

BAWSCA

Bay Area Water Supply & Conservation Agency

December 10, 2025
1:30 p.m.

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

One (1) member of the Committee will participate in this meeting by teleconference at the following location, Presidio Golf and Concordia Club, 8 Presidio Terrace, San Francisco, CA 94118. When any member(s) of the committee participates by teleconference, all votes taken at this meeting will be by roll call vote.

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AGENDA - REVISED

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page#</u>
1. <u>Call To Order, and Roll Call</u> Roster of Committee Members (<i>Attachment</i>)	(Hardy)	<i>Pg 3</i>
2. <u>Comments by Chair</u>	(Hardy)	
3. <u>Consent Calendar</u> A. Approval of Minutes from the October 8, 2025 meeting (<i>Attachment</i>)	(Hardy)	<i>Pg 5</i>
4. <u>Public Comment</u> <i>Members of the public may address the committee on any issues not listed on the agenda that are within the purview of the committee. Comments on matters that are listed on the agenda may be made at the time the committee is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	(Hardy)	
5. <u>Action Calendar</u> A. Proposed Fiscal Year 2026-27 Bond Surcharges (<i>Attachment</i>) <u>Issue:</u> How much will the bond surcharges be for FY 2026-27? <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> That the Committee recommend Board approval of the proposed FY 2026-27 bond surcharges as presented in the staff memorandum.	(Tang)	<i>Pg 19</i>
6. <u>Reports and Discussions</u> A. 2025 Regional Water Demand and Conservation Study (<i>Attachment</i>) <u>Issue:</u> What are the current findings of the 2025 Regional Water Demand and Conservation Study (2025 Demand Study)? <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> Comments and feedback.	(McPherson)	<i>Pg 25</i>

Pg 37

- B. Mid-Year 2025-26 Work Plan, Budget and General Reserve Review (Smegal)
Issue: What is the status of activities in the FY 2025-26 Work Plan efforts and what resources are needed to ensure reliable supply of high-quality water at a fair price?
Information to Committee: Staff memo and oral report.
Committee Action Requested: Comments and feedback.

- C. Potential Additional One-Time Payment to CalPERS to Reduce BAWSCA's Unfunded Pension Liability (Attachment) (Tang) Pg 51
Issue: As a follow up to BPC discussions in FY 2024-25, would it be appropriate to consider making a one-time additional contribution to CalPERS to pay down the unfunded pension liability at this time?
Information to Committee: Staff memo and oral report
Committee Action Requested: Comments and feedback.

7. **CEO Reports** (Smegal)

- A. Review of FY 2026-27 Work Plan and Operating Budget Preparation Process
B. Water Supply Conditions
C. Bay Delta Plan/FERC Update
D. CEO's Letter (*Attachment*) Pg 55
E. Board Policy Committee Calendar (*Attachment*) Pg 57
F. Correspondence Packet ([Under Separate Cover](#))

8. **Closed Session** (Schutte)

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

9. **Report from Closed Session** (Schutte)

10. **Comments by Committee Members** (Hardy)

11. **Adjournment to the Next Meeting** (Hardy)

February 11, 2026 at 1:30pm

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE

2025 Committee Roster:

Karen Hardy, City of Santa Clara (Chair)
Leslie Marden Ragsdale, Hillsborough (Vice Chair)
Thomas Chambers, Westborough Water District (BAWSCA Chair)
Darin Duncan, California Water Service Company
Barbara Pierce, City of Redwood City
Ann Schneider, City of Millbrae
Peter Stevenson, City of Burlingame
Louis Vella, Mid-Peninsula Water District (BAWSCA Vice Chair)
Tom Zigterman, Stanford University

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD POLICY COMMITTEE
October 8, 2025 – 1:30 p.m.

MINUTES

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:32pm. CEO/General Manager Tom Smegal called the roll. Six members (6) of the Committee were present at roll call. Two members arrived after roll-call. A list of Committee members who were present (8) 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 members of the Committee for their service. The Board Policy Committee was formed to carry the functions of advising the General Manager and making recommendations to the Board on matters of policy. Its composition fully reflects that of the board, therefore the Committee's dialogue and deliberations facilitate discussions and inform decisions by BAWSCA's Board of 26 members.

Closed Session will be removed from the agenda as there are no new information that requires it.

Committee members were reminded to speak into the mics to ensure sound quality on the recording and livestream.

3. **Consent Calendar:**

Director Vella made a motion, seconded by Director Zigterman, that the Committee approve the Minutes of the June 11, 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:** There were no comments from members of the public.

5. **Action Calendar:**

- A. Adoption of Resolution #2025-02 – Approving the Extension of the 2021 Amended and Restated Tier 2 Drought Response Implementation Plan: Senior Water Resources Specialist, Danielle McPherson, presented the item to the Committee.

Ms. McPherson reiterated that system wide water supply shortages of 20% or less in the Regional Water System (RWS) due to drought are governed by two plans; Tier 1 Plan and Tier 2 Plan. The Tier 1 Plan is the method of allocating water from the RWS between San Francisco's retail customers and the wholesale customers collectively. The Tier 2 Plan is the method for allocating RWS water supply among the wholesale customers. The Water Supply Agreement (WSA) provides that the SFPUC will honor

water supply allocations, set forth in the Tier 2 Plan, among the wholesale customers provided by BAWSCA or unanimously agreed to by the wholesale customers.

The wholesale customers negotiated an update to the Tier 2 Plan between January 2022 and June 2024, which included an amendment to the WSA. The updated Tier 2 Plan goes into affect once it is unanimously adopted by all twenty-six wholesale customers. Currently, twenty-five wholesale customers have adopted the new Tier 2 Plan and WSA Amendment.

The existing Tier 2 Plan expires on December 31, 2025. While BAWSCA believes that there will be unanimous approval by the wholesale customers before the expiration date, BAWSCA staff recommends that the Board extend the existing Tier 2 Plan through December 31, 2026 to ensure a plan is in place. The Committee is asked to make a recommendation to the Board to adopt Resolution #2025-02 extending the term of the 2021 Amended and Restated Tier 2 Plan through December 31, 2026, or until all Wholesale Customers' governing bodies adopt the updated Tier 2 Plan.

In response to Director Hardy's question about the provisions of the Tier 1 and Tier 2 Plans' implementation processes, Ms. McPherson explained that Tier 1 and Tier 2 are implemented at the same time when there is a systemwide shortage of 20% or less. The Tier 1 and Tier 2 Plans have only been implemented once during the 2021-2023 drought period.

Director Zigterman asked why the extension is for 12 months, and whether there is an option for a shorter period of time.

In addition to following past practice of extending for 12-months with a clause that states that the updated Tier 2 Plan will supersede the existing plan when unanimously adopted, Mr. Smegal explained that he prefers not to set a specific timeline should unanimous adoption is not achieved before December 31st.

Director Ragsdale expressed her gratitude to the BAWSCA team's efforts and diligence with the member agencies during the negotiation process.

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

Director Ragsdale made a motion, seconded by Director Pierce, that the Committee recommend that the Board adopt Resolution #2025-02 extending the term of the 2021 Amended and Restated Tier 2 Plan through December 31, 2026, or until all Wholesale Customers' governing bodies adopt an updated Tier 2 Plan.

The motion passed unanimously by roll call vote.

- B. Annual Review and Consideration of BAWSCA's Statement of Investment Policy:
Finance Manager, Christina Tang presented the item to the Committee.

BAWSCA's Investment Policy requires the Board's annual review of the Statement of Investment Policy (Policy). The Policy's primary objectives are Safety, Liquidity, and Yield, in that particular order.

The Policy was last reviewed in November 2024, and no changes were made.

Ms. Tang noted that unlike most agencies whose investment policies only govern their general agency funds and not their bond funds, BAWSCA's investment policy applies to all funds and investment activities under the direction of the agency.

Based on the current review, BAWSCA's current permitted investment instruments reflect the agency's circumstances and primary investment objectives. BAWSCA's agency funds are currently invested in LAIF, and bond funds are invested in accordance with the Bond Indenture and the agency's Investment Policy. Legal Counsel has confirmed that the language in BAWSCA's Statement of Investment Policy reflects the language consistent with the current State law, therefore, no changes to the policy are recommended.

Ms. Tang provided an overview of BAWSCA's investment strategy for the stabilization fund. Among all the funds deposited at Bank of New York Mellon Trust Company (Trustee), there is a bucket of funds referred to as Stabilization Fund. The Stabilization fund serves as a reserve for debt service payments should there be a shortfall in the surcharge collection from member agencies. While the investment strategy of the Stabilization Fund is not part of BAWSCA's Investment Policy, BAWSCA evaluates it every year along with the review of the Policy.

Ms. Tang was pleased to report that BAWSCA's long-term portfolio strategy is performing well. It continues to provide important yield curve diversification against both market price and reinvestment rate risks. As of October 1st, the total funds held by the Trustee are \$18.4M, with \$5.7M bond surcharges invested in money market fund, and \$12.7M stabilization fund invested in US Treasury Securities. Based on the recent evaluation, the current 0-5 year ladder maturity investment strategy continues to be appropriate for BAWSCA.

Ms. Tang further explained the current investment portfolio maturity distribution for the Stabilization Fund as of October 1, 2025. The funds are programmed to have approximately 10% invested in 6-month intervals to coincide with BAWSCA's debt service payments scheduled for the next 5 years. As the rate falls, funds are invested in the securities in a declining rate environment, however, the remaining portfolio that were previously purchased has higher locked-in rates available. As the rates increase, maturing proceeds will be reinvested programmatically into the higher interest rate environment. That is the benefit of having the current ladder maturity structure in place.

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

Director Schnieder made a motion, seconded by Director Vella, that the Committee recommend Board re-affirmation of the current Statement of Investment Policy.

The motion passed unanimously by roll call vote.

6. Report and Discussion:

- A. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 – Affordability Assessment: Sr. Water Resources Engineer, Negin Ashoori, presented this item.

BAWSCA recognizes the importance of affordability as planning scenarios and decisions are considered for the development of Strategy 2050.

Dr. Ashoori stated that the goals for the informational report are to:

1. Share the findings from the analysis done on the affordability of water for typical and low-income customers in the region. In the analysis, “affordability” is defined as the concept that water bills should not be a burden on households, allowing them to meet other basic needs such as food, housing and healthcare;
2. Provide context on water affordability to inform decisions for developing Strategy 2050, particularly as projects and actions are considered;
3. Seek input from the Committee on what questions members have about the analysis and methodology, how does the performed analysis compare with committee members’ understanding of water affordability conditions in their service area, and what changes, if any, would members suggest for the memo and presentation to the full Board in November.

Purpose:

The affordability analysis was done because one of the key objectives of Strategy 2050 is to support availability of affordable water supplies and demand management strategies to all customers within the BAWSCA region.

Goal:

The goal of the analysis was to establish a broad understanding of water affordability for both the average and underserved BAWSCA member agency single family residential households, and to inform Strategy 2050 decisions on both balancing reliability investments with affordability needs.

Method:

To understand what “affordability” looks like in the BAWSCA region, four key questions were used in the affordability analysis:

1. How affordable is average water use for the typical household in the BAWSCA region?
2. How affordable is basic water service for low-income households?
“Basic” is defined as minimal expense for daily water use of 55 gallons per capita per day (gpcd). The water cost is calculated per household size and per an agency’s water rate.

3. How have water costs changed relative to income growth and other essential household expenses over the past decade?
4. What is the extent of water affordability challenges in the BAWSCA region?
Information data was gathered through a survey distributed to member agencies.

BAWSCA calculated an affordability indicator, which represents the percentage of household income spent on a water bill. As do most affordability assessments, BAWSCA looked at the average single-family household water bill and the median household income (MHI) to define a “typical” customer. BAWSCA went further to look at a second scenario that best represents a low-income customer by looking at a basic-needs water bill (basic is defined as 55 gpcd), and the lowest quintile income (LQI), in the 20th percentile, in a single-family household. Water cost was calculated per household size and per agency’s water rate.

The affordability indicator is then compared to an affordability threshold, which is a target percentage of income for a customer water bill. BAWSCA’s analysis used the State Water Board Affordability thresholds as follows:

Affordability Concern	Affordability Threshold (% of income spent on water bill)
Affordable	<1.5%
Potentially Unaffordable	1.5% - 2.5%
Likely Unaffordable	>2.5%

Source: SWRCB 2023 Drinking Water Needs Assessment

Dr. Ashoori walked through the methodology to calculate the affordability indicators for both the typical and low-income households in the BAWSCA region. BAWSCA looked at each individual census block group with consideration of the maximum household income and the minimum household income. This was done for each census block, each of which had different populations, number of people in the households, and varying 20th percentile. To ensure the analysis gathered the most granular data available for the BAWSCA region, the calculation was done 1,941 times to cover all the census blocks within the BAWSCA service area. The results were aggregated for the BAWSCA region to define affordability in the service area.

Results show that the average water bill is **likely unaffordable** for 1% of typical income households, which means that for 1% of median households, an average water bill is more than 2.5% of their household income. The average water bill is **potentially unaffordable** for 3.4% of typical income households, or 3.4% of median households spend equal to or more than 1.5% of their income on the average water bill.

For low-income households at the lowest quintile income, in the 20th percentile, the basic-needs water bill is **likely unaffordable** for 8.7% of low-income households, which means that about 8.7% of the lowest quintile households use more than 2.5%

of their household income to pay their water bill. Lastly, the basic-needs water bill is **potentially unaffordable** for 25.7% of low-income households, or 25.7% of low-income households use more than 1.5% of their income to pay their water bill.

Results from the analysis show a baseline knowledge of what affordability looks like in the BAWSCA region. It provides information as BAWSCA looks at the various projects and actions that may come out of Strategy 2050 including the potential cost impacts projects may have on both the typical and low-income households in the BAWSCA region.

In looking at how water costs have changed in comparison to other essential household expenses over the past decade, the objective was to assess whether water remains affordable relative to median household income and other essential expenditures such as electricity, natural gas, food, healthcare, housing and transportation. Data were obtained from several sources including BAWSCA's annual survey for water rate and water use, Bureau of Labor Statistics Consumer Price Index for trends in household expenses such as food, housing, transportation and healthcare, Pacific Gas and Electric Company to capture energy costs, and the Federal Reserve Economic Data for the median household income in San Mateo, Santa Clara and Alameda counties.

With the data, average monthly household spending patterns in the Bay Area in FY 2013-14 were compared with that of FY 2023-24. The overall result of the analysis illustrates that, in a broader context of spending, water remains one of the most affordable essential services for the average household in the BAWSCA region, at about 1% of the average household budget in both fiscal years.

In comparing the average water bill with water rates to see how they have changed over time in the BAWSCA region, results show that while water rates have increased by about 72% since FY 2013-14, the average household water bill has only increased by about 35%. The results indicate how households are using less water because even though the price per unit of water has increased, customers have been able to offset the price increase through water use efficiency.

Finally, BAWSCA surveyed the member agencies to understand their current affordability-related programs and practices in their service area. Survey responses show that many agencies offer customer assistance that focus on bill management as opposed to direct rate reduction. The most common affordability programs include payment plans and arrearage forgiveness for 29% of the agencies, and flexible payment options such as extending due dates for 26% of the agencies.

A consistent theme received from the agencies is that Proposition 218 is the most significant challenge agencies face in implementing and administering affordability programs due to its limitations on how rates can be structured. The limitations make it difficult for agencies to design affordability programs that provide direct rate relief.

Takeaways:

- Water bills generally appear to be broadly affordable for the typical single-family water customers and for most low-income customers across the BAWSCA region.
- BAWSCA will bear in mind the households that pay over 2.5% of their income for water as it moves forward with Strategy 2050 and the programs being considered.
- Overall, income has risen at a faster rate than water costs in the region, and water bill increases are slower than water rate increases due to increased customer water use efficiencies.

Next steps:

Two key tasks include evaluating the impacts of potential Strategy 2050 investments on affordability and highlighting approaches that other water agencies have used to support water affordability.

Dr. Ashoori opened the floor for committee feedback, particularly on how the analysis compare with committee members' understanding of water affordability conditions in their home agencies, and what suggestions they have for how the findings should be presented to the full Board in November.

Discussions:

Feedback from members of the Committee was received by going around the room.

Director Schneider noted that averaging can be vague given that member agencies have various ranges of socio-economics. In addition to unconsolidated data, she would be interested in seeing data on water bills for the household income levels living in single-family townhomes and apartments that have very little or no yards. She noted additional factors worthy of consideration are the senior and disabled population who truly have a forever fixed income in addition to looking at low-income that pertains to those experiencing hardship; fire risk components; and cost impacts to cities due to blight in certain socio-economic areas.

Director Duncan asked what the goal is for affordability in the region, and in terms of the increasing gap between water rates and water bills due to declining use, he was curious if there is explanation to shifting more of that water price to the higher users.

Director Chambers pointed out that if the median household income is taken from each of the 1900 census block, and the data averaging is done within each census block, then the averaging should be representative. Secondly, cities and water districts have fixed costs to operate their respective systems. Rate increases are relative to revenue needed to support infrastructure maintenance and improvements. A way to decrease rates might be to postpone local capital improvement projects and let population growth increase revenue. And on a regional basis, member agencies can affect SFPUC water rates by postponing alternative water supply

projects, but maintaining the SFPUC's contractual obligation to provide 184mgd to the wholesale customers.

Director Vella pointed out that while water bills remain at 1% of household expenses in FY 2013-14 and FY 2023-24, it has almost doubled from approximately \$70/month in FY 2013-14 to \$120/month in FY 2023-24 given the increase in median monthly household income from \$7,084 to \$11,800 within the same time-period.

While he is pleased with the efforts of the study and with the information it provides, he questions if the goal of the analysis is to solve the issue of affordability for every single household and every single category. Should BAWSCA delve into the income and expense practices of water customers while knowing that people are willing to spend money on bottled water over drinking water from the tap that they already pay for? Should the study go into the intricacies of human behavior? How much should member agencies push water customers towards water use efficiency and still generate the revenue needed to pay for the fixed costs of maintaining the system? The infrastructure needs to exist, it will age, and upgrades will be necessary. At some point, we need water use to generate the revenue required to maintain a system that is reliable.

Director Ragsdale appreciated the report as affordability is an important topic on everyone's minds. She was interested if a survey of local Community-Based Organizations that provide payment assistance to qualifying people could be done to find other creative ways that can be considered to assist households in the lowest quintile without impacting fellow water bill payers.

Something to consider when the analysis is presented to the Board would be to differentiate between passive income, fixed income and current income. There can be someone who is retired with adequate savings versus someone who is retired with no savings. Would there be a way to account for those differences?

Director Zigterman appreciates the study because he sees the efforts as social justice. It is a sensitive and difficult topic, and BAWSCA would be remiss if these issues are not discussed. He understands how the basis can be questioned, but he believes that the important role BAWSCA has in this effort is to facilitate collective thinking among the member agencies to develop a policy that is agreed upon and provides methods of making water affordable for all customers. Because each agency will have their own unique challenges and their own appropriate practices, BAWSCA will not be able to prescribe specific steps, but the point is qualitative.

It would be helpful to have data on the percent of water use that accounts for the water used by households that fall in the unaffordable category. The percentage can provide water managers data to offset water use in that category with water savings achieved by reducing water leaks or outdoor water use by customers that fall in the affordable category.

He believes that instead of fine tuning the data, efforts moving forward should focus on exploring ways around practices and policies to develop guidelines that achieve

unanimity among the agencies that making water affordable for all customers is the right thing to do.

Director Pierce stated that affordability is a tricky concept for the BAWSCA Region, and noted that while water can be made more affordable, the usage may not change because other household expenses are unaffordable. She would like the results of the analysis be used to inform Board decisions on Strategy 2050 projects and actions that give the biggest bang for the buck, provide the most impact for the water users, and resolve water supply issues to set the BAWSCA region for success. Finding ways to address unaffordability can perhaps be by other means. She noted caution on setting expectations, and re-iterated that BAWSCA's mission is to ensure reliable high-quality water at a fair price. She would support making investments to ensure there is water when and where it's needed. She liked Director Zigterman's idea of exploring ways to establish agreed upon methodologies for maintaining affordability by offsetting water use with potential savings.

Legal Counsel, Allison Schutte, noted that there was more discussion on various options to address unaffordability during the analysis, and explained that Prop 218, a voter initiative, makes it challenging for many jurisdictions to do the kinds of things that, perhaps, Cal Water can do as a public utility. There are limitations and risks in taking on different kinds of programs, and BAWSCA cannot be in a position to make recommendations. However, there are discussions among the Water Management Representatives about options.

Ms. Schutte further explained that while there are some elements of prop 218 that can be adjusted through legislation, the fundamentals can only be changed by another voter initiative. There are elected officials that are unhappy with the tools available under the law which may spur some changes in the future, but for now, the easiest subsidization schemes would be risky and scrutinized by certain rate payer advocates in the community.

Additional comments were provided by members of the Committee.

For clarification, Director Chambers noted that with the assumption of 55 gpcd minimum usage to calculate water bills across the region, for his agency, which has high rates and an average water use of 40 gpcd, the calculation would increase his agency's water bills by 20%

Dr. Ashoori explained that for the 9 agencies with water use below the 55 gpcd, the actual water usage data was used in the analysis.

Director Zigterman expanded on his earlier comment, and suggested the concept of setting a goal of not allowing unaffordability to increase, or reducing unaffordability by "x" amount by 2050. With that goal, look at ways to achieve it. For example, the cost of preserving system reliability by cities and districts in the peninsula is a big part of the water rates due to the aging system. In balancing the renewal to preserve reliability of the water system, think about pacing the renewal costs in ways that consider and are sensitive to the affordability consequence. Projects that reduce water waste could be an impactful way of increasing affordability. Additionally, in

looking at alternative water supply projects, avoid or postpone the most expensive ones in ways to prevent the fast pace increase of water rates and help preserve affordability. These kinds of approach make sense for BAWSCA to consider as a general form of policy method for the member agencies.

Director Ragsdale added that Water Management Representatives can share their agencies' best management practices and coordinate efforts that can lead to finding opportunities and ideas to maintain affordability.

Director Hardy appreciated committee members' comments and noted the importance of being thoughtful and aware of actions and decisions that can lead to unintended consequences. Infrastructure maintenance is a basic necessity because the water and sewer system is what supports today's modern living. She noted that water and sewer outage is an emergency, and while increasing rates are a concern, supply is of greater concern because without supply, rates would not matter.

While expensive, alternative water supply is important, particularly efforts with purification of reclaimed water that provides cleaner water than water from underground aquifers as it is. It supports water reliability that is less expensive than converting Bay water to potable water (desalination).

In looking at the pie chart for the 10-year trend on household expenses, she noted that the category of "other" increased by 11% while housing, food, healthcare and transportation decreased. She suspects that it includes cell phones which are expensive initially as well as it is monthly. But it is an absolute necessity in all population including the low-income category to function, stay connected, and apply for jobs.

With Prop 218, Santa Clara's power company put together a program, that is separate from the rate-payers, called "Help your Neighbor" which assists residents with utility bills. Because it is not tied with the rate-payers, it is not subject to Prop 218 and allows people and organizations to make donations to help residents in the lowest quintile.

In support of Director Zigterman's comments on pacing alternative water supply projects to preserve affordability, and Director Hardy's comments on water purification, Director Schneider suggested prioritization of projects to "short", "medium" and "long-term".

Director Chambers added, that to Director Zigterman's point of setting a goal for affordability, it needs to be set up by each agency because each agency has different capital improvement programs and various fixed costs. He asked if data by agency can be shared with the Board for better understanding.

Director Duncan asked if BAWSCA's analysis should factor in waste-water rates since the EPA's affordability included combined waste water and water rates.

Dr. Ashoori stated that the next steps to the analysis will look at waste water rates for representative agencies, which will have a different threshold percentage.

In response to some of the comments received from members of the Committee, Dr. Ashoori noted that BAWSCA and EKI wanted to include granular data in the analysis including multi-family, but that information from the census data is not available. With regards to the “other” category in the monthly household expenses comparison, the category includes expenses outside of the analysis including cell phones, childcare, entertainment, etc.

Director Schneider asked if a model can be developed that compares water usage from a typical 2-bdrm apartment to a 2-bdrm single-family, to calculate the percentage of water use for landscape. She highlighted that multiple family dwellings are different than single family dwellings.

CEO Smegal pointed out that results of the analysis serves as an indicator to help identify trends in the service area. It is one data point that can be referenced to inform the evaluation of projects and actions being considered for Strategy 2050. With legal counsel, BAWSCA will look at agencies’ BMPs and efforts that have worked well under Prop 218.

7. CEO Reports:

- A. New Tier 2 Plan and WSA Amendment Adoption Process: Mr. Smegal was pleased to report that 25 of 26 member agencies’ governing bodies have adopted the New Tier 2 Plan and WSA Amendment, representing 89% of the water supply purchases. BAWSCA will continue to be available to assist in the process of the final agency adoption.
- B. Water Supply Conditions: Mr. Smegal highlighted that there was measurable precipitation in both the Bay Area 7-station and Upcountry 6-station which puts a good start to the new water year. Based on statistics, he continued to caution against the expectations for a 4th year of a very unique three average-to-above-average wet years in a row. But a 4th year, if possible, is welcome. Regional water system deliveries are consistent with past years’.
- C. Bay Delta Plan and FERC Update: On September 19, 2025, the State Water Resources Control Board (State Board) released its Draft Scientific Basis Reort for the Tuolumne River. As stated in a statement released on September 26th, BAWSCA is pleased that the State Board has taken this step to advance the consideration of the Healthy Rivers and Landscape Plan for the Tuolumne River.

The report is a dense technical document that is over 500 pages with appendices and with not much conclusory statements. BAWSCA is currently evaluating the contents of the document, and will likely provide written or verbal comments at the workshop on November 5th, or by the comment deadline of November 7th.

On September 16, 2025 the State Board rescinded its draft Staff Report/Substitute Environmental Document for Phase 2 of the Bay Delta Plan which involves the Sacramento and the Bay Delta itself. The State Board pulled the report to make updates and plans to release it in December 2025 for public review and comments. Public hearings and comment periods scheduled for that document has been postponed until further notice.

Modesto Irrigation District (MID) and Turlock Irrigation District (TID) withdrew their application for a Water Quality Certification (WQC) with the State Board for the FERC re-licensing of the New Don Pedro and La Grange Hydrologic Projects. Based on the comments they received on the Initial Study/Mitigated Negative Declaration, the districts felt that they will not have enough time to complete the CEQA review within the CWA one-year statutory timeframe. MID and TID intends to file a new WQC application with the State Board within the next several months with confidence to complete the CWA statutory timeline for the CEQA process.

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

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

10. **Comments by Committee Members:**

Director Hardy commented that given the good start to the water year, she noted the region's dependence on weather and the importance of long-term planning in advancement of the region's resources.

Director Ragsdale announced that a relatively newly formed California Association of Youth Commissions will be having two (2) free events, specifically a virtual conference on November 15th 2025 and an in-person event in March 2026. Topics are currently being developed. It is a very strong group of youth, in which many are environmentally inclined, that put on their first very successful event last year. Commission membership is not necessary to attend the events, as long as they are interested and within the group's age category.

Director Schneider praised BAWSCA's work on an informational handout on artificial turf in which the instructor for a landscape class hosted by Burlingame's Environmental Committee talked about for the first 20 minutes.

Director Vella reported that he participated in the Hetch Hetchy tour that BAWSCA coordinates with SFPUC. It is an excellent educational tour that he encourages Board Members, particularly new ones and those who have not participated in the last 5 years, to attend. As the Board discuss droughts, water supply and long-term planning, seeing the facilities and the regional system is helpful.

Additionally, he toured the Silicon Valley Clean Water (SVCW) facility in Redwood City and brought back a bottled water that SVCW is currently working on to emphasize that reclaimed water purification is a technology of the future. He is happy to reach out to his contacts at SVCW for a tour of the facility for the BAWSCA group after the Holidays.

Director Hardy appreciated the information and Director Vella's offer to coordinate a tour for BAWSCA Directors. She added that the Valley Water also has its purified treatment plant off of Zanker Rd. in the South Bay which also produces water bottle samples and offers facility tours virtually and in person. Tour registrations are available online. She is pleased with the efforts and believes that the more people are informed about the technology, the better.

CEO Smegal noted that the December BPC meeting will have a full agenda with reports and discussions on important topics including the 2025 Demand Study, Strategy 2050, Mid-year Budget and Workplan update, and evaluation of additional discretionary pension payment.

Adjournment: The meeting was adjourned at 3:12pm. The next meeting is December 10, 2025

Respectfully submitted,

Thomas Smegal, CEO/General Manager

TS/le

Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Oct. 8, 2025	Aug. 13, 2025	Jun. 11, 2025	Apr. 9, 2025	Feb. 12, 2025	Dec. 11, 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
MPWD	Vella, Lou	✓		✓	✓	✓	✓
Stanford	Zigterman, Tom	✓		✓	✓	✓	✓

✓: present

☎ : Teleconference

October 8, 2025 Meeting Attendance (*In-Person Meeting*)

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		

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Proposed Fiscal Year 2026-27 Bond Surcharges**

Summary:

This memorandum presents the proposed FY 2026-27 bond surcharge for each BAWSCA agency. The surcharge would take effect on July 1, 2026. This surcharge setting conforms to BAWSCA's Revenue Bond Indenture (Indenture) and reflects the savings generated from the settlement of the 2023A bonds to refund the 2013A bonds executed on January 5, 2023.

Recommendation:

That the Committee recommend Board approval of the proposed FY 2026-27 bond surcharges as presented in Table 1 in this memorandum.

Discussion:

The bond surcharge for each BAWSCA agency is typically a fixed annual amount that is adopted each fiscal year by the Board to ensure collection of necessary revenue to pay that year's obligated debt service. The bond surcharges are calculated in total to meet the requirements of the Bond Indenture entered into in connection with the 2013 and 2023 bond transactions to prepay the capital payments that BAWSCA agencies owed to SFPUC under the Water Supply Agreement (WSA) and to refund the 2013A Bonds, respectively.

The annual surcharges for FY 2026-27 reflect the savings from the prepayment program and the refunding transaction in January 2023. The proposed FY 2026-27 bond surcharges are calculated by multiplying the obligated debt service in 2027, minus a credit for excess bond funds, by each agency's percentage of total wholesale customer purchases in FY 2024-25 and adding a "true up" adjustment for the FY 2024-25 surcharges. One-twelfth of the annual surcharge, or the monthly surcharge, will be included in the first water bill sent from San Francisco to the BAWSCA agencies each month. The reason FY 2024-25's purchases are used for the FY 2026-27 surcharge calculations is because they represent the latest annual purchase data available as of today. For the same reason, the FY 2025-26 surcharges were calculated based on the latest annual purchase data available at that time, not FY 2024-25's. The "true up" adjustment is used to reflect each agency's actual percentage of water purchases in FY 2024-25 and to reimburse BAWSCA for some expenses incurred in FY 2024-25 in connection with the bond administration that were paid through BAWSCA's FY 2024-25 Operating Budget.

Per the Indenture, the Stabilization Fund at the Trustee has been reviewed and no replenishment amount is determined necessary at this time.

The proposed FY 2026-27 bond surcharge for each BAWSCA agency is shown in Table 1.

Table 1. Proposed BAWSCA FY2026-27 Bond Surcharges

Agency	Annual Bond Surcharge	Monthly Bond Surcharge	Agency	Annual Bond Surcharge	Monthly Bond Surcharge
Alameda County WD	\$1,535,880	\$127,990	Mid Pen WD	\$377,088	\$31,424
Brisbane Water	\$108,132	\$9,011	Millbrae	\$359,100	\$29,925
Burlingame	\$533,820	\$44,485	Milpitas	\$936,804	\$78,067
Coastside County WD	\$209,004	\$17,417	Mountain View	\$1,388,964	\$115,747
CWS - Bear Gulch	\$1,811,148	\$150,929	North Coast WD	\$486,480	\$40,540
CWS - Mid Peninsula	\$1,937,088	\$161,424	Palo Alto	\$1,593,528	\$132,794
CWS - South SF	\$435,240	\$36,270	Purissima Hills WD	\$273,348	\$22,779
Daly City	\$583,236	\$48,603	Redwood City	\$1,352,556	\$112,713
East Palo Alto WD	\$334,752	\$27,896	San Bruno	\$160,572	\$13,381
Estero Municipal ID	\$646,980	\$53,915	San Jose (North)	\$665,568	\$55,464
Guadalupe Valley	\$23,220	\$1,935	Santa Clara	\$471,084	\$39,257
Hayward	\$2,348,820	\$195,735	Stanford University	\$286,968	\$23,914
Hillsborough	\$411,216	\$34,268	Sunnyvale	\$2,025,288	\$168,774
Menlo Park	\$473,364	\$39,447	Westborough WD	\$102,564	\$8,547
Total				\$21,871,812	\$1,822,651

Background:

In 2013, BAWSCA issued Revenue Bond Series 2013A and Series 2013B 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. The total bonds were issued in par amount of \$335.8 million, including a callable portion of Series 2013A tax-exempt bonds. The bond transaction and the prepayment program resulted in approximately \$62.3 million in net present value savings over the term of the bonds until 2034.

On January 5, 2023, BAWSCA completed the settlement of the 2023A bonds to refund the 2013A bonds based on a tax-exempt forward delivery. The total principal amount of the 2023A bonds issued were \$134.310 million at an all-in true interest rate of 2.06%. This refunding bond transaction will generate approximately \$27.1 million in net present value savings over the term of the bonds, starting in FY 2022-23. The combined net present value savings from recent refunding, along with the savings from the original 2013 bond issuance, will be approximately \$89.4 million to the water customers that BAWSCA represents from 2013 to 2034, or an annual average savings of \$6 million from 2023 to 2034 when the bonds will be paid off.

BAWSCA has been collecting bond surcharges from member agencies since July 2013 through the SFPUC as a separate item on SFPUC's monthly water bills to BAWSCA agencies. FY 2026-27 will be the fourteenth year for BAWSCA to collect the bond surcharge payments that are used to make debt service payments on BAWSCA's revenue bonds.

Calculating the "True Up" Adjustment

The FY 2026-27 bond surcharge setting includes a "true up" adjustment included in the calculation. This "true up" adjustment is used to reflect each agency's actual percentage of water purchases in FY 2024-25 and to reimburse BAWSCA for some expenses incurred in FY 2024-25 in connection with the bond administration that were paid through BAWSCA's FY 2024-25 Operating Budget. Those expenses include the fees to Bank of New York for its Trustee services and the costs of legal, financial advisor, investment advisor, and arbitrage rebate consultant. A "true up" adjustment is anticipated every year as part of the calculation of the Annual Bond Surcharge.

The annual surcharges collected from BAWSCA agencies in FY 2024-25 were calculated by multiplying the obligated debt service in 2025 by each agency's percentage of total wholesale customer purchases in FY 2022-23. FY 2022-23 purchases were used as a surrogate for FY 2024-25 purchases, which were not known when the FY 2024-25 bond surcharges were adopted.

Now that the actual wholesale customer purchases for FY 2024-25 and the actual expenses incurred in FY 2024-25 in connection with the bond administration are available, the actual surcharges for FY 2024-25 are calculated again by multiplying a sum of the obligated debt service in 2025 and the actual expenses incurred in FY 2024-25 by each agency's percentage of total wholesale customer purchases in FY 2024-25.

The difference between the surcharges that were actually collected in FY 2024-25, which were based on the surrogate purchase values, and the actual surcharges for FY 2024-25, which are based on actual FY 2024-25 purchases, are one component of the "true up" adjustments to be included in the annual surcharge setting for FY 2026-27. The second component of the "true up" adjustment is the inclusion of \$37,376 of actual expenses incurred by BAWSCA in FY 2024-25 in connection with the bond administration, which represents less than 0.2% of the annual debt service of the bonds in 2027. In addition, pursuant to the Prepayment and Collection Agreement between BAWSCA and San Francisco, BAWSCA shall reimburse San Francisco for specific expenses incurred for compliance with tax-exempt regulations. A "true up" adjustment for FY 2026-27 will be included in the surcharge setting for FY 2028-29.

Table 2 shows how the "true up" adjustment for each BAWSCA agency is determined and included in the proposed FY 2026-27 surcharge amount. Table 3 indicates how much the capital recovery payment cost would have been in FY 2024-25 (column A) if BAWSCA didn't issue the bonds to prepay the capital debt that the agencies owed to San Francisco. The actual savings to each agency in FY 2024-25 (column E) from both the original 2013 prepayment and the 2023 refunding are calculated accordingly.

**Table 2. Impact of FY 2024-25 True-up Adjustment on
FY 2026-27 Proposed Surcharges**

Agency	FY 2024-25			FY 2026-27	
	Surcharge Collected (Based on FY 2022-23 Purchase)	Surcharge Obligation (Based on FY 2024-25 Purchase)	Difference: True-up Amount	Surcharge To Be Collected (Based on FY 2024-25 Purchase)	Proposed Surcharge Incl. True-up Amount for FY 2024-25
Alameda County WD	\$1,917,862	\$1,731,235	(\$186,627)	\$1,722,513	\$1,535,880
Brisbane Water	\$70,873	\$89,730	\$18,858	\$89,278	\$108,132
Burlingame	\$601,752	\$569,222	(\$32,530)	\$566,354	\$533,820
Coastside County WD	\$138,591	\$174,234	\$35,643	\$173,356	\$209,004
CWS - Bear Gulch	\$1,761,726	\$1,790,947	\$29,221	\$1,781,924	\$1,811,148
CWS - Mid Peninsula	\$2,079,148	\$2,013,191	(\$65,957)	\$2,003,049	\$1,937,088
CWS - South SF	\$1,031,494	\$735,216	(\$296,278)	\$731,512	\$435,240
Daly City	\$587,845	\$587,018	(\$827)	\$584,061	\$583,236
East Palo Alto WD	\$255,271	\$295,757	\$40,486	\$294,267	\$334,752
Estero Municipal ID	\$650,165	\$650,209	\$44	\$646,933	\$646,980
Guadalupe Valley	\$28,211	\$25,783	(\$2,428)	\$25,653	\$23,220
Hayward	\$2,328,456	\$2,344,544	\$16,088	\$2,332,732	\$2,348,820
Hillsborough	\$382,014	\$397,618	\$15,604	\$395,615	\$411,216
Menlo Park	\$459,001	\$467,357	\$8,356	\$465,002	\$473,364
Mid Pen WD	\$425,143	\$402,127	(\$23,016)	\$400,101	\$377,088
Millbrae	\$261,519	\$311,091	\$49,572	\$309,524	\$359,100
Milpitas	\$831,245	\$886,254	\$55,010	\$881,789	\$936,804
Mountain View	\$1,246,210	\$1,320,917	\$74,706	\$1,314,262	\$1,388,964
North Coast WD	\$375,051	\$431,851	\$56,800	\$429,676	\$486,480
Palo Alto	\$1,595,746	\$1,598,665	\$2,919	\$1,590,611	\$1,593,528
Purissima Hills WD	\$244,670	\$259,664	\$14,995	\$258,356	\$273,348
Redwood City	\$1,334,797	\$1,347,070	\$12,274	\$1,340,284	\$1,352,556
San Bruno	\$193,193	\$177,328	(\$15,865)	\$176,435	\$160,572
San Jose (North)	\$701,509	\$685,264	(\$16,245)	\$681,811	\$665,568
Santa Clara	\$524,327	\$498,964	(\$25,363)	\$496,450	\$471,084
Stanford University	\$256,369	\$272,354	\$15,985	\$270,982	\$286,968
Sunnyvale	\$1,496,551	\$1,765,369	\$268,818	\$1,756,475	\$2,025,288
Westborough WD	\$128,881	\$116,016	(\$12,865)	\$115,431	\$102,564
Totals	\$21,907,621	\$21,944,998	\$37,376	\$21,834,437	\$21,871,812

**Table 3. Actual Savings to Each Agency for FY 2024-25 Resulting from
BAWSCA 2013 and 2023 Bond Issuance**

Agency	SFPUC Capital Recovery Payment*	Annual Surcharge Collected in FY 2024-25	True-ups To Be Collected or Refunded in FY 2026-27	BAWSCA Annual Surcharge Plus True-ups	Actual Savings
	A	B	C	D = B + C	E = A - D
Alameda County WD	\$2,224,691	\$1,917,862	(\$186,627)	\$1,731,235	\$493,456
Brisbane Water	\$115,306	\$70,873	\$18,858	\$89,730	\$25,576
Burlingame	\$731,468	\$601,752	(\$32,530)	\$569,222	\$162,246
Coastside County WD	\$223,896	\$138,591	\$35,643	\$174,234	\$49,662
CWS - Bear Gulch	\$2,301,423	\$1,761,726	\$29,221	\$1,790,947	\$510,475
CWS - Mid Peninsula	\$2,587,013	\$2,079,148	(\$65,957)	\$2,013,191	\$573,822
CWS - South SF	\$944,776	\$1,031,494	(\$296,278)	\$735,216	\$209,559
Daly City	\$754,337	\$587,845	(\$827)	\$587,018	\$167,318
East Palo Alto WD	\$380,057	\$255,271	\$40,486	\$295,757	\$84,300
Estero Municipal ID	\$835,538	\$650,165	\$44	\$650,209	\$185,330
Guadalupe Valley	\$33,131	\$28,211	(\$2,428)	\$25,783	\$7,349
Hayward	\$3,012,812	\$2,328,456	\$16,088	\$2,344,544	\$668,268
Hillsborough	\$510,951	\$382,014	\$15,604	\$397,618	\$113,333
Menlo Park	\$600,568	\$459,001	\$8,356	\$467,357	\$133,211
Mid Pen WD	\$516,746	\$425,143	(\$23,016)	\$402,127	\$114,619
Millbrae	\$399,761	\$261,519	\$49,572	\$311,091	\$88,671
Milpitas	\$1,138,864	\$831,245	\$55,010	\$886,254	\$252,610
Mountain View	\$1,697,419	\$1,246,210	\$74,706	\$1,320,917	\$376,502
North Coast WD	\$554,942	\$375,051	\$56,800	\$431,851	\$123,091
Palo Alto	\$2,054,334	\$1,595,746	\$2,919	\$1,598,665	\$455,669
Purissima Hills WD	\$333,677	\$244,670	\$14,995	\$259,664	\$74,012
Redwood City	\$1,731,027	\$1,334,797	\$12,274	\$1,347,070	\$383,957
San Bruno	\$227,872	\$193,193	(\$15,865)	\$177,328	\$50,544
San Jose (North)	\$880,585	\$701,509	(\$16,245)	\$685,264	\$195,321
Santa Clara	\$641,184	\$524,327	(\$25,363)	\$498,964	\$142,220
Stanford University	\$349,983	\$256,369	\$15,985	\$272,354	\$77,629
Sunnyvale	\$2,268,554	\$1,496,551	\$268,818	\$1,765,369	\$503,185
Westborough WD	\$149,084	\$128,881	(\$12,865)	\$116,016	\$33,068
Totals	\$28,200,000	\$21,907,621	\$37,376	\$21,944,998	\$6,255,002

* SFPUC Capital Recovery Payment represents the annual amount that each agency would have owed San Francisco if the obligations were not prepaid in 2013

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING**Agenda Title: 2025 Regional Water Demand and Conservation Study****Summary:**

This memorandum provides the results of the 2025 Regional Water Demand and Conservation Study (2025 Demand Study). The 2025 Demand Study Final Report will be published on the BAWSCA website when finalized. BAWSCA staff will notify Board members when the report is available.

BAWSCA facilitates a demand study every five years to provide updated, agency-specific water demand forecasts and conservation assessments for regional and individual agency planning efforts (e.g., Strategy 2050 and Urban Water Management Plans (UWMPs)). Demand projections are not predictions of the future but rather are based on a specific set of assumptions expected to occur over the planning horizon. Demand studies cannot predict the timing of external factors or shocks that may significantly influence water use, such as drought, severe economic downturn, or a global pandemic.

The baseline demand projections are grounded in member agency-approved demographic projections, climate-adjusted temperature scenarios, and best-practice efficiency standards. The process incorporated extensive feedback from the member agencies, ensuring that the assumptions reflect both regional trends and local planning realities. Table 1 provides regional baseline demand projections through 2050 with passive and active conservation savings in million gallons per day (mgd).

Table 1: Summary of Baseline Regional Water Demand Forecast

Assumption	2025	2030	2035	2040	2045	2050
Regional Demand without Additional Conservation (mgd)	190	203	212	220	228	237
Passive and Active Conservation (mgd)	(1)	(6)	(10)	(12)	(14)	(16)
Total Regional Demand	189	197	202	208	213	220

The Demand Study also evaluated each member agency's baseline projected water use against the State's Urban Water Use Objective (UWUO) regulatory standards and analyzed potential alternative future scenarios, incorporating input from the member agencies, external stakeholders, and SFPUC.

A key finding of the 2025 Demand Study is that regional water demand is projected to remain relatively flat or grow only slightly through the forecast period (2025-2050). Population and economic growth are significant drivers of water demand. However, this growth is tempered by compounding passive conservation savings (code-driven, naturally occurring replacement of less efficient fixtures and appliances).

It is important to note that the demand projections presented in this memorandum and the 2025 Demand Study Final Report were developed using a specific set of assumptions agreed upon by the member agencies for the purpose of this regional analysis. These figures are not the official, final planning forecasts for any individual member agency. Final demand projections used for an agency's own purposes, including regulatory compliance (e.g., UWMPs), reside with that agency and may require formal adoption by their respective Council or Board. For official figures, please consult the corresponding agency's adopted planning documents.

Recommendation:

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

Discussion:

Demand Study Approach

The Demand Study employed a hybrid water demand modeling framework that integrates econometric regression techniques with end-use conservation accounting. This approach allows for a clear separation between the structural factors influencing water demand – such as demographic changes, climate variability, and economic trends – and the impacts resulting from policy decisions and conservation programs. Development of these econometric and end-use accounting models is a highly data intensive process that requires an extensive historical dataset consisting of water consumption, demographic data, and explanatory variables used to explain variability in water use. BAWSCA and the technical consultant, Hazen and Sawyer (Hazen), worked closely with the member agencies to collect, process, and verify all input data.

Separate to econometric modeling, the Demand Study explicitly quantified both passive conservation impacts, driven by codes and regulations, and future active conservation impacts, resulting from programmatic initiatives and behavioral changes.

The Demand Study also evaluated each member agency's baseline projected water use, including passive and active conservation, against the State's UWUO regulatory standards through 2050.

Finally, the Demand Study concluded with scenario analyses to address uncertainties inherent in long-term planning. The scenarios examined demographic shifts different from those presented in the baseline, unforeseen economic fluctuations, climate variability, and the prevalence of demand sectors with highly uncertain growth and water use rates (e.g., data centers). These scenario analyses provide valuable insights into the range of possible future outcomes and support informed decision-making for regional water supply planning. Five scenarios in addition to the baseline were considered, establishing both "high" and "low" book-ends of projected water demand based on differences in underlying model assumptions.

Water Conservation Analysis

The conservation analysis utilized the AWE Tracking Tool, a Microsoft Excel-based platform designed to help utilities assess technological efficiency, estimate water savings, and evaluate the cost-effectiveness of conservation measures. The tool estimates savings from both passive (e.g., code driven, natural replacements) and active conservation measures (e.g., utility-sponsored interventions).

BAWSCA and Hazen worked with each of the member agencies to select an active conservation program portfolio that ensured the selected measures are technically applicable, cost-effective, and aligned with agency's needs.

Key findings of the conservation analysis include:

- **Passive conservation** will continue to deliver steady, compounding savings, especially in the residential sector.
- **High-impact indoor measures**, including spray valves, aerators, showerheads, and UHET toilets, remain essential contributors.

- **Active programs** generate additional long-term savings, particularly through irrigation measures, but they require sustained investment and adaptive management to remain effective.
- **Cost-effectiveness** varies widely across programs, with some measures delivering much greater savings per dollar.
- **Education and outreach** support awareness, enhance participation, and strengthen long-term efficiency behavior.

Baseline Water Demand Assumptions and Inputs

The baseline scenario serves as the foundation for BAWSCA's regional water demand projections, providing a consistent set of assumptions for demographic growth, climate, economic conditions, and efficiency trends across all member agencies. BAWSCA and Hazen worked closely with member agency representatives to adjust published regional assumptions for the baseline scenario, that are agency-approved forecasts for housing units, population, and jobs to 2050. Other assumptions and inputs were agreed upon through a collaborative process with the member agencies over the last year.

Key assumptions in the baseline scenario include:

- **Demographics (population, housing units, and jobs):** Based on growth rates from Plan Bay Area 2050, reviewed and adjusted by member agencies' planning departments and cities.
- **Housing type and density:** Majority of growth is expected in the multifamily housing sector. Housing density is expected to increase as the area of land designated for housing is expected to remain constant.
- **Climate:** Future temperatures were adjusted using annual average projections from CalAdapt CMIP5 RCP 8.5 modeling, while precipitation was held at historical averages.
- **Economy:** Mix of industries, regional rates of change in GDP, and unemployment rates were assumed to remain constant at recent historical levels.
- **Conservation:** Passive conservation (fixture and appliance turnover, new construction standards) was assumed to continue steadily into the future, while active conservation programs were assumed to be implemented based on plans discussed and reviewed by member agencies.
- **Pricing:** Water rates are assumed to keep pace with inflation, resulting in no real change in price over the planning horizon, except for agencies that provided approved future rate increases.

Future population, housing units, and jobs were based on Plan Bay Area 2050 growth rates, with adjustments from member agency planning departments to reflect local realities. As an additional validation step, the resulting demographic projections were compared to member agency Regional Housing Needs Assessment (RHNA) targets and were reviewed by member agency representatives. Figures 1 to 3 provide regional historical and projected population, housing units, and jobs for the BAWSCA member agencies.

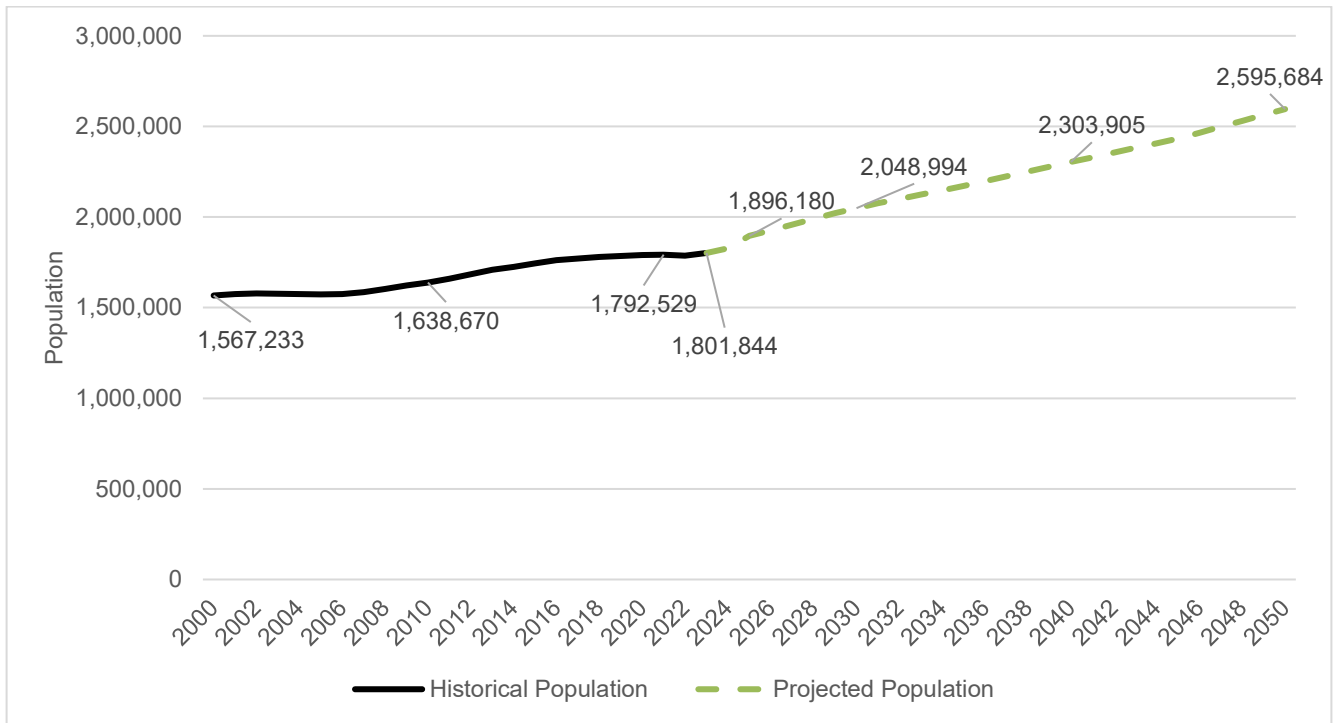


Figure 1: Historical and Projected Population

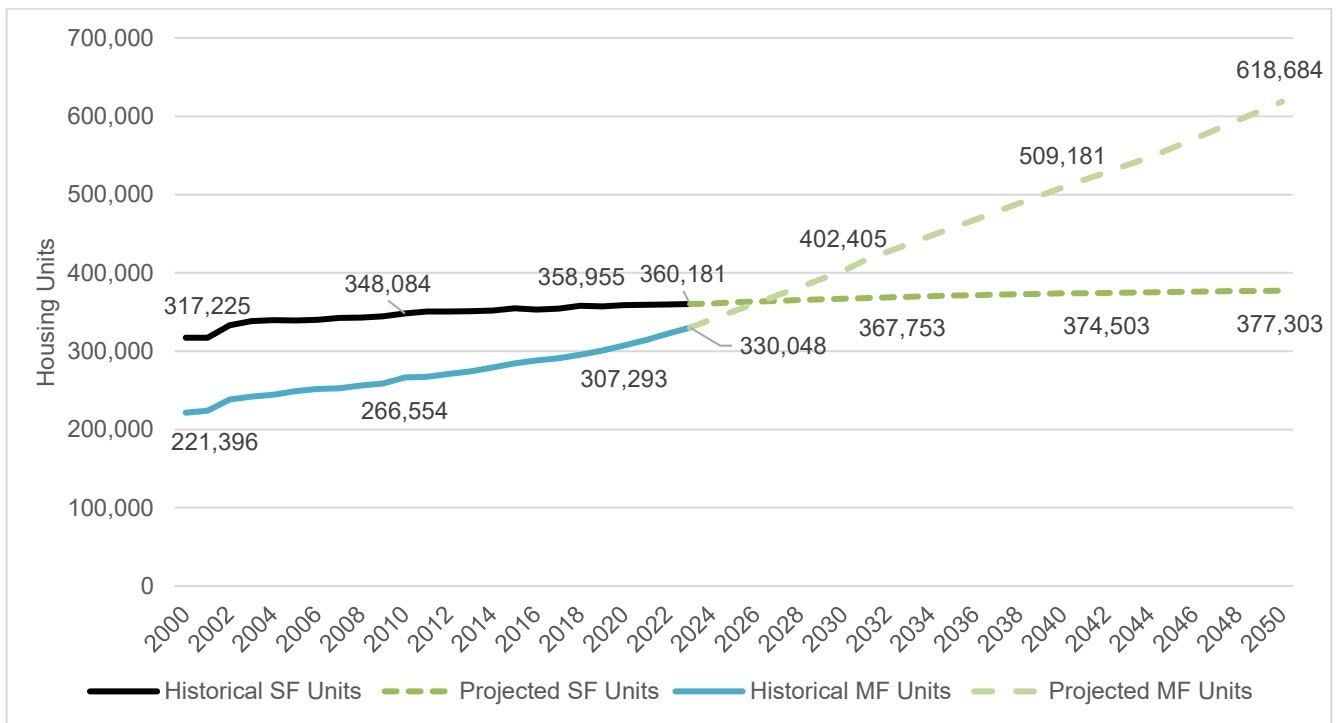


Figure 2: Historical and Projected Single Family (SF) and Multifamily (MF) Housing Units

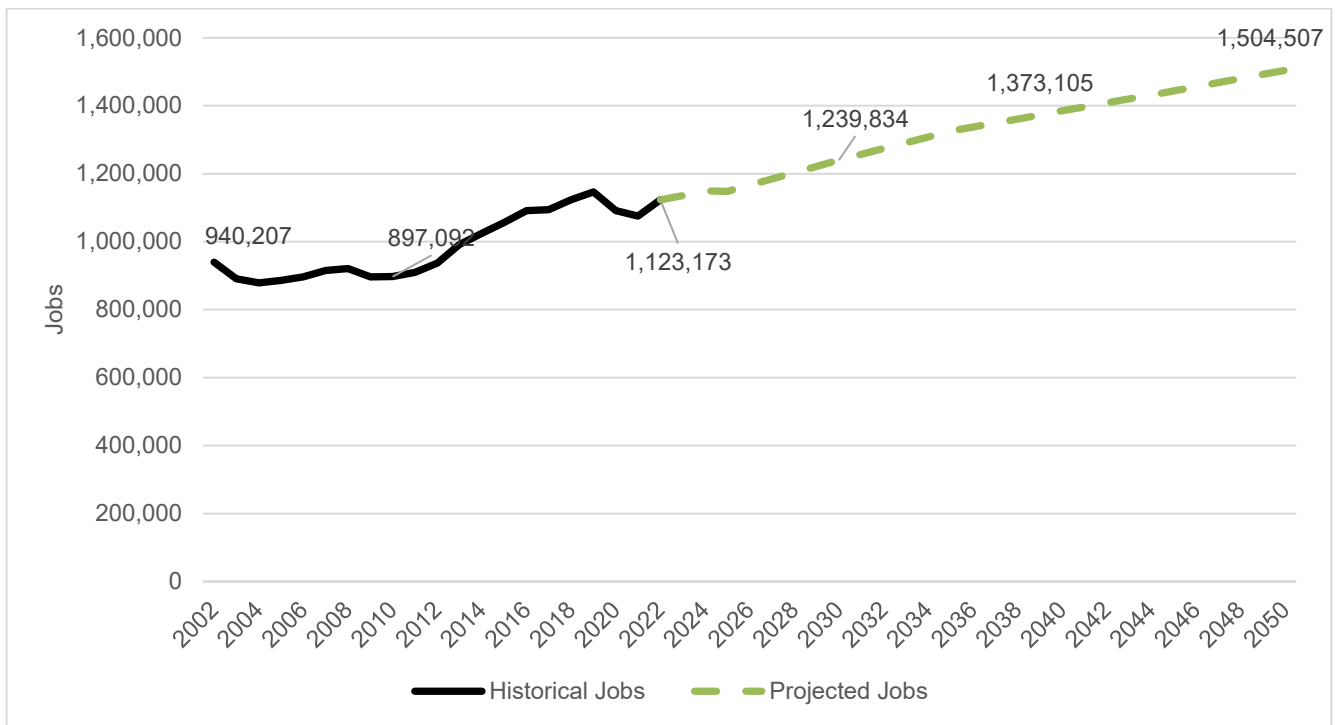


Figure 3: Historical and Projected Jobs

Key findings of the demographic projections and analysis:

- **Population:** Population is expected to increase 37% by 2050. Greater population correlates with higher water demand.
- **Housing:** Housing is expected to increase 40% by 2050 with the majority of the growth in the multifamily sector. Residences with smaller lot sizes tend to use less water for outdoor uses.
- **Jobs:** 34% more jobs are expected to be created by 2050. A stronger economy is correlated with higher water demand.

Baseline Water Demand Projections

Under these conditions, regional water demand is projected to increase gradually over the planning period, moderated by ongoing conservation efforts and efficiency improvements. Figure 4 provides the baseline forecast for BAWSCA member agencies with passive and active conservation.

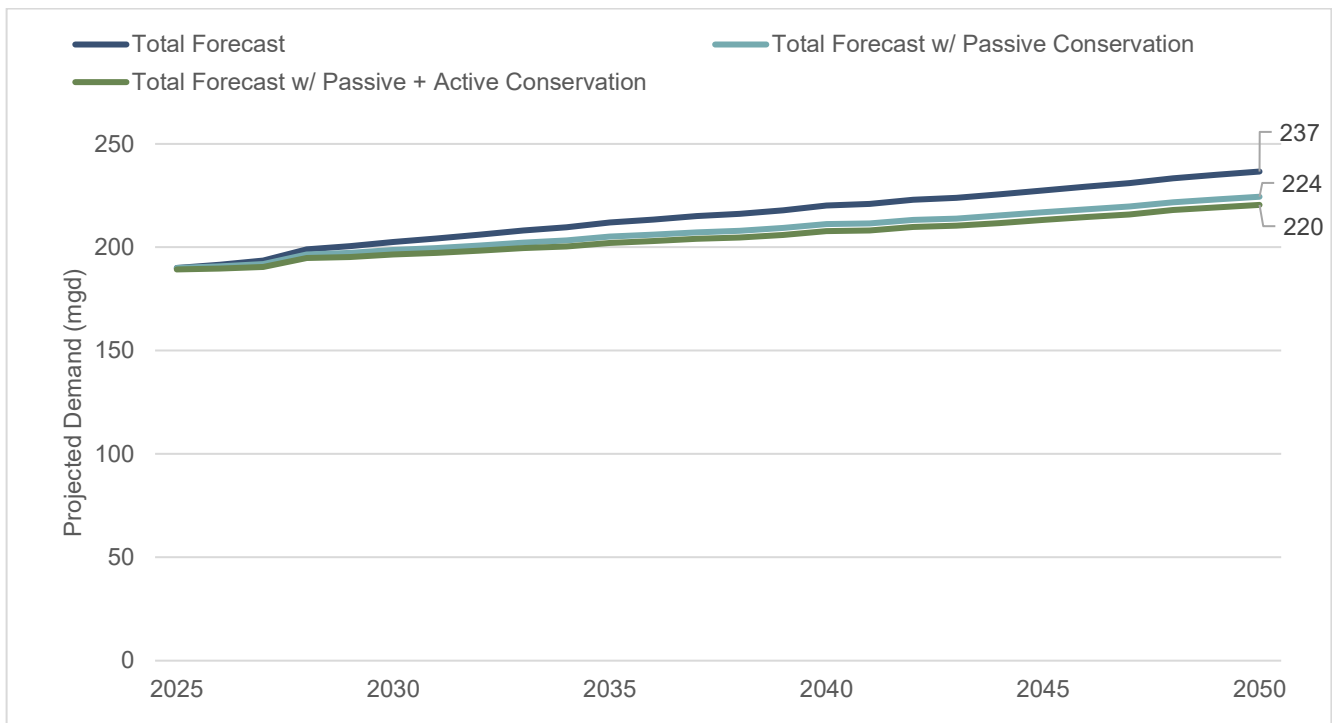


Figure 4: Baseline Forecast Including Passive and Active Conservation

Urban Water Use Objectives

The California Legislature passed SB 606 and AB 1668 in 2018, establishing long-term water use efficiency framework that required the State Water Resources Control Board (SWRCB) to adopt new regulations for indoor and outdoor water use for urban retail water suppliers (URWSs) across the state.¹ In 2024, the SWRCB adopted regulations mandating the development of urban water use objectives (UWUO) that regulate residential indoor and outdoor use, commercial, industrial and institution (CII) irrigation, and real water losses together as an aggregate water use efficiency standard.

The UWUO consists of an Indoor Residential Water Use Budget, an Outdoor Residential Water Use Budget, a CII Landscape with dedicated irrigation meters (DIMs) Water Use Budget, and a Real Water Loss Budget. Although the UWUO is composed of four separate water use budgets, compliance with the UWUO only requires that total UWUO is not exceeded by the sum of the UWUO-regulated sectors of water use in aggregate. In other words, individual UWUO water use budgets can be exceeded as long as the overall UWUO is not.

Within the UWUO calculation methodology developed by the state, budgets for indoor residential water use, outdoor residential water use, and CII with DIMs water use are all required to become more stringent over time. Additionally, locally specific conditions, including weather and climate, are factored into the outdoor budget equations to account for higher water use in areas with hotter and drier conditions.

To help agencies understand potential future compliance with the new regulations, the Demand Study compared projected baseline demand with an estimate of each agency's UWUO over the planning period. A primary goal of the analysis was to assess if BAWSCA agencies are anticipated to exceed

¹ As defined in the California Water Code section 10608.12, an urban retail water supplier (URWS) is "a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes."

their UWUOs over the course of 2025 – 2050, given the baseline forecast, and if so, by how much and when.

Given uncertainty in future climatological conditions, the analysis used an “envelope” approach that calculated an “upper bound” and “lower bound” UWUO projection into the future for each agency. All assumptions made to estimate each agency’s UWUO (e.g., future landscape area) will be provided in the final report.

Figure 7 provides the aggregate UWUO projection (high and low estimates) compared to baseline demand from regulated sectors² with and without conservation.

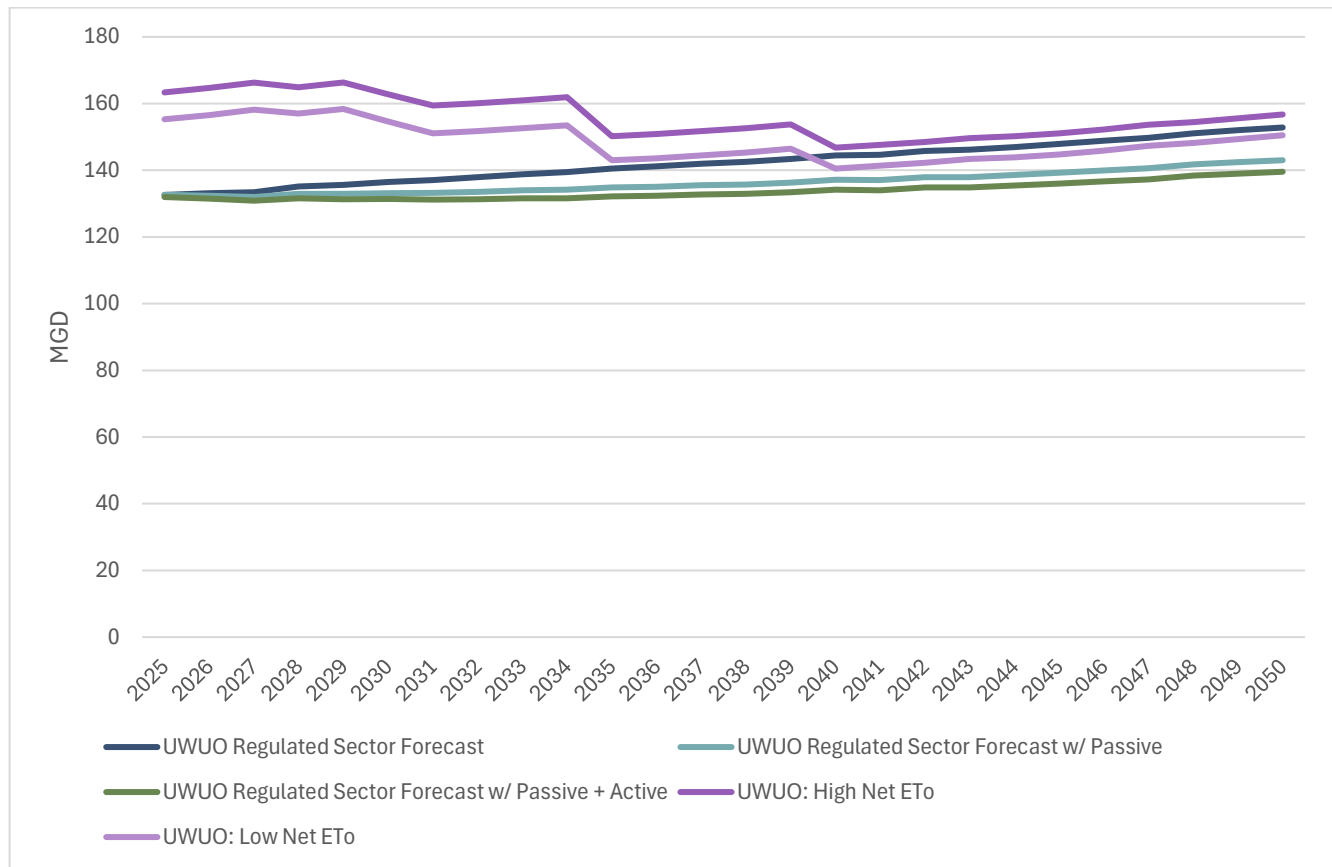


Figure 5: Annual Forecast and UWUO^{3 4}

Key findings of the UWUO analysis:

- The region is generally well-positioned to meet regulatory efficiency requirements.
- Passive and active conservation savings will be an important tool for agencies to maintain compliance with regulations.
- Only 4 out of 23 agencies are projected to exceed their UWUO at any point between 2025 and 2050.
- A small number of agencies may need to consider additional measures or targeted strategies in future years

² Regulated sectors include indoor and outdoor residential water use, outdoor water use associated with CII DIMs, and water loss.

³ Excludes The City of San Jose because its UWUO encompasses geographies that are outside of BAWSCA’s service area.

⁴ The City of Brisbane, Purissima Hills WD, and Stanford University are not URWSs and do not have UWUO estimates as part of this study.

Comparison to Past Demand Projections

There is inherent uncertainty in water demand projections. Demand projections are built upon a specific set of assumptions that define the expected future values for key drivers (such as population, housing units, and jobs), explanatory variables (including weather, price, and demographics), and the anticipated yield of conservation savings throughout the planning horizon. It is important to note that water agencies do not have control over the external factors that ultimately determine whether the current forecast correctly anticipates future conditions. Additionally, the demand projections do not predict the timing of acute events that can significantly impact water demand, such as drought, economic downturns, or global pandemics.

For the reasons listed above, demand projections are forward-looking estimates, showing what could happen if current explanatory trends continue as expected. Thus, comparing past forecasts to actual water use and current demand projections can be informative, as it allows water managers to understand how intervening factors (e.g., water use restrictions or long-term shifts like work-from-home policies) have altered demand trends for future planning. Figure 5 provides historical water use with results from demand studies conducted since 2004. Shaded bars indicate drought years.

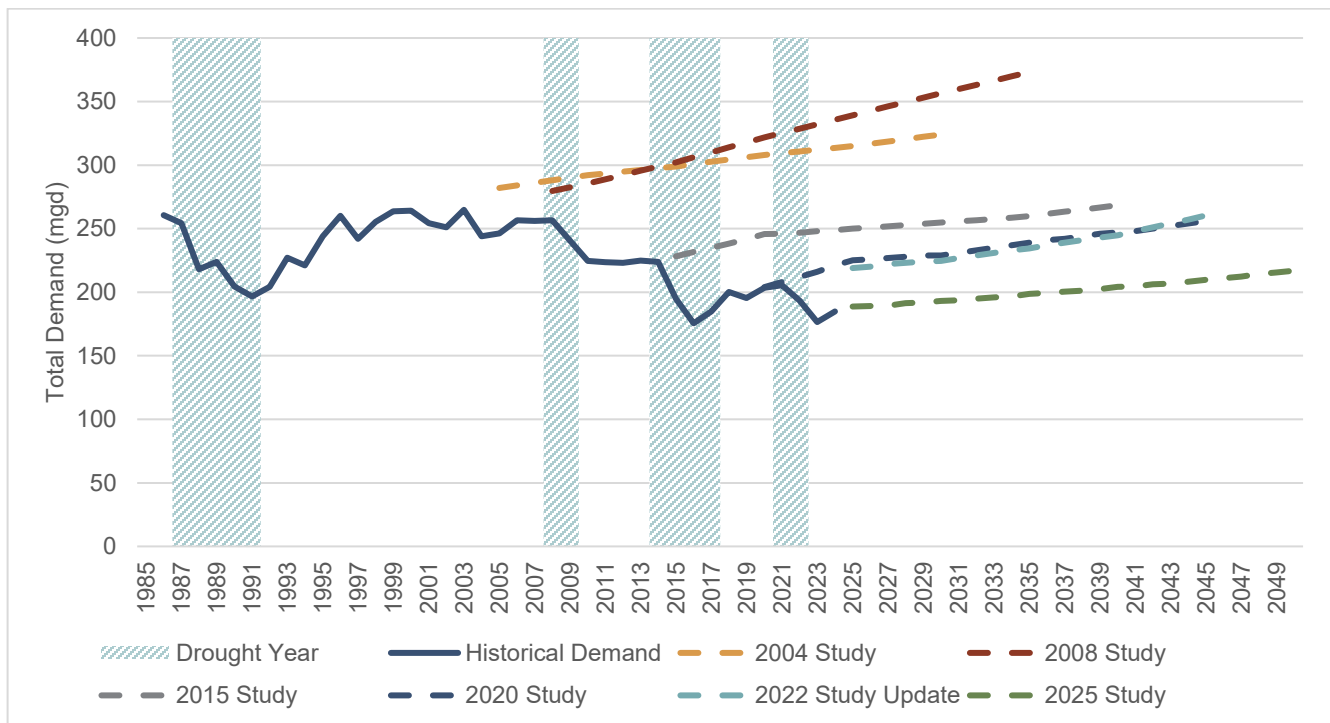


Figure 6: Regional Historical and Projected Demand

Key takeaways from reviewing past projections, actual water use, and current projections.

- Drought restrictions exert a significant downward influence on water demand. While demand tends to increase year to year between droughts, recently it has not tended to rebound to pre drought levels before the next drought occurs.
- The rate of growth in demand projections has become flatter over time. As passive savings compound and active conservation measures become permanent, per capita water use is expected to continue to decline, offsetting future demographic growth.
- Actual water use in fiscal year 2024-25 was approximately 15% lower than projected in the 2022 Demand Study update. The analysis for the 2022 Demand Study concluded before the

2021-2023, drought during which the Governor called for 15% water use reduction across the state.

- The 2025 Demand Study projects total demand in 2050 will be 220 mgd, approximately 14% lower than projected for 2045 in the 2022 Demand Study. The 2025 Demand Study uses water consumption data and trends from 2021–2023, reflecting a decline from 2020 due to drought restriction impacts and ongoing efficiency improvements. As a result, its initial projections start at a lower volume than those in the 2022 Demand Study, with efficiency gains continuing to temper demographic growth throughout the planning period.

Alternative Scenario Analysis

Given uncertainties in water demand forecasting, BAWSCA incorporated scenario analysis in the Demand Study to provide a practical framework to explore a range of plausible futures, enabling water suppliers to test assumptions and assess the resilience of strategies under varying conditions.

BAWSCA and Hazen worked with member agency representatives, external stakeholders, and the SFPUC to develop five additional water demand scenarios to bracket the baseline forecast. With their engagement, assumptions for potential future scenarios for the Bay Area were collaboratively developed and systematically categorized into four general groups that align with water demand model inputs: (1) Demographics and development; (2) Socioeconomic conditions; (3) Conservation and pricing; and (4) Climate and other trends/concerns.

Using this organizational approach, plausible regional scenarios were developed to set reasonable high and low bounds on future water demand predictions. Table 2 below provides a high-level summary of the preferred alternative data sources and assumptions for higher and lower demand scenarios.

Table 2: Summary of alternative data sources and assumptions for higher demand scenarios

Group	High Demand Scenario	Low Demand Scenario
Demographics and development	Plan Bay Area 2050 projections without reductions based on agency input. Keep housing density constant at 2025 levels rather than increase density as assumed in baseline projections.	California Department of Finance (CA DOF) projections.
Socioeconomic conditions	Greater economic growth, anticipating a potential increase in demands associated with the technology industry in the region.	Lower economic growth. Potential negative impacts of federal tariff and immigration policies, and how they may influence the job market/economic output in the region.
Conservation and pricing	Decrease in active conservation savings. Hold pricing constant in real terms.	Higher rate increases. Impacts of non-functional turf bans.
Climate and other trends/concerns	Hotter and dryer global climate models (GCMs). Increase in high water use industries, particularly data centers and biotech applying water for cooling.	GCMs projecting less warming and wetter conditions, or climate models that consider a shift in weather patterns throughout the year.

Using the preferences for high and low bookends listed in Table 2, BAWSCA and Hazen developed two additional moderated scenarios (moderated-low and moderated-high). The SFPUC is also incorporating scenario analysis into their demand projections project. One of the SFPUC's scenarios applies historical trends to demographic and socioeconomic inputs (Historical Trend Scenario). The purpose is to understand what a future scenario in which current trends continue.

The five alternative scenarios developed for the Demand Study include a (1) High, (2) Moderated-High, (3) Moderated-Low, (4) Low, and (5) Historical Trend Scenarios. Figure 6 provides projections for each alternative scenario and the baseline.

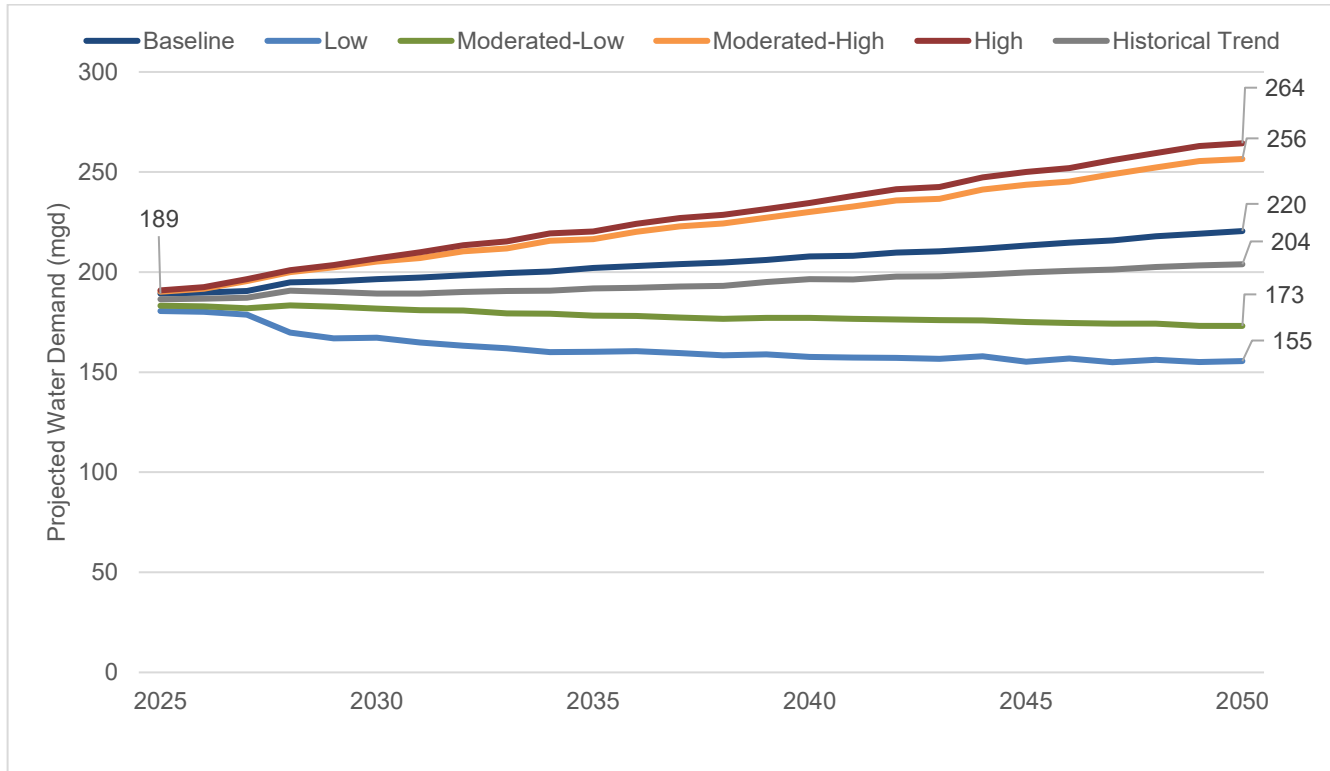


Figure 7: Comparison of Water Demand Scenarios

Key findings from the alternative scenario analysis:

- By the early 2030s, the alternative demand projections begin to separate significantly, with continued widening toward 2050.
- High and Moderated-High Scenarios show the steepest growth, driven by high demographic projections, hotter/drier climate assumptions, and stable real water rates.
- The inclusion of potential data center loads in the High Scenario amplifies this effect.
- Low and Moderated-Low Scenarios exhibit substantial reductions in demand, reflecting CA DOF demographics, cooler/wetter climate conditions, and more aggressive real price increases combined with nonfunctional turf restrictions.
- Baseline and Historical Trend Scenarios remain near the center of the range, with the Historical Trend Scenario tracking slightly below Baseline due to moderated growth and rate adjustments.

A more detailed description and list of data sources and assumptions for the alternative scenarios will be provided in the final report.

Summary and Next Steps

The baseline water demand and conservation projections presented in this report provide a robust foundation for long-term planning across BAWSCA member agencies. Developed through a rigorous process of data collection, econometric modeling, and conservation analysis, these projections are designed to support the 2025 UWMP cycle and inform long-term planning for the region's water future.

While building future demand projection scenarios that incorporate pre-drought and pre-recession rebounds and active and passive conservation is critical for planning studies such as this one, these scenarios alone often do not provide a realistic range of potential future demands.

BAWSCA is continuing to work with Hazen on a “drought task” to develop a supplemental methodology that simulates the impacts of projected future droughts considering the potential for future demand hardening. This approach is based on the realistic assumption that the region has a statistical likelihood of future drought and corresponding requests for demand reduction in the period between the present and 2050, which could result in lingering or even permanent reductions in demand in subsequent years.

The outcome of the drought task will be a proof-of-concept methodology for simulating the impacts of projected future droughts. This methodology, when combined with the study's alternative forecast scenarios, will serve as a powerful planning tool for BAWSCA and its member agencies, enabling them to monitor demographic and development trends and maintain the flexibility needed to accommodate a range of plausible future water demands.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Mid-Year 2025-26 Work Plan, Budget and General Reserve Review**

Summary:

A review of the FY 2025-26 Work Plan has been performed, with the results presented in the attached Table 1. There are no efforts included in the adopted FY 2025-26 Work Plan that require adjustment. Further, the level of effort associated with important Work Plan areas remained as anticipated for the first six months this fiscal year. This memorandum also includes a discussion on the management of the General Reserve.

Fiscal Impact:

No changes to the Operating Budget are necessary or recommended at this time.

Recommendation:

The information is for reporting purposes only. There is no action required at this time.

Prior Board Approved Work Plan and Budget Actions for FY 2020-21:

On May 15, 2025, the Board approved the following:

1. Proposed FY 2025-26 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$5,547,732; and
3. Proposed funding plan of a 2.3% assessment increase, transfer of \$152,023 from the General Reserve.

Discussion:

The mid-year review included (1) examining progress toward completing the Work Plan as adopted, (2) considering anticipated work that should be performed during the balance of this fiscal year, and (3) reviewing any new Work Plan items.

Implementation of the Work Plan is on schedule as of the December 10, 2025 BPC meeting date. No changes to the Work Plan are proposed. A review of the budget confirms that the FY 2025-26 Work Plan can be completed within the approved budget.

The second half of the fiscal year has some budgetary uncertainty as related to the level of effort associated with possible legal expenses. Specifically, it is likely that work will occur in this fiscal year related to the State Board Cases appeal briefing. However, legal spending is below budget to date and it is BAWSCA staff's opinion that legal expenses will remain within the annual budget allocated for these services. While no budget modification is recommended at this time; the CEO/General Manager and Legal Counsel will continue to actively manage and monitor developments and report to the Board as necessary.

Review and Management of General Reserve:








BAWSCA's General Reserve Policy states the CEO/General Manager shall evaluate the General Reserve balance as part of each year's mid-year budget review. Based on the review, if the General Reserve balance is estimated to fall outside the guidelines established by the policy, the budget shall include a prudent and practical schedule for restoring the reserve balance to be within those guidelines. The attached Table 2 presents the history of BAWSCA's assessments, operating budget, and General Reserve balance.

The current General Reserve balance of \$1,705,262 reflects the approved withdrawal and transfer of \$152,023 to BAWSCA's Operating Fund to cover the FY 2025-26 approved budget and the deposit of \$500,997 from FY 2024-25 unspent funds. The current General Reserve balance represents 31% of the approved Operating Budget, which is within the Board approved guidelines of 20% to 35% of the annual operating expense for the General Reserve balance.

Attachment:

1. Table 1. Work Plan and Results to be Achieved in FY 2025-26: Progress through Mid-Year 2025-26
2. Table 2. Historical Annual Assessments and Year-End Reserves

Table 1. Adopted FY 2025-26 Work Plan and Results to Be Achieved: Progress and Recommended Changes

(Mid-Year Status Shown in 1 st Column:  Needs Attention  Experiencing Delay  Complete/On Track  Extraordinary Result)		
BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN		
RELIABLE WATER SUPPLY		
1. <u>Facility Reliability: Monitor SFPUC's WSIP, 10-Year Capital Plan, Asset Mgmt. Program, and Emergency Response</u>		
	a. Monitor WSIP scope, cost, and schedule including extending State oversight as necessary through to completion. Press the SFPUC and the city's political leadership to meet the adopted schedule, satisfy the requirements of AB 1823, and respond promptly to BAWSCA's reasonable requests. Track WSIP projects designated as critical drought water supply components to verify they have been completed in such a fashion that they can meet their intended Level of Service (LOS) goals.	<ul style="list-style-type: none"> Reviewed SFPUC's annual WSIP report. Provided written comments to both the SFPUC and the State oversight agencies. Attended a WSIP update meeting with SFPUC staff on October 20, 2025. Reviewed SFPUC's WSIP Notice of Change (NOC). Provided written comments to both the SFPUC and the State oversight agencies. Attended a meeting with SFPUC staff on October 20, 2025 where the NOC was discussed.
	b. Review and monitor SFPUC's Regional 10-Year Capital Plan to ensure that identified projects and programs meet the needs of the members in a cost-effective and appropriate manner, taking into consideration water supply affordability concerns.	<ul style="list-style-type: none"> Monitored SFPUC's 10-year CIP via review of the SFPUC's quarterly progress reports for both the Hetch Hetchy Division and the Water Supply and Treatment Division. Met with SFPUC staff to review BAWSCA comments on October 10th for the Hetchy Hetchy Division and on October 7th for the Water Supply and Treatment Division. Met with the SFPUC to discuss the early stage of their development of an updated 10-year CIP (FY 26 – FY 35) on October 29th Attended a tour of CIP projects under construction in Alameda County on September 11, 2025.
	c. Review & monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS assets.	<ul style="list-style-type: none"> Ongoing.

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

✓	d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters.	<ul style="list-style-type: none"> Facilitated and attended an Emergency Response exercise hosted by the SFPUC and attended by member agency staff and key personnel on October 16, 2025. The exercise simulated agency response following a large earthquake.
✓	e. Engage with and track the SFPUC Capital Planning Improvements Initiative.	<ul style="list-style-type: none"> On-going – the SFPUC CPIO has been integrated into the SFPUC's 10-Yr CIP development efforts
✓	f. Engage with the SFPUC on their preparation of the 2026 State of the Regional Water System Report (due to BAWSCA in FY 2026-27)	<ul style="list-style-type: none"> SFPUC is expected to begin engagement efforts with BAWSCA in March of 2026 – Document is anticipated to be finalized in FY 2026-27.
2. <u>Long-Term Supply Solutions: Implement BAWSCA's Strategy to Ensure a Reliable, High-Quality Supply of Water is Available Where and When needed</u>		
✓	a. Continue the development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050), which includes an assessment of water supply affordability and the role that BAWSCA should play to help agencies achieve affordability goals.	<ul style="list-style-type: none"> On-going. Work began in FY 2024-25 and will be completed by December 2026. Work in the first half of FY 2025-26 included multiple meetings with the WMRs, presentations and discussions at BAWSCA Board and BPC meetings, and staff reports to the Board and BPC as part of meeting packets. A Stakeholder group was formed in FY 2024-25. One meeting was held with the Stakeholders in FY 2024-25 and additional meetings will take place in calendar year 2026. An affordability analysis was presented to the BPC on October 8, 2025 and to the full Board on November 20, 2025.
✓	b. Continue the development of updated regional water demand projections "BAWSCA 2025 Regional Water Demand and Conservation Projections Project".	<ul style="list-style-type: none"> Near Completion. Results of the 2025 Demand Study will be presented to the BPC on December 10, 2025 and the full Board on January 15, 2026.
✓	c. Participate in the Bay Area Regional Reliability (BARR) Partnership.	<ul style="list-style-type: none"> On-going – monthly meetings have been held with BARR partner agencies. The BARR website has been continually updated.
✓	d. Participate in the continued planning of the PureWater Peninsula potable reuse project.	<ul style="list-style-type: none"> On-going – aside from regular virtual meetings, plans are in place at SVCW to site a demonstration project where treatment

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

		technologies will be tested. Work is also underway to coordinate elected official outreach anticipated to be initiated in calendar year 2026.
✓	e. Facilitate development of other local water supply options including tracking and reporting to the Board on members' efforts, identifying potential grant funding, monitoring of related policy development, etc.	<ul style="list-style-type: none"> On going. BAWSCA has been utilizing the Grant Tracking Tool as developed in FY 2024-25 to identify new grant opportunities. However, in FY 2025-26, no substantial new opportunities have developed. Identification of local water supply options is being performed as part of BAWSCA's Strategy 2050 efforts.
✓	f. Use BAWSCA Reliability Model to evaluate Bay Delta Plan Healthy Rivers and Landscape (HRL) Plan for the Tuolumne River's impacts on reliability, the prospective benefits that new alternative water supplies may provide, and to estimate the corresponding need to ration during droughts.	<ul style="list-style-type: none"> On-going. BAWSCA and its modeling consultant have been working with the SFPUC to obtain information such that the Tuolumne HRL can be coded into the Reliability Model. That work is anticipated to continue into 2026.
✓	g. Facilitate use of the BAWSCA Model by members via Subscription Program.	<ul style="list-style-type: none"> The subscription program has been renewed for FY 2025-26. Select agencies typically take advantage of the program in the Spring of each fiscal year for use in the water supply reporting requirements due to the State on June 30th of each year.
✓	h. Conduct initial scoping evaluation of the Regional Financing Authority's (RFA's) available financing options	<ul style="list-style-type: none"> As part of Strategy 2050, discussions have started with the SFPUC on a possible Financing program. Strategy 2050's consultant reviewed existing financing programs offered by other wholesale water and wastewater providers in California and shared that information with BAWSCA and SFPUC staff. This work will continue through calendar year 2026 and will be integrated into Strategy 2050.
	3. <u>Near-term Supply Solutions: Demand Management, Water Conservation and Drought Response</u>	
✓	a. Represent members' interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a California Way of Life" requirements as appropriate.	<ul style="list-style-type: none"> BAWSCA in partnership with Valley Water have initiated a series of 12 workshops with member agencies to discuss the State's new Water Use Efficiency requirements. In addition to these workshops, bi-weekly "office hours" are scheduled to

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

		<p>address agency questions that may come up outside of the workshop setting.</p> <ul style="list-style-type: none"> • BAWSCA funded a program led by CalWEP to develop a toolkit for Non-Functional Turf (NFT). The NFT Toolkit was finalized in October 2025 and has been made available for use by all BAWSCA member agencies.
✓	b. Provide regional coordination to support members' AMI implementation and data management and utilization.	<ul style="list-style-type: none"> • BAWSCA continues to track AMI implementation by its member agencies on a regular basis. No significant implementation updates were identified in this first half of FY 2025-26.
✓	c. Implement BAWSCA's core water conservation programs.	<ul style="list-style-type: none"> • On-going.
✓	d. Implement BAWSCA's subscription conservation rebate programs that benefit and are paid for by participating members.	<ul style="list-style-type: none"> • On-going.
✓	e. Engage with CalWEP & others to promote 3 rd party development & administration of a leak repair & training certification program.	<ul style="list-style-type: none"> • CalWEP has continued to develop its leak repair & training program. Classes are anticipated to begin in earnest in 2026, and a certification program is nearing completion by CalWEP.
✓	f. Participate in San Mateo County's C/CAG OneWatershed pilot project.	<ul style="list-style-type: none"> • C/CAG OneWatershed pilot project is scheduled for completion in early 2026. BAWSCA has reviewed and commented on draft documents prepared as part of the project. The pilot focuses on disadvantage neighborhoods in San Bruno. BAWSCA participated in evening events with area residents on October 22, 2025 and November 3, 2025, where BAWSCA staffed a water conservation table.
✓	g. Represent members in regional and State-level discussions relative to water conservation-related regulations, grant funding opportunities, and programs where regional participation is possible.	<ul style="list-style-type: none"> • On-going. BAWSCA uses its membership in ACWA as well as with organizations such as CalWEP to meet regional participation goals.

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

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

✓	a. Monitor SFPUC's implementation of its Alternative Water Supply (AWS) Program, including associated recommended actions, taking into consideration water supply affordability, and participate as appropriate to ensure that the SFPUC can meet its water supply reliability obligations at a fair price to its Wholesale Customers.	<ul style="list-style-type: none"> BAWSCA has an active role in the SFPUC's development of several alternative water supply projects included in its AWS Program, such as potable reuse opportunities (e.g., the PureWater Peninsula Project)
✓	b. Protect members' water supply interests to ensure that the SFPUC meets its legal and contractual obligations for water supply from the Regional Water System in light of ongoing risks.	<ul style="list-style-type: none"> On-going.
★	c. Implement the updated Tier 2 Plan (assumes adoption of the updated Tier 2 Plan in FY 2025-26).	<ul style="list-style-type: none"> As of December 2, 2025, all BAWSCA Member Agencies have adopted the updated Tier 2 Plan. The Tier 2 Plan is ready for implementation during times of a water supply shortage emergency.
✓	d. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions.	<ul style="list-style-type: none"> On-going. BAWSCA continues to organize and attend regular meetings with representatives from the City of San Jose, the City of Santa Clara, and the SFPUC. Discussions focus on the development of alternative water supplies that, when and if implemented, would allow the SFPUC to consider making both San Jose and Santa Clara permanent customers
✓	e. Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment.	<ul style="list-style-type: none"> On-going.
✓	f. Ensure correct implementation of the recent WSA amendment allowing for the paired transfer of a portion of an agency's ISG and minimum purchase obligation.	<ul style="list-style-type: none"> On-going. No paired transfers have taken plan in FY 2025-26 to date.
★	g. Engage with the SFPUC and BAWSCA Member Agencies on the Implementation of the WSA Amendment that alters the calculation and assessment of Minimum Purchase Obligations.	<ul style="list-style-type: none"> Paired with the adoption of the updated Tier 2 Plan, the SFPUC and all member agencies have adopted the WSA Amendment as of December 2, 2025.

5. Protect Members' Interests in a Reliable Water Supply

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

✓	a. Participate in SWRCB Bay Delta Plan Update to ensure members' interests are represented, including ongoing legal intervention.	<ul style="list-style-type: none"> On-going. Reviewed the State Water Boards Draft Scientific Basis Report (SBR). Attended and provided public comments on the Draft SBR at a State Water Board workshop held on November 5, 2025. Provided written comments to the Draft SBR on November 7, 2025.
✓	b. Participate in the Don Pedro Project/La Grange Project FERC licensing process to protect customers' long-term interests in Tuolumne River water supplies, including ongoing legal intervention.	<ul style="list-style-type: none"> On-going.
6. <u>Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u>		
✓	a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs.	<ul style="list-style-type: none"> On-going. No new grant funding opportunities have emerged in the first half of FY 2025-26.
✓	b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability.	<ul style="list-style-type: none"> On-going. No new grant funding opportunities have emerged in the first half of FY 2025.26.
✓	c. Support the use of BAWSCA's grant tracking tool for use by BAWSCA members.	<ul style="list-style-type: none"> On-going. The grant tracking tool continues to operate and be available for use by BAWSCA and its member agencies.
✓	d. Seek avenues for grant funding to support the implementation of BAWSCA's Strategy.	<ul style="list-style-type: none"> On-going. No grant funding opportunities have emerged in the first half of FY 2025-26.
7. <u>Reporting and Tracking of Water Supply and Conservation Activities</u>		
✓	a. Complete BAWSCA FY 2024-25 Annual Survey.	<ul style="list-style-type: none"> Work has begun to collect agency-specific data as needed to craft the FY 2024-25 Annual Survey, with an anticipated publish date of March 2026.
✓	b. Complete BAWSCA FY 2024-25 Annual Water Conservation Report.	<ul style="list-style-type: none"> Work will begin on the development of the FY 2024-25 Annual Water Conservation Report, with an anticipated publish date of June 2026.

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)













BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

✓	c. In partnership with members, operate, maintain and enhance BAWSCA's updated WCDB.	<ul style="list-style-type: none"> The updated WCDB is operating and in use as part of the data collection for the FY 2024-25 Annual Survey. To date, the updated WCDB is operating smoothly and has proven to be a significant upgrade compared to the prior version.
	HIGH QUALITY WATER	
8. <u>Support Members in Receiving Reliable Communication of Water Quality Issues</u>		
✓	a. Coordinate members' participation in Joint Water Quality Committee to ensure it addresses Wholesale Customer needs.	<ul style="list-style-type: none"> Ongoing Coordinated and attended the SFPUC-BAWSCA Member Agency Joint Water Quality Committee meeting of November 20, 2025.
✓	b. Relay important water quality information (notices as received from SFPUC) to members when made aware of changes that have the potential to impact water quality (e.g., taste, odor, blending).	<ul style="list-style-type: none"> On-going. No water quality concerns have arisen in FY 2025-26, aside from the occasional blend change notices that are issued by the SFPUC when supplies from Hetch Hetchy are exchanged for supplies from SFPUC's bay-area reservoirs.
✓	c. Review and act on, if necessary, State legislation affecting water quality regulations.	<ul style="list-style-type: none"> On-going. No legislative activities have required BAWSCA's engagement in the first half of FY 2025-26.
	FAIR PRICE	
9. <u>Perform Matters that Members Agencies Delegated to BAWSCA in the Water Supply Agreement</u>		
★	a. Administer the WSA with San Francisco to protect the financial interests of members.	<ul style="list-style-type: none"> Completed review of the SFPUC's calculation of the annual Wholesale Revenue Requirement (WRR) and changes in the Balancing Account for FY 2022-23, and reached an agreement with the SFPUC related to its costs allocated to the Wholesale Customers on October 9, 2025. This agreement resulted in a credit of \$105,835, including interest, as a credit to the Wholesale Customers. In addition, BAWSCA's negotiations with SFPUC during a prior WRR review resulted in a reduction

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN

		<p>in the FY 2022-23 WRR, or savings to the Wholesale Customers, of \$3,371,450.</p> <ul style="list-style-type: none"> Completed review of the SFPUC's calculation of the annual WRR and changes in the Balancing Account for FY 2021-22, and reached an agreement with the SFPUC related to its costs allocated to the Wholesale Customers on June 27, 2025 (a few days before the end of FY 2024-25). This agreement resulted in a credit of \$26,886, including interest, as a credit to the Wholesale Customers. In addition, BAWSCA's negotiations with SFPUC during a prior WRR review resulted in a reduction in the FY 2021-22 WRR, or savings to the Wholesale Customers, of \$1,506,662. Ongoing effort to ensure that SFPUC meets its financial reporting obligations required by the WSA.
✓	b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco.	<ul style="list-style-type: none"> Ongoing administration of bond surcharge collection from Members each month and proper fund allocation at the Trustee according to the Bond Indenture to ensure sufficient fund for on-time debt service payments. Performed account reconciliation based on the SFPUC's surcharge collection report and Trustee's account statements at the end of each month. Ongoing maintenance of proper records to ensure on time annual continuing disclosure filing to the Municipal Securities Rulemaking Board. Prepared Quarterly Bond Surcharge Collection Report for the Board that presents the status of surcharge collection and the account balance at the Trustee. Complied with tax requirements to preserve the tax-exempt status of the 2023A bonds. Reviewed the investment strategy for the bond proceeds and determined that the current 0-5 year ladder portfolio strategy

(Mid-Year Status Shown in 1 st Column:  Needs Attention  Experiencing Delay  Complete/On Track  Extraordinary Result)		
BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN		
		remains appropriate.
	AGENCY EFFECTIVENESS	
10. <u>Maintain Community Allies and Contacts with Environmental Interests</u>		
	a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them, if necessary, to achieve agency goals.	<ul style="list-style-type: none"> • On-going.
	b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability.	<ul style="list-style-type: none"> • On-going.
	c. Maintain effective communications with members, customers, and others to achieve results and support goals.	<ul style="list-style-type: none"> • On-going.
	d. In conjunction with San Francisco, conduct or co-sponsor tours of the Regional Water System for selected participants.	<ul style="list-style-type: none"> • A tour of the Regional Water System, including the Hetch Hetchy watershed, was held on Sept. 30 – October 1, 2025.
11. <u>Manage the Activities of the Agency Professionally and Efficiently</u>		
	a. Implement BAWSCA's Student Internship Program	<ul style="list-style-type: none"> • On-going. BAWSCA's most-recent summer intern was in place from early June 2025 through mid-August 2025. • BAWSCA staff participated in an event hosted by Eastside College Prep. during which students who would be soon attending Universities were given guidance as to how to prepare for possible future internship opportunities.
	b. Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations.	<ul style="list-style-type: none"> • On-going.
	c. Maintain a motivated, trained, and effective Workforce.	<ul style="list-style-type: none"> • On-going.
	d. Manage and interact with the Consultant selected to serve as BAWSCA's Human Resources Services provider	<ul style="list-style-type: none"> • On-going

(Mid-Year Status Shown in 1st Column: **!** Needs Attention **●** Experiencing Delay **✓** Complete/On Track **★** Extraordinary Result)

BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN



e. Continue development of a staff-led plan to address BAWSCA's long-term policy & operational resilience to inform future policy decision making.

- Work to secure an HR Consultant is progressing, with an anticipated RFP Advertisement date of January 2026. The HR Consultant is anticipated to be in place during the 4th quarter of FY 2025-26.

Table 2. Historical Annual Assessments and Year-End Reserves

Fiscal Year	Assessments	Year-End Reserves	Operating Budget	Reserve as a % of Budget
2003-04	\$1,668,550	\$276,480	\$1,821,350	15%
2004-05	\$1,641,995	\$246,882	\$1,838,490	13%
2005-06	\$1,953,998	\$240,000	\$2,099,975	11%
2006-07	\$2,117,904	\$654,000	\$2,291,904	29%
2007-08	\$2,117,904	\$691,474	\$2,508,967	28%
2008-09	\$2,309,000	\$507,474	\$2,763,196	18%
2009-10	\$2,517,000	\$407,192	\$2,766,945	15%
2010-11	\$2,517,000	\$653,763	\$2,680,394	24%
2011-12	\$2,517,000	\$916,897	\$2,619,705	35%
2012-13	\$2,517,000	\$985,897	\$2,780,504	35%
2013-14	\$2,516,812	\$521,897	\$3,280,189	16%
2014-15	\$2,642,653	\$225,461	\$2,939,286	8%
2015-16	\$3,276,889	\$776,620	\$3,201,679	24%
2016-17	\$3,440,734	\$1,202,592	\$3,468,008	35%
2017-18	\$3,543,957	\$1,561,144	\$3,704,572	42%
2018-19	\$3,579,397	\$1,115,848	\$4,278,585	26%
2019-20	\$3,686,779	\$1,037,877	\$4,569,750	23%
2020-21	\$3,686,779	\$996,743	4,163,179	24%
2021-22	\$3,871,118	\$758,794	\$4,799,544	16%
2022-23	\$4,838,897	\$1,046,550	\$4,750,885	22%
2023-24	\$4,838,897	\$1,459,390	\$4,983,419	29%
2024-25	\$5,274,398	\$1,356,288	\$5,614,518	24%
2025-26	\$5,395,709	\$1,705,262*	\$5,547,732	31%

**As of November 30, 2025*

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Potential Additional One-time Payment to CalPERS to Reduce BAWSCA's Unfunded Pension Liability**

Summary:

On April 9, 2025, the Board Policy Committee (BPC) asked staff to evaluate BAWSCA's fiscal situation at the conclusion of FY 2024-25 to consider using some of the General Reserve balance to make an Additional Discretionary Payment (ADP) to CalPERS in order to reduce BAWSCA's unfunded pension liability. This memo presents the findings of the recent evaluation.

Per the latest CalPERS actuarial valuation as of June 30, 2024, BAWSCA's pension Unfunded Accrued Liability (UAL) as of the same date was \$1,209,958, which sets the CalPERS minimum required contributions for FY 2026-27. This is estimated to be paid off in 2043 based on CalPERS' current amortization schedule and its discount rate of 6.8%.

Fiscal Impact:

There is no financial impact on BAWSCA's FY 2025-26 Operating Budget from this potential additional one-time payment to CalPERS to reduce BAWSCA's UAL, as the payment will be funded by General Reserve.

Recommendation:

This item is for informational purposes only. Feedback from the BPC on the alternative ADP contribution levels and directions for next steps are requested at this time.

Discussion:

CalPERS retirement benefits are defined benefits based on various formulas, rather than contributions and earnings to a savings plan. Every year, CalPERS provides BAWSCA an actuarial valuation report that includes the latest pension trust funded status and the minimum required employer contributions for the next fiscal year. The minimum required employer contribution is the sum of the Normal Cost (expressed as a percentage of total active payroll) plus the amortization of the UAL.

BAWSCA's CalPERS Pension Plan Funded Status

Per the latest CalPERS actuarial valuation, BAWSCA's UAL as of June 30, 2024 was \$1,209,958, which is scheduled to be paid off in 2043, based on a discount rate of 6.8%. The UAL represents the liability for service that has been earned but not funded. Based on the current amortization schedule, BAWSCA's minimum required employer contribution towards the UAL for FY 2026-27 is \$123,749.

Due to CalPERS' increased investment earnings of 11.6% during FY 2024-25, CalPERS currently projects BAWSCA's UAL as of June 30, 2025 to be reduced to \$928,000, and the funded ratio is estimated to be increased to 87.5%. The funded ratio is an assessment of the sufficiency of plan assets to cover future employee benefits for completed service years.

BPC Favors Additional One-time Payment to CalPERS out of Four Voluntary Additional Pension UAL Funding Options Available

At the BPC meeting on February 12, 2025, staff presented four options available for BAWSCA to pay off unfunded pension liability faster than CalPERS' 20-year schedule. The options were:

1. Contribute ADPs to CalPERS
2. Re-amortize Annual UAL Contributions to CalPERS
3. Establish an Irrevocable Prefunding Trust to set aside extra funding outside of CalPERS
4. Issue Pension Obligation Bonds (POBs)

In addition, staff presented the estimated present value savings based on three alternative amortization terms under Option 1 and Option 2, compared against the current CalPERS 20-year amortization schedule. At that time, the BPC indicated a preference for considering ADPs, which can reduce the UAL and result in long-term savings, while not requiring an ADP to be made in any future year.

At the BPC meeting on April 9, 2025, staff presented two approaches for BAWSCA to make ADPs. The options are:

1. Contribute ADPs to CalPERS as part of the FY 2025-26 operating budget.
2. Consider Board action to contribute ADPs in January 2026 after reviewing the FY 2024-25 audited financial statements and any realized changes in the General Reserve.

Based on the discussions, the BPC voted for option 2 and planned to re-evaluate BAWSCA's fiscal situation at its December 2025 meeting to consider using any General Reserve balance to fund an ADP at that time.

The BAWSCA General Reserve balance as of October 31, 2025, was \$1,204,265. Per the audited financial report accepted by BAWSCA Board on November 20, 2025, the unspent funds at the end of FY 2024-25 were \$500,997 and was deposited into the General Reserve at the end of November. With that deposit, the General Reserve balance has increased to \$1,705,262, or 31% of the adopted FY 2025-26 Operating Budget of \$5,547,732. Per BAWSCA's General Reserve Policy, the guideline for the balance in the General Reserve is 20%-35% of the annual operating budget.

One-Time Additional Payment Funding Approaches

Table 1 shows the estimated results of one-time payments ranging from \$100,000 to \$400,000, which are based on the CalPERS projected UAL of \$928,000 as of June 30, 2025.

The estimated results of the one-time payments are summarized below.

- Option 1: Payment of \$100,000 yields NPV savings of \$17,000. UAL to be paid off by 2039.
- Option 2: Payment of \$200,000 yields NPV savings of \$32,000. UAL to be paid off by 2037.
- Option 3: Payment of \$250,000 yields NPV savings of \$39,000. UAL to be paid off by 2035.
- Option 4: Payment of \$300,000 yields NPV savings of \$46,000. UAL to be paid off by 2034.
- Option 5: Payment of \$400,000 yields NPV savings of \$56,000. UAL to be paid off by 2033.

The estimated present value savings are calculated assuming a one-time payment is made on March 31, 2026. If the payments are made earlier or later in the fiscal year, the present value savings may need to be adjusted accordingly. The estimated UAL payoff year assumes CalPERS current actuarial assumptions remain unchanged and CalPERS' experience exactly matches its actuarial assumptions in the future. However, the UAL amounts change from year to year

depending on actual investment outcomes compared to the actuarial assumptions and methodology changes, among other factors. In addition, the savings calculated under the five options are estimated based on CalPERS assumed annual investment return of 6.8% and a discount rate of 4.5% per year for the present value calculations.

Another consideration in this recommendation may be the potential use of some reserve to fund the annual agency budget for FY 2026-27. In past years, use of some reserve funds to reduce annual assessment growth has been a common practice for the agency.

Next Steps

Feedback from the BPC on the potential additional one-time payment level is requested at this time.

Table 1. BAWSCA's Pension Plan Funded Status & Alternative Additional Funding Options

	CalPERS Actuarial 6/30/2024	CalPERS Projected 6/30/2025	Alternative Additional One-time Payment Funding Approach				
			Option 1	Option 2	Option 3	Option 4	Option 5
General Reserve Balance as of 10/31/25		\$1,204,265					
Unspent Funds from FY24-25		\$500,997					
General Reserve Balance as of 11/30/25		\$1,705,262					
Additional Payment to CalPERS Pension Funded by Reserves			\$100,000	\$200,000	\$250,000	\$300,000	\$400,000
Estimated Reserve After Funding Additional Payment to CalPERS			\$1,605,262	\$1,505,262	\$1,455,262	\$1,405,262	\$1,305,262
General Reserve to Budget Ratio⁽¹⁾		31%	29%	27%	26%	25%	24%
CalPERS UAL⁽²⁾	\$1,209,958	\$928,000					
Estimated UAL Pay Off Year⁽³⁾	2043	2042	2039	2037	2035	2034	2033
Resulted from Previous Yr's Investment Earning	9.3%	11.6%					
Discount Rate	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
UAL Funded Ratio	82.7%	87.5%	90.2%	91.4%	92.1%	92.7%	94.0%
Estimated PV Savings⁽⁴⁾			\$17,000	\$32,000	\$39,000	\$46,000	\$56,000

Note:

(1) Per BAWSCA's General Reserve Policy, the guideline for the balance in the General Reserve is 20%-35% of the annual operating budget.

(2) CalPERS reported BAWSCA's UAL as of 6/30/2024 to be \$1,209,958 and projected the UAL as of 6/30/2025 to be \$928,000 due to the investment return of 11.6% in FY 2024-25.

(3) Estimated UAL payoff year is based on the projected UAL as of 6/30/2025.

(4) The estimated present value savings are calculated based on assumed payment date of March 31, 2026 and CalPERS assumed annual investment return of 6.8% and a discount rate of 4.5% per year, assuming CalPERS current actuarial assumptions remain unchanged and CalPERS' experience exactly matches its actuarial assumptions in the future.



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MEMORANDUM

TO: BAWSCA Board of Directors
FROM: Tom Smegal, CEO/General Manager
DATE: December 5, 2025
SUBJECT: Chief Executive Officer/General Manager's Letter

New Tier 2 Drought Response Implementation Plan and Water Supply Agreement Amendment:

On December 2, 2025 the Hayward City Council voted to approve the new Tier 2 Plan and Amendment to the Water Supply Agreement between San Francisco and the Wholesale Customers. The governing bodies of all member agencies and SFPUC have now approved the two items. Both are effective as of the date of the final agency approval. The Tier 2 Plan extended by the Board at the November 20th Board meeting is now superseded by the new Tier 2 Plan unanimously adopted by the member agencies.

BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy 2050):

BAWSCA continues to make steady progress on its Long-Term Reliable Water Supply Strategy (Strategy 2050), with work scheduled through January 2027. As part of this effort, staff have been providing regular updates to the Water Management Representatives (WMRs) on key work products across multiple tasks. On December 4, 2025, BAWSCA presented its latest work under Task 1C: Assessing Existing Risks and Emergency Frameworks. Staff received feedback from the WMRs, incorporated refinements based on their input, and will further explore emergency planning frameworks at the January 8 WMR meeting. This work represents an important milestone in identifying system vulnerabilities and reviewing differences and best practices in emergency planning and response.

Other components of Strategy 2050 are also advancing. The overarching objective of Strategy 2050 is to identify regional water supply management needs and opportunities while developing a framework to enhance long-term reliability and resilience. Achieving this vision will require continued engagement with WMRs, the Board, and external stakeholders to ensure BAWSCA is well-positioned to meet the region's evolving water challenges. In that regard, BAWSCA will hold the next One Water Roundtable on December 15, 2025. This meeting will outline upcoming Strategy 2050 activities and serve as a key opportunity to explore how a broad range of agencies and organizations can contribute to and help shape the plan. Participants include representatives from wastewater agencies, county governments, environmental and business organizations, and community-based nonprofits, in addition to BAWSCA member agencies.

The meeting will also include a discussion of the metrics being used to evaluate potential water supply projects and actions (P&As). These metrics address critical considerations such as dry-year reliability benefits, water quality impacts, regulatory and operational complexity, community and environmental

benefits, and other relevant factors. Input from the One Water Roundtable will help ensure that the evaluation criteria appropriately reflect regional priorities and practical implementation considerations.

ACWA Fall Conference:

The Association of California Water Agencies (ACWA) held its annual Fall Conference in San Diego, from December 2 through 4, 2025. The conference included presentations and panel discussions on several matters of interest to BAWSCA, such as the Bay-Delta Plan, infrastructure financing, water agency consolidation, to name a few. Tom Francis, BAWSCA's Water Resources Manager, and Negin Ashoori, BAWSCA's Senior Water Resources Engineer, were in attendance. A number of key staff, general managers, and elected officials from BAWSCA agencies were also present, such as those from Purissima Hills Water District, North Coast County Water District, Coastside County Water District and Alameda County Water District.

###

Board Policy Committee

Policy Calendar Through October 2026

Meeting Date	Purpose	Issue or Topic
February 2026	R&D R R	Presentation of Preliminary FY 2026-27 Work Plan and Budget BAWSCA's Strategy 2050 & Water Management Charge Update Review of Water Supply Forecast
April 2026	D&A R&A R&D R	Consideration of Proposed FY 2026-27 Work Plan and Operating Budget Review of Publicly Available Pay Schedules Strategy 2050 Update Review of Water Supply Forecast
June 2026	D&A R	Review of CEO/General Manager Evaluation Procedure Review of Water Supply Forecast
August 2026	R&D R	Strategy 2050 Update Review of Water Supply Forecast
October 2026	R&A R	Annual Review and Consideration of Statement of Investment Policy Review of Water Supply Forecast