



**BOARD OF DIRECTORS
THURSDAY, JUNE 26, 2025 - 6:30 PM**

AGENDA

Public comments may be submitted via email to
Administrative Services Manager, Alison Bell, at abell@midpeninsulawater.org.
Please indicate in your email the agenda item to which your comment applies.

Comments submitted before the meeting will be provided to the Board before or during the meeting.
Comments submitted after the meeting is called to order will be included in correspondence that will be provided to
the full Board.

This meeting will be conducted in-person, at the District's 1075 Old County Road, Suite A offices. The public may
participate in-person or remotely via Zoom.

The zoom meeting link is available here: <https://www.midpeninsulawater.org/zoom>

Should Zoom not be operational, please check online at: www.midpeninsulawater.org for any updates or further instruction.

1. OPENING

- A. Call to Order
- B. Establishment of Quorum
- C. Pledge of Allegiance

2. PUBLIC COMMENT

Members of the public are invited to participate and may address the Board on the Consent Agenda or any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Please complete a speaker's form and give it to the District Secretary, or submit comments by email per the instructions above. Each speaker is limited to three (3) minutes.

3. AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS

4. ACKNOWLEDGEMENTS/PRESENTATIONS - None

5. CONSENT AGENDA

All matters on the Consent Agenda are considered routine by the Board of Directors, or included in the approved fiscal year Operating or Capital Budget, and will be acted upon by a single vote by the Board. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may

be made. Such items are pulled for separate discussion and action after the Consent Agenda is acted upon.

- A. Approve Minutes for the Special Board Meeting on May 19, 2025
- B. Approve Expenditures from May 1, 2025, through May 31, 2025
- C. Approve Resolution 2025-14 Establishing the Appropriations Limit Applicable to the Mid-Peninsula Water District during Fiscal Year 2025/2026
- D. Consider Resolution 2025-15 Updating the MPWD Compensation Plan to Add Job Descriptions for Payroll Specialist and Accounting Specialist, and Update the MPWD Salary Schedule
- E. Consider Resolution 2025-16 Authorizing an Amendment to the Contract with Eide Bailly LLP for District Treasurer and Accounting Services
- F. Consider Resolution 2025-17 Authorizing a Two-Year Contract for Professional Services with John Davidson D/B/A JRocket77 Design & Marketing in the Amount of \$69,750 for Public Outreach/Education/Relations and MPWD Website Management Services, and Printing Services in the Amount of \$25,000 for a Total Amount Each Fiscal Year of \$94,750
- G. Consider Authorization of Task Orders 25-12 through 25-14 and 26-01 through 26-06 with District Engineer, Pakpour Consulting Group, Inc., for Annual On-Going Services in the Amount of \$219,515
- H. Consider Resolution 2025-18 Authorizing the Purchase of a Kohler/Rehiko 145REOZT4 Mobile Generator Set for Use at the Folger Emergency Operations Center in the Amount of \$134,934.32 from Native Instinct LLC, a Government General Services (GSA) Contractor under GSA Contract 47QSWA19D00AP

6. HEARING AND APPEALS

- A. Public Hearing Regarding Employee Vacancies per AB 2561

7. CAPITAL IMPROVEMENT PROGRAM

8. REGULAR BUSINESS AGENDA

- A. Consider Resolution 2025-19 Approving the FY 2025/2026 Operating and Capital Budgets
- B. Consider Two Resolutions:
 - 1) Resolution 2025-20 Approving the Amendment to the Amended and Restated Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County, and
 - 2) Resolution 2025-21 Approving the Tier 2 Drought Response Implementation Plan Pursuant to Section 3.11.C of the Amended and Restated Water Supply Agreement
- C. Consider Resolution 2025-22 Authorizing a Water Service Agreement between the Mid-Peninsula Water District and LINC-HILL Street, L.P. for a 37 Unit Multi-Family Residential Development Located between 884 and 900 El Camino Real in Belmont, CA
- D. Receive Report on the Development of the District's Cross-Connection Control Plan

- E. Quarterly Water Conservation Report
- F. Receive Report on the California and San Francisco Regional Water System Conditions

9. MANAGEMENT AND BOARD REPORTS

A. Management Reports

1. District Treasurer and Financial Reports for the Month Ending May 31, 2025
2. District Engineer
3. Administrative Services Manager
4. Operations Manager
5. General Manager

B. Director Reports

10. COMMUNICATIONS

11. ADJOURNMENT

This agenda was posted at the Mid-Peninsula Water District's offices at 1075 Old County Road, Suite A, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide 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 public meetings 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. Requests should be sent to the Administrative Services Manager at (650) 591-8941 or abell@midpeninsulawater.org. Requests should be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

NEXT REGULAR BOARD MEETING: THURSDAY, JULY 24, 2025 AT 6:30PM

MEETING MINUTES

SPECIAL MEETING BOARD OF DIRECTORS OF THE MID-PENINSULA WATER DISTRICT

MONDAY, MAY 19, 2025 - 6:30 PM
BELMONT, CALIFORNIA

1. Teleconference location: 400 Skyloft Dr, #203 Asheville, NC 28801

2. OPENING

A. Call to Order

The Special Board meeting of the Mid-Peninsula Water District was called to order by Vice President Vella at 6:30 PM.

B. Establishment of Quorum

Present: President Wheeler (via Zoom), Vice President Vella, Director Zucca, Director Cotten, Director Covington.

Also Present: General Manager (GM) Kat Wuelfing, Operations Manager (OM) Rene Ramirez, Administrative Services Manager (ASM) Alison Bell, District Counsel Catherine Groves, District Treasurer James Ramsey, Julie M. Brown of Julie M. Brown and Associates Management Consultants.

C. Pledge of Allegiance

ASM Bell led the Pledge of Allegiance.

3. PUBLIC COMMENT

Vice President Vella asked for public comment. There were none.

4. AGENDA REVIEW: ADDITIONS/DELETIONS

Vice President Vella asked if there were any additions, deletions, or items to be pulled from consent. There were none.

5. REGULAR BUSINESS AGENDA

A. Review of 2024 Accomplishments and Progress on Strategic Plan

GM Wuelfing started the Special Board Meeting by sharing with the Board members who were not at the Employee Appreciate Dinner the Water Works Super Heros cartoons. Julie Brown then invited the Board members to share what their own superpower would be.

Vice President Vella stated to first ask his wife but then said that his power is to see the bigger picture and options in life.

President Wheeler stated that people would say his superpower is being an analytical problem solver and having fresh ideas while also helping others through volunteering.

Director Cotten stated that his superpower would be his ridiculous love and passion for Belmont and the community, and being a champion on their behalf.

Director Covington stated that her superpower is being a good listener and shared that a colleague had once described her office as Switzerland.

Director Zucca stated that his superpower is being calm in chaos and not causing an emotional response.

GM Wuelfing presented to the Board an edited version of the Accomplishments and Progress document to highlight the success of the District since the last update. GM Wuelfing asked Board members for comments and collaboration during the review.

Discussion highlights:

- While every budgeted position is filled, Vice President Vella asked GM Wuelfing to next explore whether or not the District is properly staffed given future organizational activities and the ongoing dynamic workload. GM Wuelfing stated that needs are continually evaluated, and that if there are staffing needs, she will submit an FTE and budget change recommendation for consideration.
- Director Cotten asked for clarification regarding the tuition reimbursement program and asked the District to reevaluate the amount that the District is offering and how to encourage staff to utilize the program more. GM Wuelfing agreed that the program is not utilized as much as it could be and will reevaluate the program to optimize the benefit. Discussion occurred regarding completion of a SWOT analysis in the future in lieu of the “key driver” components.

Vice President Vella encouraged the Board to set up a future Strategic Plan meeting in January 2026. A Board meeting will be scheduled for January 8, 2026, and this date will be confirmed with the Board closer to the date, such as in November 2025.

B. Review and Discuss Potential Updates to Strategic Plan

GM Wuelfing present a breakdown of the strategic elements with suggested updates. Discussion highlights include:

Strategic Element #1- Employee Services

- Housing costs/cost of living challenges and the impact to attracting and retaining desired employees was discussed. While the move to a three- and four-day work week was an effort to support retention, Directors encouraged leadership to explore what others are doing in the community, and to include MPWD staff as

“essential workers”. Various affordable housing programs and corresponding requirements were discussed, with leadership encouraged to actively inform and communication available options to staff.

- While Artificial Intelligence is not in active use, some applications are present (for example, first drafts of documents, etc.). Directors recognize the opportunities to reduce the burdens for staff but want to first make sure the District is protected through staff education and that there are guardrails in place.
- Directors suggested that the Super Hero concept be expanded to potentially support the development of a staff pipeline (through high school outreach for operators and BAWSCA involvement at the junior college level) stimulating interest in the trades for careers. They also suggested introducing District customers to staff as Super Heros supporting MPWD’s high standards for customer service.

Strategic Element #2-External Relationships and Customer Service

- Employees are attending external organizational meetings and are very energized; they are developing new networks and technical knowledge and are very engaged
- Per the leadership team’s query, Project Priorities No. A-2.3 and No. A-2.5 will be retained in the plan.
- Federal relationship building under Ongoing Priorities No. B-2.3 will be a lower priority.

Strategic Element #3-Resource Management and Resiliency

- The in-house water supply assessments completed by GM Wuelfing and Water Resources Coordinator Drew Bost were very helpful for the District’s demand planning efforts.
- Discussion occurred regarding the recent Stanford pullout of the Notre Dame de Namur purchase. While nothing is officially known, staff will continue to monitor activities taken by current administrations for potential engagement when appropriate.

Strategic Element #4- Infrastructure Management and Operations

- 2016 Capital Improvement Project monies have been spent successfully to fund approximately 30 priority capital projects.
- Re: Project Priority A-4.3, leadership is currently figuring out which projects within the capital plan could potentially be positioned for grant funding.
- Due to current challenges and poor customer service responsiveness, an RFQ for IT support is under development.
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141 Strategic Element #5-Financial Management
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- The Prop 218 process and the 5-year rate study were completed in November 2024.
 - Priority No. A-5.4-After extensive discussion regarding the Board and leadership staff requirements and benefits, the District will pursue an Annual Comprehensive Financial Report (ACFR) that meets GFOA standards for a Certificate of Achievement for Excellence in Financial Reporting (COA) Program. No downsides were seen, and leadership can budget time for completion of necessary staff during slower periods.
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152 Strategic Element #6- Emergency Preparedness
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- The Directors support the inclusion of this Strategic Element.
 - A tabletop preparedness exercise occurred in April, and an additional one will occur in late May.
 - Director Zucca shared the District may wish to consider Palo Alto's practice of evaluating all tanks and pump stations for fire risk. Scenarios under evaluation will be shared with GM Wuelfing.
 - The GM will determine which preparedness priorities are most important and evaluate infrastructure accordingly. Additionally, staff will meet with the fire department to develop recommended disaster response strategies. A civil engineering firm will likely be engaged to support overall efforts.
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165 Other
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167 The Board agreed to pursue a District of Distinction designation.
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170 **C. Review Director Assignments for 2025**

171 The Directors agreed to the following updated assignments:
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173 Director Cotten will be added to ACWA JPIA.

174 Director Covington will be added to General Manager Support and Evaluation.

175 Director Cotten will be added to HIA.

176 Director Cotten will be added to the Two-by-Two meetings with the City of Belmont.
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179 **D. Other Topics for the Good of the Order**
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181 There were none.
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186 **6. ADJOURNMENT**

187 Meeting adjourned at 8:57 PM.

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APPROVED:

DISTRICT SECRETARY

BOARD PRESIDENT

Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Payroll Clearing A/C	ADP	CASH TAXES	05/02/2025	104181	29,422.32
Payroll Clearing A/C	ADP	CASH DD	05/02/2025	104181	63,398.63
Payroll Clearing A/C	ADP	CASH TAXES	05/16/2025	104205	30,000.98
Payroll Clearing A/C	ADP	CASH DD	05/16/2025	104205	64,629.12
Payroll Clearing A/C	ADP	ER TAXES	05/30/2025	104254	30,852.22
Payroll Clearing A/C	ADP	ER DD	05/30/2025	104254	65,247.85
Payroll Clearing A/C	Health Equity	HSA	05/02/2025	104178	1,370.77
Payroll Clearing A/C	Health Equity	HSA - MONTHLY FEES	05/02/2025	104178	79.65
Payroll Clearing A/C	Health Equity	HSA	05/16/2025	104203	1,370.77
Payroll Clearing A/C	Health Equity	HSA MONTHLY FEE	05/16/2025	104203	79.65
Payroll Clearing A/C	Health Equity	HSA	05/30/2025	104251	1,370.77
Payroll Clearing A/C	ICMA contributions	457B	05/02/2025	104179	4,849.37
Payroll Clearing A/C	ICMA contributions	457B	05/16/2025	104204	4,849.37
Payroll Clearing A/C	ICMA contributions	457B	05/30/2025	104252	4,849.37
Construction in Progress	ATLAS TECHNICAL CNSLTS	24-09 APRIL 2025	05/15/2025	104208	3,871.80
Construction in Progress	MOTT MACDONALD	MARCH 2025 - PROJECT 21-01	05/08/2025	104191	698.30
Construction in Progress	NOLL & TAM ARCHITECTS	MARCH 2025 - FOLGER PROP EOC PROJ ID 24-07	05/01/2025	39523	55,411.00
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	04-1621-CP SR101 CROSSING @ PAMF	05/15/2025	104213	3,571.31
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	20-09/24-07 DAIRY LN & FOLGER EOC	05/15/2025	104213	354.38
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	08-1621-CP - DEKOVEN TANK REPLACEMENT	05/15/2025	104213	2,300.81
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	21-01 DEKOVEN, LINCOLN, NEWLANDS, OAK KNOLL WMI	05/15/2025	104213	11,269.13
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	24-08/24-10 W. BELMONT & EXBOURNE TANK COAT	05/15/2025	104213	7,149.13
Construction in Progress	STARCO WELDING L.L.C.	HALLMARK TANK RECOAT 24-09 - MAY 2025	05/22/2025	39533	11,179.62
Construction in Progress	STARCO WELDING L.L.C.	NORTH TANK IMPROVEMENTS 24-09 - MAY 2025	05/22/2025	39533	17,555.43
Acwa Health Care	ACWA JPIA	JUNE 2025 - EAP	05/08/2025	104182	44.64
Acwa Health Care	ACWA JPIA	JUNE 2025 - MEDICAL	05/08/2025	104182	31,426.71
Awca Dental	ACWA JPIA	JUNE 2025 - DENTAL	05/08/2025	104182	2,581.44
Acwa Vision	ACWA JPIA	JUNE 2025 - VISION	05/08/2025	104182	447.72
Acwa Life/Ad&D	ACWA JPIA	JUNE 2025 - LIFE	05/08/2025	104182	721.29
Standard Ldl/Sdl Disability	STANDARD INSURANCE COMPANY	JUNE 2025 - PREMIUM	05/29/2025	104246	1,842.60
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T1	05/02/2025	104180	4,785.32
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2	05/02/2025	104180	4,242.86
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T1	05/02/2025	104180	3,125.78
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2	05/02/2025	104180	4,308.57
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T1	05/16/2025	104207	3,125.78
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2 - RETRO	05/16/2025	104207	38.96
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2 - RETRO	05/16/2025	104207	38.36
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T1	05/16/2025	104207	4,785.32
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2	05/16/2025	104207	4,318.31
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2	05/16/2025	104207	4,252.46
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T1	05/30/2025	104253	3,125.78
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2	05/30/2025	104253	4,318.31
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2	05/30/2025	104253	4,252.45
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T1	05/30/2025	104253	4,785.32
Retirees' Acwa Health Care	ACWA JPIA	JUNE 2025 - RETIREES	05/08/2025	104182	10,362.01
Directors' Acwa Health Care	ACWA JPIA	JUNE 2025 - DIRECTORS	05/08/2025	104182	6,869.07
Employee Service Recognition	UMPQUA BANK	RAFFLE FOR EMP APPRECIATION DINNER	05/15/2025	104216	84.44
Uniforms	RED WING SHOE STORE, INC.	BOOTS - M ANDERSON	05/15/2025	104215	386.74

Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Uniforms	UNIFIRST	WEEKLY UNIFORM RENTAL THRU 04-22-2025	05/01/2025	104176	184.36
Uniforms	UNIFIRST	WEEKLY UNIFORM RENTAL THRU 04-29-2025	05/08/2025	104199	184.36
Uniforms	UNIFIRST	WEEKLY UNIFORM RENTAL THRU 05-06-2025	05/15/2025	104218	184.36
Uniforms	UNIFIRST	WEEKLY UNIFORM RENTAL THRU 05-13-2025	05/15/2025	104218	184.36
Uniforms	UNIFIRST	WEEKLY UNIFORM RENTAL THRU 05-20-2025	05/29/2025	104249	175.36
Sfpuc Treated Water	SAN FRANCISCO WATER DEPT	4-16 THRU 5-15-2025 - WATER CONSUMPTION CHARGE	05/22/2025	104229	551,970.70
Bawasca (Debt Service Surcharge)	SAN FRANCISCO WATER DEPT	4-16 THRU 5-15-2025 - BAWSCA BOND SURCHARGE	05/22/2025	104229	35,603.00
Sfpuc Water Service Charge	SAN FRANCISCO WATER DEPT	4-16 THRU 5-15-2025 - WATER SERVICE CHARGE	05/22/2025	104229	7,730.00
Water Conservation Program	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	E-SOURCE CUSTOMER BILLING ANALYSIS - MARCH 2025	05/08/2025	39525	1,575.00
Water Conservation Program	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	LARGE LANDSCAPE AUDIT CONSERVATION PROGRAM - JAN - MARCH 2025	05/08/2025	39525	609.00
Water Conservation Program	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	DROPLET PORTAL LICENSE FEE - APR - JUNE 2025	05/08/2025	39525	225.00
WELO	GLOBAL SUN LANDSCAPE	4/3/25:MPWD WELO Plan Review - 0 Monte Cresta Drive	05/08/2025	39526	87.00
Public Outreach & Education	BAY AREA WATER SUPPLY & CONSERVATION AGEN	EARTHCAPADES ASSEMBLIES AT CIPRIANI (4) - MARCH 2025	05/08/2025	39525	2,390.00
Public Outreach & Education	BAY AREA WATER SUPPLY & CONSERVATION AGEN	EARTHCAPADES ASSEMBLIES FOR THREE (3) SCHOOLS - SIX (6) TOTAL	05/15/2025	39530	3,585.00
Smart Irrigation Rebates	BAY AREA WATER SUPPLY & CONSERVATION AGEN	RACHIO DEVICE REBATE (1) - MARCH 2025	05/08/2025	39525	82.21
Water Quality	HACH COMPANY INC	CHEM KEYS FOR SAMPLING	05/29/2025	104236	1,316.52
Water Quality	SAN FRANCISCO WATER POWER SEWER	TESTING FOR WEEKLY/MONTHLY SAMPLES	05/08/2025	104197	2,060.00
Storage Tanks	HASSETT HARDWARE	TARP FOR HERSOM	05/22/2025	104225	20.87
Storage Tanks	HOME DEPOT	SUPPLIES FOR REPAINTING HALLMARK TANK	05/15/2025	104210	449.16
Storage Tanks	UMPQUA BANK	INTERIOR COATING REPAIR KIT - HALLMARK TANK	05/15/2025	104216	767.89
Storage Tanks	UNIQUE SCAFFOLD	TANK MAINTENANCE	05/08/2025	104200	970.20
Storage Tanks	UNIQUE SCAFFOLD	TANK MAINTENANCE	05/15/2025	104219	91.73
Mains/Distribution	BAIRD TRUCKING INC.	HAULING IN AND HAULING OUT	05/22/2025	104222	2,871.00
Mains/Distribution	BFI of CALIFORNIA INC. - OX MTN. LANDFILL - 4227	DUMP FEES	05/29/2025	39535	5,686.15
Mains/Distribution	GRANITE ROCK COMPANY	BASE ROCK	05/01/2025	104168	122.37
Mains/Distribution	GRANITE ROCK COMPANY	ASPHALT	05/08/2025	104188	1,487.36
Mains/Distribution	GRANITE ROCK COMPANY	BASE ROCK/ASPHALT	05/29/2025	104235	876.09
Mains/Distribution	HASSETT HARDWARE	HOSE, ADAPTER, WASHER	05/08/2025	104189	35.46
Mains/Distribution	HASSETT HARDWARE	FIX DRAINPIPE - TERRALINDA SCHOOL	05/08/2025	104189	25.03
Mains/Distribution	HOME DEPOT	PALLET OF CUT-BACK (BLACKTOP)	05/01/2025	104169	986.56
Mains/Distribution	HOME DEPOT	CUT BACK (PALLET)	05/29/2025	104238	986.56
Mains/Distribution	LYNGSO GARDEN MATERIAL INC	TOP SOIL	05/29/2025	39538	140.93
Mains/Distribution	PENINSULA BUILDING MATERIALS	EXP JOINT 3/8" X 3-1/2"	05/01/2025	104173	6.87
Mains/Distribution	STEVENS CREEK QUARRY, INC.	QUARRY FINES	05/15/2025	39531	227.11
Mains/Distribution	STEVENS CREEK QUARRY, INC.	QUARRY FINES	05/15/2025	39531	242.29
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	REPAIR COUPLINGS, CORP STOPS	05/01/2025	104175	3,946.19
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	FREIGHT	05/15/2025	104217	33.33
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	SADDLES, COUPLINGS, BLOWOFF HYDRANT ADAPTERS, 90' ANGLE STOPS	05/15/2025	104217	6,115.00
Meters & Service	PACE SUPPLY CORP	BRASS 45 DEGREE	05/29/2025	104243	271.44
Meters & Service	PACE SUPPLY CORP	COPPER	05/29/2025	104243	2,235.37
Meters & Service	CORE & MAIN LP	2" FITTINGS	05/29/2025	104232	7,545.13
Regulator Stations	UNDERGROUND REPUBLIC WATER WORKS	REG RUBBER KIT	05/29/2025	104248	17,006.45
Employee Safety	GOTSAFETY	QUARTERLY INSPECTION 7-1 THRU 9-30-2025	05/08/2025	104187	690.00
Employee Safety	GOTSAFETY	GOT SAFETY SUPPORT 7-1-2025 THRU 09-30-2025	05/08/2025	104187	105.00
Employee Safety	NORTHERN SAFETY CO. INC.	SAFETY GLOVES - OPS	05/15/2025	104211	389.94
Employee Safety	NORTHERN SAFETY CO. INC.	SAFETY GLOVES	05/29/2025	104241	29.07
Employee Safety	OFFICE DEPOT, INC.	FIRST AID REFILL PACK	05/08/2025	104192	33.75
Buildings & Grounds	AIRGAS, LLC	CYLINDER RENTALS	05/08/2025	104183	309.01

Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Buildings & Grounds	AIRGAS, LLC	CYLINDER RENTAL	05/22/2025	104221	300.05
Buildings & Grounds	HASSETT HARDWARE	BATTERIES	05/08/2025	104189	37.73
Buildings & Grounds	HOME DEPOT	MARKING FLAGS	05/01/2025	104169	62.52
Buildings & Grounds	HOME DEPOT	CLEANING SUPPLIES	05/29/2025	104238	24.65
Buildings & Grounds	PACE SUPPLY CORP	URINAL REBUILD KIT, SMOOTH JAW WRENCH	05/01/2025	104172	101.97
Buildings & Grounds	RECOLOGY SAN MATEO COUNTY	DAIRY LANE TRASH COLLECTION - APRIL 2025	05/08/2025	104196	905.72
Equipment & Tools	HASSETT HARDWARE	HOSE NOZZLE - FOR 805	05/08/2025	104189	18.78
Equipment & Tools	HASSETT HARDWARE	LACQUER THINNER - FOR 805	05/22/2025	104225	27.12
Equipment & Tools	HOME DEPOT	TIN CRIMPERS	05/15/2025	104210	44.82
Equipment & Tools	HOME DEPOT	CRIMPER RETURNED	05/15/2025	104210	-44.82
Equipment & Tools	FERGUSON ENTERPRISES LLC	CHAIN & BLADE	05/15/2025	104209	902.17
Equipment & Tools	FERGUSON ENTERPRISES LLC	METAL DETECTOR	05/15/2025	104209	1,031.87
Equipment & Tools	FERGUSON ENTERPRISES LLC	TAPPING MACHINE BIT HOLDER ROD	05/22/2025	104224	528.54
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	HOOD LIFTS, FUEL CLEANER & CAP, CLEANER	05/01/2025	104171	102.29
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	SPARK PLUG	05/08/2025	104193	7.28
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	MOTOR OIL, CLEANER/PROTECTANT	05/22/2025	104227	43.00
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	A/C COMPRESSOR FOR 801	05/29/2025	104242	381.86
Fuel	VALLEY OIL COMPANY	FUEL	05/08/2025	104201	2,452.00
Transmission Main Condition Assessment	PAKPOUR CONSULTING GROUP, INC	20-05 HILLCREST TRANS MAIN ASSESSMENT	05/15/2025	104213	933.19
Office Supplies	OFFICE DEPOT, INC.	PAPER - OCR	05/15/2025	104212	69.95
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	05/22/2025	104226	185.01
Office Supplies	UMPQUA BANK	COLOR PAPER FOR SHOP USE	05/15/2025	104216	46.45
Office Supplies	UMPQUA BANK	NAME PLATES FOR BOARD	05/15/2025	104216	32.72
Office Supplies	UMPQUA BANK	WALL MOUNTS FOR ELECTRICAL CORD - CONF ROOM	05/15/2025	104216	18.83
Office Supplies	UMPQUA BANK	OFFICE SUPPLIES	05/15/2025	104216	40.35
Office Supplies	UMPQUA BANK	OFFICE SUPPLIES	05/15/2025	104216	54.32
Office Supplies	UMPQUA BANK	KITCHEN SUPPLIES	05/15/2025	104216	22.36
Equipment Services/Maintenance	KBA DOCUMENT SOLUTIONS, LLC	KYOCERA MAINTENANCE AGREEMENT 3-21 THRU 4-20-2025	05/01/2025	104170	26.92
Equipment Services/Maintenance	KBA DOCUMENT SOLUTIONS, LLC	KYOCERA MAINTENANCE AGREEMENT 04/21 THRU 05/20/2025	05/29/2025	104239	20.88
Computer Supplies & Upgrades	LIFTOFF DIGITAL	WEBSITE HOSTING & UPDATES - APRIL/MAY 2025	05/29/2025	104240	652.50
Customer Credit Card Svs Fees	SPRINGBROOK NATIONAL USER GROUP	CIVIC PAY & MUNICIPAL PYMTS - APRIL 2025	05/08/2025	104198	4,782.85
Bank Service Charges	ZIONS BANCORPORATION	US TREASURY CUSTODY ACCT FEES - JAN - MARCH 2025	05/29/2025	104250	640.00
PROPERTY LEASE	SWEDCOM CORPORATION	OCR STE A - JUNE 2025	05/22/2025	104230	12,238.00
Dues & Publications	UMPQUA BANK	TWILIO API SERVICES - APRIL 2025	05/15/2025	104216	90.28
Dues & Publications	UMPQUA BANK	iCLOUD STORAGE	05/15/2025	104216	0.99
Dues & Publications	UMPQUA BANK	FASTRK ACCT REPLENISHMENT	05/15/2025	104216	25.00
Dues & Publications	UMPQUA BANK	FASTRK ACCT REPLENISHMENT	05/15/2025	104216	25.00
Dues & Publications	UMPQUA BANK	ZOOM SUBSCRIPTION	05/15/2025	104216	110.00
Dues & Publications	UMPQUA BANK	CALPELRA MEMBERSHIP	05/15/2025	104216	390.00
Dues & Publications	UMPQUA BANK	FASTRK ACCT REPLENISHMENT	05/15/2025	104216	25.00
Gov'T Fees & Licenses	DEPT OF HOUSING & COMMUNITY DEVELOPMENT	BUNKROOM TRAILER REGISTRATION FEE	05/01/2025	39522	31.00
BAWSCA Water Management Charge	SAN FRANCISCO WATER DEPT	4-16 THRU 5-15-2025 - BAWSCA WATER MGMT CHARGE	05/22/2025	104229	2,785.00
Utilities - Internet/Cable	ACC BUSINESS	INTERNET FOR OCR - APRIL 2025	05/15/2025	39529	175.00
Utilities - Internet/Cable	AT&T	SCADA ANALOG LINE	05/01/2025	39521	804.91
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/01/2025	39521	31.85
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/08/2025	39524	62.78
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/08/2025	39524	31.87
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/22/2025	39532	31.92

Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/22/2025	39532	81.80
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/29/2025	39534	31.77
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	05/29/2025	39534	31.76
Utilities - Internet/Cable	AT&T	SCADA ANALOG LINE	05/29/2025	39534	804.91
Utilities - Internet/Cable	COMCAST	INTERNET - VARIOUS SITES	05/08/2025	104184	1,084.48
Utilities - Internet/Cable	COMCAST BUSINESS	VOICE EDGE SERVICES	05/01/2025	104166	834.19
Utilities - Internet/Cable	COMCAST BUSINESS	DAIRY LANE FIBER/ETHERNET	05/01/2025	104166	1,099.52
Utilities - Internet/Cable	COMCAST BUSINESS	DAIRY LANE FIBER/ETHERNET	05/29/2025	104231	1,099.52
Utilities - Internet/Cable	COMCAST BUSINESS	VOICE EDGE SERVICES	05/29/2025	104231	833.35
Utilities - Internet/Cable	T-MOBILE	AMI REPEATER CELLULAR	05/08/2025	39527	31.40
Utilities - Cell Telephone	VERIZON WIRELESS	CELL PHONES & DEVICES 3-16 THRU 4-15-2025	05/01/2025	104177	1,051.09
Utilities - Electric - Pumping	PG&E	W. BELMONT PUMP STATION	05/15/2025	104214	535.02
Utilities - Electric - Pumping	PG&E	DEKOVEN PUMP STATION	05/15/2025	104214	675.77
Utilities - Electric - Pumping	PG&E	HANNIBAL PUMP STATION	05/22/2025	104228	7,976.37
Utilities - Electric - Pumping	PG&E	BUCKLAND PUMP STATION	05/22/2025	104228	700.04
Utilities - Electric - Pumping	PG&E	HALLMARK PUMP STATION	05/22/2025	104228	406.19
Utilities - Electric - Pumping	PG&E	TUNNELS PUMP STATION	05/29/2025	104244	17,889.30
Utilities - Electric-Bldgs&Grnd	PG&E	DAIRY LANE & VARIOUS SITES	05/01/2025	104174	3,807.14
Utilities - Electric-Bldgs&Grnd	PG&E	DAIRY LANE GAS	05/08/2025	104194	7.57
Utilities - Electric-Bldgs&Grnd	PG&E	1075 OCR	05/15/2025	104214	943.67
Utilities - Electric-Bldgs&Grnd	PG&E	FOLGER	05/15/2025	104214	55.74
Utilities - Electric-Bldgs&Grnd	PG&E	DAIRY LANE & VARIOUS TANK SITES	05/29/2025	104244	4,634.34
Prof Serv - District Counsel	HANSON, BRIDGETT	APRIL 2025 - REFUNDING COPs	05/29/2025	104237	124.50
Prof Serv - District Counsel	HANSON, BRIDGETT	APRIL 2025 - MONTHLY RETAINER	05/29/2025	104237	1,300.00
Prof Serv - District Counsel	HANSON, BRIDGETT	APRIL 2025 - FINANCIAL MATTERS	05/29/2025	104237	124.50



TO: Board of Directors
FROM: James W Ramsey, CPA, District Treasurer
DATE: June 26, 2025

**SUBJECT: APPROVE RESOLUTION 2025-14 ESTABLISHING THE
APPROPRIATIONS LIMIT APPLICABLE TO THE MID-PENINSULA
WATER DISTRICT DURING FISCAL YEAR 2025/2026**

RECOMMENDATION

Approve Resolution 2025-14.

FISCAL IMPACT

None. The MPWD is projecting receiving approximately \$555,900 from property taxes or other sources that constitute the "proceeds of taxes" that would be subject to this limit. Thus, the Appropriations Limit has no effect on the MPWD.

BACKGROUND

The Board has established an Appropriations Limit every year since the requirement went into effect in 1982.

DISCUSSION

In 1978, Proposition 13 was passed, which was a property tax reform measure sponsored by the Howard Jarvis Association. The purpose of Proposition 13 was to limit the rate at which property taxes can increase on an annual basis. In 1981, this same group decided to put a similar lid on expenditures a public agency may incur from "proceeds of taxes" and got Proposition 4 passed, now known as the Gann Limitation. A formula was derived by which to calculate an appropriations limit and applied to all public agencies in the State. Each year the agency can adjust this limit based on changes in population as well as per capita personal income. The change in the California per capita personal income for the prior year was 6.44% and the applicable change in population from January 1, 2024, to January 1, 2025, for the District was 0.07%

The MPWD adjusted limit for Fiscal Year 2025/2026 will be \$4,583,681.

As required by law, notice of the FY 2025/2026 limit and how it was calculated was posted on Monday, May 27, 2025, at two (2) locations – the MPWD’s Old County Road headquarter and on the MPWD’s website.

Attachments	Resolution 2025-14 Notice of Determination of Appropriations Limit for Fiscal Year 2025/2026
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RESOLUTION NO. 2025-14

**ESTABLISHING THE APPROPRIATIONS LIMIT APPLICABLE TO THE MID-PENINSULA
WATER DISTRICT DURING FISCAL YEAR 2025/2026**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Board of Directors of the Mid-Peninsula Water District (MPWD) established the appropriations limit applicable to the MPWD during the Fiscal Year 2024/2025 as \$4,583,681; and

WHEREAS, Article XIIIB of the California Constitution and Sections 7902(b) and 7910 of the Government Code require that each local agency subject thereto establish by resolution the applicable appropriations limit on an annual basis by applying to the previous year's appropriations limit two factors, as issued by the California Department of Finance, reflecting changes in the California per capita personal income and in population; and

WHEREAS, the calculations showing the applications of those factors have been provided to the Board of Directors for review, and have been made available for public inspection at least fifteen (15) days prior to the date hereof; and

WHEREAS, the applicable factors for Fiscal Year 2025/2026 are as follows: (1) the change in the California per capital personal income was 6.44%; and (2) the applicable change in population from January 2024 to January 2025 was 0.07%.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the appropriations limit for Fiscal Year 2025/2026 is established as \$4,583,681.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025 by the following
vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary

Mid-Peninsula Water District

NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025/2026

State law (Section 7910 of the governmental Code) requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII B of the California Constitution applicable during the following fiscal year. The limit must be adopted at a regularly scheduled meeting or a noticed special meeting and the documentation used for determining the limit must be made available for public review fifteen (15) days prior to such meeting.

Set out below is the methodology proposed to be used to calculate the Fiscal Year 2025/2026 appropriations limit for the District. The limit as set forth below will be considered and adopted at the regular meeting of the Board of Directors on June 26, 2025.

FY 2024-25	Appropriations Limit	\$	4,303,340
	Change in Per Capita Personal Income		6.44%
	Per Capita converted to a Ratio		1.0644
	Change in population		0.07%
	Population converted to a Ratio		1.0007
	Calculation of Factor	(1.0644 x 1.0007)	<u>1.0651</u>
FY 2025-26	Appropriation Limit	\$	<u>4,583,681</u>

The establishment of the appropriation limit for the following fiscal year is required by each agency per Article XIII B of the California Constitution-Gann Initiative. Because the District staddles multiple jurisdictions it uses the population change related to the County as a whole as it is representative of the Districts population change. The rates for the changes in population and per capital provided by the State of California Department of Finance is attached to this notice.

Dated and posted: May 27, 2025

May 2025

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code Section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2025-26. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2025-26 appropriations limit. Attachment B provides the city and unincorporated county population percentage change along with the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code Section 2228 provides additional information regarding the appropriations limit. Article XIII B, Section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2025.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE STEPHENSHAW
Director
By:

ERIKA LI
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2025-26 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2025-26	6.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2025-26 appropriation limit.

2025-26:

Per Capita Cost of Living Change = 6.44 percent
Population Change = 0.28 percent

Per Capita Cost of Living converted to a ratio: $\frac{6.44 + 100}{100} = 1.0644$

Population converted to a ratio: $\frac{0.28 + 100}{100} = 1.0028$

Calculation of factor for FY 2025-26: $1.0644 \times 1.0028 = 1.0674$

FISCAL YEAR 2025-26

Attachment B

Annual Percent Change in Population Minus Exclusions*

January 1, 2024 to January 1, 2025 and Total Population January 1, 2025

[About the Data](#)

City	County	Percent Change 24-25	Population Minus Exclusions 1-1-24	Population Minus Exclusions 1-1-25	Total Population 1-1-25
Atherton Town	San Mateo	-0.33	7,030	7,007	7,007
Belmont City	San Mateo	3.90	27,146	28,206	28,206
Brisbane City	San Mateo	-0.51	4,700	4,676	4,676
Burlingame City	San Mateo	2.55	30,768	31,552	31,552
Colma Town	San Mateo	-0.70	1,421	1,411	1,411
Daly City	San Mateo	-0.16	102,315	102,155	102,155
East Palo Alto City	San Mateo	-0.65	29,325	29,133	29,133
Foster City	San Mateo	-0.60	32,856	32,658	32,658
Half Moon Bay City	San Mateo	-0.26	11,333	11,303	11,303
Hillsborough Town	San Mateo	0.38	11,211	11,254	11,254
Menlo Park City	San Mateo	-0.35	33,291	33,175	33,311
Millbrae City	San Mateo	-0.53	23,288	23,164	23,164
Pacifica City	San Mateo	-0.41	37,365	37,212	37,217
Portola Valley Town	San Mateo	-0.02	4,286	4,285	4,285
Redwood City	San Mateo	-0.57	82,546	82,073	82,073
San Bruno City	San Mateo	0.29	42,507	42,631	42,631
San Carlos City	San Mateo	-0.45	29,669	29,535	29,535
San Mateo City	San Mateo	0.09	104,221	104,315	104,315
South San Francisco City	San Mateo	0.39	65,146	65,397	65,397
Woodside Town	San Mateo	0.58	5,176	5,206	5,206
Balance of County	San Mateo	-0.32	62,047	61,848	61,848
Incorporated	San Mateo	0.11	685,600	686,348	686,489
County Total	San Mateo	0.07	747,647	748,196	748,337

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



AGENDA ITEM NO. 5.D.

DATE: June 26, 2025

TO: Board of Directors

FROM: Alison Bell, Administrative Services Manager

SUBJECT: CONSIDER RESOLUTION 2025-15 UPDATING THE MPWD COMPENSATION PLAN TO ADD JOB DESCRIPTIONS FOR PAYROLL SPECIALIST AND ACCOUNTING SPECIALIST AND UPDATE THE MPWD SALARY SCHEDULE

RECOMMENDATION:

Approve Resolution 2025-15.

FISCAL IMPACT:

There is no financial impact as these positions are currently filled and budgeted as Administrative Specialist positions and there will be no change to the associated salary range.

DISCUSSION:

Currently, two administrative employees are working under the Administrative Specialist job description, which does not accurately reflect the scope and complexity of their responsibilities. The employees currently serving in these roles were initially hired under the Administrative Assistant classification and promoted to the Administrative Specialist classification; however, from the outset, their primary responsibilities have centered on either accounting or payroll functions. While the Administrative Specialist job description served as a starting point, it has never fully encompassed the scope or technical complexity of the work being performed, nor differentiated the responsibilities of the two distinct roles.

Over time, the District's administrative needs have become more specialized, and the roles of these employees have remained consistently aligned with specific financial operations rather than general administrative support. As such, continuing to evaluate and manage these positions under an outdated and overly broad classification is not practical.

Accurate and up-to-date job descriptions are essential to clearly define responsibilities, establish performance expectations, and ensure employees are fairly recognized for the work they do. Misaligned classifications make it challenging to conduct evaluations, offer appropriate training, or plan for professional growth and succession.

The proposed Accounting Specialist and Payroll Specialist classifications will provide clarity in duties and expectations, establish distinct roles within the Administrative Services Department, and ensure that MPWD's Compensation Plan accurately reflects the structure and needs of District operations. These changes will also support future recruitment efforts and workforce planning, providing a more accurate foundation for onboarding, training, and succession planning.

The proposed job descriptions have been reviewed with the impacted employees and the MPWD Employee Association. Management will work with staff to implement the changes to the compensation plan upon Board approval.

The Salary Schedule was updated to include the two new position classifications, and the salary ranges remain consistent with the existing Administrative Specialist classification.

The existing Administrative Specialist classification was not removed from the Compensation Plan or Salary Schedule.

Attachments: Resolution No. 2025-15
 Accounting Specialist Job Description
 Payroll Specialist Job Description
 Updated Salary Schedule
 Updated Org Chart

RESOLUTION NO. 2025-15

UPDATING THE MPWD COMPENSATION PLAN TO ADD JOB DESCRIPTIONS FOR PAYROLL SPECIALIST AND ACCOUNTING SPECIALIST AND UPDATING THE SALARY SCHEDULE

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the most recent update to the Mid-Peninsula Water District's (MPWD) Compensation Plan was approved on February 27, 2025, and includes: Employee Classification Descriptions, Organizational Chart, and Salary Schedule for represented and unrepresented employees; and

WHEREAS, the organization was reviewed for operational efficiencies and development, and succession planning, and two new employee position classifications of Payroll Specialist and Accounting Specialist were added, together with the corresponding salary schedule; and

WHEREAS, Management met and conferred with the impacted reclassified employees for input, on regarding the new position descriptions; and

WHEREAS, Management revised the salary schedule to include the new position titles and associated salary ranges consistent with the previous Administrative Specialist classification; and

WHEREAS, No other updates to the Compensation Plan are included, and the existing Administrative Specialist position description and associated salary range in the Salary Schedule remain the same; and

WHEREAS, the Board of Directors reviewed the updates to the MPWD Compensation Plan on June 26, 2025 and found it to be consistent with the District's overall policies, goals and economic standards.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the revised MPWD Compensation Plan dated June 26, 2025, is approved.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

BOARD PRESIDENT

DISTRICT SECRETARY

ACCOUNTING SPECIALIST

DEFINITION

Under general supervision, the Accounting Specialist performs a variety of complex accounting and financial duties, including accounts payable, accounts receivable, utility billing support, business license coordination, and maintenance of financial and statistical records. This position requires familiarity with generally accepted accounting principles, the ability to work independently, and a strong attention to detail. The Accounting Specialist supports the District's finance and administrative functions and interacts with staff, vendors, and the public in a professional and service-orientated manner.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Administrative Services Manager. Works in coordination with the District Treasurer. May provide technical and functional direction and training to assigned staff as needed.

CLASS CHARACTERISTICS

This is an advanced journey-level, specialist classification within administrative services responsible for performing technical and clerical accounting duties with minimal supervision. The work requires application and interpretation of policies, procedures, and regulations and involves frequent contact with the public and staff. Employees at this level are required to be fully trained in all procedures related to the assigned area(s) of responsibilities, working with a high degree of independent judgement, tact, and initiative. Employees research, select, and apply the most appropriate methods to accomplish assigned tasks and handle problems and deviations in work assignments in accordance with established policies and procedures. Completed work is usually evaluated for soundness, appropriateness, and conformity to policy and requirements, and the methods used in arriving at the end results are not usually reviewed in detail.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Process accounts payable and receivable, including verifying invoices, preparing checks, maintaining vendor records, and reconciling statements.
- Enter and post financial data to appropriate ledgers, journals, and databases.
-
- Assist in preparation and maintenance of business license records (if applicable).
- Perform bank reconciliations and assist with cash handling, deposits, and balancing daily receipts.
- Support payroll processing by compiling and entering data, verifying time records, and responding to employee inquiries.

- Coordinate with auditors and District Treasurer during financial and operational audits by providing requested documentation and explanations.
- Coordinate with District Treasurer to ensure good governmental accounting practices are being followed.
- Review and recommend improvements to financial procedures to enhance accuracy, efficiency, and compliance.
- Provide training or guidance to staff on financial processes and procedures as needed.
- Support internal controls and compliance activities, including documentation and monitoring of financial policies and procedures.
- Assist with budget preparation and monitoring, including compiling data, tracking expenditures, and preparing variance reports.
- Maintain various financial reports, logs, and filing systems related to finance operations.
- Assist with month-end and year-end closing processes and provide documentation for audits as needed.
- Communicate with vendors, customers, and staff regarding financial transactions and procedures.
- Operate a variety of office equipment, including computers, financial software systems, and spreadsheets.
- Administrative staff are required to deal tactfully with the public and others in providing information and customer service. Some of the duties include but are not limited to receiving and processing payments in person, online or over the phone; creating and terminating customer utility bills; answering the phone and forwarding calls to staff as necessary; collecting and distributing incoming mail.
- Other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Generally accepted accounting principles that apply to governmental accounting and payroll.
- Principles and practices of financial recordkeeping and basic governmental accounting.
- Procedures for processing accounts payable, accounts receivable, and payroll.
- Utility billing systems and related customer service practices.
- Office practices, procedures, and equipment, including Microsoft Office Suite.
- Practices and procedures relating to basic data processing and systems operation.
- Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and District staff.

Ability to:

- Prepare, analyze, and audit complex data and draw logical and sound conclusions.
- Analyze operational problems and recommend and implement effective corrective measures.
- Apply Federal, State and local laws and regulations pertaining to accounting and auditing work.
- Communicate clearly and concisely, both orally and in writing.
- Work independently and exercise sound judgment within established guidelines.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Experience: Two years of increasingly responsible public payroll/accounting experience.

Training: Equivalent to a Bachelor's degree from an accredited college or university with major course work in finance, accounting, or business.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle to visit various District and meeting sites; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone or radio. This is primarily a sedentary office classification, although standing and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects weighing up to 25 pounds.

ENVIRONMENTAL ELEMENTS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to potentially hazardous physical substances. Employees may interact with upset staff, public and private representatives, and/or contractors in interpreting and enforcing District policies and procedures.



June 2025

FLSA: NON-EXEMPT

PAYROLL SPECIALIST

DEFINITION

Under general supervision, the Payroll Specialist performs a variety of complex payroll, benefits, and financial duties, including preparation and processing of payroll, benefits coordination, reporting, and compliance with applicable laws and policies. The Payroll Specialist supports the District's human resources and administrative functions and interacts with staff, outside agencies, and vendors in a professional and service-oriented manner.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Administrative Services Manager. May provide technical and functional direction and training to assigned staff as needed.

CLASS CHARACTERISTICS

This is an advanced journey-level, specialist classification within administrative services responsible for performing technical payroll and benefit-related duties with minimal supervision. The work requires application and interpretation of labor laws, MOUs, and District policies. Employees in this position must be fully trained in all procedures related to payroll administration, exercising a high degree of confidentiality, independent judgment, and initiative. Employees research, select, and apply the most appropriate methods to accomplish assigned tasks and resolve issues in accordance with established policies and procedures.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Operate the District's payroll cycle, including verifying time records and issuing paychecks and direct deposits.
- Prepare and maintain payroll records including salary changes, deductions, benefits, and special pay types.
- Verify and process personnel action forms and calculate overtime, retroactive pay, and separation payouts.

- Review timesheets and payroll documentation for accuracy and compliance with labor laws and policies.
- Process payments for employee benefits, taxes, CalPERS, and other deductions.
- Maintain and manage the payroll module within the District's financial software system.
- Coordinate with Administrative Services Manager on onboarding of new employees and annual open enrollment.
- Research and interpret payroll and benefit-related laws, rules, regulations, and MOUs.
- Translate new policies and labor agreements into functional codes in the payroll system.
- Identify, test, and implement changes resulting from system updates or regulatory changes.
- Respond to employee payroll and benefits inquiries and provide resolution and support.
- Ensure confidentiality of payroll and personnel information at all times.
- Recommend and implement process improvements to enhance accuracy and efficiency.
- Collaborate with Human Resources and Administrative Services staff to ensure consistent implementation of employment-related policies.
- Maintain documentation and prepare reports for audits, tax filings, and other compliance-related requirements.
- Other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Principles and practices of payroll and benefit administration, including regulatory compliance.
- Provisions of local, State, and Federal regulations including FLSA, IRS, and CalPERS rules.
- Payroll systems, timekeeping software, and financial reporting tools.
- Modern office practices, procedures, and equipment, including Microsoft Office and ADP or similar software.
- Practices and procedures related to data processing and systems operations.

Ability to:

- Prepare, analyze, and audit complex payroll data and draw logical conclusions.
- Interpret and apply Federal, State, and local laws and District policies related to payroll and benefits.
- Exercise sound judgment, tact, and discretion in resolving sensitive employee issues.
- Maintain strict confidentiality and handle confidential information with integrity.
- Communicate clearly and concisely, both orally and in writing.
- Work independently and collaboratively in a team-oriented environment.
- Respond effectively to employee inquiries and resolve issues professionally.

EDUCATION AND EXPERIENCE

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

- **Experience:** Two years of increasingly responsible payroll and benefits administration experience, preferably in a public agency setting.
- **Training:** Equivalent to an Associate's degree from an accredited college or university with coursework in accounting, business administration, or a related field.

PHYSICAL DEMANDS

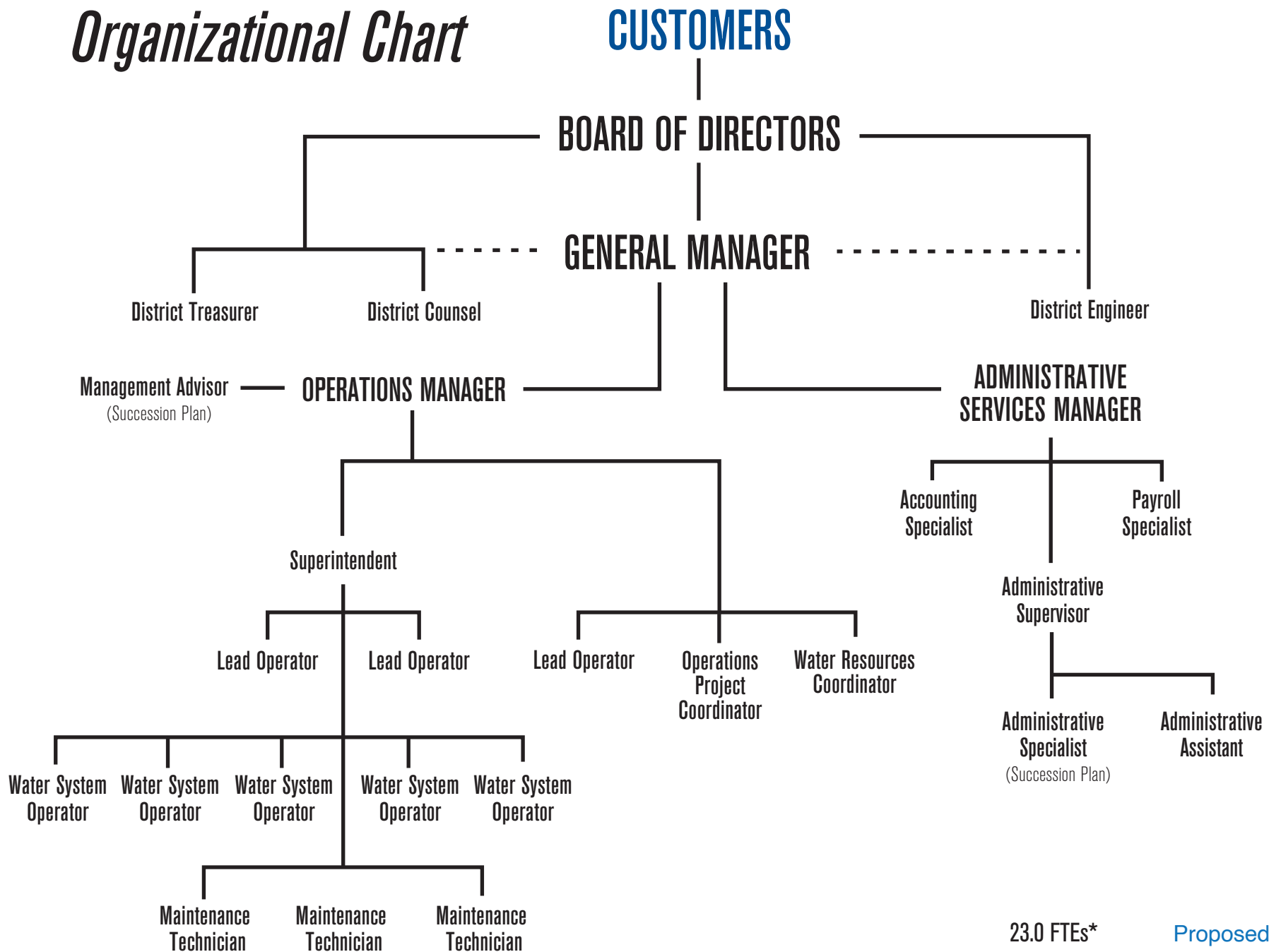
Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification, although standing and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must be able to lift and carry materials and objects weighing up to 25 pounds.

ENVIRONMENTAL ELEMENTS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff or members of the public in interpreting and enforcing District policies and procedures.



MPWD *Organizational Chart*



23.0 FTEs*

Proposed: June, 2025

* Includes 2 temporary succession support positions.

SALARY SCHEDULE
EFFECTIVE June 27, 2025, AT 12:01AM

CLASSIFICATION	ANNUAL SALARY RANGE
Non-Exempt	
ADMINISTRATIVE ASSISTANT	\$73,472 - \$96,162/Year
MAINTENANCE TECHNICIAN	\$73,472 - \$96,162/Year
ADMINISTRATIVE SPECIALIST	\$89,679 - \$118,852/Year
PAYROLL SPECIALIST	\$89,679 - \$118,852/Year
ACCOUNTING SPECIALIST	\$89,679 - \$118,852/Year
WATER SYSTEM OPERATOR	\$89,679 - \$118,852/Year
LEAD OPERATOR	\$102,645 - \$133,978/Year
MANAGEMENT ANALYST	\$102,645 - \$133,978/Year
OPERATIONS PROJECT COORDINATOR	\$112,369 - \$146,944/Year
WATER RESOURCES COORDINATOR	\$112,369 - \$146,944/Year
ADMINISTRATIVE SUPERVISOR	\$114,530 - \$150,185/Year
OPERATIONS SUPERVISOR	\$130,737 - \$170,714/Year
Exempt	
ACCOUNTANT	\$104,900 - \$136,370/Year
SUPERINTENDENT	\$153,540 - \$201,226/Year
ADMINISTRATIVE SERVICES MANAGER	\$158,829 - \$207,450/Year
OPERATIONS MANAGER	\$158,829 - \$207,450/Year
MANAGEMENT ADVISOR	\$195,000 - \$212,000/Year
GENERAL MANAGER	\$241,875/Year



AGENDA ITEM NO. 5.E.

DATE: June 26, 2025

TO: Board of Directors

FROM: Kat Wuelfing, General Manager
Alison Bell, Administrative Services Manager

SUBJECT: APPROVE RESOLUTION 2025-16 AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH EIDE BAILLY LLP FOR DISTRICT TREASURER AND ACCOUNTING SERVICES

RECOMMENDATION

Approve Resolution 2025-16.

FISCAL IMPACT

Total services estimate for contract: \$140,000

Funding source: The proposed budget for Fiscal Year 2025/2026 includes \$150,000 under Operations Budget line item 1-710-7111-00-00, which will be considered by the Board at this same meeting. The cost for Fiscal Year 2024/2025 was \$157,421.14 through May 2025.

BACKGROUND

In July 2023, the Board approved Resolution 2023-23, for Eide Bailly LLP to provide professional accounting services, and for the appointment of Eide Bailly LLP as District Treasurer to provide professional accounting oversight of the District's financial reporting. Eide Bailly was selected following a request for proposal (RFP) process and has been performing the work over the course of FY 2023/2024. Based on the needs of the District, the continued services of Eide Bailly are requested.

Prior to this, the District Treasurer and professional accounting services were historically provided by contract at MPWD, and all other public official positions at the MPWD are by contract—General Manager, District Engineer (Pakpour Consulting Group, Inc.), and District Counsel (Hanson Bridgett LLP).

DISCUSSION

The scope of work proposed by Eide Bailly is provided below, and includes (1) financial management services, (2) District Treasurer services, and (3) services to help prepare for and support the District's Year-end audit, through June 30, 2025. James Ramsey, CPA, CFE has

been identified as the District's engagement partner, to continue to serve as primary contact and District Treasurer. Mr. Ramsey is a Certified Public Accountant and a Certified Fraud Examiner.

As District Treasurer:

- Will attend regular and/or special meetings of the Board of Directors and participate as District Treasurer;
- Will attend Finance Committee meetings and participate as a member (as scheduled); and
- Will present reports as necessary during Board and Finance Committee meetings

Financial management services include:

- Review of the details of the general ledger and determine correcting entries as needed;
- Review the trial balance on a monthly basis to ensure amounts are complete;
- Prepare and provide monthly reports to the Board of Directors;
- Review and analyze the monthly billing, payroll, accounts payable, and cash management activity;
- Prepare and review monthly bank reconciliations for all accounts;
- Review and analyze capital expenditures; and
- Meet with staff on a periodic basis

Year-end audit preparation:

- Provide required reports, ledger, and other documents as requested by the District's external auditors;
- Prepare schedules for inclusion in the annual audited financial reports;
- Perform an analytical review of the trial balance prior to submission to auditors;
- Assist with preparation of management's discussion and analysis (MD&A),
- Coordinate yearend audit fieldwork;
- Assist in review of the financial statements prior to issuance, and
- Prepare supplementary schedules to convert financial statements to an Annual Comprehensive Financial Report (ACFR).

The District has benefited from the services of Eide Bailly and staff is recommending that the Board approve the contract amendment for Eide Bailly to serve as District Treasurer. As written, the resolution will allow the General Manager in subsequent years to extend the contract by one-year without specific action by the Board, if it is in the best interest of the District to do so and with the amounts to be approved by the Board in the adoption of the budget.

Attachments: Resolution 2025-16, with Exhibit A Eide Bailly LLP Scope of Engagement, dated June 16, 2025

RESOLUTION NO. 2025-16

**AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH EIDE BAILLY LLP FOR
DISTRICT TREASURER AND ACCOUNTING SERVICES**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, on August 15, 2023, after successfully completing a competitive solicitation process, the Mid-Peninsula Water District (“District”) entered into a contract with Eide Bailly LLP for (1) financial management services, (2) District Treasurer services, and (3) services to help prepare for and support the District’s year-end audit; and

WHEREAS, on June 27, 2024, the Board of Directors authorized an amendment to extend the Contract for Professional Services with Eide Bailly LLP for District Treasurer and accounting services until June 30, 2025, and

WHEREAS, the Board of Directors now desires to amend the contract again with Eide Bailly LLP, to extend the contract for one year, add additional services, and authorize further one year extensions, as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes the General Manager to extend the agreement for subsequent years, if it is in the best interest of the District to do so, with the amounts to be approved in the adoption of the budget.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary

Exhibit A



Mid-Peninsula Water District
1075 Old Country Road #A,
Belmont, CA 94002

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Mid-Peninsula Water District (District) for the fiscal year ending June 30, 2026.

Scope of Engagement

We will work with you to provide consulting services in connection with District Treasurer, financial management, and year-end audit preparation services as follows:

District Treasurer

1. Attend all regular and/or special meetings of the Board of Directors and participate as District Treasurer,
2. Attend Finance Committee meetings and participate as member (as scheduled), and
3. Present reports as necessary during Board and Finance Committee meetings.

Financial management services

1. Review the general ledger detail and determine correcting entries as needed,
2. Review the trial balance on a monthly basis to ensure amounts are complete,
3. Prepare and provide monthly reports to the Board of Directors,
4. Review and analyze the monthly billing, payroll, accounts payable, and cash management activity for each month,
5. Prepare and review monthly bank reconciliations for all accounts,
6. Review and analyze capital expenditures,
7. Evaluate monthly budget-to-actual reports, and
8. Meet with staff on a periodic basis.

Year-end audit preparation

1. Provide required reports, ledgers, and other documents as requested by the District's external auditors,
2. Prepare schedules for inclusion in the annual audited financial reports,
3. Perform an analytical review of the trial balance prior to submission to the auditors,
4. Assist with preparation of MD&A,
5. Coordinate yearend audit fieldwork,
6. Assist in review of financial statements prior to issuance, and
7. Prepare supplementary schedules to convert financial statements to an Annual Comprehensive Financial Report (ACFR).

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed within any timelines specified of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will not exceed \$140,000. We will notify you immediately of any circumstances we encounter that could significantly affect this fee estimate.

Our rates for the levels of responsibility are as follows:

 Hourly Rate by Staff Level	FY 2026
Partner	\$ 396 / hr.
Director	\$374 / hr.
Senior Manager	\$339 / hr.
Manager	\$284 / hr.
Senior Associate	\$215 / hr.
Associate / Clerical	\$170 / hr.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement, as needed. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP’s personnel. Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such engagement documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm’s performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney’s fees will be added to the amount due.

The District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. The nature of the services to be provided in conjunction with this engagement are such that non-licensee owners may be involved in performing our services for the District.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in the Menlo Park, California office. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in the information provided to us to complete our engagement that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive, or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the engagement. The Limitation Period applies and begins to run even if you have not suffered any damage or loss or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in Sacramento, California.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,



James W Ramsey, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Mid-Peninsula Water District by:

Name: _____

Title: _____

Date: _____



Mid-Peninsula Water District
1075 Old Country Road #A,
Belmont, CA 94002

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Mid-Peninsula Water District (District) for the fiscal year ending June 30, 2026.

Scope of Engagement

We will work with you to provide consulting services in connection with District Treasurer, financial management, and year-end audit preparation services as follows:

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6. Review and analyze capital expenditures,
7. Evaluate monthly budget-to-actual reports, and
8. Meet with staff on a periodic basis.

Year-end audit preparation

1. Provide required reports, ledgers, and other documents as requested by the District's external auditors,
2. Prepare schedules for inclusion in the annual audited financial reports,
3. Perform an analytical review of the trial balance prior to submission to the auditors,
4. Assist with preparation of MD&A,
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Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed within any timelines specified of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will not exceed \$140,000. We will notify you immediately of any circumstances we encounter that could significantly affect this fee estimate.

Our rates for the levels of responsibility are as follows:

 Hourly Rate by Staff Level	FY 2026
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Senior Manager	\$339 / hr.
Manager	\$284 / hr.
Senior Associate	\$215 / hr.
Associate / Clerical	\$170 / hr.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement, as needed. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such engagement documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

The District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. The nature of the services to be provided in conjunction with this engagement are such that non-licensee owners may be involved in performing our services for the District.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in the Menlo Park, California office. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in the information provided to us to complete our engagement that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive, or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the engagement. The Limitation Period applies and begins to run even if you have not suffered any damage or loss or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in Sacramento, California.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,



James W Ramsey, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Mid-Peninsula Water District by:

Name: _____

Title: _____

Date: _____



AGENDA ITEM NO. 5.F.

DATE: June 26, 2025
TO: Board of Directors
FROM: Kat Wuelfing, General Manager

SUBJECT: APPROVE RESOLUTION 2025-17 AUTHORIZING A TWO-YEAR CONTRACT FOR PROFESSIONAL SERVICES WITH JOHN DAVIDSON D/B/A JROCKET77 DESIGN & MARKETING IN THE AMOUNT OF \$69,750 FOR PUBLIC OUTREACH/EDUCATION/RELATIONS AND MPWD WEBSITE MANAGEMENT SERVICES, AND PRINTING SERVICES IN THE AMOUNT OF \$25,000, FOR A TOTAL AMOUNT EACH FISCAL YEAR OF \$94,750

RECOMMENDATION

Approve Resolution 2025-17.

FISCAL IMPACT

\$69,750 is proposed for:	Professional graphic design and composition, marketing, public outreach/education/relations, and MPWD website management services.
<u>\$25,000</u> is estimated for:	Printing services for all MPWD publications, notices, and public outreach and education materials.
\$94,750 TOTAL	(NOT-TO-EXCEED)

A total of \$100,000 was included within the approved FY 2025/26 Operating Budget in Miscellaneous Professional Services.

Through May 2025, the District has paid \$86,024 for professional services and printing in FY 2024/2025. FY 2023/2024, the total costs were \$82,878. John Davidson bills on a time and materials basis, and thus actual costs may be less than budgeted.

DISCUSSION

Staff negotiated the attached two-year contract, which is a template form developed by District Counsel and customized for the services to be provided by John Davidson d/b/a Jrocket77 Design & Marketing for MPWD public relations and outreach/education and website management services, plus printing services, to be provided within the next two (2) fiscal years—FY 2025/26 and FY 2026/27. John Davidson has been serving in this role for the District for many years and is responsible for the look and feel of our website, public outreach, materials, logos and branding, and more, as well as managing the aspects of our website hosting company (LIFTOFF), and Customer Connect communication tools. This contract includes a 3.3% rate increase of that in the last two-year contract.

Attachments: Resolution 2025-17
Contract for Professional Services, including proposals for FYs 2025/26 and 2026/27

Design/Marketing/Website Services and Estimated Printing Services

RESOLUTION NO. 2025-17

**AUTHORIZING A TWO-YEAR CONTRACT FOR PROFESSIONAL SERVICES
WITH JOHN DAVIDSON d/b/a JROCKET77 DESIGN & MARKETING
IN THE AMOUNT OF \$69,750 FOR PUBLIC OUTREACH/EDUCATION/RELATIONS AND
MPWD WEBSITE MANAGEMENT SERVICES, AND PRINTING SERVICES IN THE AMOUNT
OF \$25,000, FOR AN ANTICIPATED AMOUNT EACH FISCAL YEAR OF \$94,750**

*** * ***

MID-PENINSULA WATER DISTRICT

WHEREAS, John Davidson of Jrocket77 Design & Marketing has successfully provided annual professional services to the Mid-Peninsula Water District (MPWD) in the areas of public outreach/education/relations, website management, and coordination of printing services with the MPWD's mail house vendor since 2012; and

WHEREAS, the MPWD desires to continue that working relationship for the next two (2) fiscal years—FY 2025/26 and FY 2026/27—and enter into a contract for the continued professional and printing services; and

WHEREAS, the negotiated professional services each fiscal year will not exceed the total of \$99,250 for all services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District authorizes a contract between the MPWD and John Davidson d/b/a Jrocket77 Design & Marketing for public outreach/education/relations, MPWD website management, and printing services for FY 2025/26 and FY 2026/27 in a total amount each fiscal year not to exceed \$94,750, and further authorizes the General Manager to execute it.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

BOARD PRESIDENT

ATTEST:

DISTRICT SECRETARY

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of the 26th day of June 2025, by and between the MID-PENINSULA WATER DISTRICT ("DISTRICT") and JOHN DAVIDSON D/B/A JROCKET77 DESIGN & MARKETING ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional public relations and outreach and web design services for the DISTRICT which CONSULTANT is qualified to provide; and

WHEREAS, CONSULTANT has experience and familiarity with providing such services to the DISTRICT and desires to do same.

NOW, THEREFORE, the parties agree as follows:

1. RENDITION OF SERVICES. The CONSULTANT agrees to provide professional services to the DISTRICT in accordance with the terms and conditions of this Agreement ("Services"). In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

2. SCOPE OF SERVICES. The scope of the CONSULTANT's Services for two (2) fiscal years—FY 2025/26 and FY 2026/27—shall consist of public relations/outreach and MPWD website professional services outlined in the attached proposal identified as Exhibit A, and the related publication printing services estimate attached as Exhibit B.

3. TERM.

This is a two-year Agreement, which will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT.

It is understood that the term of this Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

4. COMPENSATION.

The CONSULTANT agrees to perform all of the professional services included in Section 2's Exhibit A for the not-to-exceed amount of \$69,750. Compensation shall be based upon the time devoted to the work by CONSULTANT at the hourly rate of \$155 per hour.

CONSULTANT further agrees to coordinate the printing services identified in Section 2's Exhibit B for the estimated amount of \$25,000.

The agreed upon hourly rate shall include all direct labor, taxes, overhead, insurance, employee benefits, and other costs and expenses incurred by the CONSULTANT necessary for the performance of all the services called for under this Agreement. The hourly

rate shall remain firm during the entire term of this Agreement. CONSULTANT may also seek reimbursement for direct out-of-pocket expenses, without mark-up, for long distance phone calls and travel, lodging, parking and other direct costs incurred in the performance of the services as may be approved by the DISTRICT's General Manager.

5. MANNER OF PAYMENT. CONSULTANT shall submit invoices to DISTRICT monthly. Invoices shall itemize the number of hours devoted by CONSULTANT to work under this Agreement, applicable hourly rates in accordance with the fee schedule described in Section 4, and those out-of-pocket expenses incurred in the performance of work hereunder. The DISTRICT's General Manager will review and approve invoices prior to submission for payment. DISTRICT shall render payment within thirty (30) days of receipt of approved invoices.

All invoices should be sent to: Mid-Peninsula Water District
1075 Old County Road
Suite A
Belmont, CA 94002
Attn: General Manager

The DISTRICT reserves the right to withhold payment to the CONSULTANT if the DISTRICT determines that the quantity or quality of the work performed is unacceptable. The DISTRICT shall provide written notice to the CONSULTANT within ten (10) business days of the DISTRICT's decision not to pay and the reasons for non-payment.

6. CONSULTANT'S KEY PERSONNEL. It is understood and agreed by the parties that at all times during the term of this Agreement that John Davidson shall serve as the primary project person of CONSULTANT to undertake, render and oversee all the services under this Agreement.

7. DISTRICT REPRESENTATIVE. Except when approval or other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or such person or persons as he shall designate in writing from time to time, shall represent and act for the DISTRICT.

8. CONSULTANT'S STATUS. Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT's shall be one solely between said parties.

9. OWNERSHIP OF WORK. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared, for the Services to be performed by CONSULTANT shall be and are the property of the DISTRICT. The DISTRICT shall be entitled to access to and copies of these materials during the progress of the work. Any property of the DISTRICT in the hands of the CONSULTANT or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

Any and all rights, title, and interest (including without limitation copyright and any other intellectual-property or proprietary right) to materials prepared under this Agreement are hereby assigned to the DISTRICT. The CONSULTANT agrees to execute any additional documents which may be necessary to evidence such assignment.

The CONSULTANT represents and warrants that all materials prepared under this Agreement are original or developed from materials in the public domain (or both) and that all materials prepared under, and services provided under this Agreement do not infringe or violate any copyright, trademark, patent, trade secret, or other intellectual-property or proprietary right of any third party.

10. CHANGES. The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

11. RESPONSIBILITY; INDEMNIFICATION. CONSULTANT shall indemnify, keep and save harmless the DISTRICT, and the DISTRICT members, officers, agents and employees against any and all suits, claims or actions arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the CONSULTANT caused by an act or omission of the CONSULTANT or its employees, subcontractors or agents. CONSULTANT further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment be rendered against the DISTRICT or any of the other individuals enumerated above in any such action, CONSULTANT shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination of this Agreement.

12. INSURANCE.

A. Workers' Compensation. If CONSULTANT employs any person to perform work in connection with this Agreement, CONSULTANT shall procure and maintain at all times during the performance of such work, Workers' Compensation Insurance in conformance with the laws of the State of California and Federal laws when applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work under this Agreement by any such employee, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall stipulate that thirty (30) days advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT. Such insurance shall also contain a waiver of subrogation in favor of the Mid-Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

B. Commercial General and Automobile Liability Insurance. CONSULTANT shall also procure and maintain at all times during the performance of this Agreement Commercial General Liability Insurance covering CONSULTANT and the DISTRICT for liability arising out of the operations and activities of CONSULTANT and any subcontractors. CONSULTANT shall also procure and maintain during the entire term of this Agreement Automobile Liability Insurance which shall include coverage for all vehicles, licensed or unlicensed, on or off the DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The Commercial General Liability Insurance policy shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its Directors, officers, employees and agents. The Automobile Liability Insurance policy shall be subject to a limit for each occurrence of One Hundred Thousand Dollars (\$100,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its Directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as an additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. The policy shall protect CONSULTANT and the DISTRICT in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured. Such insurance shall also contain a waiver of subrogation in favor of the Mid-Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

Prior to commencement of work hereunder, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that thirty (30) days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT.

C. Deductibles and Retentions. CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from the DISTRICT. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the CONSULTANT or any subcontractor contains a deductible or self-insured retention, and in the event that the DISTRICT seeks coverage under such policy as an additional insured, CONSULTANT shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of CONSULTANT, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if CONSULTANT or subcontractor is not a named defendant in the lawsuit.

13. TERMINATION. The DISTRICT shall have the right to terminate this Agreement at any time by giving written notice to the CONSULTANT. In the event of termination for any reason other than the fault of the CONSULTANT, the CONSULTANT shall be compensated in

accordance with the provisions of Sections 4 and 5 for the services performed and expenses incurred to the date of such termination, plus any reasonable costs and expenses which are reasonably and necessarily incurred by CONSULTANT to effect such termination. For termination for default, the DISTRICT shall remit final payment to CONSULTANT in an amount to cover only those services performed and expenses incurred in accordance with the terms and conditions of this Agreement up to the effective date of termination.

14. NOTICES. All communications relating to the day-to-day activities of the project shall be exchanged between the DISTRICT's General Manager and the CONSULTANT's Principal, John Davidson.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District 1075 Old County Road, Suite A Post Office Box 129 Belmont, California 94002 ATTENTION: General Manager
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If to the CONSULTANT:	John Davidson d/b/a Jrocket77 Design & Marketing 2564 E 2150 South Circle St. George, UT 84790 ATTENTION: John Davidson
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The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

15. EQUAL EMPLOYMENT OPPORTUNITY. In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

16. MISCELLANEOUS

A. Records. During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

B. District Warranties. The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

C. Release of Information. CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

D. Use of Subcontractors. CONSULTANT shall not subcontract any Services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

E. No Assignment. CONSULTANT shall not assign any of the rights nor transfer any of its obligations under the Agreement without the prior written consent of the District.

F. Attorney's Fees. If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable legal fees.

G. Applicable Law. This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

H. Binding on Successors. All the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

I. Waiver. Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

J. Entire Agreement; Modification. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

MID-PENINSULA WATER DISTRICT

JOHN DAVIDSON D/B/A
JROCKET77 DESIGN & MARKETING

By: _____
Kathryn Wuelfing
General Manager

By: _____
John Davidson
Principal/Owner



RE:

Proposal for FY25-26 & FY26-27 Design/Marketing/Writing/Website Services

Attn: Kat Wuelfing, MPWD

6.14.25 | Page 1 of 2

SCOPE OF SERVICES

JROCKET77 DESIGN & MARKETING shall provide the following services to MPWD during FY2025-2026 & FY2026-2027 per annum:

1. **Ongoing Website Design Strategy and Management** 100 hours
 - A. Manage website for consistency and timely communications.
 - B. Maintenance of the MPWD Customer Connect program.
 - C. Support staff in the use of the website CMS and CRM.
 - D. Coordinate with staff for additional content on the MPWD website.
 - E. Perform annual updates to MPWD website by December 30.
 - F. Maintain compliance with transparency and ADA guidelines.
 - G. Website improvements and other website services as directed by staff.
 - H. Implement online emergency response and disaster survival resources for rate payers and public.
2. **Publications** 120 hours
 - A. Annual CCR by June 30th.
 - B. *The Waterline* newsletters.
 - C. Create CIP-related brochures/reports/FAQs as identified by MPWD.
 - D. Annual Water Conservation Calendar or similar project.
 - E. Production support for internal publications such as Personnel and Policy Manuals.
 - F. Development of UWMP brochure and collateral.
 - G. Other publications as directed by staff.
3. **Public Relations and Outreach** 110 hours
 - A. Press releases: Including but not limited to: Board reorganization, calendar contest winners, CIP impact on local neighborhoods, community events and projects.
 - B. Bill backers and monthly bill advertisements.
 - C. CIP Outreach and messaging (print and electronic media).
 - D. CIP traffic signage.
 - E. Assist with customer survey campaigns as directed by MPWD.
 - F. Promotion/advertising of MPWD workshops.
 - G. Public service announcements related to health orders, rate changes, meter servicing or inventory, backflow prevention and cross connection control, regulatory mandated efforts, Board member recruitment, utility outages, disasters or other public emergencies, etc.
 - H. Other projects as directed by staff.



SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: John-Thomas: Davidson.

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@mac.com



RE:

Proposal for FY25-26 & FY26-27 Design/Marketing/Writing/Website Services

Attn: Kat Wuelfing, MPWD

6.14.25 | Page 2 of 2

4. Branding and Identity Support 40 hours

- A. Continue consistent messaging and support of MPWD branding and identity.
- B. MPWD letterhead update after confirmed Board reorganization by January 31st.
- C. Business cards, envelopes, and name badges as needed.
- D. Graphic design and liaison work with third-party vendors for MPWD facility signage and vehicle graphics.
- E. Graphic design and liaison work with third-party vendors for promo items as identified by MPWD.
- F. Support public experience and additional promotional needs for community events.
- G. Other support as directed by staff.
- H. Design event logos/branding as needed.

5. Water Conservation and Marketing 60 hours

- A. Misc. water conservation messaging (print and electronic media).
- B. Development of drought campaign, if necessary.
- C. Copy writing services.
- D. Other items as directed by staff.

6. Personnel/Administrative Support 20 hours

- A. As needed (org charts, staff certificates, inhouse events, annual report to Board)

Total annual 450 hours

Average monthly hours: 37.5. Hourly rate: \$155. Annual: \$69,750

These services shall be ongoing through MPWD FY25-26 & FY26-27 and managed by the General Manager.

Thank you,

:John-Thomas: Davidson.

**SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: John-Thomas: Davidson.**

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@mac.com



RE:

Estimated Costs for Printing FYs 2025/2026 & 2026/2027

Attn: Kat Wuelfing, MPWD

11-June-2025

PRINTING ESTIMATE

Proposal of costs for printing and related production services for MPWD during FYs 2025/2026 & 2026/2027:

Annual CCR, *Waterline* newsletters, envelopes for mailing campaigns, staff and BOD business cards, letterheads, water conservation annual report, annual student water conservation calendars, public service announcements, rebate program applications, CIP collateral, customer survey mailers, Prop 218 or other regulatory notices, internal administrative or policy documents, emergency service alert mailers. Costs include tax and delivery.

..... Estimated: \$25,000 per annum

Thank you,

:John-Thomas: Davidson.



SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: John-Thomas: Davidson.

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@mac.com



AGENDA ITEM NO. 5.G.

DATE: June 26, 2025
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: CONSIDER AUTHORIZATION OF TASK ORDERS 25-12 THROUGH 25-14, AND 26-01 THROUGH 26-06, WITH DISTRICT ENGINEER, PAKPOUR CONSULTING GROUP, INC., FOR ANNUAL ON-GOING SERVICES IN THE AMOUNT OF \$219,515

RECOMMENDATION

That the Board authorizes the General Manager to sign Task Orders 25-12 through 25-14 for additional work during fiscal year 2024/2025, and for Task Orders 26-01 through 26-06 with the District Engineer for work during fiscal year 2025/2026 on-going services in the amount of \$219,515.

FISCAL IMPACT

The District's budget for District Engineer Professional Services line item 710-7102-00-00 for fiscal year 2024/25 is \$140,000, with approximately \$6,000 remaining, and \$154,600 for fiscal year 2025/2026.

District Engineer budget remaining in FY 24/25	=	\$ 6,000
District Engineer budget for FY 25/26	=	\$154,600
TOTAL available for nine (9) task orders	=	\$160,600

The cost for the nine (9) task orders: 3 in fiscal year 2024/25 and six (6) for fiscal year 2025/26 equals \$219,515. Of the \$219,515, the following 3 task orders are to be charged to a specific capital project or are entirely reimbursable from developer/homeowner fees/charges.

TO 25-12 to be charged to capital project 20-07 Harbor WMI project	=	\$ 4,515
TO 26-04 fire sprinkler model runs - reimbursed by developer/homeowner	=	\$ 35,000
TO 26-06 plan review – reimbursed by developer/homeowner	=	\$ 25,000
TOTAL to be charged to capital or entirely reimbursed	=	\$ 59,515

Total: for the Nine (9) task orders	=	\$219,515
<u>Total: Three (3) task orders entirely reimbursable or to be charged to capital</u>	<u>=</u>	<u>\$ 59,515</u>
Amount Needed in District Engineer Line Item for FY 24/25 and FY 25/26	=	\$160,000

Between the remaining budget in fiscal year 2024/2025 and proposed budget for fiscal year 2025/2026, there are sufficient budgeted funds to support these 9 task orders.

DISCUSSION

For the last several fiscal years, the District has used Task Orders to authorize and track routine work under PCG's contract. In this case, the District Engineer is indicating six (6) areas of routine work and the cost to provide the service in fiscal year 2025-2026, and three (3) areas of work in fiscal year 2024/2025 that required additional support:

Fiscal Year 2024/2025

TO 25-12:	Additional support during Harbor WMI CIP: 20-07	\$ 4,515
TO 25-13:	City's Twin Pines Storm Basin project	\$ 25,000
TO 25-14:	Miscellaneous – Exbourne retaining wall and easement issue off of Lincoln Ave	\$ 25,000
Fiscal Year 2024/2026 Sub-Total		\$ 54,515

Fiscal Year 2025/26

TO 26-01:	Miscellaneous – weekly meetings and other work	\$ 40,000
TO 26-02:	CIP development and updating	\$ 25,000
TO 26-03:	Maintaining/Update District Standard Construction Details And Specifications	\$ 40,000
TO 26-04:	Maintain/Update hydraulic model (reimbursable development cost)	\$ 35,000
TO 26-05:	Water system analysis	\$ 5,000
TO 26-06:	Development plan review (reimbursable cost)	\$ 20,000
Fiscal Year 2025/2026 Sub-Total		\$165,000
Total		\$219,515

Additional details on FY 24/25 Task Order Scopes:

- TO 25-12 covers final project closeout work associated with the completed Harbor Water Main Improvement capital project, and that no further costs are anticipated associated with this project. This scope includes about 20 hours of work related to the project's customer survey and a few minor edits to the as-built plans.
- TO 25-13 is related to the city's proposed underground storm basin at city hall. It is also noted that the ultimate responsibility for costs associated with the City of Belmont's Twin Pines Storm Basin project has not yet been determined with the City, but that the District is currently performing initial upfront engineering work to support this project and to not cause a delay while the cost allocation issue is determined. However, the District was not aware of this project during the 2024 CIP update or during the development of our 2024 Rate Study, and thus it was not considered as part of the District's planning efforts. To date, some \$8,500 has been charged for plan review, model runs and meetings. It is intended that this task order will suffice until the project is better defined and the District's effort is also defined.
- TO 25-14 is identified for "miscellaneous" engineering needs, that are unforeseen but relatively limited in scope. Originally set at \$25,000 for FY 24/25, this task order has included additional support for the Exbourne Tank site retaining wall for both civil and structural efforts, and a distribution line not located in an easement off of Lincoln Avenue near Newlands Ave (Belmont) and Highland Drive (San Mateo) requiring engaging a surveyor.

The proposed task orders for fiscal year 2025/26 total \$165,000, which would be less than the current fiscal year, but does not include any contingency for any unknown work. If unknown work expected to exceed the budget included under TO were to arise, staff would request an adjustment during the mid-year budget review.

Attachments: Task Orders 25-12 through 25-14 and 26-01 through 26-06

Mid-Peninsula Water District Task Order Form

Title: Harbor Blvd Water Main Improvements (CIP 20-07)		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 25-12		4. Task Order Type: District Engineer Capital Project Support	
5. Period Of Performance: Services through duration of project			
6. Cost History		COST	FEE
This Action Amount		\$	4,515.00
Previously Approved Amount		\$	466,850.00
NEW TOTAL		\$	471,365.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: Additional Service Request (ASR) No. 6 - Prepare and coordinate customer surveys, along with other minor close out items.			
8. T. O. Documentation Requirements: PCG Additional Service Request No. 6 Dated June 6, 2025 and update to District expense tracking sheet.		9. Schedule/Deliverables: Vary per construction schedule	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature: _____		Signature: _____	
Print Name: _____ Kat Wuelfing		Print Name: _____ Joubin Pakpour, PE	
Title: _____ General Manager		Title: _____ President	
Date: _____		Date: _____	



June 6, 2025

10012.28

Kat Wuelfing
General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002

**Subject: Additional Service Request No. 6
Harbor Blvd Water Main Improvements
Mid-Peninsula Water District**

Dear Kat,

At the request of the Mid-Peninsula Water District (District), *Pakpour Consulting Group, Inc. (PCG)* prepared a proposal on December 7, 2022, to provide construction management support services for Harbor Blvd Water Main Improvements. As the District's staff are aware, the project's construction required more oversight and coordination than was initially anticipated. Our Project Manager, Feraydoon Jahanian-Farsi, and I spent additional hours during the construction phase, as detailed below:

Post Construction / Project Close Out

Prepare and coordinate customer surveys, along with other minor close out items.

Budget Request

Project Manager	20 hours x \$215	\$4,300.00
Direct Cost Multiplier 5%		<u>\$215.00</u>
Total Additional Service Request No. 6:		\$4,515.00

Original Proposal – <i>Design Services</i>	\$261,000.00
Additional Service Request No. 1 – <i>Construction Support Service</i>	\$129,300.00
Additional Service Request No. 2	\$24,200.00
Additional Service Request No. 3	\$24,300.00
Additional Service Request No. 4	\$15,650.00
Additional Service Request No. 5	\$12,400.00
<u>Additional Service Request No. 6 – Current Request</u>	<u>\$4,515.00</u>
Total Contract Budget	\$471,365.00

June 9, 2025 – Page 2

Wuelfing – Harbor Blvd Water Main Improvement - ASR No. 6

Should you have any questions regarding this proposal, please do not hesitate to contact me at (925) 224-7717.

Very truly yours,

Pakpour Consulting Group, Inc.

DocuSigned by:

FD1650F8C0904EA...

Joubin Pakpour, PE
President

J:\Projects\MPWD - 10012.00\28 - Harbor Blvd Water Main Improvements\Contract\Agency\28-MPWD-Wuelfing-25.06.09-Harbor Blvd CM Support-ASR6.docx

Mid-Peninsula Water District Task Order Form

Title: Twin Pines Park Water Main Improvements		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 25-13		4. Task Order Type: District Engineer Capital Project Support	
5. Period Of Performance: Services through duration of project			
6. Cost History		COST	FEE
This Action Amount		\$	25,000.00
Previously Approved Amount		\$	-
NEW TOTAL		\$	25,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: Provide engineering support for the City of Belmont's Twin Pines Park Storm Water Detention Basin. The City's project requires the relocation of a District water main. Work will be performed on a time and material basis until a defined District capital project is developed.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature: _____		Signature: _____	
Print Name: Kat Wuelfing		Print Name: Joubin Pakpour, PE	
Title: General Manager		Title: President	
Date: _____		Date: _____	

Mid-Peninsula Water District Task Order Form

Title: District Engineer Support for Miscellaneous Projects		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 25-14		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2024 through June 30, 2025			
6. T. O. Cost history		COST	FEE
This Action Amount		\$	25,000.00
Previously Approved Amount		\$	25,000.00
NEW TOTAL		\$	50,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: Work authorize is described as miscellaneous projects, including weekly meetings with District staff and other assigned work. PCG Project No. 10012.04.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature: _____		Signature: _____	
Print Name: _____ Kat Wuelfing		Print Name: _____ Joubin Pakpour	
Title: _____ General Manager		Title: _____ President	
Date: _____		Date: _____	



Mid-Peninsula Water District Task Order Form

Title: District Engineer Support for Miscellaneous Projects		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-01		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history		COST	FEE
This Action Amount		\$ 40,000.00	\$ 40,000.00
Previously Approved Amount			\$ -
NEW TOTAL		\$ -	\$ 40,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: Work authorize is described as miscellaneous projects, including weekly meetings with District staff and other assigned work. PCG Project No. 10012.04.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature:		Signature:	
Print Name: Kat Wuelfing		Print Name: Joubin Pakpour	
Title: General Manager		Title: President	
Date:		Date:	

Mid-Peninsula Water District Task Order Form

Title: District Engineer Support for Development and Update of Capital Improvement Program		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-02		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history		COST	FEE
This Action Amount		\$	25,000.00
Previously Approved Amount		\$	-
NEW TOTAL		\$	25,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: All work related to developing and updating the District's capital improvement program, including assisting other consultants in preparing any needed rate studies, PCG Project No. 10012.07.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature: _____		Signature: _____	
Print Name: _____ Kat Wuelfing		Print Name: _____ Joubin Pakpour	
Title: _____ General Manager		Title: _____ President	
Date: _____		Date: _____	



Mid-Peninsula Water District Task Order Form

Title: District Engineer Support to Maintain and Update District's Standard Construction Details and Specifications		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-03		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history	COST	FEE	TOTAL
This Action Amount		\$ 40,000.00	\$ 40,000.00
Previously Approved Amount			\$ -
NEW TOTAL	\$ -	\$ 40,000.00	\$ 40,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: All work related to maintaining and updating the District's standard construction details and specifications, PCG Project No. 10012.08.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature:		Signature:	
Print Name: Kat Wuelfing		Print Name: Joubin Pakpour	
Title: General Manager		Title: President	
Date:		Date:	



Mid-Peninsula Water District Task Order Form

Title: District Engineer Support to Maintain and Update District's Hydraulic Model		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-04		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history		COST	FEE
This Action Amount		\$	35,000.00
Previously Approved Amount		\$	-
NEW TOTAL		\$	35,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: All work related to maintaining and updating the District's hydraulic model, including providing distribution system analysis as requested by developers (cost reimbursed by applicant), PCG Project No. 10012.09.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District Signature: _____ Print Name: <u> Kat Wuelfing </u> Title: <u> General Manager </u> Date: _____		13. Contractor/Consultant Signature: _____ Print Name: <u> Joubin Pakpour </u> Title: <u> President </u> Date: _____	



Mid-Peninsula Water District Task Order Form

Title: District Engineer Support for District Infrastructure		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-05		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history	COST	FEE	TOTAL
This Action Amount		\$ 5,000.00	\$ 5,000.00
Previously Approved Amount			\$ -
NEW TOTAL	\$ -	\$ 5,000.00	\$ 5,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: All work related to assisting with District infrastructure inventory and analysis (such as tank coating reports or pump station analysis), PCG Project No. 10012.10.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature:		Signature:	
Print Name: Kat Wuelfing		Print Name: Joubin Pakpour	
Title: General Manager		Title: President	
Date:		Date:	

Mid-Peninsula Water District Task Order Form

Title: District Engineer Support for Review of Development Projects		Page 1 of 1	
1. Consultant: Pakpour Consulting Group, Inc.		2. Reference Contract No. & Date: Amended & Restated Contract for Professional Services dated July 1, 2021	
3. Task Order No.: 26-06		4. Task Order Type: District Engineer Services	
5. Period Of Performance: Services during July 1, 2025 through June 30, 2026			
6. T. O. Cost history		COST	FEE
This Action Amount		\$ 20,000.00	\$ 20,000.00
Previously Approved Amount		\$ -	\$ -
NEW TOTAL		\$ -	\$ 20,000.00
Except as otherwise expressly provided herein, the Contractor/Consultant shall perform the work described below in accordance with all terms and conditions of the Contract referenced above.			
7. Summary of Work to be Performed Under Task Order: All work related to reviewing development projects submitted to the District and assigned to District Engineer for review (cost reimbursed by applicant), PCG Project No. 10012.11.			
8. T. O. Documentation Requirements: Update to District expense tracking sheet.		9. Schedule/Deliverables: As needed	
10. Payment Provisions: District will remit payment upon receipt of monthly invoice from District Engineer.			
11. Contractor/Consultant Project Manager: Joubin Pakpour, PE		Phone Number: (925) 224-7717	
AUTHORIZED SIGNATURES			
12. Mid-Peninsula Water District		13. Contractor/Consultant	
Signature: _____		Signature: _____	
Print Name: _____ Kat Wuelfing		Print Name: _____ Joubin Pakpour	
Title: _____ General Manager		Title: _____ President	
Date: _____		Date: _____	



AGENDA ITEM NO. 5.H.

DATE: June 26, 2025
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: CONSIDER RESOLUTION 2025-18 AUTHORIZING PURCHASE OF A KOHLER/REHLKO 145REOZT4 MOBILE GENERATOR SET FOR USE AT THE FOLGER EMERGENCY OPERATIONS CENTER IN THE AMOUNT OF \$134,934.32 FROM NATIVE INSTINCT LLC A FEDERAL GOVERNMENT GENERAL SERVICES ADMINISTRATION (GSA) CONTRACTOR UNDER GSA CONTRACT 47QSWA19D00AP

RECOMMENDATION:

Approve Resolution 2025-18.

FISCAL IMPACT:

The approximately \$135,000 cost of this mobile generator set will come from the 2025 Certificates of Participation as a part of District capital project 24-07, the Folger Emergency Operations Center (EOC).

BACKGROUND:

Consideration of backup power was a part of the discussion during scoping of the improvements for the Folger EOC. Currently, all key District facilities have back up power - from the Dairy Lane operations center to the District wide pump stations. Therefore, staff suggested Noll & Tam, the District's architect, ask the project's electrical engineer (KLMN Engineering, Inc.) to scope a generator station sized to support the Folger EOC. Following discussion with the architect and electrical engineer, staff decided it might be in the District's best interest to purchase the mobile generator set due to the long lead-time and cost savings.

DISCUSSION

KLMN Engineering developed a specification for a mobile generator set capable of a minimum of 100-kilowatts of power mounted on a trailer. This would allow the generator to serve the Folger site, as well as be moved elsewhere to fulfill other emergency needs. A cursory search found mobile generator sets of this size costing in excess of

\$160,000 plus another \$15,000 to \$20,000 for tax and shipping. Further research led staff to the federal government's General Services Administration (GSA). Because the District is a local government agency, the District is able to purchase goods and services from the GSA through the Cooperative Purchasing program under Section 211 of the eGovernment Act of 2002 and as amended by public law 110-248. The GSA's program for purchasing goods and services is known as "GSA Advantage." Within GSA Advantage, vendors have competed, then been selected and awarded long-term contracts with the GSA to provide goods and services directly to government agencies. Of the goods through GSA Advantage is this particular mobile generator set, the Kohler/Rehiko 145REOZT4 meets the specifications developed by the District architect's sub-consultant. The District had to register its domain with the GSA and provide a point of contact. But now that this is complete, the District is able to purchase this mobile generator set at a savings to the ratepayers of some \$40,000. In the future, the District will see what other goods and services it may choose to procure through the GSA.

The quote from GSA contractor Native Instinct indicates a lead time of 38 weeks from ARO (after receipt of order), or shortly after, should the Board authorize purchase.

In comparison, if the mobile generator set were to be purchased by the EoC project general contractor (GC), a GC selection is at least 8 weeks out. And once selected, then the GC would have to place their order with its 38-week lead time. The EoC GC would not have the benefit of being able to purchase the mobile generator set off of the GSA Advantage program which will save about \$40,000 from the retail price. Then finally when you consider the GC would also be eligible for a 15% markup on their purchase of the mobile generator set pushing the mobile generator set's cost above \$200,000, it really makes sense for the District to purchase this mobile generator set now.

Attachments: Resolution No. 2025-18
 Quote #4188 from Native Instinct LLC

RESOLUTION NO. 2025-18

AUTHORIZING PURCHASE OF A KOHLER/REHLKO 145REOZT4 MOBILE GENERATOR SET FOR USE AT THE FOLGER EMERGENCY OPERATIONS CENTER IN THE AMOUNT OF \$134,934.32 FROM NATIVE INSTINCT LLC A FEDERAL GOVERNMENT GENERAL SERVICES ADMINISTRATION (GSA) CONTRACTOR UNDER GSA CONTRACT 47QSWA19D00AP

*** * ***

MID-PENINSULA WATER DISTRICT

WHEREAS, the District plans to convert its 1510 Folger Drive property to an Emergency Operations Center (EoC), located within the District's service territory; and

WHEREAS, the District's electrical engineering sub-consultant to the EoC's architect developed a specification for a mobile generator set sized to the power needs of the EoC; and

WHEREAS, the District has decided it is in its best interest due to lead time and cost to purchase said mobile generator set through the federal government's General Services Administration (GSA) program available to the District known as GSA Advantage; and

WHEREAS, the District is able to purchase goods and services from the GSA through the Cooperative Purchasing program under Section 211 of the eGovernment Act of 2002 and as amended by public law 110-248; and

WHEREAS, the District's electrical engineering sub-consultant's specification for a mobile generator set with a minimum power generating capacity of 100-kilowatts is provided by a product found under GSA Contract 47QSWA19D00AP, a Kohler/Rehiko 145REOZT4 mobile generator set at a price of \$134,934.32, which includes tax and shipping to Belmont; and

WHEREAS, with the District purchasing the mobile generator set now, it will reduce the delivery date by that time between now and when a general contractor is hired for the EoC

project, which is at least eight (8) weeks away, and the District will not incur the 15% markup to the retail cost of the mobile generator set should the general contractor purchase the unit.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes the purchase of a Kohler/Rehlko 145REOZT4 mobile generator set via GSA Contract 47QSWA19D00AP through GSA contractor, Native Instinct, LLC, from Boynton Beach, Florida in the amount of \$134,934.32.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

BOARD PRESIDENT

ATTEST:

DISTRICT SECRETARY

Native Instinct LLC
4413 Cycad Ln
Boynton Beach, FL 33436 US
+18333543356
sales@nativeinstinct.co
www.nativeinstinct.co



Quote

QUOTE # 4188
DATE 06/12/2025

ADDRESS
Mid Peninsula Water
1075 Old County Road
Suite A / Post Office Box 129
Belmont, CA 94002 USA

SHIP TO
Mid Peninsula Water
1075 Old County Road
Suite A / Post Office Box 129
Belmont, CA 94002 USA

PLEASE DETACH TOP PORTION AND RETURN WITH YOUR PAYMENT.

SKU	ACTIVITY	QTY	PRICE	AMOUNT
	Sales 145REOZT4 Kohler/Rehlko 145REOZT4 Mobile Generator GSA	1	108,314.43	108,314.43T
	Sales Startup & Load Test Open Market Price	1	3,479.60	3,479.60T
	Sales Open Market Items to meet the spec requirements	1	2,343.34	2,343.34T
	Sales Freight to Belmont, CA 94002	1	9,525.88	9,525.88

Please note:
If special GSA Pricing applied in this quote - it is available for GSA customers only. GSA Contract 47QSWA19D00AP
Lead time: 38 weeks ARO

SUBTOTAL 123,663.25
TAX 11,271.07
TOTAL **\$134,934.32**

Email your PO & copy of our Quote to sales@nativeinstinct.co

Dock to dock shipping assumes the customer has a tractor trailer accessible loading dock or necessary material handling equipment capable of offloading the above goods, lift gate service not included. All offloading and unloading equipment are the responsibility of the customer.

This quote is updated with the most recent lead times based on this unit being in stock at this time. Please be advised that national demand is increasing at this time and stocks will diminish quickly.

Subject to Native Instinct Commercial Sales Terms and Conditions.

Orders final - no cancellations are accepted.

Customer is responsible for any state and local taxes. Please provide tax exempt certificate or status if applicable.

Accepted By

Accepted Date

The background of the slide is a photograph of a mountain range. The mountains are covered in snow, with some rocky patches visible. The sky is a clear, light blue. The text is overlaid on the upper left portion of the image.

AB 2561

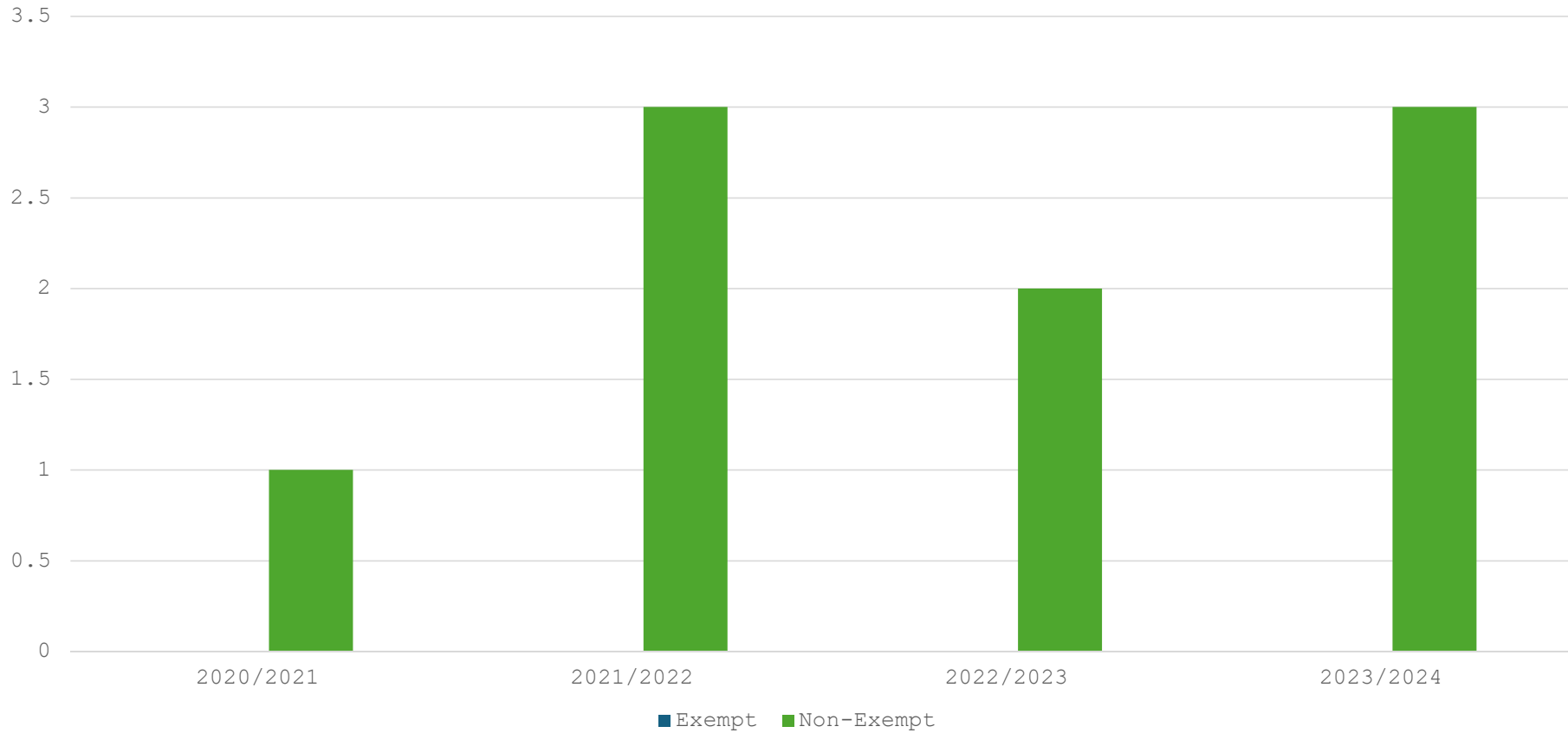
Public Hearing

Regarding Vacancy Rates, Recruitment & Retention and
Prospective Vacancies

Assembly Bill 2561/Government Code §3502.3

- Amends the Meyers-Miliias-Brown Act (MMBA) and imposes new obligations on public agencies related to tracking and presenting information on job vacancies starting 1/1/2025
- Required to:
 - Track vacancy rates in each bargaining unit
 - Present the status of vacancies annually before budget adoption
 - Identify barriers in recruitment and selection process

Vacancies Over Time



Actual Employee Recruitment Timeline

Water Systems Operator



Recruitment, Retention, and Process Improvement

Current Strategies to Attract and Retain Employees:

- Regularly review compensation and benefits to ensure regional competitiveness
- Support employee growth through professional development and training and career advancement
- Foster a positive workplace culture through employee engagement efforts
- Maintain strong candidate pools and conduct targeted outreach (e.g., colleges and universities)

Improvements to Hiring and Onboarding Process:

- Streamlined application and interview procedures to reduce time-to-hire
- Pre-boarding workflows to speed up onboarding and system access
- Improved job advertising by using clearer, more engaging postings, including a recruitment brochure.
- Updated job descriptions to better reflect current roles and responsibilities
- Implementation of New Hire 90-Day check in with Administrative Services Manager

Prospective Vacancies

Water Systems Operator

- Due to retire June 27, 2025

Administrative Specialist

- Due to retire July 31, 2025

Operations Manager

- Due to retire October 2025

Public Comment

Questions and Answers



TO: Board of Directors

FROM: James W Ramsey, CPA, District Treasurer
Kat Wuelfing, General Manager

DATE: June 26, 2025

CONSIDER RESOLUTION 2025-19 APPROVING THE FY 2025 / 2026 OPERATING AND CAPITAL BUDGETS

RECOMMENDATION:

Approve Resolution 2025-19.

FISCAL IMPACT:

ITEM	RESERVE ANALYSIS	Notes
OPERATING RESERVES ANALYSIS		
Total projected available resources - beginning balance	\$ 15,601,327	Projected as of June 30, 2025
Budgeted revenues	20,450,600	Summary of operating budget
Budgeted expenditures	(18,581,978)	Summary of operating budget
Total available resources	17,469,949	
Less: Working Capital (Operating) Reserve	(9,290,989)	50% of annual fiscal year budgeted expenditures
Total remaining resources	<u>\$ 8,178,960</u>	

CAPITAL RESERVES ANALYSIS		
Remaining reserves after operations	\$ 8,178,960	
Total Pay-Go Capital Projects	(6,908,805)	Summary of capital budget
Total remaining for reserves	1,270,155	
Target Pay-Go Capital Reserve	8,000,000	Fixed amount
Amounts available for other reserves	<u>\$ (6,729,845)</u>	Short-fall

ITEM	COP FUNDS ANALYSIS	Notes
Total projected available resources - beginning balance	\$ 32,610,000	Projected as of June 30, 2025
Budgeted revenues	724,000	Summary of operating budget
Budgeted expenditures	(13,795,000)	Summary of capital budget
Total remaining available resources	<u>\$ 19,539,000</u>	

DISCUSSION:

Staff presented proposed Operating and Capital Budgets in detail to the Board Finance Committee on April 17, 2025, and the Committee supported staff in moving the item forward for consideration by the Board. Staff also presented a preliminary version of the Operating and Capital Budgets to the Board at the May 22, 2025, regular Board meeting.

The following are the most significant changes from the FY 2024/2025 Budget to the attached FY 2025/2026 MPWD Operating Budget:

Revenues:

- Water Commodity Charges Revenue is increased by \$1,902,085.
- Fixed System Chares Revenue is increased by \$780,679.
- Interest Revenue is increased by \$686,000.
 - Total Revenues increased by \$2,644,801.

Expenditures:

- Purchased Water Charges Expense is increased by \$572,781.
- Maintenance & Repairs – Facilities / Equipment Expense decreased by \$72,000.
- Debt Service Expense increased by \$1,454,755.
 - Total Expenditures increased by \$1,981,354.

Significant Capital Budget Highlights:

Projected capital items include \$250,000 for capital related equipment, \$6,658,805 in PayGo Capital Projects, and \$13,795,000 in Debt Financed Capital Projects.

Attachments: MPWD Operating and Capital Budgets for FY 2025/2026
 Resolution 2025-19



Annual Operating and Capital Budgets

Fiscal Year 2025/26



Board of Directors

Kirk R. Wheeler – President
Louis J. Vella – Vice President
Matthew P. Zucca – Director
JoAnn Covington – Director
Charles “Chuck” Cotten – Director

Officers and Executive Staff

Kat Wuelfing – General Manager
Alison Bell – Administrative Services Manager/District Secretary
Rene Ramirez – Operations Manager
Julie Sherman, Hanson Bridgett LLP – District Counsel
Joubin Pakpour, Pakpour Consulting Group – District Engineer
James Ramsey, CPA Eide Bailly LLP – District Treasurer

About Mid-Peninsula Water District

The Mid-Peninsula Water District (MPWD), formerly Belmont County Water District, was formed as a California special district in 1929 from seven (7) independent water distribution systems (including the Spring Valley Water Company), which were united and began functioning as a public utility in 1930. Since its inception, the MPWD has been served by the San Francisco Regional Water System and purchased its entire water supply from San Francisco Water, a service of the San Francisco Public Utilities Commission (SFPUC). Reference www.sfwater.org.

The MPWD now supplies water to consumers in an area slightly larger than the city limits of Belmont. Small portions of the service area are within the city limits of San Carlos, Redwood City, and parts of the unincorporated County of San Mateo. The MPWD's service territory covers approximately five (5) square miles and serves approximately 30,000 people. In the event of an emergency the MPWD can serve or be served with inter-ties between neighboring utilities. Presently, the MPWD has one (1) intertie with Foster City, three (3) with San Carlos, two (2) with Redwood City and two (2) with San Mateo.

The MPWD is a member of the Bay Area Water Supply and Conservation Agency (BAWSA), which represents the interests of 26 cities and water districts, and two private utilities that purchase water wholesale from the SFPUC. For complete information about BAWSCA: www.bawsca.org.

GOVERNANCE

Policy development and rates for service are established by five (5) Directors, elected by MPWD ratepayers to serve staggered four-year terms on its governing board.

Officers of the MPWD include the General Manager, District Secretary, District Counsel, District Engineer and District Treasurer.

ORGANIZATIONAL STRUCTURE

The General Manager is appointed by and reports directly to the Board of Directors. Along with the General Manager, the Administrative Services and Operations Managers oversee the day-to-day operations of the MPWD.

The Administrative Services Manager serves as the District Secretary and leads the following operations: Administration, Finance and Accounting, Human Resources, and Customer Services. The Operations Manager leads Water Conservation, Water System Operations, Maintenance, and Capital Project Management.

There is a total of 23 budgeted FTE (full-time equivalent) positions within the MPWD, including two temporary succession support positions.

The Operations staff totals 16 full-time, including the Operations Manager, the temporary succession planning Management Advisor, Superintendent, Lead Operators, Water System Operators, Maintenance Technicians, Water Resources Coordinator and Operations Project Coordinator.

The Administrative staff totals five (5) full-time, including the Administrative Services Manager, Administrative Supervisor, Payroll Specialist, Accounting Specialist, and Administrative Assistant.

Additionally, to support the smooth transitions and continuity of District services as employees retire, two short-term positions are included this fiscal year as succession planning positions – a Management Advisor position to facilitate the transition of a new Operations Manager positions and a overlap for an Administrative Specialist to train a new Administrative Assistant before retirement.

The MPWD Mission Statement, Vision Statement, and Strategic Goals are reviewed annually by the Board of Directors, together with the development of annual Strategic Plan and Board assignments. The six strategic elements identified in the 2025 Strategic Plan update are shown at the right and represent key priorities for the Board and District.

MPWD MISSION STATEMENT

The mission of the MPWD is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost effective, environmentally sensitive, and efficient manner.

MPWD VISION STATEMENT

Providing quality water and essential service, since 1929...now...and into the future.

Strategic Elements



1) Employee Services

- Maintain a workplace worthy of our employees and community.



2) External Relationships & Customer Service

- Partners with our community. Leaders in our industry.



3) Resource Management & Resiliency

- Dedicated stewards of our most essential natural resource.



4) Infrastructure Management & Operations

- Maintain and invest judiciously in a reliable distribution system.



5) Financial Management

- Honest and transparent stewardship of public funds.



6) Emergency Preparedness

- Service first, emergency preparedness always.

MPWD STRATEGIC GOALS

1. To demonstrate outstanding stewardship in the management of District water resources, demands, and infrastructure.
2. Provide exceptional levels of service and value to the community in a cost-effective manner.
3. Foster open and candid communication with community, staff and directors that results in collaborative, innovative operations.
4. Be viewed as an industry leader for water management best practices.

For more information about the MPWD, visit: www.midpeninsulawater.org.

Budget Message

During Fiscal Year 2025/26, Mid-Peninsula Water District (MPWD or District) continues to improve its financial health, which has been and continues to be a top priority for the District and its Board of Directors. The rate study approved by the Board in November 2024 has helped to increase the District's ability to plan for and adapt to increasing operating expenditure costs and capital improvement needs. Additionally, the Financial Management Policy adopted by the Board in April 2024 has helped identify and prioritize targets for reserve balances to support those needs.

The FY 2025/26 operating budget anticipates adding \$1.3M towards the capital reserve. This has been achieved even while increasing District investment into preventative maintenance and numerous process improvements. At the same time, the District is experiencing cost increases due to inflation in its operating expenses.

In addition to increased operating expenses, the most significant driver of the District's budget is its Capital Improvements Program (CIP). Fiscal Year 2025/26 will see the District continuing to move forward on critical projects, using funds from the capital reserve and the bond issuance proceeds from 2025.

The Fiscal Year 2025/26 budget plans operating expenses of \$18,581,978 to achieve continued progress toward meeting our strategic goals:

- Complete annual budget process on a timely basis.
- Demonstrate outstanding stewardship in the management of District water resources, demands and infrastructure.
- Provide exceptional levels of services and value to the community in a cost-effective manner.
- Foster open and candid communication with community, staff and directors that results in collaborative, innovative operations. Be viewed as an industry leader for water management best practices.

Financial Transparency

While the District is highly focused on its core business of providing reliable water service, we also continue to improve our financial administration. Monthly financial reports and the annual budget have become easily understandable and informative. Processes and controls are in place to document budget amendments for purchases that may have long supply chain delays.

This budget carries forward format improvements to advance transparency and accountability by including detailed narratives to accompany the budget schedules. All operating and capital activities of the District's budget are included and can be more easily understood by stakeholders.

This past fiscal year saw the Board's adoption of an updated five-year rate study and Capital Improvement Program. Included with the rate study was the identification of capital projects that are expected to be paid out of rate revenues, under the PayGo category. This past fiscal year also saw the Board's approval of a \$33 million issuance of Certificates of Participation in order to fund capital projects that are expected to be long-lived and improve customer access and reliability of water. This budget includes capital projects that have already begun and are expected to begin in the next fiscal year and the estimates expected to be spent during the fiscal year on those projects. These projects have been separated by PayGo or debt financing categories in order to delineate the funding sources.

Strategic
Element 5

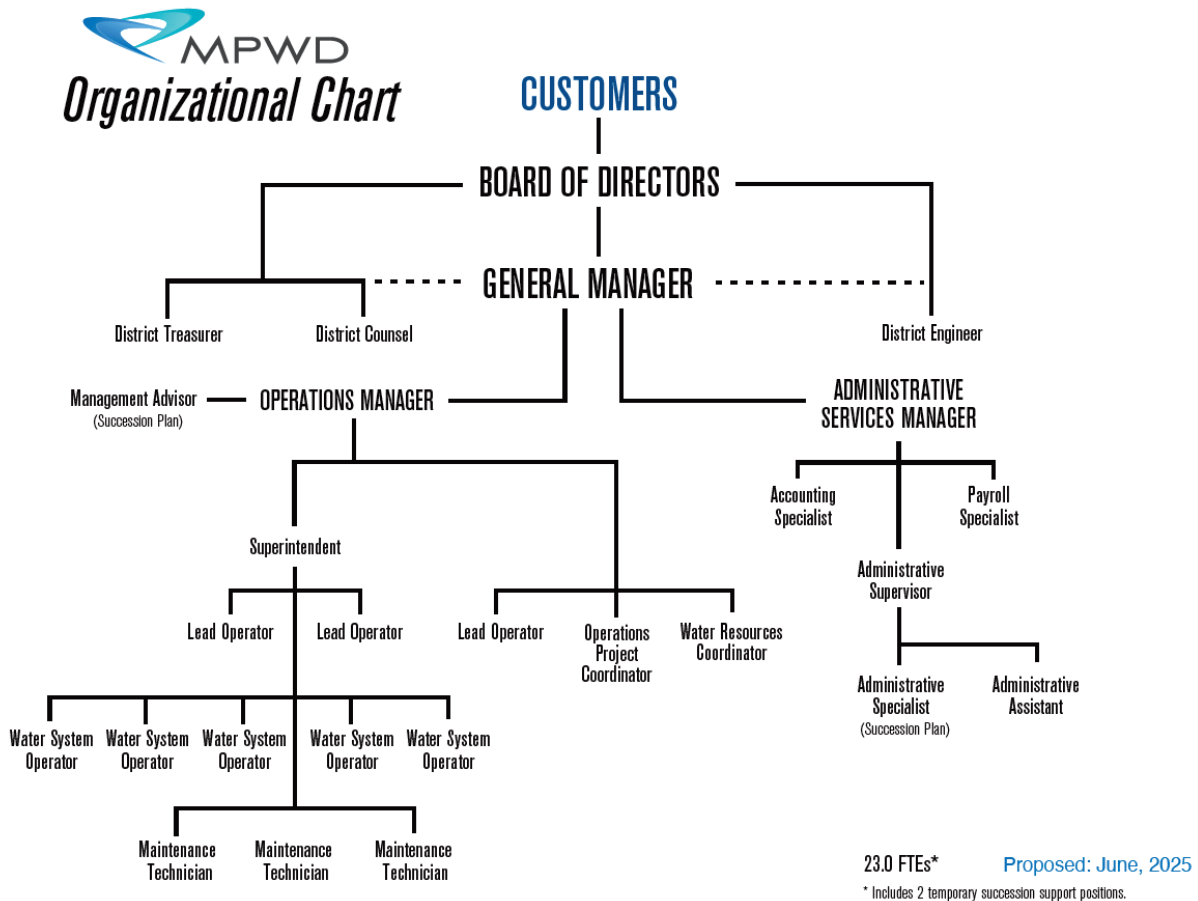
Financial Management

Honest and transparent
stewardship of public
funds.



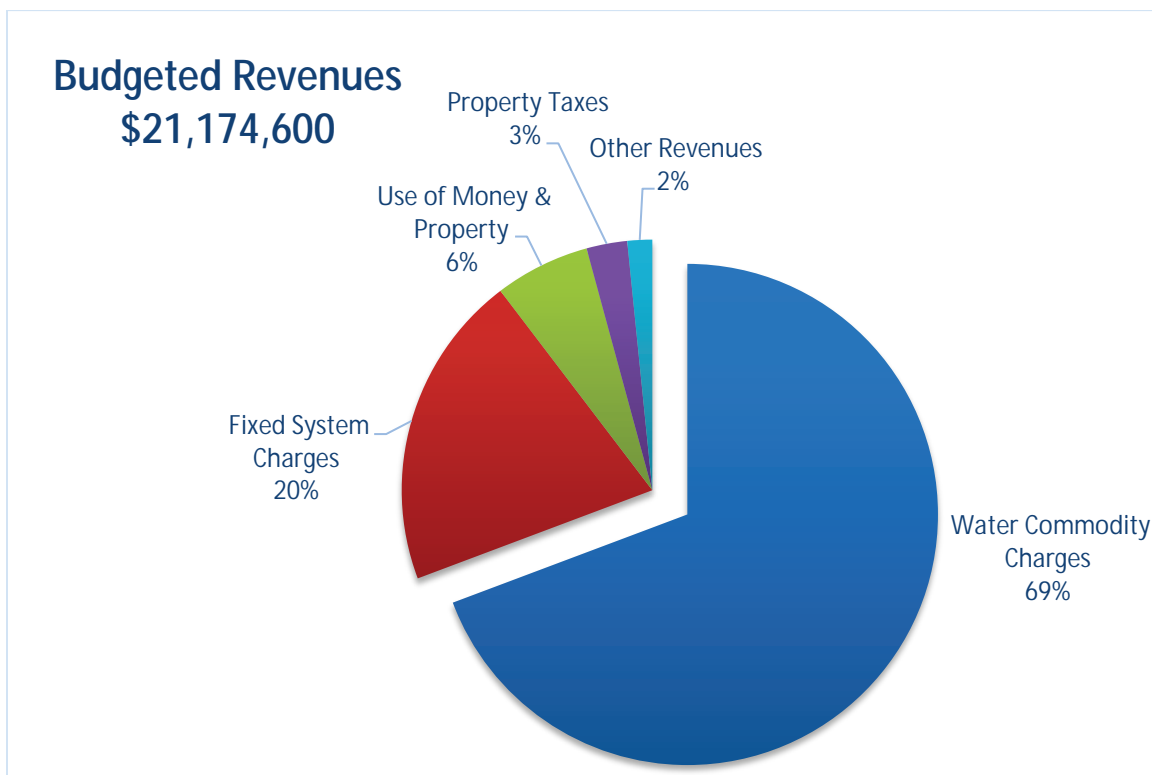
Organizational Chart

The District is overseen by an elected five-member Board of Directors. Operations of the District are overseen by a General Manager who reports directly to the Board of Directors. Additional organizational relationships are displayed below. The organization is designed to provide water services to residents, businesses, and visitors to the District's customers in a safe and efficient manner.



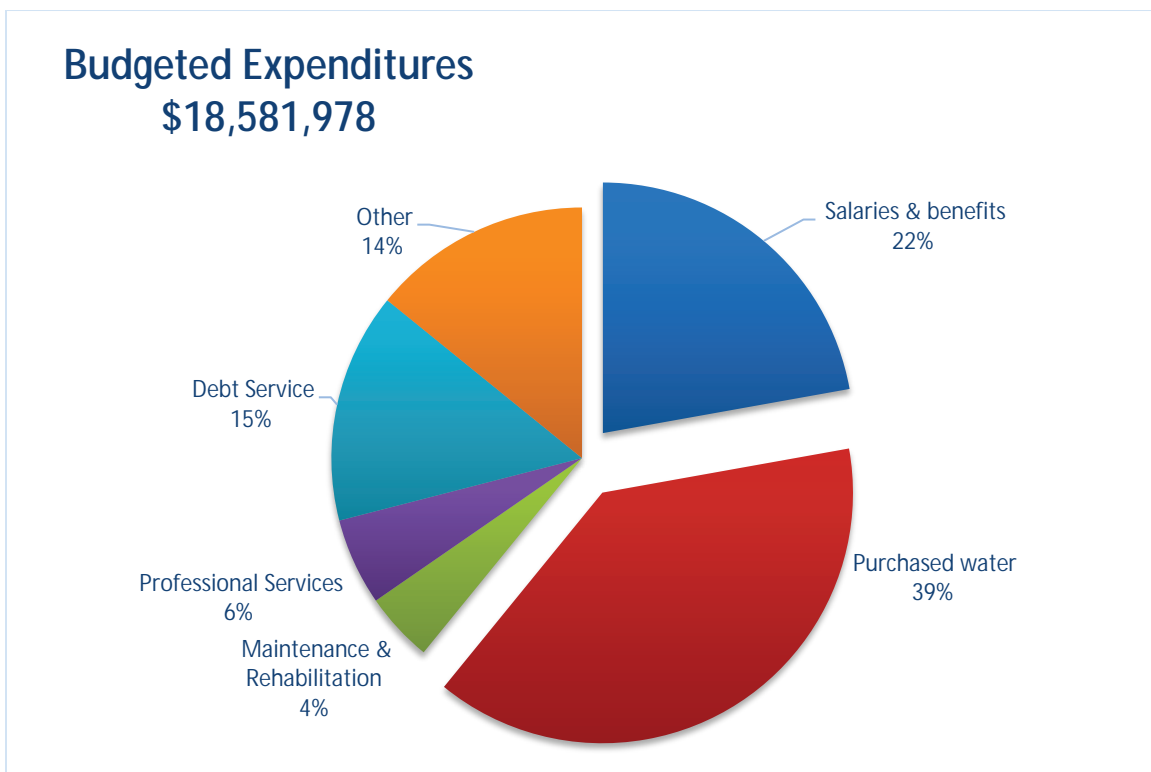
Revenue Summary

The following chart displays a summary of budgeted revenues during FY 2026. The major revenue sources consist of water customer fixed service charges, water commodity sales, use of money and property (investment income and lease revenue), and other revenues (permits, installation charges, account fees, etc.). Further detail of budgeted revenues is shown in **Schedule B** of this document.



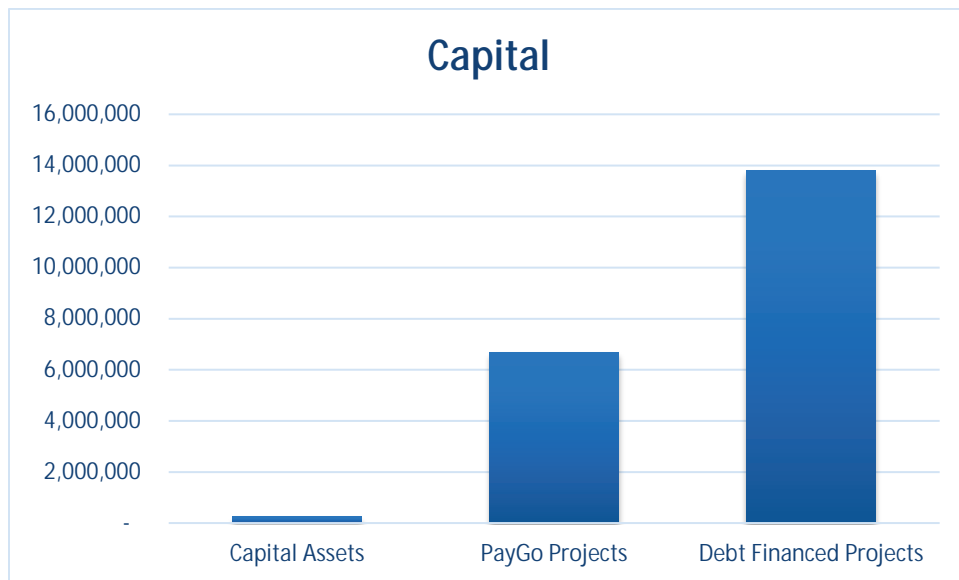
Expense Summary

The following chart displays a summary of budgeted expenses during FY 2026. The major categories of these expenses include salaries and benefits, operations and maintenance, general and administrative, debt service, and the portion of the Capital Improvement Program (CIP) funded from annual Operations. Additional CIP spending is excluded here but is budgeted (**Schedule C**) to be funded by existing capacity fee reserves and expected debt proceeds. Further detail of budgeted expenses is shown in **Schedule B**.



Capital Improvements Program by Utility & Funding Source

The FY 2026 budget includes total anticipated CIP spending of \$20,703,805. The program is budgeted to complete high-priority projects to address the urgent issues of aging infrastructure with funding that is currently available or anticipated to be available. The one-year CIP budgets are shown and discussed in greater detail in **Schedule C**.



Debt Service and Debt Service Coverage

The District currently holds \$48 million in total outstanding debt at the beginning of FY 2026. The Agency's outstanding debt consists of two issuances: 2016 Certificates of Participation and 2025 Certifications of Participation.

Debt Service Coverage Ratio

The District's debt service coverage ratio is a metric required for bond covenants. This evaluates the District's ability to fund annual debt service. Current covenants require a minimum 1.30 debt service coverage ratio (DSCR). The DSCR table displays the forecast for the FY 26 budget, which well exceeds the required minimum.

	Budgeted
Total Revenues	21,174,600
Less: Total Expenditures	(18,581,978)
Add: Debt Service	<u>2,759,755</u>
Net Revenue for DSCR	<u>5,352,377</u>
Annual Debt Service	2,759,755
DSC Ratio	1.9394

Schedule A: Reserve Analysis

ITEM	RESERVE ANALYSIS	Notes
OPERATING RESERVES ANALYSIS		
Total projected available resources - beginning balance	\$ 15,601,327	Projected as of June 30, 2025
Budgeted revenues	20,450,600	Summary of operating budget
Budgeted expenditures	<u>(18,581,978)</u>	Summary of operating budget
Total available resources	17,469,949	
Less: Working Capital (Operating) Reserve	(9,290,989)	50% of annual fiscal year budgeted expenditures
Total remaining resources	<u>\$ 8,178,960</u>	
CAPITAL RESERVES ANALYSIS		
Remaining reserves after operations	\$ 8,178,960	
Total Pay-Go Capital Projects	<u>(6,908,805)</u>	Summary of capital budget
Total remaining for reserves	1,270,155	
Target Pay-Go Capital Reserve	8,000,000	Fixed amount
Amounts available for other reserves	\$ (6,729,845)	Short-fall
COP FUNDS ANALYSIS		
ITEM	ANALYSIS	Notes
Total projected available resources - beginning balance	\$ 32,610,000	Projected as of June 30, 2025
Budgeted revenues	724,000	Summary of operating budget
Budgeted expenditures	<u>(13,795,000)</u>	Summary of capital budget
Total remaining available resources	\$ 19,539,000	

Schedule B: Summary of Operating Budget

DESCRIPTION	APPROVED FY 2024-25 BUDGET \$	PRELIMINARY FY 2025-26 BUDGET	INCREASE / (DECREASE) FY 2024-25 TO FY 2025-26	% Change
OPERATING REVENUE				
WATER COMMODITY CHARGES	12,766,915	14,669,000	1,902,085	14.9%
FIXED SYSTEM CHARGES	3,530,021	4,310,700	780,679	22.1%
FIRE SERVICE CHARGES	18,000	18,000	-	0.0%
MISC CUSTOMER ACCOUNT FEES	107,100	107,000	(100)	-0.1%
SERVICE LINE & INSTALLATION CHARGES	111,000	110,000	(1,000)	-0.9%
MISCELLANEOUS OPERATING	19,500	25,000	5,500	28.2%
TOTAL OPERATING REVENUE (SOURCES)	16,552,536	19,239,700	2,687,164	0.0%
WATER SYSTEM CAPACITY CHARGES	807,300	-	(807,300)	-100.0%
WATER DEMAND OFFSET CHARGES	-	-	-	0.0%
PROPERTY TAX REVENUE	545,000	555,900	10,900	2.0%
LEASE OF PHYSICAL PROPERTY	168,000	168,000	-	0.0%
MISCELLANEOUS NON-OPERATING	6,600	75,000	68,400	1036.4%
INTEREST REVENUE - PARS	41,000	40,000	(1,000)	-2.4%
INTEREST REVENUE-LAIF	73,640	75,000	1,360	1.8%
INTEREST REVENUE-COP	38,000	724,000	686,000	1805.3%
INTEREST REVENUE-SWEEP	42,000	42,000	-	0.0%
INTEREST REVENUE-US TREASURIES	251,723	251,000	(723)	-0.3%
LANDSCAPE PERMIT REVENUE	4,000	4,000	-	0.0%
TOTAL NON-OPERATING REVENUE (SOURCES)	1,977,263	1,934,900	(42,363)	-2.1%
TOTAL REVENUE (SOURCES)	18,529,799	21,174,600	2,644,801	14.3%
OPERATING EXPENDITURES (USES)				
SALARIES & WAGES	2,771,305	2,794,323	23,018	0.8%
PAYROLL TAXES & BENEFITS	1,335,100	1,327,100	(8,000)	-0.6%
PURCHASED WATER	6,619,719	7,192,500	572,781	8.7%
OUTREACH & EDUCATION	95,000	78,000	(17,000)	-17.9%
M&R - OPS SYSTEMS	630,000	608,500	(21,500)	-3.4%
M&R - FACILITIES & EQUIPMENT	297,000	225,000	(72,000)	-24.2%
SYSTEM SURVEYS	715,000	740,000	25,000	3.5%
ADMINISTRATION & EQUIPMENT	727,000	754,000	27,000	3.7%
MEMBERSHIP & GOV FEES	370,000	396,950	26,950	7.3%
BAD DEBT & CLAIMS	15,000	-	(15,000)	-100.0%
UTILITIES	576,500	580,000	3,500	0.6%
PROFESSIONAL SERVICES	1,032,500	1,043,850	11,350	1.1%
TRAINING/TRAVEL & RECRUITMENT	111,500	82,000	(29,500)	-26.5%
DEBT SERVICE	1,305,000	2,759,755	1,454,755	111.5%
TOTAL OPERATING EXPENSES (USES)	16,600,624	18,581,978	1,981,354	11.9%
NET SURPLUS/(LOSS)	1,929,175	2,592,622	663,447	34.4%
DEBT SERVICE COVERAGE	2.48	1.94		

Schedule C: Capital Improvement Budget

DESCRIPTION	PROJECTED FY 2024-25 AMOUNTS	PROPOSED FY 2025-26 BUDGET	TOTAL PROJECT BUDGET
CAPITAL ASSETS			
Capital Equipment		\$ 100,000	
24" Main Air Valve Install		150,000	
TOTAL CAPITAL ASSET		250,000	
CAPITAL PROJECTS - PAYGO			
CIP 15-09/ 15-19 Dekoven Tank Util/Lincoln/Newlands/Oak Knoll WMR	140,000	2,439,155	2,579,155
CIP 24-08 Exbourne West Tank Recoating	35,000	679,271	714,271
CIP 24-09 Hallmark North Tank Recoating	-	2,896,109	3,309,839
CIP 24-10 West Belmont North Tank Recoating	25,000	144,271	169,271
Other Projects (Not Yet Identified)	-	500,000	500,000
TOTAL CAPITAL PROJECTS - PAYGO	200,000	6,658,805	7,272,535
CAPITAL PROJECTS - DEBT FINANCING			
CIP 20-09 Dairy Lane Operations Center Rehabilitation - Architect	130,000	845,000	975,000
CIP 20-10 Dairy Lane Operations Center Rehabilitation - Construction	-	3,006,250	12,025,000
CIP 24-07 Folger Property Improvements	260,000	5,340,000	5,600,000
CIP 15-89 Dekoven Tanks Replacement	-	2,530,000	7,590,000
CIP 15-72b SR 101 Crossing at PAMF Hospital - Phase 2	-	2,073,750	2,765,000
Other Projects (Not Yet Identified)	-	-	4,500,000
TOTAL CAPITAL PROJECTS - DEBT FINANCING	390,000	13,795,000	33,455,000
TOTAL CAPITAL PROJECTS	590,000	20,453,805	40,727,535
TOTAL CAPITAL		20,703,805	40,727,535

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RESOLUTION NO. 2025-19

APPROVING THE FY 2025/2026 OPERATING & CAPITAL BUDGETS

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, at its April 17, 2025, Board Finance Committee meetings, detailed working drafts of the proposed Operating and Capital Budgets for Fiscal Year 2025/2026 were presented and discussed; and

WHEREAS, the preliminary Operating and Capital Budgets for FY 2025/2026 were presented to the Board of Directors on May 22, 2025; and

WHEREAS, the final Operating and Capital Budgets for FY 2025/2026 were presented to the Board of Directors on June 26, 2025; and

WHEREAS, the Operating Budget for FY 2025/2026 total Revenues in the amount of \$21,174,600 and Expenses in the amount of \$18,581,978; and

WHEREAS, the Capital Budget for FY 2025/2026 totaling Expenditures of \$20,703,805 and included utilizing current resources of \$6,908,805 and utilizing future debt financing of \$13,795,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves a total operating budget for the Fiscal Year 2026:

TOTAL OPERATING REVENUES \$ 21,174,600

TOTAL OPERATING EXPENSES \$ 18,581,978

BE IT FURTHER RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves a total capital budget for Fiscal Year 2025/2026:

<i>TOTAL CAPITAL BUDGET</i>	<i>\$ 20,703,805</i>
<i>FROM CURRENT RESERVES</i>	<i>\$ 6,908,805</i>
<i>DEBT-FINANCING</i>	<i>\$ 13,795,000</i>

BE IT FUTHER RESOLVED that the District Secretary is hereby directed to forward certified copies of this Resolution and the budget documents to the County Clerk, the County Controller, and the County Treasurer of the County of San Mateo.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary



AGENDA ITEM NO. 8.B

DATE: June 26, 2025

TO: Board of Directors

FROM: Drew Bost, Water Resources Coordinator
Kathryn Wuelfing, General Manager
Rene Ramirez, Operations Manager

SUBJECT: CONSIDER TWO RESOLUTIONS:

- 1) RESOLUTION 2025-20 APPROVING THE AMENDMENT TO THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND WHOLESALE CUSTOMERS IN ALAMEDA COUNTY, SAN MATEO COUNTY, AND SANTA CLARA COUNTY**
 - 2) RESOLUTION 2025-21 APPROVING THE TIER 2 DROUGHT RESPONSE IMPLEMENTATION PLAN PURSUANT TO SECTION 3.11.C OF THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT**
-

RECOMMENDATION

Staff recommends that the Board approve:

1. Resolution 2025-20 approving revisions included in Exhibit A to the Resolution 2022-06 amending the Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (WSA), approving those revisions to be incorporated into a revised WSA dated as of 2025, and authorizing the General Manager to execute such WSA when final execution copies are prepared and distributed by BAWSCA; and
2. Resolution 2025-21 the Tier 2 Drought Response Implementation Plan.

FISCAL IMPACT

Based on the financial analysis conducted by BAWSCA staff, the amendments regarding the Minimum Purchase Requirements are expected to result in a minimal increase to wholesale customer rates of between \$0.007 to \$0.040 per hundred cubic feet (CCF) of water, which would be passed through to MPWD's customers. However, these amendments remove a major disincentive for the minimum purchase agencies to develop their own alternative water supplies, which ultimately benefits all wholesale customers and SFPUC itself and is far less than

the cost to MPWD and its customers for SFPUC to develop an equivalent amount of alternative water supplies based on the supply sources SFPUC are evaluating in their Alternative Water Supply program.

BACKGROUND

Water Supply Agreement History

In June 2009, the Mid-Peninsula Water District (MPWD or District) entered into a Water Supply Agreement with the City and County of San Francisco (San Francisco) and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (2009 WSA). The 2009 WSA establishes the terms by which the twenty-six Wholesale Customers purchase water from the RWS. The 2009 WSA builds upon the 1984 "Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County."

In September 2017, the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Water Management Representatives (WMR) of the BAWSCA member agencies began reviewing the issue of Minimum Purchase Requirements, as described in Section 3.07.C of the WSA, and discussing the creation of a process to transfer minimum annual purchase quantities among the Wholesale Customers. Throughout 2017 and 2018, the WMR held multiple meetings during which the agencies currently subject to Minimum Purchase Requirements (Original Minimum Purchase Customers) and the other Wholesale Customers shared their interests and concerns regarding changes to the Minimum Purchase Requirements and allowing transfers of minimum annual purchase quantities.

In 2019, MPWD approved the 2018 Amended and Restated WSA (2018 WSA), at which time the Wholesale Customers expressed a collective interest in working together to develop a process for the expedited and permanent transfer of minimum annual purchase quantities. The Wholesale Customers directed BAWSCA to facilitate negotiation of a new WSA amendment to provide a procedure for expedited and permanent transfers of minimum annual purchase quantities in a manner that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers. This amendment was memorialized in the 2021 Amended and Restated WSA (2021 WSA).

Tier 2 Plan Negotiations and Development of Minimum Purchase Quantity Reset Proposal

In January 2021, BAWSCA began facilitating an update to the Tier 2 Plan, the method for allocating water from the RWS among the Wholesale Customers during shortages caused by drought. The Tier 2 Plan is an agreement among the twenty-six Wholesale Customers, and must be unanimously adopted by them. Each Wholesale Customer appointed a lead negotiator to represent the interests of its agency in the negotiations. Between January 2022 and June 2024, BAWSCA and the lead negotiators, supported by a consulting firm providing technical and modeling expertise, met at least 62 times, most often for half-day, in-person meetings and smaller virtual sub-group sessions, to negotiate the terms of the updated Tier 2 Plan.

In November 2021, San Francisco declared a water shortage emergency in response to the Governor's executive action declaring a drought state of emergency across most of California. This action triggered implementation of the Tier 1 and Tier 2 Plans by BAWSCA and San Francisco for the first time.

Throughout the two and a half years of Tier 2 Plan negotiations, the Wholesale Customers gained insight into unique characteristics of each agency and specific challenges related to water supplies and droughts. During these discussions, the Minimum Purchase Customers articulated the unique challenges that the Minimum Purchase Requirements present. As a result of the changes in land use and substantial conservation achieved by the minimum purchase agencies since the minimum purchase quantities were established in 2009, the minimum purchase requirements now result in unintended consequences for those agencies, and to a lesser extent all wholesale customer agencies, that result in: (1) a disincentive for the minimum purchase agencies to develop new supplies even though all four agencies are well positioned to develop local drought-resistant supplies including groundwater and recycled water, (2) substantial cost penalties to the minimum purchase agencies of up to millions of dollars per year for water that they did not and could not use, and (3) in years following droughts, greater financial costs relative to how much drought savings they achieved due to multi-year drought rebound affects. More detailed information about these issues is provided in Attachment A, the Summary of the WSA Amendments.

In June 2023, following several years of discussions regarding the Minimum Purchase Requirements, the SFPUC proposed amending the 2021 WSA to reset the existing minimum annual purchase quantities to align with current water consumption trends, while protecting investment in the RWS. For the remainder of 2023, the SFPUC, the Original Minimum Purchase Customers, and BAWSCA held multiple meetings to identify amendments that would address challenges related to the Minimum Purchase Requirements. Once the SFPUC and the Original Minimum Purchase Customers finalized their recommended amendments to the Minimum Purchase Requirements, the Original Minimum Purchase Customers presented the proposals to the broader Wholesale Customers' group to secure their support. Negotiations among the Wholesale Customers were concluded in Fall 2024.

In June 2024, the lead negotiators concluded negotiations on the updated Tier 2 Plan. The agency representatives collectively agreed that they were ready to recommend the Tier 2 Plan to their governing boards for adoption. A summary of the Tier 2 Plan is provided in Attachment B.

Tier 1 Plan Amendment

In Fall of 2024, all twenty-six Wholesale Customers and San Francisco negotiated an amendment to the Tier 1 Plan in the WSA to incorporate a new "Tier 1 Family Plan," whereby San Francisco may only apply excess use charges to Wholesale Customers who exceed their individual shortage allocation when the collective Wholesale Customer usage exceeds the Tier 1 allocation. A more detailed summary of the WSA amendments are provided in Attachment A.

DISCUSSION

The Finance Committee met on August 19, 2024 and received a presentation from staff on both topics, and discussed both the negotiation process for these proposed changes and evaluated the impacts to MPWD and its customers.

Staff will give a presentation on the proposed WSA Amendments and updated Tier 2 Plan, and will answer any questions by the Board. The attached two-page documents describe and provide key information regarding the Proposed WSA Contract Amendment and Tier 1 and Tier 2 Drought Allocation Plans. Resolutions 2025-20 and 2025-21 provide the full Tier 2 plan and updated WSA language as exhibits.

Attachments:

Attachment A: Presentation: Updated Tier 2 Plan and WSA Amendments Adoption

Attachment B: Summary Sheet: Proposed Water Supply Agreement (WSA) Contract Amendment
Regarding the Minimum Purchase Quantity (MPQ)

Attachment C: Summary Sheet: Tier 1 and Tier 2 Drought Allocation Plans

Attachment D: Resolution 2025-20 Approving the Amendment to the Amended and Restated Water
Supply Agreement Between the City and County of San Francisco and Wholesale Customers
in Alameda County, San Mateo County, and Santa Clara County

Attachment E: Resolution 2025-21 Approving the Tier 2 Drought Response Implementation Plan
Pursuant to Section 3.11.C of the Amended and Restated Water Supply Agreement

Attachment A

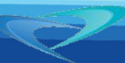
Updated Tier 2 Plan and WSA Amendments Adoption Presentation



Updated Tier 2 Plan and WSA Amendments Adoption

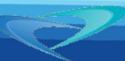
Drew Bost, Water Resources Coordinator
Kat Wuelfing, General Manager

June 26, 2025

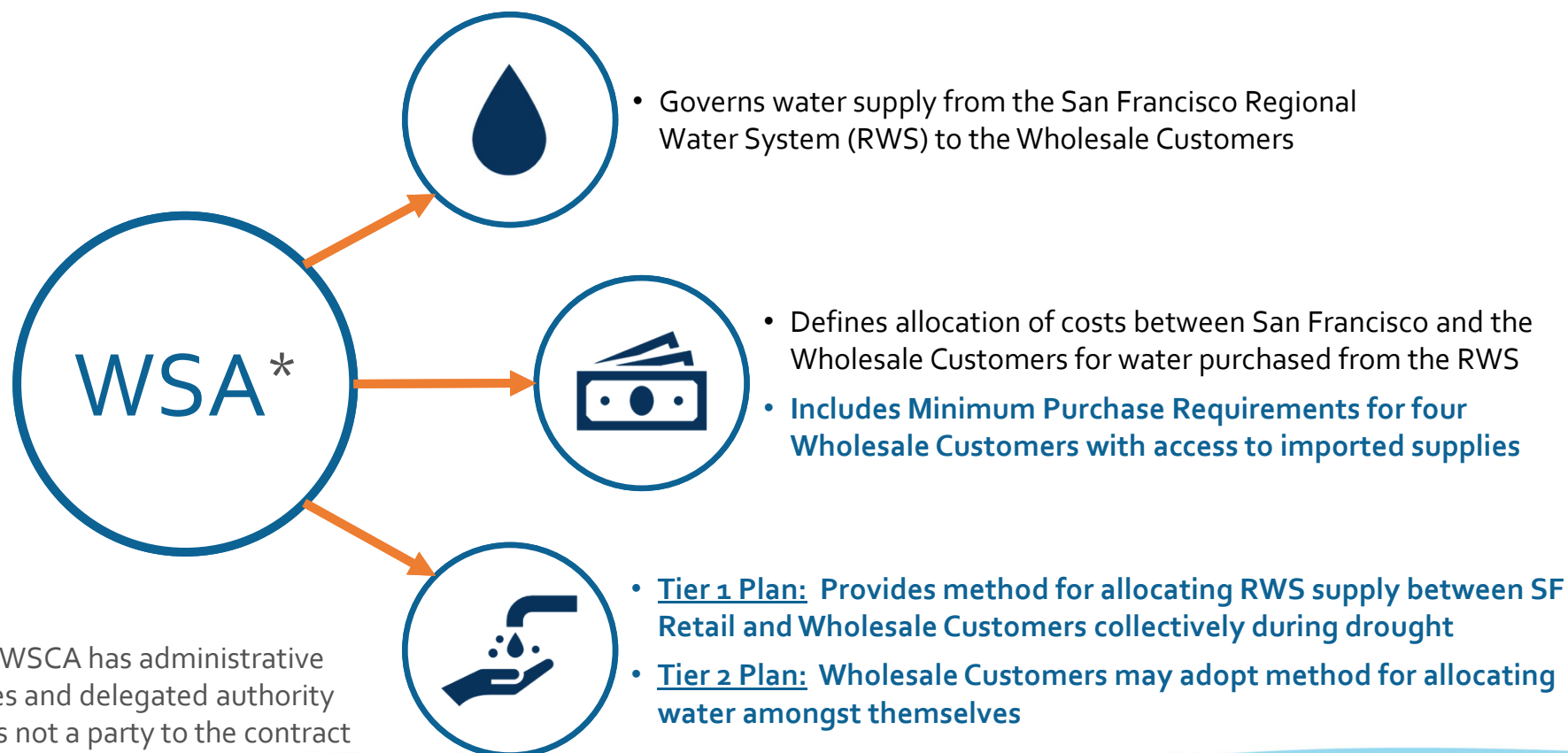


Overview

1. Overview of the Water Supply Agreement between San Francisco and the Wholesale Customers (WSA)
2. Review two water supply reliability contract actions
 - a. Updated Tier 2 Drought Response Implementation Plan (Tier 2 Plan)
 - b. WSA amendments

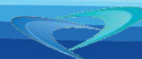
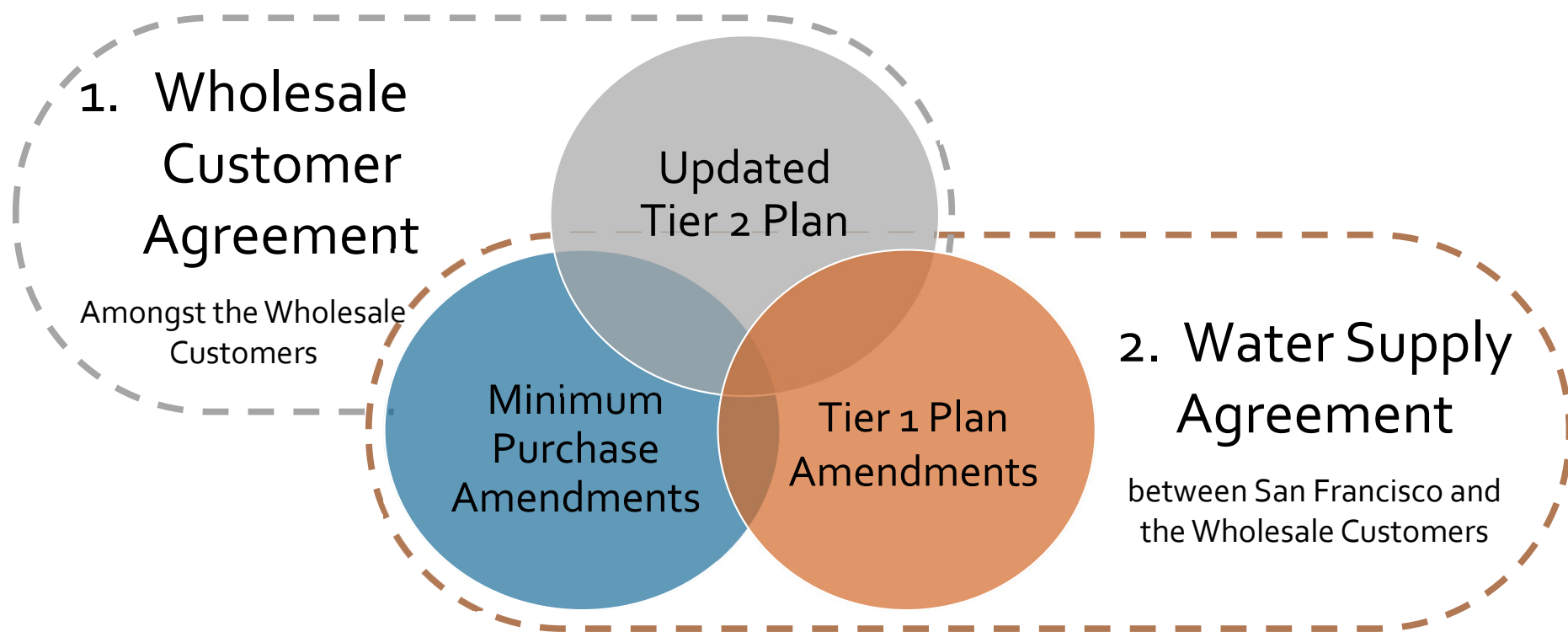


Key Elements of the Water Supply Agreement Between San Francisco and the Wholesale Customers (WSA)



* BAWSCA has administrative duties and delegated authority but is not a party to the contract

Two Important Water Supply Reliability Contract Actions



Shortages on the Regional Water System (RWS) are Governed by Two Plans

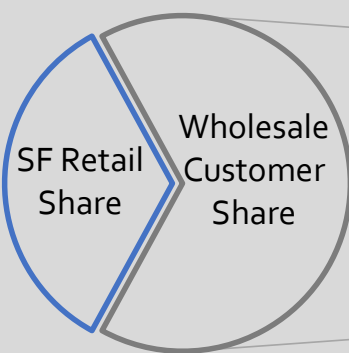
Shortages on the RWS

Available
RWS
Supply

* Applies during system-wide shortages due to drought of 20% or less

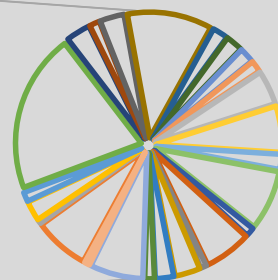
Tier 1 Plan

Method of allocating water from the RWS between:



Tier 2 Plan*

Method of allocating water from the RWS among the Wholesale Customers

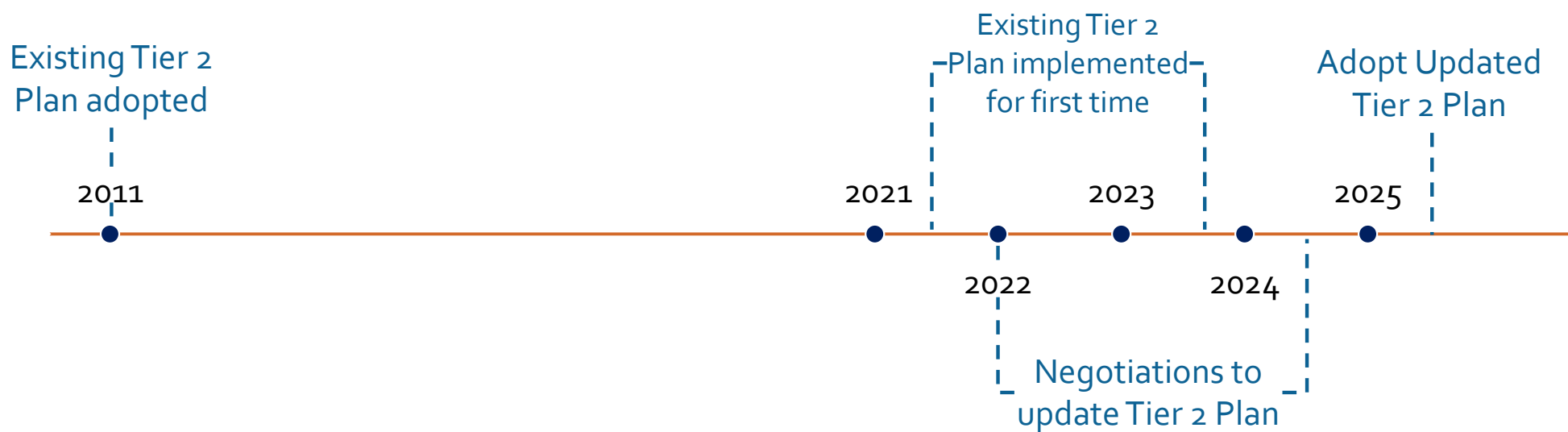


* Agreement among Wholesale Customers, San Francisco not included

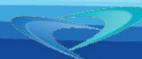
Application of the Tier 1 and 2 Plans

- Apply during system-wide shortages due to drought of 20% or less
- Excess use charges only apply during mandatory shortage emergencies
- Wholesale Customers may transfer shortage allocations and banked water amongst themselves and with San Francisco

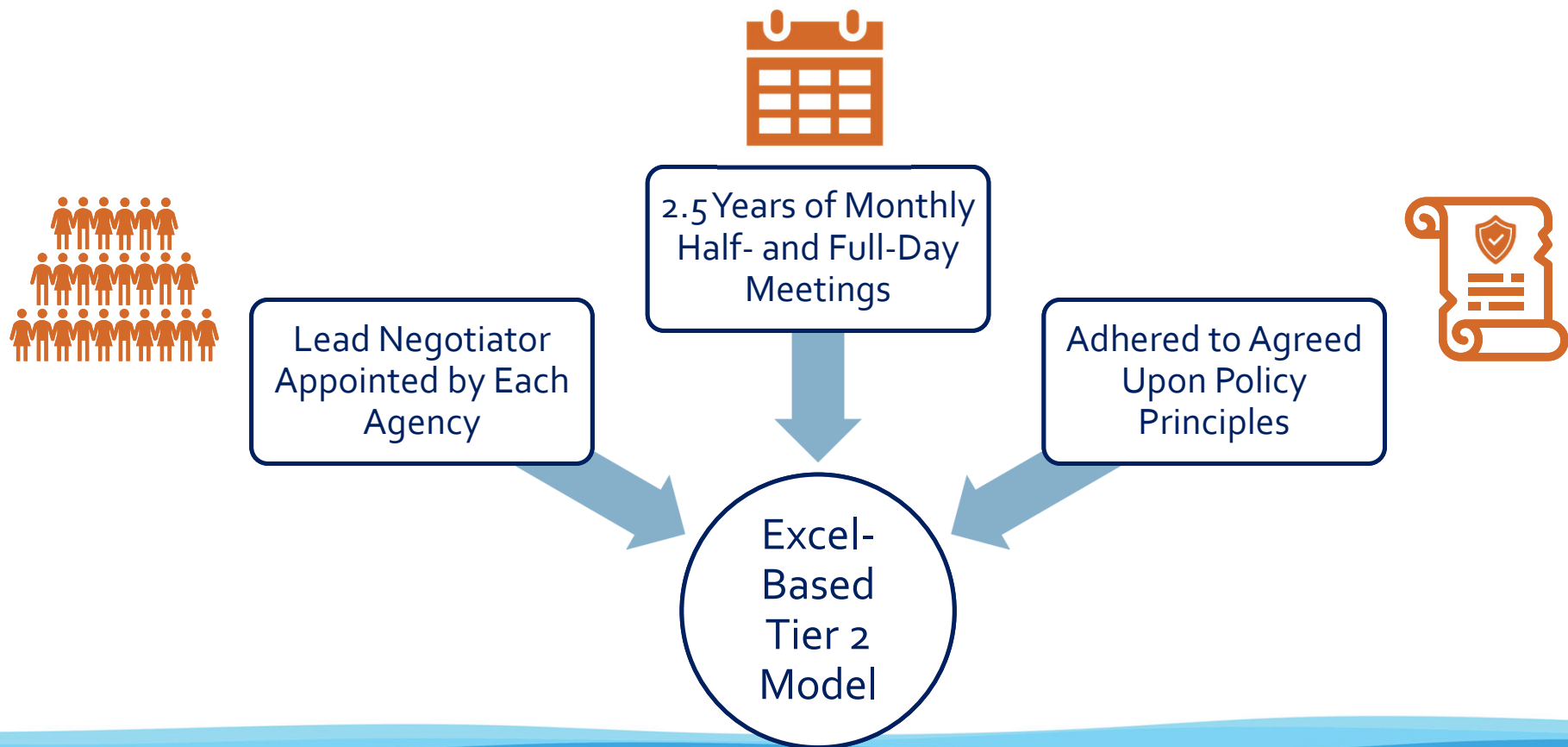
Existing Tier 2 Plan Required an Update



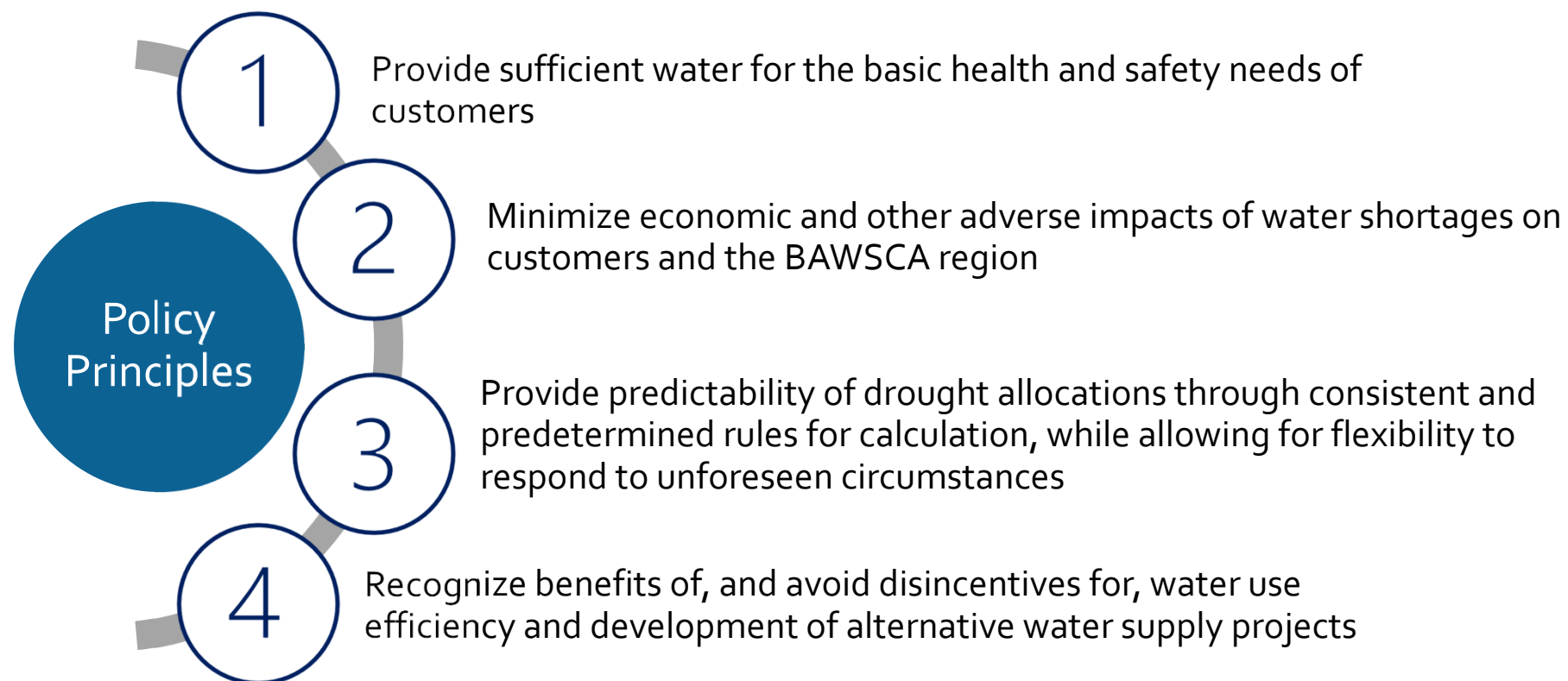
- 2021-23 implementation made clear the Plan no longer operates as originally intended
 - Conditions and overall water use in the region has changed
 - Special rules carved out for certain agencies now may apply to multiple agencies



Agreed Upon Plan Required Engagement from All 26 BAWSCA Member Agencies and 2.5 Years of Negotiation

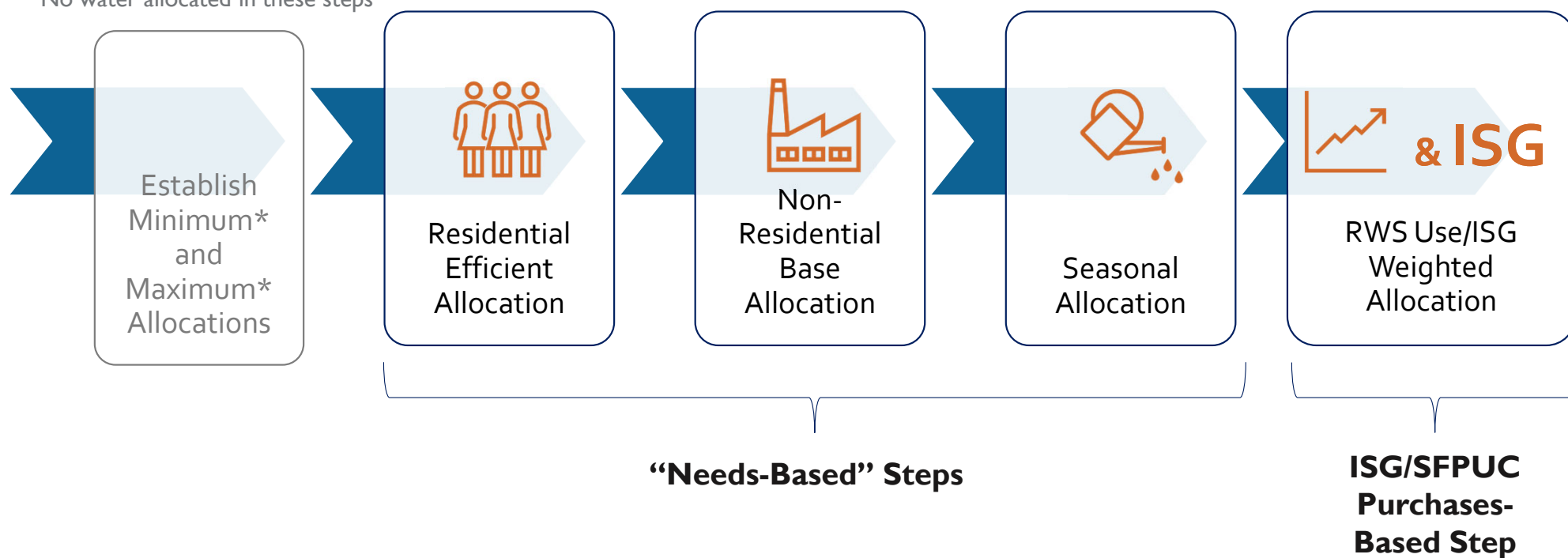


Tier 2 Plan Policy Principles

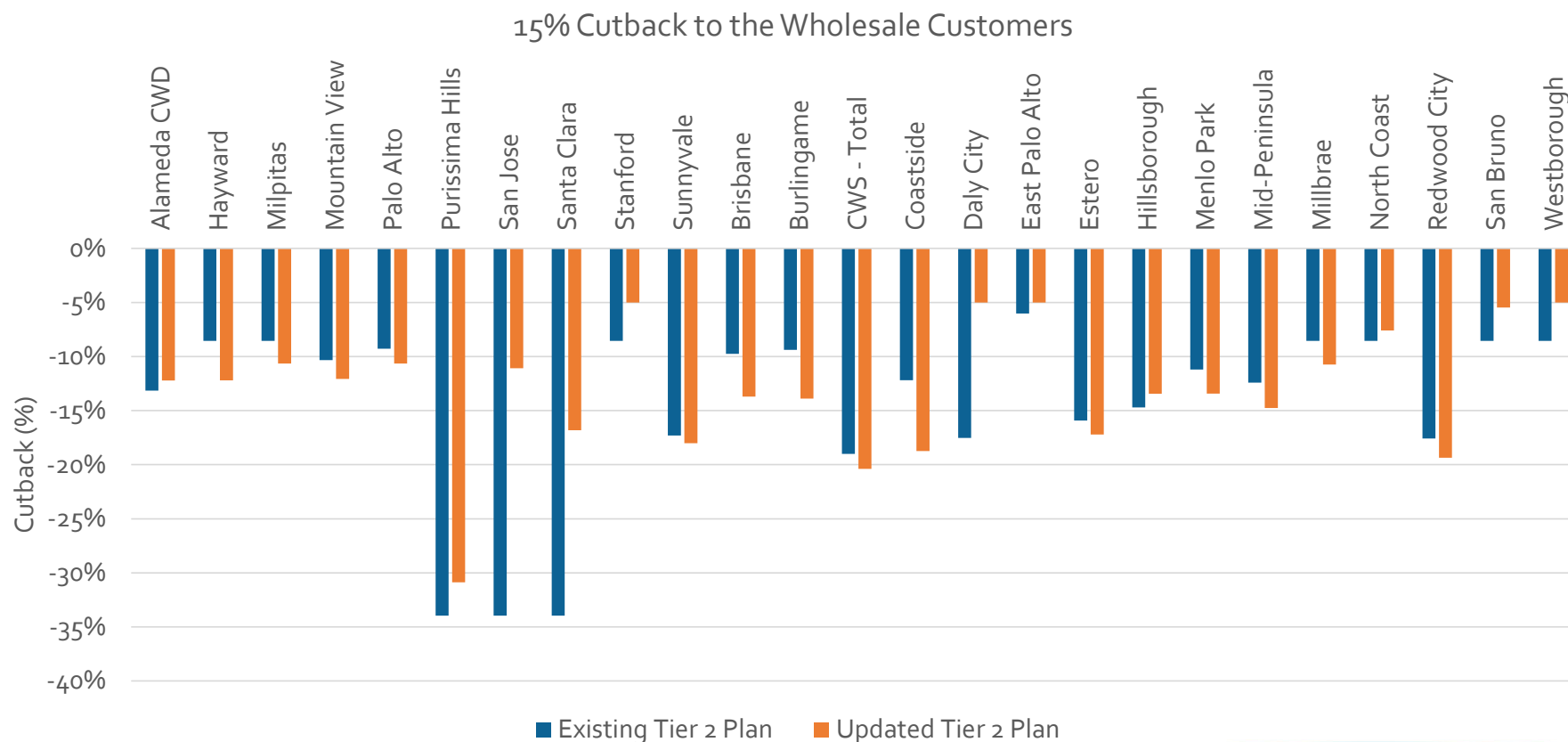


Tier 2 Plan Allocation Methodology

* No water allocated in these steps

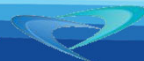


Example Scenario: Updated Tier 2 Plan Cutbacks Compared to Expiring Plan at a 15% Cutback to the Wholesale Customers



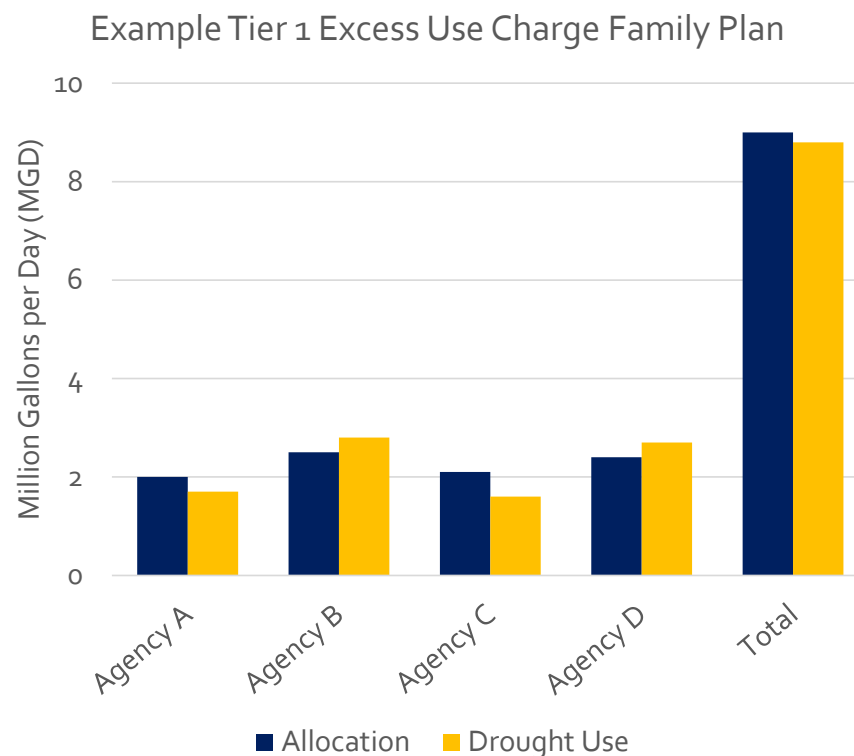
26 Member Agencies Successfully Negotiated an Updated Tier 2 Plan

- Finalizing the updated Tier 2 Plan required concessions from all agencies including an agreement to make changes to:
 - Tier 1 Plan
 - Minimum Purchase Quantities
- Updated Tier 2 Plan must be unanimously adopted by the 26 member agencies' governing bodies
 - Once unanimously adopted, the updated Tier 2 Plan will be used in the event of drought
- If unanimous adoption cannot be reached by December 2025, the BAWSCA Board of Directors will vote on adoption
- If the BAWSCA Board does not adopt, drought allocation control is given entirely to SFPUC



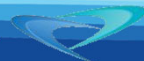
Tier 1 Plan Amendment Incorporates New Tier 1 Excess Use Charge Family Plan

- **Existing** - Excess use charges only applied during mandatory rationing conditions, and applied to every agency that goes over its allocation
- **New** - No excess use charges applied if collective Wholesale Customer purchases are less than Tier 1 allocation (*Similar to a cell phone family plan*)
 - *If the collective purchases are over the Tier 1 allocation, only those Wholesale Customers who went over their individual allocation pay the excess use charge*



Minimum Purchase Requirements Apply to Four Agencies

- Minimum purchase requirements have been in place since the 1960s
 - Minimum Purchase Quantities (MPQs) lowered in 2009 (15+ years ago)
- Four Wholesale Customers with access to other imported water must purchase a minimum amount of water from the San Francisco Regional Water System (RWS):
 1. Alameda County Water District
 2. City of Milpitas
 3. City of Mountain View
 4. City of Sunnyvale
- Conditions have changed since MPQs were lowered in 2009 and require another reset
 - Overall demand on the RWS is lower
 - RWS is still subject to severe drought
 - San Francisco and all Wholesale Customers want to improve reliability of the RWS
 - Some MPQ agencies are paying for water they cannot use



Minimum Purchase Amendment has Three Simple Elements

1

MPQ Reset

- Resets MPQs at 80% of actual use during previous four non-drought years
- Includes a 10-year review for possible downward adjustment, if warranted

2

One-Year Drought Rebound MPQ

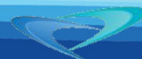
- Creates a one-year drought rebound MPQ to recognize lower demand coming out of a drought

3

MPQ Collective Purchases Family Plan

- If MPQ Agencies collectively achieve the total required MPQ, no agency pays a penalty for not meeting its individual requirement
- If not, penalties are applied proportionally to the total under usage

MPQ = Minimum Purchase Quantity



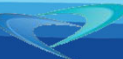
WSA Amendment Impacts

Cost Analysis

- \$0.007 to \$0.040 per unit of water (0.13% to 0.72%) wholesale and retail customer increase

Benefits Analysis

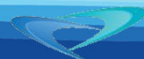
- Removes a barrier for MPQ agencies to develop drought resistant local supplies and investment in water use efficiency
 - Improves reliability of the RWS
 - Benefits all RWS users
- MPQ agencies are well situated to develop local, drought resistant supplies
 - Large water agency
 - Manage own wastewater
 - Access to groundwater
- Minimizes agencies being charged for unused water



WSA Amendment Recommendation

Staff recommends the Board approve Resolution 2025-20:

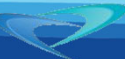
1. Approve the revisions included in the attached Exhibit A, approves those revisions to be incorporated into a revised WSA titled the "2025 Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" dated as of 2025 (2025 Amended and Restated Water Supply Agreement).
2. The General Manager is authorized and directed to execute the 2025 Amended and Restated Water Supply Agreement, when final execution copies are prepared and distributed by BAWSCA.



Tier 2 Plan Recommendation

Staff recommends the Board approve Resolution 2025-21:

1. The Tier 2 Drought Response Implementation Plan, as attached as Exhibit A (Tier 2 Plan), is approved.
2. This approval is conditioned upon all of the other twenty-five Wholesale Customers approving the Tier 2 Plan, such approvals being evidenced through adoption of similar resolutions or, in the case of private-sector organizations, by other equivalently binding written commitments signed by an executive officer acting within the scope of delegated authority, and all such approvals occurring on or before December 31, 2025.



Attachment B

Summary Sheet: Proposed Water Supply Agreement (WSA) Contract Amendment
Regarding the Minimum Purchase Quantity (MPQ)

Proposed Water Supply Agreement (WSA) Contract Amendment

Regarding the Minimum Purchase Quantity (MPQ)

December 2024



What is the Minimum Purchase Requirement?

As early as the 1960s, four agencies with access to sources of supply not available to either San Francisco or the other Wholesale Customers were required to purchase a “minimum annual quantity of water” from the San Francisco Regional Water System (RWS).

The Minimum Purchase requirement guarantees an ongoing financial stake in the RWS and provides year-to-year financial stability for the RWS.

To encourage water conservation during droughts, MPQs are waived.

Why is the Minimum Purchase Amendment Needed?

The Minimum Purchase Quantities (MPQs) are no longer achieving their intended purpose given today’s conditions.

- Droughts, investments in water use efficiency, and development of local supplies have reduced demand on the RWS.
- The RWS is currently subject to severe drought and the SFPUC is investigating alternatives.
- MPQ agencies are well situated to develop local, drought resilient supplies, which improves reliability of the RWS for all users.
- Current MPQs disincentivize investments in local supplies.

Policy Considerations Driving the Minimum Purchase Amendment

- Acknowledge MPQ agencies' efforts toward permanent conservation and recycled water, while protecting the RWS from supply shifting based on cost.
- Reflect a realistic demand recovery period after droughts.
- Ensure cost impacts are shared between SF Retail and Wholesale Customers.
- Establish a process to prevent the current issues from recurring.

Proposed Amendment

The proposed amendment has three components:

1. MPQ Reset

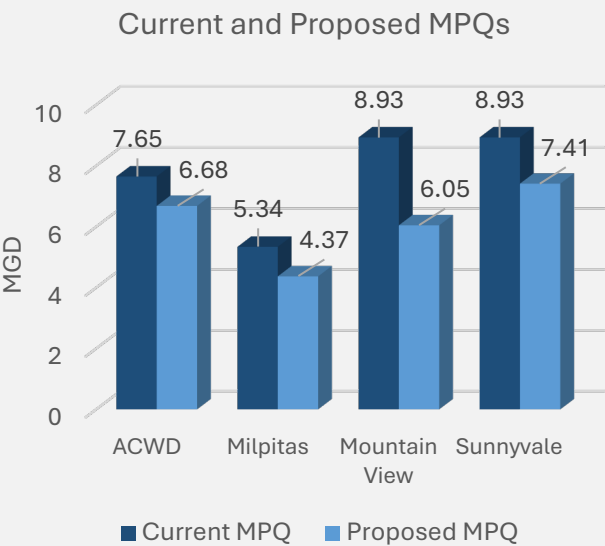
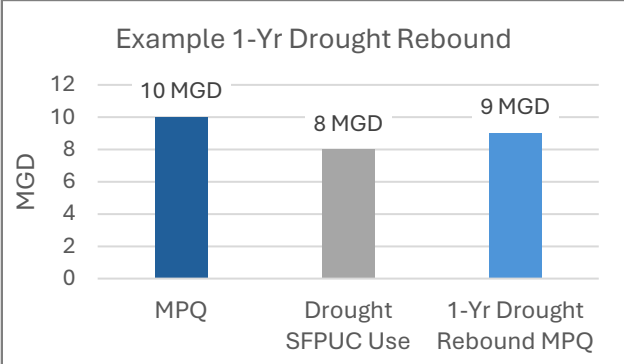
- MPQ reset at 80% of average SFPUC use from previous four non-drought years.
- Review every 10 years.

2. MPQ Family Plan

- Imputed sales will only be applied if the Minimum Purchase Agencies collectively use less than the sum of MPQ.

3. Drought Rebound

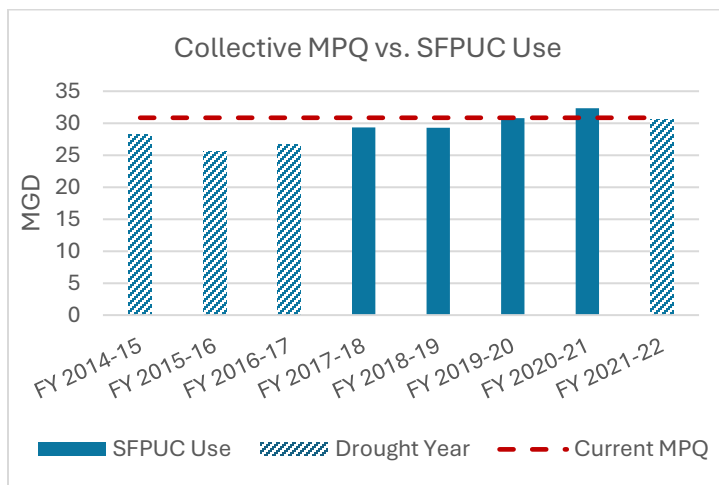
- One-year drought rebound MPQ set at the mid-point between drought use and MPQ.



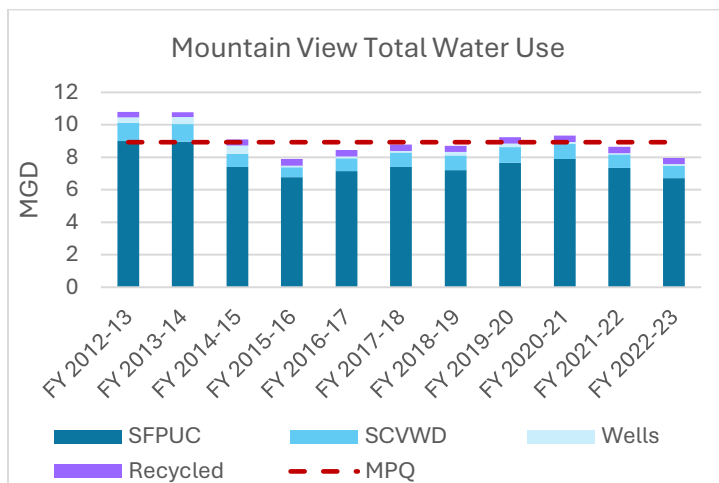
How does the Minimum Purchase Agencies' SFPUC use today compare to MPQs set in the 1980s?

Long-term investments in recycled water and water use efficiency have lowered demand on the RWS. Reductions in water use in response to SFPUC and state mandates for wise water use during droughts often persist for several years after restrictions are lifted. While MPQs are waived during droughts, they are reinstated immediately afterward, even though demand may take several years to rebound to pre-drought levels.

During the four non-drought years between the 2015-17 and the 2021-23 drought, the Minimum Purchase Agencies' collectively RWS purchases were at or below the total MPQ in all but one year.



More specifically, Mountain View's total water use from all potable supplies was below its MPQ in eight of the last 11 years (i.e., Mountain View doesn't have the demand in its service area to use the minimum amount of water it's required to purchase from the RWS).



What are the key Protections for the Wholesale Customer Provided by the Proposed Amendment?

Maintains purpose of the Minimum Purchase requirement:

- Ensures that Minimum Purchase Agencies don't shift purchases away from the RWS.

Improves the reliability of the RWS for all users:

- Allows Minimum Purchase Agencies to develop local supplies, reducing demand on the RWS.
- Extends duration that the 184 MGD Supply Assurance will meet Wholesale Customer demand.
- Cost shared proportionately between San Francisco and Wholesale Customers.

Enhances future stability of the WSA:

- Aligns intent of different sections of the WSA regarding development of local supplies while maintaining financial stability of the RWS.

What are the impacts to the WSA?

Cost Analysis

Given proportional allocation of costs based on purchases from the RWS, future analysis is imprecise (i.e., unit cost of water is based on variables that are hard to predict, such as total purchases).

Based on historical analysis, the cost increase of the amendment, in non-drought years, may be between \$0.007 to \$0.040 per ccf (0.13% to 0.72%). There is no impact in drought years.

Benefits Analysis

Removes barrier for MPQ agencies to develop drought-resistant local supplies, which improves reliability of the RWS and benefits all RWS users.

Ensures agencies are not charged for unused water.

Why is this Minimum Purchase amendment moving forward with the Tier 2 Plan?

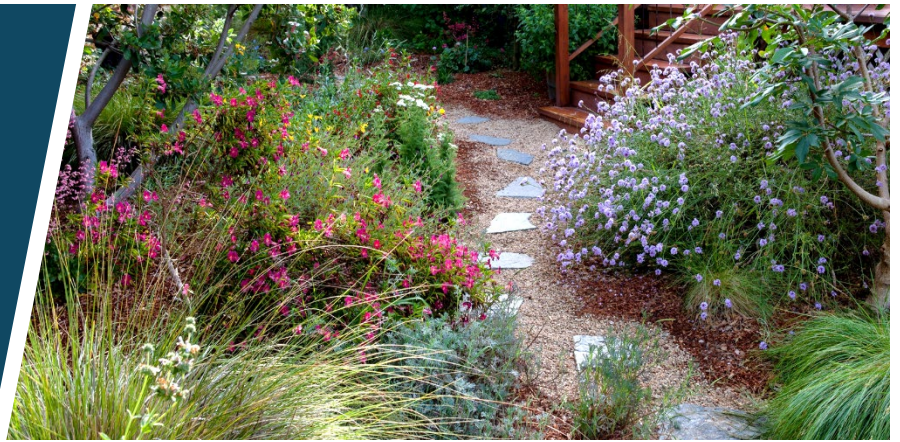
The updated Tier 2 Plan imposes higher drought cutbacks on Minimum Purchase Agencies, further reducing RWS use below their MPQs and increasing the risk of paying for unused water once the drought restrictions are lifted. The proposed WSA amendment addresses this issue and other long-standing concerns raised by the Minimum Purchase Agencies.

Attachment C

Summary Sheet: Summary Sheet: Tier 1 and Tier 2 Drought Allocation Plans

Tier 1 and Tier 2 Drought Allocation Plans

December 2024



Application and Adoption of the Tier 1 and Tier 2 Plans

The Tier 1 and Tier 2 Plans only apply during system-wide water shortages caused by **drought of 20% or less**.

The Tier 1 Plan is contained in the Water Supply Agreement between San Francisco and the Wholesale Customers (WSA).

Changes to the Tier 1 Plan require an amendment to the WSA.

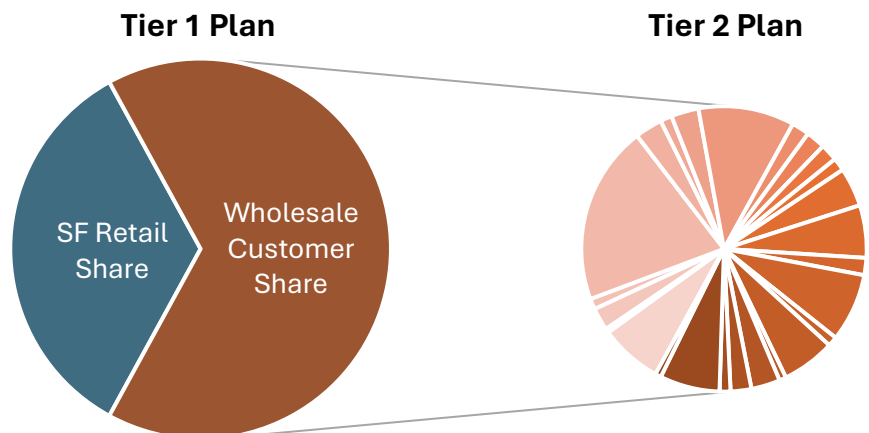
The existing Tier 2 Plan was adopted in 2011 and set to expire in 2018. Since 2018, the BAWSCA Board has annually extended the existing Tier 2 Plan while the Wholesale Customers developed a revised Tier 2 Plan.

The Tier 2 Plan must be unanimously adopted by the 26 Wholesale Customers. Under the WSA, San Francisco must provide allocations of water unanimously agreed to by all Wholesale Customers or adopted by the BAWSCA Board. (*WSA Section 3.11.C*) If a Tier 2 Plan is not adopted by the BAWSCA Board, San Francisco may make a final allocation decision.

Droughts on the San Francisco Regional Water System (RWS) are governed by two plans:

The **Tier 1 Plan** allocates RWS water between San Francisco retail customers and the Wholesale Customers collectively.

The **Tier 2 Plan** is the method for allocating the Wholesale Customers' share of RWS supply among the 26 Wholesale Customers.



Tier 1 and 2 Plan Implementation

Following declaration of a water shortage emergency by the San Francisco Public Utilities Commission (SFPUC), the SFPUC calculates the Tier 1 allocations. Then BAWSCA calculates each Wholesale Customer's individual allocation by applying the methodology in the Tier 2 Plan.

For the duration of the water shortage emergency, the SFPUC provides monthly reports to Wholesale Customers and BAWSCA, tracking actual water usage against drought allocations and detailing any transfers of shortage allocations or banked water among agencies.

The Tier 1 and Tier 2 Plans were implemented for the first time ever during the 2021-23 drought.

Tier 1 Shortage Allocation Plan Update

The Tier 1 Shortage Allocation Plan (Tier 1 Plan) allocates RWS supplies between San Francisco retail customers and the Wholesale Customers collectively and outlines the administrative process for drought allocations, including timelines, transfers of shortage allocations, and excess use charges.

San Francisco and the Wholesale Customers agreed to amend the Tier 1 Plan to include a new Tier 1 Excess Use Charge Family Plan (described below).

Tier 1 Excess Use Charge Family Plan

Excess use charges are only applied when the collective Wholesale Customer usage exceeds the Tier 1 allocation. If this occurs, excess use charges will be proportionally applied to agencies that exceeded their individual Tier 2 allocations.

Updated Tier 2 Drought Response and Implementation Plan

In early 2022, BAWSCA and Wholesale Customers began negotiating a Tier 2 Drought Response Implementation Plan (Tier 2 Plan) update. Lead negotiators appointed by each agency established four policy principles (listed below). Through mid-2024, the lead negotiators assessed various methods for allocating RWS drought supplies to align with these policy principles until they agreed on a final methodology.

Policy Principles

- #1:** Provide sufficient water for the basic health and safety needs of customers.
- #2:** Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
- #3:** Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
- #4:** Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

Tier 2 Plan Term

The Tier 2 Plan term is coordinated with the term of the WSA to avoid simultaneous renegotiation of these related agreements.

Negotiated Tier 2 Plan Allocation Formula

Allocations are determined using multiple factors:

- **Minimum and Maximum Cutbacks:** Establishes the upper and lower bounds of each Wholesale Customer's final allocation.
- **Residential Per Capita Basis:** Allocates water on a residential per capita basis, based on the portion of each agency's potable water demand met by the RWS.
- **Non-Residential Base Use:** Allocates water based on each agency's estimated non-residential indoor (base) use.
- **Seasonal Purchases:** Allocates water based on estimated seasonal use from the RWS.
- **Base Purchases/Individual Supply Guarantee (ISG) Weighted Share:** Remaining water is allocated based on a weighted share of 2/3 of RWS purchases and 1/3 of ISG.

Attachment D

Resolution 2025-20 Approving the Amendment to the Amended and Restated Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County

RESOLUTION NO. 2025-20

**APPROVING AN AMENDMENT TO THE AMENDED AND RESTATED WATER
SUPPLY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO
AND WHOLESALE CUSTOMERS IN ALAMEDA COUNTY, SAN MATEO COUNTY,
AND SANTA CLARA COUNTY**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, water supply agencies in Alameda, San Mateo, and Santa Clara Counties have purchased water from the City and County of San Francisco (San Francisco) for many years; and

WHEREAS, the San Francisco Public Utilities Commission (SFPUC) operates the Regional Water System (RWS), which delivers water to communities in Alameda, San Mateo, and Santa Clara Counties, as well as to customers within San Francisco (collectively, “the Parties”); and

WHEREAS, the Parties entered into the “Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County” in 1984 (1984 Settlement Agreement and Master Water Sales Contract); and

WHEREAS, in April 2003, water supply agencies in Alameda, San Mateo and Santa Clara Counties (collectively referred to as the Wholesale Customers) established the Bay Area Water Supply and Conservation Agency (BAWSCA), as authorized by Water Code Sections 81300 *et seq.*; and

WHEREAS, upon expiration of the 1984 Settlement Agreement and Master Water Sales Contract, the Parties entered into the “Water Supply Agreement between San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County” (Water Supply Agreement or WSA) on July 1, 2009, authorized by SFPUC Resolution No. 09-0069, dated April 28, 2009; and

WHEREAS, in 2017, the Wholesale Customers directed BAWSCA to act as its authorized

representative in discussions and negotiations with San Francisco to amend the Water Supply Agreement to address a number of substantive issues and these negotiations resulted in the Parties' adoption of the Amended and Restated Water Supply Agreement in 2018 authorized by SFPUC Resolution No. 18-0212, dated December 11, 2018; and

WHEREAS, in 2019, this Board, by Resolution No. 2019-03, approved the Amended and Restated Water Supply Agreement (2018 WSA); and

WHEREAS, pursuant to WSA Section 3.07, four Wholesale Customers (Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale, collectively, the “Original Minimum Purchase Customers”) may purchase water from sources other than the SFPUC and/or generate their own local supplies, but they are each obligated to purchase a specific minimum annual quantity of water from the SFPUC, referred to as a “Minimum Purchase Requirement;” and

WHEREAS, historically, if a Minimum Purchase Customer does not meet its Minimum Purchase Requirement in a particular fiscal year, it must pay the SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity set forth in WSA Attachment E; and

WHEREAS, some Original Minimum Purchase Customers pay the SFPUC for water that is not delivered due to either insufficient potable demand within their service area or impacts of conservation efforts following drought rationing; and

WHEREAS, as part of the 2018 negotiations, the Wholesale Customers and the SFPUC resolved to work promptly to identify a resolution to this as part of a future contract amendment; and

WHEREAS, in 2019, the Wholesale Customers directed BAWSCA to draft a proposed amendment to the 2018 WSA to provide a procedure for expedited and permanent transfers of minimum annual purchase quantities that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers and these negotiations resulted in the Parties' adoption of the Amended and Restated Water Supply Agreement in 2021, authorized by

SFPUC Resolution No. 21-009, dated January 26, 2021; and

WHEREAS, in 2021, this Board, by Resolution No. 2022-06, approved the 2021 Amended and Restated Water Supply Agreement (2021 WSA); and

WHEREAS, the 2021 WSA provided a significant, but incomplete solution to address the Original Minimum Purchase Customer's concerns with the minimum purchase quantities through a transfer process; and

WHEREAS, 2021 WSA Section 3.11.C. provides that the SFPUC may reduce the amount of water available to the Wholesale Customers in response to a drought; and

WHEREAS, 2021 WSA Section 3.11.C. provides that the Tier 1 Shortage Plan (Attachment H to the WSA) will be used, during system-wide shortages of 20% or less, to allocate water from the Regional Water System between Retail and Wholesale Customers; and

WHEREAS, 2021 WSA Section 3.11.C. further provides that the SFPUC will honor allocations of water among the Wholesale Customers (Tier 2 Allocations) unanimously agreed to by all Wholesale Customers or provided by BAWSCA; and

WHEREAS, in 2021, the SFPUC and BAWSCA implemented the Tier 1 and Tier 2 Plans for the first time; and

WHEREAS, between 2022 and 2024, the Wholesale Customers convened at least once per month, most often for half-day in-person workshops, to negotiate an update to the method for sharing water made available from the SFPUC during shortages caused by drought (Tier 2 Plan); and

WHEREAS, each Wholesale Customer appointed a lead negotiator to represent the interests of its agency in the negotiations; and

WHEREAS, during the Tier 2 Plan negotiations, the Original Minimum Purchase Customers renewed discussions among the Wholesale Customers to identify a comprehensive and final solution to concerns about the minimum purchase quantities; and

WHEREAS, during the Tier 2 Plan negotiations, the Wholesale Customers identified, and the SFPUC agreed to, changes to the Tier 1 Plan that would facilitate agreement on the updated

Tier 2 Plan; and

WHEREAS, in June 2023, following several years of discussions regarding the Minimum Purchase Requirements, the SFPUC proposed amending the 2021 WSA to reset the existing minimum annual purchase quantities to align with current water consumption trends, while protecting investment in the RWS; and

WHEREAS, in 2024, the SFPUC, the Original Minimum Purchase Customers, and BAWSCA held multiple meetings to identify amendments that would address challenges related to the Minimum Purchase Requirements; and

WHEREAS, once the SFPUC and the Original Minimum Purchase Customers discussed amendments to the Minimum Purchase Requirements, the Original Minimum Purchase Customers presented proposals to the broader Wholesale Customer group to secure their support; and

WHEREAS, in 2024, the Wholesale Customers came to a final agreement on a package that includes an updated Tier 2 Plan, amendments to the minimum purchase quantity requirements, and amendments to the Tier 1 Plan; and

WHEREAS, with its Alternative Water Supply Program, the SFPUC is in the early stages of planning for projects to support the Wholesale and Retail Customers' ability to respond to climate change and address future water supply challenges and vulnerabilities, such as regulatory changes, earthquakes, disasters, emergencies, and increases in population and employment; and

WHEREAS, the Original Minimum Purchase Customers are particularly well-suited to develop local, drought resilient supplies, which improve the reliability of the San Francisco Regional Water System (RWS) for all users; and

WHEREAS, under 2021 WSA Section 3.06.D, the Parties agree that they will diligently apply their best efforts to use both surface water and groundwater sources located within their respective service areas and available recycled water to the maximum feasible extent, taking into account the environmental impacts, the public health effects, and the effects on supply reliability of such use, as well as the cost of developing such sources; and

WHEREAS, each Wholesale Customer recognizes the importance of local water supplies

in improving regional water supply reliability and commits to develop and use available local water supplies within their service areas, consistent with Section 3.06.D of the WSA; and

WHEREAS, the City of Mountain View approved a Recycled Water Feasibility Study Update Draft Report on March 22, 2022 with seven staff recommendations, including: (1) working with the City of Palo Alto and the Santa Clara Valley Water District on the first phase of an advanced water purification system to improve recycled water quality, (2) planning and siting a recycled water storage reservoir in the City of Mountain View's North Bayshore Area to improve system performance and reliability, and (3) building-out the recycled water distribution system to serve all of North Bayshore and a portion of NASA Ames; and

WHEREAS, the City of Sunnyvale approved an updated Recycled Water Master Plan on September 24, 2024 and directed staff to look into expanding the recycled water system, which currently includes 22 miles of recycled water pipelines, two recycled water pump stations, and a recycled water storage tank with a 2.5-million-gallon capacity; and

WHEREAS, the City of Milpitas continues to promote the use of recycled water to existing and new customers along the recycled water pipeline within the city, and has committed to developing local groundwater supplies to help meet projected long term water demand; and

WHEREAS, since 1995, the Alameda County Water District has invested over \$300 million in water supply reliability initiatives to enhance local water supplies and reduce its dependence on imported supplies, including water conservation, conjunctive use groundwater management, brackish groundwater desalination, and groundwater banking; and

WHEREAS, as of January 2025, the SFPUC has budgeted \$298.3 million over the next ten years to fund water supply projects; and

WHEREAS, the Parties now desire to approve an amendment to the 2021 WSA to reduce the minimum annual purchase quantities to 80% of average purchases from the most recent four (4) non-drought years and establish a continuing, periodic review of the minimum annual purchase quantities on a 10-year schedule; and

WHEREAS, the amendment will also establish a Rebound Year minimum annual

purchase quantity calculation for the first year following a waiver of the Minimum Purchase Requirements; and

WHEREAS, the amendment further provides that Imputed Sales will not apply to an Original Minimum Purchase Customer that does not meet its individual Minimum Purchase Requirements if the collective SFPUC purchases from all Original Minimum Purchase Customers are equal to or greater than the total collective minimum annual purchase quantity; and

WHEREAS, the Parties also desire to adopt an amendment to the Tier 1 Plan to provide that excess use charges will not apply to Wholesale Customers that exceed their individual annual shortage allocation if the Wholesale Customers' collective SFPUC purchases are less than the total Tier 1 allocation; and

WHEREAS, the amendment further provides that if the collective Wholesale Customers' SFPUC purchases exceed total Tier 1 allocation, excess use charges will be applied to each Wholesale Customer that exceeded its individual annual allocation, proportional to the collective Wholesale Customer's overuse of the total Tier 1 allocation; and

WHEREAS, the Parties also desire to adopt an amendment to the 2021 WSA to include the following substantive modifications:

- a) update references in Section 2.03.C regarding BAWSCA's authority to amend attachments;
- b) extend the timing of the completion of the Water System Improvement Program (WSIP) to reflect the currently adopted program completion date (Section 3.09);
- c) correct a reference to a SFPUC resolution number in Section 9.07;
- d) update "Imputed Sales" definition in Attachment A to reference Attachment E;
- e) update "Level of Service Goals and Objectives" definition in Attachment A to reflect updated and expanded Level of Service Goals and Objectives adopted by the SFPUC in November 2023; and

WHEREAS, the SFPUC approved these amendments and authorized the execution of a 2025 Amended and Restated Water Supply Agreement incorporating these amendments on May 13, 2025 pursuant to SFPUC Resolution No. 25-0074; and

WHEREAS, the amendment considered now is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it involves an administrative activity that does not result in a direct change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2)); and

WHEREAS, in the event the amendment is considered a "project," it would be subject to the categorical exemption for operation, repair, and maintenance of existing facilities (see 14 CCR Section 15301) and the amendment does not implicate substantial changes that involve a new significant environmental effect (see 14 CCR Section 15162(a)).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District (MPWD) finds as follows:

1. The Board approves the revisions included in the attached Exhibit A, approves those revisions to be incorporated into a revised WSA titled the "2025 Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" dated as of 2025 (2025 Amended and Restated Water Supply Agreement).

2. The General Manager is authorized and directed to execute the 2025 Amended and Restated Water Supply Agreement, when final execution copies are prepared and distributed by BAWSCA.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

BOARD PRESIDENT

ATTEST:

DISTRICT SECRETARY

Attachment:

Exhibit A: Redline and clean excerpts showing changes to Sections 2.03, 3.07, 3.09, 9.07, Attachment A, Attachment E and Attachment H of the Amended and Restated Water Supply Agreement.

Exhibit A

Redline and clean excerpts showing changes to Sections 2.03, 3.07, 3.09, 9.07, Attachment A, Attachment E and Attachment H of the Amended and Restated Water Supply Agreement

3.07. Restrictions on Purchases of Water from Others; Minimum Annual Purchases

A. Each Wholesale Customer (except for Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale) agrees that it will not contract for, purchase or receive, with or without compensation, directly or indirectly, from any person, corporation, governmental agency or other entity, any water for delivery or use within its service area without the prior written consent of San Francisco.

B. The prohibition in subsection A does not apply to:

1. recycled water;
2. water necessary on an emergency and temporary basis, provided that the Wholesale Customer promptly gives San Francisco notice of the nature of the emergency, the amount of water that has been or is to be purchased, and the expected duration of the emergency; or
3. water in excess of a Wholesale Customer's Individual Supply Guarantee.

C. Minimum Annual Purchase Quantities. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco. -These Minimum Annual Purchase Quantities are set out in Attachment E and shall also be included in the Individual Water Sales Contracts between San Francisco and each of these four Wholesale Customers (collectively referred to as the Original Minimum Purchase Customers). Pursuant to Section 3.04, certain Wholesale Customers may also be required to purchase Temporary Modified Minimum Annual Purchase Quantities, set out in Attachment E-1, from San Francisco. Attachment E will be updated pursuant to Section 3.04 to reflect any reduction in existing Minimum Annual Purchase Quantities and any addition of new Minimum Annual Purchase Quantities when Temporary Modified Minimum Annual Purchase Quantities expire and are removed from Attachment E-1; Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under Section 3.04 will similarly be amended, as necessary.

1. Annual Notice. After the end of each fiscal year, the SFPUC will send a written notice to each Wholesale Customer ~~that is subject to the minimum annual purchase requirements of this section~~ with a Minimum Annual Purchase Quantity, or a Temporary Modified Minimum Annual Purchase Quantity with a copy to BAWSCA. -The notice will include: ~~(4~~

(a) the quantity of water delivered to ~~the~~each of those Wholesale ~~Customer~~Customers individually and all of the Original Minimum Purchase Customers collectively during the previous fiscal year; ~~{~~

~~2~~

(b) each Wholesale Customer's individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable, under Section 3.07.C.2);

~~)-whether or not the Wholesale Customer met its minimum annual purchase requirement under this section; (3~~

(c) whether or not each Wholesale Customer met its individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable);

(d) whether or not the Original Minimum Purchase Customers collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities (as adjusted for a Rebound Year, if applicable);

(e) any Imputed Sales charged to the Wholesale ~~Customer~~Customers; and ~~(4~~

(f) the status of any Temporary Modified Minimum Annual Purchase ~~Quantity~~Quantities of the Wholesale ~~Customer, if applicable.~~Customers.

~~C-2.~~ Waiver and Rebound Year. The minimum annual purchase requirements set out in Attachments E and E-1 will be waived during a Drought or other period of water shortage if the water San Francisco makes available to these Wholesale Customers is less than ~~its~~their Minimum Annual Purchase ~~Quantity~~Quantities or Temporary Modified Minimum Annual Purchase Quantities, and may be waived during a state of emergency declared by the Governor of California that impacts water supply use or deliveries from the Regional Water System. Once the waiver is no longer in effect, each of the minimum annual purchase requirements set out in Attachments E and E-1 shall be temporarily set, for one full fiscal year (referred to as the Rebound Year), to the midpoint between (1) the Wholesale Customer's actual San Francisco purchases for the final year in which the waiver was in effect, up to a maximum of the Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity, and (2) the Wholesale Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity set out in Attachment E or Attachment E-1, as applicable. Any fiscal year in which a Wholesale Customer meets its Rebound Year-adjusted Temporary Modified Minimum

Annual Purchase Quantity, but not its standard Temporary Modified Minimum Annual Purchase Quantity, will not count as a fiscal year in which the Wholesale Customer has met or exceeded its Temporary Modified Minimum Purchase Quantity for the purposes of Section 3.04.C(4)(a).

D. Minimum Annual Purchase Quantity Reset. As shown on Attachment E, in Fiscal Year 2025-26, the Parties reset the then-existing Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers to 80% of the average San Francisco purchases of each Customer over the four most recent non-drought years preceding Fiscal Year 2024-25, effective for Fiscal Year 2024-25. If the Parties extend the Term of this Agreement beyond June 30, 2034 pursuant to Section 2.02, the Parties will review the Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers again ten years after the Fiscal Year 2025-26 reset. If the Original Minimum Purchase Customers, or San Francisco, want to propose a reset of the Minimum Annual Purchase Quantities for Fiscal Year 2035-36, they will provide written notice on or before June 30, 2034. The Parties will meet and confer promptly to evaluate written reset proposals. By November 30, 2035, if the Parties have come to an agreement, the SFPUC will calculate the revised Minimum Annual Purchase Quantities based on the agreed upon methodology and provide written notice to the Original Minimum Purchase Customers and BAWSCA. The Original Minimum Purchase Customers will have at least 15 business days to review and meet and confer with the SFPUC with any questions or concerns before the revised quantities are finalized. If the Parties are unable to come to an agreement, the then-existing Minimum Annual Purchase Quantities will remain unchanged. Any changes to the Minimum Annual Purchase Quantities under this Section 3.07.D will be reflected in a revised Attachment E approved with the written concurrence of San Francisco and BAWSCA in accordance with Section 2.03.C. The Parties intend to include a continuing, periodic review of the Minimum Annual Purchase Quantities on a ten-year schedule in the successor to this Agreement.

E. Collective Minimum Annual Purchase Quantities Considered Before Application of Imputed Sales. Imputed Sales will not apply to any of the individual Original Minimum Purchase Customers in a particular fiscal year if those Customers have collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities shown in Attachment E (or adjusted for a Rebound Year pursuant to Section 3.07.C.2, if applicable). If the Original Minimum Purchase Customers do not collectively purchase that sum, any Original Minimum Purchase Customer that has not met its standard or Rebound Year-adjusted Minimum Annual Purchase Quantity will be responsible for Imputed Sales proportional to its share of the difference between that sum and the Original Minimum Purchase Customers' total purchases from San Francisco. Examples of this calculation are contained in

[Attachment E-3.](#)

Redline Comparing 2021 Amended and Restated Water Supply Agreement and 2025 Proposed Amendments: Sections 2.03, 3.09, and 9.07, and Attachment A Definitions

2.03. Amendments.

C. Amendments to Attachments. The following attachments may be amended with the written concurrence of San Francisco and BAWSCA on behalf of the Wholesale Customers:

<u>Attachment</u>	<u>Name</u>
C	Individual Supply Guarantees (amendments reflecting Section 3.04 transfers only)
E	Minimum Annual Purchase Quantities (amendments reflecting Section 3.04 transfers and Section 3.07 resets only)
E-1	Temporary Modified Minimum Annual Purchase Quantities
G	Water Quality Notification and Communications Plan (as may be amended)
J	Water Use Measurement and Tabulation
L-1	Identification of WSIP Projects as Regional/Retail
N-1	Balancing Account/Rate Setting Calculation Table
N-2	Wholesale Revenue Requirement Schedules
N-3	Schedule of Projected Water Sales, Wholesale Revenue Requirement and Wholesale Rates
P	Management Representation Letter
R	Classification of Existing System Assets (subject to Section 5.11)

Amendments to these attachments shall be approved on behalf of San Francisco by the Commission and on behalf of BAWSCA by its Board of Directors, unless the Commission by resolution delegates such authority to the General Manager of the SFPUC or the Board of Directors by resolution delegates such authority to the General Manager/CEO of BAWSCA.

3.09. Completion of WSIP

San Francisco will complete construction of the physical facilities in the WSIP by ~~December~~June 30, ~~2021~~2032. The SFPUC agrees to provide for full public review and comment by local and state interests of any proposed changes that delay previously adopted project completion dates or that delete projects. The SFPUC shall meet and consult with BAWSCA before proposing to the Commission any changes in the scope of WSIP projects which reduce their capacity or ability to achieve adopted Level of Service Goals and Objectives. The SFPUC retains discretion to determine whether to approve the physical facilities in the WSIP until after it completes the CEQA process as set forth in Section 4.07.

9.07. City of Brisbane, Guadalupe Valley Municipal Improvement District, Town of Hillsborough

A. The parties acknowledge that San Francisco has heretofore provided certain quantities of water to the City of Brisbane ("Brisbane"), Guadalupe Valley Municipal Improvement District ("Guadalupe") and the Town of Hillsborough ("Hillsborough") at specified rates or without charge pursuant to obligations arising out of agreements between the predecessors of San Francisco and these parties, which agreements are referred to in judicial orders, resolutions of the SFPUC and/or the 1960 contracts between San Francisco and Brisbane, Guadalupe and Hillsborough. The parties intend to continue those arrangements and accordingly agree as follows:

1. Nothing in this Agreement is intended to alter, amend or modify the terms of SFPUC Resolution No. 74-~~0653~~0053 or the indenture of July 18, 1908 between the Guadalupe Development Company and the Spring Valley Water Company.

2. Nothing in this Agreement is intended to alter, amend or modify the Findings of Fact and Conclusions of Law and Judgment dated May 25, 1961 in that certain action entitled City and County of San Francisco v. Town of Hillsborough in the Superior Court of the State of California in and for the County of Marin, No. 23282, as modified by the Satisfaction of Judgment filed October 23, 1961 and the Compromise and Release between Hillsborough and San Francisco dated August 22, 1961. The rights and obligations of Hillsborough under these documents shall continue as therein set forth.

3. Nothing in this Agreement is intended to affect or prejudice any claims, rights or remedies of Guadalupe or of Crocker Estate Company, a corporation, or of Crocker

Land Company, a corporation, or of San Francisco, or of their successors and assigns, respectively, with respect to or arising out of that certain deed dated May 22, 1884, from Charles Crocker to Spring Valley Water Works, a corporation, recorded on May 24, 1884, in Book 37 of Deeds at page 356, Records of San Mateo County, California, as amended by that certain Deed of Exchange of Easements in Real Property and Agreement for Trade in Connection Therewith, dated July 29, 1954, recorded on August 4, 1954, in Book 2628, at page 298, Official Records of said San Mateo County, or with respect to or arising out of that certain action involving the validity or enforceability of certain provisions of said deed entitled City and County of San Francisco v. Crocker Estate Company, in the Superior Court of the State of California in and for the County of Marin, No. 23281.

Attachment A - Definitions

“Imputed Sales” apply when a Wholesale Customer does not meet the minimum annual purchase requirements of Section 3.07.C, [as shown on Attachment E and Attachment E-1](#), except in fiscal years in which a waiver of these requirements is in effect. Imputed Sales are calculated as the difference between (1) a Wholesale Customer’s metered water purchases during a fiscal year, from July 1 to June 30, and (2) the larger of (a) or (b) as follows: (a) the Wholesale Customer’s Minimum Annual Purchase Quantity, as specified in Attachment E [and may be adjusted pursuant to Section 3.07.C.2](#), or (b) the Wholesale Customer’s Temporary Modified Minimum Annual Purchase Quantity, as specified in Attachment E-1 [and may be adjusted pursuant to Section 3.07.C.2](#). If a Wholesale Customer has more than one Temporary Modified Minimum Annual Purchase Quantity, the largest quantity is used for calculating Imputed Sales. Imputed Sales are considered wholesale water usage for the purposes of calculating the Proportional Annual Use, and any fees charged for Imputed Sales are considered wholesale revenues.

“Level of Service Goals and Objectives” refers to the “Phased WSIP Goals and Objectives” adopted by the Commission in Resolution No. 08-0200 dated October 30, 2008 as part of the approval of the WSIP, [as updated and expanded by the "2023 Amended and Updated Water Enterprise Level of Service Goals and Objectives," adopted by the Commission in Resolution No. 23-0210 dated November 28, 2023](#), and any amendments that may be adopted by the Commission.

ATTACHMENT E

MINIMUM ANNUAL PURCHASE QUANTITIES

(Section 3.07.C)

AGENCY	MINIMUM ANNUAL PURCHASE QUANTITY (IN MGD) ¹
Alameda County Water District	7.648 <u>6.682</u>
City of Milpitas	5.341 <u>4.371</u>
City of Mountain View	8.930 <u>6.047</u>
City of Sunnyvale	8.930 <u>7.412</u>

¹ In Fiscal Year (FY) 2025-26, the then-existing Minimum Annual Purchase Quantities for Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale were reset to 80% of each of those four customers' average San Francisco purchases over the four non-drought years preceding FY 2024-25 (FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21), effective FY 2024-25. Prior to this reset, from the effective date of this Agreement (July 1, 2009) through FY 2023-24, those four customers had the following Minimum Annual Purchase Quantities:

1. Alameda County Water District: 7.648 MGD
2. City of Milpitas: 5.341 MGD
3. City of Mountain View: 8.930 MGD
4. City of Sunnyvale: 8.930 MGD

ATTACHMENT H

WATER SHORTAGE ALLOCATION PLAN

This ~~Interim~~ Water Shortage Allocation Plan (“Plan”), also known as the Tier 1 Shortage Plan, describes the method for allocating water between the San Francisco Public Utilities Commission (“SFPUC”), on the one hand, and the Wholesale Customers collectively, on the other, during shortages caused by drought. The Plan also implements a method for allocating water among the individual Wholesale Customers, known as the Tier 2 Drought Response Implementation Plan (“Tier 2 Plan”), which has separately been adopted by the Wholesale Customers and does not include the SFPUC. The Plan includes provisions for transfers, banking, and excess use charges. The Plan applies only when the SFPUC determines that a system-wide water shortage due to drought exists, and all references to “shortages” and “water shortages” are to be so understood. This Plan was initially adopted pursuant to Section 7.03(a) of the 1984 Settlement Agreement and Master Water Sales Contract and has been incorporated and updated to correspond to the terminology used in the ~~June~~ 2009 Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (“Agreement”), as amended and restated from time to time.

SECTION 1. SHORTAGE CONDITIONS

1.1. Projected Available SFPUC Water Supply. The SFPUC shall make an annual determination as to whether or not a shortage condition exists. The determination of projected available water supply shall consider, among other things, stored water, projected runoff, water acquired by the SFPUC from non-SFPUC sources, inactive storage, reservoir losses, allowance for carryover storage, and water bank balances, if any, described in Section 3.

1.2. Projected SFPUC Customer Purchases. The SFPUC will utilize purchase data, including volumes of water purchased by the Wholesale Customers and by Retail Customers (as those terms are used in the Agreement) in the year immediately prior to the drought, along with other available relevant information, as a basis for determining projected system-wide water purchases from the SFPUC for the upcoming ~~year~~ Supply Year (defined as the period from July 1 through June 30).

1.3. Shortage Conditions. The SFPUC will compare the projected available water supply (Section 1.1) with projected system-wide water purchases (Section 1.2). A shortage condition exists if the SFPUC determines that the projected available water supply is less than projected system-wide water purchases in the upcoming Supply Year ~~(defined as the period from July 1 through June 30)~~. When a shortage condition exists, SFPUC will determine whether voluntary or mandatory actions will be required to reduce purchases of SFPUC water to required levels.

1.3.1 Voluntary Response. If the SFPUC determines that voluntary actions will be sufficient to accomplish the necessary reduction in water use throughout its service area, the SFPUC and the Wholesale Customers will make good faith efforts to reduce their water purchases to stay within their annual ~~shortage~~ Tier 1 and Tier 2 allocations as applicable (see Section 2 of this Attachment H) and associated monthly water use budgets. The SFPUC will not impose excess use charges during periods of voluntary rationing, but may suspend the prospective accumulation of water bank credits, or impose a ceiling on further accumulation of bank credits, consistent with Section 3.2.1 of this Plan.

1.3.2 Mandatory Response. If the SFPUC determines that mandatory actions will be required to accomplish the necessary reduction in water use in the SFPUC service area, the SFPUC may implement excess use charges as set forth in Section 4 of this Plan.

1.4. Period of Shortage. A shortage period commences when the SFPUC determines that a water shortage exists, as set forth in a declaration of water shortage emergency issued by the SFPUC pursuant to California Water Code Sections 350 et seq. Termination of the water shortage emergency will be declared by resolution of the SFPUC.

SECTION 2. SHORTAGE ALLOCATIONS

2.1. Annual [Tier 1](#) Allocations between the SFPUC and the Wholesale Customers. The annual water supply available during shortages will be allocated between the SFPUC and the collective Wholesale Customers as follows:

Level of System Wide Reduction in Water Use Required	Share of Available Water	
	SFPUC Share	Wholesale Customers Share
5% or less	35.5%	64.5%
6% through 10%	36.0%	64.0%
11% through 15%	37.0%	63.0%
16% through 20%	37.5%	62.5%

[This Plan refers to the SFPUC's and Wholesale Customers' respective shares of available water so established as the SFPUC's and Wholesale Customers' Tier 1 allocations.](#) The water allocated to the SFPUC shall correspond to the total allocation for all Retail Customers. In the event that the SFPUC share of the available water supply in the above table results in Retail Customers having a positive allocation (i.e., a supply of additional water rather than a required percentage reduction in water use), the SFPUC's percentage share of the available water supply in the table shall be reduced to eliminate any positive allocation to Retail Customers, with a corresponding increase in the percentage share of the available water supply allocated to the Wholesale Customers. For any level of required reduction in system-wide water use during shortages, the SFPUC shall require Retail Customers to conserve a minimum of 5%, with any resulting reallocated supply credited to storage for inclusion in calculation of projected available water SFPUC water supply in a subsequent year (Section 1.1).

The parties agree to reevaluate the percentages of the available water supply allocated to Retail and Wholesale Customers by May 1, 2028.

2.2 Annual [Tier 2](#) Allocations among the Wholesale Customers. The annual water supply allocated to the Wholesale Customers collectively during system wide shortages of 20 percent or less ([i.e., the Wholesale Customers' Tier 1 allocation](#)) will be apportioned among them based on a methodology, [known as the Tier 2 Plan, that has been separately](#) adopted by all of the Wholesale Customers, [and not the SFPUC](#), as described in Section 3.11(C) of the Agreement. In any year for which the methodology must be applied, the Bay Area Water Supply and Conservation Agency ("BAWSCA") will calculate each Wholesale Customer's individual percentage share of the amount of water allocated to the Wholesale Customers collectively pursuant to Section 2.1. Following the declaration or reconfirmation of a water shortage emergency by the SFPUC, BAWSCA will deliver to the SFPUC General Manager a list, signed by the President of BAWSCA's Board of Directors and its General Manager, showing each Wholesale Customer together with its percentage share and stating that the list has been prepared in accordance with the methodology adopted by the Wholesale Customers. The SFPUC shall allocate water to each Wholesale Customer, as specified in the list. The shortage allocations so established ([known as Tier 2](#)

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[allocations](#)) may be transferred as provided in Section 2.5 of this Plan. If BAWSCA or all Wholesale Customers do not provide the SFPUC with individual allocations, the SFPUC may make a final allocation decision after first meeting and discussing allocations with BAWSCA and the Wholesale Customers.

The [Tier 2 Plan](#) methodology adopted by the Wholesale Customers utilizes the rolling average of each individual Wholesale Customer's purchases from the SFPUC during the three immediately preceding Supply Years. The SFPUC agrees to provide BAWSCA by November 1 of each year a list showing the amount of water purchased by each Wholesale Customer during the immediately preceding Supply Year. The list will be prepared using Customer Service Bureau report MGT440 (or comparable official record in use at the time), adjusted as required for any reporting errors or omissions, and will be transmitted by the SFPUC General Manager or his designee.

2.3. Limited Applicability of Plan to System Wide Shortages Greater Than Twenty Percent. The [Tier 1](#) allocations of water between the SFPUC and the Wholesale Customers collectively, provided for in Section 2.1, apply only to shortages of 20 percent or less. The SFPUC and Wholesale Customers recognize the possibility of a drought occurring which could create system-wide shortages greater than 20 percent despite actions taken by the SFPUC aimed at reducing the probability and severity of water shortages in the SFPUC service area. If the SFPUC determines that a system wide water shortage greater than 20 percent exists, the SFPUC and the Wholesale Customers agree to meet within 10 days and discuss whether a change is required to the allocation set forth in Section 2.1 in order to mitigate undue hardships that might otherwise be experienced by individual Wholesale Customers or Retail Customers. Following these discussions, the Tier 1 ~~water~~ allocations set forth in Section 2.1 of this Plan, or a modified version thereof, may be adopted by mutual written consent of the SFPUC and the Wholesale Customers. If the SFPUC and Wholesale Customers meet and cannot agree on an appropriate Tier 1 allocation within 30 days of the SFPUC's determination of water shortage greater than 20 percent, then (1) the provisions of Section 3.11(C) of the Agreement will apply, unless (2) all of the Wholesale Customers direct in writing that a Tier 2 allocation methodology agreed to by them be used to apportion the water to be made available to the Wholesale Customers collectively, in lieu of the provisions of Section 3.11(C).

The provisions of this Plan relating to transfers (in Section 2.5), banking (in Section 3), and excess use charges (in Section 4) shall continue to apply during system-wide shortages greater than 20 percent.

2.4. Monthly Water Budgets. Within 10 days after adopting a declaration of water shortage emergency, the SFPUC will determine the amount of Tier 1 water allocated to the Wholesale Customers collectively pursuant to Section 2.1. The SFPUC General Manager, using the Tier 2 allocation percentages shown on the list delivered by BAWSCA pursuant to Section 2.2, will calculate each Wholesale Customer's individual annual [Tier 2](#) allocation. The SFPUC General Manager, or his designee, will then provide each Wholesale Customer with a proposed schedule of monthly water budgets based on the pattern of monthly water purchases during the Supply Year immediately preceding the declaration of shortage (the "Default Schedule"). Each Wholesale Customer may, within two weeks of receiving its Default Schedule, provide the SFPUC with an alternative monthly water budget that reschedules its annual Tier 2 ~~shortage~~ allocation over the course of the succeeding Supply Year. If a Wholesale Customer does not deliver an alternative monthly water budget to the SFPUC within two weeks of its receipt of the Default Schedule, then its monthly budget for the ensuing Supply Year shall be the Default Schedule proposed by the SFPUC.

Monthly Wholesale Customer water budgets will be derived from annual Tier 2 allocations for purposes of accounting for excess use. Monthly Wholesale Customer water budgets shall be adjusted during the year to account for transfers of shortage allocation under Section 2.5 and transfers of banked water under Section 3.4.

2.5. Transfers of Shortage Allocations. Voluntary transfers of shortage allocations between the SFPUC and any Wholesale Customers, and between any Wholesale Customers, will be permitted using the same procedure as that for transfers of banked water set forth in Section 3.4. The SFPUC and BAWSCA shall be notified of each transfer. Transfers of shortage allocations shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. Transfers of shortage allocations shall be in compliance with Section 3.05 of the Agreement. The transferring parties will meet with the SFPUC, if requested, to discuss any effect the transfer may have on its operations.

SECTION 3. SHORTAGE WATER BANKING

3.1. Water Bank Accounts. The SFPUC shall create a water bank account for itself and each Wholesale Customer during shortages in conjunction with its resale customer billing process. Bank accounts will account for amounts of water that are either saved or used in excess of the shortage allocation for each agency; the accounts are not used for tracking billings and payments. When a shortage period is in effect (as defined in Section 1.4), the following provisions for bank credits, debits, and transfers shall be in force. A statement of bank balance for each Wholesale Customer will be included with the SFPUC's monthly water bills.

3.2. Bank Account Credits. Each month, monthly purchases will be compared to the monthly budget for that month. Any unused shortage allocation by an agency will be credited to that agency's water bank account. Credits will accumulate during the entire shortage period, subject to potential restrictions imposed pursuant to Section 3.2.1. Credits remaining at the end of the shortage period will be zeroed out; no financial or other credit shall be granted for banked water.

3.2.1. Maximum Balances. The SFPUC may suspend the prospective accumulation of credits in all accounts. Alternatively, the SFPUC may impose a ceiling on further accumulation of credits in water bank balances based on a uniform ratio of the bank balance to the annual water allocation. In making a decision to suspend the prospective accumulation of water bank credits, the SFPUC shall consider the available water supply as set forth in Section 1.1 of this Plan and other reasonable, relevant factors.

3.3. Account Debits. Each month, monthly purchases will be compared to the budget for that month. Purchases in excess of monthly budgets will be debited against an agency's water bank account. Bank debits remaining at the end of the fiscal year will be subject to excess use charges (see Section 4).

3.4. Transfers of Banked Water. In addition to the transfers of shortage allocations provided for in Section 2.5, voluntary transfers of banked water will also be permitted between the SFPUC and any Wholesale Customer, and among the Wholesale Customers. The volume of transferred water will be credited to the transferee's water bank account and debited against the transferor's water bank account. The transferring parties must notify the SFPUC and BAWSCA of each transfer in writing (so that adjustments can be made to bank accounts), and will meet with the SFPUC, if requested, to discuss any affect the transfer may have on SFPUC operations. Transfers of banked water shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. If the SFPUC incurs extraordinary costs in implementing transfers, it will give written notice to the transferring parties within ten (10) business days after receipt of notice of the transfer. Extraordinary costs means additional costs directly attributable to accommodating transfers and which are not incurred in non-drought years nor simply as a result of the shortage condition itself. Extraordinary costs shall be calculated in accordance with the procedures in the Agreement and shall be subject to the disclosure and auditing requirements in the Agreement. In the case of transfers between Wholesale Customers, such extraordinary costs shall be considered to be expenses chargeable solely to individual Wholesale Customers and shall be borne equally by the parties to the transfer. In the case of

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transfers between the SFPUC and a Wholesale Customer, the SFPUC's share of any extraordinary transfer costs shall not be added to the Wholesale Revenue Requirement.

3.4.1. Transfer Limitations. The agency transferring banked water will be allowed to transfer no more than the accumulated balance in its bank. Transfers of estimated prospective banked credits and the "overdrafting" of accounts shall not be permitted. The price of transfer water originally derived from the SFPUC system is to be determined by the transferring parties and is not specified herein. Transfers of banked water shall be in compliance with Section 3.05 of the Agreement.

SECTION 4. WHOLESALE EXCESS USE CHARGES

4.1. Amount of Excess Use Charges. Monthly excess use charges shall be determined by the SFPUC at the time of the declared water shortage consistent with the calendar in Section 6 and in accordance with Section 6.03 of the Agreement. The excess use charges will be in the form of multipliers applied to the rate in effect at the time the excess use occurs. The same excess use charge multipliers shall apply to the Wholesale Customers and all Retail Customers. The excess use charge multipliers apply only to the charges for water delivered at the rate in effect at the time the excess use occurred.

4.2 Monitoring Suburban Water Use. During periods of voluntary rationing, water usage greater than a customer's allocation (as determined in Section 2) -will be indicated on each SFPUC monthly water bill. During periods of mandatory rationing, monthly and cumulative water usage greater than a Wholesale Customer's shortage allocation and the associated excess use charges will be indicated on each SFPUC monthly water bill.

4.3. Suburban Excess Use Charge Payments. An annual reconciliation will be made of monthly excess use charges according to the calendar in Section 6. Annual excess use charges will be calculated by comparing total annual purchases for each Wholesale Customer with its annual shortage allocation (as adjusted for transfers of shortage allocations and banked water, if any). Excess use charge payments by those Wholesale Customers with net excess use will be paid according to the calendar in Section 6. The SFPUC may dedicate excess use charges paid by Wholesale Customers toward the purchase of water from the State Drought Water Bank or other willing sellers in order to provide additional water to the Wholesale Customers. Excess use charges paid by the Wholesale Customers constitute Wholesale Customer revenue and shall be included within the SFPUC's annual Wholesale Revenue Requirement calculation.

4.4. Tier 1 Family Plan. During periods of mandatory rationing, the SFPUC will not assess excess use charges on any of the Wholesale Customers if the Wholesale Customers' collective cumulative purchases over the course of the Supply Year are less than the Wholesale Customers' Tier 1 allocation, as set forth in Section 2.1. If the Wholesale Customers' collective cumulative purchases exceed the Wholesale Customers' Tier 1 allocation, the SFPUC shall assess excess use charges on each individual Wholesale Customer that exceeded its individual Tier 2 allocation (established in accordance with Section 2.2) over the course of the Supply Year in proportion to each individual Wholesale Customer's share of the collective Wholesale Customers' purchases that exceeded the Wholesale Customers' Tier 1 allocation.

SECTION 5. GENERAL PROVISIONS GOVERNING WATER SHORTAGE ALLOCATION PLAN

5.1. Construction of Terms. This Plan is for the sole benefit of the parties and shall not be construed as granting rights to any person other than the parties or imposing obligations on a party to any person other than another party.

5.2. Governing Law. This Plan is made under and shall be governed by the laws of the State of California.

5.3. Effect on Agreement. This Plan describes the method for allocating water between the SFPUC and the collective Wholesale Customers during system-wide water shortages of 20 percent or less. This Plan also provides for the SFPUC to allocate water among the Wholesale Customers in accordance with directions provided by the Wholesale Customers through BAWSCA under Section 2.2, and to implement a program by which such allocations may be voluntarily transferred among the Wholesale Customers. The provisions of this Plan are intended to implement Section 3.11(C) of the Agreement and do not affect, change or modify any other section, term or condition of the Agreement.

5.4. Inapplicability of Plan to Allocation of SFPUC System Water During Non-Shortage Periods.

The SFPUC's agreement in this Plan to a respective share of SFPUC system water during years of shortage shall not be construed to provide a basis for the allocation of water between the SFPUC and the Wholesale Customers when no water shortage emergency exists.

5.5. Termination. This Plan shall expire at the end of the Term of the Agreement~~-. The SFPUC and the Wholesale Customers can mutually agree to revise or terminate this Plan prior to that date due to changes in the water delivery capability of the SFPUC system, the acquisition of new water supplies, and other factors affecting the availability of water from the SFPUC system during times of shortage.~~

SECTION 5. ALLOCATION CALENDAR

6.1. Annual Schedule. The annual schedule for the shortage allocation process is shown below. This schedule may be changed by the SFPUC to facilitate implementation.

6.1.1

In All Years	Target Dates
1. SFPUC delivers list of annual purchases by each Wholesale Customer during the immediately preceding Supply Year	November 1
2. SFPUC meets with the Wholesale Customers and presents water supply forecast for the following Supply Year	February
3. SFPUC issues initial estimate of available water supply	February 1
4. SFPUC announces potential first year of drought (if applicable)	February 1
5. SFPUC and Wholesale Customers meet upon request to exchange information concerning water availability and projected system-wide purchases	February 1-May 31
6. SFPUC issues revised estimate of available water supply, and confirms continued potential shortage conditions, if applicable	March 1
7. SFPUC issues final estimate of available water supply	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
8. SFPUC determines amount of water available to Wholesale Customers collectively	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water

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supply for the coming year.

In Drought Years	Target Dates
9. SFPUC formally declares the existence of water shortage emergency (or end of water shortage emergency, if applicable) under Water Code Sections 350 et. seq.	April 15-30
10. SFPUC declares the need for a voluntary or mandatory response	April 15-30
11. BAWSCA submits calculation to SFPUC of individual Wholesale Customers' percentage shares of water allocated to Wholesale Customers collectively	April 15- 30
12. SFPUC determines individual shortage allocations, based on BAWSCA's submittal of individual agency percentage shares to SFPUC, and monthly water budgets (Default Schedule)	April 25—May 10
13. Wholesale Customers submit alternative monthly water budgets (optional)	May 8-May 24
14. Final drought shortage allocations are issued for the Supply Year beginning July 1 through June 30	June 1
15. Monthly water budgets become effective	July 1
16. Excess use charges indicated on monthly Suburban bills	August 1 (of the beginning year) through June 30 (of the succeeding year)
17. Excess use charges paid by Wholesale Customers for prior year	August of the succeeding year

3.07. Restrictions on Purchases of Water from Others; Minimum Annual Purchases

A. Each Wholesale Customer (except for Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale) agrees that it will not contract for, purchase or receive, with or without compensation, directly or indirectly, from any person, corporation, governmental agency or other entity, any water for delivery or use within its service area without the prior written consent of San Francisco.

B. The prohibition in subsection A does not apply to:

1. recycled water;
2. water necessary on an emergency and temporary basis, provided that the Wholesale Customer promptly gives San Francisco notice of the nature of the emergency, the amount of water that has been or is to be purchased, and the expected duration of the emergency; or
3. water in excess of a Wholesale Customer's Individual Supply Guarantee.

C. Minimum Annual Purchase Quantities. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco. These Minimum Annual Purchase Quantities are set out in Attachment E and shall also be included in the Individual Water Sales Contracts between San Francisco and each of these four Wholesale Customers (collectively referred to as the Original Minimum Purchase Customers). Pursuant to Section 3.04, certain Wholesale Customers may also be required to purchase Temporary Modified Minimum Annual Purchase Quantities, set out in Attachment E-1, from San Francisco. Attachment E will be updated pursuant to Section 3.04 to reflect any reduction in existing Minimum Annual Purchase Quantities and any addition of new Minimum Annual Purchase Quantities when Temporary Modified Minimum Annual Purchase Quantities expire and are removed from Attachment E-1; Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under Section 3.04 will similarly be amended, as necessary.

1. Annual Notice. After the end of each fiscal year, the SFPUC will send a written notice to each Wholesale Customer with a Minimum Annual Purchase Quantity, or a Temporary Modified Minimum Annual Purchase Quantity with a copy to BAWSCA. The notice will include:

- (a) the quantity of water delivered to each of those Wholesale Customers individually and all of the Original Minimum Purchase Customers collectively during the previous fiscal year;
- (b) each Wholesale Customer's individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable, under Section 3.07.C.2);
- (c) whether or not each Wholesale Customer met its individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable);
- (d) whether or not the Original Minimum Purchase Customers collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities (as adjusted for a Rebound Year, if applicable);
- (e) any Imputed Sales charged to the Wholesale Customers; and
- (f) the status of any Temporary Modified Minimum Annual Purchase Quantities of the Wholesale Customers.

2. Waiver and Rebound Year. The minimum annual purchase requirements set out in Attachments E and E-1 will be waived during a Drought or other period of water shortage if the water San Francisco makes available to these Wholesale Customers is less than their Minimum Annual Purchase Quantities or Temporary Modified Minimum Annual Purchase Quantities, and may be waived during a state of emergency declared by the Governor of California that impacts water supply use or deliveries from the Regional Water System. Once the waiver is no longer in effect, each of the minimum annual purchase requirements set out in Attachments E and E-1 shall be temporarily set, for one full fiscal year (referred to as the Rebound Year), to the midpoint between (1) the Wholesale Customer's actual San Francisco purchases for the final year in which the waiver was in effect, up to a maximum of the Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity, and (2) the Wholesale Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity set out in Attachment E or Attachment E-1, as applicable. Any fiscal year in which a Wholesale Customer meets its Rebound Year-adjusted Temporary Modified Minimum Annual Purchase Quantity, but not its standard Temporary Modified Minimum Annual Purchase Quantity, will not count as a fiscal year in which the Wholesale Customer has met or exceeded its Temporary Modified Minimum Purchase Quantity for the purposes of Section 3.04.C(4)(a).

D. Minimum Annual Purchase Quantity Reset. As shown on Attachment E, in Fiscal

Year 2025-26, the Parties reset the then-existing Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers to 80% of the average San Francisco purchases of each Customer over the four most recent non-drought years preceding Fiscal Year 2024-25, effective for Fiscal Year 2024-25. If the Parties extend the Term of this Agreement beyond June 30, 2034 pursuant to Section 2.02, the Parties will review the Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers again ten years after the Fiscal Year 2025-26 reset. If the Original Minimum Purchase Customers, or San Francisco, want to propose a reset of the Minimum Annual Purchase Quantities for Fiscal Year 2035-36, they will provide written notice on or before June 30, 2034. The Parties will meet and confer promptly to evaluate written reset proposals. By November 30, 2035, if the Parties have come to an agreement, the SFPUC will calculate the revised Minimum Annual Purchase Quantities based on the agreed upon methodology and provide written notice to the Original Minimum Purchase Customers and BAWSCA. The Original Minimum Purchase Customers will have at least 15 business days to review and meet and confer with the SFPUC with any questions or concerns before the revised quantities are finalized. If the Parties are unable to come to an agreement, the then-existing Minimum Annual Purchase Quantities will remain unchanged. Any changes to the Minimum Annual Purchase Quantities under this Section 3.07.D will be reflected in a revised Attachment E approved with the written concurrence of San Francisco and BAWSCA in accordance with Section 2.03.C. The Parties intend to include a continuing, periodic review of the Minimum Annual Purchase Quantities on a ten-year schedule in the successor to this Agreement.

E. Collective Minimum Annual Purchase Quantities Considered Before Application of Imputed Sales. Imputed Sales will not apply to any of the individual Original Minimum Purchase Customers in a particular fiscal year if those Customers have collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities shown in Attachment E (or adjusted for a Rebound Year pursuant to Section 3.07.C.2, if applicable). If the Original Minimum Purchase Customers do not collectively purchase that sum, any Original Minimum Purchase Customer that has not met its standard or Rebound Year-adjusted Minimum Annual Purchase Quantity will be responsible for Imputed Sales proportional to its share of the difference between that sum and the Original Minimum Purchase Customers' total purchases from San Francisco. Examples of this calculation are contained in Attachment E-3.

Proposed 2025 Amended and Restated Water Supply Agreement: Sections 2.03, 3.09, and 9.07, and Attachment A Definitions.

2.03. Amendments.

C. Amendments to Attachments. The following attachments may be amended with the written concurrence of San Francisco and BAWSCA on behalf of the Wholesale Customers:

<u>Attachment</u>	<u>Name</u>
C	Individual Supply Guarantees (amendments reflecting Section 3.04 transfers only)
E	Minimum Annual Purchase Quantities (amendments reflecting Section 3.04 transfers and Section 3.07 resets only)
E-1	Temporary Modified Minimum Annual Purchase Quantities
G	Water Quality Notification and Communications Plan (as may be amended)
J	Water Use Measurement and Tabulation
L-1	Identification of WSIP Projects as Regional/Retail
N-1	Balancing Account/Rate Setting Calculation Table
N-2	Wholesale Revenue Requirement Schedules
N-3	Schedule of Projected Water Sales, Wholesale Revenue Requirement and Wholesale Rates
P	Management Representation Letter
R	Classification of Existing System Assets (subject to Section 5.11)

Amendments to these attachments shall be approved on behalf of San Francisco by the Commission and on behalf of BAWSCA by its Board of Directors, unless the Commission by resolution delegates such authority to the General Manager of the SFPUC or the Board of Directors by resolution delegates such authority to the General Manager/CEO of BAWSCA.

3.09. Completion of WSIP

San Francisco will complete construction of the physical facilities in the WSIP by June 30, 2032. The SFPUC agrees to provide for full public review and comment by local and state interests of any proposed changes that delay previously adopted project completion dates or that delete projects. The SFPUC shall meet and consult with BAWSCA before proposing to the Commission any changes in the scope of WSIP projects which reduce their capacity or ability to achieve adopted Level of Service Goals and Objectives. The SFPUC retains discretion to determine whether to approve the physical facilities in the WSIP until after it completes the CEQA process as set forth in Section 4.07.

9.07. City of Brisbane, Guadalupe Valley Municipal Improvement District, Town of Hillsborough

A. The parties acknowledge that San Francisco has heretofore provided certain quantities of water to the City of Brisbane ("Brisbane"), Guadalupe Valley Municipal Improvement District ("Guadalupe") and the Town of Hillsborough ("Hillsborough") at specified rates or without charge pursuant to obligations arising out of agreements between the predecessors of San Francisco and these parties, which agreements are referred to in judicial orders, resolutions of the SFPUC and/or the 1960 contracts between San Francisco and Brisbane, Guadalupe and Hillsborough. The parties intend to continue those arrangements and accordingly agree as follows:

1. Nothing in this Agreement is intended to alter, amend or modify the terms of SFPUC Resolution No. 74-0053 or the indenture of July 18, 1908 between the Guadalupe Development Company and the Spring Valley Water Company.

2. Nothing in this Agreement is intended to alter, amend or modify the Findings of Fact and Conclusions of Law and Judgment dated May 25, 1961 in that certain action entitled City and County of San Francisco v. Town of Hillsborough in the Superior Court of the State of California in and for the County of Marin, No. 23282, as modified by the Satisfaction of Judgment filed October 23, 1961 and the Compromise and Release between Hillsborough and San Francisco dated August 22, 1961. The rights and obligations of Hillsborough under these documents shall continue as therein set forth.

3. Nothing in this Agreement is intended to affect or prejudice any claims, rights or remedies of Guadalupe or of Crocker Estate Company, a corporation, or of Crocker

Land Company, a corporation, or of San Francisco, or of their successors and assigns, respectively, with respect to or arising out of that certain deed dated May 22, 1884, from Charles Crocker to Spring Valley Water Works, a corporation, recorded on May 24, 1884, in Book 37 of Deeds at page 356, Records of San Mateo County, California, as amended by that certain Deed of Exchange of Easements in Real Property and Agreement for Trade in Connection Therewith, dated July 29, 1954, recorded on August 4, 1954, in Book 2628, at page 298, Official Records of said San Mateo County, or with respect to or arising out of that certain action involving the validity or enforceability of certain provisions of said deed entitled City and County of San Francisco v. Crocker Estate Company, in the Superior Court of the State of California in and for the County of Marin, No. 23281.

Attachment A - Definitions

“Imputed Sales” apply when a Wholesale Customer does not meet the minimum annual purchase requirements of Section 3.07.C, as shown on Attachment E and Attachment E-1, except in fiscal years in which a waiver of these requirements is in effect. Imputed Sales are calculated as the difference between (1) a Wholesale Customer’s metered water purchases during a fiscal year, from July 1 to June 30, and (2) the larger of (a) or (b) as follows: (a) the Wholesale Customer’s Minimum Annual Purchase Quantity, as specified in Attachment E and may be adjusted pursuant to Section 3.07.C.2, or (b) the Wholesale Customer’s Temporary Modified Minimum Annual Purchase Quantity, as specified in Attachment E-1 and may be adjusted pursuant to Section 3.07.C.2. If a Wholesale Customer has more than one Temporary Modified Minimum Annual Purchase Quantity, the largest quantity is used for calculating Imputed Sales. Imputed Sales are considered wholesale water usage for the purposes of calculating the Proportional Annual Use, and any fees charged for Imputed Sales are considered wholesale revenues.

“Level of Service Goals and Objectives” refers to the “Phased WSIP Goals and Objectives” adopted by the Commission in Resolution No. 08-0200 dated October 30, 2008 as part of the approval of the WSIP, as updated and expanded by the “2023 Amended and Updated Water Enterprise Level of Service Goals and Objectives,” adopted by the Commission in Resolution No. 23-0210 dated November 28, 2023, and any amendments that may be adopted by the Commission.

ATTACHMENT E

MINIMUM ANNUAL PURCHASE QUANTITIES

(Section 3.07.C)

AGENCY	MINIMUM ANNUAL PURCHASE QUANTITY (IN MGD) ¹
Alameda County Water District	6.682
City of Milpitas	4.371
City of Mountain View	6.047
City of Sunnyvale	7.412

¹ In Fiscal Year (FY) 2025-26, the then-existing Minimum Annual Purchase Quantities for Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale were reset to 80% of each of those four customers' average San Francisco purchases over the four non-drought years preceding FY 2024-25 (FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21), effective FY 2024-25. Prior to this reset, from the effective date of this Agreement (July 1, 2009) through FY 2023-24, those four customers had the following Minimum Annual Purchase Quantities:

1. Alameda County Water District: 7.648 MGD
2. City of Milpitas: 5.341 MGD
3. City of Mountain View: 8.930 MGD
4. City of Sunnyvale: 8.930 MGD

ATTACHMENT E-3

ILLUSTRATION ONLY

ATTACHMENT E-3

Illustrations of Imputed Sales Considering Collective Regional Water System Use by Original Minimum Purchase Customers Compared to Sum of Minimum Annual Purchase Quantities Pursuant to Section 3.07.E

Scenario 1: Collective Purchases Equal to or Greater Than Sum of MAPQs¹ (No Imputed Sales)²

Line #	Wholesale Customer	A	B	C	D	$E = (D[\text{LINE \#}] / D5) \times (B5 - A5)$
		MAPQ	RWS ³ Use (mgd)	RWS Over MAPQ (mgd)	RWS Under MAPQ (mgd)	Proportion of Use Under Total MAPQ (mgd)
1	Alameda County Water District	6.682	7.682	1.00		N/A
2	City of Milpitas	4.371	3.871		-0.50	N/A
3	City of Mountain View	6.047	5.047		-1.00	N/A
4	City of Sunnyvale	7.412	7.912	0.50		N/A
5	Total	24.512	24.512	1.50	-1.50	N/A

Scenario 2: Collective Purchases Less Than Sum of MAPQs (by 1.0 mgd) (Imputed Sales)⁴

Line #	Wholesale Customer	A	B	C	D	$E = (D[\text{LINE \#}] / D5) \times (B5 - A5)$
		MAPQ	RWS Use (mgd)	RWS Over MAPQ (mgd)	RWS Under MAPQ (mgd)	Proportion of Use Under Total MAPQ (mgd)
1	Alameda County Water District	6.682	7.182	0.50		N/A
2	City of Milpitas	4.371	3.871		-0.50	-0.25
3	City of Mountain View	6.047	4.547		-1.50	-0.75
4	City of Sunnyvale	7.412	7.912	0.50		N/A
5	Total	24.512	23.512	1.00	-2.00	-1.0

¹ Minimum Annual Purchase Quantity (MAPQ)

² In Scenario 1, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5B) are equal to the sum of their Minimum Annual Purchase Quantities (Line 5A). Therefore, no Imputed Sales are applied to individual Original Minimum Purchase Customers that purchased less than their individual Minimum Annual Purchase Quantities (in this scenario, Milpitas and Mountain View).

³ Regional Water System (RWS)

⁴ In Scenario 2, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5B) are 1.0 mgd less than the sum of their Minimum Annual Purchase Quantities (Line 5A). Therefore, Imputed Sales are applied proportionally to any individual Original Minimum Purchase Customer that purchased less than its individual Minimum Annual Purchase Quantity (in this scenario, Milpitas and Mountain View), so that customer is responsible for its share of the difference between the sum of all Minimum Annual Purchase Quantities (Line 5A) and the collective amount of RWS use (Line 5B). In this scenario, Mountain View is responsible for 75% and Milpitas is responsible for 25% of the 1.0 mgd difference between Line 5A and Line 5B.

Scenario 3: Collective Purchases Equal to or Greater Than Sum of MAPQs – with Rebound Year-Adjusted MAPQs (No Imputed Sales)⁵

Line #	Wholesale Customer	A	B	C = A - ((A[LINE #] - B[LINE #]) / 2)	D	E	F	G = (F[LINE #] / F5) × (D5 - C5)
		MAPQ	RWS Use in Waiver's Final Year	Rebound Year-Adjusted MAPQ	RWS Use (mgd)	RWS Over Rebound Year- Adjusted MAPQ (mgd)	RWS Under Rebound Year- Adjusted MAPQ (mgd)	Proportion of Use Under Total Rebound Year-Adjusted MAPQ (mgd)
1	Alameda County Water District	6.682	5.682	6.182	7.512	1.33		N/A
2	City of Milpitas	4.371	3.371	3.871	3.591		-0.28	N/A
3	City of Mountain View	6.047	5.047	5.547	4.847		-0.70	N/A
4	City of Sunnyvale	7.412	6.412	6.912	7.782	0.87		N/A
5	Total	24.512	20.512	22.512	23.732	2.20	-0.98	N/A

⁵ In Scenario 3, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5D) are greater than the sum of their Rebound Year-adjusted Minimum Annual Purchase Quantities that are currently in effect pursuant to Section 3.07.C.2 (Line 5C). Therefore, no Imputed Sales are applied to individual Original Minimum Purchase Customers that purchased less than their individual Rebound Year-adjusted Minimum Annual Purchase Quantities (in this scenario, Milpitas and Mountain View).

ATTACHMENT H

WATER SHORTAGE ALLOCATION PLAN

This Water Shortage Allocation Plan (“Plan”), also known as the Tier 1 Shortage Plan, describes the method for allocating water between the San Francisco Public Utilities Commission (“SFPUC”), on the one hand, and the Wholesale Customers collectively, on the other, during shortages caused by drought. The Plan also implements a method for allocating water among the individual Wholesale Customers, known as the Tier 2 Drought Response Implementation Plan (“Tier 2 Plan”), which has separately been adopted by the Wholesale Customers and does not include the SFPUC. The Plan includes provisions for transfers, banking, and excess use charges. The Plan applies only when the SFPUC determines that a system-wide water shortage due to drought exists, and all references to “shortages” and “water shortages” are to be so understood. This Plan was initially adopted pursuant to Section 7.03(a) of the 1984 Settlement Agreement and Master Water Sales Contract and has been incorporated and updated to correspond to the terminology used in the 2009 Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (“Agreement”), as amended and restated from time to time.

SECTION 1. SHORTAGE CONDITIONS

1.1. Projected Available SFPUC Water Supply. The SFPUC shall make an annual determination as to whether or not a shortage condition exists. The determination of projected available water supply shall consider, among other things, stored water, projected runoff, water acquired by the SFPUC from non-SFPUC sources, inactive storage, reservoir losses, allowance for carryover storage, and water bank balances, if any, described in Section 3.

1.2 Projected SFPUC Customer Purchases. The SFPUC will utilize purchase data, including volumes of water purchased by the Wholesale Customers and by Retail Customers (as those terms are used in the Agreement) in the year immediately prior to the drought, along with other available relevant information, as a basis for determining projected system-wide water purchases from the SFPUC for the upcoming Supply Year (defined as the period from July 1 through June 30).

1.3. Shortage Conditions. The SFPUC will compare the projected available water supply (Section 1.1) with projected system-wide water purchases (Section 1.2). A shortage condition exists if the SFPUC determines that the projected available water supply is less than projected system-wide water purchases in the upcoming Supply Year. When a shortage condition exists, SFPUC will determine whether voluntary or mandatory actions will be required to reduce purchases of SFPUC water to required levels.

1.3.1 Voluntary Response. If the SFPUC determines that voluntary actions will be sufficient to accomplish the necessary reduction in water use throughout its service area, the SFPUC and the Wholesale Customers will make good faith efforts to reduce their water purchases to stay within their annual Tier 1 and Tier 2 allocations as applicable (see Section 2 of this Attachment H) and associated monthly water use budgets. The SFPUC will not impose excess use charges during periods of voluntary rationing, but may suspend the prospective accumulation of water bank credits, or impose a ceiling on further accumulation of bank credits, consistent with Section 3.2.1 of this Plan.

1.3.2 Mandatory Response. If the SFPUC determines that mandatory actions will be required to accomplish the necessary reduction in water use in the SFPUC service area, the SFPUC may implement excess use charges as set forth in Section 4 of this Plan.

1.4. Period of Shortage. A shortage period commences when the SFPUC determines that a water shortage exists, as set forth in a declaration of water shortage emergency issued by the SFPUC pursuant to

California Water Code Sections 350 et seq. Termination of the water shortage emergency will be declared by resolution of the SFPUC.

SECTION 2. SHORTAGE ALLOCATIONS

2.1. Annual Tier 1 Allocations between the SFPUC and the Wholesale Customers. The annual water supply available during shortages will be allocated between the SFPUC and the collective Wholesale Customers as follows:

Level of System Wide Reduction in Water Use Required	Share of Available Water	
	SFPUC Share	Wholesale Customers Share
5% or less	35.5%	64.5%
6% through 10%	36.0%	64.0%
11% through 15%	37.0%	63.0%
16% through 20%	37.5%	62.5%

This Plan refers to the SFPUC's and Wholesale Customers' respective shares of available water so established as the SFPUC's and Wholesale Customers' Tier 1 allocations. The water allocated to the SFPUC shall correspond to the total allocation for all Retail Customers. In the event that the SFPUC share of the available water supply in the above table results in Retail Customers having a positive allocation (i.e., a supply of additional water rather than a required percentage reduction in water use), the SFPUC's percentage share of the available water supply in the table shall be reduced to eliminate any positive allocation to Retail Customers, with a corresponding increase in the percentage share of the available water supply allocated to the Wholesale Customers. For any level of required reduction in system-wide water use during shortages, the SFPUC shall require Retail Customers to conserve a minimum of 5%, with any resulting reallocated supply credited to storage for inclusion in calculation of projected available water SFPUC water supply in a subsequent year (Section 1.1).

The parties agree to reevaluate the percentages of the available water supply allocated to Retail and Wholesale Customers by May 1, 2028.

2.2 Annual Tier 2 Allocations among the Wholesale Customers. The annual water supply allocated to the Wholesale Customers collectively during system wide shortages of 20 percent or less (i.e., the Wholesale Customers' Tier 1 allocation) will be apportioned among them based on a methodology, known as the Tier 2 Plan, that has been separately adopted by all of the Wholesale Customers, and not the SFPUC, as described in Section 3.11(C) of the Agreement. In any year for which the methodology must be applied, the Bay Area Water Supply and Conservation Agency ("BAWSCA") will calculate each Wholesale Customer's individual percentage share of the amount of water allocated to the Wholesale Customers collectively pursuant to Section 2.1. Following the declaration or reconfirmation of a water shortage emergency by the SFPUC, BAWSCA will deliver to the SFPUC General Manager a list, signed by the President of BAWSCA's Board of Directors and its General Manager, showing each Wholesale Customer together with its percentage share and stating that the list has been prepared in accordance with the methodology adopted by the Wholesale Customers. The SFPUC shall allocate water to each Wholesale Customer, as specified in the list. The shortage allocations so established (known as Tier 2 allocations) may be transferred as provided in Section 2.5 of this Plan. If BAWSCA or all Wholesale Customers do not provide the SFPUC with individual allocations, the SFPUC may make a final allocation decision after first meeting and discussing allocations with BAWSCA and the Wholesale Customers.

The Tier 2 Plan methodology adopted by the Wholesale Customers utilizes the rolling average of each individual Wholesale Customer's purchases from the SFPUC during the three immediately preceding Supply Years. The SFPUC agrees to provide BAWSCA by November 1 of each year a list showing the amount of water purchased by each Wholesale Customer during the immediately preceding Supply Year. The list will be prepared using Customer Service Bureau report MGT440 (or comparable official record in use at the time), adjusted as required for any reporting errors or omissions, and will be transmitted by the SFPUC General Manager or his designee.

2.3. Limited Applicability of Plan to System Wide Shortages Greater Than Twenty Percent. The Tier 1 allocations of water between the SFPUC and the Wholesale Customers collectively, provided for in Section 2.1, apply only to shortages of 20 percent or less. The SFPUC and Wholesale Customers recognize the possibility of a drought occurring which could create system-wide shortages greater than 20 percent despite actions taken by the SFPUC aimed at reducing the probability and severity of water shortages in the SFPUC service area. If the SFPUC determines that a system wide water shortage greater than 20 percent exists, the SFPUC and the Wholesale Customers agree to meet within 10 days and discuss whether a change is required to the allocation set forth in Section 2.1 in order to mitigate undue hardships that might otherwise be experienced by individual Wholesale Customers or Retail Customers. Following these discussions, the Tier 1 allocations set forth in Section 2.1 of this Plan, or a modified version thereof, may be adopted by mutual written consent of the SFPUC and the Wholesale Customers. If the SFPUC and Wholesale Customers meet and cannot agree on an appropriate Tier 1 allocation within 30 days of the SFPUC's determination of water shortage greater than 20 percent, then (1) the provisions of Section 3.11(C) of the Agreement will apply, unless (2) all of the Wholesale Customers direct in writing that a Tier 2 allocation methodology agreed to by them be used to apportion the water to be made available to the Wholesale Customers collectively, in lieu of the provisions of Section 3.11(C).

The provisions of this Plan relating to transfers (in Section 2.5), banking (in Section 3), and excess use charges (in Section 4) shall continue to apply during system-wide shortages greater than 20 percent.

2.4. Monthly Water Budgets. Within 10 days after adopting a declaration of water shortage emergency, the SFPUC will determine the amount of Tier 1 water allocated to the Wholesale Customers collectively pursuant to Section 2.1. The SFPUC General Manager, using the Tier 2 allocation percentages shown on the list delivered by BAWSCA pursuant to Section 2.2, will calculate each Wholesale Customer's individual annual Tier 2 allocation. The SFPUC General Manager, or his designee, will then provide each Wholesale Customer with a proposed schedule of monthly water budgets based on the pattern of monthly water purchases during the Supply Year immediately preceding the declaration of shortage (the "Default Schedule"). Each Wholesale Customer may, within two weeks of receiving its Default Schedule, provide the SFPUC with an alternative monthly water budget that reschedules its annual Tier 2 allocation over the course of the succeeding Supply Year. If a Wholesale Customer does not deliver an alternative monthly water budget to the SFPUC within two weeks of its receipt of the Default Schedule, then its monthly budget for the ensuing Supply Year shall be the Default Schedule proposed by the SFPUC.

Monthly Wholesale Customer water budgets will be derived from annual Tier 2 allocations for purposes of accounting for excess use. Monthly Wholesale Customer water budgets shall be adjusted during the year to account for transfers of shortage allocation under Section 2.5 and transfers of banked water under Section 3.4.

2.5. Transfers of Shortage Allocations. Voluntary transfers of shortage allocations between the SFPUC and any Wholesale Customers, and between any Wholesale Customers, will be permitted using the same procedure as that for transfers of banked water set forth in Section 3.4. The SFPUC and BAWSCA shall be notified of each transfer. Transfers of shortage allocations shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. Transfers of shortage allocations shall be in compliance with Section 3.05 of the

Agreement. The transferring parties will meet with the SFPUC, if requested, to discuss any effect the transfer may have on its operations.

SECTION 3. SHORTAGE WATER BANKING

3.1. Water Bank Accounts. The SFPUC shall create a water bank account for itself and each Wholesale Customer during shortages in conjunction with its resale customer billing process. Bank accounts will account for amounts of water that are either saved or used in excess of the shortage allocation for each agency; the accounts are not used for tracking billings and payments. When a shortage period is in effect (as defined in Section 1.4), the following provisions for bank credits, debits, and transfers shall be in force. A statement of bank balance for each Wholesale Customer will be included with the SFPUC's monthly water bills.

3.2. Bank Account Credits. Each month, monthly purchases will be compared to the monthly budget for that month. Any unused shortage allocation by an agency will be credited to that agency's water bank account. Credits will accumulate during the entire shortage period, subject to potential restrictions imposed pursuant to Section 3.2.1. Credits remaining at the end of the shortage period will be zeroed out; no financial or other credit shall be granted for banked water.

3.2.1. Maximum Balances. The SFPUC may suspend the prospective accumulation of credits in all accounts. Alternatively, the SFPUC may impose a ceiling on further accumulation of credits in water bank balances based on a uniform ratio of the bank balance to the annual water allocation. In making a decision to suspend the prospective accumulation of water bank credits, the SFPUC shall consider the available water supply as set forth in Section 1.1 of this Plan and other reasonable, relevant factors.

3.3. Account Debits. Each month, monthly purchases will be compared to the budget for that month. Purchases in excess of monthly budgets will be debited against an agency's water bank account. Bank debits remaining at the end of the fiscal year will be subject to excess use charges (see Section 4).

3.4. Transfers of Banked Water. In addition to the transfers of shortage allocations provided for in Section 2.5, voluntary transfers of banked water will also be permitted between the SFPUC and any Wholesale Customer, and among the Wholesale Customers. The volume of transferred water will be credited to the transferee's water bank account and debited against the transferor's water bank account. The transferring parties must notify the SFPUC and BAWSCA of each transfer in writing (so that adjustments can be made to bank accounts), and will meet with the SFPUC, if requested, to discuss any affect the transfer may have on SFPUC operations. Transfers of banked water shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. If the SFPUC incurs extraordinary costs in implementing transfers, it will give written notice to the transferring parties within ten (10) business days after receipt of notice of the transfer. Extraordinary costs means additional costs directly attributable to accommodating transfers and which are not incurred in non-drought years nor simply as a result of the shortage condition itself. Extraordinary costs shall be calculated in accordance with the procedures in the Agreement and shall be subject to the disclosure and auditing requirements in the Agreement. In the case of transfers between Wholesale Customers, such extraordinary costs shall be considered to be expenses chargeable solely to individual Wholesale Customers and shall be borne equally by the parties to the transfer. In the case of transfers between the SFPUC and a Wholesale Customer, the SFPUC's share of any extraordinary transfer costs shall not be added to the Wholesale Revenue Requirement.

3.4.1. Transfer Limitations. The agency transferring banked water will be allowed to transfer no more than the accumulated balance in its bank. Transfers of estimated prospective banked credits and the "overdrafting" of accounts shall not be permitted. The price of transfer water originally derived from the SFPUC system is to be determined by the transferring parties and is not specified herein. Transfers of banked water shall be in compliance with Section 3.05 of the Agreement.

SECTION 4. WHOLESALE EXCESS USE CHARGES

4.1. Amount of Excess Use Charges. Monthly excess use charges shall be determined by the SFPUC at the time of the declared water shortage consistent with the calendar in Section 6 and in accordance with Section 6.03 of the Agreement. The excess use charges will be in the form of multipliers applied to the rate in effect at the time the excess use occurs. The same excess use charge multipliers shall apply to the Wholesale Customers and all Retail Customers. The excess use charge multipliers apply only to the charges for water delivered at the rate in effect at the time the excess use occurred.

4.2 Monitoring Suburban Water Use. During periods of voluntary rationing, water usage greater than a customer's allocation (as determined in Section 2) will be indicated on each SFPUC monthly water bill. During periods of mandatory rationing, monthly and cumulative water usage greater than a Wholesale Customer's shortage allocation and the associated excess use charges will be indicated on each SFPUC monthly water bill.

4.3. Suburban Excess Use Charge Payments. An annual reconciliation will be made of monthly excess use charges according to the calendar in Section 6. Annual excess use charges will be calculated by comparing total annual purchases for each Wholesale Customer with its annual shortage allocation (as adjusted for transfers of shortage allocations and banked water, if any). Excess use charge payments by those Wholesale Customers with net excess use will be paid according to the calendar in Section 6. The SFPUC may dedicate excess use charges paid by Wholesale Customers toward the purchase of water from the State Drought Water Bank or other willing sellers in order to provide additional water to the Wholesale Customers. Excess use charges paid by the Wholesale Customers constitute Wholesale Customer revenue and shall be included within the SFPUC's annual Wholesale Revenue Requirement calculation.

4.4. Tier 1 Family Plan. During periods of mandatory rationing, the SFPUC will not assess excess use charges on any of the Wholesale Customers if the Wholesale Customers' collective cumulative purchases over the course of the Supply Year are less than the Wholesale Customers' Tier 1 allocation, as set forth in Section 2.1. If the Wholesale Customers' collective cumulative purchases exceed the Wholesale Customers' Tier 1 allocation, the SFPUC shall assess excess use charges on each individual Wholesale Customer that exceeded its individual Tier 2 allocation (established in accordance with Section 2.2) over the course of the Supply Year in proportion to each individual Wholesale Customer's share of the collective Wholesale Customers' purchases that exceeded the Wholesale Customers' Tier 1 allocation.

SECTION 5. GENERAL PROVISIONS GOVERNING WATER SHORTAGE ALLOCATION PLAN

5.1. Construction of Terms. This Plan is for the sole benefit of the parties and shall not be construed as granting rights to any person other than the parties or imposing obligations on a party to any person other than another party.

5.2. Governing Law. This Plan is made under and shall be governed by the laws of the State of California.

5.3. Effect on Agreement. This Plan describes the method for allocating water between the SFPUC and the collective Wholesale Customers during system-wide water shortages of 20 percent or less. This Plan also provides for the SFPUC to allocate water among the Wholesale Customers in accordance with directions provided by the Wholesale Customers through BAWSCA under Section 2.2, and to implement a program by which such allocations may be voluntarily transferred among the Wholesale Customers. The provisions of this Plan are intended to implement Section 3.11(C) of the Agreement and do not affect, change or modify any other section, term or condition of the Agreement.

5.4. Inapplicability of Plan to Allocation of SFPUC System Water During Non-Shortage Periods.

The SFPUC's agreement in this Plan to a respective share of SFPUC system water during years of shortage shall not be construed to provide a basis for the allocation of water between the SFPUC and the Wholesale Customers when no water shortage emergency exists.

5.5. Termination. This Plan shall expire at the end of the Term of the Agreement. The SFPUC and the Wholesale Customers can mutually agree to revise or terminate this Plan prior to that date due to changes in the water delivery capability of the SFPUC system, the acquisition of new water supplies, and other factors affecting the availability of water from the SFPUC system during times of shortage.

SECTION 6. ALLOCATION CALENDAR

6.1. Annual Schedule. The annual schedule for the shortage allocation process is shown below. This schedule may be changed by the SFPUC to facilitate implementation.

6.1.1

In All Years	Target Dates
1. SFPUC delivers list of annual purchases by each Wholesale Customer during the immediately preceding Supply Year	November 1
2. SFPUC meets with the Wholesale Customers and presents water supply forecast for the following Supply Year	February
3. SFPUC issues initial estimate of available water supply	February 1
4. SFPUC announces potential first year of drought (if applicable)	February 1
5. SFPUC and Wholesale Customers meet upon request to exchange information concerning water availability and projected system-wide purchases	February 1-May 31
6. SFPUC issues revised estimate of available water supply, and confirms continued potential shortage conditions, if applicable	March 1
7. SFPUC issues final estimate of available water supply	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
8. SFPUC determines amount of water available to Wholesale Customers collectively	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
In Drought Years	Target Dates
9. SFPUC formally declares the existence of water shortage emergency (or end of water shortage emergency, if applicable) under Water Code Sections 350 et. seq.	April 15-30
10. SFPUC declares the need for a voluntary or mandatory response	April 15-30
11. BAWSCA submits calculation to SFPUC of individual Wholesale Customers' percentage shares of water allocated to Wholesale Customers collectively	April 15- 30

- | | |
|---|---|
| 12. SFPUC determines individual shortage allocations, based on BAWSCA's submittal of individual agency percentage shares to SFPUC, and monthly water budgets (Default Schedule) | April 25—May 10 |
| 13. Wholesale Customers submit alternative monthly water budgets (optional) | May 8-May 24 |
| 14. Final drought shortage allocations are issued for the Supply Year beginning July 1 through June 30 | June 1 |
| 15. Monthly water budgets become effective | July 1 |
| 16. Excess use charges indicated on monthly Suburban bills | August 1 (of the beginning year) through June 30 (of the succeeding year) |
| 17. Excess use charges paid by Wholesale Customers for prior year | August of the succeeding year |

Attachment E

Resolution 2025-21 Approving the Tier 2 Drought Response Implementation Plan
Pursuant to Section 3.11.C of the Amended and Restated Water Supply Agreement

RESOLUTION NO. 2025-21

**APPROVING THE TIER 2 DROUGHT RESPONSE IMPLEMENTATION PLAN
PURSUANT TO SECTION 3.11.C
OF THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (MPWD or District) is one of twenty-six (26) agencies in San Mateo, Santa Clara and Alameda Counties (Wholesale Customers) that purchase water from the City and County of San Francisco (San Francisco) pursuant to a Water Supply Agreement entered into in 2009, and recently amended in 2018, 2021 and 2025 (the Agreement or WSA); and

WHEREAS, Section 3.11 of the Agreement addresses situations when insufficient water is available in the San Francisco Regional Water System (RWS) to meet the full demands of all users, and Section 3.11.C provides that during periods of water shortage caused by drought, the San Francisco Public Utilities Commission (SFPUC) will allocate available water between its retail customers and the Wholesale Customers collectively, in accordance with a schedule contained in the Water Shortage Allocation Plan set forth in Attachment H to the Agreement (Tier 1 Plan); and

WHEREAS, Section 3.11.C authorizes the Wholesale Customers to adopt a Drought Allocation Plan, including a methodology for allocating the available water among the individual Wholesale Customers (Tier 2 Plan), and the WSA also commits the SFPUC to honor allocations of water unanimously agreed to by all Wholesale Customers or, if unanimous agreement cannot be achieved, water allocations that have been adopted by the Board of Directors of the Bay Area Water Supply and Conservation Agency (BAWSCA). The Agreement also provides that the SFPUC can allocate water supplies as necessary during a water shortage emergency if no agreed upon plan for water allocation has been adopted by the 26 Wholesale Customers or the BAWSCA Board of Directors; and

WHEREAS, commencing in January 2022, representatives appointed by the managers of

each of the Wholesale Customers began meeting monthly to develop a set of principles to serve as guidelines for an equitable allocation methodology, and to develop formulas and procedures, in order to implement those principles. These discussions, and supporting technical analyses, have been conducted with the assistance of BAWSCA; and

WHEREAS, the Tier 2 Plan, attached to this resolution as Exhibit A, has been endorsed by all of the Wholesale Customer representatives who participated in the formulation process and they have each recommended that it be formally adopted by the governing body of their respective agencies; and

WHEREAS, the Tier 2 Plan allocates the collective Wholesale Customer share of RWS supply made available by the SFPUC among each of the 26 Wholesale Customers through December 31, 2034 and is coordinated with the term of the Agreement, and extension and renewal terms.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District (MPWD) finds as follows:

1. The Tier 2 Drought Response Implementation Plan, as attached as Exhibit A (Tier 2 Plan), is approved.
2. This approval is conditioned upon all of the other twenty-five Wholesale Customers approving the Tier 2 Plan, such approvals being evidenced through adoption of similar resolutions or, in the case of private-sector organizations, by other equivalently binding written commitments signed by an executive officer acting within the scope of delegated authority, and all such approvals occurring on or before December 31, 2025.

If such resolutions or binding commitments are not adopted by that date, this resolution will automatically expire and be of no further effect after December 31, 2025, unless it has been extended prior thereto by further action of this Board.

REGULARLY PASSED AND ADOPTED this 26th day of June 2025.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

BOARD PRESIDENT

ATTEST:

DISTRICT SECRETARY

Attachment:

Exhibit A: Tier 2 Drought Response Plan and Example Tier 2 Plan Excel-Based Model

Exhibit A

Tier 2 Drought Response Plan and Example Tier 2 Plan Excel-Based Model



Tier 2 Drought Response Implementation Plan

Drought Shortage
Allocation Plan for the
Regional Water System
Wholesale Customers

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1. Introduction

The Tier 2 Drought Response Implementation Plan (the “Plan” or “Tier 2 Plan”) describes the method for allocating the water made available by the San Francisco Regional Water System (“RWS”) among the Wholesale Customers during shortages caused by Drought. This Plan is adopted pursuant to Section 3.11(C) of the Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties (the “WSA”).

2. Relationship to Water Supply Agreement

The WSA includes a Water Shortage Allocation Plan which, among other things, (a) provides for the allocation of available water between Retail Customers (e.g., retail water customers within the City and County of San Francisco) and the Wholesale Customers collectively during system-wide water shortages of 20 percent or less, (b) contemplates the adoption by the Wholesale Customers of this Plan for allocation of the Wholesale Customers share of available water, (c) commits the SFPUC to implement this Plan, (d) provides for banking of unused allocation, and (e) provides for the transfer of both banked water and shortage allocations between and among the Wholesale Customers and commits the SFPUC to implement such transfers. That plan is referred to as the Tier 1 Plan and is included as Attachment H to the WSA.

The Tier 1 Plan also provides the methodology for determining the Overall Average Wholesale Customer Reduction, expressed as a percentage cutback from prior year’s normal SFPUC purchases, and Overall Wholesale Customer Allocation, in million gallons per day (MGD), both of which are used in determining the final Allocation Factor for each Wholesale Customer. The Overall Average Wholesale Customer Reduction is determined by dividing the volume of water available to the Wholesale Customers (the “Overall Wholesale Customer Allocation” or “Tier 1 Allocation”), shown as a share of available water in Section 2 of the Tier 1 Plan, by the prior year’s normal total Wholesale Customers’ RWS purchases and subtracting that value from one.

3. Development Process

Between January 2022 and June 2024, Bay Area Water Supply and Conservation Agency (BAWSCA), supported by Woodard & Curran technical consultants, facilitated negotiations between the Wholesale Customers through a series of meetings, workshops, and workgroups to develop a formula and implementation plan to allocate RWS supplies in the event of shortage caused by a SFPUC declared Drought, as defined in the WSA. These meetings, workshops, and workgroups provided a forum for in-depth discussion of the objectives, mechanics, and policy aspects of the elements of an updated Plan.

The Wholesale Customers began negotiations by reviewing the prior Plan, then discussed and agreed upon four policy principles to lay the foundation for a revised Plan. BAWSCA, with support from Woodard & Curran as the technical consultant team, introduced potential elements of a formula to align with the agreed upon policy principles. In monthly workshops, the Wholesale Customers discussed these options and provided feedback on which elements should be included in the Plan, along with suggested refinements. These workshops, and the discussions, suggestions, and comments expressed by the Wholesale Customers during this process, were the primary forum through which this Plan was developed.

4. Plan Policy Principles

The Wholesale Customers collectively developed four policy principles (the “Policy Principles”) to guide the development and performance of the Tier 2 Plan. The Tier 2 Plan and associated Tier 2 Plan Allocation Model were developed in consideration of these policy principles, with the intent to abide by each policy principle while minimizing conflicts between policy principles. The policy principles are summarized below and implemented in Attachment B, Tier 2 Plan Data Sources and Calculations.

1. **Policy Principle #1** - Provide sufficient water for the basic health and safety needs of customers.
2. **Policy Principle #2** - Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
3. **Policy Principle #3** - Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
4. **Policy Principle #4** - Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

5. Allocation Formula

Guided by the Policy Principles, the Wholesale Customers developed a specific formula for apportioning the Overall Wholesale Customer Allocation among the individual Wholesale Customers. The Tier 2 Allocation Model requires several inputs to calculate each Wholesale Customer’s allocation. First, Base Period data are collected to be used as inputs in the Tier 2 formula. Next each Wholesale Customer’s allocation is calculated in five steps.

Base Period Calculations

The Base Period in the Tier 2 Plan is defined as the average of each Wholesale Customer’s two years with the highest volumes of SFPUC purchases from the previous three non-Drought years. A non-Drought year is defined as a full fiscal year (July 1 through June 30) in which the SFPUC has not declared a water shortage emergency, as defined in the WSA. BAWSCA’s Annual Survey, which compiles and publishes data self-reported by the Wholesale Customers, is the primary source for model inputs.

Tier 2 Plan Allocation Formula Inputs

- **Population:** Each Wholesale Customer’s population as reported in the most recently published Annual Survey and is not tied to Drought or non-Drought year status.
- **Base Period SFPUC Purchases:** The average of each Wholesale Customer’s two years with the highest volumes of SFPUC purchases from the previous three non-Drought years.
- **Base Period Total Potable Water Production:** Total potable production as reported in the Annual Survey.

-
- **Base Period SFPUC Reliance:** Each Wholesale Customer's Base Period SFPUC Purchases divided by Base Period Total Potable Water Production, expressed as a percentage.
 - **Base Period Percent Indoor Demand:** The single lowest month's total potable demand (a proxy for indoor use) divided by the average monthly total potable demand, expressed as a percentage. The resulting percentages are averaged for the two selected Base Period years.
 - **Base Period Percent Non-Residential Demand:** Each Wholesale Customer's potable water consumption from the Base Period from all customer categories except residential, divided by the Wholesale Customer's Base Period Total Potable Water Production, expressed as a percentage. The resulting percentages are averaged for the two selected Base Period years.
 - **Individual Supply Guarantee (ISG):** Each Wholesale Customer's share of the Supply Assurance, as shown on Attachment C to the WSA, with proxies for Hayward, San Jose, and Santa Clara in order to provide inputs for the Tier 2 Allocation Formula

There are three exceptions to the Base Period Calculations: (1) Coastside County Water District ("Coastside CWD") Base Period SFPUC Purchases and Base Period SFPUC Reliance, (2) Stanford Base Period Percent Indoor Demand, and (3) Stanford Population Calculation.

- (1) Coastside CWD Base Period SFPUC Purchases will be calculated as 94% of its Base Period Total Potable Water Production. Base Period SFPUC Reliance will be fixed at 94%. More information is provided in Attachment B.
- (2) Stanford's Base Period Percent Indoor Demand calculation will exclude demand from the month of December and/or January when the campus is closed and demand is abnormally low.
- (3) Stanford's population is calculated as described in Attachment B.

Furthermore, three Wholesale Customers do not have an ISG and a proxy is used in the Tier 2 Plan: (1) Hayward, (2) San Jose, and (3) Santa Clara. Background on ISG and each ISG proxy is described in Attachment B.

Data sources, methodologies, and equations used to calculate each input are described further in Attachment B.

Step 0: Establish SFPUC Minimum and Maximum Cutback

The Minimum and Maximum Cutback establish the upper and lower bounds for each Wholesale Customer's final allocation.

No water is allocated in this step. Instead, allocations in subsequent steps are limited such that no Wholesale Customer's final allocation is outside the upper and lower bounds (i.e., above the Minimum Cutback or below the Maximum Cutback) established in this step.

Minimum Cutback: Each Wholesale Customer will contribute to meeting the Overall Average Wholesale Customer Reduction by taking a Minimum Cutback from its Base Period SFPUC

Purchases (up to its ISG or proxy). This establishes the upper limit of each Wholesale Customer's potential final allocation. The Minimum Cutback, expressed as a percentage, is equal to 1/3 times the Overall Average Wholesale Customer Reduction, but no less than 5%.

Maximum Cutback: The Maximum Cutback establishes the lower limit of each Wholesale Customer's potential final allocation. The Maximum Cutback, expressed as a percentage, is equal to 1.5 times the Overall Average Wholesale Customer Reduction. The Maximum Cutback is calculated from each Wholesale Customer's Base Period SFPUC Purchases (up to its ISG, or proxy).

Step 1 Override Exception: If a Wholesale Customer's allocation in Step 1 exceeds the upper limit established by the Minimum Cutback at 1/3 times the Overall Average Wholesale Customer Reduction, the Wholesale Customer's Minimum Cutback will be reduced, but the Minimum Cutback will be no less than 5%.

Calculations and an example of the Step 1 Override Exception are provided in Attachment B.

Step 1: Efficient Residential Allocation

Step 1 allocates water on a residential per capita basis, based on the State Indoor Water Use Efficiency Standard¹ and the portion of each Wholesale Customer's water demand met by the RWS.

The per capita efficient residential volume, in gallons, will align with the State Residential Indoor Water Use Efficiency Standard, established as 47 gallons per capita per day (GPCD) through 2029 and 42 GPCD beginning in 2030. This step multiplies the per-capita volume by each Wholesale Customer's Population and Base Period SFPUC Reliance to determine the total amount of supply allocated to each Wholesale Customer in this step.

Step 2: Non-Residential Base Allocation

Step 2 allocates water based on each Wholesale Customer's estimated non-residential indoor/base demand.

To calculate non-residential indoor/base demand, each Wholesale Customer's Base Period SFPUC Purchases are multiplied by:

- Base Period Percent Indoor Demand
- Base Period Percent Non-Residential Demand
- Non-Residential Base Allocation Factor – this is equal to one minus 50% of the Overall Average Wholesale Customer Reduction.
 - For example, in a 20% Overall Average Wholesale Customer Reduction, the Non-Residential Base Allocation Factor will be 90% ($1 - (20\% \div 2)$) of each Wholesale Customer's non-residential indoor/base demand.

¹ SB 1157, signed into law in September 2022, established the standard for efficient indoor residential water use be 47 gallons per capita per day ("GPCD"), lowering to 42 GPCD in 2030.

Step 3: SFPUC Maximum Cutback Reserve

The Maximum Cutback establishes the lower limit for each Wholesale Customer's final allocation. See Step 0 for more information.

No water is allocated in this step. Instead, this step calculates the gap between each Wholesale Customer's allocation after Step 2 and the lower limit of its potential final allocation. This step then reserves the sum of the gap for all Wholesale Customers from the Overall Wholesale Customer Allocation for Step 5. This Maximum Cutback Reserve ensures, after other steps are applied, that sufficient water is available in the final step to provide that each Wholesale Customer's final allocation is equal to, or greater than, the lower limit of its potential allocation established by the Maximum Cutback.

Step 4: Seasonal Allocation

Step 4 allocates water based on estimated seasonal purchases from the RWS.

The inverse of each Wholesale Customer's Base Period Percent Indoor Demand (1 - % Indoor Demand) is used to estimate percent seasonal demand, which is then multiplied by Base Period SFPUC Purchases to estimate each Wholesale Customers' SFPUC seasonal purchases. Each Wholesale Customer's estimated SFPUC seasonal purchases are multiplied by the Seasonal Cutback Factor to establish each Wholesale Customer's Seasonal Allocation.

The Seasonal Cutback Factor is calculated based upon the Overall Wholesale Customer Allocation remaining to be allocated after Step 2. Of the remaining Overall Wholesale Customer Allocation after Step 2 (less the Maximum Cutback Reserve), 50% is allocated through the Seasonal Minimum Allocation Step. The detailed methodology for calculating the Seasonal Cutback Factor is described in Attachment B.

Step 5: SFPUC Purchases and ISG-Based Allocation

Step 5 allocates the water remaining after Step 4 to get agencies as close to the "Target Allocation" as possible. Each Wholesale Customer's Target Allocation is based on a weighted share of two-thirds Base Period SFPUC Purchases and one-third ISG (or proxy) while ensuring each agency's final allocation is between the Minimum and Maximum Cutback limits.

The detailed methodology for calculating the Base Period SFPUC Purchases and ISG weighted allocation is described in Attachment B.

6. Plan Implementation

The Tier 2 Plan applies when, and only when, the SFPUC declares a Drought that has is a system-wide water shortage of 20 percent or less. The Tier 2 Plan applies only to water acquired and distributed by the SFPUC to the Wholesale Customers through the WSA and has no effect on water obtained by a Wholesale Customer from any source other than the SFPUC.

Shortages Greater than 20 Percent

In no way should it be construed that the Wholesale Customers relieve the SFPUC of its obligations established in the Level of Service goals adopted in the Water System Improvement

Program (“WSIP”), including the level of service goal to “meet dry-year delivery needs while limiting drought rationing to a maximum 20 percent system-wide reduction water service during extended droughts” (2023 Amended and Updated LOS Goals and Objectives, SFPUC Resolution No. 23-0210, adopted November 28, 2023, updating the Resolution No. 08-0200, adopted October 30, 2008). Should conditions occur that result in system-wide shortages greater than 20%, the provisions in WSA Section 3.11(C) apply. The Tier 2 Plan calculations may be used during discussions with the SFPUC on how to implement reductions above 20% with the Wholesale Customers and for planning purposes only to estimate potential Wholesale Customer allocations for system-wide shortages greater than 20% (e.g., to inform efforts such as Urban Water Management Plans).

BAWSCA Role in Plan Implementation

In accordance with the WSA, upon the SFPUC’s declaration or reconfirmation of a water shortage emergency, BAWSCA will calculate and provide the SFPUC with each Wholesale Customer’s individual percentage share of the amount of water allocated to the Wholesale Customers collectively.

In the event that shortage conditions change and the SFPUC takes action to declare an increase or decrease to the system-wide shortage level, BAWSCA will recalculate the Tier 2 Plan and submit new Allocation Factors to the SFPUC. When rerunning the Tier 2 calculations, the Base Period will not change to provide predictability (Policy Principle #3). The only inputs that will change are the Overall Wholesale Customer Allocation and population, if a more recent Annual Survey has been published.

If the appropriate base period data, as specified in this Plan, are not available when BAWSCA initially calculates the Tier 2 Allocation Factors, the Base Period may be updated. However, BAWSCA may only provide the SFPUC with updated Allocation Factors if the Commission takes action to declare or reconfirm a shortage condition.

Each year, BAWSCA will provide the Wholesale Customers with a review of the Tier 2 Plan. The annual review will include:

- Calculation of each Wholesale Customer’s Allocation Factor for regional shortages of 10% and 20% for the current Base Period, based upon the most recent published BAWSCA Annual Survey;
- Review of Base Period data used to develop the calculations.

7. Plan Term

The term of the Tier 2 Plan will be the same as the WSA term and may be extended by the written agreement of all the Wholesale Customers. The Tier 2 Plan negotiators chose to coordinate the Plan term with WSA term in order to avoid simultaneous renegotiation of these related agreements. Pursuant to WSA Section 2, the WSA expires on June 30, 2034. In December 2031, the SFPUC may provide written notice to the Wholesale Customers that it is willing to extend the WSA for five years, through June 30, 2039. Between January 1, 2032 and June 30, 2032, any Wholesale Customer may accept the SFPUC’s offer to extend the Term by providing a written notice of extension to the SFPUC. If the WSA is extended, the Tier 2 Plan

shall expire on December 31, 2034, unless extended by the written agreement of all Wholesale Customers. The Wholesale Customers will meet to review and potentially negotiate amendments to the Tier 2 Plan between July 2032 and June 2034.

If the SFPUC is not willing to extend the term of the WSA, or the Wholesale Customers decline the offer to extend the term of the WSA, the term of the Tier 2 Plan shall be automatically extended for two additional years through December 31, 2036 to allow for more time for the Wholesale Customers to meet to review and potentially negotiate amendments to the Tier 2 Plan between July 2034 and June 2036.

Sample schedules described above are provided in the table below.

Date	Extension of WSA with Limited Negotiated Changes	Parties must renegotiate WSA Terms
Dec 2031	SFPUC indicates willingness to extend term of WSA for 5 years	SFPUC indicates willingness to extend term of WSA for 5 years
Jan - Jun 2032	Wholesale Customers <u>accept</u> offer to extend term of WSA	Wholesale Customers <u>decline</u> offer to extend term of WSA
Jul 2032 - Jun 2034	Wholesale Customers meet to review, extend and potentially negotiate amendments to the Tier 2 Plan	SFPUC and Wholesale Customers negotiate amendments to WSA
Jul 2034 – Jun 2036		Wholesale Customers meet to review and potentially negotiate amendments to the Tier 2 Plan

Attachment A: List of Abbreviations and Definitions

Abbreviations

BAWSCA – Bay Area Water Supply and Conservation Agency

GPCD – gallons per capita per day

ISG – Individual Supply Guarantee

MGD – million gallons per day

RWS – San Francisco Regional Water System

SFPUC – San Francisco Public Utilities Commission

WSA – Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers in Alameda, San Mateo and Santa Clara Counties

WSIP – Water System Improvement Program

Definitions

Allocation Factor – Each Wholesale Customer's portion of the Overall Wholesale Customer Allocation, expressed as a percent.

Base Period – The average of each Wholesale Customer's two years with the highest volumes of SFPUC purchases from the previous three non-Drought years.

BAWSCA Annual Survey – An annual survey of the Wholesale Customers, conducted by BAWSCA, to update key service area information including actual and projections of Wholesale Customer water demand and population.

Drought – “[a] water shortage caused by lack of precipitation, as reflected in resolutions of the Commission calling for voluntary or mandatory water rationing based on evaluation of water stored or otherwise available to the Regional Water System, whether or not the Commission declares a water shortage emergency pursuant to Water Code §§ 350 et seq., as amended from time to time.” (*WSA, Attachment A*)

Individual Supply Guarantee – “[each] Wholesale Customer's share of the Supply Assurance, as shown in Attachment C [to the WSA].” (*WSA, Attachment A*)

Overall Average Wholesale Customer Reduction – The percent cutback from Base Period SFPUC Purchases, calculated by dividing the Overall Wholesale Customer Allocation by the sum of the Wholesale Customer's Base Period SFPUC Purchases.

Overall Wholesale Customer Allocation or Tier 1 Allocation – The volume of water available to the Wholesale Customers from the RWS.

Regional Water System – “[the] water storage, transmission and treatment system operated by the SFPUC in Tuolumne, Stanislaus, San Joaquin, Alameda, Santa Clara, San Mateo and San Francisco counties, including projects constructed under the WSIP, but excluding Direct Retail and Direct Wholesale assets.” (*WSA, Attachment A*)

SFPUC Purchases – For the purposes of the Tier 2 Plan, SFPUC Purchases are defined as the volume of water purchased by and delivered to a Wholesale Customer for use within its service area. SFPUC Purchases specifically exclude (1) **In-Lieu Water**, which is Regional Water System water pursuant to the WSA and the Regional Groundwater Storage and Recovery Project Operating Agreement and (2) **Imputed Sales**, both defined in the WSA, Attachment A.

Supply Assurance – “[the] 184 MGD maximum annual average metered supply of water dedicated by San Francisco to public use in the Wholesale Service Area (not including San Jose and Santa Clara) in the 1984 Agreement and Section 3.01 of this Agreement.” (*WSA, Attachment A*)

Tier 1 Plan or Tier 1 Shortage Plan – “[the] Water Shortage Allocation Plan (Attachment H) adopted by the SFPUC and the Wholesale Customers in conjunction with this Agreement [the WSA] describing the method for allocating water between the SFPUC and the Wholesale Customers collectively for shortages of up to 20% of deliveries from the Regional Water System, as amended from time-to-time.” (*WSA, Attachment A*)

Tier 2 Plan or Tier 2 Drought Response Implementation Plan – The method of apportioning the Tier 1 Allocation among the 26 Wholesale Customers.

Tier 2 Plan Allocation Model – The Excel-based tool used for applying the Tier 2 Plan allocation methodology and determining each Wholesale Customer's Allocation Factor.

Wholesale Customers – “[the] 26 water customers identified in Section 1.02 [of the WSA] that are contracting for purchase of water from San Francisco pursuant to [the WSA].” (*WSA, Attachment A*)

Attachment B: Tier 2 Plan Data Sources and Calculations

BAWSCA Annual Survey

Each year, BAWSCA conducts an annual survey of its members in order to update key BAWSCA service area information including population, current and projected water use, and climatology. BAWSCA begins collecting data in October of each year. The Wholesale Customers submit data through BAWSCA's Water Conservation Database. Between approximately January and March, BAWSCA reviews the Wholesale Customers' submissions for potential errors and works with Wholesale Customers to confirm and finalize the data. The final report is published around March of each year for the fiscal year ending the previous June 30th.

Base Period inputs will use data published in the Annual Surveys from the previous three non-Drought years. Depending on when the SFPUC declares a shortage emergency, the most recent non-Drought year's Annual Survey may not be finalized and published. If the most recent non-Drought year's Annual Survey is not available, the Base Period inputs will use data from the three most recent non-Drought year's published in Annual Surveys.

Base Period

The Tier 2 Plan uses historical SFPUC purchases, total potable water production, monthly potable production, potable consumption by customer category, and population for Steps 0 through 5. These values are established using a historical base period with established water supply and delivery data.

The Base Period for all inputs except population is defined as the average from the highest two years of SFPUC Purchases over the most recent three non-Drought years. The selection of Base Period is unique to each Wholesale Customer. Two example agencies are provided in the table below, where the data associated with the highest two years are highlighted.

Previous Non-Drought Year	Agency A		Agency B	
	SFPUC Purchases	Percent Non-Residential	SFPUC Purchases	Percent Non-Residential
Year 1	2.50	70%	5.90	58%
Year 2	2.75	69%	6.20	56%
Year 3	2.40	67%	6.10	55%
Calculation	$\frac{(2.50 + 2.75)}{2}$	$\frac{(0.70 + 0.69)}{2}$	$\frac{(6.20 + 6.10)}{2}$	$\frac{(0.56 + 0.55)}{2}$
Average of Highest Two Years	2.63	70%	6.15	55.5%

Coastside CWD Special Provisions for Base Period Calculations

Coastside CWD Base Period SFPUC Purchases will be calculated as 94% of its Base Period Total Potable Water Production. Base Period SFPUC Reliance will be fixed at 94%.

Coastside CWD's high variability in SFPUC purchases from year to year, the California Coastal Commission limitations on growth in its service area, and geographical and hydrological isolation set it apart from other Wholesale Customers. Uniquely among the Wholesale Customers, Coastside CWD does not have interties with other Wholesale Customers or agencies. Additionally, it has junior rights on local surface water supplies. To ensure resiliency, Coastside CWD must maximize its use of Denniston Creek in normal years to provide evidence to the State in its ongoing case to perfect its water rights. This results in low RWS purchases in non-drought years, which are the source of each Wholesale Customer's Base Period. The Coastside CWD special provisions for Base Period SFPUC Purchases ensure its dry year reliance on the RWS is reflected in the Tier 2 Plan.

Minimum Cutback Factor

The minimum cutback factor is used to establish the upper limit at or below which each Wholesale Customer's final allocation will be. The minimum cutback factor is equal to 1/3 times the Overall Average Wholesale Customer Reduction, expressed as a percentage. Base Period SFPUC Purchases (up to ISG or proxy) are multiplied by 1 minus the minimum cutback factor. An example equation is provided below.

$$\text{Wholesale Customer final allocation upper limit} = \text{Base Period SFPUC Purchases} \times (1 - (1/3 \times \text{Overall Average Wholesale Customer Reduction}))$$

Step 1 Override Exception

If a Wholesale Customer's allocation in Step 1 (Efficient Residential Allocation) is greater than the upper limit of its potential allocation established by the Minimum Cutback, the Step 1 allocation will override. However, no Wholesale Customer's final cutback will be less than 5%.

For example, in a 20% Overall Average Wholesale Customer Reduction, the Minimum Cutback will be 6.67% ($20\% \times 1/3$). An example Wholesale Customer's calculation is provided below.

Base Period SFPUC Purchases	5.0 MGD
Minimum Cutback Factor	- 6.67%
Upper Limit of Potential Final Allocation	4.67 MGD

Population	101,000
Base Period SFPUC Reliance	100%
Residential Efficient Allocation	47 GPCD
Step 1 Allocation	4.75 MGD

The example agency's final cutback will be 5.1% as calculated below:

$$4.75 \text{ mgd} / 5.0 \text{ mgd} - 1 = -5.1\%$$

Maximum Cutback Factor

The maximum cutback factor is used to establish the lower limit at or above each Wholesale Customer's final allocation. The maximum cutback factor is equal to 1.5 times the Overall Average Wholesale Customer Reduction, expressed as a percentage. Base Period SFPUC

Purchases (up to ISG or proxy) are multiplied by 1 minus the minimum cutback factor. An example equation is provided below.

$$\begin{aligned} & \text{Wholesale Customer final allocation lower limit} \\ &= \text{Base Period SFPUC Purchases} \\ &\times (1 - (1.5 \times \text{Overall Average Wholesale Customer Reduction})) \end{aligned}$$

Efficient Residential Volume

The Tier 2 Plan uses a per-capita volume, in gallons, to calculate each Wholesale Customer's Efficient Residential Allocation (Step 1 of the Allocation Model). The per-capita volume is 47 gallons per capita per day through 2029 and 42 GPCD beginning in 2030, consistent with the State of California Indoor Residential Water Use Standard for 2025 established by SB 1157.

SFPUC Reliance

For agencies with multiple potable water sources, the Tier 2 Plan calculates SFPUC Reliance by dividing each agency's Base Period SFPUC Purchases by Base Period Total Potable Water Production, expressed as a percentage. SFPUC Reliance is used in Step 1 to calculate multi-source agency's Residential Efficient Allocation met by the RWS.

Population

The Tier 2 Plan uses population reported in the most recently published Annual Survey to calculate each Wholesale Customer's Efficient Residential Allocation in Step 1.

BAWSCA reviews data submitted for the Annual Survey and works with agencies to ensure the information is correct before making it public. As part of this annual review, BAWSCA will flag any agencies that have reported population increases greater than 5%. BAWSCA will first confirm with the agency that there are no reporting errors. If the reported data are correct, BAWSCA will include a note to all agencies during the annual review of the Tier 2 Plan.

Stanford University Population Calculation

Stanford has historically reported its population in the BAWSCA Annual Survey using data from the Stanford Office of Institutional Research & Decision Support, which annually documents population based on student enrollment and data from human resources. This number captures all students (undergraduate and graduate), post-docs, faculty, and staff that are employed and work on campus. The population report does not directly capture residential population that is not enrolled or employed (significant others or dependents). However, it would include a daytime population component. Stanford reviewed several population sources and calculation methods including census data. Based on review of the available sources for population information, Stanford proposed, and the BAWSCA agencies agreed, to utilize a formula that captures student and faculty/staff residential population. This new approach would eliminate the inclusion of daytime staff and faculty who do not live on campus.

The formula takes the Office of Institutional Research & Decision Support data and uses only the "Total Students" and adds a multiplier of 2.57 people per residence (single and multi-family) for the faculty/staff housing area.

Stanford Population = (Faculty/Staff Housing Residences x 2.57) + ("Total Students" from Population Report)

Percent Indoor Demand

For each Base Period year, percent indoor demand is calculated by dividing each Wholesale Customer's lowest month of potable production by the Wholesale Customer's average monthly potable production. The two resulting percentages are averaged together. An example equation is provided below, where Y_1 and Y_2 represent the two Base Period years.

$$\% \text{ Indoor Use} = \frac{\frac{\text{Lowest Month Production, } Y_1}{\text{Average Monthly Production, } Y_1} + \frac{\text{Lowest Month Production, } Y_2}{\text{Average Monthly Production, } Y_2}}{2}$$

Percent Seasonal Demand

Percent seasonal demand is calculated as the inverse of percent indoor demand.

$$\text{Percent Seasonal Demand} = 1 - \% \text{ Indoor Demand}$$

Percent Non-Residential Demand

For each Base Period year, percent non-residential demand is calculated by first dividing each Wholesale Customer's potable water consumption from all residential customer categories by the Wholesale Customer's total annual potable production. The resulting percentage is subtracted from one to calculate the inverse and thus captures all non-residential demands including non-revenue water and dedicated irrigation meters². The two resulting percentages from the two Base Period years are averaged together. An example equation is provided below, where Y_1 and Y_2 represent the two Base Period years.

$$\% \text{ NR Use} = \frac{(1 - \frac{\text{Residential Use, } Y_1}{\text{Potable Production, } Y_1}) + (1 - \frac{\text{Residential Use, } Y_2}{\text{Potable Production, } Y_2})}{2}$$

Individual Supply Guarantee (ISG)

Use of ISG in the Tier 2 Plan

Each Wholesale Customer's ISG is used in the Tier 2 Plan calculations with proxies for Hayward, San Jose and Santa Clara, in order to provide inputs for the Tier 2 Allocation Formula. See WSA, Attachment C for a current list of ISG values.

Hayward's de facto ISG (22.1 MGD) is used in place of permanent ISG for the purposes of the Tier 2 Plan calculations. This figure is used in WSA, Attachment D, to determine whether Hayward's increased use requires pro-rata reduction of remaining Wholesale Customers' ISG.

² Prior to FY 22-23, all consumption recorded under the dedicated irrigation sector in the Water Conservation Database is assumed to be non-residential. Starting in FY 22-23, Wholesale Customers were given the option to separate out residential vs. non-residential dedicated irrigation consumption.

San Jose and Santa Clara's temporary and interruptible contract amounts (4.5 MGD each) are used in place of ISG for the purposes of the Tier 2 Plan calculations.

Background on ISG

San Francisco has a perpetual legal obligation and commitment (Supply Assurance) to deliver 184 MGD to the 24 permanent Wholesale Customers collectively. The Supply Assurance is subsequently allocated among the 24 permanent Wholesale Customers through Individual Supply Guarantees (ISG), which represent each Wholesale Customer's share of the 184 MGD Supply Assurance. San Jose and Santa Clara are not included in San Francisco's Supply Assurance obligation; rather each has a temporary and interruptible water supply contract with San Francisco. Through the WSA and its individual contracts with San Jose and Santa Clara, San Francisco has many requirements to plan for water supply development and analyze the sufficiency of water supply to San Jose and Santa Clara. For example, San Francisco must complete a CEQA review and provide at least a 10-year notice of interruption.

Hayward does not have an Individual Supply Guarantee

San Francisco and Hayward entered into a water supply contract on February 9, 1962 (the "1962 contract") which provided that San Francisco would supply Hayward with all water supplemental to water controlled by Hayward, in sufficient quantity to supply the total water needs of Hayward's service area "on a permanent basis." This 1962 contract remains the Individual Water Sales Contract between San Francisco and Hayward. Due to the terms of this ongoing contract, Hayward does not have an ISG. If Hayward's purchases exceed 22.1 MGD for three consecutive years, the remaining 23 Wholesale Customer's ISG will be reduced on a pro rata (WSA, Attachment D).

Currently, the sum of the 23 Wholesale Customers fixed ISG is 161.9 MGD.

184 MGD Supply Assurance - 161.9 MGD = 22.1 MGD water available for Hayward purchases
(i.e., Hayward's "de facto" ISG)

Hayward's proxy ISG for the purpose of the Tier 2 Plan is 22.1 MGD.

San Jose and Santa Clara do not have an Individual Supply Guarantee

During the term of the 1984 Settlement Agreement, San Francisco provided water to San Jose and Santa Clara on a temporary and interruptible basis, pursuant to SFPUC Resolution No. 85-0256. The SFPUC has contracted to supply a combined annual average of 9 MGD to San Jose and Santa Clara (4.5 MGD each) through 2028. The 9 MGD allocated to San Jose and Santa Clara is not included in the Supply Assurance. San Francisco will decide whether to make San Jose and Santa Clara permanent customers by December 31, 2028. (WSA, Sec. 4.05)

San Jose and Santa Clara's proxy ISG for the purpose of the Tier 2 Plan is 4.5 MGD each.



July 2024 Model Concept - Efficient Res Allocation + Non-Res Base Allocation + Seasonal Allocation + Base SFPUC Purchases/ISG-Based Allocation - Variable Base Year

Model Set-up/Assumptions	
Allocation Year/Projection Year	FY24-25
Tier 1 Shortage Allocation (mgd)	114.20
Base Period SFPUC Purchases (mgd)	134.34
Overall Reduction from Base Period Required	-15.0%
SFPUC Maximum Cutback Factor	-22.5%
SFPUC Minimum Cutback Factor	-5.0%
Non-Residential Base Allocation %	92.5%
Step 5 Reserved % of Remaining Tier 1 Allocation (less Step 3 Reserved) after Step 2	50%
Unreserved % of Remaining Tier 1 Allocation (less Step 3 Reserved and Step 5 Reserved) After Step 2	50%
Seasonal Allocation %	7.9%
Step 5 ISG Weighting	33%
Step 5 Base SFPUC Purchases Weighting	67%
Residential Efficient Allocation (R-GPCD)	47.0
Adjustment % for SFPUC Minimum Cutback, if efficient residential allocation is greater than minimum cutback	95%
Effective Date for Model Run (update for testing only)	12/16/2024

Instructions:

1. Adjust aqua cells in OVERVIEW tab to adjust model parameters. If there are errors in the inputs, an error message will appear in Columns E-F.
2. View allocation calculations and results in "Tier 2 Allocation" and "Agency Charts" tabs.

Base Years		
Non-Drought Year 1	FY18-19	
Non-Drought Year 2	FY19-20	
Non-Drought Year 3	FY20-21	
Error Message(s) (if applicable)		

Calculation Steps for July 2024 Model Concept:

0. SFPUC Minimum Cutback

a. Calculate Minimum Cutback from Lesser of Base Period SFPUC Purchases and ISG (Lesser of Base Period SFPUC Purchases and ISG × [1+SFPUC Minimum Cutback Factor])

b. Calculate Efficient Residential Allocation (population × per capita allocation × % SFPUC reliance)

c. Determine if Minimum Cutback is greater than the Efficient Residential Allocation

d. If Efficient Residential Allocation is greater than the Minimum Cutback, an agency's cutback may be no less than 5%

1. Efficient Residential Allocation

a. Calculate Efficient Residential Allocation (population × per capita allocation)

b. Account for % SFPUC Reliance

c. Provide Efficient Residential Allocation

2. Non-Residential Base Allocation

a. Incorporate Estimated % Indoor Use (see glossary for definition and calculation of % Indoor Use)

b. Incorporate % Non-Residential Use

c. Calculate Non-Residential Base Allocation (% Indoor Use × % Non-Residential Use × Base Period SFPUC Purchases × Non-Residential Indoor Allocation %)

d. Add Non-Residential Base Allocation to the Step 1 Allocation

3. Calculate Potential SFPUC Maximum Cutback Need

a. Calculate SFPUC Maximum Cutback (Base Period SFPUC Purchases × [1 + SFPUC Maximum Cutback Factor])

b. Reserve the sum of the potential SFPUC Maximum Cutback need for Step 5 (Maximum Cutback Reserve)

4. Seasonal Allocation

a. Determine % Seasonal Use (1 - % Indoor Use)

b. Calculate seasonal SFPUC Purchases (Base Period SFPUC Purchases × % Seasonal Use)

c. Calculate Seasonal Allocation (seasonal SFPUC Purchases × Seasonal Allocation %)

d. Add the Seasonal Allocation to the Step 2 Allocation

5. Base Period/ISG-Based Allocation

a. Calculate weighted average of Base Period SFPUC Purchases and ISG, up to Minimum Cutback

b. Calculate Weighted Share of total Tier 1 Allocation to Wholesale Customers (agency weighted average Base Period SFPUC Purchases/ISG ÷ total Wholesale Customer weighted average × Tier 1 Allocation)

c. Calculate the gap between Step 4 allocation and the lesser of 1) weighted share, or 2) Minimum Cutback

d. Allocate remaining supplies, except Maximum Cutback Reserve, among agencies with a gap, proportionately to gap, up to the Minimum Cutback

e. Confirm allocation meets Maximum Cutback; allocate water from Maximum Cutback Reserve up to Maximum Cutback

f. Allocate remaining supplies among agencies with a gap, proportionately to gap, up to the Minimum Cutback

Allocation Year/Projection Year	FY24-25
Most Recent Annual Survey Data Year	FY22-23

No water is allocated in this step
Establishes the upper limit of each agency's final allocation

Relevant Base Period Data							0. Establish SFPUC Minimum Cutback						1. Efficient Residential Allocation					
Agency	Selected Base Year 1	Selected Base Year 2	Base Period SFPUC Purchases (mgd)	Base Period Reliance on SFPUC	ISG (mgd)	Total Potable Production (mgd)	Lesser of Base Period SFPUC Purchases and ISG (mgd)	SFPUC Minimum Cutback (mgd)	SFPUC Maximum Cutback (mgd)	Is efficient residential allocation greater than minimum cutback?	Adjusted SFPUC Minimum Cutback, if efficient residential allocation is greater than	0. Effective SFPUC Minimum Cutback (mgd)	Population	% Potable Demand Reliance on SFPUC	Allocation based on efficient residential indoor use (mgd)	Efficient Residential Allocation	1. Efficient Residential (mgd)	
Alameda CWD	2021	2020	8.63	22%	13.76	39.32	8.63	8.20	6.69	<input type="checkbox"/>		8.20	344,000	22%	16.17	3.55	3.55	
Brisbane	2019	2020	0.65	100%	0.98	0.65	0.65	0.62	0.50	<input type="checkbox"/>		0.62	4,851	100%	0.23	0.23	0.23	
Burlingame	2020	2019	3.45	100%	5.23	3.45	3.45	3.28	2.67	<input type="checkbox"/>		3.28	31,080	100%	1.46	1.46	1.46	
Coastside	2021	2019	1.69	94%	2.18	1.80	1.69	1.61	1.31	<input type="checkbox"/>		1.61	18,890	94%	0.89	0.83	0.83	
CWS - Total	2021	2020	29.23	95%	35.68	30.62	29.23	27.77	22.66	<input type="checkbox"/>		27.77	262,704	95%	12.35	11.78	11.78	
Daly City	2020	2019	3.84	64%	4.29	6.00	3.84	3.64	2.97	<input type="checkbox"/>		3.64	107,000	64%	5.03	3.22	3.22	
East Palo Alto	2020	2019	1.57	100%	3.46	1.57	1.57	1.49	1.21	<input type="checkbox"/>		1.49	29,519	100%	1.39	1.39	1.39	
Estero	2020	2021	4.32	100%	5.90	4.32	4.32	4.10	3.35	<input type="checkbox"/>		4.10	37,443	100%	1.76	1.76	1.76	
Hayward	2021	2019	14.26	100%	22.10	14.26	14.26	13.55	11.06	<input type="checkbox"/>		13.55	159,800	100%	7.51	7.51	7.51	
Hillsborough	2021	2020	2.66	100%	4.09	2.66	2.66	2.53	2.06	<input type="checkbox"/>		2.53	11,592	100%	0.54	0.54	0.54	
Menlo Park	2019	2020	3.09	100%	4.46	3.09	3.09	2.94	2.40	<input type="checkbox"/>		2.94	20,319	100%	0.95	0.95	0.95	
Mid-Peninsula	2020	2021	2.63	100%	3.89	2.63	2.63	2.50	2.04	<input type="checkbox"/>		2.50	30,159	100%	1.42	1.42	1.42	
Millbrae	2019	2020	1.92	100%	3.15	1.92	1.92	1.83	1.49	<input type="checkbox"/>		1.83	20,666	100%	0.97	0.97	0.97	
Milpitas	2020	2021	5.67	67%	9.23	8.49	5.67	5.39	4.40	<input type="checkbox"/>		5.39	81,067	67%	3.81	2.54	2.54	
Mountain View	2021	2020	7.78	87%	12.46	8.90	7.78	7.40	6.03	<input type="checkbox"/>		7.40	81,501	87%	3.83	3.35	3.35	
North Coast	2021	2020	2.39	100%	3.84	2.39	2.39	2.27	1.85	<input type="checkbox"/>		2.27	37,082	100%	1.74	1.74	1.74	
Palo Alto	2021	2020	9.95	100%	16.58	9.95	9.95	9.45	7.71	<input type="checkbox"/>		9.45	68,624	100%	3.23	3.23	3.23	
Purissima Hills	2021	2020	1.82	100%	1.62	1.82	1.62	1.54	1.26	<input type="checkbox"/>		1.54	7,350	100%	0.35	0.35	0.35	
Redwood City	2020	2021	8.62	100%	10.93	8.62	8.62	8.19	6.68	<input type="checkbox"/>		8.19	90,928	100%	4.27	4.27	4.27	
San Bruno	2020	2021	0.93	30%	3.25	3.09	0.93	0.89	0.72	<input type="checkbox"/>		0.89	43,910	30%	2.06	0.62	0.62	
San Jose	2019	2020	4.27	99%	4.50	4.29	4.27	4.05	3.31	<input type="checkbox"/>		4.05	43,036	99%	2.02	2.01	2.01	
Santa Clara	2020	2021	3.25	20%	4.50	16.27	3.25	3.09	2.52	<input type="checkbox"/>		3.09	132,476	20%	6.23	1.24	1.24	
Stanford	2020	2019	1.43	100%	3.03	1.43	1.43	1.36	1.11	<input type="checkbox"/>		1.36	20,000	100%	0.94	0.94	0.94	
Sunnyvale	2021	2020	9.47	54%	12.58	17.68	9.47	8.99	7.34	<input type="checkbox"/>		8.99	156,317	54%	7.35	3.93	3.93	
Westborough	2020	2019	0.80	100%	1.32	0.80	0.80	0.76	0.62	<input type="checkbox"/>		0.76	13,486	100%	0.63	0.63	0.63	
Total			134.34		193.02	196.04	134.14							1,853,800		87.13		60.49
Allocated																	60.49	
Unallocated																	53.71	
Reserved																	0	

2. Non-Residential Base Allocation					3. SFPUC Maximum Cutback "Reserve"			4. Seasonal Allocation				5. Base SFPUC Purchases/ISG-Based Allocation with Minimum Cutback				
Agency	Estimated % Indoor Use	% Non-Residential Use	Non-Residential Base Allocation (mgd)	2. Non-Residential Base Allocation (mgd)	No water is allocated in this step. Establishes the lower limit of an agency's final allocation and potential need is reserved for Step 5.			% Seasonal Use	Seasonal SFPUC Purchases (mgd)	Seasonal Allocation (mgd)	4. Seasonal Allocation (mgd)	Basis for Target Allocation (SFPUC Purchases / ISG weighting from OVERVIEW tab)		Target Allocation	First Iteration of Base Per Allocation	
					SFPUC Maximum Cutback (mgd)2	Does Step 2 Allocation Meet SFPUC Maximum Cutback?	SFPUC Maximum Cutback Shortfall (mgd)					Weighted Average of Base Period SFPUC Purchases (up to ISG) and ISG (mgd)	Weighted Share of Tier 1 Allocation (mgd)		Target Allocation Based Gap (mgd)	Target Based Allocation 1 (mgd)
Alameda CWD	69%	41%	2.22	5.77	6.69	<input type="checkbox"/>	0.92	31%	2.71	0.22	5.99	10.33	7.68	7.68	1.69	0.31
Brisbane	66%	68%	0.27	0.50	0.50	<input type="checkbox"/>	0.01	34%	0.22	0.02	0.51	0.76	0.56	0.56	0.05	0.01
Burlingame	73%	40%	0.93	2.39	2.67	<input type="checkbox"/>	0.28	27%	0.93	0.07	2.46	4.04	3.00	3.00	0.54	0.10
Coastside	64%	46%	0.47	1.30	1.31	<input type="checkbox"/>	0.01	36%	0.60	0.05	1.35	1.85	1.38	1.38	0.03	0.01
CWS - Total	61%	30%	5.02	16.80	22.66	<input type="checkbox"/>	5.85	39%	11.26	0.89	17.69	31.36	23.32	23.32	5.62	1.05
Daly City	88%	23%	0.73	3.64	2.97	<input checked="" type="checkbox"/>	0.00	12%	0.46	0.04	3.64	3.99	2.96	2.96	0.00	0.00
East Palo Alto	79%	18%	0.21	1.49	1.21	<input checked="" type="checkbox"/>	0.00	21%	0.33	0.03	1.49	2.19	1.63	1.49	0.00	0.00
Estero	63%	45%	1.13	2.89	3.35	<input type="checkbox"/>	0.46	37%	1.58	0.13	3.01	4.84	3.60	3.60	0.59	0.11
Hayward	72%	45%	4.33	11.85	11.06	<input checked="" type="checkbox"/>	0.00	28%	3.95	0.31	12.16	16.85	12.53	12.53	0.37	0.07
Hillsborough	36%	9%	0.08	0.62	2.06	<input type="checkbox"/>	1.44	64%	1.70	0.14	0.76	3.13	2.33	2.33	1.57	0.29
Menlo Park	53%	63%	0.94	1.90	2.40	<input type="checkbox"/>	0.50	47%	1.47	0.12	2.01	3.54	2.63	2.63	0.62	0.12
Mid-Peninsula	68%	27%	0.45	1.87	2.04	<input type="checkbox"/>	0.18	32%	0.86	0.07	1.93	3.05	2.27	2.27	0.33	0.06
Millbrae	76%	36%	0.49	1.46	1.49	<input type="checkbox"/>	0.03	24%	0.46	0.04	1.49	2.33	1.73	1.73	0.24	0.04
Milpitas	78%	51%	2.08	4.62	4.40	<input checked="" type="checkbox"/>	0.00	22%	1.23	0.10	4.72	6.85	5.09	5.09	0.37	0.07
Mountain View	66%	43%	2.04	5.39	6.03	<input type="checkbox"/>	0.65	34%	2.64	0.21	5.60	9.33	6.94	6.94	1.34	0.25
North Coast	80%	24%	0.42	2.16	1.85	<input checked="" type="checkbox"/>	0.00	20%	0.48	0.04	2.20	2.87	2.13	2.13	0.00	0.00
Palo Alto	61%	38%	2.11	5.34	7.71	<input type="checkbox"/>	2.37	39%	3.90	0.31	5.65	12.14	9.03	9.03	3.38	0.63
Purissima Hills	38%	12%	0.07	0.42	1.26	<input type="checkbox"/>	0.84	62%	1.13	0.09	0.51	1.62	1.21	1.21	0.70	0.13
Redwood City	68%	34%	1.81	6.08	6.68	<input type="checkbox"/>	0.60	32%	2.80	0.22	6.31	9.38	6.98	6.98	0.67	0.13
San Bruno	78%	29%	0.20	0.82	0.72	<input checked="" type="checkbox"/>	0.00	22%	0.21	0.02	0.84	1.70	1.26	0.89	0.05	0.01
San Jose	69%	62%	1.68	3.69	3.31	<input checked="" type="checkbox"/>	0.00	31%	1.33	0.11	3.79	4.34	3.23	3.23	0.00	0.00
Santa Clara	73%	50%	1.10	2.35	2.52	<input type="checkbox"/>	0.17	27%	0.88	0.07	2.42	3.66	2.72	2.72	0.31	0.06
Stanford	63%	45%	0.38	1.32	1.11	<input checked="" type="checkbox"/>	0.00	37%	0.53	0.04	1.36	1.96	1.46	1.36	0.00	0.00
Sunnyvale	69%	42%	2.54	6.48	7.34	<input type="checkbox"/>	0.86	31%	2.98	0.24	6.71	10.49	7.80	7.80	1.09	0.20
Westborough	73%	26%	0.14	0.76	0.62	<input checked="" type="checkbox"/>	0.00	27%	0.22	0.02	0.76	0.97	0.72	0.72	0.00	0.00
Total			31.83	91.90	103.98		15.18		44.87	3.56	95.38	153.57	114.20	113.58	19.56	3.64
Allocated				91.90			91.90				95.38					
Unallocated				22.30			22.30				18.82					
Reserved				0			15.18				15.18					

First Iteration of Base Period/ISG-Based Allocation		Maximum Cutback			Second Iteration of Base Period/ISG-Based Allocation			Third Iteration of Base Period/ISG-Based Allocation If all agencies meet their Target Allocation, remaining water is allocated up to Minimum Cutback				Final Allocation (mgd)	Cutback Percentage	Allocation Factor
Agency	First Iteration of Target Based Allocation (mgd)	Does Step 5 Initial Allocation Meet SFPUC Maximum Cutback?	Maximum Cutback (mgd)	Initial Step 5 Allocation with Maximum Cutback (mgd)	Target Allocation Based Gap (mgd)3	Target Based Allocation 2 (mgd)	Second Iteration of Target Based Allocation (mgd)	Equal or Greater than Weighted Share/Minimum Cutback	Target Allocation Based Gap 3 (mgd)	Third Iteration of Target Based Allocation (mgd)	5. Weighted Share/ Maximum Cutback Based Allocation (mgd)			
Alameda CWD	6.30	<input type="checkbox"/>	0.39	6.69	0.99	0.88	7.57	<input type="checkbox"/>	0.11	0.00	7.57	7.57	12.3%	6.6%
Brisbane	0.52	<input checked="" type="checkbox"/>	0.00	0.52	0.04	0.04	0.56	<input type="checkbox"/>	0.00	0.00	0.56	0.56	13.8%	0.5%
Burlingame	2.56	<input type="checkbox"/>	0.11	2.67	0.33	0.29	2.97	<input type="checkbox"/>	0.04	0.00	2.97	2.97	14.0%	2.6%
Coastside	1.35	<input checked="" type="checkbox"/>	0.00	1.35	0.02	0.02	1.38	<input type="checkbox"/>	0.00	0.00	1.38	1.38	18.8%	1.2%
CWS - Total	18.74	<input type="checkbox"/>	3.91	22.66	0.66	0.59	23.24	<input type="checkbox"/>	0.07	0.00	23.24	23.24	20.5%	20.4%
Daly City	3.64	<input checked="" type="checkbox"/>	0.00	3.64	0.00	0.00	3.64	<input checked="" type="checkbox"/>	0.00	0.00	3.64	3.64	5.0%	3.2%
East Palo Alto	1.49	<input checked="" type="checkbox"/>	0.00	1.49	0.00	0.00	1.49	<input checked="" type="checkbox"/>	0.00	0.00	1.49	1.49	5.0%	1.3%
Estero	3.12	<input type="checkbox"/>	0.23	3.35	0.25	0.22	3.57	<input type="checkbox"/>	0.03	0.00	3.57	3.57	17.3%	3.1%
Hayward	12.23	<input checked="" type="checkbox"/>	0.00	12.23	0.30	0.27	12.50	<input type="checkbox"/>	0.03	0.00	12.50	12.50	12.4%	10.9%
Hillsborough	1.05	<input type="checkbox"/>	1.01	2.06	0.27	0.24	2.30	<input type="checkbox"/>	0.03	0.00	2.30	2.30	13.6%	2.0%
Menlo Park	2.13	<input type="checkbox"/>	0.27	2.40	0.24	0.21	2.61	<input type="checkbox"/>	0.03	0.00	2.61	2.61	15.7%	2.3%
Mid-Peninsula	2.00	<input type="checkbox"/>	0.05	2.04	0.23	0.20	2.24	<input type="checkbox"/>	0.03	0.00	2.24	2.24	14.9%	2.0%
Millbrae	1.54	<input checked="" type="checkbox"/>	0.00	1.54	0.19	0.17	1.71	<input type="checkbox"/>	0.02	0.00	1.71	1.71	11.1%	1.5%
Milpitas	4.79	<input checked="" type="checkbox"/>	0.00	4.79	0.30	0.27	5.06	<input type="checkbox"/>	0.03	0.00	5.06	5.06	10.8%	4.4%
Mountain View	5.85	<input type="checkbox"/>	0.19	6.03	0.90	0.80	6.84	<input type="checkbox"/>	0.10	0.00	6.84	6.84	12.2%	6.0%
North Coast	2.20	<input checked="" type="checkbox"/>	0.00	2.20	0.00	0.00	2.20	<input checked="" type="checkbox"/>	0.00	0.00	2.20	2.20	7.7%	1.9%
Palo Alto	6.28	<input type="checkbox"/>	1.44	7.71	1.31	1.17	8.88	<input type="checkbox"/>	0.15	0.00	8.88	8.88	10.8%	7.8%
Purissima Hills	0.64	<input type="checkbox"/>	0.62	1.26	0.00	0.00	1.26	<input checked="" type="checkbox"/>	0.00	0.00	1.26	1.26	30.9%	1.1%
Redwood City	6.43	<input type="checkbox"/>	0.25	6.68	0.29	0.26	6.95	<input type="checkbox"/>	0.03	0.00	6.95	6.95	19.5%	6.1%
San Bruno	0.85	<input checked="" type="checkbox"/>	0.00	0.85	0.04	0.04	0.88	<input type="checkbox"/>	0.00	0.00	0.88	0.88	5.5%	0.8%
San Jose	3.79	<input checked="" type="checkbox"/>	0.00	3.79	0.00	0.00	3.79	<input checked="" type="checkbox"/>	0.00	0.00	3.79	3.79	11.1%	3.3%
Santa Clara	2.47	<input type="checkbox"/>	0.05	2.52	0.20	0.18	2.70	<input type="checkbox"/>	0.02	0.00	2.70	2.70	16.9%	2.4%
Stanford	1.36	<input checked="" type="checkbox"/>	0.00	1.36	0.00	0.00	1.36	<input checked="" type="checkbox"/>	0.00	0.00	1.36	1.36	5.0%	1.2%
Sunnyvale	6.92	<input type="checkbox"/>	0.42	7.34	0.47	0.41	7.75	<input type="checkbox"/>	0.05	0.00	7.75	7.75	18.1%	6.8%
Westborough	0.76	<input checked="" type="checkbox"/>	0.00	0.76	0.00	0.00	0.76	<input checked="" type="checkbox"/>	0.00	0.00	0.76	0.76	5.0%	0.7%
Total			8.92	107.95	7.04	6.25	114.20		0.79	0.00	114.20	114.20		
Allocated			99.02	107.95			114.20				114.20			
Unallocated			0.00	6.25			0.00				0.00			
Reserved			15.18	0.00			0.00				0.00			

Instructions: Copy/paste the table below into the "Historical Saves" tab, columns A through F.						
Agency	Agency	Allocation Year (FY)	Allocation Year (integer)	Final Allocation (mgd)	Cutback Percentage	Allocation Factor
Alameda CWD	Alameda CWD	FY24-25	2025	7.57	12%	7%
Brisbane	Brisbane	FY24-25	2025	0.56	14%	0%
Burlingame	Burlingame	FY24-25	2025	2.97	14%	3%
Coastside	Coastside	FY24-25	2025	1.38	19%	1%
CWS - Total	CWS - Total	FY24-25	2025	23.24	20%	20%
Daly City	Daly City	FY24-25	2025	3.64	5%	3%
East Palo Alto	East Palo Alto	FY24-25	2025	1.49	5%	1%
Estero	Estero	FY24-25	2025	3.57	17%	3%
Hayward	Hayward	FY24-25	2025	12.50	12%	11%
Hillsborough	Hillsborough	FY24-25	2025	2.30	14%	2%
Menlo Park	Menlo Park	FY24-25	2025	2.61	16%	2%
Mid-Peninsula	Mid-Peninsula	FY24-25	2025	2.24	15%	2%
Millbrae	Millbrae	FY24-25	2025	1.71	11%	1%
Milpitas	Milpitas	FY24-25	2025	5.06	11%	4%
Mountain View	Mountain View	FY24-25	2025	6.84	12%	6%
North Coast	North Coast	FY24-25	2025	2.20	8%	2%
Palo Alto	Palo Alto	FY24-25	2025	8.88	11%	8%
Purissima Hills	Purissima Hills	FY24-25	2025	1.26	31%	1%
Redwood City	Redwood City	FY24-25	2025	6.95	19%	6%
San Bruno	San Bruno	FY24-25	2025	0.88	5%	1%
San Jose	San Jose	FY24-25	2025	3.79	11%	3%
Santa Clara	Santa Clara	FY24-25	2025	2.70	17%	2%
Stanford	Stanford	FY24-25	2025	1.36	5%	1%
Sunnyvale	Sunnyvale	FY24-25	2025	7.75	18%	7%
Westborough	Westborough	FY24-25	2025	0.76	5%	1%
Total						
Allocated						
Unallocated						
Reserved						

Instructions: Copy/paste the table below into the "Historical Saves" tab, columns A through F.

Input Category	Value	Allocation Year (FY)	Allocation Year (integer)
Allocation Year/Projection Year	FY24-25	FY24-25	2025
Tier 1 Shortage Allocation (mgd)	114.20	FY24-25	2025
Overall Reduction from Base Period Required	-15%	FY24-25	2025
SFPUC Maximum Cutback Factor	-22%	FY24-25	2025
SFPUC Minimum Cutback Factor	-5%	FY24-25	2025
Non-Residential Base Allocation %	93%	FY24-25	2025
Step 5 Reserved % of Remaining Tier 1 Allocation (less Step	50%	FY24-25	2025
Unreserved % of Remaining Tier 1 Allocation (less Step 3	50%	FY24-25	2025
Seasonal Allocation %	8%	FY24-25	2025
Step 5 ISG Weighting	33%	FY24-25	2025
Step 5 Base SFPUC Purchases Weighting	67%	FY24-25	2025
Residential Efficient Allocation (R-GPCD)	47.0	FY24-25	2025
Adjustment % for SFPUC Minimum Cutback, if efficient	95%	FY24-25	2025



AGENDA ITEM NO. 8.C.

DATE: June 26, 2025
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: CONSIDER RESOLUTION NO. 2025-22 AUTHORIZING A WATER SERVICE AGREEMENT BETWEEN THE MID-PENINSULA WATER DISTRICT AND LINC-HILL STREET, L.P. FOR A 37-UNIT MULTI-FAMILY RESIDENTIAL DEVELOPMENT LOCATED BETWEEN 884 AND 900 EL CAMINO REAL IN BELMONT, CA

RECOMMENDATION:

Approve Resolution 2025-22.

FISCAL IMPACT:

The Water Service Agreement (WSA) details the fees, charges, deposits, and reimbursements between the District and the LINC-HILL Street, L.P. (Developer), a California LLC, for their share of capacity, water meters and fire service installation fees, installation of a new public fire hydrant and relocation of an existing fire hydrant, and inspection fees for water system improvements necessary to serve the development. Their fees, charges and deposits can be found in Section 5.D. of the WSA and total \$196,275.00. A summary of the fees, charges, and costs, which the Developer has agreed to pay the District:

37 – MFR services w/Capacity Charge	\$ 222,962.00
1 – District Inspection Services	\$ 5,396.00
4 – 2” water meters & radio transmitters	\$ 8,089.00
4 – existing service credits	\$ (40,172.00)
Net Fiscal Impact to District	\$ 196,275.00

**Note: developer paid separately a fee of \$5,000 used for internal/external plan reviews.*

DISCUSSION:

The project is a 37-unit multi-family development covering approximately 13,500 square feet over two (2) lots (884 and 900 El Camino Real, see Exhibit D for lot line adjustment

of three lots into one), located between 884 and 900 El Camino Real and separated by Hill Street. Water services to the site required to meet demand per the WSA include:

- Four – 1.5-inch AMI metered domestic service connections;
- Two – 6-inch private fire service connection; and
- One – new public fire hydrant located in the right of way and the relocation of an existing fire hydrant.

Per District policy, a Developer's project must "buy-in" to the system in the form of water capacity charges and water demand off-set charges. These fees and charges to the Developer all listed above in the Fiscal Impact and were based on information from the Developer based on 37 multi-family units. There is no Water Demand Offset fee due to the District not currently in a drought stage. Another cost to the Developer is the \$8,089 cost for the water meters needed to provide service.

The remainder of the WSA has sections focused on such things as approval of the water utility system plans, a timeframe for getting started on building the water utility system; inspection of the water utility system facilities; fees, charges and payment to the District; warranty and indemnity; the conveyance of title for improvements, and assignment.

There is one last section in the WSA to point out that is new for multi-family WSAs. In Section 12 titled "District Regulations" it lets the developer know they will be required, to not be in breach of the WSA, to always abide by and faithfully observe all District ordinances, resolutions, rules, and regulations presently in effect and that can be amended from time to time by the District. This includes and is not limited to a requirement to separately meter any units that are converted to condominiums prior to 50 years from the date construction of the unit is complete, and that the owner will be solely responsible for all construction and costs, including District fees, related to separate meters. Staff and counsel developed this language, and the developer did not request any change to it.

The WSA was reviewed by District Counsel before being shared with the Developer for comment and concurrence with terms.

Attachments: Resolution No. 2025-22
 Water Service Agreement – LINC-HILL Street, L.P.

RESOLUTION NO. 2025-22

**AUTHORIZING A WATER SERVICE AGREEMENT
BETWEEN THE MID-PENINSULA WATER DISTRICT AND
LINC-HILL STREET, L.P., A CALIFORNIA LLC,
FOR A 37-UNIT MULTI-FAMILY RESIDENTIAL DEVELOPMENT LOCATED
BETWEEN 884 AND 900 EL CAMINO REAL IN BELMONT, CA**

*** * ***

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (District) normally serves water to customers through water meters located within the public right of way; and

WHEREAS, LINC-HILL Street, L.P., a California LLC, (Developer) proposes a development project located between 884 and 900 El Camino Real in Belmont, California, including 37 multi-family units served by four (4) – 1.5-inch AMI water meters, and one (1) public fire hydrant, and the relocation of one (1) existing public fire hydrant. Four (4) 1.5-inch AMI water meters and both fire hydrants will be located in the public right of way; and

WHEREAS, the District is requiring a Water Service Agreement to formalize the creation of a Water Utility System, timely installation of said Water Utility System, provisions for a District representative to inspect construction of said Water Utility System, to document the calculation of fees and charges due from Developer to the District at the time Water Utility System plans are to be signed by the General Manager as approved, and conveyance of title of the Water Utility System by the Developer to the District; and

WHEREAS, Section 12 the Water Service Agreement titled “District Regulations” clearly states current and future water customers shall always abide by and faithfully

observe all District ordinances, resolutions, rules and regulations presently in effect, including current fee schedules, which may be amended from time to time, and that compliance with such regulations includes, but is not limited to the requirement to separately meter any units that are converted to condominiums prior to fifty (50) years from the date construction of the unit is completed, and the owner will be solely responsible for all construction and costs, including District fees, related to such meters.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes the General Manager to execute the Water Service Agreement, as presented to the Board on June 26, 2025 and as approved by legal counsel, between the District and LINC-HILL Street, L.P. for the development project located between 884 and 900 El Camino Real in Belmont, CA.

REGULARLY passed and adopted this 26th day of June 2025.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

BOARD PRESIDENT

ATTEST:

DISTRICT SECRETARY

WATER SERVICE AGREEMENT

900 EL CAMINO REAL & 876 THROUGH 898 EL CAMINO REAL

THIS AGREEMENT is made as of this ____ day of June 2025, between MID-PENINSULA WATER DISTRICT ("District") and LINC-HILL STREET, L.P. ("Owner").

THE PARTIES AGREE AS FOLLOWS:

1. RECITALS

This Agreement is entered into regarding the following facts and circumstances.

A. District is a public agency organized under the provisions of the California Water Code and is engaged in the storage, transmission and sale of water for domestic purposes within San Mateo County.

B. Owner is a California non-profit benefit corporation, sole member/manager of LINC- HILL Street, LLC, a California limited liability company, managing general partner to LINC-HILL Street, L.P. within the geographical limits of the District. Owner is the owner of certain real properties consisting of approximately 5,044 square feet located at 876 through 898 El Camino Real in the City of Belmont, which were merged into a new parcel as described in the *Lot Line Adjustment* recorded as instrument 2025-013240 in the Official Records of the County of San Mateo, attached hereto as Exhibit D , and approximately 8,400 square feet located at 900 El Camino Real (APN 045-163-070) (together, 876 through 900 El Camino Real total approximately 13,497 square feet and are referred to herein as "the Property"), the location of which is shown on Exhibit B.

C. Owner has obtained approval from the City of Belmont for, and proposes to construct on the Property, thirty-seven (37) high-density residential units, the general layout of which is as shown on Exhibit B (the "Project"). Twenty-four (24) multi-family residential units on 900 El Camino Real and thirteen (13) multi-family residential units on 876 through 898 El Camino Real.

D. In total, the Property will require water service consisting of four (4) one and one-half-inch (1.5") metered domestic service connections, two (2) six-inch (6") private fire service connections, one (1) new public hydrant, one (1) fire hydrant relocation, and the abandonment of four (4) 5/8-inch metered water services.

2. APPROVAL OF WATER UTILITY SYSTEM

The Water Utility System is shown on and described in the attached *900 El Camino Real & 876 Through 898 El Camino Real Construction Documents* (hereinafter, collectively, the "reviewed submittal documents"), as approved by the District. A copy of the reviewed submittal documents is on file at the office of the District and is incorporated herein by this reference as Exhibit C.

"Water Utility System" means the water mains, valves, service lines from the water mains to the meters, fittings, valves and housing thereof, fire hydrants, valve cans, and all appurtenances thereto, except water meters required to service the Project, as depicted and described in the reviewed submittal documents.

3. INSTALLATION

A. Owner shall commence installation of the Water Utility System no later than twelve (12) months, subject to extension for force majeure events not the fault of Owner, after the date of this Agreement and shall complete its installation within eighteen (18) months

after the date of this Agreement. If installation is not commenced and/or completed by such dates, the District may terminate this Agreement, unless the delay is solely attributable to events, such as fire, flood or earthquake, which are beyond the control of, and not the fault of, Owner.

B. Owner shall install the Water Utility System in accordance with the ~~location and sizes shown on the reviewed submittal documents identified in Section 2, in~~ accordance with such specifications and standards as the District may prescribe, and in accordance with the further reasonable directions of the District Engineer and District General Manager. Construction shall include off site facilities and connections to existing facilities and shall be performed in a manner satisfactory to the District.

4. INSPECTION; CONSTRUCTION

A. Prior to commencing construction of the Water Utility System, Owner shall furnish to the District, at Owner's expense, a report by a competent soils engineer or soils laboratory indicating that the compaction in the fills within which water facilities are to be installed is in accordance with the District's specifications and standards, or meets such other criteria as the District may prescribe.

B. Owner shall notify District in writing at least ten (10) days in advance of the proposed starting date for construction of the Water Utility System and shall not commence construction unless the District inspector or authorized agent is at the site of the work when said construction begins. District agrees to make the District inspector or authorized agent available to be on site, provided the ten (10)-day advance notice is given by Owner or Owner's representative. If construction is not continuous, District shall be notified at least forty-eight (48) hours in advance of the resumption of said construction. Any work performed without notice to District may be rejected by District on that ground alone. The District inspector or authorized

agent will observe and inspect facilities solely to protect the interests of the District and to determine whether the completed work is acceptable to District and can be incorporated into the District system. The District does not assume thereby any responsibility for the operations or safety practices of Owner, Owner's agents or contractors. Owner is responsible for correct location of all facilities that it installs. The District inspector or authorized agent will not inspect facilities installed "downstream" of the individual meters.

C. Owner shall permit District's employees and authorized agents to inspect the Water Utility System, and the plans and materials therefor, at any reasonable time before, during, or after installation.

D. Owner shall repair at its expense (or, at the option of District, shall reimburse District for the actual cost of repairs effected by it) any damage to District property caused by Owner, its agents, employees, or contractors in constructing the Water Utility System.

5. **PAYMENT OF FEES AND CHARGES –**

The Owner will pay applicable fees and charges as follows:

A. **Capacity and Water Demand Offset Fees.** Concurrently with the execution of this Agreement, Owner shall pay Capacity and Water Demand Offset fees in the amount of ONE HUNDRED EIGHTY-TWO THOUSAND SEVEN HUNDRED NINETY DOLLARS AND NO/100 DOLLARS (\$182,790.00), calculated as follows:

Type of Connection	Capacity Charges & Water Demand Offset Fees	Number of Connections	Total Cost
Multi-Family Residential	\$6,430.00	37	\$222,962.00
Existing Service (Credit)	(\$10,043.00)	4	(\$40,172.00)

		Total	\$182,790.00
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B. Payment of Inspection Fees and Meter costs. Concurrently with the execution of this Agreement, Owner shall deposit FIVE THOUSAND THREE HUNDRED NINETY-SIX AND NO/100 DOLLARS **\$5,396.00** towards the cost of inspection of the installation of the water utility system per the approved plans. The District shall install four (4) one and one-half-inch (1.5") individual water meters and radio transmitters at a cost of EIGHT THOUSAND EIGHTY-NINE AND NO/100 DOLLARS **\$8,089.00**. Owner will pay the District's actual cost of inspection of Owner-installed equipment and the purchase and installation of the meters and transmitters.

C. Plan Check. Prior to the execution of this Agreement, Owner has deposited FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00), which is the amount due for the District staff and Engineer's costs in reviewing plans and preparation of plan check comments and associated water service documents.

D. Total Due with Agreement. **The total payment due concurrently with execution of this Agreement shall be ONE HUNDRED NINETY-SIX THOUSAND TWO HUNDRED SEVENTY-FIVE DOLLARS AND NO/100 (\$196,275.00), which represents the sum of fees listed in paragraphs 4.A. and 4.B.**

6. WARRANTY/INDEMNITY

A. Owner guarantees all work done under this Agreement will be free from faulty materials and workmanship for a period of two (2) years from the date of acceptance of the Water Utility System by the District. Owner agrees to repair or replace all work through the

warranty period that is not in accordance with the requirements of this Agreement, without any cost or expense to the District.

B. District shall not be responsible or held liable in any manner whatsoever for any injury or damage which may be done to any person or property (or other loss or liability) as a result of the installation of the Water Utility System.

C. Owner, on its behalf and on behalf of its successors in interest, hereby agrees to waive any claims against District arising from or related to the events and activities described in Subsections 4.A. and 4.B. above, and to indemnify the District and hold it free, safe and harmless of, from and against any and all liability for the death of or injury to any person and for the loss of, or damage to, any property (including the loss of its use and including against any and all claims by subsequent purchasers of the Property or units constructed on the Property) that may arise from such events and activities. Owner further agrees to defend, with counsel reasonably acceptable to the District, all such claims, actions, or suits, and to pay all charges of attorneys and all other costs and expenses incurred by the District. The agreements contained in this paragraph shall survive the performance of the remainder of this Agreement and shall remain in full force and effect notwithstanding such performance.

D. The provisions of Sections 6.B. and 6.C. shall not be applicable to injury or damage, loss or liability caused by the District's sole, active negligence or willful misconduct.

7. INSURANCE

A. Owner or its construction contractor shall, at its cost, maintain in full force and effect during the period beginning with commencement of construction of the Water Utility System and terminating no earlier than thirty (30) days after completion thereof and approval by

District for its connection with the District's distribution system, a policy or policies of liability insurance, as follows:

1. Bodily and personal injury liability in an amount not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence; and

2. Property damage insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

Such policies shall insure District as an additional insured against any and all liability for the death of or injury to any person and for the loss of or damage to any property which may arise by reason of acts done or omitted to be done as a result of the installation of the Water Utility System by or on behalf of Owner and shall further insure District against any and all costs and expenses, including attorneys' fees, which District may incur in resisting any claim which may be made against District for any such injury or damage.

B. Each such policy shall:

1. be issued by an insurance company or companies qualified to do business in California and approved in writing by District;

2. name District, its Directors, officers, agents and employees, as additional insureds;

3. specify that it acts as Primary Insurance; the insurer being liable thereunder for the full amount of any loss up to and including the total limit of liability without right of contribution from any insurance effected by District;

4. provide that the policy shall not be cancelled or altered without thirty (30) days' prior written notice to District; and

5. otherwise be in form reasonably satisfactory to District.

C. Owner or its contractor shall always provide and maintain during the course of installation of the Water Utility System, Worker's Compensation Insurance in conformance with the laws of the State of California. Such policy shall provide that the underwriter thereof waives all right of subrogation against District by reason of any claim arising out of or connected with installation of the Water Utility System and that such policy shall not be cancelled or altered without thirty (30) days' prior written notice to District.

D. Copies of all policies required above (or Certificates of Insurance satisfactory to District) shall be delivered to District at least ten (10) days prior to commencement of construction of the Water Utility System.

8. SIZING OF INTERIOR PLUMBING; WATER PRESSURE

It is Owner's responsibility to see that water pressure at all fixture units is sufficient; District shall have no responsibility to inspect the installation of interior plumbing fixtures or piping.

9. CONVEYANCE OF TITLE TO UTILITY SYSTEM

Full right, title and interest in and to all elements of the Water Utility System installed pursuant hereto will be granted to District upon written notice of acceptance thereof by District and without the necessity for any further action by Owner. There shall be no obligation upon District to pay or reimburse to Owner any part of the cost of Water Utility System. Owner warrants that upon such passage of title to District, the title shall be free and clear from all mechanics and materialmen liens that could arise from construction of the Water Utility System, charges and encumbrances whatsoever. All water meters installed by the District are and will remain the property of District.

10. ACCEPTANCE BY DISTRICT

District shall accept the Water Utility System when all of the following conditions have been met: (1) completion of the Water Utility System; (2) certification by the District inspector or authorized agent upon completion that the Water Utility System has been constructed in accordance with this Agreement; (3) furnishing by Owner of evidence that it has paid all costs incurred in constructing the Water Utility System; (4) performance by Owner of all of its obligations under this Agreement, which are to be completed prior to acceptance of the Water Utility System, including payment of all sums due the District; and (5) furnishing by Owner of two sets of non-ammonia type mylar reproducible drawings of the completed improvements showing "as-built" conditions.

Upon acceptance, and payment for the fees, costs, and charges owed to the District, District shall provide water service to the Project.

Upon acceptance, Owner shall be relieved of all future obligations to maintain the elements of the Water Utility System that is conveyed to the District pursuant to Section 9 of this Agreement, subject to Owner's obligation to repair defects as required by this Agreement.

11. EXECUTION AND PERFORMANCE OF AGREEMENT

Execution of this Agreement is a condition precedent to issuance by District of any letters, approvals, consents, or communications to any state, municipal, local or other public bodies regarding the availability of water service to the area to be developed. Full performance of and compliance with each term of this Agreement by Owner is a condition precedent to water service by District.

12. DISTRICT REGULATIONS

Owner shall always abide by and faithfully observe all District ordinances, resolutions, rules and regulations presently in effect, including current fee schedules, or which may hereafter be enacted or amended from time to time.

13. ASSIGNMENT

Owner's rights under this Agreement may be assigned only in connection with a sale or conveyance of the Property. No such assignment shall be valid or binding on the District unless the assignee executes a written instrument, in form and substance satisfactory to District, assuming all of Owner's obligations under this Agreement, which have not been fully performed as of the date of assignment. Such assignment shall not release Owner from any of its obligations to District under this Agreement.

This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. If the Owner or a permitted successor or assignee shall disincorporate, forfeit its articles or right of incorporation, or otherwise fully terminate without a successor or assign, District shall have no further obligations under this Agreement.

14. NOTICE

Any notice required by this Agreement shall be satisfied by a notice in writing, either delivered personally or sent by regular or certified mail, postage prepaid, and addressed as follows:

District: Mid-Peninsula Water District
1075 Old County Road, Suite A
P.O. Box 129
Belmont, CA 94002
Attention: General Manager

Owner: LINC-Hill Street, L.L.P.
3590 Elm Avenue
Long Beach, CA 90807
Attention: Aileen Villasenor

15. CONSTRUCTION OF AGREEMENT

Both parties have participated in preparing this Agreement. This Agreement shall be construed reasonably and not in favor of or against either party hereto on the grounds that one party prepared the Agreement.

16. ENTIRE AGREEMENT

This Agreement, including the Exhibits which are hereby incorporated by reference, contains the entire agreement between the parties hereto. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist.

17. APPLICABLE LAW

This Agreement shall be governed by and construed and enforced in accordance with and subject to the laws of the State of California. Except as expressly provided for herein, this Agreement is not intended to, and does not, modify the District's rights to exercise the legislative discretion accorded to it by the laws of California. Any lawsuit related to this Agreement shall be commenced and prosecuted in the County of San Mateo, State of California.

18. AMENDMENT

Any amendment hereof, including any oral modification allegedly supported by new consideration, shall not be effective unless reduced to a writing signed by both parties.

19. TIME

Time is of the essence of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day
and year first above written.

MID-PENINSULA WATER DISTRICT

LINC-HILL STREET, L.P.

By: _____
Kathryn L. Wuelfing, General Manager

By: _____
Cecilia Ngo, Senior Vice President

Approved as to Form:

District Counsel

EXHIBIT A

Location of the
Proposed Projects

876 through 898 El Camino Real & 900 El Camino Real
Belmont, CA 94002

APNs: Numbers 045-162-070, 045-162-080, 045-162-090,
and 045-163- 070



EXHIBIT B

Project Description - The Developer, LINC-Hill Street, L.P., proposes to build 37 high-density residential units on two lots located along El Camino Real with Hill Street as the nearest cross street separating the two lots. The first lot located at 900 El Camino Real will have 24 high-density residential units built on site. The second lot to be known as 884 El Camino Real, which through a recorded lot line adjustment of 876, 884 and 898 El Camino Real, will have 13 high-density residential units built on site.

EXHIBIT C

Project Plans – located on MPWD server on “P” drive under Proposed Developments/900 El Camino

Exhibit D

2025-013240

Simplifile,

8:37 am 03/24/2025 LL Fee: \$41.00

Count of Pages 8

Recorded in Official Records

County of San Mateo

Mark Church

Assessor-County Clerk-Recorder



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Belmont
Community Development Department
One Twin Pines Lane, Suite 310
Belmont, CA 94002-3893

30100847

Space Above This Line For Recorder's Use Only

LOT LINE ADJUSTMENT

Pursuant to Government Code Section 66412(d), City of Belmont, a Municipal Corporation, on behalf of Linc Housing Corporation, has requested and received approval of a Lot Line Adjustment between three properties, APN: 045-162-070, 045-162-080, and 045-162-090 and as shown on plans received by the Community Development Department project application number PA2025-0064 subject to the recordation of a record of survey for the newly configured lot described as follows:

LEGAL DESCRIPTION

All that certain real property situated in the City of Belmont, County of San Mateo, State of California, being those portions of Lot 1, Block 1, as designated on the map entitled "Subdivision of Lot No 6 of the Mezes Ranch Belmont", which map was filed in the office of the recorder of the County of San Mateo, State of California on March 30, 1894 in Book E of Maps at Page 19 and a copy entered in Liber 2 of Maps at Page 64, as described in those certain Grant Deeds: (1) Grant Deed recorded on March 14, 2011 as Document Number 2011-029735; (2) Parcel I as described in that certain Grant Deed recorded on March 14, 2011 as Document Number 2011-029736; and (3) Grant Deed recorded on March 14, 2011 as Document Number 2011-029737, Official Records of San Mateo County; and being more particularly described as follows:

BEGINNING at the point of intersection of the northwesterly right-of-way line of Hill Street (50 feet wide) as shown on said map with the southwesterly right-of-way line of El Camino Real (formerly known as Johnston Street) as established by that certain Deed recorded on February 18, 1932 in Book 557 at Page 140, Official Records of said County, said point also being the most southerly corner of last said Deed;

Thence along said northwesterly right-of-way line of Hill Street, South 42°31'31" West, 70.00 feet to the southernmost corner of said Grant Deed, Document Number 2011-029737;

Thence parallel with the northeasterly right-of-way line of Gordon Avenue as shown on said map, North 47°21'24" West, 70.00 feet to the most southerly corner of "Parcel One" as described in that certain Grant Deed, recorded on May 24, 2021 as Document Number 2021-081261, Official Records of said County;

Thence along the southeasterly line of said "Parcel One", North 42°35'04" East, 74.19 feet to said southwesterly right-of-way line of El Camino Real;

Thence along said southwesterly right-of-way line, South 43°55'40" East 70.06 feet to the **POINT OF BEGINNING**.

Containing 5,044 square feet, more or less.

A plat showing the above described parcel is attached hereto and made a part hereof as Exhibit C.

APPROVED BY



Carlos de Melo
Community Development Director
City of Belmont

ACKNOWLEDGED BY OWNERS OF RECORD



Aishin Oskoui
City Manager
City of Belmont

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Mateo

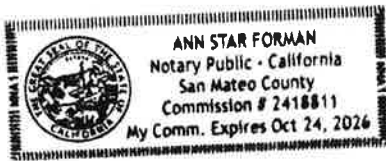
On March 20, 2025 before me, Ann Star Forman, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Carlos de Melo and Afshin Oskoui
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lot Line Adjustment

Document Date: March 20, 2025 Number of Pages: 2

Signer(s) Other Than Named Above: No other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

ILLEGIBLE NOTARY SEAL CERTIFICATION

(Government Code 27361.7)

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Ann Star Forman

Commission Number : 2418811


Notary Public State : CA

County of Commission : San Mateo

Commission Exp. Date : Oct 24, 2026

Executed in the City of Concord, State of California

03/24/2025
Date

By: 
Signature of Declarant

Roxana Castillo
Type or Print Name



**EXHIBIT A
LEGAL DESCRIPTION FOR
EXISTING PARCELS
876, 884 & 898 EL CAMINO REAL
BELMONT, SAN MATEO COUNTY, CALIFORNIA**

All that certain real property situate in the City of Belmont, County of San Mateo, State of California, and being more particularly described as follows:

EXISTING LANDS OF THE CITY OF BELMONT (APN: 045-162-070)

Being all of the land as described in that certain Grant Deed, recorded on March 14, 2011 as Document Number 2011-029735, Official Records of San Mateo County.

EXISTING LANDS OF THE CITY OF BELMONT (APN: 045-162-080)

Being Parcel I as described in that certain Grant Deed, recorded on March 14, 2011 as Document Number 2011-029736, Official Records of San Mateo County.

EXISTING LANDS OF THE CITY OF BELMONT (APN: 045-162-090)

Being all of the land as described in that certain Grant Deed, recorded on March 14, 2011 as Document Number 2011-029737, Official Records of San Mateo County.

This legal description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors' Act.


Andrew J. Dellinger, PLS 9658



03/14/2025
Date

END OF DESCRIPTION



EXHIBIT B
LEGAL DESCRIPTION FOR
LOT MERGER - MERGED PARCEL
884 EL CAMINO REAL
BELMONT, SAN MATEO COUNTY, CALIFORNIA

All that certain real property situate in the City of Belmont, County of San Mateo, State of California, being those portions of Lot 1, Block 1, as designated on the map entitled "Subdivision of Lot No 6 of the Mezes Ranch Belmont", which map was filed in the office of the recorder of the County of San Mateo, State of California on March 30, 1894 in Book E of Maps at Page 19 and a copy entered in Liber 2 of Maps at Page 64, as described in those certain Grant Deeds: (1) Grant Deed recorded on March 14, 2011 as Document Number 2011-029735; (2) Parcel I as described in that certain Grant Deed recorded on March 14, 2011 as Document Number 2011-029736; and (3) Grant Deed recorded on March 14, 2011 as Document Number 2011-029737, Official Records of San Mateo County; and being more particularly described as follows:

BEGINNING at the point of intersection of the northwesterly right-of-way line of Hill Street (50 feet wide) as shown on said map with the southwesterly right-of-way line of El Camino Real (formerly known as Johnston Street) as established by that certain Deed recorded on February 18, 1932 in Book 557 at Page 140, Official Records of said County, said point also being the most southerly corner of last said Deed;

Thence along said northwesterly right-of-way line of Hill Street, South 42°31'31" West, 70.00 feet to the southernmost corner of said Grant Deed, Document Number 2011-029737;

Thence parallel with the northeasterly right-of-way line of Gordon Avenue as shown on said map, North 47°21'24" West, 70.00 feet to the most southerly corner of "Parcel One" as described in that certain Grant Deed, recorded on May 24, 2021 as Document Number 2021-081261, Official Records of said County;

Thence along the southeasterly line of said "Parcel One", North 42°35'04" East, 74.19 feet to said southwesterly right-of-way line of El Camino Real;

Thence along said southwesterly right-of-way line, South 43°55'40" East 70.06 feet to the **POINT OF BEGINNING**.

Containing 5,044 square feet, more or less.

A plat showing the above described parcel is attached hereto and made a part hereof as Exhibit C.

EL CAMINO REAL - CALIFORNIA HIGHWAY 82
(FORMERLY JOHNSTON STREET)
(R/W WIDTH VARIES)

557 O.R. 140

BASIS OF BEARINGS

S43°55'40"E 70.06'

POINT OF
BEGINNING

MERGED PARCEL

AREA = 5,044± SQ. FT.

LANDS OF SILVA
OBA LIVING TRUST
(PARCEL ONE)
(DN. 2021-081261)



(BLOCK
E MAPS

N42°35'04"E 74.19'

LANDS OF
CITY OF BELMONT
(DN. 2011-029735)

N42°35'04"E 72.69'

LANDS OF
CITY OF BELMONT
(DN. 2011-029736)

N42°35'04"E 53.04'

LANDS OF
CITY OF BELMONT
(DN. 2011-029737)

S42°31'31"W 70.00'

1)
1 9)

N47°24'56"W 4.00'

N42°35'04"E 18.60'

25.00'

21.55'

23.45'

N47°21'24"W 70.00'

LANDS OF
UNKNOWN OWNERSHIP

LANDS OF VILORIA
(PARCEL II)
(DN. 2024-028194)

HILL STREET
(50' WIDE R/W)

GRAPHIC SCALE

0 20 40

LEGEND

—————	BOUNDARY LINE
—————	LOT LINE
- - - - -	LOT LINE TO BE REMOVED
—————	HISTORIC LOT LINE
DN.	DOCUMENT NUMBER
O.R.	OFFICIAL RECORDS
R/W	RIGHT OF WAY
SQ.FT.	SQUARE FEET

BOUNDARY NOTE

BOUNDARY INFORMATION SHOWN HEREON
WAS TAKEN FROM RECORD OF SURVEY 4198,
FILED FOR RECORD ON JULY 26, 2024 IN
BOOK 57 OF LLS MAPS AT PAGES 22-23, SAN
MATEO COUNTY RECORDS.

BASIS OF BEARINGS

THE BEARING OF SOUTH 43°55'40" EAST OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF
EL CAMINO REAL AS SHOWN ON THAT CERTAIN RECORD OF SURVEY 4198, FILED FOR
RECORD ON JULY 26, 2024 IN BOOK 57 OF LLS MAPS AT PAGES 22-23, SAN MATEO
COUNTY RECORDS, WAS TAKEN AS THE BASIS OF BEARINGS FOR THIS SURVEY.



255 SHORELINE DR.,
SUITE 200
REDWOOD CITY, CA 94065
(650) 482-6300
www.bkf.com

LOT MERGER - MERGED PARCEL
884 EL CAMINO REAL
BELMONT, SAN MATEO COUNTY, CALIFORNIA

SUBJECT **EXHIBIT C - PLAT TO ACCOMPANY**

LEGAL DESCRIPTION FOR LOT MERGER

JOB NO. **20201746**

BY **BDF** APPR. **AJD** DATE **03/14/2025**

SHEET 1 OF 1

BASIS OF BEARINGS

The bearing of South 43°55'40" East of the southwesterly right-of-way line of El Camino Real as shown on that certain Record of Survey 4198, filed for record on July 26, 2024 in Book 57 of LLS Maps at Pages 22-23, San Mateo County Records, was taken as the basis of bearings for this survey.

This legal description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors' Act.


Andrew J. Dellinger, PLS 9658



03/14/2025
Date

END OF DESCRIPTION



AGENDA ITEM NO. 8.D.

DATE: June 26, 2025
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

**SUBJECT: RECEIVE REPORT ON THE DEVELOPMENT OF THE DISTRICT'S
CROSS-CONNECTION CONTROL PLAN**

RECOMMENDATION

Receive verbal report.

FISCAL IMPACT

None.



AGENDA ITEM NO. 8.E.

DATE: June 26, 2025

TO: Board of Directors

FROM: Drew Bost – Water Resources Coordinator

SUBJECT: RECEIVE 2025 SECOND QUARTER WATER CONSERVATION STAFF REPORT

Assembly Bill 93 – Data Center Water Usage

Assembly Bill (AB) 93 is a proposed bill that was introduced to the California Assembly in January 2025. The bill attempts to address the issue of water use in large data centers by requiring developers to provide an estimate of water consumption when applying for a business license or permit, and to report on annual water usage when renewing that license or permit. It also requires the California Department of Water Resources (DWR) to develop best management practices (BMPs) for data center water use, and requires public water agencies to report average data center water usage when they conduct a water usage demand analysis as part of a Prop 218 notice.

During the Bay Area Life Sciences Conference I attended in Redwood City, there was a lot of talk about the current development climate and how many of the life sciences and office park buildings that have been or are currently being built are having to consider alternative uses due to the decline in the life sciences industry. Several speakers mentioned that companies have been incorporating more and more Artificial Intelligence (AI) into their work and as such have been requiring dedicated data center uses in their buildings.

Within MPWD's service area, there are several life sciences buildings that have been constructed but are currently unoccupied, and several more that are planned as part of both the City of Belmont's Harbor Industrial Area (HIA) Specific Plan and City of San Carlos' Northeast Area Specific Plan. These buildings may transition into more data center uses, which could alter the anticipated water demands. We will be monitoring these developments to determine if they will be transitioning to more data center uses, and how water usage will develop.

AB 93, if enacted, will be signed into law by mid-September 2025. We will be following the development of the bill as it continues.

Table 1. AB 93 Requirements

Stakeholder	Requirements
Developers	<ul style="list-style-type: none"> - Initial license: estimate data center water use - Renewal: report actual water use - Certify compliance
DWR	- Develop data center water use BMPs
Cities and Counties	- Enforce data center BMPs developed by DWR
Public Water Agencies	- Report actual data center water use when conducting a cost-of-service analysis

Water Efficient Landscape Ordinance (WELO) Summary

MPWD has received thirty-nine (38) WELO review requests in Fiscal Year (FY) 2024-25. Of these, eight (8) are currently pre-approved, eleven (11) are currently in-progress, nine (9) have been completed, and ten (10) were exempt.

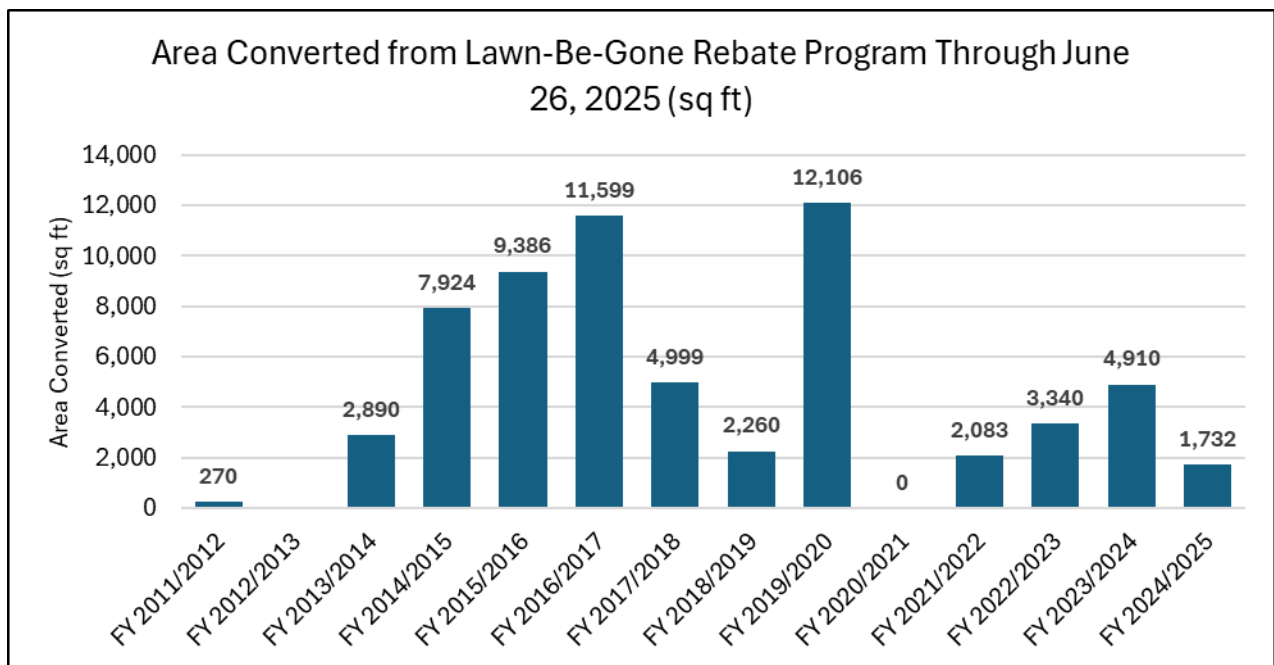
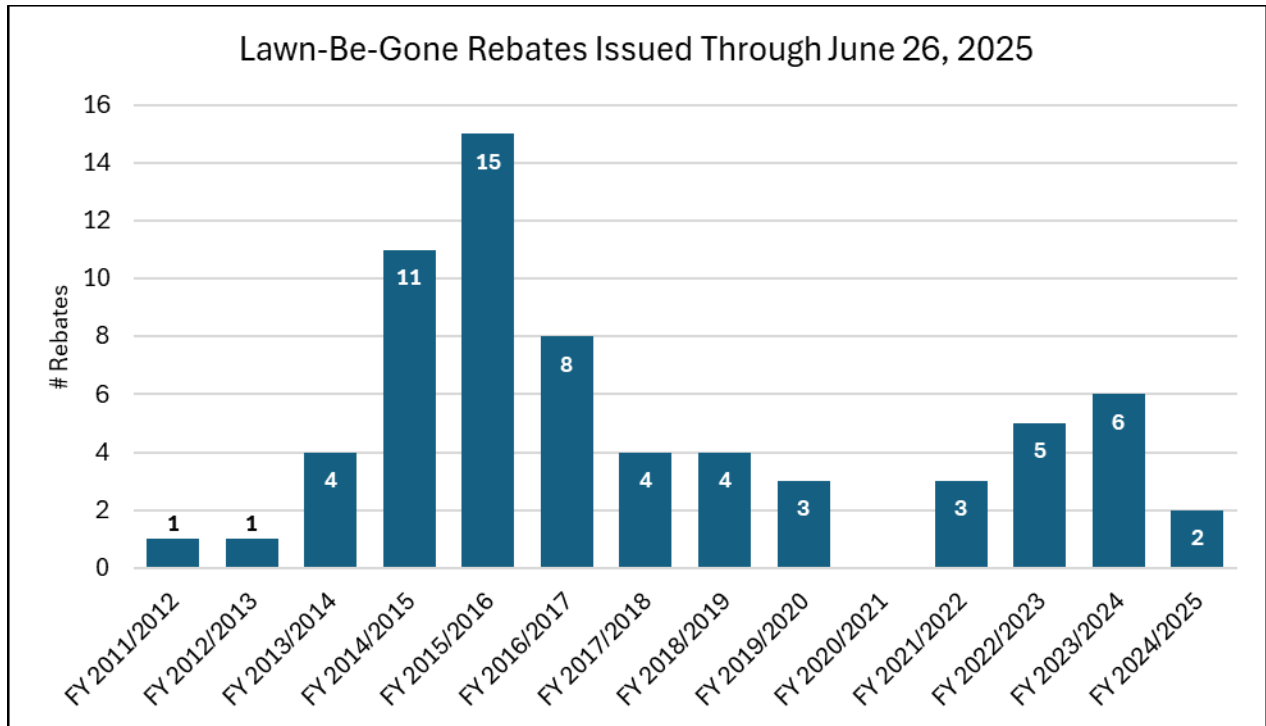
Rebate Programs Summary

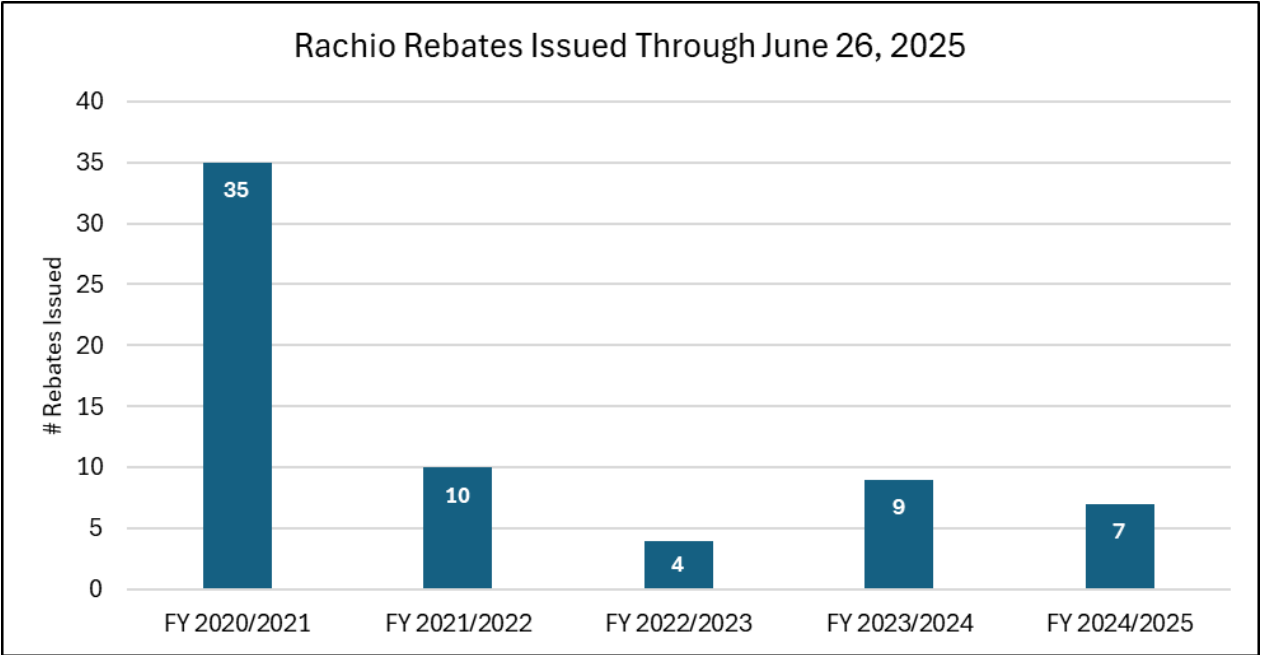
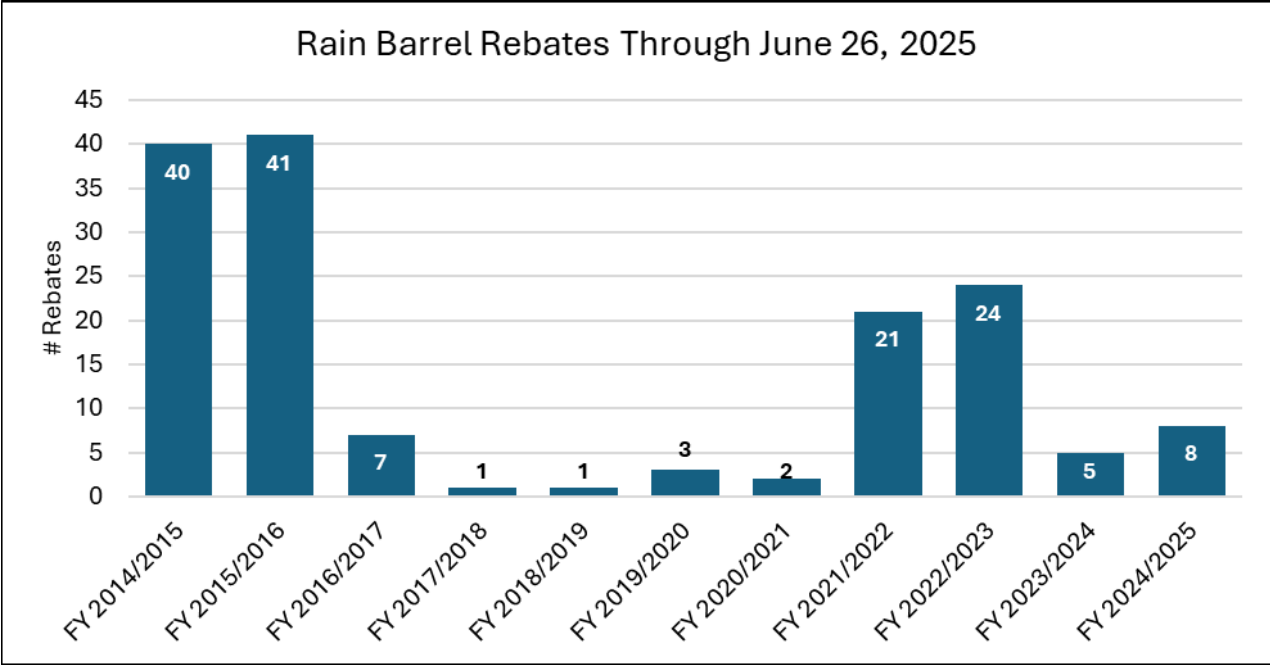
- Lawn-Be-Gone: Two (2) rebates have been issued in FY 2024-2025.
- Rain Barrel: Eight (8) rebates have been issued in FY 2024-2025.
- Rachio Smart Irrigation Controller: Seven (7) rebates have been redeemed in FY 2024-2025.
- Irrigation Hardware Program Rebates: No rebates have been issued in FY 2024-2025.

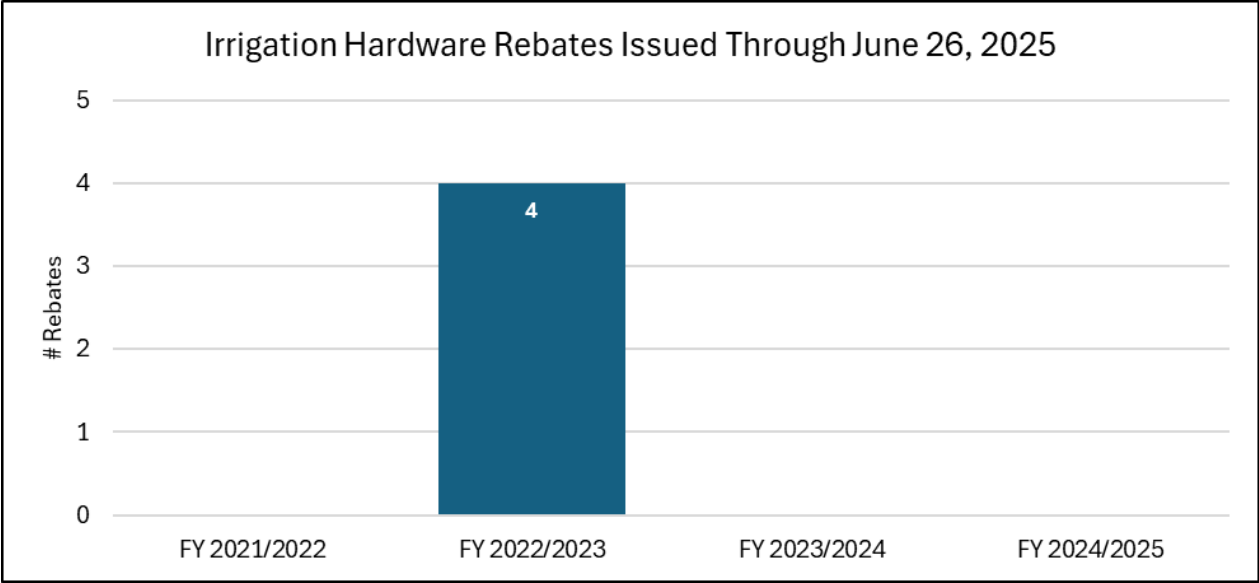
Table 1. Total Rebates Submitted in FY 2024-2025

Rebate Program	# Rebates Processed
Lawn-Be-Gone Rebate	2
Rain Barrel Rebate	8
Rachio Smart Irrigation Controller	7
Irrigation Hardware Rebate	0

*Current as of June 26, 2025.









AGENDA ITEM NO. 8.F.

DATE: June 26, 2025
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: RECEIVE REPORT ON:
- CALIFORNIA AND SAN FRANCISCO REGIONAL WATER
SYSTEM CONDITIONS

RECOMMENDATION

Receive verbal report.

FISCAL IMPACT

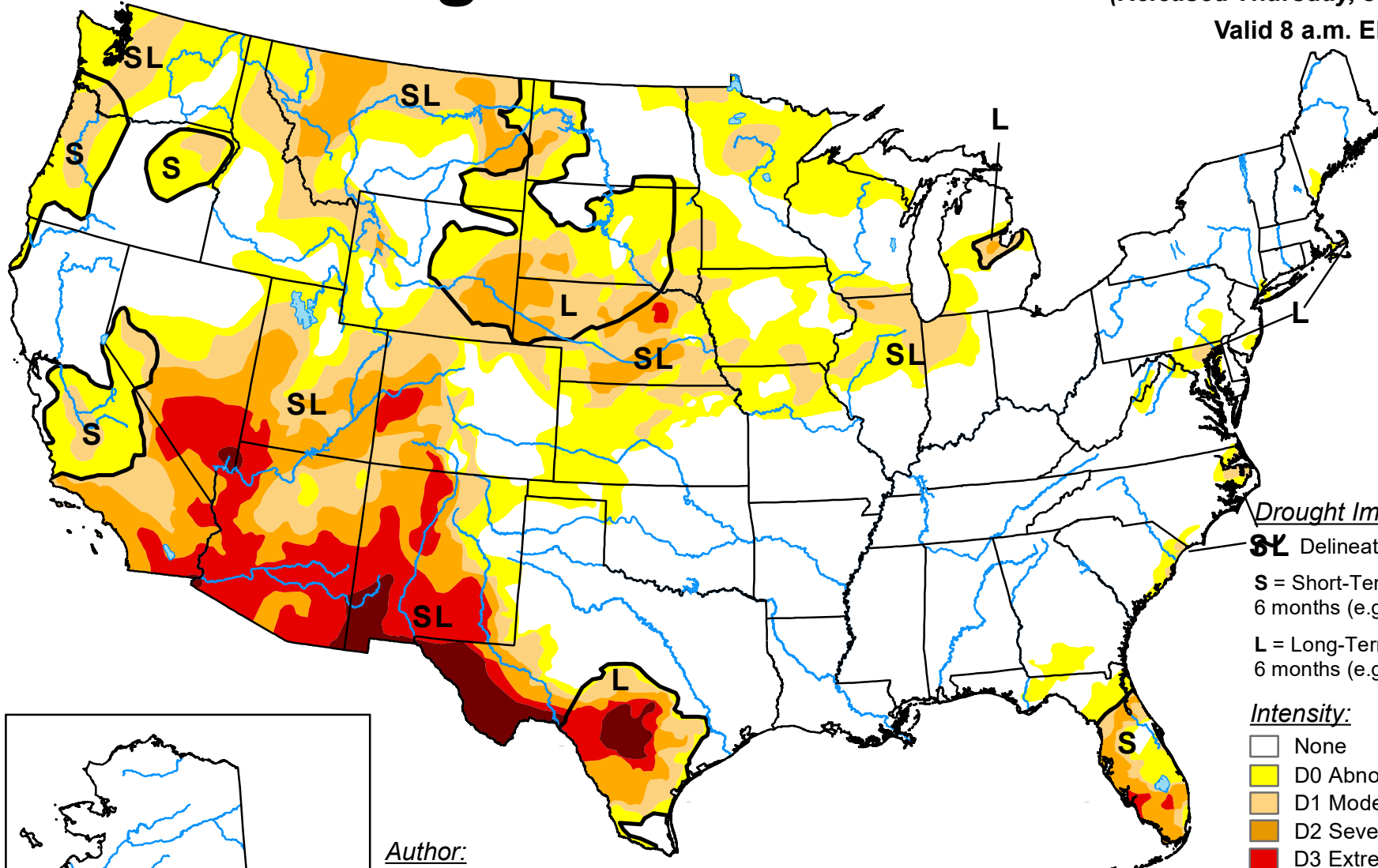
None.

U.S. Drought Monitor

June 3, 2025

(Released Thursday, Jun. 5, 2025)

Valid 8 a.m. EDT



Drought Impact Types:

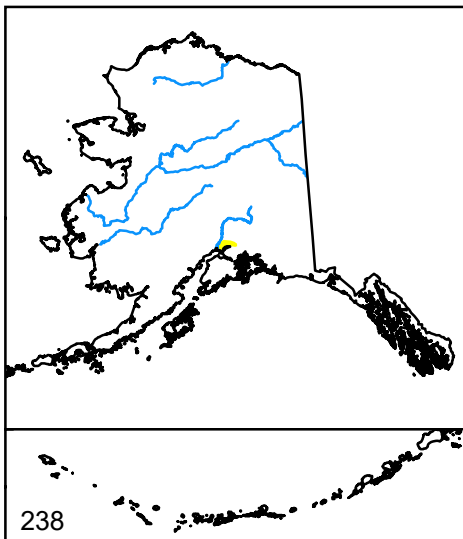
- SL** Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:

Brad Pugh
CPC/NOAA



238

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

U.S. Drought Monitor California

June 3, 2025

(Released Thursday, Jun. 5, 2025)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	39.01	60.99	39.81	24.73	7.11	0.10
Last Week <i>05-27-2025</i>	40.22	59.78	39.81	24.73	7.11	0.10
3 Months Ago <i>03-04-2025</i>	41.82	58.18	41.58	24.83	14.75	0.73
Start of Calendar Year <i>01-07-2025</i>	39.11	60.89	35.93	10.43	1.06	0.00
Start of Water Year <i>10-01-2024</i>	28.40	71.60	10.67	0.08	0.00	0.00
One Year Ago <i>06-04-2024</i>	98.78	1.22	0.00	0.00	0.00	0.00

Intensity:

 None	 D2 Severe Drought
 D0 Abnormally Dry	 D3 Extreme Drought
 D1 Moderate Drought	 D4 Exceptional Drought

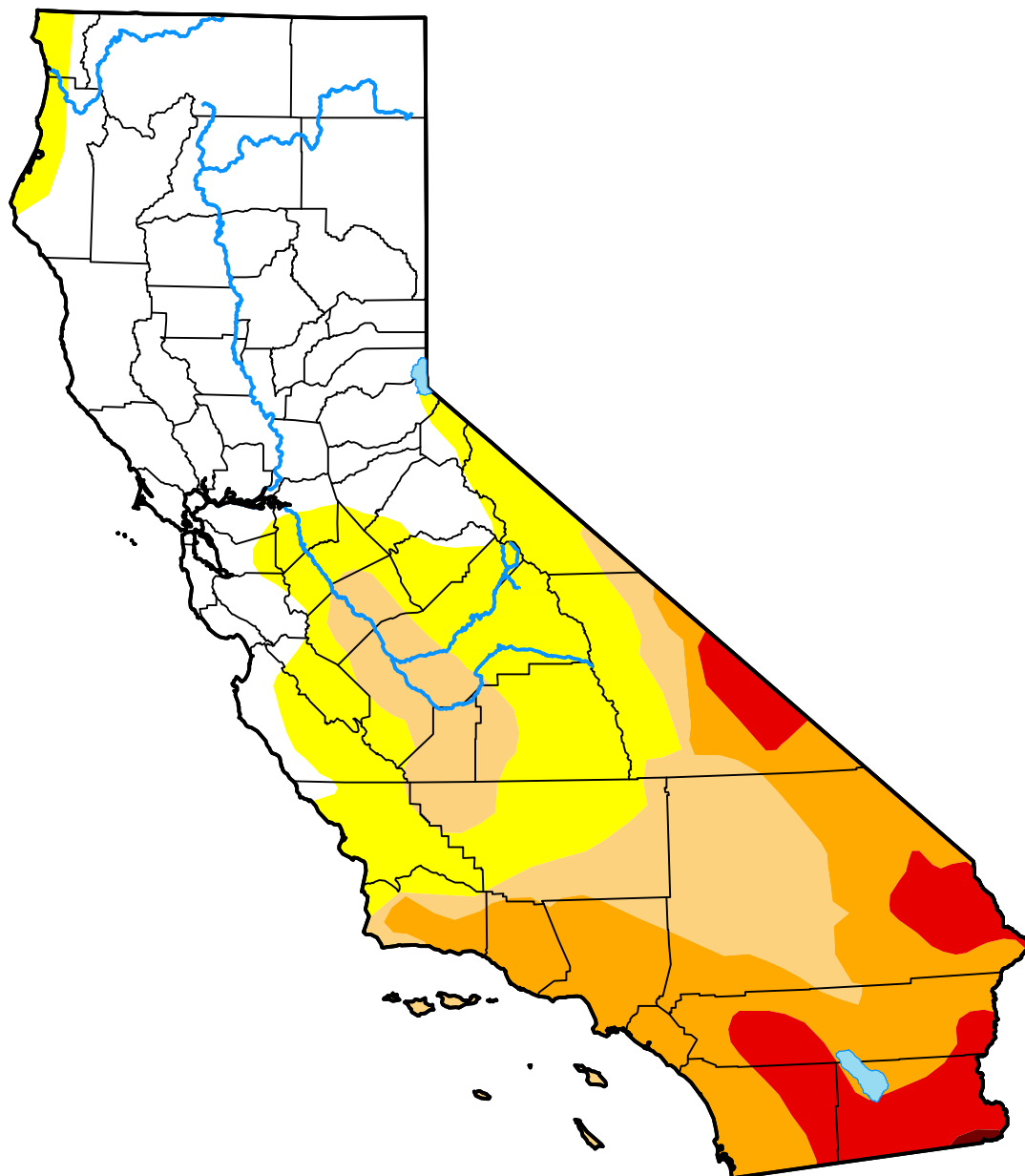
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Brad Pugh
CPC/NOAA

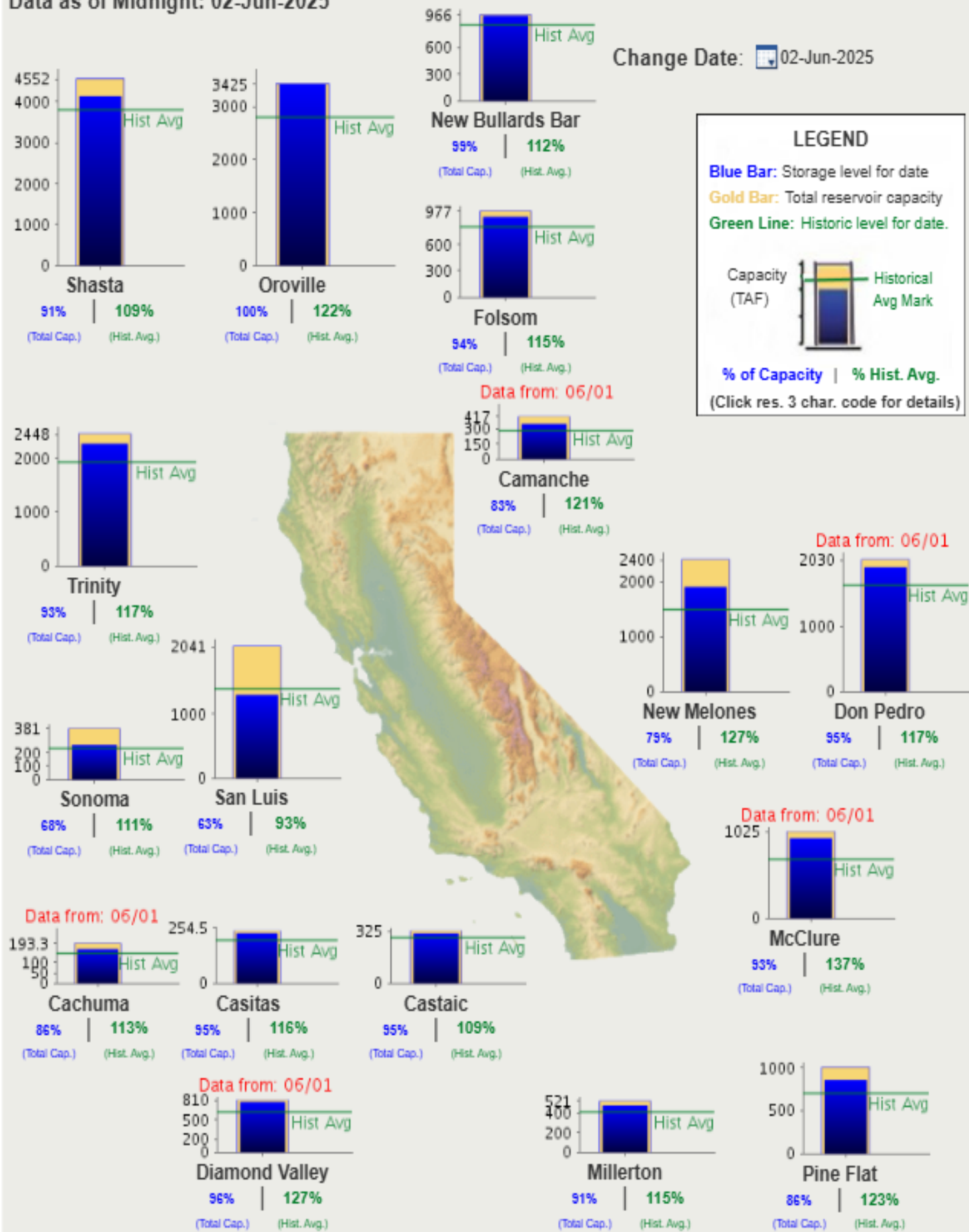


droughtmonitor.unl.edu



CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:02-JUN-2025

Data as of Midnight: 02-Jun-2025



[Click to download printable version of current data.](#)

Report Generated: 03-Jun-2025 8:22 AM

The CSI link has been disabled to zoom in, for the lack of historical data.

Precip Data Ending 4pm on	July 1, 2024 to May 21, 2025					Last Year on May 31, 2024		
City	To Date			Full Season		Rainfall to (inches)	Rainfall Normal (inches)	% Normal
	Rainfall July 1 to May 21 (inches)	Rainfall Normal (inches)	% Normal	Rainfall Normal (inches)	% Normal			
San Francisco Downtown	19.83	22.53	88%	22.89	87%	25.82	22.69	114%
SFO Airport	16.16	19.44	83%	19.64	82%	20.19	19.50	104%
Oakland	9.38	18.31	51%	18.68	50%	16.34	18.50	88%
San Jose	9.32	13.25	70%	13.48	69%	17.15	13.30	129%
Sacramento - Exec AP	13.82	17.7	78%	18.14	76%	18.16	18.99	96%
Modesto	8.84	11.96	74%	12.27	72%	18.01	12.12	149%
Fresno	8.41	10.58	79%	10.99	77%	10.18	10.75	95%
Bakersfield	4.23	6.26	68%	6.36	67%	7.91	6.31	129%
Santa Barbara	7.09	13.70	47%	17.25	41%	25.46	17.14	149%
LAX Airport	5.11	12.07	42%	12.23	42%	22.21	12.15	183%
Los Angeles Downtown	8.13	14.09	58%	14.25	57%	25.19	14.16	178%
San Diego Montgomery Field	5.29	10.95	48%	11.02	48%	14.80	10.96	135%
Palm Springs	1.57	4.25	37%	4.61	34%	6.47	4.61	141%

Data from NOAA
ggweather.com

M = missing

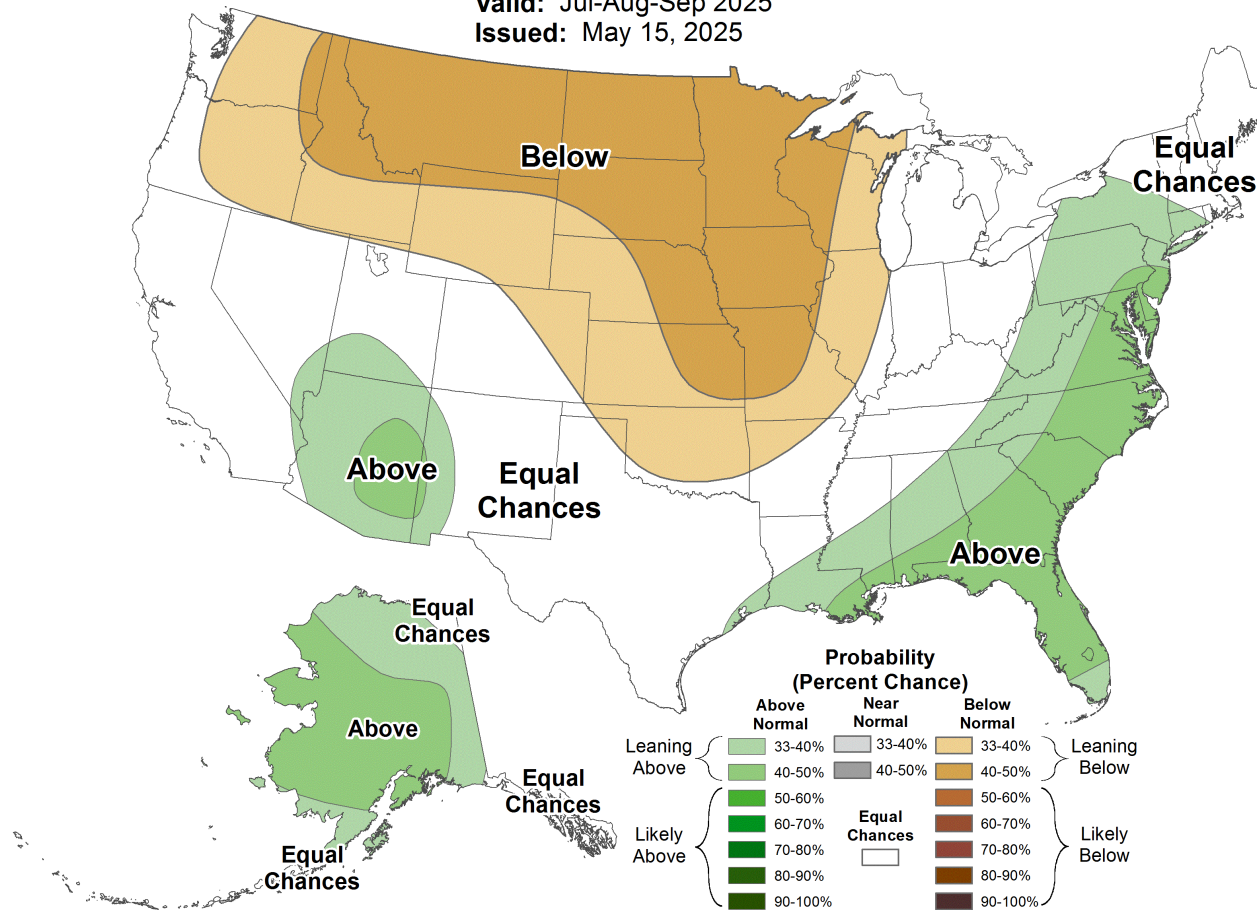


Seasonal Precipitation Outlook



Valid: Jul-Aug-Sep 2025

Issued: May 15, 2025



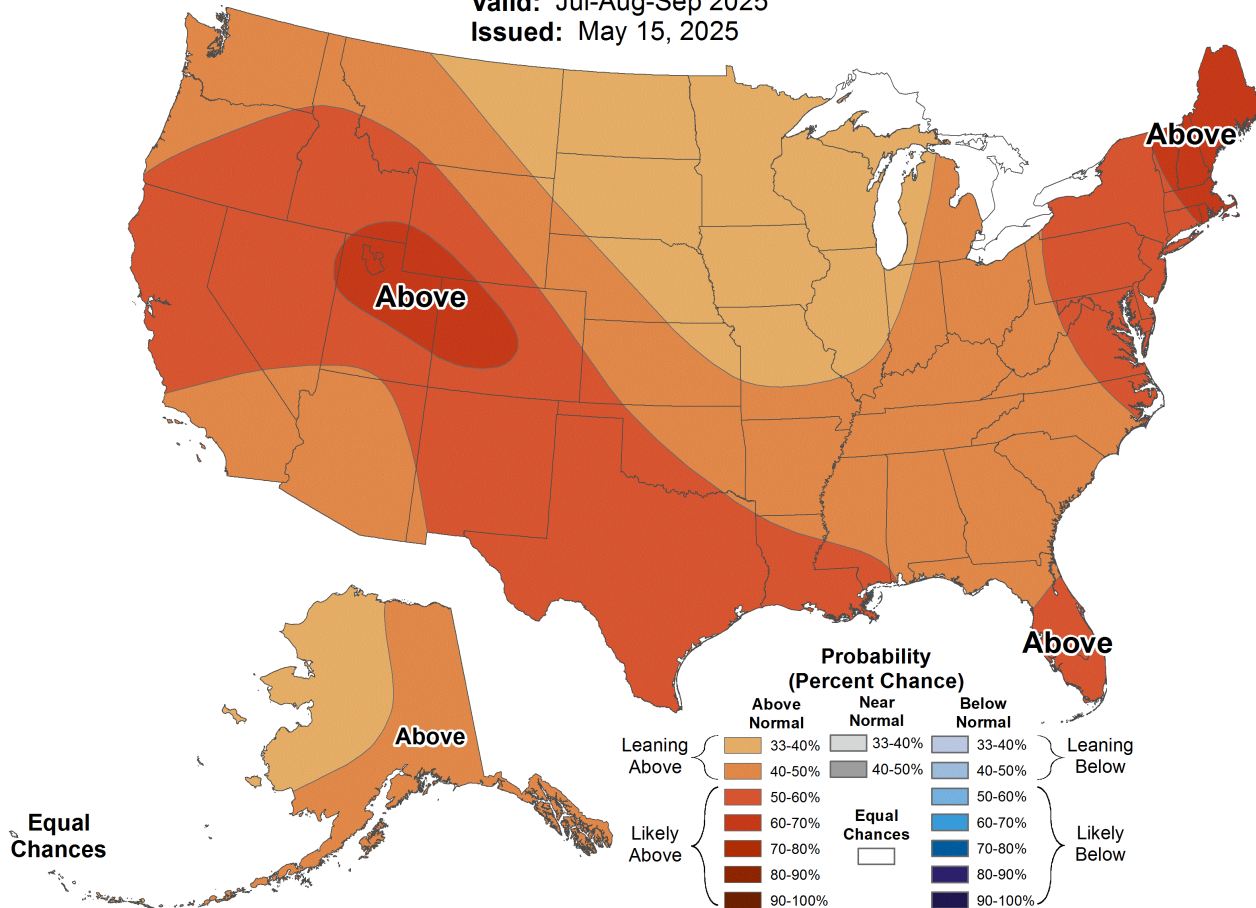


Seasonal Temperature Outlook

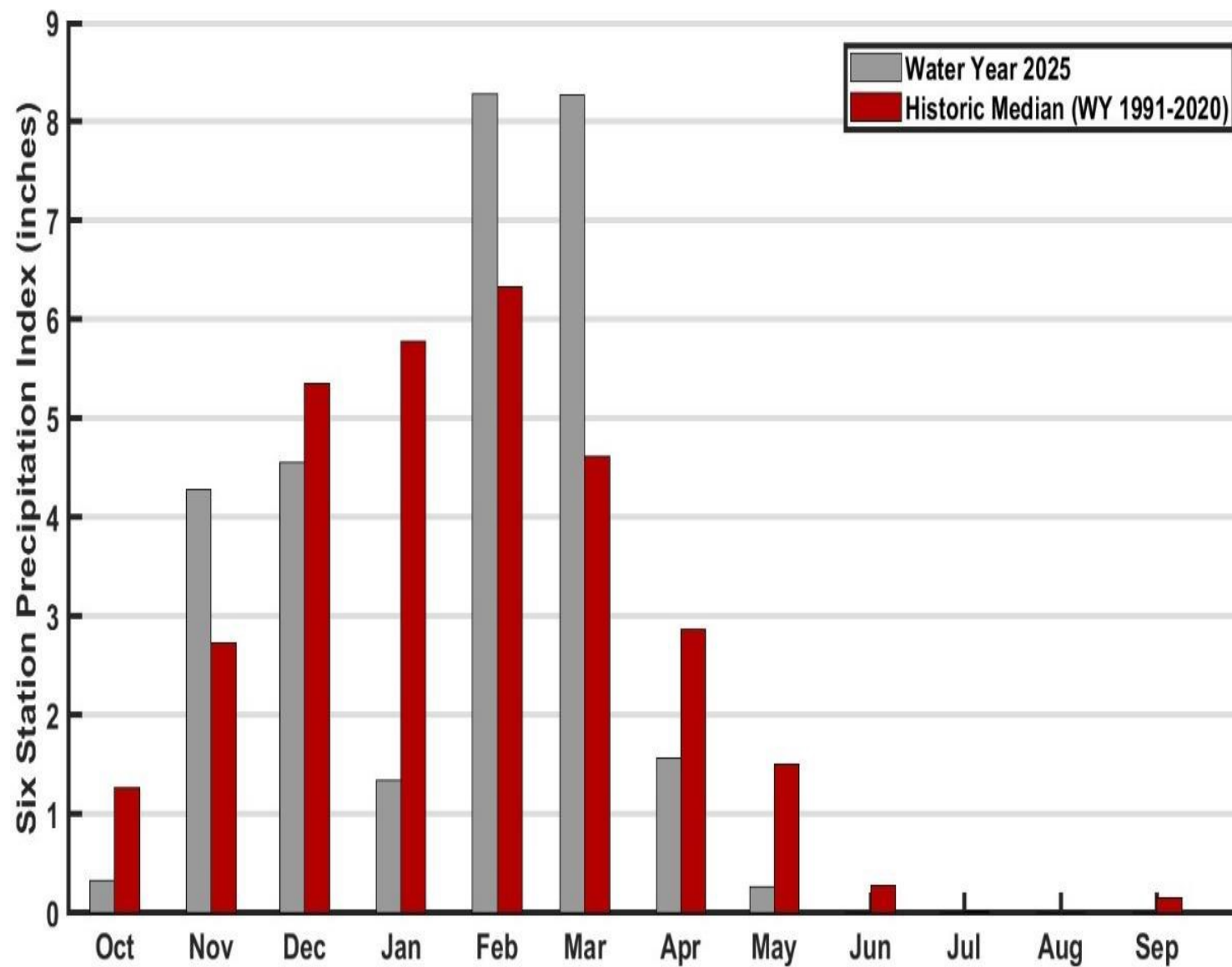


Valid: Jul-Aug-Sep 2025

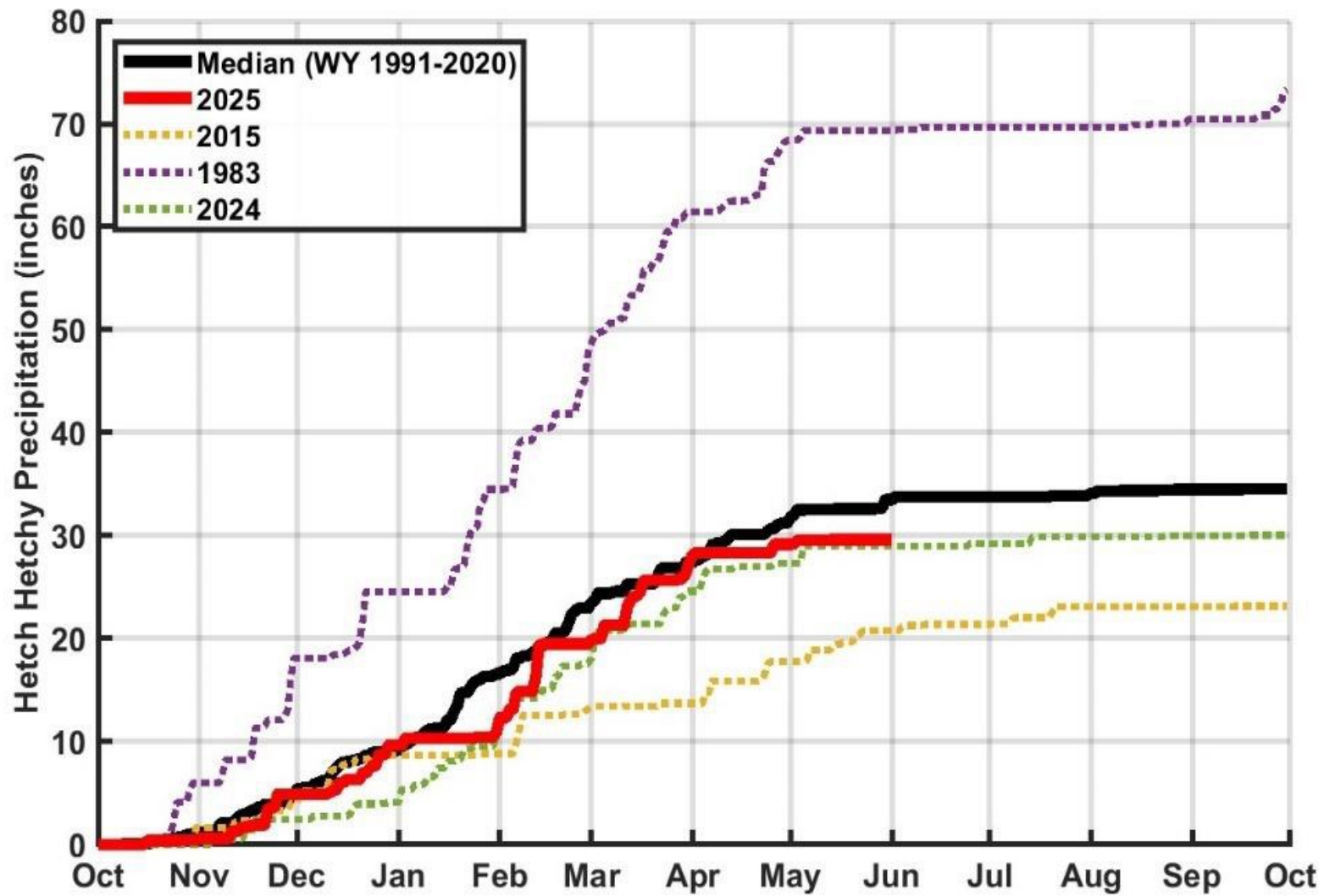
Issued: May 15, 2025



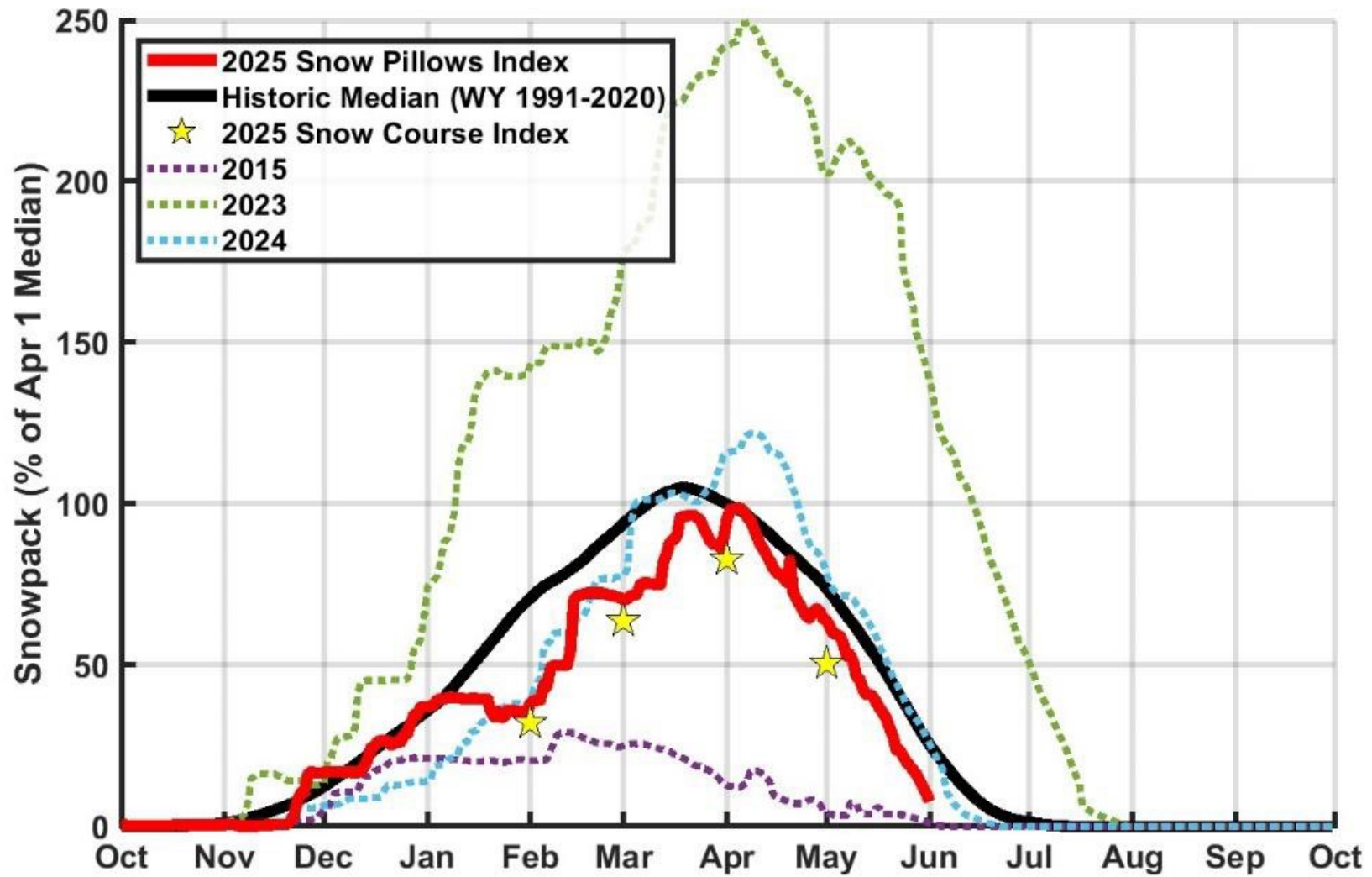
Hetch Hetchy System Precipitation Index



Upcountry Precipitation



Upcountry Snowpack



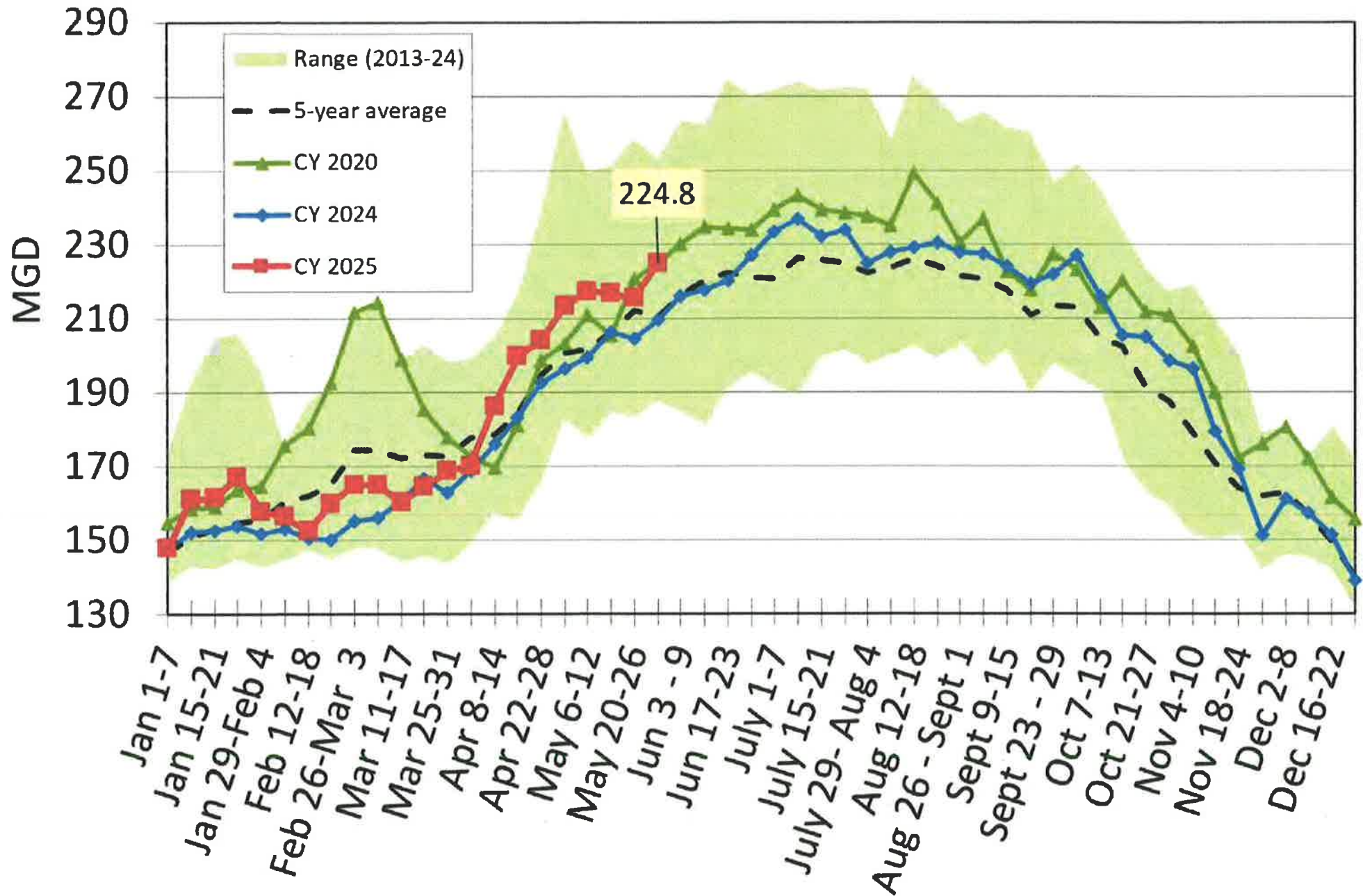


RWS - Storage Conditions Comparison

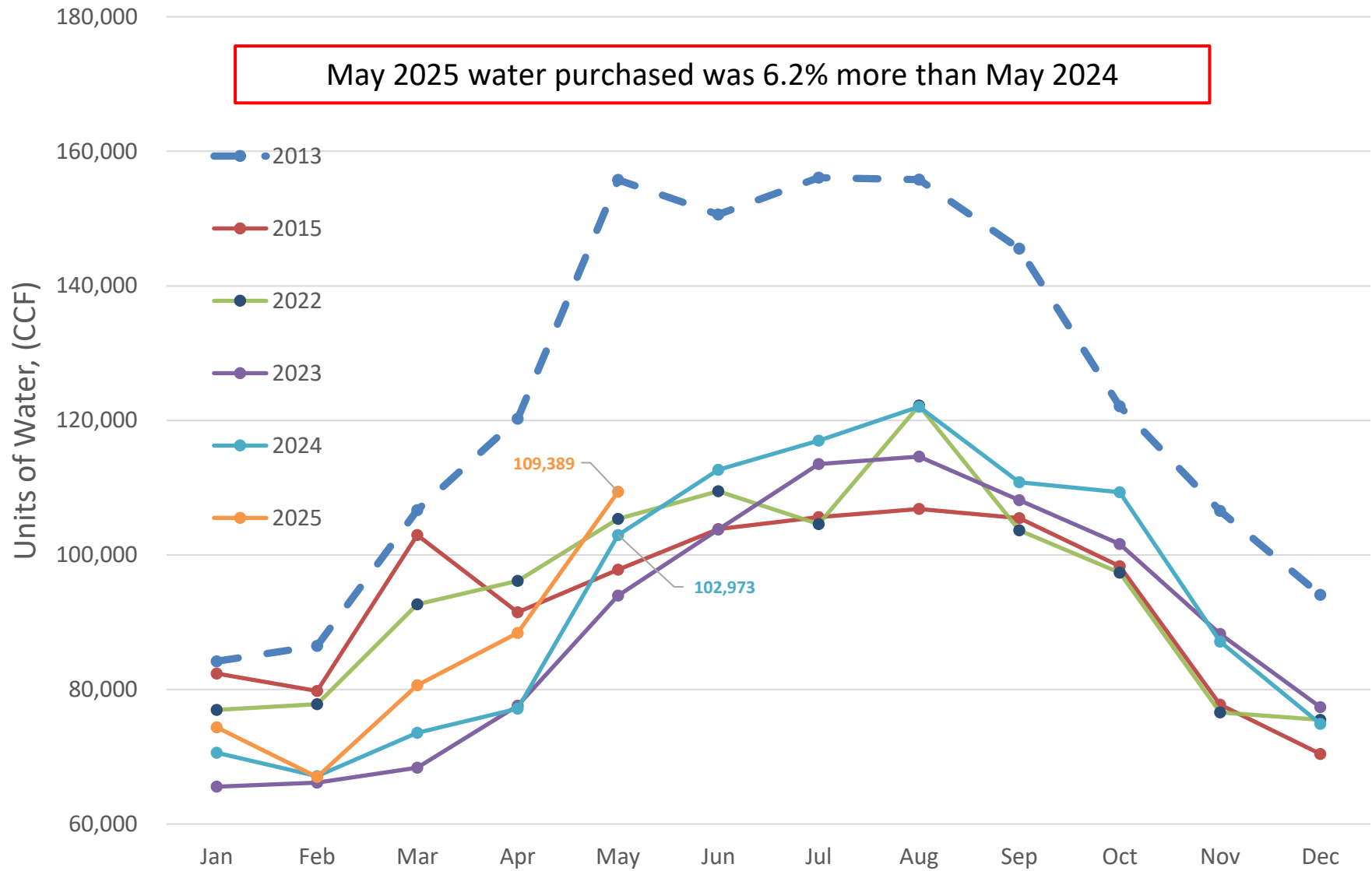
	Maximum Storage Acre-Feet	6/1/2025		Maximum Storage Acre-Feet	6/1/2024		Comparing This Year to Last Year	5/30/2023	
		Current Storage Acre-Feet	Pct. Of Maximum Storage		Current Storage Acre-Feet	Pct. Of Maximum Storage		Current Storage Acre-Feet	Pct. Of Maximum Storage
Tuolumne System									
Hetch Hetchy Rsvr	360,360	355,244	98.6%	360,360	318,467	88.4%	11.5%	294,400	81.7%
Cherry Rsvr	273,345	270,262	98.9%	273,345	266,877	97.6%	1.3%	197,700	72.3%
Lake Eleanor	27,100	26,436	97.5%	27,100	25,402	93.7%	4.1%	24,920	92.0%
Water Bank	570,000	570,000	100.0%	570,000	570,000	100.0%	0.0%	570,000	100.0%
Total Tuolumne Storage	1,230,805	1,221,942	99.3%	1,230,805	1,180,746	95.9%	3.5%	1,087,020	88.3%
Local Bay Area Storage									
Calaveras Rsvr	96,670	79,276	82.0%	96,670	94,623	97.9%	-16.2%	95,044	98.3%
San Antonio Rsvr	53,266	47,169	88.6%	53,266	50,993	95.7%	-7.5%	53,155	99.8%
Crystal Springs Rsvr	68,953	44,652	64.8%	68,953	51,564	74.8%	-13.4%	54,744	79.4%
San Andreas Rsvr	18,675	16,032	85.8%	18,572	11,229	60.5%	42.8%	15,459	83.2%
Pilarcitos Rsvr	3,125	1,955	62.6%	3,125	2,326	74.4%	-16.0%	2,609	83.5%
Total Local Storage	240,689	189,084	78.6%	240,586	210,735	87.6%	-10.3%	221,011	91.9%
Total RWS Storage	1,471,494	1,411,026	95.9%	1,471,391	1,391,481	94.6%	1.4%	1,308,031	88.9%
Total RWS Storage on 5/1/2025		1,330,140		5/2/2024	1,373,163		5/1/2023	1,233,040	
Inc/Dec over the month		80,886			18,318			74,991	

Total Deliveries

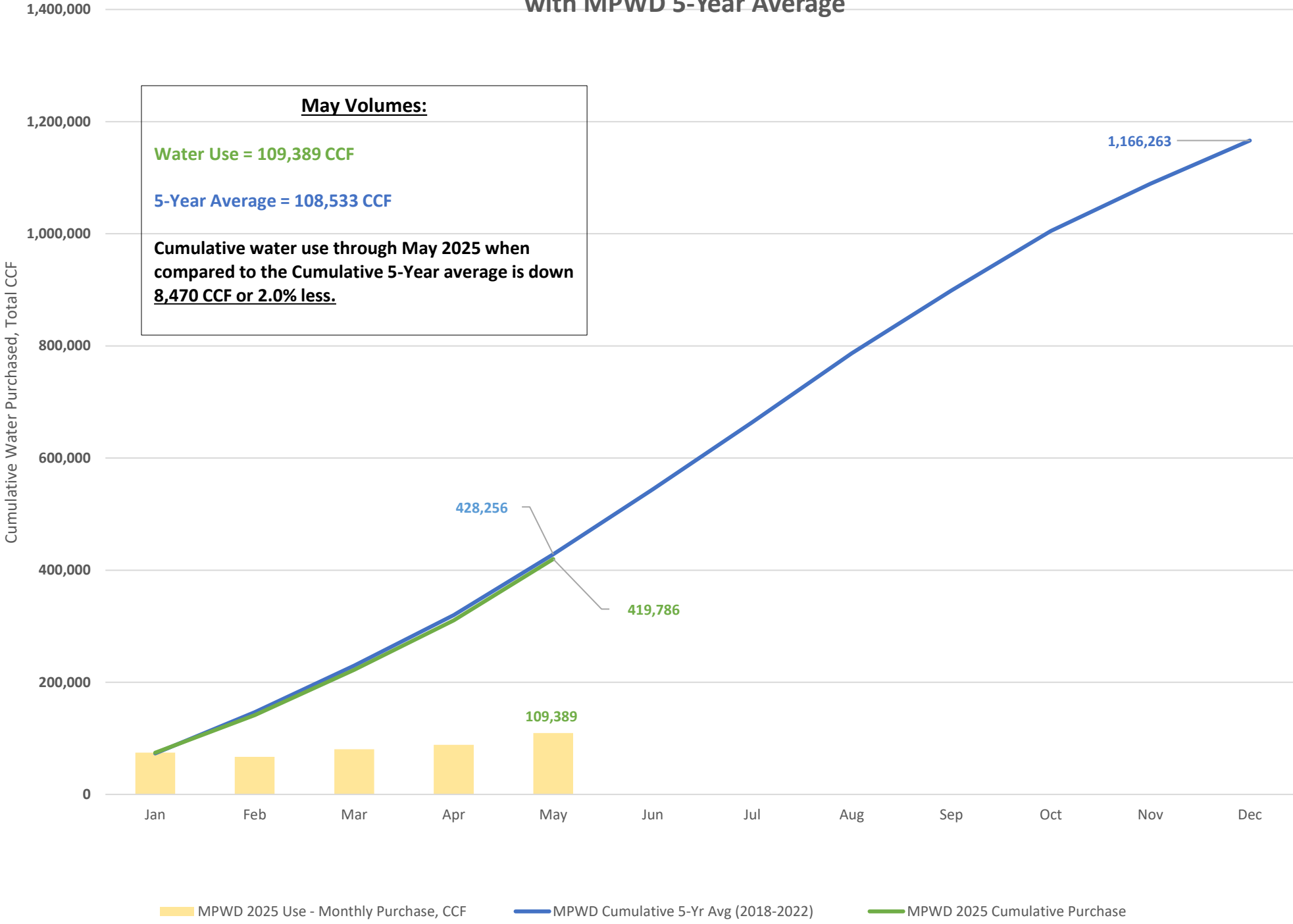
(Source: SFPUC Regional Water System Meters)

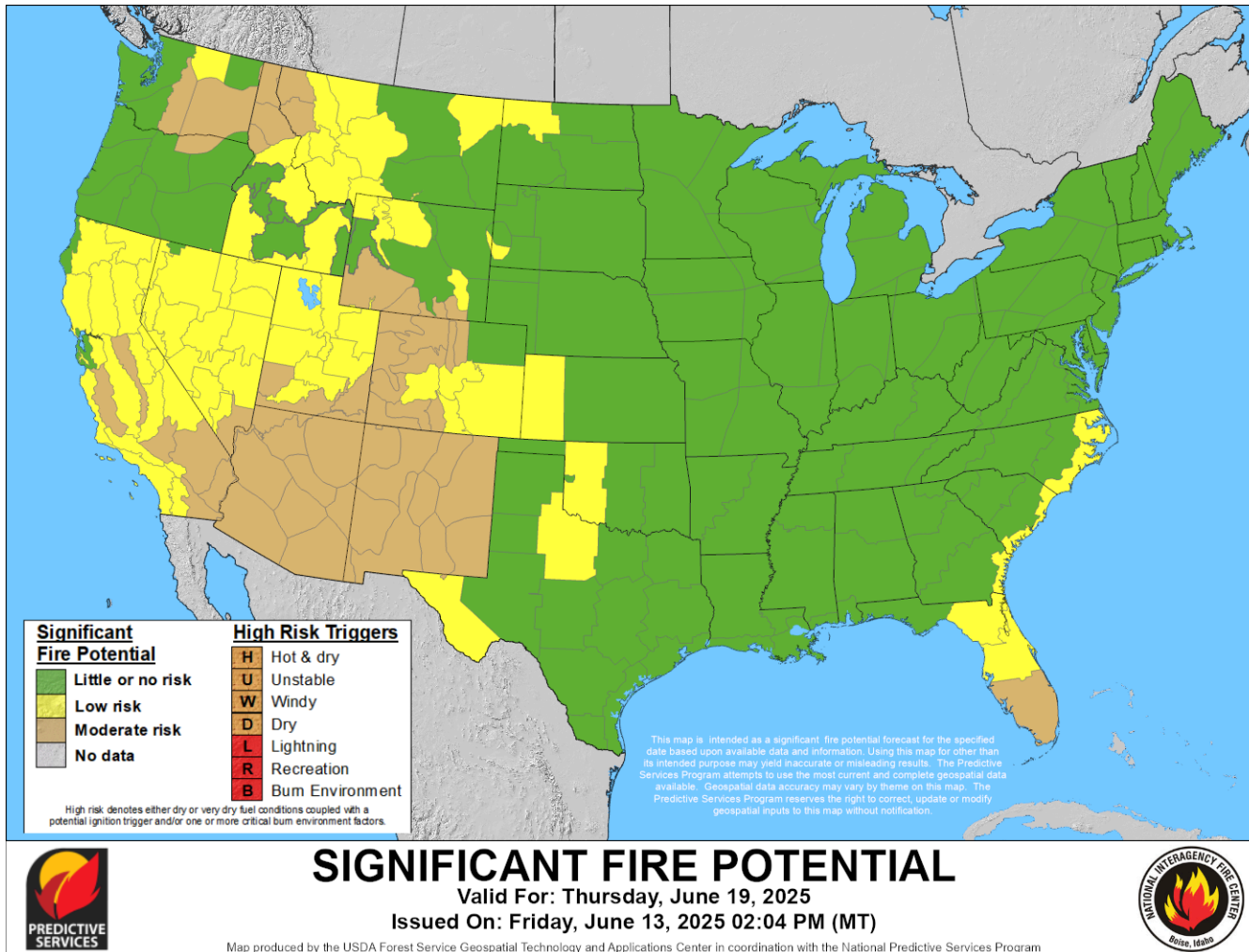


MPWD Annual Water Use



Comparing 2025 Monthly Cumulative Water Use with MPWD 5-Year Average







TO: Board of Directors
FROM: James W Ramsey, CPA, District Treasurer
DATE: June 26, 2025

**Budget Performance and Financial Position Report
May 2025**

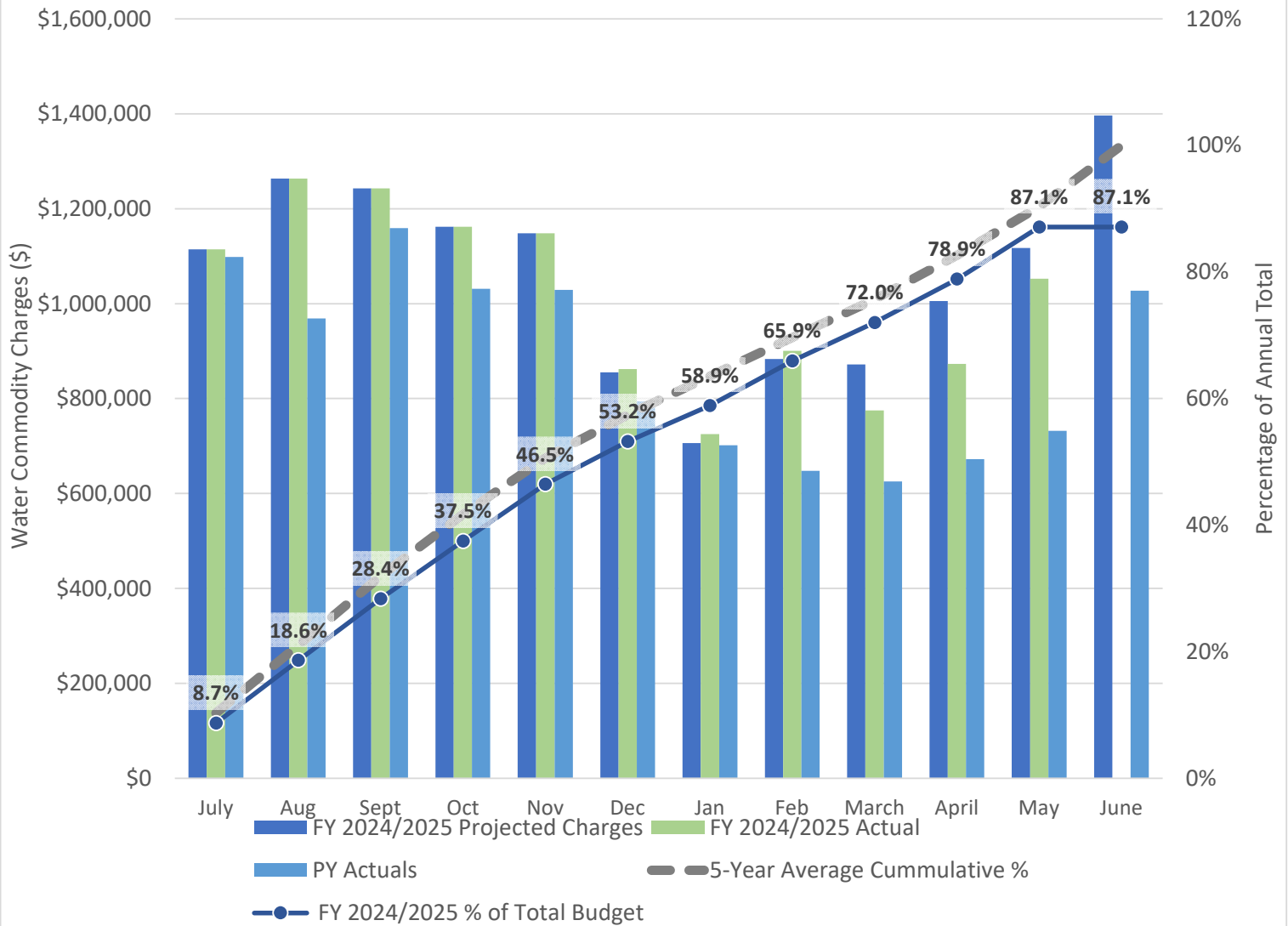
Please find the enclosed fiscal year 2024/25 (FY 24/25) unaudited Statements of Financial Position as of May 31, 2025, and May 31, 2024, as well as the monthly budget report for the period of July 1-June 30, 2025.

The following highlights significant activity through and as of May 31, 2025:

- The net surplus from operations is \$3,019,965, a decrease of \$102,718 as compared to the same period last year. The primary changes stem from water commodity charges that is \$1671,590 higher than this time last year and water system capacity charges which is \$807,339 higher as compared to this time last year. This is offset by a decrease in miscellaneous non-operating revenues of \$341,145 as well as an increase in purchased water running \$663,947 higher as compared to this time last year. Salaries and Wages is \$291,022 more this year as compared to last year, and payroll taxes and benefits is running \$194,712 higher for the same comparison. Additionally, management and repairs for the operating system is running \$163,406 higher than last year and professional services is \$137,671 more than last year at this time.
- Debt service payments of \$754,300 was made on the COPs as of December 2, 2024. Next scheduled payment is \$319,300 of only interest on June 1, 2025. There is also a payment due for the 2025 COP interest cost that is currently estimated to be \$225,000.
- Water Commodity Charges totaled \$11,119,489. This is 87.1% of budget.
- Fixed System Charges were \$3,440,829, which is 97.5% of budget.
- The total interest revenue from all sources is \$533,733.
- Total Operating Revenue is \$14,807,364 which is 89.5% of budget. Total Non-Operating Revenue is \$2,246,647 which is 113.6% of the budget.
- Total Revenue is \$17,054,011 which is 92.0% of budget.
- Combined Salaries & Wages and Payroll Taxes & Benefits is \$3,598,348, which is 87.6% of budget.
- Purchased Water is \$5,981,594. Purchased Water cost for the year ended June 30, 2024, was \$5,797,950.
- We also incurred \$456,779 in costs of issuance and delivery costs related to the bond issuance.

- Total Operating Expenditures were \$14,034,046, which is 88.5% of budget.
- The capital budget includes payments of \$178,644 for the purchase of an F-450 and (2) Ford F-150's (including tool boxes and equipment), \$62,057 for the purchase of two (2) new vehicles using prior year budgeted amounts, and \$31,496 for purchase and installation of a backflow regulator.
- Additionally, there are \$1,367,429 in expenditures related to capital projects that have been incurred during the fiscal year.
- Unrestricted Cash & Cash Equivalents is \$15,961,931, which is a decrease of \$583,454 from May 2024.
- Restricted cash now includes the proceeds from the 2025 COP issuance of \$33,000,000 as well as amounts recorded at PARS for OPEB. The account has a fair market value of \$32,889,302 available to spend, of which \$216,979 is attributable to an unrealized loss. Total par amount of investments is \$29,854,000 invested in T-Bills and Bonds and \$1,229,267 in money market funds.
- Unrestricted Net Position was \$31,122,571 with Total Net Position of \$43,805,739.

Analysis of Water Commodity Charges



	5-Year Average Cumulative %	Expected Monthly Percentage	PY Actuals	FY 2024/2025 Projected Charges	FY 2024/2025 Actual	FY 2024/2025 % of Total Budget
July	10.3%	10.3%	1,098,097	1,114,313	1,114,313	8.7%
August	21.0%	10.7%	968,623	1,263,265	1,263,265	18.6%
September	31.9%	10.9%	1,159,108	1,242,910	1,242,910	28.4%
October	41.7%	9.8%	1,030,999	1,162,175	1,162,175	37.5%
November	50.6%	8.9%	1,028,758	1,148,035	1,148,035	46.5%
December	57.4%	6.9%	793,729	855,382	862,208	53.2%
January	63.5%	6.1%	701,568	705,962	725,006	58.9%
February	69.7%	6.1%	647,539	883,317	900,824	65.9%
March	75.7%	6.0%	625,568	872,063	775,011	72.0%
April	82.6%	6.9%	672,435	1,005,592	872,967	78.9%
May	90.3%	7.7%	731,935	1,117,400	1,052,701	87.1%
June	100.0%	9.7%	1,027,158	1,396,501	-	87.1%
TOTAL		100.0%	\$ 10,485,518	\$ 12,766,915	\$ 11,119,414	

MID-PENINSULA WATER DISTRICT
STATEMENT OF NET POSITION (UNAUDITED)
AS OF MAY 31, 2025 AND MAY 31, 2024

<u>ASSETS</u>	AS OF 5/31/2025	AS OF 5/31/2024
Current Assets		
Cash and cash equivalents	\$ 2,865,168	\$ 3,448,622
Investments	13,096,763	12,449,153
Accounts receivable	2,991,317	2,230,782
Prepaid expenses and other assets	80,913	72,194
Total Current Assets	19,034,161	18,200,751
Restricted cash with fiscal agent	34,106,309	1,403,429
Lease receivable	958,464	1,099,275
Construction in progress	9,882,470	14,781,533
Capital assets, net	29,603,055	23,599,575
Net OPEB asset	660,560	135,246
TOTAL ASSETS	<u>\$ 94,245,019</u>	<u>\$ 59,219,809</u>
Deferred Outflows of Resources		
Pension related deferred outflows	\$ 1,313,533	\$ 1,898,626
OPEB related deferred outflows	346,521	291,399
Total Deferred Outflows	<u>\$ 1,660,054</u>	<u>\$ 2,190,025</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 10,082	\$ (2,006)
Accrued expenses	55,122	89,452
Current portion of long-term debt	1,124,670	579,419
Total Current Liabilities	1,189,874	666,865
Noncurrent Liabilities		
Compensated absences	241,507	198,259
Lease liability	-	84,816
SBITA Liability	-	4,854
Long-term portion of Certificates of Participation	48,684,519	16,262,510
Net pension liability	555,222	271,173
Total Noncurrent Liabilities	49,481,248	16,821,612
TOTAL LIABILITIES	<u>50,671,122</u>	<u>17,488,477</u>
Deferred Inflows of Resources		
Pension related deferred inflows	594,735	844,115
Lease receivable related deferred inflows	833,477	950,069
Total Deferred Inflows	<u>1,428,212</u>	<u>1,794,184</u>
<u>NET POSITION</u>		
Net investment in capital assets	\$ 12,683,168	\$ 6,757,646
Unrestricted	31,122,571	35,369,527
TOTAL NET POSITION	<u>\$ 43,805,739</u>	<u>\$ 42,127,173</u>

**No assurance provided on financial statements. Financial statements do not include a statement of cash flows.*

Substantially all disclosures required by accounting principles generally accepted in the United States not included.

**MID-PENINSULA WATER DISTRICT
MONTHLY BUDGET REPORT-OPERATING
FOR THE 11 MONTHS ENDED MAY 31, 2025
SUMMARY (UNAUDITED)**

Target 91.67%

DESCRIPTION	APPROVED AMENDED FY 2024-25 BUDGET	ACTUALS 7/1/2024- 5/31/2025	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	12,766,915	11,119,489	1,647,426	87.1%
FIXED SYSTEM CHARGES	3,530,021	3,440,829	89,192	97.5%
FIRE SERVICE CHARGES	18,000	16,360	1,640	90.9%
MISC CUSTOMER ACCOUNT FEES	107,100	93,196	13,904	87.0%
SERVICE LINE & INSTALLATION CHARGES	111,000	112,089	(1,089)	101.0%
MISCELLANEOUS OPERATING	19,500	25,400	(5,900)	130.3%
TOTAL OPERATING REVENUE (SOURCES)	16,552,536	14,807,364	1,745,172	89.5%
WATER SYSTEM CAPACITY CHARGES	807,300	807,339	(39)	100.0%
WATER DEMAND OFFSET CHARGES	-	-	-	-
PROPERTY TAX REVENUE	545,000	541,762	3,238	99.4%
LEASE OF PHYSICAL PROPERTY	168,000	125,780	42,220	74.9%
MISCELLANEOUS NON-OPERATING	6,600	232,033	(225,433)	3515.7%
INTEREST REVENUE - PARS	41,000	20,053	20,947	48.9%
INTEREST REVENUE - LAIF	73,640	69,193	4,447	94.0%
INTEREST REVENUE - COP	38,000	(85,499)	123,499	-225.0%
INTEREST REVENUE - US TREASURIES	251,723	497,270	(245,547)	197.5%
INTEREST REVENUE - SWEEP ACCOUNT	42,000	34,716	7,284	82.7%
LANDSCAPE PERMIT REVENUE	4,000	4,000	-	100.0%
TOTAL NON-OPERATING REVENUE (SOURCES)	1,977,263	2,246,647	(269,384)	113.6%
TOTAL REVENUE (SOURCES)	18,529,799	17,054,011	1,475,788	92.0%
OPERATING EXPENDITURES (USES)				
SALARIES & WAGES	2,771,305	2,048,741	722,564	73.9%
PAYROLL TAXES & BENEFITS	1,335,100	1,549,607	(214,507)	116.1%
PURCHASED WATER	6,619,719	5,981,594	638,125	90.4%
OUTREACH & EDUCATION	95,000	40,881	54,119	43.0%
M&R - OPS SYSTEM	63,000	517,783	(454,783)	821.9%
M&R - FACILITIES & EQUIPMENT	653,500	252,651	400,849	38.7%
SYSTEM SURVEYS	715,000	3,033	711,967	0.4%
ADMINISTRATION & EQUIPMENT	727,000	670,149	56,851	92.2%
MEMBERSHIP & GOV FEES	196,000	423,190	(227,190)	215.9%
BAD DEBT & CLAIMS	15,000	-	15,000	-
UTILITIES	576,500	499,322	77,178	86.6%
PROFESSIONAL SERVICES	675,000	805,163	(130,163)	119.3%
TRAINING/TRAVEL & RECRUITMENT	111,500	84,070	27,430	75.4%
DEBT SERVICE	1,305,000	701,083	603,917	53.7%
COST OF ISSUANCE	-	456,779	(456,779)	0.0%
TOTAL OPERATING EXPENDITURES (USES)	15,858,624	14,034,046	1,824,578	88.5%
NET SURPLUS/LOSS	2,671,175	3,019,965	(348,790)	
DEBT SERVICE COVERAGE	2.33	3.86		

*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

**MID-PENINSULA WATER DISTRICT
MONTHLY BUDGET REPORT-CAPITAL
FOR THE 11 MONTHS ENDED MAY 31, 2025
SUMMARY (UNAUDITED)**

Target 91.67%

DESCRIPTION	APPROVED AMENDED FY 2024-25 BUDGET	ACTUALS 7/1/2024- 5/31/2025	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
CAPITAL ASSETS				
Trucks (2)	\$ 200,000	\$ 178,644	\$ 21,356	89.3%
Trucks (2) - rollover from prior year budget*	63,000	62,057	943	98.5%
Surveillance Equipment for Tanks / Facilities	40,000	3,975	36,025	9.9%
Misc. Equipment	30,000	31,496	(1,496)	105.0%
Valve Turner	30,000	26,598	3,402	88.7%
Air Relief and Vacuum Valves	20,000	-	20,000	-
TOTAL CAPITAL ASSET	383,000	302,771	80,229	79.1%
CAPITAL PROJECTS - PAYGO				
20-07 Harbor Blvd WMI Project	50,000	34,868	15,132	69.7%
15-75A Old County Road Improvements	613,000	691,130	(78,130)	112.7%
21-01 Dekoven Tank Util / Lincoln / Newlands / Oak Knoll WMR	3,000,000	136,580	2,863,420	4.6%
24-08 Exborne West Tank Recoating	675,000	32,346	642,654	4.8%
24-09 Hallmark North Tank Recoating	610,000	32,607	577,393	5.3%
24-10 West Belmont North Tank Recoating	130,000	23,510	106,490	18.1%
TOTAL CAPITAL PROJECTS - PAYGO	5,078,000	951,040	4,126,960	18.7%
CAPITAL PROJECTS - DEBT FINANCING				
20-09 Dairy Lane Ops Center Rehab Design	2,400,000	110,447	2,289,553	4.6%
24-07 Folger Drive Property Improvements	2,700,000	299,388	2,400,612	11.1%
15-89 Dekoven Tank Replacement	1,897,500	2,674	1,894,826	0.1%
15-72b SR 101 Crossing at PAMF Hospital - Phase 2	691,250	3,879	687,371	0.6%
TOTAL CAPITAL PROJECTS - DEBT FINANCING	7,688,750	416,388	7,272,362	5.4%
TOTAL CAPITAL PROJECTS	12,766,750	1,367,429	11,399,321	
TOTAL CAPITAL	13,149,750	1,670,200	11,479,550	

*Rollover amounts were approved in the amount of \$60,000 in March 28, 2024 meeting as part of the mid-year budget amendment. Additional \$3,000 was approved at the May 23, 2024 Board meeting due to increased costs. Order of vehicles was made in May, 2024 and vehicles were not received until October 2024.

**MID-PENINSULA WATER DISTRICT
INVESTMENT & RESERVES REPORT (UNAUDITED)
AS OF MAY 31, 2025**

Cash Analysis				Interest Earned (Fiscal - to date)			
Account	Investment	Cost	Market Value		Yield	Maturity Date	Days to Maturity
Petty Cash	Cash	\$ 600	\$ 600	\$ -	n/a	n/a	n/a
Umpqua Credit Card	Cash	150,000	150,000	-	n/a	n/a	n/a
Wells Fargo	Cash	1,287,172	1,287,172	34,716	n/a	n/a	n/a
LAIF	LAIF	1,427,397	1,427,397	69,193	4.43% +	n/a	0
BNY - Reserve *	Money Market Funds	636,562	636,562	(85,499)	4.17%	n/a	0
BNY - Delivery Co.*	Money Market Funds	31,512	31,512	-	4.05%		
PARS - Pension *	Money Market Funds	548,933	548,933	20,053	4.05% ++	n/a	0
PARS - OPEB **	Money Market Funds	4,103,987	4,103,987	205,800	4.05% ++	n/a	0
Zions	Money Market Funds	1,531,911	1,531,911		4.02%	n/a	0
	US Treasury Bills	2,184,754	2,225,608		4.18%	5/1/2025	-30
	US Treasury Notes	2,654,843	2,774,233		0.38%	4/30/2025	-31
	US Treasury Notes	4,543,870	4,702,610		0.25%	7/31/2025	61
	US Treasury Notes	1,799,147	1,811,380		0.26%	10/31/2025	153
	Total Zions	<u>12,714,525</u>	<u>13,045,741</u>	<u>(16,306)</u>			
BNY - Project	Money Market Funds	1,229,264	1,229,267		4.05%		
	US Treasury Bills	690,000	685,211		4.28%	7/31/2025	61
	US Treasury Bills	1,085,000	1,066,078		4.23%	10/31/2025	153
	US Treasury Notes	810,000	806,946		4.35%	8/31/2025	92
	US Treasury Notes	802,000	803,548		4.24%	9/30/2025	122
	US Treasury Notes	1,081,000	1,073,314		4.17%	11/30/2025	183
	US Treasury Notes	1,092,000	1,067,834		4.41%	12/31/2025	214
	US Treasury Notes	1,346,000	1,345,489		4.15%	1/31/2026	245
	US Treasury Notes	599,000	600,438		4.12%	2/28/2026	273
	US Treasury Notes	599,000	600,390		4.08%	3/31/2026	304
	US Treasury Notes	1,665,000	1,614,251		4.06%	4/30/2026	334
	US Treasury Notes	1,677,000	1,621,508		4.06%	5/31/2026	365
	US Treasury Notes	1,674,000	1,616,783		4.01%	6/30/2026	395
	US Treasury Notes	15,505,000	15,444,714		0.50% - 4.375%	FY 2027	Various
	US Treasury Notes	1,432,000	1,337,423		0.50% - 3.750%	FY 2028	Various
	US Treasury Notes	1,205,000	1,184,608		1.00% - 4.875%	FY 2029	Various
	US Treasury Notes	367,000	366,963		3.875% - 4.00%	FY 2030	Various
	Strips	250,000	214,616		3.957% - 4.018%	FY 2029	Various
	Strips	250,000	209,921		3.964% - 4.044%	FY 2030	Various
	Total BNY - Project	<u>32,129,000</u>	<u>32,889,302</u>	<u>(110,698) +++</u>			
	Total Cash and investments	<u>\$ 53,029,687</u>	<u>\$ 54,121,205</u>	<u>\$ 117,259</u>			

Reserves Analysis						
Priority	Reserve	Target	Funded Amount	% Funded	Description of amount	
1	Working Capital (Operating) Reserve	\$ 7,929,312	\$ 7,929,312	100.00%	50% of annual fiscal year budgeted expenditures	
2	Capital Reserve	8,000,000	8,000,000	100.00%	Fixed amount	
3	IRC 115 Irrevocable Trust - Pension	271,173	548,933	202.43%	100% of the District's projected net pension/total OPEB liability, or \$500,000 if	
	IRC 115 Irrevocable Trust - OPEB **	3,495,503	4,103,987	117.41%	no liability is outstanding. Based on most recent audited financial statements.	
4	Rate Stabilization Reserves	1,200,000	13,109	1.09%	Fixed amount or \$500,000 if no bonds are outstanding	
n/a	Project Funding	-	32,889,302	n/a		
n/a	Reserve for debt service	765,600	636,562	83.15%	Required by bond agreements for the COP. Amount based on next scheduled debt service.	
					NOTE: This has not been updated for the 2025 Bonds.	
	Total Reserves	<u>\$ 21,661,588</u>	<u>\$ 54,121,205</u>	249.85%		

* - Restricted accounts

** - amounts not reported in financial statements due to accounting treatment

+ - based on a rolling 12 - month average

++ - based on a 3-year annualized return



AGENDA ITEM NO. 9.A.2.

DATE: June 26, 2025
TO: Board of Directors
FROM: Joubin Pakpour, PE – District Engineer

SUBJECT: Capital Project Update

Dekoven, Lincoln, Newlands & Oak Knoll Water Main Improvements (15-09 &15-19)

A notice to proceed (NTP) for the project was issued for Monday, June 30th. The District is currently reviewing material submittals and schedule. The traffic control plan was reviewed and approved by the City of Belmont. The contractor and the District have notified residents along the path of the project.

West Belmont (N), Exbourne (W), Hallmark (N) Tanks Improvements (24-08, 24-09 & 24-10)

The geotechnical engineer completed their work at the Hallmark site. Project design is progressing. The project is on budget and schedule to start of construction this winter.

SR101 Crossing @ PAMF Hospital, Phase II (15-72b)

Several meetings were held with the City of San Carlos to coordinate our project with the City's sanitary sewer and storm drain project. Coordination meetings were also held with WY and the construction manager, Tanner Pacific (TP). Project design is progressing.

Dekoven Tanks Replacement (15-89)

The new structural engineer of record, ZFA, has started work on updating the plans. An updated schedule will be prepared once all subconsultants are under contract.

Transmission Water Main Assessment (20-05)

We continue to correspond with two separate consultants who provide pipeline inspection services and hope to receive a proposal from each in the near future.

City Project Updates

2025 Sewer Projects – A preconstruction meeting was held on early June, work is anticipated to start early next month.

Twin Pines Park Detention Basin Water Main Improvement – An update will be provided at the board meeting.

AGENDA ITEM NO. 9.A.3

TO: Board of Directors
FROM: Alison Bell, Administrative Services Manager
DATE: June 26, 2025

ADMINISTRATIVE SERVICES MANAGER'S REPORT

June**Operations Manager Recruitment**

After being open for two months, the Operations Manager recruitment attracted a total of 88 applications. As part of our structured selection process, we conducted phone screenings with 7 candidates and invited 4 of them to participate in in-person panel interviews. The interview panel included myself, General Manager Kat Wuelfing, District Engineer Joubin Pakpour, and Superintendent Michael Anderson. Each candidate was asked the same set of 13 questions, covering a range of leadership and situational scenarios to ensure consistency and fairness.

By the time of this board meeting, final interviews will have been completed. These included one-on-one sessions with Kat, followed by a tank site tour led by Michael. This format allowed both Kat and Michael to connect with the finalists in a more conversational setting while gaining insight into how they engaged with our facilities and staff.

Recruitment expenses for this process totaled \$3,767.

Administrative Assistant Recruitment

We received an impressive 138 applications for the Administrative Assistant position within just six days of posting. The position was advertised across several platforms, including CalOpps, LinkedIn, GovernmentJobs.com, Bayworks.com, Water District Jobs, the City of Belmont Newsletter, and via direct email outreach to the HRA group. Given the strong response and quality of applicants, I made the decision to close the posting early to streamline the recruitment timeline.

In-person interviews were held on June 5th, during which we interviewed nine candidates. I invited the entire administration team to participate in the interview panel, as I strongly value their input and believe in a collaborative hiring process. Together, we selected three finalists to move forward.

For the final stage, the candidates met with Misty and me for a more in-depth conversation focused on technical skills, workplace expectations, and cultural fit. These interviews gave us the chance to better understand each candidate's background and what they could contribute to MPWD. After careful consideration, we selected a finalist and are currently moving forward with the background screening process.

CalPERS Annuity Circular Letter

CalPERS recently released Circular Letter 200-021-25 (June 4, 2025), issuing a strong reminder to all public agencies that employing retired annuitants must strictly comply with existing regulations under the Public Employees' Retirement Law and PEPRA, warning of "steep penalties" for non-compliance. The guidance reiterates key rules: retired annuitants can only be used for temporary extra-help or interim roles during emergencies or for their specific skill sets, with a maximum of 960 hours per fiscal year, no benefits or additional compensation beyond base salary, mandatory 60-day separation and 180-day wait periods (unless exemptions apply), and strict pay rate and reporting requirements. The circular was prompted by heightened auditing and enforcement in this area.

Belmont Blooms

On Saturday, May 31, 2025, I attended a community event hosted by the City of Belmont's Parks and Recreation Department at the Barrett Community Center Garden. The event was designed to educate residents on seasonal planting and gardening techniques, with interactive stations led by Community Garden members, Parks and Recreation staff, and local vendors. Attendees enjoyed activities such as painting flowerpots, receiving complimentary seed packets, and participating in a raffle.

MPWD participated by hosting a booth focused on water resources and water-efficient landscaping. We also distributed our wide array of MPWD swag that the community loves so much and showcased our model of the District's water distribution system. It was a great opportunity to engage with the community and highlight the District's commitment to water education.



Public Works Event at the City of Belmont

On Wednesday, May 22, 2025, MPWD participated in the City of Belmont's annual Public Works Open House at Twin Pines Park. This event offered a fun and educational opportunity for residents to learn more about local public works services through live demonstrations, fleet exhibits, games, giveaways, and a free BBQ lunch.

MPWD staff hosted an informational booth to share details about our water distribution system, current projects, and conservation programs. We engaged with attendees of all ages, handed out promotional materials, and helped raise awareness about the vital role MPWD plays in the community's infrastructure. It was a great event to connect with the public and support our fellow public works partners in Belmont.



Hanson Bridgett Training “Employer Readiness for Responding to Immigration Enforcement in the Workplace”

As part of ongoing compliance training, I attended a webinar titled *Employer Readiness for Responding to Immigration Enforcement in the Workplace*. The session provided practical guidance on how employers should respond if immigration officers appear at the workplace, with or without a warrant. Key topics included employer rights and responsibilities under the California Immigrant Worker Protection Act, best practices for preparing internal teams, and how to minimize legal risks during worksite inspections. The training emphasized proactive planning and legally sound response protocols to protect both the organization and its workforce.

UBEO Trade Show Exhibit

At the recent tech expo hosted by our copier supplier UBEO, I reviewed their latest line of high-performance multifunction printers—highlighting models with enhanced scanning, cloud integration, and energy-saving features. These new copiers offer faster output, improved security, and lower long-term maintenance costs—features that directly address our current needs. Based on these advantages, I recommend transitioning to a leasing model for future acquisitions, which offers financial flexibility, predictable budgeting, and the ability to upgrade technology more frequently. This strategic shift will ensure our office infrastructure remains modern, reliable, and cost-effective.

Xpress Bill Pay Training and Implementation

A BETTER WAY TO BILL PAY!

Starting June 4, the MPWD has upgraded to a new, more convenient bill pay system through Xpress Bill Pay. Go to MidPenInsulaWater.org/billpay to register your account. Please have your new 9-digit account number ready.

IMPORTANT! MPWD's Civic Pay bill payment system is discontinued. Starting June 4, 2025:

- All new and existing MPWD bill pay customers will need to register a new account with Xpress Bill Pay.
- All customers currently using automatic bill payments through their credit/debit card will need to log into Xpress Bill Pay to set up recurring payments.
- All customers will receive paper statements until signed into Xpress Bill Pay to select the paperless option.

PLUS! Download the free Xpress Bill Pay app and manage your account 24/7 on the go!

As of June 5, 2025, the District successfully transitioned from Civic Pay to Xpress Bill Pay as its new online billing and payment platform. Xpress Bill Pay offers customers enhanced features such as AutoPay, scheduled payments, real-time transaction updates, and secure, PCI-compliant processing. To support a smooth transition, all administrative staff participated in a full-day training on June 4, 2025, covering system operations, payment tracking, and customer support tools. The new platform is expected to improve the overall customer experience, reduce administrative processing time, and provide faster access to payment funds.

Folger Records Management Update

36 boxes left of the original 60!

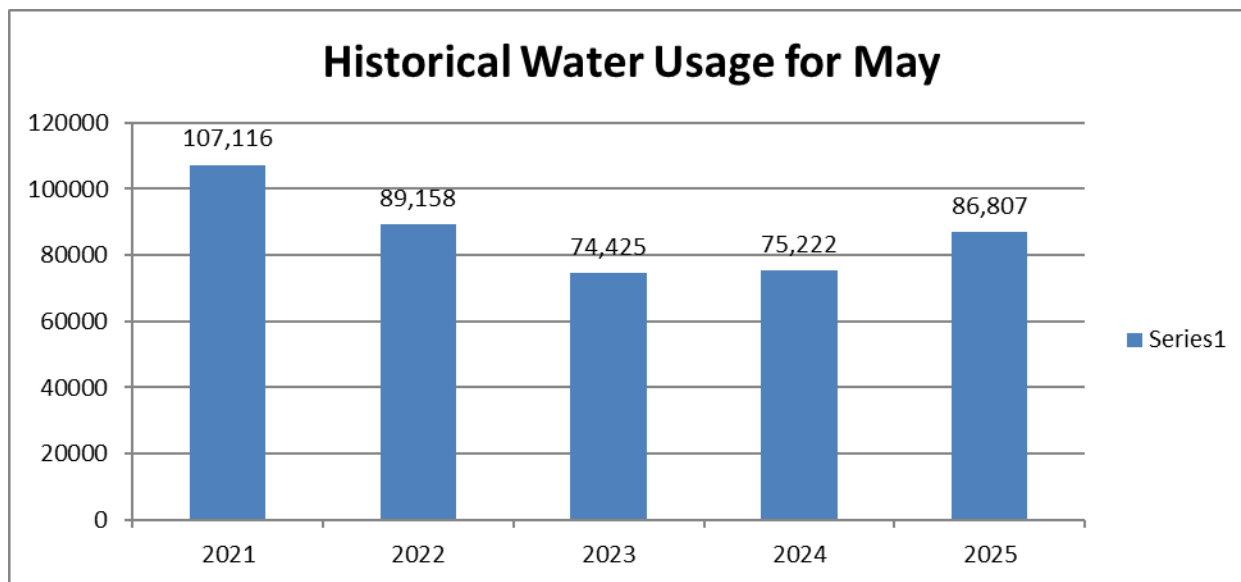
Utility Billing:

Account information

	Commercial Accounts	Residential Accounts	Multi- Family Accounts	Irrigation Accounts	Institutional Accounts	Industrial Accounts	Temporary Hydrant Accounts	Inactive Accounts	Total Accounts
January	414	7280	204	89	62	46	9	32	8104
February	415	7272	204	90	62	46	10	35	8099
March	416	7262	205	90	62	45	10	31	8090
April	416	7269	205	90	62	45	9	32	8096
May	415	7261	204	90	62	45	8	32	8085
June									
August									
September									
October									
November									
December									

Billing information:

2025	Reminder letters	Final notices	Sent to collections	Collections Amount	Shut Offs	New Payment Plans	Active Payment plans (in good standing)	Payments in default
January	348	36	0	0	9	1	6	3
February	315	41	0	0	4	2	6	2
March	294	26	0	0	1	1	5	1
April	282	36	0	0	1	0	5	0
May	313	33	0	0	4	1	5	1
June								
August								
September								
October								
November								
December								



PUBLIC SERVICE ETHICS EDUCATION (AB 1234)

Everyone is current with their Ethics training. The due dates (in alphabetical order) for certification renewal of Public Service Ethics education, required every two (2) years by AB 1234:

• Joubin Pakpour	December 9, 2026
• Rene Ramirez	December 7, 2026
• James Ramsey	October 19, 2025
• Julie Sherman	March 9, 2025
• Louis Vella	December 17, 2026
• Kirk Wheeler	January 30, 2027
• Kat Wuelfing	March 22, 2025
• Charles Cotton	March 19, 2027
• Matt Zucca	April 10, 2027
• Alison Bell	June 12, 2026
• JoAnn Covington	May 24, 2027

For compliance, training should be completed on or before the due date, and the certificate turned into the MPWD.

Here is the link to the FPPC free online ethics training:

<http://localethics.fppc.ca.gov/login.aspx>

SEXUAL HARASSMENT PREVENTION EDUCATION (AB 1825 FOR MANAGERS, SB 1343 FOR EMPLOYEES, AB 1661 FOR ELECTED OFFICIALS)

Everyone is current with Harassment Prevention training (required every two years). Due dates (in alphabetical order) for certification renewal of Sexual Harassment Prevention Education:

• Joubin Pakpour	March 18, 2027
• Rene Ramirez	December 14, 2026
• James Ramsey	October 19, 2025
• Julie Sherman	January 31, 2026
• Louis Vella	October 25, 2025
• Kirk Wheeler	December 10, 2025
• Kat Wuelfing	February 1, 2027
• Charles Cotton	March 18, 2027
• Matt Zucca	March 23, 2025
• Alison Bell	June 10, 2026
• JoAnn Covington	May 23, 2027

For compliance, training should be completed on or before the due date, and the certificate turned into the MPWD.

Here is the link to the DFEH free online Sexual Harassment Prevention training:

<https://www.dfeh.ca.gov/shpt/>

On the DFEH website, review the information on the webpage, click CONTINUE at the bottom of the page, select ENGLISH as the language, and select SUPERVISORY (2-hour course). You will be able to print, save, or screenshot your training certificate at the end of the training.

Once you have completed the training and obtained your certificate, please transmit it to Alison Bell at abell@midpeninsulawater.org.



TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager

DATE: June 26, 2025

OPERATIONS REPORT – May

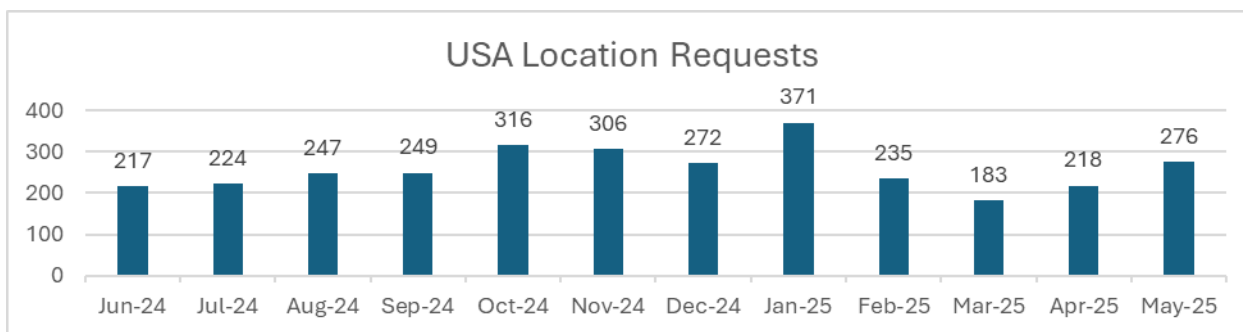
Projects:

- Continue working with Noll and Tam to prepare for the re-making of the Folger property into a District Emergency Operations Center (EoC). The Planning Commission has approved the District's Conditional Use Permit and the City Building Department is nearing completion of their review and permit issuance;
- Staff is working with O'Connor Construction Management Inc., located in the San Francisco, to develop a scope of work for the review the Folger EoC plans and specifications before going out to bid;
- A pre-construction meeting was held with the Board awarded contractor, KJ Woods for the Dekoven, Lincoln, Newlands and Oak Knoll (DLNO) water main replacement capital project. A notice to proceed will be issued to KJ Woods towards the end of June;
- Staff is expecting a set of "vacation of easement" documents from the Terra Linda School's engineer so that the Board can take formal action to vacate an easement. The water line under the easement is no longer needed to support the system and the line was abandoned in place. The easement vacation will allow the school to make improvements over the vacated easement;
- Progress with Phase 2 of capital project 04-1621-CP, which constructs a new water main under highway 101 at PAMF to Shoreway Road near the Recology complex and heads north toward Cormorant Avenue. Project engineer West-Yost Associates, the District Engineer's office and staff have begun to work again to complete plans and specifications to bid for this project later this calendar year;
- A leak survey started in late May with Subtronic Leak Detection. It is expected to take about one month to complete;
- As part of the north Hallmark Tank coating and seismic improvement project, coating samples were taken by consulting firm, CSI, to confirm coating thickness and type;
- Completed four (4) 1-inch service upgrades to these addresses: 2413 Hastings, 1201 Notre Dame, 895 Laurel, and 3211 Adelaide;
- Meeting held with District Engineer's office to begin an update to the District's standard details and specifications; and

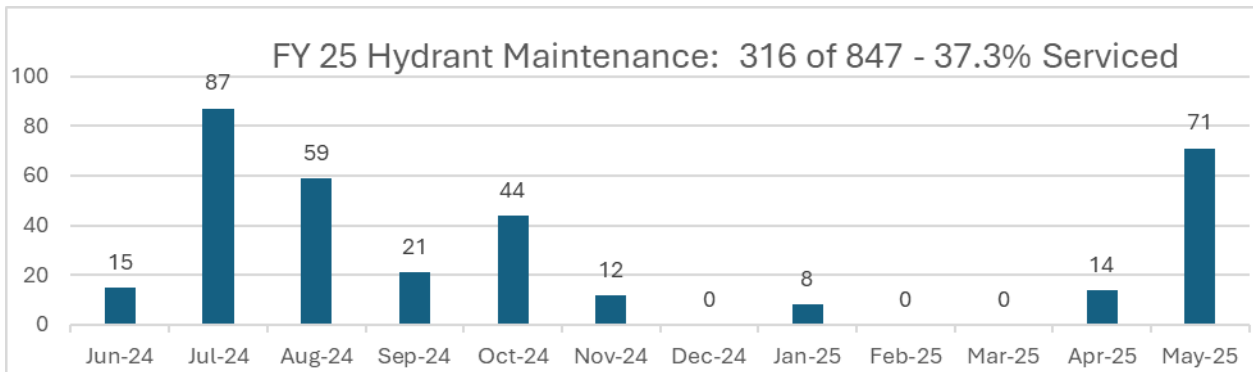
- After talking to neighboring water agencies regarding their Cross Connection Control Plan (Plan), staff has requested a delay in adopting its Plan with the State Water Resources Control Board (state) in order to have more time to meet with the neighboring water agencies and discuss each other's Plan. The intent is to hopefully have some consistency in Plans since our borders sometimes share the same street. The state has agreed to allow a delay.

Maintenance:

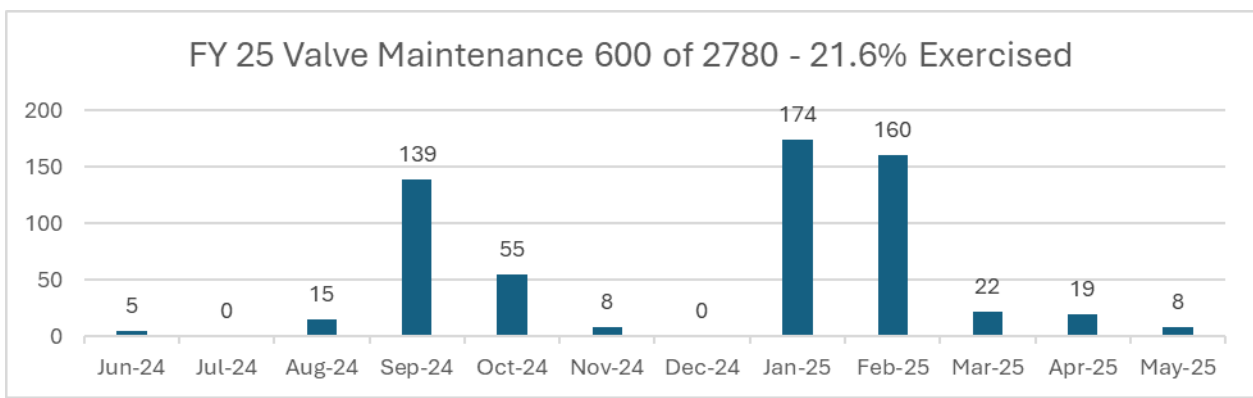
- Responded to a tree falling over near the Ralston Regulator Station which is close to the Notre Dame Campus. Further investigation revealed the tree was on private property and not the District's responsibility. City staff working is with the property owner responsible for the tree;
- Deer severely damaged a new tree planted at the Exbourne Tank site even though protection was placed around the tree. The tree is in the process of being replaced;
- Repaired three (3) water main breaks during May at: 2790 Belmont Canyon Rd., 2321 Wooster Ave., and 2880 Wakefield Dr.;
- Repaired a service leak located on a service at 1449 6th Ave.;
- Replaced 4 water meters as part of service upgrades;
- Replaced 11 water meters with water use measuring issues;
- Replaced 4 meters registers with weak batteries;
- Replaced 18 meters transceivers due to weak batteries;
- Responded to and completed 276 USA (underground service alerts) location requests during month. Running 12-month location requests total is 3,114, an average of 260 per month;



- Hydrant maintenance visits: 71



- Valves exercised during the month: 8



- Collected the requisite 44 water samples in May from 11 sample station sites. None of the samples tested positive for total coliform;
- Staff continue to closely monitor the water quality and system conditions as part of normal operations; and
- During May staff flushed 6 water lines with dead ends.

System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
5/3/25	2790 Belmont Canyon Rd	Pipe Ring Break	6" CIP	1978	~ 8,000
5/17/25	2321 Wooster	34" Pipe Split	6" CIP	1946	~15,000
5/27/25	1449 6th	Pin Hole in Service Line	¾" Copper	2003	~100

5/29/25	2880 Wakefield	Pipe Ring Break	6" ACP	1972	~10,000
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Development:

Staff continue to work with developers and monitor 74 development projects:

Mixed Use Commercial/Multi-Family Residential: 14

- 1324 Old County Road; a 2- or 3-unit multi-family with ground floor retail space; moving forward slowly, fire flow test requested and performed several months ago;
- 1301 Shoreway Road; proposed life science building. A water supply assessment was prepared and approved and nothing since, but Carlos DeMelo mentioned movement at HIA;
- 2 Davis Drive; offices and research space, & fire station; no forward progress to staff's knowledge since late 2019;
- 500-530 Harbor – information provided to developer and nothing new to report;
- 580 Masonic – information provided to developer and Carlos DeMelo mentioned some progress on this development, just not with us yet;
- 608 Harbor: a 103-unit multi-family development; letter of intent to serve provided and no progress staff is aware of;
- 800 Laurel Avenue; a 16-unit town home residential project (area not provided); currently reviewing plans and have asked for a resubmittal of civil plans;
- 678 Ralston; 65-unit, 100% affordable apartment complex; no contact from developer yet;
- 800 Belmont Avenue; information provided to developer and no forward progress;
- 803 Belmont Avenue; a 125-unit multi-family residential project (area not provided); under construction, but has not started utility work yet;
- 601 Harbor Blvd/1421 Old County Road: proposed life science building working through entitlement process and a Water Supply Assessment in late 2022;
- Island Parkway Life Science Campus; office, research & development project; no contact from developer yet;
- 900 El Camino Real; a 37-unit multi-family residential project starting on 2nd floor with commercial lease space on 1st floor (area not provided); plans approved and working towards a Water Service Agreement with the developer;
- 642 Quarry Road – preliminary, information provided to developer.

Commercial: 16

- Reviewing Plans – 12
- Approvals Received – 2
- In Construction - 2

Residential: 44

- Plans In Review – 31 including 1 ADU (auxiliary dwelling unit)
- Plans Through Staff Approval Process – 10
- Project In Construction - 3

Administration:

- District Engineer held a “brown bag” gathering for District and neighboring water agencies at Dairy Lane where a vendor talked about chloramine booster stations in water distribution systems and tank sites;
- Several members from Operations attended a desk-top emergency training exercise put on by Cal Water at their San Mateo Corporate Yard;
- Participated in the Public Works Day event at Twin Pines Park where the District’s model was displayed, always a hit with community, and staff talked “water” with the community;
- Several members of District staff attended and participated in a City of Belmont Emergency Operations Center exercise at City Hall;
- Staff attended the Belmont Blooms event at the Barrett Community Center on May 31st;
- Staff met with uniform provider UniFirst to discuss a contract extension;
- Management met to prepare for the Board Strategic Plan meeting;
- Good time was had during the District’s Annual Employee Appreciation Dinner at Izzy’s on the Peninsula;
- Attended to a personnel matter;
- Completed several classes online related to an update in the Granicus System for Board meeting agendas;
- Ops staff continue to make progress on creating a list of District asset inventory using a cloud-based database tool;
- Attended staff meeting for management and supervisors;
- Participated in weekly call with District Engineer, General Manager, and Operations Supervisor on District matters and projects; and
- Continue to actively manage power use for pumping operations via SCADA.

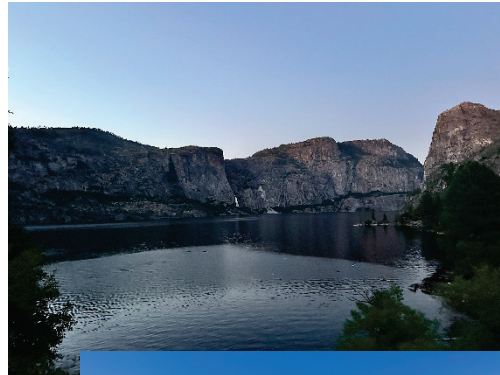
AGENDA ITEM NO. 9.A.5.

TO: Board of Directors
FROM: Kathryn Wuelfing, General Manager
DATE: June 26, 2025

GENERAL MANAGER'S REPORT

Key Activities Since May Meeting

- **Hetch Hetchy Tour** – BAWSCA and SFPUC hosted a bus tour of the RWS, including an overnight stay at the Hetch Hetchy Reservoir. It included stopping at sites along the way including Crystal Springs Reservoir, Pulgas Water Temple, Sunol, Tesla Water Treatment Plant, Moccasin Dam and Powerhouse, and a tour inside O'Shaughnessy dam. Folks in the tour group included city council members and staff from various BAWSCA agencies.
- **Belmont 2X2** – It is time to reach out to schedule the 2x2 meeting with the City of Belmont. I'll be reaching out to Directors Vella and Cotten for their availability.
- **Folger Drive EOC** – The project was heard at the June 3rd Planning Commission hearing. The Commissioners continued to be supportive of the project, and approved the conditional use permit for the project. There was a 10-day appeal period (ending June 13th), and no appeals filed, therefore our CUP has been approved. We are working with the building department on issues related to the building permit. We have also engaged with O'Connor Construction Management (OCMI <https://www.ocmi.com/>) to provide project management services for the Folger Drive project. The scope currently includes performing (1) constructability review of the



current plans, (2) development of District specifications related to vertical construction, and (3) conducting a peer review of cost estimates. OCMI's scope may expand to additional Folger Drive tasks and to support the Dairy Lane work – such scope expansions would be brought to the Board for consideration.

- **Meeting with Supervisor David Canepa** – Supervisor David Canepa came to tour the Dairy Lane on May 30th. President Wheeler also attended. The meeting was facilitated by Voler Strategic Advisors. The tour went very well and President Canepa was very engaged and eager to learn more about the District and the issues it faces.



- **Emergency Planning** – Several staff, including myself, Superintendent Anderson, and Lead Operator Swift, participated in a tabletop exercise with the City of Belmont on May 29th. The scenario involved an airliner crashing into the hillside above Fox Elementary school, hitting a gas main, and starting a wildfire. This was a very productive exercise, and let our staff engage with the other emergency response entities that we would have to work with in any such scenario. We also had a meeting with San Mateo Consolidated Fire Department, City of Foster City/EMID water, City of San Mateo, and CalWater on June 4th. This meeting was focused on how to address water issues in the development of new Emergency Operations Plans (EOPs) for the cities served by SMC Fire. However, the conversation extended to broader topics related to emergency planning and we identified an interest to meet periodically to continue conversations and engagement between our agencies even outside of the EOP process. There will be additional meetings related to the EOP that we will continue to engage in.
- **F&L to Assist with Risk and Resilience Assessment** – The District plans to engage with civil engineering firm Freyer & Laureta to prepare its Risk and Resilience Assessment (RRA) for 2026. This is a required document under the American Water and Infrastructure Act, and the District previously prepared it in-house in 2021. However, this time we will engage F&L who will work closely with PCG to conduct the RRA, with an expanded focus on a fire risk hazard assessment of District facilities, but also looking beyond the District to how vulnerabilities and management of the greater SFPUC system in emergency situations would likely affect the District.
- **Supporting Select ACWA Advocacy** – The District has signed on in support of several issues ACWA is advocating for:
 - SB 394, which would enhance penalties for water theft from fire hydrants;
 - SB 454, which would establish a statewide PFAS Mitigation Fund (fund) intended to help local public agencies pay for cleaning up PFAS contamination in drinking water and wastewater; and

- AB 102 and SB 102, which would maintain and extend \$351.7 million of funding for the Agreements to Support Healthy Rivers and Landscapes (Agreements), formerly referred to as the Voluntary Agreements, in the 2025-26 State budget.

The coalition letters that MPWD has signed on to are provided as attachments. Also attached is a summary from ACWA of the highest priority bills they are working on this session.

- **Rate Change FAQ** – The FAQ on our website, including the rate calculator tool, has been updated to reflect the latest rate increase.
- **Voler Strategic Advisors** – The District has entered into another 1-year agreement for FY 2026 for Voler to continue supporting our engagement with local and state elected officials, including positioning for local funding sources and increasing the visibility of the District and its key issues.
- **Tier 2 and Minimum Purchase Quantities** – These were considered by the Board earlier in tonight's meeting. Each BAWSCA agency will need to go through the same process of adoption for these to go into effect.
- **Dairy Lane Rehab** – Design work is underway. An initial cost estimate was received, and Noll & Tam are currently working on reviewing it in detail. Based on the cost estimate, we will review the design and potentially adjust scope to best optimize project costs with needs.
- **Conferences & Training** – Scheduled to attend:
 - CSDA GM Leadership Summit, Olympic Valley – June 29-July 1, 2025
 - ACWA JPIA Leadership, Roseville – July 10-11, 2025

Key Meetings and Conferences Attended

- Hetch Hetchy Bus Tour – 6/17 – 6/18/2025
- Meeting with Voler Strategic Advisors – 6/12/2025
- SFPUC Wholesale Customer Meeting – 6/12/2025
- Quarterly Coordination Meeting with Belmont Public Works – 6/11/2025
- Operations Manager Interviews -
- Lunch with Belmont Public Works Director – 6/6/2025
- JPIA Leadership Essentials Program Webinar – 6/6/2025
- Harbor Industrial Association Lunch Meeting – 6/5/2025

- BAWSCA Water Management Representatives meeting – 6/5/2025
- SR 101 Crossing Project Meeting – 6/4/2025
- Meeting with Verizon Rep – 6/4/2025
- Emergency Operations Plan Meeting at SMC Consolidated Fire – 6/4/2025
- Planning Commission Hearing – 6/3/2025
- Meet with BAWSCA and 2 Board Members for a BAWSCA intro – 6/2/2025
- Meet with Freyer & Laureta to Discuss Fire Risk Assessment – 6/2/2025
- Belmont Blooms Event – 5/31/2025
- ACWA JPIA Leadership Group Meeting – 5/30/2025
- Supervisor David Canepa – Tour of Dairy Lane – 5/30/2025
- City of Belmont EOC Exercise/Tabletop – 5/29/2025
- DLNO Water Main Project Pre-Construction Meeting – 5/28/2025
- City of Belmont Public Works Day Event – 5/22/2025
- Monthly Coordination Meeting with John Davidson
- Weekly meetings with Noll & Tam Architects
- Weekly meetings with James Ramsey of Eide Bailly
- Weekly meetings with Joubin Pakpour of PCG
- Bi-Weekly Safety/Rap Session Meetings with All Staff

3-MONTH LOOK AHEAD FOR BOARD MEETINGS

July 24, 2025 (Fourth Thursday)

- § Consider vacating an easement
- § Consider Adoption of the MPWD Cross-Connection Control Plan
- § Consider Adopting Happy Hydrant Program Policy
- § Consider PCG Task Order for Dekoven Tank Replacement
- § Receive report on 2x2 meeting with the City of Belmont
- § Consider/approve updated salary schedule with living wage adjustment
- § Receive Semi-Annual Reports on any COP financing through June 30th
- § Receive progress report on MPWD website, marketing, and public relations/outreach efforts by consultant
- § Receive Dairy Lane Project Update
- § Approve Escheat of Unclaimed Assets
- § Consider Resolution Approving Updated MPWD Personnel Manual
- § Receive BAWSCA Update
- § Receive Report on the California and San Francisco Regional Water System Conditions
- § Set process for GM annual performance review (closed session)

August 2025 – No Board Meeting

September 25, 2025 (Fourth Thursday)

- § Receive Annual Report on Fiscal Year Reimbursements over \$100 to Employees. Post to website (CA Government Code § 53065.5)
- § Consider Updating Ordinance 128 to Comply with New State Law
- § Receive BAWSCA Update
- § Receive Report on the California and San Francisco Regional Water System Conditions
- § GM annual performance review (closed session)

Special Meeting for Board Member Field Day – Date TBD

- § Opportunity for Board Members to Tour some District Facilities

Committee Activities

Finance Committee Meeting – Date TBD

- § None currently identified

From: [ACWA](#)
To: [Kat Wuelfing](#)
Subject: Legislative Advisory: ACWA Advocacy Results in Wins in State Legislature
Date: Wednesday, June 11, 2025 3:11:13 PM



June 11, 2025

ACWA Advocacy Results in Wins in State Legislature



Mid-Session Update

ACWA advocacy, with help from member agencies and partner associations, has helped secure a number of positive outcomes as bills continue to move through the state Legislature.

ACWA's State Legislative Committee has taken positions on 52 bills this year, including sponsoring two bills. Of the 19 bills on which ACWA has taken opposing positions, eight of them are either no longer moving or have been sufficiently amended to either remove opposition or significantly reduce our concerns.

Below are updates on a few of the highest priority bills. ACWA staff continue to advocate on several bills on behalf of members.

AB 1146

ACWA has been coordinating with coalition leader California Chamber of Commerce in opposition of [AB 1146](#) (Papan), which would prohibit the release of stored water from a reservoir if the release is done under false pretenses.

The bill also would have originally authorized the State Water Resources Control Board - absent a hearing or due process - to determine whether an operator violated the law and require the operator to immediately comply with its order under a new "interim relief" authority.

Coalition advocacy successfully eliminated this provision and other amendments that resulted in most coalition members removing their opposition to the bill. The bill passed the Assembly and is now in the Senate.

SB 350

ACWA led an oppose-unless-amended coalition against [SB 350](#) (Durazo), which would have required the State Water Board to create a water rate assistance program to provide financial assistance for both drinking water and wastewater services to low-income residential ratepayers.

ACWA's coalition advocated for amendments to ensure any low-income rate assistance (LIRA) program is workable and efficient. Many of the amendments were accepted, but the bill was held in the Assembly Appropriations Committee and is not expected to advance.

SB 601

ACWA is leading a coalition in opposition of [SB 601](#) (Allen), which would needlessly complicate the state's wastewater discharge permitting system, increasing costs and liability for water agencies with discharge permits.

The bill narrowly passed the Senate and is now in the Assembly. ACWA continues to urge members to contact legislators in opposition of this bill and join this coalition by completing an [online form](#).

AB 362

[AB 362](#) (Ramos) would establish "tribal water uses," as a beneficial use of water and allow tribal water uses to be a primary factor in determining the highest water quality that is reasonable in all regulatory decisions. ACWA's State Legislative Committee adopted an oppose-unless-amended position due to concerns with the bill.

ACWA staff met with Assemblymember Ramos and the bill's sponsor, Shingle Springs Band of Miwok Indians, to discuss the bill several times and offered amendment language. This bill was held in the Assembly Appropriations Committee and is now a two-year bill.

SB 394

ACWA-sponsored [SB 394](#) (Allen), co-sponsored with Las Virgenes Municipal Water District, would allow local water agencies to adopt an ordinance with enhanced penalties for water theft from a fire hydrant. It would also help agencies recover damages by authorizing utilities to

pursue civil remedies against any person who tampers with or diverts water from a fire hydrant without authorization, among other details.

The bill passed the Senate and is scheduled to be heard in the Assembly Local Government Committee on June 18. Members can still join the coalition in support of this bill by completing an [online form](#).

SB 454

ACWA-sponsored [SB 454](#) (McNerney), co-sponsored with the League of California Cities, would create a much-needed funding tool to help water and wastewater agencies pay for costs that would otherwise be covered by local ratepayers on their water and wastewater bills.

The bill passed out of the Senate and is scheduled to be heard in the Assembly Environmental Safety and Toxic Materials Committee on June 17. Members can still join the coalition in support of this bill by completing an [online form](#).

Questions

For questions about state legislation, contact ACWA Director of State Legislative Relations [Julia Hall](#).



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980 9th St. Ste. 1000, Sacramento, CA 95814

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[Read online](#)



June 23, 2025

The Honorable Ash Kalra
 Chair, Assembly Judiciary Committee
 1020 N Street, Room 104
 Sacramento, CA 95814

RE: SB 394 (Allen) – Support

Dear Assemblymember Kalra:

On behalf of the undersigned organizations, we are writing to express our strong support for SB 394, which would enhance penalties for water theft from fire hydrants. Water agencies are responsible for delivering safe, clean, and affordable drinking water throughout California. However, in recent years, water theft has posed a serious threat to water agencies' ability to fulfill that responsibility.

Water theft takes many forms, the most egregious being water theft from fire hydrants for commercial uses. Illegal actors have been documented connecting to and filling water trucks from fire hydrants without the proper use of hydrant meters to avoid paying for water. These water trucks can hold up to 6,000 gallons of water, resulting in significant loss for water agencies. The stolen water is typically used

or sold for profit for commercial purposes, such as by construction companies, landscaping companies, and water trucks selling the water to other users. **Current fine amounts are not strong enough to deter this theft** and may instead be seen as the cost of doing business for some bad actors.

SB 427 of 2021 carried by Senator Eggman established authority for public water agencies to adopt an ordinance that prohibits water theft and makes a violation of that ordinance subject to an administrative fine or penalty. The existing authority breaks theft into two categories: meter tampering and all other forms of water theft. Fines for meter tampering range from \$130 for the first violation up to \$1,300 for the third and additional violations within one year. All other forms of water theft, which currently includes theft from a fire hydrant, can be fined up to \$1,000 for the first violation, up to \$3,000 for the third and additional violations within a year.

At the time these fines were established, the impact to residential customers was a strong consideration that led to the final fine amounts. SB 394 is targeting commercial operators that are illegally diverting water from hydrants for profit.

Water theft from fire hydrants poses serious risks to public health and safety, water affordability, and water efficiency. During water theft from hydrants, contamination can occur when non-potable sources are illegally connected to a drinking water system and anti-backflow devices are not used. This cross-contamination between the water system and non-potable source connections poses a serious health risk to everyone in the system.

Further, unauthorized use of a hydrant can lead to water pressure in the system dropping which can jeopardize response to emergency situations such as fires. This potential issue is especially timely given the devastating fires in Southern California.

Illegal connections also often result in costly damage to the fire hydrant and system infrastructure that can impair the hydrant's function. The revenue lost from water theft and the cost of damage to infrastructure as a result of theft is ultimately borne by law-abiding paying customers, having a negative impact on water affordability. Water theft also works against efforts by water districts to comply with State water use efficiency goals under the State's newly adopted Making Conservation a California Way of Life framework.

The current penalties for water theft are an insufficient deterrent and fail to prevent this criminal activity from occurring. SB 394 recognizes and addresses these inefficiencies in existing penalties by authorizing local agencies that provide water services to adopt an ordinance with enhanced penalties specifically for water theft from a fire hydrant. The intent of this bill is to specifically deter commercial water theft, rather than residential water theft. Under SB 394, local agencies could adopt an ordinance allowing them to set fines not to exceed \$2,500 for the first violation and up to \$10,000 for the third and any additional violations.

This bill would also remove the one-year reset on existing penalties for the third and additional violations for water theft committed via meter tampering and other forms of water theft. This bill would also help agencies recover damages as a result of water theft from a fire hydrant by authorizing a utility to bring a civil action for damages against any person who, without authorization, tampers with or diverts water from a fire hydrant. These provisions on civil action would be available to both public agencies and other types of retail water agencies that face these same challenges.

For the reasons above, ACWA and the undersigned organizations strongly support SB 394 and respectfully request your “AYE” vote when the bill is heard in the Assembly Judiciary Committee. If you have any questions about our position, please contact Julia Hall at JuliaH@acwa.com.

Sincerely,

Julia Bishop Hall
State Legislative Director
Association of California Water Agencies

Krista Bernasconi
Mayor
City of Roseville

David Pedersen
General Manager
Las Virgenes Municipal Water District

Albert C Lau, P.E.
General Manager
Santa Fe Irrigation District

Jennifer M. Capitolo
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California Water Association

Kristine McCaffrey, P.E.
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Calleguas Municipal Water District

Melissa Sparks-Kranz
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Justin Scott-Coe
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June 20, 2025

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
Capitol Office, Room 8140
Sacramento, CA 95814

RE: SB 454 (McNerney) – SUPPORT

Dear Chair Wicks:

On behalf of the Association of California Water Agencies (ACWA), the League of California Cities (Cal Cities), and the undersigned organizations, we are writing to express our strong support for SB 454, which would establish a statewide PFAS Mitigation Fund (fund) intended to help local public agencies pay for cleaning up PFAS contamination in drinking water and wastewater.

SB 454 would not fiscally impact the state. It would simply establish a fund intended to leverage existing and future potential funding to support public water and wastewater agencies' cleanup of PFAS contamination and compliance with PFAS drinking water standards. SB 454 would also prohibit the State Water Resources Control Board (State Water Board) from expending more than 5 percent of the total monies available in the fund for purposes related to administrative costs. SB 454 would become operative upon appropriation by the Legislature.

Public water agencies are responsible for delivering safe, clean, and affordable drinking water throughout California. To fulfill that responsibility, public water agencies must comply with federal and state drinking water standards, including PFAS drinking water standards. Drinking water standards can have significant financial impacts on public water agencies, which are passed on to ratepayers and ultimately, impact water affordability.

PFAS, characterized as "forever chemicals" due to their stability in the environment and resistance to breaking down, are a large group of man-made chemicals that have been used extensively since the 1940s and can today be found in our food system, drinking water supplies, and air. Despite legislative efforts, PFAS are still manufactured, distributed, and used globally and continue to passively contaminate water supplies and wastewater systems. While public water agencies are not the source of PFAS or responsible for the development of the products that introduced PFAS into water supplies and wastewater systems, they are responsible for monitoring for their presence, treating the water, and disposing of the contamination.

In April 2024, the US Environmental Protection Agency (EPA) established new national, legally enforceable maximum contaminant levels (MCL) of 4.0 parts per trillion for PFOA and PFOS as individual contaminants. Public water agencies are required to comply with these MCLs by 2031. EPA estimated that the annual nationwide cost for public water agencies to comply with these MCLs, and primarily for PFOA and PFOS, will be between \$772 million and \$1.2 billion. The American Water Works Association contends that the actual cost could reach \$40 billion in capital investments, with annual operating expenses between \$2.7 billion and \$3.5 billion.

This year, the State Water Board is expected to initiate a formal rulemaking process to set a PFAS drinking water standard. Existing law requires a contaminant's MCL to be established at a level as close to its public health goal as is technologically and economically feasible. Existing law also requires state drinking water standards to be at least as stringent as federal standards set by the EPA. **With California's MCL anticipated to be at least as protective as the federal MCL, the costs associated with treating California's water supplies will be significant.**

For the reasons above, ACWA, Cal Cities, and the undersigned organizations strongly support SB 454 and respectfully request your "AYE" vote when the bill is heard in the Assembly Appropriations Committee. If you have any questions about our position, please contact Chelsea Haines at chelseah@acwa.com or Melissa Sparks-Kranz at msparkskranz@calcities.org.

Sincerely,

Chelsea Haines
State Regulatory Director
Association of California Water Agencies

Carlos Quintero
General Manager
Sweetwater Authority

Melissa Sparks-Kranz
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League of California Cities

Catherine Cerri
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Lake Arrowhead Community Services District

Aaron Avery
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Cathy Lee
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Assistant General Manager
Western Canal Water District

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

Brian Olney
General Manager
Helix Water District

Dan Muelrath
General Manager
Diablo Water District

Caity Maple
Councilmember – District 5
Chair, Law & Legislation Committee
City of Sacramento

Daniel Slawson
President
Beaumont-Cherry Valley Water District



June 25, 2025

President pro Tempore Mike McGuire
California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

Honorable Scott Wiener
California State Senate
1021 O Street, Suite 8630
Sacramento, CA 95814

Honorable Benjamin Allen
California State Senate
1021 O Street, Suite 6610
Sacramento, CA 95814

Speaker Robert Rivas
California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

Honorable Jesse Gabriel
California State Assembly
1021 O Street, Suite 8230
Sacramento, CA 95814

Honorable Steve Bennett
California State Assembly
1021 O Street, Suite 4710
Sacramento, CA 95814

Re: **FY 2025 – 2026 Budget – Support for AB 102 and SB 102 - Funding for the Agreements to Support Healthy Rivers and Landscapes**

Dear President pro Tempore McGuire, Speaker Rivas, Budget Chairs Weiner and Gabriel, and Subcommittee Chairs Allen and Bennett:

On behalf of the undersigned organizations, I am writing to express our strong support for AB 102 (Gabriel) and SB 102 (Committee on Budget and Fiscal Review), which would maintain and extend \$351.7 million of funding for the Agreements to Support Healthy Rivers and Landscapes (Agreements), formerly referred to as the Voluntary Agreements, in the 2025-26 State budget.

This essential funding supports no-regrets habitat and water supply projects that are already providing drought resiliency for the environment, farms, and people. While these critical projects support early implementation of the Agreements, these types of projects are urgently needed regardless of what decision the State Water Resources Control Board (State Water Board) may make regarding the updated San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta) Water Quality Control Plan.

These Agreements, and these early implementation actions, represent a collaborative, modern, and holistic approach to improving the Bay-Delta ecosystem and water supply reliability. Through the Agreements, a group of public water agencies are proposing a comprehensive suite of actions that will improve habitat and flows in the Delta and its tributaries to help native fish and wildlife species. Collectively, our organizations represent hundreds of water systems throughout California that deliver the vast majority of water used for agricultural, commercial, and residential purposes. We have long supported the Agreements as a means to addressing some of the most critical issues in the Bay-Delta. These funds are critical to continuing successful implementation of vital restoration projects throughout the Delta watershed.

In previous budget cycles, the Administration and Legislature committed funding through the budget process to support the types of projects proposed in the Agreements. In 2021, SB 170 (Chapter 240 Statutes of 2021) and SB 155 (Chapter 258, Statutes of 2021) appropriated funding for the purpose of improving environmental conditions to promote recovery of native fish species in the Sacramento-San Joaquin watershed. In addition, in 2022, AB 178 (Chapter 45, Statutes of 2022) provided \$100 million to the California Natural Resources Agency for these purposes. This funding had broad support from the water community, Legislature, and the Administration.

AB 102 and SB 102 would maintain funding for the agreements that were made to fund projects that protect fish and wildlife, address environmental issues in the Bay-Delta, and preserve water supply reliability. The undersigned organizations strongly urge the Legislature to support AB 102 and SB 102 to maintain funding for the Agreements. If you have any questions, please do not hesitate to contact ACWA's State Legislative Director, Julia Hall at JuliaH@acwa.com or 530-902-9746.

Sincerely,

Julia Bishop Hall
State Legislative Director
Association of California Water Agencies

Kristopher Anderson
Policy Advocate
California Chamber of Commerce