BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT

BCPUD BOX 390 270 ELM ROAD BOLINAS CALIFORNIA 94924 415 868 1224

MEMORANDUM

TO:	Board of Directors

FROM:	Georgia Woods, General Manager

RE:	***Item 4.*** *2025 Water License Reporting – Contract with Rich Perez for Compilation of Data and Coordination of Annual Report Submittal; Transfer of Budgeted Funds from Zanjero to Rich Perez*

DATE:	October 21, 2026

Purpose

To consider approval of an agreement with Zanjero, LLC for preparation and submission of the District's 2026 Water Year water rights report and to discuss the District's approach to compliance with newly implemented SB 88 water measurement regulations.

Background

The State's annual water rights reporting is based on the water year, which runs from October 1 through September 30. The report currently before the Board relates to Water Year 2026 (October 1, 2025 through September 30, 2026), which recently concluded and must be submitted to the State by January 1, 2027.

Historically, BCPUD has contracted with Zanjero, LLC to compile diversion records, prepare the required annual reporting, and submit the report to the State. Because the District already collects and maintains the underlying operational data, staff has generally found the annual reporting process to be relatively straightforward and largely administrative in nature.

For that reason, staff had begun evaluating whether future reporting activities could be performed in-house rather than continuing to utilize outside consultants for annual report preparation and submittal.

New Water Measurement Requirements

This year's discussion is occurring against the backdrop of recently implemented SB 88 water measurement requirements. While the annual reporting requirement remains, the State is placing increased emphasis on diversion measurement methodologies, measurement frequency, equipment registration, and retention of supporting data.

Perhaps more importantly, these requirements apply to the current water year, which began on October 1, 2026. Although the report currently due relates to the prior water year, the District is already collecting data for Water Year 2027 and must ensure that its current practices are sufficient to satisfy future reporting requirements.

As staff reviewed the new regulations, it became apparent that the larger issue may not be preparation of the annual report itself, but rather understanding how the regulations affect District operations. Questions have emerged regarding diversion measurement practices, recordkeeping requirements, registration of measurement equipment, and whether future modifications to metering infrastructure should be considered as part of long-term capital planning.

Evaluation of Reporting Options

As part of this evaluation, staff discussed the new requirements with Rich Perez (previously authorized by the Board to provide part-time operational and technical support to the District).

Because Mr. Perez has experience with water rights administration, utility operations, and annual reporting requirements, staff considered whether this might be an appropriate time to transition annual reporting responsibilities away from Zanjero and toward a more in-house approach. This appeared to be a reasonable option, particularly because annual reporting itself appears relatively straightforward and because Mr. Perez has experience with water rights compliance and reporting.

However, after further consideration, staff believes that the District's immediate need is not simply preparation of the annual report, but understanding the operational and infrastructure implications of the new regulations. Staff also believes Mr. Perez's limited available time is currently better directed toward other high-priority operational, regulatory, and planning matters facing the District.

Given that the District is already operating under the new measurement requirements, staff believes there is value in maintaining continuity for one additional reporting cycle while obtaining additional guidance regarding the practical implications of the new regulations.

Zanjero Proposal

Zanjero has proposed the following services:

- $3,000 for preparation and submission of the District's annual water rights report; or
- $4,000 for preparation and submission of the report, plus a memorandum addressing SB 88 water measurement requirements and reporting changes applicable to the District.

Staff believes the additional memorandum would be beneficial because it should help the District better understand how the new regulatory requirements apply to BCPUD's specific diversion facilities, measurement practices, and existing infrastructure. Staff has specifically requested that Zanjero address whether changes to diversion measurement practices or future metering improvements should be considered to maintain compliance going forward

Budget Considerations

The proposed Zanjero agreement would be funded through the District's existing budget for water rights reporting services and does not require any additional appropriation.

Separately, the Board previously authorized up to $10,000 for part-time technical and operational support from Rich Perez. Staff has found that arrangement to be highly valuable and has increasingly relied on Mr. Perez's expertise across a broad range of water system, operational, regulatory, planning, and compliance matters.

As the District continues identifying areas where Mr. Perez can provide support, including potential assistance with water rights compliance and implementation of the new measurement requirements, staff expects that the currently authorized funding may be utilized more quickly than originally anticipated.

Accordingly, staff may return to the Board later in the fiscal year to discuss whether additional funding for technical support is warranted. Staff believes that discussion is separate from the proposed Zanjero agreement and should be considered in the broader context of the District's ongoing operational and regulatory support needs.

Staff Recommendation

Staff recommends approving Zanjero's proposal for preparation and submission of the 2026 Water Year report, including the additional SB 88 compliance memorandum.

While staff believes future annual reporting may ultimately be appropriate to transition in-house, the District is currently operating under a new regulatory framework that may have implications extending beyond annual reporting and into District operations, diversion measurement practices, and infrastructure planning.

Retaining Zanjero for one additional year will provide continuity during this transition while allowing staff and Mr. Perez to focus on understanding the practical implications of the new regulations and developing a more deliberate long-term compliance strategy. Staff anticipates revisiting the question of in-house reporting during the next reporting cycle.

Action Requested

At the time the agenda was prepared, staff was evaluating whether to utilize Zanjero, LLC for annual reporting services or transition portions of the work to in-house support through Rich Perez. Subsequent review of the new SB 88 water measurement requirements and additional discussions regarding implementation led staff to modify its recommendation.

Accordingly, staff now recommends approval of an agreement with Zanjero, LLC in an amount not to exceed $4,000 for preparation and submission of the District's 2026 Water Year water rights report and preparation of a memorandum addressing SB 88 water measurement and reporting requirements.

Staff anticipates revisiting the broader question of how future water rights reporting and compliance support should be provided during the next reporting cycle, following additional evaluation of the operational and infrastructure implications of the new regulations.

Recommended Action: Approve the agreement with Zanjero, LLC, or provide alternative direction to staff.