

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD POLICY COMMITTEE**

April 13, 2022 – 1:30 p.m.

Zoom Video Conference

DUE TO COVID-19, THIS MEETING WAS CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF GOVERNMENT CODE SECTION 54953(e). MEMBERS OF THE PUBLIC COULD NOT ATTEND THIS MEETING IN PERSON.

MINUTES

1. **Call to Order:** Committee Chair, Randy Breault, called the meeting to order at 1:33 pm following reminders of the protocols to conduct the virtual meeting successfully. A list of Committee members who were present (8), absent (1) and other attendees is attached.

The Committee took the following actions and discussed the following topics.

2. **Comments by Committee Chair:** Chair Breault welcomed the Committee members and meeting participants. He noted that items on the agenda include a report from the SFPUC by Steve Ritchie, Assistant General Manager of Water Enterprise, and Alison Kastama, BAWSCA's SFPUC Liaison; the proposed FY 2022-23 Work Plan, Results to be Achieved and Operating Budget for recommendation to the Board; discussion of the factors that impact the resumption of in-person Board meetings; report from the CEO; and a closed session. Director Breault noted that the Committee's consideration of the items is important to BAWSCA's successful operation to ensure a reliable supply of high-quality water at a fair price.

3. **Consent Calendar:**

Director Pierce made a motion, seconded by Director Cormack, that the Committee adopt Resolution #2022-06, declaring that the Committee will continue to meet via teleconference, in accordance with AB 361 and the provisions of Government Code Section 54953(e), and approve the Minutes of the February 9, 2022 Board Policy Committee meeting.

The motion passed by roll call vote.

4. **Public Comments:** Public comments were provided by Dave Warner and Carol Steinfeld.

5. **SFPUC Report:**

- A. **Water Supply Conditions:** Mr. Ritchie reported that most of the State's drought conditions remain in the severe to extreme drought levels. The San Francisco watershed is in the severe category. California reservoirs remain below average level, specifically Shasta is at 38% and Oroville is at 48%. Mr. Ritchie noted that those two reservoirs are driving the state's outlook on water supply conditions and leads the State to conclude that more actions are necessary.

On March 28th the Governor issued an Executive Order that directs the State Water Board to adopt emergency regulations by May 25th that would potentially impact the SFPUC and its water customers. First, water suppliers would be required to submit

a draft annual water supply assessment and shortage report to the State by June 1st. The final report is due by July 1st. This requirement intends to provide the state with as much information as possible to help determine what actions need to be taken moving forward. Second, urban water suppliers would be required to implement a Level 2 shortage response action for up to 20% shortage.

The SFPUC is currently at Level 1 which implements a voluntary 10% systemwide reduction. This translates to an average of 13.7% reduction to the wholesale customers.

A Level 2 shortage response requires a reduction between 11% to 20%. If the SFPUC is required to implement a Level 2 shortage and institute an 11% reduction, the current 13.7% would go to 14.3%. The retail customers would continue with a 5% reduction as the minimum required reduction under the WSA. The SFPUC will evaluate the need to provide revised allocations once the emergency regulations are adopted by the State, which is anticipated to be May 24th.

Additionally, the Executive Order included a paragraph that, while it is not a requirement, encourages water agencies to voluntarily activate more stringent local requirements based on a shortage level of up to 30% if next year continues to be dry. This is a clear indication of the Governor's intention to increase the required level of conservation across the state should conditions get worse.

The SFPUC will communicate to the State Board and others that the same required shortage percent for every agency is not sensible where per capita usage is already below the statewide average. For San Francisco, the average is 42 gpcd and the wholesale customers is 63 gpcd.

The last requirement in the Executive Order is the banning of irrigation of non-functional turf in commercial, industrial, and institutional sectors during the emergency. Non-functional turf is defined as turf not used for recreational purposes. While urban water suppliers are not required to act, San Francisco is prepared to propose adoption of this prohibition as part of its local water waste restrictions.

As for the conditions of the Regional Water System, Mr. Ritchie reported that while the recent storm does not eliminate drought conditions, Hetchy Hetchy Reservoir is at 87% of maximum storage. Hetch Hetchy precipitation is slightly more than last year's.

Upcountry snowpack is starting to melt as evidenced by Hetch Hetchy starting to fill up. Mr. Ritchie noted that the atmospheric river storm at the end of October 2021 saturated the soil upcountry, and the ground underneath the snow remains saturated which will result in a good amount of runoff. Water available to the City is currently at 172-thousand-acre-foot (TAF) compared to last year's 57 TAF. The target to achieve full storage is 598 TAF by July 2022.

Upcountry precipitation year-to-date is at 20.46 inches compared to the average annual of 36.68 inches. The Bay Area precipitation year-to-date is at 21.29 inches compared to the average annual of 22.80 inches.

Mr. Ritchie presented the system's total deliveries to date and noted the significant increase in usage to 198 mgd between April 1st and 7th which was a warm and dry period. He emphasized that in order to meet the goal of 10% systemwide reduction, an overall demand that is similar to 2015 is key. Demand during 2015 did not exceed 200 mgd and was kept well below that level during the critical summertime period.

Mr. Ritchie presented a new graph that shows the level of savings that needs to be achieved during specific seasons of the year against the level of savings achieved so far. Since January to date, 714 million gallons (MG) of the 1,059 MG target savings for January-February has been saved. Mr. Ritchie noted that the summer period will be the time the region can save the most water.

Director Jordan asked if BAWSCA, as a whole, should look at the State's non-functional turf restrictions now, and whether the SFPUC has a timeframe on when they will call for a mandatory cutback.

Mr. Ritchie encouraged individual agencies to assess and address the impacts the Executive Order will have on their agency, including the prohibition for irrigation on non-functional turf. He noted that the Executive Order does not have an exclusion on the use of non-potable water and therefore, agencies that have that supply should communicate their concerns with the State Water Board.

As for a timeframe for mandatory cutbacks, Mr. Ritchie noted the Governor foreshadowed more stringent local requirements of up to 30% should conditions worsen. The State will do what it will decide to do. The SFPUC anticipates continuing its voluntary cutback requirements and will make necessary adjustments based on the potential need to go to Level 2 shortage condition. The need for mandatory rationing will depend on whether the target water savings is achieved during the summertime. He noted that the region can achieve the savings that it did in 2015 by cutting back significantly on outdoor water use. While the approach in 2015 was a mandatory cutback, water customers will listen to the water agencies and remember that it is possible to achieve the water savings.

- B. Drought Effort Analytics: Ms. Kastama provided a report on SFPUC's public outreach drought and conservation awareness campaign throughout the service area. Paid social media coverage includes content on Instagram and Facebook in the San Francisco region, and Google and Nextdoor in the entire service area. Paid advertising is also being done in media that cover other languages including Cantonese and Mandarin, Spanish, and Tagalog. Paid advertising in these languages are being pushed out on KTSF 26, SingTao Radio, KSQQ and KVTO for Cantonese and Mandarin, Univision Radio and Social Media for Spanish, and Philippine News Today and Fil-Am Radio for Tagalog.

Additional advertising and actions include paid advertising on fourteen (14) electronic billboards along Highway 92, 101 and 880; banners on member agency buildings and donated billboard spaces; webpages on the SFPUC and BAWSCA websites; and coordination with BAWSCA member agencies in providing regional campaign materials and assistance.

There is also earned media coverage that mainly pushes conservation and awareness on the need to save water and the actions individuals can take. Messages explain the process of evaluating toilet leaks, efficient fixtures and drought irrigation. Coverage includes San Francisco Chronicle, SF Examiner, Bay City News, KPIX Channel 5, KGO 7, KCBS and KQED.

Ms. Kastama presented the response metrics seen to date.

Media impressions represent the number of eyes that see the advertising content. Between January and March, there was a total of 26,741,503 impressions achieved. Of that, 14.9 million impressions were achieved in the wholesale customer service area region. For social media, there were 39,490 digital clicks and engagement generated, of which 17,088 were from Facebook and Instagram clicks.

SFPUC's and BAWSCA's website analytics for its drought and conservation pages show an increase in pageviews in March with an average of 2-3 minutes in the length of the visits. SFPUC will provide updates as the campaign continues through July.

Director Wood asked how performance is measured for the digital billboards.

Ms. Kastama explained that billboard performance is provided by the agency that manages the media buy service and are based on known statistics. The agency has a calculation on the average amount of traffic and the rotation of the graphics. Similarly with TV advertising, performance is based on calculations used in the industry's known statistics.

Director Cormack asked if the metrics can determine which graphics are generating audience engagement, and therefore are most effective.

Ms. Kastama stated that she will look into that information as that is known to be a typical process to track advertising effectiveness.

Director Breault asked if there is a performance indicator that states how well the message is getting out.

Ms. Kastama stated that the data presented are based on advertising that has a "click through" which shows that an action has been taken. Some of the advertising items have direct messages that do not require an action to sign up for a rebate or request a free item. Ms. Kastama will look into the additional data available that can be further reviewed to obtain a correlation between the impressions and how well the message is getting out.

6. Action Calendar:

- A. Proposed Fiscal Year 2022-23 Work Plan, Results to be Achieved and Operating Budget: To reinforce the Committee's high-level discussions of the operating budget, Director Breault noted that the proposed FY 2022-23 budget is lower than the current FY 2021-22 budget by 1.3%. The proposed transfer of \$75,000 from the Balancing Account to the General Reserve and the increase of 25% to the assessments is to fund the work plan and get the results that need to be achieved

while bringing back the level of the General Reserve within the policy guideline of between 20%-35%.

Director Breault encouraged a high-level discussion on whether the budget should 1) follow the policy that requires the General Reserve to maintain a minimum balance of not-less-than 20% and be funded by assessments, or 2) be lowered.

Ms. Sandkulla agreed with Chair Breault's focus on the key elements of the proposed work plan and operating budget and in fact prepared a presentation that is condensed along the same lines. She continues, however, to highlight and keep sight of the critical issues that, and will continue to, challenge the BAWSCA region between now and 2050. Those challenges include a long list of items that both the Committee and the Board has had extensive discussions on, and Ms. Sandkulla was pleased to present a proposed work plan that maintains focus on all of those important issues.

Ms. Sandkulla added that the \$75,000 transfer from the Balancing Account to the General Reserve is to fund the Demand Study efforts included in the FY 2022-23 workplan, which the Board approved in September 16, 2021 as part of the scope changes to the professional services contract with Maddaus Water Management.

As Chair Breault stated, Ms. Sandkulla noted that the proposed budget is less than the current FY 2021-22 budget, and that a fundamental question is how the budget will be funded.

For the last few years, the Board has purposefully been funding the budget through the use of available funds in the General Reserve and the Balancing Account in an effort to prevent increases in the assessments.

The operating budget is allocated across BAWSCA's goals of ensuring a reliable supply of high-quality water at a fair price. Nearly 54% of the budget is applied to the reliable supply goal, and 12% is applied to maintaining a fair price with efforts on the bonds and administration of the WSA for the member agencies' financial interests. The budget fully funds the estimated OPEB Annual required contribution, and includes an allowance for adjustment to existing salaries for both COLA and merit-based increases up to a 5%, which is less than the COLA for 2022. The total cost of the proposed budget to water customers is \$2.56 per person.

The budget is developed consistent with the guiding principles of:

1. Budget sufficient resources to achieve results;
2. Spend only what is needed to achieve results;
3. Apply incremental & prudent assessment increases as necessary; and
4. Maintain a prudent General Reserve.

Review of the estimated FY 2021-22 expenditures indicate that the current budget will be 95%-98% expended and the amount of funds that will be rolled over to the General Reserve will be minimal, if any. Ms. Sandkulla reiterated that the budget has heavily relied upon the General Reserve and Balancing Account to fund previous budgets in order to moderate the need for assessment

increases in recent years. Currently, assessments fund approximately 80% of the operating budget.

It is important to maintain the General Reserve given the efforts included in the workplan. The budget is trimmed down to include the appropriate level of legal support needed and allows staff to manage within the resources available. Currently, the General Reserve balance is at 16% of the operating budget, which is outside of the budgetary guidelines of between 20%-35%.

Funding the proposed operating budget will require an assessment increase given the current level of the General Reserve and SFPUC's planned use of the Balancing Account in FY 2022-23 to offset impact of drought and wholesale rate increases.

Three funding options were presented to the BPC in February and to the Board in March. Based on the Board's feedback and Ms. Sandkulla's further assessment, she recommends funding option #2, which would increase assessments by 25%. This option brings the General Reserve balance within the budgetary guidelines and puts the agency in a stable situation. It also allows the assessments to be in line with the operating budget.

Ms. Sandkulla noted that while the budget has increased over time, BAWSCA's scope of work has also increased to continue meeting its goals and provide cost value savings to the water customers. BAWSCA's review of the Wholesale Revenue Requirement (WRR) has saved over \$47 million over the last 18 years, and BAWSCA's bond issuance and recent bond refunding will save water users \$87 million over the life of the bonds.

Ms. Sandkulla presented the recommendation and welcomed questions from members of the Committee.

Director Cormack expressed her support for the recommendation for option #2. Given the pandemic during FY 2020-21 and 2021-22, and the size of the Balancing Account at the time, which was at a level that has never been before, the Board's decisions on the previous budgets were rare and it is now time to resume business as usual.

She agrees with establishing a prudent reserve and noted the need to rebuild it. While she supports the recommendation, she would not call a 25% assessment increase as modest, and recommended the use of "moderate" in the language for Option #2 when it goes to the Board for consideration.

As for the workplan, Director Cormack appreciated the addition of greywater efforts and encouraged the pursuit for growth and opportunities in this area of work. She was pleased to see BAWSCA's success in its outdoor conservation programs which is consistent with what the region needs to do per Mr. Ritchie's report on the status for meeting the water use reduction goal. Finally, she emphasized BAWSCA's work on fair price as a huge function of the agency as it continues to bring more than \$46 million of savings to the water customers. She stated that while 25% seems like a large increase, it is defensible and is the responsible thing to do.

Director Pierce supports the idea of aligning the assessments with the budget. BAWSCA has managed to hold off on raising the assessments by using other funding sources which were appropriate at the time. The recommendation is a good direction to go.

She noted that over the years, BAWSCA has increased work efforts and associated costs of monitoring the SFPUC's 10-year CIP, and asked if this continues to be a valuable effort in terms of a way to avoid costly improvements to the system in the future. Can the CEO/General Manager anticipate the work plan and expenses for the next year or so to be similar so that we can maintain the assessments as they are without an increase.

Ms. Sandkulla stated that BAWSCA's efforts to monitor SFPUC's asset management efforts and 10-Year CIP will continue to be included in the work plan. While the progress is slow for a variety of reasons, including, but not limited to, the changing leadership and the pandemic, it remains a critical effort on behalf of the member agencies and the water customers.

As for next year's and future budgets, Ms. Sandkulla anticipates the update to the Strategy beginning in FY 2023-24. This will be a significant endeavor. However, as done in 2009 specifically for the Strategy, the Water Management Charge was used as a funding source in which the member agencies were charged through the SFPUC billing process as directed by the Board. She anticipates recommending the same funding for the Strategy efforts in FY 2023-24.

The proposed funding plan for FY 2022-23 should put BAWSCA in a position to maintain assessment increases at a normal rate.

Director Wood supports the recommended option but recognizes the significance of a 25% increase for member agencies. Since most of the work is known, she asked if developing a rate stability model is possible to avoid large increases in the future.

Ms. Sandkulla noted that the budget development process over the last 2 years has included a recommendation that was something other than what the Board adopted. There was a level of assessment increase included in the options presented to the Board given the growing gap Ms. Sandkulla saw between the assessment and the budget.

Ms. Sandkulla noted that while the Board's desire to take advantage of other funding sources, as appropriate, in the past two years, it was concerning to see the path towards a significant increase which we now face. To bring forth a 25% increase in assessment is not taken lightly and was a serious effort by staff to get the budget down as much as possible and an increase in assessments as low as possible.

Further, Ms. Sandkulla explained that nearly half of BAWSCA's budget is allocated towards consultant resources that is driven by the level of work that needs to be done and can vary quite significantly year to year. Ms. Sandkulla

appreciates the concern and interest in keeping the budget increases steady as BAWSCA tries to manage the work plan with its resources.

Ms. Sandkulla stated that she presented the proposed work plan and operating budget to the Water Management Representatives (WMR) at its meeting on April 7th and there were no concerns expressed by the WMRs.

Director Larsson commented to shift the focus away from the 25% assessment increase, and put focus on the decrease in the amount being drawn from the Balancing Account in FY 2022-23. The operating budget reflects what the water users are truly paying for, whether it is through assessments or the use of the Balancing Account. He reminded the Committee that the proposed operating budget is slightly lower than last year, and the agency, overall, is in fact holding the line on what water users pay for.

Director Chambers agreed with Board Chair Larsson. He also noted that the assessment increase could effectively be paid for by the savings achieved from the bond savings over the last quarter of FY 2022-23. BAWSCA, technically, can be funded by all the savings the agency achieves for its member agencies. But the enabling legislation requires that the agency be funded through assessments. Additionally, he agrees with Director Cormack that over the past two years, the Board chose not to increase the assessments because of the pandemic, and it is time to resume funding the budget through assessments, which now takes a 25% increase.

There were no further questions and comments from members of the committee.

There were no comments from members of the public.

Director Chambers made a motion, seconded by Director Larsson, that the Committee recommend Board approval of the:

- 1. Proposed Fiscal Year 2022-23 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$4,720,885;**
- 3. Proposed funding plan of a 25% assessment increase (\$4,838,897) and a \$75,000 transfer from the Balancing Account; and**
- 4. Authorization of a transfer of \$193,012 to the General Reserve.**

The motion passed by roll call vote.

6. Reports and Discussion

- A. Considerations for Resumption of In-Person Board Meetings: Board Chair Larsson reported on this item. He wanted to receive feedback from the Committee on the key points of consideration for deciding whether and when to resume in-person meetings: logistics, health and safety, and effectiveness of the Board.

He noted BAWSCA's unique situation presents some logistical limitations that make the resumption of in-person meetings more difficult compared to member agencies. BAWSCA's large Board size of 26 members and lack of a dedicated facility with the audio-visual and internet equipment needed for recording and/or live-streaming make it a more complicated process in comparison to cities and districts that have their own chambers for council and board meetings.

Key logistical challenges include:

- San Mateo Library has reduced its hours to and is unable to accommodate BAWSCA's meeting start time of 6:30pm. The rooms have been reserved for a meeting start time of 3:30pm as a placeholder alternative.
- The Foster City Wind Room is available beginning September for the Board's regular meeting time.
- From staff investigation, the Crowne Plaza Hotel in Foster City was identified as an alternative meeting location that is large enough to support BAWSCA's Board size at a cost of \$800/meeting.
- Currently, it is costly to reserve a space that can accommodate the large size of the Board and allow for all meeting attendees to social distance, and costly to provide a hybrid meeting format that requires audio/visual equipment to be set up and broken down before and after the meeting.

In terms of health and safety, Director Larsson noted the new sub-variants of COVID that continue to arise, and concerns with the mixed signals of its health impacts. He also noted that the County Health Officers of the region, San Mateo, Santa Clara and Alameda Counties, are advising their Boards of Supervisors against in-person meetings. Currently, the Boards of Supervisors in the region are not allowing in-person participation by members of the public, and some members of the Board themselves continue to participate remotely.

Assuming the Governor maintains the emergency declaration, BAWSCA has several options over the next few months. But if the emergency declaration is rescinded, BAWSCA will not have a lot of options for discussion, and will simply have to implement an in-person meeting with what is available. Staff is making the necessary planning for that circumstance.

Director Larsson welcomed the committee's feedback on the Board's effectiveness remotely compared to meeting in-person.

Director Wood believes that the current remote operations of the Board is working well and is keeping the Directors engaged given the circumstances of the pandemic. In addition to continuing concerns with sub-variants of COVID-19, gas prices continue to rise, there is an inflation, and traffic is picking up. She questions whether the Board would want to contribute to all of those factors. She supports maintaining the virtual meetings because it is working well, and perhaps re-assess the situation in January 2023.

Director Jordan reported that there are some bodies that are starting to meet in person. He sits on a committee at Valley Water that is meeting in-person on April 18th, as is the Valley Water Board on April 28th.

Director Chambers believes that BAWSCA's remote meetings are effective and, in his perspective, should be required for the Board to maintain social distancing given its large size. The agency should maintain virtual meetings for as long as it is appropriate and in accordance with the law as well as health and safety guidelines. When the Board does return to in-person, he would advise against using the Crown Plaza as a venue, nor changing the meeting time to 3:30pm as it would limit public participation. He encourages the Board to reconsider the Wind Room as it appears to be the venue that can accommodate the size and time frame needed to conduct the meeting.

Director Cormack appreciated the opportunity for discussion. She encourages the Board and staff to be prepared to resume in-person meeting at a month's notice. With schools open, groceries functioning, and courtrooms in session during the course of the pandemic, she does not believe that BAWSCA has a compelling argument on health and safety. BAWSCA is relying on the governor's order which could be revoked at any time, therefore having this discussion is appropriate.

While it is undeniable that the Board has successfully functioned, it is also undeniable that there have been some benefits lost including time before and after meetings to meet and greet other members of the Board and members of staff, or to ask questions. The virtual format provides a very strict schedule and takes away what is in between the formal work. The fact that BAWSCA has functioned well does not mean that there are no lack of the benefits and advantages of being back in person.

Director Cormack added that:

- BAWSCA can provide the option of wearing masks for the comfort and safety of those who choose to wear one.
- She shares Director Chamber's concerns with the 3:30 pm start time but also notes that there will be less traffic on the road.
- Directors who are unable to change their schedules for the remaining meetings in the fiscal year can continue to participate remotely as long as there is a quorum.
- The use of Foster City's Wind Room in September is reasonable because this is something the Board has done in the past when there is a conflict with the San Mateo Library.
- If BAWSCA has to pay to for a venue, it should be appropriate to do that.

Director Cormack believes that the BAWSCA Board should be oriented to resume in-person meetings in the near future.

Director Zigterman agreed that preparing to resume in-person meetings is appropriate and important. He encourages the Board and staff to consider the travel time involved for some of the Board and Committee members who are farther away. Perhaps looking into a meeting start time that is outside of rush hours to minimize commute impact.

Director Pierce agreed that BAWSCA has been effective in remote operations including the Board. She expressed her concern with the Foster City location at 6:30pm. Traffic is picking up and the Foster City location will have a commute impact for some members of the Board. The agenda may require some adjustments; for example, moving public comments to the end, if getting to the venue for the members of the public is problematic. She trusts that staff has looked at other possibilities, but encouraged further investigation to find an ideal mid-point location that provides the ability for Board members to call-in if needed and as done pre-pandemic.

Director Wood suggested the previously used venue off of El Camino, and perhaps school districts.

Ms. Sandkulla stated that BAWSCA is open to look at additional venue options. She stated that staff has been looking into public spaces as far south as Menlo Park and as far north as Burlingame. In addition to shortened hours, many facilities that are not public, such as library facilities, are reticent to re-engage in scheduling meetings with outside organizations. Similarly with school districts as they require security for after-hours operation.

College of San Mateo and the Department of Elections were venues that were contacted at the time BAWSCA transitioned to San Mateo Library, and those venues could not accommodate BAWSCA's meeting needs.

As a follow up to the comments, Director Larsson noted that staff looked into an earlier meeting start time in 2016 as part of the search for another meeting venue, and that effort was not successful. Boards that are indeed meeting in-person are bodies that are not directly advised by the County Health Officer. For the option to participate by phone as previously done, and after the Governor's emergency order has been lifted, Director Larsson noted that a proposed Assembly bill (AB 1944) would allow board participation remotely without having to open their location to the public, but would trigger the requirement for live-streaming of the meeting. BAWSCA, specifically, is not equipped to do live-streaming. If this bill passes, it will almost be impossible for BAWSCA to allow any member of the Board to participate by phone as done in the pre-pandemic past.

Director Larsson appreciated the members' comments which he will refer to in his ongoing review of the logistics with Ms. Sandkulla and BAWSCA staff.

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

7. CEO Reports:

- A. Water Supply Conditions: Ms. Sandkulla presented the total potable water use in the service area for the month of February 2022 and emphasized the 11% increase in comparison to February 2021.

As Mr. Ritchie reported, there is a definite increase in water use and it is critical for the agencies to get the water customers to respond to the call for rationing. Ms. Sandkulla suspects that the water-use increase is in response to ongoing dry conditions, and that customers are experiencing message fatigue. She urges Board members to work with their agencies in their role as appointed representatives of the region to emphasize the need for conservation. The region is capable of achieving the 10% voluntary water use reduction goal. It is critical for the region to move in that direction to get through the drought and avoid the SFPUC from calling a mandatory rationing, and the Governor from triggering restrictions that could be devastating for the region.

Ms. Sandkulla reported that BAWSCA is out in the community in response to invitations to have a presence and/or speak at events and talk about the drought and benefits of water conservation, as well as the Regional Water System and BAWSCA's goals and role on behalf of the water users. BAWSCA tabled at the Rotary Day of Service for the broader Bay Area on April 9th, spoke at a March event hosted by Sustainable San Mateo, and presented to C/CAG Resource Management & Climate Protection Committee. Upcoming events include participation in Filoli's Summer exhibition called Blue Gold: The Power & Privilege of Water. Filoli intends to focus on the importance of water and cover all aspects of the history and development of the system. Events like these provide an opportunity for BAWSCA to communicate with the community.

- B. Bay Delta Plan/FERC Update: Ms. Sandkulla reported that on March 30th, the State, Federal and certain local water leaders signed an MOU, which outlines an 8-year plan with measures to provide additional flows and habitat to help improve conditions in the Sacramento-Delta watershed. Signatories are the large export interests as well as the large agricultural districts on the Sacramento River and North of the Delta that participate in water transfers. They include State and Federal Water Contractors, Metropolitan Water District, State Water Contractors Association, Westlands Water District, and Yuba County Water Agency.

There were no signatories from the San Joaquin Tributaries, including the SFPUC. The MOU offers the potential for future participation by water suppliers on the San Joaquin tributaries. SFPUC is reviewing the details of the MOU to determine exactly what is included for the Tuolumne River, and they are engaging in discussions with the State on a potential voluntary alternative for the Tuolumne River. Ms. Sandkulla is optimistic and hopes to see positive developments moving forward.

BAWSCA will continue to push the SFPUC to resolve this issue given its obligations to the wholesale customers and the environment. BAWSCA's efforts are on multiple fronts as it has been for several years now. It focuses on protecting the water users interests by pushing for negotiations on a voluntary agreement, advocating for the Tuolumne River Voluntary Agreement as a potential viable alternative, monitoring the SFPUC's Alternative Water Supply Program to develop new supplies as needed, and working to identify other avenues for legislative support. BAWSCA remains actively engaged with legislative and other allies.

Director Cormack recognized Dr. Ashoori's promotion to Sr. Water Resources Engineer that was listed on the CEO's letter. She expressed her congratulations to Dr. Ashoori and acknowledged the talents she brings to the agency.

In response to Director Jordan, Ms. Sandkulla stated that the Governor's Executive Order to address the drought provides the indication that more stringent restrictions will be enforced if water use is not reduced. She noted that Governor Brown's Executive Order in 2015 received significant push back from many agencies that had made significant investments in locally developed water supplies and felt that the state's mandatory water rationing was excessive and beyond what was required of their local jurisdictions. This was part of the reason why the State is asking agencies to do annual water supply demand and supply analysis.

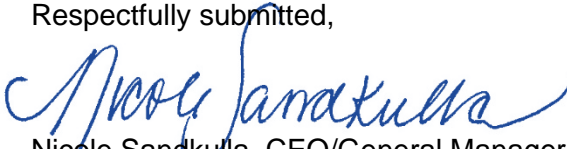
Ms. Sandkulla responded to Director Zigterman's question on what particular details on the MOU the SFPUC is reviewing. She explained that the MOU speaks to the whole Bay Delta Plan and acknowledges that the signatories and participants in the negotiations are only those from the Sacramento tributaries and not from the San Joaquin tributaries. Yet, the details of the MOU include numbers associated with the San Joaquin tributaries. The SFPUC is inquiring where those numbers in the MOU details are derived from.

8. **Closed Session:** The Committee adjourned to Closed Session at 3:13 pm.

There were no comments from members of the public prior to adjournment to Closed Session.

9. **Report from Closed Session:** The Committee reconvened to Open Session at 3:32 pm. Ms. Schutte reported that no action was taken during Closed Session.
10. **Comments by Committee Members:** There were no further comments from Committee members or members of the public.
11. **Adjournment:** The meeting was adjourned at 3:33 pm. The next meeting is June 8, 2022 with the location and format to be announced.

Respectfully submitted,



Nicole Sandkulla, CEO/General Manager

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Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Apr. 13, 2022	Feb. 9, 2022	Dec. 8, 2021	Oct. 13, 2021	Sept. 7, 2021	Aug. 11, 2021	Jun. 9, 2021
GVMID	Breault, Randy	✓	✓	n/a	n/a	n/a	Meeting Cancelled	n/a
Santa Clara	Hardy, Karen		✓	✓		✓		n/a
Westborough	Chambers, Tom	✓	✓	✓	✓	✓		✓
Palo Alto	Cormack, Alison	✓	✓	✓	✓	✓		✓
Purissima	Jordan, Steve	✓	✓	✓	✓	✓		✓
Sunnyvale	Larsson, Gustav	✓	✓	✓	✓	✓		✓
Redwood City	Pierce, Barbara	✓	✓	✓	✓	✓		✓
Brisbane	Wood, Sepi	✓	✓	✓	✓	✓		✓
Stanford	Zigterman, Tom	✓	✓	✓	✓	✓		✓

✓ : present

☎ : Teleconference

April 13, 2022 Meeting Attendance (Via Zoom pursuant to provisions of Gov. Code Section 54953(e))

BAWSCA Staff:

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

Public Attendees:

Leonard Ash	ACWD	Dave Warner	Self
Cheryl Munoz	Hayward	Carol Steinfeld	Self
Lisa Bilir	Palo Alto		
Steve Ritchie	SFPUC		
Alison Kastama	SFPUC		
Julia Nussbaum	Stanford		