

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

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

Summary:

Activities associated with addressing the failure of Silicon Valley Bank and other unplanned legal activities, including the review of the SFPUC Alternative Water Supply Program report and review of proposed legislation relating to water rights and possible changes to the Brown Act, has required more legal resources to date than originally budgeted and requires additional use of legal counsel services for the remainder of FY 2022-23. As a result, the contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2022-23. A budget amendment for an additional \$50,000 is recommended to fund necessary work through June 2023 for a revised not to exceed total budget of \$831,500.

Fiscal Impact

This recommended budget increase will be funded using unspent funds associated with other technical consultant contracts that are not anticipated to be fully expended this fiscal year.

Recommendation:

That the Board of Directors authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$50,000 for a total not to exceed amount of \$831,500.

Discussion:

Additional funds are needed for legal counsel due to the unanticipated work related to the failure of Silicon Valley Bank. In addition, legal counsel has engaged in at least three additional unexpected activities and additional funds are necessary at this time to protect the interests of the member agencies and their water customers.

First, legal counsel assisted BAWSCA and the Water Management Representatives in preparing for surprise First Amendment Audits that have been occurring at Peninsula area water districts. Second, legal counsel engaged in a detailed analysis of San Francisco's Alternative Water Supply Program report, to ensure that the SFPUC's plans and programs were in full compliance with the terms of the 1984 Settlement Agreement and the Water Supply Agreement. Finally, legal counsel has been deeply involved in analyzing the myriad of legislation directed towards curtailing pre-existing water rights holders and legislation affecting the Brown Act and remote meeting practices in the post-Covid era.

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

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

CORRECTED

Hanson Bridgett	Original Contract	Budget at year-end	Year-end spending	Budget vs. expenses	Notes
FY 05-06	\$335,000	\$395,000	\$297,848	75%	January 2006 - additional \$60,000 from contingency- no change to operating budget
FY 06-07	\$469,000	\$469,000	\$365,062	78%	
FY 07-08	\$665,000	\$665,000	\$583,120	88%	
FY 08-09	\$644,500	\$817,000	\$817,776	100%	May 2009 - additional \$172,500 reallocated from other expense categories - no change to operating budget
FY 09-10	\$311,000	\$419,000	\$333,169	80%	January 2010 - additional \$108,000 reallocated from other expense categories - no change to operating budget
FY 10-11	\$366,000	\$366,000	\$318,667	87%	
FY 11-12	\$390,000	\$415,000	\$414,430	100%	May 2012 - additional \$25,000 reallocated from contingency - no change to operating budget
FY 12-13	\$451,000	\$569,000	\$558,120	98%	September 2012 - additional \$58,000 reallocated from General Reserve for Pilot Water Transfer Program - increase operating budget
					May 2013 - additional \$60,000 reallocated from other expense categories, including contingency - no change to operating budget
FY 13-14	\$496,000	\$601,000	\$600,983	100%	April/May 2014 additional \$105,000 reallocated from other expense categories, including contingency - no change to operating budget
FY 14-15	\$524,000	\$624,000	\$588,715	94%	May 2015 additional \$100,000 from other expense categories, including contingency - no change to operating budget
FY 15-16	\$586,500	\$586,500	\$556,148	95%	

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FY 16-17	\$651,000	\$726,000	\$627,874	86%	May 2017 additional \$75,000 - \$57,000 from contingency & \$17,500 from Terry Roberts
FY 17-18	\$669,000	\$669,000	\$605,442	90%	
FY 18-19	\$669,000	\$919,000	\$919,000	100%	March 2019-additional \$150k; \$57.5k from contingency, \$50.k from General Reserve, \$42.5k from other unspent funds; \$50k added to operating budget. May 2019 - additional \$100k reallocated from other expense categories; no change to operating budget
FY 19-20	\$799,500	\$819,000	\$818,000	100%	June 2020 - \$19.5 reallocated from other expense categories; no change to operating budget
FY 20-21	\$606,500	\$1,006,500	\$1,006,500	100%	March 2021 - additional \$200,000; \$142.5k from General Reserve, \$57.5k from contingency; \$142.5k added to operating budget. May 2021 \$197k from Balancing Account, \$3k reallocated from other expense categories; \$197k added to operating budget
FY 21-22	\$723,500	\$748,499	\$748,499	100%	June 2022 - additional \$24,999; reallocated from other expense categories; no change to the operating budget
FY 22-23	\$781,500	\$831,500			May 2023 - additional \$50,000; reallocated from other expense categories; no change to operating budget