



**NOTICE OF
SPECIAL MEETING
of the
BOARD OF DIRECTORS**

on May 15, 2025 at 6:30PM

due to a different location

College of San Mateo – College Center – Building 10
4th Floor – College Heights Conference Room
1700 West Hillsdale Blvd. San Mateo, CA 94402

To Get Directions, [CLICK HERE](#)

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BAWSCA office at (650) 349-3000.

See next page for Agenda



BOARD OF DIRECTORS MEETING

Thursday, May 15, 2025
6:30 P.M.

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[CLICK HERE TO VIEW LIVESTREAM](#)

(One member of the Board will participate in this meeting by Teleconference. Location shall be Luma Hotel, 120 West 41st Street New York, NY 10036-7315. 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	(Chambers)	
2. Comments by the Chair	(Chambers)	
3. Board Policy Committee Report (Attachment)	(Hardy)	<i>Pg 5</i>
4. Consent Calendar (Attachments)	(Chambers)	
A. Approve Minutes of the March 20, 2025 Meeting		<i>Pg 17</i>
B. Receive and File Budget Status Report – As of March 31, 2025		<i>Pg 23</i>
C. Receive and File Bond Surcharge Collection Reports – As of March 31, 2025		<i>Pg 25</i>
D. Receive and File Investment Report – As of March 31, 2025		<i>Pg 27</i>
E. Receive and File Directors' Reimbursement Report – As of March 31, 2025		<i>Pg 29</i>
F. Receive and File Employee Reimbursement Report – As of March 31, 2025		<i>Pg 31</i>
5. SFPUC Report	(Ritchie)	
6. Public Comments	(Chambers)	

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 two (2) minutes.

7. Action Calendar

- A. Proposed Fiscal Year 2025-26 Work Plan, Results to be Achieved, and Operating Budget (Attachment) **(Smegal)** Pg 33

That the Board approve the:

1. Proposed Fiscal Year 2025-26 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$5,547,732; and
3. Proposed funding plan Option 2.a.

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

- B. Approval of Professional Services Contracts for FY 2025-26 (*Attachments*) **(Smegal)** Pg 67

Consultant Contracts for Technical and Administrative Services

1. E Source (Water Loss Management Program) Pg 71
2. Hanson Bridgett (Legal Counsel) Pg 83
3. Hazen & Sawyer (Engineering/Water Mgmt.) Pg 91
4. IG Service (Auditing/Accounting Services) Pg 97
5. KNN Public Finance (Financial Advisor) Pg 99
6. Richard Sykes (WSIP, 10-year CIP) Pg 101
7. Stetson Engineering (Water Analyses, WSA) Pg 105

Consultant Contracts for Conservation Programs

8. AM Conservation Group (School Education Program) Pg 109
9. EarthCapades (School Assembly Program) Pg 129
10. Global Sun Landscape (Lawn Be Gone Inspection Services) Pg 135
11. M&M Backflow and Meter Maintenance (Customer Meter Testing) Pg 139
12. VertexOne (Home Water Use Reports Program) Pg 143
13. Waterfluence, LLC (Large Landscape Conservation Services) Pg 157

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

- C. Approval and Adoption of BAWSCA Pay Schedules for FY 2025-26 (*Attachment*) **(Smegal)** Pg 161

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

- D. Second Amendment to Hanson Bridgett Professional Services Contract (*Attachment*) **(Smegal)** Pg 165

The Committee voted unanimously to recommend Board approval of the Recommended action

8. Reports and Discussions

- A. BAWSCA's Strategy 2050 Planning Session (*Attachment*) **(Ashoori)** Pg 169

9. CEO Reports

(Smegal)

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

Pg 173

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10. CLOSED SESSION

(Smegal)

- 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 (Third Appellate District Court Case No. C101232).

11. Report from Closed Session

(Schutte)

12. Additional Time for Public Comments (Time Permitting)

(Chambers)

Members of the public may address the Board on any issues that are within the purview of the Agency. Each speaker is allowed a maximum of two (2) minutes.

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

(Chambers)

14. Date, Time and Location of Future Meetings

(Chambers) Pg 183

(See attached schedule and locations of meetings)

15. Adjourn to next meeting scheduled for July 18, 2025 at 6:30 pm

NOTE: Different Location To Be Announced

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 bawsca@bawsca.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 Smegal, Chief Executive Officer/General Manager

DATE: May 8, 2025

SUBJECT: Summary of Board Policy Committee meeting held April 9, 2025

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:30pm. CEO/General Manager Tom Smegal called the roll. Seven members (7) of the Committee were present at roll call. One member arrived after roll-call. A list of Committee members who were present (8), absent (1), and other attendees is attached.

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

2. **Comments by Committee Chair:** Committee Chair Hardy thanked staff and Committee members for their time and service on the Committee as BAWSCA's work in ensuring reliable supply of high-quality water at a fair price continues to be critical to the BAWSCA region.

The meeting is a special meeting due to a different location. Director Vella is participating by teleconference in accordance with the traditional Brown Act Rules. All public comments shall be made in-person at the location publicly announced for the meeting, and committee actions on the agenda items will need a roll call vote. Lastly, Closed Session will be removed from the agenda as there are no new developments to report.

3. **Consent Calendar:**

Director Duncan noted that he was not present at the February 12th meeting, and that the attendance in the minutes should be corrected.

Director Pierce made a motion, seconded by Director Zigterman, that the Committee approve the Minutes of the February 12, 2025 Board Policy Committee meeting with the noted correction.

The motion passed unanimously by roll call vote.

There were no comments from members of the public on the consent calendar.

4. **Public Comments:** Public comments were provided by Spreck Rosekrans and Dave Warner.

5. Action Calendar:

A. Proposed FY 2025-26 Work Plan, Results to be Achieved, and Operating Budget:

CEO/General Manager Tom Smegal presented the proposed work plan, results to be achieved and operating budget for FY 2025-26. The proposed workplan and results to be achieved is an iteration of what has been previously discussed with the Board at the January and March meetings, and the with Committee at its February meeting.

The proposed work plan is developed to address the critical issues in the short and long term horizon to achieve BAWSCA's goals. Major items in the work plan include management of the Water Supply Agreement (WSA) with San Francisco to protect the member agencies' financial and water supply interests, administration of the Bonds, oversight of SFPUC's Water Supply Improvement Program (WSIP), 10-Year Capital Improvement Program (CIP), and Asset Management, engagement in SFPUC's Alternative Water Supply (AWS) Plan, participation in the Bay Delta and FERC proceedings to protect regional water supplies, development of BAWSCA's Strategy 2050, finalize the updated regional water demand and conservation projections, implement the soon-to-be adopted updated Tier 2 Drought Plan and associated Water Supply Amendment, and implement core and subscription conservation programs.

Mr. Smegal noted changes to what was previously presented to the Board. The overall budget is approximately \$70,000 higher than the preliminary budget presented at the March Board meeting due to 3 workplan items.

Work plan item 2b, Regional Water Demand Projections study (Demand Study). There has been a delay in the spending for this work in which \$40K will not be spent in FY 2024-25 but will be added to the budget for FY 2025-26. This does not increase the overall 2-year budget plan for the Demand Study. The potential savings of \$40K in FY 2024-25 will be transferred to the General Reserve at the end of the fiscal year.

Work plan item 4d, Protect Members' Water Supply and Financial Interests in the SFPUC's required 2028 Decisions. The proposed operating budget will include \$35K for activities leading up to 2028.

Work plan item is 4g, Implementation of the 2025 WSA Amendment, in which \$20K is allocated for activities associated with member agencies' approval efforts in FY 2025-26.

Mr. Smegal noted that elements in the work plan were updated, as shown in Table 1, to better reflect the emphasis on affordability in the work plan items in response to feedback received from the Board at the March Board meeting.

The proposed operating budget is \$5.55 million, 1.2% below the FY 2024-25 approved Operating Budget. It fully funds the annual OPEB expense, includes a budget allowance for a 5% adjustment to existing salaries for both COLA and merit-based increases, and reflects a customer cost of \$2.97 per person.

BAWSCA's primary source of funding is member agency assessments, in accordance with AB 2058. The Operating Budget is developed based on 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.

To fund the FY 2024-25 Operating Budget, the Board adopted a 9% assessment increase and a transfer from the General Reserve. FY 2024-25 spending is estimated to expend 90-

95% of the approved budget. The General Reserve balance is currently at \$1,356,288 which is 24% of the adopted FY 2024-25 Operating Budget.

In November 2024, the Board directed staff to look into ways for BAWSCA to contribute additional funding to pay off BAWSCA's unfunded pension liability faster. In response, staff presented four (4) approaches available to the Board Policy Committee at its February 2025 meeting, in which the Committee discussed whether and how to prepay the outstanding pension obligation of BAWSCA.

Mr. Smegal explained that BAWSCA's Unfunded Accrued Liability (UAL) is currently at \$1.26 million and is estimated to be paid off in 20 years, or by 2045. Of the 4 approaches presented to the Committee in February, the Committee expressed its preference to the option of making Additional Discretionary Payments (ADP). He explained that ADP allows BAWSCA to make additional payments of any amount in any year towards the balance of its UAL.

Based on the Committee's direction to staff in February, staff did an analysis that provides two additional budget funding options for the Board's consideration.

The options include funding an ADP from the General Reserve in an amount of \$66K, targeting the UAL to be paid off in 10 years, by 2035. However, a payment of \$66K would need to be made every year over the 10-year period to pay off the balance that quickly.

The Board can choose to do this as soon as FY 2025-26 by adding \$66K in the operating budget.

Alternatively, the Board can choose to wait until unspent funds from FY 2024-25 are finalized and the General Reserve balance is better known before deciding on an ADP. The Board Policy Committee can evaluate the General Reserve balance at its December 2025 meeting and determine whether making an ADP to reduce BAWSCA's UAL using General Reserve fund is appropriate at that time. The Committee will make a recommendation for the Board's consideration at its meeting in January 2026, if needed.

An analysis of five (5) funding options were presented in a table. Option 1 is a 0% assessment increase that results in a General Reserve balance of 20% of the proposed operating budget.

Option 2 proposes a 2.3% assessment increase. It is the same percentage increase as SFPUC's wholesale water rate increase for FY 2025-26 and is a percentage that is consistent with the 2.08% CPI for staff salaries. It provides an Assessment to Budget ratio of 97%, in which the 3% would be covered by a transfer from the General Reserve.

Option 2 provides two versions, one of which allocates \$66K for an ADP and maintains the General Reserve balance at 21% (Option 2b). The other, (Option 2a) does not allocate \$66K and maintains the General Reserve balance at 22%.

Option 3 proposes a 5.2% assessment increase that provides an assessment to budget ratio of 100%. Option 3 also offers two versions, one of which allocates \$66K for an ADP and maintains the General Reserve balance at 23% (Option 3b). The other, (Option 3a) does not allocate \$66K and maintains a General Reserve balance at 24%.

The Committee is asked to provide its recommendation for the Board to consider the proposed work plan and results to be achieved, operating budget of \$5,547,732; and a funding plan option between 2a and 2b.

Director Schneider asked the extent of BAWSCA's oversight of SFPUC's WSIP, 10-Year CIP, and Asset Management Plan.

Mr. Smegal stated that BAWSCA's interactions with the SFPUC is generally governed by the WSA. Specifically related with the WSIP and capital improvement program, there are explicit

steps that are required of San Francisco. There are interactions the SFPUC must have with BAWSCA prior to the Commission's actions, as well as a report to BAWSCA of the Commission's decisions. These specific steps required by the WSA proved effective for both BAWSCA and the SFPUC in the case of the Mountain Tunnel Project, where the initial plan by the SFPUC is to replace the tunnel, but BAWSCA firmly pushed for a rehabilitation approach instead. This change proved to be time and cost effective for SFPUC and its customers.

In BAWSCA's oversight, Director Schneider asked if examples of where BAWSCA has saved money can be provided, and if there are SFPUC CIP projects identified as crucial as opposed to marginal. Given that BAWSCA member agencies pay 2/3rds of the cost of those projects, BAWSCA should have leverage on what CIP investments should or should not be taken.

Mr. Smegal noted that BAWSCA staff works diligently with BAWSCA's consultants in evaluating project status in the WSIP and projects included in SFPUC's 10-year CIP. BAWSCA staff will follow up to provide the requested information.

Director Zigterman inquired about the efforts associated with work plan item #4d.

Legal Counsel Allison Schutte explained that in the Water Supply Agreement, the ultimate decision on whether or not to make the Cities of San Jose and Santa Clara permanent customers of San Francisco was pushed out to 2028 from 2018. Additionally, the wholesale customers' claim that they are entitled to more water than 184mgd supply assurance is also tied to that date. As the date approaches, discussions on those issues are ongoing and a formal process for the negotiations would need to be established.

Director Schneider asked if the proposed funding option 2a and 2b with a 2.3% assessment increase is coincidentally similar to the SFPUC's wholesale rate increase of 2.3%.

Mr. Smegal explained that Option 2a and 2b were intentionally set up to match SFPUC's percentage increase to provide an option that does not exceed the proposed wholesale rate for FY 2025-26. He clarified that BAWSCA's assessment is 1% of the water cost relative to SFPUC's wholesale rate. Hence, BAWSCA's assessment increase of 2.3% combined with SFPUC wholesale rate increase of 2.3% still results in an overall water cost increase of 2.3%.

Director Pierce noted that member agencies can take BAWSCA's assessment and SFPUC's wholesale rate into consideration when setting their water rate for their customers. She asked how the member agencies are billed for BAWSCA's assessment and the wholesale water rate.

Mr. Smegal stated that with the exception of Cal Water, the agencies are billed separately for their assessment; which comes from BAWSCA, and their wholesale water rate which comes from the SFPUC.

Director Zigterman asked if option 2b would obligate a \$66K ADP in FY 2025-26.

Director Hardy confirmed that option 2b would dedicate \$66K in the operating budget for an ADP. She asked each committee member to state their preference between option 2a and 2b.

Committee members were in agreement that funding plan option 2a made the most sense.

Committee members agreed to:

- maintain a General Reserve balance that is within the guideline range of 20% - 35%
- preserve the flexibility of making an ADP if unspent funds from FY 2024-25 can fund it
- pay down the UAL when financially possible

In response to Chair Hardy's request for insight, Ms. Tang noted that BAWSCA will continue to work closely with CalPERS Actuary to evaluate options sufficient for future consideration by the Board.

Director Schneider asked how would BAWSCA and its General Reserve be impacted in the event of a recession?

Mr. Smegal explained that BAWSCA is not an operational agency, and the potential risk scenarios he sees for BAWSCA is a revenue problem where member agencies are unable to pay their assessments. A major unanticipated expense that comes up can also present an impact. However, he does not see how a recession would relate to either of the risks unless one or more member agencies are unable to pay their assessment.

Ms. Schutte added that a mid-year assessment change is possible, although it has never been done before, and is disfavored. But the agency would not be unable to collect more revenue, if needed. The General Reserve is maintained at a level to cover necessary expenses.

There were no further comments from members of the Committee.

Dave Warner provided public comments.

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

- 1. Proposed Fiscal Year 2025-26 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$5,547,732; and**
- 3. Funding plan Option 2a**

The motion passed unanimously by roll call vote.

- B. Approval and Adoption of BAWSCA Pay Schedules for FY 2025-26: Mr. Smegal reported that as a participating agency in CalPERS, BAWSCA is required to approve and adopt pay schedules each fiscal year to comply with CalPERS retirement law.

The pay schedules reflect the annual minimum and maximum salaries for each classification. The pay schedules for FY 2025-26 have been updated to include the CPI increase of 2.08% to stay aligned with the market, and the 1.8% adjustment the Board approved for the senior water resources specialist annual maximum salary.

The Committee is asked to recommend Board adoption of the pay schedules for FY 2025-26. The approved and adopted pay schedules will be posted on BAWSCA's publicly available website and formally transmitted to CalPERS.

Pay schedules will be approved and adopted by the Board again in September following the CEO/General Manager evaluation.

Director Schneider supports approval and adoption of the Pay Schedules for FY 2025-26. She noted that the potential layoffs at the federal level can open up the availability of specialized talents that BAWSCA can consider to fill in salary gaps.

Director Zigterman supports the pay schedules and noted that he will continue to push for salary increase. He also noted that Stanford has been fortunate with their temporary hires of skilled individuals including a CAD drafter and environmental engineer. Should there be a need, he encourages the use of temps to relieve workload without increasing agency staff compensation.

Director Schneider made a motion, seconded by Director Vella, that the committee recommend Board approval and adoption of the Pay Schedules for FY 2025-26.

The motion passed unanimously by roll call vote.

There were no comments from members of the public.

- C. Second Amendment to Hanson Bridgett Professional Services Contract: Mr. Smegal reported that the Committee is asked to make a recommendation for Board approval of a second amendment to the Hanson Bridgett professional services contract to increase its not-to-exceed budget by \$80K.

The original contract approved by the Board for FY 2024-25 was for the amount not-to-exceed \$880K. In June 2024, BAWSCA entered into a separate agreement for specialized services to hire, on BAWSCA's behalf, a professional recruitment firm to assist in the executive search for a new CEO/General.

This second amendment to the agreement results from un-anticipated legal services provided during the year. They include 1) legal support for the extended negotiation of the WSA amendment that was more intensive than expected; 2) legal services related to the publication of BAWSCA's pay schedules as required by CalPERS' preferred format that was discovered during the former CEO's retirement process; 3) support to establish provisions for BAWSCA's former CEO to provide the agency with post-retirement advise and transition assistance; and, 4) setting up BAWSCA's internal programs to comply with the new CEO's contract provisions.

Mr. Smegal noted that the activities associated with CalPERS compliance and executive recruitment were not contemplated in the development of the FY 2024-25 as the former CEO's retirement was unanticipated at the time the budget was set.

The amendment has no impact on the overall budget. The increase can be accommodated by funds allocated to other outside consultants that are available due to short-term changes in scopes during the fiscal year.

The revised total contract amount would be not-to-exceed \$985,000.

Director Pierce expressed her support for the second amendment and commented that the Hanson Bridgett team is a group of highly skilled individuals who provide a level of support that allows BAWSCA to complete its work.

Director Zigterman agreed with Director Pierce and noted that BAWSCA is getting valuable legal support.

Directors Schneider and Chambers expressed their support for the second amendment.

Director Vella asked Mr. Smegal if the funds allocated to other consultants are indeed available to accommodate Hanson Bridgett's cost increase.

Mr. Smegal explained that the budgeting for professional services, particularly in engineering, consider the need for extra support on complications that may arise, which has occurred from time to time in the past. For FY 2024-25, no such complicated matters have happened, and there are several consultant contract allocations that are not completely exhausted that can provide the funds needed for the amendment.

Director Hardy commented that BAWSCA has been very good at streamlining its consultant expenses and ensuring that the public's dollar is money well spent.

Director Zigterman made a motion, seconded by Director Pierce, that the Committee recommend that the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$80,000 for a total not-to-exceed amount of \$985,000.

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

The motion passed unanimously by roll call vote.

6. Report and Discussion:

- A. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 – Risk Assessment and Scenario Planning: Senior Water Resources Engineer, Negin Ashoori, provided an update on the development of Strategy 2050 including details of the initial tasks that are currently in progress.

In FY 2024-25, BAWSCA's workplan included developing the scope of work for Strategy 2050 which determined the Purpose and Six Objectives:

- The Purpose: *to identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience; and*
- Six Objectives to achieve the Purpose. They align with BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price in addition to BAWSCA's work to oversee the WSA
 1. *Provide a comprehensive picture of the region's supply and demand management needs and options.*
 2. *Establish a framework for collectively maintaining and improving regional water supply reliability and resilience.*
 3. *Elevate awareness of and support the region's interest in new and emerging regulations that impact water supply and demand management.*
 4. *Expand regional dialogue and collaboration to collectively address common needs.*
 5. *Close the gap on funding needed for water supply resilience and reliability.*
 6. *Support availability of affordable water supplies and demand management strategies to all customers.*

Dr. Ashoori emphasized that the objectives touch upon regional dialogue and collaboration, funding, affordability, regulations and regional water supply reliability.

Ultimately, Strategy 2050 will serve as a roadmap for advancing all 6 objectives. To get there, BAWSCA needs to understand how to quantify the needs, evaluate potential actions moving forward, determine what BAWSCA's role might be, and identify an implementation plan, if needed, 2, 10 or 20 years into the future.

The initial task of developing Strategy 2050 focuses on objective #1 with scenario planning and risk assessment. Scenario planning is a structured approach to envision

what a possible future scenario might look like for water supply reliability, identify the key drivers of change (risks), develop plausible narratives for possible futures, and identify and evaluate interventions to support favorable outcomes.

Scenarios are developed by considering multiple combinations of external forces that impact member agencies' ability to meet future needs of their customers. Those forces can be environmental, societal, regulatory and socioeconomic outcomes for water supply reliability.

The goal of scenario planning is to establish how these risks link to the availability of and need for water in the Bay Area. The scenarios will be used to conduct a risk assessment of water supply shortages and help with long-term planning for developing interventions and making investment decisions.

The scenarios are not intended to definitively map out and/or plan specific future projects, but instead serve as a tool to better understand what the future might look like so that we have the tools needed to make decisions.

Appointed Water Management Representatives (WMR) and staff from member agencies were engaged in a planning session held in February to support the development of scenarios. Key local and regional risks or drivers of change were identified and prioritized based on their quantified effects on water supply, impact on water reliability, and degree of uncertainty in occurrence.

Collectively, participants identified over 50 drivers of change and agreed on the top 8 water supply risks with the greatest impact and highest uncertainty of occurrence. They include climate change, changes in drought frequency and intensity, the Bay Delta Plan, State issued supply restrictions, State & Federal infrastructure development, demand changes, affordability, and funding.

The exercise also identified risks that have lower uncertainties or predictable in occurrence but could have a great impact. The top two are aging infrastructure, and water quality issues and related regulations.

Dr. Ashoori noted that the 2025 Demand Study that is currently in progress and anticipated to be completed by end of the fiscal year, will provide demand projections that can identify the impacts of demand changes.

The risks were grouped and broken down based on their patterns and similarities to form scenario assumptions or Primary Factors of Change. These factors established three thematic uncertainties which make up the axes of the scenario matrix:

1. Supply Availability which includes but not limited to drought, climate change, the Bay Delta Plan, and State regulations;
2. Regional Development which includes housing, jobs, and population; and
3. Water Rates/Affordability which ties in the Demand Study and how rates are impacted by demand.

BAWSCA will continue to collaborate with the member agencies and Board throughout the development of Strategy 2050. Outside stakeholders, including NGOs, wastewater entities, and agencies within the Bay Area, will also be engaged to discuss what projects,

programs and policies might focus on in the future during the May 20th Strategy 2050 Stakeholder Engagement Event.

The BPC is asked for its feedback on the following questions. Information gathered will be tabulated and presented at the May Board meeting for the full Board's further discussion.

- What major challenges do you foresee for the BAWSCA region over the next 25 years?
- What potential risks or drivers could impact economic growth within the region over the next 25 years?
- What types of data, information, or projections would be most useful to inform relevant regional policy decisions?

Committee members provided the following comments:

Director Shneider – What does sensitivity analysis really mean? Is it the sensitivity for an agency as a supplier and what it has to pay, or the sensitivity of what water customers has to pay; does it factor in the impacts of heatwaves to the water customers and how water use behavior can lead to dry landscapes; therefore increasing fire risks? Does it include wastewater as factor as well as green infrastructure relative to flood control?

Director Ragsdale – The list of risks developed with the WMRs is comprehensive. She sees a challenge in the ability to fund aging water infrastructure with the potential lack in State and Federal grants. Innovation in stormwater capture and water use regulations on housing developments can be ways of pushing conservation.

Director Duncan – Agreed that aging infrastructure is a high priority concern given that a lot of the Bay Area's infrastructure were built after World War II, which by 2050 will be 100 years old.

Director Chambers – Agreed with aging infrastructure. He believes demand management and price elasticity will be contributing challenges because demand drives capital improvement projects which, in turn, drives affordability. He continues to see conservation as key to reduce demands and address water supply issues.

Director Zigterman – Was pleased with the thoroughness of the list and the process of identifying the factors for scenario planning and risk assessment. He noted his ideal outcomes from the scenario planning and risk tolerance:

1. BAWSCA member agencies should be able to collectively provide a non-conservative and representative projection of demand to San Francisco for their wholesale customer water supply planning. In projecting demands, he encouraged an outlook of 10 or 20 years instead of 50, reflect that water growth does not increase at the same rate as population as it did 30 years ago, and factor in the current low water use overall. Water demand is flat-lined and continues to decrease substantially because of the retrofitting that has been done. Toilets no longer use 5 gallons per flush, it uses one. Additionally, there is a changed

behavior and mindset on water use efficiency despite the wet years. These factors should be built in the demand projection for it to be realistic.

2. Identify the BAWSCA region's risk tolerance. Does the region really need San Francisco to assure normal year water supply in the 4th, 6th or 8th year of drought? Do member agencies want to incur the costs of building infrastructure for improbable events to have assurance? Or is the region able to tolerate a little more risk to avoid the costs?
3. Storage should be considered. Has increasing storage been fully evaluated instead of building new infrastructure and alternative supplies? Would the amount of water released during wet years, if calculated, could compensate for the 10%-20% water use reduction during drought? Local ground water wells are valuable in storing water from wet years and providing supplies in dry years. Balancing local alternatives instead of building a whole new infrastructure system may prove worthy. Finding storage can be a way to buffer the 3rd, 4th, 5th drought year and decrease the cutbacks projected in Urban Water Management Plans in order to balance housing and population growth with water supply.

If member agencies can provide San Francisco a demand projection as well as a risk tolerance, it will help relieve the pressure on San Francisco to assure that the region does not fall short of water. He agrees that aging infrastructure throughout the region is the highest risk, but he believes the bottom line is what do we want to tell San Francisco about the reality of our water supply. He looks forward to the Board discussion in May.

Director Pierce – There are 2 levels of infrastructure; Water infrastructure that San Francisco and member agencies have and operate, and the public infrastructure that is built into the homes and properties in our communities that also needs to be replaced at some point. How would communication be coordinated and what would it take to bring those two levels together? She is pleased with the efforts to date and looks forward to the Board discussion in May.

Director Vella –BAWSCA's goal is ensuring reliable supply of high-quality water at a fair price. He believes that the biggest challenge for BAWSCA is price/affordability. The region's supply reliability has gone through severe droughts and wet years and history will repeat itself. The region's population has been programmed to conserve and do with less water. Collective efforts have achieved and should be able to maintain the high-quality of supply for the region. The challenge will be how BAWSCA can hold San Francisco to keep the prices down especially for the smaller agencies whose budgets goes mostly to water purchase.

Director Hardy – Noted that water is easy to store but hard to move. Supply reliability is an essential focus because high quality and affordability will not matter if there is no supply. The aging infrastructure across the region is a high priority because they were built around the same time and can potentially present a risk of a collective breakdown. Conservation remains a critical effort to continue and expand when possible. She noted that there is a fixed infrastructure cost to operate the regional water system that will always be there. Looking at all possible risks to the system to find issues and address them is critical as well as continuing to track the average

household and CII usage to determine the reality of the region's collective water usage.

Feedback received from Committee members will be incorporated as part of the information that will be provided to the Board on the scenario planning and evaluation of water supply reliability. The planning session at the May Board meeting will be an opportunity to engage the technical consultants with the Board to shape the long-term strategy for a sustainable water supply in the BAWSCA region. The planning session topic will align with the key milestones in the Strategy 2050 development.

Public comments were provided by Dave Warner and Spreck Rosekrans.

7. CEO Reports:

A. Water Supply Conditions: Mr. Smegal reported the water supply and system storage are in excellent condition. Precipitation at Hetch Hetchy is normal with the weather systems that occurred in February and March. Bay Area precipitation is close to the 12-month median, and snowpack is similarly in an average state. Having three relatively normal years has been positive for the system. Demand is tracking well.

B. Water Supply Amendment/Tier 2 Drought Plan Update: Mr. Smegal reported that BAWSCA and SFPUC staff are very close to finalizing the WSA amendment for submittal to the Commission for their consideration at the May 13th Commission meeting.

Following Commission action, member agency governing bodies will be asked to adopt the WSA amendment and new Tier 2 Plan.

BAWSCA staff will continue to work with and be available to the member agencies on this process and will keep the Board informed.

8. Closed Session: Closed Session was removed from the agenda.

9. Report from Closed Session: N/A.

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

11. Adjournment: The meeting was adjourned at 3:32pm. The next meeting is June 11, 2025 in a location to be announced.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 9, 2025	Feb. 12, 2025	Dec. 11, 2024	Oct. 9, 2024	Aug. 14, 2024	Jun. 12, 2024
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓	MEETING CANCELLED	✓
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	✓		✓
Westborough	Chambers, Tom	✓	✓	✓	✓		✓
CalWater	Duncan, Darin	✓		✓	✓		✓
Redwood City	Pierce, Barbara	✓	✓	✓	☎		✓
Millbrae	Schneider, Ann	✓	✓	☎	✓		✓
Burlingame	Stevenson, Peter			n/a	n/a		n/a
MPWD	Vella, Lou	✓	✓	✓	✓		☎
Stanford	Zigterman, Tom	✓	✓	✓			✓

✓ : present

☎ : Teleconference

April 9, 2025 Meeting Attendance (*In-Person*)

BAWSCA Staff:

Tom Smegal	CEO/General Manager	Allison Schutte	Legal Counsel, Hanson Bridgett
Tom Francis	Water Resources Manager		
Christina Tang	Finance Manager		
Danielle McPherson	Sr. Water Resources Analyst		
Negin Ashoori	Sr. Water Resources Engineer		
Kyle Ramey	Water Resources Analyst		
Lourdes Enriquez	Asst. to the CEO/General Manager		
Deborah Grimes	Office Manager		

Public Attendees:

Alison Kastama	SFPUC
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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****March 20, 2025 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:31 pm**

BAWSCA Chair, Tom Chambers, called the meeting to order. CEO/General Manager Tom Smegal called the roll. One member participated via teleconference in accordance with the traditional Brown Act Rule. Twenty-one (21) members of the Board were present at roll call. Four (4) members arrived after roll call. A list of Directors present (25) and absent (1) is attached.

2. Comments by Chair:

In light of the Board discussion on the FY 2025-26 Work Plan, and the new directors that have been appointed on the Board since 2021 and as recent as January 2025, Director Chambers reminded the Board of BAWSCA's position on Bay-Delta matters, particularly as it relates to ongoing litigation and the regulatory process at the State Water Board.

In 2018 the State Water Board adopted Phase 1 of the Bay-Delta Plan, which if implemented severely restricts flows that can be used for water supply purposes during droughts from the Tuolumne River. The Tuolumne River provides 85% of the San Francisco Regional Water System's water supply. Soon thereafter, as encouraged by the State Board in its adoption of phase 1, San Francisco and its Tuolumne River partners came forward with the Tuolumne River Voluntary Agreement (TRVA) which proposes that a combination of river flows, river operations, and habitat enhancements could provide better results for species protection with less impact to water supplies.

In January 2021, Director Pierce, then BAWSCA Board Chair, publicly stated BAWSCA's clear and sensible request: that the TRVA should be evaluated by the State Water Board to determine whether it was indeed equal to or better than the adopted Bay-Delta Plan in terms of the State's environmental objectives while maintaining a reliable supply of water at a fair price for the water customers that BAWSCA represents.

That evaluation of the TRVA, now called the Tuolumne River Healthy Rivers and Landscape Agreement, is currently taking place. BAWSCA's evaluation request is consistent with the mandate from the California Legislature to protect the water-supply needs of BAWSCA members. A reliable supply of high-quality water at a fair price is BAWSCA's goal as it has been for more than 20 years.

In accordance with this same State legislative mandate, BAWSCA took legal action in 2018 to intervene in San Francisco and its Tuolumne River partners' lawsuit challenging the adopted 2018 Phase 1 Bay-Delta Plan. The Board's vote on this matter was unanimous and the Board's intention to protect the regions' water supply was clear then, and remains unchanged today.

3. Board Policy Committee Report:

Director Hardy reported that the Board Policy Committee meeting on February 12, 2025 was held as a Special Meeting because of the location change to the Burlingame Library. The Committee was presented with the preliminary FY 2025-26 work plan and results to be achieved for the Committee's discussion and feedback to the CEO/General Manager. The Committee's actions and discussions are reflected in the Board Policy Committee Summary Report included in the Board agenda packet

4. Public Comments on Items Not on the Agenda:

Comments were provided by Julianne Frizell, Dave Warner, Patty Regier, and Peter Drekmeier.

5. SFPUC Report: Alison Kastama, SFPUC's BAWSCA Liaison, provided a Water Supply Conditions Report. Steve Ritchie, Assistant General Manager for Water Enterprise, provided a report on the SFPUC's Capital Improvement Program (CIP) and its upcoming review process.

Questions were received from members of the Board.

There were no public comments.

6. Consent Calendar:

Director Vella made a motion, seconded by Director Hardy, that the Board approve the Minutes of the January 16, 2025 meeting; receive and file the Budget Status Report and Investment Report as of January 31, 2025; Bond Surcharge Collection, Account Balance and Payment Report as of December 31, 2024; and Approve Adjustment to Staff-Level Top-Step Total Compensation for One Position.

The motion passed unanimously by roll call vote.

There were no comments or questions from members of the Board.

There were no comments from members of the public.

7. Action Calendar:

Director Piccolotti made a motion, seconded by Director Breault, that the Board adopt Resolution #2025-01 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 (ACWA/JPIA).

The motion passed unanimously by roll call vote.

Comments received from Board members expressed support of the recommendation.

There were no comments from members of the public.

8. Reports and Discussions:

- A. Preliminary FY 2025-26 Work Plan, Results to be Achieved and Operating Budget: CEO/General Manager, Tom Smegal, presented the Preliminary FY 2025-26 Work Plan, Results to be Achieved, and Operating Budget to the Board for its feedback and discussion. Comments provided by the Board will be reflected in the Proposed Work Plan, Results to be Achieved, and Operating Budget that will be presented to the BPC for discussion at its April 9th meeting, and to the Board for consideration at its meeting on May 15th, 2025.

Questions and comments were received from members of the Board.

Public comments were provided by Dave Warner and Peter Drekmeier.

- B. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050): Water Resource Manager, Tom Francis, reported on the progress of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 and its engagement with the Water Management Representatives. The Board will be provided with a detailed report and discussion time on the Strategy's development at its meeting in May

Public comments were received from Peter Drekmeier of Tuolumne River Trust and Rush Rehm of Redwood City.

Questions and comments were received from members of the Board.

Public comments were provided by Dave Warner and Peter Drekmeier.

9. CEO Reports:

In response to questions received from Directors at the January Board meeting, Mr. Smegal reported BAWSCA's interaction with SFPUC staff in the development of their CIP.

Mr. Smegal provided a report on the State Water Board's completion of its series of eleven (11) technical working group meetings held between January through March. The working group meetings were focused on Phase 2 of the Bay Delta Plan. The SFPUC participated in all meetings as decisions made with respect to Phase 2 can directly impact Phase 1.

Sr. Water Resource Analyst, Danielle McPherson reported an update on information provided in the CEO letter regarding the new Tier 2 Plan and WSA Amendment adoption process. BAWSCA Staff and Legal Counsel are available to assist member agencies with the adoption process.

10. Closed Session: The Board adjourned to Closed Session at 8:38pm

11. Report from Closed Session: Ms. Schutte reported that Closed Session ended at 8:52pm and no reportable action was taken.

12. Additional Time for Public Comments (Time Permitting):

There were no comments from members of the public.

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

Director Jordan reported that Purissima Hills Water District is convening a public hearing with a few interested agencies including CalWater Los Altos, Santa Clara County Fire, Los Altos Hills Fire and the Town of Los Altos to evaluate what the water system can support in terms of wildfires.

Director Weed noted that as the insurance industry takes a closer look at cities' water supply capabilities for fighting fires, residents may look to water districts and cities, as representatives of the water system, as to why they can not get insurance coverage.

Director Schneider noted that Millbrae will be holding workshops on its high fire risks given the west side of Millbrae is next to Hetch Hetchy watershed and in addition, is downwind of one of the County's top 3 eucalyptus fire risks.

14. Date, Time and Location of Next Meeting: The next meeting is scheduled on May 15, 2025 at 6:30pm in the Foster City Community Building, Wind Room.

15. Adjournment: The meeting adjourned at 8:55pm.

Respectfully submitted,

Tom Smegal
CEO/General Manager

NS/le

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

Roll Call & Voting Log - BAWSCA

Meeting Date: 20-Mar-25

						Weighted Voting ⁽²⁾	
Agency	Director	Present/ Absent	Item #6 Consent	Item #7A Resolution #2025-01 Roll Call	Other	Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	y	y	y			
Brisbane	Breault, Randy	y	y	y			
Guadalupe	Breault, Randy	y	y	y			
Westborough	Chambers, Tom	y	y	y			
San Jose	Cohen, David	y	y	y			
CalWater	Duncan, Darin	y	y	y			
San Bruno	Hamilton, Tom	y	y	y			
Santa Clara	Hardy, Karen	y	y	y			
Purissima	Jordan, Steve	y	y	y			
Foster City	Kiesel, Art	y	y	y			
East Palo Alto	Lincoln, Webster	y	y	y			
Daly City	Manalo, Juslyn	y	y	y			
Sunnyvale	Mehlinger, Richard	0	0	0			
Coastside	Mickelsen, Chris	y	y	y			
Milpitas	Montano, Carmen	y	y	y			
Menlo Park	Nash, Betsy	y	y	y			
North Coast	Piccolotti, Tom	y	y	y			
Redwood City	Pierce, Barbara	y	y	y			
Hillsborough	Ragsdale, Leslie	y	y	y			
Millbrae	Schneider, Ann	y	y	y			
Mountain View	Showalter, Pat	y	y	y			
Burlingame	Stevenson, Peter	y	y	y			
Palo Alto	Stone, Greer	y	y	y			
Mid-Peninsula	Vella, Louis	y	y	y			
ACWD	Weed, John	y	y	y			
Stanford	Zigterman, Tom	y	y	y			

Vote Tally

				Weighted Vote Summary	
				"Yes"	"No"
Yes (y)	25	25	25		
No (n)					
Absent (0)	1	1	1		
Abstain (a)					
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 May 15, 2025 BAWSCA Board of Directors Meeting Agenda Packet Page 21

b) a majority of the number of votes represented by directors present

4/24/2025

25_BAWSCA_March 20_Attendance_Voting Log

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	Mar. 20, 2025	Jan. 16, 2025	Nov. 21, 2024	Sept. 19, 2024	July 18, 2024	May 16, 2024
Andrews, Angela	Hayward	✓	✓	✓	✓	✓	✓
Breault, Randy	Guadalupe	✓	✓	✓	✓	✓	✓
Breault, Randy	Brisbane	✓	✓	✓	✓	✓	✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cohen, David	San Jose	✓		✓			
Duncan, Darin	Cal Water	✓	✓	✓	✓	✓	✓
Hamilton, Tom	San Bruno	✓	✓	✓		✓	✓
Hardy, Karen	Santa Clara	✓	✓	✓	✓	✓	✓
Jordan, Steve	Purissima	✓	✓	✓	✓	✓	
Kiesel, Art	Foster City	✓	✓	*	✓*	✓*	*
Lincoln, Webster	East Palo Alto	✓	*	*	✓*	✓*	✓*
Manalo, Juslyn	Daly City	✓		✓	✓		☎
Mehlinger, Richard	Sunnyvale			✓	✓		✓
Mickelsen, Chris	Coastside	✓		✓	✓	✓	✓
Montano, Carmen	Milpitas	✓		✓	✓	✓	✓
Nash, Betsy	Menlo Park	✓	✓	☎*	*	✓*	✓*
Piccolotti, Tom	North Coast	✓	✓	✓	✓		✓
Pierce, Barbara	Redwood City	☎	✓	✓	✓	✓	✓
Ragsdale, Leslie	Hillsborough	✓	✓	✓	✓	✓	✓
Schneider, Ann	Millbrae	✓		✓	✓	✓	✓
Showalter, Patricia	Mountain View	✓	✓	✓*	✓*	✓*	✓*
Stevenson, Peter	Burlingame	✓	✓	✓	✓	✓	
Stone, Greer	Palo Alto	✓	✓	✓			✓
Vella, Louis	Mid-Peninsula	✓	✓		✓	☎	✓
Weed, John	ACWD	✓	✓	✓	✓	✓	✓
Zigterman, Tom	Stanford	✓	✓	✓	✓	☎	✓

✓ : Present

* : Predecessor

☎ : Teleconference


Bay Area Water Supply & Conservation Agency

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

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: May 2, 2025

SUBJECT: Budget Status Report as of March 31, 2025

This memorandum shows fiscal year budget status for FY 2024-25. 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, 2025, 75 percent into the fiscal year, total expenditures were \$3,662,695 or 65 percent of the total budget of \$5,614,518.

Table 1. Operating Budget Summary as of March 31, 2025

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	2,102,550	997,072	47%
Fair Pricing	337,500	128,834	38%
Administration	165,000	339,860	206%
Subtotal	2,605,050	1,465,766	56%
Administration and General			
Salary & Benefits	2,448,143	1,862,278	76%
Other Expenses			
BAWSCA	520,750	332,471	64%
BAWUA	1,050	0	0%
Subtotal	5,574,993	3,660,515	66%
Capital Expenses	5,000	0	0%
Budgeted Contingency	32,500	0	0%
Regional Financing Authority	2,025	2,180	108%
Grand Total	5,614,518	3,662,695	65%

Overview:

Overall expenditures for FY 2024-25 are tracking within budget.

Consultants

The \$103,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 18 percent expended. The Operating Budget allocation of \$905,000 budget for legal counsel was 85 percent expended. Due to the CEO transition, legal expenses in the Administrative category were over budget but overall legal expenses are within budget. The \$255,000 budget for water management and conservation-related activities was 42 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 76 percent and 64 percent respectively.

Use of CEO's Discretionary Spending Authority:

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

- A first contract amendment in the amount of \$12,000 with EKI for services related to their Drought Report efforts.

The FY 2024-25 Operating Budget remains the same.

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2023-24 were \$237,018. The General Reserve balance as of March 31, 2025, reflects the transfer of unspent funds from FY 2023-24 in accordance with BAWSCA's General Reserve Policy and represents 24% of the adopted FY 2024-25 Operating Budget.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 01/31/25)	Account Balance (As of 03/31/25)
General Reserve	\$1,356,288	\$1,356,288


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: Tom Smegal, CEO/General Manager

FROM: Christina Tang, Finance Manager

DATE: May 5, 2025

SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
 as of March 31, 2025

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, which resulted in a reduced monthly surcharge from the agencies starting March 2023. The bond transactions and the prepayment program are 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 in 2025 have been collected. Payments of surcharges billed for February and March 2025 are still being received. Table 1 below presents a summary of 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 3/31/2025

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
January 2025	\$1,827,602	\$1,827,602	\$0
February 2025	\$1,827,602	\$1,800,708	\$26,894
March 2025	<u>\$1,827,602</u>	<u>\$1,093,484</u>	<u>\$734,118</u>
Total	\$5,482,806	\$4,721,794	\$761,012

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 3/31/2025

	22,575,155	Account Market Value as of 12/31/2024
<i>plus:</i>	<i>5,814,537</i>	<i>Surcharge Collected in January 2025 through March 2025</i>
<i>plus:</i>	<i>274,801</i>	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	<i>143,707</i>	<i>Change in Market Value of Held and Matured Treasury Bonds</i>
	28,808,200	Account Market Value as of 3/31/2025

During the first quarter, the Federal Reserve held rates steady as it balanced efforts to support both full employment and price stability. While rates under 1 year were roughly unchanged over the quarter, rates in the 1-5 year range had decreased as economic uncertainty and concerns over slowing growth mounted. In April 2025, BAWSCA re-evaluated its investment strategy for the bond stabilization fund during the annual review of the Investment Policy. BAWSCA's longer-term 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. With a ladder maturity distribution, the fund has taken advantage of being able to reinvest into the higher rates available on longer-term bonds.

As of March 31, 2025, the book yield and market yield on BAWSCA's revised portfolio strategy was 3.06% and 3.97% respectively, as compared to the yield of 4.23% for the money market fund.

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

Revenue Bond Series 2023A and Series 2013B Debt Service Payment Status

The recent debt service payment of \$3,986,572 was made on April 1, 2025. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$17,986,572 will be made on October 1, 2025. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.



Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650
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(650) 349-3000 tel. (650) 349-8395 fax

MEMORANDUM

TO: Tom Smegal, CEO/General Manager
FROM: Deborah Grimes, Office Manager
DATE: May 1, 2025
SUBJECT: Investment Report – As of March 31, 2025

In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. The Board most recently reviewed the investment policy at the November 21, 2024 board meeting.

BAWSCA funds not deposited in banks are invested in BAWSCA's 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>02/28/25</u>	<u>03/31/25</u>
\$3,613,277	\$3,613,227

Of the total in the BAWSCA LAIF account as of March 31, 2025, \$1,356,288 represents BAWSCA's General Reserve Fund, equivalent to approximately 24 percent of FY 2024-2025 Operating Budget, within our goal of 20-35% of our current Operating Budget. The remaining amount consists of unrestricted funds.

Annualized interest rates for the most recent quarters for LAIF deposits are shown below:

<u>12/31/24</u>	<u>03/31/25</u>
4.62%	4.48%

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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: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: May 1, 2025

SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending
March 31, 2025

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, 2025.

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BAWSCA

Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: May 1, 2025

SUBJECT: Employees' Reimbursement Quarterly Report for the Period Ending March 31, 2025

This report is prepared pursuant to Government Code Section 53065.5: *Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.*

Table 1 presents the reimbursed expenses for BAWSCA employees during the quarter ending March 31, 2025.

Table 1. Employee Reimbursement Expenses

BAWSCA Employee	Expense Amount	Purpose
Christiane Barth	\$577	<ul style="list-style-type: none"> Meeting expenses January – March 2025 Office Supplies
Deborah Grimes	\$2,984	<ul style="list-style-type: none"> Office expenses Progress Seminar registration – Tom Smegal ACWA Spring conference registration – Tom Smegal
Tom Francis	\$4,590	<ul style="list-style-type: none"> UWI registration UWI travel expenses ACWA Spring Conference registration ACWA Spring Conference travel expenses

May 15, 2025 – Agenda Item #4F

		<ul style="list-style-type: none">• SWRCB Workshop - Sacramento
Danielle McPherson	\$949	<ul style="list-style-type: none">• ACWA Spring Conference Registration
Tom Smegal	\$1,405	<ul style="list-style-type: none">• ACWA Fall Conference travel expenses• Meeting expenses
Lourdes Enriquez	\$2,056	<ul style="list-style-type: none">• Bay Area News Group legal posting• Office supplies• Memberships• Continuing education

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2025-26 Work Plan, Results to be Achieved and Operating Budget**

Summary:

This memorandum presents the Proposed Fiscal Year 2025-26 Work Plan, Results to be Achieved and Operating Budget. Comments received from the Board at the January 16, 2025 and March 20th meetings have been reviewed, considered and addressed.

The proposed Work Plan remains aligned with BAWSCA's legislated authority and its three goal elements: a reliable supply of high-quality water at a fair price. Proposed work efforts to be undertaken in FY 2025-26 include the continued development of BAWSCA's Long Term Reliable Water Supply Strategy 2050 (Strategy 2050). In addition, BAWSCA will complete the development of updated regional water demand projections.

A broad listing of the work envisioned in the proposed work plan is provided in the Discussions section of this memorandum.

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 2025-26 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$5,547,732; and**
- 3. Recommended funding plan of Option 2.a**

Discussion:

Proposed Work Plan:

Next year's Work Plan addresses all of the anticipated issues and results to be achieved discussed with the Board at its January 16th and March 20th, 2025 meetings and with the Board Policy Committee at its February 12th and April 9th, 2025 meeting.

The Proposed FY 2025-26 Work Plan includes the following major efforts:

- Overseeing SFPUC's WSIP, 10-Year Capital Plan Program (Capital Plan), Regional Water System (RWS) Asset Management Program, and Emergency Response.
- Implementing BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy), including the following actions:
 - Continue the development of Strategy 2050;
 - Continue the development of updated regional water demand projections;
 - Participate in the Bay Area Regional Reliability Partnership (BARR);
 - Participate in PureWater Peninsula potable reuse project planning; and
 - Facilitate development of other local water supply options by members.

- Conduct an initial scoping evaluation of the Regional Financing Authority's (RFA's) authority and constraints. Such efforts could include reviewing materials created at the time of the RFA's formation and preliminary discussions with BAWSCA's relevant engaged consultants. Once the scope of viable RFA financing options is confirmed, additional planning steps would take place in future workplans.
- Supporting near term water supply solutions for members including:
 - Represent members' interests in discussions on development of, and compliance with, California's "Making Water Conservation a California Way of Life" requirements as appropriate;
 - Provide regional coordination to support Advanced Metering Infrastructure (AMI) implementation and data management; and
 - Implement BAWSCA's regional core and subscription conservation programs to support members and their customers.
- Taking actions to protect members' water supply and financial interests in administration of the WSA including the following:
 - Monitor SFPUC's implementation of its Alternative Water Supply (AWS) Plan, taking into consideration water supply affordability matters, and engaging as appropriate;
 - Monitor SFPUC's unfunded pension and OPEB liabilities;
 - Protect members' water supply and financial interests in the SFPUC's required 2028 decisions;
 - Ensure correct implementation of asset classification adjustments associated with the 2018 WSA amendment; and
 - Ensure correct implementation of a WSA amendment scheduled for adoption in FY 2024-25 that addresses Minimum Purchase obligations and drought allocations.
- Participating in the SWRCB's Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented.
- Participating in the New Don Pedro and La Grange FERC proceedings to protect regional water supplies.
- Supporting members in receiving reliable communication of water quality issues including:
 - Coordinating member participation in the Joint Water Quality Committee;
 - Relaying important water quality information to members and SFPUC as necessary; and
 - Reviewing and acting on, if necessary, State legislation affecting water quality regulations.
- Administering the WSA to protect financial interests of members.
- Administering BAWSCA's revenue bonds issued to retire capital debt owed by Wholesale Customers to San Francisco.
- Continuing BAWSCA's Student Internship Program.
- Implementing Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.

- Maintaining a motivated, trained, and effective workforce.
- Integrating Human Resources (HR) professional support services into BAWSCA's internal operations.
- Continuing development of a staff-led effort to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.

Table 1 presents the proposed FY 2025-26 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 and Operating Budget for FY 2025-26. 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.

Table 4 lists expected future large efforts which are not included in the FY 2025-26 proposed Work Plan, but which may be included in future budgets based on current studies (recommended actions developed in Strategy 2050 for example), cyclical expenditures or other projects contingent on future developments outside BAWSCA's control.

Proposed FY 2025-26 Work Plan Includes Continuation of Previously Approved, Significant Multi-Year Projects:

There are two major multi-year projects included in the proposed FY 2025-26 Work Plan that were previously approved and anticipated by the Board and initiated in FY 2024-25. In both cases, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

- 1. Work Plan Item 2a: Continue the Development of BAWSCA's Strategy 2050 Cost: A Water Management Charge totaling \$2.447M has been assessed to cover the cost of consultant services, including legal support, from the start of the development work in FY 2024-25 through to the completion of the Strategy 2050 development effort in FY 2026-27.**

In FY 2023-24, BAWSCA completed the preparation of a Scope of Work for Strategy 2050. At the July 18, 2024 BAWSCA Board Meeting, BAWSCA's CEO/General Manager was authorized to enter into the required consultant contracts to assist in the development of Strategy 2050 and to enact a Water Management Charge (WMC) to fund its development up to a not-to-exceed amount of \$2.447M.

While utilizing a WMC as the funding mechanism that allows for a discrete project budget and that is independent of BAWSCA's annual operating budget, staff time required to support the development of Strategy 2050 is estimated and included as part of the proposed FY 2025-26 Work Plan.

Strategy 2050 development includes primary tasks and subtasks. All of the tasks and subtasks tie directly back to the proposed purpose and objectives of Strategy 2050. The purpose of Strategy 2050 is "To identify the water supply and demand management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience". Six Strategy 2050 objectives for the BAWSCA region were identified to achieve the Strategy 2050 purpose. These six objectives are in addition to BAWSCA's work to oversee the WSA and align with BAWSCA's goal of a reliable supply of high-quality water at a fair price. Specifically, the

six objectives are to: 1) Provide a comprehensive picture of the region's supply and demand management needs and options; 2) Establish a framework for collectively maintaining and improving regional water supply reliability and resilience; 3) Elevate awareness of and support the region's interest in new and emerging regulations that impact water supply and demand management; 4) Expand regional dialogue and collaboration to collectively address common needs; 5) Close the gap on funding needed for water supply resilience and reliability; and 6) Support availability of affordable water supplies and demand management strategies to all customers.

To accomplish the six objectives of Strategy 2050, the work effort has been broken down by key tasks. Seven key tasks will be completed as follows: 1) Evaluate water supply and demand management reliability; 2) Assess regulatory setting and collaboration opportunities; 3) Evaluate existing project concepts and identify new regional project opportunities; 4) Provide support to member agencies in their efforts to obtain external funding; 5) Document water affordability challenges and opportunities; 6) Develop a method to track and report on the status of Strategy 2050 implementation; and 7) Report preparation, including the preparation of findings plus near and long-term recommendations.

BAWSCA began Strategy 2050's development effort in the second quarter of FY 2024-25. Its projected completion date is January 1, 2027. Efforts are on schedule with Tasks 1 and 2 continuing into FY 2025-26 along with the bulk of the effort for Tasks 3, 4 and 5. In FY 2026-27, the effort will be completed as work on Tasks 6 and 7 concludes.

Strategy 2050 development requires extensive staff focus and involvement. BAWSCA's technical staff and its CEO/General Manager have been assigned substantial time commitments on the effort in the proposed FY 2025-26 Work Plan.

Extensive engagement with the BAWSCA Board and Water Management Representatives will be conducted throughout the development of Strategy 2050. Much of that engagement will take place during FY 2025-26.

2. Work Plan Item 2b: Continue the Development of Updated Regional Water Demand Projections.
FY 2025-26 Cost: \$296,488

BAWSCA has coordinated regional water demand and conservation projections for its members agencies beginning in 2002. Since 2015, BAWSCA has completed these regional projections on five-year cycles to support regional planning efforts and to facilitate its member agencies' preparation of State-required Urban Water Management Plans (UWMPs). The most recent Regional Water Demand and Conservation Projections, completed in June 2020 (2020 Demand Study), developed long-term water demand and conservation savings projections for each BAWSCA member agency through the year 2045.

At the May 16, 2024 BAWSCA Board Meeting, BAWSCA's CEO/General Manager was authorized to enter into the required consultant contract to prepare Updated Regional Water Demand Projections. This consultant contract was for a multi-year work effort, extending from FY 2024-25 into FY 2025-26. Costs for the FY 2025-26 portion of the work effort are \$296,488. That total includes an estimated \$3,000 in legal fees.

In FY 2024-25, BAWSCA is developing updated information on agency-specific water demands and proposed conservation plans such that the data gathered can be provided to each BAWSCA agency on or before June 30, 2025 for their subsequent use in preparing their 2025 UWMPs. This information will also be folded into BAWSCA's Strategy 2050 effort as detailed above.

For FY 2025-26, work will continue on the update. Specifically: 1) Estimations of the ability for each agency to meet their annual Urban Water Use Objectives, as mandated by the State, will be evaluated; 2) Forecasting of future water demands and conservation savings under a range of possible hydrologic, climate, and other conditions will be performed; 3) An expanded sensitivity analysis will be conducted, one which groups various future possible conditions such that their collective impact on water demand, and therefore the sensitivity of demand estimates to a range of alternative futures, can be predicted; and 4) New simulations of impacts on water demand from projected future droughts will be performed, and those simulations will also consider the potential for future demand hardening.

Like the above-detailed Strategy 2050 efforts, work in FY 2025-26 associated with the completion of the updated regional water demand projections requires extensive staff focus and involvement of BAWSCA's technical staff and its CEO/General Manager. As part of the sensitivity analysis task, extensive engagement will be conducted with BAWSCA's Water Management Representatives as well as a task force assembled to represent the BAWSCA service area's community, business and environmental interest groups. BAWSCA's Board will be kept apprised of the progress of the work as it advances toward its anticipated completion date of December 31, 2025.

Results of January 16, 2025 Work Plan and Budget Preparation Planning Session and Feedback at March 20, 2025 Board Meeting:

During BAWSCA's January 16, 2025 meeting, the Work Plan and Budget Preparation Planning Session was held with the Board as part of its regular meeting agenda. The focus of the planning session was to receive input from Board members on BAWSCA's long-term future challenges and 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. An additional comment was made at the March 20, 2025 BAWSCA Board meeting and is recorded with the staff response. These comments and responses are reflected in the proposed FY 2025-26 Work Plan and results to be achieved.

Background:

BAWSCA's Work Plan development process begins by reviewing and updating the major activities and long-term future challenges. These long-term activities require coordinated action by BAWSCA and its members to ensure a reliable supply of high-quality water at a fair price. Table J-1 lists these updated long-term future challenges through 2065 included in the development of the FY 2025-26 proposed Work Plan. 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.

Proposed FY 2025-26 Operating Budget:

The proposed Operating Budget of \$5,547,732 presented in Table 5 reflects the funding necessary to achieve the full Work Plan and includes an estimated pre-funding contribution for

Other Post-Employment Benefits (OPEB). This is included as a separate line item to highlight its inclusion in this tenth year of funding.

Explanation and Alternatives for Salaries and Benefits:

The increase for salaries and benefits of \$216,147 shown in the proposed Operating Budget is calculated based on primary factors.

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 5%, or to top step for the position, whichever is less. The Board grants discretion to the BAWSCA CEO to provide merit allowances reflective of individual employee performance, with the understanding that the overall average staff increase remain near 5% and that all staff salaries should lie within the adopted salary range for their respective position(s).

This year the COLA adjustment, based on the December value of the Consumer Price Index (CPI) for the Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose area, is 2.08%. As such, the proposed Operating Budget includes the following for all employees except the CEO:

- An increase to the top step of salaries for FY 2025-26 by 2.08% to ensure that the approved salary ranges stay competitive moving forward; and
- \$60,671 total budget allowance for salary increases, which allows for a potential 5% adjustment to the actual FY 2025-26 salaries for both COLA and merit increases.

Salary 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 \$9,197 for a contractual 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 BAWSCA's prior CEO.

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 funding plan for the FY 2024-25 Operating Budget approved in May 2024 increased assessments by 9.0% as well as use of \$340,120 transferred from the General Reserve.

The General Reserve has a balance as of March 31, 2025 of \$1,356,288, which is 24% of the adopted FY 2024-25 Operating Budget, and is 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 2024-25 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 2025, however at this time for budget funding purposes, it is assumed that no funds will be available for transfer at the end of FY 2024-25.

Potential Additional One-time Payment to CalPERS to Reduce Unfunded Pension Liability:

At the Board Policy Committee (BPC) meeting on April 9, 2025, staff presented two approaches for BAWSCA to make Additional Discretionary Payments (ADPs) and potentially pay off unfunded pension liability faster than CalPERS' 20-year schedule. At its prior February meeting, the BPC had indicated a preference for considering ADPs.

The options are:

1. Contribute ADPs to CalPERS as part of the budgeted expenditures;
2. Consider Board action to contribute ADPs in January 2026 after reviewing the FY 2024-25 audited financial statements and any realized changes in the general reserve.

An opportunity to make an ADP, funded by General Reserve, is added to the budget funding Option 2b and 3b described in the section below. The additional payment amount is consistent with the examples used in the estimated financial impact analysis presented to the BPC in February. Specifically, targeting the UAL to be paid off in 10 years, by 2035, an additional annual payment of \$66,000 is used, which is estimated to result in present value savings of approximately \$72,000. However, a payment of \$66,000 would need to be made every year over the 10-year period to pay off the balance that quickly. The estimated present value savings are calculated based on CalPERS assumed annual investment return of 6.8% and a discount rate of 4.5% per year, assuming CalPERS current actuarial assumptions remain unchanged and CalPERS' experience exactly matches its actuarial assumptions in the future. In addition, the estimated savings assume a uniform increase in payment each year, although making an ADP during a fiscal year does not require an ADP be made in any future year.

At its April 9th meeting, the BPC voted to recommend Funding Option 2a which does not include an ADP in the proposed FY 2025-26 budget. At the same time, the BPC planned to re-evaluate BAWSCA's fiscal situation at its December 2025 meeting to determine whether it makes sense to consider using any General Reserve balance to fund an ADP at that time. If, for instance, the General Reserve, at the conclusion of FY 2024-25, is significantly above what is estimated now, the additional balance might be considered as a funding source available for an ADP to CalPERS to reduce BAWSCA's unfunded pension liability.

Funding Options and Alternatives:

In developing funding options to address FY 2025-26 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. WSA Water Management Charge as allowed per Section 3.06.A of the WSA

For FY 2025-26, a WMC is already in place to cover the costs of on-going Strategy 2050 efforts, and the use of a new or expanded WMC is not necessary.

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

- **Option 1 “Target 0% Assessment Increase”:** 0% assessment increase (\$5,274,398) and a transfer of \$273,334 from the General Reserve. This results in a General Reserve balance of \$1,082,954, which is 20% of the proposed Operating Budget.
- **Option 2a “Nominal Assessment Increase of 2.3%”:** A 2.3% increase in assessments (\$5,395,709), that is same as San Francisco’s wholesale water rate increase in FY 2025-26 and is close to the CPI, and a transfer of \$152,023 from the General Reserve. This alternative results in a General Reserve balance of \$1,204,265, which is 22% of the proposed Operating Budget.
- **Option 2b “Add \$66,000 CalPERS ADP Funded by General Reserve”:** *This results in a General Reserve balance of \$1,138,265, which is 21% of the proposed Operating Budget.*
- **Option 3a “Reserve-Neutral Assessment Increase of 5.2%”:** A 5.2% increase in assessments (\$5,547,732) that is equal to budgeted expenditures, maintaining the current level of General Reserve balance of \$1,356,288, which is 24% of the Operating Budget.
- **Option 3b “Add \$66,000 CalPERS ADP Funded by General Reserve”:** *This results in a General Reserve balance of \$1,290,288, which is 23% of the proposed Operating Budget.*

The alternatives above present a range of funding options. They are provided to facilitate discussion by the Board. The Board Policy Committee provided feedback on the funding alternatives presented and voted to recommend Option 2a.

Table 1. Proposed FY 2025-26 Work Plan and Results to Be Achieved**(New/Expanded Items Shown in Blue Italic and Bold Font)****(Changes from the March 20, 2025 BAWSCA meeting are shown in Red Italic and Bold Font)**

BAWSCA OBJECTIVE & PROPOSED FY 2025-26 WORK PLAN ITEM	
RELIABLE WATER SUPPLY	
1. <u>Facility Reliability: Monitor SFPUC's WSIP, 10-Year Capital Plan, Asset Mgmt. Program, and Emergency Response</u>	
a.	Monitor WSIP scope, cost, and schedule including extending State oversight as necessary 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, <i>taking into consideration water supply affordability concerns.</i>
c.	Review & monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS assets.
d.	Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters.
e.	Engage with and track the SFPUC Capital Planning Improvements Initiative.
f.	<i>Engage with the SFPUC on their preparation of the 2026 State of the Regional Water System Report (due to BAWSCA in FY 2026-27)</i>
2. <u>Long-Term Supply Solutions: Implement BAWSCA's Strategy to Ensure a Reliable, High-Quality Supply of Water is Available Where and When needed</u>	
a.	Continue the development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050), <i>which includes an assessment of water supply affordability and the role that BAWSCA should play to help agencies achieve affordability goals.</i>
b.	Continue the development of updated regional water demand projections "BAWSCA 2025 Regional Water Demand and Conservation Projections Project".
c.	Participate in the Bay Area Regional Reliability (BARR) Partnership.
d.	Participate in the continued planning of the PureWater Peninsula potable reuse project.
e.	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.

BAWSCA OBJECTIVE & PROPOSED FY 2025-26 WORK PLAN ITEM	
f.	Use BAWSCA Reliability Model to evaluate Bay Delta Plan Healthy Rivers and Landscape Plan for the Tuolumne River's impacts on reliability, the prospective benefits that new alternative water supplies may provide, and to estimate the corresponding need to ration during droughts.
g.	Facilitate use of the BAWSCA Model by members via Subscription Program.
h.	<i>Conduct initial scoping evaluation of the Regional Financing Authority's (RFA's) available financing options</i>
3. <u>Near-term Supply Solutions: Demand Management, Water Conservation and Drought Response</u>	
a.	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 as appropriate.
b.	Provide regional coordination to support members' AMI implementation and data management and utilization.
c.	Implement BAWSCA's core water conservation programs.
d.	Implement BAWSCA's subscription conservation rebate programs that benefit and are paid for by participating members.
e.	Engage with CalWEP & others to promote 3 rd party development & administration of a leak repair & training certification program.
f.	Participate in San Mateo County's C/CAG OneWatershed pilot project.
g.	Represent members in regional and State-level discussions relative to water conservation-related regulations, grant funding opportunities, and programs where regional participation is possible.
4. <u>Take Actions to Protect Members' Water Supply and Financial Interests in WSA Administration</u>	
a.	Monitor SFPUC's implementation of its AWS Program, including associated recommended actions, <i>taking into consideration water supply affordability</i> , and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations at a fair price to its Wholesale Customers.
b.	Protect members' water supply interests to ensure that the SFPUC meets its legal and contractual obligations for water supply from the Regional Water System in light of ongoing risks.
c.	<i>Implement the updated Tier 2 Plan (assumes adoption of the updated Tier 2 Plan in FY 2024-25).</i>
d.	Protect members' water supply and financial interests in the SFPUC's required 2028 decisions.
e.	Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment.
f.	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.
g.	<i>Engage with the SFPUC and BAWSCA Member Agencies on the Implementation of the WSA Amendment that alters the calculation and assessment of Minimum Purchase Obligations (assumes the adoption of the WSA Amendment in FY 2024-25).</i>

BAWSCA OBJECTIVE & PROPOSED FY 2025-26 WORK PLAN ITEM	
5. <u>Protect Members' Interests in a Reliable Water Supply</u>	
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.	
6. <u>Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u>	
a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs.	
b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability.	
c. Support the use of BAWSCA's grant tracking tool for use by BAWSCA members.	
d. Seek avenues for grant funding to support the implementation of BAWSCA's Strategy.	
7. <u>Reporting and Tracking of Water Supply and Conservation Activities</u>	
a. Complete BAWSCA FY 2024-25 Annual Survey.	
b. Complete BAWSCA FY 2024-25 Annual Water Conservation Report.	
c. In partnership with members, operate, maintain and enhance BAWSCA's updated WCDB.	
HIGH QUALITY WATER	
8. <u>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	
9. <u>Perform Matters that Members Agencies Delegated to BAWSCA in the Water Supply Agreement</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.	

BAWSCA OBJECTIVE & PROPOSED FY 2025-26 WORK PLAN ITEM	
AGENCY EFFECTIVENESS	
10. <u>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 achieve agency goals.
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.
11. <u>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, trained, and effective Workforce.
d.	<i>Manage and interact with the Consultant selected to serve as BAWSCA's Human Resources Services provider</i>
e.	Continue development of a staff-led plan to address BAWSCA's long-term policy & operational resilience to inform future policy decision making.

Table 2: Activities Not Included in Proposed Work Plan and Operating Budget for FY 2025-26

<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.12. Provide for public participation in Board and Policy Committee meetings via a hybrid-style meeting format.

Table 3. FY 2025-26 Work Plan and Budget Planning Sessions – Comments and Suggested Work Plan Items for Further Consideration

#	Board Member	Board Member Comment/Question	Staff Response
1	Andrews	It would be beneficial to educate customers as to the means and methods to conserve water	Comment noted. As part of BAWSCA's Water Conservation Services, BAWSCA partners with member agencies on its Water Efficient Landscape Education Program. Classes are offered to the public for free during the Spring and Fall seasons. The types of classes include: (1) lecture classes, where attendees receive an informative presentation and/or demonstration; (2) hands-on workshops, where attendees help install or maintain a water-efficient garden; and (3) virtual courses. In FY 2025-26, BAWSCA will continue to offer classes. BAWSCA will also expand its collection of recordings of classes that are available via BAWSCA's YouTube page.
2	Weed	Water quality concerns arise, such as PFAS, that must be considered in the development of alternative water supplies (both local agency-specific supplies as well as regional supplies that involve multiple partner agencies).	Comment noted. BAWSCA has made a recommendation with the SFPUC that water quality concerns be fully evaluated in their development of any alternative water supply project. In FY 2025-26, as part of the continued development of Strategy 2050, water quality risks to BAWSCA's existing and future supplies will be considered when evaluating project reliability and costs.
3	Pierce	BAWSCA must balance the need to provide a reliable water supply with the costs associated with development of new supplies and system maintenance (and the associated impact on water rates over time).	Comment noted. In FY 2025-26, as part of the continued development of Strategy 2050, BAWSCA is developing a list of potential future water supply projects that individual agencies may one day implement. The cost of project development, including their future operational costs, will be estimated. In addition, Strategy 2050 will delve into the concept of 'affordability', in an effort to better understand agency and customer financial constraints (and rate impacts). BAWSCA's ongoing efforts related to the oversight of SFPUC's Capital Improvement Program (CIP), included in the FY 2025-26 work plan, pays close attention to the potential rate impacts of implementing their CIP.

#	Board Member	Board Member Comment/Question	Staff Response
4	Stevenson	BAWSCA must continue to focus on its goal (e.g., a reliable supply of high-quality water at a fair price). The impact of the SFPUC's CIP on the rate payer (as expressed by Director Pierce) is of importance.	Comment noted. As detailed in the response to Director Pierce, in FY 2025-26, as part of the development of Strategy 2050, BAWSCA will be taking a deeper look at the concept of 'affordability'. In addition, as part of BAWSCA's on-going efforts associated with the oversight of SFPUC's CIP, BAWSCA will continue to hold paramount the best interests of its member agencies as it relates to adherence to BAWSCA's goal.
5	Showalter	Water supply reliability is of great importance. BAWSCA must take a cautious approach to make sure that the required Operation and Maintenance of the SF RWS is not deferred to the degree that it compromises system reliability in an effort to lower.	Comment noted. In FY 2025-26, the SFPUC will be preparing its next cycle of their 10-year CIP. That CIP will include a number of projects for implementation during that 10-year period (for both their Hetch Hetchy as well as their Regional Water Divisions). BAWSCA works closely with its engineering consultants to review the SFPUC's 10-year CIP and meticulously evaluate if the SFPUC has taken sufficient steps to include the necessary work required to maintain water supply reliability. BAWSCA's oversight of the SFPUC's CIP is included as a component of the FY 2025-26 work plan.
6	Jordan	In light of the recent Los Angeles Area Fires, BAWSCA should be aware that more work may be needed to help member agencies evaluate how to cope with distribution pressure losses that could occur when fighting wildfires.	Comment noted. As part of BAWSCA's FY 2025-26 work plan, BAWSCA is to provide assistance to agencies needed to facilitate engagement with the SFPUC regarding emergency response matters. BAWSCA also intends to encourage the SFPUC to conduct a greater number of emergency response exercises each year.
7	Stone (at March 20, 2025 Board Meeting)	Noticed that affordability was not referenced in BAWSCA's workplan.	Comment noted. Staff reviewed the workplan and added reference to affordability in appropriate workplan items to clarify where affordability is a factor, but which did not explicitly mention it.

Table 4. Potential Future Large Efforts

Project Name	Cost Updates			Discussion
	FY 2024-25 (Budget as Adopted)	FY 2025-26 (Proposed Budget)	FY 2026-27 & Beyond	
Develop the Long-Term Water Supply Strategy 2050, and thereafter implement Strategy recommendations to assure a reliable supply of high quality water at a fair price.	NA – Costs for Strategy 2050 are covered via a Water Management Charge (separate from the FY 2024-25 Budget)	NA – Costs for Strategy 2050 are covered via a Water Management Charge (separate from the FY 2025-26 Budget)	Strategy development in FY 2026-27 is covered via a Water Management Charge (separate from the FY 2026-27 Budget); does not include Strategy Implementation (which has yet to be envisioned)	BAWSCA initiated its first regional long-term planning effort in 2009, which was completed in 2015. BAWSCA initiated an update to the Strategy with a planning horizon through 2050, and therefore the work effort is termed Strategy 2050. A Scope of Work for Strategy 2050 was developed in FY 2023-24, and the development of Strategy 2050 began in FY 2024-25. Development of Strategy 2050 will be completed by December 2026. The total cost of Strategy 2050 development is \$2.447M (covering the development work performed beginning in FY 2023-24 and extending through December 2026. A Water Management Charge has been assessed on the BAWSCA Agencies to collect the funds necessary to cover these costs. The Water Management Charge is not included in BAWSCA's budget. Costs for implementing Strategy 2050 will not be known until the completion of Strategy 2050.
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,	\$122K	\$161K	\$150K thru 2028; additional costs associated with specific projects would be determined based on the implementation progress of the	The Alternative Water Supply Plan is intended by the SFPUC to be a decision-support framework document that outlines guiding principles, Level of Service (LOS) goals, priorities, risks and tradeoffs to help the Commissioners determine how projects should continue to progress into the proposed design and CEQA phase and beyond. The final plan was provided to the SFPUC Commission and made public in March 2024. The SFPUC has entered into the planning and proposed design stage for a select projects, in particular two

Project Name	Cost Updates			Discussion
	FY 2024-25 (Budget as Adopted)	FY 2025-26 (Proposed Budget)	FY 2026-27 & Beyond	
including the multiple projects necessary to address Bay Delta Plan impacts ¹			SFPUC's AWS Plan.	<p>potable re-use projects located within the BAWSCA service area.</p> <p>BAWSCA will be engaged with the SFPUC in FY 2025-26 as the Plan continues its' early implementation phase. From a cost perspective, much of the work will involve BAWSCA staff with support from consultants. Specifically, that consultant support will include the evaluation of water supply benefits of respective projects as well as the initial development of an approach by the SFPUC to provide financial assistance to member agencies for their development of local (agency-specific) water supply projects. Work in FY 2026-27 and beyond is predicated on the continued advancement by the SFPUC of their AWS Plan.</p> <p>Included in BAWSCA's work effort is active engagement and review and comment on the Plan Annual Reports prepared by the SFPUC.</p>
Complete a Regional Water Demand and Conservation Projections Study (refresh began in FY 2024-25)	\$562K	\$296.5K ¹	\$0K expended in FY 2026-27 fiscal year; demand projections completed once every five-year period, hence in future years this	<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 began the preparation of the 2025 demand study in July 2024 and anticipates the study to be completed in December 2025. BAWSCA will embark on</p>

¹ Consultant work in FY 2024-25 is anticipated to be delayed, such that \$40k in consultant effort budgeted for FY 2024-25 has been allocated into the proposed budget for FY 2025-26

Project Name	Cost Updates			Discussion
	FY 2024-25 (Budget as Adopted)	FY 2025-26 (Proposed Budget)	FY 2026-27 & Beyond	
			cost will be in the range of \$800k to \$1M per cycle as the work will continue to require extensive consultant support.	an updated demand study in FY 2029-30. Updates are required every 5 years to align with the State's schedule for agencies to update their Urban Water Management Plans.

Table 5. Proposed FY 2025-26 Operating Budget by Major Expenditure Category

Cost Category	Approved FY 2024-25 Budget (\$)	Proposed FY 2025-26 Budget (\$)	Change from FY 2024-25 Budget (\$)
Consultants/ Direct Expenditures			
Reliability	2,102,550	1,563,088	(539,462)
Fair Pricing	337,500	324,887	(12,613)
Administration	165,000	346,000	181,000
<i>Subtotal Consultants</i>	2,605,050	2,233,975	(371,075)
Administration			
Employee Salaries & Benefits	2,368,143	2,609,282	241,139
Other Post-Emp. Benefits	80,000	85,000	5,000
Operational Expenses	520,750	554,300	33,550
<i>Subtotal Administration</i>	2,968,893	3,248,582	279,689
Total Operating Expenses	5,573,943	5,482,557	(91,386)
Capital Expenses	5,000	5,000	0
Budgeted Contingency	32,500	57,500	25,000
Regional Financing Authority	2,025	1,625	(400)
Bay Area Water Users Assn.	1,050	1,050	0
Grand Total Operating Budget	5,614,518	5,547,732	(66,786)

Table 6. Analysis of Funding Options for Proposed FY 2025-26 Operating Budget

	FY 2024-25	FY 2025-26				
Fund Source	Adopted Funding Plan as of 05/16/2024	Option 1 0% Assessment Increase	Option 2a 2.3% Assessment Increase	Option 2b 2.3% Assessment Increase	Option 3a 5.2% Assessment Increase	Option 3b 5.2% Assessment Increase
Assessments	\$5,274,398	\$5,274,398	\$5,395,709	\$5,395,709	\$5,547,732	\$5,547,732
Transfer from/(to) General Reserve	\$340,120	\$273,334	\$152,023	\$152,023	\$0	\$0
Total Available Operating Budget/Funds	\$5,614,518	\$5,547,732	\$5,547,732	\$5,547,732	\$5,547,732	\$5,547,732
Potential End of FY24-25 Transfer to General Reserve		\$0	\$0	\$0	\$0	\$0
Additional Payment to CalPERS Pension Funded by Reserves ⁽¹⁾				(\$66,000)		(\$66,000)
Estimated Year-End Reserves ⁽²⁾	\$1,356,288	\$1,082,954	\$1,204,265	\$1,138,265	\$1,356,288	\$1,290,288
General Reserve to Budget Ratio ⁽³⁾	24%	20%	22%	21%	24%	23%
Assessment to Budget Ratio	94%	95%	97%	97%	100%	100%

Note:

(1) The additional payment of \$66,000 to CalPERS is targeting the unfunded pension liability to be paid off in 10 years, by 2035. As an alternative, if targeting the unfunded liability to be paid off in 15 years, by 2040, the additional payment amount is estimated to be lower at \$26,000, assuming CalPERS current actuarial assumptions remain unchanged, and CalPERS' experience exactly matches its actuarial assumptions in the future.

(2) For FY 2024-25, the General Reserve balance as of 3/31/2025 was \$1,356,288.

(3) Per BAWSCA's General Reserve Policy, the guideline for the balance in the General Reserve is 20%-35% of the annual operating budget.

APPENDICES

Appendices A through J present additional detail about the proposed FY 2025-26 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, both SFPUC's Alternative Water Supply Plan projects as well as BAWSCA agency local projects, using BAWSCA's new regional water supply reliability modeling tool; and b) support BAWSCA member agency efforts to meet the new State "Making Water Conservation a California 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. Legal counsel provides significant value to BAWSCA and its member agencies in the administration of the WSA given the long-history legal counsel has with BAWSCA and its predecessor agency, BAWUA. Legal counsel also provides historical context to San Francisco City Attorney, SFPUC staff, and Water Management Representatives. For example, legal counsel routinely provides critical historical legal, contractual, and other information related to BAWSCA, its member agencies, the Water Supply Agreement, and the Regional Water System. Table A-1 below provides a history of legal counsel's budget for the past 10 years.
4. Historically, Strategic Counsel has provided long-term continuity for BAWSCA and its work to the benefit of the water users. As BAWSCA seeks the services of a new Strategic counsel, it is anticipated that BAWSCA will endeavor to recreate that long-term relationship that will continue to provide the benefit of historical context and continuity. Strategic Counsel identifies and addresses 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. Financial advisory services are also anticipated to assist in the planning of a program by the SFPUC to provide funding assistance to BAWSCA Agencies for their development of local water supply projects.

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. The services provided by BAWSCA's accounting/auditing expert are critical to BAWSCA's work in successfully overseeing the WSA and the associated auditing role that BAWSCA plays to the financial benefit of the member agencies and their customers. BAWSCA strives to develop a long-term relationship with its accounting/auditing expert to ensure the best possible outcome for the member agencies and their customers given the complexity of the WSA and the nature of the auditing activity.

Legal, strategic, financial, and engineering consultants provide professional services critical to BAWSCA's work in achieving the agency's goals and 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.

Table A-1. Historical Legal Counsel Contract Amounts

Fiscal Year	Contract Amount	% of Total BAWSCA Operating Budget
2015-16	\$586,500	18%
2016-17	\$726,000	21%
2017-18	\$669,000	18%
2018-19	\$919,000	21%
2019-20	\$819,000	18%
2020-21	\$1,006,500	23%
2021-22	\$748,499	16%
2022-23	\$856,499	18%
2023-24	\$990,000	20%
2024-25	\$905,000 (as of March 13, 2025) ²	16% (as of March 13, 2025)
2025-2026	\$935,000 (proposed)	17% (proposed)

² The Hanson Bridgett Contract Amount listed for FY 2024-25 does not include the additional \$80,000 proposed as part of Amendment 2 to the Hanson Bridgett Contract, up for Board Consideration on May 15, 2025

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 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.
- FY 2023-24: The Board approved a 4.63 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 2024-25: The Board approved a 2.797 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 2025-26 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 2025-26 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 requires significant resources. Assuming a continued low level of activity in FY 2025-26, until evaluation of its available financing options are completed, the proposed RFA budget is \$1,625. 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 2025-26 Operating Budget. The RFA will formally consider and adopt this budget in January 2026.

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 for FY 2025-26 is estimated to be 1,733 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 2025-26.

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
FY 2019-20			
EarthCapades	\$79,720	\$2,960	
HET		\$1,600	
Large Landscape Audit	\$110,652	\$1,332	
Lawn Be Gone		\$880	
Lawn Be Gone Inspections	\$1,018		
Water Wise Ed. Kits	\$51,397	\$1,370	
Watersense Giveaways	\$4,382		
WaterSmart Reports	\$216,429		
Rain Barrel Rebate	\$900	\$200	
Water Loss Program	\$215,917		
Customer Meter Testing	\$4,570		
Smart Controller Rebate		\$1,200	
Total	\$686,185	\$8,342	\$0
FY 2020-21			

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
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	\$897,677.93	\$9,564	\$0
FY 2022-23			
EarthCapades	\$115,395	\$4,040	
Large Landscape Program	\$165,431	\$1,924	
Lawn Be Gone		\$1220	
Lawn Be Gone Inspections	\$3,422		
Water Wise Ed. Kits	\$79,327	\$1,810	
Watersense Giveaways	\$5,954		
WaterSmart Reports	\$356,505		
Rain Barrel Rebates	\$1,580	\$425	
Water Loss Program	\$167,525		
Customer Meter Testing	\$8,893		
Smart Controller Rebate		\$1,650	
DSS Support Services	\$0		
Irrigation Hardware Rebate		\$90	
Total	\$904,032	\$11,159	\$0
FY 2023-24			
EarthCapades	\$103,265	\$3,500	

Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
Large Landscape Program	\$227,268	\$1,924	
Lawn Be Gone		\$2,240	
Lawn Be Gone Inspections	\$2,737		
Water Wise Ed. Kits	\$50,160	\$1,115	
Watersense Giveaways	\$11,219		
WaterSmart Reports	\$363,883		
Rain Barrel Rebates	\$1,420	\$770	
Water Loss Program	\$303,295		
Customer Meter Testing	\$29,030		
Smart Controller Rebate		\$1,650	
DSS Support Services	\$0		
Irrigation Hardware Rebate		\$60	
Total	\$1,092,277	\$11,259	\$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 (calculated as Operating Cost divided by total residential population) and per household (assuming three persons per household) for BAWSCA's Operating Budget. Table G-1 also provides the estimate annual cost per customer account (calculated as Operating Cost divided by total number of all customer accounts for all member agencies) 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	Est. Annual Cost Per Customer Account
2014-15	\$1.70	\$5.11	\$6.87
2015-16	\$1.84	\$5.51	\$7.38
2016-17	\$1.96	\$5.88	\$7.85
2017-18	\$2.08	\$6.24	\$8.57
2018-19	\$2.34	\$7.02	\$9.66
2019-20	\$2.50	\$7.51	\$10.44
2020-21	\$2.20	\$6.59	\$9.19
2021-22	\$2.58	\$7.75	\$10.91
2022-23	\$2.56	\$7.68	\$10.75
2023-24	\$2.93	\$8.79	\$12.40
2024-25	\$3.00	\$9.00	\$12.76
2025-26	\$2.96 (proposed)	\$8.89 (proposed)	\$12.56 (proposed)

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 20 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 resulting from any specific year's settlement. For example, the revised 525 Golden Gate operating and capital cost allocation methodology as a result of the 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

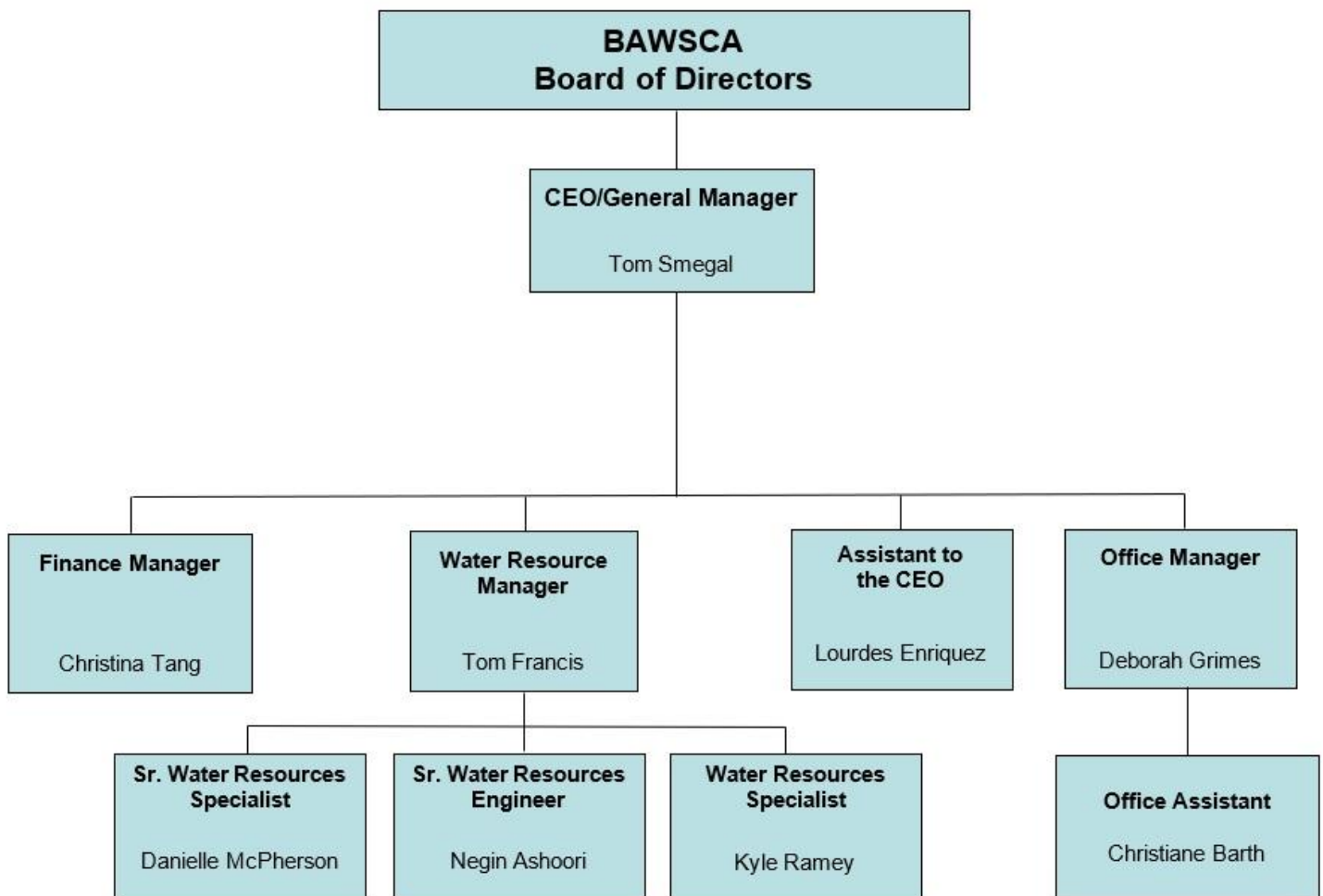
Fiscal Year	Savings to Wholesale Customers
2001-02	\$698,095
2002-03	\$1,568,857
2003-04	\$476,825
2004-05	\$5,726,908
2005-06	\$1,229,604
2006-07	\$718,267
2007-08	\$1,917,328
2008-09	\$461,670
2009-10	\$1,635,005
2010-11	\$893,914
2011-12	\$5,352,720
2012-13	\$739,965
2013-14	\$102,952
2014-15	\$11,903,057
2015-16	\$7,079,780
2016-17	\$3,987,471
2017-18	\$2,323,997

2018-19	\$95,127
2019-20	\$292,902
2020-21	\$5,701
Total	\$47,210,145

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 included in the development of the FY 2025-26 Work Plan. 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 (FY 2025-26)

BAWSCA Goal and Associated Challenges		FY 2025-26 (Near-Term)	2026-2040 (Mid-Term)	2040-2065 (Long-Term)
Reliable Supply: Ensure Long-Term Water Supply Reliability				
1	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 its associated impacts including sea level rise, and regulatory challenges, as presented in the Long Term Vulnerability Analysis and other technical studies.	X	X	X
2	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
3	Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.	X	X	X
4	Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	X	X	X
5	Support member agencies in their efforts to ensure system reliability during an emergency.	X	X	X
6	Representation of member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.	X	X	
7	Representation of member agencies in Bay Delta Plan Update to protect RWS water supply reliability.	X	X	
8	Assist member agencies in complying with the State's expanding regulatory requirements related to water use efficiency and reliability.	X	X	X
9	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	
10	Ratification and implementation of the new Tier 2 Drought Allocation Plan.	X		
Reliable Supply: Ensure Regional Water System Facility Reliability				
11	Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
12	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
13	Promote emergency resiliency of the SF RWS to protect interests of water customers.	X	X	X
14	Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation, including through continuing state oversight (exp. 1/1/2036).	X	X	
15	Due to the SFPUC's potential competing demands for capital and possible future limitations on financing, work to extend the RFA's authority to issue revenue bonds (exp. 1/2030) and explore uses of the RFA to finance projects key to regional water system reliability.		X	X
High Quality Supply & Fair Price: Enforce Water Supply Agreement (WSA)				
16	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
17	Protection of member agencies' water supply reliability interests against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	X	X	X
18	Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	X	X	X
19	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
20	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				
21	BAWSCA CalPERS pension & OPEB liability management	X	X	X
22	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 goal – ensuring 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
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	To fund budget	\$0	\$1,115,848	26%	8	RHH litigation, Bay-Delta Plan, FERC to participate in LVE Project and to fund Demand Study
								\$177,500 \$150,000 \$50,000	Los Vaqueros Demand Study To fund budget					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	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
								\$142,500	To fund budget					HB Amendment - Board approved 3/2021
2021-2022	\$3,871,118	5%	\$4,783,794	14.91%	\$4,400,215	91.98%	\$275,000	\$281,676	To fund budget	\$124,744	\$758,794	16%	9	To fund Demand Study
							\$71,750		To fund water conservation digital billboards					Board approved 3/17/2022
2022-2023	\$4,838,897	25%	\$4,720,885	-1.32%	\$4,297,922	91.04%	\$75,000	-\$193,012	May 2022 Board approved transfer of \$193,012 GR due to 25% increase in FY 22-23 assessments	\$665,592	\$1,046,550	22%	9	May 2022 Board approved transfer of \$193,012 to GR due to 25% assessment increase.
									Consultant assistance scoping update 2045 strategy					Board approved 1/19/23
								\$30,000	Consultant assistance scoping update 2045 strategy					Board approved 5/18/23
2023-2024	\$4,838,897	0%	\$4,983,419	5.56%	\$4,568,178	91.67%			Hanson Bridgett - \$112,000- Board approved January 2024.	\$237,018	\$1,459,390	29%	9	HB 1st Amendment - Board approved 1/18/24. HB 2nd Amendment - Board approved 5/16/24.
								\$252,752	\$84,000 Hanson Bridgett - Board approved May 2024.					
2024-2025	\$5,274,398	9%	\$5,614,518	12.66%				\$340,120	May 2024 Board approved transfer of \$340,120 GR due to 9% increase in FY 24-25 assessments				9	

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 2025-26

Summary:

Outside professional services are used for legal, engineering, financial, and water conservation support of BAWSCA's work plan and results to be achieved annually. In accordance with adopted agency policy, Board authorization is required for negotiation and execution of professional services contracts in the amount of \$25,000 and above. To ensure work begins promptly or continues without interruption, thirteen (13) professional services contracts must be entered into under the Board's authority.

This memorandum presents the overall objectives and scopes for each of the thirteen contracts. Individual memoranda present the purpose, qualifications and scopes associated with each agreement.

Following the Board's consideration and adoption of the FY 2025-26 budget, the Board will consider authorizing the CEO / General Manager to negotiate and execute each of the professional services contracts. Other consulting services that may be needed to complete the FY 2025-26 Work Plan will be brought to the Board for authorization during the year as necessary.

Fiscal Impact:

The seven (7) professional services contracts that need to be in place on July 1, 2025, and which are funded by the Proposed FY 2025-26 Operating Budget, have a combined budget of \$1,363,500.

The six (6) professional services contracts that need to be in place on or before July 1, 2025 for subscription conservation programs have no operating budget implications as participating agencies pay the costs of the professional services.

There are two multi-year professional service contracts that BAWSCA entered into in FY 2024-25 under the Board's authorization. One contract is with Hazen & Sawyer to develop BAWSCA's regional water demand and conservation projections (2025 Demand Study) and the other is with EKI Environment & Water, Inc. for the development of BAWSCA's Long Term Reliable Water Supply Strategy 2050 (Strategy 2050). Both contracts allow for increases in consultant rates that are limited to the most recent Consumer Price Index for all urban consumers (CPI-U) for the San Francisco/Oakland/Hayward, CA area available, or up to a maximum of 5 percent escalation, whichever is lower.

Recommendation:

That the Board approve the thirteen contracts, subject to legal counsel review, for legal, engineering, financial, and water conservation services needing to be in place by July 1, 2025.

Discussion:

Legal, 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 2021 Amended and Restated Water Supply Agreement (WSA), including execution of a WSA amendment, 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, Healthy Rivers and Landscapes Program, and State Water Board Cases Update, and the Federal Energy Regulatory Commission (FERC) Licensing Update; 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 legislation related to water use efficiency and water rights; 7) development of BAWSCA's Strategy 2050; and 8) finalizing the new Tier 2 drought implementation plan.

A general description of the services provided by each professional services contracts proposed for FY 2025-26 is presented in Tables 1 and 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 2025-26. BAWSCA's standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the seven (7) professional services contracts funded by the Proposed FY 2025-26 Operating Budget that need to be in place by July 1, 2025. The combined budget for these professional services is \$1,363,500. The corresponding consultant budgets adopted by the Board for FY 2024-25 are also shown in the table.

Table 2 summarizes the six (6) professional services contracts that need to be in place by July 1, 2025 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

Consultants (Services Provided)	Adopted FY 2024-25	Proposed FY 2025-26
1. E Source (Water Loss Management Program)**	\$35,000	\$40,000
2. Hanson Bridgett (Legal Counsel)*	\$905,000	\$935,000
3. Hazen & Sawyer (Engineering/Water Mgmt.)**	\$108,000	\$120,000
4. IGService (Auditing/Accounting Services)	\$30,000	\$30,000
5. KNN Public Finance (Financial Advisor)	\$63,500	\$63,500
6. Richard Sykes (WSIP, 10-Year CIP)	\$115,000	\$115,000
7. Stetson Engineering (Water Analyses, WSA)	\$60,000	\$60,000
Total	\$1,316,500	\$1,363,500

**FY 2024-25 contract amount as amended to date (not including the potential Board action of 5/15/2025)*

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

Table 2
List of Annual Professional Services Contracts Necessary to Implement
BAWSCA Subscription Conservation Programs

Vendors (Conservation Program/Assistance Provided)
8. AM Conservation Group (School Education Program)
9. EarthCapades (School Assembly Program)
10. Global Sun Landscape (Lawn Be Gone Inspection Services)
11. M&M Backflow and Meter Maintenance (Customer Meter Testing Program)
12. VertexOne (Home Water Use Reports Program)
13. Waterfluence (Large Landscape Program)

Financial Services Funded by the Operating Budget:

IG Service and KNN Public Finance (KNN) offer accounting, financial, and investment services. Specifically, IG Service supports BAWSCA's administration of the WSA. Their expertise in cost allocation analysis and experience with public agencies is vital to the proper conduct and interpretation of the annual contract compliance audit performed by San Francisco's auditors.

KNN is BAWSCA's financial advisor and provides services on an as-needed basis. Their expertise protects the Wholesale Customers by ensuring that San Francisco adheres to the many financial provisions in the Water Supply Agreement. Additionally, KNN has been, and will continue, providing necessary support in the 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 in this coming fiscal year.

Technical Services Funded by the Operating Budget:

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

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, which is a 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 2025-26.

Richard Sykes supports BAWSCA's oversight of SFPUC's management of the Water System Improvement Program (WSIP) and 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 (CIP) that are large in size and scale (\$1.5B) with a scope appropriate to BAWSCA's focus with the SFPUC.

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.

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 and asset management program, SFPUC's Alternative Water Supply Plan, addressing new statewide conservation requirements, administration of the Water Supply Agreement (WSA), and overall agency administration.

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 2025-26**

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 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 BAWSCA's "Making Conservation a Way of Life" Strategic Plan to support the BAWSCA agencies in complying with water loss regulatory requirements.

The WLM Program contains two components:

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

Fiscal Impact:

The 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 outside service provider as well as allocated BAWSCA staff time.

The proposed FY 2025-26 budget includes a \$40,000 budget allocation for the LEAK Work Group for FY 2025-26 as a core conservation program and billing rates are the same as the current year's.

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 review, for a not-to-exceed amount of \$40,000 for implementation of the Water Loss Management Program in FY 2025-26; 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 member agencies with 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 2024-25, twenty-one BAWSCA agencies participated in the TAP. These agencies have expressed a strong desire to continue the TAP in FY 2025-26.

The LEAK Work Group portion of the WLM Program is implemented as a Core Program, recommended to be funded by BAWSCA for FY 2025-26 to the benefit of all BAWSCA agencies as part of BAWSCA's "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 member agencies. Since FY 2019-20, nearly all BAWSCA agencies have participated in the LEAK Work Group.

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

The FY 2025-26 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 2025-26 SCOPE OF SERVICES

Work to Be Performed:

Task A and Tasks 1 through 5 are offered to each participating agency to support member agency 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.

Goal:	Understand System Average Pressure	Investigate Pressure Transients	Identify Potential District Metered Areas
Approach:	<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 ○ Analyze and visualize pressure data 	<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 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.

2.f Eye on Water Detailed Flow Analysis

As part of the BAWSCA Water Loss Management Program, E Source will provide access to an online portal in which BAWSCA member agencies can upload Eye on Water 15-min AMI import flow data. Access to this portal and basic group training sessions will be provided for each agency that wishes to use this service.

Additional, in-depth analysis can be provided by E Source on an ad-hoc basis through development of a tailored scope of work. Level of support and associated costs will be determined through discussions with the Participating Agency.

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 as 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, agencies should work with E Source to determine small and/or large meter testing plan that works to meet their goals. There are a series of sub tasks that can be worked through to develop a custom plan for each agency:

4.a-1: Small Meter Test Strategy & Sample

- Facilitate discussions to understand agency goals for customer meter testing
- Develop test strategy based on agency goals

4.a-2: Small Meter Test Sample

- Develop meter sample based on pre-defined test strategy (if test strategy has not been defined, consider signing up for Small Meter Test Strategy & Sample)

4.a-3: Small Meter Test Data Analysis

- Analyze small customer meter test data
- Note: Agency must complete small customer meter testing to execute this task. Separate agreement for subconsultant meter testing options and costs if necessary.

4.a-4: Large Meter Test Design

- Develop large meter test design including testing schedule
- Test design employs least cost of ownership model to prioritize large meters for testing

4.a-5: Large Meter Test Data Analysis

- Analyze large customer meter test data

Note: Agency must complete large customer meter testing to execute this task. See separate agreement for subconsultant meter testing options and costs if necessary.

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 as 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:

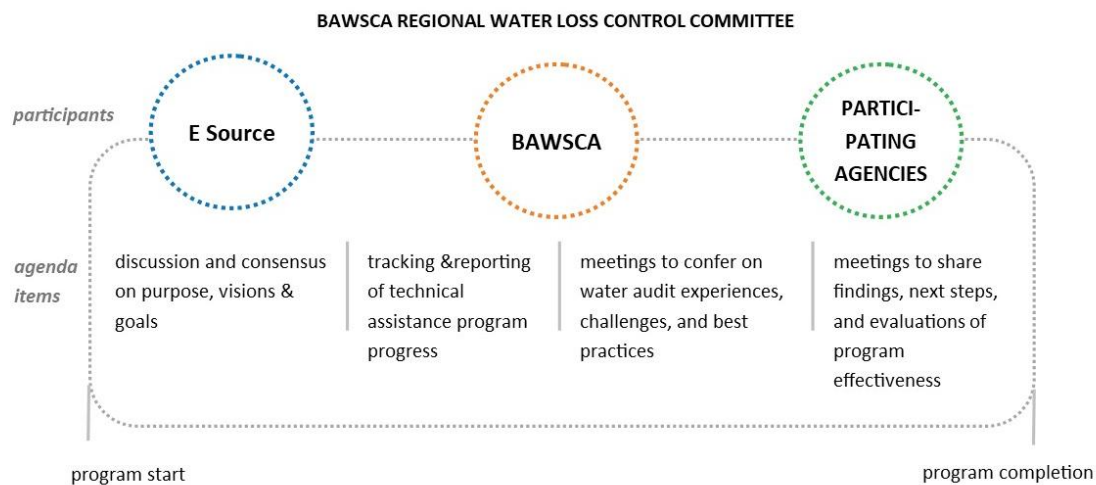
- Review the agency's calculated custom inputs and/or supporting documentation.
- Conduct advisory calls with the agency to provide guidance on custom input derivation and methodology.

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 SFPUC Water Meter Maintenance and Testing Procedures – Review and Response Support

E Source will provide as needed support to BAWSCA staff in reviewing and responding to matters associated with SFPUC's newly implemented wholesale water meter maintenance

testing procedures. Support will be provided as directed by BAWSCA WLMP staff on an hourly basis to be approved at the time of requesting the support.

Rates and Charges:

The following are the FY 2025-26 program rate schedule and billing rates for this contract amendment:

Rate Schedule

Program Item	Subtask Selection	Unit Cost x Quantity	Total Cost
A. Validation	<input type="checkbox"/> Level 1 Validation	\$2,700	
1. Program Management	<input type="checkbox"/> 1.a Ongoing Administration	\$446 x _____ # of subtasks selected from 2.a-f, 3.a-b, 4.a-d, 5	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$892 required if any subtasks beyond validation are selected	
2. Water Audits & Data Sources	<input type="checkbox"/> 2.a Water Audit Compilation & Reporting	\$7,817	
	<input type="checkbox"/> 2.b Billing Data Analysis	\$5,118	
	<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	\$14,755	
	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	Determined upon discussion with E Source (rates in Table 1 below)	
	<input type="checkbox"/> 2.f Eye on Water Detailed Flow Analysis	Determined upon discussion with E Source (rates in Table 1 below)	
3. Leakage Analysis & Recovery	<input type="checkbox"/> 3.a Real Losses Component Analysis	\$25,552	
	<input type="checkbox"/> 3.b Leak Detection – Preparation, Kick Off & Reporting	\$5,504 (required if conducting leak detection)	
	<input type="checkbox"/> 3.c Leak Detection – Survey	Price based on tiered rate (see Table 2)	
4. Apparent Loss Analysis & Reporting	<input type="checkbox"/> 4.a-1 Small Meter Test Strategy & Sample	\$7,687	
	<input type="checkbox"/> 4.a-2 Small Meter Test Sample	\$3,301	
	<input type="checkbox"/> 4.a-3 Small Meter Test Data Analysis	\$7,893	
	<input type="checkbox"/> 4.a-4 Large Meter Test Design	\$3,862	

	<input type="checkbox"/> 4.a-5 Large Meter Test Data Analysis	<i>\$6,122 Typical cost; discuss pricing with E Source</i>	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing via Subcontractor	<i>See Separate Agreement</i>	
5. Targeted SWRCB Assistance	<input type="checkbox"/> Targeted SWRCB Water Loss Standard Assistance	<i>Determined upon discussion with E Source</i>	
6. BAWSCA Administration Fee			\$150
7. Maximum Program Cost		Total Items 1-6	\$

Billing Rates

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

Role	Rate (hourly)
Project Advisor	\$ 286
Project Director	\$ 232
Project Manager	\$ 198
Analyst	\$ 154

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

Mileage Surveyed	\$/mile
Mile 1 through Mile 50	\$441
Mile 51 through Mile 100	\$386
Miles 101 +	\$331

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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 2025-26 (Legal Counsel)**

Summary:

The annual contract for legal services should be executed by July 1, 2025. 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, 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 2025-26. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount for legal services is \$935,000 and is contained in the proposed FY 2025-26 Operating Budget.

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 \$935,000 to provide as needed legal counsel services.

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 administration of the WSA, implementing the newly adopted Tier 2 drought allocation plan, assisting in efforts to get the system rebuilt in a way that satisfies water customer needs, protecting the water supply in 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 pressured 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. The firm'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 2025-26. The proposed hourly rates for FY 2025-26 represent an approximate 3% to 5% increase compared to current FY 2024-25 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 2025-26 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 2025-26.

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 including engagement with BAWSCA's human resources consultant;
- 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 in FY 2025-26 as a funding mechanism.

Assistance Achieving FY 2025-26 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 but not limited to the implementation of the newly updated and adopted Tier 2 drought allocation plan among the BAWSCA agencies in the event of a water shortage emergency declaration by the SFPUC
- 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 development and implementation of any Healthy Rivers and Landscape Agreement proposed for the Tuolumne River and approved by the State of California Water Resources Control Board
- 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
- Legal support as needed to assist BAWSCA in the continued development of a new Water Supply Demand and Conservation Program Study (2025 Demand Study), to be completed in FY 2025-2026
- Legal support as needed to support BAWSCA in their efforts to assist BAWSCA Agencies in their development of updated Urban Water Management Plans and associated Water Supply Contingency Plans
- 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 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: \$935,000

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

Long-Term Water Supply Reliability	\$103,000
Water Conservation	\$69,000
WSA Administration - Fair Pricing	\$97,000
WSA Administration - Supply Reliability	\$468,000
BAWSCA (General legal)	\$196,000
<u>RFA & BAWUA (General legal)</u>	<u>\$2,000</u>
Total	\$935,000

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 \$935,000. If unanticipated activities require significant legal support, recommended changes would be brought to the Board of Directors.

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Exhibit B

**Hanson Bridgett LLP
Rate and Charges**

FY 2025-26

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 2025-26 represent an approximate 3% to 5% increase compared to FY 2024-25 rates. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$935,000.

FY 2025-26 RATES

Partner	\$500/hour
Senior Counsel	\$450/hour
Associates	\$430/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 Hazen and Sawyer
(Engineering/Water Management) for FY 2025-26**

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 2025-26.

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 for a not-to-exceed amount of \$120,000 for water supply scenario evaluation using the Model is included in the proposed FY 2025-26 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.

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 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 2025-26, 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 2050 efforts, support of annual Water Supply and Demand Assessments, and continued training of BAWSCA staff members on use of the model.

BAWSCA expects to continue to seek the annual support of Hazen & Sawyer for BAWSCA's work efforts that involve the use of the Model. 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 2025-26.

Exhibit B shows the draft scope of work and billing rates for work proposed under a subscription program with member agencies in FY 2025-26.

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 2025-2026 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 2024-25. BAWSCA wishes to continue modeling and water supply planning support services under a new agreement through FY 2025-26. 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 State Regulatory Reporting Updates

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) and Urban Water Use Objectives (UWUO) for interested member agencies.

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:

Technical Advisor (Andrea Zimmer)	\$255.00/hr.
Project Manager (Luke Wang)	\$260.00/hr.
QA/QC Lead (Devon Becker)	\$235.00/hr.
Modeling Lead (Diane Roher)	\$170.00/hr.
Assistant Engineer II (Nadia Maher)	\$172.00/hr.
Assistant Engineer II (Stephanie Lin)	\$165.00/hr.
GIS Analyst (Claire Waller)	\$165.00/hr.
Engineer / Model Support (Kiersten Castillo)	\$204.00/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 2025-2026 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 2025-26, 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, 2025 through June 30, 2026.

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 2025 – June 2026 Rate Schedule for BAWSCA Member Agency Subscription Program Services

Classification	Applicable Staff	Hourly Rate*
Project Director, QA/QC	Greg Gates, Rion Merlo, Grantley Pyke	\$275-345
Senior Associate / Project Manager	Luke Wang, Sarah Dominick, Kirsten Plonka, Jack Keifer	\$231-325
Associate / Senior Modeler	Andrea Zimmer, Kinsey Hoffman, Devon Becker, Lisa Krentz	\$195-\$275
Project Engineer, Modeler	Kiersten Castillo, Diane Roher, Nadia Maher, Stephanie Lin	\$165-205
Engineer-in-Training	Haiden Jones, Jenny Callan, Claire Waller	\$160-180

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 2025-26 to provide cost allocation review services in connection with BAWSCA's annual review of the Wholesale Revenue Requirement (WRR). The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount of \$40,000 is included in the Proposed FY 2025-26 Operating Budget. The proposed budget is \$10,000 more than the adopted budget for FY 2024-25 due to SFPUC's Compliance Auditor's delay in completing its audit on SFPUC's calculations of the Wholesale Revenue Requirement (WRR) for FY 2023-24. Therefore, BAWSCA is planning to perform its annual WRR review for both FY 2023-24 and FY 2024-25 during FY 2025-26. There will be no increase in billing rates for FY 2025-26.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and IGService, subject to legal counsel review, for a not-to-exceed amount of \$40,000 to provide cost allocation review services.

Discussion:

In January 2023, IGService was selected by BAWSCA through a Request for Proposals process to provide an on-going cost allocation review service in connection with BAWSCA's annual review of the WRR.

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

The draft scope of service and billing rates with IGService for FY 2025-26 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 2025-26 SCOPE OF WORK

Purpose:

For FY 2025-26, 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: \$40,000

Rates & Charges:

Partner \$220/hr.

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 2025-26 to provide on-going financial advisory services. 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 2025-26 Operating Budget. The proposed budget is the same as the adopted budget for FY 2024-25 with a 3% increase in billing rates. The KNN billing rates have 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 KNN, subject to legal counsel's final review, for a not-to-exceed amount of \$63,500 to provide BAWSCA with on-going financial advisory services.

Discussion:

KNN has been BAWSCA's financial advisor since FY 2002-03. KNN assists BAWSCA in reviewing the debt service and capital spending calculations and other components of the Wholesale Revenue Requirement (WRR). In addition, KNN provides analyses that assist BAWSCA's review and interpretation of SFPUC reports and other financial information.

For FY 2025-26, KNN will assist in reviewing the WRR calculations for FY 2023-24 and FY 2024-25, 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 2025-26 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 2025-26 SCOPE OF SERVICES FOR ON-GOING FINANCIAL ADVISORY SERVICES

Purpose

For FY 2025-26, BAWSCA requires on-going professional financial analysis and advice in conjunction with the Wholesale Revenue Requirement (WRR), rate and financial implications, bond administration and ongoing implementation of the Water Supply Agreement (WSA).

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 WRR or WSA, 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	\$375/hr.
Director	\$360/hr.
Vice President	\$335/hr.
Asst. Vice President/ Sr. Analyst/ Sr. Assoc.	\$290/hr.
Associate	\$245/hr.
Analyst	\$220/hr.

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 2025-26. 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 \$115,000 is included in the Proposed FY 2025-26 Operating Budget for these services. The proposed budget is the same not-to-exceed amount set in the adopted budget for FY 2024-25.

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 review, for a not-to-exceed amount of \$115,000 to provide as needed professional services to monitor the SFPUC's implementation of the WSIP and 10-Year CIP.

Discussion:

In FY 2025-26, 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 (ACRP). 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 was extended to June 30, 2032 by the SFPUC's action on April 9, 2024. The time to complete the construction of the RGSRP no longer dictates the WSIP completion date. Instead, significant delays encountered with the ACRP's implementation will delay the WSIP completion. 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. SFPUC prepares a 10-year CIP bi-annually. The full cycle update of SFPUC's 10-year CIP began in the Spring of 2025 and will continue through February 2026. Mr. Sykes and his team will support BAWSCA staff in the review of project specific plans as may be provided for critical WSIP or CIP Projects. They will also assist by advising BAWSCA during further evaluation of SFPUC's asset management efforts.

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 2025-26 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 2025-26 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 2025-26, work will include assisting BAWSCA staff in the review of the update of the SFPUC's 10-Year CIP. The 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 review of implementation of SFPUC's Asset Management Policy, including reviews of reports/documentation relative to SFPUC's Asset Management Plan(s).
- Assist BAWSCA with the review of the SFPUC's Annual Report on Water Enterprise Managed Capital Improvement Projects
- Participate in discussions with SFPUC and consultants and provide expert advice related to realistic project cost estimates, schedules and construction management.

Work with BAWSCA staff to review and comment on related reports prepared by SFPUC and others including Annual AB1823 Reports to State, AB 1823 Program Change Reports, Reports from the California Seismic Safety Commission and Department of Health.

Not to Exceed Contract Limit: \$115,000

Rates and Charges:

Richard G. Sykes	\$231.50/hr.
Jean Gardner	\$171.50/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 2025-26 to assist with administration of the 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 2025-26 Operating Budget. The proposed budget is the same as the adopted budget for FY 2024-25 with a 5% increase in billing rates. The Stetson billing rates have 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 review, for a not-to-exceed amount of \$60,000 to assist BAWSCA with administration of the 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 2025-26 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 2025-26 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	22,500
Max. Day	1,500
J-Tables	8,000
System/County-line Meters	20,000
Unexpected Activities	2,500
Sub-Total	\$60,000

Not-to-Exceed Contract Limit: \$60,000

Rates and Charges:

Principal	\$256/hr.
Associate I	\$133/hr.
Associate II	\$125/hr.
Senior Assistant	\$111/hr.
Assistant I	\$106/hr.
Assistant II	\$101/hr.
Administrative I	\$77/hr.

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 2025-26**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with AM Conservation Group to implement the Water Wise School Education Program for FY 2025-26. 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 2025-26, 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 review, for implementation of the Water Wise School Education Program in FY 2025-26; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2025-26 will be the nineteenth year that the Water Wise School Education Program is offered to BAWSCA member agencies. Eight agencies are currently participating in the program. A majority of these agencies have expressed interest in participating in this program again next year. This program is part of the comprehensive package of conservation programs that BAWSCA agencies have asked BAWSCA to support agencies in meeting the conservation targets identified in the Regional Demand and Conservation Projections Report.

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

Since its inception, the Water Wise School Education Program has been a cost-effective program that generates real water savings while providing an excellent customer education opportunity. Through FY 2023-24, 44,339 students have participated in the program, and the estimated lifetime water savings from kits installed has reached 6,484 acre-feet.

Because of its connection with school children, this program would be initiated in September 2025 and run through June 2026. 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 2025-26 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 2025-26 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 2025-26
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, 2025, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2025, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2025. In addition, based on the results of the surveys returned to Contractor by March 10, 2025, 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 2025 – July 2026	Receive sponsor funding commitment
September 2025 – May 2026	Teacher Outreach / Enrollment Process
September 2025 – May 2026	Program and Kit Delivery
September 2025 – June 2026	Program Implementation
March 15, 2026	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2026	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 \$38.45, broken down as follows: \$18.95 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 2025-26
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, 2025, 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, 2025, CONTRACTOR will alert BAWSCA.

N. Providing a Preliminary Program Summary Report. No later than March 15, 2025, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2025. In addition, based on the results of the surveys returned to Contractor by March 10, 2025 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 2025 – July 2026	Receive sponsor funding commitment
September 2025 – May 2026	Teacher Outreach / Enrollment Process
September 2025 – May 2026	Program and Kit Delivery
September 2025 – June 2026	Program Implementation
March 15, 2026	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2026	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 \$36.00, broken down as follows: \$16.50 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 2025-26
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, 2025, 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, 2025, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2025, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2025. In addition, based on the results of the surveys returned to Contractor by March 10, 2025, 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 2025 – July 2026	Receive sponsor funding commitment
September 2025 – May 2026	Teacher Outreach / Enrollment Process
September 2025 – May 2026	Program and Kit Delivery

September 2025 – June 2026	Program Implementation
March 15, 2026	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2026	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 \$51.20, broken down as follows: \$31.70 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 2025-26**

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 2025-26. 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 2025-26, 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 review, for implementation of the School Assembly Program in FY 2025-26; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2025-26 will be the fourteenth 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. 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 2025 and run through June 2026. The scope of work for FY 2025-26 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 in-person for the 2025-26 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 and have expressed a desire to continue the School Assembly Program with EarthCapades in FY 2025-26. 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 2025-26 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 2025-26**

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 2025-26 school year, August 2025 through June 2026.

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, 2025, or sooner. If, during the course of FY 2025-26, 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, 2025.
- 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, 2025. EarthCapades will provide comments on drafts to Local Water Agencies by July 28, 2025.
- Local Water Agencies will mail a Letter of Invitation with a Email Request Form to all eligible schools by August 4, 2025. 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, 2025 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 2025, 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.

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- 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, 2025.
- 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

\$800 / 1 show

\$1200 / 2 shows (back-to-back)

Reporting

EarthCapades will provide BAWSCA with a Final Report by June 30, 2026 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 2025-26**

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 2025-26. 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 2025-26, 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 review, for implementation of the Lawn Be Gone! Site Inspection Program in FY 2025-26; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

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

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

Currently, six agencies are participating in the Program, and these agencies have expressed a strong desire to continue participating in the program next year. 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 2025-26 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 2025-26 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)	\$8

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with M&M Backflow and Meter Maintenance to Implement the Customer Water Meter Accuracy Testing Program for FY 2025-26**

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 2025-26. 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 2025-26, 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. Rates and charges are the same as the current year's.

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 review, for implementation of the Customer Water Meter Accuracy Testing Program in FY 2025-26; 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, five 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 2025-26 is shown in Exhibit A.

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 2025-26 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 \$250.00/meter for 5 or more meters
G. BAWSCA Administration Fee	\$128

- (a) Minimum of 5 meters must be tested in the same day to receive \$250/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
- (d) Per diem of \$150 is applied if consultant is required to stay in the Bay Area overnight in order to complete meter testing.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with VertexOne (formally WaterSmart) to Implement a Home Water Use Report Program for FY 2025-26**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a 1-year contract with VertexOne Software, LLC (VertexOne) to implement the Home Water Use Reports Program for FY 2025-26. As with all BAWSCA subscription programs, participation in this water conservation program is voluntary and participating agencies will pay the entire cost for the program. The opportunity to participate will be extended to all BAWSCA agencies.

Fiscal Impact:

This program is being offered on a subscription basis. For FY 2025-26, only those agencies that elect to participate in this program will pay the cost of the outside service provider.

Recommendation:

That the Board authorize the CEO/General Manager to:

- 1. Negotiate and execute a contract between BAWSCA and VertexOne, subject to legal counsel's final review, for implementation of the Home Water Use Reports Program in FY 2025-26; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

The Home Water Use Reports program has been offered to BAWSCA member agencies since September 2014. Currently six agencies are participating in the program; each of these agencies has expressed a strong desire to continue to participate in the program next year.

The contractor, VertexOne, develops and delivers water use reports to individual households. These reports use data analytics and behavioral science techniques to provide customized water consumption information, messaging, and water saving recommendations. The objective is to motivate customers to improve water use efficiency through changes in behavior or adoption of more water efficient technology by increasing customer awareness of household water usage when compared to peers. The reports are targeted towards single-family residential customers.

The Home Water Use Reports Program provides a cost-effective means of achieving water conservation savings and customer engagement. This program provides a valuable water conservation and outreach tool for participating agencies.

Scope of Work and Billing Rates:

The draft scope of work for FY 2025-26 is shown in Exhibit A.

EXHIBIT A

VertexOne Home Water Use Reports - FY 2025-26

DRAFT SCOPE OF WORK

SECTION 1: INTRODUCTION AND PROGRAM ELEMENTS

Introduction

Consultant is a provider of a customer engagement and analytics platform. Agency has contracted with Consultant to provide a customer engagement program for the Participating Agencies that submit a qualifying Participation Agreement with respect to the Customer Engagement and Conservation Program administered by the Agency.

The program is comprised of the following required elements, which are explained in more detail below and in Exhibit D:

- Program Initialization: Program setup and initialization, including data collection. This is required for new Participating Agencies only and is described in detail in Section 2 Program Initialization and Milestones
- Annual Software Subscription: Includes the products described in detail in this section below Utility Analytics Dashboard, Customer Portal, Alerts and Notifications, Group Messenger & List Builder, and Electronic Bill Presentment. Also includes Customer Service and Support described in detail in Section 5 Customer Service and Support

Most Participating Agencies also employ these optional elements:

- Standard Support
- Welcome Letter or Customer Letter
- Water Report Program summarized below and described in detail in Section 3 Water Report Program Design
- Single Sign-On or Click Through Registration with Participating Agency's online payments provider, or Electronic Bill Payment
- Paperless Billing
- Print Leak Alerts

Utility is responsible for providing VertexOne key program inputs including account information, regular feeds of meter data, and logos and contact information. Utility is also responsible for timely feedback and input on key program elements during initialization. Utility maintains responsibility as the primary contact for customer inquiries and technical assistance.

VertexOne will designate a customer success manager, and the Utility shall designate a single person as Program Manager for the program. All Utility decisions shall be channeled through the Utility Program Manager. In addition, Utility shall designate a Data contact who is responsible for providing the data indicated below.

Content and design of all materials are subject to change over time, as VertexOne incorporates new features.

This scope of work and agreement cover services rendered over term of the Agreement. The exact timing of program launch and duration of services may vary depending on Utility resource levels, data availability, and other unforeseeable events. VertexOne endeavors to adhere to the proposed schedule. Utility's responsiveness and prompt provisioning of necessary program inputs is also critical to schedule adherence.

A proposed schedule is provided in Exhibit B, Schedule of Performance.

Annual Software Subscription

Annual software subscription is a core component of the VertexOne program and includes the following features:

Utility Analytics Dashboard

The Utility Analytics Dashboard provides analytical insights regarding customer consumption (use by account type, high users, etc.), outbound and inbound communications (outgoing leak or other alerts, incoming emails, etc.), and use of the Customer Portal (visit frequency, device access, most visited pages, etc.) The Dashboard also identifies and notifies Utility staff about suspected leaks in both AMI and non-AMI environments, and allows Utility staff to monitor compliance requirements. The Dashboard delivers information on all customer classes whose data are provided to VertexOne and integrates external data sources like property records and maps. The Utility Analytics Dashboard is available to all Utility staff, each with their own unique login.

Customer Portal

The VertexOne Customer Self-Service Portal, available to customers through a mobile and web application interface, provides a single place for customers to see consumption, check and resolve leaks, view bills, sign up for paperless billing, and receive targeted messages about Utility promoted events and programs.

Alerts and Notifications

VertexOne provides alerts to customers to notify of potential high volume or continuous use, to notify a customer that they have reached a self-selected consumption threshold, or to inform customers before the end of the billing cycle that they are likely to have high water use on their upcoming bill. Threshold notifications and leak alerts are further enabled by AMI, though they are also available for non-AMI customers. Alerts can be sent through multiple channels -- email, SMS text message, or automated voice call. Leak alerts are currently targeted at single-family residential accounts and irrigation-only accounts. The leak resolution workflow helps customers identify the source of their leak, and resolve the leak on their own.

Group Messenger & List Builder

Group Messenger is a module within the Utility Analytics Dashboard that allows rapid delivery of targeted, timely, and topical messages to groups of customers. The integrated 'Lists' tool allows the Utility to create a custom list of accounts to analyze or communicate with. Group Messenger supports multiple communication channels, including email, SMS text, and automated voice.

Electronic Bill Presentment

VertexOne's Electronic Bill Presentment allows Utility customers to view their billing amount online. Utilities have the option to present the billing amount and, or display a PDF of the bill.

Standard Support

Standard support is an optional feature of the VertexOne Program for agencies choosing a higher level of support and is described in Section 5 below.

Welcome Letter or Customer Letter

Customer Welcome Letters are an optional feature of the VertexOne Program. If selected, utilities can send a Customer Letter to explain the program and its benefits to end-use customers. The Customer Letter is branded for the Utility including Utility logo, contact information and a signature line from an appropriate representative, and informs recipients about the program and what they can expect to receive. Customer Letters can be sent in the beginning of a program to introduce customers to the service or throughout the life of the program to remind customers of the service.

Water Reports

Water Reports are an optional feature of the VertexOne Program. Water Reports are personalized, informative, carefully designed reports that help Utility customers better understand their water use and the cost and effort it takes the Utility to deliver high quality and reliable water services. Water Reports can be sent via mail or email to any account type, and may be targeted to certain accounts, sent to randomly selected accounts as part of a randomized control trial, or sent to all of a Utility's customers. Every Water Report is customized by our proprietary content personalization to tailor messages and recommendations specifically to each end-user. Water Reports programs are set up, administered, and measured according to Section 3 Water Report Program Design.

Electronic Bill Payment

Electronic Bill Payment is an optional feature of the VertexOne Program. If selected, an Electronic Bill Payment option is offered by one of VertexOne's selected independent payment partners, which agrees to comply with all PCI-DSS requirements, in collaboration with VertexOne. This allows a customer to pay a bill on the partner's payment platform from within the VertexOne Customer Portal using payment partner's credit, debit, and e-check services. Customers can make a one-time payment, and set up recurring payments. Participating Agency is required to sign a separate agreement with payment partner to access this feature and acknowledges that payment partner provides all services, support, documentation and compliance related to these features, and is separately compensated per the terms of its separate agreement.

Single Sign-On or Click Through Registration with Participating Agency's online payments provider :

Instead of selecting VertexOne's Electronic Bill Payment product, the Participating Agency can optionally select to deploy Single Sign On or Click Through Registration. VertexOne can provide log-in to our customer Portal using third party credentials (i.e. billing provider or other government website registration information) through SSO (Single Sign-On) using the SAML 2.0 or OAUTH2 protocol. This provides for bi-directional, seamless registration to multiple portals using a single set of credentials. Alternatively, if selected VertexOne supports Click-Through Registration for uni-directional sign-on from a third party site to VertexOne using a URL redirect with key-based encrypted data. Single Sign-On and Click Through Registration require that the

Participating Agency's online payment provider is able to meet VertexOne's specification for these services.

Paperless Billing

Paperless Billing is an optional feature of the VertexOne Program. It is only available to utilities that opt to use the Electronic Bill Presentment feature (included in the Annual Software Subscription). Paperless Billing Services provide a method for the Participating Agency's account holders to enroll for electronic bill delivery from within the Customer Portal.

Print Leak Alerts

Print Leak Alerts are an optional feature of the VertexOne Program. Print Leak Alerts are generated and mailed for leak events if: the utility is configured to enable print leak alerts for the account's meter class, the account has an ongoing AMI leak, the account cannot be alerted by email, text, or phone, the account has not opted out of the VertexOne program, the account has not already received a Print Leak Alert for the same leak event, or the leak event has not been alerted or cancelled by staff. The alerts are sent to the printer on either a daily or weekly basis, depending on the utility's configuration. Customers who receive Print Leak Alerts will not receive another in the 30 days following a prior Print Leak Alert. Water utilities have the option of setting leak detection thresholds for generating alerts. The default leak rate and time threshold values are the same as the utility's standard leak alerting thresholds. Print Leak Alerts are currently only available to AMI Single Family Residential and Irrigation-Only customers.

SECTION 2: PROGRAM INITIALIZATION AND MILESTONES

The initialization phase of the program begins with Contract Signing (or Purchase Order Issue if a Purchase Order is necessary for invoicing) and will last for three months. VertexOne begins the (first) 12-month implementation term at the start of the fourth month after Contract Signing/PO Issue. If a utility has provided the data and input necessary to launch the program early, VertexOne accommodates the Utility by making the Customer Portal and Utility Analytics Dashboard available and (if selected) sending the first Customer Letters prior to the end of the 3-month initialization phase, though the invoicing schedule will not change.

Significant delay on the part of the Utility during launch may result in less than 12 months of access to the Customer Portal and Utility Analytics Dashboard and/or fewer than the planned number of communications to be sent during the 12 month period. If the Utility delays approval

of a renewal or extension agreement, VertexOne may, at its discretion (assuming the renewal agreement will be retroactive to begin at the previous contracts' end), maintain Customer Portal and Utility Analytics Dashboard access and functionality, in the interim, for up to 90 days at which time all access will be revoked until the renewal/extension has been signed.

To initialize the program, VertexOne works with Utility to set up the transfer of key data elements, discuss customized elements of the Customer Portal and Water Reports, finalize a Customer Letter, and train Utility employees on the VertexOne platform. Below are the key steps for the Program Initialization Phase.

Kickoff

VertexOne conducts a 60- to 90-minute introductory online meeting to orient Utility staff involved in the Program with the Customer Portal and Utility Analytics Dashboard Applications, Alerts, and Reports (if selected). VertexOne suggests Utility include a representative from each functional group that will be involved with the setup and use of the program, including: Conservation, Customer Service, Field Service, Finance, Marketing/Public Information Office, and Information Technology (IT) representatives.

Data Transfer and Utility Obligations

While VertexOne has developed processes to minimize the burden on Utility staff to launch the program, initiative and technical know-how on the part of Utility IT staff is necessary. All approvals and scheduling of Utility IT time for the project should be confirmed in advance to ensure a timely, high-quality, and well-supported launch. Delays on the part of the Utility may reduce the number of months the Utility and its customers are able to make use of the software platform.

VertexOne works with Utility to securely transfer a dataset on accounts, including but not limited to the following data:

Account Information:

- Account Number
- Account Type
- Account Sequence Number
- Property APN, where available
- Meter Size
- Customer Mobile Number, where available
- Service Address
- Billing Address
- Customer Name
- Customer Email, where available

Consumption History:

VertexOne requests, for at least the last two years but ideally for five to ten years in the past, such fields as, but not limited to:

- Account Number
- Account Sequence Number
- Meter I.D. (serial number)
- Current Meter Read Date
- Previous Meter Read Date
- Days in Billing Cycle
- Consumption
- Bill and water allocation details as mutually agreed

* Note this consumption history is for billed consumption, with up to twelve data points per account per year. VertexOne does not load historic interval data.

Current Consumption:

VertexOne also works with Utility to set up a regular transfer of meter reads from the Utility to VertexOne through a secure channel. This will be the same file format as the Consumption History file above. The frequency of meter data transfer determines how frequently Water Reports are shipped (see Table 1). VertexOne requests, for accounts with interval data:

- Account Number
- Timestamp
- Timezone
- Consumption
- Additional details as mutually agreed

Rebate Program Participation File

Optionally, Utility may provide data on rebate program participants, and those receiving citations or notifications. This file must meet VertexOne specifications and should include:

- Account Number
- Program Name
- Participation Date
- Additional details as mutually agreed

Should Utility implement new data management systems after the first initialization process, which require VertexOne to re-onboard new file structures or map historical identifiers (e.g. customers,

accounts, premises, service points), VertexOne assesses an additional one-time fee not to exceed \$10,000 upon receipt of first test files from the new system.

Configuration of Customer Portal and Water Reports

VertexOne's Customer Portal and Water Reports (if selected) contain several configurable fields. VertexOne works with the Utility to configure the Water Report and Customer Portal with Utility logo and contact information. VertexOne provides messages and recommendations for Utility to review and approve for display on a targeted basis. Utility has the opportunity to approve or exclude any recommendations shown in the Water Report and Customer Portal and messages shown in the Water Report. The Utility also has the opportunity at the start of the program to provide VertexOne with information on available rebates and incentives that should be flagged within relevant water saving recommendations.

Utility and VertexOne agree to complete this process in a timely manner. Utility should provide final approvals to VertexOne no more than ten (10) business days from when initial materials are provided to Utility.

For both Messaging and Recommendations, the review process is as follows:

- VertexOne sends default content to Utility.
- Utility Project manager sends back a single, consolidated list of approved messages.
- VertexOne's customer success manager can offer the Utility the opportunity to proof finalized content of Water Reports and the Customer Portal once they are configured.

In addition, Utility has the opportunity to provide one custom text Water Report message per Report cycle. Content is to be provided at least ten (10) business days prior to report generation.

Appendix A, Figure 1 shows the configurable content to be reviewed during initialization.

Finalization of Customer Letter

VertexOne sends a Customer Letter (if selected), on behalf of the Utility, to accounts that will receive access to the Customer Portal or Water Reports. Utility has the ability to personalize the signature and the introductory paragraph of content, within space constraints. The review process is similar to the process for Messaging and Recommendations described above. The format, design and content of the Customer Letter will be based on existing VertexOne documents. Content and design of all materials are subject to change over time, as VertexOne incorporates new features. VertexOne will send Customer Letters by email where a valid email address is available and by print otherwise.

Training

After all initial customer data has been received and program content is finalized, VertexOne will provide Utility staff with training and resources to understand the features and functionality of the Customer Portal and Utility Analytics Dashboard. On-site training may be conducted as multiple sessions on a single day.

A proposed schedule for the Program Initialization Phase is provided in Exhibit B: Schedule of Performance.

SECTION 3: WATER REPORT PROGRAM DESIGN

Experimental and Control Group

If selected, VertexOne uses a randomized control group design to ensure the water saved in single-family residential accounts as a result of the VertexOne program can be accurately measured and verified. While the Residential Recipients, as specified in the Participation Agreement, will receive Water Reports the Control Group will not. This program design allows VertexOne to compare the changes in water consumption and customer satisfaction of the Recipients versus the Control Group and provide the Utility with formal statistical results. While the group of Residential Recipients may expand after the first term of the project, only the first group of recipients will be used to measure results.

Water Reports

Recipients

The number of recipients (specified in the Participation Agreement) may vary slightly in any cycle of Water Reports based on the availability of valid meter data available for each account and the number of new or closed accounts in a given period. Water Reports will be sent digitally where valid email addresses are available, and by print otherwise.

Number and Scheduling of Cycles and Shipments per Report

Each recipient account is eligible to receive a Water Report (if selected) in each of the 4, 6 or 12 cycles of reports per term, as specified in the Program at a Glance. Some accounts may receive fewer Water Reports due to a missed or incorrect reads, or a closing or opening of a new account with the Utility.

Each cycle of reports can be sent in one or more shipments, with each shipment going to a subset of households. VertexOne will ship Water Reports based on the schedule that the Utility transfers meter read data to VertexOne. For utilities that provide account billed consumption data to VertexOne on a

rolling basis (with data for a subset of accounts transferred each day or each week), VertexOne will send out shipments for each cycle on a weekly basis. For utilities that provide billed consumption data to VertexOne once per billing period, VertexOne will send each cycle of Water Reports in a single shipment.

The schedule of these shipments is given below:

Table 1: Schedule of Water Reports Shipments

Utility Transfers Billing Data to VertexOne:	VertexOne Sends Shipments of each Report Cycle:
Daily	Weekly
Weekly	Weekly
Monthly	Monthly
Bi-Monthly	Bi-Monthly

The report delivery schedule is designed so that every customer account will be eligible to receive a report in each cycle. If the Utility wishes to stagger the initial set of reports over more than one cycle or in such a way that it does not correspond to the utility billed consumption data transfer schedule, these are special circumstances that must be identified in advance in the Participation Agreement and are subject to approval by VertexOne.

The delivery of the Customer Letter and the initial cycle of Water Reports will be scheduled in conjunction with the Utility. Email deliveries may be scheduled to arrive on, or avoid, a specific day of the week. Print deliveries are subject to postal schedules and cannot be guaranteed for specific dates. Utility-requested delays in sending materials may result in fewer reports per recipient than the maximum number specified in the contract.

Cohort Group

VertexOne creates cohort groups of similar residences in order to maximize the relevance of water use comparisons and potential water savings. Cohort groups may include the following variables:

- Number of occupants per home (based on user-generated information and real-estate based estimates)
- Irrigable area (e.g. small, medium, large, etc.) to be determined based on home size and lot size information contained in real estate data obtained by VertexOne, or optionally, provided by Utility if it already possesses such information
- Residence location (e.g. city, zip code, etc.) for utilities which span large areas

Post-Launch Survey

A post-launch Satisfaction Survey is available to those Utilities that have selected Water Reports. VertexOne sends a link to a post-launch survey to accounts with email addresses. The post-launch survey typically is conducted after at least eight months of engagement. VertexOne will provide a sample of the post-launch survey invitation, including one block of content, which the utility may personalize. Utility should provide consolidated comments and final approvals to VertexOne no more than ten (10) business days from when initial materials are provided to Utility. The results of the post-launch survey are used to gauge customer satisfaction and Water Report perceptions. VertexOne shares all results of the post-launch survey with Utility.

Measurement and Verification

VertexOne reports changes in consumption for the Recipient Group versus a randomized control group selected from Utility's entire population of residential households. After three Water Reports have been sent, VertexOne will prepare an efficiency study that details the change in water usage for the Recipient Group versus control group, and load those results into the Utility Analytics Dashboard. This evaluation is performed with a Fixed-Effects regression model using the consumption data for each household in the Recipient and control groups. The efficiency study report includes percentage savings, GPD (Gallons per Day) savings and Acre Foot savings at the program level for all months after the first Water Reports were sent. While VertexOne can continue to measure results after the first term (as long as a control group is maintained), Water Report recipients added to the program after the first term will not be included in the experimental group.

SECTION 5: CUSTOMER SERVICE AND SUPPORT

Customer Service

VertexOne does not communicate directly with the Utility's customers; end-user support is the responsibility of the Utility. VertexOne provides a number of tools to facilitate both end-user support as well as assist Utility staff looking to understand and maximize their VertexOne experience:

- 1) The **VertexOne Support Site**, which is accessible by all Utility staff, includes responses to Frequently Asked Questions as well as common troubleshooting topics and other customer support oriented content.
- 2) The **Customer Detail Page** helps customer service representatives respond to Customer inquiries by providing all relevant customer property and water use information, a complete history of notes and email interactions including water reports, a quick link to their portal and step-by-step process support for common questions around high bills.

- 3) A **Live Chat** feature that allows Utility staff to ask questions about data, get help with challenging customer questions, provide product feedback and more. Users can generally expect to receive a response within the hour. Chat is available between the hours of 7 a.m. and 6 p.m. PST Monday thru Friday, excluding federal holidays.
- 4) **Monthly Product Webinars** provide the latest VertexOne news including product releases, practical implementation case studies, a forum to interact with other VertexOne customers and sneak previews of products on the horizon.

Standard Support Option – Standard Support is an optional service of the VertexOne Program. For an additional annual fee, Standard Support provides all of the above Customer Service benefits and features, as well as:

- Dedicated Customer Success Manager (CS Manager): will support the Utility program, answer questions, provide updates, support complex tasks, provide new feature updates and additional training as needed.
- Phone/email support – The CS Manager is available by telephone and email to answer specific programmatic and technical questions for up to one additional hour per week.
- Bi-monthly check-in meetings – Meetings will track performance relative to Utility objectives and adjust as necessary, provide implementation suggestions, support outreach efforts, gather feedback and answer any questions.
- Portal and Water Report content customization- The CS Manager can help the Utility create personalized messaging for the Customer Portal and outbound Engagement vehicles, including Group Messenger and Water Reports, if requested.

Maintenance of Web Applications

VertexOne maintains commercially reasonable systems and controls designed to maximize monthly uptime and minimize unscheduled outages of the Customer Portal and Utility Analytics Dashboard. Excluding any down time for maintenance and/or upgrades, VertexOne makes strong efforts to provide Customers and Utility with access to their respective Web applications on a continuous basis and guarantees 99.95% uptime for all Web applications. VertexOne provides advance notification of any planned outages and notifies Utility without unreasonable delay if it detects or receives notice of any material problems relating to the Customer Portal and/or the Utility Analytics Dashboard.

VertexOne's Web Applications include dynamic and interactive charts and tables that may not be compatible with older Internet browsers.

The Internet browser and operating system requirements are:

- Windows XP: Chrome 38+, Firefox 32+
- Windows 7, 8, 8.1, 10: IE 11+, Chrome 38+, Firefox 32+
- Mac: Chrome 38+, Firefox 32+, Safari

Data Security and Privacy

VertexOne does not share personally identifiable customer information or customer-specific water use information with any third party without prior consent from Utility. Data transferred to VertexOne from Utility is stored in a database dedicated to Utility and its VertexOne project. The data is not comingled with the data provided by any other entity; provided, however, that certain anonymous data may be copied and consolidated with data provided by one or more other entities for the research and product development purposes subject to the terms of the Agreement.

VertexOne enacts standard controls, policies, and procedures to ensure the security of Utility's data and customer provided information, including but not limited to choosing a reputable cloud-server vendor with appropriate physical security of server infrastructure, secure public-private key-based login to all VertexOne server infrastructure, password authentication on all Web site interaction, and audit logging.

VertexOne provides Utility with private key access to a secure FTP destination for regular delivery of the data. Utility agrees to send data only through this secure channel, or by having VertexOne pull data from a secure server maintained by the Utility or Utility partner.

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 2025-26**

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 2025-26. 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 2025-26, 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 2025-26 will be the twenty-fourth year that the Large Landscape Program (LLP) is offered to BAWSCA member agencies. Eight 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 2024, BAWSCA had 1,649 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, 14% 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 2025-26 is expected to be consistent with the scope of work for prior year's program with an additional task to assist with regulatory compliance. All other program items have a small increase in costs for FY 2025-26. 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 2024-25 is shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Waterfluence - FY 2025-26**

DRAFT SCOPE OF WORK

A. Setup

1. Meters. Client provides Waterfluence with water meter information including customer, service address, identification numbers, use type (e.g., irrigation), and source type (e.g., potable or recycled). Waterfluence organizes meters into sites as sites can be served by multiple meters.
2. Water Use. Client provides Waterfluence with at least one year of historical water use for each meter from billing records. Waterfluence collects water prices.
3. Dedicated Irrigation Meter (DIM) Budgets. For sites with DIMs, Waterfluence creates a landscape water budget based on site-specific characteristics and real-time weather. Waterfluence creates digital landscape maps based on recent aerial imagery with polygons measuring the square footage of irrigated turf, irrigated shrubs/trees, and water features. Waterfluence obtains daily weather data from a local source.
4. Indoor Budgets. For sites including indoor water meters, Waterfluence creates indoor water budgets benchmarked to historical norms.
5. Mixed Use Meter (MUM) Budgets. For sites with MUM, Waterfluence creates budgets based on combining DIM and Indoor budget components.
6. Hourly Water Data. If available, Waterfluence integrates with advanced metering infrastructure (AMI) systems to process and display hourly/minute water data on its website. Waterfluence AMI features include hourly and daily charts, leak notifications, and irrigation-centric insights related to day spikes, days-per-week of irrigation, and daytime irrigation.
7. Client Website Access. Client staff get online access at www.waterfluence.com to interact with detailed water information about their participating sites.
8. Stakeholder Website Access. Water account holders get online access at www.waterfluence.com to interact with their water information. Waterfluence uses multiple tactics to onboard account holders by leveraging: 1) Client billing information, 2) account holders already participating in Waterfluence, and 3) the landscape contractor community. 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. Annual Subscription

1. Ongoing Water Billing Information. At the beginning of each month, Client forwards Waterfluence a digital file with current account holder information and the previous month's

billed water use for meters in the program. Waterfluence appends new water records to its database and generates updated water budgets. Waterfluence checks for and updates account holder information; outreach to new account holders follows the setup process.

2. Stakeholder Notifications. Waterfluence sends monthly email notifications to online site stakeholders after new water use is posted for viewing. Account holders can authorize additional stakeholders such as HOA board members and landscape contractors to access their sites' information online. Waterfluence investigates email bounce backs for replacements. If hourly water data is available, Waterfluence emails automated alerts when hourly water use exceeds specified thresholds (e.g., continuous use for over 48 hours).
3. Stakeholder Support. Waterfluence provides customer service to all users via website messages, email, webinars, and toll-free telephone number. Stakeholders are encouraged to modify their site maps online to keep them accurate and in conformance with Waterfluence mapping guidelines.
4. Website Maintenance. Waterfluence continuously maintains all features and security of its website.
5. Annual Report. For Clients with over 100 sites in the program, Waterfluence creates an annual report each March summarizing program performance from water data from the previous calendar year. Topics include program activity, trends in overwatering, user engagement, and potential ways to improve the program.
6. California Reporting Requirements. Waterfluence assists Client with California reporting requirements associated with Assembly Bill 1668 and Senate Bill 606 (Making Conservation A California Way of Life) and Assembly Bill 1572 (nonfunctional turf ban). Assistance includes compiling CII-DIM landscape measurements, identifying large landscape MUM sites, providing Energy Star Portfolio Manager template downloads, and offering services to cover CII best management practices.

C. Landscape Field Survey

1. Targeting and Marketing. Client staff can preapprove sites eligible to receive a landscape field survey. Waterfluence markets the field survey opportunity to account holders at preapproved sites via the website. Customers are required to accept the field survey via a click-through agreement. Sites accepting a field survey are added to the Waterfluence field survey queue.
2. Performing Field Surveys. Waterfluence schedules surveys with stakeholders at sites in the field survey queue. The survey includes Waterfluence sending an irrigation expert to 1) refine the site map and water budget assumptions, 2) operate portions of the irrigation system to evaluate performance, and 3) document findings and recommendations in a Landscape Field Survey Report.
3. Field Survey Report. Completed field survey reports are posted online on the Waterfluence website. Waterfluence notifies all site stakeholders the report is ready to review and addresses any follow up questions by telephone or webinar.

**EXHIBIT B
PROGRAM FEES**

Description	Unit	Unit Cost
a) Setup	Per new site	\$120
b) Annual Subscription	Per site	\$88
c) Landscape Field Survey	Per site survey	\$1750
d) BAWSCA Admin Fee	Per agency	\$148

Notes:

- a) Setup. One-time fee per number of sites added to Program. Covers site selection, compiling water and weather data, creating site maps, and stakeholder outreach.
- b) Annual Subscription. Covers all ongoing costs associated with updating and distributing Program information.
- 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. Fee that BAWSCA uses to recover costs or administering Program.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Approval and Adoption of BAWSCA Pay Schedules for FY 2025-26**

Summary:

As a participating agency in the California Public Employees' Retirement System (CalPERS) and to comply with California Code Regulations (CCR) Title 2 § 570.5 - "Requirement for a Publicly Available Pay Schedule," the Board must approve and adopt pay schedules for BAWSCA staff annually in a specified format as required by CalPERS. The pay schedule for FY 2025-26 is provided in Attachment A. Pay schedules are included as part of the Board's regular consideration of the annual Work Plan and Budget in May, and as part of the CEO/GM performance evaluation.

Board Policy Committee Action:

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

Recommendation:

That the Board approve and adopt the BAWSCA Pay Schedules for FY 2025-26.

Discussion:

BAWSCA is a participating agency in CalPERS. CalPERS requires that BAWSCA's employees' reportable compensation, which is the compensation that employees' retirement benefits are based on, comply with the California Public Employee's Retirement Law ("PERL") and its regulations, including CCR Title 2 § 570.5 - Requirement for a Publicly Available Pay Schedule.

Historically, BAWSCA increases the top step for salaries in line with inflation.

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 2.08%. As such, the proposed Publicly Available Salary Schedules have been adjusted as follows:

- An increase to the top step of all non-CEO salaries for FY 2025-26 by 2.08% to ensure that the approved salary ranges stay competitive moving forward; and
- An increase to the top step of the Senior Water Resources Specialist position by 1.8% as approved by the Board at its March 20, 2025 meeting.

Following the Board's action, the approved and adopted Pay Schedules will be posted on BAWSCA's publicly accessible website and formally transmitted to CalPERS. Any adjustments to the pay schedule for the CEO would occur at a future meeting.

Attachment:

1. BAWSCA Pay Schedule for FY 2025-26.

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This document has been prepared for the specific purposes of compliance with California Code of Regulations (CCR) 570.5 and was last approved and adopted by the Board of Directors on November 21, 2024

Salary Schedule Effective July 1, 2025

Classification	Annual Minimum	Annual Maximum
Chief Executive Officer / General Manager	\$179,755	\$344,166
Finance Manager	\$180,487	\$225,609
Water Resources Manager	\$202,502	\$253,128
Senior Water Resources Specialist	\$159,993	\$199,992
Water Resources Specialist	\$127,943	\$159,929
Assistant to the CEO	\$127,212	\$159,015
Office Manager	\$121,128	\$151,410
Office Assistant	\$78,482	\$98,102

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

Activities associated with 1) the development of an amendment to the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (WSA) and 2) the retirement of former CEO Sandkulla and the transition to CEO Smegal have required additional legal resources and entail additional use of legal counsel services for FY 2024-2025. As a result, the contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2024-25. A budget amendment for an additional \$80,000 is recommended to fund necessary work through June 2025 for a revised total not-to-exceed amount of \$985,000.

Fiscal Impact

This recommended contract increase would be funded using budget previously allocated to other outside consultants. Funds are available due to short-term changes in scope of consultant work for 2024-25. No overall change in the operating budget is contemplated.

Board Policy Committee Action:

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

Recommendation:

That the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$80,000 for a total not-to-exceed amount of \$985,000.

Discussion:

Expenses associated with activities to develop an amendment to the WSA, including but not limited to negotiations with the SFPUC on the proposed language of the amendment, has required additional legal resources. Amendments to the WSA are associated with an updated Tier 1 drought allocation formula between SF RWS retail and wholesale customers and the related minimum purchase quantity required of four BAWSCA member agencies (Alameda County Water District, the City of Milpitas, the City of Mountain View, and the City of Sunnyvale). The necessary legal resources to craft and negotiate the amendment go beyond what was anticipated or planned at the time the FY 2024-25 Budget was adopted for reasons outside of BAWSCA's control.

In addition, earlier efforts related to the retirement of CEO Sandkulla and the transition to CEO Smegal were not initially factored into Hanson Bridgett's budget estimate. Legal assistance related to the publication of pay schedules, establishing provisions for former CEO Sandkulla to provide post-retirement advice and transition assistance, and setting-up BAWSCA internal programs to comply with Mr. Smegal's contract provisions were all in addition to the estimated scope of services included in their budget for 2024-25.

Table 1 presents the historical budget information for BAWSCA legal counsel with notations included to identify the reasons for significant budget increases and decreases. Table 2, which is also included as Table A-1 in the Proposed FY 2025-26 Work Plan and Operating Budget memo, presents the contract amounts for legal counsel and a comparison to the % of total BAWSCA operating budget over the past 10 years.

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	Operating Budget	Notes
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%	\$2,939,286	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%	\$3,201,679	
FY 16-17	\$651,000	\$726,000	\$627,874	86%	\$3,468,008	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%	\$3,704,572	
FY 18-19	\$669,000	\$919,000	\$919,000	100%	\$4,278,585	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%	\$4,569,750	June 2020 - \$19.5 reallocated from other expense categories; no change to operating budget
FY 20-21	\$606,500	\$1,006,500	\$994,910	99%	\$4,360,179	March 2021 - \$200k from General Reserve (\$100k for SWRCB/BayDelta & \$100k for 2009 Agreement Fair Pricing). May 2021 - \$200k SWRCB/Bay Delta - \$197k from Balancing Account & \$3k from Terry Roberts
FY 21-22	\$723,500	\$748,499	\$748,590	100%	\$4,799,544	June 2022 - \$24,999 SWRCB/Bay Delta - reallocated from West Yost
FY 22-23	\$781,500	\$856,499	\$856,492	100%	\$4,750,885	May 2023 - increase \$50k - reallocated from R. Sykes. June 2023 - increase \$24,999 reallocated from Assist Update Scoping Strategy
FY 23-24	\$779,000	\$990,000	\$980,585	99%	\$5,067,419	January 2024 \$112k from General Reserve. May 2024 \$84k from General Reserve. \$196k increase to operating budget. June 2024 \$15k reallocated from R. Sykes.
FY 24-25	\$880,000					January 2025 - \$25k reallocated from contingency.

Table 2. Historical Legal Counsel Contract Amounts

Fiscal Year	Contract Amount	% of Total BAWSCA Operating Budget
2014-15	\$624,000	21%
2015-16	\$586,500	18%
2016-17	\$726,000	21%
2017-18	\$669,000	18%
2018-19	\$919,000	21%
2019-20	\$819,000	18%
2020-21	\$1,006,500	23%
2021-22	\$748,499	16%
2022-23	\$856,499	18%
2023-24	\$990,000	20%
2024-25	\$905,000 ¹	16%

¹ As of March 31, 2025

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA’s Long-Term Reliable Water Supply Strategy 2050 – Risk Assessment and Scenario Planning**

Summary:

This memorandum provides an update on BAWSCA’s Long-Term Reliable Water Supply Strategy (Strategy 2050) development process, including details on the risk assessment and scenario planning efforts that are currently in progress.

An initial task of Strategy 2050 includes the review of potential risks impacting water supply reliability to the BAWSCA region, such as climate change, evolving regulations, and other uncertainties on water supplies at both the local agency and regional level. To consider the range of potential future outcomes and incorporate the range of identified uncertainties, Strategy 2050 includes a scenario planning approach.

To inform development of the scenarios to be considered in Strategy 2050, input from the BAWSCA Water Management Representatives (WMR) and Board Policy Committee (BPC) has been collected through two WMR workshops and one BPC meeting. Building on the input received, the Strategy 2050 team has grouped the identified variables contributing to future uncertainty into four scenarios to represent plausible future outcomes. Input from BAWSCA Board members on the proposed scenarios will be requested at the May Board meeting. Discussion questions for the Board meeting are provided herein.

Board Policy Committee Action:

During the April 9th Board Policy Committee meeting, the Committee was presented with the potential risks impacting water supply reliability to the BAWSCA region, as identified by the BAWSCA Water Management Representatives. This was an informational item and no Committee action was requested, however, further suggestions provided by the Committee were integrated into the updated list of potential risks impacting water supply reliability and defining the main planning scenarios for Strategy 2050.

Recommendation:

This item is for information and discussion purposes only. No action is requested at this time.

Discussion:

In January 2025, BAWSCA initiated the development of Strategy 2050. An initial task includes the review of potential risks impacting water supply reliability to the BAWSCA region. To consider the ranges of potential future outcomes and identified uncertainties, Strategy 2050 includes a scenario planning approach.

Role of Scenario Planning in Strategy 2050

Scenario planning is a structured approach to thinking about the future. Its goals are to identify key drivers of change, develop plausible narratives of possible futures, and identify and evaluate

potential interventions (i.e., projects, programs, and/or policies) to support favorable outcomes. Though the focus of BAWSCA's Strategy 2050 is water supply reliability, the four scenarios are broader in concept and will consider foundational environmental, societal, regulatory, and socioeconomic uncertainties that will shape conditions in the BAWSCA region through 2050. The Strategy 2050 scenario planning effort will establish how these foundational drivers link to the need for and availability of water in the Bay Area by conducting a "risk assessment" to estimate water supply shortages consistent with the three thematic uncertainties.

The scenario planning for Strategy 2050 is anticipated to closely align with the sensitivity analysis being undertaken as part of the BAWSCA Demand Study. Specifically, the scenarios for the Demand Study will provide the demand inputs for the Strategy 2050 scenario planning.

Scenario Development Process

To inform development of the scenarios to be evaluated, input from the BAWSCA WMR and BPC has been collected through two WMR workshops and the April BPC meeting. In addition, to ensure continued collaboration and input throughout the development of Strategy 2050, input from BAWSCA Board members on the key drivers of change and uncertainty will be requested at the May Board Meeting.

Collectively, the WMR and BPC identified over 50 drivers of change. The WMR and BPC had a near consensus on the most impactful and uncertain drivers, which include, in no particular order:

- Climate change
- Changes in drought frequency/intensity
- Bay-Delta Plan
- State issued supply restrictions
- State and federal infrastructure development
- Demand changes
- Affordability
- Funding

The WMR and BPC also identified several drivers that are likely to be impactful but have higher certainty in occurrence and scale, including:

- Water quality issues and related regulations/necessary infrastructure investments, and
- Aging infrastructure.

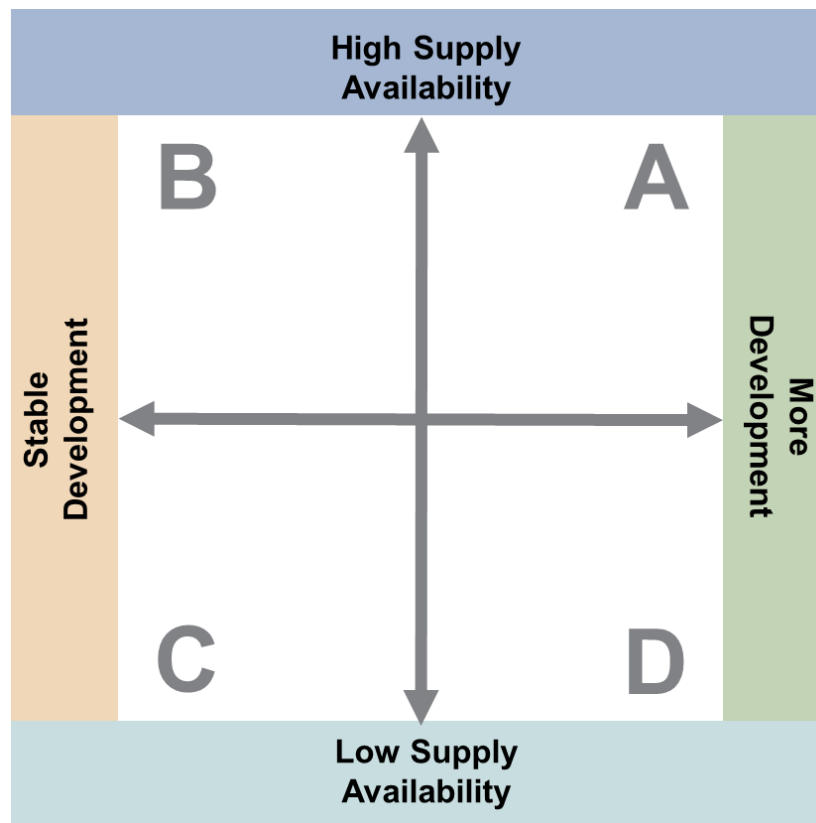
Proposed Scenarios for Strategy 2050 Risk Assessment

Building on the input received, the Strategy 2050 team has grouped the identified drivers of change into three thematic uncertainties that are expected to most directly impact Strategy 2050: Supply Availability, Regional Development, and Water Rates/Affordability. The four scenarios will represent different possible futures based on the key uncertainties identified:

- High vs. Low Supply Availability: Examining constraints on regional and local water sources.
- Stable vs. Expanding Regional Development: Considering demographic and economic trends.

These scenarios are broadly depicted in Figure 1.

Figure 1: Proposed Scenario Matrix for Strategy 2050 Risk Assessment



The third factor, Water Rates/Affordability, was an important uncertainty expressed by both the WMR and BPC and will be represented as a continuum outside of the primary matrix to reflect additional variations of the four primary planning scenarios.

Input Requested at the May Board Meeting

At the May Board meeting, the Board members will be asked to provide input on the following questions:

- What major challenges do you think the BAWSCA region could face over the next 25 years?
- What do you see as potential major drivers of, or risks to, economic growth within the region over the next 25 years?
- What kinds of data, information, or projections would help to inform relevant regional policy decisions?

By engaging in this discussion, BAWSCA aims to ensure that Strategy 2050 reflects a comprehensive understanding of potential future conditions and incorporates the insights of key stakeholders in the decision-making process.

Next Steps

Following the May Board meeting, the Strategy 2050 team will refine the main planning scenarios, considering the input provided. The Strategy 2050 team will then complete modeling to quantify potential water supply shortfalls for each scenario under various hydrologic conditions. These results will be used to understand planning needs and assess reliability benefits of potential projects and actions (P&As).



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MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Tom Smegal, CEO/General Manager
DATE: May 15, 2025
SUBJECT: Chief Executive Officer/General Manager's Letter

BAWSCA Annual Survey FY 2023-24:

Each year, BAWSCA conducts an annual survey of its members in order to update key BAWSCA service area information including population, current and projected water use, and climatology. The document is heavily referenced by BAWSCA, BAWSCA member agencies, SFPUC, and the public at large. Information compiled in the document includes population and water demand, water use by source, water use by customer class, past and current San Francisco Regional Water System purchases, per capita water use, and climatology.

In FY 2023-24, total water demand in the BAWSCA service area from all sources was 184.77 million gallons per day (mgd) and average residential water use was 57.16 gallons per capita per day. The FY 2023-24 Annual Survey was finalized in April 2025. The document is posted on the BAWSCA website at this link: <https://bawasca.org/water/supply/survey>.

AWWA Presentation on BAWSCA's 2022 Demand Study Update:

On April 23, 2025, BAWSCA's Senior Water Resources Engineer, Dr. Negin Ashoori, participated as an expert panelist in the American Water Works Association (AWWA) webinar titled "AWWA's New Guidebook: Climate Change Impacts in Water Demand Forecasting." Dr. Ashoori highlighted key findings from BAWSCA's 2022 Demand Study Update, which integrates climate change considerations into long-term water demand forecasting. With over 280 attendees, the webinar was a highly successful and engaging event that offered participants a comprehensive overview of the development, findings, and practical takeaways from AWWA's new guidebook, "*Incorporating Climate Change Impacts into Water Demand Forecasting*." The guidebook presents the latest data needs and best practices for incorporating climate impacts into demand forecasting, equipping utilities to better plan for and respond to climate-related challenges and enhance water supply sustainability. The newly published guidebook, which features BAWSCA as a case study, is available here: <https://www.awwa.org/wp-content/uploads/Incorporating-Climate-Change-Impacts-Into-Demand-Forecasting.pdf>.

BAWSCA Panel Participation at the National Forum for Black Public Administrators

The National Forum for Black Public Administrators (NFBPA) held their annual meeting from April 9th through April 13th at the Hyatt Regency Hotel in San Francisco, CA. Over 1,000 attendees were present for all or portions of the event. Keynote speakers included Stacy Abrams, lawyer and former Georgia State Representative.

NFBPA is an organization dedicated to the advancement of public leadership in local and state governments. With over 2,500 members, NFBPA has established and implemented leadership development initiatives to advance the skillset and knowledge of their members, who primarily include leaders and managers of public programs and agencies in more than 350 jurisdictions of their 42 chapters in the US.

Representing BAWSCA, Tom Francis, BAWSCA's Water Resources Manager, participated in a panel discussion that focused on economic vitality and equality, and more specifically on water and sewer infrastructure planning and affordability. Aside from Mr. Francis, the panel included representatives from the Washington D.C. Suburban Sanitary Commission and the Louisville, WV Metropolitan Sewer District.

BAWSCA Interview with the Girls' Middle School (GMS):

On April 8, 2025, BAWSCA staff had the opportunity to speak with four students from The Girls' Middle School (GMS), a private, all-girls school based in Palo Alto, California. The students, currently engaged in a school project focused on climate change, expressed interest in learning more about BAWSCA's water conservation initiatives and broader role in regional water management. During the interview, staff provided an overview of BAWSCA's core and subscription programs, highlighting the agency's efforts to promote long-term water use efficiency and sustainability. The discussion also addressed the importance of regional collaboration and water supply planning. The students asked thoughtful questions, demonstrating their strong interest in what role public agencies like BAWSCA have in driving meaningful change.

BAWSCA Common Acronyms:

Attached is a list of common acronyms that are frequently used in various documents or presentations produced by BAWSCA as well as other water agencies or regulatory bodies. The list is to assist Board members and others in reviewing BAWSCA documents, or for reference during public presentations.

Board Members are encouraged to print the list and place it in their Board binders for future reference.

Attachment:

1. Acronyms list

#

ACRONYMS

\$/AF	dollars per acre-foot
\$B	billion dollars
\$M	million dollars
ABAG	Association of Bay Area Governments
ACWA	Association of California Water Agencies
ACWD	Alameda County Water District
ADWF	average dry weather flow
AF	acre-feet
AFY	acre-feet per year
AMI	Advanced Metering Infrastructure
AOP	advanced oxidation process
AS	activated sludge
AWA	Amador Water Agency
AWPF	Advanced Water Purification Facility
AWWA	American Water Works Association
BAAQMD	Bay Area Air Quality Management District
BAC	biologically activated carbon
BARDP	Bay Area Regional Desalination Project
BARR	Bay Area Regional Reliability
BAWSCA	Bay Area Water Supply and Conservation Agency
Bay	San Francisco Bay
BCDC	Bay Conservation and Development Commission
BDCP	Bay Delta Conservation Plan
BDP	Bay Division Pipeline
BMP	Best Management Practice
BNR	biological nutrient removal
Board	Board of Directors
BOD	biochemical oxygen demand
BOR	Bureau of Reclamation
BWRO	brackish water reverse osmosis
Cal Water	California Water Service Company
CalEMA	California Emergency Management Agency
CALFED	CALFED Bay-Delta Program
Caltrans	California Department of Transportation
CalWEP	California Water Efficiency Partnership
CASGEM	California State Groundwater Elevation Monitoring
CBOD	carbonaceous biochemical oxygen demand
CCC	California Coastal Commission
CCF	hundred cubic feet
CCI	Construction Cost Index
CCR	California Code of Regulations
CCWD	Contra Costa Water District
C/CAG	City/County Association of Governments of San Mateo County

CDFW	California Department of Fish & Wildlife
CDPH	California Department of Public Health
CEQA	California Environmental Quality Act
CFA	Central Focus Area
CFBF	California Farm Bureau Federation
CFR	Code of Federal Regulations
CHRIS	California Historical Resources Information System
CII	Commercial, Industrial, Institutional
CO2E	carbon dioxide equivalent
CSPS	Crystal Springs Pump Station
CSR	Crystal Spring Reservoir
CVP	Central Valley Project
CWA	Clean Water Act
CWS	California Water Services
CY	cubic yards
DBP	disinfection byproduct
DCP	Drought Contingency Plan
DDW	Division of Drinking Water
Delta	Sacramento-San Joaquin Delta
DHCCP	Delta Habitat Conservation and Conveyance Program
Dia	diameter
DOC	California Department of Conservation
DPR	direct potable reuse
DRIP	Drought Implementation Plan
DWR	Department of Water Resources
EBMUD	East Bay Municipal Utility District
EBP	East Bay Plain
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EMID	Estero Municipal Improvement District
EPA	U.S. Environmental Protection Agency
ESA	Endangered Species Act
FAT	full advanced treatment
FEF	Flow Equalization Facility
FEMA	Federal Emergency Management Agency
FERC	Federal Energy Regulatory Commission
fps	feet per second
FRWP	Freeport Regional Water Project
ft	feet
FY	fiscal year
g/L	grams per liter
GIS	Geographic Information System
gpd	gallons per day
gpm	gallons per minute
GHG	greenhouse gas
GPCD	Gallons per capita per day

GRR	Groundwater Replenishment Reuse
GRRP	Groundwater Replenishment Reuse Project
GW	groundwater
HAA5	haloacetic acids
HDD	horizontally directionally drilled
HET	High Efficiency Toilet
HH/LSM	Hetch Hetchy/Local Simulation Model
HM	habitat management
Hp	horsepower
Hwy	highway
IAP	Independent Advisory Panel
IHR	Irrigation Hardware Rebates
IPAC	Information for Planning and Consultation
IPR	indirect potable reuse
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Plan
ISG	Individual Supply Guarantee
JPA	Joint Powers Authority
LBG	Lawn Be Gone Rebate Program
LEP	Landscape Education Program
LF	lineal feet
LID	low-impact development
LOS	level of service
LRV	log reduction values
LS	lump sum
LT2ESWTR	Long Term 2 Enhanced Surface Water Treatment Rule
LTRWSS	Long Term Reliable Water Supply Strategy
LV	Los Vaqueros Reservoir system
LVE	Los Vaqueros Expansion
M	million
MAFA	million acre-feet annually
MAP	Management Action Plan
Max	maximum
MBR	membrane bioreactor
MCL	maximum contaminant limit
MF	microfiltration
MFR	Multi-Family Residential
MG	million gallons
mg/L	milligrams per liter
mgd	million gallons per day
MID	Modesto Irrigation District
Min	minimum
MMWD	Marin Municipal Water District
MND	Mitigated Negative Declaration
MOU	Memorandum of Understanding
MTBE	mean time between events

MTC	Metropolitan Transportation Commission
NASA	National Aeronautics and Space Administration
NC	Niles Cone
NDN	nitrification/denitrification
NEPA	National Environmental Policy Act
NOAA Fisheries	National Oceanic and Atmospheric Administration Fisheries
NOD	Notice of Determination
NOI	Notice of Intent
NOP	Notice of Preparation
NPDES	National Pollutant Discharge Elimination System
NPR	non-potable reuse
NRDC	Natural Resources Defense Council
NTU	nephelometric turbidity units
NWRI	National Water Research Institute
O&M	operations and maintenance
P3	Public Private Partnership
PG&E	Pacific Gas and Electric
ppb	parts per billion
ppm	parts per million
PREP	Potable Reuse Exploratory Plan
Prop	Proposition
PW	present worth
Q	total flow out of the reservoir
QWEL	Qualified Water Efficient Landscaper
Reclamation	Bureau of Reclamation
RFP	request for proposal
RFQ	request for qualifications
RO	reverse osmosis
ROD	Record of Decision
ROW	Right-of-Ways
RSAT	Residential Self-Audit Tool
RW	recycled water
RWA	reservoir water augmentation
RWPS	Recycled Water Pump Station
RWQCB	Regional Water Quality Control Board or Regional Board
RWQCP	Regional Water Quality Control Plant
RWS	SFPUC's Hetch Hetchy Regional Water System
RWSRM	Regional Water Supply Reliability Model
SBA	South Bay Aqueduct
SBDDW	State Board Division of Drinking Water
SCVWD	Santa Clara Valley Water District
SF Bay	San Francisco Bay
SFA	Southern Focus Area
SFR	Single-Family Residential
SFPUC	San Francisco Public Utilities Commission
SFRWS	San Francisco Regional Water System

SJTA	San Joaquin Tributaries Authority
SGM	Strategy Groundwater Model
SMP	San Mateo Plain
SPReP	SF-Peninsula Regional PureWater
Strategy	Long-Term Reliable Water Supply Strategy
SVCW	Silicon Valley Clean Water
SWP	State Water Project
SWRCB	State Water Resources Control Board or State Board
SWRO	surface water reverse osmosis
TAF	thousand acre-feet
TDH	total dynamic head
TDS	total dissolved solids
TID	Tuolumne Irrigation District
TM	technical memorandum
TMDL	total maximum daily load
TOC	total organic carbon
TSS	total suspended solids
TTHM	total trihalomethanes
TUD	Tuolumne Utilities District
UF	ultrafiltration
USACE	U.S. Army Corps of Engineers
USFWS	United States Fish and Wildlife Service
USGS	U.S. Geological Survey
UV	ultraviolet
UWMP	Urban Water Management Plan
UWUO	Urban Water Use Objectives
V/G/C	Virus, Giardia, and Cryptosporidium
Valley Water	Santa Clara Valley Water District
Vol	total volume of the reservoir
WBSD	West Bay Sanitary District
WCDB	Water Conservation Database
WDR	Waste Discharge Requirements
WLMP	Water Loss Management Program
WRF	Water Reclamation Facility
WRR	Wholesale Revenue Requirement
WRRF	WaterReuse Research Foundation
WSA	Water Supply Agreement
WSB	Westside Basin
WSIP	Water System Improvement Program
WSS	watershed sanitary survey
WTP	water treatment plant
WWTP	wastewater treatment plant
YCWA	Yuba County Water Agency
Zone 7	Alameda County Flood Control and Water Conservation District

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Board of Directors

Policy Calendar Through January 2026

Meeting Date	Purpose	Issue or Topic
July 2025	D&A R R&D	Review of CEO/General Manager Evaluation Procedure BAWSCA's Strategy 2050 & Water Management Charge Update SFPUC Alternative Water Supply Program Update
September 2025	D&A R&A R&D	CEO/General Manager Performance Evaluation BAWSCA's Publicly Available Pay Schedules BAWSCA's Strategy 2050
November 2025	D&A R&A R&D	Annual Review & Consideration of BAWSCA's Statement of Investment Policy Consideration of current Tier 2 Plan Extension (Unless new plan unanimously adopted in advance of meeting) BAWSCA's Strategy 2050
January 2026	D&A D&A	Mid Year Work Plan, Budget and General Reserve Review Proposed FY 2025-26 Bond Surcharges

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

Meeting Schedule through January 2026

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – July 17, 2025	TO BE ANNOUNCED
Thursday – September 18, 2025	Burlingame Community Center – Sequoia Room
Thursday – November 20, 2025	Burlingame Community Center – Sequoia Room
Thursday, - January 15, 2026	Burlingame Community Center – Sequoia Room

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 15, 2026	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 11, 2025	TO BE ANNOUNCED
Wednesday, August 13, 2025	TO BE ANNOUNCED
Wednesday, October 8, 2025	Burlingame Community Center – Sequoia Room B
Wednesday, December 10, 2025	Burlingame Community Center – Sequoia Room B