

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD POLICY COMMITTEE
June 11, 2025 – 1:30 p.m.

MINUTES

1. **Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:31pm. CEO/General Manager Tom Smegal called the roll. Seven members (7) of the Committee were present at roll call. Two members arrived after roll-call. A list of Committee members who were present (9) and other attendees is attached.

The Committee took the following actions and discussed the following topics.

2. **Comments by Committee Chair:** Director Hardy thanked the committee members for their flexibility with the changing meeting locations. She announced that the Closed Session will be removed from the agenda as there are no new information that would require it.

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

3. **Consent Calendar:**

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

The motion passed unanimously by acclamation.

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

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

5. **Report and Discussion:**

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

Mr. Francis noted that following the drought period of 2014 through 2017, BAWSCA developed the 2014-17 Drought Report that documented drought response actions taken by BAWSCA member agencies and several other entities including the State of California, SFPUC, and Santa Clara Valley Water District (Valley Water). Aside from documenting member agencies' local drought response actions, the report also detailed fiscal implications, water quality concerns during the drought, the water use reduction attained, lessons learned, and activities for consideration in responding to future droughts. The report was well received and proved to be a highly useful reference. BAWSCA recognized the need to create a similar report for the drought period of 2021 through 2023.

The drought period of 2021-23 began in April 2021. At that time, due to lack of rain during the winter months of Water Year 2020-21, dry conditions in the State became evident. By November 2021, the State reached extreme drought conditions. Those

conditions continued through September 2022. The extremely wet winter of Water Year 2022-23 enabled the State to recover from the drought, filling key reservoirs.

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

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

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

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

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

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

In the process of developing the Report, it was discovered that most BAWSCA agencies with fully implemented AMI systems had limited access to the data necessary for the analysis BAWSCA envisioned. To get full access would come at a significant expense. As a result, the plan to evaluate the effectiveness of various drought measures had to be revised.

Fortunately, Redwood City staff collected daily AMI readings and stored collected data in their cloud system. With that information and the ensuing analysis it allowed, BAWSCA was able to include in the Report an example of how AMI data can be used to evaluate drought measure effectiveness. The Report also provides

recommendations for AMI Data management such that other BAWSCA agencies can learn from Redwood City. AMI management recommendations included steps to better store and retrieve data.

In preparation for the next drought, BAWSCA actions include:

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

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

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

Questions and comments from committee members were received.

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

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

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

Mr. Francis noted that WSCPs are unique to each agency, and in some cases, conditions would have been more challenging for residents if its water agency

enacted Stage 2 prior to the Governor's executive order. The Report provides further details on each of the agencies' drought actions and achieved savings. He encouraged Directors to read the Report and offered his time to answer any questions.

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

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

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

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

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

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

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

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

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

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

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

Public comments were provided by Peter Drekmeier and Dave Warner.

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

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

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

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

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

The summation of the evaluation will be provided to the Board for discussion at the September Board. Responses will be compiled and provided to the Board and the CEO/General Manager. The CEO/General Manager contract approved by the Board in September 2024 provides a 3% increase in total compensation, which includes the salary and car allowance. There will be no compensation action item for the Board in September.

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

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

Public comments were provided by Dave Warner.

7. CEO Reports:

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

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

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

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

- C. Bay Delta Plan Update: Mr. Smegal reported that BAWSCA continues to monitor developments on the various decisions that need to be made by the State Water

Resource Control Board (SWRCB). In particular, the SWRCB is expected to produce a Scientific Basis Report on their evaluation of the Healthy Rivers and Landscape Program proposed for the Tuolumne River. SWRCB is working closely with stakeholders, the Governor's office, and the Department of Water Resources. BAWSCA continues to stay engaged with the SFPUC and BAWSCA's legal team continues to monitor activities for developments.

- D. Tier 2 Drought Allocation Plan and WSA Amendment Adoption Update: Senior Water Resources Specialist, Danielle McPherson, was pleased to report that the City of Millbrae has adopted the new Tier 2 Plan and the WSA amendment. Twenty-two member agencies have scheduled adoption by their governing bodies. The four remaining agencies has indicated that they will schedule adoption by October 2025.

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

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

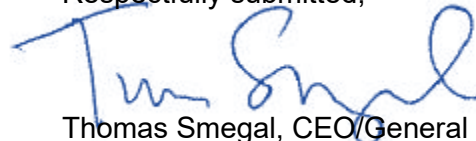
9. **Report from Closed Session:** N/A.

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

There were no further comments from members of the Committee.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Smegal", is written over a horizontal line.

Thomas Smegal, CEO/General Manager

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Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

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

✓: present

☎ : Teleconference

June 11, 2025 Meeting Attendance (In-Person)

BAWSCA Staff:

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

Public Attendees:

Peter Drekmeier	Tuolumne River Trust
Dave Warner	