



Sunnyvale

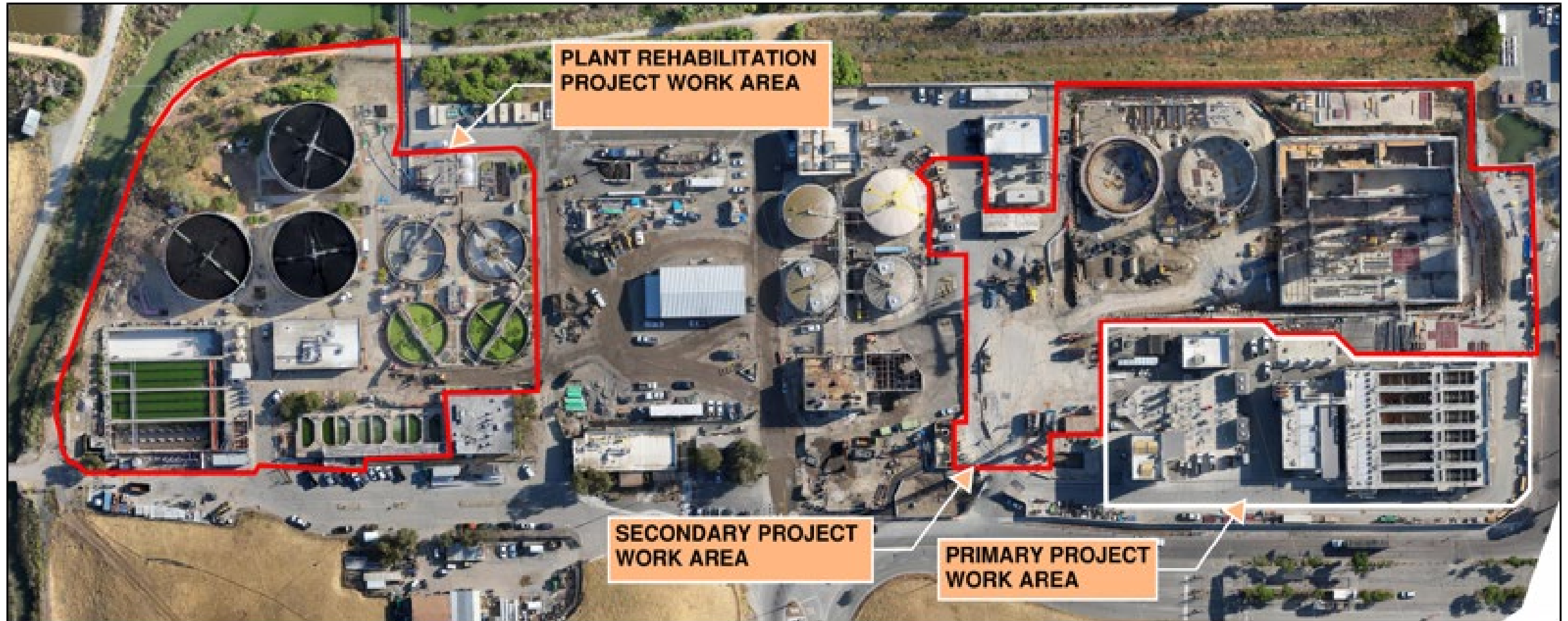
Sunnyvale Cleanwater Program:

SRF Agreement for Existing Plant Rehabilitation

City Council Meeting
June 3, 2025



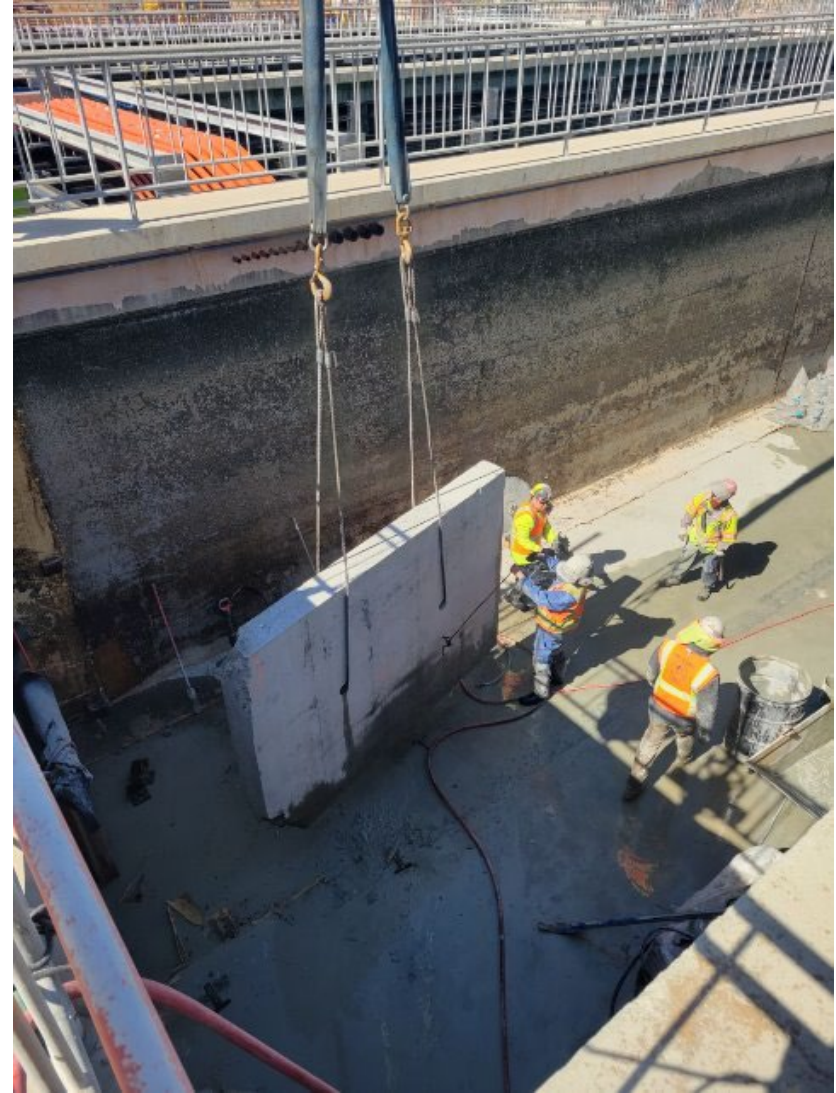
Cleanwater Program



Existing Plant Rehabilitation Project Elements

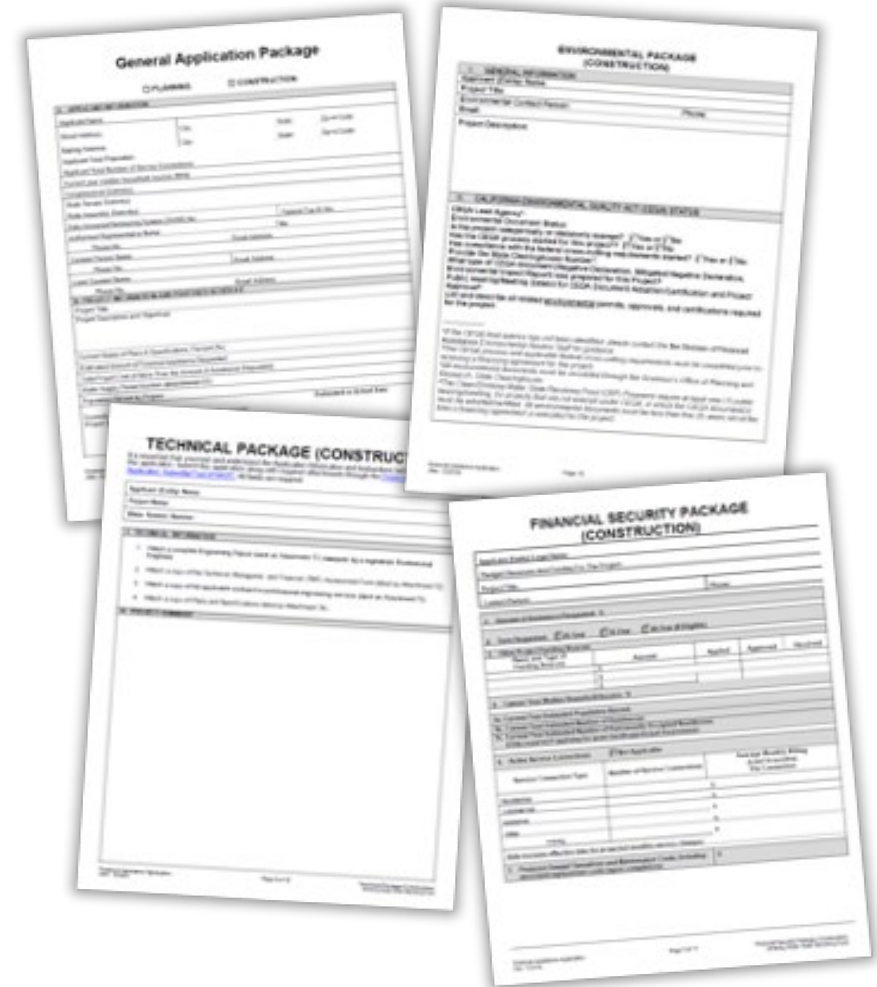


Project Status



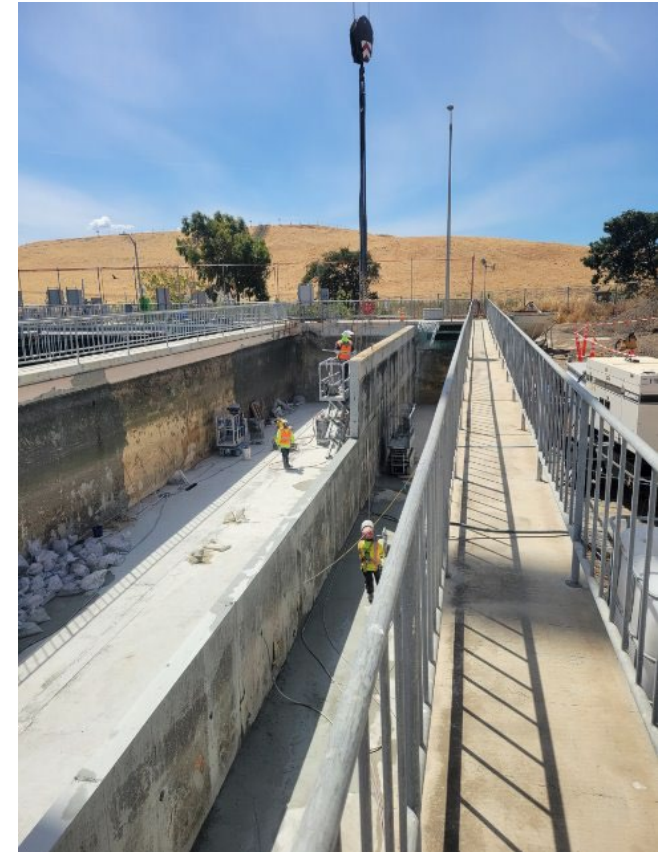
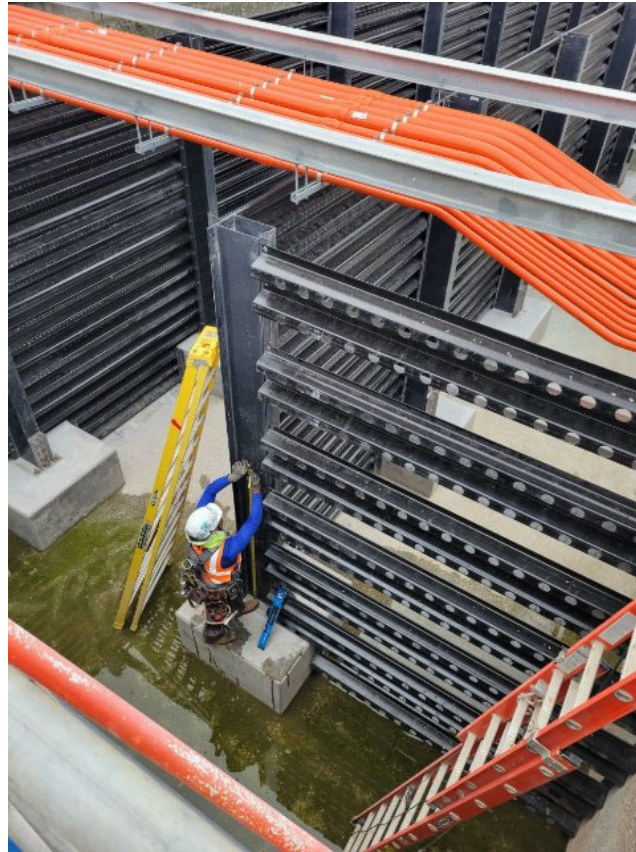
Timeline of Loan Process

- December 2020: Application submitted, with Site Preparation Project
- December 2021: Application re-submitted, without Site Preparation project
- June 2024: Notification from State Board P2.1.1-Plant Rehab was selected for funding
- July 2024 – May 2025: Worked with State Board during application review
- July 2025: Expected loan execution



Project Schedule

- Substantial Completion: January 2027
- Construction is on schedule

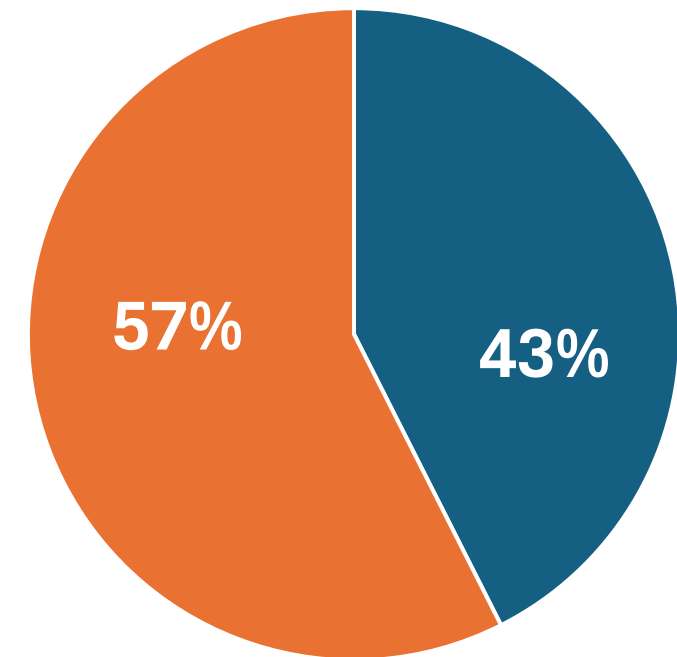


Loan Terms and Benefits

- \$50 million
- 30-year term
- 2.1% interest rate (as of April 3, 2025)
- Debt service savings vs. bond financing: ~\$20 million
- Allows construction expenses incurred before loan execution

Project Costs and Financing

- Total Cost: \$117.5 M
 - Condition Assessment: \$0.8 M
 - Design: \$5.9 M
 - Construction & Contingency: \$105.3 M
 - Engineering Services During Construction & Commissioning: \$4.8 M
 - Permitting: \$0.7 M



■ SRF3 ■ WIFIA

State Revolving Fund Requirements

- The City is very familiar with SRF requirements:
 - ◆ American Iron and Steel (AIS)
 - ◆ Davis-Bacon Act
 - ◆ Disadvantaged Business Enterprise outreach
 - ◆ Project Information Signage



State Revolving Fund Requirements

- ◆ Inspections by State Board to review
 - Labor compliance
 - AIS compliance

“The borrower appears to have a sound understanding and robust methods for ensuring compliance”

- Kavita Mak (EPA), October 2024, Cleanwater Program Project Monitoring Report



Alternatives

Alternative 1: Adopt resolution authorizing the City Manager to execute and deliver an Installment Sale Agreement, for up to \$50,000,000 in Clean Water State Revolving Funds, between the City of Sunnyvale and the State Water Resources Control Board, and to execute all implementing documents for financial assistance in connection with the City's Water Pollution Control Plant upgrade project.

Alternative 2: Do not adopt the Resolution and direct staff to use an alternative financing mechanism.

Staff Recommendation

Alternative 1: Adopt resolution authorizing the City Manager to execute and deliver an Installment Sale Agreement, for up to \$50,000,000 in Clean Water State Revolving Funds, between the City of Sunnyvale and the State Water Resources Control Board, and to execute all implementing documents for financial assistance in connection with the City's Water Pollution Control Plant upgrade project





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Questions?

City Council Meeting
June 3, 2025

