time to negotiate the terms of the Sixth LOC Amendment, which will be brought to the Commission for consideration and approval at a later date.

FINANCES

Since December 2023, SVCW has maintained a drawn balance from the LOC of zero. Currently, however, approximately \$25 million in future reimbursements from an active SRF loan remain which may require occasional draws from the LOC.

The existing LOC agreement calculates interest charges by indexing to the Secured Overnight Financing Rate (SOFR). The resultant index, as of March 22, 2024, produces an annual interest rate of approximately 4.25%.

CLIMATE EFFECTS

There are no anticipated direct effects to climate from this action.

RECOMMENDATION

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING AND RATIFYING FIFTH AMENDMENT TO A CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

AGENDA ITEM 7D

**MUNICIPAL FINANCIAL ADVISORY SERVICES
MASTER SERVICES AGREEMENT AMENDMENT
AND TASK ORDER**

ISSUE

Approval of Master Services Agreement and Task Order for Municipal Financial Advisory Services Associated with Water Infrastructure Finance and Innovation Act (WIFIA) Loans, State Revolving Fund (SRF) Loans, Issuance of Bonds and Notes, and other Debt Planning Efforts

BACKGROUND

Silicon Valley Clean Water (SVCW) is strategic in its use of Municipal Financial Advisory Services; Fieldman Rolapp & Associates (FRA) has provided these services since 2015. Working with management during that time, FRA helped SVCW secure more than \$650 million in funding for over 200 capital improvement projects. The success of these collaborative efforts can be measured by the Authority's Weighted Average Cost of Capital, recently calculated at 1.31%.

Each year SVCW refreshes its Long-Range Financial Plan, which incorporates projected capital projects. As the Authority strives to fund the CIP with the most cost-effective financing possible, it will continue to consult with FRA to identify and secure the best funding sources.

Governmental loan programs like WIFIA and SRF, public bond offerings, and other financial instruments take considerable administrative and financial support during both the application and negotiation processes. Assistance is also needed to communicate with policy makers, produce financial pro-forma models and draft revenue feasibility models, consult with rating agencies, and negotiate terms in financing agreements.

DISCUSSION

FRA is a California municipal financial advisory firm with extensive experience in wastewater finance issues. The firm is familiar with SVCW, having entered into a Master Services Agreement (MSA) in July 2015 to develop financial models and debt strategies used for SVCW long range financial planning. Additionally, FRA has direct experience with other agencies across California which they can use to further enhance SVCW's planning. Critical FRA activities include financial modeling support and responding to EPA analytical questions.

Staff has developed an updated MSA to be used for the oncoming work; revised terms include a new fee schedule and a conflict-of-interest statement required by the Municipal Securities Rulemaking Board. The task order will be issued under the MSA and has been developed to cover a five-year period. Under the scope of work, FRA will track CIP project financing needs, matching needs with financing strategies. It is expected that FRA's scope tasks will be minimal over the first one to three years, ramping up as higher valued CIP projects initiate. Over the five years proposed in this Task Order, FRA fees are estimated at \$965,000. Charges will be billed on a time and expense basis.

CLIMATE EFFECTS

There are no environmental impacts associated with this action.

FINANCIAL IMPACT

Funds will derive from CIP Project #9158, CIP Financial Assistance, which currently has a balance of \$184,000. This fund balance is expected to provide Municipal Financial Advisory Services for the next two to three years, after which Project #9158 budget would be increased as needed.

RECOMMENDATION

Move approval of MUNICIPAL ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$965,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS –
FIELDMAN ROLAPP & ASSOCIATES

AGENDA ITEM 8A

**FISCAL YEAR 2024-25 ANNUAL OPERATING
AND CAPITAL EXPENDITURES BUDGET**

ISSUE

Approval of Fiscal Year 2024-25 Annual Operating and Capital Expenditures Budget

BACKGROUND

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

This 2024-25 Budget incorporates the long-term impact of capital expenditures and follows a funding strategy described in the February 2024 Long-Range Financial Plan.

DISCUSSION

A draft version of this 2024-25 Budget was presented to the Commission on March 11, 2024. Modest changes were made since then including a \$14 thousand adjustment for mandatory air quality testing and an \$83 thousand increase in Workers' Compensation insurance premiums.

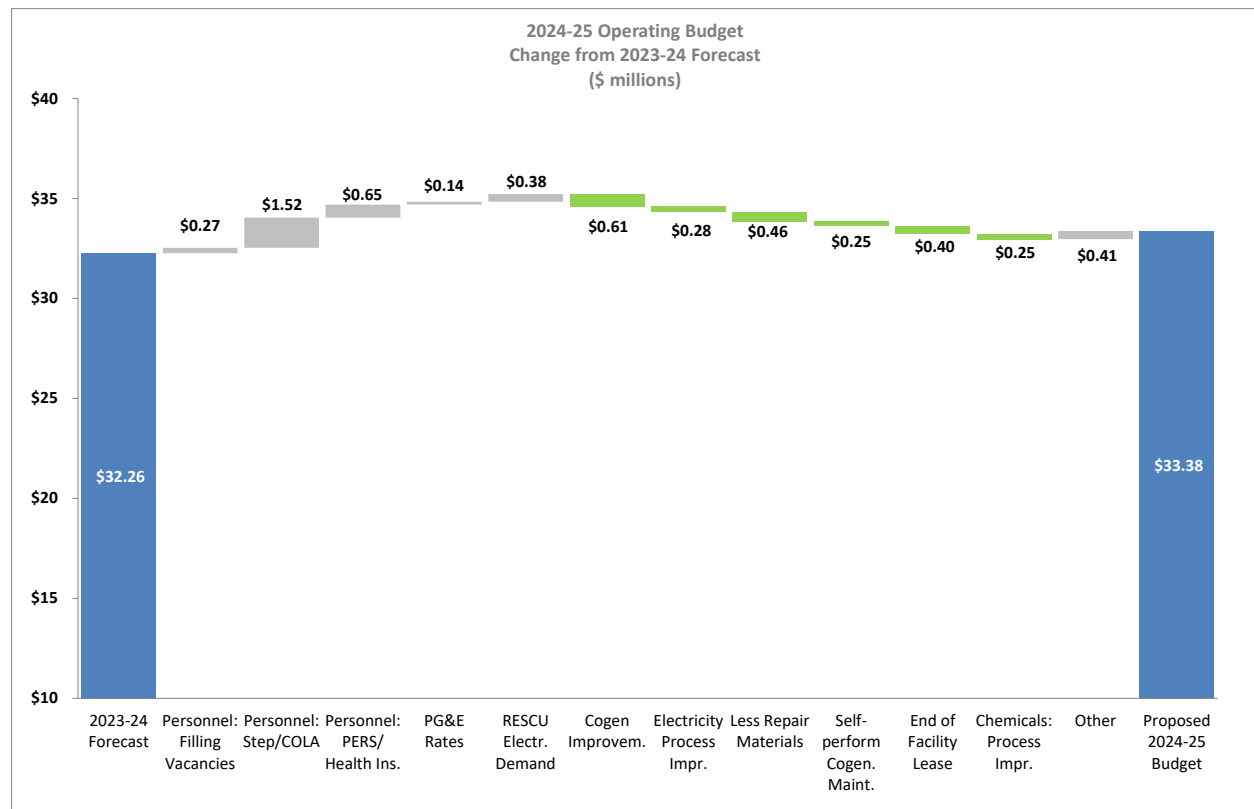
Total Member Contributions described in the Proposed Budget increase by \$23.2 million, or 43.1% over last year. It allots \$32.47 million for Net Operating Expenses and \$1.5 million for Revenue-Funded Capital projects next year. Reserve Designations are aligned with Agency policy and include \$3.5 million in contributions to the CIP Reserve. There is also a request that Members contribute \$13.62 million in cash, which would be used for capital projects in lieu of issuing new debt. Debt Service is anticipated to be \$25.86 million, consistent with adopted debt schedules described in recent Long Range Financial Plans.

Budgeted Member Entity Contributions				
Description	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 31,861,220	\$ 33,380,803	\$ 1,519,583	4.8%
Less: Miscellaneous Revenue	(848,799)	(912,425)	63,626	7.5%
Contributions, Net Operating Expenses	\$ 31,012,421	\$ 32,468,378	\$ 1,455,957	4.7%
Add: Revenue-Funded Capital Projects	480,000	1,499,635	1,019,635	212.4%
Contributions, Before Reserves & Debt Service	\$ 31,492,421	\$ 33,968,013	\$ 2,475,592	7.9%
Add: Reserve Designations	3,246,236	3,500,000	253,764	7.8%
Add: Cash in lieu of Debt	-	13,622,706	13,622,706	-
Add: Debt Service, Participating members	19,047,831	25,863,091	6,815,260	35.8%
TOTAL MEMBER CONTRIBUTIONS	\$ 53,786,489	\$ 76,953,810	\$23,167,322	43.1%

Gross Operating Expenses

Specific to the operating budget only, the following table and chart compares the 2024-25 Proposed Operating Budget to 2023-24's forecasted expenditures ("Forecast"). The comparative increase is \$1.1 million, or 3.5%, though it is estimated that forecasted expenditures will end the year \$402 thousand (1.3%) higher than the 2023-24 Budget due to underperforming cogeneration engines. Additional comments comparing next year's proposed budget are drawn from the table and chart below.

Silicon Valley Clean Water Expenditure Summary - By Expense Category					
Description				\$	%
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel	\$ 19,713,950	\$ 19,354,011	\$ 21,762,630	\$ 2,408,619	12.4%
Utilities	2,697,093	3,179,775	2,752,332	(427,443)	(13.4%)
Administrative Expenses	733,697	744,338	781,216	36,878	5.0%
Equipment & Supplies Expense	2,686,826	2,927,628	2,734,333	(193,295)	(6.6%)
Chemicals	2,991,112	2,998,188	2,873,109	(125,079)	(4.2%)
Professional & Contractual Services	2,614,952	2,692,532	2,037,174	(655,358)	(24.3%)
Training, Memberships, Travel	423,589	366,618	440,009	73,391	20.0%
TOTAL	\$ 31,861,220	\$ 32,263,090	\$ 33,380,803	\$ 1,117,713	3.5%



- Personnel expenditures will increase by \$2.4 million, or 12.4%, compared to forecast. Vacant positions, valued at \$270 thousand, are anticipated to be filled by the beginning of the new fiscal year. Approximately half of this increase (\$1.4 million) recognizes cost-of-living and step adjustments. An additional \$650 thousand is allotted for higher CalPERS-required employer contribution rates and health insurance premium increases. Finally, workers' compensation insurance costs will increase by \$83 thousand, associated with the agency's experience modification factor being increased after recent claims.
- Utility costs will decline by \$427 thousand (13.4%) compared to forecast. While PG&E electricity rates will increase by 14%, raising costs by \$140 thousand, and the annualization of new headworks lift pumps and odor control systems adds \$380 thousand, several actions are being taken to reduce utility costs. Staff will focus on improving cogeneration operations and implementing process improvements which, combined, could reduce electricity expenses by \$890 thousand.
- Administrative Expense will increase from forecast by \$36.9 thousand (5.0%) primarily due to additional data requirements of the local air control board, as well as general fee increases in regulatory permits and property / liability insurance.
- Equipment and Supplies expense is budgeted to decline \$193.3 thousand (6.6%) from forecast. This reduction reflects lowered maintenance costs of new pump stations and headworks.
- Until recently, chemical prices were increasing at unprecedented rates between 2021 and 2023. The pace of price inflation has moderated, as next year chemicals prices are largely unchanged or limited to a 2.5% increase. Nevertheless, to recover prior years' increased chemical costs, SVCW has budgeted process improvements to reduce chemical use and save \$250 thousand.
- Professional and Contractual Services will decline by \$655.4 thousand (24.3%), reflecting the end of a \$400 thousand annual flow equalization facility lease. In addition, new network upgrades will avoid \$100 thousand of support costs.
- Training, Memberships, and Travel will increase by \$73 thousand (20%). SVCW anticipates more training and education activities in response to new facilities and staffing.

Miscellaneous Revenue

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

Next year's Miscellaneous Revenues are anticipated to increase by \$27.7 thousand (3.1%) from the 2023-24 Budget, mainly due to the strong performance of a battery storage system that allows SVCW to recover grant revenues.

Flow and Loading Changes

Flows are measured by calibrated meters and composite loading values calculated from samples taken at the pump stations serving the respective Members' service areas. In general, flow and loading values reflect influences such as denser housing policies, the condition of respective Members' collection systems, and the lack of rainfall in previous years. Over the past three years, however, since the pandemic began in 2020, SVCW Members' flows and loading values experienced changes as community members often worked from home. Conditions changed with work-from-home practices, vacant office campuses, and lower occupancy at businesses and restaurants; all influencing flow and loading values. Now, after updating with 2023 data, relative flows and loadings have begun returning to historical averages and the three-year average used for budget allocations has turned towards the historical averages between Members.

Three-year Average Flow and Loading Averages - by Member				
Agency	Factor	2023-24 Budget	2024-25 Budget	Point Increase/ (Decrease)
Belmont	Flow	11.24%	10.52%	(0.72)
	Biochem. Oxygen Demand	10.87%	9.15%	(1.72)
	Suspended Solids	9.52%	8.19%	(1.33)
Redwood City	Flow	55.50%	53.91%	(1.59)
	Biochem. Oxygen Demand	58.29%	58.76%	0.47
	Suspended Solids	60.48%	62.59%	2.11
San Carlos	Flow	13.06%	14.40%	1.34
	Biochem. Oxygen Demand	11.41%	11.33%	(0.08)
	Suspended Solids	10.54%	10.20%	(0.34)
WBSD	Flow	20.20%	21.17%	0.97
	Biochem. Oxygen Demand	19.43%	20.76%	1.33
	Suspended Solids	19.46%	19.02%	(0.44)

Revenue-Funded Capital

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

2024-25 Revenue-Funded Capital Expenditures

Project Name	Estimated Cost
Core Network Hardware Upgrade	\$ 500,000
Firewall Security Hardware Upgrade	150,000
Camera Process Monitoring Upgrade	60,000
SHB Gen 1&3 Water pump	55,000
PST Gear box Cross Collector/ Skimmer	34,000
Maint. Tool Room Lockers	25,000
FFR/ Grease Station Vapex	325,635
Maint Shop Split HVAC unit	60,000
Articulating Lift	60,000
FOP Scissor Lift	25,000
Laboratory Automated Nutrient Analyzer	55,000
EV Charger Expansion & Trenching	100,000
EV Vehicle	50,000
TOTAL	\$ 1,499,635

- Technology upgrades include replacing the Authority’s core network platform as the current system reaches end of life. Cybersecurity measures remain paramount, and the budget will include upgrades to firewall measures as well.
- SVCW has over 50 cameras throughout its facilities to surveil operations and help manage processes. Proposed new software will meet governmental security requirements, improve facility security and safety, and allow operators to effectively view and interact with the camera network.
- Several pieces of equipment are due for replacement including generator water pumps, primary sedimentation gear boxes, odor control Vapex units, and lift equipment.
- Facility improvements include updating the HVAC system and providing tool room materials to increase efficiency in the Maintenance Shop.
- A new automated nutrient analyzer in the laboratory will measure ammonia, nitrate/nitrite, and COD levels. The equipment is anticipated to improve the time it takes for analysis and reduces the number of samples sent to outside labs.
- As SVCW moves towards electrifying its fleet, funds have been allotted to expand the number of charging stations and replace combustion engine vehicles.

Reserves

Operating Reserve contributions follows Policy to ensure an adequate balance is in place at fiscal year-end. Given increased investment returns, no contributions to Operating

Reserves will be needed. Separately, this Budget includes \$3.5 million for Capital Improvement Program Reserves to comply with SVCW Policy.

Cash-in-lieu of Debt

Members are asked to contribute \$13.6 million of accumulated cash to fund CIP expenditures. In conjunction with the use of \$15 million of SVCW capacity reserves, this helps delay when SVCW would issue debt.

Debt Service

SVCW's debt service payments for the next fiscal year will be \$25.86 million, an increase of \$6.8 million as RESCU SRF Loans become due. This amount is drawn from the 2024 Long-Range Financial Plan, updated in February 2024.

RECOMMENDATION

Move approval of RESOLUTIONS ADOPTING:

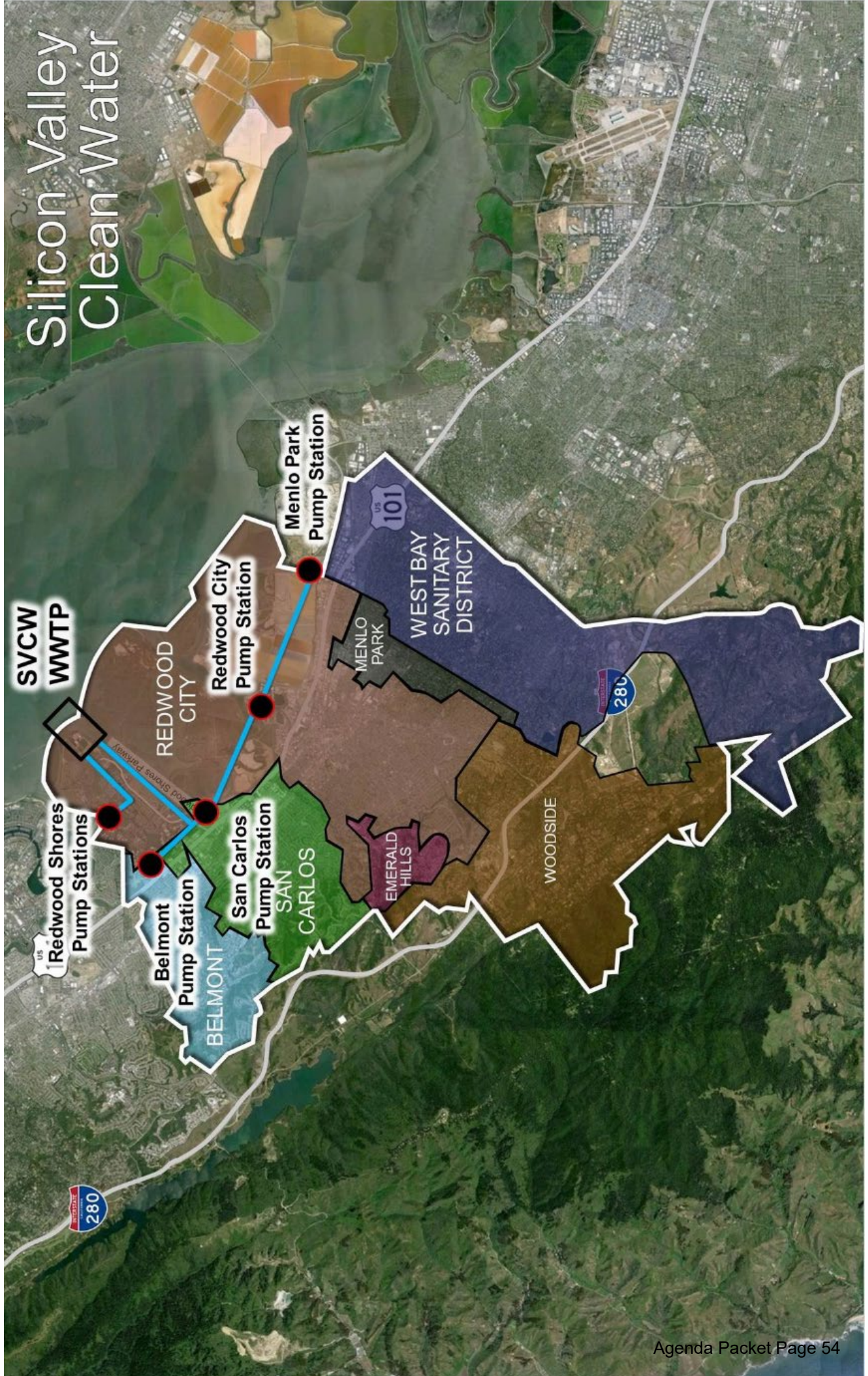
- i. FISCAL YEAR 2024-25 REVENUE PLAN IN THE AMOUNT OF \$32,468,378 IN NET OPERATING REVENUES REQUIRED AND \$1,499,635 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. FISCAL YEAR 2024-25 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$3,500,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND
- iii. FISCAL YEAR 2024-25 CASH IN LIEU OF DEBT CONTRIBUTIONS IN AN AMOUNT OF \$13,622,706
- iv. FISCAL YEAR 2024-25 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$25,863,091
- v. AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN THE FISCAL YEAR 2024-25 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION



DRAFT 2024-25 OPERATING BUDGET

PROPOSED APRIL 08, 2024

Silicon Valley Clean Water



Commissioners

<u>Name</u>	<u>Title</u>	<u>Member Agency</u>
Alicia Aguirre	Chair	City of Redwood City
George Otte	Vice Chair	West Bay Sanitary District
Ron Collins	Secretary	City of San Carlos
Davina Hurt	Member	City of Belmont

SVCW Staff

<u>Name</u>	<u>Title</u>
Teresa Herrera	Manager
Matthew Anderson	Assistant Manager & Chief Financial Officer
Monte Hamamoto	Chief Operating Officer
Kim Hackett	Authority Engineer
Dan Buenrostro	Operations Director
Sameet Shankar	Maintenance Director
Bob Wandro	Laboratory Director
Arvind Akela	Engineering / Environmental Services Director
David Lee	Safety Director
Jen Flick	Human Resources Director
Brent Brown	Information Systems Director
Cindy Hui	Accounting Supervisor

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

SECTION 1 – OVERVIEW

Organizational Structure and Business.....	1
Governance and Management.....	1
Financial Oversight and Control	2
Debt Reserves.....	2
Long Range Financial Plan	3
Comparative Sewer Residential Rates.....	3
Prior Year Accomplishments	5-11

SECTION 2 – OPERATING BUDGET SUMMARY

Total Expenditures and Contributions.....	13
Expenditure Allocations	14
Member Agency Operating Contributions	15
Miscellaneous Revenue	15
Capital and Reserves	16
Total Contributions by Member	17

SECTION 3 – GROSS OPERATING COSTS

Operating Expenditures.....	19
Personnel	19-22
Operating Expenditures Variance Analysis.....	23-24
Operating Expenditures by Division	26-42

SECTION 4 – REVENUE-FUNDED CAPITAL EXPENDITURES

Project Overviews	44-45
-------------------------	-------

SECTION 5 – CAPITAL IMPROVEMENT PROGRAM AND DEBT SERVICE

Background	46
Projected CIP Expenditures.....	46-47
Debt Service	48-53

SECTION 6 – CASH RESERVES DESIGNATION

Analysis and Reserve Designation	55
--	----

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 1 – OVERVIEW

Organization and Business

Silicon Valley Clean Water (SVCW, “the Agency”, or “the Authority”) was founded in 1975 as the successor to the Strategic Consolidation Sewerage Plan, from which SVCW took title to property including sanitary sewerage pumping stations, as well as conveyance and outfall facilities originally constructed by that plan. SVCW now provides wastewater conveyance, treatment, and effluent disposal services for the surrounding communities including the Cities of Belmont, Redwood City, and San Carlos and West Bay Sanitary District (Member Agencies).

The regional wastewater treatment plant has an average dry weather flow permitted capacity of 29 million gallons per day, an approximately nine-mile influent force main pipeline that conveys wastewater from the SVCW Member Agencies through five pump stations to the treatment plant, the treatment plant, and a 1.25-mile effluent disposal pipeline that discharges treated effluent into the San Francisco Bay. SVCW also provides recycled water to the City of Redwood City.

SVCW is a joint exercise of powers agency located in the northern part of Silicon Valley between the cities of San Francisco and San Jose. The Agency’s wastewater treatment plant is in the City of Redwood City and serves more than 220,000 people and businesses in San Mateo County, California. SVCW operates in a strong Bay Area economy, with a customer base that includes large business customers such as Oracle Corporation, EA Sports, and Facebook.

Governance & Management

The Agency is governed by a four-member Commission consisting of one appointed member from each of the Member Agencies’ governing bodies. Current Commissioners are:

Commissioner	Commission Title	Agency Represented
Alicia Aguirre	Chair	City of Redwood City
George Otte	Vice Chair	West Bay Sanitary District
Ron Collins	Secretary	City of San Carlos
Davina Hurt	Member	City of Belmont

Voting is proportional to the Member Agencies' respective ownership interests in the Authority's wastewater system. There is currently a total of 100 votes which are allocated as follows:

- City of Redwood City 42 votes
- West Bay Sanitary District 28 votes
- City of San Carlos 19 votes
- City of Belmont 11 votes

A vote of at least seventy five percent is required to adopt or amend bylaws, rules, and regulations; to adopt or modify any budget; to approve any capital expenditures, contracts, appropriations, or transfers of more than \$50,000; to employ the manager and certain consultants; to sell or dispose of property; and to approve other designated items. Other actions of the Commission must be approved by a simple majority of the votes. Any amendment to the Joint Powers Agreement must be approved by a four-fifths vote by each of the SVCW Member Agencies' governing bodies.

Financial Oversight and Control

SVCW sets an annual budget according to goals established by the Commission that support operational priorities, the Capital Improvement Program (CIP) and the Long-Range Financial Plan (LRFP). The 2024-25 Budget is consistent with those goals and reflects a progressive approach to controlling costs, minimizing unplanned expenditures, limiting risks, and investing in projects and programs that benefit the community served by SVCW.

SVCW has no taxing power. The Agency receives nearly all its funding, other than interest earnings and other miscellaneous revenues, from payments made by the Member Agencies. Each month, Member Agencies make payments for operations, capital repairs, and cash reserves. Debt service payments are made according to schedules set by government loans (SRF and WIFIA) and Bond issuances. After the close of the fiscal year, the annual payments made by each Member are reconciled against the actual expenditures allocated to each Member, and any difference is applied toward fund reserves held by the Agency on behalf of each Member.

Debt Reserves

The Agency has debt reserves and a Commission-adopted policy to mitigate the negative impact of revenue shortfalls from economic fluctuations, to fund unforeseen expense requirements, to provide stable rates for member Agencies, and to help fund future long-term capital needs. The Operating Reserve is equal to 10% of the approved Operating and Capital Budget plus \$1 million. The Capital Improvement Program Reserve is set at an amount equal to the annual calculated depreciation of SVCW facilities to meet the long-term needs of replacing capital assets upon

reaching the end of their useful life. Each year, if the funds held in the above reserves fall below targeted levels, the Commission considers budget adjustments to return reserves to their target levels. The Agency may amend its reserve policy at any time.

Long-Range Financial Plan

SVCW Member Agencies' sewer rates provide the underlying repayment security for all SVCW financing. As such, SVCW developed a LRF to provide a roadmap for funding the CIP and ongoing operating costs. It also provides information to Member Agencies as they consider sewer rates. The Financial Plan is updated annually and presented to the Commission for approval. Most recently, the LRF was approved by the Commission at its February 2024 meeting.

The Long-Range Financial Plan combines financial projections with strategy. The Governmental Finance Officers Association (GFOA) recommends that all governments regularly engage in long-term financial planning as a collaborative process to consider future scenarios and help navigate challenges. By aligning financial capacity with long-term service objectives, SVCW and its Member Agencies gain insight as to financial resources needed to support strategies. With this information, SVCW Member Agencies can balance objectives and financial challenges.

SVCW has a goal to manage its finances and meet critical funding needs, while recognizing the need to maintain reasonable wastewater rates. Going forward from approval, the LRF is enacted through setting of annual budgets, achieving financial performance measures, and incorporating Commission-directed actions. The Financial Plan is derived from planning models that forecast operating and capital expenditures. It includes reasonably conservative assumptions and attempts to account for uncertainties. It aims to generate adequate cash reserves for capital projects while maintaining a good standing in the credit markets to provide ready access to cost-effective capital financing when needed. It evaluates the capital financing and debt service coverage policies to optimize cash funding of capital investments. Finally, it continues to evaluate cash reserve policies that must consider intergenerational equity when funding capital projects and raising rates.

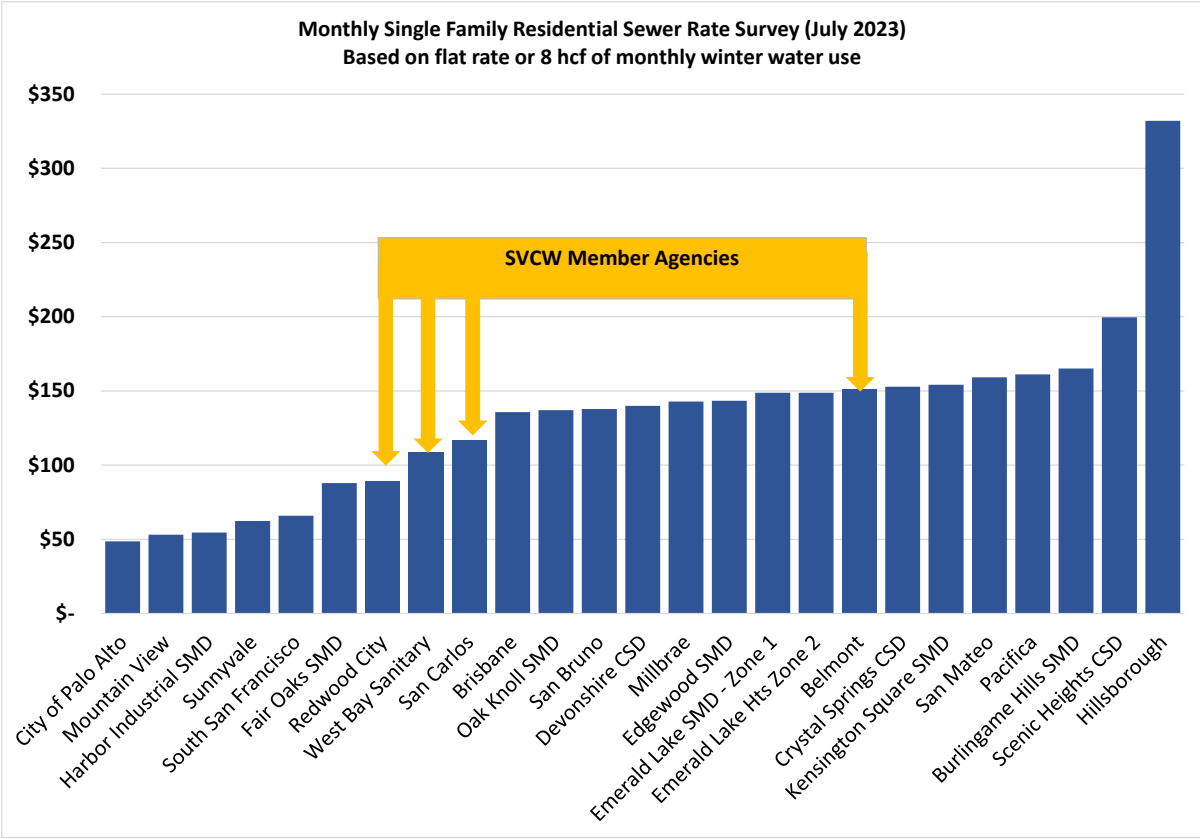
Comparative Residential Sewer Charges

Since the introduction of the CIP, Member Agencies have been proactively raising sewer rates to support their allocable share of SVCW expenditures, as well as their own sewer operating and capital programs. While to date, rate increases have been substantial, going forward modest increases remain. The following table shows residential monthly sewer rates of Member Agencies over the past decade.

Residential Sewer Rates by Member Agency										
Based on 8 HCF of flow										
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Belmont	\$88.13	\$ 88.13	\$ 99.47	\$ 105.35	\$ 116.14	\$ 121.28	\$ 128.37	\$ 135.83	\$ 143.91	\$ 151.31
Redwood City	\$68.77	\$74.95	\$75.11	\$76.68	\$78.24	\$81.76	\$ 81.76	\$ 89.28	\$ 89.28	\$ 89.28
San Carlos	\$80.75	\$88.82	\$88.82	\$93.26	\$97.93	\$102.32	\$ 102.33	\$ 111.74	\$ 116.77	\$ 135.73
West Bay SD	\$74.42	\$81.08	\$85.92	\$89.33	\$93.83	\$98.08	\$ 102.00	\$ 104.58	\$ 106.67	\$ 108.83

Residential Sewer Rate Year-over-Year % Increase, by Member Agency										
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Belmont	6.5%	0.0%	12.9%	5.9%	10.2%	4.4%	5.8%	5.8%	6.0%	5.1%
Redwood City	9.0%	9.0%	0.2%	2.1%	2.0%	4.5%	0.0%	9.2%	0.0%	0.0%
San Carlos	20.0%	10.0%	0.0%	5.0%	5.0%	4.5%	0.0%	9.2%	4.5%	16.2%
West Bay SD	8.9%	8.9%	6.0%	4.0%	5.0%	4.5%	4.0%	2.5%	2.0%	2.0%

Member Agencies' rates are among the middle tier of San Mateo County sewer rates, as shown in the following chart of regional monthly sewer service charges for a typical single family. It should be noted that many other agencies on the Peninsula have initiated their own large capital improvement programs and are anticipated to face significant rate increases going forward.



Accomplishments

Each year, SVCW management sets goals to ensure its communities' wastewater is conveyed and treated in a safe and dependable manner. Key achievements during 2023 on a Division-by-Division basis are:

Safety

- Oversaw compliance with the Above Ground Petroleum Storage Act (APSA) program associated with the Agency's new diesel storage tank. Developed, revised, and executed the Spill Prevention, Control, and Countermeasure (SPCC) Plan. Submitted documentation to San Mateo County Certified Unified Program Agency (CUPA), including hazardous materials business plan, facility tank statement, training plan, monitoring plan, and emergency contingency plan.
- Updated and enhanced several safety programs, including Fall Protection, Hot Work, Respirator Protection, and Bloodborne Pathogens programs to meet regulations.
- Conducted a thorough industrial hygiene survey to identify significant job risks related to ozone safety and established controls to mitigate those risks.
- Implemented Workplace Violence Prevention Plan to ensure a safe environment for staff. Provided training on Active Violence Emergency Response Training (AVERT) to equip employees with the necessary skills to respond effectively in an active shooter scenario and control bleeding in emergency situations.
- Modified COVID-19 Prevention Program to current regulations, resulting in zero work-related COVID-19 cases for the year and reducing exposure risk for employees and visitors.
- Delivered over 800 hours of online safety training through TargetSolutions.com to enhance SVCW's training program and provide convenient access to training materials, ultimately decreasing safety risks and saving time and money.
- Distributed a monthly wellness newsletter to encourage healthy behaviors by employees, leading to the prevention of chronic diseases and improvement in overall quality of life by providing timely and accurate information.

Operations

- Treated over 5.820 billion gallons of wastewater, maintaining full compliance with SVCW's National Pollutant Discharge Elimination (NPDES) System permit.
- Processed 3,302 dry tons of biosolids of which 2,128 dry tons sent to land application, 1,174 dry tons sent to Central Valley compost, and 262 dry tons sent to Bio Dryer.
- Produced 236 million gallons of recycled water for Redwood City.
- Achieved full compliance with monthly acute bioassay analyses to ensure NPDES Permit Compliance.

- Developed and carried out a unique program whereby three Senior Operators were provided the opportunity to temporarily fill an open supervisor position. The program ended successfully with the promotion of one Senior Operator to the open Operations Supervisor position.
- Promoted a Senior Operator to a Process Control Specialist role.
- Hired 4 new employees, including one Operator, one Instrumentation Technician, and two new Utility Workers to replace promotions and fill vacancies.
- Attended Supervisor training sessions to continue to ensure staff remains well prepared for personnel matters and meet agency succession planning goals.
- Supported Capital Improvement Projects by providing input, conducting site-walks, developing lock-out/tag-outs, and coordinating shutdowns.

Maintenance

- Oversaw replacement of Cogeneration engine Long Block & controller upgrade for Engine #1. Engine is now in service and producing up to 600kw of power.
- Replaced Cogeneration Engines 1&2 Breakers in GE Zenith Controls MCC in parallel with engine replacement.
- Overhauled primary sedimentation tanks #1, #2 and #3 including sprockets, shafts, drive chain, cross collector chains, shoes, and flights.
- Performed predictive maintenance on Aeration Basin #1 invent mixer gearbox and motor to improve uptimes.
- Purchased and installed two Vapex odor control systems for primary influent and effluent to reduce corrosive hydrogen sulfide gases impact on structures.
- Replaced two 10-year-old Quincy compressors with new Sullair Compressors and air dryers, providing better performance and redundancy.
- Updated variable frequency drive #3 at Menlo Park Flow Equalization Facility.
- Removed, rebuilt, and installed Effluent Pump #1 in advance of wet weather.
- Updated Redwood City pump station variable frequency drive #2 pump.
- Assisted in installation of new Filtration Pilot Program equipment.
- Improved safety features by installing new lighting fixtures throughout the galleries, roadways, and biosolids drying area.
- Maintenance crew completed 933 corrective work orders and 1611 Preventive Work Orders
- Continued Training for FOP (RESCU) new equipment

Engineering

- Gravity Pipeline project earned multiple awards:
 - APWA Silicon Valley Chapter - Utilities Project of the Year >\$25 million
 - DBIA Award of Merit and Award of Excellence - Water/Wastewater
 - DBIA Best in Design
 - DBIA I.N.S.P.I.R.E.D. (Innovative Newcomer Showcasing Preparedness, Insight, Readiness and Enduring Diligence) Owner Award
 - CWEA Santa Clara Valley Section - Engineering Achievement Award
 - CMAA Northern California – Top Water Resource Project of the Year
 - CMAA Northern California – Project of the Year
 - ENR California Best Project Award – Water/Environment

CONSTRUCTION PROJECTS:

- The Front of Plant project completed its construction and went into startup and commissioning. This project is expected to be substantially completed in 2024.
- The Gravity Pipe project completed its construction and went in service in 2023.
- Completed the construction of Emergency Force Main Repair of 54-in FM in Redwood Shores. This project was triggered by a leak in SVCW's 54-in Force Main in Redwood Shores Parkway.
- Completed the Digester #1 Rehabilitation project. Digester 1 has been offline since 2013 and needed rehabilitation prior to being brought back into service. The construction work included replacement of deteriorated mix piping and nozzles, replacement of coatings and insulation, piping improvements, construction of a new sump, electrical and control modifications, and other miscellaneous repairs within Digester 1, the valve pit, and the pipe gallery.
- Completed the construction of Rotary Drum Thickener (RDT) pump and pipe improvements. The RDTs were placed fully into operation.
- Completed the construction of Diesel Aboveground Tank project. SVCW was required under state law to remove its underground storage tanks and upgrade with either double-wall tank or aboveground tank by December 31, 2025. The project was completed with a 12,000-gallon tank located behind Solids Handling Building.
- Started the construction of Fixed Film Reactor & No. 3 Water Rehabilitation. This project will rehab all three fixed film reactors and add three 125 horsepower pumps to upgrade the No. 3 Water system.
- Started the construction of Return Activated Sludge / Waste Activated Sludge Pipe Rehabilitation. These pipes are from original construction and needed to be rehabilitated for reliable operation.

DESIGN PROJECTS

- Completed the design of Fixed Film Reactor & No. 3 Water Rehabilitation project and publicly bid the contract documents. Project was awarded to the contractor J.F. Shae for \$35 million. The construction is expected to commence in 2024 and be completed in 2026.
- Completed the design of Chiller Replacement Project. The project was also bid, and the contract was awarded. The construction is expected to be completed in 2024.
- Engineering division conducted a two-step selection process to hire a consultant for designing the Sidestream Treatment system. Three major consultants participated and Brown and Caldwell was selected to design the sidestream system.
- Engineering division conducted a two-step procurement process for selecting a design-build team for design and construction of Final Effluent Pump Station Improvements. Four design-build teams participated and Lyles/Kennedy-Jenks team was selected and awarded the contract to proceed with Stage 1 services.
- Engineering division started the design for Dual Media Filter and Aeration Basin Pipe Rehabilitation. The project is expected to go in consultation in 2024.
- Continued the Food Waste Receiving Station project design into
- Draft Basis of Design Report (BODR) for PureWater Peninsula project was completed. This project will utilize SVCW effluent as source water for portable reuse. Formerly PREP (Potable Reuse Exploratory Plan), this project made some significant progress from planning to BODR and include seven partners in the San Francisco Peninsula including SVCW, SFPUC, CalWater, BAWSCA, Mid-Peninsula, City of Redwood City and City of San Mateo.

ONGOING PROJECTS:

- SVCW continues its research project Staged Anaerobic Fluidized Membrane Bio Reactor (SAF-MBR). A research project funded by California Energy Commission (CEC), United States Bureau of Reclamation (USBR) and State Water Resources Control Board (SWRCB), this project is working to test a revolutionary method that has the potential to replace the convention activated sludge method of secondary wastewater treatment with a highly energy efficient process and can potentially make secondary treatment energy neutral.
- Biodryer and Pyrolysis: SVCW continues to work and optimize the biodrying process. SVCW has taken over the operation of biodrier and is working with BioforceTech to replace the pyrolysis with a new unit. New pyrolysis is expected to be online in 2024.

Environmental Services Division:

- Reissued mandatory wastewater discharge permits to 4 significant industrial users.
- Coordinated 16 clean water & wastewater treatment awareness assemblies reaching over 3900 students, teachers, and parents.
- Remained in compliance with our Pretreatment program requirements.
- Performed over 90 industrial sampling events.
- Performed over 1000 inspections pertaining to our FOG and Stormwater programs.
- Continued public outreach efforts by:
 - providing virtual and in-person tours for 200 local high school and college students
 - participating in Belmont’s Earth Day event and reached 150 residents.
 - publishing in-house environmental messages to educate and engage employees.

Information Services

- Established Network Communications to new headworks building which includes Full Camera system for process monitoring and Wi-Fi throughout site.
- Migrated e-logger system to new server and updated application to latest version. Configured to work from anywhere via website certificates.
- Updated current core network and compute hardware to most current, stable, and secure versions.
- Updated VMWare to most current, stable, and secure versions.
- Improved our Cybersecurity Awareness training program to include more realistic phishing simulations. Includes enhanced phish/spam reporting procedures.
- Continue to promote and raise awareness on Cybersecurity via monthly Cyber awareness training and distributing seasonal tips & tricks via email and SharePoint.
- Currently updating all Windows 10 operating systems endpoints to Windows 11.
- Implemented Cisco Webex phone system to all users and common areas, replacing legacy cisco phone hardware and network.
- Installed Upper and lower Intercoms at the front gate and integrated with Webex solution.
- Set up and deployed remote vehicle entry system for Front Gate.
- Optimized Offsite backup system to try to reduce storage consumption.
- Delivered new EIMS “Electronic Information Management System” to SVCW users.
- Upgraded Lab Information Management System (LIMS) server and implemented enhancements to equipment that streamlines LIMS applications.

- Researched cloud system for both LIMS and Linko (Environmental Services data and reporting tool) applications
- Upgraded conference room meeting equipment on site.
- Updated SCADA historian services on Business network
- Renegotiated Verizon contracts for additional savings and features
- Ordered and programmed replacement SVCW ID cards.
- Currently deploying Emergency Notification Speakers in control building

Laboratory

- Generated over 17,362 reportable results during 2023 in support of Plant Operations, Permit Regulations, Environmental Services, and customer projects. The number of reportable results increased by 8% over that from 2022.
- Achieved accreditation under the new CA ELAP (Environmental Laboratory Accreditation Program) requirements. The new regulations are based on a national standard (TNI) which encourages customer confidence with an emphasis on well documented data. The accreditation is the result of Laboratory staff working together to improve every single laboratory procedure. CA ELAP recognized the SVCW Laboratory with the TNI Early Adopter Certificate.
- Added a new Quality Assurance Officer position, which provides additional time to orchestrate the laboratory's CA ELAP accreditation. Every Laboratory task now has a Procedure, Work Instruction, or Work Sheet. Every task performed in the Laboratory is now documented.
- Supported the air permit compliance for the new Head Works Odor Control System with sampling and testing. Air sampling procedures were developed for hydrogen sulfide and organics. The Laboratory staff developed a procedure to sample air pipes under negative pressure by using a portable pump. Extracted air samples could then be accurately measured in ambient pressure.
- Continued participation, along with other wastewater treatment plants, in Stanford University's Sewer Coronavirus Alert Network (SCAN) tracking project. Sludge samples from the SVCW service area represent 220,000 people and businesses. Our partnership with this project has been critical in informing the public about the onset of the COVID pandemic, Monkeypox virus, Influenza, and RSV.
- Reported 299 results in 31 work orders for treatment plant process improvement projects.

Administrative/Finance

- Moved to a Microsoft PowerApps platform that uses AI technology to scan, extract, and route invoices for approval. This new solution considerably reduces Accounts Payable processing times, improves accuracy, and offers powerful query tools to users.
- Completed the administration of a WIFIA Loan program to draw \$218 million from the U.S. Environmental Protection Agency, afterwards used to pay down low-interest interim construction Notes.
- Reconfigured, tested, and implemented payroll system changes to accommodate changes from a new labor agreement.

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 2 – OPERATING BUDGET SUMMARY

Total Member Contributions described in the Proposed Budget increase by \$23.16 million, or 43.1% over last year. It allots \$32.5 million for Net Operating Expenses and \$1.5 million for Revenue-Funded Capital projects next year. Reserve Designations are aligned with Agency policy and include \$3.5 million in contributions to the CIP Reserve. There is also a request that Members contribute \$13.6 million in cash, which would be used for capital projects in lieu of issuing new debt. Debt Service is anticipated to be \$25.9 million, consistent with adopted debt schedules described in recent Long Range Financial Plans.

Budgeted Member Entity Contributions				
Description	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 31,861,220	\$ 33,380,803	\$ 1,519,583	4.8%
Less: Miscellaneous Revenue	(848,799)	(912,425)	63,626	7.5%
Contributions, Net Operating Expenses	\$ 31,012,421	\$ 32,468,378	\$ 1,455,957	4.7%
Add: Revenue-Funded Capital Projects	480,000	1,499,635	1,019,635	212.4%
Contributions, Before Reserves & Debt Service	\$ 31,492,421	\$ 33,968,013	\$ 2,475,592	7.9%
Add: Reserve Designations	3,246,236	3,500,000	253,764	7.8%
Add: Cash in lieu of Debt	-	13,622,706	13,622,706	-
Add: Debt Service, Participating members	19,047,831	25,863,091	6,815,260	35.8%
TOTAL MEMBER CONTRIBUTIONS	\$ 53,786,489	\$ 76,953,810	\$23,167,322	43.1%

- Gross Operating Expenditures will increase by \$1.52 million (4.8%), which reflects inflationary pressures and an agreed-upon labor contract. This budget includes multiple cost-saving initiatives that, through process improvements, will reduce the use of electricity and chemicals. The budget also assumes certain activities will be self-handled to reduce the dependence on outside services.
- Miscellaneous Revenue will be \$63.6 thousand more than the 2023-24 Budgeted amount, due to increased receiving of organic food waste from a local municipality.
- Revenue-funded capital spending will be the typical \$1.5 million, or \$1.02 million more than what was budgeted in 2023-24. Whereas the prior year saw a temporary reduction in small capital projects, several technology improvements and equipment purchases are critically needed next year.
- Reserve Designations will increase by \$253.8 thousand next year. The 2024-25 Budget follows Reserve Policy, which calls for an annual CIP Reserve contribution of \$3.5 million in the next fiscal year, an increase of \$500 thousand. Conversely, Operating Reserve

contributions will decline by \$246.2 thousand as robust investment returns are expected to generate enough funds to reach the Reserve Policy target of 10% of Operating Budget plus \$1 million.

- SVCW’s Debt structure in the next fiscal year will be \$25.86 million, an increase of \$6.8 million as RESCU SRF Loans become due. Further analysis of SVCW’s Long Term Debt is in Section 5 and draws from SVCW’s February 2024 Long-Range Financial Plan.

Expenditure Allocations

Operating Revenues are allocated according to the Joint Powers Agreement (JPA) between Member Agencies. The allocation methodology uses a combination of three flow and loading factors: Flow, Biochemical Oxygen Demand (BOD), and Suspended Solids (SS). These factors are based on three-year averages and updated annually. SVCW applies the JPA-defined formula to allocate annual budgeted operating costs to Member Agencies.

The updated three-year flow and loading factors below illustrate how flow and loading figures changed proportionate to Member Agencies’ absolute figures.

Three-year Average Flow and Loading Averages - by Member				
Agency	Factor	2023-24 Budget	2024-25 Budget	Point Increase/ (Decrease)
Belmont	Flow	11.24%	10.52%	(0.72)
	Biochem. Oxygen Demand	10.87%	9.15%	(1.72)
	Suspended Solids	9.52%	8.19%	(1.33)
Redwood City	Flow	55.50%	53.91%	(1.59)
	Biochem. Oxygen Demand	58.29%	58.76%	0.47
	Suspended Solids	60.48%	62.59%	2.11
San Carlos	Flow	13.06%	14.40%	1.34
	Biochem. Oxygen Demand	11.41%	11.33%	(0.08)
	Suspended Solids	10.54%	10.20%	(0.34)
WBSD	Flow	20.20%	21.17%	0.97
	Biochem. Oxygen Demand	19.43%	20.76%	1.33
	Suspended Solids	19.46%	19.02%	(0.44)

Since the pandemic began in 2020, SVCW Members’ flows and loading values experienced changes as communities worked from home. Influencing factors include the denser housing

policies, the condition of respective collection systems, and the lack of rainfall in previous years. Flows are measured by calibrated meters and composite loading values calculated from samples taken at the pump stations serving the respective Members’ service areas. After updating with 2023 data, relative flows and loadings have begun returning to historical averages. Conditions have changed since the end of pandemic, when work-from-home practices, vacant office campuses, and lower occupancy at businesses and restaurants influenced flow and loading values. These year-over-year changes reflect relative flow and loading behaviors between Member Agencies. These metrics are shared with the SVCW Technical Committee for validation.

Member Agency Operating Contributions Calculation

Flow and Loading factors are incorporated into the below table to allocate budgeted operating expenditures:

2024-25 Budget Member Contributions Allocation Model						
Description	Belmont	Redwood City	San Carlos	West Bay San District	TOTAL	
Allocation Factors						
Flow	10.52%	53.91%	14.40%	21.17%	100%	
Biochemical Oxygen Demand (BOD)	9.15%	58.76%	11.33%	20.76%	100%	
Suspended Solids (SS)	8.19%	62.59%	10.20%	19.02%	100%	
	Weightings					
	Flow	BOD	SS			
Operating Expenditures						
Operations	26.5%	33.5%	40.0%	\$ 1,245,085	\$ 8,047,763	\$ 1,594,577 \$ 2,751,290 \$ 13,638,716
Maintenance	26.5%	33.5%	40.0%	616,708	3,986,167	789,816 1,362,752 6,755,442
Laboratory	26.5%	33.5%	40.0%	211,751	1,368,680	271,189 467,911 2,319,531
Environmental Services	26.5%	33.5%	40.0%	109,185	705,730	139,833 241,268 1,196,015
Engineering	26.5%	33.5%	40.0%	208,241	1,345,992	266,694 460,155 2,281,081
Safety	100.0%	0.0%	0.0%	50,930	260,994	69,715 102,490 484,129
Information Services	26.5%	33.5%	40.0%	198,126	1,280,612	253,739 437,803 2,170,280
Administrative Services	100.0%	0.0%	0.0%	466,851	2,392,389	639,035 939,471 4,437,746
Total Operating Expend.				\$ 3,106,877	\$ 19,388,326	\$ 4,024,598 \$ 6,763,140 \$ 33,282,941
Subtract Miscellaneous Income	26.5%	33.5%	40.0%	\$ 83,296	\$ 538,393	\$ 106,677 \$ 184,060 \$ 912,425
2024-25 Net Operating Revenue Required				\$ 3,023,581	\$ 18,849,934	\$ 3,917,922 \$ 6,579,079 \$ 32,370,516
2023-24 Net Operating Revenue Required				\$ 3,270,530	\$ 17,987,813	\$ 3,636,433 \$ 6,117,645 \$ 31,012,421
\$ Increase / (Decrease)				\$ (246,949)	\$ 862,121	\$ 281,489 \$ 461,434 \$ 1,358,095
% Increase / (Decrease)				(7.55%)	4.79%	7.74% 7.54% 4.38%

Miscellaneous Revenue

Miscellaneous Revenue is derived from grease and septic receipts, property leases, and services performed by the Environmental Services Division. SVCW continues to secure Self-Generation Incentive Program (SGIP) revenues from a battery storage program.

2024-25 Budget Miscellaneous Revenue					
Description	2023-24	2023-24	2024-25	\$	%
	Adopted Budget	Forecast	Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Grease & Septic Receiving	\$ 263,985	\$ 246,090	\$ 246,090	\$ -	0.0%
Food Waste Revenue	22,400	80,693	83,200	2,507	3.1%
Other Miscellaneous Revenue	196,817	172,150	187,902	15,752	9.2%
Source Control	83,802	137,676	87,512	(50,164)	(36.4%)
Laboratory Services	4,375	3,838	3,838	-	0.0%
Interest Earnings	12,500	8,919	12,500	3,581	40.2%
Self-Generation Incentive Program	150,000	150,000	185,000	35,000	23.3%
Stormwater Monitoring	114,920	85,325	106,384	21,059	24.7%
TOTAL	\$ 848,799	\$ 884,690	\$ 912,425	\$ 27,735	3.1%

Capital and Reserve Contributions

As described in Section 4 of this budget, Revenue-financed Capital projects are estimated at \$1.5 million in 2024-25. Contributions to the CIP Reserve follow policy and are scheduled to be \$3.5 million next fiscal year. These costs are allocated to Members according to JPA-defined percentages, which are based on each Member Agency’s dry weather capacity owned and its allocated share of future dry weather capacity.

2024-25 Capital and Reserve Allocation Calculations					
Description	City of Belmont	Redwood City	City of San Carlos	West Bay San District	TOTAL
Capital and Reserve Allocation Factors	9.45%	48.57%	15.14%	26.84%	100.00%
CAPITAL IMPROVEMENT					
Treatment Plant	\$ 39,183	\$ 201,388	\$ 62,776	\$ 111,288	\$ 414,635
Equipment	102,533	526,985	164,269	291,214	1,085,000
Subtotal	\$ 141,716	\$ 728,373	\$ 227,045	\$ 402,502	\$ 1,499,635
RESERVE CONTRIBUTIONS					
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
CIP Reserve	330,750	1,699,950	529,900	939,400	3,500,000
Subtotal	\$ 330,750	\$ 1,699,950	\$ 529,900	\$ 939,400	\$ 3,500,000
Contributions for Capital & Reserves	\$ 472,466	\$ 2,428,323	\$ 756,945	\$ 1,341,902	\$ 4,999,635

Section 5 of this Budget briefly reviews the CIP and its associated debt service payments, which vary between Members as some opt to self-finance a portion of the CIP rather than fully participate in SVCW debt. Cash reserves, discussed in Section 6, reflect SVCW policy.

Total Member Agency Contributions

Total 2024-25 contributions (including debt service) will be \$76.95 million, allocated as follows:

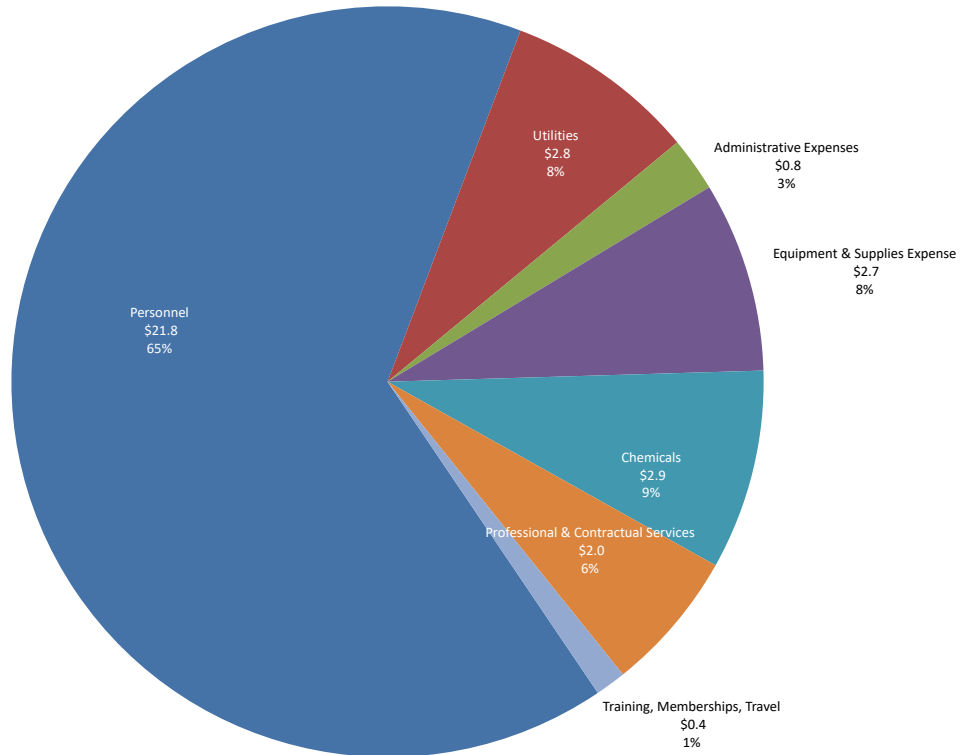
2024-25 Budget - Total Contributions by Member Agency					
Description	City of Belmont	Redwood City	City of San Carlos	West Bay San District	TOTAL
Net Operating Expenditures	\$ 3,032,567	\$ 18,907,491	\$ 3,929,463	\$ 6,598,857	\$ 32,468,378
Revenue-Funded Capital Expenditures	141,716	728,373	227,045	402,502	1,499,635
Reserve Contributions	330,750	1,699,950	529,900	939,400	3,500,000
Cash in lieu of Debt Contributions	1,287,346	6,616,548	2,062,478	3,656,334	13,622,706
Projected Debt Service	840,053	13,724,978	4,334,817	6,963,243	25,863,091
Total Contributions to SVCW	\$ 5,632,430	\$ 41,677,340	\$ 11,083,702	\$ 18,560,337	\$ 76,953,810

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 3 – GROSS OPERATING EXPENDITURES

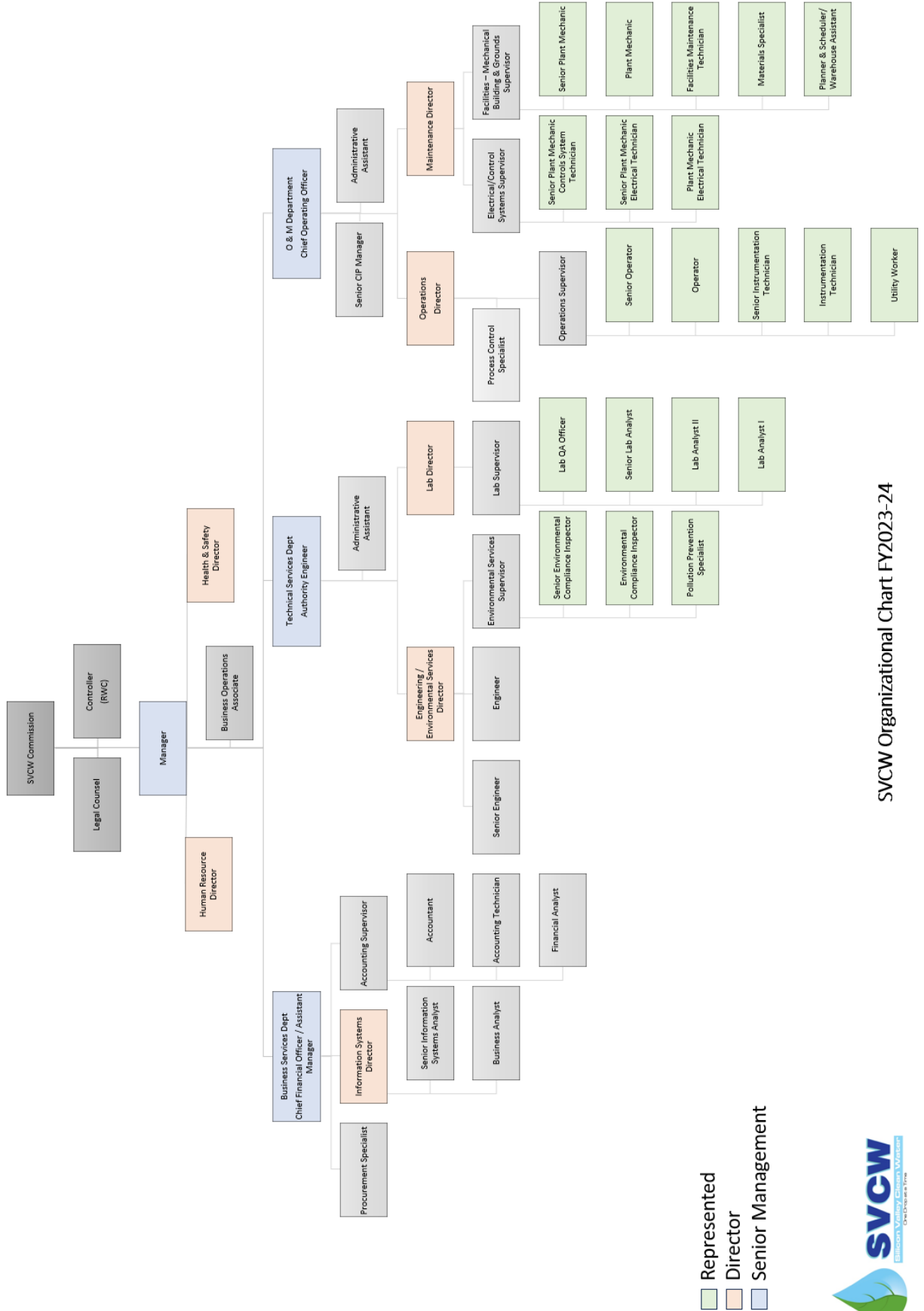
The FY 2024-25 Gross Operating Budget will be \$33.38 million. The below chart illustrates the significant expenditure categories, showing 65% of expenditures are for personnel-related costs associated with approximately 82 full-time equivalent employees in the Operating Budget.

SVCW 2024-25 Gross Operating Budget (\$33.38 million)



Personnel

Over the past five years, Operating Budget staffing levels remained relatively flat between 79 to 82 full-time equivalent positions, across eight divisions. Divisional positions are illustrated in the following organization chart.



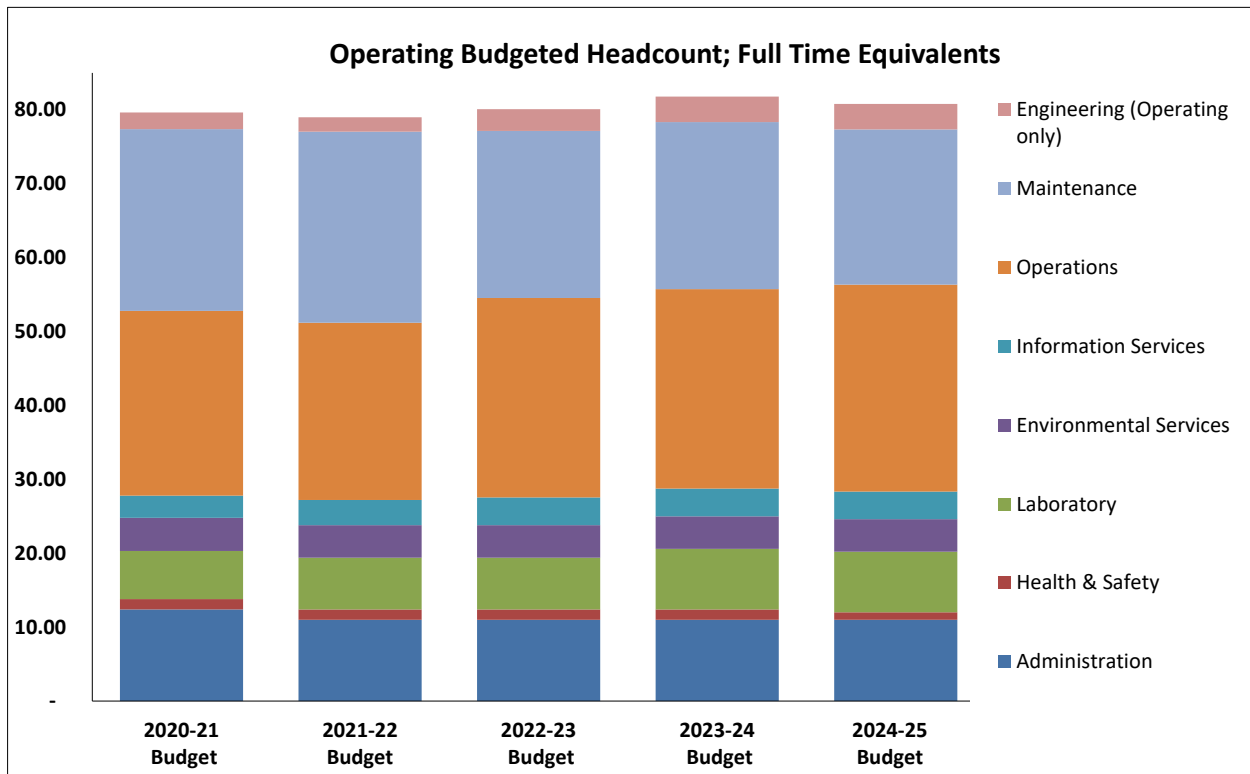
- Represented
- Director
- Senior Management



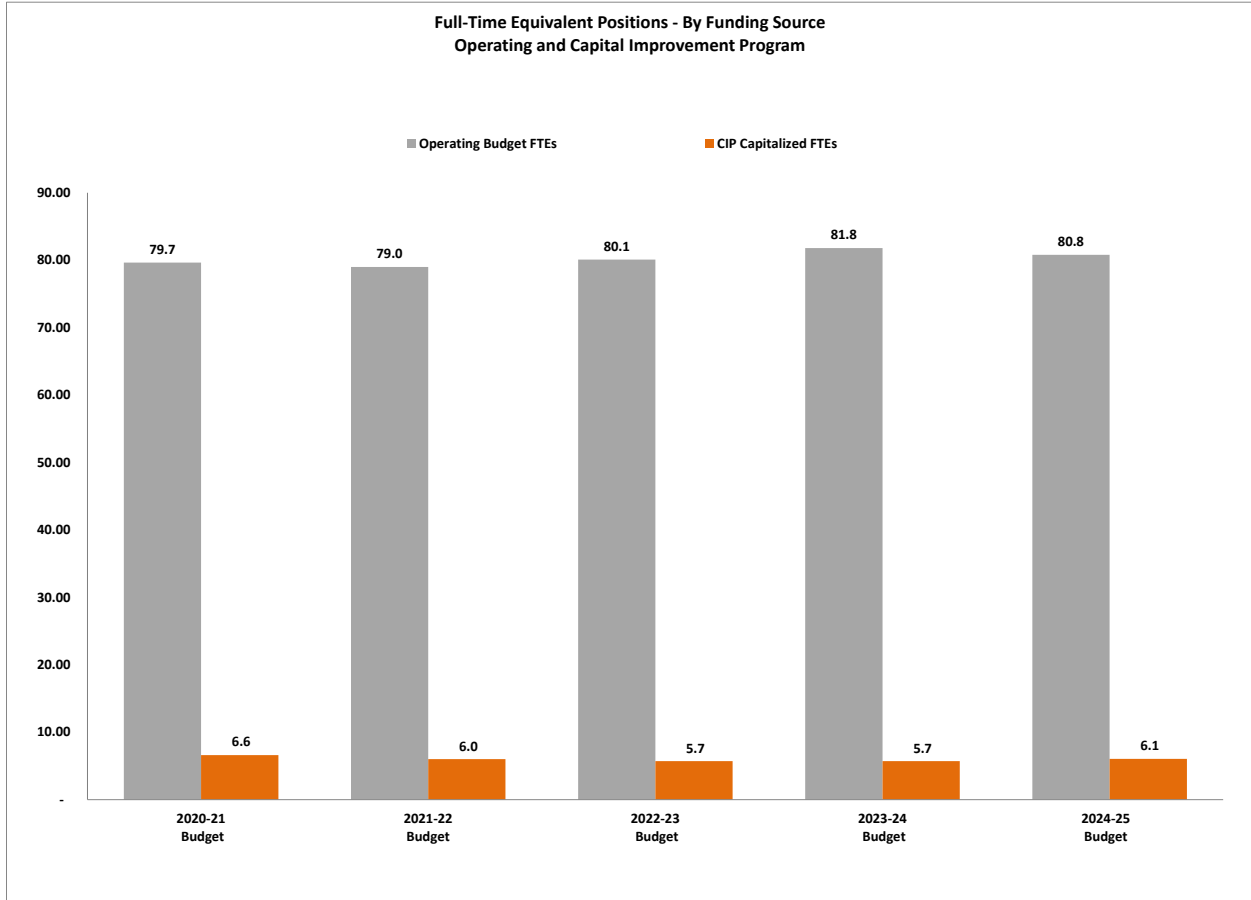
SVCW Organizational Chart FY2023-24

Positions included in the Operating Budget will decrease by one Full Time Equivalent position next year, reflecting the assignment of a Mechanic position to a Capital Improvement Program manager that is captured in the CIP fund. Additionally, an Instrumentation Technician position transfers from Maintenance to Operations and will help manage the increased number of instruments at new facilities. Finally, a facilities mechanic position previously assigned part-time to the Safety Division will report solely to Maintenance going forward, while still performing as-needed work on safety matters.

Full-time Equivalent Headcount - Operating Budget						
Division	2020-21 Budget	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	Increase/ (Decrease)
Operations	25.00	24.00	27.00	27.00	28.00	1.00
Maintenance	24.60	25.85	22.60	22.60	21.00	(1.60)
Laboratory	6.50	7.00	7.00	8.20	8.20	-
Environmental Services	4.50	4.40	4.40	4.40	4.40	-
Engineering (Operating only)	2.25	1.95	2.95	3.45	3.45	-
Health & Safety	1.40	1.40	1.40	1.40	1.00	(0.40)
Information Services	3.00	3.40	3.75	3.75	3.75	-
Administration	12.40	11.00	11.00	11.00	11.00	-
TOTAL Full Time Equivalents	79.65	79.00	80.10	81.80	80.80	(1.00)



It should be noted that the Operating Budget excludes costs associated with work performed on CIP projects. The chart below defines the number of positions that have been traditionally charged to capital projects versus operating costs, and further illustrates how the 2024-25 Budget continues to dedicate six staff members to management of large and complex projects.



Operating Costs Summary by Objective

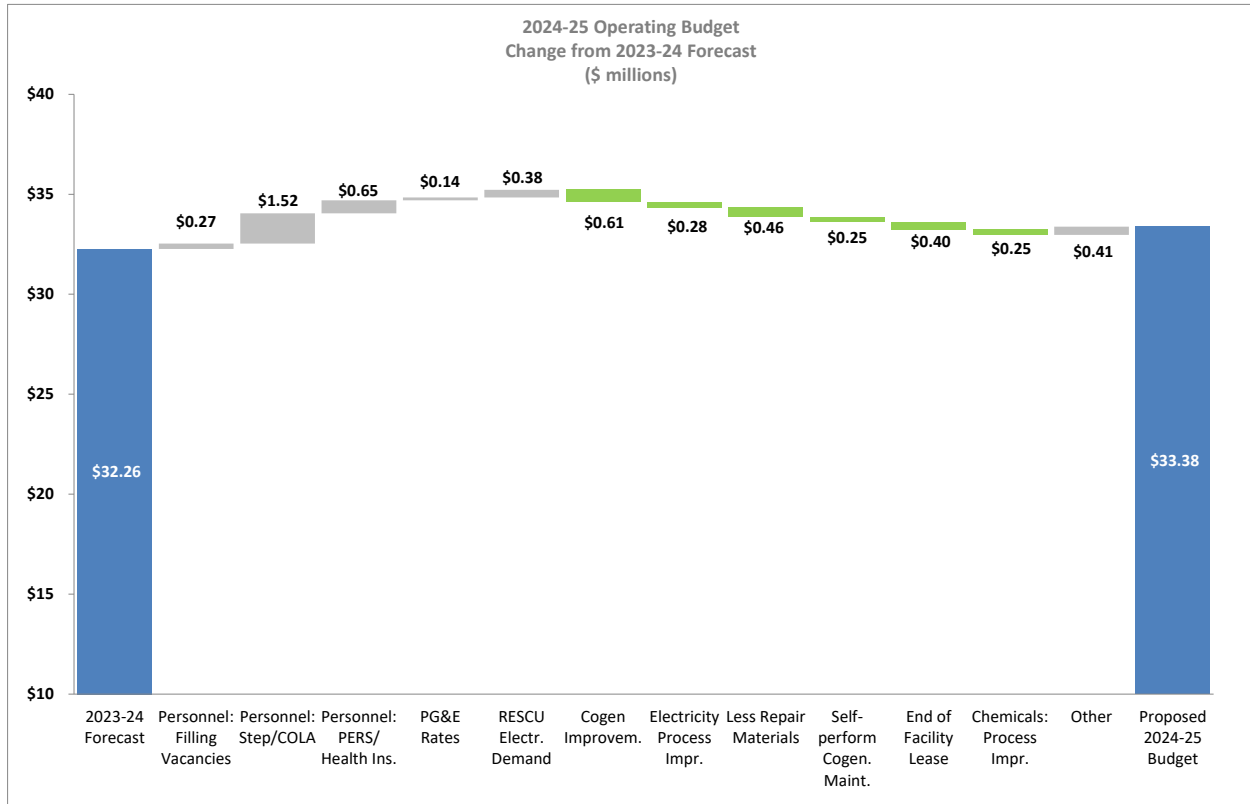
Gross Operating Expenses (compared to 2023-24 Forecast) increases by \$1.12 million, or 3.5%. Comparative comments between the two periods include significant inflationary pressures as well as operational changes when new RESCU-constructed facilities are in full service.

Silicon Valley Clean Water Expenditure Summary - By Expense Category					
Description				\$	%
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel	\$ 19,713,950	\$ 19,354,011	\$ 21,762,630	\$ 2,408,619	12.4%
Utilities	2,697,093	3,179,775	2,752,332	(427,443)	(13.4%)
Administrative Expenses	733,697	744,338	781,216	36,878	5.0%
Equipment & Supplies Expense	2,686,826	2,927,628	2,734,333	(193,295)	(6.6%)
Chemicals	2,991,112	2,998,188	2,873,109	(125,079)	(4.2%)
Professional & Contractual Services	2,614,952	2,692,532	2,037,174	(655,358)	(24.3%)
Training, Memberships, Travel	423,589	366,618	440,009	73,391	20.0%
TOTAL	\$ 31,861,220	\$ 32,263,090	\$ 33,380,803	\$ 1,117,713	3.5%

Comparing the 2024-25 Budget to the 2023-24 Forecast:

- Personnel expenditures will increase by \$2.4 million, or 12.4%, compared to Forecast. Vacant positions, valued at \$270 thousand, are anticipated to be filled by the beginning of the new fiscal year. Approximately half of the increase (\$1.4 million) recognizes cost-of-living and step adjustments. Other personnel cost increases include \$650 thousand for higher CalPERS-required employer contribution rates and health insurance premiums.
- Utility costs will decline by \$427 thousand (13.4%) compared to forecast. While PG&E electricity rates increase by 14%, raising costs by \$140 thousand, and the annualization of new headworks lift pumps and odor control systems adds \$380 thousand, several actions are being taken to reduce utility costs. Staff will focus on improving cogeneration operations and implementing process improvements which, combined, would reduce electricity expenses by \$890 thousand.
- Administrative Expense will increase from forecast by \$36.9 thousand (5.0%) primarily due to higher regulatory permit fees and property / liability insurance premiums.
- Equipment and Supplies expense is budgeted to decline \$193.3 thousand (6.6%) from forecast. This reduction reflects lowered maintenance costs of new pump station and headworks locations.
- Until recently, chemical prices were increasing at unprecedented rates between 2021 and 2023. The pace of price inflation has moderated, as next year chemicals prices are largely unchanged or limited to a 2.5% increase. Nevertheless, to recover prior years' increased chemical costs, SVCW has budgeted process improvements to reduce chemical use and save \$250 thousand.

- Professional and Contractual Services will decline by \$655.4 thousand (24.3%), reflecting the end of a \$400 thousand annual flow equalization facility lease. In addition, new network upgrades will avoid \$100 thousand of support costs.
- Training, Memberships, and Travel will increase by \$73 thousand (20%). SVCW anticipates more training and education activities in response to new facilities and staffing.



Silicon Valley Clean Water Operating Expenditures					
Description	2023-24 Budget	2023-24 Forecast	2024-25 Budget	\$	%
				Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:					
Salaries	\$ 14,253,128	\$ 14,038,757	\$ 15,445,487	\$ 1,406,730	10.0%
Overtime	273,294	270,858	264,667	(6,191)	(2.3%)
Retirement Benefit Contributions	2,782,348	2,714,143	3,378,048	663,905	24.5%
Health Insurance	1,770,286	1,722,897	1,892,052	169,155	9.8%
Payroll Tax	1,774	1,015	1,779	764	-
Workers' Compensation	393,150	374,525	522,229	147,704	39.4%
Health Insurance - Retiree	28,916	28,242	30,570	2,328	8.2%
Medicare	211,052	203,573	227,797	24,224	11.9%
Subtotal: Personnel Costs	19,713,950	19,354,011	21,762,630	2,408,619	12.4%
Utilities	2,697,093	3,179,775	2,752,332	(427,443)	(13.4%)
Administrative Expenses	733,697	744,338	781,216	36,878	5.0%
Equipment & Supplies Expense:					
Office Supplies	18,642	17,613	18,815	1,202	6.8%
Rentals & Leases	67,054	54,120	68,608	14,488	26.8%
Supplies & Expenses	407,261	423,704	447,971	24,267	5.7%
Equipment Maint - Materials	769,502	1,005,869	775,116	(230,753)	(22.9%)
Equipment Maint - Services	1,395,319	1,399,332	1,387,010	(12,322)	(0.9%)
Non-Capital Equipment	29,048	26,990	36,813	9,823	36.4%
Subtotal: Equipment & Supplies	2,686,826	2,927,628	2,734,333	(193,295)	(6.6%)
Chemicals	2,991,112	2,998,188	2,873,109	(125,079)	(4.2%)
Professional Services	1,024,416	1,116,181	906,592	(209,589)	(18.8%)
Contractual Services	1,590,537	1,576,351	1,130,582	(445,769)	(28.3%)
Memberships & Meetings	80,506	71,114	80,324	9,210	13.0%
Conferences & Travel	119,455	101,663	135,705	34,042	33.5%
Training	223,628	193,841	223,980	30,139	15.5%
TOTAL EXPENDITURES	\$ 31,861,220	\$ 32,263,090	\$ 33,380,803	\$ 1,117,713	3.5%

Total Operating Expenditures by Division

Compared to the 2023-24 Forecast, Divisional changes in budget ranged according to individual strategies. Analysis of each Division is described on the following pages.

Silicon Valley Clean Water Expenditure Summary - By Division					
Description	2023-24	2023-24	2024-25	\$	%
	Budget	Forecast	Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Operations	\$ 13,293,819	\$ 13,649,568	\$ 13,674,076	\$ 24,507	0.2%
Maintenance	6,755,445	6,815,552	6,780,746	(34,806)	(0.5%)
Laboratory Services	2,137,500	2,112,446	2,330,054	217,608	10.3%
Environmental Services	1,084,045	1,075,105	1,200,980	125,875	11.7%
Engineering	2,006,920	2,033,262	2,295,891	262,629	12.9%
Safety	526,906	472,508	486,051	13,543	2.9%
Information Services	2,083,265	2,116,632	2,173,498	56,865	2.7%
Administration	3,973,320	3,988,017	4,439,508	451,491	11.3%
TOTAL	\$ 31,861,220	\$ 32,263,090	\$ 33,380,803	\$ 1,117,713	3.5%

Operations

The Operations Division treats the wastewater of the Member Agencies economically and efficiently while meeting or exceeding all requirements of the National Pollutant Discharge Elimination System (NPDES) permit. A stable, well-trained work force monitors and controls process stability while striving to develop new and better operating methods.

This Division has a total of 28 full-time equivalent positions in 2024-25 including the Chief Operating Officer, Operations Director, and three Operations Supervisors. There are sixteen Operators, one Process Control Specialist, three Instrumentation Technicians, three Utility Workers, and one Administrative Assistant.

Operations Department Expenditures					
Description	2023-24	2023-24	2024-25	\$	%
	Budget	Forecast	Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:					
Salaries	\$ 4,280,152	\$ 4,201,288	\$ 4,787,150	\$ 585,861	13.9%
Overtime	148,130	175,223	154,776	(20,447)	(11.7%)
Retirement Benefit Contributions	910,258	904,649	1,147,797	243,148	26.9%
Health Insurance	581,402	576,842	674,180	97,337	16.9%
Payroll Tax	-	-	-	-	0.0%
Workers' Compensation	147,545	139,883	203,937	64,054	45.8%
Health Insurance - Retiree	8,270	7,933	9,600	1,667	21.0%
Medicare	64,330	62,225	71,658	9,433	15.2%
Subtotal: Personnel Costs	6,140,088	6,068,043	7,049,097	981,053	16.2%
Utilities	2,558,971	3,032,963	2,601,756	(431,207)	(14.2%)
Equipment & Supplies Expense:					
Rentals & Leases	3,544	1,770	3,600	1,830	103.4%
Supplies & Expenses	8,766	15,499	9,520	(5,979)	(38.6%)
Equipment Maint - Materials	49,338	33,136	52,620	19,484	58.8%
Non-Capital Equipment	-	465	1,788	1,323	-
Subtotal: Equipment & Supplies	61,649	50,870	67,528	16,658	32.7%
Chemicals	2,991,112	2,998,188	2,873,109	(125,079)	(4.2%)
Professional Services	98,451	132,871	99,996	(32,875)	(24.7%)
Contractual Services	1,327,913	1,259,021	863,664	(395,357)	(31.4%)
Memberships & Meetings	5,777	5,100	5,868	768	15.1%
Conferences & Travel	24,905	14,683	27,396	12,713	86.6%
Training	84,628	87,829	85,302	(2,527)	(2.9%)
TOTAL EXPENDITURES	\$ 13,293,819	\$ 13,649,568	\$ 13,674,076	\$ 24,507	0.2%

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Operations include:

- Personnel costs will increase \$981 thousand, or 16.2% which includes 5% step increases in compensation for employees who meet performance criteria and a 4.5% contractual cost of living adjustment. Other factors contributing to this increase include two positions vacant in 2023-24 that are likely to be filled, one additional position that transfers from Maintenance, and two employees promoted to a Senior Operator position.
- Utilities Expense will decrease by \$431 thousand next year as compared to the Forecast. This recognizes the interrupted performance of cogeneration engines in the current year and presumes 2024-25 will see significant improvement in engine operations. The new budget also targets specific process improvements where electricity can be reduced. New conveyance facilities will be optimized to take advantage of periods of low electricity rates, when mixing and aeration activities can also be reduced.
- Chemical costs are estimated to decrease by \$125 thousand (4.2%) next year. Prices of chemicals, for the first time in nearly five years, will not experience significant increases, but the Authority is nonetheless focused on recovering from enormous hikes seen in previous years. A joint Operations / Engineering team identified specific process improvements that will leverage data provided by sensors to reduce chemical use.
- Contractual Services will decrease by \$395 thousand as the new conveyance system is now functional and precludes the need for a Flow Equalization Facility. As such, the lease of the FEF will not be renewed.

Maintenance

The Maintenance Division is a service and support function whose objective is to assure that all equipment and facilities are reliable and safe through well-planned and administered programs of preventative maintenance, corrective maintenance, replacement, and modification. Maintenance programs are implemented by a well-trained staff utilizing modern administrative and technical tools and skills.

There are 21 full-time equivalent positions in the Maintenance Division. It works under the direction of the Maintenance Director, three Maintenance Supervisors, and a Planner / Facilities Supervisor. Staff includes ten Plant Mechanics, one Controls System Mechanic, three Electricians, one Facilities Mechanic, and two Warehouse staff.

Maintenance Services Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 3,418,963	\$ 3,287,323	\$ 3,552,658	\$ 265,335	8.1%	
Overtime	49,732	36,837	51,923	15,086	41.0%	
Retirement Benefit Contributions	648,811	615,492	725,819	110,327	17.9%	
Health Insurance	535,469	518,377	548,765	30,388	5.9%	
Workers' Compensation	129,648	121,718	166,056	44,338	36.4%	
Health Insurance - Retiree	8,625	8,579	9,000	421	4.9%	
Medicare	50,421	47,566	52,266	4,700	9.9%	
Subtotal: Personnel Costs	4,841,670	4,635,892	5,106,488	470,596	10.2%	
Equipment & Supplies Expense:						
Rentals & Leases	25,201	17,625	25,596	7,971	45.2%	
Supplies & Expenses	86,542	89,927	103,140	13,213	14.7%	
Equipment Maint - Materials	637,492	893,836	629,496	(264,340)	(29.6%)	
Equipment Maint - Services	1,051,912	1,055,545	805,338	(250,207)	(23.7%)	
Non-Capital Equipment	19,151	18,769	23,448	4,679	24.9%	
Subtotal: Equipment & Supplies	1,820,298	2,075,765	1,587,018	(488,747)	(23.5%)	
Professional Services	-	2,553	-	(2,553)	(100.0%)	
Contractual Services	35,444	52,253	21,000	(31,253)	(59.8%)	
Memberships & Meetings	6,025	5,689	6,516	827	14.5%	
Conferences & Travel	11,129	9,562	18,204	8,642	90.4%	
Training	40,878	33,838	41,520	7,682	22.7%	
TOTAL EXPENDITURES	\$ 6,755,445	\$ 6,815,552	\$ 6,780,746	\$ (34,806)	(0.5%)	

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Maintenance include:

- Personnel costs will increase \$471 thousand, or 10.2%, as increases from contractual step increases and cost-of-living adjustments occur.
- Overall Equipment and Supplies expenses will decrease by \$489 thousand (23.5%) as a \$250 thousand per year long term maintenance contract will not be renewed. Instead, the Maintenance Division will self-perform much of this work. In addition, new conveyance facilities will reduce the need for equipment replacements. Finally, some maintenance equipment expenditures associated with the SCADA network will move to the Engineering Division.
- Contractual Services, declining by \$31 thousand, incurred certain one-time inspection costs in the current year that are not anticipated to recur next year.

Laboratory Services

The Laboratory Services Division performs all laboratory support for process control and regulatory compliance. Staff is scientifically trained and technically experienced to perform the collection and analysis of wastewater samples.

The Laboratory Director oversees a Laboratory Supervisor, five Laboratory Analysts, and one Regulatory Compliance Officer.

Laboratory Services Department Expenditures					
Description				\$	%
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:					
Salaries	\$ 1,401,761	\$ 1,366,790	\$ 1,491,672	\$ 124,882	9.1%
Overtime	19,012	16,513	20,990	4,477	27.1%
Retirement Benefit Contributions	246,907	242,840	299,785	56,945	23.4%
Health Insurance	130,361	112,936	112,748	(188)	(0.2%)
Workers' Compensation	52,161	50,292	69,056	18,764	37.3%
Health Insurance - Retiree	3,663	3,597	3,720	123	3.4%
Medicare	20,654	20,074	21,934	1,860	9.3%
Subtotal: Personnel Costs	1,874,519	1,813,042	2,019,904	206,862	11.4%
Administrative Expenses	6,838	7,084	8,420	1,336	18.9%
Equipment & Supplies Expense:					
Office Supplies	3,143	2,597	3,192	595	22.9%
Supplies & Expenses	87,499	107,268	116,076	8,808	8.2%
Equipment Maint - Materials	18,214	26,903	18,100	(8,803)	(32.7%)
Equipment Maint - Services	43,256	48,185	43,065	(5,120)	(10.6%)
Non-Capital Equipment	5,710	5,779	7,125	1,346	23.3%
Subtotal: Equipment & Supplies	157,822	190,732	187,558	(3,174)	(1.7%)
Professional Services	1,181	316	12,750	12,434	-
Contractual Services	79,848	88,878	82,278	(6,600)	(7.4%)
Memberships & Meetings	2,509	1,450	2,724	1,274	87.9%
Conferences & Travel	6,104	4,491	8,000	3,509	78.1%
Training	8,679	6,453	8,420	1,967	30.5%
TOTAL EXPENDITURES	\$ 2,137,500	\$ 2,112,446	\$ 2,330,054	\$ 217,608	10.3%

As compared to the 2023-24 Forecast, material increases / decreases in the Laboratory operating budget include:

- Staffing costs increase by normal contractual step and cost-of-living adjustments.
- Professional Services increase by \$12 thousand, mostly to perform lab certification onsite assessments.
- Other budget changes were modest or decreases, reflecting efforts to manage Laboratory operating costs.

Environmental Services

The Environmental Services Division supports process control and regulatory compliance. The experienced staff collects samples from on site and in the field and administers the Industrial Pretreatment and the Pollution Prevention Programs. The Division issues permits to Agencies that handle wastewater, groundwater discharge, septic, and restaurant grease. It also conducts sanitary sewer complaint response, fats oils and grease inspections and performs public and educational outreach for the communities within our service area.

Division personnel includes a shared portion of the Engineering Director, one Supervisor, two Environmental Compliance Inspectors and a Pollution Prevention Specialist.

Environmental Services Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 757,406	\$ 762,362	\$ 823,368	\$ 61,006	8.0%	
Overtime	3,114	1,559	3,438	1,879	120.5%	
Retirement Benefit Contributions	151,282	150,101	188,643	38,542	25.7%	
Health Insurance	65,971	59,128	68,162	9,035	15.3%	
Workers' Compensation	24,376	23,982	32,581	8,599	35.9%	
Health Insurance - Retiree	1,418	1,404	1,440	36	2.6%	
Medicare	11,048	10,829	11,989	1,160	10.7%	
Subtotal: Personnel Costs	1,014,615	1,009,365	1,129,621	120,256	11.9%	
Administrative Expenses	142	-	1,544	1,544	0.0%	
Equipment & Supplies Expense:						
Supplies & Expenses	9,357	8,087	9,504	1,417	17.5%	
Equipment Maint - Services	1,477	738	1,500	762	103.3%	
Non-Capital Equipment	1,134	697	1,152	455	65.3%	
Subtotal: Equipment & Supplies	11,968	10,598	12,156	1,558	14.7%	
Contractual Services	35,586	35,246	36,144	898	2.5%	
Memberships & Meetings	1,063	1,155	920	(235)	(20.3%)	
Conferences & Travel	10,830	10,352	11,000	648	6.3%	
Training	9,841	8,389	9,595	1,206	14.4%	
TOTAL EXPENDITURES	\$ 1,084,045	\$ 1,075,105	\$ 1,200,980	\$ 125,875	11.7%	

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Environmental Services include:

- Personnel costs changed to reflect the decreased contributions to the Authority's pension liability fund, offset by ordinary step and cost-of-living adjustments.
- Other budget changes were modest or decreases, reflecting efforts to manage overall division operating costs.

Engineering

The Engineering Division is responsible for improvements and replacement of SVCW capital facilities as well as process improvements. Engineering staff works to build safe, innovative, sustainable, efficient, and cost-effective infrastructure that ensures the longevity of SVCW facilities and protects the investments made by customers. Engineering achieves this through building successful partnerships with peers, consultants, and contractors from a project's inception through construction and into start-up with the highest levels of professionalism, integrity, and fairness.

The Division is currently focused on the RESCU program and improvements to the wastewater treatment plant. It works under the direction of the Authority Engineer and an Engineering Director (shared with Environmental Services), plus four civil engineers, one process engineer, and two Administrative Assistants. Most engineering personnel costs are charged to capital projects.

Engineering Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 915,411	\$ 927,047	\$ 1,016,517	\$ 89,470	9.7%	
Retirement Benefit Contributions	148,863	147,777	183,398	35,621	24.1%	
Health Insurance	109,053	117,397	119,405	2,008	1.7%	
Payroll Tax	1,774	885	1,779	894	101.0%	
Workers' Compensation	3,618	3,703	5,314	1,611	43.5%	
Health Insurance - Retiree	1,536	1,524	1,560	36	2.4%	
Medicare	13,296	12,969	14,740	1,771	13.7%	
Subtotal: Personnel Costs	1,193,550	1,211,302	1,342,712	131,410	10.8%	
Administrative Expenses	428,356	450,771	451,985	1,214	0.3%	
Equipment & Supplies Expense:						
Office Supplies	-	107	-	(107)	(100.0%)	
Supplies & Expenses	5,120	1,733	5,200	3,467	200.1%	
Equipment Maint - Services	-	-	214,476	214,476	0.0%	
Subtotal: Equipment & Supplies	5,120	1,840	219,676	217,836	11838.9%	
Professional Services	308,255	310,382	215,004	(95,378)	(30.7%)	
Contractual Services	-	1,394	-	(1,394)	-	
Memberships & Meetings	21,329	15,469	14,414	(1,055)	(6.8%)	
Conferences & Travel	44,699	39,276	46,400	7,124	18.1%	
Training	5,612	2,828	5,700	2,872	101.6%	
TOTAL EXPENDITURES	\$ 2,006,920	\$ 2,033,262	\$ 2,295,891	\$ 262,629	12.9%	

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Engineering include:

- Operating Fund personnel costs will increase \$131 thousand (12.3%), as ordinary increases to wages and benefits occur.
- Administrative Expenses will increase by \$1.2 thousand, as certain expenditures associated with permit renewals and compliance in the current fiscal year are not anticipated to recur.
- Equipment Maintenance Services will increase by \$214 thousand, nearly half of which is to recode SCADA maintenance costs that were previously coded as Professional Services. Additionally, approximately \$90 thousand of technology support will be transferred from the Maintenance Division operating budget.
- Professional Services will decline by \$95 thousand, as services associated with SCADA maintenance will be recoded to Equipment Maintenance Services.

Safety

The Safety Division develops, implements, and oversees all safety programs for the agency. It is staffed with one Health and Safety Director.

Safety Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 297,284	\$ 268,827	\$ 273,762	\$ 4,935	1.8%	
Overtime	2,313	1,157	\$ -	(1,157)	-	
Retirement Benefit Contributions	38,228	32,682	31,772	(910)	0.0%	
Health Insurance	42,640	37,262	35,829	(1,433)	(3.8%)	
Workers' Compensation	11,201	9,698	12,612	2,914	30.0%	
Health Insurance - Retiree	827	705	600	(105)	(14.9%)	
Medicare	4,356	3,794	3,970	176	4.6%	
Subtotal: Personnel Costs	396,849	354,125	358,545	4,420	1.2%	
Administrative Expenses	18,313	11,477	10,775	(702)	(6.1%)	
Equipment & Supplies Expense:						
Supplies & Expenses	66,185	52,930	62,748	9,818	18.5%	
Equipment Maint - Materials	2,461	2,254	2,500	246	10.9%	
Equipment Maint - Services	5,415	4,962	5,200	238	4.8%	
Non-Capital Equipment	3,052	1,280	3,300	2,020	157.8%	
Subtotal: Equipment & Supplies	77,114	61,426	73,748	12,322	20.1%	
Contractual Services	13,291	25,525	22,500	(3,025)	(11.9%)	
Memberships & Meetings	4,244	5,340	4,462	(878)	(16.4%)	
Conferences & Travel	2,609	2,760	3,125	365	13.2%	
Training	14,486	11,855	12,896	1,041	8.8%	
TOTAL EXPENDITURES	\$ 526,906	\$ 472,508	\$ 486,051	\$ 13,543	2.9%	

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Safety include:

- Personnel costs will increase by \$4.4 thousand. Ordinary cost-of-living adjustments will be offset by the discontinuation of a Maintenance facility mechanic no longer coding time to the Safety Division.
- Equipment & Supplies will increase by \$12.3 thousand, as certain items were deferred in the current fiscal year and are likely to be needed next year as new facilities needs become apparent.

Information Services

The Information Services Division manages all technology and information systems of the agency. The Information Services Director oversees two Senior Information System Analysts and one Business Analyst.

Information Services Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 806,944	\$ 821,354	\$ 872,102	\$ 50,748	6.2%	
Retirement Benefit Contributions	219,455	218,586	279,544	60,958	27.9%	
Health Insurance	63,478	63,194	76,257	13,062	20.7%	
Workers' Compensation	15,849	16,842	17,897	1,055	6.3%	
Health Insurance - Retiree	443	407	450	43	10.6%	
Medicare	11,707	11,703	12,645	942	8.1%	
Subtotal: Personnel Costs	1,117,877	1,132,087	1,258,896	126,809	11.2%	
Utilities	138,122	146,812	150,576	3,764	2.6%	
Equipment & Supplies Expense:						
Rentals & Leases	26,583	22,908	24,000	1,092	4.8%	
Supplies & Expenses	84,571	84,819	86,108	1,289	1.5%	
Equipment Maint - Services	256,012	248,016	279,600	31,584	12.7%	
Equipment Maint - Materials	60,717	46,662	68,900	22,238	47.7%	
Subtotal: Equipment & Supplies	427,883	402,517	458,608	56,091	13.9%	
Professional Services	322,932	374,355	220,100	(154,255)	(41.2%)	
Contractual Services	39,382	39,972	50,000	10,028	25.1%	
Memberships & Meetings	4,086	1,081	4,100	3,019	279.3%	
Training	32,982	17,230	28,000	10,770	62.5%	
TOTAL EXPENDITURES	\$ 2,083,265	\$ 2,116,632	\$ 2,170,280	\$ 53,648	2.5%	

As compared to the 2023-24 Forecast, total expenditures in the Information Services Division will increase by \$53.6 thousand (2.5%). Notable variances include:

- Personnel costs will increase \$126.8 thousand, or 11.2%, which includes ordinary merit and cost-of-living adjustments. Insurance and retirement contributions also continued to see upwards rate pressure.
- Total Equipment & Supplies increase by \$56 thousand (13.9%) as license costs increase. Additionally, computer purchases were deferred in the current year, pending new facilities and work processes becoming clear.
- Professional Services will decline by \$154 thousand, as the Administration Division will become responsible for Microsoft PowerApps development decisions next year.
- Training expenses will increase by \$10.5 thousand as in the current year the Division will focus on technical training needed for cybersecurity, as well as a planned upgrade to the Authority's core network.

Administrative Services

The Administrative Services Division provides legal, financial, personnel, and administrative support to the Commission, Manager, and other Divisions. It is committed to presenting a positive and professional image of SVCW to the general public and Member Agencies. The Division is responsible for human resources, accounting, purchasing, risk management, and asset management. All costs associated with the Commission, Manager’s office, General Counsel, and CFO are included in the Administrative Services Division. Additionally, certain accounting and payroll processing services provided by Redwood City are included.

In addition to the Manager and CFO, Administrative Services includes one Human Resources Director, two Procurement Specialists, and one Business Operations Associate. The Finance team includes an Accounting Supervisor, two Accountants, one Accounting Technician, and a Financial Analyst.

Administrative Services Department Expenditures						
Description				\$	%	
	2023-24 Budget	2023-24 Forecast	2024-25 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:						
Salaries	\$ 2,375,206	\$ 2,403,766	\$ 2,628,258	\$ 224,492	9.3%	
Overtime	50,993	39,569	33,540	(6,029)	(15.2%)	
Retirement Benefit Contributions	418,544	402,016	521,291	119,275	29.7%	
Health Insurance	241,912	237,761	256,706	18,945	8.0%	
Payroll Tax	-	130	-	(130)	0.0%	
Workers' Compensation	8,752	8,407	11,559	3,152	37.5%	
Health Insurance - Retiree	4,135	4,093	4,200	107	2.6%	
Medicare	35,240	34,413	38,596	4,183	12.2%	
Subtotal: Personnel Costs	3,134,781	3,130,155	3,494,150	363,995	11.6%	
Administrative Expenses	279,724	274,826	308,132	33,306	12.1%	
Equipment & Supplies Expense:						
Office Supplies	15,500	14,330	15,623	1,293	9.0%	
Rentals & Leases	11,726	11,817	15,412	3,595	30.4%	
Supplies & Expenses	59,221	64,025	55,675	(8,350)	(13.0%)	
Equipment Maint - Materials	1,280	2,002	3,500	1,498	74.8%	
Equipment Maint - Services	37,246	41,886	37,831	(4,055)	(9.7%)	
Subtotal: Equipment & Supplies	124,973	134,060	128,041	(6,019)	(4.5%)	
Professional Services	293,597	295,704	358,742	63,038	21.3%	
Contractual Services	59,073	74,062	54,996	(19,066)	(25.7%)	
Memberships & Meetings	35,471	35,830	41,320	5,490	15.3%	
Conferences & Travel	19,179	17,961	21,580	3,619	20.1%	
Training	26,522	25,419	32,547	7,128	28.0%	
TOTAL EXPENDITURES	\$ 3,973,320	\$ 3,988,017	\$ 4,439,508	\$ 451,491	11.3%	

As compared to the 2023-24 Forecast, significant increases / decreases in the operating budget for Administrative Services include:

- Personnel costs will increase \$364 thousand, or 11.6%, which includes ordinary merit and cost-of-living adjustments. Insurance and retirement contributions also continue to see upwards rate pressure.
- Administrative costs includes insurance premiums, which are anticipated to increase by \$33.3 thousand next year due to increased rates and the completion of the RESCU project which needs to be insured.
- Professional Services will increase by \$63 thousand as the Administrative Services Department takes on oversight of how Microsoft PowerApps tools are deployed.

SECTION 4 – REVENUE-FUNDED CAPITAL EXPENDITURES

Summary

Revenue-Funded Capital Expenditures are for capital projects costing less than \$1 million and completed within one year. These projects offer identifiable improvements in the short term. Revenue-funded capital expenditures may include minor construction projects, major maintenance and rehabilitation projects, planning studies, software development, and preliminary engineering analysis for major capital improvements. It is therefore the practice to fund such projects from available cash rather than borrowing funds.

Over the past decade, SVCW has averaged \$1.5 million annually in Revenue-Funded capital expenditures. The amount included in the 2023-24 Budget, \$480 thousand, was considerably lower as the Authority deferred certain projects in response to extraordinary inflation. In the upcoming year, however, critical projects warrant a return to the \$1.5 million typically budgeted.

2024-25 Revenue-Funded Capital Expenditures	
Project Name	Estimated Cost
Core Network Hardware Upgrade	\$ 500,000
Firewall Security Hardware Upgrade	150,000
Camera Process Monitoring Upgrade	60,000
SHB Gen 1&3 Water pump	55,000
PST Gear box Cross Collector/ Skimmer	34,000
Maint. Tool Room Lockers	25,000
FFR/ Grease Station Vapex	325,635
Maint Shop Split HVAC unit	60,000
Articulating Lift	60,000
FOP Scissor Lift	25,000
Laboratory Automated Nutrient Analyzer	55,000
EV Charger Expansion & Trenching	100,000
EV Vehicle	50,000
TOTAL	\$ 1,499,635

A description of the proposed projects includes:

- Technology upgrades include replacing the Authority’s core network platform as the current system reaches end of life. Cybersecurity measures remain paramount, and the budget will include upgrades to firewall measures as well.

- SVCW has over 50 cameras throughout its facilities to manage processes and surveil operations. The new software will meet governmental security requirements, improve security, and allow operators to better view and interact with the camera network.
- Several pieces of equipment are due for replacement and includes generator water pumps, primary sedimentation gear boxes, odor control Vapex units, and lift equipment.
- Facility improvements include improved tool rooms and air conditioning in the Maintenance Shop.
- A new automated nutrient analyzer in the laboratory will measure ammonia, nitrate/nitrite, and COD levels. The equipment is anticipated to improve the time it takes for analysis, and reduces the number of samples sent to outside labs.
- As SVCW moves towards electrifying its fleet, funds have been allotted to expand the number of charging stations and replace combustion engine vehicles.

SECTION 5 – CAPITAL IMPROVEMENT PROGRAM & DEBT SERVICE

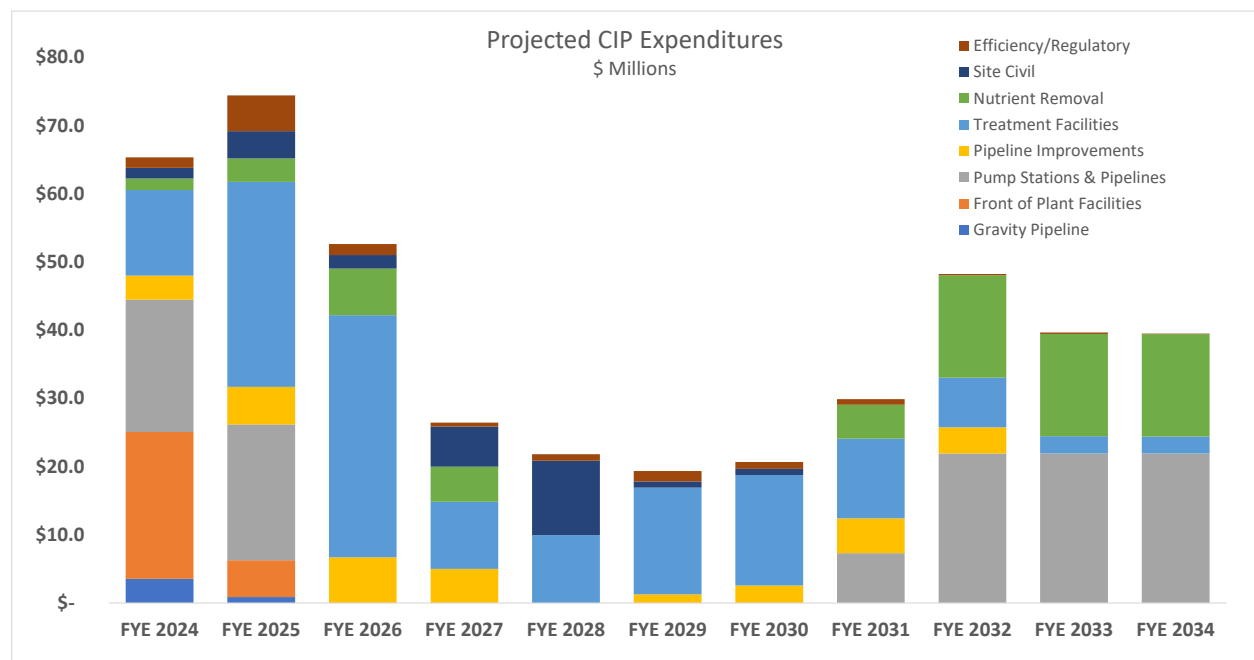
Background

SVCW’s wastewater treatment plant was constructed in late 1970s and connected to an influent conveyance system built in 1969. In 2006, engineering studies determined the majority of SVCW fixed assets were beyond their useful lives and needed replacement. In 2008 SVCW initiated its Capital Improvement Program (CIP) to replace and rehabilitate wastewater conveyance and treatment systems in a structured and prioritized manner. Now in its sixteenth year, the CIP has completed over 200 projects through December 2023.

CIP Projected Expenditures

Each year, SVCW produces a LRF to describe the total cash flows required over the next decade. This includes funding for all operations, revenue-funded capital projects, CIP projects and their associated debt service payments, and necessary cash reserve contributions. Meant to encourage discussion and support decision making, the LRF provides up-to-date financial information so that Member Agencies have the information needed to understand the financial implications of those decisions and to communicate with internal and external stakeholders.

The CIP is a guiding document of the LRF and estimates remaining CIP expenditures are approximately \$438 million over the next decade. Much of this spending occurs over the next four years, a combination of anticipated RESCU completion as well as a few large treatment projects including Fixed Film Reactor and Pipe Rehabilitation efforts.



As construction is completed, Member Agencies' shares follow the allocable percentages:

Capital Expenditures Projections through Fiscal Year 2034 - BY MEMBER													
(\$ Millions)													
Member	JPA %	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	Grand Total
Redwood City	48.57%	\$31.7	\$36.2	\$25.6	\$12.9	\$10.6	\$ 9.4	\$10.0	\$14.5	\$23.4	\$19.3	\$19.2	\$ 212.8
West Bay San.	26.84%	17.5	20.0	14.1	7.1	5.9	5.2	5.6	8.0	13.0	10.6	10.6	117.6
San Carlos	15.14%	9.9	11.3	8.0	4.0	3.3	2.9	3.1	4.5	7.3	6.0	6.0	66.3
Belmont	9.45%	6.2	7.0	5.0	2.5	2.1	1.8	2.0	2.8	4.6	3.7	3.7	41.4
TOTAL	100.00%	\$65.3	\$74.4	\$52.6	\$26.5	\$21.8	\$19.4	\$20.7	\$29.9	\$48.2	\$39.7	\$39.5	\$ 438.0

Debt Service and Cash Contributions to CIP Projects

In 2008, when the inaugural CIP was launched, the Authority lacked cash reserves so turned to the most practical funding method, utilization of long-term debt. Now, SVCW updates the LRFPP each year to reassess its financial position relative to anticipated cash flows needed from SVCW's Member Agencies. It also incorporates CIP construction and expenditure schedules, as well as the current borrowing environment. After considering these factors, the February 2024 LRFPP reflects the substantial governmental loans SVCW secured to fund RESCU and other projects.

Compared to the prior year's LRFPP, the 2024 Plan considered three factors:

- **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, identifies an additional \$221 million in projects over the next decade. Updated information was incorporated into the LRFPP.
- **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 LRFPP 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%.

Uses and Sources of CIP Funds (as of July 01, 2023)
\$ Millions

Description	\$ Millions	% Remaining CIP
Uses:		
Gravity Pipeline	\$ 4.4	1.0%
Front of Plant Facilities	26.9	6.3%
Pump Stations / Conveyance	112.4	26.4%
Treatment Facilities	153.8	36.1%
Pipeline Improvements	33.5	7.9%
Site Civil	23.7	5.6%
Efficiency / Regulatory	3.9	0.9%
Nutrient Removal	67.1	15.8%
Total Remaining CIP Expenditures	\$ 425.7	100.0%
Source of Funds		
Available WIFIA Proceeds	\$ 81.0	19.0%
Available SRF Proceeds	27.9	6.5%
Stage 2 Capacity Reserve Funds	14.2	3.3%
Cash-in-lieu of Debt Contributions	26.8	6.3%
Use of pay-go capital contributions	54.7	12.8%
New SRF Loans	73.0	17.2%
New WIFIA Loans	49.0	11.5%
New RevenueBonds	99.0	23.3%
Total Sources of Funds	\$ 425.7	100.0%

Currently the Authority does not recommend the issuance of additional new debt in the next year. Available proceeds from bonds and loans, combined with Stage 2 Capacity cash reserves, is \$123.1 million or 29% of remaining CIP expenditures. Prior to issuance of new debt, however, an additional \$89.4 million (21% of projected project expenditures) is proposed to be deployed as follows:

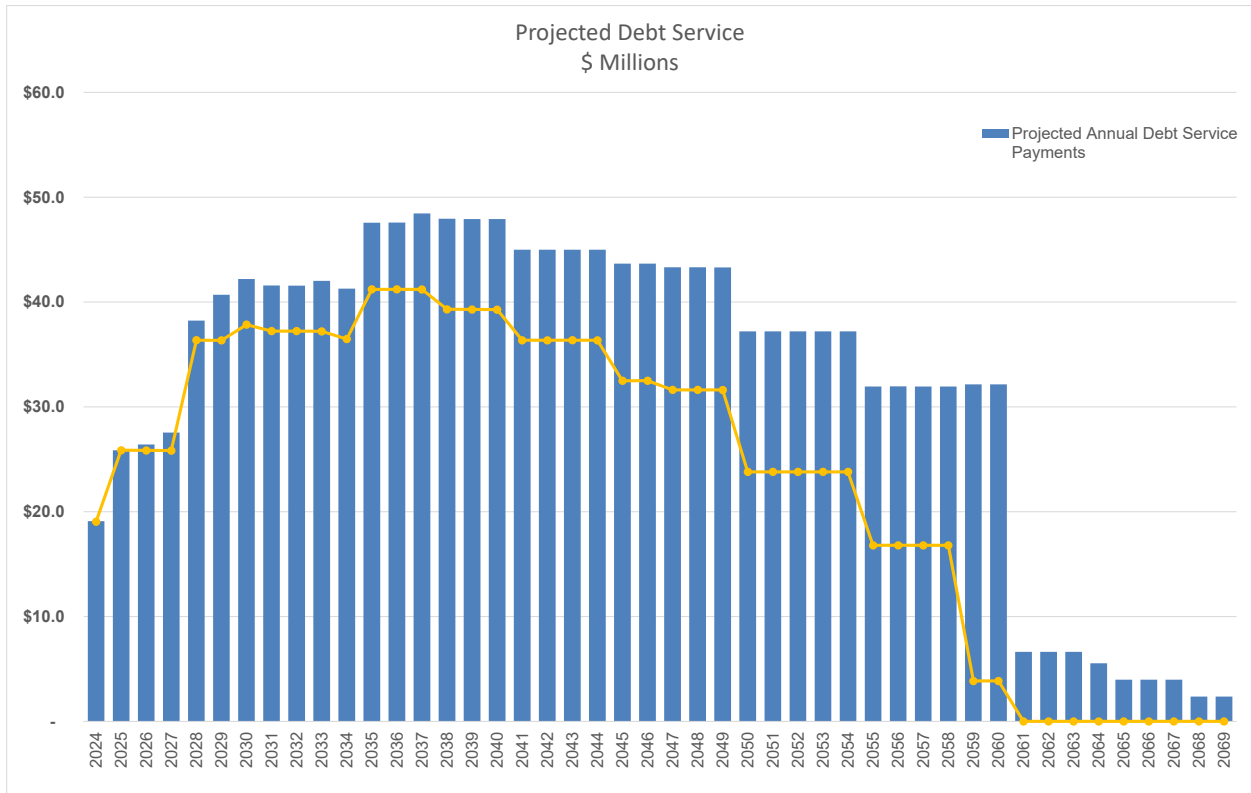
Proposed Capital Expenditure Funding Sources - Non Debt												
Program	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	TOTAL	
Stage 2 Reserves	\$ 14.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14.23	
Cash in lieu of debt	13.62	-	5.63	-	-	-	4.00	3.50	-	-	26.76	
SVCW Liquidity / Reserves	4.20	-	-	-	-	-	11.52	12.35	10.20	10.15	48.42	
TOTAL	\$ 32.05	\$ -	\$ 5.63	\$ -	\$ -	\$ -	\$ 15.52	\$ 15.85	\$ 10.20	\$ 10.15	\$ 89.40	

Stage 2 Capacity Reserve Funds - From receiving a portion of the sewer connection fees collected by Members, the Authority has accumulated \$14.2 million in its Stage 2 Capacity Reserve. Over the next year, these funds are proposed to be used for ongoing capital improvement projects.

Cash-in-lieu of Debt - To lessen the amount of debt issued, several Members have at times opted to instead contribute cash to the CIP program. The relatively higher interest rates in today’s capital market presents an opportunity to use Members’ liquidity levels rather than issuing new debt to fund \$26.8 million in projects over the next 1-2 years.

Future Liquidity / Reserves - SVCW typically invests \$1.5 million annually in revenue-funded capital projects. These projects are typically installed and managed by staff and include such things as fleet, valve replacements, new pumps and motors, gear assemblies, technology upgrades, or maintenance equipment. Concurrently, the Authority has a CIP Reserve Policy that, through ongoing Member contributions, is scheduled to reach its target balance by fiscal year 2029-30. Once the target balance is achieved, the policy calls for Member contributions to be redirected towards revenue-funded capital projects. This would provide over \$44 million for capital projects in years 7-10 of the next decade.

As new debt sources are secured in the future, debt service payments would necessarily rise.



Debt Service in 2024-25 will be \$25.86 million and is allocated to Member Agencies according to JPA-defined percentage of ownership and participation in debt issuances.

SVCW Aggregate Debt Service Cost											
Fiscal year end	2018 Bonds	Current SRF	New Bonds	New WIFIA Loans / Notes	New Line of Credit Int. Expense	2019 WIFIA Debt Service	Non-RESCU WIFIA Debt Service	New RESCU WIFIA Debt Service	New SRF Loans and Cash Reserves	TOTAL	
2024	\$ 7,823,744	\$1,888,097	\$ -	\$ -	\$9,142,491	\$ 248,079	\$ -	\$ -	\$ -	\$19,102,411	
2025	7,818,119	8,889,445	-	-	9,155,528	-	-	-	-	25,863,091	
2026	7,815,494	8,889,445	563,822	-	9,139,131	-	-	-	-	26,407,892	
2027	7,820,244	8,889,445	1,714,960	-	9,125,532	-	-	-	-	27,550,180	
2028	7,816,994	8,889,445	1,816,817	-	9,134,809	9,153,147	-	1,416,450	-	38,227,662	
2029	7,815,494	8,889,445	4,302,478	-	9,119,744	9,153,147	-	1,416,450	-	40,696,758	
2030	7,815,244	8,889,445	4,299,078	-	9,108,575	9,153,147	1,509,651	1,416,450	-	42,191,590	
2031	7,820,619	8,889,445	4,295,678	-	8,488,862	9,153,147	1,509,651	1,416,450	-	41,573,853	
2032	7,821,119	8,889,445	4,296,930	-	8,485,229	9,153,147	1,509,651	1,416,450	-	41,571,971	
2033	7,820,044	8,889,445	4,191,710	574,363	8,467,347	9,153,147	1,509,651	1,416,450	-	42,022,157	
2034	7,818,119	8,889,445	4,191,710	574,363	7,729,409	9,153,147	1,509,651	1,416,450	-	41,282,294	
2035	7,818,691	8,889,445	4,191,710	574,363	7,707,168	9,153,147	3,854,508	3,834,084	1,551,635	47,574,751	

Belmont

Belmont Debt Service Cost												
Fiscal year end	Current Bonds	Current SRF	Future Bonds	Line of Credit				2020 WIFIA Debt Service	2021 WIFIA Debt Service	New WIFIA Loans	New SRF Loans	TOTAL
				Interest Expense	RESCU SRF Debt Service							
2024	\$ -	\$ 178,425	\$ -	\$ 23,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,869	
2025	-	228,943	-	-	611,109	-	-	-	-	-	840,053	
2026	-	228,943	53,281	-	611,109	-	-	-	-	-	893,334	
2027	-	228,943	162,064	-	611,109	-	-	-	-	-	1,002,116	
2028	-	228,943	171,689	-	611,109	329,387	133,855	-	-	-	1,474,984	
2029	-	228,943	406,584	-	611,109	329,387	133,855	-	-	-	1,709,879	
2030	-	228,943	406,263	-	611,109	329,387	276,517	-	-	-	1,852,219	
2031	-	228,943	405,942	-	611,109	329,387	276,517	-	-	-	1,851,898	
2032	-	228,943	406,060	-	611,109	329,387	276,517	-	-	-	1,852,016	
2033	-	228,943	396,117	-	611,109	329,387	276,517	54,277	-	-	1,896,350	
2034	-	228,943	396,117	-	611,109	329,387	276,517	54,277	-	-	1,896,350	
2035	-	228,943	396,117	-	611,109	329,387	726,572	54,277	146,629	-	2,493,035	

Redwood City

Redwood City Debt Service Cost												
Fiscal Year end	Current Bonds (Includes Refunding)	Current SRF	Future Bonds	Line of Credit				2020 WIFIA Debt Service	2021 WIFIA Debt Service	New WIFIA Loans	New SRF Loans	TOTAL
				Interest Expense	RESCU SRF Debt Service							
2024	\$ 9,409,471	\$ 917,049	\$ -	\$ 120,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,447,012	
2025	9,407,375	1,176,695	-	-	3,140,908	-	-	-	-	-	13,724,978	
2026	9,405,793	1,176,695	273,849	-	3,140,908	-	-	-	-	-	13,997,245	
2027	9,405,494	1,176,695	832,956	-	3,140,908	-	-	-	-	-	14,556,053	
2028	9,406,315	1,176,695	882,428	-	3,140,908	4,732,135	687,970	-	-	-	20,026,451	
2029	9,396,961	1,176,695	2,089,714	-	3,140,908	4,732,135	687,970	-	-	-	21,224,383	
2030	9,388,876	1,176,695	2,088,062	-	3,140,908	4,732,135	1,421,208	-	-	-	21,947,884	
2031	9,030,985	1,176,695	2,086,411	-	3,140,908	4,732,135	1,421,208	-	-	-	21,588,342	
2032	9,023,284	1,176,695	2,087,019	-	3,140,908	4,732,135	1,421,208	-	-	-	21,581,249	
2033	9,012,953	1,176,695	2,035,914	-	3,140,908	4,732,135	1,421,208	278,968	-	-	21,798,780	
2034	8,618,572	1,176,695	2,035,914	-	3,140,908	4,732,135	1,421,208	278,968	-	-	21,404,400	
2035	8,607,865	1,176,695	2,035,914	-	3,140,908	4,732,135	3,734,349	278,968	753,629	-	24,460,463	

San Carlos

San Carlos Debt Service Cost										
Fiscal Year end	Current Bonds		Future Bonds	Line of Credit		2021 WIFIA				TOTAL
	(Includes Refunding)	Current SRF		Interest Expense	RESCU SRF Debt Service	2020 WIFIA Debt Service	2021 WIFIA Debt Service	New WIFIA Loans	New SRF Loans	
2024	\$ 2,987,495	\$ 285,858	\$ -	\$ 37,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,310,912
2025	2,988,955	366,794	-	-	979,068	-	-	-	-	4,334,817
2026	2,975,798	366,794	85,363	-	979,068	-	-	-	-	4,407,022
2027	2,973,476	366,794	259,645	-	979,068	-	-	-	-	4,578,983
2028	2,976,842	366,794	275,066	-	979,068	1,473,741	214,451	-	-	6,285,962
2029	2,975,429	366,794	651,395	-	979,068	1,473,741	214,451	-	-	6,660,877
2030	2,969,780	366,794	650,880	-	979,068	1,473,741	443,012	-	-	6,883,274
2031	2,875,928	366,794	650,366	-	979,068	1,473,741	443,012	-	-	6,788,908
2032	2,885,225	366,794	650,555	-	979,068	1,473,741	443,012	-	-	6,798,395
2033	2,879,798	366,794	634,625	-	979,068	1,473,741	443,012	86,959	-	6,863,996
2034	2,752,808	366,794	634,625	-	979,068	1,473,741	443,012	86,959	-	6,737,006
2035	2,750,399	366,794	634,625	-	979,068	1,473,741	1,164,053	86,959	234,917	7,690,555

West Bay Sanitary District

West Bay Sanitary District Debt Service Cost										
Fiscal Year end	Current Bonds		Future Bonds	Line of Credit		2021 WIFIA				TOTAL
	(Includes Refunding)	Current SRF		Interest Expense	RESCU SRF Debt Service	2020 WIFIA Debt Service	2021 WIFIA Debt Service	New WIFIA Loans	New SRF Loans	
2024	\$4,569,269	\$506,765	\$ -	\$ 66,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,142,619
2025	4,577,316	650,247	-	-	1,735,680	-	-	-	-	6,963,243
2026	4,573,034	650,247	151,330	-	1,735,680	-	-	-	-	7,110,291
2027	4,566,805	650,247	460,295	-	1,735,680	-	-	-	-	7,413,027
2028	4,568,646	650,247	487,634	-	1,735,680	2,617,884	380,175	-	-	10,440,266
2029	4,562,848	650,247	1,154,785	-	1,735,680	2,617,884	380,175	-	-	11,101,619
2030	4,565,163	650,247	1,153,873	-	1,735,680	2,617,884	785,366	-	-	11,508,212
2031	4,402,568	650,247	1,152,960	-	1,735,680	2,617,884	785,366	-	-	11,344,705
2032	4,397,838	650,247	1,153,296	-	1,735,680	2,617,884	785,366	-	-	11,340,311
2033	4,394,640	650,247	1,125,055	-	1,735,680	2,617,884	785,366	154,159	-	11,463,031
2034	4,176,147	650,247	1,125,055	-	1,735,680	2,617,884	785,366	154,159	-	11,244,538
2035	4,167,595	650,247	1,125,055	-	1,735,680	2,617,884	2,063,618	154,159	416,459	12,930,697

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 6 – CASH RESERVES DESIGNATION

SVCW has adopted a Cash Reserves Policy that describes the goals and amounts intended to be held in reserves. The reserves can help mitigate the negative impact of revenue shortfalls from economic fluctuations, fund unforeseen expense requirements, provide stable rates for member Agencies, and fund future long-term capital needs. Each year during the budget process, the reserves balances are reviewed and adjusted as needed.

- The **Operating Reserve** must be maintained at a minimum balance of 10% of the approved Operating Budget, plus \$1 million. This fund allows for continued operation in times of local, regional state, or national crisis or for unbudgeted, unexpected operational, maintenance or capital expenses approved by the SVCW Commission. The projected balance in Operating Reserves is \$4.34 million at June 30, 2024, including investment earnings. This amount exceeds the policy’s required balance by approximately \$5 thousand which, per policy, will not require Member contributions.
- The **Capital Improvement Program Reserve (CIP Reserve)** goal is to accrue funds equal to the annual calculated depreciation of SVCW facilities to meet the long-term needs of replacing capital assets when their useful life has been met. This would allow major expenses in the future to be paid for on a “pay-go” basis and limit the need for borrowing. Each year, if funds held in these reserves fall below targeted levels, SVCW makes budget adjustments to return to the target level. The CIP Reserve Policy calls for a \$3.0 million contribution in fiscal year 2024-25.

Based upon the above, total 2024-25 Reserve Designations are as follows:

Reserve Designations - 2024-25 Budget			
Description	Estimated	Target	2024-25
	June 30, 2024	June 30, 2025	
	Balance	Balance	
Operating Reserve	\$ 4,343,058	\$ 4,338,080	\$ -
CIP Reserve	25,719,706	29,219,706	3,500,000
TOTAL	\$ 30,062,764	\$ 33,557,786	\$ 3,500,000

THIS PAGE INTENTIONALLY LEFT BLANK

