



BOARD OF DIRECTORS MEETING

Thursday, May 18, 2023
6:30 P.M.

850 Burlingame Ave., Burlingame – Sequoia Room

(One Member of the Board will participate in this meeting by Teleconference. Locale shall be: City of Hayward City Hall, Conf. Rm 2B, 777 B St. Hayward Ca. 94541. When any member of the board participates by teleconference, all votes taken at this meeting will be by roll call vote.)

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. Board Policy Committee Report <i>(Attachment)</i>	(Hardy)	Pg 5
4. Consent Calendar <i>(Attachments)</i>	(Larsson)	
A. Approve Minutes of the March 16, 2023 Meeting		Pg 23
B. Receive and File Budget Status Report – As of March 31, 2023		Pg 29
C. Receive and File Bond Surcharge Collection Reports – As of March 31, 2023		Pg 31
D. Receive and File Investment Report – As of March 31, 2023		Pg 33
E. Receive and File Directors' Reimbursement Report – As of March 31, 2023		Pg 35
F. Proposed Modifications to BAWSCA's Investment Policy to Ensure Safety of Bank Deposits over \$250,000		Pg 37
<i>The Committee voted unanimously to recommend Board approval of the recommended action for Agenda Item #4F.</i>		
5. SFPUC Report	(Kastama)	
6. 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>		
7. Action Calendar		
A. Proposed Fiscal Year 2023-24 Work Plan, Results to be Achieved, and Operating Budget (Attachment) That the Board approve the:	(Sandkulla)	Pg 49
1. Proposed FY 2022-23 Work Plan and Results to be Achieved;		
2. Proposed Operating Budget of \$4,814,667		
3. Proposed funding plan of a 0% assessment increase (\$4,838,897) to fund the Operating Budget.		
<i>The Committee voted unanimously to recommend Board approval of the recommended actions.</i>		

B. Approval of Professional Services Contracts for FY 2023-24 (<i>Attachments</i>)	(Sandkulla)	Pg 83
<u>Consultant Contracts for Technical and Administrative Services</u>		
1. BLX (Arbitrage Rebate Compliance Services)		Pg 89
2. Droplet Technologies (Online Rebate System)		Pg 91
3. EKI (Engineering/Water Mgmt.)		Pg 95
4. E Source (Water Loss Management Program)		Pg 99
5. Hanson Bridgett (Legal Counsel)		Pg 111
6. Harlan P. Wendell, Management Communications (Strategic Counsel)		Pg 117
7. Hazen & Sawyer (Engineering/Water Mgmt.)		Pg 123
8. IGServices (Auditing, WSA)		Pg 129
9. Immersiv (Website and Water Conservation Database)		Pg 131
10. Kelling, Northcross, Nobriga (Financial Advisor)		Pg 135
11. Maddaus Water Management (Water Use Efficiency Legislation)		Pg 137
12. Orrick, LLP (Bond Documents, Legal Services)		Pg 147
13. Public Trust Advisors (Investment Advisor)		Pg 149
14. Richard Sykes (WSIP, 10-year CIP)		Pg 151
15. Stetson Engineering (Water Analyses, WSA)		Pg 155
16. West Yost (Asset Management)		Pg 159
17. Woodard & Curran (Water Mgmt./Tier 2 Plan)		Pg 163
18. Woodard & Curran (WCDB Host & Support)		Pg 169
<u>Consultant Contracts for Conservation Programs</u>		
19. AM Conservation Group (School Education Program)		Pg 173
20. EarthCapades (School Assembly Program)		Pg 193
21. Global Sun Landscape (Lawn Be Gone Inspection Services)		Pg 199
22. Maddaus Water Management (DSS Model Support Services)		Pg 203
23. M&M Backflow and Meter Maintenance (Customer Meter Testing)		Pg 207
24. Regional Water Authority (Rachio Smart Controller Program)		Pg 213
25. Waterfluence, LLC (Large Landscape Conservation Services)		Pg 219
<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>		
C. Authorization of Professional Services Contract to Support the Scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045 (<i>Attachment</i>)	(Francis)	Pg 227
<i>The Committee voted unanimously to recommend that:</i>		
1. <i>the Board authorize the CEO/General Manager to negotiate a contract with the selected consultant, subject to legal counsel's final review, to support the scoping for BAWSCA's Long-Term Reliable Water Supply Strategy 2045.</i>		
2. <i>Identify a source of funds.</i>		
3. <i>Consider scheduling a Board workshop or study session to understand the components of the current Strategy and gather input on the components of the future Strategy.</i>		

- D. Amendment to Hanson Bridgett FY 2022-23 Professional Services Contract (*Attachment*) (Sandkulla) Pg 247

This item was not presented to the Board Policy Committee in April and now includes the most up to date budget information for Board consideration.

8. CEO Reports

- A. Water Supply and Use Update
- B. FERC/Bay Delta Plan Update
- C. CEO/General Manager's Letter (*Attachment*) Pg 251
- D. Board Policy Calendar (*Attachment*) Pg 291
- E. Correspondence Packet ([Under Separate Cover](#))

9. 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).

10. Report after Closed Session

(Schutte)

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

(Larsson)

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

(Larsson) Pg 293

13. Adjourn to next meeting scheduled for July 20, 2023 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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MEMORANDUM

TO: BAWSCA Board Members
FROM: Tom Francis, Acting Chief Executive Officer/General Manager
DATE: May 12, 2023
SUBJECT: Summary of Board Policy Committee meeting held April 12, 2023

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:30 pm. Acting CEO/General Manager, Tom Francis called the roll. Ten (10) members were present. A list of Committee members who were present (10) and other attendees is attached.

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

2. **Comments by Committee Chair:** Chair Hardy welcomed the Committee members and attendees. She announced that because all Committee members are physically present and no members are participating via teleconference, the meeting will be conducted in an in-person format and no roll-call vote is necessary.

3. **Consent Calendar:** There were no public comments.

Director Pierce made a motion, seconded by Director Vella, that the Committee approve the Minutes of the February 8, 2023 Board Policy Committee meeting.

The motion passed unanimously by a show of hands.

4. **Public Comments:** There were no public comments.

5. **Action Calendar:**

- A. **Proposed Fiscal Year 2023-24 Work Plan, Results to be Achieved, and Operating Budget:** Acting CEO/General Manager, Tom Francis and Finance Manager Christina Tang presented the item.

Mr. Francis noted that the proposed work plan, results to be achieved and operating budget is developed around BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price. The work plan and operating budget addresses the critical issues between now and 2060 as presented and discussed with the Board at its meeting in March. Those key issues include managing the Water Supply Agreement (WSA) with San Francisco to protect the member agencies' financial and water supply interests, administering the bonds, oversight of

SFPUC's WSIP, 10-Year CIP and Asset Management Plan, participation in the Bay Delta Plan and FERC proceedings, scoping of BAWSCA's Strategy 2045, negotiation of an update to the Tier 2 Plan, preparing a drought summary report at the conclusion of the 2019-2023 drought, implementation of conservation programs and preparation of a staff-led plan to address BAWSCA's long-term policy and operational resiliency.

Mr. Francis noted that while the proposed operating budget is the same as what was presented to the Board in March, modifications to the funding options were made to reflect feedback received from the Board.

Ms. Tang reported that the proposed operating budget of \$4,814,667 is 2%, or \$64K above the approved FY 2022-23 Budget. 53.4% of the budget is applied to efforts on reliable water supply. 11.6% is applied to efforts on fair pricing, which includes administration of the financial aspects of the WSA as well as bond related work.

The proposed budget fully funds the annual OPEB expenses and includes a budget allowance for up to a 5% adjustment to existing salaries for both COLA and merit-based income.

The proposed budget represents an approximate \$0.03 increase in annual cost per person in the service area, or an estimated cost to the water customers of \$2.59 per person for FY 2023-24.

Ms. Tang noted that the primary source of funding for BAWSCA's budget are the assessments on member agencies. When considering how to fund the operating budget, BAWSCA has historically used its four principles:

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.

At this time, it is assumed that there are no surplus funds to carry over from FY 2022-23 for budgeting purposes. However, BAWSCA anticipates that the FY 2022-23 budget will be 90-95% expended. Any unspent funds to be determined by the auditor later this year will be rolled in the General Reserve which is currently at the lower end of the guideline.

As a reminder, Ms. Tang stated that the Board approved a 25% increase in assessments for FY 2022-23 to fully fund the Operating Budget and bring the General Reserve to the lower end of the budgetary guideline. BAWSCA's adopted FY 2022-23 Operating Budget is \$4,720,885 and the FY 2022-23 Assessments was \$4,838,897.

Ms. Tang presented a table analysis of three funding options based on feedback received from the Board in March. In addition to Option 1, which is a 0% increase to assessments and which some members of the Board expressed preference to, a 1% and 2% increase were added as Options #2 and #3. All options provide a General Reserve balance that is within the budgetary guidelines of between 20% - 35%.

Ms. Tang stated that staff recommends Option 1 because it meets BAWSCA's four funding principles. Option 1 funds the proposed operating budget through assessments while maintaining a prudent General Reserve balance that meets BAWSCA's budgetary guidelines.

In response to Director Scheider's question, Mr. Francis stated that the budget includes sufficient funding for both core and subscription conservation programs to cover significant number of outreach efforts including instructional workshops.

Director Doerr expressed her support for efforts to address BAWSCA's long-term policy and operational resilience under work plan item #11D, but was curious about why a \$20K budget for external support is needed since 1) the effort seems to be a normal evaluation process for any organization, and 2) CEO Sandkulla's direct experience with the agency should enable her to do that evaluation with the team.

Additionally, Director Doerr asked how the professional services on water resources analysis and planning services is adding to BAWSCA's in-house water resources team.

Mr. Francis explained that the \$20K for work plan item #11d is for the legal support needed in reviewing and developing the processes and policies for BAWSCA's long-term operational resilience. Hanson Bridget, LLP is a legal consultant in which BAWSCA relies on for all of the agency's legal matters.

As for the professional services on water resources analysis and planning services, Mr. Francis explained that consultants are hired to provide specialized services to augment BAWSCA's internal staff. An example is Hazen & Sawyer, which is a consulting firm that has personnel with specific and expanded knowledge in specialized software that helped build BAWSCA's hydrologic modeling system. BAWSCA uses consultant services for their expertise and they serve as an extension to BAWSCA's staff in order to get the work done.

Director Doerr asked if there are plans to build capacity in-house by adding more personnel.

Mr. Francis stated that additional staffing can be considered if there is an appropriate need and benefit that BAWSCA and the member agencies can gain from and if the additional staff is deemed appropriate based on long-term budgetary considerations that would need to be factored in.

In response to Director Cormack, Ms. Tang stated that staff's preliminary funding options presented to the Board in March included Option 2 as 3% and Option 3 as 5% in addition to Option 1 as 0%. Options 2 and 3 were modified to reflect 2% and 3% based on feedback received from the Board in March.

Director Cormack noted that she would be inclined to recommend a 1% or 2% increase if there was any anticipation that the budget in the coming fiscal years will increase significantly, and if so an increase over time would follow a more gradual curve. She would also recommend an increase if staff foresee activities in the near or mid-term horizon that could potentially need additional funding, for example the efforts on Tier 2. Otherwise, a 0% increase is adequate.

Ms. Tang stated the staff is not aware of any need for a budget increase in the near or mid-term horizon. Staff anticipates the current budget to be 90-95% expended at year end and

any surplus funds will be rolled over to the General Reserve, which can provide the funding for unexpected expenses if needed.

Director Smegal asked how the agency came to need a 25% increase in assessments last fiscal year.

Mr. Francis explained that the agency used available alternative funding sources, including the General Reserve and Balancing Account, to fund the budget in prior years. The 25% increase in FY 2022-23 brought the General Reserve within the budgetary guidelines. Overall, the operating budget year to year did not change.

Director Cormack added that it is worth noting that during COVID, the Board voted to intentionally freeze assessments given that the situation presented a lot of unknowns for the agencies. There was a slight increase in the budget for hiring one water resources staff, but in addition to COVID, there was also the drought. The Board authorized the use of the variety of alternative funding sources available, and understood that those sources will need to be replenished to where they should be when the time came.

Director Smegal noted the inflation and with respect to staff compensation and consultant fees, one can anticipate budget pressure in future years if inflation continues. He asked if the General Reserve is in an interest-bearing account.

Ms. Tang stated that the general reserve funds are deposited in LAIF and are providing interest earnings from the funds.

Director Pierce commented that while it is not BAWSCA's obligation, she is pleased to see an annual review of SFPUC's unfunded pension and OPEB liabilities included in the work plan as it can significantly impact BAWSCA's finances. It is important to provide context on how big a risk it is and how big a dollar amount it is to BAWSCA, considering all the risks that; while BAWSCA is not in control of, BAWSCA is juggling to protect the interests of the member agencies.

Director Chambers supported a 0% increase in assessments given that San Francisco's rates are going up this year. Those rates have not increased in the past several years. Additionally, San Francisco's wholesale water rate projections anticipate no rate increases in FY2024-25, which presents the opportunity for BAWSCA to consider assessment increases to replenish the general reserve if needed and if appropriate. He asked when the Water Management Charge to fund the Strategy 2045 efforts is expected to be implemented.

Mr. Francis estimates the Water Management Charge implementation in mid to late FY 2023-24. He hopes for the scoping of the work needed to develop Strategy 2045 to be completed by the end of FY 2023-24 so that a cost for Strategy 2045 can be determined to inform the implementation of the Water Management Charge.

In response to Director Zigterman, Mr. Francis stated that the bills currently going through the legislative process regarding water right curtailments are being reviewed by Legal Counsel as part of the work they are doing for BAWSCA. He also noted that 2/3rds of the cost that member agencies pay San Francisco includes legislative efforts on the wholesale customers' behalf. BAWSCA will work with Legal and Strategic counsel in monitoring the bills, and keep the Board apprised of critical developments.

As a follow up to Director Smegal's question about the 25% increase in assessments in FY 2022-23, Director Larsson noted that there was a 24% assessment increase seven years ago following a range of 0% to 5% increases in the previous fiscal years. While there were good reasons not to increase assessments in the intervening time, and with what seems to be a historical desire by the Board to minimize assessment increases as much as possible year to year, its effects can accumulate overtime and can result in a significant increase in some instances, as experienced twice in FY 2015-16 and FY 2022-23. For these reasons, he is cautious about a 0% increase for the coming year, but given San Francisco's projected wholesale water rate increase in FY 2023-24, he can understand the recommendation and support for Option 1. However, he would prefer to get away from the habit of having minimal increases because it can lead to a sharp increase as a result.

In response to Director Smegal's question on what percentage is the budget compared to the overall bill the SFPUC charges the wholesale customers, Ms. Tang stated that the annual wholesale revenue requirement, which is the amount the SFPUC collects from the member agencies annually is over \$300M.

With San Francisco's Alternative Water Supply (AWS) Plan which includes direct and indirect potable water reuse projects in the Peninsula, San Jose/Santa Clara service area, and ACWD service area, Director Cormack asked where in the work plan and budget does BAWSCA consider efforts to push and encourage, from a policy level with the State, such projects as an alternative source of supplies. She encouraged staff to reflect on whether there is something more that BAWSCA can do at a policy level.

Director Schneider reported that the City of Millbrae met with WIFIA regarding its local recycled water project and pointed out that 1) the project, when implemented, will not reduce water purchases from San Francisco, but instead cover the population growth that RENA is requiring cities to do, 2) Millbrae is receiving support from local legislators, 3) it will have a budget impact of \$31-32 M, and 4) it will not go online in less than 8 years. Millbrae, however, is moving forward.

In response to Director Doerr's inquiry about the last merit increase for the CEO/General Manager and the allocation included in the budget, Mr. Francis stated that the Board considers this under the CEO Performance Evaluation that happens annually under closed session.

Director Pierce added that the line item for staff and CEO/General Manager compensation adjustments is not an expenditure, but an allocation that is rolled back in the General Reserve if and when it is not used.

Director Schneider made a motion, seconded by Director Smegal, that the Board Policy Committee recommend approval of the:

- 1. Proposed Fiscal Year 2023-24 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,814,667; and**
- 3. Proposed funding plan of 0% assessment increase (\$4,838,897) to fund the Operating Budget.**

The motion passed unanimously by a show of hands.

- B. Authorization of Professional Services Contract to Support the Scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045: Acting CEO/General Manager, Tom Francis, reported that Strategy 2045 is the effort to update BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy) that was initiated in 2009 and completed in 2015. It has been eight (8) years since, and BAWSCA is seeking professional services to support BAWSCA's effort in scoping the work needed to develop Strategy 2045.

The approach is to have a 2-Phase process. Phase 1 will identify the scope of work for developing Strategy 2045. Phase 1 includes four specific tasks; Document Review, Stakeholder Engagement, Meetings and Technical support, and preparation of the Scope for Strategy 2045.

Document review will entail an analysis of existing relevant studies and projects that have been done by agencies in the BAWSCA region, as well as in the State and possibly nationwide. The consultant will conduct internal stakeholder engagement with member agencies by soliciting feedback through meetings and regular communications, as well as providing technical knowledge and expertise through analytical presentations and reports. Ultimately, the consultant's work product will be a written report of the scope of work for Phase 2, which is developing Strategy 2045. The written report will be a part of the RFP for Professional Services BAWSCA will seek to support the efforts for Phase 2.

The existing Strategy has served as a roadmap for BAWSCA's annual water supply efforts since 2015, including consideration of the Los Vaqueros Expansion Project, regional desal projects, and engaging in regional planning. Developing Strategy 2045 will include consideration of other factors, such as new regulatory requirements that have an impact on water supply reliability.

BAWSCA issued an RFP on February 21, 2023 for submittals on March 24th. The RFPs were sent directly to eleven Bay Area consultants accustomed to this level of effort and posted on the BAWSCA website. With Legal Counsel's assistance, the RFP was developed to provide BAWSCA the flexibility to allow the Consultant selected for Phase 1 to be able to be considered for Phase 2.

One proposal was received, which was submitted by a team of two firms that chose to work together. The firms that did not submit proposals indicated that their existing work with the SFPUC presented a conflict of interest. Others stated that their qualified staff are currently committed to other projects.

A total of \$65K was allocated for the scoping work that would span across FY 2022-23 and FY 2023-24. The current FY 2022-23 operating budget includes an allocation of \$30K, and the proposed FY 2023-24 budget includes \$35K, providing the funding anticipated for the professional services support needed.

Mr. Francis reported that the proposal received had a cost estimate of \$211,200 and includes optional tasks which BAWSCA may or may not view as valuable to the member agencies.

A review panel, consisting of BAWSCA staff, two member agency staff, and an external agency representative, is currently scoring the proposal based on qualifications and

experience of key personnel, understanding of the project and approach, ability to meet the timeline, and the overall value provided to the member agencies. The review will be completed in mid-April and followed by a consultant interview. Based on the panel review, BAWSCA will negotiate with the consultant to address scope and cost concerns. Agreement execution is contingent upon approval by the Board.

BAWSCA's negotiations with the consultant will include a review of areas where cost reduction is possible and a thorough evaluation of whether the optional tasks and additional costs are warranted.

No changes to the proposed FY 2023-24 budget are recommended at this time. A funding proposal would be provided to the Board for its consideration once negotiations have been completed with the consultant.

The recommendation is for the Board Policy Committee recommend the Board authorize the CEO/General Manager to negotiate and execute a contract with the selected consultant, subject to legal counsel's final review, to support the scoping for BAWSCA's Long-Term Reliable Water Supply Strategy 2045.

Discussions ensued on the clarity of the work effort and the recommended action for the Board.

In response to Director Zigterman, Mr. Francis stated that the intent of developing Strategy 2045 is to determine what BAWSCA and its member agencies need to do moving forward to meet its goal of ensuring that the region continues to have reliable supply of high-quality water at a fair price by evaluating potential options; whether that may be developing supplies to augment San Francisco's supplies, or perhaps supporting the planning of projects member agencies proposes independently to develop their own local regional supplies.

Director Zigterman suspected that the gap between the budgeted amount and the cost estimated in the proposal may be due to the vague expectations from the consultant. He questioned whether the consultants are supposed to do engineering analyses or political analyses, and thought that perhaps the Committee should evaluate the water supply options through a work session. Mr. Zigterman felt that the work was more of a "role" question than a "technical" question that needed to be identified through discussions between staff, board and legal, instead of a consultant's analyses.

Mr. Francis agreed with Director Zigterman's comments that what is going to be part of Strategy 2045 is not defined, yet. He explained that this contract, within which a consultant will assist BAWSCA in developing the scope of work to develop Strategy 2045, will include engagement with the Board and member agency representatives as Director Zigterman suggested was needed.

Director Pierce referenced the 2009 Strategy which created a bucket of options for both the staff and the Board to consider as part of its annual results to achieve. Because of various factors in the water resources industry, some of those options proved to be necessary for the region and were executed, and some were not. But out of that list came all of the efforts the agency has undertaken, and lessons learned. Much of the scoping work for the 2009 Strategy were done with the technical staff of the member agencies instead of with the Board at the policy level.

Additionally, she noted that while receiving one proposal may be concerning, she is encouraged knowing that two firms banded together instead of competed, and by the fact that firms would have submitted if they didn't have conflicting commitments with the SFPUC. Assuming that the review panel's evaluation of the consultants and their proposal is solid, she felt that the recommendation can be amended to ensure the consultant selected is suitable for the task and budget.

Director Doerr stated that approval of the recommendation without seeing the proposal is difficult to do. She agreed with Director Zigterman's comments about the "role" question and expressed interest in a study session where the Board can have conversation about the hopes for what the agency's role can be in the future.

Mr. Francis supported the amendment of the recommendation with the assistance of legal counsel and to the BPC's agreement. Mr. Francis re-iterated that study sessions or discussions, incorporated as agenda items in future BPC meetings, are an element of what the agreement with the consultant includes. Those discussions would be used to help prepare the scope of work for the development of Strategy 2045.

In response to Director Cormack, Mr. Francis stated that the proposal came from EKI and Hazen & Sawyer. Both are existing consultants of BAWSCA for its roundtable efforts and development of the reliability hydrologic model. They are consultants that BAWSCA is familiar with and who are well-acquainted with the member agencies.

Mr. Francis explained that under the state of California regulations, a firm hired to prepare a scope of work is not allowed to do the follow up work activity. The RFP was written to provide BAWSCA the flexibility to consider the Consultant selected for Phase 1 to be considered for Phase 2 because BAWSCA wanted a highly qualified consulting firm to help develop the scope of work for Strategy 2045. This contracting approach allows BAWSCA the option to continue with the firm that helped prepare the scope of work, or to issue an RFP, for the development of Strategy 2045.

Director Cormack concurred with the idea of a study session. She felt uncomfortable about the level of specificity in the recommendation. She would not vote for something without sufficient and identified budget sources, and she would be unwilling to authorize execution of a contract without seeing the source of funding.

She would approve a recommendation that omits "execution", and includes the negotiation of a contract, identifies a source of funds, and a study session.

In response to Director Larsson's question about information that would be available by the May Board meeting, Mr. Francis stated that the Board will be presented with the details of the consultant's proposal including their cost of services.

Director Larsson commented that the Strategy was developed over a period of 6 years. While staff refers to the Strategy regularly, Board members do not go through it at the same level that staff does, and may not even realize what elements of BAWSCA's annual work plan come out of the Strategy. The Board composition has changed over the past 7-8 years, and a refresher on what has come out of the strategy in terms of BAWSCA's and the member agencies' growth and development would be helpful in understanding what the Board can expect for Strategy 2045. Additionally, he noted that the 2009 Strategy was "long-in-the-

tooth” already, and It is important to update the Strategy because a lot has changed in the intervening years. He emphasized that it would be beneficial for the board to be reminded of what is in the Strategy and how it has informed a lot of BAWSCA’s efforts.

Since the existing Strategy can be used as a framework for scoping the work to develop Strategy 2045, Director Larsson asked if there are critical changes to that framework anticipated.

Mr. Francis stated that having the support of the consultant for scoping the work to develop Strategy 2045 will allow BAWSCA to answer that question. The scoping work will look at the 2009 Strategy to determine what efforts remain valid and which are no longer relevant. That process, which can be in the form of a member agency workshop, will entail the engagement of the member agencies’ staff for the technical perspective. Presentations to the Board for their input will add to that perspective.

Director Larsson noted that SFPUC’s Alternative Water Supply Plan, the State’s “Making Conservation a California Way of Life” legislation, and other developing elements are critical work that should be included in the new strategy. The scoping work in which the consultant is being sought will conduct the analyses to clarify the elements for Strategy 2045.

Director Zigterman suggested a workshop or for staff to meet directly with committee members to have further discussion. Then come back to the BPC in June with further information and consensus about what this effort is and an identified mission and directive to the consultant. He felt the recommendation is premature.

Director Smegal commented that the responding consultants seems technical and asked if they are the right consultants to address the political and organization questions about BAWSCA’s future role.

Mr. Francis noted that the consultants have the necessary experience in working with similar projects and are qualified to do the work in water resource planning.

In response to Director Cormack’s question, Legal Counsel, Nicole Witt, explained that the CEO does not need board authorization to negotiate a contract. The RFP generally includes the authority to negotiate, and that is part of the process in which the CEO/GM can negotiate the best value to BAWSCA and work on the key terms of the agreement during the solicitation process.

Director Cormack proposed to conduct further review, as Director Zigterman suggested, and come back to the committee in June to have a recommendation to the Board, or, amend the recommendation, which she would make a motion, for the Committee to recommend that the Board authorize the CEO/GM to:

1. Negotiate a contract with the selected consultant, subject to legal counsel’s final review,
 2. Identify a source of funds,
 3. Consider scheduling a Board workshop to understand the components of current Strategy and gather input on the components of the future Strategy
- to support the scoping for BAWSCA’s Long-Term Reliable Water Supply Strategy 2045.

Director Cormack noted that while the CEO/GM already has the authority to negotiate without Board authorization, inclusion of that in the amendment is cleaner and alerts the Board that the process has occurred. If there is additional information that is brought to the Board in May, the Board action can include “and execute” should there be sufficient information provided to the board.

Director Zigterman seconded the motion.

Public Comments were provided by Steve Jordan from Purissima Hills Water District.

Legal Counsel noted that the study session would follow the traditional Brown Act requirements that applies to regular meetings, and could be a part of regular meeting.

Director Larsson shared an observation that the update to the 2009 Strategy is an effort that has been a part of BAWSCA’s work plan. It is not a new item, but it seems that the solicitation for professional services brings it closer to reality. There has been other situations where contract negotiations have not been fully complete and where the BPC has had to make a recommendation to the Board without having all the details of the agreement. He supports the direction of the motion as it provides the Board with enough detail to make an informed decision. He suggested changing the word workshop as it may present some challenges with Board member schedules and securing available space. It may be more realistic to have an extended report and discussion at regularly scheduled meetings.

Director Cormack made a friendly amendment to the motion, with the seconder’s concurrence to add “or study session” so that the motion is:

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

- 1. Negotiate a contract with the selected consultant, subject to legal counsel’s final review,**
- 2. Identify a source of funds,**
- 3. Consider scheduling a Board workshop or study session to understand the components of the current Strategy and gather input on the components of the future Strategy to support the scoping for BAWSCA’s Long-Term Reliable Water Supply Strategy 2045.**

Legal counsel confirmed that the motion provides additional context for staff to bring the budgetary information and additional details at the May Board meeting for the Board’s consideration, to authorize, if determined appropriate, the execution of a contract with a selected consultant to support the scoping for BAWSCA’s Long-Term Reliable Water Supply Strategy 2045.

The motion passed unanimously by a show of hands.

- C. Proposed Modifications to BAWSCA’s Investment Policy to Ensure Safety of Bank Deposits Over \$250,000: BAWSCA Finance Manager, Christina Tang reported that the proposed modifications to BAWSCA’s investment policy is being brought to the BPC as result of staff review of the policy following the recent banking crisis. The last review occurred in November 2022 and no changes were recommended.

The current policy applies to all BAWSCA funds and investment activities and requires that:

- Funds not invested in the Local Agency Investment Fund (LAIF) to be deposited only in State or Federal savings associations with offices in California that meet the requirements and conditions of the California Government Code,
- The maximum amount of funds deposited with any bank or savings association shall be \$250,000
- It specifies permitted investments for bond funds held at the Trustee.

BAWSCA reviewed the agency's circumstances, California Government Code and Government Finance Officers Association (GFOA) best management practices, consulted with its investment advisor, and queried member agencies about their banking practices. Based on the evaluation and the feedback received, BAWSCA recommends that the Investment Policy be modified:

- To require all bank deposits over the FDIC limit be collateralized in accordance with the Government Code, and
- To eliminate the bank deposits limit of \$250,000

The modification is to safeguard bank deposits over \$250,000 and to manage fluctuating account balance more effectively. Legal counsel has confirmed that the proposed modified investment policy reflects language consistent with the State law.

Ms. Tang stated that collateralization safeguards public fund deposits, and further explained that collateralization is a process of securing a loan or bank deposit with an eligible asset, for example the securities, which is referred to as collateral. If the bank defaults on the deposits, the account owner may seize and sell the securities to offset its loss. There are no out-of-pocket costs to the agency. The bank will pay for all the costs associated with the collateralization, which may result in a reduced interest rate for the account. Given the current interest rates for the checking accounts, the cost to the agency is minimal to none.

The California Government Code Sections 53630-53687 govern the reporting and collateralization of local agency deposits. It specifies the types of securities that may be used as collateral, and requires a minimum collateral amount as a % of total deposits. For example, if the bank uses US Treasury Securities, the market value of the collateral has to be at least 110% of total deposits. If they use first mortgages, the market value has to be at least 150% of the total deposits. The California Government Code also mandates weekly and quarterly reporting by the depository institutions.

Based on the GFOA recommendations, BAWSCA will secure a collateralization agreement as an extra layer of security to the agency's deposits. In the event of a bank failure, FDIC will honor the collateralization agreement. In addition, every year, BAWSCA will verify that deposits are properly collateralized and provide a report to the Board.

The packet includes a redlined version of the investment policy showing the proposed modifications to the policy. Specifically, Ms. Tang referred to Section 6A, Permitted Investments and Depositories, the added term is to require collateralization on all deposits over the FDIC limit. It is not referring to the current limit of \$250,000 in case that amount changes in the future.

Under Section 6B, Other Limitations, the proposed removal of the sentences is to eliminate the bank deposit limit of \$250,000 due to the mentioned reasons.

Lastly, the addition of Section 9, Annual Review of Investment Policy codifies the CEO/General Manager to annually submit a Statement of Investment Policy to the Board, and that the agency will annually verify that deposits are properly collateralized.

Director Hardy was pleased that Christina's research informed the agency of its option, as a public agency, for collateralization.

In response to Director Cormack, Ms. Tang reported that BAWSCA's current bank does not offer collateralization, but BAWSCA is in the process of setting up a new account with a different bank that offers this option to public fund accounts.

Director Smegal made a motion, seconded by Director Cormack, that the Board Policy Committee recommend Board approval of the proposed modifications to the current Statement of Investment Policy by requiring the bank deposits in excess of the FDIC limit to be collateralized with securities in accordance with State law and to eliminate the maximum deposit of \$250,000.

Public comments were provided by Steve Jordan, Purissima Hills Water District.

The motion passed unanimously by a show of hands.

6. Reports and Discussion Item:

- A. Discussion of Board Member Compensation: Legal Counsel, Nicole Witt reminded the Committee the legal framework of BAWSCA's Board compensation. Under its enabling legislation, BAWSCA is authorized to compensate Board members up to \$100 per day for each day's attendance at meetings of the Board, not to exceed four meetings in any calendar month.

Under the same statute, BAWSCA is authorized to avail itself to another statutory scheme under the Water Code to increase that amount above \$100 and to increase the compensable days of service;

- by no more than 5% for each year following the date of the last adjustment, and
- to no more than 10 days in a calendar year.

Currently, BAWSCA Board members are compensated at a rate of \$100 per day of service, for up to four days of service per month. That amount has not changed since 2003.

Staff is looking for the Committee's input on the approach for considering whether or not to adjust compensation for Board members. As a starting point, Ms. Witt presented data gathered from eight (8) similarly situated comparator agencies; Coastside County Water District, Mid-Peninsula Water District, North Coast County Water District, Westborough Water District, Purissima Hills Water District, Alameda County Water District, Contra Costa Water District, Santa Clara Valley Water District. The data falls in line with each other, in that BAWSCA's current Board compensation is similar to the agencies reviewed. She noted that SFPUC, which is not on the list of 8, compensates Commissioners \$100 per month, regardless of the specific number of days of service.

In the discussions by the Committee at its February meeting, what has been proposed as a way to approach the consideration of whether to adjust Board compensation is to 1) consider how compensation accommodates all of the different costs that a Board member might incur in serving, and how those impacts are felt by the board members, and 2) whether the 4 days of service really captures the number of days that the Board is working on BAWSCA's behalf in a month. The guardrails that the Committee is being mindful of is if the current level of compensation is inadequate, it may be a barrier to entry. On the other hand, if the compensation is too high, then it is arguably not fiscally prudent. Legal counsel prepared a set of survey questions designed to gather information that address those considerations.

The committee is asked to provide input on the comparator agency information and on the draft survey questions.

Key points of Committee member comments include:

- Maximum amount of increase based on the 5% per year is \$167 or \$200 if legally allowed to be compounded
- Considerations about how the composition of the BAWSCA Board can become more inclusive and ensure that the BAWSCA Board membership can be accessible is a good direction, but an increase in compensation is not where barriers to entry exist.
 - Timing of meetings in mid-day of a work week can be difficult for some;
 - Setting demographic goals and tracking diversity within the BAWSCA board are steps that help BAWSCA develop strategies for Diversity, Equity and Inclusion.
- Board members serve for the purpose of BAWSCA's goals, and not for the compensation.
- Compensation is a token of appreciation for the service provided.
- Be mindful that BAWSCA's action can set precedence.
- Gut-reaction to the comparator agency analysis is to remain within the same level as the other agencies.
- The 4-day per month is sufficient as BAWSCA Board only meets 6x/year. Only the BPC members meet 12/year.
- Current members of the Board are self-selected. Perhaps the survey should ask:
 - How self-selected are the member agencies that are not water districts
 - Survey questions are more fitting for members who did not chose to serve.
- Costs incurred, e.g., childcare, travel expense, lost wages:
 - Good inclusion as a survey question
 - Can be considered as reimbursable expense
 - Administrative costs for processing reimbursements can outweigh the resulting compensation.
 - Perhaps a flat-rate increase can minimize the administrative cost and cover the expenses incurred.
- Survey Questions can be helpful for:

- Identifying the agencies that experience difficulty in finding someone to serve on BAWSCA
- Consideration of the timing for the BPC and the Board meeting; Daytime versus Nighttime
- Initiating a demographic tracking for efforts on DEI by incorporating a demographic question.

Public comments were provided by Steve Jordan, Purissima Hills Water District.

Given the duration of the meeting going past 2 hours and a quarter, Committee Chair Hardy opened the floor for a motion to extend the meeting.

Director Vella made a motion, seconded by Director Chambers, that the meeting be extended to 4:15pm.

The motion passed unanimously by a show of hands.

7. CEO Reports:

- A. Water Supply and Demand Update: Acting CEO/General Manager Mr. Francis reported that February's potable water use in the BAWSCA region was 26% less than recorded for February 2022 and 24% less than in 2013 which was the year before a drought period.

On March 24th, Governor Newsom issued Executive Order N-5_23 in light of the State's improved drought conditions, but 33 provisions under the Governor's emergency drought declaration continues, including the ban on irrigation of non-functional turf in Commercial, Industrial, Institutional (CII) properties. The Governor's Executive Order directive for Stage 2 drought contingency plans to be in place have been lifted, but the State Water Resources Control Board (State Board)'s regulations requiring implementation of Stage 2 plans are still in effect until their emergency regulations expire on June 10, 2023.

The SFPUC adopted a resolution that rescinded its drought emergency declaration on April 11th, but maintains the call for an 11% voluntary systemwide water use reduction because the State Board has not acted to lift their emergency regulations. When and if the State Board lifts its drought regulations or those regulations expire, the SFPUC's requirements under the adopted resolution will automatically be lifted. The SFPUC continues to encourage wise water use in the region.

- B. Bay Delta Plan/FERC Update: On April 11th, the State Board issued a Notice of Preparation (NOP) for the development of an Environmental Document related to the Tuolumne River Voluntary agreement (TRVA), which includes a possible amendment of the Bay-Delta Plan to incorporate the TRVA. A scoping meeting is scheduled for May 18th and written comments are due by May 25th.

Voluntary Agreements (VA) discussions and the State are continuing to move forward to produce deliverables expected for Fall 2023 and Winter/Spring 2024.

BAWSCA remains engaged with SFPUC and others in support of the TRVA as an alternative to the adopted Bay Delta Plan.

- C. **Correspondence Packet:** Mr. Francis provided key takeaways from the reports provided in the Correspondence packet:
- FY 2021-22 Annual Survey:
 - The drought had a significant impact on the member agencies' water demand.
 - 5% lower than in FY 2020-21
 - Member agencies' total water demand from all sources is 5.8% lower than in FY 2020-21
 - Residential per capita use continues to drop which can be tied strongly to drought actions. Average residential per capita consumption is 5% less than FY 2020-21 and 48% less than the estimated peak residential per capita consumption in 1975-76.
 - No significant changes were observed regarding water use distribution by source, or by customer class.
 - Population slightly increased in the BAWSCA service area from FY 2020-21.
 - Water Supply Reliability Roundtable:
 - Roundtable meetings were an effective means of engaging NGO's, county agencies, and business groups to learn about the significant interests in developing local smaller projects to increase supply diversity and resiliency in the BAWSCA service area. A challenge for agencies in developing local water projects is finding and securing the funding needed. There is interest in having BAWSCA continue to facilitate the Roundtable Series.
 - Bay Area Regional Reliability (BARR) Shared Water Access Program (SWAP)
 - Together, Bay Area water agencies can enhance water supply reliability and leverage existing infrastructure investments by facilitating water transfers during critical shortages.
 - BARR SWAP can bridge institutional and physical barriers, enable efficient sharing of water resources particularly in emergency conditions, and share lessons learned from past efforts and from exploring new ones.
 - BARR SWAP aligns and supports other relevant regional and local planning efforts and policies, including long-term water supply planning on a regional scale.

In response to Director Cormack, Mr. Francis stated that the SFPUC's drought campaign has been stopped, but messaging will continue to encourage the wise use of water.

In response to Director Smegal, Mr. Francis noted that the State Board is expected to let their drought regulation expire on June 10th.

Public comments were provided by Anwar Mirza of East Palo Alto.

8. **Closed Session:** The Committee adjourned to Closed Session at 4:16 pm.

9. **Report from Closed Session:** The Committee reconvened to Open Session at 4:24pm. Ms. Witt reported that no reportable action was taken during Closed Session.
10. **Comments by Committee Members:** There were no comments from members of the Committee.
11. **Adjournment:** The meeting was adjourned at 4:24 pm. The next meeting is June 14, 2023 in Sequoia Room of Burlingame Community Center.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 12, 2023	Feb. 8, 2023	Dec. 14, 2022	Oct. 12, 2022	Aug. 10, 2022	Jun. 8, 2022
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓		✓
MPWD	Vella, Lou (VC)	✓		n/a	n/a		n/a
Westborough	Chambers, Tom	✓	✓	✓	✓		✓
Palo Alto	Cormack, Alison	✓	✓	✓	✓		✓
Menlo Park	Doerr, Maria	✓		n/a	n/a		n/a
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓		✓
Redwood City	Pierce, Barbara	✓	✓		✓		✓
Millbrae	Schneider, Ann	✓	✓	n/a	n/a		n/a
CalWater	Smegal, Tom	✓	✓	n/a	n/a		n/a
Stanford	Zigterman, Tom	✓			✓		✓

✓: present

☎ : Teleconference

February 8, 2023 Meeting Attendance (*In-Person*)

BAWSCA Staff:

Tom Francis	Acting CEO/General Manager	Nicole Witt	Legal Counsel, Hanson Bridgett
Christina Tang	Finance Manager	Nathan Metcalf	Legal Counsel, Hanson Bridgett
Kyle Ramey	Water Resources Specialist	Mark Creger	Public Trust Advisors
Danielle McPherson	Sr. Water Resources Specialist		
Lourdes Enriquez	Asst. to the CEO/General Manager		
Deborah Grimes	Office Manager		

Public Attendees:

Anwar Mirza	East Palo Alto
Steve Jordan	Purissima Hills Water District
Alison Kastama	SFPUC

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****March 16, 2023 – 6:30 p.m.**

DUE TO PUBLIC HEALTH AND SAFETY IMPACTS RELATED TO RECENT STORMS, INCLUDING CURRENT POWER OUTAGES, 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.

MINUTES

1. Call to Order/Pledge of Allegiance/Roll Call – 6:35 pm.

BAWSCA Chair, Gustav Larsson, called the meeting to order. Nicole Sandkulla called the roll. Nineteen (19) members of the Board were present at roll call. One (1) member of the Board arrived after roll call. A list of Directors present (20) and absent (6) is attached.

1.5. Adoption of Resolution #2023-02, Declaring that the Board of Directors Meetings will be held via teleconference.

Director Montano made a motion, seconded by Director Pierce, that the Board adopt Resolution #2023-02, declaring that the Board of Directors meeting will be held via teleconference.

The motion passed unanimously by roll call vote. See roll call tally attached.

2. Comments by the Chair:

Chair Larsson welcomed members of the Board, staff, and meeting participants to BAWSCA's Board meeting that is virtual due to public health and safety impacts related to recent storms, including the power outage in BAWSCA's meeting location.

He commented on the Silicon Valley Bank's closure and emphasized that CEO Sandkulla met in person with the Silicon Valley Bank Branch Manager, and confirmed that BAWSCA's deposits are immediately available. At this time, BAWSCA is working to secure the agency, and is consulting with financial and legal experts regarding what changes may be necessary to ensure the safety and liquidity of the agency's operating funds.

The proposed Work Plan and Operating Budget for FY 2023-24 that will define the agency's work and results to be achieved for next year will be presented to the Board for comments. BAWSCA's goal is to ensure a reliable supply of high-quality water at a fair price and the annual work plan is designed to achieve that. BAWSCA remains committed to protecting the water supply interests and the financial interests of the member agencies and their water customers that are entrusted to BAWSCA.

3. Board Policy Committee Report:

Committee Chair Hardy reported on the discussions and actions taken by the Board Policy Committee at its meeting on February 8, 2023. The summary report included in the agenda provides details of the discussions.

Public comments were provided by Peter Drekmeier, Policy Director of Tuolumne River Trust.

4. Consent Calendar:

There were no public comments on the Consent Calendar.

Director Vella made a motion, seconded by Director Pierce, that the Board approve the Minutes of the January 19, 2023 meeting; receive and file the Budget Status Report as of January 31, 2023, the Investment Report as of January 31, 2023, the Bond Surcharge Collection, Account Balance and Payment Report as of December 31, 2022, approve the Proposed FY 2023-24 Bond Surcharges, and approve the Adjustments to Staff Top Step Position Compensation.

The motion passed with one abstention on the approval of the Minutes of the January 19, 2023 meeting. See roll call tally attached.

5. SFPUC Report:

Mr. Steve Ritchie, SFPUC Assistant General Manager for Water Enterprise, provided a report on SFPUC's 10-Year Capital Improvement Program.

Ms. Alison Kastama provided a water supply conditions update noting that, based on current conditions, the SFPUC staff will be recommending that the SFPUC Commission find that a water shortage condition no longer exists and that the local water shortage emergency should be rescinded. The SFPUC's systemwide water use reduction will remain in effect consistent with the State Water Board regulations, but will be revisited once the State Water Board modifies its regulations.

Questions and comments from members of the Board were taken.

Public comments were provided by Dave Warner, Steve Rosenblum, Peter Drekmeier, John Rosapepe, and Denise Louie.

6. Water Management Representatives Report:

Elizabeth Flegel, Water Resources Manager for the City of Mountain View, reported on the current activities of the Water Management Representatives.

Directors Vella and Larsson appreciated the report.

There were no comments from members of the public.

7. Public Comments on Items Not on the Agenda:

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

8. Action Calendar:

- A. Consideration of Resolution #2023-01, Concurring in 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.

Public comments were provided by Peter Drekmeier.

Director Jordan made a motion, seconded by Director Vella, that the Board adopt Resolution #2023-01, Concurring in 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.

The motion passed unanimously. See roll call tally attached.

8. Report and Discussion:

- A. Preliminary Fiscal Year 2023-24 Work Plan, Results to be Achieved and Operating Budget: CEO/General Manager, Nicole Sandkulla provided the report to the Board.

Questions and comments were received from members of the Board. Public comments were provided by Peter Drekmeier.

Before proceeding to the next agenda item, Chair Larsson called for a motion to extend the meeting given the duration of the meeting has passed the 2 and one-quarter hours.

Director Cormack made a motion, seconded by Director Vella, to extend the meeting to 9:35pm.

The motion passed by roll call vote. See roll call tally attached.

9. CEO Reports:

BAWSCA Finance Manager, Christina Tang provided a report on BAWSCA's annual review of the Water Supply Agreement Balancing Account.

CEO/General Manager, Nicole Sandkulla provided a water supply and demand update, and a report on the Bay Delta Plan and FERC process.

Public comments were provided by Peter Drekmeier and Dave Warner

10. Closed Session:

There were no public comments prior to adjourning to Closed Session. The meeting adjourned to Closed Session at 8:57pm

11. Report from Closed Session:

Chair Larsson reconvened Open Session at 9:17pm

Legal Counsel Allison Schutte reported that the Board reconvened from Closed Session at 9:17 pm. There was no reportable action taken during Closed Session.

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

Director Montano suggested looking into a Financial subcommittee to function as a third arm in reviewing the agency's process for managing public funds.

Chair Larsson noted that staff is currently addressing the operational issues related to SVB's closure. There could be some policy changes that the Board may need to consider in the future should staff determine that modifications are necessary to ensure the agency's financial security. The Board Policy Committee and the Board will engage at the necessary level should conversations and actions on policy matters are needed. BAWSCA takes its fiduciary responsibilities very seriously. Chair Larsson encouraged members of the Board to reach out to the CEO/General Manager if they have any questions.

There being no further questions or comments, Chair Larsson asked for a moment of silence in memory of Dr. Robert Anderson who served on the BAWSCA Board from 2008 to 2019.

13. Date, Time and Location of Next Meeting: The next meeting scheduled on May 18, 2023 at 6:30pm.**14. Adjournment:** The meeting adjourned at 9:25 pm

Respectfully submitted,

Nicole M. Sandkulla
Chief Executive Officer/General Manager

NMS/le

Attachments: 1) Roll Call & Voting Log
2) Attendance Roster

Roll Call & Voting Log - BAWSCA

Meeting Date: March 16, 2023

Agency	Director						Weighted Voting ⁽²⁾	
		Present/ Absent	Item #1.5 Reso #2023-02	Item #4 Consent	Item #8A JPIA	Extend Mtg to 9:35pm	Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	0	0	0	0	0		
Hillsborough	Benton, Jay	0	0	0	0	0		
Guadalupe	Breault, Randy	0	0	0	0	0		
Westborough	Chambers, Tom	y	y	y	y	y		
San Jose	Cohen, David	y	y	y	y	0		
Palo Alto	Cormack, Alison	y	y	y	y	y		
Menlo Park	Doerr, Maria	y	y	y	y	y		
San Bruno	Hamilton, Tom	y	y	y	y	y		
Santa Clara	Hardy, Karen	y	y	y	y	y		
Foster City	Hindi, Sam	y	y	y	y	0		
Purissima	Jordan, Steve	y	y	y	y	y		
Sunnyvale	Larsson, Gustav	y	y	y	y	y		
East Palo Alto	Lopez, Antonio	0	0	y	y	y		
Daly City	Manalo, Juslyn	y	y	y	y	0		
Mountain View	Matichak, Lisa	y	y	y	y	y		
Coastside	Mickelsen, Chris	y	y	y	y	y		
Milpitas	Montano, Carmen	y	y	y	y	y		
Burlingame	O'Brien, Ann	y	y	y	y	y		
North Coast	Piccolotti, Tom	y	y	y	y	y		
Redwood City	Pierce, Barbara	y	y	y	y	y		
Millbrae	Schneider, Ann	late	y	y	y	y		
Cal Water	Smegal, Tom	0	0	0	0	0		
Mid-Peninsula	Vella, Louis	y	y	y	y	y		
ACWD	Weed, John	y	y	y	y	y		
Brisbane	Wood, Sepi	0	0	0	0	0		
Stanford	Zigterman, Tom	y	y	y	y	y		

Vote Tally

Yes (y)
No (n)
Absent (0)
Abstain (a)

19	20	20	20	18	
	0	0	0	0	
6	6	6	6	8	
0	0	1 on 4a	0	0	

Weighted Vote Summary

"Yes" "No"

Item Carries by
Simple Vote?
Item Carries by
Weighted Vote?

(1) Under simple voting, item carries if it receives an affirmative vote of a majority of the total membership (15 votes)

(2) Under weighted voting, item carries if it receives the affirmative vote of directors representing both

- a) A majority of the members present and voting, and
- b) a majority of the number of votes represented by directors present

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	Mar. 16 2023	Jan. 19, 2023	Nov. 17, 2022	Sept. 15, 2022	July 21, 2022	May 19, 2022
Andrews, Angela	Hayward		✓	✓	✓	✓	✓
Benton, Jay	Hillsborough		✓	✓		✓	✓
Breault, Randy	Guadalupe		✓	✓		✓	✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cohen, David	San Jose	✓	✓	*	*	*	*
Cormack, Alison	Palo Alto	✓	✓	✓	✓		✓
Doerr, Maria	Menlo Park	✓	✓	*	✓	*	✓
Hamilton, Tom	San Bruno	✓	✓	✓	✓	✓	✓
Hardy, Karen	Santa Clara	✓	✓	✓	✓	✓	✓
Hindi, Sam	Foster City	✓		✓	✓	✓	✓
Jordan, Steve	Purissima	✓	✓	✓	✓	✓	✓
Larsson, Gustav	Sunnyvale	✓	✓	✓	✓	✓	✓
Lopez, Antonio	East Palo Alto		✓	✓	✓		
Manalo, Juslyn	Daly City	✓	✓	✓	✓		✓
Matichak, Lisa	Mountain View	✓	✓		✓	✓	✓
Mickelsen, Chris	Coastside	✓	✓	✓			
Montano, Carmen	Milpitas	✓			✓		✓
O'Brien, Ann	Burlingame	✓	✓	✓	✓	✓	✓
Piccolotti, Tom	North Coast	✓	✓	✓	✓	✓	✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓	✓
Schneider, Ann	Millbrae	✓	✓	*	*	*	✓*
Smegal, Tom	Cal Water		✓		✓	✓	✓*
Vella, Louis	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: May 1, 2023

SUBJECT: Budget Status Report as of March 31, 2023

This memorandum shows fiscal year budget status for FY 2022-23. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

Operating Budget Summary:

For the nine-month period ending March 31, 2023, 75 percent into the fiscal year, total expenditures were \$3,127,180 or 66 percent of the total budget of \$4,750,885.

Table 1. Operating Budget Summary as of March 31, 2023

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,678,820	1,018,047	61%
Fair Pricing	284,200	98,812	35%
Administration	116,000	141,065	122%
Subtotal	2,079,020	1,257,924	61%
Administration and General			
Salary & Benefits	2,198,190	1,573,778	72%
Other Expenses			
BAWSCA	465,100	294,832	63%
BAWUA	1,050	0	0%
Subtotal	4,743,360	3,126,533	66%
Capital Expenses	3,000	0	0%
Budgeted Contingency	2,500	0	0%
Regional Financing Authority	2,025	646	32%
Grand Total	4,750,885	3,127,180	66%

Overview:

Overall expenditures for FY 2022-23 are tracking within budget.

Consultants

The \$95,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 32 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 70 percent expended. The Operating Budget allocation of \$781,500 budget for legal counsel was 89 percent expended. The \$336,320 budget for water management and conservation-related activities was 25 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 72 percent and 63 percent expended respectively.

Use of CEO's Discretionary Spending Authority:

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

- A contract in the amount of \$17,400 with IGServices to assist BAWSCA in its annual Wholesale Revenue Requirement (WRR) review process.
- A contract in the amount of \$1,900 with Gloria Cohn Consulting for services related to staff presentation training.

The FY 2022-23 Operating Budget remains the same.

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2021-22 were \$124,744. In accordance with the adoption of the FY 2022-23 annual budget in May 2022, the Board approved a transfer of \$193,012 to the General Reserve. In January 2023, the Board approved a transfer of \$30,000 from the General Reserve to fund the outside consultant support needed to initiate scoping an update to BAWSCA's Long-Term Reliable Water Supply Strategy, as a result of the change to the FY 2022-23 Work Plan and the Operating Budget.

The General Reserve balance as of March 31, 2023 reflects all three transfers mentioned above, and represents 22% of the adopted FY 2022-23 Operating Budget.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 01/31/23)	Account Balance (As of 03/31/23)
General Reserve	\$1,046,550	\$1,046,550


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 8, 2023

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
 as of March 31, 2023**

In February 2013, 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. In January 2023, BAWSCA completed the settlement of Series 2023A bonds to refund the 2013A bonds based on a tax-exempt forward delivery. The bond transactions and the prepayment program were anticipated to generate approximately \$89.4 million in net present value savings to the water customers from 2013 to 2034 when the bonds will be paid off.

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 2023 have been collected. Payments of surcharges billed for March 2023 are still being received. Table 1 below presents a summary of financial transactions related to BAWSCA's Bond Series 2013B and 2023A for the three months.

Table 1: Summary of Surcharges Remitted to Trustee for Quarter Ending 3/31/2023

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
January 2023	\$2,057,856	\$2,057,856	\$0
February 2023	\$2,057,856	\$2,057,856	\$0
March 2023	<u>\$2,057,856</u>	<u>\$921,341</u>	<u>\$1,136,515</u>
Total	\$6,173,568	\$5,037,053	\$1,136,515

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 Quarter Ending 3/31/2023

	23,051,920	Account Market Value as of 12/31/2022
<i>plus:</i>	6,028,298	<i>Surcharge Collected in January 2023 through March 2023</i>
<i>plus:</i>	188,223	<i>Money Market Fund Interest, Security Accrued Interest Received</i>
<i>plus:</i>	122,077	<i>Change in Market Value of Held and Matured Treasury Bonds</i>
<i>minus:</i>	6,493,131	<i>Transfers to the 2023A Escrow</i>
	22,897,387	Account Market Value as of 3/31/2023

In April 2023, BAWSCA re-evaluated its investment strategy for the bond stabilization fund during the annual review of the Investment Policy. As the Federal Reserve has continued its campaign to raise interest rates in response to elevated inflation, rates in the 0-5 year range have risen significantly since the beginning of 2022. BAWSCA's longer-term 0-5 year ladder maturity investment strategy continues to provide a disciplined approach for extending portfolio duration at prevailing market rates. With a ladder maturity distribution, the fund has taken advantage of being able to reinvest into the higher rates available on longer-term bonds. The current 0-5 year ladder maturity investment strategy continues to provide important yield curve diversification against both market price and reinvestment rate risks consistent with BAWSCA's risk tolerances and primary investment objectives. For this reason, BAWSCA and its investment advisor believe that the current 0-5 year ladder maturity investment strategy remains appropriate as such longer-maturity strategies have historically provided greater investment returns and income over time.

Just prior to security maturities on March 31, 2023, the book yield and market yield on BAWSCA's revised portfolio strategy was 1.72% and 3.94% respectively, as compared to the yield of 4.72% 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.

Debt Service Payment Status

The recent debt service payment of \$ 2,723,534.38 was made on April 1, 2023. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$14,072,026.05 will be made on October 1, 2023. 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

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(650) 349-3000 tel. (650) 349-8395 fax

MEMORANDUM

TO: Nicole Sandkulla, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: May 1, 2023

SUBJECT: Investment Report – As of March 31, 2023

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. As a result of the recent review of the policy, the proposed modifications to the current statement of investment policy to ensure safety of bank deposits over the FDIC limit will be presented to the Board for consideration of approval on May 18, 2023.

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>01/31/23</u>	<u>03/31/23</u>
\$3,010,813	\$3,730,803

Of the total in the BAWSCA LAIF account as of March 31, 2023, \$1,046,550 represents BAWSCA's General Reserve Fund, equivalent to approximately 22 percent of FY 2022-2023 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>12/31/23</u>	<u>03/31/23</u>
2.07%	2.74%

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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: May 1, 2023

SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending March 31, 2023

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, 2023.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Modifications to BAWSCA's Investment Policy to Ensure Safety of Bank Deposits Over \$250,000**

Summary:

The Board's Investment Policy states that the CEO/General Manager shall annually submit a Statement of Investment Policy to the Board, which the Board will consider at a public meeting. The previous review occurred on November 17, 2022 and resulted in no changes to the policy. An investment report is provided to the Board every two months. The last investment report was provided to the Board on March 16, 2023.

BAWSCA's Investment Policy applies to all funds and investment activities under the direction of the agency. It also specifies permitted investment instruments for the bond proceeds, and delegates the management and oversight of the investments to the CEO/General Manager.

The current Investment Policy requires the agency funds that are not invested in the Local Agency Investment Fund (LAIF) to be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the California Government Code. It further limits that maximum amount of funds deposited with any bank or savings association shall be \$250,000.

To safeguard bank deposits over the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 and to more effectively manage fluctuating bank account balances, BAWSCA recommends modifying the policy to require the bank deposits over the FDIC limit to be collateralized with securities in accordance with State law, and to eliminate the limit of \$250,000 that can be deposited with any bank or savings association.

Legal counsel has confirmed that the proposed modified Investment Policy reflects language consistent with current State law. Except for the recommended modifications to require the bank deposits to be collateralized and to eliminate the maximum deposit limit of \$250,000, no other changes to the Policy are recommended at this time.

Fiscal Impact:

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

Board Policy Committee Action:

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

Recommendation:

That the Board approve the proposed modifications to the current Statement of Investment Policy by requiring the bank deposits in excess of the FDIC limit to be collateralized with securities in accordance with State law and to eliminate the maximum deposit limit of \$250,000.

Discussion

The primary objectives of BAWSCA's Investment Policy are safety, liquidity and return on investment. All BAWSCA funds shall be invested in accordance with the Investment Policy and the California Government Code.

The current Investment Policy requires the agency funds that are not invested in LAIF to be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the Government Code. It further limits that maximum amount of funds deposited with any bank or savings association shall be \$250,000.

In terms of the cash flow needs, BAWSCA bills the member agencies for their assessment payments on a quarterly basis, except Cal Water who pays each month. The member agencies make the payments, ranging from \$2,532 to \$127,026 via wires or checks, at different times throughout the year. At the same time, BAWSCA has no control over when any checks that it issues (approximately 50 checks per month) get cleared through the bank. In addition, LAIF restricts the total number of transactions to 15 times a month. Due to BAWSCA's ongoing cash flow needs for day-to-day operations and the challenges described above, the bank account balance fluctuates and sometimes exceeds \$250,000.

BAWSCA has reviewed the California Government Code and Government Finance Officers Association (GFOA) recommended best practices, consulted with its investment advisor, and queried the member agencies about how they address getting security for bank deposits over \$250,000. Based on this evaluation and the feedback received, it is recommended that the BAWSCA Investment Policy be modified to require all bank deposits above the FDIC limit be collateralized with securities in accordance with State law.

Bank Deposits Secured by Collateralization Agreement

Collateralization of public deposits through the pledging of appropriate securities by depositories is an important safeguard for such deposits. California Government Code Sections 53630-53687 govern the reporting and collateralization of California local agency deposits by insured depository institutions. BAWSCA will contract with an insured depository institution to create a collateralization agreement that is in accordance with California Government Code Section 53630-53687. The insured depository institutions shall pledge eligible securities as collateral against its public deposits over the FDIC limit, and the collateral amount is required to be at least 110% of deposits for most securities, as required by California Government Code Section 53652. Further, Section 16522 specifies the types of securities that may be used as collateral.

GFOA Recommendations on Collateralizing Public Deposits

The GFOA recommendations include: i) the use of a written agreement with pledging requirements as protection for state or local government's deposits; ii) that all pledged collateral be held at a third-party institution; and (iii) that the governmental entity should establish and follow procedures for on-going review of collateral. All collateralization agreements between financial institutions and public entities must adhere to state and federal laws, including FDIC regulations. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law.

LAIF Deposits Are Confirmed Safe

According to a recent statement, LAIF confirmed that all funds are safe. LAIF is one of the participants in the Pooled Money Investment Account (PMIA), which has no current or past exposure to Silicon Valley Bank or Signature Bank. All of the securities within the PMIA are highly rated, as required by California Government Code and the PMIA's Investment Policy.

Bond Proceeds Secured by Full Faith and Credit of US Government

BAWSCA's bond proceeds are held in a separate trust account at the Bank of New York Mellon Trust Company (Trustee), and are invested in accordance with the Bond Indenture and the agency's Investment Policy. The Bond Indenture specifies investments in which BAWSCA is permitted to invest bond proceeds. BAWSCA's Investment Policy further restricts allowable investments for bond proceeds to four specific instruments: Federal Securities, US Agency Securities, Money Market Mutual Funds, and Certificates of Deposit.

In March, BAWSCA confirmed with its investment advisor that all bond funds held at the Trustee are safe and backed by the full faith and credit of United States Government. BAWSCA's bond funds are currently invested in US Treasury Securities and the Money Market Fund, whose funds are subsequently invested in Government Guaranteed Securities.

Based on a recent review of the agency's circumstances, BAWSCA believes the current permitted investment instruments are consistent with the agency's risk tolerances and primary investment objectives. No changes to the permitted investments for the bond proceeds are recommended at this time.

Attachments:

1. Recommended Statement of Investment Policy, showing revisions in redlined format
2. Recommended Statement of Investment Policy, incorporating revisions

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BAY AREA WATER SUPPLY & CONSERVATION AGENCY
STATEMENT OF INVESTMENT POLICY

1. Introduction

The investment policies and practices of the Bay Area Water Supply & Conservation Agency (BAWSCA) are based on state law and prudent money management. All funds will be invested in accordance with the Agency's Investment Policy and the California Government Code.

2. Scope

This policy applies to all funds and investment activities under the direction of the Agency, including funds held in the name of the Bay Area Water Users Association (BAWUA), a California nonprofit corporation of which the Agency is the sole member.

3. Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

Investments shall be made with the judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived, and in accordance with the provisions of Government Code Section 53600 et seq.

4. Objectives

The primary objectives, in priority order, of the Agency's investment activities shall be:

A. Safety. Safety of principal is the foremost objective of the investment program. The Agency's funds shall be invested in a manner that seeks to ensure preservation of capital.

B. Liquidity. The Agency's investments will remain sufficiently liquid to enable the Agency to meet its cash flow requirements.

C. Return on Investment. The Agency's investments shall be designed with the objective of attaining a market rate of return consistent with the constraints imposed by its safety and liquidity objectives.

5. Delegation of Authority

The management and oversight responsibility for investments is hereby delegated to the CEO/General Manager who shall monitor and review all investments for consistency with this Investment Policy.

6. Investment of Funds

A. Permitted Investments and Depositories

(i) Agency funds may be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the California Government Code, as it may be amended from time to time.

(ii) Collateralization will be required on all deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit, in accordance with Government Code Sections 53630-53687 and Section 16522.

(iii) Funds not deposited in banks or savings associations shall be invested in the Local Agency Investment Fund administered by the Treasurer of the State of California, in accordance with Government Code Section 16429.1.

B. Other Limitations

(i) ~~The maximum amount of funds deposited with any bank or savings association shall be \$250,000; provided that if funds are each separately insured by the Federal Deposit Insurance Corporation ("FDIC"), the General Manager may maintain separate accounts for the Agency and for BAWUA (to a maximum of \$250,000 for each entity) at one bank or savings association. The temporary increase from \$100,000 to \$250,000 in the standard maximum deposit insurance amount has been permanently extended by the Dodd-Frank Wall Street Reform and Consumer Protection Act.~~

(ii) Investment maturities shall be based on a review of cash flow forecasts and shall be scheduled so as to allow the Agency to meet all projected obligations. The maturity of any certificate of deposit shall not exceed 12 months.

7. Investment of Bond Proceeds

Permitted Investments and Depositories. Pursuant to Government Code section 53601(m), a local agency may invest bond proceeds "in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance of those bonds." Typically, a local agency will specify in its investment policy that the investment of bond proceeds is out of the scope of the investment policy because permitted investments are specified in the bond indenture.

Instead, BAWSCA has determined that it would like to at least temporarily use its Investment Policy to restrict the vehicles permitted for the investment of bond proceeds to more conservative investments than are permitted by the Revenue Bond Indenture, dated January 1, 2013, by and between BAWSCA and the Trustee (the "Indenture"). This gives BAWSCA the flexibility to, through amendments to future Investment Policies, gradually expand permitted investments for bond proceeds to include some or all of the investment vehicles permitted in the Indenture. As such, notwithstanding language allowing a broader range of investment vehicles in the Indenture, bond proceeds may be invested only in the following instruments:

(i) "Federal Securities" meaning direct and general obligations of the United States of America, or those which are fully and unconditionally guaranteed as to timely payment of principal and interest by the same;

(ii) "Money Market Mutual Funds" meaning funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of "AAAm-G" or "AAAm" and, if rated by Moody's, having a rating by Moody's of "Aaa," including money market funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund or for which the Trustee or any of its affiliates serve as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(iii) "Certificates of Deposit" (including those placed by third parties pursuant to an agreement between the Agency and the Trustee), trust funds, trust accounts, overnight bank deposits, interest bearing money market accounts, time deposits, savings accounts, deposit accounts, bankers' acceptances or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including those of the Trustee or its affiliates; and

(iv) "U.S. Agency Securities" meaning bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies: (1) senior debt obligations of the Federal Home Loan Bank System; (2) senior debt obligations of the Federal Home Loan Mortgage Corporation (FHLMC); (3) senior debt obligations of the Federal National Mortgage Association (FNMA); and (4) consolidated systemwide bonds and notes of the Farm Credit System. The investment in U.S. Agency Securities has a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase.

8. Reporting Requirements

The CEO/General Manager shall provide the Board a quarterly investment report, which shall include the information specified in Government Code Section 53646.

9. **Annual Review of Investment Policy**

The CEO/General Manager shall annually submit a Statement of Investment Policy to the Board, which the Board will consider at a public meeting. The Agency shall also annually verify that deposits are properly collateralized.

BAY AREA WATER SUPPLY & CONSERVATION AGENCY

STATEMENT OF INVESTMENT POLICY

1. Introduction

The investment policies and practices of the Bay Area Water Supply & Conservation Agency (BAWSCA) are based on state law and prudent money management. All funds will be invested in accordance with the Agency's Investment Policy and the California Government Code.

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3. Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

Investments shall be made with the judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived, and in accordance with the provisions of Government Code Section 53600 et seq.

4. Objectives

The primary objectives, in priority order, of the Agency's investment activities shall be:

A. Safety. Safety of principal is the foremost objective of the investment program. The Agency's funds shall be invested in a manner that seeks to ensure preservation of capital.

B. Liquidity. The Agency's investments will remain sufficiently liquid to enable the Agency to meet its cash flow requirements.

C. Return on Investment. The Agency's investments shall be designed with the objective of attaining a market rate of return consistent with the constraints imposed by its safety and liquidity objectives.

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(i) Agency funds may be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the California Government Code, as it may be amended from time to time.

(ii) Collateralization will be required on all deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit, in accordance with Government Code Sections 53630-53687 and Section 16522.

(iii) Funds not deposited in banks or savings associations shall be invested in the Local Agency Investment Fund administered by the Treasurer of the State of California, in accordance with Government Code Section 16429.1.

B. Other Limitations

(i) The General Manager may maintain separate accounts for the Agency and for BAWUA.

(ii) Investment maturities shall be based on a review of cash flow forecasts and shall be scheduled so as to allow the Agency to meet all projected obligations. The maturity of any certificate of deposit shall not exceed 12 months.

7. Investment of Bond Proceeds

Permitted Investments and Depositories. Pursuant to Government Code section 53601(m), a local agency may invest bond proceeds "in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance of those bonds." Typically, a local agency will specify in its investment policy that the investment of bond proceeds is out of the scope of the investment policy because permitted investments are specified in the bond indenture.

Instead, BAWSCA has determined that it would like to at least temporarily use its Investment Policy to restrict the vehicles permitted for the investment of bond proceeds to more conservative investments than are permitted by the Revenue Bond Indenture, dated January 1, 2013, by and between BAWSCA and the Trustee (the "Indenture"). This gives

BAWSCA the flexibility to, through amendments to future Investment Policies, gradually expand permitted investments for bond proceeds to include some or all of the investment vehicles permitted in the Indenture. As such, notwithstanding language allowing a broader range of investment vehicles in the Indenture, bond proceeds may be invested only in the following instruments:

(i) “Federal Securities” meaning direct and general obligations of the United States of America, or those which are fully and unconditionally guaranteed as to timely payment of principal and interest by the same;

(ii) “Money Market Mutual Funds” meaning funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s of “AAAm-G” or “AAAm” and, if rated by Moody’s, having a rating by Moody’s of “Aaa,” including money market funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund or for which the Trustee or any of its affiliates serve as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(iii) “Certificates of Deposit” (including those placed by third parties pursuant to an agreement between the Agency and the Trustee), trust funds, trust accounts, overnight bank deposits, interest bearing money market accounts, time deposits, savings accounts, deposit accounts, bankers’ acceptances or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including those of the Trustee or its affiliates; and

(iv) “U.S. Agency Securities” meaning bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies: (1) senior debt obligations of the Federal Home Loan Bank System; (2) senior debt obligations of the Federal Home Loan Mortgage Corporation (FHLMC); (3) senior debt obligations of the Federal National Mortgage Association (FNMA); and (4) consolidated systemwide bonds and notes of the Farm Credit System. The investment in U.S. Agency Securities has a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase.

8. Reporting Requirements

The CEO/General Manager shall provide the Board a quarterly investment report, which shall include the information specified in Government Code Section 53646.

9. Annual Review of Investment Policy

The CEO/General Manager shall annually submit a Statement of Investment Policy to the Board, which the Board will consider at a public meeting. The Agency shall also annually verify that deposits are properly collateralized.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2023-24 Work Plan, Results to be Achieved, and Operating Budget**

Summary:

This memo presents the proposed Fiscal Year 2023-24 Work Plan, results to be achieved and Operating Budget. Comments received from the Board at the January 19, 2023 and March 16, 2023 board meetings have been reviewed and addressed.

The proposed Work Plan remains aligned with BAWSCA's legislated authority and its three goals: a reliable supply of high-quality water at a fair price. Major work areas include review of SFPUC's 10-year Capital Plan and Asset Management Program; complete scoping and initiate development of BAWSCA's Long Term Reliable Water Supply Strategy 2045 (Strategy 2045); provide drought support to members and their customers; provide assistance to members in meeting new State water efficiency mandates; implement BAWSCA's core and subscription conservation programs including a new grant support program; take action necessary to ensure that the SFPUC meets its legal and contractual water supply reliability obligations to its Wholesale Customers; review and comment on SFPUC's Alternative Water Supply (AWS) Plan; facilitate negotiations of a new Tier 2 Drought Allocation Plan (Tier 2 Plan); participate in the State Water Resources Control Board (SWRCB) Bay Delta Water Quality Control Plan Update; 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; administer BAWSCA's revenue bonds; implement Board policy directives for management of BAWSCA's unfunded pension liability obligations; implement BAWSCA's student internship program; maintain a motivated, trained and effective workforce; and prepare a plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.

The proposed Operating Budget is \$4,814,667, which is 2% above the approved FY 2022-23 Operating Budget, and represents approximately a 0.03-cent increase in annual cost per person in the service area for an estimated cost to the water customer of \$2.59 per person per year.

The current level of assessments (\$4,838,897) is sufficient to fund the proposed operating budget. It is recommended to maintain the current level of assessments (no assessment increase) to fund the proposed FY 2023-24 Work Plan and Operating Budget.

Board Policy Committee Action:

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

Recommendation:

That the Board approve the:

- 1. Proposed Fiscal Year 2023-24 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,814,667; and**
- 3. Proposed funding plan of 0% assessment increase (\$4,838,897) to fund the Operating Budget.**

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 and February, and with the Board in January and March.

The Proposed FY 2023-24 Work Plan includes the following major efforts:

- Oversight of the SFPUC's WSIP, 10-Year Capital Plan Program (Capital Plan), Regional Water System (RWS) Asset Management Program, and Emergency Response.
- Implement BAWSCA's 2009 Strategy, including the following actions:
 - Complete scoping and initiate development for an update to BAWSCA's 2009 Strategy;
 - Participate in the Bay Area Regional Reliability Partnership (BARR);
 - Complete Basis of Design Report (BODR) for the San Francisco-Peninsula Regional Pure Water Project (Sf-PRP);
 - Facilitate development of other local water supply options by members; and
 - Host BAWSCA Regional Water Supply Reliability Roundtable to inform regional planning efforts and partnership opportunities.
- Support near term water supply solutions for members including:
 - Provide staff-level drought support to members and their customers, assuming dry conditions in FY 2023-24;
 - Prepare a drought summary report following drought conclusion;
 - Represent members' interests in discussion on development of and compliance with California's "Making Water Conservation a California Way of Life" requirements including a possible new subscription program related to new performance measure requirements for Commercial, Institutional and Industrial (CII) accounts;
 - Provide regional coordination to support Advanced Metering Infrastructure (AMI) implementation and data management; and
 - Implement regional core and subscription conservation programs to support members and their customers.
- Take actions to protect members' water supply interests in administration of the WSA including the following:
 - Review and comment on SFPUC's AWS Plan, anticipated for Commission consideration in Summer 2023;
 - Monitor SFPUC's development of new supplies through its AWS Program and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations to its Wholesale Customers;
 - Facilitate negotiations of an updated Tier 2 Plan;
 - Monitor SFPUC's unfunded pension and OPEB liabilities;
 - Ensure correct implementation of asset classification adjustments associated with the 2018 WSA amendment; and,
 - Ensure correct implementation of the recent WSA amendment allowing for transfer

of a portion of minimum purchase obligation.

- 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.
- Develop and implement a new BAWSCA Grant Support Program with both a core and subscription component.
- Support members in receiving reliable communication of water quality issues including:
 - Coordinating member participation in Joint Water Quality Committee; and
 - Relaying important water quality information to members and SFPUC as necessary.
- Administer the WSA.
- Administer BAWSCA's revenue bonds issued to retire capital debt owed by Wholesale Customers to San Francisco.
- Implement BAWSCA's Student Internship Program.
- Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.
- Maintain a motivated, trained, and effective workforce.
- Prepare a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.

Table 1 presents the proposed FY 2023-24 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 to the work plan 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 2023-24

There are three new or significantly rescope, or expanded activities included in the proposed FY 2023-24 Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

1. Work Plan Item 3a: Prepare a Drought Summary Report Following the Conclusion of the 2021-23 Drought. Estimated FY 2023-24 Cost: \$40k

The SFPUC declared a water shortage (i.e., drought) emergency in November of 2021, asking its customers (both retail and wholesale) to reduce system-wide water use by 10 percent and later, in May 2022, 11 percent system-wide. The State of California, through executive orders issued by Governor Newsom, in 2021 and in 2022, also called for water use reduction by all Californians. As of March 2023, drought conditions in California have improved significantly. Portions of the State and the Governor's executive orders, including his most recent Executive Order issued on March 23, 2023, remain in effect at this time, however the Governor has lifted the request for 15% water

use reductions. Rain and snow accumulation within the SFPUC's upcountry watershed has been considerable to date and the SFPUC Commission is scheduled to consider rescinding its drought declaration on April 11, 2023, thereby removing the requirement for voluntary water use reduction.

Following the conclusion of the 2014-17 drought, BAWSCA prepared a drought report, published in August of 2017 and made it available to the public. In FY 2023-24, BAWSCA envisions preparing a similar drought report that will detail drought actions taken by the State, SFPUC, and member agencies. BAWSCA also proposes one additional component of the work that will use consultant expertise to better quantify the impact that particular drought actions had on actual water use reductions. Having a better understanding of which actions resulted in the most savings, and moreover how the timing of action implementation influences savings, will prove useful when responding to future droughts.

The proposed budget includes an estimated \$40,000 for this task.

**2. Work Plan Item 6c: Develop and Implement a New BAWSCA Grant Support Program with Both a Core and Subscription Component.
Estimated FY 2023-24 Cost: \$55k**

In recent fiscal years, BAWSCA's members have indicated interest in having BAWSCA provide support in tracking state and federal funding opportunities for water resources related work. In FY 2022-23, as part of BAWSCA's Water Supply Reliability Roundtable, a summary of current grant opportunities was prepared and well received by Roundtable participants.

For FY 2023-24, BAWSCA proposes to continue the effort to track grant and low interest loan opportunities and provide regular updates regarding those opportunities to the members. In addition, many members desire BAWSCA's support to prepare grant and low interest loan applications. To address that desire, BAWSCA proposes a new subscription program that would enable individual members to access consultant support to assist in grant applications.

The proposed budget includes an estimated \$55k for this task and assumes that a consultant would be hired, through a competitive Request for Proposal (RFP) process, to develop BAWSCA's grant support program. Aside from determining the components of that program (i.e., grant tracking, analysis of programs most likely to be of interest to members, methods to keep members current, etc.) the selected consultant will be tasked with the development of the subscription program. The budget also includes a modest funding allocation for legal counsel assistance. It is anticipated that the program will be developed and ready to implement in the latter portion of FY 2023-24. Modest ongoing consultant support for the core portion of the program is anticipated each fiscal year moving forward.

**3. Work Plan Item 11d: Prepare a Staff-led Plan to Address BAWSCA's Long-Term Policy and Operations Resilience
Estimated FY 2023-24 Cost: \$20K**

During its first year, BAWSCA adopted and implemented necessary operational practices and policies that created a structure that has enabled the agency, the Board, and the staff to be successful in its first 20 years. Given BAWSCA's 20-year anniversary

this year, it is timely for a review of the actions that may need to be taken or policies to be adopted to ensure the agency remains strong and resilient for its next 20 years so that it can meet its goals for the water customers that BAWSCA represents.

The proposed budget includes an estimated \$20,000 for this task.

Proposed FY 2023-24 Work Plan Includes Continuation of Previously Approved Multi-Year Projects

There are three major multi-year projects included in the proposed FY 2023-24 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 members.

**1. Work Plan Item 2a: Complete Scoping for an Update of BAWSCA's 2009 Strategy
Estimated FY 2023-24 Cost: \$35K**

The work of developing a scope for the update of BAWSCA's 2009 Strategy is scheduled to begin in Spring 2023 as part of BAWSCA's FY 2022-23 Work Plan. The updated Strategy will be termed 'Strategy 2045'. Consultant procurement, via an RFP process, is taking place. BAWSCA anticipates that an additional technical consultant budget of \$30K and \$5K budget for legal counsel will be necessary to cover the remaining scoping costs in FY 2023-24. Following scoping, BAWSCA will begin the work to develop Strategy 2045. Consultant support for Strategy 2045 preparation will be considerable, yet its exact budget is unknown at this time. BAWSCA anticipates that the funding source for the development of Strategy 2045 will be the Water Management Charge, as provided for in the WSA, versus through the standard agency assessments. This would be consistent with how the 2009 Strategy was funded.

In 2009, BAWSCA initiated the development of its Strategy to provide a comprehensive, regional assessment of the BAWSCA members' 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 BAWSCA's efforts to engage and promote the development of new alternative water supplies by the SFPUC were performed in accordance with the Strategy. For example, BAWSCA's participation in the Los Vaqueros Reservoir Expansion Project, the Pilot Water Transfer, and the current participation in the PREP Project, all resulted from the direction given in the 2009 Strategy.

Since the completion of the 2009 Strategy in 2015, there have been significant changes that impact the region's long-term water supply planning efforts. For example, the region has weathered the 2014-17 drought and the current drought of 2021-23, new Urban Water Management Plans 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 to be called “Strategy 2045”. For FY 2023-24, the proposed Work Plan reflects this scoping activity being led by BAWSCA staff with support of a consultant. Engagement of the Board and the Water Management Representatives is proposed throughout the work effort.

The proposed budget includes an estimated \$30K for consultant support as well as \$5K for legal support during the scoping efforts.

2. Work Plan Item 3b: Support Members with Water Use Efficiency Legislation CII Performance Measure Requirements
Estimated FY 2023-24 Cost: \$65K

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 California Way of Life.” The legislation directed the Department of Water Resources (DWR) and the SWRCB to conduct studies and adopt long-term standards for water use efficiency and performance measures for CII water use. BAWSCA has closely followed development of the efficiency standards and CII performance measures and represented members in discussions with DWR and the SWRCB.

In 2022, DWR released recommendations for both the water use efficiency standards and CII performance measures that the SWRCB will consider for adoption. The CII performance measures will require a significant new work effort for most members.

For FY 2022-23, BAWSCA proposed to support members 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 members interested in more hands-on assistance with implementation and reporting. BAWSCA entered into a consultant agreement with Maddaus Water Management, Inc. (MWM) on August 18, 2022 for \$80k to support that work.

The SWRCB is behind schedule on this work and has yet to start the rulemaking process for the required measures. There remains uncertainty as to what will be required of water agencies. BAWSCA’s regional and subscription water conservation programs must be prepared to support members to meet those yet to be adopted new water use efficiency standards.

Due to above detailed uncertainty, little work has been performed on this effort to date. The result is that much of the required work currently planned will need to be performed in FY 2023-24 assuming more certainty will be available from the State.

The proposed budget includes an estimated \$65K for this task, which assumes that the majority of the identified work for this fiscal year will need to be performed in FY 2023-24.

3. Work Plan Item 4e: Facilitate Development of an Updated Tier 2 Plan
Estimated FY 2023-24 Cost: \$107K

As part of both the FY 2021-22 and the FY 2022-23 Work Plans, the Board directed BAWSCA to facilitate a renegotiation and update to the existing 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 members for a new Tier 2 Plan. While significant progress has been made in FY 2022-23, BAWSCA anticipates that Woodard & Curran's work will continue into FY 2023-24 and therefore, an additional \$72K budget for support from Woodard & Curran is proposed for FY 2023-24. A \$20K budget allocation with Hazen & Sawyer is also proposed to enable the BAWSCA water system model to be updated to include the new Tier 2 Plan as well as a budget allocation of \$15K for legal counsel to support the member agency adoption process.

The proposed budget includes an estimated \$107K for this task, which assumes that the renegotiation and update will be completed by December 31, 2023.

Proposed FY 2023-24 Work Plan Includes New Items Previously Discussed with Board

There are three newly listed Work Plan items that relate to direction provided by the Board or authority given to BAWSCA through amendments to the WSA. In each case, these are staff led activities that relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

1. Work Plan Item 4g: Ensure Correct Implementation of Asset Classification

In 2018, BAWSCA negotiated, and the Wholesale Customers and SFPUC adopted, an amendment to the WSA that documented and fixed the classification of all significant "upcountry" existing capital assets of the RWS and limited the changes from historical classifications for seven specific projects and known projects on five assets. As part of its role in ongoing administration of the WSA, BAWSCA is also charged with ensuring that the SFPUC correctly implements these agreed upon asset classifications.

2. Work Plan Item 4h: Ensure Correct Implementation of the Recent WSA Amendment

In 2023, BAWSCA negotiated, and the Wholesale Customers adopted, an amendment to the WSA that allows for the paired permanent transfer of a portion of an agency's Individual Supply Guarantee (ISG) and a portion of its Minimum Purchase Quantity to Wholesale Customers with an ISG. The Commission took the final action on February 14, 2023. As part of its role in ongoing administration of the WSA, BAWSCA is charged with ensuring correct implementation of any subsequent transfer through pre-determined steps and documentation.

3. Work Plan Item 9c: Monitor SFPUC's Unfunded Pension and OPEB Liabilities

At its March 18, 2021 meeting, despite the fact that legal and financial counsel has determined that this is not an obligation of BAWSCA, the Board directed BAWSCA to monitor and report back annually to the Board on the status of SFPUC's unfunded pension and OPEB liabilities as part of BAWSCA's annual pension and OPEB liability funded status report to the Board.

Results of January 19, 2023 Work Plan and Budget Preparation Planning Session:

During BAWSCA's January 19, 2023 meeting, a 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 2023-24 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;
- Independent BAWSCA participation in and implementation of projects currently identified as part of the SFPUC's Alternative Water Supply Program;
- 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 5 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 5 at this time.

This information is provided to assist the Board in its deliberation of both the current funding plan for FY 2023-24 and beyond.

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

An alternative to the proposed Work Plan would be to delete the two new planned Work Plan activities: Work Plan item 3a to prepare a drought summary report; and Work Plan item 6c to develop a new BAWSCA grant support program. The estimated savings from deleting these two items is \$95K.

This alternative is not recommended for two separate reasons:

1. For the drought report, BAWSCA's history with the prior drought is that a post-drought report is critically important to document drought response activity to inform future drought response activity. Given the expectation that droughts will continue to occur on a more frequent basis in the future, such a report is critical to support future planning.
2. For the BAWSCA grant support program, it is anticipated that this small investment by BAWSCA will result in increased cost effectiveness of future projects in the region by assisting BAWSCA member agencies in securing additional grant monies for water resources projects.

PROPOSED FY 2023-24 OPERATING BUDGET:

The proposed Operating Budget of \$4,814,667 presented in Table 6 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 ninth year of funding.

Explanation and Alternatives for Salaries and Benefits:

The increase for salaries and benefits of \$103,352 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 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 4.63%. As such, the proposed Operating Budget also includes the following for all employees except the CEO:

- An increase to the top step of salaries for FY 2023-24 by 4.63% to ensure that the approved salary ranges stay competitive moving forward; and
- \$57,216 total budget allowance for salary increases, which represents a potential 5% adjustment to the actual FY 2022-23 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 10-year history of salary and benefit adjustments for BAWSCA is presented in Appendix B to this memo.

A budget allowance of \$24,555 for a potential merit increase for the CEO has been included in the proposed Operating Budget. For budgeting purposes, this amount is calculated in a manner consistent with the merit increases 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 2022-23 funding plan included a 25% increase in assessments, a \$75,000 transfer from the Balancing Account, and a \$193,012 transfer to the General Reserve.

In January 2023, the Board approved a transfer of \$30,000 from the General Reserve to fund the outside consultant support needed to initiate scoping an update to BAWSCA's Long-Term Reliable Water Supply Strategy, as a result of the adopted change to the FY 2022-23 Work Plan and the Operating Budget.

The General Reserve has a current balance of \$1,046,550, which is 22% of the adopted FY 2022-23 Operating Budget, as modified by the Board at its January 2023 meeting and within the 20% to 35% General Reserve budgetary guideline range set by the Board.

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 2022-23 Operating Budget will be 90-95% expended at year end. The CEO will continue to closely review the anticipated end of year expenses over the next few months. Any post-audit excess funds will be transferred to the General Reserve in Fall 2023, however for budget funding purposes. At this time, it is assumed that no funds will be available for transfer at the end of FY 2022-23.

Funding Options and Recommendation:

In developing funding options to address FY 2023-24 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 entirety of Balancing Account to offset increases to the Wholesale Water Rate, no further use of the Balancing Account is examined at this time.

Table 7 presents the following range of three funding options based on the feedback received from the Board at its March meeting:

- **Option 1 “No Assessment Increase”:** No assessment increase (\$4,838,897) and a transfer of \$24,230 to the General Reserve. This results in a General Reserve balance of \$1,070,780, which is 22% of the proposed Operating Budget.
- **Option 2 “1% Assessment Increase”:** A 1% increase in assessments (\$4,887,286) and a transfer of \$72,619 to the General Reserve. This alternative results in a General Reserve balance of \$1,119,169, which is 23% of the proposed Operating Budget.
- **Option 3 “2% Assessment Increase”:** A 2% increase in assessments (\$4,935,675) and a transfer of \$121,008 to the General Reserve. This alternative results in a General Reserve balance of \$1,167,558, which is 24% of the proposed Operating Budget.

Funding Option 1 is recommended as the proposed FY 2023-24 Work Plan and Operating Budget can be funded with no increase in assessments and with a General Reserve level within the agency's budgetary guidelines.

Table 1. Proposed FY 2023-24 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 2023-24 WORK PLAN ITEM	
RELIABLE WATER SUPPLY	
(5.6%)	<p>1. <u>Facility Reliability: Monitor SFPUC's WSIP, 10-Year Capital Plan, 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 Plan 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. d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters. e. <i>Review and comment on SFPUC's current and long-term labor capacity to maintain and operate the RWS.</i>
(11.4%)	<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 scoping activity for Long-Term Reliable Water Supply Strategy 2045 (Strategy 2045) <i>and initiate development.</i> b. Participate in the Bay Area Regional Reliability (BARR) Partnership. c. Complete Basis of Design Report (BODR) for the San Francisco-Peninsula Regional Pure Water Project . d. 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. e. Use the BAWSCA Reliability Model (Model) to evaluate 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. f. Facilitate use of the BAWSCA Model by members via Subscription Program. g. Host quarterly meetings of BAWSCA Regional Water Supply Reliability Roundtable to identify possible water supply options for consideration by BAWSCA and its members as well as potential local partnership opportunities.
(12.7%)	<p>3. <u>Near-term Supply Solutions: Water Conservation and Drought Response</u></p> <ul style="list-style-type: none"> a. Provide staff-only drought support to members & their customers, assuming dry conditions in FY 2023-24 <i>and prepare a drought summary report following drought conclusion.</i> b. Represent members' interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a California Way of Life" requirements, including developing an approach for members to meet the

BAWSCA OBJECTIVE & FY 2023-24 WORK PLAN ITEM

new CII performance measure requirements as well as a possible subscription program for professional consulting services for those members interested in more hands-on assistance.

- c. Provide regional coordination to support members' Advanced Metering Infrastructure (AMI) implementation and data management.
- 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 2024-25.
- g. Pursue partnership opportunities with San Mateo County's C/CAG related to a potential greywater pilot program.
- h. Represent members in regional and State-level discussions relative to water conservation-related regulations, grant funding opportunities, and programs where regional participation is possible.

(8.2%) **4. Take Actions to Protect Members' Water Supply and Financial Interests in WSA Administration**

- a. Review and comment on SFPUC Alternative Water Supply (AWS) Plan, anticipated for Commission consideration Summer 2023.
- b. Monitor SFPUC implementation of new supplies through its AWS Program and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations at a fair price to its Wholesale Customers.
- c. 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.
- d. Adopt a temporary extension of the existing Tier 2 Plan that expires Dec. 2024 if necessary.
- e. Facilitate negotiations of an updated Tier 2 Plan.
- f. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions.
- g. *Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment.*
- h. *Ensure correct implementation of the recent WSA amendment allowing for the paired transfer of a portion of an agency's ISG and minimum purchase obligation.*

(13.2%) **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.

(1.6%) **6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts**

- a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs, including Prop 1 Integrated Regional Water Management conservation grant.
- b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability.
- c. *Develop and implement new BAWSCA Grant Support Program with both a core and subscription component.*
- d. Investigate potential for grant funds to support the implementation of BAWSCA's Strategy.

BAWSCA OBJECTIVE & FY 2023-24 WORK PLAN ITEM	
(0.5%)	<u>7. Reporting and Tracking of Water Supply and Conservation Activities</u> a. Complete BAWSCA FY 2022-23 Annual Survey. b. Complete BAWSCA FY 2022-23 Annual Water Conservation Report. c. In partnership with members, operate and maintain BAWSCA's updated WCDB.
HIGH QUALITY WATER	
(0.5%)	<u>8. Support Members in Receiving Reliable Communication of Water Quality Issues</u> 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). c. Review and act on, if necessary, State legislation affecting water quality regulations.
FAIR PRICE	
(12%)	<u>9. Perform Matters that Members Agencies Delegated to BAWSCA in the WSA</u> a. Administer the WSA with San Francisco to protect the financial interests of members. b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco. <i>c. Monitor SFPUC's unfunded pension and OPEB liabilities, which is not a BAWSCA obligation.</i>
AGENCY EFFECTIVENESS	
(5.9%)	<u>10. Maintain Community Allies and Contacts with Environmental Interests</u> 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 Regional Water System for selected participants.
(16.7%)	<u>11. Manage the Activities of the Agency Professionally and Efficiently</u> 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, <i>trained</i> , and effective Workforce. <i>d. Prepare a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.</i>

Table 2: Activities Not Included in Proposed Work Plan and Operating Budget for FY 2023-24

<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 Water Efficiency Partnership (CalWEP) (formerly the California Urban Water Conservation Council), or other agencies.2. Introduce major new legislation or support/oppose legislation initiated by others including legislation related to the Bay-Delta and California Water Fix. If needed, the agency could support major legislative efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.3. Initiate new unanticipated litigation or support/oppose new unanticipated litigation initiated by others. If needed, the agency could support major litigation efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.4. Secure outside technical expertise (i.e., geotechnical, hydrogeologic, water treatment, biological/fisheries professional services) to potentially assist in review of SFPUC's capital projects or Bay Delta Plan.
<p>FAIR PRICE</p> <ol style="list-style-type: none">5. Develop alternative wholesale rate structures that the SFPUC might consider. Actions will be limited to facilitating communication with SFPUC, developing goals and objectives relevant to the Wholesale Customers, and addressing the potential relationship to alternative retail rate structures members might consider to stabilize water rates and water revenues.6. Arbitrate issues related to the Water Supply Agreement.7. Possible BAWSCA action to address the Board's concerns regarding SFPUC's unfunded pension and OPEB liabilities.
<p>HIGH WATER QUALITY</p> <ol style="list-style-type: none">8. Perform technical studies of water quality or San Francisco's treatment of the water it delivers to the BAWSCA members.9. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.
<p>AGENCY EFFICIENCY</p> <ol style="list-style-type: none">10. Add resources to support additional Board, Board committee, or technical committee meetings.11. Conduct tours of member agency facilities to acquaint Board members with potential supply projects and their neighboring jurisdictions, other than tours done in coordination with San Francisco.

Table 3. FY 2023-24 Work Plan and Budget Planning Session – Comments and Suggested Work Plan Items for Further Consideration

#	Board Member	Board Member Comment/Question	Staff Response
1	Hardy	Considers BAWSCA staff the agency's brain trust; encourages the Board and agency to take care of staff, including competitive compensation and professional training to ensure staff continuity and agency success.	<p>To ensure maintenance of competitive salary range by employee category, the following actions are regularly included in the work plan and budget action: 1) consideration of adjustment to the top step compensation by a factor approved by the Board as part of the annual budget process; and 2) completion of a compensation survey every two years to ensure that market comparability is maintained. If necessary, action by the Board following the compensation survey will be recommended. In fact, such an action is scheduled for consideration by the BPC at its February 8, 2023 meeting.</p> <p>Proposed FY 2023-24 Work Plan Item 11c: BAWSCA budgets both time and money to support regular professional training for staff, which generally takes the form of attendance at professional development seminars and trade conferences. The wording for this work plan item has been modified slightly to call out "training".</p>
2	Hamilton	Interest in having staff explore the concept of stormwater capture and groundwater recharge.	Proposed FY 2023-24 Work Plan Item 2a: Investigation of the potential for stormwater capture and groundwater recharge will be incorporated in the upcoming Strategy scoping and Strategy update included in the proposed FY 2023-24 Work Plan.
3	López	As part of the long-term goal, create enthusiasm among the next generation of professionals by expanding the Internship Program to include opportunities for interns to present to the Board, as well as have staff engage with youth outside of the office through a youth summit.	Proposed FY 2023-24 Work Plan Item 11a: Under the CEO/GM discretionary spending authority, a 5-year contract has just been signed with Eastside College Preparatory School to continue the partnership in implementing BAWSCA's internship program. BAWSCA will look for an opportunity to have the new Summer 2023 Intern present to the Board as part of their work with BAWSCA. BAWSCA will also continue to explore opportunities for engagement with the region's youth on water related topics that would prove educational and beneficial for the community.
4	Weed	Interested in BAWSCA coordinating a contingency response training for the agencies, including establishing a budget, water rate structure, facility capability and other areas where BAWSCA can assist member agencies prepare for responding to catastrophes (i.e., FEMA reimbursement)	<p>Over the last several years, BAWSCA has been taking on a greater role in helping member agencies meet their contingency / emergency response training needs. BAWSCA works with the SFPUC staff to hold a yearly emergency response exercise where agency participation is encouraged. In addition, and most recently, on March 10, 2023, BAWSCA will be hosting a workshop for our member agencies on the topic of cyber security.</p> <p>Proposed FY 2023-24 Work Plan Item 1d: As part of this work plan item, BAWSCA will schedule discussion with the Water Management Representatives in FY 2023-24 to receive input on possible options for BAWSCA's role in contingency/emergency.</p>

			response assistance for the member agencies. This information will be used to support future Work Plan and budget discussions.
5	Doerr	Interested in understanding ways that BAWSCA or others can address and/or implement protection for the watersheds that we rely on as they are the key to water quality and water supply protection.	SFPUC is responsible for; and therefore, has a robust watershed protection program for the watersheds that the Regional Water System relies upon, and that BAWSCA supports. CEO Sandkulla will work with Chair Larsson to consider a future informational presentation by the SFPUC on this topic to the Board.
6	Manalo	Supports continuation of the internship program and expanding youth opportunities to engage with BAWSCA.	Proposed FY 2023-24 Work Plan Item 11a: Under the CEO/GM discretionary spending authority, a 5-year contract has just been signed with Eastside College Preparatory School to continue the partnership in implementing BAWSCA's internship program. BAWSCA will look for an opportunity to have the new Summer 2023 Intern present to the Board as well as other expanded opportunities for engagement with youth.
7	Manalo	Supports further education about the source of our water supply and the importance of the Regional Water System to this region.	<p>SFPUC has an active outreach and educational program that provides information about the Regional Water System and the source of our water supply. SFPUC's new Alameda Creek Watershed Center is scheduled to open in 2023. The facility will include both an interpretive center and outdoor discovery trail designed to complement the existing natural habitat, and built environment with education about the overall Regional Water System and the important role of the Alameda Creek watershed.</p> <p>Proposed FY 2023-24 Work Plan Item 10c: BAWSCA staff is regularly invited to speak throughout the region to community groups, business groups, city councils and others about our water supply including drought conditions, the Regional Water System, long-term water supply planning efforts to ensure reliability, and the importance of water conservation.</p>
8	Schneider	Wondered if SFPUC has ever considered raising San Andreas.	SFPUC has provided the following response to this questions: <i>Given that San Andreas is primarily operated as a forebay for the Harry Tracy Water Treatment Plant and not as a significant water storage reservoir, a raise of San Andreas Dam has not been considered. San Andreas receives water from Lower Crystal Springs Reservoir prior to its treatment at the Harry Tracy Plant.</i>
9	Schneider	Emphasized the importance of more proactive public outreach and training regarding cities' potable water systems, potable reuse and stormwater capture, including cisterns.	Proposed FY 2023-24 Work Plan Item 10c: BAWSCA staff is regularly invited to speak throughout the region to community groups, business groups, city councils and others about our water supply including drought conditions, the Regional Water System, long term water supply planning efforts to ensure reliability including water reuse, and the importance of water conservation.

10	Smegal	Supports collaborative efforts with the SFPUC on projects proposed in its upcoming Alternative Water Supply (AWS) Program.	Proposed FY 2023-24 Work Plan Item 4b: BAWSCA staff is actively engaged with the SFPUC in the development and implementation of its AWS Program including attending monthly update meetings, participating in technical teams assembled to advance engagement in the planning and design of specific projects, assisting with the outreach to the public and key decision makers as needed to keep interested parties informed of projects or program status, and further action as needed to address any developing issues.
11	Wood	Suggested consideration of BAWSCA staff presenting outdoor water use reduction information to City Councils to share their knowledge and expertise.	Proposed FY 2023-24 Work Plan Item 10c: BAWSCA staff is regularly invited to speak throughout the region to community groups, business groups, city councils and others about our water supply including drought conditions, the Regional Water System, long term water supply planning efforts, and the importance of water conservation including specific water conservation opportunities.
12	Wood	Asked BAWSCA to revisit the practice of renewing contracts with the same consultants and consider the alternative of issuing RFPs for consulting services with a goal of having more variety / expanding the use of new consultants, and opening consulting opportunities to women and minorities. Doerr concurred in a follow up comment.	The Board last adopted the “Policies and Procedures for the Purchase of Equipment and Supplies and the Award of Contracts” in November 2016. BAWSCA secures its contracts for the purchase of equipment and supplies and for professional services in accordance with this policy. For new engagements, BAWSCA conducts a qualifications-based competitive proposal process. BAWSCA also regularly performs a review of rates against the market to confirm rate competitiveness. Table 4 provides information for BAWSCA’s current professional services contracts related to the most recent rate review and competitive proposal solicitation process. Additionally, in FY 2023-24, BAWSCA could work with legal counsel to collect, track, and report to the Board equity and other diversity information that is voluntarily provided by its consultants.
13	Pierce	Regarding the challenge of ensuring long term agency resiliency, she inquired if additional staff is needed to achieve that. Consider cross training and ways to convey the deep institutional knowledge that can be useful for the future in terms of what has been successful in the past. Also, as part of employee retention and training, consider developing a package of Board Policies regarding training and recruitment.	<u>NEW</u> proposed FY 2023-24 Work Plan item 11d: In order to facilitate and inform future decisions, the work plan proposes staff develop a plan to address BAWSCA’s long-term policy and operational resilience. As BAWSCA nears its 20-year anniversary it is appropriate for staff to revisit, evaluate, and identify what steps should be taken by the agency to successfully continue to deliver results for the water users. Such a plan would guide upcoming discussions with the Board. Board direction following those discussions will be used by staff to consider future policy actions and develop appropriate budgets. All items mentioned by Board Member Pierce would be included for consideration.

Table 4: FY 2022-23 Annual Professional Services Funded Through Operating Budget

Consultants (Services Provided) *	Rate Comparison Performed in FY 2021-22 **	Most Recent Competitive Bid Process if Applicable
1. BLX (Arbitrage Rebate Compliance Services)	✓	April 2013
2. Burr Pilger Mayer (Auditing/Accounting Services)	✓	Currently underway
3. Droplet Technologies (Online Rebate System)		Feb. 2020
4. East Side College Preparatory School (Internship)		Oct. 2021
5. EKI (Water Mgmt./Reliability Roundtable)		March 2022
6. E Source (Water Loss Management Program)	✓	July 2018
7. Hanson Bridgett (Legal Counsel)	✓	***
8. Harlan P. Wendell (Strategic Counsel)	✓	***
9. Hazen & Sawyer (Engineering/Water Mgmt.)	✓	June 2017
10. Immersiv (Website)		July 2015
11. KNN Public Finance (Financial Advisor)	✓	Jan. 2003
12. Maddaus Water Management (WUE Support)		August 2022
13. Orrick LLP (Bond Documents, Legal Services)	✓	April 2012
14. Public Trust Advisors (Investment Advisor)	✓	May 2013
15. Richard Sykes (WSIP, 10-Year CIP)	✓	June 2021
16. Stetson Engineering (Water Analyses, WSA)	✓	***
17. West Yost (Asset Mgmt.)	✓	July 2019
18. Woodard & Curran (Water Mgmt./Tier 2 Plan)		Nov. 2021
19. Woodard & Curran (WCDB)		Sept. 2022

* List of consultants funded via BAWSCA's Operating Budget. Consultants supporting BAWSCA's subscription conservation programs are not included in this table at this time.

**Rate comparisons performed every few years. A rate comparison was not performed in FY 2022-23 as consultants were generally held to a zero rate increase due to ongoing financial impacts from COVID.

***Original contract secured with the Bay Area Water Users Association (BAWUA), BAWSCA's predecessor organization, prior to 2003.

Table 5. Potential Future Large Efforts

Project Name	Cost Updates			Discussion
	FY 2022-23 (Budget as Amended)	FY 2023-24 (Proposed Budget)	FY 2024-25 & 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;	\$30K	\$30K	\$1.9M; estimated based on \$2.2M cost for initial Strategy development	<p>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.</p> <p>In FY 2022-23, work began on scoping the update effort, and scoping will continue in the first half of FY 2023-24. BAWSCA is using consultant support to assist in scoping. The update itself is proposed to be included in the FY 2023-24 budget. The update is assumed to be completed by the close of fiscal year 2024-25. Financing the update of the Strategy will be supplied via a Special Assessment collected from member agencies (vs. through the budget process). It is assumed that FY 2023-24 Costs for the update, as collected via special assessment, will be \$300k</p>
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	\$120K	\$120K	\$122K thru 2028 – additional costs associated with specific projects would be determined following AWS Plan adoption by the SFPUC.	<p>The Alternative Water Supply Plan is intended by the SFPUC to be a decision-support framework document that outlines guiding principles, delivery goals (LOS), priorities, risks and tradeoffs to help the Commissioners determine how projects should continue to progress into the preliminary design and CEQA phase and beyond. The plan is proposed for adoption by the SFPUC in summer 2023. The SFPUC will embark upon project-level CEQA for select projects following plan adoption, and moreover be ready for a decision relative to making interruptible customers permanent by 2028.</p> <p>BAWSCA will be engaged with the SFPUC in a review and oversight capacity in FY 2023-24 as the Plan nears adoption, and in the CEQA efforts as well as other planning and development efforts for individual projects. From a cost perspective, much of the work will involve BAWSCA staff vs. SFPUC staff.</p>

				<p>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>
Support Member Agencies on the development of their respective Urban Water Management Plans, which the State requires be updated once every five years (the date of the last update =June 2021)	\$0	\$1K	\$50K on FY's when updated UWMPs must be submitted	<p>The majority of BAWSCA member agencies are required by State Law to prepare Urban Water Management Plans (UWMPs) every five (5) years. The last UWMP updates were due to Department of Water Resources by June 30, 2021. The next UWMP updates are due to the State by June 30, 2026. During the year preceding the date when UWMPs are due, BAWSCA staff, with the assistance of its technical consultants and legal counsel, develop language and technical data regarding water supply shortages (from drought period impacts to the SF RWS) and other common regional water resources information. Agencies must rely on BAWSCA for that information, which is a critical component of a complete and robust UWMP.</p>
Complete a Regional Water Demand and Conservation Projections Study (refresh began in FY 2021-22)	\$77K	\$0K	\$650K expended over two fiscal years, once every five-year period	<p>For water supply planning purposes, as well as in support of each agency's need to plan for adequate water supply in future years, BAWSCA performs a demand study for the service area once every five years. This work effort is highly detailed and includes projections for several key demand drivers, such as population, zoning plans, etc. BAWSCA's last demand study was completed in June 2020 with a refresh and sensitivity analysis completed in 2022. Given the success of this first sensitivity analysis, it is assumed that a sensitivity analysis must be a part of any future demand study completed by BAWSCA. Costs estimated are commensurate with past work.</p>

Table 6. Proposed FY 2023-24 Operating Budget by Major Expenditure Category

Cost Category	Approved FY 2022-23 Budget (\$) ⁽¹⁾	Preliminary FY 2023-24 Budget (\$)	Change from FY 2022-23 Budget (\$)
Consultants/ Direct Expenditures			
Reliability	1,678,820	1,520,800	(158,020)
Fair Pricing	284,200	272,500	(11,700)
Administration	116,000	145,000	29,000
<i>Subtotal Consultants</i>	2,079,020	1,938,300	(140,720)
Administration			
Employee Salaries & Benefits	2,128,190	2,231,542	103,352
Other Post-Emp. Benefits (net)	70,000	78,000	8,000
Operational Expenses	465,100	501,250	36,150
<i>Subtotal Administration</i>	2,663,290	2,810,792	147,502
Total Operating Expenses	4,742,310	4,749,092	6,782
Capital Expenses	3,000	5,000	2,000
Budgeted Contingency	2,500	57,500	55,000
Regional Financing Authority	2,025	2,025	0
Bay Area Water Users Assn.	1,050	1,050	0
Grand Total Operating Budget	4,750,885	4,814,667	63,782

Note:

(1) The approved FY 2022-23 budget and funding plan reflects the changes approved by the Board on January 19, 2023 as part of the FY 2022-23 Mid-Year 2022-23 Work Plan, Budget and General Reserve Review.

Table 7. Analysis of Funding Options

	FY 2022-23	FY 2023-24		
Fund Source	Adopted Funding Plan ⁽¹⁾ as of 03/16/2023	Option 1 Proposed Work Plan & 0% Assessment Increase	Option 2 Proposed Work Plan & 1% Assessment Increase	Option 3 Proposed Work Plan & 2% Assessment Increase
Assessments	\$4,838,897	\$4,838,897	\$4,887,286	\$4,935,675
Transfer from/(to) General Reserve	(\$163,012)	(\$24,230)	(\$72,619)	(\$121,008)
Transfer from Balancing Account	\$75,000			
Total Available Operating Budget/Funds	\$4,750,885	\$4,814,667	\$4,814,667	\$4,814,667
Potential End of FY22-23 Transfer to General Reserve		\$0	\$0	\$0
Estimated Year-End Reserves ⁽²⁾	\$1,046,550	\$1,070,780	\$1,119,169	\$1,167,558
% of Total Budget	22%	22%	23%	24%
% of Total Budget Excludes One-Time Expenses ⁽³⁾	22%	22%	23%	24%
Assessment to Budget Ratio	102%	101%	102%	103%
Assessment to Budget Ratio Excl. One-Time Expenses ⁽³⁾	103%	101%	102%	103%

Notes:

(1) The adopted FY 2022-23 funding plan includes an one-time expense of \$75,000 to complete the update to 2020 Demand Study, funded by the Balancing Account.

(2) For FY 2022-23, the actual General Reserve balance as of 3/16/2023 was \$1,046,550.

(3) The one-time expenses represent the approved budget funded by the Balancing Account.

APPENDICES

Appendices A through J present additional detail about the proposed FY 2023-24 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 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.
- FY 2022-23: The Board approved a 5.52 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 2023-24 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 2023-24 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 2023-24, 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 2023-24 Operating Budget. The RFA will formally consider and adopt this budget in January 2024.

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 2023-24 is estimated to be 1,873 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 2023-24.

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
2017-18			
EarthCapades	\$61,435	\$2,260	
Free Sprinkler Nozzles	\$1,577		
HET		\$4,055	\$13
Large Landscape Audit	\$85,793	\$1,184	
Lawn Be Gone		\$1,380	\$14
Lawn Be Gone Inspections	\$2,284		
Water Wise Ed. Kits	\$98,229.89	\$2,295	
Watersense Giveaways	\$10,734		
WaterSmart Reports	\$298,405		
Rain Barrel Rebate	\$3,395		
Total	\$561,853	\$11,174	\$27
FY 2018-19			
EarthCapades	\$66,500	\$2,480	
Free Sprinkler Nozzles	\$364		
HET		\$2,495	
Large Landscape Audit	\$94,900	\$1,184	
Lawn Be Gone		\$1,200	
Lawn Be Gone Inspections	\$2,420		
Water Wise Ed. Kits	\$75,483	\$1,946	
Watersense Giveaways	\$5,672		
WaterSmart Reports	\$288,081		
Rain Barrel Rebate	\$757		
Water Loss Program	\$128,403		
Total	\$662,580	\$9,305	\$0
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		

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
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
FY 2021-22			
EarthCapades	\$87,275	\$3,020	
Large Landscape Audit	\$169,697.50	\$1,628	
Lawn Be Gone		\$960	
Lawn Be Gone Inspections	\$3,234		
Water Wise Ed. Kits	\$68,018.51	\$1,621	
Watersense Giveaways	\$14,732.28		
WaterSmart Reports	\$293,124.64		
Rain Barrel Rebates	\$1,840	\$485	
Water Loss Program	\$239,366		
Customer Meter Testing	\$20,390		
Smart Controller Rebate		\$1,800	
DSS Support Services	\$0		
Irrigation Hardware Rebate		\$50	
Total	\$897,678	\$9,564	\$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
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
2023-24	\$2.59 <i>(proposed)</i>	\$7.77 <i>(proposed)</i>

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

Pursuant to Section 8.04 of the Water Supply Agreement, the Wholesale Customers delegated authority to BAWSCA to conduct the annual review of SFPUC's calculation of the Wholesale Revenue Requirement (WRR) and the Balancing Account. Table H-1 provides the annual financial impact to the Wholesale Customers resulting from BAWSCA's annual comprehensive review. Over the past 19 years, BAWSCA's reviews have resulted in a total of \$47.2 million savings to the Wholesale Customers. This total includes the savings resulting from resolution on the issues discovered by BAWSCA prior to the WSA 7.06 process and savings from settlements during the formal 7.06 process.

Note that the savings shown in Table H-1 do not include the ongoing savings resulted from any specific year's settlement. For example, the revised 525 Golden Gate operating and capital cost allocation methodology as a result of the FY 2011-12 and FY 2012-13 settlements generates an ongoing WRR savings to the Wholesale Customers in an approximate amount of \$400,000 each year from FY 2013-14 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 FY 2039-40 resulting from the FY 2015-16 settlement.

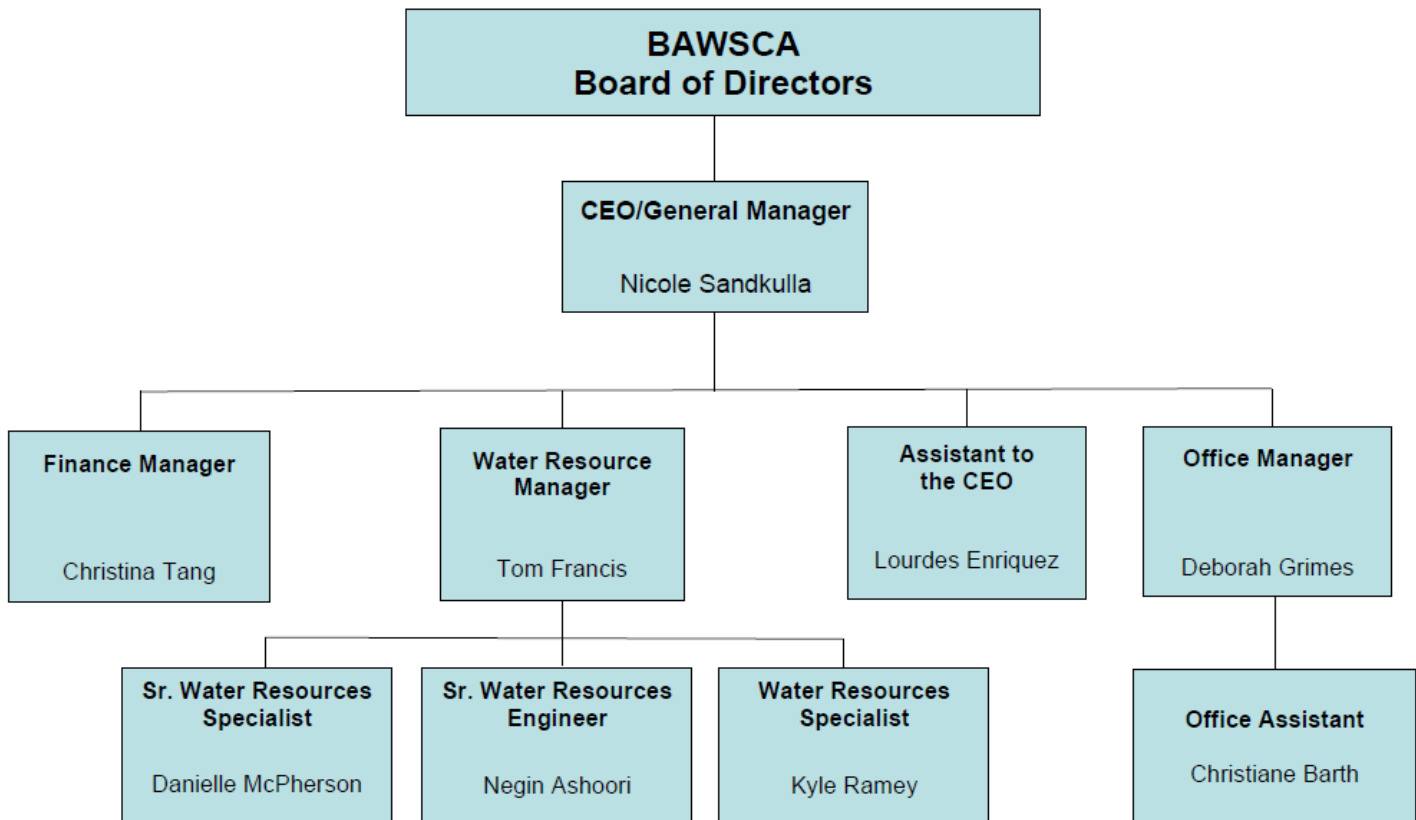
Table H-1. Savings Resulting from BAWSCA's Annual WRR Review

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
2019-20	\$292,902
Total	\$47,204,444

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 2023-24 Work Plan development. In each case, the results identified in Table J-1 will take the form of agreements, legislation, or other legally enforceable work products. Development of these documents will result from skilled negotiations based on rigorous investigations of impacts and alternatives, costs, cost allocation, and other matters.

Table J-1: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers (Preliminary FY 2023-24)

BAWSCA Goal and Associated Challenges	FY 2023-24 (Near-Term)	2025-2040 (Mid-Term)	2040-2060 (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.	X	X	X
Protection of member agencies' interests in SFPUC development and implementation of its Alternative Water Supply Program including oversight of scope, schedule, and budget.	X	X	X
Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts, including completion of Updated Demand Projections.	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	X	X	
Assist member agencies in complying with the State's expanding regulatory requirements related to water use efficiency and reliability.	X	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, including extension of State oversight (exp. 12/2026) and RFA capability (exp. 1/2030).	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	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
Ensure Agency's near-term and long-term resiliency	X	X	X

Appendix K: Historical BAWSCA Operating Budgets and Assessments

BAWSCA's annual Operating Budget is developed to pay for the cost of the annual work plan, which is reviewed by the Committee and approved by the Board. Each year, the Work Plan is designed to achieve results that support BAWSCA's three goals – a reliable supply of high-quality water at a fair price – and to implement BAWSCA's purpose as stated in AB 2058. As a special district, BAWSCA is not like a city council or other

community agency. BAWSCA is an issue-driven organization that responds to the needs of its member agencies and the water users who pay for BAWSCA's work. BAWSCA uses experienced consultants to limit fixed costs.

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

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

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

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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
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 HB Amendment - Board approved 3/2019
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	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%	\$4,400,215	91.98%	\$275,000 \$71,750	\$281,676	To fund budget To fund water conservation digital billboards	\$124,744	\$758,794	16%	9	To fund Demand Study Board approved 3/17/2022
2022-2023	\$4,838,897	25%	\$4,720,885	-1.32%			\$75,000	-\$193,012					9	May 2022 Board approved transfer of \$193,012 to GR due to 25% assessment increase.

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 2023-24

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 annually. To ensure work begins promptly or continues without interruption, twenty-five (25) contracts need to be in place by July 1, 2023.

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 the FY 2023-24 budget, the Board will consider each of the twenty-five (25) contracts. Other consulting services that may be needed to complete the FY 2023-24 Work Plan will be brought to the Board for authorization during the year.

Fiscal Impact:

The combined budget for the eighteen (18) professional services contracts that need to be in place on July 1, 2023 and which are funded by the Proposed FY 2023-24 Operating Budget is \$1,616,054. 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-five (25) contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2023.

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 and water rights
- 7) development of a new Tier 2 drought implementation plan, and
- 8) scoping of the work for the development of Strategy 2045 to update BAWSCA's 2009 Long-Term Reliable Water Supply Strategy.

A general description of the services provided by each of the twenty-five (25) professional services contracts proposed for FY 2023-24 is presented in Table 1 and Table 2. 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 2023-24. BAWSCA's standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the eighteen (18) professional services contracts funded by the Proposed FY 2023-24 Operating Budget that need to be in place by July 1, 2022. The combined budget for these professional services is \$1,616,054. The corresponding approved consulting budgets for FY 2022-23 are also shown in the table.

Table 2 summarizes the seven (7) professional services contracts needed to be in place by July 1, 2023 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

18 Consultants (Services Provided)	FY 2022-23	Proposed FY 2023-24
1. BLX (Arbitrage Rebate Compliance Services)	\$2,500	\$2,000
2. Droplet Technologies (Online Rebate System)**	\$14,400	\$14,400
3. EKI (Water Mgmt./Reliability Roundtable)	\$44,000	\$34,000
4. E Source (Water Loss Management Program)**	\$35,000	\$35,000
5. Hanson Bridgett (Legal Counsel)	\$781,500	\$779,000
6. Harlan P. Wendell (Strategic Counsel)	\$150,000	\$172,500
7. Hazen & Sawyer (Engineering/Water Mgmt.) **	\$120,000	\$120,000
8. IG Services (<i>Auditing/Accounting Services formerly provided by Burr Pilger Mayer</i>)	\$21,000	\$20,000
9. Immersiv (Website and WCDB)	\$7,200	\$11,000
10. KNN Public Finance (Financial Advisor)	\$63,500	\$63,500
11. Maddaus Water Mgmt. (Water Use Efficiency Legislation)	\$50,965	\$47,654
12. Orrick LLP (Bond Documents, Legal Services)	\$15,000	\$15,000
13. Public Trust Advisors (Investment Advisor)	\$10,000	\$10,000
14. Richard Sykes (WSIP, 10-Year CIP)	\$105,000	\$105,000
15. Stetson Engineering (Water Analyses, WSA)	\$58,200	\$60,000
16. West Yost (Asset Mgmt.)	\$45,000	\$45,000
17. Woodard & Curran (Water Mgmt./Tier 2 Plan)	\$72,000	\$72,000
18. Woodard & Curran (WCDB Host & Support)	n/a	\$10,000
Total	\$1,595,265	\$1,616,054

**FY 2022-23 contract amounts as amended through 5/1/2023*

***Consultant contract also includes a subscription conservation program component*

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

7 Consultants/Vendors (Conservation Program/Assistance Provided)
19. AM Conservation Group (School Education Program)
20. EarthCapades (School Assembly Program)
21. Global Sun Landscape (Lawn Be Gone Inspection Services)
22. Maddaus Water Management (DSS Model Support Services)
23. M&M Backflow and Meter Maintenance (Customer Meter Testing Program)
24. Regional Water Authority (Rachio Smart Controller Program)
25. Waterfluence, LLP (Large Landscape Program)

Financial Services Funded by the Operating Budget:

IG Services, KNN Public Finance (KNN), Orrick, and Public Trust Advisors (PTA) are accounting, financial, investment, or bond consultants with different areas of expertise. IG Services is a new consultant hired following a Request For Proposal process to replace Burr, Pilger and Mayer.

Due to the recent retirement of the previous consultant at BPM, BAWSCA issued a Request for Proposals on January 6, 2023. IG Services was selected as the new consultant following a review team's evaluation on the basis of overall experience and capability, experience in cost allocation analysis and experience with public agencies, and proposed compensation.

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 administration of BAWSCA's bonds. Specific examples of value added are provided in the staff report for KNN. KNN provided the preliminary assessment of whether there would be added value for BAWSCA to prepay capital debt owed to San Francisco by Wholesale Customers, and guided BAWSCA through the process of securing bond-related professional services, including securing a high bond rating. KNN will continue providing ongoing financial counsel.

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 will continue providing the necessary support for cost-effective and correct implementation of the bonds on an as needed basis.

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:

Droplet Technologies, 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.

Droplet Technologies hosts BAWSCA's Online Landscape Rebate System to implement and track BAWSCA's landscape rebate programs.

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 resources planning work. Hazen and Sawyer also provides technical support for use of the Model for member agencies who are interested in using the Model for their individual planning needs through a subscription program. Hazen & Sawyer will continue the same services in FY 2023-24.

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.

Woodard & Curran was selected through a competitive process in FY 2021-22 to develop and implement a redesigned Water Conservation Database, which serves as a repository for BAWSCA member agencies' water use and water conservation program information. The WCDB is designed to facilitate data collection, provide data monitoring, and compile data for reporting. It is also used by BAWSCA's 26 member agencies for managing, analyzing, and reporting on their respective conservation measures and water use data.

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), support for the development of a new Tier 2 Drought Allocation Plan, and assistance with the staff-led plan to address BAWSCA's long-term policy and operational resilience.

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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 2023-24 to provide arbitrage rebate compliance services with respect to the BAWSCA Revenue Bonds Series 2023A issued in January 2023 to refund the Series 2013A bonds. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The total not-to-exceed amount of \$2,000 with BLX is included in the FY 2023-24 Proposed Operating Budget. The proposed budget is \$500 less than the adopted budget for FY 2022-23 when the last arbitrage rebate calculations were completed for Series 2013A bonds.

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 \$2,000 to provide arbitrage compliance services with respect to the BAWSCA Revenue Bonds Series 2023A refunding bonds issued in January 2023.

Discussion:

In 2014, BAWSCA retained BLX Group LLC to calculate the arbitrage calculations with respect to the Revenue Bonds Series 2013A through a Request for Proposals process. On January 5, 2023, BAWSCA completed the settlement of the Revenue Bonds Series 2023A to refund the Series 2013A bonds based on a tax-exempt forward delivery. In FY 2023-24, BLX will perform calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code with respect to the Revenue Bonds Series 2023A refunding bonds for the first time.

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

The draft scope of services and billing rates with BLX for FY 2023-24 is shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2023-24 SCOPE OF SERVICES

Purpose

For FY 2023-24, BAWSCA requires arbitrage rebate compliance services with respect to the Revenue Bonds Series 2023A refunding bonds that were issued in January 2023.

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: \$2,000

Rates & Charges:

Engagement Fee	Waived
Report Fee (BAWSCA level transaction)	\$2,000

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Ratification of Agreement with Droplet Technologies to Host BAWSCA's Online Landscape Rebate System**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Droplet Technologies to continue to host BAWSCA's Online Landscape Rebate System to implement and track BAWSCA's landscape rebate programs for FY 2023-24. 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 2023-24, annual hosting and maintenance costs to BAWSCA will be \$14,400. It is anticipated that these costs will partially be reimbursed by the program administration fees paid to BAWSCA by the individual agencies participating in the BAWSCA rebate programs. In addition, member agencies participating in associated BAWSCA rebate programs will pay an annual maintenance cost of \$75 a month for the Rebate Processing System and an initial \$150 onboarding fee if they are new to Droplet.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1) Negotiate and execute a contract between BAWSCA and Droplet Technologies, subject to legal counsel's review, for implementation of BAWSCA's Online Rebate System for FY 2023-24**
- 2) Offer participation in the Program to interested BAWSCA agencies on a subscription basis in FY 2023-24.**

Discussion:

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

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

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

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

The draft scope of work and billing rates with Droplet for FY 2023-24 are shown in Exhibit A.

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

DRAFT

FY 2023-24 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 2023-24 Operating Budget. The proposed budget is less than EKI's current not to exceed budget of \$44,000. EKI's billing rates have increased by 5%.

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 Spring 2022, 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. Meetings of the roundtable took place in May 2022, June 2022, November 2022, and February 2023. Following the fourth meeting, a report was prepared, the One Water Reliability Roundtable Series Report, and can be found on BAWSCA's website. EKI continues to work on Roundtable efforts under their existing FY 2022-23 agreement, with the completion of that effort anticipated by June 30, 2023. The proposed FY 2023-24 Work Plan includes two more Roundtable meetings hosted by BAWSCA with support from EKI.

EKI was hired in March of 2022, following BAWSCA's standard procurement process, to provide support for BAWSCA's Water Supply Reliability Roundtable. EKI's scope was increased during the course of FY 2022-23 to accommodate further work on a report documenting the 4 meetings held to date.

EKI provides support in the following areas associated with Roundtable meetings: meeting agenda and materials preparation, meeting facilitation, outreach to Roundtable participants

before and after meetings, and meeting note development. This level of engagement is anticipated to occur in FY 2023-24 to support two more Roundtable meetings. While in FY 2022-23 EKI prepared a report summarizing the four roundtable meetings held to date, a similar report is proposed for this comingt fiscal year.

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

The draft scope of services and billing rates with EKI for FY 2023-24 are shown in Exhibit A.

EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and EKI Environment & Water (EKI)

DRAFT

FY 2023-24 SCOPE OF SERVICES

Work to be Performed:

As directed by BAWSCA, two meetings of BAWSCA's Water Supply Reliability Roundtable are anticipated to take place in FY2023-24. The scope of work below addresses the consulting assistance anticipated.

Phase 2 Work

Task 1 – Support Roundtable Discussions

1. Participation in two (2) 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 – 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	\$322
Drew Bost	\$173
Jean Hirayana	\$152

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 2023-24**

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 2023-24, 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 to the Member Agencies 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 2023-24 budget includes a \$35,000 budget allocation for the LEAK Work Group for FY 2023-24 as a core conservation program. The proposed budget is the same as the current year’s contract budget and reflects a five percent increase in billing rates.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1) **Negotiate and execute a contract between BAWSCA and E Source 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 2023-24; 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 annually since 2017.

The WLM Program was a key recommendation of BAWSCA's "Making Water Conservation a 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 2022-23, twenty-one BAWSCA agencies participated in the TAP. These agencies have expressed a strong desire to continue the TAP in FY 2023-24.

The LEAK Work Group portion of the WLM Program is implemented as a Core Program, recommended to be funded by BAWSCA for FY 2023-24 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 2023-24, 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 2023-24 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 E Source to
Implement the Water Loss Management Program**

DRAFT

FY 2023-24 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 & Reporting

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 version 6.

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 version 6
- 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 & Reporting

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 & Reporting

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 & Reporting

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 2.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.

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. Requests for adjustments may be submitted to the SWRCB before July 1, 2023. Any adjustment submitted after July 1, 2023 must include an explanation for the inability to submit by the deadline. Possible explanations could include: data was not available or higher-quality data became available after the deadline.

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 - Preparation, Kick Off, & Reporting

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.

This task covers the preparation of the survey, kickoff call hosted by E Source with the agency, and leak detection survey reporting.

3.c 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 & Reporting

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 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 4.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: 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. Requests for adjustments may be submitted to the SWRCB before July 1, 2023. Any adjustment submitted after July 1, 2023 must include an explanation for the inability to submit by the deadline. Possible explanations could include: data was not available or higher-quality data became available after the deadline.

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

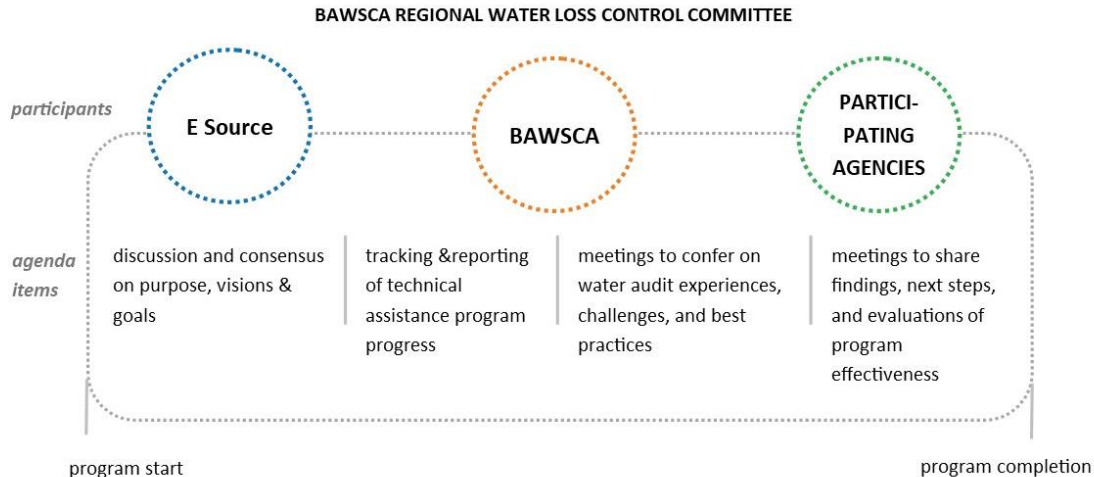
- Review the agency's calculated custom inputs and/or supporting documentation.
- Conduct advisory calls with the agency to provide guidance on custom input derivation and methodology.

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

6.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

6.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.

6.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:

The following are the FY 2023-24 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	\$2,700	
1. Program Management	<input type="checkbox"/> 1.a Ongoing Administration	\$410 x _____ # of subtasks selected from 2.a, 2.b, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a, 5	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$820 required if any subtasks beyond validation are selected	
2. Water Audits & Data Sources	<input type="checkbox"/> 2.a Water Audit Compilation & Reporting	\$7,185	
	<input type="checkbox"/> 2.b Billing Data Analysis	\$4,706	
	<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	\$13,571	
	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	Determined upon discussion with E Source about audit support needs (rates in Table 1 below)	
3. Leakage Analysis & Recovery	<input type="checkbox"/> 3.a Real Losses Component Analysis	\$23,494	
	<input type="checkbox"/> 3.b Leak Detection – Preparation, Kick Off & Reporting	\$4,979 (required if conducting leak detection)	
	<input type="checkbox"/> 3.c Leak Detection – Survey	Price based on tiered rate (see Table 2)	
4. Customer Meter Accuracy & Testing	<input type="checkbox"/> 4.a Apparent Loss Analysis & Reporting	\$10,757	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing	See Separate Agreement	
5. Targeted SWRCB Water Loss Standard Assistance	<input type="checkbox"/> Targeted SWRCB Water Loss Standard Assistance	Determined upon discussion with E Source	
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	\$ 273
Project Director	\$ 221
Project Manager	\$ 189
Analyst	\$ 147

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

Mileage Surveyed	\$/mile
Mile 1 through Mile 50	420
Mile 51 through Mile 100	368
Miles 101 +	315

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Hanson Bridgett for FY 2023-24 (Legal Counsel)**

Summary:

The annual contract for legal services should be executed by July 1, 2023. 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 Water Supply Agreement (WSA) amendment, State Water Resources Control Board (SWRCB) Bay Delta Plan activity, Don Pedro FERC activity, bond refunding, Tier 2 Plan negotiations, and implementation of solutions for meeting near-term and long-term water needs.

This item requests authorization for the CEO/General Manager to execute a contract with Hanson Bridgett for FY 2023-24. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount for legal services is \$779,000 and is contained in the proposed FY 2023-24 Operating Budget. As of May 1, 2023, the proposed budget of \$779,000 is \$2,500 less than the currently approved budget for FY 2022-23. 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 \$779,000.

Discussion:

Hanson Bridgett's scope includes routine general legal services and costs related to contract reviews, personnel, and other administrative functions. The scope also supports work related to achieving specific results such as water contract administration for the WSA, implementing solutions for meeting near-term and long-term water needs, assisting in negotiations for a new Tier 2 Plan for allocating drought supplies, 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 upon, 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 2023-24. The proposed hourly rates for FY 2023-24 represent an approximate 4% to 5% increase compared to current FY 2022-23 rates.

EXHIBIT A

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

DRAFT

FY 2023-24 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 2023-24.

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 2023-24 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 in implementing the WSA including negotiations for a new Tier 2 drought allocation plan among the BAWSCA agencies
- 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 Strategy 2045 scoping and development
- 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 BAWSCA's engagement with SFPUC on its Alternative Water Supply Plan and anticipated subsequent actions
- 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: \$779,000

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

Long-Term Water Supply Reliability	\$100,000
Water Conservation	\$13,000
WSA Administration - Fair Pricing	\$62,000
WSA Administration - Supply Reliability	\$457,000
BAWSCA (General legal)	\$145,000
<u>RFA & BAWUA (General legal)</u>	<u>\$2,000</u>
Total	\$779,000

This breakdown of activities is based on estimates at the time of budgeting. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$779,000. If unanticipated activities require significant legal support, recommended changes would be brought to the Board of Directors.

Exhibit B

**Hanson Bridgett LLP
Rate and Charges**

FY 2023-24

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 2023-24 represent an approximate 4% to 5% increase compared to FY 2022-23 rates. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$779,000.

FY 2023-24 RATES

Partner	\$460/hour
Senior Counsel	\$420/hour
Associates	\$395/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 2023-24.

Fiscal Impact:

The not-to-exceed amount of \$172,500 for strategic services is included in the proposed Operating Budget for FY 2023-24. The proposed budget is \$22,500 higher (15% higher) than the currently approved budget for FY 2022-23. The proposed billing of \$212.75 per hour is also 15% higher than the current billing rate of \$185 per hour. Mr. Wendell's hourly rate and total contract amount have remained unchanged since FY 2007-08.

If large unanticipated legislative or other efforts that arise during FY 2023-24 require additional strategic counsel, the Board would be asked to reprogram the FY 2023-24 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 \$172,500 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. The proposed 15% rate and contract increase for Mr. Wendell is recommended given the results of BAWSCA's consultant rate review performed in FY 2021-22, which indicated comparable hourly rates for Strategic Counsel services from \$200-\$575, the extended time since any increase was applied to this contract, and most importantly, the excellent service that Mr. Wendell performs for BAWSCA.

During FY 2022-23, 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 the 2023 WSA amendment that allows for a transfer of a portion of an individual member agency's Individual Supply Guarantee and Minimum Purchase Requirement to another member agency.
4. 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.
5. 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.
6. 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 bills in 2002 that protected the water users (AB 1823), enabled the formation of BAWSCA (AB 2058), and formed the Regional Financing Authority (SB 1870).

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 2023-24, strategic services are needed to help BAWSCA achieve its results. Two major results to be achieved in FY 2023-24 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 2023-24 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 maintained, 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 2023-24 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: \$172,500

Rates and Charges:

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

<u>Name</u>	<u>Hourly Rate</u>
Harlan P. Wendell	\$212.75

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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 2023-24.

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 2023-24 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 approved FY 2022-23 contract budget. Billing rates by category have been held to an increase of 5% or less. Note, however, that three key staff were promoted and hence their rates have increased consistent with their new billing category and role within the organization. .

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 2023-24, major tasks 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 prepare for future Strategy 2045 efforts, 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 would be the seventh Amendment to the agreement between BAWSCA and Hazen & Sawyer. BAWSCA expects to continue to seek the annual support of Hazen & Sawyer for BAWSCA's work efforts that involve the use of the Model. Given that likelihood, for FY 2023-24, BAWSCA will be negotiating a new agreement with Hazen & Sawyer to allow for a more streamlined process for annual renewals. BAWSCA will continue to routinely review the consulting rates proposed by Hazen & Sawyer to assure that those rates remain 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's Requested Modeling Efforts in FY 2023-24.

Exhibit B shows the draft scope of work and billing rates for work proposed under a subscription program with member agencies in FY 2023-24.

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 2023-2024 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. After completing the RFP process, Hazen and Sawyer (Consultant) was awarded a one-year contract to develop the Model and provided follow-on support services through FY 2022-23. BAWSCA wishes to continue modeling and water supply planning support services under a new agreement through FY 2023-24. The scope of work under this agreement is further described below.

Work to Be Performed:

Task 1 – As-Needed Updates to Water Supply Model

The BAWSCA Model requires semi-regular updates in order to (1) continue to support the long-term planning needs of BAWSCA and its member agencies, (2) accurately reflect updates to planned infrastructure and supplies, and (3) maintain consistency with other regional planning/modeling efforts.

Under Task 1, Consultant will modify relevant model inputs, structural elements (i.e., RiverWare objects/links), and operational code (i.e., RiverWare Policy Language [RPL]) to meet the objectives outlined above.

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.

Task 3 – As-Needed Planning Support and Training

On an as needed basis, the Consultant will review various materials (e.g., internal/external documents, plans, and/or models) supporting various BAWSCA planning initiatives.

Task 4 – 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 interested member agencies. Task activities may include:

Task 5 – Project Management

The Consultant will be responsible for general project management services including:

- Project coordination, monitoring, and administration.
- Monitoring of task budgets and project schedule.

- Performance of quality assurance/quality control (QA/QC) activities.
- Preparation of monthly invoices, progress, and budget reports.

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

Rates and Charges:

Principle-in-Charge (Marc Solomon)	\$300.00/hr.
Technical Advisor (Grantley Pyke)	\$208.04/hr.
Project Manager (Luke Wang)	\$210.00/hr.
Modeling Lead (Diane Roher)	\$155.00/hr.
Modeler (Claire Tritz)	\$150.00/hr.
QA/QC Lead (Kinsey Hoffman)	\$145.00/hr.
Water Resources Specialist (Audrey Gozali)	\$152.00/hr.
Assistant Modeler (Stephanie Lin)	\$152.00/hr.

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 2023-2024 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. For FY 2023-24, the Subscription Program will continue to be available to each BAWSCA Member Agency, enabling Member Agencies access to Contractor for services associated with Member Agencies' use of the Model. With the execution of this Amendment, BAWSCA Member Agencies will continue to have access through the period July 1, 2023 through June 30, 2024.

BAWSCA Member Agency Subscription Program:

As of March 23, 2021, BAWSCA Member Agencies have had 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 2023 – June 2024 Rate Schedule for BAWSCA Member Agency Subscription Program Services

Classification	Applicable Staff	Hourly Rate*
Project Director, QA/QC	Greg Gates, Marc Solomon, Grantley Pyke	\$250-320
Senior Associate / Project Manager	Luke Wang, Sarah Dominicki	\$210-300
Associate / Senior Modeler	Andrea Zimmer, Kinsey Hoffman	\$180-\$250
Project Engineer, Modeler	Diane Roher, Claire Tritz, Billy Raseman	\$155-190
Engineer-in-Training	Stephanie Lin, Nadia Maher, Nolan Townsend	\$145-165

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 IGService (Cost Allocation Review Services)**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with IGService for FY 2023-24 to provide cost allocation review services in connection with BAWSCA's annual review of the Wholesale Revenue Requirement (WRR). Due to the recent retirement of BAWSCA's previous consultant, IGService was selected through a competitive Request for Proposals process in accordance with the agency's procurement policy. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$30,000 is included in the Proposed FY 2023-24 Operating Budget. The proposed budget is \$9,000 more than the adopted budget for FY 2022-23, however the billing rate is 46.8% less than the billing rate for the current contract.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and IGService, subject to legal counsel's final review, for a not-to-exceed amount of \$30,000 to provide cost allocation review services.

Discussion:

In FY 2022-23, BAWSCA has a contract with Burr, Pilger and Mayer (BPM) for such services. Due to the recent retirement of the previous consultant at BPM, BAWSCA issued a Request for Proposals on January 6, 2023. An RFP review team, comprised of BAWSCA's Finance Manager and staff from two member agencies, was convened to evaluate each proposal on the basis of overall experience and capability, experience in cost allocation analysis and experience with public agencies, and proposed compensation. Based on the evaluation and an interview process, the review team unanimously recommended IGService to be selected as the new consultant.

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

The draft scope of service and billing rates with IGService for FY 2023-24 is shown in Exhibit A.

EXHIBIT A

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

Cost Allocation Review Services

DRAFT

FY 2023-24 SCOPE OF WORK

Purpose:

For FY 2023-24, BAWSCA requires on-going cost allocation review services in connection with BAWSCA's annual review of the WRR.

Work to be Performed:

Anticipated tasks include the following:

Task 1. Attend the compliance audit kick-off meeting with the SFPUC's compliance auditor and staff.

Task 2. Review the independent compliance auditor's report, changes to Balancing Account, and accompanying management letter. Comment on the report and letter for thoroughness.

Task 3. Review the SFPUC's WRR Classification Report and provide guidance and advice to BAWSCA in terms of the most effective way(s) to utilize the WRR Classification Report to ensure that the Wholesale Customers do not pay for San Francisco programs and facilities for which they receive no benefits or receive a benefit that's not commensurate with what's being charged, and the Wholesale Customers' share of operating and capital expenses for the Regional Water System have been allocated in accordance with the WSA. Upon the review, provide BAWSCA a report of findings.

Task 4. Participate in meetings with the SFPUC Finance to work out differences of opinion, if necessary.

Task 5. Other assignments as needed.

Not to Exceed Contract Limit: \$30,000

Rates & Charges:

Partner \$210/hr.

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 for FY 2023-24**

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 for FY 2023-24.

Fiscal Impact:

The proposed contract to not exceed amount of \$11,000 is included in the proposed FY 2023-24 Operating Budget. The proposed FY 2023-24 budget is consistent with the current year's adopted operating budget for website hosting and reflects a new budget allowance of \$7,400 for as needed major website updates/changes.

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 \$11,000 to provide hosting, maintenance, and technical support services for the BAWSCA website in FY 2023-24.

Discussion:

The website is critical to BAWSCA's communication and information sharing with the water customers, its member agencies, and others. In FY 2015-16, BAWSCA selected Immersiv, through a competitive procurement process and in accordance with BAWSCA's procurement policy, to redesign the BAWSCA website. Since the website's redesign and transfer from a previous host 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 2023-24, the proposed cost will remain unchanged at \$300 per month for the website services.

For FY 2023-24, a new task to provide as-needed major website updates and changes has been added to enable staff directed changes to the website given that it has been nearly 10 years since BAWSCA did a major website update.

Scope of Services – Results to be Achieved:

The draft scope of services for FY 2023-24 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 Immersiv Media
To Support BAWSCA Website**

DRAFT

SCOPE OF SERVICES – FY 2023-24

Purpose:

To provide hosting, maintenance, and customer support services for the BAWSCA website

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 — As-Needed Website Updates/Changes

As directed by BAWSCA, Immersiv will perform work on the website for major changes/updates not otherwise covered under Task 1A.

Not to Exceed Contract Limit: \$11,000

Task 1: \$3,600

Task 2: \$7,400

Rates & Charges:

Website Hosting Services: \$300/month

Greg Osti, President \$85/hour

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 2023-24. 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 2023-24 Operating Budget. The proposed budget is the same as the adopted budget for FY 2022-23 and with a 5% increase in billing rates. The KNN billing rates had remained unchanged for the previous three years.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and 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 2022-23, KNN assisted BAWSCA in reviewing debt service and capital spending calculations and other components of the Wholesale Revenue Requirement.

For FY 2023-24, KNN will assist in reviewing the Wholesale Revenue Requirement calculations for FY 2022-23, 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 2023-24 are shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2023-24 SCOPE OF SERVICES FOR ON-GOING FINANCIAL ADVISORY SERVICES

Purpose

For FY 2023-24, 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	\$360/hr.
Director	\$345/hr.
Vice President	\$325/hr.
Asst. Vice President/ Sr. Analyst/ Sr. Assoc.	\$285/hr.
Associate	\$240/hr.
Analyst	\$215/hr.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **First Amendment to the Agreement with Maddaus Water Management for Professional Services to Support Member Agencies with Water Use Efficiency Legislation for FY 2023-24**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract amendment with Maddaus Water Management (MWM) to assist BAWSCA with the development of compliance strategies related to new State required water use efficiency standards.

In August 2022, BAWSCA entered into a contract with MWM for support services related to upcoming water use efficiency regulations. At the time, the State Water Resources Control Board (State Board) was expected to begin the official rulemaking process to adopt those regulations into law in January 2023. BAWSCA and MWM planned to use the draft, and later final, regulations to develop resources for the BAWSCA agencies to better understand the requirements, and pathways and resources available to assist with compliance. As of late April 2023, the State Board has not released its draft regulations.

To date, BAWSCA has paid MWM less than \$7,000 for initial kick-off calls and meetings prior to learning about the State Board's delays. This contract amendment will enable BAWSCA to extend the project into FY 2023-24. The total budget for the project has not changed.

Fiscal Impact:

The contract not-to-exceed amount of \$65,000 for this project is included in the FY 2023-24 proposed Operating Budget. Valley Water and BAWSCA have entered into a cost share Memorandum of Agreement for this project with Valley Water sharing 50% of the cost up to \$75,000. Billing rates for FY 2023-24 have been held to a 5% or less rate increase compared to FY 2022-23 rates.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Maddaus Water Management, subject to legal counsel's final review, for an amount not to exceed \$65,000 to provide support services to develop compliance strategies for new California water use efficiency standards.

Discussion:

BAWSCA's efforts to provide support on water use efficiency is in keeping with its strategic plan to assist member agencies in addressing the "Making Conservation a Way of Life" requirements passed by the State in 2018.

BAWSCA has closely followed development of the efficiency standards and CII performance measures and represented member agencies in discussions with DWR and the State Water Resources Control Board (State Board). In keeping with BAWSCA's commitment to support member agencies on this topic, it was determined that BAWSCA should develop as needed materials for member agencies to address upcoming State reporting and compliance

requirements. Consultant support was seen as a necessary element in producing those materials.

With this consultant support, roadmaps will be produced that illustrate how agencies should: (1) address CII Water Use Classification System performance measure; (2) comply with the CII DIM Conversion Threshold performance measure; and (3) approach the development and implementation of a CII Best Management Practices (BMP) program.

All work will be completed within FY 2023-24 such that the roadmaps and other supporting materials will be available for member agencies as they work to address the State's new reporting requirements.

Scope of Work and Billing Rates:

The draft scope of work and hourly billing rates for FY 2023-24 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 Water Use Efficiency Standard Support Services

DRAFT

FY 2023-24 SCOPE OF SERVICES

Scope of Work

The Project Team envisions the following tasks to meet the Project's objectives. All parties will have an important role in this study. Our proposed project plan will engage BAWSCA's/Valley Water's staff and individual member agencies at all levels of the Project in a streamlined manner. The table below indicates our evaluation of each group's fundamental and beneficial involvement listed by scope task.

Table 1. Summary of Project Roles and Responsibilities Task

	Timeline	Roles and Responsibilities			
	Proposed Milestones	MWM Project Team	BAWSCA Staff	Valley Water Staff	BAWSCA & Valley Water Member Agencies
Project Kickoff Meeting with BAWSCA & Valley Water Staff (Task 1)	August 2023	Create timeline and lead project kickoff meeting	Attend project kickoff meeting; review timeline and provide feedback	Attend project kickoff meeting; review timeline and provide feedback	N/A
Data Collection (Tasks 2-4, if needed)	August – October 2023	Request any needed information; review data provided by agencies	Facilitate collection of data from agencies and answer questions from MWM Project Team	Provide data and answer questions from MWM Project Team	Provide data and answer questions from MWM Project Team
CII Billing Classification (Task 2)	October 2023 – January 2024	Develop material for Task 2 preliminary results workshop, TM-1, and TM-1 roadmap results workshop	Review Task 2 preliminary results workshop agenda and TM-1; attend Task 2 preliminary results workshop and TM-1 roadmap results workshop	Review Task 2 preliminary results workshop agenda; attend Task 2 preliminary results workshop and TM-1 roadmap results workshop	Attend virtual Task 2 preliminary results workshop; review TM-1; attend TM-1 roadmap results workshop

Landscape CII Mixed-Use Meters (MUMs) (Task 3)	October 2023 – January 2024	Develop material for Task 3 kickoff workshop, TM-2, and TM-2 roadmap results workshop	Review Task 3 kickoff workshop agenda and TM-2; attend Task 3 kickoff and TM-2 roadmap results workshop	Review Task 3 kickoff workshop agenda; attend Task 3 kickoff and TM-2 roadmap results workshop	Attend virtual Task 3 kickoff workshop; review TM-2; attend TM-2 roadmap results workshop
CII BMPs (Task 4)	October 2023 – January 2024	Develop material for Task 4 kickoff workshop, TM-3, and TM-3 roadmap results workshop	Review Task 4 kickoff workshop agenda and TM-3; attend Task 4 kickoff and TM-3 roadmap results workshop	Review Task 4 kickoff agenda; attend Task 4 kickoff and TM-3 roadmap results workshop	Attend virtual Task 4 kickoff workshop; review TM-3; attend TM-3 roadmap results workshop

Task 1 Project Management

MWM will provide administrative services to oversee the day-to-day implementation of the Project. To keep the work on schedule and budget, MWM will provide BAWSCA with monthly status and budget updates by task. These updates will be shared via email and include a cover letter summarizing the work effort in combination with updated Excel spreadsheets detailing budget and schedule status.

Additionally, MWM will meet regularly with the BAWSCA project manager and leadership, either via phone or video conference, to discuss Project goals, progress, and outcomes. We recommend a global project kickoff meeting prior to starting Task 2, as shown in Table 2.

Task 1 Deliverables

- Project timeline
- Monthly status and budget updates including a cover letter summarizing the work effort and updated Excel spreadsheets detailing budget and schedule status

Task 2 CII Classification System Roadmap

Woodard & Curran, with the support of MWM, will conduct a study and develop a roadmap for BAWSCA and Valley Water agencies to comply with the CII Water Use Classification System performance measure as per DWR's current draft recommendations based on SB 606 and AB 1668 requirements.

This task will start with the following two components conducted in parallel:

- Survey member agencies on billing system characteristics and existing procedures for account classification, then vet and categorize existing practices to understand and group BAWSCA and Valley Water agencies based on similar characteristics to develop multiple pathways for compliance.
 - It is assumed the survey will start with baseline questions from the Phase 1 Conservation Strategic Plan 2018 survey then include expanded questions.
 - This work will include an evaluation and grouping of billing software systems across agencies.
- Identify and evaluate a list of resources available to assist with the classification of CII accounts.
 - Woodard & Curran will evaluate the Assessor data for all three counties in BAWSCA's and Valley Water's service areas: Alameda County, San Mateo County, and Santa Clara County. This will include attempting to collect a sample dataset for evaluation from each county's Assessor.
 - Woodard & Curran will request sample data from ParcelQuest for review, as well as references to agencies who have used ParcelQuest data for similar CII classification efforts.

- Woodard & Curran will research additional resources available to help with the classification of CII accounts. This research will be limited to two (2) hours.
- *Optional component:* As budget allows, and if approved by BAWSCA, Woodard & Curran will interview up to three (3) water suppliers that have recently initiated or completed an update to their account/billing classification system to identify common challenges experienced, lessons learned, and strategies to overcome barriers.
 - Woodard & Curran will identify and invite three (3) suppliers for interviews.
 - Woodard & Curran will develop a list of questions for each supplier to respond to. Questions may be sent to the suppliers in advance of interviews.
 - Interviews will be conducted over the phone or Zoom online platform and will be limited to one (1) hour. Interviews will provide an opportunity for the Woodard & Curran team to dive deeper into supplier responses and elicit anecdotal information that may be useful.
 - Woodard & Curran will provide a clean set of notes detailing supplier responses to the common set of questions.

The information from these two parallel efforts will be presented at the preliminary results workshop with BAWSCA and Valley Water agencies. Woodard & Curran will facilitate a discussion with agencies about perceived challenges with compliance (technical, managerial, and/or financial).

The roadmap will summarize reporting requirements and describe best practices for mapping and maintaining the required classification system. The list of best practices will include, but is not limited to, 1) a process for determining which classification is most appropriate when a CII account fits multiple classification descriptions, 2) formal procedures to collect classification information and update classifications with modified or new service requests, and 3) a process for conducting periodic reviews and updating account mapping. Woodard & Curran and MWM will draw on previous experience with other organizations in this area as well as the input gathered by agencies as part of the survey and the Task 2 preliminary results workshop. The roadmap will also include an Implementation Strategy that focuses on BAWSCA's and Valley Water's next implementation steps for opportunities for regional coordination, such as training on account classifications best practices, bulk data purchase, or technical support.

Woodard & Curran will summarize the work conducted in the study and provide the roadmap in the CII Water Use Classification System Performance Measure Technical Memorandum (TM-1). A draft of TM-1 will be provided for BAWSCA's review. The MWM Project Team will finalize TM-1 by incorporating BAWSCA's feedback which will be provided to MWM in one set of consolidated comments in track changes electronic format. The study findings and final TM-1 will be presented to BAWSCA and Valley Water agencies at an additional meeting.

As an alternative to three separate virtual kickoff workshops across Tasks 2-4, MWM may offer a one-day, in-person kickoff event. This would be divided into three two-hour sessions, each devoted to an aspect of the project. Attendees from BAWSCA, Valley Water, the retail agencies, and the Project Team could choose to attend all or a portion thereof. Creating a one-day event would allow the Project Team and participating agencies to meet face-to-face and consider all integrated aspects of the Project at one time. This would minimize travel costs and allow agencies to better balance their focus between drought conditions and this Project.

Task 2 Deliverables

- One (1) virtual Task 2 preliminary results workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to summarize the survey responses, review data and resources, and facilitate discussion with the agencies on perceived challenges (technical, managerial, and/or financial)
- CII Water Use Classification System Performance Measure Roadmap TM-1, with brief written content, graphs, and figures
- One (1) virtual workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to present study findings and TM-1

Optional Task 2 Deliverables

- Informational interview questions – approximately eight (8) to ten (10)
- Up to three (3) one (1) hour informational interviews with water suppliers
- Clean set of notes detailing each supplier's responses to the common set of questions

Task 2 Assumptions

- After the initial outreach email by BAWSCA staff to all agencies requesting a survey response, BAWSCA staff will be responsible for making one follow-up attempt with agencies who do not respond to the survey by a requested deadline.
- If the Task 2 preliminary results workshop is in-person, BAWSCA staff will be responsible for workshop logistics (reserving the workshop room, copies of agenda and other handouts, providing any refreshments, etc.).
- All parties assume TM-1 will be streamlined, approximately 8 to 12 pages in length.

Task 3 CII Dedicated Irrigation Meter Conversion Threshold Roadmap

The MWM Project Team, led by Western Policy Research, will conduct a study to develop a roadmap for BAWSCA and Valley Water agencies to comply with the CII Dedicated Irrigation Meter (DIM) Conversion Threshold performance measure. The study will identify and evaluate a list of resources available to assist with identifying CII landscapes that meet the established threshold and determining whether a Mixed-Use Meter (MUM) serves those landscapes. Draft standards published by DWR for CII landscapes on DIMs and MUMs and associated potential variances (special landscape areas, irrigation with recycled water, etc.)—which hopefully will be finalized soon—will be used to inform the study design. Converting a MUM to a DIM is one among three (3) compliance pathways available for landscapes on MUMs above a size threshold (e.g., by using in lieu technologies instead of a DIM). All of these things will be considered by the Project Team so that data collected from the BAWSCA and Valley Water agencies comply with the regulatory standards the agencies will ultimately need to follow.

In terms of specific study approach, agencies will first be grouped in terms of how far along they already are with respect to identifying their CII landscapes on MUMs. The ranking will be based on responses to the following broad questions:

1. Have you undertaken internal studies to estimate the number of CII landscapes on MUMs exceeding the conversion threshold?
2. What techniques have you used to estimate landscape area of such CII landscapes?
3. Have you undertaken internal studies to evaluate compliance pathways for CII landscapes on MUMs above the conversion threshold?
4. Which consultants/vendors have you worked with to address questions 2 and 3 above?
5. In your service area, how common is it to have CII irrigation occur through MUMs and DIMs on the same site?
6. Have you identified landscapes (CII & residential) on DIMs?
7. Is recycled water used for irrigating CII landscapes on DIMs in your service area?

After developing the agency grouping, Western Policy Research will interview appropriate staff from agencies that are already ahead, and their consultants and vendors, to document various alternative approaches tried and lessons learned that influence feasibility and cost-effectiveness. Western Policy Research will also interview staff from agencies that have yet to begin the task of identifying and measuring CII landscapes on MUMs with an eye to learning about their needs and what forms of future assistance would best suit them.

The roadmap will describe reporting requirements for the CII DIM Conversion Threshold performance measure and provide best practices for 1) identifying CII landscapes that meet this requirement, and 2) determining which compliance pathway is most technically and financially feasible.

The MWM Project Team will summarize the work conducted in the study and provide the roadmap in the CII DIM Conversion Threshold Performance Measure Roadmap TM-2. A draft of TM-2 will be provided for BAWSCA's review. The MWM Project Team will finalize TM-2 by incorporating BAWSCA's feedback, which will be provided to MWM in one set of consolidated comments in track changes electronic format.

Task 3 Deliverables

- One (1) virtual Task 3 kickoff workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to introduce Task 3 and gather information from the agencies
- Consolidated notes from up to five (5) interviews with agencies
- CII DIM Conversion Threshold Performance Measure Roadmap a brief TM-2
- One (1) virtual workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to present study findings and TM-2

Task 3 Assumptions

- All parties assume the TM will be streamlined, approximately 8 to 12 pages in length.
- Based on the survey results, up to five (5) agencies will be interviewed to document various alternative approaches tried and lessons learned that influence feasibility and cost-effectiveness.

Task 4 CII Best Management Practices Roadmap

MWM will conduct a study and develop a roadmap for BAWSCA and Valley Water agencies to comply with the CII Best Management Practices performance measure as per DWR's current draft recommendations based on SB 606 and AB 1668 requirements.

This task will start with the following two components conducted in parallel:

- Survey member agencies on CII Best Management Practices, then vet and categorize existing practices to understand and group BAWSCA and Valley Water agencies based on similar characteristics to develop multiple pathways for compliance.
 - DWR hired MWM to develop a TM with a list of 45 individual CII BMPs, case studies, and results from a statewide survey on existing agency level CII programs. MWM will use this TM as the starting point for the survey and for identifying CII BMPs that meet DWR's draft recommendations.
 - This work will include an evaluation and grouping of billing software systems across agencies.
- Identify and evaluate a list of programs to assist with the recommended support from BAWSCA and/or Valley Water.
 - MWM will evaluate the top 200 CII user data for all three counties in BAWSCA's and Valley Water's service areas: Alameda County, San Mateo County, and Santa Clara County. These data were previously collected and analyzed but can be applied to survey results to provide a strategy for compliance.

The information from these two parallel efforts will be presented at the Task 4 agency workshop with BAWSCA and Valley Water agencies. MWM will facilitate a discussion with agencies about perceived challenges with compliance (technical, managerial, and/or financial).

The roadmap will describe reporting requirements and best practices for developing and implementing a CII BMP program. The development of the list of best practices will include, but is not limited to, 1) a process for determining CII customers or classifications where process water comprises 80% or more of total water use, and are therefore categorically exempt from this performance measure; 2) a system for tracking implementation, success, and challenges of a Water Supplier's CII BMP program; and 3) coordinating with the corresponding land use authority(ies) to add a requirement for consulting Water Suppliers, where appropriate, for awareness of changes and potential reclassifications and updates of fixtures, appliances, and infrastructure.

MWM will summarize the work conducted in the study and provide the roadmap in the CII BMP Performance Measure Roadmap TM-3. A draft of TM-3 will be provided for BAWSCA's review. The MWM Project Team will finalize TM-3 by incorporating BAWSCA's feedback which will be provided to MWM in one set of consolidated comments in track changes electronic format.

Task 4 Deliverables

- One (1) virtual Task 4 agency kickoff workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to introduce Task 4 and gather information from the agencies
- CII BMP Performance Measure Roadmap TM-3
- One (1) virtual workshop, approximately two (2) hours, with BAWSCA and Valley Water agencies to present study findings and TM-3

Task 4 Assumptions

- After the initial outreach email by BAWSCA staff to all agencies requesting a survey response, BAWSCA staff will be responsible for making one (1) follow-up attempt with agencies who do not respond to the survey by a requested deadline.
- If the workshop is in-person, BAWSCA staff will be responsible for workshop logistics (reserving the workshop room, copies of agenda and other handouts, providing any refreshments, etc.).

- All parties assume the TM will be streamlined, approximately 8 to 12 pages in length.

Task 5 Optional Work/Additional Meetings

The MWM Project Team will provide additional meetings with BAWSCA and Valley Water member agencies at an estimated cost of \$1,700 for one (1) MWM Project Team member for a total of six (6) hours. The dollar per meeting basis includes the following assumptions:

1. Two (2) hours of pre-meeting preparation
2. Two (2) hours of meeting attendance
3. Two (2) hours of follow-up to finalize meeting notes, potentially conducted via phone call with BAWSCA staff

Additional work may include a Subscription Program to provide customized support for individual BAWSCA and Valley Water agencies that elect to participate. Potential activities may include, but are not limited to, 1) calculating an agency's Urban Water Use Objective (UWUO), comparing it to actual water use in the previous year, and support with reporting to the SWRCB; 2) agency-specific support for any of the CII performance measures; and 3) as-needed support for agencies to understand, prepare for, comply with, and report on the long-term standards. To facilitate this optional work, MWM has included a single unit hourly billing rate for each key personnel it anticipates will provide technical (or other) support to agencies interested in participating in a Subscription Program.

Billing Rates

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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 Legal Services)**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Orrick for FY 2023-24 for as needed on-going legal support associated with the Revenue Bonds issued by the agency. 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 2023-24 Operating Budget for these services. The proposed budget is the same as the adopted budget for FY 2022-23. There will be no increase in billing rates for FY 2023-24.

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 bond documents since 2013.

For FY 2023-24, 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 2023-24 are shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2023-24 SCOPE OF SERVICES FOR ON-GOING LEGAL SUPPORT

Purpose:

For FY 2023-24, BAWSCA requires on-going legal support on the bond documents prepared by Orrick associated with the Revenue Bonds issued by the agency.

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:

Stephen A. Spitz	\$950/hr.
Devin Brennan	\$895/hr.
Richard J. Moore	\$950/hr.

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 2023-24 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 with PTA is included in the Proposed FY 2023-24 Operating Budget. The proposed budget is the same as in the adopted budget for FY 2022-23 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 have 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 2023-24, 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 the 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 2023-24 are shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2023-24 SCOPE OF SERVICES

Purpose

For FY 2023-24, 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 2023-24 providing the agency an opportunity to improve investment earnings by actively investing amounts held in the interest and principal funds. As a result, based upon market conditions and the agency's circumstances, PTA may propose to manage the investments held in the interest and principal funds more actively and charge the agency management fees for such additional services subject to the agency's approval. In that event, the additional earnings, net of PTA's management fees, resulting from such active management of amounts held in the interest and principal funds would be expected to exceed the earnings the agency would have otherwise realized had such amounts remained invested in the money market fund.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with 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 2023-24. 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 continue to 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 2023-24 Operating Budget for these services. The proposed budget is equal to the adopted budget for FY 2022-23 and reflects 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 2023-24, 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. Work on the SFPUC's next full cycle update of its 10-year CIP will begin in the summer of 2023 and with anticipated Commission adoption in February of 2024. Mr. Sykes and his team will support BAWSCA staff in the review of that upcoming CIP effort.

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 2023-24 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 2023-24 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.
- Assist BAWSCA in the review of SFPUC's draft Water Quality Management Plan

Not to Exceed Contract Limit: \$105,000

Rates and Charges:

Richard G. Sykes	\$220.50/hr.
Jean Gardner	\$155.50/hr.

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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 2023-24 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 \$60,000 is included in the Proposed FY 2023-24 Operating Budget. The proposed budget is \$1,800 more than the current year's adopted budget due to a 3% increase in billing rates. The Stetson Engineering billing rates had remained unchanged for the previous two years.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Stetson Engineering, subject to legal counsel's final review, for a not-to-exceed amount of \$60,000 to assist BAWSCA with administration of the 2009 WSA.

Discussion:

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

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

While the analytical portion of these services could be performed in-house, BAWSCA staff provides greater value doing other tasks that cannot be performed as well by 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 2023-24 are shown in Exhibit A.

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

DRAFT

FY 2023-24 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	\$244/hr.
Associate I	\$126/hr.
Associate II	\$119/hr.
Senior Assistant	\$106/hr.
Assistant I	\$101/hr.
Assistant II	\$96/hr.
Administrative I	\$74/hr.

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 2023-24 to assist BAWSCA's efforts to review SFPUC Asset Management Program and practices. Additionally, the FY 2022-23 scope of work included potential 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 member agencies in FY 2023-24. 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 2023-24 Operating Budget. The proposed budget is the same as the adopted FY 2022-23 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 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 2023-24, 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 and procedures to be developed by SFPUC's Water Supply and Treatment (WST), and Hetch Hetchy Water and Power (HHWP) Divisions. Those plan components are anticipated to be included as part of an asset management chapter developed for the SFPUC's upcoming 2024 State of the Water System report.

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 that 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 and in future years. Additional support on that effort may be called upon by member agencies in FY 2023-24, if desired by BAWSCA.

Scope of Work and Billing Rates:

The Draft Scope of Work for FY 2022-24 is provided as Exhibit A. The proposed billing rates reflect a 5% increase in FY 2023-24.

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 2023-24 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 routinely tracks new California water use efficiency legislation and regulations. Often, BAWSCA supports its member agencies in the interpretation of legislation and in the implementation of new regulations. West Yost will support BAWSCA in this initiative by providing the following assistance on an on-call basis:

- Assist BAWSCA staff to interpret specific aspects of the new legislation. West Yost may be asked to present on one or more water efficiency topics during any proposed webinar(s) held with member agencies on new legislation or regulations
- Assist with compilation and organization of key DWR documents and other available information on new water use legislation or regulations 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. In FY 2023-24, BAWSCA understands that the SFPUC intends to include asset management as a new section in the 2024 State of the Water System

Report. BAWSCA will ask West Yost to take part in the review of the State of the Water System Report, with particular emphasis on the new asset management sections.

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

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

Not to Exceed Contract Limit: \$45,000

Rates and Charges:

Mike Zacharia	\$306/hr.
Polly Boissevain	\$332/hr.
Elizabeth Drayer	\$345/hr.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **First Amendment to the Agreement with Woodard & Curran for FY 2023-24 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 2023-24 Operating Budget.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract amendment 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 to provide technical assistance to BAWSCA related to Tier 2 Plan negotiations. The Board approved the contract in January 2022. While the Water Management Representatives (WMR) have made significant progress to date, the negotiations for a new Tier 2 Plan are not complete and will extend into at least FY 2023-24.

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. Phase 1 Tasks have been completed in FY 2021-22 and included the following: assisted the WMR with developing policy principles to guide the development of an updated Tier 2 Plan, analysis of existing data sources that can be used in the calculations, and developed an Excel-based model structure and initial model concepts.

Phase 2 work by Woodard & Curran is largely an iterative process of developing and revising model concepts to incorporate WMR feedback. This iterative process will not be completed by the end of FY 2022-23. Additional time and budget is necessary in FY 2023-24 to continue, and hopefully finalize, the update to the Tier 2 Plan.

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 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. Starting in June 2023, regular briefings on the Tier 2 Plan progress will be provided at Board and BPC meetings. 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 2023-24 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 2023-24 SCOPE OF SERVICES

BAWSCA Drought Allocation Plan
Scope of Work – Phase 2 (July 1 Through December 31, 2023)

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 two (2) 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 (2)
- 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: Wholesale Customer Meetings

Woodard & Curran will attend up to six (6) meetings with the Wholesale Customers to support revising and finalizing the Tier 2 Plan methodology (Task 2A). Those meetings are being counted separately under this task. It is assumed that three in-person meetings (July, August, and September), and three virtual meetings (October, November, and December) will be conducted. 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.

Additionally, Woodard & Curran will attend up to six (6), one-hour pre-workshop virtual model walkthroughs with wholesale customers (one each month). Woodard & Curran will also attend up to six (6) virtual topic specific subgroup meetings to support wholesale customer meeting goals and objectives.

Deliverables:

- Meeting Notes for the six (6) Wholesale Customer meetings and six (6) virtual subgroup meetings

Assumptions:

- Three (3) Wholesale Customer meetings will be held in person, three (3) will be held virtually
- Six (6) pre-workshop model walkthroughs will be held virtually
- Six (6) topic specific subgroup meetings will be held virtually

Optional Task 4: 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 3. 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.

These additional meetings will be held on an as-needed basis and are not included in the budget for FY 2023-24. If the Wholesale Customers require additional meetings with Woodard & Curran in attendance, money will need to be moved from another task in this scope of work or

additional funding will need to be moved to the total budget.

Deliverables:

- Meeting Notes

Billing Rates

Name	Title	Rate
Max Storms	Planner 1	\$200
Jennifer Sindermann	Project Assistant	\$130
Persephene St. Charles	National Practice Leader	\$350

Sub Consultants

Name	Title	Rate
Andree Lee, EKI	Project Manager	\$322

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Woodard & Curran (Water Conservation Database Hosting and Support)**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Woodard & Curran for FY 2023-24. In FY 2021-22, BAWSCA selected Woodard & Curran through a competitive selection process to develop, implement, and host a redesigned Water Conservation Database (WCDB) which serves as a repository for BAWSCA member agencies' water use and water conservation program information.

WCDB hosting and ongoing technical support is required from Woodard & Curran. Technical support may include, but is not limited to, ongoing maintenance, refinement, support to end users (BAWSCA and its member agencies), implementing bug fixes, or addressing other requested changes or enhancements. The contract for this ongoing hosting and technical support will be prepared using BAWSCA's standard form of agreement.

Fiscal Impact:

The total not-to-exceed amount of \$10,000 is included in the Proposed FY 2023-24 Operating Budget for these services.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Woodard & Curran, subject to legal counsel's final review, for a not-to-exceed amount of \$10,000 to provide ongoing hosting, technical support, and maintenance of BAWSCA's WCDB.

Discussion:

In FY 2021-22, following a competitive proposal process in accordance with BAWSCA's procurement policy, BAWSCA selected Woodard & Curran to develop and implement a redesigned Water Conservation Database (WCDB) which serves as a repository for BAWSCA member agencies' water use and water conservation program information. The WCDB is designed to facilitate data collection, provide data monitoring, and compile data for reporting. It is also used by BAWSCA's 26 member agencies for managing, analyzing, and reporting on their respective conservation measures and water use data.

Woodard & Curran is an innovation-focused company with deep expertise in conservation program management, user interface design, and data management. They have experience in designing and implementing data management systems, including public and multi-agency portals in the conservation and program management field.

As part of the WCDB redesign, a scope and needs assessment was conducted. This included receiving input from member agency representatives, a review of the current BAWSCA database and data fields, a review of current data utilization from the WCDB for BAWSCA activities, and a collection of requirements needed for user interface design, visualization, and

reporting formats. During Woodard & Curran's scope and needs assessment task, it was concluded that ongoing hosting and technical support would be needed to provide a functioning database year-round for BAWSCA and its member agencies. Subsequently, BAWSCA worked with Woodard & Curran to develop a scope of work beginning in FY 2023-24 that details ongoing technical support services which include all hosting fees, software licensing fees, hardware fees, and technical support to users for both answering questions and enhancing the WCDB.

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

The draft scope of services and billing rates for FY 2023-24 are shown in Exhibit A.

EXHIBIT A

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

DRAFT FY 2023-24 SCOPE OF SERVICES

Purpose:

Woodard & Curran will provide ongoing technical support to BAWSCA and its member agencies which may include, but is not limited to, ongoing maintenance, refinement, support to end users (BAWSCA and member agencies) on technical questions on the usage of the WCDB, implementing bug fixes, or addressing other requested changes or enhancements.

Work to be Performed:

Ongoing Technical Support

Woodard & Curran's Ongoing Technical Support Services include all hosting fees, software licensing fees, hardware fees, and technical support to users for both answering questions and enhancing the WCDB.

In developing the WCDB in FY 2022-23, the goal is to provide BAWSCA and its member agencies with a WCDB that can be independently managed by the system administrators in an easy-to-use manner; however, Woodard & Curran does recognize that there may be required support to ensure a seamless transition to the new system and to meet future needs. Woodard & Curran will continue to provide ongoing technical support to BAWSCA and its member agencies which may include, but is not limited to, ongoing maintenance, refinement, support to end users (BAWSCA and member agencies) on technical questions on the usage of the WCDB, implementing bug fixes, or addressing other requested changes or enhancements.

Woodard & Curran's Azure cloud-based hosting for the WCDB will be available 7 days a week. Woodard & Curran's technical support will be available during the hours of 7 AM to 6 PM Monday through Friday. Woodard & Curran may need to schedule system downtime outside of the business hours for regular system maintenance, but any required updates or maintenance during business hours will be conducted with advance notice and coordination of schedule with BAWSCA. If Woodard & Curran is notified of the need for an immediate fix or update (via email or phone call) by BAWSCA or a member agency, Woodard & Curran will respond with acknowledgement of the request within 4 hours and will provide a status update on the fix or update within 24 hours.

Woodard & Curran will provide after-hours support for catastrophic failures or events and has a team of individuals from both the development team and our internal Information Services team who can address these types of issues if needed. Woodard & Curran will be notified by BAWSCA of the need for after-hours support via either text messages, phone calls, emails, or the ticketing system.

Woodard & Curran uses a Jira help desk ticketing system that allows us to have help desk tickets automatically routed to the appropriate project and alert the relevant staff. This allows us

to efficiently track the status of the issue/request and respond quickly to BAWSCA and its member agencies.

When an issue or request is received through the Jira ticketing system, it will first be assessed for criticality. Woodard & Curran will then contact the submitter to obtain clarification if needed. If the issue or request is complex, Woodard & Curran will develop a timeline and communicate that to BAWSCA. For more critical issues, additional team members will be notified to assist in implementing a solution in a timely manner.

The annual cost for this task is \$10,000 and includes up to 24 hours of user support and enhancements as described above. If additional support is needed, Woodard & Curran will work with BAWSCA to customize a plan to meet its needs.

Not to Exceed Contract Limit: \$10,000

Rates and Charges:

This is a lump sum cost for a year for FY 2023-24. This cost is inclusive of all labor and direct expenses.

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 2023-24**

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 2023-24. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

Fiscal Impact:

For FY 2023-24, 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 2023-24; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2023-24 will be the seventeenth year that the Water Wise School Education Program is offered to BAWSCA member agencies. Nine 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 2021-22, 42,387 students have participated in the program, and the estimated lifetime water savings from kits installed has reached 6,347 acre-feet.

Because of its connection with school children, this program would be initiated in September 2023 and run through June 2024. 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 2023-24 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.

Scope of Work and Billing Rates:

The draft scope of work for FY 2023-24 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 2023-24
BAWSCA Indoor WaterWise™ Program Description and Scope of Services

PROGRAM DESCRIPTION

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

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

BAWSCA Indoor WaterWise at a glance:

- Proven to deliver lasting quantifiable results and measurable savings.
 - Simple and very cost-effective.
 - All implementation services are included.
 - Features a fun and interactive curriculum to shape new family habits and usage.
 - Includes 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 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/posttest 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!

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, 2024, 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, 2024, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2024, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2024. In addition, based on the results of the surveys returned to Contractor by March 10, 2024, 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 2023 – July 2024	Receive sponsor funding commitment
September 2023 – May 2024	Teacher Outreach / Enrollment Process
September 2023 – May 2024	Program and Kit Delivery
September 2023 – June 2024	Program Implementation
March 15, 2024	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2024	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 \$37.45, broken down as follows: \$17.95 Materials, \$9.75 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 2023-24
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. 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 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/posttest 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!

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, 2024, 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, 2024, CONTRACTOR will alert BAWSCA.

N. Providing a Preliminary Program Summary Report. No later than March 15, 2024, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2024. In addition, based on the results of the surveys returned to Contractor by March 10, 2024 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 2023 – July 2023	Receive sponsor funding commitment
September 2023 – May 2024	Teacher Outreach / Enrollment Process
September 2023 – May 2024	Program and Kit Delivery
September 2023 – June 2024	Program Implementation
March 15, 2024	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2024	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 \$35.00, broken down as follows: \$15.50 Materials, \$9.75 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 2023-24
BAWSCA LivingWise® Program Description and Scope of Services

PROGRAM DESCRIPTION

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

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

BAWSCA LivingWise at a glance:

- Proven to deliver lasting quantifiable results and measurable savings.
 - Simple and very cost-effective.
 - All implementation services are included.
 - Features a fun and interactive curriculum to shape new family habits and usage.
 - Includes 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, 2024, 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, 2024, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2024, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2024. In addition, based on the results of the surveys returned to Contractor by March 10, 2024, 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 2023 – July 2023	Receive sponsor funding commitment
September 2023 – May 2024	Teacher Outreach / Enrollment Process
September 2023 – May 2024	Program and Kit Delivery

May 18, 2023 – Agenda Item #7B-19

September 2023 – June 2024	Program Implementation
March 15, 2024	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2024	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 \$50.20, broken down as follows: \$30.70 Materials, \$9.75 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 Conduct a School Assembly Program for FY 2023-24**

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 2023-24. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

Fiscal Impact:

For FY 2023-24, 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 2023-24; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2023-24 will be the twelfth year that the School Assembly Program is 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 2023 and run through June 2024. The scope of work for FY 2023-24 is expected to be largely consistent with the scope of work for the prior year's program, which is included as Exhibit A. The EarthCapades Program will continue to be offered virtually and in-person for the 2023-24 school year.

The agencies have expressed a strong desire to continue to support a School Assembly Program that focuses on water conservation. EarthCapades was selected to provide the School Assembly Program through a competitive process in 2009. The agencies also continue to be pleased with this program, including the reformatted virtual assemblies, and have expressed a desire to continue the School Assembly Program with EarthCapades in FY 2023-24. Given EarthCapades' qualifications and performance, it is appropriate to contract for their services this coming fiscal year.

Conclusion:

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

Scope of Work and Billing Rates:

The scope of work for FY 2023-24 is shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and EarthCapades School Assembly Program - FY 2023-24**

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 2023-24 school year, August 2023 through June 2024.

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 7, 2023, or sooner. If, during the course of FY 2023-24, 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, 2023.
- 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 21, 2023. EarthCapades will provide comments on drafts to Local Water Agencies by July 28, 2023.
- Local Water Agencies will mail a Letter of Invitation with a Email Request Form to all eligible schools by August 4, 2023. 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 13, 2023 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, 2023.
- 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*)

Program Costs

Duo Performer Programs

\$770 / 1 show

\$1155 / 2 shows (back-to-back)

\$1440 / 3 shows (same school same day)

Reporting

EarthCapades will provide BAWSCA with a Final Report by June 30, 2024 that includes the following:

- Brief Introduction
- Brief Summary of Show content
- Documentation, by Agency, of the schools/locations/events where EarthCapades performed
- Documentation, by Agency, of the number of people/kids that attended each EarthCapades performance
- Select quotes from survey results
- A few photos to give a feel of a performance
- Link to the survey results

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Global Sun Landscape to Implement the Lawn Be Gone! Site Inspection Program for FY 2023-24**

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 2023-24. As with all BAWSCA subscription programs, (1) the opportunity to participate is extended to all BAWSCA agencies, (2) participation is voluntary, and (3) the participating agencies will pay the entire cost for the Program.

Fiscal Impact:

This Program is being offered on a subscription basis. For FY 2023-24, only those agencies that elect to participate in the Program will pay the cost of the outside service provider, as well as budgeted BAWSCA staff time.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1. Negotiate and execute a contract between BAWSCA and Global Sun Landscape, subject to legal counsel's final review, for implementation of the Lawn Be Gone! Site Inspection Program in FY 2023-24; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

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

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

Currently, seven agencies are participating in the Program, and these agencies have expressed a strong desire to continue participating in the program next year. The Lawn Be Gone! Site Inspection Program provides a valuable enhancement to the Lawn Be Gone! Program for the agencies that opt to participate. The Program can be provided by

a qualified vendor at a reasonable cost. For these reasons, implementation of the Program is recommended.

Scope of Work and Billing Rates:

The draft scope of work for FY 2023-24 is shown in Exhibit A.

EXHIBIT A

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

DRAFT

FY 2023-24 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.	\$105
Post-Inspection Services – Residential sites and Commercial up to 1,000 sq. ft.	\$105
Pre-Inspection Services - Commercial sites over 1,000 sq. ft.	\$135
Post-Inspection Services –Commercial sites over 1,000 sq. ft.	\$135
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 2023-24**

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 2023-24, 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.

Billing rates for FY 2023-24 have been held to a 5% or less rate increase compared to FY 2022-23 rates.

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 2023-24; 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 was completed in December 2022, and the results are being used to support the BAWSCA agencies in preparing for compliance with the new statewide water use efficiency requirements.

Now that the Demand Study Update is complete, BAWSCA agencies may periodically require technical assistance from MWM associated with the DSS Model. Assistance provided to the member agencies via the DSS Model Support Services Program 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 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 2023-24 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 2023-24 SCOPE OF SERVICES

The Bay Area Water Supply and Conservation Agency (BAWSCA) has contracted with Maddaus Water Management (Project Team) to provide as-needed technical and other support for the BAWSCA member agencies associated with the use of the Decision Support System (DSS) Model for water demand projections and conservation program planning. The DSS Models were updated in 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 requests additional support, 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. When the support is needed, BAWSCA and the Project Team will work with that agency to confirm 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 2023-2024

Person	Position	Service/Discipline	Years Exp.	Education/Degree	Hourly Rate
Lisa Maddaus, P.E.	Principal Engineer	Water Resource Planning and Management, Water Conservation Strategy Development, CalWEP and State Compliance	26	M.S. Engineering	\$301
Michelle Maddaus, P.E.	Project Manager, Principal Engineer	Water Demand Forecasting, Water Conservation Planning and Management	22	M.B.A., B.S. Engineering	\$295
Christopher Matyas	Principal Software Engineer, DSS Modeling Lead	Software for Water Efficiency, Water Resource Planning and Management	22	B.S. Engineering	\$295
Tess Kretschmann	Senior Staff Engineer, DSS Modeler	Water Resource Planning and Management	17	B.S. Engineering	\$210
Nicki Powell	Water Resources Analyst	Water Resource Planning and Management		B.S. Environmental Studies	\$127
Kara Kelly	Water Resources Analyst	Water Resource Planning and Management	8	B.S. Environmental Studies and Planning: Water Resources Management	\$135
William Maddaus, P.E.	Technical Advisor, Program Strategist	Water Resource Planning and Management, Water Conservation	59	M.S. Engineering	\$380
Anil Bamezai	Water Savings Quantification Analyst	Water Resource Planning and Management/Statistician	40	Ph.D. Policy Analysis	\$210
Cielo Cruz	Water Resources Project Assistant	Data Analysis, Research & Administrative Support	1	B.A. Economics	\$100

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 2023-24**

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 2023-24. 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 2023-24, 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 2023-24; 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, four 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 2023-24 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 2023-24 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	\$300.00/meter for less than 5 meters \$225.00/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 2023-24. 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 2023-24, 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 June 2024, 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 2023-24 is included in Exhibit A.

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 2023-24 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 RWA an administration fee of \$1,000 to reimburse RWA's program administration and contracting costs associated 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) June 30, 2024, 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 Program for FY 2023-24**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Waterfluence to implement the Large Landscape Program (LLP) for FY 2023-24. Participation in this water conservation program is voluntary. The opportunity to participate will be extended to all BAWSCA agencies. As a subscription program, participating agencies will pay the entire cost for the program.

Fiscal Impact:

For FY 2023-24, only those agencies that elect to participate in this program will pay the cost of the outside service provider as well as budgeted BAWSCA staff time.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1. Negotiate and execute a contract between BAWSCA and Waterfluence, LLC, subject to legal counsel's final review, to implement the Large Landscape Conservation Services Program; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal Year 2023-24 will be the twenty-second year that the Large Landscape Program (LLP) is offered to BAWSCA member agencies. Thirteen agencies are currently participating in the program through BAWSCA. These agencies have expressed interest in participating in this program again next year. This program is part of the comprehensive package of conservation programs that the BAWSCA agencies have asked BAWSCA to offer next fiscal year to support agencies in meeting the conservation targets identified in the Regional Demand and Conservation Projections Report.

Since its inception, the LLP has been a very cost-effective program that generates real and significant water savings. In calendar year 2022, BAWSCA had 1,831 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, 35% more efficient in their watering. The LLP 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 2023-24 is expected to be consistent with the scope of work for prior year's program with a 6% increase for two existing services: the annual base subscription and the landscape field survey. The LLP has enhanced member agencies' water conservation efforts at reasonable cost. For this reason, renewal of this water conservation assistance program is recommended.

Scope of Work and Billing Rates:

The draft scope of work for FY 2023-24 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 Waterfluence - FY 2023-24**

DRAFT SCOPE OF WORK

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.

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**EXHIBIT B
FY 2023-24 DRAFT RATE SHEET**

Program Item	Unit Cost
a. Site Setup	\$100 per new site
b. Base Subscription OR Premium Subscription	\$80 \$100 per site
c. Landscape Field Survey	\$1,700 per survey
d. BAWSCA Administration Fee	\$148 per agency

Notes:

- a. Site Setup. One-time fee per number of sites added to Program. Covers site selection, compiling water and weather data, creating site maps, distributing introductory packets, and startup site contact management.
- b. Base or Premium Subscription. The annual base subscription covers all ongoing costs associated with updating and distributing Program information. The Premium subscription includes additional Contractor staff time to actively monitor and improve customer engagement (recommended for agencies needing to maximize Program results and/or preferring not to assist in this effort).
- c. Landscape Field Survey. An optional, on-site evaluation that consists of an irrigation expert re-measuring irrigated areas, evaluating the irrigation system, and creating a customized report with findings and recommendations to improve irrigation efficiency.
- d. BAWSCA Administration Fee used to recover costs or administer program.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Authorization of Professional Services Contract with EKI Environmental & Water, Inc. to Support the Scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045 (Strategy 2045)**

Summary:

This item requests that the Board authorize the CEO/General Manager to negotiate and execute a contract with EKI Environmental & Water, Inc. (EKI) to facilitate scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045 (Strategy 2045). Through this scoping effort, BAWSCA will secure Board consensus on the goals, objectives, and overall development approach for Strategy 2045. EKI will also prepare a detailed work plan and estimated cost to develop Strategy 2045.

Following BAWSCA's solicitation of proposals from qualified water resources planning consultants, BAWSCA selected EKI. If approved by the Board, the scoping of Strategy 2045 will commence in FY 2023-24 following completion of the agreement negotiation processes.

BAWSCA has begun negotiating EKI's contract and input provided by the Board Policy Committee (BPC) is being used to help finalize EKI's [expanded] scope of services for the Strategy 2045 scoping effort.

Fiscal Impact:

EKI's cost proposal of \$146,752 exceeds the budget allocation of \$35,000 estimated for Strategy 2045 scoping assistance in BAWSCA's proposed FY 2023-24 budget and work plan. To address the \$111,752 difference, staff recommends using \$55,000 of available contingency funds in the proposed FY 2023-24 budget and transferring \$56,752 from the General Reserve.

Recommendation:

That the Board authorize the CEO/General Manager to:

- a. Negotiate and execute a contract with EKI Environment and Water, Inc. in an amount not-to-exceed \$146,752, subject to legal counsel's final review, to support the scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045;**
- b. Transfer \$55,000 from FY 2023-24 budgeted contingency to project funds; and**
- c. Transfer \$56,752 from the General Reserve to the FY 2023-24 Operating Budget.**

Input from the Board Policy Committee

This agenda item was brought to the Board Policy Committee (BPC) for its consideration at its April 12, 2023 meeting. At that time, BAWSCA was in the midst of proposal review, resulting in an incomplete staff recommendation including a significant variance in proposed cost versus budget, and an incomplete funding plan. Given that the likely cost of services would be greater than what was budgeted, BPC members asked for greater clarity when this item is brought to the Board for approval, including a specific cost and funding plan.

Reflecting this need for greater clarity, the Committee recommendation is as follows:

1. That the Board authorize the CEO/General Manager to negotiate a contract with the selected consultant, subject to legal counsel's final review, to support the scoping for BAWSCA's Long-Term Reliable Water Supply Strategy 2045.

2. Identify a source of funds.
3. Consider scheduling a Board workshop or study session to understand the components of the current Strategy and gather input on the components of the future Strategy.

The Committee expressed interest in significant Board engagement in scoping Strategy 2045 as well as interest in learning more about the existing Strategy and how it has been used to develop and execute prior BAWSCA work plans.

The proposed scope of work for this contract has been modified to clarify the intent to engage directly with the Board and Committee. This memo has been updated to address the Committee's questions. The recommended action provided reflects changes in response to the Committee's input, including the necessary cost and funding details that were not available at the time of the Committee meeting.

Discussion:

Existing Strategy and Need for an Update

In 2009, BAWSCA launched the development of a Long-Term Reliable Water Supply Strategy (Strategy) to provide a comprehensive, regional assessment of the member agencies' water supply reliability needs, to complete an evaluation of potential water management actions that could be implemented to meet these needs, and to identify potential actions for consideration by the Board to achieve an increased level of regional reliability. Successful implementation of the Strategy was seen as essential to ensuring that BAWSCA met its water management objective to ensure that a reliable, high-quality supply of water is available where and when the people, businesses, and community agencies within the BAWSCA service area need it. The Strategy was finalized in February of 2015 and has served as the basis for several priorities in BAWSCA's workplan since that time.

To address the request made by the BPC for more information about this existing Strategy, an update is included under "CEO Reports" with a separate informational memorandum. Included in that discussion are details regarding how the Strategy has been used to guide BAWSCA's work efforts. A separate presentation on the existing Strategy will be provided at the June 14, 2023 BPC and the July 20, 2023 Board meetings.

Conditions have changed since 2015 and an update to the Strategy is needed. Updated demand studies and new member agency Urban Water Management Plans have been produced. Member agencies continue to diversify their water supply sources. New regulatory pressures impact existing supply reliability. SFPUC's Alternative Water Supply Plan is nearing finalization. A greater sensitivity to the cost of the development of new supplies is evident. A desire to consider a "One-Water" approach toward water resources management is being embraced both locally and regionally. An update to the Strategy is required to take these changing conditions into consideration. That update, Strategy 2045, must be thorough and comprehensive, including an evaluation of where the existing Strategy has succeeded and where it has proved inadequate.

Consultant Selection Process

BAWSCA released a Request for Proposals (RFP) for the scoping work on February 21, 2023 with proposals due by March 24, 2023. RFPs were sent to eleven firms that BAWSCA determined may be qualified to provide the services. The RFP was also posted on BAWSCA's website.

Of the eleven firms invited to propose, two, EKI and Hazen & Sawyer, Inc., decided to partner and submit a single proposal. No other proposals were submitted. BAWSCA contacted the firms that elected not to submit a proposal. From those discussions, two indicated that existing

work for the SFPUC prevented them from submitting a proposal due to a perceived conflict of interest. Several indicated that the staff most appropriate to perform the work were committed to other projects.

A review panel consisting of staff from BAWSCA, a member agency, and an outside agency reviewed the sole proposal. The review panel also interviewed the consultant. The review panel unanimously recommended selection of EKI for this work.

The original EKI proposal was for an expanded scope of work for a not to exceed amount of \$224,648. BAWSCA negotiated with EKI, which resulted in a reduced scope of work and a \$72,896 cost reduction. BAWSCA anticipates finalizing contract negotiations following Board approval. The resulting scope and cost provide BAWSCA with the necessary level of service required without jeopardizing the schedule.

Project Cost and Proposed Funding Plan

The proposed FY 2023-24 Operating Budget includes an allocation of \$35,000 to secure specialized, technical consultant services to complete this scoping work. The cost of services as negotiated with EKI is \$146,752.

BAWSCA proposes to fund this work by combining the \$35,000 that is currently budgeted with a transfer of \$55,000 from FY 2023-24 budgeted contingency and a \$56,752 transfer from the General Reserve to the Operating Budget. Note that in BAWSCA's FY 2022-23 budget, \$30,000 was allocated for scoping assistance. Those funds were not expended, and at the close of the fiscal year will move into the General Reserve, mitigating the overall impact on the General Reserve.

Work to Be Performed: Scoping of Strategy 2045

It is anticipated that the scoping of Strategy 2045 will take a full fiscal year to complete (e.g., from July of 2023 through to the end of June 2024). Through this scoping effort, BAWSCA will secure Board consensus on the goals, objectives, and overall development approach for Strategy 2045. EKI will also prepare a detailed work plan and estimated cost to develop Strategy 2045. Once this is complete, BAWSCA will determine whether to move ahead with EKI under the options outlined in the RFP, or to bid out the development of Strategy 2045.

Key components of the work are detailed below.

Component 1 – Review of Past and Current Planning Efforts

A component in scoping Strategy 2045 is a review of planning efforts of BAWSCA, its member agencies, and other local and regional bodies related to water supply and water resources. This review will result in a comprehensive summary of known water resources, related local and regional issues, projects, and opportunities that should be considered by BAWSCA when determining how to achieve its goal of a reliable supply of high-quality water at a fair price.

This list of documents to be reviewed is long, yet each require consideration as Strategy 2045 is scoped, and include the following:

- BAWSCA's Long-Term Reliable Water Supply Strategy (2015 Strategy) Final Reports (for Phase 1, Phase 2 and the Final Phase)
- 2022 Regional Water Demand and Conservation Projections Update
- BAWSCA's FY 2021-22 Annual Survey
- BAWSCA's Pilot Water Transfer Report
- BAWSCA's Water Supply Reliability Roundtable Final Report
- SFPUC Alternative Water Supply Plan (to be completed in Summer 2023)
- SFPUC Long-Term Vulnerability Assessment

- BAWSCA member agency 2020 UWMPs
- BAWSCA member agency Water Supply Assessments (WSA's)
- Reports produced regarding the BAWSCA region's groundwater resources
- Member agencies water and recycled water master plans, feasibility studies, and One-Water Plans
- Valley Water's One Water Plan, 2040 Water Supply Master Plan, and Water Supply Master Plan
- Bay Area Regional Reliability (BARR) reports

In addition to the documents listed above, BAWSCA will seek input from the member agencies on additional, relevant documents. The consultant will prepare a comprehensive bibliography of reports reviewed. This review will be used to develop a thorough summary of known water resources, related local and regional issues, projects, and opportunities. The consultant will summarize the work in a Technical Memorandum (TM-1).

This information will be shared with the Board and the BPC as part of the first series of meetings and presentations with those bodies where discussion and input will be sought, as detailed further in the Stakeholder Engagement discussion below.

Component 2 – Stakeholder Engagement

Input from member agencies and the Board will inform the Strategy 2045 scoping, in order to achieve a consensus on the goals, objectives, and overall development approach for Strategy 2045.

Engagement is necessary to understand how the Board and member agencies envision the ways Strategy 2045 can support member agencies' local efforts, as applicable, in recognizing the different levels of local planning and needs for regional support among the agencies. While direct engagement with stakeholders other than the member agencies and Board is not anticipated during this scoping effort (Phase 1), BAWSCA is able to consider outside input received through BAWSCA's Water Supply Reliability Roundtable workshops.

Garnering Member Agency Input

The consultant will develop a Member Agency Survey (Survey), which will be distributed via e-mail to the Water Management Representatives (WMR). It is anticipated to include a series of questions to gather feedback on each agency's water supply challenges, goals, areas of interest for Strategy 2045, and ideas for the scoping of Strategy 2045.

Prior to the launch of the Survey, BAWSCA will host a workshop with the WMR. During the workshop, BAWSCA will provide an overview of TM-1, share process and timeline for Survey completion, and address member agency questions on the Survey response process. This pre-Survey workshop is seen as helpful in increasing the quantity and quality of member agency responses.

Following the Survey, and in order to obtain member agency input on the Strategy 2045 goals, objectives, and approach, BAWSCA will hold three additional workshops with the member agencies during the scoping of Strategy 2045. Workshops may include a combination of virtual workshops, in-person workshops, and discussion in conjunction with standing WMR meetings. Each workshop's content is anticipated to evolve through the late Winter / early Spring of FY 2023-24 based on input received throughout the process.

Garnering Board Input

Achieving consensus among the Board on the Strategy 2045 goals, objectives, budget, and timeline is a primary desired outcome. BAWSCA envisions that, aside from regular discussion items with the Board and BPC, two special sessions with the BPC will be conducted. Those special sessions will be conducted at regularly scheduled BPC meetings. A follow-up presentation to the full Board will be conducted in the month following the BPC meeting.

The first session with the BPC will focus on sharing the results of the document review and the associated identification of known local and regional issues, projects, and opportunities. Input from the BPC will be documented, and used to help develop goals and objectives of Strategy 2045. At the following Board meeting, a presentation will be made summarizing the BPC session, including BPC input received. The full Board will be asked for any additional input they may have regarding the development of goals and objectives. This session is envisioned for the Fall of 2023.

The second session with the BPC will focus on the selected goals, objectives and approach for the development of Strategy 2045, including a summary of the Technical Memorandum produced on the topic (TM-2). The discussion will share the input received from member agencies as to what they desire as to the goals, objectives and approach. How the Board's input was used to shape the goals, objectives and approach will also be discussed. This session is envisioned for the late Winter / early Spring of 2023. A follow-up presentation to the full Board will be conducted in the month following the BPC meeting.

With input from the Board and member agencies, the consultant will produce a technical memorandum (TM-2) documenting the final goals, objectives and approach for the development of Strategy 2045.

Component 3: Final Work Product – Scope for Strategy 2045

Toward the completion of the effort, the consultant will produce a draft proposed scope of work for Strategy 2045. That draft scope of work for Strategy 2045 will be presented in the form of a written document and will be shared with member agencies, BPC, and Board for further discussion and input prior to being finalized.

A copy of the scope of services as negotiated with EKI is provided in Attachment A. EKI's cost proposal is provided in Attachment B.

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IMPLEMENTATION PLAN / SCOPE OF WORK

The EKI Team has prepared this implementation plan for Phase 1 to provide BAWSCA a 2045 Strategy Phase 2 scope of work that efficiently accomplishes the established goals and objectives and is broadly supported by the BAWSCA member agencies and the BAWSCA Board of Directors. The implementation plan builds upon our knowledge and history of working with BAWSCA on the 2015 Strategy and associated efforts, along with our experience scoping and implementing similar efforts for other water agencies.

TASK 0 – PROJECT MANAGEMENT AND BAWSCA MEETINGS

EKI will prepare monthly progress reports on work performed, expenditures by task, and schedule updates. In our experience frequent and open communication between our team and the BAWSCA team is integral to the success of this type of project. To that end, the EKI Team will meet with BAWSCA staff as needed, on at least a bi-weekly basis, to review progress, confirm action items and schedule, and discuss key decisions. The bi-weekly meetings will include:

- A kick-off meeting to confirm the Phase 1 goals, schedule, and process and complete the Decision Matrix.
- A meeting to present draft TM-1, including review and resolution of BAWSCA comments and discussion on approach for seeking member agency input in conjunction with the Survey.
- A meeting to review the results of the survey and discuss the approach for considering feedback in the scope of work for Phase 2 (Task 4).
- A meeting to present draft TM-2, including review and resolution of BAWSCA comments and discussion on approach for seeking member agency input.
- Meetings to review and resolve consolidated member agency comments on TM-1 and TM-2.

Prior to the kickoff meeting, EKI will prepare a draft *Project Workplan*, expanding upon the schedule provided herein, for review and refinement. The workplan will include budget by task, task flows, and assumptions. The workplan will also document communications protocols, including confirmation of key contacts for BAWSCA, member agency contacts, and the process for communicating with the member agencies during the project.

In conjunction with the workplan, EKI will also prepare a template *Decision Matrix*, to be completed in coordination with the BAWSCA team during the kick-off meeting to document the decision-making processes. The Decision Matrix will inform both Phase 1 completion and the Phase 2 scope development and will include the:

- 1) Decision types anticipated through Phase 1 and Phase 2;
- 2) BAWSCA review and decision-making processes;
- 3) Identification of the final decision-maker; and
- 4) Timeline for each major decision point.

Task 0 Deliverables

- Draft and Final Project Workplan and Decision Matrix
- BAWSCA Meeting Agenda, Presentation, and Notes

Task 0 Assumptions

- Biweekly check-ins will be no more than one (1) hour in duration and held virtually in accordance with a mutually agreeable schedule.

TASK 1 – DOCUMENT REVIEW

The EKI Team brings significant familiarity with the existing planning documents that are available for the BAWSCA region given our role in developing and/or implementing many of these efforts. Therefore, we propose to focus this effort on assessing the needs or knowledge gaps identified in, or missing from the considerations of, these planning documents and the potential tools/models BAWSCA could use to meet its needs for Strategy 2045.

Task 1.1 Data Collection and Review

Under this task, the EKI Team will review existing documents prepared by BAWSCA and others that are pertinent to the water supply reliability needs of the BAWSCA region, including the following:

- BAWSCA's Long-Term Reliable Water Supply Strategy (2015 Strategy) Final Reports (for Phase 1, Phase 2 and the Final Phase)
- 2022 Regional Water Demand and Conservation Projections Update
- BAWSCA (FY 2021-22) Annual Survey
- BAWSCA's Pilot Water Transfer Report
- The Project Information Forms (PIFs) collected by BAWSCA during the One Water Roundtable Series that detail future agency-specific water supply development plans
- SFPUC's recent quarterly report(s) as prepared for its Alternative Water Supply Program (AWSP), and the anticipated July 2023 update to the AWSP
- The Member Agency 2020 UWMPs, particularly sections of UWMPs that detail future water supply needs and development projects
- Member Agency WSAs that described demand offset policies and other means to mitigate the impact of new development on local supply reliability
- Reports produced regarding the BAWSCA region's groundwater resources, such as the San Mateo Basin Groundwater Assessment, Westside Basin Groundwater Management Plan, East Bay Plain GSP, Santa Clara Groundwater Management Plan, and Niles Cone Alternative GSP
- Member Agency Water and Recycled Water Master Plans, Feasibility Studies, and One Water Plans
- Valley Water's One Water Plan, 2040 Water Supply Master Plan, and its Water Supply Master Plan Annual Monitoring and Assessment Reports
- Bay Area Regional Reliability (BARR) reports
- SFPUC Long-Term Vulnerability Assessment

In addition to the documents listed above, we will seek input from the BAWSCA member agencies on additional, relevant documents in conjunction with Workshop #1 (Task 3.1). The EKI Team will compile a comprehensive bibliography of reports reviewed and will utilize our review to develop a comprehensive summary of known local and regional issues, projects, and opportunities.

Task 1.2 Assessment of Other Similar Planning Frameworks

In addition to applying our team's own knowledge of other planning frameworks from our work throughout the country, the EKI Team will review up to four water supply strategy plans prepared by large water agencies outside of the BAWSCA service area to identify other frameworks that are worthy of consideration by BAWSCA. In identifying agencies to include in this assessment, we will examine similarities to BAWSCA, such as: (1) organizations with member agencies and missions similar to BAWSCA; (2) organizations that have historically served in an intermediary role, without their own infrastructure, and have investigated or implemented different models to support regional water supply; and (3) organizations that work to serve the varied needs of diverse priorities. Potential agencies for consideration that meet some of the above criteria include:

- Municipal Water District of Orange County (MWDOC), California
- South Metro Water Supply Authority (SMWSA), Colorado
- Upper Colorado River Commission (UCRC), Utah

The assessment of other planning frameworks will address questions such as:

- What innovative tools and techniques have been used for the technical aspects of plan development, such as demand forecasting, modeling supply risks, and adaptive management?
- What institutional frameworks have other entities used for regional water planning? What elements of these frameworks have been effective and what drawbacks have been realized?

The South Metro Water Supply Authority (SMWSA) is a partnership of 14 water providers in the metro region of Denver. The member agencies came together to aid in negotiations with Denver Water and Aurora Water. SMWSA started as an agency that supported its members in securing a renewable water supply through water that was unused by Denver and Aurora and expanded into an organization that builds, operates, and maintains water supply infrastructure.

In addition to reviewing applicable documents, the EKI Team (in coordination with the BAWSCA team, if desired) will conduct informational interviews with these agencies to understand lessons learned through implementation of these plans and to inform the Phase 2 scope development and budget/schedule estimates.

Task 1.3 Needs Analysis

The EKI Team will review and provide an assessment of local and regional planning efforts in the context of understanding needs, opportunities, and knowledge or technical gaps in planning that could be addressed through the 2045 Strategy. The Needs Analysis will build from learning collected by EKI during the One Water Roundtable series and address questions such as:

- What are the consistencies, inconsistencies, and information gaps across individual agency planning efforts?
- What is the overall water supply potential identified as part of current planned efforts?
- In addition to known concerns on SFPUC supply reliability, what are the common challenges (regulatory, financial, institutional, and other) that BAWSCA member agencies are facing in their water supply planning?
- Across the region and individual agencies, which water supply challenges are already being addressed through local efforts, and challenges could benefit from regional collaboration through the 2045 Strategy?

The Needs Analysis will be prepared for the intended audience of BAWSCA and member agency staff, with the goal of generating ideas and potential options for inclusion in the Strategy 2045. The Needs Analysis is anticipated to be incorporated into TM-1 (Task 1.4)



Task 1.4 Preparation of TM-1 Needs Analysis

The EKI Team will prepare TM-1 summarizing the assessment of other planning frameworks and the Needs Analysis. We will focus TM-1 on the intended audience of BAWSCA and member agency staff. In addition to the results of Tasks 1.2 and 1.3, TM-1 will incorporate background information on BAWSCA's 2015 Strategy and overall

goals of the scoping process to provide the BAWSCA member agencies with the necessary background to effectively participate in the Strategy 2045 scoping. The Draft TM-1 is anticipated to be shared with the BAWSCA member agencies in conjunction with the Member Agency Survey (Task 2.1), with the goal of enabling all member agencies to start from the same baseline understanding, so that they can be actively engaged and well informed throughout the Strategy 2045 scoping process.

Task 1 Deliverables

- Bibliography
- Draft, Revised Draft, and Final TM-1 – Planning Framework Assessment and Needs Analysis

Task 1 Assumptions

- BAWSCA will provide one set of consolidated comments on Draft TM-1.
- Following agency review of Revised Draft TM-1, BAWSCA will provide one set of consolidated comments from member agencies.

TASK 2 – STAKEHOLDER ENGAGEMENT

The EKI Team will seek input from the BAWSCA member agencies to inform the Strategy 2045 scoping, with the goal of achieving consensus on the Phase 2 goals, objectives, and overall development approach. Informed by Task 1 efforts, and building upon the process we implemented in the One Water Roundtable series, the EKI Team will engage with the member agencies to understand how they envision the Strategy 2045 can support their local efforts, as applicable, recognizing the different levels of local planning and needs for regional support among the agencies. While direct engagement with stakeholders other than the BAWSCA member agencies and Board is not anticipated for Phase 1, we will consider the input received during the One Water Roundtable Series in the scoping process.

In addition to member agency staff engagement, the EKI Team will support BAWSCA in seeking the input and approval of the Strategy 2045 goals and scope from the BAWSCA Board, as further described in Task 3.2.

Task 2.1 Member Agency Survey

As an initial step to engage the BAWSCA member agencies in the Strategy 2045 scoping, our team proposes to use an electronic form (e.g., Google forms), similar to the approach used by EKI for the One Water Roundtable Series and 2017 Drought Report, to gather initial input from the member agencies. The *Member Agency Survey* (Survey) will be distributed via e-mail and is anticipated to include a series of questions to gather feedback on each agency's water supply challenges, goals, areas of interest for the Strategy 2045, and ideas for the scoping.

Prior to the launch of the Survey, the EKI Team will host a virtual workshop (the second of the workshops listed in Task 3.1) with BAWSCA member agencies. During Workshop #2 the EKI Team will provide an overview of the TM-1, share the goals, process, and timeline for survey completion, and address member agency questions on the Survey response process. From our experience working with BAWSCA on prior planning efforts, a pre-Survey workshop is helpful in increasing the quantity and quality of member agency responses. Member agencies will be asked to complete the Survey within two weeks. The EKI Team will track Survey responses as they are received and will coordinate with BAWSCA to follow up on incomplete responses or non-responses, seeking to get participation from all BAWSCA agencies.

Following completion of the Survey, the EKI Team will prepare a summary of Survey results. The summary will include compilation of Survey results in Excel format and an accompanying PowerPoint presentation that incorporates the findings, which will be reviewed with BAWSCA during a project meeting (Task 0).

Task 2.2 Preparation of TM-2 Strategy 2045 Goals, Objectives, and Approach

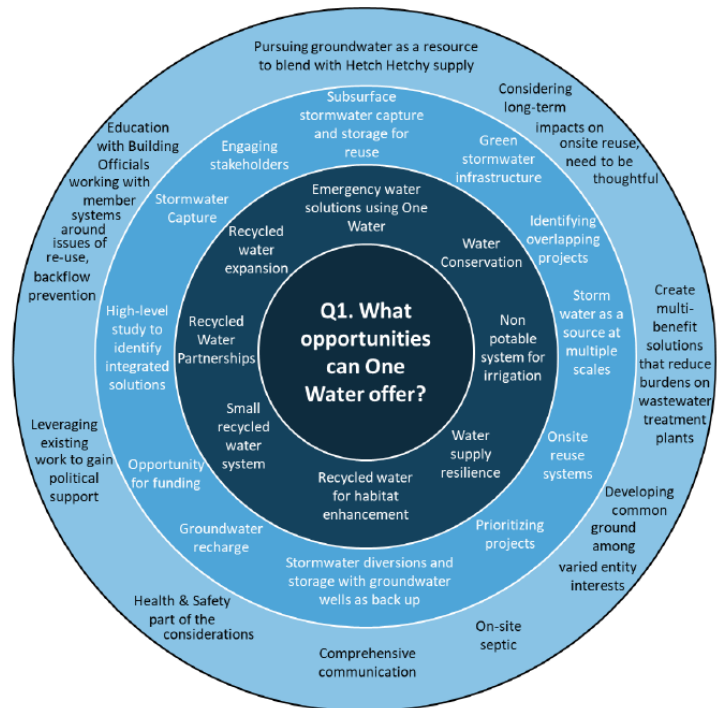
The EKI Team will prepare TM-2 summarizing the results of the stakeholder engagement and associated recommendations for Strategy 2045 goals, objectives, and approach. We will focus TM-2 on the intended audience of BAWSCA, member agency staff, and the BAWSCA Board. The Draft TM-2 is anticipated to be shared with the BAWSCA member agencies in conjunction with Workshop #3, with the goal of establishing consensus on the overall approach prior to developing the Phase 2 scope of work.

Task 2 Deliverables

- Draft and Final Member Agency Survey
- Member Agency Survey Results
- Draft, Revised Draft, and Final TM- 2 - Stakeholder Input Summary

Task 2 Assumptions

- BAWSCA will provide one set of consolidated comments on Draft TM-2, including comments from BAWSCA staff and member agencies.
- Following agency review of Revised Draft TM-1, BAWSCA will provide one set of consolidated comments from member agencies.

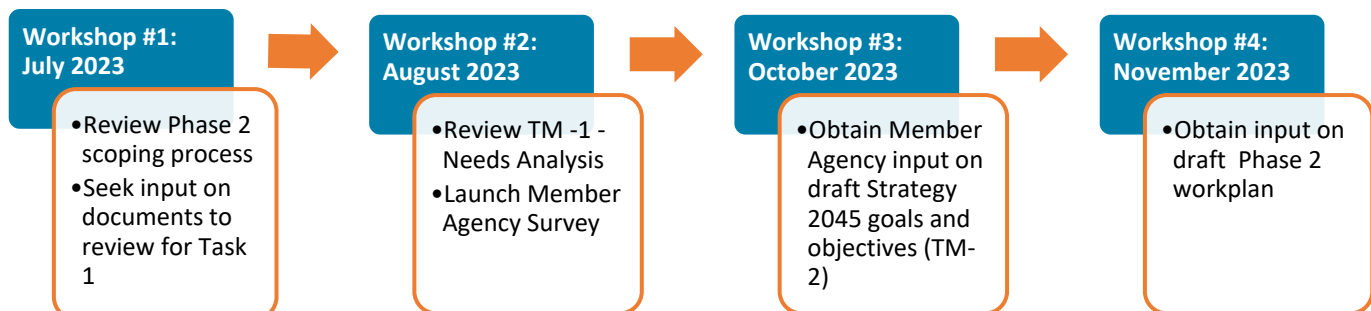


TASK 3: ATTEND MEETINGS AND PROVIDE TECHNICAL SUPPORT

Task 3.1 Member Agency Workshops

To obtain member agency input on the Strategy 2045 goals, objectives, and approach, the EKI Team will facilitate up to four workshops with the BAWSCA member agencies during the Phase 1 scoping phase. Workshops may include a combination of virtual workshops, in-person workshops, and discussion in conjunction with standing Water Management Representatives meetings. For each workshop, the EKI Team will work with BAWSCA staff to define the goals and objectives, prepare the workshop agendas and presentations, compile notes, and conduct a debrief discussion with BAWSCA to confirm next steps.

Anticipated workshop topics are described in the Approach and in the figure below. However, we recognize that the workshop content may evolve based on input received throughout the process. We will work with BAWSCA to refine the workshop schedule and goals as the project progresses to maximize the overall benefit.



Task 3.2 Board Meetings

Achieving consensus among the BAWSCA Board of Directors on the Strategy 2045 goals, objectives, budget, and timeline is a primary desired outcome for Phase 1. The EKI Team proposes to support BAWSCA in holding one Board and/or Board Policy Committee discussion on the Strategy 2045 development as part of the scoping phase. The discussion will focus on sharing the results of the stakeholder engagement along with the goals and objectives.

November 2023
Board Meeting

- Review Strategy 2045 Goals and Objectives

The EKI Team will support BAWSCA in developing the Board packet materials and PowerPoint presentation and in capturing notes. Meetings details will be planned in close coordination with BAWSCA staff to define expectations, anticipated hurdles, and roles and responsibilities of the EKI Team and BAWSCA staff. In conjunction with the decision matrix prepared in Task 0, the EKI Team will work with BAWSCA to determine the best approach for engaging BAWSCA's Board in project decisions – for example, deciding whether the goals and objectives and/or Phase 2 scope should be presented as an information and discussion item or formally adopted by the Board.

Task 3 Deliverables

- Member Agency Workshop Agenda and Materials (up to four)
- Member Agency Workshop Summary (up to four)
- Board of Directors Draft and Final Meeting Memo and Presentation
- Board of Directors Meeting Notes

Task 3 Assumptions

- Three (3) member Agency Workshops will be up to two hours in length and one (1) member agency workshops will be up to 3 hours in length. For budgeting purposes, it is assumed that two workshops will be held in person and two will be held virtually.
- BAWSCA Board of Directors meeting will be held in person.
- BAWSCA will provide one consolidated set of comments on materials and notes for each meeting or workshop.

TASK 4: DEVELOPMENT OF THE SCOPE OF WORK FOR PHASE 2, PREPARING STRATEGY 2045

Informed by the results of Tasks 1 through 3, the EKI Team will prepare the proposed scope of work for Phase 2, incorporating details on each anticipated task as well as overall approach and schedule. Recognizing that the Strategy 2045 development may include a multi-year investment, we propose to provide BAWSCA with a detailed workplan, a project schedule estimate, and cost ranges on a fiscal year basis to inform BAWSCA Board decisions on how to fund the Strategy 2045 development.

Task 4.1 Goals and Objectives

Building upon the Needs Analysis (Task 1.3) and the Survey (Task 2.1), the EKI Team will develop a list of potential goals and objectives for Strategy 2045. The initial list of goals and objectives may, if appropriate, include framework language without numerical values – for example, a level of service goal or water use efficiency

objectives, to be refined through the stakeholder and Board processes. The goals and objectives may also include overarching goals related to collaboration, resilience, equity, or sustainability, to potentially be coupled with specific targets to track progress.

Goals and objectives will be incorporated into TM-2 and discussed with the BAWSCA agencies at Workshop #3 (Task 3.1). Goals and objectives will inform the development of the Scope of Work.

Task 4.2 Task Development

The EKI Team will develop the Phase 2 Tasks to be included in the Strategy 2045 Scope of Work. Specific task needs will be identified and refined through Tasks 1 through 3. [Subtasks 4.2.1 to 4.2.10 have been identified as potential tasks for Phase 2. The sections below provide more detail about how these items could be incorporated into Strategy 2045.](#)

4.2.1 Demand Forecasting

The Strategy 2045 may require flexible and informative methods for developing water demand forecasts to address both traditional and emergent uncertainties that may influence future demands and planning decisions concerning levels of service, such as:

- COVID-19: Identifying pathways through which the pandemic has impacted water demand patterns sectorally and spatially and developing empirical models that can characterize future scenarios, accommodating both transient and potentially more enduring changes in the structure of water use in the region.
- Frequency of acute water shortages: Measuring water demand reductions and degree of demand rebound from recent drought events to assess and design scenarios around the permanence of induced changes in consumer behavior.
- Passive and active water efficiency: Accounting for natural increases in water efficiency promulgated through the market availability of water conserving devices, regulations, and code, and the degree to which active programmatic interventions and member pricing strategies may expedite passive declines in water demand.
- Climate change and weather variability: Measuring impacts of weather on different sectoral and spatial segments of demand and how different climate futures may influence latent (i.e., unrestricted) demands, including how these interact with induced changes in behavior from past water management actions, active efficiency programs, and growth-related factors.
- Growth related factors: Defining the pathways of how growth might occur, not only in terms of raw numbers of users, but also in terms of urban structure and densification, migratory patterns of jobs and people in and out of member agency systems, and initiatives to increase affordable housing, among others.
- Exploration of the cost of water supply shortage: Econometric analyses can be performed to estimate the economic loss to consumers when water use is restricted.

The ability to incorporate a range of potential variables that influence water demand over time and across the member agencies dictates the use of custom forecast calculation tools for scenario formulation and analysis. Open-source platforms will normally provide the most flexibility and ease for updating models and scenarios. Phase 1 of Strategy 2045 will further explore these concepts, evaluate to what extent they have been incorporated under existing demand modeling efforts such as the 2022 Regional Water Demand and Conservation Projections Update, and make recommendations for additional analyses to be conducted in Phase 2.

4.2.2 Supply Need Quantification

The future supply need for the BAWSCA member agencies is uncertain given the outcome of several drivers, including:

- Climate change

- Implementation of the Bay Delta Water Quality Control Plan and/or Voluntary Agreements
- Implementation of SFPUC's AWSP
- Implementation of other (non-SFPUC) projects and programs such as, Los Vaqueros Expansion, Delta Conveyance Project, and Valley Water's Water Supply Master Plan.

Other strategic planning efforts similar in concept to Strategy 2045 (such as the Integrated Resource Planning efforts conducted by Metropolitan Water District and Denver Water and the Regional Reliability Assessments conducted by Cal Water) have implemented a Scenario Analysis approach considering different combinations of future drivers to inform projections. An advantage of this approach is that it appropriately bounds the future need for water and establishes the backbone for adaptive management and triggers for action.

Building upon Task 1.2 and our team's experience implementing similar planning efforts, EKI Team will develop the scope language for the methodology to quantify supply needs for Strategy 2045. The EKI Team will assess the feasibility each method for BAWSCA's available resources, level of effort, benefits, and drawbacks. In conjunction with this task, the EKI Team will conduct one coordination meeting with Valley Water to understand its 2050 Water Supply Master Plan process and assess potential alignments with the Strategy 2045.

4.2.3 Project Development

Based on the goals and objectives defined in prior tasks, the EKI Team will develop task language describing Strategy 2045 task(s) associated with project development. Task language will align with identified goals for BAWSCA's support for project development. BAWSCA's role may range from "low-hanging fruit" such as facilitating collaboration among potential project partners, to high-investment options, such as developing its own project. We will work with BAWSCA and the member agencies to identify the approach that best aligns with the Strategy 2045 goals.

In considering options for project development in the Strategy 2045 scope, our team will consider approaches from BAWSCA peer agencies identified in Task 1, as well as lessons learned from BAWSCA's implementation of the 2015 Strategy, including the pilot water transfer, Los Vaqueros Expansion Project and the Potable Reuse Exploratory Plan (PREP) Project. Considerations will include feasibility and benefits of these specific types of regional projects, as well as perspective on BAWSCA's role in project development.

4.2.4 Reliability Modeling

Based on the review of goals/objectives, demands, and scenarios defined in the prior tasks, the EKI Team will identify and scope modifications to the BAWSCA Regional Water Supply Reliability Model and/or BAWSCA Regional Groundwater Model in order to quantify supply needs and the efficacy of potential programs and projects. Task 4.2.4 includes the scoping of BAWSCA Regional Water Supply Reliability Model and/or BAWSCA Regional Groundwater Model modifications, but assumes that any modeling/quantitative scenario analysis will be conducted in Phase 2 of Strategy 2045. As an example, potential modifications to the Regional Water Supply Reliability Model include the following:

Potential Modification	Benefits to Strategy 2045	Where Have We Done This Before
Implementation of RiverWare's Index Sequential Methodology (ISM) (graphic from Hazen)	<ul style="list-style-type: none"> ▪ Allows Regional Reliability Model to run a continuous demand projection (e.g., 2025-2050) instead of a single future demand year ▪ Maintains ability to simulate historical and climate change adjusted hydrology 	<ul style="list-style-type: none"> ▪ Zone 7 Risk Model development and Water Supply Evaluation Update (sample screenshot of ISM approach included after this table) ▪ Colorado River Basin modeling to evaluate a potential Upper Basin Demand Management Program

Potential Modification	Benefits to Strategy 2045	Where Have We Done This Before
	<ul style="list-style-type: none"> ▪ Better resolution in identifying specific future years where gaps/deficits are expected ▪ Supports more efficient development of adaptive management triggers and project schedules 	
Integration/representation of potential regional and member agency supply projects	<ul style="list-style-type: none"> ▪ Supports quantitative evaluation of the benefits potential supply projects 	<ul style="list-style-type: none"> ▪ Prior work in the Regional Water Supply Reliability Model examined the PREP and LVE ▪ Zone 7 ▪ Colorado River Basin ▪ Cal Water Regional Reliability Studies ▪ New York City DEP
Incorporation and/or post processing of the economic cost of supply/shortages	<ul style="list-style-type: none"> ▪ Supports direct quantification of potential costs born by member agencies associated with shortages and/or the addition of new supplies 	<ul style="list-style-type: none"> ▪ Valley Water cost of shortage analysis ▪ Albuquerque Bernalillo County Water Utility Authority Water 2120 Implementation Plan
Represent the intersection between demand, conservation, wastewater production, and recycled water/potable reuse supply	<ul style="list-style-type: none"> ▪ More dynamic, accurate representation of available recycled water/potable reuse supply 	<ul style="list-style-type: none"> ▪ Albuquerque Bernalillo County Water Utility Authority Water 2120 Implementation Plan ▪ Santa Fe Evaluation of Long-Term Effects of Reuse Alternatives
Update Regional Water Supply Reliability Model PowerBi Dashboard to integrate with planning scenarios and adaptive management triggers (included in Task 5)	<ul style="list-style-type: none"> ▪ Quantitatively track regional reliability conditions/drivers relative to modeled scenarios ▪ Allow BAWSCA staff to refine timing and tracking of adaptive management triggers 	<ul style="list-style-type: none"> ▪ Town of Gilbert (AZ) Digital Master Plan

Year/Trace	2023	2024	2025	→	2081
Trace 1	1922	1923	1924	→	1979
Trace 2	1923	1924	1925	→	1980
Trace 3	1924	1925	1926	→	1981
Trace 4	1925	1926	1927	→	1982
Trace 5	1926	1927	1928	→	1983
↓	↓	↓	↓	→	↓
Trace 94	2015	1922	1923	→	1978

*Caption: **The Index Sequential Method (ISM)** is hydrologic resampling approach that is commonly used in One Water planning studies, including work performed by MWD, DWR, the Bureau of Reclamation, and Zone 7. The approach permits a continuous simulation of water demand over a future period (e.g, 2023-2081) while allowing for each projected demand year to experience the full range of historical hydrology. The above figure illustrates this resampling process. The ISM approach would benefit BAWSCA by allowing for greater resolution in understanding the timing or projected supply gaps and allow for greater flexibility in evaluating phased implementation of alternative water supply projects/programs. The Regional Water Supply Reliability Model was designed to support this approach but has not yet been executed in this manner.*

4.2.5 Stakeholder Engagement

The EKI Team will identify key the stakeholder engagement tasks for the Strategy 2045 scope of work. The stakeholder engagement tasks will summarize the number and type of meetings anticipated and how these meetings will align with the overall Strategy development process and schedule. This stakeholder engagement task will be consistent with the Phase 2 Stakeholder Engagement strategy developed in Task 2.2.

4.2.6 Policy Evaluation

The EKI Team will develop Strategy 2045 task(s) associated with policy development and support, based upon results of Tasks 1 and 2. In addition to its core goal of representing member agency interests with SFPUC on water supply, water quality, and financial matters, BAWSCA has had several additional successes supporting agencies in the policy realm, including with respect to: (1) Water Supply Agreement amendments to address challenges impeding the sale of ISG; (2) advocating for member agency interests with the State on drought regulations and water use efficiency requirements; and (3) developing local Model Water Efficient Landscape ordinances. For the policy task development, the EKI Team will work with BAWSCA and the member agencies to seek opportunities to build upon these successes. Potential policy components of the Strategy 2045 scope of work may include:

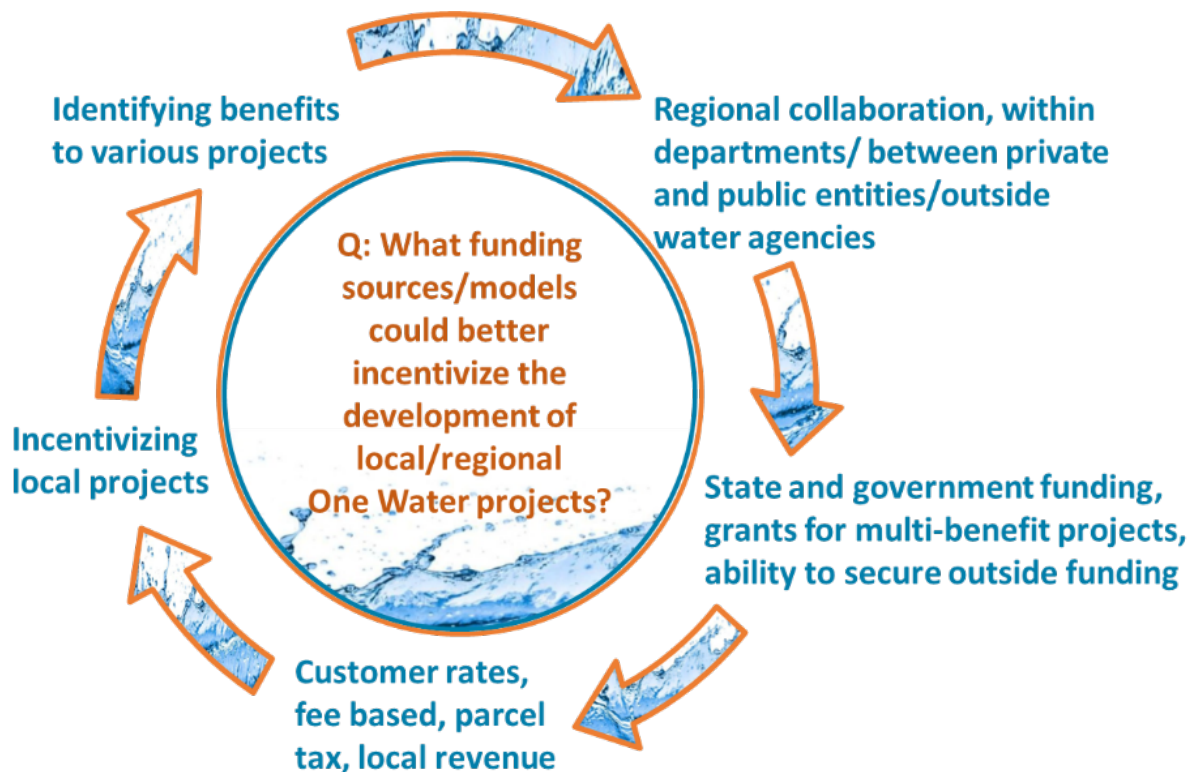
- Development of regional model ordinances, such as water use efficiency, onsite reuse, or net water demand offset policies, to support common objectives of the BAWSCA agencies.
- Advocacy on state or federal policy to support common needs and interests related to development of projects or access to funding.
- Consideration of additional revisions to the WSA.

4.2.7 Funding

For this Task, the EKI Team will develop task(s) associated with funding for Strategy 2045. A key finding from the One Water Roundtable series was that funding appears to be a significant and common hurdle for member agencies in implementing local projects. Specifically, participants expressed that they lacked resources to track and respond to grants and other funding opportunities and that they were interested in the exploration of alternative project funding models to support the development of local projects to increase local and regional supply resiliency.

Building upon the Roundtable feedback and the results of Tasks 1 and 2, we will develop scope language for tasks for address funding needs. Tasks may include:

- Further investigation and/or development of alternative funding structures to enable regional funding for local projects.
- Development of regional funding support program.
- Pursuit of funding for development and implementation of the Strategy 2045, such as Bureau of Reclamation or DWR programs.



4.2.8 Decision Support and Communications

The EKI Team will develop task language for development of decision-support, communications, and progress tracking task(s) for Strategy 2045. From our experience, the success of the regional water resources plans depends upon the ability to synthesize and communicate what is learned in a way that is meaningful to stakeholders – in particular, the BAWSCA member agencies and BAWSCA Board. Implementation success can also benefit from frameworks for decision making that enable adaptive management and implementation.

Task language will build upon findings of Tasks 1 and 2 and may consider:

- A Strategy 2045 Dashboard on the BAWSCA website and/or member agency portal. Content could include: (1) Summary of Strategy 2045 objectives and opportunities to participate in its development; and (2) progress tracking towards established goals, objectives, and/or targets.
- A Strategy Decision Support Tool to support the Strategy development and implementation. Content could include integration of a project evaluation and portfolio development tool with the Regional Water Supply Reliability Model Power BI dashboard, to evaluate project performance, as associated long-term cost-benefit, across a range of hydrologic scenarios.

4.2.9 Implementation Framework

In our experience, the most effective plans - particularly those that require cooperation among multiple parties - include a framework for implementation. For this Task, our team will work with BAWSCA and the member agencies to consider what aspects of the Strategy 2045 implementation should be developed. We will incorporate associated task(s) into the scope of work. The BAWSCA One Water Roundtable series was an effective step in

establishing a forum for regional collaboration on planning and projects; scoping may consider opportunities to continue or build upon this framework.

In preparing the implementation framework, we will seek BAWSCA and member agency input on the following considerations:

- How the Strategy 2045 can provide an ongoing framework for collaboration to address the region's needs;
- Roles of BAWSCA and member agencies in implementing the Strategy goals, targets, or recommendations;
- Steps BAWSCA can take to facilitate ongoing collaboration;
- Anticipated near term, mid-term, and long-term investments; and,
- Adaptive management strategy, including key decision points and offramps.

4.2.10 Strategy 2045 Documentation

The EKI Team will work with BAWSCA and member agency staff to determine what type of documentation is desired for the Final Strategy 2045. This task will consider the intended audience for the document, anticipated level of effort associated with graphic design, and associated materials. Potential formats for the final Strategy document may include:

- Written report for targeted technical audience;
- Magazine style document accessible to broad audience, with associated technical analysis provided in appendices; and/or
- Interactive web content, including GIS StoryMap and/or Strategy 2045 Dashboard

Task 4.3 Preparation of Strategy 2045 Scope of Work

The EKI Team will prepare a draft *Strategy 2045 Scope of Work* documenting the goals, objectives, and scope of work for the Strategy 2045 development. The Draft Strategy 2045 Scope of Work will incorporate task descriptions for the Strategy 2045 components developed through Tasks 1 through 4. The EKI Team will also develop an associated schedule documenting the anticipated timeframe for each task and workflows, as well as budget ranges. Workplan and budget ranges will be estimated on a fiscal year basis to inform BAWSCA's annual work plan and budgeting process.

The EKI Team will provide Draft Strategy 2045 Scope of Work to BAWSCA for review at least one week prior to a BAWSCA progress meeting (Task 0). We will prepare a revised draft and will share with BAWSCA member agencies at least one week prior to the member agency review Workshop #4 (Task 3.1). Following Workshop #4 and submittal of member agency written comments, our team will conduct an additional progress meeting with BAWSCA to review and reconcile member agency comments.

Task 4 Deliverables

- Draft, Revised Draft and Final Strategy 2045 Scope of Work

Task 4 Assumptions

- BAWSCA will provide one set of consolidated comments on the Scope of Work, including comments from BAWSCA staff and member agencies.
- Following agency review of Revised Scope of Work, BAWSCA will provide one set of consolidated comments from member agencies.

BAWSCA’s Reliable Water Supply Strategy 2045 – Scoping Assistance
Budget for Proposed Phase 1 Scope of Work - updated May 8, 2023

TASKS	EKI Labor						Hazen and Sawyer Labor									Expenses	TOTAL
	G5 – Jean Hirayama	G4 – Drew Bost	SNR1 – Ayman Alafifi	OFC - Anona Dutton	OFC - Andree Lee	TOTAL EKI Labor	AELI - Claire Tritz	PE - Diane Roher	Asc - Andera Zimmer	Sr. Asc - Sarah Dominick	Sr. Asc Luke Wang	VP - Greg Gates	TOTAL Subconsultant Labor	SUBCONSULTANT EXPENSES	TOTAL SUBCONSULTANT COSTS (1)	TOTAL EXPENSES (1)	TOTAL (\$ Rounded)
	160	182	292	338	338	(\$)	176	209	264	314	286	352	(\$)	0%	(\$)	(\$)	(\$)
Task 0 - Project Management																	
1.1 Workplan and Decision Matrix	4				2	\$1,369					1		\$286	\$0	\$286	\$0	\$1,655
1.2 Monthy Progress Reports	8				2	\$2,034	8				2		\$1,980	\$0	\$1,980	\$0	\$4,014
1.3 Project Coordination and BAWSCA Meetings	32	6		8	32	\$20,521	6				18		\$6,204	\$200	\$6,404	\$732	\$27,657
Subtotal	44	6	0	8	36	\$23,924	14	0	0	0	21	0	\$8,470	\$200	\$8,700	\$700	\$33,326
Task 1 - Document Review																	
1.1 Data Collection and Review	8				2	\$2,034							\$0	\$0	\$0	\$0	\$2,034
1.2 Assessment of Other Planning Frameworks	16	12		2	6	\$7,746	8	4		2	6		\$4,588	\$0	\$4,588	\$0	\$12,334
1.3 Needs Analysis	24	16		4	12	\$12,646		4	4	6	6		\$5,492	\$0	\$5,492	\$0	\$18,138
1.4 TM-1 Preparation	10	2		2	4	\$4,152	4			2	2		\$1,904	\$0	\$1,904	\$0	\$6,056
Subtotal	58	30	0	8	24	\$26,578	12	8	4	10	14	0	\$11,984	\$0	\$12,000	\$0	\$38,562
Task 2 -Stakeholder Engagement																	
2.1 Member Agency Survey	16			2	6	\$5,475				1	1		\$600	\$0	\$600	\$0	\$6,075
2.2 TM-2 Preparation	16			2	6	\$5,475				1			\$314	\$0	\$314	\$0	\$5,789
Subtotal	32	0	0	4	12	\$10,949	0	0	0	2	1	0	\$914	\$0	\$900	\$0	\$11,864
Task 3- Attend Meetings and Provide Technical Support																	
Task 3.1 Member Agency Workshops	24	8		8	20	\$15,350				10	10		\$6,000	\$1,400	\$7,400	\$1,400	\$24,150
Task 3.2 Board Meeting	6			1	4	\$2,756					1		\$286	\$0	\$286	\$500	\$3,542
Subtotal	30	8		9	24	\$18,200	0	0	0	10	11	0	\$6,286	\$1,400	\$7,700	\$1,900	\$27,700
Task 4 - Development of the Scope of Work for Phase 2																	
Task 4.1: Goals and Objectives	8	2		2	4	\$3,819				2	4	1	\$2,124	\$0	\$2,124	\$0	\$5,943
Task 4.2: Task Development	4	24		4	16	\$12,239				8	24	1	\$9,728	\$0	\$9,728	\$0	\$21,967
Task 4.3: Scope of Work Preparation	2	12		2	4	\$4,713		4		2	4		\$2,608	\$0	\$2,608	\$0	\$7,321
Subtotal	14	38	0	8	24	\$20,800	0	4	0	12	32	2	\$14,460	\$0	\$14,500	\$0	\$35,300
TOTAL:	178	82	0	37	120	\$100,452	26	12	4	34	79	2	\$42,114	1,600	\$43,800	\$2,600	\$146,752

Notes:

- (1) "Other Direct Costs" includes direct expenses, as listed below, incurred in connection with the work and will be reimbursed at cost plus ten percent (10%) for items such as:
- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
 - b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors. *Note: Subconsultant cost markup has already been incorporated into subconsultant hourly rates.*
 - c. Rented vehicles, local public transportation and taxis, travel and subsistence.
 - d. Special fees, insurance, permits, and licenses applicable to the work.
 - e. Outside computer processing, computation, and proprietary programs purchased for the work.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

Activities associated with addressing the failure of Silicon Valley Bank and other unplanned legal activities, including the review of the SFPUC Alternative Water Supply Program report and review of proposed legislation relating to water rights and possible changes to the Brown Act, has required more legal resources to date than originally budgeted and requires additional use of legal counsel services for the remainder of FY 2022-23. As a result, the contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2022-23. A budget amendment for an additional \$50,000 is recommended to fund necessary work through June 2023 for a revised not to exceed total budget of \$831,500.

Fiscal Impact

This recommended budget increase will be funded using unspent funds associated with other technical consultant contracts that are not anticipated to be fully expended this fiscal year.

Recommendation:

That the Board of Directors authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$50,000 for a total not to exceed amount of \$831,500.

Discussion:

Additional funds are needed for legal counsel due to the unanticipated work related to the failure of Silicon Valley Bank. In addition, legal counsel has engaged in at least three additional unexpected activities and additional funds are necessary at this time to protect the interests of the member agencies and their water customers.

First, legal counsel assisted BAWSCA and the Water Management Representatives in preparing for surprise First Amendment Audits that have been occurring at Peninsula area water districts. Second, legal counsel engaged in a detailed analysis of San Francisco's Alternative Water Supply Program report, to ensure that the SFPUC's plans and programs were in full compliance with the terms of the 1984 Settlement Agreement and the Water Supply Agreement. Finally, legal counsel has been deeply involved in analyzing the myriad of legislation directed towards curtailing pre-existing water rights holders and legislation affecting the Brown Act and remote meeting practices in the post-Covid era.

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

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

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

Hanson Bridgett	Original Contract	Year End Contract	Actual Year End Expense	Budget vs. Expenses	Notes
FY 18-19	\$669,000	\$919,000	\$919,000	100%	March 2019-additional \$150k; \$57.5k from contingency, \$50.k from General Reserve, \$42.5k from other unspent funds; \$50k added to operating budget. May 2019 - additional \$100k reallocated from other expense categories; no change to operating budget
FY 19-20	\$799,500	\$819,000	\$818,000	100%	June 2020 - \$19.5 reallocated from other expense categories; no change to operating budget
FY 20-21	\$606,500	\$806,500			March 2021 - additional \$200k - \$142k from the General Reserve & \$57k from contingency



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MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Nicole Sandkulla, CEO/General Manager
DATE: May 12, 2023
SUBJECT: Chief Executive Officer/General Manager's Letter

SFPUC Revenue Bond Oversight Committee Annual Report

In November 2002, the San Francisco voters adopted a Charter amendment that established the seven-member Public Utilities Revenue Bond Oversight Committee (RBOC), which provides independent oversight to ensure accountability in the expenditure of revenue bonds used to fund the SFPUC's capital improvements, and ensures that bond proceeds are spent in accordance with authorizing bond resolutions and applicable laws. The Charter requires that one member of the RBOC shall be appointed by the governing body of the Bay Area Water Users Association (BAWUA).

RBOC has provided valuable oversight of the WSIP and helped to protect the financial interests of all water users in the Bay Area, including the Wholesale Customers that BAWSCA represents. A copy of the RBOC annual report that summarizes the initiatives taken during fiscal year 2021-22 is included as Attachment 1.

Qualified Water Efficient Landscape (QWEL) Program:

BAWSCA has sponsored a Qualified Water Efficient Landscaper (QWEL) online series for landscape professionals who live or conduct work in the BAWSCA service area. The training began on May 1st, 2023 with over forty-two registrants.

The QWEL professional training is a proactive local approach to reduce landscape water use. It is recognized as a WaterSense labeled Professional Certification Program for Irrigation System Auditing and is a multi-year WaterSense Sustained Excellence award winner.

The objective for QWEL is to increase landscape professionals' awareness of and compliance with local water-use restrictions and reduce long-term landscape water use through wider adoption of proper care, irrigation management and other maintenance practices for water-efficient landscapes. In addition to the 2-weeks of online training, the program provides a certification test in order for participants to receive a QWEL-certified professional designation. The two-week course will end on Thursday, May 11th and the online QWEL exam is scheduled for May 15th.

Strategy 2045 Update

BAWSCA proposes to begin work to develop the scope of Strategy 2045 in July of 2023, subject to approval by the Board at the May board meeting. In discussions with the BPC at its April 12, 2023 meeting, BPC members expressed an interest in learning more about BAWSCA's existing Long-Term Reliable Water Supply Strategy, which was finalized in 2015 (2015 Strategy). To address the interests of the BPC, an informational memorandum detailing the development of the 2015 Strategy and its implementation has been prepared and is included as Attachment 2. A review of the 2015 Strategy development and implementation will also be provided at the July 20, 2023 Board Meeting as part of an overall Strategy update.

Tier 2 Plan Update

The Water Management Representatives (WMR), with the help of BAWSCA staff and the technical consultants, have made significant progress in developing an updated Tier 2 Plan. The WMR continue to meet monthly at in-person workshops to discuss model concepts and broad topics, such as ways to achieve the agreed upon policy principles. BAWSCA has held virtual meetings in advance of those workshops to provide an opportunity to dive deep into the model calculations and assumptions. Additionally, subgroups meet regularly to develop recommendations for model details and inputs that the full WMR can consider for inclusion in an updated Tier 2 Plan.

A thorough presentation on the progress made, and next steps for, updating the Tier 2 Plan will be provided to the Board Policy Committee in June and to the Board in July.

SFPUC Water Quality Strategic Plan

Beginning in April of 2023, the SFPUC began the development of an update of its Water Quality Strategic Plan (WQSP), which was last updated in 2016. The WQSP and its implementation will enable the SFPUC to: 1) Maintain SFPUC regulatory compliance, operations and understanding of drinking water quality related issues with respect to meeting regulations and proactively projecting public health; 2) Ensure the SFPUC is well positioned to respond to future drinking water quality challenges; and 3) Maintain / improve customer satisfactions in drinking water quality delivered to retail and wholesale customers. SFPUC has contracted with Kennedy Jenks, Inc. to provide assistance in the development of the update.

To assist in the development of the update, the SFPUC has incorporated an expansive approach to gaining stakeholder input. A Project Advisory Committee (PAC) has been established. The PAC is comprised of noted experts in fields such as water quality, public health, and communications. The PAC will review the contents of the update as it takes shape. A Project Steering Committee (PSC) has also been established. The PSC is comprised of key SFPUC staff, BAWSCA, the State Water Quality Control Board, research professionals from leading universities and organizations, and staff from other large water agencies with relevant expertise.

Focus area workshops are being conducted to gather input from the PAC and the PSC. Nine workshops are scheduled to take place as follows: 1) Regulatory compliance; 2) Public health and emerging contaminants; 3) Extreme events; 4) Sustainability; 5) Customer service and satisfaction; 6) Technological advances; 7) Source and treated water quality; 8) Distribution water quality; and 9) Water quality at the tap. Aside from those 9 workshops, a kick-off meeting was held and a final meeting is proposed at the close of the workshop effort. Workshops are conducted virtually, and workshop attendance is by invitation only.

The kick-off meeting as well as the first two workshops have been held. BAWSCA was present at each of those meetings and workshops, and will attend all of the subsequent workshops and meetings.

The SFPUC will use the results of the workshop discussions to help guide the efforts of SFPUC and their consultant team and prepare the WQSP update. The SFPUC's schedule proposes that all workshops will be concluded by mid-October 2023 and that a final update will be published in December 2023.

O'Shaughnessy Centennial Celebration:

On the morning of Tuesday May 3, 2023, the SFPUC hosted an event at their Hetch Hetchy Reservoir facilities to commemorate the centennial of the O'Shaughnessy Dam construction, which was completed in 1923. Speakers at the event included BAWSCA's Board Chair Gustav Larsson, SF Mayor London Breed, SFPUC General Manager Dennis Herrera, and a representative from Senator Diane Feinstein's office.

Speakers highlighted the fact that the dam is a testament to vision, ingenuity, and sustainability. Several pointed out that it provides high quality drinking water to 2.7 million residents and thousands of businesses in four Bay Area counties.

Aside from Chair Larsson, the BAWSCA contingent also included Board Vice Chair Tom Chambers, BAWSCA CEO/General Manager Nicole Sandkulla, and BAWSCA Water Resources Manager Tom Francis. A copy of San Francisco's press release is included as Attachment 3.

Attachments:

1. San Francisco Public Utilities Commission Revenue Bond Oversight Committee Annual Report FY 2021-22
2. BAWSCA's Long-Term Reliable Water Supply Strategy as Completed in 2015
3. Press Release: Bay Area Officials Celebrate The Centennial Of O'Shaughnessy Dam

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San Francisco Public Utilities Revenue Bond Oversight Committee
Annual Report Fiscal Year 2022



Background

In November 2003, the Public Utilities Revenue Bond Oversight Committee (RBOC) was formed after passage of Proposition P in November 2002, adding Sections 5A.30 through 5A.36 to the San Francisco Administrative Code. The RBOC facilitates transparency and provides independent oversight to ensure accountability in the expenditure of revenue bond proceeds. The public is invited and welcome to attend RBOC meetings and provide input.

Pursuant to Administrative Code, Section 5A.36, the RBOC is charged with providing independent oversight of the expenditure of public utility revenue bond proceeds for capital improvements. The committee helps ensure an uninterrupted supply of water, power, and wastewater treatment services to the City and County and San Francisco Public Utilities Commission (SFPUC) customers by ensuring that public dollars are spent in accordance with the authorizing bond resolutions and applicable laws.

After conducting an independent audit, and consulting with the City Attorney, the RBOC may determine that proceeds of a revenue bond program were not utilized for purposes authorized in accordance with the associated bond resolution or applicable law. It may be further determined that this surmounts to an illegal expenditure or waste of such revenue bonds. By majority vote, the RBOC may prohibit the further issuance or sale of authorized revenue bonds by the SFPUC.

Any RBOC decision to prohibit the sale of authorized but unsold revenue bonds may be appealed to the Board of Supervisors. The SFPUC can provide evidence of corrective measures to the Board, and the Board may decide to overturn the decision by the RBOC, upon a two-thirds vote of all of its members. To date, the RBOC has not found waste or illegality with respect to the expenditure of revenue bonds.

The SFPUC continues to incur bonded indebtedness to finance capital improvements related to its two major enterprises, the Water and Sewer systems. Each of these enterprises have embarked on major system improvement programs, which were expected to be completed in 2021 and beyond, respectively. The SFPUC will also from time to time issue revenue bonds to finance improvements to the Power Enterprise.

The provisions of Proposition P were set to expire on January 1, 2013, unless extended by an ordinance of the Board of Supervisors. In 2012, the Board extended the sunset date to January 1, 2016, (see Ordinance No. 236-12, BOS File No. 120221). In 2015, the SFPUC submitted, and the Board of Supervisors approved, a resolution supporting the extension of the RBOC until January 1, 2019. On December 11, 2018, the Board of Supervisors approved Ordinance No. 309-18, BOS File No. 180123, extending the RBOC through January 1, 2025.

Mission Statement

The RBOC monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The goal of the RBOC is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

Committee Membership

The RBOC is comprised of seven members:

- Two seats appointed by the Mayor ¹
- Two seats appointed by the Board of Supervisors
- One seat appointed by the City Controller ²
- One seat appointed by the Bay Area Water User's Association (BAWUA), under the auspices of the Bay Area Water Supply and Conservation Agency (BAWSCA)
- One seat shall be the Budget and Legislative Analyst or his/her representative

At a minimum, the members appointed by the Mayor and by the Board of Supervisors shall, individually or collectively, have expertise, skills and experience in economics, the environment, construction, and project management. The member appointed by the Controller shall have background and experience in auditing, accounting, and project finance. Appendix I includes the biographies of RBOC members serving as of June 30, 2022.

Introduction

The purpose of this report is to detail the activities of the RBOC for fiscal year 2021-2022 covering the period from July 2021 to June 2022 (reporting period). In the past the RBOC published annual reports on a calendar year basis, it has now aligned with the fiscal year adopted by the City and County of San Francisco.

Initiatives

During the reporting period, the RBOC focused on the following initiatives:

- Completed performance audit of six bond series from the 38 bond series subject to RBOC oversight as of June 30, 2022, three each from the Water and Wastewater Enterprises for a total of \$2 billion in expenditures.
- Reviewed progress of Water System Improvement Program (WSIP) and Sewer System Improvement Program (SSIP) with particular focus on the accuracy of budgeting and scheduling forecasts and continued attention to ensuring that lessons learned from the WSIP are applied during implementation of the SSIP.
- Heard presentations from SFPUC staff on results of bond sales and updates on the Water Infrastructure Finance and Innovation Act (WIFIA) loan transaction.
- Monitored the outcome of bond sales and ongoing debt plans.
- Visited the Southeast Treatment Plant.

See Meeting Summaries in Appendix II for specific topics covered in RBOC meetings.

¹ Effective June 23, 2022, the Mayor appointed Claire Veuthey to one vacancy; one seat remained vacant as of June 30, 2022.

² Vacant

Audit Overview

In 2019 RBOC engaged the City Services Auditor (CSA) to source an audit firm. The CSA engaged HKA Global Inc. (HKA) and, its subcontractor Yano Accountancy Corporation (YAC) to conduct the audit. The objective of the audit was to determine whether revenue bond funds were spent in accordance with the stated purposes and permissible use of such bonds. The audit report is titled Performance Audit of Select Revenue Bond Expenditures, it is dated December 23, 2021, and it is publicly available on the websites of the SFPUC and the Office of the Controller.

The audit concluded that revenue bond expenditures were spent appropriately. The audit report included two findings and two recommendations.

- The RBOC did not have adequate visibility over bond proceeds. The audit report recommended improved reporting on bond proceeds available for expenditure, and summaries of expenditures by project and funding source.
- The SFPUC Quality Assurance Audit function was not operational from June 2017 through November 2020. The audit report recommended compliance with existing project management procedures to perform quality assurance audits during all main phases of a project's lifecycle.

As part of the audit process, the CSA recommended that the SFPUC: (i) comply with its record retention policy regarding bond-related documents, and (ii) ensure that relevant staff understand the requirements of the department's record retention policy to maintain the completeness of bond-related documents.

Future Initiatives

The RBOC plans to cover the following initiatives in the next fiscal year:

- Hold hearings to ensure follow-up on action items identified by the audits.
- Initiate and complete new performance audits of revenue bond expenditures.
- Monitor completion of the WSIP and other major Water Enterprise capital projects.
- Review planned and completed projects of the SSIP.
- Visit project sites funded by SFPUC revenue bond expenditures.
- Explore engaging consultants to examine the performance of completed projects.
- Ensure the continuity of oversight through member succession planning.
- Improve outreach to ensure greater public awareness and input related to the SFPUC's expenditure of revenue bond proceeds.

Outstanding Revenue Bonds

As of June 30, 2022 the SFPUC had \$6.8 billion in Revenue Bonds. See Appendix III for details.

Debt Issuance

During the reporting period the SFPUC issued \$1.1 billion in new revenue bonds and notes, and a parity state loan, this amount includes new net debt and refinancing of old debt. See Appendix IV for details.

Bond Expenditure Certification

As part of its mission, the RBOC asks SFPUC staff to affirm that all bond proceeds are spent “appropriately and according to authorization and applicable laws.” Please see Appendix V for the “Bond Expenditure Certification”.

RBOC Account Summary

Pursuant to Proposition P, the RBOC receives 1/20th of 1% of gross revenue bond proceeds to fund the cost of retaining the services of “outside auditors, inspectors and necessary experts to perform independent reviews”. As of June 30, 2022, RBOC had an available account balance of \$2.2 million. A complete accounting of RBOC funds can be found in Appendix VI.

Acknowledgements

The RBOC would like to express its appreciation to the SFPUC staff and others for facilitating the tasks of the committee. Specifically, the committee would like to acknowledge the following staff:

San Francisco Public Utilities Commission - General Manager Dennis Herrera, CFO and Assistant General Manager of Business Services Nancy Hom, Deputy CFO Charles Perl, Water Enterprise Assistant General Manager Steven Ritchie, Director, Water Capital Projects and Programs Katie Miller, Program Management Bureau Manager Howard Fung, Assistant General Manager of Infrastructure Stephen Robinson, Sheena Johnson, Edward Kwong, Frank McParland, Erin Franks, as well as former SFPUC members Eric Sandler, Richard Morales, Mike Brown and Kristina Cordero.

City Attorney’s Office - Deputy City Attorney Mark Blake.

Controller’s Office – Winnie Woo, Massanda Djohns, Hunter Wang, and former Audit Director Tonia Lediju.

From the Board of Supervisors, the RBOC wishes to thank Assistant Clerks Victor Young and Brent Jalipa, for technical and administrative support.

This report was approved by RBOC on March 14, 2023

Appendix I – Biographies of RBOC Members



Ettore Leale (Chair)

Appointed by the Board of Supervisors (Seat 1)

Appointed on 1/28/2020 (*Term expires on 11/12/2023*)

Ettore Leale is an executive and investor in the internet and software industries. Currently he leads mergers and acquisitions, and ESG engagement with institutional investors at Udemy, an online learning and teaching marketplace. His board of directors experience includes serving on audit, risk, and compensation committees of companies in the United States, Europe, and India. At present he serves on the board of directors of Expert.ai, a provider of natural language processing solutions, and the San Francisco Fire Credit Union, a community financial institution. He earned an MBA from Harvard Business School, and a BA from the School International Service at American University in Washington DC.



Lars Kamp

Appointed by the Board of Supervisors (Seat 2)

Appointed on March 15, 2021 (*Term expires on 11/12/2024*)

Lars Kamp is a co-founder and CEO of Some Engineering Inc., a San Francisco-based software start-up. He's been a start-up operator and founder for the past ten years. As a founder, he's raised both debt and equity financing, and managed global P&Ls. He began his career at Accenture in 2001, where he worked out of Accenture's offices in Vienna, Rome and Seoul. He joined Accenture's San Francisco office in 2006. Lars' work with Accenture clients comprised the planning, financing and roll-out of global communication and cloud computing infrastructure, with multi-\$B capital budgets. The operation of data center infrastructure dealt with the sustainable use of water for cooling systems, as well as developing strategies for long-term water resilience. Lars has a Master's Degree in Economics and Business Administration from Passau University, Germany. He's fluent in German, Italian and French. Lars lives with his family in the Presidio (District 2).



Claire Veuthey

Appointed by the Mayor (Seat 4)

Appointed on 6/23/2022 (Term expires on November 12, 2024)

As Founder at Rizoma Ventures, Claire Veuthey works with asset managers on integrating ESG and impact into their investment work. She served as Head of ESG at OpenInvest (acquired by JPMorgan), Head of ESG on the Social Impact Investing team at Wells Fargo, and held other positions at Sustainalytics and MSCI. She also served as a Technical Advisor to the Sustainable Accounting Standards Board (SASB). Claire holds an MBA from Berkeley-Haas, an MA from King's College London, and a Licence from the Graduate Institute of International and Development Studies in Geneva.



Christina Tang

Appointed by BAWSCA (Seat 6)

Appointed on 7/1/2014, Reappointed on 2/06/2019 (Term expires on 11/12/2023)

Finance Manager for the Bay Area Water Supply and Conservation Agency (BAWSCA) representing its 26 members' collective interests in their relationship with the SFPUC on matters related to water supply, facility reliability, operations, water quality and wholesale water rates. Christina has over 15 years of experience in public finance, including direct experience in debt management. Christina received her Master of Science degree in Finance from the University of Houston, and her Master of Public Administration from the University of Illinois at Springfield. Christina is a certified Public Finance Officer designated by GFOA.



Reuben Holober

Appointed by the Budget and Legislative Analyst's Office (Seat 7)
Appointed on 11/19/ 2019 (Indefinite Term)

As an Analyst for the San Francisco Board of Supervisors Budget and Legislative Analyst's Office, Reuben conducts legislative and policy analysis, budget review, and performance audits. Reuben holds a Bachelor's Degree in Political Science and Communication from the University of Washington and a Master's Degree in Public Policy from the Goldman School of Public Policy at UC Berkeley.

Appendix II – Meeting Summaries

The RBOC held twelve meetings and completed one site visit during the reporting period. Below is a summary of agenda topics. Full agendas and minutes for each meeting are available at:

<https://sfpuc.org/about-us/boards-commissions-committees/revenue-bond-oversight-committee>

- August 17, 2021
 - Audit Updates
 - By-Law Amendments – Annual Report “Reporting Period”
 - Wastewater Capital Program Update
- September 14, 2021
 - Audit Updates
 - By-Law Amendments – Annual Report “Reporting Period”
 - Water Infrastructure Update
- October 19, 2021
 - Audit Updates
 - Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services
 - Water Infrastructure Update
- November 16, 2021
 - Audit Updates
 - Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services
- December 14, 2021
 - Audit Updates
 - Water Infrastructure Update
 - Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services
- January 11, 2022
 - Audit Updates
 - Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services
- February 15, 2022
 - Performance Audit of Select Revenue bonds expenditures (December 23, 2021)
 - Planning for next requests for proposal for contracts to acquire a consultant to examine project performance and other related audit services
 - Report – Audit process, Confidentiality, and procedures

- March 8, 2022
 - Hearing on Findings No. 1 of the RBOC Performance Audit
 - RBOC Audit – Overview of process, confidentiality, procedures, and City Services Auditor (CSA) engagement framework
 - Planning for next RBOC audit – Presentation by CSA and HKA/Yano
- April 19, 2022
 - Bond Issuance Update
 - Hearing on Finding No. 2 of the RBOC Performance Audit
 - Planning for the next RBOC audit
- May 17, 2022
 - Hearing on Findings No. 1 of the RBOC Performance Audit
 - Planning for the next RBOC audit
- May 26, 2022
 - Site Tour – Southeast Treatment Plant
- June 14, 2022
 - Planning for the next RBOC audit
 - Planning for the 2021-2022 RBOC Annual Report

Appendix III – SFPUC Outstanding Debt Summary

Summary of Enterprise Debt Programs
(as of June 30, 2022)

	Water	Wastewater	Power
Outstanding Debt			
Revenue Bonds and Notes	\$4.6B	\$2.1B	\$160M
SRF/WIFIA Loans			
• Executed	\$424M	\$1.5B	----
• Outstanding*	\$122M	\$303M	
Tax Credit Bonds	----	----	\$5.2M
Commercial Paper:			
• Authorized	\$500M	\$750M	\$250M
• Outstanding	\$206M	\$379M	\$40M
Credit Ratings			
Long-Term	Aa2/AA-	Aa2/AA	AA/AA-
Short-Term	P-1/A-1	P-1/A-1+	F1+/A-1

*May include amounts requested but not yet received. Net of grants, if applicable.

Outstanding SFPUC Bonds (as of June 30, 2022)	RBOC	Issue Date	Maturity Date	Original Par (\$000s)	Outstanding Principal (\$000s)	Notes (All dollars in 000s)
WATER						
2010 Revenue Bonds, Series B	Yes	06/17/10	11/01/40	\$417,720	\$349,170	Build America Bonds (BABs); TIC is net of subsidy (WSIP)
2010 Revenue Bonds, Series E	Yes	08/04/10	11/01/40	\$344,200	\$344,200	Build America Bonds (BABs); TIC is net of subsidy. (WSIP)
2010 Revenue Bonds, Series G	Yes	12/22/10	11/01/50	\$351,470	\$351,470	Build America Bonds (BABs); TIC is net of subsidy (WSIP)
2015 Revenue Bonds, Series A	No	04/16/15	11/01/36	\$429,600	\$382,420	Refunded all outstanding 2006A bonds and a portion of 2009A Bonds (WSIP)
2016 Revenue Bonds, Series A	No	10/20/16	11/01/39	\$763,005	\$719,735	Partially refunded 2009A, 2009B, and 2010F Bonds (WSIP)
2016 Revenue Bonds, Series B	No	10/20/16	11/01/30	\$130,815	\$71,510	Fully refunded 2006B, 2006C, and partially refunded 2010A Bonds
2016 Revenue Bonds, Series C (Green)	Yes	12/14/16	11/01/46	\$259,350	\$231,230	Taxable refunding of \$237M outstanding CP and \$20 million new money proceeds (WSIP)
2017 Revenue Bonds, Series A (Green)	Yes	12/13/17	11/01/47	\$121,140	\$27,000	Fund WSIP
2017 Revenue Bonds, Series B	Yes	12/13/17	11/01/47	\$147,725	\$32,930	Fund Water Enterprise Capital
2017 Revenue Bonds, Series C	Yes	12/13/17	11/01/47	\$70,675	\$15,750	Improvements to water-related infrastructure of the Hetch Hetchy Water and Power system
2017 Revenue Bonds, Series D (Green)	No	12/28/17	11/01/35	\$350,305	\$346,795	Partially refunded 2011A, and 2012A (WSIP)
2017 Revenue Bonds, Series E	No	12/28/17	11/01/31	\$48,890	\$48,890	Partially refunded 2011C, 2011D and 2012C
2017 Revenue Bonds, Series F	No	12/28/17	11/01/31	\$8,705	\$8,705	Partially refunded 2011B
2017 Revenue Bonds, Series G (Green)	No	12/28/17	11/01/24	\$33,780	\$31,960	Partially refunded 2011A (WSIP)
2019 Revenue Bonds, Series A (Green)	No	01/09/20	11/01/43	\$622,580	\$591,320	Taxable Advance Refunding
2019 Revenue Bonds, Series B	No	01/09/20	11/01/41	\$16,450	\$16,385	Taxable Advance Refunding
2019 Revenue Bonds, Series C	No	01/09/20	11/01/41	\$17,925	\$17,850	Taxable Advance Refunding
2020 Revenue Bonds, Series A (Green)	Yes	09/23/20	11/01/50	\$150,895	\$150,895	Retired \$180M in outstanding TE Water CP for WSIP Projects.
2020 Revenue Bonds, Series B	Yes	09/23/20	11/01/50	\$61,330	\$61,330	For Non-WSIP Regional CIP
2020 Revenue Bonds, Series C	Yes	09/23/20	11/01/50	\$85,335	\$85,335	For Non-WSIP Local CIP
2020 Revenue Bonds, Series D	Yes	09/23/20	11/01/50	\$49,200	\$49,200	Retired approx. \$49M in outstanding HHW CP.
2020 Revenue Bonds, Series E (Green)	No	10/21/20	11/01/43	\$341,435	\$335,535	Refunded and partially refunded 2010D, 2012A, 2017A
2020 Revenue Bonds, Series F	No	10/21/20	11/01/47	\$136,880	\$135,455	Partially Refunded 2017B
2020 Revenue Bonds, Series G	No	10/21/20	11/01/43	\$120,585	\$114,765	Refunded and partially refunded 2010D, 2011D, 2012B, 2012C
2020 Revenue Bonds, Series H	No	10/21/20	11/01/47	\$65,495	\$64,815	Partially Refunded 2017C
Total Bonds - Water				\$5,208,060	\$4,584,650	

WASTEWATER						
2010 Revenue Bonds, Series B	Yes	06/08/10	10/01/40	\$192,515	\$192,515	Build America Bonds (BABs).
2013 Revenue Bonds, Series A (Refunding)	No	01/30/13	10/01/25	\$193,400	\$13,665	Refunded 2003A Bonds and SRF loans
2013 Revenue Bonds, Series B (New Mon)	Yes	02/27/13	10/01/42	\$331,585	\$183,665	Funded FY2010-11, FY2011-12 and a portion of FY2012-13 projects
2016 Revenue Bonds, Series A (Green)	Yes	05/24/16	10/01/46	\$240,580	\$240,580	Fund a portion of SSIP "Green" infrastructure projects and refund ~ \$53.4M of outstanding CP
2016 Revenue Bonds, Series B	Yes	05/24/16	10/01/46	\$67,820	\$67,820	Fund a portion of SSIP projects and refund ~\$20.6M of outstanding CP (spent primarily on R&R)
2018 Revenue Bonds, Series A (Green)	Yes	08/09/18	10/01/43	\$229,050	\$229,050	Fund SSIP
2018 Revenue Bonds, Series B	Yes	08/09/18	10/01/43	\$185,950	\$185,950	Fund Wastewater Enterprise capital
2018 Revenue Bonds, Series C (Green)	Yes	08/09/18	10/01/48	\$179,145	\$179,145	Fund a portion of SSIP projects and refund a portion of ~\$20.6M of outstanding CP
2021 Revenue Bonds, Series A (Green)	Yes	11/29/21	10/01/51	\$260,835	\$260,835	Refund a portion of outstanding CP
2021 Revenue Bonds, Series B	Yes	11/29/21	10/01/51	\$37,045	\$37,045	Refund a portion of outstanding CP
2021 Revenue Notes, Series A (Green)	No	11/29/21	10/01/25	\$218,355	\$218,355	Fund a portion of BDFP (Biosolids); to be remarketed or retired by WIFIA Loan.
2021 Revenue Notes, Series B (Green)	No	11/29/21	10/01/26	\$129,110	\$129,110	by WIFIA Loan.
2022 Revenue Bonds, Series B	No	07/06/22	10/01/34	\$137,080	\$137,080	Refund a portion of outstanding 2013A and 2013B Bonds. Settlement on 07/06/2022.
Total Bonds - Wastewater				\$2,402,470	\$2,074,815	
POWER						
2015 Revenue Bonds, Series A (Green)	Yes	05/20/15	11/01/45	\$32,025	\$32,025	Power Revenue Bonds ("Green")
2015 Revenue Bonds, Series B	Yes	05/20/15	11/01/26	\$7,530	\$3,735	Power Revenue Bonds
2021 Revenue Bonds, Series A (Green)	Yes	12/21/21	11/01/51	\$74,280	\$74,280	Power Revenue Bonds ("Green")
2021 Revenue Bonds, Series B	Yes	12/21/21	11/01/51	\$49,720	\$49,720	Power Revenue Bonds
Total Bonds - Power (Senior)				\$163,555	\$159,760	
Tax Credit Bonds						Investors receive a tax credit in lieu of interest payment
2008 Cl. Renewable Energy Bonds	Yes	11/07/08	12/15/22	\$12,391	\$422	Installation of solar energy equipment on City-owned facilities (12/15 payment dates)
2012 New Cl. Renewable Energy Bonds	Yes	04/25/12	04/25/28	\$6,600	\$0	Solar and micro-hydro energy projects - prepaid 2.5M July 2015 (10/25 & 4/25 payment dates)
2011 Qualified Energy Cons. Bonds	Yes	12/15/11	12/15/27	\$8,291	\$3,138	Components of 525 Golden Gate that promote energy conservation (12/15 & 6/15 payment dates)
2015 New Cl. Renewable Energy Bonds	Yes	10/15/15	10/25/32	\$4,100	\$1,636	Two qualified solar equipment projects (10/25 & 4/25 payment date.)
Total - CREBs, NCREBS, QECBs				\$24,782	\$5,196	

SAN FRANCISCO PUBLIC UTILITIES COMMISSION**Water Enterprise****Summary of Unexpended Revenue Bond Proceeds****All Years, as of June 30, 2022***by enterprise, bond series*

Funding Source	Available Proceeds	Capital Expenditures	Unexpended Proceeds
Water			
2006A Bond Series	\$ 478,491,519	\$ 478,491,519	\$ -
2009A Bond Series	372,859,467	372,859,467	0
2009B Bond Series	384,070,056	384,070,056	(0)
2010A Bond Series	60,134,844	60,134,854	(10)
2010B Bond Series	370,069,468	370,069,468	(0)
2010D Bond Series	73,533,607	73,533,607	0
2010E Bond Series	307,368,499	307,358,148	10,351
2010F Bond Series	153,607,721	153,607,721	-
2010G Bond Series	295,821,487	295,775,272	46,215
2011A Bond Series	526,580,793	526,349,498	231,295
2011B Bond Series	28,299,454	27,940,480	358,974
2011C Bond Series	34,530,015	32,825,551	1,704,464
2012A Bond Series	540,584,813	540,289,008	295,805
2012B Bond Series	15,758,420	15,750,000	8,420
2015A Bond Series	12,330,182	830,239	11,499,943
2016A Bond Series	(2,620,869)	10,709,230	(13,330,099)
2016B Bond Series	13,702	-	13,702
2016C Bond Series	20,636,717	20,507,042	129,675
2016R 2016AB Reserve Release	84,741,618	84,741,618	-
2017A Bond Series	65,580,860	65,383,335	197,526
2017B Bond Series	159,463,730	147,098,097	12,365,633
2017C Bond Series	30,126,069	30,000,000	126,069
2020B Bond Series	70,260,517	68,834,043	1,426,474
2020C Bond Series	95,834,631	75,864,839	19,969,792
CP2 Commercial Paper	140,876,368	140,875,468	900
CP3 Commercial Paper	225,433,743	225,306,822	126,921
CP4 Commercial Paper	180,058,644	161,451,645	18,606,999
TOTAL	\$ 4,724,446,075	\$ 4,670,657,028	\$ 53,789,048

Notes: Refunded revenue bonds without new proceeds are excluded, SRF and WIFIA funds are also excluded. CP2 retired by 2017A, CP3 retired by 2016C, and CP4 retired by 2019A.

Source data: PeopleSoft BI, extract date: 2022-08-15

Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Water Enterprise
Detailed Summary of Available Revenue Bond Proceeds
All Years, as of June 30, 2022
by enterprise, bond series

	Official Statements (Proceeds)		Adjustment*	Actual Deposits	Debt Service Reserve Releases	Net Investment Earnings	Available Proceeds					
Water												
2006A Bond Series	\$	338,600,817	\$	120,401,670	\$	459,002,486	\$	19,489,033	\$	478,491,519		
2009A Bond Series		139,209,860		229,948,665		369,158,525		3,700,942		372,859,467		
2009B Bond Series		377,777,834		268,728		378,046,562		6,023,494		384,070,056		
2010A Bond Series		58,747,600		28,473		58,776,073		1,358,771		60,134,844		
2010B Bond Series		364,757,301		208,860		364,966,161		5,103,307		370,069,468		
2010D Bond Series		72,243,230		35,680		72,278,910		1,254,697		73,533,607		
2010E Bond Series		300,445,570		172,100		300,617,670		6,750,829		307,368,499		
2010F Bond Series		149,727,858		90,480		149,818,338		3,789,383		153,607,721		
2010G Bond Series		288,251,899		175,735		288,427,634		7,393,853		295,821,487		
2011A Bond Series		525,000,000		301,358		525,301,358		1,279,435		526,580,793		
2011B Bond Series		27,710,000		14,488		27,724,488		574,967		28,299,454		
2011C Bond Series		33,772,250		16,798		33,789,048		740,967		34,530,015		
2012A Bond Series		530,000,000		(5,918)		529,994,082		10,590,731		540,584,813		
2012B Bond Series		15,750,000		8,260		15,758,260		160		15,758,420		
2015A Bond Series		15,958,031		-		15,958,031		(3,627,849)		12,330,182		
2016A Bond Series		-		71,914		71,914	3,130,343	(5,823,126)		(2,620,869)		
2016B Bond Series		-		13,005		13,005		697		13,702		
2016C Bond Series		19,975,000		267,736		20,242,736		393,981		20,636,717		
2016R 2016AB Reserve Release		-		-		-	83,750,500	991,118		84,741,618		
2017A Bond Series		65,500,000		197,526		65,697,526		(116,665)		65,580,860		
2017B Bond Series		150,000,000		-		150,000,000		9,463,730		159,463,730		
2017C Bond Series		15,000,000		15,000,000		30,000,000		126,069		30,126,069		
2020B Bond Series		69,643,720		-		69,643,720		616,797		70,260,517		
2020C Bond Series		94,987,974		-		94,987,974		846,657		95,834,631		
CP2 Commercial Paper		-		140,000,737		140,000,737		875,631		140,876,368		
CP3 Commercial Paper		-		224,000,000		224,000,000		1,433,743		225,433,743		
CP4 Commercial Paper		-		179,410,284		179,410,284		648,360		180,058,644		
Total	\$	3,653,058,944	\$	910,626,578	\$	4,563,685,522	\$	86,880,843	\$	73,879,711	\$	4,724,446,075

* Adjustments include RBOC fees, amounts issued and transferred to HHW, reserve release, cost of issuance (COI) return from Fiscal Agent, WSIP related revenue entries,
Source data: PeopleSoft BI, extract date: 2022-08-15
Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Water Enterprise
Summary of revenue Bond Expenditures
All Years, as of June 30, 2022
by enterprise, authority, bond series

	2006A Bond Series	2009A Bond Series	2009B Bond Series	2010A Bond Series	2010B Bond Series	2010D Bond Series	2010E Bond Series	2010F Bond Series	2010G Bond Series	2011A Bond Series	2011B Bond Series	2011C Bond Series	2012A Bond Series	2012B Bond Series
Water														
10005 Closed at Go Live	\$ 173,543,680	\$ 90,578,895	\$ 19,839,961	\$ -	\$ 17,756,629	\$ 677,251	\$ 3,399,094	\$ -	\$ -	\$ 939,584	\$ -	\$ -	\$ -	\$ 15,750,000
15429 UW Local Water R&r Program	-	-	-	-	-	-	-	-	-	-	-	-	485,169	-
15430 UW Main Replacement Program	-	-	-	-	-	-	-	-	-	-	-	-	26,089,610	-
15432 UW New Services	-	-	-	-	-	-	-	-	-	-	-	-	5,554,269	-
15433 UW Renew Services	-	-	-	-	-	-	-	-	-	-	-	-	696,502	-
15479 UW Regional Water Treatment Pr	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15480 UW Tesla Uv Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15481 UW Sunol Valley Water Treatmen	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15482 UW Htwtip & West Bay Fields	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15488 UW Pipeline Improvments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15516 UW Buildings & Grounds - Regio	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15517 UW Sunol Long Term Improvement	-	-	-	-	-	-	3,983,783	-	-	-	-	-	-	-
15519 UW Millbrea Yard	-	-	-	-	-	-	10,555	-	1,981,763	-	-	-	-	-
15526 UW Local Water Conveyance-dist	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15527 UW New Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15528 UW Renew Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15530 UW Large Meter Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15531 UW Pipeline Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15534 UW Systems Monitoring & Contro	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15535 UW Systems Monitoring & Contro	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15536 UW Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15537 UW Controls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15539 UW College Hill Reservoir Outl	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15540 UW Sunset Reservoir South Basi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15541 UW University Mound Improvemen	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15542 UW Chlorine Trim Station Repai	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15545 UW Lake Merced Pump Station Fu	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15546 UW Bay Bridge West Pump Statio	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15547 UW Harding Park Pump Station	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15548 UW Merced Manor Reservoir Faci	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15549 UW Long Term Monitoring & Perm	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15550 UW Alameda Watershed Monitorin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15551 UW Peninsula Watershed Monitor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15552 UW Wsip Bond-commercial Paper	5,142,033	3,863,075	4,716,980	-	3,728,004	215,383	3,721,698	-	-	9,747,531	-	-	9,624,225	-
15553 UW Revenue Bond Oversight Comm	-	32,837	39,053	-	-	-	-	-	-	-	-	-	-	-
15555 UW Lake Merced Water Level Res	5,409,545	1,550,141	112,495	-	1,059	4,477	2,973	-	26,463	111,829	-	-	284,392	-
15556 UW San Francisco Groundwater S	2,485,419	2,011,934	2,392,422	-	2,477,327	125,138	580,531	-	-	2,969,770	-	-	30,426,478	-
15557 UW Regional Groundwater Stora	2,558,786	3,272,097	2,713,716	-	3,071,053	391,419	3,488,203	-	25,096	7,776,514	-	-	41,594,226	-
15558 UW Recycled Water Project	5,920,209	2,842,818	1,918,209	-	3,181,344	66,725	(281)	-	-	542,381	-	-	-	-
15559 UW Harding Park Recycled Water	44,428	983,444	544,268	-	3,024,842	594,591	471,711	-	-	960,750	-	-	350	-
15560 UW Recycled Water Project - Ea	-	(833)	70,102	-	974,024	75,231	198,469	-	-	941,453	-	-	61,923	-
15561 UW Lake Merced Pump Station Up	3,894,336	7,151,502	20,304,925	-	7,904,456	543,299	3,895,752	-	8,168	5,003,529	-	-	1,189,537	-
15562 UW Forest Hill Pump Station Up	-	414,429	652,480	-	732,610	127,862	1,927,957	-	-	2,670,422	-	-	32,633	-
15563 UW McLaren Park Pump Station U	3,888,391	24,557,987	1,004,155	-	280,627	62,353	131,850	-	-	12,927	-	-	-	-
15564 UW Sutro Res - Rehab-seismic U	509,502	1,267,007	562,555	-	2,980,366	174,859	19	-	-	19,890,223	-	-	15,009,305	-
15565 UW Bdpl #1&2 Repair Of Caisson	1,001,800	-	-	-	-	-	-	-	-	-	-	-	-	-
15566 UW Upper Alameda Creek Filter	1,217,538	1,161,981	846,383	-	1,276,321	87,340	432,736	-	-	743,388	-	-	3,751,611	-
15567 UW Seismic Upgrade Bdpl @ Hayw	22,568,953	1,547,420	11,038	-	-	-	-	-	-	-	-	-	-	-
15568 UW Seismic Bdpl @ Hayward Faul	2,462,182	5,133,363	3,067,269	-	2,192,870	121,636	2,204,725	-	-	28,569,477	-	-	23,925,377	-
15569 UW Lower Crystal Springs Dam I	4,108,963	4,952,118	2,158,867	-	9,564,509	4,821,737	8,029,519	-	-	1,961,021	-	-	14,216	-
15570 UW New Crystal Springs Bypass	30,304,058	37,092,752	4,826,752	-	7,254,330	846,635	658,879	-	-	49,855	-	-	-	-
15571 UW Sunset Res - Upgrade-rehab	51,575,246	12,732,311	234,529	-	146	125	125,429	-	-	41,281	-	-	-	-
15572 UW New Irvington Tunnel	15,057,846	13,235,307	17,710,596	-	57,076,541	14,291,707	65,452,459	-	-	126,757,458	-	-	24,365,427	-
15573 UW Alameda Siphon #4	5,386,860	13,970,553	14,735,753	-	2,339,179	1,415,383	6,414,941	-	-	1,525,354	-	-	921	-
15574 UW Sunol Quarry Reservoirs	79,923	-	-	-	-	-	-	-	-	-	-	-	-	-
15575 UW Laguna Creek Sedimentation	481,628	53,039	10,000	-	-	-	-	-	-	-	-	-	-	-
15576 UW Instalation Of Scada System	794,998	4,061,975	3,249,336	-	986,720	23,700	-	-	-	602,476	-	-	-	-
15577 UW Security Systems Upgrades	1,713,334	1,410,292	649,551	-	1,052,332	125,244	1,112,774	-	-	3,603,949	-	-	2,811,455	-
15578 UW Htwtip Long Term Improvement	4,837,260	12,891,966	12,916,867	-	10,332,603	3,056,046	7,287,708	42,799,226	57,223,801	13,416,559	-	-	64,859,876	-
15579 UW Peninsula Pipeline Seismic	-	1,100	987,475	-	1,766,526	171,336	1,245,532	-	-	4,495,048	-	-	30,876,207	-
15580 UW Bdpl Reliability Upgrade -	(0)	8,397,528	30,520,443	-	29,727,757	66,847	30,598,904	-	-	71,037,620	-	-	28,181,497	-
15581 UW Bdpl Reliability - Pipeline	8,796,002	9,385,071	66,372,606	-	38,642,142	6,635,317	26,160,581	-	-	16,427,196	-	-	3,132,416	-
15582 UW Crystal Springs Ps & Cs-sa	7,218,897	12,872,965	4,922,119	-	19,647,925	6,257,317	35,114,397	-	-	66,195,719	-	-	41,068,344	-
15583 UW U Mound Res - Upgrade (nort	2,891,221	6,534,162	25,622,492	-	7,511,562	286,730	1,228,965	-	-	355,181	-	-	-	-
15584 UW San Joaquin Pipeline System	15,047,387	16,053,371	11,602,852	-	31,148,950	13,158,435	23,406,183	31,587,381	61,716,032	1,952,413	-	-	3,625,650	-
15585 UW Rehab Existing San Joaquin	7,148,413	4,650,783	7,371,937	-	1,997,461	208,414	511,970	-	-	198,367	-	-	64,027	-
15586 UW Calaveras Dam Replacement	24,372,855	14,106,213	8,028,733	-	19,713,082	2,560,283	8,661,311	79,130,633	174,618,215	16,756,298	-	-	184,012,380	-
15587 UW San Antonio Backup Pipeline	1,816,946	3,794,684	1,662,299	-	1,982,241	193,077	2,049,672	-	-	27,380,648	-	-	16,283,335	-
15588 UW Mountain Tunnel Lining (het	38,627	-	-	-	-	-	-	-	-	-	-	-	-	-
15589 UW Early Intake Res -adj Weir	87,450	-	-	-	-	-	-	-	-	-	-	-	-	-
15590 UW Crystal Springs Pl #2 Repla	5,839,591	3,568,573	2,131,608	-	7,804,409	6,958,428	15,642,410	-	-	15,506,106	-	-	461,809	-
15591 UW San Andreas #3 Pipeline Ins	4,382,149	3,176,549	18,583,726	-	2,046,476	16,967	180,598	-	-	129,229	-	-	-	-
15592 UW Bdpl No 3&4 Cross Connectio	2,982,862	5,264,399	6,533,151	-	1,808,499	1,344,925	9,519,848	-	-	3,096,146	-	-	215,300	-
15593 UW Swwtp Expansion-treated Wat	3,443,807	10,770,748	17,695,662	-	41,694,178	6,117,762	23,879,316	-	-	29,869,946	-	-	238,105	-
15594 UW Swwtp New Pipeline	90,892	21,287	3,317	-	-	-	-	-	-	-	-	-	-	-
15595 UW Foothill Tunnel Repairs (he	34,824	-	-	-	-	-	-	-	-	-	-	-	-	-
15596 UW Tesla Treatment Facility	4,088,706	45,232,974	40,128,766	-	15,150,028	749,086	4,702,604	-	-	4,801,494	-	-	984,278	-
15598 UW San Antonio Pump Station Up	1,077,014	1,969,944	7,945,871	-	1,845,833	206,859	207,929	-	-	33,224	-	-	1,420	-
15599 UW Environmental Impact Projec	8,468,434	(8,049,921)	-	-	-	-	-	-	-	-	-	-	-	-
15600 UW Habitat Reerve Prgam	988,976	3,339,062	4,395,656	-	6,355,827	604,408	7,862,948	-	-	36,717,475	-	-	11,369,094	-

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Water Enterprise
Summary of revenue Bond Expenditures
All Years, as of June 30, 2022
by enterprise, authority, bond series

	2006A Bond Series	2009A Bond Series	2009B Bond Series	2010A Bond Series	2010B Bond Series	2010D Bond Series	2010E Bond Series	2010F Bond Series	2010G Bond Series	2011A Bond Series	2011B Bond Series	2011C Bond Series	2012A Bond Series	2012B Bond Series
15601 UW Vegetation Restoration Wsip	-	-	-	-	1,795	-	6	-	-	635,958	-	-	1,440,833	-
15603 UW Sfpuc-ebmud Intertie	7,081,267	553,364	1,089	-	1,518	-	444,146	-	-	193,563	-	-	-	-
15605 UW Baden And San Pedro Valve L	3,072,889	5,109,271	13,833,272	-	2,681,302	86,323	744,638	-	-	207,985	-	-	-	-
15606 UW Program Management Services	22,979,607	(21,873,662)	-	-	-	-	-	-	-	-	-	-	-	-
15607 UW Bdpl#4 Slip Lining - Pccp	1,211,454	748,982	45,730	-	-	-	-	-	-	-	-	-	-	-
15608 UW Watershed Environmental Imp	121,022	227,012	186,987	-	145,205	27,270	1,492,326	-	-	1,452,949	-	-	382,362	-
15612 UW Automated Meter Reading Sys	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15613 UW Automated Meter Reading Sys	-	-	-	60,106,382	-	-	-	-	-	-	-	-	-	-
15617 UW Building & Grounds Improvem	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15619 UW New Fuel Station Cdd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15672 UW Bay Division Pipeline Upgra	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15673 UW Peninsula Water System Impr	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15674 UW San Joaquin Water Sys Impro	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15679 UW Sunol Valley Water System I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17324 AD Puc Revenue Bond Oversight	223,310	236,598	206,000	28,473	208,860	35,680	172,100	90,480	175,735	69,199	-	-	-	-
17731 UB Non Wsip Water Bond-cp Expe	-	-	-	-	-	-	-	-	-	-	27,940,480	-	-	-
19656 UW Rollins Road Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20504 New Serices Connection Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20505 Town of Sunol Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20711 Water Diversification Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21392 Regional Water Treatment RNR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21396 New CDD Headquarters	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99999 FY16/17 Conversion	-	-	-	-	-	-	281	-	-	-	-	-	-	-
Total	\$ 478,491,519	\$ 372,859,467	\$ 384,070,056	\$ 60,134,854	\$ 370,069,468	\$ 73,533,607	\$ 307,358,148	\$ 153,607,721	\$ 295,775,272	\$ 526,349,498	\$ 27,940,480	\$ 32,825,551	\$ 540,289,008	\$ 15,750,000

Source data: PeopleSoft BI, extract date: 2022-08-15
Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSIC

Water Enterprise
Summary of revenue Bond Expenditures
All Years, as of June 30, 2022
by enterprise, authority, bond series

	2016R 2016AB										CP3 Commercial	CP2 Commercial	CP4 Commercial	
	2015A Bond Series	2016A Bond Series	2016C Bond Series	Reserve Release	2017A Bond Series	2017B Bond Series	2017C Bond Series	2020B Bond Series	2020C Bond Series	Paper	Paper	Paper	Total	
Water														
10005 Closed at Go Live	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,485,093	
15429 UW Local Water R&r Program	-	-	-	-	-	-	-	-	-	-	-	-	485,169	
15430 UW Main Replacement Program	-	-	-	-	-	-	-	-	-	-	-	-	26,089,610	
15432 UW New Services	-	-	-	-	-	-	-	-	-	-	-	-	5,554,269	
15433 UW Renew Services	-	-	-	-	-	-	-	-	-	-	-	-	696,502	
15479 UW Regional Water Treatment Pr	-	-	-	-	-	119,389	-	8,910,387	-	-	-	-	9,029,776	
15480 UW Tesla Uv Facility	-	-	-	-	-	147,148	-	19	-	-	-	-	147,167	
15481 UW Sunol Valley Water Treatmen	-	-	-	-	-	1,954,821	-	2,486,332	-	-	-	-	4,441,152	
15482 UW Htwtp & West Bay Fields	-	-	-	-	-	320,563	-	200,324	-	-	-	-	520,886	
15488 UW Pipeline Improvments	-	-	-	-	-	-	-	26,881,509	-	-	-	-	26,881,509	
15516 UW Buildings & Grounds - Regio	-	-	-	-	-	684,384	-	173,576	-	-	-	85,283	943,244	
15517 UW Sunol Long Term Improvement	-	-	-	-	-	43,907,917	-	-	-	-	-	-	47,891,699	
15519 UW Millbrea Yard	-	-	-	-	-	1,437,904	-	1,111,973	-	-	-	-	4,542,194	
15526 UW Local Water Conveyance-dist	-	-	-	-	-	2,874,694	-	-	5,743,041	-	-	-	8,617,735	
15527 UW New Services	-	-	-	-	-	21,178,654	-	-	(275)	-	-	-	21,178,379	
15528 UW Renew Services	-	61,682	-	-	-	13,420,578	-	-	(52)	-	-	-	13,482,207	
15530 UW Large Meter Program	-	-	-	-	-	24,935	-	-	-	-	-	-	24,935	
15531 UW Pipeline Replacement	-	8,647,648	-	-	-	58,993,112	-	125	62,169,263	-	-	-	129,810,147	
15534 UW Systems Monitoring & Contro	-	4,686	-	-	-	-	-	-	-	-	-	-	4,686	
15535 UW Systems Monitoring & Contro	-	-	-	-	-	-	-	-	-	-	-	-	-	
15536 UW Communications	-	2,245	-	-	-	-	-	-	720,248	-	-	-	722,493	
15537 UW Controls	-	1,700	-	-	-	-	-	-	56,495	-	-	-	58,195	
15539 UW College Hill Reservoir Outl	-	943,549	-	-	-	-	-	-	1,004,023	-	-	-	1,947,571	
15540 UW Sunset Reservoir South Basi	-	28,950	-	-	-	-	-	-	-	-	-	-	28,950	
15541 UW University Mound Improvemen	-	-	-	-	-	-	-	-	204,436	-	-	-	204,436	
15542 UW Chlorine Trim Station Repai	-	-	-	-	-	-	-	-	211,853	-	-	-	211,853	
15545 UW Lake Merced Pump Station Fu	-	265,826	-	-	-	-	-	-	7,957	-	-	-	273,783	
15546 UW Bay Bridge West Pump Statio	-	-	-	-	-	-	-	-	9,489	-	-	-	9,489	
15547 UW Harding Park Pump Station	-	-	-	-	-	-	-	-	311,342	-	-	-	311,342	
15548 UW Merced Manor Reservoir Faci	-	-	-	-	-	-	-	-	-	-	-	-	-	
15549 UW Long Term Monitoring & Perm	-	-	-	355,180	-	-	-	121,525	-	-	-	-	476,705	
15550 UW Alameda Watershed Monitorin	-	-	-	5,032,874	-	1,673,909	-	4,331,944	-	-	-	-	11,038,727	
15551 UW Peninsula Watershed Monitor	-	-	-	2,846,097	-	-	-	4,441,422	-	-	-	-	7,287,518	
15552 UW Wsip Bond-commercial Paper	-	-	-	-	-	-	-	-	-	8,607,094	-	3,218,703	52,584,726	
15553 UW Revenue Bond Oversight Comm	-	-	-	-	-	-	-	-	-	-	-	-	71,890	
15555 UW Lake Merced Water Level Res	-	-	-	624,061	-	-	-	-	-	-	-	310,667	8,438,102	
15556 UW San Francisco Groundwater S	-	-	-	9,661,788	-	-	-	-	-	-	-	9,248,915	62,379,722	
15557 UW Regional Groundwater Stora	-	21,146	9,750,004	1,748,000	11,838,717	-	-	-	-	5,857,770	17,700	13,789,356	107,913,804	
15558 UW Recycled Water Project	-	-	-	-	-	17,168	-	-	-	1,910	-	1,235,569	15,726,052	
15559 UW Harding Park Recycled Water	-	-	-	1,133	34	-	-	-	-	-	-	-	6,625,551	
15560 UW Recycled Water Project - Ea	-	-	-	-	19,703	-	-	-	-	-	-	-	2,340,073	
15561 UW Lake Merced Pump Station Up	-	-	-	402,709	630,939	-	-	-	-	-	-	108,468	51,037,620	
15562 UW Forest Hill Pump Station Up	-	-	-	-	-	-	-	-	-	-	-	-	6,558,394	
15563 UW McLaren Park Pump Station U	-	-	-	-	-	-	-	-	-	-	-	-	29,938,290	
15564 UW Sutro Res - Rehab-seismic U	-	-	-	-	23,855	-	-	-	-	-	-	-	40,417,691	
15565 UW Bdpl #1&2 Repair Of Caisson	-	-	-	-	-	-	-	-	-	-	-	-	1,001,800	
15566 UW Upper Alameda Creek Filter	-	-	1,039,197	2,361,981	45,806	-	-	-	-	1,414,526	218,730	1,640,158	16,237,695	
15567 UW Seismic Upgrade Bdpl @ Hayw	-	-	-	-	-	-	-	-	-	-	-	-	24,127,411	
15568 UW Seismic Bdpl @ Hayward Faul	-	-	2,142,608	-	4,345,357	-	-	-	-	(1,462,985)	-	-	72,701,880	
15569 UW Lower Crystal Springs Dam I	-	-	-	-	1,140	-	-	-	-	1,092	-	-	35,613,181	
15570 UW New Crystal Springs Bypass	-	-	-	-	-	-	-	-	-	170	-	-	81,033,432	
15571 UW Sunset Res - Upgrade-rehab	-	-	-	-	-	-	-	-	-	-	-	-	64,709,067	
15572 UW New Irvington Tunnel	-	-	321,887	774,777	-	-	-	-	-	(530,938)	4,792,673	-	339,305,740	
15573 UW Alameda Siphon #4	-	-	-	-	-	-	-	-	-	19,471,358	-	-	65,260,302	
15574 UW Sunol Quarry Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	79,923	
15575 UW Laguna Creek Sedimentation	-	-	-	-	-	-	-	-	-	-	-	-	544,666	
15576 UW Instalation Of Scada System	-	-	-	-	-	-	-	-	-	-	-	-	9,719,205	
15577 UW Security Systems Upgrades	-	-	-	-	851,873	-	-	-	-	178,464	1,217,807	1,317	14,728,393	
15578 UW Htwtp Long Term Improvement	-	-	40,658	-	18,158,415	-	-	-	-	33,464,778	-	-	281,285,762	
15579 UW Peninsula Pipeline Seismic	-	-	1,109	-	321,836	-	-	-	-	5,685	-	-	39,871,854	
15580 UW Bdpl Reliability Upgrade -	-	-	159,107	-	1,282,153	-	-	-	-	81,565,496	-	-	281,537,353	
15581 UW Bdpl Reliabilty - Pipeline	-	-	83,846	-	259,886	-	-	-	-	41,943,183	-	-	217,838,248	
15582 UW Crystal Springs Ps & Cs-sa	-	-	11,682	-	51,297	-	-	-	-	369,952	-	-	193,730,614	
15583 UW U Mound Res - Upgrade (nort	-	-	-	-	-	-	-	-	-	-	-	-	44,430,314	
15584 UW San Joaquin Pipeline System	-	-	-	-	163,320	-	-	-	-	10	-	-	209,461,983	
15585 UW Rehab Existing San Joaquin	-	-	-	-	259	-	-	-	-	1,673	-	5,171	22,158,476	
15586 UW Calaveras Dam Replacement	636,081	58,415	41,493	51,032,689	22,711,043	46,948	-	-	-	22,222,491	51,254,395	125,292,626	805,256,182	
15587 UW San Antonio Backup Pipeline	-	-	-	-	83,650	-	-	-	-	6,534	-	-	55,253,086	
15588 UW Mountain Tunnel Lining (het	-	-	-	-	-	-	-	-	-	-	-	-	38,627	
15589 UW Early Intake Res -adj Weir	-	-	-	-	-	-	-	-	-	-	-	-	87,450	
15590 UW Crystal Springs Pl #2 Repla	-	-	-	-	663	-	-	-	-	-	-	-	57,913,597	
15591 UW San Andreas #3 Pipeline Ins	-	-	-	-	-	-	-	-	-	-	-	-	28,515,693	
15592 UW Bdpl No 3&4 Cross Connectio	-	-	-	-	1,240	-	-	-	-	1,818	-	-	30,768,188	
15593 UW Swtwp Expansion-treated Wat	-	-	-	-	552	-	-	-	-	477	-	-	133,710,553	
15594 UW Swtwp New Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	115,495	
15595 UW Foothill Tunnel Repairs (he	-	-	-	-	-	-	-	-	-	-	-	-	34,824	
15596 UW Tesla Treatment Facility	-	-	-	-	1,616	-	-	-	-	212	-	-	115,839,764	
15598 UW San Antonio Pump Station Up	-	-	-	-	-	-	-	-	-	-	-	520	13,288,614	
15599 UW Environmental Impact Projec	-	-	-	-	-	-	-	-	-	-	-	-	418,513	
15600 UW Habitat Reerve Prgram	-	-	6,905,331	6,000,000	2,349,645	-	-	-	-	189,381	-	329,176	87,406,980	

SAN FRANCISCO PUBLIC UTILITIES COMMISSIC

Water Enterprise
Summary of revenue Bond Expenditures
All Years, as of June 30, 2022
by enterprise, authority, bond series

	2016R 2016AB										CP3 Commercial	CP2 Commercial	CP4 Commercial	
	2015A Bond Series	2016A Bond Series	2016C Bond Series	Reserve Release	2017A Bond Series	2017B Bond Series	2017C Bond Series	2020B Bond Series	2020C Bond Series	Paper	Paper	Paper	Total	
15601 UW Vegetation Restoration Wsip	-	-	-	-	21,163	-	-	-	-	-	-	-	2,099,755	
15603 UW Sfpuc-ebmud Intertie	-	-	-	-	-	-	-	-	-	-	173	-	8,275,119	
15605 UW Baden And San Pedro Valve L	-	-	-	-	2,674	-	-	-	-	-	-	-	25,738,355	
15606 UW Program Management Services	-	-	-	-	-	-	-	-	-	-	-	-	1,105,945	
15607 UW Bdpl#4 Slip Lining - Pccp	-	-	-	-	-	-	-	-	-	-	-	-	2,006,165	
15608 UW Watershed Environmental Imp	-	-	-	3,900,330	299,901	-	-	-	-	5,488,700	232,727	4,147,826	18,104,617	
15612 UW Automated Meter Reading Sys	-	-	-	-	-	-	-	-	3,331,902	-	-	-	3,331,902	
15613 UW Automated Meter Reading Sys	-	-	-	-	-	-	-	-	1,025,053	-	-	-	61,131,435	
15617 UW Building & Grounds Improvem	-	673,383	-	-	-	-	-	-	1,020,861	-	-	-	1,694,245	
15619 UW New Fuel Station Cdd	-	-	-	-	-	-	-	-	49,202	-	-	-	49,202	
15672 UW Bay Division Pipeline Upgra	-	-	-	-	958,168	-	-	626,134	-	1,075,332	631,517	105,867	3,397,018	
15673 UW Peninsula Water System Impr	194,159	-	-	-	622,635	-	-	6,754,869	-	2,683,569	1,475,926	625,759	12,356,917	
15674 UW San Joaquin Water Sys Impro	-	-	10,118	-	150,624	-	-	441,467	-	276,424	339,517	906,823	2,124,973	
15679 UW Sunol Valley Water System I	-	-	-	-	185,173	-	-	862,628	-	2,472,475	693,740	399,441	4,613,457	
17324 AD Puc Revenue Bond Oversight	-	-	-	-	-	-	-	-	-	-	-	-	1,446,435	
17731 UB Non Wsip Water Bond-cp Expe	-	-	-	-	-	295,974	30,000,000	-	-	-	80,000,737	-	138,237,192	
19656 UW Rollins Road Purchase	-	-	-	-	-	-	-	9,063,193	-	-	-	-	9,063,193	
20504 New Serices Connection Program	-	-	-	-	-	-	-	-	-	-	-	-	-	
20505 Town of Sunol Pipeline	-	-	-	-	-	-	-	2,015,197	-	-	-	-	2,015,197	
20711 Water Diversification Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	
21392 Regional Water Treatment RNR	-	-	-	-	-	-	-	411,421	-	-	-	-	411,421	
21396 New CDD Headquarters	-	-	-	-	-	-	-	-	-	-	-	-	-	
99999 FY16/17 Conversion	-	-	-	-	-	-	-	-	-	-	-	-	281	
Total	\$ 830,239	\$ 10,709,230	\$ 20,507,042	\$ 84,741,618	\$ 65,383,335	\$ 147,098,097	\$ 30,000,000	\$ 68,834,043	\$ 75,864,839	\$ 225,306,822	\$ 140,875,468	\$ 161,451,645	\$ 4,670,657,028	

Source data: PeopleSoft BI, extract date: 2022-08-1:
Prepared by: SFPUC Finance - Financial Reporting ,

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Wastewater Enterprise
Summary of Unexpended Revenue Bond Proceeds
All Years, as of 6/30/2022
by enterprise, bond series

Funding Source	Available Proceeds	Capital Expenditures	Unexpended Proceeds
Wastewater			
Bond Series 2010A	\$ 50,733,020	\$ 50,733,020	\$ -
Bond Series 2010B	179,448,114	179,448,114	-
Bond Series 2013B	337,775,490	337,775,490	-
Bond Series 2016A	258,713,931	258,713,931	-
Bond Series 2016B	72,935,269	72,935,269	-
Bond Series 2018A	241,017,855	241,017,855	-
Bond Series 2018B	201,382,705	201,382,705	-
Bond Series 2018C	170,720,000	170,720,000	-
Bond Series 2021A	296,000,000	296,000,000	-
Bond Series 2021B	44,000,000	44,000,000	-
Commercial Papers	268,348,750	518,576,220	(250,227,470) *
Interest Income	14,420,040	14,062,933	357,107
OTI Fr 1G-General Fund	239,730	239,730	-
Settlement Income from PG&E	2,945,000	2,945,000	-
TOTAL	\$ 2,138,679,905	\$ 2,388,550,268	\$ (249,870,363)

* Abnormal balance is mainly due to pending expense abatements from capital project funds to 2021A WIFIA Biosolids Note fund for \$220M and 2021B WIFIA SEP Note fund for \$130M as of June 30, 2022.

Source data: PeopleSoft BI, extract date: 2022-08-14

Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Wastewater Enterprise
Detailed Summary of Available Revenue Bond Proceeds
All Years, as of 6/30/2022
by enterprise, bond series

	Official Statements (Proceeds)	Refundings - Commercial Paper	Adjustments - Other Proceeds *	Actual Deposits	Debt Service Reserve Releases	Net Investment Earnings	Available Proceeds
Wastewater							
Bond Series 2010A	\$ -	\$ 50,000,000	\$ 733,020	\$ 50,733,020	\$ -	\$ -	\$ 50,733,020
Bond Series 2010B	111,429,308	54,500,000	1,110,074	167,039,382	12,408,732	-	179,448,114
Bond Series 2013B	252,609,697	85,000,000	165,793	337,775,490	-	-	337,775,490
Bond Series 2016A	205,123,293	53,439,773	150,865	258,713,931	-	-	258,713,931
Bond Series 2016B	52,330,968	20,560,227	44,074	72,935,269	-	-	72,935,269
Bond Series 2018A	215,996,618	25,016,438	4,799	241,017,855	-	-	241,017,855
Bond Series 2018B	201,047,258	-	335,447	201,382,705	-	-	201,382,705
Bond Series 2018C	170,720,000	-	-	170,720,000	-	-	170,720,000
Bond Series 2021A	-	296,000,000	-	296,000,000	-	-	296,000,000
Bond Series 2021B	-	44,000,000	-	44,000,000	-	-	44,000,000
Commercial Papers	-	-	268,348,750	268,348,750	-	-	268,348,750
Interest Income	-	-	-	-	-	14,420,040	14,420,040
OTI Fr 1G-General Fund	-	-	239,730	239,730	-	-	239,730
Settlement Income from PG&E	-	-	2,945,000	2,945,000	-	-	2,945,000
TOTAL	\$ 1,209,257,142	\$ 628,516,438	\$ 274,077,552	\$ 2,111,851,133	\$ 12,408,732	\$ 14,420,040	\$ 2,138,679,905

* Adjustments - Other Proceeds included proceeds from commercial papers temporarily used prior to bond issuance, excess bond issuance cost, refunding, & underwriter's discounts, RBOC fees, project cost reimbursement from general fund, and settlement from PG&E.

Source data: PeopleSoft BI, extract date: 2022-08-14
Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Wastewater Enterprise
Summary of Revenue Bond Expenditures
All Years, as of 6/30/2022
by enterprise, authority, bond series

	Bond Series 2010A		Bond Series 2010B		Bond Series 2013B		Bond Series 2016A		Bond Series 2016B		Bond Series 2018A		Bond Series 2018B		Bond Series 2018C		Bond Series 2021A	
Wastewater																		
10004 Conv_FAMIS Proj fd but no Proj	\$	12,390	\$	3,315	\$	8,591	\$	-	\$	905	\$	-	\$	(25,524)	\$	-	\$	-
11043 Interim Clean Water Cip		11,909,290		94,999,208		129,775,140		-		11,618,299		-		-		-		-
11044 Special Projects Misc Imp		92,062		-		1,691,809		-		-		-		-		-		-
15707 WW Treasure Island Capital Imp		18,918		-		1,347,841		-		-		-		3,999,976		-		-
15710 WW Bond-commercial Paper Expen		-		-		-		-		-		-		45,802		-		-
15712 WW Biofuel Alternative Energy		96,117		-		1,761,770		-		-		-		-		-		-
15713 WW Project Menagement		9,448		-		172,900		-		-		-		-		-		-
15714 WW Ocean Beach Project		-		-		-		-		2,168,687		-		8,730,180		-		-
15715 WW Collection Division Consoli		9,446,539		2,527,158		6,550,066		-		8,300,668		-		11,752,080		-		-
15716 WW Southeast Community Center		2,171,610		580,954		1,505,757		-		8,402,385		-		22,666,785		-		-
15717 WW Islais Creek Outfall		-		-		-		-		-		-		10,266,775		-		-
15718 WW Low Impact Design Project		72,320		-		1,323,526		-		-		-		-		-		-
15719 WW Valencia St Lid		191,202		-		816,888		-		-		-		-		-		-
15720 WW Project Management Allocati		3,459		-		63,300		-		-		-		-		-		-
15722 WW Wwe Rnr Collection System		14,986,357		18,669,471		31,118,098		-		38,296,252		-		132,078,199		-		-
15723 WW Outfall Inspection-receivin		412,105		-		5,682,155		-		382,785		-		34,479		-		-
15726 WW Collection System Improve		-		1,681,923		18,400,521		26,075,449		-		37,584,362		-		28,560,056		43,423,258
15727 WW Central Bayside System Impr		7,730		11,265,471		13,749,802		6,580,706		-		9,029,124		-		838,453		418,717
15728 WW SSIP Biosolids-digester Pro		11,240,041		44,966,131		36,794,169		24,665,499		-		55,959,809		-		79,103,494		57,533,323
15729 WW Stormwater Management		-		-		26,684,772		18,601,984		-		7,283,077		-		3,565,452		16,570,511
15730 WW Flood Resilience-hydraulic		-		-		-		-		-		267,630		-		-		4,188,142
15731 WW Northshore To Channel Force		-		-		34,717,398		4,440,692		-		3,276,949		-		973,503		-
15733 WW SSIP Program-wide Managemen		-		-		5,760,331		51,567,089		-		43,382,242		-		4,042,310		31,048,309
15735 WW Treatment Plant Improvement		-		-		12,651,226		78,278,314		-		71,688,293		-		48,077,067		135,260,601
15736 WW Treatment Plant Improvement		-		-		1,221,656		35,599,861		-		11,494,080		-		5,559,665		7,557,138
15737 WW Urban Watershed Assessment		-		-		3,347,677		12,904,338		-		1,052,289		-		-		-
17324 AD Puc Revenue Bond Oversight		9		10,019		-		-		-		-		-		-		-
17732 WW Bond-commercial Paper Expen		63,425		4,744,463		2,630,097		-		3,490,980		-		11,830,009		-		-
20507 SE Outfall Assessment & Rehab		-		-		-		-		274,308		-		3,945		-		-
TOTAL	\$	50,733,020	\$	179,448,114	\$	337,775,490	\$	258,713,931	\$	72,935,269	\$	241,017,855	\$	201,382,705	\$	170,720,000	\$	296,000,000

Source data: PeopleSoft BI, extract date: 2022-08-14
Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Wastewater Enterprise
Summary of Revenue Bond Expenditures
All Years, as of 6/30/2022
by enterprise, authority, bond series

	Bond Series 2021B	Commercial Papers	Interest Income	OTI Fr 1G- General Fund	Income from PG&E	Total
Wastewater						
10004 Conv_FAMIS Proj fd but no Proj	-	\$ -	\$ 324	\$ -	\$ -	-
11043 Interim Clean Water Cip	2,346	146,486	15,891	-	-	248,466,658
11044 Special Projects Misc Imp	2,300	-	-	-	-	1,786,170
15707 WW Treasure Island Capital Imp	722,380	-	-	-	-	6,089,116
15710 WW Bond-commercial Paper Expen	-	-	-	-	-	45,802
15712 WW Biofuel Alternative Energy	-	-	-	-	-	1,857,887
15713 WW Project Menagement	-	-	-	-	-	182,348
15714 WW Ocean Beach Project	3,678,851	4,301,036	-	-	-	18,878,754
15715 WW Collection Division Consoli	904,276	-	246,851	-	-	39,727,638
15716 WW Southeast Community Center	37,658,722	30,582,261	56,747	-	-	103,625,220
15717 WW Islais Creek Outfall	127,796	-	-	-	-	10,394,571
15718 WW Low Impact Design Project	-	-	-	-	-	1,395,847
15719 WW Valencia St Lid	-	-	-	-	-	1,008,090
15720 WW Project Management Allocati	-	-	-	-	-	66,759
15722 WW Wwe Rnr Collection System	903,330	3,343,248	2,040,011	-	-	241,434,967
15723 WW Outfall Inspection-receivin	-	(1,774)	-	-	-	6,509,750
15726 WW Collection System Improve	-	38,136,790	1,732,545	20,029	-	195,614,934
15727 WW Central Bayside System Impr	-	118,954	-	539	-	42,009,496
15728 WW SSIP Biosolids-digester Pro	-	229,834,329	2,880,374	86,711	-	543,063,879
15729 WW Stormwater Management	-	20,354,343	1,648,339	16,120	-	94,724,599
15730 WW Flood Resilience-hydraulic	-	2,397,594	-	5,427	-	6,858,793
15731 WW Northshore To Channel Force	-	-	-	-	2,945,000	46,353,542
15733 WW SSIP Program-wide Managemen	-	14,036,785	3,030,163	13,198	-	152,880,426
15735 WW Treatment Plant Improvement	-	147,844,227	1,796,198	79,631	-	495,675,557
15736 WW Treatment Plant Improvement	-	23,017,643	516,370	18,076	-	84,984,489
15737 WW Urban Watershed Assessment	-	144,027	-	-	-	17,448,330
17324 AD Puc Revenue Bond Oversight	-	86,230	-	-	-	96,258
17732 WW Bond-commercial Paper Expen	-	3,142,026	99,120	-	-	26,000,119
20507 SE Outfall Assessment & Rehab	-	1,092,016	-	-	-	1,370,269
TOTAL	44,000,000	\$ 518,576,220	\$ 14,062,933	\$ 239,730	\$ 2,945,000	\$ 2,388,550,268

Source data: PeopleSoft BI, extract date: 2022-08-14
Prepared by: SFPUC Finance - Financial Reporting & Analysis

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Hetch Hetchy Water and Power Enterprise Summary of Unexpended Revenue Bond Proceeds All Years, as of 6/30/2022 by enterprise, bond series

Funding Source	Available Proceeds	Capital Expenditures	Unexpended Proceeds
Hetchy Water			
2011B Bond	\$ 27,710,000	\$ (27,545,590)	\$ 164,410
2017C Bond	74,356,768	(74,356,768)	(0)
2020D Bond	49,371,642	(49,338,228)	33,414
Commercial Paper	45,974,983	-	45,974,983
HETCHY WATER TOTAL	\$ 197,413,393	\$ (151,240,587)	\$ 46,172,806
Hetchy Power			
2008 CREB	\$ 5,884,633	\$ (5,884,633)	\$ -
2011 QECB	8,216,605	(8,216,605)	-
2012 NCREB	3,859,889	(3,859,889)	-
2015 NCREB	2,932,187	(2,932,187)	-
2015B Bond	38,273,974	(38,273,974)	-
2021A Bond	81,680,346	(81,680,346)	0
2021B Bond	54,320,372	(54,320,372)	(0)
Commercial Paper	40,328,232	(17,531,203)	22,797,029
HETCHY POWER TOTAL	\$ 235,496,238	\$ (212,699,208)	\$ 22,797,029
GRAND TOTAL, HHW & POWER	\$ 432,909,630	\$ (363,939,795)	\$ 68,969,835

Source data: Peoplesoft BI, extract date: 2022-08-14
Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Hetch Hetchy Water and Power Enterprise
Detailed Summary of Available Revenue Bond Proceeds
All Years, as of 6/30/22
by enterprise, bond series

	Official Statements	Adjustments	Actual Deposits	Debt Service Reserve Releases	Net Investment Earnings/Expense	Available Proceeds
Hetchy Water						
2011B	\$ 27,710,000	\$ -	\$ 27,710,000	\$ -	\$ -	\$ 27,710,000
2017C ¹	75,265,455	(265,455)	75,000,000	-	(643,232)	74,356,768
2020D ²	49,200,000	(200,000)	49,000,000	-	371,642	49,371,642
Commercial Paper	-	46,000,737	46,000,737	-	(25,755)	45,974,983
HETCHY WATER TOTAL	\$ 152,175,455	\$ 45,535,282	\$ 197,710,737	\$ -	\$ (297,345)	\$ 197,413,393
Hetchy Power						
2008 CREB ³	\$ 6,325,000	\$ (440,367)	\$ 5,884,633	\$ -	\$ -	\$ 5,884,633
2011 QECB ⁴	8,291,000	(74,396)	8,216,605	-	-	8,216,605
2012 NCREB ⁵	6,600,000	(2,888,660)	3,711,340	-	148,549	3,859,889
2015 NCREB ⁶	4,100,000	(1,167,220)	2,932,780	-	(593)	2,932,187
2015AB ⁷	37,300,000	19,778	37,319,778	-	954,197	38,273,974
2021A ⁸	82,709,609	(1,029,262)	81,680,346	-	-	81,680,346
2021B ⁸	55,004,868	(684,497)	54,320,372	-	-	54,320,372
Commercial Paper	-	40,000,000	40,000,000	-	328,232	40,328,232
HETCHY POWER TOTAL	\$ 200,330,477	\$ 33,735,376	\$ 234,065,852	\$ -	\$ 1,430,385	\$ 235,496,238
GRAND TOTAL	\$ 352,505,932	\$ 79,270,658	\$ 431,776,589	\$ -	\$ 1,133,041	\$ 432,909,630

Adjustment notes:

¹ 2017C \$265K variance is due to commercial paper interest.

² 2020D \$200K variance is due to accrued interest expense paid by the Water Enterprise.

³ 2008 CREB \$440K variance is due to \$233K issue discount/issuance costs and \$211K to debt service fund for debt service payments, offset by \$3K for RBOC fees project and \$1K for interest and dividends.

⁴ 2011 QECB \$74K variance is due to costs of issuance and underwriters' discount.

⁵ 2012 NCREB \$2.9M variance is due to \$2.8M redemption of unspent proceeds and \$81K costs of issuance and underwriters' discount, offset by \$3K for RBOC fees project.

⁶ 2015 NCREB \$1.2M variance is due to \$1.1M return of unspent proceeds and \$82K costs of issuance, offset by \$2K for RBOC fees project.

⁷ 2015AB \$20K variance is due to RBOC fees project.

⁸ 2021AB \$1.0M and \$684K variances are for interest paid on commercial paper prior to bond issuance.

Source data: Peoplesoft BI, extract date: 2022-08-14

Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Hetch Hetchy Water and Power Enterprise
Summary of Revenue Bond Expenditures
All Years, as of 6/30/22
by enterprise, authority, bond series

	Hetchy Water			Commercial	Hetchy Water
	2011B Bond	2017C Bond	2020D Bond	Paper	Total
Hetchy Water					
10004 Conv_FAMIS proj fd but no proj	\$ -	\$ 835,943	\$ -	\$ -	\$ 835,943
15363 UH Hetchy Water - Water Only	5,500,000	38,295,820	37,051,464	-	80,847,285
15365 UH Hetchy Water - Joint Project	8,408,090	30,574,106	12,081,255	-	51,063,451
15366 UH Hetchy Water-power Bonds	-	-	45,804	-	45,804
15378 UH Rim Fire	-	4,650,899	159,705	-	4,810,603
15386 UH Hetchy Water R&R - Water In	6,903,468	-	-	-	6,903,468
15388 UH Hetchy Water R&R - Facilities	6,734,032	-	-	-	6,734,032
HETCHY WATER TOTAL	\$ 27,545,590	\$ 74,356,768	\$ 49,338,228	\$ -	\$ 151,240,587

	Hetchy Power							Commercial	Hetchy Power
	2008 CREB	2011 QECB	2012 NCREB	2015NCREB	2015B Bond	2021A Bond	2021B Bond	Paper	Total
Hetchy Power									
10000 Operating	\$ -	\$ -	\$ -	\$ 1,457	\$ -	\$ -	\$ -	\$ -	\$ 1,457
10279 UH Sustainable Energy Account	5,884,633	-	-	-	-	-	-	-	5,884,633
15364 UH Hetchy Water - Power Infrastructure	-	-	-	-	25,556,513	25,984,170	18,016,459	2,882,620	72,439,761
15365 UH Hetchy Water - Joint Project	-	-	-	-	10,669,893	11,711,294	8,302,790	1,643,069	32,327,046
15366 UH Hetchy Water-power Bonds	-	-	-	-	2,046,466	-	702,404	237,901	2,986,771
15372 UH Distribution Services Retail	-	-	-	-	-	43,984,882	27,298,718	12,630,478	83,914,078
15374 UH 525 Golden Gate-non Construction	-	8,216,605	-	-	-	-	-	-	8,216,605
15377 UH Streetlight Replacement	-	-	-	-	-	-	-	137,136	137,136
15397 UH Sea Civic Center Solar	-	-	3,610,215	-	-	-	-	-	3,610,215
15400 UH Renewable-generation - Small	-	-	-	2,930,730	-	-	-	-	2,930,730
15401 UH Renewable Generation - Small	-	-	249,674	-	-	-	-	-	249,674
17324 AD PUC Revenue Bond Oversight	-	-	-	-	1,103	-	-	-	1,103
HETCHY POWER TOTAL	\$ 5,884,633	\$ 8,216,605	\$ 3,859,889	\$ 2,932,187	\$ 38,273,974	\$ 81,680,346	\$ 54,320,372	\$ 17,531,203	\$ 212,699,208
GRAND TOTAL, HHW & POWER									\$ 363,939,795

Source data: Peoplesoft BI, extract date: 2022-08-14

Prepared by: SFPUC Finance - Financial Reporting & Analysis Division

Appendix IV – Debt Issuance FY2022

Enterprise	Debt Issuance	Amount (par)
Water	Mt Tunnel SRF Loan	\$238 million
Wastewater	2021AB Wastewater Revenue Bonds	\$298 million
	2021AB Wastewater Revenue Notes	\$347 million
	2022B Wastewater Revenue Bonds (Refunding)*	\$137 million
Power	2021AB Power Revenue Bonds	\$124 million

****The 2022B Wastewater Revenue Bonds (Refunding) settled on July 6, 2022.***

Appendix V - Bond Expenditure Certification

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER, ASSISTANT GENERAL MANAGER FOR BUSINESS SERVICES FOR THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION TO THE REVENUE BOND OVERSIGHT COMMITTEE

I, Nancy L. Hom, the duly authorized and Chief Financial Officer and Assistant General Manager for Business Services of the San Francisco Public Utilities Commission ("SFPUC"), hereby certify to the Public Utilities Revenue Bond Oversight Committee ("RBOC") that I have reviewed the below audited financial statements and any such external performance audit reports provided by oversight agencies and authorities, as I reasonably have deemed necessary for purposes of this certification, including:

1. The FY 2021-22 Audited Financial Statements of the SFPUC Water Enterprise, including the Independent Auditor's Report (KPMG, LLP), dated as of January 27, 2023;
2. The FY 2021-22 Audited Financial Statements of the SFPUC Wastewater Enterprise, including the Independent Auditor's Report (KPMG, LLP), dated as of January 27, 2023;
3. The FY 2021-22 Audited Financial Statements of SFPUC Hetch Hetchy Water and Power and CleanPowerSF, including the Independent Auditor's Report (KPMG, LLP), dated as of January 27, 2023;

Based upon review of such documents, together with such other information that I reasonably have deemed necessary for purposes of providing this certification, I hereby disclose that no findings or observations have come to my attention, after due inquiry, that cause me, exercising the judgment reasonably expected of my office and position, to believe that proceeds of any bond issue of the SFPUC have been wasted, not used for their authorized purposes or otherwise used illegally.

For purposes of this certification, I have not undertaken to audit or to cause to be audited any outstanding bond issue of the SFPUC, and only undertake to report to the RBOC the results of the review described above, in my role as Chief Financial Officer and Assistant General Manager for Business Services of the SFPUC.

This certification is delivered to you this 30th day of January, 2023.

PUBLIC UTILITIES COMMISSION OF THE CITY
AND COUNTY OF SAN FRANCISCO



Nancy L. Hom
Chief Financial Officer and Assistant General
Manager of Business Services

Appendix VI – RBOC Account Summary

RBOC Account Summary June 2022

Funding Sources (\$)		SW	Water	C Wastewater	ST Hetchy	Power	Total
Series							
	2006 A Bonds	263,462		-		-	263,462
	2008 CREBS	-		-		3,163	3,163
	2009 A Bonds	212,390		-		-	212,390
	2009 B Bonds	217,209		-		-	217,209
	2010 A Bonds	31,426		27,122		-	58,548
	2010 B Bonds	208,860		96,258		-	305,118
	2010 D Bonds	41,629		-		-	41,629
	2010 E Bonds	172,995		-		-	172,995
	2010 F Bonds	93,085		-		-	93,085
	2010 G Bonds	177,501		-		-	177,501
	2011 A Bonds	316,504		-		-	316,504
	2011 B Bonds	15,240		-		-	15,240
	2011 C Bonds	17,698		-		-	17,698
	2011 QECBS	-		-		4,146	4,146
	2012 NCREBS	-		-		3,300	3,300
	2012 A Bonds	316,351		-		-	316,351
	2012 B Bonds	8,433		-		-	8,433
	2013 B Bonds	-		183,555		-	183,555
	2015 A Bonds	-		-		17,979	17,979
	2015 B Bonds	-		-		4,227	4,227
	2015 NCREBS	-		-		2,050	2,050
	2016 A Bonds	-		140,691		-	140,691
	2016 B Bonds	-		39,662		-	39,662
	2016 C Bonds	129,580		-		-	129,580
	2017 A Bonds	70,451		-		-	70,451
	2017 B Bonds	85,953		-		-	85,953
	2017 C Bonds	41,122		-		-	41,122
	2018 A Bonds	-		131,757		-	131,757
	2018 B Bonds	-		110,222		-	110,222
	2018 C Bonds	-		89,573		-	89,573
	2020 A Bonds	96,163		-		-	96,163
	2020 B Bonds	37,408		-		-	37,408
	2020 C Bonds	50,410		-		-	50,410
	2020 D Bonds	26,171		-		-	26,171
	2021A Bonds (WW)	-		162,492		-	162,492
	2021B Bonds (WW)	-		24,358		-	24,358
	2021A Bonds (Power)	-		-		45,346	45,346
	2021B Bonds (Power)	-		-		30,168	30,168
A	Subtotal Sources - All	2,630,041		1,005,690		110,379	3,746,110
Charges Against Budget (\$)							
Actual Charges							
	WSIP Expenditures & CP (2006)	59,370		-		-	59,370
	Financial Review of WSIP (2007)	92,050		-		-	92,050
	WSIP Sunset Reservoir (2009)	71,890		-		-	71,890
	CSA Controllor's Audit (2011/2012)	86,219		29,750		-	115,969
	Independent Review Panel (IRP) (2011/2012)	116,010		-		-	116,010
	LADWP for IRP (2011/2012)	11,489		-		-	11,489
	IBBS Consulting for IRP (2011/2012)	47,000		-		-	47,000
	CSA Audit - Final Bill Q3 12	29,625		-		-	29,625
	RM Block WSIP Evaluation (Nov 12- Aug 14)	531,926		-		-	531,926
	RBOC Strategic Planning Meeting - 2015	970		970		970	2,910
	RBOC Strategic Planning Meeting - 2016	1,078		1,078		1,078	3,234
	RBOC Strategic Planning Meeting - 2017	770		770		770	2,310
	CSA Bill FY20	11,467		-		-	11,467
	CSA Bill FY21	19,443		-		-	19,443
	CSA Bill FY22	358,835		86,230		-	445,065
B	Subtotal Actual Charges	1,438,142		118,798		2,818	1,559,758
A-B	Available Funds Before Pending Charges	1,191,899		886,892		107,561	2,186,352
Pending Charges							
C	Subtotal Pending Charges	-		-		-	-
A-B-C	Available Funds After Pending Charges	1,191,899		886,892		107,561	2,186,352

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA’s Long-Term Reliable Water Supply Strategy as Completed in 2015 (2015 Strategy)**

Summary:

This memo is for informational purposes only to provide the Board with background information regarding the existing Long-Term Reliable Water Supply Strategy, which was implemented in 2015 following several years of development (2015 Strategy). BAWSCA has made significant and measurable progress implementing the 2015 Strategy.

To develop the 2015 Strategy, heavy engagement with BAWSCA’s agencies, through meetings and workshops with the Water Management Representatives (WMR) coupled with Board engagement was performed. Those interactions defined the approach, including projects and programs, to advance.

Beginning in 2015, the Strategy recommendations have served as a foundation from which BAWSCA develops its annual Work Plan and associated operating budgets to ensure a reliable supply of high-quality water at a fair price. This work has included pursuing multiple water resources related actions and projects in order to provide increased water supply reliability for its member agencies.

Recommendation:

This item is for information and discussion purposes only. No action is requested at this time.

Discussion:

In 2009, BAWSCA launched the development of a Long-Term Reliable Water Supply 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 BAWSCA to achieve an increased level of regional reliability. That effort was completed, with the publication of a report, in February 2015. The final work product is referred to in this document as the 2015 Strategy.

2015 Strategy Scoping and Development:

The development of the 2015 Strategy began by first conducting a scoping study from 2009 through 2010. To develop the scope, BAWSCA staff engaged heavily with the Board and WMRs. That input helped shape the scope of 2015 Strategy such that it would enable BAWSCA to quantify when, where, and how much additional supply reliability and new water supplies were needed throughout the BAWSCA service area through 2035.

Beginning in 2010, following the approval of the scope of work by the Board, development of the 2015 Strategy commenced. Efforts from 2010 through 2012 focused on updating the supply need estimate, and work associated with bringing the identified projects up to a common level of understanding to facilitate comparison and identification of key data gaps. Five types of water supply projects were evaluated as a part of the Strategy analysis: non-potable recycled water, groundwater, local capture and reuse, desalination, and water transfer projects. The selection of those projects was guided through Board and WMR engagement.

From 2012 through 2015, Strategy development focused on conducting project-specific analyses to support assessment of project characteristics and their perceived feasibility. Work also included pursuing the development of a possible water transfer agreement through the implementation of a possible pilot water transfer. BAWSCA engaged with the WMR and Board through this period as well in providing updates and receiving input on interim work progress.

The multi-year work culminated with the publication of the final Strategy in February of 2015.

2015 Strategy Findings and Recommendations

The 2015 Strategy identified the following findings:

- There was no longer a normal-year supply shortfall for the BAWSCA member agencies.
- There was a drought-year supply shortfall of up to 43 million gallons per day (mgd), per the estimate in 2015.
- Water transfers scored high in a ranking of future, independent water supply source options, and represented a high priority for BAWSCA to consider in terms of work efforts to further evaluate opportunities.
- While desalination provided a potential sizable water supply yield, its high costs and extensive permitting requirements made it a poor option as a future, independent water supply source, and moreover it would require partners to make it cost effective.
- Other future, independent water supply sources identified as part of the 2015 Strategy may only provide limited regional benefits in reducing dry year shortfalls, yet were worthy of investigation. Those include not only work related to groundwater and water reuse opportunities, but also continued water conservation.

The 2015 Strategy Report identified the following recommended actions for BAWSCA:

- Lead water transfer development and implementation including identifying and evaluating water storage options;
- Facilitate desalination partnerships and pursue outside funding for related studies;
- Support agency-identified projects (i.e., recycled water and groundwater) and local capture and reuse;
- Participate in regional planning studies in cooperation with others; and
- Continue monitoring regional water supply investments and policies.

Since it was completed, the 2015 Strategy findings and recommendations have guided decisions about BAWSCA's annual work plans to ensure water supply reliability for the region.

2015 Strategy Implementation

BAWSCA has pursued multiple actions and projects in order to implement the 2015 Strategy recommendations and provide increased water supply reliability for its member agencies. Work on different projects varied during the implementation phase, as different projects required diverse types of actions, including supporting individual member agency projects and supporting regional projects being investigated by SFPUC with one or more member agencies.

The list below provides some of BAWSCA's work plan items and results related to implementation of the 2015 Strategy:

- Pilot Water Transfer I (2015)

- Pilot Water Transfer II (2020)
- BAWSCA Pilot Water Transfer Efforts Report (2022)
- Los Vaqueros Reservoir Expansion (2015 to current)
- Partnership with Cal Water on a Potential Brackish Groundwater Desalination Project (2015)
- BAWSCA Regional Groundwater Model: Development and Use (2013 to current)
- San Francisco-Peninsula Regional Purewater Project
- SF-Peninsula Purewater (Sf-PRP) Project (2016 to current)
- SFPUC-Union Sanitary District-ACWD Purified Water Project (2017 to current, engaged in support)
- South Bay Purified Water Project (2020 to current, engaged in support)
- BAWSCA Regional Water System & Supply Model: Development and Use (2017 to current)
- Bay Area Regional Reliability Partnership (2014 to current)
- Expanded Core and Subscription Conservation Programs

Next Steps:

Policy action in support of implementing the Strategy actions occurs as part of the annual work plan development and operating budget adoption, approval of expenditures associated with planning agreements with other agencies, and approval of contracts with other agencies and consultants to implement specific projects as necessary. Much has transpired since the 2015 Strategy was finalized, and it is prudent to undertake an update of the Strategy at this time.

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SF.GOV

May 03, 2023

Bay Area Officials Celebrate the Centennial of O'Shaughnessy Dam

The keystone of the Hetch Hetchy Regional Water System that provides high-quality, reliable water turns 100

San Francisco, CA – Mayor London N. Breed and Bay Area and federal officials joined the San Francisco Public Utilities Commission (SFPUC) to commemorate the centennial of the O'Shaughnessy Dam construction, which was completed in 1923. The dam, a testament to vision, ingenuity, and sustainability, provides high quality drinking water to 2.7 million residents and thousands of businesses in four Bay Area counties.

"Today, we not only celebrate O'Shaughnessy Dam and the system that it anchors as engineering marvels, but we also recognize those who had the foresight and ingenuity to build them," said Mayor Breed. "We are committed to continue to be environmentally conscious and good stewards of our water resources so we can serve the people of San Francisco, the Bay Area, and California for generations to come."

"For 100 years, the O'Shaughnessy Dam and Hetch Hetchy Reservoir have supplied the Bay Area with clean drinking water and energy," said Senator Dianne Feinstein. "The dam and reservoir are critical to our state's water infrastructure and clean energy goals, so I thank everyone who has helped maintain and operate them."

"The Hetch Hetchy Regional Water System has been a proven model of sustainability, and O'Shaughnessy Dam has been the keystone of that system for 100 years," said SFPUC General Manager Dennis Herrera. "The system and the protected Tuolumne River watershed within Yosemite National Park provide clean drinking water for 2.7 million people using the most sustainable force around: gravity. It is also a clean energy trailblazer, generating 100% greenhouse-gas-free electricity that powers an airport, transit system, schools, libraries, and many other parts of everyday life in our world-renowned city. Without a reliable source of clean drinking water, San Francisco doesn't become a major city. Without this system, the Bay Area as we know it doesn't exist. That's why we work continuously to support proactive environmental stewardship with the National Park Service and are making continued infrastructure investments to ensure the system serves the people for another 100 years."

100 Years of Sustainability, from Source to Tap

O'Shaughnessy Dam and the Hetch Hetchy Regional Water System have been sustainable before it became a buzzword. The system delivers drinking water to the Bay Area using only the power of gravity. The system also generates greenhouse-gas-free hydropower to support San Francisco. The Tuolumne River Watershed is so well protected, and the system so efficient and effective that it is one of only a few water systems in the nation with a filtration exemption. The water from Hetch Hetchy Reservoir is so clean it does not have to be filtered or requires a chemical- and energy-intensive filtering process.

Held by O'Shaughnessy Dam, water sourced from the Hetch Hetchy Reservoir travels through hydroelectric powerhouses before entering the San Joaquin Pipelines, the Tesla Ultraviolet

Treatment Facility, and the Coast Range Tunnel on its journey to the Bay Area. Due to this design, the SFPUC generates clean electricity for San Francisco municipal services including Muni, Zuckerberg San Francisco General Hospital, and San Francisco International Airport, as well as large developments such as the Salesforce Transit Center. Currently, the Hetch Hetchy Power system provides nearly 20% of the electricity used in San Francisco.

"The availability of high-quality water from the Hetch Hetchy Regional Water System has been a driving force behind the thriving Bay Area," said Nick Josefowitz, Chief Policy Officer at SPUR, the Bay Area planning and urban research association. "Since the system was constructed, we've seen the Bay Area transform into an economic powerhouse and global center for innovation. We've also developed a deeper appreciation for social equity, ecosystem health, and our vulnerability to climate change. We applaud the SFPUC's international leadership on climate resilience, alternative and recycled water use, and water conservation. As we celebrate the O'Shaughnessy Dam's centennial, we invite the Bay Area to recognize the essential role of clean, reliable water in shaping the region we love, and to consider how we can continue to adapt to modern values and a changing climate."

O'Shaughnessy Dam History

The story of the Hetch Hetchy Reservoir dates to the early 20th century when San Francisco faced a pressing need for a reliable water supply. The 1906 earthquake and subsequent fire exposed the vulnerability of the city's existing water infrastructure. City leaders, including engineer Michael M. O'Shaughnessy, seized the opportunity to pursue the creation of a water system that would not only meet the needs of a growing city, but also handle future growth and challenges.

In 1913, President Woodrow Wilson signed the Raker Act into law, granting San Francisco the rights to dam the Tuolumne River and build the Hetch Hetchy water system. The dam's location - on federal lands protected in perpetuity - was chosen for its naturally clean water supply untouched by construction, commercial development, or proximity to industry.

The dam's construction began in 1914 under O'Shaughnessy's leadership and supervision and was completed nearly a decade later, in 1923. The project faced numerous obstacles, including legal challenges, engineering feats, and issues related to building in remote areas.

An Environmental Protection Partnership for Generations

The construction of O'Shaughnessy Dam has forged a strong collaboration between the SFPUC and Yosemite National Park. Both agencies share a commitment to protecting the Tuolumne River's natural ecosystem and its majestic surroundings for current and future generations. The SFPUC works closely with Yosemite National Park to study and proactively protect the Tuolumne River watershed, including annual funding of more than \$8 million a year for various projects and initiatives, ranging from trail maintenance and wilderness education to fire protection planning.

This ongoing collaboration highlights the importance of protecting and preserving the unique environment that allows the Hetch Hetchy system to thrive, while respecting the delicate balance between human needs and environmental conservation.

An Engineering Marvel with No End Date

The dam's design and construction showcase the determination of the visionaries who built it.

Today, San Francisco's water supply comes from multiple protected sources managed by the SFPUC. These sources include surface water stored in reservoirs located in the Sierra Nevada, Alameda County and San Mateo County, and groundwater supplies stored in a deep aquifer located in San Francisco and San Mateo counties. These sources are diverse in both the origin of the supply – snowmelt, rainfall and recharge of groundwater – and their location within the system.

Maintaining this variety is an important component of near- and long-term water management strategy. A diverse mix of sources protects customers from potential disruptions due to emergencies or natural disasters, provides resiliency during periods of drought, and helps ensure a long-term, sustainable water supply as we address issues such as climate uncertainty, regulatory changes, and population growth.

The SFPUC also maintains a robust dam safety monitoring and maintenance program to ensure the integrity of the Hetch Hetchy system and to protect the public.

Continued Investments in Our Future

The City remains committed to making critical investments in the Hetch Hetchy Regional Water System. Through the Water System Improvement Program, a \$4.8 billion, multi-year capital initiative to repair, replace, and seismically upgrade crucial portions of the system, the SFPUC is ensuring clean, high-quality and reliable water service for future generations.

The program consists of 87 projects - 35 local projects located within San Francisco and 52 regional projects, spread over seven counties from the Sierra foothills to San Francisco.

The San Francisco portion of the program was 100% complete as of October 2020. The regional portion is approximately 99% complete. The overall Water System Improvement Program is slated to be completed by summer 2023.

For more information on the Hetch Hetchy Regional Water System, [click here](#).

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Board of Directors

Policy Calendar Through January 2024

Meeting Date	Purpose	Issue or Topic
July 2023	D&A R&D R&D R&D R&D	Review and Update of BAWSCA Check Signature Authority CEO/General Manager Performance Evaluation Update on Tier 2 Drought Allocation Plan Negotiations Long-Term Reliable Water Supply Strategy Update SFPUC Alternative Water Supply Program Update (<i>by the SFPUC</i>)
September 2023	D&A R&D S	CEO/General Manager Performance Evaluation Update on Tier 2 Drought Allocation Plan Negotiations Strategy 2045
November 2023	D&A D&A D&A D&A R&D	Review of Agency Personnel Handbook Annual Review & Consideration of BAWSCA's Statement of Investment Policy Review & Consideration of BAWSCA's General Reserve Policy Consideration of Action Regarding Tier 2 Drought Allocation Plan Strategy 2045
January 2024	D&A R&D R&D S	Mid-Year 2023-24 Work Plan, Budget and General Reserve Review Water Supply Update Strategy 2045 FY 2023-24 Work Plan and Budget Study Session

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

Meeting Schedule through July 2024

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – May 18, 2023	Burlingame Community Center – Sequoia Room
Thursday – July 20, 2023	Burlingame Community Center – Sequoia Room
Thursday – September 21, 2023	Burlingame Community Center – Sequoia Room
Thursday – November 16, 2023	Burlingame Community Center – Sequoia Room
Thursday – January 18, 2024	Burlingame Community Center – Sequoia Room
Thursday – March 21, 2024	Burlingame Community Center – Sequoia Room
Thursday – May 16, 2024	Burlingame Community Center – Sequoia Room
Thursday – July 18, 2024	Burlingame Community Center – Sequoia Room

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 18, 2024	Burlingame Community Center – Sequoia Room

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday, June 14, 2023	Burlingame Community Center – Sequoia Room B
Wednesday, August 9, 2023	Burlingame Community Center – Sequoia Room B
Wednesday, October 11, 2023	Burlingame Community Center – Sequoia Room B
Wednesday, December 13, 2023	Burlingame Community Center – Sequoia Room B
Wednesday, February 14, 2024	Burlingame Community Center – Sequoia Room B
Wednesday, April 10, 2024	Burlingame Community Center – Sequoia Room B
Wednesday, June 12, 2024	Burlingame Community Center – Sequoia Room B