



BOARD OF DIRECTORS MEETING

September 18, 2025

6:30 P.M.

Burlingame Community Center – Sequoia Room
[850 Burlingame Ave., Burlingame](#)

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

- 456 W. Olive Ave. Sunnyvale, CA 94086 - Sunnyvale City Hall - Cottonwood Conf. Room 135
- 26375 W. Fremont Rd. Los Altos Hills, CA 94022 - Purissima Hills Water District Conf. Rm
- 1012 KC Amsterdam, Netherlands

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. SFPUC Report	(Ritchie)	
4. Consent Calendar <i>(Attachments)</i>	(Chambers)	
A. Approve Minutes of the July 17, 2025 Meeting		Pg 3
B. Receive and File Pre-Audit Budget Status Report – As of 6/30/25		Pg 9
C. Receive and File Investment Report – As of 6/30/25		Pg 11
D. Receive and File Directors' Reimbursement Report – As of 6/30/25		Pg 13
E. Receive and File Employee Reimbursement Report – As of 6/30/25		Pg 15
F. Receive and File Bond Surcharge Collection, Account Balance and Payment Report for Fiscal Year Ending June 30, 2025		Pg 17
5. Public Comments	(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>		
6. Action Calendar		
A. Authorization of the CEO/General Manager to negotiate and execute an agreement with the selected consultant for the Water Use Efficiency Legislation Workshops <i>(Attachment)</i>	(Francis)	Pg 19
<i>The Board Policy Committee did not meet in August. Item #6A is being presented to the Board without a recommendation from the BPC.</i>		

- 7. CEO Reports** (Smegal)
- A. Update on the New Tier 2 Plan and WSA Amendment Adoption Process
 - B. FERC/Bay Delta Plan Update
 - C. CEO/General Manager's Letter (*Attachment*) Pg 23
 - D. Board Policy Calendar (*Attachment*) Pg 27
 - E. Correspondence Packet ([Under Separate Cover](#))
- 8. Closed Session #1**
- A. Public Employee Performance Evaluation** (Chambers)
Title: Current CEO/General Manager
Closed Session Pursuant to Government Code Section 54957
(*Under Separate Cover*)
- 9. Information Report Related to CEO Compensation** (Chambers)
- A. Compensation Report for CEO/General Manager for FY 2025-2026**
(*Under Separate Cover*)
- 10. Closed Session #2** (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. 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.
- 12. Directors' Discussion: Comments, Questions and Agenda Requests** (Chambers)
- 13. Date, Time and Location of Future Meetings** (Chambers) Pg 29
(See attached schedule of meetings)
- 14. Adjourn to next meeting scheduled for November 20, 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 bawasca@bawasca.org or submitted by phone at 650-349-3000. Requests will be granted whenever possible and resolved in favor of accessibility.

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****July 17, 2025 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:30 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. Sixteen (16) members of the Board were present at roll call. Five (5) members arrived after roll call. A list of Directors present (21) and absent (5) is attached.

2. Comments by Chair:

Chair Chambers welcomed the Board and attendees and expressed his appreciation for everyone's flexibility to attend at a temporary meeting location. He thanked the City of Millbrae for making the meeting location available to BAWSCA.

The Board was encouraged to engage in discussion on the several reports provided by the SFPUC on affordability in response to the Board's stated concerns with rising rates; a Water Management Representative (WMR) from the City of Mountain View; BAWSCA staff on the current development status of Strategy 2050, and BAWSCA's 2021-23 Drought Report.

The Board will be updated on the status of the new Tier 2 Plan/WSA adoption process, and provided information on the 2024-25 performance evaluation process for the CEO/General Manager.

3. Board Policy Committee Report:

Committee Vice-Chair Leslie Ragsdale reported that the Board Policy Committee meeting on June 11, 2025 was held as a Special Meeting because of the location change to the Burlingame Library. The summary report included in the agenda packet reflects the Committee's actions and discussions at the meeting.

There were no comments from members of the Board or the public on the BPC report.

4. Consent Calendar:

Director Pierce made a motion, seconded by Director Vella, that the Board approve the consent calendar which includes: Approval of Minutes from the May 15, 2025 Meeting; Receive and File the Budget Status Report and Investment Report as of May 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:** Financial Planning Director, Erin Corvinova provided a report on SFPUC's adopted Affordability Policy and how it is used to look at affordability in SFPUC's financial planning and budgeting.

Questions were received from members of the Board.

Public comments were provided by Josh Arce and Dave Warner.

6. Water Management Representative Report:

Elizabeth Flegel, Water Resources Manager for City of Mountain View (City) addressed the Board and provided information on the City's water use by customer and by source, its alternative supply projects, and the impact of minimum purchase on the City's project decision making.

7. Public Comments on Items Not on the Agenda:

Comments were provided by Dave Warner and Josh Arce.

8. Reports and Discussions:

Staff reports were provided on BAWSCA's Strategy 2050 and 2021-23 Drought Report. Questions and comments from members of the Board were received.

There were no comments from members of the public.

Chair Chambers moved to extend the meeting by 30 minutes.

Director Manalo made a motion, seconded by Director Schneider, to extend the meeting to 9:15pm.

The motion passed unanimously by roll call vote.

9. CEO Reports:

Mr. Smegal was pleased to report that eleven member agencies have adopted the new Tier 2 Drought Allocation Plan and the WSA Amendments as of July 17th. Eleven agencies have the item scheduled for consideration by their governing bodies before the end of September. The remaining agencies have yet to identify a firm date.

BAWSCA continues to work closely with the SFPUC in tracking and engaging with the State Water Board's efforts on the Bay Delta Plan and FERC relicensing process.

Chair Chambers announced the start of the CEO/General Manager Performance Evaluation Process. Evaluation forms will be distributed for Board Members' completion by August 15th. Collected data will be presented to the Board at the September Board meeting under Closed Session.

There were no comments from members of the public.

10. Closed Session: The Board adjourned to Closed Session at 9:11 pm.

11. Report from Closed Session: Legal Counsel, Nathan Metcalf reported that Closed Session ended at 9:17pm and no action was taken during 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 Zigterman inquired about the August BPC meeting. Mr. Smegal stated that the Board will be notified if the meeting will be cancelled.

Director Weed announced that ACWA Region 5 is having a meeting in San Francisco on Friday, September 26th with a preceding evening reception on September 25th. BAWSCA is a member of ACWA and he hopes that the information is provided to the board members.

14. Date, Time and Location of Next Meeting: The next meeting is scheduled on September 18, 2025 at 6:30pm at the Burlingame Community Center.

15. Adjournment: The meeting adjourned at 9:19pm.

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: 17-Jul-25

Agency	Director				Weighted Voting ⁽²⁾	
		Present/ Absent	Item #4 Consent (6:37pm)	Other Extend meeting (8:48pm)	Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	y	y	y		
Brisbane	Breault, Randy	0	0	0		
Guadalupe	Breault, Randy	0	0	0		
Westborough	Chambers, Tom	y	y	y		
San Jose	Cohen, David	0	0	0		
CalWater	Duncan, Darin	y	y	y		
San Bruno	Hamilton, Tom	y	y	y		
Santa Clara	Hardy, Karen	0	0	0		
Purissima	Jordan, Steve	y	y	y		
Foster City	Kiesel, Art	y	y	y		
East Palo Alto	Lincoln, Webster	0	0	0		
Daly City	Manalo, Juslyn	y	y	y		
Sunnyvale	Mehlinger, Richard	y	0	y		
Coastside	Mickelsen, Chris	y	y	y		
Milpitas	Montano, Carmen	y	y	y		
Menlo Park	Nash, Betsy	y	y	y		
North Coast	Piccolotti, Tom	y	y	y		
Redwood City	Pierce, Barbara	y	y	y		
Hillsborough	Ragsdale, Leslie	y	y	y		
Millbrae	Schneider, Ann	y	y	y		
Mountain View	Showalter, Pat	y tele	y	y		
Burlingame	Stevenson, Peter	y	y	0		
Palo Alto	Stone, Greer	y	y	y		
Mid-Peninsula	Vella, Louis	y	y	y		
ACWD	Weed, John	y	0	y		
Stanford	Zigterman, Tom	y	y	y		

Vote Tally

				Weighted Vote Summary	
				"Yes"	"No"
Yes (y)	21	19	20		
No (n)	0	0	0		
Absent (0)	5	7	6		
Abstain (a)	0	0	0		
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	July 17, 2025	May 15, 2025	Mar. 20, 2025	Jan. 16, 2025	Nov. 21, 2024	Sept. 19, 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: Pre-Audit Budget Status Report as of June 30, 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 twelve-month period ending June 30, 2025, total expenditures were \$5,004,232 or 89 percent of the total budget of \$5,614,518.

Table 1. Operating Budget Summary as of June 30, 2025

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	2,102,550	1,479,739	70%
Fair Pricing	337,500	200,479	59%
Administration	165,000	383,232	232%
Subtotal	2,605,050	2,063,450	79%
Administration and General			
Salary & Benefits	2,448,143	2,485,339	102%
Other Expenses			
BAWSCA	520,750	452,632	87%
BAWUA	1,050	0	0%
Subtotal	5,574,993	5,001,421	90%
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	5,004,232	89%

Overview:

Overall expenditures for FY 2024-25 tracked within budget.

Consultants

The \$103,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 22 percent expended. The Operating Budget allocation of \$985,000 budget for legal counsel was 97 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 51 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 102 percent and 87 percent respectively. Salaries and Benefits were slightly over budget due to the CEO transition.

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 June 30, 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.

Once the audited FY 2024-25 financial report is accepted by the Board of Directors in November 2025, the unspent balance from FY 2024-25 will be transferred to the BAWSCA General Reserve. The General Reserve balance as of June 30, 2025, shown below, does not reflect any unspent balance from FY 2024-25.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 05/31/25)	Account Balance (As of 06/30/25)
General Reserve	\$1,356,288	\$1,356,288



Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager
FROM: Deborah Grimes, Office Manager
DATE: September 5, 2025
SUBJECT: Investment Report – As of June 30, 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>05/31/25</u>	<u>06/30/25</u>
\$3,613,277	\$3,853,044

Of the total in the BAWSCA LAIF account as of June 30, 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>3/31/25</u>	<u>06/30/25</u>
4.48%	4.40%

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BAWSCA

Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: September 5, 2025

SUBJECT: Directors' Reimbursement Quarterly Report for the Period Ending June 30, 2025

In March 2006, the board adopted a directors' expense reimbursement policy consistent with the Government Code that requires a quarterly report on the Agency's reimbursement of directors' expenses. This report shall show the amount of expenses reimbursed to each director during the preceding three months.

There were no director expenses reimbursed for the quarter ending June 30, 2025.

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BAWSCA

Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: September 5, 2025

SUBJECT: Employees' Reimbursement Quarterly Report for the Period Ending June 30, 2025

This report is prepared pursuant to Government Code Section 53065.5: *Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.*

Table 1 presents the reimbursed expenses for BAWSCA employees during the quarter ending June 30, 2025.

Table 1. Employee Reimbursement Expenses

BAWSCA Employee	Expense Amount	Purpose
Christiane Barth	\$1,161	<ul style="list-style-type: none"> Meeting expenses April-June 2025 Office Supplies Meeting expenses
Tom Francis	\$1,249	<ul style="list-style-type: none"> NRBPA Conference - SF ACWA Spring Conference travel expenses SFPUC meeting Moccasin – travel expenses MCWRA Tuolumne – travel expenses
Tom Smegal	\$1,371	<ul style="list-style-type: none"> ACWA Spring Conference travel expenses Progress Seminar travel expenses

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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: Christina Tang, Finance Manager

DATE: September 9, 2025

SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
 for Fiscal Year Ending June 30, 2025

In February 2013, BAWSCA's Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013, when the payments were paid off. In January 2023, BAWSCA completed the settlement of Series 2023A bonds to refund the 2013A bonds based on a tax-exempt forward delivery, which resulted in a reduced monthly surcharge from the agencies starting March 2023. The bond transactions and the prepayment program are anticipated to generate approximately \$89.4 million in net present value savings to the water customers from 2013 to 2034 when the bonds will be paid off.

Bond Surcharge Collections

BAWSCA collects the bond surcharge from member agencies through the SFPUC as a separate item on SFPUC's monthly water bills to agencies. The bond surcharge payments are used to make debt service payments on BAWSCA's revenue bonds. As of today, BAWSCA has received the surcharge payments in a total of \$21,931,224, which represent 100% of the surcharges billed for the prior fiscal year ending June 30, 2025. Partial payments of surcharges billed for May 2025 and all payments of surcharges billed for June 2025 were remitted to Trustee after the fiscal year ended. Table 1 below presents a payment collection summary for FY 2024-25.

Table 1: Summary of Surcharges Remitted to Trustee for Fiscal Year Ending 6/30/2025

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>	<u>Difference</u>
July 2024	\$1,827,602	\$1,827,602	\$0
August 2024	\$1,827,602	\$1,827,602	\$0
September 2024	\$1,827,602	\$1,827,602	\$0
October 2024	\$1,827,602	\$1,827,602	\$0
November 2024	\$1,827,602	\$1,827,602	\$0
December 2024	\$1,827,602	\$1,827,602	\$0
January 2025	\$1,827,602	\$1,827,602	\$0
February 2025	\$1,827,602	\$1,827,602	\$0
March 2025	\$1,827,602	\$1,827,602	\$0
April 2025	\$1,827,602	\$1,827,602	\$0
May 2025	\$1,827,602	\$1,827,602	\$0
June 2025	<u>\$1,827,602</u>	<u>\$1,827,602</u>	<u>\$0</u>
Total	\$21,931,224	\$21,931,224	\$0

Bond Surcharge Account Balances

All surcharge payments are deposited with the Bank of New York, the Trustee, which manages BAWSCA's accounts and administers debt service payments. BAWSCA's account balances at the Trustee and the account activities in FY 2024-25 are shown in Table 2 below.

Table 2: Bank of New York Bond Trustee Account Activity for Fiscal Year Ending 6/30/2025

	29,081,936	Account Market Value as of 6/30/2024
<i>plus:</i>	22,176,776	<i>Surcharge Collected in July 2024 through June 2025</i>
<i>plus:</i>	956,239	<i>Money Market Fund Interest, Security Coupons/Accrued Interest Received</i>
<i>plus:</i>	358,955	<i>Change in Market Value of Held and Matured Treasury Bonds</i>
<i>minus:</i>	21,677,105	<i>Debt service payment to bondholders</i>
<i>minus:</i>	3,086,944	<i>Principal for Treasury bonds purchased</i>
<i>minus:</i>	2,732	<i>Accrued interest for Treasury bonds purchased</i>
<i>plus:</i>	3,100,951	<i>Market Value of Purchased Bonds</i>
<i>minus:</i>	12,225	<i>Reimbursement to BAWSCA for bond administration expenses</i>
	30,895,851	Account Market Value as of 6/30/2025

Through the second quarter of 2025, the Federal Reserve held rates steady as it balanced efforts to support both full employment and price stability amidst uncertainties regarding the inflationary impact of tariffs and the continued resilience of the labor market. While rates under 1 year were roughly unchanged over the quarter, rates in the 1-5 year range were pressured and had decreased as economic uncertainty remained elevated. In April 2025, BAWSCA re-evaluated its investment strategy for the bond stabilization fund during the annual review of the Investment Policy. BAWSCA's longer-term 0-5 year ladder maturity investment strategy continues to provide important yield curve diversification against both market price and reinvestment rate risks consistent with BAWSCA's risk tolerances and primary investment objectives. With a ladder maturity distribution, the fund has taken advantage of being able to reinvest into the higher rates available on longer-term bonds.

As of June 30, 2025, the book yield and market yield on BAWSCA's revised portfolio strategy was 3.18% and 3.86% respectively, as compared to the yield of 4.24% for the money market fund.

All investment interest earnings are deposited directly in the Trustee account and will be used to pay for future expenses and debt service of the bonds. Ultimately, all interest earnings are returned to the member agencies through annual savings and through distribution of the Stabilization Fund, including interest, once the bonds are fully paid.

Debt Service Payment Status

During FY 2024-25, BAWSCA made debt service payments twice, using the bond surcharges collected from the agencies, consistent with the initial bond structure. The first payment of \$17,690,534 was made on October 1, 2024. The second payment of \$3,986,571 was made on April 1, 2025. The next debt service payment of \$17,986,572 will be made on October 1, 2025. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Professional Services Contract with Water Systems Consulting, Inc. (WSC) to Support Water Use Efficiency Regulation Workshops**

Summary:

This item requests authorization for the CEO/General Manager to negotiate and execute a contract with Water Systems Consulting, Inc. (WSC) to assist BAWSCA in its efforts to host a series of Water Use Efficiency Workshops. Those Workshops focus on new regulations and requirements being implemented by the State Water Resources Control Board. BAWSCA has partnered with the Santa Clara Valley Water District (Valley Water) on the effort, and Valley Water has committed, via a Memorandum of Agreement (MOA), to cover fifty percent of the cost. Workshops will be open to BAWSCA Agencies and Valley Water Retailer representatives. The contract will be prepared in BAWSCA's standard form of agreement.

Fiscal Impact:

The contract not-to-exceed amount is \$160,000. Fifty percent of that cost is the responsibility of BAWSCA to cover. That amount is included in the FY 2025-26 Operating Budget.

Recommendation:

That the Board authorize the CEO/General Manager to negotiate and execute a contract between BAWSCA and WSC subject to legal counsel's final review, for a not-to-exceed amount of \$160,000 to support BAWSCA's Water Use Efficiency Regulation Workshop efforts.

Discussion:

BAWSCA and Valley Water will jointly convene a series of Workshops between October 2025 and June 2026. These Workshops will focus on critical new water use efficiency regulations, including:

- Urban Water Use Objectives (UWUO)
- Commercial, Industrial, and Institutional (CII) performance measures
- Statewide and local bans on irrigating non-functional turf with potable water
- Annual reporting requirements

The primary objectives of these workshops are to provide participating agencies with:

- Comprehensive information about the new regulations.
- Presentations and valuable lessons learned from agencies that have already begun implementing these regulations.
- Direct access to subject matter experts for questions and clarifications.
- A collaborative forum for agencies to share experiences and learn from their peers.

Workshops will be conducted in both virtual and in-person formats, held at least once every other month. During the months of October through December 2025, virtual workshops may be held more frequently (e.g., bi-weekly, or as needed) to support agencies as they prepare their

annual reports, which are due by January 1st annually. These focused virtual sessions will provide agencies with opportunities to ask subject matter experts questions about completing the reporting form(s), as well as the opportunities to engage with peers on approaches to meet new requirements. This peer-to-peer learning is crucial, as agencies navigate these new regulations and seek reassurance in their implementation strategies. BAWSCA and Valley Water expect to convene at least one in-person Workshop and 11 virtual Workshops.

Consultant Selection Process

BAWSCA solicited Statements of Qualifications (SOQs) from interested Consultants to support the Workshop effort. As part of that solicitation, on July 24, 2025, nineteen firms were sent via electronic mail the Request for Qualification (RFQ) developed by BAWSCA and Valley Water. The RFQ was also posted on BAWSCA's website. SOQs were due by August 22, 2025.

BAWSCA received four SOQs. BAWSCA Staff, Valley Water Staff, along with staff from one BAWSCA Agency and one Valley Water Retailer took part in the review and scoring of SOQs received. From there, three Consultants were selected for interviews, held virtually on September 5, 2025. BAWSCA and Valley Water Staff served as the interview panel.

Following the interviews and subsequent reference checks, WSC was selected as the preferred Consultant. Contract negotiation is now in progress, with the expectation that with BAWSCA Board approval an Agreement with WSC will be entered into by late September such that the first Workshop will be held in mid-October 2025.

Scope of Services, Results to be Achieved, and Billing Rates:

The draft scope of services and billing rates with WSC for FY 2025-26 are shown in Exhibit A.

EXHIBIT A
TO THE CONSULTING SERVICES AGREEMENT
Between the Bay Area Water Supply and Conservation Agency
and Water Systems Consulting, Inc.

DRAFT

FY 2025-26 SCOPE OF SERVICES

Work to be Performed:

The Consultant will be responsible for the following tasks:

Develop Schedule and Topics for the Workshop Series:

The Consultant will be responsible for proposing a comprehensive schedule and identifying specific topics for each Workshop. Each Workshop may cover one or more topics, with topic selection ideally aligned with upcoming regulatory deadlines. The Consultant may consider Workshops held on similar topics by other organizations (e.g., California Water Efficiency Partnership and the San Diego County Water Authority). The Consultant will develop each Workshop agenda and identify suitable subject matter experts or agencies with relevant implementation experience to present at the Workshops. At least one Workshop must be held in person. Multiple in person Workshops are likely, at the discretion of BAWSCA and Valley Water. BAWSCA and Valley Water must be engaged in the development of Workshop agendas and associated Workshop materials and have final agenda approval.

Preparation of Workshop Notes and Follow-up:

The Consultant will be responsible for diligently taking notes during all Workshops. For any questions posed by attendees that cannot be immediately answered by the Consultant or subject matter experts, the Consultant will be responsible for researching and providing the answers. The Consultant will summarize all Workshop discussions and follow-up on unanswered questions in the final notes for each workshop.

The Consultant shall also hold a series of virtual offices hours within which member agencies can attend and ask specific questions in regard to new water use efficiency regulations being implemented by the State Water Resources Control Board. In addition, the Consultant shall create and maintain a webpage where materials from the Workshops are saved along with other useful information and resources regarding the new regulations. That webpage will be available only to BAWSCA Agencies and Valley Water Retailers.

Meeting Logistics: For in-person workshops

The Consultant will be responsible for identifying and reserving appropriate meeting locations. As noted above, meeting materials (e.g., agendas, printed items, poster boards for meeting notes, etc.) will be prepared and provided by the Consultant. If refreshments are to be provided, the Consultant will manage the ordering and coordination of delivery. The Consultant may bill for time spent coordinating these logistics, but the Consultant may not charge a markup on direct costs for printed materials, refreshments, venue rental, or other meeting materials.

Final Report

Upon the conclusion of the Workshop series, the Consultant will prepare a brief final report summarizing the outcomes and key insights from the entire workshop series.

The above tasks are scheduled to begin in October 2025 and run through June 2026.

Not-to-Exceed Contract Limit: \$160,000

Rates and Charges for Key Staff

- Diane Lee, Principal-in-Charge: \$310
- Sierra Orr, Project Manager: \$289
- Spencer Waterman, Technical Expert: \$280
- Cynthia Kahn, Deputy Project Manager: \$168



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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: September 12, 2025
SUBJECT: Chief Executive Officer/General Manager's Letter

SFPUC Water System Improvement Program (WSIP) 2024 Notice of Change and FY2024-2025 WSIP Annual Report:

On September 9, 2025, the SFPUC issued a Notice of Change (NOC) associated with its Water System Improvements Program (WSIP). This NOC is required by the State of California to document changes adopted by the SFPUC Commission on April 9, 2024 regarding WSIP project schedules, overall program schedule, project budgets, and project scopes. Two projects remain to be completed under WSIP (the Alameda Creek Recapture Project (ACRP) and the Regional Groundwater Storage and Recovery Project). The ACRP has experienced significant delays due to design and constructability issues. That in turn has delayed the proposed completion date for the WSIP, which is now listed as June of 2032. A modest increase in the WSIP budget is also included (\$5M). BAWSCA is well aware of these changes and has continued to express concerns that the SFPUC took over a year to provide the formal NOC to the State.

On September 1, 2025, the SFPUC issued its WSIP Annual Report prepared for FY 2024-25. This report provides additional information regarding the status of the two remaining WSIP projects referenced above.

BAWSCA staff is in the process of reviewing both documents and is scheduled to meet with the SFPUC staff to discuss their contents. That meeting is scheduled to take place on September 30th, 2025.

Click on the links to access the reports, or go to <https://www.sfpuc.gov/construction-contracts/water-infrastructure-improvements>

- [WSIP 2024 Notice of Changes](#)
- [FY2024-2025 WSIP Annual Report](#)

Tier 2 Plan and WSA Amendment Adoption Process Update:

As of the mailing of this memo, 23 of the 26 member agencies have adopted the amendment to the Water Supply Agreement (WSA) and the updated Tier 2 Plan. By the date of the BAWSCA Board meeting on September 18th, it is anticipated that all but two member agencies will have adopted both items. BAWSCA staff continue to support member agency adoption by attending and occasionally presenting to member agency City Councils and Boards.

The existing Tier 2 Plan is set to expire on December 31st. However, due to the remaining adoption process, it is unlikely the updated Tier 2 Plan will be unanimously adopted by the date of the BAWSCA Board Policy Committee (BPC) meeting on October 8th.

To ensure a Plan is in place in the event of a drought, the BPC will be asked to extend the existing Plan at its October meeting. The full Board will then consider the extension at its November meeting. BAWSCA believes the updated Tier 2 Plan will be unanimously adopted by the end of the calendar year, at which point it will supersede the existing Plan.

2025 Demand Study Update:

BAWSCA is facilitating an update to the regional water demand and conservation projections (2025 Demand Study) for the member agencies. BAWSCA's technical consultant, Hazen and Sawyer, has developed individual models for each member agency, utilizing information provided by the agencies on projected population, jobs, and housing growth to project water demand through 2050. The agencies are currently reviewing and finalizing their demand models.

Initial results indicate that total water demand is expected to be lower than previously projected in the 2022 Demand Study. This is attributed to several factors, including the long-term impacts of the COVID-19 pandemic and the recent 2021-23 drought. While overall demand is lower, this may not directly correlate to a decrease in projected SFPUC purchases, as the Regional Water System remains the most reliable supply of water for the member agencies. Once the demand projections are complete, BAWSCA will gather information from each agency regarding their plans to meet total demand by source, such as SFPUC purchases, groundwater, and recycled water.

The next task in the project is alternative scenario development. This will allow agencies and external stakeholders to evaluate how different future conditions could impact water demand. External stakeholders met on September 3rd to discuss their proposed future scenario. The member agencies will meet on October 2nd to develop their own future scenarios for evaluation.

The 2025 Demand Study is scheduled to be completed in December. Following its completion, BAWSCA will present the final report and study results to the Board. The results of the study will be used by the member agencies and the SFPUC to inform their Urban Water Management Plans and other long-term planning documents.

Strategy 2050 Update:

BAWSCA is making steady progress on its Long-Term Reliable Water Supply Strategy (Strategy 2050), which will continue through January 2027. As part of this initiative, staff has been providing regular updates to the Water Management Representatives (WMRs) on progress across multiple tasks. On September 4, 2025, BAWSCA presented its latest work under Task 5: Document Water Affordability Challenges and Opportunities. Input from the WMRs was collected, refinements were made based on their feedback, and the results of this analysis will be presented to the Board at its November 20th meeting. This effort reflects a key milestone in aligning regional perspectives on affordability with long-term water reliability planning.

Other components of Strategy 2050 are also moving forward, with the overall objective of identifying regional water supply management needs and opportunities while developing a framework to enhance long-term reliability and resilience. Achieving this vision will require ongoing engagement with WMRs, the Board, and external stakeholders to ensure that BAWSCA is positioned to meet the region's water challenges for decades to come.

CalWEP Partnership:

In August of 2025, BAWSCA entered into a funding agreement with the California Water Efficiency Partnership (CalWEP), a nonprofit organization. The Agreement formalized BAWSCA's contribution of \$15,000 toward CalWEP's Non-Functional Turf (NFT) Toolkit project. Other California water agencies have also provided funding to go toward this effort. The NFT Toolkit project will develop outreach materials, model ordinances, and agency resources to assist in the implementation of California Assembly Bill 1572, which with its passage eliminates the use of potable water as an allowable source of irrigation for NFT.

As a funding partner, BAWSCA may share the final NFT Toolkit materials in their entirety with BAWSCA Agencies, regardless of whether or not those agencies are CalWEP members. NFT Toolkit materials, when developed, will be distributed digitally as well as in print for use in implementation and outreach efforts.

CalWEP's NFT Toolkit development effort has commenced, with anticipated completion in late Fall 2025. A draft of key materials will be made available to funding partners, including BAWSCA, for preview and optional feedback prior to final publication.

Local Watershed Tour of SFPUC CIP Projects:

On September 11th, the SFPUC conducted a tour of their Capital Improvement Plan (CIP) projects in construction in the Alameda County portion of the local watershed. Tour participants were limited to BAWSCA staff and the consultant that supports BAWSCA's oversight of the SFPUC's CIP. Tour stops included the Sunol Valley Water Treatment Plant, where considerable work is underway to incorporate ozone treatment into their existing facility operations. Other stops included San Antonio Reservoir, which have proposed spillway upgrades in the coming years. This tour gave BAWSCA and our consultant the opportunity to visit existing and future work sites as well as meet face-to-face with the SFPUC staff assigned to lead these construction efforts.

ACWA Region 5 - Exploring SFPUC's Water Infrastructure & Fire Resilience:

ACWA Region 5 and the San Francisco Public Utilities Commission (SFPUC) will provide an inside look at the essential water systems that sustain and safeguard San Francisco.

This two-day event kicks off with a networking reception on Thursday, September 25, followed by a full program on Friday, September 26, featuring:

- Insights into SFPUC's role in climate resilience, sustainability, and water innovation, from drinking water to wastewater management.
- A deep dive into SFPUC's auxiliary fire suppression system, including how it works, its history, and the costs of maintaining critical infrastructure.
- Opportunities to connect with experts and peers shaping the future of water in the region.
- Stay tuned for additional details.

To register for the event, [Click Here](#).

If your home agency is not a member of ACWA, you may register under BAWSCA as a member of the BAWSCA Board. You will need to create an account if this is your first time on the ACWA site.

Urban Water Institute Conference:

The Urban Water Institute (UWI) held its Annual Conference in San Diego on August 20th through the 22nd. Tom Francis, BAWSCA's Water Resources Manager, attended the conference. Mr. Francis serves on UWI's Board of Directors. The conference included presentations on matters of interest to BAWSCA, such as cyber security, wildfire preparedness and the impacts of wildfire on water systems, the importance of collaboration as it relates to the development of new and alternative water supplies, and other matters of relevance. The conference was attended by approximately 200 representatives from various California water agencies, both elected officials and agency managers.

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Board of Directors

Policy Calendar Through May 2026

Meeting Date	Purpose	Issue or Topic
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 until new Tier 2 Plan achieves unanimous adoption by member agencies BAWSCA's Strategy 2050 2025 Demand Study Update Review of Water Supply Forecast
January 2026	D&A D&A D&A R&D R R&D	Mid Year Work Plan, Budget and General Reserve Review Proposed FY 2026-27 Bond Surcharges Review and Approve Potential Additional Discretionary Pension Payment BAWSCA's Strategy 2050 Review of Water Supply Forecast FY 2026-27 Work Plan and Budget Study Session
March 2026	R&D R	Presentation of Preliminary FY 2026-27 Work Plan Review of 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 December 2026

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
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
Thursday – July 16, 2026	TBD
Thursday – September 17, 2026	TBD
Thursday – November 19, 2026	TBD

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 – 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
Wednesday – June 10, 2026	Burlingame Community Center – Sequoia Room B
Wednesday – August 12, 2026	TBD
Wednesday – October 14, 2026	TBD
Wednesday – December 9, 2026	TBD