



## BOARD OF DIRECTORS MEETING

Thursday, May 20, 2021

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 20, 2021: Jay Benton, Randy Breault, Tom Chambers, Alison Cormack, Tom Hamilton, Karen Hardy, Sam Hindi, Steve Jordan, Ann Keighran, Rob Kuta, Gustav Larsson, Sam Liccardo, Juslyn Manalo, Lisa Matichak, Al Mendall, Chris Mickelsen, Carmen Montano, Larry Moody, Ray Mueller, 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/81427534232>

- Meeting ID: **814 2753 4232**
- Password: **995348**
- 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 814 2753 4232** and **Password 995348** when prompted.
- To Mute or UnMute, Press \*6.
- To Raise Hand, Press \*9.
- The Presentation will be available prior to the meeting at [www.bawsca.org](http://www.bawsca.org).

All audio and video will be OFF upon entry. Remaining on mute will reduce background noise.

Videos of Non-Board meeting participants will be kept OFF at all times during the meeting. Audio for Non-Board meeting participants will be enabled during allocated public speaking times and will be disabled when public comment time has expired.

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

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**BOARD OF DIRECTORS MEETING**

**Thursday, May 20, 2021**

**6:30 P.M.**

**AGENDA**

<b><u>Agenda Item</u></b>	<b><u>Presenter</u></b>	<b><u>Page</u></b>
<b>1. Call to Order/Roll Call/Salute to Flag</b>	<b>(Larsson)</b>	
<b>2. Comments by the Chair</b>	<b>(Larsson)</b>	
<b>3. Board Policy Committee Report</b> <i>(Attachment)</i>	<b>(Zigterman)</b>	<i>Pg 7</i>
<b>4. Public Comments</b>	<b>(Larsson)</b>	
<i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>		
<b>5. SFPUC Report</b>	<b>(Ritchie/Sandler)</b>	
<b>6. Consent Calendar</b> <i>(Attachments)</i>	<b>(Larsson)</b>	
A. Approve Minutes of the March 18, 2021 Meeting		<i>Pg 21</i>
B. Receive and File Budget Status Report – As of March 31, 2021		<i>Pg 25</i>
C. Receive and File Bond Surcharge Collection Reports – As of March 31, 2021		<i>Pg 27</i>
D. Receive and File Investment Report – As of March 31, 2021		<i>Pg 29</i>
E. Receive and File Directors’ Reimbursement Report – As of March 31, 2021		<i>Pg 31</i>
F. Second Amendment to Hanson Bridgett FY 2020-21 Professional Services Contract		<i>Pg 33</i>
G. Amendment to Strategic Counsel FY 2020-21 Professional Services Contract		<i>Pg 37</i>
H. Approval of Renewal to the Office Lease		<i>Pg 39</i>
<i>The Committee voted unanimously to recommend Board approval of the recommended action for Items F, G, and H.</i>		
<b>7. Report and Discussion</b>		
A. Potential Refunding of BAWSCA’s Revenue Bond Series 2013A – Actions Needed to Proceed	<b>(Tang)</b>	<i>Pg 41</i>

## 8. Action Calendar

- A. Proposed Fiscal Year 2021-22 Work Plan, Results to be Achieved, and Operating Budget (Attachment) **(Sandkulla)** Pg 49  
That the Board approve the:
1. Proposed FY 2021-22 Work Plan and Results to be Achieved;
  2. Proposed Operating Budget of \$4,783,794;
  3. Proposed Option #3 funding plan of 5% assessment increase, a transfer of \$281,676 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds for funding the Operating Budget; and
  4. Authorization of a request for a transfer of \$331,000 from the Balancing Account to BAWSCA in accordance with BAWSCA's Balancing Account Policy, Resolution #2020-02.
- The Committee voted unanimously to recommend Board approval of the recommended actions.*
- B. Approval of Professional Services Contracts for FY 2021-22 (*Attachments*) **(Sandkulla)** Pg 81  
Consultant Contracts for Technical and Administrative Services
1. Burr, Pilger, Mayer (Auditing, WSA) Pg 87
  2. Chavan (Audit Services) Pg 89
  3. Droplet (Online Landscape Rebate System) Pg 95
  4. Geosyntec (Engineering) Pg 99
  5. Hanson Bridgett (Legal Counsel) Pg 101
  6. Harlan P. Wendell, Management Communications (Strategic Counsel) Pg 109
  7. Hazen & Sawyer (Engineering) Pg 115
  8. Kelling, Northcross, Nobriga (Financial Advisor) Pg 125
  9. Orrick, LLP (Bond Documents Legal Services) Pg 131
  10. Public Trust Advisors, LLC (Investment Advisor) Pg 137
  11. Stetson Engineering (Water Analyses, WSA) Pg 139
  12. Richard Sykes (WSIP, 10-year CIP) Pg 143
  13. Water Systems Optimizations (Water Loss Management Program ) Pg 149
  14. Maddaus Water Management (Demand Study Update) Pg 159
  15. West Yost (Asset Management) Pg 171
- Consultant Contracts for Conservation Programs
16. AM Conservation Group (School Education Program) Pg 175
  17. EarthCapades (School Assembly Program) Pg 195
  18. Global Sun Landscape (Lawn Be Gone Inspection Services) Pg 201
  19. Maddaus Water Management (DSS Model Support Services) Pg 205
  20. M&M Backflow and Meter Maintenance (Customer Meter Testing) Pg 209
  21. Regional Water Authority (MOU for Rachio Smart Controller Program) Pg 215

22. Waterfluence, LLC (Large Landscape Conservation Services)

Pg 221

23. Watersmart (Home Water Use Report Program)

Pg 227

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

**9. CEO Reports**

- A. Water Supply and Use Update
- B. FERC/Bay Delta Plan Update
- C. CEO/General Manager's Letter (*Attachment*)
- D. Board Policy Calendar (*Attachment*)
- E. Correspondence Packet ([Under Separate Cover](#))

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**10. Closed Session**

(Schutte)

- A. Conference with Legal Counsel – Threat to Public Services or Facilities**  
Pursuant to California Government Code Section 54957
- B. Conference with Legal Counsel – Existing Litigation pursuant to 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 Paragraph (1) of subdivision (d) of Government Code Section 54956.9**  
State Water Board Cases (Sacramento County Superior Court Case No. 5013).

**11. Report after Closed Session**

(Schutte)

**12. Directors' Discussion: Comments, Questions and Agenda Requests**

(Larsson)

**13. Date, Time and Location of Future Meetings**  
(See attached schedule of meetings)

(Larsson) Pg 261

**14. Adjourn to next meeting scheduled for July 15, 2021 at 6:30pm**

(Larsson)

***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](mailto:bawasca@bawasca.org) or submitted by phone at 650-349-3000. Requests will be granted whenever possible and resolved in favor of accessibility.*

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# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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

## **MEMORANDUM**

TO: BAWSCA Board Members

FROM: Nicole Sandkulla, Chief Executive Officer/General Manager

DATE: May 13, 2021

SUBJECT: Summary of Board Policy Committee meeting held April 14, 2021

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1. **Call to Order:** Committee Chair, Tom Zigterman, called the meeting to order at 1:34 pm. A list of Committee members who were present (10), 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 Zigterman welcomed members of the Committee and reviewed the general procedures for conducting the meeting virtually to ensure efficiency in completing the necessary business.

He noted that the Committee's consideration of the agenda items are critically important to the agency's operational success and financial performance on behalf of the member agencies and its water customers. He noted that all actions by the committee will be done by roll call vote.

3. **Public Comments:** Public comments were provided by Dave Warner.
4. **Consent Calendar:** Approval of Minutes from the February 10, 2021 meeting.

**Director Mendall made a motion, seconded by Director Jordan, that the minutes of the February 10, 2021 Board Policy Committee meeting be approved.**

Director Kuta noted an irregularity with a sentence on the 2<sup>nd</sup> page, 3<sup>rd</sup> line of the minutes. Ms. Tang clarified that the sentence should state "...saves the agencies over \$3.5M collectively..."

Director Mendall agreed to amend the motion, seconded by Director Jordan, that the minutes of the February 10, 2021 Board Policy Committee meeting be approved with the noted correction.

**The motion carried unanimously by roll call vote.**

5. **Action Item #1:**

A. **Second Amendment to Hanson Bridgett's FY 2020-21 Professional Services Contract:** Ms. Sandkulla reported that legal expenses associated with completing critical work plan items for

this current fiscal year has exceeded what was budgeted, particularly on efforts with the WSA amendment, the Bay Delta Plan, and the FERC relicensing process. In an effort to keep the budget tight in FY 2020-21, Legal Counsel's budget was set at a level that did not anticipate for concurrent increased levels of activities for all three efforts.

The Board authorized the first amendment at its March meeting, in which it was noted that a second amendment will follow, once the amount needed to complete the necessary work is determined.

The use of the Balancing Account to fund the proposed second amendment is recommended in an effort to manage the financing of the budget this fiscal year and for FY 2021-22. With the Board's budget feedback received in March, expenses in the current fiscal year were analyzed to identify what efforts qualify to be funded by the Balancing Account.

Ms. Sandkulla reported that expenses incurred for the strategy implementation and core conservation program implementation are eligible for reimbursement to BAWSCA from the WSA Balancing Account. Those efforts include the Los Vaqueros Expansion Project feasibility study, potable reuse exploratory plan, and work with the Bay Area Regional Reliability Partnership, which totals to approximately \$153K. In addition, there is approximately \$44K associated with the implementation of core conservation programs such as the Landscape Education Program, and Water Efficient Leak Protection efforts with the member agencies.

Resolution 2020-02 was adopted by the Board in September 2020 following extensive discussion on establishing a policy around the use of the Balancing Account. Ms. Sandkulla reported that while the Balancing Account is primarily used for rate stabilization, the WSA allows for the Board to make a determination on the use of the Balancing Account if certain conditions, particularly maintaining a positive balance over a required number of years, are met.

The Board's adopted policy set forth by Resolution 2020-02 requires written findings that justify the allocation of the positive balance. The staff memo included in the agenda packet provides the required findings along with a copy of Resolution 2020-02.

Ms. Sandkulla presented the key findings which includes:

- the proposed appropriation of \$197K will not have a discernible impact on the wholesale rates in the next five years, or the need for funds for a Wholesale Revenue Coverage Reserve;
- the Water Management Charge is not a preferred method of funding the expense at this time given the size of the positive balance in the Balancing Account and the budget needs, and;
- at this time, there is no other competing interest that requires the Balancing Account to be reserved in its entirety rather than as a funding source for these specific budget items.

Ms. Sandkulla explained that the Water Management Charge is another WSA-enabled funding mechanism available to BAWSCA, that has been previously used for the development of BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy), which was a multi-year and multi-million dollar effort. The Water Management Charge is not the



appropriate funding mechanism for an expense of this size. Additionally, given the current size of the Balancing Account, its use for this purpose will not significantly impact the balance or its planned use moving forward.

Ms. Sandkulla presented the recommendation and welcomed questions and comments from Committee members.

Director Kuta asked if the \$25K addition to Hanson Bridgett's contract presented in agenda item #5C is included in the total not-to-exceed contract amount of \$1,006,500.

Ms. Sandkulla explained that the proposed second amendment to Legal Counsel's contract is for FY 2020-21. Item 5C, which asks the Committee to recommend Board authorization for the CEO to add scoping work to Hanson Bridgett's contract for a cost of \$25K, is for the work needed to support the bond refunding activity in FY 2021-22. The Board will consider action in May to adopt the FY 2021-22 Budget and Work Plan, including the \$25K scope for Hanson Bridgett for the bond refunding efforts.

Director Pierce asked if legal counsel's budget for FY2021-22 should be increased given this year's increased expenses associated with un-anticipated legal questions and concerns on the WSA amendment.

Ms. Sandkulla explained that negotiations on the WSA amendment was essentially completed as the FY 2020-21 budget was developed and adopted in May 2020. But in July 2020, there were a series of very specific and legal questions associated with the minimum purchase that engaged legal counsel in an effort to resolve them over a period of 5-6 months. The effort is now complete with the exception of putting a packet together for the member agencies to support adoption.

Director Pierce suggested to include that information in the packet that goes to the Board for the May meeting.

Director Cormack commented that \$606K for legal's FY 2020-21 budget was a significant drop following actual expenses of \$818K in FY 2019-20. However, she recognizes the optimistic approach and understands the un-anticipated developments that led to all three efforts happening at the same time. She asked if there are activities in FY 2021-22 that the agency is being overly conservative on, and for how long has Hanson Bridgett provided services to BAWSCA.

Ms. Sandkulla stated that while she cannot predict what may happen in FY 2021-22, there is no activity she can identify at this time that she is not sufficiently allocating funds for, or any that may require her to come back to the Board. In FY 2020-21, Legal Counsel's conservative budget allocation was a deliberate response in light of the COVID-19 situation and other developments in the midst of planning the FY 2020-21 budget.

Ms. Sandkulla reported that Hanson Bridgett has provided legal services since BAWSCA's inception, and served BAWSCA's predecessor organization, BAWUA.

Ms. Schutte added that Hanson Bridgett's service started when Palo Alto hired the firm for litigation against the City and County of San Francisco in the 1970s.

Director Wood asked for clarification on whether Requests for Proposals (RFPs) are done for professional services after a number of years.

Ms. Sandkulla stated that BAWSCA's procurement policy does not require that process. However, approximately 5 years ago, the Board requested a review of the consultants' hourly fees to ensure that the rates BAWSCA pays are at or below market rates. The review indicated that the consultant rates were below market rate, and that BAWSCA was getting good value for its consultant services. Since then, BAWSCA has maintained rate increases below cost of living. Ms. Sandkulla added that BAWSCA benefits on consultants' historical knowledge of the agency and the service area. This enables the consultants to perform the job well and effectively.

**With the noted corrections on the typing errors, Director Wood made a motion, seconded by Director Larsson, that the Committee recommend the Board authorize the CEO/General Manager to:**

- 1. Amend the professional services contract with Hanson Bridgett by \$200,000 for a total not-to-exceed amount of \$1,006,500, and**
- 2. Authorize the request for a transfer of \$197,000 from the Balancing Account to BAWSCA in accordance with BAWSCA's Balancing Account Policy, Resolution # 2020-02;**
- 3. Increase the approved FY 2020-21 Operating Budget by \$197,000 to \$4,360,179**

**The motion carried unanimously by roll call vote.**

- B. Amendment to Strategic Counsel's FY 2020-21 Professional Services Contract: Ms. Sandkulla reported that as with Legal Counsel, Strategic Counsel has been heavily involved with the efforts on the Bay Delta Plan, the FERC relicensing process, and the minimum purchase transfer WSA amendment. The work of Strategic Counsel has exceeded the anticipated levels, and additional work is needed moving forward to protect the interests of the member agencies and their water customers.

Strategic Counsel's budget and billing rate has been held at the same level for 14-years. Mr. Wendell's services started with BAWSCA's predecessor organization, BAWUA, and was instrumental in the creation of BAWSCA.

Director Cormack asked if the basis of the contract amendment is rate change, increase in the number of hours, or both?

Ms. Sandkulla stated that the amendment is based on an increase in the number of hours.

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

**Director Cormack made a motion, seconded by Director Larsson, that the Committee recommend the Board authorize the CEO/General Manager to amend the professional services contract with Management Communications by \$35,000 for a total not-to-exceed amount of \$185,000.**

**The motion passed unanimously by roll call vote.**

- C. Potential Refunding of BAWSCA's Revenue Bond Series 2013A – Action Needed to Proceed: Ms. Tang provided a report on the actions needed as a follow up to the potential refunding of the Revenue Bond Series 2013A previously discussed by the Committee in February and the Board in March. Based on the staff's evaluation, refunding is only applicable to the callable portion of 2013A bonds in a par amount of \$163.8 million that can be redeemed starting April 1, 2023. The objective of the refunding is to save water customers money. Based on the findings, a tax-exempt refunding is preliminarily determined more appropriate than a taxable advance refunding.

A preliminary estimate of total net present value savings is over \$20 million, assuming current rates with a modest cushion for adverse changes. The estimated annual savings from the Bond refunding is approximately \$2 million, in addition to the existing \$3.5 million savings each year until 2034 as a result of the original issuance of the 2013 bonds and the prepayment program. Assuming that the tax-exempt refunding is delivered in early 2023, and the principal amortization is not accelerated, the member agencies' collective annual bond surcharge would be reduced by approximately 8%, effective FY 2023-24.

There are actions needed to be taken by the Board in order to proceed with the preparation of the refunding effort in FY 2021-22. Those actions include the Board's authorization of the CEO/General Manager to include additional scoping to the FY2021-22 professional service contracts of three consultants, for the non-contingent portion of the refunding work.

Additional scopes of work for the non-contingent portion of the refunding work will be negotiated on Orrick's bond counsel services for a not-to-exceed amount of \$55K, KNN's municipal advisory services for a not-to-exceed amount of \$40K, and Hanson Bridgett's legal counsel services for a not-to-exceed amount of \$25K. The amounts total to \$120,000 which will be funded by the excess bond stabilization fund as part of the FY 2021-22 budget.

Ms. Tang noted that the actions are being brought to the BPC now to begin the necessary substantial discussion with the Board regarding refunding structure including the bond surcharge setting methodology. Staff anticipates presenting results from the evaluation to the BPC in August.

In response to Director Mendall's request for clarification, Ms. Sandkulla explained that the second amendment to the Hanson Bridgett contract under Item 5A is for work that needs to be completed in FY 2020-21. The \$25K allocation for Hanson Bridgett under this item 5C is for work in FY 2021-22 that will be included in the FY 2021-22 budget which will be adopted by the Board. It is being brought to the BPC now and to the Board in May for approval of the tasks so that work specifically for the bond refunding can begin as soon as July 1, 2021.

Ms. Schutte confirmed that this allocation of tasks and budget is specifically for the bond refunding. While the consultants have been engaged with BAWSCA on this effort, the work will officially kick-off as of July 1, 2021.

Director Mendall asked about the \$300K allocation for the non-contingent refunding expenses against these three items which total \$120K.

Ms. Tang explained that the difference between the \$300K and \$120K (\$180K) is to cover the other non-contingent portion of the cost of issuance. This includes credit rating agency fees,

trustee fees, and the verification agency fees. The \$120K is part of the \$300K budget for the Bond refunding, and is being called out separately for greater and more detailed discussions.

Director Kuta asked if the estimated net present value savings of \$20M is gross or net, whether the rates of Orrick and KNN are competitive, and if Orrick's costs are contemplated in the \$1-1.2M costs for the bond refunding.

Ms. Tang stated that the estimated savings of \$20M is a net present value savings. She reported that the rates for KNN in FY 2021-22 will be the same as FY 2020-21. She added that based on the consultant rate evaluation done 5-years ago, KNN's rates for BAWSCA are below market value. She noted that Orrick provides specialized legal services on bond issuance and Orrick has confirmed that their rates in FY 2021-22 will remain the same as FY 2020-21. Orrick's costs are contemplated in the total estimated \$1-1.2M cost for refunding.

Director Cormack asked for further explanation on the origins of the \$3.5M savings each year until 2034, the 8% reduction in bond surcharges beginning FY 2023-24, and the estimated \$2M savings in addition to all that.

Ms. Tang explained that the estimated \$3.5 savings is from the original 2013 bond issuance and prepayment program that bears an estimated total present value savings of \$62M. On an annual basis, the member agencies have collectively been saving over \$3.5M compared to how much they would have had to pay to San Francisco without the bond issuance. The potential refunding presents an estimated \$2M savings in addition to the \$3.5M. The bond refunding would provide an 8% reduction in the member agencies' collective annual bond surcharge beginning FY 2023-24.

In response to Director Chambers, Ms. Tang noted that the \$3.5M savings is from 2013 when the bonds were issued through 2034 when the bonds mature. The estimated \$2M savings would be from 2023, when the refunding bonds would be delivered, until 2034.

Ms. Schutte further clarified that the costs being presented for the professional services contracts for KNN, Orrick and Hanson Bridgett are for preliminary work on the bond refunding that will not be folded into the fees to issue the bond refunding. The fees for the bond refunding have not been negotiated yet. This process allows BAWSCA to hire the necessary experts to evaluate and address the uncertainties, and identify a concrete fee to negotiate for the actual transaction of the bond refunding.

This process was previously done for the 2013 bond issuance. Ms. Schutte stated that typically, all costs are folded into the total costs of issuance, however, this model is recommended for the best interest of the member agencies and their water customers.

Director Pierce suggested to include all the clarifications that have just been provided in the staff report for the Board in May.

Director Mendall suggested to include a timeline of next steps in the staff report that goes to the Board, including the anticipated discussion in August.

**Director Mendall made a motion, seconded by Director Larsson, that the Committee recommend that the Board approve the following additional scope of services to be included in the three professional services contracts for the**

**purposes of initial planning and preparation for the refunding of 2013A bonds in FY 2021-22**

- 1. Additional scope of service in Orrick’s on-going legal services contract for the non-contingent portion of the bond counsel services with a not-to-exceed amount of \$55,000**
- 2. Additional scope of service in KNN’s on-going financial advisory services contract for the non-contingent portion of the refunding municipal advisory services with a not-to-exceed amount of \$40,000**
- 3. Additional scope of service in Hanson Bridgett’s on-going legal counsel services contract for the non-contingent portion of the legal counsel services for the refunding with a not-to-exceed amount of \$25,000**

**The motion passed unanimously by roll call vote.**

- D. Approval of Renewal to the Office Lease: Ms. Sandkulla reported that the lease for the BAWSCA office expires in September 2021. BAWSCA Office Manager, Deborah Grimes, reached out to the management firm and negotiated a lease extension that is favorable to BAWSCA.

The current lease offers the option to extend at market rate. BAWSCA’s current lease rate is \$4.22 per square foot. The negotiated extension provides a reduced lease rate of \$4/sq. ft. starting October 1, 2021, an annual 3% increase under a 64-month lease term with 60 months paid and four months rent abatement. The annual 3% increase is consistent with past lease agreement for this location. The negotiated terms translate to a rate of \$4.02/sq. ft. per month over the entire lease term of 64-months, and provides BAWSCA a savings of \$61K in FY 2021-22. This savings is rolled into the Operating Budget funding plan that is on the committee agenda for discussion and action.

Director Jordan asked if other locations were considered physically and virtually.

Ms. Sandkulla reported that Ms. Grimes was able to look at a neighboring building, and review the market rates for four (4) properties in the area. Given the timing of the agreement negotiation, the market rates were increasing and the rates negotiated were the most competitive. Ms. Sandkulla further explained that previous assessments of properties outside of San Mateo 5 years ago confirmed that the current location is central for the member agencies.

Director Kuta asked if extension of work from home opportunities were considered to reduce square footage needed for the office.

Ms. Sandkulla stated that the team has been working from home and has been doing so effectively. However, she stated that staff is a small team that benefits from proximity with each other on a regular basis. While she anticipates some needs for flexibility, she expects a full return to what it was pre-pandemic in order to be the most effective team that we can be.

Ms. Sandkulla corrected the recommendation on the slide to specify that the extension is at an initial term of \$4/sq. ft. with a 3% annual increase.

Members of the Committee expressed their appreciation for Ms. Grimes' alacrity and effectiveness in negotiating a competitive lease extension.

**Director Pierce made a motion, seconded by Director Cormack, that the Committee recommend the Board authorize the CEO/General Manager to extend the current lease for a period of sixty-four months at an initial rate of \$4 per square foot with a 3% annual increase.**

**The motion passed unanimously by roll call vote.**

E. Proposed Fiscal Year 2021-22 Work Plan, Results to be Achieved, and Operating Budget:

Ms. Sandkulla presented the proposed work plan which continues to address the critical issues identified between now and 2050 discussed with the Board back in January. The issues include BAWSCA's continuing role in managing the Water Supply Agreement with San Francisco to protect the member agencies' financial and water supply interests; administering BAWSCA 2013 Bonds including the potential refunding; oversight of the SFPUC's WSIP, 10-year CIP and Asset Management; participating in the State Water Board's Bay Delta Plan and FERC relicensing proceedings to protect the regional water supplies; implementing BAWSCA's Long-Term Reliable Water Supply Strategy and its Core and Subscription conservation programs; and providing drought support to member agencies.

Ms. Sandkulla reported two changes in the work plan in response to the feedback received at the March Board meeting to reduce the work plan and budget in a way that allow for a smaller assessment increase.

The first change is the deletion of a budget allocation for outside consultant or other support related to drought assistance for member agencies. This change does not remove drought support efforts from the work plan. BAWSCA will continue to provide drought support to member agencies at a staff-level. If additional resources prove necessary during the year, the existing budget will be reviewed as a source of funds. The second change is the reduction of \$61K in office rent costs as a result of the negotiation of the lease renewal.

The adjustments result in a proposed operating budget that is 15% greater than the current budget. Ms. Sandkulla noted that \$631K of the FY 2021-22 proposed budget increase is associated with the bond refunding, demand study refresh, and Strategy scoping.

The proposed operating budget fully funds the estimated OPEB annual required contribution, and includes a budget allocation that would allow for a 2.15% COLA adjustment to top step salaries and merit allowance. This presents a total water customer cost of \$2.58 per person, an increase of 0.38 cents from FY 2020-21.

A pie chart was presented to show that the budget and work plan continues to focus on ensuring a reliable supply, representing 48.4% of the agencies' overall efforts in comparison to operations, fair price, and water quality. Ms. Sandkulla noted that the fair price portion of the work plan and budget has increased to reflect efforts on refunding the bonds.

Ms. Sandkulla presented BAWSCA's funding principles for developing the budget and noted the Board's strong recognition of the importance of maintaining a General Reserve.

The estimated expenditure for FY 2020-21 is 94% of the budget. Ms. Sandkulla will continue to monitor expenses in light of increased legal activities. The estimated unspent funds from FY 2020-21 that will be transferred to General Reserve at the end of the year is \$243,600. A significant portion of these savings are associated with salary and benefits savings resulting from the transition of several new staff members.

Ms. Sandkulla referenced the guidelines that the Board set for itself about the use of the General Reserve. The Board adopted Resolution 2018-02 which serves as the General Reserve guideline that states, “...it is a prudent financial measure to maintain surplus funds in a reserve in order to provide funds for urgent but unanticipated expenses and for one-time, non-recurring expenses to moderate variations in annual assessments.”

And for budgetary purposes, the guidelines provide that “...the minimum balance in the General Reserve is twenty percent of the budget year’s operating expense” and “...the maximum balance in the General Reserve is thirty-five percent of the budget year’s operating expense.”

The funding sources available to BAWSCA for FY 2021-22 operating budget includes

- member agency assessments, the General Reserve;
- use of the WSA Balancing Account in accordance with the WSA and Balancing Account Policy; and,
- use of the 2013 Bond Stabilization Fund in accordance with the bond covenants.

Ms. Sandkulla noted that the budget for FY 2020-21 had 0% assessment increase. Use of the WSA Balancing Account has been identified as appropriate for efforts on the Demand Study Refresh and Strategy scoping. Use of the Stabilization Fund has also been identified as appropriate to fund a portion of the cost associated with the bond refunding.

Four funding options were analyzed and presented to the Committee. The options were developed based on calculations that meet the goal of keeping the assessment increase at a minimum, while maintaining a General Reserve that is within BAWSCA’s General Reserve budgetary guidelines. In addition, in response to the prior request from Director Mendall, the calculation for each option provide two calculations to show the General Reserve as 1) a percent of total budget, and 2) as a percent of total budget minus one-time expenses associated with the bond refunding and the water supply project.

The funding options provide assessment increases of 2%, 4%, 5%, and 7% and a corresponding General Reserve balance with the 2 calculations for the General Reserve. Ms. Sandkulla noted that all options rely upon the transfer of unspent funds to the General Reserve, the use of \$331K from the Balancing Account, and use of \$300K from the Bond Stabilization Fund for the bond refunding. The difference between the options are the levels of assessment increase and the resulting percentage of the General Reserve.

Ms. Sandkulla recommends option 3, which provides a 5% assessment increase and a General Reserve level that falls within BAWSCA’s General Reserve budgetary guideline of maintaining a balance between 20%-35%, for both calculations.

Ms. Sandkulla noted that given the 0% assessment increase in FY 2020-21, a 5% increase presents a fair and moderate increase compared to the higher percent increase in the preliminary analysis for funding the FY 2021-22 budget.

In response to Director Jordan, Ms. Sandkulla explained that the proposed budget does not include any financial contribution to address San Francisco's unfunded pension liabilities. For BAWSCA's unfunded pension liability, it was previously discussed by the Committee in February that given the size of the assessment increase that would result if unfunded pension liability was included in the budget, Ms. Sandkulla suggested that the Board address the matter in the Fall as it looks at the end-of-year financial picture and the value of the year-end funds that go into the General Reserve.

Director Kuta referenced SFPUC's Chief Financial Officer, Eric Sandler's presentation at the March Board meeting, particularly regarding ongoing concerns related to the SFPUC's Water Enterprise OPEB at \$163.7M, and pension liability for water only at \$178.1M. He asked how some focus on those liabilities can be included in the work plan for FY 2021-22 or the subsequent fiscal year?

Ms. Sandkulla stated that she suspects the effort would involve substantial analysis to identify an approach since it is a City and County of San Francisco system, as opposed to an SFPUC system. The level of work on such an effort is not yet evident, and Ms. Sandkulla would prefer to consider scoping the work first and allow for the conversation to continue into a subsequent fiscal year. She will also add it to the list of future challenges to ensure that it remains on BAWSCA's attention.

Director Pierce suggested that the analysis on San Francisco's unfunded pension liabilities should include the impacts, if any, on the member agencies.

In response to Director Kuta, Ms. Sandkulla explained that the scoping budget for the Strategy back in 2007 was \$117K because it represented a level of analysis that member agencies had never done before, and the available tools that the member agencies did not have. Now that BAWSCA and the member agencies have the modeling tool and the demand projections study, as well as the knowledge gained from the pilot water transfer planning and experience with ongoing regional projects on alternative water supplies, a \$54K budget for re-scoping of the Strategy is appropriate.

**Director Wood made a motion, seconded by Director Larsson, that the Committee recommend the:**

- 1. Proposed FY 2021-22 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,783,794;**
- 3. Proposed funding plan of a 5% assessment increase, a transfer of \$281,676 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds for funding the Operating Budget; and**
- 4. Authorization of a request for a transfer of \$331,000 from the Balancing Account to BAWSCA in accordance with BAWSCA's Balancing Account policy, Resolution No. 2020-02.**



Director Mendall expressed his appreciation for staff's extra efforts in developing a work plan and operating budget that meets the Board's requests.

Director Chambers clarified that the motion refers to Option 3, as he supports that option because it provides flexibility should the estimated unspent funds of \$243K does not carry over to the General Reserve.

Director Larsson also expressed his appreciation for staff's work, but noted caution on the use of the Balancing Account. He referenced the substantial assessment increase 6 years ago that followed several years of very low to no assessment increases. While he supports the proposed budget and is pleased that the funds are available in the Balancing Account to fund appropriate efforts in the workplan, he noted that the Balancing Account may not always be accessible as a funding resource. The more the agency gets used to using the Balancing Account, the greater the risks in having a large assessment increase at some point in the future.

Director Cormack echo's the committee members' appreciation for the work that staff did, as well as Director Larsson's suggestion to be mindful with the use of the Balancing Account. She trusts that staff will remain watchful. She supports the staff recommendation.

Director Jordan appreciates the single digit assessment increase and noted that it is good to address BAWSCA's and San Francisco's unfunded pension liabilities in the next fiscal year rather than letting it accumulate, particularly because San Francisco's may have an impact to the member agencies.

There were no public comments.

**The motion passed unanimously by roll call vote.**

**7. CEO Reports:**

- F. Water Supply Conditions: With SFPUC's most recent data, Ms. Sandkulla highlighted keypoints on current water supply conditions and concerning trends. Current reservoir storage on the Tuolumne system is a little over 77% of maximum storage. Hetchy Hetchy and the water bank are both slightly less than normal at this time of year, reflecting the current dry conditions.

In comparison to California reservoirs, Don Pedro is at 68% of normal but State and Federal project reservoirs in Northern California such as Trinity Lake, Lake Shasta and Lake Oroville are at a lower storage level than normal at this time of year.

Hetch Hetchy precipitation is above the lowest level in 1977, but remains lower than median. Upcountry snowpack is on par with last year's, but Ms. Sandkulla pointed out that snow pack typically peaks on April 1<sup>st</sup> or later. This year, data shows that the snowpack is melting before April 1<sup>st</sup> and an early run-off period is occurring. Water available to the City increased due to that early runoff, and while it is expected that Hetch Hetchy will fill, but Don Pedro will be slightly less than full by July 1, 2021.

As of January 2021, BAWSCA's total potable water use is lining up with this time in 2021, but is 6% less than January in the drought year of 2013. Ms. Sandkulla noted that the SFPUC

has a contractual obligation to provide the wholesale customers the Regional Water System's final water supply availability by April 15<sup>th</sup>. That information will be shared with the Board and member agencies as soon as it becomes available. She expects the report to indicate water supply use reduction requests.

- G. FERC/Bay-Delta Plan Update: Ms. Sandkulla reminded the Committee that in July 2020, the Final Environmental Impact Statement (FEIS) on the FERC relicensing process was released and identified the Tuolumne River Voluntary Agreement (TRVA) as the preferred FERC alternative. The required Water Quality Certification of FERC is ongoing with the State Board's issuance of the Clean Water Act 401 Certification on January 15, 2021 that includes the Bay-Delta Plan 40% unimpaired flow requirement. BAWSCA, along with the SFPUC and the irrigation districts requested reconsideration of the certification on February 16, 2021.

Ms. Sandkulla reported there is potential judicial challenge pending the State Board's decision on reconsideration. Additionally, FERC denied the Districts' request to declare that the State Board waived its 401 Certification authority on January 19, 2021. The Districts may also challenge that determination.

On March 26<sup>th</sup> the SFPUC held its third in a series of workshops on the Bay Delta Plan. Workshop #3 discussed the Bay Delta Plan and SFPUC's "water supply and demand worksheet" tool.

Ms. Sandkulla reported that the SFPUC has a detailed and specific hydrologic model used for evaluating how the water system responds to different demand levels, hydrologic conditions, and new supply sources. SFPUC's worksheet tool presents the modeling results in a way that is easier for the Commission and members of the public to discern the differences between various scenarios. While the modeling capabilities has always existed, this worksheet tool presents the results for everyone to see the tradeoffs between various situations.

Workshop #3 presented modeling results for 10 different future supply and demand options including the TRVA, the 40% unimpaired flow, and the various elements that account for new alternative supply projects, changes to the rationing policy, and changes to the design drought. In each case, the SFPUC presented the assessment of the resulting water supply reliability.

The purpose of the workshop was to put facts and figures out from the modeling information to respond to queries on various conditions.

Presentations were provided by others. Particularly, the Tuolumne River Trust's (TRT) presentation focused availability of supply in drought years noting that TRT believes the design drought is severe and not warranted. Pacific Institute questioned the agencies' demand estimates and postulated that demand will not increase over time as customers continue to embrace water conservation. The California Sportfishing Protection Alliance (CSPA) called for a policy to maintain or reduce demand, suggested that the Bay Delta Plan can be acceptable with inclusion of specific flow rules for dry year sequences, stated that the SFPUC must confront the division of responsibilities for flow of the Tuolumne River between SFPUC and the districts, and called for the creation of a Groundwater Bank in Stanislaus County. Ms. Sandkulla noted that the TRVA calls for a feasibility study for the creation of groundwater banking.

Ms. Sandkulla reported that the Commissioners expressed interest for additional workshops to further review the rationing policy, design drought, and supply/demand dynamics. They were also very open to the continued discussion of options that would result in more flow releases to the Tuolumne River.

The Commission, however, did not appear focused on being a water supplier, nor did they seem to have a real connection to, or care for, the impacts to the water customers; retail or wholesale. The only Commission references to its Wholesale Customers focused on the projected demands and concerns that growth is overstated.

BAWSCA will remain focused on having the TRVA be evaluated by the State Board as an alternative to the Bay Delta Plan. BAWSCA and the member agencies continue to support the objectives of the Bay Delta Plan and are committed to working with other stakeholders to protect water quality in the Bay Delta for humans, fish and other wildlife.

BAWSCA firmly believes that the TRVA is the only voluntary agreement ready to be analyzed as an alternative to the Bay Delta Plan at this time, and Ms. Sandkulla stated that this is coming to light as member agencies develop their Urban Water Management Plans (UWMP) and face the realities of the cutbacks that they have to plan for based the SFPUC's supply projections that assumes the currently adopted Bay Delta Plan. BAWSCA's current efforts are on advocating for the State Board to perform the evaluation of the TRVA as an alternative to the Bay Delta Plan.

Director Jordan noted that there is another State mandate that can potentially translate to increased housing units by 40% resulting in water suppliers and cities responding to two conflicting state mandates between water and housing, and somehow it needs to be communicated to the Governor and the SFPUC.

Director Pierce commented on the SFPUC's workshop #3 and the Commission's philosophical shift which she found very disconcerting. It confirmed BAWSCA's need to ensure that SFPUC understands their role as the water supplier for the region.

There were no comments from the public.

8. **Closed Session:** The Committee adjourned to Closed Session at 3:26pm.
9. **Reconvene to Open Session:** The Committee reconvened from Closed Session at 3:45 pm. Ms. Schutte reported that no action was taken during Closed Session.
10. **Comments by Committee Members:** Director Cormack reported that she attended the virtual Water Now Alliance Summit on April 6-8<sup>th</sup> where the various challenges and opportunities that municipalities and water suppliers have throughout the country were highlighted.
11. **Adjournment:** The meeting was adjourned at 3:47 pm. The next meeting is June 9, 2021.

# Bay Area Water Supply and Conservation Agency

## Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 14, 2021	Feb. 10 2021	Dec. 9 2020	Oct. 14, 2020	Aug. 12, 2020	Jun. 10, 2020	Apr. 8, 2020
Stanford	Zigterman, Tom	✓	✓	✓	✓	✓	✓	✓
Daly City	Manalo, Juslyn	✓	✓	n/a	n/a	n/a	n/a	n/a
Westborough	Chambers, Tom	✓	✓	✓	✓	✓	✓	✓
Palo Alto	Cormack, Alison	✓	✓		✓	✓	✓	✓
Purissima	Jordan, Steve	✓	✓	✓	✓	✓	✓	✓
Cal Water	Kuta, Rob	✓	✓	✓	✓	✓	✓	✓
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓	✓	✓	✓
Hayward	Mendall, Al	✓	✓	✓	✓	✓	✓	✓
Redwood City	Pierce, Barbara	✓	✓	✓	✓	✓	✓	✓
Brisbane	Wood, Sepi	✓	✓	✓	✓	✓	✓	✓

✓: present

☎ : Teleconference

### April 14, 2021 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
Danielle McPherson	Sr. Water Resources Specialist
Kyle Ramey	Water Resources Specialist
Christina Tang	Finance Manager
Lourdes Enriquez	Assistant to the CEO/General Manager
Allison Schutte	Legal Counsel, Hanson Bridgett, LLP
Nathan Metcalf	Legal Counsel, Hanson Bridgett, LLP
Sean Herman	Legal Counsel, Hanson Bridgett, LLP
Bud Wendell	Strategic Communications
Dan Cox	KNN

#### Public Attendees:

Paul Sethy	ACWD
John Weed	ACWD
Cheryl Munoz	Hayward
Alison Kastama	SFPUC
Dave Warner	Self

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING****March 18, 2021 – 6:30 p.m.**

DUE TO COVID-19, THIS MEETING WAS 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 BOARD, BAWSCA STAFF, AND OF THE PUBLIC COULD NOT ATTEND THIS MEETING IN PERSON.

**MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:36 pm following introductory instructions for conducting the meeting virtually through Zoom.**

BAWSCA Chair, Gustav Larsson, called the meeting to order. Nicole Sandkulla called the roll. Twenty (24) members of the Board were present at roll call. A list of Directors present (24), absent (2) is attached.

**2. Comments by the Chair:**

Chair Larsson welcomed the members of the Board. He noted that the Board's consideration of the workplan and results to be achieved in FY2021-22 is a reminder of the extent, relevance and importance of BAWSCA's efforts for the 1.8 million residents, 40,000 businesses, and hundreds of communities BAWSCA member agencies serve in Alameda, San Mateo, and Santa Clara Counties.

After almost 20 years in operation, BAWSCA continues its work to achieve its goal of providing a reliable supply of high-quality water at a fair price. Chair Larsson encouraged the Board to continue its thoughtful and strategic judgement as it considers a substantial work plan for FY 2021-22 and the resources to achieve results.

**3. Board Policy Committee Report:**

Committee Chair Zigterman reported that the Committee met on February 10th and voted unanimously to recommend the proposed FY 2021-22 bond surcharges and the proposed amendment to Hanson Bridgett's contract.

The Committee received presentations on possible options for refunding BAWSCA's bonds, and on BAWSCA's options for paying its Unfunded Pension Liability sooner than currently planned. The Committee's discussions are reflected in the Board Policy Summary report included in the agenda packet. Both items will be brought back to the Committee for further discussion and possible direction for action by the full Board.

**4. SFPUC Report:**

SFPUC Assistant General Manager Steve Ritchie reported on water supply conditions and storage levels to date. Mr. Sandler, CFO and AGM of Business Services, provided an update on SFPUC's financials, specifically on its pension and OPEB obligations.

Comments and questions were taken from members of the Board.

Public comments were received from Peter Drekmeier and Dave Warner.

5. **Public Comments:** Public comments were provided by Carol Steinfeld and Peter Drekmeier.

6. **Consent Calendar:**

**Director Quigg made a motion, seconded by Director Wood, to approve the Minutes of the January 21, 2021 meeting; receive and file the Budget Status Report as of January 31, 2021, the Bond Surcharge Collection, Account Balance and Payment Report as of December 31, 2020, approve the Proposed Fiscal Year 2021-22 Bond Surcharges, and approve the amendment to Hanson Bridgett Professional Services Contract.**

**The motion carried by roll call vote.**

**Directors Hamilton, Hardy, and Keighran abstained from approving item #6A.**

7. **Report and Discussion:**

- A. Preliminary Fiscal Year 2021-22 Work Plan, Results to be Achieved and Operating Budget: Ms. Sandkulla presented the preliminary work plan and results to be achieved which includes eight (8) new, significantly re-scoped, and expanded activities critical to ensuring water supply reliability for the water customers served by the BAWSCA member agencies. Funding options were presented. The Board provided feedback and requested further analysis for the Board's consideration.

Carol Steinfeld provided public comment.

8. **Reports:**

- A. Annual Review of the Balancing Account: Finance Manager, Christina Tang presented an update on the Water Supply Agreement Balancing Account.
- B. Water Supply and Demand: Ms. Sandkulla reported that the BAWSCA service area's total potable water use in December 2020 is 8% less than in pre-drought December 2013. She noted that increase in water use during the months of December and January, when it would otherwise be wet, is an indicator of dry conditions. BAWSCA will continue to monitor the trend with SFPUC as the water year continues.
- C. Bay Delta Plan/FERC Relicensing Process: Ms. Sandkulla presented a timeline of the developments on the Bay Delta Plan Phase 1 and voluntary agreements beginning in 2009 to the present. BAWSCA continues its efforts on having the Tuolumne River Voluntary Agreement (TRVA) analyzed by the State Board as an alternative to the adopted Bay Delta Plan. The SFPUC will hold its 3rd public workshop on the Bay Delta Plan on March 26th.

BAWSCA and the SFPUC separately filed petitions to the SWRCB for reconsideration of its Water Quality Certification for the Don Pedro FERC relicensing. BAWSCA will remain engaged with the SFPUC and the Districts as FERC matters develop in 2021.

Public Comments were made by Steve Rosenblum, Virginia Chang Kiraly, Dave Warner, Peter Drekmeier, and Rose McEntee

9. **Closed Session:** The meeting adjourned to Closed Session at 9:15pm
10. **Report After Closed Session:** Closed Session ended at 9:55pm. Legal Counsel, Allison Schutte, convened Open Session and reported that no action was taken during Closed Session.
11. **Directors' Discussion: Comments, Questions and Agenda Requests:** There were no comments, questions, and agenda requests from the members of the Board.
12. **Date, Time and Location of Next Meeting:** The next meeting is scheduled on May 20, 2021 at 6:30pm. The meeting is expected to be in the same virtual format.
13. **Adjournment:** The meeting adjourned at 9:56pm.

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	Mar. 18, 2021	Jan. 21, 2021	Nov. 19, 2020	Sept. 17, 2020	July 16, 2020	May 21, 2020
Benton, Jay	Hillsborough	✓	✓	✓	✓	✓	✓
Breault, Randy	Guadalupe	✓		✓	✓	✓	✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cormack, Alison	Palo Alto	✓	✓	✓	✓	✓	✓
Hamilton, Tom	San Bruno	✓	vacant	✓*		✓*	✓*
Hardy, Karen	Santa Clara	✓	vacant	✓*	✓*	✓*	✓*
Hindi, Sam	Foster City	✓	✓		✓	✓	✓
Jordan, Steve	Purissima	✓	✓	✓	✓	✓	✓
Keighran, Ann	Burlingame	✓	✓*	✓*	✓*	✓*	✓*
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	✓	✓	✓	✓	✓	
Mueller, Ray	Menlo Park	✓	✓		✓*	✓*	✓*
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



# BAWSCA

## Bay Area Water Supply & Conservation Agency

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

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

**FROM: Deborah Grimes, Office Manager**

**DATE: May 6, 2021**

**SUBJECT: Budget Status Report as of March 31, 2021**

This memorandum shows fiscal year budget status for FY 2020-21. 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, 2021, 75 percent into the fiscal year, total expenditures were \$2,916,740 or 70 percent of the total budget of \$4,163,179.

**Table 1. Operating Budget Summary as of March 31, 2021**

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
<b>Consultants /Direct Expenditures</b>			
Reliability	1,214,850	772,712	64%
Fair Pricing	339,500	273,909	81%
Administration	100,000	137,123	137%
<b>Subtotal</b>	<b>1,654,350</b>	<b>1,183,743</b>	<b>72%</b>
<b>Administration and General</b>			
Salary & Benefits	2,075,354	1,449,345	70%
<b>Other Expenses</b>			
BAWSCA	427,400	283,095	66%
BAWUA	1,050	0	0%
<b>Subtotal</b>	<b>4,158,154</b>	<b>2,916,182</b>	<b>70%</b>
<b>Capital Expenses</b>	3,000	0	0%
<b>Budgeted Contingency</b>	0	0	0%
<b>Regional Financing Authority</b>	2,025	558	28%
<b>Grand Total</b>	<b>4,163,179</b>	<b>2,916,740</b>	<b>70%</b>

**Overview:**

Overall expenditures for FY 2020-21 are tracking within budget.

**Consultants**

The \$115,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 57 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 87 percent expended. The Operating Budget allocation of \$806,500 budget for legal counsel was 94 percent expended. The \$232,100 budget for water management and conservation-related activities was 28 percent expended. The CEO will continue to closely review consultant expenses, including legal counsel and others, and provide an update to the BPC at its meeting in June.

**Administration and Other Expenses**

Budgets for salaries and other expenses were 70 and 66 percent expended respectively.

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

No use of CEO discretionary spending authority occurred during this period.

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

Unspent funds at the end of FY 2019-20 were \$435,266. In accordance with the adoption of the FY 2020-21 annual budget in May 2020, the Board approved transferring \$333,900 from the General Reserve to fund the FY 2020-21 budget. Both transfers were executed in November 2020. At its March 2021 meeting, the Board authorized a transfer from the General Reserve of \$142,500 to fund a portion of the first amendment to Hanson Bridgett's professional services contract. The BAWSCA General Reserve balance shown below reflects all three of these transfers.

**Table 2. General Reserve Fund Balance**

<b>Fund</b>	<b>Account Balance (As of 01/31/21)</b>	<b>Account Balance (As of 03/31/21)</b>
General Reserve	\$1,139,243	\$996,743

# BAWSCA

**Bay Area Water Supply & Conservation Agency**

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

**MEMORANDUM**

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

**FROM: Christina Tang, Finance Manager**

**DATE: April 30, 2021**

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report  
 as of March 31, 2021**

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 were 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 principle 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 2021 have been collected. Payments of surcharges billed for March 2020 are still being received. Table 1 below presents a summary of financial transactions related to BAWSCA’s Bond Series 2013A and 2013B for the three months.

Table 1: Summary of Surcharges Remitted to Trustee for Quarter Ending 3/31/2021

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
January 2021	\$2,057,093	\$2,057,093	\$0
February 2021	\$2,057,093	\$2,057,093	\$0
March 2021	<u>\$2,057,093</u>	<u>\$1,256,829</u>	<u>\$800,264</u>
<b>Total</b>	<b>\$6,171,279</b>	<b>\$5,371,015</b>	<b>\$800,264</b>

**Bond Surcharge Account Balances**

All surcharge payments are deposited with the Bank of New York, the Trustee, which manages BAWSCA’s accounts and administers debt service payments. BAWSCA’s account balances at the Trustee 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 Fiscal Year Ending 3/31/2021

<b>23,917,186</b>	<b>Account Market Value as of 12/31/2020</b>
<i>plus: 5,901,015</i>	<i>Surcharge Collected in January 2021 through March 2021</i>
<i>plus: 107,744</i>	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus: (115,069)</i>	<i>Change in Market Value of Held Treasury Bonds</i>
<i>plus: (5,280)</i>	<i>Change in Market Value of Matured Treasury Bonds</i>
<b>29,805,596</b>	<b>Account Market Value as of 03/31/2021</b>

There are two ways interest is earned by BAWSCA on the collected surcharge payments and balances held in the stabilization funds. First, interest is automatically earned on the account balance in the Bank of New York Bond Trustee money market account. 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 2018 debt service payment, BAWSCA began the transition to a 0-5 year laddered portfolio strategy and recently completed the process with the trades executed in April 2021. In October 2020, BAWSCA reviewed the 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.

Just prior to security maturities on March 31, 2021, the book yield and market yield on BAWSCA’s revised portfolio strategy was 1.66% and 0.47% respectively, as compared to the yield of 0.01% 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 \$5,637,028 was made on April 1, 2021 using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$19,037,028 will be made on October 1, 2021. 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.

# **BAWSCA**

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

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

### MEMORANDUM

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

**FROM: Deborah Grimes, Office Manager**

**DATE: May 6, 2021**

**SUBJECT: Investment Report – As of March 31, 2021**

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In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. The Board most recently reviewed the investment policy at the November 19, 2020 board meeting. The Board approved modification to the Statement of Investment Policy by including U.S. Agency Securities as permitted investments for the bond proceeds with a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase.

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>12/31/20</u>	<u>03/31/21</u>
\$2,532,808	\$2,536,812

Of the total in the BAWSCA LAIF account as of March 31, 2021, \$996,743 represents BAWSCA's General Reserve Fund, equivalent to approximately 24 percent of FY 2020-21 Operating Budget. The remaining amount consists of Subscription Conservation Program funds and unrestricted funds.

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

<u>12/31/20</u>	<u>03/31/21</u>
.63%	.44%

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# **BAWSCA**

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

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

### MEMORANDUM

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

**FROM:** Deborah Grimes, Office Manager

**DATE:** May 6, 2021

**SUBJECT:** Directors' Reimbursement Quarterly Report for the Period Ending  
March 31, 2021

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

There were no director expenses reimbursed for the quarter ending March 31, 2021.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Second Amendment to Hanson Bridgett Professional FY 2020-21 Services Contract**

**Summary:**

Activities associated with addressing the State Water Resources Control Board Bay Delta Plan Update and the Federal Energy Regulatory Commission (FERC) relicensing of New Don Pedro has required more legal resources to date than originally budgeted, and requires additional use of legal counsel services for the remainder of FY 2020-21. As a result, the contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2020-21. A budget amendment for an additional \$200,000 is recommended to fund necessary work through June 2021 for a revised not to exceed total budget of \$1,006,500.

**Fiscal Impact**

This recommended budget increase would be funded using a combination of \$197,000 from a requested transfer from the Water Supply Agreement Balancing Account (Balancing Account) and remainder from reallocation of unused funds within the existing agency operating budget.

**Board Policy Committee Action:**

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

**Recommendation:**

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

- 1. Amend the professional services contract with Hanson Bridgett by \$200,000 for a total not-to-exceed amount of \$1,006,500; and**
- 2. Authorize the request for a transfer of \$197,000 from the Balancing Account to BAWSCA in accordance with BAWSCA's Balancing Account Policy, Res. No. 2020-02, and**
- 3. Increase the approved FY 2020-21 Operating Budget by \$197,000 to \$4,360,179.**

**Discussion:**

Expenses associated with completing the WSA Minimum Purchase amendment is significantly more than budgeted due to the unanticipated legal questions and concerns that have arisen over the last eight months requiring additional negotiations among the member agencies and with SFPUC. At this time, the minimum purchase amendment negotiations are complete, with legal counsel's remaining work being focused on preparing the packet of information for the member agencies to support adoption in FY 2021-22.

In addition, in FY 2020-21, the effort associated with the Bay Delta Plan and FERC have similarly continued to increase in complexity, requiring additional legal resources. In all these cases, the level of effort was higher than the budgeted activity level and additional funds are necessary at this time to protect the interests of the member agencies and their water customers.

Table 1 presents the historical budget information for BAWSCA legal counsel with notations included to identify the reasons for significant budget increases and decreases.

Funding the Recommended Amendment Through Use of the Balancing Account

A transfer of \$197,000 of available funds from the Balancing Account is included as part of the recommended action.

For FY 2020-21, the following expenses have already been incurred that are eligible for reimbursement to BAWSCA through a transfer from the Balancing Account:

- \$153,193 for Strategy implementation including work on Los Vaqueros Enlargement and Potable Reuse Exploratory Project, finalizing the 2020 Demand Projections to support Urban Water Management Plans, and use of BAWSCA's Regional Reliability Model to support planning efforts.
- \$43,875 for implementation of Core Conservation Program elements including BAWSCA's water efficient landscape classes and leak reduction programs, and support for member agency Urban Water Management Plans.

Pursuant to Section 6.05.B.1 of the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (WSA), if the Balancing Account maintains a positive balance for three successive years and represents 10 percent or more of the Wholesale Revenue Requirement for the most recent fiscal year, the Board may direct the SFPUC to apply the positive balance to "water conservation or water supply projects administered by or through BAWSCA," among other uses. The projects outlined above support both BAWSCA's water supply development and conservation efforts.

In accordance with Resolution No. 2020-02, a copy of which is attached to this memo, before appropriating funds from the Balancing Account, the Board must make written findings that reasonably demonstrate that applying all or a portion of the positive balance to the selected purpose(s) is in the best interests of the Wholesale Customers and the ultimate water customers.

Per the Balancing Account Policy, the findings must address the following:

- a) Projected annual Wholesale Rates for the next five fiscal years;
- b) Wholesale Revenue Coverage Reserve;
- c) Existing unpaid asset balance(s) under Section 5.03 of the WSA;
- d) Funding requirements and sources for water conservation or water supply projects administered by the Agency and an analysis comparing the use of the Balancing Account funds compared to implementing a Water Management Charge per WSA Section 3.06.A; and
- e) Any other factor(s) the Board of Directors determines compels application of all or part of the positive balance to a purpose specified in 6.05.B.2.a of the WSA.

An evaluation of the proposed use of the Balancing Account funds results in the following findings:

- The proposed appropriation of \$197,000 will not have a discernible impact on the wholesale rates in the next five years (a) or the need for funds for a Wholesale Revenue Coverage Reserve (b).
- Finding (c) is now moot as all asset balances have been paid.

- A Water Management Charge is not a preferred method of raising funds at this time given the size of the positive balance in the Balancing Account and the budget needs (d).
- At this time, there is no other competing interest that requires the Balancing Account to be reserved in its entirety rather than as a funding source for these specific budget items (e).

**Table 1. Historical Budget Information for BAWSCA Legal Counsel (Hanson Bridgett)**

Hanson Bridgett	Original Contract	Year End Contract	Actual Year End Expense	Budget vs. Expenses	Notes
FY 05-06	\$335,000	\$395,000	\$297,848	75%	Jan. 2006-additional \$60k from contingency; no change to op. budget
FY 06-07	\$469,000	\$469,000	\$365,062	78%	
FY 07-08	\$665,000	\$665,000	\$583,120	88%	
FY 08-09	\$644,500	\$817,000	\$817,776	100%	May 2009-additional \$172.5k reallocated from other expense categories; no change to op. budget (Finalize WSA negotiation)
FY 09-10	\$311,000	\$419,000	\$333,169	80%	Jan. 2010-additional \$108k reallocated from other expense categories; no change to op. budget (Strategy contract)
FY 10-11	\$366,000	\$366,000	\$318,667	87%	
FY 11-12	\$390,000	\$415,000	\$414,430	100%	May 2012-additional \$25k reallocated from contingency; no change to op. budget
FY 12-13	\$451,000	\$569,000	\$558,120	98%	Sept. 2012-additional \$58k reallocated from General Reserve; increase op. budget (Pilot water transfer)
					May 2013-additional \$60k reallocated from other expense categories, including contingency; no change to op. budget
FY 13-14	\$496,000	\$601,000	\$600,983	100%	April/May 2014-additional \$105k reallocated from other expense categories, including contingency; no change to op. budget (CEO and staff transition)
FY 14-15	\$524,000	\$624,000	\$588,715	94%	May 2015-additional \$100k from other expense categories, including contingency; no change to op. budget (WSA administration)
FY 15-16	\$586,500	\$586,500	\$556,148	95%	
FY 16-17	\$651,000	\$726,000	\$627,874	86%	May 2017-additional \$75k - \$57k from contingency & \$17.5k from Terry Roberts; no change to op. budget (WSA administration, HH litigation)
FY 17-18	\$669,000	\$669,000	\$605,442	90%	
FY 18-19	\$669,000	\$919,000	\$919,000	100%	March 2019-additional \$150k; \$57.5k from contingency, \$50.k from General Reserve, \$42.5k from other unspent funds; \$50k added to operating budget. May 2019 - additional \$100k reallocated from other expense categories; no change to operating budget
FY 19-20	\$799,500	\$819,000	\$818,000	100%	June 2020 - \$19.5 reallocated from other expense categories; no change to operating budget
FY 20-21	\$606,500	\$806,500			March 2021 - additional \$200k - \$142k from the General Reserve & \$57k from contingency

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Amendment to Harlan L.P. Wendell, Management Communications  
FY 2020-21 Professional Services Contract**

**Summary:**

Activities associated with completing the Water Supply Agreement (WSA) amendment allowing for the transfer of minimum purchase obligations between member agencies and addressing the State Water Resources Control Board Bay Delta Plan Update and the Federal Energy Regulatory Commission (FERC) relicensing of New Don Pedro has required more strategic counsel resources to date than originally budgeted, and requires additional use of strategic counsel services for the remainder of FY 2020-21. As a result, the contract with Management Communications must be amended to avoid disruption of necessary work to achieve critical results for FY 2020-21. A budget amendment for an additional \$35,000 is recommended to fund necessary work through June 2021 for a revised not to exceed total budget of \$185,000.

**Fiscal Impact**

The adopted FY 2020-21 Operating Budget has the funds available for this contract increase. The source of funds will be unspent funds associated with other financial and technical consultant contracts that are not anticipated to be fully expended this fiscal year.

**Board Policy Committee Action:**

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

**Recommendation:**

**That the Board authorize the CEO/General Manager to amend the professional services contract with Management Communications by \$35,000 for a total not to exceed amount of \$185,000.**

**Discussion:**

The effort associated with completing the WSA amendments, the Bay Delta Plan and FERC have similarly continued to increase in complexity, requiring additional strategic counsel. In all these cases, the level of effort was higher than the budgeted activity level and additional funds are necessary at this time to protect the interests of the member agencies and their water customers.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Authorization to Extend Office Lease**

**Summary:**

The lease for office space at 155 Bovet Road expires September 30, 2021. The terms of the current lease offer an option to extend at market rate. A lease rate of \$4.00 per square foot and four months free rent has been negotiated with the property management's agent. This rate is in line with comparable properties and represents the best value in terms of efficiency and moving costs. The current lease rate of \$4.22 per square foot will continue for the first three months of FY 2021-22. It is recommended to extend the current lease for a period of sixty-four months.

**Fiscal Impact:**

There will be no fiscal impact in FY 2020-21. The rate change would not occur until FY 2021-22. The abatement of four months' rent will result in a savings of \$53,328. Based on the existing office square footage, the recommended action would result in a net monthly rent decrease of \$736 beginning October 1, 2021. Combined, the estimated savings in FY 2021-22 is \$61K.

**Board Policy Committee Action:**

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

**Recommendation:**

**That the Board authorize the CEO/General Manager to extend the current lease for a period of sixty-four months at an initial rate of \$4 per square foot with a 3% annual increase.**

**Discussion:**

Due to the pandemic, touring comparable properties in person was limited, however, a few were visited. In addition, comparable properties were reviewed electronically. Based on comparisons, it is cost-effective for BAWSCA to remain at its current location. The extended lease rate is in line with comparable office space in San Mateo.

The current lease rate is \$4.22 per square foot. Under the recommended lease extension, the lease rate starting October 1, 2021 would be \$4.00 per square foot with an annual 3% increase. In addition to a lower rate per square foot, an abatement of four months' rent, beginning October 1, 2021, results in a FY 21-22 savings of \$53,328. Together, the reduced per square foot cost and rent abatement result in an estimated FY 2021-22 savings of \$61K. Table 1 provides lease rate history for BAWSCA.

**Table 1. BAWSCA Historical Lease Rates**

May 2000 - April 2005	\$3.45 - \$4.25
May 2005 - Oct. 2008	\$1.85 - \$2.08
Nov. 2008 - July 2011	\$3.20 - \$3.46
Aug. 2011 - Sept. 2016	\$2.20 - \$2.48
Oct. 2016-Sept. 2021	\$3.75-\$4.22
Oct. 2021-Jan. 2027	\$4.00-\$4.50

The real estate broker advising BAWSCA states current lease rates on the SF Peninsula are slightly lower than before the pandemic, but there has not been a dramatic shift. While there have been shifts in landlord concessions, evidenced by the rent abatement BAWSCA has negotiated, rents have generally held steady. The combination of a reduced office supply – due to housing and life science redevelopment – has buffered the market to date and at this time, many users that have not been using their space since the beginning of the pandemic are now planning to return to the office by the end of the year.

Despite COVID, building occupancy remains steady with true vacancy being much less severe than in more vertical, urban markets like San Francisco. The current site for the BAWSCA offices was chosen many years ago due to its central location in the BAWSCA service area and ease of access to San Francisco. The building continues to offer excellent value in the market.



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Potential Refunding of BAWSCA's Revenue Bond Series 2013A – Action Needed to Proceed**

**Summary:**

The objective of a potential refunding of BAWSCA's Revenue Bond Series 2013A is to generate debt service savings and eventually save the water customers money. At the February BPC meeting, BAWSCA presented the findings of the recent evaluation of three refunding scenarios: 1) taxable advance refunding; 2) tax-exempt forward delivery; and 3) tax-exempt regular delivery. As a result of the recent evaluation, a tax-exempt refunding is preliminarily determined more appropriate than a taxable advance refunding. A preliminary timeline assuming a tax-exempt forward delivery refunding is included at the end of this report.

The preliminary estimate of the total refunding present value savings is over \$20 million, assuming recent market conditions with a modest cushion for adverse market changes and a tax-exempt forward delivery. The estimated average annual savings are approximately \$2.0 million through 2034. Assuming the tax-exempt refunding is delivered in early 2023 and the principal amortization is not accelerated, the member agencies' *collective* annual bond surcharge would be reduced by approximately 8% effective FY 2023-24.

The preliminary estimate of the total cost of issuing the refunding bonds are approximately \$1-\$1.2 million, including both contingent and non-contingent costs, inclusive the total \$120,000 needed for the non-contingent portion of the bond refunding work to be funded in the FY 2021-22 budget. The preliminary refunding services outlined below are not expected to be the full set of legal and advisory services necessary to complete the execution of a refunding transaction.

This item asks the Board's approval of three actions needed to proceed with BAWSCA's initial planning and preparation for the potential bond refunding.

**Fiscal Impact:**

The combined budget, which will be funded by the excess bond stabilization fund, for the additional scope of services in three professional services contracts for the non-contingent portion of the bond refunding work is \$120,000. This budget allocation is included in the Proposed FY 20201-22 Budget to be considered for adoption by the Board in Item 8A.

**Board Policy Committee Action:**

The Committee voted unanimously to recommend that the Board approve the following additional scope of services to be included in the three on-going professional services contracts, subject to legal counsel's review, for the purposes of assisting BAWSCA during the initial planning and preparation for the potential refunding of Series 2013A bonds. These scopes will be in place by July 1, 2021 for work to be performed in FY 2021-22:

1. Additional scope of service in Orrick, LLP's on-going legal services contract for the non-contingent portion of the bond counsel services for the bond refunding with a not-to-exceed amount of \$55,000.

2. Additional scope of service in KNN Public Finance’s on-going financial advisory services contract for the non-contingent portion of the financial advisory services for the bond refunding with a not- to-exceed amount of \$40,000.
3. Additional scope of service in Hanson Bridgett’s on-going legal counsel services contract for the non-contingent portion of the legal counsel services for the bond refunding with a not-to-exceed amount of \$25,000.

**Recommendation:**

**There is no action requested at this item. Rather, the Board will be asked to act on the approval of the additional scope of services for FY 2021-22 for Orrick, KNN, and Hanson Bridgett under agenda Items 8B-9, 8B-8, and 8B-5.**

**Discussion:**

The agency’s Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the then remaining capital cost recovery payments that the BAWSCA member agencies owed San Francisco as of June 30, 2013 per WSA section 5.03. The 2013 Bonds were issued in a par amount of \$335.8 million at an all-in true interest rate of 3.14%, which takes into account the interest rates on the bonds, the upfront premium paid by investors, and the underwriting and issuance costs.

When BAWSCA issued the 2013 bonds, based on the recommendations from the financial advisor and the underwriter, the agency structured the Series 2013B taxable bonds as effectively non-callable in order to achieve lower interest rates and ultimately greater savings to the member agencies at the time. Therefore, the refunding analysis is only applicable to the callable portion of Series 2013A tax-exempt bonds in the par amount of \$163.8 million that can be redeemed starting on April 1, 2023, the call date. The callable 2013A bonds have an average weighted interest rate of approximately 4.75%. Based on the results of a recent evaluation, a tax-exempt refunding is preliminarily determined to be more appropriate than taxable refunding at this time, however, the options are being left open at this time.

The original bond issuance and the prepayment program in 2013 were anticipated to generate approximately \$62.3 million in total net present value savings, or \$3.5 million each year, over the term of the bonds. The preliminary estimate of the total refunding present value savings is over \$20 million, assuming the current market conditions with a modest cushion for adverse market changes. The estimated annual savings are approximately \$2.0 million, in addition to the \$3.5 million savings each year until 2034 resulting from the original issuance of 2013 bonds. Assuming the tax-exempt refunding is delivered in early 2023 and the principal amortization is not accelerated, the member agencies’ collective annual bond surcharge would be reduced by approximately 8% effective FY 2023-24.

The Board’s approval of the following three actions is needed in order to proceed with the initial planning and preparation for the potential bond refunding, regardless of which delivery method is selected.

1. Authorize the CEO/General Manager to include an additional scope item in Orrick’s annual legal support contract, for their non-contingent portion of the bond counsel services with a not-to-exceed amount of \$55,000. Services include advising on legal aspects of the various options, participating in member education and finance team

meetings, and preliminary work in executing the transaction. The draft scope of services to be included in Orrick’s legal services contract for FY 2021-22 is shown in Attachment 1.

2. Authorize the CEO/General Manager to include an additional scope item in KNN’s annual financial advisory services contract, for their non-contingent portion of the municipal advisory services for the bond refunding with a not-to-exceed amount of \$40,000. Services include continuing evaluation of the options, monitoring market conditions and savings levels, conducting a Request for Proposal (RFP) process for underwriter(s) on behalf of BAWSCA, participating in member education and finance team meetings, and preliminary work in executing the transaction. The draft scope of services to be included in KNN’s financial advisory services contract for FY 2021-22 is shown in Attachment 2.
3. Authorize the CEO/General Manager to include an additional scope item in Hanson Bridgett’s annual legal counsel contract for issuer counsel services with a not to exceed amount of \$25,000. Services include advising on member engagement and education, finance team meetings, and preliminary work on the transaction. The draft scope of services will be included in Hanson Bridgett’s on-going legal services contract for FY 2021-22.

**Schedule of Key Dates for Potential Bond Refunding\***

Issuance of RFP for bond underwriting firm	April
Board approval of non-contingent contracts	May Board
Recommendation of Board approval of a new debt policy, bond underwriter selection and contingent contracts & Update on the refunding structure including bond surcharge setting	June BPC
Board approval of a new debt policy, bond underwriter appointment and contingent contracts	July Board
Recommendation of Board authorization to issue bonds and approval of bond documents	August BPC
Board authorization to issue bonds and approval of bond documents	September Board
Bond pricing/sale (tentative, based on market conditions)	Oct. 2021- Jan. 2022
Bond document closing	Oct 2021 - Jan 2022
Bond settlement	January 2023

\*Assumes a tax-exempt forward delivery refunding

**Attachments:**

1. Draft scope of service and billing rates for Orrick’s assistance in BAWSCA’s initial planning and preparation for the potential bond refunding
2. Draft scope of service and billing rates for KNN Public Finance’s assistance in BAWSCA’s initial planning and preparation for the potential bond refunding

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**Attachment 1**

**Consulting Services Agreement Between BAWSCA and Orrick, Herrington & Sutcliffe, LLP  
DRAFT FY 2021-22 SCOPE OF SERVICES FOR 2013A BONDS REFUNDING**

**Purpose**

For FY 2021-22, BAWSCA requires continued bond counsel legal support toward the planning for and preparation of a refunding of the 2013A Bonds.

**Work to be Performed:**

Initial Strategy Conferences with Finance Team

Refunding Options – Address any legal issues during BAWSCA’s selection process of available options:

1. Taxable advance refunding
2. Tax-exempt forward delivery
3. Tax-exempt regular delivery
4. Tax-exempt advance refunding

**Member Education**

1. If requested, participate in meeting(s) with BAWSCA member agency representatives to provide overviews of the refunding.
2. Review information letter for member agencies.
3. Prepare initial information request for top users re disclosure.
4. If needed, attend BAWSCA Board Policy Committee and Board meetings to approve retaining the service providers and/or to provide refunding overviews (during non-contingent phase). Review/comment on draft staff reports.

**Member Authorization Option (only if necessary)**

1. Participate in conference call(s) to discuss, confirm member authorization plan (if needed, broad authorization to refund for PV savings without regard to a specific structure; authorize staff to provide, approve disclosure (top users only).
2. If necessary, draft form of member resolution and circulate to BAWSCA (including counsel and municipal advisor) for review.
3. Review information packages for member agencies, including transmittal letter, written material agencies may use for staff reports, and sample power point slides.
4. Participate in conference call to discuss draft form of resolution, letter and supporting docs, if necessary

**Underwriter RFP/Selection and Miscellaneous**

1. If requested by BAWSCA, BAWSCA counsel and/or the municipal advisor, review aspects of proposals, if any, for which there may be legal questions. It is anticipated that respondents will be asked to address taxable advance and forward delivery refunding but may suggest additional approaches such as tenders, exchanges, etc.
2. If requested, review draft debt policy for compliance with statutory requirements.

**Not to Exceed Contract Limit: \$55,000**

**Rates & Charges:**

<u>Name</u>	<u>Hourly Rate</u>
Stephen A. Spitz	\$950/hour
Devin Brennan	\$895/hour
Richard J. Moore	\$950/hour

The Consultant also agrees to defer the receipt of compensation for the refunding preparation work under this Agreement until BAWSCA receives a transfer from the bond stabilization fund held at the Trustee, which is anticipated to occur no later than October 2021.

**Attachment 2**

**Consulting Services Agreement Between BAWSCA and KNN Public Finance  
DRAFT FY 2021-22 SCOPE OF SERVICES FOR 2013A BONDS REFUNDING**

**Purpose**

For FY 2021-22, BAWSCA requires continued work toward the planning for and preparation of a refunding of the 2013A Bonds.

**Work to be Performed:**

Assist in the continuing evaluation of and certain preparations for the potential refunding of the Series 2013A bonds as needed including, but not limited to: assist in the procurement of other service providers; periodically refine and update the financing timetable; prepare/update analyses and advice in connection with various refunding structures and timing alternatives, including monitoring market conditions and interest rate outlooks; prepare a draft and final request for proposal (RFP) for underwriters, manage the RFP process on behalf of BAWSCA, evaluate proposals and alternate strategies, participate in the selection process and interviews; participate on finance team conference calls; review draft staff reports and participate in staff and Board/Council meetings as requested to present refunding information and/or answer questions; and other activities that may be requested or necessary in connection with the potential refunding.

**Not to Exceed Contract Limit: \$40,000**

**Rates & Charges:**

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

The Consultant also agrees to defer the receipt of compensation for the refunding preparation work under this Agreement until BAWSCA receives a transfer from the bond stabilization fund held at the Trustee, which is anticipated to occur no later than October 2021.

The refunding services outlined above are not expected to be the full set of municipal advisory services necessary to complete the execution of a refunding transaction. To the extent that actual time spent on planning and initial preparations for the potential refunding between July 1, 2021 and June 30, 2022 exceeds the amount compensated pursuant to this Agreement, any uncompensated portion may be taken into account in the determination of any contingent transaction fee for the execution of 2013A refunding. Such contingent transaction fee, if any, would be subject to a separate agreement between the parties.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Proposed Fiscal Year 2021-22 Work Plan, Results to be Achieved, and Operating Budget**

**Summary:**

This memorandum presents the proposed Fiscal Year (FY) 2021-22 Work Plan, Results to be Achieved, and Operating Budget. Comments received from the Board at the January 21, 2021 Work Plan and Budget Preparation Planning Session and March 18, 2021 Board meeting have been reviewed and addressed.

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 increasing level of review of SFPUC's 10-year Capital Improvement Program and Asset Management Program; refresh and update of BAWSCA's Regional Water Demand and Conservation Projections Study (Demand Study); scoping for an update to BAWSCA's 2009 Long Term Reliable Water Supply Strategy (Strategy); provide staff-only drought support to member agencies and their customers; implement BAWSCA's core and subscription conservation programs including two new programs; 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 Federal Energy Regulatory Commission (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; monitor SFPUC's development of new water supplies through its Alternative Water Supply Planning Program; initiate development of a new Tier 2 drought implementation plan; administer BAWSCA's bonds including potential refunding; administer the WSA (WSA) with San Francisco to protect financial interests of the member agencies; implement Board policy directives for management of BAWSCA's unfunded pension liability obligations; and initiate a new BAWSCA internship program.

The proposed Operating Budget is \$4,783,794 which is 15% above the approved FY 2020-21 Operating Budget. The proposed Operating Budget represents approximately a \$1.16 increase in annual cost per household in the service area for an estimated cost to the water customer of \$7.75 per household per year.

The proposed Work Plan and Operating Budget can be funded with a combination of assessment increases, use of the General Reserve, a transfer from the WSA Balancing Account (Balancing Account), and use of BAWSCA 2013 Bond Stabilization Fund (Stabilization Fund).

Based on the analysis provided in this memo, funding Option 3 with a 5% assessment increase is recommended as it combines a modest rate increase with balanced use of other funding sources and results in an estimated year-end General Reserve that is within the budgetary guidelines.

**Board Policy Committee Action:**

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

**Recommendation:**

**That the Board approve the:**

- 1. Proposed FY 2021-22 Work Plan and Results to be Achieved;**

2. **Proposed Operating Budget of \$4,783,794;**
3. **Proposed Option #3 funding plan of a 5% assessment increase, a transfer of \$281,676 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds for funding the Operating Budget; and**
4. **Authorization of a request for a transfer of \$331,000 from the Balancing Account to BAWSCA in accordance with BAWSCA’s Balancing Account Policy, Res. No. 2020-02.**

**Discussion:**

The discussion below presents a proposed Work Plan and Operating Budget for FY 2021-22 as well as a discussion of alternatives for funding the proposed Work Plan.

**PROPOSED FY 2021-22 WORK PLAN AND RESULTS TO BE ACHIEVED:**

Next year’s Work Plan addresses all of the anticipated issues and results to be achieved discussed with the Board Policy Committee in December and February, and with the Board in January and March.

The proposed FY 2021-22 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.
- Implement BAWSCA’s 2009 Strategy, including the following actions:
  - Complete Phase 3 pre-feasibility studies for the Potable Reuse Exploratory Plan (PREP), 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 the 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;
  - 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;
  - Refresh and update BAWSCA’s Demand Study; and
  - Complete scoping activity for an update to BAWSCA’s 2009 Strategy.
- Provide staff-only drought support to member agencies and their customers, assuming dry conditions in FY 2021-22.
- 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.
- Implement two new subscription conservation programs developed in FY 2020-21.
- 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:

- Monitor SFPUC's development of new supplies through its Alternative Water Supply Planning Program and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations to its Wholesale Customers; and
- Initiate development of an updated Tier 2 drought allocation plan.
- 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 WSA.
- Administer BAWSCA's bonds, including possible refunding.
- Initiate a new 3 to 6-month diversity internship program.
- Implement Board policy directives for management of BAWSCA's unfunded pension liability obligations.

Table 1 presents the proposed FY 2021-22 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 2021-22:**

There are seven new, significantly rescoped, or expanded activities included in the proposed FY 2021-22 Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA member agencies. One item, drought support for member agencies, was previously included in this list. However, the planned level of effort has been reduced in the proposed Work Plan to provide staff level support only at this time given current conditions.

**1. Refresh and Update BAWSCA 2020 Demand Study  
Estimated FY 2021-22 Cost: \$277K**

At the close of FY 2019-20, BAWSCA completed the 2020 Demand Study. Currently, there are several efforts underway both at the State level and by BAWSCA Member agencies that are likely to impact the projections prepared in that 2020 study. For example, member agencies are developing their 2020 UWMPs within which updated water demands, population projections, and conservation efforts will be detailed. Similarly, the State of California will be proposing new water efficiency targets that are likely to impact member agencies' conservation strategies. Those targets are due to be released in draft form in the fall of 2021. Matters outside member agency control, such as the long-term impacts of COVID-19 related changes on water use, are worthy of consideration in demand estimates. It is believed that those impacts can be analyzed once the COVID-19 crisis has passed. Finally, the SFPUC is due to release its climate change study results in the spring of 2021.

Given the above-detailed impacts on demand, it is recommended that a refresh and update of the 2020 Demand Study be initiated in FY 2021-22. The recommended

update will be extensive, as estimating what the impacts are to each member agency will take significant study and require agency-specific feedback and involvement, including an update of all 28 water demand models. BAWSCA would secure consultant support for this effort with the overall update starting in FY 2021-22. The draft proposed budget includes an estimated \$277,000 for consultant support including a small budget for legal counsel.

**2. Complete Scoping for an Update of BAWSCA's 2009 Strategy  
Estimated FY 2021-22 Cost: \$54K**

In 2009, BAWSCA initiated the development of its Strategy to provide a comprehensive, regional assessment of the BAWSCA member agencies' water supply reliability needs, complete an evaluation of potential water management actions that could be implemented to meet these needs, and identify potential actions for consideration by the Board to achieve an increased level of regional reliability. The 2009 Strategy effort spanned several fiscal years and was completed in 2015. The total technical cost for the 2009 Strategy was \$1.9M, including \$117K for scoping.

Implementation of the 2009 Strategy recommendations has been incorporated into the adopted work plan annually since FY 2015-16. BAWSCA's efforts to develop new sources of water supply, as well as its efforts to engage and promote the development of new alternative water supplies by the SFPUC, were performed in accordance with the Strategy. For example, BAWSCA's participation in the Los Vaqueros Reservoir Expansion Project, the Pilot Water Transfer, and the current participation in the PREP Project, all resulted from the direction given in the 2009 Strategy.

Since the completion of the 2009 Strategy in 2015, there have been significant changes that impact the region's long-term water supply planning efforts. For example, the region has weathered the 2014-17 drought, new Urban Water Management Plans (UWMP) have been prepared, COVID-19 has impacted the region, customer behavior has changed as a result of conservation measures being adopted and embraced, SFPUC has made progress toward completing the WSIP, BAWSCA completed its 2020 Demand Study, and there have been profound regulatory actions at the State and Federal level that have an impact on water supply reliability.

Given all that has transpired since the completion of the 2009 Strategy, it is appropriate to consider preparing an update. For FY 2021-22, the proposed Work Plan proposes completion of a scoping effort to identify what the scope, schedule and budget should be for an update to the 2009 Strategy. The scoping effort will be led by staff and require consultant support and engagement with the Board and member agencies through the Water Management Representatives. The draft proposed budget includes an estimated \$54,000 for consultant and legal support.

**3. Develop Leak Repair and Training Certification Program for Implementation in FY 2022-23  
Estimated FY 2021-22 Cost: \$34K**

BAWSCA's development of a leak repair and training certification program began in FY 2020-21. This is a new program and there are no similar programs in place at other water agencies to replicate or expand from. The merits of training and certification are significant however, and the development of such a program, is of great interest to member agencies.

Program development, as assisted by an as-yet-to-be selected consultant, will continue in FY 2021-22 such that the program itself can be implemented in FY 2022-23. Program development efforts will research the training methods and procedures that would be employed, the outreach and agency involvement needed to promote the training, and the methods used to test and certify those that complete the program. The draft proposed budget includes an estimated \$34,000 for consultant support and a modest budget for legal counsel support.

**4. Initiate Development of an Updated Tier 2 Drought Implementation Plan  
Estimated FY 2021-22 Cost: \$75K**

The Tier 2 Drought Implementation Plan (Tier 2 Plan or Plan) allocates the collective Wholesale Customer share of the water made available by the San Francisco Public Utilities Commission (SFPUC) during shortages caused by drought among individual Wholesale Customers.

The existing Tier 2 Plan was first adopted by each Wholesale Customer in the winter/spring of 2011 pursuant to Section 3.11.C of the WSA. That Tier 2 Plan, which initially expired on December 31, 2018, has been extended each year with the current Tier 2 Plan expiring on December 31, 2021.

In 2018, legislation was passed to implement the new statewide water use efficiency requirements, which may substantially impact the normal year and drought year water use within the member agencies' service areas. The State, through the Department of Water Resources (DWR), has indicated that it will release draft water use efficiency requirements in October of 2021 and receive comments through the spring of 2022, with final requirements released in June of 2022.

Development of an updated Tier 2 Plan can be initiated in FY 2021-22 with the release of the draft water use efficiency requirements by DWR in Fall 2021. Development and negotiations are expected to take more than one year with significant involvement and input from member agencies through the Water Management Representatives. The agreed upon Tier 2 Plan must then be adopted by the governing body of each member agency. The draft proposed budget includes \$75,000 for technical consultant and legal counsel support.

**5. Refunding of BAWSCA's Revenue Bond Series 2013A  
Estimated FY 2021-22 Non-Contingent Cost: 300K**

The objective of a potential bond refunding of BAWSCA's Revenue Bond Series 2013A tax-exempt bonds is to generate debt service savings and eventually save the water customers money. Based on the findings of the recent refunding analysis in January 2021, while the agency estimates a solid amount of potential savings (assuming current market conditions) of pricing and issuing taxable advance refunding bonds in mid-2021, BAWSCA continues to believe that there remains potential for greater savings from a tax-exempt refunding delivered in January 2023. The par amount of the callable portion of Series 2013A bonds is \$163.8 million. The estimated net present value savings are over \$20 million or 12% of the refunded bonds, assuming current interest rates with a modest cushion for adverse market changes.

A preliminary estimate of the total cost to refund BAWSCA's series 2013A bonds is approximately \$1-\$1.2 million, including both contingent and non-contingent costs. The non-contingent portion of the cost of issuance is estimated to be about \$300,000 and are

mostly associated with the refunding planning costs, rating agency fees, trustee and escrow agent and verification agent fees. Monies for financial consultant support is also included in the proposed FY 2021-22 operating budget. For a tax-exempt forward delivery, most of the non-contingent costs would have to be paid near the time of pricing in early 2022. The rest of the costs would be paid from the refunding bond proceeds, contingent upon the successful sale and delivery of bonds.

**6. Develop and Implement Student Internship Program**  
**Estimated FY 2021-22 Cost: \$44K**

The implementation of an Student Internship Program was originally planned to begin in FY 2020-21 but was delayed during the budget development process due to the anticipated impacts of the COVID-19 pandemic.

This Spring, at the request of the Board, BAWSCA released a Request for Qualifications (RFQ) that was sent to organizations, including schools, in the Bay Area, to identify the best entity to provide support and other assistance to BAWSCA in its future implementation of this internship program.

Collaborating with an organizational partner is seen as a way of reaching qualified candidates and also reducing BAWSCA's overall administrative burden for this program. Based on the response from the RFQ, BAWSCA anticipates selection of the organizational partner prior to the start of FY 2021-22, enabling BAWSCA to begin work on this program starting July 1, 2021.

Once the organizational partner is selected, BAWSCA will work with them to develop a plan for a 3 to 6-month internship program that would provide an opportunity for disadvantaged or underserved college students pursuing a technical or business degree to gain valuable experience working to support BAWSCA's water resources or finance departments. An intern can be accommodated within the existing BAWSCA office layout and without significant office-set up costs. Depending upon the organizational partner that BAWSCA selects, the timeline may not be feasible to secure intern services in FY 2021-22, however, the draft proposed budget includes a \$44,000 budget allocation with the goal of having an intern in FY 2021-22.

**7. BAWSCA's Unfunded Pension Liability Funding Program**  
**Estimated FY 2021-22 Cost: \$0K**

Per the latest CalPERS actuarial valuation as of June 30, 2019, BAWSCA's projected unfunded pension liability as of June 30, 2022 is estimated to be \$707,333, which is scheduled to be paid off by June 30, 2038. Based on the current amortization schedule, BAWSCA's minimum required employer contribution towards the UAL for FY 2021-22 is \$68,648.

BAWSCA's estimated funding need is in a range of \$166K to \$730K, assuming the unfunded pension liability would be rescheduled to be paid off in 5 years to 1 year, respectively. The sooner the UAL is paid off, the higher the total estimated present value savings. If the unfunded pension liability is paid off in FY 2021-22, the estimated funding needs are approximately \$730K, resulting in an estimated present value savings of about \$252K to BAWSCA.

The costs associated with paying off the UAL have not been included in the proposed budget for FY 2021-22. At its February meeting, the BPC discussed several options for

paying off BAWSCA's UAL and how to manage that process without overly inflating BAWSCA's assessments unnecessarily. One option that was suggested was the potential for transferring surplus funds that may be available at the close of a particular fiscal year toward paying off the UAL. Additional discussion will take place with the BPC, followed by discussions with the full Board, to determine whether that approach or an alternative funding approach is preferred.

**Results of January 21, 2021 Work Plan and Budget Preparation Planning Session:**

During BAWSCA's January 21, 2021 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 FY 2021-22 Work Plan and Results to be Achieved.

**Anticipated Future Work Plan Efforts and Potential Future Large Cost Project Expenditures:**

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

- Developing an updated Long-Term Water Supply Strategy, and thereafter implementing the Strategy recommendations to assure a reliable, high quality water supply at a fair price;
- Expanding efforts to monitor SFPUC's development of its Alternative Water Supply Program that will result in the implementation of water supply projects to meet its level of service requirements, including the multiple projects necessary to address Bay Delta Plan impacts;
- Overseeing SFPUC's increasing 10-Year CIP, consistent with recently adopted WSA amendments and BAWSCA's expanded oversight role; and
- 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.

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 2021-22 and beyond.

**Alternatives to the Proposed Work Plan and Results to be Achieved:**

An alternative to the proposed Work Plan is to delay the update to BAWSCA's 2020 Demand Study until FY 2022-23.

The update to BAWSCA's 2020 Demand Study is necessary because, as detailed previously in this document, there are several efforts underway at the State level and by BAWSCA member agencies that are likely to impact the projections prepared in BAWSCA's 2020 Demand Study. For some of those efforts, information will not be available at the start of the work on the update. However, it is possible to begin the work in the first quarter of FY 2021-22 and incorporate information into the study as it becomes available. Some work may be required on the update in FY 2022-23 to incorporate any outstanding information.

This alternative is not recommended because the SFPUC will need to rely on BAWSCA's update to the 2020 Demand Study as they move forward into their environmental analysis

associated with their Alternative Water Supply Plan. Delays in the update to BAWSCA's 2020 Demand Study could in turn have an impact on SFPUC's approach to that vitally important environmental analysis.

**PROPOSED FY 2021-22 OPERATING BUDGET:**

The proposed Operating Budget of \$4,783,794 presented in Table 5 reflects the allocation of funding necessary to achieve the full Work Plan and includes an estimated pre-funding contribution for Other Post-Employment Benefits (OPEB), which is shown as a separate line item.

**Explanation and Alternatives for Salaries and Benefits:**

The increase for salaries and benefits of \$47,664 shown in the proposed Operating Budget is a result of a variety of changes. The proposed Operating Budget also includes the following for all employees except the CEO:

- \$22,412 for a COLA adjustment to existing FY 2020-21 salary
- \$22,823 merit allowance separate from COLA adjustment

A Cost-of-Living Allowance (COLA) adjustment of 2.15% 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 \$23,500 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.

**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 2020-21 funding plan included a 0% increase in assessments and a \$476,400 transfer from the General Reserve. The General Reserve has a current balance of \$996,743. That balance includes the 476,400 transfer out of the General Reserve noted above along with a subsequent transfer of \$435,266 in November 2020 from unspent FY 2019-20 funds. That balance also reflects the transfer of \$142,500 from the General Reserve to fund a portion of a contract increase for BAWSCA legal counsel approved by the Board at its March 18, 2021 meeting. The resulting General Reserve is 24% of the adopted FY 2020-21 budget of \$4,163,179, which is within the BAWSCA budgetary guidelines.



BAWSCA's General Reserve Policy as adopted by Board Resolution 2018-02 provides the following guidance for the General Reserve:

- “Whereas, it is a prudent financial measure to maintain surplus funds in a reserve in order to provide funds for urgent but unanticipated expenses and for one-time, non-recurring expenses to moderate variations in annual assessments”
- “For budgetary purposes, the guideline for the minimum balance in the General Reserve is twenty percent of the budget year’s operating expense” and “the guideline for the maximum balance in the General Reserve is thirty five percent of the budget year’s operating expense.”

Each year, unspent funds (if available) are moved to the General Reserve to fund special needs and future budgets. Appendix K 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 2020-21 Operating Budget will be 94% expended at year end. The CEO will continue to closely review the anticipated end of year expenses over the next few months, especially in light of increased expenses for legal counsel and others. Any post-audit excess funds will be transferred to the General Reserve in Fall 2021.

Options for Funding the Proposed Work Plan and Operating Budget:

In developing funding options to address FY 2021-22 budgetary needs, BAWSCA has four distinct funding sources to consider given the proposed Work Plan items:

1. Member Agency Assessments
2. BAWSCA General Reserve
3. Balancing Account: In accordance with Section 6.05.B.2.a of the WSA and BAWSCA's Balancing Account Policy, Balancing Account funds may be used for certain water resources work including the scoping of the update to BAWSCA's Strategy and the update of BAWSCA's 2020 Demand Study.
4. Stabilization Fund: In accordance with BAWSCA's 2013 Series A and B bond covenants, certain monies in the Stabilization Fund can be used to cover a portion of the costs associated with bond refinancing. These funds will be available for BAWSCA use no later than October 2021, which is sufficient to provide the funding necessary for the allowable expenses.

Table 6 presents a range of four funding options. Each option relies on a combination of the identified four funding sources. For information and comparison purposes, the table also includes the current FY 2020-21 Operating Budget and Funding Plan and a Revised Operating Budget and Funding Plan, as will be considered by the BPC in April and the Board in May.

- **Option 1 “2% Assessment Increase”:** A 2% increase in assessments (\$3,760,515), a transfer of \$392,279 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds. This option results in a General Reserve balance of \$848,064, or 18% of the total proposed Operating Budget and 20% of the Total Operating Budget excluding one-time expenses.
- **Option 2 “4% Assessment Increase”:** A 4% increase in assessments (\$3,834,250), a transfer of \$318,544 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds. This option

results in a General Reserve balance of \$921,799 or 19% of the total proposed Operating Budget and 22% of the Total Operating Budget excluding one-time expenses.

- **Option 3 “5% Assessment Increase”:** A 5% increase in assessments (\$3,871,118), a transfer of \$281,676 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds. This option results in a General Reserve balance of \$958,667 or 20% of the total proposed Operating Budget and 23% of the Total Operating Budget excluding one-time expenses.
- **Option 4 “7% Assessment Increase”:** A 7% increase in assessments (\$3,944,854), a transfer of \$207,940 from the General Reserve, a transfer of \$331,000 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds. This option results in a General Reserve balance of \$1,032,403 or 22% of the total proposed Operating Budget and 25% of the Total Operating Budget excluding one-time expenses.

For each option shown in Table 6, calculations are provided showing the General Reserve as a percent of the total Operating Budget and General Reserve as a percent of the Operating Budget minus \$631K of one-time expenses included in the proposed Work Plan.

Given the ongoing legal issues facing BAWSCA, use of the General Reserve to fund a portion of the Operating Budget and the anticipated end of year level of the General Reserve should be considered very carefully.

Based on the information provided above, funding Option 3 with a 5% assessment increase is recommended as it combines a modest rate increase with use of other funding sources and results in an estimated year end General Reserve that is within the budgetary guidelines even if the total Operating Budget or the Operating Budget minus the one-time expenses, is used for the calculation.

### **MAJOR CHANGES REFLECTED IN THE PROPOSED WORK PLAN AND OPERATING BUDGET FROM THE PRELIMINARY WORK PLAN AND OPERATING BUDGET**

The proposed Work Plan and Operating Budget reflects the following changes from the preliminary Work Plan and Operating Budget in response to the Board’s direction and further review of critical tasks necessary:

- Deletion of \$24K budget allocation for outside support or other expenses associated with planned drought support for member agencies This modification was made in response to the Board’s direction to reduce costs where appropriate and in light of the current water supply conditions.
- Reduction of \$61K in planned rent cost associated with savings secured in recent successful negotiation of an extension of the existing lease for BAWSCA’s current office space. This identified savings assumes the Board authorization of the lease extension at the May 2021 board meeting.

### **FINDINGS RELATED TO USE OF BALANCING ACCOUNT:**

Pursuant to Section 6.05.B.1 of the WSA, if the Balancing Account maintains a positive balance for three successive years and represents 10 percent or more of the Wholesale Revenue Requirement for the most recent fiscal year, the Board may direct the SFPUC to apply the positive balance to "water conservation or water supply projects administered by or through BAWSCA," among other uses. Two proposed FY 2021-22 Work Plan items - the 2020 Demand Study Refresh and Update and the Scoping for an Update to BAWSCA’s 2009 Strategy -

support both BAWSCA's water supply development and conservation efforts and are therefore eligible for funding via the Balancing Account.

In accordance with Resolution No. 2020-02, before appropriating funds from the Balancing Account, the Board must make written findings that reasonably demonstrate that applying all or a portion of the positive balance to the selected purpose(s) is in the best interests of the Wholesale Customers and the ultimate water customers.

Per the Balancing Account Policy, the findings must address the following:

- a) Projected annual Wholesale Rates for the next five fiscal years;
- b) Wholesale Revenue Coverage Reserve;
- c) Existing unpaid asset balance(s) under Section 5.03 of the WSA;
- d) Funding requirements and sources for water conservation or water supply projects administered by the Agency and an analysis comparing the use of the Balancing Account funds compared to implementing a Water Management Charge per WSA Section 3.06.A; and
- e) Any other factor(s) the Board of Directors determines compels application of all or part of the positive balance to a purpose specified in 6.05.B.2.a of the WSA.

An evaluation of the proposed use of the Balancing Account funds results in the following findings:

- The proposed appropriation of \$331,000 will not have a discernible impact on the wholesale rates in the next five years (a) or the need for funds for a Wholesale Revenue Coverage Reserve (b).
- Finding (c) is now moot as all asset balances have been paid.
- A Water Management Charge is not a preferred method of raising funds at this time given the size of the positive balance in the Balancing Account and the budget needs (d).
- At this time, there is no other competing interest that requires the Balancing Account to be reserved in its entirety rather than as a funding source for these specific budget items (e).

**Table 1. Proposed FY 2021-22 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**

- (5.7%) **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 have 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 ongoing maintenance and protection of RWS assets. 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. including participation in SFPUC's roll out of their recently adopted Asset Management Policy
  - d. Provide assistance to member agencies and help facilitate engagement with the SFPUC regarding emergency response matters.
- (16.0%) **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. *Refresh & update BAWSCA’s Regional Water Demand and Conservation Projections Study.*
  - b. *Complete scoping activity for an update to BAWSCA’s Long-Term Reliable Water Supply Strategy (Strategy).*
  - c. Participate in development of Bay Area Regional Reliability (BARR) Phase 2 (Water Marketing Strategy) in partnership with other Bay Area water agencies.
  - d. Complete Potable Reuse Exploratory Plan (PREP) Phase 3 pre-feasibility study with SFPUC and Silicon Valley Clean Water.
  - e. Promote the continued use of San Mateo Plain Groundwater Basin (Basin) for long-term water supply reliability thru the Basin Partnership, including providing CASGEM support to San Mateo County as necessary
  - f. Facilitate development of other local water supply options including tracking and reporting to BAWSCA Board on member agency efforts, identifying potential grant funding, monitoring of related policy development, etc.
  - g. Utilize the BAWSCA Reliability Model to evaluate climate change impacts on water supply, Bay Delta Plan Voluntary Agreement impacts on reliability, the prospective benefits that new alternative water supplies may provide, and to estimate the corresponding need to ration during droughts. *Facilitate the use of the Reliability Model by BAWSCA Member Agencies via a new Subscription Program.*

- (10.3%) **3. Near-term Supply Solutions: Water Conservation and Drought Response**
- a. *Provide staff-only drought support to member agencies and their customers (assuming dry conditions in FY 2021-22).*
  - b. 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, including new Water Efficiency Targets in development by the State.
  - c. Provide regional coordination to support member agency Advanced Metering Infrastructure (AMI) implementation and data mgmt.
  - d. Administer and implement BAWSCA’s core water conservation programs.
  - e. Administer BAWSCA’s subscription conservation rebate programs that benefit and are paid for by participating member agencies.
  - f. *Administer an irrigation hardware rebate program – a new subscription program for FY 2021-22.*
  - g. *Administer a residential self-audit tool – a new subscription program for FY 2021-22.*
  - h. *Develop a leak repair and training certification program for implementation in FY 2022-23.*
  - i. Represent agencies in regional and State-level discussions relative to water conservation-related regulations, grant funding opportunities, and programs where regional participation is possible.
- (6.1%) **4. Take Actions to Protect Members’ Water Supply and Financial Interests in WSA Administration**
- a. *Monitor SFPUC’s development of new supplies through its Alternative Water Supply Planning Program and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations to its Wholesale Customers.*
  - b. Protect members’ 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.
  - c. Adopt a temporary extension of the existing Tier 2 drought allocation plan that expires Dec. 2021.
  - d. *Initiate development of an updated Tier 2 drought implementation plan.*
  - e. Protect members’ water supply and financial interests in the SFPUC’s required 2028 decisions.
- (9.9%) **5. Protect Members’ 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 LTRWS Strategy.

**(0.7%) 7. Reporting and Tracking of Water Supply and Conservation Activities**

- a. Complete BAWSCA FY 2020-21 Annual Survey.
- b. Complete BAWSCA FY 2020-21 Annual Water Conservation Report.
- c. In partnership with member agencies, operate and maintain BAWSCA’s Water Conservation Database (WCDB). *In FY 2021-22, review the WCDB and scope a possible update to the WCDB.*

**HIGH QUALITY WATER**

**(0.4%) 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**

**(17.1%) 9. Perform Matters that Members Agencies Delegated to BAWSCA in the WSA**

- a. Administer the WSA with SF to protect the financial interests of member agencies.
- b. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco.
- c. *Work on the authorization and execution of the refunding of a portion of those bonds to achieve additional interest savings in the future to the member agencies.*

**AGENCY EFFECTIVENESS**

**(6.6%) 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.

**(14.9%) 11. Manage the Activities of the Agency Professionally and Efficiently**

- a. *Initiate an Student Internship Program.*
- b. *Implement Board policy directives for management of BAWSCA’s unfunded pension liability obligations.*

**Table 2: Activities Not Included in Proposed FY 2021-22 Work Plan and Operating Budget**

<p><b>RELIABLE SUPPLY</b></p> <ol style="list-style-type: none"><li>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.</li><li>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.</li><li>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.</li></ol>
<p><b>FAIR PRICE</b></p> <ol style="list-style-type: none"><li>4. Develop alternative wholesale rate structures that the SFPUC might consider. Actions will be limited to facilitating communication with SFPUC, development of goals and objectives relevant to Wholesale Customers, and addressing the potential relationship to alternative retail rate structures member agencies might consider to stabilize water rates and water revenues.</li><li>5. Arbitrate issues related to the 2009 WSA.</li></ol>
<p><b>HIGH WATER QUALITY</b></p> <ol style="list-style-type: none"><li>6. Perform technical studies of water quality or San Francisco’s treatment of the water it delivers to the BAWSCA agencies.</li><li>7. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.</li></ol>
<p><b>AGENCY EFFICIENCY</b></p> <ol style="list-style-type: none"><li>8. Add resources to support additional Board, Board committee, or technical committee meetings.</li><li>9. 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.</li></ol>

**Table 3. FY 2021-22 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	Kuta	BAWSCA should look into the implications to the Regional Water System of new, emerging contaminants related to source water quality, include new microplastics regulations.	BAWSCA will raise this question with the Joint Water Quality Committee for further discussion and possible recommended action. A status report will be provided to the Board with further information, including SFPUC’s response and any potential action. Note that major staff level activity to advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes is not included in the work plan at this time (as noted in Table 2).
2	Mendall	Not interested in seeing many new efforts as the current work plan is full of critical items.	Noted.
3	Montano	Is SFPUC experiencing any increased homeless encampments on the RWS or the watershed.	BAWSCA is not aware that this is an issue for the Regional Water System or the associated watersheds.
3	Moody	BAWSCA should continue to pursue an internship targeted at underserved communities and consider an education committee to provide input on this area.	A new internship will be included in the proposed work plan and budget; however, a new committee is not recommended given the restrictions on existing staff to support a new board committee. Regular reports will be provided to the Board.
4	Pierce	Please review the option to hire staff vs. continuing to utilize consultants for certain work efforts in the work plan.	For BAWSCA’s “Reliable Water Supply” work plan areas, the work plan & workload continue to fluctuate dramatically year by year in the level of effort and necessary expertise, such that it is difficult to clearly identify a steady increase in a certain area of work or expertise that would justify the addition of a new staff member to offset consultant knowledge and proficiencies. For BAWSCA’s “Fair Price” work plan areas, analysis of the current & anticipated workload indicates little potential need for additional staff resources & insufficient benefit that can be had by offsetting the current use of outside consultant resources.
5	Weed	BAWSCA should look into alternative rate structures to help address the member agencies' financial challenges caused by the water revenue loss due to water consumption reduction.	If drought conditions persist, the work plan anticipates BAWSCA hosting a workshop for member agencies that would provide information on a variety of related topics. This topic will be included in the list of potential topics for the final agenda to be developed with input from the Water Management Representatives.



**Table 4. Potential Future Large Efforts**

Project Name	Cost Updates				Discussion
	FY 2019-20 (Actual)	FY 2020-21 (Budget)	FY 2021-22 (Proposed Budget)	FY 2022-23 & Beyond	
Develop an updated Long-Term Water Supply Strategy, and thereafter implement Strategy recommendations to assure a reliable, high quality water supply at a fair price;	\$0	\$0	\$54K	\$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 2021-2025 time period given updated conditions including demands, supply reliability, regulatory and climate change impacts, etc.  In FY 2021-22, work will begin on scoping the update effort. The update itself is proposed to be included in the FY 2022-23 budget. The update may take two to three fiscal years to complete.
Expand efforts to monitor SFPUC’s development of its Alternative Water Supply Program that will result in the implementation of water supply projects to meet its level of service requirements, including the multiple projects necessary to address Bay Delta Plan impacts <sup>1</sup>	\$0	\$17.5K	\$123K	\$400K thru 2028 – additional costs associated with specific projects are anticipated after FY 2027-28.	The Alternative Water Supply Plan is intended by the SFPUC to be a decision-support framework document that outlines guiding principles, delivery goals (LOS), priorities, risks and tradeoffs to help the Commissioners determine how projects should continue to progress into the preliminary design and CEQA phase and beyond. By the time that plan is ready in 2023, SFPUC will simultaneously be developing CEQA project descriptions for each project. The SFPUC is targeting each project having CEQA completed in the 2023-2028 timeframe so they are ready for Commission decisions in 2028. Some projects may require less time, and others the full five years.  BAWSCA will be engaged with the SFPUC in a review and oversight capacity during the Plan development, individual project development, and associated CEQA efforts. From a cost perspective, much of the work will involve

					<p>BAWSCA staff vs. support from consultants. However, some consultant support is envisioned for evaluating the water supply benefits of respective projects.</p> <p>Included in BAWSCA’s work effort will be the active engagement and review and comment on Alternative Water Supply Plan Quarterly Reports prepared by the SFPUC.</p>
Overseeing SFPUC’s increasing 10-Year CIP, consistent with recently adopted WSA amendments and BAWSCA’s expanded oversight role; and <sup>2</sup>	\$47K	\$47K	\$27K	\$25-\$50K yearly dependent on a particular FY’s anticipated work effort	BAWSCA’s role in the review of the SFPUC’s Capital Improvement Program (CIP) has expanded with the approval of the 2018 amendments to the WSA. BAWSCA has a defined role, through the WSA, to participate in the SFPUC development of their 10-year CIP, as well as review and have input into the CIP implementation, including but not limited to the review of the SFPUC’s quarterly reports.
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.	\$65K	\$82K	\$47K	\$50K yearly	BAWSCA conducted an audit of SFPUC’s Asset Management Program in FY 2018-19. Additional Asset Management work continues as BAWSCA engages with the SFPUC with its efforts to implement the SFPUC’s new Asset Management Policy. BAWSCA anticipates this work continuing, though possibly, at a lower overall level as the SFPUC’s Asset Management Program is further implemented.

Footnotes: 1. BAWSCA has been participating as a primary partner in projects such as LVE and PREP. LVE expenses are not reported in this table, however the costs associated with PREP participation are reported. If BAWSCA continues participation in the PREP project, the cost of participation would be significant over time. The bulk of consultant costs for FY 2021-22 and beyond are associated with use of BAWSCA’s Regional Reliability Model.

2. BAWSCA costs for WSIP monitoring are not included in the costs reported in Table 4.

**Table 5. Proposed FY 2021-22 Operating Budget by Major Expenditure Category**

<b>Cost Category</b>	<b>Approved FY 2020-21 Revised Budget (\$) (as of 3/18/2021)</b>	<b>Proposed FY 2021-22 Budget (\$)</b>	<b>Change from FY 2020-21 Budget (\$)</b>
<b>Consultants/ Direct Expenditures</b>			
Reliability	1,314,850	1,506,600	191,750
Fair Pricing	239,500	565,700	326,200
Administration	100,000	140,000	40,000
<i>Subtotal Consultants</i>	1,654,350	2,212,300	557,950
<b>Administration</b>			
Employee Salaries & Benefits	1,997,354	2,045,019	47,664
Other Post-Emp. Benefits (net)	78,000	77,000	(1,000)
Operational Expenses	427,400	385,900	(41,500)
<i>Subtotal Administration</i>	2,502,754	2,507,919	5,164
<b>Total Operating Expenses</b>	<b>4,157,104</b>	<b>4,720,219</b>	<b>563,114</b>
<b>Capital Expenses</b>	3,000	3,000	0
<b>Budgeted Contingency</b>	0	57,500	57,500
<b>Regional Financing Authority</b>	2,025	2,025	0
<b>Bay Area Water Users Assn.</b>	1,050	1,050	0
<b>Grand Total Operating Budget</b>	<b>4,163,179</b>	<b>4,783,794</b>	<b>620,614</b>

**Table 6. Analysis of Funding Options**

Fund Source	FY 2020-21		FY 2021-22			
	Adopted Funding Plan as of 3/18/2021	Revised Funding Plan to be Considered 5/20/2021 <sup>(1)</sup>	Option 1 Proposed Work Plan & 2% Assessment Increase	Option 2 Proposed Work Plan & 4% Assessment Increase	Option 3 Proposed Work Plan & 5% Assessment Increase	Option 4 Proposed Work Plan & 7% Assessment Increase
Assessments	\$3,686,779	\$3,686,779	\$3,760,515	\$3,834,250	\$3,871,118	\$3,944,854
Transfer from General Reserve	\$476,400	\$476,400	\$392,279	\$318,544	\$281,676	\$207,940
Transfer from Balancing Account	\$0	\$197,000	\$331,000	\$331,000	\$331,000	\$331,000
Use of Stabilization Fund	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total Available Operating Funds/Operating Budget</b>	<b>\$4,163,179</b>	<b>\$4,360,179</b>	<b>\$4,783,794</b>	<b>\$4,783,794</b>	<b>\$4,783,794</b>	<b>\$4,783,794</b>
Potential End of FY20-21 Transfer to General Reserve			\$243,600	\$243,600	\$243,600	\$243,600
Estimated Year-End Reserves	\$996,743	\$996,743	\$848,064	\$921,799	\$958,667	\$1,032,403
% of Total Budget	24%	23%	18%	19%	20%	22%
% of "Total Budget Minus One-Time Expenses" <sup>(2)</sup>	24%	24%	20%	22%	23%	25%
Assessment to Budget Ratio	89%	85%	79%	80%	81%	82%
Assessment to Budget Ratio Minus One-Time Expenses <sup>(2)</sup>	89%	89%	91%	92%	93%	95%

Note:

(1) FY 2020-21 Revised Funding Plan reflects the proposed transfer of \$197,000 from the Balancing Account to fund a portion of the contract increase associated with the second Hanson Bridgett contract amendment to be considered by the Board for approval on May 20, 2021.

(2) The one-time expenses include the water resource project expenses funded by the Balancing Account and the cost of bond refunding funded by the excess Stabilization Fund.

## **APPENDICES**

Appendices A through J present additional detail about the proposed FY 2021-22 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 WSA; 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 WSA, 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.
- FY 2020-21: The Board approved a 3.01 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 2021-22 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 2021-22 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 2021-22, 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 2021-22 Operating Budget. The RFA will formally consider and adopt this budget in January 2022.

**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 2021-22 is estimated to be 1,596 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
<b>2015-16</b>			
EarthCapades	\$64,575	\$2,360	
Free Sprinkler Nozzles	\$2,988		
HET		\$9,965	\$300
Large Landscape Audit	\$99,808	\$1,332	
Lawn Be Gone		\$3,380	
Lawn Be Gone Inspections	\$7,704		
Water Wise Ed. Kits	\$101,701	\$2,393	
Washing Machine Rebate	\$157,945	\$ 4,546	\$1,170
Watersense Giveaways	\$10,930		
WaterSmart Reports	\$209,380		
Rain Barrel Rebate	\$11,144		
<b>Total</b>	<b>\$666,175</b>	<b>\$23,976</b>	<b>\$1,470</b>
<b>2016-17</b>			
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		
<b>Total</b>	<b>\$660,263</b>	<b>\$13,144</b>	<b>\$1,355</b>

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
<b>2017-18</b>			
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		
<b>Total</b>	<b>\$561,853</b>	<b>\$11,174</b>	<b>\$27</b>
<b>FY 2018-19</b>			
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		
<b>Total</b>	<b>\$662,580</b>	<b>\$9,305</b>	<b>\$0</b>
<b>FY 2019-20</b>			
EarthCapades	\$79,720	\$2,960	
HET		\$1,600	
Large Landscape Audit	\$110,652	\$1,332	
Lawn Be Gone		\$880	
Lawn Be Gone Inspections	\$1,018		
Water Wise Ed. Kits	\$51,397	\$1,370	
Watersense Giveaways	\$4,382		
WaterSmart Reports	\$216,429		
Rain Barrel Rebate	\$900	\$200	
Water Loss Program	\$215,917		
Customer Meter Testing	\$4,570		
Smart Controller Rebate	\$21,020		
<b>Total</b>	<b>\$706,005</b>	<b>\$8,342</b>	<b>\$0</b>



**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	\$6.59
2021-22	\$2.58	\$7.75

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

Pursuant to Section 8.04 of the WSA, 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 17 years, BAWSCA's reviews have resulted in a total of \$44,492,418 savings to the Wholesale Customers. This total includes the savings resulting from resolution of issues discovered by BAWSCA prior to the WSA 7.06 process and savings from settlements during the formal 7.06 process.

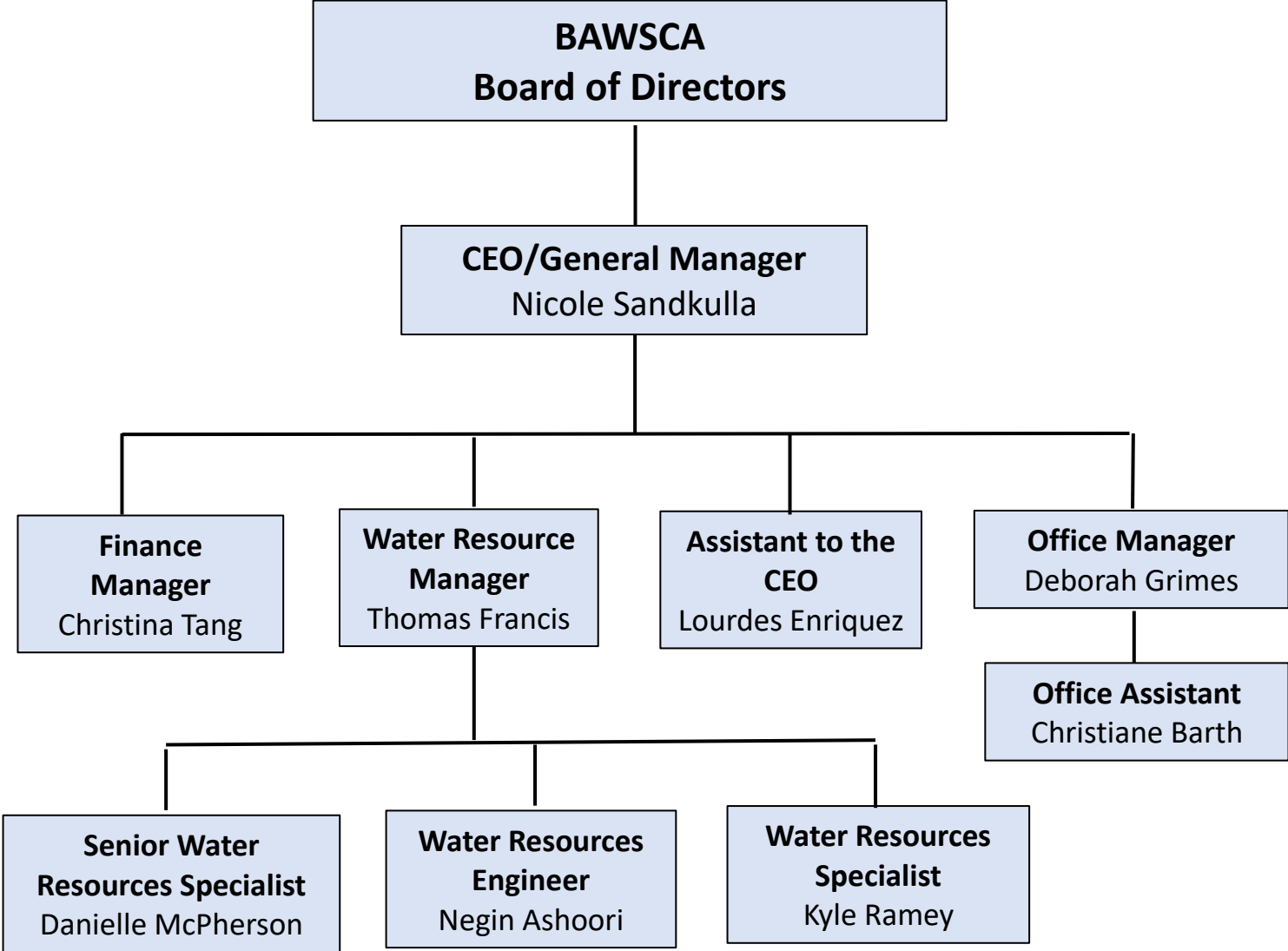
Note that the savings shown in Table H-1 do not include the ongoing savings resulting from any specific year's settlement. For example, the revised 525 Golden Gate operating and capital cost allocation methodology, as a result of the FY11-12 and FY12-13 settlements, generates an ongoing WRR savings to 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
<b>Total</b>	<b>\$44,492,418</b>

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 2021-22 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 2021-22)  
 (Proposed Changes Shown in Blue Underlined Italic Font)

BAWSCA Goal and Associated Challenges	FY 2021-22 (Near-Term)	2022-2035 (Mid-Term)	2035-2050 (Long-Term)
<b>Reliable Supply: Ensure Long-Term Water Supply Reliability</b>			
Protection of member agencies' interests in long-term water supply reliability from the SF RWS and 184 MGD Supply Assurance in light of identified potential areas of risk, including climate change and regulatory challenges, <u>and SFPUC's Alternative Water Supply Planning and associated CEQA initiation by June 2023.</u>	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
Support member agencies in their efforts to ensure system reliability during an emergency.	X	X	X
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, <u>including new Water Efficiency Targets to be finalized by June 2022</u>	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.	X	X	
<b>Reliable Supply: Ensure SF RWS Facility Reliability</b>			
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
Promote emergency resiliency of the SF RWS to protect interests of water customers.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation.	X	X	
<b>High Quality Supply &amp; Fair Price: Enforce 2009 Water Supply Agreement (WSA)</b>			
Enforcement and amendment as necessary, 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. 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.		X	X
Management of BAWSCA's revenue bonds, including consideration of refinancing (based on current analysis <u>as of 12/1/2020, this will be no earlier than 2023</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	
<b>Management of Agency</b>			
<u>BAWSCA CALPERS pension &amp; OPEB liability management</u>			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 WSA; 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 WSA
							\$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 <sup>(1)</sup>				
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%	89.58%		\$160,615	To fund budget	\$253,892	\$1,561,144	42%	8	RHH litigation, Bay-Delta Plan, FERC
2018-2019	\$3,579,397	1%	\$4,278,585	15.49%	93.40%		\$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					
							\$50,000	To fund budget					HB Amendment - Board approved 3/2019
2019-2020	\$3,686,779	3%	\$4,569,750	6.81%	90.08%	\$805,000	\$77,971	To fund budget	\$435,266	\$1,037,877	23%	9	Fund LVE participation, Demand Study, FERC, Bay Delta
2020-2021	\$3,686,779	0%	\$4,163,179	-8.90%			\$333,900	To fund budget		\$996,743			
							\$142,500	To fund budget					HB Amendment - Board approved 3/2021

Footnotes

(1) Remaining unspent Strategy development funds transferred to General Reserve in 2015-16

3/12/2020

Footnotes:

(1) Remaining unspent Strategy development funds transferred to General Reserve in 2015-16

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Approval of Professional Services Contracts for Fiscal Year 2021-22**

**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 2021-22. To ensure work begins promptly or continues without interruption, twenty-three (23) contracts need to be in place by July 1, 2021.

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 2021-22, the Board will consider each of the twenty-three (23) contracts. Other consulting services that may be needed to complete the FY 2021-22 Work Plan will be brought to the Board for authorization during the year.

**Fiscal Impact:**

The combined budget for the fifteen (15) professional services contracts that need to be in place on July 1, 2021 and which are funded by the Proposed FY 2021-22 Operating Budget is \$1,758,100. The additional eight (8) contracts are for subscription conservation programs and as such, have no Operating Budget implications.

**Recommendation:**

**That the Board approve the twenty-three (23) contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2021.**

**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) to protect financial interests of the member agencies, 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 proceedings, 4) monitoring of SFPUC's Water System Improvement Program (WSIP), 10-Year Capital Improvement Program (CIP), and Asset Management Plan, 5) engagement in SFPUC's development of its Alternative Water Supply Planning Program, 6) scoping for an update to BAWSCA's Long-Term Reliable Water Supply Strategy, 7) refresh and update of BAWSCA's Regional Water Demand and Conservation Projections Study, 8) development of a new Tier 2 drought implementation plan 9) provide staff-only drought support to member agencies and their customers, 10) implementing water conservation assistance programs, 11) implement Board directives for

management of BAWSCA’s unfunded pension liability obligations, and 12) initiation of a new BAWSCA internship program.

A general description of the services provided through each of the twenty-three (23) professional services contracts funded by the Proposed FY 2021-22 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 2021-22. BAWSCA’s standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the fifteen (15) professional services contracts funded by the Proposed FY 2021-22 Operating Budget that need to be in place by July 1, 2021. The combined budget for these professional services is \$1,758,100. The corresponding approved consulting budgets for FY 2020-21 are also shown in the table.

Table 2 summarizes the eight (8) professional services contracts needed to be in place by July 1, 2021 to implement subscription programs that are paid for by participating member agencies. For these contracts, no contract amount is specified as the total budget is determined after receipt of Applications to Participate from the member agencies.

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

<b>15 Consultants (Services Provided)</b>	<b>FY 2020-21*</b>	<b>Proposed FY 2021-22</b>
1. Burr Pilger Mayer (Auditing, 2009 WSA Administration)	\$5,000	\$20,000
2. Chavan (Audit Services)	\$16,500	\$16,500
3. Droplet (Online Landscape Rebate System)	\$14,400	\$14,400
4. GeoSyntec (Engineering)	\$10,000	\$10,000
5. Hanson Bridgett (Legal Counsel)	\$806,500	\$723,500
6. Harlan P. Wendell (Strategic Counsel)	\$150,000	\$150,000
7. Hazen & Sawyer (Engineering)**	\$135,000	\$120,000
8. KNN Public Finance (Financial Counsel)	\$63,500	\$103,500
9. Orrick LLP (Bond Documents, Legal Services)	\$12,000	\$62,000
10. Public Trust Advisors (Investment Advisor)	\$10,000	\$10,000
11. Stetson Engineering (Water Analyses, WSA)	\$56,500	\$58,200
12. Richard Sykes (WSIP, 10–Year CIP)	\$115,000***	\$115,000
13. Water Systems Optimizations (Water Loss Management Program)**	\$30,000	\$35,000
14. Maddaus Water Management (Demand Study Update)	n/a	\$275,000
15. West Yost (Asset Management)	\$34,600	\$45,000
<b>Total</b>	<b>\$1,459,000</b>	<b>\$1,758,100</b>

\*FY 2020-21 contract amounts as amended through 5/1/2021

\*\*Consultant also provides a subscription conservation program

\*\*\*FY 2020-21 budget associated with contract with Terry Roberts

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

<b>8 Consultants/Vendors (Conservation Program/Assistance Provided)</b>
1. AM Conservation Group (School Education Program)
2. EarthCapades (School Assembly Program)
3. Global Sun Landscape (Lawn Be Gone Inspection Services)
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, LLC (Large Landscape Conservation Services)
8. Watersmart (Home Water Use Report Program)

*Financial Services Funded by the Operating Budget:*

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.

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. Additionally, KNN has been, and will continue, providing necessary support in the potential refunding of the 2013A Bonds. 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. Orrick has been, and will continue, providing the necessary support in the potential refunding of the 2013A Bonds.

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, Richard Sykes, 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. In FY 2020-21, Hazen and Sawyer evaluated three different water supply scenarios to support BAWSCA's water supply planning needs using the Model. For FY 2021-22, Hazen and Sawyer will continue to provide technical support for BAWSCA's use of the Model as well as implementation of a subscription program for member agencies who are interested in using the Model for their individual 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.

Richard Sykes will support BAWSCA's oversight of SFPUC's management of the Water System Improvement Program (WSIP) and their Water Enterprise 10-Year Capital Improvement Program (10-Year CIP). Mr. Sykes brings 30 years of experience working for a large California water utility. He has served in a leadership role on engineering, operations, maintenance, construction, environmental compliance, fisheries and land management matters. Moreover, he has been actively involved in the development of Capital Improvement Programs (CIPs) that are large in size and scale (\$1.5B) with a scope appropriate to BAWSCA's focus with the SFPUC (Sierra foothill and Bay Area reservoirs, raw water supply tunnels and aqueducts, water treatment plants, and water distribution facilities and related appurtenances).

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 was completed in 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 in FY 2019-20 with Phase 1 of the audit and Phase 2 in FY 2020-21, in which West Yost Associates served as BAWSCA's technical expert in the review and feedback on the individual asset management plans developed and adopted by the HHWP Division in FY 2020-21. Work in FY 2021-22 will include participation and review of the implementation plans and efforts for the SFPUC's adopted Asset Management Policy. West Yost Associates 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. Legal counsel's budget reflects a continued focus on activities 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, administration of the 2009 Water Supply Agreement (WSA), and support for the potential refunding for BAWSCA's 2013A Bonds for the member agencies' water supply reliability and financial interests.

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**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 2021-22 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 \$20,000 is included in the Proposed FY 2021-22 Operating Budget. The proposed budget is \$5,000 more than the current year's adopted budget due to the increased scope for internal audit services in addition to the auditing services associated with the wholesale revenue requirement compliance audit. There will be no increase in billing rates for FY 2021-22.

**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 \$20,000 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. During FY 2021-22, BPM will also conduct internal audit work for BAWSCA.

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

The draft scope of service and billing rates with BPM for FY 2021-22 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 2021-22 SCOPE OF WORK**

**Purpose:**

For FY 2021-22, BAWSCA requires on-going professional auditing and accounting analysis to assist in its review of the annual wholesale revenue requirement/compliance audit, and internal audit services.

**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 2020-21.
- Task 2.** Attend the FY 2020-21 compliance audit kick-off meeting (Fall 2021) 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 2020-21 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: \$20,000**

**Rates & Charges:**

The hourly billing rate is shown below.

- Partner: \$375



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Approval of a Three-Year Professional Services Contract for Audit Services with Chavan & Associates, LLP (Audit Services)**

**Summary:**

Water Code Section 81426 requires that BAWSCA’s accounts be audited annually by an independent Certified Public Accountant (CPA) “with experience in auditing accounts of local public entities”. This item requests authorization for the CEO/General Manager to negotiate and execute a three-year contract with Chavan & Associates, LLP (C&A) to provide auditing services for fiscal years ending 2021, 2022, and 2023 beginning July 1, 2021.

**Fiscal Impact:**

The proposed FY 2021-22 budget contains \$16,500 for these services. This is a three-year contract with subsequent increases of \$500 per fiscal year.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a three (3) year contract for auditing services with C&A, to provide auditing services for FY 2020-21, FY 2021-22, and FY 2022-23.**

**Discussion:**

C&A has been BAWSCA’s auditor since FY 2009-10. Their knowledge in relation to BAWSCA’s programs and revenue bonds has been a tremendous resource over the past few years.

The recommendation is to award a three-year contract to C&A for fiscal years FY 2020-21, 2021-22, and 2022-23. The recommendation to continue C&A’s services is based on their good record of performance as well as cost-effectiveness. An informal survey conducted by BAWSCA staff of a few member agencies (smaller water districts) supports the finding that C&A provides a cost-competitive service to BAWSCA at the proposed budget.

**Background:**

C&A is based in San Jose and specializes in accounting, auditing, and consulting, particularly for government entities. Sheldon Chavan has practiced public accounting since 1998. The auditor is charged with auditing the financial statements of BAWSCA, compiling the financial statements of BAWUA, providing a management letter, preparing a report for the State Controller, completing certain federal and state tax filings and other auditing services. A copy of the scope of work is contained in Attachment A.

Starting with the fiscal year ending June 30, 2014, State law requires that local agencies limit contracts with audit firms to six consecutive fiscal years and then rotate engagement partners or audit firms. C&A has been BAWSCA’s auditor since FY 2009-10, however, any contract years prior to fiscal year 2013-14 do not count toward the six-year limitation per the State law. In accordance with this legal requirement, BAWSCA rotated engagement partners in FY 2020-21, following six consecutive years with Sheldon Chavan as the engagement partner.

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**Attachment A**

**Chavan & Associates, LLP**

**Audit Services**

**PURPOSE**

The purpose of an independent audit is to provide an opinion as to whether the financial statements of an entity are fairly presented, in all material respects, and in conformity with generally accepted accounting principles. An audit provides reasonable assurance that an agency's financial statements are free from material misstatement, that adequate records are maintained, and procedures are in place to effectively safeguard its assets, and finally, may inform management of any fraudulent reporting or misappropriation of assets and/or violation of laws or governmental regulations that are attributable to acts by management or employees acting on behalf of management.

**SCOPE OF WORK**

The services to be provided consist of preparing a consolidated audit of the financial statements, transactions, contracts, and records of the Bay Area Water Supply and Conservation Agency and the Bay Area Water Users Association and preparing an annual audit report, with a Management letter, in accordance with applicable State laws and regulations. Specifically, the Auditor shall:

1. Express an opinion on the fair presentation of BAWSCA's and BAWUA's financial statements, their conformity with generally accepted accounting principles and generally accepted auditing standards, and for BAWSCA, compliance with standards and requirements set forth by the California State Department of Finance.
2. Prepare the "Annual Report of Financial Transactions of Special Districts" for submission to the State Controller.
3. Prepare Federal 990 and State 199 Tax filings for BAWUA.
4. Prepare a written report (letter to management) with respect to the adequacy and effectiveness of the Agency's current accounting procedures and controls. This report will include comments of significant changes in the funds' balance sheets, operations, inadequacies, internal control, and other matters deemed appropriate. Interviews with appropriate staff may be required.
5. Prepare the note disclosures required by GASB 45/27 and provide consultation to BAWSCA related to the accounting and reporting requirements of GASB 45/27.
6. Meet with management to keep the Agency informed about the progress of the audit if requested to do so.
7. Attend Agency meetings to discuss the audit or management recommendations as requested.

**Records to be Audited**

BAWSCA's accounting records consist of a General Fund (operating budget) and one LAIF general reserve account. BAWUA's accounting records consist of one checking account and one savings account which will be compiled but not audited.

Both organizations use the accrual basis of accounting, and both have computerized accounting systems (Quickbooks).

The audit examination shall include all existing funds and any funds that may be created from time to time during the 3-year contract period.

**Time Consideration and Reporting Requirements**

The Auditor shall initiate performance of financial audit services as early as feasible following the closing of the financial records of both BAWSCA and BAWUA on or shortly after July 30. The Auditor is welcome to schedule earlier review of records that are not dependent upon the closing of the fiscal year records.

The State Controller's Report for BAWSCA must be submitted to the State by October 31<sup>st</sup> each year. However, the State Controller's Office often extends this date and announces the revised due dates in a letter to the Agency and in their web site each year.

Thirty (30) copies of the Management Letter together with the final Financial Statements and Auditor's opinion thereon will be submitted to the Agency approximately one to two weeks prior to the due date. Prior to the submission of the final report, the Auditor is required to review a draft of the proposed final report and management letter with BAWSCA's general manager. The Management Letter should include a summary statement of audit findings and recommendations affecting the financial statements, internal control, accounting systems, compliance determination, and any other material matter.

Attachment B

Chavan and Associates, LLP Client List

Cities/Towns	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Albany	✓	✓	✓			✓	
City of Del Rey Oaks		✓	✓				
City of Oroville	✓	✓	✓	✓			
City of Pacific Grove	✓	✓	✓	✓			
City of Point Arena		✓	✓				
City of Rocklin	✓	✓	✓	✓			
City of Saratoga	✓	✓	✓	✓			
City of Suisun City	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓				

Local Education Agencies	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Antelope School District		✓	✓		✓		
Berkeley Unified School District						✓	
Burlingame School District		✓	✓	✓	✓		✓
Cabrillo Unified School District		✓	✓	✓	✓		✓
Corning Union High School District		✓	✓	✓			
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓		✓
Cottonwood Union School District		✓	✓		✓		
Golden Valley Unified School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓		✓
John Swett Unified School District						✓	
Las Lomas School District		✓	✓		✓		✓
Lassen View Union Elementary School District		✓	✓		✓		
Los Altos School District	✓	✓	✓	✓	✓		✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓		
Millbrae School District		✓	✓		✓		✓
Mountain View Whisman School District		✓	✓	✓	✓		✓
Napa Valley Unified School District		✓	✓	✓	✓		✓
Orchard School District		✓	✓		✓		✓
Pacifica School District		✓	✓	✓	✓		
Red Bluff Joint Union High School District		✓	✓	✓	✓		✓
Red Bluff Union Elementary School District		✓	✓	✓	✓		
Roseland Elementary School District		✓	✓	✓	✓		✓
San Bruno Park School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓		✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓		✓
San Mateo Foster City School District		✓	✓	✓	✓		✓
San Rafael City Schools						✓	
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓	✓	✓
Sonoma Valley Unified School District		✓	✓	✓	✓		✓
Soquel Union Elementary School District		✓	✓	✓	✓		✓
South San Francisco Unified School District						✓	✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		✓
Woodside Elementary School District		✓	✓		✓		✓

Attachment B

Chavan and Associates, LLP Client List

Special Districts	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District	✓	✓	✓				
Central Marin Sanitation Agency	✓	✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Midpeninsula Regional Open Space District		✓	✓	✓			
Oro Loma Sanitary District	✓	✓	✓				
Ross Valley Sanitary District	✓	✓	✓				
Santa Clara County Regional Open Space Auth		✓	✓	✓			
Sausalito-Marín City Sanitation District		✓	✓	✓			
Silicon Valley Clean Water		✓	✓				
South San Francisco Conference Center		✓					
The Cities' Group		✓	✓				
Valley of the Moon Fire District		✓	✓				
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Children of Grace						✓	
Far West Wheel Chair Association		✓					
Hidaya Foundation		✓				✓	
Mission Language and Vocational School		✓				✓	
Morgan Hill Charter School Foundation		✓				✓	
NASA AMES Exchange		✓				✓	
O'Connor Tract Co-Operative Water Co.		✓				✓	
Redwood City Education Foundation		✓				✓	
San Mateo County Exposition and Fair Association		✓				✓	
Sonoma Valley Hospital Foundation		✓				✓	
The Moca Foundation		✓				✓	
The San Jose Library Foundation		✓				✓	
Tru		✓				✓	
Work2future Foundation		✓	✓	✓		✓	

Privately Held Corporations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Air Filter/Control						✓	
Diagnostics for the Real World		✓		✓			
FRTek US, LLC		✓					
Pathway to Choices		✓					
Roberts of Woodside						✓	
Sociometrics		✓		✓			

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

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

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Droplet Technologies to continue to host BAWSCA's Online Landscape Rebate System to implement and track BAWSCA's landscape rebate programs for FY 2021-22. The system includes an online conservation rebate application system for submittal, processing, and tracking of customer rebate applications for BAWSCA's rebate programs.

**Fiscal Impact:**

In FY 2021-2022, annual hosting and maintenance costs to BAWSCA will be \$14,400. It is anticipated that these costs will partially be reimbursed by the program administration fees paid to BAWSCA by the individual agencies participating in the BAWSCA rebate programs. In addition, member agencies participating in associated BAWSCA rebate programs will pay an annual maintenance cost of \$75 a month for the Rebate Processing System and an initial \$150 onboarding fee if they are new to Droplet.

**Recommendation:**

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

- 1) Negotiate and execute a contract between BAWSCA and Droplet Technologies, subject to legal counsel's review, for implementation of BAWSCA's Online Rebate System for FY 2021-22**
- 2) Offer participation in the Program to interested BAWSCA agencies on a subscription basis in FY 2021-22.**

**Discussion:**

In July 2020, BAWSCA launched its Online Landscape Rebate System, which was developed, implemented, and now maintained by Droplet Technologies. This cloud-based system streamlines the rebate application process for BAWSCA's landscape rebate programs. The Online Landscape Rebate System is used by all BAWSCA member agencies that participate in BAWSCA's Lawn Be Gone, Irrigation Hardware Rebates, Residential Self Audit Tool or Rain Barrel Rebate Programs.

BAWSCA also plans to expand its conservation programs in FY 2021-2022 and subsequent years. When new rebate programs are added, the system developed by Droplet Technologies will be easily expandable to incorporate these new programs into the Online Rebate System as they are launched.

The Droplet Online Rebate System provides a cost-effective, valuable platform for rebate processing and customer engagement as well as adaptation for future programs. For these reasons, continued implementation of this program is recommended.

**Alternatives:**

The alternative to the recommended action included herein is to not support the Online Rebate System in FY 21-22.

BAWSCA does not recommend the above alternative for FY 2020-21. Through a competitive selection process in 2020, BAWSCA received proposals from firms qualified to perform the services requested. The Online Rebate System supports the cost-effective administration of water conservation activities for BAWSCA and its member agencies. To abandon the system would pose significant challenges in the continued administration of the BAWSCA rebate programs.

**Scope of Work, Results to be Achieved, and Billing Rates:**

The draft scope of work and billing rates with Droplet for FY 2021-22 are shown in Exhibit A.



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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES**

**Scope of Work**

The overall task for Droplet Technologies is to support the implementation of BAWSCA’s stackable Rebate System by maintaining an online rebate platform and database that will continue to allow easy flow of information from customers to BAWSCA and participating member agencies. The scope of work for this includes:

- Maintaining BAWSCA’s online Rebate Program website interface
- Online rebate application maintenance
  - Necessary processing tools and services to validate and approve/reject rebates for the Rainwater Capture and Lawn Be Gone! Programs
  - Platform to allow customers to search for resources to support access to rebates (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
- Training for new participating agencies
- Ongoing maintenance and support services
- Facilitate and implement new conservation programs

**Rates**

Licensing Fees		
BAWSCA	\$1,200	Per month
Member Agency (per agency)	\$75	Per month
One Time Fees		
Member Agency onboarding, program and roles configuration	\$150	

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**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 2021-22. 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 2021-22 Operating Budget and is equal to the current year's authorized budget. A 5% increase in billing rates for the key staff person assigned to the work is proposed following no increase in billing rates in FY 2020-21 in response to BAWSCA's request at that time to hold rates steady due to the COVID-19 financial impact.

**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 2021-22.**

**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 2020-21, BAWSCA participated in discussions with partnership agencies engaged with the SFPUC on the Regional Groundwater Storage and Recovery Project (GRR Project), a project that is part of the SFPUC's Water System Improvement Program. As part of GSR Project work activities, the partners developed a groundwater model that will be used to evaluate basin yield. Geosyntec assisted BAWSCA in its review of the groundwater model. Further assistance of a similar nature from Geosyntec is anticipated in FY 2021-22.

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. Geosyntec has been successfully supporting BAWSCA in 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 2021-22 is shown in Exhibit A. A 5% billing rate increase is proposed for the key staff member following no increase in billing rates in FY 2020-21 in response to BAWSCA request due to the COVID-19 financial crisis.

**EXHIBIT A**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES**

**Purpose:**

For FY 2021-22 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. In addition, BAWSCA requires support relative to specific assignments involving Graphical Information System (GIS) mapping.

**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. Assistance as needed to finalize an updated BAWSCA Agency boundary map; and
3. On-call technical support for local groundwater issues.

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

**Rates and Charges:**

Gordon Thrupp                      \$225/hour

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Hanson Bridgett for FY 2021-22 (Legal Counsel)**

**Summary:**

The annual contract for legal services should be executed by July 1, 2021. 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) amendment, State Water Resources Control Board (SWRCB) Bay Delta Plan activity, Don Pedro FERC activity, bond refunding, 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 2021-22. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount for legal services is \$723,500 and is contained in the FY 2021-22 Proposed Operating Budget. As of May 1, 2021, the proposed budget of \$723,500 is \$83,000 less than the currently approved budget for FY 2021-2022. Continued higher levels of work are anticipated to 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; and represent member agencies' financial interests in implementing the 2009 WSA amendment.

**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 \$723,500.**

**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, Bay Area Water Users Association (BAWUA), for more than 35 years. Hanson Bridgett helped negotiate both the prior and the current agreement for water supply between the Wholesale Customers and San Francisco. Hanson Bridgett also drafted the legislation that now pressures San Francisco to fix the regional water system, formed the San Francisco Bay Area Regional Financing Authority (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 2021-2022. The proposed hourly rates for FY 2021-22 represent an approximate 5% increase compared to the last rate increase of approximately 3% in FY 2019-20.

EXHIBIT A

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

DRAFT

FY 2021-22 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 2021-22.

**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 2021-22 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:

- Legal support for implement of the 2009 WSA including the draft amendment related to transfer of Individual Supply Guarantee and Minimum Purchase Obligation
- 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: \$723,500**

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

Conservation, FERC, Urban Water Mgmt. Plan	\$380,000
Water Supply Agreement Administration Fair Pricing	\$112,000
Water Supply Agreement Administration Reliability	\$68,500
SFPUC 10-Year CIP, WSIP and Water Reliability	\$41,000
BAWSCA (General legal)	\$120,000
<u>RFA &amp; BAWUA (General legal)</u>	<u>\$2,000</u>
<b>Total</b>	<b>\$723,500</b>

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 \$723,500. If unanticipated activities require significant legal support, recommended changes would be brought to the Board of Directors.

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**Exhibit B**

**Hanson Bridgett LLP  
Rate and Charges**

**FY 2021-22**

The charges and billing rates for persons/positions associated with this agreement are set forth below for all matters, including legal services to complete the Water Supply Agreement amendment, the Bay Delta Plan update, and services provided to BAWSCA in connection with the FERC relicensing. These charges and billing rates do not include other specialized litigation. The proposed hourly rates for FY 2021-22 represent an approximate 5% increase compared to the last rate increase of approximately 3% in FY 2019-20. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$723,500.

**FY 2021-22 RATES**

Partner	\$420/hour
Senior Counsel	\$375/hour
Associates	\$350/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
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**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 2021-22.

**Fiscal Impact:**

The not-to-exceed amount of \$150,000 for strategic services is included in the proposed Operating Budget for FY 2021-22. As of May 1, 2021, 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 2021-22 require additional strategic counsel, the Board would be asked to reprogram the FY 2021-22 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 2020-21, 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 to ensure reliable supply of high-quality water at a fair price for issues related to the 2009 Water Supply Agreement (WSA), the 2019 WSA amendments, and new agreement and amendments between San Francisco and BAWSCA's member agencies. Assisting the CEO in preparing 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 2021-22, strategic services are needed to help BAWSCA achieve its results. Two major results to be achieved in FY 2021-22 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 achieved in FY 2021-22 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 achieved in FY 2021-22 will be the successful 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.

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.

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**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 2021-22 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 communication 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.

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

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Hazen and Sawyer  
(Engineering)**

**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 2021-22.

The work under this contract has two distinct components:

1. **BAWSCA Requested Modeling Efforts** - Modeling efforts performed at the request of BAWSCA, as needed to help evaluate potential alternative water supply projects that if implemented would provide a regional water supply benefit. In addition, the Model will be kept updated to reflect adjusted water demands by member agencies as well as impacts on supply reliability as a result of rationing requirements, new regulatory requirements such as the Bay-Delta Plan, and impacts of climate change.
2. **BAWSCA Member Agency Modeling Efforts** - Modeling efforts performed at the request and for the benefit of individual member agencies. This service is made available under a Subscription Program developed to provide member agencies with access and support related to the use of the Model. Those agencies wishing to participate in the program will fully fund the cost of the services provided.

**Fiscal Impact:**

The contract amendment for a not-to-exceed amount of \$120,000 for water supply scenario evaluation using the Model is included in the proposed FY 2021-22 Operating Budget. That budget applies to work performed as part of BAWSCA Requested Modeling Efforts. The subscription program services provided as part of BAWSCA Member Agency Modeling Efforts are at no cost to BAWSCA. Only those agencies that elect to participate in the subscription program will pay the costs associated with those services.

The proposed budget is \$15,000 less than the FY 2020-21's contract budget and includes an increase in billing rates for two key staff members to account for their respective promotions into a higher labor category. Their remaining key staff have no proposed rate increases. The billing rates established by Hazen and Sawyer for subscription program services are established based on individual employee billing rates dependent on the staff assigned to the work.

**Recommendation:**

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

- 1) **Negotiate and execute a contract between BAWSCA and Hazen and Sawyer, subject to legal counsel's final review, for a not-to-exceed amount of \$120,000 for BAWSCA Requested Modeling Efforts; and**
- 2) **Offer member agencies access to and use of the Model to evaluate their individual water supply options and strategies on a subscription basis.**

**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 additional one-year extensions, to develop the Model and provide support services. In FY 2020-21, an amendment to the agreement was executed to provide member agencies the ability to secure Hazen and Sawyer's modeling services for their independent water resource planning needs. Securing Hazen and Sawyer services requires that interested agencies enter into a Subscription Program Agreement with BAWSCA.

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.

In FY 2020-21, the Model was used 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.

For FY 2021-22, major tasks to be performed include the continued use of the Model to perform evaluations of a type similar to that conducted in the prior fiscal year. Particular efforts anticipated include updating the Model to consider the new demand estimates produced by member agencies as part of their respective Urban Water Management Plans, incorporating the results of SFPUC's climate change study, evaluating the water supply benefits of the Potable Reuse Exploratory Plan (PREP) project, and continued review of the water supply benefits of the Los Vaqueros Expansion Project.

**Alternatives Considered:**

The following alternatives to achieve the necessary results have been considered:

- Alternative #1: Support the Recommended Actions. BAWSCA requires engineering support from Hazen and Sawyer in order to continue to evaluate the various alternative water supply projects being considered by the SFPUC. It is important to have modeling support to evaluate the impacts on water supply of the Bay-Delta Plan, including potential voluntary agreements. Having access to the Model, including modeling support, has been requested by BAWSCA member agencies to evaluate their own water supply strategies, leading to the creation of a Subscription Program that was initiated in FY 2020-21.
- Alternative #2: Support only the subscription program portion of the proposed agreement with Hazen and Sawyer. The BAWSCA Board can choose to offer only the subscription portion of the scope of work. This alternative would compromise the ability to perform evaluations of alternative water supply programs and hinder BAWSCA's ability to consider the potential impact of the Bay-Delta Plan and associated voluntary agreements. **This alternative is not recommended.**

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

The draft scope of services with Hazen and Sawyer for FY 2021-22 applied to work proposed to support BAWSCA Requested Modeling Efforts is shown in Exhibit A.

The draft scope of services with Hazen and Sawyer for FY 2021-22 applied to work proposed under a subscription program with member agencies is shown in Exhibit B.

**Rates and Charges:**

*For work related to BAWSCA Requested Modeling Efforts*

Hazen and Sawyer held its billing rates flat for FY 2020-21 in response for BAWSCA’s request for no rate increases due to COVID-19 financial pressures. For FY 2021-22, Hazen and Sawyer asked for rate increases for two of the key project staff (Luke Wang and Alex Gorzalski) to address the fact that both had been promoted into more senior positions. To accommodate that request, Hazen and Sawyer agreed to hold the rates for the other key staff constant.

The following are the FY 2021-22 billing rates for this contract:

Vice President (Marc Solomon)	\$300.00/hour
Senior Associate (Grantley Pyke)	\$208.04/hour
Associate (Luke Wang)	\$180.00/hour
Principal Engineer (Alex Gorzalski)	\$165.24/hour
Project Engineer (Leah Benschung)	\$140.00/hour
Project Engineer (Diane Roher)	\$120.00/hour
Project Engineer (Kinsey Hoffman)	\$112.82/hour

*For work related to the BAWSCA Member Agency Modeling Efforts Subscription Program*

Hazen and Sawyer proposed rates for the staff level they anticipate would be charged with providing the requested services. Note, however, that the rates proposed for Luke Wang and Kinsey Hoffman, should they be assigned to particular projects, are higher than that proposed for the services to BAWSCA. In addition, the contract with Hazen and Sawyer for subscription program services also established charges for certain reimbursable charges.

The proposed rates are as follows:

<b>Classification</b>	<b>Applicable Staff</b>	<b>Hourly Rate*</b>
Principal-in-Charge, QA/QC	Greg Gates, Marc Solomon	\$250-320
Associate / Project Manager	Luke Wang, Tony Pulokas	\$180-295
Project Engineer	Alex Gorzalski, Kinsey Hoffman, Daine Roher	\$112-190
Engineer-in-Training	Leah Benschung	\$105-165

<b>Reimbursable Charges</b>	<b>Rates</b>
Mileage	IRS Rate
Prints, Plots, Messenger Services, and other direct expenses markup	Cost + 10%

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**Exhibit A**

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

**FY 2021-2022 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 required specialized services for the continued development and testing of BAWSCA's Model, as well as related services for evaluating water resources projects.

For FY 2021-22, BAWSCA wishes to extend the Agreement 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 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, updated demand estimates).
- Coordination with regional supply agencies/modelers to provide associated model comparison and/or parallel model runs.
- Associated model calibration and post processing of results.

- Up to four 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	\$64,000
Task 2 – External Document and Model Review	\$23,000
Task 3 – Updates to the Long-Term Water Supply Strategy	\$23,000
Task 4 – Training	\$10,000
<u>Sub-Total</u>	<u>\$120,000</u>

**Not-to-Exceed Contract Amendment Limit:** \$120,000

**Rates and Charges:**

Vice President (Marc Solomon)	\$300.00/hour
Senior Associate (Grantley Pyke)	\$208.04/hour
Associate (Luke Wang)	\$180.00/hour
Principal Engineer (Alex Gorzalski)	\$165.24/hour
Project Engineer (Leah Bensching)	\$140.00/hour
Project Engineer (Diane Roher)	\$120.00/hour
Project Engineer (Kinsey Hoffman)	\$112.82/hour

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**Exhibit B**

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

**FY 2021-22 DRAFT SCOPE OF SERVICES FOR MEMBER AGENCY SUBSCRIPTION  
PROGRAM**

**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 (Contractor) was awarded a one-year contract to develop the Model and provide support services. In Fiscal Year (FY) 2018-19, FY 2019-20, and FY 2020-21, BAWSCA extended the Agreement to exercise its option for the services contemplated in the RFP.

On March 23, 2021, BAWSCA amended the scope of services to include services to be provided to BAWSCA's Member Agencies as further described below. The Subscription Program is now available to each BAWSCA Member Agency by which Member Agencies have access to Contractor for services associated with Member Agencies' use of the Model. With the execution of this Fifth Amendment, BAWSCA Member Agencies will continue to have access through the period beginning on July 1, 2021 through June 30, 2022.

**BAWSCA Member Agency Subscription Program:**

As of March 23, 2021 BAWSCA Member Agencies have the option to enter into a Participation Agreement with BAWSCA to have access to the Model to meet the Member Agency's individual needs and interests related to water supply planning. BAWSCA will utilize this Agreement to serve as the vehicle to provide as-needed technical and other support to BAWSCA Member Agencies for their use of the Model.

When a Participation Agreement is received by BAWSCA, Contractor will be alerted. It is the responsibility of the BAWSCA Member Agency electing to use this vehicle (Participant Agency) to engage directly with Contractor to develop and agree to a scope, budget and schedule for the work, and to share that information with BAWSCA. The Participant Agency must provide BAWSCA with an approved scope, schedule and budget, and work may proceed after BAWSCA issues a Notice to Proceed.

Interactions with Santa Clara Valley Water District, Alameda County Water District, or San Francisco Public Utilities to obtain additional Model input data beyond what is already present in the Model must be coordinated through BAWSCA.

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

- Technical assistance related to the development of water supply planning scenarios to make use of the Model
- Modifications or enhancements to the Model as needed to perform requested analyses
- Model runs and scenario testing
- One-on-one discussions or presentations with Participant Agency staff and their stakeholders to interpret Model results

- Other work efforts associated with Model use and operation

**Financial Arrangements for work to be performed for a Participant Agency:**

Contractor will perform the requested work and invoice BAWSCA on a monthly basis as a separate line item on the invoices BAWSCA receives from the Contractor. Payment for the work will be provided to the Contractor by BAWSCA concurrent with the terms of this Agreement.

**Budgeted Activities for Work to be Performed for a Participant Agency**

The budget to perform the work as requested by a Participant Agency will be defined per the details stipulated above.

**Not-to-Exceed Contract Limit for Work for a Participant Agency**

The Not-to-Exceed Contract Limit for Work to be Performed is set at \$150,000 per Participant Agency.

**Rates and Charges for Work to be Performed for BAWSCA Member Agencies**

Services will be provided to BAWSCA Member Agencies at the hourly billing rates specified below and in accordance to the proposed reimbursable charges.

**Hazen and Sawyer July 2021 – June 2022 Rate Schedule for BAWSCA Member Agency Subscription Program Services**

<b>Classification</b>	<b>Applicable Staff</b>	<b>Hourly Rate*</b>
Principal-in-Charge, QA/QC	Greg Gates, Marc Solomon	\$250-320
Associate / Project Manager	Luke Wang, Tony Pulokas	\$180-295
Project Engineer	Alex Gorzalski, Kinsey Hoffman, Diane Roher	\$112-190
Engineer-in-Training	Leah Bensching	\$105-165

<b>Reimbursable Charges</b>	<b>Rates</b>
Mileage	IRS Rate
Prints, Plots, Messenger Services, and other direct expenses markup	Cost + 10%

\*Hourly rates stipulated by the actual staff performing the work

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

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

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with KNN Public Finance (KNN) for FY 2021-22. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$103,500 is included in the proposed FY 2021-22 Operating Budget. The proposed budget is \$40,000 more than the current year's due to the non-contingent portion of the municipal advisory services needed during the initial planning and preparation of the potential refunding of Series 2013A bonds. The budget increase of \$40,000 for the bond refunding will be funded by the excess bond stabilization fund. There will be no increase in billing rates for FY 2021-22.

**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 \$103,500 to provide BAWSCA assistance with its analyses of SFPUC's financial information and its preparation of 2013A bonds refunding.**

**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 2020-21, KNN assisted BAWSCA in reviewing debt service and capital spending calculations and other components of the Wholesale Revenue Requirement. KNN was BAWSCA's municipal advisor during the issuance of the Series 2013A and B bonds in 2013.

For FY 2021-22, KNN will assist in reviewing the Wholesale Revenue Requirement calculations for FY 2019-20 and FY 2020-21, verifying the wholesale share of SFPUC's debt service, supporting BAWSCA's on-going bond administration, providing recommendations that best serve the interests of the water customers, and continued evaluation of alternatives and preparation for the potential refunding of Series 2013A.

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

The draft scope of services and billing rates with KNN for FY 2021-22 are shown in Exhibit A and Exhibit B.

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**EXHIBIT A**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES FOR ON-GOING FINANCIAL ADVISORY SERVICES**

**Purpose**

For FY 2021-22, 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: \$63,500 (Exhibit A Services Only)**

**Rates & Charges:**

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

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**EXHIBIT B**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES FOR 2013A BONDS REFUNDING**

**Purpose**

For FY 2021-22, BAWSCA requires continued work toward the planning for and preparation of a refunding of the 2013A Bonds.

**Work to be Performed:**

Assist in the continuing evaluation of and certain preparations for the potential refunding of the Series 2013A bonds as needed including, but not limited to:

- assist in the procurement of other service providers;
- periodically refine and update the financing timetable;
- prepare/update analyses and advice in connection with various refunding structures and timing alternatives, including monitoring market conditions and interest rate outlooks;
- prepare a draft and final request for proposal (RFP) for underwriters, manage the RFP process on behalf of BAWSCA, evaluate proposals and alternate strategies, and participate in the selection process and interviews;
- participate on finance team conference calls;
- review draft staff reports and participate in staff and Board/Council meetings as requested to present refunding information and/or answer questions; and
- other activities that may be requested or necessary in connection with the potential refunding.

**Not to Exceed Contract Limit: \$40,000**

**Rates & Charges:**

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

The Consultant also agrees to defer the receipt of compensation for the refunding preparation work under this Agreement until BAWSCA receives a transfer from the bond stabilization fund held at the Trustee, which is anticipated to occur no later than October 2021.

The refunding services outlined above are not expected to be the full set of municipal advisory services necessary to complete the execution of a refunding transaction. To the extent that actual time spent on planning and initial preparations for the potential refunding between July 1, 2021 and June 30, 2022 exceeds the amount compensated pursuant to this Agreement, any uncompensated portion may be taken into account in the determination of any contingent transaction fee for the execution of 2013A refunding. Such contingent transaction fee, if any, would be subject to a separate agreement between the parties.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

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

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Orrick for FY 2021-22 for as needed on-going legal support associated with the Revenue Bonds Series 2013 A & Series 2013 B (Taxable) issued in February 2013. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$62,000 is included in the Proposed FY 2021-22 Operating Budget for these services. The proposed budget is \$50,000 more than the current year's adopted budget mainly due to the additional scope of service for the non-contingent portion of the bond counsel services for the potential refunding of 2013A bonds with a not-to-exceed amount of \$55,000, which will be funded by the excess bond stabilization fund. There will be no increase in billing rates for FY 2021-22.

**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 \$62,000 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 2013A and B bonds since FY 2013-14.

For FY 2021-22, 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, and providing the non-contingent portion of the bond counsel services for the bond refunding.

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

The draft scope of services and billing rates with Orrick's on-going legal support for FY 2021-22 are shown in Exhibit A. The draft scope of services and billing rates with Orrick for 2013A bond refunding services are shown in Exhibit B.

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**EXHIBIT A**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES FOR ON-GOING LEGAL SUPPORT**

**Purpose:**

For FY 2021-22, 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: \$7,000**

**Rates and Charges:**

<u>Name</u>	<u>Hourly Rate</u>
Stephen A. Spitz	\$950/hour
Devin Brennan	\$895/hour
Richard J. Moore	\$950/hour

**EXHIBIT B**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES FOR 2013A BONDS REFUNDING**

**Purpose**

For FY 2021-22, BAWSCA requires continued bond counsel legal support toward the planning for and preparation of a refunding of the 2013A Bonds.

**Work to be Performed:**

1. Initial Strategy Conferences with Finance Team
2. Refunding Options – Address any legal issues during BAWSCA’s selection process of available options:
  - Taxable advance refunding
  - Tax-exempt forward delivery
  - Tax-exempt regular delivery
  - Tax-exempt advance refunding
3. Member Education
  - If requested, participate in meeting(s) with BAWSCA member agency representatives to provide overviews of the refunding.
  - Review information letter for member agencies.
  - Prepare initial information request for top users re disclosure.
  - If needed, attend BAWSCA Board Policy Committee and Board meetings to approve retaining the service providers and/or to provide refunding overviews (during non-contingent phase). Review/comment on draft staff reports.
4. Member Authorization Option (only if necessary)
  - Participate in conference call(s) to discuss, confirm member authorization plan (if needed, broad authorization to refund for PV savings without regard to a specific structure; authorize staff to provide, approve disclosure (top users only).
  - If necessary, draft form of member resolution and circulate to BAWSCA (including counsel and municipal advisor) for review.
  - Review information packages for member agencies, including transmittal letter, written material agencies may use for staff reports, and sample power point slides.
  - Participate in conference call to discuss draft form of resolution, letter and supporting docs, if necessary

5. Underwriter RFP/Selection and Miscellaneous

- If requested by BAWSCA, BAWSCA counsel and/or the municipal advisor, review aspects of proposals, if any, for which there may be legal questions. It is anticipated that respondents will be asked to address taxable advance and forward delivery refunding but may suggest additional approaches such as tenders, exchanges, etc.
- If requested, review draft debt policy for compliance with statutory requirements.

**Not to Exceed Contract Limit: \$55,000**

**Rates & Charges:**

<u>Name</u>	<u>Hourly Rate</u>
Stephen A. Spitz	\$950/hour
Devin Brennan	\$895/hour
Richard J. Moore	\$950/hour

The Consultant also agrees to defer the receipt of compensation for the refunding preparation work under this Agreement until BAWSCA receives a transfer from the bond stabilization fund held at the Trustee, which is anticipated to occur no later than October 2021.

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

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

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Public Trust Advisors, LLC (PTA) for FY 2021-22 to provide investment advisory services for BAWSCA's bond funds deposited at the Trustee with respect to the Series 2013A and 2013B revenue bonds 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 2021-22 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 2021-22, 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 2021-22 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 2021-22 SCOPE OF SERVICES**

**Purpose**

For FY 2021-22, 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 2021-22 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 (Water Analyses, Water Supply Agreement Support)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Stetson Engineering for FY 2021-22 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 \$58,200 is included in the Proposed FY 2021-22 Operating Budget. The proposed budget is \$1,700 more than the current year's due to a 3% increase in billing rates. Stetson's billing rates had remained unchanged for the previous three years.

**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 \$58,200 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 an outside consultant. 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 2021-22 are shown in Exhibit A.

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

**DRAFT**

**FY 2021-22 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 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	\$ 5,500
Analyze Water Usage	22,000
Max. Day	1,200
J-Tables	7,500
System/County-line Meters	19,500
<u>Unexpected Activities</u>	<u>2,500</u>
Sub-Total	\$58,200

**Not-to-Exceed Contract Limit:** \$58,200

**Rates and Charges:**

Principal	\$237/hour
Associate I	\$118/hour
Associate II	\$113/hour
Assistant I	\$98/hour
Assistant II	\$93/hour
Administrative I	\$72/hour

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Richard G. Sykes. (WSIP and 10-Year CIP)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Richard G. Sykes for FY 2021-22. Mr. Sykes brings 30 years of experience working for a large California water utility. He has served in a leadership role on engineering, operations, maintenance, construction, environmental compliance, fisheries and land management matters. Moreover, he has been actively involved in the development of Capital Improvement Programs (CIPs) that are large in size and scale (\$1.5B) with a scope appropriate to BAWSCA's focus with the SFPUC (Sierra foothill and Bay Area reservoirs, raw water supply tunnels and aqueducts, water treatment plants, and water distribution facilities and related appurtenances).

Mr. Sykes' experience and insights will play an integral part of BAWSCA's review of SFPUC's management of the Water System Improvement Program (WSIP) and its Water Enterprise 10-Year Capital Improvement Program (10-Year CIP). 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 2021-22 Operating Budget for these services. The proposed budget remains the same as in the prior fiscal year's contract with Terry Robert Consulting, Inc.. As of July 1, 2021, Mr. Roberts will be retiring and no longer available to provide the services to BAWSCA.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Richard G. Sykes, subject to legal counsel's final review, for a not-to-exceed amount of \$115,000 to provide as needed professional services to monitor the SFPUC's implementation of the WSIP and 10-Year CIP.**

**Discussion:**

**Selection of a New Consultant to Provide Necessary Technical Expertise**

Mr. Roberts notified BAWSCA in February 2021 that he intended to retire and close his consulting practice. Mr. Roberts has been retained by BAWSCA since November 2007 to assist in reviewing the progress of the WSIP.

With that notification, BAWSCA began the process to identify a replacement firm to provide needed services. BAWSCA formally reached out to a total of eight firms and independent consultants, asking that they submit statements of qualifications as to their ability to perform the required work if they were interested in providing the identified services. Two entities submitted responses that included their qualifications to perform the work. Follow-up discussions were held with the two responders by BAWSCA to further the selection process. Based on the information provided and the follow-up conversation, it was determined by BAWSCA that Mr. Sykes' qualifications and proposed approach to the work best met BAWSCA's needs. Note that

a key independent subconsultant who worked under Terry Roberts Consulting, Inc., Jean Gardner, will continue into the coming fiscal year as a subconsultant under Richard G. Sykes.

**Scope of Work for FY 2021-22**

In FY 2021-22, 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. Sykes' expertise will be critically important to BAWSCA in its continuing review of the WSIP during this period. While there are two principal projects that remain in the WSIP, the scheduled completion is not until December of 2023. BAWSCA also believes that the WSIP schedule will be extended beyond that 2023 date due to ongoing implementation issues with these projects. Retaining Mr. Sykes' services is of great assistance to BAWSCA while WSIP remains unfinished.

Beginning in FY 2013-14, BAWSCA began reviewing the SFPUC's 10-Year CIP in an effort to influence its scope, schedule and budget. 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 is contractually required to engage BAWSCA more formally in development of its CIP. BAWSCA will use the services of Mr. Sykes and his team during this CIP review, tracking, and engagement effort. The SFPUC will be developing a new 10-year CIP this fall, with adoption likely scheduled for February of 2022. Mr. Sykes and his team will support BAWSCA staff in the review of that new CIP.

**Qualifications of Mr. Richard G. Sykes**

Mr. Sykes is a highly qualified engineer and manager with over 30 years of prior experience including 20 years at the senior leadership level at East Bay Municipal Utility District (EBMUD). He is a proven effective leader with very broad experience in engineering, operations, maintenance, construction, environmental compliance, fisheries and land management. During his 30-year career at the East Bay Municipal Utility District (EBMUD), Mr. Sykes was actively involved in EBMUD's CIP, which covered a 5-year period and had a budget range from approximately \$1B to \$1.5B. For 20 years Mr. Sykes was a member of EBMUD's Capital Steering Committee which was charged with development, management and monitoring of the agency's CIP which included all components of EBMUD's extensive water and wastewater systems including reservoirs in the Sierra foothills and East Bay, tunnels and aqueducts for raw water supply, water treatment plants, and water distribution facilities and related appurtenances. This "on-the-job" experience will prove invaluable in looking at the overall implementation of the WSIP and the CIP from the perspective of the member agencies who will pay 2/3rds of the regional cost, and who are in the communities in which much of the infrastructure is located. A copy of Mr. Sykes' resume is provided as Exhibit A.

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

The draft scope of services and billing rates with Mr. Sykes for FY 2021-22 is shown in Exhibit B.



**EXHIBIT A**

**RESUME**

**Richard G. Sykes**

**Profile**

Highly qualified engineer and manager with over 30 years of experience including 20 years at the senior leadership level at a major California public utility serving a population of 1.4 million. Proven effective leader with very broad management experience in engineering, operations, maintenance, construction, environmental compliance, fisheries and land management disciplines. Known for results-based team leadership and respecting and motivating staff. Builds effective relationships with agencies, public and private organizations, elected officials and regulators. Currently provides engineering and management services on a consulting contract basis. Serves as Executive Director for the Mattole Salmon Group, a community based non-profit organization with over 40 years work in fisheries monitoring and habitat restoration in the Mattole River Watershed. Serves as the Executive Officer for the Upper Mokelumne River Watershed Authority. Civil engineer licensed in the state of California.

**Management Experience**

**Executive Officer - Upper Mokelumne River Watershed Authority (UMRWA)**

**January 2019 to Current**

Chief executive for a multi-county joint powers authority which plans and implements watershed protection measures in Calaveras, Amador and Alpine Counties. UMRWA also serves as the Integrated Regional Water Management entity for the Mokelumne/Amador/Calaveras Region. Oversees annual budget of approximately \$1.5 million focused on watershed and forest health, and water quality protection.

**Executive Director Mattole Salmon Group - June 2018 to Current**

Oversight of long-term program to monitor salmonid populations and implement habitat restoration projects in the Mattole River Watershed. Manage 15 staff and a budget of approximately \$1,000,000 annually.

**Director Water and Natural Resources Department - East Bay Municipal Utility District (EBMUD) - 2008 to 2018**

Management of East Bay Municipal Utility District (EBMUD) watershed lands totaling over 50,000 acres in five counties. Guides planning and implementation of long-term water supply projects including water recycling, water transfers, groundwater banking, and new storage projects. Oversees all EBMUD water rights matters. Managing staff of 95 and an annual budget of over \$25 million. Maintaining recreation programs at four public access water supply reservoirs. Overseeing operation of a fish hatchery and working with state and federal agencies on salmon and steelhead recovery efforts in the Central Valley. Notable achievements: developed collaborative groundwater banking project in the San Joaquin Valley, implemented largest Safe Harbor Agreement in the State of California; successfully led campaigns to revise Delta operations to protect Mokelumne River salmon.

**Manager of Maintenance and Construction – EBMUD - 2006-2008**

Management of 600 staff in the maintenance and construction of the potable water distribution system, treatment facilities, and related buildings and equipment. Oversight of a budget of over \$60 million annually. Extensive role in Capital Improvement Program development and implementation. Notable achievements: led the implementation of the Pathways Program to

build future leaders in water utility operations and maintenance; co-lead for EBMUD's successful sponsorship of California's no-lead bill (AB-1953); led successful effort to create an independent certification standard for the California no-lead bill; completed new heavy equipment certification program to ensure safety of EBMUD staff.

**Manager of Water System Operations – EBMUD - 1999-2006**

Management of the operations and maintenance of potable water system serving 1.4 million customers. Oversight of 300 staff and a budget of over \$30 million annually. Oversight of Water Quality Program and Hydropower Sales Program. Co-leader for EBMUD sponsorship of California's "no-lead" plumbing bill including working with legislators and staff, water utilities, private industry, regulators and researchers. Extensive role in regulatory development at state and federal level – commented on over 300 regulatory actions. Notable achievements: led development of the 50-year horizon Water Treatment and Transmission Master Plan; directed EBMUD's efforts under the Partnership for Safe Water Program resulting in EBMUD receiving EPA director's award for excellence in water treatment; created successful hydropower sales program; installed nearly ½ megawatt of solar power production for the water system.

**Engineering Manager – EBMUD - 1997-1999**

Management of up to 90 staff and a budget of \$15 million annually in the operations of EBMUD's water treatment and distribution division, and engineering technical services division. Notable achievements: oversaw successful conversion of water system to chloramines in 1998; initiated and executed plan for EBMUD to address deregulation of electric energy in California; initiated EBMUD involvement in EPA's Partnership for Safe Water; led successful resolution of MTBE contamination from public boating.

**Regulatory Compliance Officer – EBMUD - 1994-1997**

Led the creation of new Regulatory Compliance Division for EBMUD and established programs for comprehensive safety and environmental awareness training, environmental and safety audits. Represented EBMUD with District Attorney's offices, state and federal regulators, other agencies and the public regarding environmental compliance matters. Oversaw staff of up to 23 and a budget of over \$6 million annually. Notable achievements: successfully resolved PCB clean-up of Dunsmuir Creek; established safety and environmental audit program; created EBMUD's first program to minimize environmental impacts of chlorinated water discharges; established centralized resource for negotiation, execution and monitoring of environmental permits for EBMUD operations.

**Education**

**MS - Environmental Engineering** - University of California at Berkeley

**BS - Conservation and Resource Studies** - University of California at Berkeley

**BA – English** - University of California at Berkeley

**EXHIBIT B**

**TO THE CONSULTING SERVICES AGREEMENT  
Between the Bay Area Water Supply and Conservation Agency  
and Richard G. Sykes.**

**DRAFT FY 2021-22 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 2021-22, SFPUC will be preparing an updated 10-year CIP. Work will include assisting BAWSCA staff in the review of the draft 10-year CIP proposal 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.
- 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**

This contract limit remains unchanged as compared with that set for FY 2020-21 for work performed by Terry Roberts Consulting, Inc.

**Rates and Charges:**

The rates proposed by Mr. Sykes are approximately 7% lower than that charged by BAWSCA's former consultant. The rates proposed by Ms. Gardner are approximately 2% higher than that charged in FY 2021-22.

The following are the FY 2021-22 billing rates for this contract:

Richard G. Sykes	\$200.00/hour
Jean Gardner	\$140.50/hour

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Water Systems Optimization to Implement Water Loss Management Program for FY 2021-22**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Water Systems Optimization (WSO) to implement the BAWSCA Water Loss Management Program (WLM Program) which 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. For FY 2021-22, work under this component will also include assisting BAWSCA in the review of SFPUC’s meter testing practices.

**Fiscal Impact:**

The proposed FY 2021-22 budget includes funding for the LEAK Work Group for FY 2021-22. 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 is the same as the current year’s contract budget and includes 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 \$35,000 for implementation of the Water Loss Management Program in FY 2021-22; 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 WLM 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 2020-21, seventeen BAWSCA agencies participated in the TAP. These agencies have expressed a strong desire to continue the TAP in FY 2021-22.

The LEAK Work Group portion of the WLM Program is implemented as a Core Program, recommended to be funded by BAWSCA for FY 2021-22 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. Since FY 2019-20, nearly all BAWSCA agencies have participated in the LEAK Work Group. For FY 2021-22, BAWSCA anticipates that the SFPUC will release plans for revising their meter testing and calibration practices. BAWSCA will utilize the services of WSO to assist in the review of those practices.

**Alternatives Considered:**

The following alternatives to achieve the necessary results have been considered:

- Alternative #1: Support the Recommended Actions. Both components of the WLM Program have been requested by the BAWSCA member agencies to meet an existing need to address water loss regulatory requirements and improve water loss management and have had exceptionally high participation levels among the BAWSCA agencies. Continuation of the WLM Program in FY 2021-22 will provide BAWSCA agencies with the necessary support to meet State water loss reporting requirements.
- Alternative #2: Support only the subscription program portion of the WLM Program. The BAWSCA Board can choose to offer only the subscription portion of the WLM Program, the WLM TAP. This alternative would eliminate the LEAK Work Group, which is recommended to provide support to all agencies in understanding State water loss requirements and expanding knowledge on water loss management. It would also eliminate the ability of BAWSCA to obtain the services of a meter testing expert to assist in the review of SFPUC's revised meter testing practices. **This alternative is not recommended.**

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

The draft scope of services and billing rates with WSO for FY 2021-22 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 2021-2022 DRAFT SCOPE OF SERVICES  
to IMPLEMENT THE WATER LOSS MANAGEMENT PROGRAM FOR FY 2021-22**

**Work to Be Performed:**

Task A and Tasks 1 through 7 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>	<b>Understand System Average Pressure</b>	<b>Investigate Pressure Transients</b>	<b>Identify Potential District Metered Areas</b>
<i>Approach:</i>	<ul style="list-style-type: none"> <li>○ Select logging sites</li> <li>○ Deploy pressure loggers</li> <li>○ Analyze and visualize pressure data</li> <li>○ Calculate average system pressure</li> <li>○ Recommend potential targeted pressure reductions</li> </ul>	<ul style="list-style-type: none"> <li>○ Select logging sites</li> <li>○ Deploy high-frequency pressure loggers</li> <li>○ Analyze and visualize pressure data</li> <li>○ Analyze and explain transients</li> <li>○ Recommend transient mitigation</li> </ul>	<ul style="list-style-type: none"> <li>○ Identify pressure zone boundaries and critical infrastructure</li> <li>○ Study zonal hydraulic isolation</li> <li>○ Establish zonal pressure average and pressure range</li> <li>○ Recommend further study toward DMA installation and management</li> </ul>



### *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: SWRCB Water Loss Standard Assistance**

Each BAWSCA agency will receive a leakage performance target from the State Water Resources Control Board (SWRCB), in accordance with SB555. Compliance with the volumetric standard will be required by 2028. There are also two opportunities to apply for adjusting the standard: 1) agencies can file custom economic model inputs during the rulemaking process, before August 2021 and 2) agencies can file an official adjustment application after standard adoption and before July 1, 2023.

*6.a Custom Input Assistance*

In this task, WSO will calculate custom inputs and compile supporting documents for the SWRCB's economic model. This support can occur during the upcoming rulemaking process (before August 2021) or after standard adoption and before July 1, 2023 (depending on the agency's data availability and goals). In this task, WSO will:

- Request and compile relevant data (e.g. leakage repair documentation, leak detection results, financial data, infrastructure data, etc.)
- Review data collected to identify what custom inputs may be calculated
- Calculate customized value for inputs where the minimum data threshold is met
- Compile supporting documents for input adjustment application

*6.b Off-Ramp Assistance*

In this task, WSO will support an agency in documenting justification for the off-ramp or "alternative compliance" route offered by SWRCB. In this task, WSO will:

- Collect of relevant data and supporting documents
- Document activities and/or data proving compliance with each off-ramp criterion
- Compile of off-ramp request

*6.c Water Loss Standard Compliance Plan*

In this task, WSO will work with agencies to develop a compliance plan, outlining a draft strategy to meet your leakage performance standard. In this task, WSO will:

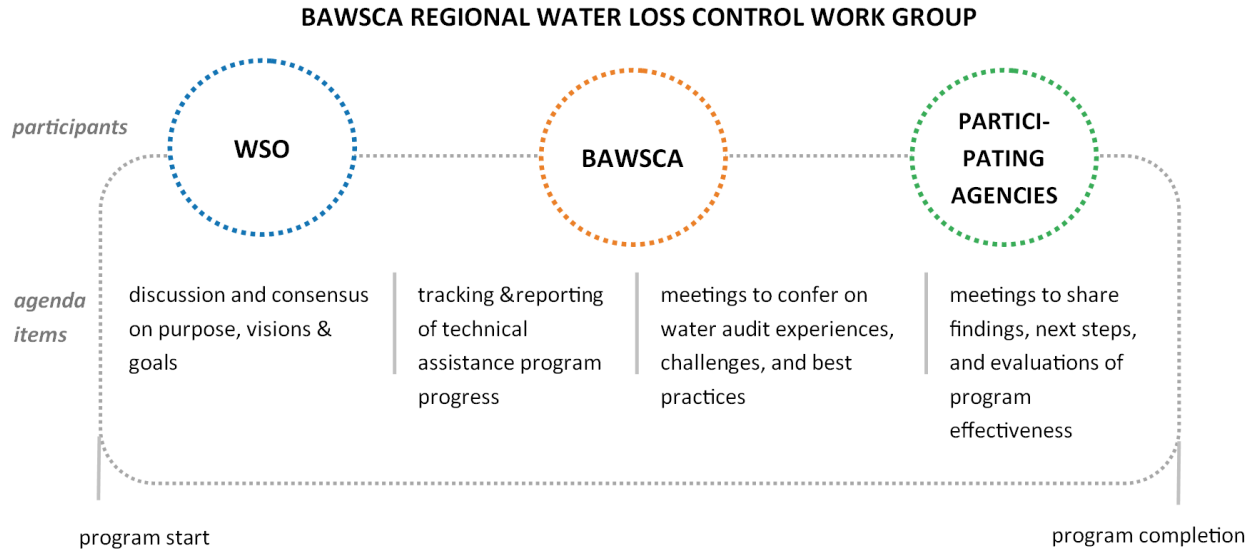
- Review water loss standard modeled by the State
- Evaluate data uncertainty and recommendations for data improvement
- If available, consider results of leak simulation model, real loss component analysis, and/or pilot results
- Develop a timeline, cost estimate, and key milestones associated with the water loss compliance plan, based on existing data sources

**Task Seven: Regional Water Loss Control Work Group**

*7.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

*7.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.

*7.c Technical Assistance for the Review of SFPUC’s meter testing practices*

SFPUC is in the process of developing an update to the procedures use to test and calibrate the meters that are in place at the point of SF RWS deliveries to member agencies. BAWSCA will have the opportunity to review and comment on those updated procedures. WSO will assist BAWSCA in that review under this task.

**Rates and Charges:**

Given the global pandemic and its accompanying fiscal impacts, Consultant has held its rates at the FY 2020-21 levels per BAWSCA’s request. The following are the FY 2021-22 program rate schedule and billing rates for this contract amendment:

Rate Schedule

<b>Program Item</b>	<b>Subtask Selection</b>	<b>Unit Cost x Quantity</b>	<b>Total Cost</b>
<b>A. Level 1 Validation</b>	<input type="checkbox"/> Level 1 Validation	\$2,500	
<b>1. Program Management</b>	<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, 5.a, 5.b, 5.c	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$730 required if any subtasks beyond validation are selected	
<b>2. Water Audits &amp; Data Sources</b>	<input type="checkbox"/> 2.a Water Audit Compilation	\$4,320 reporting task 5.a also required	
	<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 reporting task 5.a also required	
	<input type="checkbox"/> 2.d Field Pressure Survey	determined upon discussion with Contractor about system setup; reporting task 5.a also required	
	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	determined upon discussion with Contractor about audit support needs (rates in Table 1 below)	
<b>3. Leakage Analysis &amp; Recovery</b>	<input type="checkbox"/> 3.a Real Losses Component Analysis	determined upon discussion with Contractor about repair data reporting task 5.a also required	
	<input type="checkbox"/> 3.b Leak Detection – Preparation & Kick Off	\$2,220 (required if conducting leak detection) reporting task 5.a also required	
	<input type="checkbox"/> 3.c Leak Detection – Survey	price based on tiered rate (see Table 2)	
<b>4. Customer Meter Accuracy &amp; Testing</b>	<input type="checkbox"/> 4.a Apparent Loss Analysis	\$7,720 4.a required if conducting Task 4.b,	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing	See Separate Agreement	
<b>5. Report Preparation</b>	<input type="checkbox"/> Reporting for Tasks 2, 3, and 4	\$2,520 x ____ # of subtasks selected from Tasks 2.a, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a	
<b>6. SWRCB Water Loss Standard Assistance</b>	<input type="checkbox"/> 6.a Custom Input Assistance	Determined upon discussion with WSO	
	<input type="checkbox"/> 6.b Off-Ramp Assistance	\$4,600	

	<input type="checkbox"/> 6.c Water Loss Standard Compliance Plan	<i>Determined upon discussion with WSO</i>	
<b>7.</b> BAWSCA Administration Fee			\$150
<b>8. Maximum Program Cost</b>		<b>Total Items 1 - 6</b>	<b>\$</b>

**Billing Rates**

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

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

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

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

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Maddaus Water Management for FY 2021-22 (Demand Study Update)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Maddaus Water Management, Inc. (MWM) to prepare an update to BAWSCA's Regional Water Demand and Conservation Projections Project completed in June of 2020 (2020 Demand Study).

The 2020 Demand Study developed water demand and conservation projections through 2045 for each BAWSCA member agency and the region overall. The purpose of the 2020 Demand Study was to provide valuable insights on long-term water demand patterns and conservation savings potential for the BAWSCA agencies to support regional efforts, such as implementation of BAWSCA's Long-Term Reliable Water Supply Strategy. In addition, the intent of the 2020 Demand Study was to provide necessary information to support individual agency efforts, such as compliance with the new state water efficiency requirements and completion of Urban Water Management Plans (UWMPs). The results of the study support agencies in preparing to comply with new statewide water use efficiency requirements as required by Assembly Bill (AB) 1668 and Senate Bill (SB) 606.

Currently, there are several efforts underway, both at the State level and by BAWSCA member agencies, that are likely to impact the projections prepared in the 2020 Demand Study. It is recommended that a refresh and update of the 2020 Demand Study is warranted, as these current efforts will change the demand estimates provided in the 2020 Demand Study. The update is proposed to be initiated in FY 2021-22.

BAWSCA utilized the services of MWM to perform the 2020 Demand Study. For continuity and in consideration of their in-depth knowledge of the prior work performed, it is recommended that BAWSCA secure the services of MWM to provide the necessary consultant support for this 2020 Demand Study Update.

**Fiscal Impact:**

The contract not-to-exceed amount of \$275,000 for the 2020 Demand Study Update is included in the Proposed FY 2021-22 Operating Budget.

**Recommendation:**

**That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Maddaus Water Management, Inc., subject to legal counsel's final review, for an amount not to exceed \$275,000 to complete the 2020 Demand Study Update.**

**Discussion:**

Currently, there are several efforts underway, both at the State level and by BAWSCA member agencies, that are likely to impact the projections prepared in the 2020 Demand Study. Member agencies are developing their 2020 Urban Water Management Plans (UWMPs) within which updated water demands, population projections, and conservation efforts will be detailed. UWMPs are due to the State of California Department of Water Resources by the end of June 2021. Similarly, the State of California will be proposing new water efficiency targets that are

likely to impact member agencies' conservation strategies. Those targets are due to be released in draft form in Fall 2021. Matters outside member agency control, such as the long-term impacts of COVID-19 related changes on water use, are worthy of consideration in demand estimates as well. It is believed that a sensitivity analysis can be performed such those impacts can be better understood as the COVID-19 crisis passes. Finally, the SFPUC is due to release its climate change study results in Spring 2021, and the results of that study could influence water demand. A sensitivity analysis is proposed to factor in any impacts of climate change on water demand.

Given the above-detailed impacts on demand, an update and refresh of the 2020 Demand Study is warranted. The update will be extensive, as estimating what the impacts are to each member agency will take significant study and require agency-specific feedback and involvement, including an update of all 28 water demand models developed for use by member agencies as part of this work effort.

**Background:**

As part of the consultant selection process for the 2020 Demand Study, BAWSCA released a Request for Proposals (RFP) for the work on November 9, 2018. Two proposals were received the following month, from MWM and Watearth, Inc. A panel consisting of staff representatives from BAWSCA, a member agency, and an outside agency reviewed the proposals received. In addition, all member agencies were invited to review the proposals; four agencies opted to review the proposals and provided comments.

Consultants were evaluated based on the following criteria:

- Qualifications and experience of firm and key personnel (25%);
- Understanding of the project and approach to the scope of work (25%);
- Ability to meet project timeline (25%); and
- Overall value illustrated by the proposer as provided within the project budget (25%).

Based on the evaluation of the proposals, the panel recommended that the contract be awarded to MWM. The CEO reviewed the results of the scoring process and affirmed the recommendation, followed by BAWSCA Board Authorization in January of 2019.

MWM completed the 2020 Demand Study in June of 2020. MWM met BAWSCA's expectations as related to the work performed, and stayed within the effort's budgetary limits. As the refresh and update to the 2020 Demand Study requires significant understanding of the work performed on the prior effort, coupled with the fact that MWM met BAWSCA's expectations, BAWSCA, together with advice from legal counsel, have determined it is in BAWSCA's best interest to award this new work to MWM.

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 is shown in Exhibit A, and the draft cost proposal is shown in Exhibit B.



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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES**

**OVERVIEW**

BAWSCA completed a Regional Water Demand and Conservation Projections Study (2020 Demand Study) in June 2020. The 2020 Demand Study culminated Phase 3 of BAWSCA's Making Conservation a Way of Life Strategic Plan. In the final months of the Phase 3 effort, the COVID-19 global pandemic shut down many parts of the economy and changed the way businesses and individuals functioned from day to day. Many individuals shifted from office buildings to working from home or moved to different locations. Certain industries slowed production while others flourished.

These changes have the potential to impact population and employment projections as well as water use across many sectors. Additionally, new information is anticipated following the completion of the 2020 Demand Study with regard to the State's efficiency guidelines, the SFPUC's climate change study, and results from participating agencies' 2020 Urban Water Management Plans (UWMP). BAWSCA intends to initiate an update to the 2020 Demand Study as Phase 4 of BAWSCA's Making Water Conservation a Way of Life Strategic Plan, to incorporate newly available information and conduct a sensitivity analysis to understand how a range of possible growth projections or other influences could impact future demand. The work required under Phase 4 is detailed in this scope of services.

**OBJECTIVES**

The BAWSCA Demand Study Update project (Demand Study Update) will meet two distinct objectives as follows.

**Objective 1: Demand Analysis Review**

To meet Objective 1, the first step is to review the water demand projections developed in the 2020 Demand Study and determine what requires updating. Work to be performed includes:

- Collecting and incorporating monthly water data from 2019 and 2020 into each agency's DSS Model.
  - For those agencies that have updated their DSS Models in the process of their 2020 UWMP preparation, this work will involve obtaining their updated DSS Model.
- Updating member agency population and/or employment projections to be consistent with their adopted 2020 UWMPs.
- Collecting and incorporating any new information / records as prepared by each member agency from the 2018 water year and 2019 water year AWWA Water Loss Workbooks.

- Providing a summary of indoor per capita water use as it relates to new water efficiency standards (proposed to be made available in draft form in October 2021) as well as any updated water loss estimate.
- Reviewing differences between indoor vs. outdoor water use for BAWSCA member agencies to observe if and how it was impacted by COVID-19 stay at home guidance..

An analysis will follow that first step. The analysis will look at water data by customer class from 2019 and 2020 compared to previous data from 1995-2018 to provide insight into the current water use changes due to COVID-19 within the BAWSCA service area. The goal is to understand what the differences are between the Demand Study population and employment projections and data collected since the Demand Study was finalized, as well as to identify if an explanation or conclusion be drawn to help explain any differences observe. It is proposed that this review will also help inform if long-term water demand patterns are likely to change following the end of the COVID-19 crisis.

If and how well agencies are likely to fare under the proposed new state water use requirements as required by Assembly Bill (AB) 1668 and Senate Bill (SB) 606 will then be evaluated. This knowledge will help equip member agencies with the information needed to adjust their water conservation measures, if such adjustment is required to meet state efficiency mandates.

As part of the scope of work, the MWM project team is required to engage the member agencies in the entire process. As part of that engagement, it is assumed that one conference call and one workshop will be held at the end of the Objective 1 work effort to review findings with BAWSCA and member agencies.

#### Objective 2: Understand and Quantify Uncertainty

Objective 2 is aimed at better understanding and quantifying the uncertainty as associated with demand estimates. Key influences on water demand, such as population and climate change, play a role in the overall water demand estimated yet there is an inherent uncertainty as to if population will increase as projected as well as how climate change will impact water demand. It is proposed that the approach to evaluating this uncertainty is to conduct a sensitivity analysis.

Climate projections are based on information that is highly uncertain, including how greenhouse gas concentrations will change over time, the ways these emissions affect the global climate system, and how these global changes may manifest locally. As such, climate projections provide a broad range of potential climate futures. The degree of uncertainty surrounding climate projections – both the range of projections and the inability to determine their predictive capabilities – is so large that applying probabilities, or accepting a likelihood that one future is more likely to occur than another, is not helpful for decision-making. Instead, it is more appropriate to incorporate plausible ranges of possible changes, hence the merits of performing a sensitivity analysis.

While it can be argued that there is considerably more certainty regarding such key indicators as future population and employment, there continues to be uncertainty as to how much growth will occur within the Bay Area and moreover how employment patterns could also change (particularly in light of possible post-COVID-19 remote work possibilities), further cementing the concept of a sensitivity analysis for those factors as well.

As BAWSCA embarks upon the sensitivity analysis, it is doing so knowing that moving forward it may be of even greater importance to plan for multiple futures. BAWSCA, like other agencies, can derive great value in applying the scenario planning approach.

In layman terms, a sensitivity analysis (also known as a “what if” analysis) involves analytical techniques that determine the outcome of changes to the parameters of or the activities in a

process. This is a measure of the sensitivity of something to a given change. In the case of water demand estimates, it will determine the outcome of changes to demand based on a change a particular input (population, employment, a dryer / warmer climate, etc.). By employing a range of what that change may be, a subsequent range of impacts on demand can be produced.

Note that there are other indicators that play a role in the ultimate water demand estimate, aside from those proposed for more of an in-depth review as part of the Demand Study Update. Those include impacts of changing regulations, water quality impacts on source availability, and economic downturns. While those particular impacts are not proposed for the sensitivity analysis performed, they will be referenced in any report produced as matters of influence.

BAWSCA envisions that the results of the sensitivity analysis will be useful for tracking purposes as time moves forward further into the 2020s. For example, if population growth does not occur or is relatively stagnant, having multiple growth projection scenarios will allow for a more direct comparison with predicted water demand.

**ROLES AND RESPONSIBILITIES**

MWM, as the consultant responsible for conducting the work, is required to engage both BAWSCA and the member agency staff. This engagement is anticipated to be concurrent with the approach detailed in Table 1. Specifically, Table 1 details what is expected of each party (consultant, BAWSCA staff, and member agencies) during the course of work effort:

**Table 1: Roles and Responsibilities of MWM, BAWSCA and Member Agencies**

Effort Performed			
	MWM (Consultant)	BAWSCA Staff	BAWSCA Member Agency Staff
<b>Data Collection and Phase 4 "Kickoff" Meeting with BAWSCA Staff</b>	Create timeline and lead kickoff meeting; develop data collection request and facilitate completion.	Attend kickoff meeting; review and provide feedback on timeline and data request, assist with data collection.	Provide requested data from the data collection workbook, approve input data.
<b>Water Demand Review and Member Agency Coordination</b>	Conduct review and produce TM1 and TM2 for all BAWSCA agencies to summarize work from Objective 2.	Provide consolidated electronic track change edits to TM1 and TM2.	Answer questions from MWM project team if needed.
<b>Sensitivity Analysis</b>	Conduct sensitivity analysis; produce TM3 with a roll of up data for all of BAWSCA to summarize work from Objective 2.	Participate in selection of scenarios for sensitivity analysis; provide consolidated electronic track change edits to TM3.	Answer questions from MWM project team if needed; attend conference call and Workshop at the end of the updated Study.

## **TASKS**

The work effort proposed to meet the two objectives, as detailed previously, will be conducted in a task-wise fashion. The consultant, MWM, will establish a task-specific budget and schedule, submitting it to BAWSCA for review and approval, prior to proceeding with the work.

### **TASK 1 – Data Collection and Phase 4 Kickoff Meeting**

For Task 1, MWM will conduct data collection and hold a kickoff meeting, with outlined subtasks as follows.

#### **Task 1.1 – Kickoff Meeting and Timeline**

Key members of the MWM project team will meet virtually with representatives from BAWSCA staff to discuss the project. The MWM project team will lead the kickoff meeting and the preparation of the project timeline and provide task specific budget allotments. The goals of the meeting are to:

- Review and modify the project goals, schedule, and tasks as needed
- Review task specific budget allotments
- Review data needs for the study
- Review expectations for each task
- Determine communication protocols for the project.

The initial discussions and kickoff meeting will be critical to the project's success by establishing buy-in on the overall project goals in line with the two key objectives for the work, and ensuring consensus on the approach that is in line with the study goals and objectives. At this meeting, the MWM project team will be open to ideas to streamline project tasks to keep the project budget low and minimize BAWSCA staff support needed to perform the work. The MWM project team will employ the philosophy of creating and maintaining open dialogue and review of the results, which helps to gain acceptance of the project methodology, as well as enhance development of the Final Documentation.

#### **Task 1.2 – Create Data Request**

The MWM project team will create a data request customized for each BAWSCA member agency that includes each member agency's water production data and consumption data by customer category and rebate participation information for 2019 and 2020. The request also will include any questions the MWM project team needs answered to complete the technical assessment described in Task 3.

#### **Task 1.3 – Collect and Review Data from BAWSCA Member Agencies**

The MWM project team together with BAWSCA staff will lead the collection of data from the BAWSCA member agency UWMPs. The MWM project team will review residential water billing data and conduct follow-up discussions with agencies to address questions, if needed. For those agencies that have updated their DSS models in the process of their 2020 UWMP preparation, this work will involve obtaining their updated DSS model.

### **Task 1 Deliverables**

The deliverables for this task will be:

- The project timeline (with BAWSCA staff's concurrence)
- Finalized task budgets
- Meeting notes summarizing the discussion during the kickoff meeting
- The UWMP data for each BAWSCA agency

- Detailed tables of data indicating climate change, population and employment projection and their sources

## **TASK 2 – Water Demand Review**

For Task 2, MWM will perform of efforts needed to prepare the Demand Study Update. The MWM project team will conduct meetings with BAWSCA staff to complete the data collection required as part of Task 2. Further, MWM will work with BAWSCA and member agencies directly to obtain any necessary data, including conducting any required meetings and/or holding phone interviews. Subtasks under this work effort are detailed below.

Key questions which will be answered under Task 2 include:

1. How have the BAWSCA agency data changed since the June 2020 report?
2. How have actual and projected population and employment within each BAWSCA agency changed since the June 2020 report?
3. Have the water use trends changed over the past year? What are some of the possible reasons for these changes?
4. Are any other changes needed to update/refine the DSS Model assumptions?

### **Task 2.1 – Update Water Billing Data**

The MWM project team will review 2019 and 2020 water billing data by customer class submitted by BAWSCA member agencies and compare it to previous data from 1995-2018 to provide insight into the current water use changes that can reasonably be attributed to the COVID-19 work from home mandates and associated temporary business closures. Under this subtask, the MWM project team will incorporate Task 1 monthly water data from 2019 and 2020 into the DSS Model created for the BAWSCA service area as part of the 2020 Demand Study.

Early indications are that due to COVID-19 patterns of water use in residential and CII sectors have shifted. This can potentially be due to changes in indoor vs. outdoor water use, especially within vacancies in CII units. To better understand these changes, water data from different sectors in 2020 will be compared to prior years. The team will analyze the impact of COVID-19 on the use of indoor water in comparison to outdoor water use, which will be on a BAWSCA service area level. The indoor and outdoor water use is already an output of the DSS Models making this subtask simpler to perform than had it not been incorporated.

### **Task 2.2 – Update 2020 UWMP Data**

MWM project team will compare population and employment projections from the 2020 Demand Study with the 2020 UWMPs produced by BAWSCA member agencies. As part of that comparison, MWM will provide an explanation as to why changes between the results of the 2020 Demand Study and the 2020 UWMPs have occurred.

### **Task 2.3 – Update Water Efficiency Targets**

With the adoption of recent state water conservation legislation, SB 606 and AB 1668, there have been many developing changes in how California moves towards “making water conservation a California way of life.” Two components of the legislation are the Urban Water Use Efficiency Standards and Water Use Objective, which relates to efficient indoor and outdoor residential water use, CII outdoor water use, and estimated water loss. The objectives will be released in October 2021. MWM will update the DSS Models to provide a BAWSCA regional and agency level of indoor per capita water use output value . Further, MWM will identify which

of the member agencies may be most impacted by the proposed targets. Discussions with member agencies impacted are not part of this particular scope of work, although MWM understands that such discussions are likely to take place and MWM can offer assistance to the member agencies if requested under an existing subscription program in place with MWM and BAWSCA, separate from this agreement and work effort.

#### **Task 2.4 – Update AWWA Water Loss Data**

The MWM project team will collect and incorporate any new information from the 2018 water year and 2019 water year AWWA Water Loss Workbooks as prepared by member agencies and submitted to BAWSCA and MWM in advance of this subtask.

#### **Task 2 Commitments**

1. As part of the Task 2 work effort, MWM will conduct one conference call and one workshop with BAWSCA and all member agencies where participants will review deliverables and obtain agency feedback.
  - Conference Call – Review of Draft Updated Demand Projection Results
  - Workshop 1 – Demand Projection Results (TM1)

#### **Task 2 Deliverables**

1. From the results of the Task 2 work effort, MWM will prepare a Technical Memorandum (TM1) that will include tables / lists of the specific data collected in Task 2 and graphical representation of water demand using the new data will be developed. TM1 will serve as a stand-alone document detailing the adjustments made to the water demands as estimated in the 2020 Demand Study.
2. As part of updating the demand projections, MWM will collect a breakdown of projected water use by source. Such a breakdown will require input from and the involvement of member agencies. MWM will keep a detailed record of the correspondence required with each member agency to produce such a breakdown. MWM will produce TM2 that will include tables summarizing the breakdown by agency that BAWSCA can then share with the SFPUC for use in an update of their Water Supply and Demand Yield Worksheet and/or use for other purposes.

#### **TASK 3 – Sensitivity Analysis**

Members of the MWM project team will conduct a sensitivity analysis to understand the effects of key factors on water demand projections. Information from this analysis will benefit BAWSCA agencies through refinement of future efficiency programs and enhancement of future regional and agency water use forecasting. This sensitivity analysis will determine the impacts of a range of population, employment, and climate scenarios to better forecast water demand. Further, it can serve as a reference when and if changes take place, such as slower population growth, to identify if the sensitivity analysis accurately predicted its impact on water demand.

#### **Task 3.1 – Review Employment Projection Scenarios**

The Demand Study was initiated in January 2019 and was completed in June 2020. Given the project timeline, recent changes to water consumption patterns, population, employment, and vacancies due to the COVID-19 pandemic were not incorporated into the analysis or demand

projections. To monitor the effects of COVID-19 response impacts on employment, the MWM project team will review employment data to understand whether employment and water production changes in 2020 were associated with COVID impacted demand. MWM will then estimate water demand in up to three employment growth scenarios.

### **Task 3.2 – Review Climate Change Scenarios**

Using the updated DSS Models, MWM will forecast water demands and conservation savings estimates under a range of future hydrologic scenarios that may result as a result of climate change that occurs within the planning horizon. Specifically, MWM will develop annual demand projections for select climate scenarios to facilitate the understanding of demand patterns and the prospect that the inclusion of various long-term water conservation programs can have on helping to mitigate the predicted impacts of climate change.

Based on the review of and results provided by the SFPUC's Climate Change Study, proposed to be made available in the Summer of 2021, the MWM project team will incorporate predictive data if supplied in the plan such that a more definitive analysis of how climate projections would impact water use for BAWSCA agencies can be conducted. Any additional data from current region-specific studies and reports will also be analyzed if available at the time of the work.

While BAWSCA and MWM have been made aware that the SFPUC is nearing the completion of its climate change work, it remains uncertain as to whether the report will provide a comprehensive assessment of the potential effects of climate change on water supply. If there are not specific details provided in the report, MWM will then use a range of plausible increases in temperature and changes in precipitation to address the uncertainty in climate projections over the planning horizon.

The MWM project team will additionally incorporate information on the differences between dry and wet year demand. At the completion of Task 3.2, MWM project team will then estimate water demand in up to three climate projection scenarios.

### **Task 3.3 – Review Population Growth Scenarios**

To monitor the effects of COVID-19 response actions on population, the MWM project team will review population data to understand whether population and water production changes in 2020 were associated with COVID impacted demand. MWM will then estimate water demand in up to three population growth scenarios.

Population projections will be obtained from one of the following sources:

- Association of Bay Area Governments 2040 Plan Bay Area
- Association of Bay Area Governments 2050 Plan Bay Area
- 2020 Urban Water Management Plans
- Other publicly adopted sources as provided by each BAWSCA member agency

### **Task 3.4 – Impact Roll-up / Resulting Water Demand Projections**

Through the completion of Subtasks 3.1-3.3, the MWM project team will then develop an envelope of population, employment, and climate scenarios into the existing DSS model. Graphical representation of this range will be produced. This work essentially “rolls-up” the results of the sensitivity analyses conducted.

The results generated will therefore be illustrative of a range of overlapping and or parallel future outcomes, such as changes to demand as a result of various levels of climate change, population increases, and employment changes. Doing so will likely create a range of possibilities, and it may also show that a particular key input is a more significant driver as compared to others.

**Task 3 Commitments**

MWM will conduct up to one conference call and one workshop with BAWSCA and all member agencies where participants will review deliverables and obtain agency feedback.

- **Conference Call** – Review of Draft Projection Scenarios
- **Workshop 1** – Sensitivity Analysis Results (TM3)

**Task 3 Deliverables**

The deliverables for Task 3 will be as follows:

- Technical Memorandum 3 (TM3)
- Water demand graph representing range of climate scenarios
- Water demand graph representing range of population growth scenarios
- Water demand graph representing range of employment growth scenarios
- Water demand graph representing range of all climate, population growth, and employment scenarios

Based on the results of this task, the project team will prepare a Demand Forecast Technical Memorandum (TM3) to summarize demand projection results and highlight the value of the updated study.

The MWM project team will develop TM3 incorporating the results of the work performed, including a range of demand forecasts for the Subtasks in Task 3. The Memorandum will be a stand-alone document with graphs, tables, and figures to better understand future water demand under various scenarios of climate, population, employment, and water efficiency standards.

Final Documentation format will be determined by BAWSCA staff. It is assumed, for cost estimating purposes, that the Draft documentation will be edited a maximum of two times based on consolidated electronic comments provided by BAWSCA staff.



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

**DRAFT**

**FY 2021-22 - MWM COST PROPOSAL AND RATE SHEET**

**Cost Proposal**

MWM proposes to conduct this work on an hourly basis not to exceed \$275,000. The project will be done as efficiently as possible and may be done for less than the total stated budget. The specific budget will be finalized and agreed to at the start of the Task 1 work effort.

MWM will be conducting the work as directed by BAWSCA staff and as agreed to at the start of the Task 1 work effort regarding the level of effort preferred for each item.

**MWM Project Team Qualifications and Hourly Rates**

<b>Person</b>	<b>Position</b>	<b>Service/Discipline</b>	<b>Education/ Degree</b>	<b>Hourly Rate</b>
Lisa Maddaus, P.E.	Project Manager, Senior Engineer	Water Resource Planning and Management	M.B.A., B.S. Engineering	\$273
Michelle Maddaus, P.E.	Senior Engineer	Water Resource Planning and Management	M.S. Engineering	\$268
Christopher Matyas	Software Engineer	Software for Water Efficiency	B.S. Engineering	\$268
Annikki Chamberlain	Staff Engineer	Water Resource Planning and Management	B.S. Engineering	\$184
Hannah Braun	Staff Engineer	Water Resource Planning and Management	B.A. Environmental Studies	\$105
Andrea Pacheco	Technical Editor	Technical Documentation Editing and Formatting	B.A. English	\$131
Anil Bamezai	Technical Analysis	Econometric Modeling	Ph.D. Statistics	\$200

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with West Yost Associates (Asset Management)**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with West Yost Associates for FY 2021-22 to assist BAWSCA's efforts to review SFPUC Asset Management Program and practices. The contract will be prepared in BAWSCA's standard form of agreement.

**Fiscal Impact:**

The contract not-to-exceed amount of \$45,000 is included in the Proposed FY 2021-22 Operating Budget. The proposed budget is \$10,400 more than the current year's budget to provide additional assistance in the review of SFPUC's proposed Asset Management Policy Implementation Plan(s) under current development for anticipated review in FY 2021-22. The budget increase also reflects the proposed 5% billing rate increase following no increase in FY 2020-21 in response to BAWSCA's request due to the COVID-19 financial impacts.

**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 \$45,000, subject to legal counsel review, to provide asset management technical expertise.**

**Discussion:**

In FY 2019-20, BAWSCA completed the Asset Management Program Audit (Audit) which included the review and documentation of the existing Regional Water System (RWS) asset management program in place at the SFPUC. The Audit presented findings and recommendations to the SFPUC to improve and enhance its asset management program.

Per Section 3.10c of the 2009 WSA, San Francisco was 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. In its response, the SFPUC agreed with many of BAWSCA's recommendations, including the need to adopt an Asset Management Policy. In FY 2020-21, the SFPUC adopted an Asset Management Policy.

West Yost was initially selected by BAWSCA in FY 2018-19 through a competitive selection process to perform the Audit. In FY 2021-22, it is anticipated that West Yost Associates would continue to serve as BAWSCA's technical expert to review and provide input on the individual asset management plans to be developed by SFPUC's Water Supply and Treatment (WST) and Hetch Hetchy Water and Power (HHWP) Divisions.

BAWSCA's engagement is necessary to ensure that the implementation plan being developed by the SFPUC for its Asset Management Policy has the breadth and depth necessary to ensure that the SFPUC's Asset Management Program is robust and appropriate, and one that provides an 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 its asset management work.

**Scope of Work and Billing Rates:**

The Draft Scope of Work for FY 2021-22 is provided as Attachment A. The proposed billing rates reflects a 5% increase in FY 2021-22 following no increase in billing rates in FY 2020-21 in response to BAWSCA's request.

**Attachment A  
Consulting Services Agreement  
Between the Bay Area Water Supply and Conservation Agency and West Yost Associates**

**DRAFT Scope of Work: Asset Management Services**

**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, West Yost 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 and WST Asset Management Plan Initiatives**

SFPUC is embarking upon the implementation of their Asset Management Policy as approved by their Commission in December 2020. Further, both the WST and HHWP Divisions are developing several initiatives to broaden their asset management program. In 2018, the Divisions began programs to develop elements of an overall asset management program that would be combined into an overall program for the SFPUC's entire organization. Progress was delayed due to internal issues at the SFPUC but is expected to advance given the adoption of the Asset Management Policy.

West Yost will provide the following services on an on-call basis:

- Review and comment on written documents associated with SFPUC asset management planning, including but not limited to their approach toward implementation of their Asset Management Policy.
- Provide email, technical memoranda or verbal summaries of comments.
- Brief BAWSCA on matters associated with asset management.
- Support BAWSCA as needed.

**NOT TO EXCEED BUDGET**

West Yost will perform the services as described above on a time and materials basis with a total not to exceed budget established as \$45,000.

**BILLING RATES**

West Yost had no increase in their billing rates for FY 2020-21 in response for BAWSCA's request no rate increases due to COVID-19 financial pressures. For FY 2021-22, West Yost asked for a 5% rate increases for their project staff.

Mike Zacharia	\$277
Polly Boissevain	\$301
Administrative	\$139

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with AM Conservation Group to Implement the School Education Program for FY 2021-22**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with AM Conservation Group (formerly Franklin Energy) to implement the Water Wise School Education Program for FY 2021-22. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2021-22, 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 AM Conservation Group, subject to legal counsel's final review, for implementation of the Water Wise School Education Program in FY 2021-22; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal year 2021-22 will be the fifteenth 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, AM Conservation Group, offers various programs oriented towards water, energy, and other natural resource conservation and education. Water Wise School Education Program targets 5<sup>th</sup> grade students and includes (1) an 8-unit curriculum that is given to teachers, and (2) a water audit kit. 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 2019-20, 39,494 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 2021 and run through June 2022. Additional augmentations to the AM Conservation Group in-home water audit kit will be provided to the teachers that complete the entire curriculum and get the most students to complete the in-home water audit. These incentives will be provided by BAWSCA, on behalf of, and paid for by, the participating agencies.

The scope of work for FY 2021-22 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 and AM Conservation Group have decided to keep program logistics the same throughout the COVID-19 pandemic. This has resulted in slightly less kits distributed but maintains current program structure and scope of work. BAWSCA anticipates kit distributions to return to normal in the upcoming fiscal year.

**Alternatives:**

Alternatives to the recommended action included herein are to (1) not offer the Water Wise School Education Program in FY 2021-22, or (2) offer a potentially different type of School Education Program.

BAWSCA does not recommend the above alternatives for FY 2021-22 for the following reasons. The agencies have expressed a strong desire to continue to support an in-classroom school education program that focuses on water conservation. The agencies also continue to be pleased with the Water Wise School Education Program and have expressed a desire to continue that program with AM Conservation Group. Given AM Conservation Group's qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

**Conclusion:**

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

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 Indoor Water Wise program, Outdoor Water Wise program, and LivingWise program are shown in Exhibits A, B, and C.



**EXHIBIT A**  
**AM Conservation Group, Inc.®**

**Draft FY 2021-22**  
**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 AMCG 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 AMCG Kit. Kits include conservation measures and simple test equipment to enable the family to determine the energy and resource conservation opportunities that exist in their home, while providing the installable resource conservation technologies to achieve quantifiable savings. These activities foster family cooperation and help educate parents on the benefits of resource conservation. Students submit reports detailing the results of their conservation activities.
- Water Education.** The **BAWSCA Indoor WaterWise** Program combines classroom activities with in-home hands-on retrofit projects that students perform with their families. This combination yields quantifiable conservation results and strong practical learning, effectively shaping new resource usage behavior and attitudes. The **BAWSCA Indoor WaterWise** Program is turnkey and comprehensive while providing all materials, supplies, teaching tools and support needed by teachers and participants. Learning is measured via pre/post test comparisons.
- Builds New Resource Habits.** New habits result from effective education and personal action. The program provides a wide range of teaching tools to maximize learning. The

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

### **TEACHER ACCEPTANCE**

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

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

### **PROGRAM GOALS**

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

### **PROGRAM OBJECTIVES**

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

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

### **ESTIMATED PROGRAM RESULTS**

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

#### ***Projected 10 Year Savings:***

- 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** AMCG 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

AM Conservation Group, Inc. 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. AM Conservation Group, Inc. 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 AMCG 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:***

AM Conservation Group, Inc. (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** AMCG 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](http://www.getwise.org) web site address where there is a Frequently Asked Questions Section and an email link for questions. Additionally, the Contractor will attempt to contact each teacher via phone or email close to the Program implementation date, as indicated by the teacher upon enrollment, to confirm implementation timing and to provide answers to any questions the teacher may have about the Program at that time.

E. Providing a Program Status Report. The Contractor will inform BAWSCA of each school that decides to participate and the name of each school in which the Program will be presented. The format of such notification will be in the form of a monthly report to BAWSCA. The report will include a listing of all of the schools and classrooms that Contractor is attempting to enroll in the Program and a status for each that includes information as to how many participants have enrolled for each school and classroom. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2022, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2022, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2022. In addition, based on the results of the surveys returned to Contractor by March 10, 2022, 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 AM Conservation Group, Inc. 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 2021 – July 2021	Receive sponsor funding commitment
September 2021 – May 2022	Teacher Outreach / Enrollment Process
September 2021 – May 2022	Program and Kit Delivery
September 2021 – June 2022	Program Implementation
March 15, 2022	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2022	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, and \$2 for Shipping. **This does not include applicable sales tax.**

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. AM Conservation Group, Inc. will attempt to achieve voluntary enrollment in as many 5<sup>th</sup> grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of **BAWSCA Indoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

**EXHIBIT B**  
**AM Conservation Group, Inc.**

**Draft FY 2021-22**  
**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 AMCG 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 AMCG 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](http://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 AMCG Kits and the hands-on projects. Happy students mean happy teachers!
5. The program overcomes an often-challenging hurdle of parental involvement by reaching beyond the classroom to involve parents in their children's education and the schools.

### **PROGRAM GOALS**

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

### **PROGRAM OBJECTIVES**

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

- Install 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** AMCG 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

AM Conservation Group, Inc. 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. AM Conservation Group, Inc. 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 AMCG 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:***

AM Conservation Group, Inc. (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, 2022, 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** AMCG 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](http://www.getwise.org) web site address where there is a Frequently Asked Questions Section and an email link for questions. Additionally, the Contractor will attempt to contact each teacher via phone or email close to the Program implementation date, as indicated by the teacher upon enrollment, to confirm implementation timing and to provide answers to any questions the teacher may have about the Program at that time.

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, 2022, CONTRACTOR will alert BAWSCA.

N. Providing a Preliminary Program Summary Report. No later than March 15, 2022, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2022. In addition, based on the results of the surveys returned to Contractor by March 10, 2022 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 AM Conservation Group, Inc. 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 2021 – July 2021	Receive sponsor funding commitment
September 2021 – May 2022	Teacher Outreach / Enrollment Process
September 2021 – May 2022	Program and Kit Delivery
September 2021 – June 2022	Program Implementation
March 15, 2022	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2022	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, and \$2 for Shipping. **This price does not include applicable sales tax.**

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. AM Conservation Group, Inc. will attempt to achieve voluntary enrollment in as many 5<sup>th</sup> grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of **BAWSCA Outdoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

**EXHIBIT C**  
**AM Conservation Group, Inc.**

**Draft FY 2021-22**  
**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 AMCG 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 AMCG Kit. Kits include conservation measures and simple test equipment to enable the family to determine the energy and resource conservation opportunities that exist in their home, while providing the installable resource conservation technologies to achieve quantifiable savings. These activities foster family cooperation and help educate parents on the benefits of resource conservation. Students submit reports detailing the results of their conservation activities.
- Water and Energy Education.** The **BAWSCA LivingWise** Program combines classroom activities with in-home hands-on retrofit projects that students perform with their families. This combination yields quantifiable conservation results and strong practical learning, effectively shaping new resource usage behavior and attitudes. The **BAWSCA LivingWise** Program is turnkey and comprehensive while providing all materials, supplies, teaching tools and support needed by teachers and participants. Learning is measured via pre/post-test comparisons.

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

### **TEACHER ACCEPTANCE**

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

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

### **PROGRAM GOALS**

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

### **PROGRAM OBJECTIVES**

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

- Install 1 High-efficiency Showerhead and 2 faucet aerators
- Install 9-Watt LED, LED night light and Filter Tone Alarm
- 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** AMCG 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 GPM 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

AM Conservation Group, Inc. 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. AM Conservation Group, Inc. 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 AMCG 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:***

AM Conservation Group, Inc. (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, 2022, 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** AMCG 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](http://www.getwise.org) web site address where there is a Frequently Asked Questions Section and an email link for questions. Additionally, the Contractor will attempt to contact each teacher via phone or email close to the Program implementation date, as indicated by the teacher upon enrollment, to confirm implementation timing and to provide answers to any questions the teacher may have about the Program at that time.

E. Providing a Program Status Report. The Contractor will inform BAWSCA of each school that decides to participate and the name of each school in which the Program will be presented. The format of such notification will be in the form of a monthly report to BAWSCA. The report will include a listing of all of the schools and classrooms that Contractor is attempting to enroll in the Program and a status for each that includes information as to how many participants have enrolled for each school and classroom. If Contractor is having difficulty enrolling a school or classroom in the Program, or if that school/classroom has not been enrolled by March 15, 2022, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2022, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2022. In addition, based on the results of the surveys returned to Contractor by March 10, 2022, 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 AM Conservation Group, Inc. 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 2021 – July 2021	Receive sponsor funding commitment
September 2021 – May 2022	Teacher Outreach / Enrollment Process
September 2021 – May 2022	Program and Kit Delivery

September 2021 – June 2022	Program Implementation
March 15, 2022	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2022	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, and \$2 for Shipping. **This price does not include applicable sales tax.**

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. AM Conservation Group, Inc. will attempt to achieve voluntary enrollment in as many 5<sup>th</sup> grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of BAWSCA **LivingWise** Program Participants that enroll in the program and receive the **LivingWise** Materials.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with EarthCapades to Conduct a School Assembly Program for FY 2021-22**

**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 2021-22. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2021-22, 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 2021-22; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

Fiscal year 2021-22 will be the tenth 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 assemblies virtually for 219 schools. 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 2021 and run through June 2022. The scope of work for FY 2021-22 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 2021 EarthCapades school assemblies were administered virtually with the approval of the participating agencies. If schools remain to be closed in Fall 2021, the EarthCapades Program will continue to be offered virtually.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the School Assembly Program in FY 2021-22, or (2) offer a potentially different type of School Assembly Program.

BAWSCA does not recommend the above alternatives for FY 2021-22. The agencies have expressed a strong desire to continue to support a School Assembly Program that focuses on water conservation. EarthCapades was selected to provide the School Assembly Program through a competitive process in 2009. The agencies also continue to be pleased with this program, including the reformatted virtual assemblies, and have expressed a desire to continue the School Assembly Program with EarthCapades in FY 2021-22. Given EarthCapades' qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

**Conclusion:**

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

**Scope of Work and Billing Rates:**

The scope of work for FY 2021-22 is shown in Exhibit A.

**EXHIBIT A**

**EarthCapades School Assembly Program - FY 2021-22**

**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 2021-22 school year, August 2021 through June 2022.

**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, 2021, or sooner. If, during the course of FY 2021-22, 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, 2021.
- 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 Email Request Form (Template Letter with Agency-specific information, in a Word Document) to EarthCapades for review by July 17, 2021. EarthCapades will provide comments on drafts to Local Water Agencies by July 24, 2021.
- Local Water Agencies will mail a Letter of Invitation with a Email Request Form to all eligible schools by August 3, 2021. 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, 2021 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 2022, 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, 2021.
- 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*

*\$735 / 1 show*

*\$1100 / 2 shows (back-to-back)*

*\$1380 / 3 shows (same school same day)*

- EarthCapades will provide BAWSCA with a Final Report by June 30, 2022 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 Global Sun Landscape to Implement the Lawn Be Gone! Site Inspection Program for FY 2021-22**

**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 2021-22. As with all BAWSCA subscription programs, (1) the opportunity to participate is extended to all BAWSCA agencies, (2) participation is voluntary, and (3) the participating agencies will pay the entire cost for the Program.

**Fiscal Impact:**

This Program is being offered on a subscription basis. For FY 2021-22, 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 2021-22; 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.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Program in FY 2021-22, or (2) offer a potentially different type of Program.

BAWSCA does not recommend the above alternatives for FY 2021-22. Through a competitive selection process in 2015, BAWSCA received proposals from firms qualified to perform the services requested. The Program has been implemented to the agencies' satisfaction by the selected firm. The agencies have expressed a desire to participate in the Program in FY 2021-22.

**Conclusion:**

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

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 is shown in Exhibit A.

**EXHIBIT A**

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

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES**

**Purpose:**

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

**Work to be Performed:**

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

**Rates and Charges:**

The unit costs are shown below.

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

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with Maddaus Water Management to Provide As-Needed DSS Model Support Services for FY 2021-22**

**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 program. As with all BAWSCA subscription programs, (1) the opportunity to participate is extended to all BAWSCA agencies, (2) participation is voluntary, and (3) the participating agencies will pay the entire cost for the Program.

**Fiscal Impact:**

For FY 2021-22, 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 2021-22; 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 was completed in June 2020, and the results supported 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 Work and Billing Rates:**

The draft scope of work and hourly billing rates for FY 2021-22 are shown in Exhibit A.

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**EXHIBIT A**  
**TO THE CONSULTING SERVICES AGREEMENT**  
**Between the Bay Area Water Supply and Conservation Agency**  
**and Maddaus Water Management, Inc, for As Needed DSS Model Technical Support.**

**DRAFT**

**FY 2021-22 SCOPE OF SERVICES**

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 Table 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.

**Table 1: Billing Rates for As-Needed DSS Model Support Services FY 2021-2022**

<b>Person</b>	<b>Position</b>	<b>Service/Discipline</b>	<b>Years Exp.</b>	<b>Education/Degree</b>	<b>Hourly Rate</b>
Lisa Maddaus, P.E.	Senior Engineer	Water Resource Planning and Management, Water Conservation Strategy Development, CalWEP and State Compliance	26	M.S. Engineering	\$273
Michelle Maddaus, P.E.	Senior Engineer	Water Demand Forecasting, Water Conservation Planning and Management	22	M.B.A., B.S. Engineering	\$268
Christopher Matyas	Senior Software Engineer, DSS Modeling Lead	Software for Water Efficiency, Water Resource Planning and Management	22	B.S. Engineering	\$268
Tess Kretschmann	Staff Engineer, DSS Modeler	Water Resource Planning and Management	17	B.S. Engineering	\$184
Annikki Chamberlain	Water Resources Analyst	Water Resource Planning and Management	12	M.S. Climate Science Solutions, B.S. Watershed Science	\$137
Hannah Braun	Demand Forecast Modeler	Water Use Efficiency	4	B.A. Environmental Studies	\$105
Andrea Pacheco	Technical Editor	Technical Documentation Review/Design	19	B.A. English	\$131
William Maddaus, P.E.	Technical Advisor, Program Strategist	Water Resource Planning and Management, Water Conservation	59	M.S. Engineering	\$380
Anil Bamezai	Econometric/Water Data Analyst	Water Resource Planning and Management/Statistician	30	Ph.D. Policy Analysis	\$200



**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 2021-22**

**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 2021-22. 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 SB 555.

**Fiscal Impact:**

The Program is being offered on a subscription basis. For FY 2021-22, 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 2021-22; 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 AWWA-methodology water audits to assess distribution system losses and fulfill auditing requirements stipulated by Senate Bill 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, five agencies are participating in the Program, and these agencies have expressed a strong interest to continue participating in the program next year.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Program in FY 2021-22, or (2) offer a potentially different type of Program.

BAWSCA does not recommend the above alternatives for FY 2021-22. Through a competitive selection process in 2019, BAWSCA received proposals from firms qualified to perform the services requested. The Program has been implemented to the agencies' satisfaction by the selected firm. The agencies have expressed a desire to participate in the Program in FY 2021-22.

**Conclusion:**

The Customer Water Meter Accuracy Testing Program assists member agencies in their water conservation efforts at reasonable cost. For these reasons, renewal of this Program is recommended.

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 is shown in Exhibit A.

**Exhibit A**

**DRAFT FY 2021-22 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:**

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

- (a) Minimum of 5 meters must be tested in same day to receive \$175/meter price. Meters must have Test Port and Isolation Valves in order to be tested. Water utility to provide employee with knowledge of meter and valve locations.
- (b) If small meters are requested by the agencies to be sent back from the Contractor, there will be an additional cost of no more than \$95 per hour for travel time and \$0.55 a mile.
- (c) Agency must have a minimum of 50 meters for pickup

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**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 Implement a Regional Smart Controller Program**

**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 2021-22. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

The Program will be offered on a subscription basis, and 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, implemented as a Subscription Program as part of the BAWSCA Regional Water Conservation 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, Inc. was selected to implement the Program.

The Program was initially implemented in FY 2019-20, with an opportunity to extend further into future years as desired by RWA and BAWSCA. BAWSCA and RWA desire to extend the program through at least February 22 with an opportunity to extend further through June 2022, pending RWA approval and available funding, with no other changes to the current terms.

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 and Billing Rates:**

The Scope of Work for FY 2021-22 is included in Attachment A. It is anticipated that the scope will remain largely unchanged from the current scope.



Attachment A  
FY 2021-22 Scope of Services: Regional Smart Controller Program

<p><b>Nature of Services</b></p>	<p><b><u>Program Description:</u></b>  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 February 2021-February 2022 with an opportunity to extend further into 2022 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><b>TASK 1. Program Design and Administrative Framework</b></p> <p><b>Program Design:</b> 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"> <li>• <b>Smart controllers</b> distributed through the Program must be certified by the United States Environmental Protection Agency (USEPA)’s WaterSense Program (<a href="http://www.epa.gov/watersense/irrigation-controllers">www.epa.gov/watersense/irrigation-controllers</a>). 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.</li> <li>• RWA is open to considering a variety of <b>customer cost</b> 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</li> </ul>
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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.

- 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.

**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.

**TASK 2. Customer Focus**

**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.

**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.

**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.

**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.

**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.

**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.

**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><b>TASK 3. Evaluation Metrics</b></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><b>TASK 4. Program Status and Completion Reports</b></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>
<p><b>Program Expansion Opportunities</b></p>	<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"> <li>• How would your company expand the requested RWA services (administrative framework, customer portal, installation services, marketing, etc.) to other agencies?</li> <li>• What services are customizable for other participating agencies? Selection of products?</li> <li>• List benefits from expanding the Program beyond the RWA member service areas. Potential to offer discounts for product and services?</li> <li>• List potential challenges from expanding the Program beyond the RWA member service areas.</li> </ul> <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 2021-22**

**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 2021-22. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

**Fiscal Impact:**

For FY 2021-22, 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 2021-22 will be the nineteenth 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 2020, BAWSCA had 1,435 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, 19% 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 2021-22 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.

**Alternatives:**

Alternatives to the recommended action included herein are to: (1) not offer the LLCSP in FY 2021-22, or (2) offer a potentially different version of the LLCSP based on a contractor and program selected through a competitive bid process.

BAWSCA does not recommend the above alternatives. John B. Whitcomb (Waterfluence) was selected to provide the LLCSP services through a competitive process in 2002. His proposal was the most responsive and his proposed costs were highly competitive. His services during the past eighteen years have been critical to the overall program's success. The agencies continue to be pleased with this program and have expressed a desire to continue the LLCSP in FY 2021-22 with Mr. Whitcomb through his firm, Waterfluence. Given Mr. Whitcomb's qualifications, performance, and value received, it is appropriate to contract for his services this coming fiscal year.

**Conclusion:**

The LLCSP has enhanced member agencies' water conservation efforts at reasonable cost. For this reason, renewal of this water conservation assistance program is recommended.

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 is shown in Exhibit A. The scope of work will be updated as necessary during negotiation of a new contract.

**EXHIBIT A**

**Waterfluence - FY 2021-22**

**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 Data Collection. For selected sites, Agency provides current customer account information and 3 or more years of historical water use as available. Waterfluence collects water prices and local daily weather data from CIMIS, AZMET, NOAA, or other source. Waterfluence appends collected information to its website database.
- 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 Customer Website Access. Water customers get online access to [www.waterfluence.com](http://www.waterfluence.com) with a dashboard comparing actual water use to a budget benchmark for each of their sites. Budgets are based on real-time weather matched with the billing cycle and site-specific characteristics documented on an editable site map. Waterfluence continually looks for possible problems stemming from leaks, irrigation scheduling, and sprinkler equipment and, as needed, suggests actionable solutions. Customers can authorize additional stakeholders such as HOA board members and landscape contractors to access their site information online.
- a.5 Agency Website Access. Agency staff get online access to the [www.waterfluence.com](http://www.waterfluence.com) with a dashboard showing all agency sites. Agency staff get expanded privileges associated with contact management and data analytics.
- a.6 Customer Website Onboarding. Waterfluence uses multiple tactics to onboard new water customers to the website by leveraging: 1) agency billing phone and email addresses, 2) existing Waterfluence users from the customer's organization, 3) landscape contractors requesting access to their clients' sites, and 4) other relevant agency programs or customer interactions.
- a.7 Mailed Introduction Packet. For sites without a known customer contact, Waterfluence prints and distributes a packet with an introduction letter and Water Use Report. Agency creates a 1-page introduction letter (PDF) with assistance and examples from Waterfluence. Waterfluence creates a one-page water use report for each site showing a simple chart comparing water use to its budget benchmark for last 3 years. Customers are encouraged to contact Waterfluence to gain online access.

**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 a water use report once a year in March to help prepare for the irrigation season and encourage online access.
- b.3 Contact Management. Waterfluence continually updates site contact information. This includes monitoring changes in account number/billing address and investigating email bounce backs or returned mail envelopes. Agency staff can assist with site contact management to maximize program engagement.
- b.4 Customer 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 Map Updates. Waterfluence maintains and adjusts landscape maps over time as new aerial imagery becomes available. Customers are encouraged to modify their site maps online to keep them accurate; Waterfluence staff vet map changes for conformance with mapping guidelines before adopting.
- b.8 Hourly Water Data. Agencies with advanced metering infrastructure (AMI) systems can forward hourly data to Waterfluence to process and display on [www.waterfluence.com](http://www.waterfluence.com). Waterfluence AMI features include hourly and daily charts, leak notification, and irrigation-centric insights related to day spikes, days-per-week of irrigation, and daytime irrigation.
- b.9 California SB 606 / AB 1668 Reporting Requirements. For program sites, Waterfluence will tabulate all water use and landscape area measurements required by the State of California for the component addressing CII water use with dedicated irrigation meters. This will include Waterfluence generating a set of polygons measuring irrigable area (not irrigated) for relevant sites.
- b.10 Premium Maintenance. Optional higher level of service where Waterfluence staff will average 1 extra hour per site per year to onboard water customers and their stakeholders to [www.waterfluence.com](http://www.waterfluence.com). 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. Includes SB 606 / AB 1668 reporting.



**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 preapprove sites eligible to receive a landscape field survey. Waterfluence markets the field survey opportunity to customers at preapproved sites via the website. Customers are required to accept the field survey via a click-through agreement on the website. Sites accepting a field survey will be added to the Waterfluence field survey queue
- d.2 Performing Field Surveys. Waterfluence will schedule surveys with stakeholders at sites in the field survey queue. The survey includes Waterfluence sending an irrigation expert 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. Waterfluence will notify all site stakeholders and address any follow up questions by telephone or webinar.

**Deliverables**

Waterfluence provides BAWSCA with the following project deliverables:

- 1. BAWSCA Annual Report. Each March, Waterfluence provides BAWSCA with an annual report summarizing program activity and water use for the participating agencies for the previous calendar year. Summary statistics include:
  - Number of sites
  - Total landscape acres
  - Total water use
  - Total over budget water use
  - Number of Landscape Field Surveys
- 2. 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**

<b>Program Item</b>	<b>Unit Cost</b>
a. Site Setup	\$150 per new site
b. Base Subscription OR Premium Subscription	\$76 \$100 per site
c. Analytics Only Subscription	\$18 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 program information is only available to agency staff for internal purposes and not distributed to customers and their stakeholders. This is a low cost alternative for monitoring small landscape sites for agencies wanting a complete inventory of their commercial and public landscape sites within Waterfluence. Excludes SB 606 / AB 1668 reporting.
- 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.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Professional Services Contract with WaterSmart Software to Implement a Home Water Use Report Program for FY 2021-22**

**Summary:**

This item requests authorization for the CEO/General Manager to negotiate and execute a 3-year contract with WaterSmart Software, Inc. to implement the Home Water Use Reports Program for FY 2021-22. As with all BAWSCA subscription programs, participation in this water conservation program is voluntary and participating agencies will pay the entire cost for the program. The opportunity to participate will be extended to all BAWSCA agencies.

**Fiscal Impact:**

This program is being offered on a subscription basis. For FY 2021-22, only those agencies that elect to participate in this program will pay the cost of the outside service provider.

**Recommendation:**

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

- 1. Negotiate and execute a contract between BAWSCA and WaterSmart Software, subject to legal counsel's final review, for implementation of the Home Water Use Reports Program in FY 2021-22; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

**Discussion:**

The Home Water Use Reports program has been offered to BAWSCA member agencies since September 2014. Currently four agencies are participating in the program; each of these agencies has expressed a strong desire to continue to participate in the program next year.

The contractor, WaterSmart Software, develops and delivers water use reports to individual households. These reports use data analytics and behavioral science techniques to provide customized water consumption information, messaging, and water saving recommendations. The objective is to motivate customers to improve water use efficiency through changes in behavior or adoption of more water efficient technology by increasing customer awareness of household water usage when compared to peers. The reports are targeted towards single-family residential customers.

**Alternatives:**

The alternatives to the recommended action included herein are to (1) not offer the Home Water Use Reports Subscription Program in FY 2021-22, or (2) offer a potentially different type of Home Water Use Reports Program.

BAWSCA does not recommend the above alternatives for FY 2021-22. Through a competitive selection process in 2014, BAWSCA received proposals from firms qualified to perform the

services requested. The agencies have expressed a desire to participate in the Home Water Use Reports program in FY 2021-22. In addition, this program provides a proven water conservation and outreach tool for participating agencies.

**Conclusion:**

The Home Water Use Reports Program provides a cost-effective means of achieving water conservation savings and customer engagement. This program provides a valuable water conservation and outreach tool for participating agencies.

**Scope of Work and Billing Rates:**

The draft scope of work for FY 2021-22 is shown in Exhibit A.

EXHIBIT A

**WaterSmart Software Home Water Use Reports - FY 2021-22**

**DRAFT SCOPE OF WORK**

**SECTION 1: INTRODUCTION AND PROGRAM ELEMENTS**

**Introduction**

Consultant is a provider of a customer engagement and analytics platform. Agency has contracted with Consultant to provide a customer engagement program for the Participating Agencies that submit a qualifying Participation Agreement with respect to the Customer Engagement and Conservation Program administered by the Agency.

The program is comprised of the following elements, which are explained in more detail below:

- Utility Analytics Dashboard: Analytics, customer support tools and Program performance data for Utility staff (Exhibit D, Item B)
- Customer Portal: Additional engagement and information for account owners (Exhibit D, Item B)
- Alerts: Leak and high usage alerts (if selected) (Exhibit D, Item H)
- Water Reports and Customer Letters: Customized reports mailed or emailed to each participant (if selected) (Exhibit D, Item E)
- Single Sign On (SSO) or Click Through Registration: If selected, WaterSmart can provide log-in to our customer Portal using third party credentials (i.e. billing provider or other government website registration information) through SSO (Single Sign-On) using the SAML 2.0 or OAUTH2 protocol. This provides for bi-directional, seamless registration to multiple portals using a single set of credentials. Alternatively, if selected WaterSmart supports Click-Through Registration for uni-directional sign-on from a third-party site to WaterSmart using a URL redirect with key-based encrypted data. (Exhibit D, Item F)

As a software-as-a-service (SaaS) provider, WaterSmart will provide all major program elements to the

Utility:

- Program setup and initialization, including data collection (Exhibit D, Item A);
- Hosting of WaterSmart Customer Portal and Utility Analytics Dashboard (Exhibit D, Item B);
- Creation and delivery of Utility-branded Water Reports and alerts to Utility water customers (if selected) (Exhibit D, Item E); and

- Measurement and verification to allow the Utility to evaluate the program (if selected) (Exhibit D, Item E).

Utility is responsible for providing WaterSmart key program inputs including account information, regular feeds of meter data, and logos and contact information. Utility is also responsible for timely feedback and input on key program elements during initialization. Utility maintains responsibility as the primary contact for customer inquiries and technical assistance.

WaterSmart will designate a customer success manager, and the Utility shall designate a single person as Program Manager for the program. All Utility decisions shall be channeled through the Utility Program Manager. In addition, Utility shall designate a Data contact who is responsible for providing the data indicated below.

Content and design of all materials are subject to change over time, as WaterSmart incorporates new features.

This scope of work and agreement cover services rendered over term of the Agreement. The exact timing of program launch and duration of services may vary depending on Utility resource levels, data availability, and other unforeseeable events. WaterSmart endeavors to adhere to the proposed schedule. Utility's responsiveness and prompt provisioning of necessary program inputs is also critical to schedule adherence.

A proposed schedule is provided in Exhibit B, Schedule of Performance.

**Annual Software Subscription** (Exhibit D, Items A and B)

Annual software subscription is a core component of the WaterSmart program and includes the following features:

Utility Analytics Dashboard (Exhibit D, Item A)

The Utility Analytics Dashboard provides analytical insights regarding customer consumption (use by account type, high users, etc.), outbound and inbound communications (outgoing leak or other alerts,

incoming emails, etc.), and use of the Customer Portal (visit frequency, device access, most visited pages, etc.) The Dashboard also identifies and notifies Utility staff about suspected leaks in both AMI and non-AMI environments, and allows Utility staff to monitor compliance requirements. The Dashboard delivers information on all customer classes whose data are provided to WaterSmart and integrates external data sources like property records and maps. The Utility Analytics Dashboard is available to all Utility staff, each with their own unique login.

**Customer Portal** (Exhibit D, Item A)

The WaterSmart Customer Self-Service Portal, available to customers through a mobile and web application interface, provides a single place for customers to see consumption, check and resolve leaks, view bills, sign up for paperless billing, and receive targeted messages about Utility promoted events and programs.

**Alerts and Notifications** (Exhibit D, Item H)

WaterSmart provides alerts to customers to notify of potential high volume or continuous use, to notify a customer that they have reached a self-selected consumption threshold, or to inform customers before the end of the billing cycle that they are likely to have high water use on their upcoming bill. Threshold notifications and leak alerts are further enabled by AMI, though they are also available for non-AMI customers. Alerts can be sent through multiple channels -- email, SMS text message, or automated voice call. Leak alerts are currently targeted at single-family residential accounts and irrigation-only accounts. The leak resolution workflow helps customers identify the source of their leak, and resolve the leak on their own.

**Group Messenger & List Builder** (Exhibit D, Item B)

Group Messenger is a module within the Utility Analytics Dashboard that allows rapid delivery of targeted, timely, and topical messages to groups of customers. The integrated 'Lists' tool allows the Utility to create a custom list of accounts to analyze or communicate with. Group Messenger supports multiple communication channels, including email, SMS text, and automated voice.

**Electronic Bill Presentment** (Exhibit D, Item B)

WaterSmart's Electronic Bill Presentment allows Utility customers to view their billing amount online. Utilities have the option to present the billing amount, or display a PDF of the bill. If a PDF of the bill is displayed, utilities can also select to use (for an additional fee) WaterSmart's paperless billing option to send a bill electronically to customers who select this service.

**Standard Support** (Exhibit D, Item C)

Standard support is an optional feature of the WaterSmart Program and is described in Section 5 below.

**Welcome Letter** (Exhibit D, Item D)

Customer Welcome Letters are an optional feature of the WaterSmart Program. If selected, utilities can send a Customer Letter to explain the program and its benefits to end-use customers. The Customer Letter is branded for the Utility including Utility logo, contact information and a signature line from an appropriate representative, and informs recipients about the program and what they can expect to receive.

**Water Reports** (Exhibit D, Item E)

Water Reports are an optional feature of the WaterSmart Program. Water Reports are personalized, informative, carefully designed reports that help Utility customers better understand their water use and the cost and effort it takes the Utility to deliver high quality and reliable water services. Water Reports can be sent via mail or email to any account type, and may be targeted to certain accounts, sent to randomly selected accounts as part of a randomized control trial, or sent to all of a Utility's customers. Every Water Report is customized by our proprietary content personalization to tailor messages and recommendations specifically to each end-user.



**Electronic Bill Payment** (Exhibit D, Item F)

Electronic Bill Payment is an optional feature of the WaterSmart Program. If selected, an Electronic Bill Payment option is offered by WaterSmart's selected independent payment partner, which agrees to comply with all PCI-DSS requirements, (named in Program at a Glance) in collaboration with WaterSmart. This allows a customer to pay a bill on the partner's payment platform from within the WaterSmart Customer Portal using payment partner's credit, debit, and e-check services. Customers can make a one-time payment, and set up recurring payments. Utility is required to sign a separate agreement with payment partner to access this feature and acknowledges that payment partner provides all services, support, documentation and compliance related to these features, and is separately compensated per the terms of its separate agreement.

**Paperless Billing** (Exhibit D, Item G)

Paperless Billing is an optional feature of the WaterSmart Program. It is only available to utilities that opt to use the Electronic Bill Presentment feature (included in the Annual Software Subscription). Paperless Billing Services provide a method for the Participating Agency's account holders to enroll for electronic bill delivery from within the Customer Portal.

**Print Leak Alerts** (Exhibit D, Item H)

Print Leak Alerts are an optional feature of the WaterSmart Program. Print Leak Alerts are generated and mailed for leak events if: the utility is configured to enable print leak alerts for the account's meter class, the account has an ongoing AMI leak, the account cannot be alerted by email, text, or phone, the account has not opted out of the WaterSmart program, the account has not already received a Print Leak Alert for the same leak event, or the leak event has not been alerted or cancelled by staff. The alerts are sent to the printer on either a daily or weekly basis, depending on the utility's configuration. Customers who receive Print Leak Alerts will not receive another in the 30 days following a prior Print Leak Alert. Water utilities have the option of setting leak detection

thresholds for generating alerts. The default leak rate and time threshold values are the same as the utility's standard leak alerting thresholds. Print Leak Alerts are currently only available to AMI Single Family Residential and Irrigation-Only customers.

## **SECTION 2: PROGRAM INITIALIZATION AND MILESTONES**

The initialization phase of the program begins with Contract Signing (or Purchase Order Issue if a Purchase Order is necessary for invoicing) and will last for three months. WaterSmart begins the (first) 12-month implementation term at the start of the fourth month after Contract Signing/PO Issue. If a utility has provided the data and input necessary to launch the program early, WaterSmart accommodates the Utility by making the Customer Portal and Utility Analytics Dashboard available and (if selected) sending the first Customer Letters prior to the end of the 3-month initialization phase, though the invoicing schedule will not change.

Significant delay on the part of the Utility during launch may result in less than 12 months of access to the Customer Portal and Utility Analytics Dashboard and/or fewer than the planned number of communications to be sent during the 12-month period. If the Utility delays approval of a renewal or extension agreement, WaterSmart may, at its discretion (assuming the renewal agreement will be retroactive to begin at the previous contracts' end), maintain Customer Portal and Utility Analytics Dashboard access and functionality, in the interim, for up to 90 days at which time all access will be revoked until the renewal/extension has been signed.

To initialize the program, WaterSmart works with Utility to set up the transfer of key data elements, discuss customized elements of the Customer Portal and Water Reports, finalize a Customer Letter, and train Utility employees on the WaterSmart platform. Below are the key steps for the Program Initialization Phase.

**Kickoff**

WaterSmart conducts a 60- to 90-minute introductory online meeting to orient Utility staff involved in the Program with the Customer Portal and Utility Analytics Dashboard Applications, Alerts, and Reports (if selected). WaterSmart suggests Utility include a representative from each functional group that will be involved with the setup and use of the program, including: Conservation. Customer Service, Field Service, Finance, Marketing/Public Information Office, and Information Technology (IT) representatives.

**Data Transfer and Utility Obligations**

While WaterSmart has developed processes to minimize the burden on Utility staff to launch the program, initiative and technical know-how on the part of Utility IT staff is necessary. All approvals and scheduling of Utility IT time for the project should be confirmed in advance to ensure a timely, high-quality, and well-supported launch. Delays on the part of the Utility may reduce the number of months the Utility and its customers are able to make use of the software platform.

WaterSmart works with Utility to securely transfer a dataset on accounts, including but not limited to the following data:

Account Information:

- Account Number
- Account Type
- Account Sequence Number
- Property APN, where available
- Meter Size
- Customer Mobile Number, where available
- Service Address
- Billing Address
- Customer Name
- Customer Email, where available

Consumption History:

WaterSmart requests, for at least the last two years but ideally for five to ten years in the past, such fields as, but not limited to:

- Account Number
- Account Sequence Number
- Meter I.D. (serial number)
- Current & Previous Meter Read Date
- Consumption
- Days in Billing Cycle

Current Consumption:

WaterSmart also works with Utility to set up a regular transfer of meter reads from the Utility to WaterSmart through a secure channel. This will be the same file format as the Consumption History file above. The frequency of meter data transfer determines how frequently Water Reports are shipped (see Table 1). WaterSmart requests, for accounts with interval data:

- Account Number
- Timestamp
- Timezone
- Consumption
- Additional details as mutually agreed

Rebate Program Participation File

Optionally, Utility may provide data on rebate program participants, and those receiving citations or notifications. This file must meet WaterSmart specifications and should include:

- Account Number
- Program Name
- Participation Date
- Additional details as mutually agreed

Should Utility implement new data management systems after the first initialization process, which require WaterSmart to re-onboard new file structures or map historical identifiers (e.g. customers, accounts, premises, service points), WaterSmart assesses an additional one-time fee not to exceed \$10,000 upon receipt of first test files from the new system.

**Configuration of Customer Portal and Water Reports**

WaterSmart's Customer Portal and Water Reports (if selected) contain several configurable fields.

WaterSmart works with the Utility to configure the Water Report and Customer Portal with Utility logo and contact information. WaterSmart provides messages and recommendations for Utility to review and approve for display on a targeted basis. Utility has the opportunity to approve or exclude any recommendations shown in the Water Report and Customer Portal and messages shown in the Water Report. The Utility also

has the opportunity at the start of the program to provide WaterSmart with information on available rebates and incentives that should be flagged within relevant water saving recommendations.

Utility and WaterSmart agree to complete this process in a timely manner. Utility should provide final approvals to WaterSmart no more than ten (10) business days from when initial materials are provided to Utility.

For both Messaging and Recommendations, the review process is as follows:

- WaterSmart sends default content to Utility.
- Utility Project manager sends back a single, consolidated list of approved messages.
- WaterSmart's customer success manager can offer the Utility the opportunity to proof finalized content of Water Reports and the Customer Portal once they are configured.

In addition, Utility has the opportunity to provide one custom text Water Report message per Report cycle.

Content is to be provided at least ten (10) business days prior to report generation.

Appendix A, Figure 1 shows the configurable content to be reviewed during initialization.

#### **Finalization of Customer Letter**

WaterSmart sends a Customer Letter (if selected), on behalf of the Utility, to accounts that will receive access to the Customer Portal or Water Reports. Utility has the ability to personalize the signature and the introductory paragraph of content, within space constraints. The review process is similar to the process for Messaging and Recommendations described above. The format, design and content of the Customer Letter will be based on existing WaterSmart documents. Content and design of all materials are subject to change over time, as WaterSmart incorporates new features. WaterSmart will send Customer Letters by email where a valid email address is available and by print otherwise.

#### **Training**

After all initial customer data has been received and program content is finalized, WaterSmart will provide Utility staff with training and resources to understand the features and functionality of the Customer Portal and Utility Analytics Dashboard. If selected in Program at a Glance, WaterSmart provides training on-site; if

selected, training is provided via webinar. On-site training may be conducted as multiple sessions on a single day.

A proposed schedule for the Program Initialization Phase is provided in Exhibit B: Schedule of Performance.

### **SECTION 3: PROGRAM DESIGN**

#### **Experimental and Control Group**

If selected, WaterSmart uses a randomized control group design to ensure the water saved in single-family residential accounts as a result of the WaterSmart program can be accurately measured and verified. While the Residential Recipients, as specified in the Program at a Glance, will receive Water Reports the Control Group will not. This program design allows WaterSmart to compare the changes in water consumption and customer satisfaction of the Recipients versus the Control Group and provide the Utility with formal statistical results. While the group of Residential Recipients may expand after the first term of the project, only the first group of recipients will be used to measure results.

#### **Water Reports**

##### *Recipients*

The number of recipients (specified in the Program at a Glance) may vary slightly in any cycle of Water Reports based on the availability of valid meter data available for each account and the number of new or closed accounts in a given period. Water Reports will be sent digitally where valid email addresses are available, and by print otherwise.

##### *Number and Scheduling of Cycles and Shipments per Report*

Each recipient account is eligible to receive a Water Report (if selected) in each of the 4, 6 or 12 cycles of reports per term, as specified in the Program at a Glance. Some accounts may receive fewer Water Reports due to a missed or incorrect reads, or a closing or opening of a new account with the Utility.

Each cycle of reports can be sent in one or more shipments, with each shipment going to a subset of households. WaterSmart will ship Water Reports based on the schedule that the Utility transfers meter read data to WaterSmart. For utilities that provide account billed consumption data to WaterSmart on a rolling

basis (with data for a subset of accounts transferred each day or each week), WaterSmart will send out shipments for each cycle on a weekly basis. For utilities that provide billed consumption data to WaterSmart once per billing period, WaterSmart will send each cycle of Water Reports in a single shipment.

The schedule of these shipments is given below:

**Table 1: Schedule of Water Reports Shipments**

<b>Utility Transfers Billing Data to WaterSmart:</b>	<b>WaterSmart Sends Shipments of each Report Cycle:</b>
<b>Daily</b>	<b>Weekly</b>
<b>Weekly</b>	<b>Weekly</b>
<b>Monthly</b>	<b>Monthly</b>
<b>Bi-Monthly</b>	<b>Bi-Monthly</b>

The report delivery schedule is designed so that every customer account will be eligible to receive a report in each cycle. If the Utility wishes to stagger the initial set of reports over more than one cycle or in such a way that it does not correspond to the utility billed consumption data transfer schedule, these are special circumstances that must be identified in advance in the "Program at a Glance" section at the front of this Scope and are subject to approval by WaterSmart.

The delivery of the Customer Letter and the initial cycle of Water Reports will be scheduled in conjunction with the Utility. Email deliveries may be scheduled to arrive on, or avoid, a specific day of the week. Print deliveries are subject to postal schedules and cannot be guaranteed for specific dates. Utility-requested delays in sending materials may result in fewer reports per recipient than the maximum number specified in the contract.

### *Cohort Group*

WaterSmart creates cohort groups of similar residences in order to maximize the relevance of water use comparisons and potential water savings. Cohort groups may include the following variables:

- Number of occupants per home (based on user-generated information and real-estate based estimates)
- Irrigable area (e.g. small, medium, large, etc.) to be determined based on home size and lot size information contained in real estate data obtained by WaterSmart, or optionally, provided by Utility if it already possesses such information
- Residence location (e.g. city, zip code, etc.) for utilities which span large areas

### **Post-Launch Survey**

A post-launch Satisfaction Survey is available to those Utilities that have selected Water Reports.

WaterSmart sends a link to a post-launch survey to accounts with email addresses. The post-launch survey typically is conducted after at least eight months of engagement. WaterSmart will provide a sample of the post-launch survey invitation, including one block of content, which the utility may personalize. Utility should provide consolidated comments and final approvals to WaterSmart no more than ten (10) business days from when initial materials are provided to Utility. The results of the post-launch survey are used to gauge customer satisfaction and Water Report perceptions. WaterSmart shares all results of the post-launch survey with Utility.

### **Measurement and Verification**

WaterSmart reports changes in consumption for the Recipient Group versus a randomized control group selected from Utility's entire population of residential households. After three Water Reports have been sent, WaterSmart will prepare an efficiency study that details the change in water usage for the Recipient Group versus control group, and load those results into the Utility Analytics Dashboard. This evaluation is performed with a Fixed-Effects regression model using the consumption data for each household in the Recipient and control groups. The efficiency study report includes percentage savings, GPD (Gallons per Day) savings and Acre Foot savings at the program level for all months after the first Water Reports were



sent. While WaterSmart can continue to measure results after the first term (as long as a control group is maintained), Water Report recipients added to the program after the first term will not be included in the experimental group.

## **SECTION 5: WATERSMART CUSTOMER SERVICE AND SUPPORT OPTIONS**

### **Customer Service**

WaterSmart does not communicate directly with the Utility's customers; end-user support is the responsibility of the Utility. WaterSmart provides a number of tools to facilitate both end-user support as well as assist Utility staff looking to understand and maximize their WaterSmart experience:

- 1) The **WaterSmart Support Site**, which is accessible by all Utility staff, includes responses to Frequently Asked Questions as well as common troubleshooting topics and other customer support oriented content.
- 2) The **Customer Detail Page** helps customer service representatives respond to Customer inquiries by providing all relevant customer property and water use information, a complete history of notes and email interactions including water reports, a quick link to their portal and step-by-step process support for common questions around high bills.
- 3) A **Live Chat** feature that allows Utility staff to ask questions about data, get help with challenging customer questions, provide product feedback and more. Users can generally expect to receive a response within the hour. Chat is available between the hours of 7 a.m. and 6 p.m. PST Monday thru Friday, excluding federal holidays.
- 4) **Monthly Product Webinars** provide the latest WaterSmart news including product releases, practical implementation case studies, a forum to interact with other WaterSmart customers and sneak previews of products on the horizon.

For specific questions or support post-launch, the Utility can choose from the following two support option based on its support needs (choice is noted above in Program at a Glance):

**Limited Support** – Limited support is included with the Annual Software Subscription and covers basic customer and technical support functions. The benefits and features include:

- WaterSmart Support Site
- Live Chat Support (PST business hours): Up to one hour per week.
- Monthly Product Webinar

**Standard Support** – Standard Support is an optional service of the WaterSmart Program. For an additional annual fee, Standard Support provides all of the benefits and features in Limited Support, as well as:

- Dedicated Customer Success Manager (CS Manager): will support the Utility program, answer questions, provide updates, support complex tasks, provide new feature updates and additional training as needed.
- Phone/email support – The CS Manager is available by telephone and email to answer specific programmatic and technical questions for up to one additional hour per week.
- Bi-monthly check-in meetings – Meetings will track performance relative to Utility objectives and adjust as necessary, provide implementation suggestions, support outreach efforts, gather feedback and answer any questions.
- Portal and Water Report content customization- The CS Manager can help the Utility create personalized messaging for the Customer Portal and outbound Engagement vehicles, including Group Messenger and Water Reports, if requested.

### **Maintenance of Web Applications**

WaterSmart maintains commercially reasonable systems and controls designed to maximize monthly uptime and minimize unscheduled outages of the Customer Portal and Utility Analytics Dashboard. Excluding any down time for maintenance and/or upgrades, WaterSmart makes strong efforts to provide Customers and Utility with access to their respective Web applications on a continuous basis. WaterSmart provides advance notification of any planned outages and notifies Utility without unreasonable delay if it detects or receives notice of any material problems relating to the Customer Portal and/or the Utility Analytics Dashboard.

WaterSmart's Web Applications include dynamic and interactive charts and tables that may not be compatible with older Internet browsers.

The Internet browser and operating system requirements are:

- Windows XP: Chrome 38+, Firefox 32+
- Windows 7, 8, 8.1, 10: IE 11+, Chrome 38+, Firefox 32+
- Mac: Chrome 38+, Firefox 32+, Safari

### **Data Security and Privacy**

WaterSmart does not share personally identifiable customer information or customer-specific water use information with any third party without prior consent from Utility. Data transferred to WaterSmart from Utility is stored in a database dedicated to Utility and its WaterSmart project. The data is not comingled with the data provided by any other entity; provided, however, that certain anonymous data may be copied

and consolidated with data provided by one or more other entities for the research and product development purposes subject to the terms of the Agreement.

WaterSmart enacts standard controls, policies, and procedures to ensure the security of Utility's data and customer provided information, including but not limited to choosing a reputable cloud-server vendor with appropriate physical security of server infrastructure, secure public-private key-based login to all WaterSmart server infrastructure, password authentication on all Web site interaction, and audit logging.

WaterSmart provides Utility with private key access to a secure FTP destination for regular delivery of the data. Utility agrees to send data only through this secure channel, or by having WaterSmart pull data from a secure server maintained by the Utility or Utility partner.

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# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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

## MEMORANDUM

**TO:** BAWSCA Board of Directors  
**FROM:** Nicole Sandkulla, CEO/General Manager  
**DATE:** May 14, 2021  
**SUBJECT:** Chief Executive Officer/General Manager's Letter

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### SFPUC Capital Budget Book

In April 2021, the SFPUC released its first stand-alone Capital Budget Book and posted it on its website. To access this report, please click here: [https://sfpuc.org/sites/default/files/about-us/policies-reports/10yrCapital-and-Budget\\_FY2020-22.pdf](https://sfpuc.org/sites/default/files/about-us/policies-reports/10yrCapital-and-Budget_FY2020-22.pdf). This Capital Budget Book was prepared based on feedback received from BAWSCA, and will be produced on a biennial basis following the SFPUC's budget process.

### SFPUC Wholesale Rate Notice FY 2021-22

Earlier this month, the SFPUC notified the Wholesale Customers and BAWSCA that the FY 2021-22 Wholesale Water Rates will remain unchanged at \$4.10 per CCF. The SFPUC FY 2021-22 Wholesale Water Rates Notice is attached for your information.

Because the rate is not changing, there will not be a Commission hearing on the wholesale rate itself. The FY 2021-22 Untreated Wholesale Water Rate Discount of \$0.36 per CCF, a decrease of \$0.03 from the current discount, will be presented to the Commission for consideration and adoption in June.

### Urban Water Management Plan (UWMP) - Update

BAWSCA continues to provide support to Member Agencies that are preparing their 2020 UWMP updates. Member Agencies have now received all information and documentation from BAWSCA and the SFPUC with regards to common language, supply reliability, and drought allocations. Upon request, the BAWSCA CEO and Water Resources Manager have presented at member agencies' UWMP Public Hearings. Presentations have focused on (1) BAWSCA's position and efforts to date on the Bay-Delta Plan and Tuolumne River Voluntary Agreement (TRVA), and (2) impacts of the Bay-Delta Plan on the Regional Water System supply reliability and drought cutbacks provided by the SFPUC for use in UWMPs. The CEO, or staff, will make themselves available for upcoming public hearings by request.

BAWSCA submitted comments to the SFPUC on its Draft 2020 UWMP. Please see the copy included in the Correspondence Packet for the full list of findings and recommendations shared by BAWSCA. Key recommendations for the SFPUC were to include in their final UWMP: (1) the additional purchase requests of the Cities of San Jose and Santa Clara, (2) an estimate of the supply yield for individual alternative water supply projects, and (3) a discussion of the TRVA

modeling results. BAWSCA is reviewing Valley Water's Draft 2020 UWMP and will submit any necessary comments prior to the June 8<sup>th</sup> Public and Adoption Hearing.

**Bay Area Regional Reliability Partnership (BARR) - Water Supply Monitor Webpage**

BAWSCA is a member of the Bay Area Regional Reliability (BARR) Partnership, a collaboration of eight Bay Area water agencies working together to improve regional water supply reliability.

One area in which the BARR Partnership coordinates is the [BARR Water Supply Monitor webpage](#), a website that summarizes BARR efforts, as well as supply conditions for the individual BARR agencies and regional drought planning activities. This website is periodically updated as appropriate.

**Annual Survey**

Each year, BAWSCA conducts an annual survey of its member agencies in order to update key BAWSCA service area information including populations, current and projected water use, and climatology. BAWSCA has found that there is significant outside interest in member agency water use data, and since BAWSCA's survey collects information for the 26 member agencies, the report serves as a good summary of regional water use.

The Annual Survey for FY 2019-20 is complete and is available on BAWSCA's website at <https://bawasca.org/water/supply/survey>.

Attachment:

1. SFPUC FY 2021-22 Wholesale Rates Notice



May 7, 2021

Ms. Nicole Sandkulla  
 CEO/General Manager  
 Bay Area Water Supply & Conservation Agency  
 155 Bovet Road, Suite 650  
 San Mateo, CA 94402

Re: Fiscal Year 2021-22 Wholesale Water Rates Notice

Dear Ms. Sandkulla,

The San Francisco Public Utilities Commission (SFPUC) has determined that the **FY 2021-22 Wholesale Water Rates will remain unchanged at \$4.10 per CCF**. Because the rate is not changing, there will not be a Commission hearing on the wholesale rate itself, and none is required by WSA Section 6.03.A. As described below, the untreated wholesale water discount factor paid by a single customer *is* changing and will be adopted a Commission meeting in June.

**Fiscal Year 2021-22 Billing**

As in prior years, the following charges, unrelated to the Wholesale Revenue Requirement, will be effective July 1, 2021:

- **BAWSCA Bond Surcharge:** The monthly bills include the February 2013 prepayment of the Pre-2009 Assets surcharge for the repayment of BAWSCA issued bonds. The amounts of the surcharge are proportionate to water consumption and have been adjusted accordingly. The SFPUC bills and collects the surcharge on behalf of BAWSCA and remits these amounts to the trustee.
- **Late Fees:** As part of the response to the current pandemic and shelter-in-place order, the SFPUC continues to not assess late fees on past due balances through March 31, 2022. After this time, late payment penalties as specified in Schedule W-44 will begin being assessed. The SFPUC encourages Wholesale customers to sign up for electronic billing and payment services to make timely payments and to avoid late fees. Please sign up with our SFPUC BillPay service at [myaccount.sfwater.org](http://myaccount.sfwater.org) to receive and pay your bills online. If you have any questions, please contact customer assistance at (415) 551-3000.

- London N. Breed**  
Mayor
- Sophie Maxwell**  
President
- Anson Moran**  
Vice President
- Tim Paulson**  
Commissioner
- Ed Harrington**  
Commissioner
- Newsha Ajami**  
Commissioner
- Michael Carlin**  
Acting  
General Manager

Services of the San Francisco Public Utilities Commission

**OUR MISSION:** To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



## Untreated Wholesale Water Rate Discount Factor

The Fiscal Year 2021-22 Untreated Wholesale Water Rate Discount will be \$0.36 per CCF, a decrease of \$0.03 from the current rate. The discount factor is equal to the Harry Tracy Water Treatment Plant total projected cost. The discount is calculated by dividing the relevant cost by total wholesale water deliveries. The decrease is driven by expenses (especially capital) for other facilities increasing in cost, causing costs related to Harry Tracy to represent a smaller portion of overall expenditures. The San Francisco Public Utilities Commission will hold a public hearing on this rate at its June 22, 2021 meeting.

## Enclosures

Per WSA Section 6.03.A, supporting documents are required if there is a rate increase. While the rate will remain the same, we are attaching the following:

- Attachment N-1: Balancing Account/Rate Setting Calculation: A table showing the change in the Wholesale Revenue Requirement and how the wholesale rate was calculated
- Attachment N-3: Schedule of Projected Water Sales, Wholesale Revenue Requirements and Wholesale Rates: A schedule showing projected Wholesale Customer water sales and rates for the proposed rate year and the following four fiscal years
- FY 2021-22 Calculation of Untreated Water Discount Factor
- Schedule W-25: Wholesale Use with Long-Term Contract - Proposed Fiscal Year 2021-22 Wholesale Customer water rates
- Fiscal Year 2021-22 BAWSCA Bond Surcharge letter and schedule showing the bond surcharge for each member agency

If you have any questions, please contact me at 415-487-5227 or [efranks@sflower.org](mailto:efranks@sflower.org).

Sincerely,



Erin Franks  
Rates Administrator

Enclosures

cc: Michael Carlin, SFPUC  
Steve Ritchie, SFPUC  
Eric Sandler, SFPUC



Charles Perl, SFPUC  
Kristina Alagar Cordero, SFPUC  
Catherine Malina, SF City Attorney

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**Balancing Account / Rate-Setting Calculation**  
**Reference Section 6.03.A.3**  
**Fiscal Year 2021-22**

**Schedule N-1**

	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>1. Actual Changes to Balancing Account for FY 2019-20</b>			
A. Balancing Account as of June 30, 2019 (unaudited)	\$ (46,925,278)		
B. Interest on Balancing Account and Coverage Reserve	\$ (1,735,826)		
C. Wholesale Revenues for Fiscal Year	\$ (270,402,519)		
D. Wholesale Revenue Requirement for Fiscal Year	\$ 260,921,135		
E. Net Change in Wholesale Revenue Coverage	\$ (4,358,973)		
F. Settlement Credits or Other Adjustments	\$ 805,000		
<b>G Balancing Account as of June 30, 2020 (unaudited)</b>	<b>\$ (61,696,461)</b>		
<b>2. Projected Changes to Balancing Account for FY 2020-21</b>			
A. Balancing Account as of June 30, 2020		\$ (61,696,461)	
B. Interest on Balancing Account and Coverage Reserve		\$ (792,663)	
C. Wholesale Revenues for Fiscal Year		\$ (273,881,148)	
D. Wholesale Revenue Requirement for Fiscal Year		\$ 272,987,663	
E. Settlement Credits or Other Adjustments		\$ -	
F. Balancing Account as of June 30, 2021		\$ (63,382,609)	
G. Net Change in Wholesale Revenue Coverage		\$ 2,431,211	
<b>H. Total Revenue Deficiency or (Surplus)</b>		<b>\$ (60,951,398)</b>	
<b>3. Projected Changes to Balancing Account for FY 2021-22</b>			
A. Balancing Account as of June 30, 2021			\$ (60,951,398)
B. Interest on Balancing Account and Coverage Reserve			\$ (486,869)
C. Wholesale Revenues for Fiscal Year			\$ (273,881,148)
D. Wholesale Revenue Requirement for Fiscal Year			\$ 272,987,663
E. Settlement Credits or Other Adjustments			\$ -
F. Balancing Account as of June 30, 2022			\$ (62,331,752)
G. Net Change in Wholesale Revenue Coverage			\$ 2,278,271
<b>H. Total Revenue Deficiency or (Surplus)</b>			<b>\$ (60,053,481)</b>
I. Projected Water Sales in CCF			65,756,378
J. Deficiency or (Surplus) \$/CCF			\$ (0.91)
K. Deficiency or (Surplus) CCF as a Percentage of Revenues			-24.0%

Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates

Schedule N-3

Reference Section 6.03.A.3

Fiscal Year 2021-22

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Water Enterprise</b>						
<b>Operations &amp; Maintenance Expenses</b>						
Source of Supply	\$ 16,614,024	\$ 17,607,599	\$ 18,214,118	\$ 18,696,219	\$ 19,500,489	\$ 22,337,509
Pumping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	\$ 34,352,411	\$ 36,406,801	\$ 37,660,886	\$ 38,657,716	\$ 40,320,684	\$ 46,186,720
Transmission & Distribution	\$ 19,933,557	\$ 21,125,651	\$ 21,853,354	\$ 22,431,781	\$ 23,396,746	\$ 26,800,611
Customer Services	\$ 230,530	\$ 244,317	\$ 252,732	\$ 259,422	\$ 270,582	\$ 309,947
<b>Total Operations &amp; Maintenance Expenses</b>	<b>\$ 71,130,522</b>	<b>\$ 75,384,367</b>	<b>\$ 77,981,090</b>	<b>\$ 80,045,138</b>	<b>\$ 83,488,500</b>	<b>\$ 95,634,787</b>
<b>Administrative &amp; General Expenses</b>						
Countywide Cost Allocation Plan (COWCAP)	\$ 1,166,061	\$ 1,235,795	\$ 1,278,364	\$ 1,312,201	\$ 1,368,649	\$ 1,567,766
SFPUC Bureaus	\$ 15,653,978	\$ 16,590,139	\$ 17,161,610	\$ 17,615,853	\$ 18,373,648	\$ 21,046,730
Compliance Audit	\$ 106,651	\$ 113,029	\$ 116,922	\$ 120,017	\$ 125,180	\$ 143,392
Other Administrative & General	\$ 8,000,404	\$ 8,478,856	\$ 8,770,922	\$ 9,003,076	\$ 9,390,368	\$ 10,756,521
<b>Total Administrative &amp; General Expenses</b>	<b>\$ 24,927,094</b>	<b>\$ 26,417,819</b>	<b>\$ 27,327,818</b>	<b>\$ 28,051,147</b>	<b>\$ 29,257,844</b>	<b>\$ 33,514,409</b>
<b>Property Taxes</b>	<b>\$ 1,518,136</b>	<b>\$ 1,608,926</b>	<b>\$ 1,664,347</b>	<b>\$ 1,708,400</b>	<b>\$ 1,781,892</b>	<b>\$ 2,041,130</b>
<b>Capital Cost Recovery</b>						
Pre-2009 Assets (K-1 to K-4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-2009 Assets (K-5)	\$ 2,996,850	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on New Assets	\$ 143,974,934	\$ 159,665,492	\$ 171,450,134	\$ 170,517,272	\$ 170,204,484	\$ 172,505,130
Revenue Credit for BABs Subsidy	\$ (14,521,854)	\$ (14,211,643)	\$ (13,826,975)	\$ (13,372,025)	\$ (13,078,028)	\$ (12,767,917)
Revenue Funded Capital	\$ 13,760,000	\$ 13,561,924	\$ 16,777,500	\$ 16,567,500	\$ 16,570,000	\$ 16,570,000
<b>Total Capital Cost Recovery</b>	<b>\$ 146,209,930</b>	<b>\$ 159,015,773</b>	<b>\$ 174,400,659</b>	<b>\$ 173,712,747</b>	<b>\$ 173,696,456</b>	<b>\$ 176,307,213</b>
<b>Hetch Hetchy Water &amp; Power</b>						
<b>Operations &amp; Maintenance Expenses</b>						
	<b>\$ 20,767,797</b>	<b>\$ 22,009,781</b>	<b>\$ 22,767,940</b>	<b>\$ 23,370,575</b>	<b>\$ 24,375,925</b>	<b>\$ 27,922,245</b>
<b>Administrative &amp; General Expenses</b>						
Countywide Cost Allocation Plan (COWCAP)	\$ 137,240	\$ 145,448	\$ 150,458	\$ 154,440	\$ 161,084	\$ 184,519
SFPUC Bureaus	\$ 3,199,208	\$ 3,390,531	\$ 3,507,323	\$ 3,600,157	\$ 3,755,027	\$ 4,301,326
Other Administrative & General	\$ 3,576,595	\$ 3,790,488	\$ 3,921,056	\$ 4,024,841	\$ 4,197,981	\$ 4,808,722
<b>Total Administrative &amp; General Expenses</b>	<b>\$ 6,913,043</b>	<b>\$ 7,326,466</b>	<b>\$ 7,578,837</b>	<b>\$ 7,779,438</b>	<b>\$ 8,114,092</b>	<b>\$ 9,294,567</b>

Schedule of Projected Water Sales, Wholesale Revenue Requirements, and Wholesale Rates

Schedule N-3

Reference Section 6.03.A.3

Fiscal Year 2021-22

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Property Taxes</b>	\$ 197,513	\$ 209,325	\$ 216,535	\$ 222,266	\$ 231,828	\$ 265,555
<b>Capital Cost Recovery</b>						
Pre-2009 Assets (K-1 to K-4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-2009 Assets (K-5)	\$ 1,323,628	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on New Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Funded Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Cost Recovery</b>	\$ 1,323,628	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Wholesale Revenue Requirement</b>	\$ 272,987,663	\$ 291,972,457	\$ 311,937,227	\$ 314,889,712	\$ 320,946,537	\$ 344,979,905
Balancing Account as of June 30 (Beginning of Year)	\$ (61,696,461)	\$ (60,951,398)	\$ (39,412,903)	\$ (9,778,754)	\$ 208,454	\$ 134,573
Balancing Account Deferral	\$ 61,000,000	\$ 39,500,000	\$ 10,000,000			
Interest on Balancing Account and Coverage Reserve	\$ (792,663)	\$ (486,869)	\$ (390,951)	\$ (255,841)	\$ (212,688)	\$ (212,887)
Settlement Credits and Other Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wholesale Debt Service Coverage Reserve	\$ 2,431,211	\$ 2,278,271	\$ 2,946,161	\$ (233,215)	\$ 165,170	\$ 4,823,997
<b>Wholesale Revenues Before Rate Change</b>						
Volumetric Charges	\$ (269,601,148)	\$ (267,945,363)	\$ (266,289,578)	\$ (278,833,655)	\$ (299,313,412)	\$ (316,692,900)
Excess Use Charges / Minimum Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service Charges	\$ (4,280,000)	\$ (4,280,000)	\$ (4,280,000)	\$ (4,280,000)	\$ (4,280,000)	\$ (4,280,000)
<b>Total Wholesale Deficiency or (Credit)</b>	\$ 48,602	\$ 87,097	\$ 14,509,955	\$ 21,508,247	\$ 17,514,061	\$ 28,752,688
<i>Wholesale Deficiency or (Credit) as a Percent of Volumetric Charges</i>	0.0%	0.0%	5.4%	7.7%	5.9%	9.1%
Projected Water Sales (MGD)	134.8 MGD	133.9 MGD	133.1 MGD	131.9 MGD	131.9 MGD	131.9 MGD
Projected Water Sales (CCF)	65,756,378	65,352,528	64,948,678	64,544,828	64,368,476	64,368,476
Wholesale Deficiency or Credit (\$/CCF)	\$0.00	\$0.00	\$0.22	\$0.33	\$0.27	\$0.45
<b>Wholesale Rate (\$/CCF)</b>	<b>\$4.10</b>	<b>\$4.10</b>	<b>\$4.32</b>	<b>\$4.65</b>	<b>\$4.92</b>	<b>\$5.37</b>
Projected Service Charge Revenues	\$ 4,280,000	\$ 4,280,000	\$ 4,280,000	\$ 4,280,000	\$ 4,280,000	\$ 4,280,000
Projected Volume Charge Revenues	\$ 269,601,148	\$ 267,945,363	\$ 280,578,287	\$ 300,133,448	\$ 316,692,900	\$ 345,658,714
<b>Total Wholesale Revenues After Rate Change</b>	\$ 273,881,148	\$ 272,225,363	\$ 284,858,287	\$ 304,413,448	\$ 320,972,900	\$ 349,938,714

**Calculation of Untreated Water Discount Rate for Coastside County Water District  
Rate-Setting for Fiscal Year 2021-22**

**Wholesale Share of HTWTP Expenses to be Removed**

Operations & Maintenance	\$	10,669,967
Cash Funded Capital	\$	-
Debt Service	\$	13,128,290
<b>Total HTWTP Expense to be Removed</b>	<b>\$</b>	<b>23,798,257</b>

**Total Wholesale Water Consumption (CCF) 65,352,528**

**Untreated Water Rate Discount (\$/CCF) \$ 0.36**

**SCHEDULE W-25: Wholesale Use with Long-Term Contract**

For service to municipalities, water districts and others who, under long-term contracts, purchase water for resale:

**First:** A Monthly Service Charge base on the type and size of the meter:

<b>Meter Size</b>	<b>Disc/Compound Meters</b>	<b>Crest Meters</b>	<b>Magnetic Meters</b>	<b>Turbine Meters</b>
5/8 in.	\$11	-	-	-
3/4 in.	\$18	-	-	-
1 in.	\$30	-	-	-
1 1/2 in.	\$43	-	-	-
2 in.	\$79	-	-	-
3 in.	\$158	-	-	-
4 in.	\$318	\$353	-	\$577
6 in.	\$476	\$685	-	\$1,256
8 in.	\$635	\$1,335	\$2,265	\$1,875
10 in.	\$793	\$1,732	-	\$3,391
12 in.	\$953	\$1,840	\$5,159	-
16 in.	\$1,270	\$5,628	-	\$7,215
18 in.	-	\$6,133	-	-
20 in.	-	\$6,349	-	-

The service charge for a battery of meters installed on one service in lieu of one meter or for a special type of meter, shall be based on the size of single or multiple standard type meters of equivalent capacity.

**Second:** A charge for water delivered based on one-month's meter readings:

**\$1,785.96 per acre-foot**                      **or**                      **\$4.10 per 100 cu. ft.**

**Third:** An Untreated Wholesale Water Rate Discount Factor for Wholesale Customers receiving untreated water, based on one-month's meter readings:

**(\$156.82) per acre-foot**                      **or**                      **(\$0.36) per 100 cu. ft.**



April 21, 2021

Ms. Erin Franks, Rate Administrator  
San Francisco Public Utilities Commission  
525 Golden Gate Avenue, 4th Floor  
San Francisco, CA 94102

**Subject: BAWSCA FY 2021-22 Bond Surcharge Schedule**

Dear Erin:

Pursuant to Section 3.01 (a) of the Prepayment and Collection Agreement between the Bay Area Water Supply and Conservation Agency (BAWSCA) and the City and County of San Francisco (San Francisco), dated January 1, 2013 (Agreement), BAWSCA shall deliver a written schedule to San Francisco at least 45 days prior to the beginning of each fiscal year showing the amount of the surcharge that BAWSCA seeks to impose for such fiscal year.

Attached is BAWSCA's proposed FY2021-22 annual and monthly bond surcharge for each member agency that was adopted by the BAWSCA Board on March 18, 2021. Pursuant to Section 3.02 (a) of the Agreement, San Francisco shall include the identified monthly surcharge in the first wholesale water bill for the largest amount delivered to BAWSCA's member agencies each month, effective July 1, 2021.

If you have any questions about the billing of BAWSCA's surcharges, please contact me at (650) 349-3000.

Sincerely,

A handwritten signature in black ink that reads "Christina Tang". The signature is fluid and cursive, written in a professional style.

Christina Tang  
Finance Manager

Attachment: BAWSCA Proposed FY 2021-22 Bond Surcharges

cc: Eric Sandler, SFPUC  
Charles Perl, SFPUC  
Kristina Cordero, SFPUC  
Nicole Sandkulla, BAWSCA  
Allison Schutte, BAWSCA Legal Counsel



**Attachment**

**BAWSCA Proposed FY 2021-22 Bond Surcharges**

<b>Agency</b>	<b>Annual Bond Surcharge</b>	<b>Monthly Bond Surcharge</b>	<b>Agency</b>	<b>Annual Bond Surcharge</b>	<b>Monthly Bond Surcharge</b>
Alameda County WD	\$1,381,116	\$115,093	Mid Pen WD	\$513,000	\$42,750
Brisbane Water	\$55,380	\$4,615	Millbrae	\$321,240	\$26,770
Burlingame	\$645,276	\$53,773	Milpitas	\$1,265,664	\$105,472
Coastside County WD	\$145,620	\$12,135	Mountain View	\$1,395,312	\$116,276
CWS - Bear Gulch	\$2,299,284	\$191,607	North Coast WD	\$388,512	\$32,376
CWS - Mid Peninsula	\$2,442,804	\$203,567	Palo Alto	\$1,737,240	\$144,770
CWS - South SF	\$830,532	\$69,211	Purissima Hills WD	\$321,720	\$26,810
Daly City	\$765,468	\$63,789	Redwood City	\$1,657,920	\$138,160
East Palo Alto WD	\$282,132	\$23,511	San Bruno	\$185,640	\$15,470
Estero Municipal ID	\$810,408	\$67,534	San Jose (North)	\$719,796	\$59,983
Guadalupe Valley	\$48,504	\$4,042	Santa Clara	\$836,796	\$69,733
Hayward	\$2,521,752	\$210,146	Stanford University	\$251,124	\$20,927
Hillsborough	\$468,768	\$39,064	Sunnyvale	\$1,714,320	\$142,860
Menlo Park	\$509,076	\$42,423	Westborough WD	\$178,188	\$14,849
<b>Total</b>				<b>\$24,692,592</b>	<b>\$2,057,716</b>

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# Board of Directors Policy Calendar Through January 2022

Meeting Date	Purpose	Issue or Topic
May 2021	D&A D&A R&A R	Consideration of Proposed FY 2021-22 Work Plan and Budget Consideration of Annual Consultant Contracts Consideration of Renewal of Office Lease Review of Water Supply Forecast
July 2021	R&D D&A R R	Discussion and Possible Action on CEO/General Manager Evaluation Procedure Actions Needed to Proceed Potential Refunding of Bond Series 2013A Update on Long-Term Reliable Water Supply Strategy Implementation Review of Agency Personnel Handbook
Sept 2021	R&D D&A R&D	Update on Review of Current Tier 2 Drought Plan Consideration of Proposed Bond Issuance to Refund Series 2013A Bonds Update on the Demand Study Refresh
Nov 2021	D&A R&D	Annual Review and Consideration of BAWSCA's Statement of Investment Policy Update on BAWSCA's and SFPUC's OPEB Funded Status
January 2022	R&D R&D R	Mid-Year 2021-22 Work Plan, Budget and General Reserve Review Update on BAWSCA's and SFPUC's Unfunded Pension Liabilities Water Supply Update

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

**Meeting Schedule through June 2022**

DUE TO COVID-19, MEETINGS 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.

<b>Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – July 15, 2021	Oak Room, San Mateo Main Library
Thursday – September 16, 2021	Oak Room, San Mateo Main Library
Thursday – November 18, 2021	Oak Room, San Mateo Main Library
Thursday – January 20, 2022	Oak Room, San Mateo Main Library
Thursday – March 17, 2022	Oak Room, San Mateo Main Library
Thursday – May 19, 2022	Oak Room, San Mateo Main Library

<b>Schedule for RFA Board Meetings (Meeting time will be announced)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – January 20, 2022	Oak Room, San Mateo Main Library

<b>Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Wednesday – June 9, 2021	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – August 11, 2021	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – October 13, 2021	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – December 8, 2021	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – February 9, 2022	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday, April 13, 2022	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday, June 8, 2022	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.