



BOARD POLICY COMMITTEE

June 10, 2020

1:30 p.m.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT. MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

The following members of the BAWSCA Board Policy Committee are listed to permit them to appear telephonically at the BPC Meeting on June 10, 2020: Tom Chambers, Alison Cormack, Steve Jordan, Rob Kuta, Gustav Larsson, Al Mendall, Barbara Pierce, Sepi Wood, and Tom Zigterman.

Members of the public wanting to participate in the meeting may do so by:

Participating via Video Conference:

- Click on the link to Join the meeting, <https://us02web.zoom.us/j/82129634859>
- Meeting ID 821 2963 4859
- Password: 682180
- The web browser client will download automatically when you start or join your first Zoom meeting. It is also available for [manual download here](#).

OR,

Participating via Telephone:

- Dial **888 788 0099** US Toll-free US Toll-free
 - Meeting ID **821 2963 4859**
 - Password **682180**
- To Mute or UnMute, Press *6.
- To Raise Hand, Press *9.
- The Presentation will be available prior to the meeting at www.bawsca.org.

In the event of technical malfunction on Zoom, the meeting will be conducted via the Call-In #.



BOARD POLICY COMMITTEE

June 10, 2020
1:30 p.m.

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page#</u>
1. <u>Call To Order, and Roll Call</u> Roster of Committee Members (<i>Attachment</i>)	(Chambers)	<i>Pg 5</i>
2. <u>Comments by Chair</u>	(Chambers)	
3. <u>Public Comment</u> <i>Members of the public may address the committee on any issues not listed on the agenda that are within the purview of the committee. Comments on matters that are listed on the agenda may be made at the time the committee is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	(Chambers)	
4. <u>Consent Calendar</u> A. Approval of Minutes from the April 8, 2020 meeting (<i>Attachment</i>)	(Chambers)	<i>Pg 7</i>
5. <u>Action Calendar</u> A. Establishing a Policy Relating to Water Supply Agreement Balancing Account <u>Issue:</u> What prudent governance measure should be established by the Board to justify the allocation of the positive balance in the Balancing Account? <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> Approval of the recommended Board action.	(Sandkulla)	<i>Pg 19</i>
6. <u>Special Reports</u> A. Los Vaqueros Expansion Project (<i>Attachment</i>) <u>Issue:</u> What are the upcoming decisions regarding project participation that BAWSCA will need to make and when, and what information will be available to support that decision? <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> This item is for discussion purposes only; no action is request.	(Sandkulla)	<i>Pg 23</i>

7. Reports

(Sandkulla)

- A. Water Supply Conditions
- B. Bay Delta Plan
- C. SFPUC Budget and 10-year CIP – Update
- D. CEO Evaluation Procedure
- E. CEO’s Letter (*Attachment*)
- F. Board Policy Committee Calendar (*Attachment*)
- G. Correspondence Packet ([Under Separate Cover](#))

(Pierce)

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8. Closed Session

(Schutte)

- A. **Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 Federal Energy Regulatory Commission Final License Application Proceedings for Don Pedro Hydroelectric Project, P-2299-082, and La Grange Hydroelectric Project, P-14581-002.**
- B. **Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 State Water Board Cases (Sacramento County Superior Court Case No. 5013).**

9. Comments by Committee Members

(Chambers)

10. Adjournment to the Next Meeting

(Chambers)

Unless otherwise noticed:

August 12, 2020 at 1:30pm in the 1st Floor Conference room of the BAWSCA office building, at 155 Bovet Rd., San Mateo

Accessibility for Individuals with Disabilities

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE

2020 Committee Roster:

Thomas Chambers, Westborough Water District (Chair)

Alison Cormack, City of Palo Alto (Vice Chair)

Steve Jordan, Purissima Hills Water District

Rob Kuta, California Water Service Co.

Gustav Larsson, City of Sunnyvale (BAWSCA Vice Chair)

Al Mendall, City of Hayward

Barbara Pierce, City of Redwood City (BAWSCA Chair)

Sepi Wood, City of Brisbane

Tom Zigterman, Stanford University

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE

April 8, 2020 – 1:30 p.m.

Zoom Video Conference

DUE TO COVID-19, THIS MEETING WAS CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

MINUTES

1. **Call to Order:** Committee Chair, Tom Chambers, called the meeting to order at 1:30 pm. A list of Committee members who were present (9), absent (0) and other attendees is attached.

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

2. **Comments by Committee Chair:** Committee Chair Chambers welcomed members of the Committee and provided ground rules to best conduct the meeting virtually. He noted that all actions by the committee will be done by roll call vote.
3. **Public Comments:** Peter Drekmeier, representing Tuolumne River Trust, identified himself on the phone. He had no public comments.
4. **Consent Calendar:** Approval of Minutes from the February 12, 2020 meeting.

Director Cormack made a motion, seconded by Director Wood, that the minutes of the February 12, 2020 Board Policy Committee meeting be approved.

The motion carried unanimously by roll call vote.

5. **Action Calendar:**

- A. **Proposed Fiscal Year 2020-2021 Work Plan and Operating Budget:** Ms. Sandkulla reported that the proposed Fiscal Year 2020-21 Work Plan and Operating Budget is aligned with BAWSCA’s legislated authority and three goals of ensuring reliable, high-quality water supply at a fair price.

Ms. Sandkulla noted that the proposed work plan includes one minor change from the preliminary work plan that was presented to the Committee in April. The Summer 2020 internship has been removed because it is unclear whether an additional person can be added to staff in the Summer given the current COVID-19 crisis.

The proposed operating budget is \$4,130,679. It is 9.6% less than the adopted FY 2019-20 budget, with an estimated cost of \$2.26 per person.

The proposed work plan addresses critical issues identified between now and the year 2050, as discussed with the Board in January 2020.

Ms. Sandkulla presented an alternative work plan and operating budget in response to the COVID-19 crisis and its potential impacts on the economy. The alternative work plan and budget will continue to address critical issues but will defer or reduce three specific work plan areas. They include the deferral of the internship program to subsequent fiscal years, deferral or reduced efforts in the implementation of recommendations from BAWSCA's asset management audit of the San Francisco Regional Water System (SFRWS), and the deferral or reduced efforts in BAWSCA's coordination with SFPUC on development and implementation of a Regional Source Meter Testing Plan.

These work plan areas were identified as areas that can be reduced or deferred for several reasons. They are relatively new efforts and their deferral puts no direct negative impact on the member agencies, nor does it decrease the member agencies' expectations of the assistance BAWSCA provides on conservation, and completion of the demand study and of the urban water management plan. Particularly, for the work to implement the recommendations from the audit of SFPUC's asset management and the development of a Regional Meter Testing Plan, there are required actions that need to be coordinated with San Francisco. Given the COVID-19 crisis, the SFPUC will have similar operational and resource issues to address as a result of the pandemic. Where these efforts land on the SFPUC's priorities are unknown to BAWSCA, and further discussions with the SFPUC are needed for a final decision on specific tasks to be completed. However, it is anticipated that the SFPUC will need to defer some of this work as well.

The deferral of all three work areas provide an alternative work plan that reduces the overall operating budget by 110K. The proposed alternative operating budget is \$4,020,679, 12% less than the adopted FY 2019-20 budget with an estimated cost of \$2.20 per person.

Both proposed and alternative work plans include major areas of work that remain the same:

- BAWSCA's role in managing the 2009 Water Supply Agreement to protect the member agencies' financial and water supply interests;
- Administration of BAWSCA 2013 bonds;
- Oversight of SFPUC's WSIP, 10-year CIP, and Asset Management with regards to staff level work;
- Implementation of BAWSCA's Strategy, including Los Vaqueros Expansion (LVE) project studies, Potable Reuse studies, and Bay Area Regional Reliability (BARR) Partnership;
- Implementation of core and subscription conservation programs including 3-4 new programs; and
- Participation in the State Water Board Bay Delta Proceedings and FERC Proceedings to protect regional water supplies.

Both proposed and alternative work plans equally focus on the reliable supply of water, which has historically been the area of work in which staff and consultant time are placed. Ms. Sandkulla presented a side by side comparison of the work plans which shows a consistent distribution of focus among the areas of agency operations and the three goals; supply reliability, high quality, and fair price.

Both proposed and alternative work plans share similarities that provide an operating budget that:

- Is significantly reduced in consultant and direct expenses compared to FY 2019-20. The reductions, 27% in the proposed work plan and 32% in the alternative work plan, are due to decreased support needed from consultant and legal services for the work plan area of reliable supply, which in FY 2019-20, included funding for the Demand Study, BAWSCA's Pilot Water Transfer Plan, and cost share for the LVE studies;
- Has total Administrative Expenses increased by less than 5%;
- Fully funds the estimated OPEB Annual Required Contribution, as practiced in the past 6-8 years;
- Includes a budget allowance for COLA adjustment to top step salary, and merit increases for salary adjustment;
- Has a budget allowance for potential CEO merit increase, consistent with prior direction received from the Board; and
- Includes no allowance for Art Jensen, as anticipated.

Ms. Sandkulla presented the funding considerations that were developed based on BAWSCA's funding principles and the current General Reserve balance of \$1,137,877, which is 25% of the current operating budget and is within the 20%-35% budgetary guideline.

Ms. Sandkulla emphasized the importance of maintaining the General Reserve as funding resources are considered for next year's operating budget given the ongoing issues associated with the Bay Delta and Restore Hetch Hetchy legal challenges.

Ms. Sandkulla reported that review of the FY 2019-20 expenditures, following the shelter-in-place order due to COVID-19, identified savings from staff vacancy that will not be filled until June, and reduced conservation program costs due to cancelled landscape classes because of the pandemic. As a result, there are fewer expenditures than otherwise planned, and it is estimated that \$100K will be available to transfer to the General Reserve at the end of the fiscal year.

Four options to fund the proposed and alternative work plan and budget were presented for the Committee's consideration. Options 1, 2 and 3 included a 0%, 1%, and 3% assessment increase for the proposed work plan and operating budget. The options provide a projected general reserve balance of 19%, 20%, and 22%. Option 4 presented a 0% assessment increase for the alternative work plan and operating budget with a resulting projected general reserve balance of 22%.

The options require consideration of what assessment increase and general reserve balance the Board would like to have.

Ms. Sandkulla recommends the Committee's consideration of Options 1 and 4.

Option 1 funds the proposed work plan and operating budget and provides a 0% assessment increase, a transfer from the general reserve of \$444,900, and a general reserve balance of 19% of the operating budget, which is slightly below the budgetary guideline of 20%-35%.

Option 4 funds the alternative work plan and operating budget and provides a 0% assessment increase, a transfer from the general reserve of \$333,900, and a general reserve balance of 22%, which is within the 20%-35% budgetary guideline.

Both options 1 and 4 put BAWSCA in a good position to continue meeting its obligations to the member agencies while keeping a tight budget. Ms. Sandkulla stated that while she normally does not make a funding recommendation, she felt that it was important to endorse the work plan, operating budget, and funding plan that she believes is in the member agencies' best interests given the current situation.

Chair Chambers called upon each Committee member to capture their comments.

Vice Chair Cormack commended the CEO for developing an operating budget that provides a 0% increase in assessments. She stated that the reduction in the budget and in the cost per person is appropriate given the current situation. She supports option #4 based on principle #2; which is "Spend only what is needed to achieve results." She encourages the Committee and the Board to remain cognizant of potential changes in employment throughout the BAWSCA service area and any changes in salaries. While it is too early to make predictions, this budget allows for some space for what might need to be done later in the process.

The consensus of the comments that followed indicated the Committee's support for Option #4, the CEO's responsiveness to the current situation, and to remain mindful of budget spending for salary adjustments until further information on the impacts of COVID-19 is available. Committee members appreciated the CEO's and staff's work in developing the budget funding options, and provided the following additional comments.

Director Jordan stated that as we get to the other side of the pandemic, there will be an expectation from our Board that we have reduction in spending due to the changes in some programs.

Director Kuta asked if deferring the development of a Regional Source Meter Testing Plan under the alternative work plan presents an imminent regulatory violation, as far as conservation or water loss, if the development a Regional Source Meter Testing Plan is deferred under the alternative work plan.

Ms. Sandkulla stated that the Source Meter Testing effort was to put the BAWSCA agencies ahead of when those regulations could be impacting the member agencies, and to identify what can be addressed sooner rather than later.

Director Larsson appreciated the two budget options that offer a 0% increase in assessments. He noted the importance of keeping the assessments where they are

given the current climate, and in keeping the General Reserve within the target range. It is critical not to draw down the General Reserve too quickly because what lies ahead remains unknown.

Director Mendall noted that as a Hayward Council Member, he is already getting requests for reduction/deferment of water bills or some form of assistance during these difficult times. The duration and the severity of the situation is unknown and it is important to be conservative in our budgeting.

Director Pierce expressed her concerns about what the future holds, therefore preserving the General Reserve is essential. She is pleased that the CEO built in flexibility in the budget in case San Francisco is able to move forward with implementing the recommendations from the audit of its asset management, and in developing a water source meter testing plan.

Director Wood echoed Director Pierce about concerns with what the future holds. She was pleased that the options achieve results.

Director Zigterman commended the CEO's ability to demonstrate the mantra; "plan your work and work your plan."

There were no comments from members of the public.

In response to the clarifying questions and comments from Directors Kuta, Chambers, Pierce and Mendall, Ms. Sandkulla stated that it is important to present the complete analysis to the Board so they can understand the reasons behind the Committee's recommendation. Her intention was to present Options 1 and 4, and perhaps Options 2 and/or 3, along with the committee's recommendation.

Additionally, the Committee's comments on the merit increases can be reflected in the BPC meeting minutes, as well as added in the memo to the Board stating that the CEO's intent is to remain cognizant of merit increases until the impacts of COVID-19 is better known.

There were no further comments from Committee members or members of the public.

Director Wood made a motion, seconded by Director Mendall, that the Board Policy Committee recommend to the Board approval of Option 4: Alternative Work Plan and Alternative Operating Budget, as presented in the staff report, and to reflect Committee discussions on merit increases relative to COVID-19 in the staff report to the Board.

The motion carried unanimously by roll call vote.

- B. Review and Consideration of Check Signing Policy: Ms. Sandkulla reported that in 2006, a policy for signature authorities for both BAWSCA and BAWUA bank accounts was established. The Policy identifies two levels of signature authority. Checks less than \$2,500 require one authorized signature. Checks \$2,500 or more require two authorized signatures, one of which must be a Director. The authorized signers identified in the current policy are the CEO and the Senior Administrative

Analyst, the predecessor title to the Finance Manager; and Directors, which includes the Chair, Vice Chair and, for the sake of efficiency, 3 Directors from agencies closest to the BAWSCA office. Those agencies are Foster City, Millbrae, and Burlingame.

Because the CEO may not always be available to sign checks and, as highlighted by the current pandemic, due to potential difficulty in securing two signatures, one of which is of a Director, check payments can be unduly delayed. To avoid this, Resolution 2020-01 increases the single signature threshold from \$2,500 to \$5,000, and adds the Water Resources Manager to sign checks in absence of the CEO/General Manager. The resolution also corrects the title of the Sr. Administrative Analyst to Finance Manager. Checks \$5,000 and over will continue to require two signatures, one of which is that of a Director.

Chair Chambers called upon each Committee member to capture their questions and comments.

Committee members stated their support for the recommendation. In response to Committee member questions, Ms. Sandkulla provided the following information.

The number of checks between \$2,500 and \$5,000 is approximately 25% of the total. However, increasing the signature authority to more than \$5,000 was not advised by BAWSCA's auditor.

BAWSCA's check issuance is typically twice a month.

Director Kuta stated that he was going to ask if there was value in considering a higher amount than \$5K that would strictly require only the CEO and a Director's signature. But given that there are not a lot of large checks, he presents it as a thought rather than a question.

Ms. Sandkulla further added that the Finance Manager or the Water Resources Manager, not both, can sign checks in the absence of the CEO. Legal Counsel, Allison Schutte, added that the proposed resolution clearly states that condition.

There is no resolution that triggers when the Finance Manager or the Water Resource Manager can sign. Resolution 2020-01 speaks to the signature authority occurring when the CEO/General Manager is not available.

Ms. Sandkulla stated that in most cases, Christina Tang, BAWSCA's Finance Manager, signs checks in her absence because she and Tom Francis, Water Resources Manager, are often in off-site meetings. She added that upon taking the CEO/General Manager position in 2013, she self-instituted the check-signing by the CEO/General Manager only for a time period because she wanted to personally see what checks were going out. The addition of the Water Resources Manager is necessary to avoid a cumbersome process that is not helpful to the agency's operational efficiency.

There being no further comments from the Committee members or members of the public, Chair Chambers called for a motion.

Director Jordan made a motion, seconded by Director Pierce, that the Committee recommend Board approval of:

- a. Rescinding Resolution #2006-01 that specifies what individuals are authorized to sign checks;**
- b. Adopting a replacement Resolution #2020-01 that increases the single signature threshold for signing checks from \$2,500 to \$5,000 and adds the authority for the BAWSCA Finance Manager and Water Resources manager to sign checks in the absence of the CEO/General Manager.**

The motion passed unanimously by roll call vote.

- C. Ratification of Agreement with Droplet Technologies to Implement a Landscape Rebate Online System: Ms. Sandkulla reminded the Committee that at its February 12th meeting, it acted to recommend Board authorization of the CEO/General Manager to negotiate and execute an agreement with a selected consultant, subject to Legal review, to implement the Landscape Rebate Online System.

Through a competitive procurement process, Droplet Technologies was selected to implement the program based on the unanimous recommendation of the selection panel BAWSCA worked with. Board action on the contract approval was planned for the March Board meeting, which was cancelled due to COVID-19.

Because the contract amount was within the CEO/General Manager's signature authority, Ms. Sandkulla reported that she signed the agreement to move it forward in order for the program to start in July, in time for the irrigation season. She noted that the costs were unknown at the time of the February 12th BPC meeting since the Request for Proposals were in progress. She was pleased to report that Droplet Technologies' proposal came in at a competitive price.

Legal counsel advised that the Board ratify the agreement at the May meeting. The item is being brought to the BPC to allow conversation at the Committee level, and help ease the May Board agenda, which will most likely be via teleconference.

The contract is for the amount of \$1,500 for the system development and implementation in FY 2019-20. A monthly amount of \$1,200 for licensing and support for BAWSCA will begin in FY 2020-21. The monthly costs will be paid for by the participating member agencies in this subscription conservation program.

Chair Chambers called upon each Committee member to capture their questions and comments.

The Committee was supportive of the recommended action. In response to Committee member questions, Ms. Sandkulla provided the following information.

The initial cost of setting up the system will be funded from BAWSCA's operating budget, and the monthly subscription cost will be funded by participating agencies.

Droplet Technologies is a Southern California based company and is not believed to be a diversifier.

Ms. Sandkulla added that it is important for the Board to take a role in the programs offered to the member agencies, and while the contract is within the CEO/General Manager's signature Authority, it will be presented to the Board in May as part of the consent calendar items.

With no further comments from the Committee members or members of the public, Chair Chambers called for a motion.

Director Cormack made a motion, seconded by Director Pierce, that the Board ratify the following actions by the CEO/General Manager:

- **Execution of the agreement with Droplet Technologies to implement a Landscape Rebate Online System; and**
- **Offer participation in the Program to interested BAWSCA agencies on a subscription basis.**

The motion carried unanimously by roll call vote.

6. Reports:

- A. Regional Water System Operation during COVID-19 Order: Ms. Sandkulla reported that the San Francisco Regional Water System continues to provide a safe and reliable water supply during the COVID-19 emergency situation. This has been SFPUC's top priority from the very beginning. BAWSCA maintains close coordination with the SFPUC and regularly receives updates.

Ms. Sandkulla presented excerpts from SFPUC's communication which states that; "...the Regional Water System is fully functional..." and does "...not anticipate any disruption to water deliveries." "...rigorous water disinfection processes ensure that your tap water is safe from viruses including COVID-19." The SFPUC "...plan for emergencies to ensure that enough staff members report for duty to keep the water flowing. In other words, COVID-19 has no impact on the quality and supply of San Francisco's tap water."

Ms. Sandkulla noted that the leadership shown by General Manager Harlan Kelly and Assistant General Manager Steve Ritchie, and everyone at the SFPUC has been extraordinary during this time of unprecedented crisis. They have modified their working arrangement in a way that allows them to perform their critical work and ensure a continued reliable supply of water necessary for our member agencies and the communities they serve.

Director Zigterman appreciated the SFPUC's communications, which Stanford immediately posted on the website for their service area's reference about the safety and reliability of the water supply despite the pandemic.

On behalf of CalWater, Director Kuta asked the CEO/General Manager to pass his appreciation for the SFPUC's outstanding job in their communication with their customers on their operating plans and in keeping the health and safety of their water customers a priority. The SFPUC is a front-runner in their efforts during this emergency situation.

- B. Water Supply Conditions: Water use in the BAWSCA region through February 2020 is 7% less than the pre-drought month of February 2013. Water use between the months of January and February 2020 has a slight increase due to the dry conditions in February.

To date, the weekly data for March shows significant water use reductions as the shelter-in-place order tapers down business, industry and commercial use. March data is anticipated to look atypical. BAWSCA is working with the SFPUC in monitoring this closely for the member agencies who are forecasting rates for next year.

Ms. Sandkulla presented the Board Policy Calendar through October and stated that she anticipates an August BPC meeting, which in past have been cancelled. The schedule will be fluid as things develop and adapt to the pandemic.

7. Comments by Committee Members:

Director Kuta asked the CEO to expand on the SFPUC's request for an 18-month extension of the WSIP and the impacts the extension has on the member agencies and their customers.

Ms. Sandkulla explained that the extension is driven by the resolution of the Alameda Creek Recapture Project (ACRP), which is one of the water supply projects in the WSIP. In this project, San Francisco proposes to recapture water that they release out of Calaveras, for the permit requirements for the Calaveras Dam project, and recapture it downstream of the spawning reach. The environmental document was contested and needed to be recirculated; therefore, the project needed to be reevaluated. That process resulted in the extension of the project. The SFPUC was waiting for the environmental review process and certification process to be completed before a new schedule was developed. The new schedule is now incorporated into the extension.

Ms. Sandkulla stated that the ACRP has been one of the two very difficult projects in the WSIP that assist in meeting the water supply level of service goal. The other project is the Regional Groundwater Storage and Recovery Project (RGSRP). Both projects are critical but have issues that must be resolved so they can be implemented. While the project delay that has been experienced has not been satisfactory, it has provided some useful developments that will make the project more viable. If the issues are left unresolved, those issues will ultimately need to be resolved, possibly through legal action. The extension to address the issues are appropriate, and the goal is to get the SFPUC committed to a schedule and deliver on that schedule.

In response to Director Pierce's question on the current water use data, Ms. Sandkulla stated that water use appears to have significantly decreased as the crisis has developed. The water use trend during the shelter in place will vary by community depending on their makeup. Communities with larger residential properties may see an increase while metropolitan areas like San Francisco have already seen their water use plummet as businesses and industries shut down. As a region, the significant reductions in commercial use far and away overwhelm what are the increases in residential side, and she anticipates this trend to continue moving forward.

Director Pierce expressed her concerns with the implications on the member agencies when SFPUC's water enterprise revenues go down. She anticipates BAWSCA to be in communication with the SFPUC as the situation develops.

Director Jordan asked if there is a schedule for when the maintenance and capacity study for the South Bay Aqueduct (SBA) will be completed.

Ms. Sandkulla explained that the Department of Water Resources (DWR) has initiated a study for the condition assessment of SBA. This study is DWR's first step in addressing SBA reliability. This assessment, however, does not look at expansion of SBA. BAWSCA has raised this question and is meeting with LVE agency partners to discuss concerns with SBA. Ms. Sandkulla stated that the initiation of the study is progress, but there are outstanding issues that the State is currently addressing.

Director Jordan commented that it seems logical for BAWSCA to not move forward until the issues with SBA are resolved, not so much the capacity, but its reliability.

Ms. Sandkulla agreed and stated that the SBA has experienced system failures, even this year, and it is known to be susceptible to failure. She has made it clear with CCWD that the SBA is one of BAWSCA's primary concerns and is critical to BAWSCA's involvement in LVE. BAWSCA will not commit to participating unless issues with the SBA are resolved.

In response to Directors Wood and Mendall, Ms. Sandkulla reported that communications BAWSCA receive from the SFPUC are shared with the appointed Water Management Representatives so they can keep their agencies and water customers informed about the continued safety and reliability of the region's water supply during the pandemic.

There being no further comments from the Committee members or members of the public, Chair Chambers called for a motion to adjourn.

Director Pierce made a motion, seconded by Director Wood, that the meeting of the Board Policy Committee be adjourned.

The motion carried unanimously.

8. **Adjournment:** The meeting was adjourned at 2:55 pm. The next meeting is June 10, 2020.

Respectfully submitted,

Nicole Sandkulla, CEO/General Manager

NS/le

Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 8, 2020	Feb. 12, 2020	Dec. 11, 2019	Oct. 9, 2019	Aug. 14, 2019	Jun. 12, 2019
Westborough	Chambers, Tom (Chair)	✓	✓	✓	✓	M T G C A N C E L L E D	✓
Palo Alto	Cormack, Alison (V Chair)	✓	✓	✓	✓		✓
Purissima	Jordan, Steve	✓	✓	n/a	n/a		n/a
Cal Water	Kuta, Rob	✓	✓	✓	✓		✓
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓		✓
Hayward	Mendall, Al	✓	✓	✓	✓		✓
Redwood City	Pierce, Barbara	✓	✓	✓	✓		✓
Brisbane	Wood, Sepi	✓	✓	✓			✓
Stanford	Zigterman, Tom	✓	✓	✓	✓		

✓: present

☎ : Teleconference

April 8, 2020 Meeting Attendance (Via Zoom in compliance with Gov. Order #29-20 due to COVID-19)

BAWSCA Staff:

Nicole Sandkulla	CEO/General Manager
Tom Francis	Water Resources Manager
Andree Johnson	Sr. Water Resources Specialist
Negin Ashoori	Water Resources Engineer
Christina Tang	Finance Manager
Lourdes Enriquez	Assistant to the CEO/General Manager
Deborah Grimes	Office Manager
Christiane Barth	Office Assistant
Allison Schutte	Legal Counsel, Hanson Bridgett, LLP
Nathan Metcalf	Legal Counsel, Hanson Bridgett, LLP
Bud Wendell	Strategic Communications

Public Attendees:

Peter Drekmeier	Tuolumne River Trust
Michelle Novotny	SFPUC

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Establishing a Policy Relating to Water Supply Agreement Balancing Account**

Summary:

This staff memo was previously provided to the Committee as part of the Supplemental Packet to the April 8, 2020 BPC meeting. This action item was deferred in the interest of effectively conducting the Committee's first video conference meeting.

Pursuant to Section 6.05.B.1 of the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (WSA), at the close of each fiscal year, the difference between the amount billed to the Wholesale Customers for that fiscal year and the actual Wholesale Revenue Requirement (WRR) for that fiscal year is charged to, or credited to, the Balancing Account, as appropriate. The WSA provides that if the Balancing Account maintains a positive balance for three successive years and represents 10 percent or more of the WRR for the most recent fiscal year, the Board may direct the San Francisco Public Utilities Commission (SFPUC) to apply the positive balance to one or more of the purposes set forth in Section 6.05.B.2.a of the WSA.

The Balancing Account serves a critical rate stabilization role for the wholesale water rates charged by SFPUC to the Wholesale Customers. In the absence of a direction from BAWSCA, the SFPUC will continue to retain the balance for rate stabilization. In the event that BAWSCA chooses to direct application of a positive balance in the Balancing Account, it is a prudent governance measure to require the Board to make written findings justifying the allocation of the positive balance.

The attached Resolution No. 2020-02 has been prepared by legal counsel for consideration by the Board setting forth a policy that would guide any future action by the Board in justifying the allocation of the positive balance in the Balancing Account.

Fiscal Impact:

This item has no impact on BAWSCA's annual operating budget.

Recommendation:

That the Committee recommend Board approval of Resolution No. 2020-02 establishing a Balancing Account policy.

Discussion:

Legal counsel has prepared the attached Resolution No. 2020-02 which requires the Board to make written findings justifying the allocation of the positive balance consistent with the considerations set forth in the WSA.

Background:

At the end of each Fiscal Year, SFPUC computes the actual costs attributable to the Wholesale Customers as the amount of the WRR, based on actual costs to operate the Regional Water System and actual amounts of water used by the Wholesale and Retail Customers. If there is a difference between the WRR and the actual amounts billed to the Wholesale Customers, the difference, positive or negative, is posted to the Balancing Account. The Balancing Account represents excess (or deficient) Wholesale Customer rate revenue received by SFPUC and is not segregated by Wholesale Customer. Although the Balancing Account is currently positive, it was negative seven out of nine years from 2002 through 2011.

Under Section 6.05.B.2.a of the WSA, a positive balance in the Balancing Account, which represents 10% or more of the WRR for the most recent fiscal year and is maintained for three successive years, may be used for the Wholesale Customer's preferred application of the balance, exercised through BAWSCA, for six purposes: "(a) transfer to the Wholesale Revenue Coverage Reserve, (b) amortization of any remaining negative balance from the ending Balancing Account under the 1984 Agreement, (c) prepayment of the existing asset balance under Section 5.03, (d) water conservation or water supply projects administered by or through BAWSCA, (e) immediate reduction of wholesale rates, or (f) continued retention for future rate stabilization purposes." As a note, item (b) above is no longer applicable since the 1984 Balancing Account has been zeroed out and (c) above is only partially applicable since the unpaid principal relating to the net book value of regional assets completed and included in Construction-Work-In-Progress (CWIP) as of June 30, 2009 was paid through the 2013 BAWSCA bond issue.¹

On July 1, 2019, BAWSCA requested the SFPUC to transfer \$805,000 from the Balancing Account to BAWSCA as the funding source for the Los Vaqueros Expansion Project Study and the completion of the Regional Water Demand and Conservation Projections Study included in the BAWSCA FY 2019-20 Operating Budget approved by the Board on May 16, 2019. That action represented the first time BAWSCA directed the transfer of a positive balance in the Balancing Account per the WSA. At that time, the Board requested that a policy be brought forth in the future for Board consideration related to the Balancing Account.

Attachment:

1. Resolution No. 2020-02

¹ There remains unpaid principal relating to the assets described in WSA Section 5.03C (projects paid from the SFPUC revenue-funded appropriations made prior to July 1, 2009 but completed after July 1, 2009). As of June 30, 2020, the remaining unpaid principal balance will be \$4,278,518. The annual payments of \$1,159,259, with Water and HHWP combined, will be made as part of the WRR from FY 2020-21 through 2023-24 to pay the remaining balance with interest at 4%. The balances and scheduled payments are shown on Schedule K-5 of the amended WSA. All or a portion of the unpaid balance may be prepaid by the Wholesale Customers per Section 5.03C.

BAY AREA WATER SUPPLY & CONSERVATION AGENCY

RESOLUTION NO. 2020-02

ESTABLISHING A BALANCING ACCOUNT POLICY

WHEREAS, pursuant to Section 6.05.B.1 of the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (WSA), at the close of each fiscal year, the difference between the amount billed to the Wholesale Customers for that fiscal year and the actual Wholesale Revenue Requirement for that fiscal year is charged to, or credited to, the Balancing Account, as appropriate; and

WHEREAS, if the Balancing Account maintains a positive balance for three successive years and represents 10 percent or more of the Wholesale Revenue Requirement for the most recent fiscal year, the Board of Directors of the Bay Area Water Supply and Conservation Agency (Agency) may direct the San Francisco Public Utilities Commission (SFPUC) to apply the positive balance to one or more of the purposes set forth in Section 6.05.B.2.a of the WSA; and

WHEREAS, Section 6.05.B.2.a provides the following purposes to which a positive balance may be applied: "(a) transfer to the Wholesale Revenue Coverage Reserve, (b) amortization of any remaining negative balance from the ending balancing account under the 1984 Agreement, (c) prepayment of the existing asset balance under Section 5.03, (d) water conservation or water supply projects administered by or through BAWSCA, (e) immediate reduction of wholesale rates, or (f) continued retention for future rate stabilization purposes"; and

WHEREAS, in the absence of a direction from the Agency, the SFPUC will continue to retain the balance for rate stabilization; and

WHEREAS, in the event the Agency chooses to direct application of a positive balance in the Balancing Account, it is a prudent governance measure to require the Board of Directors to make written findings justifying the allocation of the positive balance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Water Supply and Conservation Agency as follows:

1. In advance of taking action to apply all or a portion of the positive balance of the Balancing Account in accordance with Section 6.05.B.2.a of the WSA, the Board of Directors must adopt findings to support such action.
2. The Board must make written findings that reasonably demonstrate that applying all or a portion of the positive balance to the selected purpose(s) is in the best interests of the Wholesale Customers and the ultimate water customers taking into consideration the following considerations set forth in the WSA:

- a) Projected annual Wholesale Rates for the next five fiscal years;
- b) Wholesale Revenue Coverage Reserve;
- c) Existing unpaid asset balance(s) under Section 5.03 of the WSA;
- d) Funding requirements and sources for water conservation or water supply projects administered by the Agency; and
- e) Any other factor(s) the Board of Directors determines compels application of all or part of the positive balance to a purpose specified in 6.05.B.2.a of the WSA.

3. The findings must be writing, address consideration of the factors stated above, and be adopted by the Board of Directors at a regular meeting.

PASSED AND ADOPTED, this ____ day of _____ 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Board of Directors

ATTEST:

Secretary

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: Los Vaqueros Reservoir Expansion (LVE) – Upcoming Participation Decision Including Cost Considerations

Summary:

For several years BAWSCA, along with Contra Costa Water District (CCWD) and seven other partner agencies, have been participating in work related to the Los Vaqueros Reservoir Expansion (LVE). The LVE project includes expanding the storage capacity of an existing surface water reservoir, construction of new facilities, and upgrades to existing water infrastructure.

BAWSCA is evaluating LVE as a means to provide up to 10,000 acre-feet per year of supply in dry years that would be in addition to what is provided via the San Francisco Regional Water System and thus would reduce drought cutbacks to the member agencies as identified in BAWSCA's Long-Term Reliable Water Supply Strategy implementation. Separately, the SFPUC is evaluating the project's ability to provide dry year supplies to meet its 184 mgd Supply Assurance obligation to the Wholesale Customers with two sets of scenarios currently under evaluation: 20,000 acre-feet and 40,000 acre-feet of storage with 10,000 acre-feet and 20,000 acre-feet in dry year deliveries over 1-2 years.

The current schedule requires BAWSCA to decide by the end of September 2020 if it wants to continue participation in the next phase of LVE. That decision will be based on the best available information at hand. The total cost associated with this action for all LVE partners is currently estimated at \$6.8 million. The cost split among the partner agencies remains to be determined. However, simple math implies that the cost will be over \$500k per partner agency and perhaps as much as \$1.5M, depending on how the costs are split. There will be provisions that allow BAWSCA and other partner agencies to withdraw at any time, and associated relief for outstanding costs at certain key points.

BAWSCA's ability to access water supply from LVE, requires that it move through another separate facility, the South Bay Aqueduct (SBA), which is owned and operated by the California Department of Water Resources. There are uncertainties at this time regarding the capacity and reliability of the SBA at this time and it remains unclear when this issue may be resolved.

This memorandum provides the current available information related to SBA, the anticipated decision including the funding request, schedule for decision, and when critical information regarding the cost and reliability of the project (from a yield and conveyance of water perspective) is likely to be available to support a decision by the Board.

Recommended Action:

This item is for information and discussion purposes only. No action is requested at this time.

Discussion:

LVE is being led by the Reservoir's owner and operator, CCWD. Aside from CCWD and BAWSCA, the other current partner agencies are East Bay Municipal Utility District, Grasslands

Water District, San Francisco Public Utilities Commission, San Luis Delta Mendota Water Authority, Santa Clara Valley Water Agency, and Zone 7 Water Agency.

In FY 2018-19 thru FY 2019-20, BAWSCA's cost share in LVE work was \$354,129. Prior to 2018, BAWSCA was a participant with its cost share funded through the Water Supply Agreement with SFPUC and the Wholesale Revenue Requirement. The project's design and construction cost is estimated to be slightly less than \$1B.

Significant funding has been secured from the State and Federal government to support project development. The work effort to date has consisted of planning, preparation of environmental documents, development of a project governance concept, and some engineering. To date, the cost of participation in LVE has been modest given state and federal funding used to offset costs to partners, ability to share costs among other eight partner agencies, and that project planning and environmental review costs are a fraction of design and construction costs. However, as the project advances, costs to develop the project are rising. While state and federal monies carry a good share of that cost burden, the remaining share is still significant, beginning with the next decision point to participate.

CCWD and the partners plan on having a Joint Powers Authority (JPA) in place by mid-2021 and it will take on the debt burden of constructing LVE and ongoing operational costs once the project is completed. Until that time, additional dollars are needed as the engineering design stage ramps up. Future costs of participating for BAWSCA will be large as compared with prior years.

LVE Multi-Party Agreement and Short-term Financial Considerations

The current LVE Multi-Party Agreement (MPA) between CCWD and the partner agencies will expire on June 30, 2020. An amendment to the MPA is necessary to fund continued work on LVE through formation of the JPA and preparation of service agreements to support the financing of the project, which are not anticipated to be in place until summer 2021 at the earliest.

In the spring of 2020, it was clear that COVID-19 was going to limit the ability for the partner agencies to have the necessary policy level discussion and action on the MPA and further LVE funding by June 2020. With the partner agencies' input and agreement, CCWD is moving forward with two separate amendments to the MPA.

MPA Amendment #1 extends the existing agreement through December 31, 2020 with no other changes to the agreement terms and no additional cost share. This amendment's purpose is to keep the MPA active while allowing for additional time for the partner agencies to reach consensus on a second Amendment. BAWSCA intends to execute Amendment #1 by the end of June 2020 under the CEO's authority and subject to legal counsel approval.

MPA Amendment #2, which is still being drafted, is intended to extend the MPA through December 31, 2021. It will include a revised scope of work and require an additional cost-share. Amendment #2 would fund work activities such as: JPA formation; preparation of service agreements; substantial progress and permits and agreements necessary to secure full funding from the California Water Commission (CWC); progress on resolving the SBA conveyance issues (described below) and other issues identified by partner agencies; preliminary design on early implementation; and other critical path items as required. The total cost for Amendment #2 work efforts is currently estimated at \$6.8 million.

The cost split among the partner agencies remains to be determined. However, simple math implies that the cost will be \$850k per partner agency and perhaps as much as \$1.5M, depending on how the costs are split. To date, costs have been shared equally, however there is some discussion of splitting the costs based on how much storage reserved in LVE or the projected frequency of facility use by a particular party.

CCWD has requested that partner agencies take action on MPA Amendment #2 by end of September 2020. To address the fact that these are large dollar requests, CCWD proposes to ask for the monies in four stages: September 2020, November 2020, February 2021, and July 2021. The proposed dollar amount and timing of each funding call will be detailed in MPA Amendment #2. There will also be provisions that allow BAWSCA and other partner agencies to withdraw at any time, and if a decision to withdraw is made prior to any one of the funding calls, those future funding calls would not need to be covered.

Therefore, the BAWSCA Board will have to make a significant participation decision in September of 2020, one that commits BAWSCA to its financial share in the LVE work effort through to the JPA formation stage.

South Bay Aqueduct Reliability Considerations

When LVE was contemplated, the project operations assumed that a subset of the partner agencies – SFPUC and BAWSCA - would take delivery of supplies from LVE through the State of California's SBA. To enable this, a new Byron-Bethany Pipeline would be constructed as part of LVE that would link the reservoir to the starting point of the SBA. The SBA conveys water from the Sacramento-San Joaquin Delta through the Livermore Valley to its end in eastern San Jose, 5 miles from downtown San Jose. Constructed in 1962, the SBA allows Alameda County Water District (ACWD), Zone 7 Water Agency (Zone 7), and Santa Clara Valley Water District (Valley Water) to take delivery of water they have contracts for through the State Water Project (SWP). Those three agencies are often collectively termed the "SBA Contractors". The California's Department of Water Resources (DWR) is responsible for the operation and maintenance of the SBA. To date, CCWD has assumed that BAWSCA and the SFPUC would enter into a separate agreement with DWR and the SBA Contractors regarding the use of the SBA.

The SBA serves as a vital water supply feature for the SBA Contractors. Although it is vital, the condition of the SBA has deteriorated over time. Significant work is needed to repair the SBA, and the scale and cost of that work remains uncertain. In addition, the SBA has capacity limitations. While that capacity can meet the current supply needs of the SBA Partners, it is uncertain if it can meet both the future needs of those agencies coupled with the projected increased use that would result by allowing SFPUC and BAWSCA access to deliver LVE supplies as needed. The timing of when capacity is available is also important given its role in water supply operations for the SBA Contractors. Taken together, it is not a simple answer to determine if there is capacity available in the SBA. Engineering and geotechnical studies need to be performed to determine the condition of the SBA and hydraulic analyses need to be performed to determine if and when capacity would be available, and further, how much capacity would be available. In addition, the differing role of DWR as the owner/operator of the facility and the SBA Contractors as the sole users at this time adds increased complexity.

BAWSCA has shared with CCWD and the other partner agencies that SBA access is a critical issue that must be resolved before BAWSCA can consider significant additional investments in the LVE Project. BAWSCA has requested that CCWD consider a funding approach that limits expenditures for BAWSCA until the question of whether BAWSCA would be able to use the SBA for conveyance of LVE Project water is sufficiently answered. CCWD and the SBA

contractors are taking steps toward resolving this issue through meetings with DWR and initiation of a series of technical studies.

To provide needed information to BAWSCA and the SFPUC regarding the SBA condition, DWR has agreed to perform a SBA Condition Assessment Study and begin the work to repair and improve the SBA. DWR initiated the condition assessment in March 2020, with regularly scheduled meetings between DWR and SBA contractors to receive updates. That study is not scheduled to be completed until September of 2021. It is unclear if preliminary information will be made available from that study prior to the Board's decision, currently scheduled for September 17, 2020.

On a parallel front, Valley Water, on behalf of the SBA contractors, has initiated a SBA Capacity Study. That study commenced in March 2020 with a 4-month schedule to complete. Unfortunately, due to COVID-19 interruptions, it is possible the study has experienced delays. Even if the study is completed prior to the September 17, 2020 Board meeting, and assuming there is a need to make a decision relative to Amendment #2, there may not be definitive information regarding access to the SBA capacity at that time.

Long-term Financial Considerations

Assuming that issues regarding the SBA's use and reliability can be addressed, and that information becomes available for the Board as it considers the upcoming continuing funding decisions, there remains uncertainty related to the long-term cost of participating in LVE. Specifically, the full cost of water (in \$ per Acre Foot (AF)) from LVE will not be known with certainty until it is clear how water would be delivered, conveyed and treated.

Presently, BAWSCA has only received ball-park financial information from CCWD as to what the possible cost of water will be from LVE, and even those ball-park costs are incomplete at this time. For example, they do not consider the cost that BAWSCA would be charged to use the SBA or the cost of treatment and wheeling of this supply by either SFPUC, ACWD, or Valley Water. Potential in lieu water transfers may prove to be the mechanism to take delivery of supplies from LVE. The feasibility (and associated costs) of in lieu transfers would need to be determined once further technical details about the SBA, its current condition and needed investments, are more fully understood. While the options for taking delivery may be many, most all that can be conceptualized require access to the SBA and the willingness of one or more partner agency(s) to work with BAWSCA.

BAWSCA staff estimate that those discussions as detailed above will not move forward until 2021 at the earliest, since they all rest on SBA access and the willingness of the SBA Contractors to enter serious discussions on this issue. Therefore, the long-term financial cost of LVE supplies will not be available in time for any Board decision in calendar year 2020.

In Closing

This memorandum serves to inform the BAWSCA Board well in advance of the significant decision forthcoming this fall as it relates to continued participation in LVE, in the form of a request to approve Amendment #2 to the MOU that funds work on LVE. Several key project meetings in the next two months will provide greater detail and will include the results of ongoing technical studies.

In July, the Board will be provided a detailed presentation on LVE including information from the ongoing technical studies and further detail regarding overall LVE cost and water supply benefits to BAWSCA.

BAWSCA staff have continued to press the other LVE partners to provide BAWSCA (and SFPUC) with the needed assurances that access to the SBA is possible. The SBA contractors have indicated to BAWSCA some information will be provided in terms of the condition of the SBA and how much capacity is available by end of 2020. However, that information will be limited at the time of the Board's decision point in September.

Continued participation by BAWSCA in LVE will come at a financial cost that is greater than what was requested in the past. That cost, while asked for in stages, is significant, and will require that BAWSCA seek funds from outside the current budget (as opposed to simply moving funds around in the approved budget). Specifically, to cover these costs, BAWSCA will require either a special assessment to member agencies, special Water Management Charge on the BAWSCA agencies collected via the SFPUC water bills, or use of available funds from the Water Supply Agreement Balancing Account.

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BAWSCA

Bay Area Water Supply & Conservation Agency

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MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Nicole Sandkulla, CEO/General Manager
DATE: June 5, 2020
SUBJECT: Chief Executive Officer/General Manager's Letter

Audit of SFPUC's Asset Management:

At the start of FY 2019-20, BAWSCA retained West Yost Associates (West Yost) to evaluate and audit the processes, systems, and tools used to support asset management efforts at the San Francisco Public Utilities Commission (SFPUC) for two of its divisions: (1) The Hetch Hetchy Water and Power (HHWP) Division, responsible for operating the Hetch Hetchy system; and the Water Supply and Treatment (WST) Division, responsible for operating the Regional Water System. West Yost performed the audit from July 2019 through to March 2019. A draft report was shared with the SFPUC for their review and comment.

The Report documents West Yost's audit criteria, assessment scoring methodology, data reviewed, staff interviews, and evaluation performed to form an opinion regarding the current state of the SFPUC asset management program. Based on a review of data and documents provided by WST and HHWP, West Yost found that SFPUC embraced the basic principles of asset management within its WST and HHWP Divisions. Guiding policy and direction existed at the management level but WST and HHWP are at different levels of implementation and, in some areas, are not consistent in their implementation of certain principles. The Report provides specific recommendations for BAWSCA for future tasks related to the oversight of assessment management by the SFPUC. Some recommendations are suggested over the short term (next 5 years), others are more long-term efforts that can be contemplated as SFPUC continues to improve and advance its asset management efforts.

The Report is in the final stages of production and will be shared with the BAWSCA Board as part of the July Board meeting materials.

Demand Study:

The Regional Water Demand and Conservation Savings Projections Study (Demand Study) is on track and near completion, with the final report due to be released at the end of June 2020. Work that was completed from March 2020 through May 2020 included the completion of TM-3, which detailed (1) pre-conservation demand projections through 2045 for each BAWSCA agency and (2) conservation measure options that agencies could adopt to reduce demand (that were to be evaluated by the demand estimation model). In addition, a stakeholder workshop was conducted in late March to obtain feedback from outside organizations on conservation measure options. Stakeholder feedback has been incorporated into the report being prepared documenting the results of the Study.

The Draft Final Study is currently under review by BAWSCA and the member agencies with a goal of finalizing the Study by the end of June 2020. In conjunction with the release of the Final Study, BAWSCA will host a workshop, via Zoom, for member agency staff where further details and instructions regarding how to operate the demand models prepared for each agency will be shared.

Hetch Hetchy Tour – Update:

Due to COVID-19 concerns, and in an abundance of caution, the San Francisco Public Utilities Commission made the decision to cancel any tour proposed of the Hetch Hetchy system for Calendar Year 2020. Hence the tour proposed for BAWSCA's Board Members and agency key staff, which would have taken place on June 17th and 18th will not take place. Rescheduling the tour for later in 2020 is no longer a possibility. It is everyone's hope that the COVID-19 crisis will be abated with the advent of treatment options coupled with a vaccine such that tours of Hetch Hetchy can resume in 2021.

BAWSCA New Staff Members:

BAWSCA has recently hired two new staff members to fill the vacancies resulting from the departure of Adrienne Carr in December and Andree Johnson in June.

Kyle Ramey started with BAWSCA on Monday, June 1st. Kyle will serve in a Water Resources Specialist role. Kyle has a Bachelor of Arts in Conservation Studies from San Francisco State University and has worked in the water conservation field since 2013. Most recently Kyle served as a Conservation Coordinator for California Water Company (Cal Water). While at Cal Water, he helped implement and evaluate their district conservation programs and made recommendations for improvements. Kyle is a familiar face to BAWSCA, as he worked as a Water Conservation Representative for the agency from 2015-17.

Danielle McPherson will start with BAWSCA on June 16th. Danielle will serve in a Senior Water Resources Specialist role. Danielle graduated from the University of San Francisco with a Master of Science in Environmental Management and a concentration in Water Resource Management. Most recently, Danielle worked for a Bay Area non-profit, WaterNow Alliance, as a Water Resources Specialist. In that role, she served as project lead and worked directly with cities and water agencies to design and implement sustainable water programs, including but not limited to conservation programs, education programs, and ordinances. Prior to that, she worked for Ross Valley Sanitary District serving as a Capital Asset Analyst, designing pilot studies to test innovative approaches to long standing challenges associated with wastewater treatment, reuse and disposal. Danielle was selected in 2019 as a Water Leader and took part in the program administered by the Water Education Foundation.

Board Policy Committee Policy Calendar Through October 2020

Meeting Date	Purpose	Issue or Topic
June 2020	D&A	Consideration of Policy Related to Use of Water Supply Agreement Balancing Account
	R&D	Los Vaqueros Expansion Project and Potential BAWSCA Participation
August 2020	D&A	Consideration of Action to Extend Current Tier 2 Drought Plan
	R&D	Discussion on CEO Evaluation Procedure
	R&D	OPEB Report
	R&D	Demand Study Findings
	R&D	Los Vaqueros Expansion Project and Potential BAWSCA Participation
October 2020	D&A	Discussion and Consideration of Action on CEO Evaluation
	D&A	Annual Review and Consideration of BAWSCA's Statement of Investment Policy
	D&A	Review and Consideration of BAWSCA's General Reserve Policy