



**SPECIAL MEETING OF THE
BOARD OF DIRECTORS**

**July 18, 2024
6:30 p.m.**

At a different location:

Foster City Community Building – Wind Room

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(Two Members of the Board will participate in this meeting by teleconference. Locales shall be:

- 112 West 25th Street, Room #1410, New York, NY 10001*
- 24 Buttercup Lane, San Carlos, CA 94070*

When any member of the board participates by teleconference, all votes taken at this meeting will be by roll call vote.)

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page</u>
1. Call to Order/Roll Call/Salute to Flag	(Chambers)	
2. Comments by the Chair	(Chambers)	
3. Board Policy Committee Report (Attachment)	(Hardy)	<i>Pg 3</i>
4. Consent Calendar (Attachments)	(Chambers)	
A. Approve Minutes of the May 16, 2024 Meeting		<i>Pg 17</i>
B. Receive and File Budget Status Report – As of May 31, 2024		<i>Pg 25</i>
C. Receive and File Investment Report – As of May 31, 2024		<i>Pg 27</i>
5. SFPUC Report	(Ritchie)	
A. Alternative Water Supply Plan		
6. Water Management Representatives (WMR) Report	(Witt)	
7. Public Comments on Items Not on the Agenda	(Chambers)	
<i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of two (2) minutes.</i>		
8. Action Calendar (Attachments)		
A. Resolution Honoring Harlan P. “Bud” Wendell and His Service to the Water Customers	(Sandkulla)	<i>Pg 29</i>
B. Contracting and Funding to Initiate the Development of the Long-Term Reliable Water Supply Strategy 2050	(Ashoori)	<i>Pg 33</i>

C. Board Compensation Increase and Reimbursement Policy on Board Member Expenses (Schutte) Pg 43

9. CEO Reports

- A. Update on Negotiation of a New Tier 2 Drought Allocation Plan (Attachment) (McPherson) Pg 63
- B. FERC/Bay Delta Plan Update (Sandkulla)
- C. CEO/General Manager Performance Evaluation (Chambers)
- D. New CEO/General Manager Recruitment (Chambers)
- E. CEO/General Manager's Letter (Attachment) Pg 69
- F. Board Policy Calendar (Attachment) Pg 75
- G. Correspondence Packet ([Under Separate Cover](#))

10. 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 (Third Appellate District Court, Case No. C101232).**

11. Report after Closed Session (Schutte)

12. Additional Time for Public Comments (Time Permitting) (Chambers)

Members of the public may address the Board on any issues that are within the purview of the Agency. Each speaker is allowed a maximum of two (2) minutes.

13. Directors' Discussion: Comments, Questions and Agenda Requests (Chambers)

14. Date, Time and Location of Future Meetings (Chambers) Pg 77
(See attached schedule of meetings)

15. Adjourn to next meeting scheduled for September 19, 2024 at 6:30 pm (Chambers)

Accessibility for Individuals with Disabilities

Upon request, BAWSCA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to bawasca@bawasca.org or submitted by phone at 650-349-3000. Requests will be granted whenever possible and resolved in favor of accessibility.

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BAWSCA
Bay Area Water Supply & Conservation Agency

MEMORANDUM

TO: BAWSCA Board Members
FROM: Nicole Sandkulla, Chief Executive Officer/General Manager
DATE: July 12, 2024
SUBJECT: Summary of Board Policy Committee meeting held June 12, 2024

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:31pm. She noted that the meeting is a Special Meeting because it is being held at the San Mateo Main Library, 55 W. 3rd Ave., which is a location different from what is noted on the Rules of the Board. While one Committee member is participating via teleconference and the meeting is being livestreamed, it is not a hybrid meeting. All public comments shall be made in-person, or from the teleconferencing location. Accordingly, all committee actions require a roll call vote.

CEO/General Manager, Nicole Sandkulla called the roll. Eight members (8) of the Committee were present at roll call with one member via teleconference in accordance with the traditional Brown Act rules. 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:** Committee Chair Hardy welcomed members of the Committee. She thanked BAWSCA and SFPUC staff for putting together the June 4th and 5th Hetch Hetchy tour, in which she encourages Board members and members of the agencies' governing bodies to attend when possible. It is an educational tour of the Regional Water System.

3. **Consent Calendar:**

Director Pierce made a motion, seconded by Director Schneider, that the Committee approve the Minutes of the April 10, 2024 Board Policy Committee meeting.

The motion passed unanimously by roll call vote.

There were no comments from members of the Committee and from members of the public on the consent calendar.

4. **Public Comments:** There were no public comments.

5. Action Calendar:

- A. Contracting and Funding to Initiate the Development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050): BAWSCA Sr. Water Resources Engineer, Negin Ashoori, was pleased to report that the scoping for the development of Strategy 2050 has been completed, and the next steps are to obtain and fund the technical and legal services needed to develop Strategy 2050.

Ms. Ashoori reminded the Committee that the scope of work for Strategy 2050 was developed by first defining its purpose and objectives. The purpose established for Strategy 2050 reflect input received from discussions with the Water Management Representatives and BAWSCA Board.

Six objectives were developed based on responses from a needs assessment survey of the member agencies. The objectives are in addition to BAWSCA's work to oversee the Water Supply Agreement (WSA), and are in alignment with BAWSCA's overall goal of ensuring reliable supply of high quality water at a fair price.

The established purpose and objectives of Strategy 2050 supported the identification of seven key tasks for the scope of work which will serve as the foundation of Strategy 2050. The scope of work for Strategy 2050 includes defined primary tasks and subtasks that were presented to the WMR in March, the BPC in April, and the full Board in May. Each task and subtasks within the scope tie directly back to the purpose and objectives of Strategy 2050. In completing the seven tasks, BAWSCA will hold workshops for WMRs and the Board and stakeholder engagement with outside parties.

The next steps are to initiate the development of Strategy 2050, which requires Board action to authorize the CEO/General Manager to 1) negotiate and execute professional services agreements with the necessary technical and legal support; and, 2) use the Water Management Charge as the source for funding.

To facilitate an efficient transition from the scoping of Strategy 2050 to its development, the contract for technical services that BAWSCA negotiated and executed for the scoping effort left open the potential to use the same consultant for subsequent phases, at BAWSCA's sole discretion.

EKI provided the technical support for scoping Strategy 2050. BAWSCA is recommending continuing with EKI for the development of Strategy 2050 for several factors including:

- the quality of work they performed, which reflected EKI's familiarity with the level of complexity associated with the work involved;
- EKI's demonstrated ability to complete the work within schedule and budget; and,
- the reasonableness of EKI's proposed key business terms for preparing Strategy 2050, which includes schedule, price, and key staff.

The proposed contract amount is \$2,267,000 which would cover the completion of all seven tasks.

The second consultant support needed is legal services with Hanson Bridgett. BAWSCA is recommending a separate contract for legal services specifically associated with the development of Strategy 2050. This would provide flexibility to pay for legal fees throughout the 2+ years of the Strategy development, the ability to track legal fees specifically associated with Strategy 2050, and ensure its direct relationship with the Water Management Charge.

The proposed contract amount for legal services is \$180,000

The proposed funding source for developing Strategy 2050 is the use of the Water Management Charge (WMC), which was a successful funding method used for the 2015 Strategy.

An estimated \$2,447,000 would be collected from member agencies over a period of 18 months, or \$135,944 per month collectively. The charges allocated to each agency would be in proportion to their FY 2000-01 Regional Water Supply purchases, which is consistent with the allocation of BAWSCA's annual assessments as was set by BAWSCA's enabling legislation, AB 2058, and is the same as used for the WMC that funded the 2015 Strategy.

At the direction of the BAWSCA Board, SFPUC would collect the funds via a new line item called "Water Management Charge" in each wholesale customer's water bill beginning September 2024. SFPUC would remit the funds to BAWSCA for its use on behalf of its member agencies. As required by the WSA, BAWSCA would provide an annual fiscal year report to San Francisco stating how much money was received and how the funds were expended.

The use of the WMC offers unique benefits including; having the flexibility to collect revenue & allocate costs specifically for Strategy 2050 as opposed to the assessment process which funds BAWSCA's operating budget; it represents a distinct project budget that is independent of BAWSCA's annual operating budget and offers a revenue stream that is not constrained by a fiscal year; and enables the member agencies to accommodate the costs of Strategy 2050 as part of the costs of water from San Francisco.

The development of Strategy 2050 is anticipated to begin in January 2025. As previously reported to the Board, the six month delay is due to staff time needed to get the Demand Study completed in time for the member agencies' use in developing their Urban Water Management Plans. The six month period would also provide time to accrue sufficient funds from the WMC before starting the work.

Ms. Ashoori noted that the time between July 2024 and January 2025 will allow BAWSCA to develop a a more precise schedule for Board participation and input throughout the 2+ years scheduled for Strategy 2050. Receiving input from the Board during the scope development was critical and continuing the same level of engagement with the Board throughout the development of Strategy 2050 is important.

Committee members' comments and questions were taken following Ms. Ashoori's presentation.

In response to Director Zigterman, Ms. Sandkulla clarified that the professional services with EKI will be paid as a not-to-exceed the contract amount. She also explained that the use of FY 2000-01 as the basis of allocation to the member agencies for the water purchases is because it is also the basis of calculation for BAWSCA's annual assessments in which BAWSCA's normal operating budget is collected in that proportion. This allocation for BAWSCA's annual assessments was set by BAWSCA's enabling legislation, AB 2058, which was passed in 2002. The legislation does not allow for the basis of calculation to be changed without a legislative amendment. The recommendation is to charge the cost for Strategy 2050 in the same proportion that BAWSCA would charge any other planning study that is done by BAWSCA through its annual operating budget because there is no distinctive difference between the benefits received if it was done on an annual operational basis.

Director Schneider expressed her support for the Strategy but is sensitive to how much more Millbrae residents can be expected to pay. She asked how long would the WMC last and what would be the percentage of cost to each agency.

Ms. Ashoori stated that the WMC would last for 18 months and that Table 1 of the staff report provides the percentages per agency as well as the cost per month and total agency share. Ms. Ashoori noted that the impact is about \$0.02/ccf.

Director Schneider recognized the value of Strategy 2050 as well as the regional projects in general, and stated that it would help local government and districts if the messaging of the reasons behind them and what their benefits are to the rate payers are provided by the lead entities like BAWSCA.

Director Duncan stated his support for the recommendation and provided a comment similar to Director Schneider's regarding the impacts to rate payers. His preference would have been to have the increase concurrent with the SFPUC's rate increase. Water customers do not like rate changes throughout the course of the year, and having one impact would be better received. Additionally, as a private company, CalWater is required to file with the Public Utilities Commission to pass through rate increases. CalWater will complete this process for SFPUC's rate increases in July, and will have to repeat the process for the additional surcharge in September.

Ms. Sandkulla appreciated the point made and noted the comment for future reference.

Director Pierce noted that it is also helpful for Board members to remember that the member agencies' Water Management Representatives have input in the Strategy 2050 so that all of the tasks that will be undertaken are tasks that will benefit our agencies and water customers. Even if the WMC is an additional charge, it is for a limited time period, it will set the work plan for the next 10-15 years, and it will provide long-term benefits. It is an investment in the future for all of the residents and water customers.

Director Hardy added that the established purpose of Strategy 2050 clearly states the reasons for, and the benefits of, the effort. It indicates what the BAWSCA Board wants to do and why it is an effort the Board wants to support and invest in collectively to ensure water reliability and resilience within the BAWSCA region.

There were no additional comments from members of the Committee. There were no public comments.

Director Pierce made a motion, seconded by Director Zigterman, that the Board Policy Committee recommend the Board authorize the CEO/General Manager to:

- **Negotiate and execute a contract with EKI for the development of Strategy 2050 for a cost not to exceed \$2,267,000;**
- **Execute a new contract with Hanson Bridgett to provide legal services to support of the development of Strategy 2050 with a cost of \$180,000;**
- **Enact the Water Management Charge to fund the development of Strategy 2050 work up to a not-to-exceed amount of \$2,447,000.**

The motion passed unanimously by roll call vote.

6. Reports and Discussions:

CEO/General Manager Performance Evaluation Process: Chair Chambers reported that the evaluation process for the CEO/General Manager will be initiated in July. No changes are being proposed to the process. Following the July 18th Board meeting, Board members will be emailed the evaluation materials that will include the CEO's Summary of Annual Activities report and a link to the evaluation form. Responses are requested by August 7th

A summary of the responses will be reported for discussion during Closed Session at the September Board Meeting. Changes to the evaluation process for FY 2024-25 and changes to the CEO compensation may be considered and acted on during open session.

There will be reminder emails to respond throughout the process to encourage Board participation.

Director Chambers noted the CEO's efforts to serve the Board and enable it to make informed policy decisions so the agency can achieve its goal of ensuring a reliable supply of high quality water at a fair price. He trusts that Board members can complete a google form and submit it electronically so that the CEO can receive a performance evaluation.

New Board members are encouraged to reach out to their predecessors for further information, and are requested to go through and submit the survey with the option of selecting "don't know" or "no comments" as opposed to not responding at all.

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

- B. Board Member Compensation and Expense Reimbursement: Legal Counsel, Allison Schutte presented and facilitated Committee discussions to help the Board's consideration of possible action at its July meeting. The staff report provides copies of previous reports from when the same topic was raised and discussed in 2023. The Board did not move forward with any changes after discussions, but the topic is being discussed again in response to a renewed request.

As a reminder, Ms. Schutte reported that BAWSCA Board member compensation is set by statute at the rate of \$100 per day of service for up to four days of service per month. Both can be increased by ordinance with a limit to no more than 5% for each year following the date of the last adjustment for compensation, and no more than 10 days of service in a calendar month.

As BAWSCA's Board compensation ordinance was adopted on June 17, 2004, becoming effective on September 1, 2004, the maximum allowable increase using a simple percentage increase calculation would be up to \$200 per day of service effective September 1, 2024.

Ms. Schutte presented data from 2023, shown in Table 1 of the staff report, that provides a compensation comparison between BAWSCA, 6 member agency districts, Contra Costa Water Districts, East Bay MUD, Golden Gate Bridge, Highway, and Transportation District, Irvine Ranch Water District, Marine Municipal Water District, Metropolitan Water District of Southern California, SFPUC, and Santa Clara Valley Water District. She pointed out that there are differences based on the number of days per month that is allowed for some agencies, which can increase the total compensation or the total compensation per meeting.

Ms. Schutte reminded the Committee that BAWSCA does have a reimbursement policy which allows Board members to be reimbursed for "actual, necessary, and reasonable expenses incurred in the performance of duties performed at the request of the Board". The policy lists the activities that are approved for reimbursement. To date, reimbursed expenses have been related to direct travel by the Board Chair, or designee, to a specific meeting or conference as a representative of the agency. Changes to the existing reimbursement policy must be adopted by the full Board in a public meeting.

The Committee discussed this issue in April and June of 2023 with no further action at that time. But the request has been renewed for the Board to consider an increase in compensation from \$100/meeting to \$200/meeting.

Increasing the stipend to \$200/month would have a \$21k increase in meeting costs which would need to be funded by a transfer from the General Reserve and an associated increase in the approved operating Budget for FY 2024-25, since the request came after the budget was adopted.

Given the interest in the topic, it was suggested that the Board consider modifying BAWSCA's ordinance related to compensation to require a review every specified number of years.

The desire is to have this item at the July 18th Board meeting for further discussion and possible action.

Ms. Schutte noted that Committee members were given a copy of comments received from a BAWSCA Board member that provides information on benefits in addition to board compensation offered by other agencies in the area.

Director Pierce shared her findings from her research on the Boards of the agencies that were listed in the comments provided by one of the Board member. She found that the scope and responsibilities of the Board members in comparison to BAWSCA's is very different. For the level of work and the expectations from the BAWSCA Board's oversight of the agency, the additional benefits should not be considered in addition to BAWSCA's Board compensation. Most of the work in terms of maintaining and managing agency operations are done by staff so that the level of involvement that the BAWSCA Board members have is at the higher policy level.

Committee Chair Hardy asked each committee member to provide their input on the level of compensation and on a scheduled review of Board compensation. She noted that it would be efficient and helpful for staff to have a schedule for reviewing this issue as opposed to it coming up randomly.

Director Schneider noted that BAWSCA is the only regional body in which she is paid for. She pointed out that there seems to be fewer people running for office because the demand for time to serve the public responsibly can mean time away from family and day job.

At the same time, she agrees with Director Pierce's findings that the BAWSCA Board's scope is different from the scopes of other agencies that provide additional benefits to their board compensation. She recommends reviewing Board compensation every 3-years, and noted that she would want to be cognizant of future public servants who may be coming from a more middle to low income.

Director Duncan understands the awkwardness of the Board voting to raise its compensation; however, he would support matching the compensation with inflation given the rate of \$100 per day of service was established in 2004. He would also support reviewing compensation every 4-5 years.

Director Zigterman noted that while he is not interested in getting compensated more, he sees the sense in recognizing the value of serving on the BAWSCA Board. It is not trivial, and requires hours of work to do the homework before coming to the meetings. The adjustment is warranted, and he would prefer to do it now than later. Most importantly, he wouldn't want a qualified individual to not serve in a Board role because it is another task on their plate that does not put food on the table. For that reason alone, he would support a compensation increase of \$175 - \$200, and would support a compensation review every 3-years. He suggested that perhaps there can be a mechanism that would allow for others to decline the stipend so that it can go back in the coffers so that those who need it can get it.

Director Chambers noted that his appointing agency, Westborough Water District, has been paying its Board members \$100 per day of service for a long time, and he believes it is a fair compensation. He would not want BAWSCA to pay him more than what his home agency is paying him for as its Board member. Additionally, he would not support additional benefits, such as healthcare, added to the compensation for this Board. That should be received through the individual's employment. He recommends keeping compensation at \$100 per day of service. He would support a periodic review every 4 years since many of the cities and districts' election terms are every 4 years.

Director Pierce could personally stay at \$100, but would support \$200 if that can serve as a benefit to other Board members and to help compensate costs incurred for serving. A review every 3-4 years is appropriate to avoid becoming out of date. She noted that the stipend was not meant to be compensation for hours put in. It was established to encourage the agencies to appoint people. She appreciates the topic being discussed and hopes that the issue can be closed.

Director Ragsdale stated that should the Board decide to increase Board compensation at its meeting in July, she would recommend the increase to take effect in FY 2025-26 since the operating budget for FY 2024-25 has already been adopted. She supports the idea of discussing this topic on a scheduled basis no matter what the decision is moving forward, and a 4year cycle makes sense. She supports reimbursements for costs incurred to serve on the Board, particularly for those who travel long distances and for those who require care for family members while serving.

Director Schneider added to Director Ragsdale's comments about caregiving, which could be very expensive.

Director Vella noted that while many BAWSCA Board members would serve for \$0 dollars, it is worth considering that 20 years have passed and the token of appreciation that was established then no longer have the same value today. Additionally, if a Board Member was to charge for mileage or other expenses incurred for serving on the Board, the administrative costs for staff time to calculate and administer that process could potentially add up to being more than the \$200 compensation. He concurs with the comments made by committee members. He is interested in the outcome that is reached by the full Board.

Committee Chair Hardy commented that she values her time but recognizes the privilege to serve. Having to come from Santa Clara, she appreciates Director Vella's comments that increasing compensation would be more cost effective than having to calculate multiple and specific reimbursement requests.

She thanked committee members for their input, and staff for the time put into the issue raised.

There were no further comments from committee members and the public.

- C. Update on Negotiation of a New Tier 2 Drought Allocation Plan: Sr. Water Resource Specialist, Danielle McPherson, was pleased to report that the member agency lead negotiators reached an agreement on all of the elements of the new Tier 2 Drought Allocation Plan.

Part of reaching an agreement involved expanding the deal for the new Tier 2 Plan to include a WSA amendment to address minimum purchase challenges. Ms. McPherson noted that

her presentation will focus on the Tier 2 Plan negotiations, as the details of the WSA amendment on minimum purchases are still under negotiation and development.

BAWSCA continues to be confident that the new Tier 2 Plan will be adopted by the governing bodies of all agencies. However, given the additional minimum purchase element, the schedule may be impacted, and there is a likely potential that the Board will need to act in November to extend the existing Plan until the new Tier 2 Plan is unanimously adopted.

Currently, BAWSCA is meeting individually with member agencies' lead negotiators, executive staff, and advisory committees formed by some agencies to discuss key points of the new Tier 2 Plan and why the existing plan needed an update.

Ms. McPherson presented background information on the existing Plan, lessons learned from implementation in 2021, the process for updating the Plan, and how the updated Plan achieves the intended objectives and policy principles.

She walked through the major elements of the existing Plan, what conditions changed since it was adopted, how it resulted in unintended outcomes, and what the lead negotiators intended to achieve with an updated Plan.

The existing Plan:

- allocates water primarily based on a 1/3 weight on individual supply guarantee (ISG), and 2/3 weight on San Francisco purchases;
- has minimum and maximum cutbacks to limit the range of potential cutbacks;
- includes an adjustment for East Palo Alto (EPA); and,
- has special rules for San Jose and Santa Clara.

While the existing Plan allocates all the water based on the 1/3 ISG and 2/3 SFPUC purchases, it requires supplies to be shifted around between the agencies to meet the other objectives; and therefore, becoming very confusing to follow how an agency is allocated water through the process.

Changed Conditions, Unintended Outcomes, *Desired Update*:

- Since the Plan was adopted in 2011, the agencies are, on average, purchasing less of their ISG, resulting in a weaker correlation between actual purchases in the pre-drought years and ISG. The result is final cutbacks that are not intuitive.

Generally, an agency with very high per capita water use would be expected to have more discretionary water use, more opportunities to conserve, and might have a higher cutback. But because of the heavy weight of ISG in the existing Plan, that is not what actually happens.

The lead negotiators wanted an updated Plan that was straightforward, doesn't shuffling of supplies, and with results that are more intuitive.

- When the existing Plan was adopted, EPA had the lowest per capita water use, and because of the heavy weight of ISG in the Plan along with EPA's ISG value at the time, EPA would have had a very high cutback. To address this, the agencies agreed to limit EPA's cutback by creating a banking system or a "bucket" of water that would be allocated to EPA.

Since the Plan was adopted in 2011, however, EPA has received and purchased ISG and no longer needs the full “bucket” to achieve the limited cutback. This resulted in unallocated water.

The agencies wanted a plan that allocates 100% of the available Tier 1 regional water system (RWS) supply.

- In 2021, the Board extended the existing Plan with an amendment that ensured a 100% allocation.

But this resulted in some agencies’ final cutbacks to be below the agreed upon minimum cutback.

The agencies wanted to ensure that those limits are met in the new Tier 2 Plan.

- Since 2010-11 there are many more agencies that developed similar water use profiles as EPA’s very low per capita water use. The agencies have considered whether it would be appropriate to have similar protections for similarly situated agencies.

The group decided to have an updated Tier 2 Plan that ensures sufficient supply for all wholesale customers, as opposed to carving out exceptions for one wholesale customer.

- Since 2011, the terms of the water sales contract between San Francisco, San Jose and Santa Clara have changed.

The group considered whether the special rules were still appropriate. While it did not specify an intended outcome or objective, the group indicated its intention for its consideration during the negotiation process.

In January 2022, the 26 member agencies appointed a lead negotiator to represent the interests of their agency in the negotiations of a new Tier 2 Plan. This allowed the active engagement of all agencies throughout the entire process.

The group started with research of the existing shortage allocation plans to understand how other agencies allocate water during drought, and to be able to expand on what a Tier 2 Plan can look like beyond the existing one.

The group then developed policy principles to collectively define the intended objectives of the new Plan before they started dividing the supply.

It has been an iterative process for the agencies over the past 2 and a half years. The agencies would look at different steps that could implement the policy principles, select some, toss others, refine, analyze, and go back to the beginning to reconsider steps, look at new ones, refine, and do the cycle all over again until the final Plan was reached.

The member agencies are all very unique and the 2+ years process was necessary because of the education that agencies had to have about each other and the trust-building that needed to be established in the room.

As previously reported to the BPC and Board, the Policy Principles are:

1. Provide sufficient water for the basic health and safety needs of customers.
2. Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.

3. Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
4. Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

The new Tier 2 Plan achieves the Policy Principles and intended objectives developed by the lead negotiators on behalf of the 26 agencies.

New Tier 2 Plan Elements	Outcomes
<ul style="list-style-type: none"> • Maintains the minimum and maximum cutbacks; 	<ul style="list-style-type: none"> • Ensures all agencies contribute to overall Wholesale reduction • Limits adverse impacts by capping potential cutbacks
<ul style="list-style-type: none"> • Includes needs-based allocations at the very beginning of the process that allocates water based on demonstrated demand in the pre-drought years; and, 	<ul style="list-style-type: none"> • Provide RWS supply for base indoor use • Have intuitive results
<ul style="list-style-type: none"> • Allocates the final remaining water based on the 1/3 ISG, 2/3 SFPUC purchases. 	<ul style="list-style-type: none"> • Provide measures of predictability

Additionally, the Plan allocates water in an additive step-wise process, which means an allocation is provided in step one, and another allocation is provided in step-two that is added to step-one, and so on through the process; therefore providing an easier way to follow how water is allocated among the agencies. The new Plan also ensures all RWS supply is allocated.

The next steps are for BAWSCA, its technical consultants, and the legal team to develop adoption packet materials for the lead negotiators to review over the coming months. The terms of minimum purchase amendment are undergoing further evaluation.

The typical adoption process by all 26 agencies’ governing bodies is about 6 months. But as previously stated, the matter of the minimum purchase amendment may impact the schedule, and there is a potential for the Board to extend the existing Tier 2 Plan in November until the new Tier 2 Plan is adopted by all member agencies.

Comments and questions from Committee members were taken following Ms. McPherson’s report.

Committee Chair Hardy and members of the Committee expressed their appreciation for Ms. McPherson’s heavy lift and a job well done. The visuals in the staff report and presentation effectively communicated the complexity of the negotiation process with 26 member agencies. They were succinct and clear in showing what needed to be addressed and what was resolved.

In response to Director Schneider, Ms. Sandkulla explained that administratively, BAWSCA staff and the legal team have begun writing the documents that will form a packet of staff

reports, presentations and resolution templates. The packet will be provided to agencies in mid-August/September for its governing body adoption process. The BAWSCA staff and legal team will support agencies as needed, including being present at the meeting in which the item is agendaized.

Director Pierce noted that from previous processes, materials are developed by staff and goes through the WMRs and lead negotiators who then have conversations with the agency's executive team. The role that the BAWSCA Board has is to ensure that the item gets on the council agenda and to support it. It is typically not a big discussion item for the governing bodies.

Director Zigterman asked about the status of the minimum purchase amendment and how the Board can assist.

Ms. Sandkulla reported that it will be further discussed by the WMRs in July. Because it is a new issue, the WMR's agreed to engage with their agency management for due diligence. BAWSCA staff and legal team are available to meet with agencies, if needed. Ms. Sandkulla noted that the WMRs indicated their commitment to a solution.

She added that Board members being the champion for the item as it makes its way through their councils/boards would be helpful as agency governing bodies typically look to BAWSCA directors for their knowledge and judgement. The Board's comfort with the issue is critical, therefore Board members are encouraged to reach out to BAWSCA with their concerns and questions in order to reach that comfort level.

At this time, it is anticipated that the new Tier 2 Plan will not come back to the BPC or the Board. More details are expected in July/August and will be shared with the Board. The item will be packaged with the new Tier 2 Plan documents for agency governing body action.

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

7. CEO Reports:

- A. **Bay-Delta Plan and FERC Update:** Ms. Sandkulla noted that while there are no recent developments from the last report provided in May, it does not diminish the importance of the effort. There are a lot of work being done by the State Board staff and other parties.

Ms. Sandkulla went over the schedules as a reminder. For Phase 2, which is the Sacramento/Delta Phase of the Plan, three workshops were held to inform development of the draft program of implementation language. State Board staff are evaluating the information received from the workshops. They anticipate releasing a draft in the Fall.

For the Phase 1 Update, which is the implementation of the adopted action by the State Board on the Bay Delta Plan, there are overall schedule delays in the efforts to develop proposed agreements for Lower San Joaquin River/South Delta including the Tuolumne.

The State Board staff is preparing the draft Environmental Impact Report (EIR) to implement the updates adopted in 2018. An early draft is anticipated in early 2025.

The State Board is considering a proposed agreement for the Tuolumne River in which they currently have ongoing environmental and technical review.

BAWSCA is actively engaged in regular discussions with SFPUC to monitor activities through the schedule.

There were no comments and questions from members of the committee or members of the public

- B. **CEO Recruitment Ad Hoc Committee Report:** Board Chair Chambers reported that an Ad Hoc Committee was formed to lead the recruitment process for the new CEO/General Manager. The Committee released Request for Proposals that generated several responses from which three candidate firms will be interviewed. The Committee will work with the selected firm to develop the recruitment materials. The schedule anticipates the release of recruitment announcement in early July, a recommendation of a candidate to the full Board at its September Board meeting, and the transition to the selected CEO/General Manager in November. This schedule would allow for an overlapping “hand-off” with Ms. Sandkulla.

Serving on the Ad Hoc Committee with Board Chair Chambers are Directors Pierce, Breault, Vella, and Ragsdale. They were selected to represent majority of the Board Policy Committee. Directors Breault and Pierce were selected for the amount of time they have served as Directors during Nicole’s time as the CEO/General Manager, and particularly for Director Breault who was part of the Committee that recommended Ms. Sandkulla as CEO/General Manager in 2013.

8. **Closed Session:** Legal Counsel, Allison Schutte, reported that there were are no further updates for the Committee. Unless members of the Committee have questions for discussions in Closed Session, Closed Session can be moved to the July Board meeting.

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

9. **Report from Closed Session:** Legal Counsel, Allison Schutte, reported that at 2:56pm the Committee did not go into Closed Session and returned to open session to conduct the general agenda.

10. **Comments by Committee Members:** Director Ragsdale supported Chair Hardy’s comments on the value of attending the Hetch Hetchy tour and encouraged members of the Board who have not yet attended to get on the waiting list to participate in the tour. It provides valuable information and is worth the time.

Director Schneider reported that the City of Millbrae will be moving over to a new City Attorney as of September 2024.

Director Hardy stated that the October Hetch Hetchy tour is on the 15th and 16th.

Ms. Sandkulla added that BAWSCA Board members are priority and are encouraged to get on the list of interested participants.

11. **Adjournment:** The meeting was adjourned at 3 o’clock m. The next meeting is August 14th in the regularly scheduled location of Burlingame Community Center, Sequoia Room.

Bay Area Water Supply and Conservation Agency

**Board Policy Committee Meeting
Attendance Roster**

Agency	Director	Jun. 12, 2024	Apr. 10 2024	Feb. 14, 2024	Dec. 13, 2023	Oct. 11, 2023	Aug. 11, 2023
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓	✓	MEETING CANCELLED
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	n/a	n/a	
Westborough	Chambers, Tom	✓	✓	✓	✓	✓	
Menlo Park	Doerr, Maria		✓	✓	✓	✓	
CalWater	Duncan, Darin	✓	✓	✓	n/a	n/a	
Redwood City	Pierce, Barbara	✓	☎	✓	☎	✓	
Millbrae	Schneider, Ann	✓	✓	✓	✓	✓	
MPWD	Vella, Lou	☎	✓	☎	✓	✓	
Stanford	Zigterman, Tom	✓	✓	✓	✓	✓	

✓: present

☎ : Teleconference

June 12, 2024 Meeting Attendance (In-Person)

BAWSCA Staff:

Nicole Sandkulla	CEO/General Manager	Allison Schutte	Legal Counsel, Hanson Bridgett
Tom Francis	Water Resources Manager		
Christina Tang	Finance Manager		
Danielle McPherson	Sr. Water Resources Specialist		
Negin Ashoori	Sr. Water Resources Engineer		
Lourdes Enriquez	Asst. to the CEO/General Manager		
Deborah Grimes	Office Manager		

Public Attendees:

Alison Kastama SFPUC

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****May 16, 2024 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:43 pm.**

BAWSCA Chair, Tom Chambers, called the meeting to order. CEO/General Manager Nicole Sandkulla called the roll. Twenty-one (21) members of the Board were present at roll call with one member on teleconference. One member arrived after roll call. A list of Directors present (22) and absent (4) is attached.

2. Comments by the Chair:

Chair Chambers noted that the Board's action items include approval of the agency's mission-driven Work Plan and results to be achieved for FY 2024-25. He reminded the Board of BAWSCA's mission to provide a reliable supply of high-quality water at a fair price for the water users BAWSCA represents in Alameda, San Mateo and Santa Clara Counties. The Board will also act on the proposed budget and funding plan to pay for this important work, and approve eighteen professional services contracts that must be in place July 1, 2024 for the agency to begin implementing the Work Plan.

Chair Chambers spoke of the CEO's notification to the Board of her intention to retire this December and noted that the Board will take the first important step necessary in this transition to begin the recruitment process for a new CEO.

3. Board Policy Committee Report – Director Hardy provided information on the April 10, 2024 Board Policy Committee meeting. The Board Policy Summary Report included in the agenda packet reflects the discussions by the Committee including the Committee's recommendations.

There were no comments from members of the public.

4. Consent Calendar:

Director Manalo made a motion, seconded by Director Hamilton, that the Board approve the Minutes of the March 21, 2024 meeting; receive and file the Budget Status Report, the Bond Surcharge Collection, Account Balance and Payment Report, the Investment Report, the Directors' Reimbursement Report and the Employees' Reimbursement Report as of March 31, 2024; Authorize the Professional Services Contract to Develop a Regional Water Demand and Conservation Projection Study, and Approve the Second Amendment to Hanson Bridgett Professional Service Contract.

The motion passed by roll call vote.

5. SFPUC Report:

Ms. Alison Kastama, SFPUC's BAWSCA Liaison, provided a water supply conditions update. Last year's wet year provides a good carry-over storage for the system, in addition to the good precipitation that has occurred. Overall, the system is 83% full and is in good condition in terms of supply. Many State reservoirs are above their

historical average for this time of year, reflecting the carry-over storage from last year's wet year.

Comments and questions were received from members of the Board.

There were no comments from members of the public.

6. Public Comments on Items Not on the Agenda:

There were no comments from members of the public.

7. Action Calendar:

A. Preliminary FY 2024-25 Work Plan, Results to Achieve, and Operating Budget:

CEO/General Manager, Nicole Sandkulla, presented the Preliminary FY 2024-25 Work Plan, Results to be Achieved, and Operating Budget to the Board for its consideration.

Questions and comments were taken from members of the Board.

There were no comments from members of the public.

Director Hamilton made a motion, seconded by Director Pierce, that the Board approve the:

- 1. Proposed Fiscal Year 2024-25 Work Plan and Results to be Achieved;**
- 2. Proposed Operating Budget of \$5,614,518; and**
- 3. Proposed funding plan Option #2 with a 9% assessment increase and a transfer of \$340,120 from the General Reserve.**

The motion passed unanimously by roll call vote.

B. Approval of Professional Services Contracts for FY 2024-25:

CEO/General Manager, Nicole Sandkulla, presented the eighteen (18) Professional Services Contracts that need to be in place by July 1, 2024. Eleven (11) professional services contracts are funded by the Proposed FY 2024-25 Operating Budget, and have a combined budget of \$1,472,500. Seven (7) professional services are for subscription conservation programs that have no operating budget implications, but need to be approved by the Board

Questions and comments were taken from members of the Board.

There were no comments from members of the public.

Director Schneider made a motion, seconded by Director Pierce, that the Board approve the eighteen (18) contracts, subject to legal counsel review, for legal, engineering, financial, and water conservation services needing to be in place by July 1, 2024.

The motion passed unanimously by roll call vote.

8. Reports and Discussions:

- ### A. Negotiations of a New Tier 2 Plan: Senior Water Resources Analyst, Danielle McPherson, reported on developments in the negotiations of a new Tier 2 Plan.

- B. BAWSCA's Strategy 2050: Senior Water Resources Engineer, Negin Ashoori, provided the Board an update on the development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050.

Questions and comments were taken from members of the Board.

There were no comments from members of the public.

9. CEO Reports:

- A. Water Supply Conditions: Ms. Sandkulla announced that BAWSCA's Annual Survey for FY 2022-23 is available on the BAWSCA website.
- B. Bay Delta Plan: Ms. Sandkulla reported on the Bay Delta Plan developments and an update on the Tier 2 Plan Negotiations.

10. Closed Session

There were no public comments prior to adjourning to Closed Session.

The meeting adjourned to Closed Session at 8:36pm.

11. Report from Closed Session:

Chair Chambers reconvened the meeting to Open Session.

Legal Counsel, Allison Schutte, reported that the Board reconvened from Closed Session at 8:45pm. There was no reportable action taken during Closed Session.

12. Agreement with Executive Recruitment Firm:

Director Montano made a motion, seconded by Director Ragsdale, that the Board authorize the CEO/General Manager to negotiate and execute an Agreement with an Executive Recruitment Firm in accordance with the agency's procurement policy and in a form approved by legal counsel.

The motion passed unanimously by roll call vote.

13. Directors' Discussion: Comments, Questions and Agenda Requests:

Director Weed recommended that the BPC consider increasing the Board member stipend to \$200.

Director Doerr suggested that the Board consider having a public citizen's advisory committee so that more active conversations can be had outside of the Board.

Director Mehlinger concurred with Director Doerr.

Director Stone supported Director Weed's and Director Doerr's recommendations.

- 14. Date, Time and Location of Next Meeting:** The next meeting is scheduled on July 18, 2024 at 6:30pm. Because the Burlingame Community Center Magnolia Room will not be available, the meeting will be held in the Wind Room of the Foster City Community Building.

Legal Counsel, Allison Schutte clarified that because of the alternative meeting location, which differs from what is stated in the Rules of Board, the July meeting will be noted as a Special Meeting, even though the time of 6:30pm, and occurrence of 3rd Thursday of an odd-numbered month, remains the same.

15. Adjournment: The meeting adjourned at 8:55pm.

Respectfully submitted,

Nicole Sandkulla
CEO/General Manager

NS/le

Attachments: 1) Roll Call & Voting Log
2) Attendance Roster

Roll Call & Voting Log - BAWSCA

Meeting Date: May 16, 2024

Agency	Director	Present/ Absent	Item #4 Consent	Item #7A FY 24-25 Workplan & Budget	Item #7B FY24-25 Consultant Contracts	Item #12 Consultant Contract Recruitment Firm	Other	Weighted Voting ⁽²⁾	
								Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	y	y	y	y	y			
Brisbane	Breault, Randy	y	y	y	y	y			
Guadalupe	Breault, Randy	y	y	y	y	y			
Westborough	Chambers, Tom	y	y	y	y	y			
San Jose	Cohen, David	0	0	0	0	0			
Menlo Park	Doerr, Maria	y	y	y	y	y			
CalWater	Duncan, Darin	y	y	y	y	y			
San Bruno	Hamilton, Tom	y	y	y	y	y			
Santa Clara	Hardy, Karen	y	y	y	y	y			
Foster City	Hindi, Sam	0	0	0	0	0			
Purissima	Jordan, Steve	0	0	0	0	0			
East Palo Alto	Lopez, Antonio	y	0	y	y	y			
Daly City	Manalo, Juslyn	y	y	y	y	y			
Mountain View	Matichak, Lisa	y	y	y	y	y			
Sunnyvale	Mehlinger, Richard	y	y	y	y	y			
Coastside	Mickelsen, Chris	y	y	y	y	y			
Milpitas	Montano, Carmen	y	y	y	y	y			
North Coast	Piccolotti, Tom	y	y	y	y	0			
Redwood City	Pierce, Barbara	y	y	y	y	y			
Hillsborough	Ragsdale, Leslie	y	y	y	y	y			
Millbrae	Schneider, Ann	y	y	y	y	y			
Burlingame	Stevenson, Peter	0	0	0	0	0			
Palo Alto	Stone, Greer	y	y	y	y	y			
Mid-Peninsula	Vella, Louis	y	y	y	y	y			
ACWD	Weed, John	y	y	y	y	y			
Stanford	Zigterman, Tom	y	y	y	y	y			

Vote Tally							Weighted Vote Summary	
	Yes (y)	No (n)	Absent (0)	Abstain (a)	Item Carries by Simple Vote?	Item Carries by Weighted Vote?	"Yes"	"No"
Yes (y)	22	21	22	22	21			
No (n)								
Absent (0)	4	5	4	4	5			
Abstain (a)								
Item Carries by Simple Vote?								
Item Carries by Weighted Vote?								

- (1) Under simple voting, item carries if it receives an affirmative vote of a majority of the total membership (15 votes)
(2) Under weighted voting, item carries if it receives the affirmative vote of directors representing both
a) A majority of the members present and voting, and
b) a majority of the number of votes represented by directors present

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Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	May 16, 2024	Mar. 21, 2024	Jan. 18, 2024	Nov. 16, 2023	Sept. 27, 2023	July 20, 2023
Andrews, Angela	Hayward	✓	✓	✓	✓	✓	✓
Breault, Randy	Guadalupe	✓	✓	✓	✓	✓	✓
Breault, Randy	Brisbane	✓	✓	✓	✓	✓	vacant
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cohen, David	San Jose			✓	✓	✓	
Doerr, Maria	Menlo Park	✓	✓	✓	✓	✓	✓
Hamilton, Tom	San Bruno	✓	✓	✓	✓	✓	✓
Hardy, Karen	Santa Clara	✓	✓	✓	✓		✓
Hindi, Sam	Foster City			✓		✓	
Jordan, Steve	Purissima		☎	✓	✓	✓	✓
Lopez, Antonio	East Palo Alto	✓	✓		✓	✓	
Manalo, Juslyn	Daly City	☎					
Matichak, Lisa	Mountain View	✓	✓	✓		✓	✓
Mehlinger, Richard	Sunnyvale	✓		✓*	✓*	✓*	✓*
Mickelsen, Chris	Coastside	✓	✓		✓		
Montano, Carmen	Milpitas	✓			✓		✓
Piccolotti, Tom	North Coast	✓	✓	✓	✓	✓	
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓	✓
Ragsdale, Leslie	Hillsborough	✓	✓	✓	✓	✓	✓
Schneider, Ann	Millbrae	✓	☎	✓	✓	✓	✓
Smegal, Tom	Cal Water	✓	✓	✓	✓	✓	✓
Stone, Greer	Palo Alto	✓	✓		✓	✓	
Stevenson, Peter	Burlingame			✓	✓	✓	✓
Vella, Louis	Mid-Peninsula	✓	✓	✓	✓	✓	✓
Weed, John	ACWD	✓	✓	✓	✓	✓	
Zigterman, Tom	Stanford	✓	✓		✓	✓	✓

✓ : Present

* : Predecessor

☎ : Teleconference

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BAWSCA

Bay Area Water Supply & Conservation Agency

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

TO: Nicole Sandkulla, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: July 12, 2024

SUBJECT: Budget Status Report as of May 31, 2024

This memorandum shows fiscal year budget status for FY 2023-24. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

Operating Budget Summary:

For the eleven-month period ending May 31, 2024, 92 percent into the fiscal year, total expenditures were \$4,155,161 or 82 percent of the total budget of \$5,067,419.

Table 1. Operating Budget Summary as of May 31, 2024

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,828,552	1,318,201	72%
Fair Pricing	272,500	172,257	63%
Administration	145,000	151,147	104%
Subtotal	2,246,052	1,641,606	73%
Administration and General			
Salary & Benefits	2,309,542	2,125,738	92%
Other Expenses			
BAWSCA	501,250	387,447	77%
BAWUA	1,050	0	0%
Subtotal	5,057,894	4,154,792	82%
Capital Expenses	5,000	0	0%
Budgeted Contingency	2,500	0	0%
Regional Financing Authority	2,025	369	18%
Grand Total	5,067,419	4,155,161	82%

Overview:

Overall expenditures for FY 2023-24 are tracking within budget.

Consultants

The \$91,000 budget for technical review and tracking of the SFPUC’s Water System Improvement Program was 35 percent expended. The Operating Budget allocation of \$172,500 for strategic counsel was 40 percent expended. The Operating Budget allocation of \$975,000 budget for legal counsel was 95 percent expended. The \$238,984 budget for water management and conservation-related activities was 54 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 92 percent and 77 percent respectively.

Use of CEO’s Discretionary Spending Authority:

No use of CEO discretionary spending authority occurred during this period.

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2022-23 were \$665,592. The General Reserve balance as of May 31, 2024 shown below reflects the transfer of the unspent balance from FY 2022-23 in accordance with BAWSCA’s General Reserve Policy.

In May 2024, BAWSCA Board approved an amendment to Hanson Bridgett professional services contract with an increase on the not-to-exceed amount by \$84,000 funded by a transfer from the General Reserve. The General Reserve balance as of May 31, 2024 shown below also reflects this transfer.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 03/31/24)	Account Balance (As of 05/31/24)
General Reserve	\$1,543,390	\$1,459,390

BAWSCA

Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Nicole Sandkulla, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: July 11, 2024

SUBJECT: Investment Report – As of May 31, 2024

In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. As a result of the recent review of the policy, proposed modifications to the current statement of investment policy ensuring safety of bank deposits over the FDIC limit were presented and approved by the Board at its May 18, 2023 meeting.

BAWSCA funds not deposited in banks are invested in BAWSCA's Local Agency Investment Fund (LAIF) account throughout the year to ensure compliance with BAWSCA's investment policy.

BAWSCA's prior and current period LAIF account balances are shown below:

<u>03/31/24</u>	<u>05/31/24</u>
\$2,963,658	\$2,995,585

Of the total in the BAWSCA LAIF account as of May 31, 2024, \$1,459,390 represents BAWSCA's General Reserve Fund, equivalent to approximately 29 percent of FY 2023-2024 Operating Budget. The remaining amount consists of Subscription Conservation Program funds and unrestricted funds.

Recent historical quarterly interest rates for LAIF deposits are shown below:

<u>12/31/24</u>	<u>03/31/24</u>
4.00%	4.30%

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Resolution Honoring Harlan P. “Bud” Wendell and His Service to the Water Customers**

Summary:

In February, the Board was informed that Harlan P. “Bud” Wendell passed peacefully in his home on February 11, 2024, surrounded by his family.

Mr. Wendell was part of the original team under the Bay Area Water Users Association (BAWUA) that joined forces with Assembly Member Lou Papan to pass three critically important pieces of legislation to protect the water customers that rely on the San Francisco Hetch Hetchy Regional Water System: AB 1823 (Papan) which required San Francisco to fix the earthquake vulnerable Regional Water System; AB 2058 (Papan) which enabled formation of the Bay Area Water Supply and Conservation Agency (BAWSCA); and SB 1870 (Speier) which created the San Francisco Bay Area Regional Water System Financing Authority.

Mr. Wendell’s strategic counsel helped identify BAWSCA’s goal of ensuring a reliable supply of high-quality water at a fair price for the water users of the member agencies that BAWSCA represents. BAWSCA had the privilege of Mr. Wendell’s service for twenty-four years to achieve critical results and overcome unprecedented challenges on behalf of the 1.8 residents, over 40,000 businesses and thousands of community agencies in Alameda, San Mateo and Santa Clara Counties that BAWSCA represents.

Attached is a resolution for the Board to honor Harlan P. “Bud” Wendell’s services.

Recommendation:

That the board adopt the attached resolution to honor Mr. Wendell’s services to both Bay Area Water Users Association (BAWUA) and Bay Area Water Supply & Conservation Agency (BAWSCA).

Attachment: Resolution honoring Mr. Harlan P. “Bud” Wendell

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**RESOLUTION NO. 2024-01
BY THE BOARD OF DIRECTORS OF THE
BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**RESOLUTION HONORING HARLAN P. “BUD” WENDELL’S PERFORMANCE AS
STRATEGIC COUNSEL**

WHEREAS, the Board of Directors recognizes and honors Harlan P. “Bud” Wendell’s extraordinary and successful performance as Strategic Counsel for BAWSCA and its predecessor organization, the Bay Area Water Users Association (BAWUA), during the past 24 years (2000-2024); and

WHEREAS, the Board appreciates greatly and values highly the strong leadership and important results Mr. Wendell has provided for BAWSCA’s 26 member agencies and the 1,800,000 residents, over 40,000 businesses and thousands of community agencies in Alameda, San Mateo and Santa Clara Counties who depend on water provided by the San Francisco Regional Water System and its Hetch Hetchy Reservoir; and

WHEREAS, in 2001-2002 Mr. Wendell strategically advised the team which drafted three legislative bills to protect the public health and safety of these water users - AB 1823 (L. Papan), AB 2058 (L. Papan), and SB 1870 (Speier) - which were enacted with almost unanimous votes mandating that San Francisco rebuild the seismically-vulnerable Regional Water System, authorizing the establishment of BAWSCA as a state agency, and ensuring that funding would be made available, if needed, to complete rebuilding the Regional Water System; and

WHEREAS, Mr. Wendell subsequently stewarded successful amendments to the above mentioned bills during 2006, 2008, 2010, 2012, 2014, and 2019; and

WHEREAS, Mr. Wendell provided strategic counsel to the CEO/General Manager in assessing and responding to the State Water Resources Control Board Bay Delta Water Quality Control Plan, the relicensing of the New Don Pedro Project through the Federal Energy Regulatory Commission (FERC), and subsequent related activities; and

WHEREAS, Mr. Wendell's invaluable advice to the CEO/General Manager supported the development of negotiating strategies to ensure reliable supply of high-quality water at a fair price for issues related to the 2009 Water Supply Agreement (WSA), the 2018 WSA amendments, and the 2021 WSA amendment that allows for a transfer of a portion of an individual member agency’s Individual Supply Guarantee and Minimum Purchase Requirement to another member agency; and

WHEREAS, during his years of service for BAWSCA, Mr. Wendell’s talent for anticipating public issues, avoiding public disputes, maintaining accessible transparency, and

pinpoint accuracy led to numerous valuable results for BAWSCA’s constituents in the Agency’s first twenty-years.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Water Supply and Conservation Agency, on behalf of BAWSCA’s 26 member agencies and their water customers, hereby proclaims an expression of sincere admiration and appreciation for the distinguished service of Bud Wendell to both BAWSCA and BAWUA; and

BE IT FURTHER RESOLVED that the Board of Directors hereby posthumously honors Harlan P. “Bud” Wendell for his many years of dedicated service to BAWSCA and BAWUA, expresses its appreciation to his family for their support of Bud for his service to the water customers that BAWSCA represents, and extends to his family best wishes of pride and achievement with his legacy.

Regularly passed and adopted this eighteenth day of July, 2024, by the following vote:

AYES:

NOES:

ABSENT:

Chair, Board of Directors
Bay Area Water Supply and
Conservation Agency

ATTEST:

Secretary

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: Contracting and Funding to Initiate the Development of the Long-Term Reliable Water Supply Strategy 2050

Summary:

This item requests the Board authorize the CEO/General Manager to (1) approve contract with EKI for development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050); (2) approve a 2nd contract with BAWSCA's legal counsel, Hanson Bridgett, to support Strategy development; and (3) approve funding Strategy 2050 development through a Water Management Charge (WMC) as authorized in Section 3.06A of the Water Supply Agreement between San Francisco and its Wholesale Customers (WSA).

In order to facilitate an efficient transition from the scoping of Strategy 2050 to its development, the contract that BAWSCA entered into for the scoping effort left open the potential to utilize the same consultant for subsequent phases, at BAWSCA's sole discretion. BAWSCA has been very satisfied with the quality of the work that EKI produced in the scoping phase of Strategy 2050. Therefore, it is recommended that BAWSCA continue to contract with EKI for the development of Strategy 2050.

Information detailing the proposed Scope of Work (SOW), Strategy development budget, and funding mechanism is included in this memo and Attachment A. Feedback from both the Board and Water Management Representatives (WMR) has helped guide task and subtask selection for the SOW development.

Fiscal Impact:

Strategy 2050 is scheduled to be completed in January 2027 with an associated total budget of \$2,447,000, which includes costs associated with technical and legal services. The proposed method for funding Strategy 2050 is the use of the Water Management Charge, as enabled by the WSA. The Water Management Charge will be applied to the wholesale customer's SFPUC water bills as an additional line item cost per hundred cubic feet (ccf). The impact is anticipated to be on the order of \$0.02 per ccf.

Table 1 shows the Water Management Charge proposed to be included in each Wholesale Customer's monthly water bill as its proportional share of Strategy 2050 costs based on a total cost of \$2.447M and an 18 month collection period starting September 2024.

Board Policy Committee Action:

The Board Policy Committee voted unanimously to recommend the proposed board actions.

Recommendation:

That the Board authorize the CEO/General Manager to:

1. Negotiate and execute a contract with EKI to develop Strategy 2050 for a cost not to exceed \$2,267,000;

2. Execute a new contract with Hanson Bridgett to provide legal services in support of the development of Strategy 2050 with a cost of \$180,000; and
3. To enact the Water Management Charge to fund the development of Strategy 2050 work up to a not-to-exceed amount of \$2,447,000.

Discussion:

BAWSCA has completed the development of the SOW for Strategy 2050. Figure 1 provides the overall schedule for Strategy 2050 including scoping and development.

The Strategy 2050 SOW includes defined primary tasks and subtasks which were shared with the Board and WMR in January 2024. The draft SOW was shared with the BAWSCA WMR on March 1, 2024, the BPC on April 10, 2024, and with the Board on May 16, 2024. All of the tasks and subtasks within the SOW tie directly back to the proposed purpose and objectives of Strategy 2050.

Input received at the WMR workshops and Board meetings has been helpful in the development of the Strategy 2050 purpose, objectives, and SOW.

In consideration of the inputs received, the **purpose of Strategy 2050** is:

To identify the water supply and demand management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience.

Six Strategy 2050 objectives for the BAWSCA region were identified to achieve the Strategy 2050 purpose. These six objectives are in addition to BAWSCA's work to oversee the WSA and align with BAWSCA's goal of a reliable supply of high-quality water at a fair price.

Strategy 2050 Objectives:

1. *Provide a comprehensive picture of the region's supply and demand management needs and options.*
2. *Establish a framework for collectively maintaining and improving regional water supply reliability and resilience.*
3. *Elevate awareness of and support the region's interest in new and emerging regulations that impact water supply and demand management.*
4. *Expand regional dialogue and collaboration to collectively address common needs.*
5. *Close the gap on funding needed for water supply resilience and reliability.*
6. *Support availability of affordable water supplies and demand management strategies to all customers.*

The purpose and objectives of Strategy 2050 support the identification of the following 7 key tasks for the SOW:

1. *Evaluate water supply and demand management reliability.*
2. *Assess regulatory setting and collaboration opportunities.*
3. *Evaluate existing project concepts and identify new regional project opportunities.*
4. *Provide support to member agencies in their efforts to obtain external funding.*
5. *Document water affordability challenges and opportunities.*
6. *Develop a method to track and report on the status of Strategy 2050 implementation.*
7. *Report preparation – including findings, near and long-term recommendations.*

Additional details related to the Strategy 2050 SOW are shown in Attachment A. The next step is to initiate the development of Strategy 2050. To do this, the Board would need to authorize the CEO/General Manager to contract for the necessary technical and legal support and authorize BAWSCA to use the Water Management Charge to fund the development of Strategy 2050.

Consultant Resources for the Development of Strategy 2050:

In order to facilitate an efficient transition from the scoping of Strategy 2050 to its development, the contract that BAWSCA entered into for the scoping effort left open the potential to utilize the same consultant for subsequent phases, at BAWSCA's sole discretion. BAWSCA considered numerous factors in deciding whether to engage the Consultant who performs the scoping work to develop Strategy 2050, including but not limited to the following:

1. the quality of the scoping services performed by Consultant;
2. whether the scoping services were completed on time and on budget; and
3. the reasonableness of Consultant's proposed key business terms for preparing Strategy 2050, such as schedule, price, and key staff.

BAWSCA has been satisfied with the quality of the work that EKI produced in the scoping phase of Strategy 2050. Therefore, it is recommended that BAWSCA continue to contract with EKI for the development of Strategy 2050.

Recommended Use of Water Management Charge for Funding Strategy 2050:

The proposed method for funding Strategy 2050 is to use the Water Management Charge as enabled by the WSA. Specifically, Section 3.06A of the WSA states:

In order to support the continuation and expansion of water conservation, water recycling, and development of alternative supplies within the wholesale Customers' service areas, the SFPUC will, if requested by BAWSCA, include the Water Management Charge in water bills sent to Wholesale Customers.

Funding Strategy 2050 with the WMC is consistent with the stated intention of the Water Management Charge and was also used to fund the 2015 Strategy development. Furthermore, use of the Water Management Charge offers the following benefits compared to funding Strategy 2050 through member agencies assessments, which is BAWSCA's regular source of funding authorized by its enabling legislation:

- Use of the WMC provides flexibility in collecting revenue and allocating costs for the Strategy, as opposed to the assessment process which funds BAWSCA's annual budget and is set by State law.
- Use of the WMC represents a discrete project budget that is independent of the BAWSCA annual operating budget and that can be tracked and monitored separately.
- The WMC offers a revenue stream is not constrained by the fiscal year, which is beneficial when pursuing activities which extend beyond a single fiscal year.
- Use of the WMC enables BAWSCA member agencies to accommodate the cost of the Strategy as part of the cost of water from SFPUC and easily pass those costs directly to the water user rather than as an increased cost associated with participation in BAWSCA.

Consistent with BAWSCA's enabling legislation and the provisions for assessing member agencies, it is recommended that the allocation of the WMC to fund Strategy 2050 be in proportion to member agency purchases from SFPUC during FY 2000-01.

If approved by the Board in July, San Francisco would subsequently add a line item "Water Management Charge" to its wholesale water bills beginning in September 2024, collect the WMC funds, and remit the collected WMC funds to BAWSCA for its use on behalf of its member agencies.

A few additional conditions are imposed on SFPUC and BAWSCA if the Water Management Charge is utilized:

- SFPUC will provide an annual accounting of revenue collected to BAWSCA; and
- BAWSCA will provide an annual report to the SFPUC describing the projects and programs funded with this revenue and an estimate of water conservation savings and new supply yield associated with this expenditure.

Table 1 shows the WMC to be included in each Wholesale Customer's monthly water bill as its proportional share of Strategy 2050 costs based on a total cost of \$2.447M and an 18 month collection period starting September 2024. The impact is anticipated to be on the order of \$0.02 per ccf. For comparison purposes, the FY 2024-25 SFPUC wholesale water rate is \$5.67/ccf.

BAWSCA is continuing to coordinate with SFPUC on the administrative matters involved in billing, collecting, and remitting WMC revenue.

Attachment A: Draft Scope of Work: BAWSCA Long-Term Reliable Water Supply Strategy 2050

Table 1: Application and Allocation of Water Management Charge for Development of Strategy 2050

Project: Long Term Reliable Water Supply Strategy 2050

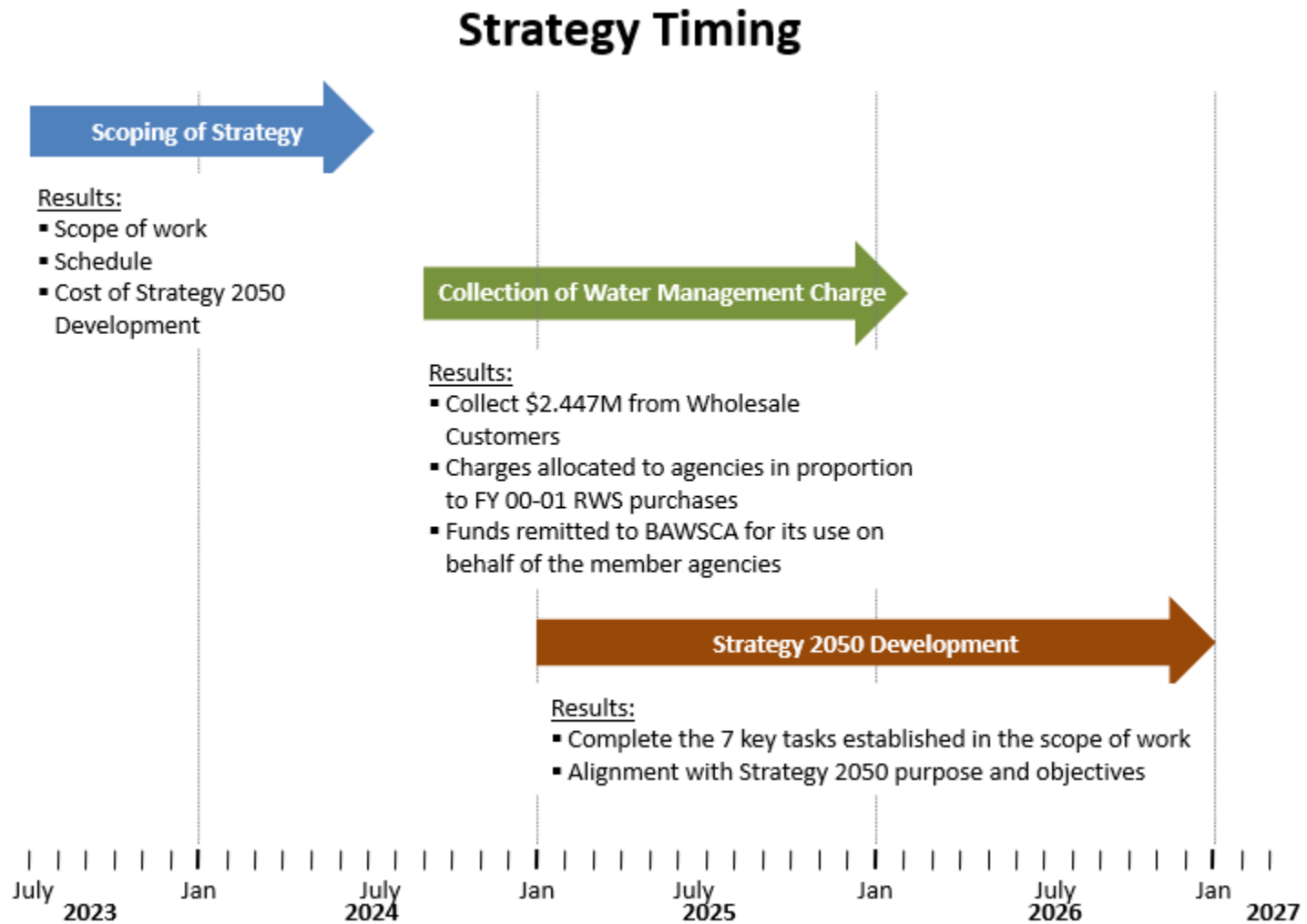
Total Cost (\$M): \$2.447

Collection Time Period: Sep. 2024 – Feb. 2026 (18 months)

Derivation of Monthly Charges for Each Agency

Agency	Actual FY 2000-01 SFPUC Purchases		Water Management Charge Proportionate to Usage	
	Ccf/yr	Percentage	Total Agency Share	Dollars/Month
	A	B	C	D
Alameda CWD	5,733,920	6.7%	\$164,441	\$9,136
Brisbane	178,451	0.2%	\$5,118	\$284
Guadalupe Valley ID	222,972	0.3%	\$6,395	\$355
Burlingame	2,373,507	2.8%	\$68,069	\$3,782
Cal Water-Bear Gulch	5,833,013	6.8%	\$167,283	\$9,294
Cal Water-Mid Peninsula	8,499,018	10.0%	\$243,741	\$13,541
Cal Water-SSF	3,775,630	4.4%	\$108,280	\$6,016
Coastside	755,636	0.9%	\$21,671	\$1,204
Daly City	2,215,685	2.6%	\$63,543	\$3,530
East Palo Alto	1,045,526	1.2%	\$29,984	\$1,666
Estero	2,873,777	3.4%	\$82,416	\$4,579
Hayward	8,959,450	10.5%	\$256,945	\$14,275
Hillsborough	1,861,166	2.2%	\$53,376	\$2,965
Menlo Park	1,684,982	2.0%	\$48,323	\$2,685
Mid-Peninsula	1,747,989	2.0%	\$50,130	\$2,785
Millbrae	1,339,215	1.6%	\$38,407	\$2,134
Milpitas	3,444,476	4.0%	\$98,783	\$5,488
Mountain View	5,423,871	6.4%	\$155,550	\$8,642
North Coast	1,676,847	2.0%	\$48,090	\$2,672
Palo Alto	6,730,016	7.9%	\$193,008	\$10,723
Purissima Hills	1,066,141	1.2%	\$30,576	\$1,699
Redwood City	5,749,916	6.7%	\$164,900	\$9,161
San Bruno	1,192,026	1.4%	\$34,186	\$1,899
San Jose	2,349,220	2.8%	\$67,373	\$3,743
Santa Clara	1,997,584	2.3%	\$57,288	\$3,183
Stanford	1,315,366	1.5%	\$37,723	\$2,096
Sunnyvale	4,785,841	5.6%	\$137,252	\$7,625
Westborough	493,441	0.6%	\$14,151	\$786
Total	85,324,682	100%	\$2,447,000	\$135,944

Figure 1: Strategy 2050 Schedule



Attachment A

Draft Scope of Work: BAWSCA Long-Term Reliable Water Supply Strategy 2050

Task 1: Evaluate Water Supply and Demand Management Reliability

Subtask 1A: Conduct a Risk Assessment of Water Reliability

The Consultant will review the potential risks impacting water supply reliability to the BAWSCA region, including the impacts of climate change, evolving regulations, and other uncertainties on water supplies at both the local agency and regional level. Using the existing RiverWare model, the Consultant will quantify the effects of these stressors on water supply for 4 potential future scenarios.

Subtask 1B: Develop Preliminary Water Demand, Supply, and Reliability Assessment for 2025 Urban Water Management Plans (UWMPs)

The Consultant will prepare a Demand, Supply, and Reliability Assessment Technical Memorandum (TM) using data from BAWSCA's 2025 water demand projection results. The TM will summarize initial Strategy 2050 findings related to water demand, supply, and reliability to inform preparation of individual BAWSCA Agency UWMPs.

Subtask 1C: Assess Existing Risks and Emergency Framework

The Consultant will assess the existing emergency planning and response frameworks across BAWSCA Agencies, including America's Water Infrastructure Act of 2018 (AWIA) requirements. Review will focus on comprehensive identification of vulnerabilities, such as wildfires, earthquakes, sea level rise, and adequate and continued implementation of emergency response plan frameworks.

Subtask 1D: Assess Regional Emergency Resilience Programs

The Consultant will explore emergency frameworks employed by BAWSCA Agencies and other regional entities outside of the BAWSCA region. The Consultant will assess opportunities to incorporate best practices from other regions into the emergency response within the BAWSCA region to jointly improve resources and coordination across BAWSCA Agencies.

Task 2: Assess Regulatory Setting and Collaboration Opportunities

Subtask 2A: Identify Regulatory Setting

The Consultant will summarize current and anticipated near-term and mid-term regulations impacting water management and project implementation. These may include water use efficiency requirements, water quality and environmental flow requirements, potable reuse regulations, reporting requirements, water rights requirements, or other similar regulations.

Subtask 2B: Assess Framework for Future Regulatory Collaboration

The Consultant will assess frameworks for regulatory collaboration and advocacy that have been employed by other regional entities and summarize frameworks for regional regulatory collaboration and advocacy, potential applicability of each framework to the BAWSCA region, and associated considerations (e.g., resource and staffing needs).

Task 3: Evaluate Existing Project Concepts and Identify New Regional Project Opportunities

Subtask 3A: Establish Project Database Architecture

The Consultant will develop a structure for the Project Database, a project inventory and database for BAWSCA Agencies' and other regional entities' planning projects.

Subtask 3B: Refine Existing Project Concepts

The Consultant will compile projects identified by BAWSCA Agencies through the One Water Reliability Roundtable Series and other local and regional planning efforts into the Project Database. The Consultant will refine and update details of projects in the Project Database.

Subtask 3C: Develop Additional Water Supply and Demand Management Project Concepts

The Consultant will develop up to 12 new water supply and demand management project concepts and details to supplement the existing project concepts. Details will include supply volume, capital costs, O&M costs, steps to project implementation, permitting process, proponents and partners, secondary benefits, and anticipated challenges and complexities.

Subtask 3D: Develop Comparative Metrics

The Consultant will develop metrics for comparing water supply projects and portfolios. The metrics will be developed to reflect considerations for BAWSCA and the BAWSCA Agencies in evaluating project opportunities and may include cost, dry-year reliability benefit, water quality impacts, regulatory complexity, speed of implementation, certainty of supply volume, community and environmental benefits, and other factors.

Subtask 3E: Develop Project Portfolios

Working with BAWSCA and the BAWSCA Agencies, the Consultant will develop up to 5 multi-project portfolios and assess reliability benefits under scenarios established in Subtask 1A.

Subtask 3F: Provide Individual Reliability Planning Services (Subscription Program)

If requested by individual BAWSCA Agencies, the Consultant will support the BAWSCA Agencies in individual planning tasks where individual needs go beyond what is scoped at a regional level.

Subtask 3G: Post-Audit Regional Groundwater Model

The Consultant will complete a post-audit of the existing Regional Groundwater Model to evaluate Regional Groundwater Model performance relative to observed conditions and identify whether refinements and recalibration are needed.

Subtask C-3H: Additional Regional Reliability Model Project Analysis

If determined to be necessary to inform Strategy 2050 decisions, the consultant will conduct additional project analysis in the Regional Reliability Model. Additional Regional Reliability Model updates may include more detailed representation of project entry points within the system or more detailed analysis of reliability benefits to a subset of potential project partners beyond overall regional benefits.

Subtask C-3I: Evaluate Additional Project Portfolios

If additional project portfolios beyond the five (5) identified in Subtask 3E are deemed necessary, the Consultant will evaluate additional project portfolios.

Subtask 3K: Prepare Constituent Concentration Trend Analysis and Modeling Approach

The Consultant will identify and evaluate BAWSCA Agency water quality concerns (i.e., PFAS, Cr6, and NH3) and request relevant water quality data as part of data acquisition efforts within the Regional Groundwater Model study area. Using these data, the Consultant will characterize spatial and temporal trends in constituent concentrations within the study area. The Consultant will then develop preliminary recommendations to support water quality management efforts.

Subtask C-3J: Additional Updates to the Regional Groundwater Model

If determined to be necessary based upon the results of Subtask 3G, the Consultant will (1) modify and refine the Regional Groundwater Model and/or (2) construct and implement model scenarios that support the evaluation of specific projects identified in Subtask 3B and 3C.

Task 4: Provide Funding Support

Subtask 4A: Expand Grants Tracking Tool

The Consultant will expand the BAWSCA Grants Tracking Tool to incorporate additional grant tracking and funding support components.

Subtask 4B: Establish Regional Funding Strategy and Advocacy Approach

The Consultant will assess regional funding needs, considering Project Inventory developed in Subtask 3A. The Consultant will identify options for a comprehensive regional funding strategy and advocacy approach to maximize funding in the BAWSCA region.

Subtask 4C: Provide Funding Application and Administrative Support (Subscription Program)

The Consultant will support the BAWSCA Agencies in pursuing and administering funding for individual and regional projects.

Subtask 4D: Pursue Funding for Strategy 2050

If a relevant funding opportunity becomes available, the Consultant will prepare a funding application to offset or augment the Strategy 2050 funding provided through the Water Management Surcharge.

Task 5: Document Drinking Water Affordability Challenges and Opportunities

The Consultant will review other State and regional findings and efforts related to drinking water affordability. The Consultant will conduct a workshop with BAWSCA Agencies to review the findings and seek input on the broader concept of regional affordability for Strategy 2050. The Consultant will additionally research and evaluate rate assistance programs that other agencies have implemented to help ensure drinking water affordability for customers in compliance with Proposition 218. The Consultant will develop recommendations on potential programs and/or models that could be considered either on a local or regional scale to address affordability challenges.

Task 6: Develop Method to Track and Report on Status of Strategy 2050 Implementation

Subtask 6A: Develop Strategy 2050 Dashboard

The Consultant will develop a Strategy 2050 Dashboard, including components within BAWSCA's existing WCDB, to foster collaboration, share building blocks for planning, and track progress on Strategy 2050 development and implementation.

Subtask 6B: Develop Strategy 2050 Decision Support Tool

The Consultant will develop a custom interactive Decision Support Tool (DST) to support BAWSCA and BAWSCA Agencies' planning and decision making. The DST will provide further capability to adjust assumptions, prioritize alternatives, and incorporate the water reliability analysis and scenarios established in Subtask 1A, the Project Inventory developed in Subtask 3B and Subtask 3C, and portfolio building capabilities using the comparative metrics developed in Subtask 3D.

Subtask 6C: Develop Metrics for Progress Tracking

The Consultant will develop metrics for tracking progress toward the Strategy 2050 objectives. The metrics will be developed to evaluate the status of external drivers and risks and approaches to “course correct” as needed. Metrics may include: (1) level of service goals; (2) metrics for regulatory compliance; (3) metrics for funding or affordability; or (4) other metrics, informed by Strategy 2050 development.

Subtask 6D: Develop Initial Strategy 2050 Progress Report and Action Plan

The Consultant will develop the initial Strategy 2050 Annual Progress Report template summarizing Strategy 2050 activities completed in the initial year of development and progress towards meeting the Strategy 2050 objectives.

Task 7: Report Preparation – Including Findings, Near and Long-Term Recommendations

The Consultant will develop the Strategy 2050 Report to summarize findings from Task 1 to Task 6 and document the path to achieving the Strategy 2050 goal and objectives. The Consultant will develop communication materials to accompany the Strategy 2050 Report, including tools, such as a PowerPoint presentation, to facilitate effective communication with decision-makers and advocate for the needs of the BAWSCA region.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Board Compensation Increase and Reimbursement Policy on Board Member Expenses**

Summary:

Compensation for a public agency board member is typically set by statute, which provides the compensation amount per day of service and limitations on the days of service per month. The Bay Area Water Supply and Conservation Agency (BAWSCA) Board members are compensated at the rate of \$100 per day of service, for up to four days of service per month. At the May 16, 2024 Board meeting, Director Weed made a request that the issue of increasing the Board member compensation from \$100/meeting to \$200/meeting be brought before the Board for consideration at its next meeting. It has also been suggested that the Board consider modifying BAWSCA's ordinance related to compensation to require review of Board member compensation every 5 years. The Committee discussed this issue at its June 12, 2024 meeting and previously in April and June 2023, with no further action taken at any of those meetings. For your convenience, the current Board Member Compensation Ordinance and Board Policy on Expense Reimbursement are attached hereto.

Fiscal Impact:

Increasing the board member meeting stipend from \$100/meeting to \$200/meeting would result in a \$21,000/year increased cost to the Operating Budget. For FY 2024-25, this increased cost would need to be funded by a transfer from the General Reserve and an associated increase to the approved Operating Budget.

Board Policy Committee Action:

No action was taken by the Committee on this item as it was for discussion purposes. The Committee did provide feedback that has informed the options for Board action provided below.

Recommendation:

No specific recommendation is being brought before the Board on this item.

Based on the feedback from the Committee, the Board is encouraged to consider none, any, or all of the following modifications related to Board member compensation: (1) increasing the stipend up to \$200/meeting; (2) clarifying that the compensation increase would go into effect in FY 2025-26 pending budget approval; and (3) requiring review of Board member compensation on a specified year interval.

Discussion:

The Committee held extensive discussions about the potential modifications to Board member compensation that could be considered including the following:

1. *Increasing per meeting compensation:* BAWSCA's existing Board compensation ordinance was adopted on June 17, 2004 and became effective on September 1, 2004. As such, based on the September 2024 initial effective date, the maximum allowable increase at this time using a simple percentage increase calculation would be up to \$200 per day of service. The earliest effective date for such an increase is November 18,

2024¹. If the Board selects this option, it will direct staff to publish notice of a public hearing for the next available Board meeting.

2. *Delaying compensation increase to FY 2024-25:* The adopted FY 2024-25 Operating Budget was based on compensation at \$100/meeting and there are insufficient funds within the adopted Operating Budget to reallocate for these purposes. If the increase was to take effect this fiscal year, the increased cost would need to be funded via a transfer from the General Reserve. Delaying the compensation increase to take effect in FY 2025-26 would allow the agency to include the cost in the proposed FY 2025-26 Operating Budget. If the Board selects this option, it will direct staff to publish notice of a public hearing for a Board meeting in Spring 2025.
3. *Regular review of Board member compensation:* The Board compensation was set in 2004 and has not been changed since then. Consideration of a regular, scheduled review of the Board member compensation would enable this item to be brought forward for a policy discussion without it needing to be requested by any single Board member. The Committee discussed different intervals for review from 3 to 5 years. The Board adopted a Policy on Reimbursement of Directors' Expenses in March, 2006 ("Reimbursement Policy"). The Board could amend the Reimbursement Policy to include this compensation review process. If the Board selects this option, a revised Policy and Resolution of adoption would be brought forward at the next available Board meeting.

For each item above, the Committee discussed options but did not identify a recommended action. It was discussed that this item would be considered by the Board as a whole at its July 18, 2024 without a specific Committee or staff recommendation.

Prior Discussions by the Committee in 2023

The Committee discussed the issue of increasing Board member compensation at its April 2023 and June 2023 meetings. Copies of the staff reports are attached for reference. At that time, the Committee made no further recommendation to the Board for its consideration.

Last month at the May Board meeting, Director Weed made a request that the issue of increasing Board member compensation to \$200/meeting be brought to the Board for its consideration. In addition, it has been suggested that the Board consider modifying BAWSCA's ordinance related to compensation to require review of Board member compensation every 5 years.

Background:

BAWSCA's enabling legislation, AB 2058 (2002, Papan), establishes the compensation amount for each day of service for its Board members. California Water Code Section 81339 allows BAWSCA to compensate Board members up to \$100 per day for each day's attendance at meetings of the Board, not to exceed four meetings in any calendar month. Both the compensation per day of service and number of compensable days of service per month may be increased by Ordinance pursuant to California Water Code section 20200 et seq. However, the statute limits the increase to (i) the compensation per day of service to no more than 5% for each year following the date of the last adjustment, and (ii) the days of service per month to no more than 10 days in a calendar month.

¹ Water Code § 20203 & 20204 require a public hearing, noticed in a newspaper of general circulation and an effective date 60 days from adoption to allow the Voter's rights to petition for referendum.

BAWSCA adopted its Board member compensation ordinance on June 17, 2004, becoming effective September 1, 2004. If BAWSCA determines to raise the director compensation amount by the maximum allowable simple percentage increase since Ordinance 2004-1 became effective, the Board member compensation can be set at a maximum amount of \$200 effective September 1, 2024.

This discussion item is intended to facilitate a discussion on the appropriate Board member compensation amounts.

Attachments:

1. Ordinance 2004-01 Providing for Compensation of Members of the Board of Directors
2. Resolution 2006-02 Adopting Policy on Reimbursement of Directors' Expenses
3. April 12, 2023 Board Policy Committee staff memo "Discussion of Board Member Compensation"
4. June 14, 2023 Board Policy Committee staff memo "Discussion of Board Member Compensation, Board Diversity, and the Board Member Expense Reimbursement"

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BAY AREA WATER SUPPLY & CONSERVATION AGENCY

ORDINANCE NO. 2004-01

**PROVIDING FOR COMPENSATION
OF MEMBERS OF THE BOARD OF DIRECTORS**

THIS ORDINANCE IS ADOPTED WITH REFERENCE TO THE FOLLOWING
FACTS AND CIRCUMSTANCES:

1. Members of the Board of Directors receive compensation in the amount of \$100 per day for attendance at meetings of the Board, pursuant to Water Code Section 81339.
2. Water Code Section 20201 authorizes compensation, not to exceed \$100 per day, for “services rendered as a member of the board at the request of the board.”
3. The Board of Directors, at the recommendation of the Start Up Advisory Committee, has determined that the Agency would be well served by establishing a standing committee to meet periodically to consider matters that staff proposes to present to the full Board of Directors, as well as any other matters which members of such committee deem important to implementation of the Agency’s purposes and goals.
4. The Board of Directors believes that members who serve on this committee, or other committees, of the Board or who perform specific services for the Agency in their capacity as members of the Board and at the request of the Board, should also receive compensation for such services.
5. The Board of Directors further believes that the total amount of compensation for all such services, including attendance at meetings of the Board and any committee of the Board, should not exceed \$400 per month, as provided by Water Code Section 81339. *[Or a lower limit.]*
6. The Board of Directors has called and held a public hearing on the question of providing compensation to directors for attendance at committee meetings and for other service rendered at the request of the Board. Notice of the hearing was published by the Acting Secretary of the Agency in a newspaper of general circulation in the Agency pursuant to Government Code Section 6066.

BE IT ORDAINED by the Board of Directors of the Bay Area Water Supply & Conservation Agency as follows:

Section 1. Each director shall receive compensation in the amount of One Hundred Dollars (\$100) per day for each day's attendance at meetings of the Board, for attendance at meetings of committees of the Board, and for each day's service otherwise rendered as a director by request of the Board, commencing on the first day of September, 2004. The Board may, by resolution, determine the types of activities that constitute service rendered "by request of the Board," for purposes of eligibility for compensation pursuant to this section.

Section 2. The number of days for which any director may be compensated shall not exceed four (4) *[or fewer]* days in any calendar month.

Section 3. This ordinance shall become effective sixty (60) days from the date of its adoption.

Section 4. A summary of this ordinance shall be published in a newspaper of general circulation within the Agency.

PASSED AND ADOPTED this 17th day of June, 2004,
by the following vote:

AYES: Beecham, Cooper, Craig, Hershman, Kasperzak, Livengood, Mickelsen,
O'Mahoney, Parle, Reed, Reynolds, Risch, Seidel, Vella, Weed

NOES: Fannon, Gage, Goff, O'Connell, Panza, Ruskin, Wykoff

ABSENT: Breault, Kinney, Nelson, Piccolotti, Tissier, Woods



President, Board of Directors

ATTEST:



Acting Secretary

RESOLUTION NO. 2006-02

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

ADOPTING POLICY ON REIMBURSEMENT OF DIRECTORS' EXPENSES

WHEREAS, Water Code Section 81339 provides that BAWSCA directors may be reimbursed for actual, necessary and reasonable expenses incurred in the performance of duties performed at the request of the board; and

WHEREAS, Government Code Section 53232.2 provides that, if a local agency reimburses members of its legislative body for actual and necessary expenses incurred in the performance of official duties, the agency's governing board shall adopt a written policy, in a public meeting, specifying the types of activities that qualify for reimbursement; and

WHEREAS, the board of directors recognizes that effective and efficient conduct of the Agency's business requires directors from time to time to incur expenses for travel, meals, lodging, tuition, and ancillary costs which should, in fairness, be reimbursed by the Agency; and

WHEREAS, the board of directors is also mindful of the need to conserve Agency resources and keep expenses within community standards for public officials.

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

1. The "Policy on Reimbursement of Expenses Incurred by Members of Board of Directors" attached hereto is adopted.

**POLICY ON REIMBURSEMENT OF EXPENSES
INCURRED BY MEMBERS OF BOARD OF DIRECTORS**

1. Background

Water Code Section 81339 provides that directors may be reimbursed for actual, necessary and reasonable expenses incurred in the performance of duties performed at the request of the board.

Government Code Section 53232.2 provides that if a local agency reimburses members of its legislative body for actual and necessary expenses incurred in the performance of official duties, then the agency's governing board shall adopt a written policy, in a public meeting, specifying the types of activities that qualify for reimbursement of expenses such as those related to travel, meals, and lodging.

2. Authorized Activities

A. The following types of activities are deemed to be official duties performed at the request of the board of directors, and expenses necessarily and reasonably incurred in connection with them are eligible for reimbursement, provided that the other provisions of this policy are met:

- Attendance at a meeting of the BAWSCA board of directors;
- Attendance at a meeting of a committee of the BAWSCA board to which the director has been appointed;
- Attendance at a meeting of a multi-agency organization (such as the CSDA Local Government Risk Management Authority) to which the director has been appointed as BAWSCA's representative;
- Attendance by the Chair or Vice Chair at a meeting held or sponsored by the San Francisco Public Utilities Commission, the California Department of Water Resources, the California Seismic Safety Commission, the California Department of Health Services, the Santa

Clara Valley Water District, a committee of the State Legislature, an agency that is a member of BAWSCA, or with a consultant or consultants under contract to BAWSCA, that in the judgment of the Chair or Vice Chair requires representation by the leadership of the BAWSCA board of directors;

- Attendance at any of the meetings identified above by any director at the specific request of the Chair or Vice Chair;
- Attendance at or participation in an event providing training in ethics required by California law, including Government Code Section 53234 *et seq.*
- Attendance at or participation in an event that the Chair (or, in the absence or unavailability of the Chair, the Vice-Chair) determines should have a representative of the Agency board of directors in attendance;

B. All other expenditures require prior approval by the Agency's board of directors.

C. Examples of expenses which the Agency will not reimburse include:

- The personal portion of any trip;
- Family expenses, including those of partners, spouses or children when accompanying a director on Agency-related business;
- Entertainment expenses, including theatre, movies, sporting events;
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
- Purchase of alcoholic beverages.

3. Cost Control Guidelines

To conserve Agency resources and to keep expenses within community standards for public officials, reimbursement of expenses will be limited to amounts within the following guidelines:

A. Travel

- **Airfare:** Air travel should be by coach class via the most direct route.
- **Automobile:** Automobile mileage is reimbursed at the Internal Revenue Service rate contained in the most recent edition of IRS Publication 463. Tolls and parking are reimbursed at cost.
- **Car Rental:** Rental rates that are equal to or less than those available through the State of California Department of General Services website (www.catravelmart.com) are considered reasonable for purposes of reimbursement.

B. Lodging

Lodging will be reimbursed when travel on Agency business reasonably requires an overnight stay.

- **Conferences:** If lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor if such rates are available at the time the reservation is made.
- **Other:** Directors must request government rates when available. A list of hotels offering government rates is available at www.catravelmart.com. Rates equal to or less than government rates are considered reasonable for reimbursement. In the event that government rates are not available at a particular time or in the particular area, rates that do not exceed \$150 per night are considered reasonable. This amount will be annually adjusted to reflect changes in Consumer Price Index, All Urban Consumers, for the San Jose-San Francisco-Oakland Metropolitan Area published by the U.S. Department of Labor, Bureau of Labor Statistics.

C. Meals.

Meal expenses, including tips, will be reimbursed up to the following amounts:

Breakfast: \$12

Lunch: \$18
Dinner \$35

These amounts will also be adjusted annually by the CPI index identified above.

4. Expense Reimbursement Forms

All expense reimbursement requests must be submitted to the General Manager on an expense report form provided by the Agency. Receipts documenting each expense in excess of \$10 must accompany the report. Directors must submit their expense reports within 30 days after the expenses are incurred. All expenses are subject to verification.

5. Reports to Board of Directors

Each director requesting reimbursement of expenses shall, at the following BAWSCA board meeting, briefly report on meetings and other events attended at Agency expense. If more than one director attended a meeting or event, a joint report may be made.

6. Reporting of Expenses and Reimbursement

All Agency expenditures are public records subject to disclosure under the Public Records Act. In addition, the Agency is required to compile a quarterly report showing the amount of expenses reimbursed to each director during the preceding three months and make this report available during a public meeting.

2. The activities described in Section 2 of the attached Policy shall also constitute “services rendered as a member of the board at the request of the board” for purposes of Ordinance No. 2004-01, providing for compensation of members of the board of directors pursuant to Water Code Sections 81339 and 20201.

PASSED AND ADOPTED this 16 day of March, 2006 by the following vote:

AYES: Beecham, Claire; Fannon, Fergusson, Gage, Goff, Guzzetta
Hershman, Mickelsen, O'Connell, O'Mahony, Piccolotti, Reynolds,
NOES: Risch, Seidel, Vella, Weed, Wykoff
NONE

ABSENT: Breault, Bologoff, Cooper, Craig, Kolstad, Kasperzak, Livengood,
Reed, Tissier, Woods.



President, Board of Directors

ATTEST:



Secretary of the Board

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Discussion of Board Member Compensation**

Summary:

Compensation for a public agency board member is typically set by statute, which provides the compensation amount per day of service and limitations on the days of service per month. The Bay Area Water Supply and Conservation Agency (BAWSCA) Board members are compensated at the rate of \$100 per day of service, for up to four days of service per month. At the direction of the Board and to facilitate a discussion on Board member compensation, legal counsel and staff have prepared this staff report to include data on other water agency compensation limits and potential survey questions for the Board Policy Committee to consider. There has not been a formal outside study comparing the compensation of the BAWSCA Board with peer agencies in the Bay Area. This agenda item is for discussion purposes only.

Recommendation:

This item is for discussion purposes only.

Discussion:

The Board Policy Committee has asked legal counsel and staff to prepare a short memo outlining the parameters and limits for any possible change to compensation for both BAWSCA and Regional Financing Authority boards. An evaluation of Board member compensation requires consideration of various factors.

Possible variables to consider when determining the appropriate compensation per day of service are whether the wages are suitable for the amount of effort expended, travel costs, babysitting or caregiving costs, and the opportunity cost of the work.¹ A low compensation amount may be a barrier to entry for individuals. On the other hand, too high of a compensation amount may not be necessary to incentivize interest in serving as a Board member or may incentivize Board members to unnecessarily maximize days of services, thereby harming the public financial interests.

Additionally, the Board may consider increasing the maximum number of days of service per month. The primary factor to consider here are whether four days of service per month is adequate to fulfill Board member obligations for BAWSCA.

Comparator Agency Compensation

To assist in the reexamination of the compensation amounts for Board members, the following chart compares the compensation amounts of some of BAWSCA's peer agencies.

¹ The actual out-of-pocket expenses for attending meetings, trainings, and conferences are *reimbursed* according to BAWSCA's Reimbursement Policy (Res. 2006-02). This is different from the Board member compensation amount, which *compensates* Board members for each day of service.

Comparison Agency	Compensation per Day of Service	Limitation on Days of Service per Month
BAWSCA	\$100/day	4 days/month
Alameda County Water District	\$290/day	10 days/month
Coastside County Water District	\$150/day	6 days/month, max of \$600/month
Contra Costa Water District	\$100/day	10 days/month
Mid-Peninsula Water District	\$100/day	10 days/month
North Coast County Water District	\$100/day	10 days/month
Purissima Hills Water District	\$100/day	6 days/month
Santa Clara Valley Water District	\$331.86/day	15 days/month
Westborough Water District	\$100/day	N/A
San Francisco Public Utilities Commission	\$100/month	N/A

Draft Survey Questions

Use of a survey of the Board members has been suggested to enable a better understanding of the variables for determining Board member compensation. The five draft survey questions below have been prepared. If use of a survey is desired, feedback from the BPC on the draft survey questions is requested, including additional questions that should be considered.

1. How far away do you live from the BAWSCA administrative office in San Mateo?
 - 0 – 10 miles 10 – 20 miles 20 – 30 miles 30+ miles

2. How many hours per month do you estimate you spend on BAWSCA work?
 - 0 – 10 hours 10 – 20 hours 20 – 30 hours 30+ hours

3. What are the costs associated with your attendance at Board of Directors meetings, e.g., childcare, lost wages, etc.?

4. How many days of service for BAWSCA do you usually render per month?
 - 1 – 2 day 3 days 4 days 5+ days

5. Would a larger compensation amount for each day of service increase your participation in BAWSCA activities?
 - Yes No

Background:

BAWSCA's enabling legislation, AB 2058 (Papan), establishes the compensation amount for each day of service for its Board members. California Water Code section 81339 allows BAWSCA to compensate Board members up to \$100 per day for each day's attendance at

meetings of the Board, not to exceed four meetings in any calendar month. Both the compensation per day of service and number of compensable days of service per month may be increased by Ordinance pursuant to California Water Code section 20200 *et seq.* However, the statute limits the increase to (i) the compensation per day of service to no more than 5% for each year following the date of the last adjustment, and (ii) the days of service per month to no more than 10 days in a calendar month.

BAWSCA has not changed its Board member compensation, per Ordinance 2004-01, since the agency was formed in 2003. This discussion item is intended to facilitate a discussion on the appropriate Board member compensation amounts.

Attachments:

1. Ordinance No. 2004-01 Providing for Compensation of Members of the Board of Directors
2. Resolution 2006-02 Adopting Policy on Reimbursement of Directors' Expenses

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Discussion of Board Member Compensation, Board Diversity, and the Board Member Expense Reimbursement**

Summary:

Compensation for a public agency board member is typically set by statute, which provides the compensation amount per day of service and limitations on the days of service per month. The Bay Area Water Supply and Conservation Agency (BAWSCA) Board members are compensated at the rate of \$100 per day of service, for up to four days of service per month.

This item was discussed at the April 12th Board Policy Committee (BPC) meeting. The analysis below provides further information in response to input received from the BPC, including an expanded list of agencies for the board member compensation comparison provided in Table 1. There has not been a formal outside study comparing the compensation of the BAWSCA Board with peer agencies in the Bay Area.

The memorandum also now includes information on elections by-district among BAWSCA's member agencies in Table 2. This information is intended to facilitate a discussion on the diversity of the BAWSCA Board. Lastly, this memorandum examines BAWSCA's expense reimbursement policy in light of the discussion on barriers to involvement in BAWSCA.

Recommendation:

This item is for discussion purposes only.

Discussion:

The Board has asked legal counsel and staff to prepare a short memorandum outlining the parameters and limits for any possible change to compensation for both BAWSCA and San Francisco Bay Area Regional Water System Financing Authority boards. An evaluation of Board member compensation requires consideration of various factors.

Possible variables to consider when determining the appropriate compensation per day of service are whether the wages are suitable for the amount of effort expended, travel costs, babysitting or caregiving costs, and the opportunity cost of the work. A low compensation amount may be a barrier to entry for individuals. On the other hand, too high of a compensation amount may not be necessary to incentivize interest in serving as a Board member or may incentivize Board members to unnecessarily maximize days of services, thereby harming the public financial interests.

Additionally, the Board may consider increasing the maximum number of days of service per month. The primary factor to consider here are whether four days of service per month is adequate to fulfill Board member obligations for BAWSCA.

The following information is provided to assist the Board in its understanding of this issue and discussion:

- Expanded list of agencies included in board member compensation comparison;
- Extent of by-district elections among the BAWSCA member agencies; and
- BAWSCA's Board member reimbursement policy.

Expanded Agency Board Member Compensation Comparison

To assist in the reexamination of the compensation amounts for Board members, Table 1 below has been expanded to provide compensation amounts of some of BAWSCA's member agencies that are water districts, peer water agencies, and other large, multi-county/multi-jurisdictional special districts.

Table 1: Agency Board Member Compensation Comparison

Public Agency¹	Compensation per Day of Service	Limitation on Days of Service per Month
BAWSCA	\$100/day	4 days/month
Alameda County Water District	\$290/day	10 days/month
Coastside County Water District	\$150/day	6 days/month, max of \$600/month
Contra Costa Water District	\$100/day	10 days/month
East Bay Municipal Utility District	\$1,397/month	11 days/month
Golden Gate Bridge, Highway, and Transportation District	\$50/meeting day	\$5,000/year (\$7,500/year for President)
Irvine Ranch Water District	\$315/day	10 days/month
Mid-Peninsula Water District	\$100/day	10 days/month
Marin Municipal Water District	\$200/day	10 days/month
Metropolitan Water District of Southern California	No compensation ²	N/A
North Coast County Water District	\$100/day	10 days/month
Purissima Hills Water District	\$100/day	6 days/month
San Francisco Public Utilities Commission	\$100/month	N/A
Santa Clara Valley Water District	\$331.86/day	15 days/month
Westborough Water District	\$100/day	N/A

Extent of By-District Elections Among BAWSCA Member Agencies

In accordance with BAWSCA's enabling legislation, AB 2058 (Papan, 2002), BAWSCA Board members are appointed by the governing body of each BAWSCA member agency. Appointees are typically members of the member agency's governing body, though this is not a requirement. Most appointees must be residents of, and registered voters in, the member agency's service area. For BAWSCA's two private member agencies, the only requirement is that the Board members must be officers or employees of the agency.

¹ Peninsula Clean Energy and Silicon Valley Clean Energy do not provide compensation to Board members.

² At least some members receive a per diem and have a monthly meeting limitation from their home agency.

Consequently, questions from the BPC regarding the diversity of the BAWSCA Board of Directors are appropriately directed to the member agencies' governing bodies that appoint the Board members. Since member agencies generally appoint an elected official from their respective governing bodies, it is the member agencies and therefore the voters themselves who determine the composition of BAWSCA's Board. Table 2 below provides data regarding the extent of by-district elections among BAWSCA's member agencies to facilitate further discussion of this issue, if desired.

Table 2: By-District Elections Among BAWSCA Member Agencies

BAWSCA Member Agency	Is Governing Body Elected By-District?
Alameda County Water District	Yes
Brisbane/GVMID	No
Burlingame	Yes
Cal Water	Not Applicable
Coastside	Yes
Daly City	No
East Palo Alto	No
Estero	No
Hayward	No
Hillsborough	No
Menlo Park	Yes
Mid-Peninsula	Yes
Millbrae	Yes
Milpitas	No
Mountain View	No
North Coast	Yes
Palo Alto	No
Purissima Hills	No
Redwood City	Yes
San Bruno	Yes
San Jose	Yes
Santa Clara	No
Stanford	Not Applicable
Sunnyvale	Yes
Westborough	Yes

BAWSCA's Board Member Reimbursement Policy

The BPC discussed the general issue of barriers to involvement in BAWSCA as a member of the Board and the BPC, including potential financial barriers. Given this discussion, further discussion of BAWSCA's existing policy on reimbursement of expenses seems timely.

BAWSCA's enabling legislation provides that Board members may be reimbursed for "actual, necessary, and reasonable expenses incurred in the performance of duties performed at the request of the board". (Government Code Section 81339.) BAWSCA's "Policy on

Reimbursement of Expenses Incurred by Members of the Board of Directors” (Board resolution 2006-02, a copy of which is attached) specifies the types of activities that qualify, and do not qualify, for reimbursement.

While the reimbursement policy specifies multiple types of activities eligible for reimbursement, to date, reimbursed expenses have generally been related to direct travel by the Board Chair, or designee, to a specific meeting or conference as a representative of the agency. Per Government Code Section 53232.2, any change to the reimbursement policy must be adopted by the Board in a public meeting.

Background:

BAWSCA's enabling legislation, AB 2058 (2002, Papan), establishes the compensation amount for each day of service for its Board members. California Water Code Section 81339 allows BAWSCA to compensate Board members up to \$100 per day for each day's attendance at meetings of the Board, not to exceed four meetings in any calendar month. Both the compensation per day of service and number of compensable days of service per month may be increased by Ordinance pursuant to California Water Code section 20200 *et seq.* However, the statute limits the increase to (i) the compensation per day of service to no more than 5% for each year following the date of the last adjustment, and (ii) the days of service per month to no more than 10 days in a calendar month.³

BAWSCA adopted its Board member compensation ordinance on June 17, 2004, becoming effective on September 1, 2004. If BAWSCA determines to raise the director compensation amount by the maximum allowable simple percentage increase since Ordinance 2004-1 became effective, the director compensation can be set at a maximum amount of \$190.⁴

This discussion item is intended to facilitate a discussion on the appropriate Board member compensation amounts.

Attachments:

1. Ordinance No. 2004-01 Providing for Compensation of Members of the Board of Directors
2. Resolution 2006-02 Adopting Policy on Reimbursement of Directors' Expenses

³ The statute is not clear as to whether compounding is permitted. Some agencies permit compounding, while others only choose the more conservative simple adjustment approach. In the City Council context, the Attorney General has opined that compounding the calculations for salary and benefits increases must be clearly authorized by the Legislature. (THE HONORABLE JENNY OROPEZA, 89 Ops.Cal.Atty.Gen. 159 (2006) (observing that "the compounding of interest has never been looked upon with favor in this state."))

⁴ If BAWSCA increases its Board member compensation after September 1, 2023 using a simple adjustment, the maximum compensation amount can be set at \$195.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: Update on Negotiation of a New Tier 2 Drought Allocation Plan

Summary:

At the June in-person Tier 2 workshop, the lead negotiators came to agreement on the final elements of the updated Tier 2 Plan. Part of finalizing a deal included broadening the scope to include a solution to the Minimum Purchase Requirement challenges. These challenges were previewed to the Board during the FY 2024-25 budgeting process. A solution to the Minimum Purchase issues will require an amendment to the Water Supply Agreement between San Francisco and the Wholesale Customers (WSA).

While further details of a proposed Minimum Purchase WSA amendment are being worked out, BAWSCA and legal counsel are writing up the Tier 2 Plan and developing adoption materials for the member agencies. Both the Tier 2 Plan and WSA amendment must be adopted by the member agencies' governing bodies and the plan is to bring them for action simultaneously.

While BAWSCA is working diligently to get both pieces ready for adoption, it is now clear that the Tier 2 Plan will not be unanimously adopted by all 26 member agencies before the existing Plan expires on December 31, 2024. As such, the Board will need to act in November 2024 to extend the existing Tier 2 Plan so that one is in place should there be a drought before the updated Plan is adopted by all member agencies. BAWSCA anticipates language will be added to the Board's resolution to clarify that the updated Plan will be in effect once unanimously adopted.

This memorandum provides more details about the Plan's update process than what has been shared in the discussion section of previous staff memos. BAWSCA encourages Board members to engage with their appointing agency's lead negotiator for updates on the negotiations. Table 1 presents a list of each agency's lead negotiator and attendance at meetings to date.

Fiscal Impact:

None

Recommendation:

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

Discussion:

The existing Tier 2 Plan was adopted in 2011 with a 2018 expiration date. Due to external factors, including newly adopted state-wide long-term water use efficiency standards with then unknown impacts, the Wholesale Customers decided to wait to update the Plan. The BAWSCA Board has extended the existing Plan annually each year since 2018.

The Plan was implemented for the first time in 2021. This provided BAWSCA and the Wholesale Customers with valuable experience that would later inform the update process. Lessons learned and reasons for updating the Tier 2 Plan are provided below.

In January 2022, with Plan implementation experience and more information known about the impacts of the water use efficiency standards, the Wholesale Customers each appointed a lead negotiator to begin the update process.

Lessons Learned and Reasons for Updating the Tier 2 Plan

Conditions have changed significantly since the Plan was last adopted in 2011. Average per capita water use is down 29% and agencies have developed alternative water supplies. Additionally, Individual Supply Guarantee (ISG), a major component in the existing Tier 2 Plan, has changed for some agencies since 2011 (i.e., East Palo Alto, Mountain View, Palo Alto). For nearly all agencies, the relationship between ISG and actual Regional Water System (RWS) purchases has weakened as RWS purchases have gone down. These changed conditions resulted in a Plan that no longer operates as intended and produces results that are unintuitive.

For example, the existing Plan includes an adjustment to ensure sufficient supply for East Palo Alto. When the Plan was negotiated, East Palo Alto had the lowest per capita water use in the BAWSCA region (residential and gross). However, due to East Palo Alto's ISG value and the weight of ISG in the existing Plan, East Palo Alto would have had a very high cutback. The Wholesale Customers agreed to an adjustment that would limit East Palo Alto's cutback to no more than half the average Wholesale Customer cutback. Since 2011, ISG has been transferred to and purchased by East Palo Alto. The result is a lower cutback for East Palo Alto without the adjustment. In other words, the East Palo Alto adjustment is no longer necessary. However, several other agencies are now in a similar situation as East Palo Alto was in 2011: low per capita water use, but high cutbacks due to the weight of ISG in the Plan. When the Plan expired in 2018, and again during implementation in 2021, the Wholesale Customers contemplated if a similar protection should be applied to other low per capita agencies with limited opportunities to conserve further.

In 2021, the first time the Tier 2 Plan would be implemented, the East Palo Alto adjustment, because it was no longer needed, created issues with the calculations that resulted in a small portion of the available RWS supply left unallocated. To address this issue, the Board adopted a Tier 2 Plan with a slight modification in November 2021, ensuring that 100% of the drought water supply from the RWS was allocated. The fix to the calculations was narrow and precise to limit unintended outcomes. However, an unavoidable result was that several agency's final cutbacks were below the established minimum, a lower limit to cutbacks agreed to by the Wholesale Customers.

This outcome was unavailable because of the way water is allocated then shifted among agencies in each step. All of the available RWS supply is allocated in the first step. In each subsequent step, water is taken away from some agencies to follow one rule and allocated to other agencies to apply another rule. If water is taken from some agencies to satisfy one rule but another rule is met without using the full amount, water is left unallocated (as described in the East Palo Alto adjustment example). In addition to the technical challenges this created in the calculations, it makes the Plan hard to follow and the results difficult to understand.

Based on these lessons learned, in summary, the Wholesale Customers sought to achieve the following with an updated Tier 2 Plan:

1. Develop a Plan that is straightforward and produces more intuitive results.
2. Provide sufficient RWS supply for all Wholesale Customers, not just one agency.
3. Develop a methodology that ensures 100% of the RWS supply is allocated in all scenarios.

Process for Updating the Tier 2 Plan

In January 2022, the lead negotiators kicked off the update with a review of other shortage allocation plans throughout the state. The goal was to broaden perspectives about the methodologies that could be used.

Next, the lead negotiators reviewed and updated the policy principles from the existing Plan. The purpose of doing this up front was to gain consensus on what Plan is intended to do on a regional scale, before negotiating how to share water. The resulting policy principles agreed by the lead negotiators are provided below:

1. Provide sufficient water for the basic health and safety needs of customers.
2. Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
3. Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
4. Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

With agreement on the policy principles, the lead negotiators began identifying methods for allocating water in ways that would achieve these policy principles.

Status of the Tier 2 Plan Update

The lead negotiators have been working towards a June 2024 deadline to finalize the updated Tier 2 Plan. This would allow time for adoption by each Wholesale Customer's governing body.

The updated Plan is nearly complete. The lead negotiators have reached agreement on all major elements of the allocation methodology. At the June in-person meeting, BAWSCA anticipates the lead negotiators will wrap up a few minor outstanding decisions. If necessary, the negotiators will meet again in July.

Once the Plan is finalized, BAWSCA will provide the Wholesale Customers with a Plan writeup, draft resolution for agency adoption, and draft staff report and presentation to accompany the resolution. BAWSCA has begun outlining the Plan writeup based on the decisions made to date.

Does the Updated Tier 2 Plan Achieve the Policy Principles and Intended Objectives?

Yes, and how the updated Plan achieves the policy principles and intended objectives is summarized below.

The updated Plan methodology is set up to provide an allocation of water in each step that is then added to the previous step. This provides a more straightforward process and ensures 100% of the RWS supply is allocated after all steps are applied. This also prevents the application of one rule nullifying another rule.

The first steps in the updated Plan methodology allocate water based on needs (i.e., actual RWS purchases in the preceding non-drought years). This ensures a sufficient supply for all Wholesale Customers, not just one agency. This also provides for more intuitive results (i.e., generally, lower per capita water use agencies generally have lower cutbacks). The final step incorporates ISG, an input broadly considered by the Wholesale Customers to provide a measure of predictability.

Minimum and maximum limits on the range of cutbacks across all agencies have been established. This guarantees that all Wholesale Customers contribute to achieving the required overall wholesale reduction while limiting adverse impacts to other Wholesale Customers by putting a cap on the cutbacks to be achieved.

A variable base period (i.e., reference data from non-drought years used for calculating allocations) is used to eliminate outlier data and respond to unforeseen circumstances.

July 18, 2024 – Agenda Item #9A

Over the past two and a half years, the lead negotiators have come to agreement on the updated Plan through a careful and deliberative process. The updated Plan is a marked improvement on the existing Plan. The process and results reflect consideration of the perspectives of 26 unique water agencies with different interests and needs. BAWSCA is confident that the Wholesale Customers will finalize an updated Plan in the coming months that will achieve the overall goal of unanimous adoption by each agency's governing body.

Table 1: Tier 2 Plan Update Lead Negotiators and Meeting Attendance*

Agency	Lead Negotiator	S-22	S-22	O-22	N-22	D-22	F-23	M-23	A-23	M-23	J-23	J-23	A-23	S-23	O-23	N-23	D-23	J-24	F-24	M-24	A-24	M-24
ACWD	Leonard Ash	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brisbane/GVMID	Randy Breault	✓			✓	✓			✓			✓		✓		✓	✓	✓	✓		✓	✓
Burlingame	Kevin Okada	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Coastside	Mary Rogren	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CWS	Scott Wagner	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Daly City	Thomas Piccolotti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
East Palo Alto	Humza Javed	✓	✓	✓	✓	✓			✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Estero	Louis Sun	✓	✓	✓	✓		✓	✓			✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Hayward	Cheryl Muñoz	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Hillsborough	Paul Willis		✓	✓		✓	✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Menlo Park	Pam Lowe	✓	✓		✓	✓	✓	✓		✓			✓	✓	✓		✓	✓	✓	✓	✓	
Mid-Peninsula	Rene Ramirez	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Millbrae	Bill Giang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Milpitas	Elaine Marshall	✓	✓	✓					✓		✓	✓		✓		✓	✓	✓	✓		✓	✓
Mountain View	Elizabeth Flegel	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
North Coast	Adrienne Carr	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓
Palo Alto	Lisa Bilir	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Purissima Hills	Phil Witt	✓		✓					✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Redwood City	Justin Chapel	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓		✓	✓	✓		✓
San Bruno	Steven Salazar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
San Jose	Jeff Provenzano				✓	✓		✓		✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓
Santa Clara	Shilpa Mehta	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stanford	Julia Nussbaum	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sunnyvale	Mansour Nasser	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Westborough	Patricia Mairena			✓	✓										✓				✓			✓

* Meeting attendance includes in-person meetings only starting September 2022. Additional meetings were held via Zoom and at Water Management Representative meetings in the first half of 2022.

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

MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Nicole Sandkulla, CEO/General Manager
DATE: July 12, 2024
SUBJECT: Chief Executive Officer/General Manager’s Letter

State Water Use Efficiency Legislation:

On July 3, 2024, the State Water Resources Control Board (Water Board) adopted long-term water use efficiency standards, commonly referred to as “Making Water Conservation a California Way of Life.” BAWSCA was actively engaged throughout the rulemaking process, attending meetings, stakeholder working groups, and submitting written and oral comments. Many of BAWSCA’s initial comments were applied to subsequent versions of the legislation.

BAWSCA and Valley Water are continuing to develop resources to help the BAWSCA’s member agencies and the Valley Water retailers understand and comply with the regulations. Now that the rules are adopted, BAWSCA anticipates finalizing this project over the summer.

Regional Water Supply Reliability Roundtable:

BAWSCA hosted a meeting of its Regional Water Supply Reliability Roundtable (Roundtable) on June 17, 2024.

BAWSCA convenes Roundtable discussions with stakeholders to discuss regional water supply reliability and enhancing water supply sustainability through the identification of collaborative opportunities to support, help finance, permit/approve, and/or expand projects or programs that have the potential to offer multiple benefits throughout the BAWSCA region. Roundtable meetings serve to foster community engagement and participation in key BAWSCA work efforts where such interaction is desired. Those invited to attend include: water, wastewater, groundwater, and stormwater professionals in San Mateo, Santa Clara, and Alameda Counties; local government sustainability staff; environmental and academic non-profit organizations; and business and labor representatives.

Discussions at the June 17th Roundtable centered around BAWSCA’s proposed scope of work for the upcoming Strategy 2050 development effort. Approximately 25 individuals were present representing various stakeholder groups such as San Mateo County’s Office of Sustainability, Sustainable San Mateo, and the Tuolumne River Trust. Representatives from Santa Clara Valley Water District and the SFPUC were also in attendance, as were a number of representatives from BAWSCA’s member agencies.

BAWSCA presented the details of the various tasks that will be performed in the development of

Strategy 2050. There was a robust discussion and the participants were highly supportive of BAWSCA's proposed approach for Strategy 2050 development. Roundtable participants also expressed a strong interest in being kept informed of Strategy 2050 as it progresses. As included in the adopted FY 2024-25 work plan, BAWSCA intends to hold Roundtable meetings in FY 2024-25 that will accommodate that stakeholder interest.

Professional Services Contract Diversity Analysis

On January 19, 2023 as part of the Board's regularly schedule FY 2023-24 workplan and budget planning session, select Board Members expressed an interest in knowing if any of BAWSCA's consultants were designated as disadvantaged businesses. In response to that interest, BAWSCA prepared a Diversity, Equity and Inclusion (DEI) Self-Identification Form that was integrated into BAWSCA's standard agreement execution process beginning in FY 2023-24. The responses collected from BAWSCA's professional services contractors and consultants could be used to identify the diversity of the contracting pool.

BAWSCA's DEI Self Identification Form is provided to contractors and professional services consultants as part of the agreement execution process. The Form serves as an informational survey and has no bearing on current or future agreements with BAWSCA. Its development was informed by significant input from BAWSCA's general counsel, Hanson Bridgett, LLP. The Self-Identification Form is included as Attachment 1.

For FY 2023-24, BAWSCA entered into 22 agreements with companies and consultants for which Self-Identification Forms were provided and responses collected. Of the 22, seven indicated that they were categorized as a diverse business enterprise. Attachment 2 presents a summary of the information provided by all respondents. The names of the contractors and consultants are being kept confidential as this information is not seen as relevant for the purpose of this update.

BAWSCA intends to prepare a yearly summary report providing these results to the Board following the close of each fiscal year.

Attachments:

1. BAWSCA's Self-Identification Form
2. Contractor and Consultant Diversity Summary for FY 2023-24

Attachment 1 – BAWSCA’s Self Identification Form

Diversity Self-Identification Form

The Bay Area Water Supply and Conservation Agency (BAWSCA) is conducting a survey of its existing contractors and consultants to gather information about the diversity of its contracting pool. This is an informational survey, and will have no bearing on current or future contracts with BAWSCA. **Please complete the form below and return it to Deborah Grimes at DGrimes@BAWSCA.org with executed contract.**

Please note that this form is a public record and may be subject to disclosure under the California Public Records Act (Gov. Code, § 7920.000 et seq).

Company Contact Information		
Company Name:		
Street Address:		
City:	State:	Zip Code:
Owner’s Name:		Title:
Email Address:		Phone:
Are you a diverse business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer Not to Answer		
If Yes, please select all designations below that apply to your business.		
Diversity Designations		
<input type="checkbox"/> Certified Small Business Enterprise (SBE)* <input type="checkbox"/> Certified Disadvantaged Business Enterprise (DBE) <input type="checkbox"/> Certified Disabled Veteran Business Enterprise (DVBE)* <input type="checkbox"/> Minority-Owned Business <input type="checkbox"/> Women-Owned Business <input type="checkbox"/> Veteran-Owned Business <input type="checkbox"/> Disabled Veteran-Owned Business <input type="checkbox"/> LGBTQ+ Owned Business <input type="checkbox"/> Other. Please specify: _____		
* See California Department of General Services website for more information about SBE and DVBE certification.		
Name of Individual Submitting Form:		Title:
Signature:		Date:

Please provide an official certification or documentation for the diversity classifications selected above.

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Attachment 2 – Contractor and Consultant Diversity Summary for FY 2023-24

Consultant or Contractor #	Response: Is Your Firm or Company a Diverse Business?	What is Your Firm or Company's Diversity Category?	What Additional Diversity Category is Applicable for your Firm or Company?
1	N		
2	Y	NA	
3	N		
4	N		
5	Y	LGBTQ + Owned Business	
6	Y		
7	N		
8	Y	Certified Small Business Enterprise	Minority-Owned Business
9	N		
10	N		
11	N		
12	Prefer not to answer		
13	Y	Certified Small Business Enterprise	
14	N		
15	Y	Certified Small Business Enterprise	Woman-Owned Business
16	N		
17	Prefer not to answer		
18	NA (Individual)		
19	N		
20	Y	Certified Small Business Enterprise	
21	N		
22	Prefer not to answer		

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Board of Directors Policy Calendar Through May 2025

Meeting Date	Purpose	Issue or Topic
September 2024	D&A R&D R&D	CEO/General Manager Performance Evaluation Tier 2 Drought Allocation Plan BAWSCA's Strategy 2050
November 2024	D&A D&A R&D	Annual Review & Consideration of BAWSCA's Statement of Investment Policy Tier 2 Drought Allocation Plan BAWSCA's Strategy 2050
January 2025	D&A D&A R&D R S	Mid Year FY 2024-25 Work Plan, Budget and General Reserve Review Consideration of Proposed FY 2025-26 Bond Surcharges BAWSCA's Strategy 2050 Review Water Supply Forecast FY 2025-26 Work Plan and Budget Study Session
March 2025	R&D R R	Preliminary FY 2025-26 Work Plan Review of Regular Consultant Rates Review of Water Supply Forecast
May 2025	D&A R	Consideration of Proposed FY 2025-26 Work Plan and Budget Review of Water Supply Forecast

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

Meeting Schedule through June 2025

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – July 18, 2024	<i>Foster City Community Building – Wind Room</i>
Thursday – September 19, 2024	Burlingame Community Center – Sequoia Room
Thursday – November 21, 2024	Burlingame Community Center – Sequoia Room
Thursday – January 16, 2025	Burlingame Community Center – Sequoia Room
Thursday – March 20, 2025	Burlingame Community Center – Sequoia Room
Thursday – May 15, 2025	Burlingame Community Center – Sequoia Room

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 16, 2025	Burlingame Community Center – Sequoia Room

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday, August 14, 2024	Burlingame Community Center – Sequoia Room B
Wednesday, October 9, 2024	Burlingame Community Center – Sequoia Room B
Wednesday, December 11, 2024	Burlingame Community Center – Sequoia Room B
Wednesday, February 12, 2025	Burlingame Community Center – Sequoia Room B
Wednesday, April 9, 2025	Burlingame Community Center – Sequoia Room B
Wednesday, June 11, 2025	Burlingame Community Center – Sequoia Room B

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**NOTICE OF
SPECIAL MEETING
of the
BAWSCA BOARD OF DIRECTORS**

on July 18, 2024 at 6:30PM

at a Different Location

**Wind Room of the Foster City Community Building
1000 E. Hillsdale Blvd. Foster City, CA 94404**

Two Members of the Board will participate by Teleconference.

Locals shall be:

- 112 West 25th Street, Room #1410, New York, NY 10001
- 24 Buttercup Lane, San Carlos, CA 94070

If you have any questions, please call the
BAWSCA office at (650) 349-3000.

See next page for Agenda