

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE BAY AREA WATER SUPPLY AND CONSERVATION AGENCY TO NEGOTIATE WITH THE CITY AND COUNTY OF SAN FRANCISCO TO AMEND THE WATER SUPPLY AGREEMENT; AND FURTHER, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT

WHEREAS, in April 2003, the City of San Jose ("City") and other water suppliers in Alameda, San Mateo and Santa Clara counties established the Bay Area Water Supply and Conservation Agency ("BAWSCA"), as authorized by Water Code Section 81300 et seq. pursuant to State legislation enacted in 2002 (AB 2058); and

WHEREAS, the City is represented on the BAWSCA Board of Directors; and

WHEREAS, the City's City Council has previously approved the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County ("Agreement"); and

WHEREAS, BAWSCA has proposed to serve as the representative of its members in discussions and negotiations with San Francisco leading toward the resolution of a number of discrete, but important amendments to address substantive issues that have arisen during implementation of the Agreement; and

WHEREAS, BAWSCA has the capabilities required to serve in this capacity by virtue of Agency staff and consultants in relevant disciplines including civil engineering, water supply planning, finance, economics, accounting, and law; and

WHEREAS, BAWSCA's CEO/General Manager has met with the City's representatives to update them on the matters at issue in this negotiation; and

WHEREAS, BAWSCA has identified the following areas and related topics for negotiation which arise from implementation of the Agreement:

- Modify the process to reconcile the fund balance of the wholesale revenue funded capital to ensure fair cost allocation;
- Update the wholesale debt-coverage ratio for the rate-setting process to be consistent with SFPUC policy;
- Extend the completion date for the Water Supply Improvement Program to improve system reliability such that it matches the revised date recently approved by the SFPUC;
- Amend the description of the Regional Groundwater Storage and Recovery Project that is under construction by San Francisco as part of the Water System Improvement Program above to better detail how it will be operated and monitored once built;
- Modify BAWSCA's oversight role to increase monitoring and tracking over the San Francisco 10-year Capital Improvement Program;
- Modify the procedure to divide available water between the San Francisco and its Wholesale Customers during droughts such that a more equitable proportion of supply is provided to Wholesale Customers;
- Extension of the deadline for a decision by San Francisco to make the cities of San José and Santa Clara permanent customers of the RWS and extend increased water supply to the other permanent Wholesale Customers; and
- Clarify Regional Water System asset classification (between power generation and water supply);

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NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The City of San Jose appoints BAWSCA as its authorized representative in discussions and negotiations with San Francisco to amend the Agreement to address issues arising from implementation of the Agreement and other related topics.
2. BAWSCA, through its CEO/General Manager, shall confer with and keep the City of San Jose informed on the status of these discussions and negotiations.
3. This resolution confers no authority on BAWSCA to enter into a contract with San Francisco or to make any commitments legally binding on the City of San Jose.
4. The City Manager is hereby authorized to further negotiate and execute and Amendment to the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk