

SILICON VALLEY CLEAN WATER

JOINT POWERS AUTHORITY ~ A PUBLIC ENTITY



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CITY OF SAN CARLOS | CITY OF REDWOOD CITY | CITY OF BELMONT | WEST BAY SANITARY DISTRICT

Ms. Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



May 24, 2019

Subject: Comment Letter – June 18, 2019 Board Meeting – SFY 2019-20 (FFY 2019)
CWSRF IUP

Dear Ms. Townsend:

Silicon Valley Clean Water (SVCW) is undergoing an \$850 million Capital Improvement Program (CIP) and is grateful to have closed, to date, three Clean Water State Revolving Fund (CWSRF) loans to help finance its CIP. These low-cost loans save ratepayers an estimated \$24 million over the loan's amortization periods and enable much needed sewer infrastructure repair. Now, moving forward, we are pleased the State Water Resources Control Board has identified \$169 million in its 2019 Intended Use Plan for our Conveyance and Treatment Reliability Improvements Project (CWSRF Project Number 8264-110), now known as our Regional Environmental Sewer Conveyance Upgrade (RESCU) project. RESCU will meet critical infrastructure needs of our wastewater conveyance system and includes three elements: a conveyance pipeline, preliminary treatment at the front-of-plant, and rehabilitation of pump stations. When construction is complete, these elements will protect the environment and health of the communities we serve in the San Francisco Bay Area.

As we awaited approval of our RESCU loan application, the RESCU projects design and construction progressed such that we now anticipate spending patterns different than anticipated last fall in our CWSRF loan application. We therefore ask that the \$169 million in funds now be allocated within RESCU to accommodate these changes across the three elements described above. Specifically, we ask to modify the IUP Fundable List by assigning \$71 million to the gravity pipeline element, \$49 million to the front-of-plant facilities, and the remaining \$49 million to Pump Station Improvements. These three elements, identified on the 2018 Fundable List, were rolled into a single project on the

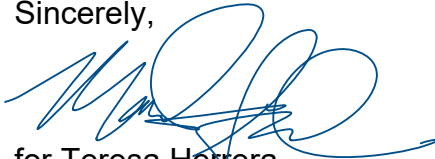
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2019 Fundable List. Our revised allocation optimizes SVCW's borrowing strategy and reduces financing costs otherwise borne by ratepayers.

SVCW chooses not to pursue match funding at this time, and requests that bridge financing during construction be allowed by including in the CWSRF loan already-incurred costs. Types of bridge financing may include a line of credit or short-term fixed interest rate notes.

Thank you again for the opportunity to comment on the 2019 Intended Use Plan. The SVCW team looks forward to working with staff from the State Water Resources Control Board to finalize our RESCU CWSRF loan and help finance our critical capital needs.

Sincerely,



for Teresa Herrera
Manager

cc: Matthew Anderson, Chief Financial Officer, SVCW
Kim Hackett, Authority Engineer
Robert Porr, Senior Vice President, Fieldman Rolapp & Associates
Anita Jain, Engineer, West Yost Associates
Christopher Stevens, Supervising Engineer
Bob Pontureri, Senior Water Resource Control Engineer
Josh Fegurgur, Water Resource Control Engineer