Commission of Silicon Valley Clean Water
Joint Powers Authority
Regular Meeting – Thursday, November 12, 2026 - 8:00 AM

Place: Silicon Valley Clean Water
1400 Radio Road, Redwood City, California

How to Access Meetings
This meeting will be conducted in-person, at the SVCW's 1400 Radio Rd, Pelican Board Room. The public may participate in-person or remotely via Teams. The Teams meeting link is available below:

MEETING LINK: Join Teams Meeting **MEETING ID**: 270 547 566 14
CALL IN PHONE NUMBER: +1 747-216-0281 **ID**: 925 412 740#

Should Teams not be operational, please check online at: Commission Meetings | SVCW for any updates or further instructions.

Public Comments - (Must be received by 6:00 a.m.in advance of the meeting) Public comments may be submitted via email to Business Operations Supervisor, Jessica Mangual, at jmangual@svcw.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Board before or during the meeting. Submissions received after the deadline will be uploaded to the SVCW's Commission webpage under the applicable meeting on the following day and will become a part of the official record.

Americans with Disabilities Act
In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Clerk's Office at (650) 832-6223, or by email at jmangual@svcw.org at least 48 hours before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Posting Locations of Agenda and/or Cancellation Notices
Regular meeting agendas will be posted at least 72 hours before the meeting (GC§ 54954(a)(1)). Agenda and Cancellation Notices can be viewed online and are also posted at SVCW, 1400 Radio Rd, Redwood City, CA 94065.

Belmont	San Carlos	Redwood City	West Bay Sanitary District
Tom McCune	Neil Layton	Elmer Martinez-Saballos	George Otte

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. 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. Such item may be referred to staff for a decision with regard to placing it on a future agenda for discussion, action, or report.

5. Consideration of Motion Approving Consent Calendar

Notice to Public: All matters listed under the 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 roll call vote unless members of the Commission, staff, or public request specific items be removed from the Consent Calendar for separate action.

A. Approval of Minutes

B. Claims and Checks Dated September 15 - October 13, 2026, and Necessary Payments Through October 13, 2026

C. Approval of Sale Agreement with OTC Flow USA, LLC for the Sale of Renewable Energy Certificates Generated from SVCW's Renewable Electricity Production

6. Business Items

A. Recognizing the Existing Statewide Emergency Related to the 2026–27

El Niño Season for Planning, Preparedness, and Response Purposes.

Proposed Action: Adopt Resolution No. SVCW 26-XX Recognizing the Existing Statewide Emergency Related to the 2026–27 El Niño Season for Planning, Preparedness, and Response Purposes.

B. Review and Provide Feedback on Retention and Recruitment Policy - Commuter Benefits

Proposed Action: Staff recommends that the Commission provide input on draft Recruitment and Retention Policy - Commuter Benefits

C. Receive Update on Socially Responsible Investing (SRI)

Proposed Action: Staff recommends that the Commission provide input on draft SRI language for incorporation into SVCW Investment Policy.

D. Receive Annual Audited Financial Report as of June 30, 2026.

Proposed Action: Receive and Accept Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2026

E. Silicon Valley Clean Water's long-term pension and Other Post-Employment Benefits (OPEB) obligations, and balance for the Section 115 Irrevocable Pension Trust.

Proposed Action: Receive a report regarding Silicon Valley Clean Water's long-term pension and Other Post-Employment Benefits (OPEB) obligations, and provide direction on the establishment of a policy that creates a target balance for the Section 115 Irrevocable Pension Trust.

7. Reports

A. Manager's Report

B. Engineering Report

C. Operations and Maintenance Report

D. Finance and Administration Report

8. Matters of Commission Members' Interest

9. Communications

10. Closed Session

None

11. Adjourn

Minutes of Silicon Valley Clean Water
Place: Silicon Valley Clean Water
1400 Radio Road
Redwood City, California Regular Meeting
October 8, 2026
8:00 AM

Place: Silicon Valley Clean Water
1400 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.

Agenda

1. Call to Order

2. Roll Call

Commissioners Duly Appointed by Each Agency
Commissioner Neil Layton
Commissioner Elmer Martinez Saballos
Commissioner Thomas McCune
Commissioner George Otte

Staff Present
Matthew P. Zucca, SVCW Manager
Allison Schutte, SVCW General Counsel
Matt Anderson, SVCW Chief Financial Officer/Assistant Manager
Kim Hackett, SVCW Authority Engineer
Jessica Mangual, SVCW Secretary Pro Tem

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. 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. Such item may be referred to staff for a decision with regard to placing it on a future agenda for discussion, action, or report.

5. Closed Session

A. Conference with Legal Counsel - Anticipated Litigation
i. Significant exposure to litigation pursuant to Gov. Code §54956.9(d)(2): (2 cases)
ii. Initiation of litigation pursuant to Gov. Code §54956.9(d)(4): (1 case)

Closed Session was called to order at 8:02 a.m.

Open Session reconvened at 8:17 a.m.

As to Item 5(A), Mrs. Schutte reported that no reportable action was taken.

6. Consideration of Motion Approving Consent Calendar

Notice to Public: All matters listed under the 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 roll call vote unless members of the Commission, staff, or public request specific items be removed from the Consent Calendar for separate action.

A. Approval of Minutes

B. Claims and Checks Dated August 18 - September 14, 2026, and Necessary Payments Through September 14, 2026

Motion/Second: Thomas McCune / George Otte
The motion carried by an unanimous roll call vote

7. Business Items

A. Utility of the Future Today Award Recognition

B. Review and Provide Feedback on Draft Commuter Benefit Policy

Proposed Action: Staff recommends that the Commission provide

input on draft Commuter Benefit Policy.

The Commission requested that Agenda Item 7B be brought back with a more detailed breakdown and explanation of the program. Commissioner Layton also requested that the program be referred to as the “Recruitment and Retention Program.”

C. Standard Contract Documents Update - 2026

Proposed Action: Move Approval of 2026 Updated Standard Contract Documents

Motion/Second: George Otte / Thomas McCune
The motion carried by an unanimous roll call vote

D. Adopt a Miscellaneous Fees Schedule

Proposed Action: Move adoption of RESOLUTION NO. SVCW 26-21 approving Silicon Valley Clean Water's (SVCW) miscellaneous receiving fees based on current cost-of-service analyses and market benchmarking.

Motion/Second: Elmer Martinez Saballos / Thomas McCune
The motion carried by an unanimous roll call vote

E. Review Commission Policy 2013-03 SVCW Reserve Fund Policy and Procedures

Proposed Action: Move adoption of RESOLUTION NO. SVCW 26-22 Approving and Adopting Revision I to Commission Policy No. 2013-03, Silicon Valley Clean Water Reserve Fund Policy and Procedure

Motion/Second: Thomas McCune / Elmer Martinez Saballos
The motion carried by an unanimous roll call vote

F. Quarterly Investment Portfolio Performance as of June 30, 2026

Proposed Action: None - Informational Only

G. Receive Update on Environmental, Social, and Governance (ESG) and Socially Responsible Investing (SRI) Practices

Proposed Action: Staff recommends that the Commission provide input on ESG and SRI investment practices.

8. Reports

A. Manager's Report

B. Finance and Administration Report

C. September Engineering Report

D. Operations and Maintenance Report

9. Matters of Commission Members' Interest

10. Communications

11. Adjourn

Minutes prepared by Matthew P. Zucca
Reviewed by General Counsel

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Tom McCune, Secretary

Silicon Valley Clean Water
Warrant Register September 15-September 30, 2026

Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
09/25/26	AIRGAS USA, LLC	5527322407	115702	Maint welding gas	$ 515.16
09/25/26	AMAZON CAPITAL SERVICES, INC.	1674-NT6N-3LRF	115703	Fluke optic	532.10
09/25/26	AMAZON CAPITAL SERVICES, INC.	16MY-RWPC-YP6T	115703	Arm sleeves CV	54.92
09/25/26	AMAZON CAPITAL SERVICES, INC.	17KV-L379-PJGP	115703	Gas can	59.58
09/25/26	AMAZON CAPITAL SERVICES, INC.	1CNJ-YT4P-3WDW	115703	Office supplies	95.39
09/25/26	AMAZON CAPITAL SERVICES, INC.	1D6R-Y4H9-4CYC	115703	Rain gear	99.13
09/25/26	AMAZON CAPITAL SERVICES, INC.	1DGT-J1LR-HCN1	115703	Tour supply	17.73
09/25/26	AMAZON CAPITAL SERVICES, INC.	1DQH-K67J-D3XG	115703	Light bar	90.07
09/25/26	AMAZON CAPITAL SERVICES, INC.	1J1C-66N9-KDCM	115703	Lab supply	193.74
09/25/26	AMAZON CAPITAL SERVICES, INC.	1K1F-9XFL-H9JP	115703	Training material	444.84
09/25/26	AMAZON CAPITAL SERVICES, INC.	1KW9-X1RK-GJ9Y	115703	NFPA Placards	18.24
09/25/26	AMAZON CAPITAL SERVICES, INC.	1MY3-TLRN-P31P	115703	Terminal block qty2	49.68
09/25/26	AMAZON CAPITAL SERVICES, INC.	1NMF-H9DW-FGN1	115703	Surface protector and supply	296.22
09/25/26	AMAZON CAPITAL SERVICES, INC.	1RRP-3VCV-9KMP	115703	Desktop supply	41.74
09/25/26	AMAZON CAPITAL SERVICES, INC.	1RTN-V3Q7-GXH6	115703	Air tip	39.78
09/25/26	AMAZON CAPITAL SERVICES, INC.	1WLG-K7DG-XGHG	115703	Ergo equip CV	54.02
09/25/26	AMAZON CAPITAL SERVICES, INC.	1WYK-9C3K-WKK4	115703	Digital angle finder	403.38
09/25/26	AMAZON CAPITAL SERVICES, INC.	1Y1P-LDKG-MCK3	115703	Hydraulic lift table	858.01
09/25/26	AMERIGAS PROPANE LP	3193785483	115704	Propane SEP26	153.70
09/25/26	BAY ALARM COMPANY	23191458	115705	Qtrly alarm 10/1-12/31/26	1,002.63
09/25/26	BROWNING FERRIS INDUSTRIES OF	4227-000073504	115706	Grit screening AUG26	2,376.48
09/25/26	BROWN & CALDWELL CORP	11615655	115707	7/1-8/20/26 AsNeededFY26-27	1,657.50
09/25/26	BROWN & CALDWELL CORP	11615664	115707	7/24-8/20/26 9242 ESDC	17,862.75
09/25/26	BROWN & CALDWELL CORP	11615698	115707	7/24-8/20/26 9600 ESDC	23,740.00
09/25/26	CALPERS - FINANCIAL REPORTING & ACCOUNTING	100000018423231	115708	GASB68Reprt-Measre6/30/26	350.00
09/25/26	COMPASS GROUP DBA CANTEEN VENDING	3507010260385	115709	Cafeteria vending JUL26	2,549.85
09/25/26	COMPASS GROUP DBA CANTEEN VENDING	3507011260385	115709	Cafeteria vending AUG26	2,026.94
09/25/26	COMPASS GROUP DBA CANTEEN VENDING	3507034100	115709	Cafeteria vending	103.53
09/25/26	CALIFORNIA WATER SERVICE CO	26091688850	115710	Water SCPS SEP26	156.95
09/25/26	CDM SMITH INC.	90273186	115711	8/16-9/12/26 Engineering Svcs 0810	1,602.50
09/25/26	CHLOE MAEVIS SANDERS	1	115712	Outreach consulting service	3,702.72
09/25/26	CINTAS CORP FIRST AID & SAFETY	5361655306	115713	First aid supplies	1,399.83
09/25/26	CLEAN WATER SERVICES	3008252	115714	IPR LoadRunnerTrailerPurchase	117,000.00
09/25/26	DAIKIN APPLIED	3615762	115715	Daiken split system JUL26	5,005.69
09/25/26	DAIKIN APPLIED	3627816	115715	Quarterly inspection svc	5,831.25
09/25/26	ENS RESOURCES INC	10142	115716	DC counsulting service	5,000.00
09/25/26	FLO-LINE TECHNOLOGY INC	260718	115717	Pump transfer kit qty2	6,116.22
09/25/26	FOURNIER INDUSTRIES, INC.	FC201949	115718	Duty	7,951.12
09/25/26	GRAINGER	9070128179	115719	LED wall pack	1,154.12
09/25/26	GRAINGER	9074064529	115719	Gas valve qty8	490.22
09/25/26	GRAINGER	9075525486	115719	Fuse qty3	187.13
09/25/26	GRAINGER	9079629458	115719	Fuse puller qty3	327.49
09/25/26	HANSON BRIDGETT LLP	1566418	115720	9130 LglSvcsThru7/31/26	450.00
09/25/26	HANSON BRIDGETT LLP	1566419	115720	9232 LglSvcs thru 7/31/26	650.00
09/25/26	HANSON BRIDGETT LLP	1568258	115720	0816 LglSvcs thru 8/31/26	450.00
09/25/26	HARRINGTON INDUST PLASTICS	003W7659	115721	Basket screen qty2	2,088.14
09/25/26	HARRINGTON INDUST PLASTICS	003W7790	115721	Sprockets	145.58
09/25/26	HARRINGTON INDUST PLASTICS	003W7920	115721	Fittings	2,063.11
09/25/26	HARRINGTON INDUST PLASTICS	003W7954	115721	Pvc	233.59
09/25/26	HITACHI GLOBAL AIR POWER	90669506	115722	Separator kit qty3	1,399.26
09/25/26	VISUAL EDGE INC DBA IMAGE SOURCE	24AR3802563	115723	Copier supply	29.96
09/25/26	INVENT ENVIRONMENTAL TECHNOLOGIES INC	INV 2026-00079	115724	Bushing qty5	5,708.27
09/25/26	LOOKING POINT INC	38966TM	115725	o365 security assessment	500.00
09/25/26	LOOKING POINT INC	38967TM	115725	o365 security assessmet	500.00
09/25/26	MARINA MECHANICAL	524241	115726	Coil repair	2,637.07
09/25/26	METRO MOBILE COMMUNICATIONS	51721	115727	Speaker remote	257.33
09/25/26	NEWARK ELEMENT14	4144999	115728	Fan ball	253.73
09/25/26	NEWARK ELEMENT14	JS092126-14 MET	115728	Fan filter	65.21
09/25/26	ODYSSEY POWER CORPORATION	88984006	115729	Generator repair 9/11/26	1,290.00
09/25/26	O.P.E.N, AMERICA INC DBA OPENWORKS	INV-0026000	115730	Janitorial SEP26	6,449.00

Silicon Valley Clean Water
Warrant Register September 15-September 30, 2026

Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
09/25/26	PACIFIC ECORISK, INC	21560	115731	CHRONIC toxicity testing	6,018.00
09/25/26	PAPE MACHINERY	100636401	115732	Front loader rental	7,911.00
09/25/26	PENINSULA BATTERY, INC.	145103	115733	Purchasing Invoice Entry	1,991.94
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609036591-9	115734	PGE gas GEG AUG26	351.75
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4A	115734	PGE LOAN PMT LIGHTS SEP26	5,107.15
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4B	115734	PLANT FRANCHISE TAX SEP26	308.68
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4C	115734	MPPS ELEC SEP26	9,991.27
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4D	115734	RCPS ELEC SEAPORT SEP26	14.61
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4E	115734	RCPS ELEC SEP26	46,016.87
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4F	115734	SCPS ELEC SEP26	2,624.72
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4G	115734	PLANT NAT GAS SEP26	7,214.64
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4H	115734	PLANT ELEC SEP26	184,198.40
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4I	115734	1406 NAT GAS SEP26	138.54
09/25/26	PACIFIC GAS AND ELECTRIC COMPANY	2609174383-4J	115734	1406 ELEC SEP26	815.22
09/25/26	PIPE AND PLANT SOLUTIONS INC	25466-07	115735	Vac truck pst1,3 inlet channel	2,180.00
09/25/26	PITNEY BOWES - RENT	3108071519	115736	Postage mach lease OCT26	819.77
09/25/26	RADWELL INTERNATIONAL LLC	36862271	115737	Transmitter	907.79
09/25/26	RADWELL INTERNATIONAL LLC	36886399	115737	Dewpoint sensor	1,727.49
09/25/26	RADWELL INTERNATIONAL LLC	36901376	115737	ACT20M-AI	630.01
09/25/26	RECOLOGY SAN MATEO COUNTY	35970	115738	GBG FOP AUG26	2,303.58
09/25/26	RECOLOGY SAN MATEO COUNTY	63231823	115738	GBG plant AUG26	2,457.18
09/25/26	RECOLOGY SAN MATEO COUNTY	63236863	115738	GBG at RECPS AUG26	1,250.35
09/25/26	RELIANCE STANDARD LIFE INSURANCE COMPANY	GL150000364SEPT26	115739	Life and AD&D Sept 2026	3,939.51
09/25/26	RENAISSANCE LIFE AND HEALTH INSURANCE	287118 SEPT26	115740	VisionDental InsuranceSept2026	11,463.14
09/25/26	R.E.P. NUT N BOLT GUY	40987	115741	Vendor managed parts 9/10	779.67
09/25/26	R.E.P. NUT N BOLT GUY	41011	115741	Vendor managed parts	798.43
09/25/26	REPUBLIC SERVICES #925	0925-001741677	115742	Drying bed bins AUG26	1,805.58
09/25/26	REPUBLIC SERVICES #925	0925-001741677A	115742	8rd siloxane media AUG26	1,042.81
09/25/26	REDWOOD CITY, CITY OF-FINANCE(acct,fuel,vehicl	903031A	115743	Fleet maint truck 12184	591.59
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828171-00	115744	Water RCPS AUG26	88.29
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828172-00	115744	Water utility RCPS Aug26	2,624.86
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828187-00	115744	Water plant AUG26	1,780.69
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828373-00A	115744	Water 1406 AUG26	331.37
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828373-00B	115744	Sewer 1406 AUG26	306.70
09/25/26	Redwood City, City of-Water & Trash/Garbage	260828549-00	115744	Water Fire 1406 AUG26	131.02
09/25/26	SEAL ANALYTICAL INC	80699	115745	Service contract	7,780.00
09/25/26	dba Sierra research Inc - Trinity Consultants	1588747	115746	7/30-8/27/26 FoodWasteAsNeeded	1,795.96
09/25/26	dba Sierra research Inc - Trinity Consultants	1590583	115746	7/30-8/27/26 9269 LGenAirSppt	1,466.35
09/25/26	SAN MATEO COUNTY MOSQUITO & VECTOR CONT	SM-26-00090	115747	Mosquito abatement AUG26	419.72
09/25/26	SOUTHWEST VALVE, LLC	70714B59548	115748	Pneumatic actuator	12,605.41
09/25/26	TELEPACIFIC COMMUNICATIONS	191881334-0	115749	Plant comms expense	1,344.93
09/25/26	THERMO FISHER SCIENTIFIC	89510758	115750	Pipet	874.91
09/25/26	THYSSENKRUPP ELEVATOR CORPORAT	7000424872	115751	Elev repair rls 8/25/26	2,173.03
09/25/26	TOTAL INDUSTRIES	IM85000390	115752	Lab cart inspection	860.75
09/25/26	TURBO MACHINERY REPAIR A DXP COMPANY	56018246	115753	Stator	8,588.42
09/25/26	UNIFIRST CORPORATION	2410213388	115754	Uniform laundrry	675.83
09/25/26	UNIFIRST CORPORATION	2410214767	115754	Uniform laundry	683.99
09/25/26	UNIFIRST CORPORATION	2410216073	115754	Uniform laundry	715.47
09/25/26	UNITED RENTALS NORTHWEST, INC.	264349332-001	115755	JLG repair SEP26	1,268.90
09/25/26	UNITED RENTALS NORTHWEST, INC.	267083515-001	115755	Genie boom repair SEP26	596.92
09/25/26	UNIVAR SOLUTIONS USA	54153580	115756	Hypo del 9/9/26	13,019.99
09/25/26	UNIVAR SOLUTIONS USA	54163027	115756	Hypo del 9/14/26	12,923.07
09/25/26	VALLEY OIL COMPANY (VEHICLE FUEL)	261932	115757	Clr diesel Jul26	338.75
09/25/26	WATEREUSE ASSOCIATION	10149	115758	New utilities membership	15,342.49
09/25/26	WAXIE SANITARY SUPPLY	84107618	115759	Bleach	78.40
09/25/26	Whaley Products, Inc.	1021892	115760	Microguard coating	7,724.21
09/25/26	W.M. LYLES CO	PPR2-033-PO10712	115761	8/1-8/31/26 9223FEPSIConstruct	484,819.55
09/18/26	NAVIA BENEFIT SOLUTIONS	202601-PPE091226	EFT000000008646	Navia H/D FSAs PPE091226	4,834.34
09/18/26	MISSIONSQUARE(formerly M&T) ICMA	803827-PPE091226	EFT000000008647	EE & ER HSA PPE091226	9,804.09
09/18/26	STATIONARY ENGINEERS LOCAL 39 DATA CTR	09182026	EFT000000008648	Union Dues PPE 091226	3,037.79

Silicon Valley Clean Water
Warrant Register September 15-September 30, 2026

Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
09/18/26	NATIONWIDE RETIREMENT SOLUTIONS	40944-001-PPE091226	EFT000000008649	NRS DC/ROTH PPE091226	27,634.24
09/25/26	ADP	731507765	EFT000000008650	Payroll svc PPE091226 & API	898.21
09/25/26	CASCADE INTEGRATION & DEVELOPMENT	5738	EFT000000008651	8/7-8/25/26 9242 SysIntSvcs	4,356.25
09/25/26	CASCADE INTEGRATION & DEVELOPMENT	5739	EFT000000008651	8/3-8/25/26 9257SCADASysIntSvc	11,480.00
09/25/26	CASCADE INTEGRATION & DEVELOPMENT	5751	EFT000000008651	8/5-8/21/26 9223CtrlSysIntSvcs	2,716.25
09/25/26	CASCADE INTEGRATION & DEVELOPMENT	5756	EFT000000008651	8/7-8/25/26 9269 EDSSforStage1	3,331.25
09/25/26	CASCADE INTEGRATION & DEVELOPMENT	5761	EFT000000008651	Avena PI config	205.00
09/25/26	C H BULL COMPANY	1212580	EFT000000008652	Eng at jobsite	5,494.00
09/25/26	C H BULL COMPANY	Credit Memo	EFT000000008652	Credit eng drawings	(494.00)
09/25/26	DMJ GAS MARKETING CONSULTANTS, LLC	926-01	EFT000000008653	3rd party gas SEP26	2,031.75
09/25/26	EDGLEY, KIP D.	2509_08_2026_16A	EFT000000008654	8/3-9/6/26 CIPProjsCnsltSvcs	3,954.63
09/25/26	EDGLEY, KIP D.	2509_08_2026-16	EFT000000008654	8/3-9/6/26 CIPProjsCnsltSvcs	10,077.75
09/25/26	FENTON, CHARLES	2026-3 OPS	EFT000000008655	7/1-8/31 Ops support	2,925.00
09/25/26	HARMONYSCAPES LLC	2457	EFT000000008656	Landscaping svc	4,400.00
09/25/26	PAUL HILL	260902-PHI	EFT000000008657	Cell phone reimbursement ph	135.00
09/25/26	J.F. SHEA CONSTRUCTION INC	PPR 007 - PO109553	EFT000000008658	8/1-8/31/26 9600ABDMFConstr	623,603.75
09/25/26	JOE A GONSALVES & SON	164593	EFT000000008659	Consulting services AUG26	4,500.00
09/25/26	CHRISTOPHER MARTINEZ LEON	20260925CL	EFT000000008660	Safety shoes CL	304.55
09/25/26	NORTHEAST-WESTERN ENERGY SYSTEMS USA LLC	2026100353	EFT000000008661	Cogen OPH billing AUG26	17,510.57
09/25/26	NORTHEAST-WESTERN ENERGY SYSTEMS USA LLC	20261600672	EFT000000008661	Jenbacher oil 40 tote	7,762.52
09/25/26	NORTHEAST-WESTERN ENERGY SYSTEMS USA LLC	2026200585	EFT000000008661	Cogen 2 repair 8/12/26	2,008.00
09/25/26	Nexinite, LLC.	INV-003557	EFT000000008662	O365 ad hoc monthly licen	546.64
09/25/26	Nexinite, LLC.	INV-003579	EFT000000008662	BC ERP and PowerApps integration	828.00
09/25/26	Nexinite, LLC.	INV-003580	EFT000000008662	BC ERP and PowerApps integration	19,475.00
09/25/26	SABAH INTERNATIONAL INC	PI0038321	EFT000000008663	Fire alarm 9/15/26	1,182.00
09/25/26	SYNAGRO TECHNOLOGIES INC	71321	EFT000000008664	Biosolids hauling AUG26	61,664.22
09/25/26	TANNER PACIFIC, INC.	226-417	EFT000000008665	8/23-9/5/26 CIPProjsCnstrMgmt	64,698.50
09/25/26	TECHNOLOGY MANAGEMENT CONCEPTS	79142	EFT000000008666	BC ERP integration	4,440.00
09/25/26	TECHNOLOGY MANAGEMENT CONCEPTS	79216	EFT000000008666	BC ERP integration	3,300.00
09/25/26	TRUONG, EDDIE	260914-ETR	EFT000000008667	Grade 2 Op cert app	311.00
09/25/26	CRISTINA VANCE	20260925CV	EFT000000008668	Safety shoes CV	310.00
09/25/26	CRISTINA VANCE	260921-CVA	EFT000000008668	CWEA membership	251.00
09/25/26	VWR INTERNATIONAL, LLC	8822518934	EFT000000008669	Gloves	103.63
09/25/26	VWR INTERNATIONAL, LLC	8822536080	EFT000000008669	Cups	88.67
09/25/26	WRA ENVIRONMENTAL CONSULTANTS	20171-28-61451	EFT000000008670	7/25-8/21/26 9265EnviroEval	3,726.75
09/30/26	BEWLEY, JAMES B.	1026	EFT000000008671	10/26 retiree health refund	551.66
09/30/26	BOVE, LEONARD F.	1026	EFT000000008672	10/26 retiree health refund	194.83
09/30/26	BOWLEN, WILLIAM	1026	EFT000000008673	10/26 retiree health refund	408.93
09/30/26	BROWN, BRENT	1026	EFT000000008674	10/26 retiree health refund	2,173.64
09/30/26	BRUEMMER, LINDA	1026	EFT000000008675	10/26 retiree health refund	194.83
09/30/26	BUENROSTRO, BENJAMIN Sr.	1026	EFT000000008676	10/26 retiree health refund	194.83
09/30/26	BUSCH, JOSEPH A.	1026	EFT000000008677	10/26 retiree health refund	194.83
09/30/26	CASTELL, RAFAEL L.	1026	EFT000000008678	10/26 retiree health refund	194.83
09/30/26	CASTRO, RAMON	1026	EFT000000008679	10/26 retiree health refund	551.66
09/30/26	CHANDLER, CATHERINE	1026	EFT000000008680	10/26 retiree health refund	503.50
09/30/26	CHAPMAN, ROBERT G	1026	EFT000000008681	10/26 retiree health refund	194.83
09/30/26	CHILD, DANIEL T.	1026	EFT000000008682	10/26 retiree health refund	1,169.00
09/30/26	COTTIER, DON R.	1026	EFT000000008683	10/26 retiree health refund	2,175.72
09/30/26	DALY, MICKEY	1026	EFT000000008684	10/26 retiree health refund	1,913.79
09/30/26	DOMINGO, NORMAN M.	1026	EFT000000008685	10/26 retiree health refund	800.58
09/30/26	FAZIO, MICHAEL	1026	EFT000000008686	10/26 retiree health refund	194.83
09/30/26	FLAHERTY, LISA M.	1026	EFT000000008687	10/26 retiree health refund	284.04
09/30/26	FONG, PETER	1026	EFT000000008688	10/26 retiree health refund	551.66
09/30/26	FORD, LARENCE	1026	EFT000000008689	10/26 retiree health refund	551.66
09/30/26	GALLEGOS, ROSENDO	1026	EFT000000008690	10/26 retiree health refund	2,175.72
09/30/26	GERKE, FRED	1026	EFT000000008691	10/26 retiree health refund	194.83
09/30/26	GROSSO, LORNA	1026	EFT000000008692	10/26 retiree health refund	194.83
09/30/26	GUZMAN, FRANCISCO	1026	EFT000000008693	10/26 retiree health refund	1,433.17
09/30/26	HALL, DAVID A.	1026	EFT000000008694	10/26 retiree health refund	2,759.96
09/30/26	HERNANDEZ, JOHN M.	1026	EFT000000008695	10/26 retiree health refund	194.83
09/30/26	HERRERA, TERESA	1026	EFT000000008696	10/26 retiree health refund	0.14
09/30/26	HUFFSTUTLER. ROBERT	1026	EFT000000008697	10/26 retiree health refund	1,169.00

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Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
09/30/26	JONES, LORINE	1026	EFT000000008698	10/26 retiree health refund	264.31
09/30/26	JONES, REGGIE H.	1026	EFT000000008699	10/26 retiree health refund	319.29
09/30/26	KAUFMAN, KENNETH J	1026	EFT000000008700	10/26 retiree health refund	264.31
09/30/26	KELLY, EDWARD	1026	EFT000000008701	10/26 retiree health refund	503.50
09/30/26	KEMP, JAMES R.	1026	EFT000000008702	10/26 retiree health refund	2,175.72
09/30/26	KERTZ, FELIX J.	1026	EFT000000008703	10/26 retiree health refund	194.83
09/30/26	KETTLER, BRIAN	1026	EFT000000008704	10/26 retiree health refund	264.31
09/30/26	KLOKKE, NANCY L.	1026	EFT000000008705	10/26 retiree health refund	503.50
09/30/26	LOSTICA, JAMES	1026	EFT000000008706	10/26 retiree health refund	1,913.79
09/30/26	MA, PO KUI	1026	EFT000000008707	10/26 retiree health refund	551.66
09/30/26	PADUA, BENJAMIN V.	1026	EFT000000008708	10/26 retiree health refund	194.83
09/30/26	POSCH, MARY CAROLYN	1026	EFT000000008709	10/26 retiree health refund	194.83
09/30/26	REYES, CESAR V.	1026	EFT000000008710	10/26 retiree health refund	551.66
09/30/26	SAN FILIPPO, JOHN	1026	EFT000000008711	10/26 retiree health refund	1,169.00
09/30/26	SCHEPIS, GERALD	1026	EFT000000008712	10/26 retiree health refund	1,433.17
09/30/26	SMITH, JULIE	1026	EFT000000008713	10/26 retiree health refund	503.50
09/30/26	SMITH, RAYMOND C.	1026	EFT000000008714	10/26 retiree health refund	800.58
09/30/26	STORMS, VERNON GARY	1026	EFT000000008715	10/26 retiree health refund	1,169.00
09/30/26	SUTER, KATHERINE J.	1026	EFT000000008716	10/26 retiree health refund	551.66
09/30/26	TAYLOR, TERRY M.	1026	EFT000000008717	10/26 retiree health refund	551.66
09/30/26	VON SEEBACH, NANCY	1026	EFT000000008718	10/26 retiree health refund	1,169.00
09/30/26	WALSH, WALTER	1026	EFT000000008719	10/26 retiree health refund	690.62
09/30/26	WANDRO, ROBERT	1026	EFT000000008720	10/26 retiree health refund	916.86
09/30/26	WIDGER, RICHARD	1026	EFT000000008721	10/26 retiree health refund	1,169.00
09/30/26	WOODSTOCK, CRAIG M.	1026	EFT000000008722	10/26 retiree health refund	551.66
09/30/26	WU, ELAINE	1026	EFT000000008723	10/26 retiree health refund	194.83
				TOTAL	**$ 2,076,867.83**

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAYMENTS NUMBERED FROM 115702 THROUGH 115761 INCLUSIVE, AND/OR ELECTRONIC FUND TRANSFERRED ITEMS NUMBERED EFT000000008646 THROUGH EFT000000008723 INCLUSIVE, TOTALING IN THE AMOUNT OF $2,076,867.83 HAVE BEEN CHECKED IN DETAIL AND APPROVED BY THE PROPER OFFICIALS, AND IN MY OPINION REPRESENT FAIR AND JUST CHARGES AGAINST THE AUTHORITY IN ACCORDANCE WITH THEIR RESPECTIVE AMOUNTS AS INDICATED THEREON.

RESPECTFULLY SUBMITTED,

MATTHEW ANDERSON, TREASURER — **DATE** 10/1/2026

Beth Goldberg

BETH GOLDBERG, CONTROLLER — **DATE** 10/15/26

Silicon Valley Clean Water
Warrant Register October 01-October 13, 2026

Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
10/8/2026	Amazon Capital Services, INC.	1DQD-3VJQ-44RN.	115767	Lab supplies	$ 65.25
10/8/2026	R.E.P. NUT N Bolt Guy	41008W	115768	LATEX GLOVES qty 50/BX	697.16
10/12/2026	Amazon Capital Services, INC.	1K6W-616W-WT1H	115809	1400 PCS COLORED ZIP TIE	15.65
10/12/2026	Amazon Capital Services, INC.	1Q3L-KNKT-GDHD	115809	Office supply	235.53
10/12/2026	Amazon Capital Services, INC.	1FX4-6Q74-4VGM	115809	Safety Cage Ladders (2)	3,032.42
10/12/2026	Amazon Capital Services, INC.	1G7M-QXCD-749Q	115809	Coffee, creamer	151.28
10/12/2026	Amazon Capital Services, INC.	191P-6T49-9QKL	115809	Hard hat head lamps; batteries	61.45
10/12/2026	Amazon Capital Services, INC.	1194-D1V1-QJJG	115809	Office Supplies	39.54
10/12/2026	Amazon Capital Services, INC.	1GTC-33XJ-R63L	115809	Lab supply grips	17.39
10/12/2026	Amazon Capital Services, INC.	1CTX-6PXY-YCGK	115809	Lunchroom Supplies	45.86
10/12/2026	Amazon Capital Services, INC.	13V1-F6VW-CLG4	115809	Surface protector & Engineering HDDs	398.67
10/12/2026	Amazon Capital Services, INC.	1JKD-T6XF-FVPG	115809	AED batteries	604.25
10/12/2026	Amazon Capital Services, INC.	1PCM-W6LQ-K34C	115809	Lunchroom Supplies	82.57
10/12/2026	Amazon Capital Services, INC.	1PRG-QWVK-GPJL	115809	MAINTENANCE - NICOLAI KASIM	16.47
10/12/2026	Aquatic Informatics INC	119778	115810	Annual HACH Support	9,012.61
10/12/2026	Beecher Engineering	0926- 91	115811	8/25-9/24/26 9269 EE Support Svcs	14,697.00
10/12/2026	Beecher Engineering	0926-92	115811	8/25-9/24/26 9269 EESDC	61,266.00
10/12/2026	California Environmental Dewatering	1655	115812	CED-1004 Polymer	34,992.79
10/12/2026	Caltest Analytical Laboratory	743948	115813	Nitrate	59.40
10/12/2026	Caltest Analytical Laboratory	744084	115813	Cyanide	865.80
10/12/2026	CDW Government, INC.	AL1KV6Y	115814	vidoe conference Touch Panel	1,499.32
10/12/2026	Classpass LLC	8CC60590-0020	115815	Employee wellness	2,465.00
10/12/2026	FED Ex	2-625-56384	115816	Shipping Expenses	55.00
10/12/2026	Fieldman, Rolapp & Associates	32483	115817	Debt Advisory Services	1,186.80
10/12/2026	Grainger	9093543404	115818	Lever chain hoist	1,324.17
10/12/2026	Grainger	9093456128	115818	20RZ55 MACHINE/EQUIPMENT LABEL	95.83
10/12/2026	Hanson Bridgett LLP	1568240	115819	8/4-8/10/26 9275 legal services	2,650.00
10/12/2026	Hanson Bridgett LLP	1568241	115819	8/6-8/31/26 9232 legal services	1,375.00
10/12/2026	Hanson Bridgett LLP	1568243	115819	8/3-8/7/26 9402 legal services	4,060.00
10/12/2026	Hanson Bridgett LLP	1568238	115819	Legal Expenses	4,150.00
10/12/2026	Hanson Bridgett LLP	1568259	115819	8/10-8/31/26 CIP Projs Legal Svcs	24,560.00
10/12/2026	Hanson Bridgett LLP	1568239	115819	Legal Expenses	8,555.00
10/12/2026	Hanson Bridgett LLP	1568242	115819	Legal Expenses	1,005.00
10/12/2026	Hazen and Sawyer	20256-000 - 24	115820	8/1-8/31/26 9402 STAR Prof Svcs	11,006.00
10/12/2026	Iparametrics LLC	7126	115821	Grant writing services	72.50
10/12/2026	Liberty Mutual Insurance	11577533	115822	OCIP Workers Comp Deduct.	1,773.13
10/12/2026	Marlin Leasing	42819707	115823	monthly copier lease fee	1,762.40
10/12/2026	Metro Mobile Communications	51790	115824	FIELD SERVICE SEP26	575.00
10/12/2026	PFM Asset Management LLC	15417960	115825	Asset management	3,209.56
10/12/2026	Pacific Gas and Electric Company	0008559081-8	115826	Elec Dep Load AUG26	18,326.48
10/12/2026	Pacific Gas and Electric Company	2610026591-9	115827	PG&E GAS GEG 8/31-9/30/26 1,146 therms	457.34
10/12/2026	Ponton Industries INC	34491	115828	FCI MODEL FLT93S-1A1A101C4BB10	5,839.61
10/12/2026	Praxair Distribution INC	59124394	115829	Argon and Hydrogen	461.00
10/12/2026	Praxair Distribution INC	59369043	115829	Argon	2,410.15
10/12/2026	Pure TEC Industrial Water	2453691	115830	DI Water Tanks	153.79
10/12/2026	Recology San Mateo County	63232011	115831	1406 GBG AUG 26	194.21
10/12/2026	Red Wing Shoe Store	152ST1-4201192797	115832	Safety Shoes-BP	303.23
10/12/2026	Red Wing Shoe Store	152ST1-4309256489	115832	Safety Shoes-KL	310.00
10/12/2026	Reliance Standard Life Insurance Company	GL150000364OCTOBER	115833	LTD Life and AD&D October 2026	3,886.21
10/12/2026	Renaissance Life and Health Insurance	292088 OCTOBER26	115834	Dental And Vision Ins October 2026	11,525.32
10/12/2026	R.E.P. NUT N Bolt Guy	40972	115835	HOLE SAW KIT MHS100	185.36
10/12/2026	R.E.P. NUT N Bolt Guy	41009	115835	VENDOR MANAGED HARDWARE	399.46
10/12/2026	State Water Resources Control Board	8264-710 091026	115836	FY26 PSI SRF Loan - Princ & Interest	2,239,020.83
10/12/2026	State Water Resources Control Board	8264-110 091026	115836	FY26 GP SRF Loan - Princ & Interest	2,308,535.31
10/12/2026	State Water Resources Control Board	8264-210 091026	115836	FY26 GP SRF Loan - Princ & Interest	1,989,456.39
10/12/2026	State Water Resources Control Board	8069-110 091026	115836	FY26 ConveyancePlanSRF Loan - Princ&Int	534,582.46
10/12/2026	State Water Resources Control Board	5216-120 091026	115836	FY26 WWTP SRF Loan - Princ & Interest	1,888,096.89
10/12/2026	Total Industries	IM85000415	115837	FLEET REPAIR - CART 179147	1,964.68
10/12/2026	Univar Solutions USA INC.	54187744	115838	4238G Sod Bisulfite SEP26	13,713.66
10/12/2026	Univar Solutions USA INC.	54177930	115838	Hypo 9/19/26	13,007.63

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Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
10/12/2026	Univar Solutions USA INC.	54187282A	115838	Invoice PPINV000128	13,002.75
10/12/2026	Univar Solutions USA INC.	54194259	115838	3.971 Sod Hypo SEP26	12,915.60
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026SS	115839	09222026 Calcard SS Maintenance	230.22
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026RH	115839	09222026 Calcard RH Lab	232.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026MG	115839	09222026 Calcard MG Lab	133.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026KR	115839	Parking BACWA Meeting Oakland	24.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026BP	115839	Training	97.80
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026DL	115839	Training	460.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026DB	115839	WEFTEC Conference travel	671.41
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026AA	115839	WaterReuse Conference	132.78
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026MA	115839	Travel	25.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026CH	115839	GFOA GAAP Update Trng	175.00
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026JM	115839	Marketing and communication expense	4,238.25
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026SA	115839	09222026 Calcard SA Procurement	10,124.51
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026RC	115839	09222026 Calcard RC IT	1,287.41
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026JD	115839	09222026 Calcard JD Procurement	8,539.42
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026MZ	115839	09222026 Calcard MZ Auth Manager	1,546.93
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026EM	115839	09222026 Calcard EM Operations	1,898.95
10/12/2026	U.S. Bank Corporate Payment Systems	CALCARD 09222026PH	115839	09222026 Calcard PH Maintenance	164.94
10/12/2026	Valley Oil Company	266798	115840	FLEET CLEAR DIESEL USAGE	566.18
10/12/2026	Verizon Connect Fleet USA LLC	619000084146	115841	Fleet Mgmt dashcam service	1,042.44
10/12/2026	Verizon Wireless	6153842382	115842	Monthly cell expense	1,839.42
10/12/2026	Daikin Applied	3613493	115843	DAIKIN SPLIT SYSTEM 7/15/26	2,085.00
10/12/2026	Looking Point INC	39109TM	115844	O365 security review	1,750.00
10/12/2026	Arcpath Project Delivery INC	SVCW.0726A	115845	Project delivery support	2,028.00
10/12/2026	Arcpath Project Delivery INC	SVCW.0826A	115845	Project delivery support	2,659.00
10/12/2026	Canon Financial Services INC	43963482	115846	Copier Lease Expense	2,690.06
10/12/2026	Sunbelt Controls INC	289359	115847	7/13/26 Repair system - RT	904.00
10/12/2026	Swrcb Fees - St Water Resource Control Board	EA-AN-1226-1688	115848	ELAP Accreditation	5,525.00
10/2/2026	Missionsquare	803827-PPE092626A	ACHREMIT00001	EE & ER HSA PPE 092626	9,793.42
10/2/2026	Navia Benefit Solutions	202601-PPE092626A	ACHREMIT00003	Employee deferred savings accounts	4,834.34
10/2/2026	Stationary Engineers Local 39 Data Center	10022026A	ACHREMIT00004	Union Dues PPE 092626	3,050.14
10/2/2026	Nationwide Retirement Solutions	40944-001-PPE092626A	ACHREMIT00005	NRS DC/ROTH PPE092626	27,634.24
10/12/2026	ADP	732832707	ACHREMIT00006	Payroll Services PPE 9/26/26	721.60
10/12/2026	Arvind Akela	20261012AA	ACHREMIT00007	Safety Shoes-AA	306.79
10/12/2026	Aniruddha Bhagwat	20260930AB	ACHREMIT00008	CWEA Meetings travel	200.00
10/12/2026	CDM Constructors INC	PPR2-016-PO108431	ACHREMIT00009	7/1-8/31/26 9257 Planning and Design	197,267.20
10/12/2026	Intuitive Tactical Consulting	1643	ACHREMIT00010	Monthly managed security services	8,705.00
10/12/2026	J.F. Shea Construction INC	PPR 008 - PO109553	ACHREMIT00011	9/1-9/30/26 09600 Construction	1,592,793.75
10/12/2026	Motion Industries INC.	CA24-01259917	ACHREMIT00012	Merv A pleat qty24	281.51
10/12/2026	Motion Industries INC.	CA24-01259933	ACHREMIT00012	Merv Pleat qty24	509.15
10/12/2026	Motion Industries INC.	CA24-01259832	ACHREMIT00012	V belts;	501.37
10/12/2026	Motion Industries INC.	CA24-01259944	ACHREMIT00012	V belt	79.72
10/12/2026	Navia Benefit Solutions	11121004	ACHREMIT00014	Health Reimbursement Fee	200.00
10/12/2026	Navia Benefit Solutions	11121003	ACHREMIT00014	Annual Participant Fee	283.95
10/12/2026	Navia Benefit Solutions	11121002	ACHREMIT00014	Commuter Fee	200.00
10/12/2026	Northeast-Western Energy Systems USA LLC	2026200612	ACHREMIT00015	Cogen #2 Decoking service	29,090.11
10/12/2026	Northeast-Western Energy Systems USA LLC	2026200613	ACHREMIT00015	Cogen #1 Decoking service	29,090.11
10/12/2026	Nexinite, LLC.	INV-003578	ACHREMIT00016	Nexinite - BC ERP migration	828.00
10/12/2026	Nexinite, LLC.	INV-003576	ACHREMIT00016	HR PowerApp Support	207.00
10/12/2026	Nexinite, LLC.	INV-003584	ACHREMIT00016	FY26-27 technology support	4,450.50
10/12/2026	Tanner Pacific, INC.	226-418	ACHREMIT00017	8/23-9/5/26 9223 Construction Mgmt	13,437.00
10/12/2026	Marcella TEA	093026MT	ACHREMIT00018	Refreshments for Training	62.13
10/12/2026	Technology Management Concepts	HINV16380	ACHREMIT00019	BC ERP - License purchase	2,880.00
10/12/2026	Technology Management Concepts	79292	ACHREMIT00019	BC ERP - Migration and data load	4,200.00
10/12/2026	Technology Management Concepts	79496	ACHREMIT00019	BC ERP - Migration	12,060.00
10/12/2026	Valley Oil Company	714561	ACHREMIT00020	Oil, 35 bulk pails	1,269.06
10/12/2026	Cascade Integration & Development	5698	ACHREMIT00021	7/1-7/30/26 FY26-27 As-Needed IAP Sppt	5,073.75
10/12/2026	Cascade Integration & Development	5754	ACHREMIT00021	8/6-8/31/26 FY26-27 As-Needed IAP Sppt	10,147.50
10/12/2026	Yigal Jacobson	# 6	ACHREMIT00022	Website Design	14,400.00

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Date	Vendor Name	Vendor Document #	Payment #	Transaction Description	Net Paid
10/12/2026	Christina Mohler	007-SVCW	ACHREMIT00023	Graphic Design	1,812.50
10/12/2026	Chloe Maevis Sanders	2	ACHREMIT00024	Communications Consulting	6,713.46
10/12/2026	Charles Murphy	260922-CMU	ACHREMIT00025	E&I Gr 3 Cert Renew Sep26	128.00
				TOTAL	**$ 11,290,767.18**

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAYMENTS NUMBERED FROM 115767 THROUGH 115848 INCLUSIVE, AND/OR ELECTRONIC FUND TRANSFERRED ITEMS NUMBERED ACHREMIT00001 THROUGH ACHREMIT00025 INCLUSIVE, TOTALING IN THE AMOUNT OF $11,290,767.18 HAVE BEEN CHECKED IN DETAIL AND APPROVED BY THE PROPER OFFICIALS, AND IN MY OPINION REPRESENT FAIR AND JUST CHARGES AGAINST THE AUTHORITY IN ACCORDANCE WITH THEIR RESPECTIVE AMOUNTS AS INDICATED THEREON.

RESPECTFULLY SUBMITTED,

MATTHEW ANDERSON, TREASURER — **DATE** 10/14/2026

Beth Goldberg

BETH GOLDBERG, CONTROLLER — **DATE** 10/15/26

Agenda Report

From: Kimberly Hackett
Report Type: Consent
Lead Department: Engineering
Meeting Date: November 12, 2026

Subject:

Approval of Sale Agreement with OTC Flow USA, LLC for the Sale of Renewable Energy Certificates Generated from SVCW's Renewable Electricity Production

Recommendation:

Move approval of the Sale Agreement with OTC Flow USA, LLC and authorize the Manager to execute the agreement and any associated transaction confirmations for the sale of Renewable Energy Certificates generated by SVCW's renewable power generation facilities

Executive Summary:

Silicon Valley Clean Water (SVCW) generates renewable electricity from biogas produced through the anaerobic digestion of wastewater solids and imported organic waste. Renewable Energy Certificates (RECs) are environmental attributes associated with renewable electricity generation and can be sold separately from the electricity itself, creating an additional revenue source.

SVCW currently maintains an agreement with STX Commodities for the sale of RECs. Staff is recommending approval of an additional agreement with OTC Flow USA, LLC (OTC Flow) to provide greater flexibility and access to competitive REC markets. Establishing relationships with multiple REC buyers allows SVCW to evaluate market opportunities, improve pricing options, and reduce reliance on a single purchaser.

Background:

SVCW operates anaerobic digestion facilities as part of its wastewater treatment process. Anaerobic digestion is a biological process in which naturally occurring microorganisms break down organic material in the absence of oxygen. This process produces biogas, consisting primarily of methane and carbon dioxide. The biogas generated at SVCW is treated and utilized as a renewable fuel for onsite electricity generation. Electricity is currently produced through cogeneration systems and, as new facilities come online, will also be generated through linear generator technology. By producing renewable electricity

from biogas that would otherwise be flared or discharged, SVCW reduces greenhouse gas emissions and offsets purchased utility power.

For every megawatt-hour (MWh) of renewable electricity generated, a Renewable Energy Certificate (REC) may be created. A REC represents the environmental and renewable attributes associated with one MWh of renewable electricity generation. RECs may be sold separately from the underlying electricity and are commonly purchased by utilities, corporations, and other organizations seeking to meet renewable energy goals or regulatory requirements.

Renewable energy certificate markets are regulated through a combination of state and regional programs. In California, RECs used for Renewable Portfolio Standard (RPS) compliance are tracked through the Western Renewable Energy Generation Information System (WREGIS), which serves as the official renewable energy tracking system for the western United States. WREGIS issues, tracks, transfers, and retires RECs to ensure that environmental attributes are accounted for only once. The California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) oversee the use of RECs for California renewable energy compliance programs.

SVCW currently sells RECs generated from its renewable electricity production through an agreement with STX Commodities. While the existing arrangement has been beneficial, maintaining access to multiple qualified purchasers provides increased flexibility and allows SVCW to respond to market conditions.

Discussion:

SVCW currently sells RECs generated from its renewable electricity production through an agreement with STX Commodities. However, it has limited our options only to one broker. When SVCW was approached by another broker, OTC FLow, our staff evaluated and solicited the proposal for RECs and found more competitive pricing for our existing RECs. OTC Flow has also been more responsive to SVCW and offers an alternative to STX.

OTC Flow is an international environmental commodities broker and trader that participates in renewable energy certificate markets throughout North America and Europe. The proposed agreement establishes the contractual framework necessary for OTC Flow to purchase RECs generated by SVCW. Approval of this agreement does not obligate SVCW to sell any specific quantity of RECs to OTC Flow. Rather, it provides SVCW with an additional qualified buyer and the ability to negotiate individual REC transactions based on market conditions and pricing opportunities.

Having multiple REC purchasers available offers several benefits:

- Increases competition among buyers, which may improve REC sale pricing.
- Provides additional flexibility to respond to changing market conditions.
- Reduces dependence on a single purchaser.
- Expands potential market access for future REC production as renewable power generation increases.
- Supports SVCW's objective of maximizing revenue from renewable energy assets.

Staff reviewed the agreement and determined that it is consistent with industry-standard practices for renewable energy certificate transactions.

Climate Effects:

The proposed action supports SVCW's renewable energy and sustainability objectives by facilitating the monetization of environmental attributes associated with renewable electricity generation. Revenue generated from REC sales helps support ongoing investments in renewable energy infrastructure and greenhouse gas reduction initiatives.

Financial Impacts:

There is no significant fiscal impact associated with approval of the agreement itself. Sale of Renewable Energy Certificates provides a source of non-rate revenue to SVCW. Approval of the agreement does not commit SVCW to any specific transaction or sale volume. Future REC sales conducted pursuant to the agreement are expected to generate revenue based on prevailing market prices and available REC production.

Environmental Review:

Approval of the agreement is not a project under the California Environmental Quality Act (CEQA) because it constitutes an administrative action that will not result in a direct or reasonably foreseeable physical change in the environment.

Member Agency Engagement:

None

Attachments:

None

Prepared by:

Kimberly Hackett, Authority Engineer

Agenda Report

From: Matthew Zucca
Report Type: Action Item
Lead Department: Office of the Manager
Meeting Date: November 12, 2026

Subject:

Recognizing the Existing Statewide Emergency Related to the 2026–27 El Niño Season for Planning, Preparedness, and Response Purposes.

Recommendation:

Adopt Resolution No. SVCW 26-XX Recognizing the Existing Statewide Emergency Related to the 2026–27 El Niño Season for Planning, Preparedness, and Response Purposes.

Background:

The National Oceanic and Atmospheric Administration ("NOAA") Climate Prediction Center projects that this El Niño climate pattern will reach historic strength. Winter weather associated with El Niño is expected to drive a substantial share of County emergency operations through spring 2027.

El Nino
According to the NOAA, there is a 100% chance of a very strong El Niño event through the fall and winter and there is a high likelihood (83% chance) of a historic event that would exceed the strength of previous El Niño events dating back to 1950. A strong El Niño significantly raises San Mateo County's risk of damaging winter weather. The area is expected to face extreme hazards this winter, including heavy rain, flooding, landslides, coastal erosion, high winds, and power outages. Excessive rainfall leads to inflow and infiltration to sewers and results in large peak wet weather flow volumes at SVCW.

King Tides and Kelvin Waves
This winter the ocean is running 1 to 2 feet higher than tide tables typically indicate. Per NOAA, westerly wind bursts along the Equator set off oceanic Kelvin waves that travel east; after reaching Central and South America, the waves travel north as "coastal trapped waves" along the North American coast. They travel underwater but produce relatively small changes in sea level (approximately 6 inches) that are measurable at tide gauges. Kelvin waves first reached California in May/June, but according to NOAA their impacts on the West Coast will likely be minor compared to this fall and winter.

King tides are astronomical, created by gravitational forces, and known years in advance. King tides are forecasted to occur during the following windows:

- Nov. 21 to 28, 2026
- Dec. 20 to 27, 2026
- Jan. 17 to 24, 2027

On king tide days, low-lying streets, trails, and parking lots near the bay and coast may flood, even on sunny days.

Thermal Expansion

Kelvin waves also warm the coastal ocean, and warm water takes up more room. In 1997, water temperatures off the coast were well above normal to depths of 300 feet or more, and the resulting thermal expansion caused an additional rise in sea level of about 8 inches that lasted until after the flooding of February 1998.

Storm Surge

The United States Geographical Survey ("USGS") breaks Bay surge into two components:

- Low pressure. Unusually low-pressure systems can result in a sea-level increase of up to 8 to 10 inches.
- Wind. Strong storm-related winds from the south combine with the Coriolis effect to push surface ocean waters toward the coast and into San Francisco Bay, raising sea level as much as 10 to 12 inches.

El Niño makes both more likely. When El Niño conditions are present, not only are storms more frequent and severe, but the winds are also more likely to blow from the south.

Cumulative Dangers

The greatest danger is not any single hazard but the combination of multiple hazardous conditions - a storm arriving during high tide, heavy rain generating significant amounts of inflow and infiltration resulting in elevated peak wet weather flows. The individual effects can stack up, as illustrated in the table below.

Component	Typical magnitude	Source
Kelvin wave	~6 in	NOAA, USGS
Thermal expansion (1997–98 analog)	~8 in	USGS
Low-pressure surge	up to 8–10 in	USGS
Southerly wind setup	up to 10–12 in	USGS
King tide	Highest predicted tides	NOAA/County

A reasonable worst case is a king tide, plus a 1–2 ft El Niño anomaly, plus a strong southerly storm. That combined effect puts the inner Bay roughly 2.5–4 ft above predicted tide, before accounting for waves or creek backwater. San Mateo County has stated coincident storms and king tides could result in high tidal elevations of over 10 ft relative to low astronomical mean water level (i.e., typical low tide).

Declarations of Emergency Conditions

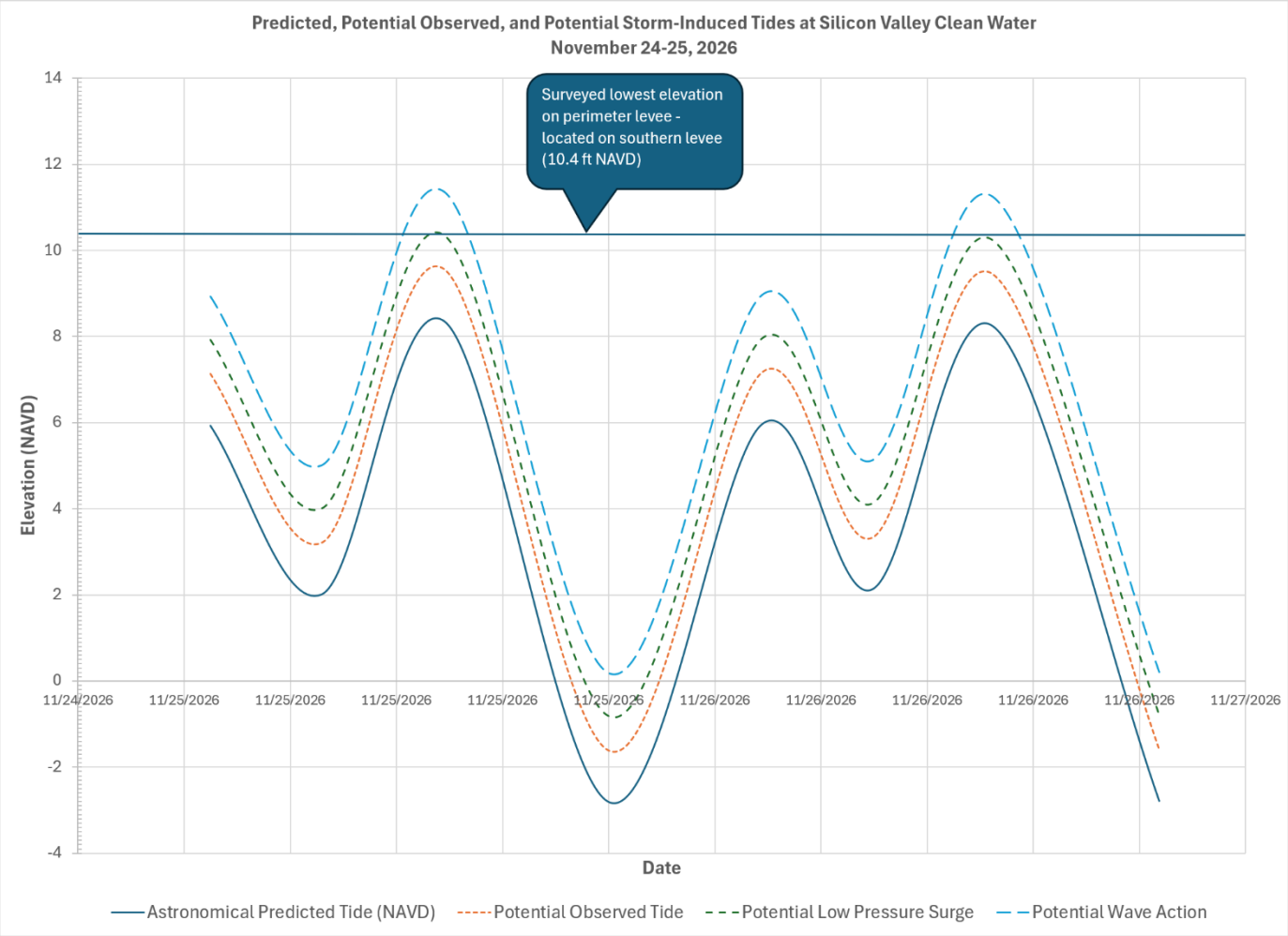
On September 21, 2026, the California Governor proclaimed an El Niño-related state of emergency so state agencies can prepare before storms arrive. That proclamation directs the staging of flood-fighting supplies, priority work by Caltrans, faster Coastal Commission review of emergency permits, and broader multilingual preparedness information. The California Department of Water Resources has placed flood-fighting materials at 68 locations, including 4.4 million sandbags and 400,000 tons of rock.

Many California cities and counties have already taken formal steps related to preparations for the upcoming El Niño. San Mateo County proclaimed a local emergency on October 20, 2026 and designated the Department of Emergency Management to lead response coordination. The cities of Belmont and San Carlos have declared local emergencies on October 17 and November 4, 2026, respectively. San Diego County proclaimed a local emergency on September 30, 2026, and issued 21 related directives. Los Angeles County required county departments to participate in a pre-season exercise and provide written updates every 30 days. Marin County approved $3,021,000 in emergency funding on September 29, 2026, for drainage, barriers, shoreline work, and public outreach.

SVCW's Existing Levee Protection

SVCW is currently surrounded by levees built to varying elevations nominally 11.8 ft NAVD and 13.6 ft NAVD, however low points along the southern levee have been surveyed to only 10.4 ft NAVD. Water-tight wave barriers protect a portion of the south-east corner of the site to an elevation of 14.6 ft NAVD. SVCW is currently in the permitting phase of a project to repair the wave barriers at the southeastern corner as a temporary measure until a new levee is constructed by Redwood City to provide longer-term protection against future sea level rise.

Recent high tides at the end of October were predicted to be around 9.3 ft above mean low low water ("MLLW") level and the king tides in November are predicted to be 9.5 ft MLLW. Observed tide levels at the end of October were 10.4 ft MLLW - over a foot greater than astronomical predictions. The chart below shows the projected king tide elevations, potential surge elevations, and the surveyed lowest elevation of the protective levee on the southern perimeter of SVCW.



Storm surge alone could equal the levee elevation and wave action could exceed the elevation by over 1 foot. The eastern perimeter levee is at 13.6 ft msl and is not currently expected to be of concern based solely on these projected elevations.

Discussion:

SVCW has already begun planning for the upcoming rainy season and is taking proactive

measures to improve resilience. SVCW has retained a contractor to improve the wave barrier at the southeast corner of the facility with additional sandbags and plastic tarping. Additionally, staff is coordinating with Redwood City Public Works Services and San Mateo County Department of Emergency Management on potential preparation and response actions. SVCW has a large volume of soil at the northern portion of the site from previous construction activities that is available for use in the event of levee damage. Staff is also evaluating whether additional equipment and materials should be staged in preparation for king tide events and evaluating planned vacation schedules and absences to help ensure internal resources are available during key time periods.

The facts outlined above, including forecasts of a historic El Niño season, the Governor's emergency declaration, local emergency declarations and other steps taken by jurisdictions across California, and most recently the recent coastal damage caused in Southern California associated with high tides, show that the dangers of the El Niño season are real. Based on these facts, good cause exists for recognizing the existing statewide emergency and the risks posed to SVCW by the 2026–27 El Niño season, and to authorize necessary disaster preparedness and emergency response measures under the Joint Powers Agreement (JPA).

Pursuant to the authority granted in the Joint Powers Agreement (JPA), the Manager has "…the power…(d) to expend funds of the Authority and enter into contracts not exceeding in the aggregate expenditures of $300,000.00 of funds of the Authority whenever required by any emergency to keep the Joint Facilities in operation or to restore them to operating condition;…". While the Manager has authority under the JPA to expend up to $300,000 to respond to emergency conditions, costs associated with responding to potential El Niño-related damage and restoring the facility to safe and reliable operation may exceed that amount. Contracts or expenditures exceeding the Manager's authority under the JPA will require Commission approval. Additionally, procurement and bidding timeframes following adopted policies can be lengthy when compared to the response times needed to address emergency conditions. Accordingly, staff recommend that the Commission authorize the Manager to take all actions necessary to address the emergency condition, including deviating from normal procurement practices when necessary, entering into contracts, and expending funds necessary to prepare for and respond to El Niño-related weather events. Staff will return to the Commission for ratification of any contracts and expenditures as appropriate.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

The proclamation itself is not anticipated to have a significant immediate fiscal impact. Rather, the proclamation provides the Manager with the necessary authorization to more quickly respond to events as they may happen. Staff currently anticipate expending approximately $50,000 to improve the wave protection at the southeastern corner of the facility.

Environmental Review:

The actions authorized by this item are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15269(b), which exempts emergency repairs to publicly owned service facilities necessary to maintain service essential to public health, safety, or welfare.

Member Agency Engagement:

There has been no Member Agency engagement on this agenda item.

Attachments:

1. RESOLUTION NO. SVCW 26-XX

Prepared by:

Matthew Zucca, Manager

RESOLUTION NO. SVCW 26-XX

RESOLUTION RECOGNIZING THE EXISTING STATEWIDE EMERGENCY RELATED TO THE 2026–27 EL NIÑO SEASON FOR PREPAREDNESS AND PLANNING PURPOSES AND AUTHORIZING THE MANAGER TO TAKE APPROPRIATE STEPS TO PREPARE FOR AND RESPOND TO EMERGENCY EVENTS

WHEREAS, El Niño is a natural climate phenomenon in which sea surface temperatures in the central and eastern tropical Pacific Ocean warm, disrupting global weather patterns and increasing the odds of exceptionally wet and destructive winter conditions in California that are typically concentrated in Southern California but can also affect Northern California; and,

WHEREAS, the National Oceanic and Atmospheric Administration's Climate Prediction Center projects that this year's El Niño climate pattern will reach historic strength, potentially the strongest since records began in 1950, and the associated winter weather is expected to drive a substantial share of County emergency operations through spring 2027; and

WHEREAS, on September 21, 2026, the Governor proclaimed an El Niño-related state of emergency so state agencies can prepare before storms arrive, and that proclamation directs the staging of flood-fighting supplies, priority work by Caltrans, faster Coastal Commission review of emergency permits, and broader multilingual preparedness information; and

WHEREAS, San Mateo County declared a local emergency on October 20, 2026 related to the 2026-27 El Niño season for preparedness and planning purposes and approving the plans of the County Executive Officer to designate the Department of Emergency Management to lead response coordination, establish an interdepartmental El Niño Preparedness and Response Task Force, and encourage the public and local jurisdictions to take appropriate steps to prepare, and

WHEREAS, the City of Belmont adopted a resolution on October 13, 2026 proclaiming a local emergency due to the imminent threat of severe winter weather associated with the 2026–2027 El Niño season and authorizing enhanced preparedness, mitigation, coordination, and response activities, and

WHEREAS, El Niño-related impacts are already occurring, such as in the City of Long Beach, which over the weekend of October 9, 2026, sustained damage to coastal properties, its boardwalk, and a coastal bulkhead; and

WHEREAS, a strong El Niño significantly raises San Mateo County's risk of damaging winter weather, and the SVCW is expected to face extreme hazards this winter, such as heavy rain, flooding, landslides, coastal erosion, high winds, and power outages; and

WHEREAS, the SVCW cannot forecast the exact timing of individual storms months in advance, which is why it must prepare now; and

WHEREAS, the greatest danger is not any single hazard but the combination of multiple hazardous conditions, such as how a storm arriving on a high tide, heavy rain falling on saturated hillsides, and wind damage during flooding each compound the other hazards; and

WHEREAS, when hazards arrive together, the same communities are hit at once, crews and equipment are pulled in several directions, and there is little time to recover before the next storm; and

WHEREAS, some of the highest-risk periods fall near the November and December holidays, when staffing is lighter and public travel is heavy; and

WHEREAS, the forecasts of a historic El Niño season, the Governor's emergency declaration, local emergency declarations and other steps taken by jurisdictions across California, and most recently the recent coastal damage caused in Southern California associated with high tides, all show that the dangers of the El Niño season are real, and SVCW will be best served by taking concrete steps now to ensure that SVCW is ready to respond to any storms or other specific effects associated with El Niño, and

WHEREAS, the Manager is requesting the SVCW Commission to approve the El Niño-related plans set forth herein and lend its authority to the importance of coordinating preparations and taking seriously the threat posed by the upcoming El Niño season, and the Commission finds good cause exists to do so.

BE IT RESOLVED BY THE COMMISSION OF SILICON VALLEY CLEAN WATER AS FOLLOWS:

1. The SVCW Commission hereby recognizes the existing statewide emergency and the risks posed to SVCW by the 2026–2027 El Niño season, including potentially extreme rainfall, flooding, stormwater impacts, landslides, debris flows, erosion, fallen trees, roadway disruptions, power outages and related hazards.
2. This Commission hereby determines and declares that the findings constitute an emergency condition under Section 68 of the Charter of the City of Redwood City, the procedures of which apply to this Authority pursuant to the Joint Powers Agreement establishing the Authority, and Public Contract Code Section 22050; that the public health, welfare, safety, interest or necessity required and require the immediate and continuing expenditure of public money without soliciting or advertising for bids or receiving the same; that the emergency will not permit delays resulting from competitive solicitation of bids and that the actions taken by the Authority, acting by and through the Authority's Manager, to complete the necessary immediate corrective actions are, and such future actions will be necessary to respond to the emergency, protect personnel and restore the Joint Facilities to safe and reliable operation.
3. The Authority's Manager is hereby authorized to enter into certain agreements, task orders, purchase orders or other forms of agreement (in form approved by the Attorney for the Authority) that are necessary or appropriate to complete the immediate corrective actions, to be approved and their execution ratified during the condition of the emergency in accordance with the procedures set forth herein. Subject to the Manager's authority and expenditure limits ($300,000) under the Joint Powers Agreement when required by an emergency, the Commission authorizes the Manager to take all actions necessary to address the emergency condition relating to El Nino related weather events, including entering into contracts and expending funds necessary to evaluate incidents, implement corrective measures, and restore the facility to safe and reliable operation.

4. Reports. The Authority's Manager shall report upon the status of the corrective actions and the condition of the emergency at each regular meeting of this Commission hereafter until the emergency condition is terminated. This Commission shall determine by a four- fifths vote at each such meeting whether the emergency conditions warrant continuation of suspension of competitive bidding.
5. Environmental Determination. Adoption of this Resolution is exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to California Public Resources Code Section 21080(b)(2), which applies to emergency repairs to public service facilities necessary to maintain service, and Public Resources Code Section 21080(b)(4) regarding specific actions necessary to prevent or mitigate an emergency. These exemptions are also reflected in State CEQA Guidelines Section 15269(b) and (c).
6. Operative Date. This Resolution shall be effective upon the date of its adoption and is operative retroactively to the date of the first agreement ratified hereby.

PASSED and ADOPTED at a regular meeting of the Commission this 12th day of November, 2026, by the following vote:

AYES, and in favor of the passage and adoption of the foregoing resolution:

NOES, and against the passage and adoption of the foregoing resolution:

ABSENT:

ABSTAIN:

_____
Neil Layton, CHAIR
Silicon Valley Clean Water Commission

Attest:_____
Tom McCune, SECRETARY
Silicon Valley Clean Water

Agenda Report

From: Matthew Zucca
Report Type: Action Item
Lead Department: Human Resources
Meeting Date: November 12, 2026

Subject:

Review and Provide Feedback on Retention and Recruitment Policy - Commuter Benefits

Recommendation:

Move adoption of RESOLUTION NO. SVCW 26-XX Approving and Adopting Commission Policy No. 2026-01, Commuter Benefit Program

Background:

Due to Silicon Valley Clean Water's (SVCW's) geographic location, recruiting for certain critical positions has been challenging. In particular, vital Operator positions have historically been difficult to fill. The recruitment difficulty is largely due to the high cost of living and the long commutes from locations with more affordable housing and cost of living to SVCW. With the Commission's concurrence, staff explored targeted measures to help improve recruitment by reducing transportation-related barriers and ensuring employees could reliably commute to and from the facility. Several commuter incentives are presented in this agenda report for consideration. Based on its review, the Commission can choose to adopt a policy or direct staff to amend the draft policy and return with an amended policy at a future date.

Discussion:

SVCW is introducing a structured Commuter Benefit Program for regular full-time employees designed to ease the financial burden of daily commutes, incentivize transit to reduce regional traffic congestion, and support environmental sustainability. The draft program builds on Internal Revenue Service Code Section 132(f) guidelines to offer several practical commuting options while keeping clear guardrails in place to prevent misuse of the benefits.

<u>Carpool Program</u>
On July 24, 2026, SVCW polled employees to measure their interest in participating in an Agency Carpool Program. The carpool program would provide SVCW vehicles for use by employees to carpool to and from work and pay for bridge tolls. Out of the 31 employees that responded, 13 employees (or 42% of respondents and 7% employees) stated they would

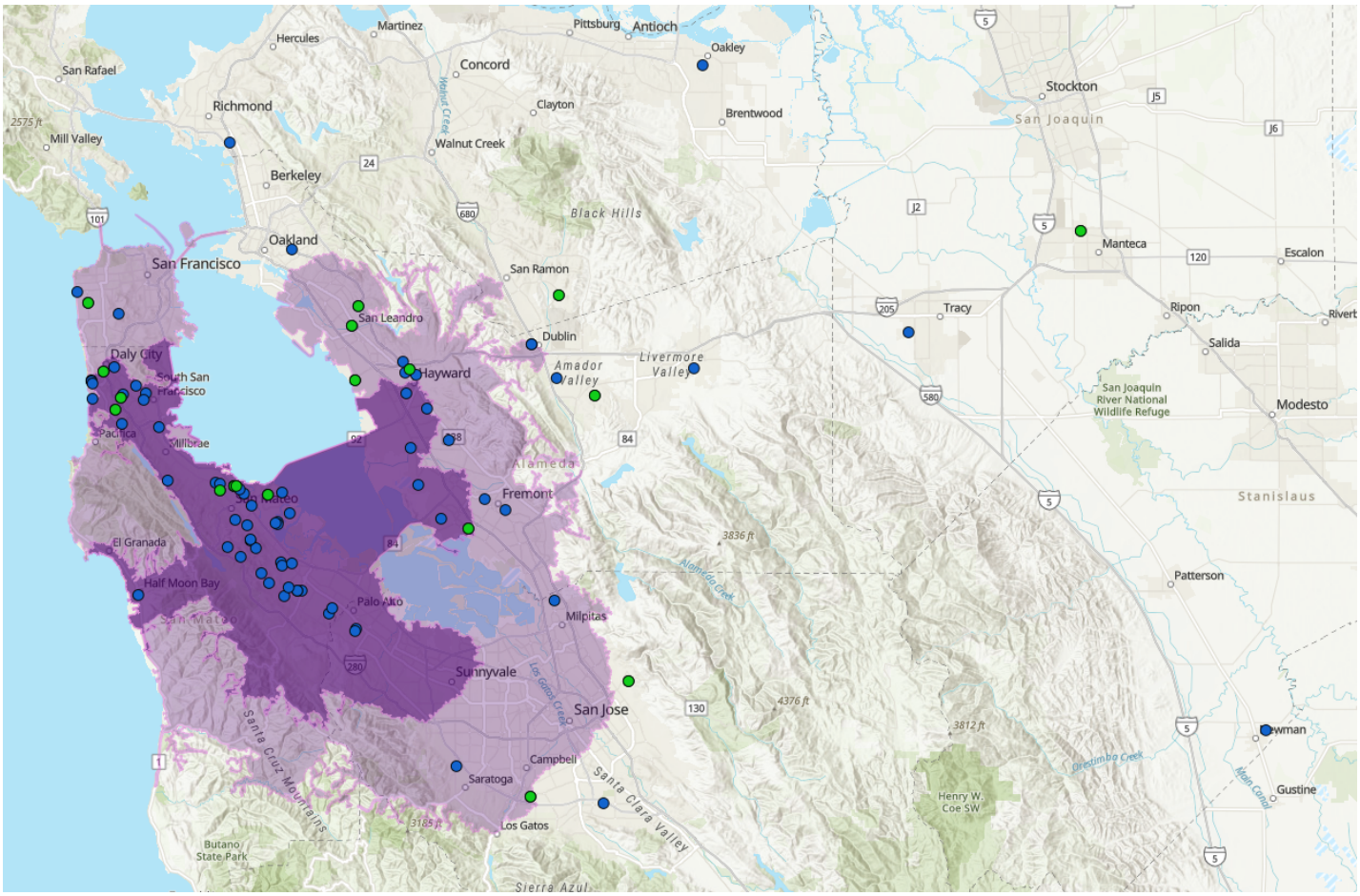
definitely use a company-sponsored commuter vehicle program. Under the carpool program, employees would be able to form carpools (minimum of two staff members) using agency-owned or leased vehicles. Primary drivers take on routine care of vehicle charging and coordination in exchange for a $100 monthly stipend. Carpool vehicles are to be used strictly for commuting - personal use is not allowed.

Additional Commute Incentives

Additional commute incentives were also considered and included in the policy for consideration, including the following.

- Extended Mileage Reimbursement: Staff commuting more than 20 miles one-way can claim reimbursement **for only the distance beyond 20 miles** paid out at 30% of the standard IRS business mileage rate, which is estimated to equate to the current cost of fuel.
- Workplace EV Charging: Free onsite charging is available for registered employee EVs and plug-in hybrids during normal work hours.
- Bridge Toll Reimbursements: Full reimbursement for Northern California bridge tolls (such as the Dumbarton or San Mateo-Hayward bridges) incurred during work trips or daily commutes.
- Public Transit Passes: Cost of transit will be reimbursed for employees who take public transit for any portion of their commute.

Commissioners commented during the October 2026 meeting that cutoff distance for the mileage reimbursement should be further evaluated. Staff prepared the figure below to show employees within a 20- and 30-mile driving distance of SVCW.



By increasing the mileage eligibility cutoff from 20 to 30 miles, the number of eligible employees would drop from 24 to 10 and the estimated maximum cost of the program would decrease from $26,000 to $14,000.

Program Eligibility

Employees would be eligible for different incentives based on where they live and their commute. The eligibility and the number of employees eligible are shown in the table below.

	Live within 20 Miles (65 employees)		**Live further than 20 Miles (24 employees)**	
Bridge Commute (32 employees)	1. Carpool, 2. Carpool and Transit, 3. Bridge Toll, or 4. EV Charging and Bridge Toll	16 Employees Eligible	1. Carpool, 2. Carpool and Transit, 3. EV Charging and Bridge Toll, or 4. Mileage (>20 mi.) and Bridge Toll	16 Employees Eligible
No Bridge Commute (57 employees)	1. Carpool, 2. Transit, 3. Carpool and Transit, or 4. EV Charging	49 Employees Eligible	1. Carpool, 2. Transit, 3. Carpool and Transit, 4. EV Charging, or 5. Mileage (>20 mi.)	8 Employees Eligible

Administration & Compliance
Reimbursements will be submitted monthly through the SVCW expense system with standard documentation (FasTrak statements, mileage logs, transit logs) and require Division Director approval. Management will oversee the program's infrastructure and amend the policy as IRS regulations evolve, with standard disciplinary policies applying to any intentional misrepresentation. Staff will bring to Commission on a bi-annual basis an update on usage of the elements of this policy.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

As proposed, the annual cost of the Retention and Recruitment policy is estimated at around $65,000. Actual costs will be dependent on employee participation. As part of the FY 2026-27 budget adoption, SVCW allocated $40,000 toward the adoption of an incentive policy.

Environmental Review:

This item does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct

or indirect physical change in the environment.

Member Agency Engagement:

None

Attachments:

1. RESOLUTION NO. SVCW 26-XX
2. Commission Policy No. 2026-01 - Commuter Benefit Program

Prepared by:

Matthew Zucca, Manager

RESOLUTION NO. SVCW 26-XX

RESOLUTION APPROVING AND ADOPTING COMMISSION POLICY NO. 2026-01 "COMMUTER BENEFIT PROGRAM"

WHEREAS, this Commission expects high ethical standards of all employees, contractors and consultants of Silicon Valley Clean Water ("SVCW") in the workplace and is empowered to ensure continuing compliance with existing laws and regulations; and

WHEREAS, this Commission desires to establish a structured Commuter Benefit Program for regular full-time employees designed to ease the financial burden of daily commutes, incentivize transit to reduce regional traffic congestion, and support environmental sustainability; and

WHEREAS, consistent herewith, this Commission has been presented with, has reviewed and desires to establish Commission Policy No. 2026-01, "Commuter Benefit Program" ("Policy").

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF SILICON VALLEY CLEAN WATER, as follows:

1. That certain Commission Policy No. 2026-01, a copy of which is attached hereto and incorporated herein by this reference, is hereby approved and adopted.

2. The Silicon Valley Clean Water Manager is hereby authorized and directed to implement and administer the aforementioned Policy.

3. This Resolution and said Policy shall become effective upon the date of adoption.

Regularly passed and adopted by the Commission of Silicon Valley Clean Water at the regular meeting thereof held on the 12th day of November, 2026 by the following vote:

AYES, and in favor of the passage and adoption of the foregoing resolution:

NOES, and against the passage and adoption of the foregoing resolution:

ABSENT:

ABSTAIN:

_____
Neil Layton, CHAIR
Silicon Valley Clean Water Commission

Attest: _____
Tom McCune, SECRETARY
Silicon Valley Clean Water

Silicon Valley Clean Water

COMMISSION POLICY NO. 2026-01 **Approved by: _____**

Rev: Issue **Revision Date: 00/00/0000** **Issue Date: 11/12/2026**

Approved by the SVCW Commission November 12, 2026, by Resolution No. 26-XX

SUBJECT: Commuter Benefit Program

APPLICABLE CODES AND REGULATIONS:
Internal Revenue Service (IRS) Code Section 132(f)

PURPOSE:
Silicon Valley Clean Water (SVCW) is committed to promoting environmental sustainability, reducing traffic congestion across the Bay Area, and easing the financial burden of employee commutes. This policy establishes guidelines, eligibility criteria, and administrative processes for SVCW's commuter benefits - including employer-provided commuter vehicles, extended commute mileage reimbursement, workplace Electric Vehicle (EV) charging, and bridge toll reimbursements.

DEFINITIONS:
- Commuter Vehicle: An agency-owned or agency-leased vehicle designated exclusively for employee carpooling between designated residential/pickup areas and the SVCW facility. This will not be considered overtime.
- Primary Driver: An authorized employee who registers to drive the Commuter Vehicle, manages routine vehicle care (i.e. tire psi, car washes, windshield wiper replacements and wiper fluid), and oversees commute logistics for the carpool group.
- Registered Passenger: An active SVCW employee who is enrolled in an approved Commuter Vehicle carpool group.
- Extended Commute: A standard daily home-to-work or work-to-home commute duration that **exceeds** 20 miles one-way under normal traffic or geographic conditions.
- Qualifying EV/PHEV: An Electric Vehicle (EV) or Plug-in Hybrid Electric Vehicle (PHEV) registered to an active SVCW employee.
- Income Taxes: Amount SVCW is required to withhold for federal income tax, Social Security, and Medicare taxes from an employee's paycheck.

POLICY:

Commuter Vehicle Carpool Program
- Minimum Occupancy: Each carpool must consist of a minimum of two (2) active SVCW employees (one Primary Driver and at least one Passenger) sharing a similar schedule and commute route. Not eligible for mileage reimbursement.
- Vehicle Usage: Commuter vehicles are restricted to commuting between employees' homes/park-and-ride assembly points and the SVCW site. Personal use is prohibited.
- Parking Authority: The Primary Driver is authorized to park the vehicle overnight at their approved residence or designated transit parking location.
- Primary Driver Perks: In exchange for administrative and upkeep duties, Primary Drivers receive designated perks (monthly gift/wellness rewards of $100).

Extended Commute Mileage Reimbursement

- Eligibility: Employees with a standard, one-way commute exceeding 20 miles are eligible for reimbursement on the portion of the travel time/distance beyond the initial 20 miles threshold.
- Rate: Reimbursement will be paid at 30% of the current standard IRS Business Mileage Rate.

Workplace EV Charging

- Full Charging Access: SVCW provides access to on-site charging stations for qualifying EVs/PHEVs and covers the full cost of electricity for employee charging during normal work hours.
- Fair Use: Charging stations operate on a first-come, first-served basis. Employees must move their vehicles once fully charged to allow access for others.

Bridge Toll Reimbursement

- Coverage: Full reimbursement is provided for Northern California bridge tolls (e.g., Dumbarton Bridge, San Mateo-Hayward Bridge) incurred during direct home-to-work travel or official agency business.

Caltrain and SamTrans Annual Passes

- SVCW will provide eligible employees with Caltrain GoPass and SamTrans Way2Go Annual Pass Program are discounted annual passes that organizations can offer to their employees, students or residents. Eligible SVCW employees who opt to commute using transit may receive SVCW-provided annual passes.

PROCEDURE:

Eligibility

- All regular full-time SVCW employees are eligible for benefits under this policy.
- Only one vehicle per Employee is eligible for the Workplace EV Charging program; the program is not intended to charge multiple vehicles in a single household.
- Employees that commute more than half of their trips on transit are eligible for CalTrain and SamTrans Annual Passes.
- Employees participating in the Commuter Vehicle Carpool Program are not eligible for mileage reimbursement, bridge toll reimbursement, or EV/PHEV charging reimbursement.
- Employees who choose to drive their personal vehicles are eligible for **either**:
    - mileage reimbursement and bridge toll reimbursement; **or**
    - EV/PHEV charging reimbursement and bridge toll reimbursement.
        - Employees may not receive both mileage reimbursement and EV/PHEV charging reimbursement for the same commute.
- Nothing in this Policy should be construed as a guaranteed right to any benefits. Employees who violate or misuse any part of this Policy may have their eligibility revoked at the sole discretion of the Manager.

Enrollment & Registration Procedure

1. **Commuter Vehicle Carpool Program Registration:**

- Primary Driver must complete and submit a *Commuter Vehicle Application Form*, listing all passengers, pickup points, and work schedules.
- Employee eligibility and route feasibility before approving vehicle assignment will be verified.

2. **Workplace EV Charging Registration:**
    - Employees must register their EV/PHEV to receive station access credentials or authorization passes.

Expense Claim & Reimbursement Procedure

1. **Submitting Claims:**
    - Employees must submit mileage and toll reimbursement requests monthly via the SVCW Expense Reimbursement System.
2. **Required Documentation:**
    - **Extended Mileage:** A monthly log showing dates, standard commute duration, total mileage, and calculated excess mileage beyond the 20-mile base.
    - **Bridge Tolls:** Itemized FasTrak monthly statements or official toll receipts verifying dates and crossing charges.
    - **Approval & Processing:** Expense reports are reviewed and approved by the Division Director before being forwarded for payment.

RESPONSIBILITIES:

Employee

SVCW employees are responsible for submitting accurate reimbursement requests through the approved expense reporting system, including necessary documentation (e.g., FasTrak statements or mileage logs).

Management

SVCW management staff are responsible for reviewing and approving commute-related expenses in accordance with this Policy. The SVCW Manager is responsible for the oversight of infrastructure and for adjusting reimbursement guidelines as necessary to comply with updated IRS regulations.

Willful misrepresentation of mileage or toll expenses may be subject to disciplinary action as outlined in the SVCW Disciplinary Policy, up to and including termination of employment.

Agenda Report

From: Matthew Anderson
Report Type: Informational
Lead Department: Finance
Meeting Date: November 12, 2026

Subject:

Receive Update on Socially Responsible Investing (SRI)

Recommendation:

Staff recommends that the Commission provide input on draft SRI language for incorporation into SVCW Investment Policy.

Background:

In October 2026, the Commission discussed investment criteria including Environmental, Sustainability, and Governance (ESG) and Socially Responsible Investing (SRI) frameworks. Members expressed interest in further discussions of an SRI-style policy rather than in-depth ESG language with the following guidelines.

Preference for SRI over ESG: Members generally favored the simpler, industry/exclusion-based SRI approach. SRI restrictions by sector or revenue source are relatively straightforward to implement, whereas a full ESG framework would likely involve risk measurements, reduce the investment universe, require in-depth reporting, and carry additional implementation costs.

Yield and costs remain a priority: Historical performance differences between ESG and non-ESG fixed-income strategies have varied over time with differences of a few basis points. A full ESG approach could also carry one to two basis points of additional fees, while SRI industry restrictions generally avoid additional management fees.

Overly broad industry exclusions should be avoided: It was noted that entire industries can contain both companies with desirable practices and companies with undesirable practices. A blanket prohibition was considered overly broad and Members expressed the view that industry-wide exclusions should be reserved for categories where the Commission is comfortable treating the industry broadly.

Transition should be gradual rather than immediate divestment. Staff noted that a

future proposal would need to address whether existing holdings would be divested immediately or allowed to transition over time. Commissioners expressed interest in a smooth transition that preserves existing yields rather than making abrupt changes.

Pursue mission alignment, but not at the expense of financial stewardship: SVCW's investment policy should reflect and support the agency's mission while avoiding restrictions that could reduce investment returns and ultimately place upward pressure on Member Agency contributions.

Discussion:

Based upon Commission input, staff has drafted investment policy language (attachment 1) for the Commission's consideration. This language proposes to meet SRI objectives by leveraging a rules-based screening framework defined by Bloomberg's sector/industry classifications in its trading system. Via directives defined by SVCW investment policy, PFM could prohibit investment in issuers that are inconsistent with the Authority's socially responsible investment objectives, subject to the requirements of applicable law and the Authority's primary investment objectives of safety and liquidity.

The Commission may direct that SVCW's investment policy include provisions to negatively screen issuers involved in business activities that conflict with specified policies, values, or social norms. A concrete example would be the exclusion of activities like tobacco, alcohol, gambling, adult entertainment, nuclear weapons, fossil-fuel activities, or civilian firearms.

Note that exclusions may also operate on revenue thresholds rather than a simple yes/no determination. For example, a standard exclusion could prohibit alcohol producers with at least 5% of revenue from the activity and certain fossil fuel-related exposure at 10%.

The purpose of this discussion item is to obtain policy-level guidance from the Commission regarding draft SRI language.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

There are no direct financial impacts from this action.

Environmental Review:

This Agenda Report does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

None

Attachments:

1. Commission Policy 1992-01 - Silicon Valley Clean Water Investment Policy and Guidelines

Prepared by:

Matthew Anderson, Assistant Manager/Chief Financial Officer

Silicon Valley Clean Water

COMMISSION POLICY 1992-01 **APPROVED BY: _____**

Revision: ~~Y~~ Z **Revision Date: ~~09/10/2026~~11/12/2026** **Issue Date: 07/20/1992**

Approved by the SVCW Commission at the Meeting held on ~~September 10~~November 12, 2026, by Resolution No. SVCW 26-~~17~~__

SUBJECT: Silicon Valley Clean Water Investment Policy and Guidelines

PURPOSE:

The purpose of this Investment Policy (the "Policy") is to establish the investment policy and guidelines to be followed in the investment of all Silicon Valley Clean Water ("SVCW" or the "Authority") surplus funds not required for immediate use by SVCW. All investment of such surplus monies is governed by California Government Code Section (CGC) 53600, et seq. and by the Policy.

To the extent possible, all money belonging to or in the custody of SVCW required for the immediate use of the Authority shall be deposited for safekeeping pursuant to relevant CGC sections, including Sections 53635.2, 53637-53645 and 53649.

SCOPE:

This Policy applies to all funds and investment activities of the Authority except the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust.

RESPONSIBILITIES:

The Chief Financial Officer (CFO) shall have the responsibility of investing all Authority surplus funds in accordance with this Policy, providing regular investment reports to the Commission (as described in more detail in Section X of this Policy), and allocating interest to each fund.

The SVCW Commission shall have the responsibility for regular review of the Investment Policy and Guidelines and approving proposed changes.

POLICY:

I. INTRODUCTION

Authority monies not required for immediate expenditure will be invested in compliance with governing provisions of law, the Joint Exercise of Powers Agreement establishing the Authority and this Policy.

Funds of the Authority will be invested in accordance with California Government Code Sections 53601 through 53686 and with sound treasury management.

Investments will be made in a range of instruments to ensure diversification of the Authority's portfolio and liquidity of assets.

II. STANDARD OF CARE

Prudence: All investments shall be made within the policy framework of liquidity and safety with the judgment and care which a prudent and intelligent person would, under circumstances then prevailing (including, but not limited to, the general economic conditions and the anticipated needs of SVCW), exercise in the management of his/her affairs. The standard of prudence to be used by investment officials will be the "prudent investor" standard, which states that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

Ethics: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. All investment personnel shall comply with reporting requirements of applicable state laws including annual filing of Statements of Economic Interest.

III. OBJECTIVES

The primary investment objectives of this policy in order of priorities are:

Safety: Safety of the principal shall be the top priority in consideration of any investment undertaken by the CFO. The portfolio shall be so diversified that the losses, if any, on particular securities shall be offset by the revenue generated from other investments. The Authority's portfolio shall be actively managed. Therefore, securities may be sold prior to maturity if doing so would better align the portfolio with its selected performance benchmark, and/or increase the earnings potential or credit quality of the portfolio. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

Credit risk: Defined as the loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that failure of any one issue does not unduly harm the Authority's capital base and cash flow. In the event of a downgrade in credit after the date of purchase to a level below the minimum credit standards provided in the California Government Code, the CFO or his/her designee shall advise the Commission of the change at or before the next regular meeting. If the Authority has retained the services of an Investment Advisor, the Investment Advisor will notify the CFO of such a downgrade and will recommend a plan of action.

Market risk: Defined as market value fluctuations due to overall changes in the general level of interest rates, will be mitigated by structuring the investment portfolio so that

securities mature to meet the cash requirements for ongoing operations, thereby limiting the need to sell securities prior to maturity.

Liquidity: The CFO shall keep the portfolio sufficiently liquid to meet the operating and capital needs of the Authority which can be reasonably anticipated from his/her experience of the Authority's operations and adopted budget. S/he shall also review the various construction and other contracts the Authority has entered into to anticipate the cash needs.

Return on Investment: Within the safety and liquidity constraints imposed by law and the Authority's own safety objective and cash flow requirements, the investment portfolio shall be designed to attain the market rate of return.

Sustainability: The Authority encourages investments in entities that support community well-being through safe and environmentally sound practices, fair labor practices, and equality of rights regardless of sex, race, age, disability, or sexual orientation.

It is the Authority's objective to disallow investment in the industries identified in the table below. To achieve this objective, the Authority will apply the Socially Responsible Investment (SRI) Parameters detailed herein to investments authorized and governed by this Investment Policy.

Investments otherwise meeting SVCW's safety, liquidity, credit-quality, maturity, and yield requirements would be subject to additional screening based on an issuer's involvement in specified business activities. The SRI Parameters will be implemented by utilizing industry and subindustry classifications as defined by Bloomberg's BB Sectors.

SRI Parameters	
Exclusion: Fossil Fuels	Industry/Subindustry Exclusions: 1. Oil&Gas 2. Oil& Gas Services 3. Pipelines 4. Coal

If a previously purchased investment no longer satisfies the SRI Parameters set forth herein, the Authority will continue to hold that investment unless the Authority directs its investment advisor to sell that investment.

IV. AUTHORIZATION TO INVEST AND DELEGATION OF AUTHORITY

The CFO shall have the authority to invest the funds of the Authority.

The CFO may delegate day-to-day investment decision-making and execution authority to an investment advisor. Such investment advisor must have not less than five years' experience managing public agency funds subject to California Government Code and

must have total public agency assets under management nationwide of at least $10 billion. The rights and responsibilities delegated to an investment advisor must be in a written agreement. The investment advisor shall make all investment decisions and transactions in accordance with California Government Code and this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the CFO and approved by the SVCW Commission.

Investments of Authority monies not required for immediate expenditure will be made in securities or other certificates of indebtedness as provided by Section 53601, et seq. of the California Government Code for the investment of public funds, except those expressly prohibited by this policy.

V. CASH FLOW AND AVAILABILITY

An amount equal to two weeks' cash flow requirements is to be maintained in immediately available investments, such as the State Treasurer's Local Agency Investment Fund, money market funds, or similar liquid instruments.

VI. ACCEPTABLE INVESTMENT INSTRUMENTS

All investments must be made in accordance with this policy and the State of California Government Code Section 53600, et seq. In the case of a discrepancy between this Policy and California Government Code Section 53600, et seq., the more stringent requirements shall apply.

The Authority will limit investments in any one issuer except for obligations of the U.S. Treasury, U.S. federal agencies, U.S. government-sponsored enterprises, U.S. instrumentalities, and pooled funds (e.g., money market funds, local government investment pools, and LAIF) to no more than 5%, regardless of security type.

Where this section specifies a percentage limitation for a particular issuer or security type, that percentage is applicable only at the date of purchase. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased.

The Commission may, as part of a bond issuance, direct or authorize staff to invest bond proceeds in investment instruments authorized by the California Government Code that are not contained within this policy.

The Authority's investment portfolio may include the following instruments:

1. **U.S. Treasury Obligations.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. **U.S. Federal Agency Obligations**. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue- producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency, or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by a Nationally Recognized Statistical Rating Organizations ("NRSRO"). Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by an NRSRO.

4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by an NRSRO. Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by an NRSRO.

   No more than 30% of the Authority's portfolio may be invested in California State and Local Agency Obligations (subsection 3 above) and Other State Obligations (subsection 4 above), collectively.

5. **Medium-Term Notes.** Defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. medium-term notes must be rated "A," its equivalent, or better by an NRSRO. No more than 30% of the Authority's portfolio may be invested in medium-term notes.

6. **Bank Deposits.** Funds may be deposited in federally insured or collateralized bank deposits to include, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time deposits. To be eligible to receive deposits from the Authority, the financial institution must be located in California and comply with the requirements listed in Government Code Section 53630 et. seq. The CFO, at his/her discretion, may waive the collateralization requirements for any portion that is insured by the Federal Deposit Insurance Corporation or by the National Credit Union Administration. The Authority shall have a signed agreement with any depository accepting Authority funds per Government Code Section 53649. The final maturity of time deposits may not exceed five years. There is no limit on the percentage of the Authority's portfolio that may be invested in bank deposits. However, a maximum of 50% of the Authority's portfolio may be invested in time deposits.

7. **Pooled Investment Accounts, including the State of California's Local Agency Investment Fund (LAIF) and the California Cooperative Liquid Assets Securities**

System (Cal Class). The Authority may invest up to the maximum amount permitted by the State Treasurer.

8. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either:
   - Attain the highest-ranking letter or numerical rating provided by not less than two of the three largest NRSROs *or*
   - Have an Investment Advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of five hundred million dollars ($500,000,000).

   No more than 20% of the Authority's portfolio may be invested in money market funds.

9. **Shares of a Joint Powers Authority (JPA).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code Section 53601. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:
   1) The adviser is registered or exempt from registration with the Securities and Exchange Commission, *and*
   2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive of California Government Code Section 53601, *and*
   3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

10. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

    1) The entity meets the following criteria:
       a. Is organized and operating in the United States as a general corporation;
       b. Has total assets in excess of five hundred million dollars ($500,000,000); and
       c. Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.
    2) The entity meets the following criteria:
       a. Is organized within the United States as a special purpose corporation, trust, or limited liability company;

b. Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond;
c. Has commercial paper that is rated "A-1" or higher by an NRSRO.

Eligible commercial paper shall have a final maturity not exceeding 397 days. The aggregate investment in commercial paper may not exceed 40%of the Authority's total portfolio until January 1, 2031, then reverts to a maximum of 25%.

11. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. The legislative body of the Authority and the treasurer or other officials of the Authority having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, a person with investment decision making authority employed by the investment advisor, if so engaged, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit. Eligible negotiable certificates of deposit shall have a maximum remaining maturity of five years or less and shall be rated in a rating category of "A" for long-term, "A-1" for short-term, their equivalent, or better by an NRSRO.

    No more than 15% of Authority's portfolio may be invested in negotiable certificates of deposit.

12. **Asset-Backed Securities (ABS).** A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less.

    No more than 20% of the Authority's portfolio may be invested in these asset-backed securities.

13. **Supranationals.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO.

No more than 15% of the Authority's portfolio may be invested in these specific supranational obligations.

VII. PROHIBITED INVESTMENTS

The Authority shall not invest any funds in Repurchase Agreements (REPOS) or Reverse Repurchase Agreements (REVERSE REPOS). The Authority shall not purchase or sell securities on margin or invest in financial futures/financial options.

VIII. MAXIMUM MATURITY OF INVESTMENTS

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the Authority to meet all projected obligations. The purchase of U.S. Treasury obligations, U.S. federal agency and government-sponsored enterprise (GSE) obligations, and California state and local agency obligations and other state obligations (subsections VI. 1, 2, 3, and 4 above) with maturities in excess of five years is permitted, subject to the following constraints: U.S. Treasury, federal agency/GSE, and California state and local agency obligations and other state obligations shall have a maximum remaining maturity at time of purchase of eleven years or less, and federal agency/GSE mortgage-backed securities (including pass-throughs and CMOs) shall have a maximum remaining average life of ten years or less. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2026, the Authority may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rate. The Authority may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2031, and as of that date is repealed.

IX. BROKER/DEALERS AND FINANCIAL INSTITUTIONS

The CFO, or his/her designee, will maintain a list of financial dealers and institutions qualified and authorized to transact business with the Authority.

The purchase by the Authority of any investment, other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a federally-regulated securities exchange, a National- or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The CFO shall annually send a copy of the current Investment Policy to all financial institutions and broker/dealers approved to do business with the Authority. Written confirmation of receipt of this Policy shall be considered evidence that the dealer understands the Authority's investment policies and intends to sell the Authority only appropriate investments authorized by this Investment Policy. Moreover, the Authority will execute an agreement with any broker/dealer prior to doing business with such.

If the Authority has retained the services of an Investment Advisor, the Investment Advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the Authority.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

X. REPORTS TO COMMISSION

On not less than a quarterly basis, the CFO shall provide to the Commission a detailed investment report that shall include the following information: description of investment instrument, issuer name, maturity date, credit rating, interest rate, yield, purchase price, par value, book value, current market value and the source of the valuation. This report shall also state compliance of the portfolio with this Investment Policy, or manner in which the portfolio is not in compliance. The CFO shall also make a list of monthly investment transactions available upon request.

XI. PERFORMANCE EVALUATION

The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles, commensurate with the investment risk constraints and the cash flow needs. The benchmark for "market-average rate" shall be the rate of return of an appropriate market-based index which has a duration similar to that of the the Authority's portfolio(s), against which portfolio performance shall be compared on a regular basis.

XII. INTEREST ALLOCATION

Quarterly interest is to be allocated to each fund using the average rate of return and based on the average monthly cash balance for each fund. Residual interest earned will remain in the operations fund.

Funds with a negative cash balance will be charged interest using the average rate of return.

The Authority will further allocate the interest earned for each fund by entity. The interest earnings will be allocated based on the average monthly balance of each entity. The beginning balances for each entity will be taken from the audited financial statements of the previous year.

XIII. SAFEKEEPING OF SECURITIES

All marketable securities owned by the Authority shall be held in safekeeping by a third-party administrator (custody bank or trust department) acting as agent for the Authority under the terms of a custody or trustee agreement executed by the bank and the Authority. All securities will be received and delivered using the standard delivery versus payment (DVP) procedure.

XIV. INTERNAL CONTROL

The CFO is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of the Authority are protected

from loss, theft, or misuse. A CFO's office staff member who is not involved in the purchase of investments, wire transfers, or maintaining the general ledger shall be assigned the responsibility of reviewing and reconciling the monthly reports received from the investment advisor and custody bank. This review shall include, but not be limited to, reconciling the listing and amounts of each investment position and transaction.

Agenda Report

From: Matthew Anderson
Report Type: Action Item
Lead Department: Finance
Meeting Date: November 12, 2026

Subject:

Receive Annual Audited Financial Report as of June 30, 2026.

Recommendation:

Receive and Accept Basic Financial Statements and Independent Auditor's Report for Fiscal Year Ended June 30, 2026

Background:

Each year, in compliance with Government Accounting Standards Board ("GASB") requirements, SVCW issues basic financial statements and an auditor's report. The auditor's report (attached, including a memo on internal controls and other required communications) is complete and ready for the Commission's receipt. The report provides detailed financial information for the Commission, ratepayers, and SVCW investors. SVCW auditor, The Pun Group, LLP, provided an unqualified (i.e., "clean") opinion.

Discussion:

A summary of SVCW's Statement of Net Position and audit findings are presented below.

Statement of Net Position
The table below shows a $6.1 million (5.1%) decrease in SVCW's net position during the fiscal year. Notable items included:

- Current and other assets decreased by $33.4 million (41.2%), as cash was depleted to fund on ongoing capital projects.
- Restricted assets increased by $0.9 million, or 7.4%, reflecting continued contributions to the Section 115 Irrevocable Pension Trust in support of maintaining the targeted pension funded ratio.
- Capital assets, net of depreciation, increased by $13.6 million (1.6%), primarily due to the ongoing construction of capital projects.
- Total SVCW liabilities decreased by $17.1 million, or 2.0%, as principal was paid on

wastewater revenue bonds and SRF loans.

Deferred Outflows and Deferred Inflows represent changes to SVCW's pension and Other Post-Employment Benefits (OPEB) obligations, as well as deferred losses on debt defeasance. During the year, Deferred Outflows decreased by $2.1 million as certain transactions occurred that will be recognized as an expense in future years. Conversely, Deferred Inflows increased by $2.2 million; primarily due to strong CalPERS investment returns that will be recognized in future years.

Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	$ Higher / (Lower)	% Higher / (Lower)
Current and Other Assets	$ 47,634,994	$ 81,071,583	$ (33,436,589)	(41.2%)
Restricted Assets	13,302,419	12,390,095	912,324	7.4%
Capital Assets	881,694,370	868,059,652	13,634,718	1.6%
Total Assets	**942,631,783**	**961,521,330**	**(18,889,547)**	**(2.0%)**
Deferred Outflows	**10,641,182**	**12,761,243**	**(2,120,061)**	**(16.6%)**
Total Liabilities	**837,066,804**	**854,147,985**	**(17,081,181)**	**(2.0%)**
Deferred Inflows	**3,227,867**	**1,029,885**	**2,197,982**	**213.4%**
Net Investment in Capital Assets	78,616,915	53,482,183	25,134,732	47.0%
Restricted	13,302,419	12,390,095	912,324	7.4%
Unrestricted	21,058,960	53,232,425	(32,173,465)	(60.4%)
Total Net Position	**$ 112,978,294**	**$ 119,104,703**	**$ (6,126,409)**	**(5.1%)**

Statement of Activities and Changes in Net Position

Total Operating Revenues decreased by $1.8 million (2.2%), primarily because SVCW satisfied its SRF debt service coverage requirements and related contributions to reserves were no longer necessary. Total Non-Operating Revenue decreased by $1.6 million, primarily due to lower interest earnings resulting from declining cash and investments balances.

Total expenses in 2025-26 increased $1.4 million (1.6%) from the prior year. Notable items included:

- Depreciation expense rose by $1.0 million (3.3%) as newly constructed assets were placed into service.
- Operating expenses increased by $0.6 million (1.4%) primarily due to increased investments in employee development, public outreach, agency governance, and administrative workflow improvements, as well as higher insurance premiums.
- Non-operating expenses decreased $220.8 thousand (1.5%). This change was largely

due to fewer capital asset retirements compared to the prior year.

Condensed Statements of Activities and Changes in Net Position

	Fiscal Year 2026	Fiscal Year 2025	$ Higher / (Lower)	% Higher / (Lower)
Operating Revenues	$ 78,460,061	$ 80,246,847	$ (1,786,786)	(2.2%)
Non-Operating Revenues	3,841,819	5,482,259	(1,640,440)	(29.9%)
Total Revenues	**82,301,880**	**85,729,106**	**(3,427,226)**	**(4.0%)**
Depreciation Expense	30,813,817	29,835,128	978,689	3.3%
Operating Expense	42,830,822	42,218,808	612,014	1.4%
Non-Operating Expense	14,783,650	15,004,427	(220,777)	(1.5%)
Total Expenses	**88,428,289**	**87,058,363**	**1,369,926**	**1.6%**
Changes in Net Position	**(6,126,409)**	**(1,329,257)**	**(4,797,152)**	**360.9%**
Beginning Net Position	119,104,703	120,433,960	(1,329,257)	(1.1%)
Beginning Net Position - Adjusted	119,104,703	120,433,960	(1,329,257)	(1.1%)
Ending Net Position	**$ 112,978,294**	**$ 119,104,703**	**$ (6,126,409)**	**(5.1%)**

A representative from the accounting firm The Pun Group will be available for input and questions at the November 12, 2026 Commission meeting.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

There are no direct financial impacts to this action.

Environmental Review:

The recommended action does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4)&(5), as a governmental fiscal and administrative activity does not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

None

Attachments:

1. Annual Financial Report Fiscal Year 2025-26

Prepared by:

Matthew Anderson, Assistant Manager/Chief Financial Officer

ANNUAL
FINANCIAL REPORT

Fiscal Year 2025-26

SVCW
SILICON VALLEY CLEAN WATER

A Joint Powers Authority

Silicon Valley Clean Water

Redwood City, California

Annual Financial Report and Independent Auditor's Report

For the Year Ended June 30, 2026

Prepared by
Finance Department

Silicon Valley Clean Water
Annual Financial Report and Independent Auditor's Report
For the Year Ended June 30, 2026
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INDEPENDENT AUDITOR'S REPORT

To the Commission
of Silicon Valley Clean Water
Redwood City, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Silicon Valley Clean Water ("SVCW"), which comprise the statement of net position as of June 30, 2026, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the basic financial statements, which collectively comprise SVCW's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVCW, as of June 30, 2026, and the change in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SVCW, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Prior-Year Summarized Comparative Information

We have previously audited SVCW's 2025 financial statements, and we expressed an unmodified opinion on the financial statements, in our report dated October 28, 2025. As discussed in Note 12 to the financial statements, certain amounts in the 2025 summarized comparative information have been reclassified to conform to the current-year presentation as a result of SVCW's implementation of GASB Statement No. 103, *Financial Reporting Model Improvements*. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, after giving effect to the reclassifications described in Note 12, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCW's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVCW's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCW's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – CalPERS Pension Plan, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Contributions – Other Post-Employment Benefits Plan as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SVCW's basic financial statements. The Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position, and Combining Schedules of Cash Flows, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position, and Combining Schedules of Cash Flows, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Supplementary Schedule listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2026, on our consideration of SVCW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SVCW's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SVCW's internal control over financial reporting and compliance.

The Pun Group, LLP

Walnut Creek, California
October 27, 2026

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Silicon Valley Clean Water (SVCW) has issued its financial statements for the fiscal year ended June 30, 2026 in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). SVCW Management presents the following narrative overview and analysis of the financial activities, with comparative data for the prior fiscal year. The Management's Discussion and Analysis (MD&A) section is an overview of SVCW's financial activities and is required supplementary information that accompanies the basic financial statements. This information should be read in conjunction with the audited financial statements that follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

SVCW recognizes revenues and expenses on a full accrual basis; revenues are recognized in the period in which they are earned while expenses are recognized in the period incurred. The basic financial statements are comprised of two components: Financial Statements and Notes to the Financial Statements. The Financial Statements report information about SVCW accounting and use methods like those used by private sector companies. These statements offer both short-term and long-term financial information about SVCW activities and include:

- The *Statement of Net Position* presents assets and liabilities, with the difference between the two reported as *net position*. This statement provides information about the nature and amounts of investment in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of SVCW. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position has improved or deteriorated.

- The *Statement of Revenues, Expenses and Changes in Net Position* accounts for revenues and expenses and reflects the results of operations over the course of the fiscal year. This statement indicates the extent to which SVCW recovers its costs through charges.

- The final required financial statement is the *Statement of Cash Flows*, with the primary purpose of illustrating cash receipts and payments made during the reporting period. In addition to cash receipts and payments, this statement displays net changes in cash resulting from operations and investments. It also answers questions about the sources and uses of cash and describes changes in cash balances during the reporting period.

The Notes to the Financial Statements provide information not displayed on the face of the financial statements but essential to a full understanding by readers.

ORGANIZATION AND BUSINESS

SVCW is a joint exercise of powers authority that provides wastewater transmission, treatment, and effluent disposal to the cities of Belmont, Redwood City, and San Carlos, as well as to the West Bay Sanitary District (collectively, the "Members"), all of which are in the northern part of Silicon Valley between the cities of San Francisco and San Jose. SVCW's wastewater treatment plant is sited in the City of Redwood City and serves approximately 300,000 people located predominantly in San Mateo County, California. SVCW operates in a Bay Area economy with a customer base that includes technology companies like Oracle Corporation, EA Sports, and Meta; it is also home to an expanding biotech industry.

SVCW owns and operates a regional wastewater treatment plant with an average dry weather flow permit capacity of 29 million gallons per day, an approximately nine-mile influent pipeline that conveys wastewater from the Members to SVCW's treatment plant, two pump stations, and a 1.25-mile effluent disposal pipeline that discharges treated effluent into the San Francisco Bay. SVCW also produces recycled water for the City of Redwood City.

SVCW is governed by a four-member Commission consisting of one appointed representative from each Member. Voting is proportional to the Members' respective ownership interests in SVCW's wastewater system. A proportionally weighted vote of at least three-fourths of the total Commission votes is required to adopt or amend bylaws, rules, and regulations; adopt or modify the budget; approve capital costs, construction and materials contracts, appropriations, and transfers exceeding $50,000; hire the manager and certain consultants; sell or dispose of property; and approve other designated matters. Other actions of the Commission must be approved by a majority of total possible votes. Any amendment of the Joint Powers Agreement requires the concurrence of all Members and must also be approved by a 4/5 vote by each Member's respective governing body.

The Joint Powers Agreement sets forth the allocation of operating and capital costs amongst Members. Operating costs are allocated based on a three-year average of each Member's annual pro-rata share of total wastewater flow and strength loadings as measured by biological oxygen demand ("BOD") and suspended solids ("SS"). As a result, the Budget for fiscal year 2025-26 allocated operating and maintenance costs to the Members as follows:

- City of Redwood City 55.04%
- West Bay Sanitary District 22.43%
- City of San Carlos 12.93%
- City of Belmont 9.60%

Capital costs are allocated per Members' share of capacity owned in various components of the wastewater system as established in the Joint Powers Agreement. All SVCW capital improvement expenditures are allocated as follows:

- City of Redwood City 48.57%
- West Bay Sanitary District 26.84%
- City of San Carlos 15.14%
- City of Belmont 9.45%

The following table shows a history of average daily wastewater flows conveyed to SVCW from each Member over the past five fiscal years:

Member	2021-22	2022-23	2023-24	2024-25	2025-26
Redwood City	7.1	7.8	7.5	7.4	7.7
West Bay	2.5	3.4	3.2	3.1	3.2
San Carlos	1.7	2.6	2.0	2.0	1.5
Belmont	1.5	1.6	1.4	1.8	1.9
Total	12.8	15.4	14.1	14.3	14.3

FINANCIAL OVERVIEW

An important question about SVCW finances is "Is SVCW as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about activities to help answer this question. These statements describe the net position and its changes as a measure of SVCW's financial health. Over time, increases or decreases in net position indicate whether financial health has improved or deteriorated. It is, however, important to keep these indicators in context with other non-financial factors like changes in economic conditions, population growth, climate, zoning, or regulations.

SVCW's 2025-26 operating revenues and expenses were comparable to the prior fiscal year and the current budget. Noteworthy changes from the prior year included a reduction in cash proceeds used to fund ongoing construction, which correlates to the declining cash balance during the fiscal year.

Since inception in 2008, SVCW's Capital Improvement Program has been largely funded through long-term borrowings and, to a lesser extent, member agency cash contributions. As of June 30, 2026, total long-term debt, including unamortized bond premiums, was $805.8 million, a decrease of $11.6 million after making scheduled principal payments towards wastewater revenue bonds and State Revolving Fund (SRF) loans.

The SVCW Commission maintains reserve policies to provide for future projects and to protect its fiscal solvency. As of June 30, 2026, cash reserves totaled $40.1 million and included an Operating Reserve, a Capital Improvement Program Reserve, and a Stage 2 Capacity Reserve. Of this amount, $9.0 million is restricted as required by SVCW's SRF loan agreements.

Pension costs remain significant as CalPERS incorporates changes in demographic assumptions and SVCW's proportional share of the pooled liability. Changes to these assumptions directly impact employer costs. SVCW's net pension liability decreased in 2025-26 from $22.2 million to $19.4 million (Note 8 to the Financial Statements) after stronger-than-anticipated investment earnings. In July 2020, the SVCW Commission established an IRS Section 115 Irrevocable Pension Trust to set aside assets for future pension contributions. The Section 115 Trust's balance, including interest earnings, was $4.3 million as of June 30, 2026.

FINANCIAL HIGHLIGHTS

- SVCW net position decreased during 2025-26 by $6.1 million (5.1%) from the prior year. Significant changes in net position during the fiscal year are presented in the Detailed Financial Analysis that follows.
- Total assets decreased by $18.9 million, or 2.0%, during the fiscal year, primarily reflecting $30.8 million of depreciation expense and a $32.7 million decrease in cash and investments as available funds were used to finance ongoing construction activities. Construction activity continued throughout the year, resulting in a net increase of $21.2 million in Construction in Progress. Depreciable capital assets decreased by $7.6 million as $23.4 million of completed projects were placed into service and became subject to depreciation, while approximately $14.3 million of capital assets were retired. See additional information presented in Note 5 Capital Assets.
- Total liabilities decreased $17.1 million (2.0%) during the fiscal year, primarily due to scheduled principal repayments on wastewater revenue bonds and SRF loans.
- Total revenues, including cash contributions to capital programs and reserves, decreased by $3.4 million, or 4.0%, from the previous year. The decrease was primarily attributable to the discontinuation of debt service reserve contributions following the commencement of SRF loan repayments, as additional reserve funding was no longer required.
- Total expenses were $88.4 million for the fiscal year, an increase of $1.4 million, or 1.6%, compared with the prior year. The increase was primarily attributable to approximately $1.0 million in year-end CalPERS pension liability adjustments and a $1.0 million increase in depreciation expense as completed capital projects were placed into service. These increases were partially offset by the absence of the prior year's $221 thousand non-operating loss on capital asset retirements.

DETAILED FINANCIAL ANALYSIS

Net Position

SVCW's Statement of Net Position is presented in Table 1 below, which shows that total net position decreased $6.1 million (5.1%) from 2024-25. Significant changes included:

- Current and other assets decreased by $33.4 million (41.2%), as cash was utilized on ongoing capital projects.

- Restricted assets increased by $0.9 million, or 7.4%, reflecting continued contributions to the Section 115 Irrevocable Pension Trust in support of maintaining the targeted pension funded ratio.

- Capital assets, net of depreciation, increased by $13.6 million (1.6%), primarily due to the ongoing construction of capital projects.

- Total SVCW liabilities decreased by $17.1 million, or 2.0%, primarily reflecting scheduled principal repayments on wastewater revenue bonds and SRF loans.

- Deferred Outflows and Deferred Inflows represent changes to SVCW's pension and Other Post-Employment Benefits (OPEB) obligations, as well as deferred losses on debt defeasance. During the year, Deferred outflows decreased by $2.1 million, while Deferred Inflows increased by $2.2 million. In addition, CalPERS' investment performance during the 2024-25 measurement period contributed to a $2.8 million decrease in SVCW's net pension liability.

TABLE 1
Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	$ Higher / (Lower)	% Higher / (Lower)
Current and Other Assets	$ 34,332,575	$ 68,681,488	$ (34,348,913)	(50.0%)
Restricted Assets	13,302,419	12,390,095	912,324	7.4%
Capital Assets	881,694,370	868,059,652	13,634,718	1.6%
Total Assets	**929,329,364**	**949,131,235**	**(19,801,871)**	**(2.1%)**
Deferred Outflows	**10,641,182**	**12,761,243**	**(2,120,061)**	**(16.6%)**
Total Liabilities	**837,066,804**	**854,147,985**	**(17,081,181)**	**(2.0%)**
Deferred Inflows	**3,227,867**	**1,029,885**	**2,197,982**	**213.4%**
Net Investment in Capital Assets	75,391,586	53,482,183	21,909,403	41.0%
Restricted	13,302,419	12,390,095	912,324	7.4%
Unrestricted	24,284,289	53,232,425	(28,948,136)	(54.4%)
Total Net Position	**$ 112,978,294**	**$ 119,104,703**	**$ (6,126,409)**	**(5.1%)**

Table 2 below summarizes revenues associated with reserve funds and construction funds. Continued contributions by members helped to strengthen strategic reserves, fund short-term capital projects, and pay debt service.

As part of its continued focus on investing in infrastructure, $44.6 million was spent on capital projects during 2025-26. The largest efforts included rehabilitation of fixed film reactors, replacement of final effluent pumps, and construction of a new Organics to Energy project.

TABLE 2
Construction Fund Activity

	Capital Improvement Program Reserve	Revenue-Funded Capital Program	Operating Reserve	Stage 2 Capacity Reserve	Capital Improvement Program Construction	Totals
Member Contributions	$ 4,000,008	$ 1,739,196	$ -	$ 281,418	$ 36,130,261	$ 42,150,883
Interest Earnings	943,514	(1,136,799)	192,410	278,342	1,551,937	1,829,404
Total Revenue	**$ 4,943,522**	**$ 602,397**	**$ 192,410**	**$ 559,760**	**$ 37,682,198**	**$ 43,980,287**
Cash to Construction	$ -	$ (1,575,069)	$ -	$ 293,462	$ (43,319,713)	$ (44,601,320)

Major Fund Performance

While the Statement of Net Position shows the change in financial position from year to year, the Statement of Revenues, Expenses and Changes in Net Position (Table 3 below) explains the nature and sources of those changes. Total Operating Revenues decreased by $1.8 million (2.2%), primarily because SVCW satisfied its SRF debt service coverage requirements and related contributions to reserves were no longer necessary. Total Non-Operating Revenue decreased by $1.6 million, primarily due to lower interest earnings resulting from declining cash and investments balances.

Total expenses in 2025-26 increased $1.4 million (1.6%) from the prior year. Notable items included:

- Depreciation expense rose by $1.0 million (3.3%) as newly constructed assets were placed into service.
- Operating expenses increased by $0.6 million (1.4%) primarily due to increased investments in employee development, public outreach, agency governance, and administrative workflow improvements, as well as higher insurance premiums.
- Non-operating expenses decreased $220.8 thousand (1.5%). This change was largely due to fewer capital asset retirements compared to the prior year.

TABLE 3
Condensed Statements of Activities and Changes in Net Position

	Fiscal Year 2026	Fiscal Year 2025	$ Higher / (Lower)	% Higher / (Lower)
Operating Revenues	$ 78,460,061	$ 80,246,847	$ (1,786,786)	(2.2%)
Non-Operating Revenues	3,841,819	5,482,259	(1,640,440)	(29.9%)
Total Revenues	**82,301,880**	**85,729,106**	**(3,427,226)**	**(4.0%)**
Depreciation Expense	30,813,817	29,835,128	978,689	3.3%
Operating Expense	42,830,822	42,218,808	612,014	1.4%
Non-Operating Expense	14,783,650	15,004,427	(220,777)	(1.5%)
Total Expenses	**88,428,289**	**87,058,363**	**1,369,926**	**1.6%**
Changes in Net Position	**(6,126,409)**	**(1,329,257)**	**(4,797,152)**	**360.9%**
Beginning Net Position	119,104,703	120,433,960	(1,329,257)	(1.1%)
Ending Net Position	**$ 112,978,294**	**$ 119,104,703**	**$ (6,126,409)**	**(5.1%)**

Budgetary Highlights

The SVCW Commission adopts an annual Operating Fund budget to support current operations and establish a short-term spending plan aligned with SVCW's operational and financial objectives. The budget is prepared on the accrual basis of accounting. A detailed schedule of the Operating Fund is presented in the Supplementary Information section under the Combined Schedule of Revenues, Expenses and Changes in Net Position. Table 4 below compares actual and budgeted Operating Fund expenditures for the year ended June 30, 2026.

TABLE 4
Operating Fund Actual vs Budget (Fund 18 Only)

	Fiscal Year 2026 Actual	Fiscal Year 2026 Budget	Year-End CalPERS Adjustment	Remaining $ Higher/ (Lower)	Remaining % Higher/ (Lower)
Member Contributions	$ 33,554,045	$33,554,045	$ -	$ -	-
Source Control Revenue	536,742	481,315	-	55,427	11.5%
Stormwater Revenue	44,433	75,381	-	(30,948)	(41.1%)
Other Operating Revenue	620,536	566,921	-	53,615	9.5%
Non-Operating Revenue	402,406	12,500	-	389,906	3,119.2%
Total Revenue	**35,158,162**	**34,690,162**	**-**	**468,000**	**1.3%**
Operations	14,224,189	13,984,194	365,719	(125,724)	(0.9%)
Maintenance	7,467,840	7,097,337	162,186	208,317	2.9%
Laboratory	2,151,126	2,184,967	54,305	(88,146)	(4.0%)
Environmental Services	1,419,431	1,520,086	60,774	(161,429)	(10.6%)
Engineering	2,665,678	2,426,101	112,001	127,576	5.3%
Information Services	2,136,388	$2,325,515	69,975	(259,102)	(11.1%)
Safety	551,400	520,317	10,020	21,063	4.0%
Administration	5,549,748	4,631,645	136,918	781,185	16.9%
Depreciation	30,813,817	30,813,817	-	-	-
Total Expenses	**66,979,617**	**65,503,979**	**971,898**	**503,740**	**0.8%**
Net Income/(Loss)	**$ (31,821,455)**	**$ (30,813,817)**	**$ (971,898)**	**$ (35,740)**	**(0.1%)**

Total revenue in the Operating Fund exceeded the budget by $0.47 million (1.3%), primarily due to higher-than-anticipated interest earnings resulting from greater cash and investment balances.

Total expenses in the Operating Fund were $0.50 million (0.8%) above budget excluding the year-end adjusting accrual for CalPERS liabilities. Noteworthy variances by division include:

- Operations expenses were $125.7 thousand (0.9%) less than budget due to vacancies and reduced chemical use.
- Maintenance expenses were $208.3 thousand (2.9%) higher than budget due to increased repairs to aeration basins, piping and valving systems, and cogeneration engines.
- Laboratory expenses were $88.1 thousand (4.0%) below budget, primarily due to staff turnover and vacancies during the year.
- Environmental Services expenses were $161.4 thousand (10.6%) lower than budget primarily due to staff turnover and vacancies.
- Engineering expenses were $127.6 thousand (5.3%) higher than budget due to consulting services required to investigate damage to an air treatment system.

- Information Services expenses were $259.1 thousand (11.1%) less than budget, primarily due to the deferral of planned technology enhancements during an ERP migration.

- Administration expenses exceeded budget by $781.2 thousand (16.9%), primarily due to increased expenditures for employee development, public outreach, agency governance, and administrative workflow improvements. Additional costs were associated with higher insurance premiums, significant fleet equipment repairs, and temporary staffing to address vacancies during the year.

Capital Assets

SVCW maintains a Long-Range Capital Improvement Program to maintain critical facilities, rehabilitate and replace aging infrastructure, preserve existing assets, improve safety and security, and ensure reliable performance. Significant investments during the year included replacing fixed film reactors and final effluent pumps, while building new organics-to-energy facilities. Consistent with the Capital Improvement Program, the Commission approved these and other capital projects to protect public health, the environment, and the San Francisco Bay while recovering wastewater's valuable energy and natural resources.

Table 5 below provides a summary of SVCW's capital assets activities during the fiscal year. At the end of 2024-25 and 2025-26, net property, plant, and equipment (PP&E) were $793.3 million and $785.8 million, respectively. Total capital assets, including Construction in Progress, were $868.1 million and $881.7 million, respectively. Additional information about SVCW's capital acquisitions and construction is presented in Note 5 to the financial statements.

TABLE 5
Capital Assets

	Balance at June 30, 2025	Additions	Retirements	Adjustments & Transfers	Balance at June 30, 2026
Land	$ 1,282,081	$ -	$ -	$ -	$ 1,282,081
Buildings & Structures	183,784,553	-	(2,010,224)	107,452	181,881,781
Pipelines	389,723,291	-	(149,051)	-	389,574,240
Pump Stations	128,878,086	-	(1,377,334)	20,606,913	148,107,665
Machines & Equipment	278,647,468	-	(10,884,776)	2,685,285	270,447,977
Total PP&E, Cost	**982,315,479**	**-**	**(14,421,385)**	**23,399,650**	**991,293,744**
Accum. Depreciation	188,978,854	30,813,817	(14,268,600)	-	205,524,071
Total PP&E, Net	**$ 793,336,625**	**$ (30,813,817)**	**$ (152,785)**	**$ 23,399,650**	**$ 785,769,673**
Construction in Progress:					
Stage 2 Capacity	$ 293,462	$ -	$ -	$ (293,462)	$ -
General	74,429,565	44,601,320	-	(23,106,188)	95,924,697
Total CIP	**$ 74,723,027**	**$ 44,601,320**	**$ -**	**$ (23,399,650)**	**$ 95,924,697**
Total Capital Assets	**$ 868,059,652**	**$ 13,787,503**	**$ (152,785)**	**$ -**	**$ 881,694,370**

Long-Term Debt

As of June 30, 2026, SVCW's total long-term debt was $805.8 million, a decrease of $11.6 million from the prior year due to scheduled principal payments.

Wastewater Revenue Bonds and Notes

As of June 30, 2026, SVCW had $231.7 million (par value) in outstanding Wastewater Revenue Bonds and Notes, the proceeds of which were used to acquire and construct wastewater system improvements. These Bonds and Notes are limited obligations of SVCW, payable solely from and secured solely by revenues pledged under the Indenture which primarily consists of payments made by SVCW Participating Members. Table 6 below compares the total Bonds and Notes outstanding for fiscal years ended June 30, 2025 and 2026. Of significance, the 2021 Note B series was fully redeemed during the year by drawing from an associated WIFIA WWTP loan (see Table 6).

TABLE 6
Wastewater Revenue Bonds/Notes

Bonds/Notes	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds/Notes Outstanding June 30, 2025	Issued (Redeemed)	Bonds/Notes Outstanding June 30, 2026
2018 Revenue Bond	2018	2049	3.125% - 5.00%	$ 140,955,000	$ 123,180,000	$ (3,025,000)	$ 120,155,000
2021 Refunding Bond A	2021	2046	0.177% - 2.973%	137,010,000	113,070,000	(5,955,000)	107,115,000
2021 Refunding Bond B	2021	2033	4.00% - 5.00%	6,825,000	4,955,000	(525,000)	4,430,000
2021 Notes, Series B	2022	2026	0.50%	73,840,000	73,840,000	(73,840,000)	-
Total Wastewater Revenue Bonds/Notes				**$ 358,630,000**	**$ 315,045,000**	**$ (83,345,000)**	**$ 231,700,000**

State Water Resources Control Board (SWRCB) Loans

SVCW financed certain projects by entering into separate sale-repurchase agreements with the SWRCB (See Note 6). Combined, the five SRF Loans had $193.0 million in outstanding principal as of June 30, 2026.

- In March 2012, SVCW executed an agreement with the SWRCB for up to $35.4 million for improvements to the wastewater treatment plant. The total outstanding balance as of June 30, 2026 was $18.7 million and the final payment is October 31, 2036.

- In February 2016, SVCW executed an SWRCB agreement for up to $14.0 million to plan conveyance system improvements. The total outstanding balance as of June 30, 2026 totaled $13.2 million and the final payment is October, 2053.

- In August 2021, SVCW executed an SWRCB agreement for up to $59.6 million to replace sections of an influent force main with a gravity pipeline. The total outstanding balance as of June 30, 2026 was $56.9 million and final payment is October 2053.

- In August 2021, SVCW entered an SWRCB agreement for up to $57.8 million for pump station improvements. The total outstanding principal including accrued capitalized interest as of June 30, 2026 totaled $55.2 million and final payment is October 2053.

- In August 2021, SVCW entered an SWRCB agreement for up to $51.6 million to construct a receiving and lift station and preliminary treatment facilities. The total outstanding principal as of June 30, 2026 totaled $49.0 million and final payment is October 2053.

WIFIA RESCU I (2019 Notes) Loan

In July 2019, SVCW entered a Water Infrastructure Finance and Innovation Act (WIFIA) Loan with the United States Environmental Protection Agency (EPA) for an amount up to $218,000,000 to partially finance construction of conveyance facilities. On March 1, 2024 SVCW drew 2019 WIFIA Loan proceeds to redeem all 2019 Notes. Outstanding principal, together with any accrued capitalized interest, will be repaid in annual installments beginning in fiscal year 2027-28.

As of June 30, 2026, the outstanding balance of this loan was $226.5 million including capitalized interest that was transferred to principal.

WIFIA RESCU II (2021 Note A) Loan

In August 2021, SVCW entered a new WIFIA Loan with the U.S. EPA for an amount up to $68,904,163 as additional financing of conveyance facility construction. These loan proceeds were used to refund the 2021 Series A Wastewater Notes. This loan accrues capitalized interest annually. The first interest-only payment is due on September 1, 2027 and repayment of principal and interest will begin in fiscal year 2034-35.

As of June 30, 2026, the outstanding balance of the loan was $72.1 million including capitalized interest that was transferred to principal.

WIFIA WWTP (2021 Note B) Loan

In August 2021, SVCW entered a new WIFIA Loan with the U.S. EPA for an amount up to $73,840,436, to finance certain wastewater treatment plant improvements. The loan proceeds were used to pay off the 2021 Series B Wastewater Notes. This loan accrues capitalized interest annually through February 2029. The first interest-only payment is due on September 1, 2029 and repayment of principal and interest begins in fiscal year 2034-35.

As of June 30, 2026, the outstanding balance of the loan was $74.7 million including capitalized interest that was transferred to principal.

PG&E Loan

In October 2024, SVCW entered into an on-bill financing loan agreement with Pacific Gas and Electric Company for an amount of $480,071 to fund an energy efficiency lighting project. The loan has a 94-month, interest-free financing term. As of June 30, 2026, the outstanding balance of the loan was $408.6 thousand.

Line of Credit

In July 2024, SVCW renewed the line of credit agreement with Wells Fargo Bank at an initial amount of $23.0 million, with an accordion feature that would allow an increase up to $60.0 million. As of June 30, 2026, the outstanding balance on the line of credit was $0.

TABLE 7
Direct Borrowing/Notes

SRF and WIFIA Loans/PG&E	Issue Date	Maturity Date	Interest Rate	Original Issue	Notes Payable Outstanding June 30, 2025	Issued (Redeemed)	Notes Payable Outstanding June 30, 2026
SRF WWTP Phase I	2012	2037	1.80%	$ 31,549,337	$ 20,214,742	$ (1,524,232)	$ 18,690,510
SRF Conveyance Planning	2016	2054	0.90%	14,000,000	13,591,418	(412,260)	13,179,158
SRF RESCU - Gravity Pipeline	2022	2054	0.90%	60,457,454	58,693,036	(1,780,297)	56,912,739
SRF RESCU - Pump Station	2022	2054	0.90%	58,020,584	57,008,055	(1,809,070)	55,198,985
SRF RESCU - Front of Plant	2022	2054	0.90%	52,107,332	50,580,659	(1,534,230)	49,046,429
WIFIA Loan RESCU I Project	2024	2058	1.41%	228,580,857	223,291,465	3,159,508	226,450,973
WIFIA Loan RESCU II Project	2024	2058	1.94%	73,007,025	70,695,964	1,378,153	72,074,117
WIFIA Loan WWTP Project	2026	2060	1.93%	78,643,536	-	74,717,606	74,717,606
PG&E Loan	2025	2033	0.00%	480,071	469,857	(61,286)	408,571
Total Notes Payable				**$ 596,846,196**	**$ 494,545,196**	**$ 72,133,892**	**$ 566,679,088**

More detailed information about SVCW's long-term debt and Notes Payable are presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The approved Operating Budget for the upcoming fiscal year 2026-27 recommends expenditures based on a prioritization of needs and objectives; it also anticipates external cost pressures and provides a roadmap to meet the needs of the community. The Budget incorporates inflationary pressures, and any savings identified through operational improvements. Personnel costs are relatively unchanged in terms of staffing levels, though adjusted to incorporate an updated Memorandum of Understanding (MOU) with the International Union of Operating Engineers Stationary Local 39, AFL-CIO. The MOU expires on June 30, 2028.

Member Agencies proactively continue to adjust sewer rates to support their allocable share of funding requirements for SVCW's operating costs as well as the Capital Improvement Program.

Table 8 compares fiscal year 2026-27 Operating Fund Budget to the fiscal year 2025-26 actual results. Total fiscal year 2026-27 revenues from Operating Fund are anticipated to increase $1.3 million (3.7%) as contributions are pledged to meet increased operating costs like labor contract increases and inflationary pressures. Additionally, for Source Control Revenue and Other Revenues, SVCW anticipated the continuation of current stormwater and source control activities.

Planned fiscal year 2026-27 expenses from the Operating Fund are anticipated to increase $280.4 thousand (0.4%) from the fiscal year 2025-26 actual expenditures. The new budget recognized opportunities to reduce chemical and electricity expenses.

TABLE 8
Operating Fund FY 2026-2027 Budget vs FY 2025-2026 Actual

Operating revenues:	FY 2026-2027 Budget	FY 2025-2026 Actual	$ Increase / (Decrease)	% Increase / (Decrease)
Member contributions for services	$ 35,071,596	$ 33,554,045	$ 1,517,551	4.5%
Source control charges	453,119	536,742	(83,623)	(15.6%)
Stormwater Revenue	72,506	44,433	28,073	63.2%
Other Operating Revenue	759,002	620,536	138,466	22.3%
Non-Operating Revenue	90,000	402,406	(312,406)	(77.6%)
Total operating revenues	**36,446,223**	**35,158,162**	**1,288,061**	**3.7%**
Operations	13,356,761	14,224,189	(867,428)	(6.1%)
Maintenance	7,959,710	7,467,840	491,870	6.6%
Laboratory	2,382,482	2,151,126	231,356	10.8%
Environmental Services	1,670,321	1,419,431	250,890	17.7%
Engineering	2,449,581	2,665,678	(216,097)	(8.1%)
Information Services	2,217,003	2,136,388	80,615	3.8%
Safety	542,792	551,400	(8,608)	(1.6%)
Administration	5,867,572	5,549,748	317,824	5.7%
Depreciation	30,813,817	30,813,817	-	-
Total Expenses	**67,260,039**	**66,979,617**	**280,422**	**0.4%**
Net Income/(Loss)	**$ (30,813,816)**	**$ (31,821,455)**	**$ 1,007,639**	**3.2%**

CONTACTING SILICON VALLEY CLEAN WATER MANAGEMENT

This financial report is designed to provide SVCW officers, investors, stakeholders, and other interested parties with a general overview of SVCW's financial condition. For questions about this report or to request additional information, please contact the offices of the Authority Manager or the Chief Financial Officer at Silicon Valley Clean Water, (650) 832-6261, 1400 Radio Road, Redwood City, CA, 94065.

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BASIC FINANCIAL STATEMENTS

Silicon Valley Clean Water
Statement of Net Position
June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
ASSETS		
Current assets:		
Cash and investments	$ 44,315,041	$ 77,045,658
Accounts receivable	1,115,881	1,656,788
Interest receivable	408	439
Employee notes receivable	17,567	12,775
Inventory	2,051,026	2,280,214
Prepaid items	121,387	75,709
Total current assets	47,621,310	81,071,583
Noncurrent assets:		
Cash restricted for debt service	8,959,692	8,959,692
Cash restricted for pension benefits	4,342,727	3,430,403
Total restricted cash	13,302,419	12,390,095
Capital assets, depreciable, net	784,487,591	792,054,543
Capital assets, non-depreciable:		
Land	1,282,081	1,282,081
Construction in progress:		
Stage 2	-	293,462
General	95,924,698	74,429,566
Capital assets, net	881,694,370	868,059,652
Net OPEB asset	13,684	-
Total noncurrent assets	895,010,473	880,449,747
Total assets	942,631,783	961,521,330
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related deferred outflows of resources	5,956,916	7,365,488
OPEB-related deferred outflows of resources	1,950,371	2,515,982
Deferred loss on refunding	2,733,895	2,879,773
Total deferred outflows of resources	$ 10,641,182	$ 12,761,243

See accompanying Notes to the Basic Financial Statements.

Silicon Valley Clean Water
Statement of Net Position (Continued)
June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
LIABILITIES		
Current liabilities:		
Accounts payable	$ 4,380,206	$ 6,433,172
Accrued payroll and employee benefits	473,467	460,951
Accrued interest payable	4,391,838	4,605,326
Unearned revenue	343,026	319,989
Compensated absences, current portion	950,114	1,026,435
Long-term debt, current portion	16,850,513	90,466,376
Total current liabilities	27,389,164	103,312,249
Noncurrent liabilities:		
Compensated absences	1,357,960	1,119,428
Long-term debt	788,960,837	726,990,866
Net pension liability	19,358,843	22,161,277
Net OPEB liability	-	564,165
Total noncurrent liabilities	809,677,640	750,835,736
Total liabilities	837,066,804	854,147,985
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows of resources	2,700,910	335,150
OPEB-related deferred inflows of resources	526,957	694,735
Total deferred inflows of resources	3,227,867	1,029,885
NET POSITION		
Net investment in capital assets	75,391,586	53,482,183
Restricted for:		
Debt service	8,959,692	8,959,692
Pension benefits	4,342,727	3,430,403
Unrestricted	24,284,289	53,232,425
Total net position	$ 112,978,294	$ 119,104,703

See accompanying Notes to the Basic Financial Statements.

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Silicon Valley Clean Water
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
OPERATING REVENUES		
Member contributions for services	$ 34,299,423	$ 33,438,953
Member contributions for cash reserves	6,828,666	6,615,236
Member contributions for debt service	36,130,261	39,055,776
Source control charges	581,175	573,131
Miscellaneous revenues	620,536	563,751
Total operating revenues	78,460,061	80,246,847
OPERATING EXPENSES		
Operations	14,478,891	15,131,019
Maintenance	7,467,840	7,692,432
Laboratory	2,158,758	2,179,990
Environmental services	1,419,431	1,194,345
Engineering	2,764,409	2,559,328
Information services	2,136,388	1,756,370
Safety	551,400	528,297
Administration	11,853,705	11,177,027
Depreciation	30,813,817	29,835,128
Total operating expenses	73,644,639	72,053,936
Operating income (loss)	4,815,422	8,192,911
NONCAPITAL SUBSIDIES		
Intergovernmental - operating grants	-	36,246
Total noncapital subsidies	-	36,246
Operating income (loss) and noncapital subsidies	4,815,422	8,229,157
NONOPERATING REVENUES (EXPENSES)		
Interest income:		
Operations fund	402,406	130,350
Stage 2 capacity fund	126,797	166,046
Capital improvement reserve fund	1,083,322	939,975
Operating reserve fund	192,314	171,990
Capital improvement fund	1,583,917	2,328,786
Net increase in fair value of investments	453,063	1,708,866
Interest expense	(15,065,648)	(14,933,778)
Premium amortization	434,783	434,783
Gain (loss) on disposal of capital assets	(152,785)	(505,432)
Total other nonoperating revenues (expenses)	(10,941,831)	(9,558,414)
Change in net position	(6,126,409)	(1,329,257)
Net Position, beginning of year	119,104,703	120,433,960
Net Position, end of year	$ 112,978,294	$ 119,104,703

See accompanying Notes to the Basic Financial Statements.

Silicon Valley Clean Water
Statement of Cash Flows
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from member agencies contributions	$ 78,051,482	$ 79,767,898
Payments to vendors and suppliers for materials and services	(19,410,920)	(23,857,777)
Payments for employee wages, benefits and related costs	(24,556,729)	(23,743,760)
Other revenue	1,201,711	1,098,429
Net cash provided by operating activities	35,285,544	33,264,790
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants received	-	36,246
Net cash provided by noncapital financing activities	-	36,246
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on capital debt	(9,718,428)	(9,768,245)
Principal paid on capital debt	(90,466,375)	(15,964,480)
Proceeds from long-term debt	73,840,436	24,424,374
Cash received on sale of capital assets	-	-
Purchases and construction of capital assets	(44,601,320)	(57,643,575)
Net cash (used in) capital and related financing activities	(70,945,687)	(58,951,926)
CASH FLOWS FROM INVESTING ACTIVITIES		
Noncash equivalent investments	(2,869,732)	(1,634,863)
Investment income	3,841,850	5,446,013
Net cash provided by (used in) investing activities	972,118	3,811,150
Net increase (decrease) in cash and cash equivalents	(34,688,025)	(21,839,740)
Cash and cash equivalents, beginning of year	45,029,515	66,869,255
Cash and cash equivalents, end of year	$ 10,341,490	$ 45,029,515
Reconciliation of Cash and Cash Equivalents:		
Cash and investments	57,617,460	89,435,753
Less: investments with original maturities in excess of three months	(47,275,970)	(44,406,238)
Cash and cash equivalents	$ 10,341,490	$ 45,029,515

See accompanying Notes to the Basic Financial Statements.

Silicon Valley Clean Water
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2026
(With Comparative Totals for June 30, 2025)

	2026	2025
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 4,815,422	$ 8,192,911
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	30,813,817	29,835,128
Changes in operating assets and liabilities:		
Accounts receivable	540,907	678,862
Employee notes receivable	(4,792)	(3,888)
Inventories	229,188	19,995
Prepaid expenses	(45,678)	(9,782)
Net OPEB asset	(13,684)	-
Pension-related deferred outflows of resources	1,408,572	2,193,015
OPEB-related deferred outflows of resources	565,611	(194,480)
Accounts payable	(2,052,966)	(6,839,146)
Accrued payroll and employee benefits	12,516	73,930
Unearned revenue	23,037	(79,377)
Compensated absences	162,211	(205,650)
Net pension liability	(2,802,434)	(99,998)
Net OPEB liability	(564,165)	172,505
Pension-related deferred inflows of resources	2,365,760	(478,769)
OPEB-related deferred inflows of resources	(167,778)	9,534
Net cash provided by operating activities	$ 35,285,544	$ 33,264,790
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Unrealized gain (loss) on investments	$ 453,063	$ 1,708,866
Capitalized interest accreted to principal	$ 5,414,831	$ 4,469,548
Amortization of bond premium	$ 434,783	$ 434,783

See accompanying Notes to the Basic Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Silicon Valley Clean Water
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2026

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Note 1 – Reporting Entity

Silicon Valley Clean Water ("SVCW") 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, San Carlos and West Bay Sanitary District ("Member Agencies").

SVCW is a joint powers authority organized under the California Joint Exercise of Powers Act (Government Code Section 6500 et seq.) pursuant to a joint powers agreement among the Member Agencies. SVCW is governed by a four-member Commission composed of one elected official appointed by the governing body of each Member Agency. The Commission is responsible for establishing policy, adopting the annual budget, and approving SVCW's rates and charges to the Member Agencies, which are allocated based on each Member Agency's share of flow and loadings / capacity rights as defined in the joint powers agreement.

SVCW has determined, in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended, that there are no component units required to be included in its financial statements. SVCW is not a component unit of any of its Member Agencies.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of SVCW have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All activities of SVCW are accounted for within a single enterprise fund. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting financial reporting purposes. The more significant of SVCW's accounting policies are described below:

A. Financial Statements

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all of the activities of SVCW. SVCW's activities are accounted for as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing services are recovered primarily through user charges.

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The financial statements are reported using the "*economic resources*" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation (Continued)

Deferred Inflows of Resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

SVCW distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses are all revenues and expenses other than nonoperating revenues and expenses. SVCW's nonoperating revenues and expenses consist of subsidies received and provided, revenues and expenses related to its long-term debt, gains and losses on the disposition of capital assets, and investment income. All other revenues and expenses are reported as operating. SVCW's principal operating revenues are member contributions, source control charges, and other miscellaneous revenues.

Operating expenses include operations, maintenance, laboratory, environmental services, engineering, information services, safety, administration, and depreciation.

Subsidies are resources received from, or provided to, other parties that either (a) are not exchanged for goods or services provided during the same period, or (b) directly or indirectly keep SVCW's current or future fees and charges lower than they would otherwise be. SVCW's noncapital subsidies consist of state and federal operating grant funds. Noncapital subsidies are reported immediately after operating income, followed by a subtotal for operating income and noncapital subsidies.

Other nonoperating revenues and expenses are reported after that subtotal. They include investment income and changes in the fair value of investments; interest expense and amortization related to SVCW's long-term debt; and gains or losses on the disposition of capital assets.

C. Budgets and Budgetary Accounting

SVCW annually adopts a one-year budget which provides for the general operations of SVCW. Budgets are prepared on the accrual basis of accounting with the exception of interest expense associated with debt, which is budgeted on a cash basis. Project-length financial plans are adopted for all capital projects.

D. Cash, Cash Equivalents, and Investments

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
    - Overall
    - Custodial Credit Risk
    - Concentration of Credit Risk

In addition, other disclosures are specified including the use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents, and Investments (Continued)

SVCW participates in various investments, including investment of its own cash reserves and in investment pools like California Asset Management Program (CAMP), California Cooperative Liquid Assets Securities System (California CLASS), and those managed by the State of California known as the Local Agency Investment Fund (LAIF). Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in the fair value of investments is recognized as an increase or decrease in investment assets and investment income.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

E. Accounts Receivable

Receivables include amounts due from member assessments, services performed for other agencies, and specialty waste receiving services. All receivables are current and reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts was zero as of June 30, 2026.

F. Inventories

Inventories are valued using the first in, first out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased.

G. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Capital Assets

Capital assets purchased or acquired with a cost exceeding $20,000 and an estimated useful life of at least five year are reported at historical cost. Contributed assets are recorded at acquisition value as of the date received. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense.

Note 2 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

The ranges of estimated useful lives of capital assets are as follows:

Asset Type	Years
Buildings and Structures	5-50
Pipelines	10-100
Pump Stations	5-70
Machinery and Equipment	5-50

I. Compensated Absences

SVCW recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: SVCW's policy permits employees to accumulate unused vacation up to a maximum of twice an employee's annual vacation entitlement.

Sick Leave: SVCW's policy does not offer payment for sick leave at termination or retirement. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2024
Measurement date	June 30, 2025
Measurement period	July 1, 2024 to June 30, 2025

K. Other Postemployment Benefits (OPEB)

For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9).

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Other Postemployment Benefits (OPEB) (Continued)

The following timeframes are used for OPEB reporting:

Valuation date	June 30, 2025
Measurement date	June 30, 2025
Measurement period	July 1, 2024 to June 30, 2025

L. Net Position

Net position of SVCW is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position".

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, SVCW's policy is to apply restricted net position first, then unrestricted net position as needed.

M. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Implementation of New GASB Pronouncements for the Year Ended June 30, 2026

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to SVCW, for the year ended June 30, 2026. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. For proprietary funds, the Statement establishes definitions of operating and nonoperating revenues and expenses. It requires a separate section for noncapital subsidies, presented immediately after operating income (loss), and a subtotal for operating income (loss) and noncapital subsidies.

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Implementation of New GASB Pronouncements for the Year Ended June 30, 2026 (Continued)

GASB Statement No. 103 (Continued)

Implementation of this Statement resulted in changes to the presentation of SVCW's Statement of Revenues, Expenses and Changes in Net Position. Certain amounts in the 2025 summarized comparative information have been reclassified to conform to the current-year presentation, as described in Note 12. These reclassifications had no effect on previously reported net position or changes in net position.

GASB Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Implementation of this Statement did not have a significant effect on SVCW's financial statements for the fiscal year ended June 30, 2026.

O. Upcoming Government Accounting Standards Implementations

SVCW is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 105

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This Statement is designed to improve the financial reporting requirements for subsequent events by enhancing consistency in the application of requirements, clarifying the different types of subsequent events, determining when note disclosures are required, and detailing the information that should be included in those note disclosures. Application of this statement is effective for SVCW's fiscal year ending June 30, 2027.

P. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Note 3 – Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2026 consist of the following:

Cash and Investments	Amount	Investment Rating	Input Level
Cash on hand and deposits:			
Cash on hand	$ 1,000	n/a	n/a
Deposits with financial institution	255,785	n/a	n/a
Total cash on hand and deposits	256,785		
Investments:			
U.S. Treasuries	25,815,116	AA1	Level 1
U.S. Government Agencies	8,356,612	AA1	Level 1
Asset-Backed Securities/Corporate Bonds	8,527,592	AAA	Level 1
Municipal Bonds/Notes	-		Level 1
Supranational	274,539	AA-	Level 1
Money Market Funds	10,476,618	AAAm	Level 2
California Class Investment Pool	3,068,586	AAAm	n/a
California Asset Management Program	799,879	AAAm	n/a
Local Agency Investment Fund	41,735	Not rated	n/a
Total investments	57,360,677		
Total cash and investments	$ 57,617,462		

A. Demand Deposits

The carrying amounts of SVCW's demand deposits were $255,785 at June 30, 2026. Bank balances were $292,178 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in SVCW's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure SVCW's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in SVCW's name.

The market value of pledged securities must equal at least 110% of SVCW 's cash deposits. California law also allows institutions to secure SVCW's deposits by pledging first trust deed mortgage notes having a value of 150% of SVCW's total cash deposits. SVCW may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). SVCW, however, has not waived the collateralization requirements.

B. Investments Authorized by the California Government Code and SVCW's Investment Policy

SVCW's investment guidelines as defined by its written investment policy were approved by the Commission, who also establishes its implementation and direction.

Note 3 – Cash, Cash Equivalents, and Investments (Continued)

B. Investments Authorized by the California Government Code and SVCW's Investment Policy (Continued)

Monthly, the Commission ratifies the investments that have been made. SVCW's investment policy follows the California Government Code which authorizes SVCW to invest in the following:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment in Single Issuer (A)
Local Agency Municipal Bonds	5 years	A, A1	30%	5%
U.S. Treasury Obligations	5 years*	None	None	100%
State of California and Other State Obligations	5 years*	A	30%	5%
CA Local Agency Obligations	5 years*	A, A1	30%	5%
U.S. Agency Securities	5 years*	None	None	100%
Commercial Paper (pooled)	270 Days	A1 / P1	15%	None
Commercial Paper (non-pooled)	270 Days	A1 / P1	15%	None
Negotiable Certificates of Deposit	5 years	A, A1	15%	5%
Non-Negotiable Certificates of Deposit	5 years	None	None	None
Medium Term Corporate Notes	5 years	A	30%	30%
Money Market Mutual Funds	N/A	AAA	20%	20%
Collateralized Bank Deposits	5 years	None	50%	100%
Mortgage Pass-Through and Asset-Backed Securities	5 years	AAA	10%	None
County Pooled Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	Multiple	None	100%
California Local Agency Investment Fund	N/A	None	None	$75M
Voluntary Investment Program Fund	N/A	None	None	None
Supranational Obligations (B)	5 years	AA	15%	15%
Public Bank Obligations	5 years	None	None	None

(A) 30% maximum % of portfolio is for deposits and certificates of deposit combined.

(B) Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

***** Investments with maturities in excess of 5 years authorized during SVCW Commissioner's Meeting on June 17, 2019. Longer-term securities is only for U.S. Treasury, U.S. Agency Securities, and State/Local Agency Obligations and shall have a maximum remaining average life of ten years or less.

* U.S. Treasuries, U.S. Agencies, and State/Local Agency obligations measure maximum maturity as average remaining maturity at time of purchase.

C. Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *Interest Rate Risk* - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. To limit loss exposure due to Interest Rate Risk, the investment policy limits the length of maturity of investments. The following is a summary of SVCW's investments by maturity as of June 30, 2026:

Maturity	Amount
0-1 years	$ 14,456,592
1-2 years	4,786,192
2-3 years	7,713,861
3-5 years	15,660,248
Over 5 years	14,743,782
Total Investments	$ 57,360,675

Note 3 – Cash, Cash Equivalents, and Investments (Continued)

C. Risk Disclosures (Continued)

- *Credit Risk* - Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To limit loss exposure due to Credit Risk, the investment policy limits the purchase of investments to those rated A-1 by Standard & Poor's or P-1 by Moody's Investors Service.

- *Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, SVCW's deposits may not be returned to it. Or, in the case of investments, the risk of loss of the investment due to failure, impairment or malfeasance of the third party whose name in which the investment is held and who has physical possession of the instrument. In order to limit loss exposure due to Custodial Credit Risk, the investment policy requires all securities be received and delivered using the standard delivery versus payment (DVP) procedure, and all securities be held by a third-party bank or trust department under the terms of a custody or trustee agreement. None of SVCW's investments were subject to custodial credit risk.

- *Concentration of Credit Risk* - See the table above for SVCW's limitations on the amount that can be invested in any one issuer. As of June 30, 2026, 45% of SVCW's cash was invested in U.S. treasuries, 15% in U.S. government agencies, 15% in corporate bonds, 11% in money market funds, 8% in Section 115 trust account, 5% in the California CLASS Investment Pool, and 1% in the California Asset Management Program (CAMP).

D. Local Agency Investment Fund (LAIF)

SVCW is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2026, the SVCW had $41,735 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

E. California Asset Management Program (CAMP)

SVCW is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2026 was $19.1 billion. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of SVCW's position in the pool. At June 30, 2026, the amortized cost approximated is SVCW's cost. At June 30, 2026, SVCW had $799,879 invested in the California Asset Management Program.

F. California CLASS Investment Pool

SVCW is a voluntary participant in California CLASS which is a Joint Powers Authority investment pool providing public agencies the opportunity to invest funds on a cooperative basis in rated pools. At June 30, 2026, this account was valued at $3,068,586. SVCW received an average yield of 3.70% for the fiscal year ended June 30, 2026 on this investment. SVCW's investment in Cal CLASS is reported at amortized cost.

Note 3 – Cash, Cash Equivalents, and Investments (Continued)

G. Restricted Cash

SVCW's restricted cash consisted of $13,302,419 in cash and investments as of June 30, 2026, held by trustees or fiscal agent, $8,959,692 of which was pledged for the payment or security of bonds and $4,342,727 of which are restricted for the Section 115 Pension Trust.

Note 4 – Employee Notes Receivable

All full-time and part-time SVCW employees are eligible to obtain an interest-free loan to purchase a computer or certain tools. All requests for loans must be approved by the Department Manager and Human Resources Director. Repayment of these loans is handled through payroll deductions which are amortized over a two-year period. Employees must pay off any outstanding balance of their loans upon ending employment with SVCW. As of June 30, 2026, outstanding balances for notes receivable were $17,567.

Note 5 – Capital Assets

Summary of changes in capital assets for the year ended June 30, 2026, were as follows:

	Balance July 1, 2025	Additions	Deletions	Transfers	Balance June 30, 2026
Capital assets, not being depreciated					
Land	$ 1,282,081	$ -	$ -	$ -	$ 1,282,081
Construction in progress					
Stage 2	293,462	-	-	(293,462)	-
General	74,429,565	44,601,320	-	(23,106,187)	95,924,698
Total capital assets, not being depreciated	76,005,108	44,601,320	-	(23,399,649)	97,206,779
Capital assets, being depreciated/amortized					
Building and structures	183,784,553	-	(2,010,224)	107,452	181,881,781
Pipelines	389,723,291	-	(149,051)	-	389,574,240
Pump Station	128,878,086	-	(1,377,334)	20,606,912	148,107,664
Machinery and equipment	278,647,468	-	(10,884,776)	2,685,285	270,447,977
Total capital assets, being depreciated	981,033,398	-	(14,421,385)	23,399,649	990,011,662
Accumulated depreciation/amortization:					
Building and structures	(63,815,592)	(5,965,654)	2,010,225	-	(67,771,021)
Pipelines	(27,220,559)	(6,144,584)	149,050	-	(33,216,093)
Pump Station	(9,027,486)	(4,873,682)	1,335,002	-	(12,566,166)
Machinery and equipment	(88,915,217)	(13,829,897)	10,774,323	-	(91,970,791)
Total accumulated depreciation	(188,978,854)	(30,813,817)	14,268,600	-	(205,524,071)
Total depreciable capital assets, net	792,054,544	(30,813,817)	(152,785)	23,399,649	784,487,591
Total capital assets, net	$ 868,059,652	$ 13,787,503	$ (152,785)	$ -	$ 881,694,370

Depreciation expense for depreciable capital assets was $30,813,817 for the year ended June 30, 2026.

Note 5 – Capital Assets (Continued)

Construction in progress comprised of the following at June 30, 2026:

Project #	Project Name	Total Budgeted	Actual Costs	Unexpended Budget
Various	Other Fund 14 Capital Projects (5 total projects)	$ 1,001,800	$ 915,519	$ 86,281
9242	Fixed Film Reactor Rehab	48,190,000	44,293,023	3,896,977
9223	Final Effluent Pump Replacement	19,400,000	15,723,378	3,676,622
9269	Biogas Utilization Gas Conditioning System Project	12,000,000	12,114,991	(114,991)
9257	Food Waste Improvements (includes CalRecycle Grant)	11,730,000	5,257,128	6,472,872
9231	Bioforce Tech Dryer System	4,684,709	4,659,256	25,453
9600	Buried & Exposed Pipe Repair	15,700,000	3,547,231	12,152,769
9401	Side Stream Treatment	17,160,000	1,721,724	15,438,276
9247	SHB Electrical Rehabilitation	1,200,000	1,206,948	(6,948)
9402	STAR-Strategic Tx. Advn. Roadm	2,000,000	1,172,199	827,801
9244	Digester 3 Cleaning & Rehab	8,380,000	1,153,592	7,226,408
9158	CIP Financial Assistance	1,170,153	981,354	188,799
9400	Nutrient Removal General	2,000,000	804,303	1,195,697
9232	Long Term Strategic Recycled Water Plan	600,000	392,069	207,931
6018	Conveyance System Completion.	1,500,000	376,259	1,123,741
9265	Levee Repair	7,000,000	365,380	6,634,620
9017	Plant #1 Water System Pipe Repair & Upgrade	1,400,000	293,061	1,106,939
9271	Financial System Upgrade	459,708	266,019	193,689
9243	PST Thickening Project	15,370,000	217,381	15,152,619
9258	Capital Support Process Eng.	1,000,000	106,922	893,078
9245	Digester 2 Cleaning & Rehab.	8,200,000	101,113	8,098,887
Various	Other Fund 20 Capital Projects (7 total projects)	8,200,000	255,847	7,944,153
		$ 188,346,370	$ 95,924,697	$ 92,421,673

Note 6 – Long-Term Debt

A summary of long-term debt for the year ended June 30, 2026, is as follows:

	Final Maturity	Interest Rate	Annual Principal Installments	Original Issue Amounts	Outstanding at June 30, 2026
Public Offering:					
Wastewater Revenue Bonds, Series 2018	2049	3.125% - 5.00%	$2,245,000 - $7,680,000	$140,955,000	$120,155,000
Wastewater Revenue Refunding Bonds, Series 2021A	2046	0.177% - 2.973%	$835,000 - $6,995,000	137,010,000	107,115,000
Wastewater Revenue Refunding Bonds, Series 2021B	2033	4.00% - 5.00%	$490,000 - $720,000	6,825,000	4,430,000
Direct Borrowing:					
State Revolving Fund (SRF) Loans:					
Wastewater Treatment Plant	2037	1.80%	$1,524,232 - $1,854,712	31,549,337	18,690,510
Conveyance System Improvements	2054	0.90%	$408,582 - $529,814	14,000,000	13,179,158
Gravity Pipeline Project	2054	0.90%	$1,764,418 - $2,287,944	60,457,454	56,912,739
Pump Station Improvement Project	2054	0.90%	$1,012,529 - $2,219,049	58,020,584	55,198,985
Front of Plant Project	2054	0.90%	$1,526,673 - $1,971,711	52,107,332	49,046,429
Water Infrastructure Finance and Innovation Act (WIFIA) Loans:					
RESCU I Project	2058	1.41%	$5,930,156 - $9,025,881	228,580,857	226,450,973
RESCU II Project	2058	1.94%	$2,417,439 - $3,760,816	73,007,025	72,074,117
WWTP Project	2060	1.93%	$2,357,545 - $3,801,987	78,643,536	74,717,606
PG&E Loan	2033	0.00%	$61,286	480,071	408,571
Total Long-Term Debt				$ 881,636,196	$ 798,379,088

Note 6 – Long-Term Debt (Continued)

A summary of changes in the long-term debt for the year ended June 30, 2026, is as follows:

	Balance July 1, 2025	Debt Issued	Debt Retired	Balance June 30, 2026	Classification: Due Within One Year	Classification: Due in More Than One Year
Bonds payable:						
Wastewater Revenue Bonds, Series 2018	$123,180,000	$ -	$ (3,025,000)	$120,155,000	$ 3,185,000	$ 116,970,000
plus: unamortized bond premium - Series 2018	6,896,652	-	(313,484)	6,583,168	-	6,583,168
Wastewater Revenue Refunding Bonds, Series	113,070,000	-	(5,955,000)	107,115,000	6,010,000	101,105,000
Wastewater Revenue Refunding Bonds, Series 2021B	4,955,000	-	(525,000)	4,430,000	540,000	3,890,000
plus: unamortized bond premium - Series 2021B	970,394	-	(121,300)	849,094	-	849,094
Total bonds payable	249,072,046	-	(9,939,784)	239,132,262	9,735,000	229,397,262
Notes payable:						
Wastewater Revenue Notes, Series 2021B	73,840,000	-	(73,840,000)	-	-	-
Total notes payable	73,840,000	-	(73,840,000)	-	-	-
Loans payable:						
SRF Loan - Wastewater Treatment Plant	20,214,742	-	(1,524,232)	18,690,510	1,551,668	17,138,842
SRF Loan - Conveyance System Improvements	13,591,418	-	(412,260)	13,179,158	415,970	12,763,188
SRF Loan - Gravity Pipeline Project	58,693,036	-	(1,780,297)	56,912,739	1,796,321	55,116,418
SRF Loan - Front of Plant Project	50,580,659	-	(1,534,230)	49,046,429	1,742,230	47,304,199
SRF Loan - Pump Station Improvement Project	57,008,055	-	(1,809,070)	55,198,985	1,548,038	53,650,947
WIFIA Loan - RESCU I Project	223,291,465	3,159,508	-	226,450,973	-	226,450,973
WIFIA Loan - RESCU II Project	70,695,964	1,378,153	-	72,074,117	-	72,074,117
WIFIA Loan - WWTP Project	-	74,717,606	-	74,717,606	-	74,717,606
PG&E - Energy Efficiency Retrofit Loan	469,857	-	(61,286)	408,571	61,286	347,285
Total loans payable	494,545,196	79,255,267	(7,121,375)	566,679,088	7,115,513	559,563,575
Total	$817,457,242	$ 79,255,267	$ (90,901,159)	$805,811,350	$ 16,850,513	$ 788,960,837

Wastewater Revenue Bonds, Series 2018

On February 8, 2018, SVCW issued $140,955,000 in Wastewater Revenue Bonds. The Bonds were issued to finance the acquisition and construction of capital improvements to SVCW's wastewater system and pay costs of issuing the Bonds. The 2018 Revenue Bonds mature through August 1, 2048, with installments ranging from $2,245,000 to $7,680,000. The interest on the Bonds is payable semi-annually on each February 1 and August 1, and coupons range from 3.125% to 5.00% annually. SVCW anticipates refunding its 2018 Bond Series in 2028 to satisfy State Water Resources Control Board requirements that the 2021 SRF obligations achieve parity with other sewer-related debt rather than remain subordinate to the existing bond debt.

The Bonds are limited obligations of SVCW which are payable solely from and secured solely by the revenues pledged under the indenture, consisting primarily of payments made by the City of Redwood City, the City of San Carlos, and the West Bay Sanitary District (the "Participating Members"). Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues.

Note 6 – Long-Term Debt (Continued)

Wastewater Revenue Bonds, Series 2018 (Continued)

The annual debt service requirements on these bonds as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 3,185,000	$ 4,635,244	$ 7,820,244
2028	3,345,000	4,471,994	7,816,994
2029	3,515,000	4,300,494	7,815,494
2030	3,695,000	4,120,244	7,815,244
2031	3,890,000	3,930,619	7,820,619
2032-2036	22,045,000	17,050,734	39,095,734
2037-2041	26,400,000	12,691,769	39,091,769
2042-2046	31,825,000	7,274,700	39,099,700
2047-2049	22,255,000	1,204,813	23,459,813
Total	$ 120,155,000	$ 59,680,611	$ 179,835,611

Wastewater Revenue Refunding Bonds, Series 2021AB

On March 2, 2021, SVCW issued 2021 Wastewater Revenue Refunding Bonds in the amount of $143,835,000 comprised of $137,010,000 Series A Taxable Bonds and $6,825,000 Series B Tax-Exempt Bonds. The proceeds from the 2021 Series A Bonds were used to refund the outstanding portion of the 2014 and 2015 Wastewater Revenue Bonds, and to pay the costs of issuance of the Series A Bonds. The proceeds from the 2021 Series B Bonds were used to refund the outstanding loan with the State Water Resources Control Board (SWRCB) for the construction of an administrative and plant control building, and to pay the costs of issuance of the Series B Bonds. The total 2021AB refunding resulted in $20,090,484 gross debt service (principal and interest) savings over 25 years, and an economic gain of $14,747,351. The refunding resulted in an accounting deferred loss on refunding of $3,463,285. The 2021 Revenue Refunding Bonds mature through August 1, 2045, with installments ranging from $835,000 to $6,995,000. The interest on the 2021AB Bonds is scheduled to be paid on each February 1 and August 1. Coupons range from 0.88% to 5.00% annually.

The Bonds are limited obligations of SVCW which are payable solely from and secured solely by the revenues pledged under the indenture, consisting primarily of payments made by the City of Redwood City, the City of San Carlos, and the West Bay Sanitary District (the "Participating Members").

The annual debt service requirements on these bonds as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 6,550,000	$ 2,575,532	$ 9,125,532
2028	6,660,000	2,474,809	9,134,809
2029	6,765,000	2,354,744	9,119,744
2030	6,890,000	2,218,575	9,108,575
2031	6,415,000	2,073,862	8,488,862
2032-2036	31,890,000	8,210,470	40,100,470
2037-2041	31,205,000	4,266,467	35,471,467
2042-2045	15,170,000	811,332	15,981,332
Total	$ 111,545,000	$ 24,985,791	$ 136,530,791

Note 6 – Long-Term Debt (Continued)

Waterwater Revenue Notes, Series 2021B

On September 14, 2021, SVCW issued $73,840,000 of 2021 Wastewater Revenue Notes, Series B. The proceeds were used to provide interim funding for the 2021 WIFIA WWTP Project, to capitalize interest on the Series B Notes through maturity, and to pay the costs of issuance. Interest was payable semi-annually on March 1 and September 1 at a coupon rate of 0.50%. SVCW also entered into a 2021 WWTP WIFIA Loan Agreement with the U.S. Environmental Protection Agency to provide long-term financing for repayment of the Series B Notes. The Series B Notes matured on March 1, 2026, and were repaid in full with $73,840,000 of proceeds from the WWTP WIFIA loan. No Series B Notes were outstanding at June 30, 2026.

The 2018 Wastewater Revenue Bonds and the 2021 Wastewater Refunding Revenue Bonds Series A and B are limited obligations of SVCW, payable solely from pledges of wastewater revenues from participating SVCW member agencies. The bond covenants contain events of default that require the revenue of SVCW to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of SVCW to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by SVCW; or if any court of competent jurisdiction shall assume custody or control of SVCW. No such events occurred during the fiscal year ending June 30, 2026.

State Revolving Fund (SRF) Loans

SVCW has financed multiple projects by entering into five separate agreements with the State Water Resources Control Board (SWRCB). The project funds, together with all accrued interest, are repaid in annual installments commencing one year after the completion of construction. As of June 30, 2026, the total outstanding principal balance for SRF Loans was $193,027,821.

Events of default on the State Revolving Fund loans include a material adverse change in the condition SVCW, the revenues or the system, litigation related to the system revenues or the project, or failure to make any debt service payment by the due date, which would accelerate repayment of the loans. SVCW can prepay the loans at any time by paying the principal and outstanding accrued interest through the date of prepayment.

The annual debt service requirements on these loans are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 7,054,227	$ 1,905,465	$ 8,959,692
2028	7,131,680	1,828,012	8,959,692
2029	7,210,081	1,749,610	8,959,691
2030	7,289,444	1,670,247	8,959,691
2031	7,369,782	1,589,910	8,959,692
2032-2036	38,089,049	6,709,411	44,798,460
2037-2041	32,492,936	4,753,136	37,246,072
2042-2046	32,041,985	3,315,990	35,357,975
2047-2051	33,510,063	1,847,912	35,357,975
2052-2054	20,838,574	376,214	21,214,788
Total	$ 193,027,821	$ 25,745,907	$ 218,773,728

Note 6 – Long-Term Debt (Continued)

State Revolving Fund (SRF) Loans (Continued)

Wastewater Treatment Plant State Revolving Fund Loan

In March 2012, SVCW entered an agreement with the SWRCB for up to $35,385,953 for certain improvements to the wastewater treatment plant. This loan is due to mature by October 2036. As of June 30, 2026, the total outstanding principal including capitalized interest was $18,690,510.

Conveyance System Improvements Planning State Revolving Fund Loan

In February 2016, SVCW entered an agreement with the SWRCB for up to $14,000,000 to plan and design certain improvements to the conveyance system. This planning was completed on August 1, 2019. The SWRCB reimbursed SVCW for project-related expenditures as incurred. As of June 30, 2026, the total outstanding principal including capitalized interest was $13,179,158.

Gravity Pipeline State Revolving Fund Loan

In July 2021, SVCW executed an Installment Sale Agreement with the SWRCB for up to $59,605,263 to be used towards construction of its Gravity Pipeline project. The SWRCB reimbursed SVCW for project- related expenditures as incurred. The construction completion date was October 2023 and repayment to the SWRCB began October 15, 2024 and will end October 15, 2053. As of June 30, 2026, the total outstanding principal including capitalized interest was $56,912,739.

Front of Plant State Revolving Fund Loan

In September 2021, SVCW entered an Installment Sale agreement with the SWRCB for up to $51,631,579 to be used towards construction of its Front of Plant project which includes a receiving lift station, headworks, influent connector pipe, and civil site work. The SWRCB reimbursed SVCW for project-related expenditures as incurred. The construction completion date was October 2023 and repayment to the SWRCB commenced October 15, 2024 and will end October 15, 2053. As of June 30, 2026, the total outstanding principal including capitalized interest is $49,046,429.

Pump Station Improvements State Revolving Fund Loan

In July 2021, SVCW entered an Installment Sale agreement with the SWRCB for up to $57,763,158 to be used towards construction of its Pump Stations Improvement project. The SWRCB reimbursed SVCW for project-related expenditures as incurred. The construction completion date was October 2023 with a final reimbursement date of December 31, 2024. Repayment to the SWRCB commenced October 15, 2024 and will end October 15, 2053. As of June 30, 2026, the total outstanding principal including capitalized interest is $55,198,985.

Water Infrastructure Finance and Innovation Act (WIFIA) Loans

WIFIA Loan 2019 Notes, Regional Environmental Sewer Conveyance Upgrade (RESCU) I Project

In July 2019, SVCW entered into a Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement with the United States Environmental Protection Agency (U.S. EPA) for an amount up to $218,000,000, which was drawn upon on March 1, 2024. The loan proceeds were utilized to refund the 2019 Series A Wastewater Notes, which was used to finance the acquisition and construction of capital improvements to SVCW's wastewater system.

Note 6 – Long-Term Debt (Continued)

Water Infrastructure Finance and Innovation Act (WIFIA) Loans (Continued)

WIFIA Loan 2019 Notes, Regional Environmental Sewer Conveyance Upgrade (RESCU) I Project (Continued)

The loan is payable solely from and secured solely by the revenues pledged under the indenture, consisting of payments made by the City of Redwood City, the City of San Carlos, the City of Belmont and the West Bay Sanitary District (the "Participating Members"). Principal payment is due annually on March 1. Interest payments are due semi-annually on March 1 and September 1. On November 17, 2020, SVCW and the U.S. EPA re-executed the 2019 WIFIA Loan Agreement in order to reduce the interest rate on its $218 million WIFIA loan. The interest rate was reduced from 2.40% to 1.41%. As of June 30, 2026, the outstanding balance of the loan is $226,450,973 including capitalized interest.

WIFIA Loan 2021 Note A, Regional Environmental Sewer Conveyance Upgrade (RESCU) II Project

On August 26, 2021, SVCW entered into a WIFIA loan with the U.S. EPA for an amount up to $68,904,163 which became available on March 1, 2024. The loan proceeds were utilized to refund the 2021 Series A Wastewater Notes, the proceeds from which were used to finance the construction of SVCW's Regional Environmental Sewer Conveyance Upgrade project. The WIFIA loan is payable solely from and secured solely by revenues pledged under the indenture, consisting of payments made by the City of Redwood City, the City of San Carlos, the City of Belmont and the West Bay Sanitary District (the "Participating Members"). Principal payment is due annually on March 1. Interest payments are due semi- annually on March 1 and September 1. As of June 30, 2026, the outstanding principal balance including capitalized interest of the loan is $72,074,117.

WIFIA Loan 2021 Note B, Wastewater Treatment Plant Improvements

On August 26, 2021, SVCW entered into a WIFIA loan agreement with the U.S. EPA for an amount up to $73,840,436 to provide long-term financing for SVCW's wastewater treatment plant improvement projects. The loan became available on March 1, 2026. On that date, SVCW drew $73,840,436, and the proceeds were used to repay the $73,840,000 outstanding principal of the 2021 Series B Wastewater Revenue Notes at maturity. The proceeds were remitted directly to the trustee for the repayment of the 2021 Series B Wastewater Revenue Notes. The loan bears interest at 1.93% and matures on March 1, 2058. Interest accrued through March 1, 2029 is capitalized and added to principal, and capitalized interest of $877,170 was added during the year ended June 30, 2026. Principal payments are due annually on March 1, beginning March 1, 2035, and interest payments are due semi-annually on March 1 and September 1. The loan is payable solely from and secured solely by revenues pledged under the indenture, consisting of payments made by the Participating Members. As of June 30, 2026, the outstanding balance of the loan was $74,717,606, including capitalized interest.

The annual debt service requirements on these loans are as follows:

Year Ending June 30,	Principal	Capitalized Interest	Interest	Total
2027	$ -	$ (4,511,799)	$ -	$ (4,511,799)
2028	5,930,156	(1,477,108)	4,639,326	9,092,374
2029	6,013,772	(999,815)	4,555,711	9,569,668
2030	6,098,566	-	5,988,737	12,087,303
2031	6,184,556	-	5,902,747	12,087,303
2032-2036	41,898,032	-	28,088,453	69,986,485
2037-2041	60,381,434	-	23,930,005	84,311,439
2042-2046	65,483,507	-	18,827,932	84,311,439
2047-2051	71,028,322	-	13,283,116	84,311,438
2052-2056	77,055,304	-	7,256,136	84,311,440
2057-2060	40,157,769	-	1,317,537	41,475,306
Total	$ 380,231,418	$ (6,988,722)	$ 113,789,700	$ 487,032,396

Note 6 – Long-Term Debt (Continued)

PG&E – Energy Efficiency Retrofit Loans

On October 2, 2024, SVCW entered into an on-bill financing loan agreement with Pacific Gas and Electric Company in the amount of $480,071.43 for the energy efficiency lighting renovation project.. Monthly payments due under this agreement are expected to be made from savings in energy costs or other available funds. The loan does not accrue interest.

The annual debt service requirements for the loans were as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 61,286	$ -	$ 61,286
2028	61,286	-	61,286
2029	61,286	-	61,286
2030	61,286	-	61,286
2031	61,286	-	61,286
2032-2033	102,141	-	102,141
Total	$ 408,571	$ -	$ 408,571

Note 7 – Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Summary of changes in compensated absences for the year ended June 30, 2026, were as follows:

	Balance July 1, 2025	Increase (Decrease)	Balance June 30, 2026	Due within One Year	Due in More Than One Year
Compensated absences	$ 2,145,863	$ 162,211	$ 2,308,074	$ 950,114	$ 1,357,960

Note 8 – Pension Plans

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the SVCW's Miscellaneous Employee Pension Plans (the Plans); cost-sharing multiple employers defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and SVCW resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Note 8 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

Plan Descriptions (Continued)

At June 30, 2025, measurement date, the following employees were covered by the benefit terms for the plan:

	Measurement Date
	2025
Active	85
Transferred	19
Separated	28
Retired	106
Total	238

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on year of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 year of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2026, are summarized as follows:

	Tier 1	Tier 2	PEPRA
Membership Date	Prior to July 1, 2011	July 1, 2011 - December 31, 2012	On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	6.93%	6.940%	7.750%
Required employer contribution rates	12.580%	10.190%	7.960%
Final average compensation period	1 year	3 years	3 years

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SVCW is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2026, SVCW contributed $3,435,160 into the Plans.

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2026 (reporting date), SVCW reported a net pension liability for its proportionate shares of the net pension liability amounting to $19,358,843.

SVCW's proportionate share of the net pension liability as of June 30, 2025 and 2024 was as follows:

	2026
Proportion - June 30, 2024	0.182740%
Proportion - June 30, 2025	0.189240%
Change - Increase/(Decrease)	0.006500%

SVCW's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2025, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 using standard update procedures. SVCW's proportion of the net pension liability was based on a projection of SVCW's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2026, SVCW recognized pension expense of $4,407,058. At June 30, 2026, SVCW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	$ 3,435,160	$ -
Difference between expected and actual experience	2,319,654	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(2,619,464)
Employer contributions in excess/(under) proportionate share of contributions	39,140	(45,177)
Adjustments due to difference in proportions	162,962	(36,269)
Total	$ 5,956,916	$ (2,700,910)

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For SVCW's plans $3,435,160 was reported as deferred outflows of resources related to pensions resulting from SVCW's contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2027	$ 2,486,514
2028	(533,087)
2029	(1,132,625)
2030	(999,956)
2031	-
Thereafter	-
Total	$ (179,154)

Actuarial Assumptions

For the measurement period ended June 30, 2025 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2024 total pension liability determined in the June 30, 2024 actuarial accounting valuation. The June 30, 2025 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Category, Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2024 valuation were based on the results of a November 2021 actuarial experience study for the period 2000 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Plan. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation[1]	Real Return[2]
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Strategic Leverage	-5.00%	1.40%

[1] Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
[2] An expected inflation of 2.30% is used for this period

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

Note 8 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset)to Changes in the Discount Rate

The following presents SVCW's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what SVCW's proportionate share of the Net Pension Liability/(Asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease - 5.90%		
Net Pension Liability	$	32,944,734
Current Discount Rate - 6.90%		
Net Pension Liability	$	19,358,843
1% Increase - 7.90%		
Net Pension Liability	$	8,177,797

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

SVCW had no outstanding amount of contributions to the pension plan required for the year ending June 30, 2026.

Note 9 – Other Postemployment Benefits

A. General Information about OPEB

Plan Description

SVCW's Retiree Healthcare Plan (the Plan) is a single employer defined benefit healthcare plan administered by SVCW. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between SVCW, its management employees, and unions representing SVCW employees.

SVCW joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans in the fiscal year 2010-11. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

Note 9 – Other Postemployment Benefits (Continued)

A. General Information about OPEB (Continued)

Contribution

SVCW's plan and its contribution requirements are established by SVCW policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2026, SVCW's contributions totaled $650,065.

Employees Covered

As of the June 30, 2025 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active employees	85
Inactive employees	52
Total	137

B. Net OPEB Liability

SVCW's net OPEB liability at June 30, 2026, was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2025, was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent
Amortization Period (years)	16 years
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.75% Plus Merit
Discount Rate	5.75%

The actuarial assumptions used in the June 30, 2025 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for SVCW.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Long-term Expected Real Rate of Return
All Equities	23.00%	7.250%
All Fixed Income	51.00%	4.250%
Real Estate Investment Trusts	14.00%	7.250%
All Commodities	3.00%	7.250%
Treasury Inflation-Protected Securities (TIPS)	9.00%	3.000%
Total	100.00%	

Discount Rate

At the June 30, 2025 measurement date, the discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, SVCW plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change of Assumptions

Discount rate was updated based on municipal bond rate as of the measurement date. The medical trend, and PEMHCA minimum trend were updated.

C. Change in Net OPEB Liability (Asset)

Summary of changes in net OPEB liability (asset) for the year ended June 30, 2026, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2024 (Measurement Date)	$ 10,094,626	$ 9,530,461	$ 564,165
Changes Recognized for the Measurement Period:			
Service cost	239,425	-	239,425
Interest on the total OPEB liability	572,628	881,671	(309,043)
Changes in assumptions	-	-	-
Contribution from the employer	-	593,123	(593,123)
Administrative expenses	-	(2,957)	2,957
Experience (Gains)/Losses	81,935	-	81,935
Benefit payments	(593,123)	(593,123)	-
Net changes during July 1, 2024 to June 30, 2025	300,865	878,714	(577,849)
Balance at June 30, 2025 (Measurement Date)	$ 10,395,491	$ 10,409,175	$ (13,684)

Note 9 – Other Postemployment Benefits (Continued)

D. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of SVCW, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2025:

Discount Rate		
4.75% (1% Decrease)	5.75% (Current Rate)	6.75% (1% Increase)
$ 1,213,816	$ (13,684)	$ (1,044,896)

The following presents the net OPEB liability (asset) of SVCW, as well as what the net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2025:

Trend Rate		
3.00% (1% Decrease)	4.00% (Current Rate)	5.00% (1% Increase)
$ (1,301,984)	$ (13,684)	$ 1,557,386

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2026, OPEB expense in the amount of $470,049 is included in the accompanying statement of revenues, expenses and changes in net position.

At June 30, 2026, SVCW reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	$ 650,065	$ -
Differences between expected and actual experience	420,021	(273,492)
Changes in assumptions	665,560	(253,465)
Net difference between projected and actual earnings of OPEB Plan investments	214,725	-
	$ 1,950,371	$ (526,957)

Note 9 – Other Postemployment Benefits (Continued)

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

$650,065 was reported as deferred outflows of resources related to OPEB resulting from SVCW's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2027	$ 557,415
2028	139,696
2029	25,105
2030	(15,338)
2031	31,182
Thereafter	35,289
Total	$ 773,349

Note 10 – Risk Management

SVCW is exposed to various risks of loss including theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. SVCW is a member of the California Sanitation Risk Management Authority ("CSRMA"), a public entity risk pool currently operating as a common risk management and insurance program for 58 member entities. CSRMA's purpose is to spread adverse effects of losses among the member entities and to purchase excess insurance as a group to reduce costs. CSRMA is governed by a board comprised of one representative from each member agency. The CSRMA board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

The following table summarizes the insurance coverage currently maintained by SVCW:

Type of Coverage (Deductible)	Per Occurrence Limits	Deductible/Retention
Pooled Liability Excess Liability	$ 10,000,000	None
Property Insurance	1,250,000,000	100,000
Public Entity Pollution Liability	25,000,000	250,000
Cyber Liability	2,000,000	50,000
Public Official Bond	100,000	None
Crime Insurance Policy	5,000,000	2,500
Worker's Compensation Employer's Liability	1,000,000	None
Excess Worker's Compensation Employer's Liability	Statutory Limit	None
Deadly Weapons Response	500,000	None
Boiler & Machinery	100,000,000	Per schedule

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after retrospective rating. CSRMA's audited financial statements may be obtained by writing them at c/o Alliant Insurance Services, 100 Pine Street, 11th Floor, San Francisco, CA 94111.

There were no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage in any of the past three years.

Note 11 – Commitments and Contingencies

A. Contracts

SVCW has entered into various contracts for the purchase of material, and construction of facilities. The amounts contracted for are based on the contractor's estimated cost of construction. The total outstanding commitments on these contracts were $15,829,450 at June 30, 2026.

B. Litigation

SVCW is at risk to be a defendant in various lawsuits which arise in the normal course of business. The final disposition of these legal actions and claims was not determinable. However, in the opinion of management, the outcome of any litigation of these matters will not have a material effect on the financial position or changes in net position of SVCW.

C. Grant Awards

Grant funds received by SVCW are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of SVCW believes that such disallowances, if any, would not be significant.

Note 12 – Change in Accounting Principle – GASB 103 Reclassification

As a result of implementing GASB Statement No. 103, *Financial Reporting Model Improvements,* certain amounts in the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2025 have been reclassified to conform to the current year presentation:

	Operating Revenues	Noncapital Subsidies	Nonoperating Revenues (Expenses)
June 30, 2025, as originally reported	$ 79,795,186	$ -	$ (9,070,507)
Member contributions for services	451,661	-	-
Intergovernmental - operating grants	-	36,246	(36,246)
Other revenue (expense)	-	-	(490,114)
Gain (loss) on disposal of capital assets	-	-	38,453
June 30, 2025, as reclassified	$ 80,246,847	$ 36,246	$ (9,558,414)

	Cash Flows from Operating Activities	Cash Flows from Noncapital Financing Activities	Cash Flows from Capital and Related Financing Activities
June 30, 2025, as originally reported	$ 32,813,129	$ -	$ (58,464,019)
Cash received from member agencies for services	490,114	-	-
Other revenue	(38,453)	-	38,453
Cash received from member agencies other than for services	-	-	(490,114)
Operating grants received	-	36,246	(36,246)
Cash received on sale of capital assets	-	-	543,885
Purchases and construction of capital assets	-	-	(543,885)
June 30, 2025, as reclassified	$ 33,264,790	$ 36,246	$ (58,951,926)

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Silicon Valley Clean Water
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Last Ten Years

Fiscal year ended	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Plan's proportion of the net pension liability	0.189240%	0.182740%	0.178440%	0.175160%	0.151940%
Plan's proportionate share of the net pension liability	$ 19,358,843	$ 22,161,277	$ 22,261,275	$ 20,232,670	$ 8,606,933
Plan's covered payroll	$ 15,447,596	$ 14,598,993	$ 13,761,593	$ 12,784,495	$ 12,293,195
Plan's proportionate share of the net pension liability as a percentage of covered payroll	125.32%	151.80%	161.76%	158.26%	70.01%
Plan's fiduciary net position as a percentage of the total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%
Plan's proportionate share of aggregate employer contributions	$ 3,172,362	$ 2,777,604	$ 2,677,108	$ 2,411,890	$ 2,051,581

Fiscal year ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Plan's proportion of the net pension liability	0.152990%	0.146900%	0.140170%	0.349100%	0.332100%
Plan's proportionate share of the net pension liability	$ 16,646,389	$ 15,053,146	$ 13,507,192	$ 13,762,187	$ 11,536,951
Plan's covered payroll	$ 11,799,491	$ 11,073,314	$ 11,882,052	$ 10,137,714	$ 9,454,067
Plan's proportionate share of the net pension liability as a percentage of covered payroll	141.08%	135.94%	113.68%	135.75%	122.03%
Plan's fiduciary net position as a percentage of the total pension liability	75.10%	75.26%	76.53%	77.31%	78.40%
Plan's proportionate share of aggregate employer contributions	$ 1,916,618	$ 1,612,511	$ 1,470,709	$ 1,251,217	$ 1,130,159

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Silicon Valley Clean Water
Schedule of Contributions – Pension Plan
Last Ten Years

Fiscal Year:	2025-26	2024-25	2023-24	2022-23	2021-22
Contractually determined contribution (actuarially determined)	$ 3,435,160	$ 3,172,362	$ 2,777,604	$ 2,677,108	$ 2,411,890
Contributions in relation to the actuarially determined contributions	(3,435,160)	(3,172,362)	(2,777,604)	(2,677,108)	(2,411,890)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 15,534,166	$ 15,447,596	$ 14,598,993	$ 13,761,593	$ 12,784,495
Contributions as a percentage of covered payroll	22.11%	20.54%	19.03%	19.45%	18.87%

Fiscal Year:	2020-21	2019-20	2018-19	2017-18	2016-17
Contractually determined contribution (actuarially determined)	$ 2,051,581	$ 1,916,618	$ 1,612,511	$ 1,470,709	$ 1,251,217
Contributions in relation to the actuarially determined contributions	(2,051,581)	(1,916,618)	(1,612,511)	(1,470,709)	(1,251,217)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 12,293,195	$ 11,799,491	$ 11,073,314	$ 11,882,052	$ 10,137,714
Contributions as a percentage of covered payroll	16.69%	16.24%	14.56%	12.38%	12.34%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2026:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2026 were derived from the June 30, 2024 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2024 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2024 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by category, entry age and service
Payroll growth	2.80%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

Silicon Valley Clean Water
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years

Fiscal year ending:	6/30/2026	6/30/2025	6/30/2024	6/30/2023
Total OPEB liability				
Service cost	$ 239,425	$ 237,468	$ 231,112	$ 242,168
Interest	572,628	549,437	537,372	544,022
Differences between expected and actual experience	81,935	337,063	2,961	(337,615)
Changes of assumptions	-	(177,312)	-	-
Benefit payments, including refunds of member contributions	(593,123)	(573,631)	(556,800)	(554,545)
Net change in total OPEB liability	300,865	373,025	214,645	(105,970)
Total OPEB liability - beginning	10,094,626	9,721,601	9,506,956	9,612,926
Total OPEB liability - ending (a)	$ 10,395,491	$ 10,094,626	$ 9,721,601	$ 9,506,956
OPEB fiduciary net position				
Contributions - employer	$ 593,123	$ 208,546	$ 91,530	$ 84,612
Implicit subsidy - employer	-	-	116,654	112,991
Net investment income	881,671	568,541	145,942	(1,128,613)
Benefit payments, including refunds of member contributions	(593,123)	(573,631)	(556,800)	(554,545)
Other	-	-	-	-
Administrative expense	(2,957)	(2,936)	(2,677)	(2,778)
Net change in plan fiduciary net position	878,714	200,520	(205,351)	(1,488,333)
Plan fiduciary net position - beginning	9,530,461	9,329,941	9,535,292	11,023,625
Plan fiduciary net position - ending (b)	$ 10,409,175	$ 9,530,461	$ 9,329,941	$ 9,535,292
Plan net OPEB liability (asset) - ending (a)	$ (13,684)	$ 564,165	$ 391,660	$ (28,336)
Plan fiduciary net position as a percentage of the total OPEB liability	100.13%	94.41%	95.97%	100.30%
Covered-employee payroll	$ 16,942,204	$ 16,926,095	$ 15,959,933	$ 15,155,726
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	61.36%	59.64%	60.91%	62.73%

[1] Information only presented from the implementation year. GASB 75 was implemented as of June 30, 2018.

Silicon Valley Clean Water
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
Last Ten Years

Fiscal year ending:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018 [1]
Total OPEB liability					
Service cost	$ 184,200	$ 85,101	$ 38,457	$ 37,428	$ 36,426
Interest	558,593	591,376	484,027	473,085	461,630
Differences between expected and actual experience	(62,317)	(329,021)	516,978	-	-
Changes of assumptions	1,239,004	(438,887)	929,611	-	-
Benefit payments, including refunds of member contributions	(451,036)	(421,253)	(391,064)	(341,991)	(328,838)
Net change in total OPEB liability	1,468,444	(512,684)	1,578,009	168,522	169,218
Total OPEB liability - beginning	8,144,482	8,657,166	7,079,157	6,910,635	6,741,417
Total OPEB liability - ending (a)	$ 9,612,926	$ 8,144,482	$ 8,657,166	$ 7,079,157	$ 6,910,635
OPEB fiduciary net position					
Contributions - employer	$ 342,773	$ 1,016,333	$ 841,064	$ 763,957	$ 748,838
Implicit subsidy - employer	108,263	82,920	-	-	-
Net investment income	2,377,650	281,796	444,164	477,679	547,183
Benefit payments, including refunds of member contributions	(451,036)	(421,253)	(391,064)	(341,991)	(328,838)
Other	-	(1,966)	-	4,017	-
Administrative expense	(3,273)	(3,831)	(1,501)	(11,080)	(4,578)
Net change in plan fiduciary net position	2,374,377	953,999	892,663	892,582	962,605
Plan fiduciary net position - beginning	8,649,248	7,695,249	6,802,586	5,910,004	4,947,399
Plan fiduciary net position - ending (b)	$ 11,023,625	$ 8,649,248	$ 7,695,249	$ 6,802,586	$ 5,910,004
Plan net OPEB liability - ending (a) - (b)	$ (1,410,699)	$ (504,766)	$ 961,917	$ 276,571	$ 1,000,631
Plan fiduciary net position as a percentage of the total OPEB liability	114.68%	106.20%	88.89%	96.09%	85.52%
Covered-employee payroll	$ 14,140,636	$ 13,715,063	$ 13,063,649	$ 12,259,105	$ 11,176,980
Plan net OPEB liability as a percentage of covered-employee payroll	67.98%	59.38%	66.27%	57.75%	61.83%

[1] Information only presented from the implementation year. GASB 75 was implemented as of June 30, 2018.

Silicon Valley Clean Water
Schedule of Contributions – Other Postemployment Benefits Plan
Last Ten Years

Fiscal Year:	2025-26	2024-25	2023-24	2022-23	2021-22
Actuarially determined contribution	$ 527,125	$ 511,188	$ 569,811	$ 553,839	$ 545,502
Contributions in relation to the actuarially determined contributions	(650,065)	(593,123)	(210,014)	(208,184)	(114,180)
Contribution deficiency (excess)	$ (122,940)	$ (81,935)	$ 359,797	$ 345,655	$ 431,322
Covered payroll	$ 16,942,204	$ 16,926,095	$ 15,959,933	$ 15,155,726	$ 14,140,636
Contributions as a percentage of covered payroll	3.84%	3.50%	1.32%	1.37%	0.81%

Fiscal Year:	2020-21	2019-20	2018-19	2017-18[1]
Actuarially determined contribution	$ 513,353	$ 502,972	$ 74,614	$ 135,456
Contributions in relation to the actuarially determined contributions	(342,773)	(1,016,333)	(841,064)	(763,957)
Contribution deficiency (excess)	$ 170,580	$ (513,361)	$ (766,450)	$ (628,501)
Covered payroll	$ 13,715,063	$ 13,063,649	$ 12,259,105	$ 11,176,980
Contributions as a percentage of covered payroll	2.50%	7.78%	6.86%	6.84%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2026:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2026 were derived from the June 30, 2024 actuarial valuation report.

Actuarial cost method	Entry Age Normal Cost
Amortization method/period	Straight-line over 20 years
Asset valuation method	Level percentage of payroll, closed.
Inflation	2.50%
Salary increases	2.75%
Healthcare trend rate	4.00%
Investment rate of return	5.75%
Retirement age	Hired 2012 and earlier: Rx PA Misc 2% @ 55, min age 50 Hired 2013 and later: Rx PA Misc 2% @ 62, min age 52
Mortality	2021 CalPERS Mortality for Miscellaneous and School Employees.

[1] Information only presented from the implementation year. GASB 75 was implemented as of June 30, 2018.

SUPPLEMENTARY INFORMATION

Silicon Valley Clean Water
Combining Schedule of Net Position
June 30, 2026

	Operating Reserve	Capital Improvement Program Reserve	Capital Improvements	Construction Stage 2	Self Insurance
ASSETS					
Current assets:					
Cash and investments	$ 5,571,772	$ 26,887,341	$ -	$ 7,651,401	$ -
Accounts receivable	8,709	50,467	21,943	12,480	-
Interest receivable	-	-	-	-	-
Employee notes receivable	-	-	-	-	-
Due from other funds	3,208,750	-	-	12,581,681	186,780
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	8,789,231	26,937,808	21,943	20,245,562	186,780
Noncurrent assets:					
Cash restricted for debt service	-	8,959,692	-	-	-
Cash restricted for pension benefits	-	-	-	-	-
Total restricted cash	-	8,959,692	-	-	-
Capital assets, depreciable, net	-	-	-	-	-
Capital assets, non-depreciable:					
Land	-	-	-	-	-
Construction in progress:					
General	-	-	915,519	-	-
Capital assets, net	-	-	915,519	-	-
Net OPEB asset	-	-	-	-	-
Total noncurrent assets	-	8,959,692	915,519	-	-
Total assets	8,789,231	35,897,500	937,462	20,245,562	186,780
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources	-	-	-	-	-
OPEB-related deferred outflows of resources	-	-	-	-	-
Deferred loss on refunding	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-

(Continued)

Silicon Valley Clean Water
Combining Schedule of Net Position (Continued)
June 30, 2026

	Operating Reserve	Capital Improvement Program Reserve	Capital Improvements	Construction Stage 2	Self Insurance
LIABILITIES					
Current liabilities:					
Accounts payable	$ 104	$ 2,674	$ 6,601	$ 497	$ -
Accrued payroll and employee benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Due to other funds	-	7,803,394	1,081,192	-	-
Unearned revenue	-	35,438	11,853	-	-
Compensated absences, current portion	-	-	-	-	-
Long-term debt, current portion	-	-	-	-	-
Total current liabilities	104	7,841,506	1,099,646	497	-
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Long-term debt	-	-	-	-	-
Net pension liability	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	104	7,841,506	1,099,646	497	-
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	-	-	-	-	-
OPEB-related deferred inflows of resources	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	-	915,519	-	-
Restricted for:					
Debt service	-	8,959,692	-	-	-
Pension benefits	-	-	-	-	-
Unrestricted (deficit)	8,789,127	19,096,302	(1,077,703)	20,245,065	186,780
Total net position	$ 8,789,127	$ 28,055,994	$ (162,184)	$ 20,245,065	$ 186,780

(Continued)

Silicon Valley Clean Water
Combining Schedule of Net Position (Continued)
June 30, 2026

	Recycled Water	Capital Improvement Program	Operation	Eliminations	Total
ASSETS					
Current assets:					
Cash and investments	$ -	$ 1,990,996	$ 2,213,531	$ -	$ 44,315,041
Accounts receivable	98,404	283,854	640,024	-	1,115,881
Interest receivable	-	-	408	-	408
Employee notes receivable	-	-	17,567	-	17,567
Due from other funds	167,187	-	7,330,667	(23,475,065)	-
Inventory	-	-	2,051,026	-	2,051,026
Prepaid items	-	-	121,387	-	121,387
Total current assets	265,591	2,274,850	12,374,610	(23,475,065)	47,621,310
Noncurrent assets:					
Cash restricted for debt service	-	-	-	-	8,959,692
Cash restricted for pension benefits	-	-	4,342,727	-	4,342,727
	-	-	4,342,727	-	13,302,419
Capital assets, depreciable, net	-	-	784,487,591	-	784,487,591
Capital assets, non-depreciable:					
Land	-	-	1,282,081	-	1,282,081
Construction in progress:					
General	-	95,009,179	-	-	95,924,698
Capital assets, net	-	95,009,179	785,769,672	-	881,694,370
Net OPEB asset	-	-	13,684	-	13,684
Total noncurrent assets	-	95,009,179	790,126,083	-	895,010,473
Total assets	265,591	97,284,029	802,500,693	(23,475,065)	942,631,783
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources	-	-	5,956,916	-	5,956,916
OPEB-related deferred outflows of resources	-	-	1,950,371	-	1,950,371
Deferred loss on refunding	-	2,733,895	-	-	2,733,895
Total deferred outflows of resources	-	2,733,895	7,907,287	-	10,641,182

(Continued)

Silicon Valley Clean Water
Combining Schedule of Net Position (Continued)
June 30, 2026

	Recycled Water	Capital Improvement Program	Operation	Eliminations	Total
LIABILITIES					
Current liabilities:					
Accounts payable	$ -	$ 3,225,329	$ 1,145,001	$ -	$ 4,380,206
Accrued payroll and employee benefits	-	-	473,467	-	473,467
Accrued interest payable	-	4,391,838	-	-	4,391,838
Due to other funds	-	12,660,977	1,929,502	(23,475,065)	-
Unearned revenue	-	-	295,735	-	343,026
Compensated absences, current portion	-	-	950,114	-	950,114
Long-term debt, current portion	-	16,789,227	61,286	-	16,850,513
Total current liabilities	-	37,067,371	4,855,105	(23,475,065)	27,389,164
Noncurrent liabilities:					
Compensated absences	-	-	1,357,960	-	1,357,960
Long-term debt	-	788,613,552	347,285	-	788,960,837
Net pension liability	-	-	19,358,843	-	19,358,843
Total noncurrent liabilities	-	788,613,552	21,064,088	-	809,677,640
Total liabilities	-	825,680,923	25,919,193	(23,475,065)	837,066,804
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	-	-	2,700,910	-	2,700,910
OPEB-related deferred inflows of resources	-	-	526,957	-	526,957
Total deferred inflows of resources	-	-	3,227,867	-	3,227,867
NET POSITION					
Net investment in capital assets	-	(710,885,034)	785,361,101	-	75,391,586
Restricted for:					
Debt service	-	-	-	-	8,959,692
Pension benefits	-	-	4,342,727	-	4,342,727
Unrestricted (deficit)	265,591	(14,777,965)	(8,442,908)	-	24,284,289
Total net position	$ 265,591	$ (725,662,999)	$ 781,260,920	$ -	$ 112,978,294

(Concluded)

Silicon Valley Clean Water
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2026

	Operating Reserve	Capital Improvement Program Reserve	Capital Improvements	Construction Stage 2	Self Insurance
OPERATING REVENUES					
Member contributions for services	$ -	$ -	$ -	$ -	$ -
Member contributions for cash reserves	808,044	4,000,008	1,739,196	281,418	-
Member contributions for debt service	-	-	-	-	-
Source control charges	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total operating revenues	808,044	4,000,008	1,739,196	281,418	-
OPERATING EXPENSES					
Operations	-	-	-	-	-
Maintenance	-	-	-	-	-
Laboratory	-	-	-	-	-
Environmental services	-	-	-	-	-
Engineering	-	-	-	-	-
Information services	-	-	-	-	-
Safety	-	-	-	-	-
Administration	2,546	34,871	-	8,256	-
Depreciation	-	-	-	-	-
Total operating expenses	2,546	34,871	-	8,256	-
Operating income (loss)	805,498	3,965,137	1,739,196	273,162	-
NONOPERATING REVENUES (EXPENSES)					
Interest income:					
Operations fund	-	-	-	-	-
Stage 2 capacity fund	-	-	-	126,797	-
Capital improvement reserve fund	-	1,083,322	-	-	-
Operating reserve fund	192,314	-	-	-	-
Capital improvement fund	-	-	-	-	-
Net increase (decrease) in fair value of investments	96	(139,808)	-	151,545	-
Interest expense	-	-	-	-	-
Premium amortization	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Transfers in - restricted for capital assets	-	-	-	-	-
Transfers out - restricted for capital assets	-	-	(1,136,799)	-	-
Total nonoperating revenues (expenses)	192,410	943,514	(1,136,799)	278,342	-
Change in net position	997,908	4,908,651	602,397	551,504	-
Net position, beginning of year	7,791,219	23,147,343	(764,581)	19,693,561	186,780
Net position, end of year	$ 8,789,127	$ 28,055,994	$ (162,184)	$ 20,245,065	$ 186,780

(Continued)

Silicon Valley Clean Water
Combining Schedule of Revenues, Expenses and Changes in Net Position (Continued)
For the Year Ended June 30, 2026

	Recycled Water	Capital Improvement Program	Operation	Eliminations	Total
OPERATING REVENUES					
Member contributions for services	$ 298,404	$ -	$ 34,001,019	$ -	$ 34,299,423
Member contributions for cash reserves	-	-	-	-	6,828,666
Member contributions for debt service	-	36,130,261	-	-	36,130,261
Source control charges	-	-	581,175	-	581,175
Miscellaneous revenues	-	-	620,536	-	620,536
Total operating revenues	298,404	36,130,261	35,202,730	-	78,460,061
OPERATING EXPENSES					
Operations	254,702	-	14,224,189	-	14,478,891
Maintenance	-	-	7,467,840	-	7,467,840
Laboratory	7,632	-	2,151,126	-	2,158,758
Environmental services	-	-	1,419,431	-	1,419,431
Engineering	-	98,731	2,665,678	-	2,764,409
Information services	-	-	2,136,388	-	2,136,388
Safety	-	-	551,400	-	551,400
Administration	-	5,857,412	5,950,620	-	11,853,705
Depreciation	-	-	30,813,817	-	30,813,817
Total operating expenses	262,334	5,956,143	67,380,489	-	73,644,639
Operating income (loss)	36,070	30,174,118	(32,177,759)	-	4,815,422
NONOPERATING REVENUES (EXPENSES)					
Interest income:					
Operations fund	-	-	402,406	-	402,406
Stage 2 capacity fund	-	-	-	-	126,797
Capital improvement reserve fund	-	-	-	-	1,083,322
Operating reserve fund	-	-	-	-	192,314
Capital improvement fund	-	1,583,917	-	-	1,583,917
Net increase (decrease) in fair value of investments	-	(31,980)	473,210	-	453,063
Interest expense	-	(15,065,648)	-	-	(15,065,648)
Premium amortization	-	434,783	-	-	434,783
Gain (loss) on disposal of capital assets	-	-	(152,785)	-	(152,785)
Transfers in - restricted for capital assets	-	-	23,399,650	(23,399,650)	-
Transfers out - restricted for capital assets	-	(22,262,851)	-	23,399,650	-
Total nonoperating revenues (expenses)	-	(35,341,779)	24,122,481	-	(10,941,831)
Change in net position	36,070	(5,167,661)	(8,055,278)	-	(6,126,409)
Net position, beginning of year	229,521	(720,495,338)	789,316,198	-	119,104,703
Net position, end of year	$ 265,591	$(725,662,999)	$ 781,260,920	$ -	$ 112,978,294

(Concluded)

Silicon Valley Clean Water
Combining Schedule of Cash Flows
For the Year Ended June 30, 2026

	Operating Reserve	Capital Improvement Program Reserve	Capital Improvements	Construction Stage 2	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from member agencies contributions	$ 792,873	$ 3,953,479	$ 1,715,410	$ 1,427,310	$ -
Payments to vendors and suppliers for materials and services	(2,845)	(36,642)	(8,920)	(9,070)	-
Payments for employee wages, benefits and related costs	-	-	(19,304)	-	-
Other revenue	-	-	-	-	-
Net cash provided by (used in) operating activities	790,028	3,916,837	1,687,186	1,418,240	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from member agencies other than for services	-	-	-	-	-
Capital grants and contributions received	-	-	-	-	-
Contribution (to) from other funds	17,578	80,022	(112,117)	(2,661,637)	-
Interest paid on capital debt	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-
Cash received on sale of capital assets	-	-	-	-	-
Purchases and construction of capital assets	-	-	(1,575,069)	293,462	-
Net cash provided by (used in) capital and related financing activities	17,578	80,022	(1,687,186)	(2,368,175)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Noncash equivalent investments	1,125,648	(4,980,253)	-	1,860,466	-
Investment income	192,410	943,514	-	278,342	-
Net cash provided by (used in) investing activities	1,318,058	(4,036,739)	-	2,138,808	-
Net increase (decrease) in cash and cash equivalents	2,125,664	(39,880)	-	1,188,873	-
Cash and cash equivalents, beginning of year	2,073,686	386,316	-	361,690	-
Cash and cash equivalents, end of year	$ 4,199,350	$ 346,436	$ -	$ 1,550,563	$ -
Reconciliation of Cash and Cash Equivalents:					
Cash and investments	5,571,772	35,847,033	-	7,651,401	-
Less: investments with original maturities in excess of three months	(1,372,422)	(35,500,597)	-	(6,100,838)	-
Cash and cash equivalents	$ 4,199,350	$ 346,436	$ -	$ 1,550,563	$ -

(Continued)

Silicon Valley Clean Water
Combining Schedule of Cash Flows (Continued)
For the Year Ended June 30, 2026

	Operating Reserve	Capital Improvement Program Reserve	Capital Improvements	Construction Stage 2	Self Insurance
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 805,498	$ 3,965,137	$ 1,739,196	$ 273,162	$ -
Adjustments to reconcile operating (loss) to net cash provided by operating activities:					
Depreciation	-	-	-	-	-
Changes in operating assets and liabilities:					
Accounts receivable	(8,709)	(50,467)	(21,943)	1,145,892	-
Employee notes receivable	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Net OPEB asset	-	-	-	-	-
Pension-related deferred outflows of resources	-	-	-	-	-
OPEB-related deferred outflows of resources	-	-	-	-	-
Accounts payable	(299)	(1,771)	(28,224)	(814)	-
Accrued payroll and employee benefits	-	-	-	-	-
Unearned revenue	(6,462)	3,938	(1,843)	-	-
Compensated absences	-	-	-	-	-
Net pension liability	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
Pension-related deferred inflows of resources	-	-	-	-	-
OPEB-related deferred inflows of resources	-	-	-	-	-
Net cash provided by operating activities	$ 790,028	$ 3,916,837	$ 1,687,186	$ 1,418,240	$ -
NONCASH INVESTING AND FINANCING ACTIVITIES:					
Unrealized gain (loss) on investments	$ 96	$ (139,808)	$ -	$ 151,545	$ -
Noncash transfers of capital assets	$ -	$ -	$ (1,136,799)	$ -	$ -
Capitalized interest accreted to principal	$ -	$ -	$ -	$ -	$ -
Amortization of bond premium	$ -	$ -	$ -	$ -	$ -

(Continued)

Silicon Valley Clean Water
Combining Schedule of Cash Flows (Continued)
For the Year Ended June 30, 2026

	Recycled Water	Capital Improvement Program	Operation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from member agencies contributions	$ 318,916	$ 35,980,407	$ 33,863,087	$ -	$ 78,051,482
Payments to vendors and suppliers for materials and services	(260,121)	(6,385,326)	(12,707,996)	-	(19,410,920)
Payments for employee wages, benefits and related costs	(33,398)	(1,810,074)	(22,693,953)	-	(24,556,729)
Other revenue	-	-	1,201,711	-	1,201,711
Net cash provided by (used in) operating activities	25,397	27,785,007	(337,151)	-	35,285,544
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from member agencies other than for services	-	-	-	-	-
Capital grants and contributions received	-	-	-	-	-
Contribution (to) from other funds	(25,397)	9,395,582	(6,694,031)	-	-
Interest paid on capital debt	-	(9,718,428)	-	-	(9,718,428)
Principal paid on capital debt	-	(90,405,089)	(61,286)	-	(90,466,375)
Proceeds from long-term debt	-	73,840,436	-	-	73,840,436
Cash received on sale of capital assets	-	-	-	-	-
Purchases and construction of capital assets	-	(43,319,713)	-	-	(44,601,320)
Net cash provided by (used in) capital and related financing activities	(25,397)	(60,207,212)	(6,755,317)	-	(70,945,687)
CASH FLOWS FROM INVESTING ACTIVITIES					
Noncash equivalent investments	-	-	(875,593)	-	(2,869,732)
Investment income	-	1,551,937	875,647	-	3,841,850
Net cash provided by (used in) investing activities	-	1,551,937	54	-	972,118
Net increase (decrease) in cash and cash equivalents	-	(30,870,268)	(7,092,414)	-	(34,688,025)
Cash and cash equivalents, beginning of year	-	32,861,264	9,346,559	-	45,029,515
Cash and cash equivalents, end of year	$ -	$ 1,990,996	$ 2,254,145	$ -	$ 10,341,490
Reconciliation of Cash and Cash Equivalents:					
Cash and investments	-	1,990,996	6,556,258	-	57,617,460
Less: investments with original maturities in excess of three months	-	-	(4,302,113)	-	(47,275,970)
Cash and cash equivalents	$ -	$ 1,990,996	$ 2,254,145	$ -	$ 10,341,490

(Continued)

Silicon Valley Clean Water
Combining Schedule of Cash Flows (Continued)
For the Year Ended June 30, 2026

	Recycled Water	Capital Improvement Program	Operation	Eliminations	Total
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 36,070	$ 30,174,118	$ (32,177,759)	$ -	$ 4,815,422
Adjustments to reconcile operating (loss) to net cash provided by operating activities:					
Depreciation	-	-	30,813,817	-	30,813,817
Changes in operating assets and liabilities:					
Accounts receivable	20,512	(149,854)	(394,524)	-	540,907
Employee notes receivable	-	-	(4,792)	-	(4,792)
Inventories	-	-	229,188	-	229,188
Prepaid expenses	-	-	(45,678)	-	(45,678)
Net OPEB asset	-	-	(13,684)	-	(13,684)
Pension-related deferred outflows of resources	-	-	1,408,572	-	1,408,572
OPEB-related deferred outflows of resources	-	-	565,611	-	565,611
Accounts payable	(31,185)	(2,239,257)	248,584	-	(2,052,966)
Accrued payroll and employee benefits	-	-	12,516	-	12,516
Unearned revenue	-	-	27,404	-	23,037
Compensated absences	-	-	162,211	-	162,211
Net pension liability	-	-	(2,802,434)	-	(2,802,434)
Net OPEB liability	-	-	(564,165)	-	(564,165)
Pension-related deferred inflows of resources	-	-	2,365,760	-	2,365,760
OPEB-related deferred inflows of resources	-	-	(167,778)	-	(167,778)
Net cash provided by operating activities	$ 25,397	$ 27,785,007	$ (337,151)	$ -	$ 35,285,544
NONCASH INVESTING AND FINANCING ACTIVITIES:					
Unrealized gain (loss) on investments	$ -	$ (31,980)	$ 473,210	$ -	$ 453,063
Noncash transfers of capital assets	$ -	$ (22,262,851)	$ 23,399,650	$ -	$ -
Capitalized interest accreted to principal	$ -	$ 5,414,831	$ -	$ -	$ 5,414,831
Amortization of bond premium	$ -	$ 434,783	$ -	$ -	$ 434,783

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NOTES TO THE SUPPLEMENTARY INFORMATION

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Silicon Valley Clean Water
Notes to the Supplementary Information
For the Year Ended June 30, 2026

Note 1 – Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Interfund balances and transfers are eliminated in the Total column of the combining schedules, which agrees to SVCW's basic financial statements.

A. Interfund Due to/from Amounts

Interfund receivables and payables as of June 30, 2026, were as follows:

Fund Description	Due From	Due To
Operations	$ 7,330,667	$ 1,929,502
Capital Improvement Program	-	12,660,977
Recycled Water	167,187	-
Self Insurance	186,780	-
Construction Stage 2	12,581,681	-
Capital Improvements	-	1,081,192
Capital Improvement Program Reserve	-	7,803,394
Operating Reserve	3,208,750	-
Totals	$ 23,475,065	$ 23,475,065

B. Interfund Transfers

Interfund transfers consist of transfers from funds receiving revenue to funds through which the resources are to be expended and transfers of capital assets upon completion of construction. Interfund transfers for the year ended June 30, 2026, were as follows:

Fund Description	Transfer In	Transfers Out
Operations	$ 23,399,650	$ -
Capital Improvement Program	-	22,262,851
Capital Improvements	-	1,136,799
Totals	$ 23,399,650	$ 23,399,650

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UNAUDITED

Silicon Valley Clean Water

Analysis of Net Position

Supplemental Schedule

For the Year Ended June 30, 2026

Fund / Location	Belmont	Redwood City	San Carlos	West Bay Sanitary District	Total
Operations (Fund 18)					
Balance at June 30, 2025	$ 74,467,470	$ 381,785,383	$ 116,249,214	$ 213,074,643	$ 785,576,711
Member Agency Contributions	3,219,972	18,467,904	4,339,752	7,526,412	33,554,040
Other Miscellaneous Revenue	136,995	623,568	177,012	264,136	1,201,711
Grant Revenue	-	-	-	-	-
Unrealized Gain / (Loss) on Investments	(11)	(49)	(14)	(21)	(95)
Interest Income, Direct	379	940	212	158	1,689
Interest Income, Allocated	45,682	207,932	59,026	88,078	400,717
Capitalized Projects Transferred from other Funds	2,211,267	11,365,210	3,542,707	6,280,466	23,399,650
Gain / (Loss) on Asset Disposal	(14,438)	(74,208)	(23,132)	(41,007)	(152,785)
Operating & Maintenance Costs	(3,624,656)	(19,201,969)	(4,629,712)	(8,362,418)	(35,818,755)
Redwood City Double Pumping Allocation	-	(335,870)	-	(11,175)	(347,045)
Depreciation Expenditures	(2,911,906)	(14,966,271)	(4,665,212)	(8,270,428)	(30,813,817)
Balance at June 30, 2026	$ 73,530,753	$ 377,872,568	$ 115,049,853	$ 210,548,843	$ 777,002,017
Retiree Medical Health Benefits Reserve (Fund 12)					
Balance at June 30, 2025	$ 4,849	$ (110,925)	$ 54,277	$ (47,780)	$ (99,580)
Contributions to Fund 12	-	-	-	-	-
Expenditures	(44,782)	(203,837)	(57,863)	(86,343)	(392,826)
Balance at June 30, 2026	$ (39,933)	$ (314,761)	$ (3,586)	$ (134,123)	$ (492,404)
Section 115 Pension Benefits Reserve (Fund 32)					
Balance at June 30, 2025	$ 424,151	$ 2,077,528	$ 531,943	$ 805,445	$ 3,839,067
Contributions to Fund 32	50,956	231,937	65,840	98,246	446,979
Unrealized Gain / (Loss) on Investment	30,214	137,526	39,040	58,255	265,035
Interest Income	23,743	108,072	30,678	45,778	208,271
Fees	(917)	(4,175)	(1,185)	(1,768)	(8,046)
Balance at June 30, 2026	$ 528,146	$ 2,550,888	$ 666,316	$ 1,005,955	$ 4,751,305
Capital Improvement Program Reserve (Fund 13)					
Balance at June 30, 2025	$ 2,187,430	$ 11,242,649	$ 3,504,514	$ 6,212,750	$ 23,147,343
Member Contributions - Replacement Reserve	378,000	1,942,800	605,604	1,073,604	4,000,008
Change in Fair Value, Unrealized Gain/(Loss)	(13,212)	(67,905)	(21,167)	(37,524)	(139,808)
Fees	(3,295)	(16,937)	(5,280)	(9,360)	(34,872)
Interest Income	102,374	526,170	164,015	290,764	1,083,322
Balance at June 30, 2026	$ 2,651,297	$ 13,626,777	$ 4,247,687	$ 7,530,234	$ 28,055,995
Construction Stage 2 (Fund 15)					
Balance at June 30, 2025	$ 373,251	$ 12,576,254	$ 3,154,931	$ 3,589,124	$ 19,693,561
Member Purchases of Capacity	-	281,418	-	-	281,418
Interest Income	11,982	61,585	19,197	34,032	126,797
Unrealized Gain / (Loss) on Investment	14,321	73,605	22,944	40,675	151,545
Fees	(780)	(4,010)	(1,250)	(2,216)	(8,256)
Capitalized Projects Transferred to Fund 18	-	-	-	-	-
Balance at June 30, 2026	$ 398,774	$ 12,988,854	$ 3,195,822	$ 3,661,616	$ 20,245,066
Self Insurance (Fund 16)					
Balance at June 30, 2025	$ 19,639	$ 75,632	$ 34,110	$ 57,399	$ 186,780

UNAUDITED

Silicon Valley Clean Water

Analysis of Net Position

Supplemental Schedule

For the Year Ended June 30, 2026

Fund / Location	Belmont	Redwood City	San Carlos	West Bay Sanitary District	Total
Expenses / Claims	-	-	-	-	-
Balance at June 30, 2026	$ 19,639	$ 75,632	$ 34,110	$ 57,399	$ 186,780
Operating & Capital Reserve (Fund 17)					
Balance at June 30, 2025	$ 872,401	$ 3,881,554	$ 1,007,645	$ 2,029,619	$ 7,791,219
Member Contributions	77,544	444,744	104,508	181,248	808,044
Unrealized Gain / (Loss) on Investment	11	50	14	21	96
Fees	(290)	(1,322)	(375)	(560)	(2,547)
Interest Income	21,924	99,792	28,328	42,271	192,314
Balance at June 30, 2026	$ 971,590	$ 4,424,819	$ 1,140,120	$ 2,252,599	$ 8,789,128
Revenue-Funded Capital Improvements (Fund 14)					
Balance at June 30, 2025	$ (14,068)	$ (285,991)	$ (354,173)	$ (110,348)	$ (764,581)
Member Contributions - Pay go capital projects	164,352	844,728	263,316	466,800	1,739,196
Miscellaneous Revenue	-	-	-	-	-
Other Expenses	(0)	(0)	(0)	(0)	(0)
Capitalized Projects transferred to Fund 18	(107,428)	(552,143)	(172,111)	(305,117)	(1,136,799)
Balance at June 30, 2026	$ 42,856	$ 6,593	$ (262,969)	$ 51,335	$ (162,185)
Recycled Water (Fund 19)					
Balance at June 30, 2025	$ -	$ 229,521	$ -	$ -	$ 229,521
RWC Recycled Water O&M Contributions	-	298,404	-	-	298,404
RWC Recycled Water O&M Expenditures	-	(262,333)	-	-	(262,333)
Balance at June 30, 2026	$ -	$ 265,591	$ -	$ -	$ 265,591
Plant Capital Improvement Program (Fund 20)					
Balance at June 30, 2025	(36,280,681)	(368,120,272)	(118,506,913)	(197,587,472)	$ (720,495,338)
Member Contributions	4,375,147	17,344,385	5,450,311	8,960,419	36,130,261
Unrealized Gain / (Loss) on Investments	(3,022)	(15,533)	(4,842)	(8,583)	(31,980)
Interest on Trustee Reserves	166,432	763,432	237,684	416,369	1,583,917
Capitalized Projects Transferred to Fund 18	(2,103,839)	(10,813,067)	(3,370,596)	(5,975,349)	(22,262,851)
Interest Expense, Direct	(2,551,981)	(5,272,750)	(1,679,294)	(214,402)	(9,718,426)
Interest Expense, Allocated	(316,876)	(2,693,929)	(840,806)	(1,495,609)	(5,347,221)
Amortization of Bond Premium	-	246,346	77,974	110,463	434,783
Refund of Debt Coverage Reserve	-	-	-	-	-
Other Expenses	(562,856)	(2,892,899)	(901,760)	(1,598,629)	(5,956,144)
Balance at June 30, 2026	$ (37,277,676)	$ (371,454,286)	$ (119,538,242)	$ (197,392,794)	$ (725,662,999)
TOTAL NET POSITION - June 30, 2026	**$ 40,825,446**	**$ 40,042,675**	**$ 4,529,111**	**$ 27,581,062**	**$ 112,978,294**

Agenda Report

From: Matthew Anderson
Report Type: Informational
Lead Department: Finance
Meeting Date: November 12, 2026

Subject:

Silicon Valley Clean Water's long-term pension and Other Post-Employment Benefits (OPEB) obligations, and balance for the Section 115 Irrevocable Pension Trust.

Recommendation:

Receive a report regarding Silicon Valley Clean Water's long-term pension and Other Post-Employment Benefits (OPEB) obligations, and provide direction on the establishment of a policy that creates a target balance for the Section 115 Irrevocable Pension Trust.

Background:

SVCW provides retirement benefits to eligible employees through two principal programs: a defined-benefit pension administered through the California Public Employees' Retirement System (CalPERS) and retiree healthcare benefits provided through SVCW's OPEB program. Although both programs represent long-term commitments associated with employee service, their current financial positions are substantially different. Whereas SVCW's pension plan has a significant unfunded liability, the Authority's OPEB obligations are fully funded.

SVCW participates in CalPERS for its defined-benefit pension program. Pension liabilities reflect the Authority's proportionate share of the CalPERS pooled pension liability and are affected by investment returns, actuarial assumptions, demographic experience, and changes in its proportionate share of pool.

For retiree healthcare, SVCW maintains a single-employer defined-benefit healthcare plan. Employees hired prior to January 30, 2011 are eligible for longevity retiree-medical benefits equal to the Public Employee Medical and Hospital Care Act (PEMHCA) Kaiser rate applicable to the retiree's enrollment level. Employees hired on or after that date receive the statutory PEMHCA minimum (currently $162/month) for the retiree only. To address the OPEB obligations associated with retiree healthcare, SVCW contributed to the California Employers' Retiree Benefit Trust (CERBT) from 2010 to 2023.

Discussion:

Pension Obligation

As of June 30, 2026, SVCW reported a net pension liability of approximately $19.4 million, compared with $22.2 million in the prior year. The reduction of approximately $2.8 million reflects recent actuarial measurements after stronger-than-anticipated investment earnings. The net pension liability can fluctuate considerably from year to year because a significant portion of pension funding depends upon long-term investment earnings and actuarial experience. This point is illustrated by the recent improvement in SVCW's funded status from 78% to 82% in the latest reporting period.

In addition, recognizing the long-term financial risk associated with pension obligations, the Commission established an IRS Section 115 Irrevocable Pension Trust (the Trust) in July 2020. SVCW has, via the Budget mechanism, contributed to the Trust since inception. As of June 30, 2026, approximately $4.3 million in investments were held in the Trust. These assets are available to mitigate the budgetary effects of future pension contribution increases. Management historically viewed the Trust as a long-term pension stabilization tool rather than a mechanism to immediately reduce CalPERS net pension liability. Though the Authority's funded ratio has improved to 82%, the reported net liability remains $19.4 million. An option to reduce this liability is to draw from Section 115 Trust assets and make Additional Discretionary Payments (ADP) directly to CalPERS, which could improve SVCW's funded position percentage.

Commission direction is sought on the establishment of a policy that creates a target balance for the Section 115 Irrevocable Pension Trust. The suggested target balance is 200% of SVCW’s annual CalPERS normal cost contribution. If this was adopted, it would still maintain a dedicated source of funds to manage future pension costs and provide budgetary flexibility during periods of pension contribution volatility. Because CalPERS contribution requirements and SVCW’s financial condition may change over time, the target would also serve as a funding objective rather than a minimum reserve requirement, with contributions and use of Trust assets evaluated through the annual budget and long-term financial planning processes.

Other Post-Employment Benefits

SVCW's OPEB obligation represents healthcare benefits for eligible retirees and their dependents, particularly those hired before January 2012. At the most recent actuarial measurement date, SVCW's total OPEB liability was approximately $10.40 million, while the fiduciary assets accumulated to pay those benefits were approximately $10.41 million. Consequently, SVCW reported a small net OPEB asset of $13.7 thousand rather than a net

liability. Plan assets equaled approximately 100.13% of the total OPEB liability.

SVCW has accumulated sufficient plan assets to approximately match its actuarially determined OPEB obligation. The financial objective remains the preservation of this funded position over the long term while periodically evaluating contribution requirements, healthcare cost trends, investment assumptions, and actuarial experience. The 2025 actuarial study anticipates this can be achieved via investment earnings and existing assets without requiring additional cash contributions.

Climate Effects:

The recommended action does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4)&(5), as a governmental fiscal and administrative activity does not cause a direct or indirect physical change in the environment.

Financial Impacts:

The recommended change in Section 115 Trust assets would establish a target balance equal to 200% of SVCW's annual CalPERS employer normal cost contribution. The FY 2026-27 normal cost is approximately $1.61 million, resulting in a target Trust balance of approximately $3.23 million. Considering the current Section 115 Trust balance is $4.3 million, approximately $1.1 million is available to make an Additional Discretionary Payment (ADP) to CalPERS. Approximately $3.2 million would remain in the Trust to provide continued financial flexibility against future pension cost volatility.

An ADP would transfer assets from the Section 115 Trust to CalPERS and immediately reduce SVCW's unfunded accrued liability and avoid future interest from accruing on that balance. The principal financial tradeoff is that assets transferred to CalPERS would no longer be available within the Section 115 Trust for future pension contribution stabilization. Retaining the 200% normal-cost target seeks to balance these objectives by maintaining approximately two years of normal-cost contributions in the Trust while allowing amounts above the target to be used to reduce the unfunded liability. The target would be recalculated periodically as SVCW's normal cost changes, rather than establishing a fixed dollar reserve. The current pension model projects the two-times-normal-cost target increasing from approximately $3.23 million in FY 2026-27 to $3.32 million in FY 2027-28 and $3.35 million in FY 2028-29.

Per CalPERS' actuarial model, a $1.1 million ADP would reduce SVCW's pension liability and

generate an estimated $1.0 million in interest savings over the remaining amortization period.

Environmental Review:

None

Member Agency Engagement:

None

Attachments:

None

Prepared by:

Matthew Anderson, Assistant Manager/Chief Financial Officer

Agenda Report

From: Matthew Zucca
Report Type: Informational
Lead Department: Office of the Manager
Meeting Date: November 12, 2026

Subject:

Manager's Report

Recommendation:

None - Informational Only

Background:

None

Discussion:

Health and Safety
There were no lost work or reportable injuries since the previous Commission meeting. As of the date this Agenda Report was published, SVCW has operated a total of 422 days since the previous lost-work injury.

Regulatory Compliance
All samples collected since the previous meeting comply with the National Pollutant Discharge Elimination System (NPDES) permit issued by the Regional Water Quality Control Board (RWQCB) and the Permit to Operate issued by the Bay Area Air Quality Management District (BAAQMD).

Upcoming Commission Agenda Items
Table 1 contains currently anticipated agenda items for the Commission's consideration.

Update on Efforts to Update Joint Powers Agreement
The Authority Manager will provide a verbal update on the status of efforts with Member Agencies to update the SVCW Joint Powers Agreement.

Election Results and Implications
The election results will usher in major changes for the California delegation's

congressional influence. Most notable: several California Democrats are in line for committee gavels, including:

- Robert Garcia (Oversight),
- Jared Huffman (Natural Resources),
- Mark Takano (Veterans' Affairs) and
- Maxine Waters (Financial Services).

Additionally, the large Democrat Freshman class means a shake-up in committee roster membership with Democrats gaining committee seats. Committee rosters and leadership will be sorted out and finalized over the next six weeks. When the Lame Duck Session begins on November 9 there are three tiers of priorities. Tier I-The “must do” legislation includes:

- Fiscal Year 2027 spending bills by December 11 or confront a government shutdown.
- Annual defense spending authorization bill (passed every year for 55 years).
- Permitting Reform, S. 5653.

Tier II - The “nice to do” legislation includes:

- Water Resources Development Act ("WRDA"), S. 4949/H.R. 4997. (Note: SVCW has approximately $9 million in appropriations in WRDA legislation)
- Wildfire and Forestry Protections and Response.
- Administration Nominations.
- Water Projects, Indian Water Rights, and Lands.
- Budget Reconciliation 3.0.
- “Do Not Flush” Wipes Labeling.

Tier III - Outstanding topical legislation includes:

- Data Center Ratepayer Protections.
- Farm Bill.
- Toxic Substances Control Act Reauthorization.

<u>Key Meetings and Presentations</u>

- Attended the Bay Area Clean Water Agencies (BACWA) technical retreat, October 8-9, 2026.
- Met with San Mateo County Supervisor, Ray Mueller on October 22, 2026.
- Participated in the Belmont Centennial Fest on October 24, 2026. SVCW had a booth at the event.

- Participated in the Water Online Show podcast on October 27, 2026. The Water Online Show podcast is a national podcast serving the water and wastewater treatment and engineering communities, and discusses industry news, regulatory guidance, technology solutions, and management best practices. My discussion was on innovation and how it fits into the public sector and how we incorporate it at SVCW and can be found here.
- Attended the joint meeting between the BACWA Board of Directors and the Regional Water Quality Control Board Executive Officer on October 26, 2027.
- Presented at the Joint Hearing Assembly Water, Parks, and Wildlife Committee and Assembly Local Government Committee on the topic of "Pay Now or Pay Later: Understanding the Challenges of Water Financing, What Investments are Necessary, and Exploring Policy Levers for Managing the Cost of Water in the Era of Climate Uncertainty." My presentation was on the decreasing affordability utilities and the need for better financing solutions. A video of the testimony is on the California State Assembly website and can be found here.

Recent and Upcoming Conferences

- BACWA Technical Seminar, October 8-9, 2026, EBMUD Pardee Reservoir (Manager)
- California Public Employers Labor Relations Association (CalPERLA) Annual Conference, November 17-20, 2026, Monterey, California (Executive Team)

SVCW WastewaterSCAN Dashboard for Previous 12 Months

WastewaterSCAN monitors infectious diseases through municipal wastewater systems to inform public health responses at a local, regional, and national level. Its goal is to demonstrate that a national wastewater monitoring system is a valuable part of our public health infrastructure, can inform public health responses, and will help us prepare for future pandemics. WastewaterSCAN is based at Stanford University, in partnership with Emory University, and funded through philanthropy. SVCW participates through sample collection of wastewater. Attachment 4contains the most recent 12-months of data for various infection diseases from samples collected at SVCW.

Climate Effects:

There are no climate impacts associated with this Agenda Report.

Financial Impacts:

There are no financial impacts associated with this Agenda Report.

Environmental Review:

This Agenda Report does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

No engagement was done on this agenda report.

Attachments:

1. Table 1 - Commission Agenda Planning, November 2026
2. WastewaterSCAN Dashboard

Prepared by:

Matthew Zucca, Manager

TABLE 1

TENTATIVE SCHEDULE FOR UPCOMING REGULAR AND RECURRING COMMISSION AGENDA ITEMS

Silicon Valley Clean Water Authority

Agenda Item	Type of Agenda Item	Staff	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-26	Oct-26
Regular Agenda Items												TYPICALLY CANCELED		
Update on Long-Term Financial Liabilities (e.g., OPEB, UAL)	Informational	Matt A.	x											
Recruitment and Retention Policy - Commute Incentives	Business	Jen F.	x											
Long-Range Facilities Plan	Business	Kim		x										
Project Completion Report - SHB Switchgear Battery Replacement	Informational	Kim		x										
Project Completion Report - Fixed Film Reactor and 3W Rehabilitation	Informational	Kim		x										
Project Completion Report - Food Waste Receiving Facility	Informational	Kim		x										
Project Completion Report - AB/DMF Project	Informational	Kim		x										
Project Completion Report - Final Effluent Pumping	Informational	Kim		x										
Plant Nutrient Limitations Update	Informational	Matt Z.			x									
Nutrient Removal Project Delivery Method	Business	Kim			x									
Closed Session - Cybersecurity	Closed Session	Matt Z.			x									
Award Elevator Rehabilitation Project	Business	Kim						x						
Initiate Application for State/Federal Funding	Informational	Matt A.									x			
Award Levee Repairs Maintenance Project	Business	Kim									x			

TABLE 1

TENTATIVE SCHEDULE FOR UPCOMING REGULAR AND RECURRING COMMISSION AGENDA ITEMS

Silicon Valley Clean Water Authority

Agenda Item	Type of Agenda Item	Staff	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-26	Oct-26
Recurring Agenda Items												TYPICALLY CANCELED		
Approve new / amended operating fund agreements	Consent	Matt Z.	x	x	x	x	x	x	x	x	x		x	x
Audited Financial Report	Business	Matt A.	x											
Commission Meeting Schedule for 2026	Business	Jessica		x										
Workplan Implementation Update (Special Meeting)	Informational	Matt Z.			x					x				
Review Annual Goals and Strategic Plan (Special Meeting)	Business	Matt Z.			x			x		x				
Chair and Vice Chair Elections. Appoint Secretary	Business	Matt Z.				x								
Annual Member Agency Flow and Loading Report	Business	Danny				x								
Vacancies Reporting (AB2561)	Informational	Jen F.					x	x						
Operating Budget Workshop (Special Meeting)	Informational	Matt A.					x							
Adoption of Operating Budget	Business	Matt A.						x						
Manager Performance Evaluation (closed session)	Business	Matt Z.							x	x				
Potential Amendment to Manager Contract (open session)	Business	Matt Z.								x				
Resolution 77-6 “Personnel Resolution”	Business	Jessica								x				
Review Investment Policy	Consent	Matt A.											x	
Review Debt Management Policy	Consent	Matt A.											x	
Fixed Asset Disposals - Authorization	Consent	Matt A.											x	
Conflict of Interest Policy Update (Next Update July 2028)	Business	Jessica											x	
Annual Investment Update	Informational	Matt A.											x	
Review Reserve Funds Policy	Business	Matt A.												x
Standard Specifications Update (Consent)	Business	Kim												x

Abbreviations:

MR = Will be reported in the Manager's Report and not as a separate agenda report.

Notes:

August Commission Meeting is typically cancelled.

Overview for

Redwood City, CA

Silicon Valley Clean Water

Counties served: San Mateo County Population served: 199,000

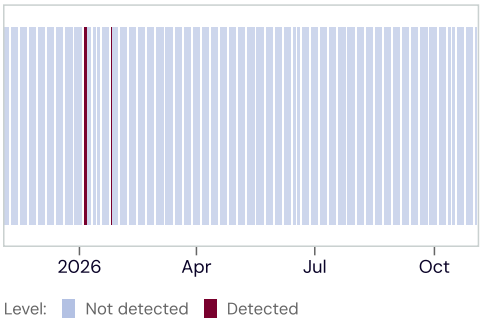
WASTEWATER SCAN



Data for last 12 months 11/04/2025 - 11/04/2026 (365 days)

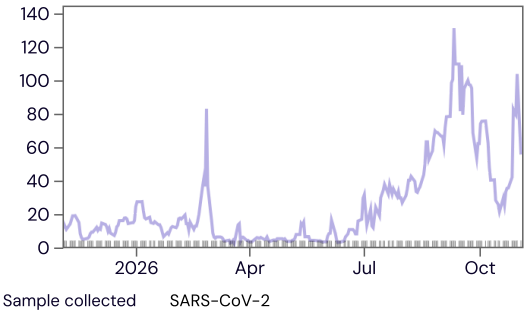
Measles Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



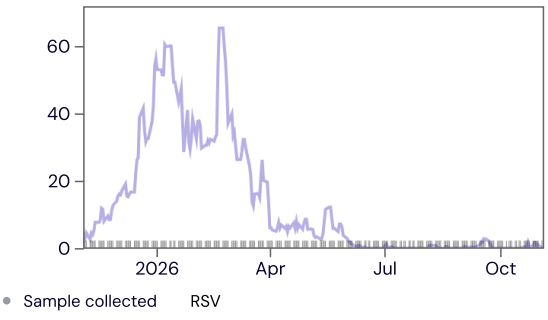
SARS-CoV-2 Medium

No trend in the last 21 days and medium concentration



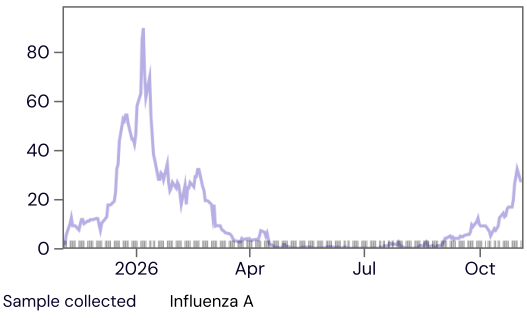
Respiratory syncytial virus (RSV) Low

Pathogen is seasonal and not in onset



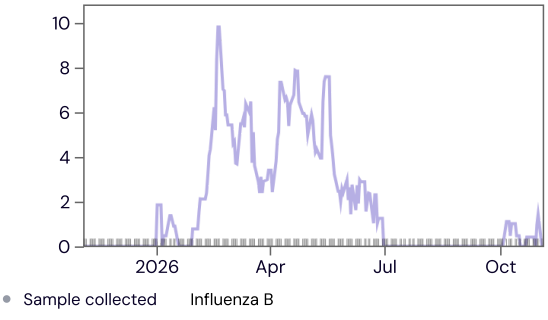
Influenza A High

Upward trend in the last 21 days and high concentration



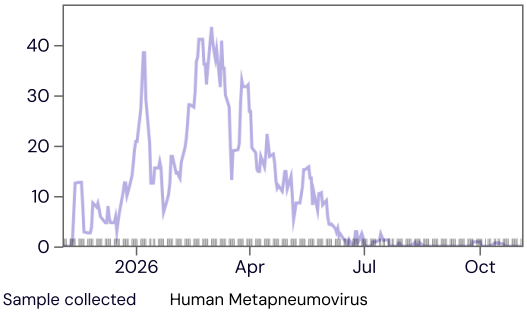
Influenza B Low

Pathogen is seasonal and not in onset



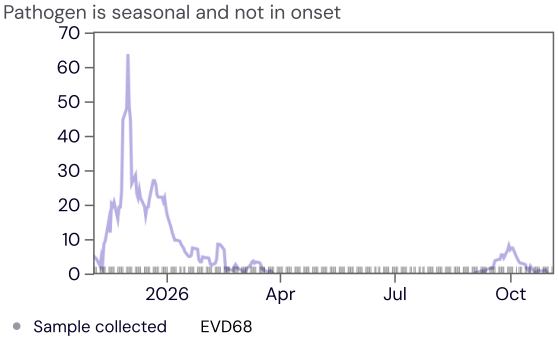
Human Metapneumovirus Low

Pathogen is seasonal and not in onset



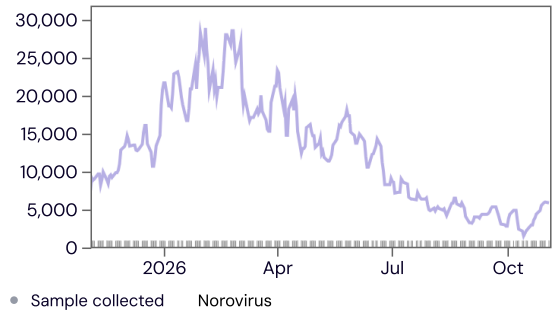
EVD68 Low

Pathogen is seasonal and not in onset



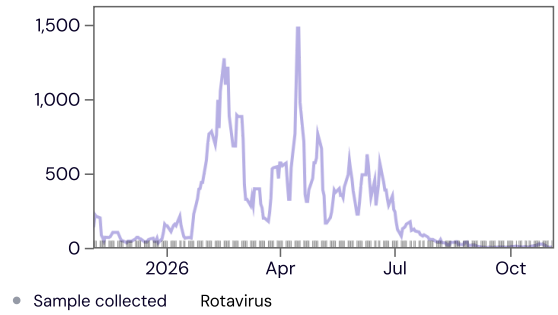
Norovirus Medium

Upward trend in the last 21 days and low concentration



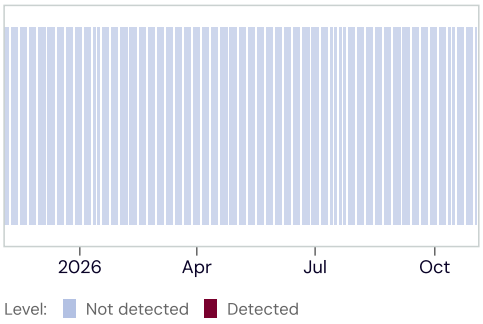
Rotavirus Low

No trend in the last 21 days and low concentration



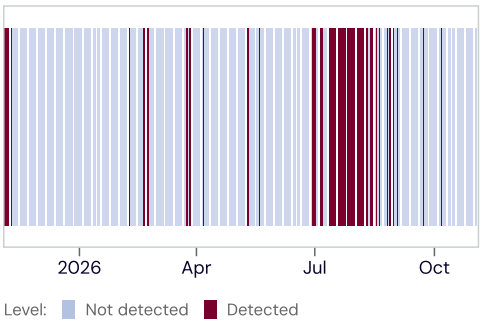
Candidozyma auris Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



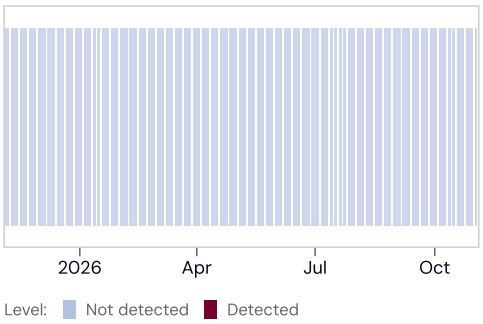
Hepatitis A Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



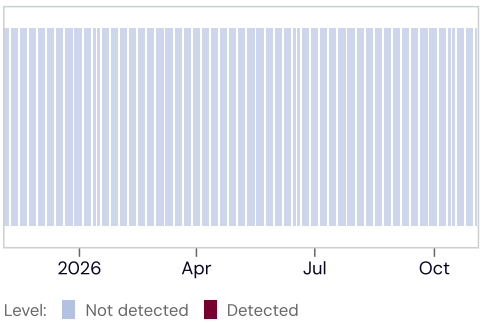
H5 influenza marker Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



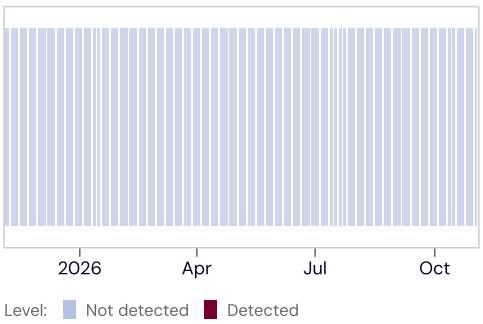
Mpox clade II Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



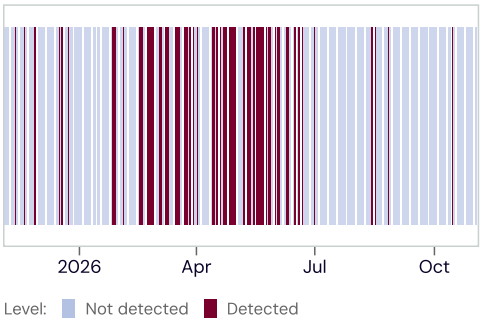
Mpox clade Ib Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



Parvovirus Not Detected

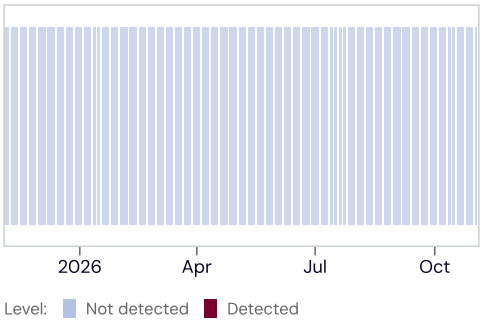
0 out of 6 samples in the 10 days prior to the last sample date were positive



Level: Not detected Detected

West Nile Virus Not Detected

0 out of 6 samples in the 10 days prior to the last sample date were positive



Level: Not detected Detected

All charts show quantity of nucleic-acids, PMMoV Normalized (x1 million)

Agenda Report

From: Arvind Akela
Report Type: Informational
Lead Department: Engineering
Meeting Date: November 12, 2026

Subject:

Engineering Report

Recommendation:

None – Informational only

Background:

SVCW currently has seven projects in construction and anticipates seven upcoming Commission items between November 2026 and December 2026 for critical infrastructure rehabilitation. Active projects include biogas utilization, fixed-film reactor rehabilitation, final effluent pump improvements, aeration basin/dual media filter influent pipes rehab, digester and gas pipe upgrades, and food waste receiving facility construction.

Discussion:

Upcoming Commission Actions:

1. Master Services Agreement with OTC Flow: OTC Flow is a broker for buying and selling Renewable Energy Credits (REC). SVCW staff has negotiated an agreement with OTC Flow to be added as an additional broker to sell SVCW RECs. Currently, SVCW has an agreement with STX for these purposes.

Planned Commission Actions: Approve Master Agreement – November 2026

2. Solids Handling Building Switchgear Battery Replacement (CIP #9247): This project replaced the battery that provides auxiliary power to the switchgear. The battery was at the end of its useful life. Design was completed by Beecher Engineering, and construction is nearly complete.

   Planned Commission Actions: Project Completion Report – December 2026 (Informational)

3. FFR and 3W System Rehabilitation (CIP #9242): This project included rehabilitation of the three-remaining fixed-film reactors and upgrades to the process water system. These two processes are critical for maintaining the plant's permit compliance. The project was designed by Brown and Caldwell and constructed by J.F. Shea.

Planned Commission Actions: Project Completion Report – December 2026 (Informational)

4. Food Waste Improvements (CIP #9257): This project included design and construction of an organic (food waste) receiving facility to receive up to 150 tons of material. The facility includes two large 18,000-gallon capacity storage tanks, pumps, piping, valves and electrical system on a new concrete pad located east of Digester No. 1. CCI Constructors is the Design-Builder on the project

Planned Commission Actions: Project Completion Report – December 2026 (Informational)

5. Dual Media Filter (DMF)/Aeration Basin (AB) Inlet Pipe Rehab (CIP #9600): The project includes rehabilitating two of the largest underground pipes – 63-inch DMF feed pipe and 84-inch AB influent pipe.

Planned Commission Actions: Project Completion Report – December 2026 (Informational)

6. Final Effluent Pump Station Improvement (CIP#9223): The project includes upgrading the final effluent pumping systems including all five pumps, motors, VFDs and rehabilitating some associated piping system.

Planned Commission Actions: Project Completion Report – December 2026 (Informational)

7. Long Range Facilities Plan (LRFP) (CIP#9275): This planning project will develop a 50-year long facilities plan that will encompass future CIPs and its impact on annual CIP expenditures. This plan will be based on condition assessment, nutrient removal and potential upcoming capital projects.

Planned Commission Actions: Approve Project Completion Report – December 2026 (Informational)

Projects In Construction:

1. Biogas Utilization-Linear Generators (CIP #9269): This contract was authorized in May

2024 with Mainspring Energy for procurement and installation of five linear generators. Mainspring Energy is building and installing linear generators.

2. Biogas Utilization-Gas Conditioning System (CIP #9269): This project consists of: (1) installation of a gas conditioning system and pipeline to deliver biogas to the linear generators and (2) installation of electrical infrastructure to connect the linear generators to SVCW's electrical distribution system. Under this contract, C. Overaa has been awarded the contract to construct the gas treatment system to support the linear generator operation.
3. FFR and 3W System Rehabilitation (CIP #9242): This project includes rehabilitation of the three-remaining fixed-film reactors and upgrades to the process water system. These two processes are critical for maintaining the plant's permit compliance. The project was designed by Brown and Caldwell, and construction is being performed by J.F. Shea. The construction is expected to be completed in 2026.
4. Final Effluent Pump (FEP) Improvements (CIP#9223): Under this progressive design-build project, all five final effluent pumps, motors, VFDs and electrical systems associated with final effluent pumping are being replaced. It also includes relining buried pipes between Chlorine Contact Tank Wet Pits A and B and the pumps.
5. Food Waste Improvements (CIP #9257): This project includes design and construction of an organic (food waste) receiving facility to receive up to 150 tons of material. The facility includes two large 18,000-gallon capacity storage tanks, pumps, piping, valves and electrical system on a new concrete pad located east of Digester No. 1. CCI Constructors is the Design-Builder on the project.
6. Dual Media Filter (DMF)/Aeration Basin (AB) Inlet Pipe Rehab (CIP #9600): - These pipes are original construction and have never been rehabbed. The DMF inlet pipe has experienced significant leaks twice and has gone through two emergency repairs. The AB pipe is expected to be in similar condition. This project will rehab using CFRP lining of the DMF and AB inlet pipes using Carbon Fiber Reinforced Polymer (CFRP).
7. Digester No. 3 Rehab and Digester Gas (DG) Pipe Replacement (CIP #9244): This project will rehabilitate Digester No. 3 and the existing digester gas pipe loop. These pipes have not been replaced since original plant construction.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

There are no financial impacts to this action.

Environmental Review:

This item does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

The information in this Agenda Report has been presented to the Technical Committee.

Attachments:

None

Prepared by:

Arvind Akela, Engineering Director

Agenda Report

From: Daniel Buenrostro
Report Type: Informational
Lead Department: Operations
Meeting Date: November 12, 2026

Subject:

Operations and Maintenance Report

Recommendation:

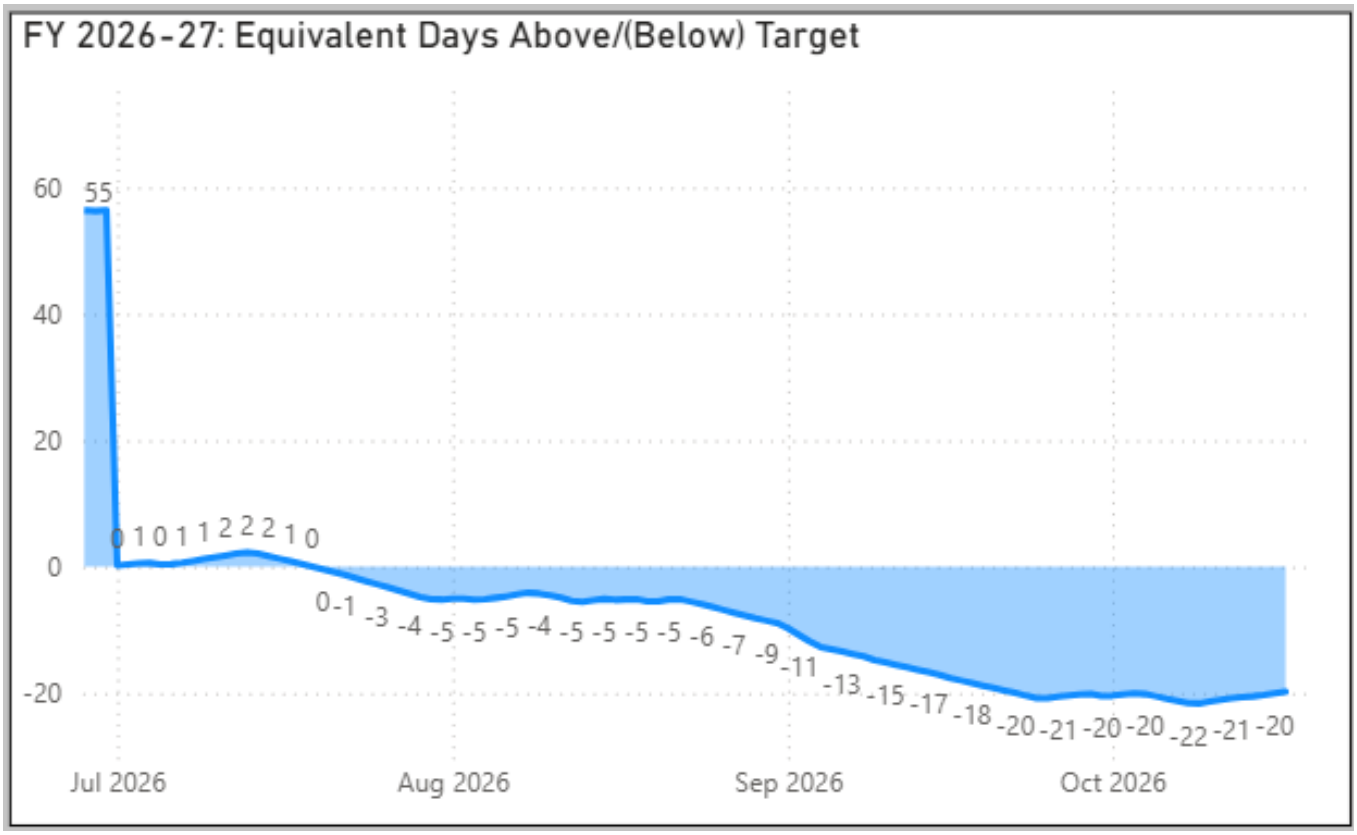
None - Informational

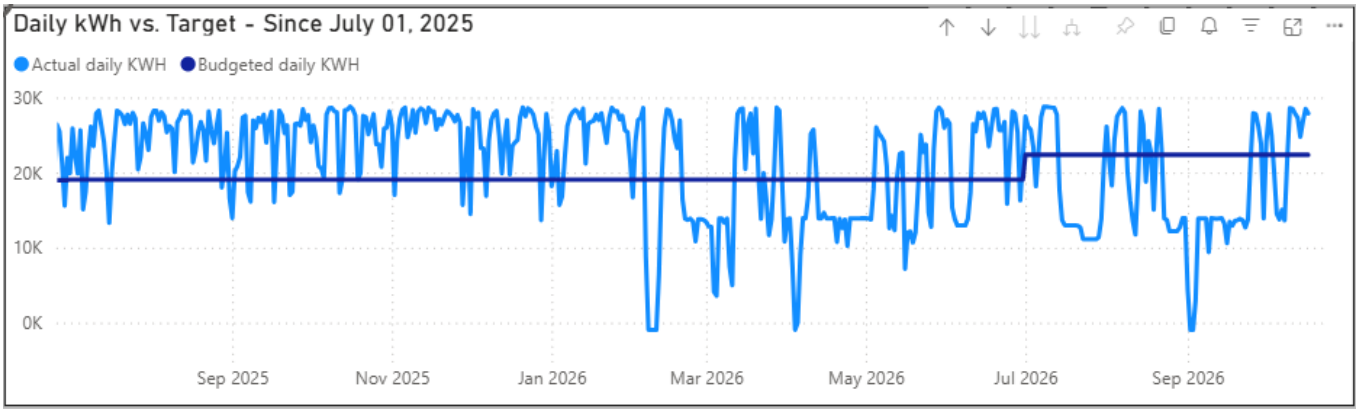
Background:

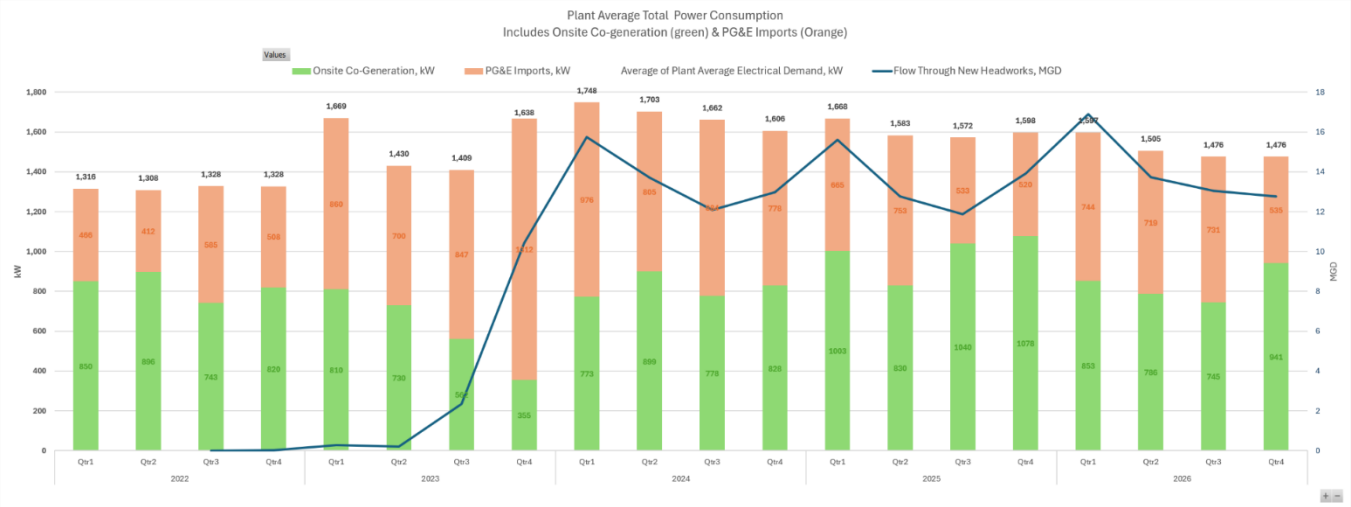
None

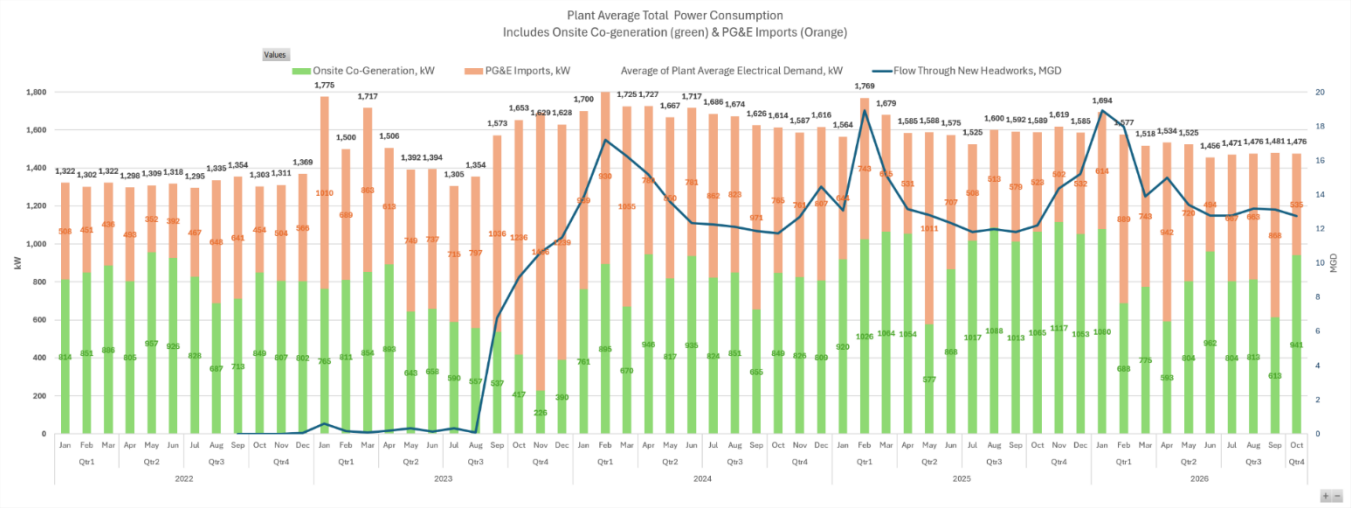
Discussion:

Energy System Operation
The cogeneration system has been operating intermittently since the commencement of the fiscal year. As of the date of this agenda report, SVCW is approximately 19 days behind the projected energy generation budget for the year. This also indicates an increase in onsite energy generation included in the FY 28 operating budget, from 19,000 kWh per day to 27,888 kWh per day. Nevertheless, the linear generators are capable of compensating for this discrepancy over the course of the year.


FY 2026-27: Equivalent Days Above/(Below) Target
60
40
20
0
-20
55
0 1 0 1 1 2 2 2 1 0
0 -1 -3 -4 -5 -5 -5 -4 -5 -5 -5 -5 -6 -7 -9 -11 -13 -15 -17 -18 -20 -21 -20 -20 -22 -21 -20
Jul 2026
Aug 2026
Sep 2026
Oct 2026


Daily kWh vs. Target - Since July 01, 2025
Actual daily KWH
Budgeted daily KWH
30K
20K
10K
0K
Sep 2025
Nov 2025
Jan 2026
Mar 2026
May 2026
Jul 2026
Sep 2026


Plant Average Total Power Consumption
Includes Onsite Co-generation (green) & PG&E Imports (Orange)
Values
Onsite Co-Generation, kW
PG&E Imports, kW
Average of Plant Average Electrical Demand, kW
Flow Through New Headworks, MGD
kW
MGD
2022
2023
2024
2025
2026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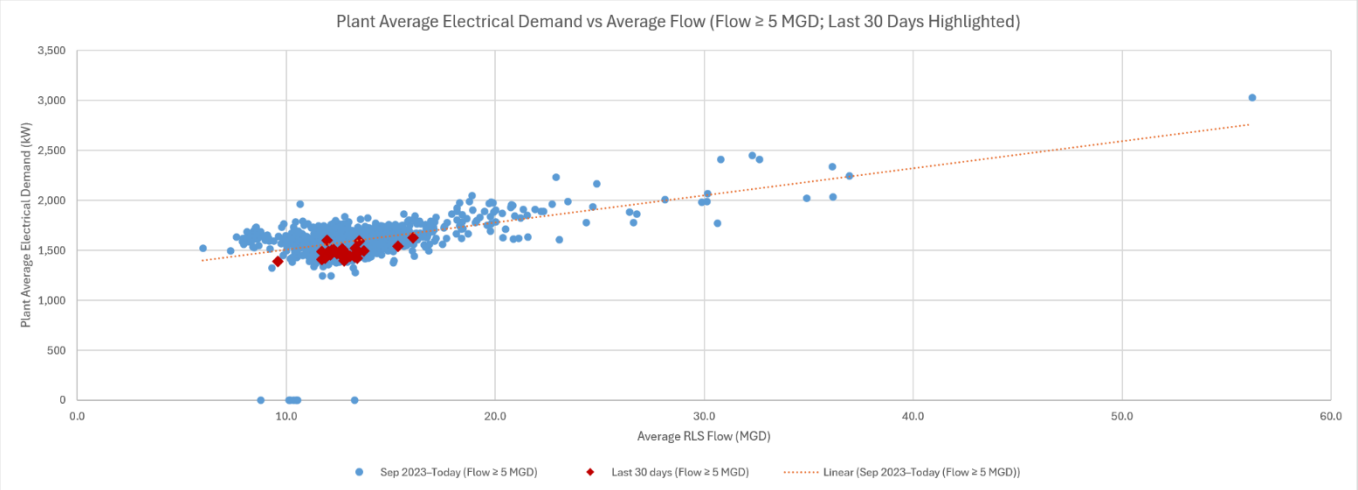
2023
2024
2025
2026


Plant Average Electrical Demand vs Average Flow (Flow ≥ 5 MGD; Last 30 Days Highlighted)
Plant Average Electrical Demand (kW)
Average RLS Flow (MGD)
Sep 2023–Today (Flow ≥ 5 MGD)
Last 30 days (Flow ≥ 5 MGD)
Linear (Sep 2023–Today (Flow ≥ 5 MGD))

Operations

Wetside Operations

- **Shutdowns & Rehab Support:** Successfully completed two full plant shutdowns to facilitate contractor work on the activated sludge inlet pipe rehabilitation.
- **Flow Restoration (10/06):** Removed the bulkhead from the Activated Sludge Mix Box, restoring direct flow through the Aeration Basin influent pipe.
- **Isolation & Flange Installation (10/14):** Facilitated the removal of the 48-inch bypass valve from the Activated Sludge Mix Box and the installation of a stainless-steel blind flange. The plant remained offline for 10 hours during this work, with all incoming flow successfully stored in the gravity tunnel.

Dryside Operations

- **Seasonal Transition:** Completed the seasonal operational shift from drying biosolids in the drying beds to direct trailer loading via the rotary fan press.

Maintenance

1. Lift Station & Sump Pump Preventive Maintenance
In collaboration with **SHAPE**, our team recently completed comprehensive preventive maintenance services on a total of **nine (9) pumps**:

- **Six (6) Receiving Lift Station (RLS) Pumps**
- **Three (3) Sump Pumps**

Scope of Service & Maintenance Activities
The service agreement prioritized scheduling to enhance system reliability and minimize operational downtime. The following standardized maintenance procedures were executed across all pump stations:

1. **Fluid & Seal Servicing:** Inspected and replaced coolant, oil, and O-rings as required.
2. **Volute Inspection:** Inspected volutes for wear, scoring, and damage on the volute face.
3. **Impeller / Propeller Checks:** Inspected impellers/propellers for chips, cracks, or

other structural defects.

4. **Wear Ring Maintenance:** Examined wear rings and insert rings for cracks, tears, or excessive wear.
5. **Cabling Inspection:** Checked power and control cables for nicks, cuts, sharp bends, swelling, or outer sheath damage.
6. **Electrical Testing:** Performed complete electrical inspections on pump motors and associated control components.
7. **Controls & Performance Verification:** Verified proper pump station level controls and validated overall operational performance.

Outcome: These preventive maintenance activities ensure the continued reliability, efficiency, and prolonged service life of our critical pump station infrastructure.

2. Cogeneration (Cogen) System & Facilities Maintenance

- **Low Temperature Hot Water Loop:** Following a thermostat failure, an in-house bypass was successfully engineered and mocked up to maintain continuous loop operation and prevent system interruption.
- **Engine Decoking:** Completed decoking maintenance on both Cogen engines to remove carbon buildup, restoring optimal combustion efficiency.
- **Emissions Compliance:** Engine 1 successfully completed its annual emissions testing and compliance checks in October.

Member Agency Flows
Attachment 2 contains individual and aggregate flows for Member Agencies through October 28, 2026.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

There are no direct financial impacts to this action.

Environmental Review:

This Agenda Report does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

No engagement was done on this agenda report.

Attachments:

1. Table 1 - Key Operations Parameters for Plant Operations
2. Member Agencies Flow

Prepared by:

Daniel Buenrostro, Chief Operating Officer

TABLE 1
KEY OPERATIONS PARAMETERS FOR PLANT OPERATIONS

DATES	Influent Average Daily Flow MGD	Effluent Average Daily Flow MGD	Recycled Water Produced Average Daily Flow MGD	Food Waste Average Daily Flow to Digesters GPD	Effluent BOD Removal (Average Daily) %	Fan Press Average Dry Tons Produced TONS
Oct 16 – Nov 15	13.7	13.67	0.08	5,154	95.63	10.1
Nov 16 - Dec 15	14.28	14.66	0.04	3,311	96.29	7.9
Dec 16 - Jan 15	19.66	19.92	0.03	5,118	93.72	11.7
Jan 16 - Feb 15	15.12	15.22	0.02	5,115	94.02	9.2
Feb 16 - Mar 15	18.8	18.91	0	5,918	93	9.8
Mar 16 – Apr 15	15	15	0	4,827	96.3	9.2
April 16 – May 15	15.82	15.72	0.33	5,998	96.18	9.4
May 16 – Jun 15	13.93	13.25	1.36	4,881	96.27	10.6
Jun 16 – Jul 15	13.35	12.73	1.29	4,666	95.86	8.5
Jul 16 – Aug 15	13.3	12.52	1.39	6,805	95.8	9.4
Aug 16 - Sept 15	13.48	12.62	1.48	8,008	94.77	8.2
Sept 16 - Oct 15	13.35	12.6	1.09	6,308	94.16	10.6

Abbreviations

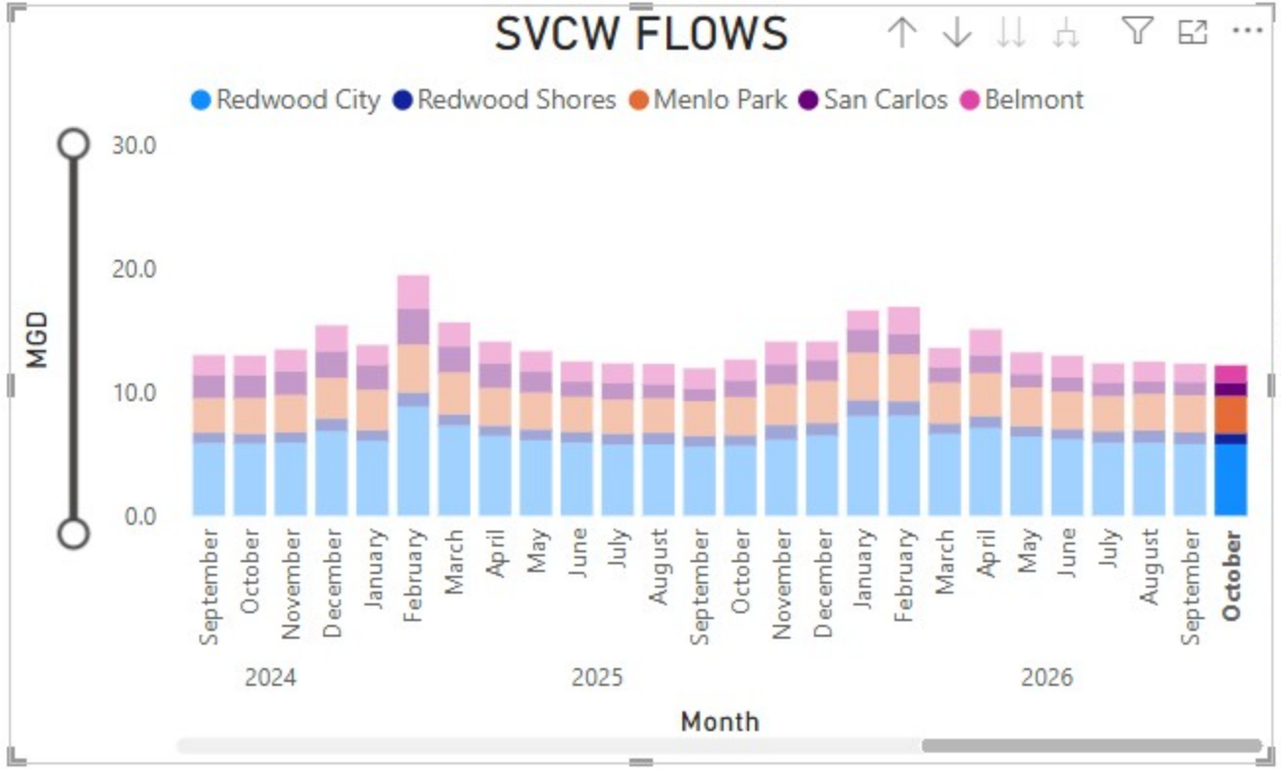
BOD - biochemical oxygen demand
GPD - gallons per day
MGD - million gallons per day

MEMBER AGENCIES FLOWS

Date

1/1/2020 10/28/2026 Last update: 10/28/2026

Dry Season | Wet Season



Month Selected: October 2026

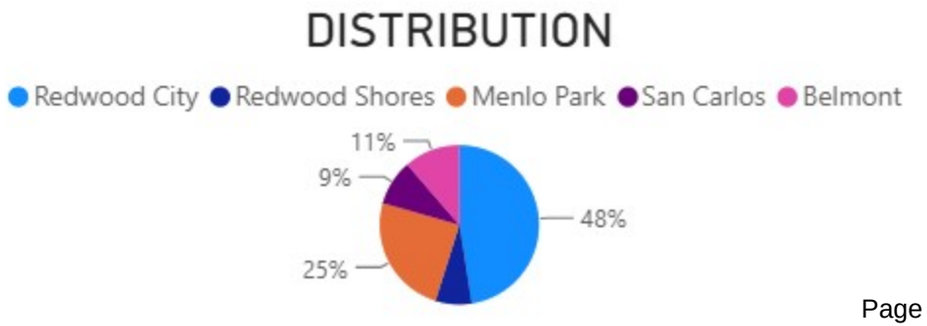












Agenda Report

From: Matthew Anderson
Report Type: Informational
Lead Department: Finance
Meeting Date: November 12, 2026

Subject:

Finance and Administration Report

Recommendation:

None - Informational Only

Background:

Each month, the finance department provides a summary of investments and the variance between revenue and expenditures for review by the Commission.

Discussion:

The following items will be discussed by staff during the Commission Meeting.

Investment Report
Attachment 1 provides an overview of how $59.9 million in liquid assets were invested as of September 30, 2026. The reports show the average yield was 3.73%, and that holdings are in compliance with SVCW policy and California government code.

General Information Items
The following items are presented for general information. Staff do not plan on providing additional verbal information during the Commission Meeting but are available to answer Commissioner questions.Key activities by the workgroups:

- **Procurement**: Completed migration to a new Microsoft PowerApps purchasing platform that streamlines the submission, approval, and processing of requisitions / purchase orders while saving $25,000 in annual software licensing costs.
- **Asset Management**: Began discovery sessions to improve workflows and governance when new construction projects are onboarded. Goal is to ensure newly-constructed equipment information is documented timely, accurately, and completely to support maintenance activities.
- **Information Systems**: Gathering requirements for a Learning Management System

(LMS) towards creation of a system of record for employee training, qualifications, and compliance.
- **Finance**: After one month on the new Microsoft Business Central platform, successfully processed routine activities like invoice payment and payroll. Punch list items remain, including the onboarding of fixed asset records, loading prior period data, and automating approval workflows.

Climate Effects:

There are no climate effects resulting from this action.

Financial Impacts:

There are no direct financial impacts to this action.

Environmental Review:

This Agenda Report does not meet the California Environmental Quality Act's definition of a project, pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(4) and (5), because it is a governmental fiscal and administrative activity which will not cause a direct or indirect physical change in the environment.

Member Agency Engagement:

None

Attachments:

1. Cash & Investments Summary Report

Prepared by:

Matthew Anderson, Assistant Manager/Chief Financial Officer

Attachment 1: Cash & Investments Summary Report
As of September 30, 2026

Description		Market Value	% of Total Holdings	Yield to Market
Reserve Accounts				
Operating Reserve - Money Market Fund Balance	$	5,605,497	9.40%	3.52%
CIP Reserve* - Securities		35,666,619	59.82%	4.11%
CIP Reserve - Money Market Fund Balance		382,791	0.64%	3.52%
Stage 2 Capacity Reserve* - Securities		4,101,683	6.88%	1.76%
Stage 2 Capacity Reserve - Money Market Fund Balance		995,479	1.67%	3.52%
Total Market Value: Operating and Reserve Accounts	**$**	**46,752,070**	**78.4%**	**3.82%**
Total Accrued Interest: Operating and Reserve Accounts		309,267		
GRAND TOTAL, RESERVE ACCOUNTS	**$**	**47,061,337**		
Trustee Accounts:				
Prior Bonds Revenue Accounts		9,095	0.02%	3.31%
2021B Notes - Debt Service Fund WWTP		1,753	0.00%	3.31%
Total Market Value, Trustee Accounts	**$**	**10,848**	**0.02%**	**3.31%**
Accrued Interest:		25		
Prefunding Pension - Section 115 Trust		4,367,449	7.32%	6.45%
Operating Cash (includes outstanding checks)		4,293,740	7.20%	0.00%
Cal-CLASS Balance		4,158,634	6.97%	3.82%
Local Agency Investment Funds (LAIF)**		41,958	0.07%	3.91%
Total Cash & Investments	**$**	**59,933,990**	**100.00%**	**3.73%**

Matthew P Anderson
Chief Financial Officer / Assistant Manager

10/21/2026
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 September 30, 2026

Security Type	Operating Reserve	CIP Reserve	Capacity Reserve	Total Market Value	% of Total Portfolio	% Allowed by Policy	In Compliance	% Change vs. Prior Month
U.S. Treasury	$ -	$ 19,946,909	$ 1,954,770	$ 21,901,679	47%	100%	✓	(2.0%)
Supranationals	-	-	-	-	0%	15%	✓	0.0%
Federal Agency/GSE	-	979,548	693,104	1,672,651	4%	100%	✓	(0.0%)
Federal Agency/CMBS	-	3,495,388	422,615	3,918,003	8%	100%	✓	0.3%
Federal Agency CMO	-	778,911	232,066	1,010,977	2%	100%	✓	0.7%
Federal Agency MBS	-	1,438,850	799,129	2,237,979	5%	100%	✓	(0.2%)
Municipal	-	-	-	-	0%	30%	✓	0.0%
Corporate Notes	-	9,027,014	-	9,027,014	19%	30%	✓	1.3%
Asset-Backed Securities	-	-	-	-	0%	10%	✓	0.0%
Securities Sub-Total	**-**	**35,666,619**	**4,101,683**	**39,768,303**	**85%**			
Accrued Interest	-	288,695	20,572	309,267				
Securities Total	**-**	**35,955,314**	**4,122,256**	**40,077,570**				
Money Market Fund	5,605,497	382,791	995,479	6,983,767	15%	20%	✓	(0.1%)
Total Investments	**$ 5,605,497**	**$ 36,338,105**	**$ 5,117,735**	**$ 47,061,337**	**100%**			
As % of 6/30/26 Target:	*101.4%*	*88.0%*	*100.0%*	*90.6%*				

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

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 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 2021A and 2021B 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.

8. Yield shown for CAMP is the monthly distribution yield.

9. Amounts will slight differ due to timing of custodian account reports.