




**2026-27 BUDGET-AT-A-GLANCE**

INSIDE FRONT COVER - BLANK

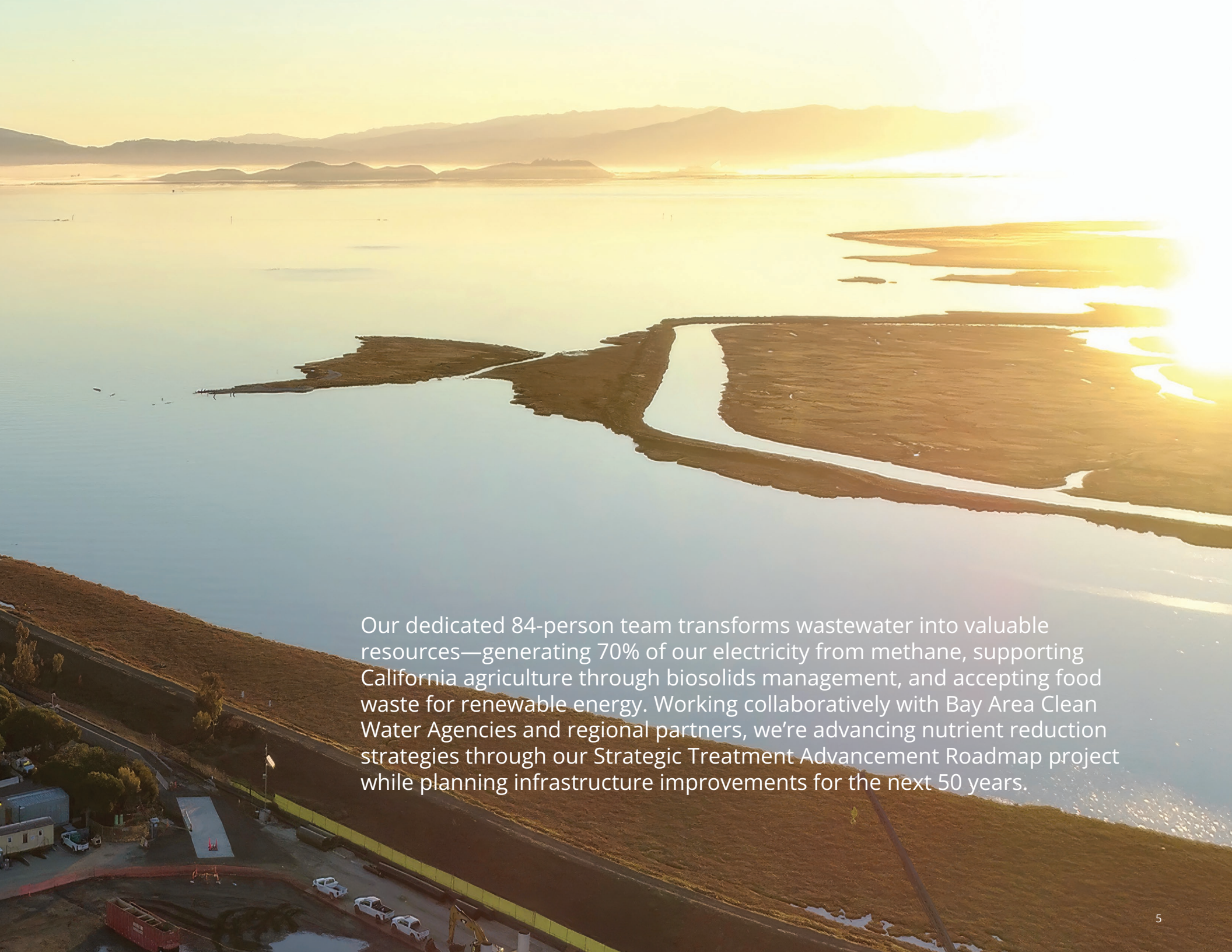
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An aerial photograph of the Redwood Shores wastewater treatment facility during sunset. The facility consists of several large, interconnected buildings and circular tanks, some with metal scaffolding. The site is surrounded by a mix of industrial structures and natural vegetation. In the background, a large body of water (San Francisco Bay) stretches to the horizon under a warm, orange and yellow sky. The overall scene is a blend of industrial infrastructure and natural coastal environment.

**SILICON VALLEY CLEAN WATER IS A JOINT POWERS  
AUTHORITY SERVING 220,000+ PENINSULA RESIDENTS  
THROUGH RELIABLE, SUSTAINABLE WASTEWATER  
TREATMENT SERVICES.**

Established in 1975, we protect public health and the San Francisco Bay environment through 24/7 operations at our 45-acre Redwood Shores facility.



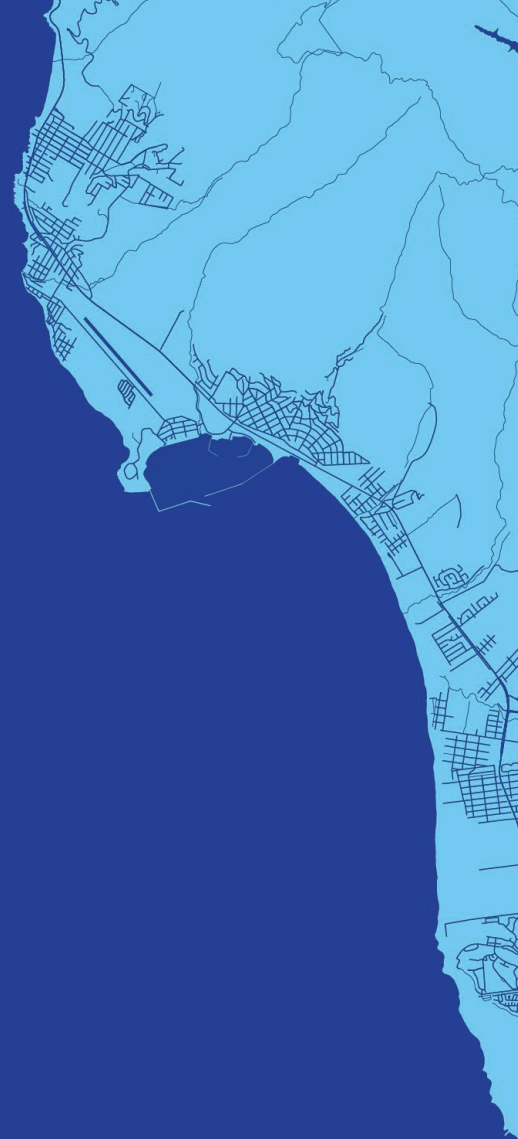
Our dedicated 84-person team transforms wastewater into valuable resources—generating 70% of our electricity from methane, supporting California agriculture through biosolids management, and accepting food waste for renewable energy. Working collaboratively with Bay Area Clean Water Agencies and regional partners, we’re advancing nutrient reduction strategies through our Strategic Treatment Advancement Roadmap project while planning infrastructure improvements for the next 50 years.

# OUR MISSION

Silicon Valley Clean Water unites Peninsula communities to provide reliable, advanced wastewater treatment services that protect public health, the environment, and the San Francisco Bay while also transforming waste into resources for regional benefit.

# OUR VISION

To be the Peninsula's trusted partner in environmental stewardship, transforming wastewater into resources that benefit our communities and protect the Bay for future generations.





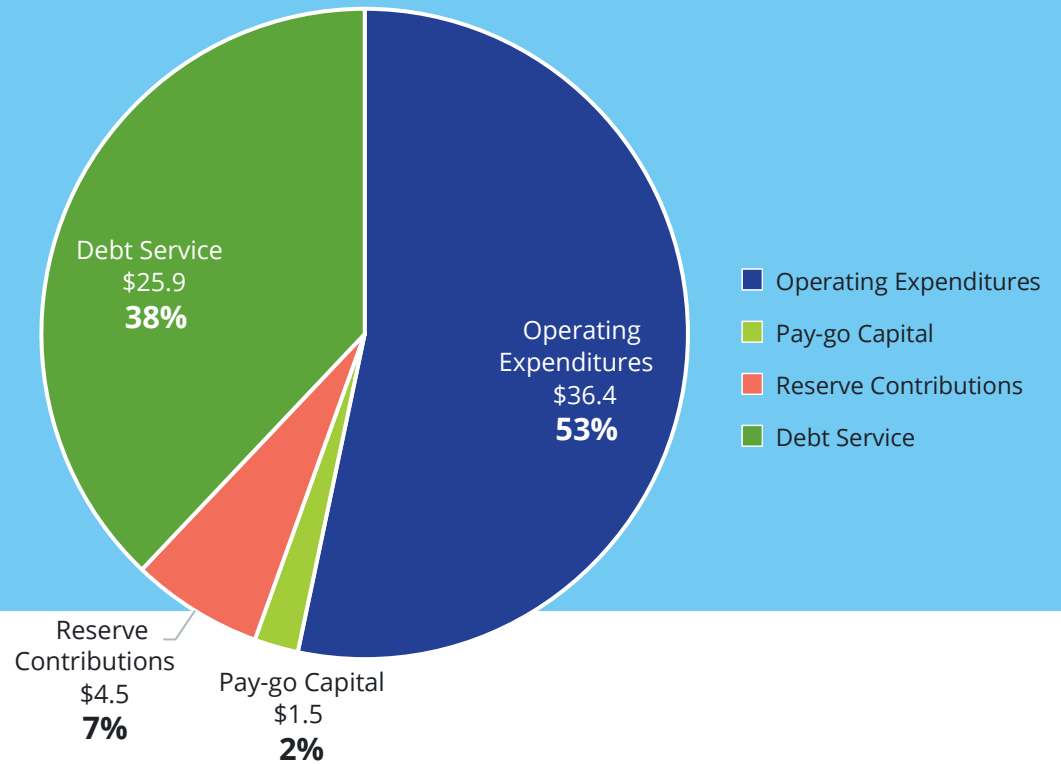
WE SERVE RESIDENTS  
ACROSS BELMONT,  
REDWOOD CITY,  
SAN CARLOS, AND  
WEST BAY SANITARY  
DISTRICT.

# TOTAL 2026-27 BUDGET SUMMARY

## Year Over Year Comparison

	2025-26 Adopted Budget	2026-27 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 34,690,162	\$ 36,446,223	\$ 1,756,061	5.1%
Less: Miscellaneous Revenue	(1,136,117)	(1,374,627)	238,510	21.0%
<b>Contributions, Net Operating Expenses</b>	<b>\$ 33,554,045</b>	<b>\$ 35,071,596</b>	<b>\$ 1,517,551</b>	<b>4.5%</b>
Add: Pay-Go Capital Projects	1,739,200	1,505,200	(234,000)	(13.5%)
<b>Contributions, Before Reserves &amp; Debt Service</b>	<b>\$ 35,293,245</b>	<b>\$ 36,576,796</b>	<b>\$ 1,283,551</b>	<b>3.6%</b>
Add: Reserve Contributions	4,808,046	4,500,000	(308,046)	(6.4%)
Add: Debt Service, Participating members	25,844,069	25,905,467	61,398	0.2%
<b>TOTAL MEMBER CONTRIBUTIONS TO BUDGET</b>	<b>\$ 65,945,360</b>	<b>\$ 66,982,263</b>	<b>\$ 1,036,903</b>	<b>1.6%</b>

## 2026-27 Total Expenditures (\$ Millions)



### Operating Budget (Personnel Expense):

- COLA for represented staff = 3.5%, per MOU. Non-represented COLA averaged 2.35%.
- New Operator-in-Training Program (2 FTEs), New Public Outreach staffing (1 FTE)
- Approximately \$250 thousand in cost reductions from turnover (hired mid-range, typically non-classic pension plan).

### Operating Budget (Non-personnel Expense):

- Energy savings from new Linear Generators placed into service
- Chemical savings from leveraging headworks' sensor data to reduce nitrate dosing
- Additional Public Outreach administration and consulting activity
- Additional communication, legal counsel, and JPA advisory services

**Pay-go Capital Expenditures:** Funds small capital projects and necessary equipment replacements

**Reserves Contributions:** Follows policy, increases contributions to CIP Reserves \$500K/year

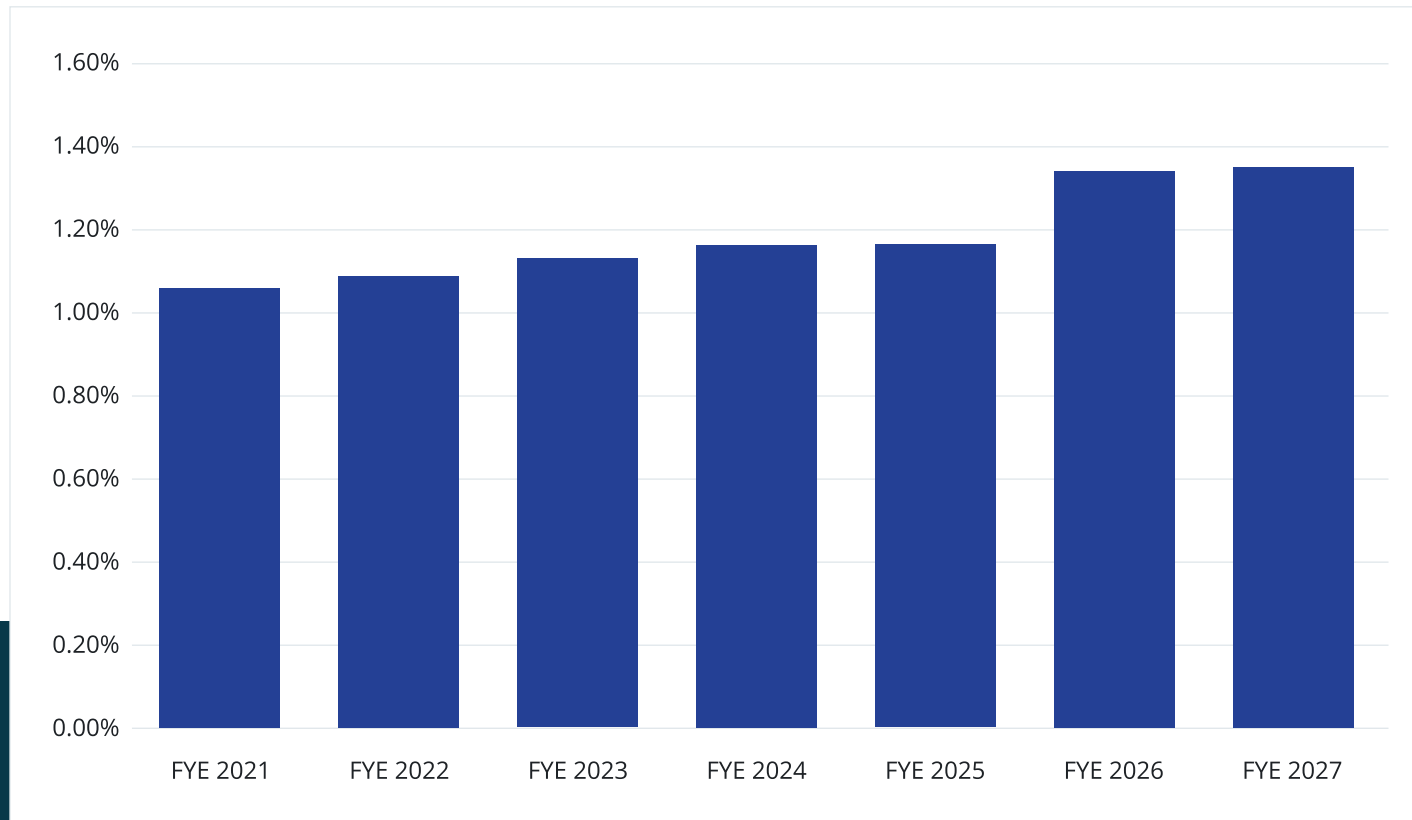
**Debt Service:** No changes in debt structures



# TOTAL BUDGET PER CAPITA, PER DAY

# TOTAL BUDGETED COSTS\*

## AS % OF MEDIAN HOUSEHOLD INCOME



*\*Including all SVCW Operating expenses, Pay-go capital, Reserve Contributions, and Debt Service, plus assumed collection system costs.*

### TRADITIONAL EPA AFFORDABILITY CRITERIA FOR WASTEWATER SERVICES:

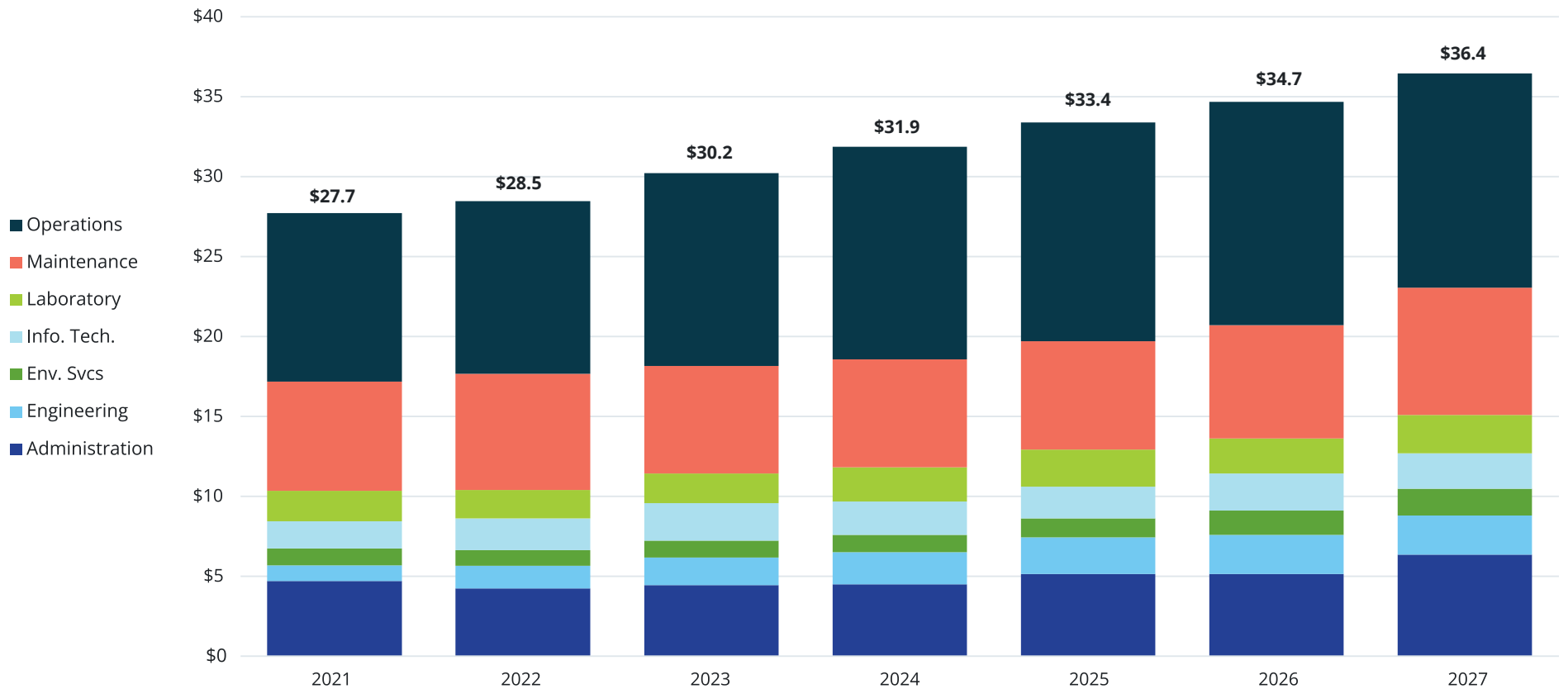
**Low financial impact:** Wastewater services costs per household are less than 1% of MHI.

**Mid-range financial impact:** Wastewater services costs per household are between 1% and 2% of MHI.

**High financial impact:** Wastewater services costs per household are greater than 2% of MHI.

# OPERATING BUDGET

## Historical Gross Operating Budgets (\$Millions)



Annual Operating Budget increases have averaged 4.5%

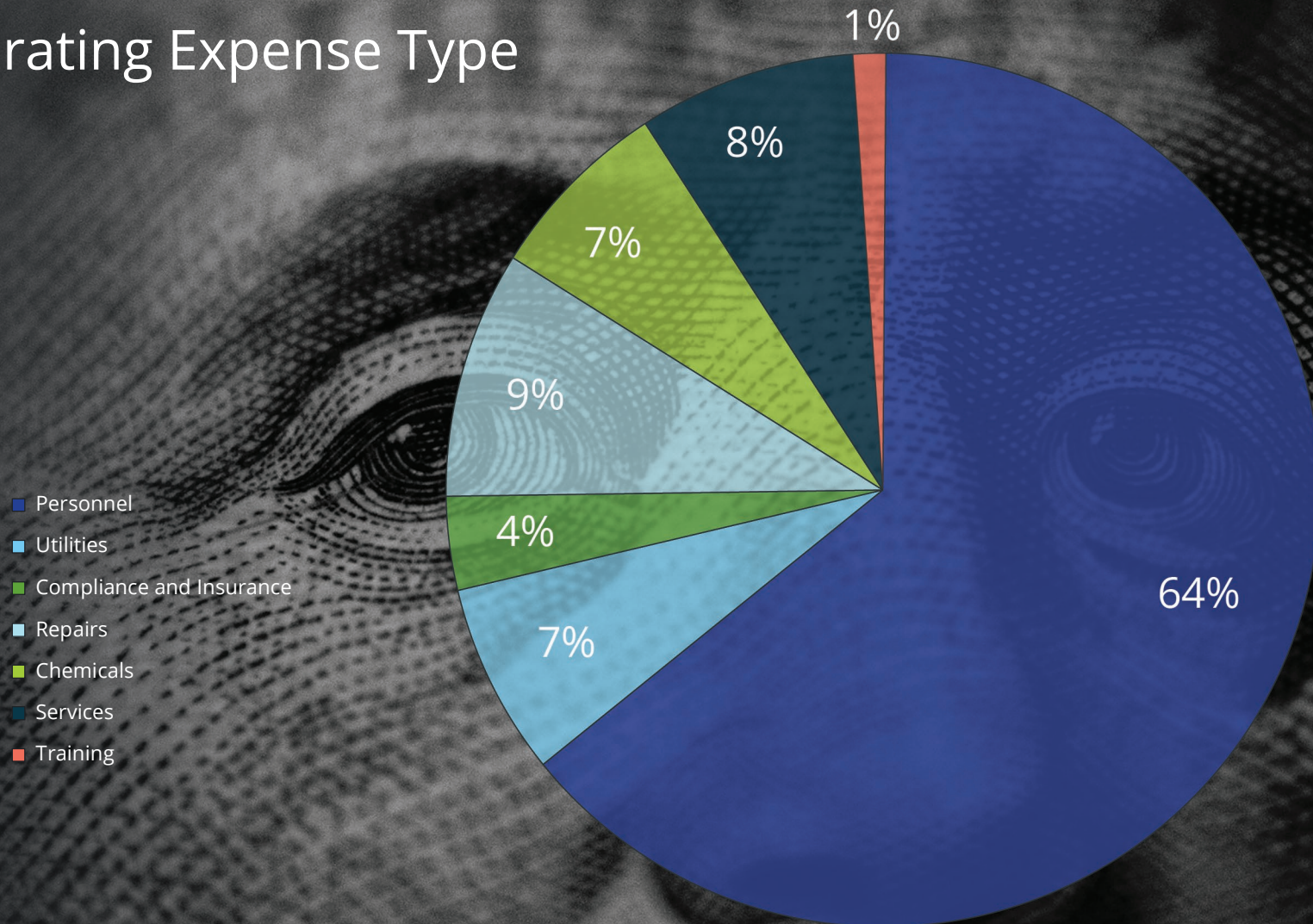
## 2026-27 Operating Budget Changes from 2025-26 Budget (\$ Millions)



Increases from current year budget  
 Decreases

# WHERE DOES THE RATEPAYER DOLLAR GO?

By Operating Expense Type



# OPERATING EXPENSES PER MILLION GALLONS



Unit costs influenced  
by wet weather volumes.

..... Average annual  
increase of 2.4%

# PAY-GO CAPITAL EXPENDITURES

Project Name	Estimated Cost
<b>Wastewater Treatment Equipment</b>	
Digester #1 Heat Exchanger	\$ 190,000
Grease Receiving Station Pump	110,000
Sodium Hypochlorite Tank #1, Replacement	30,000
Fan Press Filtering Element 36"	36,000
Waste Activated Sludge VFD Replacement	20,800
Return Activated Sludge VFD Replacement	28,400
Dual Media Filter Pump VFD Replacement	115,000
Leachate Flow Meter	30,000
Biodryer Filter Media Replacement	100,000
FCI Flowmeter Replacement	40,000
<b>Facilities</b>	
Front B Gate Wiring and System	55,000
Temporary Workforce Housing	200,000
<b>Technology</b>	
PowerApps Enhancements - Wopilot & Training Trac	200,000
Createch 360 - Intelligent Process Control	200,000
Permit Compliance Technology	150,000
<b>TOTAL</b>	<b>\$ 1,505,200</b>

## ANNUAL CONTRIBUTIONS

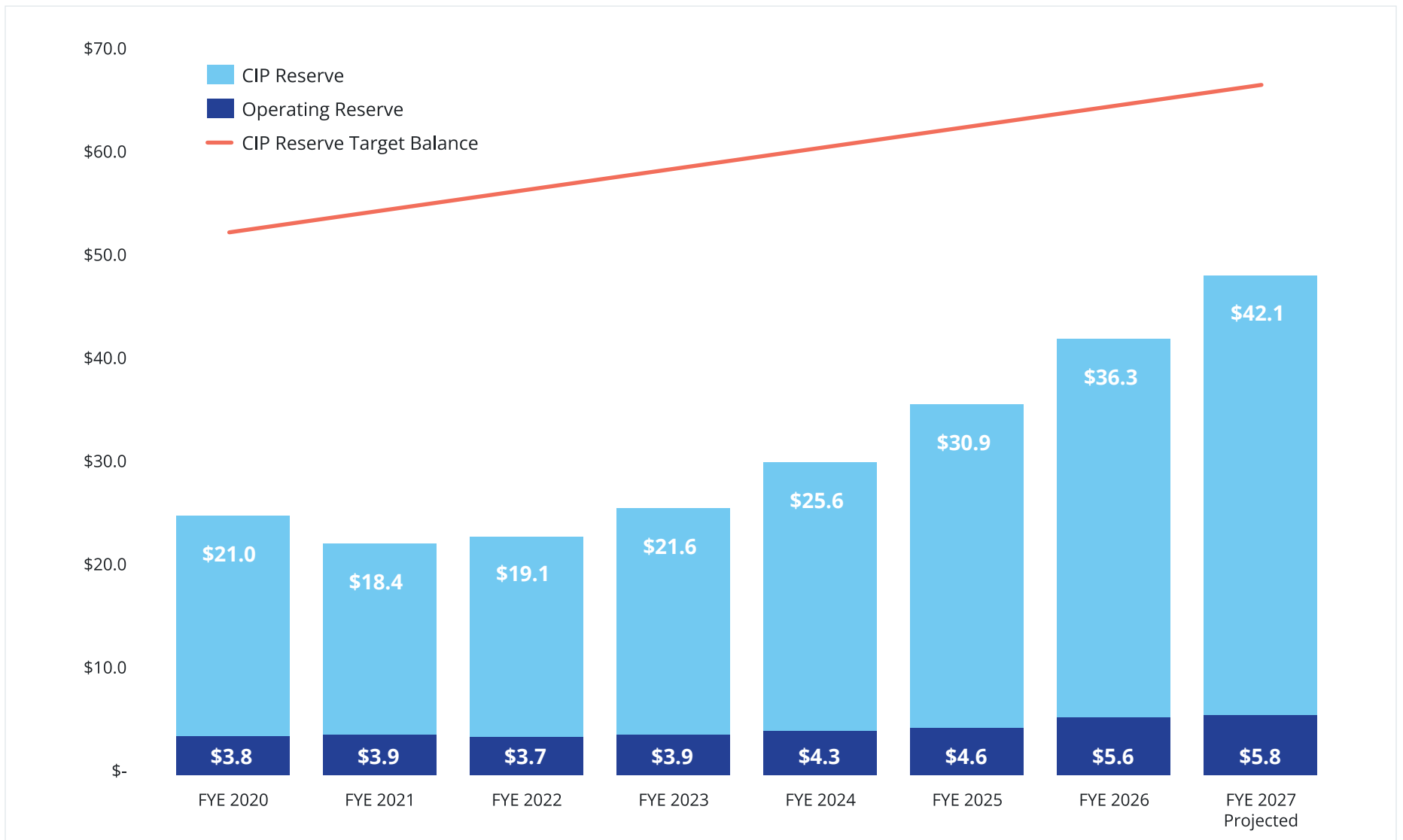
- ANNUAL OPERATIONS AND CAPITAL BUDGET RESERVE FUND  
Upon adoption of this policy, the Annual Operations and Capital Budget Reserve Fund shall be adjusted annually to maintain the minimum balance required as part of the annual budget process.
- CAPITAL IMPROVEMENTS PROGRAM RESERVE FUND  
Each fiscal year, beginning in Fiscal Year 2014-2015 an amount of One Million Dollars (\$1,000,000) shall be budgeted and added to the Capital Improvements Reserve Fund as part of the annual budget process. This is done to increase the balance to meet expected State Revolving Fund reserve requirements.

In order to address the goal of funding the depreciation of the SVCW facilities over the life of the facilities, the annual contribution of \$1,000,000 will be increased, beginning in the Fiscal Year 2020-2021, by Five Hundred Thousand Dollars (\$500,000) per fiscal year, each fiscal year until the Capital Improvement Program Reserve Fund reaches a balance of \$50 million dollars (\$50,000,000) in 2019 dollars, based upon inflation measures as described in the annual Engineering News-Record (“ENR”) construction cost index for the San Francisco Bay Area.

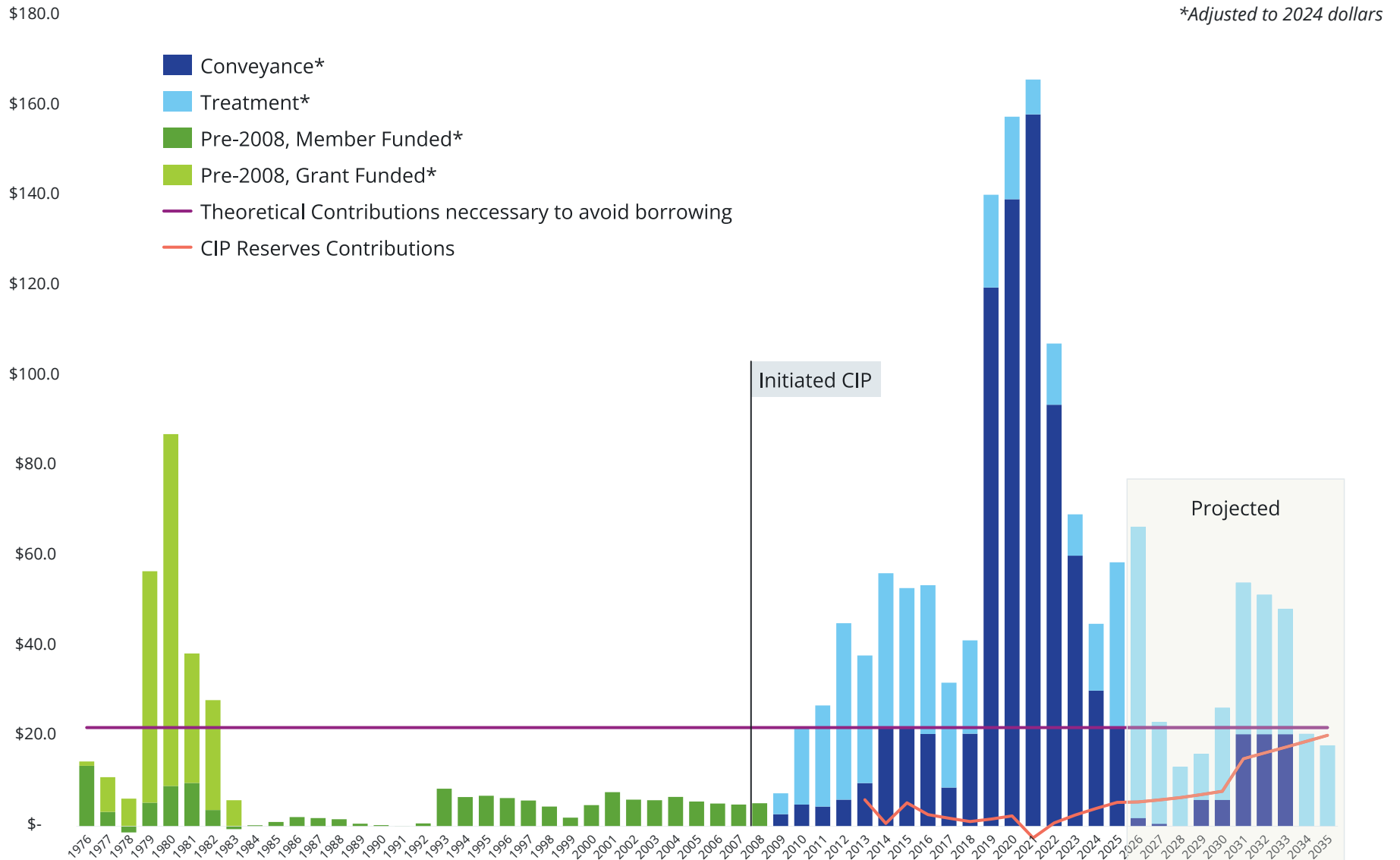
**Commission Policy No. 2013-03**

# CIP RESERVE CONTRIBUTIONS POLICY

# RESERVE BALANCES (\$MILLIONS)



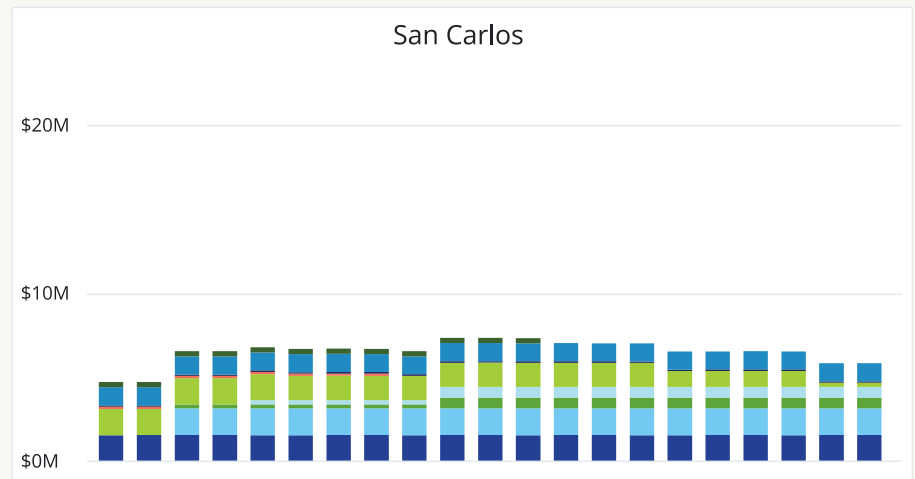
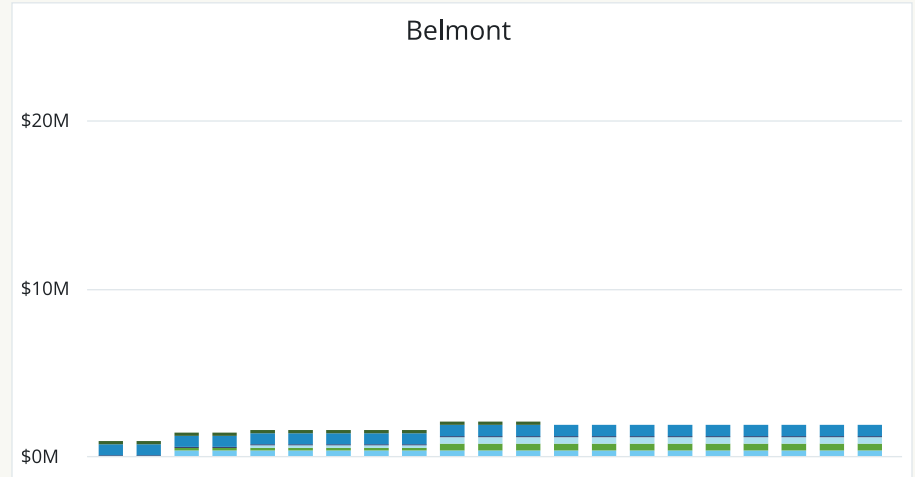
# CAPITAL EXPENDITURES SINCE INCEPTION (\$ MILLIONS)



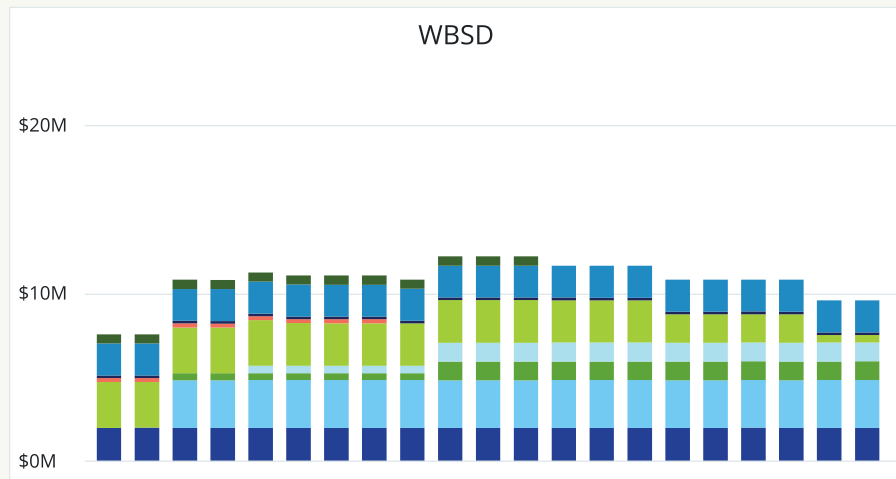
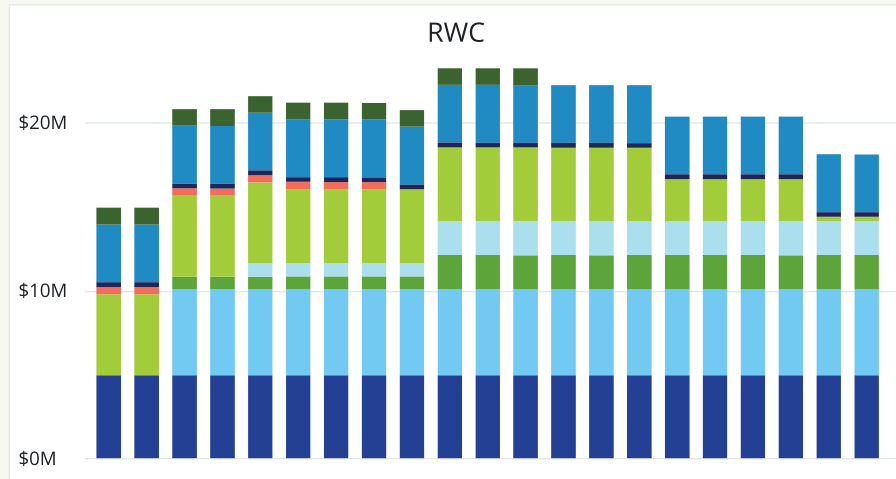
# EXISTING DEBT SERVICE SCHEDULES BY MEMBER

Weighted  
Average Cost  
of Capital:  
**1.6%**

- SRF WWTP I
- SRF RESCU Loans
- SRF Planning Loan
- 2021B Refunding Bonds
- 2021A Refunding Bonds
- 2021 WIFIA (WWTP)\*
- 2021 WIFIA (RESCU 2)
- 2020 WIFIA (RESCU 1)
- 2018 Bonds



# SVCW AND MEMBER CREDIT RATINGS REMAIN STRONG



## MOODY'S RATINGS

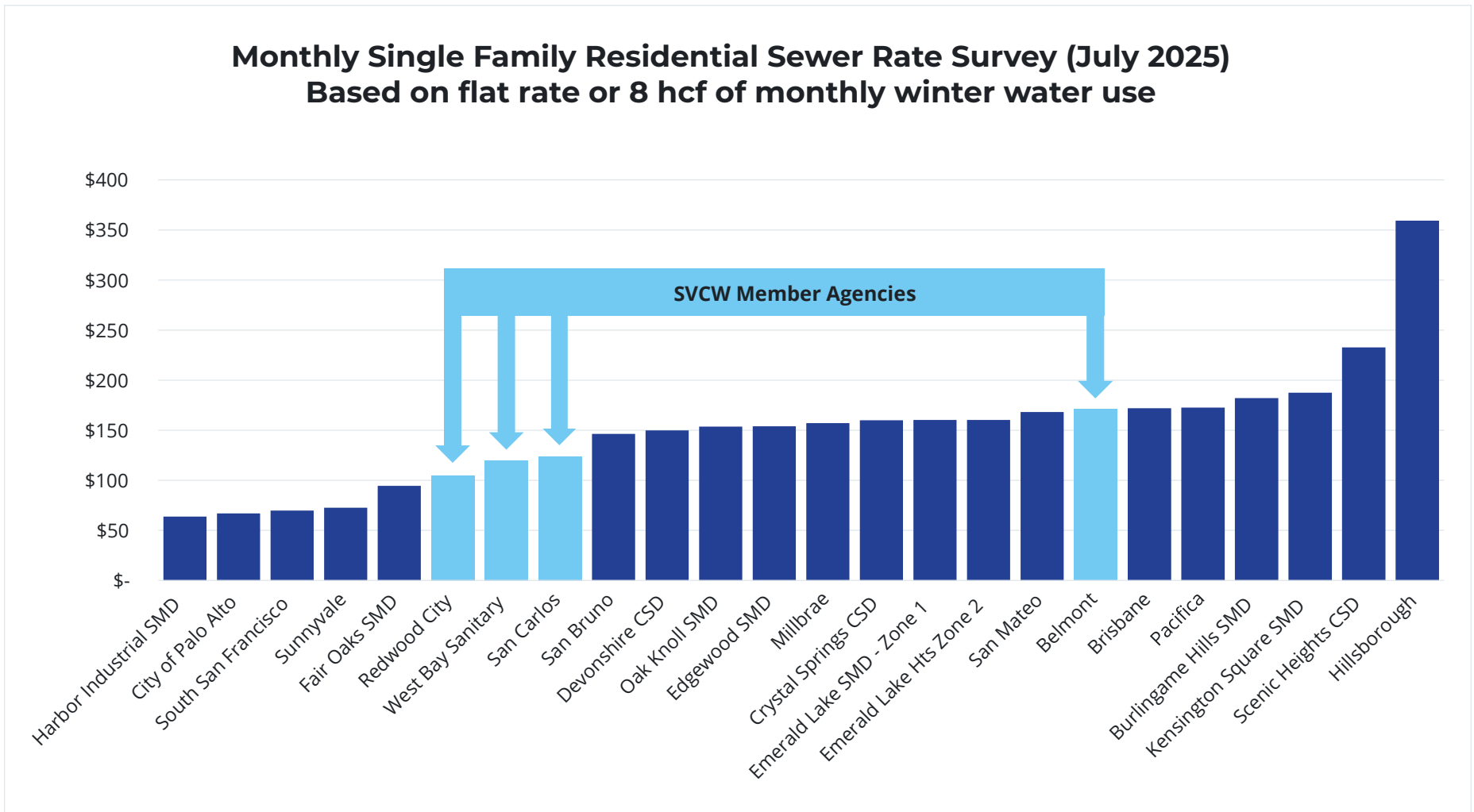
New York, February 25, 2026 -- Moody's Ratings (Moody's) has affirmed the Aa2 pooled ratings on Silicon Valley Clean Water (SVCW), CA's outstanding WIFIA loans and Wastewater Revenue Bonds. We have also affirmed the Aa3 pooled rating on the agency's outstanding Wastewater Revenue Notes, which are expected to mature in full on March 1, 2026. We have also affirmed the Aa3 rating on the agency's Third Amendment to Credit Agreement. SVCW has around \$810 million in outstanding debt obligations. The outlook is stable.

## S&P Global Ratings

- S&P Global Ratings affirmed its 'A+' long-term rating on Silicon Valley Clean Water (SVCW), Calif's Water Infrastructure Finance and Innovation Act (WIFIA) loans to be issued for wastewater treatment plant (WWTP) reliability upgrades and for its regional environmental sewer conveyance upgrade (RESCU) II project.
- We also affirm our 'A+' long-term rating on SVCW's series 2021A and 2021B wastewater revenue notes, both of which will be taken out with the applicable WIFIA proceeds on project completion.
- At the same time, we affirmed our 'A+' rating on SVCW's parity debt, including its re-executed 2020 WIFIA loan.
- Additionally, S&P has reviewed SVCW's line of credit with Wells Fargo Bank and at this time deems it as credit supportive.
- The outlook is stable.

# SURVEY OF AREA SEWER RATES

**Monthly Single Family Residential Sewer Rate Survey (July 2025)  
Based on flat rate or 8 hcf of monthly winter water use**



# THIS PROPOSED BUDGET PROVIDES:

## COST-CONTROLLED OPERATIONS

with targeted staffing, energy, and chemical savings.

## MARKET-ALIGNED COMPENSATION

with clear alternatives for consideration.

## STRONG CAPITAL, RESERVES, AND CREDIT PROFILE

with prudent use of debt.

## MINIMAL IMPACT TO MEMBER RATES

firmly within traditional EPA benchmarks.



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