



BOARD OF DIRECTORS MEETING

**Thursday, May 21, 2026
6:30 P.M.**

Burlingame Community Center – Sequoia Room

[850 Burlingame Ave., Burlingame](#)

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(Three members of the Board will participate in this meeting by Teleconference. Locations shall be:

- 255 East Illinois Road, Lake Forest, IL 60045.
- 120 West 41st Street, New York, NY 10036
- No. 222 Xinhua Road, Yuzhong District, Chongqing, China, 400010

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	(Vella)	
2. Comments by the Chair	(Vella)	
3. Board Policy Committee Report (Attachment)	(Ragsdale)	Pg 5
4. Consent Calendar (Attachments)	(Vella)	
A. Approve Minutes of the March 19, 2026 Meeting		Pg 15
B. Receive and File Budget Status Report – As of March 31, 2026		Pg 23
C. Receive and File Bond Surcharge Collection Reports – As of March 31, 2026		Pg 25
D. Receive and File Investment Report – As of March 31, 2026		Pg 27
E. Receive and File Directors’ Reimbursement Report – As of March 31, 2026		Pg 29
F. Receive and File Employee Reimbursement Report – As of March 31, 2026		Pg 31
5. SFPUC Report	(Kastama/Lee)	
A. SFPUC 2025 Urban Water Management Plan		
6. Public Comments	(Vella)	
<i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of two (2) minutes.</i>		

7. Action Calendar

- A. Proposed Fiscal Year 2026-27 Work Plan, Results to be Achieved, and Operating Budget (Attachment) **(Smegal)** Pg 33

That the Board approve the:

1. Proposed Fiscal Year 2026-27 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$5,340,828; and
3. Proposed funding plan Option 2 of 0% Assessment increase.

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

- B. Approval of Professional Services Contracts for FY 2026-27 (*Attachments*) **(Smegal)** Pg 63

Consultant Contracts for Technical and Administrative Services

1. E Source (Water Loss Management Program) Pg 67
2. Hanson Bridgett (Legal Counsel) Pg 79
3. Hazen & Sawyer (Engineering/Water Mgmt.) Pg 85
4. IG Services (Auditing/Accounting Services) Pg 91
5. KNN Public Finance (Financial Advisor) Pg 93
6. Richard Sykes (WSIP, 10-year CIP) Pg 95
7. Stetson Engineering (Water Analyses, WSA) Pg 99
8. Water Systems Consultants (WSC) Pg 103

Consultant Contracts for Conservation Programs

9. AM Conservation Group (School Education Program) Pg 111
10. EarthCapades (School Assembly Program) Pg 131
11. Global Sun Landscape (Lawn Be Gone Inspection Services) Pg 137
12. M&M Backflow and Meter Maintenance (Customer Meter Testing) Pg 141
13. VertexOne (Home Water Use Reports Program) Pg 145
14. Waterfluence, LLC (Large Landscape Conservation Services) Pg 159

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

- C. Approval and Adoption of BAWSCA Pay Schedules for FY 2026-27 and Correction for FY 2024-25 (*Attachment*) **(Smegal)** Pg 163

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

- D. Authorization of CEO/General Manager to Negotiate and Execute a Professional Services Agreement with a Human Resources Management Service Provider. **(Smegal)** Pg 169

The Committee voted unanimously to confirm the solicitation process conforms to agency practices. There is no recommendation to the Board as the selection process had not concluded at the time of the BPC meeting.

- 8. CEO Reports** (Smegal)
- A. FERC/Bay Delta Plan Update
 - B. CEO/General Manager's Letter (*Attachment*) Pg 175
 - C. Board Policy Calendar (*Attachment*) Pg 179
 - D. Correspondence Packet ([Under Separate Cover](#))
- 9. CLOSED SESSION** (Schutte)
- A. **Conference with Legal Counsel – Existing Litigation pursuant to** Paragraph (1) of subdivision (d) of Government Code Section 54956.9 Federal Energy Regulatory Commission Final License Application Proceedings for Don Pedro Hydroelectric Project, P-2299-082, and La Grange Hydroelectric Project, P-14581-002.
 - B. **Conference with Legal Counsel – Existing Litigation pursuant to** Paragraph (1) of subdivision (d) of Government Code Section 54956.9 - State Water Board Cases (Third Appellate District Court Case No. C101232).
- 10. Report from Closed Session** (Schutte)
- 11. Additional Time for Public Comments (Time Permitting)** (Vella)
- Members of the public may address the Board on any issues that are within the purview of the Agency.*
- 12. Directors' Discussion: Comments, Questions and Agenda Requests** (Vella)
- 13. Date, Time and Location of Future Meetings** (Vella) Pg 181
(See attached schedule and locations of meetings)
- 14. Adjourn to next meeting scheduled for July 16, 2026 at 6:30 pm**
Foster City Community Building – Wind Room – 1000 E. Hillsdale Blvd., Foster City.

Accessibility for Individuals with Disabilities

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

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BAWSCA

Bay Area Water Supply & Conservation Agency

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MEMORANDUM

TO: BAWSCA Board Members
FROM: Tom Smegal, Chief Executive Officer/General Manager
DATE: May 15, 2026
SUBJECT: Summary of Board Policy Committee meeting held April 8, 2026

1. Call to Order: Committee Chair, Leslie Ragsdale, called the meeting to order at 1:32pm.

CEO/General Manager Tom Smegal called the roll. One member of the Committee participated in the meeting by teleconference in accordance with the traditional Brown Act Rule. Six (6) members of the Committee were present at roll call. One member arrived after roll call. A list of Committee members who were present (7), absent (2) and other attendees is attached.

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

2. Comments by Committee Chair:

Committee Chair Ragsdale announced that the teleconference location in Redwood City is no longer available. Board Member Stevenson is participating by teleconference and noted that there are no members of the public over 18 years old at his remote location. Closed Session will be pulled out of the agenda as there is no need for it.

All Committee actions will be taken by roll call vote to comply with the requirements of the traditional Brown Act Rule. The Chair thanked members of the Committee for providing advance notice to BAWSCA staff about their schedules and need to teleconference in order to comply with the Brown Act requirements and ensure there is a quorum.

She noted that the staff memo on the proposed work plan and operating budget is a progression of information that has been presented to both the Committee and the Board previously. The level of details provided creates a long memo that is good to read repetitively for a thorough understanding.

3. Consent Calendar:

It was noted that the attendance sheet attached to the minutes should be corrected to reference Stephen Rainaldi's Council position as Vice-Mayor instead of Mayor of Millbrae.

With the correction, Director Vella made a motion, seconded by Director Hamilton, that the Committee approve the Minutes of the February 11, 2026 Board Policy Committee meeting.

The motion passed by roll call vote.

4. Public Comments:

There were no public comments.

5. Action Calendar:

A. Proposed FY 2026-27 Work Plan, Results to be Achieved, and Operating Budget:

Mr. Smegal presented the proposed work plan and a recommendation for funding the proposed operating budget for FY 2026-27.

The work plan addresses the critical short- and long-term issues associated with achieving BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price.

As a primary role, BAWSCA continues to administer the Water Supply Agreement to protect the financial and water supply interests of the member agencies. Major efforts in FY 2026-27 include a review of the impacts of SFPUC's debt in setting rates, and negotiations of WSA amendments associated with SFPUC's 2028 decisions.

BAWSCA will continue to administer BAWSCA's bonds, oversee the SFPUC's management of the Regional Water System with its WSIP, 10-year CIP, Strategic Asset Management Plan and Alternative Water Supply Planning, stay engaged with the Bay-Delta and FERC proceedings to protect the regional water supplies, complete the development of BAWSCA's Strategy 2050, and implement core and subscription conservation programs.

The proposed FY 2026-27 operating budget of \$5,340,828 remains the same as reported to the Board in March. It is \$200K lower than the approved operating budget for FY 2025-26. It includes a 5% adjustment to existing salaries for both COLA and merit-based increases. The budget equates to about \$2.83 per person per year, which is \$0.14 less than the current fiscal year. As presented to the Board in March, a pie chart shows the allocation of the operating budget among BAWSCA's areas of work; Reliable Supply at 57.6%, Agency Operations at 27.7%, Fair Price at 14%, and High Quality at .6%.

BAWSCA's primary source of funding is its assessments on member agencies. Consideration of how to fund the operating budget are 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.

BAWSCA's General Reserve guideline adopted by the Board provides a balance between 20%-35% of the annual budget. Currently, the General Reserve balance is at 25% of the current budget.

Mr. Smegal noted that last year, the Board adopted a 2.3% increase in assessments and a transfer of \$152K from the General Reserve to fund the FY 2025-26 Operating Budget.

Options for funding the FY 2026-27 Operating Budget provide either no change to the General Reserve, or increasing the General Reserve balance up to 29% through small increases in assessments. Options include:

Option 1 – 1.7% assessment decrease to match the proposed operating budget with a General Reserve balance maintained at 25%

Option 2 – 0% assessment increase with a \$54,881 transfer to General Reserve to increase balance to 27%.

Option 3 – 1% assessment increase with a \$108,838 transfer to General Reserve to increase balance to 28%.

Option 4 – 2% assessment increase with a \$162,795 transfer to General Reserve to increase balance to 29%.

While all options fit into the guidelines for the General Reserve, Option 3 applies a small increase on assessments that can avoid a bigger increase in the future.

The Committee was asked for its consideration to recommend Board approval of the Proposed FY 2026-27 Work Plan and Results to be achieved, Operating Budget of \$5,340,828, and Funding Plan Option of 1% assessment increase.

Director Andrews asked about information on water usage for data centers that can be shared with the Board for its review, and in potentially considering partnerships with agencies like the Bay Area Air District in an effort to understand the impacts of data centers.

Water Resource Manager, Tom Francis, acknowledged that the issue has proven to be of great interest among member agencies. BAWSCA's recently completed Demand Study includes an assessment of how data centers might impact water usage which will inform the follow up actions from Strategy 2050 when identifying what new work efforts are critical for the region. The work plan includes the potential development of methods agencies can use to estimate water demands by data centers. The Board will be presented with further details on Strategy 2050 in the Fall. In the meantime, staff can provide information from the Demand Study and answer further questions individual Board members may have about data centers.

In response to Director Vella's question about BAWSCA's efforts in monitoring water rates, Mr. Smegal explained that the FY 2026-27 workplan has 2 main areas that review SFPUC's rates. One is the work that Finance Manager, Christina Tang, does in administering the Wholesale Revenue Requirement in accordance with the WSA, where the allocation of wholesale water rates are reviewed against the operation of the Regional Water System. She also works directly with SFPUC staff in the annual process for setting wholesale water rate projections. A second area is associated with ensuring reliability of the Regional Water System by monitoring SFPUC's infrastructure investments. Both efforts recognize the costs to operate and maintain the system to ensure water supply reliability for the region.

Committee discussion ensued on the options to fund the budget.

Director Chambers commented that a factor for consideration in setting assessments is stability. Given that the Water Management Charge has just ended and with SFPUC's rate increase of 7%, he sees the opportunity for a 0% assessment increase that will maintain a stable revenue for the agency to achieve its goals for the fiscal year. He commends staff for a decreased operating budget.

Director Hamilton stated that while he typically prefers low increases to mitigate unavoidable larger increases later, he also believes that it is a good time to have a 0% assessment increase given 1) SFPUC's unexpected 7% rate increase, 2) the ability to increase the general reserve balance from 25% to 27%, and 3) maintaining a budget to assessment ratio that is above 100%.

Director Vella commented that it is good practice to have a low increase to avoid a larger increase later and supported a 1% increase.

Director Chambers noted that if the current budget is expended by 90-94%, there will be a transfer of approximately \$70k - \$140K to the general fund; therefore; he advocates for the 0% increase. Additionally, any consideration by the Board on making an additional payment to OPEB should be done after the audit.

Director Hamilton agrees that the difference between the options are minimal, but the symbolism is doing what we can to mitigate the impact of the 7% increase from SFPUC. He finds the operating budget's low cost per person each year to be exceptional given the size of the work plan.

Director Stevenson asked what the likelihood is for recouping some of the 7% in the upcoming year given the forecasts; where water use levels are, drought conditions, etc.? If there is a likelihood that a little bit will be recovered and some relief will be had, then he would advocate for the 1%. But without confidence on that, doing what we can to maintain low costs for rate payers is worthwhile. He expressed his support for a 0% increase.

In response, Mr. Smegal stated that it is difficult to predict water sales in the next 15 months.

Director Hardy supports a 0% increase.

Director Andrews supports at 0% increase, but asked for a 6-month review of the work plan and budget status.

Mr. Smegal noted that there is a mid-year work plan and budget review in December in which actual increase in the General Reserve balance is known and any needed adjustments to the work plan and budget are brought to the Board for consideration and approval.

Chair Ragsdale can be swayed between the 1% and 0% but agrees with the message of a 0%.

Majority of the Committee supported the 0% assessment increase and all members cautioned against the option of a decrease in assessment.

Director Hardy made a motion, seconded by Director Chambers, that the Committee, as majority, recommends Board approval of the:

- **Proposed Fiscal Year 2026-27 Work Plan and Results to be Achieved;**
- **Proposed Operating Budget of \$5,340,828; and**
- **Recommended Funding Plan Option 2 with 0% Assessment increase.**

The motion passed unanimously by roll call vote.

There were no comments from members of the public.

B. Approval and Adoption of BAWSCA Pay Schedules for FY 2024-25 and FY 2026-27:

Mr. Smegal explained that as a participating agency in CalPERS, BAWSCA employees' reportable compensation is required to comply with CalPER's retirement law. The minimum and maximum salary ranges for each position must be approved by the Board each fiscal year and posted on BAWSCA's publicly available website upon Board approval.

The Staff report provides the proposed FY 2026-27 pay schedule for each non-CEO position classification. The proposed schedule reflects CPI increase of 3.104%.

In addition, the pay schedule for FY 2024-25 is being presented to retroactively correct the top range salary for the position of Water Resource Manager from \$247,967 to \$248,774. This corrective action is to ensure that the position's salary range is consistent with the Board approved maximum salary schedule as required by CalPERS. The correction does not have an impact on the budget nor does it recommend authorizing retroactive pay for the position.

In response to Director Hardy, Mr. Smegal stated that hiring an HR consultant can help with HR processes such as those required by CalPERS to avoid situations similar to that noted in this instance.

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

Director Hardy made a motion, seconded by Director Chambers, that the Board Policy Committee recommend the Board's approval and adoption of the BAWSCA Pay Schedules for FY 2024-25 and FY 2026-27.

The motion passed unanimously by roll call vote.

C. Consultant Selection to Provide Human Resources Management Services:

Mr. Smegal reported that BAWSCA issued a Request for Proposal (RFP) on March 20th for an HR professional services consultant to assist BAWSCA with Human Resources functions on an as needed basis. He noted that the retirement process of the previous CEO/General Manager required additional services from Hanson Bridgett associated with the CalPERS requirements that could have been handled by an HR consultant.

The RFP seeks an ad hoc HR consultant service that can assist BAWSCA when activities outside of the normal course arise. The RFP is posted on BAWSCA's website and was sent to a list of professional services consultants, including Regional Government Services Authority (RGS) as suggested by Director Andrews.

Proposals will be reviewed by a panel comprised of BAWSCA's CEO and Office Manager, member agency HR staff from North Coast Water District and Alameda County Water District, and an agency outside of the BAWSCA region.

Interviews are expected to take place in early May, with a goal of requesting the Board to authorize the CEO/General Manager to negotiate and execute a professional services agreement with a recommended consultant at its May 21st Board meeting.

HR consultant services is included in the Proposed FY 2026-27 work plan and operating budget and the procurement process executed is consistent with BAWSCA's policies and procedures for professional services consultants.

The Committee is asked to 1) confirm that the solicitation process conforms to agency practices, and 2) advise the CEO what additional information would be helpful to the Board for its consideration of authorizing the negotiation and execution of an agreement at its May Board meeting.

In response to Director Andrews, legal counsel Allison Schutte stated that the list of consultants that submit proposals can be shared with the Board. Mr. Smegal added that proposals were sent to a list of consultants that responded to other agencies, similar to BAWSCA, that were looking for the same types of services.

Director Hamilton suggested that the presentation to the Board in May can emphasize that hiring an HR consultant is what makes the most sense for BAWSCA's small staff size of 9 employees. It is also the most cost-effective way to address HR matters, instead of using legal counsel.

Director Chambers added that hiring an HR consultant on an as needed basis also makes sense given the current staff FTE is over 100%.

Director Hardy recommended to be aware of the regulatory requirements that are triggered by having 10 or more employees.

Director Ragsdale agreed with the points made by Committee members and added that an outside HR consultant would be appropriate for a small staff of nine.

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

Director Andrews made a motion, seconded by Director Vella, that the Committee confirm the solicitation process conforms to agency practices.

The motion passed unanimously by roll call vote.

6. Reports and Discussions:

A. FY 2024-25 BAWSCA Annual Survey:

Water Resources Analyst, Kyle Ramey, presented the process for developing BAWSCA's Annual Survey, the importance of the information it provides, and key highlights from the FY 2024-25 Annual Survey. The report was first developed in 1996 by BAWSCA's predecessor agency, Bay Area Water Users Association. The survey was conducted to obtain key service area information that provides an overall picture of the region's collective water use. The Annual Survey has 9 sections; water supply by source, projected water purchases from the SF RWS, projected water supply and demand, consumption by customer class, current and historical climate data, current and projected population, per capita water use, single family water bills and rate structures, and member agency profiles.

Data is collected via the water conservation database (WCDB), which was relaunched in 2023 for a more efficient data collection system. An intensive data collection and review process with the member agencies take place from October through February to produce a final report in March. Member agencies are asked to input water resources information into the WCDB in October of each year. The data goes through a process of analysis in November and a review process of the draft document with member agencies through February before the final report is produced in March. Finalization of the report is typically announced to the WMR and the Board through the CEO letter.

In FY 2024-25, member agencies reported a total of 192.37 mgd in supply by source, 58.9 gpcd in residential per capita use which is low in comparison to previous years, 98 gpcd in gross per capita use, 243.05 mgd in demand projections by the year 2050 (data collected

from the Demand Study), and 1.8 million in total population which has increased from last year. The report is posted on the BAWSCA website along with info graphics for additional details.

Projected Water Purchases

Key information the Annual Survey provides is data on past and current SF RWS purchases. Mr. Ramey presented a chart in which he highlighted the sharp decline in water use during drought years, as expected, but also noted the effectiveness of water conservation investments in which water customers respond to. The data also shows the spike in water use at the end of each drought period, which has never exceeded pre-drought numbers as far back as FY 2012-2013; the normal year before the consequential droughts over the last couple of decades.

Projected Water Supply and Demand by Source

BAWSCA agencies have consistently relied on the SF RWS for two-thirds of their total water supply. In FY 2024-25, BAWSCA member agencies' customary purchases from the SF RWS was 128.71 mgd, which is 67% of the member agencies' combined water supply need. 15% come from other sources (Valley Water, State Water Project, local storm water capture, etc.), 8% from ground water, 3.8% from recycled water, and 3.3% from surface water.

Water use continue to decline in the region despite significant population growth. Water use is 26% less today despite a 35% population increase since FY 1986-87; the year when water use peaked.

Projected Water Supply and Demand

BAWSCA's recently completed Regional Water Demand and Conservation Study shows that by the year 2050, anticipated total projected supplies is 243.05 mgd in which the SF RWS account will account for 61%. Significant increases in supplies from Ground Water and Recycled Water Projects are anticipated in the next 20 years.

Consumption by Customer Class

As with the Source of Supply, water demand by customer class is also consistent over time. Residential use, including multi-family, typically accounts for 110.18 mgd or 55%-60% of total water use, followed by commercial/industrial at 39.88mgd, dedicated irrigation at 19.33 mgd, and government/institutional/other at 8.41mgd. Mr. Ramey noted that non-revenue water, which hovers around 14.56 mgd, is not just water loss, but can also include meter inaccuracies or just unaccounted for water. It is calculated by subtracting the total consumption from the total production.

Current and Historical Climate Data

Current and historical regional climate data includes the most recent three years from four representative service areas; Redwood City, San Jose, Union City, and SF Airport, to give a general representation of what the total precipitation is within the BAWSCA region. The report also includes median temperature data.

Per Capita Water Use

The section for per capita use is the most referenced section in the report. It has shown a decrease by 48% in the BAWSCA region since its peak at about 186 gpcd for gross and 114 gpcd for residential. In FY 2024-25, residential per capita use is 58.9 gpcd in

comparison to around 57 gpcd in FY 2023-24, and 55 gpcd in FY 2022-23. While the latter is the lowest in BAWSCA's history, it was also during the drought of 2021-23.

Single Family Water Bills and Rate Structures

Mr. Ramey presented a table that shows the impact of local action on average daily residential water use. The State uses FY 2012-13 as the baseline for water use reduction targets since it is the year that precedes the most detrimental drought in recent history. At that time, the BAWSCA region had an average residential use of 79.3 gpcd, and there were 15 agencies that were above 71gpcd. In FY 2024-25, the BAWSCA region have an average residential use of 58.9 gpcd with only 4 agencies that are above 71 gpcd.

The reduction in water use reflects investments by member agencies in their conservation programs and their customers' response to those conservation programs. It also reflects the response to previous drought and sustained low use. Mr. Ramey noted that Stanford is not included in the residential per capita calculations due to the nature of their service area.

Agency Profiles

The section for Agency Profiles provides information on specific service area information such as total population, service area size, alternative supply sources, demand by sector, per capita water use, water operations infrastructure, interties, and agency contact information.

BAWSCA's Annual Survey is the most referenced document that BAWSCA produces annually. It informs other efforts including the Regional Water Demand and Conservation Study and Strategy 2050 and is a data source for all BAWSCA related information in terms of water use and water resources. BAWSCA will continue to look for ways to improve the document to enhance efforts that it informs.

In response to Director Andrews, Mr. Ramey stated that survey includes historical information on production, consumption and gpcd by agency for the past 5 years.

Director Hardy was pleased to see that the BAWSCA region is at an average of 58.9 gpcd which is below Valley Water's reported 62 gpcd. While Valley Water's number may include agricultural use, being below 60 gpcd is good news.

Director Chambers appreciated the presentation and stated that the Annual Survey is a reference document he has used for many years.

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

7. CEO Reports:

- A. SFPUC Millbrae Operations Center: Mr. Smegal provided an update on recent developments regarding the Millbrae Operations Center Project included in SFPUC's 10-year CIP. BAWSCA continues to encourage staff members of the SFPUC and the City of Millbrae to come together to better understand the concerns and explore possible solutions. As reported to the Board at its March 19th meeting, the SFPUC held a meeting on March 18th at their Millbrae Operations Center with key members of their staff and of the City of Millbrae, including their City Manager, Tom Williams and Vice Mayor Rainaldi. He and Tom Francis

also attended. A tour of the facility was provided along with materials from SFPUC's 2021 and 2025 plans, and cost estimates associated with the project. Since then, the SFPUC has issued a letter to Assembly Members Papan, Stefani and Haney who have corresponded with the Commission previously on this matter. The letter states that SFPUC will pause further work on the project at the 35% design phase, which was estimated to be reached by April 3rd. The SFPUC will then develop a new alternative that maintains the Outdoor Supply Hardware store. The new alternative is expected to take 3 months to prepare and will be shared with BAWSCA and presented to the SFPUC's Commission including the estimate cost of implementing the alternative as well as associated logistical considerations of the alternative. BAWSCA will share details regarding SFPUC's new alternative to the Board once all information has been obtained from the SFPUC.

Public comments were provided by City of Millbrae Vice Mayor, Stephen Rainaldi.

Director Hardy asked what BAWSCA can do from a legal and historical point of view aside from having oversight on costs. It is an unprecedented situation.

Chair Ragsdale stated that the 3 months' time in which the project will be paused and a new alternative created will provide the opportunity for contemplation.

A copy of SFPUC's letter to the Assembly Members is included in the correspondence packet.

8. **Closed Session:** Closed session was removed from the agenda.
9. **Report from Closed Session:** N/A.
10. **Comments by Committee Members:**
11. **Adjournment:** The meeting was adjourned at 2:482pm. The next meeting is June 10, 2026.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 8, 2026	Feb. 11, 2026	Dec. 10, 2025	Oct. 8, 2025	Aug. 13, 2025	Jun. 11, 2025
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	✓	Meeting Cancelled	✓
San Bruno	Hamilton, Tom	✓	✓	n/a	n/a		n/a
Hayward	Andrews, Angela	✓	✓	n/a	n/a		n/a
Westborough	Chambers, Tom	✓	✓	✓	✓		✓
CalWater	Duncan, Darin		✓	✓	✓		✓
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓		✓
Redwood City	Pierce, Barbara		☎	✓	✓		✓
Burlingame	Stevenson, Peter	☎		✓			✓
MPWD	Vella, Lou	✓	✓	✓	✓		✓

✓ : present

☎ : Teleconference

April 8, 2026 Meeting Attendance (*In-Person Meeting*)

BAWSCA Staff:

Tom Smegal	CEO/General Manager
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
Christiane Barth	Office Assistant
Allison Schutte	Legal Counsel, Hanson Bridgett

Members of the Public:

Stephen Rainaldi	Vice Mayor, City of Millbrae
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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****March 19, 2026 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:30 pm.**

BAWSCA Chair, Louis Vella, called the meeting to order. CEO/General Manager Tom Smegal called the roll. Nineteen (19) members of the Board were present at roll call with a Director for Brisbane and Gaudalupe Valley Municipal Improvement District participating by teleconference in accordance with the traditional Brown Act Rule. Five members arrived after roll call. A list of Directors present (24) and absent (2) is attached.

2. Comments by the Chair:

Chair Vella noted that all actions by the Board will be taken by roll call vote due to remote meeting participants in accordance with the traditional Brown Act Rule.

A public hearing is on the agenda to comply with AB2561 which requires a report on agency vacancies and recruitment, and retention efforts. The Board will receive reports on the Preliminary FY 2026-27 workplan and budget, the Wholesale Water Rate setting process as defined in the Water Supply Agreement, and an update on Strategy 2050.

BAWSCA's opening brief on the Bay Delta Plan was filed in early March and was distributed to all members. A response from the State is not expected immediately, and there are no new developments to report on the Bay Delta Plan. With no questions from members of the Board, Closed Session was removed from the agenda.

3. Board Policy Committee Report: Board Policy Committee (BPC) Chair Leslie Ragsdale reported that the Committee met on February 11, 2026. The Committee was presented with BAWSCA's review of the SFPUC's 10-Year Capital Improvement Program for the Water Enterprise and Hetch Hetchy System, accomplishments achieved in the development of Strategy 2050 in 2025, and a preliminary Work Plan for FY 2026-27. Details of the Committee's discussion on the items are reflected in the meeting summary included in the agenda packet.

Chair Vella thanked Directors Schneider and Zigterman for their service on the Committee for the past few years.

Director Schneider noted that the BPC Summary Report did not include the requests made by Millbrae City Manager under Public Comments.

Director Zigterman asked if the BPC Summary Report can be made available to the Board sooner than when the Board Agenda packet is published.

4. Public Comments on Items Not on the Agenda:

Public Comments were provided by Peter Drekmeier and Dave Warner.

- 5. SFPUC Report:** SFPUC's Liaison to BAWSCA, Alison Kastama, provided a water supply conditions report. Based on March 16th data, total system storage is above historical average at 89.6% due to some carry-over storage as well as rain and snow in the early part of the water year. State reservoirs are currently above historical averages for this time of the year. As of March 12th, the State drought monitor is showing some dry conditions in the northern part of the state. Hetch Hetchy precipitation is slightly under historical median, but current year total precipitation for Up-Country and Bay Area are above the 12-month median despite dry conditions in March. Upcountry Snowpack is under the median which is consistent with the trend seen in 2025. Water available to San Francisco is at 220 TAF versus the 431 TAF needed to fill the system by July 1st. Total system deliveries are at 181 mgd given the dry and high temperatures.

Comments and questions were received from members of the Board.

6. Consent Calendar:

Directory Hardy made a motion, seconded by Director Pierce, that the Board approve the Consent Calendar with includes, adoption of the January 15, 2026 Board Meeting Minutes; Receive and File the Budget Status Report and Investment Report as of January 31, 2026; Receive and File the Bond Surcharge Collection, Account Balance, and Payment Report as of December 31, 2025.

The motion passed by roll call vote.

Public comments were provided by Peter Drekmeier and Steve Ritchie.

7. Action Calendar:

Director Piccolotti made a motion, seconded by Director Jordan, that the Board adopt Resolution 2026-01, Concurring in Nomination of John H. Weed to the California Water Insurance Fund Board, an ACWA/JPIA Captive Insurance Company.

The motion passed by roll call vote.

There were no comments from members of the public.

8. Public Hearing:

The Board convened to a Public Hearing at 7:06pm to hear the status of BAWSCA's employee vacancies and recruitment, and retention efforts as required by AB 2561 (Government code section 3502.3).

Mr. Smegal reported that BAWSCA has nine (9) full-time positions, all of which are currently filled. An employee filling one (1) position, Office Assistant, is retiring at the

end of April. BAWSCA has a “temp to hire” shadowing and training with the employee. If the temp to hire employee does not become permanent, BAWSCA will diligently continue its recruitment efforts to find a permanent solution.

Legal Counsel, Allison Schutte, testified that on March 9, 2026, a Public Hearing Notice was posted on the agency’s website and shared with the Clerks of the Boards of member agencies for posting. Confirmation of the posting were received from agencies within BAWSCA’s jurisdiction in Alameda, San Mateo, and Santa Clara Counties.

There were no correspondence received during the comment period of March 9th through March 18th.

There were no testimonies from members of the Board and members of the public.

The Public Hearing was closed at 7:09pm

9. Reports and Discussions:

- A. Preliminary FY 2026-27 Work Plan, Results to be Achieved and Operating Budget: CEO/General Manager Smegal presented the Preliminary Work Plan, Results to be Achieved, and Operating Budget for FY 2026-27.

Questions and comments were received from members of the Board.

Public comments were received from Peter Drekmeier.

- B. Wholesale Water Rate Setting in Accordance with the Water Supply Agreement: Finance Manager, Christina Tang, presented the wholesale water rate setting process in accordance with the Water Supply Agreement (WSA) between San Francisco and the wholesale customers.

Questions and comments were received from members of the Board.

Public comments were received from Dave Warner.

- C. BAWSCA’s Long-Term Reliable Water Supply Strategy 2050 First Year Year Accomplishments and Affordability Program Update: Sr. Water Resources Engineer, Negin Ashoori, presented the tasks completed in 2025 for developing Strategy 2050, and the upcoming activities scheduled in 2026.

Questions and comments were received from members of the Board.

There were no public comments.

The Chair called for a motion to extend the meeting to 9:15pm.

Director Manalo made a motion, seconded by Director Pierce, to extend the meeting to 9:15pm as recommended by the Chair.

The motion passed by roll call vote with one nay.

10. CEO Reports:

Mr. Smegal reported that on March 2nd, BAWSCA filed its opening brief in the appeal challenging the March 15, 2024 decision in the State Water Board Cases.

On March 18th, the California Legislative Analysts' Office (LAO) released a report titled "The Bay-Delta Plan and Voluntary Agreements: Ensuring Effective Legislative Oversight". The report provides recommendations for legislative oversight of the proposed Healthy Rivers and Landscapes (HRL) Plan. BAWSCA is reviewing the report.

There were no comments from members of the Board and members of the public.

11. Closed Session: No Closed Session was held.

12. Report from Closed Session: N/A.

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

There were no additional comments from members of the public.

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

Director Schneider reported that she received an update from the City of Millbrae's Vice Mayor and City Manager about their tour of the Millbrae Operations Center hosted by the SFPUC. She was asked by the City Manager to state that Millbrae unequivocally opposes the current plan in Millbrae, the plan is inadequate and lacking in true alternatives, and that the City of Millbrae offered to pay for a third party independent review of the SFPUC plans for Millbrae and any true alternatives, given that no true alternatives were included.

Director Jordan noted that at the NVIDIA conference, the Dell booth had servers which he was told can detect a leak in its cooling system at a rate of 7ml per second, which triggers an automatic shut off.

Director Hardy stated that the City of Santa Clara, which has the most data centers, has 20% of its total water usage as reclaimed water.

Director Ragsdale reported that the California Association of Youth Commissions is holding a free virtual conference on Saturday, March 21st.

Director Hamilton announced that the City of San Bruno will hold its first Climate Resilience Fair on April 7 at Belle Air Elementary. BAWSCA will be present.

15. Date, Time and Location of Next Meeting: The next meeting is scheduled on May 21, 2026 at 6:30pm in the Burlingame Community Center.

16. Adjournment: The meeting adjourned at 8:58pm.

Respectfully submitted,

Tom Smegal
CEO/General Manager

TS/le

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

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Roll Call & Voting Log - BAWSCA

Meeting Date: 19-Mar-26

							Weighted Voting ⁽²⁾	
Agency	Director	Present/ Absent	Item #6 Consent	Item #7 Concur w/ Nomination of JWeed	Extend the Meeting to 9:15pm	Other	Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	0	0	0	0			
Brisbane	Breault, Randy	☎ y	y	y	y			
Guadalupe	Breault, Randy	☎ y	y	y	y			
Westborough	Chambers, Tom	y	y	y	y			
San Jose	Cohen, David	y	y	y	y			
CalWater	Duncan, Darin	y	y	y	y			
San Bruno	Hamilton, Tom	y	y	y	y			
Santa Clara	Hardy, Karen	y	y	y	y			
Purissima	Jordan, Steve	y	y	y	y			
Foster City	Kiesel, Art	y	y	y	y			
East Palo Alto	Lincoln, Webster	0	0	0	0			
Daly City	Manalo, Juslyn	y	0	0	y			
Sunnyvale	Mehlinger, Richard	y	y	y	n			
Coastside	Mickelsen, Chris	y	y	y	y			
Milpitas	Montano, Carmen	y	y	y	y			
Menlo Park	Nash, Betsy	y	y	y	y			
North Coast	Piccolotti, Tom	y	y	y	y			
Redwood City	Pierce, Barbara	y	y	y	y			
Hillsborough	Ragsdale, Leslie	y	y	y	y			
Millbrae	Schneider, Ann	y	y	y	y			
Mountain View	Showalter, Pat	y	y	y	y			
Burlingame	Stevenson, Peter	y	0	0	y			
Palo Alto	Stone, Greer	y	y	y	y			
Mid-Peninsula	Vella, Louis	y	y	y	y			
ACWD	Weed, John	y	y	y	y			
Stanford	Zigterman, Tom	y	y	y	y			

Vote Tally

						Weighted Vote Summary	
	Yes (y)	No (n)	Absent (0)	Abstain (a)		"Yes"	"No"
Yes (y)	24	23	23	23			
No (n)					1		
Absent (0)	2	3	3	2			
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 21, 2026 BAWSCA Board of Directors Meeting Agenda Packet Page 21

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

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	Mar. 19, 2026	Jan. 15, 2026	Nov. 20, 2025	Sept. 18, 2025	July 17, 2025	May 15, 2025
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

BAWSCA

Bay Area Water Supply & Conservation Agency

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

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: May 1, 2026

SUBJECT: Budget Status Report as of March 31, 2026

This memorandum shows fiscal year budget status for FY 2025-26. 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, 2026, 75 percent into the fiscal year, total expenditures were \$3,443,606 or 62 percent of the total budget of \$5,547,732

Table 1. Operating Budget Summary as of March 31, 2026

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,563,088	931,209	60%
Fair Pricing	324,887	128,798	40%
Administration	346,000	123,922	36%
Subtotal	2,233,975	1,183,929	53%
Administration and General			
Salary & Benefits	2,694,282	1,906,156	71%
Other Expenses			
BAWSCA	554,300	350,659	63%
BAWUA	1,050	0	0%
Subtotal	5,483,607	3,440,745	63%
Capital Expenses	5,000	0	0%
Budgeted Contingency	57,500	0	0%
Regional Financing Authority	1,625	2,861	176%
Grand Total	5,547,732	3,443,606	62%

Overview:

Overall expenditures for FY 2025-26 are tracking within budget.

Consultants

The \$100,000 budget for technical review and tracking of the SFPUC’s Water System Improvement Program was 24 percent expended. The Operating Budget allocation of \$935,000 budget for legal counsel was 58 percent expended. The \$271,600 budget for water management and conservation-related activities was 54 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 71 percent and 63 percent respectively.

Use of CEO’s Discretionary Spending Authority:

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

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2024-25 were \$500,997. The General Reserve balance as of March 31, 2026, reflects the transfer of unspent funds from FY 2024-2025 in accordance with BAWSCA’s General Reserve Policy. At its January 2026 meeting, the Board authorized a transfer from the General Reserve of \$300,000 for a one-time payment to CalPERS to Reduce BAWSCA’s Unfunded Pension Liability. The reserve balance as of March 31, 2026, shown below reflects this transfer.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 01/31/26)	Account Balance (As of 03/31/26)
General Reserve	\$1,405,262	\$1,405,262

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: Christina Tang, Finance Manager

DATE: May 1, 2026

SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report as of March 31, 2026

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 month of January in 2026 have been collected. Payments of surcharges billed for February and March 2026 are still being received. Table 1 below presents a summary of financial transactions related to BAWSCA’s Bond Series 2023A and 2013B for the three months.

Table 1: Summary of Surcharges Remitted to Trustee for Quarter Ending 3/31/2026

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
January 2026	\$1,828,529	\$1,828,529	\$0
February 2026	\$1,828,529	\$1,789,085	\$39,444
March 2026	<u>\$1,828,529</u>	<u>\$1,076,198</u>	<u>\$752,331</u>
Total	\$5,485,587	\$4,693,812	\$791,775

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 3/31/2026

	24,148,917	Account Market Value as of 12/31/2025
<i>plus:</i>	5,509,051	<i>Surcharge Collected in January 2026 through March 2026</i>
<i>plus:</i>	320,142	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	(62,001)	<i>Change in Market Value of Held and Matured Treasury Bonds</i>
	29,916,109	Account Market Value as of 3/31/2026

Through the end of the first quarter of 2026, the Federal Reserve held rates steady at a target range of 3.50% - 3.75% as policymakers maintained caution while rising geopolitical tensions stoked inflationary concerns. Short term rates increased slightly while rates in the 1-5 year range increased by approximately 15-30 basis points. In April 2026, 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 laddered 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 its laddered maturity structure, the fund has been able to systematically reinvest maturing proceeds into currently available longer-term securities, helping to lock in prevailing yields and reduce future reinvestment risk.

Just prior to security maturities on March 31, 2026, the book yield and market yield on BAWSCA's revised portfolio strategy was 3.58% and 3.99% respectively, as compared to the yield of 3.53% 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 \$3,675,887 was made on April 1, 2026. It was paid using the bond surcharges collected from the agencies, consistent with the bond indenture. The next debt service payment of \$18,295,887 will be made on October 1, 2026. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.

BAWSCA

Bay Area Water Supply & Conservation Agency

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: April 24, 2026

SUBJECT: Investment Report – As of March 31, 2026

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 20, 2025, 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>02/28/26</u>	<u>03/31/26</u>
\$3,677,236	\$3,677,236

Of the total in the BAWSCA LAIF account as of March 31, 2026, \$1,405,262 represents BAWSCA's General Reserve Fund, which includes the transfer of \$500,997 in unspent funds from FY 2024-2025, equivalent to approximately 25 percent of FY 2025-2026 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>12/31/25</u>	<u>03/31/26</u>
4.20%	3.98%

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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: April 24, 2026

**SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending
March 31, 2026**

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, 2026.

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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: April 24, 2026

SUBJECT: Employees’ Reimbursement Quarterly Report for the Period Ending March 31, 2026

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, 2026.

Table 1. Employee Reimbursement Expenses

BAWSCA Employee	Expense Amount	Purpose
Tom Francis	\$1,820	<ul style="list-style-type: none"> • UWI Conference travel expenses • UWI Conference registration
Negin Ashoori	\$302	<ul style="list-style-type: none"> • ACWA/JPIA Leadership Meeting – expenses Sacramento
Deb Grimes	\$1,218	<ul style="list-style-type: none"> • ACWA Spring Conference Registration – Tom Smegal • BPC Meeting expenses
Kyle Ramey	\$152	<ul style="list-style-type: none"> • LEAK Detection training expenses
Christina Tang	\$149	<ul style="list-style-type: none"> • GRPA GAAFR renewal
Christiane Barth	\$2,204	<ul style="list-style-type: none"> • Office Supplies • Meeting Expenses

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Proposed Fiscal Year 2026-27 Work Plan, Results to be Achieved and Operating Budget**

Summary:

This memorandum presents the Proposed Fiscal Year 2026-27 Work Plan and results to be achieved. Comments received from the Board at the January 15, 2026 Work Plan and Budget Planning Session and March 19th Board meeting have been reviewed and addressed.

The Proposed Work Plan remains aligned with BAWSCA’s legislated authority and its three goal segments: a reliable supply of high-quality water at a fair price. Proposed work efforts to be undertaken in FY 2026-27 include the continued development of BAWSCA’s Long Term Reliable Water Supply Strategy 2050 (Strategy 2050).

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 Board approval of the proposed action.

Recommendation:

That the Board approve the:

- 1. Proposed Fiscal Year 2026-27 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$5,340,828; and**
- 3. Funding Plan Option 2 with 0% Assessment increase.**

Discussion:

Proposed Work Plan:

Next year’s Work Plan addresses all of the anticipated issues and results to be achieved discussed with the Board on January 15th and March 19, 2026, and the Board Policy Committee on February 11, 2026 and April 8, 2026.

The Proposed FY 2026-27 Work Plan includes the following major efforts:

- Overseeing SFPUC’s WSIP, 10-Year Capital Improvement Program (CIP), Regional Water System (RWS) Asset Management Program, and Emergency Response.
 - Review the SFPUC’s proposed Strategic Asset Management Plan (to be completed in FY 2026-27)
- Continuing BAWSCA’s Long-Term Reliable Water Supply Strategy (Strategy), including the following actions:
 - Complete the development of Strategy 2050;
 - Develop a plan for the implementation of Strategy 2050, including specific work efforts to be performed in FY2027-2028 and beyond;

- Participate in the Bay Area Regional Reliability Partnership (BARR);
- Participate in PureWater Peninsula potable reuse project planning;
- Facilitate development of other local water supply options by members;
- Work with San Francisco finance staff to identify barriers to and opportunities for debt financed capital, potentially within the authority of the Regional Financing Authority (RFA). Continue to work with San Francisco on its Alternative Water Supply Program proposal to fund local projects.
- Supporting near term water supply solutions for members including:
 - Represent members' interests in 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 and engage 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 recent amendments to the WSA.
- 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 Joint Water Quality Committee;
 - Relaying important water quality information to members and SFPUC as necessary; and
 - Review and act 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 draft Proposed FY 2026-27 Work Plan and major results to be achieved. The activities are grouped according to the agency goals they support.

Table 2 lists the items that are not included in the Proposed Work Plan. Any of these items could be added to the work plan at a later date, if needed, following further discussion with the Board concerning available resources and priorities.

Table 4 lists expected future large efforts which are not included in the FY 2026-27 Proposed Work Plan, but will be considered in future work plan and budgets based on recommended actions developed in Strategy 2050, cyclical expenditures or other projects contingent on future developments outside BAWSCA's control.

Proposed FY 2026-27 Work Plan Includes Continuation of a Previously Approved, Significant Multi-Year Project

The Regional Water Demand Projections and Conservation Study (Demand Study) and development of BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy 2050) were two major multi-year projects in the FY 2025-26 Work Plan that were previously approved by the Board and initiated in FY 2024-25. Both relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

With the completion of the Demand Study in December 2025, Strategy 2050, Work Plan Item 2a, remains a major task in FY 2026-27 Work Plan.

New or Significantly Re-scoped Activities for FY 2026-26

Strategy 2050 is expected to conclude in FY 2026-2027. From a resource availability and work priority perspective, BAWSCA must continue to devote the significant resources to that project rather than undertake new work activities. Moreover, Strategy 2050 will likely lead to many additional work activities for the following fiscal year. Activity re-scoping is not proposed for FY 2026-27 at this time.

Strategy 2050

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.

The WMC totaling \$2.447M has been assessed to cover the cost of consultant services, including legal support, for Strategy 2050's development work in FY 2024-25 and through its ongoing efforts and final completion in FY 2026-27.

While utilizing a WMC as the funding approach allows for a discrete project budget 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 2026-27 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. BAWSCA anticipates that staff will begin to plan how to implement Strategy 2050 beginning in January 2027 and extending through the close of the fiscal year, and hours have been allocated for that effort. As noted previously, BAWSCA anticipates that this planning will lead to specific work efforts that will begin in FY 2027-28 and beyond.

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 2026-27 Work Plan.

Extensive engagement with the BAWSCA Board and Water Management Representatives will continue to be conducted throughout the development of Strategy 2050. That engagement will continue to take place during FY 2026-27.

Results of January 15, 2026 Work Plan and Budget Preparation Planning Session and Feedback at the March 19, 2026:

During BAWSCA’s January 15, 2026 meeting, the Work Plan and Budget 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. These comments and responses are reflected in the Proposed FY 2026-27 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 activities and updated long-term future challenges as part of the FY 2026-27 Proposed Work Plan development through 2065. 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 2026-27 Operating Budget:

The Proposed Operating Budget of \$5,340,828 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).

Explanation and Alternatives for Salaries and Benefits:

The increase for salaries and benefits of \$65,207 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 separate merit allowance 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 3.104%. 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 2026-27 by 3.104% to ensure that the approved salary ranges stay competitive moving forward; and
- \$A total budget allowance for salary increases, which allows for a potential 5% adjustment to the actual FY 2026-27 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 \$9,500 for a contractual increase for the CEO has been included in the Proposed Operating Budget.

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 2025-26 Operating Budget approved in May 2025 increased assessments by 2.3% as well as use of \$152,023 transferred from the General Reserve.

The General Reserve has a balance as of March 31, 2026 of \$1,405,262, which is 25% of the adopted FY 2025-26 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 2025-26 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 2026, however at this time for budget funding purposes, it is assumed that no funds will be available for transfer at the end of FY 2025-26.

Funding Options and Alternatives:

In developing funding options to address FY 2026-27 budgetary needs, BAWSCA has two distinct funding sources to consider given the Proposed Work Plan items:

1. Member Agency Assessments
2. BAWSCA General Reserve

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 “Reserve-Neutral Assessment Decrease of 1.7%”:** A 1.7% decrease in assessments (\$5,340,828) that is equal to budgeted expenditures, maintaining the current level of General Reserve balance of \$1,405,262, which is 26% of the Proposed Operating Budget.
- **Option 2 “Status Quo 0% Assessment Increase”:** 0% assessment increase (\$5,395,709) and a transfer of \$54,881 to the General Reserve. This results in a General Reserve balance of \$1,460,143, which is 27% of the Proposed Operating Budget.
- **Option 3 “Nominal Assessment Increase of 1%”:** A 1% increase in assessments (\$5,449,666), and a transfer of \$108,838 to the General Reserve. This alternative results in a General Reserve balance of \$1,514,100, which is 28% of the Proposed Operating Budget.
- **Option 4 “Build the Reserve Assessment Increase of 2%”:** A 2% increase in assessments (\$5,503,623) and a transfer of \$162,795 to the General Reserve. This alternative results in a General Reserve balance of \$1,568,057, which is 29% of the Proposed Operating Budget.

The Board Policy Committee discussed the options at its April 8th meeting and majority of the committee members preferred funding Option 2 with a 0% assessment increase as it mitigates the impact of the 7% increase from SFPUC, maintains a General Reserve balance that is within the guidelines, and provides a stable revenue for the agency to achieve its goals for the fiscal year.

Table 1. Draft Proposed FY 2026-27 Work Plan and Results to Be Achieved

(New/Expanded Items Shown in Blue Italic and Bold Font)

BAWSCA OBJECTIVE & PROPOSED FY 2026-27 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 Improvement Program (CIP) to ensure that identified projects and programs meet the needs of the members in a cost-effective and appropriate manner.
	c. Review & monitor SFPUC’s Asset Management Program to ensure ongoing long-term maintenance and protection of Regional Water System (RWS) assets. <i>Review SFPUC’s Strategic Asset Management Plan (to be finalized in FY 2026-27) and recommend modifications or additions.</i>
	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. Engage with the SFPUC on their preparation of the 2026 State of the Regional Water System Report (due to BAWSCA in FY 2026-27)
	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. <i>Complete</i> the development of BAWSCA’s Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050).
	b. <i>Develop a plan for the implementation of Strategy 2050, including the identification of specific work efforts to be performed in FY 2027-28 and beyond.</i>
	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 2026-27 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>Work with San Francisco finance staff to identify barriers to and opportunities for debt financed capital, potentially within the authority of the Regional Financing Authority (RFA). Continue to work with San Francisco on its Alternative Water Supply Program proposal to fund local projects.</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. 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, 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. Administer the updated Tier 2 Plan as necessary
	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 2021 Amended and Restated WSA allowing for the paired transfer of a portion of an agency’s ISG and minimum purchase obligation.
	g. 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

BAWSCA OBJECTIVE & PROPOSED FY 2026-27 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.

BAWSCA OBJECTIVE & PROPOSED FY 2026-27 WORK PLAN ITEM	
	b. Administer BAWSCA’s revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco.
	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 Board policy directives for management of BAWSCA’s unfunded OPEB and pension liability obligations.
	b. Maintain a motivated, trained, and effective Workforce.
	c. Manage and interact with the Consultant selected to serve as BAWSCA's Human Resources Services provider
	d. 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 Out of the Scope of the Proposed Work Plan and Operating Budget for FY 2026-27

<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), 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 2026-27 Work Plan and Budget Planning Session – Comments and Suggested Work Plan Items for Further Consideration

#	Board Member	Board Member Comment/Question	Staff Response
1	Manalo	<p>How do we incorporate the next generation in understanding the water system. It's important for BAWSCA and its member agencies to provide the youth opportunities to understand how the system works, and also build future water managers.</p>	<p>BAWSCA's outreach efforts provide opportunities for dialogue with schools and institutions interested in water resources and management. In support of work plan item 10, BAWSCA accepts invitations for speaking and panel participation from community allies and organizations with environmental interests to achieve results and support goals in the interests of the region's water users. Additionally, BAWSCA's Subscription Programs for Water Wise School Education and the school assembly program Earth Capades provide opportunities for elementary and middle-school students to learn about water and watersheds. Information about the Regional Water System is included in these programs. BAWSCA's summer internship program through Eastside College Prep is a directed approach to engage interest in the water profession.</p>
2	Andrews	<p>Can we provide recommendations or guidance on how cities can manage data centers as they come into the community?</p> <p>Is BAWSCA partnering with organizations like Water Education for Latino Leaders and California African American Water Education Foundation. She would be interested in the potential opportunities with those organizations.</p>	<p>BAWSCA staff anticipates that several near-term project initiatives or assignments will be identified as part of the Strategy 2050 effort. One such effort may be to develop assistance or collaboration tools for Data Centers. BAWSCA has a new work item that identifies the need to follow-up on Strategy 2050 implementation directives.</p> <p>BAWSCA's workplan includes engagement with key community stakeholders. BAWSCA's internship program supports students from Eastside College Prep, a school that is committed to opening new doors for first-generation and low-income students. BAWSCA has worked with or reached out to WELL and the National Federation of Black Public Administrators. As part of its engagement task, BAWSCA will explore additional opportunities with these groups.</p>

#	Board Member	Board Member Comment/Question	Staff Response
	Andrews, cont'd.	Is the Advanced Quantitative Precipitation Information Project aligned with BAWSCA's efforts? Is BAWSCA engaged in that work to represent that member agencies?	BAWSCA supports SFPUC's participation in AQPI. AQPI is a high-resolution weather radar network in the San Francisco Bay Area designed to improve flash flood forecasting, particularly during atmospheric rivers. The SFPUC specifically assisted in the deployment of a permanent X-Band radar on Sawyer Ridge in San Mateo County (on SFPUC Property in the BAWSCA service area).
3	Ragsdale	Planning for how to respond to Federal changes, in terms of availabilities of grants, or water related decisions that are made by the Federal administration without the consent of local leaders.	BAWSCA has workplan tasks related to grant tracking and assistance. These may expand in potential actions identified in the Strategy 2050 process. A workplan item was added to begin exploring new initiatives resulting from the Strategy. For other water related decisions, BAWSCA works closely with SFPUC on legislative and stakeholder outreach as part of the workplan and will continue to work with stakeholder and community partners on federal issues as they develop.
4	Zigterman	Studies on Impact of PFAS and microplastics in water as they are the next huge environmental contaminant next to asbestos. It is import for BAWSCA to have a general knowledge of what the potential impacts are on water as this issue surfaces.	BAWSCA has a number of work plan assignments regarding water quality. BAWSCA also tracks new legislation and engages with our General Counsel (Hanson Bridgett) on water quality litigation. BAWSCA took part in the SFPUC's Water Quality Strategic Plan 2024 Update process, which identified activities currently underway and recommended new activities. Matters such as PFAS were discussed during that update. BAWSCA will take part each time this is updated. BAWSCA supports the efforts by the SFPUC to proactively address Contaminants of Emerging Concern through participation in national research projects and conducting independent monitoring of our source and treated waters.
5	Schneider	Review of BAWSCA's enabling legislation to see what changes are needed to provide BAWSCA member agencies a say on what capital improvement projects are done.	BAWSCA's most likely avenue to expand its review capabilities would be in amendments to the Water Supply Agreement. Amending the agreement is difficult and time-consuming, requiring consensus among the BAWSCA agencies as well as agreement with San Francisco. BAWSCA was successful in adding CIP review provisions in past amendments and could potentially explore this area as part of the 2028 amendment process.

#	Board Member	Board Member Comment/Question	Staff Response
6	Hamilton	Is there anything BAWSCA can do to approach ABAG to figure out how to adjust their methodology to account for water usage in developing their RHNA numbers.	BAWSCA and member agencies engaged with ABAG most recently in 2021 on this topic. This is an important connection that will continue to be a priority topic for BAWSCA in the current and future workplans.
7	Pierce	How can we (the Board) have more input to make sure we provide sufficient water supply yet contain the expenses. Is there a time the Board can provide that input to staff and CEO/GM.	Within the existing framework established by BAWSCA's enabling legislation and the Water Supply Agreement, staff has limited but enumerated opportunities to engage with SFPUC on its budget and CIP processes. The BAWSCA Board has generally delegated these tasks to staff due to timing. BAWSCA staff will continue to provide reports to the Board and BPC about its analysis and can engage the board in future presentations to gather feedback on the Board's policy preferences to incorporate into later analysis.
8	Hamilton, Andrews, Stevenson, others provided at previous meetings	How often can BAWSCA perform affordability analysis to keep the board updated?	The analysis performed under Strategy 2050 can be updated periodically with new water rate information. Income data used the U.S. Census, so that could not be updated under the same methodology until after 2030 when the next Census is published. BAWSCA staff is exploring options and costs for more frequent analysis and will update its recommendation in the workplan as more information becomes available.

Table 4. Potential Future Large Efforts

Project Name	FY 2025-26 (Budget as Adopted)	FY 2026-27 (Proposed Budget)	FY 2027-28 & Beyond	Discussion
Complete the development of 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 2025-26 Budget)	In FY 2026-27, \$10k in legal costs are proposed for assistance in Strategy 2050 Implementation Planning	Strategy Implementation (which has yet to be envisioned) will likely be significant cost components of future BAWSCA Budgets	BAWSCA began the development of Strategy 2050 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 was 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 be estimated as part of the work performed by BAWSCA staff in FY 2026-27. Estimates will focus on efforts to be conducted over the coming 1 to 5 fiscal years.
The term of The Water Supply Agreement (WSA) is twenty five (25) years. The Term began on July 1, 2009 and ends on June 30, 2034.	\$0K	\$0K	Uncertain – if a WSA extension is sought, costs are likely to be confined to legal expenses, which are in the neighborhood of \$100k total between FY 29-2030 thru FY 33-2034. If a new WSA is to be developed, the necessary staff time, consultant support, and legal support is likely to be in the neighborhood of \$1M over that same period.	The term of The Water Supply Agreement (WSA) between the City/County of SF and the Wholesale Customers is twenty-five (25) years. The Term began on July 1, 2009, and ends on June 30, 2034. There are provisions in the WSA that allow the term to be extended by 5 years. It can only be extended twice. The SFPUC must notify (in writing) wholesale customers in Dec. 2031 of their desire for a first extension. Two-thirds of the Wholesale Customers (and customers that in total represent 75% of the water purchased) must provide written notice to the SFPUC that they accept the extension. If it is not extended, a new WSA must be developed. If accepted, the WSA would end on June 30, 2039. A similar process would then be followed if a second extension is sought (with an SFPUC notice issued in Dec. 2036).

Project Name	FY 2025-26 (Budget as Adopted)	FY 2026-27 (Proposed Budget)	FY 2027-28 & Beyond	Discussion
			These are ball park costs that would be refined once the interests of the parties are defined in FY 2029-30.	<p>Extending the WSA will require BAWSCA engagement with both the SFPUC and the Wholesale Customers. BAWSCA must begin that engagement in FY 2029-30 in order to determine the positions that all parties have on the possibility of extending the WSA. BAWSCA staff time and legal assistance costs will be incurred. The exact time required or legal budget needed has yet to be determined.</p> <p>In the event that parties indicate an unwillingness to extend the WSA, and instead desire a new WSA, BAWSCA envisions a significant staff effort will be required, and significant legal expense incurred. The SFPUC may need to prepare CEQA analysis on a new WSA. All agencies would need to adopt a new WSA. Work would begin in FY 2029-30 and extend through FY 2033-34.</p>
Prepare a Regional Water Demand and Conservation Projections Study	\$254.5K (The 2025 Demand Study was completed in Dec. 2025). This covers the portion of the Study costs incurred in the Fiscal Year	\$0	The next update will commence in FY 2028-29 such that the study is completed by Dec. 2030). Studies cost more than \$700 K per cycle, as work requires extensive consultant support.	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 completed the 2025 demand study in Dec. 2025. BAWSCA will embark on an updated demand study in FY 2028-29. 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 2026-27 Operating Budget by Major Expenditure Category

Cost Category	Approved FY 2025-26 Budget (\$)	Proposed FY 2026-27 Budget (\$)	Change from FY 2025-26 Budget (\$)
Consultants/ Direct Expenditures			
Reliability	1,563,088	1,326,500	(236,588)
Fair Pricing	324,887	320,264	(4,623)
Administration	346,000	221,000	(125,000)
<i>Subtotal Consultants</i>	2,233,975	1,867,764	(366,211)
Administration			
Employee Salaries & Benefits	2,694,282	2,689,489	(4,793)
Other Post-Emp. Benefits (net)	85,000	155,000	70,000
Operational Expenses	469,300	562,800	93,500
<i>Subtotal Administration</i>	3,248,582	3,407,289	158,707
Total Operating Expenses	5,482,557	5,275,053	(207,504)
Capital Expenses	5,000	5,000	0
Budgeted Contingency	57,500	57,500	0
Regional Financing Authority	1,625	2,225	600
Bay Area Water Users Assn.	1,050	1,050	0
Grand Total Operating Budget	5,547,732	5,340,828	(206,904)

Table 6. Analysis of Funding Options

	FY 2025-26	FY 2026-27			
Fund Source	Adopted Funding Plan as of 05/15/2025	Option 1 1.7% Assessment Decrease	Option 2 0% Assessment Increase	Option 3 1% Assessment Increase	Option 4 2% Assessment Increase
Assessments	\$5,395,709	\$5,340,828	\$5,395,709	\$5,449,666	\$5,503,623
Transfer from/(to) General Reserve	\$152,023		(\$54,881)	(\$108,838)	(\$162,795)
Total Available Operating Budget/Funds	\$5,547,732	\$5,340,828	\$5,340,828	\$5,340,828	\$5,340,828
Potential End of FY25-26 Transfer to General Reserve		\$0	\$0	\$0	\$0
Estimated Year-End Reserves ⁽¹⁾	\$1,405,262	\$1,405,262	\$1,460,143	\$1,514,100	\$1,568,057
General Reserve to Budget Ratio ⁽²⁾	25%	26%	27%	28%	29%
Assessment to Budget Ratio	97%	100%	101%	102%	103%

APPENDICES

Appendices A through J present additional detail about the proposed FY 2026-27 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 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 BAWSCA's Long-Term Reliable Water Supply Strategy, providing legislative and political support, and providing advice to the CEO and the Board on 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 (WSA), as well as an independent auditor to prepare and review annual financial

statements. Legal expertise is also required to assist in the development and review of amendments to the WSA. 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	\$985,000	17%
2025-26	\$935,000	17%

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 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.
- FY 2025-26: The Board approved a 2.0813 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 2026-27 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 2026-27 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 2026-27, until evaluation of its available financing options are completed, the proposed RFA budget is \$2,225. 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 2026-27 Operating Budget. The RFA will formally consider and adopt this budget in January 2027.

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 2026-27 is estimated to be 1,791 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 2026-27.

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 2020-21			
EarthCapades	\$95,515	\$2,200	
Large Landscape Audit	\$132,833	\$1,332	
Lawn Be Gone		\$360	
Lawn Be Gone Inspections	\$1,958		
Water Wise Ed. Kits	\$46,834	\$1,272	
Watersense Giveaways	\$2,902		
WaterSmart Reports	\$274,276		
Rain Barrel Rebate	\$400	\$390	
Water Loss Program	\$125,475		
Customer Meter Testing	\$17,280		
Smart Controller Rebate		\$1,600	
DSS Support Services	\$12,311.75		
Total	\$711,384	\$5,554	\$0
FY 2021-22			
EarthCapades	\$87,275	\$3,020	
Large Landscape Audit	\$169,697.50	\$1,628	
Lawn Be Gone		\$960	
Lawn Be Gone Inspections	\$3,234		
Water Wise Ed. Kits	\$68,018.51	\$1,621	
Watersense Giveaways	\$14,732.28		
WaterSmart Reports	\$293,124.64		
Rain Barrel Rebates	\$1,840	\$485	
Water Loss Program	\$239,366		
Customer Meter Testing	\$20,390		
Smart Controller Rebate		\$1,800	
DSS Support Services	\$0		
Irrigation Hardware Rebate		\$50	
Total	\$897,677.93	\$9,564	\$0
FY 2022-23			
EarthCapades	\$115,395	\$4,040	
Large Landscape Program	\$165,431	\$1,924	

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Fiscal Year and Program Name	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
Lawn Be Gone		\$1,220	
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	
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
FY 2024-25			
EarthCapades	\$105,445	\$2,365	
Large Landscape Program	\$166,532	\$1,924	
Lawn Be Gone		\$1,980	
Lawn Be Gone Inspections	\$2,550		
Water Wise Ed. Kits	\$60,150	\$1,381	
Watersense Giveaways	\$13,892		
WaterSmart Reports	\$273,019		
Rain Barrel Rebates		\$580	
Water Loss Program	\$473,877		
Customer Meter Testing	\$17,513		
Smart Controller Rebate		\$1,650	
DSS Support Services	\$0		
Irrigation Hardware Rebate		\$35	
Total	\$1,112,978	\$9,915	\$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 estimated 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	\$2.97	\$8.92	\$12.61
2026-27	\$2.83 (proposed)	\$8.49 (proposed)	\$12.09 (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 22 years, BAWSCA’s reviews have resulted in a total of \$50.7 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.

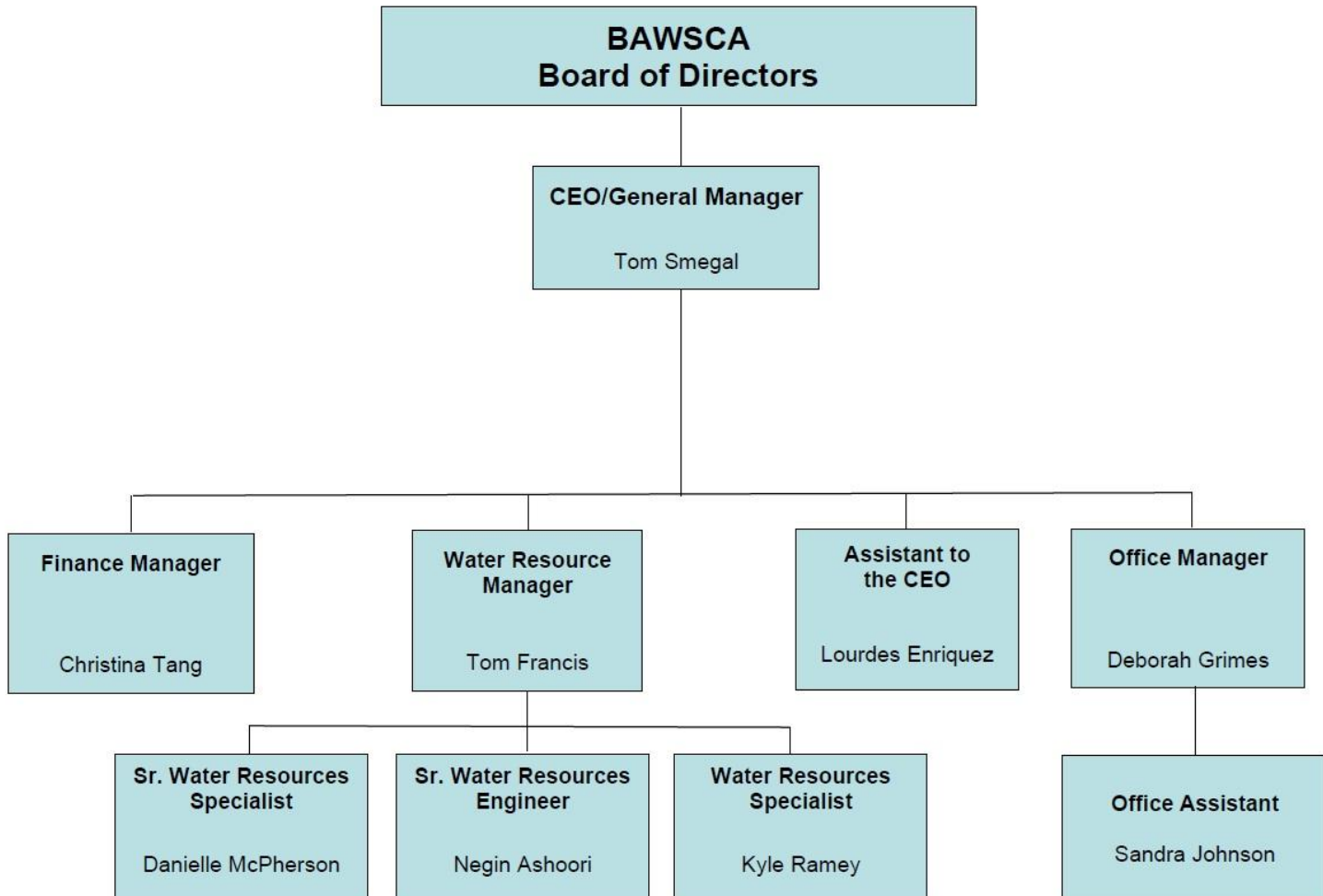
Table H-1. Savings Resulting from BAWSCA’s Annual WRR Review

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
2021-22	\$26,886
2022-23	\$3,477,285
Total	\$50,714,316

Appendix I: Current Organization and Staffing

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

BAWSCA Organization Chart



Appendix J: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers

Each year, BAWSCA’s Work Plan development process starts by reviewing and updating the major activities over the next 20 to 30 years. These activities require coordinated action by BAWSCA and its member agencies to ensure a reliable supply of high-quality water at a fair price.

Table J-1 lists these activities as they were updated as part of the FY 2026-27 Work Plan development. In each case, the results identified in Table J-1 will take the form of agreements, legislation, or other legally enforceable work products. Development of these documents will result from skilled negotiations based on rigorous investigations of impacts and alternatives, costs, cost allocation, and other matters.

Table J-1: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers (Preliminary FY 2026-27)

BAWSCA Goal and Associated Challenges	FY 2026-27 (Near-Term)	2027-2040 (Mid-Term)	2040-2065 (Long-Term)
Reliable Supply: Ensure Long-Term Water Supply Reliability			
Protection of member agencies' interests in long-term water supply reliability from the SF RWS and 184 MGD Supply Assurance in light of potential areas of risk, including climate change and regulatory challenges, as presented in the Long Term Vulnerability Analysis.	X	X	X
Protection of member agencies' interests in SFPUC development and implementation of its Alternative Water Supply Program including oversight of scope, schedule, and budget.	X	X	X
Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts.	X	X	X
Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	X	X	X
Support member agencies in their efforts to ensure system reliability during an emergency.	X	X	X
Representation of member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.	X	X	
Representation of member agencies in Bay Delta Plan Update to protect RWS water supply reliability.	X	X	
Assist member agencies in complying with the State's expanding regulatory requirements related to water use efficiency and reliability.	X	X	X
Protection of member agencies' interests in San Francisco's December 2028 decisions including deciding whether to make San Jose and Santa Clara permanent customers.	X	X	
Reliable Supply: Ensure Regional Water System Facility Reliability			
Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.	X	X	X
Promote emergency resiliency of the SF RWS to protect interests of water customers.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation, including through continuing state oversight (exp. 1/1/2036).	X	X	
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	X
High Quality Supply & Fair Price: Enforce Water Supply Agreement (WSA)			
Enforcement and amendment as necessary, of the WSA to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.	X	X	X
Protection of member agencies' water supply reliability interests against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	X	X	X
Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	X	X	X
Extension or renegotiation of the WSA before it expires in 2034. The WSA can be extended 2 times, for a period of 5 years each. By December 2031, SFPUC must notify Wholesale Customers of desire to extend contract.	X	X	X
Management of BAWSCA's revenue bonds in accordance with Bond Indenture and other applicable laws to ensure accountability and ultimately to reduce overall cost to regional water customers (thru 2034).	X	X	
Management of Agency			
BAWSCA CalPERS pension & OPEB liability management	X	X	X
Ensure Agency's near-term and long-term resiliency	X	X	X

Appendix K: Historical BAWSCA Operating Budgets and Assessments

BAWSCA's annual Operating Budget is developed to pay for the cost of the annual Work Plan, which is reviewed by the Committee and approved by the Board. Each year, the Work Plan is designed to achieve results that support BAWSCA's 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.

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%				\$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	85%		\$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	90%		\$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%		\$321,688 \$177,500 \$150,000 \$50,000	To fund budget Los Vaqueros Demand Study To fund budget	\$0	\$1,115,848	26%	8	RHH litigation, Bay-Delta Plan, FERC to participate in LVE Project and to fund Demand Study HB Amendment - Board approved 3/2019
2019-2020	\$3,686,779	3%	\$4,569,750	6.81%	\$4,116,485	90%	\$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	93%	\$197,000	\$333,900 \$142,500	To fund budget To fund budget	\$43,727	\$996,743	24%	9	To fund contract increase for legal counsel; increased BAWSCA approved Operating Budget to offset identified approved expenses for BA funds use HB Amendment - Board approved 3/2021
2021-2022	\$3,871,118	5%	\$4,783,794	14.91%	\$4,400,215	92%	\$275,000 \$71,750	\$281,676	To fund budget To fund water conservation digital billboards	\$124,744	\$758,794	16%	9	To fund Demand Study Board approved 3/17/2022
2022-2023	\$4,838,897	25%	\$4,720,885	-1.32%	\$4,297,922	91%	\$75,000	-\$193,012 \$30,000 \$56,752	May 2022 Board approved transfer of \$193,012 GR due to 25% increase in FY 22-23 assessments Consultant assistance scoping update 2045 strategy Consultant assistance scoping update 2045 strategy	\$665,592	\$1,046,550	22%	9	May 2022 Board approved transfer of \$193,012 to GR due to 25% assessment increase. Board approved 1/19/23 Board approved 5/18/23
2023-2024	\$4,838,897	0%	\$4,983,419	5.56%	\$4,568,178	92%		\$252,752	Hanson Bridgett - \$112,000- Board approved January 2024. \$84,000 Hanson Bridgett - Board approved May 2024.	\$237,018	\$1,459,390	29%	9	HB 1st Amendment - Board approved 1/18/24. HB 2nd Amendment - Board approved 5/16/24.
2024-2025	\$5,274,398	9%	\$5,614,518	12.66%	5,004,232	89%		\$340,120	May 2024 Board approved transfer of \$340,120 GR due to 9% increase in FY 24-25 assessments	\$500,997	\$1,705,262	30%	9	May 2024 Board approved transfer of \$340.120 to GR due to 9% assessment increase.
2025-2026	\$5,395,709	2%	\$5,547,732	-1.19%				\$152,023	May 2025 Board approved transfer of \$152,023 due to 2.3% increase in FY 2025-2026 assessments					May 2025 Board approved transfer of \$152,023 due to 2.3% increase in FY 2025-2026 assessments

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 2026-27

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, fourteen (14) professional services contracts must be entered into under the Board's authority.

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

Following the Board's consideration and adoption of the FY 2026-27 operating 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 2026-27 Work Plan will be brought to the Board for authorization during the year as necessary.

Fiscal Impact:

The eight (8) professional services contracts that need to be in place on July 1, 2026, and which are funded by the Proposed FY 2026-27 Operating Budget, have a combined budget of \$1,538,500.

The six (6) professional services contracts that need to be in place on or before July 1, 2026 for subscription conservation programs have no operating budget implications as participating agencies pay the costs of the professional services.

A multi-year professional service contract that BAWSCA entered into in FY 2024-25 under the Board's authorization is with EKI Environment & Water, Inc. for the development of BAWSCA's Long Term Reliable Water Supply Strategy 2050 (Strategy 2050). The negotiated contract, which is funded through the Board authorized Water Management Charge, allows 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 fourteen contracts, subject to legal counsel review, for legal, engineering, financial, and water conservation services needing to be in place by July 1, 2026.

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) and development of BAWSCA’s Strategy 2050.

A description of the services provided by each professional services contracts proposed for FY 2026-27 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 2026-27. BAWSCA’s standard form of contract will be used as the basis for each contract.

Table 1 summarizes the costs for the eight (8) professional services contracts funded by the Proposed FY 2026-27 Operating Budget that need to be in place by July 1, 2026. The combined budget for these professional services is \$1,538,500. The corresponding consultant budget adopted by the Board for FY 2025-26 is also shown in the table. Table 2 summarizes the six (6) professional services contracts that need to be in place by July 1, 2026 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 2025-26	Proposed FY 2026-27
1. E Source (Water Loss Management Program)*	\$40,000	45,000
2. Hanson Bridgett (Legal Counsel)	\$935,000	935,000
3. Hazen & Sawyer (Engineering/Water Mgmt.)*	\$120,000	120,000
4. IGService (Auditing/Accounting Services)	\$30,000	\$40,000
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
8. Water Systems Consultants (Water Use Efficiency)	160,000	\$160,000
Total	\$1,523,500	\$1,538,500

**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)
9. AM Conservation Group (School Education Program)
10. EarthCapades (School Assembly Program)
11. Global Sun Landscape (Lawn Be Gone Inspection Services)
12. M&M Backflow and Meter Maintenance (Customer Meter Testing Program)
13. VertexOne (Home Water Use Reports Program)
14. 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 though a subscription program. Hazen & Sawyer will continue the same services in FY 2026-27.

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.

Water Systems Consultants helps BAWSCA, in partnership with Valley Water, provide information and resources for agencies to meet the requirements of California's legislated conservation mandates

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 2026-27**

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 2026-27 budget includes a \$45,000 budget allocation for the LEAK Work Group for FY 2026-27 as a core conservation program and billing rates are the same as the current years.

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 \$45,000 for implementation of the Water Loss Management Program in FY 2026-27; 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 2025-26, twenty BAWSCA agencies participated in the TAP. These agencies have expressed a strong desire to continue the TAP in FY 2026-27.

The LEAK Work Group portion of the WLM Program is implemented as a Core Program, recommended to be funded by BAWSCA for FY 2026-27 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 2026-27 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 2026-27 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 completed (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
<i>Approach:</i>	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy pressure loggers ○ Analyze and visualize pressure data 	<ul style="list-style-type: none"> ○ Select logging sites ○ Deploy high-frequency pressure loggers ○ 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 developing 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:

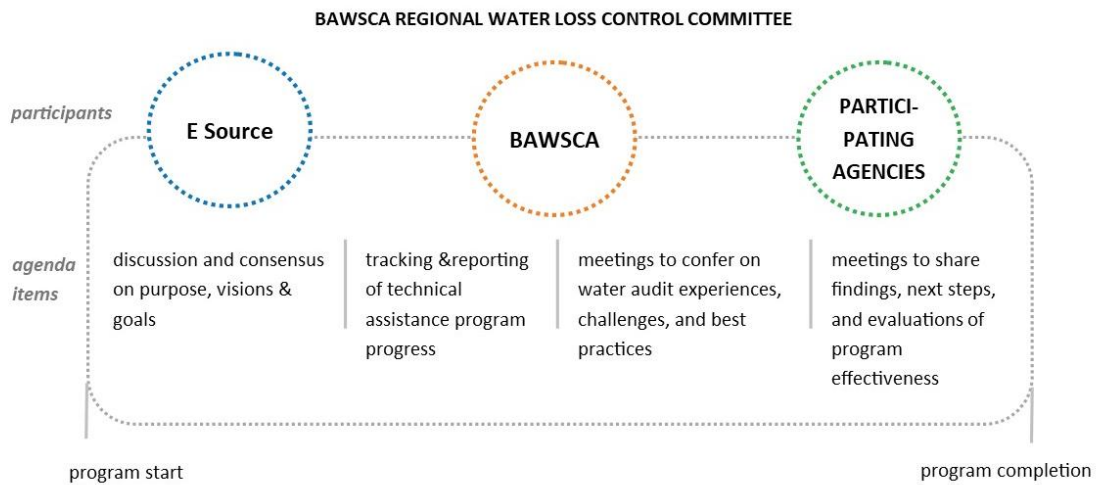
- Review the agency's calculated custom inputs and/or supporting documentation.
- Conduct advisory calls with the agency to provide guidance on custom input derivation and methodology.

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 support.

Rates and Charges:

The following are the FY 2026-27 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	\$465 x _____ # of subtasks selected from 2.a-f, 3.a-b, 4.a-d, 5	
	<input type="checkbox"/> 1.b Monthly Status & Budget Updates	\$930 required if any subtasks beyond validation are selected	
2. Water Audits & Data Sources	<input type="checkbox"/> 2.a Water Audit Compilation & Reporting	\$8,153	
	<input type="checkbox"/> 2.b Billing Data Analysis	\$5,338	
	<input type="checkbox"/> 2.c Source Meter Volumetric Accuracy Testing & Reporting	<i>Determined upon discussion with E Source</i>	
	<input type="checkbox"/> 2.d Field Pressure Survey & Reporting	\$15,391	
	<input type="checkbox"/> 2.e Water Audit Miscellaneous Support	<i>Determined upon discussion with E Source (rates in Table 1 below)</i>	
	<input type="checkbox"/> 2.f Eye on Water Detailed Flow Analysis	<i>Determined upon discussion with E Source (rates in Table 1 below)</i>	
3. Leakage Analysis & Recovery	<input type="checkbox"/> 3.a Real Losses Component Analysis	\$26,654	
	<input type="checkbox"/> 3.b Leak Detection – Preparation, Kick Off & Reporting	\$5,743 <i>(required if conducting leak detection)</i>	
	<input type="checkbox"/> 3.c Leak Detection – Survey	<i>Price based on tiered rate (see Table 2)</i>	
4. Apparent Loss Analysis & Reporting	<input type="checkbox"/> 4.a-1 Small Meter Test Strategy & Sample	\$8,020	
	<input type="checkbox"/> 4.a-2 Small Meter Test Sample	\$3,445	
	<input type="checkbox"/> 4.a-3 Small Meter Test Data Analysis	\$8,237	
	<input type="checkbox"/> 4.a-4 Large Meter Test Design	\$4,030	

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	<input type="checkbox"/> 4.a-5 Large Meter Test Data Analysis	\$6,389 Typical cost; discuss pricing with E Source	
	<input type="checkbox"/> 4.b Customer Meter Accuracy Testing via Subcontractor	See Separate Agreement	
5. Targeted SWRCB Assistance	<input type="checkbox"/> Targeted SWRCB Water Loss Standard Assistance	Determined upon discussion with E Source	
6. BAWSCA Administration Fee			\$150
7. Maximum Program Cost		Total Items 1-6	\$

Billing Rates

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

Role	Rate (hourly)
Project Advisor	\$ 309
Project Director	\$ 251
Project Manager	\$ 214
Analyst	\$ 167

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

Mileage Surveyed	\$/mile
Mile 1 through Mile 50	488
Mile 51 through Mile 100	427
Miles 101 +	366

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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 2026-27
(Legal Counsel)**

Summary:

The annual contract for legal services should be executed by July 1, 2026. 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 2026-27. 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 2026-27 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 with the SFPUC in completing the Water System Improvement Program (WSIP) and maintaining the Regional Water System (RWS) 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 2026-27. The proposed hourly rates for FY 2026-27 represent an approximate 3% to 5% increase compared to current FY 2025-26 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 2026-27 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 2026-27.

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 2026-27 as a funding mechanism.

Assistance Achieving FY 2026-27 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 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	\$114,000
Water Conservation	\$66,000
WSA Administration - Fair Pricing	\$97,000
WSA Administration - Supply Reliability	\$485,000
BAWSCA (General legal)	\$171,000
<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.

Exhibit B

**Hanson Bridgett LLP
Rate and Charges**

FY 2026-27

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 2026-27 represent an approximate 3% to 5% increase compared to FY 2025-26 rates. The contract will be managed to provide actual services required within the total not-to-exceed limit of \$935,000.

FY 2026-27 RATES

Partner	\$520/hour
Senior Counsel	\$470/hour
Associates	\$450/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 2026-27**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Hazen and Sawyer for developing and evaluating water supply scenarios using BAWSCA's Regional Water System & Supply Modeling Tool (Model) for FY 2026-27.

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 2026-27 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 2026-27, 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 2026-27.

Exhibit B shows the draft scope of work and billing rates for work proposed under a subscription program with member agencies in FY 2026-27.

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 2026-2027 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 2025-26. BAWSCA wishes to continue modeling and water supply planning support services under a new agreement through FY 2026-27. 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)	\$292.00/hr.
QA/QC Lead (Devon Becker)	\$235.00/hr.
Modeling Lead (Diane Roher)	\$170.00/hr.
Assistant Engineer II (Nadia Maher)	\$207.00/hr.
Assistant Engineer II (Stephanie Lin)	\$170.00/hr.
GIS Analyst (Claire Waller)	\$167.00/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 2026-2027 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 2026-27, 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, 2026 through June 30, 2027.

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, Luke Wang	\$275-345
Senior Associate / Project Manager	Sarah Dominick, Kirsten Plonka, Jack Keifer	\$231-325
Associate / Senior Modeler	Andrea Zimmer, Kinsey Hoffman, Devon Becker, Lisa Krentz, Nadia Maher	\$195-\$275
Project Engineer, Modeler	Kiersten Castillo, Diane Roher, 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 2026-27 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 2026-27 Operating Budget. The proposed budget is the same as the adopted budget for FY 2025-26 with a 5% increase in billing rates. The IGService 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 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 2026-27 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 2026-27 SCOPE OF WORK

Purpose:

For FY 2026-27, 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 is 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 \$230/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 2026-27 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 2026-27 Operating Budget. The proposed budget is the same as the adopted budget for FY 2025-26 with no increase in billing rates.

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 2026-27, KNN will assist in reviewing the WRR calculations for FY 2024-25 and FY 2025-26, 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 2026-27 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 2026-27 SCOPE OF SERVICES FOR ON-GOING FINANCIAL ADVISORY SERVICES

Purpose

For FY 2026-27, 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 2026-27. 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 his 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 implementation 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 2026-27 Operating Budget for these services. The proposed budget is the same not-to-exceed amount set in the adopted budget for FY 2025-26.

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 2026-27, 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 the 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 as well as any mid-year updates to their CIP. BAWSCA will use the services of Mr. Sykes and his team during this CIP review, tracking, and engagement effort. SFPUC prepared its most recent 10-year CIP in 2026, and it is possible a mid-cycle update could be prepared such that it comes before their Commission in February of 2027. Mr. Sykes and his team will support BAWSCA staff in the review of other plans and documents prepared by the SFPUC, such as their State of the Regional Water System Report as well as a proposed Critical Asset Management Plan, both of which are assumed to be provided by the SFPUC in the fall of 2026. They will also assist by advising BAWSCA in the evaluation of specific project documents provided as part of SFPUC's CIP development 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 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 2026-27 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 2026-27 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 2027-27, work will include assisting BAWSCA staff in the review of a potential mid-cycle 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 Critical Asset Management Plan, set to be released to BAWSCA in FY 2026-27..
- Assist BAWSCA with the review of the SFPUC's Annual Report on Water Enterprise Managed Capital Improvement Projects.
- Assist BAWSCA with the review of the SFPUC's State of the Regional Water System Report, scheduled to be provided to BAWSCA in draft form in the fall of 2026. The Consultant shall provide written comments on the draft Report and participate with BAWSCA in a review of the SFPUC's response to BAWSCA comments to the draft Report.
- 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	\$243.50/hr.
Jean Gardner	\$180.00/hr.

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 2026-27 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 2026-27 Operating Budget. The proposed budget is the same as the adopted budget for FY 2025-26 with no increase in billing rates.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and Stetson Engineering, subject to legal counsel 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 2026-27 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 2026-27 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
<u>Unexpected Activities</u>	<u>2,500</u>
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: **Extending Professional Services Contract with Water Systems Consulting Inc. (WSC) for Water Use Efficiency Efforts Support for FY 2026-27**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract amendment with Water Systems Consulting Inc. (WSC) for FY 2026-27.

In FY 2025-26, BAWSCA partnered with the Santa Clara Valley Water District (Valley Water) on Water Use Efficiency (WUE) efforts, and Valley Water committed, via a Memorandum of Agreement (MOA), to cover fifty percent of the FY 2025-26 cost for WSC's services. The FY 2025-26 WUE efforts were integral to helping BAWSCA's and Valley Water's agencies understand the new WUE legislation and plan for its' implementation.

BAWSCA and Valley Water determined that it was worth continuing the work in FY 2026-27. Valley Water agreed to continue to cover fifty percent of the FY 2026-27 WSC costs. The MOA will be amended to extend its term through the end of FY 2026-27.

In FY 2026-27, under the amended contract, WSC will continue to host and facilitate WUE workshops. Workshops serve as the means to keep BAWSCA and Valley Water agencies updated on new WUE laws and regulations, interpretation(s) of said laws and regulations, of staff training opportunities, and of resources available to assist implementation efforts. WSC will also host monthly "office hours" where agencies can pose direct questions / have deeper interaction, produce and distribute a monthly WUE newsletter, create an electronic library of resources, and prepare a summary report at the close of the fiscal year documenting the work effort performed.

An amendment to the current contract will be prepared using BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount is \$160,000. Fifty percent of that cost is the responsibility of BAWSCA to cover. Valley Water is responsible for the remaining fifty percent of the cost. BAWSCA's financial responsibility is included in the FY 2026-27 Operating Budget.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract amendment between BAWSCA and WSC, subject to legal counsel's review, for a not-to-exceed amount of \$160,000 to support BAWSCA's Water Use Efficiency efforts for FY 2026-27.

Discussion:

In September of 2025, the Board authorized BAWSCA CEO/General Manager to execute a contract with WSC to provide professional assistance on Water Use Efficiency matters. The

costs incurred were shared 50/50 with Valley Water and had a maximum total budgetary limit of \$160,000.

WSC's primary work assignment was to plan and lead a series of workshops that focused on various aspects of WUE legislation and upcoming regulations.

From October 2025 to June 2026 (planned), the workshops were conducted in both virtual (10) and in-person (2) formats. The workshops provided the agencies with opportunities to ask experts questions about completing the reporting form(s) and to engage with peers on approaches to new requirements. BAWSCA and Valley Water believe that peer-to-peer learning is crucial, as agencies navigate these new regulations and seek reassurance in their implementation strategies.

As has been discovered since the WUE legislation was adopted, requirements and resources continue to evolve. For example, pending legislation may require data centers to report water use estimates and impacts to water suppliers before obtaining business licenses. Over the next fiscal year water suppliers may be required to submit Urban Water Use Objectives (UWUO) annual reports, adopt or revise regulations, ordinances, or policies regarding nonfunctional turf, classify all existing commercial, industrial, and institutional (CII) water users, or address additional related requirements.

In consideration of the success of the workshop series in FY 2025-26, and in light of the ever-evolving regulatory landscape as it relates to WUE, BAWSCA and Valley Water seek to continue the work with WSC in order to support their respective agencies in meeting WUE regulatory requirements. To secure WSC's services in FY 2026-27, an amendment to the existing agreement between WSC and BAWSCA is required.

WSC has developed a proposed scope of work, and that scope has been reviewed and refined by BAWSCA and Valley Water staff. The final scope is aimed to assist our respective agencies in meeting their WUE regulatory compliance requirements via continued education, discussions, and collaborative efforts (via workshops, one-on-one agency-specific discussions, newsletter etc.).

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

The draft scope of services and billing rates for FY 2026-27 are shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Water Systems Consulting Inc. (WSC)**

DRAFT

FY 2026-27 SCOPE OF SERVICES

UWUO Support Services

Task 0 Project Management

WSC will provide comprehensive project management to ensure efficient coordination, clear communication, and timely delivery across all tasks in this scope.

0.1 Project Administration

- Develop and maintain a detailed work plan, schedule, and task tracking.
- Internal team coordination and quality control.
- Monthly budget tracking and invoicing.
- Prepare monthly progress reports to be submitted with each invoice.
- Client meetings as needed.
- One project kickoff meeting.
- Sub consultant contracting and invoice management with Maddaus Water Management Inc. and Blua Consulting LLC.

Deliverables:

- (1) Monthly progress reports and invoices.
- (2) Kickoff meeting agenda and meeting minutes.
- (3) Project schedule.

Assumptions:

- (1) Project duration is 12 months.
- (2) Project kickoff will be held virtually and will not exceed two (2) hours.
- (3) Fee proposal includes up to eight additional meetings at 30 minutes each.

Task 1 Regional Coordination and Support

1.1 Quarterly WUE Workshops

- Host and facilitate quarterly WUE Workshops to keep agencies updated on regulations, new interpretations, available training, resources, and to ensure continued dialogue on progress and programs.
- Coordinate and facilitate pre-workshop planning meetings with BAWSCA/Valley Water staff and facilitation teams as well as technical checks for presenters.
- Develop and implement methods of engagement for workshop attendees.
- Assigned facilitators will coordinate to develop an agenda, identify, and secure appropriate subject matter experts, and create engaging methods and material.
- Preparation of workshop agendas, notes and follow-up, meeting logistics, speaker coordination, invitations, content review, presentations, and collateral materials design.

Deliverables:

(1) Agendas, recordings, attendance reports, presentation materials, run-of-show, facilitation, and meeting summaries.

Assumptions:

- (1) Assume four total: three virtual and one in-person.
- (2) Virtual sessions will not exceed two hours; in-person sessions will not exceed six hours.
- (3) Time for coordinating speakers, food, and logistics for one in-person meeting is included.
- (4) Direct expenses such as speaker fees, meals, refreshments, room rental and equipment fees, printing, and delivery of collateral are not included and will be determined during the contract.
 - The budget for in-person meeting support must be approved by BAWSCA/Valley Water in advance and shall not exceed \$4,000 per in-person workshop.
 - Any speaker fees must be approved by BAWSCA/Valley Water before finalizing the speaker selection and shall not exceed \$4,000 total for all workshops.
- (5) Every effort will be made to create consistency in workshop dates and times; final schedules are to be determined.
- (6) Each session will have no fewer than three facilitators.
- (7) Workshop facilitators may change due to availability or unforeseen circumstances.

1.2 Office Hours

- Host topical or open virtual office hours to address emerging legislation, regulatory questions, or implementation challenges.
- Office hours to be held during months between roundtable workshops.

Deliverables:

(1) Eight, one-hour virtual sessions.

Assumptions:

(1) Assume up to eight total one-hour sessions.

(2) One additional hour per month is allocated for research related to unanswered questions and follow-up inquiries.

(3) If the Project Manager is unavailable, WSC will consult with BAWSCA to identify a suitable alternative.

1.3 Newsletters

- WSC will develop a digital newsletter distributed to subscribers via email.
- The newsletter will share relevant webinars, websites, tools, regulatory interpretation, and guidance.
- New content will be developed with permission from, or at the direction of, BAWSCA as well as input and cobranding opportunities from Valley Water.

Deliverables:

(1) Six bi-monthly newsletters delivered in a mobile-friendly format consistent with permission-based email marketing requirements.

Assumptions:

- (1) Newsletters will be delivered electronically.
- (2) Each newsletter may receive one round of review by BAWSCA/Valley Water staff.

1.4 Resource Library

- Two hours per month to maintain a UWUO Resource Library, including: – Information developed in WUE working groups.
 - Shared templates and tracking frameworks.
 - Presentation materials, briefing documents, and public-facing summaries.

Deliverables:

(1) A cloud-based Resource Library including all Roundtable Workshop materials and relevant resources developed through newsletters and office hours.

Assumptions:

- (1) The Resource Library will be maintained for the duration of the contract.
- (2) All electronic deliverables (documents/files) will be provided to BAWSCA/Valley Water at conclusion of the project.

1.5 Agency Surveys

- Develop and use four participant surveys to inform workshop content and agency needs and compliance status and approaches. These include, but are not limited to, conservation regulatory compliance status and relevant approaches to achieve or maintain compliance.
- Provide survey coordination support, including question development and summary findings.

Deliverables:

(1) Four agency surveys delivered via email.

Assumptions:

- (1) Surveys will not exceed 20 questions.
- (2) Each survey may receive up to two rounds of review by BAWSCA/Valley Water staff.
- (3) If participation rate is below 30% of member agencies, the project team will contact remaining agencies to encourage responses.
- (4) Up to two of these four surveys may inform FY 28 program development.

1.6 Resource Development

WSC will provide up to 40 hours for development of emerging or unanticipated resources, subject to BAWSCA's written approval. The proposed fee is based on a mix of Strategic Communications, Technical Planning, and Data Analytics staff. Examples include:

- Technical analysis and general resources on targeted topics.
- Shared templates and tracking frameworks to reduce duplicative efforts.
- General presentation, briefing, and public-facing materials.
- Regional data aggregation and consistency checks.
- Regional demand and use characterization to support UWUO compliance.

Deliverables:

- (1) Deliverables are to be determined at the direction of BAWSCA with input and collaboration from Valley Water.

1.7 Final Report

The team will prepare a brief final report summarizing outcomes and key insights from workshops, office hours, surveys, and member agency participation. The final report will be delivered in an editable format so that necessary revisions can be made by BAWSCA and Valley Water. WSC may provide additional revisions dependent on budget availability.

Deliverables:

- (1) One brief final report detailing topics and key insights from workshops, office hours, and surveys as well as a summary of workshop attendance and resources. Newsletters will be provided as an appendix.

Assumptions:

- (1) The final report will be delivered within ten business days following the final deliverable, which may be a newsletter, workshop, survey, or office hours session.

Optional Task

BAWSCA and Valley Water may require, and the Consultant will perform, Supplemental Services on an as-needed basis. For the optional task below, deliverables will be determined collaboratively with BAWSCA/Valley Water's direction. For any optional tasks it is assumed that BAWSCA and/or Valley Water will serve as the primary contracting entity. BAWSCA and Valley Water's total budget for the Project shall remain within the Not to Exceed (NTE) budget of \$160,000. Specific examples of an optional task includes, but is not limited to:

Optional Task 1 Program Strategy and Coordination

WSC will collaborate with BAWSCA and/or Valley Water to identify tools and assistance needed to support member agencies throughout the UWUO and CWOL lifecycle. This effort may result in a framework of options for reporting, planning, implementation, outreach, evaluation, and adaptation. This may include, but is not limited to identifying needs related to each of the following efforts:

- Retail Agency Subscription or Cost Share Models.
 - DIM/MUM conversion analysis (feasibility etc.).
 - Forms, tracking tools, and standard operating procedures that support clear and consistent WUE program implementation.

- Regional Communications and Outreach – Regionally consistent messaging and branding.
 - Infographics, data visualization, video, and multimedia storytelling.
 - Audience and stakeholder analysis.
 - Fact sheets, FAQs, infographics, data visualizations, and public-facing material.

- Technical Advisory, Compliance, and Reporting Support – Data coordination for standardized and consistent reporting.
 - Demand Management Measures gap analysis.
 - Review of agency data, assumptions, and compliance narratives.
 - Regional training materials and sessions (e.g., CII water use surveys).
 - Support for Annual Water Use Reporting, Annual Water Supply and Demand Assessments or other related reporting.

Deliverables:

- (1) One complete scope and preliminary budget/costing estimate for each effort.
- (2) Up to four hours of meetings with the prime and subconsultants as well as the primary contracting entity(ies).

Assumptions:

- (1) Should the contracting entity(ies) determine the Program Strategy and Coordination task, or other Supplemental Service, requires the participation of only the prime or one subconsultant, the meetings and allocated fee will be adjusted accordingly.
- (2) If an alternate Supplemental Service is requested, remaining funding within the Not to Exceed (NTE) budget of \$160,000 may be reallocated to a different effort at the direction of BAWSCA, with input and collaboration from Valley Water.

Billing Rates and Labor Hours by Task:

Task No. Task Description	WSC										Maddaus	Blua	ALL FIRMS		
	Principal In Charge	Data Lead	Project Manager	Technical Expert	Communication Support and Design Lead	Admin	Deputy Project Manager	Design Support	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Labor Fee	Labor Fee	Total Fee
	Dianne Lee	Brandon Hamilton	Sierra Orr	Spencer Wolstein	Shivani Patel	Rosanne Collins	Cynthia Kahn	Emily Lee							
<i>Billing rates, \$/hr</i>															
	\$300	\$297	\$280	\$278	\$220	\$186	\$165	\$145							
0 Project Management															
0.1 Project Administration	14		34			13			61	\$ 16,138	\$ -	\$ 16,138	\$ 5,204	\$ 4,807	\$ 26,149
SUBTOTAL	14	0	34	0	0	13	0	0	61	\$ 16,138	\$ -	\$ 16,138	\$ 5,204	\$ 4,807	\$ 26,149
1 Regional Coordination and Support															
1.1 Quarterly WUE Roundtable Workshops	10	2	90	4	30		75	20	231	\$ 51,769	\$ -	\$ 51,769	\$ 8,368	\$ 11,638	\$ 71,773
1.2 Office Hours			20						20	\$ 5,600	\$ -	\$ 5,600			\$ 5,600
1.3 Newsletters	1		6		6		4	4	21	\$ 4,540	\$ -	\$ 4,540	\$ 004	\$ 750	\$ 5,903
1.4 Resource Library	1		20	2			8		31	\$ 7,776	\$ -	\$ 7,776	\$ -	\$ -	\$ 7,776
1.5 Agency Surveys	2	2	8	4	4		16		36	\$ 8,054	\$ -	\$ 8,054	\$ 403	\$ 506	\$ 8,963
1.6 Resource Development		5	15	10	5		5		40	\$ 10,360	\$ -	\$ 10,360			\$ 10,360
1.7 Final Report	2		8		4		8		22	\$ 5,040	\$ -	\$ 5,040	\$ 834	\$ 506	\$ 6,380
SUBTOTAL	16	9	167	20	49	0	116	24	401	\$ 93,139	\$ -	\$ 93,139	\$ 10,206	\$ 13,409	\$ 116,754
COLUMN TOTALS	30	9	201	20	49	13	116	24	462	\$ 109,277	\$ -	\$ 109,277	\$ 15,410	\$ 18,216	\$ 142,903
OT 1 Program Strategy and Coordination															
OT 1.1 Program Strategy and Coordination	2		18	6	2		4		32	\$ 8,408	\$ -	\$ 8,408	\$ 3,738	\$ 2,530	\$ 14,676
Program Strategy and Coordination TOTAL	2	0	18	6	2	0	4	0	32	\$ 8,408	\$ -	\$ 8,408	\$ 3,738	\$ 2,530	\$ 14,676
OPTIONAL TASKS TOTAL	2	0	18	6	2	0	4	0	32	\$ 8,408	\$ -	\$ 8,408	\$ 3,738	\$ 2,530	\$ 14,676

NO mark-up on direct expenses; 15% mark-up for sub-contracted services
 Mileage will be reimbursed at the prevailing federal mileage reimbursement rate in effect at the time of travel
 Rates are subject to revision as of January 1 each year.

Not to Exceed Contract Limit: \$160,000

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 2026-27**

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 2026-27. 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 2026-27, 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 2026-27; and,**
- 2. Offer participation in the program to BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2026-27 will be the twentieth 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 2024-25, 45,360 students have participated in the program, and the estimated lifetime water savings from kits installed has reached 6,866 acre-feet.

Because of its connection with school children, this program would be initiated in September 2026 and run through June 2027. 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 2026-27 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 2026-27 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 2026-27
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 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 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, 2026, CONTRACTOR will alert BAWSCA.

F. Providing a Preliminary Program Summary Report. No later than March 15, 2026, Contractor will provide BAWSCA with a summary of the status of the school enrollment through March 10, 2026. In addition, based on the results of the surveys returned to Contractor by March 10, 2026, 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 2026 – July 2027	Receive sponsor funding commitment
September 2026 – May 2027	Teacher Outreach / Enrollment Process
September 2026 – May 2027	Program and Kit Delivery
September 2026 – June 2027	Program Implementation
March 15, 2027	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2027	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 \$41.00, broken down as follows: \$21.50 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 2026-27
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 2026 – July 2027	Receive sponsor funding commitment
September 2026 – May 2027	Teacher Outreach / Enrollment Process
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March 15, 2027	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2027	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 \$38.00, broken down as follows: \$18.50 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 2026-27
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 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.

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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.

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PROGRAM TIMETABLE

June 2026 – July 2027	Receive sponsor funding commitment
September 2026 – May 2027	Teacher Outreach / Enrollment Process
September 2026 – May 2027	Program and Kit Delivery

September 2026 – June 2027	Program Implementation
March 15, 2027	Preliminary Report to BAWSCA of school enrollment and kit installation rate to the extent that information is available.
June 30, 2027	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 2026-27**

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 2026-27. 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 2026-27, 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 2026-27; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

Fiscal year 2026-27 will be the fifteenth year that the School Assembly Program is offered to BAWSCA member agencies. Thirteen 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 2026 and run through June 2027. The scope of work for FY 2026-27 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 2026-27 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 2026-27. 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 2026-27 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 2026-27**

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 2026-27 school year, August 2026 through June 2027.

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, 2026, or sooner. If, during the course of FY 2026-27, 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, 2026.
- 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, 2026. EarthCapades will provide comments on drafts to Local Water Agencies by July 28, 2026.
- Local Water Agencies will mail a Letter of Invitation with a Email Request Form to all eligible schools by August 4, 2026. 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, 2026 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 2027, 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, 2026.
- 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, 2027 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 2026-27**

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 2026-27. 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 2026-27, 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 2026-27; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

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

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

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

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

Scope of Work and Billing Rates:

The draft scope of work for FY 2026-27 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 2026-27 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
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 2026-7**

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 2026-27. 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 2026-27, 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 2026-27; 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 2026-27 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 2026-27 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	\$45.00/meter for less than 5 meters \$40.00/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 \$200 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 2026-27**

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 2026-27. 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 2026-27, 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 2026-27; and,**
- 2. Offer participation in the program to interested BAWSCA agencies on a subscription basis.**

Discussion:

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

The contractor, 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 2026-27 is shown in Exhibit A.

EXHIBIT A

VertexOne Home Water Use Reports - FY 2026-27

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 2026-27**

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 2026-27. 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 2026-27, 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 2026-27 will be the twenty-fifth year that the Large Landscape Program (LLP) is offered to BAWSCA member agencies. Ten 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 2025, BAWSCA had 2,000 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 2026-27 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 2026-27. 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 2026-27 is shown in Exhibit A.

EXHIBIT A

**TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Waterfluence - FY 2026-27**

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	\$90
c) Landscape Field Survey	Per site survey	\$1800
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 for administering Program.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Approval and Adoption of BAWSCA Pay Schedules for FY 2024-25 and FY 2026-27**

Summary:

As a participating agency in the California Public Employees' Retirement System (CalPERS) and to comply with California Code of 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 2024-25 had a minor error, in that the salary schedule listed for the Water Resources Manager position was incorrect. An action by the Board would retroactively correct that error as well as approve the proposed salary schedule for FY 2026-27. This correction reflects pay as approved and adopted by the Board as part of its regular adoption of the annual Work Plan and Budget. This action is not recommending authorizing retroactive pay for agency employees, but rather recommending formally approving and adopting previously approved and adopted salary schedules in a specified format as required by CalPERS. Both schedules are provided as Attachments 1 and 2. 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 Schedule for FY 2026-27 and Correction for FY 2024-25.

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 Employees' 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.

For FY 2026-27, 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 3.104%. 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 2026-27 by 3.104% to ensure that the approved salary ranges stay competitive moving forward.

In order to comply with CalPERS requirements, on November 21, 2024, the Board retroactively approved the salary schedules for FY 2020-21 through FY 2024-25 inclusive. The salary schedule for FY 2024-25 had a minor error in the top range salary listed for the Water

Resources Manager position. Retroactively correcting the error will change the top range to \$248,774 from the \$247,967 as noted. Retroactive corrections are necessary in the event of possible future audits by CalPERS. This action is not recommending authorizing retroactive pay for agency employees, but rather recommends formally approving and adopting previously approved salary schedules in a specified format as required by CalPERS.

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.

Attachments

1. BAWSCA Pay Schedule for FY 2024-25
2. BAWSCA Pay Schedule for FY 2026-27



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 May 21, 2026

Salary Schedule Effective July 1, 2024

Classification	Annual Minimum	Annual Maximum
Chief Executive Officer / General Manager	\$179,755	\$333,259
Finance Manager	\$176,808	\$221,009
Water Resources Manager	\$198,374	\$248,774
Senior Water Resources Specialist	\$153,960	\$192,450
Water Resources Specialist	\$125,334	\$156,668
Assistant to the CEO	\$124,619	\$155,773
Office Manager	\$118,658	\$148,323
Office Assistant	\$76,881	\$96,102

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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 May 21, 2026

Salary Schedule Effective July 1, 2026

Classification	Annual Minimum	Annual Maximum
Chief Executive Officer / General Manager	\$179,755	\$351,030
Finance Manager	\$186,090	\$232,612
Water Resources Manager	\$208,788	\$260,985
Senior Water Resources Specialist	\$164,959	\$206,199
Water Resources Specialist	\$131,915	\$164,893
Assistant to the CEO	\$131,161	\$163,951
Office Manager	\$124,888	\$156,110
Office Assistant	\$80,918	\$101,147

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Authorization to Negotiate and Execute a Professional Services Agreement with CPS HR Consulting for On-Call Human Resources Management Services**

Summary:

BAWSCA is seeking to contract with an on-call Human Resources (HR) Management Service provider.

In recent years, BAWSCA has recognized a need to update existing internal HR procedures and practices. It was determined that an HR professional should lead in that effort. In addition, BAWSCA identified several HR activities currently managed by staff that could more effectively and efficiently be performed by an HR consultant on an "as-needed" basis. BAWSCA determined that the solicitation of HR Management Services should be performed in FY 2025-26 such that a firm would be in place at the start of FY 2026-27.

BAWSCA released a Request for Proposals (RFP) for HR Management Services on March 20, 2026. BAWSCA received eight proposals on or before the proposal due date of April 17, 2026. BAWSCA reviewed each of the eight proposals, created a short-list of three firms, held interviews with three short-listed firms, and selected CPS HR Consulting (CPS HR) as the most qualified firm.

The CEO is requesting authorization to negotiate and execute a professional services agreement with CPS HR for the identified services. This process is consistent with BAWSCA's policies and procedures for professional services contracts, and the schedule and budget align with what was anticipated in the proposed FY 2026-27 Work Plan.

Fiscal Impact:

The proposed FY 2026-27 budget includes \$100,000 to cover the cost of an HR Management Service provider. Additional annual funding may be necessary in future fiscal years, subject to BAWSCA's determination regarding the scope of HR services to be utilized.

Board Policy Committee Action:

At its April 8th meeting, the Board Policy Committee (BPC) confirmed that the recommended process for selecting the consultant conforms to agency practices and the appropriate public process. As the consultant selection process was not yet complete, the committee did not recommend authorization for the CEO to negotiate and execute a professional services agreement.

At the April 8th meeting, the BPC was informed that BAWSCA envisioned a budget of \$50,000 for HR consulting services for FY 2026-27. Since that time, additional consideration has been given to the work that will be assigned to the consultant this coming fiscal year. With that in mind, monies in BAWSCA proposed FY 2026-27 operating budget have been reallocated such that \$100,000 is now proposed as the not-to-exceed contract limit.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract with CPS HR, subject to legal counsel’s final review, up to an amount not to exceed \$100,000 to provide Human Resources Management Services.

Discussion:

BAWSCA currently has an administrative staff of 9 employees. BAWSCA maintains direct working relationships with all employees through its established HR policies and procedures. Because of its small staff, BAWSCA does not have a full time HR professional but some HR functions are handled by the Office Manager.

As a result of BAWSCA’s organizational growth and expanded regulatory and compliance obligations applicable to public agencies, BAWSCA identified the need to update and formalize its internal human resources procedures and practices. BAWSCA further determined that this effort should be led by an experienced human resources professional. In addition, BAWSCA identified certain HR functions currently performed by staff and outside counsel that could be more efficiently and effectively performed by an external HR consultant.

Consultant Selection Process

The selection and contracting process is consistent with BAWSCA’s policies and procedures for acquiring professional services.

On March 20, 2026, BAWSCA issued an RFP for on-call Human Resources Management Services. BAWSCA received eight proposals by the due date of April 17, 2026. During the week of April 20, 2026, a panel comprised of BAWSCA staff, representatives from BAWSCA member agencies, and a representative from an outside agency, reviewed the proposals and identified a short list of three firms for interviews. After the panel identified the short list, BAWSCA staff conducted interviews during the week of May 4, 2026.

Based on the evaluation of the written proposals and interviews, BAWSCA found CPS HR to be the most qualified firm. The CEO requests authorization to negotiate and execute a professional services agreement with CPS HR for the identified services, subject to legal counsel review.

This schedule and budget is consistent with the proposed FY 2026-27 Work Plan and will ensure that the recommended consultant will be under contract at the beginning of FY 2026-27.

Scope of Work

The selected consultant will provide comprehensive human resources support to BAWSCA on an on-call, as-needed basis, including performance management, benefits administration, legal and regulatory compliance, recruiting and onboarding, employee relations, leaves, accommodations, investigations, training, and offboarding. This support includes advising leadership, administering and documenting HR processes, ensuring compliance with applicable laws and CalPERS requirements, and assisting with special projects and staff training as required. Recruiting and workforce changes will be supported as vacancies arise, from candidate profiling through onboarding, while employee lifecycle

matters such as leaves, accommodations, discipline, and separations will be managed in a compliant and documented manner.

Separately, the Consultant will lead a comprehensive update and reformatting of the Personnel Handbook for Board consideration and approval, in coordination with legal counsel, as a defined project. Attached is the Scope of Work.

Schedule

BAWSCA anticipates commencing work on July 1, 2026. The update of the Personnel Handbook must be completed within one year of the commencement date. All other tasks will be completed on an as needed basis, upon BAWSCA's request.

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TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Professional Services Consultant

FY 2026-27 SCOPE OF WORK

Under each task, the Consultant is requested to provide detailed information regarding the work to be completed to meet the Project and individual task objectives.

1. **Annual Goal Setting and Review:** Consultant will work with the CEO to improve and develop annual evaluation practices for all employees. Consultant will assist BAWSCA managers with annual employee performance goal setting, compile and review evaluations, and present results to CEO and other managers as appropriate. Goal setting is anticipated to occur annually in June and July, with a final schedule to be determined in consultation with the CEO. Process is anticipated to be tied to annual compensation adjustments for employees as applicable. Consultant should propose a software solution for this task.
2. **Benefit Documentation and Administration:** Consultant will assist in the drafting and continued updating of employment benefit documentation. Additionally, Consultant will aid in the administration of benefits as documented in the material created above. This administration includes but is not limited to: fielding employee questions on benefits, processing benefit enrollments, changes and terminations, and helping in the enrollment process.
3. **Legal Compliance:** Consultant will assist with review and interpretation of current, revised and/or new HR-related laws, policies and procedures. As part of this, Consultant will proactively ensure compliance with the above laws, policies and procedures. Additionally, Consultant will provide guidance and maintain compliance with CalPERS requirements for staff including but not limited to calculation of service time across classic and PEPRA time periods.
4. **Other HR Functions and Support As Needed:** Other HR functions and support that are needed include, but not limited to, investigations of complaints by employees, reviewing of counseling or other disciplinary actions, memos, etc., training or coaching of staff in HR areas as needed or required by law, policy or procedure writing, update and/or review, and special projects. Consultant should develop and propose a list of recommended trainings along with the proposed schedule for those trainings.
5. **Recruiting, Hiring and Employee Onboarding:** Recruitment services would be required as needed when vacancies occur or as expansion of staff is undertaken. The Consultant

would work with BAWSCA CEO on the strategy for each recruitment and may work with other staff as delegated by the CEO. Recruitment and hiring work would include:

- Meet with key managers to develop an ideal candidate profile
 - Write or adapt job description to confirm salary range
 - Develop and implement recruitment and advertisement strategy
 - Advertise in appropriate locations, including social media and specialized job boards
 - Conduct targeted recruitment if determined to be necessary
 - Conduct initial screening and ranking of candidates with hiring manager
 - Manage the interview process, including developing questions and scoring and/or skill testing mechanisms
 - Check references and conduct background checks as appropriate
6. Offboarding Employees: Develop standardized exit procedures including documented exit interviews, timely processing of final compensation/benefits, recovery of agency property, knowledge transfer facilitation, management of confidentiality agreements, system updates, and compliance with relevant regulations.
 7. Managing Leaves: Process and track leave requests (FMLA/CFRA/PDL), determine eligibility, calculate entitlements, maintain accurate documentation, coordinate with payroll/benefits, ensure timely notifications, develop compliant policies, manage return-to-work transitions, and provide regulatory updates as laws evolve.
 8. Managing Disability Accommodation Requests: Document accommodation requests, conduct interactive process meetings, evaluate essential job functions, recommend reasonable accommodations, coordinate implementation, monitor effectiveness, maintain confidential medical information, provide compliance training, and document accommodation decisions with supporting rationale.
 9. Updating and Maintaining the Personnel Handbook: BAWSCA has a Personnel Handbook that is approved by the Board. The Personnel Handbook was last adopted by the Board in 2012 but has been updated for internal use in recent years. In consultation with Legal Counsel, the selected proposer will revise and reformat the Personnel Handbook, suitable for Board approval, to ensure it is up to date with any updated laws and policies. Furthermore, the selected proposer will work with BAWSCA to determine whether certain policies are appropriate for Board review and approval and certain handbooks or implementing documents may be maintained by the CEO pursuant to delegated authority.



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MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Tom Smegal, CEO/General Manager
DATE: May 15, 2026
SUBJECT: Chief Executive Officer/General Manager's Letter

SFPUC's Rate Sensitivity Analysis:

At the March 2026 BAWSCA Board meeting, a Director requested the SFPUC to provide a rate sensitivity analysis to help the wholesale customers understand the risks associated with the sale assumptions so they can plan for their future budgeting needs. BAWSCA followed up with SFPUC Finance on this request. Per the SFPUC Finance, they do not have any plans at this time to perform more rate analysis before the next budget process starting in October to November 2026, since the rate notice for FY 2026-27 was distributed to all wholesale customers on March 27, 2026 and the wholesale rate was adopted at the April 28 SFPUC meeting. SFPUC Finance plans to integrate the requested analysis with other modelling they have been doing and hope that the results will be helpful for the wholesale customers' budget teams. BAWSCA will follow up with the SFPUC again in Fall 2026 before the SFPUC prepares for the rate range letter for FY 2027-28.

Status of Wholesale Revenue Requirement (WRR) Reviews for FY 2023-24 and FY 2024-25

FY 2023-24 WRR

On May 6, 2025, BAWSCA received the compliance auditor's report and the audited WRR financial statements for FY 2023-24. Pursuant to Section 7.06 of the WSA, BAWSCA conducted its review of the SFPUC's calculation of the annual WRR and the changes in the balancing account for FY 2023-24. As a result of the review, BAWSCA sent a list of questions to the SFPUC on June 13, 2025. The deadline for the parties to enter into a settlement agreement or for the Wholesale Customers to serve a demand for arbitration regarding issues related to FY 2023-24 was May 6, 2026. Due to SFPUC's delayed progress in addressing BAWSCA's questions, the parties signed a tolling agreement, effective May 6, 2026, which indicates an extended deadline of May 31, 2026, for an initial agreement memorializing adjustments to the Balancing Account based on the issues that have been resolved by May. In addition, the parties have also agreed to execute a second agreement by November 6, 2026, memorializing any additional adjustments to the Balancing Account based on the continued discussions of the remaining outstanding issues raised by BAWSCA. The parties will proceed accordingly.

FY 2024-25 WRR

On May 13, 2026, BAWSCA received the compliance auditor's report and the audited WRR financial statements for FY 2024-25. Pursuant to Section 7.06 of the WSA, BAWSCA is currently performing a review of the SFPUC's calculation of the annual WRR and changes in the balancing account for FY 2024-25 and expects to complete its review by July 12, 2026. The deadline for Wholesale Customers to serve a demand for arbitration regarding issues related to FY 2024-25 is May 13, 2027.

BAWSCA Outreach:

ACWA Spring Conference – May 5-7

As part of BAWSCA's efforts to establish and maintain close relationships and dialogue with its allies, BAWSCA CEO/General Manager, Tom Smegal and Sr. Water Resources Analyst, Danielle McPherson attended the ACWA Spring Conference in Sacramento on May 5-7. Board Members and staff from BAWSCA member agency water districts were also in attendance. Among the keynote speakers were Governor Newsom and Assemblymember Diane Papan.

Chamber San Mateo County Progress Seminar – April 17-19

Mr. Smegal attended the Progress Seminar on April 17-19 in Sonoma. This year's sessions focused on shared efforts to lead with collaboration and innovation around the topics of transportation; housing; AI and ethical considerations for the coexistence of people and technology; and the social and economic inequities that continues to challenge the greater peninsula. Several BAWSCA Board Members and agency staff also attended from San Mateo County agencies and cities.

City of San Bruno Resilience Fair – April 18

City of San Bruno held its first ever San Bruno Resilience Fair, hosted by local environmental advocacy group Resilient San Bruno with support from the larger non-profit, Climate Resilient Communities. The event included 18 tables offering community information and a space where community members could learn about climate resiliency. BAWSCA was one of these tables at the event and provided information regarding water conservation as well as rebate programs that San Bruno residents would be eligible for.

Eastside College Preparatory School Mentorship Interviews – April 27

Eastside College Preparatory School (ECPS), located in East Palo Alto, is a private six-year middle and high school dedicated to supporting first-generation students through college and into their careers. BAWSCA has an ongoing partnership with ECPS through its Career Pathways Program, having hosted three student interns during the summers of 2022, 2023, and 2025, with another intern planned for the summer of 2026.

On April 27, 2026, BAWSCA's Senior Water Resources Engineer, Negin Ashoori, participated in the ECPS Virtual Mock Interview Day. The event connected first-generation, college-bound high school seniors with professionals across various industries to help students practice their interviewing skills and explore career paths. During the event, Dr. Ashoori met with two seniors, reviewing their resumes and conducting mock interviews to help them gain confidence in articulating their goals and presenting themselves to prospective employers.

Participation in this event continues to strengthen BAWSCA's community engagement and workforce development efforts while supporting local students in their pursuit of higher education and professional success.

BAWSCA Summer Internship:

In October 2021, BAWSCA entered into a partnership with ECPS to support the launch of the BAWSCA Internship Program. First implemented in the summer of 2022, the program is designed to provide students with hands-on experience, mentorship from professionals, and critical skills to support their future careers.

Each Spring, BAWSCA collaborates with ECPS to identify qualified candidates for the internship. The program emphasizes meaningful work experience and the development of key competencies to help interns succeed in the water resources field.

On June 1st, BAWSCA will proudly welcome Aldo Casique as our Summer 2026 Intern. Aldo, a sophomore at UC Berkeley, will be working closely with the Water Resources Team on a variety of projects, including the Long-Term Reliable Water Supply Strategy (Strategy 2050). Through these efforts, Aldo will gain valuable insight into the essential role that water resource professionals play in securing a sustainable water future for our region. We're excited to bring Aldo on board and look forward to a productive and inspiring summer together.

SFPUC Local Watershed Tour – Save the Date

BAWSCA has arranged for a Peninsula watershed tour with the SFPUC on September 24th. The tour will include site visits to the Millbrae Operations Center, Harry Tracy Water Treatment Plant, Crystal Springs Dam, and the Southern Ridge Trail Extension. The tour will begin at 8am and finish at approximately 3pm. Details on the exact time and meeting place will be distributed via email once they are finalized. Board members interested in the tour should email Lourdes Enriquez at lenriquez@bawsc.org.

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Board of Directors Policy Calendar Through January 2027

Meeting Date	Purpose	Issue or Topic
July 2026	D&A R&D R&D	Review of CEO/General Manager Evaluation Procedure BAWSCA's Strategy 2050 SFPUC Alternative Water Supply Program Update
September 2026	D&A R&A R	CEO/General Manager Performance Evaluation BAWSCA's Publicly Available Pay Schedules Review of Water Supply Forecast
November 2026	D&A R&D R	Annual Review & Consideration of BAWSCA's Statement of Investment Policy BAWSCA's Strategy 2050 Review of Water Supply Forecast
January 2027	D&A D&A	Mid Year Work Plan, Budget and General Reserve Review Proposed FY 2027-28 Bond Surcharges

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

Meeting Schedule through June 2027

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – March 19, 2026	Burlingame Community Center – Sequoia Room
Thursday – May 21, 2026	Burlingame Community Center – Sequoia Room
Thursday – July 16, 2026	Foster City Community Bldg – Wind Room
Thursday – September 17, 2026	TBD
Thursday – November 19, 2026	TBD
Thursday – January 21, 2027	TBD
Thursday – March 18, 2027	TBD
Thursday – May 20, 2027	TBD

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 21, 2027	TBD

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday – April 8, 2026	Burlingame Community Center – Sequoia Room B
Wednesday – June 10, 2026	Burlingame Community Center – Sequoia Room B
Wednesday – August 12, 2026	Burlingame Community Center – Sequoia Room
Wednesday – October 14, 2026	TBD
Wednesday – December 9, 2026	TBD
Wednesday – February 10, 2027	TBD
Wednesday – April 14, 2027	TBD
Wednesday – June 9, 2027	TBD