



BOARD OF DIRECTORS MEETING

Thursday, May 21, 2020

6:30 P.M.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT. MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

The following members of the BAWSCA Board are listed to permit them to appear telephonically at the Board Meeting on May 21, 2020: Jay Benton, Randy Breault, Tom Chambers, Alison Cormack, Debi Davis, Laura Davis, Sam Hindi, Steve Jordan, Kirsten Keith, Rob Kuta, Gustav Larsson, Sam Liccardo, Jusly Manalo, Lisa Matichak, Al Mendall, Chris Mickelsen, Carmen Montano, Larry Moody, Rosalie O'Mahony, Tom Piccolotti, Barbara Pierce, Dan Quigg, Lou Vella, John Weed, Sepi Wood, and Tom Zigterman.

Members of the public wanting to participate in the meeting may do so by:

Participating via Video Conference:

- Click on the link to Join the meeting, <https://us02web.zoom.us/j/81337962811>
- Meeting ID **813 3796 2811**.
- Password: **574313**.
- The web browser client will download automatically when you start or join your first Zoom meeting. It is also available for [manual download here](#).

OR,

Participating via Telephone:

- Dial (888) 788-0099 US Toll-free, and entering Meeting ID **813 3796 2811** and Password **574313**, when prompted.
- To Mute or UnMute, Press *6.
- To Raise Hand, Press *9.
- The Presentation will be available prior to the meeting at www.bawasca.org.

In the event of technical malfunction on Zoom, the meeting will be conducted via the Call-In #.



BOARD OF DIRECTORS MEETING

Thursday, May 21, 2020

6:30 P.M.

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page</u>
1. Call to Order/Roll Call/Salute to Flag	(Pierce)	
2. Comments by the Chair	(Pierce)	
3. Board Policy Committee Report (<i>Attachment</i>)	(Chambers)	Pg 5
4. Public Comments	(Pierce)	
<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>		
5. SFPUC Report	(Kelly/Ritchie)	
6. Consent Calendar (<i>Attachments</i>)	(Pierce)	
A. Approve Minutes of the January 16, 2020 Meeting		Pg 17
B. Receive and File Budget Status Report – As of January 31, 2020		Pg 23
C. Receive and File Budget Status Report – As of March 31, 2020		Pg 25
D. Receive and File Bond Surcharge Collection Reports – As of Dec. 31, 2019		Pg 27
E. Receive and File Bond Surcharge Collection Reports – As of March 31, 2020		Pg 29
F. Receive and File Investment Report – As of March 31, 2020		Pg 31
G. Receive and File Directors' Reimbursement Report – As of March 31, 2020		Pg 33
H. Proposed Fiscal Year 2020-21 Bond Surcharges		Pg 35
<i>The Board Policy Committee voted unanimously to recommend the proposed Board action.</i>		
I. Ratification of Agreement with Droplet Technologies to Implement a Landscape Rebate Online System		Pg 41
<i>The Board Policy Committee voted unanimously to recommend the proposed Board action.</i>		
J. Adoption of Resolution 2020-01 to replace Resolution 2006-01		Pg 45
<i>The Board Policy Committee voted unanimously to recommend the proposed Board action</i>		

7. Action Calendar

- A. Proposed Fiscal Year 2020-21 Work Plan and Operating Budget (Attachment) (Sandkulla) Pg 51
- That the Board approve the:
1. Proposed FY 2020-21 Work Plan and Results to be Achieved;
 2. Proposed Operating Budget of \$4,020,679; and
 3. Proposed funding plan of 0% assessment increase and \$333,900 transfer from the General Reserve.
- The Committee voted unanimously to recommend Board approval of the recommended action*
- B. Approval of Professional Services Contracts for FY 2020-21 (Attachments) (Sandkulla) Pg 79
- Consultant Contracts for Technical and Administrative Services
1. BLX Group, LLC (Bond Arbitrage Rebate Analyses) Pg 85
 2. Burr, Pilger, Mayer (Auditing, WSA) Pg 87
 3. Geosyntec (Engineering) Pg 89
 4. Hanson Bridgett, LLP (Legal Counsel) Pg 91
 5. Harlan Wendell (Strategic Counsel) Pg 97
 6. Hazen & Sawyer (Engineering) Pg 101
 7. Kelling, Northcross, Norbriga (Financial Advisor) Pg 105
 8. Orrick, LLP (Bond Documents Legal Support) Pg 107
 9. Public Trust Advisors, LLC (Investment Advisor) Pg 109
 10. Stetson Engineering (Water Analyses, WSA) Pg 111
 11. Terry Roberts (Engineering Consultant – WSIP, 10-year CIP) Pg 115
 12. West Yost (Engineering and Asset Management) Pg 119
 13. Water System Optimization, Inc. (Water Loss Management Program) Pg 123
- Consultant Contracts for Conservation Programs
14. EarthCapades (School Assembly Program) Pg 133
 15. Franklin Energy (School Education Programs) Pg 139
 16. Global Sun Landscape (Lawn Be Gone Inspection Services) Pg 159
 17. Maddaus Water Management (DSS Model Support Services) Pg 163
 18. M&M Backflow and Meter maintenance (Customer Meter Testing) Pg 165
 19. Regional Water Authority (MOU for Rachio Smart Controller Program) Pg 171
 20. Waterfluence, LLC (Large Landscape Conservation Services) Pg 177
- As these items are considered annually and do not represent new policy action for board consideration, and therefore, were not presented to the Committee.*

8. Reports

- A. Water Supply and Use Update
- B. CEO/General Manager's Letter (Attachment) Pg 183
- C. Board Policy Calendar (Attachment) Pg 185
- D. Correspondence Packet ([Under Separate Cover](#))

9. Closed Session

- A. **Conference with Legal Counsel – Existing Litigation pursuant to** (Schutte)
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
*Federal Energy Regulatory Commission Final License Application
Proceedings for Don Pedro Hydroelectric Project, P-2299-082, and La
Grange Hydroelectric Project, P-14581-002.*
- B. **Conference with Legal Counsel – Existing Litigation pursuant to** (Schutte)
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
*San Joaquin Tributaries Authority, et al. v. California State Water
Resources Control Board (Tuolumne County Superior Court Case No.
CV62094).*

10. Report after Closed Session (Schutte)

10. Directors' Discussion: Comments, Questions and Agenda Requests (Pierce)

11. Date, Time and Location of Future Meetings (Pierce) Pg 187 (See attached schedule of meetings)

12. Adjourn to next meeting scheduled for July 18, 2019 at 6:30pm (Pierce)

Accessibility for Individuals with Disabilities

Upon request, BAWSCA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to bawasca@bawasca.org or submitted by phone at 650-349-3000. Requests will be granted whenever possible and resolved in favor of accessibility.

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: BAWSCA Board Members

FROM: Nicole Sandkulla, Chief Executive Officer/General Manager

DATE: May 15, 2020

SUBJECT: Summary of Board Policy Committee meeting held April 8, 2020

1. **Call to Order:** Committee Chair, Tom Chambers, called the meeting to order at 1:30 pm. A list of Committee members who were present (9), absent (0) and other attendees is attached.

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

2. **Comments by Committee Chair:** Committee Chair Chambers welcomed members of the Committee and provided ground rules to best conduct the meeting virtually. He noted that all actions by the committee will be done by roll call vote.
3. **Public Comments:** Peter Drekmeier, representing Tuolumne River Trust, identified himself on the phone. He had no public comments.
4. **Consent Calendar:** Approval of Minutes from the February 12, 2020 meeting.
Director Cormack made a motion, seconded by Director Wood, that the minutes of the February 12, 2020 Board Policy Committee meeting be approved.
The motion carried unanimously by roll call vote.

5. **Action Calendar:**

- A. **Proposed Fiscal Year 2020-2021 Work Plan and Operating Budget:** Ms. Sandkulla reported that the proposed Fiscal Year 2020-21 Work Plan and Operating Budget is aligned with BAWSCA's legislated authority and three goals of ensuring reliable, high-quality water supply at a fair price.

Ms. Sandkulla noted that the proposed work plan includes one minor change from the preliminary work plan that was presented to the Committee in April. The Summer 2020 internship has been removed because it is unclear whether an additional person can be added to staff in the Summer given the current COVID-19 crisis.

The proposed operating budget is \$4,130,679. It is 9.6% less than the adopted FY 2019-20 budget, with an estimated cost of \$2.26 per person.

The proposed work plan addresses critical issues identified between now and the year 2050, as discussed with the Board in January 2020.

Ms. Sandkulla presented an alternative work plan and operating budget in response to the COVID-19 crisis and its potential impacts on the economy. The alternative work plan and budget will continue to address critical issues but will defer or reduce three specific work plan areas. They include the deferral of the internship program to subsequent fiscal years, deferral or reduced efforts in the implementation of recommendations from BAWSCA's asset management audit of the San Francisco Regional Water System (SFRWS), and the deferral or reduced efforts in BAWSCA's coordination with SFPUC on development and implementation of a Regional Source Meter Testing Plan.

These work plan areas were identified as areas that can be reduced or deferred for several reasons. They are relatively new efforts and their deferral puts no direct negative impact on the member agencies, nor does it decrease the member agencies' expectations of the assistance BAWSCA provides on conservation, and completion of the demand study and of the urban water management plan. Particularly, for the work to implement the recommendations from the audit of SFPUC's asset management and the development of a Regional Meter Testing Plan, there are required actions that need to be coordinated with San Francisco. Given the COVID-19 crisis, the SFPUC will have similar operational and resource issues to address as a result of the pandemic. Where these efforts land on the SFPUC's priorities are unknown to BAWSCA, and further discussions with the SFPUC are needed for a final decision on specific tasks to be completed. However, it is anticipated that the SFPUC will need to defer some of this work as well.

The deferral of all three work areas provide an alternative work plan that reduces the overall operating budget by 110K. The proposed alternative operating budget is \$4,020,679, 12% less than the adopted FY 2019-20 budget with an estimated cost of \$2.20 per person.

Both proposed and alternative work plans include major areas of work that remain the same:

- BAWSCA's role in managing the 2009 Water Supply Agreement to protect the member agencies' financial and water supply interests;
- Administration of BAWSCA 2013 bonds;
- Oversight of SFPUC's WSIP, 10-year CIP, and Asset Management with regards to staff level work;
- Implementation of BAWSCA's Strategy, including Los Vaqueros Expansion (LVE) project studies, Potable Reuse studies, and Bay Area Regional Reliability (BARR) Partnership;
- Implementation of core and subscription conservation programs including 3-4 new programs; and
- Participation in the State Water Board Bay Delta Proceedings and FERC Proceedings to protect regional water supplies.

Both proposed and alternative work plans equally focus on the reliable supply of water, which has historically been the area of work in which staff and consultant time are placed. Ms. Sandkulla presented a side by side comparison of the work plans which shows a consistent distribution of focus among the areas of agency operations and the three goals; supply reliability, high quality, and fair price.

Both proposed and alternative work plans share similarities that provide an operating budget that:

- Is significantly reduced in consultant and direct expenses compared to FY 2019-20. The reductions, 27% in the proposed work plan and 32% in the alternative work plan, are due to decreased support needed from consultant and legal services for the work plan area of reliable supply, which in FY 2019-20, included funding for the Demand Study, BAWSCA's Pilot Water Transfer Plan, and cost share for the LVE studies;
- Has total Administrative Expenses increased by less than 5%;
- Fully funds the estimated OPEB Annual Required Contribution, as practiced in the past 6-8 years;
- Includes a budget allowance for COLA adjustment to top step salary, and merit increases for salary adjustment;
- Has a budget allowance for potential CEO merit increase, consistent with prior direction received from the Board; and
- Includes no allowance for Art Jensen, as anticipated.

Ms. Sandkulla presented the funding considerations that were developed based on BAWSCA's funding principles and the current General Reserve balance of \$1,137,877, which is 25% of the current operating budget and is within the 20%-35% budgetary guideline.

Ms. Sandkulla emphasized the importance of maintaining the General Reserve as funding resources are considered for next year's operating budget given the ongoing issues associated with the Bay Delta and Restore Hetch Hetchy legal challenges.

Ms. Sandkulla reported that review of the FY 2019-20 expenditures, following the shelter-in-place order due to COVID-19, identified savings from staff vacancy that will not be filled until June, and reduced conservation program costs due to cancelled landscape classes because of the pandemic. As a result, there are fewer expenditures than otherwise planned, and it is estimated that \$100K will be available to transfer to the General Reserve at the end of the fiscal year.

Four options to fund the proposed and alternative work plan and budget were presented for the Committee's consideration. Options 1, 2 and 3 included a 0%, 1%, and 3% assessment increase for the proposed work plan and operating budget. The options provide a projected general reserve balance of 19%, 20%, and 22%. Option 4 presented a 0% assessment increase for the alternative work plan and operating budget with a resulting projected general reserve balance of 22%.

The options require consideration of what assessment increase and general reserve balance the Board would like to have.

Ms. Sandkulla recommends the Committee's consideration of Options 1 and 4.

Option 1 funds the proposed work plan and operating budget and provides a 0% assessment increase, a transfer from the general reserve of \$444,900, and a general reserve balance of 19% of the operating budget, which is slightly below the budgetary guideline of 20%-35%.

Option 4 funds the alternative work plan and operating budget and provides a 0% assessment increase, a transfer from the general reserve of \$333,900, and a general reserve balance of 22%, which is within the 20%-35% budgetary guideline.

Both options 1 and 4 put BAWSCA in a good position to continue meeting its obligations to the member agencies while keeping a tight budget. Ms. Sandkulla stated that while she normally does not make a funding recommendation, she felt that it was important to endorse the work plan, operating budget, and funding plan that she believes is in the member agencies' best interests given the current situation.

Chair Chambers called upon each Committee member to capture their comments.

Vice Chair Cormack commended the CEO for developing an operating budget that provides a 0% increase in assessments. She stated that the reduction in the budget and in the cost per person is appropriate given the current situation. She supports option #4 based on principle #2; which is "Spend only what is needed to achieve results." She encourages the Committee and the Board to remain cognizant of potential changes in employment throughout the BAWSCA service area and any changes in salaries. While it is too early to make predictions, this budget allows for some space for what might need to be done later in the process.

The consensus of the comments that followed indicated the Committee's support for Option #4, the CEO's responsiveness to the current situation, and to remain mindful of budget spending for salary adjustments until further information on the impacts of COVID-19 is available. Committee members appreciated the CEO's and staff's work in developing the budget funding options, and provided the following additional comments.

Director Jordan stated that as we get to the other side of the pandemic, there will be an expectation from our Board that we have reduction in spending due to the changes in some programs.

Director Kuta asked if deferring the development of a Regional Source Meter Testing Plan under the alternative work plan presents an imminent regulatory violation, as far as conservation or water loss, if the development a Regional Source Meter Testing Plan is deferred under the alternative work plan.

Ms. Sandkulla stated that the Source Meter Testing effort was to put the BAWSCA agencies ahead of when those regulations could be impacting the member agencies, and to identify what can be addressed sooner rather than later.

Director Larsson appreciated the two budget options that offer a 0% increase in assessments. He noted the importance of keeping the assessments where they are given the current climate, and in keeping the General Reserve within the target range. It is critical not to draw down the General Reserve too quickly because what lies ahead remains unknown.

Director Mendall noted that as a Hayward Council Member, he is already getting requests for reduction/deferment of water bills or some form of assistance during these difficult times. The duration and the severity of the situation is unknown and it is important to be conservative in our budgeting.

Director Pierce expressed her concerns about what the future holds, therefore preserving the General Reserve is essential. She is pleased that the CEO built in flexibility in the budget in case San Francisco is able to move forward with implementing the recommendations from the audit of its asset management, and in developing a water source meter testing plan.

Director Wood echoed Director Pierce about concerns with what the future holds. She was pleased that the options achieve results.

Director Zigterman commended the CEO's ability to demonstrate the mantra, "plan your work and work your plan."

There were no comments from members of the public.

In response to the clarifying questions and comments from Directors Kuta, Chambers, Pierce and Mendall, Ms. Sandkulla stated that it is important to present the complete analysis to the Board so they can understand the reasons behind the Committee's recommendation. Her intention was to present Options 1 and 4, and perhaps Options 2 and/or 3, along with the committee's recommendation.

Additionally, the Committee's comments on the merit increases can be reflected in the BPC meeting minutes, as well as added in the memo to the Board stating that the CEO's intent is to remain cognizant of merit increases until the impacts of COVID-19 is better known.

There were no further comments from Committee members or members of the public.

Director Wood made a motion, seconded by Director Mendall, that the Board Policy Committee recommend to the Board approval of Option 4: Alternative Work Plan and Alternative Operating Budget, as presented in the staff report, and to reflect Committee discussions on merit increases relative to COVID-19 in the staff report to the Board.

The motion carried unanimously by roll call vote.

- B. Review and Consideration of Check Signing Policy: Ms. Sandkulla reported that in 2006, a policy for signature authorities for both BAWSCA and BAWUA bank accounts was established. The Policy identifies two levels of signature authority. Checks less than \$2,500 require one authorized signature. Checks \$2,500 or more require two authorized signatures, one of which must be a Director. The authorized signers identified in the current policy are the CEO and the Senior Administrative Analyst, the predecessor title to the Finance Manager; and Directors, which includes the Chair, Vice Chair and, for the sake of efficiency, 3 Directors from agencies closest to the BAWSCA office. Those agencies are Foster City, Millbrae, and Burlingame.

Because the CEO may not always be available to sign checks and, as highlighted by the current pandemic, due to potential difficulty in securing two signatures, one of which is of a Director, check payments can be unduly delayed. To avoid this, Resolution 2020-01

increases the single signature threshold from \$2,500 to \$5,000, and adds the Water Resources Manager to sign checks in absence of the CEO/General Manager. The resolution also corrects the title of the Sr. Administrative Analyst to Finance Manager. Checks \$5,000 and over will continue to require two signatures, one of which is that of a Director.

Chair Chambers called upon each Committee member to capture their questions and comments.

Committee members stated their support for the recommendation. In response to Committee member questions, Ms. Sandkulla provided the following information.

The number of checks between \$2,500 and \$5,000 is approximately 25% of the total. However, increasing the signature authority to more than \$5,000 was not advised by BAWSCA's auditor.

BAWSCA's check issuance is typically twice a month.

Director Kuta stated that he was going to ask if there was value in considering a higher amount than \$5K that would strictly require only the CEO and a Director's signature. But given that there are not a lot of large checks, he presents it as a thought rather than a question.

Ms. Sandkulla further added that the Finance Manager or the Water Resources Manager, not both, can sign checks in the absence of the CEO. Legal Counsel, Allison Schutte, added that the proposed resolution clearly states that condition.

There is no resolution that triggers when the Finance Manager or the Water Resource Manager can sign. Resolution 2020-01 speaks to the signature authority occurring when the CEO/General Manager is not available.

Ms. Sandkulla stated that in most cases, Christina Tang, BAWSCA's Finance Manager, signs checks in her absence because she and Tom Francis, Water Resources Manager, are often in off-site meetings. She added that upon taking the CEO/General Manager position in 2013, she self-instituted the check-signing by the CEO/General Manager only for a time period because she wanted to personally see what checks were going out. The addition of the Water Resources Manager is necessary to avoid a cumbersome process that is not helpful to the agency's operational efficiency.

There being no further comments from the Committee members or members of the public, Chair Chambers called for a motion.

Director Jordan made a motion, seconded by Director Pierce, that the Committee recommend Board approval of:

- a. Rescinding Resolution #2006-01 that specifies what individuals are authorized to sign checks;**
- b. Adopting a replacement Resolution #2020-01 that increases the single signature threshold for signing checks from \$2,500 to \$5,000 and adds the authority for the BAWSCA Finance Manager and Water Resources manager to sign checks in the absence of the CEO/General Manager.**

The motion passed unanimously by roll call vote.

- C. Ratification of Agreement with Droplet Technologies to Implement a Landscape Rebate Online System: Ms. Sandkulla reminded the Committee that at its February 12th meeting, it acted to recommend Board authorization of the CEO/General Manager to negotiate and execute an agreement with a selected consultant, subject to Legal review, to implement the Landscape Rebate Online System.

Through a competitive procurement process, Droplet Technologies was selected to implement the program based on the unanimous recommendation of the selection panel BAWSCA worked with. Board action on the contract approval was planned for the March Board meeting, which was cancelled due to COVID-19.

Because the contract amount was within the CEO/General Manager's signature authority, Ms. Sandkulla reported that she signed the agreement to move it forward in order for the program to start in July, in time for the irrigation season. She noted that the costs were unknown at the time of the February 12th BPC meeting since the Request for Proposals were in progress. She was pleased to report that Droplet Technologies' proposal came in at a competitive price.

Legal counsel advised that the Board ratify the agreement at the May meeting. The item is being brought to the BPC to allow conversation at the Committee level, and help ease the May Board agenda, which will most likely be via teleconference.

The contract is for the amount of \$1,500 for the system development and implementation in FY 2019-20. A monthly amount of \$1,200 for licensing and support for BAWSCA will begin in FY 2020-21. The monthly costs will be paid for by the participating member agencies in this subscription conservation program.

Chair Chambers called upon each Committee member to capture their questions and comments.

The Committee was supportive of the recommended action. In response to Committee member questions, Ms. Sandkulla provided the following information.

The initial cost of setting up the system will be funded from BAWSCA's operating budget, and the monthly subscription cost will be funded by participating agencies.

Droplet Technologies is a Southern California based company and is not believed to be a diversifier.

Ms. Sandkulla added that it is important for the Board to take a role in the programs offered to the member agencies, and while the contract is within the CEO/General Manager's signature Authority, it will be presented to the Board in May as part of the consent calendar items.

With no further comments from the Committee members or members of the public, Chair Chambers called for a motion.

Director Cormack made a motion, seconded by Director Pierce, that the Board ratify the following actions by the CEO/General Manager:

- **Execution of the agreement with Droplet Technologies to implement a Landscape Rebate Online System; and**

- **Offer participation in the Program to interested BAWSCA agencies on a subscription basis.**

The motion carried unanimously by roll call vote.

5. Reports:

- A. Regional Water System Operation during COVID-19 Order: Ms. Sandkulla reported that the San Francisco Regional Water System continues to provide a safe and reliable water supply during the COVID-19 emergency situation. This has been SFPUC's top priority from the very beginning. BAWSCA maintains close coordination with the SFPUC and regularly receives updates.

Ms. Sandkulla presented excerpts from SFPUC's communication which states that; "...the Regional Water System is fully functional..." and does "...not anticipate any disruption to water deliveries." "...rigorous water disinfection processes ensure that your tap water is safe from viruses including COVID-19." The SFPUC "...plan for emergencies to ensure that enough staff members report for duty to keep the water flowing. In other words, COVID-19 has no impact on the quality and supply of San Francisco's tap water."

Ms. Sandkulla noted that the leadership shown by General Manager Harlan Kelly and Assistant General Manager Steve Ritchie, and everyone at the SFPUC has been extraordinary during this time of unprecedented crisis. They have modified their working arrangement in a way that allows them to perform their critical work and ensure a continued reliable supply of water necessary for our member agencies and the communities they serve.

Director Zigterman appreciated the SFPUC's communications, which Stanford immediately posted on the website for their service area's reference about the safety and reliability of the water supply despite the pandemic.

On behalf of CalWater, Director Kuta asked the CEO/General Manager to pass his appreciation for the SFPUC's outstanding job in their communication with their customers on their operating plans and in keeping the health and safety of their water customers a priority. The SFPUC is a front-runner in their efforts during this emergency situation.

- B. Water Supply Conditions: Water use in the BAWSCA region through February 2020 is 7% less than the pre-drought month of February 2013. Water use between the months of January and February 2020 has a slight increase due to the dry conditions in February.

To date, the weekly data for March shows significant water use reductions as the shelter-in-place order tapers down business, industry and commercial use. March data is anticipated to look atypical. BAWSCA is working with the SFPUC in monitoring this closely for the member agencies who are forecasting rates for next year.

Ms. Sandkulla presented the Board Policy Calendar through October and stated that she anticipates an August BPC meeting, which in past have been cancelled. The schedule will be fluid as things develop and adapt to the pandemic.

10. Comments by Committee Members:

Director Kuta asked the CEO to expand on the SFPUC's request for an 18-month extension of the WSIP and the impacts the extension has on the member agencies and their customers.

Ms. Sandkulla explained that the extension is driven by the resolution of the Alameda Creek Recapture Project (ACRP), which is one of the water supply projects in the WSIP. In this project, San Francisco proposes to recapture water that they release out of Calaveras, for the permit requirements for the Calaveras Dam project, and recapture it downstream of the spawning reach. The environmental document was contested and needed to be recirculated; therefore, the project needed to be reevaluated. That process resulted in the extension of the project. The SFPUC was waiting for the environmental review process and certification process to be completed before a new schedule was developed. The new schedule is now incorporated into the extension.

Ms. Sandkulla stated that the ACRP has been one of the two very difficult projects in the WSIP that assist in meeting the water supply level of service goal. The other project is the Regional Groundwater Storage and Recovery Project (RGSRP). Both projects are critical but have issues that must be resolved so they can be implemented. While the project delay that has been experienced has not been satisfactory, it has provided some useful developments that will make the project more viable. If the issues are left unresolved, those issues will ultimately need to be resolved, possibly through legal action. The extension to address the issues are appropriate, and the goal is to get the SFPUC committed to a schedule and deliver on that schedule.

In response to Director Pierce's question on the current water use data, Ms. Sandkulla stated that water use appears to have significantly decreased as the crisis has developed. The water use trend during the shelter in place will vary by community depending on their makeup. Communities with larger residential properties may see an increase while metropolitan areas like San Francisco have already seen their water use plummet as businesses and industries shut down. As a region, the significant reductions in commercial use far and away overwhelm what are the increases in residential side, and she anticipates this trend to continue moving forward.

Director Pierce expressed her concerns with the implications on the member agencies when SFPUC's water enterprise revenues go down. She anticipates BAWSCA to be in communication with the SFPUC as the situation develops.

Director Jordan asked if there is a schedule for when the maintenance and capacity study for the South Bay Aqueduct (SBA) will be completed.

Ms. Sandkulla explained that the Department of Water Resources (DWR) has initiated a study for the condition assessment of SBA. This study is DWR's first step in addressing SBA reliability. This assessment, however, does not look at expansion of SBA. BAWSCA has raised this question and is meeting with LVE agency partners to discuss concerns with SBA. Ms. Sandkulla stated that the initiation of the study is progress, but there are outstanding issues that the State is currently addressing.

Director Jordan commented that it seems logical for BAWSCA to not move forward until the issues with SBA are resolved, not so much the capacity, but its reliability.

Ms. Sandkulla agreed and stated that the SBA has experienced system failures, even this year, and it is known be to susceptible to failure. She has made it clear with CCWD that the SBA is one of BAWSCA's primary concerns and is critical to BAWSCA's involvement in LVE. BAWSCA will not commit to participating unless issues with the SBA are resolved.

In response to Directors Wood and Mendall, Ms. Sandkulla reported that communications BAWSCA receive from the SFPUC are shared with the appointed Water Management Representatives so they can keep their agencies and water customers informed about the continued safety and reliability of the region's water supply during the pandemic.

There being no further comments from the Committee members or members of the public, Chair Chambers called for a motion to adjourn.

Director Pierce made a motion, seconded by Director Wood, that the meeting of the Board Policy Committee be adjourned.

The motion carried unanimously.

11. Adjournment: The meeting was adjourned at 2:55 pm. The next meeting is June 10, 2020.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 8, 2020	Feb. 12, 2020	Dec. 11, 2019	Oct. 9, 2019	Aug. 14, 2019	Jun. 12, 2019
Westborough	Chambers, Tom (Chair)	✓	✓	✓	✓	M T G C A N C E L L E D	✓
Palo Alto	Cormack, Alison (V Chair)	✓	✓	✓	✓		✓
Purissima	Jordan, Steve	✓	✓	n/a	n/a		n/a
Cal Water	Kuta, Rob	✓	✓	✓	✓		✓
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓		✓
Hayward	Mendall, Al	✓	✓	✓	✓		✓
Redwood City	Pierce, Barbara	✓	✓	✓	✓		✓
Brisbane	Wood, Sepi	✓	✓	✓			✓
Stanford	Zigterman, Tom	✓	✓	✓	✓		

✓: present

☎: Teleconference

April 8, 2020 Meeting Attendance (Via Zoom in compliance with Gov. Order #29-20 due to COVID-19)

BAWSCA Staff:

Nicole Sandkulla	CEO/General Manager
Tom Francis	Water Resources Manager
Andree Johnson	Sr. Water Resources Specialist
Negin Ashoori	Water Resources Engineer
Christina Tang	Finance Manager
Lourdes Enriquez	Assistant to the CEO/General Manager
Deborah Grimes	Office Manager
Christiane Barth	Office Assistant
Allison Schutte	Legal Counsel, Hanson Bridgett, LLP
Nathan Metcalf	Legal Counsel, Hanson Bridgett, LLP
Bud Wendell	Strategic Communications

Public Attendees:

Peter Drekmeier	Tuolumne River Trust
Michelle Novotny	SFPUC

(This page was intentionally left blank)

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

**January 16, 2020 – 6:30 p.m.
Foster City Community Building – 1000 E. Hillsdale Blvd.
Wind Room**

MINUTES

1. Call to Order/Pledge of Allegiance/Roll Call – 6:30 pm

BAWSCA Chair, Barbara Pierce, called the meeting to order and led the salute to the flag. Nicole Sandkulla called the roll. Seventeen (17) members of the Board were present at roll call. Two (2) Directors arrived after roll call. A list of Directors present (19) and absent (6) is attached.

2. Special Order of Business: Election of Officers for Calendar Year 2020.

Chair Pierce called for nominations for the position of Chair of the BAWSCA Board. Director Wood nominated Barbara Pierce for Chair. Director Benton seconded the nomination.

Director Wood made a motion, seconded by Director Chambers, to close the nominations. The motion carried.

The Board unanimously voted to elect Barbara Pierce as Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2020, to commence at the adjournment of the meeting at which she was elected.

Chair Pierce called for nominations for the position of Vice-Chair. Director Wood nominated Gustav Larsson as Vice-Chair of the Board. Director Keith seconded the nomination.

Director Quigg made a motion, seconded by Director Chambers, to close the nominations. The motion carried.

The Board unanimously voted to elect Gustav Larsson as Vice-Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2020 to commence at the adjournment of the meeting at which he was elected.

3. The meeting adjourned at 6:35 pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.**4. The meeting reconvened at 6:40 pm****5. Comments by the Chair:**

Chair Pierce put emphasis on the CEO's presentation of BAWSCA's mid-year progress towards achieving the critical results for FY 2019-20, as well as a budget planning session for the development of the work plan and budget for FY 2020-2021. The Board will also be updated on the developments of the pilot water transfer.

Lastly, Chair Pierce noted the opportunity she had, as BAWSCA Chair, to attend the ACWA conference in December, and sit in on a meeting of the Los Vaqueros

Expansion Project partner agencies. She appreciated the dynamics of the different agency partners as they considered the challenges of the LVE.

6. Board Policy Committee Report:

Committee Vice-Chair Chambers reported that the Committee voted unanimously to recommend Board approval of the items presented in the Action Calendar. The Committee's discussion on the items are reflected in the Board Policy Summary Report included in the agenda packet.

7. SFPUC Report:

Steve Ritchie, Assistant General Manager for Water Enterprise, reported that Katie Miller will replace Dan Wade as Director of Capital Improvement Projects. Dan Wade served the SFPUC for 12 years and will be working for an outside consulting firm. Katie Miller has been with the SFPUC since 1996 and has over 20 years combined experience with the Water Enterprise, Water Quality Division, Infrastructure, and Distribution.

Mr. Ritchie reported on water supply conditions and total system deliveries to date.

8. Public Comments: There were no comments from the public.

9. Consent Calendar:

Director Keith made a motion, seconded by Director Chambers, to approve the Minutes of the November 21, 2019 meeting; receive and file the Budget Status Report as of November 30, 2019, the Investment Report and the Directors' Reimbursement Report as of December 31, 2019.

The motion carried unanimously.

10. Action Calendar:

- A. Annual Review and Consideration of BAWSCA's Statement of Investment Policy.

Director Mendall made a motion, seconded by Director Vella, that the Board re-affirm the current Statement of Investment Policy.

The motion carried unanimously.

- B. Mid-Year 2019-20 Work Plan and Budget Review.

Ms. Sandkulla noted the change in the proposed action that was presented and recommended to the Board Policy Committee at its meeting in December. She reported that the proposed Board action includes the stopping of the execution of the Pilot Water Transfer with Hayward as of January 16, 2020.

She explained that the Hayward City Council and the BAWSCA Board approved the pilot with the understanding that any risk to the Hayward Water System would be mitigated, in part, by BAWSCA purchasing a limited-term insurance policy up to \$10 million to cover potential damage. After initial indications that such insurance would be available from BAWSCA's risk-management authority,

BAWSCA learned that this insurance is not currently available due to recent statewide and nationwide catastrophic events. BAWSCA and Hayward are unable to resolve the issue before the completion of the Hetch Hetchy supply-system shutdown.

Ms. Sandkulla noted, and Board members concurred, that the multi-year process that was put towards the Pilot Water Transfer Plan proves valuable to future considerations of water transfers. There were countless and critical lessons learned from all aspects including negotiating agreements, water rights, water quality, and system risks.

Director Wood made a motion, seconded by Director Benton, that the Board approve the deletion of item 4b “Develop new Tier 2 Drought Allocation Plan” in the FY 2019-20 Work Plan and the stopping of the execution of the Pilot Water Transfer with Hayward as of January 16, 2020.

The motion carried unanimously.

- 11. Reports:** The CEO/General Manager reported that the total potable water use in November is 6% less than November 2018, which continues to show no sign of a rebound from the drought. The Demand Study is analyzing population growth and water use as well as various scenarios in the service area.

Efforts on the Bay Delta Plan are ongoing. Secretaries of State are continuing their negotiations, and BAWSCA is engaged through the SFPUC.

BAWSCA's Pilot Water Transfer could not be executed, but the experience and work completed will produce a report that will detail the knowledge gained to serve as a solid planning document for future transfers. BAWSCA will engage all expert and agency partners involved in the effort. BAWSCA will continue to pursue alternatives.

- 12. Closed Session:** The meeting adjourned to Closed Session at 7:49pm

- 13. Report After Closed Session:** Closed Session ended at 8:11pm. Legal Counsel, Allison Schutte, reported that no action was taken during Closed Session.

- 14. Fiscal Year 2020-21 Work Plan and Budget Planning Session:** Board members provided their input to the CEO/General Manager for the development of FY 2020-21 work plan and budget.

- 15. Directors' Discussion: Comments, Questions and Agenda Requests:** Director Larsson reported that Felicia Marcus will be the speaker at Sunnyvale's sustainability speaker series on January 29th in the City Council Chambers.

Director Jordan requested an update on staff's refinancing analysis of BAWSCA's 2013 bond series.

- 16. Date, Time and Location of Next Meeting:** The next meeting is scheduled on January 16, 2020 at 6:30pm, in the Oak Room of the San Mateo Main Library.

17. Adjournment: The meeting adjourned at 8:40pm.

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 Attendance Roster

Director	Agency	Jan. 16, 2020	Nov. 21, 2019	Sept. 19, 2019	July 18, 2019	May 16, 2019	Mar. 21, 2019
Benton, Jay	Hillsborough	✓	✓	✓		✓	
Breault, Randy	Guadalupe		✓	✓		✓	
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cormack, Alison	Palo Alto	✓	✓	✓		✓	✓
Davis, Debi	Santa Clara	✓		✓			✓
Hindi, Sam	Foster City	✓	✓	✓			✓
Jordan, Steve	Purissima	✓	✓	✓	✓	✓	✓
Keith, Kirsten	Menlo Park	✓	✓	✓	✓	✓	
Kuta, Rob	Cal Water	✓	✓	✓	✓	✓	✓
Larsson, Gustav	Sunnyvale	✓	✓	✓	✓	✓	✓
Liccardo, Sam	San Jose						
Manalo, Juslyn	Daly City		✓	✓	✓		✓
Matichak, Lisa	Mountain View	✓	✓	✓	✓	✓*	✓*
Mendall, Al	Hayward	✓		✓	✓	✓	✓
Mickelsen, Chris	Coastside	✓	✓		✓		✓
Montano, Carmen	Milpitas		✓	✓	✓	✓	✓
Moody, Larry	East Palo Alto	✓	✓	✓	✓	✓	✓
VACANT	San Bruno	vacant	✓*	✓*	✓*	✓*	✓*
O'Mahony, Rosalie	Burlingame	✓	✓	✓	✓	✓	
Piccolotti, Tom	North Coast		✓			✓	✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓	✓
Quigg, Dan	Millbrae	✓	✓	✓		✓	
Vella, Lou	Mid-Peninsula	✓	✓	✓	✓		✓
Weed, John	ACWD	✓	✓	✓	✓	✓	✓
Wood, Sepi	Brisbane	✓	✓	✓	✓	✓	✓
Zigterman, Tom	Stanford		✓	✓	✓	✓	✓

✓ : Present

* : Predecessor

(This page was intentionally left blank)


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: March 10, 2020

SUBJECT: Budget Status Report as of January 31, 2020

This memorandum shows fiscal year budget status for FY 2019-20. 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 seven-month period ending January 31, 2020, 58 percent into the fiscal year, total expenditures were \$2,569,517 or 56 percent of the total budget of \$4,569,750.

Table 1. Operating Budget Summary as of January 31, 2020

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,797,550	973,627	54%
Fair Pricing	233,000	106,547	46%
Administration	110,000	104,161	95%
Subtotal	2,140,550	1,184,335	55%
Administration and General			
Salary & Benefits	2,001,051	1,158,334	58%
Other Expenses			
BAWSCA	390,500	224,419	57%
BAWUA	1,050	0	0%
Subtotal	4,533,151	2,567,088	57%
Capital Expenses	3,000	0	0%
Budgeted Contingency	31,949	0	0%
Regional Financing Authority	1,650	2,429	147%
Grand Total	4,569,750	2,569,517	56%

Overview:

Overall expenditures for FY 2019-20 are tracking within budget.

Consultants

The \$115,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 41 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 66 percent expended. The Operating Budget allocation of \$799,500 budget for legal counsel was 61 percent expended. The \$193,800 budget for water management and conservation-related activities was 29 percent expended. As noted in the January 7, 2020 budget status report, RFA legal expenses are overbudget due to unforeseen expenses related to director appointment activity in 2019.

Administration and Other Expenses

Budgets for salaries and other expenses were 58 and 57 percent expended respectively.

Use of CEO's Discretionary Spending Authority:

In February, the CEO entered into the following agreement under her discretionary spending authority:

- A contract amendment in the amount of \$5,930 for Water Systems Optimization, Inc. for additional professional services related to water loss management, specifically a review of SFPUC's meter accuracy testing practices at wholesale customer turnouts.

Use of Reserve and Reserve Fund Balance:

In accordance with the adoption of the FY 2019-20 annual budget in May 2019, the Board approved transferring \$77,971 from the General Reserve to fund the FY 2019-20 budget. The BAWSCA General Reserve balance shown below reflects this transfer.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 11/30/19)	Account Balance (As of 01/31/20)
General Reserve	\$1,037,877	\$1,037,877


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 4, 2020

SUBJECT: Budget Status Report as of March 31, 2020

This memorandum shows fiscal year budget status for FY 2019-20. 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, 2020, 75 percent into the fiscal year, total expenditures were \$3,144,047 or 69 percent of the total budget of \$4,569,750.

Table 1. Operating Budget Summary as of March 31, 2020

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,797,550	1,188,479	66%
Fair Pricing	233,000	116,723	50%
Administration	110,000	139,011	126%
Subtotal	2,140,550	1,444,212	67%
Administration and General			
Salary & Benefits	2,001,051	1,419,123	71%
Other Expenses			
BAWSCA	390,500	277,824	71%
BAWUA	1,050	0	0%
Subtotal	4,533,151	3,141,159	69%
Capital Expenses	3,000	0	0%
Budgeted Contingency	31,949	0	0%
Regional Financing Authority	1,650	2,888	175%
Grand Total	4,569,750	3,144,047	69%

Overview:

Overall expenditures for FY 2019-20 are tracking within budget.

Consultants

The \$115,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 55 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 73 percent expended. The Administration related Consultant expenses are overbudget mainly due to the legal activities for staffing and COVID-19 issues. However, the total Operating Budget allocation of \$799,500 for legal counsel is on track and was 76 percent expended. The \$193,800 budget for water management and conservation-related activities was 35 percent expended. As noted in the January 7, 2020 budget status report, RFA legal expenses are overbudget due to unforeseen expenses related to director appointment activity in 2019.

Administration and Other Expenses

Budgets for salaries and other expenses were each 71 percent expended.

Use of CEO's Discretionary Spending Authority:

In March, the CEO entered into the following agreement under her discretionary spending authority:

- A contract amendment for Stetson Engineering by increasing the not-to-exceed budget amount by \$4,000 to fund the unexpected J-table and system/county-line meters related activities during this fiscal year.

Use of Reserve and Reserve Fund Balance:

In accordance with the adoption of the FY 2019-20 annual budget in May 2019, the Board approved transferring \$77,971 from the General Reserve to fund the FY 2019-20 budget. The BAWSCA General Reserve balance shown below reflects this transfer.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 01/31/20)	Account Balance (As of 03/31/20)
General Reserve	\$1,037,877	\$1,037,877



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, Finance Manager

DATE: March 6, 2020

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
as of December 31, 2019**

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 monthly surcharges billed from October to December 2019 have been collected. 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 12/31/2019

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>
October 2019	\$2,058,158	\$2,058,158
November 2019	\$2,058,158	\$2,058,158
December 2019	<u>\$2,058,158</u>	<u>\$2,058,158</u>
Total	\$6,174,474	\$6,174,474

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 12/31/2019

	35,478,780	Account Market Value as of 9/30/2019
<i>plus:</i>	<i>6,262,810</i>	<i>Surcharge Collected in October 2019 through December 2019</i>
<i>plus:</i>	<i>51,873</i>	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	<i>(793,718)</i>	<i>Change in Market Value of Held Treasury Bonds</i>
<i>minus:</i>	<i>18,598,900</i>	<i>Debt service payment to bondholders</i>
<i>minus:</i>	<i>1,829,441</i>	<i>Principal for Treasury bonds purchased</i>
<i>minus:</i>	<i>699</i>	<i>Accrued interest for Treasury bonds purchased</i>
<i>plus:</i>	<u><i>2,591,318</i></u>	<u><i>Market Value of Purchased Bonds</i></u>
	23,162,022	Account Market Value as of 12/31/2019

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. Second, BAWSCA has the ability to invest the collected surcharge payments by purchasing U. S. 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 earnings 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. With the Investment Advisor's assistance, BAWSCA re-evaluated the investment strategy in April 2018 and determined that a modest extension of portfolio maturity was appropriate to pursue higher yields while still satisfying the primary objectives of safety and liquidity. Following the April debt service payment, BAWSCA began the transition to a 0-5 year laddered portfolio strategy. In November 2019, BAWSCA reviewed the investment strategy again in light of recent market developments and changes to interest rate policy made by the Federal Reserve. BAWSCA and its investment advisor believe that the current 0-5 year laddered portfolio strategy remains appropriate as such longer-maturity strategies have historically provided greater investment returns and income while protecting against the reinvestment rate risk associated with potential declines in short term interest rates and earnings. As of December 31st, the market yield on BAWSCA's revised portfolio strategy was 1.64% compared to 1.50% for the money market fund.

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 \$18,598,900 was made on October 1, 2019. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$5,861,887 will be made on April 1, 2020. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.



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, Finance Manager

DATE: April 28, 2020

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
as of March 31, 2020**

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 2020 have been collected. Payments of surcharges billed for March 2020 are still being received. As of today, BAWSCA does not anticipate any payment collection shortfall due to COVID-19 and the resulting economic impact based on its recent communications with the member agencies. 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 3/31/2020

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>
January 2020	\$2,058,158	\$2,058,158
February 2020	\$2,058,158	\$2,058,158
March 2020	<u>\$2,058,158</u>	<u>\$1,214,680</u>
Total	\$6,174,474	\$5,330,996

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 3/31/2020

	23,162,022	Account Market Value as of 12/31/2019
<i>plus:</i>	5,990,108	<i>Surcharge Collected in January 2020 through March 2020</i>
<i>plus:</i>	175,189	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	359,735	<i>Change in Market Value of Held Treasury Bonds</i>
<i>plus:</i>	2,351	<i>Change in Market Value of Matured Treasury Bonds</i>
	29,689,405	Account Market Value as of 3/31/2020

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. Second, BAWSCA has the ability to invest the collected surcharge payments by purchasing U. S. 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 earnings 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. With the Investment Advisor's assistance, BAWSCA re-evaluated the investment strategy in April 2018 and determined that a modest extension of portfolio maturity was appropriate to pursue higher yields while still satisfying the primary objectives of safety and liquidity. Following the April debt service payment, BAWSCA began the transition to a 0-5 year laddered portfolio strategy. In November 2019, BAWSCA reviewed the investment strategy again in light of recent market developments and changes to interest rate policy made by the Federal Reserve. BAWSCA and its investment advisor believe that the current 0-5 year laddered portfolio strategy remains appropriate as such longer-maturity strategies have historically provided greater investment returns and income while protecting against the reinvestment rate risk associated with potential declines in short term interest rates and earnings. At the end of March 2020, the book yield and market yield on BAWSCA's revised portfolio strategy was 1.96% and 0.34%, respectively, as compared to 0.30% for the money market fund.

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 \$5,861,887 was made on April 1, 2020. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$18,811,887 will be made on October 1, 2020. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.



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: Deborah Grimes, Office Manager

DATE: May 5, 2020

SUBJECT: Investment Report – As of March 31, 2020

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 and re-affirmed the investment policy at the January 16, 2020 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>12/31/19</u>	<u>03/31/20</u>
\$2,736,913	\$2,753,536

Of the total in the BAWSCA LAIF account as of March 31, 2020, \$1,037,877 represents BAWSCA's General Reserve Fund, equivalent to approximately 23 percent of FY 2019-20 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>09/30/19</u>	<u>12/31/19</u>
2.45%	2.29%

(This page was intentionally left blank)



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: Deborah Grimes, Office Manager

DATE: May 4, 2020

SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending March 31, 2020

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, 2020.

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2020-21 Bond Surcharges**

Summary:

This memorandum presents the proposed bond surcharge for each BAWSCA agency for FY 2020-21 that would take effect on July 1, 2020. This surcharge setting conforms to BAWSCA's Revenue Bond Indenture (Indenture) for the Series 2013A and 2013B revenue bonds.

Board Policy Committee Action:

The Committee voted unanimously to recommend Board approval of the proposed action.

Recommendation:

That the Board approve the proposed FY 2020-21 bond surcharges as presented in this memorandum.

Discussion:

The bond surcharge for each BAWSCA agency is a fixed amount each fiscal year as adopted by the Board to ensure collection of necessary revenue to pay that year's obligated debt service as defined in the Indenture.

The annual surcharges for FY 2020-21 are calculated by multiplying the obligated debt service in 2021 by each agency's percentage of total wholesale customer purchases in FY 2018-19 and adding a "true up" adjustment for the FY 2018-19 surcharges. This "true up" adjustment is used to reflect each agency's actual percentage of water purchases in FY 2018-19 and to reimburse BAWSCA for some expenses incurred in FY 2018-19 in connection with the bond administration that were paid through BAWSCA's FY 2018-19 Operating Budget.

Per the Indenture, the Rate Stabilization Fund at the Trustee has been reviewed and no replenishment amount is determined necessary at this time. One-twelfth of the annual surcharge, or the monthly surcharge, will be included in the first water bill from San Francisco sent to the BAWSCA agencies each month.

The proposed FY 2020-21 bond surcharge for each BAWSCA agency is shown in Table 1. Table 2 shows how the "true up" adjustment for each BAWSCA agency is determined and included in the proposed FY 2020-21 surcharge amount. Table 3 indicates how much the capital recovery payment cost would be in FY 2018-19 (column A) if BAWSCA did not issue the bonds in 2013 to prepay the capital debt that the agencies owed to San Francisco per the Water Supply Agreement. The actual savings to each agency in FY 2018-19 (column E) are calculated accordingly.

Background:

As of June 30, 2009, the Wholesale Customers agreed to repay San Francisco \$370 million for existing capital assets on the expiration of the 1984 Agreement. The payments represent an amortization at an interest rate of 5.13% over the 25-year term of the agreement. The 2009 Water Supply Agreement also states: "The Wholesale Customers, acting through BAWSCA, may prepay the remaining unpaid existing assets principal balance, in whole or in part, at any time without penalty or early payment premium."

BAWSCA's Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the capital debt that the agencies owed San Francisco. The bond transaction and the prepayment program will 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.

BAWSCA has been collecting the bond surcharge from member agencies since July 2013 through the SFPUC as a separate item on SFPUC's monthly water bills to member agencies. FY 2020-21 will be the eighth year for BAWSCA to collect the bond surcharge payments that are used to make debt service payments on BAWSCA's revenue bonds.

Calculating the "True Up" Adjustment

Consistent with the Indenture, the FY 2020-21 bond surcharge setting includes a "true up" adjustment included in the calculation. This "true up" adjustment is used to reflect each agency's actual percentage of water purchases in FY 2018-19 and to reimburse BAWSCA for some expenses incurred in FY 2018-19 in connection with the bond administration that were paid through BAWSCA's FY 2018-19 Operating Budget. Those expenses include the fees to Bank of New York for its Trustee services and the costs of legal, financial advisor, investment advisor, and arbitrage rebate consultant. A "true up" adjustment is anticipated every year as part of the calculation of the Annual Bond Surcharge.

The annual surcharges collected from the BAWSCA agencies in FY 2018-19 were calculated by multiplying the obligated debt service in 2019 by each agency's percentage of total wholesale customer purchases in FY 2016-17. FY 2016-17 purchases were used as a surrogate for FY 2018-19 purchases, which were not known when the FY 2018-19 bond surcharges were adopted.

Now that the actual wholesale customer purchases for FY 2018-19 and the actual expenses incurred in FY 2018-19 in connection with the bond administration are available, the actual surcharges for FY 2018-19 are calculated again by multiplying a sum of the obligated debt service in 2019 and the actual expenses incurred in FY 2018-19 by each agency's percentage of total wholesale customer purchases in FY 2018-19. The difference between the surcharges that were actually collected in FY 2018-19, which were based on the surrogate purchase values, and the actual surcharges for FY 2018-19, which are based on actual FY 2017-18 purchases, are one component of the "true up" adjustments to be included in the annual surcharge setting for FY 2020-21.

The second component of the "true up" adjustment is inclusion of \$11,058 of actual expenses incurred by BAWSCA in FY 2018-19 in connection with the bond administration, which represents 0.04% of the annual debt service of the bonds in 2021. In addition, pursuant to the Prepayment and Collection Agreement between BAWSCA and San Francisco, BAWSCA shall reimburse San Francisco for specific expenses incurred for compliance with tax-exempt regulations. BAWSCA didn't receive any relevant bill from San Francisco in FY 2018-19. A "true up" adjustment for FY 2020-21 will be included in the surcharge setting for FY 2022-23.

Table 1. Proposed BAWSCA FY2020-21 Bond Surcharges

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$1,701,072	\$141,756	Mid Pen WD	\$488,544	\$40,712
Brisbane Water	\$87,432	\$7,286	Millbrae	\$366,312	\$30,526
Burlingame	\$683,964	\$56,997	Milpitas	\$993,732	\$82,811
Coastside County WD	\$226,620	\$18,885	Mountain View	\$1,397,748	\$116,479
CWS - Bear Gulch	\$1,942,128	\$161,844	North Coast WD	\$431,172	\$35,931
CWS - Mid Peninsula	\$2,350,524	\$195,877	Palo Alto	\$1,806,144	\$150,512
CWS - South SF	\$902,328	\$75,194	Purissima Hills WD	\$335,376	\$27,948
Daly City	\$604,716	\$50,393	Redwood City	\$1,545,972	\$128,831
East Palo Alto WD	\$280,200	\$23,350	San Bruno	\$180,408	\$15,034
Estero Municipal ID	\$773,712	\$64,476	San Jose (North)	\$820,416	\$68,368
Guadalupe Valley	\$54,288	\$4,524	Santa Clara	\$762,384	\$63,532
Hayward	\$2,772,684	\$231,057	Stanford University	\$260,100	\$21,675
Hillsborough	\$418,020	\$34,835	Sunnyvale	\$1,729,776	\$144,148
Menlo Park	\$612,396	\$51,033	Westborough WD	\$156,948	\$13,079
Total				\$24,685,116	\$2,057,093

**Table 2. Impact of FY 2018-19 True-up Adjustment on
FY 2020-21 Proposed Surcharges**

Agency	FY 2018-19			FY 2020-21	
	Surcharge Collected (Based on FY 2016-17 Purchase)	Surcharge Obligation (Based on FY 2018-19 Purchase)	Difference: True-up Amount	Surcharge To Be Collected (Based on FY 2018-19 Purchase)	Proposed Surcharge Incl. True-up Amount for FY 2018-19
Alameda County WD	\$1,330,129	\$1,515,904	\$185,775	\$1,515,302	\$1,701,072
Brisbane Water	\$73,161	\$80,311	\$7,150	\$80,279	\$87,432
Burlingame	\$690,615	\$687,427	(\$3,188)	\$687,154	\$683,964
Coastside County WD	\$229,443	\$228,077	(\$1,366)	\$227,986	\$226,620
CWS - Bear Gulch	\$1,794,139	\$1,868,504	\$74,365	\$1,867,762	\$1,942,128
CWS - Mid Peninsula	\$2,442,916	\$2,397,195	(\$45,721)	\$2,396,243	\$2,350,524
CWS - South SF	\$949,744	\$926,218	(\$23,526)	\$925,850	\$902,328
Daly City	\$814,581	\$709,789	(\$104,792)	\$709,507	\$604,716
East Palo Alto WD	\$321,584	\$300,951	(\$20,633)	\$300,831	\$280,200
Estero Municipal ID	\$818,141	\$796,087	(\$22,054)	\$795,771	\$773,712
Guadalupe Valley	\$51,634	\$52,974	\$1,339	\$52,953	\$54,288
Hayward	\$2,748,684	\$2,761,232	\$12,547	\$2,760,135	\$2,772,684
Hillsborough	\$492,658	\$455,427	(\$37,231)	\$455,246	\$418,020
Menlo Park	\$507,450	\$560,032	\$52,582	\$559,809	\$612,396
Mid Pen WD	\$497,262	\$493,003	(\$4,259)	\$492,807	\$488,544
Millbrae	\$402,005	\$384,232	(\$17,773)	\$384,079	\$366,312
Milpitas	\$1,033,239	\$1,013,685	(\$19,554)	\$1,013,283	\$993,732
Mountain View	\$1,476,721	\$1,437,519	(\$39,203)	\$1,436,948	\$1,397,748
North Coast WD	\$472,141	\$451,744	(\$20,397)	\$451,564	\$431,172
Palo Alto	\$1,917,732	\$1,862,309	(\$55,422)	\$1,861,570	\$1,806,144
Purissima Hills WD	\$297,057	\$316,277	\$19,220	\$316,151	\$335,376
Redwood City	\$1,647,244	\$1,596,928	(\$50,316)	\$1,596,294	\$1,545,972
San Bruno	\$158,134	\$169,303	\$11,169	\$169,236	\$180,408
San Jose (North)	\$882,849	\$851,804	(\$31,044)	\$851,466	\$820,416
Santa Clara	\$428,361	\$595,493	\$167,132	\$595,257	\$762,384
Stanford University	\$304,159	\$282,184	(\$21,975)	\$282,072	\$260,100
Sunnyvale	\$1,735,463	\$1,732,965	(\$2,498)	\$1,732,277	\$1,729,776
Westborough WD	\$155,554	\$156,285	\$731	\$156,223	\$156,948
Totals	\$24,672,800	\$24,683,858	\$11,058	\$24,674,055	\$24,685,116

**Table 3. Actual Savings to Each Agency for FY 2018-19 Resulting from
BAWSCA 2013A and 2013B Bond Issuance**

Agency	FY 2018-19				
	SFPUC Capital Recovery Payment	Annual Surcharge Collected in FY 2018-19	True-ups To Be Collected or Refunded in FY 20-21	BAWSCA Annual Surcharge Plus True-ups	Actual Savings
	A	B	C	D = B + C	E = A - D
Alameda County WD	\$1,731,840	\$1,330,129	\$185,775	\$1,515,904	\$215,936
Brisbane Water	\$91,751	\$73,161	\$7,150	\$80,311	\$11,440
Burlingame	\$785,349	\$690,615	(\$3,188)	\$687,427	\$97,922
Coastside County WD	\$260,566	\$229,443	(\$1,366)	\$228,077	\$32,489
CWS - Bear Gulch	\$2,134,667	\$1,794,139	\$74,365	\$1,868,504	\$266,163
CWS - Mid Peninsula	\$2,738,668	\$2,442,916	(\$45,721)	\$2,397,195	\$341,473
CWS - South SF	\$1,058,155	\$949,744	(\$23,526)	\$926,218	\$131,937
Daly City	\$810,897	\$814,581	(\$104,792)	\$709,789	\$101,107
East Palo Alto WD	\$343,821	\$321,584	(\$20,633)	\$300,951	\$42,870
Estero Municipal ID	\$909,488	\$818,141	(\$22,054)	\$796,087	\$113,400
Guadalupe Valley	\$60,520	\$51,634	\$1,339	\$52,974	\$7,546
Hayward	\$3,154,561	\$2,748,684	\$12,547	\$2,761,232	\$393,329
Hillsborough	\$520,301	\$492,658	(\$37,231)	\$455,427	\$64,874
Menlo Park	\$639,807	\$507,450	\$52,582	\$560,032	\$79,775
Mid Pen WD	\$563,229	\$497,262	(\$4,259)	\$493,003	\$70,227
Millbrae	\$438,965	\$402,005	(\$17,773)	\$384,232	\$54,733
Milpitas	\$1,158,082	\$1,033,239	(\$19,554)	\$1,013,685	\$144,396
Mountain View	\$1,642,289	\$1,476,721	(\$39,203)	\$1,437,519	\$204,770
North Coast WD	\$516,093	\$472,141	(\$20,397)	\$451,744	\$64,350
Palo Alto	\$2,127,590	\$1,917,732	(\$55,422)	\$1,862,309	\$265,280
Purissima Hills WD	\$361,329	\$297,057	\$19,220	\$316,277	\$45,053
Redwood City	\$1,824,405	\$1,647,244	(\$50,316)	\$1,596,928	\$227,478
San Bruno	\$193,419	\$158,134	\$11,169	\$169,303	\$24,117
San Jose (North)	\$973,141	\$882,849	(\$31,044)	\$851,804	\$121,337
Santa Clara	\$680,320	\$428,361	\$167,132	\$595,493	\$84,826
Stanford University	\$322,380	\$304,159	(\$21,975)	\$282,184	\$40,196
Sunnyvale	\$1,979,821	\$1,735,463	(\$2,498)	\$1,732,965	\$246,856
Westborough WD	\$178,547	\$155,554	\$731	\$156,285	\$22,262
Totals	\$28,200,000	\$24,672,800	\$11,058	\$24,683,858	\$3,516,142

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Ratification of Agreement with Droplet Technologies to Implement a Landscape Rebate Online System**

Summary:

BAWSCA has contracted with Droplet Technologies to redevelop BAWSCA's existing Landscape Rebate Online System (Rebate System). The goal of the project is to provide BAWSCA and its member agencies a more effective and user-friendly system for the implementation and tracking of its landscape rebate programs.

The Board Policy Committee initially recommended approval of the Rebate System, prior to selection of a contractor, at the February meeting. Due to the cancellation of the March Board Meeting, in compliance with EO N29-20 on COVID-19 concerns, the CEO/General Manager signed the contract under her authority. The purpose of this item is to ratify the agreement signed by the CEO and allow for implementation of the Online Rebate System to interested BAWSCA agencies as a subscription program.

Fiscal Impact:

A final budget for BAWSCA to complete the Rebate System is \$1,500 for FY 2019-2020. Redevelopment of the BAWSCA Landscape Rebate System is included in BAWSCA's adopted FY 2019-2020 Work Plan and there are available funds in the FY 2019-2020 budget to complete the project. Consistent with other new subscription programs, BAWSCA will fund the initial program setup costs given that the Rebate System will provide long-term benefits to BAWSCA member agencies, and participation among individual agencies may vary from year to year.

In FY 2020-2021, annual hosting and maintenance costs to BAWSCA will be \$14,400. It is anticipated that these costs recovered through program administration fees paid to BAWSCA by the individual agencies participating in the BAWSCA rebate programs. Individual agency setup and annual maintenance costs for the Rebate System will also be funded by member agencies participating in BAWSCA rebate programs.

Board Policy Committee Action:

The Board Policy Committee voted unanimously to recommend the proposed Board action.

Recommendation:

That the Board ratify the following actions by the CEO:

- 1) Execution of the agreement with Droplet Technologies to implement a Landscape Rebate Online System; and**
- 2) Offer participation in the Program to interested BAWSCA agencies on a subscription basis in FY 2020-21.**

Discussion:

Over the last few years the number of customer enrollments in the Lawn Be Gone! program and Rain Barrel rebate program at BAWSCA have been decreasing. BAWSCA seeks to redevelop the program to increase participation, improve customer experience, and reduce the administrative burden on participating water agencies. Several concepts are being evaluated for accomplishing these goals, including:

- **Integrate the rain barrel rebate program into the lawn replacement program.** Direct incorporation of BAWSCA's rain barrel rebate into the lawn replacement program provides a multi-pronged approach to maximize water conservation and prevent stormwater pollution. BAWSCA is additionally collaborating with the City/County Association of Governments of San Mateo County (C/CAG) to consider options to further incentivize stormwater measures, such as incorporating rain gardens into lawn replacements or providing revised dollar-per-gallon rebates for rainwater harvesting to support larger cistern-type systems. This stackable rebate program would allow water customers to pick and choose from several interrelated rebate options, increasing the impact of the existing siloed rebate programs.
- **Develop a new online toolkit to assist customer participation.** Feedback from customers and agencies on the current program indicates that an online toolkit would be useful during the lawn replacement process. The toolkit would include acceptable plant lists, video tutorials, landscape designs, and other online resources for participants to make it easier for them to apply for rebates, develop a plan for a water resilient landscape and to educate customers on ways to use water more efficiently.

BAWSCA has entered in an agreement with Droplet Technologies to develop, implement, and maintain a cloud-based Landscape Rebate Online System to streamline the rebate application process for BAWSCA's landscape rebate programs. The Rebate System will be used by all BAWSCA member agencies that participate in BAWSCA's Lawn Be Gone or Rain Barrel Rebate Program.

BAWSCA also plans to expand its conservation programs in FY 2020-2021 and subsequent years. If new rebate programs are added, the system developed by Droplet Technologies will be easily expandable to incorporate these new programs into the Rebate System as they are launched.

Contractor Selection Process

BAWSCA issued a Request for Proposals (RFP) for the Program on January 10, 2020. The RFP was sent to eight consulting firms with known experience in rebate online systems. Proposals were due on February 10, 2020.

After BAWSCA received proposals, a selection panel consisting of BAWSCA staff, BAWSCA agency representative, and an outside expert reviewed and scored the proposals. The final contractor was identified to be Droplet Technologies.

Scope of Work

The overall task for Droplet Technologies is to support the deployment of the stackable Rebate System by creating and maintaining an online rebate platform and database that will

allow easy flow of information from customers to BAWSCA and its partner agencies. The scope of work for this includes:

- Online Rebate Program website interface
- Online rebate application development and maintenance
 - Necessary processing tools and services to validate and approve/reject rebates for the Rainwater Capture and Lawn Be Gone! programs
 - Create platform that will allow customers to search for resources (e.g., plants, products, and templates that qualify for rebates).
- Rebate program master database development and maintenance to secure and track rebate data, including rebate approval/denial and rebate payment information, so BAWSCA can export data to complete grant reporting and invoicing requirements for its monetary grants
- Rebate verification
- Call center development
- Manual on system use
- Training
- Ongoing maintenance and support services

BAWSCA desires to implement a single modular system in order to (1) simplify administration for both BAWSCA and member agency staff and (2) facilitate future system expansion to include additional capabilities for use by all BAWSCA agencies as described in further detail below.

Schedule

BAWSCA has commenced work in March 2020. Work will be completed by June 30, 2020.

An estimated schedule is provided in Table A.

Table A: Project Schedule

Milestone	Date
Release of RFP	January 10, 2020
Proposal Due Date	February 10, 2020
Applicant Interviews (<i>tentative, if needed</i>)	February 18, 2020
Contractor Selection	
Committee Consideration	February 12, 2020
Board Consideration	March 19, 2020
Notify Proposers of Results of RFP	February 24, 2020
Begin Design of Systems	March 23, 2020
Complete Design of Systems	June 1, 2020
Staff Training on Systems	June 15, 2020
New Systems to Go Live	June 30, 2020

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Change to Approved Signatures for BAWSCA and BAWUA Bank Accounts**

Summary:

The Board is asked to rescind Resolution No. 2006-01 and to adopt Resolution No. 2020-01. Resolution No. 2020-01 would increase the single signature threshold for signing checks from \$2,500 to \$5,000 and authorizes the Finance Manager (previously referred to as the Sr. Admin Analyst) and Water Resources Manager to sign checks in the absence of the CEO and General Manager.

Fiscal Impact:

None

Board Policy Committee Action:

The Board Policy Committee voted unanimously to recommend the proposed Board action

Recommendation:

That the Board approve:

- a. Rescinding Resolution No. 2006-01 that specifies what individuals are authorized to sign checks;**
- b. Adopting a replacement Resolution No. 2020-01 that increases the single signature threshold for signing checks from \$2,500 to \$5,000 and adds the authority for the BAWSCA Finance Manager and Water Resources Manager to sign checks in the absence of the CEO and General Manager.**

Discussion:

The current policy identifies two different levels of signature authority, with checks less than \$2,500 only requiring one authorized signature and checks of \$2,500 or more requiring two signatures, one of which shall be that of a director.

The currently authorized signers for BAWSCA's checking account are the CEO and General Manager, the Senior Admin Analyst (as position that has been replaced by the Finance Manager), the Board Chair, Vice-Chair, and the three directors from agencies located closest to the BAWSCA office (Foster City, Millbrae, & Burlingame). For medical, business travel, vacation or other reasons, the CEO and General Manager may not always be available to sign checks. In addition, the recent pandemic has highlighted the potential difficulty in securing a second director signature for checks.

To ensure that payments are not unduly delayed, two changes are proposed:

1. An increase in the single signature threshold for signing checks from \$2,500 to \$5,000; and
2. The addition of the Water Resources Manager as an approved signer in the absence of the CEO and General Manager.

A third change updating the title of the Senior Admin Analyst to Finance Manager is also proposed.

Attachment:

1. Draft Resolution 2020-01 showing changes to Resolution 2006-01.
2. A clean copy of Resolution 2020-01.

RESOLUTION NO. 2020-01~~06-01~~01

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

AUTHORIZING SIGNATURES FOR BANK ACCOUNTS

OF BAWSCA AND BAWUA

WHEREAS the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Bay Area Water Users Association (BAWUA), of which BAWSCA is the sole member, have established deposit accounts with Borel Bank and Trust Company in San Mateo and may establish accounts at other institutions in the future;

RESOLVED that the following persons shall have signature authority for accounts of BAWSCA and BAWUA as described below;

BAWSCA Chair
BAWSCA Vice-Chair
BAWSCA General Manager and CEO
or BAWSCA Finance Manager
BAWSCA Water Resources
Manager~~Sr. Admin Analyst~~
Director from City of Foster City
Director from City of Burlingame
Director from City of Millbrae

- 1) To deposit funds of the Agency in such accounts and to endorse checks, drafts, and other investments of deposit;
- 2) To sign checks, drafts or other orders for the payment of money, provided that any check, draft or order in the amount of \$2,500.00 or more shall require two signatures, one of which shall be that of a director.

BAWSCA General Manager and CEO
BAWSCA Finance Manager~~Sr.~~
Admin Analyst

- 1) To transfer funds between accounts as may be necessary or desired for investment purposes.

RESOLVED that the General Manager and CEO is authorized to complete each depository bank's customary blank signature card forms in order to conveniently exercise the authority granted by this resolution, and any resolutions printed on those forms shall be deemed adopted as part of this resolution.

RESOLVED FURTHER that Resolution No. 20064-01~~12~~ is rescinded.

PASSED AND ADOPTED this 19th day of May~~January~~, 2020~~06~~ by the following vote:

AYES: Directors

NOES:

ABSENT:

ATTEST:

Chair, Board of Directors

General Manager and Secretary

RESOLUTION NO. 2020-01-__

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

AUTHORIZING SIGNATURES FOR BANK ACCOUNTS

OF BAWSCA AND BAWUA

WHEREAS the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Bay Area Water Users Association (BAWUA), of which BAWSCA is the sole member, have established deposit accounts with Borel Bank and Trust Company in San Mateo and may establish accounts at other institutions in the future.

RESOLVED that the following persons shall have signature authority for accounts of BAWSCA and BAWUA as described below;

BAWSCA Chair BAWSCA Vice-Chair BAWSCA General Manager and CEO or BAWSCA Finance Manager BAWSCA Water Resources Manager Director from City of Foster City Director from City of Burlingame Director from City of Millbrae		1) To deposit funds of the Agency in such accounts and to endorse checks, drafts, and other investments of deposit; 2) To sign checks, drafts or other orders for the payment of money, provided that any check, draft or order in the amount of \$5000.00 or more shall require two signatures, one of which shall be that of a director.
BAWSCA General Manager and CEO BAWSCA Finance Manager		1) To transfer funds between accounts as may be necessary or desired for investment purposes.

RESOLVED that the General Manager and CEO is authorized to complete each depository bank's customary blank signature card forms in order to conveniently exercise the authority granted by this resolution, and any resolutions printed on those forms shall be deemed adopted as part of this resolution.

RESOLVED FURTHER that Resolution No. 2006-01 is rescinded.

PASSED AND ADOPTED this __th day of May, 2020 by the following vote:

AYES: Directors

NOES:

ABSENT:

Chair, Board of Directors

ATTEST:

General Manager and Secretary

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2020-21 Work Plan and Operating Budget**

Summary:

This memorandum presents the proposed Fiscal Year (FY) 2020-21 Work Plan and Results to be Achieved, proposed Operating Budget, and proposed Funding Plan. The proposed Work Plan includes the CEO's recommendations for addressing comments received during the Board's January Budget Planning Session and input received from the Committee in February and April. Specifically, the proposed Work Plan and Operating Budget reflects the reduced work plan and budget supported unanimously by the Committee at its April meeting.

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 implementing the recommended actions from BAWSCA's audit of the SFPUC's asset management program; participation in the Los Vaqueros Expansion (LVE) Project; implementation of BAWSCA's core and subscription conservation program including development of 3 to 4 new programs identified in the Regional Water Demand and Conservation Projections Study (Demand Study); participation in the State Water Resources Control Board (SWRCB) Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented; participation as an intervenor on FERC proceedings associated with the licensing of New Don Pedro Reservoir; taking action necessary to ensure that the SFPUC meets its legal and contractual water supply reliability obligations to its Wholesale Customers including development of a new water supply program; managing financial obligations associated with BAWSCA's bonds; and administration of the Water Supply Agreement with San Francisco to protect financial interests of the member agencies.

The proposed Operating Budget is \$4,020,679, which is 12% below the approved FY 2019-20 Operating Budget. The proposed Operating Budget represents approximately a 30-cent decrease in annual cost per person in the service area for an estimated cost to the water customer of \$2.20 per person per year.

The proposed Work Plan and Budget can be funded with a 0% assessment increase and a transfer of \$333,900 from the General Reserve. At this time, it is anticipated the FY 2019-20 Operating Budget will be 95% expended at year end. When combined with an estimated transfer of \$100,000 of unspent, post-audit excess funds from FY 2019-20 to the General Reserve in Fall 2020, the recommended action can be funded while maintaining the General Reserve within the budgetary guidelines.

Board Policy Committee Action:

The Committee voted unanimously to recommend approval of the proposed Board action. The recommended alternative was one of four options brought forward to the Committee for consideration. Given the economic impacts of COVID-19, the recommended alternative was selected as it reflected a reduced work plan effort, reduced operating budget, and funding with a 0% assessment increase.

Recommendation:

That the Board approve the

- 1. Proposed FY 2020-21 Work Plan and Results to be Achieved;**

- 2. Proposed Operating Budget of \$4,020,679; and**
- 3. Proposed funding plan of 0% assessment increase and \$333,900 transfer from the General Reserve.**

Discussion:

The discussion below presents a proposed Work Plan and Operating Budget for FY 2020-21 as well as a discussion of alternatives for funding the operating budget.

PROPOSED FY 2020-21 WORK PLAN:

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

The proposed Work Plan includes the following major efforts:

- Oversight of the SFPUC's WSIP, 10-Year Capital Improvement Program (CIP), and Regional Water System (RWS) Asset Management Program, including the following:
 - Implement recommendations from BAWSCA's audit of the SFPUC's asset management practices, specifically by providing technical input on the development of asset management plans for the Hetch Hetchy Water and Power (HHWP) Division.
- Implement BAWSCA's Strategy, as documented in the Strategy Phase 2 Final Report, including the following actions:
 - Complete Phase 3 pre-feasibility studies for the Potable Reuse Exploratory Plan, a potential purified water project in partnership with SFPUC, Silicon Valley Clean Water and others. Engage with advocacy groups (e.g., WaterReuse) to access and exchange critical technical, legislative, and legal information to support these studies.
 - Participate in development of the Bay Area Regional Reliability Partnership (BARR) Bay Area Regional Water Market (Exchange/Transfer) Program, with inclusion of a pilot water transfer that includes ACWD, BAWSCA and SFPUC.
 - Participate in Los Vaqueros Expansion studies to inform upcoming project decisions.
 - Promote the continued sustainable use of San Mateo Plain Groundwater Basin (Basin) for long-term water supply reliability through the Groundwater Reliability Partnership and other multi-party efforts.
 - Identify and begin to evaluate the steps BAWSCA should undertake to update the Strategy.
- Represent member agency interests in regional and statewide discussions related to the new State of California "Making Water Conservation a Way of Life" long-term conservation requirements;
- Provide regional coordination to support member agency Advanced Metering Infrastructure (AMI) implementation;
- Implement 3 to 4 new subscription conservation programs identified through BAWSCA's Demand Study;
- Implement regional core and subscription conservation programs to support member agencies and their customers;
- Take actions to protect member agencies' water supply interests in administration of the

2009 WSA including the following:

- Support adoption, as acceptable to parties, of an amendment to the Water Supply Agreement related to a combined paired of an agency's minimum purchase requirement and Individual Supply Guarantee.
- Ensure that the SFPUC meets its legal and contractual obligations for water supply from the RWS considering ongoing risks.
- 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); and
- Administer BAWSCA's bonds.

Table 1 presents the proposed 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 2020-21: There are four new, significantly rescoped, or expanded activities included in the proposed Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA member agencies.

**Implement Recommendations from FY 2019-20 Audit of SFPUC's Asset Management Program for the San Francisco Regional Water System (RWS)
Estimated FY 2020-21 Cost: \$41.6K**

The adopted FY 2019-20 Workplan includes an audit of SFPUC's asset management system. This audit is ongoing and will be completed by June 2020. The audit findings will include recommended follow-up work for FY 2020-21. Given that the audit analysis is not yet complete, an estimated cost of \$41.6k is included in the proposed Operating Budget. This budget amount reflects roughly a 50% reduction from the initial preliminary budget proposal of \$82k reflecting anticipated reduced progress next fiscal year while the SFPUC continues to prioritize operations during the ongoing COVID 19 operations as well as the Committee's desire for overall reduced budget. Key activities will include BAWSCA engagement in SFPUC's asset management initiatives, in particular by reviewing and providing comments on draft and final asset management plans to be developed for the HHWP system.

BAWSCA's FY 2019-20 audit of the SFPUC's asset management system includes a review of the existing asset documentation and registry practices, information technology capabilities to support asset management, procedures in place to assess and incorporate risk of failure, measures used to address the need for routine maintenance, condition assessment practices, asset replacement and upgrade strategies, approach to factor in level of service goals, and reference to asset management practices in other documents and plans prepared for the San Francisco Regional Water System.

Participate in Los Vaqueros Expansion (LVE) Project Studies
Estimated FY 2020-21 Cost: \$115K

Los Vaqueros Reservoir is an existing off-stream reservoir in Contra Costa County that provides water quality, drought emergency supply, and non-drought emergency water supply benefits to CCWD customers. In February of 2017, BAWSCA entered into a Memorandum of Understanding with CCWD formalizing BAWSCA's potential interest in a share of future Los Vaqueros storage and willingness to participate in the work effort. In January 2019, the BAWSCA Board authorized the CEO to enter into a cost share agreement with CCWD for \$315,000 to fund the planning work for the LVE Project through June 2020.

Participation in the LVE Project continues to be a viable project opportunity for BAWSCA to provide dry years supplies to member agencies in support of goals identified in BAWSCA's Long Term Water Supply Strategy (Strategy) as adopted by the BAWSCA Board in 2015. Specifically, BAWSCA is evaluating the project as a means to provide up to 10,000 acre-feet per year of water supply in dry years to improve reliability. At the same time, BAWSCA and the SFPUC have significant concerns regarding the ability to use the South Bay Aqueduct to convey any water from the LVE project and therefore, there are significant concerns regarding any water supply benefit that might be available to BAWSCA and its member agencies from LVE.

The current Memorandum of Agreement between CCWD and the local partner agencies, including BAWSCA, expires on June 30, 2020. At this time, CCWD is proposing a six-month, no cost extension that can be approved by the CEO under her authority. In addition, CCWD is updating its request for funding from local partner agencies for participation in the 12 month period of January 1, 2020 – December 2021 to (1) complete final LVE planning, (2) prepare and form the LVE Joint Powers Authority (JPA), and (3) finalize the water purchase agreements between the JPA and various participating agencies.

The proposed Work Plan and Operating Budget reflects BAWSCA's continued participation in staff level planning work for LVE and includes funding for outside legal and technical expertise (e.g., water supply modeling) support as needed. Given the uncertainty regarding the costs to CCWD, the proposed Operating Budget does not include funding for BAWSCA's share of costs to CCWD for continued participation beyond July 1, 2020.

It is anticipated that the Board will consider BAWSCA's participation in the next phase of LVE at its July or September 2020 meeting. At that time, alternatives for funding BAWSCA payment to CCWD will be presented and will include use of the 2009 WSA Balancing Account and use of the Water Management Charge as provided for under the 2009 WSA.

Implement 3 to 4 New Conservation Programs Recommended from BAWSCA's Regional Water Demand and Conservation Projections Study (Demand Study)
Estimated FY 2020-21 Cost: \$52K

The adopted FY 2019-20 Workplan includes completion of BAWSCA's Demand Study. This study, which is ongoing and will be complete by June 2020, will identify new water conservation programs to support the BAWSCA agencies in meeting their water conservation goals. In FY 2020-21, BAWSCA will expand its Regional Water Conservation Program through implementation of 3 to 4 of the new conservation programs identified in the Demand Study. The specific programs will be selected in

coordination with the BAWSCA agencies in May 2020, when the preliminary results of the Demand Study will be available. Conservation programs to be implemented may include a combination of Core Programs, implemented by BAWSCA regionally for the benefit of all agencies, and Subscription Programs, implemented by BAWSCA and funded by the individual agencies that opt to participate. The new programs will support the agencies in meeting the upcoming AB 1668 and SB 606 long-term water conservation requirements.

Results of January 16, 2020 Work Plan and Budget Preparation Planning Session: During BAWSCA's January 16, 2020 meeting, the Work Plan and Budget Preparation Planning Session was held with the Board as part of its regular meeting agenda. The focus of the planning session was to receive input from Board members on possible work plan items for the coming fiscal year. Table 3 presents the detailed comments provided by Board members during the planning session and the staff response that was subsequently prepared. These comments and responses are reflected in the proposed Work Plan and results to be achieved.

Anticipated Future Work Plan Changes and Potential Future Large Cost Project Expenditures:

Looking forward for the next 10 years, major areas of increased focus for BAWSCA will be:

- Overseeing SFPUC's implementation of water supply projects to meet their existing level of service requirements, including projects necessary to address Bay Delta Plan impacts;
- Overseeing SFPUC's increasing 10-Year CIP, consistent with recently adopted WSA amendments and BAWSCA's new oversight role;
- Ongoing assessment of SFPUC's asset management program, to ensure that SFPUC continues to maintain the assets it is responsible for to ensure reliable water supply;
- Implementation of Strategy recommendations including water supply projects such as participation in LVE, and design and implementation of a potable reuse project; and
- Updating BAWSCA's Long-Term Reliable Water Supply Strategy, which was last initiated in 2009.

Table 4 presents a rough estimate for the outside consultant or other expenses associated with future large cost project expenditures or budget items. Increased staff or legal counsel time is not reflected in Table 4 at this time. This information is provided to assist the Board in its deliberation of both the current funding plan for FY 2020-21 and beyond.

PROPOSED FY 2020-21 OPERATING BUDGET:

The proposed Operating Budget of \$4,020,679 presented in Table 4 reflects the funding necessary to achieve the full Work Plan and includes an estimated pre-funding contribution for Other Post-Employment Benefits (OPEB). This is included as a separate line item to highlight its inclusion in this eighth year of funding.

Explanation and Alternatives for Salaries and Benefits: The increase for salaries and benefits of \$94,535 shown in the proposed Operating Budget is a result of a variety of changes. The proposed Operating Budget also includes a budget allowance for the following for all employees except the CEO:

- \$31,404 for a COLA adjustment to existing FY 2019-20 salary
- \$17,575 merit allowance separate from COLA adjustment

A Cost of Living Allowance (COLA) adjustment of 3.01% to the top step of salaries 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 \$23,100 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 budgeted for the CEO since FY 2017-18.

The Governor of the State of California declared a State of Emergency on March 4, 2020, formalizing the proclamation in Executive Order N-25-20 on March 12, 2020. This was followed up by Executive Order N-33-20 on March 19, 2020, which ordered all individuals living in the State of California to shelter-in-place until further notice. California has been particularly impacted by COVID-19, with the unemployment rate rising to 5.3% in the month of March, a 0.9% increase from the national unemployment rate of 4.4%. The unemployment filings in San Mateo, Santa Clara, and Alameda counties have all seen similar increases. The March 2020 figures show that the unemployment rate in San Mateo, Santa Clara, and Alameda counties has increased to 2.8%, 3.3%, and 3.8% respectively. These unemployment figures are expected to significantly increase in the upcoming months, given that on April 29, 2020, all three counties extended their shelter-in-place orders until at least May 31, 2020.

Given the ongoing COVID-19 pandemic and resulting economic impact, any discretionary decision related to annual salary increases, for merit or other purposes, will be postponed until Fall 2020 or later, when a clearer understanding of the economic impact of the current crisis can be more fully understood.

Funding Considerations for the Proposed 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 2019-20 funding plan included a 3% increase in assessments to \$3,686,779, transfer of \$77,971 from the General Reserve, and transfer of \$805,000 from the 2009 Water Supply Agreement Balancing Account, thereby enabling the General Reserve to remain within the budgetary guidelines established by the Board. BAWSCA's General Reserve Policy 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 J presents historical budget data including use of the General Reserve to fund special studies, fund the Operating Budget, and provide a one-time refund to the member agencies in November 2011.

At this time, it is estimated that the FY 2019-20 Operating Budget will be 95% expended at year end. Any post-audit excess funds will be transferred to the General Reserve in Fall 2020. For purposes of the funding analysis presented below, it is assumed that \$100,000 of unspent, post-audit excess funds will be available to transfer into the General Reserve in Fall 2020.

As of March 31, 2020, the General Reserve balance is \$1,037,877, or 23% of the FY 2019-20 Operating Budget.

Three options for funding the Proposed Work Plan and Operating Budget are presented below for further discussion.

- **Option 1 “Proposed Work Plan with No Assessment Increase”:** No increase in assessment (\$3,686,779) and transfer of \$333,900 from the General Reserve. This alternative results in a General Reserve balance at 22% of the Operating Budget.
- **Option 2 “Proposed Work Plan and 1% Assessment Increase”:** A 1% increase in assessments (\$3,723,647) and transfer of \$297,032 from the General Reserve.
- **Option 3 “Proposed Work Plan and 2% Assessment Increase”:** A 2% increase in assessments (\$3,760,515) and transfer of \$260,164 from the General Reserve.

As a point of reference, funding the proposed Work Plan with assessments alone would require a 9% assessment increase and result in an estimated General Reserve balance of 31% of the Operating Budget.

Recommended FY 2020-21 Work Plan, Operating Budget and Funding Plan: Given the current COVID-19 pandemic crisis and the resulting economic impacts that have already been identified throughout the region, it seems appropriate for BAWSCA to strive for a 0% assessment increase for FY 2020-21 while maintaining a prudent General Reserve balance given the ongoing legal issues facing BAWSCA. The Committee strongly recommended this course of action as well.

As such, the proposed FY 2020-21 Work Plan and Operating Budget of \$4,020,679 and proposed funding plan of a 0% assessment increase and \$333,900 transfer from General Reserve, is recommended for Board adoption.

Table 1. Proposed FY 2020-21 Work Plan and Results to Be Achieved(Percent of Proposed Operating Budget for Each Item Shown in Parenthesis, *New/Expanded items shown in blue italic font*)**RELIABLE WATER SUPPLY**

- (6.7%) 1. **Facility Reliability: Monitor the SFPUC's WSIP, 10-Year CIP, Asset Management Program, and Emergency Response**
- a. Monitor WSIP scope, cost, and schedule as San Francisco continues an aggressive construction schedule through to completion. Press the SFPUC and the city's political leadership to meet the adopted schedule, satisfy the requirements of AB 1823, and respond promptly to BAWSCA's reasonable requests. Track WSIP projects designated as critical drought water supply components to verify they've been completed in such a fashion that they can meet their intended Level of Service (LOS) goals.
 - 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, *including performing tasks or deeper reviews identified in the audit of SFPUC's asset management practices per WSA Section 3.10.c. to be completed in FY 2019-20.*
 - d. Promote increased emergency response coordination between member agencies, SFPUC, Valley Water and others.
- (11.2%) 2. **Long-Term Supply Solutions: Implement the Long-Term Reliable Water Supply Strategy to Ensure a Reliable, High Quality Supply of Water is Available Where and When Needed**
- a. Complete Potable Reuse Exploratory Plan Phase 3 pre-feasibility study with SFPUC and Silicon Valley Clean Water and plan for next phase of work.
 - b. *Participate in development of Bay Area Regional Reliability Phase 2 Water Marketing Strategy in partnership with other Bay Area water agencies & promote implementation of a potential Pilot Water Transfer that involves a partnership between BAWSCA, ACWD, and SFPUC as a component of the Phase 2 work effort.*
 - c. Participate in CCWD's Los Vaqueros Expansion Project Studies to evaluate BAWSCA's interest and ensure key information is available to support upcoming decisions.
 - d. Promote the continued sustainable use of San Mateo Plain Groundwater Basin for long-term water supply reliability, including providing support for San Mateo County and member agencies' efforts to secure compliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) Program.
 - e. Facilitate development of other local water supply options including monitoring/tracking member agency efforts.
 - f. Provide necessary data & assistance to support member agencies' development of state required Urban Water Management Plans.
 - g. Participate with SFPUC and ACWD in their evaluation of a potential potable reuse water supply project with Union Sanitary District.
 - h. *Identify and begin to evaluate the steps BAWSCA should undertake to update its Long-Term Water Supply Strategy.*

- (13.1%) **3. Near-term Supply Solutions: Water Conservation and Drought Response**
- a. Represent member agency interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a Way of Life" requirements.
 - b. Provide regional coordination to support member agency Advanced Metering Infrastructure (AMI) implementation and data management, including hosting a regional symposium in Spring 2021.
 - c. Implement 3 to 4 new subscription conservation programs as identified in the BAWSCA Regional Water Demand and Conservation Projections Study to be completed in Spring 2020.*
 - d. Implement BAWSCA's core water conservation programs, including the Qualified Water Efficient Landscape (QWEL) program.
 - e. Implement BAWSCA's subscription conservation rebate programs that benefit, and are paid for by, participating member agencies, including school education programs and *an expanded Outdoor Landscaping Rebate Program with a new weather-based irrigation controller rebate and installation subscription program.*
 - f. Implement BAWSCA's Water Loss Management Program to support member agencies with SB 555 compliance, including the Regional Loss Evaluation and Knowledge (LEAK) Workgroup and Water Loss Management Subscription Program.
 - g. Represent member agencies in regional and State-level discussions related to water conservation-related regulations.
- (6.6%) **4. Take Actions to Protect Members' Water Supply Interests in the Administration of the Water Supply Agreement (WSA)**
- a. Adopt temporary extension of existing Tier 2 drought allocation plan that expires Dec. 2020.
 - b. Forward for adoption, if acceptable to the member agencies and SFPUC, an amendment to the Water Supply Agreement related to a paired transfer of an agency's minimum purchase requirement and Individual Supply Guarantee.
 - c. Protect members agencies' water supply and financial interests in the SFPUC's required 2028 decisions.
 - d. Protect member agencies' water supply interests to ensure that the SFPUC meets its legal and contractual obligations for water supply from the Regional Water System in light of ongoing risks.*
- (7.9%) **5. Protect Member Agencies' Interests in a Reliable Water Supply**
- a. Participate in SWRCB Bay Delta Plan Update to ensure member agency interests are represented, including ongoing legal intervention.
 - b. Participate in the Don Pedro Project/La Grange Project FERC licensing process to protect customers' long-term interests in Tuolumne River water supplies, including ongoing legal intervention.
- (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, *including Prop 1 Integrated Regional Water Management conservation grant.*
 - b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability, such as possible future BARR Phase 3 efforts.
 - c. Investigate potential for grant funds to support the implementation of the Strategy.

(0.9%) 7. Reporting and Tracking of Water Supply and Conservation Activities

- a. Complete BAWSCA FY 2019-20 Annual Survey.
- b. Complete BAWSCA FY 2019-20 Annual Water Conservation Report.
- c. In partnership with member agencies, operate and maintain BAWSCA's Water Conservation Database.

HIGH QUALITY WATER

(0.9%) 8. Support Member Agencies in Receiving Reliable Communication of Water Quality Issues

- a. Coordinate member agency participation in Joint Water Quality Committee 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 (e.g., taste, odor, blending, etc.).
- c. Review and act on, if necessary, State legislation affecting water quality regulations.

FAIR PRICE

(11.2%) 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. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco.

AGENCY EFFECTIVENESS

(6.8%) 10. 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, and 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.

(18.3%) 11. Manage the Activities of the Agency Professionally and Efficiently

Table 2: Activities Not Included in Proposed FY 2020-21 Work Plan and Operating Budget

<p>RELIABLE SUPPLY</p> <ol style="list-style-type: none"> 1. 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. 2. 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. 3. Initiate new, unanticipated litigation or support/oppose new, unanticipated 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. 4. Negotiate a new Tier 2 Drought Allocation Plan among the BAWSCA agencies. 5. BAWSCA's continued participation in LVE is included in the proposed Work Plan; however, funding to support payment to CCWD for BAWSCA participation in the next planning phase for LVE is not included in the proposed Operating Budget and will be considered at a later date as part of a separate board action.
<p>FAIR PRICE</p> <ol style="list-style-type: none"> 6. 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. 7. Arbitrate issues related to the 2009 Water Supply Agreement.
<p>HIGH WATER QUALITY</p> <ol style="list-style-type: none"> 8. Perform technical studies of water quality or San Francisco's treatment of the water it delivers to the BAWSCA agencies. 9. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.
<p>AGENCY EFFICIENCY</p> <ol style="list-style-type: none"> 10. Add resources to support additional Board, Board committee, or technical committee meetings. 11. Conduct tours of member agency facilities to acquaint Board members with potential supply projects and their neighboring jurisdictions, other than tours done in coordination with San Francisco. 12. Internship program to provide an opportunity for under-served college students pursuing a technical or business degree to gain valuable experience working to support BAWSCA's water resources or finance departments.

Table 3. FY 2020-21 Work Plan and Budget Planning Session – Comments and Suggested Work Plan Items for Further Consideration
(Questions Presented in Alphabetical Order by Board Member)

#	Board Member	Board Member Comment/Questions	Staff Response
1	Benton	Do we have the option to extend the existing Water Supply Agreement (WSA)? What is its term?	The WSA agreement has an initial term of 25 terms with initial expiration on June 3034. The WSA also provides for two extensions of 5 years each.
2	Jordan	Requested that an analysis of potential refinancing of BAWSCA's 2013 bonds be included in next year's workplan due to current low interest rates.	An analysis of potential refinancing of BAWSCA's 2013 bonds will be presented to the Board at its next meeting in time to inform the FY 2020-21 workplan if desired by the Board.
3	Kuta	Given the Bay Delta Plan's potential impacts on SFPUC's LOS goals, and as we approach 2034, is BAWSCA preparing for a notion that SFPUC's LOS goals will change and any impact on the Supply Assurance?	<p>The wholesale customers' Supply Assurance of 184 mgd is a perpetual obligation on San Francisco while the level of service (LOS) goals are a matter of contract and policy. SFPUC's current water supply planning work is directly focused on actions that it must take to ensure that it meets the Supply Assurance and its existing legal and contractual obligations, including meeting the LOS goals.</p> <p>The proposed FY 2020-21 Work Plan includes BAWSCA's active engagement with the SFPUC on its expanded long-term alternative water supply planning program.</p>
4	Mendall	System reliability during emergencies and emergency resilience are two new items in the work plan. It is difficult to see BAWSCA's role in this. He'll need to understand why BAWSCA should take these tasks on.	<p>The FY 2019-20 Work Plan includes a task for BAWSCA to perform an Initial Emergency Response Review for RWS. For this review, BAWSCA will be hosting a brainstorm workshop with the agency Water Management Representatives on February 6, 2020. A key result from the workshop will be areas of interest and possible options that the agencies would like BAWSCA to consider in FY 2020-21.</p> <p>Feedback from the February workshop indicated minimal desire from the member agencies for a significantly increased level of activity by BAWSCA at this time related to emergency response. Specifically, there was little interest in BAWSCA securing outside consulting services to performs any new tasks. Rather, the member agencies requested that BAWSCA staff increase their efforts to promote and coordinate existing emergency response activities of the SFPUC, Valley Water, and others that impact the member agencies. The member agencies asked that this be</p>

#	Board Member	Board Member Comment/Questions	Staff Response
			reconsidered in subsequent fiscal years.
5	Moody	Engage strategy to create more diversity in staff. Create more internship programs.	BAWSCA's recruitment protocol has been modified in FY 2019-20 to support increased diversity. The proposed FY 2020-21 Work Plan developed prior to the COVID-19 pandemic included a proposal for a new internship program. Considering the impacts of COVID-19, this effort is deferred to a subsequent fiscal year.
6	O'Mahony	What is the status on San Jose and Santa Clara's interruptible service?	San Jose and Santa Clara contracts with San Francisco remain temporary, interruptible customers. Per the WSA, SFPUC must make a decision regarding their contractual status by December 2028. The SFPUC's new water supply recently initiated program titled "New Water Supply Planning" has one task focused on addressing the San Jose and Santa Clara's contract status.
7	Pierce	Glad to see BAWSCA's expanded work on SFPUC's efforts on water supply reliability, and continued involvement in the 10-year CIP.	Comment noted. BAWSCA's increased efforts with SFPUC on water supply reliability and the 10-year CIP are included in the proposed FY 2020-21 Work Plan.
8	Weed	Re-look at water that is not being used and see where it can be used. It will reduce costs. Consider investing in the purchase of N3 Cattle Co. Property.	The proposed FY 2020-21 Work Plan includes BAWSCA's continued participation in several potable reuse projects. The SFPUC is considering investing in the purchase of N3 cattle ranch as part of its long-time work on watershed protection.
9	Wood	Consideration of allowing 2-3 regular Board members to attend ACWA conferences.	In 2006, the Board adopted resolution 2006-02, its policy on reimbursement of directors' expenses. Consistent with the policy, Board member attendance at conferences, including ACWA, is not an authorized activity with a few allowable exceptions. To date, there has not been interest by other members of the Board to expand the list of authorized activities.

Table 4. Potential Future Large Efforts

Project Name	Cost Updates				Discussion
	FY 2018-19 (Actual)	FY 2019-20 (Budget)	FY 2020-21 (Budget)	FY 2021-22 & Beyond	
Los Vaqueros Expansion (LVE)	\$177.6K	\$177.6K (approved, Jan. 2019)	\$115K	With a decision to participate in the project, costs will increase significantly for construction and operations	<p>CCWD is currently updating its request for funding from local partner agencies who wish to continue participating in the project. Funds will cover the costs anticipated to be incurred over 12-month period running from December 2020 – December 2021. Work performed during that period will include: (1) complete final LVE planning, (2) prepare and form the LVE Joint Powers Authority (JPA), and (3) finalize the water purchase agreements between the JPA and various participating agencies.</p> <p>The proposed Work Plan and Operating Budget reflects BAWSCA's continued participation in staff level planning work for LVE plus funding for outside legal and technical expertise. Given the uncertainty regarding the dollar amount of the upcoming funding request by CCWD, the Proposed Operating Budget does not include monies needed to fund BAWSCA's share of participation costs.</p> <p>It is anticipated that the Board will consider BAWSCA's participation in the next phase of LVE at its July or September 2020 meeting. At that time, alternatives for funding BAWSCA payment to CCWD will be presented and will include use of the 2009 WSA Balancing Account, use of the Water Management Charge as provided for under the 2009 WSA, or some combination of both.</p>
Potable Reuse Exploratory	\$10K	\$10K	\$15k	Thru FY 2022-23 \$10k-\$50k per year. CEQA scheduled to start	BAWSCA is a current partner in the PREP project, which is in the early planning stage. No decision has been made by BAWSCA regarding participating beyond the current effort.

Plan (PREP)				in fall 2023; costs to participate would expand at that time.	
Update Long Term Reliable Water Supply Strategy (Strategy)	n/a	n/a	n/a	\$1.5-\$2.5M; estimated based on \$2.2M cost for initial Strategy development	BAWSCA initiated its first regional long-term planning effort in 2009. It would be appropriate for BAWSCA to update the Strategy in the 2020-2025 time period given updated conditions including demands, supply reliability, regulatory and climate change impacts, etc.

Table 5. Proposed FY 2020-21 Operating Budget by Major Expenditure Category

Cost Category	Approved FY 2019-20 Budget (\$) (as of 11/30/19)	Proposed FY 2020-21 Budget (\$)	Change from FY 2019-20 Budget (\$)
Consultants/ Direct Expenditures			
Reliability	1,797,550	1,114,850	(682,700)
Fair Pricing	233,000	239,500	6,500
Administration	110,000	100,000	(10,000)
<i>Subtotal Consultants</i>	2,140,550	1,454,350	(682,200)
Administration			
Employee Salaries & Benefits	1,919,051	1,997,354	78,303
Other Post-Emp. Benefits (net)	82,000	78,000	(4,000)
Operational Expenses	390,500	427,400	36,900
<i>Subtotal Administration</i>	2,391,551	2,502,754	111,203
Total Operating Expenses	4,532,101	3,957,104	(574,997)
Capital Expenses	3,000	3,000	0
Budgeted Contingency	31,949	57,500	25,551
Regional Financing Authority	1,650	2,025	375
Bay Area Water Users Assn.	1,050	1,050	0
Grand Total Operating Budget	4,569,750	4,020,679	(549,071)

Table 6. Analysis of Funding Options

	FY 2019-20	FY 2020-21		
Fund Source	Adopted Funding Plan	Option 1* Proposed Work Plan & 0% Assessment Increase	Option 2 Proposed Work Plan & 1% Assessment Increase	Option 3 Proposed Work Plan & 2% Assessment Increase
Assessments	\$3,686,779	\$3,686,779	\$3,723,647	\$3,760,515
Transfer from General Reserve	\$77,971	\$333,900	\$297,032	\$260,164
Transfer from Balancing Account	\$805,000	\$0	\$0	\$0
Total Available Operating Funds/Operating Budget	\$4,569,750	\$4,020,679	\$4,020,679	\$4,020,679
Potential End of Year Transfer to General Reserve	\$100,000	\$100,000	\$100,000	\$100,000
Estimated Year-End Reserves	\$1,137,877	\$903,977	\$940,845	\$997,713
% of Budget	25%	22%	23%	24%
Assessment to Budget Ratio	81%	91%	93%	94%

* Option 1 is recommended for adoption

APPENDICES

Appendices A through J present additional detail about the proposed FY 2020-21 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 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: a) evaluate potential water supply projects using BAWSCA's new regional water supply reliability modeling tool; and b) support BAWSCA member agency efforts to meet the new State of California "Making Water Conservation a Way of Life" requirements.
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 including Restore Hetch Hetchy litigation, Bay Delta Plan Update, and FERC intervention.
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 implementation 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, 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.

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.
- FY 2017-18: The Board approved a 3.025 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 2018-19: The Board approved a 3.084 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 2019-20: The Board approved a 4.398 percent COLA increase to the top step for 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 2020-21 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 2020-21 Operating Budget.

Appendix D: Proposed Budget for the Regional Financing Authority (RFA) Budget

The BAWSCA Board of Directors has continued to agree to fund nominal administrative costs for the RFA, at least until it becomes more actively involved and required significant resources. Assuming a continued low level of activity in FY 2020-21, the proposed RFA budget is \$2,025. 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 2020-21 Operating Budget. The RFA will formally consider and adopt this budget in January 2021.

Appendix E: 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 2020-21 is estimated to be 1,283 hours. 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 F: Select Financial Details for BAWSCA's Subscription Conservation Program

Table F-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 F-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 F-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
2014-15			
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		
Total	\$580,617	\$25,984	\$423
2015-16			
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		
Total	\$666,175	\$23,976	\$1,470

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
2016-17			
EarthCapades	\$61,345	\$2,120	
Free Sprinkler Nozzles	\$7,585		
HET		\$6,340	\$300
Large Landscape Audit	\$94,260	\$1,184	
Lawn Be Gone		\$1,860	
Lawn Be Gone Inspections	\$2,858		
Water Wise Ed. Kits	\$104,716	\$1,860	
Washing Machine Rebate	\$114,530	\$1,900	\$1,055
Watersense Giveaways	\$20,886		
WaterSmart Reports	\$313,128		
Rain Barrel Rebate	\$2,300		
Total	\$660,263	\$13,144	\$1,355
2017-18			
EarthCapades	\$61,435	\$2,260	
Free Sprinkler Nozzles	\$1,577		
HET		\$4,055	\$13
Large Landscape Audit	\$85,793	\$1,184	
Lawn Be Gone		\$1,380	\$14
Lawn Be Gone Inspections	\$2,284		
Water Wise Ed. Kits	\$98,229.89	\$2,295	
Watersense Giveaways	\$10,734		
WaterSmart Reports	\$298,405		
Rain Barrel Rebate	\$3,395		
Total	\$561,853	\$11,174	\$27
FY 2018-19			
EarthCapades	\$66,500	\$2,480	
Free Sprinkler Nozzles	\$364		
HET		\$2,495	
Large Landscape Audit	\$94,900	\$1,184	
Lawn Be Gone		\$1,200	
Lawn Be Gone Inspections	\$2,420		
Water Wise Ed. Kits	\$75,483	\$1,946	
Watersense Giveaways	\$5,672		
WaterSmart Reports	\$288,081		
Rain Barrel Rebate	\$757		
Water Loss Program	\$128,403		
Total	\$662,580	\$9,305	\$0

Appendix G: 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 G-1 below provides the estimate annual cost per person and per household (assuming three persons per household) for BAWSCA's Operating Budget.

**Table G-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	\$6.24
2018-19	\$2.34	\$7.02
2019-20	\$2.50	\$7.51
2020-21	\$2.20 (<i>proposed</i>)	\$6.59 (<i>proposed</i>)

Appendix H: Savings Resulting from BAWSCA's Annual Wholesale Revenue Requirement (WRR) Review

Pursuant to Section 8.04 of the Water Supply Agreement, the Wholesale Customers delegated authority to BAWSCA to conduct the annual review of SFPUC's calculation of the Wholesale Revenue Requirement (WRR) and the Balancing Account. Table H-1 provides the annual financial impact to the Wholesale Customers resulting from BAWSCA's annual comprehensive review. Over the past 16 years, BAWSCA's reviews have resulted in a total of \$44.5 million savings to the Wholesale Customers. This total includes the savings resulting from resolution on the issues discovered by BAWSCA prior to the WSA 7.06 process and savings from settlements during the formal 7.06 process.

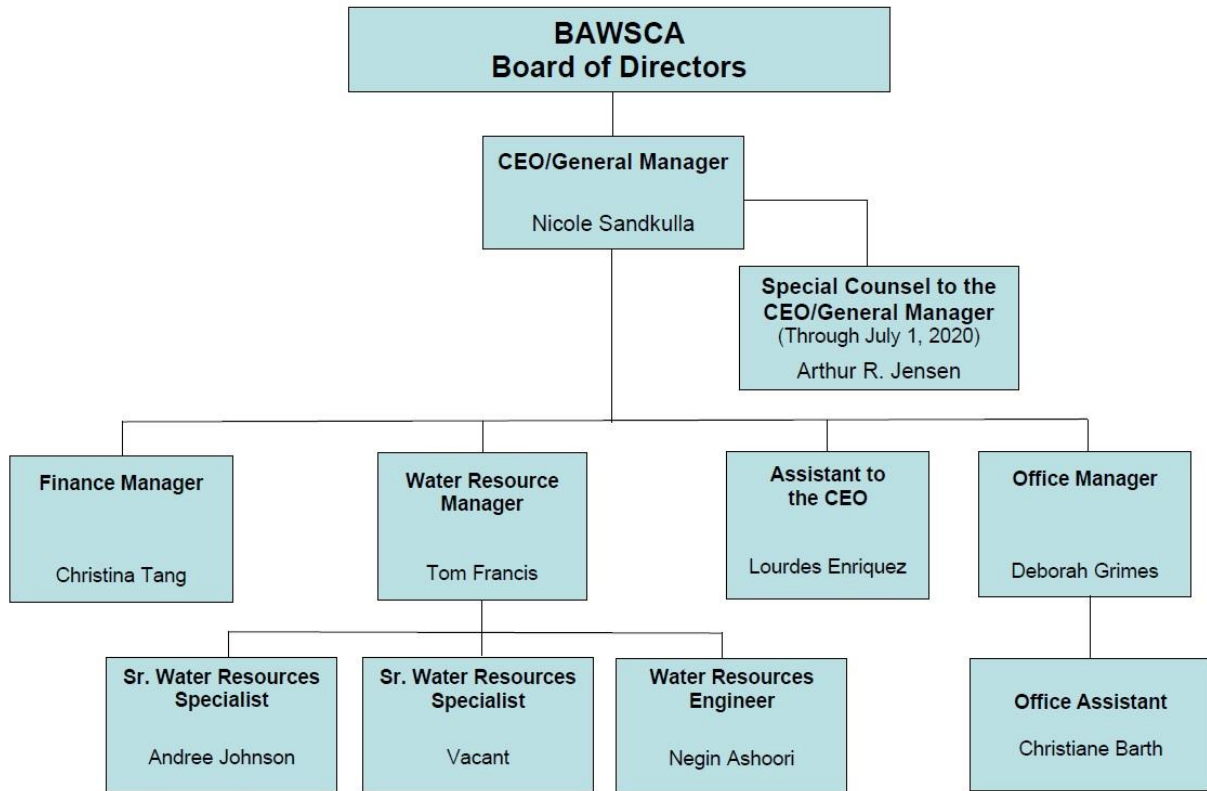
Note that the savings shown in Table H-1 do not include the ongoing savings resulted from any specific year's settlement. For example, the revised 525 Golden Gate operating and capital cost allocation methodology as a result of the FY11-12 and FY12-13 settlements generates an ongoing WRR savings to the Wholesale Customers in an approximate amount of \$400,000 each year from FY13-14 until various final debt service payment dates, and the approximate annual savings of \$1.4 million plus interest as part of the debt service allocation through FY39-40 resulting from the FY15-16 settlement .

Table H-1. Savings to Wholesale Customers Resulting from BAWSCA's Annual Wholesale Revenue Requirement Review

Fiscal Year	Savings to Wholesale Customers
2001-02	\$698,095
2002-03	\$1,568,857
2003-04	\$476,825
2004-05	\$5,726,908
2005-06	\$1,229,604
2006-07	\$718,267
2007-08	\$1,917,328
2008-09	\$461,670
2009-10	\$1,635,005
2010-11	\$893,914
2011-12	\$5,352,720
2012-13	\$739,965
2013-14	\$102,952
2014-15	\$11,903,057
2015-16	\$7,079,780
2016-17	\$3,987,471
Total	\$44,492,418

Appendix I: Current Organization and Staffing

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



Appendix J: 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 to 30 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 J-1 lists these activities as they were updated as part of the FY 2020-21 Work Plan development. In each case, the results identified in Table J-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.

Table J-1: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers (Preliminary FY 2020-2021)
(Changes Shown in Blue Underlined Italic Font)

BAWSCA Goal and Associated Challenges	FY 2020-21 (Near-Term)	2021-2035 (Mid-Term)	2035-2050 (Long-Term)
Reliable Supply: Ensure Long-Term Water Supply Reliability			
Protection of member agencies' interests in long-term water supply reliability need from the SF RWS and 184 MGD Supply Assurance <u>in light of identified potential areas of risk</u> , including climate change and regulatory challenges.	X	X	X
Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.	X	X	X
Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	X	X	X
<u>Support member agencies in their efforts to ensure system reliability during an emergency.</u>	<u>X</u>	<u>X</u>	<u>X</u>
Representation of member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.	X	X	
Representation of member agencies in Bay Delta Plan Update to protect RWS water supply reliability.	X	X	
Meeting the new Statewide "Making Water Conservation a California Way of Life" requirements thru 2035.	X	X	
Protection of member agencies' interests in San Francisco's December 2028 decisions including deciding whether to make San Jose and Santa Clara permanent customers.	X	X	
Development of a new Tier 2 drought allocation plan.		<u>X</u>	
Reliable Supply: Ensure SF RWS Facility Reliability			
Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.	X	X	X
<u>Promote emergency resiliency of the SF RWS to protect interests of water customers.</u>	<u>X</u>	<u>X</u>	<u>X</u>
Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation.	X	X	
High Quality Supply & Fair Price: Enforce 2009 Water Supply Agreement (WSA)			
Enforcement <u>and amendment as necessary</u> , of the WSA to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.	X	X	X
Protection of member agencies' water supply reliability interests against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	X	X	X
Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	X	X	X
Extension or renegotiation of the WSA before it expires in 2034. <u>The WSA can be extended 2 times, for a period of 5 years each. By December 2031, SFPUC must notify Wholesale Customers of desire to extend contract.</u>		X	<u>X</u>
Management of BAWSCA's revenue bonds, <u>including consideration of refinancing</u> , in accordance with Bond Indenture and other applicable laws to ensure accountability and ultimately to reduce overall cost to regional water customers (thru 2034).	X	X	

Appendix K: Historical BAWSCA Operating Budgets and Assessments

BAWSCA's annual Operating Budget is developed to pay for the cost of the annual work plan, which is reviewed by the Committee 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 agency. 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.

Three historical examples of significant annual Operating Budget increases to address one-time or unexpected issues that required BAWSCA's actions, in addition to its on-going programs, are:

- In FY 2008-09, the approved budget was 10% higher than the previous year; issues included: increased conservation efforts, new contract with SF, and WSIP oversight.
- In FY 2013-14, the approved budget was 18% higher than the previous year; issues included: long-term water supply reliability, administration of bonds to accelerate paying off capital debt to save significant money for member agencies; administration of the Water Supply Agreement; an unexpected threat from Mountain Tunnel; and monitoring the SFPUC's Capital Improvement Plan and its Asset Management Program.
- FY 2018-19, the approved budget was 14.14% higher than the previous year; issues included: Restore Hetch Hetchy litigation, Bay Delta Plan, FERC, participation in Los Vaqueros Expansion planning studies. and BAWSCA's Demand Study.

Resolution of issues also reduces budgets as shown below in FY 2010-11 (-3%), FY 2011-12 (-2%), and FY 2014-15 (-10%). Table K-1 displays the history of BAWSCA's Operating Budget, assessments, and year-end reserves.

Table K-1. Historical Annual Assessments, Budget, Reserve Balance, and Use of Reserves

Fiscal year	Assessments	% Change	Budget	% Change	% of Budget Spent	Transfers from WSA Balance Account	Transfers from Reserve	Notes on Transfers from Reserve & WSA Balance Account	Unspent Funds Transfer to Reserve	Year-End Reserve Balance	Reserve as a % of Budget	# of Full Time Authorized Staff	Major New/Increased Work Plan Focus
2003-2004	\$1,668,550	22%	\$1,821,350									6	Operated under BAWUA budget
2004-2005	\$1,641,995	-2%	\$1,838,490	0.94%	80.99%				\$240,000			6	1st BAWSCA Budget Est.
2005-2006	\$1,953,998	19%	\$2,099,975	14.22%	79.36%				\$414,000	\$240,000	11%	7	WSIP Oversight, 2009 WSA neg.
2006-2007	\$2,117,904	8%	\$2,291,904	9.14%	81.85%				\$428,474	\$654,000	29%	7	2009 WSA negotiations
2007-2008	\$2,117,904	0%	\$2,508,967	9.47%	89.54%		\$391,000	To fund budget	\$270,000	\$691,474	28%	7	2009 WSA Negotiations, WSIP PEIR
2008-2009	\$2,309,000	9%	\$2,763,196	10.13%	95.31%		\$349,000	To fund budget	\$149,718	\$507,474	18%	7	WSIP PEIR, 2009 WSA, develop WCIP
2009-2010	\$2,517,000	9%	\$2,766,945	0.14%	84.79%		\$250,000	To fund budget	\$409,965	\$407,192	15%	7	WCIP Yr. 1 implementation, 2009 WSA Admin Yr. 1, Transition from old Contract, WSIP legislation
							\$105,000	WCIP					
2010-2011	\$2,517,000	0%	\$2,680,394	-3.13%	83.26%		\$163,394	To fund budget	\$435,324	\$653,763	24%	7	WCIP Yr. 2, 2009 WSA (Strategy funded thru Water Mgmt. Charge)
2011-2012	\$2,517,000	0%	\$2,619,705	-2.26%	87.28%		\$172,190	Assessment refund	\$264,000	\$916,897	35%	7	WCIP Yr 3
2012-2013	\$2,517,000	0%	\$2,780,504	6.14%	93.53%		\$130,000	Pilot Transfer		\$985,897	35%	7	Bond investigation, Demand Projections, Pilot Water Transfer, 2009
							\$65,000	Demand Study					
2013-2014	\$2,516,812	0%	\$3,280,188	17.97%	93.24%		\$300,000	Demand Study		\$521,897	16%	8	1st year bond administration, funding one-time cost of OPEB, Regional Water Demand Projections, pilot water transfer, WSIP legislation, new water resources staff position authorized
							\$98,000	OPEB FY 13-14					
							\$66,000	Technical support					
2014-2015	\$2,642,653	5%	\$2,939,286	-10.39%	93.42%		\$296,436	To fund budget	\$198,781	\$225,461	8%	8	Net increase for OPEB, 10yr CIP oversight, increase legal support for Strategy, WSIP legislation
2015-2016	\$3,276,889	24%	\$3,201,679	8.93%	88.34%				\$453,246	\$776,620	24%	8	1st year Strategy implementation thru Operating Budget, 2014 Settlement
									\$352,378 ⁽¹⁾				
2016-2017	\$3,440,734	5%	\$3,468,008	8.32%	84.60%		\$27,274	To fund budget	\$519,167	\$1,202,592	35%	8	RHH litigation, 2014 Settlement Agmt, 2018 decisions, WaterMAP
2017-2018	\$3,543,957	3%	\$3,704,572	6.82%	90.00%		\$160,615	To fund budget	\$253,892	\$1,561,144	42%	8	RHH litigation, Bay-Delta Plan, FERC
2018-2019	\$3,579,397	1%	\$4,228,585	14.14%			\$321,688	To fund budget	\$0	\$1,115,848	26%	8	RHH litigation, Bay-Delta Plan, FERC to participate in LVE Project and to fund Demand Study
							\$177,500	Los Vaqueros					
							\$150,000	Demand Study					
2019-2020	\$3,686,779	3%	\$4,569,750	8.00%	93.40%	\$805,000	\$77,971	To fund budget		\$1,037,877	23%	9	Fund LVE participation, Demand Study, FERC, Bay Delta
Footnotes													
(1) Remaining unspent Strategy development funds transferred to General Reserve in 2015-16													3/12/2020

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: Approval of Professional Services Contracts for Fiscal Year 2020-21

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 2020-21. To ensure work begins promptly or continues without interruption, twenty (20) contracts need to be in place by July 1, 2020.

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 2020-21, the Board will consider each of the twenty (20) contracts. Other consulting services that may be needed to complete the FY 2020-21 Work Plan will be brought to the Board for authorization during the year.

Fiscal Impact:

The combined budget for the 13 professional services contracts that need to be in place on July 1, 2020 and which are funded by the Proposed FY 2020-21 Operating Budget is \$1,230,600.

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

Recommendation:

That the Board approve the twenty (20) contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2020.

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) ensuring SFPUC takes actions to meet its legal and contractual water supply reliability obligations to the member agencies, 3) ensuring water supply reliability and water customers' interests are protected in the Bay Delta Plan, SWRCB actions, and FERC process, 4) SFPUC's Water System Improvement Program (WSIP), 10-Year Capital Improvement Program (CIP), and Asset Management Plan, 5) actions to implement BAWSCA's Long-Term Reliable Water Supply Strategy, 6) actions to implement BAWSCA's "Making Water Conservation a Way of Life" workplan, and 7) implementing water conservation assistance programs.

A general description of the services provided through each of the thirteen professional services contracts funded by the Proposed FY 2020-21 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 2020-21. BAWSCA's standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the 13 professional services contracts funded by the Proposed FY 2020-21 Operating Budget that need to be in place by July 1, 2020. The combined budget for these professional services is \$1,230,600. The corresponding approved consulting budgets for FY 2019-20 are also shown in the table.

Table 2 summarizes the seven professional services contracts needed to be in place by July 1, 2020 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

13 Consultants (Services Provided)	FY 2019-20	Proposed FY 2020-21
1. BLX (Bond Arbitrage Rebate Analyses) *		\$2,500
2. Burr Pilger Mayer (Auditing, 2009 WSA Administration)	\$15,000	\$15,000
3. GeoSyntec (Groundwater)	\$10,000	\$10,000
4. Hanson Bridgett (Legal Counsel)	\$799,500	\$606,500
5. Harlan Wendell (Strategic Counsel)	\$150,000	\$150,000
6. Hazen & Sawyer (Engineering)	\$135,000	\$135,000
7. KNN Public Finance (Financial Counsel)	\$53,500	\$53,500
8. Orrick LLP (Bond Documents, Legal Support)	\$12,000	\$12,000
9. Public Trust Advisors (Investment Advisor)	\$10,000	\$10,000
10. Stetson Engineering (WSA, Water Use Analyses)	\$56,500	\$56,500
11. Terry Roberts Engineering (WSIP, 10-Year CIP)	\$115,000	115,000
12. Water Systems Optimizations (Water Loss Management Program-LEAK Workgroup)**	\$30,000	\$30,000
13. West Yost (Engineering and Asset Management)	\$55,000	\$34,600
Total	\$1,441,500	\$1,230,600

* Last arbitrage rebate analyses were completed in FY 2017-18

**Water Systems Optimizations also provides support for the Water Loss Management Technical Assistance Program subscription conservation program

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

8 Consultants/Vendors (Conservation Program/Assistance Provided)
1. EarthCapades (School Assembly Program)
2. Franklin Energy (School Education Programs)
3. Global Sun Landscape (Lawn Be Gone Inspection Services Program)
4. Maddaus Water Management (DSS Model Support Services)
5. M&M Backflow and Meter Maintenance (Customer Meter Testing)
6. Regional Water Authority (MOU for Rachio Smart Controller Program)
7. Waterfluence (Large Landscape Conservation Services)

Financial Services Funded by the Operating Budget:

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

BLX will provide arbitrage rebate compliance services with respect to the BAWSCA Revenue Bonds, Series 2013A in FY 2020-21. BAWSCA retained BLX Group LLC to calculate the arbitrage calculations with respect to the Revenue Bonds, Series 2013A in FY 2014-15. The IRS requires arbitrage rebate payments submitted every 5 years. Given the results from the past three rebate analyses, BLX has recommended that BAWSCA undertake the analyses twice every five years. The latest analysis was performed in FY 2017-18. In FY 2020-21, 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, for the fourth time

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.

Technical Services Funded by the Operating Budget:

GeoSyntec, Hazen & Sawyer, Stetson Engineering, Terry Roberts Engineering, and West Yost 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 Regional Groundwater Storage and Recovery Project and the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin.

Hazen & Sawyer began development of BAWSCA's new regional water supply reliability modeling tool (Model) in FY 2017-18. For FY 2020-21, Hazen and Sawyer will use the Model to evaluate three different water supply scenarios to support BAWSCA's water supply planning needs.

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.

West Yost Associates was selected in July 2019 to perform the Phase 1 audit of SFPUC's asset management program for the San Francisco Regional Water System's two divisions: Hetch Hetchy Water and Power Division (HHPD), and Water Supply and Treatment Division (WST). This audit will be completed by June 2020. The audit was anticipated during the negotiation of the 2009 Water Supply Agreement (WSA) which resulted in the WSA having a clause that requires the SFPUC to cooperate with such an audit. As the WSIP nears completion, BAWSCA exercised the clause for the first time in FY 2019-20 with Phase 1 of the audit. Phase 2 efforts are recommended in FY 2020-21, in which West Yost Associates would serve as BAWSCA's technical expert to review and provide input on the individual asset management plans to be developed by the HHWP Division in FY 2020-21. The audit supports BAWSCA's goal of ensuring that the significantly large capital improvements are appropriately managed in the long-term.

Water Systems Optimization provides water system auditing and water loss management technical expertise to BAWSCA and the member agencies to support BAWSCA's Water Loss Management Program. The Water Loss Management Program contains two components: (1) the Technical Assistance Program (TAP) subscription conservation program which provides technical assistance to individual BAWSCA agencies in completing annual water audits and improving water loss management practices and (2) the Loss

Evaluation and Knowledge (LEAK) Work Group core conservation program that provides peer to peer learning opportunities for all BAWSCA agencies.

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.

Legal Counsel Services Funded by the Operating Budget:

Hanson Bridget is BAWSCA's legal counsel. The proposed budget for legal services is \$193,000 or 24% lower than the currently approved budget for FY 2019-2020. Legal counsel's budget reflects a continued focus on activity associated with water supply reliability, including the SWRCB's Bay Delta Plan Update and Voluntary Settlement Agreement efforts, the FERC relicensing of New Don Pedro, SFPUC's 10-year CIP, implementation of BAWSCA's Strategy, addressing new statewide conservation requirements, and administration of the 2009 Water Supply Agreement (WSA) for the member agencies' water supply reliability and financial interests.

(This page was intentionally left blank)

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 2020-21 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 2020-21 Proposed Operating Budget. The proposed budget is the same as the adopted budget for FY 2017-18 when the last arbitrage rebate calculations occurred, 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 in FY 2014-15. The IRS requires arbitrage rebate payments submitted every 5 years. Given the results from the past three rebate analyses, BLX has recommended that BAWSCA undertake the analyses twice every five years. The latest analysis was performed in FY 2017-18. In FY 2020-21, 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, for the fourth time.

Scope of Services, Results to be Achieved, and Billing Rates:

The draft scope of services and billing rates with BLX for FY 2020-21 is shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2020-21 SCOPE OF SERVICES

Purpose

For FY 2020-21, 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 twice every five years, given the results from the past three rebate analyses.

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 2020-21 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 2020-21 Operating Budget for external auditing services associated with the wholesale revenue requirement and compliance audit. The proposed budget is the same as the current year's adopted budget 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 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, and Billing Rates:

The draft scope of service and billing rates with BPM for FY 2020-21 is shown in Exhibit A.

-

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 2020-21 SCOPE OF WORK

Purpose:

For FY 2020-21, 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 2019-20.

Task 2. Attend the FY 2019-20 compliance audit kick-off meeting (Fall 2020) 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 2019-20 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.

Task 4. Other assignments assigned.

Not to Exceed Contract Limit: \$15,000

Rates & Charges:

The hourly billing rate is shown below.

- Partner: \$375

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 in general and the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin (Partnership) during FY 2020-21. The contract will be prepared using BAWSCA's standard form of agreement.

Fiscal Impact:

The contract for a not-to-exceed amount of \$10,000 is included in the proposed FY 2020-21 Operating Budget. The proposed budget is equal to the current year's authorized budget 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 Geosyntec, subject to legal counsel's final review, for a not-to-exceed amount of \$10,000 to provide as needed assistance to support BAWSCA's efforts related to groundwater and the Partnership during FY 2020-21.

Discussion:

Geosyntec Consultants was brought under contract in October 2016 to perform the following tasks, which are anticipated to be needed again in FY 2020-21: (1) monitoring and regular reporting to BAWSCA on State and regional groundwater policy resulting from the continued 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. In FY 2019-20, BAWSCA took part in discussions with stakeholders of the San Mateo Plain Groundwater Sub-basin to formalize monitoring plans consistent with the California Statewide Groundwater Elevation Monitoring (CASGEM) program. BAWSCA's member agencies in all three counties have interests in the basins that they overlie and are adjacent to and frequently ask BAWSCA for advice or assistance on groundwater matters. In addition, BAWSCA continues to participate in multi-party efforts including the Water System Improvement Program's Regional Groundwater Storage and Recovery Project in the Westside Basin. Geosyntec has been successfully supporting BAWSCA in all of these matters related to groundwater since October 2016.

Scope of Services, Results to be Achieved, and Billing Rates:

The draft scope of services with Geosyntec for FY 2019-20 is shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2020-21 SCOPE OF SERVICES

Purpose:

For FY 2020-21 BAWSCA requires on-going professional support for specific matters related to groundwater basins that underlie BAWSCA member agency jurisdictions. 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. On-call technical support for local groundwater issues.

Not to Exceed Contract Limit: \$10,000

Rates and Charges:

<u>Name</u>	<u>Hourly Rate</u>
John Gallinatti	\$214.00/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 2020-21**

Summary:

The annual contract for legal services should be executed by July 1, 2020. 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 water supply and financial interests in implementing the 2009 Water Supply Agreement (WSA), State Water Resources Control Board (SWRCB) Bay Delta Plan, Don Pedro FERC negotiations, 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 2020-21. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount for legal services is \$606,500 and is contained in the FY 2020-21 Proposed Operating Budget. The proposed budget of \$606,500 is \$193,000 less than the currently approved budget for FY 2019-2020. Continued higher levels of work are anticipated to 1) protect water supplies during the SWRCB Bay Delta Plan Update process, the FERC process, and the SFPUC's efforts to secure supplemental water supplies to meet its legal and contractual obligations; 2) participation in Los Vaqueros Expansion planning studies; 3) and; 4) represent member agencies' financial interests in implementing the 2009 WSA.

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 \$606,500.

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, BAWUA, for more than 35 years. Hanson Bridgett helped negotiate both the prior and the current 2009 WSA with San Francisco. The Firm drafted the legislation that now pressures San Francisco to fix the regional water 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.

Scope of Services – Results to be Achieved:

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, litigation, development of legislation, or other major legal activities outside the defined scope of work.

Billing Rates:

Exhibit B presents the rates and charges for FY 2020-2021.

EXHIBIT A

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

DRAFT

FY 2020-21 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 2020-21.

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 FY 2020-21 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 recently adopted WSA amendments
- Represent BAWSCA and its member agencies during FERC negotiations related to the relicensing of New Don Pedro Reservoir
- Represent BAWSCA and its member agencies during the Bay Delta Plan Update litigation and provide legal support for protecting the water supply interests of the agencies in the voluntary settlement agreement negotiations
- 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 ensuring that the SFPUC meets its legal and contractual obligations for water supply from the RWS considering ongoing risks and the SFPUC's related 2028 decisions
- Legal support for responding to new statewide conservation requirements, including consideration of the 2009 WSA drought provisions and BAWSCA's facilitation of an updated Tier 2 drought allocation plan among the BAWSCA agencies
- Implementation of activities under BAWSCA's Water Conservation Implementation Plan and BAWSCA's Making Water Conservation a California Way of Life 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: \$606,500

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

Conservation, FERC, Urban Water Mgmt. Plan	\$264,000
Water Supply Agreement Administration Fair Pricing	\$85,000
Water Supply Agreement Administration Reliability	\$95,000
SFPUC 10-Year CIP, WSIP and Water Reliability	\$80,500
BAWSCA (General legal)	\$80,000
RFA & BAWUA (General legal)	\$2,000
Total	\$606,500

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 \$606,500. 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 2020-21

The charges and billing rates for persons/positions associated with this agreement are set forth below for all matters, including legal services to support arbitration under the Water Supply Agreement and services provided to BAWSCA in connection with the FERC relicensing and Restore Hetch Hetchy litigation. These charges and billing rates do not include other specialized litigation. The proposed hourly rates for FY 2020-21 represent no increase compared to FY 2019-20 rates. BAWSCA will consider a rate increase proposal, if requested, from Hanson Bridgett for the period beginning January 1, 2021. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$606,500.

FY 2020-21 RATES

Partner	\$400 per hour
Senior Counsel	\$355 per hour
Associates	\$330 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 2020-21.

Fiscal Impact:

The not-to-exceed amount of \$150,000 for strategic services is included in the proposed Operating Budget for FY 2020-21. The proposed budget is the same as the current year's adopted budget with no increase in billing rates or fees.

If large unanticipated legislative or other efforts that arise during FY 2020-21 require additional strategic counsel, the Board would be asked to reprogram the FY 2020-21 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 2019-20, 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 Bay Delta Water Quality Control Plan, the relicensing of the New Don Pedro Project through the Federal Energy Regulatory Commission (FERC), and subsequent related activities.
- b) Provided strategic counsel in BAWSCA's efforts to ensure that the SFPUC meets its legal and contractual obligations to meet the 184 mgd Supply Assurance and adopted water supply Level of Service Goals for the Regional Water System.
- c) Provided strategic counsel in representing the member agencies, collectively and individually, in the ongoing negotiation of a contract amendment to address the potential transfer of an individual member agency's supply guarantee and minimum purchase obligation to another member agency.

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 and local elected officials, 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, 2014, and 2019.

3. Counseling the CEO/General Manager on the most effective ways to present ideas and information in pursuit of BAWSCA's goals.

Examples: Assisting the CEO/General Manager in developing negotiating strategies for the 2009 Water Supply Agreement (WSA) and the 2019 WSA amendments, and communicating at critical junctures to achieve successful completion of the new agreement and amendments between San Francisco and BAWSCA's member agencies. Assisting the CEO in developing negotiating strategies for a potential contract amendment that would allow for a transfer of a portion of an individual member agency's Individual Supply Guarantee and Minimum Purchase Requirement to another member agency.

3. Anticipating public issues and avoiding public disputes.

Examples: Ensuring SF meets its legal and contractual obligations to provide the Supply Assurance and meet the adopted water supply Level of Service goals; Potential Mountain Tunnel failure and unplanned outage of Hetch Hetchy water; Monitoring WSIP performance and SFPUC's adoption of changes to WSIP.

4. Assisting the CEO/General Manager with media relations to improve public understanding of BAWSCA's work and accurate communication of information.

Examples: 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.

Examples: 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, BAWUA, 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 2020-21, strategic services are needed to help BAWSCA achieve its results. Two major results to be produced in FY 2020-21 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 2020-21 will be the advancement of SFPUC's efforts to develop new supplies to enable it to meet its water supply obligations to the member agencies and their water customers. A fourth major result to be produced in FY 2020-21 will be the successful negotiation and adoption of a contract amendment that will facilitate supply guarantees/minimum purchase requirements transfers among the member agencies, which was identified as a critically important item in 2018 when the most recent Water Supply Agreement amendments were being negotiated.

Mr. Wendell will also continue to support the CEO/GM in issues pertaining to Restore Hetch Hetchy.

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 2020-21 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 implementation and BAWSCA's efforts related to SFPUC's obligations to provide the Supply Assurance and meet its water supply Level of Service goals.
- 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.

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

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Hazen and Sawyer**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract amendment with Hazen and Sawyer for developing and evaluating water supply scenarios using BAWSCA's Regional Water System & Supply Modeling Tool (Model) for FY 2020-21.

Fiscal Impact:

The contract amendment for a not-to-exceed amount of \$135,000 for water supply scenario evaluation using the Model is included in the proposed FY 2020-21 Operating Budget. The proposed budget is the same as the current year's contract budget and includes no increase in billing rates.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract amendment with Hazen and Sawyer, subject to legal counsel's final review, up to an amount not to exceed \$135,000 for water supply scenario evaluation using the Model.

Discussion:

A key effort included in BAWSCA's FY 2017-18 Work Plan was the development of an independent Regional Water System & Supply Modeling Tool (Model). Prior to the Model's development, BAWSCA had relied on the SFPUC's modeling resources to inform long-term planning decisions. However, as BAWSCA's and the member agencies' needs grew, it was not effective to rely on the SFPUC for modeling work to meet BAWSCA's analytical and schedule needs. After completing the RFP process, Hazen and Sawyer was awarded a one-year contract, with the option for an additional four, one-year extensions, to develop the Model and provide support services.

The development of the baseline Model was complete in FY 2017-18. In FY 2018-19, BAWSCA extended the Agreement to exercise its option for the services contemplated in the RFP, including development of three different water resources scenarios and conducting a workshop to elicit feedback from BAWSCA member agencies on the baseline Model. In FY 2019-20, BAWSCA again extended the agreement for services including updating the model to incorporate new demand projection and supporting evaluation of the feasibility and potential benefits of participating in the Los Vaqueros Expansion Project.

For FY 2020-21, major tasks to be completed include: using the Model to continue to evaluate the effects of new/alternate water supply sources, droughts and infrastructure outages, and regulations; updating the existing model scenarios and utilizing the model to support BAWSCA's long-term water supply strategy updates; and training new BAWSCA staff members on use of the model.

Scope of Services, Results to Be Achieved, and Billing Rates:

The draft scope of services and billing rates with Hazen and Sawyer for FY 2020-21 are shown in Exhibit A.

Exhibit A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Hazen and Sawyer**

FY 2020-2021 DRAFT SCOPE OF SERVICES

Purpose:

On March 24, 2017, BAWSCA issued a request for proposals (RFP) for a consultant to develop the Regional Water System & Supply Modeling Tool (Model) and for ongoing water resources support services for up to five years. The RFP also gave BAWSCA the option to request that the consultant use the calibrated Model to investigate and evaluate additional regional reliability scenarios. After completing the RFP process, Hazen and Sawyer (Consultant) was awarded a one-year contract to develop the Model and provide support services. In FY 2018-19 and FY 2019-20 BAWSCA extended the Agreement to exercise its option for the services contemplated in the RFP. BAWSCA has independently analyzed the results generated from the Model, and for FY 2020-21 requires specialized services for the continued development and testing of BAWSCA's Model, as well as related services for evaluating water resources projects. BAWSCA now wishes to extend the Agreement again as further described below.

Work to Be Performed:

Task 1 – Water Supply Model Analysis and Development

Under Task 1, BAWSCA and the Consultant will use the Model to continue to evaluate the effects of new/alternate water supply sources; droughts and infrastructure outages; and regulations affecting water supply availability. Work to be performed under Task 1 may include:

- Model updates and continued analysis on the existing Los Vaqueros Expansion (LVE) scenario created under Task 6A in FY 2018-19 (modified in FY 2019-20).
- Model updates and continued analysis on the existing Bay Delta Plan / SED scenario created under Task 6F in FY 2019-20.
- Modeling analysis of short-term drought and/or infrastructure outages.
- Model updates and analysis of other new or expanded supply source(s) and/or water transfers.
- Model updates and analysis associated with other scenarios as needed by BAWSCA.

Updates to the model and associated analysis assume the following activities:

- Modifications to the model network and RiverWare Policy Language (RPL) operating rules.
- Addition or modification of new/updated model parameters and/or time series (e.g. updated water supply availabilities from regional suppliers).
- Coordination with regional supply agencies/modelers to provide associated model comparison and/or parallel model runs.
- Associated model calibration and post processing of results.
- 4 meetings with BAWSCA staff and/or regional supply agencies to review modeling results and/or coordinate on regional supply planning scenarios

- Associated project management and quality control.

Task deliverables include the following:

- Updated RiverWare model network and RPL code.
- Technical memorandum providing documentation of model scenarios developed under this Task.

Task 2 – External Document and Model Review

On an as needed basis, the Consultant will review various materials (e.g. external documents, plans, and/or models) supporting BAWSCA's long-term water supply strategy.

Task activities may include:

- Review of documentation and modeling associated with SFPUC's climate change analysis.
- Review of documentation and modeling associated with South Bay Aqueduct (SBA) reoperation and/or improvements.
- Review of documentation associated with proposed projects with the Bay Area Regional Reliability (BARR) program.
- Review and coordination with SFPUC modeling staff associated with development / release of a new system model replacing HH/LSM.
- Review and coordination with regional supply agencies associated with the development of simplified models for environmental groups.

Task deliverables include the following:

- Technical memoranda summarizing the materials and implications on BAWSCA's long-term water supply strategy.

Task 3 – Updates to the Long-Term Water Supply Strategy

On an as needed basis, the Consultant will support BAWSCA staff to update the Long-Term Water Supply Strategy document.

Task deliverables include the following:

- Model output, including tables and figures.
- Text supporting document development.
- As needed review of the document.

Task 4 – Training

The consultant will provide training for BAWSCA staff on the Model. Task activities may include:

- Answer questions about the RiverWare modeling software, including executing model runs and managing outputs.
- Provide explanation of how the regional water system is represented through the model network and RPL code.

Task deliverables include the following:

- As needed support via conference call and/or webinar.

- 2 in-person training meetings.

Development of training materials for the training meetings.

Budgeted Activities:

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

Task 1 – Water Supply Model Analysis and Development	\$77,000
Task 2 – External Document and Model Review	\$23,000
Task 3 – Updates to the Long-Term Water Supply Strategy	\$23,000
Task 4 – Training	\$12,000
<hr/>	
Sub-Total	\$135,000

Not-to-Exceed Contract Amendment Limit: \$135,000

Rates and Charges:

Given the global pandemic and its accompanying fiscal impacts, Consultant has held its rates at the FY 2019-20 levels per BAWSCA's request. The following are the FY 2020-21 billing rates for this contract amendment:

Hazen Staff

Vice President (Marc Solomon)	\$300.00
Senior Associate (Grantley Pyke)	\$208.04
Associate (Luke Wang)	\$160.43
Principal Engineer (Alex Gorzalski)	\$160.43
Assistant Engineer (Kinsey Hoffman)	\$112.82
Assistant Engineer (Diane Roher)	\$120.00
Assistant Engineer (Grant Groshans)	\$120.00

Subconsultants (EKI)

Vice President (Anona Dutton)	\$289.80
Engineer (Tina Wang)	\$165.60

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 2020-21. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$53,500 is included in the proposed FY 2020-21 Operating Budget. The proposed budget is the same as the current year's adopted budget and with a 3% increase in billing rates. In Spring 2018, during preparation of the FY 2019-20 operating budget, KNN requested a 3% rate increase. At that time, BAWSCA declined the request and agreed to consider it in FY 2020-21. The KNN billing rates had remained unchanged for the previous four years.

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 \$53,500 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 assist 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 2019-20, KNN assisted BAWSCA in reviewing debt service and capital spending calculations and other components of the Wholesale Revenue Requirement. KNN also provided assistance in the 2018-19 amendments to the 2009 Water Supply Agreement.

For FY 2020-21, KNN will assist in reviewing the FY 2019-20 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, and Billing Rates:

The draft scope of services and billing rates with KNN for FY 2020-21 are shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2020-21 SCOPE OF SERVICES

Purpose

For FY 2020-21, 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 other assignments assigned.

Not to Exceed Contract Limit: \$53,500

Rates & Charges:

Managing Director	\$345
Vice President	\$325
Asst. Vice President/ Sr. Analyst/ Sr. Assoc.	\$275
Associate	\$230
Analyst	\$205

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 2020-21 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 2020-21 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 budget 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 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 2020-21, 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, and Billing Rates:

The draft scope of services and billing rates with Orrick for FY 2020-21 are shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2020-21 SCOPE OF SERVICES

Purpose:

For FY 2020-21, 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	\$950/hour
Devin Brennan	\$895/hour
Richard J. Moore	\$950/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 2020-21 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 2020-21 Operating Budget. The proposed budget is the same as in the current year's adopted 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 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:

Since 2014, the same advisors currently managed by PTA has been providing ongoing investment advisory services for all BAWSCA's bond funds deposited at the Trustee and identified investment alternatives available for the bond stabilization fund.

For FY 2020-21, PTA will 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 the account investment holdings and activities.

Scope of Services, Results to be Achieved, and Rates and Charges:

The draft scope of services and rates and charges with Public Trust Advisors for FY 2020-21 are 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 2020-21 SCOPE OF SERVICES

Purpose

For FY 2020-21, 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 2020-21 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. In that event, the additional earnings, net of PTA's management fees, resulting from such active management of amounts held in the interest and principal funds would be expected to exceed the earnings the agency would have otherwise 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 2020-21 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 \$56,500 is included in the Proposed FY 2020-21 Operating Budget. The proposed budget is the same as the current year's revised operating budget with no increase in billing rates.

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 \$56,500 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, and Billing Rates:

The draft scope of services and billing rates with Stetson Engineers for FY 2020-21 are shown in Exhibit A.

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

DRAFT

FY 2020-21 SCOPE OF SERVICES

Purpose:

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

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 2019-20) 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	21,500
Max. Day	1,000
J-Tables	7,250
System/County-line Meters	19,000
Unexpected Activities	2,500
Sub-Total	\$56,500

Not-to-Exceed Contract Limit: \$56,500

Rates and Charges:

Hourly billing rates are shown below:

Principal	\$230
Associate I	\$115
Associate II	\$110
Assistant I	\$95
Assistant II	\$90
Administrative I	\$70

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Terry Roberts Consulting, Inc. for FY 2020-21**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Terry Roberts Consulting, Inc. for FY 2020-21. 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. 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 2019-20 Operating Budget for these services. The proposed budget remains the same as in this current fiscal year with no 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 2020-21, the SFPUC's efforts in implementing the WSIP will continue to be focused on two key remaining WSIP projects: 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. While there are two principle projects that remain in WSIP, the scheduled completion is not until December of 2023. BAWSCA also believes that the WSIP schedule may need to be extended beyond that 2023 date. Retaining Mr. Robert's services is of great assistance to BAWSCA while WSIP remains open.

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. In FY 2017-18, BAWSCA expanded its efforts to track the SFPUC's 10-Year CIP. With the adoption of amendments in 2019 to the 2009 Water Supply Agreement (WSA), SFPUC was contractually required to engage BAWSCA more formally in development of its CIP. BAWSCA used the services of Mr. Robert's and his team during this CIP review, tracking, and engagement effort. While the SFPUC commission approved the new 10-year CIP in February of 2020, due to the City of San Francisco's anticipated budget shortfall due to COVID-19 related matters, San Francisco Mayor London Breed has directed all city departments, including the SFPUC, to review previously adopted budget and propose reductions, including revising the 10-year CIP

by cutting or delaying projects and programs. Mr. Roberts will provide assistance to BAWSCA staff in the review of those proposed changes.

Mr. Roberts' prior experience in implementing complex CIPs in the public sector brings significant value to BAWSCA's review of the WSIP and SFPUC's 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 regional cost, and who are in the communities in which much of the infrastructure is located.

Scope of Services, Results to Be Achieved, and Billing Rates:

The draft scope of services and billing rates with Mr. Roberts for FY 2020-21 are shown in Exhibit A.

EXHIBIT A

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

DRAFT FY 2020-21 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. For FY 2020-21, SFPUC has indicated that due to COVID-19 related budget constraints they are going to be adjusting their proposed 10-year. Work will focus on assisting BAWSCA staff in the review of draft CIP proposals as they are put forward by the SFPUC. For both WSIP and CIP projects, consultant will identify critical project or program issues that might warrant BAWSCA's attention or formal comment.
- 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.

Not to Exceed Contract Limit: \$115,000

Rates and Charges:

The following are the FY 2020-21 hourly billing rates for this contract:

Terry Roberts	\$216.00
Jean Gardner	\$137.50

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Authorization to Negotiate and Enter into an Agreement with West Yost Associates to Conduct an SFPUC Asset Management Program Audit Phase 2**

Summary:

The BAWSCA FY 2019-20 Adopted Work Plan includes the initiation of an audit of the SFPUC's asset management practices for the San Francisco Regional Water System (SF RWS). The Asset Management Program Audit (Audit) Phase 1, to be completed in FY 2019-20, includes the review and documentation of the existing SF RWS asset management program in place at the SFPUC.

Based on the results of Phase 1, Phase 2 efforts are recommended in FY 2020-21. Phase 2 will include participation in SFPUC's initiatives to broaden its asset management program. In particular, West Yost Associates would serve as BAWSCA's technical expert to review and provide input on the individual asset management plans to be developed by the Hetch Hetchy Water and Power (HHWP) Division of SFPUC in FY 2020-21.

Fiscal Impact:

Phase 2 of the Audit, to be completed in FY 2020-21, has a proposed budget of \$34,600. This proposed budget is based on the assumption that SFPUC's asset management plan preparation may be delayed in FY 2020-21 due to its own budget limitations. If SFPUC were to proceed with their asset management plan development at an accelerated pace, an amendment to the budget to accommodate additional work may be recommended.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute an agreement with a West Yost Associates, for a not-to-exceed amount of \$34,600, subject to legal counsel review, to complete the Asset Management Program Audit Phase 2 scope.

Discussion:

The BAWSCA FY 2019-20 Adopted Work Plan included the initiation of an audit of the SFPUC's asset management practices. Phase 1 of the audit, to be completed in FY 2019-20, includes the review and documentation of the existing SF RWS asset management program in place at the SFPUC. Per Section 3.10c of the 2009 WSA, San Francisco is required to cooperate with such an audit, consider findings and recommendations of such an audit, and provide written response within 90 days after receipt of the final audit report.

Through a competitive procurement process, West Yost Associates was selected to complete Phase 1 of the Audit. In July 2019, the BAWSCA Board authorized the CEO to negotiate and execute a one-year contract with West Yost Associates to complete Phase 1, with option to extend the contract for Phase 2 services if BAWSCA determined initial audit actions were needed after reviewing the Phase 1 results.

During the Phase 1 effort, it was identified that the HHWP Division of the SFPUC is developing several initiatives to broaden their asset management program. These efforts include

development of 14 asset management plans, development of a risk-based prioritization tool and performing a gap analysis of its asset management program.

For Phase 2 of the Asset Management Audit, BAWSCA seeks to engage in SFPUC's asset management initiatives, in particular by reviewing and providing comments on draft and final work products. It is anticipated that working with SFPUC on the asset management plan development will provide the most efficient and cost-effective approach for ensuring the SFPUC asset management processes are consistent with industry best practices. SFPUC is open to BAWSCA's participation in the asset management plan development.

It is currently unclear how SFPUC's budget and staffing adjustments, as a result of the COVID-19 crisis, will impact its plans and schedule for asset management plan development. Given this uncertainty, BAWSCA is proposing a contract amount of \$34,600 for West Yost Associates to engage in SFPUC asset management plan development in FY 20-21, which is slightly less than half of the original Phase 2 budget.

Scope of Services, Results to Be Achieved, and Billing Rates:

The draft scope of services and billing rates with West Yost Associates for FY 2020-21 are shown in Exhibit A.

Exhibit A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and West Yost and Associates**

**FY 2020-2021 DRAFT SCOPE OF SERVICES
“Assets Management Program Audit – Phase 2”**

Purpose:

For Phase 2 of the Asset Management Audit, BAWSCA seeks to engage in SFPUC’s asset management initiatives, in particular by reviewing and providing comments on draft and final work products. HHWP Division of the SFPUC is developing several initiatives to broaden their asset management program, including development of asset management plans and a risk-based prioritization tool and the completion of a program gap analysis.

Work to Be Performed:

Task 1 - Project Management

West Yost will manage the project budget and schedule as noted below. Monthly invoices will be developed for the preceding months’ work and submitted to BAWSCA. A summary of the month’s activities will be included in each invoice. Since this project will be subject to the actual progress of SFPUC, the Project Manager will communicate as needed with the BAWSCA Project Manager via monthly email or telephone calls to maintain open communication on project progress.

Task 2 - Review HHWP Asset Management Plan Initiatives

HHWP Division is developing several initiatives to broaden their asset management program. Two years ago, the Division began a program to develop 14 asset management plans, develop a risk-based prioritization tool and perform a gap analysis of its asset management program. Four (4) of the asset management plans are scheduled for completion in fiscal year 2020 with four (4) more every successive year.

West Yost will evaluate work products associated with each of these initiatives. For each initiative, West Yost will review draft and final products and provide written comments.

Not-to-Exceed Contract Amendment Limit: \$34,600

Rates and Charges:

Given the global pandemic and its accompanying fiscal impacts, Consultant has held its rates at the FY 2019-20 levels per BAWSCA’s request. The following are the FY 2020-21 billing rates for this contract amendment:

Role	Rate (\$/Hour)
Principal/Vice President	\$298
Engineering/Scientist/Geologist Manager I/II	\$274 / \$287
Principal Engineer/Scientist/Geologist II	\$264
Associate Engineer/Scientist/Geologist II	\$206
Engineer/Scientist/Geologist II	\$182
Administrative IV	\$133

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Water Systems Optimization, Inc. to Implement Water Loss Management Program for FY 2020-21**

Summary:

The BAWSCA Water Loss Management Program (WLM Program) provides BAWSCA member agencies with technical support related to water system auditing and water loss management. The program was launched in FY 2018-19 as a recommendation of the BAWSCA “Making Conservation a Way of Life” Strategic Plan to support the BAWSCA agencies in complying with water loss regulatory requirements.

The WLM Program contains two components:

1. The **WLM Technical Assistance Program (TAP)**, which provides technical assistance to individual BAWSCA agencies in completing annual water audits and improving water loss management practices. This program is offered as a Subscription Conservation Program, and therefore, those agencies wishing to participate in the program will fully fund the cost of implementation in their service area.
2. The **Loss Evaluation and Knowledge (LEAK) Work Group** provides water loss control education and peer to peer learning opportunities for all BAWSCA agencies. The LEAK Work Group is part of BAWSCA’s Core Conservation Program, funded by BAWSCA through the Operating Budget to the benefit of all BAWSCA agencies, as a component of the BAWSCA “Making Conservation a Way of Life” workplan item.

Fiscal Impact:

The proposed FY 2020-21 budget includes the \$30,000 budget allocation to fund the LEAK Work Group for FY 2020-21. The Technical Assistance Program will be offered on a subscription basis, and only those agencies that elect to participate in the program will pay the cost of the selected outside service provider. The proposed budget for both the LEAK Work Group and TAP are the same as the current year’s contract budget and include no increases in billing rates.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1) **Negotiate and execute a contract between BAWSCA and Water Systems Optimization, Inc., subject to legal counsel’s final review, for a not-to-exceed amount of \$30,000 for implementation of the Water Loss Management Program in FY 2020-21; and**
- 2) **Offer participation in the Water Loss Management Technical Assistance Program to interested BAWSCA agencies on a subscription basis.**

Discussion:

In October of 2015, the Governor of California signed Senate Bill (SB) 555 into law to improve water system auditing throughout the state. SB 555 requires all California Urban Retail Water Suppliers to submit validated water audits to the Department of Water Resources (DWR) annually, beginning in October 2017. SB 555 also requires that, by July 1, 2020, the State Water Resources Control Board (SWRCB) adopt rules requiring urban retail water suppliers to meet

performance standards for water loss. Most of BAWSCA's 26 member agencies have completed validated audits and submitted the audits to DWR in 2017 and 2018.

The WLM Program was a key recommendation of BAWSCA's "Making Water Conservation a California Way of Life" Strategic Plan Phase 1 Report, completed in 2018. The purpose of the WLM Program is to provide the BAWSCA agencies the necessary technical assistance to comply with SB 555 requirements and to benefit from cost-effective water loss interventions.

The TAP portion of the WMP Program is implemented as a Subscription Program, funded by the individual agencies that elect to implement the program for their respective service areas. In FY 2019-20, sixteen BAWSCA agencies participated in the TAP. These agencies have expressed a strong desire to continue the TAP in FY 2020-21.

The LEAK Work Group portion of the WLM Program is implemented as a Core Program, recommended to be funded by BAWSCA for FY 2020-21 to the benefit of all BAWSCA agencies as part of the BAWSCA "Making Conservation a Way of Life" workplan item. The LEAK Work Group provides water loss control education and peer to peer learning opportunities for the BAWSCA member agencies. In FY 2019-20, nearly all BAWSCA agencies participated in the LEAK Work Group.

Scope of Services, Results to Be Achieved, and Billing Rates:

The draft scope of services and billing rates with Water Systems Optimization for FY 2020-21 are shown in Exhibit A.

Exhibit A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Water Systems Optimization**

**FY 2020-2021 DRAFT SCOPE OF SERVICES
to IMPLEMENT THE WATER LOSS MANAGEMENT PROGRAM FOR FY 2020-21**

Work to Be Performed:

Task A and Tasks 1 through 5 are offered to each participating agency to support water loss control work.

Task A: Level 1 Validation

WSO provides Level 1 Validation, a process of reviewing the annual water audit (detailed in the requirements set forth by The Department of Water Resources, Title 23 CCR § 700.3).

This task involves:

- **Data transfer:** WSO will request the water audit and supporting documentation necessary for level 1 validation from each agency.
- **Validation session:** WSO will schedule and lead an interview with appropriate staff to confirm the inputs and Data Validity Grades provided in the water audit.
- **Documentation:** WSO will furnish all necessary documentation for compliance with the requirements set forth by the Department of Water Resources, Title 23 CCR § 700.3.

Beyond the required Level 1 Validation as described above, the following tasks accommodate varying needs for water loss management.

Task One: Program Management

For any agency working on tasks beyond Level 1 Validation, WSO will set up systems of data collection and management, track progress, and communicate frequently.

WSO will work to:

- Understand the full context of and incentives for water loss control activity at the Participating Agency
- Acknowledge past challenges and hurdles in managing water loss
- Develop project communication and management approaches
- Provide monthly updates on work complete (via BAWSCA invoicing)

Task Two: Water Audits & Data Sources

2.a: Water Audit Compilation

With the support of each Participating Agency's staff, WSO will compile a water audit in the American Water Works Association (AWWA) Free Water Audit Software.

In Task 2.a, WSO will:

- Collect and review water audit data (inclusive of all water audit inputs except for billing data, which is addressed in Task 2.b)

- Complete the water audit compilation in the AWWA Free Water Audit Software
- Produce supporting documentation required for level 1 validation
- Identify strengths and shortcomings of available information and instruments

2.b: Billing Data Analysis

WSO will intake and review the agency's billing data for the audit period.

In Task 2.b, WSO will:

- Review data for integrity and completeness
- Prorate billing data for best alignment with production data
- Identify and visualize anomalous records
- Identify notable findings and potential errors

2.c Source Meter Volumetric Accuracy Testing

In this task, WSO will design and conduct a volumetric source meter accuracy test. Source meter accuracy testing establishes a field-verified volume of water supplied, the baseline of the water audit. For each source meter accuracy test, WSO will:

- Conduct a site visit
- Draft a test design
- Conduct a volumetric accuracy test with comparative meter or reservoir reference volume
- Complete a data chain assessment, if relevant
- Analyze test results
- Document test procedure for future meter accuracy investigation

2.d Field Pressure Survey

In this task, WSO will identify the best fit goals for pressure data collection for the participating agency. The following table summarizes three potential goals and our approach toward achieving each one.

<i>Goal:</i>	Understand System Average Pressure	Investigate Pressure Transients	Identify Potential District Metered Areas
<i>Approach:</i>	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy pressure loggers ○ Analyze and visualize pressure data ○ Calculate average system pressure ○ Recommend potential targeted pressure reductions 	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy high-frequency pressure loggers ○ Analyze and visualize pressure data ○ Analyze and explain transients ○ Recommend transient mitigation 	<ul style="list-style-type: none"> ○ Identify pressure zone boundaries and critical infrastructure ○ Study zonal hydraulic isolation ○ Establish zonal pressure average and pressure range ○ Recommend further study toward DMA installation and management

2.e Water Audit Miscellaneous Support

WSO will provide technical support and guidance to Participating Agency in completing its water audit. Level of support and associated costs will be determined through discussions with the Participating Agency.

Examples of this work may include:

- **Billing Data Chain Assessment:** an especially detailed review of billing data (beyond Task 3.b) that interrogates the processes of billing data collection, transmission, and reporting. This work is well fit for new AMI systems to corroborate successful processing of high-resolution data.
- **Process Map Development:** a process by which WSO visually maps the agency's water audit's data sources and associated data maintenance practices. This can be 1) a useful educational tool to communicate the importance of different departments' contributions to the water audit and 2) a valuable documentation practice to understand current processes and identify improvements.

If there are specific water loss assistance tasks that are not already included in the those offered, WSO can develop a task and scope to suit your needs here.

Task Three: Leakage Analysis & Recovery

3.a Component Analysis of Real Losses

For this task, WSO will perform a component analysis of real losses to establish the unique leakage profile and inform targeted and cost-effective leak management strategies for an agency.

WSO's component analysis of real losses entails modeling background leakage using infrastructure and pressure data, quantifying reported leakage using repair records, assessing of unreported leakage proactively discovered through leak detection, and estimating ongoing hidden leakage. By working with documentation on your infrastructure, pressure, leak detection, and repair practices, WSO will also identify and recommend data collection and management improvements that provide more accurate insight into leakage.

WSO's work on this task will provide:

- Determination of leakage volumes: background, unreported, reported, and hidden leakage
- Break frequency analysis and comparison to national and international datasets
- Evaluation of documented leak response times
- Review of leak documentation and recommendations for improved data collection
- Analysis of cost-effective intervention against leakage
- Leakage management program design

3.b Leak Detection Survey

WSO offers acoustic leak detection survey services for hidden water loss identification and recovery. In this survey work, an expert leak detection technician listens for leak noise on all available appurtenances on main pipe and service connections. Geophones and correlators will be used to pinpoint and confirm potential leaks as necessary.

In this task, WSO will:

- Prepare for and lead a leak detection kick off meeting to walk through the methodology and discuss procedures for traffic control, leak identification and leak confirmation.

- Perform a comprehensive acoustic leak detection survey
- Collaborate with the agency to ensure agreement on existence and location of leak findings
- Provide documentation of each suspected leakage event

Task Four: Customer Meter Accuracy & Testing

4.a Apparent Loss Analysis

Apparent losses result from customer meter inaccuracy, meter reading errors, data transcription errors, inaccurate consumption estimates, and theft. Apparent losses produce revenue loss, and the accuracy of apparent loss estimations affects insight into system leakage volumes.

To assess apparent losses, WSO will:

- Design a random and representative meter test sample
- Prioritize large customer meters for testing
- Analyze existing (and/or newly completed) test results
- Review and refine estimates for unauthorized consumption and systemic data handling errors
- Calculate and value apparent losses due to customer meter inaccuracy
- Recommend further study and customer meter management

4.b Customer Meter Accuracy Testing via Subcontractor

For participating utilities without customer meter testing programs in place, WSO will facilitate customer meter bench testing through a subcontracted service provider.

In this work, small and large meters would be tested to better understand typical customer meter accuracy. The service provider will bench test small meters and in-situ test large meters in accordance with AWWA M6 meter testing standards. To participate in this task, agencies would need to:

- Sign up for Task 5.a so that WSO can assist in the preparation of the meter testing program and analysis of test results
- Pull and replace the small meters identified for testing
- Provide access in the field to large meters identified for testing

Task Five: Reporting

WSO views accessible reporting as an essential part of a water loss control program. Our reports document all water loss investigations and findings for future reference and stakeholder communication. Each report will describe the task's analysis, synthesize findings, and outline recommended next steps.

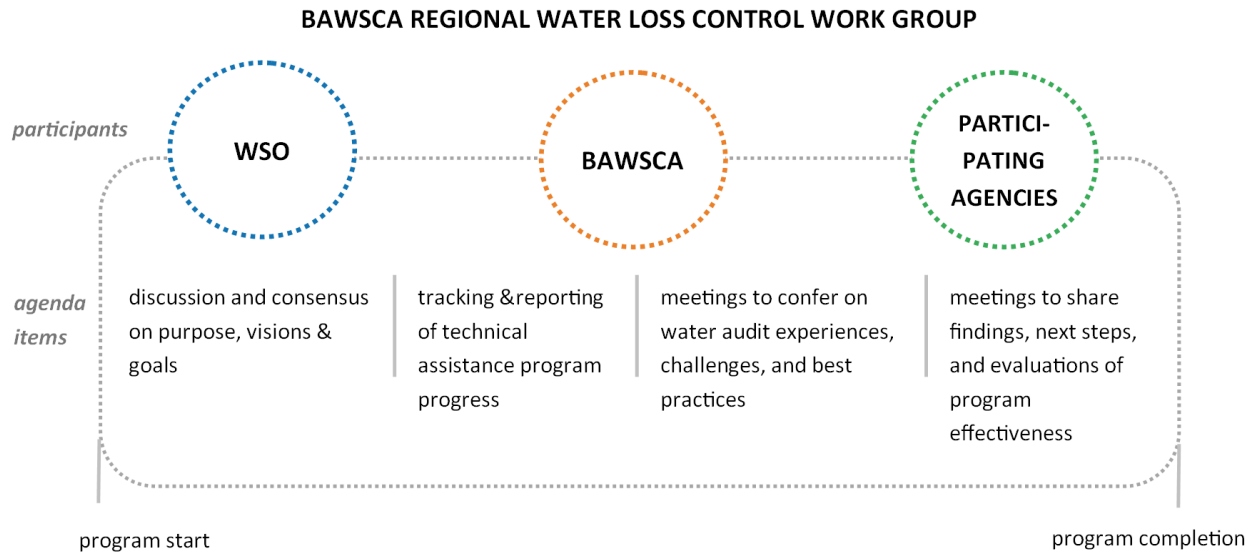
Task Six: Regional Water Loss Control Work Group

6.a Regional Water Loss Control Work Group Meetings

Developing a productive, well-attended Regional Water Loss Control Work Group (RWLC Work Group) will be a cornerstone of the BAWSCA Water Loss Control Program.

WSO together with BAWSCA will lead the LEAK Work Group meetings, provide technical input, schedule the meetings, prepare meeting agendas, steer the RWLC Work Group toward goal outcomes, share background information and additional resources, prepare meeting notes and

keep track of action items identified during these meetings. The figure below presents a summary of participants and activity we expect for the RWLC Work Group meetings.



Possible subsequent RWLC Work Group meeting topics include:

- Source meter testing procedures
- Advanced metering infrastructure and the role of technology in water loss management
- The statistics of customer meter testing and customer meter management
- Component analysis of real loss methodology
- The economics of water loss control
- District metered area management
- Water loss in California

6.b Summary Reporting and Regulatory Updates

In addition to leading and coordinating the RWLC Work Group, WSO will provide monthly progress updates, communicating with BAWSCA staff on the status of the Participating Agencies. At the close of each year's work, WSO will provide summary reporting, reflecting on observed trends and the group's achievements.

Rates and Charges:

Given the global pandemic and its accompanying fiscal impacts, Consultant has held its rates at the FY 2019-20 levels per BAWSCA's request. The following are the FY 2020-21 program rate schedule and billing rates for this contract amendment:

Rate Schedule

Program Item	Subtask Selection	Unit Cost x Quantity	Total Cost
A. Level 1 Validation	<input type="checkbox"/> Level 1 Validation	\$2,500	
1. Program Management	<input type="checkbox"/> 1.a Ongoing Administration	\$390 x ____ # of subtasks selected from 2.a, 2.b, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a, 4.b	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$730	
2. Water Audits & Data Sources	<input type="checkbox"/> 2.a Water Audit Compilation	\$4,320	
	<input type="checkbox"/> 2.b Billing Data Analysis	\$4,480	
	<input type="checkbox"/> 2.c Source Meter Volumetric Accuracy Testing	\$4,020 x ____ # of tested meters	
	<input type="checkbox"/> 2.d Field Pressure Survey	determined upon discussion with Contractor about system setup (starts at \$10K and scales to size of survey)	
	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	determined upon discussion with Contractor about audit support needs (rates in Table 1 below)	
3. Leakage Analysis & Recovery	<input type="checkbox"/> 3.a Real Losses Component Analysis	determined upon discussion with Contractor about repair data (between \$4K and \$15K given extent and readiness of repair data)	
	<input type="checkbox"/> 3.b Leak Detection – Preparation & Kick Off	\$2,220 (required if conducting leak detection)	
	<input type="checkbox"/> 3.c Leak Detection – Survey	____ mileage to be surveyed price based on tiered rate described below (Table 2)	
4. Customer Meter Accuracy & Testing	<input type="checkbox"/> 4.a Apparent Loss Analysis	\$7,720 4.a required if conducting Task 4.b, meter accuracy testing	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing	See Separate Agreement	
5. Report Preparation	<input type="checkbox"/> Reporting	\$2,520 x ____ # of subtasks selected from Tasks 2.a, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a	
6. BAWSCA Administration Fee			\$150
7. Maximum Program Cost		Total Items 1 - 6	\$

Billing Rates

Table 1. Hourly Rate Table for additional services (Task 2.e)

Role	Rate (hourly)
Project Advisor	\$ 260
Project Director	\$ 210
Project Manager	\$ 180
Analyst	\$ 140

Table 2. Comprehensive Leak Detection Mileage Rate Table (Task 3.b)

Mileage Surveyed	\$/mile
Mile 1 through Mile 50	400
Mile 51 through Mile 100	350
Miles 101 +	300

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with EarthCapades to Conduct a School Assembly Program for FY 2020-21**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with EarthCapades to implement a School Assembly Program for FY 2020-21. Participation in this water conservation program is voluntary. BAWSCA's 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 subscription water conservation program is recommended.

Fiscal Impact:

This Program is being offered on a subscription basis. For FY 2020-21, 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 2020-21; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2020-21 will be the ninth year that the School Assembly Program would be offered to BAWSCA member agencies. Fourteen 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 Water Demand and Conservation Projections Project.

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. Recently, due to COVID-19, Earthcapades reformatted their materials and successfully executed twelve (12) assemblies virtually in April, and twelve (12) are taking place in May.

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.

Because of its connection with school children, this program would be initiated in August 2020 and run through June 2021. The scope of work for FY 2020-21 is expected to be largely consistent with the scope of work for the prior year's program, which is included as Exhibit A. However, due to COVID-19, a majority of the Spring 2020 EarthCapades school assemblies were administered virtually with the approval of the participating agencies. If schools remain to be closed in Fall 2020, the EarthCapades Program will continue to be offered virtually.

The participating member 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, including the reformatted virtual assemblies, and have expressed a desire to continue the School Assembly Program with EarthCapades in FY 2020-21. Given EarthCapades' qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 are shown in Exhibit A.

EXHIBIT A

EarthCapades School Assembly Program - FY 2020-21

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 2020-21 school year, August 2020 through June 2021.

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, 2020, or sooner. If, during the course of FY 2020-21, 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, 2020.
- 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 17, 2020. EarthCapades will provide comments on drafts to Local Water Agencies by July 24, 2020.
- Local Water Agencies will mail a Letter of Invitation with a Fax Request Form to all eligible schools by August 3, 2020. 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, 2020 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 2021, 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, 2020.
- 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, 2021 that includes the following:
 - a. Brief Introduction
 - b. Brief Summary of Show content
 - c. Documentation, by Agency, of the schools/locations/events where EarthCapades performed
 - d. Documentation, by Agency, of the number of people/kids that attended each EarthCapades performance
 - e. Select quotes from survey results
 - f. A few photos to give a feel of a performance
 - g. Link to the survey results

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Franklin Energy to Implement the School Education Program for FY 2020-21**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Franklin Energy (formerly Resource Action Programs) to implement the Water Wise School Education Program for FY 2020-21. BAWSCA is currently working with Franklin Energy to determine an effective approach for virtual implementation of the program in the event of continued school closures in FY 2020-21 due to COVID-19. Minor adjustments to the scope of work may be made to accommodate this change.

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 subscription water conservation program is recommended.

Fiscal Impact:

This Program is being offered on a subscription basis. For FY 2020-21, 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 Franklin Energy, subject to legal counsel's final review, for implementation of the School Education Program in FY 2020-21; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2020-21 will be the fourteenth 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 agencies in meeting the conservation targets identified in the Regional Demand and Conservation Projections Report.

The contractor, Franklin Energy, offers various programs oriented towards water, energy, and other natural resource conservation and education. Water Wise School Education Program targets 5th grade students and includes (1) an 8-unit curriculum that is given to teachers, and (2) a water audit kit. There are three types of educational kits that an agency may opt to fund: an Indoor Water Audit Kit, an Outdoor Water Audit Kit, and a LivingWise Water and Energy Audit Kit.

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. Through FY 2018-19, 38,124 students have participated in the program, and the estimated lifetime water saving from kits installed has reached 6,983 acre-feet.

Because of its connection with school children, this program would be initiated in September 2020 and run through June 2021. The scope of work for FY 2020-21 is expected to be largely consistent with the scope of work for prior years' programs. A draft scope of work for each of the three kit types (Indoor Water Audit, Outdoor Water Audit, and LivingWise Water and Energy Audit) is included as Exhibits A, B, and C.

BAWSCA is currently working with Franklin Energy to determine an effective approach for virtual implementation of the program in the event of continued school closures in FY 2020-21 due to COVID-19. Minor adjustments to the scope of work may be made to accommodate this change.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 Indoor Water Wise program, Outdoor Water Wise program, and LivingWise program are shown in Exhibits A, B, and C.

**EXHIBIT A
Franklin Energy**

**Draft FY 2020-21
BAWSCA Indoor WaterWise™ Program Description and Scope of Services**

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, 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 5th 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:

- 1,025 kWh of electricity (assuming 20% electric water heat)
- 142 therms of gas (assuming 80% gas water heat)
- 39,533 gallons of water
- 39,533 gallons of wastewater

(Actual results will vary)

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 High Efficiency Faucet Aerators (Kitchen 1.5 & Bathroom 1.0 G.P.M. max)
- Digital Thermometer
- Toilet Leak Detector Tablets
- Miniature Tape Measure
- Rain / Drip Gauge
- Shower Timer
- Natural 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. 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, 2021, 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 up to a \$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 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 emails or 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 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, 2021, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2021, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2021. In addition, based on the results of the surveys returned to Contractor by March 10, 2020, 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 2020 – July 2020	Receive sponsor funding commitment
September 2020 – May 2021	Teacher Outreach / Enrollment Process
September 2020 – May 2021	Program and Kit Delivery
September 2020 – June 2021	Program Implementation
March 15, 2021	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2021	Program Summary Report delivered to sponsors for initial program

(The timetable is approximate and may vary depending on program implementation needs and individual sponsor needs).

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 5th 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
Franklin Energy**

**Draft FY 2020-21
BAWSCA Outdoor WaterWise™ Program Description and Scope of Services**

PROGRAM DESCRIPTION

The **BAWSCA Outdoor 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 Outdoor 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 around 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 Outdoor WaterWise** Program combines classroom activities with at-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 Outdoor 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, is a great resource for classes, teachers, and individuals. Beyond these computer resources, the **BAWSCA Outdoor 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 5th grade participant sponsored, the program will attempt to fulfill the following objectives:

- Install 2 High-efficiency TORO Sprinkler nozzles and 1 hose spray nozzle
- Check hoses for leaks and repair if needed.
- Install one Garden Hose Spray Nozzle.
- Conduct an audit of the lawn's water needs and the sprinkler system's efficiency.
- Collect outdoor 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.

- Estimated savings will be calculated based on participant survey data results.

PROGRAM MATERIALS

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

- Garden Hose Spray Nozzle
- Male and Female End Garden Hose Replacement
- Soil Moisture Meter
- TORO Female Precision 180° Nozzle
- TORO Female Precision 90° Nozzle
- TORO Male Precision 180° Nozzle
- TORO Male Precision 90° Nozzle
- Rain / Drip Gauge
- Natural Resource Facts Slide Chart
- Flow Rate Test Bag
- 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 Outdoor 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 Outdoor 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. 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 Outdoor WaterWise** Program described in this attachment including but not limited to the following:

I. 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 an **Outdoor 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, 2020, 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.

J. Providing all **BAWSCA Outdoor WaterWise** Materials. Contractor will provide each participant with a **BAWSCA Outdoor 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.

K. 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 Outdoor 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 Outdoor 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.

L. Providing follow-up and support services. Contractor will make courtesy calls to ensure the **BAWSCA Outdoor 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 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.

M. 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, 2021, CONTRACTOR will alert BAWSCA.

N. Providing a Preliminary Program Summary Report. No later than March 15, 2021, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2021. In addition, based on the results of the surveys returned to Contractor by March 10, 2021 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.

O. 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.

P. 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 2020 – July 2020	Receive sponsor funding commitment
September 2020 – May 2021	Teacher Outreach / Enrollment Process
September 2020 – May 2021	Program and Kit Delivery
September 2020 – June 2021	Program Implementation
March 15, 2021	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2021	Program Summary Report delivered to sponsors for initial program

(The timetable is approximate and may vary depending on program implementation needs and individual sponsor needs).

BAWSCA OUTDOOR WATERWISE PROGRAM COST

The per participant cost for the Outdoor WaterWise program is \$32.50, broken down as follows: \$15.50 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 Outdoor 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 5th 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 Outdoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

EXHIBIT C
Franklin Energy

Draft FY 2020-21
BAWSCA LivingWise® Program Description and Scope of Services

PROGRAM DESCRIPTION

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. Families 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, 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 5th 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
- Use 1 Shower Timer

- 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:

- 645 kWh of electricity (assuming 20% electric water heat)
- 48 therms of gas (assuming 80% gas water heat)
- 10,699 gallons of water
- 10,699 gallons of wastewater

(Actual results will vary)

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
- Natural 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. 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, 2021, 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 up to a \$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 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 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, 2021, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2021, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2021. In addition, based on the results of the surveys returned to Contractor by March 10, 2021, 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 2020 – July 2020	Receive sponsor funding commitment
September 2020 – May 2021	Teacher Outreach / Enrollment Process
September 2020 – May 2021	Program and Kit Delivery
September 2020 – June 2021	Program Implementation
March 15, 2021	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2021	Program Summary Report delivered to sponsors for initial program

(The timetable is approximate and may vary depending on program implementation needs and individual sponsor needs).

BAWSCA LivingWise PROGRAM COST

The per participant cost for the **LivingWise** Program is \$47.70, broken down as follows: \$30.70 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 5th 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 Global Sun Landscape to Implement the Lawn Be Gone! Site Inspection Program for FY 2020-21**

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 2020-21. The Lawn Be Gone! Site Inspection Program provides a valuable enhancement to BAWSCA's Lawn Be Gone! Program for the agencies that opt to participate. The Inspection Program can be provided by a qualified vendor at a reasonable cost. For these reasons, renewal of this subscription water conservation program is recommended.

Fiscal Impact:

This Program is being offered on a subscription basis. For FY 2020-21, 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 2020-21; 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 assists 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, six agencies are participating in the Program, and these agencies have expressed a strong desire to continue participating in the program next year.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 are 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 2020-21 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.

<u>Item</u>	<u>Unit Cost (per site)</u>
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

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Maddaus Water Management for FY 2020-21**

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 technical 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. The DSS Model Support Services will be offered as a subscription water conservation program.

Fiscal Impact:

This Program is being offered on a subscription basis. For FY 2020-21, 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, for implementation of the DSS Model Support Services Program in FY 2020-21; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

In 2019, BAWSCA contracted with MWM to complete the Regional Demand and Conservation Projections Study (Demand Study). The Demand Study involved updating the individual DSS Models for each BAWSCA agency to develop water demand projections and conservation savings estimates through 2045. The Demand Study will be complete in June 2020, and the results will support the BAWSCA agencies in completing their 2020 Urban Water Management Plans and in preparing for compliance with the new statewide water use efficiency requirements.

Following completion of the Demand Study, BAWSCA agencies may periodically require technical assistance from MWM associated with the DSS model. Services will be performed on an as-needed basis and may include: 1) Modifications to DSS Model Input data; 2) Additional model runs or scenario testing, 3) One-on-one DSS Model training, or 4) other technical assistance.

The DSS Model Support Services Program has been offered since the completion of the prior 2014 BAWSCA Demand Study. Participation has ranged from two to five agencies each year.

Scope of Services, Results to Be Achieved, and Billing Rates:

The draft scope of services and billing rates for FY 2020-21 are 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 2020-21 SCOPE OF SERVICES

Work to be Performed:

The Bay Area Water Supply and Conservation Agency (BAWSCA) has contracted with Maddaus Water Management (Project Team) to provide as-needed technical 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. The DSS Models were updated in FY 2019-2020 as part of the Regional Demand and Conservation Projections Project.

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

Services will be provided at the hourly billing rates specified in BAWSCA's professional services agreement with Maddaus Water Management (see Attachment 1). If an agency has requested that additional support, then the individual agency will reimburse BAWSCA for the time spent by the Project Team to assist the agency.

If an agency anticipates that it will need technical support for the DSS Model, then that agency should complete this Participation Agreement and return it to BAWSCA. BAWSCA will alert the Project Team of the agency request and budget. Then, when the support is needed, BAWSCA and the Project Team will confirm with that agency on task details and anticipated budget. With the agency's approval, the Project Team will complete the requested additional work and invoice BAWSCA as a separate line item on the Project invoices. BAWSCA will in turn invoice the agency for the specific work that was completed on their behalf.

If an agency determines that it will need additional technical assistance from the Project Team, it can submit a new or revised Participation Agreement at that time and the rest of the process will occur as described above.

Rates and Charges:

The following are the FY 2020-21 hourly billing rates for this contract:

Lisa Maddaus, Senior Engineer	\$260.00
Michelle Maddaus, Senior Engineer	\$255.00
Christopher Matyas, Senior Software Engineer	\$255.00
Tess Kretschmann, Staff Engineer	\$175.00
Annikki Chamberlain, Water Resources Analyst	\$130.00
Hannah Braun, Demand Forecast Modeler	\$100.00
Andrea Pacheco, Technical Editor	\$125.00
William Maddaus, Technical Advisor	\$380.00

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with M&M Backflow and Meter Maintenance to Implement the Customer Water Meter Accuracy Testing Program for FY 2020-21**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with M&M Backflow and Meter Maintenance to implement the Customer Water Meter Accuracy Testing Program (Program) for FY 2020-21. The Program, which would be implemented as a Subscription Program as part of the BAWSCA's Water Loss Management Program, will provide volumetric customer water meter accuracy testing services. The goal of the Program is to support BAWSCA agencies to reduce water losses to an economically optimized level and to comply with water loss requirements implemented by the State of California as part of Senate Bill (SB) 555.

Fiscal Impact:

The Program is being offered on a subscription basis. For FY 2020-21, 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 M&M Backflow and Meter Maintenance, subject to legal counsel's final review, for implementation of the Customer Water Meter Accuracy Testing Program in FY 2020-21; and**
- 2) Offer participation in the Program to interested BAWSCA agencies on a subscription basis.**

Discussion:

During the fall of 2018, participating BAWSCA member agencies completed validated American Water Works Association (AWWA)-methodology water audits to assess distribution system losses and fulfill auditing requirements stipulated by SB 555. The water auditing process revealed that many BAWSCA member agencies are not equipped to estimate their volumes of apparent losses resulting from customer metering inaccuracies. An understanding of the accuracy of the customer meter stock is required for accurate water auditing and effective water loss control program design.

The Customer Water Meter Accuracy Testing Program has been offered to BAWSCA member agencies since November 2019. The customer meter testing effort is a component of a broader regional Water Loss Control Program. The Program includes two key components: (a) bench testing of small meters (up to 2-inch diameter), and (b) field testing of large meters (greater than 2-inch diameter). The aim of the Program is to reduce water losses to an economically optimized level and to comply with water loss requirements implemented by the State of California.

Currently, four agencies are participating in the Program, and these agencies have expressed a strong interest to continue participating in the program next year.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 is shown in Exhibit A.

Exhibit A

**DRAFT FY 2020-21 Scope of Services:
Customer Water Meter Accuracy Testing Services**

Purpose:

The Bay Area Water Supply and Conservation Agency (BAWSCA) administers a Customer Meter Accuracy Testing Program (Program), under which M&M Backflow & Meter Maintenance (Contractor) supports participating BAWSCA agencies in reducing water losses to an economically optimized level and in complying with water loss requirements implemented by the State of California. The Program includes two key components: (a) bench testing of small meters (up to 2-inch diameter) and (b) field testing of large meters (greater than 2-inch diameter).

Work to be Performed:

Task 1 - Project Management

- Provide administrative services to oversee the day to day implementation of the Project.
- Periodically meet with BAWSCA project manager and WSO, either via phone or in person, to discuss Project goals, progress, and outcomes.

Task 2 – Meetings

- Meet in-person with BAWSCA, Participating Agencies, and WSO staff to confirm the alignment of meter test protocols with desired best-practice methodology.

Task 3 – Coordinate meter testing schedule and logistics

- Connect with relevant staff at each Participating Agency to establish a working relationship and schedule meter tests. Each Participating Agency will furnish a list of meters to be tested that includes meter sizes, types, and locations.
- Coordinate the meter test effort with each agency to comply with safety and notification standards, permit the Participating Agency to maintain standard operations, and meet testing program deadlines agreed upon in Task 1.

Task 4 – Test small meters and large meters

- Participating Agencies that contract for meter testing services have the option of random and representative small meter testing, targeted large meter testing, or both small and large meter testing. Based on the schedule and meter selection agreed upon in Task 2, conduct meter testing and adhere to the testing schedule.

- Participating Agencies will pull the meters to be tested from the field and deliver them to the meter testing firm with the agreed upon identification labeling. However, a few Participating Agencies may prefer that the meter testing firm pull the meters from the field for testing.
- Test results must be documented using the template supplied by WSO and capture all requested information. Test results should be delivered at least once per week to the participating agency and, if authorized by the participating agency, to WSO, via email.
- Meter testing services will need to encompass small meters (3" and smaller) and large meters (4" and larger). Small meters will be removed and placed on a mobile test bench or transported to a testing facility. Large meters will be tested in-situ.
- Both small meters and large meters will be tested at a minimum of three flow rates that represent a low flow rate, an intermediate flow rate, and a high flow rate. Small meter flow rates will be drawn from AWWA Manual M6: Water Meters – Selection, Installation, Testing, and Maintenance. Small meter tests must be conducted for a duration sufficient to ensure a quantity of throughput that minimizes test uncertainty. Large meter test flow rates will be selected based on each meter's consumption history and flow distribution profile. In the absence of this information, large meter test flow rates will be drawn from Manual M6. Large meter tests must also be conducted for a duration sufficient to ensure a quantity of throughput that minimizes test uncertainty.
- Test results must be reported to each Participating Agency in the standardized format prescribed by WSO. Test results will be documented in Excel spreadsheets and capture the following information at a minimum for each meter tested, though additional reporting requirements may be established:
 - Date of test
 - Staff conducting test
 - Meter serial number
 - Meter location (e.g. address)
 - Meter size
 - Meter manufacturer
 - Meter model or type
 - For each flow rate test (low flow rate, intermediate flow rate, and high flow rate):
 - Flow rate
 - Tested meter register/totalizer start value
 - Tested meter register/totalizer stop value
 - Reference meter register/totalizer start value (if reference meter used)
 - Reference meter register/totalizer stop value (if reference meter used)
 - Volume of throughput (if no reference meter used)
 - Reference meter accuracy or throughput adjustment (if applicable)
 - Test duration
 - Miscellaneous notes
- Test results must be recorded to as many significant figures as are available given test instrumentation.

Task 5 – Meet with BAWSCA and WSO to evaluate the meter testing program

- WSO, BAWSCA, and the Contractor will meet in-person to evaluate the meter testing program and produce a report that documents the regional Water Loss Control Program

meter testing effort. WSO will author the report and will require both verbal and written input from the Contractor.

Rates and Charges:

Program Item	Unit Cost x Quantity
A. Bench Testing – 5/8" x 3/4" Meters	\$15.00/meter for less than 10 meters \$10.00/meter for 10 or more meters
B. Bench Testing – 3/4" Meter Short Length Meter Tests	\$15.00/meter for less than 10 meters \$10.00/meter for 10 or more meters
C. Bench Testing – 3/4" Long Meter Tests	\$17.50/meter for less than 10 meters \$12.50/meter for 10 or more meters
D. Bench Testing – 1" Meter Tests	\$20.00/meter for less than 10 meters \$15.00/meter for 10 or more meters
E. Bench Testing – 1 1/2 " and 2" Meters	\$30.00/meter for less than 5 meters \$25.00/meter for 5 or more meters
F. Large Meter Field Testing (a)	\$225.00/meter for less than 5 meters \$175.00/meter for 5 or more meters
G. BAWSCA Administration Fee	\$128

(This page was intentionally left blank)

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Authorization to Negotiate and Enter into a Memorandum of Understanding with the Regional Water Authority to extend Implementation of a Regional Smart Controller Program in FY2020-21**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute an amendment to the Memorandum of Understanding (MOU) with the Regional Water Authority (RWA) to implement the Regional Smart Controller Program for FY 2020-21. The Program provides a cost-effective way for BAWSCA agencies to implement programs to assist in compliance with the new urban water use objective mandated by the State under AB 1668 and SB 606. For this reason, renewal of this subscription conservation program is recommended.

Fiscal Impact:

The Program will be offered on a subscription basis. For FY 2020-21, only those agencies that elect to participate in the program will pay the costs of the selected outside service provider and program administration.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1. Negotiate and enter into a Memorandum of Understanding with the Regional Water Authority, subject to legal counsel review, to implement a Regional Smart Controller Program; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

In 2019, BAWSCA entered into a partnership with the Regional Water Authority (RWA) to implement a Regional Smart Controller Program (Program). The Program offers the residential water customer an instant rebate and discounted price on the purchase of a smart controller. Through a competitive procurement process, Rachio was selected to implement the Program.

The Program was initially implemented in FY 2019-20. BAWSCA and RWA desire to extend the program through FY 2020-21. 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.

Smart controllers are weather-based irrigation controllers that use current weather data to properly adapt irrigation schedules. The goal of the Program is to improve water use efficiency in single-family households through the management of outdoor water use. The Program will support BAWSCA agencies in complying with the new urban water use objective mandated by the State under AB 1668 and SB 606.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 are included in Attachment A. It is anticipated that the scope will remain largely unchanged from the current scope.

Attachment A
DRAFT Scope of Services: Regional Smart Controller Program

<p>Nature of Services</p>	<p><u>Program Description:</u></p> <p>The Regional Water Authority (RWA) is seeking support for the implementation of a Regional Smart Controller Program (Program). Situated in the central valley of California, the Sacramento region’s residential outdoor water use is estimated to be between 50-60% of a household’s total use. The goal of the Program is to convert higher water use households to more water efficient households through the installation of smart controllers to manage outdoor water use. The Program timeline is June 2019-March 2020 with an opportunity to extend further into 2020 and beyond, pending RWA approval and available funding. Currently funding for the Program is \$110,000. There may be additional opportunities to expand the Program into other parts of northern California, in partnership with RWA, pending partner water agency approval and available funding. For this Program, smart controller is defined as a weather-based irrigation controller that uses current weather data to properly adapt irrigation schedules.</p> <p>RWA is seeking responses from Consultants that can perform the following tasks. Tasks may be modified throughout the Program time period on the approval of both RWA and the selected Consultant.</p> <p>TASK 1. Program Design and Administrative Framework</p> <p>Program Design: Consultant will work with RWA staff to design a Smart Controller Program that will fit the needs of RWA and its member water agencies. Design includes the selection of smart controllers to be offered through the Program, associated customer costs (if any) and customer target audience.</p> <ul style="list-style-type: none"> • Smart controllers distributed through the Program must be certified by the United States Environmental Protection Agency (USEPA)’s WaterSense Program (www.epa.gov/watersense/irrigation-controllers). Other controller features must include an optional associated mobile phone application, ability to program customized irrigation zones and watering days and a noninvasive installation process. Some participating agencies may choose to add in additional irrigation related devices such as high efficiency sprinkler nozzles to compliment the controller and increase water savings. All products distributed/installed through this Program must be WaterSense labeled, if applicable. Estimated cost per controller is required in Attachment C. • RWA is open to considering a variety of customer cost scenarios including 100% RWA funded and cost share (customer and RWA funded) options, with the understanding the RWA has a limited budget. RWA encourages the submitting Consultants to propose Program funding ideas based on previous experience/observations, customer satisfaction ratings and
----------------------------------	--

	<p>customer participation research. Proposal should also include a Program design option that allows for different customer cost scenarios among participating cities and water providers for continued participation of RWA agencies beyond the initial \$110,000 funding and for additional participation from potential multiregional partners. For example, controllers may be partially funded for some service areas and entirely funded for others.</p> <ul style="list-style-type: none"> • Consultant will work with RWA to define and identify the ideal customer target audience in the region. RWA prefers to focus on high water use customers. Definitions of high water use customers may vary between participating RWA member water agencies and partnering agencies. <p>Administrative Framework: Consultant must provide RWA with a web-based online platform to provide information on the number of active controllers in the region, irrigation schedules, and respective water agency for each controller location. Exact location and customer data is not needed. The platform will be used by RWA to provide monthly Program updates to water agency members and will be included in any related reports. Ideally summary information would be easily downloadable from the online platform in excel or PDF format.</p> <p>TASK 2. Customer Focus</p> <p>Marketing: Consultant will work with RWA staff and member agencies to refine customer target audience and provide a marketing plan to reach the identified audience. The marketing plan will include a variety of direct and digital marketing strategies to promote customer installation of smart controllers and may include email and social media campaigns, neighborhood based groups and/or referral programs. Consideration will also be given for those customers that may not have access to digital resources or prefer more traditional outreach methods like flyers and postcards. Marketing efforts should reflect available Program budget.</p> <p>Customer Assistance: Consultant will provide a service telephone number to field customer questions regarding the Program. This telephone number will be included on all printed and digital outreach materials. Customer inquiries to the phone line will be returned within 24 hours. The telephone number will remain active for the full duration of the Program unless agreed otherwise by RWA and Consultant.</p> <p>Customer Eligibility: Consultant will work with RWA to develop an online customer sign up portal/website to confirm customer eligibility according to RWA Program rules and regulations. Eligibility requirements have not been determined yet but may include location/address, account number verification, approved landscape irrigation audit, and/or water use thresholds.</p>
--	--

	<p>Product Warranty: Consultant will provide a minimum of one year product warranty for all smart controllers and other devices distributed or installed through the Program. Warranty may be a manufacturer’s warranty. Information about the warranty will be provided to the customers upon delivery/installation of the smart controller and/or other devices.</p> <p>Participation/Sign Up: Consultant must provide an online customer sign up portal/website for the Program. Portal must be able to verify customer information, allow customer to select products for purchase/rebate, accept customer payments (as needed), allow for customer sign up for optional installation services, and provide some level of customer support with Program questions. Portal must be user and mobile friendly. Customer interface portal should allow for clear delineation of program options available based on customer’s address and/or water agency.</p> <p>Installation: Consultant will acquire, train, and manage installation professionals that will perform work in RWA member service areas for the duration of the Program. Through the online platform, customers will have the option to receive a controller (and potentially other devices) via mail and customers can also select to have the controller installed for a fee. Consultant may also provide an option for customers to have an on-site irrigation system audit. Fee for controller installation and/or irrigation audit may be partially paid by RWA/participating water agency or may be solely paid by the customer desiring such services. Fee structure for installation and irrigation audit may vary by city or water provider. Consultant is solely responsible for all liability from installations on customers’ properties and will develop and collect liability forms from all customers choosing installation services. Consultant will confirm that installation professionals have the required training and licensing to perform installations for controller and additional devices. Consultant will track and submit data to RWA listing customers that participated in installation services. Estimated fee per installation is required in Attachment C.</p> <p>Training: Consultant will design and provide two in-person customer training sessions throughout the Program timeframe. The training sessions serve two purposes: 1) to provide customers with additional information about operating and maintaining their smart controller; and 2) to provide water agency staff additional information on how to assist customers with questions about smart controllers over time. Sessions will be held in geographically diverse, publicly accessible locations in the region in partnership with RWA and member water agencies. Consultant will also provide an online training session (webinar or similar format) that can be accessed by customers, RWA, and partner agencies outside of the training sessions in perpetuity. Consultant will also provide an educational handout with every smart controller distributed through the Program. Content of the handout will be approved by both Consultant and RWA.</p>
--	---

	<p>TASK 3. Evaluation Metrics</p> <p>Consultant will provide options for tracking and evaluating Program participation for the entire regional Program as well as by individual participating water agency. Metrics may include post installation/participating customer satisfaction survey. Metrics will be approved by RWA Program Manager and will be included in Program Status and Completion Reports (Task 4). Metrics may be changed during the Program timeframe to respond to changing Program needs. Real time online downloadable summary of metrics is preferred.</p> <p>TASK 4. Program Status and Completion Reports</p> <p>Consultant will provide RWA with Program status reports on a quarterly basis and one final completion report at the end of the Program. Reports will include but are not limited to the following: participating water customers information, number and type of controllers and/or irrigation equipment distributed and/or installed, type of controller removed from customer's residence (if installation services were provided), incurred Program costs, customer complaints (if any), etc. Consultant will work with RWA to define report outline prior to Program start. Report outline may be modified during the Program timeframe to meet unforeseen reporting needs.</p>
Program Expansion Opportunities	<p>Several other regional and wholesaler agencies in northern California may be interested in participating in this Program. Consultant should brainstorm and present potential management options in the RFP response to incorporate other regional/wholesaler agencies. RWA would serve as the Program lead for any expansion efforts and the partner agencies would enter into an agreement with RWA to piggyback on the contract resulting from this solicitation. Consultant should incorporate the following considerations into their proposal:</p> <ul style="list-style-type: none">• How would your company expand the requested RWA services (administrative framework, customer portal, installation services, marketing, etc.) to other agencies?• What services are customizable for other participating agencies? Selection of products?• List benefits from expanding the Program beyond the RWA member service areas. Potential to offer discounts for product and services?• List potential challenges from expanding the Program beyond the RWA member service areas. <p>Potential partners include: BAWSCA and the BAWSCA Member Agencies and Sonoma Water and its contractors.</p>

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 2020-21**

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 2020-21. Since its inception, the LLCSP has enhanced member agencies' water conservation efforts at reasonable cost. For this reason, renewal of this subscription water conservation assistance program is recommended.

Fiscal Impact:

For FY 2020-21, 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 2020-21 will be the eighteenth 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 offer next fiscal year to support agencies in meeting the conservation targets identified in 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. In calendar year 2019, BAWSCA had 1,017 large landscape sites enrolled in the program. Commercial sites enrolled in the program that accessed the Waterfluence website and engaged their landscape contractor, were, on average, 17% more efficient in their watering. 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 2020-21 is expected to be consistent with the scope of work for prior year's program with no cost increases for existing services. The one modification to the existing scope is the addition of an analytics-only option for water use monitoring capabilities for small sites only available to agency staff for internal purposes at a lower cost than the traditional base services.

Scope of Work, Results to Be Achieved, and Program Costs:

The draft scope of work and program costs for FY 2020-21 are shown in Exhibit A. The scope of work will be updated as necessary during negotiation of a new contract.

EXHIBIT A

Waterfluence - FY 2020-21

DRAFT SCOPE OF WORK

a. Setup

- a.1 Site Selection. Agency selects landscape sites to participate in program. Waterfluence assists selection using its experience to maximize program objectives and review of base year data. Sites can have multiple water meters.
- a.2 Customer Billing Data. For selected sites, Agency provides customer account information and 3 or more years of historical water use as available. Waterfluence adds account and water data to its website database. Waterfluence collects water prices and local daily weather data from CIMIS, NOAA, or other sources. Agency provides digital file of its logo.
- a.3 Site Map. Waterfluence creates a digital map for each site using recent aerial imagery. Maps include square footage measurements of irrigated turf, irrigated shrubs/trees, and water features.
- a.4 Introduction Packet. Waterfluence produces and distributes a packet to each site that includes an introduction letter, FAQ, and Water Use Report. Waterfluence provides a generic introduction letter for Agency to customize. Waterfluence creates a one-page water use report for each site containing site information, historical water use, and a water budget based on site characteristics and daily local weather matched exactly in time with billing cycle. Waterfluence contacts each site about two weeks after sending the Introduction Packet to check if it got to the right person, get details about site contacts (email addresses), identify the landscaper and/or others involved with irrigation decisions, and answer any questions about the program.
- a.5 Customer Access to Website. Water customers get access and are encouraged to view their site information online at www.waterfluence.com. Website provides interactive water use charts, alerts and customized recommendations. Contacts can authorize third parties such as HOA board members and landscape contractors to also access their site information online.
- a.6 Agency Access to Website. Waterfluence provides Agency staff with online access to website to view site details and data analytics.

b. Base or Premium Subscription

- b.1 Monthly Data Collection. At the beginning of each month, Agency forwards Waterfluence a digital file with the previous month's water use for accounts in the program. Waterfluence collects daily weather data from CIMIS, NOAA, or other sources and updates water rates as relevant.
- b.2 Report Notification and Distribution. Each month Waterfluence notifies online site contacts when updated information is ready to view. Sites without online contacts are mailed hard copy water use reports every three months.
- b.3 Contact Management. Waterfluence continually updates site contact information. This

includes monitoring changes in account number, billing address and investigating email bounce backs/returned mail envelopes. Agency staff can assist with site contact management to maximize program engagement.

- b.4 Messaging. Agency staff can add messages regarding landscape events, useful hyperlinks, or irrigation policies to the website.
- b.5 Customer Service. Waterfluence provides customer service to site contacts via website, email and toll-free telephone number.
- b.6 Platform Maintenance. Waterfluence continuously maintains the features and security of its website software.
- b.7 Online Site Map Updates. Waterfluence has a mapping feature where users can modify their site maps and irrigated areas online. Agencies can elect to have user changes go through a vetting process whereby agency staff review any map changes for conformance with guidelines before changes become effective.
- b.8 Hourly Water Data. As available, agencies can provide Waterfluence with hourly data recorded from advanced metering infrastructure systems. Waterfluence displays hourly data on its website and generates customer notifications as necessary (e.g. leak detection, daytime irrigation).
- b.9 Premium Subscription. Optional higher level of service where Waterfluence staff spend more time with contact relationship management to improve stakeholder engagement. Recommended for agencies seeking maximum program results and/or preferring not to assist in this task.

c. Analytics-Only Subscription

- c.1 Analytics-Only. Same as base subscription but program information is only available to agency staff for internal purposes and not distributed to customers and their stakeholders. This is a lower cost alternative for monitoring small landscape sites for agencies wanting a complete inventory of their commercial and public landscape sites within Waterfluence.

d. Landscape Field Surveys

Agencies can annually select sites to receive a lower level service at lower cost. Waterfluence will maintain analytics-only sites for internal viewing by Agency staff via online Platform, but sites will not be available for viewing by outside customers or their stakeholders.

- d.1 Targeting and Marketing. Agency staff can target and preapprove sites eligible to receive a landscape field survey. The Platform will market the field survey opportunity to preapproved sites. Preapproved sites can accept the field survey opportunity via the platform with a click-through agreement. Sites accepting a field survey will be added to our field survey queue.
- d.2 Performing Field Surveys. Waterfluence will schedule surveys for sites in the field survey queue. The survey includes an irrigation expert visiting the site to: (1) refine the site map and water budget assumptions, (2) operate portions of the irrigation system to evaluate performance, and (3) document findings and recommendations in a Landscape Field Survey Report.

- d.3 Distributing Field Survey Report. Completed field survey reports will be posted online and all site contacts notified. Waterfluence will address any follow up questions. The Agency Administrative Portal documents all field survey activity, dates, and final report.

Deliverables

Waterfluence provides the following project deliverables:

1. Waterfluence Web Portal Access. Water agency staff get access to the Waterfluence 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
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 calendar year.
3. Waterfluence Report and Website Content Changes. Waterfluence is continually expanding and evolving the content shown on the Water Use Report and its website. All participating water agencies and BAWSCA will be notified of significant changes in content.

**EXHIBIT B
FY 2019-20 DRAFT RATE SHEET**

Program Item	Unit Cost
a. Site Setup	\$150 per new site
b. Base Subscription OR Premium Subscription	\$72 \$100 per site
c. Analytics Only Subscription	\$28 Per site
d. Landscape Field Survey	\$1,500 per survey

Notes:

- a. Site Setup. One-time fee per number of sites added to Program. Covers site selection, compiling water and weather data, creating site maps, distributing introductory packets, and startup site contact management.
- b. Base or Premium Subscription. The annual base subscription covers all ongoing costs associated with updating and distributing Program information. The Premium subscription includes additional Contractor staff time to actively monitor and improve customer engagement (recommended for agencies needing to maximize Program results and/or preferring not to assist in this effort).
- c. Analytics-Only Subscription. Same as base subscription but information only available to agency staff for internal purposes and not distributed to customers and their stakeholders. Lower cost alternative for monitoring small landscape sites.
- d. Landscape Field Survey. An optional, on-site evaluation that consists of an irrigation expert re-measuring irrigated areas, evaluating the irrigation system, and creating a customized report with findings and recommendations to improve irrigation efficiency.

(This page was intentionally left blank)

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: BAWSCA Board of Directors
FROM: Nicole Sandkulla, CEO/General Manager
DATE: May 15, 2020
SUBJECT: Chief Executive Officer/General Manager's Letter

Los Vaqueros Expansion (LVE) Project

On Tuesday April 21, 2020, BAWSCA hosted a Zoom Webinar during which representatives from Contra Costa Water District (CCWD) presented information regarding the LVE project efforts. A subset of the BAWSCA Board took part in the webinar. In their presentation, CCWD noted that work was underway to amend the Multi-Party Cost Share Agreement (MPA) through December 2021. Two amendments are planned. MPA Amendment No. 1 includes an extension of the existing MPA agreement through December 31, 2020 with no other changes and no additional financial commitments. MPA Amendment No. 2 is to include an extension of the agreement through December 31, 2021 as well as additional scope, funding, and other updates as required. CCWD also detailed the progress on resolving the South Bay Aqueduct conveyance issues.

BAWSCA also met with Valley Water and SFPUC to discuss the potential use of South Bay Aqueduct and Valley Water system to deliver water from LVE to the BAWSCA agencies. BAWSCA and SFPUC are currently coordinating to provide Valley Water with information on requested delivery timing and volumes to inform Valley Water's planning and analysis. BAWSCA has shared with CCWD and the other Local Agency Partners that SBA conveyance is a critical issue that must be resolved before BAWSCA can consider significant additional investments in the LVE Project.

BAWSCA Conservation Program Updates

Landscape Education Program:

Due to COVID-19, BAWSCA cancelled all in-person landscape classes and workshops through May 1st. Registrants and instructors were notified about the cancellation.

BAWSCA has instead successfully implemented a program to offer the landscape classes virtually. A total of 11 virtual landscape classes have been scheduled through June 2020 on topics such as water-efficient organic edible gardening, leak detection and repair, gardening with succulents, and rainwater harvesting. To date, webinar attendance has been significantly higher than what is typically seen at in-person classes and feedback from participants and agencies has been positive.

School Education Program:

Due to the closure of California schools, teachers are working together to find and implement educational, age-appropriate, and engaging on-line content for their students as school campus closures continue.

The BAWSCA EarthCapades Program provides educational school assembly performances that combine age-appropriate state science standards with circus skills, juggling, music, storytelling, comedy, and audience participation to teach environmental awareness, water science and conservation. To continue to educate students in a remote learning environment, EarthCapades has developed an online program that offers a blend of live and recorded Water Education content that is offered to the schools as a Virtual Assembly Program instead of the planned in-person school assembly. Twelve online performances were held in April and an additional twelve online performances are scheduled for May 2020. Virtual performances took place (or will soon take place) in schools in Menlo Park, Daly City, Coastsides, Burlingame, Redwood City, Mountain View, Hillsborough, San Bruno, Foster City, and Millbrae.

BAWSCA contracts with the Franklin Energy WaterWise Program to provide kits containing home water audit instructions and home efficiency devices which students take home, install and share with family members. Students work on subjects required by state learning standards to understand and appreciate the value of natural resources in everyday life. To enable the program to continue during the school closures, Franklin Energy has modified the program to allow for kits to be mailed directly to teachers or district warehouses and distributed to students at drop sites. The program will continue to be offered to interested teachers at eligible schools and will not result in additional costs to participating BAWSCA agencies.

Work on BAWSCA's Demand Study and a Review of SFPUC's Asset Management Practices Nears Completion

Two of BAWSCA's significant work efforts during FY 2019-20 are (1) an updated Demand Study prepared for the member agencies and (2) an assessment audit of SFPUC's Asset Management Practices. Both efforts are wrapping up in May of 2020, with plans to issue final reports on both efforts in late June 2020. Summaries of both efforts will be shared with the Board at its July 2020 meeting.

Board of Directors

Policy Calendar Through November 2020

Meeting Date	Purpose	Issue or Topic
May 2020	D&A A A R	Consideration of Proposed FY 2020-21 Work Plan and Operating Budget Consideration of Proposed FY 2020-21 Bond Surcharges Consideration of Changes to Approved Signatures for Bank Accounts Review of Water Supply Conditions
July 2020	D&A R&D S	Review of Agency Personnel Handbook Audit of SFPUC's Asset Management Program Los Vaqueros Expansion Project and Potential BAWSCA Participation
September 2020	D&A R&D R&D R&D R&D	Consideration of Action to Extend Current Tier 2 Drought Plan Discussion on CEO Evaluation Procedure OPEB Report Demand Study Findings Los Vaqueros Expansion Project and Potential BAWSCA Participation
November 2020	D&A D&A D&A D&A	Discussion and Consideration of Action on CEO Evaluation Annual Review and Consideration of BAWSCA's Statement of Investment Policy Review and Consideration of BAWSCA's General Reserve Policy Los Vaqueros Expansion Project and Potential BAWSCA Participation

(This page was intentionally left blank)

**Bay Area Water Supply and Conservation Agency
and Regional Financing Authority**

Meeting Schedule through July 2021

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – May 21, 2020	Teleconference due to COVID-19
Thursday – July 16, 2020	Oak Room, San Mateo Main Library
Thursday – September 17, 2020	Wind Room, Foster City Community Building <i>(Venue for Month of September Meetings with few exceptions)</i>
Thursday – November 19, 2020	Oak Room, San Mateo Main Library
Thursday – January 21, 2021	Oak Room, San Mateo Main Library
Thursday – March 18, 2021	Oak Room, San Mateo Main Library
Thursday – May 20, 2021	Oak Room, San Mateo Main Library
Thursday – July 15, 2021	Oak Room, San Mateo Main Library

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 21, 2021	Oak Room, San Mateo Main Library

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday – June 10, 2020	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – August 12, 2020	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – October 14, 2020	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – December, 9, 2020	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – February 10, 2021	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – April 14, 2021	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – June 9, 2021	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.