

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING**

**Foster City Community Building – 1000 E. Hillsdale Blvd., Foster City  
Wind Room**

*(Directions on Page 2)*

**Thursday, March 17, 2016  
7:00 P.M.**

**AGENDA**

<b><u>Agenda Item</u></b>	<b><u>Presenter</u></b>	<b><u>Page</u></b>
<b>1. Call to Order/Roll Call/Salute to Flag</b>	<b>(Breault)</b>	
<b>2. Comments by the Chair</b>	<b>(Breault)</b>	
<b>3. Board Policy Committee Report</b> <i>(Attachment)</i>	<b>(Bronitsky)</b>	<i>Pg 3</i>
<b>4. SFPUC Report</b>	<b>(Kelly)</b>	
<b>5. Public Comments</b> <i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	<b>(Breault)</b>	
<b>6. Consent Calendar</b> <i>(Attachments)</i>	<b>(Breault)</b>	
A. Approve Minutes of the January 21, 2016 Meeting		<i>Pg 15</i>
B. Receive and File Budget Status Report – As of January 31, 2016		<i>Pg 21</i>
C. Receive and File Bond Surcharge Collection, Account Balance and Payment Report – As of December 30, 2015		<i>Pg 23</i>
<b>7. Action Calendar</b>		
A. Adjustments to Staff Position Top Step Compensation <i>(Attachment)</i> <i>The Committee voted unanimously to recommend approval of the proposed Board action.</i>	<b>(Sandkulla)</b>	<i>Pg 25</i>
<b>8. Reports</b>	<b>(Sandkulla)</b>	
A. Water Supply Conditions		
B. SFPUC Water System Improvement Program – Update		
C. SFPUC 10-year CIP - Update		
D. CEO/General Manager’s Letter <i>(Attachment)</i>		<i>Pg 29</i>
E. Board Policy Calendar <i>(Attachment)</i>		<i>Pg 33</i>
F. Correspondence Packet <a href="#"><u>Under Separate Cover</u></a>		

- 9. Closed Session** (Schutte)
- A. Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9: *Restore Hetch Hetchy v. City and County of San Francisco* Case Number: CV59426
- 10. Report and Discussion** (Sandkulla) Pg 35
- A. Preliminary Fiscal Year 2016-17 Work Plan and Operating Budget (*Attachment*)
- 11. Directors' Discussion: Comments, Questions and Agenda Requests** (Breault)
- 12. Date, Time and Location of Future Meetings** (Breault) Pg 57  
(See attached schedule of meetings)
- 13. Adjourn to next meeting scheduled for May 19, 2016 at 7pm** (Breault)

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**Directions to Foster City Community Bldg. – 1000 E. Hillsdale Blvd., Foster City**

**From Hwy. 101**, take the Hillsdale Ave. exit East. Turn Right into the parking lot just after the intersection with Shell Blvd. The Community Bldg. entrance is separate from the Library entrance and is marked by signage. The Wind Room will be at the top of the stairs on the right, across from the reception station (there is also an elevator).

**From the East Bay**, take Hwy. 92 West, exiting at Foster City Blvd., and going South on Foster City Blvd. to Hillsdale. Turn Right (West) onto Hillsdale and proceed to Shell Blvd., making a U-turn to be able to pull into parking lot on SE corner of Hillsdale and Shell. See underlined sentence of first paragraph above for remainder of directions.

# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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## **MEMORANDUM**

TO: BAWSCA Board Members

FROM: Nicole Sandkulla, Chief Executive Officer/General Manager

DATE: March 17, 2016

SUBJECT: Summary of Board Policy Committee meeting held February 10, 2016

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1. **Call to Order:** Committee Chair Charlie Bronitsky called the meeting to order at 1:30 pm. A list of Committee members who were present (9), absent (2) and other attendees is attached.

The Committee took the following action and discussed the following topics:

2. **Comments by the Chair:** Chair Bronitsky thanked the Committee members for their time and service.
3. **Public Comments:** There were no comments from members of the public.

On behalf of the City of Santa Clara, Director Marsalli thanked the respective municipalities of the BAWSCA service area for their support of Santa Clara during the Super Bowl week. It was a huge undertaking in which all Bay Area agencies participated in ensuring public safety.

4. **Consent Calendar:** Approval of Minutes from the December 9, 2015 meeting.

**Director Vella made a motion, seconded by Director Keith, that the minutes of the December 9, 2015 Board Policy Committee meeting be approved.**

**Chair Bronitsky abstained. The motion passed.**

5. **Action Item:**

A. **Adjustments to Staff Position Top Step Compensation:** Ms. Sandkulla reported that BAWSCA conducts a salary survey every two years to ensure that staff compensation stays within the Bay Area market. The goal of the survey is to target the median range in the Bay Area among comparator agencies that have similar positions as BAWSCA. Comparator agencies include Alameda County Water District, Contra Costa Water District, East Bay MUD, City of Hayward, City of Palo Alto, Mid-Peninsula Water District, and SFPUC.

Koff and Associates performed the survey, and the results show that the top step compensation for two positions are slightly above, while five positions are below by 1%- 6.5%.

The survey also analyzed BAWSCA's total compensation which includes the benefits package, and the results show that BAWSCA is within the median market. Ms. Sandkulla explained that in comparing total compensation, Koff and Associates adjusted BAWSCA's salaries to be at the recommended median level and compared it with the comparator agencies to determine the differences in total compensation.

The recommendation is to adjust the top step compensation for the positions that are currently below the market median. If the recommendation is approved, salary range adjustments would be applied to all positions except for the CEO, Assistant to the CEO and Office Assistant. The adjustments would be effective at the start of FY 2016-17 with a potential budget impact of \$1,900.

In response to Director Guzzetta's question, Ms. Sandkulla stated that the median ranges of the top salaries are similar across the comparator agencies.

Director Guzzetta supports the recommendation and commented that a helpful back up information for the board would be to show the salary range adjustments made based on the last compensation survey. He and Director Keith noted the significant spread of up to 4.5-6.5% in such a short time period.

Ms. Sandkulla reported that numbers from previous salary surveys were more flat due to the economic conditions at that time. With the current improved economic conditions, it appears that most agencies are catching up with what was due 2-4 years ago.

Ms. Sandkulla added that the Board authorized salary adjustments according to the survey conducted in FY 2013-2014 to be reflected in the FY 2015-16 budget. While BAWSCA conducts a compensation survey every other year, it did not make the recommended salary range adjustments from the compensation survey in FY 2013-14 until FY 2015-16 .

Director Weed expressed support for the recommendation. He noted that the benefits package of BAWSCA's predecessor agency, BAWUA, used to be administered by ACWD. BAWSCA branched out one month before ACWD and other agencies with CalPers adjusted their retirement packages from 2% at 55 to 2.5% at 55. He added that the Bay Area's comparative group of agencies are in the top 1 percentile of the state's market.

Ms. Sandkulla added that half of the employees of BAWSCA are under the 2% at 55, and the new employees are under the new restrictions from PEPRA.

In response to Director Vella, Ms. Sandkulla stated that BAWSCA's positions do not have the exact equivalent positions with cities and water districts, and therefore the agencies with positions closest to BAWSCA's are selected as the comparator agencies.

**Director O'Connell made a motion, seconded by Director Breault, to recommend Board approval of adjustments to top step compensation for specified positions.**

**The motion passed unanimously.**

**6. Report and Discussion Item:**

- A. Preliminary Fiscal Year 2016-17 Work Plan and Results to be Achieved: Ms. Sandkulla reported that the development of the Work Plan and results to be achieved for FY 2016-17 will continue to focus on BAWSCA's legislated authority and goals of ensuring a reliable supply of high-quality water at a fair price. The process will also continue to have a forward-looking approach to determine and address the critical issues anticipated between now and the year 2040.

New program activities that will be incorporated in next year's work plan will focus on responding to ongoing drought conditions, assessing the lessons learned during the current drought and how it affects future planning, and expanding the implementation of the strategy recommendations.

Ms. Sandkulla was pleased to report that of the sixteen potential items identified by the Board at the January Board meeting's planning session, thirteen are addressed in the preliminary work plan.

The work plan will continue to support agencies in addressing the drought, investigate the development of new supplies, and look at how future droughts and climate change can impact long-term planning. It will also continue to monitor SFPUC's asset management and operational efficiency, as well as develop internal skill and knowledge related to the regional system operations and decision-making.

Ms. Sandkulla presented her rationale for the three items that were not included in the preliminary work plan: Item # 8, 9 and 10 as shown in Table 3 of the staff report, February 10, 2016 – Agenda Item #6A.

The first item not addressed in the work plan is Director Kasperzak's suggestion for increasing BAWSCA's effort on legislative advocacy. Ms. Sandkulla explained that BAWSCA's current legislative efforts are focused on issues that are unique to BAWSCA. For example, the amendment of AB1823 which extended BAWSCA's oversight of the SFPUC's implementation of the WSIP.

Ms. Sandkulla does not recommend expanding BAWSCA's legislative efforts on issues that are not unique to BAWSCA because doing so will dilute BAWSCA's effectiveness in addressing issues that are critical to BAWSCA and its member agencies.

BAWSCA member agencies are a very diverse group. Expanding BAWSCA's efforts on issues such as the Bay Delta Solution, for example, would not be effective given the varied nature of the BAWSCA member agencies' positions and the difficulty coming to consensus. There are trade organizations and regional groups such as ACWA and League of Cities that can deal with specific legislative efforts more effectively.

Director Breault stated that while he understands Director Kasperzak's perspective, he supports the CEO's recommendation to maintain BAWSCA's current approach on legislative efforts. BAWSCA should keep focus on legislative efforts that BAWSCA and its member agencies can't do without.

Director Mendall concurred that expanding BAWSCA's legislative efforts would weaken its ability to make the necessary impact when it is most needed.

Strategic Counsel, Bud Wendell, agreed and highly recommended not straying from the legislative purpose that formed BAWSCA. He emphasized that straying can result in the loss of credibility. Expanding efforts beyond BAWSCA's unique issues can put the agency in statewide debates that may not be favorable for BAWSCA or its member agencies. Mr. Wendell encourages the Board to maintain its current legislative approach to preserve the agency's high credibility and clear purpose, as well as to avoid being compromised.

Director Weed commented that there may be occasions where it would be to the membership's advantage for BAWSCA to step forward, particularly when our members are in support of an issue. He noted issues such as conjunctive use, and revisions to Proposition 218. There's a void and perhaps BAWSCA will have to make considerations on an exception basis.

Director O'Connell stated that C/CAG is heavily involved in advocating for Prop. 218 and is currently working with an advocacy group in Sacramento.

The second and third items that are not incorporated in the preliminary work plan were Director Weed's suggestions related to contingency planning and the member agencies' reference to SFPUC's Level of Service (LOS) goal as a planning guideline.

Ms. Sandkulla explained that BAWSCA's enabling legislation, AB 2058, and the Water Supply Agreement (WSA) form the framework that encompass BAWSCA's mission and the work that the agency is expected to do and address. The legislation speaks to the function of BAWSCA, and the WSA delegates certain responsibilities to BAWSCA. The framework does not consider the role of contingency planning, and while it is something that BAWSCA can potentially address, it would require a significant expansion of BAWSCA's scope and operating budget.

Consideration of including contingency planning in the work plan depends on whether the effort and its benefits are specific to BAWSCA and its member agencies.

Ms. Sandkulla stated that emergency planning is currently a required responsibility of the County Office of Emergency Services (OES). She added that it is not an issue that the member agencies, as operators, have come to BAWSCA for its involvement, and in fact, she is cautious of the negative response that might be generated from within the County OES if BAWSCA steps in.

Weed commented that there is a void in having a viable emergency response in the water industry, and a misconception of what the real functions are between the water purveyors and the county after an emergency. He believes that much of the efforts being done for water conservation is compatible with what needs to be done with emergency response planning.

As for the member agencies' reference to SFPUC's Level of Service (LOS) goals, Ms. Sandkulla explained that the LOS goals are what the Water System Improvement Program (WSIP) was based on. SFPUC's LOS goal requires 70% of the Regional Water System turnouts to be online with minimum winter day demands within 24 hours of an emergency. The 70% was based on statistical number of potential scenarios, and is used by San

Francisco for planning and determining where to make investments in terms of hardening the system. Each BAWSCA member agency, however, has been told by SFPUC and the State Division of Drinking Water that they need to have multiple days of drinking water supply for any event, earthquake or otherwise.

Ms. Sandkulla stated that most of the member agencies have either treated water storage, water that can be treated, or access to groundwater within its service area that the agencies have control of in the event of a loss of supply from the San Francisco Regional Water System. She stated that BAWSCA does not have operational responsibilities and does not issue operation guidelines to member agencies. Investments to increase reliability beyond the SFPUC's LOS goal should be considered at the local level.

Additionally, while BAWSCA does not have a broker role, member agencies have the ability, on a long-term basis or on an emergency basis, to sell their permanent supply assurance from San Francisco to each other. In fact, this is how the City of San Bruno addressed its water supply during the pipeline break in August 2015. This ability applies to the agencies' Hetchy Hetchy supply and alternative supplies.

BAWSCA's major tasks in FY 2015-16 will continue in FY 2016-17, plus the addition of four recommended activities associated with the implementation of the Strategy. Mr. Hurley presented those recommendations and reported that they are essentially analysis and/or tools needed to inform or implement the Strategy.

The first of four recommendations is to develop a decision making framework that builds on previous work done during the initial development of the Strategy that focused on project identification and selection, which included the Board's input for the Strategy's goals and objectives. The framework will provide guidance to BAWSCA staff and the Board as it focuses on the implementation phase of the Strategy, particularly as it considers multiple projects under changing conditions. Important elements of the framework are decision points that will ensure the implementation remains in line with the overall goals and objectives.

Mr. Hurley explained that a process will be developed for deciding when to move away from, or focus on, a particular supply, as well as respond to developing opportunities and incorporate them into the Strategy. The estimated cost for this effort is \$25K-\$50K.

The second recommendation is the development of independent modeling capabilities for BAWSCA, which have been reliant on the SFPUC to date. As part of the Strategy, BAWSCA's hydrologic modeling needs were addressed through a cooperative agreement with SFPUC to analyze hydrologic vulnerabilities such drought frequency and extents. The reliance on SFPUC's modeling capabilities have become restricting for BAWSCA's analytical and schedule needs.

BAWSCA has an opportunity to establish independent modeling capabilities by supporting and building on an effort currently under way at Stanford. This would allow an analysis of the SFPUC's reliability based on BAWSCA's scenarios, and provide an additional benefit of being able to integrate other regional supplies and local supplies into the analysis to further understand their implications to regional water supply reliability.

This effort would be a multi-year commitment estimated at \$40K in FY 2016-17.

The third recommendation is an evaluation of the overall drought response to date. This effort will include the examination of factors that contributed to the significant demand reductions, a thorough review of projected demands and supply needs, and working with the SFPUC on the Tier 1 water shortage allocations to develop a process for responding to shortage provisions. The effort will also assess other regional suppliers' drought preparedness and how they affect BAWSCA member agencies' allocation planning, as well as an overall assessment of how the drought impacts to revenues affected the agencies' capital improvement programs and state of economy. BAWSCA plans to hold a workshop on the financial impacts of drought where issues including best management practices and the state of Prop. 218 can be discussed with experts.

This area of activity is estimated to have a cost of \$80K.

The fourth recommendation involves expanding BAWSCA's groundwater efforts. Since BAWSCA's formation of the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin, developments on Indirect Potable Reuse (IPR) and Brackish Groundwater Program have emerged and put focus on groundwater basins as potential storage for these supplies.

BAWSCA needs to (1) monitor and respond to these issues and their potential impacts to the implementation of the Strategy and BAWSCA's brackish groundwater project, (2) provide member agencies technical knowledge in response to their queries, and (3) track the State and regional implementation of the sustainable groundwater act of 2014. BAWSCA is looking to utilize consultant expertise who are already working on the groundwater legislation for an on-call based support. This effort is estimated to have a cost of \$10K-\$20K.

Director Mendall commented that while the cost of the San Mateo Plain sub-basin effort is currently small, it offers no benefit to Hayward and ACWD, in particular. He stated that if the cost significantly increases, he recommends justification or an alternate funding method.

Mr. Mendall also stated that of the four recommended activities, the second, third and fourth are more timely than the first one. He felt that the information gained from an evaluation of the drought provides the information for developing the decision-making framework.

Ms. Sandkulla stated that the drought has informed BAWSCA and its member agencies that the region has a major, single source of supply that is highly reliable when it is available. However, when it's not, the region becomes very vulnerable to the lack of reliability and redundancy. The evaluation of the drought can further define what the region's needs are and support the development of the decision-making framework. Additionally, there are serious questions about the impacts of climate change as presented by Mr. Behar at the January Board meeting.

Ms. Sandkulla added that the issue of dry year water supply will not go away. While they may change, the region needs to know how to make investments and how to deal with multi beneficial projects that are gaining attention for other reasons. The framework will allow BAWSCA and its member agencies to develop a way to make decisions. Obtaining the information will take time, and part of what the recommended efforts' objectives are is to prepare the Board for the decisions it will need to face.

Mr. Hurley stated that implementation of the Strategy requires both qualitative and quantitative information, and the first recommendation is a qualitative effort.



Director Bronitsky commented, and the Committee agreed, that the use of “post-mortem” to refer to the effort that reviews the impacts of drought is not accurate because it suggests that the drought is over. “Lessons Learned” might be a better consideration because the drought is not over.

Ms. Sandkulla reported that the increased activities planned for the FY 2016-17 are in line with the costs of projects BAWSCA has done in the past. The 2014 Demand and Conservation Study was \$360K, and the 2009 Water Conservation Implementation Plan was \$255K.

Ms. Sandkulla reported that a preliminary budget will be developed with the incorporation of the Committee’s input on the preliminary work plan.

The current operating budget for FY 2015-16 is fully funded by the assessments. While the Board adopted a 24% increase in assessments last year, the increase was not a reflection of an increase in the budget, but rather, of how the budget is funded.

Ms. Sandkulla explained that in previous years, the agency’s historical expenditures allowed portions of the operating budget to be funded by the General Reserve to appropriately manage the General Reserve balance. The agency reached a point where the assessments were not fully funding the budget. Therefore, adjustments were made in FY 2015-16 to maintain the agency’s good financial position with the General Reserve balance and level of assessments.

The combined cost of the four recommendations will be approximately \$190K. In addition, there will be slight cost increases on other budget items, including administrative and personnel costs, ongoing tasks such as improvements to the Water Conservation Database, and the office lease.

Ms. Sandkulla noted that obtaining the lease at a rate below current market value is a result of the efforts of Office Manager, Deborah Grimes.

BAWSCA’s current annual operating budget represents a cost of \$1.84 per person in the service area. This number does not reflect the cost savings secured through the Wholesale Revenue Requirement review, the cost savings from the BAWSCA Bonds, which is equivalent to the current operating budget, or the conservation grants that BAWSCA secures for its member agencies.

The committee’s feedback will be incorporated in the revised preliminary work plan and operating budget that will be presented to the Board in March. A proposed work plan and operating budget will be presented to the Committee for discussion in April. Staff will present a recommendation to the Board at its meeting in May.

Director O’Connell suggested to clarify the prioritization of the four recommendations in the work plan.

Additionally, she stated that the groundwater partnership is an important area to address, particularly for the City of San Bruno, Cal Water and San Francisco. It also addresses some of the contingency concerns Director Weed has expressed.

Ms. Sandkulla stated that BAWSCA's efforts with the Groundwater Reliability Partnership protect all the member agencies' interests because of the inter-connections between the different groundwater basins. What happens in San Mateo groundwater basin will impact the Niles Cone groundwater basin, which Hayward and ACWD overlie, and the Santa Clara groundwater basin, which eight agencies overlie. Even if BAWSCA was not directly involved with the groundwater effort, BAWSCA will stay connected with the activities to be able to highlight and address the issues that affect the member agencies.

Director Weed commented that BAWSCA could possibly be written in as one of the stakeholders to the overall groundwater planning, and to have BAWSCA identified as a line item for some of those future state and federal funds would be helpful.

**7. Reports:**

- A. Water Supply Update: Ms. Sandkulla reported that the storage levels are increasing in the overall system, but remain below normal. Cumulative precipitation is currently above last year's and moving towards a wetter water year. The snowpack levels are tracking at median.

Based on SFPUC's most recent forecast, Ms. Sandkulla reported that if the region experiences low level precipitation from here on out, the estimated cumulative Tuolumne River water that will be available to San Francisco is 520 thousand acre feet (TAF) by July 2016. This puts the system above where it was, at 50 TAF of water, in 2015. If the region experiences a median level precipitation, there will be 1030 TAF of water, which will fill the system. The system will be full with 810 TAF of water available to San Francisco.

This does not mean that the drought is over because what may happen in future years' precipitation remain unknown. But this puts the region in a good position with the potential of filling the system. She noted that median conditions moving forward are projected to fill systems of agencies such as EBMUD, Marin Municipal, and Napa.

Total system deliveries are significantly lower than last year's and clearly demonstrates the region's response to water use reduction.

The SFPUC will hold its annual meeting with BAWSCA and the wholesale customers on February 18<sup>th</sup> where they will officially announce their projections for the wholesale rate. The SFPUC provided a range to the Board in November of 2015, and the current projections are said to be much lower.

BAWSCA's SFPUC Liaison, Michelle Novotny, reported that in response to Director Guzzetta's request at the January Board meeting, the SFPUC is currently working on putting the system's 24-hour delivery report online.

With regards to the emergency drought regulations, Mr. Hurley was pleased to report that the State Water Resources Control Board's (SWRCB) adoption of the revised emergency drought regulations on February 2, 2016 reflected BAWSCA's comments.

BAWSCA's comments emphasized that adjustments and credits to conservation standards should result in no redirected impacts to others, and that the SWRCB should establish a process for rescinding mandatory reductions should water conditions improve. Mr. Hurley

explained that it was important for the SWRCB to understand that the reliability of agencies varies across the state.

Additionally, the regulations should not be applicable in future droughts nor should be interpreted as basis for future drought responses by the State, given the differing reliabilities and the short time frame in which it was developed.

The regulations will be in effect for 270 days, or through October 2016. BAWSCA is assessing the impacts of the changes on the member agencies. SWRCB will re-visit the regulations in April.

Director Weed noted that ACWA suggested that SWRCB look at regional compliance by water agencies instead of as individual agencies. The SFPUC is an ideal agency for that type of analysis, and he suggested a coordinated effort with ACWA.

Ms. Sandkulla stated that a regional approach might be in future conversation for developing regulations for future droughts, but that the SWRCB has rejected a regional approach for the current regulations.

Mr. Hurley reported that the member agencies continue to achieve significant water conservation during the winter months. As of February 2015, overall savings are at 28%, which greatly exceeds the 15% target for the region. With the extension of the regulation through October, already eight agencies have achieved the target water savings for the extended period.

- B. Review of BAWSCA Board Meeting Time Change: Ms. Sandkulla reported that a surveys is being conducted on the Board's consideration to change the Board meeting time. A full analysis will be presented to the BPC at its meeting in April.
- C. Water System Improvement Program and Mountain Tunnel – Update: Mr. Hurley reported that at the February 9<sup>th</sup> Commission meeting, the SFPUC outlined its WSIP budget and schedule revisions. The program revisions include budget increases for individual projects, including the Calaveras Dam, Alameda Creek Diversion Dam, and the Bioregional Habitat, as well as additional contingency funds. Schedule extensions are associated with the project close outs including the final negotiations of settlements.

The overall budget increase is \$80 M, and the schedule revisions are not expected to impact in-service dates. BAWSCA continues to meet with the SFPUC on the WSIP and its 10-year CIP.

The SFPUC indicated that the WSIP budget revisions will not impact the 10-year CIP. The Water Enterprise was able to achieve funding of the CIP without major deferrals of projects. In response to the recent pipeline break in San Bruno, the CIP's pipeline improvement program underwent a re-prioritization and now has an aggressive approach to address the identified problems.

The SFPUC is also undertaking a separate process to provide clarity to currently adopted LOS goals for all of its major facilities.

As required by AB 1823, the SFPUC will issue a Notice of Change in March. BAWSCA will review the details closely and provide comments accordingly.

The proposed program revisions will be presented to the Commission for approval in April, and advance to the Board of Supervisors for its approval in May.

BAWSCA continues to review the water delivery plan from the Water Emergency Response Plan the SFPUC developed in the event of a Mountain Tunnel outage. BAWSCA provided written comments and worked with the SFPUC to develop an understanding of the member agencies' supply source shifting capabilities for alternative supplies, and how they can be implemented in the event of a Mountain Tunnel outage. Monthly meetings are scheduled to discuss ongoing progress.

Ms. Sandkulla announced that she is working with the SFPUC to schedule a tour of the Calaveras. An announcement with a date will be sent to the Board.

8. **Comments by Committee Members:** There were no further discussions.
  
9. **Adjournment:** The meeting was adjourned at 3:05pm. The next meeting is April 13, 2016.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE – February 10, 2016**

**Roster of Attendees:**

**Committee Members Present**

Charlie Bronitsky, City of Foster City (Chair)  
Kirsten Keith, City of Menlo Park (Vice Chair)  
Randy Breault, City of Brisbane/GVMID (BAWSCA Chair)  
Rob Guzzetta, California Water Service Company  
Jerry Marsalli, City of Santa Clara  
Al Mendall, City of Hayward (BAWSCA Vice Chair)  
Irene O’Connell, City of San Bruno  
Louis Vella, Mid-Peninsula Water District  
John Weed, Alameda County Water District

**Committee Members Absent**

Gustav Larsson, City of Sunnyvale  
Barbara Pierce, City of Redwood City

**BAWSCA Staff:**

Nicole Sandkulla	CEO/General Manager
Michael Hurley	Water Resources Manager
Andree Johnson	Water Resources Specialist
Christina Tang	Sr. Administrative Analyst
Lourdes Enriquez	Assistant to the Chief Executive Officer
Deborah Grimes	Office Manager
Allison Schutte	Legal Counsel, Hanson Bridgett, LLP
Bud Wendell	Strategic Counsel, Management Communications

**Public Attendees:**

Michelle Novotny San Francisco Public Utilities Commission

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING**

**January 21, 2016 – 7 p.m.  
Foster City Community Building, Foster City CA**

<b>MINUTES</b>
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**1. Call to Order/Pledge of Allegiance/Roll Call – 7:00 pm**

BAWSCA Chair, Randy Breault, called the meeting to order and led the salute to the flag. Nicole Sandkulla called the roll. Nineteen (19) members of the Board were present at roll call, constituting a quorum. Four arrived after roll-call. A list of Directors present (23) and absent (3) is attached.

**2. Special Order of Business: Election of Officers for Calendar Year 2016.**

Director Bronitsky called for nominations for the position of Chair of the BAWSCA Board. Director Richardson nominated Randy Breault for Chair. Director Pierce seconded the nomination. There being no other nominations, nominations were closed by consensus.

**The Board unanimously voted to elect Randy Breault as Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2016 to commence at the adjournment of the meeting at which he was elected.**

Director Breault called for nominations for the position of Vice-Chair. Director Pierce nominated Al Mendall as Vice-Chair of the board, and was seconded by Director Keith. There being no other nominations, nominations were closed by consensus.

**The Board unanimously voted to elect Al Mendall as Vice-Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2016 to commence at the adjournment of the meeting at which he was elected.**

**3. The meeting adjourned at 7:04pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.****4. The meeting reconvened at 7:10****5. Comments by the Chair:**

Chair Breault reported that in September, he convened an ad hoc Committee to review the purpose of the Board Policy Committee (BPC). The members included himself, Directors Abrica, Larsson, and Mendall, Strategic Counsel Bud Wendell, Legal Counsel Allison Schutte, and CEO/General Manager Nicole Sandkulla. The Ad Hoc Committee had no changes to the purpose of the BPC, and encouraged the CEO/General Manager to continue her close review of the agenda items to ensure that the BPC is focused on policy items.

Chair Breault noted Agenda Item #10, Authorization of Agreement to Implement Grant Funding for Regional Water Conservation Programs, as an example of a non-policy item that comes to the Board with no prior discussion by the BPC.

Chair Breault reported that a Work Plan and Budget development planning session is included in the agenda, and encouraged all Board members to engage in the session. It is an opportunity to provide input on short and long-term issues for consideration by the CEO/General Manager as she develops the Fiscal Year 2016-17 Work Plan and Operating Budget.

6. **Board Policy Committee (BPC) Report:** Director Keith reported the discussions and actions taken by the Board Policy Committee at its meeting on December 9, 2015.
7. **SFPUC Report:** Assistant General Manager for Water Enterprise, Steve Ritchie, provided a report on the Regional Water System's water supply conditions.

David Behar, SFPUC Water Enterprise Climate Program Director, provided a report on Climate Change Observations and Projections.

8. **Public Comments:** There were none.

9. **Consent Calendar:**

**Director Kasperzak made a motion, seconded by Director Mendall, to approve the Minutes of the November 19, 2015 meeting, receive and file the Budget Status Report as of November 30, 2015, the Investment Report and Directors' Reimbursement Report as of December 31, 2015, approve the proposed FY 2016-17 Bond Surcharges, and authorize the extension of the office lease.**

**The motion carried unanimously.**

10. **Action Calendar:**

- A. Authorize Agreement to Implement Grant Funding for Regional Water Conservation Programs

**Director Bronitsky made a motion, seconded by Director Pierce, that the Board authorize the CEO/General Manager, subject to Legal Counsel's review of the final documents, to enter into an interagency MOU with StopWaste for the grant administration of Proposition 84 IRWM grant funds to support BAWSCA's Regional Water Conservation programs.**

**The motion carried unanimously.**

11. **Reports:**

Ms. Sandkulla provided a report on the Mid-Year 2015-16 Workplan and Budget review.



Mr. Hurley provided an update on the FERC process for Don Pedro and La Grange Hydroelectric Projects, Drought Conditions and Customer Response, State Water Resources Control Board Regulations, SFPUC's Budget Increase for the WSIP, and SFPUC's Emergency Plans in Case of a Mountain Tunnel Outage.

**12. Closed Session:** The Board adjourned to Closed Session at 8:15pm.

**13. Reconvene and Report from Closed Session:** The meeting reconvened from Closed Session at 8:30pm. Legal Counsel, Ms. Schutte, reported that no action was taken during Closed Session.

**14. Reports and Discussion Items:**

A. Fiscal Year 2016-17 Work Plan and Budget Preparation Planning Session

Ms. Sandkulla reported that the budget development process begins every year with the assessment of long-term critical issues and major challenges that identifies a timeline and results to be achieved. The Board was asked to provide input on issues and challenges they would like to be considered in the development of the work plan and operating budget for FY 2016-17.

Comments received from the Board will be addressed by the CEO and presented to the Board Policy Committee for discussion at its February meeting. A preliminary work plan and operating budget will be presented at the March Board meeting for further discussion. A proposed work plan and budget will be presented to the BPC at its meeting in April, and to the Board in May for adoption.

**15. Directors' Discussion: Comments, Questions and Agenda Requests:** The Board was reminded that the Annual FPPC Form 700 filings are due to BAWSCA on April 1<sup>st</sup>, 2016.

Ms. Sandkulla announced that the SFPUC has scheduled a Hetch Hetchy Tour on September 28<sup>th</sup> and 29<sup>th</sup>, 2016 and encouraged Directors who have not participated in the tour to consider attending.

Director Kasperzak announced that Water Now Alliance will have a summit at the end of March. Water Now Alliance is a non-profit organization of water leaders and local governments working to achieve sustainable water solutions. Information is available at [www.waternow.org](http://www.waternow.org).

**16. Date, Time and Location of Next Meeting:** The next meeting is scheduled on March 17, 2016 in the Wind Room, Foster City Community Center.

**17. Adjournment:** The meeting adjourned at 8:42pm.

Respectfully submitted,

Nicole M. Sandkulla  
Chief Executive Officer/General Manager

NMS/le

Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**Board of Directors Meeting**  
**January 21, 2016**

**Attendance Roster**

Present:

Ruben Abrica	City of East Palo Alto
Robert Anderson	Purissima Hills Water District
Jay Benton	Town of Hillsborough
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Tom Chambers	Westborough Water District
Jose Esteves	City of Milpitas
Rob Guzzetta	California Water Service Company
Mike Kasperzak	City of Mountain View
Kirsten Keith	City of Menlo Park
Gustav Larsson	City of Sunnyvale
Jerry Marsalli	City of Santa Clara
Al Mendall	City of Hayward
Chris Mickelsen	Coastside County Water District
Rosalie O'Mahony	City of Burlingame
Tom Piccolotti	North Coast County Water District
Barbara Pierce	City of Redwood City
Dan Quigg	City of Millbrae
Sepi Richardson	City of Brisbane
Gregg Schmid	City of Palo Alto
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District
Tom Zigterman	Stanford

Absent:

Michael Guingona	City of Daly City
Sam Liccardo	City of San Jose
Irene O'Connell	City of San Bruno

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# BAWSCA

## Bay Area Water Supply & Conservation Agency

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

**TO:** Nicole Sandkulla, CEO/General Manager  
**FROM:** Deborah Grimes, Office Manager  
**DATE:** March 7, 2016  
**SUBJECT:** Budget Status Report as of January 31, 2016

This memorandum shows fiscal year budget status for FY 2015-16. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

**Operating Budget Summary:**

For the seven month period ending January 31, 2016, 58 percent into the fiscal year, total expenditures were \$1,719,236 or 54 percent of the total budget of \$3,201,679.

**Table 1. Operating Budget Summary as of January 31, 2016**

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
<b>Consultants /Direct Expenditures</b>			
Reliability	807,450	405,700	50%
Fair Pricing	415,000	178,667	43%
Administration	85,000	74,922	88%
<b>Subtotal</b>	<b>1,307,450</b>	<b>659,289</b>	<b>50%</b>
<b>Administration and General</b>			
Salary & Benefits	1,518,529	913,366	60%
<b>Other Expenses</b>			
BAWSCA	313,200	146,581	47%
BAWUA	1,100	0	0%
<b>Subtotal</b>	<b>3,140,279</b>	<b>1,719,236</b>	<b>55%</b>
<b>Capital Expenses</b>	2,500	0	0%
<b>Budgeted Contingency</b>	57,500	0	0%
<b>Regional Financing Authority</b>	1,400	0	0%
<b>Grand Total</b>	<b>3,201,679</b>	<b>1,719,236</b>	<b>54%</b>

**Overview:**

Overall expenditures for FY 2015-16 are tracking within budget.

**Consultants**

The \$125,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 44 percent expended. The Operating Budget allocation of \$150,000 for strategic counsel was 58 percent expended. The Operating Budget allocation of \$586,500 budget for legal counsel was 60 percent expended. The \$257,450 budget for water management and conservation-related activities was 47 percent expended.

**Administration and Other Expenses**

Budgets for salaries and other expenses were 60 percent and 47 percent expended respectively.

**Use of CEO's Discretionary Spending Authority:**

No use of CEO discretionary spending during this period.

**Use of Reserve and Reserve Fund Balance:**

Unspent funds at the end of FY 2014-15 were \$198,781. The BAWSCA General Reserve balance as of January 31, 2016, shown below, reflects this deposit.

**Table 2. General Reserve Fund Balance**

<b>Fund</b>	<b>Account Balance (As of 11/30/15)</b>	<b>Account Balance (As of 01/31/16)</b>
General Reserve	\$776,620	\$776,620

**Long-Term Reliable Water Supply Strategy and Use of Water Management Charge:**

At the May 21, 2015 meeting, the board authorized the reimbursement to BAWSCA's General Reserve the unspent Water Management Charge funds associated with the development of the Strategy. This reimbursement of \$352,378 occurred November 30, 2015. The BAWSCA General Reserve balance as of January 31, 2016, shown above reflects this deposit.

# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

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

**MEMORANDUM**

**TO: Nicole Sandkulla, CEO/General Manager**

**FROM: Christina Tang, Senior Administrative Analyst**

**DATE: February 29, 2016**

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report  
as of December 31, 2015**

BAWSCA’s Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013 when the payments were paid off. The bond transaction and the prepayment program was anticipated to generate approximately \$62.3 million in net present value savings over the term of the bonds, or about 17% of the \$356.1 million in principal prepaid from bond proceeds to San Francisco at the end of February 2013.

**Bond Surcharge Collections**

BAWSCA collects the bond surcharge from member agencies through the SFPUC as a separate item on their monthly water bills to agencies. The bond surcharge payments are used to make debt service payments on BAWSCA’s revenue bonds.

All surcharges billed for the months from October to December 2015 have been collected. Table 1 below presents a summary of financial transactions related to BAWSCA’s Bond Series 2013A and 2013B for the three months.

**Table 1: Summary of Surcharges Remitted to Trustee for  
Quarter Ending 12/31/2015**

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>
October 2015	\$2,057,009	\$2,057,009
November 2015	\$2,057,009	\$2,057,009
December 2015	<u>\$2,057,009</u>	<u>\$2,057,009</u>
Total	\$6,171,027	\$6,171,027

**Bond Surcharge Account Balances**

All surcharge payments are deposited with the Bank of New York, which manages BAWSCA’s accounts and administers debt service payments.

BAWSCA’s account balances at the Bank of New York and the account activities in the past

quarter are shown in Table 2 below.

**Table 2: Bank of New York Bond Trustee Account Activity for Quarter Ending 12/31/2015**

	<b>3,463,216</b>	<b>Account Market Value as of 9/30/2015</b>
<i>plus:</i>	6,227,306	<i>Surcharge collected in Sept. through Dec.2015</i>
<i>plus:</i>	1,657	<i>Money market fund interest, security coupons/accrued interest received</i>
<i>plus:</i>	(397)	<i>Change in market value of held Treasury bonds</i>
<i>minus:</i>	17,991,251	<i>Debt service payment to bondholders</i>
<i>minus:</i>	10,361,571	<i>Principal for Treasury bonds purchased</i>
<i>minus:</i>	5,411	<i>Accrued interest for Treasury bonds purchased</i>
<i>plus:</i>	<u>10,277,083</u>	<u><i>Market Value of Purchased Bonds</i></u>
	<b>21,610,632</b>	<b>Account Market Value as of 12/31/2015</b>

There are two ways interest is earned by BAWSCA on the collected surcharge payments and balances held in the stabilization funds. First, interest is automatically earned on the account balance in the Bank of New York Bond Trustee money market account at a current rate of approximately 0.12%. Last quarter, interest earnings received were \$272. Second, BAWSCA has the ability to invest the collected surcharge payments by purchasing US Treasury securities, possibly earning a higher rate of return than the money market account.

Based upon an evaluation of available yields, it was determined that BAWSCA would realize a moderate earnings benefit by purchasing U.S. Treasury securities instead of staying invested in the money market account. Following further evaluation, BAWSCA determined that a strategy that involved both a rolling and a laddered security structure provided the Agency with the most appropriate balance of safety, liquidity, and yield. Consequently, this investment strategy was implemented in the portfolio on October 9, 2015. As of the quarter ending December 31, 2015, U.S. Treasury securities represent an increase of 50 basis points (0.50%) over what BAWSCA would earn if the balances remain invested in the money market funds. The \$1,657 mentioned in the summary table above includes interest earnings of \$272 received from the money market fund and coupons and accrued interest of \$1,385 received from the securities.

All investment interest earnings are deposited directly in the Trustee accounts, and will be used to pay for future expenses and debt service of the bonds. Ultimately, all interest earnings are returned to the member agencies through annual savings and through distribution of the Stabilization Fund, including interest, once the bonds are fully paid.

**Revenue Bond Series 2013A and Series 2013B Debt Service Payment Status**

The recent debt service payment of \$17,991,251 was made on October 1, 2015. It was paid using the bond surcharges collected from the agencies, consistent with the initial bond structure. The next debt service payment of \$6,593,497 will be made on April 1, 2016. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1<sup>st</sup> and October 1<sup>st</sup> of each year until 2034.



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Adjustments to Staff Position Top-Step Compensation**

**Summary:**

A compensation survey was performed to determine whether BAWSCA's staff positions remain consistent with comparable positions in the Bay Area market.

**Fiscal Impact:**

The Board of Directors was informed during the development of the FY 2015-16 Work Plan that a compensation survey would be performed. Funding for the survey was included in the adopted FY 2015-16 Operating Budget. A contract with Koff and Associates was executed for \$8,760. The potential FY 2016-17 budget impact of the recommended action is \$1,900.

**Board Policy Committee Action:**

The Board Policy Committee voted unanimously to recommend the proposed Board action.

**Recommendation:**

**That the Board approve adjustments to top step compensation for specified positions.**

**Discussion:**

Each year BAWSCA adjusts top step compensation by a factor approved by the Board of Directors as part of the annual budget process. These adjustments are made in an effort to maintain compensation ranges that are competitive with comparable positions in the Bay Area market.

Every two years a compensation survey is performed to ensure that comparability is in fact maintained. Historically, BAWSCA has used the median of the market to define the desired compensation level for its staff positions. Comparator Agencies used include East Bay Municipal Utility District, Santa Clara Valley Water District, Contra Costa Water District, SFPUC, City of Hayward, City of Palo Alto, Alameda County Water District, Coastsides County Water District (Office Manager only) and Mid-Peninsula Water District (Office Manager only).

In January 2016, Koff and Associates completed a review of BAWSCA's position descriptions, the comparability of the positions with similar positions at other Bay Area agencies, and provided data on top step compensation in the form of salaries or hourly rates for exempt and non-exempt positions, respectively.

**Results:**

The survey showed that the current top step for five BAWSCA staff positions are between 1.0 and 6.5 percent below the market median. Two positions are 0.3 and 2.1 percent above the median of the market.

The survey results appear in Table 1, together with the recommended adjustments.

**Table 1. Comparison of FY 2015-16 Top Step Compensation for Each Staff Position to Survey Results Based on the Median of the Market for Comparable Positions\***

Position Title	Current top step compensation (FY 2015-16), dollars per yr.	Market median (FY 2015-16), dollars per yr.	Difference, percent	Recommended change, percent
Assistant to the CEO/GM	98,395	96,408	+2.1	0
Office Manager	100,168	106,704	-6.5	+6.5
Sr. Admin Analyst	118,453	123,783	-4.5	+4.5
Sr. Water Resources Specialist	137,591	139,032	-1.0	+1.0
Water Resources Manager	174,519	179,532	-2.9	+2.9
Water Resource Specialist	109,518	114,552	-4.6	+4.6
Office Assistant	65,884	65,664	+0.3	0

*\*For exempt positions, "top step compensation" is equivalent to annual salary. For non-exempt positions, "top step compensation" is equivalent to one year of hourly wages without overtime.*

Total compensation was also evaluated as part of the compensation survey. The results show BAWSCA's total compensation is in line with total compensation for the other comparator agencies.

**Application of Results:**

If approved by the Board, the recommended adjustments would be made to the top step compensation for each position.

The salaries shown in the survey represent currently paid compensation and are compared to BAWSCA's current top step compensation. For FY 2016-17 budgeting purposes, any Board approved COLA adjustment would be applied to the adjusted top step compensation. The COLA adjustment maintains compensation in line with the market that will exist next year. The resulting approved compensation values would go into effect as of July 1, 2016.

Any adjustments to compensation paid to incumbent employees would be determined separately by the CEO following annual performance appraisals, but would necessarily remain at or below the approved top step, including any approved COLA adjustment, for each position.

**Background:**

In order to ensure that compatibility with the marketplace is maintained, BAWSCA has historically had a compensation survey completed roughly every two years. Table 2

presents the results of the last survey completed in January 2014. The recommended top step compensation adjustments were adopted by the Board in March 2015.

**Table 2. Comparison of FY 2013-14 Top Step Compensation for Each Staff Position to Survey Results Based on the Median of the Market for Comparable Positions\***

Position Title	FY 2013-14 top step compensation, dollars per year	FY 2013-14 Market median, dollars per year	Difference, percent	Recommended change, percent
Assistant to the CEO/GM	92,733	93,912	-1.3	+1.3
Office Manager	92,940	95,628	-2.9	+2.9
Sr. Admin Analyst	108,216	113,112	-4.5	+4.5
Sr. Water Resources Specialist	119,640	131,316	-9.8	+9.8
Water Resources Manager	154,416	166,548	-7.9	+7.9
Water Resource Specialist	102,408	104,544	-2.1	+2.1
Office Assistant	62,904	62,820	+0.1	0

\*For exempt positions, "top step compensation" is equivalent to annual salary. For non-exempt positions, "top step compensation" is equivalent to one year of hourly wages without overtime.

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# BAWSCA

Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650  
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## MEMORANDUM

**TO:** BAWSCA Board of Directors  
**FROM:** Nicole Sandkulla, CEO/General Manager  
**DATE:** March 11, 2016  
**SUBJECT:** Chief Executive Officer/General Manager's Letter

### **Bay Area Regional Reliability Partnership:**

The Bay Area Regional Reliability (BARR) Partnership held a workshop on March 4<sup>th</sup> to kick off the Drought Contingency Plan (DCP). The DCP will include a regional supply vulnerability assessment, an evaluation of the members' drought responses, identification of potential mitigation actions, and development of an operational and administrative framework for implementing these mitigation actions. This effort will feed into the larger BARR Plan, which will evaluate near- and long-term projects that contribute to a regional approach toward water supply reliability.

The BARR Partnership was awarded a \$200,000 grant from the United States Bureau of Reclamation (USBR) for the development of a DCP under the USBR's WaterSmart Grant Program last August. One of the requirements of the grant was the development of a Drought Task Force, to be made up of a range of stakeholders, to provide input during the development of the DCP. A kickoff meeting of the Task Force is being scheduled.

### **Silicon Valley Water Conservation Awards:**

The winners of the 2016 Silicon Valley Water Conservation Awards have been selected and include BAWSCA member agency, the City of Menlo Park, which won the Water Utility Award. A complete list of award winners can be found at <http://www.waterawards.org/>.

BAWSCA Board Members are invited to join in honoring these champions at the Water Awards Ceremony on Monday, March 23<sup>rd</sup> from 11 am – 1 pm at the Google campus in Mountain View. The event will include lunch. Please RSVP at <http://waterawards2016.brownpapertickets.com>.

### **BAWSCA Website Re-design Launch**

The BAWSCA website redesign is complete and launched in February. The new website includes several features specifically designed to enhance the user experience for BAWSCA member agencies and the public, including: a dedicated water conservation website, [www.BayAreaConservation.org](http://www.BayAreaConservation.org), specifically focused on water conservation rebates and program information; a member agency access site for document sharing; and interactive

infographics for accessing water use and demographic data. The project was completed within the Board-adopted budget and schedule.

**Consideration of BAWSCA Board Meeting Time Change:**

Due to worsening traffic conditions, the Board Policy Committee suggested an evaluation of the benefits to moving the Board Meetings to the daytime, when traffic congestion is potentially less. The meeting day, 3rd Thursday bi-monthly, and duration of two and a half hours, will remain.

In compliance with the Brown Act, BAWSCA conducted a four-question survey. The results of the survey will be presented the Board Policy Committee for discussion in April.

**Results of FY 2013-14 Wholesale Revenue Requirement Review**

Pursuant to Section 7.06A of the 2009 Water Supply Agreement (WSA), BAWSCA conducted its review of SFPUC's calculation of the annual Wholesale Revenue Requirement (WRR) and the changes in the balancing account for FY 2013-14. BAWSCA's review was assisted by its consultants: Hanson Bridgett, KNN Public Finance and Burr, Pilger and Mayer. Upon completion of the review, BAWSCA raised some questions to the SFPUC as to the proper amount of the WRR for FY 2013-14. Discussions occurred between the staff of the SFPUC and BAWSCA.

As a result, the parties reached an agreement pertaining to outstanding issues related to SFPUC costs allocated to Wholesale Customers for FY2013-14 on February 12, 2016. That agreement resulted in various adjustments to the balancing account and a total credit of \$102,952 owed to the Wholesale Customers.

The adjustments and financial impact are summarized in Table 1 of this CEO letter. The credit has been applied to the opening balance of the Balancing Account as of June 30, 2015.

**Table 1. Summary of Financial Impact to FY 2013-14 Balancing Account**

<b>Item #</b>	<b>Type of Adjustment</b>	<b>Descriptions</b>	<b>Due from (to) Wholesale Customers</b>
<b>1</b>	Cost allocation error	Treatment expenses of water testing for Retail customers were charged incorrectly as Regional costs, which should be allocated as Retail costs.	<b>(\$40,049)</b>
<b>2</b>	Cost allocation error	Expenses related to in-city hydrant security and backflow prevention testing were allocated incorrectly as Regional costs, which should be allocated as Retail costs.	<b>(\$37,944)</b>
<b>3</b>	Cost allocation error	Expenses related to in-city urban forestry activities were allocated incorrectly as Regional costs, which should be allocated as Retail costs.	<b>(\$26,949)</b>
<b>4</b>	Cost allocation error	Programmatic project expenses for Camp Mather were allocated incorrectly as Hetch Hetchy Joint costs, which should be allocated as direct Retail costs.	<b>(\$32,491)</b>
<b>5</b>	Cost allocation adjustment	Expenses related to Lower Cherry Aqueduct were allocated incorrectly as Hetch Hetchy Water costs, which should be allocated as Joint costs per the FY 2011-12 Settlement Agreement until the parties reach an agreement on the final classification.	<b>(\$4,710)</b>
<b>6</b>	Accounting error	Payments to Pure Technologies who provides service to monitor wire-breaks in the San Joaquin pipelines were charged to an incorrect index code for Joint expenses, which should be charged to a Water-only index code.	<b>\$39,869</b>
<b>Total adjustments</b>			<b>(\$102,274)</b>
Interest, computed at 0.663%			<b>(\$678)</b>
<b>Grand total</b>			<b>(\$102,952)</b>

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# Board of Directors Policy Calendar through June 2016

BPC Meeting	Purpose	Issue or Topic
March 2016	D&A R&D	Consideration of Adjustments to Staff Top Step Position Compensation Presentation of Preliminary FY 15-16 Work Plan and Results to Achieved
May 2016	D&A D&A D D	Presentation of Proposed FY 2016-17 Work Plan and Budget Consideration of Annual Consultant Contracts Discussion of Possible Actions to Implement the Strategy Review of Water Supply Forecast
July 2016	D D	Discussion of Possible Actions to Implement the Strategy Discussion and Possible Action Related to SFPUC Water Management Action Plan (Water MAP)

Key: R=Report, D = Discussion, S = Study Session, A = Action

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Preliminary Fiscal Year 2016-17 Work Plan and Operating Budget**

**Summary:**

This memorandum presents the preliminary Fiscal Year 2016-17 Work Plan and, results to be achieved, a preliminary Operating Budget, and preliminary considerations for funding the Operating Budget. Comments received from the Board at the January 21, 2016 Budget Planning Session have been reviewed and addressed. The preliminary Work Plan represents the CEO's recommendations for those comments, and feedback provided by the Board Policy Committee in February.

The preliminary Work Plan remains aligned with BAWSCA's legislated authority and its three goals: a reliable supply of high quality water at a fair price. Major work areas include increased activity in implementing the recommended Long-Term Reliable Water Supply Strategy (Strategy) actions, a comprehensive analysis of the service area response to the drought to better understand impacts on long-term planning, continued support to the member agencies in achieving necessary water use reductions in response to the ongoing drought conditions and mandatory reductions, administration of the 2009 Water Supply Agreement including work related to the September 2014 settlement with San Francisco, and participation in the Restore Hetch Hetchy litigation in which BAWSCA is a named party.

The preliminary FY 2016-17 Operating Budget is \$3,468,008, which is 8.3% above the current FY 2015-16 Operating Budget. This preliminary Operating Budget represents approximately a 12 cent increase in annual cost per person in the service area for an estimated cost to the water customer of \$1.96 per person per year. Considerations for funding the preliminary Operating Budget are presented for further discussion.

**Board Policy Committee Action:**

This item was presented to the Committee for discussion. No action by the Committee was taken. The Committee provided feedback on individual preliminary work plan items and results. The Committee also provided suggestions for further clarification in the Board memo related to the presentation of new work areas and clarification on responses to board member suggestions from the January budget planning sessions.

**Recommendation:**

**That the Board provide comments and suggestions concerning the:**

- **Preliminary FY 2016-17 Work Plan and Results to be Achieved;**
- **Preliminary Operating Budget of \$3,468,008; and**
- **Preliminary considerations for funding the Operating Budget.**

**Preliminary Work Plan:**

Next year's Work Plan addresses all of the forward-looking issues discussed with the Board Policy Committee in December and with the Board in January. This information is presented in Appendix A to this memo.

The preliminary FY 2016-17 Work Plan includes the following major efforts:

- Oversight of San Francisco’s WSIP, 10-Year Capital Improvement Program (CIP), and Regional Water System Asset Management Program;
- Implement the recommended actions identified in Long-Term Reliable Water Supply Strategy (Strategy) Phase IIA Final Report (Report);
- Develop two new technical tools to support (1) decision-making framework to guide implementation of the Strategy and (2) a regional water supply reliability model for project evaluation;
- Conduct an analysis of the service area response to the drought to inform long-term planning, including a review of 2040 demand and supply need projections;
- Implement regional conservation programs to support member agencies and their customers;
- Take actions to protect members’ water supply interests in administration of the 2009 WSA, including addressing the upcoming 2018 decisions and contractual drought allocation methods;
- Participate in the Restore Hetch Hetchy litigation in which BAWSCA is a named party;
- Participate in the New Don Pedro and La Grange FERC proceedings to protect regional water supplies;
- Administer the 2009 Water Supply Agreement (WSA), including development and adoption of up to three amendments to the 2009 WSA; and
- Administer BAWSCA’s bonds.

Table 1 presents the preliminary FY 2016-17 Work Plan and the major results to be achieved. The activities are grouped according to the agency goals they support.

Table 2 lists the items that are not included in the preliminary FY 2016-17 Work Plan. Any of these items could be added at a later date, if needed.

New Activities to Support Strategy Implementation: In February 2015, BAWSCA completed the Strategy Phase II Final Report, which presented recommended actions to achieve BAWSCA’s water management objective of ensuring that a reliable, high quality supply of water is available where and when people within the BAWSCA member agency service area need it. The preliminary Work Plan contains the following four new activities related directly to continued implementation of the Strategy:

**1. Expand Decision Making Process for Implementing Strategy Actions  
Estimated FY 2016-17 Cost: \$50k**

Initial work on this task was performed in Phase IIA of the Strategy, but was not completed given (1) the changed focus of the Strategy to dry year supplies and (2) anticipated budget constraints. This task would complete the development of a decision making process to be used by BAWSCA. This work would involve reviewing previous Strategy work and incorporating that work into a decision making framework that will assist BAWSCA, at the executive and policy level, in directing progress of investigating and implementing the multiple actions identified in the Strategy. This model will allow

investigation of multiple projects with multiple beneficiaries over differing development time periods and changing conditions.

**2. Develop Independent Regional Water System & Supply Modeling Tool  
Estimated FY 2016-17 Cost \$40k; Total Multi-Year Development Cost \$60-\$100k**

This task would develop independent water system and supply modeling tools using publicly available computer programs (i.e., WEAP) in conjunction with Stanford's ReNuwit program. To date, BAWSCA has relied on SFPUC's modeling resources to inform long-term planning decisions, however as BAWSCA's and the member agencies' needs have grown, it is not effective to rely on the SFPUC for modeling work to meet BAWSCA's analytical and schedule needs. Developing an independent modeling tool would allow BAWSCA to simulate SFPUC's reliability analysis, run independent alternative scenarios to meet BAWSCA's planning needs, investigate reliability of other regional water supplies (i.e., surface water from Santa Clara Valley Water District), and assess climate change impacts, given various climate scenarios.

**3. Conduct Drought Response Analysis  
Estimated FY 2016-17 Cost: \$80k**

In response to the current drought conditions, water use in the region has been reduced significantly. It is critically important that BAWSCA's long-term planning be informed by these recent experiences. This task would perform a complete review of customer response in the service area including: review water demand response to voluntary and mandatory cutbacks, review responsiveness and appropriateness of existing shortage provisions, review member agencies' and other regional suppliers' (e.g., SCVWD) drought preparedness and its impacts on the member agencies, host regional workshop to facilitate discussion of water utility financial best management practices to identify potential actions that can assist agencies in addressing the financial impacts of drought, and conduct a workshop with member agencies to identify local economic impacts. BAWSCA will use the results of this work to update, as appropriate, the projected 2040 water demand and supply need for the region.

**4. San Mateo Plain Groundwater Reliability Partnership  
Estimated FY 2016-17 Cost: \$15k**

BAWSCA has taken a lead role in promoting sustainable use of groundwater resources in its service area by establishing the Groundwater Reliability Partnership for the San Mateo Plain Sub-basin. BAWSCA's direct interests in this effort relate to BAWSCA's investigation and potential development of a brackish groundwater project as part of the Strategy. In addition, BAWSCA's member agencies in all three counties have an interest in this basin due to the interrelationship with all neighboring groundwater basins (e.g. Niles Cone Basin in the East Bay and the Santa Clara sub-basin). To support this effort, BAWSCA would seek consultant support for the following tasks: (1) monitoring and regular reporting to BAWSCA on State and regional groundwater policy resulting from the implementation of the Sustainable Groundwater Management Act of 2014, and (2) on-call technical support for local groundwater issues.

Results of January 21, 2016 Work Plan and Budget Preparation Planning Session: On January 21, 2016 meeting, a work plan and budget planning session was held with the Board as part of its regular meeting agenda. The focus of the planning session was to receive input from Board members on possible work plan items. Table 3 presents the detailed comments provided by

Board members during the planning session and the staff response. These comments and responses are reflected in the preliminary FY 2016-17 Work Plan and results to be achieved.

Alternatives to the Preliminary Work Plan and Results to be Achieved: The preliminary Work Plan includes the expansion of BAWSCA's activities to implement the Long-Term Reliable Water Supply Strategy recommendations to achieve the Strategy results.

This expansion includes four new project areas:

1. Expand Decision Making Process for Implementing Strategy Actions: estimated FY 2016-17 cost of \$50k
2. Develop Independent Regional Water System & Supply Modeling Tool: estimated FY 2016-17 cost of \$40k
3. Conduct Drought Response Analysis: estimated FY 2016-17 cost of \$80k
4. San Mateo Plain Groundwater Reliability Partnership: estimated FY 2016-17 cost of \$15k

An alternative to the preliminary Work Plan would be to reduce effort or remove one or more of these new activities. Of the four new activities, the expansion of the decision making process is the least time sensitive towards the overall Strategy objective. It is unlikely that any critical decision by the Board will need to be made in FY 2016-17 to warrant the need for this framework next fiscal year, while a delay in any of the other new project areas would directly impact implementation of the Strategy and delay achievement of results. Removing this item would result in a decrease of \$50,000 to the preliminary Operating Budget. This alternative is not recommended as this effort will be necessary to support overall decision making on the Strategy in the upcoming years and the agency's efforts are benefited by early discussion and planning in this area.

**Preliminary FY 2016-17 Operating Budget:**

The preliminary Operating Budget presented in Table 4 reflects the funding necessary to achieve the full Work Plan and includes the net increase to fund the Annual Required Contribution (ARC) for Other Post-Employment Benefits (OPEB). This is included as a separate line item to highlight its inclusion in this fourth year of funding.

Explanation and Alternatives for Salaries and Benefits: The increase for salaries and benefits of \$62,129 shown in the preliminary budget is a result of a variety of changes. These changes include increases in health benefit costs, salary adjustments and a decrease in OPEB (Other Post-Employment Benefits). The preliminary Operating Budget also includes the following for all employees except the CEO:

- \$23,946 for a COLA adjustment to existing FY 2015-16 salaries
- \$12,243 merit allowance separate from COLA adjustment

A Cost of Living Allowance (COLA) adjustment of 3.15% to the top step of salaries is included in the preliminary Operating Budget and is consistent with the December value for the Consumer Price Index for Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose area. COLA increases for employees are not automatic, but

can be granted by the CEO on the basis of merit. The history of salary and benefit adjustments for BAWSCA is presented in Appendix C to this memo.

The size of the merit allowance would permit potential salary increases of up to 5%, or to top step for the position, whichever is less.

At the direction of the Board Chair, a budget allowance of \$15,999 for a potential merit increase for the CEO has been included in the preliminary Operating Budget. For budgeting purposes, this amount is consistent with the merit increase awarded to the CEO in FY 2015-16.

*Funding Considerations for the Preliminary Operating Budget:* Four principles have historically been used by BAWSCA when considering how to fund the preliminary Operating Budget:

1. Budget sufficient resources to achieve the desired Work Plan results.
2. Spend only what is needed to achieve the results.
3. Apply incremental and prudent increases in assessments as necessary.
4. Maintain a prudent General Reserve balance within Board guidelines.

Each year, unspent funds (if available) are moved to the General Reserve to fund special needs and future budgets. Appendix F presents the historical use of the General Reserve to fund special studies, fund the Operating Budget, and provide a one-time refund to the member agencies in November 2011.

Last year, the Board recognized that an assessment increase was necessary to fully fund the Operating Budget with assessments and to ensure the General Reserve at the end of this fiscal year would be within the adopted General Reserve Policy guideline. The adopted FY 2015-16 funding plan included the 24% assessment increase and a planned transfer of \$75,210 to the General Reserve at the end of the fiscal year to ensure that the General Reserve would achieve the minimum budgetary guideline. BAWSCA's General Reserve Policy, reaffirmed by the Board in November 2014, identifies a range of 20% to 35% of the budget year's operating expense as a budgetary guideline for the General Reserve balance.

At this time, the FY 2015-16 Operating Budget is estimated to be 100% expended at year end. The estimated General Reserve balance at the end of FY 2015-16 is \$851,830, or 27% of the approved FY 2015-16 Operating Budget.

Given the outstanding legal issues facing the agency next fiscal year and beyond, it is not recommended to use the General Reserve to fund a portion of the FY 2016-17 Operating Budget.

Alternatively, to fund the preliminary FY 2016-17 Operating Budget with assessments only, a 5% assessment increase would be necessary. Table 5 presents an evaluation of how a 5% increase in assessments (\$163,844 increase) would be, allocated among the member agencies.

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**Table 1. FY 2016-17 Work Plan and Results to be Achieved (Preliminary)**

(Percent of Proposed Operating Budget for Each Item Shown in Parenthesis, New/Expanded items shown in *blue italic font*)

**RELIABLE WATER SUPPLY**

- (7.8%) **1. Facility Reliability: Monitor the SFPUC’s WSIP, 10-Year CIP, and Asset Management Program**
  - a. Monitor WSIP scope, cost, and schedule as San Francisco continues an aggressive construction schedule through 2019. Press the SFPUC and the city's political leadership to meet the city's adopted schedule, satisfy the requirements of AB 1823, and respond promptly to BAWSCA's reasonable requests.
  - b. Review and monitor SFPUC’s Regional 10-Year Capital Improvement Program to ensure that identified projects and programs meet the needs of the BAWSCA member agencies in a cost-effective and appropriate manner.
  - c. Review and monitor SFPUC’s Asset Management Program to ensure maintenance and protection of system assets.
  
- (15.8%) **2. Long-Term Supply Solutions: Ensure a Reliable, High Quality Supply of Water is Available Where and When Needed**
  - a. Implement the actions recommended in the Long-Term Reliable Water Supply Strategy Phase II Final Report.
  - b. *Expand activities to support Strategy implementation*
    - *Extend BAWSCA’s resource investment decision-making framework to incorporate a structured, iterative “adaptive management” process to assist policy makers and BAWSCA management in making decisions in the face of changing conditions and lessons learned with the aim of reducing uncertainty over time.*
    - *Expand BAWSCA’s water supply reliability analysis to include new, independent modeling capability and incorporate missing, critical regional water reliability planning components including the hydrology and supply reliability of other imported and local supplies that may impact the reliability of the member agencies.*
  - c. *Conduct drought response analysis of the BAWSCA service area drought planning, preparedness, and service area response to inform long-term planning including review of 2040 demand and supply gap projections.*
  
- (12.7%) **3. Near-term Supply Solutions: Water Conservation**
  - a. In cooperation with member agencies, implement drought response actions to achieve necessary water use reductions and minimize likelihood of mandatory rationing.
  - b. Represent agencies in regional and State-level discussions related to the current drought conditions and regulations.
  - c. Administer, implement and expand core water conservation programs that benefit all customers.
  - d. Administer subscription conservation rebate programs that benefit, and are paid for by, participating member agencies.
  
- (4.4%) **4. Take Actions to Protect Members’ Water Supply Interests in the Administration of the 2009 Water Supply Agreement**
  - a. Review existing Tier 2 drought allocation plan and prepare for modifications as needed due to upcoming 2018 expiration.
  - b. Investigate a Water Supply Agreement contract amendment to incorporate an appropriate alternative supply allocation approach to address the shortcomings of the existing Tier 1 drought allocation formula.
  - c. Protect members’ water supply and financial interests in the SFPUC’s upcoming 2018 decisions and associated Water Management Action Plan (MAP) to support the Commissions’ upcoming 2018 water supply decisions.
  - d. Protect members’ water supply interests to ensure that the SFPUC meets its adopted Water Supply Level of Service Goals.
  
- (8.3%) **5. Protect Members’ Interests in a Reliable Water Supply**
  - a. *Participate in the Restore Hetch Hetchy litigation in which BAWSCA is a named party.*
  - b. Ensure necessary legal & technical resources for monitoring & intervention in the Don Pedro Project and La Grange Project FERC licensing are sufficient to protect customers’ long-term interests in Tuolumne River water supplies.

- (0.2%) **6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts**  
a. Pursuit and use of grant funds for water conservation programs and for regional supply projects and programs.  
b. Investigate potential for grant funds to support the implementation of the Strategy, including 2014 California Water Bond.
- (0.7%) **7. Reporting and Tracking of Water Supply and Conservation Activities**  
a. Complete BAWSCA FY 2015-16 Annual Survey.  
b. Complete BAWSCA FY 2015-16 Annual Water Conservation Report.  
c. *Review and modify, if appropriate, BAWSCA's Water Conservation Database consistent with BAWSCA's recently implemented ConservTrak water conservation management system.*

**HIGH QUALITY WATER**

- (0.2%) **8. Support Member Agencies in Receiving Reliable Communication of Water Quality Issues**  
a. Coordinate member agency participation in Water Quality Committee established by the 2009 Water Supply Agreement to ensure it addresses Wholesale Customer needs.  
b. Review and act on, if necessary, State legislation affecting water quality regulations.

**FAIR PRICE**

- (18.6%) **9. Perform Matters that Members Delegated to BAWSCA in the Water Supply Agreement**  
a. Administer the Water Supply Agreement with SF to protect the financial interests of member agencies.  
b. *Support development and member agency adoption of up to three contract amendments to address resolution of FY 2010-11 WRR settlement, revenue funded capital, and implementation of regional groundwater storage project.*  
c. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco.
- (1.1%) **10. Provide Other Support to Protect Financial Interests of Member Agencies**  
a. *Organize a workshop to review water utility financial best management practices to identify potential actions to better protect BAWSCA member agencies from the financial impacts of drought.*  
b. *Pursue SFPUC completion of a benchmarking study to evaluate RWS operational efficiency and cost effectiveness.*

**AGENCY EFFECTIVENESS**

- (2.2%) **11. Maintain Community Allies and Contacts with Environmental Interests**  
a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them if necessary, to safeguard the health, safety, and economic well-being of residents and communities.  
b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability.  
c. Maintain effective communications with member agencies, customers, & others to achieve results and support goals  
d. In conjunction with San Francisco, conduct or co-sponsor tours of the water system for selected participants.
- (19.0%) **12. Manage the Activities of the Agency Professionally and Efficiently**

Table 2: Activities Not Included in Preliminary Work Plan and Operating Budget for FY 2016-17

**RELIABLE SUPPLY**

1. Implement a pilot water transfer with EBMUD in FY 2016-17, following completion of the pilot transfer plan.
2. Engage in extended or complex applications for grant funds. Application for water conservation grants will continue to be made through or with the Bay Area Water Agency Coalition, the California Urban Water Conservation Council, or other agencies.
3. Introduce major new legislation or supporting/opposing legislation initiated by others. If needed, the agency could support major legislative efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.
4. Initiate litigation or support/oppose litigation initiated by others. If needed, the agency could support major litigation efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.

**FAIR PRICE**

5. Evaluate potential economic or water supply impacts of State efforts to fix the Delta and other State water management projects.
6. Develop alternative wholesale rate structures that the SFPUC might consider. Actions will be limited to facilitating communication with SFPUC, development of goals and objectives relevant to Wholesale Customers, and addressing the potential relationship to alternative retail rate structures Member Agencies might consider to stabilize water rates and water revenues.
7. Arbitrate issues related to the 2009 Water Supply Agreement.

**HIGH WATER QUALITY**

8. Perform technical studies of water quality or San Francisco's treatment of the water it delivers to the BAWSCA agencies.
9. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.

**AGENCY EFFICIENCY**

10. Add resources to support additional Board, Board committee, or technical committee meetings.
11. Conduct tours of member agency facilities to acquaint Board members with potential supply projects and their neighboring jurisdictions, other than through co-sponsoring tours with San Francisco.

**Table 3. FY 2016-17 Work Plan and Budget Planning Session - Suggested Work Plan Items for Further Consideration**

#	Board Member	Board Member Comment	Staff Response
1	Zigterman	How is BAWSCA addressing the question of San Jose and Santa Clara’s desire for permanent contract status?	Included in Task 4c. BAWSCA is working with San Jose, Santa Clara, SFPUC, and SCVWD to secure permanent contract status for San Jose and Santa Clara, as requested in 2009 contract negotiations. BAWSCA’s efforts on this task reflect the recognition of the mutual reliance and interconnectivity in this region and among the BAWSCA member agencies
2	Richardson	Drought is a moving target	Included in Tasks 3a and 3b, which address BAWSCA’s efforts to support member agencies during current drought.
3	Pierce	Can we develop a financial model to assist member agencies in addressing concerns related to drought water use reductions and resulting revenue reductions?	Included in Task 10a. BAWSCA will host a regional workshop to facilitate discussion of water utility financial best management practices to identify potential actions to better agencies from the financial impacts of drought.
4	Pierce	Looking at new technologies that provide water differently than done today (e.g. green roofs), how can we assess and quantify those options and incorporate them into our supply portfolio?	Included in Task 2a, which includes efforts to promote new, de-centralized water supplies, including on-site water reuse.
5	Schmid	Can we have a better understanding of the impact of the drought on local groundwater (e.g. the impact of people using shallow wells for brackish supply for landscaping, etc.)?	Included in Task 2a, which includes BAWSCA’s support for continuation of the San Mateo Groundwater Reliability Partnership and working with San Mateo County’s new Groundwater Study, which includes an assessment of the current groundwater basin and identification of activities that impact basin storage.
6	Schmid	Considering impacts of global warming, BAWSCA should look at desalination as a long-term source of supply. What is the timeframe and technology for that supply?	Included in Task 2a, which includes next steps to implement a brackish groundwater project in the region. These next steps are to identify a project partner and secure grant or other funds to implement a test well.

#	Board Member	Board Member Comment	Staff Response
7	Schmid	How do we deal with projected growth (e.g. 25% projected from Plan Bay Area) while achieving the 20% reduction in water use mandated by SBx7-7?	The water demand projections in BAWSCA's Long-Term Reliable Water Supply Strategy reflect the adopted long-term growth plans of BAWSCA's member agencies, which have been informed by ABAG's Plan Bay Area 2013 population and employment projections. Planned growth has the potential to increase total water demand in a service area. Overall, BAWSCA member agencies are planning for a decrease in water use on a per capita basis, which is the basis for achieving the 20% reduction in water use by 2020 that is mandated by SBx7-7, and are on track to meet SBx7-7 per capita water use targets. In Task 2c, BAWSCA will work with the member agencies to better understand the impact of the drought on long-term per capita water use reductions.
8	Kasperzak	Should BAWSCA be engaged with Legislative advocacy for good water policy? For example, the initiative to add stormwater to the list of exemption for Prop 218 requirements could have a huge impact. We need permanent change in water use.	No change recommended. Currently, BAWSCA maintains close relationships with elected officials in the service area and provides as needed technical review and other input on water issues, including potential legislation. BAWSCA's review and input focuses on those critical areas unique to BAWSCA and BAWSCA's goals. BAWSCA uses its legislative connections as necessary to implement its annual work plan and achieve the agency's goals. An example of this is the recent legislation to extend the sunset provision in AB 1823. Expanding BAWSCA's role in legislation to other areas of water policy not unique to BAWSCA would require a significant increase in staff, strategic, and legal resources. In addition, other regional agencies and trade organizations (ACWA, CSDA, League of Cities, C/CAG) already effectively provide similar services to BAWSCA member agencies.
9	Weed	Consider having contingency planning as a separate item	Not recommended. This change would represent an increase in BAWSCA's scope of work with an anticipated increase in cost to support. This work cannot be accommodated within the current staff load without eliminating other critical efforts. For example, the Water Emergency Response Organization of Orange County (WEROC) coordinates and supports emergency response for 36 water and wastewater agencies in Orange County. WEROC has an annual budget of \$282,613, which supports 2 FTE's and other program costs.

#	Board Member	Board Member Comment	Staff Response
10	Weed	The level of service criteria that the SFPUC system won't be down for more than 24 hours should not be our "planning guideline"	No change recommended. BAWSCA does not have operational responsibility and does not issue operational guidelines to its member agencies. The WSIP has a Level of Service goal that states "Deliver basic service to the service area within 24 hours after a major earthquake". This goal is critically important to the level of investment made in the Regional Water System and the assurances of water supply following an event. Further regional investments to increase that level of reliability beyond the SFPUC's Level of Service goal cited are anticipated to be cost-prohibitive and should be considered at a local level if desired.
11	Mendall	BAWSCA should reassess the supply gap in the Strategy given the drought response and actual conservation savings achieved	Included in Task 2c.
12	Mendall	Reconsider the economic impacts of the drought, given the actual economic impacts experienced with the current drought	Included in Task 2a and 2c. BAWSCA will request the SFPUC review and update its most recent economic impacts analysis to address this concern and in light of the recent drought and impact experienced. BAWSCA will also work with member agencies to understand service area economic impacts from most recent drought to inform future analyses and decision making.
13	Guzzetta	Support inclusion of asset management	Included in Task 1c.
14	Guzzetta	Develop internal skills to have better knowledge of SFPUC system operations, increase influence or role in SFPUC system operations decision-making.	Included in Tasks 2b and 5b. BAWSCA will be developing independent expertise in SFPUC system modeling and operations to support ongoing evaluation of alternative new water supplies as part of the Strategy implementation and review of technical information related to the FERC process.
15	Guzzetta	Ensure that the system is operated efficiently so that costs are maintained	Included in Task 10b. BAWSCA will pursue the SFPUC's completion of a Utility Performance Benchmarking Study. The National Water Research Foundation has published recommended guidelines for such studies.
16	Richardson	Consider what additional information is needed to assess impacts of climate change	Included in Task 2a. BAWSCA will request that the SFPUC pursue further analysis and reporting on the potential impacts in the Regional Water System watersheds from climate change.

**Table 4. Preliminary FY 2016-17 Operating Budget by Major Expenditure Category**

Cost Category	Approved FY 2015-16 Budget (\$)	Preliminary FY 2016-17 Budget (\$)	Change from FY 2015-16 Budget, (\$)
<b>Consultants/ Direct Expenditures</b>			
Reliability	807,450	964,600	157,150
Fair Pricing	415,000	409,000	(6,000)
Administration	85,000	95,000	10,000
<i>Subtotal Consultants</i>	1,307,450	1,468,600	161,150
<b>Administration</b>			
Employee Salaries & Benefits	1,407,529	1,477,395	69,866
Other Post-Emp. Benefits (net)	111,000	103,263	(7,737)
Operational Expenses	313,200	356,450	43,250
<i>Subtotal Administration</i>	1,831,729	1,937,108	105,379
<b>Total Operating Expenses</b>	<b>3,139,179</b>	<b>3,405,708</b>	<b>266,529</b>
<b>Capital Expenses</b>	2,500	2,500	0
<b>Budgeted Contingency</b>	57,500	57,500	0
<b>Regional Financing Authority</b>	1,400	1,250	(150)
<b>Bay Area Water Users Assn.</b>	1,100	1,050	(50)
<b>Grand Total Operating Budget</b>	<b>3,201,679</b>	<b>3,468,008</b>	<b>266,329</b>

**Table 5. Examination of a 5% Increase in BAWSCA Assessments**

<b>Member Agencies</b>	<b>Adopted FY 2015-16 Annual Assessment</b>	<b>5% Increase for FY16-17</b>	<b>Difference</b>
ACWD	\$220,211	\$231,222	\$11,011
Mid Peninsula	\$67,131	\$70,488	\$3,357
Brisbane	\$6,859	\$7,202	\$343
Burlingame	\$91,154	\$95,712	\$4,558
Coastside	\$29,020	\$30,471	\$1,451
Cal Water	\$695,424	\$730,195	\$34,771
Daly City	\$85,094	\$89,348	\$4,255
E. Palo Alto	\$40,154	\$42,161	\$2,008
Esteros	\$110,367	\$115,885	\$5,518
GVMID	\$8,558	\$8,986	\$428
Hayward	\$344,087	\$361,292	\$17,204
Hillsborough	\$71,478	\$75,052	\$3,574
Menlo Park	\$64,712	\$67,948	\$3,236
Millbrae	\$51,433	\$54,005	\$2,572
Milpitas	\$132,285	\$138,899	\$6,614
Mtn. View	\$208,303	\$218,718	\$10,415
North Coast	\$64,400	\$67,620	\$3,220
Palo Alto	\$258,465	\$271,388	\$12,923
Purissima Hills	\$40,945	\$42,993	\$2,047
Redwood City	\$220,824	\$231,866	\$11,041
San Bruno	\$45,780	\$48,069	\$2,289
San Jose	\$90,222	\$94,733	\$4,511
Santa Clara	\$76,716	\$80,552	\$3,836
Stanford	\$50,516	\$53,042	\$2,526
Sunnyvale	\$183,799	\$192,989	\$9,190
<u>Westborough</u>	<u>\$18,951</u>	<u>\$19,898</u>	<u>\$948</u>
<b>Total</b>	<b>\$3,276,889</b>	<b>\$3,440,734</b>	<b>\$163,844</b>



**APPENDICES**

Appendices A through K present additional detail about the preliminary Operating Budget.

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

Each year, BAWSCA’s work plan development process starts by reviewing and updating the major activities over the next 20 years. These activities require coordinated action by BAWSCA and its member agencies to ensure a reliable supply of high quality water at a fair price. Table A-1 lists these activities as they were updated during the FY 2016-17 preliminary Work Plan development. In each case, the results identified in Table A-1 will take the form of agreements, legislation, or other legally enforceable work products. Development of these documents will result from skilled negotiations based on rigorous investigations of impacts and alternatives, costs, cost allocation, and other matters.

**Table A-1. Future Challenges Facing BAWSCA, Member Agencies, and Their Customers**

<b>Year or Period</b>	<b>Major Challenges or Issues</b>
FY 2016 - 2017	<ul style="list-style-type: none"> <li>• Assist agencies during drought to achieve necessary reductions and meet regulatory and other obligations.</li> <li>• Protect BAWSCA member agencies from severe supply shortages and resulting excessive economic impacts.</li> <li>• Assist member agency negotiation of a new Tier 2 drought allocation formula by preparing and analyzing alternatives, facilitating agreement and producing legal documents before the existing one expires at the end of 2018.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether or not to make San Jose and Santa Clara permanent Wholesale Customers by 2018.</li> <li>• Conduct investigations &amp; advocate appropriate positions prior to San Francisco deciding whether to provide more than 184 mgd to Wholesale Customers and whether or not to increase the perpetual Supply Assurance by 2018.</li> <li>• Represent member agencies in Federal relicensing of New Don Pedro and to protect SFPUC supplies.</li> <li>• Monitor WSIP implementation to protect interests of member agencies and take steps necessary to ensure all adopted Level of Service goals are achieved.</li> <li>• Monitor SFPUC’s development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC’s decision on final Mountain Tunnel Solution to ensure protection of water customers’ interests (Summer 2017)</li> <li>• Monitor SFPUC’s asset management program to ensure ongoing maintenance and protection of RWS assets.</li> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting commitments.</li> <li>• Protect customers from legal and legislative efforts to draining Hetch Hetchy that disregard their interests in reliability, quality and cost.</li> </ul>

<p>2017 to 2020</p>	<ul style="list-style-type: none"> <li>• Protect BAWSCA member agencies from severe supply shortages and resulting excessive economic impacts.</li> <li>• Assist member agency negotiation of a new Tier 2 drought allocation formula by preparing and analyzing alternatives, facilitating agreement and producing legal documents before the existing one expires at the end of 2018.</li> <li>• Conduct investigations and advocate appropriate positions prior to San Francisco deciding whether or not to make San Jose and Santa Clara permanent Wholesale Customers by 2018.</li> <li>• Conduct investigations &amp; advocate appropriate positions prior to San Francisco deciding whether to provide more than 184 mgd to Wholesale Customers and whether or not to increase the perpetual Supply Assurance by 2018.</li> <li>• Represent member agencies in Federal relicensing of New Don Pedro and to protect SFPUC supplies.</li>   <li>• Monitor WSIP implementation to protect interests of member agencies and take steps necessary to ensure all adopted Level of Service goals are achieved. Scheduled completion March 2019.</li> <li>• Monitor SFPUC’s development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC’s decision on final Mountain Tunnel Solution to ensure protection of water customers’ interests (Summer 2017)</li> <li>• Monitor SFPUC’s asset management program to ensure ongoing maintenance and protection of RWS assets.</li>   <li>• Ensure San Francisco maintains its Tuolumne River water rights.</li> <li>• Protect customers from legal and legislative efforts to draining Hetch Hetchy that disregard their interests in reliability, quality and cost.</li> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting commitments.</li> <li>• SF elects Mayor in 2019.</li> </ul>
<p>2021 to 2025</p>	<ul style="list-style-type: none"> <li>• Protect BAWSCA member agencies from severe supply shortages and resulting excessive economic impacts.</li> <li>• Ensure new water supplies are on line to meet future needs that are not met by San Francisco.</li> <li>• Monitor SFPUC’s development and implementation of its 10-Year CIP to ensure protection of water supply and financial interests of the water customers.</li> <li>• Monitor SFPUC’s asset management program to ensure ongoing maintenance and protection of RWS assets.</li>   <li>• Ensure San Francisco maintains its Tuolumne River water rights.</li> <li>• Protect customers from legal and legislative efforts to draining Hetch Hetchy that disregard their interests in reliability, quality and cost.</li> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting commitments.</li> <li>• SF elects Mayor in 2023.</li> </ul>

<p>2026 to 2040</p>	<ul style="list-style-type: none"> <li>• Ensure new water supplies are on line to meet future needs that are not met by San Francisco.</li> <li>• Extend or renegotiate the Water Supply Agreement before it expires in 2034.</li> <li>• Enforce the Water Supply Agreement to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting commitments.</li> <li>• SF elects Mayor in 2027, 2031, 2035, and 2039.</li> </ul>
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**Appendix B: Uses of Professional Services**

Outside professional services are used to provide specialized services and augment staff.

1. Professional engineering services for: a) evaluating and monitoring SFPUC’s asset management program; b) evaluating and monitoring SFPUC’s 10-Year Capital Improvement Program (CIP) development and implementation; c) evaluating Water System Improvement Program project scopes during design and construction; d) monitoring WSIP project cost estimates, bids and schedules; e) monitoring and assessing San Francisco’s performance in implementing the overall WSIP; f) assessing San Francisco’s method for cost estimation, application of contingencies and addressing cost inflation during the WSIP; g) providing specific constructive recommendations for keeping the WSIP on or ahead of schedule; h) analyzing hydraulic records used by San Francisco in setting the wholesale water rates; and g) providing as needed groundwater technical assistance.
2. Water resources analysis and planning services to assist in: a) development of an expanded decision making process for implementing Strategy actions; b) development of a new, regional water system and supply modeling tool; and c) conducting an analysis of the service area response to the drought.
3. General legal services for BAWSCA and the RFA; specialized legal services to support administration of the Water Supply Agreement; specialized legal services for addressing matters related to water supply reliability.
4. Strategic counsel for identifying and addressing strategic and political issues associated with maintaining the progress of the Water System Improvement Program, assisting the Board and the CEO in developing and implementing an effective policy making process that supports the development of the Long-Term Reliable Water Supply Strategy, providing legislative and political support, and providing advice to the CEO and the Board on other issues significant to the water customers and the effectiveness of the agency.
5. Financial advisory services to conduct specified capital financing and rate impacts analyses on a task order basis.
6. Accounting/auditing expertise to assist with implementing the Water Supply Agreement, as well as an independent auditor to prepare and review annual financial statements.

**Appendix C: History of Salary and Benefits Adjustments**

The information below presents the history of salary and benefits adjustments for BAWSCA staff. Where Cost of Living Adjustments (COLA) to the salary ranges are considered by the Board, BAWSCA relies on the December value for the Consumer Price Index for Urban Wage Earners and Clerical Workers in the SF-Oak-SJ area. COLA increases for employees are not automatic but can be granted by the CEO on the basis of merit.

- FY 2015-16: The Board approved a 2.09 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2014-15: The Board approved a 2.60 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2013-14: The Board approved a 2.312 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2012-13: The Board approved a 3.10 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2011-12: The Operating Budget included no adjustment to the salary for any employee for COLA, merit or any other reasons.
- FY 2010-11: The Board approved a 3.01 percent COLA increase to the top step of staff salary ranges. An allowance for merit adjustments was budgeted for employees not yet at top step.
- FY 2009-10: There was no COLA adjustment. An allowance for merit adjustments was budgeted for employees not yet at top step.

**Appendix D: Preliminary Budget for the Bay Area Water Users Association (BAWUA)**

The preliminary FY 2016-17 budget for BAWUA is \$1,050 and includes legal counsel support and a small operations budget allowance. This budget amount appears as a separate line item in the BAWSCA budget and is included in the BAWSCA preliminary FY 2016-17 Operating Budget.

**Appendix E: Preliminary Budget for the Regional Financing Authority Budget**

The BAWSCA Board of Directors has continued to agree to fund nominal administrative costs for the Regional Financing Authority (RFA), at least until it became more actively involved and required significant resources. Assuming a continued low level of activity in FY 2016-17, the proposed RFA budget is \$1,400. This budget amount includes legal counsel support and a small operations budget allowance. This budget amount appears as a separate line item in the BAWSCA budget and is included in the BAWSCA preliminary FY 2016-17 Operating Budget. The RFA will formally consider and adopt this budget in July 2016.

**Appendix F: Historical Use of the BAWSCA General Reserve**

Table F-1 displays the historical use of the BAWSCA General Reserve.

**Table F-1. Historical Use of the BAWSCA General Reserve**

Date	Amount	Description of Use
3/19/2008	\$391,000	To fund FY 2007-08 Operating Budget
1/07/2009	\$349,000	To fund FY 2008-09 Operating Budget
2/09/2009	\$105,000	To fund Conservation Implementation Plan
1/13/2010	\$250,000	To fund FY 2009-10 Operating Budget
1/27/2011	\$163,394	To fund FY 2010-11 Operating Budget
11/30/2011	\$172,190	Refund to Member Agencies
9/30/2012	\$130,000	To fund Pilot Water Transfer Plan
3/31/2013	\$65,000	Initial funding for Water Demand Study
4/21/2014	\$300,000	Final funding for Water Demand Study
6/30/2014	\$98,000	To fund FY 2013-14 OPEB contribution
6/30/2014	\$66,000	To fund Pilot Water Transfer Plan
6/30/2015	\$296,436	To fund FY 2014-15 Operating Budget

**Appendix G: Funding for Subscription Conservation Programs**

As in prior years, a portion of operating expenses would be reimbursed by agencies that participate in BAWSCA’s subscription water conservation programs. The staff time to be devoted to those programs during FY 2016-17 is estimated to be 1283 hours, including temporary staff time. Agencies participating in subscription programs pay for associated consultant support and direct expenses. As in prior years, those consultant costs and direct expenses are not included in the Operating Budget.

**Appendix H: Select Financial Details Related to BAWSCA’s Subscription Conservation Program**

Table H-1 provides select financial information for BAWSCA’s subscription conservation programs for the past five years including BAWSCA staff costs that are reimbursed by the participating member agencies. Other costs are not included in Table H-1, for example, rebates and other costs paid directly by the participating member agencies and quantification of grant funds used. More complete details on BAWSCA’s subscription programs, cost, and level of activity, is included in BAWSCA’s Annual Water Conservation Report.

**Table H-1: Select Financial Details Related to BAWSCA  
Subscription Conservation Programs**

	Direct Program Cost - Reimbursed	BAWSCA Staff Cost - Reimbursed	BAWSCA Admin. Cost - Reimbursed
<b>FY 2011-12</b>			
EarthCapades	\$61,965	\$1,500	
HET Rebate		\$8,115	\$4,151
Large Landscape Audit	\$99,457	\$1,332	
Lawn Be Gone		\$140	\$2,861
WaterWise Ed. Kits	\$108,951	\$3,221	
Washing Machine Rebate	\$455,290	\$8,559	\$544
<b>Total</b>	<b>\$725,663</b>	<b>\$22,867</b>	<b>\$7,556</b>
<b>FY 2012-13</b>			
EarthCapades	\$64,110	\$1,900	
HET Rebate		\$6,675	\$300
Large Landscape Audit	\$66,045	\$1,332	
Lawn Be Gone		\$380	\$2,434
WaterWise Ed. Kits	\$65,922	\$5,368	\$1,494
Washing Machine Rebate	\$419,625	\$16,851	\$1,581
<b>Total</b>	<b>\$615,702</b>	<b>\$32,506</b>	<b>\$5,808</b>
<b>FY 2013-14</b>			
EarthCapades	\$61,325	\$2,120	
HET		\$6,785	\$300
Large Landscape Audit	\$85,996	\$1,184	
Lawn Be Gone		\$2,420	
WaterWise Ed. Kits	\$89,864	\$2,668	
Washing Machine Rebate	\$325,775	\$9,964	\$1,104
<b>Total</b>	<b>\$562,960</b>	<b>\$25,141</b>	<b>\$1,405</b>
<b>FY 2014-15</b>			
EarthCapades	\$53,380	\$1,980	
HET		\$9,066	\$319
Large Landscape Audit	\$92,521	\$1,332	
Lawn Be Gone		\$6,340	
WaterWise Ed. Kits	\$95,346	\$2,599	
Washing Machine Rebate	\$308,313	\$4,667	\$104
Watersense Giveaways	\$8,893		
Rain Barrel Rebate	\$22,164		
<b>Total</b>	<b>\$580,617</b>	<b>\$25,984</b>	<b>\$423</b>

**Appendix I: Historical Assessments**

Table I-1 displays the history of assessments and year-end reserves.

**Table I-1. Historical Annual Assessments and Year-End Reserves**

Fiscal year	Assessments	Year-End Reserves
2003-04	\$1,668,550	\$276,480
2004-05	\$1,641,995	\$246,882
2005-06	\$1,953,998	\$240,000
2006-07	\$2,117,904	\$654,000
2007-08	\$2,117,904	\$691,474
2008-09	\$2,309,000	\$507,474
2009-10	\$2,517,000	\$407,192
2010-11	\$2,517,000	\$653,763
2011-12	\$2,517,000	\$916,897
2012-13	\$2,517,000	\$985,897
2013-14	\$2,517,000	\$551,628
2014-15	\$2,642,653	\$225,461
2015-16	\$3,276,889	\$851,830 ( <i>estimated</i> )

**Appendix J: Value for the Cost**

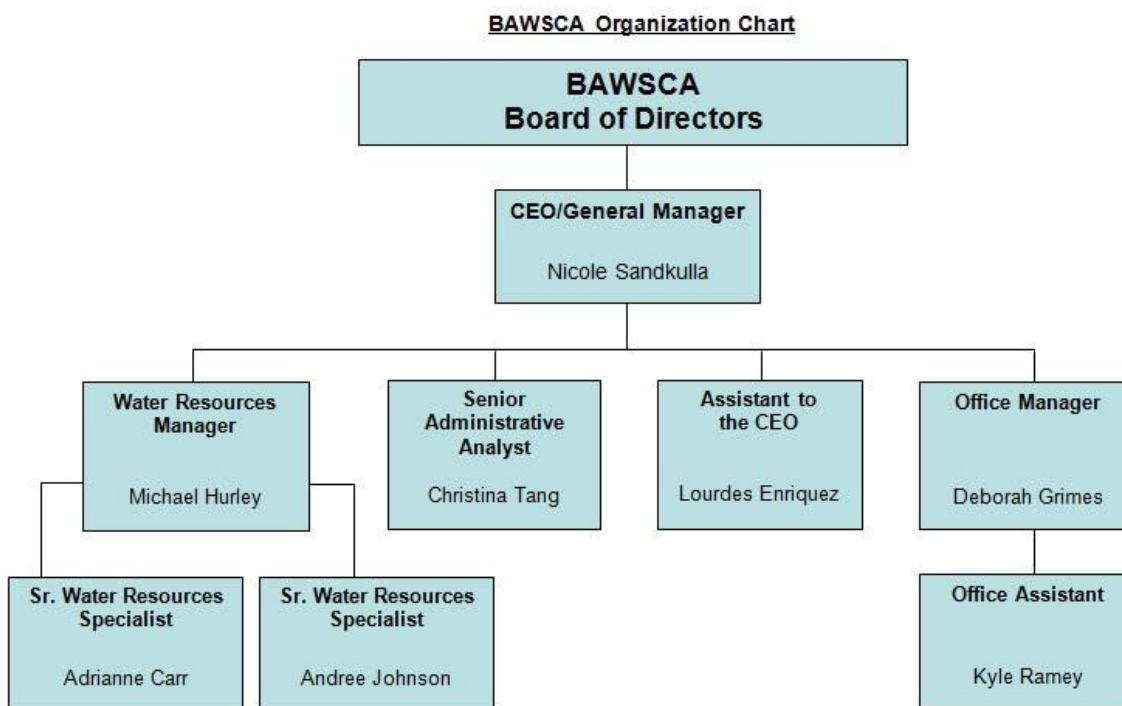
The formula for BAWSCA assessments results in equivalent cost per gallon throughout BAWSCA’s members. All BAWSCA costs are ultimately passed on to water customers through the water rates of the local city, district, or private utility. The current cost of BAWSCA’s Operating Budget to residential customers in the BAWSCA service area averages about \$5.51 per household per year. Table J-1 below provides the estimate annual cost per person and per household (assuming three persons per household) for BAWSCA’s Operating Budget.

**Table J-1. Historical Estimated Annual Cost of BAWSCA Operating Budget Per Service Area Household**

Fiscal year	Est. Annual Cost Per Person	Est. Annual Cost Per Household
2010-11	\$1.64	\$4.93
2011-12	\$1.53	\$4.60
2012-13	\$1.52	\$4.56
2013-14	\$1.82	\$5.47
2014-15	\$1.70	\$5.11
2015-16	\$1.84	\$5.51
2016-17	\$1.96 (preliminary)	\$5.88 (preliminary)

**Appendix K: Current Organization and Staffing**

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





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

**Meeting Schedule through July 2017**

<b>Schedule for BAWSCA Board Meetings (Meetings are held from approx. 7:00 – 9:00 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – March 17, 2016	Wind Room, Foster City Community Center
Thursday – May 19, 2016	Wind Room, Foster City Community Center
Thursday – July 21, 2016	Wind Room, Foster City Community Center
Thursday – September 15, 2016	Wind Room, Foster City Community Center
Thursday – November 17, 2016	Wind Room, Foster City Community Center
Thursday – January 19, 2017	Wind Room, Foster City Community Center
Thursday – March 16, 2017	Wind Room, Foster City Community Center
Thursday – May 18, 2017	Wind Room, Foster City Community Center

<b>Schedule for RFA Board Meetings (Meeting time will be announced)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday – July 21, 2016	Wind Room, Foster City Community Center
Thursday – January 19, 2017	Wind Room, Foster City Community Center
Thursday – July 20, 2017	Wind Room, Foster City Community Center

<b>Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)</b>	
<b><u>Date</u></b>	<b><u>Location</u></b>
Wednesday – April 13, 2016	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – June 8, 2016	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – August 10, 2016	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – October 12, 2016	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – December 14, 2016	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – February 8, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – April 12, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.
Wednesday – June 14, 2017	155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm.

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