



BOARD OF DIRECTORS MEETING

Thursday, May 19, 2022

6:30 P.M.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF GOVERNMENT CODE SECTION 54953(e). 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 19, 2022: Angela Andrews, George Barber, Jay Benton, Randy Breault, Tom Chambers, Drew Combs, Alison Cormack, Tom Hamilton, Karen Hardy, Sam Hindi, Steve Jordan, Gustav Larsson, Sam Liccardo, Antonio López, Juslyn Manalo, Lisa Matichak, Chris Mickelsen, Carmen Montano, Ann O'Brien, 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/84206451657>

- Meeting ID: **842 0645 1657**
- Password: **141422**
- 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 842 0645 1657** and **Password 141422** when prompted.
- To Mute or UnMute, Press *6.
- To Raise Hand, Press *9.
- The Presentation will be available prior to the meeting at www.bawasca.org.

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

Videos of non-Board Member meeting participants will be kept OFF at all times during the meeting. Audio for non-Board Member 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 19, 2022

6:30 P.M.

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page</u>
1. Call to Order/Roll Call/Salute to Flag	(Larsson)	
2. Comments by the Chair	(Larsson)	
3. Consent Calendar (<i>Attachments</i>)	(Larsson)	
A. Approval of Resolution #2020-07, Declaring that the Board Meetings will Continue to be Held Via Teleconference (<i>Attachment</i>)		Pg 7
B. Approve Minutes of the March 17, 2022 Meeting		Pg 11
C. Receive and File Budget Status Report – As of March 31, 2022		Pg 15
D. Receive and File Bond Surcharge Collection Reports – As of March 31, 2022		Pg 17
E. Receive and File Investment Report – As of March 31, 2022		Pg 19
F. Receive and File Directors' Reimbursement Report – As of March 31, 2022		Pg 21
4. Board Policy Committee Report (<i>Attachment</i>)	(Breault)	Pg 23
5. Public Comments	(Larsson)	
<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>		
6. SFPUC Report	(Ritchie)	
7. WMR Report	(Ash)	
8. Action Calendar		
A. Proposed Fiscal Year 2022-23 Work Plan, Results to be Achieved, and Operating Budget (<i>Attachment</i>) That the Board approve the:	(Sandkulla)	Pg 37
1. Proposed FY 2022-23 Work Plan and Results to be Achieved;		
2. Proposed Operating Budget of \$4,720,885		
3. Proposed funding plan of a 25% assessment increase (\$4,838,897) and a \$75,000 transfer from the Balancing Account; and		
4. Authorization of a transfer of \$193,012 to the General Reserve.		
<i>The Committee voted unanimously to recommend Board approval of the recommended actions.</i>		

B. Approval of Professional Services Contracts for FY 2022-23 (<i>Attachments</i>)	(Sandkulla)	Pg 71
<u>Consultant Contracts for Technical and Administrative Services</u>		
1. BLX (Arbitrage Rebate Compliance Services)		Pg 77
2. Burr, Pilger, Mayer (Auditing, WSA)		Pg 81
3. Droplet Technologies (Online Rebate System)		Pg 85
4. EKI (Engineering/Water Mgmt.)		Pg 89
5. E Source (Water Loss Management Program)		Pg 93
6. Hanson Bridgett (Legal Counsel)		Pg 103
7. Harlan P. Wendell, Management Communications (Strategic Counsel)		Pg 111
8. Hazen & Sawyer (Engineering/Water Mgmt.)		Pg 117
9. Immersiv (Website and Water Conservation Database)		Pg 123
10. Kelling, Northcross, Nobriga (Financial Advisor)		Pg 127
11. Orrick, LLP (Bond Documents, Legal Services)		Pg 131
12. Public Trust Advisors (Investment Advisor)		Pg 135
13. Richard Sykes (WSIP, 10-year CIP)		Pg 139
14. Stetson Engineering (Water Analyses, WSA)		Pg 143
15. West Yost (Asset Management)		Pg 147
16. Woodard & Curran (Water Mgmt./Tier 2 Plan)		Pg 151
<u>Consultant Contracts for Conservation Programs</u>		
17. AM Conservation Group (School Education Program)		Pg 155
18. EarthCapades (School Assembly Program)		Pg 175
19. Global Sun Landscape (Lawn Be Gone Inspection Services)		Pg 181
20. Maddaus Water Management (DSS Model Support Services)		Pg 185
21. M&M Backflow and Meter Maintenance (Customer Meter Testing)		Pg 189
22. Regional Water Authority (Rachio Smart Controller Program)		Pg 195
23. Waterfluence, LLC (Large Landscape Conservation Services)		Pg 201
<i>As these items are considered annually and do not represent new policy action for board consideration, and therefore, were not presented to the Committee.</i>		

9. CEO Reports

A. Water Supply and Use Update	
B. FERC/Bay Delta Plan Update	
C. BAWSCA Pilot Water Transfer Report (<i>Attachment</i>)	Pg 207
D. CEO/General Manager's Letter (<i>Attachment</i>)	Pg 209
E. Board Policy Calendar (<i>Attachment</i>)	Pg 211
F. Correspondence Packet (Under Separate Cover)	

10. Closed Session

(Schutte)

- A. 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 213

14. Adjourn to next meeting scheduled for July 21, 2022 at 6:30 pm

(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 bawzca@bawzca.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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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Adoption of Resolution #2022-07, Declaring that Board of Directors Meetings Will Continue to be Held via Teleconference**

Summary:

On March 17, 2022, the Board of Directors (Board) adopted Resolution #2022-04, in response to the passage of Assembly Bill (AB) 361 which allowed the Board to continue meeting via teleconference. Pursuant to Government Code § 54953(e), Resolution #2022-04 is only valid for 30 days. The attached Resolution #2022-07 follows the prior Resolution #2022-04 and once again declares the Board's intent to continue meeting via teleconference under AB 361.

Fiscal Impact:

This item has no impact on BAWSCA's annual operating budget.

Recommendation:

That the Board adopt Resolution #2022-07 declaring that it will continue to meet via teleconference, in accordance with AB 361 and the provisions of Government Code Section 54953(e).

Discussion:

On March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19. On March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20, which suspended certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings electronically without a physical meeting place.

On September 16, 2021, the Governor signed Assembly Bill (AB) 361 into law, effective October 1, 2021, to allow agencies to use teleconferencing for public meetings during proclaimed state of emergencies without requiring the teleconference locations to be accessible to the public or a quorum of the members of the legislative body of the agency to participate from locations within the boundaries of the agency's jurisdiction. AB 361 will sunset on January 31, 2024.

Under AB 361, a local agency is allowed to meet remotely without complying with traditional Brown Act teleconference requirements when:

1. The local agency holds a meeting during a state of emergency declared by the Governor, and either
 - State or local officials have imposed or recommended measures to promote social distancing, or
 - The legislative body finds that meeting in person would present imminent risks to the health or safety of attendees.

Since late February, the Governor has rescinded a number of prior Executive Orders and the California Department of Public Health (CDPH) has lifted its universal mask mandate. However,

masks are still required in San Mateo County courts and statewide in healthcare settings and congregational facilities. The CDPH continues to strongly recommend that individuals wear masks in childcare facilities and schools. Furthermore, the relaxed mask mandates and rescinded Executive Orders did not change social distancing recommendations. The San Mateo County Health Officer, CDPH, and the Department of Industrial Relations all continue to recommend social distancing. Finally, the Governor's proclaimed State of Emergency remains in effect.

Therefore, the Board can continue to conduct meetings via teleconference, as long as it adheres to the following emergency requirements under Government Code Section 54953(e)(2), added by AB 361:

1. The legislative body gives notice and posts agendas as otherwise required by the Brown Act, including directions for how the public can access the meeting.
2. The legislative body does not take formal action on any item whenever there is a disruption in the meeting broadcast.
3. The public is allowed to provide comment in real time.
4. The legislative body allows time during a public comment period for members of the public to register with any internet website required to submit public comment.

Once a local agency passes an AB 361 resolution, the agency can meet under the emergency teleconference requirements for 30 days, at which point the resolution will expire. The agency can either make certain ongoing findings prior to the 30-day expiration to continue under its first resolution, or the agency can allow the first resolution to expire and pass a new resolution at a later date.

The Board has passed the following AB 361 resolutions:

1. Resolution 2021-05, November 18, 2021
2. Resolution 2022-01, January 20, 2022
3. Resolution 2022-04, March 17, 2022

Each of these Resolutions have since expired. Because the Board meets only every other month, this will continue to be the case. Therefore, the Board will pass a new AB 361 resolution via the consent calendar at each meeting, provided that the State of Emergency and social distancing recommendations remain in effect.

Attachment:

1. Resolution # 2022-07, Declaring that Board meetings will continue to be held via Teleconference

**RESOLUTION NO. 2022 – 07
BY THE BOARD OF DIRECTORS OF THE
BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**DECLARING THAT BOARD MEETINGS WILL CONTINUE TO BE HELD VIA
TELECONFERENCE**

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 into law as urgency legislation that went into effect on October 1, 2021, amending Government Code Section 54953 of the Brown Act to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency where state or local officials have recommended measures to promote social distancing; and

WHEREAS, the Board of Directors of the Bay Area Water Supply and Conservation Agency has previously passed the following Resolutions to declare its intent to meet via teleconference in accordance with Assembly Bill 361 and the provisions of Government Code Section 54953(e):

1. Resolution 2021-05 (November 18, 2021)
2. Resolution 2022-01 (January 20, 2022)
3. Resolution 2022-04 (March 17, 2022)

which have all since expired; and

WHEREAS, the Governor's proclaimed State of Emergency remains in effect, and State and local officials, including the San Mateo County Health Officer, California Department of Public Health and the Department of Industrial Relations, continue to impose or recommend measures to promote social distancing.

NOW, THEREFORE, BE IT RESOLVED that, in order to ensure the health and safety of the public, meetings of the Board of Directors of the Bay Area Water Supply and Conservation Agency will continue to be held via teleconference in accordance with Assembly Bill 361 and the provisions of Government Code Section 54953(e).

Regularly passed and adopted this 19th day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

CHAIR, BOARD OF DIRECTORS

ATTEST:

Board Secretary

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****March 17, 2022 – 6:30 p.m.**

DUE TO COVID-19, THIS MEETING WAS CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF GOVERNMENT CODE SECTION 54953(e). MEMBERS OF THE PUBLIC COULD NOT ATTEND THIS MEETING IN PERSON.

MINUTES

1. Call to Order/Pledge of Allegiance/Roll Call – 6:33 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-three (23) members of the Board were present at roll call. One Board member logged in after roll call. A list of Directors present (24), absent (2) is attached.

2. Comments by the Chair:

Chair Larsson was pleased to welcome Angela Andrews, the City of Hayward's appointee, on the BAWSCA Board of Directors.

He reiterated BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price for its twenty-six member agencies and their water customers. He reminded the Board of its responsibility to consider and approve operational, legal and strategic policies and programs, and provide financial resources for the agency to protect the interests of the water users in the BAWSCA region. The Board authorizes the operating budget and provide oversight to ensure that it is spent on activities that meet the agency's goals, and protects the health, safety, and economic well-being of BAWSCA's constituents.

Chair Larsson noted that the Board and staff has been successful in saving the member agencies money, particularly with the recent bond refunding effort that is expected to generate \$25 million of savings, and its annual review of the Wholesale Revenue Requirement that has saved water customers \$47 million over the last 18 years.

The Board will be considering the CEO's preliminary work plan for the next fiscal year, and the funds required to implement the efforts needed to achieve results.

3. Board Policy Committee Report:

Board Policy Committee (BPC) Chair Breault reported that the BPC met on February 9, 2022. The summary notes for the meeting are included in the agenda packet and accurately reflect the substance of the discussion held by the Committee.

The Committee voted unanimously to recommend board approval of the two items under consent.

The staff memo on the preliminary FY 2022-23 Work Plan items and results to be achieved reflects the Committee's feedback provided to the CEO.

There were no public comments.

4. Consent Calendar:

There were no public comments prior to the motion on the Consent Calendar.

Director Hamilton made a motion, seconded by Director Chambers, that the Board adopt Resolution #2022-04, declaring that Board meetings will continue to be held via teleconference; approve the Minutes of the January 20, 2022 meeting; receive and file the Budget Status Report as of January 21, 2022; receive and file the Bond Surcharge Collection, Account Balance and Payment Report as of December 31, 2021; approve the proposed FY 2022-23 Bond Surcharges; and authorize the execution of a Professional Service Contract with Outfront Media for digital billboard advertisements associated with the drought messaging campaign.

The motion passed by roll call vote.

5. SFPUC Report:

Mr. Ritchie, SFPUC AGM for Water Enterprise, provided a water supply conditions update for the Regional Water System (RWS).

There were no public comments.

6. Public Comments on Items Not on the Agenda:

Public comments were provided by Dave Warner and Peter Drekmeier.

7. Action Calendar:

- A. Consideration of Resolution #2022-05, Concurring in the Nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA).

Public comments were provided by Peter Drekmeier.

Director Jordan made a motion, seconded by Director Vella, that the Board adopt Resolution #2022-05, concurring in the nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA).

The motion passed by roll call vote.

8. Report and Discussion

BAWSCA CEO/General Manager, Nicole Sandkulla, presented the Preliminary FY 2022-23 Work Plan, Results to be Achieved and options to fund the Operating Budget.

Board discussions ensued following the CEO/General Manager's presentation, in which Board member feedback was provided.

Public comments were provided by Peter Drekmeier and Dave Warner.

9. CEO Reports:

BAWSCA Finance Manager, Christina Tang, provided an annual report on the Water Supply Agreement Balancing Account.

Ms. Sandkulla provided an update on water supply and demand status, and developments in the Bay Delta Plan efforts.

Public comments were provided by Dave Warner, Carol Steinfeld and Peter Drekmeier.

10. Closed Session:

The meeting adjourned to Closed Session at 8:40pm. There were no comments from members of the public prior to the Board going into Closed Session.

11. Report After Closed Session:

Closed Session ended at 8:53 pm. Legal Counsel, Allison Schutte, convened Open Session and reported that no action was taken during Closed Session.

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

Director Cormack inquired about the format for future meetings.

Chair Larsson indicated that he expects to have conversations with staff, the BPC and the Board on the format of upcoming meetings.

Director Andrews thanked Ms. Sandkulla and BAWSCA Directors, specifically Director Cormack, for welcoming her to the Board. She noted the I-880 corridor for drought messaging locations and other media placements.

Director Hardy suggested the use of Public Service Announcements (PSA).

Director Montano echoed support for the use of PSAs and suggested for staff to contact the City of Milpitas for potential media placement in billboard locations within the City of Milpitas.

13. Date, Time and Location of Next Meeting: The next meeting is scheduled on May 19, 2022 at 6:30pm.**14. Adjournment:** The meeting adjourned at 9:00 pm.

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. 17, 2022	Jan. 20, 2022	Nov. 18, 2021	Sept. 16, 2021	July 15, 2021
Barber, George	Cal Water	✓	✓	✓	✓	✓
Benton, Jay	Hillsborough	✓	✓	✓	✓	✓
Breault, Randy	Guadalupe	✓	✓	✓		✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓
Combs, Drew	Menlo Park	✓	✓	✓	✓	✓
Cormack, Alison	Palo Alto	✓	✓	✓	✓	✓
Hamilton, Tom	San Bruno	✓	✓	✓	✓	✓
Hardy, Karen	Santa Clara	✓	✓	✓	✓	
Hindi, Sam	Foster City	✓	✓	✓	✓	✓
Jordan, Steve	Purissima	✓	✓	✓	✓	✓
Larsson, Gustav	Sunnyvale	✓	✓	✓	✓	✓
Liccardo, Sam	San Jose					
Lopez, Antonio	East Palo Alto	✓	✓			
Manalo, Juslyn	Daly City	✓	✓	✓	✓	✓
Matichak, Lisa	Mountain View	✓	✓	✓	✓	✓
Mendall, Al	Hayward	✓	✓	✓	✓	✓
Mickelsen, Chris	Coastside	✓	✓	✓	✓	✓
Montano, Carmen	Milpitas	✓	✓	✓	✓	✓
O'Brien, Ann	Burlingame	✓	✓	✓		✓
Piccolotti, Tom	North Coast	✓	✓	✓	✓	✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓
Quigg, Dan	Millbrae		✓	✓	✓	✓
Vella, Lou	Mid-Peninsula	✓	✓	✓	✓	✓
Weed, John	ACWD	✓	✓	✓	✓	✓
Wood, Sepi	Brisbane	✓	✓	✓	✓	✓
Zigterman, Tom	Stanford	✓	✓	✓	✓	✓

✓ : Present

* : Predecessor


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: April 28, 2022

SUBJECT: Budget Status Report as of March 31, 2022

This memorandum compares approved budget to actual expenses through March 31, 2022 for FY 2021-22. 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, RFA and BAWUA.

Operating Budget Summary:

For the nine-month period ending March 31, 2022, 75 percent into the fiscal year, total expenditures were \$3,276,798 or 68 percent of the total budget of \$4,799,544.

Table 1. Operating Budget Summary as of March 31, 2022

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,522,350	938,290	62%
Fair Pricing	565,700	409,734	72%
Administration	140,000	107,945	77%
Subtotal	2,228,050	1,455,969	65%
Administration and General			
Salary & Benefits	2,122,019	1,602,984	76%
Other Expenses			
BAWSCA	385,900	215,321	56%
BAWUA	1,050	0	0%
Subtotal	4,737,019	3,274,274	69%
Capital Expenses	3,000	0	0%
Budgeted Contingency	57,500	0	0%
Regional Financing Authority	2,025	2,524	125%
Grand Total	4,799,544	3,276,798	68%

Overview:

Overall expenditures for FY 2021-22 are tracking within budget.

Consultants

The \$88,200 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 29 percent expended. The budget allocation of \$150,000 for strategic counsel was 81 percent expended. The budget allocation of \$723,500 for legal counsel was 87 percent expended. The \$308,350 budget for water management and conservation-related activities was 40 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 76 percent and 56 percent expended respectively.

Use of CEO's Discretionary Spending Authority:

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

- A contract in the amount of \$24,800 for EKI for services related to BAWSCA's Water Supply Reliability Roundtable Series.

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2020-21 were \$43,727. In accordance with the adoption of the FY 2021-22 annual budget in May 2021, the Board approved transferring \$281,676 from the General Reserve to fund the FY 2021-22 Operating Budget. Both transfers were executed in November 2021. The General Reserve balance as of March 31, 2022 shown below reflects the transfers.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 01/31/21)	Account Balance (As of 03/31/22)
General Reserve	\$758,794	\$758,794



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: May 6, 2022

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
as of March 31, 2022**

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 principal prepaid from bond proceeds to San Francisco at the end of February 2013.

Bond Surcharge Collections

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

All surcharges billed for the months of January and February in 2022 have been collected. Payments of surcharges billed for March 2022 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 3/31/2022

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
January 2022	\$2,057,716	\$2,057,716	\$0
February 2022	\$2,057,716	\$2,057,716	\$0
March 2022	\$2,057,716	\$1,062,922	\$994,794
Total	\$6,173,148	\$5,178,354	\$994,794

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 3/31/2022

	23,685,593	Account Market Value as of 12/31/2021
<i>plus:</i>	<i>5,917,111</i>	<i>Surcharge Collected in January 2022 through March 2022</i>
<i>plus:</i>	<i>93,341</i>	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	<i>(365,495)</i>	<i>Change in Market Value of Held and Matured Treasury Bonds</i>
<i>minus:</i>	<i>1,171,649</i>	<i>Principal for Treasury bonds purchased</i>
<i>minus:</i>	<i>20</i>	<i>Accrued interest for Treasury bonds purchased</i>
<i>plus:</i>	<i>1,163,708</i>	<i>Market Value of Purchased Bonds</i>
	29,322,589	Account Market Value as of 3/31/2022

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 ladder 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 ladder portfolio strategy and recently completed the process with the trades executed in April 2021. In October 2021, 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 ladder 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, 2022, the book yield and market yield on BAWSCA's revised portfolio strategy was 1.37% and 2.08% respectively, as compared to the yield of 0.12% 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 \$5,349,356 was made on April 1, 2022. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$24,673,711 will be made on October 1, 2022. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.



Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Nicole Sandkulla, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: April 28, 2022

SUBJECT: Investment Report – As of March 31, 2022

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 18, 2021 board meeting.

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>12/31/21</u>	<u>03/31/21</u>
\$2,543,205	\$2,544,669

Of the total in the BAWSCA LAIF account as of March 31, 2021, \$758,794 represents BAWSCA's General Reserve Fund, equivalent to approximately 16 percent of FY 2021-22 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>12/31/21</u>	<u>03/31/22</u>
.23%	.32%

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Bay Area Water Supply & Conservation Agency

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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: April 28, 2022

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

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, 2022.

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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, 2022

SUBJECT: Summary of Board Policy Committee meeting held April 13, 2022

1. **Call to Order:** Committee Chair, Randy Breault, called the meeting to order at 1:33 pm following reminders of the protocols to conduct the virtual meeting successfully. A list of Committee members who were present (8), absent (1) and other attendees is attached.

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

2. **Comments by Committee Chair:** Chair Breault welcomed the Committee members and meeting participants. He noted that items on the agenda include a report from the SFPUC by Steve Ritchie, Assistant General Manager of Water Enterprise, and Alison Kastama, BAWSCA's SFPUC Liaison; the proposed FY 2022-23 Work Plan, Results to be Achieved and Operating Budget for recommendation to the Board; discussion of the factors that impact the resumption of in-person Board meetings; report from the CEO; and a closed session. Director Breault noted that the Committee's consideration of the items is important to BAWSCA's successful operation to ensure a reliable supply of high-quality water at a fair price.

3. **Consent Calendar:**

Director Pierce made a motion, seconded by Director Cormack, that the Committee adopt Resolution #2022-06, declaring that the Committee will continue to meet via teleconference, in accordance with AB 361 and the provisions of Government Code Section 54953(e), and approve the Minutes of the February 9, 2022 Board Policy Committee meeting.

The motion passed by roll call vote.

4. **Public Comments:** Public comments were provided by Dave Warner and Carol Steinfeld.
5. **SFPUC Report:**
 - A. **Water Supply Conditions:** Mr. Ritchie reported that most of the State's drought conditions remain in the severe to extreme drought levels. The San Francisco watershed is in the

severe category. California reservoirs remain below average level, specifically Shasta is at 38% and Oroville is at 48%. Mr. Ritchie noted that those two reservoirs are driving the state's outlook on water supply conditions and leads the State to conclude that more actions are necessary.

On March 28th the Governor issued an Executive Order that directs the State Water Board to adopt emergency regulations by May 25th that would potentially impact the SFPUC and its water customers. First, water suppliers would be required to submit a draft annual water supply assessment and shortage report to the State by June 1st. The final report is due by July 1st. This requirement intends to provide the state with as much information as possible to help determine what actions need to be taken moving forward. Second, urban water suppliers would be required to implement a Level 2 shortage response action for up to 20% shortage.

The SFPUC is currently at Level 1 which implements a voluntary 10% systemwide reduction. This translates to an average of 13.7% reduction to the wholesale customers.

A Level 2 shortage response requires a reduction between 11% to 20%. If the SFPUC is required to implement a Level 2 shortage and institute an 11% reduction, the current 13.7% would go to 14.3%. The retail customers would continue with a 5% reduction as the minimum required reduction under the WSA. The SFPUC will evaluate the need to provide revised allocations once the emergency regulations are adopted by the State, which is anticipated to be May 24th.

Additionally, the Executive Order included a paragraph that, while it is not a requirement, encourages water agencies to voluntarily activate more stringent local requirements based on a shortage level of up to 30% if next year continues to be dry. This is a clear indication of the Governor's intention to increase the required level of conservation across the state should conditions get worse.

The SFPUC will communicate to the State Board and others that the same required shortage percent for every agency is not sensible where per capita usage is already below the statewide average. For San Francisco, the average is 42 gpcd and the wholesale customers is 63 gpcd.

The last requirement in the Executive Order is the banning of irrigation of non-functional turf in commercial, industrial, and institutional sectors during the emergency. Non-functional turf is defined as turf not used for recreational purposes. While urban water suppliers are not required to act, San Francisco is prepared to propose adoption of this prohibition as part of its local water waste restrictions.

As for the conditions of the Regional Water System, Mr. Ritchie reported that while the recent storm does not eliminate drought conditions, Hetchy Hetchy Reservoir is at 87% of maximum storage. Hetch Hetchy precipitation is slightly more than last year's.

Upcountry snowpack is starting to melt as evidenced by Hetch Hetchy starting to fill up. Mr. Ritchie noted that the atmospheric river storm at the end of October 2021 saturated the soil upcountry, and the ground underneath the snow remains saturated which will result in a good amount of runoff. Water available to the City is currently at 172-thousand-acre-foot (TAF) compared to last year's 57 TAF. The target to achieve full storage is 598 TAF by July 2022.

Upcountry precipitation year-to-date is at 20.46 inches compared to the average annual of 36.68 inches. The Bay Area precipitation year-to-date is at 21.29 inches compared to the average annual of 22.80 inches.

Mr. Ritchie presented the system's total deliveries to date and noted the significant increase in usage to 198 mgd between April 1st and 7th which was a warm and dry period. He emphasized that in order to meet the goal of 10% systemwide reduction, an overall demand that is similar to 2015 is key. Demand during 2015 did not exceed 200 mgd and was kept well below that level during the critical summertime period.

Mr. Ritchie presented a new graph that shows the level of savings that needs to be achieved during specific seasons of the year against the level of savings achieved so far. Since January to date, 714 million gallons (MG) of the 1,059 MG target savings for January-February has been saved. Mr. Ritchie noted that the summer period will be the time the region can save the most water.

Director Jordan asked if BAWSCA, as a whole, should look at the State's non-functional turf restrictions now, and whether the SFPUC has a timeframe on when they will call for a mandatory cutback.

Mr. Ritchie encouraged individual agencies to assess and address the impacts the Executive Order will have on their agency, including the prohibition for irrigation on non-functional turf. He noted that the Executive Order does not have an exclusion on the use of non-potable water and therefore, agencies that have that supply should communicate their concerns with the State Water Board.

As for a timeframe for mandatory cutbacks, Mr. Ritchie noted the Governor foreshadowed more stringent local requirements of up to 30% should conditions worsen. The State will do what it will decide to do. The SFPUC anticipates continuing its voluntary cutback requirements and will make necessary adjustments based on the potential need to go to Level 2 shortage condition. The need for mandatory rationing will depend on whether the target water savings is achieved during the summertime. He noted that the region can achieve the savings that it did in 2015 by cutting back significantly on outdoor water use. While the approach in 2015 was a mandatory cutback, water customers will listen to the water agencies and remember that it is possible to achieve the water savings.

- B. Drought Effort Analytics: Ms. Kastama provided a report on SFPUC's public outreach drought and conservation awareness campaign throughout the service area. Paid social media coverage includes content on Instagram and Facebook in the San Francisco region, and Google and Nextdoor in the entire service area. Paid advertising is also being done in media that cover other languages including Cantonese and Mandarin, Spanish, and Tagalog. Paid advertising in these languages are being pushed out on KTSF 26, SingTao Radio, KSQQ and KVTO for Cantonese and Mandarin, Univision Radio and Social Media for Spanish, and Philippine News Today and Fil-Am Radio for Tagalog.

Additional advertising and actions include paid advertising on fourteen (14) electronic billboards along Highway 92, 101 and 880; banners on member agency buildings and donated billboard spaces; webpages on the SFPUC and BAWSCA websites; and coordination with BAWSCA member agencies in providing regional campaign materials and assistance.

There is also earned media coverage that mainly pushes conservation and awareness on the need to save water and the actions individuals can take. Messages explain the process of evaluating toilet leaks, efficient fixtures and drought irrigation. Coverage includes San Francisco Chronicle, SF Examiner, Bay City News, KPIX Channel 5, KGO 7, KCBS and KQED.

Ms. Kastama presented the response metrics seen to date.

Media impressions represent the number of eyes that see the advertising content. Between January and March, there was a total of 26,741,503 impressions achieved. Of that, 14.9 million impressions were achieved in the wholesale customer service area region. For social media, there were 39,490 digital clicks and engagement generated, of which 17,088 were from Facebook and Instagram clicks.

SFPUC's and BAWSCA's website analytics for its drought and conservation pages show an increase in pageviews in March with an average of 2-3 minutes in the length of the visits. SFPUC will provide updates as the campaign continues through July.

Director Wood asked how performance is measured for the digital billboards.

Ms. Kastama explained that billboard performance is provided by the agency that manages the media buy service and are based on known statistics. The agency has a calculation on the average amount of traffic and the rotation of the graphics. Similarly with TV advertising, performance is based on calculations used in the industry's known statistics.

Director Cormack asked if the metrics can determine which graphics are generating audience engagement, and therefore are most effective.

Ms. Kastama stated that she will look into that information as that is known to be a typical process to track advertising effectiveness.

Director Breault asked if there is a performance indicator that states how well the message is getting out.

Ms. Kastama stated that the data presented are based on advertising that has a "click through" which shows that an action has been taken. Some of the advertising items have direct messages that do not require an action to sign up for a rebate or request a free item. Ms. Kastama will look into the additional data available that can be further reviewed to obtain a correlation between the impressions and how well the message is getting out.

6. Action Calendar:

- A. Proposed Fiscal Year 2022-23 Work Plan, Results to be Achieved and Operating Budget: To reinforce the Committee's high-level discussions of the operating budget, Director Breault noted that the proposed FY 2022-23 budget is lower than the current FY 2021-22 budget by 1.3%. The proposed transfer of \$75,000 from the Balancing Account to the General Reserve and the increase of 25% to the assessments is to fund the work plan and get the results that need to be achieved while bringing back the level of the General Reserve within the policy guideline of between 20%-35%.

Director Breault encouraged a high-level discussion on whether the budget should 1) follow the policy that requires the General Reserve to maintain a minimum balance of not-less-than 20% and be funded by assessments, or 2) be lowered.

Ms. Sandkulla agreed with Chair Breault's focus on the key elements of the proposed work plan and operating budget and in fact prepared a presentation that is condensed along the same lines. She continues, however, to highlight and keep sight of the critical issues that, and will continue to, challenge the BAWSCA region between now and 2050. Those challenges include a long list of items that both the Committee and the Board has had extensive discussions on, and Ms. Sandkulla was pleased to present a proposed work plan that maintains focus on all of those important issues.

Ms. Sandkulla added that the \$75,000 transfer from the Balancing Account to the General Reserve is to fund the Demand Study efforts included in the FY 2022-23 workplan, which the Board approved in September 16, 2021 as part of the scope changes to the professional services contract with Maddaus Water Management.

As Chair Breault stated, Ms. Sandkulla noted that the proposed budget is less than the current FY 2021-22 budget, and that a fundamental question is how will the budget be funded.

For the last few years, the Board has purposefully been funding the budget through the use of available funds in the General Reserve and the Balancing Account in an effort to prevent increases in the assessments.

The operating budget is allocated across BAWSCA's goals of ensuring a reliable supply of high-quality water at a fair price. Nearly 54% of the budget is applied to the reliable supply goal, and 12% is applied to maintaining a fair price with efforts on the bonds and administration of the WSA for the member agencies' financial interests. The budget fully funds the estimated OPEB Annual required contribution, and includes an allowance for adjustment to existing salaries for both COLA and merit-based increases up to a 5%, which is less than the COLA for 2022. The total cost of the proposed budget to water customers is \$2.56 per person.

The budget is developed consistent with the guiding principles of:

1. Budget sufficient resources to achieve results;
2. Spend only what is needed to achieve results;
3. Apply incremental & prudent assessment increases as necessary; and
4. Maintain a prudent General Reserve.

Review of the estimated FY 2021-22 expenditures indicate that the current budget will be 95%-98% expended and the amount of funds that will be rolled over to the General Reserve will be minimal, if any. Ms. Sandkulla reiterated that the budget has heavily relied upon the General Reserve and Balancing Account to fund previous budgets in order to moderate the need for assessment increases in recent years. Currently, assessments fund approximately 80% of the operating budget.

It is important to maintain the General Reserve given the efforts included in the workplan. The budget is trimmed down to include the appropriate level of legal support needed and allows staff to manage within the resources available. Currently, the General Reserve

balance is at 16% of the operating budget, which is outside of the budgetary guidelines of between 20%-35%.

Funding the proposed operating budget will require an assessment increase given the current level of the General Reserve and SFPUC's planned use of the Balancing Account in FY 2022-23 to offset impact of drought and wholesale rate increases.

Three funding options were presented to the BPC in February and to the Board in March. Based on the Board's feedback and Ms. Sandkulla's further assessment, she recommends funding option #2, which would increase assessments by 25%. This option brings the General Reserve balance within the budgetary guidelines and puts the agency in a stable situation. It also allows the assessments to be in line with the operating budget.

Ms. Sandkulla noted that while the budget has increased over time, BAWSCA's scope of work has also increased to continue meeting its goals and provide cost value savings to the water customers. BAWSCA's review of the Wholesale Revenue Requirement (WRR) has saved over \$47 million over the last 18 years, and BAWSCA's bond issuance and recent bond refunding will save water users \$87 million over the life of the bonds.

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

Director Cormack expressed her support for the recommendation for option #2. Given the pandemic during FY 2020-21 and 2021-22, and the size of the Balancing Account at the time, which was at a level that has never been before, the Board's decisions on the previous budgets were rare and it is now time to resume business as usual.

She agrees with establishing a prudent reserve and noted the need to rebuild it. While she supports the recommendation, she would not call a 25% assessment increase as modest, and recommended the use of "moderate" in the language for Option #2 when it goes to the Board for consideration.

As for the workplan, Director Cormack appreciated the addition of greywater efforts and encouraged the pursuit for growth and opportunities in this area of work. She was pleased to see BAWSCA's success in its outdoor conservation programs which is consistent with what the region needs to do per Mr. Ritchie's report on the status for meeting the water use reduction goal. Finally, she emphasized BAWSCA's work on fair price as a huge function of the agency as it continues to bring more than \$46 million of savings to the water customers. She stated that while 25% seems like a large increase, it is defensible and is the responsible thing to do.

Director Pierce supports the idea of aligning the assessments with the budget. BAWSCA has managed to hold off on raising the assessments by using other funding sources which were appropriate at the time. The recommendation is a good direction to go.

She noted that over the years, BAWSCA has increased work efforts and associated costs of monitoring the SFPUC's 10-year CIP, and asked if this continues to be a valuable effort in terms of a way to avoid costly improvements to the system in the future. Can the CEO/General Manager anticipate the work plan and expenses for the next year or so to be similar so that we can maintain the assessments as they are without an increase.

Ms. Sandkulla stated that BAWSCA's efforts to monitor SFPUC's asset management efforts and 10-Year CIP will continue to be included in the work plan. While the progress is slow for a variety of reasons, including, but not limited to, the changing leadership and the pandemic, it remains a critical effort on behalf of the member agencies and the water customers.

As for next year's and future budgets, Ms. Sandkulla anticipates the update to the Strategy beginning in FY 2023-24. This will be a significant endeavor. However, as done in 2009 specifically for the Strategy, the Water Management Charge was used as a funding source in which the member agencies were charged through the SFPUC billing process as directed by the Board. She anticipates recommending the same funding for the Strategy efforts in FY 2023-24.

The proposed funding plan for FY 2022-23 should put BAWSCA in a position to maintain assessment increases at a normal rate.

Director Wood supports the recommended option but recognizes the significance of a 25% increase for member agencies. Since most of the work is known, she asked if developing a rate stability model is possible to avoid large increases in the future.

Ms. Sandkulla noted that the budget development process over the last 2 years has included a recommendation that was something other than what the Board adopted. There was a level of assessment increase included in the options presented to the Board given the growing gap Ms. Sandkulla saw between the assessment and the budget.

Ms. Sandkulla noted that while the Board's desire to take advantage of other funding sources, as appropriate, in the past two years, it was concerning to see the path towards a significant increase which we now face. To bring forth a 25% increase in assessment is not taken lightly and was a serious effort by staff to get the budget down as much as possible and an increase in assessments as low as possible.

Further, Ms. Sandkulla explained that nearly half of BAWSCA's budget is allocated towards consultant resources that is driven by the level of work that needs to be done and can vary quite significantly year to year. Ms. Sandkulla appreciates the concern and interest in keeping the budget increases steady as BAWSCA tries to manage the work plan with its resources.

Ms. Sandkulla stated that she presented the proposed work plan and operating budget to the Water Management Representatives (WMR) at its meeting on April 7th and there were no concerns expressed by the WMRs.

Director Larsson commented to shift the focus away from the 25% assessment increase, and put focus on the decrease in the amount being drawn from the Balancing Account in FY 2022-23. The operating budget reflects what the water users are truly paying for, whether it is through assessments or the use of the Balancing Account. He reminded the Committee that the proposed operating budget is slightly lower than last year, and the agency, overall, is in fact holding the line on what water users pay for.

Director Chambers agreed with Board Chair Larsson. He also noted that the assessment increase could effectively be paid for by the savings achieved from the bond savings over the last quarter of FY 2022-23. BAWSCA, technically, can be funded by all the savings the

agency achieves for its member agencies. But the enabling legislation requires that the agency be funded through assessments. Additionally, he agrees with Director Cormack that over the past two years, the Board chose not to increase the assessments because of the pandemic, and it is time to resume funding the budget through assessments, which now takes a 25% increase.

There were no further questions and comments from members of the committee.

There were no comments from members of the public.

Director Chambers made a motion, seconded by Director Larsson, that the Committee recommend Board approval of the:

- 1. Proposed Fiscal Year 2022-23 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,720,885;**
- 3. Proposed funding plan of a 25% assessment increase (\$4,838,897) and a \$75,000 transfer from the Balancing Account; and**
- 4. Authorization of a transfer of \$193,012 to the General Reserve.**

The motion passed by roll call vote.

6. Report and Discussion

- A. Considerations for Resumption of In-Person Board Meetings: Board Chair Larsson reported on this item. He wanted to receive feedback from the Committee on the key points of consideration for deciding whether and when to resume in-person meetings: logistics, health and safety, and effectiveness of the Board.

He noted BAWSCA's unique situation presents some logistical limitations that make the resumption of in-person meetings more difficult compared to member agencies. BAWSCA's large Board size of 26 members and lack of a dedicated facility with the audio-visual and internet equipment needed for recording and/or live-streaming make it a more complicated process in comparison to cities and districts that have their own chambers for council and board meetings.

Key logistical challenges include:

- San Mateo Library has reduced its hours to and is unable to accommodate BAWSCA's meeting start time of 6:30pm. The rooms have been reserved for a meeting start time of 3:30pm as a placeholder alternative.
- The Foster City Wind Room is available beginning September for the Board's regular meeting time.
- From staff investigation, the Crowne Plaza Hotel in Foster City was identified as an alternative meeting location that is large enough to support BAWSCA's Board size at a cost of \$800/meeting.
- Currently, it is costly to reserve a space that can accommodate the large size of the Board and allow for all meeting attendees to social distance, and costly to provide a

hybrid meeting format that requires audio/visual equipment to be set up and broken down before and after the meeting.

In terms of health and safety, Director Larsson noted the new sub-variants of COVID that continue to arise, and concerns with the mixed signals of its health impacts. He also noted that the County Health Officers of the region, San Mateo, Santa Clara and Alameda Counties, are advising their Boards of Supervisors against in-person meetings. Currently, the Boards of Supervisors in the region are not allowing in-person participation by members of the public, and some members of the Board themselves continue to participate remotely.

Assuming the Governor maintains the emergency declaration, BAWSCA has several options over the next few months. But if the emergency declaration is rescinded, BAWSCA will not have a lot of options for discussion, and will simply have to implement an in-person meeting with what is available. Staff is making the necessary planning for that circumstance.

Director Larsson welcomed the committee's feedback on the Board's effectiveness remotely compared to meeting in-person.

Director Wood believes that the current remote operations of the Board is working well and is keeping the Directors engaged given the circumstances of the pandemic. In addition to continuing concerns with sub-variants of COVID-19, gas prices continue to rise, there is an inflation, and traffic is picking up. She questions whether the Board would want to contribute to all of those factors. She supports maintaining the virtual meetings because it is working well, and perhaps re-assess the situation in January 2023.

Director Jordan reported that there are some bodies that are starting to meet in person. He sits on a committee at Valley Water that is meeting in-person on April 18th, as is the Valley Water Board on April 28th.

Director Chambers believes that BAWSCA's remote meetings are effective and, in his perspective, should be required for the Board to maintain social distancing given its large size. The agency should maintain virtual meetings for as long as it is appropriate and in accordance with the law as well as health and safety guidelines. When the Board does return to in-person, he would advise against using the Crown Plaza as a venue, nor changing the meeting time to 3:30pm as it would limit public participation. He encourages the Board to reconsider the Wind Room as it appears to be the venue that can accommodate the size and time frame needed to conduct the meeting.

Director Cormack appreciated the opportunity for discussion. She encourages the Board and staff to be prepared to resume in-person meeting at a month's notice. With schools open, groceries functioning, and courtrooms in session during the course of the pandemic, she does not believe that BAWSCA has a compelling argument on health and safety. BAWSCA is relying on the governor's order which could be revoked at any time, therefore having this discussion is appropriate.

While it is undeniable that the Board has successfully functioned, it is also undeniable that there have been some benefits lost including time before and after meetings to meet and greet other members of the Board and members of staff, or to ask questions. The virtual format provides a very strict schedule and takes away what is in between the formal work.

The fact that BAWSCA has functioned well does not mean that there are no lack of the benefits and advantages of being back in person.

Director Cormack added that:

- BAWSCA can provide the option of wearing masks for the comfort and safety of those who choose to wear one.
- She shares Director Chamber's concerns with the 3:30 pm start time but also notes that there will be less traffic on the road.
- Directors who are unable to change their schedules for the remaining meetings in the fiscal year can continue to participate remotely as long as there is a quorum.
- The use of Foster City's Wind Room in September is reasonable because this is something the Board has done in the past when there is a conflict with the San Mateo Library.
- If BAWSCA has to pay to for a venue, it should be appropriate to do that.

Director Cormack believes that the BAWSCA Board should be oriented to resume in-person meetings in the near future.

Director Zigterman agreed that preparing to resume in-person meetings is appropriate and important. He encourages the Board and staff to consider the travel time involved for some of the Board and Committee members who are farther away. Perhaps looking into a meeting start time that is outside of rush hours to minimize commute impact.

Director Pierce agreed that BAWSCA has been effective in remote operations including the Board. She expressed her concern with the Foster City location at 6:30pm. Traffic is picking up and the Foster City location will have a commute impact for some members of the Board. The agenda may require some adjustments; for example, moving public comments to the end, if getting to the venue for the members of the public is problematic. She trusts that staff has looked at other possibilities, but encouraged further investigation to find an ideal mid-point location that provides the ability for Board members to call-in if needed and as done pre-pandemic.

Director Wood suggested the previously used venue off of El Camino, and perhaps school districts.

Ms. Sandkulla stated that BAWSCA is open to look at additional venue options. She stated that staff has been looking into public spaces as far south as Menlo Park and as far north as Burlingame. In addition to shortened hours, many facilities that are not public, such as library facilities, are reticent to re-engage in scheduling meetings with outside organizations. Similarly with school districts as they require security for after-hours operation.

College of San Mateo and the Department of Elections were venues that were contacted at the time BAWSCA transitioned to San Mateo Library, and those venues could not accommodate BAWSCA's meeting needs.

As a follow up to the comments, Director Larsson noted that staff looked into an earlier meeting start time in 2016 as part of the search for another meeting venue, and that effort was not successful. Boards that are indeed meeting in-person are bodies that are not directly

advised by the County Health Officer. For the option to participate by phone as previously done, and after the Governor's emergency order has been lifted, Director Larsson noted that a proposed Assembly bill (AB 1944) would allow board participation remotely without having to open their location to the public, but would trigger the requirement for live-streaming of the meeting. BAWSCA, specifically, is not equipped to do live-streaming. If this bill passes, it will almost be impossible for BAWSCA to allow any member of the Board to participate by phone as done in the pre-pandemic past.

Director Larsson appreciated the members' comments which he will refer to in his ongoing review of the logistics with Ms. Sandkulla and BAWSCA staff.

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

7. CEO Reports:

- A. Water Supply Conditions: Ms. Sandkulla presented the total potable water use in the service area for the month of February 2022 and emphasized the 11% increase in comparison to February 2021.

As Mr. Ritchie reported, there is a definite increase in water use and it is critical for the agencies to get the water customers to respond to the call for rationing. Ms. Sandkulla suspects that the water-use increase is in response to ongoing dry conditions, and that customers are experiencing message fatigue. She urges Board members to work with their agencies in their role as appointed representatives of the region to emphasize the need for conservation. The region is capable of achieving the 10% voluntary water use reduction goal. It is critical for the region to move in that direction to get through the drought and avoid the SFPUC from calling a mandatory rationing, and the Governor from triggering restrictions that could be devastating for the region.

Ms. Sandkulla reported that BAWSCA is out in the community in response to invitations to have a presence and/or speak at events and talk about the drought and benefits of water conservation, as well as the Regional Water System and BAWSCA's goals and role on behalf of the water users. BAWSCA tabled at the Rotary Day of Service for the broader Bay Area on April 9th, spoke at a March event hosted by Sustainable San Mateo, and presented to C/CAG Resource Management & Climate Protection Committee. Upcoming events include participation in Filoli's Summer exhibition called Blue Gold: The Power & Privilege of Water. Filoli intends to focus on the importance of water and cover all aspects of the history and development of the system. Events like these provide an opportunity for BAWSCA to communicate with the community.

- B. Bay Delta Plan/FERC Update: Ms. Sandkulla reported that on March 30th, the State, Federal and certain local water leaders signed an MOU, which outlines an 8-year plan with measures to provide additional flows and habitat to help improve conditions in the Sacramento-Delta watershed. Signatories are the large export interests as well as the large agricultural districts on the Sacramento River and North of the Delta that participate in water transfers. They include State and Federal Water Contractors, Metropolitan Water District, State Water Contractors Association, Westlands Water District, and Yuba County Water Agency.

There were no signatories from the San Joaquin Tributaries, including the SFPUC. The MOU offers the potential for future participation by water suppliers on the San Joaquin tributaries. SFPUC is reviewing the details of the MOU to determine exactly what is included for the Tuolumne River, and they are engaging in discussions with the State on a potential voluntary alternative for the Tuolumne River. Ms. Sandkulla is optimistic and hopes to see positive developments moving forward.

BAWSCA will continue to push the SFPUC to resolve this issue given its obligations to the wholesale customers and the environment. BAWSCA's efforts are on multiple fronts as it has been for several years now. It focuses on protecting the water users interests by pushing for negotiations on a voluntary agreement, advocating for the Tuolumne River Voluntary Agreement as a potential viable alternative, monitoring the SFPUC's Alternative Water Supply Program to develop new supplies as needed, and working to identify other avenues for legislative support. BAWSCA remains actively engaged with legislative and other allies.

Director Cormack recognized Dr. Ashoori's promotion to Sr. Water Resources Engineer that was listed on the CEO's letter. She expressed her congratulations to Dr. Ashoori and acknowledged the talents she brings to the agency.

In response to Director Jordan, Ms. Sandkulla stated that the Governor's Executive Order to address the drought provides the indication that more stringent restrictions will be enforced if water use is not reduced. She noted that Governor Brown's Executive Order in 2015 received significant push back from many agencies that had made significant investments in locally developed water supplies and felt that the state's mandatory water rationing was excessive and beyond what was required of their local jurisdictions. This was part of the reason why the State is asking agencies to do annual water supply demand and supply analysis.

Ms. Sandkulla responded to Director Zigterman's question on what particular details on the MOU the SFPUC is reviewing. She explained that the MOU speaks to the whole Bay Delta Plan and acknowledges that the signatories and participants in the negotiations are only those from the Sacramento tributaries and not from the San Joaquin tributaries. Yet, the details of the MOU include numbers associated with the San Joaquin tributaries. The SFPUC is inquiring where those numbers in the MOU details are derived from.

8. Closed Session: The Committee adjourned to Closed Session at 3:13 pm.

There were no comments from members of the public prior to adjournment to Closed Session.

9. Report from Closed Session: The Committee reconvened to Open Session at 3:32 pm. Ms. Schutte reported that no action was taken during Closed Session.

10. Comments by Committee Members: There were no further comments from Committee members or members of the public.

11. Adjournment: The meeting was adjourned at 3:33 pm. The next meeting is June 8, 2022 with the location and format to be announced.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 13, 2022	Feb. 9, 2022	Dec. 8, 2021	Oct. 13, 2021	Sept. 7, 2021	Aug. 11, 2021	Jun. 9, 2021	Apr. 14, 2021
GVMID	Breault, Randy	✓	✓	n/a	n/a	n/a	Meeting Cancelled	n/a	n/a
Santa Clara	Hardy, Karen		✓	✓		✓		n/a	n/a
Westborough	Chambers, Tom	✓	✓	✓	✓	✓		✓	✓
Palo Alto	Cormack, Alison	✓	✓	✓	✓	✓		✓	✓
Purissima	Jordan, Steve	✓	✓	✓	✓	✓		✓	✓
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓	✓		✓	✓
Redwood City	Pierce, Barbara	✓	✓	✓	✓	✓		✓	✓
Brisbane	Wood, Sepi	✓	✓	✓	✓	✓		✓	✓
Stanford	Zigterman, Tom	✓	✓	✓	✓	✓		✓	✓

✓: present

☎: Teleconference

April 13, 2022 Meeting Attendance (Via Zoom pursuant to provisions of Gov. Code Section 54953(e))

BAWSCA Staff:

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

Public Attendees:

Leonard Ash	ACWD	Dave Warner	Self
Cheryl Munoz	Hayward	Carol Steinfeld	Self
Lisa Bilir	Palo Alto		
Steve Ritchie	SFPUC		
Alison Kastama	SFPUC		
Julia Nussbaum	Stanford		

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OR DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2022-23 Work Plan, Results to be Achieved, and Operating Budget**

Summary:

This memorandum presents the proposed Fiscal Year 2022-23 Work Plan and results to be achieved. The proposed Work Plan includes the CEO's recommendations for addressing comments received during the January 20, 2022 Budget Planning Session and March 17, 2022 Board meeting.

The proposed Work Plan remains aligned with BAWSCA's legislated authority and its three goals: a reliable supply of high-quality water at a fair price. Major work areas include review of SFPUC's 10-year Capital Improvement Program and Asset Management Program; complete refresh and update of BAWSCA's 2020 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 drought support to member agencies and their customers; provide assistance to member agencies in meeting new State water efficiency mandates; implement BAWSCA's core and subscription conservation programs; take 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; facilitate negotiations of a new Tier 2 drought implementation plan; participate in the State Water Resources Control Board (SWRCB) Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented; participate as an intervenor on Federal Energy Regulatory Commission (FERC) proceedings associated with the licensing of New Don Pedro Reservoir; administer the Water Supply Agreement (WSA) with San Francisco to protect financial interests of the member agencies; administer BAWSCA's bonds including the final refunding settlement; implement Board policy directives for management of BAWSCA's unfunded pension liability obligations; implement BAWSCA's diversity internship program, and maintain a motivated and effective workforce.

The proposed Operating Budget is \$4,720,885, which is 1.6% less than the current approved FY 2021-22 Operating Budget. The proposed Operating Budget represents approximately a 0.09-cent decrease in annual cost per person in the service area for an estimated cost to the water customer of \$2.56 per person per year.

A 25% assessment increase to \$4,838,897, along with the already approved transfer of \$75,000 from the Balancing Account is recommended, which will fund the Operating Budget and allow for a \$193,012 transfer to the General Reserve, resulting in the General Reserve level being brought back within the agency's budgeting guidelines.

Board Policy Committee Action:

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

Recommendation:

That the Committee recommend the:

- 1. Proposed Fiscal Year 2022-23 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,720,885;**
- 3. Proposed funding plan of a 25% assessment increase (\$4,838,897) and a \$75,000 transfer from the Balancing Account; and**
- 4. Authorization of a transfer of \$193,012 to the General Reserve.**

Discussion:

Proposed Work Plan:

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

The Proposed FY 2022-23 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 Update and Refresh of 2020 Demand Study;
 - Complete scoping activity for an update to BAWSCA's 2009 Strategy;
 - Participate in the development of the Bay Area Regional Reliability Partnership (BARR) Bay Area Regional Water Market (Exchange/Transfer) Program, including a completion of the BARR Shared Water Access Program (SWAP) Final Report;
 - Continue participation in Potable Reuse Exploratory Plan (PREP), pending results of Phase 3, due this Spring;
 - Promote the continued sustainable use of San Mateo Plain Groundwater Basin through Groundwater Reliability Partnership and other multi-party efforts; and
 - Facilitate development of other local water supply options by member agencies.
- Provide staff-level drought support to member agencies and their customers, assuming dry conditions in FY 2022-23.
- Monitor the status of the water use efficiency legislation, represent member agency interests in discussions with the State, and develop resources and programs to assist member agencies with reporting and compliance requirements.
- Provide regional coordination to support Advanced Metering Infrastructure (AMI) implementation and data management, including a report on AMI status in service area.
- Develop 1-2 new subscription conservation programs
- 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
 - Facilitate negotiations 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 the final refunding settlement in January 2023.
- Implement BAWSCA's Diversity internship program.
- Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.

- Maintain a motivated and effective workforce.

Table 1 presents the draft proposed FY 2022-23 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 2022-23:

There are four new or significantly rescoped, or expanded activities included in the proposed FY 2022-23 Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA member agencies.

1. Complete Scoping for an Update of BAWSCA's 2009 Strategy
Estimated FY 2022-23 Cost: \$5K

This work was initially scheduled for FY 2021-22 with a \$54K budget allocation, but was deferred to FY 2022-23 as part of the mid-year review given the need to shift focus to the ongoing drought conditions.

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 efforts to develop new sources of water supply, as well as 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 2022-23, the proposed Work Plan reflects this scoping activity being led by BAWSCA staff with engagement of the Board and the Water Management Representatives, rather than using an outside consulting firm, and would support a Request for Proposal solicitation for the Strategy Update in FY 2023-24, pending Board approval. This approach has a reduced budget impact and takes advantage of current staff expertise. The draft proposed budget includes an estimated \$5,000 for legal support.

2. Continue Participation in Next Steps for PREP Project
Estimated FY 2022-23 Cost: \$51K

Phase 3 of the PREP Project will be complete in Spring 2022 and will include recommended actions for moving the project's development forward, including preparation of a Basis of Design Report (BODR).

BAWSCA's active and independent participation in PREP to date has benefitted the project development. BAWSCA's continued participation will enable BAWSCA's continuing ability to directly affect the project's development to the benefit of the member agencies.

At this time the project partners estimate an increase in the costs for the next level of planning work. Specifically, this next effort will be the preparation of a BODR that will do a more thorough review and development of the leading project alternatives including engineering costs and complexities, land availability and constraints, potential project phasing, and bringing the project components to a 10% design level. Once completed, the BODR would be ready for submittal to the Bureau of Reclamation and others for potential future grant funding.

The proposed FY 2022-23 budget allocation reflects the current understanding of BAWSCA's potential share of the next cost, and represents 5% of the current estimated \$1M total cost. The proposed budget includes an estimated \$51,000 for BAWSCA's share of costs.

3. Support Member Agencies with Water Use Efficiency Legislation CII Performance Measure Requirements
Estimated FY 2022-23 Cost: \$86K

In 2018, the California State Legislature passed SB 606 and AB 1668, commonly referred to as the water use efficiency legislation to support California's "Making Water Conservation a Way of Life". The legislation directed the Department of Water Resources (DWR) and the State Water Resources Control Board (Water Board) to conduct studies and adopt long-term standards for water use efficiency and performance measures for commercial, industrial, and institutional (CII) water use. BAWSCA has closely followed development of the efficiency standards and CII performance measures and represented member agencies in discussions with DWR and the Water Board.

Over the last three months, DWR released proposed recommendations for both the water use efficiency standards and CII performance measures that the Water Board will consider for adoption. BAWSCA's regional and subscription water conservation programs have prepared, and will continue to support, member agencies to meet the water use efficiency standards. However, the CII performance measures will require a significant new work effort for most member agencies. For FY 2022-23, BAWSCA proposes to support member agencies by developing an approach to meet the new CII performance measure requirements as well as a possible subscription program for professional consulting services for those agencies interested in more hands-on assistance. The proposed budget includes an estimated \$86,000 for this work.

4. Update BAWSCA's Water Conservation Database
Estimated FY 2022-23 Cost: \$121K

BAWSCA's Water Conservation Database (WCDB) serves as the repository for BAWSCA member agency water use and water conservation program information. A need to update the WCDB has been identified, and that update will be extensive. BAWSCA's current WCDB was launched in October 2010 and was last updated in FY 2016-17. The WCDB is used to collect data in a consistent format for three specific efforts: (1) conservation activity reporting, (2) BAWSCA Annual Survey reporting on water use and demographic data and (3) DSS modeling and demand projections support. The WCDB is designed to facilitate data collection, provide data monitoring, and compile data for reporting,

For FY 2022-23, the work will include, as a first step, the scoping of what is needed for the update, which will include a review of the existing WCDB, engagement with member agencies, and determination of the approach and platform that is most appropriate. Once that is determined, an updated WCDB will be developed and made ready for implementation. Prior to implementation, there will be training provided to member agencies such that the WCDB can then be put to use.

The proposed FY 2022-23 budget allocation of \$120,000 reflects the need to secure specialized, technical consultant services to complete this work. This budget estimate is based on prior costs incurred for WCDB development. Specifically, the cost to develop the original database in FY 2009-10 and FY 2010-11 totaled \$261K followed by an update in FY 2016-17 for \$39K. The update costs are anticipated to fall somewhere between what was expended during 2009-11 and 2016-17. The proposed budget includes \$121K for this update, which falls within the range of prior costs for the WCDB development and update.

Proposed FY 2022-23 Work Plan Includes Continuation of Several Previously Approved Multi-Year Projects

There are two major multi-year projects included in the proposed FY 2022-23 Work Plan that were previously approved or anticipated by the Board. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA member agencies.

1. Refresh and Update BAWSCA 2020 Demand Study
Estimated FY 2022-23 Cost: \$77K

At its September 16, 2021 meeting, the Board authorized a professional services contract with Maddaus Water Management to prepare a refresh and update of the BAWSCA 2020 Demand Study for a total cost of \$350K (\$275K in FY 2021-22 and \$75K in FY 2022-23) and a scheduled completion of December 2022. The Board also approved a transfer from the Balancing Account to fully fund this project, with transfers to BAWSCA occurring over the two fiscal years in accordance with planned expenditures. This project is progressing on schedule and on budget, and a project update will be provided for the March Board meeting.

2. Facilitate Development of an Updated Tier 2 Drought Implementation Plan
Estimated FY 2022-23 Cost: \$109.5K

As part of the FY 2021-22 Work Plan, the Board directed BAWSCA to facilitate a renegotiation and update to the existing Tier 2 Drought Response Implementation Plan (Tier 2 Plan). At its January 20, 2022 meeting, the Board authorized a professional services contract with Woodard & Curran to support BAWSCA's facilitation of negotiations among the member agencies for a new Tier 2 Plan. As planned and discussed with the Board as part of its January approval, additional support from Woodard & Curran is proposed for FY 2022-23 to support BAWSCA's facilitation efforts. There is no pre-approved funding for this effort in FY 2022-23.

Results of January 20, 2022 Work Plan and Budget Preparation Planning Session:

During BAWSCA's January 20, 2022 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 2022-23 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 2022-23 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 Water Conservation Database (WCDB) another year to FY 2023-24.

BAWSCA's WCDB serves as the repository for BAWSCA member agency water use and water conservation program information. A need to update the WCDB was originally identified in Fall 2019 to ensure its continued operation to meet the needs of BAWSCA and the member agencies. The required update will be extensive. BAWSCA's current WCDB was launched in October 2010 and was last updated in FY 2016-17.

This alternative is not recommended because BAWSCA has already delayed this update and it is critical that the WCDB continues to function smoothly for BAWSCA and the member agencies.

PROPOSED FY 2022-23 OPERATING BUDGET:

The proposed Operating Budget of \$4,720,885 presented in Table 5 reflects the funding necessary to achieve the full Work Plan and includes an estimated pre-funding contribution for Other Post-Employment Benefits (OPEB). This is included as a separate line item to highlight its inclusion in this eighth year of funding.

Explanation and Alternatives for Salaries and Benefits:

The increase for salaries and benefits of \$83,171 shown in the proposed Operating Budget is a result of a variety of changes.

Historically, BAWSCA budgets for an allowance for salary increases based on a Cost-of-Living Allowance (COLA) adjustment plus a merit allowance separate and in addition to the COLA adjustment such that 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.

This year, for the first time in BAWSCA's history, the COLA adjustment, based on the December value of the Consumer Price Index for the Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose area, is greater than 5% at 5.52%. As such, the proposed Operating Budget also includes the following for all employees except the CEO:

- An increase to the top step of salaries by 5.52% to ensure that the approved salary ranges stay competitive moving forward; and
- \$56,679 total budget allowance for salary increases, which represents a potential 5% adjustment to existing FY 2021-22 salaries for both COLA and merit increases.

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.

Consistent with practice over the past two years, a budget allowance of \$23,930 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 2021-22 funding plan included a 5% increase in assessments, a \$281,676 transfer from the General Reserve, a transfer of \$346,750 from the Balancing Account, and use of \$300,000 in excess Stabilization Funds for funding the Operating Budget. The General Reserve has a current balance of \$758,794. That balance includes the \$281,676 transfer out of the General Reserve noted above. The resulting General Reserve is therefore 16% of the adopted FY 2021-22 budget (as of 3/31/2022) of \$4,799,544, which is outside the BAWSCA budgetary guidelines. Specifically, BAWSCA's General Reserve Policy identifies a range of 20% to 35% of the budget year's operating expense as a budgetary guideline for the General Reserve balance.

Each year, unspent funds (if available) are moved to the General Reserve to fund special needs and future budgets. Appendix 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 2021-22 Operating Budget will be 95-98% 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 2022, however for budget funding purposes, it is assumed that no funds will be available for transfer at the end of FY 2021-22 given the combination of substantial use of General Reserve to fund the budget and the expectation of nearly fully spending the budget this fiscal year.

Funding Options Evaluated and a Funding Recommendation:

In developing funding options to address FY 2022-23 budgetary needs, BAWSCA has three distinct funding sources to consider given the proposed Work Plan items:

1. Member Agency Assessments
2. BAWSCA General Reserve
3. Water Supply Agreement 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. In September 2021, the Board authorized use of the Balancing Account to fund the 2020 Demand Study update, including \$75K for FY 2022-23. Given the SFPUC's planned use of the Balancing Account to offset increases to the FY 2022-23 Wholesale Water Rate, no further use of the Balancing Account is examined at this time.

Table 6 presents a range of three funding alternatives based on an increase in assessments and an associated target for the General Reserve:

- **Option 1 "Low Assessment Increase":** A 20% increase in assessments (\$4,645,885) and a transfer of \$75,000 from the Balancing Account. This alternative results in a General Reserve balance of \$758,794, which is below the target range at 16% of the proposed Operating Budget.
- **Option 2 "Moderate Assessment Increase":** An 25% increase in assessments (\$4,838,897) and a transfer of \$75,000 from the Balancing Account. This alternative results in a General Reserve balance of \$951,806, which is at the low end of the target range at 20% of the proposed Operating Budget.
- **Option 3 "Significant Assessment Increase":** A 30% increase in assessments (\$5,032,453) and a transfer of \$75,000 from the Balancing Account. This alternative results in a General Reserve balance of \$1,145,362, which is within the target range at 20-35% of the proposed Operating Budget.

The alternatives above present a range of funding options, including one that does not achieve the Board's target range for the General Reserve. **Funding Option 2 is recommended as it will fund the proposed FY 2022-23 Operating Budget and result in a General Reserve level that is within the agency's budgetary guidelines.**

Table 1. Proposed FY 2022-23 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*)

BAWSCA OBJECTIVE & FY 2022-23 WORK PLAN ITEM	
RELIABLE WATER SUPPLY	
(6.1%)	<p>1. <u>Facility Reliability: Monitor SFPUC's WSIP, 10-Year CIP, Asset Mgmt. Program, and Emergency Response</u></p> <ul style="list-style-type: none"> 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 members in a cost-effective and appropriate manner. c. Review and monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS 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 Mgmt. Policy. d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters.
(12%)	<p>2. <u>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</u></p> <ul style="list-style-type: none"> a. Complete Update and Refresh of BAWSCA 2020 Demand Study b. <i>Complete staff-led scoping activity for an update to BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy).</i> c. Participate in development of Bay Area Regional Reliability (BARR) Phase 2 (Water Marketing Strategy) in partnership with other Bay Area water agencies, including completion of the BARR Shared Water Access Program (SWAP) final report. d. <i>Continue participation in Potable Reuse Exploratory Plan (PREP) pending results of Phase 3, due Spring 2022, including preparation of a Basis of Design Report (BODR).</i> e. Promote the continued use of San Mateo Plain Groundwater Basin (Basin) for long-term water supply reliability. f. Facilitate development of other local water supply options including tracking and reporting to the Board on members efforts, identifying potential grant funding, monitoring of related policy development, etc. g. Use the BAWSCA Reliability Model (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. h. Facilitate use of the BAWSCA Reliability Model by members via Subscription Program.

BAWSCA OBJECTIVE & FY 2022-23 WORK PLAN ITEM

- i. Host quarterly meetings of BAWSCA's Regional Water Supply Reliability Roundtable to identify possible water supply options for consideration by BAWSCA and its member agencies as well as potential local partnership opportunities.

(13.3%) **3. Near-term Supply Solutions: Water Conservation and Drought Response**

- a. Provide staff-only drought support to members & their customers, assuming dry conditions in FY 2022-23.
- b. Represent members' interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a Way of Life" requirements, including *developing an approach for member agencies to meet the new CII performance measure requirements as well as a possible subscription program for professional consulting services for those agencies interested in more hands-on assistance.*
- c. Provide regional coordination to support members Advanced Metering Infrastructure (AMI) implementation and data management, including preparation of a report summarizing the status of AMI in the service area.
- 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 members.
- f. Continue development of a leak repair and training certification program for implementation in FY 2023-24.
- g. *Pursue partnership opportunities with San Mateo County's C/CAG related to a potential greywater pilot program.*
- h. *Perform a review of greywater efforts within the BAWSCA region and document findings in a report.*
- 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.

(7.1%) **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 (AWSP) 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. 2022 if necessary.
- d. Facilitate negotiations of an updated Tier 2 Drought Allocation Plan.
- e. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions.

(14.4%) **5. Protect Members' Interests in a Reliable Water Supply**

- a. Participate in SWRCB Bay Delta Plan Update to ensure members' 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.

BAWSCA OBJECTIVE & FY 2022-23 WORK PLAN ITEM	
(0.1%)	<p>6. <u>Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u></p> <ul style="list-style-type: none"> 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. c. Investigate potential for grant funds to support the implementation of the LTRWS Strategy.
(0.8%)	<p>7. <u>Reporting and Tracking of Water Supply and Conservation Activities</u></p> <ul style="list-style-type: none"> a. Complete BAWSCA FY 2021-22 Annual Survey. b. Complete BAWSCA FY 2021-22 Annual Water Conservation Report. c. In partnership with members, operate and maintain BAWSCA's Water Conservation Database (WCDB). <i>Scope, develop, and implement an update of the WCDB by June 30, 2023.</i>
HIGH QUALITY WATER	
(0.5%)	<p>8. <u>Support Members in Receiving Reliable Communication of Water Quality Issues</u></p> <ul style="list-style-type: none"> a. Coordinate members 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 members when made aware of changes that have the potential to impact water quality (e.g., taste, odor, blending, etc.). c. Review and act on, if necessary, State legislation affecting water quality regulations.
FAIR PRICE	
(11.8%)	<p>9. <u>Perform Matters that Members Agencies Delegated to BAWSCA in the WSA</u></p> <ul style="list-style-type: none"> a. Administer the WSA with SF to protect the financial interests of members. b. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco, including completing the settlement of 2023A refunding bonds in January 2023.
AGENCY EFFECTIVENESS	
(7%)	<p>10. <u>Maintain Community Allies and Contacts with Environmental Interests</u></p> <ul style="list-style-type: none"> 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 members, 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.

BAWSCA OBJECTIVE & FY 2022-23 WORK PLAN ITEM	
(15.8%)	11. <u>Manage the Activities of the Agency Professionally and Efficiently</u> <ul style="list-style-type: none">a. Implement BAWSCA's Student Internship Program.b. Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.c. Maintain a Motivated and Effective Workforce

Table 2: Activities Not Included in Proposed Work Plan and Operating Budget for FY 2022-23

<p>RELIABLE SUPPLY</p> <ol style="list-style-type: none">1. Engage in extended or complex applications for State or Federal grant funds. Application for water conservation grants will continue to be made through or with the Bay Area Water Agency Coalition, the California Urban Water Conservation Council, or other agencies.2. Introduce major new legislation or supporting/opposing legislation initiated by others including legislation related to the Bay-Delta and California Water Fix. If needed, the agency could support major legislative efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.3. Initiate new unanticipated litigation or support/oppose new unanticipated litigation initiated by others. If needed, the agency could support major litigation efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.
<p>FAIR PRICE</p> <ol style="list-style-type: none">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.5. Arbitrate issues related to the 2009 Water Supply Agreement.
<p>HIGH WATER QUALITY</p> <ol style="list-style-type: none">6. Perform technical studies of water quality or San Francisco's treatment of the water it delivers to the BAWSCA agencies.7. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.
<p>AGENCY EFFICIENCY</p> <ol style="list-style-type: none">8. Add resources to support additional Board, Board committee, or technical committee meetings.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.

Table 3. FY 2022-23 Work Plan and Budget Planning Session – Comments and Suggested Work Plan Items for Further Consideration

#	Board Member	Board Member Comment/Question	Staff Response
1	Pierce	Can we get more clarity on SFPUC's OPEB and Pension unfunded liability and potential risk to BAWSCA agencies?	The proposed Work Plan includes a task for BAWSCA's Financial Manager to work with the agency's auditing/financial consultant and legal counsel to perform a limited analysis of data available to BAWSCA and to report the resulting findings as part of the regular OPEB and pension report to the Board.
2	Pierce	Can we get more information about the current status and projected use of the Balancing Account for things like rate stabilization? Can we get more information regarding the policies that guide the use of the Balancing Account?	The annual Balancing Account Update will be presented to the Board at its March 2022 meeting. This update will address not just the current status and projected uses of the Balancing Account, but also the policies that guide its use.
3	Weed	BAWSCA should consider asking the SFPUC to look into system reoperation / administrative changes as a means to increase storage and dry year yield	BAWSCA will suggest that the SFPUC consider this as part of its Alternative Water Supply Planning Program (AWSP)
4	Weed	Regarding recycled water projects, Director Weed expressed disfavor with indirect and direct potable reuse projects and instead asked that desalination projects be championed	The SFPUC includes both recycled water (direct and indirect potable) projects as well as a regional desalination project in its AWSP evaluation as more than one project is likely needed in future years, and all will face significant implementation challenges. There are no project preferences identified in the AWSP at this time.
3	Zigterman	Are there mechanisms & opportunities that should be considered as a fall back to the regulatory risks associated with the Bay-Delta Plan? What is the cost of alternative supply development as opposed to the continued litigation and voluntary agreement approach, which could prove unsuccessful?	BAWSCA has successfully advocated for SFPUC's development of the AWSP, which includes as a goal, the identification and early planning for the necessary water supply projects to back-fill the potential loss of RWS supply from the implementation of the Bay Delta Plan. As part of this early planning work, SFPUC will be developing cost and water supply yield benefits for the projects. BAWSCA is actively engaged in the AWSP development including participation on a subset of projects as well as overall

		Believes a brainstorming session is appropriate	<p>oversight and monitoring of progress. SFPUC is on track for having the identified projects to a level of early planning to begin necessary environmental evaluation in Summer 2023.</p> <p>BAWSCA is actively engaged with and supporting its member agencies in their potential development of new, local water supplies including groundwater and recycled water.</p> <p>Regarding brainstorming opportunities, beginning Spring 2022, BAWSCA is convening the Water Supply Reliability Roundtable discussions on a quarterly basis with a multitude of parties (agencies, NGOs, etc.). One of the goals of the Roundtable is to support “out of the box thinking” with a diverse group and identify potential water supply opportunities with a focus on local options and efforts.</p>
4	Hardy	<p>Noted that BAWSCA employees serve as the agency’s “brain trust” and that hiring can be difficult. Asks that BAWSCA have a focus on employee retention and retirement planning</p>	<p>Agreed that BAWSCA’s efforts in this area should be identified. A new workplan item 11c “Maintain a Motivated and Effective Workforce” has been added to ensure that this is highlighted moving forward.</p> <p>Currently, BAWSCA regularly budgets and implements activities that support employee growth and retention including a budget allocation for training and conference attendance for all staff; bi-annual salary surveys to maintain overall market parity; and support for desk audits and associated promotions as justified.</p> <p>Regarding succession planning, given its small staff size, BAWSCA strongly supports and relies upon cross training among staff. This also has the added benefit of supporting some aspects of succession training. The CEO will continue to brief the Chair and Vice-Chair on succession planning moving forward.</p>
5	Barber	BAWSCA should take steps to get its General Reserves balance in compliance with its budgetary targets	BAWSCA’s FY 2022-23 Budget, presented to the Board for adoption in May of 2022, will propose budget level and funding options, including evaluating various targeted General Reserve balances.

6	Cormack	Supports Director Zigterman's comment regarding brainstorming of water supply options	See answer to question #3.
7	Cormack	Supports Director Hardy's comment on need to focus on employee retention and development	See answer to question #4.
8	Cormack	Is concerned with the SFPUC unfunded liabilities including SF's OPEB funded ratio of 4.5%	BAWSCA will work with its auditing consultant and legal counsel to further investigate the risks to BAWSCA member agencies of SFPUC's unfunded obligations and provide this information as part of its annual OPEB and Pension report to the Board.

Table 4. Potential Future Large Efforts

Project Name	Cost Updates				Discussion
	FY 2020-21 (Actual)	FY 2021-22 (Budget as Amended)	FY 2022-23 (Proposed Budget)	FY 2023-24 & 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	\$5K	\$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 by 2025 given updated conditions including demands, supply reliability, regulatory and climate change impacts, etc. In FY 2022-23, work will begin on scoping the update effort. Scoping will be a staff driven effort with little need for consultant support. The update itself is proposed to be included in the FY 2023-24 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 ¹	\$17.5K	\$123K	\$148.2K	\$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 proposed 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 5 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

					<p>perspective, much of the work will involve 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 ²	\$47K	\$27K	\$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 Amended and Restated Water Supply Agreement. 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 RWS assets it is responsible for.	\$82K	\$47K	\$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:

- BAWSCA has been participating as a primary partner in projects such as Los Vaqueros Reservoir Expansion (LVE) and the Potable Reuse Exploratory Plan (PREP). While BAWSCA is no longer a LVE local agency partner, BAWSCA continues to participate in PREP, Costs for FY 2022-23 include \$50k for BAWSCA's share in the costs to prepare a Basis of Design Report (BODR). It is uncertain what future costs for participation in the PREP project may be, yet the cost of participation would be significant over time (those have not been estimated). The bulk of consultant costs for FY 2022-23 and beyond are for 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 2022-23 Operating Budget by Major Expenditure Category

Cost Category	Approved FY 2021-22 Budget (\$) ⁽¹⁾	Proposed FY 2022-23 Budget (\$)	Change from FY 2021-22 Budget (\$)
Consultants/ Direct Expenditures			
Reliability	1,522,350	1,591,820	69,470
Fair Pricing	565,700	284,200	(281,500)
Administration	140,000	118,000	(22,000)
<i>Subtotal Consultants</i>	2,228,050	1,994,020	(234,030)
Administration			
Employee Salaries & Benefits	2,045,019	2,128,190	83,171
Other Post-Emp. Benefits (net)	77,000	70,000	(7,000)
Operational Expenses	385,900	465,100	79,200
<i>Subtotal Administration</i>	2,507,919	2,663,290	155,371
Total Operating Expenses	4,735,969	4,657,310	(78,659)
Capital Expenses	3,000	3,000	0
Budgeted Contingency	57,500	57,500	0
Regional Financing Authority	2,025	2,025	0
Bay Area Water Users Assn.	1,050	1,050	0
Grand Total Operating Budget	4,799,544	4,720,885	(78,659)

Note:

(1) The approved FY 2021-22 budget and funding plan reflects two changes made by the Board: (a) in January 2022, the Board approved the removal of the Scoping of Strategy for an expense of \$56,000 funded by the Balancing Account; (b) in March 2022, the Board approved an expense of \$71,750 for the digital billboard advertisements funded by the Balancing Account.

Table 6. Analysis of Funding Options

	FY 2021-22	FY 2022-23		
Fund Source	Adopted Funding Plan as of 3/31/2022 ⁽¹⁾	Option 1 Proposed Work Plan & 20% Assessment Increase	Option 2 Proposed Work Plan & 25% Assessment Increase	Option 3 Proposed Work Plan & 30% Assessment Increase
Assessments	\$3,871,118	\$4,645,885	\$4,838,897	\$5,032,453
Transfer from/(to) General Reserve	\$281,676	\$0	(\$193,012)	(\$386,568)
Transfer from Balancing Account	\$346,750	\$75,000	\$75,000	\$75,000
Use of Excess Bond Stabilization Fund on Cost of Issuance for Bond Refunding	\$300,000	\$0	\$0	\$0
Total Available Operating Funds/Operating Budget	\$4,799,544	\$4,720,885	\$4,720,885	\$4,720,885
Potential End of FY22-22 Transfer to General Reserve		\$0	\$0	\$0
Estimated Year-End Reserves	\$758,794	\$758,794	\$951,806	\$1,145,362
% of Total Budget	16%	16%	20%	24%
% of Total Budget Excludes One-Time Expenses ⁽²⁾	18%	16%	20%	25%
Assessment to Budget Ratio	81%	98%	102%	107%
Assessment to Budget Ratio Excl. One-Time Expenses ⁽²⁾	93%	100%	104%	108%

Notes:

(1) The adopted FY 2021-22 funding plan reflects two changes made by the Board: (a) in January 2022, the Board approved the removal of the Scoping of Strategy for an expense of \$56,000 funded by the Balancing Account; (b) in March 2022, the Board approved an expense of \$71,750 for the digital billboard advertisements funded by the Balancing Account.

(2) The one-time expenses represent the approved budget funded by the Balancing Account or the Excess Bond Stabilization Fund.

APPENDICES

Appendices A through J present additional detail about the proposed FY 2022-23 Work Plan and Operating Budget.

Appendix A: Uses of Professional Services

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

1. Professional engineering services for: a) evaluating and monitoring SFPUC's Asset Management Program; b) evaluating and monitoring SFPUC's 10-Year Capital Improvement Program development and implementation; c) evaluating Water System Improvement Program project scopes during design and construction; d) monitoring WSIP project cost estimates, bids and schedules; e) monitoring and assessing San Francisco's performance in implementing the overall WSIP; f) assessing San Francisco's method for cost estimation, application of contingencies and addressing cost inflation during the WSIP; g) providing specific constructive recommendations for keeping the WSIP on or ahead of schedule; h) analyzing hydraulic records used by San Francisco in setting the wholesale water rates; and g) providing as needed groundwater technical assistance.
2. Water resources analysis and planning services to: a) evaluate potential water supply projects using BAWSCA's new regional water supply reliability modeling tool; and b) support BAWSCA member agency efforts to meet the new State of California "Making Water Conservation a Way of Life" requirements.
3. General legal services for BAWSCA and the RFA; specialized legal services to support administration of the Water Supply Agreement; specialized legal services for addressing matters related to water supply reliability including Restore Hetch Hetchy litigation, Bay Delta Plan Update, and FERC intervention.
4. Strategic counsel for identifying and addressing strategic and political issues associated with maintaining the progress of the Water System Improvement Program, assisting the Board and the CEO in developing and implementing an effective policy making process that supports implementation of the Long-Term Reliable Water Supply Strategy, providing legislative and political support, and providing advice to the CEO and the Board on other issues significant to the water customers and the effectiveness of the agency.
5. Financial advisory services to conduct specified capital financing and rate impacts analyses on a task order basis.
6. Accounting/auditing expertise to assist with implementing the Water Supply Agreement, as well as an independent auditor to prepare and review annual financial statements.

Legal, strategic, financial, and engineering consultants provide professional services critical to BAWSCA's work in achieving the agency's goals and achieving critical results. Many of BAWSCA's consultants have been under contract with BAWSCA since its creation, and a few of those consultants have been in place even longer, in that they served as consultants to Bay Area Water Users Association, BAWSCA's predecessor organization.

Each year, the Board acts on each consultant contract following consideration of the annual Work Plan and Operating Budget. Information provided to the Board at that time relates to expertise, current scope of work, budget, and billing rates.

Appendix B: History of Salary and Benefits Adjustments

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

- FY 2009-10: There was no COLA adjustment. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2010-11: The Board approved a 3.01 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2011-12: The Operating Budget included no adjustment to the salary for any employee for COLA, merit, or any other reasons.
- FY 2012-13: The Board approved a 3.10 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2013-14: The Board approved a 2.312 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2014-15: The Board approved a 2.60 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2015-16: The Board approved a 2.09 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2016-17: The Board approved a 3.15 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2017-18: The Board approved a 3.025 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2018-19: The Board approved a 3.084 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2019-20: The Board approved a 4.398 percent COLA increase to the top step for staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- 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.
- FY 2021-22: The Board approved a 2.15 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 2022-23 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 2022-23 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 2022-23, including only one planned meeting, 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 2022-23 Operating Budget. The RFA will formally consider and adopt this budget in January 2023.

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 2022-23 is estimated to be 1,346 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 included in the Operating Budget and will be repaid to BAWSCA by participating agencies over the course of FY 2022-23.

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 are included in BAWSCA's Annual Water Conservation Report.

**Table F-1: Select Financial Details Related to BAWSCA
Subscription Conservation Programs for Last Five Years**

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
2016-17			
EarthCapades	\$61,345	\$2,120	
Free Sprinkler Nozzles	\$7,585		
HET		\$6,340	\$300
Large Landscape Audit	\$94,260	\$1,184	
Lawn Be Gone		\$1,860	
Lawn Be Gone Inspections	\$2,858		
Water Wise Ed. Kits	\$104,716	\$1,860	
Washing Machine Rebate	\$114,530	\$1,900	\$1,055
Watersense Giveaways	\$20,886		
WaterSmart Reports	\$313,128		
Rain Barrel Rebate	\$2,300		
Total	\$660,263	\$13,144	\$1,355
2017-18			
EarthCapades	\$61,435	\$2,260	
Free Sprinkler Nozzles	\$1,577		
HET		\$4,055	\$13
Large Landscape Audit	\$85,793	\$1,184	
Lawn Be Gone		\$1,380	\$14
Lawn Be Gone Inspections	\$2,284		
Water Wise Ed. Kits	\$98,229.89	\$2,295	
Watersense Giveaways	\$10,734		
WaterSmart Reports	\$298,405		
Rain Barrel Rebate	\$3,395		
Total	\$561,853	\$11,174	\$27

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
FY 2018-19			
EarthCapades	\$66,500	\$2,480	
Free Sprinkler Nozzles	\$364		
HET		\$2,495	
Large Landscape Audit	\$94,900	\$1,184	
Lawn Be Gone		\$1,200	
Lawn Be Gone Inspections	\$2,420		
Water Wise Ed. Kits	\$75,483	\$1,946	
Watersense Giveaways	\$5,672		
WaterSmart Reports	\$288,081		
Rain Barrel Rebate	\$757		
Water Loss Program	\$128,403		
Total	\$662,580	\$9,305	\$0
FY 2019-20			
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	\$1,200		
Total	\$686,185	\$8,342	\$0
FY 2020-21			
EarthCapades	\$95,515	2,200	
Large Landscape Audit	\$132,833	\$1,332	
Lawn Be Gone		\$360	
Lawn Be Gone Inspections	\$1,958		
Water Wise Ed. Kits	\$46,834	\$1,272	
Watersense Giveaways	\$2,902		
WaterSmart Reports	\$274,276		
Rain Barrel Rebate	\$400	\$390	
Water Loss Program	\$125,475		
Customer Meter Testing	\$17,280		
Smart Controller Rebate	\$1,600		
DSS Support Services	\$12,311.75		
Total	\$711,384	\$5,554	\$0

Appendix G: Value for the Cost

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

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

Fiscal Year	Est. Annual Cost Per Person	Est. Annual Cost Per Household
2010-11	\$1.64	\$4.93
2011-12	\$1.53	\$4.60
2012-13	\$1.52	\$4.56
2013-14	\$1.82	\$5.47
2014-15	\$1.70	\$5.11
2015-16	\$1.84	\$5.51
2016-17	\$1.96	\$5.88
2017-18	\$2.08	\$6.24
2018-19	\$2.34	\$7.02
2019-20	\$2.50	\$7.51
2020-21	\$2.20	\$6.59
2021-22	\$2.58	\$7.75
2022-23	\$2.56	\$7.68

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

Pursuant to Section 8.04 of the Water Supply Agreement, the Wholesale Customers delegated authority to BAWSCA to conduct the annual review of SFPUC's calculation of the Wholesale Revenue Requirement (WRR) and the Balancing Account. Table H-1 provides the annual financial impact to the Wholesale Customers resulting from BAWSCA's annual comprehensive review. Over the past 18 years, BAWSCA's reviews have resulted in a total of \$46.9 million 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,

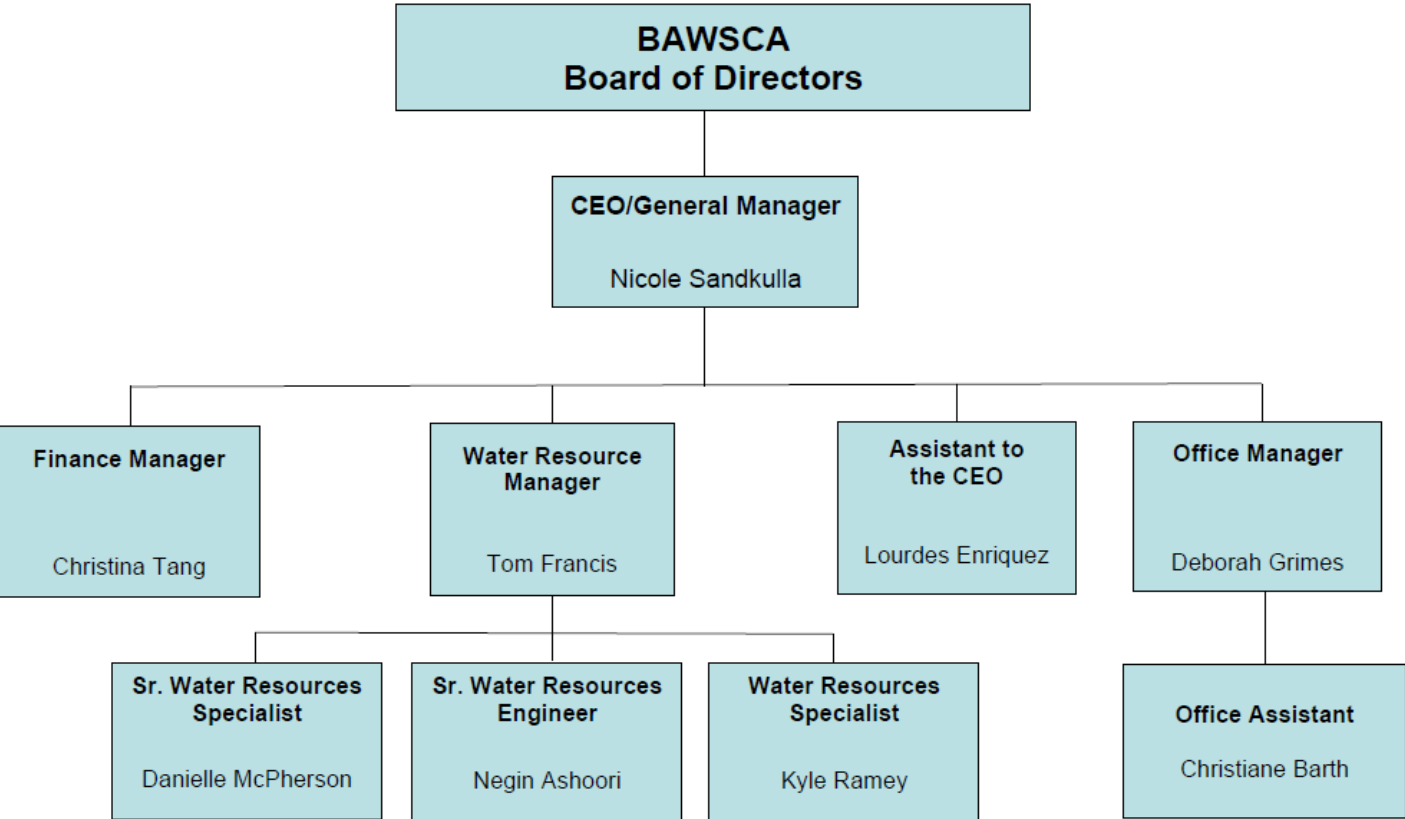
Table H-1. Savings to Wholesale Customers Resulting from BAWSCA's Annual Wholesale Revenue Requirement Review

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
2017-18	\$2,323,997
2018-19	\$95,127
Total	\$46,911,542

Appendix I: Current Organization and Staffing

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

BAWSCA Organization Chart



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 2022-23 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 (Proposed FY 2022-23)

BAWSCA Goal and Associated Challenges	FY 2022-21 (Near-Term)	2023-2035 (Mid-Term)	2035-2050 (Long-Term)
Reliable Supply: Ensure Long-Term Water Supply Reliability			
Protection of member agencies' interests in long-term water supply reliability from the SF RWS and 184 MGD Supply Assurance in light of potential areas of risk, including climate change and regulatory challenges, as presented in the Long Term Vulnerability Analysis, and SFPUC's Alternative Water Supply Planning and associated CEQA initiation by June 2023.	X	X	X
Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts, <i>including completion of Updated Demand Projections</i> .	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	
Assist member agencies in meeting the new Statewide "Making Water Conservation a California Way of Life" requirements thru 2035, including new Water Efficiency Targets to be finalized by June 2022	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 Implementation Plan.	X	X	
Reliable Supply: Ensure SF RWS Facility Reliability			
Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.	X	X	X
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	
High Quality Supply & Fair Price: Enforce 2009 Water Supply Agreement (WSA)			
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 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	
Management of Agency			
BAWSCA CALPERS pension & OPEB liability management			X

Appendix K: Historical BAWSCA Operating Budgets and Assessments

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

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

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

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

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

Fiscal year	Assessments	% Change	Budget	% Change	Audited Expenses	% 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%	\$1,488,908	80.99%				\$240,000			6	1st BAWSCA Budget Est.
2005-2006	\$1,953,998	19%	\$2,099,975	14.22%	\$1,666,462	79.36%				\$414,000	\$240,000	11%	7	WSIP Oversight, 2009 WSA neg.
2006-2007	\$2,117,904	8%	\$2,291,904	9.14%	\$1,875,822	81.85%				\$428,474	\$654,000	29%	7	2009 WSA negotiations
2007-2008	\$2,117,904	0%	\$2,508,967	9.47%	\$2,246,600	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%	\$2,633,567	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%	\$2,345,993	84.79%		\$250,000 \$105,000	To fund budget WCIP	\$409,965	\$407,192	15%	7	WCIP Yr. 1 implementation, 2009 WSA Admin Yr. 1, Transition from old Contract, WSIP legislation
2010-2011	\$2,517,000	0%	\$2,680,394	-3.13%	\$2,231,809	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%	\$2,286,513	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%	\$2,600,475	93.53%		\$130,000 \$65,000	Pilot Transfer Demand Study		\$985,897	35%	7	Bond investigation, Demand Projections, Pilot Water Transfer, 2009 WSA
2013-2014	\$2,516,812	0%	\$3,280,188	17.97%	\$3,058,348	93.24%		\$300,000 \$98,000 \$66,000	Demand Study OPEB FY 13-14 Technical support		\$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
2014-2015	\$2,642,653	5%	\$2,939,286	-10.39%	\$2,745,822	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%	\$2,828,503	88.34%				\$453,246 \$352,378 ⁽¹⁾	\$776,620	24%	8	1st year Strategy implementation thru Operating Budget, 2014 Settlement Agmt.
2016-2017	\$3,440,734	5%	\$3,468,008	8.32%	\$2,934,077	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%	\$3,318,544	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%	\$3,996,082	93.40%		\$321,688 \$177,500 \$150,000 \$50,000	To fund budget Los Vaqueros Demand Study 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
2019-2020	\$3,686,779	3%	\$4,569,750	6.81%	\$4,116,485	90.08%	\$805,000	\$77,971	To fund budget	\$435,266	\$1,037,877	23%	9	HB Amendment - Board approved 3/2019 Fund LVE participation, Demand Study, FERC, Bay Delta
2020-2021	\$3,686,779	0%	\$4,163,179	-8.90%	\$3,860,044	92.72%	\$197,000	\$333,900 \$142,500	To fund budget To fund budget	\$43,727	\$996,743	24%	9	To fund contract increase for legal counsel; increased BAWSCA approved Operating Budget to offset identified approved expenses for BA funds use HB Amendment - Board approved 3/2021
2021-2022	\$3,871,118	5%	\$4,783,794	14.91%			\$275,000 \$71,750	\$281,676	To fund budget To fund water conservation digital billboards					To fund Demand Study Board approved 3/17/2022

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 2022-23

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 2022-23. To ensure work begins promptly or continues without interruption, twenty-three (23) contracts need to be in place by July 1, 2022.

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 2022-23, the Board will consider each of the twenty-three (23) contracts. Other consulting services that may be needed to complete the FY 2022-23 Work Plan will be brought to the Board for authorization during the year.

Fiscal Impact:

The combined budget for the sixteen (16) professional services contracts that need to be in place on July 1, 2022 and which are funded by the Proposed FY 2022-23 Operating Budget is \$1,534,300. The additional seven (7) 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, 2022.

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) administration of the 2009 Water Supply Agreement (WSA) to protect financial and water supply 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) supporting member agencies' interests in regional water projects and legislations for water use efficiency (SB606 and AB1668)
- 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 drought support to member agencies and their customers,
- 10) implementing water conservation assistance programs, and
- 11) implementation of a new BAWSCA internship program.

A general description of the services provided by each of the twenty-three (23) professional services contracts funded by the Proposed FY 2022-23 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 2022-23. BAWSCA's standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the sixteen (16) professional services contracts funded by the Proposed FY 2022-23 Operating Budget that need to be in place by July 1, 2022. The combined budget for these professional services is \$1,534,300. The corresponding approved consulting budgets for FY 2021-22 are also shown in the table.

Table 2 summarizes the seven (7) professional services contracts needed to be in place by July 1, 2022 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

16 Consultants (Services Provided)	FY 2021-22	Proposed FY 2022-23
1. BLX (Arbitrage Rebate Compliance Services)	\$0	\$2,500
2. Burr Pilger Mayer (Auditing/Accounting Services)	\$20,000	\$21,000
3. Droplet Technologies (Online Rebate System)**	\$14,400	\$14,400
4. EKI (Water Mgmt./Reliability Roundtable)	24,800	\$34,000
5. E Source (Water Loss Management Program)**	\$35,000	\$35,000
6. Hanson Bridgett (Legal Counsel)	\$723,500	\$781,500
7. Harlan P. Wendell (Strategic Counsel)	\$150,000	\$150,000
8. Hazen & Sawyer (Engineering/Water Mgmt.)**	\$120,000	\$120,000
9. Immersiv (Website and WCDB)	\$7,200	\$7,200
10. KNN Public Finance (Financial Advisor)	\$103,500	\$63,500
11. Orrick LLP (Bond Documents, Legal Services)	\$62,000	\$15,000
12. Public Trust Advisors (Investment Advisor)	\$10,000	\$10,000
13. Richard Sykes (WSIP, 10-Year CIP)	\$115,000	\$105,000
14. Stetson Engineering (Water Analyses, WSA)	\$58,200	\$58,200
15. West Yost (Asset Mgmt.)	\$45,000	\$45,000
16. Woodard & Curran (Water Mgmt./Tier 2 Plan)	\$98,000	\$72,000
Total	1,586,600	1,534,300

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

***Consultant also provides a subscription conservation program*

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

7 Consultants/Vendors (Conservation Program/Assistance Provided)
17. AM Conservation Group (School Education Program)
18. EarthCapades (School Assembly Program)
19. Global Sun Landscape (Lawn Be Gone Inspection Services)
20. Maddaus Water Management (DSS Model Support Services)
21. M&M Backflow and Meter Maintenance (Customer Meter Testing Program)
22. Regional Water Authority (Rachio Smart Controller Program)
23. Waterfluence, LLC (Large Landscape Conservation Services 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 and 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 settlement of the 2023A refunding 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, guided BAWSCA through the process of securing other bond-related professional services, securing a high bond rating, and will continue providing ongoing counsel until the settlement of the 2023A refunding 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 and in the recent refunding of the 2013A bonds. 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 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:

EKI, E Source, Hazen & Sawyer, Stetson Engineering, Richard Sykes, West Yost, and Woodard & Curran are engineering and water resources management consultants with different areas of expertise.

EKI provides technical assistance to BAWSCA with its newly initiated Regional Water Reliability Roundtable in which BAWSCA will facilitate discussion with stakeholders regarding regional water supply reliability and enhancing water supply sustainability through the identification of collaborative opportunities related to water resources projects that offer multiple benefits.

E Source provides water system auditing and water loss management technical expertise to BAWSCA and the member agencies to support BAWSCA's Water Loss Management Program which includes 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.

Hazen & Sawyer began development of BAWSCA's new regional water supply reliability modeling tool (Model) in FY 2017-18. Since that time, Hazen and Sawyer has assisted BAWSCA in using the Model to support BAWSCA's water supply. For FY 2021-22, Hazen and Sawyer provided technical support for BAWSCA's use of the Model and implementation of a subscription program for member agencies who are interested in using the Model for their individual planning needs. Hazen & Sawyer will continue the same services in FY 2022-23.

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.

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. Work in FY 2021-22 supported BAWSCA's participation and review of the implementation plans and efforts for the SFPUC's adopted Asset Management Policy. West Yost Associates will continue to support BAWSCA's goal of ensuring that the significantly large capital improvements are appropriately managed in the long-term.

Woodard & Curran was selected through a competitive process in FY 2021-22 to support BAWSCA's efforts to facilitate a comprehensive update to the Tier 2 Drought Response Implementation Plan at the direction of, and in partnership with, its member 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 development of a new Tier 2 Drought Allocation Plan.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with BLX Group LLC (BLX) for FY 2022-23 to provide arbitrage rebate compliance services with respect to the BAWSCA Revenue Bonds, Series 2013A issued in February 2013. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The total not-to-exceed amount of \$2,500 with BLX is included in the FY 2022-23 Proposed Operating Budget. The proposed budget is the same as the adopted budget for FY 2020-21 when the last arbitrage rebate calculations occurred, with no increase in rates or fees.

Recommendation:

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

Discussion:

BAWSCA retained BLX Group LLC to calculate the arbitrage calculations with respect to the Revenue Bonds, Series 2013A in FY 2014-15. The IRS requires arbitrage rebate payments submitted every 5 years. Given the results from the past three rebate analyses, BLX has recommended that BAWSCA undertake the analyses twice every five years. The latest analysis was performed in FY 2020-21. In FY 2022-23, BLX will perform calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code with respect to the Revenue Bonds, Series 2013A, for the fifth time.

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

The draft scope of services and billing rates with BLX for FY 2022-23 is 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 BLX Group LLC**

DRAFT

FY 2022-23 SCOPE OF SERVICES

Purpose

For FY 2022-23, BAWSCA requires arbitrage rebate compliance services with respect to the Revenue Bonds, Series 2013A, issued in February 2013.

Work to be Performed:

Anticipated tasks may include the following:

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

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

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

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

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

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

Proposed Budget: \$2,500

Rates & Charges:

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

* BLX recommended undertaking analyses twice every five years, given the results from the past three rebate analyses.

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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 2022-23 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 \$21,000 is included in the Proposed FY 2022-23 Operating Budget. The proposed budget is \$1,000 more than the current year's adopted budget due to a 5% increase in billing rates, which is the first rate increase in four years.

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 \$21,000 to provide audit and accounting services.

Discussion:

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

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

The draft scope of service and billing rates with BPM for FY 2022-23 is 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 Burr, Pilger and Mayer
Auditing and Accounting Advisors**

DRAFT

FY 2022-23 SCOPE OF WORK

Purpose:

For FY 2022-23, 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 2021-22.

Task 2. Attend the FY 2021-22 compliance audit kick-off meeting (Fall 2022) 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 2021-22 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: \$21,000

Rates & Charges:

The hourly billing rate is shown below.

- Partner: \$395

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Droplet Technologies to Implement an Online Rebate System for FY 2022-23**

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 Rebate System to implement and track BAWSCA's rebate programs for FY 2022-23. 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 2022-23, 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 Online 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 2022-23; and**
- 2) Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

In July 2020, BAWSCA launched its Online Rebate System, which was developed, implemented, and is now maintained by Droplet Technologies. This cloud-based system streamlines the rebate application process for BAWSCA's rebate programs and 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 suite of conservation programs in future years. The Online Rebate System is easily expandable to incorporate new programs into the Online Rebate System as they are launched.

The 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.

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

The draft scope of work and billing rates with Droplet for FY 2022-23 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 Droplet Technologies, Inc.

DRAFT

FY 2022-23 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 EKI Environment & Water (EKI) to Support BAWSCA's Water Supply Reliability Roundtable**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with EKI to assist BAWSCA with its ongoing Water Supply Reliability Roundtable efforts. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$34,000 is included in the Proposed FY 2022-23 Operating Budget. The proposed budget represents an increase of \$9,200 from that budgeted for FY 2021-22. EKI's billing rates remained unchanged.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and EKI subject to legal counsel's final review, for a not-to-exceed amount of \$34,000 to support BAWSCA's Water Supply Reliability Roundtable effort.

Discussion:

In the latter portion of FY 2021-22, BAWSCA initiated the Water Supply Reliability Roundtable (Roundtable) discussions with stakeholders to discuss regional water supply reliability and enhance water supply sustainability through the identification of collaborative opportunities to support, help finance, permit/approve, and/or expand projects or programs that have the potential to offer multiple benefits. Discussions focus on the One Water concept – “an integrated planning and implementation approach to managing finite water resources for long-term resilience and reliability, meeting both community and ecosystem needs.”

BAWSCA identified roundtable participants that represent a wide range of stakeholders, including representatives from BAWSCA member agencies, service area wastewater agencies, County agencies, and non-governmental organizations. The first meeting of the roundtable is scheduled to take place in late May of 2022 with a second meeting scheduled in June 2022. Two additional Roundtable meetings will occur in FY 2022-23, after which BAWSCA will reassess, the next steps moving forward.

EKI was hired in March of 2022, following BAWSCA's standard procurement process, to provide consulting support for this FY 2021-22 effort. With a budget of \$24,800, this agreement fell within the CEO/GM's signatory approval and did not require Board approval. EKI's proposal also included a scope and budget for support that could be provided in FY 2022-23, should BAWSCA elect to amend the agreement for services in FY 2022-23.

BAWSCA staff will facilitate the roundtable discussions and, with the assistance of EKI, develop agendas for each meeting. As per EKI's scope of services for FY 2022-23, following the fourth meeting of the roundtable, EKI will prepare a report summarizing the discussions held. EKI is

also charged with identifying grant opportunities to further the development of projects that are championed by roundtable stakeholders.

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

The draft scope of services and billing rates with EKI for FY 2022-23 are shown in Exhibit A.

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

DRAFT

FY 2022-23 SCOPE OF SERVICES

Work to be Performed:

As directed by BAWSCA, the BAWSCA Water Supply Reliability Roundtable project is being conducted in two phases. Phase 1 took place during FY 2021-2022, and Phase 2 will begin in FY 2022-23. The scope of work below addresses Phase 2 of this project.

Phase 2 Work

Task 1 – Support Roundtable Discussions

1. Participation in two (2) quarterly Roundtable meetings to discuss regional water supply reliability and options to enhance water supply sustainability through the identification of collaborative opportunities to support, help finance, permit/approve, and/or expand projects or programs that have the potential to offer multiple benefits.
2. Preparation of meeting notes/minutes, including documentation of participants and organizations represented, results of engagement activities, and key questions and issues raised by stakeholders.

Task 2 – Preparation for Roundtable Discussions

1. Support upfront planning of content and presentations for two Roundtable meetings.
2. Support outreach to stakeholders, such as: (1) brainstorming invitation list, (2) drafting invitation text and graphics, and (3) support refining invitation methodology that allows for tracking of RSVPs.
3. Participation in one (1) planning and preparation call with BAWSCA staff before each Phase 2 Roundtable meeting to discuss the meeting objectives, agenda and the approach to the development and presentation of outreach materials and activities.
4. Preparation of meeting agendas, PowerPoint presentations, and materials to support facilitation of meetings and engagement activities.

Task 3 – Review of Electronic Forms

1. Review of electronic forms, prepared by participants with projects to promote (as produced using Google Forms or some equivalent), that detail information on projects that stakeholders propose to present or discuss at the Roundtable meetings.

2. Compilation of information submitted.

Task 4 – Report Preparation

1. Upon completion of the fourth Roundtable meeting, EKI will prepare a report documenting the Roundtable process and results. A draft version of the report shall be prepared for BAWSCA review and input, followed by a final version incorporating BAWSCA comments.

Task 5 – Funding Opportunities

1. Identify possible potential public funding sources (e.g., grants and loans) that could potentially be utilized for projects identified through Roundtable process.

Task 6 – Project Management

1. Participation in three project status calls with BAWSCA staff.
2. Project management tasks, including preparation of monthly invoices, tracking of budget and schedule, and management of EKI staff resources.
3. Phone and email communications with BAWSCA project manager.

Not-to-Exceed Contract Limit: \$34,000

Rates and Charges for Key Staff

<u>Name</u>	<u>Hourly Rate</u>
Anona Dutton	\$307
Kathryn Wuelfing	\$265
Elena Sviastoslavsky	\$145

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with E Source to Implement Water Loss Management Program for FY 2022-23**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with E Source Companies LLC (E Source), formerly known as 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 2022-23, work under this component will also include assisting BAWSCA in the review of SFPUC’s meter testing practices.

Fiscal Impact:

The WLM 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 as well as budgeted BAWSCA staff time.

The proposed FY 2022-23 budget includes funding for the LEAK Work Group for FY 2022-23 as a core conservation program. 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 2022-23; and**
- 2) **Offer participation in the Water Loss Management Technical Assistance Program to 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 2022-23.

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 2022-23, BAWSCA anticipates that the SFPUC will release plans for revising their meter testing and calibration practices. BAWSCA will utilize the services of E Source to assist in the review of those practices.

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

The FY 2022-23 draft scope of services and billing rates with E Source 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 to
Implement the Water Loss Management Program**

DRAFT

FY 2022-23 SCOPE OF SERVICES

Work to Be Performed:

In October 2021, Water Systems Optimization (WSO) was acquired by E Source Companies LLC, a leading utility research and consulting firm. The work and people at E Source will remain the same, but going forward, we will be known as E Source.

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

Task A: Level 1 Validation

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

This task involves:

- **Data transfer:** E Source will request the water audit and supporting documentation necessary for level 1 validation from each agency.
- **Validation session:** E Source will schedule and lead an interview with appropriate staff to confirm the inputs and Data Validity Grades provided in the water audit.
- **Documentation:** E Source will furnish all necessary documentation for compliance with the requirements set forth by the California 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, E Source will set up systems of data collection and management, track progress, and communicate frequently.

E Source 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, E Source will compile a water audit in the American Water Works Association (AWWA) Free Water Audit Software.

In Task 2.a, E Source 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

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

In Task 2.b, E Source 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, E Source 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, E Source 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, E Source will identify the best fit goals for pressure data collection for the participating agency. The following table summarizes three potential goals and our approach toward achieving each one.

<i>Goal:</i>	Understand System Average Pressure	Investigate Pressure Transients	Identify Potential District Metered Areas
<i>Approach:</i>	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy pressure loggers ○ Analyze and visualize pressure data 	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy high-frequency pressure loggers 	<ul style="list-style-type: none"> ○ Identify pressure zone boundaries and critical infrastructure ○ Study zonal hydraulic isolation

<ul style="list-style-type: none"> ○ Calculate average system pressure ○ Recommend potential targeted pressure reductions 	<ul style="list-style-type: none"> ○ Analyze and visualize pressure data ○ Analyze and explain transients ○ Recommend transient mitigation 	<ul style="list-style-type: none"> ○ Establish zonal pressure average and pressure range ○ Recommend further study toward DMA installation and management
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2.e Water Audit Miscellaneous Support

E Source 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 E Source 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, E Source can develop a task and scope to suit your needs here.

Task Three: Leakage Analysis & Recovery

3.a Component Analysis of Real Losses and SWRCB Water Loss Standard Assistance

Please note that completing a component analysis of real losses will support the derivation of custom inputs for the California State Water Resources Control Board (SWRCB) real loss performance target model since both approaches use the same fundamental concepts. Additionally, grant funding available from BAWSCA will cover 50% of the cost up to \$10,227 for twelve agencies on a first come, first serve basis.

For this task, E Source will provide the following:

1. **Real Loss Component Analysis:** A component analysis of real losses to establish the unique leakage profile and inform targeted and cost-effective leak management strategies for the agency.
2. **SWRCB Water Loss Standard Custom Input Assistance:** Custom inputs to the SWRCB's economic model and supporting documentation for a potential adjustment to the agency's leakage performance standard.
3. **SWRCB Water Loss Standard Compliance Planning:** A compliance plan outlining a draft strategy to meet the agency's leakage performance standard.

Real Loss Component Analysis

A real loss component analysis (RLCA) aims to summarize the rate of leakage quantified through an AWWA water audit in meaningful categories (components) that help identify optimum strategies to reduce loss.

E Source's component analysis of real losses uses documentation on infrastructure, pressure, leak detection, and repair data and practices to support the following:

- Modeling background leakage
- Quantifying reported leakage
- Assessing of unreported leakage
- Estimating ongoing hidden leakage
- Identifying and recommending data collection and management improvements that provide more accurate insight into leakage

E Source's real loss component analysis will provide the following, depending on its relevancy to the agency:

- 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

SWRCB Water Loss Standard Custom Input Assistance

Each BAWSCA agency considered an Urban Water Supplier has received a leakage performance target from the State Water Resources Control Board (SWRCB) in accordance with SB 555. Compliance with the real loss volumetric standard will be required by 2028, using the 2027, or 2025 or 2026 water audit. Agencies can apply for an adjustment to their standard before July 1, 2023.

E Source will perform the following to derive custom inputs to the SWRCB economic model:

- 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

SWRCB Water Loss Standard Compliance Planning

E Source will work with the agency to outline a draft strategy to meet their leakage performance standard by doing the following:

- Review the agency's water loss standard
- Evaluate data uncertainty and recommendations for data improvement

- Consider results of the real loss component analysis and, if available, a leak simulation model and/or pilot leak detection results

Develop a timeline, cost estimate, and key milestones associated with the water loss compliance plan, based on existing data sources.

3.b Leak Detection Survey

E Source 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, E Source 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, E Source 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, E Source 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 E Source 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

E Source 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: Targeted SWRCB Water Loss Standard Assistance

Each BAWSCA agency considered an Urban Water Supplier has received a leakage performance target from the State Water Resources Control Board (SWRCB) in accordance with SB 555. Compliance with the real loss volumetric standard will be required by 2028, using the 2027, or 2025 or 2026 water audit. Agencies can apply for an adjustment to their standard before July 1, 2023.

E Source will do the following to provide targeted assistance with the SWRCB water loss standard:

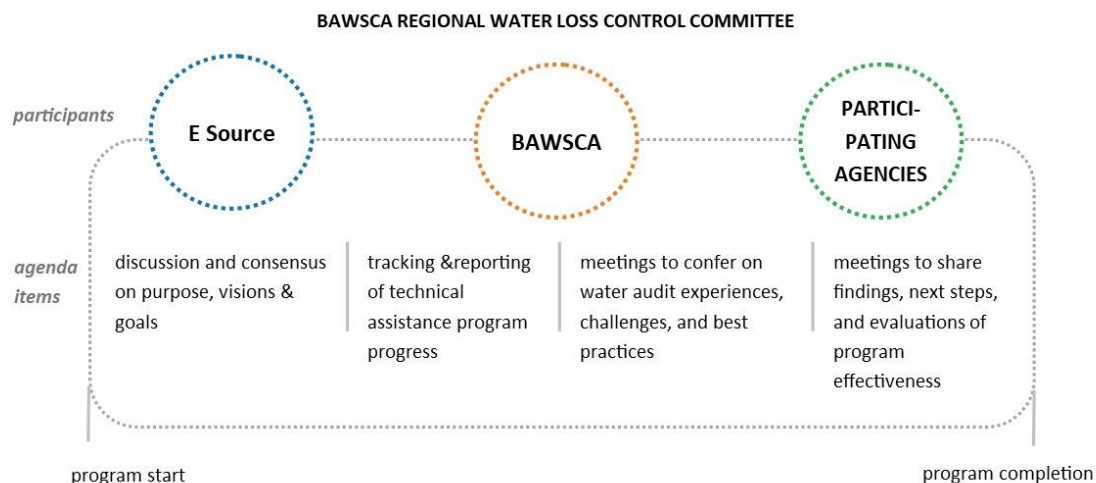
- Review the agency's calculated custom inputs and/or supporting documentation.
- Conduct advisory calls with the agency to provide guidance on custom input derivation and methodology.

Task Seven: Regional Water Loss Control Work Group (Leak Work Group)

7.a Leak Work Group

A productive, well-attended Leak Work Group is the cornerstone of the BAWSCA Water Loss Control Program.

E Source 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, E Source will provide monthly progress updates, communicating with BAWSCA staff on the status of the Participating Agencies. At the close of each year's work, E Source 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. E Source 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 2021-22 levels per BAWSCA's request. The following are the FY 2022-23 program rate schedule and billing rates for this contract amendment:

Rate Schedule

Program Item	Subtask Selection	Unit Cost x Quantity	Total Cost
A. Level 1 Validation	<input type="checkbox"/> Level 1 Validation	\$2,500	
1. Program Management	<input type="checkbox"/> 1.a Ongoing Administration	\$390 x ____ # of subtasks selected from 2.a, 2.b, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a, 5.a, 5.b, 5.c	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$730 required if any subtasks beyond validation are selected	
2. Water Audits & Data Sources	<input type="checkbox"/> 2.a Water Audit Compilation & Reporting	\$6,840	
	<input type="checkbox"/> 2.b Billing Data Analysis	\$4,480	
	<input type="checkbox"/> 2.c Source Meter Volumetric Accuracy Testing & Reporting	Determined upon discussion with E Source	
	<input type="checkbox"/> 2.d Field Pressure Survey & Reporting	\$12,920	

	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	<i>Determined upon discussion with E Source about audit support needs (rates in Table 1 below)</i>	
3. Leakage Analysis & Recovery	<input type="checkbox"/> 3.a Real Losses Component Analysis	\$22,360	
	<input type="checkbox"/> 3.b Leak Detection – Preparation, Kick Off & Reporting	\$4,740 <i>(required if conducting leak detection)</i>	
	<input type="checkbox"/> 3.c Leak Detection – Survey	<i>Price based on tiered rate (see Table 2)</i>	
4. Customer Meter Accuracy & Testing	<input type="checkbox"/> 4.a Apparent Loss Analysis & Reporting	\$10,240	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing	<i>See Separate Agreement</i>	
5. Targeted SWRCB Water Loss Standard Assistance	<input type="checkbox"/> Targeted SWRCB Water Loss Standard Assistance	<i>Determined upon discussion with E Source</i>	
6. BAWSCA Administration Fee			\$150
7. Maximum Program Cost		Total Items 1 - 6	\$

Billing Rates

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

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

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

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

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Hanson Bridgett for FY 2022-23 (Legal Counsel)**

Summary:

The annual contract for legal services should be executed by July 1, 2022. 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 2022-23. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount for legal services is \$781,500 and is contained in the FY 2022-23 Proposed Operating Budget. As of May 1, 2022, the proposed budget of \$781,500 is \$58,000 higher 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, 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 \$781,500.

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 2022-2023. The proposed hourly rates for FY 2022-23 represent an approximate 4% to 7% increase compared to the last rate increase of approximately 5% in FY 2021-22.

EXHIBIT A

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

DRAFT

FY 2022-23 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 2022-23.

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; and
- 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. BAWSCA and San Francisco do not foresee the need to use the RFA as a funding mechanism at this time.

Assistance Achieving FY 2022-23 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 finalizing the WSA 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 and scoping for an update to the Strategy
- 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: \$781,500

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

Conservation, FERC, Urban Water Mgmt. Plan	\$502,000
Water Supply Agreement Administration Fair Pricing	\$82,000
Water Supply Agreement Administration Reliability	\$56,500
SFPUC 10-Year CIP, WSIP and Water Reliability	\$28,000
BAWSCA (General legal)	\$111,000
<u>RFA & BAWUA (General legal)</u>	<u>\$2,000</u>
Total	\$781,500

This breakdown of activities is based on estimates at the time of budgeting. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$781,500. 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 2022-23

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 2022-23 represent an approximate 4% to 7% increase compared to the last rate increase of approximately 5% in FY 2021-22. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$781,500.

FY 2022-23 RATES

Partner	\$440/hour
Senior Counsel	\$400/hour
Associates	\$375/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 2022-23.

Fiscal Impact:

The not-to-exceed amount of \$150,000 for strategic services is included in the proposed Operating Budget for FY 2022-23. As of May 1, 2022, 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 2022-23 require additional strategic counsel, the Board would be asked to reprogram the FY 2022-23 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 2021-22, 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 2022-23, strategic services are needed to help BAWSCA achieve its results. Two major results to be achieved in FY 2022-23 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 2022-23 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.

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 2022-23 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.

<u>Name</u>	<u>Hourly Rate</u>
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/Water Management)**

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 2022-23.

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 that would provide member agencies 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 2022-23 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 the same as the FY 2021-22's contract budget and includes an overall increase of 3.9% in billing rates for several 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. The subscription program services billing rates are the same as FY 2021-22.

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 Hazen and Sawyer to support use of the Model to evaluate their individual water supply options and strategies on a subscription basis.**

Discussion:

BAWSCA's Regional Water System & Supply Modeling Tool (Model) was developed in FY 2017-18 for BAWSCA by Hazen & Sawyer following a competitive proposal process. Since then, Hazen & Sawyer have continued to provide technical support with the 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.

Since its development, the Model has been used to analyze different water resources scenarios (for example, supporting evaluation of the feasibility and potential benefits of participating in the Los Vaqueros Expansion Project) and provide information to support member agencies' Urban Water Management Plans and other State required plans. The Model also continues to be updated with new data including updated water demand projections and supply reliability.

For FY 2022-23, major tasks to be performed include the continued use of the Model to perform water resources evaluations. Particular efforts anticipated include updating the Model to reflect new demand estimates, updates to the Long-Term Water Supply strategy, support of annual Water Supply and Demand Assessments, continued review of the water supply benefits of the Los Vaqueros Expansion Project, and continued training of BAWSCA staff members on use of the model.

This is now the sixth Amendment to the agreement between BAWSCA and Hazen & Sawyer. It is likely that BAWSCA will continue to seek the annual support of Hazen & Sawyer to provide professional services as need to support BAWSCA's work efforts that involve the use of the Model. Given that likelihood, in FY 2022-23, BAWSCA will be negotiating a new agreement with Hazen & Sawyer to allow for a more streamlined process for annual renewals. If that approach is followed, BAWSCA will routinely review the consulting rates proposed by Hazen & Sawyer to assure those rates are fair and competitive.

Scope of Work and Billing Rates: Services – Results to Be Achieved:

Exhibit A shows the draft scope of work and billing rates for work proposed to support BAWSCA Requested Modeling Efforts in FY2022-23.

Exhibit B shows the draft scope of work and billing rates for work proposed under a subscription program with member agencies in FY2022-23.

Exhibit A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Hazen and Sawyer to Support BAWSCA's Use
of the Regional Water System & Supply Modeling Tool**

DRAFT

FY 2022-2023 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, FY 2019-20, FY 2020-21, and FY 2021-22, BAWSCA extended the Agreement to exercise its option for the services contemplated in the RFP. BAWSCA wishes to provide an additional extension for FY 2022-23 as further described below.

Work to Be Performed:

Task 1 – Updates to Water Supply Model Baseline Scenario

Regional agencies (i.e., SFPUC, Valley Water, and ACWD) have recently completed updates to their long-term planning process via revised UWMPs and Water Supply Master Plans. Under Task 1, Consultant will modify relevant inputs to the Model for consistency with the most recent long-term planning documents. These inputs may include demands, infrastructure capacities, operating rules, or hydrologic time series.

Task 2 – Water Supply Model Alternatives Analysis and Regional Planning Support

Under Task 2, Consultant will use the Model to continue to evaluate the effects of new/alternate water supply sources; droughts; and regulations affecting water supply availability. Work performed under this task will be conducted on an as needed basis requested by BAWSCA.:

Task 3 – 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 4 – 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 5 – Training

The consultant will provide as needed training for BAWSCA staff on the Model.

Task 6 – Annual Water Supply and Demand Assessment Update

The Consultant will support BAWSCA staff to initialize and execute the Model, and provide output from the Model, in support of the annual Water Supply and Demand Assessment (WSDA) for each Member Agency.

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)	\$189.00/hour
Associate (Alex Gorzalski)	\$170.00/hour
Project Engineer (Leah Benschling)	\$150.00/hour
Project Engineer (Diane Roher)	\$135.00/hour
Project Engineer (Kinsey Hoffman)	\$120.00/hour
Engineer-in-Training (Audrey Gozali)	\$145.00/hour
Engineer-in-Training (Stephanie Lin)	\$145.00/hour

Exhibit B

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Hazen and Sawyer to Provide Assistance to Member Agencies' Use
of the Regional Water System & Supply Modeling Tool on a Subscription Basis**

DRAFT
FY 2022-2023 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 (Contractor) was awarded a one-year contract to develop the Model and provide support services. In Fiscal Year (FY) 2018-19, FY 2019-20, FY 2020-21, and FY 2021-22, 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 Sixth Amendment, BAWSCA Member Agencies will continue to have access through the period beginning on July 1, 2022 through June 30, 2023.

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 2022 – June 2023 Rate Schedule for BAWSCA Member Agency Subscription Program Services

Classification	Applicable Staff	Hourly Rate*
Principal-in-Charge, QA/QC	Greg Gates, Marc Solomon, Grantley Pyke	\$250-320
Associate / Project Manager	Luke Wang, Tony Pulokas, Alex Gorsalski	\$180-295
Project Engineer	Kinsey Hoffman, Diane Roher, Leah Benschung	\$112-190
Engineer-in-Training	Audrey Gozali, Stephanie Lin	\$105-165

Reimbursable Charges	Rates
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 Immersiv Media to Support Implementation of the BAWSCA Website and Water Conservation Database for FY 2022-23**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Immersiv Media (Immersiv) to provide hosting, maintenance, and technical support services for the on-going implementation of the BAWSCA website and BAWSCA Water Conservation Database (WCDB) for FY 2022-23.

Fiscal Impact:

The proposed FY 2022-23 BAWSCA budget includes \$7,200 for consulting support services for technical support and hosting of (1) the BAWSCA website at a cost of \$300/month and (2) the WCDB at a cost of \$300/month. The proposed budget is consistent with the current year's adopted operating budget.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Immersiv, subject to legal counsel's final review, for a not-to-exceed amount of \$7,200 to provide hosting, maintenance, and technical support services for the BAWSCA website and WCDB in FY 2022-23.

Discussion:

The WCDB and website are both critical to BAWSCA's communication and information sharing. The WCDB has enhanced member agency's water conservation and Annual Survey reporting efforts at reasonable cost. Immersiv was selected through two competitive processes to provide website development and maintenance services and WCDB development and maintenance services.

Website Hosting, Maintenance and Technical Support Services

In FY 2015-16, BAWSCA selected Immersiv, through a competitive procurement process, to redesign the BAWSCA website. Since the website was completed in February 2016, Immersiv has provided BAWSCA with hosting, maintenance, and technical support services at a cost of \$3,600 per year (\$300 per month). For FY 2022-23, the proposed cost will remain unchanged at \$300 per month for the website services.

Water Conservation Database Hosting and Technical Support Services

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

In FY 2016-17, BAWSCA contracted with Immersiv to upgrade the WCDB at a budget of \$39,000. Immersiv was selected through a competitive procurement process, separate from the website procurement process previously discussed. Since the upgraded WCDB launched in June 2017, Immersiv has provided BAWSCA with ongoing hosting and technical support services at a flat rate of \$300 per month. For FY 2022-23, the proposed cost will remain unchanged at \$300 per month for the WCDB services.

Scope of Services – Results to be Achieved:

The draft scope of services for FY 2022-23 is shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
And Immersive Media
To Support BAWSCA Website and Water Conservation Database**

DRAFT

SCOPE OF SERVICES – FY 2022-23

Purpose:

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

Work to Be Performed:

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

A. Customer Support Services

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

B. Website Analytics

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

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

C. Web Hosting

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

Task 2 — BAWSCA WCDB Hosting and Maintenance

A. Customer Support Services

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

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

B. WCDB Website Hosting

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

Not to Exceed Contract Limit: \$7,200

Rates & Charges:

Website Hosting Services: \$300/month

WCDB Hosting and Maintenance: \$300/month

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with KNN Public Finance (KNN) for FY 2022-23. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$63,500 is included in the proposed FY 2022-23 Operating Budget. The proposed budget is \$40,000 less than the current year's adopted budget because the \$40,000, funded by the excess bond stabilization fund in FY 2021-22 paid for the non-contingent portion of the municipal advisory services needed during BAWSCA's recent bond refunding effort, is not needed in FY 2022-23. There will be no increase in billing rates for FY 2022-23.

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 \$63,500 to provide BAWSCA assistance with its analyses of SFPUC's reports and financial information.

Discussion:

KNN has been BAWSCA's financial advisor since FY 2002-03. KNN provides analyses that assist BAWSCA's review and interpretation of SFPUC reports and other financial information. For example, KNN assisted BAWSCA in reviewing the SFPUC's revenue and expenditure projections, bond refund authorizations and proposed operating and capital budgets. During FY 2021-22, 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 and the recent bond refunding.

For FY 2022-23, KNN will assist in reviewing the Wholesale Revenue Requirement calculations for FY 2020-21 and FY 2021-22, verifying the wholesale share of SFPUC's debt service, supporting BAWSCA's on-going bond administration, and providing recommendations that best serve the interests of the water customers.

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

The draft scope of services and billing rates with KNN for FY 2022-23 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 KNN Public Finance**

DRAFT

FY 2022-23 SCOPE OF SERVICES FOR ON-GOING FINANCIAL ADVISORY SERVICES

Purpose

For FY 2022-23, 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 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

Rates & Charges:

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

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Orrick for FY2022-23 for as needed on-going legal support associated with the Revenue Bonds Series 2013A & Series 2013B (Taxable) issued in February 2013 and the Refunding Bonds Series 2023A that is scheduled to be issued in January 2023. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$15,000 is included in the Proposed FY 2022-23 Operating Budget for these services. The proposed budget is \$47,000 less than the current year's adopted budget mainly due to the removed scope of service for the non-contingent portion of the bond counsel services for BAWSCA's recent bond refunding effort, which is not needed in FY 2022-23. There will be no increase in billing rates for FY 2022-23.

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 \$15,000 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, and also during BAWSCA's recent bond refunding effort.

Orrick has been providing BAWSCA ongoing legal support on the bond documents since 2013.

For FY 2022-23, 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.

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 2022-23 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 Orrick, LLP
for Ongoing Bond Related Legal Support**

DRAFT

FY 2022-23 SCOPE OF SERVICES

Purpose:

For FY 2022-23, BAWSCA requires on-going legal support on the bond documents prepared by Orrick associated with the Revenue Bonds issued in February 2013 and the refunding bonds that is scheduled to be issued in January 2023.

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: \$15,000

Rates and Charges:

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

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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 2022-23 to provide investment advisory services for BAWSCA's bond funds deposited at the Trustee. 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 is included in the Proposed FY 2022-23 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 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 2022-23, 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 2022-23 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 Public Trust Advisors LLC**

DRAFT

FY 2022-23 SCOPE OF SERVICES

Purpose

For FY 2022-23, BAWSCA requires on-going professional investment advisory services on the agency's 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 2022-23 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.

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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 2022-23. 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 has been providing this service to BAWSCA since FY 2021-22.

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 total not-to-exceed amount of \$105,000 is included in the Proposed FY 2022-23 Operating Budget for these services. The proposed budget is \$10,000 less than the amount included in the adopted budget for FY 2021-22 and does reflect a 5% rate increase.

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 \$105,000 to provide as needed professional services to monitor the SFPUC's implementation of the WSIP and 10-Year CIP.

Discussion:

In FY 2022-23, 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 (RGSRP) 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 only two principal projects that remain in the WSIP, the scheduled completion is not until February 1, 2027. The time to complete the construction of the RGSRP is now dictating the WSIP completion date. 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 work plan to officially include tracking of 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 formally

engage BAWSCA in the 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 developed a new 10-year CIP that was adopted in January of 2023. The SFPUC has indicated that a mid-cycle update to the 10-year CIP will be performed in Fall 2022. Mr. Sykes and his team will support BAWSCA staff in the review of that mid-cycle update.

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.

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

The draft scope of services and billing rates for FY 2022-23 are shown in Exhibit A.

EXHIBIT A

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

DRAFT FY 2022-23 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 2022-23, work will include assisting BAWSCA staff in the review of the draft update 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.
- Assist BAWSCA with the review of the SFPUC State of the Regional Water System Report.
- Assist BAWSCA with review of implementation of SFPUC's Asset Management Policy, including reviews of reports/documentation relative to SFPUC's Asset Management Plan(s).
- Assist BAWSCA with the review of the SFPUC's Annual Report on Water Enterprise Managed Capital Improvement Projects
- Participate in discussions with SFPUC and consultants and provide expert advice related to realistic project cost estimates, 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: \$105,000

Rates and Charges:

<u>Name</u>	<u>Hourly Rate</u>
Richard G. Sykes	\$210.00
Jean Gardner	\$148.25

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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 2022-23 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 2022-23 Operating Budget. The proposed budget is the same as in the current year's adopted budget with no increase in billing rates.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Stetson Engineering, subject to legal counsel's final review, for a not-to-exceed amount of \$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 2022-23 are shown in Exhibit A.

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

DRAFT

FY 2022-23 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
Unexpected Activities	2,500
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

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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 2022-23 to assist BAWSCA's efforts to review SFPUC Asset Management Program and practices. Additionally, the FY 2021-22 scope of work was amended to provide needed support related to BAWSCA's efforts to plan for implementation of California's water use efficiency legislation and it is anticipated that some additional support in this area may be requested by BAWSCA in FY 2022-23. 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 2022-23 Operating Budget. The proposed budget is the same as the adopted FY 2021-22 budget and includes a 5% proposed increase in rates.

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 2022-23, it is anticipated that West Yost Associates will 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.

In FY 2021-22, BAWSCA amended the contract with West Yost to provide support for BAWSCA's efforts to plan for the implementation of California's water use efficiency legislation. West Yost has staff with expertise on water use efficiency that has proven to be extremely helpful to BAWSCA this fiscal year. Additional support on that effort may be called upon by BAWSCA in FY 2022-23, if desired by BAWSCA.

Scope of Work and Billing Rates:

The Draft Scope of Work for FY 2022-23 is provided as Exhibit A. The proposed billing rates reflect a 5% increase in FY 2022-23.

EXHIBIT A

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

DRAFT

FY 2022-23 SCOPE OF SERVICES

Work to be Performed:

Task 1. Project Management

West Yost will manage the project budget and schedule as noted below. Monthly invoices will be developed for the preceding months' work and submitted to BAWSCA. A summary of the month's activities will be included in each invoice. Since this project will be subject to the actual progress of SFPUC, 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 2.1 Water Use Efficiency Legislation Support

BAWSCA is developing materials and other resources to communicate information on the new California water use efficiency legislation to the BAWSCA member agencies. West Yost will support BAWSCA in this initiative by providing the following assistance on an on-call basis:

- Assist BAWSCA staff to interpreting specific aspects of the new legislation. West Yost may be asked to present on one or more specific topics during the webinars held with member agencies on the new legislation
- Assist with compilation and organization of key DWR documents and other available information on the new water use legislation for posting on the BAWSCA website.
- Coordinate with BAWSCA staff to brainstorm and develop ideas for outreach to the BAWSCA member agencies.
- Provide other support to BAWSCA as needed.

Task 2.2 Review SFPUC's Asset Management Plan Initiatives

SFPUC is embarking upon the implementation of their Asset Management Policy as approved by their Commission in December 2020. Further, at this time both the Water Supply and Treatment (WST) and Hetch Hetchy Water and Power (HHWP) Divisions are developing several initiatives to broaden their asset management programs. 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:

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- 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 Contract Limit: \$45,000

Rates and Charges:

<u>Name</u>	<u>Hourly Rate</u>
Mike Zacharia	\$291
Polly Boissevain	\$316
Elizabeth Drayer	\$329
Administrative	\$146

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Woodard & Curran for FY 2022-23 to Support Tier 2 Plan Update**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract amendment with Woodard & Curran, Inc. (W&C) to provide technical assistance as BAWSCA facilitates a comprehensive update to the Tier 2 Drought Response Implementation Plan (Tier 2 Plan) at the direction of, and in partnership with, its member agencies.

Fiscal Impact:

The contract not-to-exceed amount of \$72,000 for Phase 2 of the Tier 2 Plan Update is included in the Proposed FY 2022-23 Operating Budget.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Woodard & Curran, Inc., subject to legal counsel's final review, for an amount not to exceed \$72,000 to complete the Tier 2 Plan Update.

Discussion:

Woodard & Curran was selected through a competitive bidding process in 2021. The Board approved the contract in January 2022. At the time the contract was approved, it was understood that the project would extend into FY 2022-23.

As part of its proposal, Woodard & Curran provided a scope of work for Phase 1 of the Tier 2 Plan Update with tasks anticipated to be complete in FY 2021-22. BAWSCA and Woodard & Curran developed a scope schedule, and budget for the Phase 2 efforts based on work expected to be completed in FY 2021-22. Phase 2 reflects the anticipated level of engagement with member agencies needed in FY 2022-23 to complete the Tier 2 Plan Update.

Background:

The 2018 Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers (WSA) includes a Water Shortage Allocation Plan to allocate water from the Regional Water System (RWS) to SFPUC Retail and Wholesale Customers during system-wide shortages of 20 percent or less (Tier 1 Plan). The WSA also authorizes the Wholesale Customers to adopt a methodology for allocating RWS water which is collectively available to the 26 Wholesale Customers among themselves (Tier 2 Plan). The WSA commits the SFPUC to honor allocations of water unanimously agreed to by the Wholesale Customers or adopted by the Board of Directors. If BAWSCA or all Wholesale Customers do not provide the SFPUC with Tier 2 Allocations, SFPUC may make a final allocation decision.

The Wholesale Customers unanimously adopted a Tier 2 Plan in 2011 with a December 31, 2018 term end date. This was intended to coincide with SFPUC's planned 2018 decision on whether to make interruptible customers permanent customers. However, that decision was

subsequently delayed until 2028. Between 2018-2021, the Board has adopted the 2011 Plan, extending it through the end of the successive calendar year. On November 18, 2021, the Board adopted the 2021 Amended and Restated Tier 2 Plan, extending it to the end of calendar year 2022.

The Board and Water Management Representatives (WMR) have determined that the current Tier 2 Plan is no longer sufficient to meet the Wholesale Customers' water supply planning needs and an update is necessary to account for changes in water use and supplies since it was developed and adopted in 2011.

The Tier 2 Plan is an agreement among the BAWSCA member agencies. BAWSCA's role is to facilitate negotiations of an updated Tier 2 Plan between the member agencies, as represented by the WMR. As such, the Tier 2 Plan Update, including the selection and weighting of components that factor into the calculation of water supply allotments, are the responsibility of each member agency and their assigned representatives.

The Board and BPC will be kept apprised of the work effort at critical junctures, such as when policy objectives are agreed to by the member agencies. Further, the Board and BPC will be given updates as to how the work effort is proceeding, including but not limited to any indication that significant challenges or stumbling blocks are observed by BAWSCA staff. Board Members are encouraged to engage with their appointing agency staff, particularly if a Board Member identifies that guidance is warranted.

Scope of Work and Billing Rates:

The draft scope of work and billing rates for FY 2022-23 are provided in Exhibit A.

EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Woodard & Curran

DRAFT

FY 2022-23 SCOPE OF SERVICES

BAWSCA Drought Allocation Plan
Scope of Work – Phase 2 (July 1 Through December 31, 2022)

Task 1: Project Management

Woodard & Curran will provide administrative services to oversee the day-to-day implementation of the Project. To keep the work on schedule and budget, Woodard & Curran will provide BAWSCA with monthly status and budget updates by task. Monthly status and budget updates will be shared via email and include, as an attachment, a cover letter summarizing the work effort in combination with updated Excel spreadsheets detailing budget and schedule status. Woodard & Curran's project manager will regularly meet with the BAWSCA project manager and management via phone or video conference to discuss Project goals, progress, and outcomes. Six (6) monthly Progress Meetings are assumed. These meetings may be combined with meetings described in other tasks in this Scope of Work, where determined to be appropriate by the BAWSCA project manager.

Deliverables:

- Monthly Project Progress Reports and Invoices
- Meeting Notes for Monthly Project Progress Meetings

Task 2: Develop Final Tier 2 Plan

2A: Revise and Finalize the Allocation Methodology

Woodard & Curran will revise and finalize the allocation methodology based on comments received from BAWSCA and the Wholesale Customers. Woodard & Curran will prepare up to five (5) major iterations of the methodology with minor revisions in between. With each iteration, Woodard & Curran will provide the archived results across each of the reliability scenarios. Once the methodology is finalized, Woodard & Curran will provide BAWSCA with the finalized allocation model, along with allocation model user instructions. Woodard & Curran will host a training session on final model and will provide a recording of the session.

Deliverables:

- Draft Summary Results (5)
- MS Excel Allocation Model
- Allocation Model User Instructions
- Allocation Model Training Session and Recording

2B: Prepare Technical Report

To support adoption of the updated Tier 2 Plan by the Wholesale Customers, Woodard & Curran will prepare a technical report that will include at a minimum the following: 1) introduction (background and purpose); 2) process for preparation of Tier 2 Plan; 3) description of policy objectives; 4) discussion of the model and detailed user instructions; and 5) conclusions. The report will include charts and sample calculations. Woodard & Curran will assist BAWSCA with the preparation of a presentation to the BAWSCA Board and the Wholesale Customers' governing boards/councils as needed.

Deliverables:

- Draft Technical Report
- Final Technical Report
- MS PowerPoint Presentation to Support Board/Council Adoption

Task 3: Integration with Regional Reliability Model

The Woodard & Curran team will integrate the completed Excel based allocation model directly into the existing BAWSCA's Regional Reliability Model in RiverWare for future reliability planning and real time plan implementation. This will include the use of the same datasets, and calculation steps used in the Excel based model with a dynamic link to the SFPUC's supply reliability and local supply availability in the RiverWare model. This would have the benefit of streamlining future planning analyses when examining future regulatory impacts or changes or improvements to SFPUC's supply reliability.

Deliverables:

- Updated Regional Reliability Model

Assumptions:

- Budget for integration with Regional Reliability Model is an initial estimate only and may need to be revised following completion of Task 2

Task 4: Wholesale Customer Meetings

Woodard & Curran will attend up to four (4) meetings with the Wholesale Customers to support revising and finalizing the Tier 2 Plan methodology (Task 2A). BAWSCA's project manager and management will lead the meetings and facilitate discussions. Woodard & Curran will assist in preparing meeting presentation and will be prepared to answer questions as may be raised at the meetings regarding the calculations performed. Woodard & Curran will take notes and prepare a summary for the meetings they attend.

Deliverables:

- Meeting Notes

Assumptions:

- Meetings will be held virtually

Optional Task 5: Additional Meetings

Woodard & Curran will attend additional meetings with the Wholesale Customers if needed to develop the new Tier 2 Plan, and as described in Task 4. Additional meeting attendance includes: 1) two (2) hours pre-meeting preparation; 2) two (2) hours of meeting attendance; and 3) two (2) hours follow up to finalize meeting notes and potential phone call with BAWSCA staff.

Deliverables:

- Meeting Notes

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 2022-23**

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 2022-23. 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:

This program will be offered on a subscription basis. For FY 2022-23, 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 2022-23; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2022-23 will be the sixteenth year that the Water Wise School Education Program has been offered to BAWSCA member agencies. Eight agencies are currently participating in the program. A 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 5th grade students and includes (1) an 8-unit curriculum that is given to teachers, and (2) a water audit kit. There are three types of educational kits that an agency may opt to fund: an Indoor Water Audit Kit, an Outdoor Water Audit Kit, and a LivingWise Water and Energy Audit Kit.

Since its inception, the Water Wise School Education Program has been a cost-effective program that generates real water savings while providing an excellent customer education opportunity. Through FY 2020-21, 40,681 students have participated in the program, and the estimated lifetime water saving from kits installed has reached 7,264 acre-feet.

Because of its connection with school children, this program would be initiated in September 2022 and run through June 2023. 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 2022-23 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.

Scope of Work and Billing Rates:

The draft scope of work for FY 2022-23 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 2022-23
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, 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 5th grade participant sponsored, the program will attempt to fulfill the following objectives:

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

ESTIMATED PROGRAM RESULTS

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

Projected 10 Year Savings:

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

(Actual results will vary)

PROGRAM MATERIALS

Each sponsored teacher and student will receive a **BAWSCA Indoor WaterWise** 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, 2023, 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 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, 2023, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2023, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2023. In addition, based on the results of the surveys returned to Contractor by March 10, 2023, 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 2022 – July 2022	Receive sponsor funding commitment
September 2022 – May 2023	Teacher Outreach / Enrollment Process
September 2022 – May 2023	Program and Kit Delivery
September 2022 – June 2023	Program Implementation
March 15, 2023	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2023	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 \$36.95, broken down as follows: \$17.95 Materials, \$9.25 Service Fee, \$7.25 Reporting Service Fee, and \$2.50 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 5th grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of **BAWSCA Indoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

EXHIBIT B
AM Conservation Group, Inc.

Draft FY 2022-23
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, 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 5th grade participant sponsored, the program will attempt to fulfill the following objectives:

- Install 2 High-efficiency TORO Sprinkler nozzles and 1 hose spray nozzle
- Check hoses for leaks and repair if needed.
- Install one Garden Hose Spray Nozzle.
- Conduct an audit of the lawn's water needs and the sprinkler system's efficiency.
- Collect outdoor household audit information on 1 residential home
- Reshape family resource usage habits and attitudes for 1 household

ESTIMATED PROGRAM RESULTS

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

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

PROGRAM MATERIALS

Each sponsored teacher and student will receive a **BAWSCA Outdoor WaterWise** 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, 2023, 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 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, 2023, CONTRACTOR will alert BAWSCA.

N. Providing a Preliminary Program Summary Report. No later than March 15, 2023, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2023. In addition, based on the results of the surveys returned to Contractor by March 10, 2023 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 2022 – July 2022	Receive sponsor funding commitment
September 2022 – May 2023	Teacher Outreach / Enrollment Process
September 2022 – May 2023	Program and Kit Delivery
September 2022 – June 2023	Program Implementation
March 15, 2023	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2023	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 \$34.50, broken down as follows: \$15.50 Materials, \$9.25 Service Fee, \$7.25 Reporting Service Fee, and \$2.50 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 5th grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of **BAWSCA Outdoor WaterWise** Program Participants that enroll in the program and receive the WaterWise Materials.

EXHIBIT C
AM Conservation Group, Inc.

Draft FY 2022-23
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, 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 5th grade participant sponsored, the program will attempt to fulfill the following objectives:

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

ESTIMATED PROGRAM RESULTS

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

Projected 10 Year Savings:

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

(Actual results will vary)

PROGRAM MATERIALS

Each sponsored teacher and student will receive a **BAWSCA LivingWise** 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, 2023, 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 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, 2023, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2023, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2023. In addition, based on the results of the surveys returned to Contractor by March 10, 2023, 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 2022 – July 2022	Receive sponsor funding commitment
September 2022 – May 2023	Teacher Outreach / Enrollment Process
September 2022 – May 2023	Program and Kit Delivery

September 2022 – June 2023	Program Implementation
March 15, 2023	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2023	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 \$49.70 broken down as follows: \$30.70 Materials, \$9.25 Service Fee, \$7.25 Reporting Service Fee, and \$2.50 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 5th grade classrooms as possible, within the sponsor's service territory, and shall not exceed the funding limits designated by the Program sponsor. Program sponsors will be billed by BAWSCA for the actual number of BAWSCA **LivingWise** Program Participants that enroll in the program and receive the **LivingWise** Materials.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with EarthCapades to Implement a School Assembly Program for FY 2022-23**

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 2022-23. 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:

This program will be offered on a subscription basis. For FY 2022-23, 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 2022-23; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2022-23 will be the eleventh 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 2022 and run through June 2023. The scope of work for FY 2022-23 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 2022 EarthCapades school assemblies were administered virtually with the approval of the participating agencies. The EarthCapades Program will continue to be offered virtually for the 2022-2023 school year.

Scope of Work and Billing Rates:

The scope of work and billing rates for FY 2022-23 is shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
And Earthcapades for School Assembly Program**

DRAFT

FY 2022-23 SCOPE OF SERVICES

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 2022-23 school year, August 2022 through June 2023.

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, 2022, or sooner. If, during the course of FY 2022-23, 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, 2022.
- 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, 2022. EarthCapades will provide comments on drafts to Local Water Agencies by July 24, 2022.
- Local Water Agencies will mail a Letter of Invitation with a Email Request Form to all eligible schools by August 3, 2022. 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, 2022 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 2023, 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, 2022.

- 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, 2023 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 2022-23**

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 2022-23. 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 will be offered on a subscription basis. For FY 2022-23, 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 Global Sun Landscape, subject to legal counsel's final review, for implementation of the Lawn Be Gone! Site Inspection Program in FY 2022-23; and,**
- 2. Offer participation in the program to 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. Customer sites must undergo a pre-inspection and post-inspection to determine eligibility and compliance with the program terms.

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

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

Scope of Work and Billing Rates:

The draft scope of work for FY 2022-23 is 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 Global Sun Landscape
for Lawn Be Gone Site Inspection Services**

DRAFT

FY 2022-23 SCOPE OF SERVICES

Purpose:

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

Work to be Performed:

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

Rates and Charges:

The unit costs are shown below.

<u>Item</u>	<u>Unit Cost (per site)</u>
Pre-Inspection Services - Residential sites and Commercial up to 1,000 sq. ft.	\$99
Post-Inspection Services – Residential sites and Commercial up to 1,000 sq. ft.	\$99
Pre-Inspection Services - Commercial sites over 1,000 sq. ft.	\$129
Post-Inspection Services –Commercial sites over 1,000 sq. ft.	\$129
Lawn Be Gone! Customer Hotline	\$67
Bridge Toll (if applicable)	\$7

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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 2022-23**

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 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:

This program will be offered on a subscription basis. For FY 2022-23, 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 subject to legal counsel's final review, for implementation of the DSS Model Support Services Program in FY 2022-23; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

In 2021, BAWSCA contracted with MWM to complete the BAWSCA Water Demand Update Project (Demand Study Update). The Demand Study Update involves updating DSS Models for the BAWSCA agencies to develop water demand projections through 2045. The Demand Study Update will be completed by December 2022, and the results will support the BAWSCA agencies in preparing for compliance with the new statewide water use efficiency requirements.

Following completion of the Demand Study Update in 2022, 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 2022-23 are shown in Exhibit A.

EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Maddaus Water Management
for As Needed DSS Model Technical Support

DRAFT

FY 2022-23 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 will be updated by December 2022 as part of the BAWSCA Water Demand Update 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 2022-2023

Person	Position	Service/Discipline	Years Exp.	Education/Degree	Hourly Rate
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
Nicki Powell	Water Resources Analyst	Water Resource Planning and Management		B.S. Environmental Studies	\$115
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	40	Ph.D. Policy Analysis	\$200

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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 2022-23**

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 2022-23. The Program, which would be implemented as a Subscription Program as part of BAWSCA's Water Loss Management Program, will provide volumetric customer water meter accuracy testing services. This program supports efforts by BAWSCA agencies to reduce water losses to an economically optimized level and to comply with water loss requirements implemented by California as part of SB 555.

Fiscal Impact:

This program will be offered on a subscription basis. For FY 2022-23, 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 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 2022-23; and**
- 2) Offer participation in the Program to 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 as part of BAWSCA's Regional Water Loss Control Program (Program). The Program includes two components: (a) bench testing of small meters and (b) field testing of large meters (greater than 2-inch diameter). The goal 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, six agencies are participating in the Program and have expressed a strong interest to continue participating in the program next year.

Scope of Work and Billing Rates:

The draft scope of work and rates for FY 2022-23 is 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 M&M Backflow and Meter Maintenance
for Customer Water Meter Accuracy Testing Services**

DRAFT

FY 2022-23 SCOPE OF 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 E Source, either via phone or in person, to discuss Project goals, progress, and outcomes.

Task 2 – Meetings

- Meet with BAWSCA, Participating Agencies, and E Source 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 E Source 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 BAWSCA, 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 E Source. 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 E Source to evaluate the meter testing program

- E Source, 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. E Source will author the report and will require both verbal and written input from the Contractor.

Rates and Charges:

Program Item	Unit Cost x Quantity
A. Bench Testing – 5/8" x 3/4" Meters	\$15.00/meter for less than 10 meters \$12.50/meter for 10 or more meters
B. Bench Testing – 3/4" Meter Short Length Meter Tests	\$15.00/meter for less than 10 meters \$12.50/meter for 10 or more meters
C. Bench Testing – 3/4" Long Meter Tests	\$17.50/meter for less than 10 meters \$15.00/meter for 10 or more meters
D. Bench Testing – 1" Meter Tests	\$25.00/meter for less than 10 meters \$20.00/meter for 10 or more meters
E. Bench Testing – 1 1/2" and 2" Meters	\$35.00/meter for less than 5 meters \$30.00/meter for 5 or more meters
F. Large Meter Field Testing	\$250.00/meter for less than 5 meters \$195.00/meter for 5 or more meters
G. BAWSCA Administration Fee	\$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 2022-23. 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:

This program will be offered on a subscription basis. For FY 2022-23, 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 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 BAWSCA agencies on a subscription basis.**

Discussion:

In 2019, BAWSCA entered into a partnership with 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, 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 2023 with an opportunity to extend further through June 2023, 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 2022-23 is included in Exhibit A. It is anticipated that the scope will remain largely unchanged from the current scope.

EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Regional Water Authority
for a Regional Smart Controller Rebate Program

DRAFT

FY 2022-23 SCOPE OF SERVICES

A. Project Scope and Description

1. Project Scope. This Project is the Program.
2. Scope of Work. RWA's contract with Rachio, which includes the Scope of Work, is provided in Exhibit A, attached and incorporated by this reference. BAWSCA and BAWSCA's Member Agencies are intended beneficiaries of the RWA-Rachio contract, are entitled to all of the benefits of the contract, including the intellectual property rights set forth in section 14 of the contract, and may enforce the terms of the contract.
3. Limited to Scope of Work. This MOU is intended to cover only the Scope of Work. Further roles and responsibilities for subsequent phases of work on, or other tasks related to, the Project will be determined by negotiations between the Parties.

B. Funding and Payment

1. Funding Commitment.
 - a. For the first year of the MOU, BAWSCA will pay up RWA an administration fee of \$3,000 to reimburse RWA's program administration and contracting costs associated with BAWSCA's participation in the Program.
 - b. For all subsequent years of the MOU, if any, BAWSCA will pay up RWA an administration fee of \$1,000 to reimburse RWA's program administration and contracting costs associate with BAWSCA's participation in the Program.
 - c. RWA will pay for all startup costs, estimated to be ten thousand dollars \$10,000, for the Project.

C. Term

1. Term of Agreement. This MOU is effective upon the Effective Date, and will terminate upon the earliest of: (a) February 31, 2023, unless the parties agree to extend the MOU, or (b) termination by RWA or BAWSCA pursuant to section C-2. The MOU will automatically renew for a one year term annually unless a Party provides thirty (30) days' written notice to the other Party of its intent not to renew the MOU.
2. Termination. Each party may at any time terminate the MOU by giving thirty (30) days' written notice to the other party. Upon termination, neither Party may seek nor be entitled to receive reimbursement for any costs or expenses incurred in connection with

termination of this MOU from the other Party. In the event that RWA terminates the MOU and discontinues the Program, it will provide BAWSCA will the opportunity to assume RWA's contract with Rachio so BAWSCA may manage the contract.

D. Responsibilities

1. Rachio Management.

- a. RWA will hold the contract with Rachio and will be responsible for administration of the contract for the Program. RWA will be responsible for all contract costs and administration costs except as noted in this MOU.
- b. Notwithstanding the foregoing, BAWSCA will be responsible for administration of the Program for the BAWSCA Member Agencies, including development of the BAWSCA agency participation agreement, timely submittal of participation agreements for participating BAWSCA Member Agencies to Rachio, and communication and coordination of BAWSCA-specific program items with Rachio. Rachio will bill BAWSCA directly for services rendered for BAWSCA Member Agencies (e.g. costs of controller rebates and installation rebates), and BAWSCA will pay Rachio or any installation contractor directly.

2. For purposes of delivering the Scope of Work, RWA agrees to:

- a. Manage the Scope of Work, including developing and carrying out the Scope of Work on schedule and within budget;
- b. Provide technical oversight for performance of the Scope of Work;
- c. Procure and administer the consultant/contractor services to complete the Scope of Work;
- d. Keep BAWSCA apprised of developments, such as award of contracts or potential changes that may affect the scope, schedule, or budget of the Project or Scope of Work; and
- e. Consult with BAWSCA where necessary/appropriate; and
- f. Prepare and provide to BAWSCA status reports including anticipated and expended costs and Scope of Work delivery milestones and schedule forecasts.

3. BAWSCA agrees to:

- a. Provide input on Project deliverables in a timely manner in accordance with the Scope of Work;
- b. Facilitate participation in the Project by its member agencies, as needed;
- c. Provide input and oversight based on local policies and desires regarding the outcome of and deliverables of the Project;
- d. At its discretion, review any professional services agreements, change orders and any other agreements that RWA has entered into for the performance of

Scope of Work; however RWA retains ultimate authority over contracting and related decisions with Rachio;

- e. At its discretion, review the work products and deliverables produced by RWA and/or its contractors/consultants for the Scope of Work, including reports, designs, drawings, plans, specifications, schedules and other materials; however, RWA retains authority to accept or reject contractor/consultant work;
- f. Approve or endorse, in writing, the final deliverables or work products produced by RWA and/or its contractors/consultants for the Scope of Work;
- g. Review progress reports prepared and provided by RWA; and
- h. At its discretion, review and audit invoices and other documentation of the expenditure of funds allocated for the Scope of Work, however RWA retains ultimate authority for expenditure of funds on the Project.

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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 2022-23**

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 2022-23. 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:

This program will be offered on a subscription basis. For FY 2022-23, 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 BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal Year 2022-23 will be the twentieth year that the LLCSP is offered to BAWSCA member agencies. Eleven agencies are currently participating in the program through BAWSCA and 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 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 2021, BAWSCA had 1,433 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, 21% 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 2022-23 is expected to be consistent with the scope of work for prior year's program with no cost increases for existing services.

Scope of Work and Billing Rates:

The draft scope of work for FY 2022-23 is shown in Exhibit A. The scope of work will be updated as necessary during negotiation of a new contract.

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EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Waterfluence
for a Large Landscape Conservation Services Program

DRAFT

FY 2022-23 SCOPE OF SERVICES

Services:

a. Setup

1. Data Collection and Site Selection. For dedicated irrigation accounts, Agency provides Waterfluence with account information including at least one year of historical water use. Waterfluence organizes information and recommends sites to include in the program given account-to-site associations, program objectives and budget. Waterfluence collects water prices and local daily weather data. Agency finalizes site selection.
2. Landscape Maps. For selected sites, Waterfluence creates digital landscape maps based on recent aerial imagery. Maps include polygons measuring the square footage of irrigated turf, irrigated shrubs/trees, and water features.
3. Agency Website Access. Agency staff get online access to 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.
4. Account Holder Access. Waterfluence uses multiple tactics to onboard account holders to its website by leveraging: 1) agency billing phone and email addresses, 2) account holders already in Waterfluence, 3) the landscape contractor community, and 4) interactions with account holders with other agency programs. For sites without a known account holder, Waterfluence prints and mails a packet with an introduction letter and an initial Water Use Report to encourage online participation.

b. Base or Premium Subscription

1. Monthly Data Collection and Notifications. 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 processes new water use and notifies online contacts that updated information is ready to view. Sites without online contacts are mailed a water use report in March (once a year) to help prepare for the irrigation season and encourage online access.

2. Contact Management. Waterfluence continually updates account holder information. This includes monitoring changes in agency account number/billing address and investigating email bounce backs or returned mail envelopes. Agency staff can assist process to maximize program engagement. Account holders can authorize additional stakeholders such as HOA board members and landscape contractors to access their sites' information online.
3. Customer Service. Waterfluence provides customer service to all users via website messages, email, and toll-free telephone number. Agency staff can add messages regarding landscape events, useful hyperlinks, or irrigation policies to the website.
4. Map Updates. Waterfluence maintains and adjusts landscape maps over time as new aerial imagery becomes available. Users are encouraged to modify their site maps online to keep them accurate; Waterfluence staff vet map changes made by users for conformance with mapping guidelines.
5. Hourly Water Data. Agencies with advanced metering infrastructure (AMI) systems can forward hourly data to Waterfluence to process and display on its website. 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.
6. Website Maintenance. Waterfluence continuously maintains all features and security of its website.
7. Annual Report. Each March, Waterfluence creates an annual report summarizing water data from the previous calendar year for agencies with over 100 sites in program. Topics address site characteristics, user engagement, trends in overwatering, and potential ways to improve the program.
8. California SB 606 / AB 1668 Reporting Requirements. For program sites, Waterfluence tabulates all water use and landscape area measurements required by the State of California for the component addressing CII water use with dedicated irrigation meters.

Premium subscription includes all items above plus:

9. Additional Contact Management. Waterfluence staff will average 1 extra hour per site per year to onboard water customers and their stakeholders to www.waterfluence.com.

c. Field Surveys

- c.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.

c.2 Performing Field Surveys. For sites accepting the field survey, Waterfluence will schedule a survey with stakeholders. 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.

c.3 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.

Rates and Charges

FY 2022-2023 DRAFT RATE SHEET

Program Item	Unit Cost
a. Site Setup	\$100 per new site
b. Base Subscription OR Premium Subscription	\$76 \$100 per site
c. Landscape Field Survey	\$1,600 per survey
d. BAWSCA Administration Fee	\$148 per agency

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA Pilot Water Transfer Efforts Report**

Summary:

BAWSCA has completed a report summarizing efforts made in two attempts between 2012 and 2020 to implement a pilot water transfer. While neither attempt was executed, BAWSCA and the partner agencies gained valuable information from the process and made significant progress on developing agreements that may be used in a future pilot water transfer. These agreements have since served as examples for use by others, particularly for those agencies that desire to utilize the San Francisco Regional Water System (RWS) to execute their own water transfers.

The report, “BAWSCA Pilot Water Transfer Efforts,” details the partners, progress made, and lessons learned for each attempt and will serve as a valuable tool for future water transfers. BAWSCA will publish the report on its website and share it with the partner agencies.

Fiscal Impact:

No fiscal impact.

Recommendation:

This item is for information and discussion purposes only.

Discussion:

BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy) identified dry-year transfers with agencies outside of BAWSCA and the San Francisco Public Utilities Commission (SFPUC) as a potential long-term water supply option available to BAWSCA and its member agencies to lessen the degree of rationing during a drought. Implementing a pilot water transfer was a key Strategy recommendation to test the feasibility of a future transfer.

Pilot Water Transfer I

Beginning in 2012, BAWSCA and the East Bay Municipal Utilities District (EBMUD) partnered to investigate water transfer projects to improve the future water supply reliability of each agency, including a short-term, one-year pilot water transfer. For the first pilot water transfer attempt (First Attempt), Yuba County Water Agency (YCWA) was identified as the seller, and EBMUD, the City of Hayward (Hayward), the SFPUC, and the U.S. Bureau of Reclamation (USBR) were identified as having facilities needed to complete the water delivery.

BAWSCA and the partner agencies worked together between 2012 and 2015 to develop necessary agreements and prepare environmental compliance documentation. However, in the summer of 2015, BAWSCA determined that it would not be feasible to implement the First Attempt for two main reasons. First, the drought made it more difficult to obtain the contracts required by USBR for use of their facilities and increased State and Federal environmental compliance requirements. Second, Hayward had significant concerns about a pilot water transfer and needed more time for discussion and investigation.

Pilot Water Transfer II

BAWSCA continued discussions with Hayward and EBMUD in 2016 and 2017 to determine how best to structure the second pilot water transfer attempt (Second Attempt). Amador Water Agency (AWA) was identified as the potential seller for the second pilot water transfer. EBMUD, Hayward, and the SFPUC were identified as having facilities needed to complete the water delivery.

The Second Attempt was scheduled for January of 2020 and timed to coincide with a temporary shutdown of the Hetch Hetchy conveyance portion of the RWS, at which time SFPUC already intended to prepare the Hayward Intertie for potential use.

BAWSCA negotiated agreements with its partner agencies by December 2019. However, the Second Attempt was not implemented. Hayward had concerns about operating its water system in reverse flow and requested that BAWSCA obtain liability insurance to cover damages. Unfortunately, such insurance was not available, and therefore, BAWSCA could not satisfy Hayward's concern.

BAWSCA Pilot Water Transfer Efforts Report

The BAWSCA Pilot Water Transfer Efforts report documents the work performed on the First and Second Attempts and will help guide future transfer attempts. Additionally, BAWSCA has embarked upon a new effort with SFPUC and Alameda County Water District (ACWD) to pilot a water transfer as part of the Bay Area Regional Reliability (BARR) Partnership that was formed to address water resources issues of regional (Bay Area wide) concern.

BAWSCA

Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Nicole Sandkulla, CEO/General Manager
DATE: May 9, 2022
SUBJECT: Chief Executive Officer/General Manager's Letter

Request for Proposals:

Water Conservation Database:

BAWSCA intends to issue a Request for Proposal (RFP) by mid-May 2022 seeking consultant services to support BAWSCA's redesign of the Water Conservation Database (WCDB). This work is included in the proposed FY 2022-23 Work Plan and Operating Budget that the Board will be considering on May 19, 2022. Assuming a successful solicitation process, board consideration and approval of a contract with the selected consultant is scheduled for the July 21, 2022 board meeting.

The WCDB serves as the repository for BAWSCA member agency water use and water conservation program information. BAWSCA's current WCDB was launched in October 2010 and was last updated in FY 2016-17. The WCDB is used to collect data in a consistent format for three specific efforts: (1) conservation activity reporting, (2) BAWSCA Annual Survey reporting on water use and demographic data and (3) DSS modeling and demand projections support. This work will be performed in FY 2022-23.

The WCDB redesign is needed for various reasons. Since 2016, data availability has changed with implementation of Advanced Metering Infrastructure (AMI), development of new conservation programs with different metrics than traditional rebate programs, and implementation of new State reporting requirements. Additionally, the State has taken steps to streamline data reporting and access which may facilitate standardization of data formats between the WCDB and other sources. BAWSCA is also negotiating a new Tier 2 Drought Allocation Plan which may require use of newly available data not currently collected through BAWSCA's reporting. Lastly, BAWSCA desires to maintain and utilize the best available data to support planning efforts such as demand forecasting, conservation planning, and water supply planning.

Water Use Efficiency Support

On April 22, BAWSCA issued a Request for Proposals (RFP) seeking consultant services to support BAWSCA member agencies with reporting and compliance with water use efficiency legislation. This work is included in the proposed FY 2022-23 Work Plan and Operating Budget that the Board will be considering on May 19, 2022. Assuming a successful solicitation process, Board consideration and approval of a contract with the selected consultant is scheduled for the July 21, 2022 Board meeting.

The State Water Resources Control Board is expected to adopt long-term standards for water use efficiency and performance measures for commercial, industrial, and institutional (CII) users in 2022. Urban water suppliers are required to report on their urban water use objective by 2024 and may be required to begin reporting on compliance with CII performance measures sooner. The RFP solicits bids from firms to identify available resources and develop action plans to help member agencies implement and report on the required CII performance measures. Following the development of the action plans, which will be applicable to all member agencies, BAWSCA may implement a subscription program for agencies that require tailored, hands-on support to comply with the requirements.

MOA for the SF-Peninsula Regional PureWater Project

A Memorandum of Agreement (MOA) for the SF-Peninsula Regional PureWater Project (Project) has been prepared to address cost sharing and other agency-specific responsibilities related to the development of a Basis of Design Report to further the planning of this potable reuse project that would be sited in San Mateo County. Parties to the MOA include BAWSCA, California Water Service Company, Mid-Peninsula Water District, Redwood City, San Mateo, SFPUC, and Silicon Valley Clean Water. The total cost of preparing the Basis of Design Report is \$1,030,000. BAWSCA's cost share is stipulated at \$51,500. This cost share responsibility is included in the proposed FY 2022-23 Work Plan and Operating Budget that will be considered for adoption by the Board at its May 19, 2022 meeting. BAWSCA's attorneys are currently reviewing a draft of the MOA. Once completed, a Basis of Design Report can form the foundation for more detailed engineering and environmental studies, and is generally necessary to meeting State and Federal grant eligibility requirements.

The MOA will be brought to the Board Policy Committee (BPC) on June 8, 2022 for discussion and recommendation. If recommended by the BPC, the MOA will be brought to the Board on July 20, 2022 for consideration and adoption.

Board of Directors

Policy Calendar Through March 2023

Meeting Date	Purpose	Issue or Topic
July 2022	D&A D&A R&D R&D	Consideration of Consultant Contract to Support WCDB Update Consideration of Consultant Contract to Provide Water Efficiency Support Discussion and Possible Action on CEO/General Manager Evaluation Procedure Update on Tier 2 Plan Efforts
Sept 2022	D&A R&D R&D	CEO/General Manager Performance Evaluation OPEB Report Update on the Long-Term Reliable Water Supply Strategy Scoping Effort
Nov 2022	D&A D&A R&D	Annual Review and Consideration of BAWSCA's Statement of Investment Policy Review and Consideration of BAWSCA's General Reserve Policy Review of Agency Personnel Handbook
January 2023	D&A R&D R&D S	Mid-Year 2022-23 Work Plan, Budget and General Reserve Review BAWSCA's OPEB Liability Funded Status Update, incl. the SFPUC's Status BAWSCA's Pension Liability Funded Status Update, incl. the SFPUC's Status FY 2023-24 Work Plan and Budget Study Session
March 2023	D&A R&D R&D R	Consideration of Proposed Bond Surcharges for FY 2022-23 Presentation of Preliminary FY 2022-23 Work Plan and Budget Review of Water Supply Forecast Annual WSA Balancing Account Update

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Key: R=Report, D = Discussion, S = Study Session, A = Action

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

Meeting Schedule through January 19, 2023

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF GOVERNMENT CODE SECTION 54953(e). MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – May 19, 2022	Virtual Meeting
Thursday – July 21, 2022	Virtual Meeting, unless announced otherwise
Thursday – September 15, 2022	Virtual Meeting, unless announced otherwise
Thursday – November 17, 2022	Virtual Meeting, unless announced otherwise
Thursday – January 19, 2023	Virtual Meeting, unless announced otherwise

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 19, 2023	Virtual Meeting, unless announced otherwise

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday, June 8, 2022	Virtual Meeting, unless announced otherwise
Wednesday, August 10, 2022	Virtual Meeting, unless announced otherwise
Wednesday, October 12, 2022	Virtual Meeting, unless announced otherwise
Wednesday, December 14, 2022	Virtual Meeting, unless announced otherwise