

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING**

**San Mateo Main Library –55 W. 3<sup>rd</sup> Ave., San Mateo  
Oak Room  
(Directions on Page 3)**

**Thursday, May 18, 2017  
6:30 P.M.**

**AGENDA**

<b><u>Agenda Item</u></b>	<b><u>Presenter</u></b>	<b><u>Page</u></b>
<b>1. Call to Order/Roll Call/Salute to Flag</b>	<b>(Mendall)</b>	
<b>2. Board Policy Committee Report</b> <i>(Attachment)</i>	<b>(Larsson)</b>	<i>Pg 5</i>
<b>3. Comments by the Chair</b>	<b>(Mendall)</b>	
<b>4. Public Comments</b>	<b>(Mendall)</b>	
<i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>		
<b>5. Consent Calendar</b> <i>(Attachments)</i>	<b>(Mendall)</b>	
A. Approve Minutes of the March 16, 2017 Meeting		<i>Pg 17</i>
B. Receive and File Budget Status Report – As of March 31, 2017		<i>Pg 21</i>
C. Receive and File Investment Report – As of March 31, 2017		<i>Pg 23</i>
D. Receive and File Bond Surcharge Collection Report – As of March 31, 2017		<i>Pg 25</i>
E. Receive and File Directors' Reimbursement Report – As of March 31, 2017		<i>Pg 27</i>
<b>6. SFPUC Report</b>	<b>(Kelly)</b>	
<b>7. Closed Session</b>		
A. Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9: <i>Restore Hetch Hetchy v. City and County of San Francisco, et al.</i> Case Number: F074107	<b>(Schutte)</b>	
B. Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code 54956.9 (One potential case)	<b>(Schutte)</b>	
<b>8. Reconvene and Report from Closed Session</b>	<b>(Mendall)</b>	
<b>9. Action Calendar</b>		
A. Amendment to Hanson Bridgett Professional Services Contract <i>(Attachment)</i> <i>This item was discussed at the April 12<sup>th</sup> BPC meeting as forthcoming information dependent upon developments of current activities.</i>	<b>(Sandkulla)</b>	<i>Pg 29</i>

- B. Proposed FY 2017-18 Work Plan and Results to be Achieved (*Attachment*) **(Sandkulla)** Pg 31
1. Approval of Proposed FY 2017-18 Work Plan and Results to be Achieved;
  2. Approval of Proposed Operating Budget of \$3,704,572; and,
  3. Approval of recommended funding plan of either (a) 3% assessment increase (\$3,543,957) and a transfer of \$160,615 from the General Reserve, or (b) a 5% assessment increase (\$3,612,770) and a transfer of \$91,802 from the General Reserve.

*The Committee voted unanimously to recommend approval of #1 and #2, and approval of either #3a or #3b.*

- C. Approval of Professional Services Contracts for FY 2017-18 (*Attachments*) **(Sandkulla)** Pg 55

Consultant Contracts for Technical and Administrative Services

1. BLX Group, LLC (Arbitrage Rebate Compliance Services) Pg 59
2. Burr, Pilger, Mayer (Auditing, WSA) Pg 61
3. Geosyntec (Engineering) Pg 63
4. Hanson Bridgett, LLP (Legal Counsel) Pg 65
5. Harlan Wendell (Strategic Counsel) Pg 71
6. Hilton, Farnkopf, Hobson (Engineering/Financial Consultant, WSA) Pg 75
7. Immersiv Media (Database) Pg 77
8. Kelling, Northcross, Norbriga (Financial Advisor) Pg 81
9. Orrick, LLP (Bond Documents Legal Support) Pg 83
10. Public Trust Advisors, LLC (Investment Advisor) Pg 85
11. Stetson Engineering (Water Analyses, WSA) Pg 87
12. Terry Roberts (Engineering Consultant – WSIP, 10-year CIP) Pg 91

Consultant Contracts for Conservation Programs

13. ConserveTrack, LLC (Online Database System) Pg 95
14. EarthCapades (School Assembly Program) Pg 103
15. Global Sun Landscape (Lawn Be Gone Inspection Services) Pg 109
16. Maddaus Water Management (As Needed Assistance on Demand Model) Pg 113
17. Resource Action Program (School Education Programs) Pg 117
18. Tuolumne River Trust (Classroom Education Program) Pg 131
19. Waterfluence, LLC (Large Landscape Conservation Services) Pg 135
20. Water Smart (Home Water Use Survey) Pg 141
21. Western Municipal District (Free Sprinkler Nozzle Program) Pg 151

*As these items are considered annually and do not represent new policy action for board consideration, and therefore, were not presented to the Committee.*

- D. Authorization to Negotiate and Execute and Contract with Hazen and Sawyer, **(Francis)** Pg 161  
 subject to legal counsel’s final review, up to an amount not to exceed \$135,000 for development of the Regional Water System and Supply Modeling Tool (*Attachment*)

*The Committee confirmed that the selection process conforms to agency practices and public process, and was not asked to authorize the CEO to negotiate and execute a contract because the RFP process was in progress.*

- 10. Reports** (Sandkulla)
- A. CEO/General Manager's Letter (*Attachment*) Pg 165
  - B. Board Policy Calendar (*Attachment*) Pg 169
  - C. Correspondence Packet ([Under Separate Cover](#))
- 11. Directors' Discussion: Comments, Questions and Agenda Requests** (Mendall)
- 12. Date, Time and Location of Future Meetings** (Mendall) Pg 171  
(See attached schedule of meetings)
- 13. Adjourn to next meeting scheduled for July 20, 2017 at 6:30pm** (Mendall)

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*All public records that relate to an open session item of a meeting of the BAWSCA Board that are distributed to a majority of the Committee less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at **BAWSCA, 155 Bovet Road, Suite 650, San Mateo, CA 94402** at the same time that those records are distributed or made available to a majority of the Committee.*

**Directions to San Mateo Main Library San Mateo – 55 W. 3<sup>rd</sup> Avenue**

**From San Jose via Hwy. 280 Northbound**, Exit Hwy-92 East towards San Mateo/Hayward. Exit 12B onto Ca-82 N/S El Camino Real. Turn Left on 3<sup>rd</sup> Ave. The Library is on your left. Street parking and underground parking are available. The Oak Room is on the main floor to the left of the main Library entrance.

**From San Francisco via Hwy 280 Southbound**, Exit Hwy-92 East towards San Mateo/Hayward. Exit 12B onto CA-82 N/S El Camino Real. Merge onto CA-82, turn Left on W. 3<sup>rd</sup> Ave. The Library is on your left. Street parking and underground parking are available. The Oak Room is on the main floor to the left of the main Library entrance.

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# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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## **MEMORANDUM**

TO: BAWSCA Board Members  
FROM: Nicole Sandkulla, Chief Executive Officer/General Manager  
DATE: May 12, 2017  
SUBJECT: Summary of Board Policy Committee meeting held April 12, 2017

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1. **Call to Order:** Committee Chair Gustav Larsson called the meeting to order at 1:30 pm. A list of Committee members who were present (7) and other attendees is attached.

The Committee took the following action and discussed the following topics:

2. **Public Comments:** There were no comments received from the public.
3. **Consent Calendar:** Approval of Minutes from the February 8, 2017 meeting.

Director Zigterman noted that the first line of the last paragraph on page 4 should state, 55 “gpcd” instead of 55 “mgd”.

**Director Quigg made a motion, seconded by Director Benton, that the minutes of the February 8, 2017 Board Policy Committee meeting be approved with the noted correction.**

**The motion passed unanimously.**

6. **Comments by Committee Chair and Board Chair:** There were no comments by the Chair

7. **Action Items:**

- A. **Proposed Fiscal Year 2017-18 Work Plan and Results to be Achieved:**

Ms. Sandkulla reported that the proposed workplan and results to be achieved for FY 2017-18 remains consistent with the preliminary work plan presented to and discussed with the BPC in February, and the Board in March.

The proposed work plan continues to align with BAWSCA’s legislative authority and goals of ensuring water supply reliability, water quality, and fair price. It addresses critical issues identified between now and 2040, responds to input received from the BPC and the Board, and includes increased activities and resources to three specific reliability areas. They include the development of a regional water system and supply modeling tool, helping

member agencies meet the requirements of “Making Water Conservation a California Way of Life”, and participating directly in the SWRCB’s Bay-Delta update and draft SED process.

The proposed operating budget of \$3,704,572 is 6.8% higher than the current budget. The budget distribution has a large portion of BAWSCA’s efforts focused on supply reliability given the Governor’s executive order on conservation, the State Water Resources Control Board’s (SWRCB) draft SED, and the efforts to restore Hetch Hetchy. Salaries and Benefits, including full funding of OPEB annual required contribution and COLA adjustment, is 42% of the operating budget. The proposed budget’s total cost to water customers is approximately \$2.08 per person, an increase of 0.12 cents from the current budget.

An important consideration for the Committee’s discussion is how to fund the budget. BAWSCA has four principles by which the funding mechanism is developed. They include having sufficient resources to achieve results, spending only what is needed to achieve results, applying incremental and prudent assessment increases as necessary, and maintaining a prudent General Reserve.

Three funding considerations were analyzed:

- 1) 5% increase in Assessments and a transfer of \$91,802 from the General Reserve;
- 2) 3% increase in Assessments and a transfer of \$160,615 from the General Reserve;
- and
- 3) 7.7% increase in Assessments only.

BAWSCA’s General Reserve Policy provides a budgetary guideline of a balance of 20%-35% of the operating budget. The current General Reserve balance is \$1,202,592.

Ms. Sandkulla reported that it would be prudent to anticipate a full expenditure of the current budget at the end of the fiscal year given the current developments that may require legal counsel moving forward. At the same time, it is critical to maintain a strong General Reserve balance for the same reasons.

Ms. Sandkulla noted to the Committee that it is very likely that an amendment to Legal Counsel’s budget will be presented as an action item for the Board at its May meeting. The required amendment adds to the legal budget approved by the Board, but will stay within the current operating budget.

Ms. Sandkulla recommends increasing assessments by 5% and transferring \$91,802 from the General Reserve to fund the budget.

Director Quigg commented that litigation, which the member agencies are aware of, can be unpredictable in the level of activities it will involve. He expressed his support for the 5% increase in assessment.

Director Mendall noted that despite the current budget being expended at 90%-100% at the end of the fiscal year, the General Reserve balance will remain at the higher end of the budgetary guideline. Given the previous assessment increases of 5% in FY 2016-17, and 10% in FY 2015-16, the BPC would need to be able to justify its recommendation. Director Mendall stated that he would support a 3% assessment increase.

Director Zigterman pointed two factors for the Committee's consideration. First, there is no increase on the wholesale water rates for FY 2017-18, and second, any legal spending that may come up during the course of FY 2017-18 will not be sudden. Given those considerations, he is supportive of a 3%-5% assessment increase.

Director Guzzetta suggested to include a table that shows what the resulting projected General Reserve balance would be for each funding alternative. That information is key in preparing for unexpected expenditures that might come up. Additionally, having a full reserve would be prudent to avoid having a bigger assessment increase should there may be a need to use a bigger portion of the General Reserve for FY 2018-19.

Director Guzzetta also noted that the development of the Regional Water System and Water Supply Modeling Tool is a substantial investment. It would be helpful for the Board to know the types of questions the tool will answer.

Ms. Sandkulla agreed with Director Guzzetta and stated that the modeling tool will be a multi-year effort for BAWSCA and its member agencies. Designing the tool to answer the questions that are most important to the member agencies will be a priority in selecting and working with the consultant.

Ms. Sandkulla explained that the proposed funding alternatives and expending the budget at 100% will not significantly put the General Reserve balance below the 30% recommended guideline. BAWSCA is aware of the critical issues that may develop next fiscal year and Ms. Sandkulla is comfortable with the General Reserve balance. She agrees with Director Zigterman's comments that any additional legal expenses will not happen immediately. The more important question, however, is what will happen in the subsequent years and how can BAWSCA manage those events?

Director Pierce suggested to add a column on table H that provides a short description of what the historical assessment increases were primarily related to.

Director Mendall also suggested to include in table H, an estimate of the General Reserve's year-end balance for FY 2016-17.

Ms. Sandkulla noted that 2003, 2004, and 2005 were transitional years between BAWUA and BAWSCA, in which, for best management practices, BAWUA's remaining funds financed a portion of BAWSCA's operating budget.

Director Pierce added that BAWSCA's full staff now provides the means to complete the full work plan, and therefore, the budget is now fully expended. Previous years have had unspent funds due to some work being deferred to focus resources on more time sensitive and higher priority matters that arise.

Ms. Sandkulla stated that she estimates the General Reserve would remain at its current balance of \$1.2 M at year end. If assessments are increased by 3% and funds from the General Reserve are transferred to finance the FY 2017-18 Operating Budget, the General Reserve balance will be slightly below the upper range of the guideline, but will remain well within the 20% - 35% range.

Legal activities will continue and there will be legal expenses through the end of the fiscal year. Ms. Sandkulla, however, does not expect to spend beyond the current fiscal year's budget or have the need to use the General Reserve during this current fiscal year. There are no indications that legal activities will go outside of the approved budget.

Depending on expenses that come in between now and the first two weeks of May, Ms. Sandkulla can provide the Board a better estimate of the overall agency budget expenditures at the May Board meeting.

Committee Chair Larsson stated that while he has concerns with drawing down the General Reserve given the legal uncertainties, he supports keeping the reserve balance fully replenished as much as possible, and suggested looking at 4%.

The Committee had a 2:4 poll between 3% and 5%. Director Guzzetta didn't vote because he needed to know where the likelihood of the General Reserve balance will be under each alternative, to make a decision between 3% and 5%.

Director Mendall noted that Director Zigterman's comment about the zero increase in wholesale water rates for FY 2017-18 is the most compelling reason available to consider an increase in the assessments for FY 2017-18.

**Director Mendall made a motion to 1) recommend Board approval of the proposed FY 2017-18 Work Plan and Results to be Achieved, and proposed Operating Budget of \$3,704,572, and 2) to let the full Board decide between the assessment increase of 3% and 5% at the May Board meeting. Director Pierce seconded the motion.**

**There were no discussions on the motion. The motion passed unanimously by voice vote.**

- B. Consultant Selection to Develop Independent Regional Water System and Supply Modeling Tool: Sr. Water Resources Specialist, Adrienne Carr, reported that developing an Independent Regional Water System and Supply Modeling tool was included and approved by the Board in FY 2016-17 work plan, but it was deferred as part of the mid-year budget review.

BAWSCA's reliance on the SFPUC for supply reliability modeling no longer meets BAWSCA's needs. Developing an independent modeling tool would allow an analysis of the SF Regional Water System's reliability based on BAWSCA's scenarios, as well as provide an additional benefit of being able to integrate other regional supplies, such as Santa Clara Valley Water District (SCVWD), and local supplies into the analysis to further understand their implications to the service area's water supply reliability. The SFPUC and SCVWD supports BAWSCA's efforts.

Ms. Carr explained that having an independent modeling tool will enhance BAWSCA's resource evaluation capabilities, as well as support future decision making processes that will be a part of implementing BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy).

For example, if BAWSCA and its member agencies were to consider investing in a new water supply source, such as recycled water, the modeling tool can help in the evaluation of the costs and benefits to the member agencies. It can help assess shortage frequency with



consideration of all supplies, and evaluate the effects of changed water demands and demand management projects. To date, BAWSCA relies on the SFPUC's modeling tool for water supply planning.

The development of a modeling tool was initially proposed as a collaboration with Stanford's ReNUWIt program since their efforts aligned with BAWSCA's. However, during the negotiations and legal review of the potential professional services agreement with ReNUWIt, it was discovered that, to execute BAWSCA's Standard form of contract, the cost of the project would be subject to a large additional cost associated with the overhead charged at Stanford University. This warranted a formal RFP process to ensure that BAWSCA obtains the best value for services provided to complete the work and that BAWSCA conforms with agency policy and procedures.

Request for Proposals were released on March 24<sup>th</sup>, and responses are due on April 24<sup>th</sup>. The proposed FY 2017-18 operating budget includes \$135K for this effort.

BAWSCA requires proposals to include budget estimates based on the scope of work to be completed within FY 2017-18. If the responses to the RFP indicate that additional funding is needed to complete the work within 1 year, BAWSCA will consider how to best move forward. Changes to the budget, schedule or scope will be presented to the Board at the May board meeting.

A selection panel comprised of BAWSCA staff and outside representatives will evaluate the RFP's and conduct interviews on May 2<sup>nd</sup>, if necessary. BAWSCA anticipates requesting Board authorization to negotiate and enter into a contract with the selected consultant at the Board meeting on May 18<sup>th</sup>. The goal is to begin work on July 1<sup>st</sup>, 2017 for the model's completion by June 2018.

The Committee is being asked 1) to confirm the consultant solicitation and selection process conform to agency practices, and 2) advise CEO of additional information helpful for Board consideration.

Director Mendall expressed his support for the process, and stated that while he was comfortable with sole sourcing the efforts with ReNUWIt, he appreciates the attention to detail in conducting an RFP as best management practice.

Committee input and discussion ensued on the project scope, schedule and budget.

Ms. Carr explained that SFPUC's modeling tool represents only 66% of the BAWSCA member agencies' water supply. The independent modeling tool will include information on all of the BAWSCA member agencies' water supply sources such as SCVWD and the State Water project. For example, SFPUC's modeling tool can run SFPUC's water supply reliability for a 30-year period, but not the water supply reliability of other sources, that BAWSCA member agencies rely on. The independent modeling tool can provide information on all water supply sources that have a potential impact on the member agencies.

The development of BAWSCA's model will be in coordination with the SFPUC and SCVWD who have agreed to provide a suite of output from their modeling tools that BAWSCA can draw from. The scope of work includes the task of looking at how to best develop the tool without reinventing existing models used by these agencies.

The independent modeling tool does not intend to duplicate San Francisco's modeling tool, but instead complement it. During the recent drought, some agencies received zero allocation from the State Water Project and asked the SFPUC to supplement that water supply. That demand from the agencies was never forecasted in SFPUC's demand scenarios, and could have had a significant impact on water supply reliability during the recent drought. BAWSCA's development of an independent model can, during its construction process, serve as a learning mechanism and, when completed, will be a tool used to find out about how agencies' demands are impacted by other supplies.

While there is coordinated efforts in developing the model with the SFPUC and SCVWD, there is no intention to share the costs because the model is intended to be owned by BAWSCA for its member agencies.

Ms. Sandkulla added that the collaboration with SFPUC, SCVWD and the State Water Project during construction of the modeling tool will be consistent with how BAWSCA has participated in coordinating committees with those agencies in the past. The SFPUC is expected to be a part of an advisory panel that meets regularly with BAWSCA to ensure consistency between the tools.

Director Guzzetta cautioned against drawing from existing models such as the SFPUC's because they may not be of value to BAWSCA except for the data. The goal should be for BAWSCA to have a functioning model that is easy to use and understand, as well as provide the least cost alternative moving forward.

Ms. Sandkulla reiterated that it is important to understand that the model will provide information on the water supplies member agencies rely on, aside from the SF RWS. She explained that when BAWSCA started its efforts on the Strategy in 2007, the initial assumption was that it was appropriate to exclude analysis on the impacts on water supplies outside of SF RWS. This was reflective of the individual agencies' interests to manage their own supplies from sources outside of the SF RWS.

However, the recent drought proved that the assumption was flawed. The agencies now recognize the need and benefits for BAWSCA to be able to provide information on the overall water supply management for the region.

Following BAWSCA's development of the groundwater model, which has been instrumental in developing a bigger regional model, agencies are getting an increased understanding of what BAWSCA can do. The progress BAWSCA has made in water supply management provides a natural development of addressing additional and relatable questions associated with water supply reliability.

In response to Director Pierce, Ms. Carr explained that estimates of water conservation savings and water demand will be fed into the model as data input. The model can provide a better understanding of conservation savings as far as its value and how it impacts the overall supply.

Director Guzzetta noted that agencies deal with the sensitivities of costs to demand reductions. The effects of conservation savings are important considerations for an agency's future decision making about costs. Having a rate component in the model that can, for example, average the revenue requirement if an agency reduces supplies would be helpful.

Ms. Sandkulla stated that while it is not in the scope of work, she agreed that this information is critical to supporting agencies' investment decisions. It would be an appropriate question to be included as a secondary step to developing the model. She added that the model will be a planning tool that will take individual agencies' output to come up with a collective data that represents the BAWSCA service area.

The RFP has seven specific tasks for consultants to respond as to how they propose to address them.

Ms. Sandkulla explained that the RFP has a specific scope of work that is critical to complete. While this is a multi-year effort, Ms. Sandkulla stated that keeping focus on the results that need to be achieved during the development of the model, and not having a hiatus in the progress of the work, is preferred. Ms. Sandkulla stated that the scope is critical, the schedule can be flexible, and the budget is at the upper end.

Following the review of responses from the RFP, a full presentation to the Board will be provided at the May meeting. Any necessary adjustments to the budget, scope and schedule will depend on how much money is worth spending to achieve the targeted results.

Director Zigterman noted that he would not be surprised if the proposals came back higher than the \$135K budget.

In response to Director Benton's question, Ms. Carr explained that hydrological modeling has a standard formula for ensuring information accuracy. Construction of the model will include calibration and validation processes. The model will be calibrated for optimal performance before it goes through the validation process where the model runs scenarios that already occurred to generate a result that is consistent with historical facts.

BAWSCA will evaluate the advantages and disadvantages of the options consultants will propose. RFP responses are expected to offer options of a basic spreadsheet tool, customizable packages, loose framework built on mathematical equations, or something in the middle. Packages, for example, can offer the benefits of having reliable ongoing support and features that, while not yet useful at the moment, can be useful in the future. A maintenance plan is requested in the RFP. BAWSCA will choose the option that will work best for BAWSCA's needs.

There will be a technical advisory team to help evaluate the considerations between the options. If ReNUWIit does not make a proposal, they will be considered for the technical panel.

**Director Benton made a motion, seconded by Director Pierce, that the committee confirms that the process conforms to agency practices and appropriate public process. The motion carried unanimously by voice vote.**

## **8. Report and Discussion:**

- A. State Water Resource Control Board's (SWRCB) Draft SED: Ms. Sandkulla reported that all BAWSCA member agencies submitted comment letters to the State on the draft SED. BAWSCA's comment letter was submitted on March 17<sup>th</sup>, and is accessible from the BAWSCA website.

BAWSCA is reviewing comment letters from other agencies and interested parties to get familiar with their messages.

BAWSCA's major focus has been on the separate settlement negotiations that is currently taking place. BAWSCA and SFPUC's interests continues to align, and are continuing to coordinate efforts together. However, BAWSCA is pursuing an independent participation in the settlement negotiations to best represent the member agencies' interests. BAWSCA is communicating with state officials, legislators and allies.

Ms. Sandkulla noted that the draft SED is an environmental document, which goes through an evaluation process of alternatives. SFPUC's comment letter proposed an environmentally preferable alternative designed to promote the expansion and maintenance of salmonid populations on the Tuolumne River, and maintain water supply reliability.

Ms. Sandkulla explained that instead of requiring a percent of the river's true natural flow, SFPUC's alternative presents targeted environmental flows that provide net increased flow above current required instream flows for the purpose of supporting and encouraging the life-stages of the species that are currently in the river.

SFPUC's alternative recognizes that the river has evolved from a wild and scenic river to a river that has changed dramatically by the development around it. SFPUC proposes to target the flows that best benefit the existing conditions, because restoring what was the true natural flow is not necessarily the optimal condition. Importantly, SFPUC's alternative includes physical habitat improvements in the instream channel to address known issues including gravel cleaning, gravel improvements, predator control, and effective fishery hatchery management. This is the idea of making sure the that fish grown in the river come back

The elements to SFPUC's alternative are fact based on the results of extensive studies that have been done on the Tuolumne River in collaboration with the Modesto and Turlock Irrigation Districts. Time and money has been invested to conduct studies through the course of over 20 years specifically focused on addressing the issues in Tuolumne River.

SFPUC's proposal is a strong alternative that Ms. Sandkulla hopes will be given serious consideration in the settlement conversations and SWRCP action.

SWRCB will prepare a draft final SED that is required to include responses to all comments received, even if it simply says, "comment noted". The State Board is in the process of reviewing the comments received. While the State Board has previously indicated that adoption of a draft final SED will take place in the Fall of 2017, it is unclear if this timeline remains viable given the volume of comments received.

While this administrative procedural process is ongoing, there are separate settlement discussions taking place because of the threat of a lawsuit given the legal issues raised during the public comment period.

In response to Committee members' questions, Ms. Sandkulla reported that a group focused on the San Joaquin tributaries is involved in the settlement discussion. This group is comprised of the owners and operators of water systems on the Tuolumne, Merced, and Stanislaus Rivers, certain permitting agencies, and other non-governmental organizations.

There are other processes starting for the Sacramento River and groups around Mokelumne River.

Ms. Sandkulla stated that there is no unified federal voice between the Bureau of Reclamation, who operates a system and has water supply obligations; the US Fish and Wildlife Service; the National Marine Fishery Service; and other regulatory agencies such as the Environmental Protection Agency.

Legal counsel noted that both sides, environmental groups and water supply groups, were dissatisfied with the draft SED, and it was evident in their comments. If the SWRCB moves forward, without a settlement, a lawsuit is imminent from either or both sides.

Ms. Sandkulla stated that this is a significant issue that will remain on BAWSCA's work plan for multiple years.

Director Pierce wondered the potential of pilot projects in which the evidence based approaches from the settlement discussions can be applied. Ms. Sandkulla noted the suggestion.

## 9. Reports

- A. San Francisco Regional Water System Water Supply Forecast and Water Supply Conditions: Ms. Sandkulla reported that the system is full. Precipitation is almost up to the wettest year on record. While the snow data remains below the snow course index, it is higher than the past 2 years. The snow course index is the measurement of the depth and water content of the snow in the different parts of the watershed against an index based on historical records.

Water use went slightly up this past week, but continues to be on the 10% voluntary water use reduction mark.

In early April, the SFPUC issued its final water supply availability report for Water Year 2017, and stated that it will be able to meet 100% of its customers' needs this year. SFPUC continues to support "wise use of water" given ongoing benefit of conservation for all customers.

Ms. Sandkulla noted that during the drought, SFPUC waived its minimum purchase requirements on four wholesale customers: ACWD, Milpitas, Sunnyvale and Mountain View. Because of significant alternate supplies, the agencies are subject to, under their individual contract and the 2009 WSA, a minimum purchase requirement from the SFPUC. Now that the drought is over, the SFPUC has notified the agencies that it will lift the waiver as of July 1, 2017.

Ms. Sandkulla stated that this will be a significant issue, notably for Mountain View, because their demands will not rebound back up to that minimum amount. As a result, these agencies will be paying for water supply that they are not selling to customers.

This issue plays into Mountain View's discussion with East Palo Alto and its need for additional water supply. There are provisions and some restrictions for these potential transfers within the contract with SFPUC. There are no immediate and obvious answers to address the larger minimum purchase requirements at the moment. It is an issue that has

been forthcoming, given Mountain View's significant transformation from large scale chip manufacturing companies and larger residential lots, to having water efficient developments in their technological and residential sectors.

Governor Brown officially declared the end of the drought emergency on April 7<sup>th</sup>. The BAWSCA agencies are no longer required to complete "stress tests" and adhere to mandatory reductions. The monthly water supplier reporting on urban water use and prohibitions on water waste will remain.

Also on April 7<sup>th</sup>, the final report presenting the framework for "Making Conservation a California Way of Life" (Conservation Framework) was released. There were no major changes to what was presented in the draft. The framework includes new water use targets for urban water suppliers, and enhanced shortage planning requirements.

In response to Director Quigg, Ms. Carr stated that there four counties in southern San Joaquin area that continue to be under emergency local restrictions so they can receive funding because there are communities that have no access to water. This enables them to continue receiving supply from water trucks.

Implementation of the Conservation Framework will require expanded statutory authorities. Governor Brown's administration has proposed a budget trailer bill to establish these authorities. The bill would give the State Board a broad and significant authority to establish, change, and enforce long-term water use targets. The State Board will have the enforcement power that will have financial implications if water suppliers do not comply. It is a significant change in the State Board's authority.

On a separate path, there are two policy bills proposed by Assembly Member Blanca Rubio to implement ACWA-developed alternative to the State's Conservation Framework. They are AB 968 on Water Shortage Contingency Plan requirements, and AB 1654 on New Water Use Targets. The bills are consistent with what water suppliers were envisioning, not keeping the authority within the Department of Water Resources, and providing greater flexibility in establishing the water-use targets.

BAWSCA is working with SFPUC and ACWA in determining position on these pieces of legislations.

Director Mendall asked if the CEO and Strategic Counsel have thought about what the next potential Governor's position might be regarding water. He suggested for the CEO's consideration, and not necessarily a direction, to examine whether there are some opportunities to educate before the election occurs.

Strategic Counsel stated that he and Nicole are scheduled to meet with Legislators in Sacramento to discuss water supply issues to try and gauge where this effort is headed.

- B. BAWSCA Planning Efforts with SCVWD: Ms. Sandkulla reminded the Committee that in the Fall of 2016, she reported that BAWSCA was preparing to enter a Memorandum of Understanding (MOU) with SCVWD and San Francisco to investigate the potential of a Purified Water Feasibility Study in FY 2017-18. The feasibility study will identify and evaluate options for SFPUC and BAWSCA to participate in SCVWD's expedited Purified Water

Program, particularly for the 8 agencies in Santa Clara County including San Jose and Santa Clara.

The study provides San Francisco and BAWSCA with the potential of new water supply between 5-15 mgd. SCVWD's interest in the collaboration is partnership with water agencies and the financial benefit from increased use of their facilities with partners.

Ms. Sandkulla was pleased to report that the MOU has been executed.

In addition, Ms. Sandkulla and Chair Mendall met with SCVWD CEO, Norma Camacho, and Board Member, Gary Kremen, to discuss the agencies' common interests in water supply. There are early planning efforts that can be accommodated and are included in the work plan for FY 2017-18. Meetings between the agencies will be scheduled for further consideration of opportunities.

Chair Mendall added that the meeting indicated a spirit of cooperation which he appreciated and looks forward to developing.

Director Zigterman asked what BAWSCA's role is in this localized supply opportunity. Ms. Sandkulla stated that BAWSCA's role is collective for the member agencies. The member agencies have expressed interest in finding a resolution for San Jose and Santa Clara's water supply needs. Additionally, the member agencies share a common supply source, in which the project can provide a reliability benefit for the regional system. The work will focus on the large group, and if development indicates specific focus on certain agencies, then the efforts will be re-examined.

Director Guzzetta added that the potential Pacheco Reservoir project identified by SCVWD can offer opportunities for increased supply and present a regional benefit.

**10. Comments by Committee Members:** In response to Director Zigterman, Ms. Sandkulla explained the application of COLA to the salary ranges. The adjustment is applied to the upper end of the salary range for each position, except the CEO's, to maintain market competitiveness. Salary increases are based on merit. The COLA provides the window for the merit increase.

**11. Adjournment:** The meeting was adjourned at 2:59 pm. The next meeting is June 14, 2017.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE – April 12, 2017**

**Roster of Attendees:**

**Committee Members Present**

Gustav Larsson, City of Sunnyvale (Chair)  
Tom Zigterman, Stanford (Vice Chair)  
Jay Benton, Town of Hillsborough  
Rob Guzzetta, California Water Service Company  
Al Mendall, City of Hayward (BAWSCA Chair)  
Barbara Pierce, City of Redwood City (BAWSCA Vice Chair)  
Dan Quigg, City of Millbrae  
Gregg Schmid, City of Palo Alto

**Absent**

Randy Breault, City of Brisbane/GVMID (Immediate Past BAWSCA Chair)  
Gregg Schmid, City of Palo Alto

**BAWSCA Staff:**

Nicole Sandkulla	CEO/General Manager
Tom Francis	Water Resources Manager
Adrienne Carr	Sr. Water Resources Specialist
Andree Johnson	Sr. Water Resources Specialist
Christina Tang	Sr. Administrative Analyst
Lourdes Enriquez	Assistant to the Chief Executive Officer
Deborah Grimes	Office Manager
Nathan Metcalf	Legal Counsel, Hanson Bridgett, LLP
Bud Wendell	Management Communications

**Public Attendees:**

Michelle Novotny	San Francisco Public Utilities Commission
Jan Lee	City of Hayward



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING**

**March 16, 2017 – 6:30 p.m.  
Foster City Community Building, Foster City CA**

<b>MINUTES</b>
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**1. Call to Order/Pledge of Allegiance/Roll Call – 6:30 pm**

BAWSCA Chair, Al Mendall, called the meeting to order and led the salute to the flag. CEO/General Manager, Nicole Sandkulla, called the roll. Sixteen (16) members of the Board were present at roll call, constituting a quorum. Five arrived after roll-call. A list of Directors present (21) and absent (5) is attached.

**2. Comments by the Chair:**

Chair Mendall noted that FY 2017-18 preliminary Work Plan and Operating Budget to address BAWSCA's challenges is on the agenda for the Board's discussion. The work plan is aggressive to ensure long-term water reliability including studies for advanced treated recycled water projects, partnerships for groundwater, and a pilot water transfer.

BAWSCA will submit comments to the State Water Resources Control Board on its draft SED document on March 17th. BAWSCA's comment letter will provide information about the negative impacts of the State Board's proposal on the BAWSCA service area that must be considered as part of a final decision. Chair Mendall emphasized that BAWSCA supports the objective of the Bay Delta Plan and is committed to work with other stakeholders to protect and improve water quality in the Bay Delta for humans, fish and other wildlife. BAWSCA hopes that a negotiated settlement can be reached.

Chair Mendall welcomed new members of the Board, Juslyn Manalo from Daly City and Rich Tran from Milpitas.

- 3. Board Policy Committee (BPC) Report:** Committee Chair, Gustav Larsson reported the discussions by the Committee at its meeting on February 8<sup>th</sup>, 2017. They are reflected in the BPC summary report included in the packet.
- 4. SFPUC Report:** SFPUC Division Manager, David Briggs, addressed the Board on behalf of Harlan Kelly and Steve Ritchie who were unable to attend the meeting. Dan Wade, Program Director, presented the progress of the WSIP and the Mountain Tunnel.
- 5. Public Comments:** There were no public comments.
- 6. Consent Calendar:**  
**Director Richardson made a motion, seconded by Director Kasperzak, to approve the Minutes of the January 19, 2017 meeting, receive and file the**

**Budget Status Report as of January 31, 2017, and the Bond Surcharge Collection, Account Balance and Payment Report as of December 31, 2016.**

The motion carried unanimously.

**7. Reports and Discussions:**

- A. Governor's Executive Order B-37-16 on "Making Water conservation a Way of Life" Framework: Ms. Sandkulla presented the State's proposed long-term conservation requirements and how it fits into BAWSCA's workplan and budget for FY 2017-18.
  
- B. Preliminary Fiscal Year 2017-18 Work Plan and Results to be Achieved: Ms. Sandkulla presented the major tasks included in the preliminary workplan for FY 2017-18, the preliminary operating budget, and considerations for funding the budget.

**8. Reports:**

The results of the FY 2014-15 Wholesale Revenue Requirement Review were presented by Sr. Administrative Analyst, Christina Tang.

Ms. Sandkulla reported on the current water supply conditions.

A CEO's Letter, Correspondence Packet, and Board of Directors' Policy Calendar was included in the Agenda Packet for the Board's information.

**9. Closed Session:**

The meeting adjourned to Closed Session at 7:59pm, and reconvened to Open Session at 8:30pm. There were no actions taken during Closed Session.

**10. Directors' Discussion: Comments, Questions and Agenda Requests:** There was no further discussion from the Board.**11. Date, Time and Location of Next Meeting:** The next meeting is scheduled on May 18, 2017 at the new time of 6:30pm, in the Oak Room, of the San Mateo Main Library.**12. Adjournment:** The meeting adjourned at 8:31pm.

Respectfully submitted,

Nicole M. Sandkulla  
Chief Executive Officer/General Manager

NMS/le

Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**Board of Directors Meeting**  
**March 16, 2017**

**Attendance Roster**

Present:

Robert Anderson	Purissima Hills Water District
Tom Chambers	Westborough Water District
Rob Guzzetta	California Water Service Company
Mike Kasperzak	City of Mountain View
Kirsten Keith	City of Menlo Park
Pat Kolstad	City of Santa Clara
Gustav Larsson	City of Sunnyvale
Juslyn Manalo	City of Daly City
Al Mendall	City of Hayward
Larry Moody	City of East Palo Alto
Irene O'Connell	City of San Bruno
Rosalie O'Mahony	City of Burlingame
Tom Piccolotti	North Coast County Water District
Barbara Pierce	City of Redwood City
Dan Quigg	City of Millbrae
Sepi Richardson	City of Brisbane
Gregg Schmid	City of Palo Alto
Rich Tran	City of Milpitas
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District
Tom Zigterman	Stanford

Absent:

Jay Benton	Town of Hillsborough
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Sam Liccardo	City of San Jose
Chris Mickelsen	Coastside County Water District

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# BAWSCA

## Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650  
 San Mateo, California 94402  
 (650) 349-3000 tel. (650) 349-8395 fax

**TO:** Nicole Sandkulla, CEO/General Manager

**FROM:** Deborah Grimes, Office Manager

**DATE:** May 1, 2017

**SUBJECT:** Budget Status Report as of March 31, 2017

This memorandum shows fiscal year budget status for FY 2016-17. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

**Operating Budget Summary:**

For the nine-month period ending March 31, 2017, 75 percent into the fiscal year, total expenditures were \$2,152,432 or 62 percent of the total budget of \$3,468,008.

**Table 1. Operating Budget Summary as of March 31, 2017**

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
<b>Consultants /Direct Expenditures</b>			
Reliability	964,600	567,748	59%
Fair Pricing	409,000	107,595	26%
Administration	95,000	78,389	83%
<b>Subtotal</b>	<b>1,468,600</b>	<b>753,732</b>	<b>51%</b>
<b>Administration and General</b>			
Salary & Benefits	1,580,658	1,177,772	75%
<b>Other Expenses</b>			
BAWSCA	356,450	220,028	62%
BAWUA	1,050	0	0%
<b>Subtotal</b>	<b>3,406,758</b>	<b>2,151,532</b>	<b>63%</b>
<b>Capital Expenses</b>	2,500	0	0%
<b>Budgeted Contingency</b>	57,500	0	0%
<b>Regional Financing Authority</b>	1,250	900	72%
<b>Grand Total</b>	<b>3,468,008</b>	<b>2,152,432</b>	<b>62%</b>

**Overview:**

Overall expenditures for FY 2016-17 are tracking within budget.

**Consultants**

The \$125,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 46 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 64 percent expended. The Operating Budget allocation of \$651,000 for legal counsel was 73 percent expended. The \$381,600 budget for water management and conservation-related activities was 17 percent expended.

**Administration and Other Expenses**

Budgets for salaries and other expenses were 75 and 62 percent expended respectively.

**Use of CEO's Discretionary Spending Authority:**

The CEO entered into the following agreements under her discretionary spending authority:

- Koff & Associates, in the amount of \$1,500, for professional services related to a classification review of the Senior Administrative Analyst position. (March 2017)
- A contract amendment in the amount of \$2,000 for Stetson Engineering for services related to the Water Supply Agreement (April 2017).
- A contract amendment in the amount of \$7,000 for EKI for services related to the drought response analysis (May 2017).

Expenses related to these actions will be reflected in the budget status report period ending June 30, 2017. The total Operating Budget for FY 2016-17 remained the same.

**Use of Reserve and Reserve Fund Balance:**

Unspent funds at the end of FY 2015-16 were \$453,246. The BAWSCA reserve balance as of March 31, 2017 shown below, reflects this deposit. In accordance with the adoption of the FY 2016-17 annual budget in May 2016, the Board approved transferring \$27,274 from the General Reserve to fund the FY 2016-17 budget. The BAWSCA General Reserve balances shown below reflect this transfer.

**Table 2. General Reserve Fund Balance**

<b>Fund</b>	<b>Account Balance (As of 01/31/17)</b>	<b>Account Balance (As of 03/31/17)</b>
General Reserve	\$1,202,592	\$1,202,592

# **BAWSCA**

## **Bay Area Water Supply & Conservation Agency**

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155 Bovet Road, Suite 650  
San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

### MEMORANDUM

**TO: Nicole Sandkulla, CEO/General Manager**

**FROM: Deborah Grimes, Office Manager**

**DATE: May 2, 2017**

**SUBJECT: Investment Report – As of March 31, 2017**

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In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. The Board most recently reviewed the investment policy at the November 17, 2016 board meeting. No changes were recommended or adopted as part of that review.

Funds in excess of \$250,000 are deposited in the BAWSCA Local Agency Investment Fund (LAIF) account throughout the year to ensure compliance with BAWSCA's investment policy.

BAWSCA's prior and current period LAIF account balances are shown below:

<u>12/31/16</u>	<u>03/31/17</u>
\$2,072,526	\$2,300,913

Of the total in the BAWSCA LAIF account as of March 31, 2017, \$1,202,592 represents BAWSCA's General Reserve Fund, equivalent to approximately 35 percent of FY 2016-17 Operating Budget. The remaining amount consists of Subscription Conservation Program funds and unrestricted funds.

Recent historical quarterly interest rates for LAIF deposits are shown below:

<u>12/31/16</u>	<u>03/31/17</u>
0.68%	0.78%

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# BAWSCA

## Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650  
San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

### MEMORANDUM

**TO: Nicole Sandkulla, CEO/General Manager**

**FROM: Christina Tang, Senior Administrative Analyst**

**DATE: May 2, 2017**

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report  
as of March 31, 2017**

BAWSCA's Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013 when the payments were paid off. The bond transaction and the prepayment program was anticipated to generate approximately \$62.3 million in net present value savings over the term of the bonds, or about 17% of the \$356.1 million in principal prepaid from bond proceeds to San Francisco at the end of February 2013.

### **Bond Surcharge Collections**

BAWSCA collects the bond surcharge from member agencies through the SFPUC as a separate item on SFPUC's monthly water bills to agencies. The bond surcharge payments are used to make debt service payments on BAWSCA's revenue bonds.

All surcharges billed for the months of January and February in 2017 have been collected. Payments of surcharges billed for March 2017 are still being received. Table 1 below presents a summary of financial transactions related to BAWSCA's Bond Series 2013A and 2013B for the three months.

Table 1: Summary of Surcharges Remitted to Trustee for Quarter Ending 03/31/2017

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>
January 2017	\$2,057,065	\$2,057,065
February 2017	\$2,057,065	\$2,057,065
<u>March 2017</u>	<u>\$2,057,065</u>	<u>\$1,331,604</u>
Total	\$6,171,195	\$5,445,734

### **Bond Surcharge Account Balances**

All surcharge payments are deposited with the Bank of New York, the Trustee who manages BAWSCA's accounts and administers debt service payments.

BAWSCA’s account balances at the Bank of New York and the account activities in the past quarter are shown in Table 2 below.

Table 2: Bank of New York Bond Trustee Account Activity for Quarter Ending 03/31/2017

	<b>21,459,795</b>	<b>Account Market Value as of 12/31/2016</b>
<i>plus:</i>	<i>6,512,025</i>	<i>Surcharge Collected in January 2017 through March 2017</i>
<i>plus:</i>	<i>126,791</i>	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	<i>(2,671)</i>	<i>Change in Market Value of Held Treasury Bonds</i>
<i>plus:</i>	<i>(24,255)</i>	<i>Change in Market Value of Matured Treasury Bonds</i>
	<b>28,071,685</b>	<b>Account Market Value as of 03/31/2017</b>

There are two ways interest is earned by BAWSCA on the collected surcharge payments and balances held in the stabilization funds. First, interest is automatically earned on the account balance in the Bank of New York Bond Trustee money market account at a current rate of approximately 0.58%. Last quarter, interest earnings received were \$10,317. Second, BAWSCA can invest the collected surcharge payments by purchasing US Treasury securities, possibly earning a higher rate of return than the money market account.

Based upon an evaluation of the available yields, it was determined that BAWSCA would realize a moderate earning benefit by purchasing U.S. Treasury securities instead of staying invested in the money market account. Following further evaluation, BAWSCA determined that a strategy that involved both a rolling and a laddered security structure provided the Agency with the most appropriate balance of safety, liquidity, and yield. Consequently, this investment strategy was implemented in October 2015. As of March 31, 2017, the held U.S. Treasury securities represented an increase of 41 basis points (0.41%) over what BAWSCA would have earned had the balances remained invested in the money market funds. The \$126,791 mentioned in the summary table above includes interest earnings of \$10,317 received from the money market fund and coupons of \$116,474 received from the securities.

All investment interest earnings are deposited directly in the Trustee account, and will be used to pay for future expenses and debt service of the bonds. Ultimately, all interest earnings are returned to the member agencies through annual savings and through distribution of the Stabilization Fund, including interest, once the bonds are fully paid.

**Revenue Bond Series 2013A and Series 2013B Debt Service Payment Status**

The recent debt service payment of \$6,459,367 was made on April 1, 2017. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$18,214,367 will be made on October 1, 2017. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1<sup>st</sup> and October 1<sup>st</sup> of each year until 2034.

# **BAWSCA**

## **Bay Area Water Supply & Conservation Agency**

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155 Bovet Road, Suite 650  
San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

### MEMORANDUM

**TO: Nicole Sandkulla, CEO/General Manager**

**FROM: Deborah Grimes, Office Manager**

**DATE: May 1, 2017**

**SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending  
March 31, 2017**

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In March 2006, the board adopted a directors' expense reimbursement policy consistent with the Government Code that requires a quarterly report on the Agency's reimbursement of directors' expenses. This report shall show the amount of expenses reimbursed to each director during the preceding three months.

There were no director expenses reimbursed for the quarter ending March 31, 2017.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**        **Amendment to Hanson Bridgett Professional Services Contract**

**Summary:**

Activities associated with current and anticipated litigation requires additional use of legal counsel services for the remainder of FY 2016-17. As a result, the contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2016-17. A budget amendment for an additional \$75,000 is recommended to fund necessary work through June 2017 for a revised not to exceed total budget of \$726,000.

**Fiscal Impact**

The adopted FY 2016-17 Operating Budget has the funds available for this contract increase. The source of funds will be the budgeted contingency of \$57,500, of which none has been expended to date, and unspent funds associated with other financial and technical consultant contracts that are not anticipated to be fully expended this fiscal year.

**Board Policy Committee Action:**

At its April 12<sup>th</sup> meeting, the Board Policy Committee was informed of the CEO and Legal Counsel's continuing evaluation of the level of effort needed from legal counsel to address the potential impacts of the draft SED and the issues that surround it, and the potential level of additional funding needed to achieve the necessary results.

**Recommendation:**

**That the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$75,000 for a total not to exceed amount of \$726,000.**

**Discussion:**

On September 15<sup>th</sup>, 2017, the State Water Resource Control Board (SWRCB) released its Recirculated Draft Substitute Environmental Document (SED). Efforts associated with the release of the Draft SED, and the separate concurrent settlement negotiations on this issue, have required and increased the level of support activity from legal counsel to ensure representation of the BAWSCA member agencies' interests. The activities resulting from the release of the draft SED have increased legal activities beyond the level originally budgeted. The recommended budget amendment will provide the additional legal resources necessary to address these critical issues.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Proposed Fiscal Year 2017-18 Work Plan and Results to be Achieved**

**Summary:**

This memorandum presents the proposed Fiscal Year 2017-18 Work Plan and Results to be Achieved, proposed Operating Budget, and recommended funding plan. No major changes have been made to the Work Plan or Operating Budget during the “preliminary” to “proposed” review process.

The proposed Work Plan remains aligned with BAWSCA’s legislated authority and its three goals: a reliable supply of high quality water at a fair price. Major work areas include increased activity in implementing the recommended Long-Term Reliable Water Supply Strategy (Strategy) actions, development of a new regional water supply reliability model for the BAWSCA service area, activities to support BAWSCA member agency efforts to meet new State of California “Making Water Conservation a Way of Life” requirements, participation in the State Water Resources Control Board (SWRCB) Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented, and participation in the Restore Hetch Hetchy litigation in which BAWSCA is a named party.

The proposed FY 2017-18 Operating Budget is \$3,704,572, which is 6.8% above the current FY 2016-17 Operating Budget. The proposed Operating Budget represents approximately a 12-cent increase in annual cost per person in the service area for an estimated cost to the water customer of \$2.08 per person per year.

At the request of the BPC, the recommended action presents two funding alternatives of either a 3% or a 5% assessment increase, with the funding balance through a transfer from the General Reserve.

Since the BPC meeting, the CEO/General Manager has completed an updated analysis of anticipated expenses and resulting budget savings this year. Based on this information, the CEO/General Manager recommends a 3% assessment increase, and associated use of \$160,615 from the General Reserve, to fund the Proposed FY 2017-18 Work Plan.

**Board Policy Committee Action:**

The Committee voted to recommend the proposed Board action. The Committee requested that the recommended action present two funding alternatives of either a 3% or 5% assessment increase, with the balance funded through a transfer from the General Reserve. This is reflected in the recommendation language below.

**Recommendation:**

**That the Board approve the:**

- 1. Proposed Fiscal Year 2017-18 Work Plan and Results to be Achieved,**
- 2. Proposed Operating Budget of \$3,704,572, and**
- 3. Recommended funding plan of either (a) a 3% assessment increase (\$3,543,957) and a transfer of \$160,615 from the General Reserve, or (b) a 5% assessment increase (\$3,612,770) and a transfer of \$91,802 from the General Reserve.**

**Discussion:**

**Proposed Work Plan and Results to Be Achieved:**

Next year's Work Plan addresses all the forward-looking issues discussed with the Board Policy Committee in December and with the Board in January.

The proposed FY 2017-18 Work Plan includes the following major efforts:

- Oversight of the SFPUC's WSIP, 10-Year Capital Improvement Program (CIP), and Regional Water System Asset Management Program;
- Implementation of BAWSCA's Strategy, as documented in the Strategy Phase IIA Report, including the following actions:
  - Complete pre-feasibility studies for up to four potential purified water projects in partnership with SFPUC, Silicon Valley Clean Water, Santa Clara Valley Water District and others. Engage with advocacy groups (e.g. WaterReuse) to access and exchange critical technical, legislative, and legal information to support these studies.
  - Finalize Pilot Water Transfer Agreements with EBMUD, Hayward, and others to implement a pilot water transfer in FY 2018-19.
  - Complete development of Bay Area Regional Reliability (BARR) Drought Action Plan in partnership with other Bay Area water agencies.
  - Participate in Los Vaqueros Expansion Studies to ensure participation in upcoming project decisions.
  - Promote the continued sustainable use of San Mateo Plain Groundwater Basin (Basin) for long-term water supply reliability through the Basin Partnership, participation in San Mateo County's Basin Assessment Program, and other multi-party efforts.
- Develop a new regional water system and supply reliability modeling tool for project evaluation;
- Support BAWSCA member agency efforts as related to meeting the new State of California "Making Water Conservation a Way of Life" requirements;
- Implement regional conservation programs to support member agencies and their customers;
- Take actions to protect members' water supply interests in administration of the 2009 WSA, including addressing the upcoming 2018 decisions and contractual drought allocation methods;
- Participate in the Restore Hetch Hetchy litigation in which BAWSCA is a named party;
- Participate in the SWRCB's Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented.
- Participate in the New Don Pedro and La Grange FERC proceedings to protect regional water supplies;
- Administer the 2009 Water Supply Agreement (WSA), including development and adoption of up to three amendments to the 2009 WSA; and
- Administer BAWSCA's bonds.



Table 1 presents the proposed FY 2017-18 Work Plan and major results to be achieved. The activities are grouped according to the agency goals they support.

Table 2 lists the items that are not included in the proposed Work Plan. Any of these items could be added at a later date, if needed, following further discussion with the Board concerning available resources and priorities.

New or Significantly Re-Scoped Activities for FY 2017-18: There are two new or significantly re-scoped activities included in the proposed FY 2017-18 Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA member agencies.

**1. Develop Independent Regional Water System & Supply Modeling Tool  
Estimated FY 2017-18 Cost \$135k**

This task would develop a new, independent water system and supply modeling tool that would improve BAWSCA's ability to analyze long-term water reliability in the BAWSCA service area, including potential impacts of availability of existing water supplies and development of additional regional water supplies. To date, BAWSCA has relied on SFPUC's modeling resources to inform long-term planning decisions. However, as BAWSCA's and the member agencies' needs have grown, it is no longer effective to rely on the SFPUC for modeling work to meet BAWSCA's analytical and schedule needs. Developing an independent model would allow BAWSCA to simulate SFPUC's reliability analysis, run independent alternative scenarios to meet BAWSCA's planning needs, investigate reliability of other regional water supplies (i.e., surface water from SCVWD), and assess climate change impacts, given various climate scenarios.

Development of this model was included in the FY 2016-17 Work Plan and was anticipated to be developed in conjunction with ReNUWIt. Unfortunately, for this type of work, it was determined that the original contracting vehicle with Stanford was not viable. For this reason, as discussed at the January 2017 Mid-Year Budget Review, BAWSCA issued a Request for Proposal for this work in Spring 2017, with work to begin in July 2017, subject to FY 2017-18 Work Plan and Budget approval.

Development of a model is a multi-year investment with initial model development to occur in FY 2017-18 and future years to include a budget allocation for ongoing consultant support for BAWSCA staff's use of the model.

**2. Support BAWSCA member agency efforts in meeting the new State of California  
"Making Water Conservation a Way of Life" requirements  
Estimated FY 2017-18 Cost: \$170k**

The primary goal of this activity is to support BAWSCA member agencies in meeting the new water use efficiency targets as established by the "Making Conservation a California Way of Life" Executive Order and subsequent legislative actions. Phasing of critical tasks over the next three fiscal years align with the proposed State schedule for implementation.

Phase I critical results included in the FY 2017-18 Work Plan include:

- Assessment of member agency existing data and technical capabilities to complete required landscape area measurement calculations and to assess their existing processes and capabilities for necessary Commercial, Industrial, and Institutional (CII) account classifications.

- Implement a new subscription conservation program, a Water Audit Third Party Validation Program, to meet new State conservation requirements.
- Implement a new subscription conservation program, a Landscape Measurement and Verification Program, to meet new State conservation requirements.
- Develop a plan that identifies respective BAWSCA and member agency roles in developing information necessary for compliance with new State conservation requirements.

A report documenting the results of Phase I will be completed and will provide the basis for a future Phase 2 scope of work in FY 2018-19 and FY 2019-20. Support of member agencies' efforts in meeting these new State requirements is anticipated to be a multi-year commitment from BAWSCA of three years or more.

Alternatives to the Proposed Work Plan and Results to be Achieved: The proposed Work Plan includes (1) the development of a new Regional Water System & Supply Modeling Tool, and (2) the expansion of BAWSCA's activities to support the Governor's Executive Order related to water conservation. These two main work areas are budgeted with \$135k and \$170k respectively. If the goal is to reduce the proposed Operating Budget, an alternative to the proposed Work Plan would be to reduce effort or remove one or more of these new activities.

Another alternative to the proposed Work Plan related to reducing scope and staff efforts, but not necessarily the proposed Operating Budget, would be to remove one or more of the following task items: Item 10a "Organize workshop to review water utility financial best management practices", and Item 10b "Conduct a benchmarking study to evaluate SFPUC's RWS operational efficiency and cost effectiveness".

**Proposed FY 2017-18 Operating Budget:**

The proposed Operating Budget presented in Table 3 reflects the funding necessary to achieve the full Work Plan and includes the net increase to fund the Annual Required Contribution (ARC) for Other Post-Employment Benefits (OPEB). This value has been updated during the budget development process to reflect the recently completed actuarial study and is included as a separate line item to highlight its inclusion.

Explanation and Alternatives for Salaries and Benefits: The increase for salaries and benefits of \$86,472 shown in the proposed budget is a result of a variety of changes. These changes include increases in health benefit costs and salary adjustments. The proposed Operating Budget also includes the following for all employees except the CEO:

- \$23,981 for a COLA adjustment to existing FY 2016-17 salaries
- \$13,653 merit allowance separate from COLA adjustment

A Cost of Living Allowance (COLA) adjustment of 3.025% to the top step of salaries is included in the proposed Operating Budget and is consistent with the December value for the Consumer Price Index for Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose area. COLA increases for employees are not automatic, but can be granted by the CEO on the basis of merit. The history of salary and benefit adjustments for BAWSCA is presented in Appendix B to this memo.

The size of the merit allowance would permit potential salary increases of up to 5%, or to top step for the position, whichever is less.

Consistent with practice over the past two years, a budget allowance of \$16,179 for a potential merit increase for the CEO has been included in the proposed Operating Budget. For budgeting purposes, this amount is consistent with the merit increase awarded to the CEO in FY 2016-17.

**Funding the FY 2017-18 Operating Budget:**

Four principles have historically been used by BAWSCA when considering how to fund the proposed Operating Budget:

1. Budget sufficient resources to achieve the desired Work Plan results.
2. Spend only what is needed to achieve the results.
3. Apply incremental and prudent increases in assessments as necessary.
4. Maintain a prudent General Reserve balance within Board guidelines.

The adopted FY 2016-17 funding plan increased assessments to \$3,440,734 (a 5% increase) and used \$27,274 from the General Reserve to fund the FY 2016-17 Operating Budget, thereby enabling the General Reserve to remain within the budgetary guidelines established by the Board. BAWSCA's General Reserve Policy, reaffirmed by the Board in September 2015, identifies a range of 20% to 35% of the budget year's operating expense as a budgetary guideline for the General Reserve balance.

Each year, unspent funds (if available) are moved to the General Reserve to fund special needs and future budgets. Appendix E presents the historical use of the General Reserve.

At this time, it is estimated that the FY 2016-17 Operating Budget will be 90% expended at year end with an estimated unspent budget of approximately \$347k. Consistent with BAWSCA accounting practices, any FY 2016-17 post-audit excess funds will be transferred to the General Reserve in Fall 2017. The exact amount of any potential transfer is a combination of several factors including, but not limited to, unspent budget and revenue received.

As of March 31, 2017, the General Reserve balance is at the upper end of the budgetary guideline at \$1,202,592, or 35% of the FY 2016-17 Operating Budget. Given the outstanding legal issues facing BAWSCA next fiscal year and beyond, use of the General Reserve to fund a portion of the Operating Budget should be considered very carefully.

**Recommended Funding Plan:** The BPC requested that the recommended action present two alternative funding options for the board's consideration:

- a) A 3% increase in assessments and \$160,615 transfer from the General Reserve; or
- b) A 5% increase in assessments and \$91,802 transfer from the General Reserve.

In each alternative, an assessment increase paired with a small use of the General Reserve balances the competing issues of limiting assessment increases while maintaining a General Reserve at the upper end of the budgetary guideline, which is especially important

considering the current significant challenges and threats faced by BAWSCA and the Regional Water System.

Table 4 presents a summary comparison of the two alternative funding options. Table 5 presents the detail on how a 3% and 5% increase in assessments would be allocated among the member agencies.

Since the BPC meeting, the CEO/General Manager has completed an updated analysis of anticipated expenses and resulting budget savings this year. Based on this information, the CEO/General Manager recommends a 3% assessment increase, and associated use of \$160,615 from the General Reserve, to fund the Proposed FY 2017-18 Work Plan.

*Alternatives to the Recommended Funding Plan:* The primary funding alternative to the recommended funding plan that was reviewed both by the CEO and the BPC was to fully fund the Operating Budget with assessments only, resulting in an 7.7% assessment increase (\$263,836 increase). This alternative is not recommended.

**Table 1. FY 2017-18 Work Plan and Results to be Achieved (Proposed)**

(Percent of Proposed Operating Budget for Each Item Shown in Parenthesis, New/Expanded items shown in *blue italic font*)

**RELIABLE WATER SUPPLY**

- (7.6%) **1. Facility Reliability: Monitor the SFPUC’s WSIP, 10-Year CIP, and Asset Management Program**
  - a. Monitor WSIP scope, cost, and schedule as San Francisco continues an aggressive construction schedule through 2019. Press the SFPUC and the city's political leadership to meet the city's adopted schedule, satisfy the requirements of AB 1823, and respond promptly to BAWSCA's reasonable requests.
  - b. Review and monitor SFPUC’s Regional 10-Year Capital Improvement Program to ensure that identified projects and programs meet the needs of the BAWSCA member agencies in a cost-effective and appropriate manner.
  - c. Review and monitor SFPUC’s Asset Management Program to ensure long-term protection of system assets.
  
- (12.6%) **2. Long-Term Supply Solutions: Implement Long-Term Reliable Water Supply Strategy to Ensure a Reliable, High Quality Supply of Water is Available Where and When Needed**
  - a. *Complete pre-feasibility studies for up to four potential purified water projects in partnership with SFPUC, Silicon Valley Clean Water, Santa Clara Valley Water District and others. Engage with advocacy groups (e.g. WaterReuse) to access and exchange critical technical, legislative, and legal information to support these studies.*
  - b. Finalize Pilot Water Transfer Agreements with EBMUD, Hayward, and others necessary to implement a pilot water transfer in FY 2018-19.
  - c. Complete development of Bay Area Regional Reliability (BARR) Drought Action Plan in partnership with other Bay Area water agencies and investigate additional project opportunities including a federal grant for a pilot project.
  - d. Participate in CCWD’s Los Vaqueros Expansion Studies to ensure participation in upcoming project decisions.
  - e. Promote the continued sustainable use of San Mateo Plain Groundwater Basin (Basin) for long-term water supply reliability through the Basin Partnership, participation in San Mateo County’s Basin Assessment Program, and other multi-party efforts.
  - f. Facilitate development of other local water supply options including monitoring/tracking member agency efforts.
  - g. *Develop a new, regional water supply reliability model to improve BAWSCA’s ability to analyze long-term water reliability in the BAWSCA service area, including potential impacts of availability of existing water supplies and development of additional regional water supplies.*
  
- (14.4%) **3. Near-term Supply Solutions: Water Conservation and Drought Response**
  - a. Partner with Alliance for Water Efficiency to complete a study, “Use and Effectiveness of Municipal Irrigation Restrictions During Drought”.
  - b. *Support BAWSCA member agency efforts as related to meeting the new State of California “Making Water Conservation a Way of Life” requirements with the following specific BAWSCA results:*
    - *Assessment of member agency existing data and technical capabilities to complete required landscape area measurement calculations and to assess their existing processes and capabilities for necessary CII account classifications.*
    - *Implement new subscription conservation program, the Water Audit Third Party Validation Program, to meet new State conservation requirements.*

- *Implement a new subscription conservation program, the Landscape Measurement and Verification Program, to meet new State conservation requirements.*
  - *Develop a plan that identifies respective BAWSCA and member agency roles in developing information necessary for compliance with new State conservation requirements.*
  - *Represent member agencies in regional and State-level discussions relative to the development of regulations and guidelines as needed to implement the “Making Water Conservation a Way of Life” framework.*
- c. Represent agencies in regional and State-level discussions related to water conservation-related regulations.
  - d. Administer, implement, and expand core water conservation programs that benefit all customers.
  - e. Administer subscription conservation rebate programs that benefit, and are paid for by, participating member agencies.
- (5.7%) **4. Take Actions to Protect Members’ Water Supply Interests in the Administration of the 2009 Water Supply Agreement**
- a. Prepare temporary extension of existing Tier 2 drought allocation plan that expires Dec. 2018.
  - b. Develop principles for a new Tier 1 and Tier 2 drought allocation plan that aligns with the proposed State Water Shortage Contingency Plan requirements and new State conservation requirements.
  - c. Protect members’ water supply and financial interests in the SFPUC’s upcoming 2018 decisions and associated Water Management Action Plan (MAP).
  - d. Protect members’ water supply interests to ensure that the SFPUC meets its adopted Water Supply Level of Service Goals.
- (10.9%) **5. Protect Members’ Interests in a Reliable Water Supply**
- a. Participate in the Restore Hetch Hetchy litigation in which BAWSCA is a named party.
  - b. *Participate in SWRCB Bay Delta Plan Update to ensure member agency interests are represented.*
  - c. Ensure that necessary legal & technical resources for participation in the Don Pedro Project/La Grange Project FERC licensing are sufficient to protect customers’ long-term interests in Tuolumne River water supplies.
- (0.1%) **6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts**
- a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs, such as CCWD’s Los Vaqueros Enlargement Project.
  - b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability, such as BARR Phase 2 effort(s).
  - c. Investigate potential for grant funds to support the implementation of the Strategy, including 2014 California Water Bond.
- (0.5%) **7. Reporting and Tracking of Water Supply and Conservation Activities**
- a. Complete BAWSCA FY 2016-17 Annual Survey.
  - b. Complete BAWSCA FY 2016-17 Annual Water Conservation Report.
  - c. In partnership with member agencies, implement BAWSCA’s updated Water Conservation Database.

**HIGH QUALITY WATER**

- (1.3%) **8. Support Member Agencies in Receiving Reliable Communication of Water Quality Issues**
- a. *Coordinate member agency participation in Water Quality Committee established by the 2009 Water Supply Agreement to ensure it addresses Wholesale Customer needs.*

- b. *Relay important water quality information (notices as received from SFPUC) to BAWSCA member agencies when made aware of changes that have the potential to impact water quality (taste, odor, blending particulars, etc.).*
- c. Review and act on, if necessary, State legislation affecting water quality regulations.

**FAIR PRICE**

- (18.4%) **9. Perform Matters that Members Delegated to BAWSCA in the Water Supply Agreement**
  - a. Administer the Water Supply Agreement with SF to protect the financial interests of member agencies.
  - b. Support development and member agency adoption of up to two contract amendments to address resolution of FY 2010-11 WRR settlement and implementation of the Regional Groundwater Storage and Recovery Project.
  - c. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco.
- (2.0%) **10. Provide Other Support to Protect Financial Interests of Member Agencies**
  - a. Organize a workshop to review water utility financial best management practices to identify potential actions to better protect BAWSCA member agencies from the financial impacts of drought.
  - b. Conduct a benchmarking study to evaluate SFPUC's RWS operational efficiency and cost effectiveness.

**AGENCY EFFECTIVENESS**

- (2.4%) **11. Maintain Community Allies and Contacts with Environmental Interests**
  - a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them if necessary, to safeguard the health, safety, and economic well-being of residents and communities.
  - b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability.
  - c. Maintain effective communications with member agencies, customers, & others to achieve results and support goals.
  - d. In conjunction with San Francisco, conduct or co-sponsor tours of the water system for selected participants.
- (20.1%) **12. Manage the Activities of the Agency Professionally and Efficiently**

**Table 2: Activities Not Included in Proposed Work Plan and Operating Budget for FY 2017-18**

<p><b>RELIABLE SUPPLY</b></p> <ol style="list-style-type: none"><li>1. Implement a pilot water transfer with EBMUD in FY 2017-18, following completion of the pilot transfer plan.</li><li>2. Engage in extended or complex applications for State or Federal grant funds. Application for water conservation grants will continue to be made through or with the Bay Area Water Agency Coalition, the California Urban Water Conservation Council, or other agencies.</li><li>3. Introduce major new legislation or supporting/opposing legislation initiated by others including legislation related to the Bay-Delta and California Water Fix. If needed, the agency could support major legislative efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.</li><li>4. Initiate litigation or support/oppose litigation initiated by others. If needed, the agency could support major litigation efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.</li></ol>
<p><b>FAIR PRICE</b></p> <ol style="list-style-type: none"><li>5. Develop alternative wholesale rate structures that the SFPUC might consider. Actions will be limited to facilitating communication with SFPUC, development of goals and objectives relevant to Wholesale Customers, and addressing the potential relationship to alternative retail rate structures Member Agencies might consider to stabilize water rates and water revenues.</li><li>6. Arbitrate issues related to the 2009 Water Supply Agreement.</li></ol>
<p><b>HIGH WATER QUALITY</b></p> <ol style="list-style-type: none"><li>7. Perform technical studies of water quality or San Francisco’s treatment of the water it delivers to the BAWSCA agencies.</li><li>8. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.</li></ol>
<p><b>AGENCY EFFICIENCY</b></p> <ol style="list-style-type: none"><li>9. Add resources to support additional Board, Board committee, or technical committee meetings.</li><li>10. Conduct tours of member agency facilities to acquaint Board members with potential supply projects and their neighboring jurisdictions, <u>other than tours done in coordination with San Francisco.</u></li></ol>



**Table 3. Proposed FY 2017-18 Operating Budget by Major Expenditure Category**

Cost Category	Approved FY 2016-17 Budget (\$)	Proposed FY 2017-18 Budget (\$)	Change from FY 2016-17 Budget, (\$)
<b>Consultants/ Direct Expenditures</b>			
Reliability	964,600	1,082,400	117,800
Fair Pricing	409,000	439,750	30,750
Administration	95,000	95,000	0
<i>Subtotal Consultants</i>	1,468,600	1,617,150	148,550
<b>Administration</b>			
Employee Salaries & Benefits	1,477,395	1,563,867	86,472
Other Post-Emp. Benefits (net)	103,263	80,505	(22,758)
Operational Expenses	356,450	373,250	16,800
<i>Subtotal Administration</i>	1,937,108	2,017,622	80,514
<b>Total Operating Expenses</b>	<b>3,405,708</b>	<b>3,634,772</b>	<b>229,064</b>
<b>Capital Expenses</b>	2,500	10,000	7,500
<b>Budgeted Contingency</b>	57,500	57,500	0
<b>Regional Financing Authority</b>	1,250	1,250	0
<b>Bay Area Water Users Assn.</b>	1,050	1,050	0
<b>Grand Total Operating Budget</b>	<b>3,468,008</b>	<b>3,704,572</b>	<b>236,564</b>

**Table 4. Summary Comparison of Alternative Funding Recommendations**

Fund Source	FY 2016-17	FY 2017-18	
	Adopted Funding Plan	3% Assessment Increase	5% Assessment Increase
Assessments	\$3,440,743	\$3,543,957	\$3,612,770
Transfer from General Reserve	\$27,274	\$160,615	\$91,802
Total Available Operating Funds	\$3,468,017	\$3,704,572	\$3,704,572
<i>Estimated Year-End General Reserve</i>	<i>\$1,202,592</i>	<i>\$1,041,977</i>	<i>\$1,110,790</i>
<i>% of Operating Budget</i>	<i>35%</i>	<i>28%</i>	<i>30%</i>

**Table 5. Examination of a 3% and 5% Increase in BAWSCA Assessments**

<b>Members</b>	<b>Adopted FY 2016-17 Assessments</b>	<b>3% Increase for FY2017-18</b>	<b>Difference</b>	<b>5% Increase for FY2017-18</b>	<b>Difference</b>
ACWD	\$231,222	\$238,159	\$6,937	\$242,783	\$11,561
Mid Peninsula	\$70,488	\$72,603	\$2,115	\$74,012	\$3,524
Brisbane	\$7,202	\$7,418	\$216	\$7,562	\$360
Burlingame	\$95,712	\$98,583	\$2,871	\$100,498	\$4,786
Coastside	\$30,471	\$31,385	\$914	\$31,995	\$1,524
Cal Water	\$730,195	\$752,101	\$21,906	\$766,705	\$36,510
Daly City	\$89,348	\$92,028	\$2,680	\$93,815	\$4,467
E. Palo Alto	\$42,161	\$43,426	\$1,265	\$44,269	\$2,108
Estero	\$115,885	\$119,362	\$3,477	\$121,679	\$5,794
GVMID	\$8,986	\$9,255	\$269	\$9,435	\$449
Hayward	\$361,292	\$372,131	\$10,839	\$379,357	\$18,065
Hillsborough	\$75,052	\$77,304	\$2,252	\$78,805	\$3,753
Menlo Park	\$67,948	\$69,986	\$2,038	\$71,345	\$3,397
Millbrae	\$54,005	\$55,625	\$1,620	\$56,705	\$2,700
Milpitas	\$138,899	\$143,066	\$4,167	\$145,844	\$6,945
Mtn. View	\$218,718	\$225,280	\$6,562	\$229,654	\$10,936
North Coast	\$67,620	\$69,649	\$2,029	\$71,001	\$3,381
Palo Alto	\$271,388	\$279,530	\$8,142	\$284,957	\$13,569
PHWD	\$42,993	\$44,283	\$1,290	\$45,143	\$2,150
Redwood City	\$231,866	\$238,822	\$6,956	\$243,459	\$11,593
San Bruno	\$48,069	\$49,511	\$1,442	\$50,472	\$2,403
San Jose	\$94,733	\$97,575	\$2,842	\$99,470	\$4,737
Santa Clara	\$80,552	\$82,968	\$2,416	\$84,580	\$4,028
Stanford	\$53,042	\$54,633	\$1,591	\$55,694	\$2,652
Sunnyvale	\$192,989	\$198,779	\$5,790	\$202,638	\$9,649
<u>Westborough</u>	<u>\$19,898</u>	<u>\$20,495</u>	<u>\$597</u>	<u>\$20,893</u>	<u>\$995</u>
<b>Total</b>	<b>\$3,440,734</b>	<b>\$3,543,957</b>	<b>\$103,223</b>	<b>\$3,612,770</b>	<b>\$172,036</b>

**APPENDICES**

Appendices A through L present additional detail about the proposed Work Plan and Operating Budget.

**Appendix A: Uses of Professional Services**

Outside professional services are used to provide specialized services and augment staff:

1. Professional engineering services for: a) evaluating and monitoring SFPUC's asset management program; b) evaluating and monitoring SFPUC's 10-Year Capital Improvement Program (CIP) development and implementation; c) evaluating Water System Improvement Program project scopes during design and construction; d) monitoring WSIP project cost estimates, bids and schedules; e) monitoring and assessing San Francisco's performance in implementing the overall WSIP; f) assessing San Francisco's method for cost estimation, application of contingencies and addressing cost inflation during the WSIP; g) providing specific constructive recommendations for keeping the WSIP on or ahead of schedule; h) analyzing hydraulic records used by San Francisco in setting the wholesale water rates; and g) providing as needed groundwater technical assistance.
2. Water resources analysis and planning services to assist in: a) development of an expanded decision making process for implementing Strategy actions; b) development of a new, regional water system and supply modeling tool; and c) conducting an analysis of the service area response to the drought.
3. General legal services for BAWSCA and the RFA; specialized legal services to support administration of the Water Supply Agreement; specialized legal services for addressing matters related to water supply reliability.
4. Strategic counsel for identifying and addressing strategic and political issues associated with maintaining the progress of the Water System Improvement Program, assisting the Board and the CEO in developing and implementing an effective policy making process that supports the development of the Long-Term Reliable Water Supply Strategy, providing legislative and political support, and providing advice to the CEO and the Board on other issues significant to the water customers and the effectiveness of the agency.
5. Financial advisory services to conduct specified capital financing and rate impacts analyses on a task order basis.
6. Accounting/auditing expertise to assist with implementing the Water Supply Agreement, as well as an independent auditor to prepare and review annual financial statements.

Legal, strategic, financial, and engineering consultants provide professional services critical to BAWSCA's work in achieving the agency's goals and achieving critical results. Many of BAWSCA's consultants have been under contract with BAWSCA since its creation and a few of those consultants have been in place even longer, in that they served as consultants to Bay Area Water Users Association (BAWUA), BAWSCA's predecessor organization. Each year, the Board acts on each consultant contract following consideration of the annual Work Plan and Operating Budget. Information provided to the Board at that time relates to expertise, current scope of work, budget, and billing rates.

As part of this coming fiscal year's proposed budget preparation work, BAWSCA conducted an informal survey by using recent RFP responses and contacting other local public agencies and

asking them to share the billing rates they are currently being charged by comparable consulting service providers.

Table A-1 presents the results of that informal survey, providing a comparison of the rates for those consultants that BAWSCA uses on an annual basis to rates for similar service providers. In each case, the rates for BAWSCA's consultants compare favorably.

**Table A-1: Informal Consultant Billing Rate Comparison**

<b>Task Category</b>	<b>Consultant Name</b>	<b>FY 2016-17 Approved Budget</b>	<b>Hourly Rate</b>	<b>Market Comparison</b>
Legal	Hanson Bridgett, LLP	\$651,000	\$360	\$350-\$400
Strategic	Harlan Wendell	\$150,000	\$185	\$250
Financial	BLX Group (Arbitrage Rebate Compliance Service)	\$2,000	n/a	\$2,800
	Orrick, Herrington & Sutcliff (Bond Documents, Legal Support)	\$12,000	\$825	>\$800
	Public Trust Advisors (Investment Advisor)	\$10,000	8 basis pts.	10 basis pts.
	Burr Pilger Mayer (Auditing, 2009 WSA Admin.)	\$15,000	\$350	\$400
	Chavan & Assoc. (Financial Auditing Services) <sup>(1)</sup>	\$10,000	n/a	n/a
	Kelling Northcross Nobriga (Financial Counsel)	\$43,500	\$315	\$350
Engineering	Terry Roberts (WSIP, 10-Year CIP)	\$125,000	\$204	\$260-\$310
	Stetson Engineering (Water Use Analyses)	\$50,000	\$195	\$260-\$310
	Hilton Farnkopf Hobson (Engineering, Financial WSA)	\$20,000	\$229	\$262-\$300
	GeoSyntec (Groundwater)	\$15,000	\$200	\$233-\$300

*Notes: (1) At its May 19, 2016 meeting, the BAWSCA board authorized a three-year contract with Chavan & Assoc. (C&A). In 2010, the last time BAWSCA issued a Request for Proposals for these services, C&A was the lowest cost proposal and the approved budget for FY 2016-17 remains below the next closest bid received in 2010.*

**Appendix B: History of Salary and Benefits Adjustments**

The information below presents the history of salary and benefits adjustments for BAWSCA staff. Where Cost of Living Adjustments (COLA) to the salary ranges are considered by the Board, BAWSCA relies on the December value for the Consumer Price Index for Urban Wage Earners and Clerical Workers in the SF-Oak-SJ area. COLA increases for employees are not automatic but can be granted by the CEO on the basis of merit.

- FY 2009-10: There was no COLA adjustment. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2010-11: The Board approved a 3.01 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2011-12: The Operating Budget included no adjustment to the salary for any employee for COLA, merit or any other reasons.
- FY 2012-13: The Board approved a 3.10 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2013-14: The Board approved a 2.312 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2014-15: The Board approved a 2.60 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2015-16: The Board approved a 2.09 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2016-17: The Board approved a 3.15 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.

**Appendix C: Proposed Budget for the Bay Area Water Users Association (BAWUA)**

The proposed FY 2017-18 budget for BAWUA is \$1,050 and includes legal counsel support and a small operations budget allowance. This budget amount appears as a separate line item in the BAWSCA budget and is included in the BAWSCA proposed FY 2017-18 Operating Budget.

**Appendix D: Proposed Budget for the Regional Financing Authority Budget**

The BAWSCA Board of Directors has continued to agree to fund nominal administrative costs for the Regional Financing Authority (RFA), at least until it becomes more actively involved and requires significant resources. Assuming a continued low level of activity in FY 2017-18, the proposed RFA budget is \$1,250. This budget amount includes legal counsel support and a small operations budget allowance. This budget amount appears as a separate line item in the BAWSCA budget and is included in the BAWSCA proposed FY 2017-18 Operating Budget. The RFA will formally consider and adopt this budget in July 2017.

**Appendix E: Historical Use of the BAWSCA General Reserve**

Table E-1 displays the historical use of the BAWSCA General Reserve.

**Table E-1. Historical Use of the BAWSCA General Reserve**

Date	Amount	Description of Use
3/19/2008	\$391,000	To fund FY 2007-08 Operating Budget
1/07/2009	\$349,000	To fund FY 2008-09 Operating Budget
2/09/2009	\$105,000	To fund Conservation Implementation Plan
1/13/2010	\$250,000	To fund FY 2009-10 Operating Budget
1/27/2011	\$163,394	To fund FY 2010-11 Operating Budget
11/30/2011	\$172,190	Refund to Member Agencies
9/30/2012	\$130,000	To fund Pilot Water Transfer Plan
3/31/2013	\$65,000	Initial funding for Water Demand Study
4/21/2014	\$300,000	Final funding for Water Demand Study
6/30/2014	\$98,000	To fund FY 2013-14 OPEB contribution
6/30/2014	\$66,000	To fund Pilot Water Transfer Plan
6/30/2015	\$296,436	To fund FY 2015-16 Operating Budget
6/30/2016	\$27,274	To fund FY 2016-17 Operating Budget

**Appendix F: Funding for Subscription Conservation Programs**

As in prior years, a portion of operating expenses would be reimbursed by agencies that participate in BAWSCA's subscription water conservation programs. The staff time to be devoted to those programs during FY 2017-18 is estimated to be 1,436 hours, including temporary staff time. Agencies participating in subscription programs pay for associated consultant support and direct expenses. As in prior years, those consultant costs and direct expenses are not included in the Operating Budget.

**Appendix G: Select Financial Details Related to BAWSCA's Subscription Conservation Program**

Table G-1 provides select financial information for BAWSCA's subscription conservation programs for the past five years including BAWSCA staff costs that are reimbursed by the participating member agencies. Other costs are not included in Table G-1, for example, rebates and other costs paid directly by the participating member agencies and quantification of grant funds used. More complete details on BAWSCA's subscription programs, cost, and level of activity, is included in BAWSCA's Annual Water Conservation Report.

**Table G-1: Select Financial Details Related to BAWSCA  
Subscription Conservation Programs**

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
<b>2012-13</b>			
EarthCapades	\$64,110	\$1,900	
HET Rebate		\$6,675	\$300
Large Landscape Audit	\$66,045	\$1,332	
Lawn Be Gone		\$380	\$2,434
Water Wise Ed. Kits	\$65,922	\$5,368	\$1,494
Washing Machine Rebate	\$419,625	\$16,851	\$1,581
<b>Total</b>	<b>\$615,702</b>	<b>\$32,506</b>	<b>\$5,808</b>
<b>2013-14</b>			
EarthCapades	\$61,325	\$2,120	
HET		\$6,785	\$300
Large Landscape Audit	\$85,996	\$1,184	
Lawn Be Gone		\$2,420	
Water Wise Ed. Kits	\$89,864	\$2,668	
Washing Machine Rebate	\$325,775	\$9,964	\$1,104
<b>Total</b>	<b>\$562,960</b>	<b>\$25,141</b>	<b>\$1,405</b>
<b>2014-15</b>			
EarthCapades	\$53,380	\$1,980	
HET		\$9,066	\$319
Large Landscape Audit	\$92,521	\$1,332	
Lawn Be Gone		\$6,340	
Water Wise Ed. Kits	\$95,346	\$2,599	
Washing Machine Rebate	\$308,313	\$4,667	\$104
Watersense Giveaways	\$8,893		
Rain Barrel Rebate	\$22,164		
<b>Total</b>	<b>\$580,617</b>	<b>\$25,984</b>	<b>\$423</b>
<b>2015-16</b>			
EarthCapades	\$64,575	\$2,360	
Free Sprinkler Nozzles	\$2,988		
HET		\$9,965	\$300
Large Landscape Audit	\$99,808	\$1,332	
Lawn Be Gone		\$3,380	
Lawn Be Gone Inspections	\$7,704		
Water Wise Ed. Kits	\$101,701	\$2,393	
Washing Machine Rebate	\$157,945	\$4,546	\$1,170
Watersense Giveaways	\$10,930		
WaterSmart Reports	\$209,380		
Rain Barrel Rebate	\$11,144		
<b>Total</b>	<b>\$666,175</b>	<b>\$23,976</b>	<b>\$1,470</b>

**Appendix H: Historical BAWSCA Operating Budgets and Assessments**

BAWSCA's annual budget is developed to pay for the cost of the annual work plan, which is reviewed by the BPC and approved by the Board. Each year, the work plan is designed to achieve results that support BAWSCA's three goals – a reliable supply of high-quality water at a fair price – and to implement BAWSCA's purpose as stated in AB 2058. As a special district, BAWSCA is not like a city council or other community agencies. BAWSCA is an issue-driven organization that responds to the needs of its member agencies and the water users who pay for BAWSCA's work. BAWSCA uses experienced consultants to limit fixed costs.

Resolution of issues also reduces budgets as shown below in FY 2010-2011 (-3%), FY 2011-2012 (-2%), and FY 2014-2015 (-10%). Table H-1 displays the history of BAWSCA's Operating Budget, assessments and year-end reserves.

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**Table H-1. Historical Annual Assessments and Year-End Reserves**

Fiscal Year	Operating Budget	% Change	Assessments	% Change	Year-End Reserves	% of Budget	Major New/Increased Work Plan Focus
2003-04	\$1,821,350		\$1,668,550		\$276,480	15%	Operated under BAWUA budget
2004-05	\$1,838,490	1%	\$1,641,995	-2%	\$246,882	13%	1 <sup>st</sup> BAWSCA Budget Est.
2005-06	\$2,099,997	14%	\$1,953,998	19%	\$240,000	11%	WSIP Oversight, 2009 WSA neg., new water resources staff position authorized
2006-07	\$2,291,904	9%	\$2,117,904	8%	\$654,000	29%	2009 WSA negotiations
2007-08	\$2,508,967	9%	\$2,117,904	0%	\$691,474	28%	2009 WSA Negotiations, WSIP Program EIR
2008-09	\$2,763,196	10%	\$2,309,000	9%	\$507,474	18%	WSIP PEIR, complete 2009 WSA negotiation and adoption, develop WCIP
2009-10	\$2,766,945	0%	\$2,517,000	9%	\$407,192	15%	WCIP Yr. 1 implementation, 2009 WSA Admin Yr. 1, Transition from old Contract, WSIP legislation
2010-11	\$2,680,394	-3%	\$2,517,000	0%	\$653,763	24%	WCIP Yr. 2, 2009 WSA, (Initiate Strategy dev. As funded thru Water Mgmt. Charge)
2011-12	\$2,619,705	-2%	\$2,517,000	0%	\$916,897	35%	WCIP Yr 3
2012-13	\$2,780,504	6%	\$2,517,000	0%	\$985,897	35%	Investigation of Bond Admin, New Regional Water Demand Projections, Pilot Water Transfer, 2009 WSA amendment
2013-14	\$3,280,188	18%	\$2,517,000	0%	\$521,897	16%	1 <sup>st</sup> year bond administration, funding one-time cost of OPEB, Regional Water Demand Projections, Pilot Water Transfer, WSIP legislation, new water resources staff position authorized
2014-15	\$2,939,286	-10%	\$2,642,653	5%	\$225,461	8%	Net increase for OPEB, 10yr CIP oversight, increase legal support for Strategy, WSIP legislation
2015-16	\$3,201,679	9%	\$3,276,889	24%	\$776,620	24%	1 <sup>st</sup> year Strategy implementation thru Operating Budget, 2014 Settlement Agmt.
2016-17	\$3,468,008	8.3%	\$3,440,734	5%	1,202,592* (Est)	35%	RHH litigation, 2014 Settlement Agmt, 2018 decision, WaterMAP

**Appendix J: Value for the Cost**

The formula for BAWSCA assessments results in equivalent cost per gallon throughout BAWSCA’s members. All BAWSCA costs are ultimately passed on to water customers through the water rates of the local city, district, or private utility. Table J-1 below provides the estimate annual cost per person and per household (assuming three persons per household) for BAWSCA’s Operating Budget.

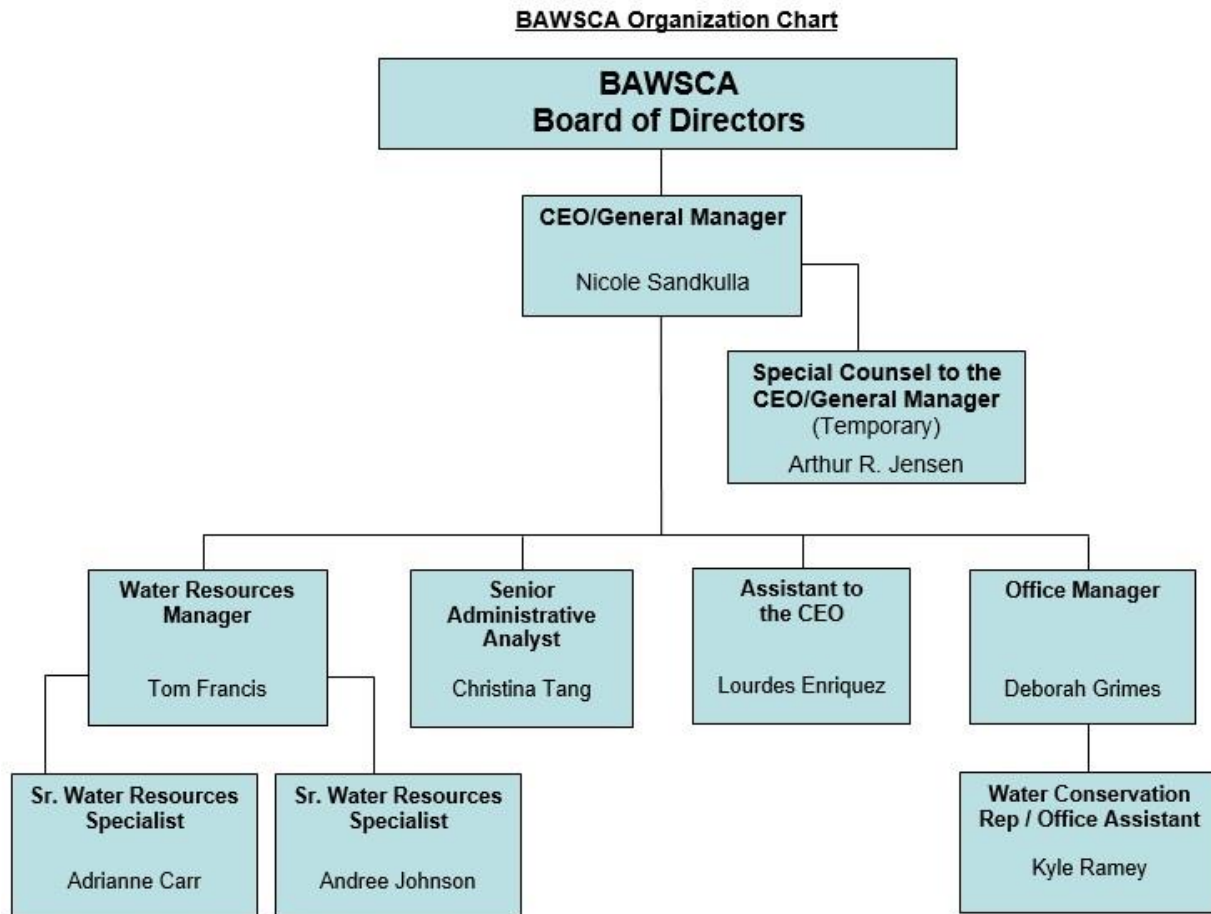
**Table J-1. Historical Estimated Annual Cost of BAWSCA  
Operating Budget Per Service Area Household**

Fiscal Year	Est. Annual Cost Per Person	Est. Annual Cost Per Household
2010-11	\$1.64	\$4.93
2011-12	\$1.53	\$4.60
2012-13	\$1.52	\$4.56
2013-14	\$1.82	\$5.47
2014-15	\$1.70	\$5.11
2015-16	\$1.84	\$5.51
2016-17	\$1.96	\$5.88
2017-18	\$2.08 <i>(proposed)</i>	\$6.24 <i>(proposed)</i>

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**Appendix K: Current Organization and Staffing**

The figure below represents the current reporting relationships in the organization.



**Appendix L: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers**

Each year, BAWSCA’s work plan development process starts by reviewing and updating the major activities over the next 20 years. These activities require coordinated action by BAWSCA and its member agencies to ensure a reliable supply of high quality water at a fair price.

Table L-1 lists these activities as they were updated as part of the FY 2017-18 proposed Work Plan development. In each case, the results identified in Table L-1 will take the form of agreements, legislation, or other legally enforceable work products. Development of these documents will result from skilled negotiations based on rigorous investigations of impacts and alternatives, costs, cost allocation, and other matters.

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**Table L-1. Future Challenges Facing BAWSCA, Member Agencies and Their Customers (FY 2017-18)**

BAWSCA Goal	FY 2017-18 (Near-Term)	2018-2025 (Mid-Term)	2026-2040 (Long-Term)
<p>Reliable Supply: Ensure Long-Term Water Supply Reliability</p>	<ul style="list-style-type: none"> <li>• Protect BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether or not to make San Jose and Santa Clara permanent Wholesale Customers by 2018.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether to provide more than 184 mgd to Wholesale Customers and whether or not to increase the perpetual Supply Assurance by 2018.</li> <li>• Represent member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.</li> <li>• Represent member agencies in SWRCB Bay Delta Plan Update to protect SF RWS water supply reliability.</li> <li>• Ensure member agencies' interests are included in regional planning efforts.</li> <li>• Protect member agencies' interests in SFRWS drought year allocation plan (Tier 1 and Tier 2), consistent with new State Guidelines, by preparing and analyzing alternatives, facilitating agreements and producing legal documents before the existing one expires at the end of 2018.</li> <li>• Assist agencies in meeting the new Statewide "Making Water Conservation a California Way of Life" interim and final conservation requirements thru 2025.</li> <li>• Assist agencies during drought to achieve State mandated reductions</li> </ul>	<ul style="list-style-type: none"> <li>• Protect BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether or not to make San Jose and Santa Clara permanent Wholesale Customers by 2018.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether to provide more than 184 mgd to Wholesale Customers and whether or not to increase the perpetual Supply Assurance by 2018.</li> <li>• Represent member agencies in Federal relicensing of New Don Pedro and to protect SF RWS supplies.</li> <li>• Represent member agencies in SWRCB Bay Delta Plan Update to protect SF RWS water supply reliability.</li> <li>• Ensure member agencies' interests are included in regional planning efforts.</li> <li>• Protect member agencies' interests in SFRWS drought year allocation plan (Tier 1 and Tier 2), consistent with new State Guidelines, by preparing and analyzing alternatives, facilitating agreement and producing legal documents before the existing one expires at the end of 2018.</li> <li>• Assist agencies in meeting the new Statewide "Making Water Conservation a California Way of Life" interim and final conservation requirements thru 2025.</li> </ul>	<ul style="list-style-type: none"> <li>• Protect BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.</li> <li>• Ensure new water supplies are on line to meet future needs that are not met by San Francisco.</li> <li>• Ensure member agencies' interests are included in regional planning efforts.</li> </ul>
<p>Reliable Supply: Ensure SF RWS Facility Reliability</p>	<ul style="list-style-type: none"> <li>• Monitor SFPUC's development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.</li> <li>• Monitor WSIP implementation to protect interests of member agencies and take steps necessary to ensure all adopted Level of Service goals are achieved.</li> <li>• Monitor SFPUC's decision on final Mountain Tunnel Improvements to ensure protection of water customers' interests (Summer/Fall 2017).</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor SFPUC's development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.</li> <li>• Monitor WSIP implementation to protect interests of member agencies and take steps necessary to ensure all adopted Level of Service goals are achieved. Scheduled completion March 2019.</li> <li>• Monitor SFPUC implementation of the Mountain Tunnel Improvement Project to ensure protection of water customers' interests.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor SFPUC's development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.</li> </ul>
<p>High Quality Supply &amp; Fair Price: Enforce 2009 Water Supply Agreement</p>	<ul style="list-style-type: none"> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.</li> <li>• Protect customers from legal and legislative efforts to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.</li> <li>• Protect customers from legal and legislative efforts to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.</li> <li>• Ensure San Francisco maintains its Tuolumne River water rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.</li> <li>• Ensure San Francisco maintains its Tuolumne River water rights.</li> <li>• Protect member agencies' water supply reliability interests against threats by outside forces.</li> <li>• Extend or renegotiate the Water Supply Agreement before it expires in 2034</li> </ul>

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Approval of Professional Services Contracts for Fiscal Year 2017-18**

**Summary:**

Outside professional services are used for legal, engineering, financial, strategic and water conservation support of BAWSCA's Work Plan and results to be achieved for FY 2017-18. To ensure work begins promptly or continues without interruption, twenty-one (21) contracts need to be in place by July 1, 2017.

This memorandum presents the overall objectives and scopes for each of these contracts. Individual memoranda present the purpose, qualifications and scopes for these professional services contracts.

Following consideration and adoption of a budget for FY 2017-18, the Board will consider each of the twenty-one contracts. Other consulting services that may be needed to complete the FY 2017-18 Work Plan will be brought to the Board for authorization during the year.

**Fiscal Impact:**

The combined budget for the twelve professional services contracts that need to be in place on July 1, 2017 and which are funded by the Proposed FY 2017-18 Operating Budget is \$1,114,200.

The additional nine contracts are for subscription conservation programs and as such, have no Operating Budget implications.

**Board Policy Committee Action:**

With the exception of GeoSyntec, these contracts have been considered annually and do not represent new policy action for Board consideration. GeoSyntec is newly under contract in FY 2016-17 following a competitive proposal and selection process in October 2016.

**Recommendation:**

**That the Board approve the twenty-one contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2017.**

**Discussion:**

Legal, strategic, financial, and engineering consultants provide professional services critical to BAWSCA's work in achieving the agency's goals and addressing issues related to: 1) the administration of the 2009 Water Supply Agreement (WSA), 2) actions by Restore Hetch Hetchy, 3) ensuring water supply reliability and water customers' interests are protected in the Bay Delta and SWRCB draft SED process, 4) SFPUC's Water System

Improvement Program (WSIP) and 10-Year Capital Improvement Program (CIP), 5) actions to implement BAWSCA’s Long-Term Reliable Water Supply Strategy, and 6) implementing water conservation assistance programs.

A general description of the services provided through each of the twelve professional services contract funded by the Proposed FY 2017-18 is presented below. In addition, a separate memorandum for each professional service contract presents the qualifications of the service providers and the draft scopes of work for FY 2017-18. BAWSCA’s standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the twelve professional services contracts funded by the Proposed FY 2017-18 Operating Budget that need to be in place by July 1, 2017. The combined budget for these professional services is \$1,114,200. The corresponding approved consulting budgets for FY 2016-17 are also shown in the table.

Table 2 summarizes the nine professional services contracts needed to be in place by July 1, 2017 to implement subscription programs that are paid for by participating member agencies. For these contracts, no contract amount is specified as the total budget is determined after receipt of Applications to Participate from the member agencies.

**Table 1: Annual Professional Services Funded Through the Operating Budget**

<b>Consultant (Services Provided)</b>	<b>Approved FY 2016-17</b>	<b>Proposed FY 2017-18</b>
BLX Group (Arbitrage Rebate Compliance Serv.)	\$2,500	\$2,500
Burr Pilger Mayer (Auditing, 2009 WSA Administration)	\$15,000	\$15,000
GeoSyntec (Groundwater)	\$15,000	\$20,000
Hanson Bridgett (Legal Counsel)	\$651,000 <sup>(1)</sup>	\$669,000
Harlan Wendell (Strategic Counsel)	\$150,000	\$150,000
Hilton Farnkopf Hobson (Engineering, Financial, WSA)	\$20,000	\$20,000
Immersiv Media (Conservation)	\$7,200	\$7,200
Kelling, Northcross, Nobriga (Financial Counsel)	\$43,500	\$43,500
Orrick LLP (Bond Documents., Legal Support)	\$12,000	\$12,000
Public Trust Advisors (Investment Advisor)	\$10,000	\$10,000
Stetson Engineering (Water Use Analyses)	\$52,000 <sup>(2)</sup>	\$50,000
Terry Roberts Engineering (WSIP, 10–Year CIP)	\$125,000	\$115,000
<b>Total</b>	<b>\$1,103,200</b>	<b>\$1,114,200</b>

Notes:

(1) As adopted by Board in May 2016 and does not reflect any budget modification that may be authorized by Board in May 2017

(2) Inclusive of \$2,000 amendment authorized by CEO/GM in April 2017



**Table 2: Annual Professional Services to Implement Subscription Conservation Programs Paid for by Participating Agencies**

<b>Consultant/Vendor (Conservation Program/Assistance Provided)</b>
ConserveTrack (Online Rebate System)
EarthCapades (School Assembly Program)
Global Sun Landscape (Lawn Be Gone Inspection Services)
Maddaus Water Management (As Needed Assistance on Demand Model)
Resource Action Program (School Education Programs)
Tuolumne River Trust (Classroom Education Program)
Waterfluence (Large Landscape Conservation Services)
Water Smart (Home Water Use Reports)
Western Municipal Water District (Free Sprinkler Nozzle Program)

**Legal Counsel Services Funded by the Operating Budget:**

Hanson Bridget is BAWSCA’s legal counsel. The proposed budget for legal services is \$18,000 more than the approved budget for FY 2016-17. The overall increase in legal counsel’s budget reflects a continued increase in expenses associated with water supply reliability, including actions taken by Restore Hetch Hetchy, SWRCB’s Bay Delta Water Quality Control Plan Update, administration of the 2009 Water Supply Agreement (WSA), development and adoption of up to three amendments to the 2009 WSA, SFPUC’s 2018 decisions and SFPUC’s WaterMAP, and increased activities for implementation of BAWSCA’s Strategy.

**Strategic Counsel Services Funded by the Operating Budget:**

Mr. Wendell has provided strategic counsel for the CEO/General Manager and Board (BAWSCA and BAWUA) since FY 2000-01. In this role, Mr. Wendell has advised the CEO/GM and the Board on a large number of critically important issues that relate directly to BAWSCA’s goals of a reliable supply of high quality water at a fair price, and the results achieved to date by the agency.

**Technical Services Funded by the Operating Budget:**

GeoSyntec, Hilton Farnkopf Hobson (HFH), Stetson Engineering, and Terry Roberts Engineering are engineering consultants with different areas of expertise.

GeoSyntec provides technical support for BAWSCA’s overall efforts related to groundwater, including but not limited to the WSIP Groundwater Storage and Recovery Project and the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin.

HFH will help ensure proper implementation of the WSA, especially in matters dealing with cost allocation. In addition, HFH’s expertise in the 2009 WSA and cost allocation will be useful as part of the analytical tools developed by BAWSCA for examination of the SFPUC WaterMAP.

Stetson Engineering assists BAWSCA in ensuring that the SFPUC's allocations of costs to the Wholesale Customers are based on accurate data and calculated as specified in the WSA.

Mr. Roberts has a track record of successfully implementing complex capital improvement programs for local Bay Area cities including San Jose's \$3.5 billion, 5-year capital improvement program. The technical support from Mr. Roberts gives BAWSCA the ability to contribute constructive recommendations to the SFPUC on project implementation, including construction and program management for the WSIP, the 10-Year CIP, and the SFPUC's repair and maintenance programs. His services help BAWSCA ensure that member agencies' needs can be met reliably during and after construction, and that issues pertinent to serving their customers and saving money are identified and addressed.

**Financial Services Funded by the Operating Budget:**

BLX Group, Burr, Pilger and Mayer (BPM), Kelling, Northcross, Nobriga (KNN), Orrick LLP, and Public Trust Advisors (PTA) are financial, accounting, or bond consultants with different areas of expertise.

BLX provides arbitrage rebate compliance services with respect to the revenue bonds. The IRS requires arbitrage rebate payments submitted every 5 years. BLX has recommended that BAWSCA undertake the analyses no more frequently than every two years (as opposed to annual calculations).

BPM is a major accounting firm and supports BAWSCA's administration of the WSA. Their expertise is vital to the proper conduct and interpretation of the annual contract compliance audit performed by San Francisco's auditors.

KNN is BAWSCA's financial advisor. KNN provides services on an as-needed basis. Their expertise protects the Wholesale Customers by ensuring that San Francisco adheres to the many financial provisions in the Water Supply Agreement. Specific examples of value added are provided in the staff report for KNN. KNN provided the preliminary assessment of whether there would be added value for BAWSCA to prepay capital debt owed to San Francisco by Wholesale Customers, and guided BAWSCA through the process of securing other bond-related professional services, securing a high bond rating, and provided financial counsel during the negotiated sale of the bonds.

Orrick served as BAWSCA's Bond Counsel when BAWSCA's revenue bonds were issued in February 2013 to prepay a capital debt that the member agencies owed to San Francisco. Orrick has been providing BAWSCA legal support on the bond documents on an as-needed basis since the bonds were issued.

PTA is BAWSCA's investment advisor for the bond funds. PTA monitors market conditions and the agency's circumstances on an ongoing basis to identify the investment opportunities available to the agency's stabilization fund, interest fund, and principal fund deposited at the BNY while satisfying all cash flow, safety and liquidity considerations in a manner consistent with Board's investment policy.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with BLX Group LLC (Arbitrage Rebate Compliance Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with BLX Group LLC (BLX) for FY 2017-18 to provide arbitrage rebate compliance services with respect to the BAWSCA Revenue Bonds, Series 2013A issued in February 2013. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The total not-to-exceed amount of \$2,500 with BLX is included in the FY 2017-18 Proposed Operating Budget. The proposed budget is the same as in the current year's adopted Operating Budget with no increase in rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and BLX, subject to legal counsel's final review, for a not-to-exceed amount of \$2,500 to provide arbitrage compliance services with respect to the BAWSCA Revenue Bonds, Series 2013A issued in February 2013.**

**Discussion:**

BAWSCA retained BLX Group LLC to calculate the arbitrage calculations with respect to the Revenue Bonds, Series 2013A for the first time in FY 2014-15. For FY 2017-18, BLX will perform calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code with respect to the Revenue Bonds, Series 2013A.

The IRS requires arbitrage rebate payments submitted every 5 years. BLX has recommended that BAWSCA undertake the analyses no more frequently than every two years (as opposed to annual calculations). The latest analysis was performed for FY 2016-17. Per BLX's recommendation, no rebate compliance calculations are needed for FY 2017-18. Considering the five-year anniversary of BAWSCA Revenue Bonds will occur in February 2018, BAWSCA would like to have the budget for arbitrage rebate compliance services available in FY 2017-18, in case it's needed.

**Scope of Services – Results to be Achieved:**

The draft scope of services with BLX for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

Engagement Fee	Waived
Report Fee (BAWSCA level transaction)	\$2,000
Supplemental Fee for Analyses in Excess of 12 months*	\$500

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And BLX Group LLC**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose**

For FY 2017-18, BAWSCA requires arbitrage rebate compliance services with respect to the Revenue Bonds, Series 2013A, issued in February 2013.

**Work to be Performed:**

Anticipated tasks may include the following:

**Task 1.** Independently determine whether securities allocable to proceeds of the bonds were purchased at fair market value within the meaning of the Treasury Regulations.

**Task 2.** Perform an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds.

**Task 3.** Perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law.

**Task 4.** Review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program except for rebate liability to the extent set forth in this engagement letter.

**Task 5.** Consider any information obtained by BLX pursuant to this engagement for any purpose other than determining such rebate liability.

**Task 6.** Update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report.

**Proposed Budget:** \$2,500

**Rates & Charges:**

Engagement Fee	Waived
Report Fee (BAWSCA level transaction)	\$2,000
Supplemental Fee for Analyses in Excess of 12 months*	\$500

\* BLX recommended undertaking analyses no more frequently than every two years, as opposed to annual calculations.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Burr, Pilger and Mayer  
(Audit/Accounting Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Burr, Pilger and Mayer (BPM) for FY 2017-18 to provide audit and accounting services. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$15,000 is included in the Proposed FY 2017-18 Operating Budget for external auditing services associated with the wholesale revenue requirement and compliance audit. The proposed budget is the same as in the current year's adopted Operating Budget with no increases in billing rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and BPM, subject to legal counsel's final review, for a not-to-exceed amount of \$15,000 to provide audit and accounting services.**

**Discussion:**

Burr, Pilger and Mayer is a full-service accounting and business consulting firm with expertise in tax preparation, planning, assurance, and audits. Every year, the SFPUC conducts an audit of the wholesale revenue requirement to ensure that the wholesale customers' share of operating and capital expenses for the Regional Water System have been allocated between in-City retail and wholesale customers per the 2009 Water Supply Agreement. BPM's primary role is to assist BAWSCA with its review of the annual wholesale revenue requirement and the annual compliance audit and other SFPUC financial statements.

**Scope of Services – Results to be Achieved:**

The draft scope of services with BPM for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

- Partner \$350/hour

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT**  
**Between the Bay Area Water Supply and Conservation Agency**  
**And Burr, Pilger and Mayer**  
**Auditing and Accounting Advisors**

**DRAFT**

**FY 2017-18 SCOPE OF WORK**

**Purpose:**

For FY 2017-18, BAWSCA requires on going professional auditing and accounting analysis to assist in its review of the annual wholesale revenue requirement/compliance audit.

**Work to be Performed:**

Anticipated tasks include the following:

**Task 1.** If needed, assist BAWSCA in guiding the procedures to be used in future compliance audits, commencing with the compliance audit for FY 2016-17.

**Task 2.** Attend the FY 2016-17 compliance audit kick-off meeting (Fall 2017) with the SFPUC's compliance auditor and staff. Represent the wholesale customers' interests in the development of the compliance auditor's work plan.

**Task 3.** Review the independent compliance auditor's report for the FY 2016-17 wholesale revenue requirement, changes to balancing account, and accompanying management letter. Comment on the report and letter for thoroughness, with special attention paid to any notes concerning internal controls, procedures, material weaknesses, or significant deficiencies, as well as management's response to such, including stated corrective measures.

**Not to Exceed Contract Limit: \$15,000**

**Rates & Charges:**

The hourly billing rate is shown below.

- Partner: \$350

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Geosyntec Consultants (Engineering)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Geosyntec Consultants (Geosyntec) for as needed assistance to support BAWSCA's efforts related to groundwater and the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin (Partnership) during FY 2017-18. The contract will be prepared using BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract for a not-to-exceed amount of \$20,000 is included in the proposed FY 2017-18 Operating Budget. The proposed budget is an increase in the current year's adopted operating budget of \$15,000 and includes no increase in billing rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Geosyntec, subject to legal counsel's final review, for a not-to-exceed amount of \$20,000 to provide as needed assistance to support BAWSCA's efforts related to groundwater and the Partnership during FY 2017-18.**

**Discussion:**

Geosyntec Consultants was brought under contract in October 2016 to perform the following tasks, which are anticipated to be needed in FY 2017-18: (1) monitoring and regular reporting to BAWSCA on State and regional groundwater policy resulting from the implementation of the Sustainable Groundwater Management Act of 2014, and (2) on-call technical support for local groundwater issues.

BAWSCA has taken a lead role in promoting sustainable use of groundwater resources in its service area by establishing the Partnership. BAWSCA's direct interests in this effort relate to BAWSCA's investigation and potential development of a brackish groundwater project as part of the Strategy. BAWSCA's member agencies in all three counties have an interest in this basin due to the interrelationship with all neighboring groundwater basins (e.g. the Niles Cone sub-basin in the East Bay and the Santa Clara sub-basin in Santa Clara County). In addition, BAWSCA continues to participate in San Mateo County's Basin Assessment Program, and other multi-party efforts including the WSIP's Groundwater Storage and Recovery Project. Geosyntec has been successfully supporting BAWSCA in all of these matters related to groundwater since October 2016.

**Scope of Services – Results to be Achieved:**

The draft scope of services with Geosyntec for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

John Gallinatti	\$200
J. Michael Harty	\$200

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Geosyntec Consultants**

**DRAFT**

**FY2017-18 SCOPE OF SERVICES**

**Purpose**

For FY 2017-18, BAWSCA requires on-going professional support for BAWSCA's efforts related to groundwater issues and the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin (Partnership). As directed, Geosyntec will provide necessary technical work, attend meetings with BAWSCA staff, and provide written reports or updates as required.

**Work to be Performed:**

1. Monitoring and regular reporting to Agency on State and regional groundwater policy resulting from the implementation of the Sustainable Groundwater Management Act of 2014;
2. Providing an overview of various institutional structures for cooperatively managing groundwater basins (e.g., joint powers authority); and
3. On-call technical support for local groundwater issues.

**Not to Exceed Contract Limit: \$20,000**

**Rates and Charges:**

<u>Name</u>	<u>Hourly Rate</u>
John Gallinatti	\$200.00/hour
J. Michael Harty	\$200.00/hour



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**        **Professional Services Contract with Hanson Bridgett LLP (Legal Services) for FY 2017-18**

**Summary:**

The annual contract for legal services should be executed by July 1, 2017. In addition to providing general legal services for BAWSCA, BAWUA, and the RFA, next year's proposed scope includes work related to protecting member agency financial interests in implementing the 2009 Water Supply Agreement (WSA), State Water Resources Control Board (SWRCB) Supplemental Environmental Document (SED), Don Pedro FERC negotiations, Restore Hetch Hetchy lawsuit, and implementation of solutions for meeting near-term and long-term water needs.

This item requests authorization for the CEO/General Manager to execute a contract with Hanson Bridgett for FY 2017-18. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount for legal services is \$669,000 and is contained in the FY 2017-18 Proposed Operating Budget. The proposed budget of \$669,000 is \$18,000 more than the currently approved budget for FY 2016-17 of \$651,000. Higher levels of work are anticipated to protect water supplies during the SWRCB SED process, FERC process, member agencies' interests in the SFPUC WaterMAP process, member agencies' financial interests in implementing the 2009 WSA, and addressing actions by Restore Hetch Hetchy.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Hanson Bridgett for a not-to-exceed amount of \$669,000.**

**Discussion:**

Hanson Bridgett's scope includes routine general legal services and costs related to contract reviews, personnel and other administrative functions. The scope also supports work related to achieving specific results such as water contract administration for the 2009 WSA, implementing solutions for meeting near-term and long-term water needs, assisting in efforts to get the system rebuilt in a way that satisfies water customer needs, protecting the water supply on which member agencies depend, assistance with legislation and defending BAWSCA in anticipated or occurring litigation.

Hanson Bridgett has been providing legal assistance to BAWSCA and its predecessor agency, BAWSCA, for more than 25 years. Hanson Bridgett helped negotiate both the prior and the current 2009 WSA with San Francisco. They drafted the legislation that now

pressures San Francisco to fix the system, formed the RFA, and enabled the formation of BAWSCA.

Hanson Bridgett has successfully arbitrated settlements totaling several millions of dollars on behalf of the wholesale water customers. Hanson Bridgett's familiarity with the business relationship between the wholesale customers and San Francisco, and their knowledge of the Water Supply Agreement supports continuation of their services through the proposed annual professional services contract.

Exhibit A includes a draft scope of work and cost breakdown for specific activities. The proposed budget is not intended to cover the costs of new arbitration proceedings, development of legislation, or other major legal activities outside the defined scope of work.

Exhibit B presents the rates and charges for FY 2017-18.

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Hanson Bridgett LLP**

**Legal Services**

**DRAFT**

**FY 2017-18 SCOPE OF WORK**

**PURPOSE**

Hanson Bridgett's legal counsel services typically cover two primary areas:

1. General legal support (e.g., administration, contracting and personnel administration)
2. Assistance for achieving results during FY 2017-18.

**General Legal Services.** Provide general legal services for BAWSCA, RFA and BAWUA on an as-needed basis. General legal services for BAWSCA will include legal counsel for activities such as:

- Employee benefits administration
- Personnel management
- Professional services contracts and grant applications
- Maintaining prudent levels of insurance
- Preparation of documents such as Board resolutions and amendments to the Rules of the Board; providing advice on meeting procedures (Brown Act)
- Evaluation of public records act requests
- Other matters associated with the management and administration of a public agency that benefit from legal advice and counsel

General legal services associated with BAWUA will be minimal and largely confined to financial and administrative matters.

General legal services for the RFA are expected to be minimal and administrative. San Francisco has stated it does not foresee using the RFA as a funding mechanism at this time.

**Assistance Achieving Results.** In addition to general legal support, legal counsel will assist in forming and implementing approaches to a number of activities impacting BAWSCA member agencies and their customers. Planned activities include assistance with:

- Implementation and administration of the 2009 WSA, including the current settlement discussions
- Representing BAWSCA in the Restore Hetch Hetchy lawsuit, in which BAWSCA is a named defendant
- Represent BAWSCA and its member agencies during FERC negotiations related to the relicensing of New Don Pedro Reservoir
- Legal support for protecting the water supply interests of the agencies and their customers in the ongoing SWRCB SED and Bay Delta process
- Legal support for monitoring the SFPUC's 10-Year CIP, system maintenance programs, and the WSIP, including the water supply level of service goal and related activities being implemented by SFPUC
- Implementation of Long-Term Reliable Water Supply Strategy recommended actions
- Legal and other support to achieve BAWSCA's objectives and protect the interests of BAWSCA and the member agencies in the SFPUC Water MAP and the SFPUC's related 2018 decisions
- Legal support for responding to new statewide conservation requirements, including consideration of the 2009 WSA drought provisions
- Implementation of activities under the Water Conservation Implementation Plan, including both core and subscription water conservation programs
- Routine contract reviews for water conservation activities, partnerships with other agencies, and professional services

The above-mentioned activities may require legal counsel to:

- Provide ongoing counsel to the CEO and Board of Directors.
- Provide support for interpreting the WSA. In situations where differences cannot be resolved administratively, legal counsel may be asked to initiate arbitration proceedings on behalf of the wholesale customers.
- Provide legal input on the preparation and implementation of the new subscription water conservation programs to be offered to member agencies.
- Meet with the CEO and attend meetings of the BAWSCA Board of Directors and the Board Policy Committee.
- Prepare, or approve as to form, resolutions, contracts, all changes to the Rules of the Board and other documents requiring legal review related to the business of BAWSCA, RFA or BAWUA.

- Represent BAWSCA in proceedings before other government agencies, regulatory bodies, and in contacts with professional and public agencies and organizations.
- Meet and confer with other BAWSCA consultants.
- Upon request, review and make recommendations to BAWSCA concerning proposed Federal, state or local legislation, regulations, litigation and/or administrative proceedings and required filings related to the business of BAWSCA, the RFA or BAWUA.
- Represent BAWSCA's Board and management in all suits, administrative proceedings, arbitration hearings and other legal matters to which BAWSCA is a party or in which it is legally interested, except in those instances when BAWSCA determines that the matter should be handled by special counsel

**Budgeted Activities and Not to Exceed Contract Limit: \$669,000**

The total budget request is based on the following estimates of fees and costs for specified activities:

Conservation, FERC, Urban Water Mgmt. Plans	\$145,000
Water Supply Agreement Administration Fair Pricing	\$241,000
Water Supply Agreement Administration Reliability	\$57,000
SFPUC 10-Year CIP, WSIP and Water Reliability	\$159,000
BAWSCA	\$65,000
RFA & BAWUA	\$2,000
<hr/>	
Total	\$669,000

This breakdown of activities is based on estimates at the time of budgeting. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$669,000. If unanticipated activities require significant legal support, recommended changes would be brought to the Board of Directors.

**Exhibit B**

**Hanson Bridgett LLP  
Rate and Charges**

**FY 2017-18**

The charges and billing rates for persons/positions associated with this agreement are set forth below for all matters except specialized litigation. There will be changes of approximately 3.5 percent to the hourly rates for FY 2017-18. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$669,000.

**FY 2016-17 RATES**

Partner	\$375 per hour
Senior Counsel	\$330 per hour
Associates	\$300 per hour

**OUT OF POCKET EXPENSES**

At Cost

**OTHER CHARGES**

Large Scale Photocopying	At cost
Long Distance Telephone	At cost
Mileage	IRS applicable rate

**COST SAVING ADJUSTMENTS**

In house photocopying                      no charge

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Harlan P. Wendell,  
Management Communications (Strategic Counsel)**

**Summary:**

This item requests authorization for the CEO/General Manager to execute a contract with Mr. Wendell for FY 2017-18.

**Fiscal Impact:**

The not-to-exceed amount of \$150,000 for strategic services is included in the proposed Operating Budget for FY 2017-18.

If large unanticipated legislative or other efforts that arise during FY 2017-18 require additional strategic counsel, the Board would be asked to reprogram the FY 2017-18 Work Plan and budget resources, and authorize any additional strategic resources needed.

**Recommendation:**

**That the Board authorize the CEO/General Manager to execute a contract between BAWSCA and Mr. Wendell, subject to legal counsel's final review, for a not-to-exceed amount of \$150,000 to provide strategic services.**

**Discussion:**

Mr. Wendell provides strategic counsel for the CEO/General Manager and Board of Directors. He has provided such counsel for BAWSCA and BAWUA since FY 2000-01. Mr. Wendell's hourly rate and total contract amount have remained unchanged since FY 2007-08.

During FY 2016-17, Mr. Wendell advised the CEO/General Manager and the leadership of the Board on a variety of issues. Examples include the following:

- a) Provided strategic counsel to the CEO/General Manager in assessing and responding to the State Water Resources Control Board Draft Substitute Environmental Document and subsequent related activities.
- b) Provided strategic counsel in representing the member agencies, collectively and individually (e.g., East Palo Alto, San Jose, Santa Clara), in the planning phases of the San Francisco Water Management Action Plan.
- c) Assisted the CEO/General Manager with media relations to improve public understanding of BAWSCA's work and accurate communication of information, with a specific focus on the region's drought response to support overall member agency and BAWSCA's goals for water supply reductions.

Examples of the historical and ongoing value provided by Strategic Counsel:

1. Continuing counsel for the CEO/General Manager to set strategies to interact with elected officials at the state and local level.  
Examples: Meetings with state legislators, private-sector allies, and the San Francisco Mayor's office.
2. Creating and executing strategies for successful passage of State legislation.  
Examples: Strategic services for successful passage of three bills passed by the State legislature and signed by the governor in 2002, and for legislation amending the prior bills during 2006, 2008, 2010, and 2014.
3. Counseling the CEO/General Manager on the most effective ways to present ideas and information in pursuit of our goals.  
Example: Assisting the CEO/General Manager in developing negotiating strategies for the 2009 Water Supply Agreement, and communicating at critical junctures to achieve successful completion of the new agreement between San Francisco and BAWSCA's member agencies.
3. Anticipating public issues and avoiding public disputes.  
Example: Potential Mountain Tunnel failure and unplanned outage of Hetch Hetchy water; Monitoring WSIP performance.
4. Assisting the CEO/General Manager with media relations to improve public understanding of BAWSCA's work and accurate communication of information.  
Example: Assisting the CEO/General Manager to prepare for communications with national and local media on potentially significant stories about water supply, drought, and conservation.
5. Facilitating BAWSCA's operations.  
Example: Providing advice about materials to ensure clarity, transparency, understanding and effectiveness of communications and presentations.

**Qualifications:**

Mr. Wendell helped create the Federal Health, Education and Welfare Department, a cabinet form of government for the State of Delaware, and a reorganization of government in the state's largest city. He was director for California U.S. Representative Ed Zschau's campaign for the U.S. Senate and counsel for several mayoral, gubernatorial and congressional campaigns.

His corporate communication experience includes assignments with the chief executives of DuPont, Ford Motor Company, Boeing, Proctor & Gamble, Stanford University, General Electric Aircraft Engines, and Sumitomo Corporation.

Locally, Mr. Wendell assisted former State Senator Becky Morgan to develop and promote Joint Venture: Silicon Valley. Working for BAWSCA's predecessor organization, Mr. Wendell developed and implemented the legislative strategy that resulted in passage of the three Hetch Hetchy bills.



**Scope of Services:**

Strategic Counsel identifies organizational, political, and communication issues facing the organization, recommends strategies that will successfully address the issues, and provides tactical advice and support necessary to implement the strategies.

For FY 2017-18, strategic services are needed to help BAWSCA achieve its results. Two major results to be produced in FY 2017-18 will be protection of the interests of the water customers in the State Water Resources Control Board Bay Delta process and the Don Pedro FERC relicensing process.

A third major result to be produced in FY 2017-18 is associated with SFPUC's efforts through the Water MAP to answer the critical water supply questions deferred in 2008 when it adopted the Water System Improvement Program (WSIP) and that it committed to answering by 2018.

Mr. Wendell will also continue to support the CEO/GM in issues pertaining to Restore Hetch Hetchy and the possible outcome of the recent litigation.

Strategic support is an integral activity to pursue reliable water supply, ensure the water system is rebuilt, create a productive business relationship with San Francisco, and assist in structuring action items so that informed decisions can be made by the BAWSCA Board or individual member agencies, as required. The proposed level of effort supports routine work with legislators and other public officials, but does not necessarily support major legislation or lobbying efforts.

To help manage these challenges and achieve BAWSCA's desired results, Mr. Wendell brings a 65-year governmental and corporate career with extensive organizational, political and communication experience.

BAWSCA operates in a political environment in the best, non-partisan sense of those words. It was established by the state legislature to help get the regional water system rebuilt, find solutions for other regional water problems, and get results through political entities that operate and use the regional system.

The CEO/General Manager spends a significant amount of time working within this political environment to achieve BAWSCA's goals, and requires experienced political support, as well as technical and legal support.

Bud Wendell has experience working with local, state and federal government, as well as the private sector. He has provided invaluable political and strategic counsel for the past ten years.

Exhibit A includes a draft scope of work.

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Harlan P. (Bud) Wendell, Management Communications**

**Strategic Counsel**

**DRAFT**

**FY 2017-18 SCOPE OF WORK**

**PURPOSE**

Strategic counsel identifies organizational, political, and communication issues facing the organization, recommends strategies, which will successfully address the issues, and provides tactical advice and support necessary to implement the strategies.

**Work to be Performed:**

Mr. Wendell will recommend organizational, political and communication policies and strategies for the CEO/General Manager and Board to:

- Meet BAWSCA's goals and achieve its results effectively.
- Create a positive identity, based on actions, to earn and maintain public support.
- Maintain close relationships with legislative and other public officials, allies, special interest groups, community leaders, media and other audiences.
- Develop and manage a new, assertive, proactive, collaborative relationship with San Francisco to address BAWSCA's concerns, and fixing the water system.
- Build constructive relationships with other entities and avoid public controversies.
- Identify and address political issues.
- Report to the Board and committees on issues and strategies as needed.
- Provide strategic support for the Long-Term Reliable Water Supply Strategy.
- Provide strategic support for addressing the outside threats to water supply reliability.

**Not to Exceed Contract Limit: \$150,000**

**Rates and Charges:**

Out-of-pocket expenses will be charged at cost.

<b><u>Name</u></b>	<b><u>Hourly Rate</u></b>
Harlan P. Wendell	\$185

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Hilton, Farnkopf and Hobson (Engineering/Financial Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Hilton, Farnkopf and Hobson (HFH) for as needed assistance in administering the 2009 Water Supply Agreement (WSA) and other activities during FY 2017-18. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract for a not-to-exceed amount of \$20,000 is included in the proposed FY 2017-18 Operating Budget. The proposed budget is the same as in the current year's adopted operating budget and with no increase in billing rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and HFH, subject to legal counsel's final review, for a not-to-exceed amount of \$20,000 to provide as needed assistance in administering the 2009 WSA and other activities during FY 2017-18.**

**Discussion:**

HFH has been providing BAWUA (the Bay Area Water Users Association) and BAWSCA key financial and rate setting advice for over two decades (though not under contract every year). One of the firm's principals, John Farnkopf, was instrumental in developing the 1984 Master Contract, and assisted in negotiating the WSA. HFH has assisted BAWSCA staff with analyzing the water shortage allocation plan alternatives, and has extensive knowledge of water rate setting, having developed over 120 rate studies for retail and wholesale water, wastewater, and storm water agencies.

For FY 2017-18, HFH will provide reviews and analyses for administration of the WSA on an as-needed basis. Mr. Farnkopf's past experience is invaluable for analyzing certain cost allocation issues during administration of the WSA that ensure the member agencies pay only their fair share of costs associated with the Regional Water System as consistent with the 2009 WSA. In FY 2017-18, it is anticipated that HFH will provide assistance in analyzing the alternative financial and cost allocation impacts of alternatives examined through SFPUC's Water MAP.

**Scope of Services – Results to be Achieved:**

The draft scope of services with HFH for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

Vice President	\$229
Sr. Analyst/ Sr. Assoc.	\$154
Associate/Analyst	\$98-123

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Hilton, Farnkopf and Hobson, Financial Advisors**

**DRAFT**

**2017-18 SCOPE OF SERVICES**

**Purpose:**

For FY 2017-18, BAWSCA requires on going professional analytical work and expert advice in conjunction with the implementation of the new agreement and possibly other important matters (e.g., water supply allocation, wholesale rate structure, conservation rates, wholesale revenue requirement, calculation of the wholesale capital fund, etc.). As directed, HFH will provide the necessary analytical work, attend meetings with BAWSCA and/or SFPUC staff, and provide written reports or updates as required.

**Work to be Performed:**

As requested, assist with the implementation of the 2009 Water Supply Agreement; particularly in the areas of cost allocation, wholesale capital fund, interim supply limitations, drought allocations and related tasks.

**Not to Exceed Contract Limit: \$20,000**

**Rates & Charges:**

Vice President	\$229
Sr. Analyst/ Sr. Assoc.	\$154
Associate/Analyst	\$98-123

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Immersiv Media to Support the Implementation of the BAWSCA Website and Water Conservation Database for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Immersiv Media (Immersiv) to provide hosting, maintenance, and technical support services for the on-going implementation of the BAWSCA website and BAWSCA Water Conservation Database (WCDB) for FY 2017-18.

**Fiscal Impact:**

The proposed FY 2017-18 BAWSCA budget includes \$7,200 for consulting support services for technical support and hosting of (1) the BAWSCA website at a cost of \$300/month and (2) the WCDB at a cost of \$300/month. The proposed budget is consistent with the current year's adopted operating budget.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Immersiv, subject to legal counsel's final review, for a not-to-exceed amount of \$7,200 to provide hosting, maintenance, and technical support services for the implementation of the website and WCDB in FY 2017-18.**

**Discussion:**

As presented during the budget development process, additional outside resources are necessary to complete the adopted Work Plan for FY 2017-18 in several areas. One such area is the need for technical resources to support ongoing implementation of (1) the BAWSCA website and (2) the WCDB.

**Website Hosting, Maintenance and Technical Support Services**

In FY 2015-16, BAWSCA selected Immersiv, through a competitive procurement process, to redesign the BAWSCA website. Since the website was completed in February 2016, Immersiv has provided BAWSCA with hosting, maintenance, and technical support services at a cost of \$3,600 per year (\$300 per month). For FY 2017-18, the proposed cost will remain unchanged at \$300 per month for the website services.

**Water Conservation Database Hosting and Technical Support Services**

The WCDB is an on-line database system that allows agencies to track their water conservation activities, water usage, and other agency-specific information in a consistent and standard format. The WCDB is used to facilitate completion of the BAWSCA Annual Survey and the Annual Conservation Report as well as to support updates to the Decision Support System (DSS) Models for water demand and conservation savings projections.

In FY 2016-17, BAWSCA contracted with Immersiv to upgrade the WCDB at a budget of \$39,000. Immersiv was selected through a competitive procurement process, separate from the

website procurement process previously discussed. The upgraded WCDB is scheduled to launch in June 2017, at which point ongoing hosting and technical support services will necessary. BAWSCA's existing contract with Immersiv includes an option to obtain these services at a flat rate of \$300 per month. For FY 2017-18, the proposed cost will remain unchanged at \$300 per month for the WCDB services

**Alternatives:**

Alternatives to the recommended action are to: (1) not support the BAWSCA website or WCDB in FY 2017-18, or (2) select an alternative consultant to support the website and WCDB. BAWSCA does not recommend these alternatives for the reasons stated below.

The value of a regional database system was identified as part of the 2009 Water Conservation Implementation Plan (WCIP). The WCDB serves as a streamlined data collection tool. The data that are collected are needed by BAWSCA to support the Annual Survey, the Annual Water Conservation Report, and other regional reporting that BAWSCA does on water use, conservation activity and service area characteristics. The WCDB also provides a standardized repository for the agencies to store the information that they need to do their own reporting. To abandon the WCDB at this point would waste the time and effort put into the system by BAWSCA and the member agencies to date, and result in the 26 different agencies tracking their data in an inconsistent and potentially incomplete manner which does not lend itself to coordinated regional analysis. For these reasons, Alternative 1 is not recommended.

Immersiv was selected to provide the website and WCDB services through two separate competitive processes in 2015 and 2016. Maintaining both requires significant technical skills, including a close familiarity with the custom platform, servers, and computer programming; therefore, maintenance of the WCDB is most appropriately done by trained IT professionals. In addition, Immersiv's proposed costs for maintaining the WCDB are significantly lower than what was proposed by other services providers.

**Conclusion:**

The WCDB has enhanced member agency's water conservation and Annual Survey reporting efforts at reasonable cost. The WCDB was also integral to supporting updates to the DSS Models that were completed as part of the Regional Demand and Conservation Projections Project and will provide a critical tool for future model updates. Immersiv was selected through a competitive process to provide WCDB development and maintenance services and have proven an effective service provider. For this reason, it is recommended that BAWSCA continue to contract with Immersiv to maintain the WCDB in FY 2017-18.

**Attachment:**

The Draft Scope of Services for FY 2017-18 is shown in Exhibit A. Minor changes to the scope of services may be made during negotiations of a new contract

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Immersive Media**

**DRAFT**

**SCOPE OF SERVICES – FY 2017-18**

**Purpose:**

To provide hosting, maintenance, and customer support services for (1) the BAWSCA website and (2) the BAWSCA Water Conservation Database (WCDB).

**Work to Be Performed:**

**Task 1 — BAWSCA Website Hosting, Maintenance, and Support Services**

**A. Customer Support Services**

Immersiv will provide ongoing customer support services which includes, but is not limited to, website troubleshooting, content development, and support for any website-related problems that arrive. Maximum response time for customer support requests will be one business day.

**B. Website Analytics**

Immersiv will prepare periodic website analytics reports. As requested by BAWSCA staff, Immersiv will assist with web marketing campaign to help increase online visibility with BAWSCA's target audience, increase web traffic, and build name recognition and participation in BAWSCA's conservation programs. Services may include utilizing analytical tools to monitor website and visitor trends such as:

- Web traffic analysis
- Search engine ranking
- Path analysis
- Visitor trends
- Page views
- Entry/exit pages
- Top pages
- Length of stay
- Technical analysis
- Social media advertising
- Social media analytics

C. Web Hosting

Immersiv will provide server and network infrastructure support to host the website.

**Task 2 — BAWSCA WCDB Hosting and Maintenance**

A. Customer Support Services

Immersiv will provide ongoing customer support services to BAWSCA and member agency staff which includes, but is not limited to:

- Identification and troubleshooting of technical issues
- Modification of and additions to data entry fields
- Development of additional data export formats
- User help with system operations
- Management of user accounts

B. WCDB Website Hosting

Immersiv will provide server and network infrastructure support to host the WCDB.

**Not to Exceed Contract Limit: \$7,200**

**Rates & Charges:**

Website Hosting Services: \$300/month

WCDB Hosting and Maintenance: \$300/month



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with KNN Public Finance (Financial Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with KNN Public Finance (KNN) for FY 2017-18. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$43,500 is included in the proposed FY 2017-18 Operating Budget. The proposed budget is the same as in the current year's adopted operating budget and with no increase in billing rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and KNN, subject to legal counsel's final review, for a not-to-exceed amount of \$43,500 to provide BAWSCA assistance with its analyses of SFPUC's reports and financial information.**

**Discussion:**

KNN has been BAWSCA's financial advisor since FY 2002-03. KNN provides analyses that help BAWSCA's review and interpretation of SFPUC reports and other financial information. For example, KNN assisted BAWSCA in reviewing the SFPUC's revenue and expenditure projections, bond refund authorizations and proposed operating and capital budgets. During FY 2016-17, KNN assisted BAWSCA staff in reviewing debt service and capital spending calculations and other components of the wholesale revenue requirement.

For FY 2017-18, the consultant will assist in reviewing the FY 2016-17 wholesale revenue requirement calculation, verifying the wholesale share of SFPUC's debt service, supporting BAWSCA's on-going bond administration, and providing recommendations that best serve the interests of the water customers.

**Scope of Services – Results to be Achieved:**

The draft scope of services with KNN for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

Managing Director	\$345
Vice President	\$315
Asst. Vice President/ Sr. Analyst/ Sr. Assoc.	\$265
Associate	\$220
Analyst	\$195

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And KNN Public Finance**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose**

For FY 2017-18, BAWSCA requires on-going professional financial analysis and advice in conjunction with the wholesale revenue requirement, rate and financial implications, bond administration and ongoing implementation of the 2009 Water Supply Agreement.

**Work to be Performed:**

Anticipated tasks include the following:

**Task 1.** Review and provide comments on the SFPUC's financing plan, proposed budget, wholesale rate impacts, revenue funded capital projects, debt coverage and working capital components, specific schedules associated with the wholesale revenue requirement or Water Supply Agreement, or other documents or reports related to SFPUC's implementation and/or financing of the Water System Improvement Program (WSIP) or its annual operating and capital budgets or fund balances, or BAWSCA's ongoing bond administration.

**Task 2.** Provide other analyses as directed or required. Such activities could include updating the database to incorporate revisions to San Francisco's WSIP debt issuances; evaluating the impact of reserve levels on future SFPUC bond issues or ratings; evaluating the advantages and disadvantages of changes in the wholesale rate structure, or examining the potential for the RFA or BAWSCA to issue its own debt; or other assignments.

**Not to Exceed Contract Limit: \$43,500**

**Rates & Charges:**

Managing Director	\$345
Vice President	\$315
Asst. Vice President/ Sr. Analyst/ Sr. Assoc.	\$265
Associate	\$220
Analyst	\$195

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Orrick, LLP (Legal Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Orrick for FY 2017-18 for as needed legal support on the bond documents. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$12,000 is included in the Proposed FY 2017-18 Operating Budget, and is for on-going legal support on the bond documents associated with the Revenue Bonds (Series 2013 A & Series 2013 B (Taxable) sale in February 2013. The proposed budget is the same as the current year's adopted Operating Budget with a 5% increase in billing rates.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Orrick, subject to legal counsel's final review, for a not-to-exceed amount of \$12,000 to provide as needed legal support on the bond documents.**

**Discussion:**

Orrick served as BAWSCA's Bond Counsel when BAWSCA's revenue bonds were issued in February 2013 to prepay a capital debt that the member agencies owed to San Francisco. They prepared the bond documents and provided a broad range of legal advice necessary to establish feasibility of the bond issuance and to achieve the objective of saving member agencies money. The consultant also provided ongoing bond counsel services through the closing of the bonds.

Orrick has been providing BAWSCA legal support on the ongoing bond documents associated with the Revenue Bonds since FY 2013-14.

For FY 2017-18, the consultant will continue providing legal support on the bond documents on an as-needed basis to support cost-effective and correct implementation of the bonds. A list of those documents is included in the draft Scope of Work.

**Scope of Services – Results to be Achieved:**

The draft scope of services with Orrick for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

Stephen A. Spitz	\$865/hour
Devin Brennan	\$810/hour
Richard J. Moore	\$875/hour
Roma Shupe	\$305/hour

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Orrick, LLP**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose:**

For FY 2017-18, BAWSCA requires on-going legal support on the bond documents prepared by Orrick associated with the Revenue Bonds (Series 2013 A & Series 2013 B (Taxable) sale in February 2013.

**Work to be Performed:**

If needed, assist BAWSCA in connection with questions relating to the bond documents. The bond documents include:

- Revenue Bond Indenture
- First Supplemental Indenture
- Continuing Disclosure Certificate
- Official Statement
- Prepayment and Collection Agreement with the SFPUC
- Bond Purchase Agreement

Such work will not include any arbitrage rebate calculation services, investment advice, or representation in any litigation or other dispute.

**Not to Exceed Contract Limit: \$12,000**

**Rates and Charges:**

<u>Name</u>	<u>Hourly Rate</u>
Stephen A. Spitz	\$865/hour
Devin Brennan	\$810/hour
Richard J. Moore	\$875/hour
Roma Shupe	\$305/hour

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Public Trust Advisors, LLC  
(Investment Advisory Services)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Public Trust Advisors, LLC (PTA) for FY 2017-18 to provide investment advisory services for BAWSCA's bond funds deposited at the Trustee with respect to the Revenue Bonds, Series 2013A and 2013B issued in February 2013. The contract will be prepared in BAWSCA's standard form of agreement with clauses necessary for the agreement to comply with Securities and Exchange Commission (SEC) requirements.

**Fiscal Impact:**

The total not-to-exceed amount of \$10,000 with PTA is included in the Proposed FY 2017-18 Operating Budget. The proposed budget is the same as in the current year's adopted Operating Budget for investment advisory services with no increases in billing rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and PTA, subject to legal counsel's final review, for a total not-to-exceed amount of \$10,000 to provide investment advisory services for BAWSCA's Series 2013A and B bond funds deposited at the Trustee.**

**Discussion:**

During FY 2016-17, PTA provided ongoing investment advisory services for all BAWSCA's bond funds deposited at the Trustee and identified the investment alternatives available to the stabilization fund.

For FY 2016-17, PTA will do the following:

- Monitor market conditions and the agency's circumstances on an ongoing basis to provide opportunities to all the agency's bond funds deposited at the BNY while satisfying all cashflow, safety and liquidity considerations in a manner consistent with Board's investment policy. The opportunities include improving returns and reducing risks associated with management of BAWSCA's investments to BAWSCA's financial benefit. The consultant will also prepare monthly and quarterly investment reports which reconcile all of the account investment holdings and activities.

**Scope of Services – Results to be Achieved:**

The draft scope of services with Public Trust Advisors for FY 2017-18 is shown in Exhibit A.

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
And Public Trust Advisors LLC**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose**

For FY 2017-18, BAWSCA requires on-going professional investment advisory services on the agency's Series 2013A and B bond funds deposited at the Bank of New York in a manner consistent with Board's investment policy.

**Work to be Performed:**

Anticipated tasks may include the following:

**Task 1.** Monitor market conditions and the agency's circumstances on an ongoing basis to provide opportunities to all the agency's bond funds (including stabilization funds, interest funds and principal funds) deposited at the Bank of New York while satisfying all cashflow, safety and liquidity considerations. The opportunities include improving returns and reducing risks.

**Task 2.** Prepare monthly and quarterly investment reports which reconcile all of the account investment holdings and activities.

**Not to Exceed Contract Limit: \$10,000**

**Rates & Charges:**

8 basis points (0.08%) multiplied by the average market value of stabilization funds under management.

Due to the short investment horizon and the current low short-term investment yields, the not to exceed contract limit amount of \$10,000 is a result of PTA waiving all their management fees for the interest funds and principal funds.

However, PTA anticipates that short-term investment yields may rise during the course of FY 2017-18 providing the agency an opportunity to improve investment earnings by actively investing amounts held in the interest and principal funds. As a result, based upon market conditions and the agency's circumstances, PTA may propose to manage the investments held in the interest and principal funds more actively and charge the agency management fees for such additional services subject to the agency's approval. The additional earnings, net of PTA's management fees, resulting from such active management of amounts held in the interest and principal funds is expected to exceed the earnings the agency would have realized had such amounts remained invested in the money market fund.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**        **Professional Services Contract with Stetson Engineering**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Stetson Engineering for FY 2017-18 to assist with administration of the 2009 Water Supply Agreement (WSA). The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$50,000 is included in the Proposed FY 2017-18 Operating Budget. The proposed budget is the same as the current year's adopted Operating Budget with no increase in rates or fees.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Stetson Engineering, subject to legal counsel's final review, for a not-to-exceed amount of \$50,000 to assist BAWSCA with administration of the 2009 WSA.**

**Discussion:**

Wholesale and in-City retail customers pay their share of operating and maintenance costs of the Regional Water System based on their proportionate share of water used. Outside engineering services are utilized to ensure proper calculation and measurement of metered water deliveries. Stetson Engineering has provided these services since 1984.

Stetson's familiarity with these assignments has proved valuable to the wholesale customers. In the early 1990's, Stetson discovered inaccuracies in the SFPUC water meters increasing the proportion of costs allocated to the wholesale customers. The savings due to the discovery and correction of the under-recording meters resulted in a one-time payment of \$2M and an ongoing savings estimated at \$1.2M per year.

While the analytical portion of these services could be performed in-house, BAWSCA staff provides greater value doing other tasks that cannot be performed as well by outsiders. Due to Stetson's unique knowledge of the system and water metering equipment, the specialized work, and their competitive hourly rates, continuation of their services is recommended.

**Scope of Services – Results to be Achieved:**

The draft scope of services with Stetson Engineers for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2017-18 billing rates for this contract:

Supervisor I	\$195
Associate I	\$110
Associate II	\$105
Assistant I	\$93
Assistant II	\$88
Administrative I	\$68



**EXHIBIT A**  
**TO THE CONSULTING SERVICES AGREEMENT**  
**Between the Bay Area Water Supply and Conservation Agency**  
**and Stetson Engineering, Inc.**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose:**

Stetson Engineering performs two vital tasks associated with administering the Water Supply Agreement:

1. Compiling and analyzing water usage information that is the basis for assigning costs between the wholesale customers and the City
2. Monitoring the repair and calibration of the system meters which measure water usage.

**Work to be Performed:**

Stetson Engineering will analyze the prior year's (FY 2016-17) water usage information and calculate water use factors in accordance with Exhibit J of WSA. Stetson Engineering will also monitor whether San Francisco performs mainline water meter repair, calibration and testing in accordance with the provisions of the Agreement. As required, Stetson will bring issues and recommendations to the BAWSCA General Manager or designated staff contact. In addition, Stetson will assist on an as needed basis in the implementation of the new water supply agreement.

Specific tasks will include:

- **Task 1.** Compile and analyze monthly water usage data collected by the SFPUC's Customer Services Division and daily totalizer data and monthly reports collected by the Operations division.
- **Task 2.** Record maximum water usage based on daily totalizer data collected by the SFPUC.
- **Task 3.** Concurrent with the SFPUC analyses, prepare J-tables and associated worksheets used in allocating operating and capital expenditures between in-City and suburban users. If necessary, prepare for and attend meetings with the SFPUC pertaining to the finalization of J-tables. Compare analysis with SFPUC, resolve any differences, and reach agreement with the SFPUC on J-table allocation factors.
- **Task 4.** Continue to monitor SFPUC efforts to recalibrate, maintain, or install new meters (system input, J-table, or county-line meters) and provide periodic written updates.

- **Task 5.** As requested, prepare for and attend meetings with the Board or General Manager, attend meetings or conduct field trips with SFPUC representatives when necessary or required, conduct other analyses as directed, and prepare monthly progress and billing reports.

**Budgeted Activities:**

The total budget request is based on the following *estimates*:

Administration/General	\$ 5,250
Analyze Water Usage	20,000
Max. Day	1,000
J-Tables	5,250
System/County-line Meters	16,000
<u>Unexpected Activities</u>	<u>2,500</u>
Sub-Total	\$50,000

**Not-to-Exceed Contract Limit:** \$50,000

**Rates and Charges:**

Hourly billing rates are shown below:

Supervisor I	\$195
Associate I	\$110
Associate II	\$105
Assistant I	\$93
Assistant II	\$88
Administrative I	\$68

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Terry Roberts Consulting, Inc. for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Terry Roberts Consulting, Inc. for FY 2017-18. Mr. Roberts' experience and insights have been an integral part of BAWSCA's review of SFPUC's management of the Water System Improvement Program (WSIP) and Water Enterprise 10-year Capital Improvement Program (10 -Year CIP), as well as preparation of recommendations for SFPUC's consideration. BAWSCA's recommendations to date have ensured that tens of millions of dollars in savings have remained available to benefit the water customers.

Mr. Roberts has an extensive track record of successfully implementing complex capital improvement programs for local Bay Area cities in his prior positions. As former Deputy City Manager for San Jose, Mr. Roberts was responsible for overall direction and leadership in implementing a \$3.5 billion, 5-year CIP. While the Public Works Director for Daly City and Oakland, Mr. Roberts directed departments with annual operating budgets of \$10M (90 employees) and \$100M (700 employees) respectively.

With over 90% of the WSIP effort now completed, and given the increasing role that BAWSCA is pursuing in the review of the SFPUC's Water Enterprise 10-Year CIP for efforts that fall under either the Regional Water Projects category and/or the Hetchy Capital Projects category, Mr. Roberts' expertise in managing complex capital programs will be especially valuable to BAWSCA. Additionally, Mr. Roberts' expertise will be utilized as part of a benchmarking study BAWSCA intends to perform evaluating the efficiency and cost-effectiveness of SFPUC water operations against other comparable water utilities. The contract will be prepared using BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$115,000 is included in the Proposed FY 2017-18 Operating Budget for these services. The proposed budget is \$10,000 less than the current year's adopted Operating Budget with a 2% increase in billing rates.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Terry Roberts Consulting, Inc., subject to legal counsel's final review, for a not-to-exceed amount of \$115,000 to provide BAWSCA professional services needed in monitoring SFPUC's implementation of the WSIP and 10-year CIP.**

**Discussion:**

In November 2007, Mr. Roberts was retained to assist in reviewing the progress of the WSIP. In FY 2017-18, the SFPUC's efforts in implementing the WSIP will be focused on four key remaining WSIP projects: the Calaveras Dam Replacement Project; the fish passage and related facilities associated with the Alameda Creek Diversion Dam Project, the Regional Groundwater Storage and Recovery Project, and the Alameda Creek Recapture Project. Mr. Roberts' expertise is critically important to BAWSCA in its continuing review of the WSIP during this period as the program nears its scheduled completion in mid FY2019-20.

Beginning in FY 2013-14, BAWSCA began reviewing the SFPUC's 10-Year CIP in an effort to influence the scope, schedule and budget of that effort in the early development stages. Work in FY 2016-17 focused on tracking the SFPUC's execution of the proposed Mountain Tunnel capital project to assess the condition of the Tunnel and determine what measures were appropriate to mitigate against a potential failure of this critical piece of infrastructure. In FY 17-18 BAWSCA anticipates a continued expansion of its efforts to track the SFPUC's 10-year CIP. Mr. Roberts will assist BAWSCA in CIP tracking.

Finally, in FY 2017-18, budget has been provided to utilize a small portion of Mr. Robert's time assisting BAWSCA staff on a proposed benchmarking study to evaluate the efficiency and cost effectiveness of the SFPUC's operation of the Regional Water System.

Mr. Roberts' prior experience in implementing complex CIPs in the public sector brings significant value to BAWSCA's review of the WSIP and 10-Year CIP. As former Deputy City Manager for the City of San Jose, Mr. Roberts' was directly responsible for implementation of that city's \$3.5 billion, 5-year CIP, which included \$390 million in utilities, \$350 million in transportation, \$1 billion in airports, \$550 million in libraries, parks and community centers, \$175 million in police and fire facilities, and a \$380 million new city hall. For this project, over 180 projects were completed in each of the last three years for a total of over 850 projects completed in a 5-year period. This "on-the-job" experience has proven invaluable in looking at the overall implementation of the WSIP from the perspective of the water suppliers who will pay 2/3rds of the cost, and who are in the communities in which much of the infrastructure will be constructed.

**Scope of Services – Results to Be Achieved:**

The draft scope of services with Mr. Roberts for FY 2017-18 is shown in Exhibit A.

**Billing Rates:**

The following are the FY 2016-17 billing rates for this contract:

- Terry Roberts: \$208/hour
- Jean Gardner: \$131.00/hour

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
and Terry Roberts Consulting, Inc.**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose:**

Provide expertise in the areas of major capital project development and implementation, project cost estimating, project controls, project scheduling, construction management, and asset management that pulls these areas together to support BAWSCA's continuing review of the SFPUC's WSIP, 10-Year CIP, and asset management program from the perspective of the water agencies and customers that rely upon the Regional Water System.

**Work to be Performed:**

- Meet or teleconference regularly with BAWSCA staff and other technical resources to identify opportunities to improve water system reliability and coordinate activities
- Assist BAWSCA with 10-Year CIP and WSIP Development and Implementation: Identify critical project or program issues that might warrant BAWSCA's attention or formal comment. At the request of BAWSCA, review current and developing processes within the SFPUC for project development, approval, and implementation.
- Assist BAWSCA in review of the SFPUC asset management program and 10-year CIP.
- Support BAWSCA's efforts to monitor detailed progress on the overall regional 10-year CIP and WSIP by project and as a program, and on a quarterly basis following the release of the SFPUC Quarterly Reports. Contractor shall (1) provide a brief written report of such progress and (2) identify any specific project(s) that require more detailed analysis.
- Participate in discussions with SFPUC staff and consultants and provide expert advice for producing and maintaining realistic project cost estimates and schedules and construction management.
- Work with BAWSCA staff to review and comment on related reports prepared by SFPUC and others including Annual AB1823 Reports to State, AB 1823 Program Change Reports, Reports from the California Seismic Safety Commission and Department of Health.
- Assist BAWSCA in its proposed benchmarking study of to evaluate the efficiency and cost effectiveness of the SFPUC's operation of the Regional Water System.

**Not to Exceed Contract Limit: \$115,000**

**Rates and Charges:**

The hourly billing rate is shown below.

<b><u>Name</u></b>	<b><u>Hourly Rate</u></b>
Terry Roberts	\$208/hour
Jean Gardner	\$131/hour

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with ConserveTrack, LLC to Maintain a Conservation Management System for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with ConserveTrack, LLC to implement the Conservation Management System for FY 2017-18. The system includes the following two distinct, but related elements: 1) An online conservation rebate application system (Online Rebate System), and 2) a data management system (Data Management System), offered as a subscription water conservation program, to track and manage individual member agency's water conservation programs.

**Fiscal Impact:**

The BAWSCA budget for FY 2017-18 includes \$1,236 for consulting support services for hosting and maintaining BAWSCA's portion of the Online Rebate System. BAWSCA uses this system for its conservation program reporting and analysis.

The annual maintenance costs for ConserveTrack's Online Rebate System, estimated at \$927 per agency, will be funded by BAWSCA member agencies participating in BAWSCA rebate programs. The Data Management System will be offered as a separate program on a subscription basis. For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and ConserveTrack, LLC, subject to legal counsel's final review, for implementation of the Conservation Management System in FY 2017-18; and,**
- 2. Offer participation in the Data Management System to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

The Conservation Management System, launched in August 2016, includes the following elements:

1. An online conservation rebate application system (Online Rebate System), to streamline the rebate application process for applicable BAWSCA rebate programs. This system will be used by all 16 BAWSCA member agencies that participate in the Lawn Be Gone!, High Efficiency Toilet, and Rain Barrel Rebate Programs.
2. A conservation data management system (Data Management System), to enable BAWSCA member agencies to track and manage each individual agency's conservation programs. Currently, two BAWSCA member agencies are utilizing this system.

A contract with ConserveTrack, LLC for FY 2017-18 is needed to: (1) support the ongoing operation and maintenance of the Online Rebate System and Data Management System and (2) facilitate the use of the Data Management System by additional BAWSCA member agencies that opt to participate in this subscription program.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not support the Conservation Management System in FY 2017-18, or (2) support only the Online Rebate System portion of the Conservation Management System in FY 2017-18 and discontinue the Data Management System subscription program.

BAWSCA does not recommend the above alternatives for FY 2017-18. Through a competitive selection process in 2015, BAWSCA received proposals from firms qualified to perform the services requested. The Conservation Management System supports the cost-effective administration of water conservation activities for BAWSCA and its member agencies. To abandon the system would waste the time and investment put into the system by BAWSCA and member agencies to date, and would decrease the efficiency of operations of both BAWSCA and member agency rebate programs. The agencies have expressed a desire to participate in the Data Management System subscription program in FY 2017-18, as this system supports efficient implementation of their water conservation programs.

**Conclusion:**

The Conservation Management System Program provides a cost-effective means of managing and implementing water conservation programs. Efficient operation of water conservation rebate programs is particularly critical in light of increased activity as a result of recent drought conditions. For these reasons, renewal of this water conservation program is recommended.

**Attachment:**

The scope of work for FY 2016-17 is shown in Exhibit A. This scope will be updated for FY 2017-18 to reflect only ongoing operation and maintenance of the Online Rebate System, as well as the ongoing option for BAWSCA member agencies to implement the Data Management System.



**EXHIBIT A**

**ConserveTrack Conservation Management System Implementation - FY 2016-17**

**SCOPE OF WORK**

**Implementation Plan**

ConserveTrack LLC will implement the BAWSCA system according to the following plan. At each step of the way we will work with BAWSCA and Agency staff to confirm requirements and obtain feedback on the design in an incremental fashion.

***Detailed Requirements Definition and Project Plan***

The first step is to work with BAWSCA and Agency staff to define and document the detailed requirements and preferences. The Requirements Document will contain the results of this step, and it will guide all the development.

***Design and Prototype***

Based on the detailed requirements a strawman prototype of the entire system will be developed. This may be in the form of PowerPoint slides that illustrate the detailed user interface and behavior, and portions of the system that are working software.

***Programming and Testing***

After the detailed design and prototyping are complete, we will begin detailed programming and unit testing.

After the key software units are completed we will conduct integrated system testing. This consists of testing the communications between the BAM Rebate System and the multiple DMS Agency systems.

Stress Testing: We will simulate typical and heavy use loads on the system. This will include simulated multiple simultaneous Rebate Center users and multiple DMS user logins in multiple DMSs. We will simulate typical behaviors and monitor system load and responsiveness.

Final Testing: We will conduct a final test before beginning Beta Testing with BAWSCA and Agency staff.

Note: A very significant amount of the software required for the Agency DMS is already available in ConserveTrack. The majority of the features are ready to use.

***Training***

After development is nearly complete, training for BAWSCA and Agency staff will be conducted. See Section F for training plan details.

### ***Beta Testing***

Beta Testing will be conducted with BAWSCA Staff, and 1-2 Member Agency's staff.

The purpose of beta testing is to use the system as if they were actually using it to complete their everyday work. In this case, it will include coordinated use by BAWSCA and Agency staff, using pre-scripted activities that simulate actual usage.

The second part of the Beta testing will be to use the entire system, 'in parallel' with the current system. The purpose of this test is to verify that the same data (or more) is saved, and that the new system will work reliably and consistent with how the previous system worked. We suggest 2-3-week period of parallel usage.

When BAWSCA and Agency staff are satisfied of the proper operation of the system, it will be considered accepted.

### ***Historical Rebate Cases Import***

For both BAWSCA and Member Agencies, there may be historical Rebate Cases that will require importing into the current systems (BRC and DMS).

We will work with BAWSCA and Agency staff to obtain these past rebate records, to convert and import these into the new system. This work will be dependent on the help and support of technical support staff at BAWSCA and each Agency.

### **Final Installation and Configuration**

After acceptance, we will re-initialize the entire system by clearing out any test data, and loading any initial data that is required (such as rebates from the previous system or other type cases into the DMS for the Agencies that choose to use ConserveTrack).

We will verify the configuration and then conduct final checks.

### ***Rollout***

We recommend both the new and previous systems be used in parallel for a period of two-three weeks. This is the rollout period. During this period, the previous system will be the 'master'. During this time the two systems will be compared and the new system will be validated.

After the rollout period, the previous system will be discontinued. This provides a safety option so that if there is any substantial issue found in the new system, users can revert to using the previous system until the issue is resolved. This is considered highly unlikely as any such issues will be considered in the design phase, testing phase or during beta testing.

To begin use of the new system a Start Date will be selected. On that date, users will begin using the new system.

### **Ongoing Hosting, Maintenance and Support Services**

This section defines the services we will provide as part of the ongoing hosting, software maintenance, user support and technical support.

### ***System Hosting and Maintenance***

The ConserveTrack server will be hosted at a physically secure network facility with dedicated redundant power supplies, and dedicated ultra-high speed, redundant internet connections.

ConserveTrack will provide all hardware, software, software licenses and services required to install and operate the system. Nothing will need to be installed at BAWSCA except the system to execute the periodic export of data from the CC&B billing system to ConserveTrack.

ConserveTrack will be hosted on a professionally managed ConserveTrack server. Only the ConserveTrack staff and the hosting facilities technicians will have access to the computers. The data base will be protected from internet access. The system will be monitored constantly. System performance and responsiveness will be reviewed regularly.

The services included are:

1. Physical server computer(s) and networking equipment.
2. All software, including Microsoft and other third party licenses
3. Facilities: power, air conditioning, and physical security
4. Backups and storage, and emergency RESTORE if needed.
5. System Monitoring

### ***Software Maintenance***

The ConserveTrack software is continuously updated and improved. In addition, underlying technology changes require periodic software updates. This section defines the various software maintenance tasks.

1. Software Maintenance and Support, including:
  - a. Bug fixing – any software issues will be resolved in a timely manner
  - b. Technology updates when Operating System and other related software changes
  - c. Version updates of purchased modules and features
  - d. Ongoing system enhancements such as improved user interface
2. Software Enhancements
  - a. Minor software changes are included in the services, for example:
    - i. Text and label changes on web forms and letters
    - ii. Minor changes to reports or letters such as updating text, graphic elements, and formatting.
  - b. The quoted service does not include adding new features, changes or additions such as:
    - i. Any new feature requiring coding changes
    - ii. New reports
    - iii. New letters
    - iv. New web pages or functions on existing pages
    - v. Major changes to pages such as adding new fields, calculations
    - vi. These types of changes will require a change order and normally will require additional costs. We will provide a written quote for any change request.

### ***User Support***

ConserveTrack will provide user support services as a part of the hosted ConserveTrack service:

- User Support – ConserveTrack will provide technical support for users via phone, screen sharing and email. Support will be provided during normal BAWSCA business hours (9 AM – 5 PM).
- Training as needed. We ask that training sessions be scheduled in advance but brief training via GoToMeeting is always available.

### ***Required IT Support***

We will require some initial and ongoing support from your IT staff. We try to minimize the impact on IT. ConserveTrack will need the support and help from your IT staff in the following ways:

1. Initial Billing System Synchronization
  - a. We will work with the IT/Utility Billing System technical staff to create scripts to query and extract the required information for ConserveTrack.
  - b. This is a one-way data transfer from the billing system to ConserveTrack
  - c. This may be in the form of computer files, or possibly a read-only direct database connection (this depends on the IT preference and system capabilities)
  - d. Configure the data transfer method (e.g. FTP or direct database connection)
  - e. Test the extract data and make necessary adjustments.
  
2. Ongoing Billing System Synchronization
  - a. On a weekly basis, generate the extracts
  - b. This may be automated or a manual process. Automated is preferred.
  - c. Provide occasional assistance as needed in case of problems
  
3. Initial Case Data Extract
  - a. We will import all of historical rebate cases into ConserveTrack Cases
  - b. To do this we will need to work with a person who is technically familiar with your current databases, and can help us extract the required data.
  - c. This is a onetime task completed as part of the ConserveTrack setup.

BAWSCA Rebate Center System Costs		Quote	
ConserveTrack Cloud-Hosted Conservation Management		8/5/2015	
Final Revision 8/5/2015			
Items	BAWSCA Costs	Agency Costs	
<b>Rebate Center</b>			
Initial Rebate Center System	25,000		
Optional Additional Customizations	5,000		
Total Initial BAWSCA Cost	<b>30,000</b>		
Mini DMS Integration per agency			400 per Agency <sup>1</sup>
Add Future Rebate Programs	1,800 each		
<b>Data Management System (DMS)</b>		<b>Account Multiplier</b>	
The cost per agency depends on # accounts		0-50K	0.18
\$2500 Initial base cost PLUS multiplier* # Accts		50K +	0.15
<b>Training Costs</b>			
BAWSCA Rebate Center	1,400		
DMS (group)			1,500
Mini-DMS (group)			800
Inspectors (group)			800
<b>Hosting, Maintenance and User Support<sup>3</sup></b>		Monthly	
BAM Rebate Center Support <sup>5</sup>	100		
Full DMS Hosting, Maintenance and User Support		<b>Account Multiplier</b>	
\$100 + #Accounts * Multiplier		0-50K	2.8 cents
		50K +	1.8 cents
Mini-DMS Maintenance and Support			75
<sup>1</sup> Mini-DMS Agency Integration includes Mini-Synchronization with Billing System <sup>2</sup> Depends on the size of the agency (# accounts and # users). This cost quote includes 4 users. Additional users add \$500 to the DMS initial cost and \$100/month <sup>3</sup> Monthly costs will be discounted depending on how many agencies adopt DMS <sup>4</sup> Support fees: we propose a cost of living increase of 3% annually			

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with EarthCapades to Conduct School Assembly Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with EarthCapades to implement School Assembly Program for FY 2017-18. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and EarthCapades, subject to legal counsel’s final review, for implementation of the School Assembly Program in FY 2017-18; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal year 2017-18 will be the seventh year that the School Assembly Program would be offered to BAWSCA member agencies. Twelve agencies are currently participating in the program. The majority of these agencies have expressed interest in participating in this program again next year. This program is part of the comprehensive package of conservation programs that BAWSCA agencies have asked BAWSCA to support next fiscal year as part of the Regional Demand and Conservation Projections Report.

The contractor, EarthCapades, provides an informative and entertaining assembly at schools that focuses on water conservation. Typically the assemblies reach 250 students at a time at a rough cost of \$2 per student. EarthCapades performances combine age appropriate, state science standards with circus skills, juggling, music, storytelling, comedy, and audience participation to teach environmental awareness, water science and water conservation. Programs are designed to include local water source and watershed information. Using specifics provided by the agencies, EarthCapades integrates the information into their script or writes new routines to convey the agency message. EarthCapades handles the administrative logistics of scheduling the performances with the schools. EarthCapades also collects paper-free evaluations using Survey Monkey, which provides tangible statistics of the effectiveness of their program.

This program will assist participating agencies in implementing the “Foundational: Education – School Education Programs” element of the Best Management Practices for Urban Water Conservation.

Because of its connection with school children, this program would be initiated in August 2017 and run through June 2018. The scope of work for FY 2017-18 is expected to be largely consistent with the scope of work for the prior year’s program, which is included as Exhibit A.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the School Assembly Program in FY 2017-18, or (2) offer a potentially different type of School Assembly Program.

BAWSCA does not recommend the above alternatives for FY 2017-18. The agencies have expressed a strong desire to continue to support a School Assembly Program that focuses on water conservation. EarthCapades was selected to provide the School Assembly Program through a competitive process in 2009. The agencies also continue to be pleased with this program and have expressed a desire to continue the School Assembly Program with EarthCapades in FY 2017-18. Given EarthCapades’ qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

**Conclusion:**

The experience with this program to date has shown it to be a cost-effective means of educating students on the value of water and the importance of water conservation. For this reason, renewal of this water conservation program is recommended.

**Attachment:**

The scope of work for FY 2016-17 is shown in Exhibit A. The scope will be updated for FY 2017-18 and is expected to be largely unchanged.



**EXHIBIT A**

**EarthCapades School Assembly Program - FY 2016-17**

**SCOPE OF WORK**

EarthCapades will schedule and perform assembly programs at eligible schools and public events within the Bay Area Water Supply and Conservation Agency (BAWSCA) service area during the Fiscal Year 2016-17 school year, August 2016 through June 2017.

**BAWSCA and/or Local Water Agency Roles and Responsibilities:**

- BAWSCA will provide EarthCapades with initial information regarding which schools are eligible within each BAWSCA member agency (Local Water Agency) and what the maximum not to exceed budget is for each Local Water Agency by July 2, 2016, or sooner. If, during the course of FY 2016-17, the Local Water Agency wishes to increase or decrease the number of shows and/or budget, the Local Water Agency will coordinate those changes with EarthCapades, who will in turn notify BAWSCA of any changes. A decrease in the total number of shows or budget can be accommodated as long as it does not impact any schools that have already been scheduled.
- BAWSCA and/or the Local Water Agencies will provide EarthCapades with show content requirements by August 1, 2016.
- BAWSCA and/or the Local Water Agencies are responsible for coordinating with EarthCapades if they would like select materials and information distributed as part of a show. Such coordination must occur no later than one week prior to the scheduled show. BAWSCA understands that EarthCapades may not be able to distribute items that are too large or that conflict with the message that EarthCapades is presenting and that BAWSCA or the Local Water Agencies may have to be responsible for the delivery and distribution of item(s) if they exceed EarthCapades' capacity to deliver the materials.
- Local Water Agencies will email a draft Letter of Invitation to eligible schools with a Fax Request Form (Template Letter with Agency-specific information, in a Word Document) to EarthCapades for review by July 22, 2016. EarthCapades will provide comments on drafts to Local Water Agencies by July 29, 2016.
- Local Water Agencies will mail a Letter of Invitation with a Fax Request Form to all eligible schools by August 4, 2016. Eligible schools interested in participating will respond directly to EarthCapades, which shall be responsible for all scheduling.

**EarthCapades Roles and Responsibilities:**

- EarthCapades will incorporate the content requested by BAWSCA and/or Local Water Agencies into the shows that are conducted within the Local Water Agency Service Area.
- EarthCapades will perform assembly performances that include, but are not limited to, the following information:
  - Everything is connected through water and water is vital to sustain life on Earth.
    - All water is connected through the Water Cycle: Evaporation, Condensation Precipitation;
    - Water is a finite resource;
    - Every living being on Earth depends on water to survive and

- everything that is manufactured uses water to be created;
- Approximately 70% of our bodies and 90% of our brains are water; and
- Approximately 70% of the Earth's surface is water, 97% of that is salt water and only 1% is fresh liquid water.
- How water gets from the source to City/Agency homes and schools.
  - PowerPoint and/or visual description of the path the water takes from the Sierra Nevada Mountains to the Hetch Hetchy Reservoir, through the pipeline to local reservoirs to the treatment plant, and then through underground pipes to our homes and schools. This will change according to the local specific information for each agency.
- How to conserve, protect, and respect water. Conservation tips covered but not limited to:
  - Turn off the water when you're not using it (brushing teeth, washing hands, doing dishes, etc);
  - "Get off the bottle" and use reusable water bottles;
  - Fix leaky faucets and toilets;
  - Install low flow faucets aerators, shower heads and toilets;
  - Use a broom not a hose to clean the sidewalk;
  - Take shorter showers;
  - Run full laundry and dishwashing loads; and
  - Plant native drought resistant plants and water in the mornings and evenings.
- How to prevent water pollution:
  - Don't litter;
  - Use organic fertilizers, not pesticides on lawns and gardens;
  - Prevent storm water pollution through not pouring anything down the storm drains,
  - Recycle motor oil;
  - Create awareness that everything that goes into the storm drains ends up in nature; and
  - Inspire students to pick up litter ("safe" litter ~ wear gloves and don't pick up anything sharp or containing bodily fluids).
- EarthCapades will schedule performances directly with schools based upon a first come, first served basis.
- EarthCapades will submit a progress report to BAWSCA on October 15, 2016 regarding how many and which of the eligible schools EarthCapades has been able to successfully enroll. EarthCapades will provide additional school scheduling updates upon request.
- If EarthCapades is having difficulty enrolling a school in the program, or if that school/classroom has not been enrolled by January 2017, EarthCapades will alert BAWSCA and the Local Water Agency.

- EarthCapades will fax or email each scheduled school a Performance Agreement stating the date and time of performance and EarthCapades' technical needs. The Performance Agreement will be signed and returned by the school's administrator.
- One week prior to performances EarthCapades will send a Performance Reminder fax or email to each scheduled school to re-confirm and remind them to be prepared for the program.
- On the day of the program, EarthCapades will distribute materials provided by BAWSCA and/or the Local Water Agency to the show attendees, if BAWSCA and/or the Local Water Agency have established a mutually agreeable arrangement with EarthCapades as to how to orchestrate the materials delivery and distribution.
- On the day of the program, EarthCapades will e-mail an online evaluation link for teachers and administrators to complete. BAWSCA and the Local Water Agency staff will be provided a link to review survey results at any time. The link will remain open and available to BAWSCA and the Local Water Agency staff until August 1, 2017.
- EarthCapades performer(s) will present a preapproved 35 to 45 minute assembly with different age appropriate versions for grades K-2, 3-5 and 6-8 that teach water conservation and appreciation.
- Agencies have the option to use program funds for performances at alternate locations and/or events as long as it coordinates with EarthCapades availability.
- EarthCapades will invoice BAWSCA monthly for shows performed in the previous month.
- If a scheduled school cancels before confirmation fax is sent, EarthCapades will reschedule the performance. If the school cancels after the Performance Reminder has been sent, the Local Water Agency will be charged for full amount.
- EarthCapades will manage scheduling and performances to stay within the specified Local Water Agency maximum not to exceed budgets.
- EarthCapades rates for this contract are listed below.

*School Shows (45 minutes, maximum of 350 students and staff per show)*

*Duo Performer Programs*

*\$700 / 1 show*

*\$1050 / 2 shows (back to back)*

*\$1315 / 3 shows (same school same day)*

- EarthCapades will provide BAWSCA with a Final Report by June 30, 2017 that includes the following:
  - Brief Introduction
  - Brief Summary of Show content
  - Documentation, by Agency, of the schools/locations/events where EarthCapades performed
  - Documentation, by Agency, of the number of people/kids that attended each EarthCapades performance
  - Select quotes from survey results
  - A few photos to give a feel of a performance

Link to the survey results

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Global Sun Landscape to Implement the Lawn Be Gone! Site Inspection Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Global Sun Landscape to implement the Lawn Be Gone! Site Inspection Program (Program) for FY 2017-18. As with all BAWSCA subscription programs, (1) the opportunity to participate is extended to all BAWSCA agencies, (2) participation is voluntary, and (3) the participating agencies will pay the entire cost for the Program.

**Fiscal Impact:**

This Program is being offered on a subscription basis. For FY 2017-18, only those agencies that elect to participate in the Program will pay the cost of the outside service provider, as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and Global Sun Landscape, subject to legal counsel’s final review, for implementation of the Lawn Be Gone! Site Inspection Program in FY 2017-18; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

The Lawn Be Gone! Program, a voluntary subscription water conservation program offered to all BAWSCA agencies, provides rebates to customers of participating member agencies for replacing ornamental turf with water-efficient landscaping such as native plants and permeable hardscape. To ensure that sites participating in the program will achieve water savings, each location must meet certain program requirements. To ensure compliance, customer sites must undergo a pre-inspection and post-inspection to determine eligibility and compliance with the program terms.

The Lawn Be Gone! Site Inspection Program has been offered to BAWSCA member agencies since July 2015. The Program provides assistance to BAWSCA member agencies in conducting pre- and post-inspections of residential and commercial landscape sites seeking to participate in BAWSCA’s Lawn Be Gone! Program or similar member agency turf replacement programs.

Currently, five agencies are participating in the Program, and each of these agencies has expressed a strong desire to continue participating in the program next year.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Program in FY 2017-18, or (2) offer a potentially different type of Program.

BAWSCA does not recommend the above alternatives for FY 2017-18. Through a competitive selection process in 2015, BAWSCA received proposals from firms qualified to perform the services requested. The agencies have expressed a desire to participate in the Program in FY 2017-18.

**Conclusion:**

The Lawn Be Gone! Site Inspection Program provides a valuable enhancement to the Lawn Be Gone! Program for the agencies that opt to participate. The Program can be provided by a qualified vendor at a reasonable cost. For these reasons, implementation of the Program is recommended.

**Attachment:**

The draft scope of work for FY 2017-18 is shown in Exhibit A.

**EXHIBIT A**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
and Global Sun Landscape**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose:**

Provide pre- and post-inspection services for Bay Area Water Supply & Conservation Agency (BAWSCA) member agencies' (Local Water Agency(ies)) customers that participate in the Lawn Be Gone! rebate program (Program) or similar local agency turf replacement rebate programs.

**Work to be Performed:**

- Conduct pre-inspections of turf replacement project sites, and collect field data and photos to confirm that a site meets program qualification requirements
- Complete the necessary pre-inspection paperwork and photos, and qualify the water customer for participation in the Program by sending out a notice to proceed.  
Enter field data and photos into an online database hosted by BAWSCA (the Rebate Center)
- Conduct post-inspections of turf replacement project sites, and collect field data and photos to confirm that the completed project complies with program guidelines.
- Host a Program hotline for customers.

**Rates and Charges:**

The unit costs are shown below.

<b><u>Item</u></b>	<b><u>Unit Cost (per site)</u></b>
Pre-Inspection Services - Residential sites and Commercial up to 1,000 sq. ft.	\$94
Post-Inspection Services – Residential sites and Commercial up to 1,000 sq. ft.	\$94
Pre-Inspection Services - Commercial sites over 1,000 sq. ft.	\$124
Post-Inspection Services –Commercial sites over 1,000 sq. ft.	\$124
Lawn Be Gone! Customer Hotline	\$67

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Maddaus Water Management for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Maddaus Water Management (MWM) to provide as-needed assistance on BAWSCA agency water demand and conservation savings projections. Participation in these services by BAWSCA agencies is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and Maddaus Water Management, Inc., subject to legal counsel's final review, to provide professional services related to water demand and conservation savings projections; and,**
- 2. Offer participation in the services to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

In March 2013, BAWSCA contracted with MWM to complete the Regional Demand and Conservation Projections Project. Through this project, which was completed in July 2014, MWM developed individual Decision Support System models (DSS models) for each BAWSCA agency to project each agency's water demand and conservation savings through 2040. In addition to providing regional demand projections for the Long-Term Reliable Water Supply Strategy, these models were provided to each agency for use in its local planning efforts.

Following completion of this project, BAWSCA entered into a subsequent one-year contract with MWM to provide as-needed services on the DSS Models developed through the Project. BAWSCA agencies have expressed interest in continued services from MWM to support the use of the DSS models in FY 2017-18, in particular, to assist with modifications that may be necessary as part of future water supply planning efforts.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the Demand and Conservation Projections Support Services in FY 2017-18, or (2) offer potentially different services based on a contractor and program selected through a competitive bid process.

BAWSCA does not recommend the above alternatives. MWM was selected to complete the Regional Demand and Conservation Projections Project through a competitive process in 2013. Several agencies have indicated a strong interest in continued use of the DSS Models and as-

needed support services through FY 2017-18. Given MWM's qualifications, it is appropriate to contract with the firm for these services for FY 2017-18.

**Conclusion:**

The DSS Model continues to provide a valuable tool for the BAWSCA member agencies in their water management planning efforts. For this reason, renewal of this as-needed contract is recommended.

**Attachment:**

The draft scope of work for FY 2017-18 is shown in Exhibit A.

**EXHIBIT A**  
**TO THE CONSULTING SERVICES AGREEMENT**  
**Between the Bay Area Water Supply and Conservation Agency**  
**and Maddaus Water Management, Inc.**

**DRAFT**

**FY 2017-18 SCOPE OF SERVICES**

**Purpose:**

Provide technical services and other support for the BAWSCA member agencies associated with the use of the Decision Support System (DSS) Model for water demand projections and conservation program planning.

**Work to Be Performed:**

Services will be performed on an as-needed basis and may include:

- Modifications to DSS Model Input data
- Additional model runs or scenario testing
- One-on-One DSS Model training
- Technical assistance

**Rates and Charges:**

The hourly billing rate is \$195 per hour.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**        **Professional Services Contract with Resource Action Programs to Implement the School Education Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Resource Action Programs (RAP) to implement the Water Wise School Education Program for FY 2017-18. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and Resource Action Programs, subject to legal counsel's final review, for implementation of the School Education Program in FY 2017-18; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal year 2017-18 will be the eleventh year that the Water Wise School Education Program has been offered to BAWSCA member agencies. Eight agencies are currently participating in the program. The majority of these agencies have expressed interest in participating in this program again next year. This program is part of the comprehensive package of conservation programs that BAWSCA agencies have asked BAWSCA to support next fiscal year as part of the Regional Demand and Conservation Projections Report.

The contractor, Resource Action Programs (RAP), offers various programs oriented towards water, energy, and other natural resource conservation and education. Water Wise School Education Program targets 5<sup>th</sup> grade students and includes (1) an 8-unit curriculum that is given to teachers, and (2) a water audit kit. The kit may be an Indoor or Outdoor Water Audit Kit, depending upon which type of kit the agency opts to fund.

Since its inception, the Water Wise School Education Program has been a cost-effective program that generates real water savings while providing an excellent customer education opportunity.

The BAWSCA Annual Conservation Report, available on the BAWSCA website, provides information on program activity from FY 2005-06 through FY 2015-16.

Because of its connection with school children, this program would be initiated in September 2017 and run through June 2018. Additional augmentations to the RAP program include incentives for both the students that complete the in-home water audit and for the teachers that complete the entire curriculum and get the most students to complete the in-home water audit. These incentives will be provided by BAWSCA, on behalf of, and paid for by, the participating agencies.

The scope of work for FY 2017-18 is expected to be largely consistent with the scope of work for prior years' programs, a sample of which is included as Exhibits A, and B.

**Alternatives:**

Alternatives to the recommended action included herein are to (1) not offer the Water Wise School Education Program in FY 2017-18, or (2) offer a potentially different type of School Education Program.

BAWSCA does not recommend the above alternatives for FY 2017-18 for the following reasons. The agencies have expressed a strong desire to continue to support an in-classroom school education program that focuses on water conservation. The agencies also continue to be pleased with the Water Wise School Education Program and have expressed a desire to continue that program with RAP. Given RAP's qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

**Conclusion:**

The experience with the Water Wise School Education Program to date has shown it to be a cost-effective means of achieving water conservation savings in the home and educating students on the value of water and importance of water conservation. For these reasons, renewal of this water conservation program is recommended.

**Attachment:**

The scope of work for FY 2016-17 Indoor Water Wise programs and LivingWise program are shown in Exhibits A and B. These scopes will be updated for FY 2017-18 and are expected to be very similar.

**EXHIBIT A  
Resource Action Programs®**

**BAWSCA Indoor WaterWise™ Program Description and Scope of Services**

PROGRAM DESCRIPTION

The **BAWSCA Indoor WaterWise™** program directly addresses the priorities of obtaining measurable water and energy savings results and cost effectiveness through a proven program format, featuring a turn-key set of classroom activities and hands-on home projects. Students receive kits containing home efficiency devices, which are taken home, installed and shared with family members. Students work on subjects required by state learning standards to understand and appreciate the value of natural resources in everyday life. This stimulating program shapes new behaviors and achieves instant savings results through a cost-effective mix of new product installation and resource efficiency knowledge, using the best messengers – children!

**Additional Benefits** – The quantifiable savings often serve as a basis for excellent PR and company image opportunities through local media coverage. The program provides complete implementation services, can be customized to the needs of the target audience, and can also deliver benefits of customer audit information, strategic partnerships/cost-sharing and promoting other company programs.

**BAWSCA Indoor WaterWise** at a glance:

- Proven to deliver lasting quantifiable results and measurable savings.
  - Simple and very cost-effective.
  - All implementation services are included.
  - Features a fun and interactive curriculum to shape new family habits and usage.
  - Includes Resource Action Kits to directly install resource-efficient technologies in the home.
- Delivers Measurable Savings Results.*** Students conduct a simple home audit to determine areas where their families are using water and energy inefficiently. Family's work together to improve efficiency by changing usage habits and through the installation of the conservation technologies provided to each student in their Resource Action Kit. Kits include conservation measures and simple test equipment to enable the family to determine the energy and resource conservation opportunities that exist in their home, while providing the installable resource conservation technologies to achieve quantifiable savings. These activities foster family cooperation and help educate parents on the benefits of resource conservation. Students submit reports detailing the results of their conservation activities.
- Water Education.*** The **BAWSCA Indoor WaterWise** Program combines classroom activities with in-home hands-on retrofit projects that students perform with their families. This combination yields quantifiable conservation results and strong practical learning, effectively shaping new resource usage behavior and attitudes. The **BAWSCA Indoor WaterWise** Program is turnkey and comprehensive while providing all materials, supplies, teaching tools and support needed by teachers and participants. Learning is measured via pre/post test comparisons.

- ☑ ***Builds New Resource Habits.*** New habits result from effective education and personal action. The program provides a wide range of teaching tools to maximize learning. The feature-rich program website, [www.getwise.org](http://www.getwise.org), is a great resource for classes, teachers, and individuals. Beyond these computer resources, the **BAWSCA Indoor WaterWise** program provides videos, posters, workbooks, and varied activities to reach all types of learning preferences. New knowledge translates to action at home with the installation activities. Families discover first-hand the value of the new *knowledge and habits* they have acquired.

### **TEACHER ACCEPTANCE**

Program success is directly correlated to proactive teacher support and involvement. The design and content of the program is proven to motivate teachers to sign up and participate enthusiastically. There are several incentives offered by the program to ensure this:

1. The program satisfies numerous State Curriculum Standards and helps teachers meet their teaching requirements.
2. The program is flexible in structure, allowing teachers to schedule activities around existing lessons. The program can be run in a week or a few months.
3. Program content and activities are comprehensive and well described through accompanying materials so that additional in-service training sessions are generally not necessary.
4. Students LOVE the program, and are both stimulated and highly motivated by the Resource Action Kits and the hands-on projects. Happy students mean happy teachers!
5. The program overcomes an often-challenging hurdle of parental involvement by reaching beyond the classroom to involve parents in their children's education and the schools.

### **PROGRAM GOALS**

- Reshape family habits and reduce residential resource use.
- Develop community awareness about the importance of environmental issues.
- Demonstrate cost effectiveness based on superior savings results, complete turnkey implementation, and satisfaction of sponsor objectives.
- Help generate excellent media coverage, build brand awareness and strengthen community image.

### **PROGRAM OBJECTIVES**

For each 5<sup>th</sup> grade participant sponsored, the program will attempt to fulfill the following objectives:

- Install 1 High-efficiency Showerhead and 2 faucet aerators
- Check 1 toilet for leaks
- Collect household audit information on 1 residential home
- Reshape family resource usage habits and attitudes for 1 household



### **ESTIMATED PROGRAM RESULTS**

Based on program experience, the following results are estimated per participant sponsored, over a conservative life of 10 years. Savings will continue into the future, since the installed hardware will remain in place, and new usage habits, attitudes, and knowledge will persist. **Projected 10 year Savings** (Actual results will vary):

- 2,098 kWh of electricity (assuming 20% electric water heat)
- 441 therms of gas (assuming 80% gas water heat)
- 94,444 gallons of water
- 94,444 gallons of wastewater

### **PROGRAM MATERIALS**

Each sponsored teacher and student will receive a **BAWSCA Indoor WaterWise** Resource Action Kit that contains the following:

- High-efficiency Showerhead (1.75 G.P.M. max)
- 2 Water Efficient Faucet Aerators (1.5 & 1.0 G.P.M. max)
- Digital Thermometer
- Toilet Leak Detector Tablets
- Miniature Tape Measure
- Rain / Drip Gauge
- Shower Timer
- Resource Facts Slide Chart
- Flow Rate Test Bag
- Teflon Tape
- Additional information provided by BAWSCA

Resource Action Programs reserves the right to change or replace any of the products listed above with products of equal or greater value based on product cost, program improvements, advancements or specific program needs. Resource Action Programs must notify BAWSCA in writing of any proposed changes, and BAWSCA must consent to those changes before they are implemented.

Each sponsored participant will receive a **BAWSCA Indoor WaterWise** Student Workbook and Student Guide that provides a concise set of activities to build knowledge of the importance and value of natural resources and their conservation. Emphasis is placed on home usage of water resources, including efficiency.

Each sponsored teacher will receive a set of **BAWSCA Indoor WaterWise** Teacher Materials that provide complete Activity Guides and Answer Keys, plus Pre and Post Tests with answer keys, supplemental activities, quizzes, games and puzzles. Spanish language materials are included. Activities cover all subject areas and address National and State Learning Standards.

### **PROGRAM IMPLEMENTATION**

Complete implementation services are included with the program. All enrollment, training and communication with teachers, distribution of materials, collection of data, and report preparation are handled by the Program Fulfillment Center. Press releases will be provided to sponsors upon request. Additionally, the resource action team may assist in scheduling teacher award ceremonies and in the development of media exposure. *There is no obligation or additional cost to sponsors for any of these roles.*

**Responsibilities of Contractor:**

Resource Action Programs® (Contractor) is responsible for each and every task required to implement the **BAWSCA Indoor WaterWise** Program described in this attachment including but not limited to the following:

A. Providing all school contact and enrollment services. Contractor will work directly with BAWSCA and/or BAWSCA Member Agencies to identify schools eligible to participate in the Program. Contractor will prepare Program marketing material describing the Program that will be sent with the Program enrollment form. The Contractor will e-mail or fax a **WaterWise** Program Enrollment form to each school identified by BAWSCA and/or a BAWSCA Member Agency list to notify all 5th grade teachers that the Program is available in their area and to encourage them to enroll. If the e-mail or fax does not achieve the enrollment level as committed by the sponsor, the Contractor will attempt to contact the individual teachers via telephone or US mail to make them aware of the Program's availability and to encourage enrollment. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2017, Contractor will alert BAWSCA. BAWSCA Member Agencies shall identify the maximum amount of funding committed to the Program and Contractor shall not enroll schools, or schedule Programs that will require expenditures beyond that maximum amount.

B. Providing all **BAWSCA Indoor WaterWise** Materials. Contractor will provide each participant with a **BAWSCA Indoor WaterWise** Resource Action Kit and each teacher with a set of Teacher Materials. A complete description of these materials is already included in the Program Materials section of this document. In addition, Contractor will include the additional information and materials provided by BAWSCA into the kit, as long as such additional materials fit in the kit and do not increase the weight of the kit for shipping purposes. All material preparation and shipping is provided by the Contractor.

C. CONTRACTOR will disseminate the BAWSCA-provided program incentives to the classrooms and participants in accordance with the mutually-agreed-upon terms and conditions of the BAWSCA additional incentive program, which are as follows:

- A \$100 cash prize will be given to the classrooms where the teachers enroll in the BAWSCA Indoor WaterWise program and the WaterWise survey response return rate is at least 80%; and
- A gift with an up to \$5 value will be given to those students that complete the BAWSCA Indoor WaterWise surveys that document whether they installed the water conserving-devices from the kits in their homes, complete all the homework, or score a greater than 80% on the final written test that is given as part of the curriculum.

D. Providing follow-up and support services. Contractor will make courtesy calls to ensure the **BAWSCA Indoor WaterWise** materials were delivered to the schools. Contractor will provide an 800 number (888-GET-WISE) to all participants for help on any program implementation issues or questions, and Contractor will maintain and answer the 800 number in such a manner to provide assistance and resolve issues raised by all participants calling the 800 number. The Contractor will operate the 800 number with staff who can answer questions Monday - Friday from 7:30 a.m. to 4:30 p.m. Pacific Time, excluding national holidays. Contractor will make follow up calls and send reminder faxes to aid in the collection of the audits as well as the teacher evaluation forms and parent reply cards.

Contractor will answer all questions from participants via telephone (the 800#), email, fax or US mail depending on the need. Participants are also provided with the [www.getwise.org](http://www.getwise.org) web site address where there is a Frequently Asked Questions Section and an email link for questions. Additionally, the Contractor will attempt to contact each teacher via phone or email close to the Program implementation date, as indicated by the teacher upon enrollment, to confirm implementation timing and to provide answers to any questions the teacher may have about the Program at that time.

E. Providing a Program Status Report. The Contractor will inform BAWSCA of each school that decides to participate and the name of each school in which the Program will be presented. The format of such notification will be in the form of a monthly report to BAWSCA. The report will include a listing of all of the schools and classrooms that Contractor is attempting to enroll in the Program and a status for each that includes information as to how many participants have enrolled for each school and classroom. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2017, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2017, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2017. In addition, based on the results of the surveys returned to Contractor by March 10, 2017, Contractor will provide BAWSCA with a preliminary report which will include installation rates of each program. BAWSCA understands that these results are preliminary and may not be statistically significant.

G. Providing a Program Summary Report. The Contractor will gather, process, and tabulate all audits, teacher evaluation forms and parent reply cards that are sent back to the Resource Action Programs Center, by the school year end, in a Program Summary Report. The Contractor will provide a prepaid postage envelope to teachers to encourage the return of the documents as stated above. Contractor will provide this report to the BAWSCA and each sponsoring BAWSCA Member Agency upon completion.

Assisting with teacher award ceremonies and with the development of media exposure. Contractor will assist with scheduling and preparing for teacher award ceremonies and with developing and coordinating media exposure, if requested.

**PROGRAM TIMETABLE**

June 2016 – July 2016	Receive sponsor funding commitment
September 2016 – May 2017	Teacher Outreach / Enrollment Process
September 2016 – May 2017	Program and Kit Delivery
September 2016 – June 2017	Program Implementation
March 15, 2017	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2017	Program Summary Report delivered to sponsors for initial program

**BAWSCA INDOOR WATERWISE PROGRAM COST**

The per participant cost for the Indoor WaterWise program is \$34.95, broken down as follows: \$17.95 Materials, \$9.25 Service Fee, \$5.75 Reporting Service Fee, \$2 for Shipping. **This price is all-inclusive.**

There are no additional charges for implementation, reporting, training or materials. Program sponsors are not required to provide any services or materials in connection with this program. Program sponsors (BAWSCA participating member agencies) will only be billed for participants who receive the WaterWise™ Materials.

BAWSCA Member Agencies shall provide a maximum funding amount they are willing to sponsor. Resource Action Programs will attempt to achieve voluntary enrollment in as many 5<sup>th</sup> grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of **BAWSCA Indoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

**EXHIBIT B  
Resource Action Programs®**

**BAWSCA LivingWise® Program Description and Scope of Services**

PROGRAM DESCRIPTION

The **BAWSCA LivingWise®** program directly addresses the priorities of obtaining measurable water and energy savings results and cost effectiveness through a proven program format, featuring a turn-key set of classroom activities and hands-on home projects. Students receive kits containing home efficiency devices, which are taken home, installed and shared with family members. They work on subjects required by state learning standards to understand and appreciate the value of natural resources in everyday life. This stimulating program shapes new behaviors and achieves instant savings results through a cost-effective mix of new product installation and resource efficiency knowledge, using the best messengers – children!

**Additional Benefits** The quantifiable savings often serve as a basis for excellent PR and company image opportunities through local media coverage. The program provides complete implementation services, can be customized to the needs of the target audience, and can also deliver benefits of customer audit information, strategic partnerships/cost-sharing and promoting other company programs.

**BAWSCA LivingWise at a glance:**

- Proven to deliver lasting quantifiable results and measurable savings.
- Simple and very cost-effective.
- All implementation services are included.
- Features a fun and interactive curriculum to shape new family habits and usage.
- Includes Resource Action Kits to directly install resource-efficient technologies in the home.

☑ ***Delivers Measurable Savings Results.*** Students conduct a simple home audit to determine areas where their families are using water and energy inefficiently. Family's work together to improve efficiency by changing usage habits and through the installation of the conservation technologies provided to each student in their Resource Action Kit. Kits include conservation measures and simple test equipment to enable the family to determine the energy and resource conservation opportunities that exist in their home, while providing the installable resource conservation technologies to achieve quantifiable savings. These activities foster family cooperation and help educate parents on the benefits of resource conservation. Students submit reports detailing the results of their conservation activities.

☑ ***Water and Energy Education.*** The **BAWSCA LivingWise** Program combines classroom activities with in-home hands-on retrofit projects that students perform with their families. This combination yields quantifiable conservation results and strong practical learning, effectively shaping new resource usage behavior and attitudes. The **BAWSCA LivingWise** Program is turnkey and comprehensive while providing all materials, supplies, teaching tools and support needed by teachers and participants. Learning is measured via pre/post-test comparisons.

☑ ***Builds New Resource Habits.*** New habits result from effective education and personal action. The program provides a wide range of teaching tools to maximize learning. The

feature-rich program website, [www.getwise.org](http://www.getwise.org), is a great resource for classes, teachers, and individuals. Beyond these computer resources, the **BAWSCA LivingWise** program provides videos, posters, workbooks, and varied activities to reach all types of learning preferences. New knowledge translates to action at home with the installation activities. Families discover first-hand the value of the new *knowledge and habits* they have acquired.

### **TEACHER ACCEPTANCE**

Program success is directly correlated to proactive teacher support and involvement. The design and content of the program is proven to motivate teachers to sign up and participate enthusiastically. There are several incentives offered by the program to ensure this:

1. The program satisfies numerous State Curriculum Standards and helps teachers meet their teaching requirements.
2. The program is flexible in structure, allowing teachers to schedule activities around existing lessons. The program can be run in a week or a few months.
3. Program content and activities are comprehensive and well described through accompanying materials so that additional in-service training sessions are generally not necessary.
4. Students LOVE the program, and are both stimulated and highly motivated by the Resource Action Kits and the hands-on projects. Happy students mean happy teachers!
5. The program overcomes an often-challenging hurdle of parental involvement by reaching beyond the classroom to involve parents in their children's education and the schools.

### **PROGRAM GOALS**

- Reshape family habits and reduce residential resource use.
- Develop community awareness about the importance of environmental issues.
- Demonstrate cost effectiveness based on superior savings results, complete turnkey implementation, and satisfaction of sponsor objectives.
- Help generate excellent media coverage, build brand awareness and strengthen community image.

### **PROGRAM OBJECTIVES**

For each 5<sup>th</sup> grade participant sponsored, the program will attempt to fulfill the following objectives:

- Install 1 High-efficiency Showerhead and 2 faucet aerators
- Install 9 Watt LED, LED night light and Filter Tone Alarm
- Check 1 toilet for leaks
- Collect household audit information on 1 residential home
- Reshape family resource usage habits and attitudes for 1 household

### **ESTIMATED PROGRAM RESULTS**

Based on program experience, the following results are estimated per participant sponsored, over a conservative life of 10 years. Savings will continue into the future, since the installed hardware will remain in place, and new usage habits, attitudes, and knowledge will persist.

***Projected 10 year Savings (actual results will vary):***

- 2,735 kWh of electricity (assuming 20% electric water heat)
- 443 therms of gas (assuming 80% gas water heat)
- 94,444 gallons of water
- 94,444 gallons of wastewater

**PROGRAM MATERIALS**

Each sponsored teacher and student will receive a **BAWSCA LivingWise** Resource Action Kit that contains the following:

- High-efficiency Showerhead (1.75 G.P.M. max)
- 2 Water Efficient Faucet Aerators (1.5 & 1.0 G.P.M. max)
- 9 Watt LED
- LED Nightlight
- Filter Tone Alarm
- Digital Thermometer
- Toilet Leak Detector Tablets
- Miniature Tape Measure
- Rain / Drip Gauge
- Shower Timer
- Resource Facts Slide Chart
- Flow Rate Test Bag
- Teflon Tape
- Additional information provided by BAWSCA

Resource Action Programs reserves the right to change or replace any of the products listed above with products of equal or greater value based on product cost, program improvements, advancements or specific program needs. Resource Action Programs must notify BAWSCA in writing of any proposed changes, and BAWSCA must consent to those changes before they are implemented.

Each sponsored participant will receive a **BAWSCA LivingWise** Student Workbook and Student Guide that provides a concise set of activities to build knowledge of the importance and value of natural resources and their conservation. Emphasis is placed on home usage of water and energy resources, including efficiency.

Each sponsored teacher will receive a set of **BAWSCA LivingWise** Teacher Materials that provide complete Activity Guides and Answer Keys, plus Pre and Post Tests with answer keys, supplemental activities, quizzes, games and puzzles. Spanish language materials are included. Activities cover all subject areas and address National and State Learning Standards.

**PROGRAM IMPLEMENTATION**

Complete implementation services are included with the program. All enrollment, training and communication with teachers, distribution of materials, collection of data, and report preparation are handled by the Program Fulfillment Center. Press releases will be provided to sponsors upon request. Additionally, the resource action team may assist in scheduling teacher award ceremonies and in the development of media exposure. *There is no obligation or additional cost to sponsors for any of these roles.*

***Responsibilities of Contractor:***

Resource Action Programs® (Contractor) is responsible for each and every task required to implement the **BAWSCA LivingWise** Program described in this attachment including but not limited to the following:

A. Providing all school contact and enrollment services. Contractor will work directly with BAWSCA and/or BAWSCA Member Agencies to identify schools eligible to participate in the Program. Contractor will prepare Program marketing material describing the Program that will be sent with the Program enrollment form. The Contractor will e-mail or fax a LivingWise Program Enrollment form to each school identified by BAWSCA and/or a BAWSCA Member Agency list to notify all 5th grade teachers that the Program is available in their area and to encourage them to enroll. If the e-mail or fax does not achieve the enrollment level as committed by the sponsor, the Contractor will attempt to contact the individual teachers via telephone or US mail to make them aware of the Program's availability and to encourage enrollment. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2017, Contractor will alert BAWSCA. BAWSCA Member Agencies shall identify the maximum amount of funding committed to the Program and Contractor shall not enroll schools, or schedule Programs that will require expenditures beyond that maximum amount.

B. Providing all **BAWSCA LivingWise** Materials. Contractor will provide each participant with a **BAWSCA LivingWise** Resource Action Kit and each teacher with a set of Teacher Materials. A complete description of these materials is already included in the Program Materials section of this document. In addition, Contractor will include the additional information and materials provided by BAWSCA into the kit, as long as such additional materials fit in the kit and do not increase the weight of the kit for shipping purposes. All material preparation and shipping is provided by the Contractor.

C. CONTRACTOR will disseminate the BAWSCA-provided program incentives to the classrooms and participants in accordance with the mutually-agreed-upon terms and conditions of the BAWSCA additional incentive program, which are as follows:

- A \$100 cash prize will be given to the classrooms where the teachers enroll in the **BAWSCA Indoor LivingWise** program and the **LivingWise** survey response return rate is at least 80%; and
- A gift with an up to \$5 value will be given to those students that complete the **BAWSCA Indoor LivingWise** surveys that document whether they installed the water conserving-devices from the kits in their homes, complete all the homework, or score a greater than 80% on the final written test that is given as part of the curriculum.

D. Providing follow-up and support services. Contractor will make courtesy calls to ensure the **BAWSCA LivingWise** materials were delivered to the schools. Contractor will provide an 800 number (888-GET-WISE) to all participants for help on any program implementation issues or questions, and Contractor will maintain and answer the 800 number in such a manner to provide assistance and resolve issues raised by all participants calling the 800 number. The Contractor will operate the 800 number with staff who can answer questions Monday - Friday from 7:30 a.m. to 4:30 p.m. Pacific Time, excluding national holidays. Contractor will make follow up calls and send reminder faxes to aid in the collection of the audits as well as the teacher evaluation forms and parent reply cards.



Contractor will answer all questions from participants via telephone (the 800#), email, fax or US mail depending on the need. Participants are also provided with the [www.getwise.org](http://www.getwise.org) web site address where there is a Frequently Asked Questions Section and an email link for questions. Additionally, the Contractor will attempt to contact each teacher via phone or email close to the Program implementation date, as indicated by the teacher upon enrollment, to confirm implementation timing and to provide answers to any questions the teacher may have about the Program at that time.

E. Providing a Program Status Report. The Contractor will inform BAWSCA of each school that decides to participate and the name of each school in which the Program will be presented. The format of such notification will be in the form of a monthly report to BAWSCA. The report will include a listing of all of the schools and classrooms that Contractor is attempting to enroll in the Program and a status for each that includes information as to how many participants have enrolled for each school and classroom. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2017, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2017, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2017. In addition, based on the results of the surveys returned to Contractor by March 10, 2017, Contractor will provide BAWSCA with a preliminary report which will include installation rates of each program. BAWSCA understands that these results are preliminary and may not be statistically significant.

G. Providing a Program Summary Report. The Contractor will gather, process, and tabulate all audits, teacher evaluation forms and parent reply cards that are sent back to the Resource Action Programs Center, by the school year end, in a Program Summary Report. The Contractor will provide a prepaid postage envelope to teachers to encourage the return of the documents as stated above. Contractor will provide this report to the BAWSCA and each sponsoring BAWSCA Member Agency upon completion.

H. Assisting with teacher award ceremonies and with the development of media exposure. Contractor will assist with scheduling and preparing for teacher award ceremonies and with developing and coordinating media exposure, if requested.

**PROGRAM TIMETABLE**

June 2016 – July 2016	Receive sponsor funding commitment
September 2016 – May 2017	Teacher Outreach / Enrollment Process
September 2016 – May 2017	Program and Kit Delivery
September 2016 – June 2017	Program Implementation
March 15, 2017	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2017	Program Summary Report delivered to sponsors for initial program

**BAWSCA LivingWise PROGRAM COST**

The per participant cost for the **LivingWise** Program is \$50.20, broken down as follows: \$33.20 Materials, \$9.25 Service Fee, \$ 5.75 Reporting Service Fee, \$2 for Shipping. **This price is all-inclusive.**

There are no additional charges for implementation, reporting, training or materials. Program sponsors are not required to provide any services or materials in connection with this program. Program sponsors (BAWSCA participating member agencies) will only be billed for participants who receive the **LivingWise** Materials.

BAWSCA Member Agencies shall provide a maximum funding amount they are willing to sponsor. Resource Action Programs will attempt to achieve voluntary enrollment in as many 5<sup>th</sup> grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of BAWSCA **LivingWise** Program Participants that enroll in the program and receive the **LivingWise** Materials.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Tuolumne River Trust to Conduct the Classroom Education Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Tuolumne River Trust to implement the “*That’s the Tuolumne in my Tap*” classroom education program for FY 2017-18. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and Tuolumne River Trust, subject to legal counsel’s final review, for implementation of this classroom education program in FY 2017-18; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal year 2017-18 will be the fourth year that the Classroom Education Program would be offered to BAWSCA member agencies. Seven agencies are currently participating in this program. The majority of these agencies have expressed interest in participating again next year.

The contractor, Tuolumne River Trust, provides an informative and engaging classroom presentation at schools that focuses on water conservation. Typically, the presentations reach 25-30 students at a time at a rough cost of \$4 per student. The interactive presentation takes the class on a tour of the Tuolumne River, highlighting the wildlife it supports, a bit of history of the Hetch Hetchy water system, and an overview of some current threats to the river. This is followed by a discussion about the ways water is used and what action can be taken to conserve water in order to protect the Tuolumne River.

Because of its connection with school children, this program would be initiated in August 2017 and run through June 2018.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the Classroom Education Program in FY 2017-18, or (2) offer a potentially different type of Classroom Education Program.

BAWSCA does not recommend the above alternatives for FY 2017-18 for the following reasons. The agencies have expressed a strong desire to support a Classroom Education Program that focuses on water conservation. BAWSCA has a long history of partnering with the Tuolumne River Trust on its program, and the agencies have expressed a desire to continue the Classroom Education Program in FY 2017-18. Given Tuolumne River Trust's qualifications and history of working with schools in the BAWSCA service area, it is appropriate to contract for their services this coming fiscal year.

**Conclusion:**

The experience with this program to date has shown it to be a cost-effective means of educating students on the value of water and the importance of water conservation. For this reason, renewal of this water conservation program is recommended.

**Attachment:**

The scope of work for FY 2016-17 is shown in Exhibit A. The scope may be updated prior to finalization of the contract. The scope will be updated for FY 2017-18 and is expected to be largely unchanged.

**EXHIBIT A**

**Tuolumne River Trust Classroom Education Program FY 2016-17**

**SCOPE OF WORK**

Tuolumne River Trust will schedule and provide classroom presentations at eligible schools and public events within the Bay Area Water Supply and Conservation Agency (BAWSCA) service area during the Fiscal Year 2016-17 school year, August 2016 through June 2017.

**BAWSCA and/or Local Water Agency Roles and Responsibilities:**

- BAWSCA will provide Tuolumne River Trust with initial information regarding which schools are eligible within each BAWSCA member agency (Local Water Agency) and what the maximum not to exceed budget is for each Local Water Agency by July 2, 2016, or sooner. If, during the course of FY 2016-17, the Local Water Agency wishes to increase or decrease the number of presentations and/or budget, the Local Water Agency will coordinate those changes with Tuolumne River Trust, who will in turn notify BAWSCA of any changes. A decrease in the total number of presentations or budget can be accommodated as long as it does not impact any schools that have already been scheduled.
- BAWSCA and/or the Local Water Agencies will provide Tuolumne River Trust with show content requirements by August 1, 2016.
- BAWSCA and/or the Local Water Agencies are responsible for coordinating with Tuolumne River Trust if they would like select materials and information distributed as part of a show. Such coordination must occur no later than one week prior to the scheduled show. BAWSCA understands that Tuolumne River Trust may not be able to distribute items that are too large or that conflict with the message that Tuolumne River Trust is presenting and that BAWSCA or the Local Water Agencies may have to be responsible for the delivery and distribution of item(s) if they exceed Tuolumne River Trust's capacity to deliver the materials.
- Local Water Agencies will email a draft Letter of Invitation to eligible schools with a Fax Request Form (Template Letter with Agency-specific information in a Word Document) to Tuolumne River Trust for review by July 22, 2016. Tuolumne River Trust will provide comments on drafts to Local Water Agencies by July 29, 2016.
- Local Water Agencies will mail a Letter of Invitation with a Fax Request Form to all eligible schools by August 5, 2016. Eligible schools interested in participating will respond directly to Tuolumne River Trust, which shall be responsible for all scheduling.

**Tuolumne River Trust Roles and Responsibilities:**

- Tuolumne River Trust will incorporate the content requested by BAWSCA and/or Local Water Agencies into the presentations that are conducted within the Local Water Agency Service Area.
- Tuolumne River Trust will perform classroom presentations that include, but are not limited to, the following information:
  - A tour of the Tuolumne River, highlighting the wildlife it supports, history of the Hetch-Hetchy water system, and an overview of some of the current threats to the river.
  - A lively discussion about all the ways we use water, and how we can conserve it in order to protect the River. Conservation tips covered but not limited to:
    - Turn off the water when you're not using it (brushing teeth, washing hands, doing dishes, etc);
    - "Get off the bottle" and use reusable water bottles;

- Fix leaky faucets and toilets;
  - Install low flow faucets aerators, shower heads and toilets;
  - Use a broom not a hose to clean the sidewalk;
  - Take shorter showers;
  - Run full laundry and dishwashing loads; and
  - Plant native drought resistant plants and water in the mornings and evenings.
- Tuolumne River Trust will schedule presentations directly with schools based upon a first come, first served basis.
  - Tuolumne River Trust will submit a progress report to BAWSCA on October 15, 2016 regarding how many and which of the eligible schools Tuolumne River Trust has been able to successfully enroll. Tuolumne River Trust will provide additional school scheduling updates upon request.
  - If Tuolumne River Trust is having difficulty enrolling a school in the program, or if that school/classroom has not been enrolled by January 2017, Tuolumne River Trust will alert BAWSCA and the Local Water Agency.
  - Tuolumne River Trust will fax or email each scheduled school a Presentation Agreement stating the date and time of presentation and Tuolumne River Trust's technical needs. The Presentation Agreement will be signed and returned by the school's administrator.
  - One week prior to presentations Tuolumne River Trust will send a Presentation Reminder fax or email to each scheduled school to re-confirm and remind them to be prepared for the program.
  - On the day of the program, Tuolumne River Trust will distribute materials provided by BAWSCA and/or the Local Water Agency to the show attendees, if BAWSCA and/or the Local Water Agency have established a mutually agreeable arrangement with Tuolumne River Trust as to how to orchestrate the materials delivery and distribution.
  - Tuolumne River Trust presenter(s) will present a preapproved 1 hour classroom presentation for grades 4-6 that teach water conservation and appreciation.
  - Agencies have the option to use program funds for presentations at alternate locations and/or events as long as it coordinates with Tuolumne River Trust availability.
  - Tuolumne River Trust will invoice BAWSCA monthly for presentations performed in the previous month.
  - If a scheduled school cancels before confirmation fax is sent, Tuolumne River Trust will reschedule the presentation. If the school cancels after the Presentation Reminder has been sent, the Local Water Agency will be charged for full amount.
  - Tuolumne River Trust will manage scheduling and presentations to stay within the specified Local Water Agency maximum not to exceed budgets.
  - Tuolumne River Trust rates for this contract are listed below.
    - Classroom Presentation (1hour) - \$100 per presentation
  - Tuolumne River Trust will provide BAWSCA with a Final Report by July 1, 2017 that includes the following:
    - Brief introduction
    - Brief summary of Show content
    - Documentation, by Agency, of the schools/locations/events where Tuolumne River Trust presented
    - Documentation, by Agency, of the number of people/kids that attended each Tuolumne River Trust presentation
    - A few photos to give a feel of a presentation

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Waterfluence, LLC to Implement the Large Landscape Conservation Services Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Waterfluence to implement the Large Landscape Conservation Services Program (LLCSP) for FY 2017-18. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and Waterfluence, LLC, subject to legal counsel’s final review, to implement the Large Landscape Conservation Services Program; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal Year 2017-18 will be the sixteenth year that a Large Landscape Conservation Services Program (LLCSP) is offered to BAWSCA member agencies. Nine agencies are currently participating in the program through BAWSCA. These agencies have expressed interest in participating in this program again next year. This program is part of the comprehensive package of conservation programs that the BAWSCA agencies have asked BAWSCA to support next fiscal year as part of the Regional Demand and Conservation Projections Report.

Since its inception, the LLCSP has been a very cost-effective program that generates real and significant water savings. The BAWSCA Annual Conservation Report, available on the BAWSCA website, provides information for program activity from FY 2002-03 through FY 2015-16.

The LLCSP addresses the “Programmatic-Landscaping BMP”, which requires water agencies to implement conservation programs to improve landscape irrigation efficiency. Specific activities for this program include water use budgeting, water use surveys, and supplemental landscape programs. Creating an economy of scale by using a single consultant with the requisite expertise, the LLCSP enables participating agencies to implement large landscape water budgets and water use surveys more cost effectively than if they were to hire consultants individually.

The scope of work for FY 2017-18 is expected to be consistent with the scope of work for prior year’s program.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the LLCSP in FY 2017-18, or (2) offer a potentially different version of the LLCSP based on a contractor and program selected through a competitive bid process.

BAWSCA does not recommend the above alternatives. John B. Whitcomb (Waterfluence) was selected to provide the LLCSP services through a competitive process in 2002. His proposal was the most responsive and his proposed costs were highly competitive. His services during the past fourteen years have been critical to the overall program's success. The agencies continue to be pleased with this program and have expressed a desire to continue the LLCSP in FY 2017-18 with Mr. Whitcomb through his firm, Waterfluence. Given Mr. Whitcomb's qualifications, performance, and value received, it is appropriate to contract for his services this coming fiscal year.

**Conclusion:**

The LLCSP has enhanced member agencies' water conservation efforts at reasonable cost. For this reason, renewal of this water conservation assistance program is recommended.

**Attachment:**

The scope of work for FY 2016-17 is shown in Exhibit A. The scope of work for FY 2017-18 will be updated as necessary during negotiation of a new contract.



**EXHIBIT A**

**Waterfluence - FY 2016-17**

**SCOPE OF WORK**

**LARGE LANDSCAPE PROGRAM**

**Program Initiation and Site Setup (first 60 days)**

1. Site Selection. Local Water Agency provides Contractor with account billing information for potential landscape sites. Contractor consolidates accounts to sites and ranks sites with respect to potential water savings. Local Water Agency selects sites to participate in program.
2. Data Collection. For selected sites, Contractor adds customer information used in site selection into its database. Contractor collects water prices and local weather data from CIMIS, NOAA, or other sources.
3. Site Map. Contractor creates a map for each site using aerial imagery. The maps include square footage measurements of irrigated turf, irrigated shrubs/trees, and water features using Google Earth Pro or ArcMap.
4. Water Use Report. Contractor creates a one-page report for each site containing customer information, site characteristics, historical water use, a water budget range based on site characteristics and daily local weather matched exactly in time with billing cycle, financial losses from overwatering, and customized messaging. The report also includes a percentile score ranging from 1 (poor) to 100 (excellent) based on how closely actual water use tracks to its budget range over the last 12 months relative to all other sites in the program. If a site's water use stays within the budget range in each month, its score is 100. As water use strays from the budget range, the percentile score falls, especially for water use over the budget range. Local Water Agencies can opt out of publishing the ranking on the report.
5. Introduction Packet. Contractor produces and distributes a packet to each site that includes an introduction letter, site map, first Water Use Report, and FAQ sheet. Contractor provides a generic introduction letter to Local Water Agency to customize.
6. Site Contact Follow-up. Contractor contacts each site about two weeks after sending the Introduction Packet to check if it got to the right person, get details about the site contacts (email addresses), identify the landscaper and/or others involved with irrigation decisions, and answer any questions about the program.

**Report Distribution (ongoing)**

1. Data Collection. Local Water Agency forwards Contractor a water use file at the beginning of each month with the previous month's water use for each account in the program. Contractor collects daily weather data from CIMIS, NOAA, or other sources and updates water rates when relevant.
2. Water Use Report Distribution. Each month, Contractor distributes reports to all site contacts via email or mail.
3. Local Water Agency Review. Contractor provides Local Water Agency with electronic access to review all Water Use Reports, Site Maps, and Landscape Field Survey Reports (described in next section).

4. **Site Contact Maintenance.** Contractor will continually update site contact information. This includes monitoring changes in account number, investigating returned mail envelopes, and investigating email bounce backs. Site contacts can be added or modified via Contractor website or toll free telephone. Primary site contact (water bill payer) needs to authorize any changes in site contacts to become effective.
5. **Site Map Updating.** Contractor will correct any map errors identified by site contacts.
6. **Customer Service.** Contractor provides customer service to site contacts via website and toll free telephone number.
7. **Messaging.** Local Water Agencies and BAWSCA can have Contractor send specific messages to particular sites or group of sites via the Water Use Report. Messages might include information on other landscape programs (e.g., financial incentive programs), events, useful hyperlinks, or policies.
8. **Premium Site Contact Management.** For Local Water Agencies requesting premium site contact management, Contractor will a) send a direct email to all site contacts not reading their reports in last 3 months, b) direct telephone call to all site contacts not reading their reports in last 6 months, and c) provide a detailed annual report on the frequency of readership and survey results by all site contacts associated with Local Water Agency sites.

**Landscape Field Surveys (optional)**

1. **Targeting and Marketing.** Using the Water Use Reports, Local Water Agency can target sites eligible to receive a Landscape Field Survey. Contractor will market this option to eligible sites via the Water Use Report and/or direct email.
2. **Performing Survey.** For sites requesting a Landscape Field Survey that is approved by Local Water Agency, Contractor will schedule the survey with the primary site contact, the relevant landscaper, and/or other parties. Survey steps include: a) re-measuring irrigated areas and improving the site map, b) operating portions of the irrigation system to evaluate performance, and c) document findings and recommendations in a Landscape Field Survey Report.
3. **Distributing Report.** Contractor will distribute completed Landscape Field Survey Reports to all contacts at the site and address any follow up questions.

**Summary of Local Water Agency Tasks**

1. Provide Contractor with water use data from customer billing database.
2. Select participating sites from a ranked list of potential sites created by Contractor.
3. Customize Introduction Letter sent within Introduction Packet.
4. Review Water Use Reports sent out each month.
5. Add messaging to Water Use Reports for any site or group of sites, as needed.
6. Approve sites eligible for Landscape Field Survey, if relevant.

**Deliverables**

Contractor provides the following project deliverables:

1. **Contractor Web Portal Access.** Local Water Agency staff get access to the Contractor web portal via a username/password to:

- a. View their most current Water Use Reports, site maps and, if relevant, Landscape Field Survey Reports.
  - b. Sort sites by characteristics such as total water use, water over budget, or site rank.
  - c. Target and approve sites to receive a Landscape Field Survey.
  - d. View site contacts and the last date the report was viewed (for sites getting their report electronically).
  - e. View a Fiscal Year history of program activity including:
    - i. Number of sites
    - ii. Total landscape acres
    - iii. Total water use
    - iv. Total over budget water use
    - v. Total water savings
    - vi. Number of Landscape Field Surveys
    - vii. Summary of all Controller Rebate details and totals
2. BAWSCA Fiscal Year Report. BAWSCA receives a spreadsheet table showing the aggregate program activity fields shown above for all sites participating from their member agencies by fiscal year.
3. Contractor Report and Website Content Changes. Contractor is continually expanding and evolving the content shown on the Water Use Report and its website. All participating Local Water Agencies and BAWSCA will be notified of significant changes in content.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with WaterSmart Software to Implement a Home Water Use Report Program for FY 2017-18**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with WaterSmart Software, Inc. to implement the Home Water Use Reports Program for FY 2017-18. As with all BAWSCA subscription programs, participation in this water conservation program is voluntary and participating agencies will pay the entire cost for the program. The opportunity to participate will be extended to all BAWSCA agencies.

**Fiscal Impact:**

This program is being offered on a subscription basis. For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a contract between BAWSCA and WaterSmart Software, subject to legal counsel's final review, for implementation of the Home Water Use Reports Program in FY 2017-18; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

The Home Water Use Reports program has been offered to BAWSCA member agencies since September 2014. Currently four agencies are participating in the program; each of these agencies has expressed a strong desire to continue to participate in the program next year.

The contractor, WaterSmart Software, develops and delivers water use reports to individual households. These reports use data analytics and behavioral science techniques to provide customized water consumption information, messaging, and water saving recommendations. The objective is to motivate customers to improve water use efficiency through changes in behavior or adoption of more water efficient technology by increasing customer awareness of household water usage when compared to peers. The reports are targeted towards single-family residential customers.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Home Water Use Reports Subscription Program in FY 2017-18, or (2) offer a potentially different type of Home Water Use Reports Program.

BAWSCA does not recommend the above alternatives for FY 2017-18. Through a competitive selection process in 2014, BAWSCA received proposals from firms qualified to perform the services requested. The agencies have expressed a desire to participate in the Home Water Use Reports

program in FY 2016-17. In addition, this program provides a proven water conservation and outreach tool for participating agencies.

**Conclusion:**

The Home Water Use Reports Program provides a cost-effective means of achieving water conservation savings and customer engagement. This program provides a valuable water conservation and outreach tool for participating agencies.

**Attachment:**

The draft scope of work for FY 2017-18 is shown in Exhibit A.

**EXHIBIT A**

**WaterSmart Software Home Water Use Reports - FY 2017-18**

**DRAFT SCOPE OF WORK**

**SECTION 1: INTRODUCTION AND PROGRAM ELEMENTS**

**Introduction**

WaterSmart Software (“WaterSmart”) is a customer engagement and analytics platform. Bay Area Water Supply and Conservation Agency (“BAWSCA”) has contracted with WaterSmart to implement a customer engagement program to serve its member agencies (“Utility”) that apply for the program using the ‘Application to Participate in the WaterSmart Customer Engagement and Conservation Program’.

The program is comprised of the following elements, which are explained in more detail below:

- Utility Analytics Dashboard: Analytics, customer support tools and Program performance data for Utility staff;
- Customer Portal: Additional engagement and information for account owners;
- Alerts: Leak and high usage alerts (if selected);
- Water Reports: Customized reports mailed or emailed to each participant (if selected);

As a software-as-a-service (SaaS) provider, WaterSmart will provide all major program elements to the Utility:

- Program setup and initialization, including data collection;
- Hosting of WaterSmart Customer Portal and Utility Analytics Dashboard;
- Creation and delivery of Utility-branded Water Reports and alerts to Utility water customers (if selected); and
- Measurement and verification to allow the Utility to evaluate the program (if selected).

Utility is responsible for providing WaterSmart key program inputs including account information, regular feeds of meter data, and logos and contact information. Utility will also be responsible for timely feedback and input on key program elements during initialization. Utility will maintain responsibility as the primary contact for customer inquiries and technical assistance.

WaterSmart and Utility shall each designate a single person as Program Manager for the program. All Utility decisions shall be channeled through the Utility Program Manager. In addition, Utility shall designate a Data contact who is responsible for providing the data indicated below.

This scope of work and agreement cover services rendered over term of the agreement. The exact timing of program launch and duration of services may vary depending on Utility resource levels, data availability,

and other unforeseeable events. WaterSmart will endeavor to adhere to the proposed schedule. Utility's responsiveness and prompt provisioning of necessary program inputs is also critical to schedule adherence. A proposed schedule is provided in Exhibit C, Schedule of Performance.

### **Utility Analytics Dashboard**

The Utility Analytics Dashboard provides Utility staff insights on customer engagement and water use efficiency, both on an aggregate level and for individual customer accounts. The Utility Analytics Dashboard includes data for all customer classes whose data is provided to WaterSmart. WaterSmart will host the Utility Analytics Dashboard and will be responsible for all maintenance and security. The Utility may use the Utility Analytics Dashboard to create individualized, separate logins for as many Utility staff as it wishes.

### **Customer Portal**

The WaterSmart Customer Portal, available to customers through a mobile and web interface, allows the Utility to engage with its customers, deliver targeted, personalized messages about their water use, alert them about potential leaks, inform them about rebate programs, and educate them on the value of water. The Portal features an integrated customer survey to gather important customer details related to occupancy, appliance age, water use behavior, and other important metrics. Users or managers of multiple units, such as homeowners associations and commercial organizations, can also see a combined view of all consumption data in a unified view. WaterSmart will host the Customer Portal and will be responsible for all maintenance and security.

### **Alerts and Notifications**

WaterSmart can provide alerts to residential customers to notify of a potential leak, or to notify a customer that they have reached a self-selected consumption threshold. Alerts and notifications can be sent through multiple channels -- email, SMS text message, or automated voice call. Customers must opt-in through the Customer Portal to receive alerts via SMS text message or automated voice call.

### **Welcome Letter**

Accounts that have access to the Customer Portal or that receive Water Reports are sent a Welcome Letter to explain the program and its benefits. Through the Welcome Letter, accounts are directed to an online survey to fill out their customer profiles. The Welcome Letter is branded for the Utility (including Utility logo, contact information and a signature line from an appropriate Utility representative) and will inform recipients about the program and what they can expect to receive.

### **Water Reports**

Water Reports are informative, carefully designed reports that help deliver targeted messages from the Utility to customers including messages about water efficiency, social comparisons, the value of water, and



rate changes. Water Reports can be sent via mail or email, and may be sent to randomly selected accounts as part of a randomized control trial, or sent to all of a utility's customers. Content and design of all materials are subject to change over time, as WaterSmart incorporates new features.

**Surveys**

WaterSmart will invite enrolled accounts to respond to two surveys on behalf of the Utility. The first is the Customer Profile available to customers through the Customer Profile and linked to in the Welcome Letter, WaterSmart will also send a digital invitation to complete a post-launch Satisfaction Survey on behalf of the Utility to all accounts for which an email address is available.

**SECTION 2: PROGRAM INITIALIZATION**

The initialization phase of the program will begin with Contract Signing (or Purchase Order Issue if a Purchase Order is necessary for invoicing) and will last for three months. WaterSmart will begin the (first) 12-month implementation term at the start of the fourth month after Contract Signing/PO Issue. If a utility has provided the data and input necessary to launch the program early, WaterSmart will accommodate by making the Customer Portal and Utility Analytics Dashboard available and (if selected) sending the first Welcome Letters prior to the start of the 3-month initialization phase, though the invoicing schedule will not change. Significant delay on the part of the utility may allow for less than 12 months of service or fewer than the planned number of reports to be sent during the 12-month period.

To initialize the program, WaterSmart will work with Utility to set up the transfer of key data elements, discuss customized elements of the Customer Portal and Water Reports, finalize a Welcome Letter, and train Utility employees on the WaterSmart platform. Below are the key steps for the Program Initialization Phase.

**Kickoff**

WaterSmart will conduct a 60 to 90-minute introductory online meeting to orient Utility staff involved in the Program with the Reports, Alerts and Web Applications. WaterSmart suggests Utility include a representative from each functional group that will be involved with the implementation of the program: Conservation, Customer Service, Field Service, Finance, Marketing/Public Information Office, & Information Technology (IT).

**Data Transfer**

WaterSmart will work with utility to securely transfer a dataset on accounts, including but not limited to the following data: account information, consumption history, current consumption, and rebate program participation.

Should Utility implement new data management systems after the first initialization process, which require WaterSmart to re-onboard new file structures or map historical identifiers (e.g. customers, accounts, premises, service points), WaterSmart will assess an additional one-time fee not to exceed \$10,000 upon receipt of first test files from the new system.

**Customization of Customer Portal and Water Reports**

WaterSmart’s Customer Portal and Water Reports (if selected) contain several custom fields. WaterSmart will work with the Utility to customize the Water Report and Customer Portal with Utility logo and contact information. WaterSmart will provide messages and recommendations for Utility to review and approve for display on a targeted basis. Utility will have the opportunity to approve or exclude any recommendations shown in the Water Report and Customer Portal and messages shown in the Water Report. The Utility will also have the opportunity at the start of the program to provide WaterSmart with information on available rebates and incentives that should be flagged within relevant water saving recommendations.

Utility and WaterSmart agree to complete this process in a timely manner. Utility should provide final approvals to WaterSmart no more than ten (10) business days from when initial materials are provided to Utility.

For both Messaging and Recommendations, the review process is as follows:

- WaterSmart sends default content to Utility.
- Utility Project manager sends back a single, consolidated list of approved messages.
- WaterSmart provides proof sheet of finalized content once all data is received and portal is configured.

In addition, Utility will have the opportunity to provide one custom text Water Report message per Report cycle. Content is to be provided at least ten (10) business days prior to report generation. Appendix A, Figure 1 shows the customizable content to be reviewed during initialization.

**Finalization of Welcome Letter**

WaterSmart will send a Welcome Letter, on behalf of the Utility, to accounts that will receive access to the Customer Portal or Water Reports. Utility will have the ability to customize the signature and the introductory paragraph of content, within space constraints. The review process is similar to the process for Messaging and Recommendations described above. The format, design and content of the Welcome Letter will be based on existing WaterSmart documents. Content and design of all materials are subject to change over time, as WaterSmart incorporates new features. WaterSmart will send Welcome Letters by email where a valid email address is available and by print otherwise.

**Training**

After all initial customer data has been received and program content is finalized, WaterSmart will provide Utility staff with an in-person training and resources to understand the features and functionality of the Customer Portal and Utility Analytics Dashboard. If needed, WaterSmart can hold multiple sessions to accommodate Customer Service representative shifts and availability.

A proposed schedule for the Program Initialization Phase is provided in Exhibit C: Schedule of Performance.

**SECTION 3: PROGRAM DESIGN**

**Experimental and Control Group**

If selected, WaterSmart will use a randomized control group design to ensure the water saved in single-family residential accounts as a result of the WaterSmart program can be accurately measured and verified. While the Residential Recipients, as specified in the Application to Participate, will receive Water Reports the Control Group will not. This program design allows WaterSmart to compare the changes in water consumption and customer satisfaction of the participants versus the control group and provide the Utility with formal statistical results.

**Water Reports**

*Recipients*

The number of recipients (specified in the Application to Participate) may vary slightly in any cycle of Water Reports based on the availability of valid meter data available for each account and the number of new or closed accounts in a given period. Water Reports will be sent digitally where valid email addresses are available, and by print otherwise.

*Number and Scheduling of Cycles and Shipments per Report*

Each enrolled account will be eligible to receive a Water Report in each of the 4, 6 or 12 cycles of reports per term, as specified in the Application to Participate. Some accounts may receive fewer Water Reports due to a missed or incorrect reads, or a closing or opening of a new account with the Utility. Each cycle of reports can be sent in one or more shipments, with each shipment going to a subset of households. WaterSmart will ship Water Reports based on the schedule that the Utility transfers billing data to WaterSmart. For utilities that provide account billing data to WaterSmart on a rolling basis (with billing data for a subset of accounts transferred each day or each week), WaterSmart will send out shipments for each cycle on a weekly basis. For utilities that provide account billing data to WaterSmart once per billing period, WaterSmart will send each cycle of Water Reports in a single shipment.

The schedule of these shipments is given below:

**Table 1: Schedule of Water Reports Shipments**

Utility Transfers Billing Data to WaterSmart:	WaterSmart Sends Shipments of each Report Cycle:
Daily	Weekly
Weekly	Weekly
Monthly	Monthly
Bi-Monthly	Bi-Monthly

The report delivery schedule is designed so that every customer account will be eligible to receive a report in each cycle. If the Utility wishes to stagger the initial set of reports over more than one cycle or in such a

way that it does not correspond to the utility billing data transfer schedule, these are special circumstances that must be identified in advance and are subject to approval by WaterSmart.

The delivery of the Welcome Letter and the initial cycle of Water Reports will be scheduled in conjunction with the Utility. Email deliveries may be scheduled to arrive on, or avoid, a specific day of the week. Print deliveries are subject to postal schedules and cannot be guaranteed for specific dates. Utility-requested delays in sending materials may result in fewer reports per recipient than the maximum number specified in the contract.

#### *Cohort Group*

For utilities sending Water Reports to single family residential customers, WaterSmart will create cohort groups of similar residences in order to maximize the relevance of water use comparisons and potential water savings.

#### **Post-Launch Survey**

WaterSmart will send a link to a post-launch survey to accounts with email addresses. The post-launch survey typically is conducted after at least eight months of engagement. WaterSmart will provide a sample of the Satisfaction Survey invitation, including one block of content, which the utility may customize. Utility should provide consolidated comments and final approvals to WaterSmart no more than ten (10) business days from when initial materials are provided to Utility. The results of the surveys will be used to gauge customer satisfaction and Water Report perceptions. WaterSmart will share all results of the surveys with Utility via the Utility Analytics Dashboard.

#### **Measurement and Verification**

WaterSmart reports changes in consumption for the experimental group versus a randomized control group selected from Utility's entire population of residential households. After three Water Reports have been sent, WaterSmart will prepare an efficiency study that details the change in water usage for the experimental versus control group, and load those results into the Utility Analytics Dashboard. This evaluation is performed with a Fixed-Effects regression model using the consumption data for each household in the experimental and control groups. The efficiency study report will include percentage savings, GPD (Gallons per Day) savings and Acre Foot savings at the program level for all months after the first Water Reports were sent.

### **SECTION 5: CUSTOMER SERVICE AND SUPPORT**

#### **Customer Service Support**

Utility shall have the primary responsibility for providing customer service to Customers. WaterSmart will provide a list of Frequently Asked Questions to both enrolled Customers and Utility staff to facilitate this process. WaterSmart also provides the Customer Support section within the Utility Analytics Dashboard, which is designed to help customer service representatives respond to Customer inquiries.

WaterSmart's project manager will work with Utility's primary contact to assist in addressing additional customer issues. All inquiries from Utility customers outside the scope indicated above, including without limitation questions about water data, will be directed to Utility. WaterSmart will provide service and support to Utility's Project Manager regarding technical questions about WaterSmart's Customer Portal and Utility Analytics Dashboard Web applications and Water Reports between the hours of 9 a.m. and 5 p.m. PT on Monday thru Friday, excluding federal holidays.

To further assist in answering questions, WaterSmart offers a Utility Analytics Dashboard feature ("Intercom") that allows Utility staff to communicate and engage actively with the entire Client Services team, for a more high-level response of customer and product support in-app and through email. Customers can use the Intercom feature to ask questions and provide feedback, and can expect to receive a real time response from members of the WaterSmart team.

### **Maintenance of Web Applications**

WaterSmart will maintain commercially reasonable systems and controls designed to maximize monthly uptime and minimize unscheduled outages of the Customer Portal and Utility Analytics Dashboard. Excluding any down time for maintenance and/or upgrades, WaterSmart will make strong efforts to provide Customers and Utility with access to their respective Web applications on a continuous basis. WaterSmart will provide advance notification of any planned outages and will notify Utility without unreasonable delay if it detects or receives notice of any material problems relating to the Customer Portal and/or the Utility Analytics Dashboard.

WaterSmart's Web Applications include dynamic and interactive charts and tables that may not be compatible with older Internet browsers. The Internet browser and operating system requirements are: Windows XP: Chrome 38+, Firefox 32+; Windows 7, 8, 8.1, 10: IE 9+, Chrome 38+, Firefox 32+; or Mac: Chrome 38+, Firefox 32+, Safari.

### **Data Security and Privacy**

WaterSmart will not share personally identifiable customer information or customer-specific water use information with any third party without prior consent from Utility. Data transferred to WaterSmart from Utility will be stored in a database dedicated to Utility and its WaterSmart project. The data will not be comingled with the data provided by any other entity; provided, however, that certain anonymous data may be copied and consolidated with data provided by one or more other entities for the research and product development purposes subject to the terms of the Agreement.

WaterSmart enacts standard controls, policies, and procedures to ensure the security of Utility's data and customer provided information, including but not limited to choosing a reputable cloud-server vendor with appropriate physical security of server infrastructure, secure public-private key-based login to all WaterSmart server infrastructure, password authentication on all Web site interaction, and audit logging.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Memorandum of Understanding between BAWSCA and the Western Municipal Water District for Participation in the Free Sprinkler Nozzles Program for FY 2016-17**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a Memorandum of Understanding (MOU) with Western Municipal Water District (WMWD) to implement the Free Sprinkler Nozzles Program (Program) for FY 2017-18. As with all BAWSCA subscription programs, (1) the opportunity to participate is extended to all BAWSCA agencies, (2) participation is voluntary, and (3) the participating agencies will pay the entire cost for the Program.

**Fiscal Impact:**

For FY 2017-18, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

**Recommendation:**

**That the Board authorize the CEO/General Manager to:**

- 1. Negotiate and execute a Memorandum of Understanding between BAWSCA and WMWD, subject to legal counsel’s final review, for participation in the Program in FY 2017-18; and,**
- 2. Offer participation in the Program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

The Free Sprinkler Nozzles Program (Program) is an existing statewide water conservation program that provides customers of participating water agencies with vouchers for free, high efficiency sprinkler nozzles to replace the existing sprinkler nozzles in their outdoor irrigation systems. The Program is a collaboration of 28 water agencies throughout California and is administered by the Western Municipal Water District (WMWD) in Riverside County.

In July 2015, BAWSCA joined the Program and offered the Program as a new subscription water conservation program to support the member agencies’ efforts to reduce outdoor water use. Currently, four BAWSCA member agencies are participating in the Program.

Compared to conventional fixed spray nozzles, the high-efficiency sprinkler nozzles provided through the Program reduce outdoor water use by improving the efficiency of an existing irrigation system. Customers can easily replace most existing pop-up spray heads with the high-efficiency sprinkler nozzles and no specialized tools for adjustment are required. Compared to conventional fixed spray nozzles, the high-efficiency nozzles improve:

- Distribution Uniformity (water is applied in a more even manner);
- Precipitation Rate Reduction (reducing the amount of water put out by a sprinkler);
- and

- Run-off Reduction (multiple sizes are available so the proper nozzle can be selected to reduce over-spray).

The Program is administered via the FreeSprinklerNozzles.com website. To receive a voucher, customers must log in to the website using their water agency account information. Single family customers then watch a sequence of videos on 1) how the nozzles work, 2) how to identify the appropriate nozzles for their irrigation system, and 3) proper nozzle installation. Vouchers are issued for standard amounts of 25 nozzles per single family customer or 100 nozzles per commercial or multi-family customers. In addition, customers can request special vouchers for as many nozzles as needed for a site, to be considered by the local water agency. Customers redeem vouchers at participating distributors in their area.

For every water-efficient sprinkler nozzle for which a voucher is redeemed at a participating irrigation store, WMWD invoices BAWSCA, and BAWSCA invoices the participating member agency. Each participating agency determines its maximum not-to-exceed budget for the program. The per-nozzle price to be paid by participating water agencies currently ranges from \$3.60 to \$5.00 per nozzle, depending on the type of nozzle required for a particular customer site. By comparison, these nozzles retail for \$5.00 to \$12.00 each. Program setup and administration costs have historically been included in the per-nozzle pricing; however, this cost structure may be adjusted for FY 2017-18.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Free Sprinkler Nozzles Subscription Program in FY 2017-18, or (2) offer a potentially different type of high-efficiency sprinkler nozzle rebate or incentive program.

BAWSCA does not recommend the above alternatives for FY 2017-18. The Free Sprinkler Nozzles Program provides a turn-key program which has been successful in reducing outdoor water use for water agencies throughout California. Four agencies are currently participating in the Program, and these agencies have expressed a desire to continue participating in the Program in FY 2017-18. In addition, this program will provide a valuable water conservation tool for participating agencies with near-term water savings potential, particularly valuable under the State Water Resources Control Board required water use reductions.

**Conclusion:**

The experience with this program to date has shown it to be a cost-effective means of improving outdoor water use efficiency. For this reason, renewal of this water conservation program is recommended.

**Attachment:**

The MOU for FY 2015-16 and first amendment to the MOU for FY 2016-17 are shown in Attachment A. The MOU will be updated for FY 2017-18 and is expected to include minor revisions to the program cost structure..



**ATTACHMENT A**

**Memorandum of Understanding Between the Western Municipal Water District  
("WESTERN"),  
Bay Area Water Supply & Conservation Agency ("PROGRAM PARTICIPANT")  
Participation in Free Sprinkler Nozzles Program  
and  
Reimbursement Payments Associated Therewith**

**Background:**

1. WESTERN and PROGRAM PARTICIPANT hereby enter into this Memorandum of Understanding ("MOU") in order to partner for the sole purpose of extending Western's FreeSprinklerNozzles.com Program to the residential, commercial and irrigation customers within the PROGRAM PARTICIPANT's member agencies' (Member Agencies) service areas. In the event the parties have not previously entered into a memorandum of understanding, then this MOU shall be deemed to be the contractual arrangement between the parties on the matters addressed herein.
2. The FreeSprinklerNozzles.com Program budget within the PROGRAM PARTICIPANT's Member Agencies' service areas, funded by the PROGRAM PARTICIPANT, will seek to incentivize the installation of water-efficient sprinkler nozzles for residential customers and Commercial/Irrigation customers (collectively referred to as "Nozzles") during the program offering period of August 1, 2015 to June 30, 2016.
3. The maximum Program budget shall be based on (1) the number of PROGRAM PARTICIPANT's Member Agencies that return a Program Participation Agreement to PROGRAM PARTICIPANT, and (2) the maximum budget identified by each Member Agency of PROGRAM PARTICIPANT in the Participation Agreements which are returned to PROGRAM PARTICIPANT. A sample Participation Agreement to be used by a Member Agency is attached hereto as Exhibit A. PROGRAM PARTICIPANT shall notify WESTERN by August 26, 2015 as to the maximum budget ("Maximum Amount"), provided, however, that if a Member Agency modifies its Participation Agreement's budget after August 26, 2015, PROGRAM PARTICIPANT shall notify WESTERN promptly in writing of any change in the Maximum Amount and shall be responsible for any additional payments. In the event that a Member Agency exercises its right to terminate its participation in the Program, WESTERN will be compensated for costs incurred up to the effective date of such termination. PROGRAM PARTICIPANT's Member Agencies shall each decide their eligible customer categories, which information PROGRAM PARTICIPANT will provide to WESTERN. In no event shall WESTERN be responsible for obtaining information from Member Agencies, or otherwise implementing this MOU in connection with Member Agencies. WESTERN'S sole source of contact shall be PROGRAM PARTICIPANT. WESTERN and PROGRAM PARTICIPANT have agreed to work together and coordinate the implementation of the FreeSprinklerNozzles.com Program as set forth in this MOU and as further described at the FreeSprinklerNozzles.com website.
4. Nothing in this MOU shall be deemed to be the provision of any service or other activity outside of each party's respective service area, and to the extent the performance of any aspect of this MOU can be considered a "service," California Government Code Section 54981 permits a local agency to contract with another local agency for performance by

the latter of municipal services or functions within the territory of the former. The purpose of this MOU is to facilitate implementation of the FreeSprinklerNozzles.com Program in order to further each party's conservation goals. In addition, WESTERN desires to enter into this MOU in order to obtain funding and other operational support toward the cost and requirements for implementation of the FreeSprinklerNozzles.com Program.

**Understandings and Agreements:**

1. WESTERN has developed and currently administers a customer self-service website, FreeSprinklerNozzles.com, for the dissemination of product vouchers within its service area. Under the FreeSprinklerNozzles.com Program, the Commercial/Irrigation customer is responsible for selecting the nozzle type and manufacturer prior to being eligible to receive a voucher. Residential customers are offered a voucher for fixed spray nozzles only. Neither WESTERN nor PROGRAM PARTICIPANT shall be responsible for making, or assisting in making, the selection of a Nozzle and shall not be liable in connection with the results, or lack thereof, from the use of such Nozzles.
2. WESTERN has agreed to extend the use of the FreeSprinklerNozzles.com website to the PROGRAM PARTICIPANT, for the purpose of extending the Program to the PROGRAM PARTICIPANT's Member Agencies' service areas.
3. Customers, within the PROGRAM PARTICIPANT's Member Agencies' service areas, will, when participating on the FreeSprinklerNozzles.com website, be issued a voucher that is redeemable at participating landscape irrigation equipment suppliers.
4. For every water-efficient sprinkler Nozzle for which a voucher is redeemed at a participating irrigation store, WESTERN will invoice PROGRAM PARTICIPANT, and PROGRAM PARTICIPANT shall pay the amounts shown below or any other amounts which may be in effect as of the date of the applicable invoice as determined by WESTERN under the FreeSprinklerNozzles.com Program, provided, however that the maximum amount payable by PROGRAM PARTICIPANT pursuant to this MOU shall not exceed the Maximum Amount set forth in this MOU, provided that PROGRAM PARTICIPANT has promptly notified WESTERN of any change in Maximum Amount as required under this MOU. The Maximum Amount shall apply to all Nozzles regardless of whether Nozzles are for residential, commercial or irrigation customers. PROGRAM PARTICIPANT shall ensure that its Member Agencies are not be permitted to allocate a certain portion of the Maximum Amount for certain types of customers, Nozzles or manufacturers.

Unless different amounts are in effect as of the date of the applicable invoice, as determined by WESTERN, the per unit price for each Nozzle shall be as follows:

- Toro Precision Series Spray Nozzle: \$3.60
- Toro Precision Series Rotating Nozzle: \$5.00
- Hunter MP Rotator Nozzle: \$5.00
- Rain Bird Rotating Nozzle: \$4.00
- Rain Bird Rotating Variable Arc Nozzle: \$5.00

\_\_\_\_\_ By initializing this paragraph, PROGRAM PARTICIPANT is hereby opting to allow and fund both the fixed spray and rotating Commercial/Irrigation Nozzles in connection with requests from Member Agencies' Commercial/Irrigation customers. The refusal or failure to initial this paragraph shall indicate that PROGRAM PARTICIPANT will only allow and fund

fixed spray Commercial/Irrigation Nozzles in connection with requests from Commercial/Irrigation customers.

5. Additionally, WESTERN will, on a monthly or quarterly basis, as determined by WESTERN, prepare a fully documented invoice, for the amounts due as set forth above stating the amount due for the number of water-efficient sprinkler Nozzles processed during the previous period, that were distributed by way of the voucher program within the PROGRAM PARTICIPANT' Member Agencies' service areas. Each invoice shall be accompanied by back up documentation that shall include at least the following: Member Agency name, participant account number, participant address and number of Nozzles distributed to each individual participant. PROGRAM PARTICIPANT shall pay each invoice within thirty (30) days from the date of PROGRAM PARTICIPANT's receipt of the applicable invoice.
6. PROGRAM PARTICIPANT, if it elects to do so, will have the responsibility to audit and verify the installation of the water-efficient sprinkler Nozzles distributed by the FreeSprinklerNozzles.com Program, within its Member Agencies' respective service areas. PROGRAM PARTICIPANT shall be solely responsible, at its sole cost and expense, to enter into the applicable arrangements, if applicable, and take any action which may be required, in order to enforce the requirements of its Member Agencies as set forth herein.
7. PROGRAM PARTICIPANT has an approved Maximum Amount , as specified in this MOU, to support the implementation of the FreeSprinklerNozzles.com Program within the PROGRAM PARTICIPANT's Member Agencies' service areas . Notwithstanding anything to the contrary in this MOU, PROGRAM PARTICIPANT shall have no obligation to spend funds in excess of the Maximum Amount without further written authorization in the form of a written amendment to this MOU, signed by each party's authorized signatory, provided that PROGRAM PARTICIPANT has promptly notified WESTERN of any change in Maximum Amount as required under this MOU .
8. PROGRAM PARTICIPANT will coordinate and participate in the overall administrative oversight of, and foster the multiple-agency participation in, the FreeSprinklerNozzles.com Program within the PROGRAM PARTICIPANT's Member Agencies' service areas as applicable. Specifically, PROGRAM PARTICIPANT will be responsible for providing the Member Agencies' customer information as requested.
9. The term of this MOU shall extend from the date of full execution until June 30, 2016. This Agreement shall remain in effect during the term unless earlier terminated under the following procedures:
  - (a) If either party to this MOU believes that the other party has failed to perform any obligation of that party in accordance with the terms of this MOU ("Default"), the party alleging the Default shall provide written notice ("Default Notice") to the other party, setting forth the nature of the alleged Default. Unless otherwise provided by a specific term of this MOU, the party claimed to be in Default shall have (i) with respect to a Default involving the payment of money, ten (10) days after its receipt of the Default Notice to completely cure such Default, and (ii) with respect to any other type of Default, thirty (30) days from the receipt of the Default Notice to completely cure such Default or, if such Default cannot reasonably be cured within such thirty (30) day period, to commence the cure of such Default within the thirty (30) day period and diligently

prosecute the cure to completion thereafter. If the party claimed to be in Default does not cure such Default within the time periods and procedures as set forth herein, the party alleging Default may then pursue the applicable legal and equitable remedies.

(b) In the event either party determines it is not feasible or permissible to continue to perform this MOU due to issues regarding whether a service or activity is being performed outside of a party's service area, either party may terminate this agreement upon ten (10) days prior written notice to the other party. In the event of any such termination, the parties will remain obligated to perform and pay for any obligation incurred prior to the effective date of said termination unless otherwise prohibited by law or regulation.

(c) Either party may terminate this MOU for convenience at any time upon thirty (30) days written notice. In the event of any such termination, the parties will remain obligated to perform and pay for any obligation incurred prior to the effective date of said termination unless otherwise prohibited by law or regulation.

(d) Upon termination of the Agreement, WESTERN shall immediately stop using any data (including the Confidential Data) provided by PROGRAM PARTICIPANT to WESTERN and shall, as directed by PROGRAM PARTICIPANT, return or destroy the Confidential Data and certified the destruction of the same.

(e) Surviving Obligations. Obligations with respect to confidentiality, use, and destruction of the Confidential Data, indemnification, and payment shall survive the termination of this Agreement.

10. Confidentiality and Usage of Data.

(a) PROGRAM PARTICIPANT agrees to provide WESTERN with PROGRAM PARTICIPANT's Member Agencies' customer names, addresses and account numbers ("Confidential Data") solely for the purpose of allowing PROGRAM PARTICIPANT's Member Agencies' customers to participate in the FreeSprinklerNozzles.com Program (the "Authorized Use"). The Confidential Data will remain the property of PROGRAM PARTICIPANT's Member Agencies and their customers. WESTERN shall use the Confidential Data solely for the Authorized Use. WESTERN shall not use the Confidential Data for commercial purposes or for any other use other than the Authorized Use.

(b) The Confidential Data or any confidential information disclosed by the disclosing party to the receiving party shall be treated as confidential and maintained in confidence by the receiving party. The receiving party shall not disclose any confidential information of the disclosing party except to its own personnel who have a need to know. Without limiting the foregoing, the receiving party shall take at least the same steps and use the same methods to prevent the unauthorized use or disclosure of Confidential Data of the disclosing party as it takes to protect its own confidential or proprietary information.

(c) Public Records Act. In the event a public records request is made to either party ("Receiving Party") for information regarding customers or other information from the other party ("Subject Party"), the Receiving Party shall provide notice to the Subject

Party in order to provide the Subject Party with the opportunity to pursue the applicable action for withholding any such records from disclosure.

(d) **Data Security and Distribution.** WESTERN will ensure that any Confidential Information included in the Data is stored on computers and storage media accessible only by those WESTERN personnel with a need to use those portions of the Data, and that only the minimum number of copies reasonably necessary to accomplish the Authorized Use will be made. Confidential Data stored in an electronic format will be stored using industry-standard encryption and security features. (e) WESTERN shall not, and will inform all users that they may not:

- (i) Disclose any portions of the Data that are individually identifiable or that otherwise identifies persons, directly or indirectly, except as permitted under this MOU;
- (ii) Use the Data to learn the identity of any person or entity included in the Data or to contact any such person or entity for any purpose, except as permitted under this MOU;
- (iii) Distribute or publish the Data to anyone other than as expressly permitted under this MOU;

#### 11. General Provisions

(a) Indemnification Each party hereby agrees to defend, indemnify and hold free and harmless the other party from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, breaches of confidentiality or misuse of any data provided by PROGRAM PARTICIPANT or obtained by WESTERN in connection with this MOU; bodily injury, personal injury, death or property damage, arising from or connected with Indemnitor's activities under this MOU, including any Worker's Compensation suits, liability, or expense, arising from or connected with services performed on behalf of Indemnitor by any person pursuant to this MOU, whether such claims, damages, liabilities, costs and/or judgments are based upon alleged negligence, a dangerous condition of public property, or any other theory of liability. Indemnitor's duty to indemnify the Indemnitee shall survive the expiration or other termination of this MOU as to any injuries, occurrences or claims occurring or alleged to have occurred prior to its expiration or termination.

(b) Relationship of the Parties Nothing contained in this MOU shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent, or partnership or joint venture, or any association between the parties, and none of the provisions contained in this MOU or any act of the parties shall be deemed to create any relationship other than as specified herein, nor shall this MOU be construed, except as expressly provided herein, to authorize any of the parties to act as the agent for the other.

(c) Notices

All notices or other communications to either party by the other will be deemed given when made in writing and delivered or mailed to such party at their respective addresses as follows:

To WESTERN:

Mallory Gandara  
14205 Meridian Parkway  
Riverside, California 92518

To PROGRAM PARTICIPANT

: Nicole Sandkulla  
155 Bovet Road, Suite 650  
San Mateo, California 94402

(d) Incorporation of Recitals The Recitals set forth above are incorporated herein and made an operative part of this MOU.

(e) Complete Agreement This MOU constitutes the entire agreement between the parties, both written and oral, with respect to the subject matter hereof. Any prior agreements respecting the subject matter hereof, written or oral, express or implied, between the Parties, are hereby canceled.

**BAWSCA**

**WESTERN MUNICIPAL WATER DISTRICT**

\_\_\_\_\_  
Nicole Sandkulla (Date)  
Chief Executive Officer

\_\_\_\_\_  
John V. Rossi (Date)  
General Manager

**First Amendment  
to the  
Memorandum of Understanding**

**Between the Western Municipal Water District (Western)  
and the Bay Area Water Supply & Conservation Agency (BAWSCA)  
for Participation in the  
Free Sprinkler Nozzles Program and the  
Reimbursement Payments Associated Therewith**

This First Amendment (“Amendment”) to the existing “Memorandum of Understanding” between the Western Municipal Water District and the Bay Area Water Supply & Conservation Agency is established to continue all aspects of the Free Sprinkler Nozzles Program (“Program”) through June 30, 2017.

5. **Term:** The Term of the Agreement, which is set to expire on June 30, 2016 will be extended through June 30, 2017 or until funding is exhausted.
6. **Budget:** PROGRAM PARTICIPANT shall notify WESTERN by July 1, 2016 as to the maximum budget (“Maximum Amount”), provided, however, that if a Member Agency modifies its Participation Agreement’s budget after July 1, 2016, PROGRAM PARTICIPANT shall notify WESTERN promptly in writing of any change in the Maximum Amount and shall be responsible for any additional payments.
7. All “Understandings and Agreements” and “General Provisions” as set forth in the original Memorandum of Understanding will remain in full force and effect and be binding on both parties.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Consultant Selection to Develop Independent Regional Water System & Supply Modeling Tool**

**Summary:**

A key effort included in BAWSCA's proposed FY 2017-18 Work Plan and Operating Budget is the development of an Independent Regional Water System & Supply Modeling Tool (Model). To date, BAWSCA has relied on the SFPUC's modeling resources to inform long-term planning decisions. However, as BAWSCA's and the member agencies' needs have grown, it is not effective to rely on the SFPUC for modeling work to meet BAWSCA's analytical and schedule needs. Developing an independent modeling tool would allow BAWSCA to run independent alternative scenarios to meet BAWSCA's planning needs and understand the impacts of the reliability of other regional water supplies (e.g., surface water from Santa Clara Valley Water District, State Water Project supplies, etc).

In response to the March 24, 2017 Request for Proposals (RFP) for consultant services to develop the Model, five proposals were received. A review panel found Hazen and Sawyer most highly qualified. The CEO recommends this firm be hired to develop the Model.

**Fiscal Impact:**

The proposed FY 2017-18 budget includes \$135,000 for the development of the Model. Further funding will be needed in the following fiscal years for ongoing Model support and scenario analysis. Modeling software will be purchased in FY 2017-18 directly by BAWSCA versus by the consultant. Purchase costs are expected to be nominal and within available budget for such purchases.

**Board Policy Committee Action:**

At its April 12 meeting, the Board Policy Committee confirmed that the recommended process for selecting the consultant conforms to agency practices and the appropriate public process. The committee was not asked to recommend authorization for the CEO to negotiate and execute a professional services agreement because the selection process had not yet been concluded.

**Recommendation:**

**That the board authorize the CEO/General Manager to negotiate and execute a contract with Hazen and Sawyer, subject to legal counsel's final review, up to an amount not to exceed \$135,000 for development of the Regional Water System and Supply Modeling Tool.**

**Discussion:**

A key effort included in BAWSCA's proposed FY 2017-18 Work Plan and Operating Budget is the development of the Model. Development of the Model was included in the FY 2016-17 Work Plan and was anticipated to be developed in conjunction with Stanford's Re-Inventing the Nation's Urban Water Infrastructure (ReNUWIt) program. In July 2016, the BAWSCA Board authorized the CEO to enter into a sole source contract with ReNUWIt to begin development of the Model. Unfortunately, for this type of work, it was determined that the

original contracting vehicle with Stanford was not viable. For this reason, as discussed at the January 2017 Mid-Year Budget Review, when the Model was removed from the FY 2016-17 Work Plan, BAWSCA recently issued an RFP for this work, with work to begin in July 2017, subject to FY 2017-18 Work Plan and Budget approval.

After receiving and reviewing proposals, BAWSCA will be able to determine if the proposed scope and schedule are feasible within the proposed budget. Ultimately, the scope or schedule may need to be changed in order to stay within the proposed budget.

Development of a model is a multi-year investment with initial model development to occur in FY 2017-18 and with future years anticipate to include a budget allocation for ongoing consultant support for BAWSCA staff's use of the model.

### Consultant Selection Process

On March 24, BAWSCA issued an RFP for consultant services to develop the Model. Questions on the RFP were due on March 31 and BAWSCA responded to those questions by April 7. Five proposals were received by the deadline of April 24. During the week of April 24, a panel reviewed the proposals received and selected the top two firms to interview. The panel included BAWSCA staff and a representative from the SFPUC. Interviews of the top two firms were conducted on May 2.

Based on the evaluation of the written proposals, interviews, and reference checks, the panel found that Hazen and Sawyer was most qualified. Hazen and Sawyer has teamed with EKI Environment and Water and Hydrofocus, both of which have extensive knowledge of BAWSCA and have worked for BAWSCA in the past.

The CEO recommends Hazen and Sawyer be hired to develop the Model. Board authorization at this time will ensure that the recommended consultant will be under contract at the beginning of FY 2017-18.

### Scope of Work

BAWSCA is proposing development of the Model to be completed in FY 2017-18. Following completion of the Model, BAWSCA intends to seek ongoing support for investigating additional regional reliability questions and for BAWSCA staff's use of the Model. The project will include the following tasks:

- 1. Formulate the appropriate modeling approach to evaluate regional-scale reliability considering all of the available supplies to the BAWSCA service area.** This task will also include scenario planning, in which BAWSCA and the consultant will coordinate to list potential modeling scenarios to be performed after the Model is completed.  
**Deliverable** - A technical memorandum summarizing the proposed modeling approach and outlining the potential scenarios to be analyzed.
- 2. Develop the approach and capabilities to evaluate reliability of other water supplies.** The consultant will identify and become familiar with tools used to evaluate reliability of regional water supplies other than SFPUC supplies (e.g., State Water Project, local groundwater), as well as potential new supply projects (e.g. expanding recycled water use) that directly or indirectly impact the reliability of BAWSCA's member agencies.

**Deliverable** - A technical memorandum summarizing existing models and their underlying assumptions, identifying additional data needs or uncertainties in evaluating reliability of other supplies, and identifying methodologies to evaluate reliability of the other supplies.

3. **Develop capabilities to evaluate the supply reliability of the SF Regional Water System (RWS).** The consultant will develop the approach to simulating reliability of the SF RWS. If a new or revised model is used, the consultant would verify the accuracy through a comparison to existing model results.

**Deliverable** - A technical memorandum summarizing the approach. If a new or revised model is created, BAWSCA would obtain the new model.

4. **Construct and calibrate the Model.** Using the approach formulated in tasks 1-3, described above, the consultant will construct a numerical model that incorporates reliability of both SF RWS and other supplies that is capable of investigating regional reliability questions.

**Deliverable** – Results of two or more planning-level scenarios, as defined during work completed for Task 1, will be presented in a memorandum including descriptions of the modeling framework and quantitative performance metrics. In addition, BAWSCA will receive a copy of the model.

5. **Use the modeling tool to evaluate additional scenarios.** If requested by BAWSCA after completion of tasks 1 through 4, the consultant will use the calibrated Model to investigate additional regional reliability questions formulated in task 1.

**Deliverable** – Results of the additional scenarios would be presented in a memorandum.

Schedule

BAWSCA anticipates commencing work July 1, 2017 with the following development schedule.

<b>TASK</b>	<b>SCHEDULE</b>
Memorandum on formulating the modeling approach for regional-scale reliability	Sept. 2017
Memorandum on evaluating the reliability of other water supplies	Nov. 2017
Memorandum on evaluating the reliability of the SF RWS	Jan. 2018
Memorandum on constructing and calibrating the regional reliability model	May 2018
Submit copy of regional reliability model	June 2018
Memorandum presenting evaluation results for additional scenarios	TBD

**Background:**

As part of the Long-Term Reliable Water Supply Strategy (Strategy), BAWSCA's modeling of potential future hydrologic conditions was performed by SFPUC staff through a cooperative agreement with SFPUC to analyze the probability of supply shortages on the San Francisco Regional Water System (SF RWS). The recent drought has highlighted the potential impacts that regional supply shortages can have on member agency reliability and potential SFRWS purchases, but the reliability analyses done thus far for the Strategy do not account for potential shortages in other supplies utilized by BAWSCA member agencies (e.g., State Water Project supplies or local groundwater).

As a result, BAWSCA wants to engage a consultant to develop a modeling tool to run independent alternative scenarios to meet BAWSCA's planning needs. The Model will be intended to help understand the impacts of the reliability of other regional water supplies (e.g., surface water from Santa Clara Valley Water District, State Water Project supplies) on the BAWSCA agencies and on the reliability of the SF RWS. The Model will also be used to evaluate the benefits of developing additional regional water supplies. To ensure BAWSCA meets its goal of ensuring a reliable supply of high quality water at a fair price into the future, the impacts of projects identified in the Strategy, and other regional and local water supply projects, need to be analyzed under different demand scenarios and hydrologic conditions.

# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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155 Bovet Road, Suite 650  
San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

## MEMORANDUM

**TO:** BAWSCA Board of Directors  
**FROM:** Nicole Sandkulla, CEO/General Manager  
**DATE:** May 12, 2017  
**SUBJECT:** Chief Executive Officer/General Manager's Letter

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### Mountain Tunnel – Update

SFPUC's Mountain Tunnel was constructed in 1918. It is a single conduit in the upper reach of the SFPUC Regional Water System (RWS), used to convey water from Hetch Hetchy to the Bay Area. The lower 12 miles of the tunnel run through less competent rock and are lined with concrete. Prior inspections dating back to 2008 revealed a number of locations where the concrete lining was deteriorating, raising serious concerns with a potential future tunnel failure and possibly requiring the construction of a new bypass tunnel. Such a retrofit could cost over \$600 million. BAWSCA was instrumental in encouraging the SFPUC to perform a more detailed review of the condition of the tunnel, in order to identify the best alternative to address the tunnel's reliability concerns.

Beginning in January of 2017, Mountain Tunnel was shut down for a two-month period to complete construction of critical tunnel access improvements, perform a detailed tunnel inspection, and implement select repairs. As of the week of March 13<sup>th</sup>, the shut-down effort was complete. Since that time, SFPUC's consultants have been reviewing data collected during the shutdown. As part of that review, analyses were performed on the depth, strength and condition of the existing concrete lining. Areas of the lining that require repair were cataloged and compared against records from previous inspections. In addition, a hydraulic analysis was performed to estimate the flow carrying capacity of the tunnel, given its current conditions.

Preliminary findings from the inspection were shared with the Project's Technical Advisory Panel of tunneling experts (TAP) and BAWSCA at a meeting held on April 21, 2017. As was shared with the BAWSCA board in March, preliminary findings indicate that the concrete is in good condition and is likely to prove to be significantly more economical to repair vs. the other alternatives (e.g., constructing a new tunnel) that are present.

At the conclusion of the meeting, SFPUC staff and their consultants committed to completing the engineering effort associated with the review and analysis of the field data collected within the next two months. Analysis is to include preparing costs estimates for the various repair options that are possible. Plans were tentatively made to regroup in July, once the final inspection reports have been released, to establish the preferred Mountain Tunnel Repair and or Replacement measure. As it currently stands, it is highly likely that the proposed preferred approach will be to schedule the remaining repairs of the concrete lining during a possible three-month long tunnel shutdown that would occur in the Fall/Winter of 2018.

**Los Vaqueros Expansion Project – Update**

In March of 2010 the Contra Costa Water District (CCWD) and the Bureau of Reclamation (Reclamation) completed the Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Los Vaqueros Reservoir Expansion Project (LVE Project). In 2012 CCWD completed the first phase of reservoir expansion, bringing the storage in Los Vaqueros Reservoir from 100,000 acre-feet to 160,000 acre-feet.

In 2015, CCWD and Reclamation began jointly studying the potential for further expansion of Los Vaqueros Reservoir (Phase 2), potentially bringing total storage to 275,000. Included as part of the study were other required facilities, such as a conveyance pipeline that would link Los Vaqueros Reservoir to the State Water Project's conveyance facilities.

In 2016, CCWD reached out to other local water agencies, including SFPUC and BAWSCA, to determine if they had an interest in a portion of the storage that would be created as part of Phase 2. Interested agencies were asked to enter into agreements formalizing their respective participation in studies and environmental documentation and provide a financial contribution toward the cost of the associated work effort.

In February of 2017, BAWSCA entered into an MOU with CCWD formalizing BAWSCA's potential interest in a share of future Los Vaqueros storage and willingness to participate in the work effort. Similarly, SFPUC entered into an MOU, and provided a financial contribution of \$100,000 on behalf of both BAWSCA and SFPUC. In-kind services are also being provided by both BAWSCA and SFPUC.

CCWD released an administrative draft of the supplemental EIS/EIR for the Phase 2 LEV in late March 2017 for review by BAWSCA and other partnering agencies. CCWD plans to release a draft supplemental EIS/EIR for public review later this spring (tentatively in May). CCWD is also preparing a grant application for Proposition 1 storage projects that is due August 2017 and which could provide significant funding for the project.

BAWSCA staff will provide a more detailed update to the board in the first half of FY 2017-2018 with the release of the public draft supplemental EIS/EIR.

**Cooperative Agreement with Hayward for Planning of a Pilot Water Transfer**

BAWSCA and the City of Hayward recently executed a Second Cooperative Agreement for planning a pilot water transfer. This is the continuation of work that began in 2014 to help BAWSCA and Hayward plan for a pilot water transfer. The agreement documents the benefits to both agencies, as well as the roles and responsibilities of both parties to perform preliminary planning work.

BAWSCA and Hayward will continue to meet regularly as part of this agreement. BAWSCA is preparing to execute a pilot water transfer in the fall of 2018 in conjunction with the next extended shutdown of Hetch Hetchy for repairs to the Mountain Tunnel. Continued discussions and the results of data analyses will be critical to reaching mutual understanding on the development of an agreement to execute a pilot water transfer.

**Indirect Potable Reuse with SCVWD**

BAWSCA recently entered into an agreement with the Santa Clara Valley Water District (SCVWD) and SFPUC to participate in a feasibility study to identify and evaluate options for SFPUC and BAWSCA to participate in SCVWD's Expedited Purified Water Program. SCVWD is investigating the feasibility of developing of to 45,000 acre-feet per year (AFY), or 40 million gallons per day (MGD), of purified water capacity by 2025 to augment water supply in Santa Clara County via indirect potable reuse and potential direct potable reuse. SCVWD, as part of its Program, may develop capacity to produce additional water supplies that could be available, including to the SFPUC and BAWSCA and customers common to the SCVWD. As a part of this agreement, SFPUC will provide a financial contribution of \$37,500 on behalf of both BAWSCA and SFPUC, which will fund 50% of the consultant effort. Once begun, BAWSCA anticipates that the work would take approximately six to eight months to be completed.

**Water Conservation Database - Update**

In January 2017, BAWSCA contracted with Immersiv Media to develop and implement an updated Water Conservation Database (WCDB). The WCDB is (1) the repository for BAWSCA member agency water use, demographic, and water conservation program data and (2) is used to support development of BAWSCA's Annual Survey, Annual Water Conservation Report, demand models, and other analyses. An upgrade to the WCDB was required due to challenges in maintaining the existing system.

The WCDB redevelopment is on schedule to be completed in June 2017. The WCDB demonstration site has been completed, and BAWSCA is currently testing the site and providing feedback to the consultant. Following this initial testing, the demonstration site will be provided to BAWSCA member agency users for testing and feedback. Training for member agency staff on the use of the new WCDB will be completed in early June.

**“Making Water Conservation A Way of Life” - Update**

On November 30th, the California Department of Water Resources (DWR) and SWRCB released a Public Review Draft of the “Making Conservation a California Way of Life” Report (Draft Report) with the State agencies’ proposal for implementing new long-term water use targets and Water Shortage Contingency Plan (WSCP) requirements as called for in Governor Brown’s Executive Order B-37-16. The Final Report was released on April 7<sup>th</sup>, along with the Governor’s proposed legislation to implement the Final Report recommendations.

Several bills have been introduced that would implement either (1) portions of the State agencies’ “Making Conservation a California Way of Life” proposal or (2) alternative proposals for long-term water conservation policy developed by the Association of California Water Agencies (ACWA) or individual water agencies. On April 25, eight water conservation bills passed through the Assembly Committee on Water, Parks, and Wildlife. BAWSCA has submitted support letters for AB 968 (Rubio) and AB 1654 (Rubio), which reflect the policy developed by ACWA.

In addition to the policy bills put forth in the legislature, a budget trailer bill has been proposed that would implement the State agencies’ proposal. The budget trailer bill was heard on May 3<sup>rd</sup> at the Assembly Budget Committee. The committee did not vote on the budget trailer bill but left it as an “open issue” for potential action at some later date. Over 40 representatives of various California water agencies spoke against the trailer bill at the May 3<sup>rd</sup> committee meeting.

BAWSCA is working closely with the SFPUC to evaluate positions and potential strategies for these legislative proposals and will continue to update the Board as legislation implementing the long-term conservation directives moves forward.

**Association of Bay Area Governments (ABAG) Plan Bay Area 2040 Draft Program Environmental Impact Report (Program EIR)**

In 2013, ABAG finalized and adopted Plan Bay Area. Approximately two years ago, ABAG began the preparation of an update titled “Plan Bay Area 2040”, a limited and focused effort that builds upon the growth pattern and strategies developed in 2013 but with updated planning assumptions to incorporate key economic, demographic and financial trends from the last four years.

In the fall of 2016, BAWSCA reviewed ABAG’s Draft Preferred Scenario (DPS) for this update. On October 14, 2016, BAWSCA submitted a comment letter on the DPS that pointed out that ABAG’s economic and household projections for the West Bay Corridor, most of which is within the BAWSCA service area, were 60% higher and 17% higher respectively, than in Plan Bay Area 2013. BAWSCA encouraged ABAG to consider that additional growth would impact drought year reliability for all BAWSCA agencies, limiting the region’s ability to reduce its water use during drought periods. BAWSCA asked ABAG to work with local water suppliers to consider the long-term water supply reliability implications of its regional land use planning effort. In December, ABAG sent a written response to BAWSCA in which they acknowledged the validity of BAWSCA’s concerns and committed to assessing those concerns as part of the Program EIR being prepared for Plan Bay Area 2040.

ABAG recently released the Draft Program EIR for Plan Bay Area 2040 for public comment. BAWSCA will review it to determine whether the above-noted BAWSCA concerns were adequately addressed. Comments are due to ABAG by June 1, 2017.

**Status of FY 2015-16 Wholesale Revenue Requirement Review**

Pursuant to Section 7.06A of the 2009 Water Supply Agreement, BAWSCA conducted its review of SFPUC’s calculation of the annual Wholesale Revenue Requirement (WRR) and the changes in the balancing account for FY 2015-16, which was submitted by the SFPUC on March 8, 2017.

As a result of the WRR review, BAWSCA sent some questions and concerns to SFPUC on May 8, 2017. BAWSCA is waiting for SFPUC’s response, which typically takes several months. The deadline for both parties to enter into a settlement agreement or for the wholesale customers to file a demand for arbitration on any unsolved issues for FY 2015-16 is March 8, 2018. Typically, BAWSCA and the SFPUC can resolve any concerns through a detailed settlement agreement before the deadline.



# Board of Directors Policy Calendar through November 2017

Meeting	Purpose	Issue or Topic
May 2017	D&A D&A D&A	Presentation of Proposed FY 2017-18 Work Plan and Budget Consideration of Annual Professional Services Contracts Consideration of Professional Services Contract For Development of Regional Water System and Supply Modeling Tool
July 2017	D&A D&A R&D	Consideration of New Water Management Consultant Contracts Discussion and possible action on CEO Performance Evaluation Procedure Review of BAWASCA's Efforts Related to Recycled and Advanced Treated Water Supply Projects
September 2017	D&A D&A	Resolution Approving Temporary Appointment of A. Jensen as Special Counsel to the CEO/GM CEO/GM Evaluation
November 2017	D&A R&D	Annual Review and Consideration of BAWSCA's Statement of Investment Policy Review and Consideration of BAWSCA's General Reserve Policy

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**Bay Area Water Supply and Conservation Agency  
and Regional Financing Authority**

**Meeting Schedule through June 2018**

<b>Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – May 18, 2017	Oak Room, San Mateo Main Library
Thursday – July 20, 2017	Oak Room, San Mateo Main Library
Thursday – September 21, 2017	Oak Room, San Mateo Main Library
Thursday – November 16, 2017	Oak Room, San Mateo Main Library
Thursday – January 18, 2018	Oak Room, San Mateo Main Library
Thursday – March 15, 2018	Oak Room, San Mateo Main Library
Thursday – May 17, 2018	Oak Room, San Mateo Main Library

<b>Schedule for RFA Board Meetings (Meeting time will be announced)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – July 20, 2017	Oak Room, San Mateo Main Library
Thursday – January 18, 2018	Oak Room, San Mateo Main Library

<b>Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Wednesday – June 14, 2017	<b>1300 S. El Camino Real, San Mateo</b>
Wednesday – August 9, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – October 11, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – December 13, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – February 14, 2018	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – April 11, 2018	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – June 13, 2018	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.