

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
SPECIAL MEETING – Thursday, March 23, 2017
8:00 a.m.**

Place: Pelican Conference Room
Silicon Valley Clean Water
1400 Radio Road, 2nd Floor
Redwood City, California

COMMISSIONERS

MAYOR JOHN SEYBERT, REDWOOD CITY – CHAIR
COUNCIL MEMBER WARREN LIEBERMAN, PhD., BELMONT – VICE CHAIR
BOARD MEMBER GEORGE S. OTTE, P.E. WEST BAY SANITARY DISTRICT – MEMBER
MAYOR ROBERT GRASSILLI, SAN CARLOS – SECRETARY

MANAGER: DANIEL T. CHILD

ATTORNEY FOR THE AUTHORITY: CHRISTINE C. FITZGERALD

CONTROLLER/TREASURER: KIMBRA MCCARTHY

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact SVCW (650) 591-7121. Notification in advance of the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any member of the public may address and ask questions of the Chair under this item relating to any matter within the Commission's jurisdiction that does not appear as a separate item on the Agenda. An opportunity will be provided for members of the public to address the Chair and ask questions about any item that is listed on the agenda at the time the Commission considers the item and before action is taken. If you address the Commission on a non-agenda item, please be aware that the Ralph M. Brown Act (Gov. C. § 54950 et seq.) prohibits the Commission from acting on or discussing such matters at this meeting. Any such item may be referred to staff for a decision with regard to placing it on a future agenda for discussion, action or a report.

5. SAFETY MOMENT and REPORTS

- A. Safety Moment
- B. Manager's Report (verbal)
- C. Financial Reports

1. Investment Report

January 31, 2017

- D. Engineering Projects Status Update
- E. Commission Requested Staff-Level Action Items
- F. Conveyance System Program Status Update

February 2017

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

8. BUSINESS ITEMS

- A. CONSIDERATION OF RESOLUTION AND MOTION AWARDED CONTRACT FOR THE ROTARY DRUM THICKENER AND APPROVING DESIGN SERVICES

Proposed Actions:

- i. Move adoption of RESOLUTION ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER FOR ROTARY DRUM THICKENER AND AUTHORIZING EXECUTION OF AGREEMENT FOR PURCHASE OF ROTARY DRUM THICKENER SYSTEMS TO WESTECH FOR THICKENING UPGRADE – PHASE 1 PROJECT (CIP #9168); REJECTING ALL OTHER BIDS, AUTHORIZING EXECUTION OF AGREEMENT FOR SAID WORK, DIRECTING RETURN OF SECURITY DEPOSITS THEREFORE, AND AUTHORIZE MANAGER TO APPROVE CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT VALUE FOR SAID PROJECT (\$814,129) – WESTECH ENGINEERING, INC.
 - ii. Move approval of TASK ORDER SCOPE AND BUDGET FOR ENGINEERING DESIGN SERVICES FOR THICKENING UPGRADE PHASE 1 (CIP #9168) IN AN AMOUNT NOT TO EXCEED \$219,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AS-NEEDED BASIS – KENNEDY/JENKS
- B. PRESENTATION OF SVCW COMPENSATION EVALUATION – INFORMATIONAL ONLY – INFORMATION WILL BE PRESENTED AT COMMISSION MEETING AND THERE IS NO

ACTION TO BE TAKEN. COMMISSION WILL PROVIDE DIRECTION TO STAFF AS NEEDED

- C. FY 2017-18 BUDGET WORKSHOP EVALUATION – INFORMATIONAL ONLY – NO ACTION TO BE TAKEN. COMMISSION WILL PROVIDE DIRECTION TO STAFF AS NEEDED

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code §54956.9(d)(1)

Case Name: *In the Matter of the Calculation of Final Compensation of David A. Hall, Respondent, and Silicon Valley Clean Water, Respondent* (Board of Administration, California Public Employees' Retirement System, Agency Case No. 2015-1236 OAH NO. 2016030664)

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code §54956.9 (12 potential cases): CalPERS' Determination to Exclude Performance Pay from Retirement Benefit Calculations and Opportunity to Appeal Determination

10. RECONVENE IN OPEN SESSION – Announce action taken in Closed Session, if any.

11. ADJOURN

CONSENT CALENDAR

NOTICE TO PUBLIC

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

7. A. APPROVAL OF MINUTES – February 9, 2017

- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JANUARY 14, 2017 AND NECESSARY PAYMENTS THROUGH FEBRUARY 28, 2017

- C. CONSIDERATION OF RESOLUTION APPROVING AND ADOPTING ADMINISTRATIVE POLICY 2017-01 ESTABLISHING SILICON VALLEY CLEAN WATER (SVCW) DEBT MANAGEMENT POLICY AND AUTHORIZING THE SVCW MANAGER TO IMPLEMENT THE POLICY APPROVED AND ADOPTED HEREBY

Proposed Action: Move adoption of RESOLUTION APPROVING SILICON VALLEY CLEAN WATER (SVCW) DEBT MANAGEMENT POLICY AND AUTHORIZING THE SVCW MANAGER TO IMPLEMENT THE POLICY APPROVED AND ADOPTED HEREBY

- D. CONSIDERATION OF RESOLUTION APPROVING AND ADOPTING REVISION A TO ADMINISTRATIVE POLICY 2016-01

Proposed Action: Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION A TO ADMINISTRATIVE POLICY 2016-01, ESTABLISHING A PROCEDURE IMPLEMENTING THE DESIGN-BUILD PROCESS FOR DELIVERY OF CONSTRUCTION PROJECTS

- E. CONSIDERATION OF MOTION ACCEPTING FINAL PROJECT AND FILING NOTICE OF COMPLETION FOR THE CONTROL BUILDING UPS SYSTEM REPLACEMENT EMERGENCY REPAIR

Proposed Action: Move approval to ACCEPT THE NETWORK EQUIPMENT REPLACEMENT PROJECT (CIP #259) AND AUTHORIZE FILING NOTICE OF COMPLETION – D.W. NICHOLSON CORPORATION

F. CONSIDERATION OF RESOLUTION APPROVING SILICON VALLEY CLEAN WATER'S STANDARD CONTRACT DOCUMENTS

Proposed Action: Move adoption of RESOLUTION APPROVING SVCW's STANDARD LONG-FORM, SHORT-FORM CONSTRUCTION AND PROCUREMENT CONTRACT DOCUMENTS - VERSIONS APRIL 2017

G. CONSIDERATION OF RESOLUTION APPROVING PURCHASE OF REPLACEMENT DISTRIBUTOR ASSEMBLY FOR FIXED FILM REACTOR #1.

Proposed Actions:

- i. Move to SUSPEND COMPETITIVE BIDDING FOR PURCHASE OF FILM REACTOR REPLACEMENT DISTRIBUTOR ASSEMBLY ON THE GROUNDS THAT THE IDENTICAL EQUIPMENT IS REQUIRED FROM A SINGLE SOURCE ONLY (5/7th weighted vote required)
- ii. Move adoption of RESOLUTION APPROVING CONTRACT DOCUMENTS FOR PURCHASE OF FIXED FILM REACTOR REPLACEMENT DISTRIBUTOR ASSEMBLY, AUTHORIZING EXECUTION OF AGREEMENT FOR SAID PURCHASE IN THE AMOUNT OF \$161,157.00 AND AUTHORIZING MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS NEEDED BASIS – WESTECH ENGINEERING INC.

H. CONSIDERATION OF RESOLUTION AUTHORIZING SILICON VALLEY CLEAN WATER (SVCW) TO SUBMIT A LETTER OF INTEREST TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA), SEEKING UP TO \$194 MILLION IN SECURED LOANS FROM THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) PROGRAM.

Proposed Action: Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING AND AUTHORIZING SUBMITTAL OF LETTER OF INTEREST TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY SEEKING UP TO \$194 MILLION IN SECURED LOANS FOR THE CONVEYANCE SYSTEM PROGRAM UNDER THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT, AND DESIGNATING AND AUTHORIZING THE AUTHORITY'S MANAGER TO PROVIDE ASSURANCES, CERTIFICATIONS, AND COMMITMENTS REQUIRED THEREFOR

SAFETY MOMENT




Winter storms can happen almost anywhere. They can cause us problems. Know what to do before, during and after a storm. This will help keep you and your family safe from a winter fire.

- » Test all smoke alarms. Do this at least once a month. This way you will know they are working. Install carbon monoxide alarms in your home. Test the alarms.
- » Plan two ways out of the home in case of an emergency. Clear driveway and front walk of ice and snow. This will provide easy access to your home.
- » Make sure your house number can be seen from the street. If you need help, firefighters will be able to find you.
- » Be ready in case the power goes out. Have flashlights on hand. Also have battery-powered lighting and fresh batteries. Never use candles.
- » Stay aware of winter weather. Listen to the television or radio for updates. Watch for bulletins online.
- » Check on neighbors. Check on others who may need help.
- » Generators should be used outdoors. Keep them away from windows and doors. Do not run a generator inside your garage, even if the door is open.
- » Stay away from downed wires. Report any downed wires to authorities.
- » Be ready if the heat stops working. Use extra layers of clothes and blankets to stay warm. If you use an emergency heat source, keep anything that can burn at least 3 feet away.
- » Turn portable heaters off when you leave the room. Turn them off when you go to bed.

IMPORTANT REMINDER

There are more home fires in winter than in any other season. Half of all home heating fires happen in December, January and February.

As you stay cozy and warm this winter season, be fire smart!



Fact
Nearly half of all space heater fires involve electric space heaters.



SILICON VALLEY CLEAN WATER

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SILICON VALLEY CLEAN WATER
INVESTMENT LISTING
January 31, 2017

Broker/Dealer Investment Name	Composite Credit	Maturity	Coupon Rate	Yield to Maturity	Par Value	Market Value	Estimated Annual \$ Yield	
							Cost	Earnings
Annual OPS and CAP Budget Reserve								
CLARK CNTY NEV FOR ISSUES DTD GO BDS	AA	7/1/2017	4.300%	1.20	50,000	50,714	50,706	607
FEDERAL HOME LN MTG CORP PARTN CTF	N.A.	3/1/2018	5.000%	1.33	60,769	61,438	62,953	817
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	2/1/2020	5.000%	1.83	69,708	72,165	73,542	1,321
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	2.375%	1.47	60,000	61,435	62,204	901
FEDERAL HOME LOAN BKS CONS BDS	AA+	2/18/2021	1.375%	1.81	30,000	29,503	30,468	535
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	2/10/2017	2.875%	0.77	50,000	50,036	50,553	385
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/8/2017	5.400%	0.91	50,000	50,888	51,131	465
FEDERAL HOME LOAN BKS CONS BDS	AA+	1/17/2017	3.125%	0.88	85,000	86,682	86,877	765
FEDERAL HOME LOAN BKS CONS BDS	AA+	1/5/2017	1.125%	0.61	100,000	100,147	100,213	608
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	12/8/2017	1.950%	1.16	100,000	101,240	101,916	1,172
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/9/2017	0.811%	0.65	50,000	50,086	49,959	328
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/17/2018	4.625%	1.02	125,000	129,799	131,704	1,329
FEDERAL HOME LOAN BKS CONS BDS	AA+	4/9/2018	4.375%	1.43	50,000	53,543	53,165	766
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/9/2016	4.500%	1.46	100,000	107,789	109,819	1,574
FEDERAL HOME LN MTG CORP	AA+	3/9/2018	1.000%	0.63	50,000	50,082	50,035	316
FEDERAL NATL MTG ASSN	AA+	7/1/2019	1.500%	1.60	30,000	29,904	30,440	478
FEDERAL NATL MTG ASSN	AA+	9/13/2019	1.500%	1.76	30,000	29,738	30,355	522
FEDERAL NATL MTG ASSN	AA+	7/25/2017	1.375%	1.82	30,000	29,531	30,362	537
FEDERAL NATL MTG ASSN	AA+	6/22/2020	1.625%	1.19	60,000	60,454	60,913	720
FEDERAL NATL MTG ASSN GTD REMIC	NR	11/30/2020	2.171%	1.71	150,000	150,561	151,969	2,578
FEDERAL NATL MTG ASSN	AA+	2/26/2021	1.750%	1.88	100,000	99,246	100,935	1,861
FEDERAL HOME LN MTG CORP MULTICLASS	NR	11/27/2018	1.869%	1.66	130,000	130,215	129,817	2,164
FEDERAL HOME LN MTG CORP	AA+	9/25/2019	1.250%	0.61	95,000	95,186	95,305	579
FEDERAL HOME LN MTG CORP	AA+	9/25/2020	1.750%	1.37	30,000	30,252	30,630	414
FEDERAL HOME LN MTG CORP	AA+	11/25/2019	1.250%	1.47	30,000	29,826	30,232	437
FEDERAL HOME LN MTG CORP MULTICLASS	N.A.	5/12/2017	4.000%	1.72	39,010	39,890	40,181	687
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	5/30/2019	5.500%	1.74	56,253	58,447	59,488	1,017
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	10/2/2019	5.500%	1.54	37,522	38,075	38,882	586
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	4/15/2020	5.000%	1.81	32,997	34,375	34,833	622
GNMA II PASSTHRU CTF POOL #003421	N.A.	12/1/2019	4.500%	1.60	23,729	24,150	24,860	386
GENERAL ELEC CAP CORP MTN	A+	3/1/2020	1.151%	1.11	75,000	75,131	74,771	833
IOWA FIN AUTH REV ST REVOLVING FD	AAA	4/1/2020	3.280%	1.34	50,000	51,555	51,700	689
MCDONALDS CORP MED TERM NT FR	BBB+	8/20/2018	5.800%	1.38	25,000	25,777	26,162	356
NORTH ST PAUL MAPLEWOOD MINN I GO	AA	8/7/2018	5.000%	1.29	50,000	51,863	52,372	668
OREGON ST GO ENERGY BDS 2006 B AMT	AA+	1/1/2017	4.000%	3.56	100,000	100,225	100,000	3,563
SAN LUIS ARIZ PLEDGED EXCISE T REV	N.A.	8/1/2018	2.000%	1.21	50,000	50,042	50,000	606
SMALL BUSINESS ADMIN GTD LN POOL	N.A.	10/15/2017	3.575%	1.88	42,577	42,913	44,180	808
U S BANCORP MTNS BK ENT FR	AA-	2/1/2018	1.950%	1.61	50,000	50,302	50,101	810
UNIVERSITY CALIF REVS FOR PREV GEN	AA	10/1/2017	1.796%	1.53	50,000	50,249	49,640	771
WELLS FARGO & CO NEW SR GBLB NT	A+	7/1/2017	5.625%	1.49	50,000	51,730	51,986	769
WYETH NT	AA-	2/25/2019	5.450%	0.96	50,000	50,376	51,088	482
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	12/15/2016	1.010%	1.16	80,000	79,361	80,000	921
MONTGOMERY CNTY MD CTFs PARTN COPS	N.A.	11/15/2018	1.200%	1.80	100,000	98,585	100,058	1,772
RICHMOND VA GO PUB IMPT BDS C	AA	7/1/2019	2.599%	2.31	100,000	101,910	105,211	2,353
PORT MORROW ORE TRANSMISSION F REV	AA	12/11/2017	2.737%	2.36	100,000	102,265	105,266	2,417
WACO TEX INDPT SCH DIST REF BDS	N.A.	4/1/2017	4.000%	1.83	110,000	116,947	119,714	2,140
FEDERAL HOME LN MTG CORP	AA+	10/26/2018	1.500%	1.64	80,000	79,848	80,000	1,309
FEDERAL HOME LN MTG CORP	AA+	11/1/2019	1.625%	1.63	220,000	219,745	219,923	3,571
CASH & EQUIVALENTS	-	-	-	0.45	-	139,583	139,583	628
Annual OPS and CAP Budget Reserve Total						\$ 3,473,798	\$ 3,506,197	\$ 50,940

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Broker/Dealer	Composite	Coupon	Yield to				Estimated	
Investment Name	Credit	Maturity	Rate	Maturity	Par Value	Market Value	Annual \$ Yield	
							Cost	Earnings
Capital Improvement Program Reserve								
APPLE INC SR FLT NT	AA+	12/1/2016	1.137%	1.21	100,000	100,349	99,821	1,210
BERGEN CNTY N J TAXABLE GO BDS 2008	N.A.	2/7/2020	6.000%	1.45	100,000	108,024	108,630	1,571
BERKSHIRE HATHAWAY FIN CORP GTD SR	AA	11/1/2019	5.400%	1.43	100,000	105,189	105,817	1,503
CALIFORNIA ST GO BDS TAXABLE	AA-	5/15/2018	6.200%	1.98	100,000	111,584	112,015	2,209
CHEVRON CORPORATION SR NT	AA-	10/1/2019	4.950%	1.64	100,000	106,707	107,275	1,747
CISCO SYS INC SR GLBL NT	A+	3/3/2019	4.450%	1.91	125,000	134,084	134,279	2,564
CLARK CNTY NEV FOR ISSUES DTD GO BDS	AA	1/15/2020	4.300%	1.20	25,000	25,357	25,353	304
COLGATE PALMOLIVE CO MTNS FR	AA-	7/1/2017	1.500%	1.34	100,000	100,344	100,322	1,344
COOKEVILLE TENN GO INDUSTRIAL AND	N.A.	11/1/2018	3.000%	1.40	100,000	100,572	100,904	1,404
EXXON MOBIL CORP SR FLT NT	AA+	6/1/2017	1.113%	1.08	100,000	100,124	99,935	1,083
FEDERAL HOME LN MTG CORP PARTN CTF	N.A.	3/15/2019	5.000%	1.33	20,431	20,656	21,166	275
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	3/1/2018	5.000%	1.73	69,402	71,038	73,176	1,229
FEDERAL HOME LOAN BKS CONS BDS	AA+	2/1/2019	2.375%	1.47	340,000	348,133	346,474	5,107
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	1.375%	1.81	100,000	98,342	101,561	1,784
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	2/18/2021	2.500%	1.07	500,000	506,865	507,765	5,444
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	12/1/2017	4.500%	1.04	500,000	516,730	517,528	5,379
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	1/5/2018	5.000%	1.08	25,000	25,679	26,032	278
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	9/22/2017	5.050%	1.18	20,000	21,050	21,072	248
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/22/2018	5.300%	1.77	450,000	501,314	505,310	8,893
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	4/6/2020	4.750%	0.94	500,000	513,150	519,018	4,813
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	9/29/2017	5.320%	1.58	50,000	54,912	55,485	868
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	9/3/2019	4.670%	1.05	450,000	467,339	474,408	4,916
FEDERAL HOME LOAN BKS CONS BDS	AA+	2/27/2018	2.250%	0.71	250,000	252,463	253,238	1,785
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/8/2017	2.875%	1.66	60,000	62,534	63,318	1,041
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/11/2020	2.625%	0.93	500,000	507,790	508,420	4,697
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/8/2017	3.125%	0.88	25,000	25,495	25,552	225
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/8/2017	1.125%	0.61	30,000	30,044	30,064	182
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/9/2017	1.520%	1.49	250,000	250,860	250,000	3,730
FEDERAL HOME LOAN BKS CONS BDS	AA+	6/24/2019	5.125%	1.47	60,000	65,423	66,338	962
FEDERAL HOME LOAN BKS CONS BDS	AA+	8/15/2019	4.625%	1.75	200,000	217,464	219,188	3,799
FEDERAL HOME LOAN BKS CONS BDS	AA+	6/12/2020	5.250%	0.68	500,000	507,885	511,280	3,474
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/9/2016	3.750%	1.26	250,000	261,413	262,078	3,302
FEDERAL HOME LOAN BKS CONS BDS	AA+	6/5/2017	4.375%	1.43	25,000	26,772	26,583	383
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/14/2018	4.125%	1.54	125,000	134,038	136,268	2,068
FEDERAL HOME LOAN BKS CONS BDS	AA+	7/1/2019	4.125%	1.59	700,000	753,760	758,907	11,970
FEDERAL NATL MTG ASSN	AA+	12/13/2019	1.625%	1.49	100,000	100,335	102,006	1,496
FEDERAL NATL MTG ASSN	AA+	3/13/2020	1.500%	1.60	50,000	49,840	50,733	797
FEDERAL NATL MTG ASSN	AA+	1/21/2020	1.500%	1.76	50,000	49,563	50,592	870
FEDERAL NATL MTG ASSN	AA+	6/22/2020	1.875%	1.78	325,000	326,807	333,132	5,824
FEDERAL NATL MTG ASSN	AA+	11/15/2016	1.375%	1.82	100,000	98,438	101,208	1,790
FEDERAL NATL MTG ASSN	AA+	11/30/2020	1.625%	1.19	150,000	151,134	152,282	1,800
FEDERAL HOME LN MTG CORP MULTICLASS	NR	12/28/2020	3.531%	1.94	100,000	104,729	106,188	2,031
FEDERAL HOME LN MTG CORP	AA+	2/26/2021	4.875%	1.03	115,000	120,965	121,538	1,248
FEDERAL HOME LN MTG CORP	AA+	11/27/2018	3.750%	1.32	500,000	525,660	528,243	6,912
FEDERAL HOME LN MTG CORP	AA+	6/25/2020	1.750%	1.37	50,000	50,420	51,051	690
FEDERAL HOME LN MTG CORP	AA+	6/13/2018	1.250%	1.47	50,000	49,710	50,386	729
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	3/27/2019	3.840%	2.27	250,000	255,263	266,641	5,794
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	5/30/2019	2.680%	1.88	475,343	483,728	495,099	9,094
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	10/2/2019	1.940%	1.84	467,559	469,022	471,942	8,630
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	5/1/2018	5.000%	1.72	83,076	85,393	87,567	1,469
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	4/1/2019	4.821%	2.05	255,341	271,948	283,269	5,575
INTERNATIONAL BUSINESS MACHS SR GLBL	AA-	7/1/2019	1.225%	1.08	100,000	100,156	99,977	1,085
IOWA FIN AUTH REV ST REVOLVING FD	AAA	4/1/2019	3.280%	1.34	25,000	25,778	25,850	345
MICROSOFT CORP NT	AAA	7/1/2019	4.200%	1.53	100,000	106,160	105,783	1,619
MONONA WIS TAXABLE PROM NTS 2015B	N.A.	10/17/2016	3.250%	2.43	100,000	102,485	102,438	2,490
NEW YORK N Y GOBDS 2011 C TAXABLE	AA	2/6/2018	3.480%	1.49	100,000	103,137	102,992	1,537
OHIO ST GO BDS 2009 C TAXABLE	AA+	8/1/2018	4.371%	1.11	100,000	103,453	104,247	1,143
ORACLE CORP SR FLT NT	A+	6/1/2019	1.209%	0.98	25,000	25,029	25,042	246
OREGON ST GO ENERGY BDS 2006 B AMT	AA+	6/1/2020	4.000%	3.56	25,000	25,056	25,000	891
PASADENA CALIF PUB FING AUTH L LEASE	AA	10/1/2018	4.224%	1.60	25,000	25,674	25,739	411
TENNESSEE VALLEY AUTH GLBL PWR 07A	AA+	3/1/2018	5.500%	0.65	50,000	51,116	51,141	334
TENNESSEE VALLEY AUTH PWR BD 2008 B	AA+	7/7/2017	4.500%	1.14	500,000	519,850	524,868	5,911
WAL MART STORES INC SR GLBL NT	AA	10/1/2017	5.375%	1.02	100,000	100,741	102,239	1,023
WEST VIRGINIA POWER CO	N.A.	7/15/2019	1.200%	1.80	100,000	98,585	100,058	1,772
MONTGOMERY CNTY MD CFS PARTN CFS	N.A.	7/18/2017	2.599%	2.31	100,000	101,910	105,211	2,353
RICHMOND VA GO PUB IMPT BDS C	A+	4/1/2018	2.450%	2.36	100,000	100,286	103,394	2,365
BANK NEW YORK MTN BK ENT FR	N.A.	4/5/2017	3.410%	2.19	118,877	124,022	127,347	2,716

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Broker/Dealer Investment Name	Composite Credit	Maturity	Coupon Rate	Yield to Maturity	Par Value	Market Value	Estimated Annual \$ Yield	
							Cost	Earnings
GILEAD SCIENCES INC SR NT	A-	12/11/2017	2.550%	2.23	100,000	100,993	104,247	2,253
WISCONSIN ST GEN FD ANNUAL APP REV	AA-	10/26/2018	1.616%	2.37	100,000	96,820	100,150	2,295
PORT MORROW ORE TRANSMISSION F REV	AA	11/1/2019	2.737%	2.36	225,000	230,096	236,849	5,437
WACO TEX INDPT SCH DIST REF BDS	N.A.	7/15/2021	4.000%	1.83	165,000	175,420	179,571	3,210
FEDERAL NATL MTG ASSN	AA+	11/27/2020	1.800%	1.99	260,000	257,741	260,000	5,129
FEDERAL HOME LN MTG CORP	AA+	11/1/2020	1.500%	1.64	260,000	259,506	260,000	4,253
FEDERAL HOME LN MTG CORP	AA+	9/1/2020	1.750%	1.98	340,000	338,749	340,000	6,714
FEDERAL HOME LN MTG CORP	AA+	9/1/2020	1.625%	1.63	600,000	599,304	599,790	9,739
FEDERAL HOME LN MTG CORP	AA+	9/1/2020	2.000%	2.00	400,000	399,976	400,000	8,000
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/1/2020	2.250%	2.26	180,000	180,115	180,000	4,078
CASH & EQUIVALENTS	-	-	-	0.45	-	362,374	362,374	1,631
Capital Improvement Program Reserve Total						\$ 15,266,031	\$ 15,406,748	\$ 227,053
Stage 2 Capacity Reserve								
BERKSHIRE HATHAWAY FIN CORP GTD SR	AA	5/15/2018	5.400%	1.43	100,000	105,189	105,806	1,503
CEDAR PARK TEX CTFB OBLIG TAXABLE	AA	8/15/2018	5.280%	1.45	50,000	52,909	53,276	767
CISCO SYS INC SR GLBL NT	A+	1/15/2020	4.450%	1.91	75,000	80,450	80,567	1,538
CLARK CNTY NEV FOR ISSUES DTD GO BDS	AA	7/1/2017	4.300%	1.20	100,000	101,427	101,411	1,214
CONOCOPHILLIPS NT	BBB+	11/7/2016	5.200%	1.78	50,000	52,120	52,666	926
COOKEVILLE TENN GO INDUSTRIAL AND	N.A.	5/15/2018	3.000%	1.40	100,000	100,572	100,904	1,404
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	6/1/2017	5.000%	1.73	69,402	71,038	73,176	1,229
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	2/1/2019	4.500%	1.70	61,989	63,468	64,623	1,079
FEDERAL HOME LOAN BKS CONS BDS	AA+	11/1/2020	2.375%	1.47	100,000	102,392	103,674	1,502
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	1.375%	1.81	100,000	98,342	101,561	1,784
FEDERAL HOME LOAN BKS CONS BDS	NR	2/18/2021	0.875%	1.06	100,000	99,743	100,107	1,054
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/29/2018	2.875%	0.77	100,000	100,071	101,105	770
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	2/10/2017	4.500%	1.10	100,000	104,359	104,616	1,145
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	5/15/2018	4.750%	0.94	250,000	256,575	259,365	2,407
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	9/29/2017	4.780%	1.26	55,000	58,222	58,600	731
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/28/2018	2.250%	0.71	250,000	252,463	253,238	1,785
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/8/2017	2.875%	1.66	60,000	62,534	63,318	1,041
FEDERAL HOME LOAN BKS CONS BDS	AA+	9/11/2020	3.125%	0.88	100,000	101,979	102,208	899
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/8/2017	1.125%	0.61	100,000	100,147	100,213	608
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/9/2017	1.520%	1.49	200,000	200,688	200,000	2,984
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	6/24/2019	0.811%	0.65	50,000	50,086	49,959	328
FEDERAL HOME LOAN BKS CONS BDS	AA+	4/9/2018	5.125%	1.47	50,000	54,520	55,282	801
FEDERAL HOME LOAN BKS CONS BDS	AA+	8/15/2019	4.625%	1.02	75,000	77,879	79,022	797
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/9/2016	4.375%	1.43	100,000	107,086	106,330	1,532
FEDERAL HOME LN MTG CORP	AA+	3/9/2018	4.125%	1.59	125,000	134,600	135,376	2,137
FEDERAL NATL MTG ASSN	AA+	7/1/2019	1.000%	0.63	100,000	100,163	100,070	631
FEDERAL NATL MTG ASSN	AA+	3/13/2020	1.625%	1.49	100,000	100,335	102,006	1,496
FEDERAL NATL MTG ASSN	AA+	7/25/2017	1.500%	1.60	100,000	99,680	101,466	1,595
FEDERAL NATL MTG ASSN	AA+	1/21/2020	1.500%	1.76	100,000	99,126	101,183	1,740
FEDERAL NATL MTG ASSN	AA+	6/22/2020	1.875%	1.78	175,000	175,973	179,379	3,136
FEDERAL NATL MTG ASSN	AA+	11/30/2020	1.375%	1.82	100,000	98,438	101,208	1,790
FEDERAL NATL MTG ASSN	AA+	12/28/2020	3.275%	1.37	100,000	103,857	103,404	1,424
FEDERAL HOME LN MTG CORP MULTICLASS	NR	2/26/2021	2.788%	1.78	74,717	75,878	76,585	1,347
FEDERAL HOME LN MTG CORP	AA+	1/14/2019	3.750%	1.32	250,000	262,830	264,046	3,456
FEDERAL HOME LN MTG CORP	AA+	10/25/2020	1.250%	0.61	55,000	55,108	55,177	335
FEDERAL HOME LN MTG CORP	AA+	3/27/2019	1.750%	1.37	100,000	100,840	102,101	1,379
FEDERAL HOME LN MTG CORP	AA+	5/12/2017	1.250%	1.38	100,000	99,650	101,316	1,379
FEDERAL HOME LN MTG CORP	AA+	5/30/2019	1.250%	1.47	100,000	99,419	100,772	1,457
FEDERAL HOME LN MTG CORP	AA+	8/1/2019	0.750%	0.98	100,000	99,714	99,836	978
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	10/2/2019	3.840%	2.27	200,000	204,210	213,313	4,636
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	4/9/2018	4.000%	1.85	103,618	106,437	108,572	1,969
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	5/1/2018	4.821%	2.05	213,569	227,459	236,928	4,663
GARNER N C GO PUB IMPT BDS TAXABLE	AA	12/1/2020	3.050%	1.21	50,000	50,906	51,183	616
GENERAL ELEC CAP CORP MTN	A+	7/1/2019	1.151%	1.11	100,000	100,174	99,695	1,111
IOWA FIN AUTH REV ST REVOLVING FD	AAA	2/1/2018	3.280%	1.34	100,000	103,110	103,399	1,379
JPMORGAN CHASE & CO SR NT	A-	8/7/2018	2.550%	2.62	50,000	49,837	51,202	1,306

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Broker/Dealer Investment Name	Composite Credit	Maturity	Coupon Rate	Yield to Maturity	Par Value	Market Value	Cost	Estimated
								Annual \$ Yield Earnings
LANCASTER CNTY NEB SCH DIST NO SCH	AA	8/1/2018	4.550%	2.59	50,000	53,790	55,181	1,391
MCDONALDS CORP MED TERM NT FR	BBB+	3/1/2021	5.800%	1.38	50,000	51,554	52,324	711
NORFOLK VA GO CAP IMPT BDS 2010 B	AA	1/15/2021	4.650%	1.94	100,000	106,494	106,524	2,062
NORTH ST PAUL MAPLEWOOD MINN I GO	AA	10/15/2017	5.000%	1.29	100,000	103,725	104,743	1,336
OREGON ST GO ENERGY BDS 2006 B AMT	AA+	3/1/2019	4.000%	3.56	100,000	100,225	100,000	3,563
SAN LUIS ARIZ PLEDGED EXCISE T REV	N.A.	2/1/2018	2.000%	1.21	100,000	100,084	100,000	1,211
TENNESSEE VALLEY AUTH PWR BD 2008 B	AA+	10/1/2017	4.500%	1.14	200,000	207,940	209,766	2,364
U S BANCORP MTNS BK ENT FR	AA-	11/1/2016	1.950%	1.61	100,000	100,604	100,201	1,621
UNIVERSITY CALIF REVS FOR PREV GEN	AA	7/1/2017	1.796%	1.53	50,000	50,249	49,640	771
WELLS FARGO & CO NEW SR GLBL NT	A+	10/1/2016	5.625%	1.49	100,000	103,460	103,971	1,537
WYETH NT	AA-	12/15/2016	5.450%	0.96	50,000	50,376	51,088	482
XTO ENERGY INC SR NT	AA+	4/1/2018	5.500%	1.44	100,000	105,325	106,117	1,511
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	11/15/2018	1.010%	1.16	200,000	198,402	200,000	2,303
MONTGOMERY CNTY MD CTFS PARTN COPS	N.A.	7/1/2019	1.200%	1.80	100,000	98,585	100,058	1,772
BANK NEW YORK MTN BK ENT FR	A+	12/11/2017	2.450%	2.36	150,000	150,429	155,091	3,547
GILEAD SCIENCES INC SR NT	A-	4/1/2017	2.550%	2.23	150,000	151,490	156,371	3,380
WISCONSIN ST GEN FD ANNUAL APP REV	AA-	6/15/2018	1.616%	2.37	100,000	96,820	100,150	2,295
FEDERAL HOME LN MTG CORP	AA+	10/26/2018	1.250%	2.00	90,000	88,163	90,000	1,763
METRO WASTEWTR RECLAMATION DIS REV	AA+	11/1/2019	4.718%	1.94	100,000	106,677	108,949	2,066
WACO TEX INDPT SCH DIST REF BDS	N.A.	11/27/2020	4.000%	1.83	55,000	58,473	59,857	1,070
FEDERAL HOME LN MTG CORP	AA+	9/1/2020	1.500%	1.87	60,000	58,076	60,000	1,088
FEDERAL HOME LN MTG CORP	AA+	5/1/2021	1.050%	2.41	100,000	97,680	99,900	2,350
FEDERAL NATL MTG ASSN	AA+	8/25/2021	1.250%	1.57	60,000	59,495	59,985	931
FEDERAL NATL MTG ASSN	AA+	4/1/2019	1.800%	1.99	60,000	59,479	60,000	1,184
FEDERAL HOME LN MTG CORP	AA+	2/15/2020	1.750%	1.98	100,000	99,632	100,000	1,975
FEDERAL HOME LN MTG CORP	AA+	2/15/2020	1.625%	1.63	200,000	199,768	199,930	3,246
FEDERAL HOME LN MTG CORP	AA+	2/15/2020	2.000%	2.00	130,000	129,992	130,000	2,600
CASH & EQUIVALENTS	-	-	-	0.45	-	122,901	122,901	553
Stage 2 Capacity Reserve Total						\$ 7,911,888	\$ 8,001,985	\$ 120,472
Subtotal, Bank of the West						\$ 26,651,717	\$ 26,914,930	\$ 398,465
California Local Agency Investment Fund		LAIF	0.751%			\$ 1,854,173	\$ 1,854,173	13,925
TOTAL UNRESTRICTED INVESTMENTS						\$ 28,505,890	\$ 28,769,103	\$ 412,390
Bank of New York (Trustee)								
2008 Reserve Account - Morgan Stanley Treas Sec X9USDMORS	-	-	0.000%	-	-	11	11	-
2008 Revenue Account - Morgan Stanley Treas Sec X9USDMORS	-	-	0.000%	-	-	4	4	-
2008 Interest Account - Morgan Stanley Treas Sec X9USDMORS	-	-	0.000%	-	-	4,322	4,322	-
2009 Reserve Account - Federal National Mortgage Assn 313G3Q73	Aaa	7/26/2019	1.150%	1.16	4,742,334	4,780,000	4,780,000	55,011
2009 Reserve Account - BMW BK North Amer Salt Lake 05580ACK3	-	7/24/2019	2.000%	1.98	151,524	150,000	3,000	-
2009 Reserve Account - Morgan Stanley Treas Sec X9USDMORS	-	-	0.000%	-	133,705	133,705	-	-
2009 Revenue Account - Morgan Stanley Treas Sec X9USDMORS	-	-	0.000%	-	275	275	-	-
2014 Revenue Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	-	425	425	-	-
2014 Interest Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	-	13	13	-	-
2014 Principal Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	-	7	7	-	-
2014 Project Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	-	3,260	3,260	-	-
2014 COI Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	-	5,141	5,141	-	-
2015 Project Account - LAIF	-	-	0.751%	0.719	6,014,802	6,014,802	43,246	-
2015 Project Account - JP Morgan Prime MMKT Instl	-	-	0.000%	-	539	539	-	-
2015 Revenue Account - Cash	-	-	0.000%	-	768,300	768,300	-	-
2015 Revenue Account - JP Morgan Prime MMKT Instl	-	-	0.000%	-	163	163	-	-

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Broker/Dealer Investment Name	Composite		Coupon	Yield to	Par Value	Market Value	Cost	Estimated Annual \$ Yield	
	Credit	Maturity	Rate	Maturity				Earnings	
2008 Escrow Account - United States Treasury Notes 912828NR7	Aaa	7/31/2017	2.375%	2.35		7,553,815	7,715,749	177,515	
2008 Escrow Account - Cash		-	0.000%	-		175,106	175,106	-	
2009 Escrow - United States Treasury 912828XP0	Aaa	7/31/2017	0.625%	0.63		596,904	596,728	3,760	
2009 Escrow - United States Treasury 912828UJ7	Aaa	1/31/2018	0.875%	0.88		598,976	599,629	5,271	
2009 Escrow - Resolution Funding Corp Interest Strip 76116EFS4	Aaa	7/15/2018	0.000%	-		332,575	329,183	-	
2009 Escrow - United States Treasury 912828VQ0	Aaa	7/31/2018	1.375%	1.37		264,304	265,978	3,621	
2009 Escrow - United States Treasury 912828B33	Aaa	1/31/2019	1.500%	1.49		606,226	610,349	9,033	
2009 Escrow - Tunisia Government Aid Bonds 066716AG6	Aaa	7/16/2019	1.686%	1.69		40,243,213	40,944,692	680,110	
2009 Escrow - Cash		-	0.000%	-		950,251	950,251	-	
Subtotal, Bank of New York (Trustee)						\$ 63,146,196	\$ 64,048,631	\$ 980,568	
Less Amounts held in Escrow for 2008 and 2009 Bond Defeasance						\$ (51,321,371)	\$ (52,187,664)	\$ (879,310)	
Net Total, Bank of New York (Trustee)						\$ 11,824,825	\$ 11,860,967	\$ 101,258	
Uninvested Operating Cash						588,541	588,541	-	
TOTAL CASH & INVESTMENTS, UNRESTRICTED AND WITH TRUSTEE						\$ 40,919,256	\$ 41,218,611	513,648	
									Weighted Average Yield to Maturity % 1.25%

Summary by Investment Type:	Market Value
US Treasuries	\$ 138,317
Agencies	23,937,590
Commercial Paper / Corporate Bonds	2,661,497
Municipal Bonds / Notes	4,321,630
Money Market / Certificates of Deposit	1,991,247
Local Agency Investment Fund	7,868,975
TOTAL	\$ 40,919,256

Summary by Purpose / Restriction Level	Market Value
Working Capital	\$ 2,442,714
Operations & Capital Budget Reserve	3,473,798
Capital Improvement Program Reserve	15,266,031
Stage 2 Capacity Reserve	7,911,888
Debt Reserve	5,040,746
Debt Proceeds	6,784,079
TOTAL	\$ 40,919,256

Summary by Liquidity:	Market Value
0-1 years	\$ 14,349,808
1-2 years	5,486,550
2-3 years	11,323,761
3-5 years	9,759,137
TOTAL	\$ 40,919,256

SVCW has sufficient liquid resources available to meet expenditure requirements per SVCW's investment policy. All SVCW investments are in compliance with SVCW's Investment Policy.


M. Anderson

**ENGINEERING REPORT: FEBRUARY 2017
CAPITAL IMPROVEMENT PROGRAM IMPLEMENTATION**

Thickening Improvements – Phase 1 (9168): Procure and install two rotary drum thickeners to thicken primary sludge.

The SVCW plant is currently being operated with two gravity thickeners. In September 2015, the Commission authorized a task order for the design of the rehabilitation of the thickeners. The construction cost estimate that was provided by the designer exceeded the budget of the project, so it was deferred. The decision was made to run the existing thickeners until they almost fail and then replace them with rotary drum thickeners. The gravity thickeners experienced a significant failure in February, and replacement technology needs to be pursued.

Planned Commission Actions: Authorize Procurement – March 2017
Authorize Engineering Task Order – March 2017

Wastewater Treatment Plant Improvements Phase 2 (9186, 9189, 9084, 9120, 9197, 9224): Rehabilitation and/or replacement of six treatment plant mechanical processes.

Staff has submitted an application to the State Water Resources Control Board for purposes of obtaining a loan for a number of wastewater treatment plant improvements. Previously, a loan was obtained for Phase 1 of the WWTP improvements; the submitted projects comprise Phase 2. Six projects within Phase 2 would benefit by using the Design-Build process for implementation. To that end, a task order scope and budget was negotiated with an SVCW consultant to provide Owner's Advisor services. The task order will be presented to the Commission for approval.

Planned Commission Actions: Authorize Engineering Task Order – April 2017

Conveyance System Program Planning (6006): Perform environmental review of conveyance system alternatives and planning for various program elements.

The project team has performed detailed in-depth analysis of alternatives for the entire conveyance system. After developing and evaluating many alternatives, and receiving consent from the Commission on pursuing Alternative 4BE by initiating CEQA for this alternative, the project team is moving forward with the environmental review phase of the program. The Draft EIR was completed and circulated on November 29, 2016. A presentation was provided to the Commission in December 2016. A public meeting was held on December 14; four people attended. Comments on the DEIR were due on January 13. Staff and consultants are preparing responses to the comments received and finalizing the EIR for presentation to the Commission with a request to certify the EIR at the April meeting. Additional actions that will be requested are adoption of the associated Mitigation Monitoring and Reporting Program outlined in the EIR and project approval.

Planned Commission Actions: Certify EIR – April 2017
Adopt MMRP – April 2017
Approve Project – April 2017

Conveyance System Program Project Delivery (6006): Evaluate possible and preferred methods for project delivery.

In January 2016, the Commission approved a policy outlining procedures for using the Design-Build method for project delivery. The Commission also provided direction to staff to prepare an RFQ for wastewater treatment plant projects that are good candidates for the design-build method of project delivery. Task orders were presented at the January 2017 Commission meeting for approval of Owner's Advisor (OA) services to prepare Requests for Qualifications (RFQs) and Requests for Proposals (RFPs) for Progressive Design-Build delivery of two of the Conveyance System Projects. The RFQ will be ready for issuance upon certification of the EIR and project approval.

Planned Commission Actions: Approve Procurement Documents – April 2017
Authorize Issuance of RFQ – April 2017

Dual Media Filters 6A and 6B (9222): Outfit the remaining two Dual Media Filters, including coatings, underdrain system, filter media, air scour equipment, and associated valves and piping.

The DMF 6A and 6B project will provide reliability for wet weather events; currently wet weather flows are bypassed around the filters when storm flows reach approximately 60 to 65 MGD. Completion of this work will allow higher flow to be treated before it is necessary to divert some or all flow around the filters. The practice of diverting flow around the filters is currently allowed in SVCW's NPDES permit, but is expected to be deleted in upcoming permits. This work will duplicate the systems already installed in the ten active filters. The construction work is being performed by ERS with design assistance from Kennedy/Jenks.

Planned Commission Actions: Accept Project – May 2017

Effluent Pipeline Replacement Project (6012): Replace the entire effluent pipeline from where it exits the main structure to where it enters the San Francisco Bay.

The pipeline taking treated effluent to the bay for final discharge was found to be leaking and a project was awarded to Power Engineering to replace the pipeline in June 2015. Work has been ongoing since that time.

A method to protect the connection between the plant main structure and the HDPE pipeline needed to be designed as the project progressed, as it was not determined

at the time the original project cost was developed. A change order was negotiated with the contractor to place a concrete bridge around the connection point to protect the pipe from unnecessary loads. Work is nearing completion on this critical project.

Planned Commission Actions: Accept Project – May 2017

Menlo Park Pump Station and Redwood City Pump Station Valve Replacement Project (Capital Project 262 and 263): Replace major valves at Menlo Park and Redwood City Pump Stations

The Maintenance Department has identified that replacement of valves at Menlo Park and Redwood City Pump Stations is necessary to keep the pump stations reliable over the next 5 – 7 years, until they are rehabilitated/replaced. Due to the lead time on the valves, SVCW will procure and install the valves as two separate contracts. The procurement of the valves was presented for approval at the January Commission Meeting and the installation contract will be presented for approval at the May Commission Meeting.

Planned Commission Actions: Award Installation Contract – May 2017

**SVCW Capital Improvement Program
Actual Expenditure vs. Plan
Through January 31, 2017**

Project Phase	Project Count	Amended 2015 CIP Update	Actual Spent thru January 2017	\$ Unspent/ Remaining	% Unspent/ Remaining
Completed	103	\$ 139,194,565	\$ 137,314,926	\$ 1,879,639	1.4%
In Construction	29	75,997,343	61,081,941	14,915,403	19.6%
Planning & Design	35	461,274,545	26,043,178	435,231,367	94.4%
Other	33	136,483,183	5,109,857	131,373,327	96.3%
TOTAL	200	* \$ 812,949,637	\$ 229,549,901	\$ 583,399,736	71.8%

* Consistent with the January 2017 Long Range Financial Plan, project cost estimates were increased by the construction cost index as provided by Engineering News Record.

**SVCW Capital Improvement Program
CIP Project Status - COMPLETED**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Complete	6001	48-inch Force Main Reliability Improvement	Replace the entire length of 48-inch diameter section of force main from RCPS to SCPS. This project incorporated CIP #6005 which was deleted in the CIP Update.	\$ 2,539,400	\$ 43,060,000	\$ 40,000,000	\$ 41,204,050
Complete	6002	Conveyance System Master Plan (CSMP)	Planning for replacement and/or repair of force main and all five pump stations, including screening at the treatment plant.	1,250,000	2,386,483	2,374,494	0
Complete	7010	Pump Stations Preliminary Design and CEQA	Prepare preliminary design (up to 30% design) for all pump station work including support for CEQA and SRF loan application	-	3,000,000	3,128,769	3,081,749
Complete	7013	Pump Stations Secondary Communications	Provide secondary communications for remote monitoring and control	-	-	51,900	33,289
Complete	8001	Central Data Acquisition Unit PLC System Upgrade	Central Data Acquisition Unit PLC System Upgrade; Replacement for Automation Program.	127,700	32,592	32,592	25,220
Complete	8002	Auto-reset of Effluent Pumps	Remote reset of effluent pumps after a power outage.	38,900	15,266	15,266	-
Complete	8003	Disinfection Area SCADA	Tie-in disinfection area to the SCADA network in conjunction with Hypochlorite project (9015)	16,100	-	-	-
Complete	8004	Install SCADA Servers	Purchase and install and program independent servers for SCADA use only.	170,200	163,002	91,040	91,040
Complete	8005	Install MCC PLC	Installation of MCC PLC in support of the Automation Program	214,900	209,226	209,225	202,370
Complete	8006	Turbine #1A-4B Air Flow Monitor	Combined with Activated Sludge Automation (CIP 8017)	160,900	-	-	-
Complete	8008	Aeration Basins #1-4 Motorized Effluent Gate Controls	Combined with Activated Sludge Automation (CIP 8017)	201,100	-	-	-
Complete	8009	Aeration Basins #1-4 Mudvalve Operation	Combined with Activated Sludge Automation (CIP 8017)	80,500	-	-	-
Complete	8010	WAS Flow Controls	Combined with Activated Sludge Automation (CIP 8017)	20,200	-	-	-
Complete	8011	RAS Pump #1-6 Speed Adjust	Combined with Activated Sludge Automation (CIP 8017)	360,600	-	-	-
Complete	8012	Secondary Clarifier Inner / Outer Gates Motorized Controls	Combined with Activated Sludge Automation (CIP 8017)	80,500	-	-	-
Complete	8013	WAS Pump #1-4 Speed Adjust	Combined with Activated Sludge Automation (CIP 8017)	244,400	-	-	-
Complete	8015	CCT Weir Sluice Gate Operator	Combined with Activated Sludge Automation (CIP 8017)	128,500	-	-	-
Complete	8017	Activated Sludge Process Automation (Aeration and Secondary Clarifiers).	Combine automation projects for processes related to Activated Sludge; this project is complete. Automates the activated sludge process.	4,411,400	8,428,965	7,474,051	7,473,607
Complete	8019	Aeration Basin Gate Actuators	Combined with Activated Sludge Automation (CIP 8017)	278,836	6,569	6,569	-
Complete	8020	Aeration Basin #1-4 Inlet Gate Controls	Combined with Activated Sludge Automation (CIP 8017)	80,500	-	-	-
Complete	8022	SCADA Process Graphics on Information Management System	Enable SCADA view and data across IMS Network to allow data views from remote locations (offsite)	103,500	107,041	62,936	62,936
Complete	8026	Septic System (Grease Receiving) Auto Controls and Level Measurement	Automatic controls tied into SCADA system for monitoring grease receiving station operation. Expenditures charged to CIP #9021	47,600	19,019	-	-
Complete	8027	Drying Bed Feed Flow Measurement	Install a new magnetic flow meter for measuring the amount of sludge discharged to drying beds.	54,100	6,232	6,232	0
Complete	8037	Automation System Integration - Bond Funded	Pulls out global automation programming tasks being completed by B&V into SRF or Bond funded categories.	-	620,260	646,883	637,048
Complete	9005	Primary Scum Grinders	Purchase and install 3 new grinders. Work was completed in house and via maintenance budget.	265,700	-	-	-
Complete	9006	Purchase Integrated Tool Vehicle	Eliminate need for rental. Purchase vehicle to facilitate access to decks with large equipment	104,000	79,502	81,992	81,992
Complete	9008	Centrifuge Motor Drive Replacement	Replace motor drive on centrifuge.	161,500	71,808	71,808	(0)
Complete	9010	Real-time Wind Direction Information	Monitor wind direction & speed; download to SCADA. Use for odor complaint documentation. Project complete.	19,000	1,633	1,633	-
Complete	9011	Portable Trash Pump	Replaces need to rent portable pump in response to flooding, overflows, and routine dewatering. Trailer-mounted, diesel driven 6" pump. Project complete.	-	-	37,859	37,859
Complete	9012	Digester #3 Rehabilitation and Upgrade	Repair digester for use as a primary digester. Clean digester, repair dome and skirt, slip-line bottom mix line.	1,811,400	3,415,426	3,792,600	3,792,600
Complete	9013	Waste Gas Burner Rehabilitation	Rehabilitate existing burners, including pilot and air flow monitoring equipment. Air permit required. Complete before re-roofing SHB	999,800	649,231	726,141	725,594
Complete	9016	High Pressure Air Piping and Instrument Air	Replace galvanized piping throughout the Plant used for compressed air delivery.	273,000	474,200	468,552	468,552
Complete	9018	Recycled Water For In-Plant Use	Utilize recycled water for sprinkler system in new administration building as well as other in-plant uses.	807,300	556,934	585,790	585,790
Complete	9019	Bisulfite Injector System Improvements	Alternate dechlorination injection system for reliability improvement.	225,900	16,740	16,740	6,231

**SVCW Capital Improvement Program
CIP Project Status - COMPLETED**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Complete	9021	Grease Receiving Station Reliability Improvements and Odor Control	Convert station to two pits, allowing for expanded volume storage. Improvements to controls, pumping, mixing.	320,200	1,698,002	1,730,417	1,730,417
Complete	9022	Existing Freight Elevator Modernization	Bring passenger and freight elevators up to modern standards; replaces controls. Passenger elevator deleted from this project and included with Administration/Plant Control Building project.	496,700	1,080,137	1,092,137	1,092,137
Complete	9023	Odor & Corrosion Control Master Plan	Address overall plant odor control and corrosion control needs.	148,500	95,182	95,182	-
Complete	9028	Laboratory Building Roof Rehabilitation	Rehabilitate laboratory building roof.	23,400	80,000	106,978	106,978
Complete	9029	Solids Handling Building Control Room HVAC/Scrubber	Air scrubbing to protect sensitive equipment, includes new breaker in (E) MCC, disconnect switch, conduit & wire for air handling unit.	473,400	349,334	390,681	390,681
Complete	9030	Secondary Clarifier Collector Drive Rehabilitation	Project complete. Work done in conjunction with	251,200	435,000	471,182	471,182
Complete	9032	Wireless Network Access Expansion	Extend wireless network throughout plant.	185,900	250,000	-	-
Complete	9035	Effluent Pipe Access Hatch	Install an access hatch to the effluent pipe to facilitate inspection, cleaning, and repairs.	215,300	215,300	123,508	123,508
Complete	9036	Primary Sludge Piping Rehabilitation	Combined with Bilge Pit and Pumping project (221)	136,300	541,152	559,131	559,131
Complete	9038	Moyno Progressive Cavity Pump Replacement	Replace all Moyno pumps throughout the plant; replacement parts no longer available.	814,600	-	-	-
Complete	9040	Digester #2 Cleaning	Clean D2; 1 digester every 5 years	269,100	162,630	162,630	162,630
Complete	9075	IMS System Equipment Replacement	Purchase replacement and additional servers for overall Plant computer information management system.	572,800	572,800	67,517	52,474
Complete	9076	Digester Mix Pump Rehabilitation	Rebuild one pump every three years; purchase a spare pump.	275,000	-	-	-
Complete	9095	Digester #2 Cover Repair	Scheduled repair and recoat of D2; expect to replace 15-20 years out	788,200	3,000,000	3,072,075	3,072,075
Complete	9099	Solids Handling Building HVAC Air Scrubber-Implementation	Implement odor and corrosion control for entire SHB	1,673,100	1,911,100	2,152,400	2,340,918
Complete	9101	Fresh Water Lagoon Cleaning	Clean fresh water lagoon to provide necessary volume for stormwater runoff.	1,123,200	711,618	795,845	795,845
Complete	9104	Septage Receiving Area Odor Control	2nd grease pump, in-line grinder and local control panel. Odor control pulls negative pressure in pit to eliminate foul odors. Delete and combine with 9021.	1,115,400	71,602	71,602	71,602
Complete	9106	Laboratory Information Management System (LIMS)	Plan and proceed with implementation of LIMS for laboratory data and process information.	490,100	156,939	116,083	152,667
Complete	9114	Historian Software	Software purchase and installation to facilitate historical tracking of SCADA data.	34,100	2,366	2,366	-
Complete	9124	Biosolids Master Plan	Master plan for handling, hauling and disposal/reuse of biosolids.	6,373,600	694,523	694,523	694,974
Complete	9125	Plant Service Road Resurfacing-Phase 1	Phase 1 of overall Plant resurfacing project; repairs or expansion of paved areas in anticipation of upcoming construction activities. Project complete. Transfer funds from 9131 to cover overage.	182,200	448,890	503,138	503,138
Complete	9154	Cogeneration Engine Replacement	Upgrade cogeneration engine to enable full utilization of biogas produced.	7,227,900	10,005,000	13,500,000	17,555,210
Complete	9155	Natural Gas to Plant	Pipe natural gas from front entrance to enable its use as fuel blending for the cogeneration engines and in administration building.	181,500	401,042	419,640	419,640
Complete	9156	Administration and Plant Control Building Replacement	Build a new administration and control building at existing location.	11,408,900	20,000,000	21,247,355	21,236,430
Complete	9157	Solids Handling Building Roof Replacement	Replace the roof on SHB; leaks occurring.	226,200	70,203	70,203	70,203
Complete	9163	Demolition of Abandoned Equipment in Solids Handling Building	Demolish/remove equipment in SHB that has not been in operation for over 25 years.	-	1,469,383	1,557,091	0
Complete	9167	Boiler Replacement	Replace boilers due to age and undersized for future use. Includes replacement of piping. Project is being constructed as a CCO to the Cogen Project.	-	400,000	108,050	-
Complete	9178	Levee Repair behind Warehouse	Levee leaks when the stormwater retention basin fills to a certain level; this project repairs the levee.	-	375,000	10,782	-
Complete	9179	Pretreatment Program Sample Room	Provide a wet lab receiving area for source control to prepare samples prior to analysis and also storage of equipment.	-	389,000	575,000	633,142
Complete	9180	Maintenance Shop Reconfiguration	Reconfigure maintenance spaces that have been displaced by other projects.	-	1,372,800	228,038	280,541

**SVCW Capital Improvement Program
CIP Project Status - COMPLETED**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Complete	9183	Stage 1 Screening at Plant Influent	Construct a screening facility at influent end of plant. Originally to be funded partially via CIP and partially from Operating budget in approximately 25/75 split.	-	858,000	4,844,000	4,217,215
Complete	9193	T1 and T2 Replacement	Replace Transformers T1 and T2. Do work as CCO to 9801 - 9804 (Power Reliability). Transfer project budget.	-	1,029,600	-	-
Complete	9194	T3 Replacement	Replace Transformer T3. Do work as CCO to 9801 - 9804 (Power Reliability). Transfer project budget.	-	514,800	-	-
Complete	9195	Wetside Power	Installs new PDP-2 and replaces old transformers, T1, T2, and T3. Adds new T4. Do work as CCO to 9801 - 9804 (Power Reliability). Transfer project budget.	-	1,716,000	111,831	-
Complete	9198	Hot Water Piping Improvements - Phase I	Provide pumps and piping to allow the hot water loop to serve the new Plant Control and Lab Buildings.	-	171,600	31,738	-
Complete	9199	Hot Water Piping Improvements - Phase II	Add primary and secondary pumping to connect new cogeneration engines to the Plant hot water loop. Do work as CCO to 9154, Cogen. Transfer project budget	-	669,200	1,542	-
Complete	9202	DMF Valve Replacement	Replace old valves in the DMF gallery. Valves are high in the air and scaffolding will be required for access.	-	915,749	962,654	997,139
Complete	9205	1406 Radio Road Property Improvements	Provide for general improvements at the newly purchased property at 1406 Radio Road	-	1,135,000	234,666	234,666
Complete	9207	Maintenance Building Roof Replacement	Replaces the roof atop the maintenance building, including drainage improvements at the electrical room	-	18,749	18,949	-
Complete	9208	Solids Handling Building Demolition and Improvements - Phase II	Ready the SHB for new Cogeneration and dewatering equipment, and seismic bracing and column repairs. Do project in conjunction with CIP #9099.	-	1,900,000	2,759,901	2,772,117
Complete	9216	3W System Improvements	Make improvements to Plant Water system to assure adequate flow to all processes	-	171,600	314,600	312,088
Complete	9127	PEC & PST 1 & 2 Protective Coatings	Do SSC #3 with CIP #9014; also replace SSC drive.	-	-	946,092	946,092
Complete	8032	Final Effluent Pumping Control System (FEP) Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Add new SCADA View at existing FEP Platform. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	179,025	179,025	179,025
Complete	8033	Dechlorination Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Move new Dechlor Control Panel and the SCADA View above flood line to the newly provided platform at RAS/WAS gallery. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	179,026	179,026	179,026
Complete	8034	Tertiary Filter Feed Pump Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and, best practices dictate decoupling controls from other distinct process systems for reliability. Add new SCADA View to the existing platform. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	224,130	224,130	224,130
Complete	8035	Chlorination Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	185,478	185,479	185,479
Complete	9007	Industrial Roll-up Doors for Warehouse	Combine with CIP #9132. Project complete	21,700	19,664	19,664	19,664
Complete	9077	Engine Generator #4 Complete Rebuild	Rebuild top end (valve job and associated parts; needed every 20,000 hrs) and lower end (cam shaft, main and rod bearings, rods, pistons and liners and ancillary parts and pieces; needed every 40,000 hrs).	561,000	246,213	246,212	246,212
Complete	9098	Shipping and Receiving Trailer	Combine with CIP #9132. Project complete	34,700	-	-	-
Complete	9119	RAS Discharge Line 36" Butterfly Valve Replacement	Project Completed w/CIP #8017; Replace existing 36-inch butterfly valve with a knife gate valve to resolve ragging problem.	143,200	-	-	-

**SVCW Capital Improvement Program
CIP Project Status - COMPLETED**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Complete	9132	Storage and Purchasing Warehouse	Construct a new warehouse for secure storage of supplies, material, and equipment. Construct offices for Purchasing department staff. Replace existing warehouse siding and skylights. Install two new roll-up doors and one double door.	430,700	994,655	1,001,862	1,001,862
Complete	9150	Odor & Corrosion Control Program - General Support	Work completed to date satisfactory for moving forward. Provides support and funding for general requirements of projects contained within the Odor & Corrosion Control Program.	-	100,000	75,450	75,450
Complete	9153	High Pressure Pump Safety Cutout Switch Replacement	Work completed in-house. Project Complete.	28,700	11,233	11,233	-
Complete	9161	Digester #3 Cleaning	Combine w/CIP #9012; Clean Digester #3 to facilitate effective solids treatment and provide access for Digester #3 Rehabilitation and Upgrade project (CIP 9012). Includes purging of Digester #1, screened transfer of contents from Digester #3 to Digester #1, and disposal of screenings and Digester #3 residual contents.	-	-	-	-
Complete	9162	Digester Mix System Improvements	Combine w/CIP #9012; Replace three existing Digester Mixing Pumps with three screw centrifugal pumps and one spare to improve pumping and digester operation and reduce maintenance. The work is included with the Digester #3 Rehabilitation and Upgrade Project (CIP 9012).	-	-	-	-
Complete	9166	Digestion System Enhancements	Combine w/CIP #8021 and transfer budget. Upgrade existing digestion system to allow enhanced operation with three primary digesters in service. Enhancements include a third heat exchanger and replacement of the aging sludge recirculation pumps for all three digesters.	-	-	-	-
Complete	9182	Property Acquisition	Per Engin 7/16, Transfer costs to Proj 264	-	2,540,000	2,540,000	-
Complete	9191	Cathodic Protection at WWTP	This project replaces the worn out Plant rectifier for cathodic protection on the influent and effluent pipes. Delete project from CIP; work done in house.	-	130,000	-	-
Complete	9201	Dimminutor procurement and installation	Purchase and install 2 dimminutors for each MPPS and SCPS. Purchase 1 spare for emergency installation. Budget allocated out of 9152	-	334,814	374,323	374,442
Complete	9203	Central Chillers Replacement	Existing Chillers 1 and 2 are undersized and have reached the end of their useful lives and provide no redundancy. Chiller #1 has stopped functioning and is no longer serviceable. This project replaces the two chillers with three new chillers, providing one for redundancy and greatly enhancing reliability. Budget allocated out of 9152	-	996,448	1,109,003	1,109,003
Complete	9204	MPPS Concrete Repair	Severe corrosion and spalling concrete have been witnessed at the Menlo Park Pump Station, compromising the integrity of the structure and posing a safety hazard to SBSA Utility Workers. This project will also remove the chemical storage tanks, piping, and pumps that are no longer used. Budget allocated out of 9152	-	68,155	68,155	68,155
Complete	9211	Secondary Clarifier 6" Water Line Replacement	Replace the 6-inch water line situated on the eastern wall of the secondary clarifiers under the Activated Sludge Automation project. Project pulled from CIP #9152.	-	70,000	59,496	59,496
Complete	9213	Area Lighting	Replacement of Plant area lighting to LED lights by in-house staff and broken out from CIP #9152.	-	56,000	55,547	68,415
Complete	9227	Sodium Bisulfite Tank Alarms & Controls	Provide additional level indicating device, alarms for chemical loading, and controls for heat trace equipment. Currently the 4 tank system has only a single LIT; for safety and critical process control, a redundant LIT is needed. Project will also install visual and audible alarms.	-	-	-	-
Complete	9801	12 kV Primary Switchgear Replacement	Replace primary switchgear due to existing one's obsolescence. Project includes full enclosure and SCADA connection, cabling to T1&T2. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,152,470	3,188,875
Complete	9802	Motor Control Center P-1,2,3, &4 Replacement	Replace all main Motor Control Center Panels P1 through P4 which have reached the end of their useful lives. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,130,760	3,160,662

**SVCW Capital Improvement Program
CIP Project Status - COMPLETED**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Complete	9803	Electrical System Redundancy	Replace Power Distribution Panels PD1 and PD2 due to obsolescence. Includes tie-breakers for flexibility between T1 and T2. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,134,080	3,163,940
Complete	9805	Cogeneration System Connection to Primary Switchgear	Work completed under Power Reliability Improvements (9801 to 9804). Project Complete.	-	800,000	3,429	-
Complete	9804	Standby Power Upgrade	Install new standby bus for P1 through P5. Including new ATS's and cabling to P-6 and 2 new standby generators rated at 1MW each. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,412,623	3,506,324
TOTALS - COMPLETED PROJECTS				\$51,504,236	\$126,514,271	\$139,194,565	\$137,314,926

**SVCW Capital Improvement Program
CIP Project Status - IN CONSTRUCTION**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Constr	6003	Influent Force Main Emergency Repair	As-needed repairs if leaks in the influent force main occur.	\$ 2,145,000	\$ 3,645,000	\$ 3,840,157	2,751,562
Constr	6012	Effluent Pipeline and Outfall Reliability Improvement	Improve reliability of Effluent Pipeline and Outfall, which have historically experienced leaks	-	12,450,438	\$ 10,063,562	9,825,177
Constr	7012	Pump Stations Processor Upgrade & T-1 Transition for Primary Communications	Install new PLC processors for existing Pump Station Controls	-	-	\$ 298,151	87,196
Constr	8007	Primary Sedimentation Control System	Install basic PLC and Communication equipment, conduit and primary sensing devices for primary sedimentation tanks. Do as part of SPA project	3,245,100	2,899,640	\$ 5,442,406	5,910,444
Constr	8018	Gravity Thickener Process Automation	Install basic PLC and Communication equipment, conduit and primary sensing devices in thickener area. Part of SPA project.	2,105,800	4,285,314	\$ 6,223,412	7,363,753
Constr	8021	Anaerobic Digestion Process Automation	Automate digester process. Part of SPA project.	2,589,600	8,882,096	\$ 9,535,154	7,393,666
Constr	8023	SCADA/Auto Response to Plant Alarm Conditions	Planning and programming effort to maintain reliability while reducing labor demand. Requires Automation Program and Communications Upgrade to be completed.	1,446,700	1,255,286	\$ 744,749	226,449
Constr	8025	No. 3 Water Control System	Install basic PLC and Communication equipment, conduit and primary sensing devices for #3 water system.	111,700	225,000	\$ 231,430	44,006
Constr	8036	Automation System Integration - SRF Funded	Use funding for global automation tasks funded by SRF loan program	-	416,545	\$ 445,294	137,436
Constr	8038	Process Return Flow Meter and Sampler Installation	Install flow meters and samplers on small side streams to be able to monitor and track these flows. Project is being installed in-house.	-	357,500	\$ 382,370	118,586
Constr	9014	Process Tanks Concrete and Steel Protective Coatings Replacement	Replace coating in PEC and PST 1&2 (1st phase). Add FFR Wet Pit to project scope. Do with CIP #9127.	-	-	\$ 5,293,542	3,368,349
Constr	9015	Hypochlorite Dosing System Rehabilitation Automation	Replaces pipe, valves, pumps, manifold to allow chlorination for disinfection & odor control; work done in house. Current project replaces the two tanks with double-walled tanks.	372,900	1,350,000	\$ 820,044	616,146
Constr	9034	Electrical Conductor Replacement - MCC Room to Wetside/Dryside Loads	Multiple year project to replace old and corroded electrical cabling throughout the Plant.	4,903,500	2,400,000	\$ 2,791,033	308,844
Constr	9067	Dewatering Process Control System Upgrade	Work being completed under CIP #8021, SPA project. Adds new SCADA View at existing location, programming for cutover of new controls. Delete budget from this project.	108,400	-	\$ -	-
Constr	9080	Primary Sedimentation Tanks Collector System Replacement	Replace or rebuild collector drive system, including chains and filghts; one tank every 2 years.	1,929,100	1,929,100	\$ 4,309,732	2,123,466
Constr	9096	Plant Architectural Painting	Plant-wide painting including pumps, piping, equipment and structures. Painting necessary to prevent corrosion & for longevity of Plant's assets.	1,564,900	1,564,900	\$ 1,813,307	388,692
Constr	9118	SCADA Integration with Integrated Business Management System	Information Management System and SCADA to be tied together for asset management and maintenance scheduling.	481,000	2,168,560	\$ 2,458,093	2,024,288
Constr	9128	PST 3 & 4 Protective Coatings	Complete with 9080 - PST Collector System Replacement	714,150	714,150	\$ 2,869,160	1,728,750
Constr	9131	Plant Service Road Resurfacing-Phase 2	Plant site grading and paving.	1,089,000	821,310	\$ 953,372	153,612
Constr	9152	Small Capital Equipment Replacement	Ongoing replacement of equipment for maintenance needs throughout plant	3,714,000	1,954,500	\$ 2,238,071	1,217,317
Constr	9164	Dewatering and Solids Handling Improvements - Phase I	Recommendations from the Biosolids Master Plan for dewatering improvements.	-	3,897,253	\$ 5,536,578	6,377,159
Constr	9177	Implement Security Plan Enhancements	Implement inhancements outlined in Security Document; conjoin with capital improvements as they are being implemented.	-	1,920,000	\$ 1,165,990	526,952
Constr	9188	DMF Underdrain Access Hatches	There is no access point to the DMF underdrains. This project will provide such access.	-	105,600	\$ 116,871	2,307
Constr	9214	Alternate Bisulfite Injection Point	Provide an alternate bisulfite injection point in order to reduce the chance of permit violation	-	423,660	\$ 457,631	10,519
Constr	9222	Dual Media Filters 6A and 6B	Construct two new Dual Media Filters and associated valves and piping. Work is being performed as a CCO by ERS.	-	3,452,571	\$ 2,053,201	582,801
Constr	9226	DMF Platforms	Construct platforms for access to maintain valves in the DMF Gallery. Currently the valves are not accessible. Do work as a CCO to DMF 6A & 6B construction project (CIP #9222)	-	-	\$ 155,490	-
Constr	9228	Diesel Pump Upgrade	Relocate and replace diesel pumps and generator day tanks.	-	-	\$ 879,178	489,481
Constr	9231	BioforceTech Dryer System	Work with BioforceTech for half-scale biosolids drying Facility. SVCW to provide suitable site and utilities; Bioforce Tech to construct and operate. Tipping fee will be established based on this relationship.	-	-	\$ 2,048,637	806,969

**SVCW Capital Improvement Program
CIP Project Status - IN CONSTRUCTION**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Constr	9806	Wetside Redundant Power Improvements	Addition of two standby power generators to PDP2 switchgear. In order to save monies, PDP2 was constructed to be completely ready for new generators and was originally proposed to allow existing generators to backfeed through existing primary transformers T1 and T2. Concerns raised during the Rule 21 process caused this plan to be superceded with standalone generators.	-	-	\$ 2,830,731	6,498,014
TOTALS - PROJECTS IN CONSTRUCTION				\$ 26,520,850	\$ 57,118,423	\$ 75,997,343	\$ 61,081,941

**SVCW Capital Improvement Program
CIP Project Status - PLANNING & DESIGN**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Planning	6004	Flow Equalization Facility	Build wet weather and diurnal storage facilities on plant property	\$8,981,300	\$28,600,000	\$ 18,171,592	597,044
Planning	6006	Conveyance System CEQA	Project Development, CEQA, and Planning for the Conveyance System Project Elements	-	839,000	\$ 5,100,580	3,780,312
Planning	6008	Tunnel and Gravity Pipeline	Installation of gravity pipeline, using tunneling construction methods for conveying wastewater to the plant.	-	63,190,000	\$ 220,007,111	9,274,889
Planning	6010	Force Main Conveyance System Program - General Support	Provides support and funding for general requirements of projects contained within the Conveyance System Program.	-	200,000	\$ 208,810	204,388
Planning	6013	Receiving Lift Station	Construct new pump station to lift flow out of the gravity pipeline and into headworks of the plant.	-	-	\$ 50,517,763	501,089
Planning	6014	Influent Connector Pipe	Install new pipeline that connects headworks process to current plant influent.	-	-	\$ 9,081,206	425,909
Planning	7004	Menlo Park Pump Station Rehabilitation	Replace Menlo Park Pump Station to accommodate future Conveyance System needs	5,454,200	10,900,000	\$ 23,847,974	123,607
Planning	7005	Redwood City Pump Station Rehabilitation	Replace Redwood City Pump Station to accommodate Conveyance System needs	23,400,000	25,140,000	\$ 30,216,325	3,123,523
Planning	7008	Belmont Pump Station Rehabilitation	The existing pump station is at the end of its useful life. This project will replace the pump station equipment at the same location with details to be identified upon completion of the Conveyance System Program planning under Alternative 4BE. In the interim, until new pump station is constructed or deemed unnecessary, this project will fund necessary maintenance.	14,872,000	-	\$ 10,106,624	6,458
Planning	7009	Pump Stations Program - General Support	Provide general support to the Program Manager and in support of the overall pump station program.	-	400,000	\$ 426,505	162,104
Planning	7011	Belmont Force Main	Construct Pipeline between Belmont Pump Station and San Carlos Pump Station location.	-	22,022,000	\$ 3,308,933	301,075
Planning	9017	Plant #1 Water System Pipe Repair and Supply Upgrade	Rehabilitate potable water system: replace air gap tank or install backflow preventer, hydropneumatic tank, and pumps.	148,400	365,474	\$ 456,857	458,760
Planning	9033	Future Plant Electrical System Panel Replacement	Complete replacement and addition of additional panels and subpanels	5,748,600	5,570,322	\$ 6,357,363	4,011,126
Planning	9097	Plant Deck Re-coating	Add painted walkway and H2O rated hatch covers for pedestrian/cart access under the Plant Control building. Some hatches replaced under other CIP projects.	179,400	179,400	\$ 209,376	2,685
Planning	9102	Storm Drain System Improvements and Maintenance Wash Rack	Replace the last existing stormwater pump with a submersible pump and install 400' of buried 6" C900 PVC pipe and control valves to deliver storm water to the influent junction box or storm lagoon. Construct new wash rack to facilitate ability to clean equipment for maintenance overhauls. Includes upgraded electrical and control system. These two items occur in the same Plant area; stormwater PS work complete; wash rack not complete.	482,100	482,100	\$ 211,947	108,287
Planning	9103	Landscape Impoundment Improvements	Project is slated to provide improvements to the impoundment. Work in addition to what was originally intended may be done for future Plant process needs.	269,100	269,100	\$ 312,190	55,239
Planning	9105	Document Management System	Phase 2 of the IMMS; use for CIP information management.	1,995,500	1,995,500	\$ 2,318,059	326,974
Planning	9107	CCT Concrete and Steel Protective Coating Replacement	Recoat walls and Ceiling of CCT	4,807,400	4,901,400	\$ 5,719,970	89,089
Planning	9120	RAS Pump Suction Pipe Replacement	Slip-line the in-slab pipe. The high content of solids in sludge piping wears the pipe out over time; the RAS piping is thin due to the continued abrasion of the sludge transported through it.	511,800	311,800	\$ 362,864	32,962
Planning	9144	Solids Handling Program - General Support	Project provides support and funding for general requirements of projects contained within the Solids Handling Program through the life of the CIP.	-	100,000	\$ 137,681	242,362
Planning	9145	Plant Energy System Program - General Support	Provides support and funding for general requirements of projects contained within the Plant Energy System Program.	-	75,000	\$ 87,192	10,418
Planning	9160	WWTP Headworks and Screening Facility	Project provides for a new headworks and screening facility at the WWTP. Pump station predesign efforts will take headworks needs into account.	-	16,422,000	\$ 43,011,190	818,795
Planning	9169	Dewatering and Solids Handling Improvements - Phase II	Implement the dewatering improvements recommended by the Biosolids Master Plan, including replacing the existing centrifuge with a third rotary press. Timing is dependent upon several projects currently being considered (Food Waste, Bioforce Tech, future Plant loadings) and when Operations require redundancy.	-	1,123,200	\$ 1,443,215	219,271

**SVCW Capital Improvement Program
CIP Project Status - PLANNING & DESIGN**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Planning	9175	Security Program for New Conveyance System Pump Stations	Conduct an evaluation of the security and monitoring needs (required and optional) to be designed into the new conveyance system pump stations. The goal is to have a list of design criteria to give to the pump station design firm to ensure consistency of security equipment and controls. This project will investigate remote monitoring alternatives desired for operational needs. The project includes SVCW making decisions on security equipment, software and integration into the plant data system assuming this project will be conducted before the Plant Security Assessment and Plan project.	-	200,000	\$ 15,113	(0)
Planning	9176	Plant Vulnerability Assessment and Security Plan	Conduct a Site Vulnerability Security Assessment and prepare a Security Plan. This is to identify the security needs at the plant based on potential for vandalism and the planned elimination of night time staffing. This plan will incorporate the decisions made in the Pump Station Security Program (CIP #9175) for software, I/C, and overall network controls. Additional hardware and equipment specific to the plant will be evaluated.	-	250,000	\$ 66,986	-
Planning	9189	DMF Pump and Discharge Piping Replacement	Replace motors and drives on DMF Pumps.	-	858,000	\$ 1,793,236	2,236
Planning	9215	Digester #1 Rehabilitation	Repair of coatings and structural elements in Digester #1. Project includes replacement of the two mix nozzles, two wall penetrations and the upper and lower vertical mix pipe manifold as previously included in CIP #9170. Also include interior coating of 24-inch horizontal mix piping as previously included in CIP #9171.	-	2,000,000	\$ 2,161,884	32,341
Planning	9223	Final Effluent Pump Replacement	Increase the capacity of the final effluent pumps to be able to discharge 80 mgd	-	2,301,714	\$ 2,484,794	97,693
Planning	9224	FEP Connection to Chlorine Mix Box	Provide pipeline to connect effluent pumps to the chlorine mix box to improve plant hydraulics and chlorine contact time	-	200,000	\$ 216,219	-
Planning	9232	Long Term Strategic Recycled Water Planning	SVCW would begin collaboration with outside stakeholders for long-term planning of recycled water expansion as a drought proof water supply, explore IPR/DPR treatment requirements etc. Budget is for staff time to attend meetings and begin long-term planning, plus work with consultants on conceptual studies. No construction dollars are included. Large scale expansion of recycled water treatment may offset dollars spend on future nutrient removal compliance	-	-	\$ 1,032,137	109,625
Design	9168	Thickening Improvements - Phase I	Rehabilitate Thickeners 2 and 3	-	2,808,000	\$ 1,448,690	69,680
Design	9186	Replacement of Aeration Blowers	The 2010 FFR preliminary design report evaluated the existing blowers and indicated an additional 10 years life remain if the units are maintained well and ventilation is added to the room. Project added in 2012 Update; use project as a placeholder for future replacement and for change to mixers inside the ABs.	-	4,290,000	\$ 4,750,568	40,771
Design	9206	Site Waste Piping and Pump Replacement	Replace discharge piping and header and add one new pump due to significant number of leaks in the system.	-	99,528	\$ 109,901	9,005
Design	9220	Aeration Basin Venturi Removal	Remove a bottleneck to allow peak flow of 80 mgd	-	1,150,857	\$ 1,243,488	19,033
Design	9229	Food Waste: Receiving Station and Digester Improvements	Plan, Design and Construct Receiving Station for Accepting Food Waste from SBWMA. Project would include new receiving station and interconnection to Digesters	-	-	\$ 14,330,203	786,427
TOTALS - PROJECTS IN PLANNING & DESIGN				\$66,849,800	\$197,244,395	\$461,274,545	\$26,043,178

Note - \$0 values where project did not yet exist in the identified CIP, was deleted, or was merged with another project

**SVCW Capital Improvement Program
CIP Project Status - REMAINING**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Project On Hold	9071	Plant Gallery Floor and Wall Crack Sealing	Seal gallery floors to prevent infiltration of GW. Unplug in-slab drain pipes.	250,000	484,832	561,364	129,652
Project On Hold	9113	Evaluation of Plant Underslab Piping	TV or otherwise investigate various piping embedded in concrete throughout the Plant	371,800	371,800	434,129	-
Project On Hold	9192	Drying Beds Northern Expansion	Expands the drying bed to the north with a new 3-acre bed.	-	1,656,000	35,102	104,983
Project On Hold	9400	Nutrient Removal	Placeholder for faciities required to remove nutrients (nitrogen and phosphorous) to meet future regulations.	-	-	103,636,229	649,490
Project Not Started	8045	System Integrate: Pump Station Security into WWTP Controls	This project is for the system integration of the pump stations' security systems into the WWTP control system. The project budget assumes 1) that all the security costs associated with specific pump station design and installation of equipment will be included in specific pump station rehabilitation projects and 2) the costs for security control equipment at the WWTP is included in new CIP #9177.	-	150,000	175,146	-
Project Not Started	9041	Underground Fuel Tank Replacement	Future Underground Storage Tank regulations may require removal of this tank. Remove 15,000 gallon underground fuel (diesel) tank and replace with a tank that meets regulatory requirements when necessary. Electrical costs include conduit and wiring for new underground tank leak detection equipment necessitated by moving the tank.	458,000	458,000	534,779	-
Project Not Started	9084	Seismic Upgrade - DMF 42" Effluent Piping	Install lateral bracing on the DMF 42" effluent piping. (Seismic Improvement Program No. P14).	167,300	167,300	195,346	-
Project Not Started	9093	Headworks Odor Control	Cover grating and open areas, treat odorous air.	929,500	929,500	1,085,321	-
Project Not Started	9094	Thickener Overflow Line Butterfly Valve Replacement	The butterfly valve is worn and no longer working as it is intended.	28,300	28,300	-	-
Project Not Started	9171	Interior Coating of Horizontal Influent 24" Mix Pipes for Digester 3	The Horizontal 24" Mix Pipe Lines were inspected in 2009 and minimal reduction in pipe thickness was noted and the pipes were placed back into service. It was noted that the coating was peeling off in places so this project will inspect the pipes next time the digesters are taken down for maintenance and replace interior coating and corroded piping as needed. Digester 2 piping replaced under CIP #9095. D1 piping to be included with CIP #9215, Digester 1 Rehabilitation. D3 piping remains to be replaced.	-	100,000	116,764	-
Project Not Started	9172	Thickening Improvements - Phase II	Gravity Belt Thickeners were installed under CIP #8018, Thickening Automation in 2014-2015. If and when flows and loadings increase, Phase II will install one or more GBTs. This is a project placeholder and not currently funded.	-	2,808,000	-	-
Project Not Started	9173	Dewatering and Solids Handling Improvements - Phase III	Implement the dewatering improvements recommended by the Biosolids Master Plan, including installation of a fourth rotary press.	-	1,123,200	1,311,493	-
Project Not Started	9174	Digester Supernatant Piping Upgrades	The existing supernatant piping only allows for supernating to Digester 3 from Digesters 1 and 2 and there is no passive overflow system at any of the Digesters. This project will investigate the future need for additional supernatant piping and alternative destinations for receiving supernatant flow. The project cost assume \$50,000 for the evaluation and a placeholder of \$250,000 for implementation.	-	300,000	350,292	-
Project Not Started	9185	Water Cannons at Aeration Basins	Provide 3W piping and appurtenances required to supply high volume, high pressure water for aeration basin wash-down.	-	107,250	118,783	-
Project Not Started	9187	Secondary Clarifier Weir Washers	Install weir washers on secondary clarifier weirs to facilitate routine daily washing and in support of eventual single shift operations and maintenance.	-	248,820	275,576	-
Project Not Started	9196	Electronic O&M Manuals	Develop Electronic O&M manuals to replace existing paper manuals. Extent of e-manuals will be determined to coincide with full plant automation requirements.	-	1,000,000	1,036,600	-
Project Not Started	9197	In-Plant Recycled Water System Expansion	Expand the recycled water pipeline installed under CIP 9018 to supply cooling water to the new emergency generators in the SHB and the new chillers in the Thickener gallery.	-	231,660	256,570	-
Project Not Started	9212	Security Arm Gates	Install security lift arm gates to block access to cars from areas of the plant past the parking lot.	-	80,000	86,488	-

**SVCW Capital Improvement Program
CIP Project Status - REMAINING**

9-Feb-17

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	Actual Spent thru January 2017
Project Not Started	9225	DCP2 Processor Upgrade	DCP2 Control Logix Upgrade (Dual Chassis) for central data collection and Critical Alert Alarm (CAA) system monitoring and management. The current system is beyond it's useful life and has no redundancy.	-	-	107,599	-
Project Not Started	9233	Strategic Technology Testing Assistance	Set aside a small project budget to assist with future possible pilot studies. Do not fund project at this time.	-	-	-	-
Project Not Started	9235	Digester Gas Storage	Construct storage for digester gas gas equalization in support of optimizing the cogeneration engine operation/electricity output. Gas production expected to rise with introduction of co-digestion materials (food waste and FOG)	-	-	1,451,240	-
Project Merged	6005	Influent Force Main - Rehabilitation or Parallel	Project redefined into pipeline segments; retire this CIP #. Repair and Replacement work on the SBSA Force Main as joints fail (start to leak). The force main has approximately 4,000 single "O" ring bell and spigot joints while the entire pipe rests in bay mud and moves constantly.	125,053,500	2,786,934	3,031,955	3,031,955
Project Merged	8014	Primary Sludge Piping System Valve Automation	Install valve actuators and new valves as needed to facilitate automation of the primary sludge system. Delete project and merge with 8007.	281,700	-	-	-
Project Merged	8024	Thickening Pump #1-6 Remote on / off / speed controls	Combined with Thickener Automation (CIP 8018) via SPA project. Includes effort for motor replacement.	360,600	10,978	26,869	0
Project Merged	8030	Automation: Instrumentation & SCADA Program - General Support	Provides support and funding for general requirements of projects contained within the Energy and Automation Program. Do not fund project in 2015 Update	-	670,509	433,239	453,461
Project Merged	9108	Scum Flowmeter	Combined with Thickener Automation (CIP 8018).	29,200	-	-	-
Project Merged	9165	Seismic Upgrade of Digester Mix Room and Boiler Room Piping	Do work under SPA project, CIP # 8021.	-	111,500	-	-
Admin	9078	10-Yr CIP Program Annual Updates	Update the 10-Year CIP and costs annually or as needed to ensure that projects are scheduled and funds are available each year	180,000	300,000	348,705	71,716
Admin	9130	Capital Improvement Engineering	Funds staff required to coordinate and implement the Capital Improvement Program.	7,000,000	7,000,000	13,349,767	344,859
Admin	9158	CIP Financial Assistance	State Water Resources Control Board SRF construction loan assistance. Funding received for Admin Building and WWTP Improvements and planning loan for Conveyance System. Future applications will be submitted for Conveyance System and Future Treatment Plant projects. Budget includes ongoing compliance with loan requirements.	-	1,000,000	1,165,569	134,799
Admin	9159	OCIP Funding	Repository for funding the OCIP and payment to Aon for management of the program for first five years. New OCIP program being evaluated in 2015.	-	6,000,000	6,217,403	188,940
Admin	9184	LOC Funding - Phase I	Fees for setting up and managing LOC with Bank of the West. Process complete.	-	105,431	11,124	(0)
Admin	9209	LOC Funding - Phase II	Initial Set-up and Annual fee for LOC with Wells Fargo as of 2015.	-	120,000	129,731	-
TOTALS - REMAINING PROJECTS				\$135,109,900	\$28,350,014	\$136,483,183	\$5,109,857

Note - \$0 values where project did not yet exist in the identified CIP, was deleted, or was merged with another project

Commissioners' Requested Action Items
Last Update: 2/24/2017

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
2/9/2017	1	Provide PIN and keycards to Commissioners	3/23/2017			✓	2/15/2017	Will be provided to Commissioners at March meeting
	2	Compensation Study	3/23/2017		✓			First report provided salary information only, no benefits. Consultant re-working the study to include benefits and will be presented to the Commission at the March meeting.
	3	March meeting agenda	3/17/2017			✓		To the extent possible, keep agenda items to a minimum and/or on Consent Calendar. Due to budget focus.
1/12/2017	1	CalPERS actions on performance pay	NA		✓			Inform all persons who received the CalPers letters of what actions the Commission is taking on their behalf. This is anticipated to be a long lasting ordeal and multiple updates will be provided as information becomes available.
	2	SVCW Financial Reports	2/9/2017		✓		Implemented	Send warrant registers for review by Commissioners via email prior to Commission meeting they will approve them at. Do not send hard copies with agenda packet.
	3	SRF Funding	<1/30/2017			✓	1/19/2017	Send the letter from Commission to state legislatures for SRF funding prior to Jan 30th meeting w/SWRCB
	4	Long Term Financial Plan	2/9/2017			✓	2/9/2017	Add statement to LRFP re: debt and generational equity; a statement re: debt interest due to not having \$ for pay-as-you-go.
	5	CIP Funding	Spring 2017		✓			Present a recommendation to Commission re: timing for bond issuance.
12/8/2016	1	Prepare discussion re: financing the CIP (bonds/no bonds)	1/12/2017			✓	1/12/2017	Preliminary discussion with LRFP presentation in January
11/10/2016	1	Discuss 2017 Commission Meeting Dates	12/8/2016			✓	12/9/2016	Commissioners confirmed meeting dates.
	2	Conveyance System DEIR	>12/8/2016		✓			Presentation provided at December Commission meeting; no additional meeting needed until FEIR. Staff to report at each Commission meeting comments received during the 45-day comment period. Ensure drafters of EIR are present at FEIR meeting in April.
	3	Investment Report	12/8/2016			✓	12/8/2016	Ensure numbers in report tie in to front page numbers.
10/13/2016	1	IT System Shut-down of October 17th	10/14/2016			✓	10/14/2016	Notify public of planned IT shutdown via website.
	2	Conveyance System DEIR	>12/8/2016			✓		See discussion under 11/10/2016 above.
	3	SRF Funding Availability	January or February			✓	1/19/2017	Letter to State legislators and SWRCB advocating CA issuing more bonds to fund the SRF program drafted and presented to Commission. Letter sent mid-January.
	4	Conveyance System Commission sub-committee	NA			✓	11/7/2016	Subcommittee (Lieberman and Moritz) met on Nov 7 to discuss conveyance system progress.

Commissioners' Requested Action Items

Last Update: 2/24/2017

Commission Meeting Date	Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
			Ongoing	In Progress	Complete		
	5	Greendale property construction progress		✓			After redesign for changed county required retention wall strength, contractor has begun construction again and is expected to complete work in approximately 60 days. Additional costs are being tabulated on a direct time and materials basis with no mark up by contractor.
9/8/2016	1	Job Classification and Total Compensation Study		✓			UPDATE: The draft report was received and staff found the consultant had only provided salary information and not complete compensation information. After communication with the consultant, it was determined they had not fulfilled their scope and they are now assembling the other information needed to evaluate total compensation. This information is now late, but it will be provided in time for discussion at the budget presentation at the March Commission meeting.
	2	Control Building HVAC System	NA	✓			Seek damages recovery from Architect of Record
	3	JPA re-write: prepare RFP and concurrently reach out to Legal Counsels of each member agency.	NA	✓			UPDATE: Staff is working with legal counsel to identify base issues for consideration. First round edits have been complete. Next step is to identify specific issues to present to potential special counsel (once hired) to facilitate the re-write.
	4	Connection Fees	NA	✓			Additional plant capacity evaluation is underway to ensure proper flow numbers are used in the calculations.
8/18/2016	1	SCBS Ratify Emergency Condition - Valve Replacement	NA		✓	12/8/2016	Reported in December the emergency condition has been alleviated.
7/14/2016		No new items at this meeting					
6/9/2016	1	Contract Change Orders	NA	✓		8/18/2016	When there is a change in contract amount, note % increase over original contract amounts; began at August meeting.
	2	MOU Negotiations	NA	✓		NA	When MOU negotiations occur, present status updates to the Commission - anticipated in late 2017/early 2018.
5/12/2016	1	Consider a Press Release for APWA award received	NA		✓		Determined to not address at this time.
	2	Cost Delta for SRF vs no SRF	8/18/2016		✓	7/14/2016	Part of Risk Assessment analysis. Will be an ongoing report at future Commission meetings

Commissioners' Requested Action Items

Last Update: 2/24/2017

Commission Meeting Date	Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
			Ongoing	In Progress	Complete		
	3	Vendor Gifts			✓	11/10/2016	Draft policy provided at October meeting. Action item to be added to November meeting.
4/14/2016	1	Change to descriptive minutes from Commission meetings			✓	5/5/2106	Descriptive minutes began for April meeting and was provided with May meeting agenda; minutes approved in May.
	2	Present increase to reserves by \$1M			✓		Determined by SVCW CFO to not proceed with increase at this time.
	3	Perform risk analysis by independent consultant for conveyance system			✓	7/14/2016	PO approved for Exponent to complete risk assessment at May meeting. Results reported at July meeting.
	4	Cogeneration Gas Conditioning			✓		Cogen engines back online as of late April 2016.
3/10/2016	1	Conveyance System Program - Report out on public comments received through Public Scoping period			✓	4/7/2016	Summary complete and included as Item 8B on April 14, 2016 Commission meeting
	2	Review policy re: gifts received from vendors			✓	5/12/2016	Item discussed at May meeting; see notes above.
2/11/2016	1	File Retention Policy change			✓	3/3/2016	Change retention period for Commission meeting recordings to match minutes
	2	Engineering Monthly Report changes			✓	3/10/2016	Add project budgets and actual spend on completed as well as active projects
	3	BioForce Tech project status			✓	3/10/2016	Provide status update to Bob Grassilli (can be separate and direct memo)
	4	FOG Station			✓	3/10/2016	Provide information on grease receiving rates within the Bay Area (memo to the Commission; no action)

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – FEBRUARY 9, 2017**

ITEM 1

CALL TO ORDER

The meeting was called to order at 4:03 p.m.

ITEM 2

ROLL CALL - Commissioners Duly Appointed By Each Agency

Mayor John Seybert, Redwood City – Chair

Council Member Warren Lieberman, PhD., Belmont– Vice Chair

Board Member George S. Otte, P.E., West Bay Sanitary District

Mayor Robert Grassilli, San Carlos – Secretary

Staff, Consultants and Visitors Present

Christine C. Fitzgerald, SVCW Legal Counsel

Daniel T. Child, SVCW Manager

Teresa Herrera, SVCW Assistant Manager/Authority Engineer

Monte Hamamoto, SVCW Wastewater Superintendent

Matt Anderson, SVCW Chief Financial Officer

Linda Bruemmer, SVCW Administrative Services Director

Kim Hackett, SVCW Engineering Director

Bill Bryan, SVCW Senior Engineer

Cindy Hui, SVCW Financial Analyst

Bob Huffstutler, SVCW Operations Director

Keith McClure, SVCW Operations Supervisor

Ilana Schmidt, SVCW Administrative Assistant

Jennifer Chang, City of Redwood City

Bill Tanner, Tanner Pacific, Inc.

Mike Jaeger, Tanner Pacific, Inc.

Aren Hansen, Brown and Caldwell

Mark Minkowski, Kennedy/Jenks

Ken Kaufman, SVCW Retiree

ITEM 3

PLEDGE OF ALLEGIANCE

Mr. Otte led those attending the meeting in the recital of the Pledge of Allegiance.

ITEM 4

PUBLIC COMMENT

There was no Public Comment.

ITEM 5A

SAFETY MOMENT

Mr. Child's Safety Moment discussed portable generators and how to properly maintain and operate them.

ITEM 5B

MANAGER'S REPORT

March Commission Meeting: Mr. Child confirmed the changed date and time for SVCW's March Commission Meeting which will be held on March 23, 2017 at 8:00 a.m. Commissioner Grassilli thanked the Board for being flexible and accommodating his schedule.

Front Gate: Mr. Child followed up with discussion regarding front gate entry on meeting days and asked Commissioners about their preference. It is possible to program the front gate to remain open for Commission Meetings, but as Commissioner Seybert pointed out, one can easily find out when there are meetings and then access the plant without permission. The final decision was to issue ID badges to each Commissioner to grant entry into the Plant.

Compensation Study: Mr. Child anticipated sharing the results with the Board today, but the information presented by the consulting firm covered salaries only and should of included benefits as well. The consultants are re-working the findings and will include total compensation for a more accurate picture of SVCW's current pay status compared to other local employers. The report will be ready to present at next month's meeting and will be used in conjunction with budget discussion and presentation.

WIFIA: Mr. Child and Mr. Anderson will be going to Washington D.C. to meet with several Congressional delegates and USEPA officials to investigate potential finance and grant programs to fund the Capital Improvement Program work.

ITEM 5C2

FINANCE STATUS UPDATE

Mr. Anderson began with the budget, stating that year to date SVCW is \$1.1 Million Dollars favorable (9% under budget). One third of the savings is in personnel and some vacancies incurred, plus timing in terms of payments budgeted throughout the year. Mr. Anderson proceeded to discuss trends in interest rates. The issuance of new debt is still planned for the coming fiscal year as identified in the Long-Term Financial Plan. Mr. Anderson displayed a graph of the last two years of interest rates highlighting the fall and rise of long-term rates. He noted it is important to keep an eye on interest rates due to SVCW's continued need to borrow money to finance the investment in capital infrastructure. The data is insightful in terms of the rate of spending and when to issue debt. Mr. Anderson then explained that at the recommendation of the Commission at last month's meeting, he has evaluated the yield curve for the past year. The yield curve shows long-term debt has again become more expensive and in comparison to October 2015 (last time SVCW debt issued) is about the same. There is expected to be a big increase in yield curve maturities through 2020, where it is then expected it will flatten out. This reinforces the message that it is again getting more expensive to borrow money. With that said, SVCW is gearing up for the next round of large investments and needs liquidity to pay for the projects. In looking at

SVCW's needs, there are two options, 1) issue more long-term debt or, 2) use short term funds available from our Line of Credit (LOC) up to the approved \$30 million dollar limit and then issue long-term debt at a later date to repay the LOC. Mr. Anderson recommended pursuing the issuance of long-term debt this Spring or Summer because interest rates change very quickly and seem to be moving in an upward direction. Mr. Anderson stated that he is still reviewing his recommendation and acknowledged that neither he or anyone he knows, can predict what interest rates will do in the coming months.

Mr. Anderson displayed a calendar of events, with the first item being the budget presentation next month. He is also planning to bring a new Debt Policy for the Commission to review and adopt at the March meeting. The driving force behind adopting the debt policy is that the CDIAC (California Debt and Investment Advisory Commission) must track and report all state and local outstanding debt. In order to track the debt, Agencies must certify they have an adopted debt policy, report proposed debt to CDIAC and submit annual reports for any issuance of debt. The debt policy will, among other required items, address receiving funding through SRF (State Revolving Fund) and WIFIA (Water Infrastructure Financing and Innovation Act). Mr. Anderson added this must be done prior to April 10, 2017.

Mr. Lieberman commented on the year-to-date budget update. In going through the report it looked like there are some significant variances, many were, to a large part, explained by timing issues. Mr. Anderson concurred with his statement and added the Agency is working to better streamline the budget to address season-based and decision-based activities.

Commissioner Otte asked Mr. Anderson how much money he anticipates receiving from WIFIA. Mr. Anderson replied that WIFIA will fund up to 49% of a project and with a \$400 Million Dollar project, he hopes to get close to \$200 Million Dollars. Mr. Grassilli said it's important to be optimistic, but also realistic, as many other Agencies across the country will actively pursue this money too. Mr. Otte asked what the interest rates are expected? Mr. Anderson replied that he expects the rate to be approximately 2.5%. Mr. Child added that he hopes SVCW has an advantage in this first round of WIFIA loans since the project we have will be truly "shovel ready" by the time the money becomes available.

Mr. Seybert encouraged fellow Board Members to reach out to Mr. Child and Mr. Anderson with any questions or comments in regards to the budget prior to the March meeting.

ITEM 5F CONVEYANCE SYSTEM PROGRAM UPDATE

Ms. Herrera updated the Commission with a timeline of events. In terms of funding, next steps are the SRF Planning Loan, the SRF Construction Loan Application and the WIFIA Letter of Interest. Ms. Herrera added the Final Environmental Impact Report is in progress and staff has a meeting scheduled with the Audubon Society to address concerns they submitted in a comment letter. Lastly, SVCW is preparing the Progressive Design-Build Request for Qualifications.

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

Commissioner Lieberman asked how SVCW operated during the storms and if any issues arose. Mr. Child said SVCW experienced very high flows, well over Eighty (80) MGD (million gallons per day) peak flow rates. He added that the storm on January 10, 2017 resulted in the highest record ever for flow coming in to the plant. Mr. Lieberman asked if the fact the ground is so saturated with water presents additional issues. Mr. Hamamoto, SVCW's Wastewater Superintendent replied that since this year's storms began, the ground has been saturated to the point that the rain runs right through it and into the wastewater system because there is nowhere else for it to go. Mr. Child added that another issue with saturated ground is rather than experiencing peak flows that go up and then quickly down, the flows go up and stay up for quite some time as the water in the ground drains into the system.

ITEM 7

CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

Motion/Second: Mr. Grassilli / Mr. Lieberman

The motion carried by unanimous roll call vote.

ITEM 8A

CONSIDERATION OF RESOLUTION APPROVING CONTRACT DOCUMENTS FOR FLO-BEAST INSTALLATION PROJECT (CIP #9229)

Ms. Herrera began her presentation with background information. In May of 2016, the Commission approved purchase of the Flo-Beast Receiving Unit and it took approximately six-months to receive the new unit. It is now ready for installation. Ms. Herrera displayed a picture of SVCW's Fats, Oils and Greases (FOG) Receiving Station which is where the Flo-Beast will be permanently stationed. She proceeded to show what unscreened FOG looks like, resulting in clogged pipes and solidification in the tanks. The Flo-Beast cleans up the FOG by removing inorganic material through screening and separating it into a dumpster. It's very important to have clean FOG because it is directly injected into the Digesters. SVCW solicited bids from multiple contractors, but received only one bid from D.W. Nicholson in the amount of Ninety-Six Thousand Four-Hundred Thirty-two Dollars (\$96,432). Ms. Herrera also mentioned that the installation cost does go towards the matching fund requirement for the Organic Food-Waste Project grant that SVCW received from the California Energy Commission. She also noted that the FOG Program has proven to be a positive cash flow program. Ms. Herrera concluded with her recommendation to award the Installation Contract to D.W. Nicholson.

Motion/Second: Mr. Lieberman / Mr. Otte

Move adoption of RESOLUTION APPROVING CONTRACT DOCUMENTS FOR FLO-BEAST INSTALLATION CONTRACT - CIP #9229; AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CHANGE ORDERS UP TO

TEN PERCENT OF THE CONTRACT VALUE FOR SAID PROJECT – (\$96,432) – D.W. Nicholson Corporation

The resolution carried by unanimous roll call vote.

ITEM 9

CLOSED SESSION

Closed Session was called to order at 4:24 p.m.

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code §54956.9(d)(1)

Case Name: *In the Matter of the Calculation of Final Compensation of David A. Hall, Respondent, and Silicon Valley Clean Water, Respondent* (Board of Administration, California Public Employees' Retirement System, Agency Case No. 2015-1236 OAH NO. 2016030664)

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code §54956.9 (12 potential cases): CalPERS' Determination to Exclude Performance Pay from Retirement Benefit Calculations and Opportunity to Appeal Determination

ITEM 10

RECONVENE IN OPEN SESSION

Open Session reconvened at 4:34 p.m. Legal Counsel reported that discussion was held on the above items, instruction was given to Staff and Counsel by the Commission and no action was taken.

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 4:36 p.m.

Robert Grassilli, Secretary
By: Daniel T. Child, Manager

SVCW WARRANT REGISTER

SVCW Warrant Register for period covering January 14, 2017 to February 10, 2017.
Scanned copy was e-mailed to Commissioners on February 14, 2017.

02-10-17

SILICON VALLEY CLEAN WATER
WARRANT REGISTER
FUND RECAP

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NAME	FUND	AMOUNT
CAPITAL IMPROVEMENT FUND	14	19,043.00
OPERATION	18	499,756.04
PLANT - CIP BOND	20	333,316.81
TOTAL FOR APPROVAL		\$852,115.85

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 9573 THROUGH 9591 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 19675 THROUGH 19766 INCLUSIVE, TOTALING IN THE AMOUNT OF \$852,115.85, 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,

Stella Jerome Johnson 2, 9, 17
.....
CONTROLLER DATE

1/14/17-2/10/17

Dr. ELD 2-10-17

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
UNIVAR USA INC.	19675		18,587.94		
CHEMICAL SUPPLIES		SJ790165 12/13/16 SOD HYPO 12.5%		2,014.39	18
		SJ792369 1/2/17 SOD BISULFITE 25%		3,973.03	18
		SJ790483 12/19/16 SOD BISULFITE 25%		4,334.57	18
		SJ793577 1/5/17 SOD HYPO 12.5% LIQUICHLOR		2,141.91	18
		SJ792988 1/3/17 SOD HYPO 12.5% LIQUICHLOR		2,007.55	18
		SJ792239 12/30/16 SOD HYPO 12.5%		2,102.99	18
		SJ790879 12/20/16 SOD HYPO 12.5%		2,013.50	18
ACE AMERICAN INSURANCE COMPANY	19676		2,382.00		
CONST.-ADMIN. & LEGAL		1077739 1/1/17 REIMB FOR W/C D.NEILL FIN PMT TO DEF AT		2,382.00	20
ACME ANALYTICAL SOLUTIONS INC.	19677		297.17		
MISCELLANEOUS		13001 QTY 3 SULFURIC ACID SOLUTION 18%		297.17	18
AIR PRODUCTS GROUP INC	19678		13,058.38		
MISCELLANEOUS		80865 QTY 18 VARISORB QTY 18 V-STYLE DOUBLE HEADER		7,459.00	18
		80865 QTY 18 VARISORB QTY 18 V-STYLE DOUBLE HEADER		5,599.38	18
AIRGAS USA, LLC	19679		1,279.25		
SUPPLIES		9941199180 11/16 O&M MAINT WELDING GASES		7.25	18
		9941199180 11/16 O&M MAINT WELDING GASES		1,182.60	18
		9941199180 11/16 O&M MAINT WELDING GASES		40.20	18
		9941199180 11/16 O&M MAINT WELDING GASES		49.20	18
ALPHA ANALYTICAL LABORATORIES	19680		190.00		
CONTRACT SERV. (NON-MAINT.)		7012986RPSVCW PLANT PERMIT LAB ANALYSIS		190.00	18
ANDERSON, MATT	19681		49.96		
TRAINING		2102017 REIM-1/14-1/20/17 CONFERENCE/COMMUTE EXP-CASA		20.00	18
MEMB. & MEET.		2102017 REIM-1/14-1/20/17 CONFERENCE/COMMUTE EXP-CASA		29.96	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
ANDREINI BROTHERS INC CONSTRUCTION-CONTRACTOR	19682	131155229 12/10/16 GRADE ROADWAY	9,981.00	9,981.00	20
AON RISK INSURANCE SERVICES WE CONST.-ADMIN. & LEGAL	19683	6800000060923 1/15-2/9/17 EXTENSION BUILDERS RISK-ADDI	2,703.00	2,703.00	20
ARIZONA INSTRUMENT LLC MACH & EQUIP MAINT SERVICES	19684	323946 EXTENDED WARRANTY 2/9/17-2/8/18	1,025.00	1,025.00	18
BARKERBLUE PROFESSIONAL SERVICES	19685	585641IN 11/30/16 PRINTING SVCS - LONG RANGE FIN PLAN	619.28	619.28	18
BAY CITY ELECTRIC WORKS CONSTRUCTION-CONTRACTOR	19686	JC107973 WET SIDE REDUNDANT POWER IMPROVEMENT PROCUREM JC107991 WET SIDE REDUNDANT POWER IMPROVEMENT PROCUREM	81,225.41	18,023.93 63,201.48	20 20
BAY RUBBER COMPANY MISCELLANEOUS	19687	17940600 QTY 7 NON ASB GASKETS	45.09	45.09	18
BEECHER ENGINEERING PROFESSIONAL SERVICES CONSTRUCTION-DESIGN	19688	11745 1/16/17 T.O. 2016-01 ELECTRICAL ENG SVCS - CORRE 11749 1/24/17 T.O. 2016-07 ELECTRICAL ENG SVCS - MEETI 11751 12/27/16-1/16/17 T.O. 2016-04 ELECTRICAL ENG SVC	5,740.00	328.00 656.00 4,756.00	18 20 20

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
BROWN & CALDWELL	19689		26,312.57		
CONTRUCTION-DESIGN		11281454 10/28-11/24/16 T.O. 2013-05 DIGESTER&THICKENE		462.58	20
		11281454 10/28-11/24/16 T.O. 2013-05 DIGESTER&THICKENE		462.59	20
		11281454 10/28-11/24/16 T.O. 2013-05 DIGESTER&THICKENE		462.58	20
		11283711 11/25-12/29/16 T.O. 2016-01 NUTRNTS FOOD WAST		7,924.41	20
PROFESSIONAL SERVICES		11283712 11/25-12/29/16 T.O. 2016-05 AIR PERMIT CLEANU		6,062.25	18
CONTRUCTION-DESIGN		11284504 11/25-12/29/16 T.O. 2015-06 PST REHAB		4,129.43	20
		11284504 11/25-12/29/16 T.O. 2015-06 PST REHAB		1,376.48	20
		11284576 10/28-12/29/16 T.O. 2016-04 WET SIDE REDUNDAN		1,161.75	20
PROFESSIONAL SERVICES		11284577 11/25-12/29/16 T.O. 2016-06 ENGINEERING SVCS		4,270.50	18
BUCKLES SMITH ELECTRIC COMPANY	19690		5,726.82		
MACH & EQUIP MAINT SERVICES		301316700 HMICOM DIRECTCNT 7X24 SOFTWARE		2,912.50	18
MACHINERY AND EQUIP MAINT MATE		301877700 QTY 1 MODULE PANELVIEW PLUS 6 LOGIC		1,838.97	18
		301932300 QTY 2 FLAT HNG LATCH CVR, QTY 2 A16P14AL PAN		315.70	18
		301932300 QTY 2 FLAT HNG LATCH CVR, QTY 2 A16P14AL PAN		94.13	18
		302154900 QTY 2 LINE REACTOR OPEN 35AMP		565.52	18
C.W.E.A.	19691		344.00		
MEMB. & MEET.		1172017 CWEA ASSOCIATION MEMBERSHIP RENEWAL-LEE, DAVID		172.00	18
		2913941 CWEA ASSOCIATION MEMBERSHIP-SUSAN G HIESTAND		172.00	18
CA ST DEPT OF FISH AND GAME (C	19692		1,221.00		
CONST.-ADMIN. & LEGAL		REISS122216A NOTIF #1600-2012-0373-R3 AMENDMENT FEE LA		1,221.00	20
CA ST DEPT OF FISH AND GAME (C	19693		562.00		
CONST.-ADMIN. & LEGAL		REISS12222016 NOTIF #1600-2012-0373-R3 AMENDMENT FEE L		562.00	20
CALIFORNIA DETAILERS, INC.	19694		275.00		
MACH & EQUIP MAINT SERVICES		43248 1/14/17 FLEET VEHICLE ON-SITE WASH		275.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
CALIFORNIA HAZARDOUS SERVICES, MACH & EQUIP MAINT SERVICES	19695		6,675.00		
		12202016 12/20/16 FUEL STORAGE TANK INSPECTIONS FOR 5		1,295.00	18
		12202016 12/20/16 FUEL STORAGE TANK INSPECTIONS FOR 5		1,295.00	18
		12202016 12/20/16 FUEL STORAGE TANK INSPECTIONS FOR 5		1,295.00	18
		12202016 12/20/16 FUEL STORAGE TANK INSPECTIONS FOR 5		1,195.00	18
		12202016 12/20/16 FUEL STORAGE TANK INSPECTIONS FOR 5		1,595.00	18
CHILTON AUTO BODY INC. MACH & EQUIP MAINT SERVICES	19696		2,682.00		
		49684 11/23/16 PARTS AND LABOR REPAIR TRUCK 2007 SILVE		2,682.00	18
CINTAS CORPORATION SUPPLIES	19697		505.00		
		5006940640 1/18/17 FIRST AID & SAFETY SUPPLIES		505.00	18
CINTAS CORPORATION NO. 3 SUPPLIES	19698		3,005.14		
		464694481 1/3/17 UNIFORM SERVICE		747.86	18
		464697316 1/10/17 LAUNDRY SERVICE		738.68	18
		464700111 1/17/17 LAUNDRY SERVICE		743.18	18
		464702913 1/24/17 LAUNDRY SERVICE		775.42	18
CPI INTERNATIONAL INC SUPPLIES	19699		213.33		
		20031250 1/31/17 LAB SUPPLIES		73.33	18
		20031250 1/31/17 LAB SUPPLIES		28.00	18
		20031250 1/31/17 LAB SUPPLIES		28.00	18
		20031250 1/31/17 LAB SUPPLIES		28.00	18
		20031250 1/31/17 LAB SUPPLIES		28.00	18
		20031250 1/31/17 LAB SUPPLIES		28.00	18
DAVID J POWERS AND ASSOCIATES, CONTRUCTION-DESIGN	19700		1,655.76		
		2016019 12/16 T.O. 2016-01 SRF FUNDING PREP FOR WWTP I		1,655.76	20
DMJ GAS MARKETING CONSULTANTS, UTILITIES	19701		3,728.39		
		20160112 12/16 COGEN GAS MARKETING SERVICES		3,728.39	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
EATON CORPORATION	19702		2,640.00		
MACH & EQUIP MAINT SERVICES		45327975 10/20/16 RECONFIGURE UPS FROM DUAL FEED TO SI		2,640.00	18
EDGLEY, KIP D.	19703		23,037.51		
CONTRUCTION-DESIGN		129SV1701 1/2-1/29/17 LABOR IN CA		12,204.00	20
		129SV1701A 1/2-1/29/17 LABOR OUTSIDE CA		4,725.00	20
		129SV1701B REIM 1/2-1/29/17 TRAVEL EXPENSE		5,208.69	20
		129SV1701C REIM 1/2-1/29/17 GENERAL LIABILITY		1,754.10	20
MISCELLANEOUS		129SV1701D 7% NON RESIDENT W/H		-854.28	20
EMD MILLIPORE CORPORATION	19704		130.75		
MISCELLANEOUS		3652007485 QTY 3 IODINE SOLUTION		130.75	18
ENDRESS+HAUSER, INC	19705		6,639.06		
MISCELLANEOUS		6001856625 QTY 1 PROMAG L400		3,995.63	18
MACHINERY AND EQUIP MAINT MATE		6001857336 QTY 2 CERABAR S		2,643.43	18
ENVIRONMENTAL RESOURCE ASSOCIA	19706		1,195.03		
SUPPLIES		815006 LAB SUPPLIES, CHEMICALS		329.52	18
		815999 LAB SUPPLIES, CHEMICALS		865.51	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
EVOQUA WATER TECHNOLOGIES LLC	19707		48,315.08		
CHEMICAL SUPPLIES		902913385 12/16/16 CALCIUM NITRATE		7,260.71	18
		902913385 12/16/16 CALCIUM NITRATE		2,543.08	18
		902920379 12/22/16 CALCIUM NITRATE		7,443.83	18
		902920379 12/22/16 CALCIUM NITRATE		1,693.86	18
		902931865 12/30/16 CALCIUM NITRATE		7,435.89	18
		902931865 12/30/16 CALCIUM NITRATE		2,363.68	18
		902944148 1/9/17 CALCIUM NITRATE 4289 GAL		6,757.62	18
		902944148 1/9/17 CALCIUM NITRATE 4289 GAL		3,037.39	18
		902951623 1/20/17 CALCIUM NITRATE 4282 GAL		6,547.51	18
		902951623 1/20/17 CALCIUM NITRATE 4282 GAL		1,882.33	18
		902951623 1/20/17 CALCIUM NITRATE 4282 GAL		1,349.18	18
FASTENAL COMPANY	19708		9,936.76		
SUPPLIES		CASAA50423 QTY 2 CAM AND GROOVE COUPLING		157.34	18
		CASAA50472 VENDOR MANAGED RESTOCK		546.87	18
		CASAA50695 VENDOR MANAGED RESTOCK		532.73	18
		CASAA50695 VENDOR MANAGED RESTOCK		628.44	18
		CASAA50896 VENDOR MANAGED RESTOCK		275.58	18
MISCELLANEOUS		CASAA50896A VENDOR MANAGED RESTOCK		1,078.25	18
		CASAA51179 QTY 1 AIR/WATER HOSE ASSEMBLY		87.91	18
SUPPLIES		CASAA51182 VENDOR MANAGED RESTOCK		1,468.60	18
		CASAA51185 VENDOR MANAGED RESTOCK		435.30	18
MACHINERY AND EQUIP MAINT MATE		CASAA51251 QTY 8 STAINLESS STEEL SLOTTED BACK TO BACK		1,754.53	18
SUPPLIES		CASAA51252 VENDOR MANAGED RESTOCK		2,971.21	18
FIBERGRATE COMPOSITE STRUCTURE	19709		4,282.62		
CONSTRUCTION-CONTRACTOR		SIV99167143 QTY 1 LOT MESH MOLDED GRATING		4,282.62	20
FINTA ENTERPRISES, INC	19710		142.56		
CONTRACT SERV. (NON-MAINT.)		51576 1/13/17 GRIT HAULING		38.06	18
		51576 1/13/17 GRIT HAULING		104.50	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
FISHER SCIENTIFIC COMPANY	19711		307.79		
MISCELLANEOUS		8428381 LAB SUPPLIES		307.79	18
FREYER & LAURETA, INC	19712		5,770.23		
CONSTRUCTION-DESIGN		16333 8/16 T.O. 2015-06 WWTF LAND USE FACILITY		267.50	20
		16333 8/16 T.O. 2015-06 WWTF LAND USE FACILITY		267.50	20
		16333 8/16 T.O. 2015-06 WWTF LAND USE FACILITY		267.50	20
		16333 8/16 T.O. 2015-06 WWTF LAND USE FACILITY		267.50	20
		16335 8/16 T.O. 2014-01 PLANT LAND USE		610.06	20
		16335 8/16 T.O. 2014-01 PLANT LAND USE		610.06	20
		16335 8/16 T.O. 2014-01 PLANT LAND USE		610.06	20
		16335 8/16 T.O. 2014-01 PLANT LAND USE		610.05	20
		17002 12/16 T.O. 2015-06 WWTF LAND USE FACILITY		565.00	20
		17002 12/16 T.O. 2015-06 WWTF LAND USE FACILITY		565.00	20
		17002 12/16 T.O. 2015-06 WWTF LAND USE FACILITY		565.00	20
		17002 12/16 T.O. 2015-06 WWTF LAND USE FACILITY		565.00	20

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
GRAINGER	19713		4,545.37		
MACHINERY AND EQUIP MAINT MATE		809940000 QTY 2 PIPE WRENCH STEEL		113.89	18
		9275460336 QTY 4 HOSE ADAPTER		25.81	18
		9318076669 CREDIT MEMO FOR INV 809940000		-113.89	18
SUPPLIES		9282904854 QTY 4 MALE CONNECTOR SS		150.47	18
MACHINERY AND EQUIP MAINT MATE		9320422539 QTY 1 FLEXIBLE HOSE ASSY, QTY 3 POWDER DETE		169.40	18
MISCELLANEOUS		9320422539 QTY 1 FLEXIBLE HOSE ASSY, QTY 3 POWDER DETE		37.68	18
SUPPLIES		9329058342 RESTOCK ITEMS		32.22	18
		9329058342 RESTOCK ITEMS		33.45	18
		9329058342 RESTOCK ITEMS		46.61	18
		9329058342 RESTOCK ITEMS		26.94	18
		9329058342 RESTOCK ITEMS		48.47	18
		9329058342 RESTOCK ITEMS		61.84	18
MACHINERY AND EQUIP MAINT MATE		9329523865 QTY 1 CONVERTIBLE HAND TRUCK 650-750 LBS		216.99	18
		9330672628 QTY 20 BEAM CLAMP, QTY 1 BEAM CLAMP MALLEAB		107.23	18
		9330672628 QTY 20 BEAM CLAMP, QTY 1 BEAM CLAMP MALLEAB		179.56	18
SMALL TOOLS		9333029784 QTY 1 ROLLING CABINET		831.94	18
MACHINERY AND EQUIP MAINT MATE		9333308709 QTY 1 DOUBLE PEDAL MIXING VALVE FLOOR MOUNT		432.84	18
		9333308717 RESTOCK ITEMS		47.72	18
		9333308717 RESTOCK ITEMS		33.97	18
MISCELLANEOUS		9333308717 RESTOCK ITEMS		273.16	18
MACHINERY AND EQUIP MAINT MATE		9333308717 RESTOCK ITEMS		8.97	18
		9333308717 RESTOCK ITEMS		110.93	18
MISCELLANEOUS		9334356079 QTY 2 ARROW TAPE BLK, QTY 5 BOLLARD SAFETY		59.16	18
MACHINERY AND EQUIP MAINT MATE		9334356079 QTY 2 ARROW TAPE BLK, QTY 5 BOLLARD SAFETY		661.20	18
		9334356087 QTY 1 HOLE DOZER HOLE SAW KIT		114.71	18
SUPPLIES		9341029511 QTY 2 MALE ELBOW, QTY 1 STRAIGHT UNION, QTY		108.34	18
		9341029511 QTY 2 MALE ELBOW, QTY 1 STRAIGHT UNION, QTY		36.89	18
		9341029511 QTY 2 MALE ELBOW, QTY 1 STRAIGHT UNION, QTY		110.01	18
MISCELLANEOUS		9341337773 QTY 4 DOUBLE COATED TAPE NATURAL		572.76	18
MACHINERY AND EQUIP MAINT MATE		9341563097 QTY 3 PRESSURE RELIEF VALVE, QTY 10 FUSE HO		6.10	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
GRAINGER	19714		2,360.40		
MISCELLANEOUS		9341563097 QTY 3 PRESSURE RELIEF VALVE, QTY 10 FUSE HO		12.20	18
MACHINERY AND EQUIP MAINT MATE		9341563097 QTY 3 PRESSURE RELIEF VALVE, QTY 10 FUSE HO		716.45	18
		9341782747 QTY 21 LED DRIVER		1,631.75	18
HACH COMPANY	19715		6,676.46		
MISCELLANEOUS		10285865 QTY 2 LDO MODEL 2 ADAPTER AND CONTROLLER		6,676.46	18
HERC RENTALS INC.	19716		441.96		
MISCELLANEOUS		29079159001 QTY 5 CHECK VALVE SPRING LOADED		441.96	18
HILLYARD INC	19717		141.20		
MISCELLANEOUS		602344774 JANITOR SUPPLIES		141.20	18
HOWARD E.HUTCHING COMPANY INC.	19718		2,512.87		
MISCELLANEOUS		4063 QTY 2 INLINE TURBINE METER 4"		2,512.87	18
JENTECH SERVICES	19719		6,399.20		
MACH & EQUIP MAINT SERVICES		2223 1/24-2/3/17 INSTRUMENT CALIBRATION		3,230.00	18
		2223 1/24-2/3/17 INSTRUMENT CALIBRATION		950.00	18
		2223 1/24-2/3/17 INSTRUMENT CALIBRATION		2,219.20	18
KEN GRADY COMPANY, INC	19720		1,986.04		
MACHINERY AND EQUIP MAINT MATE		2369 QTY 2 AUTOCHEM PUMP HEAD ASSY, QTY 2 PUMP LABELS		577.98	18
		2369 QTY 2 AUTOCHEM PUMP HEAD ASSY, QTY 2 PUMP LABELS		21.75	18
		2399 QTY 4 GAS PHASE SULFITE SENSOR		1,386.31	18
LEE, DAVID	19721		135.00		
UTILITIES		2102017 REIM-11/16-1/17 SPRINT CELL PHONE CHARGES		135.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
LENSCRAFTERS	19722		320.00		
SUPPLIES		1804895481 SAFETY GLASSES-JAMES KEMP		190.00	18
		1804896301 SAFETY GLASSES-MORONI MAKASINI		130.00	18
MARINA MECHANICAL	19723		19,193.20		
CONSTRUCTION-CONTRACTOR		305257 THRU 1/31/17 IT OUTAGE/POWER SURGE		9,270.00	14
MACH & EQUIP MAINT SERVICES		7717 10/16 MAINTENANCE AGREEMENT		2,859.50	18
		8044 1/17 MAINTENANCE AGREEMENT		2,784.25	18
		86383 1/17 KIOSK UNIT FRIEDRICH REPAIR		2,925.00	18
		86953 1/17 FISH WATER TANK CHILLER REPAIR		978.20	18
		87031 1/17 LAB THERMOSTAT REPAIR		376.25	18
MCCLURE, KEITH	19724		203.44		
CONF. & TRAV.		2102017 REIM-1/18 & 1/23/17 WET WEATHER HOTEL		203.44	18
MCMASTER-CARR SUPPLY CO.	19725		293.74		
MACHINERY AND EQUIP MAINT MATE		98605050 QTY 1 FLOOR MOUNT SUPPORT FLANGE STYLE		256.24	18
		98759660 QTY 1 316 STAINLESS STEEL WIRE ROPE		37.50	18
MID-PENINSULA WATER DISTRICT	19726		160.55		
UTILITIES		1231201651500 11/25-12/25/16 BLPS WATER SERVICE		160.55	18
MONTEREY MECHANICAL CO.	19727		64,220.06		
CONSTRUCTION-CONTRACTOR		31POM10437 11/16 PRG PMT#31 SOLIDS PROCESS AUTOMATION		21,406.69	20
		31POM10437 11/16 PRG PMT#31 SOLIDS PROCESS AUTOMATION		21,406.68	20
		31POM10437 11/16 PRG PMT#31 SOLIDS PROCESS AUTOMATION		21,406.69	20
MOTION INDUSTRIES INC.	19728		551.58		
MISCELLANEOUS		CA24999166 QTY 1 BEARING JHM522649, QTY 1 BEARING 9840		195.29	18
		CA24999166 QTY 1 BEARING JHM522649, QTY 1 BEARING 9840		356.29	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
NAVIA BENEFIT SOLUTIONS	19729		953.10		
ADMINISTRATIVE EXPENSES		10074043 1/17 PARTICIPANT FEE		953.10	18
NEWARK ELEMENT14	19730		731.62		
SUPPLIES		28623345 QTY 8 HEAT-SHRINK WIRE ID LABELS		238.51	18
MISCELLANEOUS		28623345 QTY 8 HEAT-SHRINK WIRE ID LABELS		252.31	18
		28624281 QTY 5 HEAT-SHRINK WIRE ID LABELS		240.80	18
OFFICE DEPOT	19731		1,010.86		
OFFICE SUPPLIES		892254165001 OFFICE SUPPLIES		14.55	18
SMALL TOOLS		892254873001 OFFICE SUPPLIES		238.78	18
OFFICE SUPPLIES		892273941001 OFFICE SUPPLIES		57.54	18
		892836487001 OFFICE SUPPLIES		91.33	18
		893124737001 OFFICE SUPPLIES		141.92	18
		895244523001 OFFICE SUPPLIES		68.09	18
SUPPLIES		895244523001 OFFICE SUPPLIES		246.60	18
OFFICE SUPPLIES		896788101001 OFFICE SUPPLIES		33.65	18
SUPPLIES		896788101001 OFFICE SUPPLIES		49.25	18
		896788146001 OFFICE SUPPLIES		69.15	18
OGASAWARA LANDSCAPE MAINTENANC	19732		2,500.00		
CONTRACT SERV. (NON-MAINT.)		23752 12/16 LANDSCAPE SERVICE		2,500.00	18
OPENING TECHNOLOGIES, INC.	19733		1,679.74		
SUPPLIES		1710088 QTY 1 5355G-K PROXPRO WALL SWITCH KEYPAD		468.36	18
		1710088 QTY 1 5355G-K PROXPRO WALL SWITCH KEYPAD		273.01	18
		1710089 QTY 1 5355G-K PROXPRO WALL SWITCH KEYPAD		470.01	18
		1710089 QTY 1 5355G-K PROXPRO WALL SWITCH KEYPAD		468.36	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
PACE SUPPLY CORP	19734		960.80		
CONSTRUCTION-CONTRACTOR		93670705 QTY 2 RHEN40ET 40 GAL ELEC 240V		837.38	20
MACHINERY AND EQUIP MAINT MATE		93671952 QTY 300 PE PVC SCH80 PIPE		82.28	18
MISCELLANEOUS		93671952 QTY 300 PE PVC SCH80 PIPE		41.14	18
PACIFIC ECORISK, INC	19735		3,425.00		
CONTRACT SERV. (NON-MAINT.)		12804 11/7-11/13/16 NPDES COMPLIANCE TOXICITY TESTS		3,425.00	18
PACIFIC GAS AND ELECTRIC COMPA	19736		134,462.54		
UTILITIES		104201665919 11/30-12/31/16 GEG COGEN GAS		1,113.08	18
		110201724970 12/9/16-1/9/17 GREENDALE ELEC & GAS		1,104.52	18
		113201723701 11/15-12/13/16 PLANT GAS		2,544.73	18
		120201719225 12/14/16-1/12/17 SCPS ELEC		2,539.64	18
		120201788673 12/14/16-1/12/17 BLPS ELEC		4,523.89	18
		124201743834 11/23-12/22/16 RCPS ELEC		10,992.12	18
		130201703894 12/23/16-1/23/17 LYNGSO ELEC		15.75	18
		130201726195 12/22/16-1/21/17 MPPS ELEC		3,572.15	18
		130201743834 12/23/16-1/23/17 RCPS ELEC		13,355.94	18
		130201783066 12/27/16-1/24/17 PLANT ELEC		93,943.10	18
		201201765919 12/31/16-1/31/17 PLANT GAS COGEN		757.62	18
PENINSULA SECURITY SERVICES	19737		435.00		
MACH & EQUIP MAINT SERVICES		53327 JAN-MAR 2017 Q1 FIRE INSPECTION		435.00	18
PENINSULA TRUCK REPAIR, INC.	19738		12,185.95		
MACH & EQUIP MAINT SERVICES		2906A 9/19/16 TRUCK REPAIR		5,111.08	18
		3149 QTY 1 HYDRAULIC CONTROL VALVE, QTY 1 POTENTIOMETE		7,074.87	18
POWER ENGINEERING CONSTRUCTION	19739		33,041.41		
CONSTRUCTION-CONTRACTOR		160501 1/31-4/15/16 FOOD WASTE-RECEIVING STN&DIGESTER		12,014.47	20
CONTRACT SERV. (NON-MAINT.)		171001 1/17 SVCW OUTFALL DIVE INSPECTION		21,026.94	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
PRE EMPLOYMENT, INC.	19740		46.75		
PROFESSIONAL SERVICES		31514 BACKGROUND CHECK-SANCHEZ, RON		46.75	18
PURE TEC INDUSTRIAL WATER	19741		19.59		
MACH & EQUIP MAINT SERVICES		1514050 WATER SYSTEM MAINTENANCE SERVICE 9/16 FINANCE		19.59	18
RECOLOGY PENINSULA SERVICES	19742		4,914.00		
CONTRACT SERV. (NON-MAINT.)		62748 10/6-10/26/16 30 YD DEBRIS BOX		2,457.00	18
		62941 11/3-11/23/16 30 YD DEBRIS BOX		2,457.00	18
RED WING SHOE STORE	19743		255.00		
SUPPLIES		6152 11/7/16 QTY 2 SAFETY SHOES C GUZMAN		255.00	18
REDWOOD CITY, CITY OF - FINANC	19744		11,119.55		
PROFESSIONAL SERVICES		BR42353 12/16 ACCOUNTING SERVICES		11,119.55	18
REDWOOD CITY, CITY OF - WATER	19745		9,858.92		
UTILITIES		122201786984 12/28/16-1/28/17 PLANT WATER, GARBAGE SER		4,700.04	18
		1228201606774 11/28-12/28/16 RCPS WATER		94.91	18
		1228201619903 11/28-12/28/16 1406 WTR/SWR/GBG UTIL		183.17	18
		1228201619929 11/28-12/28/161406 FIRE SERVICE		96.00	18
		1228201686984 11/28-12/28/16 PLANT WATER AND GARBAGE		857.53	18
		1228201686984 11/28-12/28/16 PLANT WATER AND GARBAGE		3,608.67	18
		124201706774 12/28/16-1/28/17 RCPS WATER		25.39	18
		124201719903 12/28/16-1/28/17 1406 WATER, SEWER, GARBA		195.75	18
		124201719929 12/28/16-1/28/17 1406 FIRE SERVICE		97.46	18
SAFETY COMPLIANCE MANAGEMENT I	19746		495.00		
TRAINING		7794 1/25/17 FALL PROTECTION TRAINING		495.00	18
SAN MATEO COUNTY MOSQUITO AND	19747		85.32		
CONTRACT SERV. (NON-MAINT.)		SM1700006 12/31/16 MOSQUITO AND VECTOR CONTROL		85.32	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
SILICON VALLEY CLEAN WATER (EE SUPPLIES	19748	2102017 3/17 COMPENSATION-EMPLOYEE ANNIVERSARY	150.00	150.00	18
STATE WATER RESOURCES CONTROL TRAINING	19749	1172017 SWRCB AARON GILBERT GRADE II OPERATOR CERTIFIC	230.00	230.00	18
SUBURBAN PROPANE LP UTILITIES	19750	247363 12/14/16 PROPANE EQUIPMENT RENTAL	12.00	12.00	18
SYNAGRO TECHNOLOGIES INC CONTRACT SERV. (NON-MAINT.)	19751	3102748 12/16 BIOSOLIDS HAULING	50,202.49	50,202.49	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
TANNER PACIFIC, INC.	19752		100,153.97		
CONSTRUCTION-CONTRACTOR		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		7,583.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		9,271.47	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		6,376.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		8,108.50	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		12,361.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		12,901.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		14,284.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		98.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		1,464.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		10,762.00	20
CONSTRUCTION-DESIGN		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		352.00	20
CONSTRUCTION-CONTRACTOR		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		98.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		490.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		98.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		98.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		5,844.00	20
		217005 1/15-1/28/17 T.O. 2016-01 CONSTRUCTION MGMT		192.00	20
CONSTRUCTION-CONSTRUCTION MGMT		217006 1/1-1/28/17 T.O. 2016-04 UPS UPGRADE PROJECT		5,953.50	14
		217007 1/1-1/28/17 T.O. 2016-07 PS VALVE REPL CONSTRUC		1,909.75	14
		217007 1/1-1/28/17 T.O. 2016-07 PS VALVE REPL CONSTRUC		1,909.75	14
TELEDYNE INSTRUMENTS INC	19753		1,094.03		
SUPPLIES		S020157817 QTY 2 PMP 25 PUMP TUBING FOR AVALANCHE		1,094.03	18
THATCHER COMPANY OF CALIFORNIA	19754		4,503.29		
CHEMICAL SUPPLIES		242895 12/21/16 3564 GAL FERRIC CHLORIDE 38-42%		4,503.29	18
TRIMARK ASSOCIATES INC	19755		1,620.00		
MACH & EQUIP MAINT SERVICES		MR027616 12/1/16-11/30/17 ANNUAL DATA SERVICE AGREEMEN		1,620.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
U.S. HEALTHWORKS MEDICAL GROUP	19756		94.00		
ADMINISTRATIVE EXPENSES		127201741282 12/7/16 TIFFANY MAKSOU D - VACCINATION HEP		94.00	18
UNIVAR USA INC.	19757		53,684.25		
CHEMICAL SUPPLIES		SJ793192 1/6/17 SOD BISULFITE 25%		3,978.59	18
		SJ793544 1/9/17 SOD BISULFITE 25%		3,950.82	18
		SJ793685 1/10/17 SOD BISULFITE 25%		4,171.04	18
		SJ794170 1/12/17 SOD BISULFITE 25%		3,221.73	18
		SJ794414 1/14/17 SOD BISULFITE 25%		2,748.00	18
		SJ794518 1/10/17 SOD HYPO 12.5% LIQUICHLOR		2,048.62	18
		SJ794629 1/8/17 SOD HYPO 12.5% LIQUICHLOR		896.85	18
		SJ794691 1/8/17 SOD HYPO 12.5% LIQUICHLOR		2,028.53	18
		SJ794887 1/15/17 SOD HYPO 12.5% LIQUICHLOR		2,017.81	18
		SJ795020 1/12/17 SOD HYPO 12.5% LIQUICHLOR		2,048.62	18
		SJ795149 1/17/17 SOD BISULFITE 25%		3,651.05	18
		SJ795716 1/21/17 SOD BISULFITE 25%		3,699.15	18
		SJ795948 1/19/17 SOD HYPO 12.5% LIQUICHLOR		2,144.59	18
		SJ795953 1/20/17 SOD HYPO 12.5% LIQUICHLOR		1,561.58	18
		SJ795993 1/23/17 SOD BISULFITE 25%		4,043.35	18
		SJ796109 1/19/17 SOD HYPO DELIVERY CANCELLATION CHARGE		271.88	18
		SJ796683 1/25/17 SOD BISULFITE 25%		3,612.18	18
		SJ796902 1/25/17 SOD HYPO 12.5% LIQUICHLOR		1,962.90	18
		SJ797066 1/28/17 SOD BISULFITE 25%		3,436.39	18
		SJ797229 1/29/17 SOD HYPO 12.5% LIQUICHLOR		2,190.57	18
VERIZON WIRELESS	19758		2,275.35		
UTILITIES		9778956542 12/20/16-1/19/17 VERIZON SERVICE		2,189.31	18
		9778956543 12/20/16-1/19/17 VERIZON SERVICE		76.02	18
		9779252694 12/24/16-1/23/17 VERIZON SERVICE		10.02	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
VWR INTERNATIONAL, LLC SUPPLIES	19759		839.93		
		8047290333	QTY 1 CS JUG HDPE 38-400 64OZ	101.62	18
		8047323536	QTY 8 PK DT HYDROGEN SULFIDE	652.15	18
		8047350715	QTY 1 AMMONIA STANDARD 1000 PPM 16OZ	28.72	18
		8047367503	QTY 2 AMMONIA STANDARD 1000 PPM 16OZ	57.44	18
WALKER, MICHAEL MISCELLANEOUS	19760		2,717.42		
		2102017	COMPUTER LOAN PER ADMIN POLICY#1987-03,EE TOOL	2,717.42	18
WANDRO, ROBERT UTILITIES	19761		45.00		
		2102017	REIM-12/18/16-1/17/17 AT&T CELL PHONE CHARGES	45.00	18
WATSON-MARLOW INC MISCELLANEOUS	19762		346.02		
		SI028513TAX	SALES TAX LIABILITY	-27.04	18
		SI028513	QTY 3 620 LOADSURE MARPRENE TL	373.06	18
WELLS FARGO-COMML OPERATIONS INTEREST EXPENSES	19763		4,099.08		
		1710095104	LOC#7829596836 STATEMENT 1/20/17	387.36	20
		1710095104	LOC#7829596836 STATEMENT 1/20/17	1,990.93	20
		1710095104	LOC#7829596836 STATEMENT 1/20/17	620.60	20
		1710095104	LOC#7829596836 STATEMENT 1/20/17	1,100.19	20
WESTERN WEATHER GROUP INC UTILITIES MACH & EQUIP MAINT SERVICES	19764		738.00		
		14139	1/1/17-6/30/17 WEB PAGE HOSTING & VERIZON MOBILE	150.00	18
		14139	1/1/17-6/30/17 WEB PAGE HOSTING & VERIZON MOBILE	348.00	18
		14157	1/16/17 EQUIPMENT INSTALLATION OF NEW WEATHER ST	240.00	18

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WRA ENVIRONMENTAL CONSULTANTS CONTRUCTION-DESIGN	19765		7,552.50		
		201711628419 12/16 T.O. 2015-03 CONVEYANCE SYSTEM CEQA		537.50	20
		201711628419 12/16 T.O. 2015-03 CONVEYANCE SYSTEM CEQA		537.50	20
		201711628419 12/16 T.O. 2015-03 CONVEYANCE SYSTEM CEQA		537.50	20
		201711628419 12/16 T.O. 2015-03 CONVEYANCE SYSTEM CEQA		537.50	20
		201711628419 12/16 T.O. 2015-03 CONVEYANCE SYSTEM CEQA		537.50	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		291.90	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		267.57	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		97.30	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		340.55	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		48.65	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		194.60	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		267.58	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		2,675.75	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		97.30	20
		201711828417 12/16 T.O. 2016-01 CONVEYANCE SYSTEM CEQA		583.80	20
XEROX CORPORATION RENTAL/LEASES	19766		950.42		
		87585773 1/17 XEROX LEASE		467.41	18
		87585774 1/17 XEROX LEASE		315.95	18
		87956024 12/25/16-1/25/17 XEROX METER USAGE		167.06	18
		TOTAL		\$852,115.85	

SVCW WARRANT REGISTER

SVCW Warrant Register for period covering February 11, 2017 to February 24, 2017.

A scanned copy was e-mailed to Commissioners on March 1, 2017.

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FUND RECAP


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NAME	FUND	AMOUNT
RETIREE HEALTH INSUR. FD.	12	35,000.00
CAPITAL IMPROVEMENT FUND OPERATION	14	35,194.43
	18	330,520.35
PLANT - CIP BOND	20	299,847.25
TOTAL FOR APPROVAL		\$700,562.03

msd
2/29/2017

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 9597 THROUGH 9617 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 19804 THROUGH 19887 INCLUSIVE, TOTALING IN THE AMOUNT OF \$700,562.03, 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,


.....
CONTROLLER
FSM

2/29/17
DATE

2/11/17 - 2/24/17

Dr. LHA 3-1-17

SILICON VALLEY CLEAN WATER
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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
ACE AMERICAN INSURANCE COMPANY	19804		24,844.58		
CONST.-ADMIN. & LEGAL		1083253 2/1/17 WORKERS' COMPENSATION CLAIM, REIMBURSEM		24,844.58	20
ALPHA ANALYTICAL LABORATORIES	19805		445.00		
CONTRACT SERV. (NON-MAINT.)		7020874RPSVCW PLANT PERMIT LAB ANALYSIS		190.00	18
		7020954RPSVCW RWC LAB ANALYSIS		85.00	18
		7020957RPSVCW RWC LAB ANALYSIS		85.00	18
		7020958RPSVCW SAN CARLOS LAB ANALYSIS		85.00	18
ANALYSTS, INC.	19806		67.10		
MACH & EQUIP MAINT SERVICES		M1752822 BOOSTER SAMPLES #1 & #2		67.10	18
BAY ALARM COMPANY	19807		266.19		
CONTRACT SERV. (NON-MAINT.)		13568155 1/1-4/1/17 BURGLAR MONITORING FEE		266.19	18
BRYAN, WILLIAM	19808		3,136.63		
CONF. & TRAV.		2242017 REIM-7/11-7/15/16 TRAVEL EXPENSE-WEF NUTRIENT		3,136.63	18
CALCON SYSTEMS, INC	19809		3,570.00		
MACH & EQUIP MAINT SERVICES		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
		39406 12/31/16 FLOW METER CALIBRATION SERVICE		595.00	18
CALIFORNIA DETAILERS, INC.	19810		550.00		
MACH & EQUIP MAINT SERVICES		43096 12/24/16 FLEET VEHICLE ON-SITE WASH		275.00	18
		43376 1/28/17 FLEET VEHICLE ON-SITE WASH		275.00	18
CALIFORNIA WATER SERVICE CO	19811		408.69		
UTILITIES		1172017 12/15/16-1/13/17 SCPS WATER SERVICES		408.69	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
CALPERS - FISCAL SERVICES DIVI	19812		39,282.80		
RETIREE MEDICAL PAYMENTS		2242017 2/17 PREFUNDING OPEB		35,000.00	12
ADMINISTRATIVE EXPENSES		100000014897404 FY 16-17 4TH LEVEL 1959 SURVIVOR BENEF		2,889.60	18
		100000014897421 FY 16-17 4TH LEVEL 1959 SURVIVOR BENEF		928.80	18
		100000014898728 FY 16-17 4TH LEVEL 1959 SURVIVOR BENEF		464.40	18
CALTEST ANALYTICAL LABORATORY	19813		836.10		
CONTRACT SERV. (NON-MAINT.)		568797 NPDES PERMIT LAB ANALYSIS		836.10	18
CASTELL, RAFAEL L.	19814		107.82		
TRAINING		2242017 REIM-1/26/17 UST EXAM FEE - PEARSON VUE		80.00	18
		2242017A REIM-2/8/17 TRAVEL EXPENSE-UST EXAM		27.82	18
CINTAS CORPORATION NO. 3	19815		1,493.15		
SUPPLIES		464691675 12/27/16 LAUNDRY SERVICE		747.87	18
		464705721 1/31/17 LAUNDRY SERVICE		745.28	18
COASTAL IGNITION & CONTROLS IN	19816		9,203.23		
MISCELLANEOUS		13910 QTY 2 HOSPITAL GRADE SILENCER QTY 4 FLANCE, BOLT		8,507.23	18
		13910 QTY 2 HOSPITAL GRADE SILENCER QTY 4 FLANCE, BOLT		696.00	18

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COLLABORATIVE STRATEGIES CONSU	19817		20,737.50		
TRAINING		2609SV0217 9/30-11/22/16 T.O. 2016-09 TRAINING ADMIN S		420.00	18
CONTRUCTION-DESIGN		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		444.68	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		4,446.74	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		970.20	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		323.40	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		444.68	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		161.70	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		161.70	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		485.10	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		565.95	20
		7608SV0217 1/13-2/9/17 T.O.2016-08 ENHANCED PROJECT MG		80.85	20
		12605SV0216 1/12-2/9/17 T.O.2016-05 REDWOOD CITY PUMP		1,470.00	20
		12606SV0217 1/13-2/9/17 T.O.2016-06 MPPS REHAB		1,470.00	20
		13601SV0217 1/12-2/9/17 T.O.2016-01 BELMONT FORCE MAIN		1,575.00	20
		13602SV0217 1/12-2/9/17 T.O.2016-03 INFLUENT CONNECTOR		6,562.50	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		63.53	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		635.24	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		138.60	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		46.20	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		63.53	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		23.10	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		23.10	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		69.30	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		80.85	20
		121604SV0217 1/13-2/9/17 T.O.2016-04 CONVEYANCE SUPPOR		11.55	20
COSTCO MEMBERSHIP	19818		110.00		
MEMB. & MEET.		344762899 4/17-3/18 COSTCO MEMBERSHIP-I.SCHMIDT & D.MI		110.00	18
COUNTY OF SAN MATEO - AIRPORT	19819		97,300.00		
CONST.-ADMIN. & LEGAL		2242017 3/17 PERMIT#5384-LEASE PYMNT SAN CARLOS AIRPOR		97,300.00	20

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
COVELLO GROUP INC., THE CONSTRUCTION-CONTRACTOR	19820	201303439 1/17 T.O.2013-02 GLOBAL CM CIP PROJECTS	12,875.00	12,875.00	20
CRANWORKS, INC MACH & EQUIP MAINT SERVICES	19821	S14050 11/2/16 ANNUAL CRANE HOIST INSPECTIONS S14160 REPAIRS TO 5 TON HOIST S14160 REPAIRS TO 5 TON HOIST S14161 REPAIRS TO 1/2 TON DEMAG S14161 REPAIRS TO 1/2 TON DEMAG S14167 REPAIRS TO 1/2 TON DEMAG	14,050.28	5,790.00 658.48 1,320.00 1,279.26 1,320.00 3,682.54	18 18 18 18 18 18
CRYSTAL JANITORIAL SERVICE, IN CONTRACT SERV. (NON-MAINT.)	19822	28281 1/2017 JANITORIAL SERVICES 28500 2/2017 JANITORIAL SERVICES	7,640.00	3,820.00 3,820.00	18 18
CTL GROUP CONSTRUCTION-CONTRACTOR	19823	118774 10/16-11/16 CONSULTING ON PRECAST CONCRETE TUNN	100.00	100.00	20
D.W. NICHOLSON CORPORATION CONSTRUCTION-CONTRACTOR	19824	4E 12/1-12/28/16 PRG PMT#4 UPS SYSTEM REPLACEMENT	10,624.70	10,624.70	14
DKF SOLUTIONS GROUP, LLC CONTRACT SERV. (NON-MAINT.)	19825	12890 2/2017 MY SAFETY OFFICER-MONTHLY SUBSCRIPTION FE	450.00	450.00	18
ENDRESS+HAUSER, INC MISCELLANEOUS	19826	6001856345 QTY 10 PROMAG L400 6001859320 QTY 2 PROMAG GROUNDING/PROTECTION DISKS	2,928.30	2,503.93 424.37	18 18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
EXCELL FEEDERS INC	19827		963.56		
MISCELLANEOUS		11044TAX SALES TAX LIABILITY		-82.08	18
		11044 GBT POLYMER FEEDER PARTS		23.65	18
		11044 GBT POLYMER FEEDER PARTS		1,011.22	18
		11044 GBT POLYMER FEEDER PARTS		10.77	18
FASTENAL COMPANY	19828		2,337.52		
SUPPLIES		CASAA51402 CREDIT MEMO FOR QTY 50 CHANNEL NUT		-130.54	18
		CASAA51362 VENDOR MANAGED RESTOCK		1,062.88	18
MISCELLANEOUS		CASAA51374 VENDOR MANAGED RESTOCK		462.94	18
		CASAA51374 VENDOR MANAGED RESTOCK		524.68	18
SUPPLIES		CASAA51376 VENDOR MANAGED RESTOCK		417.56	18
FIELDMAN, ROLAPP & ASSOCIATES	19829		2,383.00		
CONST.-ADMIN. & LEGAL		22969 1/3-1/31/17 PROFESSIONAL SERVICES		2,383.00	20
FINTA ENTERPRISES, INC	19830		3,734.19		
CONTRACT SERV. (NON-MAINT.)		51212 12/12/16 GRIT HAULING		940.48	18
		51386 12/23/16 GRIT HAULING		702.98	18
		51535 1/9/17 GRIT HAULING		926.23	18
		51780 1/16/17 TRANSPORTATION SERVICE		1,149.50	18
		51780 1/16/17 TRANSPORTATION SERVICE		15.00	18
FITZGERALD LAW OFFICES	19831		8,380.50		
PROFESSIONAL SERVICES		2242017 1/17 PROF SVCS		7,132.50	18
		2242017A REIM-1/17 PROF SVCS		100.20	18
CONF. & TRAV.		2242017B REIM-1/17 PROF SVCS-CASA CONFERENCE		1,147.80	18
FIVESKY	19832		11,455.73		
CAPITAL		FSUSIN5939 QTY 2 DELL NETWORKING N2048P, QTY 4 TRANSCE		11,455.73	14

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
GETINGE USA INC	19833		2,520.00		
MACH & EQUIP MAINT SERVICES		2161510 2/1/17-1/31/18 SERVICE AGREEMENT MAINTENANCE C		2,520.00	18
GRAINGER	19834		1,356.75		
MISCELLANEOUS		9347754377 RESTOCK ITEMS		66.82	18
		9347754377 RESTOCK ITEMS		66.82	18
		9347754385 RESTOCK ITEMS		133.22	18
		9347754385 RESTOCK ITEMS		66.82	18
		9347754385 RESTOCK ITEMS		134.76	18
		9347754385 RESTOCK ITEMS		125.37	18
		9347754385 RESTOCK ITEMS		134.50	18
		9349944315 QTY 6 CARTRIDGE LABEL PURPLE		400.12	18
		9351789921 QTY 2 STEEL YELLOW/BLK 25' TAPE MEASURE, QT		29.47	18
		9351789921 QTY 2 STEEL YELLOW/BLK 25' TAPE MEASURE, QT		113.07	18
MACHINERY AND EQUIP MAINT MATE		9352169172 QTY 2 BALL VALVE 3 WAY BRASS		41.28	18
SUPPLIES		9353224919 RESTOCK ITEMS		44.50	18
HACH COMPANY	19835		300.21		
SUPPLIES		10301365 QTY 3 RGT SET TNT NITRAVER X 50 TESTS		300.21	18
HANSON BRIDGETT LLP	19836		5,881.00		
PROFESSIONAL SERVICES		1183046 12/16 LEGAL SVCS-PUBLIC WORKS CONTRACTING&INFR		5,881.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
HARRINGTON INDUST PLASTICS	19837		3,015.78		
MACHINERY AND EQUIP MAINT MATE		3K4635 PLUMBING SUPPLIES		150.96	18
MISCELLANEOUS		3K4635 PLUMBING SUPPLIES		172.91	18
MACHINERY AND EQUIP MAINT MATE		3K4635 PLUMBING SUPPLIES		172.91	18
MISCELLANEOUS		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		95.78	18
		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		10.64	18
		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		0.85	18
		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		17.94	18
		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		27.73	18
		3K4866 QTY 3 DIAPHRAGM, QTY 3 SPRING GUIDE, QTY 3 LOCK		14.68	18
MACHINERY AND EQUIP MAINT MATE		3K5167 QTY 50 TUBING CLR PVC BRAIDFLEX		537.77	18
		3K5204 QTY 10 VALVE BALL, QTY 2 VALVE BALL CHECK, QTY		1,052.14	18
		3K5204 QTY 10 VALVE BALL, QTY 2 VALVE BALL CHECK, QTY		369.97	18
		3K5204 QTY 10 VALVE BALL, QTY 2 VALVE BALL CHECK, QTY		391.50	18
INORGANIC VENTURES	19838		567.10		
MISCELLANEOUS		176676INTAX SALES TAX LIABILITY		-48.13	18
SUPPLIES		176676IN QTY 2 Z25556H		615.23	18
JENTECH SERVICES	19839		7,064.20		
MACH & EQUIP MAINT SERVICES		2224 2/7-2/17/17 INSTRUMENT CALIBRATION		855.00	18
		2224 2/7-2/17/17 INSTRUMENT CALIBRATION		1,140.00	18
		2224 2/7-2/17/17 INSTRUMENT CALIBRATION		3,040.00	18
		2224 2/7-2/17/17 INSTRUMENT CALIBRATION		2,029.20	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
JHS CONSULTING, LLC	19840		6,147.12		
CONSTRUCTION-DESIGN		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		122.94	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		122.94	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		368.83	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		430.30	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		61.48	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		338.09	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		3,380.92	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		737.65	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		245.88	20
		2016034 1/17 T.O.2016-03 CONVEYANCE SYSTEM CEQA		338.09	20
KELLER CANYON LANDFILL CO.	19841		4,894.70		
CONTRACT SERV. (NON-MAINT.)		4212000010041 1/9/17 GRIT HAULING		2,157.22	18
		4212000025152 12/2/16 GRIT HAULING		1,679.97	18
		4212000025348 1/24/17 GRIT HAULING		1,057.51	18
KELLER INDUSTRIES INC	19842		125.06		
MACHINERY AND EQUIP MAINT MATE		15313 QTY 2 IMPELLER RINGS		125.06	18
KENNEDY/JENKS CONSULTANTS, INC	19843		21,637.75		
CONSTRUCTION-DESIGN		108908 11/25/16-1/27/17 T.O.2015-02 63"FORCE MAIN RELI		6,835.50	20
PROFESSIONAL SERVICES		108919 7/1/16-1/27/17 T.O.2016-06 ENGINEERING SVCS FY		14,802.25	18
MADCO WELDING SUPPLY CO	19844		92.50		
SUPPLIES		8749 CYLINDER RENTAL		92.50	18
MARINA MECHANICAL	19845		1,831.91		
MACH & EQUIP MAINT SERVICES		86974 1/24/17 CHILLER REPAIR		1,831.91	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
MCCLURE, KEITH	19846		2,690.92		
CONF. & TRAV.		2242017 REIM-2/7/17 WET WEATHER HOTEL		103.71	18
TRAINING		2242017A REIM-2/9/17 WET WEATHER HOTEL		164.65	18
		2242017B REIM-2/14-2/16/17 CWEA EVENT-BBQ SUPPLIES		64.60	18
MISCELLANEOUS		2242017C COMPUTER LOAN PER ADMIN POLICY#1987-03,EE TOO		2,357.96	18
MCMASTER-CARR SUPPLY CO.	19847		197.80		
MISCELLANEOUS		12370707 QTY 9 STREAM NOZZLE FOR FIRE-FIGHTING HOSE QU		142.63	18
MACHINERY AND EQUIP MAINT MATE		12843125 QTY 4 HEAVY DUTY DOCUMENT PROTECTOR CLEAR SID		48.33	18
		12843125 QTY 4 HEAVY DUTY DOCUMENT PROTECTOR CLEAR SID		6.84	18
MID-PENINSULA WATER DISTRICT	19848		195.23		
UTILITIES		131201751500 12/25/16-1/25/17 BLPS WATER SERVICE		195.23	18
MOTION INDUSTRIES INC.	19849		612.59		
MISCELLANEOUS		CA24000100 QTY 48 EP-2 GREASE CARTRIDGE, QTY 20 SUPER		235.18	18
		CA24000100 QTY 48 EP-2 GREASE CARTRIDGE, QTY 20 SUPER		377.41	18
OFFICE DEPOT	19850		578.72		
OFFICE SUPPLIES		899159676001 OFFICE SUPPLIES		74.61	18
		900309867001 OFFICE SUPPLIES		119.09	18
		901482975001 OFFICE SUPPLIES		385.02	18
OGASAWARA LANDSCAPE MAINTENANC	19851		2,500.00		
CONTRACT SERV. (NON-MAINT.)		23822 1/17 LANDSCAPE SERVICE		2,500.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
PACIFIC GAS AND ELECTRIC COMPA UTILITIES	19852		15,920.35		
		120201790892 12/14/16-1/12/17 1406 GAS AND ELECTRIC		614.36	18
		120201790892 12/14/16-1/12/17 1406 GAS AND ELECTRIC		484.45	18
		209201724970 1/10-2/8/17 ELECTRIC & GAS GREENDALE		290.51	18
		209201724970 1/10-2/8/17 ELECTRIC & GAS GREENDALE		634.90	18
		214201723701 1/13-2/13/17 PLANT GAS		2,153.33	18
		76108588 12/16 PG&E ELEC DEPARTING LOAD CHARGE		11,742.80	18
PACIFIC POWER TESTING, INC. MACH & EQUIP MAINT SERVICES	19853		1,750.00		
		PPT10677 11/9/16 ELECTRICAL TROUBLESHOOTING		1,750.00	18
PALO ALTO ELECTRIC MOTOR CORP. MACH & EQUIP MAINT SERVICES	19854		3,471.15		
		RI4234 REPAIR 100HP MINOR AC MOTOR		3,471.15	18
PETTY CASH - SILICON VALLEY CL SUPPLIES	19855		809.53		
		2242017 PETTY CASH DISBURSEMENTS		71.94	18
MEMB. & MEET.		2242017 PETTY CASH DISBURSEMENTS		43.96	18
		2242017 PETTY CASH DISBURSEMENTS		28.00	18
TRAINING		2242017 PETTY CASH DISBURSEMENTS		139.68	18
SUPPLIES		2242017 PETTY CASH DISBURSEMENTS		252.31	18
		2242017 PETTY CASH DISBURSEMENTS		35.27	18
TRAINING		2242017 PETTY CASH DISBURSEMENTS		116.00	18
		2242017 PETTY CASH DISBURSEMENTS		30.93	18
SUPPLIES		2242017 PETTY CASH DISBURSEMENTS		53.62	18
SMALL TOOLS		2242017 PETTY CASH DISBURSEMENTS		30.82	18
MEMB. & MEET.		2242017 PETTY CASH DISBURSEMENTS		7.00	18
POLYDYNE, INC. CHEMICAL SUPPLIES	19856		40,020.00		
		1104128 1/6/17 18400 CLARIFLOC C-6265		2,501.25	18
		1104128 1/6/17 18400 CLARIFLOC C-6265		17,508.75	18
		1110230 1/30/17 18,400 CLARIFLOC C-6265		20,010.00	18

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POWER ENGINEERING CONSTRUCTION CONSTRUCTION-CONTRACTOR	19857	13C 1/17 PRG PMT#13 RWC PUMP STATION 48"FM EMERGENCY R	32,372.11	32,372.11	20
PSC INDUSTRIAL OUTSOURCING, LP CONTRACT SERV. (NON-MAINT.)	19858	1311137724 12/16 MAPLE WET WELL CLEANING	29,109.86	29,109.86	18
R & B COMPANY MACHINERY AND EQUIP MAINT MATE	19859		3,139.07		
		S1619974001 QTY 42 BLACK STEEL PIPE		684.26	18
		S1619974002 QTY 1 STD WELD TEE, QTY 1 SCH40 WELD 90		46.61	18
		S1619974002 QTY 1 STD WELD TEE, QTY 1 SCH40 WELD 90		31.07	18
		S1620875001 QTY 48 HEX BOLT, FLAT WASHER, HEX NUT		521.21	18
		S1620875001 QTY 48 HEX BOLT, FLAT WASHER, HEX NUT		43.85	18
		S1620875001 QTY 48 HEX BOLT, FLAT WASHER, HEX NUT		103.15	18
		S1620896001 PLUMBING PARTS		9.05	18
		S1620896001 PLUMBING PARTS		22.38	18
		S1620896001 PLUMBING PARTS		1.99	18
		S1620896001 PLUMBING PARTS		3.83	18
		S1620896001 PLUMBING PARTS		3.47	18
		S1620896001 PLUMBING PARTS		11.96	18
		S1620896001 PLUMBING PARTS		358.00	18
		S1620896001 PLUMBING PARTS		324.12	18
		S1620896001 PLUMBING PARTS		187.59	18
		S1620896001 PLUMBING PARTS		18.43	18
		S1621086001 QTY 3 SOC FLANGE AND QTY 4 NEOPRENE GASKET		640.55	18
		S1621086001 QTY 3 SOC FLANGE AND QTY 4 NEOPRENE GASKET		67.71	18
		S1622786001 QTY 5 1.5 X CLO 316SS NIPPLE		7.90	18
MISCELLANEOUS		S1622786001 QTY 5 1.5 X CLO 316SS NIPPLE		51.94	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
R-SQUARED ENGINEERING, INC.	19860		5,559.55		
MACHINERY AND EQUIP MAINT MATE		117431 QTY 2 DRSFT HEAD, QTY 4 GR JNT KIT, QTY 2 LNTRN		902.42	18
MISCELLANEOUS		117431 QTY 2 DRSFT HEAD, QTY 4 GR JNT KIT, QTY 2 LNTRN		902.42	18
		117431 QTY 2 DRSFT HEAD, QTY 4 GR JNT KIT, QTY 2 LNTRN		3,530.05	18
		117431 QTY 2 DRSFT HEAD, QTY 4 GR JNT KIT, QTY 2 LNTRN		224.66	18
RECOLOGY PENINSULA SERVICES	19861		150.00		
CONTRACT SERV. (NON-MAINT.)		63498 1/5/17 20 YD DEBRIS BOX DRY RUN FEE		150.00	18
REDWOOD CITY, CITY OF - FINANC	19862		11,603.02		
PROFESSIONAL SERVICES		BR42842 1/17 ACCOUNTING SERVICES		11,119.55	18
MACH & EQUIP MAINT SERVICES		BR42403 11/16/16-12/15/16 VEHICLE REPAIR/MTN CHARGES		483.47	18
REDWOOD SHORES COMMUNITY ASSOC	19863		655.00		
CONST.-ADMIN. & LEGAL		170206 2/5/17 FULL PAGE LEFT INTERIOR COLOR AD		655.00	20
RGM AND ASSOCIATES	19864		350.50		
CONST.-ADMIN. & LEGAL		337 8/6-8/31/16 T.O.2013-01 LABOR COMPLIANCE		350.50	20
SABAH INTERNATIONAL INC	19865		607.32		
MACHINERY AND EQUIP MAINT MATE		9209 QTY 4 SENSING CABLE		607.32	18
SAN MATEO COUNTY MOSQUITO AND	19866		85.32		
CONTRACT SERV. (NON-MAINT.)		SM1600131 11/30/16 MOSQUITO AND VECTOR CONTROL		85.32	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
SANDUL, DUANE	19867		2,660.00		
CONTRUCTION-DESIGN		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		67.20	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		52.80	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		52.80	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		528.00	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		115.20	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		38.40	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		19.20	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		19.20	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		57.60	20
		13B 1/17 T.O.2016-01 CONVEYANCE SYS CEQA		9.60	20
PROFESSIONAL SERVICES		1SVCW2017 1/17 PROFESSIONAL SERVICES		1,700.00	18
SILICON VALLEY CLEAN WATER (EE	19868		125.00		
SUPPLIES		2242017 4/17 COMPENSATION-EMPLOYEE ANNIVERSARY		125.00	18
SOUTH BAY DRIVELINE	19869		1,743.24		
MACH & EQUIP MAINT SERVICES		31611 ASSEMBLE DRIVE LINE AND BALANCE		1,743.24	18
STEVEN ENGINEERING INC.	19870		1,092.25		
MACHINERY AND EQUIP MAINT MATE		241050600 QTY 2 PHOENIX UPS-BAT/VRLA/24DC		640.79	18
		241267300 QTY 2 PHOENIX 3 WAY ISOLATOR		451.46	18
SUBURBAN PROPANE LP	19871		259.20		
UTILITIES		1644014470 1/23/17 PROPANE		246.37	18
MISCELLANEOUS		1644014470 1/23/17 PROPANE		12.83	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
TANNER PACIFIC, INC.	19872		104,848.94		
CONSTRUCTION-CONTRACTOR		217008 1/29-2/11/17 T.O.2016-01		7,423.50	20
		217008 1/29-2/11/17 T.O.2016-01		1,832.00	20
CONSTRUCTION-DESIGN		217008 1/29-2/11/17 T.O.2016-01		13,530.00	20
CONSTRUCTION-CONTRACTOR		217008 1/29-2/11/17 T.O.2016-01		9,534.00	20
		217008 1/29-2/11/17 T.O.2016-01		6,017.50	20
		217008 1/29-2/11/17 T.O.2016-01		16,211.44	20
		217008 1/29-2/11/17 T.O.2016-01		968.00	20
		217008 1/29-2/11/17 T.O.2016-01		256.00	20
		217008 1/29-2/11/17 T.O.2016-01		8,847.50	20
		217008 1/29-2/11/17 T.O.2016-01		2,752.00	20
		217008 1/29-2/11/17 T.O.2016-01		9,848.00	20
		217008 1/29-2/11/17 T.O.2016-01		8,119.00	20
		217008 1/29-2/11/17 T.O.2016-01		64.00	20
		217008 1/29-2/11/17 T.O.2016-01		8,143.00	20
		217008 1/29-2/11/17 T.O.2016-01		1,026.00	20
PROFESSIONAL SERVICES		217009 1/1-2/11/17 T.O.2016-03 CONSTRUCTION ADVISORY S		2,873.50	18
CONSTRUCTION-CONSTRUCTION MGMT		217010 1/29-2/11/17 T.O.2016-04 UPS REPLACEMENT PROJEC		3,231.50	14
		217011 1/29-2/11/17 T.O.2016-07 PS VALVE REPLACEMENT P		2,086.00	14
		217011 1/29-2/11/17 T.O.2016-07 PS VALVE REPLACEMENT P		2,086.00	14
TELEPACIFIC COMMUNICATIONS	19873		9,904.23		
UTILITIES		874838600 2/9-3/8/17 TELEPACIFIC SERVICE		5,904.23	18
		874838600 2/9-3/8/17 TELEPACIFIC SERVICE		1,000.00	18
		874838600 2/9-3/8/17 TELEPACIFIC SERVICE		1,000.00	18
		874838600 2/9-3/8/17 TELEPACIFIC SERVICE		1,000.00	18
		874838600 2/9-3/8/17 TELEPACIFIC SERVICE		1,000.00	18
THATCHER COMPANY OF CALIFORNIA	19874		4,588.50		
CHEMICAL SUPPLIES		243159 1/30/17 3790 FERRIC CHLORIDE 38-42%		4,588.50	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
THOMAS FISH CO. SUPPLIES	19875	21443 QTY 110 RAINBOW TROUT	126.00	126.00	18

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U.S. BANK CORPORATE PAYMENT SY	19876		12,050.72		
SUPPLIES		1232017BB1 12/23/16 BRUSH FLOOR TILES-CONDUIT&SERVER R		404.70	18
		1232017BB2 12/24/16 TEST LICENSE MS 0365 - MSFT		100.00	18
		1232017BB3 12/29/16 CLEANING SUPPLIES FOR SERVER ROOM		21.78	18
		1232017BB4 1/5/17 CLEANING SUPPLIES FOR IT EQUIP - AMA		29.18	18
		1232017BB5 1/6/17 CLEANING SUPPLIES FOR IT EQUIP - AMA		44.64	18
		1232017DC1 12/23/16 FUEL EXPENSE - CHEVRON		55.25	18
		1232017DC2 12/26/16 FUEL EXPENSE - MAVERIK #509		45.50	18
		1232017DC3 12/26/16 FUEL EXPENSE - PILOT		57.00	18
		1232017DC4 12/26/16 FUEL EXPENSE - TA SPARKS TRV		50.00	18
CONSTRUCTION-CONTRACTOR		1232017DC5 1/16/17 TEMP CONSTRUCTION STORAGE FEE - PUB		5,710.50	14
CONST.-ADMIN. & LEGAL		1232017DC6 1/17/17 MEETING MEAL EXPENSE-DESIGN BUILD S		135.00	20
SUPPLIES		1232017DL1 12/23/16 WELLNESS EQUIPMENT PROGRAM CSRMA -		1,012.50	18
		1232017DL2 12/24/16 WELLNESS EQUIPMENT PROGRAM CSRMA -		272.48	18
MACH & EQUIP MAINT SERVICES		1232017EM1 12/23/16 REPAIR REAR WINDOW FORD F150-SANFI		289.00	18
CONF. & TRAV.		1232017EM2 1/11/17 P3S POLLUTION PREVENTION CONF FEE -		520.00	18
		1232017EM3 1/17/17 P3S POLLUTION PREVENTION CONF FEE -		550.00	18
SUPPLIES		1232017IS1 1/5/17 BUSINESS CARDS FOR J HUBBARD - VISTA		107.25	18
		1232017IS2 1/6/17 BEVERAGE EXPENSE FOR RECOGNITION EVE		140.00	18
		1232017IS3 1/12/17 SVCW SHIRTS FOR C CHIU & S GILHAM -		84.88	18
TRAINING		1232017IS4 1/16/17 RESEARCH CD FOR C HUI - AMERICAL PA		480.54	18
SUPPLIES		1232017JF1 1/6/17 CALPERS RETIREMENT LAW BOOK&CD - REI		70.77	18
ADMINISTRATIVE EXPENSES		1232017JF2 1/20/17 JOB POSTING - SR ENGINEER - TRANSIT		145.00	18
		1232017JF3 1/20/17 JOB POSTING - SR ENGINEER - BOXWOOD		295.00	18
		1232017JF4 1/20/17 JOB POSTING - SR ENGINEER - BROWN A		100.00	18
SUPPLIES		1232017LB1 1/4/17 FASTER TOLL REPLENISHMENT - FASTER		160.00	18
TRAINING		1232017MA1 12/28/17 REGISTRATION FEE - CPA CERTIFICATI		150.00	18
MEMB. & MEET.		1232017MA2 1/11/17 TRAVEL EXPENSE FOR CASA CONFERENCE		398.90	18
		1232017MA3 1/11/17 TRAVEL EXPENSE FOR CASA CONFERENCE		398.90	18
		1232017MA4 1/17/17 MEAL EXPENSE FOR CASA CONFERENCE -		16.70	18
		1232017MA5 1/18/17 MEAL EXPENSE FOR CASA CONFERENCE -		205.25	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
U.S. BANK CORPORATE PAYMENT SY	19877		4,964.04		
MEMB. & MEET.		1232017MA6 1/18/17 MEAL EXPENSE FOR CASA CONFERENCE -		23.29	18
		1232017MA7 1/19/17 HOTEL EXPENSE FOR CASA CONFERENCE -		223.50	18
		1232017MA8 1/20/17 FUEL EXPENSE FOR CASA CONFERENCE -		18.49	18
		1232017MA9 1/20/17 PARKING FEE FOR CASA CONFERENCE - F		40.55	18
		1232017RH1 1/17/17 CWEA MEMBERSHIP RENEWAL - R HAROONI		88.00	18
CONF. & TRAV.		1232017TH1 1/18/17 VEHICLE RENTAL EXPENSE FOR CASA CON		155.82	18
		1232017TH2 1/19/17 HOTEL EXPENSE FOR CASA CONFERENCE -		223.50	18
		1232017TH3 1/20/17 HOTEL EXPENSE FOR CASA CONFERENCE -		459.48	18
		1232017TH4 1/20/17 HOTEL EXPENSE FOR CASA CONFERENCE -		459.48	18
		1232017TH5 1/20/17 VEHICLE RENTAL EXPENSE FOR CASA CON		27.30	18
		1232017TH6 1/20/17 PARKING FEE FOR CASA CONFERENCE - F		40.55	18
SUPPLIES		1232017TH7 1/22/17 FUEL EXPENSE FOR CASA CONFERENCE -		30.21	18
CONF. & TRAV.		1232017VV1 1/4/17 CASA CONFERENCE REGISTRATION-M ANDER		1,100.00	18
SUPPLIES		1232017VV2 1/8/17 FOOD EXPENSE FOR FINANCE DAY DEMO -		18.00	18
		1232017VV3 1/9/17 MEAL EXPENSE FOR FINANCE DAY DEMO -		237.54	18
		1232017VV4 1/10/17 MEAL EXPENSE FOR FINANCE DAY DEMO -		348.09	18
CONF. & TRAV.		1232017VV5 1/10/17 P3 WATER SUMMIT REGISTRATION-M ANDE		790.00	18
MEMB. & MEET.		1232017VV6 1/12/17 EARLY BOARDING CHARGE - SOUTHWEST		15.00	18
		1232017VV7 1/12/17 EARLY BOARDING CHARGE - SOUTHWEST		15.00	18
		1232017VV8 1/12/17 SEATING PREF CHARGE - SOUTHWEST		15.00	18
		1232017VV9 1/12/17 SEATING PREF CHARGE - SOUTHWEST		15.00	18
		1232017VV10 1/12/17 ADMIN CHARGE FOR CHANGES - SOUTHWE		63.00	18
		1232017VV11 1/16/17 PREPAID CAR RENTAL - BUDGET.COM -		192.07	18
		1232017VV12 1/17/17 SEATING CHARGE FOR UPGRADE - SOUTH		104.98	18
		1232017VV13 1/17/17 SEATING CHARGE FOR UPGRADE - SOUTH		104.98	18
TRAINING		1232017VV14 1/18/17 DBIA BOOK FOR ENGINEERING DEPT - B		98.18	18
		1232017VV15 1/18/17 ENR ENGINEERING MAG SUBSCRIP-ENG D		111.00	18
MISCELLANEOUS		1232017DM2TAX SALES TAX LIABILITY		-11.19	18
		1232017DM3TAX SALES TAX LIABILITY		-5.16	18
		1232017IS4TAX SALES TAX LIABILITY		-37.62	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
U.S. BANK CORPORATE PAYMENT SY	19878		1,060.12		
MISCELLANEOUS		1232017JD1TAX SALES TAX LIABILITY		-11.69	18
		1232017JD5TAX SALES TAX LIABILITY		-5.25	18
		1232017JD8TAX SALES TAX LIABILITY		-0.79	18
SUPPLIES		1232017DM1 12/26/16 SPACE HEATER - HOME DEPOT		58.75	18
TRAINING		1232017DM2 1/13/17 THREE STUDY GUIDES-ISA		139.04	18
SMALL TOOLS		1232017DM3 1/16/17 FIRE RADIO HOLDER - FIRE STORE ONLI		72.15	18
SUPPLIES		1232017JD1 12/28/16 AIR STONES - AMAZON		70.01	18
		1232017JD1 12/28/16 AIR STONES - AMAZON		76.07	18
MACHINERY AND EQUIP MAINT MATE		1232017JD4 1/4/17 QTY 2 3/8 X 16 WATER SUPPLY-STATE PL		17.23	18
SUPPLIES		1232017JD5 1/5/17 AQUARIUM AIR PUMP - AMAZON		65.30	18
MISCELLANEOUS		1232017JD6 1/12/17 WATER - COSTCO		385.00	18
MACHINERY AND EQUIP MAINT MATE		1232017JD7 1/13/17 INTERDESIGN CAMEO CONSTANT TENSION		44.39	18
		1232017JD7 1/13/17 INTERDESIGN CAMEO CONSTANT TENSION		17.29	18
		1232017JD7 1/13/17 INTERDESIGN CAMEO CONSTANT TENSION		11.73	18
		1232017JD8 1/15/17 QTY 2 12PC SET RUSTPROOF STAINLESS		9.77	18
		1232017JD9 1/19/17 QTY 2 EEMAX EX1440SP REPLACEMENT EL		111.12	18
U.S. HEALTHWORKS MEDICAL GROUP	19879		228.00		
PROFESSIONAL SERVICES		3061362CA 1/31/17 PRE-EMPLOYMENT PHYSICAL-R SANCHEZ		135.00	18
		3066334CA 2/1/17 PRE-EMPLOYMENT PAT EVALULATION-R SANC		93.00	18

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
UNIVAR USA INC.	19880		23,966.20		
CHEMICAL SUPPLIES		SJ797757 2/1/17 3735.88 GAL SOD BISULFITE 25%		3,428.99	18
		SJ798100 2/2/17 4282 GAL SOD HYPO 12.5% LIQUICHLOR		1,911.57	18
		SJ798358 2/5/17 4080 GAL SOD HYPO 12.5% LIQUICHLOR		1,821.39	18
		SJ798558 2/7/17 4350.80 GAL SOD BISULFITE 25%		3,993.38	18
		SJ798953 1/22/17 4697GAL SOD HYPO 12.5% LIQUICHLOR		2,096.83	18
		SJ799008 2/9/17 4040.32 GAL SOD BISULFITE 25%		3,708.41	18
		SJ799175 2/8/17 4499 GAL SOD HYPO 12.5% LIQUICHLOR		2,008.44	18
		SJ799297 2/11/17 3497.98 GAL SOD BISULFITE 25%		3,151.58	18
		SJ799297 2/11/17 3497.98 GAL SOD BISULFITE 25%		59.04	18
		SJ799455 2/9/17 4002 GAL SOD HYPO 12.5% LIQUICHLOR		1,786.57	18
US POSTAL SERVICE (POSTAGE-BY-OFFICE SUPPLIES	19881		350.00		
		2242017 POSTAGE REFILL-A/C 18400358		350.00	18
VALLEY OIL COMPANY (VEHICLE FUEL SUPPLIES	19882		341.88		
		444079 1/16/17-1/31/17 FUEL CHARGES COMPANY VEHICLES		341.88	18
VWR INTERNATIONAL, LLC	19883		1,131.05		
MISCELLANEOUS SUPPLIES		8047532273 QTY 3 CS NITRILE GLOVE PURPLE		488.20	18
		8047555045 QTY 3 CS VWR TUBE 50ML METAL FREE CS500		621.08	18
		8047565963 QTY 2 SOLDIUM THIOSULFATE		21.77	18
WATER ENVIRONMENT RESEARCH FOU MEMB. & MEET.	19884		7,064.00		
		20003870171 2017 SUBSCRIBER DUES AND ENDOWMENT STABILI		7,064.00	18
WESTERN ENERGY SYSTEMS	19885		24,905.84		
MACH & EQUIP MAINT SERVICES		3700588 12/2017 LTSA SERVICE AGREEMENT FINANCE CHARGE		547.04	18
		3703654 12/2016 LTSA SERVICE AGREEMENT UNIT 1		10,672.08	18
		3703655 12/2016 LTSA SERVICE AGREEMENT UNIT 2		13,686.72	18

SILICON VALLEY CLEAN WATER
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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
WESTIN ENGINEERING, INC. PROFESSIONAL SERVICES	19886	3079 12/31/16-1/27/17 PROFESSIONAL SERVICES SUPPORT	9,183.31	9,183.31	18
XEROX CORPORATION RENTAL/LEASES	19887	87956026 12/21/16-1/25/17 XEROX LEASE	1,875.82	38.78	18
		87956027 02/17 XEROX LEASE		216.77	18
		87956029 02/17 XEROX LEASE		216.77	18
		87956031 02/17 XEROX LEASE		216.77	18
		87956033 02/17 XEROX LEASE		296.66	18
		87956034 1/18/17-1/25/17 XEROX LEASE		96.32	18
		87956035 02/17 XEROX LEASE		462.99	18
		87956036 12/21/16-1/25/17 XEROX LEASE		91.37	18
		87956037 02/17 XEROX LEASE		239.39	18
		TOTAL		\$700,562.03	

SVCW WARRANT REGISTER

SVCW Warrant Register dated February 28, 2017 for Retiree Health. A scanned copy was e-mailed to Commissioners on March 1, 2017.

02-28-17

SILICON VALLEY CLEAN WATER
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FUND RECAP

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NAME	FUND	AMOUNT
RETIREE HEALTH INSUR. FD.	12	22,738.47
TOTAL FOR APPROVAL		\$22,738.47

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 9592 THROUGH 9596 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 19767 THROUGH 19803 INCLUSIVE, TOTALING IN THE AMOUNT OF \$22,738.47, 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,



CONTROLLER

2/21/17

DATE

 2/27/2017

 3-1-17

2/28/17 (Retiree Health)

SILICON VALLEY CLEAN WATER
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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
FLAHERTY, LISA M. RETIREE MEDICAL PAYMENTS	19767	317 03/17 RETIREE HEALTH PREMIUM REFUND	788.74	788.74	12
LEACH, PRESTON L. RETIREE MEDICAL PAYMENTS	19768	317 03/17 RETIREE HEALTH PREMIUM REFUND	172.48	172.48	12
REEVES, DENNIS D. RETIREE MEDICAL PAYMENTS	19769	317 03/17 RETIREE HEALTH PREMIUM REFUND	472.96	472.96	12
REYES, CESAR V. RETIREE MEDICAL PAYMENTS	19770	317 03/17 RETIREE HEALTH PREMIUM REFUND	472.96	472.96	12
SCHIECHL, WARREN RETIREE MEDICAL PAYMENTS	19771	317 03/17 RETIREE HEALTH PREMIUM REFUND	196.21	196.21	12
WALSH, WALTER RETIREE MEDICAL PAYMENTS	19772	317 03/17 RETIREE HEALTH PREMIUM REFUND	520.42	520.42	12
WIDGER, RICHARD RETIREE MEDICAL PAYMENTS	19773	317 03/17 RETIREE HEALTH PREMIUM REFUND	1,338.78	1,338.78	12
BAKER, ANDREW RETIREE MEDICAL PAYMENTS	19774	317 03/17 RETIREE HEALTH PREMIUM REFUND	1,223.22	1,223.22	12
BEWLEY, JAMES B. RETIREE MEDICAL PAYMENTS	19775	317 03/17 RETIREE HEALTH PREMIUM REFUND	472.96	472.96	12
BOVE, LEONARD F. RETIREE MEDICAL PAYMENTS	19776	317 03/17 RETIREE HEALTH PREMIUM REFUND	605.39	605.39	12
BUENROSTRO, BENJAMIN RETIREE MEDICAL PAYMENTS	19777	317 03/17 RETIREE HEALTH PREMIUM REFUND	1,338.78	1,338.78	12

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
BUSCH, JOSEPH A.	19778		172.48		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		172.48	12
CHAPMAN, ROBERT G	19779		905.87		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		905.87	12
DIAZ, CLARA L.	19780		261.76		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		261.76	12
DONALDSON, ROBERT M.	19781		605.39		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		605.39	12
FAZIO, MICHAEL	19782		172.48		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		172.48	12
FORD, LARENCE	19783		472.96		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		472.96	12
GERKE, FRED	19784		605.39		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		605.39	12
GROSSO, LORNA	19785		172.48		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		172.48	12
HALL, DAVID A.	19786		1,778.81		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		1,778.81	12
HERNANDEZ, JOHN M.	19787		472.96		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		472.96	12
JONES, REGGIE H.	19788		196.21		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		196.21	12

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
KAUFMAN, KENNETH J	19789		172.48		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		172.48	12
KELLY, DIANE L.	19790		579.26		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		579.26	12
KERTZ, FELIX J.	19791		172.48		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		172.48	12
KLOKKE, KARL W.	19792		579.26		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		579.26	12
MA, PO KUI	19793		472.96		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		472.96	12
MURRAY, GENE RODGER	19794		901.24		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		901.24	12
PINEDO, JESSE	19795		472.96		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		472.96	12
POSCH, MICHAEL A.	19796		472.96		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		472.96	12
SMITH, JULIE	19797		1,338.78		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		1,338.78	12
SMITH, RAYMOND C.	19798		520.42		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		520.42	12
STORMS, VERNON GARY	19799		772.02		
RETIREE MEDICAL PAYMENTS		317 03/17 RETIREE HEALTH PREMIUM REFUND		772.02	12

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NAME	WARRANT NUMBER	INVOICE #/DESCRIPTION	AMOUNT	DETAIL	FUND
SUTER, KATHERINE J. RETIREE MEDICAL PAYMENTS	19800	317 03/17 RETIREE HEALTH PREMIUM REFUND	905.87	905.87	12
TAYLOR, TERRY M. RETIREE MEDICAL PAYMENTS	19801	317 03/17 RETIREE HEALTH PREMIUM REFUND	905.87	905.87	12
VON SEEBACH, NANCY RETIREE MEDICAL PAYMENTS	19802	317 03/17 RETIREE HEALTH PREMIUM REFUND	579.26	579.26	12
WOODSTOCK, CRAIG M. RETIREE MEDICAL PAYMENTS	19803	317 03/17 RETIREE HEALTH PREMIUM REFUND	472.96	472.96	12
		TOTAL		\$22,738.47	

SVCW DEBT MANAGEMENT POLICY

ISSUE

To Adopt a Silicon Valley Clean Water (SVCW) Debt Management Policy (the Policy) that Ensures Compliance with the California Government Code as to How SVCW Debt is Managed

BACKGROUND

SVCW is committed to planning its financial and long-term capital needs in a sound and transparent manner. In this manner, it recognizes the issuance of public debt may at times be necessary to fund capital improvements and maintain stable sewer rates. To date, SVCW has funded over \$240 million of capital projects from sources including Wastewater Revenue Bonds (\$161 million), State Revolving Funds (\$55 million), and cash contributions from members (\$27 million).

Any debt issued by a California public agency must be consistent with California statute. In September 2016 the Governor signed Senate Bill No. 1029 (SB 1029), which amends Government Code Section 8855, directing the California Debt and Investment Advisory Commission (CDIAC) to improve the market for state and local government debt issues. The intent of this bill is to facilitate improved financial transparency and accessibility to information about public debt. One resultant requirement of SB 1029 is that state and local agencies must adopt comprehensive debt management policies that reflect local, state, and federal laws and regulations. SB 1029 also requires that when submitting reports to CDIAC an agency must certify that not only has it adopted local debt policies with specified provisions, but also that any contemplated debt issuances are consistent with those local debt policies.

Under amended Gov't. Code Section 8855, a local debt policy must include: (1) the purposes for which the debt proceeds may be used; (2) the types of debt that may be issued; (3) the relationship of the debt to, and integration with, the agency's capital improvement program or budget, if applicable; (4) policy goals related to the agency's planning goals and objectives; and (5) the internal control procedures that the agency has implemented, or will implement to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

DISCUSSION

The proposed Policy (attached) is consistent with, and intended to comply with the requirements of SB 1029 and establishes appropriate structure for the issuance and administration of SVCW debt. SVCW will utilize this policy to:

- Provide for the adequate and timely funding of capital projects;
- Access debt in a prudent, low-cost, and risk-averse manner;
- Develop long-term financial plans that identify manageable debt service levels;
- Maintain a sound fiscal position and protect the credit quality of SVCW;
- Maintain compliance with state and federal laws and regulations.

Guidelines within this policy were defined to help SVCW achieve these goals. For example it describes the roles and responsibilities of key positions, requires strong internal financial controls, and mandates that all financing decisions be approved by the Commission. It also outlines appropriate debt instruments and establishes suitable limitations on certain types of debt like capital leases and variable rate debt.

FINANCIAL IMPACT

There is no financial impact associated with the recommended action.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING SILICON VALLEY CLEAN WATER (SVCW) DEBT MANAGEMENT POLICY AND AUTHORIZING THE SVCW MANAGER TO IMPLEMENT THE POLICY APPROVED AND ADOPTED HEREBY

Rev: Issue

Rev Date: 3/23/2017

Issue Date: 3/23/2017

Approved by Commission at Meeting of March 23, 2017 by Resolution No. SVCW 17-05

SUBJECT: Statement of Debt Management Policy

APPLICABLE CODES AND REGULATIONS:

Government Code Section 8855

PURPOSE:

This Debt Management Policy (the “Policy”) establishes the comprehensive policies and procedures for the issuance and management of bonds, capital leases, and other forms of indebtedness (“Debt”) of Silicon Valley Clean Water (the “Authority”, or “SVCW”) The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify SVCW’s Debt portfolio, to the extent such is cost effective, to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

This Policy provides guidelines for the issuance and management of the Authority’s Debt portfolio. Adherence to the policy will help ensure that the Authority maintains a diversified Debt portfolio that supports its financing needs and minimizes the Authority’s cost of funding.

The Commission of SVCW (the “Commission”) may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management. The failure of SVCW to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. SVCW shall conduct an annual review and evaluation of the Policy. As appropriate, SVCW shall amend the Policy to be consistent with changes in the federal and state securities laws, pronouncements of the Securities and Exchange Commission and such other matters as the CFO deems necessary or desirable.

The Authority’s overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority’s wastewater system while ensuring that Debt is issued and managed prudently. Additional Policy goals are to maintain appropriate Debt and debt service levels through collaborative long-term planning with the Member Agencies, as defined herein, and to maintain a sound fiscal position and protect the credit quality of SVCW.

The Authority believes that Debt can provide an equitable means of financing projects for customers of the Member Agencies and providing access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs if (i) it meets the goals of equitable treatment of all customers of the Member Agencies, respectively, both current and future; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash and thereby avoiding sharp spikes in customers’ rates; (iii) it is fiscally

prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor.

POLICY:

Creation and Governing Principles

In the issuance and management of Debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain Debt limitations.

Governing Law

Joint Powers Act – The Authority is a Joint Exercise of Powers Authority (JPA) organized under the provisions of California law governing the joint exercise of powers, being Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The JPA Act gives the Authority the right to contract, construct works, and to incur indebtedness. The Authority shall comply with all constraints of the JPA Act.

Governance - The Authority is a Joint Exercise of Powers Authority (JPA) created by and among the City of Belmont, the City of Redwood City, the City of San Carlos and West Bay Sanitary District (the “Member Agencies”), all of which are located in Silicon Valley between the cities of San Francisco and San Jose. SVCW is governed by a four-member Commission consisting of one appointed member from each of the Members Agencies’ elected governing bodies. The Authority was created through an agreement by and among the Member Agencies (the “JPA Agreement”) to provide wastewater transmission, treatment and effluent disposal for the Member Agencies and to own and operate the related wastewater facility and all appurtenances related thereto. The Authority shall comply with all constraints of the JPA Agreement.

Federal Tax Law – The Authority shall issue and manage Debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to sell tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations.

Securities Law – The Authority shall comply with the requirements of federal and state securities laws in offering Authority Debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

Ethical Standards Governing Conduct

Member Agencies’ representatives, management and Commissioners of the Authority, consultants, service providers, and underwriters to the Authority shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with MSRB Rules, including G-37. Additionally all debt financing participants will assist Authority staff to achieve its goals and objectives as defined in this Policy; shall make cooperation with Authority staff its highest priority and

shall take reasonable actions to avoid conflicts of interest and immediately advise SVCW of possible conflicts of interest.

Permitted Debt by Type

The Authority may legally issue both short-term and long-term Debt, subject to the limitations of this Policy, using the debt instruments described below. The CFO, in consultation with the SVCW Manager, Authority General Counsel, Bond Counsel, and Financial Advisor shall determine the most appropriate instrument for a proposed Debt issuance.

JPA Revenue Bonds – SVCW shall issue Limited Obligation Bonds to make proceeds available to finance the acquisition, construction and/or improvement of SVCW’s wastewater system. The obligations represent special limited obligations of SVCW which are payable solely from and secured solely by the Net Revenues (as such term is defined in the respective governing documents), pledged under the indenture of participating Member Agencies.

Lines of Credit - The Authority may enter into financing arrangements providing for interim cash liquidity through a source of funds that can be readily accessed by the Authority for capital needs. The period of a Line of Credit may not exceed five years from its issuance date. Commission action is sufficient to legally authorize the establishment of a line of credit

Commercial Paper – SVCW may establish a tax-exempt commercial paper (“Commercial Paper Program”) for the purpose of providing funds to finance the acquisition, construction, and rehabilitation of capital improvements and the financing of vehicles and equipment. A Commercial Paper Program will be utilized and commercial paper notes will be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Commission. The Authority’s commercial paper shall be secured by amounts payable by the Member Agencies to the Authority under a lease, installment sale agreement, or a contract of indebtedness. The CFO shall provide a written report to the Commission twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize the status of projects financed with commercial paper; and identifying any certificates of participation or other long term obligation refunding commercial paper notes

Capital Leases – Capital equipment and personal property SVCW may be eligible for capital lease financing. Eligible equipment must have per unit cost of at least \$100,000 unless it is an integral part of a system (such as a computer network) then the aggregate of the various components must be at least \$100,000. The useful life of the asset will be in excess of five years and at least 120% of the financing and refinancing term.

Bond Anticipation Notes – SVCW may issue short-term indebtedness (“BANs”) in anticipation of the issuance of revenue bonds. The BANs will have a final maturity not exceeding five years from the date of issuance.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue

bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Loans – The Authority is authorized to enter into loans, installment payment obligations, or other similar funding structures secured by a prudent source, or sources of repayment. SVCW may enter into Loans with private financial institutions, or federal, state agencies.

Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by SVCW. SVCW will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Limitations on Debt Issuance

The CFO shall determine whether proposed Debt transactions comply with the Debt limitations prescribed by the Policy. Proposed Debt transactions that meet the limitations of the Policy will be subject to approval by resolution of the Commission as prescribed by state law. In the event the CFO determines any proposed Debt transaction exceeds the limits imposed by this Policy, the Commission may approve such transaction by majority vote.

Senior Lien Long-Term Debt – The Authority’s senior lien long-term Debt, for which revenues are pledged, shall be limited to that amount for which each participating Member Agency can generate wastewater revenues to the extent that (i) current year gross revenues sufficient to pay operations and maintenance costs and its allocable share of Authority Debt service and (ii) projected net revenues of each Member Agency are equal to 120% of the participating Member Agency’s allocable share of Authority Debt service. The calculation of Debt service coverage shall include amounts on hand in the unencumbered fund. The Authority will work collaboratively with the Member Agencies to structure Debt so as to achieve 185% senior debt service coverage at the Member Agency level to retain the strong credit ratings of the Authority’s Debt.

Short-Term Debt – Short-term Debt with a term to maturity of less than five years is issued to 1) provide for funding for assets that are short-lived but due to cost are more equitable to finance or 2) provide financing for the acquisition and/or construction of long-lived capital projects to be refunded by long-term Debt financing described above. Due to the size of the current funding requirements of the capital improvement program, (“CIP”), short-term debt may represent an amount equal to 30% of its total Debt at the time of issuance. SVCW will periodically assess this limitation and based upon the CIP or rating agency standards management may recommend changes to this Policy. The calculation of short-term Debt shall include variable rate demand obligations, the authorized amount of commercial paper, any notes/bonds with a maturity equal to or less than five years, and any variable rate Debt.

Subordinate Lien Long-Term Debt - The Authority’s subordinate lien Debt, for which revenues are pledged, shall be limited to that amount for which current and projected net revenues of each participating Member Agency can generate overall Debt service coverage of at least 100 percent.

Variable Rate Debt – The Authority is authorized to issue variable rate Debt including, but not limited

to, public market indexed notes, indexed notes or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities. Prior to the issuance of variable rate Debt, the savings and other possible advantages compared to a fixed rate borrowing will be evaluated and a comparative analysis presented to the Commission as part of the approval process. Based upon rating agency standards, the Authority's variable rate Debt shall not exceed 30 percent of its total Debt at the time of issuance of any variable rate Debt.

Capital Equipment Leases - The outstanding aggregate principal amount of capitalized lease agreements in connection with equipment may not exceed \$5,000,000; however, such amount shall increase by five percent each fiscal year starting with fiscal year 2016/17. SVCW will monitor the amount of capital equipment lease outstanding and maximum limitation to ensure sufficient borrowing capacity.

Purpose for Borrowing

The Authority shall issue long term, Debt (such Debt that has a final maturity of more than five years from its date of issuance) solely for the purpose of financing the cost of design, acquisition, and/or construction of wastewater system improvements in furtherance of the Authority's Capital Improvement Program ("CIP") or for refunding existing Debt. The Authority will not issue Debt to fund operations. The Authority shall issue short-term Debt only as provided for in this Policy.

PROCEDURE:

Procedure I. Integration of Capital Planning and Debt Activities

Evaluating Capital Improvement Program Spending

The Authority shall develop and maintain a capital finance model to evaluate the impact of capital program spending, operations and maintenance costs, and Debt service on its financial condition. To that end, the CFO shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- Historic and projected cash flows;
- Historic and projected capital expenditures;
- Historic and projected operating costs;
- Historic and projected fund balances, including the Operating Fund, the Rate Stabilization Fund, (if any), Pay-As-You-Go Fund, Debt Proceeds Fund, and Debt Service Reserve Fund, if any,
- Historic and projected Debt service coverage;
- The most efficient mix of funding sources (long-term Debt; short-term Debt, and cash);
- Projected revenue requirements; and
- Projected rates and charges.

The following steps outline the Authority's approach to Debt management.

- The Authority will evaluate financing options annually as part of the update to the Long-Range Financial Plan capital project.
- The Authority will seek to pay for all capital projects from current revenues and available reserves prior to or in combination with the use of Debt.
- The Authority will issue Debt only in the case where there is an identified source of repayment. The Authority will work with its Member Agencies to reasonably demonstrate that (i) projected revenues are sufficient to pay for the forecasted operation and maintenance expenses and proposed Debt service together with all existing Debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for forecasted operations and maintenance expenses and the proposed Debt.
- Debt issuance for a capital project will not be considered unless such issuance has been incorporated into the capital improvement plan and Long Range Financial Plan.
- Wastewater rates and charges will be set by each participating Member Agency at adequate levels, which are fair and nondiscriminatory, to generate sufficient revenues to pay all operating and maintenance costs, to maintain sufficient operating reserves, and to pay Debt service costs, if necessary.

Procedure II. Procurement and Evaluation of Professional Services

Appointment of Service Providers – The CFO shall solicit from time to time bids, quotes or proposals, including sole source proposals, for the following services on an as needed basis:

- Financial Advisor – Service provider that ensures the Authority complies with all financial management procedures and policies and ensures successful closing for bond transactions. While serving as the Authority’s municipal advisor, a firm may not also engage in the underwriting of the Authority bond issue for which that firm acts as municipal advisor. A firm may not switch roles (i.e., from municipal advisor to underwriter) after a financial transaction has begun. SVCW may determine to utilize the services of independent financial advisor(s) and feasibility consultant(s) (“FA”) on Debt financing when prudent. SVCW shall utilize a request for qualifications and/or request for proposals (“RFP”) to select a pool of such financial advisors to mitigate time constraints and reduce overhead costs of SVCW in procuring such services. Services shall be documented by contract and compensation shall be capped. Every FA shall be registered with the Municipal Securities Rulemaking Commission (“MSRB”) and Securities and Exchange Commission (“SEC”). No financial advisor shall serve as an underwriter on a transaction.
- Bond and Tax Counsel – Service provider that drafts appropriate documentation to ensure successful and timely closing and create valid and legally binding security for bond issues, and provide appropriate advice and take appropriate actions to ensure legal validity of bond issues under state and federal laws as applicable. The CFO and General Counsel shall jointly select bond, tax and /or disclosure counsel (“Bond Counsel”) for each transaction. SVCW General Counsel shall periodically review the performance of Bond Counsel with SVCW management in terms of quality and timeliness of legal services.
- Disclosure Counsel – Service provider that drafts offering documentation in connection with the sale of debt to ensure compliance with all federal and state securities laws and regulations; provides appropriate legal opinions in connection with the offering documentation under state and federal laws as applicable. The CFO and General Counsel shall jointly select disclosure counsel (“Disclosure Counsel”) for each transaction. SVCW General Counsel shall periodically review the performance of Disclosure Counsel with SVCW management in terms of quality and timeliness of legal services.
- Rebate Consultant – A Rebate Consultant shall be selected by RFP for all tax-exempt long-term obligations for a set term with 1-year extensions. Rebate analyses will be performed annually on the anniversary of the issuance, or as determined by SVCW, by the Rebate Consultant.

Nothing in this Policy shall prevent the Authority from using the same law firm from acting as both Bond and Disclosure Counsel.

Procedure III. Transaction-Specific Activities

Method of Sale for Publicly Offered Debt

Unless otherwise justified and deemed necessary to minimize the costs and risks of the Authority’s bond issue, SVCW will proceed with the sale of Debt on a competitive basis.

Competitive Bid Method - Such bids may take the form of hand-delivered or electronically transmitted offers to purchase the Debt. Authority Debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the

official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of Debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and commissions. Examples of such sales include:

- Variable rate demand obligations;
- Commercial paper;
- An issue of debt so large that the number of potential bidders would be too limited to provide the Authority with truly competitive bids;
- An issue requiring the ability to react quickly to sudden changes in interest rates (e.g. refunding bonds);
- An issue requiring intensive marketing efforts to establish investor acceptance;
- An issue of debt with specialized distribution requirements; and
- An issue of debt sold during a period of extreme market disruption or volatility.

Variable rate demand obligations, or commercial paper, would be expected to be issued by negotiated sale. SVCW shall retain a minimum of two broker/dealers or remarketing agents for each issuance of variable rate demand obligations, or commercial paper equal to or exceeding \$100 million. The broker/dealers or remarketing agents shall be retained for a period co-terminus with the final maturity of any variable rate bonds provided that SVCW may replace a broker/dealer or remarketing agent with notice at any time for any reason in its sole discretion.

Underwriters and Remarketing Agents shall be selected by SVCW through a request for proposal process for each transaction. The performance of Remarketing Agents shall be monitored on a monthly basis. SVCW may replace a remarketing agent or broker-dealer with notice at any time.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, and underwriting spreads. The Authority, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the team members (Authority Staff and Counsel, Financial Advisor and Bond and Disclosure Counsel), the desired allocation of total fees, and the desired distribution of bonds. Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

The Authority shall, with the assistance of its Financial Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among members of the underwriter(s), consistent with the previously negotiated terms and conditions;
- The allocation process complies with all MSRB regulations governing order priorities and allocations;
- The lead underwriter shall submit to the CFO a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The CFO shall require a post-sale analysis and reporting for each negotiated bond sale. The lead underwriter shall perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- Results of comparable bond sales in the market at the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by underwriting firm;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a loan, or private placement of any form of Debt from a non-governmental entity, the Authority will issue a request for proposal seeking bids from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. The Authority may award the Debt solely based upon true-interest cost but may take into consideration call features, debt service structure and the requirement of any reserve fund requirements prior to making any award.

Structural Elements

Pledge of Revenues – The Authority's pledge of revenues shall be determined for each debt issue depending upon the debt instrument. Revenue Bonds of the Authority shall be repaid from revenues received from the Member Agencies, as defined in the governing documents related to the applicable revenue bonds.

Maturity – The Authority may issue tax-exempt debt with an average equal to 100% of the useful life of the assets, if warranted the Authority may issue tax-exempt debt with an average life greater than 100% of the average useful life of the assets, but only in compliance with federal tax code requirements and with the express approval of the Commission. The final maturity of the debt should be no longer than 40 years; however, the Commission may expressly approve a final maturity longer than 40 years upon the recommendation of management. Factors to be considered when determining the final maturity of debt include: the average useful life of the assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates.

Maturity Structure – The Authority's long-term debt may include serial and term bonds. Other

maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount and premium. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures taking into consideration market conditions and opportunities. For variable rate debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual bond issues, such as refunding bonds, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refunding opportunities, Authority Debt will generally be issued with call provisions. The Authority may consider calls that are shorter than traditional and/or non-call debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority shall competitively procure credit enhancement for a sale of bonds if the CFO, in consultation with the Financial Advisor and the lead underwriter, determines that it is cost effective to do so.

Senior/Subordinate Lien – The Authority may utilize both a senior and a subordinate lien structure. The choice of lien will be determined based on such factors as overall cost of debt, impact on debt service, impact on wastewater rates of the Member Agencies, and marketing considerations.

Debt Service Reserve Funds – The Authority shall provide a reserve fund as market conditions dictate. A reserve fund can be established to support each individual series of debt or as a common reserve that can support more than one debt issuances. The reserve fund is typically funded in its entirety with bond proceeds at the time of issuance but can also be funded through a letter of Credit or a Surety Policy.

Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in each respective bond indenture. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

Procedure IV. Communication and Disclosure

Rating Agencies

SVCW will secure underlying ratings on all newly issued obligations from the three major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall

maintain the credit ratings on its debt through prudent fiscal management and consistent communications with the rating analysts. The CFO shall manage relationships with the rating analysts assigned to the Authority's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies may include one or more of the following:

- Full disclosure on an annual basis of the financial condition of the Authority;
- A formal presentation, as necessary to the rating agencies analysts, covering economic, financial, operational, and other issues that impact the Authority's credit;
- Timely disclosure of major financial events that impact the Authority's credit;
- Timely dissemination of the Comprehensive Annual Financial Report, following its acceptance by the Authority's Commission;
- Full and timely distribution of any documents pertaining to the sale of bonds; and
- Periodic tours of the SRWRF, as appropriate.

Bond Insurers

The CFO shall manage relationships with the bond insurers, to the extent any Debt is so insured, by providing appropriate information. Communication with other bond insurers shall be undertaken when the CFO, with the assistance of the Authority's Financial Advisor, determines that credit enhancement is cost effective for a proposed bond issue.

Disclosure Reports – The Authority shall make disclosure reports readily available to institutional investors, rating agencies and credit enhancers who have specific analysts assigned to review the Authority's credit. SVCW shall comply with all federal securities disclosure laws and strive to maintain good investor relations through the timely dissemination of pertinent and material financial information. SVCW will covenant to provide annual disclosure in accordance with SEC Rule 15c2-12. SVCW will also covenant to provide its annual disclosure report (the "Annual Report") no later than 270 days following the end of the fiscal year, but SVCW will strive to issue the Annual Report as soon as practical following any issuance of SVCW's annual Comprehensive Annual Financial Report ("CAFR"). The Annual Report, in addition to being posted in accordance with law, will also be posted at SVCW office of the CFO and be on file with the Treasurer. The Annual Report shall include CUSIPs, trustee and SVCW contacts, and applicable project status as required, for all transactions subject to annual reporting.

Website – The Authority shall use its website as a tool for providing timely information to investors.

Procedure V. Refunding

The Authority shall strive to refinance Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any refunding to be proposed to the Commission. The Authority shall target a 3% net present value savings for Current Refunding transactions and 5% for Advanced Refunding transactions. A Current Refunding transaction is one which closes not more than ninety (90) days prior

to the call date of the refunded Debt. An Advance Refunding transaction is one which closes more than (90) days prior to the call date of the refunded Debt. SVCW will use the refunding issue's arbitrage yield as the discount rate to calculate net present value savings.

Upon the advice of the CFO, with the assistance of the Financial Advisor and Bond Counsel, the Authority will consider undertaking refunding transactions for other than economic purposes, such as to restructure Debt, change the type of Debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable, or onerous covenants; such refunding transactions do not need to achieve any net present value savings.

Savings Thresholds – Minimum savings thresholds have been established to help guide the economic analysis of refunding bonds. The minimum savings guidelines are applicable on an overall basis and are expressed as a percentage of refunded bond par calculated by dividing the expected net present value savings generated by the proposed refunding by the par amount of refunded bonds.

In completing a refunding for net present value savings the CFO with the advice of the Financial Advisor may take the following into consideration:

- **Coupon on Refunded Bond** – The CFO may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons.
- **Escrow Structuring** - The District shall utilize the least costly securities available in structuring each escrow. A certificate will be required from a third party agent who is not acting as a broker-dealer, stating that the securities were purchased through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Series Securities (SLGS), and that the price paid was reasonable and within Federal guidelines.

When evaluating the economic viability of an economic versus legal defeasance, the District shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The District shall take all necessary steps to optimize its escrows and to avoid negative arbitrage in its refunding transactions. SVCW will strive to achieve an escrow efficiency between 70% and 80%; the escrow efficiency is calculated by dividing the net present value savings by the sum of the net present value savings plus the negative arbitrage in the escrow.

- **General Interest Rate Environment** – The CFO may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.
- **General Interest Rate Outlook** – The CFO may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.
- **Debt Management Considerations** – The CFO may take into consideration debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.
- **Call Date** – The CFO may take into consideration the amount of time between the pricing/closing date of the refunding Debt and the call date of the Debt to be refunded.
- **Final Maturity Date** – The CFO may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.

Procedure VI. Reinvestment of Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the time period over which some bond proceeds may be invested. To the extent that a bond issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider.

Requirements of Indenture – The Authority will comply with all terms and conditions of the appropriate legal documents related to the Debt. Such limitations shall include, but not be limited to Investments in the indenture.

Procedure VII. Creation and Maintenance of Funds

The Authority maintains a number of different funds integral to the long-range financial planning process. Each of these funds is held for a specific purpose and can generally be categorized as either an operating, capital or debt reserve fund. The Authority will comply with all requirements and limitations created under its Reserve Policy.

Procedure VIII. Compliance

Arbitrage Liability Management

The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of bond counsel and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investment may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

Post-Issuance Tax Compliance

The Authority shall comply with all federal tax code requirements and limitations to maintain the tax-exempt status of Authority Debt obligations or to maintain eligibility for direct pay subsidy payments, as applicable.

Continuing Disclosure

The Authority shall comply with the requirements of each Continuing Disclosure Certificate entered into at the time of a sale of bonds. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information will be sent by the Authority or its designated consultant, within nine months of the Authority's fiscal year end, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists. This shall include:

- Audited Financial Statements; and
- Updated tables from the Official Statement, as detailed in the Continuing Disclosure Certificate.

In addition to annual disclosure, the Authority shall provide ongoing information about certain enumerated events, as defined by regulation, ("Material Events") to the NRMSIRs and to the SID.

The Authority shall engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

Legal Covenants

The Authority shall comply with all covenants and conditions contained in governing law and any legal

documents entered into at the time of a bond offering.

Procedure IX. Debt Database Management

The Authority shall maintain complete information on its outstanding Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s) Members

The Authority shall use the Debt database for the following purposes:

- Generate reports
- Gross annual Debt service
- Net annual Debt service
- Refunding Analyses
- Output to Fund Accounting System

RESPONSIBILITY:

Primary responsibility for Debt management rests with the CFO. The CFO shall:

- Provide for the issuance of Authority Debt at its lowest possible cost and risk;
- Determine the available Debt capacity of the Authority;
- Provide for the issuance of Authority Debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Commission the method and manner of sale of Authority Debt;

- Monitor opportunities to refund Debt and recommend any such refunding as appropriate to reduce costs or to achieve other policy objectives;
- Comply with all Internal Revenue Service (“IRS”), Municipal Securities Rulemaking Board (“MSRB”), and Securities and Exchange Commission (“SEC”) rules and regulations governing the issuance of Debt;
- Maintain a current database with all outstanding Debt;
- Provide for the timely payment of principal and interest on all Debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the Debt issued;
- Submit to the Commission all recommendations to issue Debt in accordance with this Policy;
- Distribute to appropriate repositories information regarding the Authority’s financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

In order to comply with the following internal controls, the CFO, SVCW Manager, and the Authority Chief Engineer shall share responsibility to assure that disbursements are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

- To ensure that proceeds of any Debt issued in accordance with its governing documents and this Policy, no disbursements shall be made without the written approval of the CFO and General Manager. The draw request shall be provided to the Authority’s Engineering Department by the Contractor. Approval shall only be provided when the CFO is in receipt of an appropriate certification from the construction project manager with supporting invoices from suppliers and / or contractors evidencing appropriate expenses in connection with the project.
- In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the Authority, the Authority may rely upon a certification by such other governmental entity that it has adopted the policies described in SB 1029.

Approval by the Commission

All long-term and short-term financing transactions shall be approved by resolution of the Commission.

- Revenue Bonds: All issuances of special limited obligation revenue bonds shall be authorized by resolution of the Commission.
- Capital Leases: All capital leases financing capital equipment with a term exceeding five years and requiring anticipated expenditures by SVCW exceeding \$100,000 shall be authorized by resolution or ordinance of the Commission by majority vote.
- Refunding Obligations: The Commission is authorized to provide for the issuance of Debt for the purpose of refunding any limited obligation bond.

DRAFT

**ALTERNATIVE PROJECT DELIVERY REVISION TO ADMINISTRATIVE POLICY
FOR DESIGN-BUILD DELIVERY METHOD**

ISSUE

Approval of Revision A to Administrative Policy No. 2016-01 Establishing a Procedure for Implementing the Design-Build Process for Delivery of Construction Projects

BACKGROUND

In October 2014, the California Legislature adopted Senate Bill 785 authorizing the design-build procurement process in California at the state and local agency levels. SB 785 became effective January 1, 2015. SB 785 authorizes local agencies to use the design-build project delivery method on public works projects exceeding \$1 million. To use design-build, the local agency must adopt a policy to implement the design-build delivery method. The policy must meet certain administrative requirements, including the use of a rigorous statutory selection procedure.

Local agencies wishing to use design-build under SB 785 must follow a process involving contract award based on best value and/or low bid. Best value requires the local agency to take into consideration various factors in addition to price in ranking proposals. At a minimum, the local agency must consider technical design and construction expertise along with project price. Once an award is made utilizing either low bid or best value, the local agency must publicly announce the award and provide a statement regarding the basis of the award.

SVCW legal counsel developed and recommended adopting Administrative Policy No. 2016-01 establishing the procedure for implementing the design-build process for delivery of projects. At their meeting of January 14, 2016, the Commission approved Policy No. 2016-01.

DISCUSSION

Policy No. 2016-01 describes the procedure which SVCW will follow in procurement of Design-Build services. As an attachment to the policy, an Organizational Conflict of Interest Policy for Design-Build Projects was prepared and adopted. Recently, the Authority's construction legal counsel suggested two changes to the policy; one to the policy proper and one to the Conflict of Interest attachment are proposed.

The recommended change to the policy is to allow for use of a proposal preparation stipend under certain circumstances and when it would be deemed to be beneficial to obtain the best and broadest response from design-build teams. Use of a proposal preparation stipend can ensure robust interest from potential respondents to a design-build request for services. There is significant effort put forth by respondents to a request for qualifications followed by request for proposals, particularly if SVCW requires full cost estimates be prepared for the described project. Use of proposal preparation stipends are common in the industry and, typically, is only granted to the short-listed firms not receiving the final contract award. In most cases, it would be two firms who would receive such proposal preparation stipends (it is typical to short-list

three firms after the Request for Qualifications stage). It is recommended that the Manager approve use of a proposal preparation stipend after careful consideration of the benefits of such. If the amount exceeds the Manager's financial approval level, the issue would be presented to the Commission for consideration and approval.

There are four recommended changes to the policy attachment, Organizational Conflict of Interest. 1) adds a section titled "Applicability" which describes to whom the policy applies, 2) it broadens the policy to state that it does not purport to address or describe every situation that may arise and that SVCW retains the sole discretion to determine on a case by case basis whether a conflict exists, 3) it deletes a strict and narrow definition of conflict of interest and, finally, it delineates the specific requirements for consultants who prepare CEQA and NEPA documents, making reference to Code of Federal Regulations (40CFR 1506.5(c)).

FINANCIAL IMPACT

There is no direct financial impact from adoption of Revision A to Administrative Policy No. 2016-01.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION A TO ADMINISTRATIVE POLICY 2016-01, ESTABLISHING A PROCEDURE IMPLEMENTING THE DESIGN-BUILD PROCESS FOR DELIVERY OF CONSTRUCTION PROJECTS

Approved by Commission at Meeting of March 23, 2017 by Resolution SVCW 17-06

SUBJECT: DESIGN-BUILD PROJECTS

APPLICABLE CODES AND REGULATIONS:

California Public Contract Code Section 22160 et seq. (Local Agency Design-Build Projects); Code of the City of Redwood City Section 2.68.B (Prequalification of Bidders; [applicable under Silicon Valley Clean Water Joint Exercise of Powers Agreement, Section 4.4])

PURPOSE:

The purpose of this policy is to establish a procedure for implementing the Design-Build process for delivery of projects in accordance with the provisions of Public Contract Code Division 2, Part 3, Chapter 4 (commencing with Section 22160; the “Act”).¹ As defined in the Act, “Design-Build” means a project delivery process in which both the design and construction of a project are procured from a single entity.

POLICY:

It is the policy of Silicon Valley Clean Water (“SVCW”) to employ the Design-Build method of project delivery in accordance with the Act for any project, the estimated cost of which exceeds one million dollars (\$1,000,000), and for which the Commission determines that the Best Value may so be achieved. As provided in the Act, “Best Value” means a value determined by evaluation of objective criteria that may include, but not be limited to price, features, functions, life-cycle costs, experience, and past performance. The Best Value determination may involve the selection of the lowest cost proposal meeting the interests of SVCW and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by SVCW, or a tradeoff between price and other specified factors.

PROCEDURE:

1. The Manager shall appoint a Design-Build Procurement Team (“Procurement Team”), which may be a standing team or a project-specific team as the Manager shall determine. At least one member of the Procurement Team shall be a Department Head or other high level manager of SVCW who shall be the Chair of the Team. The Procurement Team may be comprised of both in-house personnel and one or more consultants. Persons or entities participating on the Procurement Team shall be subject to the Organizational Conflict of Interest Code hereinafter adopted.
2. The Procurement Team shall be responsible for preparing a set of documents setting forth the scope and estimated price of the design-build project (“Procurement Documents”). The Procurement Documents may include, but need not be limited to, the size, type, and desired design character of the project, performance specifications covering the quality of materials, equipment, workmanship, preliminary plans or building layouts, or any other information

¹ Capitalized terms in this Policy have the meanings defined in the Act.

deemed necessary to describe adequately SVCW's needs for the project. The Procurement Documents may allow for use of a Design-Build proposal preparation stipend upon the approval of the Manager. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

3. The Procurement Team shall prepare a Request for Qualifications in order to prequalify the Design-Build Entities whose proposals shall be evaluated for final selection.
4. The Manager shall submit the Procurement Documents to the Commission for approval concurrently with the Manager's recommendation for issuance of the Request for Qualifications to potential Design-Build Entities.
5. The prequalification process shall adhere to the requirements of Section 2.68.B of the Code of the City of Redwood City, incorporated herein by reference. The process shall be administered by the Procurement Team. A Design-Build Entity shall not be prequalified unless the Entity provides an enforceable commitment to SVCW that it and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or any project-related contract that falls within an apprenticeable occupation in the building and construction trades in accordance with Subdivision (c) of Public Contract Code Section 22164.
6. The Procurement Team shall prepare a Request for Proposals based on the approved Procurement Documents for a Design-Build project which shall then be issued to all prequalified Design-Build Entities for competitive sealed proposals to build the project substantially in accordance with the Procurement Documents. The Request for Proposals may allow for use of a Design-Build proposal preparation stipend upon the approval of the Manager.
7. Upon receipt of proposals, the Procurement Team shall evaluate and rank them based on a determination of value provided, and tentatively select the proposal that best conforms to the needs of SVCW for the project and whose proposal offers the Best Value to the public. The Manager shall submit the tentatively-selected Best Value proposal to the Commission with a recommendation to award the Design-Build contract for the project to the selected Proposer, who or which shall be determined to be the responsible Design-Build Entity upon award.
8. The award of the Design-Build contract shall be approved by the Commission and publicly announced by the Manager, identifying the successful Design-Build Entity, with a statement regarding the basis of the award.

ORGANIZATIONAL CONFLICT OF INTEREST POLICY: The attached Organizational Conflict of Interest Policy, incorporated herein by reference, shall serve as guidelines regarding the ability of a person or entity that performs services for SVCW related to the solicitation of a Design-Build project to submit a proposal as a Design-Build Entity or to join a Design-Build Team.

RESPONSIBILITY:

MANAGER:

Appoints a Design-Build Procurement Team. Submits the Procurement Documents to the Commission for approval concurrently with a recommendation for issuance of the Request for Qualifications from potential Design-Build Entities. Submits the tentatively-selected Best Value proposal to the Commission with a recommendation for approval to award the Design-Build contract. Announces award of the contract.

DESIGN-BUILD PROCUREMENT TEAM:

Prepares the Procurement Documents for a Design-Build project. Prepares a Request for Qualifications to prequalify Design-Build Entities. Prepares a Request for Proposals to be issued to all prequalified Design-Build Entities. Evaluates and ranks the proposals. Tentatively selects the Best Value proposal for award of the Design-Build contract.

COMMISSION:

Approves Procurement Documents and authorizes issuance of Requests for Qualifications from potential Design-Build Entities. Determines the responsible Design-Build Entity and awards the Design-Build contract.

DRAFT

ATTACHMENT

Organizational Conflict of Interest Policy for Design-Build Projects

PURPOSE

This policy establishes the organizational conflict of interest guidelines applicable to design-build projects procured pursuant to Public Contract Code Section 22160, et seq.

APPLICABILITY

This policy applies to all Consultants and Contractors that have entered into or wish to enter into contracts with SVCW to perform design-build work.

POLICY

Contractors and consultants participating as proposers ("Proposers;") on a design-build project or joining a design-build team may not have an organizational conflict of interest.

Organizational conflicts of interest are created by circumstances arising out of consultants' or contractors' existing or past activities, business or financial interests, familial relationships, contractual relationships, or organizational structure (e.g., parent entities, subsidiaries, affiliates) that result in (i) impairment or potential impairment of consultants' or contractors' ability to render impartial assistance or advice to SVCW or of their objectivity in performing work for SVCW, (ii) an unfair competitive advantage for any bidder or Proposer with respect to SVCW's procurement, or (iii) a perception or appearance of impropriety with respect to any of SVCW's procurements or contracts or perception or appearance of unfair competitive advantage with respect to a procurement by SVCW (irrespective of whether such perception is accurate).

This Policy neither purports to address every situation that may arise in the context of SVCW's procurements and contracts, nor to mandate a particular decision or determination by SVCW. SVCW retains the ultimate and sole discretion to determine, on a case by case basis, whether an organizational conflict of interest exists. An organizational conflict of interest may exist in the following instances:

- a. A Proposer is SVCW's general engineering or architectural consultant for the design-build project, except that a sub-consultant of the general engineering or architectural consultant that has not yet performed work on the contract to provide services for the design-build project may participate as a Proposer or join a design-build team if the Proposer terminates the agreement to provide work and provides no work for SVCW's general engineering or architectural consultant on the design-build project.
- b. A Proposer has assisted or is assisting SVCW in the management of the design-build project, including the preparation of the request for proposals, evaluation criteria, or any other aspect of the procurement.
- c. A Proposer has conducted preliminary design services for the design-build project such as

conceptual layouts, preliminary design, or preparation of bridging documents.

- d. A Proposer performed design work related to the design-build project for other stakeholders in the design-build project.
- e. A Proposer performed design work on a previous contract that specifically excludes the Proposer from participating as a Proposer or joining any design-build team for the design-build project.
- f. A Proposer is under contract with any other entity or stakeholder to perform oversight of the design-build project.
- g. Any circumstances that would violate California Government Code Section 1090, et seq. (Contractual Conflicts).

SVCW may be required to comply with requirements and regulations applicable to federally funded procurements and contracts. Nothing in this Policy is intended to limit, modify or otherwise alter the effect of other relevant federal, state, or local regulations, statutes or rules.

Consultants responsible for preparing documents under the California Environmental Quality Act (“CEQA”) are required to comply with all state laws and regulations applicable to such services, including requirements relating to organizational conflicts of interest. For federally funded projects subject to NEPA compliance, Consultants involved in the preparation of an Environmental Impact Statement (EIS) must disclose whether or not they have a financial or other interest in the outcome of the project. A Consultant involved in the preparation of an EIS may propose on work connected with the project only after the EIS is completed. (See 40 CFR 1506.5(c).)

Proposers' Obligations

Proposers having a conflict must immediately make a full written disclosure of the conflict to the SVCW Manager and shall have a continuing obligation to do so until they are no longer Proposers.

If a Proposer determines that a potential conflict of interest exists, the Proposer's disclosure will not necessarily disqualify the Proposer from being awarded a contract. The Proposer shall submit proposed measures to avoid, neutralize, or mitigate all potential or actual conflicts. SVCW, at its sole discretion, shall determine whether an organizational conflict of interest exists and whether the proposed measures are sufficient to overcome the conflict or potential conflict and whether the Proposer may continue with the procurement process.

Obligations after Contract Award

The successful Proposer to whom the contract is awarded ("Contractor") has an ongoing obligation to monitor and disclose conflicts or potential conflicts of interest. SVCW has the right to ongoing enforcement of this policy. If an organizational conflict of interest is discovered after the contract has been awarded, the Contractor must make an immediate and full written disclosure to SVCW that includes a description of the action that the Contractor has taken or proposes to take to avoid or mitigate the conflict. If an organizational conflict of interest is determined to exist and the Contractor was aware of the organizational conflict of interest prior to

award of the contract and did not disclose the conflict, SVCW may terminate the contract. If a conflict of interest arises after the contract award and the Contractor's proposed measures to avoid or mitigate the conflict are determined by SVCW to be inadequate to protect SVCW, SVCW may terminate the contract. If the contract is terminated, SVCW assumes no obligation, responsibility or liability to reimburse all or part of the costs incurred or alleged to have been incurred by the Contractor, and SVCW shall be entitled to pursue any and all appropriate legal remedies.

Incorporation by Reference

This policy shall be incorporated by reference into all design-build contracts executed by SVCW.

DRAFT

**CONTROL BUILDING UPS SYSTEM REPLACEMENT EMERGENCY REPAIR
(CIP #259)
PROJECT ACCEPTANCE FOR UPS REPLACEMENT**

ISSUE

Final Acceptance of Control Building, UPS System Replacement Emergency Repair (CIP #259) and Authorization to File Notice of Completion.

BACKGROUND

On September 16, 2015, SVCW Information Systems (IS) Division staff became aware of a failure of the Uninterruptible Power Supply (UPS) units that provide backup power to all information network hardware. On October 8, 2015, the Commission ratified the Manager's Declaration of Emergency Condition and authorized the repair of essential facilities. At that meeting, the Commission authorized the purchase of a new Storage Array in the amount of \$101,101.86. The Commission also approved additional expenditures of up to \$300,000 for purchase and installation of UPS units which were damaged beyond repair. At the time, it was noted that total repair costs remained unknown but were expected to be somewhere between \$0.5 million and \$1.0 million. In September 2016, the Commission authorized expenditures of up to \$1 million.

After significant troubleshooting of the matter, two items were identified that required correction. First is that significant amounts of corrosion on the UPS, the storage array, and the servers was discovered to be caused by Hydrogen Sulfide (H₂S) levels above tolerable specifications for microelectronic equipment. Second, there is only one electrical feeder from the UPS to the storage array and servers. This results in the shutdown of the entire system when the UPS fails and is contrary to the normal practice of having at least two sources of power to the storage array and associated servers.

DISCUSSION

Project documents were prepared for the purchase and installation of replacement UPS equipment and installation of a second independent electrical feed to the UPS equipment, storage array, and servers. Two UPS units were purchased in July 2016 through a local distributor, Uptime Power Services Inc., for a total purchase price of \$117,205. The new UPS units were relocated to the server room within the Control Building (as opposed to the original location on the "109 deck", which is directly adjacent to the primary sedimentation tanks, a significant source of corrosive H₂S). The electrical design for installing the UPS units and providing the redundant electrical feed was completed in July 2016 and three quotes were solicited for the construction work. The lowest quote was for \$112,596 by DW Nicholson, a general contractor who has previously performed work at SVCW with a reputation for doing excellent work. Construction began in late August 2016 and was substantially complete in late December; punch list items have been ongoing and work is now complete and the project ready for acceptance.

The work completed under this contract was one of three major improvements identified as a result of the Emergency Condition. These included:

1. Purchase and install a new Nimble Storage Array (completed shortly after emergency declared)
2. Purchase and install two redundant UPS units fed from two independent power supplies (complete with the acceptance of this project)
3. Modify the HVAC system to the Server Room and Control Building
 - a. Add a local corrosion control unit (Pura-fil) inside the server room (work was completed approximately three months ago)
 - b. Change the location of the air intake to a less corrosive area of the plant and add scrubber capacity to the building air scrubber (in progress)

The installation work provided by DW Nicholson reached Substantial Completion (Certificate attached) on December 28, 2016. Staff recommends the project be accepted and Notice of Completion for the project issued.

FINANCIAL IMPACT

The cost for all the work involved in repairing the emergency condition was not budgeted in the SVCW Annual Operations Budget or "Revenue Funded" Capital Budget. To date, the work has been funded from the SVCW Operations Reserve Fund and budget replenishment of the reserve is intended as part of the FY 2017-2018 budget process. The Commission previously authorized expenditures of \$1,000,000. This amount may be exceeded, as described below.

This work has current expenditures and encumbrances of \$580,895. Expenditures include \$165,069 for the Nimble and associated parts, programming and staff time. For the UPS portion of the work, approximately \$264,347 has been expended (\$117,205 + \$112,596 + \$34,545 for UPS purchase, installation, programming/management/staff time, respectively). Approximately \$58,000 was expended on purchase and installation of a stand-alone corrosion control unit (Pura-fil) placed in the server room. Finally, design services for relocation of the Control Building HVAC intake was authorized in September 2016 by the Commission in the amount of \$93,480. The design is ongoing.

The largest cost item will be the construction of the modifications to the HVAC system. The current estimate of construction costs is \$550,000. After receiving bids from construction contractors, a recommendation for award and related costs will be brought to the Commission for approval (anticipated to be June 2017).

RECOMMENDATION

Move approval to ACCEPT THE NETWORK EQUIPMENT REPLACEMENT PROJECT (CIP #259) AND AUTHORIZE FILING NOTICE OF COMPLETION – D.W. NICHOLSON CORPORATION

**Silicon Valley Clean Water
Control Bldg. UPS System Replacement
SUBSTANTIAL COMPLETION CERTIFICATE**

The following portions of the Control Bldg. UPS System Replacement are accepted as Substantially Complete in accordance with Specification Section 01000-1.4 and as defined herein.

As of December 28, 2016, these portions of the Project are accepted:

1. All work on the Project except as noted below:
 - a. All work on the attached Punch List, dated December 28, 2016.

As of the above dates the following responsibilities are agreed to:

1. Authority:
 - a. The Authority assumes responsibility for security, maintenance (except as noted below), heat, utilities, damage to the Work (except as caused by the Contractor's actions) and insurance for the facilities.
2. D.W. Nicholson Corporation:
 - a. The Contractor shall maintain and provide proof of insurance as required by Specification Section 00800-4.0 for all work required to complete the Punch List and for one (1) year as required by Specification Section 00500-12 or as otherwise referenced in the technical specifications.
 - b. The Contractor shall be responsible for repairs or maintenance, as necessary, until the Contractor has submitted, and the Authority has accepted all Record Documents and Operation & Maintenance Manuals.
 - c. The Contractor shall work in an expeditious manner to complete the remaining work and administrative requirements on the Project including the items on the Punch List, dated December 28, 2016, within sixty (60) days from the date of this certificate.

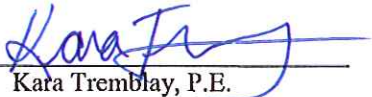
This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract Documents. The one year (365 Calendar Days) warranty for the accepted Work shall commence per Specification Section 00500-12 on the date of Acceptance by Silicon Valley Clean Water.

The undersigned hereby acknowledge agreement to the above provisions:

Contractor: D.W. Nicholson Corporation

Construction Manager: Tanner Pacific, Inc.

By: 
David Kellogg

By: 
Kara Tremblay, P.E.

Title: Project Manager

Title: Construction Manager

Date: 12/28/16

Date: 12/28/16

UPDATED SVCW STANDARD CONTRACT DOCUMENTS

ISSUE

Approval of Silicon Valley Clean Water (SVCW) Standard Contract Documents, Version April 2017.

BACKGROUND

Construction projects are carried out by completing a set of specifications and plans (collectively, "Contract Documents"). The Contract Documents spell out, via words and drawings, specifically what is involved in the construction project and what work the construction contractor agrees to perform. There is an industry-standard for the method in which Contract Documents are organized. They are comprised of three main sections: Standard Contract Specifications, Technical Specifications, and Drawings.

SVCW has utilized Standard Contract Specifications for many years. They are updated approximately annually by a consultant for SVCW who keeps apprised of pertinent changes in law, regulations, and insurance industry recommendations. They are reviewed by SVCW's insurance provider and Legal Counsel, as necessary.

The Standard Contract Specifications primarily contain standard contractual requirements, with the majority of the language constant from project to project. Technical Specifications and Drawings are unique to each project and vary accordingly. It is common for a public agency to own and prepare the Standard Contract Specifications, while the Technical Specifications and Drawings are prepared by the Design Engineer-of-Record.

In August 2008 and approximately once per year since, the Commission has approved the Standard Contract Specifications allowing SVCW construction projects to be let out to bid and, subsequent action by the Commission then approves the specific Contract Documents when the project contract is awarded.

There are two forms of contract specifications used by SVCW for construction: "Long-Form" and "Short-Form". Long-form Standard Contract Specifications are used for projects that are publicly advertised for bidding and over \$100,000 in anticipated contract value. The Short-Form version is used for projects having an anticipated construction value under \$100,000.

In addition to construction contracts, SVCW uses standard form specifications for Procurement of equipment (no associated construction). Procurement covers items such as direct purchase of pumps, valves, and other equipment that involves no construction or installation; when construction or installation would be done by SVCW staff or via a separate construction contract with a general contractor.

Updates to all of SVCW's Standard Specifications have just been completed and are ready for Commission approval.

DISCUSSION

Updated modifications to the Standard Long-Form and Short-Form Construction Contract Specifications have been prepared and staff recommends the Commission approve the revised Standard Contract Specifications effective April 2017. A single notable change was made to each: per new Public Contract Code Section 9204, procedural requirements for how claims are submitted by contractors and handled by the public entity were delineated. The new procedures took effect January 1, 2017 for new contracts. This modifies Section 00700, General Conditions and Section 00500, Agreement.

Updates to the Procurement contract include two items: 1) a 20-day period within which proof of insurance needs to be supplied and 2) a notation within the Agreement that it will be executed in duplicate.

Staff recommends that the Commission approve the revised Standard Long-Form, Short-Form, and Procurement Contract Documents effective April 2017.

FINANCIAL IMPACTS

There are no direct financial impacts from this action. Construction projects and equipment procurements that use the Standard Contract Specifications will be individually analyzed for financial impacts.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING SVCW's STANDARD LONG-FORM, SHORT-FORM CONSTRUCTION AND PROCUREMENT CONTRACT DOCUMENTS - VERSIONS APRIL 2017

**FIXED FILM REACTORS REHABILITATION AND UPGRADE PROJECT
AUTHORIZE PURCHASE OF REPLACEMENT DISTRIBUTOR ASSEMBLY FOR
FFR #1**

ISSUE

Authorization to Purchase a Replacement Distributor Assembly for Fixed Film Reactor #1.

BACKGROUND

The Fixed Film Reactor (FFR) process is part of the secondary biological treatment system. There are four FFRs in the original plant design, each is comprised of a steel superstructure frame, lined with corrugated fiberglass sliding within which are stacked blocks of plastic media. Primary effluent is pumped to the top of each FFR and the water is distributed via mechanically rotating arms and sprayers. Electrical equipment and instrumentation controls are also part of the overall FFR process. A CIP Project existed to refurbish the four FFR units, however, those funds were re-appropriated in the 2015 CIP Update for the future Nutrient Removal process improvements which are driven by anticipated regulatory changes. Based on the most current information, the need for implementing nutrient removal has been pushed back and will not likely be needed for 10 or more years.

Several years ago, FFR #4 was dismantled to assess the overall condition of the units. FFR #4 was severely deteriorated due to corrosion. The plastic media had failed due to its life expectancy being far exceeded. Upon further investigation, it was determined that FFR #4 was no longer needed and the space was ultimately repurposed to house new Emergency Generator's #4 and #5.

The three remaining fixed film reactors are currently operating with the originally installed distributors with the exception of FFR #2. FFR #2's distributor was replaced in 2015 when it failed completely. The two remaining distributors have operated well beyond the typical 20-25 year life expectancy and are in very poor condition. The distributor on FFR #1 can no longer be adjusted to provide optimal treatment and must be operated at a higher than normal pumping rate or physically assisted to initiate spinning. It also requires direct operator intervention to clean the distribution nozzles, which is a safety risk that has been identified for elimination. The remaining distributor arm assembly, in FFR #3, will need to be replaced in the future as well, but staff will evaluate the best time to do the work and budget for it accordingly.

DISCUSSION

To facilitate the replacement of the distributor arm for FFR #1, SVCW engineering, operations and maintenance staff have evaluated various alternative systems and determined to use the same technology that was placed in FFR #2 a year ago. This system allows for automated speed controls and nozzle cleaning for the system. The variable speed control feature for the proposed replacement unit is an upgrade in

technology which was not available in the late 1970s when the original equipment was purchased.

This operational enhancement to control the speed of the FFR distributor arm has provided optimization of the FFR operation by allowing the operators to control the flushing process of the FFR using automation. Operators no longer have to perform this manual task on FFR #2. The automation eliminates this safety risk and reduces direct operator entrance to the units. The Operations group has also noted a reduction in pump run times, resulting in electrical savings.

The equipment installed on FFR #2 was provided by Westech Engineering, Inc. (WesTech) in a competitive bid proposal in November 2014. Operations and Maintenance has requested matching equipment from Westech so that the future units will all be the same mechanical units. This provides more consistent operation and maintenance for the treatment facilities. Westech agreed to provide the equipment for the exact same price they quoted for the November 2014 purchase.

The following table is a summary of the equipment cost:

Description	Westech Engineering, Inc.
72' Rotary Distributor	\$133,385
Control Panel Assembly	\$10,496
Start-Up Services	\$1,952
California Sales Tax	\$13,124
Shipping & Freight to SVCW Facility	\$2,200
Total	\$161,157

Staff recommends award of the procurement to Westech Engineering Inc. for supply of the replacement FFR distributor assembly in the amount of \$161,157 with a ten percent contingency for additional work or materials, to be authorized by the Manager.

It should be noted that this recommendation is for purchase of the equipment only; the SVCW Maintenance Staff, or an outside contractor to be selected later, will perform installation of the new distributor arm.

FINANCIAL IMPACTS

This equipment was not included in the current fiscal year's budget, however, it is deemed a necessary purchase to insure the operation of a vital treatment plant process. Savings already realized in the current budget will be reallocated to facilitate the purchase.

This project is one that must be completed to insure ongoing treatment process efficiency and was not evaluated for a Return on Investment.

Funds for the project derive from SVCW Fund 14, Capital – Revenue Funded.

RECOMMENDATION

- i. Move to SUSPEND COMPETITIVE BIDDING FOR PURCHASE OF FILM REACTOR REPLACEMENT DISTRIBUTOR ASSEMBLY ON THE GROUNDS THAT THE IDENTICAL EQUIPMENT IS REQUIRED FROM A SINGLE SOURCE ONLY (5/7th weighted vote required)
- ii. Move adoption of RESOLUTION APPROVING CONTRACT DOCUMENTS FOR PURCHASE OF FIXED FILM REACTOR REPLACEMENT DISTRIBUTOR ASSEMBLY, AUTHORIZING EXECUTION OF AGREEMENT FOR SAID PURCHASE IN THE AMOUNT OF \$161,157.00 AND AUTHORIZING MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS NEEDED BASIS – WESTECH ENGINEERING INC.

RESOLUTION AUTHORIZING THE SUBMITTAL OF LETTER OF INTEREST TO THE ENVIRONMENTAL PROTECTION AGENCY SEEKING WATER INFRASTRUCTURE FINANCE AND INNOVATIONS ACT (WIFIA) LOANS IN AN AMOUNT NOT TO EXCEED \$194 MILLION

ISSUE

Adoption of Resolution Authorizing Silicon Valley Clean Water (SVCW) to Submit a Letter of Interest to the United States Environmental Protection Agency (EPA), Seeking up to \$194 Million in Secured Loans From the Water Infrastructure Finance and Innovation Act (WIFIA) Program.

BACKGROUND

SVCW launched a ten-year Capital Improvement Program (CIP) in May 2008 to address critical infrastructure needs. When complete the CIP will return SVCW facilities to a condition that ensures efficient and effective operation of the treatment and conveyance processes in a cost effective manner for future decades. As of January 2017, over 100 projects had been completed and spending had exceeded \$230 million.

SVCW is entering a concentrated period of spending to complete its Regional Environmental Sewer Conveyance Upgrade (RESCU). With remaining expenditures of nearly \$400 million, it is critical to minimize the financial burden borne by current and future ratepayers. SVCW therefore employs a debt strategy that strives to obtain the lowest-cost financing available. This strategy also aims to maintain or improve credit ratings and provide financial flexibility. SVCW has thus far funded the CIP through a blend of State Revolving Fund (SRF) loans, Tax-Exempt Municipal Revenue Bonds, cash funding, Lines of Credit (LOCs), and state grants. With an estimated \$590 million in capital expenditures remaining (in 2017 dollars), SVCW must leverage the capital markets to complete the CIP.

DISCUSSION

To date, nearly \$247 million has been secured for capital projects. As noted in the table below, only \$6 million of 2015 bond proceeds and \$5.5 million of cash contributions remain. The Engineering Division anticipates that active CIP projects will exhaust this combined \$11.5 million within the next six months.

Source of CIP Funds to date (\$ millions)			
Description	All-in TIC / Interest	Proceeds	Remaining
Bonds			
2008 Bonds	5.03%	\$ 10,013,486	\$ -
2009 Bonds	5.12%	55,855,000	-
2014 Bonds	4.18%	65,537,275	-
2015 Bonds	3.75%	30,000,000	6,000,000
Subtotal - Bonds		161,405,761	6,000,000
Cash Contributions in lieu of Debt			
Belmont		17,243,027	3,448,605
Redwood City		10,000,000	2,000,000
Subtotal - Cash		27,243,027	5,448,605
State Revolving Fund Loans			
Control Building	2.60%	11,359,882	-
WWTP Improvements	1.80%	30,000,000	-
Conveyance Planning	1.60%	14,000,000	-
Subtotal - SRF		55,359,882	-
Grant Funding			
Cogeneration		2,400,000	-
California Energy Commission (Food Waste)		500,000	-
Subtotal - Grant Funding		2,900,000	-
TOTAL		\$ 246,908,670	\$ 11,448,605

Funds must be made available for RESCU's design (which begins in early 2017) as well as its construction (beginning spring 2018). In the debt strategy described in the January 2017 Long Range Financial Plan (LRFP) it was recognized that the SRF loan program is oversubscribed and, therefore, unlikely to be a significant borrowing source for SVCW. The LRFP recommends that SVCW use a Hybrid debt structure that draws from a blend of revenue bonds and other governmental loans, including the EPA's WIFIA loan program.

Staff proposes that SVCW seek loan funds from the WIFIA program. If awarded, SVCW could benefit from the WIFIA program's low cost and its attractive benefits such as lower interest rates, payment deferral and extended maturities. It is assumed that all Member Entities would participate in a WIFIA debt agreement, though staff and consultants can adjust Members' proportionate share of the loan if alternative methods are chosen by certain members.

The WIFIA application and approval process involves three phases: Project Selection, Project Approval and Negotiation and Closing. The first phase requires the submittal of a Letter of Interest where the EPA selects projects it intends to fund. If selected, a project applicant is then invited to submit an application for credit assistance which, if approved, leads to negotiation and execution of a final credit assistance agreement.

The proposed action is for the first phase of the application and approval process and would authorize SVCW to submit a Letter of Interest seeking WIFIA loans up to the maximum value of 49% of the project, which could be valued at \$194 million.

FINANCIAL IMPACT

Versus a funding strategy that predominantly uses the capital markets to issue wastewater revenue bonds, the Hybrid debt structure seeks low-cost governmental loans that could reduce costs by approximately \$45 million in current dollars over the debt's amortization period.

The recommended action is to authorize SVCW to submit a letter of interest to the EPA. There is no financial impact associated with this recommended action.

RECOMMENDATION

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING AND AUTHORIZING SUBMITTAL OF LETTER OF INTEREST TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY SEEKING UP TO \$194 MILLION IN SECURED LOANS FOR THE CONVEYANCE SYSTEM PROGRAM UNDER THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT, AND DESIGNATING AND AUTHORIZING THE AUTHORITY'S MANAGER TO PROVIDE ASSURANCES, CERTIFICATIONS, AND COMMITMENTS REQUIRED THEREFOR

**THICKENING IMPROVEMENTS – PHASE 1 (CIP #9168)
PURCHASE OF ROTARY DRUM THICKENERS AND
ENGINEERING SERVICES TASK ORDER**

ISSUE

Issue Purchase Order for Rotary Drum Thickener and Approve Engineering Services Task Order (CIP #9168).

BACKGROUND

SVCW is currently engaged in a multi-year CIP to address aging systems to improve reliability of the treatment works and the conveyance system. Thus far, many treatment processes have been upgraded but there are several processes yet to be rehabilitated.

The original design of the SVCW treatment process included four gravity thickeners (GT). The Gravity Thickeners received de-gritted primary sludge and waste activated sludge and thickened both sludge streams to 3-5% solids for feeding into the anaerobic digesters. It is uncommon to thicken both primary and waste activated sludge together; typically these disparate solids' streams are thickened separately. However, since the GTs were part of the original plant design and had been operating nearly continuously since Plant commissioning over 35 years ago, SVCW operators have made process adjustments to facilitate the combined solids and make the GTs work.

Two years ago, two of the four GTs failed; the mechanisms inside the tanks broke and the cost to fix them was deemed to be too high when compared to other, newer and more efficient technology. Under the then ongoing Solids Process Automation project, upgrades to the GTs were slated to take place but, instead, a contract change order was issued to the contractor to purchase and install two Gravity Belt Thickeners (GBTs) to replace the two GTs that had failed. The value of using GBTs is the ability to separate primary sludge from waste activated sludge, an operational mode that greatly enhances the efficiency of thickening and lowers overall cost of operation.

Since 2016, SVCW has been using only one GT for thickening primary sludge during normal operation with the second GT as standby. Maintenance staff has been keeping the GTs operational as best as possible, even though the equipment serving the tanks requires significant oversight and repairs. In February 2017, the active tank's gear drive broke a shaft, a complete failure of the drive. When staff attempted to put the standby GT into service, the sweeper arm broke and fell onto the floor of the tank. This presented an emergency situation and staff responded immediately to repair the situation. Maintenance staff was able to make temporary repairs and 2 days later, one of the tanks was able to be brought back online; the other tank's mechanism is irreparable unless significant dollars are spent.

Report By: T.H.

DISCUSSION

SVCW has been evaluating a replacement technology for the GTs since this technology is old and the maintenance of the units is extremely challenging and dangerous. The following were explored as potential lower cost alternatives:

1. Purchase of Rotary Drum Thickeners (RDT), enclosed for odor control, set on the GT deck area with plumbing to the units from the GT distribution box and a thickened sludge connection to the downstairs pumps. This option would still require thickened sludge pump replacements, but would avoid all of the GT internals and related construction costs. This option maintains the need to “double pump” primary sludge. (“Double pumping” currently occurs due to the need to pump sludge from the primary sedimentation basins to the de-gritting units in the Solids Handling Building (SHB), then pump it back to the GTs for thickening and then back again to the SHB for injection to the digesters. It would be more efficient and less costly to pump it once to the SHB for de-gritting and thickening and then to the digesters.)
2. Same as option #1 above, but divert the RDT thickened sludge into the new Thickened Waste Activated Sludge pit for pumping to the digesters, thus also avoiding the need to purchase two new thickened sludge pumps. This option maintains the need to double pump the primary sludge
3. Purchase of RDT with placement in the basement of the SHB; intercepting the sludge from the de-gritter and installing a new pipe from the de-gritter to the RDT. This option would require addition of a thickened sludge pump for the discharge from the RDTs to the digesters, but this option reduces the pumping of primary sludge to a single pass.
4. Pipe the primary sludge to the new Gravity Belt Thickeners (GBTs) for co-thickening. This would require enclosure of the new GBTs and scrubbing of the air in the new enclosure for odor and corrosion control, however, this option would not require new digester feed pumps. At present this co-thickening option has been abandoned due to concern over the costs associated with potential odor and corrosion controls, along with the continued need to double pump primary sludge.

Consideration of Rotary Drum Thickener (RDT) technology was introduced as an alternative to the cost associated with a capital project to update and rebuild the two existing gravity thickeners. A successful pilot study of a RDT was conducted by SVCW in 2016 to prove the technology. The RDT provided thickening of primary sludge in excess of the pilot test target solids concentrations of 6%, with very low energy use and efficient use of polymer. Also, foul air that emanates from the primary sludge is completely contained within the cylindrical enclosure that surrounds the RDT.

Considering all of the options above, staff concluded that Option 3 provides the best value and process stability. This installation can be configured to provide for both de-gritted primary sludge thickening as well as future digestate recuperative thickening. Some of the benefits of Option 3 are:

- Uses available space in the SHB lower level thus keeping other facility areas free for access and other potential future uses.
- Ready access to both the de-gritted primary sludge pipe and the dewatering feed pipe to allow rapid transition between two potential modes of operation.
- Location inside the SHB and on the backside of the facility helps to control odors.
- Location inside the SHB eliminates the necessity for return sludge pumping. At present, primary sludge is conveyed approximately 430 feet; a location in the SHB brings piping length to approximately 125 feet, a reduction of over 300 feet of pumping.
- Use of RDTs will avoid the difficult and undesirable GT maintenance activities including rag removal and confined space work.
- A polymer transfer system already exists in the SHB and the pilot test proved that the same species of polymer used for dewatering can be used for thickening.

The lead-time for delivery of RDT ranges from 16 to 20 weeks. Due to the fact that only a single Gravity Thickener is available for use and the long lead time for new equipment, staff recommends pre-purchasing new RDTs while preparing design documents in parallel for installation of the units when they arrive.

Procurement documents were prepared by staff and reviewed by operations consultants. The purchase was publicly advertised on Tuesday, March 7 and provided to two of the most qualified and reputable manufacturers of RDTs. Bids were due on March 16, 2017 and two proposals were received. The bid summary is attached. WesTech Engineering, Inc. is the lowest responsible quotation in the amount of \$814,129.00; staff recommends awarding the procurement contract to WesTech Engineering, Inc.

The SVCW project manager also worked with Kennedy/Jenks Consultants to develop a scope of work and budget for construction contract drawings and specifications and engineering services during RDT manufacturing and installation. The negotiated scope includes design services and engineering services during construction with a not-to-exceed budget of \$219,000; \$134,000 is the not-to-exceed budget for design and RDT manufacturing submittal reviews and \$85,000 for engineering services during construction. This represents approximately 10% of the estimated construction cost for design and 6.5% for engineering services during construction; within industry standard for engineering services work within existing facilities. All engineering work will be paid on a time and materials basis with the previously mentioned amounts being the not to exceed limits for the work. The installation project will be put out to bid once the contract drawings and specifications are prepared. The Commission will be presented with the bid results for approval once received.

FINANCIAL IMPACT

Work described for this project is funded through CIP #9168, Thickening Improvements – Phase 1. The 2015 CIP Update anticipated that two operational Gravity Thickeners, #2 and #3, would be refurbished and funds were allocated for the refurbishment in the

amount of \$1,448,690 million. As of the end of January, \$69,680 has been expended. CIP #9168 will be redefined and allocated for RDTs to be used for thickening in lieu of gravity thickeners. The anticipated total cost for purchase, engineering services and installation of new RDTs is \$1.4 million.

RECOMMENDATION

- i. Move adoption of RESOLUTION ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER FOR ROTARY DRUM THICKENER AND AUTHORIZING EXECUTION OF AGREEMENT FOR PURCHASE OF ROTARY DRUM THICKENER SYSTEMS TO WESTECH ENGINEERING, INC. FOR THICKENING UPGRADE – PHASE 1 PROJECT (CIP #9168); REJECTING ALL OTHER BIDS, AUTHORIZING EXECUTION OF AGREEMENT FOR SAID WORK, DIRECTING RETURN OF SECURITY DEPOSITS THEREFORE, AND AUTHORIZE MANAGER TO APPROVE CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT VALUE FOR SAID PROJECT (\$814,129) – WESTECH ENGINEERING, INC.
- ii. Move approval of TASK ORDER SCOPE AND BUDGET FOR ENGINEERING DESIGN SERVICES FOR THICKENING UPGRADE PHASE 1 (CIP #9168) IN AN AMOUNT NOT TO EXCEED \$219,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AS-NEEDED BASIS – KENNEDY/JENKS

Silicon Valley Clean Water
 Thickening Improvements Procurement Project – CIP #9168
 Bid Results
 Thursday, March 16, 2017

Name of Bidder	Addenda	Bid Proposal	Site Visit Affidavit	Noncollusion Affidavit	Base Bid	Alternate Bid	Total Bid Amt.
	#1 & 2	Section 00300	Section 00440	Section 00480	Total	Total	
Westech - MISCO	✓	✓	✓	✓	\$418,270.00	\$395,859.00	\$814,129.00
Monterey Mechanical	✓	✓	✓	✓	\$760,665.00	\$760,665.00	\$1,521,330.00
* Pending Commission approval. Next Commission meeting is scheduled on Thursday, March 23, 2017.							

**ADOPTION OF FISCAL YEAR 2017-18 ANNUAL OPERATING
AND CAPITAL EXPENDITURES BUDGET**

ISSUE

Presentation of the Fiscal Year 2017-18 Proposed Annual Operating and Capital Budget.

BACKGROUND

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

The long term Capital Improvement Program (CIP) plan, originally developed in 2008 and most recently updated in June of 2015, identified the funds needed for both capital replacement projects (depreciation) and system improvement projects. While this budget does not seek approval for the overall CIP, it does incorporate the long term impact of capital expenditures and proposes a funding strategy. This recommended funding strategy was also analyzed and explained in the January 2017 Long Range Financial Plan.

DISCUSSION

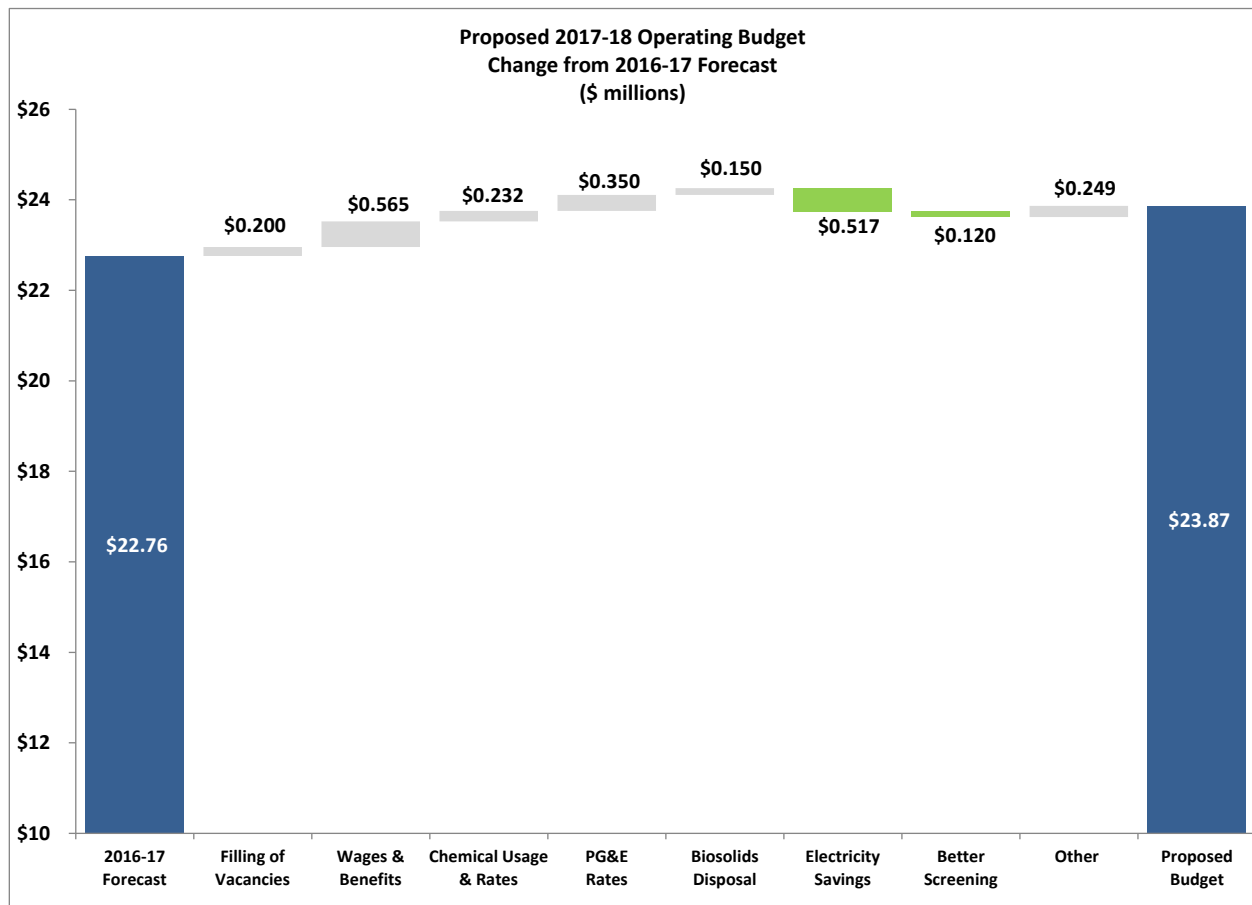
The 2017-18 Proposed Budget includes \$23.2 million for Net Operating Expenses. It also accommodates a \$1.22 million contribution to Revenue-Funded Capital to support immediate capital projects not in the CIP. Cash Reserves Designations of \$2.13 million incorporate Commission-adopted policy and replenish reserves after emergency spending. Finally, as SVCW issues debt to fund the CIP, payments are estimated at \$12.35 million in 2017-18.

Year-over-year Budgeted Member Entity Contributions				
Description	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 22,975,931	\$ 23,868,381	\$ 892,450	3.9%
Less Miscellaneous Revenue	(426,829)	(621,608)	194,779	45.6%
Net Operating Expenses	\$ 22,549,103	\$ 23,246,773	\$ 697,671	3.1%
Revenue-Funded Capital	1,530,039	1,222,576	(307,463)	(20.1%)
Reserve Designations	1,785,302	2,130,895	345,593	19.4%
Total Contributions before Debt Service	\$ 25,864,444	\$ 26,600,244	\$ 735,800	2.8%
Debt Service, Participating members	\$ 13,265,210	\$ 12,347,586	\$ (917,624)	(6.9%)
Total Member Contributions	\$ 39,129,654	\$ 38,947,831	\$ (181,823)	(0.5%)

Operating Budget:

Specific to the operating budget only, the following table and chart compares next year's Proposed Operating Budget to 2016-17's forecasted expenditures. Comments below explain certain inflationary pressures as well as savings planned for next year.

Silicon Valley Clean Water Expenditure Summary - By Objective							
Description	2015-16	Adopted	2016-17	Proposed	\$	%	
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel	\$13,439,912	\$14,132,794	\$13,940,431	\$14,757,347	\$ 816,917	5.9%	
Utilities	1,795,720	1,925,638	1,891,102	1,777,011	(114,091)	(6.0%)	
Administrative Expenses	386,230	407,828	372,455	448,151	75,696	20.3%	
Equipment & Supplies Expense	2,618,681	2,646,130	2,649,613	2,617,471	(32,142)	(1.2%)	
Chemicals	1,220,701	1,135,875	1,095,301	1,377,005	281,704	25.7%	
Professional & Contractual Services	2,379,660	2,352,616	2,479,364	2,524,456	45,092	1.8%	
Training, Memberships, Travel	234,575	375,050	331,173	366,940	35,767	10.8%	
TOTAL	\$22,075,480	\$22,975,931	\$22,759,439	\$23,868,381	\$1,108,943	4.9%	



- Personnel costs will increase by \$817 thousand, or 5% compared to the 2016-17 Forecast. Approximately \$200 thousand of this increase is due to sustained vacancies occurring in the first half of 2016-17. The remaining increase of \$617 thousand (which is a 4.4% increase from Forecast) is due to cost-of-living adjustments, minor range adjustments and step adjustments.
- Utilities costs are decreasing by \$114 thousand (6%), despite an anticipated 10% increase in PG&E rates. Electricity demand is reduced as SVCW replaces inefficient motors and machinery, resulting in savings estimated at \$238 thousand next year. Additionally, the cogeneration engines have performed well and are expected to contribute an additional \$279 thousand in savings next year.
- Administrative Expense will increase by \$76 thousand (20%) as SVCW renews its five-year operating permit and participates in a San Francisco Bay water quality study related to the need for future nutrient removal from the treated water.
- Equipment & Supplies Expense will decrease by \$32 thousand (1.2%) in recognition that recent purchases of calibration devices, as well as the timing of financial software development, avoids the need for such equipment purchases over the next year.
- Chemicals will increase by \$282 thousand, or 25.7%. A new sludge thickening technology may increase polymer costs by \$130 thousand but improves the amount of suspended solids removed from wastewater which leads to similar savings in electricity. Separately, an additional \$73 thousand will be spent on Calcium Nitrate to inhibit corrosion in upstream portions of the forcemain.
- Professional & Contractual Services will increase by \$45 thousand, or 1.8%. While certain services will decrease (e.g. New rag screens reduce tank cleaning, Financial accounting software project reduces technology consulting), SVCW separately faces increased costs in biosolids disposal.
- Training, Memberships, and Travel will increase by \$35 thousand (10.8%) as SVCW deepens training and prepares for several large, critical construction projects and implementation of new control systems.

Revenue-Funded Capital:

The proposed budget includes capital expenditures outside of the CIP consisting of thirteen (13) projects at a total cost of \$1.22 million. Significant projects include the replacement of old valves at or near pump stations, which combined will cost approximately \$500 thousand. This is a continued effort to attend to valves that no longer fully function and, therefore cannot await the CIP project to fully replace or rehabilitate pump stations. Another \$500 thousand is to purchase treatment plant equipment such as loaders, trailers, forklifts, and drying bed covers. Finally, \$123 thousand of technology equipment needs replacement.

Reserves:

This Budget follows the SVCW Capital Reserve Policy to contribute \$1 million annually. Additionally, it recommends the replenishment of \$1.1 million in emergency funds, spent to replace backup power and modify air conditioning systems associated with SVCW technology

network, that were funded by the Operations Reserve Fund this past year. The combination of these reserve contributions maintains compliance with the SVCW Reserve Policy.

Debt Service:

SVCW has raised approximately \$217 million through debt to fund CIP projects. In addition, members have contributed \$27 million of cash in lieu of participating in SVCW debt. As of January 2017, remaining CIP project expenditures will be approximately \$590 million.

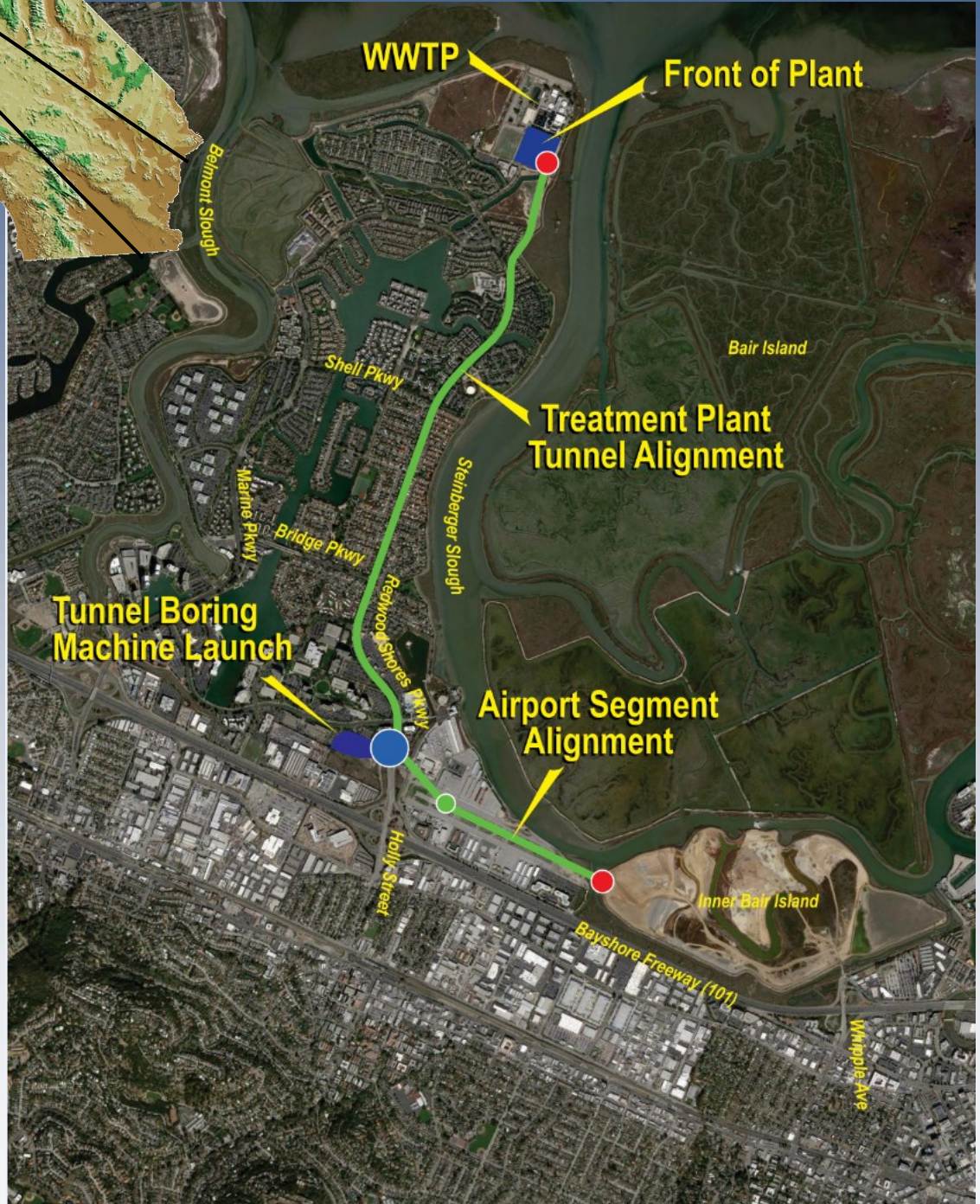
The January 2017 Long Range Financial Plan considered remaining CIP expenditures, their timing, and available sources of funds to recommend a debt structure that uses a hybrid combination of governmental loans and public bonds. Debt service payments will increase in 2017-18 as repayment begins on a State Revolving Fund Loan associated with treatment plant upgrades. In addition, by autumn of 2017, SVCW expects to issue approximately \$45 million in wastewater revenue bonds to support ongoing CIP projects. Annual debt service payments in 2017-18 are estimated at \$12.35 million.

RECOMMENDATION

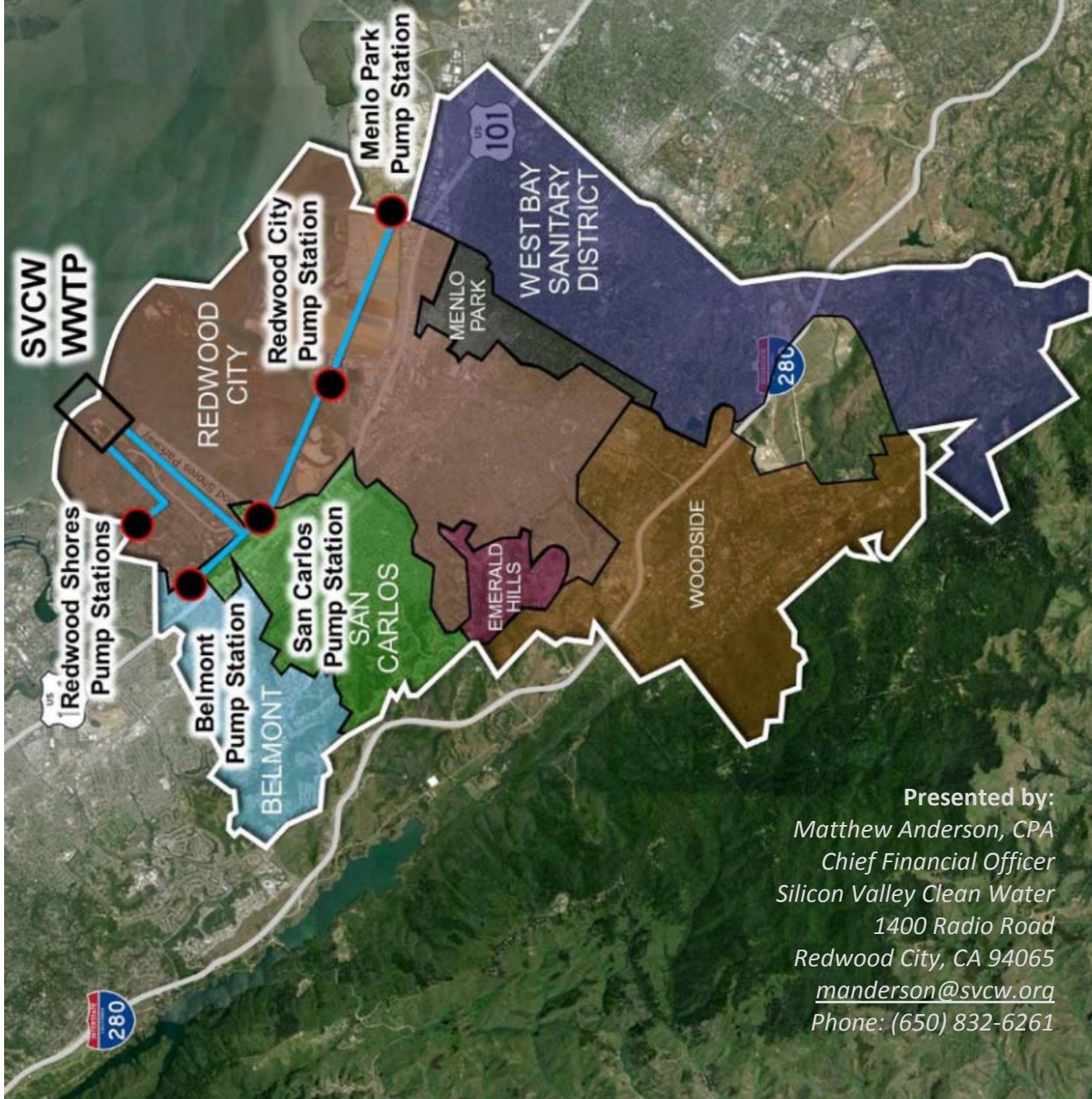
The following items, or modified versions per Commission direction, will be proposed for adoption by resolution at the April 2017 Commission Meeting:

- i. FISCAL YEAR 2017-18 REVENUE PLAN IN THE AMOUNT OF \$23,246,773 IN NET OPERATING REVENUES REQUIRED AND \$1,222,576 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. FISCAL YEAR 2016-17 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$2,130,895
- iii. FISCAL YEAR 2016-17 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$12,347,586
- iv. AUTHORIZE SVCW MANAGER TO APPROVE OPERATING EXPENDITURES GREATER THAN \$75,000 ANNUALLY BUT WITHIN THE AMOUNT BUDGETED IN 2017-18 FOR A) REGULATED UTILITY SERVICES, B) CHEMICALS ASSOCIATED WITH WASTEWATER TREATMENT, C) FLOW EQUALIZATION FACILITY, AND D) NON-PROFESSIONAL SERVICES, GOODS, AND MATERIALS

Silicon Valley Clean Water 2017-18 Proposed Budget



Silicon Valley Clean Water



Presented by:
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Commissioners

<u>Name</u>	<u>Title</u>	<u>Member Agency</u>
John Seybert	Chair	City of Redwood City
Warren Lieberman	Vice Chair	City of Belmont
Robert Grassilli	Secretary	City of San Carlos
George Otte	Member	West Bay Sanitary District

SVCW Staff

<u>Name</u>	<u>Title</u>
Daniel T. Child	Manager
Teresa Herrera	Assistant Manager & SVCW Engineer
Monte Hamamoto	Wastewater Superintendent
Matthew Anderson	Chief Financial Officer
Kim Hackett	Engineering Director
Cindy Hui	Financial Analyst

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SECTION 1 – OVERVIEW

Organization and Business

Silicon Valley Clean Water (SVCW, or “the Agency”) 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 transmission and outfall facilities originally constructed by that plan. SVCW now provides wastewater transmission, treatment, and effluent disposal services for the surrounding communities including the Cities of Belmont, Redwood City, and San Carlos as well as West Bay Sanitary District (Member Entities).

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

SVCW is a joint exercise of powers agency reporting to the Member Entities, all of which are located in the northern part of Silicon Valley between the cities of San Francisco and San Jose. The Agency’s wastewater treatment plant is located in the City of Redwood City and serves more than 200,000 people and businesses in San Mateo County, California. SVCW operates in a strong Bay Area economy, with a customer base that includes large business customers such as Oracle Corporation, EA Sports, and Facebook.

Governance & Management

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

<u>Commissioner</u>	<u>Commission Title</u>	<u>Entity Represented</u>
John Seybert	Chair	City of Redwood City
Warren Lieberman	Vice Chair	City of Belmont
Bob Grassilli	Secretary	City of San Carlos
George Otte	Member	West Bay Sanitary District

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

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

A vote of at least seventy five percent is required to adopt or amend bylaws, rules, and regulations; to adopt or modify any budget; to approve any capital costs, contracts, appropriations, or transfers of more than \$75,000; to employ the manager and certain consultants; to sell or dispose of property; and to approve other designated items. Other actions of the Commission must be approved by a simple majority of the votes. In addition, any amendment to the Joint Powers Agreement must be approved by a four-fifths vote by each of the SVCW Member Entities' governing bodies.

Financial Oversight and Control

SVCW sets an annual budget according to goals established by the Commission that support operational priorities, the Capital Improvement Program (CIP) and the Long Term Financial Plan (Financial Plan). The proposed 2017-18 Budget is consistent with those goals and reflects a progressive approach to controlling costs, minimizing unplanned expenditures, limiting risks, and investing in projects and programs that benefit the community.

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

Debt Reserves

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

meet the long term needs of replacing capital assets upon reaching the end of their useful life. Each year, if the funds held in the above reserves fall below targeted levels, the Commission considers budget adjustments to return reserves to their target levels. The Agency has the ability to amend its reserve policy at any time.

Long Range Financial Plan

SVCW Member Entities' sewer rates provide the underlying repayment security for all SVCW financing. As such, SVCW developed a Long Range Financial Plan (the "Financial Plan") to provide a roadmap for funding the CIP and ongoing operating costs. The Financial Plan is updated annually and presented to the Commission for approval. It also informs Member Entities when considering sewer rates.

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

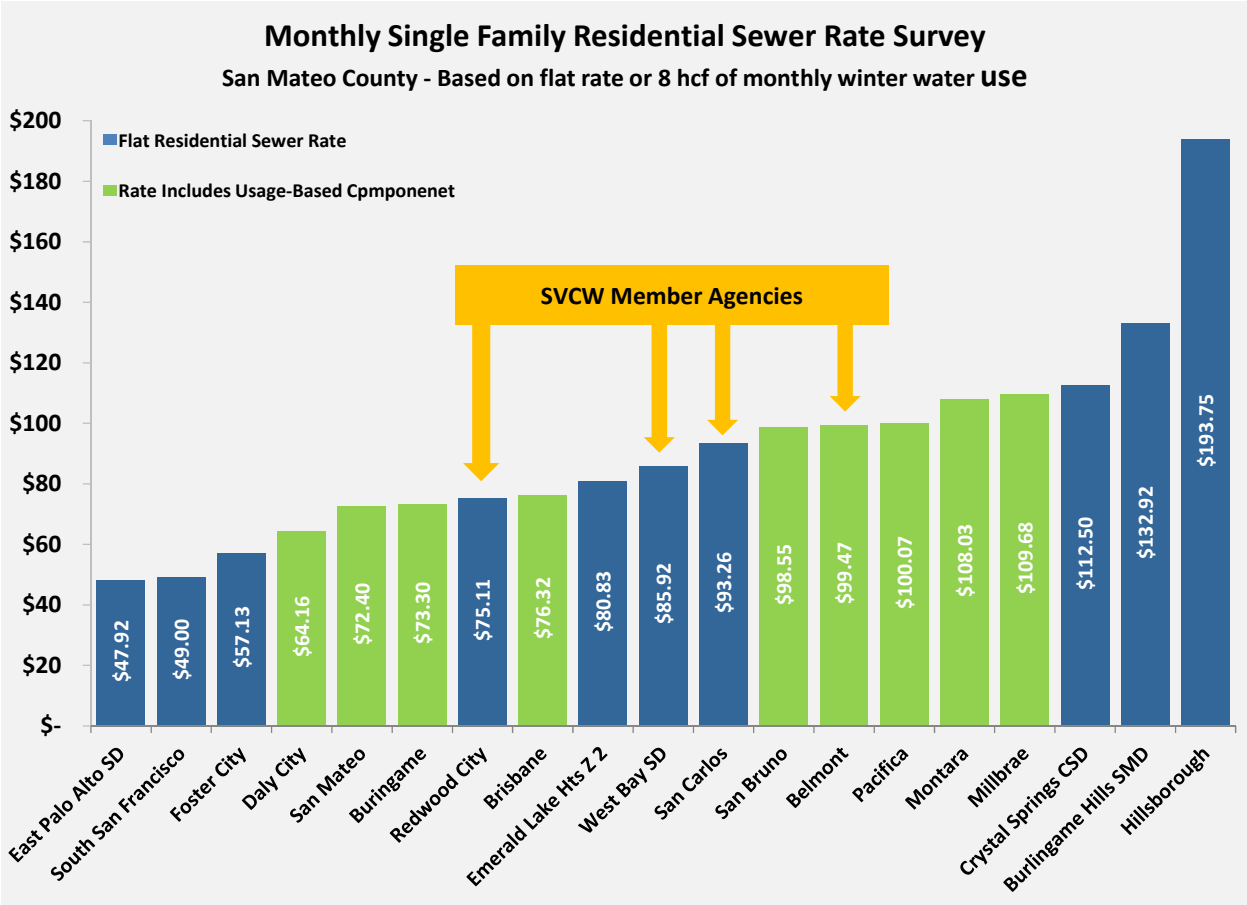
SVCW has a goal to manage its finances and meet critical funding needs, while recognizing the need to maintain reasonable wastewater rates. Going forward this Financial Plan will be enacted through setting of annual budgets, achieving financial performance measures, and incorporating Commission-directed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

Comparative Residential Sewer Charges

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

Residential Sewer Rates by Member Agency Based on 8 HCF of flow								
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Belmont	\$48.06	\$51.34	\$72.13	\$77.33	\$82.77	\$88.13	\$ 88.13	\$ 99.47
City of Redwood City	\$44.70	\$48.72	\$53.10	\$57.88	\$63.09	\$68.77	\$74.95	\$75.11
City of San Carlos	\$43.76	\$46.82	\$50.10	\$53.10	\$67.29	\$80.75	\$88.82	\$93.26
West Bay Sanitary District	\$46.67	\$54.17	\$57.50	\$62.67	\$68.33	\$74.42	\$81.08	\$85.92

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



Accomplishments:

Each year, SVCW management sets goals to ensure its communities' wastewater is conveyed and treated in a safe and dependable manner. Key achievements during the past year include:

Operations:

- Treated approximately 5.3 billion gallons of water in 2016 while meeting regulatory standards.
- Produced 3490 dry tons of biosolids that are beneficially reused for soil amendments and composting.
- Primary Sedimentation Tanks 3 & 4 upgrades,
- Replaced 66" Reinforced Concrete Pipe Outfall Pipe with HDPE pipe
- Cleaned and rehabilitated Digester 3
- Conducted start-up testing of new Gravity Belt Thickeners and placed into service
- Conducted start-up testing Fournier Rotary Fan Press, placed into service
- Replaced Effluent Pump Suction Valve
- Supported the upgrades to Dual Media Filter 6A/6B,
- Primary Scum Pumping upgrades,
- Emergency Generator 4 & 5 installation,
- Diesel Fuel Oil System replacement,
- Replacement of Reinforced Concrete Force Main at Redwood City Pump Station with HDPE pipe,
- Replaced San Carlos Booster Valves V1 & V2,
- Pilot tested Beast Unit for FOG station,
- Participated with Kennedy Jenks Engineering in California Energy Commission Food Waste Study,
- Decommissioned 48" Reinforced Concrete Pipe from Redwood City Pump Station to end of Bair Island,
- Completed Secondary Clarifier 1, 3, 4 flocculation well and sludge scraper modifications



Maintenance:

- Completed 9,167 corrective and preventative maintenance work orders to ensure systems reliably operate in all facilities.
- Utilized internal staff to make programming logic changes that improve the process reliability of recycled water, automate the returned activated sludge control, automate fixed film reactor operations, automated aeration dissolved oxygen control system, and reutilize hot water from the cogeneration system for digester and building heat.
- Completed installation of plant process side stream flowmeters.
- Rehabilitated San Carlos Pump Station sewage pumps suction piping.
- Replaced San Carlos Pump station booster pumps V-1/V-2 valves.
- Installed new Vaughan Chopper pump at Redwood City Pump Station.
- Completed secondary tanks equipment modifications to improve process.
- Replaced all final effluent pumps discharge valves and expansion joints.



Environmental Services:

- Performed 127 industrial sampling events to ensure compliance with Federal and Local Limit Permitting requirements.
- Partnered with lab staff to perform 80 pump station sampling events to gather the data for the SVCW Flow and Loading Report. This sampling is required to determine member agency loading allocation.
- Evaluated and permitted 23 non routine requests to control discharge from non-industrial and groundwater dewatering which may introduce pollutants which may pass through or interfere with treatment processes or contaminate sewage sludge.
- Partnered with the Engineering department to complete a Force Main Sulfides Study. This reduced the need to hire contractors to complete the work.

- Implemented data management procedures that eliminated the need for hard copy lab result transfer from the lab to pretreatment software. All analytical results are transferred electronically. This increases staff efficiency and reduces admin costs.
- Led a Community Outreach Program to reach 2100 students through the sewer science and elementary school programs, 326 people attended plant tours and approximately 300 people were contacted with informational flyers/word of mouth at the SVCW Outreach Booth during two Earth Day Fairs.

Laboratory:

- Processed over 10,000 samples with 25,000 tests to generate 68,000 data points in support of Plant Operations, Permit Regulations, Environmental Services, and customer projects.
- Achieved a 100% Survival in monthly Acute Bioassays by implementing a pH adjustment and carbon dioxide liberation system to reduce the formation of toxic un-ionized ammonia in the final effluent.
- Reduced analysis time for Fecal Coliform testing from 2-3 days to less than 1 day. The faster turn-around time and time savings was achieved by becoming certified for the Colilert-18 Method through the EPA's Alternate Test Procedure program.
- Expanded their list of certified test methods to include orthophosphate, nitrite, and nitrate by Ion Chromatography. These analytes are critical to tracking nutrient removal at the treatment plant. Testing in-house shortens turn-around time and reduces costs when compared to using a contract laboratory.

Safety:

- Maintained a workers' compensation modification rate of 60%, allowing a continued 40% discount of workers' compensation insurance premiums. SVCW monitors the modification rate as a financial measure of its safety program. It is an objective way to distribute the cost of workers' compensation claims. The establishment of this program has improved SVCW safety practices and reduced the number of workplace accidents.
- Conducted over 16 health and safety trainings to SVCW staff during the year. A key component of SVCW safety programs, training ensures employees know how to do their job safely and reduces risk exposure.
- Improved reporting of near-miss incidents by 20%, which encourages self-reporting and strengthens safety measures that prevent accidents. The Safety Division's efforts

increased employee trust and elicited more reporting of near-miss events. Being aware of near miss events allows the Safety Division to engage the workforce by identifying valuable information and developing proactive solutions.

- Held lost-time accidents stable at 3 for the fiscal year; well below industry average. The total recordable incidents rate can show the relative level of injuries and illnesses in different industries or firms. This rate helps determine both problem areas and progress made towards the prevention of work-related injuries and illnesses.

Engineering:

- Participated in the creation of a Memorandum of Understanding with water partners to study the feasibility of developing potable reuse as a new water supply for the region.
- Progressed on 64 projects currently in planning, design, or construction phases.
- Completed six construction projects ranging from the upgrade of the hypochlorite storage system to the multi-year Solids Process Automation Project
- Received a \$2 million grant award to demonstrate the water recovery and energy savings provided by a Staged Anaerobic Fluidized-bed Membrane Bioreactor or SAF-MBR ("SAFE" MBR)
- Addressed and relieved three emergency conditions: Redwood City Pump Station, Outfall pipeline, and Information Services servers. Addressed a near-emergency: Gravity Thickener failures.
- Increased plant electrical reliability by constructing two new standby generators.
- Reached a milestone for the Conveyance System Improvements Program by completing the environmental analysis and producing the Environmental Impact Report. This includes project-level analysis for the conveyance system elements and programmatic-level analysis for future nutrient removal regulatory requirements. With strong public and regulatory outreach, comments to the EIR were minimal.
- Progressed towards using Design-Build as a procurement method for suitable projects at SVCW. Using Design-Build has advantages of bringing high levels of collaboration into

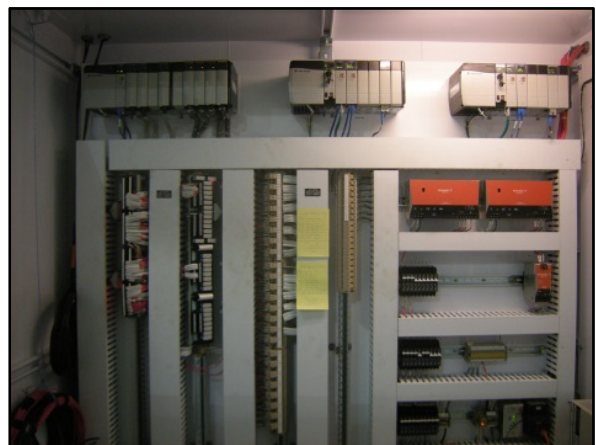


solving complex project challenges. This can translate to more effective use of resources, resulting in a better project for SVCW's ratepayers.

- Supported the Finance Division in pursuit of low-cost funding for CIP projects; SRF and WIFIA. Provided technical and environmental information for the respective application packages.
- Collaborated with Operations Division to bring screening facilities to the Grease Receiving Station, evaluating costs to feed into discharge fee to haulers, resulting in increased amounts of grease being received and higher biogas production.
- Completed large, multi-year and multi-process automation of the treatment plant's solids processing facilities. Automation of these processes enables Operations staff to monitor and optimize the processing of solids. This will reduce maintenance costs, downtime, and enable more efficient operations.

Information Systems:

- Separated SVCW's two primary information systems functions (SCADA now separate from web access, email, voice, etc), to improve security and efficiency.
- Staff was highly involved with Water ISAC (Information Sharing and Analysis Center), which leverages Homeland Security directives to analyze threat data from the federal government level that could affect the Water/Wastewater communities.
- Updated antivirus software to PAN TRAPS, a Palo Alto Networks active antiviral software. TRAPS is an intelligent threat monitoring and detection product that stops an attack before or during an event rather than after the malware or virus has already infected a device.
- Improved Virtual Private Network (VPN) access by installing Global Protect and Dual Factor Authentication. This dual factor authentication requires a secondary notice approval that only the user possesses and monitors security of the authorized device that approves access. If compromised, DUO prevents access until the issue is corrected.
- Introduced RS Logic and Factory Talk,



products that will allow licensing for a mobile component that can track changes to Programmable Logic Controller (PLC) devices. The logic also allows SVCW to create an asset management strategy for these Internet Connection Sharing devices.

- Installed Aerohive wireless, a secure and advanced WiFi system. Aerohive provides monitoring and report of devices and mapping of wireless networking use. It also allows the system administrator to develop use reports by specific facility location.
- Installed Splunk software to provide reporting and insight into SVCW network activity, including the ability to analyze security issues.
- Established Remote Network access for both networks and ensured security of access for remote devices is through SVCW's Virtual Client abilities, (VDI, Virtual Desktop Infrastructure) that points to the main facility servers for authentication access.
- Built a failover system for the Supervisory Control and Data Acquisition (SCADA) system by replacing and configuring network switches. Now, in the event of disastrous system outage, plant operation can continue to collect plant data and control equipment.
- Migrated SVCW's email to the cloud, Office 365 (O365). Email is now available anytime anywhere for users. This saves IT staff time and means servers and network resources may be upgraded without purchasing new hardware. O365's secure outlet is not attached to network equipment, reducing penetration email attacks.
- Began intelligent monitoring systems that filter real-time packet inspections.

Administration & Finance:

- With the upcoming retirement of the Administrative Services Director, worked towards distributing her duties to existing staff. Trained a new Human Resources Director, ensuring enough overlap existed for knowledge transfer. Transferred Commission agenda preparation to the Administrative Assistant. Other duties and responsibilities of the ASD are in the process of being transferred to existing staff.
- Crafted strategies and responses to CalPERS review of SVCW performance pay.
- Prepared a records retention schedule and policy. Worked with staff to implement the policy, beginning with sifting through existing files. This brings SVCW into compliance with state law for public records and disclosure requirements.
- Completed the 2015-16 financial statement audit, which included capitalization of \$84 million in construction projects completed during the year.

- Updated the Long Range Finance Plan that informs Member Entities of SVCW expenditures anticipated over the next decade. The plan recognizes changes in construction schedules, inflationary factors, and financing sources.
- Submitted a Letter of Interest to the Environmental Protection Agency to request a \$194 million Water Infrastructure Finance and Innovation Act (WIFIA) loan.
- Closed a low-cost financing agreement with the State Water Resource Control Board that finances \$14 million in environmental and preliminary planning activities associated with the Conveyance Project.
- Requested and received proposals for a new Accounting Software system. Coordinated agency-wide reviews of two qualified bids that can deliver Enterprise Resource Planning software platforms to meet SVCW's accounting and work order management needs.

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Initiatives:

Each year, Management establishes goals for each Division that together advance SVCW objectives. Following are the key initiatives for 2017-18:

Operations:

- Expand on the invent aeration mixer pilot project by installing energy-saving mixers in remaining aeration basins.
- Investigate the benefits of reducing the number of fixed film reactors in service which may improve treatment efficiencies, reduce odors, and save energy costs.
- Optimize chemical usage and seek price improvements to reduce costs while maintaining compliance.
- Fully implement the Operations Process Control Management Program using the new data management software HACH WIMS.

Maintenance:

- Focus on a current equipment inventory update in the Computerized Maintenance Monitoring System (CMMS), including new assets acquired as CIP projects.
- Complete the installation of new turbidity meters on the “A” side Dual Media Filters (DMF’s) along with new pressure transducer units to enhance the operation of the filters based upon differential pressure. This would decrease filter backwashing frequency and potentially reduce energy.

Environmental Services:

- Reevaluate local limits associated with the SVCW NPDES permit, scheduled for renewal in 2017. A standard NPDES requirement is to reevaluate local limits as needed.
- Depending upon reevaluation of Local Limits, move forward to also update SVCW regulations including pretreatment requirements, possible revenue requirements and other issues to be determined.
- Assist Operations and Engineering with a hydrogen sulfide study to determine the impact of the member agencies on the new tunnel project. This will provide valuable information to the Engineering Department to specify odor/corrosion control systems to protect the new conveyance system.

- Implement the Dental Amalgam Program when the EPA promulgates the new regulation in 2017-18. This will include inspection of dental offices in the service area to insure proper disposal of amalgam products that may contain toxic heavy metals.

Laboratory:

- Research and prepare for regulatory oversight changes in California Certified Laboratories from the CA Environmental Laboratory Accreditation Program (ELAP) to the National Environmental Laboratory Accreditation Program (NELAP). The State of California is preparing to adopt the NELAP Standards which requires a higher level of documentation and accountability to the laboratory methods and procedures.

Information Systems:

- Create a computer and server-level infrastructure to allow the Records Retention policy to be implemented. This will occur as SVCW transitions to Microsoft Sharepoint.
- Continue with cyber-security measures including at remote pump stations.
- Utilize Qualys so SVCW network devices scan for vulnerabilities, rather than depending solely on servers and switches. This service will be expanded to workstations throughout the organization.

Engineering:

- Build a robust Energy Efficiency program to maximize use of generated bio-gas, and including new measures such as battery storage and photo-voltaic systems. The program will seek to maximize private-public partnerships, grants and low cost loans.
- Use the Design-Build procurement method in instances whereby projects would benefit from value-based selection and partnerships.
- Seek opportunities for partnerships with private industry and universities to progress wastewater treatment technologies that would provide benefit to SVCW.
- Cooperate with BACWA to advance the science of San Francisco Bay as relates to nutrients to inform the need for wastewater facilities to reduce nutrient loading.
- Seek opportunities for recycled water partnerships, including indirect and direct potable reuse with water purveyors and other wastewater agencies.

Laboratory Services:

- Further develop capabilities of the Laboratory Information Management System (LIMS) to provide Cost-of-Analysis Quotes and Project Cost-Summaries. Management in Operations, Engineering, and Environmental Services can use this information to optimize their Laboratory analysis needs and reduce costs.

Administrative and Finance:

- Collaborate with other Divisions to select an accounting / work order management software platform and recommend to the Commission for approval. Implementation will take approximately one year before SVCW can fully migrate from the Redwood City accounting system.
- Conduct a recruiting and transition process for two key retirements scheduled in the fiscal year to ensure uninterrupted workflow.
- Resolve the findings of the California Public Employee Retirement System (CalPERS) regarding the exclusion of supervisory incentive pay from retirement benefits.
- Negotiate new Memorandum of Understanding (MOU) terms with representatives of the International Union of Operating Engineers AFL-CIO (Stationary Engineers, Local 39) prior to its June 30, 2018 expiration.
- Define, configure, and implement effective audit techniques to monitor and report on CIP construction expenditures.

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SECTION 2 – OPERATING BUDGET SUMMARY

The 2017-18 Operating and Revenue-Funded Budget anticipates approximately \$23.2 million in Net Operating Expenses and \$1.22 million for Revenue-Funded Capital projects next year. Reserve Designations are aligned with Agency policy and include \$2.13 million in Cash Reserve Contributions. Debt Service expenditures are budgeted to be \$900 thousand less than 2016-17.

Year-over-year Budgeted Member Entity Contributions				
Description	2016-17 Adopted Budget	2017-18 Proposed Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Gross Operating Expenses	\$ 22,975,931	\$ 23,868,381	\$ 892,450	3.9%
Less Miscellaneous Revenue	(426,829)	(621,608)	194,779	45.6%
Net Operating Expenses	\$ 22,549,103	\$ 23,246,773	\$ 697,671	3.1%
Revenue-Funded Capital	1,530,039	1,222,576	(307,463)	(20.1%)
Reserve Designations	1,785,302	2,130,895	345,593	19.4%
Total Contributions before Debt Service	\$ 25,864,444	\$ 26,600,244	\$ 735,800	2.8%
Debt Service, Participating members	\$ 13,265,210	\$ 12,347,586	\$ (917,624)	(6.9%)
Total Member Contributions	\$ 39,129,654	\$ 38,947,831	\$ (181,823)	(0.5%)

A summary of year-over-year changes in budgeted amounts is below:

- Gross Operating Expenditures will increase by \$865 thousand (3.8%), mostly due to ordinary inflationary pressures on wages and other personnel costs. Additional increases include the purchase of more chemicals to improve corrosion protection and solids removal, as well as to recognize the higher cost of biosolids disposal.
- Miscellaneous Revenue will be \$194.8 thousand higher next year, when SVCW receives its first large payment from PG&E for a cogeneration-related grant.
- Revenue-Funded Capital spending will be \$1.22 million, or \$345.6 thousand less than the 2016-17 Budget. Two pump stations experienced large valves replacements in 2016-17 that will not reoccur next year.
- Reserve Designations will increase by \$346 thousand next year. The 2017-18 Budget follows Reserve Policy to contribute \$1 million annually and replenishes \$1.13 million drawn to fund an emergency capital project.
- Debt Service Payments are budgeted to be \$917 thousand less than the current year due to delays in project construction.

Expenditure Allocations:

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

The updated three-year flow and loading factors below illustrate how the City of Belmont and the City of San Carlos experienced decreases in proportionate flow and loadings. Both Redwood City and West Bay Sanitary District flow and loadings increased relative to the others.

Three-year Average Flow and Loading Averages - by Member				
Agency	Factor	2016-17 Adopted Budget	2017-18 Proposed Budget	Point Increase/ (Decrease)
Belmont	Flow	13.48%	13.18%	(0.30)
	Biochem. Oxygen Demand	12.81%	12.42%	(0.39)
	Suspended Solids	13.71%	12.57%	(1.14)
Redwood City	Flow	45.64%	46.53%	0.89
	Biochem. Oxygen Demand	44.79%	46.31%	1.52
	Suspended Solids	42.73%	46.22%	3.49
San Carlos	Flow	14.31%	13.55%	(0.76)
	Biochem. Oxygen Demand	14.49%	12.36%	(2.13)
	Suspended Solids	14.99%	12.13%	(2.86)
WBSD	Flow	26.57%	26.74%	0.17
	Biochem. Oxygen Demand	27.91%	28.91%	1.00
	Suspended Solids	28.57%	29.08%	0.51

The above year-over-year changes reflect relative flow and loading behaviors between Member Entities. These metrics are presented to the SVCW Technical Committee for validation.

Member Agency Operating Contributions Calculation:

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

2017-18 Budget Revenue Allocation to Member Agencies - Adopted								
Description				Belmont	Redwood City	San Carlos	West Bay San District	TOTAL
Allocation Factors								
Flow				13.18%	46.53%	13.55%	26.74%	100%
Biochemical Oxygen Demand (BOD)				12.42%	46.31%	12.36%	28.91%	100%
Suspended Solids (SS)				12.57%	46.22%	12.13%	29.08%	100%
	Weightings							
	Flow	BOD	SS					
Operating Expenditures								
Operations	26.5%	33.5%	40.0%	\$ 1,112,173	\$ 4,063,394	\$ 1,103,574	\$ 2,490,970	\$ 8,770,110
Maintenance	26.5%	33.5%	40.0%	772,429	2,822,120	766,457	1,730,036	6,091,043
Laboratory	26.5%	33.5%	40.0%	218,344	797,732	216,655	489,031	1,721,762
Environmental Services	26.5%	33.5%	40.0%	138,975	507,754	137,900	311,267	1,095,896
Engineering	26.5%	33.5%	40.0%	70,303	256,857	69,760	157,460	554,380
Safety	100.0%	0.0%	0.0%	50,277	177,495	51,688	102,003	381,463
Information Services	26.5%	33.5%	40.0%	215,216	786,306	213,552	482,027	1,697,101
Administrative Services	100.0%	0.0%	0.0%	468,763	1,654,898	481,923	951,042	3,556,626
Subtotal				\$ 3,046,480	\$ 11,066,556	\$ 3,041,510	\$ 6,713,836	\$ 23,868,381
Subtract Miscellaneous Income	26.5%	33.5%	40.0%	\$ 78,829	\$ 288,005	\$ 78,219	\$ 176,555	\$ 621,608
2017-18 Net Operating Revenue Required				\$ 2,967,652	\$ 10,778,550	\$ 2,963,290	\$ 6,537,281	\$ 23,246,773
2016-17 Net Operating Revenue Required				3,014,719	10,019,055	3,289,247	6,226,082	22,549,103
\$ Increase / (Decrease)				(47,067)	759,495	(325,957)	311,199	697,670
% Increase / (Decrease)				(1.6%)	7.6%	(9.9%)	5.0%	3.1%

Miscellaneous Revenue:

Miscellaneous Revenue is derived from grease and septic receipts, property leases, and services performed by the Laboratory and Environmental Services Divisions. In 2017-18 SVCW will also receive \$260 thousand in Pacific Gas & Electric grant revenue associated with electricity production from the cogeneration engines.

2017-18 Budget Miscellaneous Revenue							
Description	2015-16 Actual	2016-17 Adopted Budget	2016-17 Forecast	2017-18 Proposed Budget	\$ Incr/(Decr) v. Forecast	% Incr/(Decr) v. Forecast	
Grease & Septic	\$ 171,757	\$ 97,500	\$ 154,113	\$ 164,621	\$ 10,508	6.8%	
Cell Tower Lease	26,154	25,091	24,600	25,276	676	2.7%	
Property Lease Revenue	15,258	43,000	15,248	15,163	(85)	(0.6%)	
Equipment Sales	3,838	10,000	-	30,000	30,000	-	
Source Control	42,065	56,000	76,646	56,486	(20,160)	(26.3%)	
Lab Revenue	24,507	25,000	24,228	24,430	202	0.8%	
Interest Revenue	18,174	15,000	22,959	20,567	(2,392)	(10.4%)	
Cogen Grant Revenue	-	140,238	-	260,000	260,000	-	
Other	30,684	15,000	27,418	25,065	(2,354)	(8.6%)	
TOTAL	\$ 332,437	\$ 426,829	\$ 345,213	\$ 621,608	\$ 276,395	80.1%	

Capital and Reserve Contributions:

As described in Section 4 of this budget, Revenue-financed Capital projects are estimated at \$1.22 million in 2017-18. Those costs are allocated to Members according to JPA-defined percentages, which are based on each Member Agency's dry weather capacity owned and its allocated share of future dry weather capacity.

2017-18 Capital and Reserve Allocation Calculations					
Description	City of Belmont	Redwood City	City of San Carlos	West Bay San District	TOTAL
Capital and Reserve Allocation Factors	9.45%	48.57%	15.14%	26.84%	100.00%
CAPITAL IMPROVEMENT					
Plant (cash-funded capital)	\$ 52,542	\$ 270,049	\$ 84,178	\$ 149,230	\$ 556,000
Pump Stations	23,018	118,305	36,877	65,376	243,576
Force Main	28,350	145,710	45,420	80,520	300,000
Equipment	11,624	59,741	18,622	33,013	123,000
Subtotal	\$ 115,533	\$ 593,805	\$ 185,098	\$ 328,139	\$ 1,222,576
RESERVE CONTRIBUTIONS					
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
CIP Reserve	94,500	485,700	151,400	268,400	1,000,000
Replenish Emergency Capital Spend	106,870	549,276	171,218	303,532	1,130,895
Subtotal	\$ 201,370	\$ 1,034,976	\$ 322,618	\$ 571,932	\$ 2,130,895
Member Contributions	\$ 316,903	\$ 1,628,781	\$ 507,716	\$ 900,072	\$ 3,353,471

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

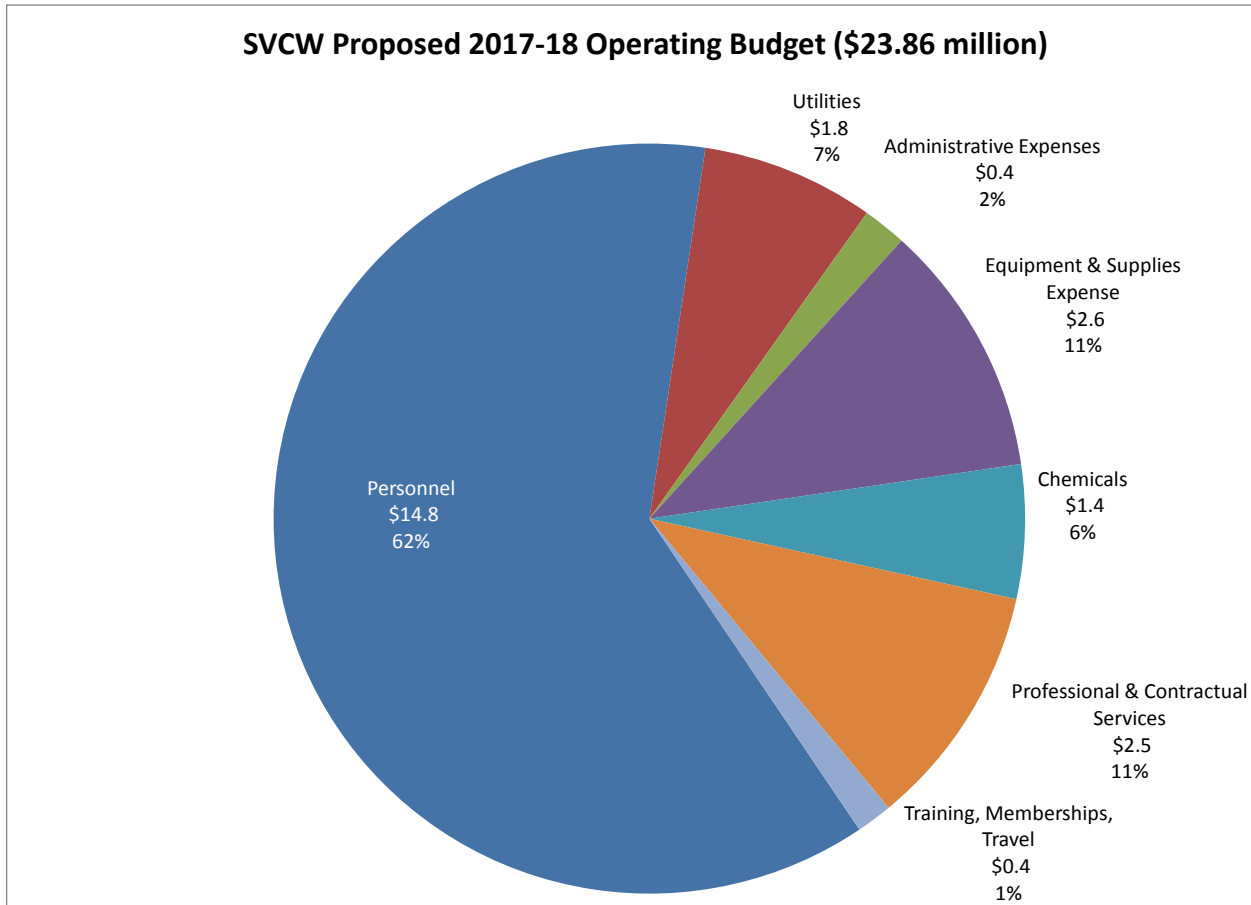
Total Member Entity Contributions:

Total 2017-18 contributions are \$38.92 million, illustrated in the allocation table below:

2017-18 Adopted Budget - Total Contributions by Member Agency					
Description	City of Belmont	Redwood City	City of San Carlos	West Bay San District	TOTAL
Net Operating Expenditures	\$ 2,967,652	\$ 10,778,550	\$ 2,963,290	\$ 6,537,281	\$ 23,246,773
Revenue-Funded Capital Expenditures	115,533	593,805	185,098	328,139	1,222,576
Reserve Contributions	201,370	1,034,976	322,618	571,932	2,130,895
Debt Service Payments	170,051	6,429,053	2,084,132	3,664,350	12,347,586
Subtotal - Contributions to SVCW	\$ 3,454,606	\$ 18,836,384	\$ 5,555,138	\$ 11,101,703	\$ 38,947,831

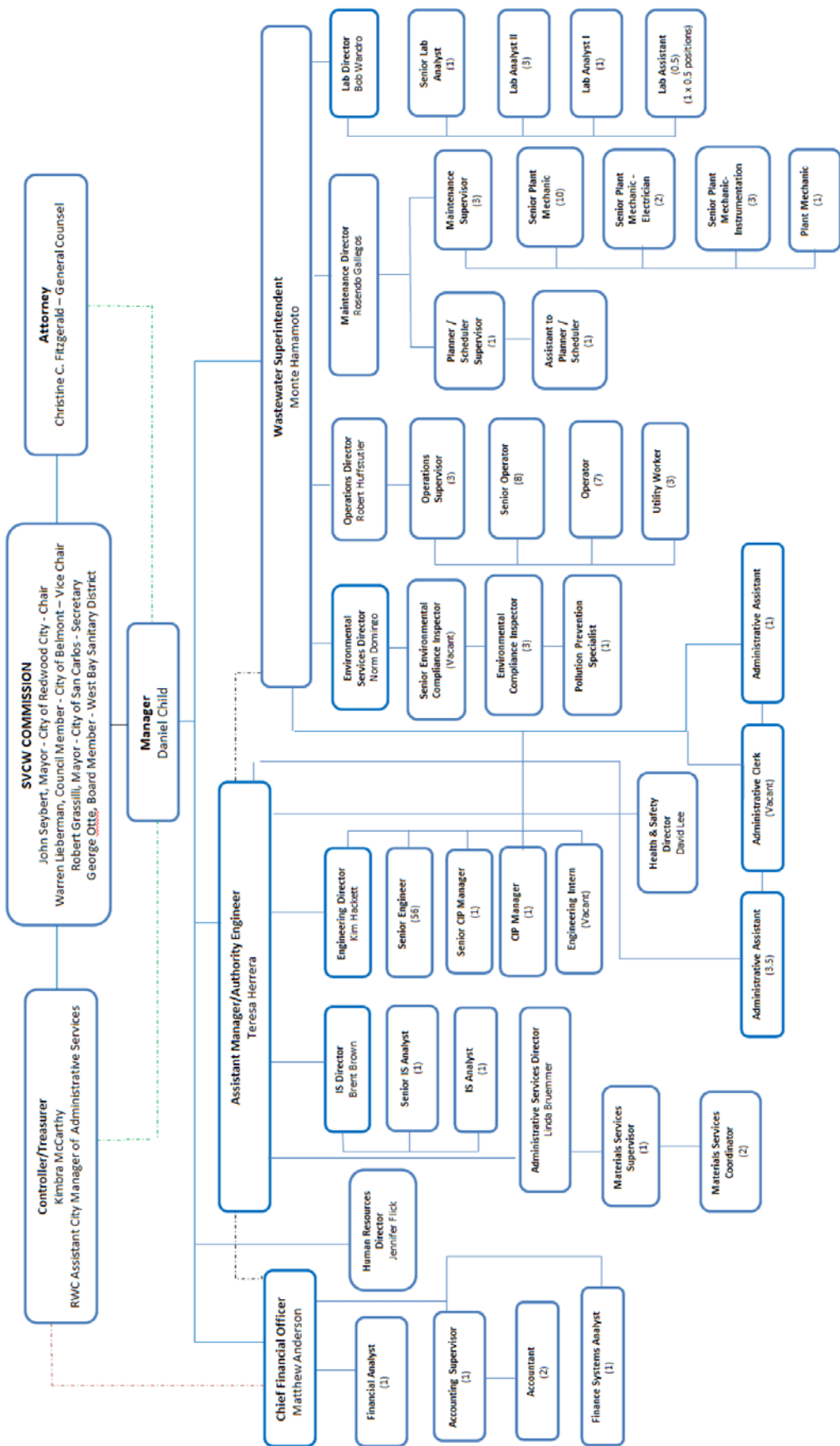
SECTION 3 – GROSS OPERATING EXPENDITURES

The FY 2017-18 Gross Operating Budget will be \$23.86 million. The below table illustrates the significant expenditure categories, showing 62% of expenditures are for personnel-related costs associated with approximately 76 full-time equivalent employees in the Operating Budget.



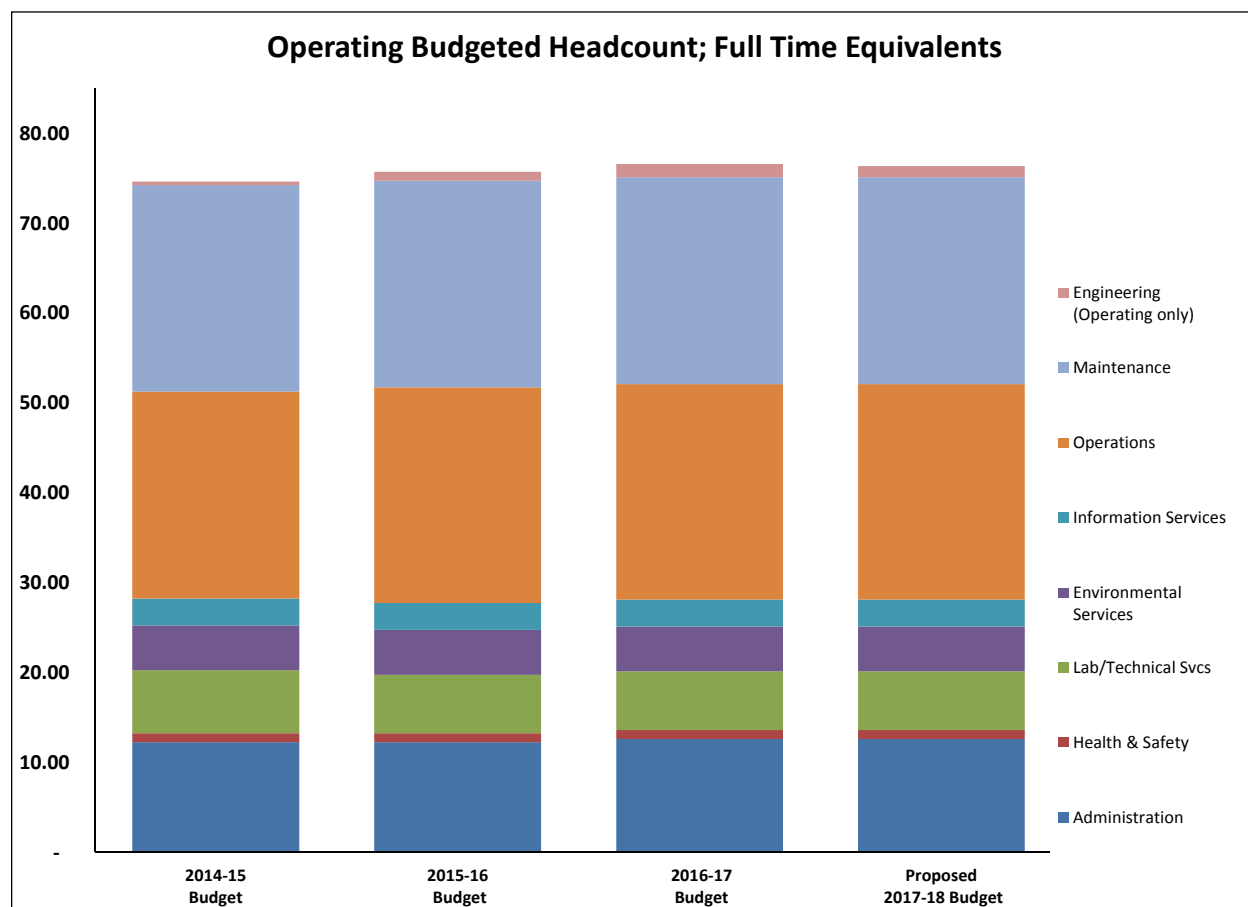
Personnel:

Operating Budget staffing levels have remained approximately 76 full time equivalents across eight divisions since 2010, when SVCW increased staffing to address critical maintenance matters. Those positions, as well employees dedicated to the Capital Improvement Program, are illustrated in the following proposed organization chart.



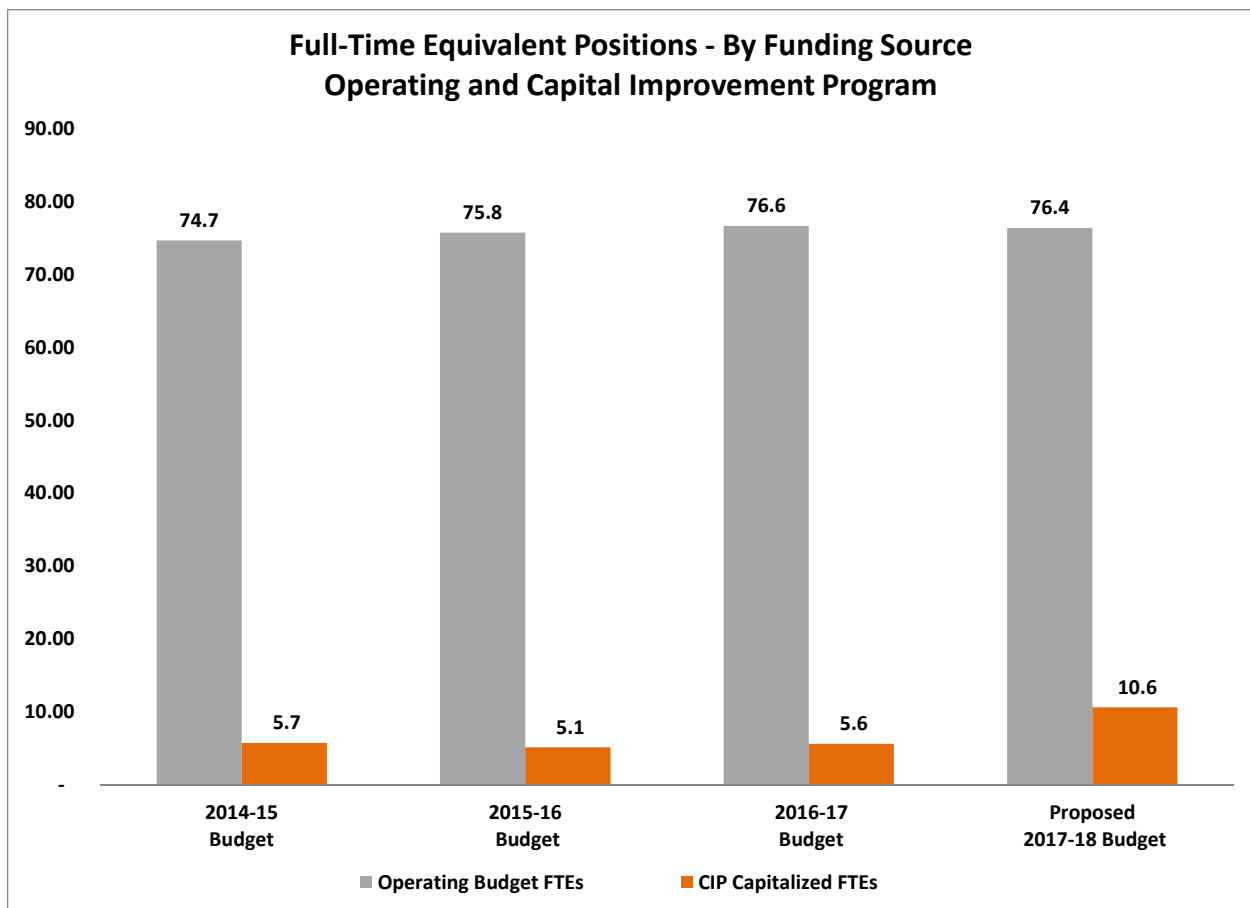
As noted in the table below, the number of positions in the Operating Budget will remain relatively unchanged. The Operations and Maintenance Divisions have a combined 47 full-time equivalent positions, or 62% of the total number of Operating Budget employees. As the Engineering Division expands, an additional 0.25 Full Time Equivalent (FTE) will be spent on operating matters. Additionally, the Finance Department replaced a part-time employee resignation with a full-time staff person.

Full-time Equivalent Headcount - Operating Budget					
Department	2014-15	2015-16	2016-17	Proposed	Increase/ (Decrease)
	Budget	Budget	Budget	2017-18 Budget	
Operations	23.00	24.00	24.00	24.00	-
Maintenance	23.00	23.00	23.00	23.00	-
Lab/Technical Svcs	7.00	6.50	6.50	6.50	-
Environmental Services	5.00	5.00	5.00	5.00	-
Engineering (Operating only)	0.40	1.00	1.00	1.25	0.25
Health & Safety	1.00	1.00	1.00	1.00	-
Information Services	3.00	3.00	3.00	3.00	-
Administration	12.25	12.25	12.25	12.63	0.38
TOTAL Full Time Equivalents	74.65	75.75	75.75	76.38	0.63



In addition to the Operating Budget headcount figures, certain Engineering Division positions are dedicated to capital improvement projects. It should be noted that the Operating Budget excludes those costs. As SVCW enters a critical phase of its Capital Improvement Program, projects are now much larger and complex which requires additional departmental administration.

The chart below defines the number of positions that have been traditionally charged to capital projects versus operating costs, and further illustrates how the 2017-18 Budget adds five CIP-dedicated staff to manage increasingly large and complex projects (two Engineers, one CIP Manager, one Administrative Assistant for Engineering, and one Accounting Systems Analyst).



Operating Costs Summary by Objective:

Gross Operating Expenses as compared to the 2016-17 Forecast increases by \$1.1 million, or 4.9%.

Silicon Valley Clean Water Expenditure Summary - By Objective						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel	\$13,439,912	\$14,132,794	\$13,940,431	\$14,757,347	\$ 816,917	5.9%
Utilities	1,795,720	1,925,638	1,891,102	1,777,011	(114,091)	(6.0%)
Administrative Expenses	386,230	407,828	372,455	448,151	75,696	20.3%
Equipment & Supplies Expense	2,618,681	2,646,130	2,649,613	2,617,471	(32,142)	(1.2%)
Chemicals	1,220,701	1,135,875	1,095,301	1,377,005	281,704	25.7%
Professional & Contractual Services	2,379,660	2,352,616	2,479,364	2,524,456	45,092	1.8%
Training, Memberships, Travel	234,575	375,050	331,173	366,940	35,767	10.8%
TOTAL	\$22,075,480	\$22,975,931	\$22,759,439	\$23,868,381	\$1,108,943	4.9%

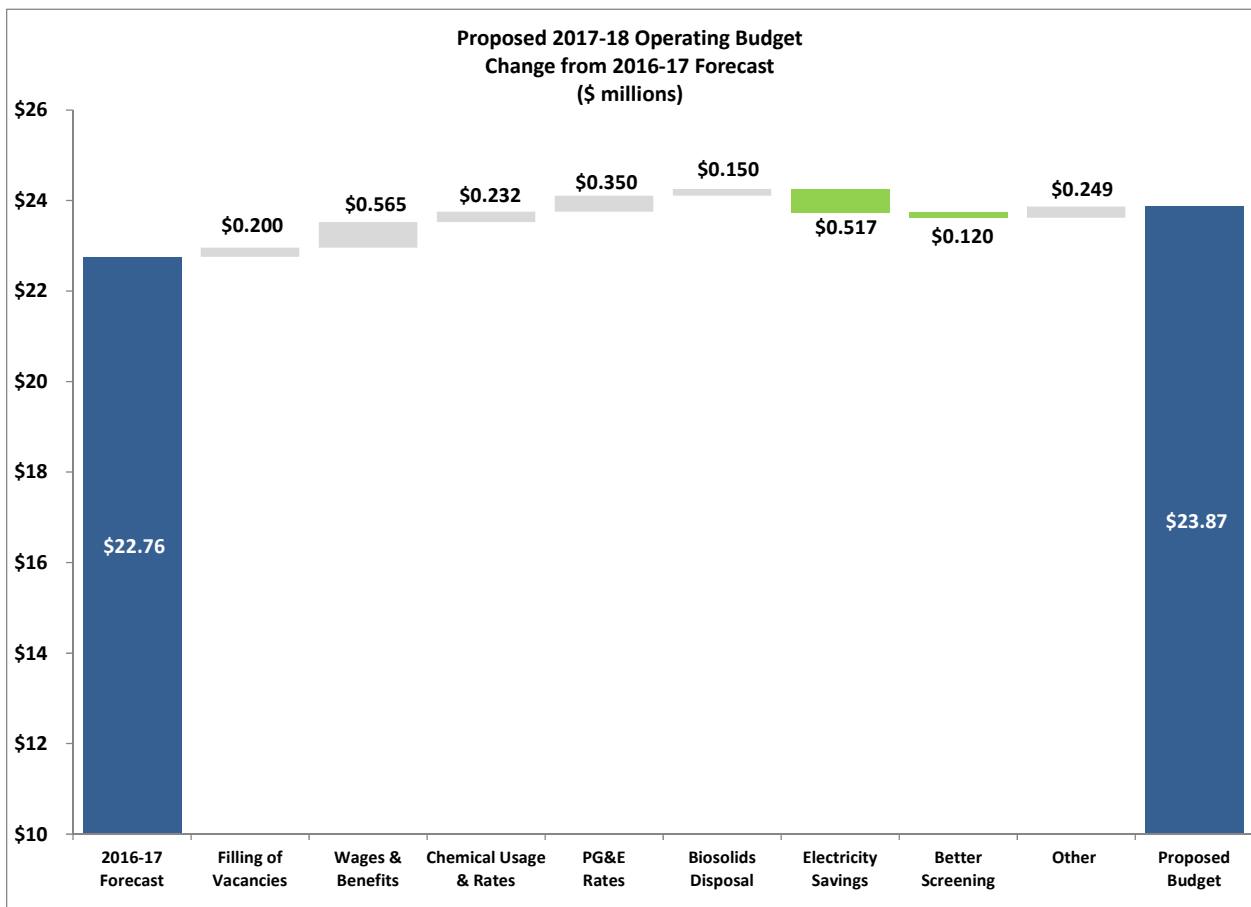
Comparing the 2017-18 Budget to the 2016-17 Forecast, the following variances can be seen:

- Personnel costs will increase by \$817 thousand, or 5.9% compared to the 2016-17 Forecast. Approximately \$200 thousand of this increase is due to sustained vacancies occurring in the first half of 2016-17. The remaining increase of \$617 thousand (which is a 4.4% increase from Forecast) is largely due to cost-of-living and step adjustments.
- Utilities costs are decreasing by \$114 thousand (6%), despite an anticipated 10% increase in PG&E rates. Electricity demand is reduced as SVCW replaces inefficient motors and machinery, savings estimated at \$238 thousand next year. Additionally, cogeneration engines have performed well and are expected to contribute an additional \$279 thousand in savings next year.
- Administrative Expense will increase by \$76 thousand (20%) as SVCW renews its five-year operating permit and participates in studies of San Francisco Bay water quality.
- Equipment & Supplies Expense will decrease by \$32 thousand (1.2%) in recognition that recent purchases of calibration equipment, as well as the timing of financial software development, will reduce certain equipment purchases over the next fiscal year.
- Chemicals will increase by \$282 thousand, or 25.7%. A new sludge



thickening technology may increase polymer costs by \$130 thousand but improves the amount of suspended solids removed from wastewater which leads to similar savings in electricity. Separately, an additional \$73 thousand will be spent on Calcium Nitrate to inhibit corrosion in the forcemain.

- Professional & Contractual Services will increase by \$45 thousand, or 1.8%. While certain services will decrease (e.g., New rag screens reduces tank cleaning, Financial accounting software reduces technology consulting), SVCW separately faces increased costs of biosolids disposal.
- Training, Memberships, and Travel will increase by \$35 thousand (10.8%) as SVCW deepens training and prepares for several large, critical construction projects.



Silicon Valley Clean Water Operating Expenditures						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:						
Salaries	\$ 9,716,608	\$ 10,143,619	\$ 9,971,232	\$ 10,615,330	\$ 644,098	6.5%
Overtime	262,966	224,161	220,328	232,921	12,594	5.7%
Other Employee Benefits	4,837	4,800	4,731	2,409	(2,322)	(49.1%)
Retirement Benefit Contributions	1,116,172	1,144,589	1,141,331	1,233,152	91,821	8.0%
Health Insurance	1,301,968	1,554,717	1,538,872	1,555,288	16,416	1.1%
Payroll Tax	1,275	1,860	1,737	711	(1,026)	(59.1%)
Workers' Compensation	171,639	190,023	195,800	239,418	43,618	22.3%
Health Insurance - Retiree	722,252	719,180	718,505	718,854	349	0.0%
Medicare	142,195	149,846	147,895	159,264	11,368	7.7%
Subtotal: Personnel Costs	13,439,912	14,132,794	13,940,431	14,757,347	816,917	5.9%
Utilities	1,795,720	1,925,638	1,891,102	1,777,011	(114,091)	(6.0%)
Administrative Expenses	386,230	407,828	372,455	448,151	75,696	20.3%
Equipment & Supplies Expense:						
Office Supplies	11,911	13,500	13,726	13,930	204	1.5%
Rentals & Leases	198,499	88,932	94,866	73,224	(21,642)	(22.8%)
Supplies & Expenses	539,673	578,723	594,454	590,080	(4,374)	(0.7%)
Equipment Maint - Materials	752,236	767,394	733,056	735,588	2,532	0.3%
Equipment Maint - Services	877,866	1,001,583	1,045,115	1,067,812	22,697	2.2%
Non-Capital Equipment	238,496	195,998	168,396	136,837	(31,559)	(18.7%)
Subtotal: Equipment & Supplies	2,618,681	2,646,130	2,649,613	2,617,471	(32,142)	(1.2%)
Chemicals	1,220,701	1,135,875	1,095,301	1,377,005	281,704	25.7%
Professional Services	741,751	907,539	931,540	859,117	(72,423)	(7.8%)
Contractual Services	1,637,908	1,445,077	1,547,824	1,665,339	117,515	7.6%
Memberships & Meetings	56,221	74,828	68,950	75,707	6,757	9.8%
Conferences & Travel	63,142	109,159	83,190	118,495	35,305	42.4%
Training	115,212	191,063	179,034	172,738	(6,296)	(3.5%)
TOTAL EXPENDITURES	\$ 22,075,480	\$ 22,975,931	\$ 22,759,439	\$ 23,868,381	\$ 1,108,943	4.9%

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Total Operating Expenditures by Division

Compared to the 2016-17 Forecast, Divisional changes in budget range from a decrease of 1.5% to an increase of 17.9%. Analysis of each Division is described on the following several pages.

Silicon Valley Clean Water Expenditure Summary - By Division						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Operations	\$ 8,302,558	\$ 8,300,593	\$ 8,298,511	\$ 8,770,110	\$ 471,600	5.7%
Maintenance	5,637,272	5,932,900	5,872,829	6,091,043	218,214	3.7%
Laboratory Services	1,602,358	1,643,647	1,570,138	1,721,762	151,624	9.7%
Environmental Services	962,530	1,094,402	1,091,190	1,095,896	4,706	0.4%
Engineering	367,253	507,159	470,126	554,380	84,254	17.9%
Safety	339,545	370,779	373,514	381,463	7,950	2.1%
Information Services	1,522,029	1,747,490	1,723,679	1,697,101	(26,578)	(1.5%)
Administration	3,341,934	3,378,961	3,359,230	3,556,626	197,395	5.9%
TOTAL	\$22,075,480	\$22,975,931	\$22,759,216	\$23,868,381	\$1,109,165	4.9%

Operations

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

The Division has a total of 24 full-time equivalent positions including an Operations Director and three Operations Supervisors. Staff also includes eight Senior Operators, seven Operators, three Utility Workers, and an Administrative Assistant. The Division also includes costs associated with the Wastewater Superintendent position. There are no changes in headcount planned for next year.

Operations Department Expenditures						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Inc/(Decr) v. Forecast	Inc/(Decr) v. Forecast
Personnel:						
Salaries	\$ 2,830,818	\$ 2,961,626	\$ 2,910,471	\$ 3,100,518	\$ 190,047	6.5%
Overtime	144,827	137,833	132,489	136,907	4,418	3.3%
Retirement Benefit Contributions	331,686	338,801	338,243	357,918	19,675	5.8%
Health Insurance	455,408	516,591	517,574	512,463	(5,111)	(1.0%)
Workers' Compensation	59,156	64,449	65,828	80,950	15,122	23.0%
Health Insurance - Retiree	218,255	221,760	222,259	222,613	354	0.2%
Medicare	42,491	44,730	43,903	47,279	3,376	7.7%
Subtotal: Personnel Costs	4,082,640	4,285,790	4,230,767	4,459,359	228,592	5.4%
Utilities	1,646,982	1,754,098	1,733,332	1,597,671	(135,661)	(7.8%)
Equipment & Supplies Expense:						
Office Supplies	517	-	-	-	-	-
Rentals & Leases	111,514	13,500	42,261	13,500	(28,761)	(68.1%)
Supplies & Expenses	31,862	702	8,277	702	(7,575)	(91.5%)
Equipment Maint - Materials	1,511	-	142	-	(142)	(100.0%)
Equipment Maint - Services	-	-	563	-	(563)	(100.0%)
Non-Capital Equipment	1,107	18,630	824	2,705	1,881	228.4%
Subtotal: Equipment & Supplies	146,510	32,832	52,067	16,907	(35,160)	(67.5%)
Chemicals	1,220,701	1,135,875	1,095,301	1,377,005	281,704	25.7%
Contractual Services	1,180,368	1,027,750	1,132,554	1,263,140	130,586	11.5%
Memberships & Meetings	4,061	6,648	4,200	7,920	3,720	88.6%
Conferences & Travel	7,049	18,324	10,105	7,440	(2,665)	(26.4%)
Training	14,246	39,276	40,184	40,668	484	1.2%
TOTAL EXPENDITURES	\$ 8,302,558	\$ 8,300,593	\$ 8,298,511	\$ 8,770,110	\$ 471,600	5.7%

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Operations include:

- Personnel costs will increase \$228.5 thousand, or 5.4%, of which \$75 thousand was caused by vacancies during 2016-17. Approximately \$149 thousand of the increase is for annual adjustments in pay and associated benefits. Finally, Overtime will increase by \$4 thousand based upon historical trends and exclude rare, sustained weather wet events.

- Utilities costs will decrease by \$136 thousand, or 7.8%, despite the impact of a projected PG&E 10% rate increase worth \$350 thousand. Not only will cogeneration engine performance improve next to reduce energy demand and save \$279 thousand, SVCW will replace aeration mixing equipment and



introduce new technologies to improve the removal of suspended solids which combined save \$238 thousand in electricity.

- Chemicals will increase by \$281.7 thousand (25.7%) next year. Much of this increase is attributable to the change in sludge thickening process. Existing gravity thickeners recently failed and are being replaced by Rotary Drum Thickeners (RDTs). While RDT performance is considered superior due to the higher percent of suspended solids it removes from wastewater, it will require approximately \$130 thousand in polymer. This cost, however produces a clearer effluent that subsequently reduces the amount of energy used in secondary treatment processes.

Additionally, chemical costs will increase as a preventative measure to reduce the speed of corrosion in the force main. Approximately \$73 thousand in additional nitrate will be used at the Menlo Park Pump Station.

- Contractual Services will increase by \$131 thousand (11.5%) in 2017-18, as the cost of biosolids disposal increases.

Maintenance

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

There are 23 full-time equivalent positions in the Maintenance Division. It works under the direction of the Maintenance Director, three Maintenance Supervisors, and a Planner/Scheduler Supervisor. Staff includes nine Senior Plant Mechanics, two Plant Mechanics, three Senior Instrumentation Mechanics, and three Senior Electrical Mechanics. There are no changes in headcount planned for next year.

Maintenance Services Department Expenditures						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:						
Salaries	\$ 2,737,711	\$ 2,936,189	\$ 2,868,532	\$ 3,051,993	\$ 183,461	6.4%
Overtime	59,005	39,723	46,153	46,117	(36)	(0.1%)
Retirement Benefit Contributions	319,177	337,283	330,813	356,861	26,048	7.9%
Health Insurance	433,430	504,071	486,185	506,242	20,057	4.1%
Workers' Compensation	57,880	64,017	65,326	81,722	16,397	25.1%
Health Insurance - Retiree	204,954	212,520	208,304	213,337	5,033	2.4%
Medicare	39,693	42,621	41,894	45,182	3,288	7.8%
Subtotal: Personnel Costs	3,851,850	4,136,424	4,047,206	4,301,455	254,249	6.3%
Equipment & Supplies Expense:						
Rentals & Leases	37,214	35,496	17,248	23,496	6,248	36.2%
Supplies & Expenses	128,525	125,836	147,076	145,876	(1,200)	(0.8%)
Equipment Maint - Materials	736,441	758,904	721,941	727,092	5,151	0.7%
Equipment Maint - Services	684,915	691,512	738,351	736,512	(1,839)	(0.2%)
Non-Capital Equipment	47,148	58,620	62,133	32,160	(29,973)	(48.2%)
Subtotal: Equipment & Supplies	1,634,518	1,670,368	1,686,749	1,665,136	(21,613)	(1.3%)
Professional Services	-	-	6,055	-	(6,055)	(100.0%)
Contractual Services	126,748	63,396	65,679	61,896	(3,783)	(5.8%)
Memberships & Meetings	2,305	4,536	4,924	4,536	(388)	(7.9%)
Conferences & Travel	6,109	7,680	4,735	7,680	2,945	62.2%
Training	15,620	50,496	57,481	50,340	(7,141)	(12.4%)
TOTAL EXPENDITURES	\$ 5,637,272	\$ 5,932,900	\$ 5,872,829	\$ 6,091,043	\$ 218,214	3.7%

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Maintenance include:

- Personnel costs will increase \$254 thousand, or 6.3%. The Maintenance Division has had an electrician position vacant during much of 2016-17. This vacancy contributes \$100 thousand of the increase. Of the remaining increase, approximately \$154 thousand (or 2.6% of Forecast) is due to contractual increases in wages and associated benefits.
- Non-Capital Equipment Expense will decrease by \$30 thousand due to the timing of recent purchases which reduces the number of items purchased next year.

Laboratory Services

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

The Laboratory Director oversees a staff of two Water Quality Specialists, a Lab Analyst I, a Lab Analyst II, a Senior Lab Analyst, and a part-time Lab Assistant. There are no changes in headcount planned for next year.

Laboratory Services Department Expenditures							
Description	2015-16	Adopted	2016-17	Proposed	\$	%	
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:							
Salaries	\$ 771,084	\$ 763,658	\$ 753,177	\$ 804,919	\$ 51,742	6.9%	
Overtime	17,928	15,530	12,669	16,371	3,703	29.2%	
Retirement Benefit Contributions	84,319	87,517	86,597	93,308	6,710	7.7%	
Health Insurance	60,779	113,008	112,878	112,270	(608)	(0.5%)	
Workers' Compensation	15,494	17,988	18,456	23,157	4,701	25.5%	
Health Insurance - Retiree	63,508	64,680	63,729	64,929	1,200	1.9%	
Medicare	11,155	12,045	11,813	12,819	1,006	8.5%	
Subtotal: Personnel Costs	1,024,267	1,074,426	1,059,319	1,127,772	68,454	6.5%	
Administrative Expenses	268,193	237,094	205,965	268,101	62,136	30.2%	
Equipment & Supplies Expense:							
Rentals & Leases	3,037	2,760	1,620	996	(624)	(38.5%)	
Supplies & Expenses	104,456	117,996	109,623	117,996	8,373	7.6%	
Equipment Maint - Materials	4,670	4,746	2,416	4,752	2,336	96.7%	
Equipment Maint - Services	41,850	43,963	43,981	45,320	1,339	3.0%	
Non-Capital Equipment	38,462	30,144	25,366	29,568	4,202	16.6%	
Subtotal: Equipment & Supplies	192,475	199,609	183,006	198,632	15,626	8.5%	
Professional Services	550	31,000	31,500	31,000	(500)	(1.6%)	
Contractual Services	91,697	67,963	62,968	63,943	975	1.5%	
Memberships & Meetings	7,865	9,737	5,876	8,360	2,484	42.3%	
Conferences & Travel	6,955	8,200	7,474	11,700	4,226	56.5%	
Training	10,356	15,618	14,031	12,254	(1,777)	(12.7%)	
TOTAL EXPENDITURES	\$ 1,602,358	\$ 1,643,647	\$ 1,570,138	\$ 1,721,762	\$ 151,624	9.7%	

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Laboratory Services include:

- Personnel costs will increase \$68 thousand, or 6.5%, the result of anticipated increases in pay and associated benefits.
- Administrative Expenses will increase by \$62 thousand, or 30%. SVCW participates in a regional study of San Francisco Bay water quality, which has increased the amount of scientific funds needed to produce its report on nutrient loading.

Environmental Services

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

The Division includes an Environmental Services Director who oversees a Senior Environmental Compliance Inspector, two Environmental Compliance Inspectors, and a Pollution Prevention Specialist. There are no changes in headcount planned for next year.

Environmental Services Department Expenditures							
Description	Adopted		2016-17 Forecast	Proposed		\$ Incr/(Decr) v. Forecast	% Incr/(Decr) v. Forecast
	2015-16 Actual	2016-17 Budget		2017-18 Budget			
Personnel:							
Salaries	\$ 611,258	\$ 664,606	\$ 661,069	\$ 684,644	\$ 23,574	3.6%	
Overtime	12,297	7,000	4,069	9,348	5,279	129.7%	
Retirement Benefit Contributions	74,522	76,024	75,655	79,819	4,164	5.5%	
Health Insurance	82,247	86,204	84,019	80,298	(3,721)	(4.4%)	
Workers' Compensation	13,369	14,375	14,877	18,211	3,334	22.4%	
Health Insurance - Retiree	46,541	46,200	46,331	46,378	47	0.1%	
Medicare	9,060	9,564	9,488	10,064	576	6.1%	
Subtotal: Personnel Costs	849,295	903,973	895,507	928,760	33,253	3.7%	
Administrative Expenses	24,660	36,311	37,538	37,045	(493)	(1.3%)	
Equipment & Supplies Expense:							
Rentals & Leases	-	1,320	660	-	(660)	(100.0%)	
Supplies & Expenses	17,382	15,996	12,993	14,004	1,011	7.8%	
Equipment Maint - Materials	-	996	498	996	498	100.0%	
Equipment Maint - Services	-	504	252	1,200	948	376.2%	
Non-Capital Equipment	5,247	13,596	6,994	12,600	5,606	80.2%	
Subtotal: Equipment & Supplies	22,629	32,412	21,397	28,800	7,403	34.6%	
Professional Services	13,460	24,500	47,141	24,500	(22,641)	(48.0%)	
Contractual Services	42,911	72,888	73,743	51,948	(21,795)	(29.6%)	
Memberships & Meetings	2,620	3,394	2,204	3,455	1,251	56.8%	
Conferences & Travel	3,582	11,600	7,631	13,000	5,369	70.4%	
Training	3,372	9,324	6,029	8,388	2,359	39.1%	
TOTAL EXPENDITURES	\$ 962,530	\$ 1,094,402	\$ 1,091,190	\$ 1,095,896	\$ 4,706	0.4%	

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Environmental Services include:

- Personnel costs will increase \$33.2 thousand, or 3.7%, the result of anticipated increases in pay and associated benefits.
- Professional Services will decline by \$22.6 thousand as consulting associated with the recent renewal of SVCW's air permit is not needed next year.
- The Contractual Services budget has been decreased by \$21.8 thousand (29.6%) to recognize a lower probability of a toxic chemicals event that could require additional laboratory services.

Engineering

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

The Division works under the direction of the Engineering Director. The staff includes a Senior CIP Manager, four Senior Engineers, one Administrative Assistant, and two Engineering Interns during the summer. Engineering labor is predominantly charged to capital projects; therefore the 2017-18 Operating Budget contains 75% of the Engineering Director and 50% of a Senior Engineer. This is a 0.25 change in Full Time Equivalent work spent on operating activities.

Engineering Department Expenditures						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:						
Salaries	\$ 143,098	\$ 196,553	\$ 171,632	\$ 222,336	\$ 50,705	29.5%
Retirement Benefit Contributions	15,256	20,924	19,885	26,680	6,796	34.2%
Health Insurance	14,999	20,740	20,563	21,486	922	4.5%
Payroll Tax	424	1,375	66	-	(66)	(100.0%)
Workers' Compensation	2,330	3,069	2,992	3,863	871	29.1%
Health Insurance - Retiree	8,497	13,860	11,154	11,594	440	3.9%
Medicare	1,942	2,850	2,488	3,224	736	29.6%
Subtotal: Personnel Costs	186,546	259,372	228,780	289,184	60,404	26.4%
Equipment & Supplies Expense:						
Office Supplies	996	-	-	-	-	0.0%
Supplies & Expenses	2,751	11,376	10,737	8,616	(2,121)	(19.8%)
Subtotal: Equipment & Supplies	4,128	11,376	10,737	8,616	(2,121)	(19.8%)
Professional Services	133,142	184,996	184,410	184,996	586	0.3%
Memberships & Meetings	10,428	19,914	18,794	20,679	1,885	10.0%
Conferences & Travel	20,812	24,700	23,567	39,000	15,433	65.5%
Training	915	6,801	3,838	11,905	8,067	210.2%
TOTAL EXPENDITURES	\$ 367,253	\$ 507,159	\$ 470,126	\$ 554,380	\$ 84,254	17.9%

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Engineering include:

- Personnel costs will increase \$60 thousand, or 26.4%. Approximately \$11 thousand reflects anticipated increases in pay and associated benefits. The remaining \$49 thousand increase represents a small increase in the percentage of engineering labor spent on operating matters rather than capital projects.
- Conferences and Travel expenses, as well as Training, will increase next year by a combined \$23 thousand as Engineering staff research and prepare for the large conveyance capital projects.

Safety

The Safety Division develops, implements, and oversees all safety programs for the agency. It is staffed with one Health and Safety Director. There are no changes in headcount planned for next year.



Safety Department Expenditures							
Description	Adopted		2016-17 Forecast	Proposed	\$	%	
	2015-16 Actual	2016-17 Budget		2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast	
Personnel:							
Salaries	\$ 169,402	\$ 149,803	\$ 152,148	\$ 159,445	\$ 7,297	4.8%	
Retirement Benefit Contributions	17,086	16,240	17,082	18,536	1,453	8.5%	
Health Insurance	3,898	27,003	28,087	26,812	(1,275)	(4.5%)	
Workers' Compensation	3,126	3,717	3,635	4,204	569	15.6%	
Health Insurance - Retiree	9,311	9,240	9,734	9,276	(459)	(4.7%)	
Medicare	2,441	2,509	2,346	2,313	(34)	(1.4%)	
Subtotal: Personnel Costs	205,264	208,512	213,034	220,584	7,550	3.5%	
Administrative Expenses	16,954	25,500	22,150	25,500	3,350	15.1%	
Equipment & Supplies Expense:							
Rentals & Leases	9,540	-	695	-	(695)	(100.0%)	
Supplies & Expenses	63,178	78,636	78,030	75,744	(2,286)	(2.9%)	
Equipment Maint - Materials	9,614	2,748	8,060	2,748	(5,312)	(65.9%)	
Equipment Maint - Services	1,568	6,554	3,252	6,000	2,748	84.5%	
Non-Capital Equipment	908	2,604	1,684	2,604	921	54.7%	
Subtotal: Equipment & Supplies	84,808	90,542	91,720	87,096	(4,624)	(5.0%)	
Contractual Services	9,978	14,400	27,493	20,154	(7,339)	(26.7%)	
Memberships & Meetings	2,798	2,760	886	2,760	1,874	211.5%	
Conferences & Travel	2,331	5,065	3,097	5,365	2,268	73.3%	
Training	16,873	24,000	14,955	20,004	5,049	33.8%	
TOTAL EXPENDITURES	\$ 339,545	\$ 370,779	\$ 373,514	\$ 381,463	\$ 7,950	2.1%	

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Safety include:

- Personnel costs will change only \$7.5 thousand (3.5%), the result of anticipated increases in pay and associated benefits.
- Supplies & Expenses, as well as Professional Services, will decline next year. As SVCW implements new financial software, ordinary operating costs that support financial and work order management solutions are deferred and/or integrated into the capitalized software project.

Information Services

The Information Services Division manages all computers and information systems of the agency. The Information Services Director oversees one Senior Information System Analyst and an Information System Analyst.

Information Services Department Expenditures							
Description	Adopted		2016-17 Forecast	Proposed		\$ Incr/(Decr) v. Forecast	% Incr/(Decr) v. Forecast
	2015-16 Actual	2016-17 Budget		2017-18 Budget			
Personnel:							
Salaries	\$ 441,695	\$ 447,170	\$ 449,849	\$ 460,536	\$ 10,686	2.4%	
Overtime	17,953	16,688	14,228	17,143	2,914	20.5%	
Retirement Benefit Contributions	49,969	49,927	50,559	53,115	2,556	5.1%	
Health Insurance	27,693	42,985	44,067	42,799	(1,268)	(2.9%)	
Workers' Compensation	9,250	10,226	10,684	12,905	2,221	20.8%	
Health Insurance - Retiree	27,923	27,720	28,118	27,827	(291)	(1.0%)	
Medicare	6,560	6,811	6,858	7,183	325	4.7%	
Subtotal: Personnel Costs	581,043	601,528	604,364	621,507	17,143	2.8%	
Utilities	147,983	171,540	157,365	179,340	21,975	14.0%	
Equipment & Supplies Expense:							
Rentals & Leases	35,724	34,980	31,479	34,200	2,721	8.6%	
Supplies & Expenses	114,708	160,400	159,926	150,600	(9,326)	(5.8%)	
Equipment Maint - Services	149,534	259,050	258,716	278,780	20,064	7.8%	
Non-Capital Equipment	142,851	72,404	71,202	56,000	(15,202)	(21.4%)	
Subtotal: Equipment & Supplies	442,817	526,834	521,322	519,580	(1,742)	(0.3%)	
Professional Services	187,851	282,396	280,929	219,996	(60,933)	(21.7%)	
Contractual Services	118,930	130,300	126,541	135,000	8,459	6.7%	
Memberships & Meetings	1,634	1,892	843	1,682	839	99.5%	
Conferences & Travel	45	9,000	4,815	7,000	2,185	45.4%	
Training	41,726	24,000	27,499	12,996	(14,503)	(52.7%)	
TOTAL EXPENDITURES	\$ 1,522,029	\$ 1,747,490	\$ 1,723,679	\$ 1,697,101	\$ (26,578)	(1.5%)	

As compared to the 2016-17 Forecast, total expenditures in the Information Services Division will decrease by \$26.6 thousand, or 1.5%. Significant variances include:

- Personnel costs will increase \$17 thousand, or 2.8%, for anticipated increases in pay and associated benefits. This figure also includes a \$2.9 thousand increase in overtime from the current year, as staff expertise is used in lieu of higher-cost consultants.
- Utilities will increase by \$21.9 thousand (14%) in anticipation of remote devices deployed for the Operations and Maintenance Divisions.
- The Division will experience decreases in Supplies, Non-Capital Equipment, and Professional Services next year. This may be a temporary reduction while the new Accounting and Work Order Management platform is developed.
- The Information Systems Division used to budget for certain training of software used by other divisions. Next year's budget deploys those training dollars to those specific departments.



Administrative Services

The Administrative Services Division provides legal, financial, personnel, and administrative support to the Commission, General Manager, and other Divisions. It is committed to presenting a positive and professional image of SVCW to the general public and Member Agencies. The Division is responsible for accounting, human resources, purchasing, risk management, and asset management. Costs for the Agency Commission, Controller, Attorney, Manager, Assistant Manager, and CFO are included in the Administrative Services Division. Additionally, certain accounting and data processing services are provided by Redwood City.

The Division works under the direction of the Administrative Services Director and the Chief Financial Officer. The Administrative Services Director is scheduled to retire in December 2017. Administrative staff includes 1.63 Assistants, one Human Resources Director, and one Materials Services Supervisor (with a staff of two Purchasing Coordinators). The Chief Financial Officer manages one Financial Analyst, one Accountant, and a part-time Accounting Technician. To prepare for the implementation of a new accounting system, this budget proposes to add a new Accounting Supervisor Position.

Administrative Services Department Expenditures						
Description	2015-16	Adopted	2016-17	Proposed	\$	%
	Actual	2016-17 Budget	2016-17 Forecast	2017-18 Budget	Incr/(Decr) v. Forecast	Incr/(Decr) v. Forecast
Personnel:						
Salaries	\$ 2,011,542	\$ 2,024,014	\$ 2,004,353	\$ 2,130,939	\$ 126,586	6.3%
Overtime	10,956	7,387	10,720	7,036	(3,684)	(34.4%)
Other Employee Benefits	4,837	4,800	4,731	2,409	(2,322)	(49.1%)
Retirement Benefit Contributions	224,158	217,872	222,496	246,915	24,419	11.0%
Health Insurance	223,514	244,115	245,498	252,919	7,421	3.0%
Payroll Tax	851	485	1,671	-	(1,671)	0.0%
Workers' Compensation	11,035	12,181	14,002	14,407	405	2.9%
Health Insurance - Retiree	143,262	123,200	128,877	122,901	(5,976)	(4.6%)
Medicare	28,853	28,716	29,104	31,200	2,096	7.2%
Subtotal: Personnel Costs	2,659,008	2,662,769	2,661,453	2,808,726	147,272	5.5%
Administrative Expenses	76,016	108,923	106,803	117,505	10,702	10.0%
Equipment & Supplies Expense:						
Office Supplies	10,121	13,500	13,728	13,930	202	1.5%
Rentals & Leases	1,090	876	903	1,032	129	14.3%
Supplies & Expenses	76,811	67,781	67,793	76,542	8,749	12.9%
Non-Capital Equipment	2,773	-	193	1,200	1,007	520.4%
Subtotal: Equipment & Supplies	90,795	82,157	82,617	92,704	10,087	12.2%
Professional Services	406,748	384,647	381,505	398,625	17,120	4.5%
Contractual Services	56,496	68,380	58,846	69,258	10,412	17.7%
Memberships & Meetings	24,509	25,947	31,224	26,315	(4,909)	(15.7%)
Conferences & Travel	16,259	24,590	21,766	27,310	5,545	25.5%
Training	12,103	21,548	15,017	16,183	1,166	7.8%
TOTAL EXPENDITURES	\$ 3,341,934	\$ 3,378,961	\$ 3,359,230	\$ 3,556,626	\$ 197,395	5.9%

As compared to the 2016-17 Forecast, significant increases / decreases in the operating budget for Administrative Services include:

- Personnel costs will increase \$126.6 thousand, or 6.3%. While the Division budgets for ordinary salary increases, the net increase also includes the retirement of the Administrative Services Director and a new Accounting Supervisor position. The Accounting Supervisor role will focus on the new accounting software platform and ultimately will accommodate activities now performed by Redwood City finance staff.
- Administrative Expenses will increase by \$10 thousand (10%) for higher liability and property insurance premiums, and to pay banking fees associated with new 2017 bonds.
- Supplies & Expenses will increase by \$8.7 thousand (12.9%), additional cleaning supplies needed to improve cleanliness, as well as a rate increase for uniform laundry.
- Professional Services will increase by \$17.1 thousand (4.5%). This represents an increase in legal fees needed for updating of Human Resource Policies, offset by a decrease in consulting fees associated with a recent compensation and salary study.
- Travel will increase by \$5.5 thousand (25.5%) as SVCW pursues federal loan funding.



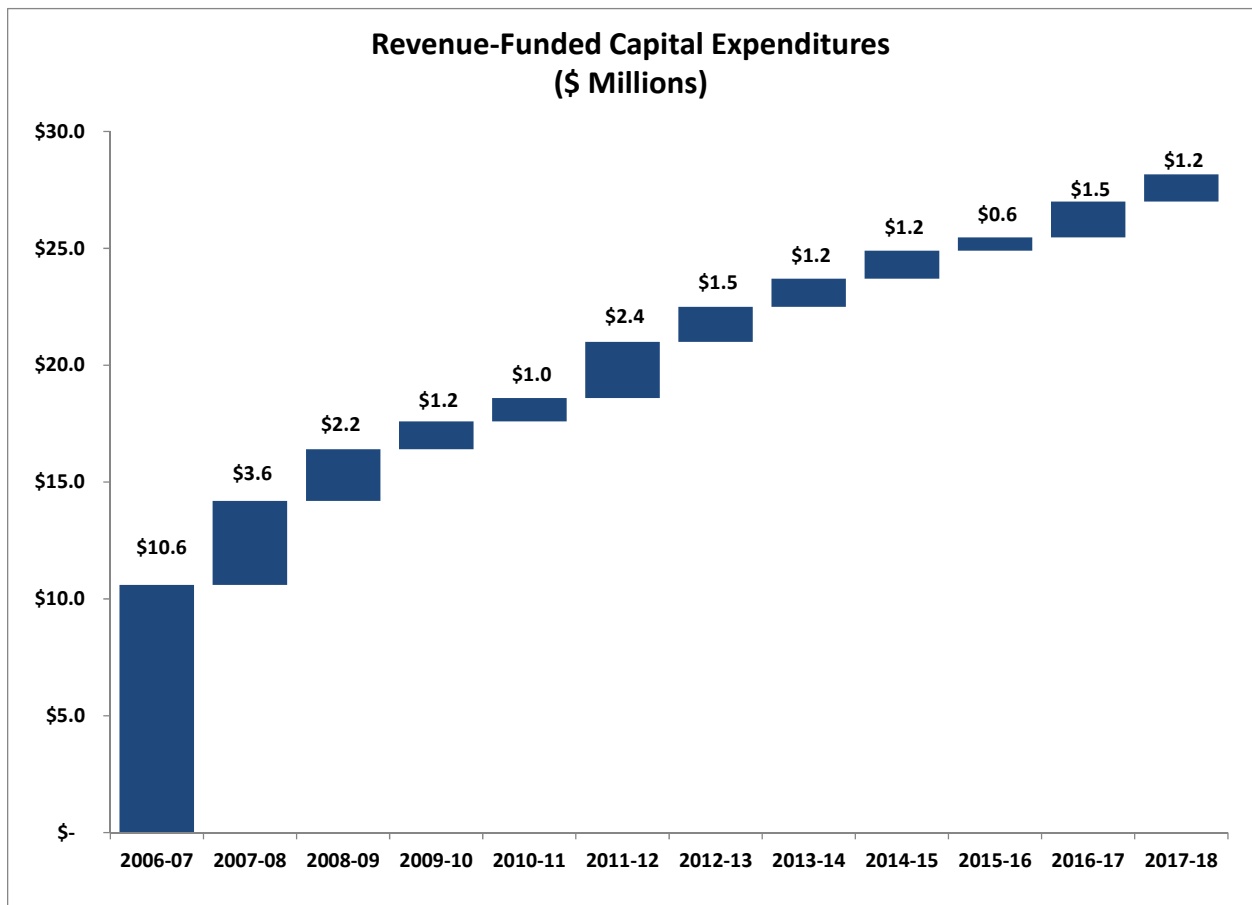
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SECTION 4 – REVENUE-FUNDED CAPITAL EXPENDITURES

Summary:

Revenue-Funded Capital Expenditures are for capital projects that less than \$1 million and completed within one year. These projects offer identifiable improvements in the short term. Revenue-funded capital expenditures may include minor construction projects, major maintenance and rehabilitation projects, planning studies, and preliminary engineering analysis for major capital improvements. It is therefore appropriate to fund such projects using available cash funds rather than financing them over 30 years.

Since 2006-07, SVCW has spent approximately \$27 million on Revenue-Funded capital expenditures. Prior to formally adopting the Capital Improvement Program in fiscal year 2008-09, Member Agencies made large cash contributions of \$10.6 million that were needed to address immediate project needs. Since 2008-09, however, SVCW has averaged \$1.4 million annually in Revenue-Funded capital expenditures.



The 2017-18 Budget of \$1.22 million for Revenue-Funded capital expenditures includes:

Proposed 2017-18 Revenue-Funded Capital Expenditures	
Description	One-time Cost
Force Main Valves	
V3 and V4 - Valves on 48" FM	\$ 300,000
Treatment Plant Equipment	
Front Loader for Sludge Beds	185,000
Sludge Bed Covers for stockpile & Equipment	125,000
Biosolids Transfer Truck	110,000
Fleet Replacement	50,000
Digester Sensors & Flowmeters on mix pumps	30,000
Electric cart	21,000
Forklift Replacement, Operations	35,000
Subtotal	<u>\$ 556,000</u>
Pump Station Valves & Equipment	
Menlo Park Pump Station Inlet Gate Replacement	110,000
Pump Station Valves - San Carlos PS	44,288
Valves for Belmont Pump Station	44,288
Menlo Park Pump Station Nitrate dosing system	45,000
Subtotal	<u>\$ 243,576</u>
Technology	
I.T. Data Storage Equipment	73,000
Blades for VM servers and Controller Cards	50,000
Subtotal	<u>\$ 123,000</u>
GRAND TOTAL, REVENUE-FUNDED CAPITAL	<u>\$ 1,222,576</u>

The above projects will maintain critical operations, increase productivity, and reduce operating costs. Key activities include:

- Force Main – Valves 3 and 4 will be replaced on the 48-inch forcemain to control flow into the San Carlos Booster Station. This is to finish the reliability project at San Carlos Booster Station, which saw Valves 1 and 2 replaced in 2016-17.
- Treatment Plant Equipment – Biosolids operations will be made more efficient by purchasing a larger front end loader, a tractor to position trailers, and a cover under which dried biosolids can be temporarily stored during the wet season. The Operations Division is also in need of a forklift and electric cart.
- Pump Stations – Old existing valves that are no longer able to fully open and close will be replaced. Will also install a new calcium nitrate dosing system at the Menlo Park Pump Station to control corrosion on the 33" Reinforced Concrete Pipe forcemain.

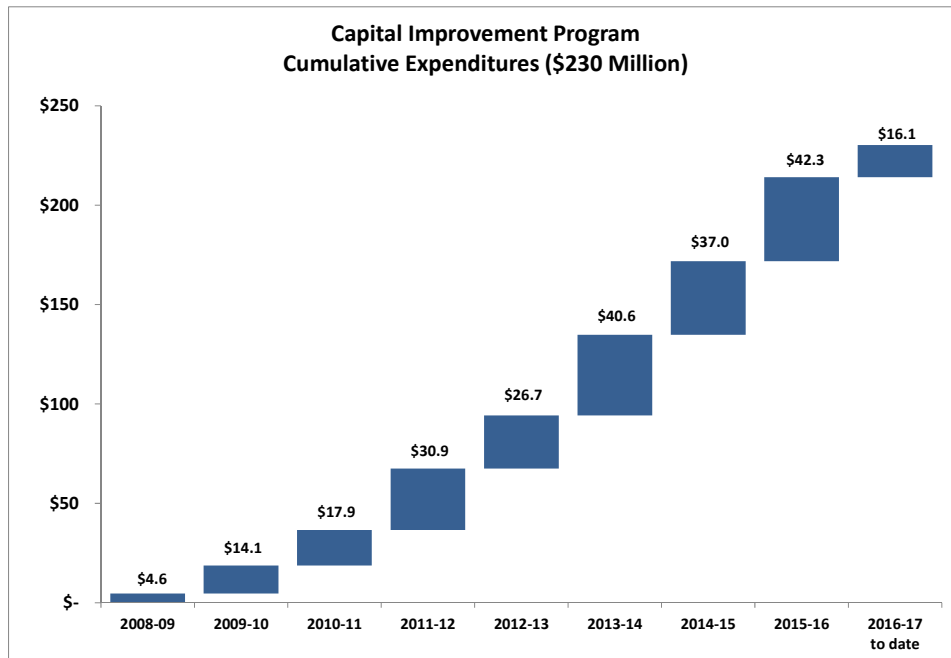
- Technology – The Information Systems Division recommends replacements of data storage equipment as well as server blades and controller cards next year.

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SECTION 5 – CAPITAL IMPROVEMENT PROGRAM & DEBT SERVICE

Background:

SVCW’s wastewater treatment plant was constructed in 1980 and connected to an influent conveyance system built in 1969. In 2006, engineering studies determined the majority of SVCW fixed assets were beyond their useful lives and needed replacement. SVCW therefore initiated its CIP to replace and rehabilitate wastewater conveyance and treatment systems in a structured and prioritized manner. Now in its ninth year, the CIP has completed over 100 projects and spent \$230 million.



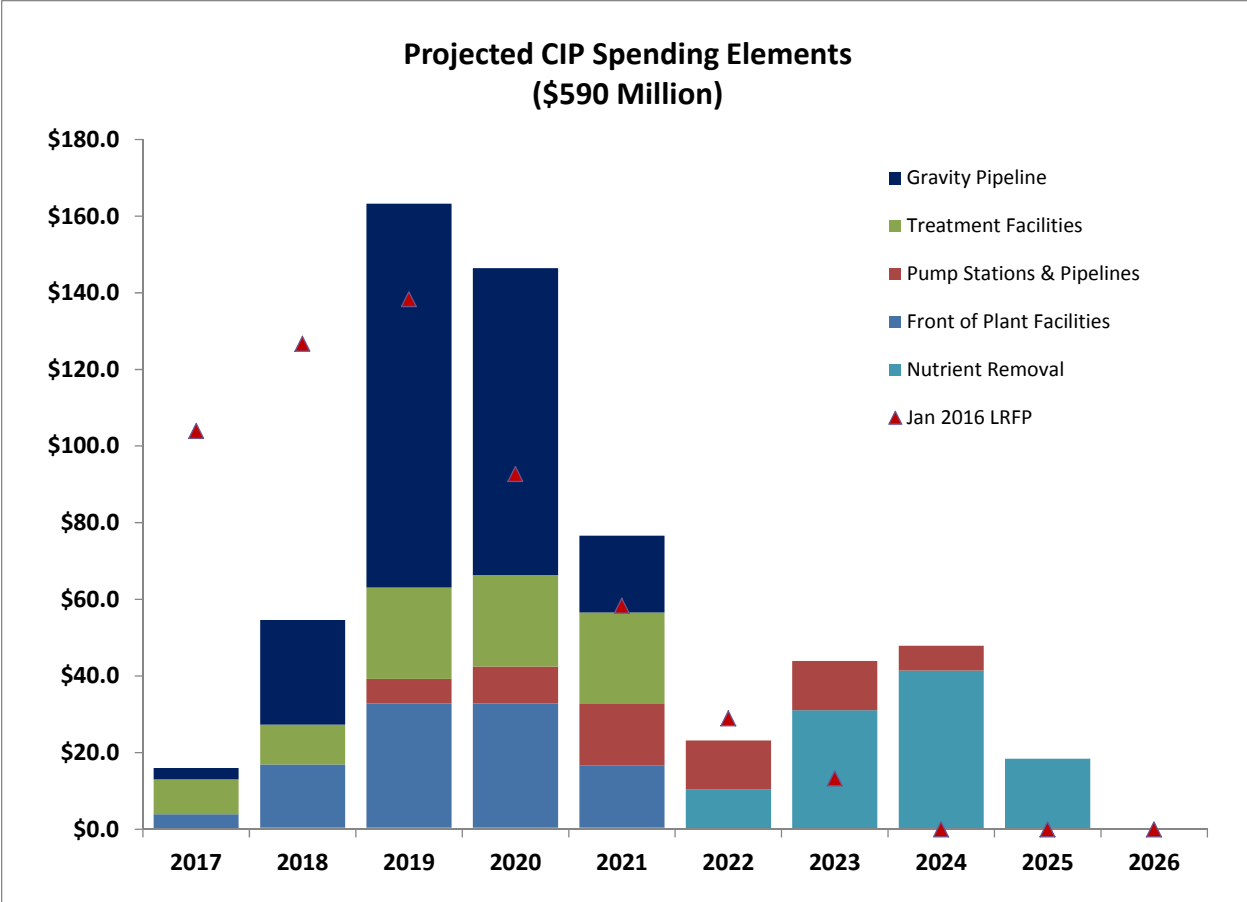
CIP Expenditures since 2006-07	
Program	Value
Conveyance System	\$ 78,738,025
Energy and Automation	74,794,424
General Plant Facilities	34,895,735
Solids Handling	16,923,966
Plant Process	12,156,619
Corrosion and Odor Control	11,265,346
Nutrient Removal	649,490
CIP Support	865,869
TOTAL	\$ 230,289,474

CIP Projected Expenditures:

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

The CIP is a guiding document of the LRFP, and is currently estimated at \$815 million from inception (as measured in September 2016 dollars). Recognizing the \$230 million in to-date spending, approximately \$590 million in expenditures remains scheduled through 2022-23:

Projected CIP Expenditures (\$590 Million)											
Project	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Treatment Facilities											
Gravity Pipeline											
Front-of-Plant Facilities											
Pump Stations / Pipelines											
Nutrient Removal											



The largest projects, including the gravity pipeline and nutrient removal, will produce capital expenditures above \$100 million in two consecutive years. As construction is completed, fixed assets of each Member Entity would be increased by their allocable percentages (below):

SVCW Remaining Capital Expenditures - By Fiscal Year End and Member Allocation										
Member Entity	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Belmont	\$ 1,520,000	\$ 5,160,000	\$ 15,430,000	\$ 13,840,000	\$ 7,240,000	\$ 2,190,000	\$ 4,150,000	\$ 4,520,000	\$ 1,740,000	\$ 55,790,000
Redwood City	7,800,000	26,530,000	79,280,000	71,120,000	37,200,000	11,280,000	21,350,000	23,260,000	8,940,000	286,750,000
San Carlos	2,430,000	8,270,000	24,710,000	22,170,000	11,600,000	3,520,000	6,650,000	7,250,000	2,790,000	89,390,000
West Bay SD	4,310,000	14,660,000	43,810,000	39,300,000	20,560,000	6,230,000	11,800,000	12,850,000	4,940,000	158,460,000
TOTAL	\$ 16,050,000	\$ 54,630,000	\$163,230,000	\$146,430,000	\$ 76,600,000	\$ 23,220,000	\$ 43,950,000	\$ 47,880,000	\$ 18,400,000	\$590,390,000

Debt Service:

The LRFP recommended a debt implementation strategy to fully fund the remaining capital improvements. Due to the compressed timing and extensive cost of the CIP, as well as the absence of significant cash reserves, the most practical funding method is to use long-term debt. The Plan therefore developed multiple debt financing scenarios by comparing interest rates and average costs per year. In general, the majority of the CIP will be funded through a hybrid mix of government loans and wastewater revenue bonds.

Compared to the January 2016 LRFP, the LRFP incorporated three significant changes:

- **Timing** – SVCW continues to plan the replacement and rehabilitation of the entire wastewater conveyance system. During 2016, additional studies and evaluations of this plan were delivered that caused retiming of the program. Approximately \$160 million in capital expenditures has been shifted from FY 2016-17 and FY 2017-18 to later years.
- **Inflation** – Since adoption of the 2015 CIP update construction costs have risen by 3.7%. This LRFP incorporates the Engineering News Record San Francisco Bay Area Construction Cost Index into its capital expenditure forecast, adding approximately \$21 million.
- **Financing Sources** – As the administrator of the Clean Water State Revolving Fund (“SRF”) loan program, the California State Water Resource Control Board has advised the program is now oversubscribed. They caution that, unless the state takes additional funding action, it is unable to satisfy the full demand for wastewater capital programs. This LRFP therefore no longer presumes broad availability of SRF loans and instead plans for a hybrid approach utilizing SRF and other government funding programs, as well as wastewater revenue bonds.

To fund spending to date, over \$246 million was sourced from a combination of Wastewater Revenue Bonds, SRF Loans, government grants, and Member cash contributions. Existing debt service payments were derived from this borrowing:

Source of CIP Funds to date (\$ millions)		
Description	All-in TIC / Interest	Proceeds
Bonds		
2008 Bonds	5.03%	\$ 10,013,486
2009 Bonds	5.12%	55,855,000
2014 Bonds	4.18%	65,537,275
2015 Bonds	3.75%	30,000,000
Subtotal - Bonds		161,405,761
Cash Contributions in lieu of Debt		
Belmont		17,243,027
Redwood City		10,000,000
Subtotal - Cash		27,243,027
State Revolving Fund Loans		
Control Building	2.60%	11,359,882
WWTP Improvements	1.80%	30,000,000
Conveyance Planning	1.60%	14,000,000
Subtotal - SRF		55,359,882
Grant Funding		
Cogeneration		2,400,000
California Energy Commission (Food Waste)		500,000
Subtotal - Grant Funding		2,900,000
TOTAL		\$ 246,908,670

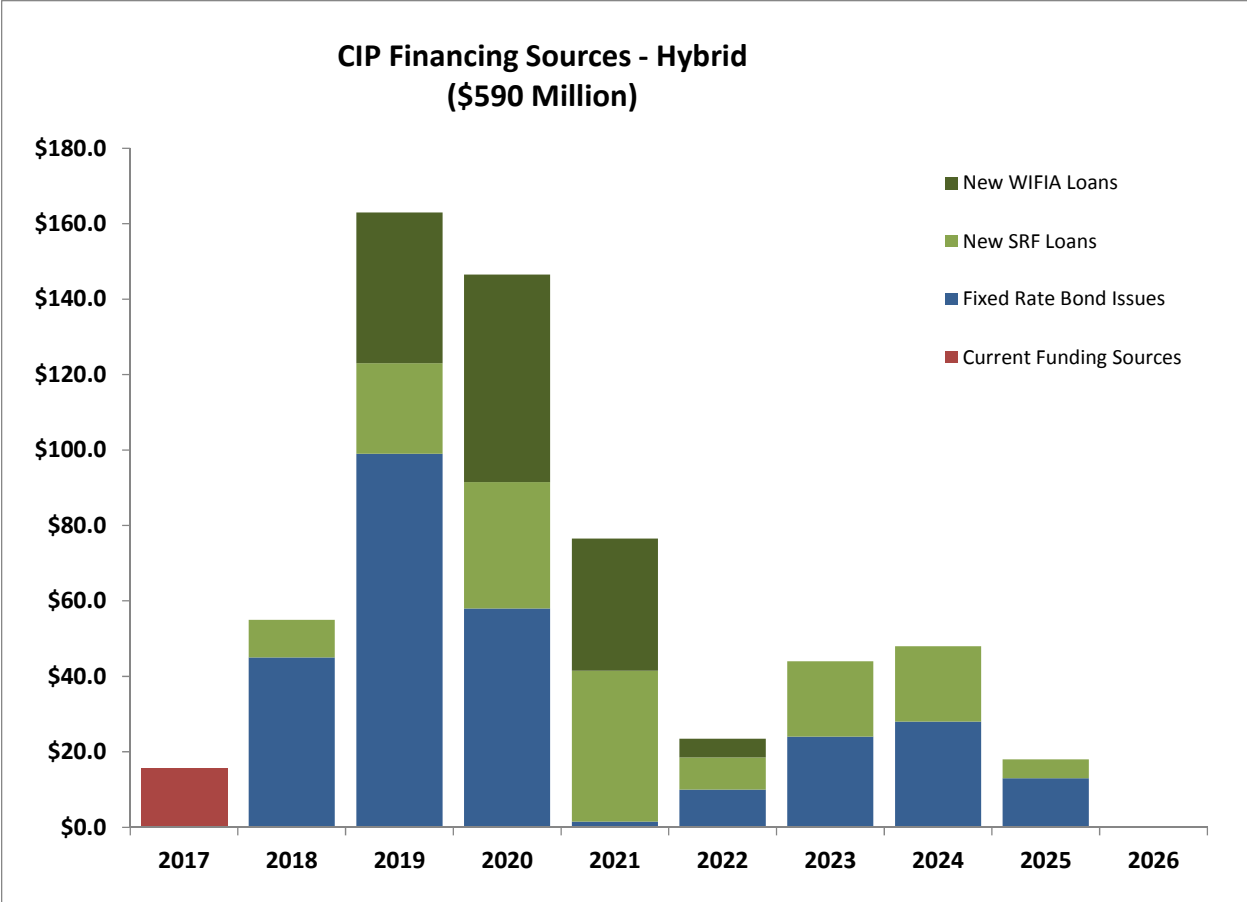
The LRFP recommended that, for future debt, SVCW use a Hybrid structure that draws from a blend of revenue bonds and governmental loans. This prudent approach recognizes the oversubscribed SRF program is unlikely to fund much of SVCW capital needs. It still pursues low-cost funding sources as much as possible, namely the WIFIA programs. If successful, this approach would 1) still reduce debt service costs; 2) take advantage of payments deferrals when appropriate; 3) partially insulate the Authority from interest rate increases; 4) reduce “negative carry” since government loans allow borrowers to draw construction funds as needed; and 5) provide less onerous debt service coverage requirements than capital market funding requirements for the ratings assigned (Aa2/AA/NR).

The Hybrid Scenario includes:

- Revenue bonds (\$278.5 million):
 - Three fixed-rate bond issuances, with interest rates of 4.75% for first bond issued in 2016 and 5.25% thereafter
 - One variable rate bond issuance with a total average cost of 3.40%
 - No debt service reserve fund
 - Debt service payments starting no more than one year from the date of issuance
 - Deferred amortization resulting in one year of interest only payments for fixed rate bond issues

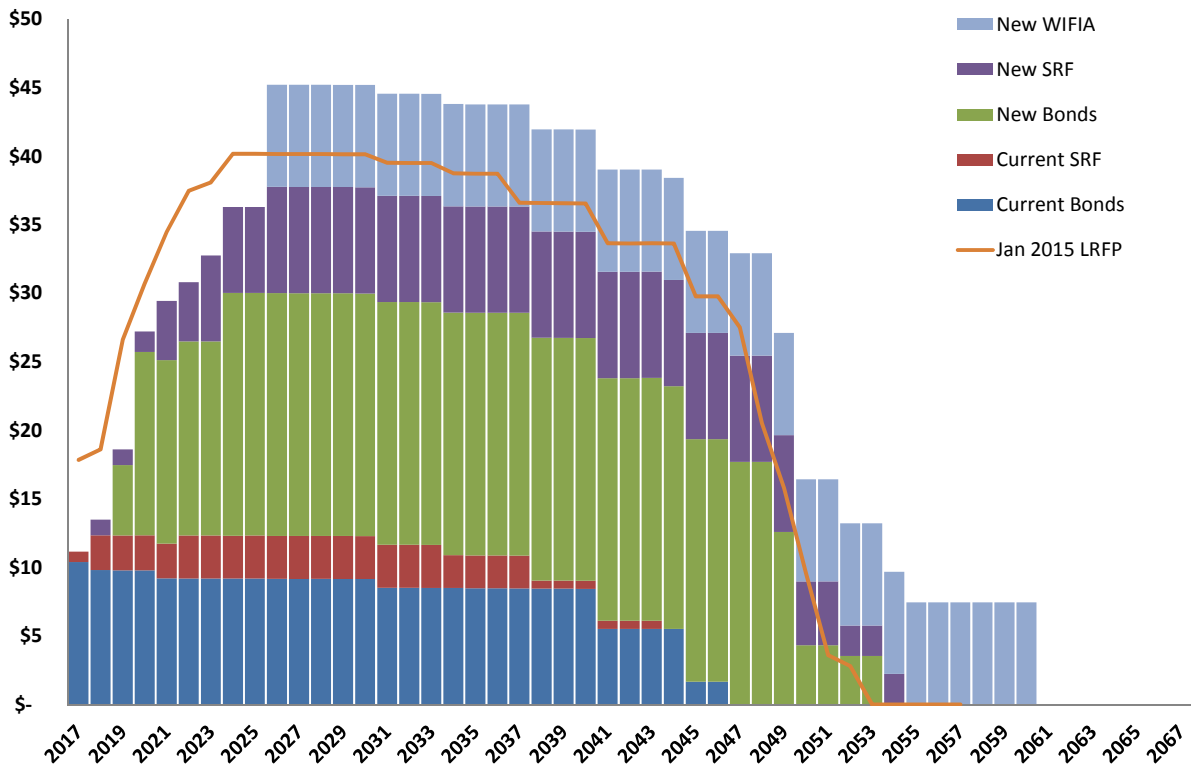
- SRF Loans (\$161 million):
 - SRF Loan interest rates of 2.00% for first loan issued in 2016 and 2.50% thereafter
 - A debt service reserve fund equal to one year’s debt service
 - Debt service payments starting one year after the completion of the project
 - Level debt service
 - Thirty year amortizations.

- WIFIA Loan (\$135 million):
 - WIFIA interest rates of 3.25%
 - No debt service reserve fund
 - Debt service payments starting three years after the completion of the project
 - Level debt service
 - A thirty-five year amortization.



Combined, the Hybrid Scenario funds \$296 million through Government Loans. The weighted average cost of capital for the future CIP is 3.65% while the weighted average repayment for future CIP is 20.6 years. At its peak, the combined new debt will add an additional \$32.9 million in debt service payments atop existing debt.

SVCW Aggregate Debt Service by Source - Hybrid Scenario (\$ Millions)



Debt Service in 2017-18 will be \$12.35 million and is allocated to Member Entities according to JPA-defined percentage of ownership as well as their participation. As SVCW continues to fund CIP construction, debt service payments will peak in 2025-26 once significant projects are complete and payments commence.

Projected Debt Service through FYE 2027 (Hybrid Scenario) - Aggregate						
Fiscal Year-end	Current Bonds	Current SRF	New Bonds	New SRF Debt Service	New WIFIA Debt Service	
2018	\$ 9,805,603	\$ 2,541,983	\$ -	\$ -	\$ -	\$ 12,347,586
2019	9,791,073	2,541,983	5,120,598	-	-	17,453,655
2020	9,796,799	2,541,983	13,380,490	688,591	-	26,407,863
2021	9,195,000	2,541,983	13,380,490	3,102,545	-	28,220,018
2022	9,190,000	3,133,229	14,171,448	3,102,545	-	29,597,221
2023	9,186,875	3,133,229	14,171,448	5,527,642	-	32,019,194
2024	9,180,125	3,133,229	17,707,620	5,527,642	-	35,548,616
2025	9,189,125	3,133,229	17,707,620	5,527,642	-	35,557,616
2026	9,168,750	3,133,229	17,707,620	7,750,879	7,452,943	45,213,421
2027	9,159,000	3,133,229	17,707,620	7,750,879	7,452,943	45,203,671

Detailed debt service payment schedules by Member are provided as follows:

Belmont:

Projected Debt Service through FYE 2027 (Hybrid Scenario) - Belmont						
Fiscal Year-end	Current Bonds	Current SRF	New Bonds	New SRF Debt Service	New WIFIA Debt Service	
2018	\$ -	\$ 170,051	\$ -	\$ -	\$ -	\$ 170,051
2019	-	170,051	483,896	-	-	653,948
2020	-	170,051	1,264,456	65,072	-	1,499,579
2021	-	170,051	1,264,456	293,190	-	1,727,698
2022	-	225,924	1,339,202	293,190	-	1,858,316
2023	-	225,924	1,339,202	522,362	-	2,087,488
2024	-	225,924	1,673,370	522,362	-	2,421,656
2025	-	225,924	1,673,370	522,362	-	2,421,656
2026	-	225,924	1,673,370	732,458	704,303	3,336,055
2027	-	225,924	1,673,370	732,458	704,303	3,336,055

Redwood City:

Projected Debt Service through FYE 2027 (Hybrid Scenario) - Redwood City						
Fiscal Year-end	Current Bonds	Current SRF	New Bonds	New SRF Debt Service	New WIFIA Debt Service	
2018	\$ 5,156,767	\$ 1,272,286	\$ -	\$ -	\$ -	\$ 6,429,053
2019	5,149,125	1,272,286	2,487,074	-	-	8,908,486
2020	5,152,137	1,272,286	6,498,904	334,449	-	13,257,775
2021	4,835,651	1,272,286	6,498,904	1,506,906	-	14,113,746
2022	4,833,021	1,559,454	6,883,072	1,506,906	-	14,782,453
2023	4,831,378	1,559,454	6,883,072	2,684,776	-	15,958,680
2024	4,827,828	1,559,454	8,600,591	2,684,776	-	17,672,649
2025	4,832,561	1,559,454	8,600,591	2,684,776	-	17,677,382
2026	4,821,846	1,559,454	8,600,591	3,764,602	3,619,895	22,366,387
2027	4,816,718	1,559,454	8,600,591	3,764,602	3,619,895	22,361,260

San Carlos:

Projected Debt Service through FYE 2027 (Hybrid Scenario) - San Carlos						
Fiscal Year-end	Current Bonds	Current SRF	New Bonds	New SRF Debt Service	New WIFIA Debt Service	
2018	\$ 1,687,544	\$ 396,588	\$ -	\$ -	\$ -	\$ 2,084,132
2019	1,685,044	396,588	775,259	-	-	2,856,890
2020	1,686,029	396,588	2,025,806	104,253	-	4,212,676
2021	1,582,460	396,588	2,025,806	469,725	-	4,474,579
2022	1,581,599	486,102	2,145,557	469,725	-	4,682,984
2023	1,581,061	486,102	2,145,557	836,885	-	5,049,606
2024	1,579,900	486,102	2,680,934	836,885	-	5,583,821
2025	1,581,448	486,102	2,680,934	836,885	-	5,585,369
2026	1,577,942	486,102	2,680,934	1,173,483	1,128,376	7,046,837
2027	1,576,264	486,102	2,680,934	1,173,483	1,128,376	7,045,159

West Bay Sanitary District:

Projected Debt Service through FYE 2027 (Hybrid Scenario) - West Bay Sanitary District						
Fiscal Year-end	Current Bonds	Current SRF	New Bonds	New SRF Debt Service	New WIFIA Debt Service	
2018	\$ 2,961,292	\$ 703,058	\$ -	\$ -	\$ -	\$ 3,664,350
2019	2,956,904	703,058	1,374,368	-	-	5,034,331
2020	2,958,633	703,058	3,591,323	184,818	-	7,437,833
2021	2,776,890	703,058	3,591,323	832,723	-	7,903,995
2022	2,775,380	861,749	3,803,617	832,723	-	8,273,468
2023	2,774,436	861,749	3,803,617	1,483,619	-	8,923,421
2024	2,772,398	861,749	4,752,725	1,483,619	-	9,870,491
2025	2,775,116	861,749	4,752,725	1,483,619	-	9,873,209
2026	2,768,963	861,749	4,752,725	2,080,336	2,000,370	12,464,142
2027	2,766,018	861,749	4,752,725	2,080,336	2,000,370	12,461,198

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SECTION 6 – CASH RESERVES DESIGNATION

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

- The **Operating Reserve** must be maintained at a minimum balance of 10% of the approved Operating Budget, plus \$1 million. This fund allows for continued operation in times of local, regional state, or national crisis or for unbudgeted, unexpected operational, maintenance or capital expenses approved by the SVCW Commission. The projected balance in Operating Reserves is \$3.49 million at June 30, 2017, including investment earnings. This amount slightly exceeds the policy’s required balance of \$3.42 million and therefore no additional contributions are recommended.
- The **Capital Improvement Program Reserve (CIP Reserve)** goal is to accrue funds equal to the annual calculated depreciation of SVCW facilities to meet the long term needs of replacing capital assets when their useful life has been met. This would allow major expenses in the future to be paid for on a “pay-go” basis and limit the need for borrowing. Each year, if funds held in these reserves fall below targeted levels, SVCW makes budget adjustments in order to return to the target level. The CIP Reserve is also designed to align with requirements of the SRF loan program, which requires reserves equal to one year’s Annual Debt Service (ADS). According to the January 2017 Long Term Financial Plan, the SRF Loan program’s ADS is projected to reach \$10.9 million by 2025-26. The CIP Reserve is projected to be \$16.1 million balance by June 30, 2017, which meets SRF reserve requirements. Therefore, this budget calls for reserve contributions equal to \$1 million as described in its Reserve Policy.
- In 2016-17, SVCW Commission approved **Emergency Capital expenditures** to address the failure of Uninterruptible Power Supply (UPS) units that provide backup power to the technology network. When complete, approximately \$1.1 million will be spent to replace damaged technology equipment, install new UPS units, and modify air conditioning systems by relocating air intake and adding



scrubber capacity. Since the Commission instructed that funds be drawn from the CIP reserve for this project, the 2017-18 Budget recommends replenishment contributions equal to that amount.

Based upon the above, total 2017-18 Reserve Designations are proposed as follows:

Reserve Designations - 2017-18 Adopted Budget			
Description	Estimated June 30, 2017 Balance	Target June 30, 2017 Balance	Proposed 2017-18 Contributions
Operating Reserve	\$ 3,491,891	\$ 3,422,284	\$ -
CIP Reserve	16,093,292	17,093,292	1,000,000
Emergency Capital Spend:	(1,130,895)	-	1,130,895
TOTAL	\$ 18,454,287	\$ 20,515,576	\$ 2,130,895



SVCW

Silicon Valley Clean Water

One Drop at a Time

