



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

on July 17, 2025 at 6:30PM

due to a different location

David J. Chetcuti Community Room
450 Poplar Ave., Millbrae, CA 94030

To Get Directions, [CLICK HERE](#)

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

See next page for Agenda



**SPECIAL MEETING OF THE
BOARD OF DIRECTORS**

**July 17, 2025
6:30 p.m.**

At a different location:

[Chetcuti Room – Millbrae – 450 Poplar Ave, Millbrae, CA 94030](#)

[CLICK HERE TO VIEW LIVESTREAM](#)

(Two members of the Board will participate in this meeting by Teleconference. Locations shall be

- 114 Austin Ct. Lincoln, CA 95648,*
- 402 North High St. Columbus, Ohio 43215*

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

AGENDA

| <u>Agenda Item</u> | <u>Presenter</u> | <u>Page</u> |
|--|-------------------------|--------------------|
| 1. Call to Order/Roll Call/Salute to Flag | (Chambers) | |
| 2. Comments by the Chair | (Chambers) | |
| 3. Board Policy Committee Report (Attachment) | (Hardy) | <i>Pg 3</i> |
| 4. Consent Calendar (Attachments) | (Chambers) | |
| A. Approve Minutes of the May 15, 2025 Meeting | | <i>Pg 11</i> |
| B. Receive and File Budget Status Report – As of May 31, 2025 | | <i>Pg 19</i> |
| C. Receive and File Investment Report – As of May 31, 2025 | | <i>Pg 21</i> |
| 5. SFPUC Report | (Corvinova) | |
| A. SFPUC Affordability Efforts | | |
| 6. Water Management Representatives (WMR) Report | (Flegel) | |
| 7. Public Comments on Items Not on the Agenda | (Chambers) | |
| <i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of two (2) minutes.</i> | | |
| 8. Reports and Discussions | | |
| A. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Attachment) | (Ashoori) | <i>Pg 23</i> |
| B. BAWSCA's 2021-2023 Drought Report (Attachment) | (Francis) | <i>Pg 33</i> |

9. CEO Reports

- | | |
|---|--------------------|
| A. Update on New Tier 2 and WSA Amendment Adoption Process | (McPherson) |
| B. FERC/Bay Delta Plan Update | (Smegal) |
| C. CEO/General Manager Performance Evaluation | (Chambers) |
| D. CEO/General Manager's Letter (<i>Attachment</i>) | |
| E. Board Policy Calendar (<i>Attachment</i>) | |
| F. Correspondence Packet (Under Separate Cover) | |

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10. Closed Session

(Schutte)

- A. Conference with Legal Counsel – Existing Litigation pursuant to**
Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Federal Energy Regulatory Commission Final License Application
Proceedings for Don Pedro Hydroelectric Project, P-2299-082, and La
Grange Hydroelectric Project, P-14581-002.
- B. Conference with Legal Counsel – Existing Litigation pursuant to**
Paragraph (1) of subdivision (d) of Government Code Section 54956.9 -
State Water Board Cases (Third Appellate District Court, Case No.
C101232).

11. Report after Closed Session

(Schutte)

12. Additional Time for Public Comments (As Time Permits)

(Chambers)

Members of the public may address the Board on any issues that are within the purview of the Agency.

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

(Chambers)

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

(Chambers)

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15. Adjourn to next meeting scheduled for September 18, 2025 at 6:30 pm

(Chambers)

Accessibility for Individuals with Disabilities

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



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MEMORANDUM

TO: BAWSCA Board Members

FROM: Tom Smegal, Chief Executive Officer/General Manager

DATE: June 11, 2025

SUBJECT: Summary of Board Policy Committee meeting held June 11, 2025

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:31pm. CEO/General Manager Tom Smegal called the roll. Seven members (7) of the Committee were present at roll call. Two members arrived after roll-call. 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:** Director Hardy thanked the committee members for their flexibility with the changing meeting locations. She announced that the Closed Session will be removed from the agenda as there are no new information that would require it.

The meeting is being recorded but not livestreamed due to technical obstacles in the meeting location. The recording will be posted on the BAWSCA website after the meeting.

3. **Consent Calendar:**

Director Ragsdale made a motion, seconded by Director Vella, that the Committee approve the Minutes of the April 9, 2025 Board Policy Committee meeting.

The motion passed unanimously by acclamation.

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

4. **Public Comments:** Public comments were provided by Dave Warner and Peter Drekmeier.

5. **Report and Discussion:**

- A. **BAWSCA's 2021-23 Drought Report:** Water Resources Manager, Tom Francis, presented the objectives and findings of the 2021-23 Drought Report (Report).

Mr. Francis noted that following the drought period of 2014 through 2017, BAWSCA developed the 2014-17 Drought Report that documented drought response actions taken by BAWSCA member agencies and several other entities including the State of California,

SFPUC, and Santa Clara Valley Water District (Valley Water). Aside from documenting member agencies' local drought response actions, the Report also detailed fiscal implications, water quality concerns during the drought, the water use reduction attained, lessons learned, and activities for consideration in responding to future droughts. The report was well received and proved to be a highly useful reference. BAWSCA recognized the need to create a similar report for the drought period of 2021 through 2023.

The drought period of 2021-23 began in April 2021. At that time, due to lack of rain during the winter months of Water Year 2020-21, dry conditions in the State became evident. By November 2021, the State reached extreme drought conditions. Those conditions continued through September 2022. The extremely wet winter of Water Year 2022-23 enabled the State to recover from the drought, filling key reservoirs.

The objectives of the 2021-2023 Drought Report were to document the effectiveness of drought actions across the region, fiscal impacts and water quality issues, water use reductions achieved in response to State and local reduction goals, and to perform a quantitative analysis of the effectiveness of Drought Response Measures (DRM) employed using Advanced Metering Infrastructure (AMI) data.

State regulations enacted throughout the period of April 2021 – December 2023 included a call for a 15% voluntary water use reduction statewide.

BAWSCA member agencies enacted their Water Shortage Contingency Plans (WSCP). Those WSCPs laid out actions required as drought conditions became severe. The actions are in progressive steps based on the drought stage that was called. Stage 0 is an initial messaging stage that voluntarily asks residents to conserve water. Stage 2 calls for strict specific actions for drought compliance.

BAWSCA's actions included the implementation of a regional media campaign with the SFPUC, development and implementation of enhanced core and subscription conservation programs, website update, issuance of drought statements, and, for the first time, execution of the Tier 2 Drought Allocation Plan in accordance with the Water Supply Agreement (WSA). The implementation of Tier 2 from November 2021 through June 2023 revealed what possible improvements to the Tier 2 Plan were needed.

Water savings achieved during the 2021-23 drought period was notably lower than that achieved during the 2014-17 drought. The Report notes the situational differences between the two drought periods, including the region's recovery from the COVID pandemic and the different actions required by the State in 2021-23 than in 2014-17, partially explain why less savings was generated.

Water quality issues proved to be an operational challenge during the drought due to lower system demand which in turn caused water stored in the system to age, resulting in nitrification. System flushing to address nitrification during a drought proved to be an unfavorable optic, since the public viewed it as a water wasting exercise. The Report documents the member agencies' experience with water quality issues and the preventative measures implemented in anticipation of water quality impacts.

In the process of developing the Report, it was discovered that most BAWSCA agencies with fully implemented AMI systems had limited access to the data necessary for the

analysis BAWSCA envisioned. To get full access would come at a significant expense. As a result, the plan to evaluate the effectiveness of various drought measures had to be revised.

Fortunately, Redwood City staff collected daily AMI readings and stored collected data in their cloud system. With that information and the ensuing analysis it allowed, BAWSCA was able to include in the Report an example of how AMI data can be used to evaluate drought measure effectiveness. The Report also provides recommendations for AMI Data management such that other BAWSCA agencies can learn from Redwood City. AMI management recommendations included steps to better store and retrieve data.

In preparation for the next drought, BAWSCA actions include:

- annual review of the Tier 2 plan to calculate allocation factors for shortages of 10% and 20%,
- enhance the value of regional outreach and interagency communications,
- include drought response and staffing in the work plan,
- improve conservation programs for water use efficiency and drought preparedness,
- advocate for SFPUC and BAWSCA's management of drought response rather than relying on State's approach,
- expand AMI data management and advanced data analysis; and,
- support continued investigation on demand hardening.

Recommended member agency actions to prepare for the next drought include:

- financial monitoring and planning for reduced water sales and increased administrative expenses
- re-evaluation of WSCPs effectiveness in comparison to water use savings achieved during drought
- consideration of AMI data storage and reporting terms with AMI vendors
- establishment of AMI data management, storage parameters and analytical capabilities for maximum use of AMI data

Questions and comments from committee members were received.

Director Stevenson appreciated the report and agreed that AMI management can be improved and research in demand hardening is warranted. He recognized that the communication and measures by the State in 2014-17 were much more dramatic in terms of requirements as indicated by the higher level of response from the community in 2014-17 than in 2021-23. He asked about the 10-month period it took for all member agencies to put something into place.

In response, Mr. Francis explained that the Governor issued multiple Executive Orders throughout the drought period. It was some time before the Governor ordered that all agencies implement their Stage 2 drought calls.

Director Stevenson noted that the more effective agencies can throttle, the more options there can be in managing supply, free flows, and conservation elements. The response in 2014 had a better effect, and he suspects that if the same chart for the 2014-17 drought period was created, it would reflect quicker actions.

Mr. Francis noted that WSCPs are unique to each agency, and in some cases, conditions would have been more challenging for residents if its water agency enacted Stage 2 prior to the Governor's executive order. The Report provides further details on each of the agencies' drought actions and achieved savings. He encouraged Directors to read the Report and offered his time to answer any questions.

Director Schneider inquired if there should be consideration for an "act of God" provision in the WSA to avoid agencies from being fined for exceeding their drought allocation, given the potential for extreme heatwaves or drought, earthquakes, and wildfires that triggers more water use.

CEO Smegal explained that the Water Supply Agreement (WSA) between San Francisco and its wholesale customers is a bilateral agreement. If there is a necessity for change, BAWSCA can propose an amendment similar to the current WSA amendment that is being ratified. This amendment calls for some mitigation known as the Family Plan, in which no penalty is imposed if an agency exceeds its drought allocation as long as the BAWSCA region is collectively within the total allocation for the wholesale customers. Any fine imposed will be based on the amount the region exceeds from total allocation.

With the Board's direction, Mr. Smegal can talk to San Francisco about the consideration of extreme climactic conditions that deviates from what is in place.

In response to Director Schneider's inquiry about discussions BAWSCA facilitates with member agencies' experiences on ways to cut costs, Mr. Smegal explained that BAWSCA does not get into the details of agencies' operational costs but rather, looks for opportunities to help agencies that need support on topics that have a nexus to BAWSCA. When possible, BAWSCA offers "shared resources" to help lower the average costs of various topics such as cross connections or water quality issues.

Mr. Francis added that BAWSCA holds a monthly meeting with agency appointed Water Management Representatives (WMR), in which agency staff members have the opportunity to meet formally as well as have an informal process of exchanging information on lessons learned. Particularly during the recent drought, a truck for flushing purposes was shared among a few agencies, as well as a drought messaging approach that proved to be a highly effective and an inexpensive means to advertise conservation.

Director Vella confirmed that the WMR is the group that Board members can get information from. He confirmed that AMI, with its ability to detect leaks, can provide significant water savings once implemented.

In response to Director Hardy, Mr. Francis responded that 12 of the 26 member agencies have fully implemented AMI. BAWSCA's 2023 survey of member agencies' plan for AMI implementation indicated an 85%-95% coverage by 2035. Mr. Francis noted that while AMI is an effective way of managing leaks and water loss, it is a significant investment for agencies.

Director Stevenson asked if BAWSCA ever sponsored a buying program at a regional basis for individual cities to participate in. Such a program can have a profound impact on price points.

Mr. Francis stated that BAWSCA has not looked into a program because of legal issues to consider as well as the differing vendor preferences among the agencies.

Legal Counsel, Allison Schutte, added that the AMI space is currently highly competitive and not standardized. When an AMI meter is purchased, it also requires buying bandwidth on certain infrastructure. The information technology and privacy provisions are not regulated because it is in the early stages and there is room for improvements. There have been multiple discussions with the WMR about sharing information because it is a significant investment.

Director Ragsdale shared that the Town of Hillsborough implemented its AMI system and noted that while there were growing pain experiences, the investment is worth it. She agreed that the WMR would be the group to obtain information on lessons learned, and with the 12 agencies that have fully implemented the system, there should be substantial helpful advice.

Public comments were provided by Peter Drekmeier and Dave Warner.

- A. CEO/General Manager Evaluation Process: Board Chair, Tom Chambers, reported that the CEO evaluation is to be presented at the September Board meeting, as stated in the CEO/General Manager contract. The evaluation process for CEO/General Manager, Tom Smegal, will begin in July. An email transmitting the link to the electronic evaluation form will be sent immediately following the July 17th Board meeting.

The process remains the same. The evaluation period for CEO Smegal is from December 1st through the end of the fiscal year, June 30th. If the Committee has recommendations for changes to the current process, those recommendations can be discussed and applied to next year's evaluation process.

The evaluation form has 13 multiple choice questions and 4 open response questions. The goal is full participation from the Board. "Not Observed" may be an appropriate response, no responses are the contrary. Board members can choose to be anonymous.

For the multiple choice responses, Chair Chambers, with the Committee's agreement, will measure the spread of the field by the standard deviation, and share that information with the CEO and the full Board. The more observation received, the more useful the data will be.

To assist Board members with the evaluation process, the email that will be circulated in July will include a Summary of Annual Activities report from the CEO, a one page document on the CEO/General Manager Responsibilities, and a one-pager on BAWSCA background.

The summation of the evaluation will be provided to the Board for discussion at the September Board. Responses will be compiled and provided to the Board and the CEO/General Manager. The CEO/General Manager contract approved by the Board in September 2024 provides a 3% increase in total compensation, which includes the salary

and car allowance. There will be no compensation action item for the Board in September.

Director Ragsdale stated that the process has been effective, particularly with new board members' option to reach out to their predecessors to help with their evaluation.

Director Hardy suggested providing either the number of questions or the time estimate to complete the form. She noted that City Councils and District Boards typically take a recess in the summer months.

Public comments were provided by Dave Warner.

7. CEO Reports:

- A. 2025 Demand Study Update: Mr. Smegal reported that BAWSCA is facilitating an update to the Wholesale Customers' water demand and conservation projections as part of the work plan. The results will be used to support regional planning efforts, including completion of Urban Water Management Plans (UWMP) by member agencies. The study will include alternative scenario development to evaluate potential varying future conditions. BAWSCA held public workshops to receive input on parameters of the demand study.

Regular coordination with the SFPUC on planning processes will continue. To help clarify the timelines, capabilities and responsibilities of SFPUC on this process, BAWSCA plans to send SFPUC a letter requesting confirmation and understanding of SFPUC's capabilities to respond to the demand study process. Particularly with their efforts on a demand study of their retail customers. The goal is to be able to use BAWSCA's and SFPUC's baseline for drought planning and demand projections, and to better understand how the wholesale and retail demand projections can impact SFPUC's Alternative Water Supply Plan, Urban Water Management Plans, and member agencies' planning processes. The letter will be shared with the Board when released.

- B. Water Supply Conditions: Mr. Smegal reported that the Regional Water System storage is in good condition. Major reservoirs across the state are full. The current year total for upcountry precipitation is 28.88 inches compared to the 12-month median of 30.92 inches. While it has been a normal water year, having 3 very good water years in a row is unusual and he cautioned against the expectations for a 4th good year.

Snowpack has dissipated with temperatures warming up. Water available to the city is above the level needed to achieve full storage by July 1st. Total system deliveries for both wholesale customers and San Francisco's retail customers are above last year's and the 5-year average. He noted that while overall usage is higher than previous years', part of the data reflects Alameda County Water District's increased purchase from San Francisco because one of their sources is offline.

- C. Bay Delta Plan Update: Mr. Smegal reported that BAWSCA continues to monitor developments on the various decisions that need to be made by the State Water Resource Control Board (SWRCB). In particular, the SWRCB is expected to produce a Scientific Basis Report on their evaluation of the Healthy Rivers and Landscape Program proposed for the Tuolumne River. SWRCB is working closely with stakeholders, the Governor's office, and the Department of Water Resources. BAWSCA continues to stay engaged with the SFPUC and BAWSCA's legal team continues to monitor activities for developments.
- D. Tier 2 Drought Allocation Plan and WSA Amendment Adoption Update: Senior Water Resource Analyst, Danielle McPherson, was pleased to report that the City of Millbrae has

adopted the new Tier 2 Plan and the WSA amendment. Twenty-two member agencies have scheduled adoption by their governing bodies. The four remaining agencies has indicated that they will schedule adoption by October 2025.

There were no comments from committee members and members of the public on the CEO report items.

8. **Closed Session:** Closed Session was removed from the agenda.

9. **Report from Closed Session:** N/A.

10. **Comments by Committee Members:** Director Hardy reported that the elevator of the Foster City Community Building remains out of service, therefore, the location for the next BPC meeting will be announced as the date approaches. The Committee will be informed if a meeting in August is necessary.

There were no further comments from members of the Committee.

11. **Adjournment:** The meeting was adjourned at 3pm. The next meeting is August 13, 2025 in a location to be announced.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

| Agency | Director | Jun. 11, 2025 | Apr. 9, 2025 | Feb. 12, 2025 | Dec. 11, 2024 | Oct. 9, 2024 | Aug. 14, 2024 |
|--------------|-----------------------|------------------|-----------------|------------------|------------------|--------------|-------------------|
| Santa Clara | Hardy, Karen (C) | ✓ | ✓ | ✓ | ✓ | ✓ | MEETING CANCELLED |
| Hillsborough | Ragsdale, Leslie (VC) | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Westborough | Chambers, Tom | ✓ | ✓ | ✓ | ✓ | ✓ | |
| CalWater | Duncan, Darin | ✓ | ✓ | | ✓ | ✓ | |
| Redwood City | Pierce, Barbara | ✓ | ✓ | ✓ | ✓ | ☎ | |
| Millbrae | Schneider, Ann | ✓ | ✓ | ✓ | ☎ | ✓ | |
| Burlingame | Stevenson, Peter | ✓ | | | n/a | n/a | |
| MPWD | Vella, Lou | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Stanford | Zigterman, Tom | ✓ | ✓ | ✓ | ✓ | | |
| | | | | | | | |

✓: present

☎ : Teleconference

June 11, 2025 Meeting Attendance (In-Person)

BAWSCA Staff:

| | | | |
|--------------------|----------------------------------|-----------------|--------------------------------|
| Tom Smegal | CEO/General Manager | Allison Schutte | Legal Counsel, Hanson Bridgett |
| Tom Francis | Water Resources Manager | | |
| Christina Tang | Finance Manager | | |
| Danielle McPherson | Sr. Water Resources Analyst | | |
| Negin Ashoori | Sr. Water Resources Engineer | | |
| Kyle Ramey | Water Resources Analyst | | |
| Lourdes Enriquez | Asst. to the CEO/General Manager | | |
| Deborah Grimes | Office Manager | | |
| Christiane Barth | Office Assistant | | |

Public Attendees:

| | |
|-----------------|----------------------|
| Peter Drekmeier | Tuolumne River Trust |
| Dave Warner | |

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****May 15, 2025 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:32 pm**

BAWSCA Chair, Tom Chambers, called the meeting to order. CEO/General Manager Tom Smegal called the roll. One member participated via teleconference in accordance with the traditional Brown Act Rule. Nineteen (19) members of the Board were present at roll call. Four (4) members arrived after roll call. A list of Directors present (23) and absent (3) is attached.

2. Comments by Chair:

Chair Chambers welcomed members of the Board to a different meeting location than usual. He noted the substantial size of the 182-page agenda packet and noted critical items for Board action include approval of thirteen (13) professional service contracts that must be in place by July 1, 2025 to support BAWSCA operations and subscription conservation programs, and the approval of BAWSCA's FY 2025-26 work plan, results to achieve and operating budget which includes an assessment increase to fund the work plan.

He emphasized that the Board is a governing body for the BAWSCA region that supports BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price for the water users.

The Board will have the opportunity to provide input as BAWSCA's Sr. Water Resource Engineer, Dr. Ashoori, conducts a scenario planning session for Strategy 2050.

Water is a critical commodity for life and the environment, but supplies are being impacted by drought and climate change. He urged the Board to serve the BAWSCA region and provide a long-term water supply reliability strategy by developing a robust Strategy 2050.

3. Board Policy Committee Report:

Director Hardy reported that the Board Policy Committee meeting on April 9, 2025 was held as a Special Meeting because of the re-location of the meeting to the Wind Room of the Foster City Community Building. The Proposed FY 2025-26 work plan, results to achieve, and options to fund the proposed operating budget was presented to the Committee for discussion and feedback to the CEO/General Manager. The Committee was also presented with the Strategy 2050 Risk Assessment and Scenario Planning. The Committee's actions and discussions are reflected in the Board Policy Committee Summary Report included in the Board agenda packet.

Public comments on the BPC report were provided by Mary Butterwick and Dave Warner.

4. Consent Calendar:

Director Hamilton made a motion, seconded by Director Pierce, that the Board approve the consent calendar which includes: Approval of the Minutes of the March 20, 2025 meeting; Receive and file the Budget Status Report as of March 31, 2025; Receive and file the Bond Surcharge Collection Report as of March 31, 2025; Receive and file the Investment Report as of January 31, 2025; Receive and file Directors' Reimbursement Report as of March 31, 2025; and, Receive and file Employee Reimbursement Report as of March 31, 2025

The motion passed unanimously by roll call vote.

There were no comments or questions from members of the Board.

There were no comments from members of the public.

5. SFPUC Report: Alison Kastama, SFPUC's BAWSCA Liaison, provided a Water Supply Conditions Report.

Questions were received from members of the Board. Steve Ritchie, Assistant General Manager for Water Enterprise, responded to questions.

Public comments were provided by Virginia Tincher Van Kuran and Denise Louie.

6. Public Comments on Items Not on the Agenda:

Comments were provided by Mary Butterwick, Dave Warner, Julianne Frizzell, Peter Drekmeier, Martin Gothberg, and Denise Louie.

7. Action Calendar:**A. Proposed FY 2025-26 Work Plan, Results to Achieve, and Operating Budget**

CEO/General Manager, Tom Smegal, presented the Proposed FY 2025-26 Work Plan, Results to be Achieved, and Operating Budget to the Board for its consideration.

Questions and comments were taken from members of the Board.

Public comments were provided by Martin Gothberg, Peter Drekmeier, and Virginia Chang Keraly.

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

- 1. Proposed Fiscal Year 2025-26 Work Plan and Results to be Achieved.**
- 2. Proposed Operating Budget of \$5,547,732; and,**
- 3. Recommended funding plan of Option 2.a with a 2.3% assessment increase.**

The motion passed unanimously by roll call vote.

B. Approval of Professional Services Contracts for FY 2025-26

CEO/General Manager, Tom Smegal, presented the thirteen (13) Professional Services Contracts that need to be in place by July 1, 2025. Seven (7) professional services contracts are funded by the Proposed FY 2025-26 Operating Budget, and have a combined budget of \$1,363,500. Six (6) professional services are for subscription conservation programs that have no operating budget implications, but need to be approved by the Board

Questions and comments were taken from members of the Board.

There were no comments from members of the public.

Director Zigterman made a motion, seconded by Director Pierce, that the Board approve the thirteen (13) professional services contracts, subject to legal counsel review, for legal, engineering, financial, and water conservation services needing to be in place by July 1, 2025.

The motion passed unanimously by roll call vote.

Director Mehlinger requested a brief recess. With no objections from members of the Board, Chair Chambers called for a 5-minute break.

The meeting reconvened at 8:07pm.

C. Approval and Adoption of BAWSCA Pay Schedules for FY 2025-26

Mr. Smegal presented the Pay Schedules for FY 2025-26 that the Board must approve and adopt to comply with California Code Regulations (CCR) Title 2 § 570.5, as required by California Public Employees' Retirement System (CalPERS). He noted that the pay schedules are part of the Board's annual consideration of the Work Plan and Budget in May, and as part of the CEO/GM performance evaluation process in September.

Following the Board's action, the approved and adopted Pay Schedules will be posted on BAWSCA's publicly accessible website and formally transmitted to CalPERS.

There were no comments from members of the Board and from members of the public.

Director Zigterman made a motion, seconded by Director Pierce, that the Board approve and adopt the BAWSCA Pay Schedules for FY 2025-26.

The motion passed unanimously by roll call vote.

D. Second Amendment to Hanson Bridgett Professional Services Contracts

Mr. Smegal presented the proposed 2nd Amendment to the Hanson Bridgett Professional Services Contract to increase the budget by \$80,000 to fund the necessary work through the end of the fiscal year. Additional legal resources were required for activities associated with the WSA amendment, personnel retirement, CalPERS matters, and transition to a new CEO/General Manager.

Comments and question were received from members of the Board.

There were no comments from members of the public.

Director Andrews made a motion, seconded by Director Montano, that the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$80,000 for a total not-to-exceed amount of \$985,000 for FY 2024-25.

The motion passed unanimously by roll call vote.

8. Reports and Discussions:

A. BAWSCA's Strategy 2050 Planning Session:

Sr. Water Resource Engineer, Negin Ashoori, and Andree Lee from EKI Environment & Water, Inc. presented the Scenario Planning approach for Strategy 2050 to achieve its established Purpose and Goals. Input from Board members were provided based on:

- Which of the identified challenges is most resonating?
- What other major challenges could the BAWSCA region face over the next 25 years?
- What specific aspect of a challenge should be further explored?

Questions and comments were received from members of the Board.

Public comments were provided by Peter Drekmeier.

Chair Chambers announced the need to extend the meeting.

Director Hamilton made a motion, seconded by Director Pierce, to extend the meeting to 9:40pm.

The motion passed by roll call vote of 16:7

9. CEO Reports:

Mr. Smegal reported that BAWSCA continues to work closely with the SFPUC in tracking and engaging with the State Water Board's efforts on the Bay Delta Plan.

He was pleased to report that packet materials for the WSA amendment and Tier 2 Plan are available for the member agencies' use in their governing bodies' adoption process. Adoption by all 26 member agencies is expected in the next 6 months.

Public comments were provided by Mary Butterwick.

10. Closed Session: Closed Session was removed from the agenda.

11. Report from Closed Session: There was no report for Closed Session.

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

In the interest of time, additional time for public comments was removed from the agenda.

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

Director Andrews thanked BAWSCA staff, particularly Tom Francis for speaking to students at Girls Middle School in Palo Alto at a national forum of public administrators.

Director Weed encouraged the Board to consider having Fish Bio, a fisheries consulting company, speak at a Board meeting about their extensive work in the Delta and San Joaquin, and their findings on predation.

14. Date, Time and Location of Next Meeting: The next meeting is scheduled on July 17, 2025 at 6:30pm in a to be announced location.

15. Adjournment: The meeting adjourned at 9:26pm.

Respectfully submitted,

Tom Smegal
CEO/General Manager

TS/le

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

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Roll Call & Voting Log - BAWSCA

Meeting Date: 15-May-25

| Agency | Director | | | | | | | | Weighted Voting ⁽²⁾ | |
|----------------|--------------------|--------------------|--------------------|---|-------------------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|---------------------------|
| | | Present/ Absent | Item #4 Consent | Item #7A Work Plan and Op Budget | Item #7B Consultant Contracts | Item #7C Pay Schedules | Item #7D HB Contract Amend | Extend Mtg to 9:40pm | Weighted "Yes" Votes | Weighted "No" Votes |
| Hayward | Andrews, Angela | y | y | y | y | y | y | y | | |
| Brisbane | Breault, Randy | y | y | y | y | y | y | n | | |
| Guadalupe | Breault, Randy | y | y | y | y | y | y | n | | |
| Westborough | Chambers, Tom | y | y | y | y | y | y | y | | |
| San Jose | Cohen, David | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| CalWater | Duncan, Darin | y | y | y | y | y | y | y | | |
| San Bruno | Hamilton, Tom | y | y | y | y | y | y | y | | |
| Santa Clara | Hardy, Karen | y | y | y | y | y | y | y | | |
| Purissima | Jordan, Steve | y | y | y | y | y | y | n | | |
| Foster City | Kiesel, Art | y | y | y | y | y | y | y | | |
| East Palo Alto | Lincoln, Webster | y | 0 | y | y | y | y | y | | |
| Daly City | Manalo, Juslyn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Sunnyvale | Mehlinger, Richard | y | y | y | y | y | y | n | | |
| Coastside | Mickelsen, Chris | y | y | y | y | y | y | n | | |
| Milpitas | Montano, Carmen | y | y | y | y | y | y | y | | |
| Menlo Park | Nash, Betsy | y | y | y | y | y | y | y | | |
| North Coast | Piccolotti, Tom | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Redwood City | Pierce, Barbara | y | y | y | y | y | y | y | | |
| Hillsborough | Ragsdale, Leslie | y☎ | y☎ | y☎ | y☎ | y☎ | y☎ | y☎ | | |
| Millbrae | Schneider, Ann | y | y | y | y | y | y | y | | |
| Mountain View | Showalter, Pat | y | y | y | y | y | y | y | | |
| Burlingame | Stevenson, Peter | y | y | y | y | y | y | y | | |
| Palo Alto | Stone, Greer | y | 0 | y | y | y | y | n | | |
| Mid-Peninsula | Vella, Louis | y | y | y | y | y | y | y | | |
| ACWD | Weed, John | y | y | y | y | y | y | n | | |
| Stanford | Zigterman, Tom | y | y | y | y | y | y | y | | |

Vote Tally

| | Yes (y) | No (n) | Absent (0) | Abstain (a) |
|----|---------|--------|------------|-------------|
| 23 | 21 | 23 | 23 | 23 |
| 0 | 0 | 0 | 0 | 7 |
| 3 | 5 | 3 | 3 | 3 |
| 0 | 0 | 0 | 0 | 0 |

| Weighted Vote Summary | |
|-----------------------|------|
| "Yes" | "No" |
| | |
| | |
| | |
| | |

| | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| Item Carries by Simple Vote? | | | | | | | | | |
| Item Carries by Weighted Vote? | | | | | | | | | |

(1) Under simple voting, item carries if it receives an affirmative vote of a majority of the total membership (15 votes)

(2) Under weighted voting, item carries if it receives the affirmative vote of directors representing both

a) A majority of the members present and voting, and

b) a majority of the number of votes represented by directors present

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

| Director | Agency | May 15, 2025 | Mar. 20, 2025 | Jan. 16, 2025 | Nov. 21, 2024 | Sept. 19, 2024 | July 18, 2024 |
|---------------------|----------------|-----------------|------------------|------------------|------------------|-------------------|------------------|
| Andrews, Angela | Hayward | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Breault, Randy | Guadalupe | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Breault, Randy | Brisbane | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chambers, Tom | Westborough | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cohen, David | San Jose | | ✓ | | ✓ | | |
| Duncan, Darin | Cal Water | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Hamilton, Tom | San Bruno | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Hardy, Karen | Santa Clara | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jordan, Steve | Purissima | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Kiesel, Art | Foster City | ✓ | ✓ | ✓ | * | ✓* | ✓* |
| Lincoln, Webster | East Palo Alto | ✓ | ✓ | * | * | ✓* | ✓* |
| Manalo, Juslyn | Daly City | | ✓ | | ✓ | ✓ | |
| Mehlinger, Richard | Sunnyvale | ✓ | | | ✓ | ✓ | |
| Mickelsen, Chris | Coastside | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Montano, Carmen | Milpitas | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Nash, Betsy | Menlo Park | ✓ | ✓ | ✓ | ☎* | * | ✓* |
| Piccolotti, Tom | North Coast | | ✓ | ✓ | ✓ | ✓ | |
| Pierce, Barbara | Redwood City | ✓ | ☎ | ✓ | ✓ | ✓ | ✓ |
| Ragsdale, Leslie | Hillsborough | ☎ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Schneider, Ann | Millbrae | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Showalter, Patricia | Mountain View | ✓ | ✓ | ✓ | ✓* | ✓* | ✓* |
| Stevenson, Peter | Burlingame | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stone, Greer | Palo Alto | ✓ | ✓ | ✓ | ✓ | | |
| Vella, Louis | Mid-Peninsula | ✓ | ✓ | ✓ | | ✓ | ☎ |
| Weed, John | ACWD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Zigterman, Tom | Stanford | ✓ | ✓ | ✓ | ✓ | ✓ | ☎ |

✓ : Present

* : Predecessor

☎ : Teleconference


Bay Area Water Supply & Conservation Agency

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

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: July 9, 2025

SUBJECT: Budget Status Report as of May 31, 2025

This memorandum shows fiscal year budget status for FY 2024-25. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

Operating Budget Summary:

For the nine-month period ending May 31, 2025, 92 percent into the fiscal year, total expenditures were \$4,567,223 or 81 percent of the total budget of \$5,614,518.

Table 1. Operating Budget Summary as of May 31, 2025

| Cost Category | Year-To-Date | | |
|---|------------------|------------------|------------|
| | Budget | Expenses | Percent |
| Consultants /Direct Expenditures | | | |
| Reliability | 2,102,550 | 1,329,579 | 63% |
| Fair Pricing | 337,500 | 149,954 | 44% |
| Administration | 165,000 | 375,775 | 228% |
| Subtotal | 2,605,050 | 1,855,307 | 71% |
| Administration and General | | | |
| Salary & Benefits | 2,448,143 | 2,298,922 | 94% |
| Other Expenses | | | |
| BAWSCA | 520,750 | 410,183 | 79% |
| BAWUA | 1,050 | 0 | 0% |
| Subtotal | 5,574,993 | 4,564,412 | 82% |
| Capital Expenses | 5,000 | 0 | 0% |
| Budgeted Contingency | 32,500 | 0 | 0% |
| Regional Financing Authority | 2,025 | 2,811 | 139% |
| Grand Total | 5,614,518 | 4,567,223 | 81% |

Overview:

Overall expenditures for FY 2024-25 are tracking within budget.

Consultants

The \$103,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 20 percent expended. The Operating Budget allocation of \$985,000 budget for legal counsel was 91 percent expended. Due to the CEO transition, legal expenses in the Administrative category were over budget but overall legal expenses are within budget. The \$255,000 budget for water management and conservation-related activities was 47 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 94 percent and 79 percent respectively.

Use of CEO's Discretionary Spending Authority:

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

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2023-24 were \$237,018. The General Reserve balance as of May 31, 2025, reflects the transfer of unspent funds from FY 2023-24 in accordance with BAWSCA's General Reserve Policy and represents 24% of the adopted FY 2024-25 Operating Budget.

Table 2. General Reserve Fund Balance

| Fund | Account Balance (As of 03/31/25) | Account Balance (As of 05/31/25) |
|-----------------|---|---|
| General Reserve | \$1,356,288 | \$1,356,288 |



Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager
FROM: Deborah Grimes, Office Manager
DATE: July 9, 2025
SUBJECT: Investment Report – As of May 31, 2025

In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. The Board most recently reviewed the investment policy at the November 21, 2024 board meeting.

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

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

| | |
|-----------------|-----------------|
| <u>03/31/25</u> | <u>05/31/25</u> |
| \$3,613,277 | \$3,613,227 |

Of the total in the BAWSCA LAIF account as of May 31, 2025, \$1,356,288 represents BAWSCA's General Reserve Fund, equivalent to approximately 24 percent of FY 2024-2025 Operating Budget, within our goal of 20-35% of our current Operating Budget. The remaining amount consists of unrestricted funds.

Annualized interest rates for the most recent quarters for LAIF deposits are shown below:

| | |
|-----------------|-----------------|
| <u>12/31/24</u> | <u>03/31/25</u> |
| 4.62% | 4.48% |

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA’s Long-Term Reliable Water Supply Strategy 2050 – Project and Action Concepts**

Summary:

This memorandum provides an update on BAWSCA’s Long-Term Reliable Water Supply Strategy (Strategy 2050) development process, including details on the project and action (P&A) development efforts, the approach to screening P&As, and the P&As identified for further evaluation.

Strategy 2050 includes the identification and evaluation of existing and new P&A concepts. Selected P&A concepts will be further developed to understand potential benefits, costs, feasibility, and implementation steps. Ultimately, these P&As will be used to develop project portfolios, and the benefits of those portfolios will be evaluated under different planning scenarios.

To inform development of the P&A concepts, input from the BAWSCA Water Management Representatives (WMRs) and other stakeholders was collected through the May and July WMR meetings and a One Water Roundtable (Roundtable) in May 2025. Input from the BAWSCA Board was collected at the May Board Planning Session. Through these efforts, a total of 70 existing P&A concepts and 29 potential new P&A concepts were identified.

Building on the input received, the Strategy 2050 team has grouped the identified 29 new P&A concepts for further consideration. Of these 29 P&A concepts, 10 Near-Term Priority Actions have been identified for BAWSCA to consider in its near-term work plan; 2 Funding Actions have been identified for further evaluation in the funding strategy task; and 14 Water Supply P&As have been identified as potential candidates to move forward in the Strategy 2050 development and evaluation process. Input from BAWSCA Board members on which P&As to further develop will be requested at the July Board meeting. Discussion questions for the Board meeting are provided herein.

Recommendation:

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

Discussion:

In January 2025, BAWSCA initiated the development of Strategy 2050. An initial task includes collecting information on existing P&A concepts being considered by BAWSCA Agencies and others and the development of new P&A concepts that would impact water supply reliability in the BAWSCA region. To develop and compile these existing and new P&As, stakeholder input and engagement from the WMRs, Board, and other stakeholders were integral.

Collection Process for Existing P&A Concepts

To compile information on existing P&As being considered in the BAWSCA region, the Strategy 2050 Team developed a database of existing P&As. The database incorporated P&As that had

previously been identified by BAWSCA Agencies and other agencies in the region through the 2022 One Water Roundtable Series. BAWSCA agencies updated their P&As within the database and added information on additional P&As. The Strategy 2050 team met with individual BAWSCA agencies to review and refine the P&As. The team also met with other agencies, including Santa Clara Valley Water District, San Mateo County C/CAG, and One Shoreline, to collect and refine information on their P&As.

Through this effort, a total of 70 existing P&As concepts were identified. The majority of these P&As (73%) are in the planning or conceptual development phases, while the remaining 27% are in the design, construction, or implementation phases. Existing P&As include potable and non-potable recycled water (26%); groundwater extraction and recharge (23%); stormwater (10%); water conservation and demand management (8%); infrastructure improvements and interties (7%); surface water (6%); water transfers (3%); and other infrastructure, institutional, water quality, regulatory, and desalination concepts.

Compilation Process for Potential New P&A Concepts

The Strategy 2050 team collected input on potential new P&A concepts for Strategy 2050 through the May and July WMR meetings, May BAWSCA Board Planning Session, and the Roundtable. Comments from the May Board Planning Session are provided in Attachment A, along with the Strategy 2050 task name and number that will address or incorporate the associated Board comment. P&A concepts from the May Board Planning Session that were considered in the development of potential P&As are summarized below:

- Expansion of conservation programs and education
- Desalination
- Centralized water systems
- Groundwater recharge
- Advanced purification (potable reuse)
- Public and private partnerships
- Collaboration with irrigation districts

Through these forums, a total of 29 potential new P&A concepts were identified for further consideration. The list of P&A concepts will be presented at the July Board meeting.

P&A Screening Process

The P&A concepts were screened to identify those most applicable for further development and evaluation for Strategy. The P&As fall into three main categories:

1. **Near-Term Priority Actions:** These P&As may have potential for near-term implementation, support specific time-sensitive needs (e.g., regulatory compliance), represent initial steps towards the implementation of longer-term actions, and/or align with and directly build upon BAWSCA's current role. These P&As are typically lower-investment and shorter in duration and may be feasibly implemented through BAWSCA's current staffing and annual operating budgets.

2. **Funding Actions:** These P&As support funding or financing of other P&As. Funding P&As do not have a direct water supply benefit but may address implementation hurdles for Water Supply P&As. *Funding Actions will be considered through the Strategy 2050 Funding Strategy task.*
3. **Water Supply P&As:** These P&As may have a longer-term implementation horizon, may have a direct water supply benefit, the implementation approach would require consideration, and/or if implemented by BAWSCA, may expand BAWSCA's role.

Of those 29 P&As, 10 were considered Near-Term Priority Actions; 2 were considered Funding Actions; and 14 were identified as Water Supply P&As. There were 3 P&As that did not fall into these categories, including longer-term P&As without direct water supply benefit, and may be further considered for alignment with selected Water Supply P&As or developed through other Strategy 2050 tasks.

Input Requested at May Board Meeting

The Strategy 2050 scope of work includes development and evaluation of up to 12 new Water Supply P&As. Input from BAWSCA Board members on which of the potential Water Supply P&As to further develop will be requested at the July Board meeting.

At the July Board meeting, the Board members will be asked to provide input on the following questions:

- Of the 14 Water Supply P&As, which are the Board most interested in further evaluating
- Of the 10 Near-Term Priority Actions, which are the Board most interested in pursuing in the next few years?
- Are there other P&As not currently included in the list that should be considered?

Next Steps

Following the July Board meeting, the Strategy 2050 team will refine the shortlist of potential Water Supply P&A concepts to further evaluate, considering the input provided. The Strategy 2050 team will then develop the selected Water Supply P&As, along with comparative metrics and evaluation criteria, to evaluate potential Water Supply P&A portfolios. The metrics will be developed to reflect considerations in evaluating project opportunities and may include cost, dry-year reliability benefit, water quality impacts, regulatory complexity, speed of implementation, certainty of supply volume, community and environmental benefits, and other factors. The project portfolios will be incorporated into the scenario planning process to assess the reliability benefits of these Water Supply P&As.

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Attachment A: Board Comment Matrix

| Theme | Subcategory | Director | Agency | Comment | Associated Strategy 2050 Task |
|----------------|--------------------|-----------------|---------------|---|--------------------------------------|
| Affordability | Affordability | Andrews | Hayward | Interested in affordability. | 5C - Affordability Assessment |
| Affordability | Affordability | Montano | Milpitas | Affordability and having a handle on it is really important. Increased water rates are no longer affecting just low income, but the middle class as well. | 5C - Affordability Assessment |
| Affordability | Affordability | Pierce | Redwood City | There are competing interests compounded by the legal system. All agencies are different and have different financial models and economic levels. | 5C - Affordability Assessment |
| Climate Change | General | Hamilton | San Bruno | Several challenges that were presented resonate, but climate change is the main concern. | 1A - Risk Assessment |
| Climate Change | Infrastructure | Hamilton | San Bruno | Our infrastructure is not designed to handle wild swings between flood and drought, and sea level rise. | 1A - Risk Assessment |
| Climate Change | Sea Level Rise | Andrews | Hayward | We are concerned for sea level rise on critical infrastructure, especially in the case of future regulations. Can we figure out how to early adopt and continue to collaborate with other groups on how to be earlier adopters. | 1A - Risk Assessment |
| Climate Change | Sea Level Rise | Weed | ACWD | Consider long-term effects of sea level rise, including impacts beyond planning horizon (e.g., on Delta Conveyance Project) | 1A - Risk Assessment |
| Climate Change | Sea Level Rise | Showalter | Mountain View | All agencies with shorelines need to make regional shoreline adaptation plans and those need to be completed by 2034. We have 10 years to make those plans, but the earlier we do it the better, and there is funding available from the state for this planning (Ocean Protection Council) | 1A - Risk Assessment |

| Theme | Subcategory | Director | Agency | Comment | Associated Strategy 2050 Task |
|----------------|----------------------|-----------------|---------------|---|--------------------------------------|
| Climate Change | Water Demands | Mehlinger | Sunnyvale | The Bay Area maintains mild weather throughout the year, and in the event of severe drought, there could be refugee influx into the Bay, and demand would increase, and supply would decrease. This should be one potential scenario we should be prepared for. | 1A - Risk Assessment |
| Climate Change | Wildfire | Andrews | Hayward | Consider impacts of climate change on fire, and how the Strategy work could help inform preparedness for those emergencies. | 1C - Emergency Resilience |
| Engagement | Engagement | Schneider | Millbrae | Our jobs have become siloed when we should be talking to other areas to solve these issues and should look at those opportunities. | 8 - Stakeholder Engagement |
| Engagement | Engagement | Schneider | Millbrae | The biggest problem is educating public officials on water issues. | 8 - Stakeholder Engagement |
| Infrastructure | Aging Infrastructure | Andrews | Hayward | Continued outreach for communities is the greatest need to upgrade infrastructure. | 1A - Risk Assessment |
| Infrastructure | Aging Infrastructure | Hardy | Santa Clara | Concern for aging infrastructure | 1A - Risk Assessment |
| Infrastructure | Aging Infrastructure | Montano | Milpitas | Aging infrastructure is a huge endeavor that cities can't afford to fix. | 1A - Risk Assessment |
| Infrastructure | Earthquakes | Showalter | Mountain View | Earthquakes are of concern and we have been planning and want to continue planning for it. | 1C - Emergency Resilience |
| Projects | Conservation | Showalter | Mountain View | Conservation is the cheapest form of water supply and we should push the envelope on innovation such as more efficient fixtures. | 3B - Project Concepts |
| Projects | Conservation | Montano | Milpitas | Should continue with efficient fixtures and need to continue conservation education. | 3B - Project Concepts |

| Theme | Subcategory | Director | Agency | Comment | Associated Strategy 2050 Task |
|-----------------|-----------------------------|-----------------|---------------|---|--------------------------------------|
| Projects | Desalination | Stone | Palo Alto | Curious to see more of how technology has adapted and evolved. For example, desalination costs are going down, there is clear movement towards decentralized water systems, and the ability to decentralize water in the home or office will shift demand. | 3B - Project Concepts |
| Projects | Groundwater | Montano | Milpitas | We could look into groundwater recharge when there is an excess water. | 3B - Project Concepts |
| Projects | Potable Reuse | Showalter | Mountain View | Mountain View and Palo Alto are involved in an advanced purification plant to treat wastewater. | 3B - Project Concepts |
| Projects | Public Private Partnerships | Andrews | Hayward | Could explore potential public and private partnerships. Sewer and water rates are impacting everyone and there are multi-trillion-dollar companies in the Bay Area. It would be good to see if there are opportunities to address climate change that would benefit the company and help pay for infrastructure improvements as residents cannot afford those costs. | 3B - Project Concepts |
| Projects | Water Transfers | Montano | Milpitas | Collaboration with irrigation districts as farmers should plant less water intensive crops. | 3B - Project Concepts |
| Projects | Water Transfers | Pierce | Redwood City | We are all competing for water with agriculture. Is there a way to collaborate here being aware of this competition? | 3B - Project Concepts |
| Risk Assessment | Affordability | Zigterman | Stanford | We are facing uncertainties in future snow melt and intensity of droughts and risks, but we don't want to over build and overspend on alternative supplies and have high unaffordable rates. | 5C - Affordability Assessment |
| Risk Assessment | Planning Horizon | Weed | ACWD | Include narrative of long-term issues beyond 2050. | 1A - Risk Assessment |

| Theme | Subcategory | Director | Agency | Comment | Associated Strategy 2050 Task |
|-----------------|------------------------|-----------------|--------------------|--|--------------------------------------|
| Risk Assessment | Political | Mehlinger | Sunnyvale | Consider implications of political instability on water, including dangers of overbuilding water infrastructure. | 1A - Risk Assessment |
| Risk Assessment | Political | Stone | Palo Alto | There is uncertainty in political changes and what that means for funding and political will to get projects completed. | 1A - Risk Assessment |
| Risk Assessment | Recycled Water | Jordan | Purissima Hills WD | We are becoming increasingly dependent on recycled water. What if there is some major strict recycled water quality regulation? If recycled water becomes a major source of supply, we need to make sure we have other sources. | 1A - Risk Assessment |
| Risk Assessment | Scenarios | Mehlinger | Sunnyvale | Not only do we need to know how we deal with the four quadrant scenarios, but we need to know how to deal with shocks and how to ensure the system is protected against surprise and sudden change. | 1A - Risk Assessment |
| Risk Assessment | SFPUC Level of Service | Zigterman | Stanford | Consider whether to plan for SFPUC not meeting their contractual obligation and discuss policy questions regarding limiting the dependence on SFPUC and having individual agencies be responsible for their supply if SFPUC is not dependable. | 1A - Risk Assessment |
| Risk Assessment | SFPUC Level of Service | Breault | Brisbane | We should look at a scenario where SFPUC isn't able to meet its level of service goals. Can we provide self-service that is more cost effective and reliable than SFPUC? | 1A - Risk Assessment |
| Risk Assessment | Water Demands | Jordan | Purissima Hills WD | 2050 is three and a half housing element cycles from now. For some of us, we could double housing in that time, and we need to make sure we allow for how much that could be. | 1A - Risk Assessment |
| Risk Assessment | Water Demands | Stone | Palo Alto | Demand forecasting should be modified to avoid costly over investments. Are we building enough to adapt to that uncertainty and meet true demands? | 1A - Risk Assessment |

| Theme | Subcategory | Director | Agency | Comment | Associated Strategy 2050 Task |
|-----------------|--------------------|-----------------|---------------|---|--------------------------------------|
| Risk Assessment | Water Quality | Weed | ACWD | Include water quality regulations, microplastics, and pharmaceutical by-products. | 1A - Risk Assessment |
| Risk Assessment | Water Quality | Montano | Milpitas | Microplastics in water are also of concern. | 2A - Regulatory Setting |

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA's 2021-2023 Drought Report**

Summary:

Beginning in the spring of 2024, BAWSCA began the preparation of the 2021-23 Drought Report (Report) to document activities and efforts taken by BAWSCA, its member agencies, and local and state government entities in response to the 2021-2023 Drought. The Report is now complete. This memorandum provides a summary of the work performed to develop the 2021-2023 Drought Report along with key findings aimed at assisting BAWSCA and its agencies to better prepare for future droughts.

Recommendation:

This item is for information and discussion purposes only.

Discussion:

In 2017, BAWSCA produced a drought report describing the 2014-2017 Drought and the actions taken by BAWSCA member agencies and several other entities including the State of California (State), SFPUC, and Santa Clara Valley Water District (Valley Water). 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 potential activities for consideration in responding to future droughts. The report was well received and proved to be a highly useful reference.

When the 2021-2023 Drought ended, BAWSCA recognized the importance of creating a similar report to again document the efforts taken by entities during the 2021-2023 Drought, review the functionality of programs enacted during the Drought, and serve as a reference document to assist in decision making processes during future droughts.

Following the Board's authorization on March 21, 2024, BAWSCA conducted a competitive consultant selection process and selected EKI Water & Environment, Inc. to assist with the preparation of the Report.

The 2021-2023 Drought Report shows that BAWSCA and its agencies faced new challenges in comparison to the 2014-17 Drought, including:

- Varying effectiveness of drought actions across the region.
- Overall, less reduction in water use compared to what was observed during the 2014-17 Drought.
- Differing shortage levels for agencies with multiple water supply sources, resulting in different drought response needs amongst the agencies.
- Complexities associated with the timing of San Francisco Public Utilities Commission's (SFPUC's) shortage declaration and associated implementation of the Tier 2 Drought Allocation Plan for the first time since its adoption.
- "Messaging fatigue" associated with back-to-back droughts and the Coronavirus (COVID-19) pandemic and associated impacts on drought response.

The 2021-2023 Drought Report expands upon the process used to prepare the 2014-2017 Drought Report. Beyond documentation of the actions taken by governmental bodies, it now does a more complete job of evaluating the drought actions (e.g., the State and wholesaler shortage declarations and Drought Response Measures (DRMs) taken by each of the BAWSCA member agencies. Similar to the 2014-2017 Drought Report, it makes findings and shares key lessons learned.

Findings and Key Lessons Learned

1. The Tier 1 and Tier 2 drought allocation plans were triggered for the first time during the 2021-2023 Drought. The development of the updated Tier 2 Plan was informed by this experience.
2. The joint Regional Media Campaign launched by BAWSCA and SFPUC had significant awareness among Member Agencies. The BAWSCA website also played a crucial role in outreach, especially for smaller BAWSCA Agencies with limited resources.
3. Effective communication led by BAWSCA was instrumental in maintaining consistent messaging and reaching conservation goals. Recommendations for how to enhance regular drought coordination and communication have been forwarded to the team preparing Strategy 2050.
4. Water savings during the 2021-2023 Drought were notably lower (7.8%) than that achieved during the 2014-2017 Drought (22%). Contributing factors included demand hardening, drought messaging fatigue, and the effects of COVID-19 on water use patterns. This finding must be considered when water use reduction calls are made during future droughts.
5. Member Agencies that did not formally enact their Water Shortage Contingency Plans (WSCPs) but still followed regional DRMs achieved an average of 9% reduction in water use. This suggests that consistent regional messaging and the enactment of DRMs can be effective even in the absence of formal local action.
6. Some BAWSCA Agencies experienced water quality issues similar to those that occurred during the 2014-17 Drought, primarily due to increased water age in their respective distribution systems and associated nitrification. Mitigation strategies such as tank mixing and targeted system flushing proved essential to address those problems.
7. Although Advanced Metering Infrastructure (AMI) provided high-resolution consumption data, agencies found that they had limited access to raw datasets and inadequate transfer mechanisms in place with their respective AMI vendors. This poses challenges such that advanced analysis of DRM effectiveness is not possible. BAWSCA Agencies were advised to approach their vendors to make required changes to the existing or future AMI vendor contracts, if possible, to better enable analysis to take place during or following future droughts.

Further Information

A full version of the drought report is available at the BAWSCA's website at: BAWSCA.org → Water Conservation → Reports or [Click Here](#).



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(650) 349-3000 tel. (650) 349-8395 fax

MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Tom Smegal, CEO/General Manager
DATE: July 10, 2025
SUBJECT: Chief Executive Officer/General Manager's Letter

Status of Wholesale Revenue Requirement (WRR) Reviews for FY 2021-22 through FY 2023-24

FY 2021-22 WRR: Pursuant to Section 7.06A of the Water Supply Agreement (WSA), BAWSCA conducted its review of SFPUC's calculation of the annual Wholesale Revenue Requirement (WRR) and the changes in the Balancing Account for FY 2021-22. On June 27, 2025, BAWSCA reached an agreement with the SFPUC pertaining to BAWSCA's concerns related to SFPUC costs allocated to the Wholesale Customers. This agreement resulted in a total Balancing Account adjustment of \$26,886, including interest, as a credit to the Wholesale Customers. In addition, the parties have agreed to develop standard procedures for drought-related advertising before the next drought and confirm the classification of associated expenses before they are spent.

FY 2022-23 WRR: On October 10, 2024, BAWSCA received the compliance auditor's report and the audited WRR financial statements for FY 2022-23. Pursuant to Section 7.06 of the WSA, BAWSCA conducted its review of the SFPUC's calculation of the annual WRR and the changes in the balancing account for FY 2022-23. As a result of the review, BAWSCA sent a list of questions to the SFPUC on December 9, 2024. BAWSCA is waiting for SFPUC's response. The deadline for the parties to enter into a settlement agreement or for the Wholesale Customers to serve a demand for arbitration regarding issues related to FY 2022-23 is October 10, 2025.

FY 2023-24 WRR: On May 6, 2025, BAWSCA received the compliance auditor's report and the audited WRR financial statements for FY 2023-24. Pursuant to Section 7.06 of the WSA, BAWSCA conducted its review of the SFPUC's calculation of the annual WRR and the changes in the balancing account for FY 2023-24. As a result of the review, BAWSCA sent a list of questions to the SFPUC on June 13, 2025. BAWSCA is waiting for SFPUC's response. The deadline for the parties to enter into a settlement agreement or for the Wholesale Customers to serve a demand for arbitration regarding issues related to FY 2023-24 is May 6, 2026.

BAWSCA Internship Program:

In October 2021, BAWSCA entered into a partnership with Eastside College Preparatory School (ECPS) to support the implementation of the BAWSCA Internship Program. The BAWSCA Internship Program, which launched in Summer of 2022, aims to provide interns with hands-on experience, mentorship from professionals, and critical skills to support their future career.

Each Spring, BAWSCA works with ECPS to identify qualified candidates for BAWSCA's internship program. BAWSCA's approach to the program is to provide the intern with valuable work experience and skills necessary for them to be successful in the water resources field.

On June 18th, BAWSCA welcomed Christina Ayar as BAWSCA's Summer 2025 Intern. Christina, a sophomore at UC Davis, will be working closely with the Water Resources Team on a variety of projects, including the Long-Term Reliable Water Supply Strategy (Strategy 2050). Through these efforts, Christina will gain valuable insight into the essential role that water resource professionals play in securing a sustainable water future for the BAWSCA region. BAWSCA is excited to have Christina on board and look forward to a productive and inspiring summer together.

Regional Water System Tour:

On June 17th - 18th, BAWSCA held a 2-day tour of the Regional Water System (RWS) that was hosted by SFPUC and led by Assistant General Manager Steve Ritchie. Participants included Board Members Nash, Showalter, Kiesel, and Ragsdale, BAWSCA CEO Tom Smegal, and member agency staff.

Steve Ritchie narrated the tour as it drove past pipelines and transmission system locations on its way to Hetch Hetchy. Site visits of key facilities included Lower Crystal Springs Dam, Pulgas Water Temple, Sunol Yard, Tesla Treatment Facility, Moccasin, Hetch Hetchy Reservoir and O'Shaughnessy Dam.

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Board of Directors

Policy Calendar Through May 2026

| Meeting Date | Purpose | Issue or Topic |
|----------------|---------------------------------|---|
| September 2025 | D&A R&A R&D | CEO/General Manager Performance Evaluation BAWSCA's Publicly Available Pay Schedules BAWSCA's Strategy 2050 |
| November 2025 | D&A R&A R&D R R | Annual Review & Consideration of BAWSCA's Statement of Investment Policy Consideration of Current Tier 2 Plan Extension (Unless new plan unanimously adopted in advance of meeting) BAWSCA's Strategy 2050 Demand Study Update Review Water Supply Forecast |
| January 2026 | D&A D&A R&D R R&D | Mid Year Work Plan, Budget and General Reserve Review Proposed FY 2026-27 Bond Surcharges BAWSCA's Strategy 2050 Review Water Supply Forecast FY 2026-27 Work Plan and Budget Study Session |
| March 2026 | R&D R | Preliminary FY 2026-27 Work Plan Review Water Supply Forecast |
| May 2026 | D&A D&A | Consideration of Proposed FY 2026-27 Work Plan and Operating Budget Consideration of Professional Services Agreements |

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

Meeting Schedule through May 2026

| Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.) | |
|---|--|
| <u>Date</u> | <u>Location</u> |
| Thursday – September 18, 2025 | Burlingame Community Center – Sequoia Room |
| Thursday – November 20, 2025 | Burlingame Community Center – Sequoia Room |
| Thursday - January 15, 2026 | Burlingame Community Center – Sequoia Room |
| Thursday – March 19, 2026 | Burlingame Community Center – Sequoia Room |
| Thursday – May 21, 2026 | Burlingame Community Center – Sequoia Room |

| Schedule for RFA Board Meetings (Meeting time will be announced) | |
|---|--|
| <u>Date</u> | <u>Location</u> |
| Thursday – January 15, 2026 | Burlingame Community Center – Sequoia Room |

| Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.) | |
|--|--|
| <u>Date</u> | <u>Location</u> |
| Wednesday – August 13, 2025 | TO BE ANNOUNCED |
| Wednesday – October 8, 2025 | Burlingame Community Center – Sequoia Room B |
| Wednesday, December 10, 2025 | Burlingame Community Center – Sequoia Room B |
| Wednesday – February 11, 2026 | Burlingame Community Center – Sequoia Room B |
| Wednesday – April 8, 2026 | Burlingame Community Center – Sequoia Room B |