

# BAWSCA

Bay Area Water Supply & Conservation Agency

## BOARD POLICY COMMITTEE

February 14, 2024

1:30 p.m.

Burlingame Community Center – Sequoia Room

[850 Burlingame Ave., Burlingame](#)

*(One Member of the Committee will participate in this meeting by Teleconference. Locale shall be: 116 St. Mary Street, Mgarr, Malta 1547, Europe. 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. <u>Call To Order, and Roll Call</u> Roster of Committee Members ( <i>Attachment</i> )	(Hardy)	Pg 3
2. <u>Comments by Chair</u>	(Hardy)	
3. <u>Consent Calendar</u> A. Approval of Minutes from the December 13, 2023 meeting ( <i>Attachment</i> )	(Hardy)	Pg 5
4. <u>Public Comment</u> <i>Members of the public may address the committee on any issues not listed on the agenda that are within the purview of the committee. Comments on matters that are listed on the agenda may be made at the time the committee is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	(Hardy)	
5. <u>Action Calendar</u> A. Authorization of Professional Services Contract to Support the Preparation of the 2021 – 2023 Drought Report ( <i>Attachment</i> ) <u>Issue:</u> What resources are needed to complete BAWSCA's 2021 - 2023 Drought Report? <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> That the Committee recommend Board approval of the proposed action	(Francis)	Pg 23
6. <u>Reports and Discussion Items</u> A. Preliminary Fiscal Year 2024-25 Work Plan and Results to be Achieved ( <i>Attachment</i> ) <u>Issue:</u> What critical results must be achieved in FY 2024-25 to accomplish BAWSCA's goals and water reliability objectives? <u>Information to Committee:</u> Memorandum presenting Preliminary Fiscal Year 2024-25 Work Plan and Results to be Achieved. <u>Committee Action Requested:</u> 1. Comments and suggestions concerning the preliminary Fiscal Year 2024-25 Work Plan and results to be achieved;	(Sandkulla)	Pg 27

2. Feedback on presented results from January 18, 2024 Work Plan and Budget Planning Session;
3. Suggestions concerning presentation of the preliminary Work Plan and Operating Budget to the Board of Directors in March, including the presentation of the staffing resources limitation issue and how it has been addressed.

- B. Update on Negotiations of a new Tier 2 Allocation Plan (*Attachment*) **(McPherson)** Pg 49

Issue: What are the recent developments of the negotiations?

Information to Committee: Oral Report

Committee Action Requested: Questions and comments

- C. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (*Attachment*) **(Sandkulla)** Pg 53

Issue: What feedback did the WMR provide on the draft tasks and associated detail Strategy 2050 and what is the status of development of the scope of work?

Information to Committee: Oral Report

Committee Action Requested: Questions and comments

## 7. CEO Reports

**(Sandkulla)**

- A. Water Supply and Demand Update
- B. Bay Delta Plan/FERC Update
- C. CEO's Letter (*Attachment*)
- D. Board Policy Committee Calendar (*Attachment*)
- E. Correspondence Packet ([Under Separate Cover](#))

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## 8. Closed Session

**(Schutte)**

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

## 9. Report from Closed Session

**(Schutte)**

## 10. Comments by Committee Members

**(Hardy)**

## 11. Adjournment to the Next Meeting

**(Hardy)**

April 10, 2024 at 1:30pm

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE**

**2024 Committee Roster:**

Karen Hardy, City of Santa Clara (Chair)  
Leslie Marden Ragsdale, Hillsborough (Vice Chair)  
Thomas Chambers, Westborough Water District (BAWSCA Chair)  
Maria Doerr, City of Menlo Park  
Barbara Pierce, City of Redwood City  
Ann Schneider, City of Millbrae  
Tom Smegal, California Water Service Company  
Louis Vella, Mid-Peninsula Water District (BAWSCA Vice Chair)  
Tom Zigterman, Stanford University

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY****BOARD POLICY COMMITTEE****December 13, 2023 – 1:30 p.m.****MINUTES**

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:32pm. CEO/General Manager, Nicole Sandkulla called the roll. All members (9) of the Committee were present with one member participating via teleconference in accordance with the traditional Brown Act rules. A list of Committee members who were present (9) 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 expressed her appreciation for everyone's patience as new technology for livestreaming is tested.

3. **Consent Calendar:**

**Director Doerr made a motion, seconded by Director Schneider, that the Committee approve the Minutes of the October 11, 2023 Board Policy Committee meeting.**

**The motion passed unanimously by roll call vote.**

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

4. **Public Comments:** There were no comments from members of the public on items not included on the agenda.
5. **Closed Session:** There were no comments from members of the public prior to adjourning to Closed Session. The Committee adjourned to Closed Session at 1:40 pm.
6. **Report from Closed Session:** The Committee reconvened to Open Session. Ms. Schutte reported that Closed Session concluded at 1:55 pm and no reportable action was taken.

Chair Hardy clarified that Director Pierce is participating in the meeting by teleconference under the traditional Brown Act rules, in which her location is noted on the agenda to allow any members of the public wishing to participate in the meeting to do so at, and make public comments from, her location.

Legal Counsel Allison Schutte added that while the meeting is being livestreamed, it is not a hybrid meeting. The meeting is being conducted under the traditional Brown Act rules, in which Committee Members, staff, and members of the public can only participate from the two locations noted on the agenda: Burlingame Community Center and 6311 N. Marina Pacifica, Long Beach.

7. **Action Calendar:**

- A. **Proposed Fiscal Year 2024-25 Bond Surcharges:** Ms. Tang reported that the bond surcharge setting is an annual process with the Board to meet the financial obligations associated with the revenue bonds issued by BAWSCA to prepay capital debt that the

BAWSCA agencies owed the SFPUC under the Water Supply Agreement (WSA). The original bonds were issued in 2013 to prepay the debt balance as of June 30, 2013. A refunding of bond series 2013A was completed in January 2023 based on a tax-exempt forward delivery with an all-in true interest rate of 2.06%.

The surcharges are used to make debt service payments, reimburse bond administration expenses, and replenish the Stabilization Fund as necessary. Based on the current review, no replenishment of the Stabilization Fund is necessary at this time.

The proposed FY 2024-25 surcharges reflect savings from the prepayment program in 2013 and the refunding completed in 2023. The combined average net present value savings are approximately \$6 million per year from 2023 to 2034 when the bonds will be paid off.

The surcharges are calculated based on the Bond Indenture, and the methodology used for FY 2024-25 is the same as last year's. Ms. Tang presented Table 1 of the staff report. The total surcharges are \$21,931,224, which is equivalent to \$0.36/ccf or \$156/acre-foot based on the latest SFPUC preliminary wholesale water consumption for FY 2024-25.

Director Smegal asked a clarifying question about what the actual charge is to the entity and whether it is shown as a monthly fee or on a per acre feet basis. Ms. Tang explained that the bond surcharge setting for FY 2024-25 includes a "true up" adjustment in the calculation. The "true-up" adjustment is used to reflect each agency's actual percentage of water purchases in FY 2022-23. Agencies are charged a fixed amount on a monthly basis by San Francisco.

In response to Director Doerr's inquiry about the "true up" amounts in the 6-digits, Ms. Sandkulla explained that those agencies, particularly ACWD, purchased significantly different amounts of water from SFPUC than normal to supplement its regular supply source during the recent drought period in FY 2022-23. Bond surcharges are calculated based on purchase projections, and any significant changes that occur with agencies' actual purchases will be reflected in the "true up" adjustments. Ms. Sandkulla noted that ACWD typically purchases 20%-22% of its water supply from San Francisco, but increased its purchase to over 50% of its water supply in FY 2022-23 due to reliability issues with its other supplies. The "true up" adjustments are strictly based on actual purchases.

With no further questions or comments from members of the Committee, Chair Hardy asked for a motion.

**Director Chambers made a motion, seconded by Director Schneider, that the Committee recommend Board approval of the proposed FY 2024-25 bond surcharges.**

There were no comments from members of the public.

**The motion passed unanimously by roll call vote.**

- B. Mid-Year 2023-24 Work Plan, Budget, and General Reserve Review and Recommended Changes: Ms. Sandkulla noted that the mid-year budget and workplan review is a critical process for the agency. When the Board adopts its Annual Budget, it includes a Work Plan that is very specific with the Board's expectations of what the agency will

achieve and deliver in that fiscal year. At its meeting in May, the Board adopts a workplan with specific results, and an operating budget that is built around achieving those results. The mid-year review looks at the expenditures, the progress made to date, and evaluates any changes necessary.

Ms. Sandkulla presented her findings from the FY 2023-24 mid-year review, the recommended changes, and a status report of the work plan items.

There are six recommended changes to the adopted work plan and operating budget to ensure continued access to a reliable supply of high-quality water at a fair price. The changes include reducing the scope of three work plan items, increasing the technical and legal resources to support the Tier 2 Plan negotiations, and increasing legal resources related to some extraordinary Board and Agency administrative items.

Ms. Sandkulla noted that work plan items are set up in categories based on BAWSCA's goal of ensuring a reliable water supply, high-quality water, and fair price. Table 1 of the staff report lists the workplan items under each category, and are marked accordingly to identify the status:

- ! Needs Attention
- Experiencing Delay
- ✓ Complete/On Track
- ★ Extraordinary Result

Under the first category of Reliable Water Supply there are five areas of focus.

The first area is facility reliability which entails BAWSCA's work in monitoring SFPUC's WSIP, 10-year CIP and asset management program. Ms. Sandkulla was pleased to report that efforts are on track and are progressing as expected.

The second area is long-term supply solutions which entails BAWSCA's implementation of the current water supply strategy (2015 Strategy). This area includes, among others, work such as BAWSCA's efforts on the San Francisco Peninsula Regional Pure Water (SFPRP) Project, as well as scoping the activities for developing Strategy 2045. Progress is moving forward as anticipated for all items except for work on the Regional Water Supply Reliability Roundtable (Roundtable), item #2g. The Roundtable effort was originally anticipated to host quarterly meetings with BAWSCA member agencies and a broad network of water-impacted entities such as San Mateo County City/County Association of Governments (C/CAG) and the wastewater, stormwater and non-government organizations that are interested in discussing the connection of water in the three counties - Alameda, San Mateo, and Santa Clara. BAWSCA's work plan included a plan to host quarterly roundtable meetings in FY 2023-24. Given the increased activities on Tier 2 Negotiations and Strategy 2045, holding quarterly meetings has proved to be overly ambitious. A Roundtable meeting, however, will be hosted in the Spring 2024 as an additional resource mechanism for scoping Strategy 2045, where feedback and input can be gathered from the regional entities.

**The first recommended change to the Work Plan is changing the scope for work plan item #2g to clearly state what can and will be delivered.**

Original scope:

*“Host quarterly meetings of BAWSCA Regional Water Supply Reliability Roundtable to identify possible water supply options for consideration by BAWSCA and its members as well as potential local partnership opportunities”.*

Recommended Scope Change:

*“Host a BAWSCA Regional Water Supply Reliability Roundtable meeting to discuss Strategy 2045 proposed scope and receive feedback.”*

The third area of focus is the Near-Term Supply Solutions which entails BAWSCA’s water conservation and drought response efforts.

Ms. Sandkulla was pleased to report that interviews with prospective consultants for developing the 2020 through 2023 Drought Report just concluded and a recommendation for a selected consultant will be brought to the Committee in February, and to the Board for consideration at its meeting in March.

The report will document the drought of 2020 through 2023, and will include a new analysis on what worked and what did not work from the drought response actions taken by the agencies and their customers as part of the lessons learned from previous drought experiences. The work is behind schedule, but steady progress is being achieved at this time.

**The second recommended change to the Work Plan is changing the scope for work plan item #3b.**

The Board has been presented with reports and discussions on BAWSCA’s work to represent the agencies on statewide discussions with the Governor’s “Making Water Conservation a California Way of Life” requirements. The State’s progress with developing regulations in response to the Governor’s call for water conservation was significantly delayed. While draft regulations have now been released, substantial responses were received during the public comment period which indicates a potential for significant changes.

BAWSCA is recommending to change the workplan scope for work plan item 3b as follows:

Original scope:

*“Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements, including developing an approach for members to meet the new CII performance measure requirements as well as a possible subscription program for professional consulting services for those members interested in more hands-on assistance”.*

Recommended Scope Change:

*“Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements, including developing an approach for meeting the new requirements as appropriate”.*



The scope change scales back the efforts until more information is known. BAWSCA will continue its collaboration with Valley Water, and anticipates the effort to roll into subsequent years as agencies continue to look to BAWSCA to develop an approach on how they can best meet the new regulations.

Director Schneider asked if the State regulations and/or BAWSCA's work plan include a list of recommended plants that are best suited for agencies that have wildland urban interface (WUI) lands.

Ms. Sandkulla stated that the draft regulations do not address plant recommendations, and that BAWSCA's Landscape Education Program is geared to residential customers. She suggests connecting Millbrae staff with BAWSCA's water resources team to look into resources at the state level that are geared to government entities.

Director Doerr asked about the proposed language being; "...the new requirements as appropriate", instead of; "...the new requirements, when adopted by the State Board, mostly likely in Summer 2024"?

Ms. Sandkulla explained that the use of "...as appropriate", in the proposed language for the scope change reflects the intention to only engage in efforts that will be valuable to the dollars and time spent. BAWSCA is having internal discussions and continuing its partnership with Valley Water on this effort to identify what efforts are worth making and what financial resources are worth investing in this fiscal year that will remain valuable despite a change the State may decide to make on the draft regulation.

She added that the effort was designed to help agencies develop a process to classify and identify their Commercial, Industrial, Institutional (CII) accounts, and track them along with the requirements set forth by the State. The work involves knowing the CII classification categories and with that information, developing a process that enables agencies to adjust their internal methods of CII classifications to align with the State. Once that step is completed, the BAWSCA team would assist member agencies in meeting other requirements of the new regulations. There remains uncertainty at the State level as to what those new CII categories will be, and moreover what additional regulatory requirements associated with CII customers will be required. It is anticipated that the State will not finalize its requirements this fiscal year.

**The third recommended change to the Work Plan is changing the scope for work plan item #3f.**

BAWSCA's Leak Detection and Repair Certification Training program is in partnership with Valley Water to develop a training curriculum for professionals who can be certified and put on a list that could then be provided to homeowners who ask for help with resolving property leaks that are outside the scope of a plumber. The result achieved to date is the development of a program "framework" by California Water Efficiency Partnership (CalWEP) under a Memorandum of Agreement. A detailed report was provided in the CEO letter regarding the current state of the effort.

In summary, BAWSCA and Valley Water have paused further development of the program this fiscal year to focus on seeking an organization that can fulfill the role of developing the curriculum as well as being the lead agency in conducting the training and certification of the trainees.

BAWSCA is recommending to change the workplan scope for work plan item 3f as follows:

Original scope:

*“Continue development of a leak repair and training certification program for implementation in FY 2024-25”.*

Recommended Scope Change:

*“Continue development of a leak repair and training certification program for future implementation by an outside entity”.*

Ms. Sandkulla reported that member agencies continue to have interest in developing the program and expressed their willingness to reach out to CalWEP to support its continued engagement. The effort remains on a positive track, and the change in the scope is to reflect what is expected to get done in FY 2023-24.

The fourth area of focus is protecting the water customers interests in the administration of the WSA, which includes work that is delegated to BAWSCA in its engagement with the member agencies and their connection to the San Francisco and the Regional Water System (RWS).

This is where BAWSCA represents the member agencies’ water supply and financial interests and includes efforts such as engaging with SFPUC on its development of its Alternative Water Supply (AWS) Plan, ensuring SFPUC meets its legal and contractual obligations to the wholesale customers, and facilitating negotiations of an updated Tier 2 Drought Plan.

The negotiation of an updated Tier 2 Drought Plan is a significant work item and while progress is being made, additional technical and legal resources are needed.

**The fourth recommended change to the Work Plan is a budget adjustment for work plan item #4e.**

- 1. Increase consultant contract with Woodard & Curran by an additional \$80K for a total contract amount of \$152K, funded by reallocation of available funds within the current approved FY 2023-24 Operating Budget; and**
- 2. Increase consultant contract with Hanson Bridgett by an additional \$82K, funded by a transfer from the General Reserve.**

The budget adjustments are to maintain the momentum of progress being made by continuing to hold half-day in-person meetings with the member agencies once a month, pre-meetings to go over technical information that support the negotiations, one-on-one meetings with agencies that are held either in person or remote, group meetings, and sub-group meetings in which technical and legal consultants are needed to be in attendance.

**The fifth recommended change to the Work Plan is deleting work plan item #6c.**

The adopted work plan included the development and implementation of a new core and subscription BAWSCA Grant Support Program for the member agencies. Ms. Sandkulla reported that as work on the scoping of Strategy 2045 progressed, this item became a very important issue for the member agencies, and it proved to be more appropriate to be rolled into Strategy 2045.

The recommended change is to delete it as work plan item #6c, and move it to be addressed in the development of Strategy 2045.

**The sixth recommended change to the Work Plan is increasing the consultant contract budget with Hanson Bridgett by an additional \$30K funded by a transfer from the General Reserve.**

Ms. Sandkulla noted that the budget for legal counsel is set very closely to what each item in the work plan needs to achieve, with a total not to exceed for the fiscal year.

The need to increase legal counsel's contract agreement by \$30K comes from unanticipated administrative issues such as the board's desire to consider meeting format changes, analysis related to a new board member appointment, and a CalPERS class action suit unrelated to BAWSCA but nevertheless, required legal support to respond.

Unplanned issues that arise and require legal support can sometimes be accommodated within the budget if the rest of the budget for legal counsel is lighter than planned. But that has not been the case this fiscal year.

In Summary, the Mid-Year Budget and Work Plan review recommends the following six (6) changes:

1. Work Plan Item 2g will change to read "Host one meeting of BAWSCA Regional Water Supply Reliability Roundtable to discuss Strategy 2045 proposed scope and receive feedback."
2. Work Plan Item 3b will change to read "Represent members' interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a California Way of Life" requirements, including developing an approach for meeting the new requirements as appropriate."
3. Work Plan Item 3f will change to read "Continue development of a leak repair and training certification program for future implementation by an outside entity."
4. Work Plan Item 4e will increase consultant contract budget with Woodard & Curran by an additional \$80K for a total contract amount of \$152K, funded using reallocation within the current approved FY 2023-24 Operating Budget;
5. Work Plan Item 6c, will be included in Strategy 2045; and
6. Consultant contract budget for Hanson Bridgett will increase by an additional:
  - \$82K for Work Plan Item 3e "Facilitate negotiations of an updated Tier 2 Plan" and,
  - \$30K for work plan item 11 "Manage the activities of the Agency professionally and efficiently"

for a total contract increase of \$112K and a total new contract amount of \$891,000, to be funded through a transfer from the General Reserve.

In response to Director Smegal, Ms. Sandkulla stated that Table 2 of the staff report provides the historical annual assessments and Year-End Reserves. The number for FY 2023-24 is an estimate, and will change based on Board actions in January, and transfers at year end.

Director Schnieder asked about the timeline for finding an entity for item #3F, Leak Detection Training and Certification Program, and for rolling out the program.

She suggested considering the University of California Environmental Studies as a potential partner.

Additionally, she noted that item 6C, development and implementation of a core and subscription Grant Support Program was important for Millbrae as it can provide Millbrae the leverage against larger cities and entities applying for grant funding. She asked how far this program would be pushed back as part of Strategy 2045 efforts.

Ms. Sandkulla stated that for item 3F, she estimates a minimum of 2 years and possibly a maximum of 4-5 years. BAWSCA is looking for qualified entities that can lead the effort, as well as partners that can help develop a robust curriculum and implement it.

For item 6c, she estimates needing at least 2 years, because developing and implementing a program within a year may not be feasible. She recognizes the need and is striving to fill the need without losing focus on the agencies' primary mission of ensuring water reliability, high quality and fair price. BAWSCA will continue to provide support letters to agencies as requested in support of individual grant applications. Originally, the scope of the grant program was to have consultant support that assists agencies in identifying grant opportunities and in writing grant proposals on a subscription basis.

Director Doerr asked what changed in the work plan that caused consideration of item 6c to be moved under Strategy 2045? Given the inflation reduction act funds and with the bi-partisan infrastructure law funds that are coming down to the State, it seems like a missed opportunity if BAWSCA does not assist member agencies in accessing grant opportunities. Director Doerr expressed her interest to see this effort continued. Since this effort was just added to the work plan in May, there are months left before the year is out and she would like to see the BAWSCA staff do research, meet with potential contractors, and set up a structure for agencies to have access to consultants that can provide support for grant writing.

Second, Director Doerr shares Director Schnieder's concern with Item 3f and the 4-5 years of estimated timeline for the program to roll out. She was curious what more can BAWSCA do as it is elemental to the work of BAWSCA.

Third, she commented that for Item 2g, she was interested this years' meeting of BAWSCA's Roundtable covering additional topics beyond just Strategy 2045, which she sees as a long-term planning effort. Specifically, she is interested in this year's Roundtable covering not only long term water supply options, but also include discussions to explore potential water supply partnership opportunities, particularly if in the short term there are certain opportunities available.

In response, Ms. Sandkulla discussed that as this fiscal year has unfolded, BAWSCA staff have been committed to high priority work efforts. The ability to work on the

development of a grant support program was hampered by those other commitments. Specifically, she noted that the negotiation of a new Tier 2 Plan has required more resources from both staff and consultants than anticipated, and the Board has expressed its significant interest in moving the Tier 2 efforts forward to resolution. Similarly, BAWSCA staff must focus on the Strategy 2045 work effort, which is also of great interest to the BAWSCA Board.

Additionally, Ms. Sandkulla explained that developing a program for successful implementation is not a simple or short assignment. It requires time to write and release the necessary request for proposals, consider qualified proposals, interview consultants, and methodically set up the program for the member agencies' success. Part of managing the pieces of the work plan is finding where in the work plan can items be shifted and still deliver the critical results the agency needs to achieve. If it is the Committee's interest to keep Item 6c in the work plan as it is, another way to reshuffle the work plan efforts will need to be considered.

For work plan item 3f, Ms. Sandkulla explained that Valley Water's continued interest in a partnership for the Leak Detection and Repair program is very positive, but as noted in the CEO letter, the reports released on the "framework" for how the program should be approached indicates that the development of the program is a much bigger effort than anticipated, even in partnership with Valley Water. The next step is for BAWSCA and Valley Water to find a partner that will develop a curriculum and that will implement the training and certification process. Just who that entity will be must be determined, and following that determination, BAWSCA and Valley Water will need to consider how that work will fit within the programs and projects proposed for the years ahead.

For work plan item 2g, Ms. Sandkulla and Water Resources Manager, Tom Francis, stated that the language can be modified to include broader topics that are relevant to the effort.

Director Schneider noted San Mateo County's slush fund, called Measure K, has an extra \$40M. She was curious whether BAWSCA can accept some funding from Measure K to help with developing the grant structure process of item 6c, understanding that BAWSCA staff would have program management and contract management time commitments beyond those costs.

Ms. Sandkulla stated that BAWSCA already engages with other entities to receive funding for programs, and therefore presumably can accept funding from Measure K. However, a consideration is that BAWSCA is a three-county agency that would have to parse the funding out 3-ways. This is why rolling efforts into Strategy 2045, one large strategic plan, is helpful in determining where the Board would want to allocate the agency's resources, in both staff and funds, and among all the options presented. This also provides a better sense of what efforts are going to cost, what resources are necessary, as well as the timeline, so the Board can make informed decisions.

While BAWSCA can strive to do what the Board wants to accomplish, the agency must be aware of workload limitations. The Board will need to make tough choices, and the Strategy is going to help the Board make those decisions, thoroughly, from the recommendations that the Strategy will provide.

There are going to be efforts the Board will not want to invest in, but the Board should want to know the costs, benefits, and priorities of the region to establish a list of what it

should do for the service area. This planning exercise is necessary, given the breadth of work that has to get done and to look at the longer-term issues as part of Strategy 2045. Ms. Sandkulla will need to further review the workplan to evaluate how to reshuffle the items so that item 6c (Grant Support Program) can remain as it is or perhaps be adjusted to meet a portion of what was originally envisioned when the budget and workplan was proposed.

Director Vella commented that developing a work plan is a question of prioritization. There are going to be items that will need to be on the top of the list that will push other items to the bottom. The scope of the work plan will continue to grow, and it will need resources to support it in terms of staff time and skills, funding, and consultant support.

Ms. Sandkulla referenced the results the agency has achieved in the past 20 years, which was highlighted at the 20<sup>th</sup> Anniversary acknowledgement in November. One of the critical reasons BAWSCA is able to achieve the results it has over the years is the work plan process, and the fact that the Board focuses on the results the agency needs to achieve. The Board is diligent in recognizing the critical results necessary to be achieved, and the efforts that are not within the agency's scope. The Board prioritizes the efforts wisely and does not fool itself in believing that the agency can do everything only to set the agency up for failure. A focus on implementing the work plan is an important task for the Board to continue achieving the results it sets out to achieve on behalf of the member agencies and the water customers.

Director Doerr suggested looking into other ways of supporting member agencies with how they can pursue grants and support for grant writing. Perhaps creating an organized list of potential grant funds agencies can look into as well as potential consultant grant writers agencies can reach out to for support.

Director Schneider expressed her support for the suggestion and found it a good compromise.

Ms. Sandkulla took the suggestion as the Committee's direction to look into what it will take to produce the document and report on that further.

Director Pierce appreciates the committee members' interests in maintaining additional programs in the work plan as they are important, and points to the value that BAWSCA provides its member agencies. She is pleased to see Tier 2 moving forward given the comments received from Board members about having to extend the old formula. The effort is coming so close to a resolution and the Board needs to put focus on resources needed to resolve Tier 2. She is glad to see a compromise on a less time-intensive way to assist some of the member agencies with their search for grant opportunities and grant writing.

As a long-time Board member, she noted that it is not easy when Board members have to decide not to do something that will be a real benefit to their agency. But BAWSCA is staffed by 9 people working diligently to serve 26 member agencies. She appreciates the committee's interests in moving things forward and maintaining the work plan within budget.

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

**Director Smegal made a motion, seconded by Director Larsson, to recommend Board approval of the recommendation, with modifications to the proposed scope change for Item 2g so that the recommendation reads as follows;**

**That the Committee recommend Board approval of the following FY 2023-24 Work Plan, Operating Budget and funding changes:**

- 1) For Work Plan Item 2g, change description to read “Host one meeting of BAWSCA Regional Water Supply Reliability Roundtable to discuss possible near-term water supply options, demand management, and local partnership opportunities as well as to receive feedback on the Strategy 2050 proposed scope.”**
- 2) For Work Plan Item 3b, change description to read “Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements, including developing an approach for meeting the new requirements as appropriate”;**
- 3) For Work Plan Item 3f, change description to read “Continue development of a leak repair and training certification program for future implementation by an outside entity”;**
- 4) For Work Plan Item 4e, increase consultant contract budget with Woodard & Curran by an additional \$80K for a total contract amount of \$152K, funded using reallocation within the current approved FY 2023-24 Operating Budget;**
- 5) Work Plan Item 6c, delete work plan completely; and,**
- 6) For Hanson Bridgett, increase consultant contract budget by an additional \$82K for Work Plan Item 4e “Facilitate negotiations of an updated Tier 2 Plan” and by \$30K for work plan item 11 “Manage the activities of the Agency professionally and efficiently”, for a total contract increase of \$112K and a total new contract amount of \$891,000, to be funded through a transfer from the General Reserve.**

**The motion passed unanimously by roll call vote.**

## **6. Reports and Discussions:**

- A. Update on Negotiations of a New Tier 2 Drought Allocation Plan: Ms. Sandkulla reported that the negotiations for a new Tier 2 plan continue to progress. The strawperson concept, previously discussed with the Board, has several steps with the first one being public health and safety. The last step is now the focus of discussion to decide whether the allocation should be towards base period purchases [needs] vs. Interim Supply Guarantee (ISG) [contract].

The agencies are equally on either side of the spectrum and hold strong positions on what is appropriate. BAWSCA staff has clearly indicated that there is a lot of room for compromise at the December negotiations meeting with the agencies, and they recognize that. There were good discussions on how to narrow the range of what will be

acceptable. January's negotiation meetings will continue those discussions, including determining what is the minimum and maximum cutbacks.

Ms. Sandkulla added that the negotiations are at a point in which anonymity among the agencies regarding their positions no longer exists because transparency is now critical for the success of the negotiations. Polls that will be done moving forward will identify responders so that agencies can communicate and understand each other's positions and why. Negotiations will not get less complex, but Ms. Sandkulla is pleased with the developments and looks forward to reporting continued progress to the Board.

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

- B. BAWSCA's Long Term Reliable Water Supply Strategy 2045: Senior Water Resources Engineer, Negin Ashoori, reported that input received in November from the Committee, the full Board, and Water Management Representatives informed the update to the proposed purpose and objective for Strategy 2045. Based on that update, preliminary key tasks were developed. The Committee is being presented with the updated proposed purpose and objectives for Strategy 2045 and the preliminary key tasks to obtain the Committee's input so that staff can be prepared to give a well-structured presentation to the Board in January.

The key change to the updated proposed purpose and objectives for Strategy 2045 is the specific reference to demand management in the language of the purpose and objectives for Strategy 2045 as opposed to it being under the umbrella of water reliability in the previous language.

The updated purpose now reads:

*"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."*

Ms. Ashoori went through the six objectives and highlighted the changes that specifically refer to conservation and demand management.

The updated objectives now reads:

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 updated proposed purpose and objectives for Strategy 2045 support the identification of seven tasks for the scope of work:



1. Evaluate Water Supply Reliability

An example of this is to conduct scenario planning to assess water supply during identified uncertainties, such as climate change, evolving regulations, and other uncertainties at both the local level and regional level. This would utilize BAWSCA's regional modeling tool and demand study projections to quantify the effects of these stressors on water supply to inform decision making and adaptive management in response to such stressors.

2. Assess Regulatory Setting and Collaboration Opportunities

This is to understand what the current as well as what the anticipated near and long term regulations are and how it impacts water management and project implementation. Some of the factors may include water use efficiency requirements, water quality, and potable reuse regulations. The potential risks as well as opportunities from these regulations will be assessed to identify the impacts they can have on the BAWSCA region. Impacts can include water supply availability, costs, staffing, and project implementation.

3. Evaluate Existing Project Concepts/Identify New Regional Project Opportunities

This is to establish a refined project inventory where projects identified by the member agencies through the One Water Roundtable series and other regional planning efforts can be compiled in a single and shareable database. The database can then be refined to include yield, potential benefits, capital costs, as well as Operations and Management (O&M).

4. Provide Funding Support

Ms. Ashoori discussed this task after tasks 5,6, and 7 to present the details more thoroughly. The task would include determining the level of funding support desired by the agencies. It would also clarify the proper role that BAWSCA should have given the agency's goal and purpose. Additional discussion is provided below.

5. Document Water Affordability Challenges and Opportunities

This is looking at and understanding other regional efforts and findings related to affordability that exists outside the BAWSCA service area to assess affordability programs and develop recommendations on potential programs and models that can be considered on either a local or regional scale. For example, researching rate assistance programs that other agencies have implemented.

6. Develop Method to Track and Report on Status of Strategy 2045 Implementation

This is to prepare a way to collaborate and track progress on the Strategy 2045 development and ultimately the progress toward meeting the objectives from Strategy 2045. A system of measurement for tracking the progress of projects will be formulated. The system of measurement could include level of service goals or metrics for regulatory compliance. Sub tasks could include understanding what those metrics are and creating an evaluation criteria for determining what the water supply portfolio looks like with respect to costs and what the dry-year reliability benefits are from projects.

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

This would be a document presenting the task results including a path forward to achieving the purpose and objectives for Strategy 2045, both short term and long term.

Ms. Ashoori noted that the task list is preliminary and will be updated based on feedback received from the Water Management Representatives at its meeting on January 4<sup>th</sup>. It is being presented to the Committee for its input before the January 18th Board meeting.

Ms. Ashoori referred back to Task #4 - Funding Support to present, in further detail, the sub-tasks that fall under it and the anticipated outcomes and deliverables from it. She noted that each of the sub-tasks support the main objectives for Strategy 2045.

Subtask 4A is developing a Grants Tracking tool to identify existing and upcoming funding opportunities and provide ongoing updates to incorporate new ones. This aligns with the development of a project inventory (Tasks #3) to identify projects that are both eligible and competitive for funding, with an anticipated outcome of having a grant tracking tool in which agencies can access information that explains what grants exist, how to pursue them, and what support is available. This sub-task supports objectives 1,2,4, and 5 for Strategy 2045.

Subtask 4B is to establish a comprehensive regional funding strategy and advocacy approach to maximize funding in the BAWSCA region. This assesses what the funding needs are and considers the project inventory from Task #3, as well as other data collected from BAWSCA agencies, to establish a comprehensive regional funding strategy and advocacy approach to maximize funding in the BAWSCA region. The funding strategy will outline potential opportunities, coordinate messaging, and recommend next steps. The anticipated potential outcome from this subtask is a technical memo on a regional funding strategy for the BAWSCA region. This subtask supports objectives 2, 4, 5 and 6.

Subtask #4C is a development of a subscription program that provides funding application support to member agencies in pursuing funding for individual and regional projects at its various stages, including 1) project development to increase funding readiness and fundability, 2) preparation of grant applications and associated materials, and 3) grant administration services. The anticipated outcome from this subtask is the ability to track and make recommendations on potential funding opportunities and grouping, as well as funding assistance on a subscription basis.

Ms. Ashoori noted that the subtasks 4A and 4C encompass what was in the FY 2023-24 work plan as Item #6c, which is now being integrated in the scope of work for Strategy 2045. BAWSCA hopes to complete these subtasks at the beginning of FY 2024-25 because of its importance.

Progress in completing the scope of work for Strategy 2045 is on track for FY 2023-24. The next steps towards preparing a draft Scope of Work is to propose the tasks and desired outcomes to the WMR and the full Board at its respective meetings in January. Inputs and comments received will be considered prior to finalizing the draft Scope of Work, which will then be presented for discussion with the Board in early 2024. The current schedule anticipates a Board action to authorize a recommended consultant contract and associated scope of work in Spring 2024.

Director Hardy thanked Ms. Ashoori for her presentation and for the details it provided about item 6c of the work plan as part of Strategy 2045. They clearly address the concerns expressed during the prior discussions.

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

## **7. CEO Reports:**

- A. Bay-Delta Plan and FERC Update: Ms. Sandkulla reminded the Committee that the oral arguments in the State Water Board Cases that started the week of August 28<sup>th</sup> concluded on October 24<sup>th</sup>. On October 25<sup>th</sup>, the Judge issued an Order separating the case into two phases: the “Merits” Phase, and the “Potential Remedies” Phase. The Judge indicated that he would make a ruling on the “Merits” Phase by January 22, 2024. Based upon that ruling, the Judge will move forward as appropriate with the “Potential Remedies” Phase. This development extends the timeline for the Judge’s final decision to potentially early summer.

The Bay Delta Phase 1 and Phase 2 Plan Amendments and Voluntary Agreements are moving forward on multiple fronts. Ms. Sandkulla reminded the Committee that the Tuolumne River is included in the Phase 1 Plan, and the Phase 1 Voluntary Agreement as an amendment to the adopted Bay Delta Plan is now undergoing a CEQA review by the State Board.

She noted that the Tuolumne River Scientific Basis Report Supplement for Phase 1 VA, which is the newly added scientific information to supplement the adopted Bay Delta Plan in support of the Voluntary Agreement, was anticipated in the Fall of 2023, but is now delayed and no new date for its release is known.

The staff report for evaluation of Phase 1 VA and the State Board workshop and consideration of Phase 1 VA are both expected in the Winter/Spring of 2024.

For the Phase 2 Plan, the State Board issued a draft staff report (6000 pages) for review and comment on September 28<sup>th</sup> with a deadline for written comments extended from December 15<sup>th</sup> to January 19, 2024. Stakeholders across the board feel that the document is significantly large, complex and too important to review within the given timeframe and have expressed interest for more time, but the State has indicated no further extension will be made.

BAWSCA is actively engaging with its member agencies, the SFPUC and Valley Water as part of its review of the document and will submit comments as appropriate.

The State Board has held a series of hearings, spread out within a 2 month period. The most recent was held on December 11<sup>th</sup> where Secretary Crowfoot spoke on behalf of the Natural Resources Committee that he heads. In his statement, he indicated his support of the Voluntary Agreement and provided helpful background information to the State Board members, including how the Voluntary Agreement came about, clarifying that the State Board, if it adopts the VA, have the ability to implement and control the steps in the process. As BAWSCA continues to support the VA as a resolution to the issues of the Bay Delta Plan, Ms. Sandkulla was pleased with the statement Mr. Crowfoot delivered.

Director Larsson referenced a statement that Ms. Sandkulla made to the SFPUC back in January 2021 that clarified the responsibilities of BAWSCA to its member agencies and of the SFPUC to its wholesale customers. He believes that statement helped lay the groundwork for a lot of what has come afterwards. He noted that public agencies do not operate in a vacuum, and instead have a system of assigned responsibilities and roles in

which BAWSCA has a part to play by staying on task. That is what helps the system work very effectively.

Cities, for example, tend to have broad responsibilities, but BAWSCA, as a Special District set up by the State Legislature, was given specific tasks. BAWSCA is not a general-purpose watchdog for the SFPUC, but instead has very specific oversight roles with the SFPUC. An example is its oversight of SFPUC's WSIP that comes from the legislation, and oversight of the Wholesale Revenue Requirement that comes from the Water Supply Agreement (WSA). For BAWSCA's first 20 years, it has been critical that the Board has stayed on task - this has made the Board very effective in governing the agency.

In Ms. Sandkulla's January 2021 statement to the SFPUC regarding the Bay Delta Plan and Voluntary Agreement, she referenced the SFPUC's responsibility for operating the system in accordance with its adopted environmental stewardship policy. BAWSCA supports the SFPUC in that responsibility and member agencies pay their fair share of the costs for those efforts. In addition to the SFPUC's responsibilities, there are other state and federal agencies that have their own environmental responsibilities with their own respective authorities, including the State Water Board with its decision-making authority. BAWSCA has the responsibility to engage with the State Water Board in its process and to make sure that the interests of the water users are represented. Director Larsson noted the links to videos of SFPUC's workshops on the Bay Delta that Ms. Sandkulla distributed to the Board via email and encouraged Board members to review these for reference information.

Director Larsson emphasized that through its enabling state legislation, BAWSCA has been given the mission to represent the water supply interests of the member agencies' constituents for a reliable supply of high-quality water at a fair price. This has informed the agency's purpose and what it has accomplished over the past 20 years. He encouraged the Committee to stay focused on the responsibilities that BAWSCA has been given and emphasized that BAWSCA is not a general-purpose agency. It is critical to stay focused on the specific tasks it has been given.

Director Hardy appreciated Director Larsson's comments and noted that the Committee is tasked to make recommendations to the Board following discussions to help 26 board members reach consensus on critical decisions.

- B. FY 2024-25 Work Plan and Budget Preparation Process: Ms. Sandkulla reported that the development of the FY 2024-25 Work Plan and Operating Budget has begun internally. The process is started with the assessment of long-term critical issues and major challenges that BAWSCA has to deal with. The assessment involves looking at a long-term view between now and the year 2060 and identifies the critical results and the associated timeline to achieve them. BAWSCA then uses that information in developing the work plan that is presented to the Board. The January Board meeting will have a Work Plan and Budget Planning session in which a long-term view will be presented for the board to provide feedback on. A preliminary work plan will be presented to the Committee in February for discussion, and to the Board in March. Based on the feedback received from the Committee and the Board, a proposed Work Plan and Operating Budget will be presented to the Committee in April, for the Board's consideration in May.

There were no questions or comments from members of the Committee and members of the public on the CEO reports.

**8. Comments by Committee Members:**

Director Schneider reported that the City of Millbrae's lobbyist is working on a legislative packet that is anticipated to be ready come January. She noted that there may be an overlap on legislation issues among the various BAWSCA jurisdictions and was open to speaking on legislation that is useful for BAWSCA.

She also appreciated the AB 1661 Training offered by BAWSCA and Legal Counsel.

Director Vella commented that both the BPC and Board have robust communications on agenda items, where important questions and comments are made and are encouraged because it is a way for Board and Committee members to support the conversation and to learn from each other. He encouraged members, however, that if there are questions that arise during board members' review of materials in the agenda packet, to address them with the CEO/General Manager prior to the meeting so that staff can ensure that full and accurate information can be made available to members of the Board.

**9. Adjournment:** The meeting was adjourned at 3:39pm. The next meeting is February 14, 2024 in Sequoia Room of Burlingame Community Center.

Respectfully submitted,

Nicole Sandkulla, CEO/General Manager

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Attachments: 1) Attendance Roster

# Bay Area Water Supply and Conservation Agency

## Board Policy Committee Meeting Attendance Roster

Agency	Director	Dec. 13, 2023	Oct. 11, 2023	Aug. 11, 2023	Jun. 14, 2023	Apr. 12, 2023	Feb. 8, 2023
Santa Clara	Hardy, Karen (C)	✓	✓	MEETING CANCELLED	✓	✓	✓
MPWD	Vella, Lou (VC)	✓	✓		✓	✓	
Westborough	Chambers, Tom	✓	✓		✓	✓	✓
Menlo Park	Doerr, Maria	✓	✓			✓	
Sunnyvale	Larsson, Gustav	✓	✓		✓	✓	✓
Redwood City	Pierce, Barbara	☎	✓		✓	✓	✓
Millbrae	Schneider, Ann	✓	✓		✓	✓	✓
CalWater	Smegal, Tom	✓	✓		✓	✓	✓
Stanford	Zigterman, Tom	✓	✓		✓	✓	

✓: present

☎ : Teleconference

### December 13, 2023 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		
Kyle Ramey	Water Resources Specialist		
Lourdes Enriquez	Asst. to the CEO/General Manager		
Deborah Grimes	Office Manager		
Christiane Barth	Office Assistant		

#### Public Attendees:

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE MEETING**

**Agenda Title:**           **Authorization of Professional Services Contract to Support the Preparation of the 2021-2023 Drought Report**

**Summary:**

This item requests the Committee to recommend the Board to authorize the CEO/General Manager to negotiate and execute a contract to support the preparation of BAWSCA's 2021-2023 Drought Report (Drought Report). Consultant selection was completed on December 12, 2023 following a competitive selection process in accordance with the agency's procurement policy. Since that time, BAWSCA staff have been in agreement negotiations with EKI Water & Environment, Inc. (EKI) to clarify the scope, schedule and cost for the two proposed phases of the work. The drought report will summarize the actions taken by the State, SFPUC, and BAWSCA member agencies in response to drought; fiscal implications; water quality concerns during the drought; water use reduction attained; lessons learned; and future activities related to drought response. It will also include an analysis of the effectiveness of various drought measures implemented. The proposed scope of work is provided as Attachment A.

BAWSCA requires consultant assistance to prepare the drought report including creating the necessary action timelines and performing the drought measure effectiveness analysis. While BAWSCA staff will be deeply engaged with the consultant as the work is performed, the consultant will be responsible for drafting the drought report.

Assuming Board approval of the contract at its March 21, 2024 meeting, work on Phase 1 of the Drought Report preparation would begin. Phase 2 of Drought Report preparation will follow in FY 2024-25.

**Fiscal Impact:**

The total cost of services is \$135,000. The approved FY 2023-24 operating budget includes the required funds to perform Phase 1 of the work (\$35,000). The Workplan and Budget in development for FY 2024-25 will include the necessary funds needed for Phase 2 (\$100,000). Work on Phase 2 is predicated on the Board's approval of the FY 2024-25 Workplan and Budget at its May 16, 2024 meeting.

**Recommendation:**

**That the Board Policy Committee recommend the Board to authorize the CEO/General Manager to negotiate and execute a contract with EKI Water & Environment, Inc., subject to legal counsel's final review, for a total of \$135,000, of which \$35,000 will be approved for FY 2023-24 and the remaining \$100,000 is subject to future board approval of the FY 2024-25 operating budget, to support the preparation of a 2021-2023 Drought Report.**

**Discussion:**

In 2017, BAWSCA produced a drought report (2014-2017 Drought Report) describing the drought that took place over those years and the actions taken by several entities, including the State of California (State), the SFPUC, Santa Clara Valley Water District (Valley Water), and BAWSCA itself. Additionally, the drought report documented BAWSCA Agencies' local drought response actions, fiscal implications, water quality concerns during the drought, water use reduction attained, lessons learned, and future activities related to drought response. Several

drought timeline overviews were created for the 2014-2017 Drought Report, displaying a timeframe for actions taken at the state and local level. The analysis and figures in the drought report carefully explained the specific standards, requirements, orders, and regulations that were enacted by various entities throughout the 2014-2017 drought. The 2014-2017 Drought Report proved to be a valuable reference to both BAWSCA Agencies as well as the region as a whole. A comprehensive record of what took place proved much more valuable than a “lessons learned” only approach that many water agencies took.

Given that the 2021-2023 drought has now passed, BAWSCA proposes to create a similar report to analyze efforts taken by entities during the 2021-2023 drought. It will include all of the details present in the 2014-2017 Drought Report, and go a step further to include an evaluation of the functionality of programs enacted during the drought. Doing so will help elevate its use as a reference document for decision making and assistance during future droughts. Attachment A provides details regarding the scope of work proposed.

### **Consultant Selection Process**

BAWSCA solicited proposals from qualified water resources consultants to assist BAWSCA in preparing the 2021-2023 Drought Report. A Request for Proposals (RFP) was issued on September 29, 2023. Proposals were received on November 3, 2023 from three qualified consultants. A panel, which consisted of a representative from one BAWSCA agency (Mountain View) and one outside water agency (Valley Water), took part in the review along with BAWSCA staff. The proposal review included an analysis of the written proposals and an interview with the top two firms that submitted.

Through this competitive process, the proposal from EKI was selected as the preferred proposal in mid-December. Since that time, BAWSCA staff have been in agreement negotiations with EKI to clarify the scope, schedule and cost over the two proposed phases.

### **Cost of Services**

The total cost of services as proposed by EKI is \$135,000. The approved FY 2023-24 operating budget includes the required funds to perform Phase 1 of the work (\$35,000). The Workplan and Budget in development for FY 2024-25 will include the necessary funds for Phase 2 (\$100,000). Work on Phase 2 is predicated on the Board's approval of the FY 2024-25 Workplan and Budget at its May 16, 2024 meeting.

### **Scope of Work**

A copy of the proposed scope of work is provided in Attachment A.



**Attachment A**

**Scope of Work: BAWSCA 2021-2023 Drought Report**

**PHASE 1 – FY 2023-2024**

**TASK 1 – DOCUMENT AND RECORDS REVIEW**

EKI will review existing documents prepared by BAWSCA as well as other agencies pertinent to BAWSCA's drought actions and drought response measures (DRMs) including, but not limited to, the following:

- BAWSCA's 2017 Drought Report;
- Drought Response Measures (DRMs) implemented by the State, the SFPUC, Valley Water, BAWSCA, and BAWSCA Agencies;
- BAWSCA Agencies' 2020 Urban Water Management Plans (UWMPs) and Water Shortage Contingency Plans (WSCPs);
- Tier 1 and Tier 2 Drought Allocations (SFPUC and BAWSCA);
- Member Agency staffing adjustments (hiring of temporary staff, etc.);
- Fiscal impacts and any water quality impacts on BAWSCA Agencies (including funding used to implement DRMs);
- Documentation of water use reduction achievements; and
- Other associated data and documentation

Data collected under this task will be summarized in a technical memorandum (TM-1).

**TASK 2 - ENGAGEMENT WITH BAWSCA MEMBER AGENCIES**

Concurrent with Task 1, EKI will reach out to BAWSCA Member Agencies to collect agency-specific data and receive their input on the contents of the Drought Report. Feedback will be collected through; (1) a survey transmitted via an electronic platform (e.g., SurveyMonkey), and (2) feedback offered during presentations given and workshops held at BAWSCA's WMR meetings. The Member Agency survey will include questions on the agency's DRMs implemented during the 2021-2023 drought. The survey questions will supplement the data compiled through Task 1. EKI will develop the survey and workshop materials and will assist BAWSCA if needed during the discussions.

**TASK 3 – ATTEND MEETINGS AND PROVIDE TECHNICAL SUPPORT**

**PHASE 2 – FISCAL YEAR 2024-2035, subject to appropriation in the FY 2024-25 budget.**

**TASK 2 (Engagement) and TASK 3 (Meeting Attendance) will continue**

**TASK 4 – REVIEW OF DROUGHT RESPONSE EFFORTS SUGGESTED IN BAWSCA'S 2017 DROUGHT REPORT**

EKI will document and summarize activities and lessons learned from the 2014-2017 drought that were then implemented in response to the 2021-2023 drought. As part of this effort, EKI will review sections in the 2017 Drought Report regarding recommendations on how to prepare for the next drought. EKI will compare these recommendations to data

collected and survey results from Task 1 to understand: (1) which of the recommended actions were taken during the 2021-2023 drought, and (2) which of the recommended actions were perceived to be helpful. The Drought Report will include a section that details what, if any, suggested measures were enacted and the associated impacts they had during the 2021-2023 drought.

## **TASK 5 – ANALYSIS OF EFFECTIVENESS OF WATER CONSERVATION MEASURES**

### **Subtask 5.1 Identification of BAWSCA Agencies and Collection of Data**

EKI and BAWSCA will work to secure the involvement of five BAWSCA Agencies to facilitate the Effectiveness Assessment. Those Agencies will be asked to provide account-level water use data and/or AMI data and Geographic Information System (GIS) data.

### **Subtask 5.2 Analysis of DRM Effectiveness**

EKI will analyze the effectiveness of select DRMs amongst the 5 Agencies in order to assess the relative effectiveness of each DRM on each agency's water use. The results of these analyses will help each identified agency to better understand the specific effects of the implemented DRMs on their water use patterns during the 2021-2023 drought. Specific DRMs will be selected based on availability of data and implementation during the recent drought. Each set of analyses will be accompanied by maps, charts, and graphics that will support visualization of the results and conclusions and make them accessible to a broad audience.

### **Subtask 5.3 Analysis of Demographic and Geographic Factors**

A geospatial analyses of customer water use trends during the 2021-2023 drought for the 5 Agencies will be performed to understand the impacts of the DRMs on water use reductions on a census tract level. This analysis will be used to identify statistically significant areas of high and low water use reductions during the drought (water use "hot" and "cold" spots) overlain with demographic and geographic factors

## **TASK 6 – DEVELOPMENT OF THE 2021-2023 DROUGHT REPORT**

**vBAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE MEETING**

**Agenda Title:**           **Preliminary Fiscal Year 2024-25 Work Plan and Results to be Achieved**

**Summary:**

This memorandum presents the preliminary Fiscal Year 2024-25 Work Plan and results to be achieved. Comments received from the Board at the January 18, 2024 Work Plan and Budget Planning Session have been reviewed and addressed. The preliminary Work Plan includes the CEO's recommendations for addressing comments received during the Budget Planning Session. As discussed with the Board in January, this memorandum does not present a preliminary Operating Budget. Initial Operating Budget considerations will be included in the staff presentation. The Board will be presented with a preliminary Work Plan and Operating Budget at its March meeting.

The preliminary Work Plan remains aligned with BAWSCA's legislated authority and its three goals: a reliable supply of high-quality water at a fair price. Major work areas include review of SFPUC's 10-year Capital Plan and Asset Management Program; initiate development of BAWSCA's Long Term Reliable Water Supply Strategy 2050 (Strategy 2050); provide assistance to members in meeting new State water efficiency mandates; implement BAWSCA's core and subscription conservation programs including the new BAWSCA grant tracking tool; take action necessary to ensure that the SFPUC meets its legal and contractual water supply reliability obligations to its Wholesale Customers; engage in SFPUC's Alternative Water Supply (AWS) Plan implementation; facilitate adoption of a new Tier 2 Drought Allocation Plan (Tier 2 Plan); participate in the State Water Resources Control Board (SWRCB) Bay-Delta Water Quality Control Plan Update to ensure member agency interests are represented; participate as an intervenor on Federal Energy Regulatory Commission (FERC) proceedings associated with the licensing of New Don Pedro Reservoir; administer the Water Supply Agreement (WSA) with San Francisco to protect financial interests of the members; administer BAWSCA's revenue bonds; implement Board policy directives for management of BAWSCA's unfunded pension liability obligations; implement BAWSCA's student internship program; maintain a motivated, trained and effective workforce; and continue development of a plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.

A critical step in preparing the preliminary Work Plan is an analysis of required staff resources. As a result of this analysis, some revised timelines for identified work efforts are proposed. Given the results of this analysis and the staffing constraint identified, the preliminary Work Plan reflects a recommended delay in initiating the development of Strategy 2050 until mid-year.

**Recommendation:**

**That the Committee provide:**

- 1. Comments and suggestions concerning the preliminary Fiscal Year 2024-25 Work Plan and results to be achieved;**
- 2. Feedback on presented results from January 18, 2024 Work Plan and Budget Planning Session;**
- 3. Suggestions concerning presentation of the preliminary Work Plan and Operating Budget to the Board of Directors in March, including the presentation of the staffing resources limitation issue and how it has been addressed.**

**Discussion:**

**Preliminary Work Plan**

Next year's Work Plan addresses all of the anticipated issues and results to be achieved discussed with the Board Policy Committee in December and with the Board in January.

The Preliminary FY 2024-25 Work Plan includes the following major efforts:

- Oversight of the SFPUC's WSIP, 10-Year Capital Plan Program (Capital Plan), Regional Water System (RWS) Asset Management Program, and Emergency Response.
- Implement BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy), including the following actions:
  - Initiate development of Strategy 2050;
  - Initiate development of updated regional water demand projections;
  - Participate in the Bay Area Regional Reliability Partnership (BARR);
  - Participate in PureWater Peninsula potable reuse project planning; and
  - Facilitate development of other local water supply options by members.
- Support near term water supply solutions for members including:
  - Prepare the BAWSCA 2021-23 Drought Report;
  - Represent members' interests in discussions on development of, and compliance with, California's "Making Water Conservation a California Way of Life" requirements as appropriate;
  - Provide regional coordination to support Advanced Metering Infrastructure (AMI) implementation and data management; and
  - Implement BAWSCA's regional core and subscription conservation programs to support members and their customers.
- Take actions to protect members' water supply and financial interests in administration of the WSA including the following:
  - Monitor SFPUC's implementation of its Alternative Water Supply (AWS) Plan and engage as appropriate;
  - Facilitate final negotiations and adoption of an updated Tier 2 Plan;
  - Monitor SFPUC's unfunded pension and OPEB liabilities;
  - Protect members' water supply and financial interests in the SFPUC's required 2028 decisions;
  - Ensure correct implementation of asset classification adjustments associated with the 2018 WSA amendment;
  - Ensure correct implementation of the recent WSA amendment allowing for transfer of a portion of minimum purchase obligation; and
  - If proposed by SFPUC, support member agencies in considering a possible new amendment to the WSA related to Minimum Purchase obligations
- Participate in the SWRCB's Bay Delta Water Quality Control Plan Update to ensure member agency interests are represented.

- Participate in the New Don Pedro and La Grange FERC proceedings to protect regional water supplies.
- Implement new BAWSCA grant tracking tool to support member agencies' access to grant funds.
- Support members in receiving reliable communication of water quality issues including:
  - Coordinating member participation in Joint Water Quality Committee; and
  - Relaying important water quality information to members and SFPUC as necessary.
  - Review and act on, if necessary, State legislation affecting water quality regulations.
- Administer the WSA to protect financial interests of members.
- Administer BAWSCA's revenue bonds issued to retire capital debt owed by Wholesale Customers to San Francisco.
- Implement BAWSCA's Student Internship Program.
- Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.
- Maintain a motivated, trained, and effective workforce.
- Continue development of a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.
- Implement directive to make BAWSCA Board and Policy Committee meetings available to the public via livestream.

Table 1 presents the draft preliminary FY 2024-25 Work Plan and major results to be achieved. The activities are grouped according to the agency goals they support.

Table 2 lists the items that are not included in the preliminary Work Plan. Any of these items could be added to the work plan at a later date, if needed, following further discussion with the Board concerning available resources and priorities.

#### New or Significantly Re-scoped Activities for FY 2024-25

There are two new or significantly rescoped, or expanded activities included in the preliminary FY 2024-25 Work Plan. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

#### **1. Work Plan Item 2a: Initiate Development of BAWSCA's Strategy 2050 Estimated FY 2024-25 Cost: To be determined based on scoping completion**

BAWSCA's review of water supply factors and water supply planning considerations in Spring 2022 showed significant changes that warranted the need to update the existing Long-Term Reliable Water Supply Strategy (Strategy 2015). Work that followed in FY 2022-23 focused on determining if consulting assistance was needed to update the Strategy and the best process for scoping the update. In FY 2023-24, with consulting support secured, BAWSCA began the preparation of a Scope of Work for Strategy 2050. That Scope of work will be completed in Spring 2024, and will include an estimated budget for the recommended tasks associated with the preparation of Strategy 2050,

To date, the expectation has been that development of Strategy 2050 would begin at the start of FY 2024-25, however, due to staff resources constraints (as discussed below), the draft preliminary FY 2024-25 Work Plan assumes that major work on Strategy 2050 will begin in January 2025.

Additionally, the sources of funds for the development of Strategy 2050 will be presented as a separate item for the Board when it considers the recommended consultant contract. As done in 2009 with the prior Strategy development, staff anticipates recommending that the Strategy development be funded via a separate Water Management Charge on the member agencies, as authorized by the Water Supply Agreement. Specifically, Section 3.06.A of the Water Supply Agreement states:

*“In order to support the continuation and expansion of water conservation programs, 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. The SFPUC will deliver all Water Management Charge revenue to BAWSCA monthly and shall deliver an annual accounting of Water Management Charge revenue to BAWSCA within 90 days after the end of each fiscal year.*

The use of the Water Management Charge in 2009 was well received by the member agencies for this type of purpose.

**2. Work Plan Item 3b: Initiate Development of Updated Regional Water Demand Projections**  
**Estimated FY 2024-25 Cost: \$400,000**

BAWSCA has coordinated regional water demand and conservation projections for its members agencies since 2002. Since 2015, BAWSCA has completed these regional projections on five-year cycles to support regional planning efforts and to facilitate its member agencies’ preparation of State required Urban Water Management Plans (UWMP). The most recent Regional Water Demand and Conservation Projections, completed in June 2020 (2020 Demand Study), developed long-term water demand and conservation savings projections for each BAWSCA member agency through the year 2045.

BAWSCA proposes to update the regional demand and conservation projections starting in FY 2024-25 in preparation for the 2025 UWMP reporting schedule and to support an update to its Long-Term Reliable Water Supply Strategy (Strategy 2050) which is designed to quantify the water needs of the BAWSCA region and to the identify and implement projects to meet that need. It is anticipated that this project will take 18 months to complete.

BAWSCA has released a Request for Proposals for consultant support for this work plan item. Proposals are due by February 16 and a recommended consultant selection is anticipated for the April 2024 Board Policy Committee meeting. The current estimated cost is a staff estimate and will be updated based on the proposals received. Also note that since this work will likely not be completed until FY 2025-26, additional costs will need to be included in the budget prepared for FY 2025-26.

**Preliminary FY 2024-25 Work Plan Includes Continuation of Previously Approved Multi-Year Projects**

There are three major multi-year projects included in the preliminary FY 2024-25 Work Plan that were previously approved or anticipated by the Board. In each case, these activities relate directly to ensuring water supply reliability for the customers served by the BAWSCA members.

**1. Work Plan Item 3a: Prepare BAWSCA 2021-23 Drought Summary Report  
Estimated FY 2024-25 Cost: \$100K**

Following the conclusion of the 2014-17 drought, BAWSCA prepared a drought report, published in August of 2017 and made it available to the public. Given the success of the 2017 report, preparation of a 2021-23 Drought Summary Report was recommended and is included in the adopted FY 2023-24 Work Plan. A Request for Proposals for consultant services to support its preparation was released in November 2023 and it is anticipated that a staff recommendation to secure the selected consultant will be brought before the BPC in February and to the Board in March. The 2021-23 Drought Summary Report is currently anticipated to be complete by December 2024, and therefore will need to be included in the FY 2024-25 Work Plan with additional funds allocated. The total cost for the work is \$135K, of which \$35 will be spent in the latter months of FY 2023-24 and the remaining \$100k in the first half of FY 2024-25.

**2. Work Plan Item 3b: Support Members with Water Use Efficiency Legislation CII Performance Measure Requirements  
Estimated FY 2024-25 Cost: \$65K**

In August 2023, the State Water Resources Control Board (Water Board) released draft regulations to implement the 2018 water use efficiency legislation, commonly referred to as “Making Water Conservation a California Way of Life.” The new regulations will require significant new work requirements for BAWSCA member agencies that qualify as “urban water suppliers.”<sup>1</sup>

BAWSCA and Valley Water are collaborating to develop resources to support member agencies with implementation and compliance with commercial, industrial, and institutional (CII) performance measure requirements. These resources will synthesize critical reporting requirements, deadlines, and provide key, locally specific resources in concise, easily digestible guides.

The Water Board anticipates the regulations will be finalized in October 2024. Given the significant work effort that will be required by agencies and the near-term reporting deadlines, some as early as 2026, BAWSCA and Valley Water decided it would be prudent to initiate elements of this project in the latter half of FY 2023-24 that are not subject to change based on the final rules. For example, at two meetings in January 2024, BAWSCA and Valley Water present the member agencies with what is known about the draft regulations, the rule-making timeline, and what resources this project will produce. A survey was also conducted in late January 2024 to gather baseline data about the agencies’ current practices related to the new requirements and will be used to ensure the resources are effective and designed to meet the agencies where they currently stand.

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<sup>1</sup> Urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually.

In the Spring of FY 2023-24, the consultant team will use the survey results, together with the second draft of the regulations, anticipated to be released by the Water Board in February 2024, to develop the outline and structure of the guidance documents. The second draft of the regulations are expected to offer additional insight into what is likely to remain unchanged in the final rules that, as noted above, are anticipated to be finalized and adopted by the Water Board in October of 2024. Funding for the work effort to be performed in FY 2023-24 was included in the budget and work plan for this current fiscal year.

In FY 2024-25, work on this project is expected to include finalizing the guidance documents to reflect the adopted regulations and training sessions to introduce and disseminate the materials and educate agencies on the new requirements.

**3. Work Plan Item 4e: Facilitate Negotiation and Adoption of an Updated Tier 2 Plan  
Estimated FY 2024-25 Cost: \$130K**

Starting in FY 2021-22, the Board directed BAWSCA to facilitate negotiations to update the existing Tier 2 Plan. At its January 20, 2022 meeting, the Board authorized a professional services contract with Woodard & Curran to support BAWSCA's facilitation of negotiations among the members of the update. Progress continues with a June 2024 target for the completion of negotiations.

For FY 2024-25 work planning purposes, it is assumed that negotiations will be completed as of July 1, 2024. The work will then transition into the development and support of agency adoption efforts, along a schedule that calls for the adoption of the Updated Tier 2 Plan by the governing body of each BAWSCA agency by December 31, 2024. Adoption package preparation efforts will include finalizing the associated contract language, preparation of materials to support adoption by the governing body of each BAWSCA agency (i.e., sample staff report, presentation, resolution), and in-person assistance to the BAWSCA agencies to support governing body consideration of action. The cost shown assumes a total of \$80K for technical consulting support, as well as \$50K for legal support, totaling \$130K in FY 2024-25.

**Analysis of BAWSCA Current Staff Resources and Its Impact on the Preliminary FY 2024-25 Work Plan:**

In preparing the preliminary Work Plan, hours for all nine BAWSCA staff members were allocated to each individual work plan item to ensure sufficient staff resources are available to achieve the work plan results. Care is taken to balance the work plan such that the proposed workload does not exceed staff's ability, from a time available perspective, to manage their assignments and ensure that the work plan results are delivered for the water customers.

The staff workload analysis for the first iteration of the preliminary Work Plan resulted in significant overloading for several of the staff members, including three staff with an estimated workload at 150% of a Full Time Equivalent (FTE) employee or greater. An FTE is calculated as 1920 hours/year, which accounts for a 2 week vacation.

Modifications to the work plan were reviewed to address this issue. For FY 2024-25 there are several major work areas with external schedule drivers, namely the Tier 2 negotiations and Regional Demand Projections, that directly impact the staff workload. To mitigate this issue, for FY 2024-25 BAWSCA proposes to start some projects mid-fiscal year (i. e., initiation of Strategy



2050), versus at the start of the fiscal year to better match staff availability. The resulting staff analysis is presented in Chart 1 and identifies all staff being allocated above 100% of an FTE but just the CEO being allocated above 150% of an FTE. Table 3 presents the estimated staff hours, and associated FTE by major work plan item to implement the preliminary FY 2024-25 Work Plan as shown in Table 1. Overall, it is estimated that 21,445 staff hours, or 11.2 FTE, will be required to implement the preliminary FY 2024-25 Work Plan. For comparison purposes, for FY 2024-25, BAWSCA has an approved staffing level of 9 FTE for a total of 17,280 staff hours.

Additionally, given the staffing resources constraints that have been identified, it is important to note that staff availability can be compromised if certain work plan items take longer to complete than planned (i. e., Tier 2 negotiations) or if new projects become a priority (i. e., a new Water Supply Agreement amendment to address the existing Minimum Purchase Obligations), and thus one or more existing efforts must be postponed. For FY 2024-25, this staffing constraint will require close management to ensure that necessary work is completed, and the Board is kept apprised of progress.

**Results of January 18, 2024 Work Plan and Budget Preparation Planning Session:**

During BAWSCA's January 18, 2024 meeting, the Work Plan and Budget Preparation Planning Session was held with the Board as part of its regular meeting agenda. The focus of the planning session was to receive input from Board members on BAWSCA's long-term future challenges and possible work plan items for the coming fiscal year. Table 4 presents the detailed comments provided by Board members during the planning session and the staff response that was subsequently prepared. These comments and responses are reflected in the preliminary FY 2024-25 Work Plan and results to be achieved.

**Background:**

BAWSCA's Work Plan development process begins by reviewing and updating the major activities and long-term future challenges. These long-term activities require coordinated action by BAWSCA and its members to ensure a reliable supply of high-quality water at a fair price.

Table 5 lists these activities and updated long-term future challenges as part of the FY 2024-25 preliminary Work Plan development through 2065. In each case, the results identified in Table 5 will take the form of agreements, legislation, or other legally enforceable work products. Development of these documents will result from skilled negotiations based on rigorous investigations of impacts and alternatives, costs, cost allocation, and other matters.

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**Table 1. Draft Preliminary FY 2024-25 Work Plan and Results to Be Achieved**  
*(New/Expanded Items Shown in Blue Italic Font)*

BAWSCA OBJECTIVE & PRELIMINARY FY 2024-25 WORK PLAN ITEM
<p><b>RELIABLE WATER SUPPLY</b></p> <p><b>1. <u>Facility Reliability: Monitor SFPUC’s WSIP, 10-Year Capital Plan, Asset Mgmt. Program, and Emergency Response</u></b></p> <ul style="list-style-type: none"> <li>a. Monitor WSIP scope, cost, and schedule <i>including extending State oversight as necessary</i> through to completion. Press the SFPUC and the city's political leadership to meet the adopted schedule, satisfy the requirements of AB 1823, and respond promptly to BAWSCA's reasonable requests. Track WSIP projects designated as critical drought water supply components to verify they have been completed in such a fashion that they can meet their intended Level of Service (LOS) goals.</li> <li>b. Review and monitor SFPUC’s Regional 10-Year Capital Plan to ensure that identified projects and programs meet the needs of the members in a cost-effective and appropriate manner.</li> <li>c. Review and monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS assets.</li> <li>d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters.</li> <li>e. Engage with and track the SFPUC Capital Planning Improvements Initiative</li> <li>f. Review the SFPUC 2024 State of the Water System Report.</li> </ul> <p><b>2. <u>Long-Term Supply Solutions: Implement the Long-Term Reliable Water Supply Strategy to Ensure a Reliable, High-Quality Supply of Water is Available Where and When Needed</u></b></p> <ul style="list-style-type: none"> <li>a. <i>Initiate development of BAWSCA’s Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050).</i></li> <li>b. <i>Initiate development of updated regional water demand projections “BAWSCA 2025 Regional Demand and Conservation Projections Project”.</i></li> <li>c. Participate in the Bay Area Regional Reliability (BARR) Partnership.</li> <li>d. Participate in the continued planning of the PureWater Peninsula portable reuse project.</li> <li>e. Facilitate development of other local water supply options including tracking and reporting to the Board on members’ efforts, identifying potential grant funding, monitoring of related policy development, etc.</li> <li>f. Use the BAWSCA Reliability Model (Model) to evaluate Bay Delta Plan Voluntary Agreement impacts on reliability, the prospective benefits that new alternative water supplies may provide, and to estimate the corresponding need to ration during droughts.</li> <li>g. Facilitate use of the BAWSCA Model by members via Subscription Program.</li> </ul> <p><b>3. <u>Near-term Supply Solutions: Demand Management, Water Conservation and Drought Response</u></b></p> <ul style="list-style-type: none"> <li>a. Prepare the BAWSCA 2021-2023 Drought Report.</li> <li>b. Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements as appropriate.</li> </ul>

**BAWSCA OBJECTIVE & PRELIMINARY FY 2024-25 WORK PLAN ITEM**

- c. Provide regional coordination to support members' Advanced Metering Infrastructure (AMI) implementation and data management and utilization.
- d. Administer and implement BAWSCA's core water conservation programs.
- e. Administer BAWSCA's subscription conservation rebate programs that benefit and are paid for by participating members.
- f. Engage with CalWEP and others to promote 3<sup>rd</sup> party development and administration of a leak repair and training certification program.
- g. Participate in San Mateo County's C/CAG OneWatershed pilot project.
- h. Represent members in regional and State-level discussions relative to water conservation-related regulations, grant funding opportunities, and programs where regional participation is possible.

**4. Take Actions to Protect Members' Water Supply and Financial Interests in WSA Administration**

- a. Monitor SFPUC's implementation of its AWS Program, including associated recommended actions, and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations at a fair price to its Wholesale Customers.
- b. Protect members' water supply interests to ensure that the SFPUC meets its legal and contractual obligations for water supply from the Regional Water System in light of ongoing risks.
- c. Adopt a temporary extension of the existing Tier 2 Plan that expires Dec. 2024 if necessary.
- d. Facilitate final negotiations and adoption of an updated Tier 2 Plan.
- e. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions.
- f. Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment.
- g. Ensure correct implementation of the recent WSA amendment allowing for the paired transfer of a portion of an agency's ISG and minimum purchase obligation.
- h. *If proposed by SFPUC, support member agencies in considering a possible new amendment to the WSA related to Minimum Purchase obligations.*

**5. Protect Members' Interests in a Reliable Water Supply**

- a. Participate in SWRCB Bay Delta Plan Update to ensure members' interests are represented, including ongoing legal intervention.
- b. Participate in the Don Pedro Project/La Grange Project FERC licensing process to protect customers' long-term interests in Tuolumne River water supplies, including ongoing legal intervention.

**6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts**

- a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs, including Prop 1 Integrated Regional Water Management conservation grant.
- b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability.
- c. *Implement BAWSCA grant tracking tool to support member agencies' access to grant funds.*
- d. Investigate potential for grant funds to support the implementation of BAWSCA's Strategy.

**BAWSCA OBJECTIVE & PRELIMINARY FY 2024-25 WORK PLAN ITEM**

**7. Reporting and Tracking of Water Supply and Conservation Activities**

- a. Complete BAWSCA FY 2023-24 Annual Survey.
- b. Complete BAWSCA FY 2023-24 Annual Water Conservation Report.
- c. In partnership with members, operate and maintain BAWSCA's updated WCDB.

**HIGH QUALITY WATER**

**8. Support Members in Receiving Reliable Communication of Water Quality Issues**

- a. Coordinate members participation in Joint Water Quality Committee to ensure it addresses Wholesale Customer needs.
- b. Relay important water quality information (notices as received from SFPUC) to members when made aware of changes that have the potential to impact water quality (e.g., taste, odor, blending).
- c. Review and act on, if necessary, State legislation affecting water quality regulations.

**FAIR PRICE**

**9. Perform Matters that Members Agencies Delegated to BAWSCA in the WSA**

- a. Administer the WSA with San Francisco to protect the financial interests of members.
- b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco.

**AGENCY EFFECTIVENESS**

**10. Maintain Community Allies and Contacts with Environmental Interests**

- a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them, if necessary, to safeguard the health, safety, and economic well-being of residents and communities.
- b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability.
- c. Maintain effective communications with members, customers, and others to achieve results and support goals.
- d. In conjunction with San Francisco, conduct or co-sponsor tours of the Regional Water System for selected participants.

**11. Manage the Activities of the Agency Professionally and Efficiently**

- a. Implement BAWSCA's Student Internship Program.
- b. Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.
- c. Maintain a motivated, trained, and effective Workforce.
- d. Continue development of a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making.
- e. Implement directive to make BAWSCA Board and Policy Committee meetings available to the public via livestream.

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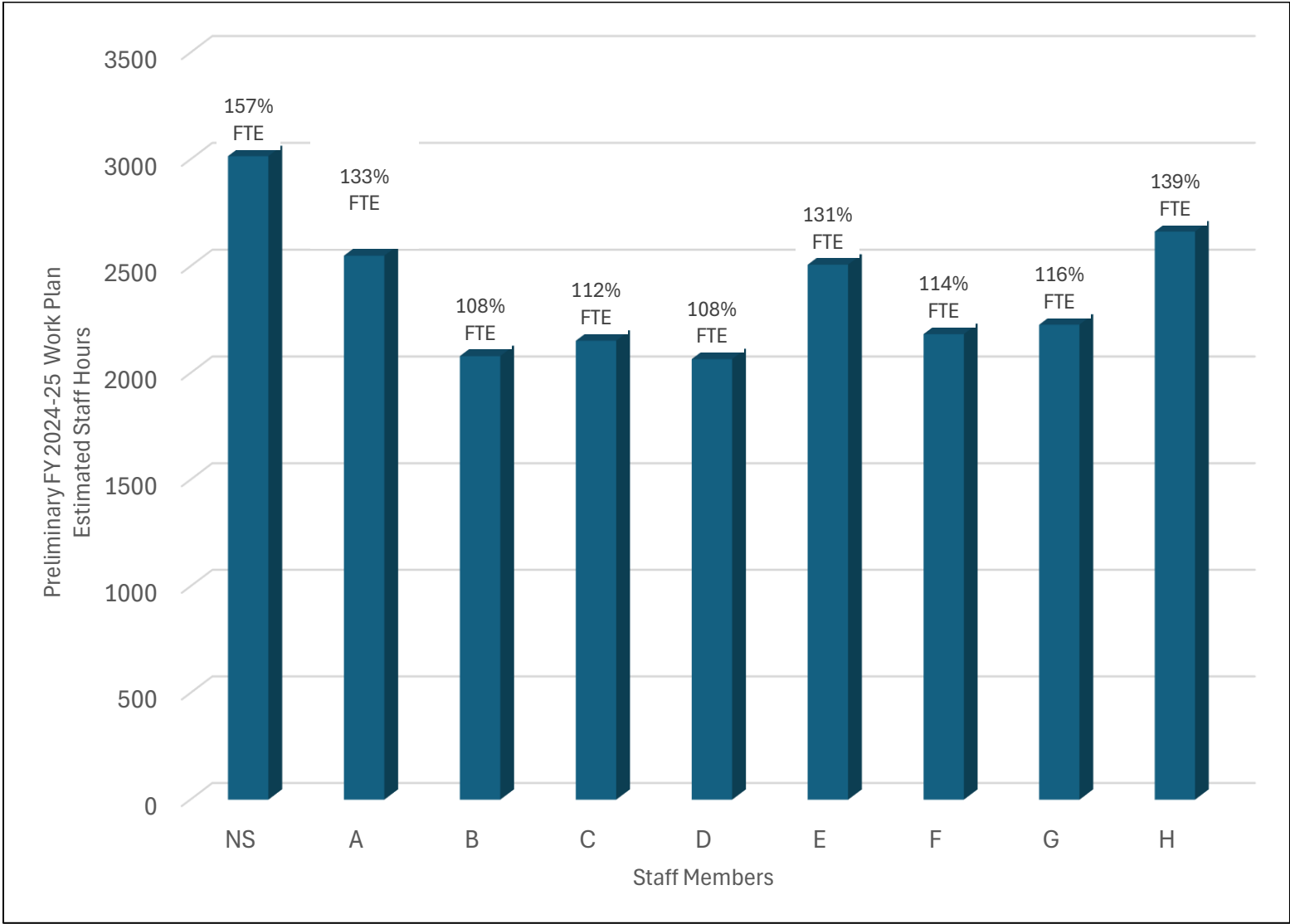
**Table 2: Activities Not Included in Proposed Work Plan and Operating Budget for FY 2024-25**

<p><b>RELIABLE SUPPLY</b></p> <ol style="list-style-type: none"> <li>1. Engage in extended or complex applications for State or Federal grant funds. Application for water conservation grants will continue to be made through or with the Bay Area Water Agency Coalition, the California Water Efficiency Partnership (CalWEP) (formerly the California Urban Water Conservation Council), or other agencies.</li> <li>2. Introduce major new legislation or support/oppose legislation initiated by others including legislation related to the Bay-Delta and California Water Fix. If needed, the agency could support major legislative efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.</li> <li>3. Initiate new unanticipated litigation or support/oppose new unanticipated litigation initiated by others. If needed, the agency could support major litigation efforts by redistributing resources, using the contingency budget, or accessing the general reserve, subject to prior Board approval.</li> <li>4. Secure outside technical expertise (i.e., geotechnical, hydrogeologic, water treatment, biological/fisheries professional services) to potentially assist in review of SFPUC's capital projects or Bay Delta Plan.</li> </ol>
<p><b>FAIR PRICE</b></p> <ol style="list-style-type: none"> <li>5. Develop alternative wholesale rate structures that the SFPUC might consider. Actions will be limited to facilitating communication with SFPUC, developing goals and objectives relevant to the Wholesale Customers, and addressing the potential relationship to alternative retail rate structures members might consider to stabilize water rates and water revenues.</li> <li>6. Arbitrate issues related to the Water Supply Agreement.</li> <li>7. Possible BAWSCA action to address the Board's concerns regarding SFPUC's unfunded pension and OPEB liabilities.</li> </ol>
<p><b>HIGH WATER QUALITY</b></p> <ol style="list-style-type: none"> <li>8. Perform technical studies of water quality or San Francisco's treatment of the water it delivers to the BAWSCA members.</li> <li>9. Advocate changes to water quality regulations or the manner in which San Francisco treats water for drinking and other purposes.</li> </ol>
<p><b>AGENCY EFFICIENCY</b></p> <ol style="list-style-type: none"> <li>10. Add resources to support additional Board, Board committee, or technical committee meetings.</li> <li>11. Conduct tours of member agency facilities to acquaint Board members with potential supply projects and their neighboring jurisdictions, other than tours done in coordination with San Francisco.</li> <li>12. Provide for public participation in Board and Policy Committee meetings via a hybrid-style meeting format.</li> </ol>

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**Chart 1. Staff Resource Analysis for Preliminary FY 2024-25 Work Plan**



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**Table 3. Estimated Staff Hours and Full Time Equivalent (FTE) by Preliminary FY 2024-25 Work Plan Item**

<b>Staff Hours (Est.)</b>	<b># of FTE (Est.)</b>	<b>Results to be Achieved in FY 2024-25</b>
		<b>RELIABLE WATER SUPPLY</b>
764	0.4	1. Facility Reliability: Monitor the SFPUC's WSIP, 10-Year CIP, Asset Management Program, and Emergency Response
2,270	1.2	2. Long-Term Supply Solutions: Implement Strategy to Ensure a Reliable, High Quality Supply of Water is Available Where and When Needed
4,166	2.2	3. Near-term Supply Solutions: Water Conservation and Drought Response
1,846	1.0	4. Take Actions to Protect Members' Water Supply and Financial Interests in Water Supply Agreement (WSA) Administration
580	0.3	5. Protect Members' Interests in a Reliable Water Supply
756	0.4	6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts
304	0.2	7. Reporting and Tracking of Water Supply and Conservation Activities
		<b>HIGH QUALITY WATER</b>
216	0.1	8. Support Member Agencies in Receiving Reliable Communication of Water Quality Issues
		<b>FAIR PRICE</b>
2,504	1.3	9. Perform Matters that Member Agencies Delegated to BAWSCA in the Water Supply Agreement
		<b>AGENCY EFFECTIVENESS</b>
1,046	0.5	10. Maintain Community Allies and Contacts with Environmental Interests
6,993	3.6	11. Manage the Activities of the Agency Professionally and Efficiently
<b>21,445</b>	<b>11.2</b>	<b>TOTAL Estimated Staff Hours and FTE to Implement Preliminary FY 2024-25 Work Plan</b>

Note: For FY 2024-25, BAWSCA has an approved staffing level of 9 FTE for a total of 17,280 staff hours.

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**Table 4. FY 2024-25 Work Plan and Budget Planning Session – Comments and Suggested Work Plan Items for Further Consideration**

#	Board Member	Board Member Comment/Question	Staff Response
1	Smegal	How does Strategy 2050 fit into the “challenges” table?	Developing and implementing Strategy 2050 is one of the ways that BAWSCA would address future challenge #3. Future challenge #3 has been modified, as shown on the attached Table 4, to remove any confusion about the focus of this challenge. By removing the reference to “completion of Updated Demand Projections”, it is clearer that this challenge is addressed by all of BAWSCA’s water resources work related to ensuring that water is available when and where the BAWSCA agencies and their customers need it.
2	Hamilton	There seems to be a disconnect between long-term planning (on the water side) and the RHNA challenges we all face.	Comment noted. Challenge #4 speaks to reflecting member agencies’ long-term water supply needs in regional planning efforts. BAWSCA’s demand projections are developed in close coordination with its member agencies and reflect the adopted land use policies and other policies for meeting state requirements, including RHNA, for each jurisdiction. As part of the Bay-Delta process, BAWSCA has identified the potential negative impact the proposed Bay-Delta Plan would have on the ability of its member agencies to meet required RHNA targets.
3	Schneider	Is there a need for lobbying or legislative work (in regard to infrastructure)?	The preliminary FY 2024-25 includes one legislative item to extend State oversight of the SFPUC’s implementation of the WSIP. Historically, BAWSCA has relied upon Mr. Wendell, a registered lobbyist, to assist in this effort. BAWSCA is currently investigating the legal requirements for a lobbyist for this limited effort and will reflect this need accordingly in the preliminary work plan and budget.
4	Andrews	It would be beneficial to be able to flag “bad actors” (high water users, either residential or commercial)	As a regional agency, BAWSCA does not have direct access to individual water user information. BAWSCA is aware that some agencies have a practice of reviewing a certain percentage or number of their largest residential and commercial accounts and contacting as necessary.
5	Doerr	How is demand management showing up in the “challenges” table? It is important to point out its significance.	Implementing demand management programs, including BAWSCA’s core and subscription conservation programs, is one of the ways that BAWSCA would address future challenge #3. Future challenge #3 has been modified, as shown on the attached Table 4, to remove any confusion about the focus of this challenge. By removing the reference to “completion of Updated Demand Projections”, it is clearer that this challenge is addressed by all of BAWSCA’s water resources work related to ensuring that water is available when and where the BAWSCA agencies and their customers need it.

6	Doerr	In the “challenges” table, does “protection of water supply” include future needs and infrastructure costs for new water supply?	For future challenge # 11 and #12, which focus on the reliability of the facilities that are included in Regional Water System, the water supply interests being protected is the SFPUC’s ability to meet the 184 mgd Supply Assurance in the development of its 10-Year CIP (challenge #11) and asset management (challenge #12). Future challenge #2 is where oversight of SFPUC’s development and implementation of its Alternative Water Supply Program (which includes possible new supplies) is included.
7	Weed	Future challenges such as sea level rise and PFAS need to be evaluated and considered in decision making for new alternatives supplies including use of recycled water for drinking purposes.	Comment noted. BAWSCA will continue to support the inclusion of this important technical information as part of future evaluation of possible new water supplies.
8	Stevenson	Can you provide more clarification on what it means for the “representation of agencies in the Bay Delta Plan update”?	BAWSCA has worked closely with its member agencies and the SFPUC to understand the impact of the Bay Delta Plan on the Regional Water System and its ability to meet the 184 mgd Supply Assurance and SFPUC’s adopted Level of Service goals. These impacts are currently documented by the SFPUC and member agencies in their State required Urban Water Management Plans. BAWSCA relies on this information to provide comment on the Bay Delta Plan about its impact on the member agencies and their water customers.
9	Ragsdale	BAWSCA’s subscription conservation programs are great but communication to customers is a challenge. How do we better get the word out that these programs exist.	Given the variation of participation among the member agencies in BAWSCA’s subscription conservation programs, BAWSCA must primarily rely on individual member agencies to promote programs in their service areas. BAWSCA does provide support where appropriate (e.g., promotional materials, etc.) and speaks to its programs throughout the service area when the opportunity arises. Additionally, BAWSCA’s Water Management Representative meetings and the Water Resources Committee meetings provide a forum for members to share information about a myriad of water related issues, including promotion of conservation programs, especially during drought periods.
10	Vella	Please attach staff hours to each work plan item and provide to board.	A new Chart 1 and new Table 3 have been provided in the BPC staff memo that present the estimated allocation of staff hours and FTE by staff member and by work plan item for the Preliminary FY 2024-25 Work Plan.
1	Public Comment (Mehlinger)	Climate change and resulting sea level rise will become a larger concern the future and we should be aware of that as we plan for the future.	Comment noted. Future challenge #1 has been modified accordingly.

**Table 5: Future Challenges Facing BAWSCA, Member Agencies, and Their Customers (Preliminary FY 2024-25)**  
**(Recommended Changes Identified in Underline, Blue, Italic Font)**

BAWSCA Goal and Associated Challenges		FY 2024-25 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
<b>Reliable Supply: Ensure Long-Term Water Supply Reliability</b>				
1	Protection of member agencies' interests in long-term water supply reliability from the SF RWS and 184 MGD Supply Assurance in light of potential areas of risk, including climate change <u>and its associated impacts including sea level rise</u> , and regulatory challenges, as presented in the Long Term Vulnerability Analysis <u>and other technical studies</u> .	X	X	X
2	Protection of member agencies' interests in SFPUC development and implementation of its Alternative Water Supply Program including oversight of scope, schedule, and budget.	X	X	X
3	Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts, <u>including completion of Updated Demand Projections</u> .	X	X	X
4	Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	X	X	X
5	Support member agencies in their efforts to ensure system reliability during an emergency.	X	X	X
6	Representation of member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.	X	X	
7	Representation of member agencies in Bay Delta Plan Update to protect RWS water supply reliability.	X	X	
8	Assist member agencies in complying with the State's expanding regulatory requirements related to water use efficiency and reliability.	X	X	X
9	Protection of member agencies' interests in San Francisco's December 2028 decisions including deciding whether to make San Jose and Santa Clara permanent customers.	X	X	
10	Development of a new Tier 2 Drought Allocation Plan.	X		
<b>Reliable Supply: Ensure Regional Water System Facility Reliability</b>				
11	Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
12	Protection of water supply and financial interests of water customers in SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.	X	X	X
13	Promote emergency resiliency of the SF RWS to protect interests of water customers.	X	X	X
14	Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation, including extension of State oversight (exp. 12/2026) and RFA capability (exp. 1/2030).	X	X	
<b>High Quality Supply &amp; Fair Price: Enforce Water Supply Agreement (WSA)</b>				
15	Enforcement and amendment as necessary, of the WSA to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.	X	X	X
16	Protection of member agencies' water supply reliability interests against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	X	X	X
17	Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	X	X	X
18	Extension or renegotiation of the WSA before it expires in 2034. The WSA can be extended 2 times, for a period of 5 years each. By December 2031, SFPUC must notify Wholesale Customers of desire to extend contract.		X	X
19	Management of BAWSCA's revenue bonds in accordance with Bond Indenture and other applicable laws to ensure accountability and ultimately to reduce overall cost to regional water customers (thru 2034).	X	X	
<b>Management of Agency</b>				
20	BAWSCA CalPERS pension & OPEB liability management			X
21	Ensure Agency's near-term and long-term resiliency	X	X	X

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE MEETING**

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

**Summary:**

The Tier 2 Plan (Plan) lead negotiators continue to make progress negotiating an updated Plan. The next meeting is scheduled for February 12, 2024. A verbal update from that meeting will be provided at the BPC meeting on February 14, 2024.

At the January Board meeting, BAWSCA outlined a planned schedule for Calendar Year 2024.

As shared with the Board in January, given that the existing Tier 2 Plan expires on December 31, 2024, the lead negotiators will need to finalize the updated Plan by June of this year to allow for the approximately six-month process for all agency governing bodies to adopt the Plan. BAWSCA is confident that the lead negotiators can achieve these milestones.

However, BAWSCA is also preparing a contingency plan for the possibility that this completion schedule is delayed. If it appears that progress in the negotiations stall, BAWSCA will begin providing more detailed updates to the BPC and Board such that the Board can make a decision by November 2024 on whether to extend the existing Tier 2 Plan or adopt a new one so that a Plan is in place in the event that the SFPUC declares a water shortage emergency.

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 discussion purposes only. No Board action is requested at this time.

**Discussion:**

Throughout this fiscal year and the fiscal year that preceded it, BAWSCA, the lead negotiators, legal counsel, and the technical consultants have met in person for half-day meetings and at least once virtually on a monthly basis to support the ongoing negotiations. Additionally, BAWSCA regularly meets one-on-one with agencies. Legal counsel and the technical consultants attend these meetings on an as needed basis as well. This level of engagement is expected to continue through the end of the FY 2023-24.

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

Agency	Lead Negotiator	Sep-22	Sep-22	Oct-22	Nov-22	Dec-22	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-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	Adrianne 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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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE MEETING**

**Agenda Title:**        **BAWSCA’s Long-Term Reliable Water Supply Strategy 2050**

**Summary:**

This memorandum is for informational purposes to provide the Board Policy Committee (BPC) with an update on the current work related to preparing the Scope of Work (SOW) for the Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050).

The SOW for Strategy 2050 is in development now that the purpose and objective of Strategy 2050 have been finalized. That SOW is comprised of a number of key tasks and associated subtasks, all of which will be integrated into the workplan for the strategy development. Feedback from both the Board and Water Management Representatives (WMR) has helped guide task and subtask selection. BAWSCA is continuing to refine the draft SOW, including tasks and subtasks to support future action by the Board.

BAWSCA will finalize the SOW for Strategy 2050 this fiscal year. The development of Strategy 2050 will begin in FY 2024-25.

**Recommendation:**

This item is for information and discussion purposes only. No action is requested at this time. Feedback from the Board Policy Committee regarding the development of the SOW for Strategy 2050 are welcome.

**Discussion:**

The purpose and objectives of Strategy 2050 were finalized in the fall of 2023 and shared with the BAWSCA Board and WMR for final review and comment. Beginning in December of 2023, BAWSCA staff began the development of the SOW for Strategy 2050. That SOW includes defined primary tasks and subtasks. Primary tasks and subtasks were shared with the BAWSCA WMR on January 4, 2024, and with the BAWSCA Board on January 21, 2023. The preliminary tasks for Strategy 2050 were reviewed yet again with BAWSCA Agencies at the February 1, 2024 WMR workshop and the Board at its January 18<sup>th</sup> meeting. All of the tasks and subtasks tie directly back to the proposed purpose and objectives of Strategy 2050.

The 7 preliminary tasks included in the proposed Strategy SOW are as follows:

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

Input received at the WMR workshops and Board meetings has been helpful in finalizing the list of tasks to include in the Strategy 2050 work effort. Attachment A presents a draft list of primary tasks and task details.

Additional details related to the updated Strategy 2050 tasks, as well as when to anticipate the completion of the SOW, will be presented to the BPC. Suggestions and comments as to how to adjust or expand the SOW are welcome.

Progress continues on the work effort, and moreover BAWSCA is on schedule to complete the SOW, budget and schedule for Strategy 2050 by Spring 2024.

**Attachment A: Draft Updated Long-Term Reliable Water Supply Strategy 2050 Tasks and Details**

(Edits to the Tasks through input from the BAWSCA Water Management Representatives can be seen in **blue underline bold italics**)

<b>Tasks</b>		<b>Details</b>
<b>1</b>	Evaluate water supply and demand management reliability	<ul style="list-style-type: none"> <li>• Conduct a Risk Assessment of Water Reliability</li> <li>• <b><u>Provide Support for the Development of 2025 UWMPs</u></b></li> <li>• Assess Existing Risks and Emergency Framework</li> <li>• Assess Regional Emergency Resilience Programs</li> </ul>
<b>2</b>	Assess regulatory setting and collaboration opportunities	<ul style="list-style-type: none"> <li>• Identify Regulatory Setting</li> <li>• Assess Framework for Future Regulatory Collaboration</li> </ul>
<b>3</b>	Evaluate existing project concepts and identify new regional project opportunities	<ul style="list-style-type: none"> <li>• Establish and Refine Project Inventory</li> <li>• Develop Additional Water Supply and Demand Management Project Concepts</li> <li>• Develop Comparative Metrics</li> <li>• Develop Project Portfolios</li> <li>• <b><u>Update Regional Groundwater Model</u></b></li> <li>• Provide Individual Reliability Planning Services (Subscription Program)</li> </ul>
<b>4</b>	Provide support to member agencies in their efforts to obtain external funding.	<ul style="list-style-type: none"> <li>• Develop Grant Tracking Tool</li> <li>• Establish Regional Funding Strategy and Advocacy Approach</li> <li>• Provide Funding Application <b><u>and Administrative</u></b> Support (Subscription Program)</li> </ul>
<b>5</b>	Document water affordability challenges and opportunities	<ul style="list-style-type: none"> <li>• Evaluate Affordability and Identify Affordability Challenges</li> <li>• Assess Affordability Programs</li> </ul>
<b>6</b>	Develop method to track and report on status of Strategy 2050 implementation	<ul style="list-style-type: none"> <li>• Develop Strategy 2050 Dashboard</li> <li>• Develop Strategy 2050 Decision Support Tool</li> <li>• Develop Metrics for Progress Tracking</li> <li>• Develop Initial Strategy 2050 Progress Report and Action Plan</li> </ul>
<b>7</b>	Report preparation – including findings, near and long-term recommendations	<ul style="list-style-type: none"> <li>• Develop Strategy 2050 Report</li> <li>• Develop Strategy 2050 Communication Materials</li> </ul>







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**MEMORANDUM**

**TO:** BAWSCA Board of Directors  
**FROM:** Nicole Sandkulla, CEO/General Manager  
**DATE:** February 9, 2024  
**SUBJECT:** Chief Executive Officer/General Manager's Letter

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**Water Use Efficiency Project Update:**

In August 2023, the Water Board released draft regulations to implement "Making Water Conservation a California Way of Life," also referred to as the Water Use Efficiency Legislation. BAWSCA submitted oral and written comments during the first public comment period, which ended in October 2023. Water Board staff have indicated they anticipate starting the second public comment period this month. The Water Board has also indicated that it anticipates finalizing the rulemaking process in October 2024.

BAWSCA, Valley Water, and the consultant team have identified elements of the Water Use Efficiency project that can move forward in advance of the final regulations. In January, BAWSCA and Valley Water kicked off the project with presentations to the member agencies and sent out a survey to gather baseline data. Over the next five months, the consultant team, with input and direction from BAWSCA and Valley Water, will develop the framework for the guidance materials that will support agencies with understanding the requirements, deadlines, and available resources for complying with the commercial, industrial, institutional (CII) performance measures. These resources will be updated when the regulations are finalized. However, it's anticipated that any changes between the second draft regulations and the final rules will be minor.

**Invitation from Danish Ministry of Foreign Affairs to Participate in Water Technology Fact Finding Effort:**

BAWSCA had several meetings with representatives from the Danish Ministry of Foreign Affairs over the past few months. The representatives work out of the Consulate General of Denmark office in Palo Alto. A variety of topics were discussed in these meeting including information about the expertise Danish businesses have in drinking water distribution, AMI metering, pressure management, water loss, leak detection, energy conservation, hydraulic system modeling, and asset management. Of note, and as an indication of Denmark's overall interest in water conservation, the average residential water use in Denmark is 27 gallons per day per person.

As an outgrowth of these meetings, the Ministry of Foreign Affairs of Denmark's Trade Council has extended an invitation to Mr. Tom Francis, BAWSCA's Water Resources Manager, to take part in a technical information exchange & trade mission to Denmark that would take place from April 20 to April 27, 2024.

The purpose of the in-person visit to Demark would be to foster and strengthen efforts that could create opportunities for Danish companies in the water sector and be advantageous to BAWSCA agencies, particularly in areas of water loss management and leak detection, which are a focus of BAWSCA and its member agencies at this time.

The Ministry would cover the full cost of the mission (transportation including airfare, lodging and meals). An agenda is in development and will include a number of site visits and meetings with representatives of both the Danish government as well as a number of Danish companies interested in developing and strengthening their working relationship with BAWSCA and its member agencies.

A report-out on the trip, including information learned, will be provided to the Board and WMR following its conclusion.

**Landscape Education Program Update:**

BAWSCA's landscape education classes are designed to introduce homeowners and landscape professionals to the concepts of sustainable landscape design with a focus on creating beautiful, water-efficient gardens as an alternative to lawns. BAWSCA is currently in the process of scheduling its Spring 2024 landscape class series in conjunction with the member agencies.

In Fall 2023, BAWSCA hosted 23 classes with 481 attendees in 12 service areas offering a combination of virtual and in-person workshops. The most popular topics include Rain Gardens & Rain Barrels, Landscape Conversions, Tree Watering & Care, Succulent Gardening, and Drought Tolerant Edible Gardening.

BAWSCA plans to finalize the Spring 2024 schedule in February. A complete list of classes and workshops can be found on the BAWSCA website at <https://bawasca.org/conserv/programs/classes>.

# Board Policy Committee

## Policy Calendar Through December 2024

Meeting Date	Purpose	Issue or Topic
April 2024	D&A R&D R&D R&D	Consideration of Proposed FY 2024-25 Work Plan and Budget Tier 2 Drought Plan Negotiations Strategy 2050 Review of Water Supply Forecast
June 2024	D&A R&D R&D	Review of CEO/GM Evaluation Procedure Tier 2 Drought Allocation Plan Negotiations Strategy 2050
August 2024	R&D R&D	Tier 2 Drought Allocation Plan Negotiations Strategy 2050
October 2024	R&D R&D	Tier 2 Drought Allocation Plan Negotiations Strategy 2050
December 2024	D&A R&D R&D R&D	Mid-Year 2024-25 Work Plan, Budget and General Reserve Review Review of FY 2025-26 Work Plan and Budget Planning Process Strategy 2050 Review of Water Supply Forecast