



BOARD OF DIRECTORS MEETING

Thursday, July 16, 2026
6:30 p.m.

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

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(One member of the Board will participate in this meeting by Teleconference as a reasonable accommodation under Gov't Code § 54953(a)(4)-(b)). When any member of the board participates by teleconference, all votes taken at this meeting will be by roll call vote.)

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page</u>
1. Call to Order/Roll Call/Salute to Flag	(Vella)	
2. Comments by the Chair	(Vella)	
3. Board Policy Committee Report <i>(Attachment)</i>	(Ragsdale)	Pg 3
4. Consent Calendar <i>(Attachments)</i>	(Vella)	
A. Approve Minutes of the May 21, 2026 Meeting		Pg 15
B. Receive and File Budget Status Report – As of May 31, 2026		Pg 23
C. Receive and File Investment Report – As of May 31, 2026		Pg 25
D. Authorization to Extend Office Lease		Pg 27
<i>The Committee voted unanimously to recommend Board approval of the proposed action for item #4D</i>		
5. SFPUC Report	(Ritchie)	
A. SFPUC's Water Operations and Design Drought		
6. Public Comments on Items Not on the Agenda	(Vella)	
<i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of two (2) minutes.</i>		
7. Reports and Discussions		
A. Status of the SFPUC's Capital Improvement Programs (CIP) and WSIP as Reported for the 3rd Quarter of FY2025-26 <i>(Attachment)</i>	(Francis)	Pg 29
B. BAWSCA's Long-Term Reliable Water Supply Strategy 2050 - Emergency Resilience Framework <i>(Attachment)</i>	(Ashoori)	Pg 41

8. CEO Reports

- A. Bay Delta Plan/FERC Update
- B. CEO/General Manager Performance Evaluation
- C. CEO/General Manager's Letter (*Attachment*)
- D. Board Policy Calendar (*Attachment*)
- E. Correspondence Packet ([Under Separate Cover](#))

(Smegal)
(Vella)

Pg 45

Pg 47

9. 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).

10. Report after Closed Session

(Schutte)

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

(Vella)

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

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

(Vella)

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

(Vella)

Pg 49

14. Adjourn to next meeting scheduled for September 17, 2026 at 6:30 pm

(Vella)

Accessibility for Individuals with Disabilities

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

BAWSCA

Bay Area Water Supply & Conservation Agency

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MEMORANDUM

TO: BAWSCA Board Members

FROM: Tom Smegal, Chief Executive Officer/General Manager

DATE: July 10, 2026

SUBJECT: Summary of Board Policy Committee meeting held June 10, 2026

1. Call to Order: Committee Chair Ragsdale called the meeting to order at 1:30pm.

Two members of the Committee participated in the meeting by teleconference in accordance with the traditional Brown Act Rule. A list of Committee members who were present (8), absent (1) and other attendees is attached.

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

2. Comments by Committee Chair:

Committee Chair Ragsdale noted that two members of the Committee are participating remotely. She asked and received confirmation that there were no members of the public over 18 years old at the remote locations of Directors Duncan and Stevenson. She noted that all actions will be taken by roll call vote to comply with the requirements of the traditional Brown Act Rule.

Closed Session will be pulled out of the agenda as there are no new developments that require it. She thanked Committee members for providing advance notice of their schedules and need to teleconference in order to comply with the traditional Brown Act requirements and ensure there is quorum. She expressed her appreciation for the informative articles included in the correspondence packet.

3. Consent Calendar:

Director Vella made a motion, seconded by Director Hardy, that the Committee approve the Minutes of the April 8, 2026 Board Policy Committee meeting.

The motion passed unanimously by roll call vote.

4. Public Comments on Items not on the Agenda:

Public comments were received from Dave Warner.

5. Action Calendar:

A. Authorization to Extend Office Lease:

CEO/General Manager Smegal reported that BAWSCA's current lease at 155 Bovet Road, San Mateo expires on January 31, 2027, and an extension has been negotiated.

He was pleased to report that the negotiated extension has a substantial discount to the current lease rate as well as a four-month abatement. The negotiated terms include:

- As of February 1, 2027, a reduced gross lease rate of \$3.80/sq ft in comparison to the current lease rate of \$4.80/sq ft.
- annual 3% increase
- 64-month lease term
- 60 months paid with 4 months' rent abatement
- Effective rate of \$3.78/sq ft per month over entire term

The terms provide an estimated savings of \$53K in FY 2026-27.

BAWSCA has been at 155 Bovet Rd. in San Mateo for more than 20 years and has looked for comparable locations of the same type and size and proximity to public transit. No alternative space which meets these requirements has been found to be as price-competitive as the current space. The location is central to the BAWSCA region and has been an effective space for BAWSCA staff.

Staff recommendation is for the Committee to recommend Board authorization of the CEO/General Manager to extend the current lease for a period of sixty-four months.

Director Hardy appreciated the inclusion of the historical lease rate since 2000 in the staff report as it emphasizes cost savings from the rate consistency, as well as from not having to move.

Director Vella was pleased with the negotiated price per square foot on a gross lease rate.

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

Director Vella made a motion, seconded by Director Hardy, that the Committee recommend the Board authorize the CEO/General Manager to extend the current lease for a period of sixty-four months.

The motion passed unanimously by roll call vote.

6. Reports and Discussions:

A. Status of the SFPUC's Capital Improvement Program (CIP) and Water System Improvement Program (WSIP) as reported for the 3rd Quarter of FY 2025-26:

CEO/General Manager Smegal noted that in the early years of BAWSCA and WSIP in 2003, there were comprehensive reports to the Board on the status of the WSIP projects. As the program approached almost full completion, the reviews, while remaining consistently thorough, evolved into a staff delegation with a broader report to the Board.

In response to the Board's expressed interest in the topic at previous meetings, BAWSCA staff prepared a presentation on SFPUC's 3rd Quarter Reports for FY 2025-26 to BAWSCA. The discussion is provided for the Committee's information and feedback on whether such a

presentation should be provided to the full Board on a regular basis. Oversight of the SFPUC's CIPs is a major part of BAWSCA's work plan in accordance with the WSA, and staff is prepared to regularly inform the Board of its efforts as directed.

Tom Francis, Water Resources Manager, provided the report.

The SFPUC provides quarterly reports on three distinct efforts they undertake, the Hetch Hetchy CIP (HCIP), the Water Enterprise CIP (WECIP) and the Water System Improvement Program (WSIP). The WSIP is the seismic upgrade to the San Francisco Regional Water System (SF RWS) that has been ongoing since 2003 and subject to AB1823. BAWSCA's oversight role of the two CIPs is defined in the amended and restated Water Supply Agreement (WSA) between San Francisco and the Wholesale Customers.

The Hetch Hetchy CIP stretches from the Sierra reservoirs down to the Tesla Treatment Facility in Tracy. The Water Enterprise CIP starts from the Tesla facility and stretches westward into San Francisco. The WSIP includes select projects throughout the SF RWS that required replacement or upgrades to withstand a major seismic event. In the WSIP, there is a regional component which includes projects (52) defined as a collective responsibility of San Francisco and the Wholesale Customers, and there is a local component (35 projects) defined as the sole responsibility of San Francisco, as it provides no benefit to the wholesale customers; and therefore, is not paid for by the wholesale customers.

The SFPUC updates their 10-Year CIP every two years on even numbered years.

Requirements of the Water Supply Agreement

- 30 days prior to the first budget meeting of the Commission in January, SFPUC must meet with BAWSCA to discuss its 10-year CIP.
- 14 days prior to the first budget meeting of the Commission, final materials for the budget meeting must be provided to BAWSCA.

Upon receipt, BAWSCA conducts its review and provides written comments to San Francisco.

- SFPUC must respond, in writing, to all of BAWSCA's written comments on the 10-Year CIP before the Commission's second budget meeting, typically in February, in which the 10-year CIP will be considered for adoption.
- SFPUC must publish Quarterly CIP Reports that track work progress on each of the CIPs, including project costs and challenges. The reports are provided to BAWSCA via the Commission Packets that are published prior to regular Commission meetings.

BAWSCA does not have authority to change or approve SFPUC's CIPs. BAWSCA can make written comments and deliver statements to the Commission to present its concerns and recommendations for the Commission's consideration prior to its adoption of the SFPUC's CIPs.

BAWSCA CEO/General Manager Smegal, Mr. Francis, Danielle McPherson and Negin Ashoori take part in reviewing SFPUC's Quarterly Reports on the HCIP, WECIP, and WSIP. BAWSCA meets with SFPUC staff and project managers to discuss contents of the Quarterly reports. Separate meetings are held every quarter for each of the three CIPs, where BAWSCA questions and concerns are brought up with SFPUC.

Mr. Francis presented key updates on each of the CIPs based on information in SFPUC's 3rd Quarter Report for FY 2025-26.

3rd Quarter Highlights for HCIP

A key project that BAWSCA is highly interested in under the HCIP is the Moccasin Penstock Rehabilitation. The penstocks deliver water from Hetch Hetchy reservoir to New Don Pedro reservoir and generate electricity through the Moccasin powerhouse. The penstocks are nearing a hundred years old and need to be replaced. SFPUC is evaluating multiple alternatives including a \$500 million large diameter tunnel along the existing penstocks alignment. Another alternative is replacing the exposed pipes with underground pipelines. A geotechnical investigation plan and schedule have been developed, and field work will begin in June 2026. An Alternative Analysis Report is expected upon completion of the geotechnical investigation. BAWSCA is closely tracking the project.

Other key projects at Moccasin include construction of a new building to replace trailers that currently house the Engineering and Records staff, and construction of a new warehouse to replace aging buildings.

The new constructions are estimated to cost a few hundred million dollars and BAWSCA is tracking the projects to understand the need for those projects.

3rd Quarter Highlights for WECIP

The Sunol Valley Water Treatment Plant (SVWTP) is approximately 50 years old and involves project repairs and upgrades to its water quality operations.

Mr. Francis noted that the emergency incident in February 2026, which involved a valve failure on the Calaveras raw water pipeline, required SVWTP contractors to turn their attention on fixing and restoring the pipeline. Additionally, because of the water quality and quantity impacts caused by the incident, the scheduled Hetch Hetchy system shutdown to accommodate Mountain Tunnel repairs was cut short. Despite the excellent job the SFPUC did in addressing the emergency incident at Calaveras, BAWSCA, through the quarterly CIP meetings held with SFPUC staff, is working with San Francisco to understand how the SVWTP project schedule and budget were affected.

Other key projects in the WECIP are the Southern Skyline Ridge Trail construction effort, which, when completed, will provide additional public access to parts of the SF RWS' local watershed, and the Millbrae Operations Center, in which the SFPUC was in the process of developing an Alternative Analysis as well as an Initial Study/Mitigated Negative Declaration (IS/MND) during the 3rd Quarter period.

As previously reported to the BPC in April, the SFPUC agreed to pause the Millbrae Operations Center project to prepare an alternative option that maintains the OSH building instead of using the site for an SFPUC facility in response to a letter received from Assembly Members Papan, Stefani and Haney. The alternative will present a cost analysis for review and consideration by the SFPUC and is anticipated by the SFPUC to be completed by mid-July at the earliest.

Director Chambers noted that while BAWSCA will review and make comments on the alternative, the decision on which alternative should move forward remains with the SFPUC. He asked if the SFPUC has a timeline on when a decision will be made.

CEO Smegal expects that the SFPUC will go through the necessary process of taking and deliberating on comments received from BAWSCA and interested parties prior to reaching a decision.

3rd Quarter Highlights for WSIP

SFPUC's WSIP has been in progress for over 20 years. Mr. Francis was pleased to report that of the 52 regional projects, only 2 major projects have yet to be completed.

The Alameda Creek Recapture Project is intended to recapture water diverted from Calaveras Reservoir and released into Alameda Creek to return it to the SF RWS for water supply. A permanent intake structure needs to be built along a gravel quarry wall where water that infiltrates into the quarry from the adjacent creek will be recaptured. The project is complicated and is currently delayed due to the need for a new design plan for the intake structure. A draft Alternative Analysis Report (AAR) was completed in Q3 (that draft report is not available to BAWSCA). BAWSCA will review the final AAR expected to be released by the end of 2026. Completion date of the project may extend to 2032 or beyond.

Similarly, the Regional Groundwater Storage and Recovery Project in the northern part of San Mateo County, has been in construction for a long time due to its complexity. Wells had to be drilled, groundwater treatment facilities adjacent to the wells had to be built, and pipelines to connect to water distribution systems had to be constructed. In Q3, installation of a pipeline to convey groundwater to Cal Water's South San Francisco system began. This project is expected to be completed at the end of 2027, possibly later, due to a need to re-align electrical conduit that conflicts with PG&E.

Director Andrews asked if in the Moccasin Penstock Project, 1) the pipelines are being considered for system redundancy or for both system operations and redundancy, and 2) if the Moccasin Engineering and Records Project includes consideration of converting paper records to electronic records to minimize physical volume and possibly help reduce the costs of construction.

While she was pleased to hear that SFPUC is responding to the legislators' request to look at alternatives for the Millbrae Operations Center, she asked about the impacts of the alternatives' costs, which could potentially be higher, to the wholesale customers.

Mr. Francis explained that the Moccasin Penstock project will serve as a water supply conveyance means and will address SFPUC's operational needs.

BAWSCA is not familiar with the kinds of records kept at the site of their existing records building, but it has expressed interest in a site visit to see first-hand the existing conditions as well as the proposed construction and building plan.

Regarding the Millbrae Operations Center, Mr. Smegal stated that it is a regional project which 2/3rds will be paid for by the wholesale customers.

Director Andrews suggested speaking with the Assembly Members to look at what assistance may be available from the State to offset the costs of the alternatives because while the project is under the regional component of the CIP, the potential alternatives being developed are very specific to the concerns of the City of Millbrae.

Director Stevenson asked what benefits the Moccasin powerhouse provides to the wholesale customers.

Mr. Smegal stated that under the WSA, the Moccasin penstock is determined as a Joint Facility that is valuable for generating both water and power supply. The penstocks are the pipeline that transmits the water to the Bay Area and have a designated cost of 55% for power, and 45% for water. The water transmitted is allocated among both retail and wholesale customers.

Director Stevenson appreciated the explanation as it is important to know the percentage of costs water customers pay that relates to water. He added that anything related to power production that wholesale customers do not benefit from should be paid for by SFPUC and the residents of San Francisco since they benefit from the power component of the facility.

Director Stevenson asked what the capacity of the recapture project is compared to alternatives in terms of water supply improvement. It seems an expensive effort to secure a quarry that was not intended to generate water supply and there could be alternatives that present more benefit.

Mr. Francis explained that the Alameda Creek Project provides a significant yield and is a very good project from an alternative water supply perspective. The yield is approximately 3-4 times the yield BAWSCA agencies would have gotten from the Los Vaqueros Expansion Project if the project moved forward and if BAWSCA was a direct project partner. It also can be a water supply project that does not require the SFPUC to have external partners and hence is simpler from a governance perspective.

Mr. Francis added that BAWSCA's ongoing effort with SFPUC is to look at project yield during a drought versus project cost. If the cost is extremely expensive as compared to the yield, it behooves BAWSCA to not support those types of projects. But the ACRP is an important alternative water supply project and is something BAWSCA should continue to support.

Ms. Schutte explained that the cost allocation for water, power, and joint was heavily negotiated in the original litigation with San Francisco resulting in the Master Water Sales Contract of 1984, and later updated with a brand-new Attachment R to the 2009 Water Supply Agreement. BAWSCA's annual Wholesale Revenue Requirement (WRR) review process is designed to always confirm that the assets are classified properly and that the R&D, maintenance, O&M, etc. continue to follow those classifications.

BAWSCA's predecessors agreed that they would not benefit from the power revenue, and that they would not pay for the power only assets. Attachment R, which is available on the BAWSCA website under the WSA, specifies the groupings of assets (reservoirs, forebays, penstocks, turbines, etc.) that were negotiated. The costs for all joint projects will always have a split of 55% power, 45% water.

Director Hardy emphasized the value of attending the Hetch Hetchy tour for Board members to gain understanding and have a visual of the system which is helpful for making policy decisions on behalf of the region's water customers.

She appreciated the report and would suggest a similar presentation to the full Board be given at least once a year, possibly twice, so that BAWSCA Directors are able to communicate with their governing bodies the realities of maintaining the regional water system that provides water supply to the region.

Director Pierce agreed that the presentation provides useful information and should be provided to the Board at least once a year. She recommends reporting on projects that have the most impact on member agencies, framing the report on the overall concept of the WSA and how BAWSCA functions within it. While BAWSCA is not in charge of the SFPUC's decision on the regional water system, BAWSCA has been able to successfully work with them on behalf of the member agencies. It would be helpful, particularly to new members of the Board, to highlight that BAWSCA's oversight, in accordance with the WSA, enables BAWSCA staff to review the regional water system CIPs, make recommendations, and negotiate with SFPUC in the interest of the member agencies and their water customers.

Director Vella supports Director Hardy's comments about participating in the Hetch Hetchy tour to see and gain better understanding of the regional system. He recommends including an explanation of BAWSCA's scope in the oversight of the WSIP and the SFPUC's CIPs in the presentation to the Board. While BAWSCA does not have authority over the SFPUC, it does have SFPUC's listening ear. BAWSCA also has extremely smart professional staff that effectively works with the SFPUC. He suggested providing an example of SFPUC's responsiveness to BAWSCA's recommendations and the successes achieved along the way.

Director Duncan agreed with the comments made and that an annual report to the Board is sufficient. He recommends focusing on the projects that are in trouble with the scope, schedule and budget.

Director Ragsdale found the information informative and valuable. She would like the report provided, perhaps, twice a year to the BPC and once a year to the full Board. While such a report can include a great deal of information, she recommends providing the Board an opportunity to reach out to staff for conversations and detailed Q&A offline so that the presentation at the Board meeting can be effective in the given time. Lastly, she would like information for the Board on the opening of the Southern Skyline Ridge Trail.

Public comments were provided by Dave Warner.

B. BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy 5050) – Emergency Resilience Framework:

Dr. Ashoori noted that the report presents findings of the analysis done to develop the BAWSCA region's emergency resilience framework that will inform Strategy 2050's decisions. The Committee was asked for feedback on the analysis and methodology, as well as for suggested changes to the information prepared for the full Board in July.

As a reminder, the purpose of Strategy 2050 is to identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience. Establishing an emergency resilience framework is one of six objectives designed to achieve the purpose of Strategy 2050.

While developing a plan for every future scenario is not possible, steps can be taken to better prepare for the unknown. The objective of the analysis was to understand what emergency scenarios might occur and how it can be best addressed to ensure a reliable supply of high-quality water at a fair price.

The analysis evaluated existing and potential frameworks to build regional resilience to natural and human-induced threats such as fires, earthquakes, and cyber-attacks to name a few. The analysis produced three key outputs:

- An inventory of existing emergency resilience frameworks currently applicable to BAWSCA agencies and best practices from several other regions;
- Identified gaps and actionable opportunities to strengthen regional emergency resilience as part of Strategy 2050;
- Recommended next steps that include clear and prioritized actions for BAWSCA to advance.

The analysis was grounded with direct engagement of BAWSCA member agencies through the appointed Water Management Representatives (WMR). In December 2025, existing frameworks were reviewed and top threats on the BAWSCA region were identified through a survey and live polling. In January 2026, the BAWSCA team met with SFPUC's Emergency Resilience staff to review its existing frameworks related to the Regional Water System. Finally, a workshop was held with the WMRs in February 2026 to gather input on existing strategies and identify collaborative opportunities.

From the survey, three key threats were apparent to the region;

- 1) Infrastructure failure due to condition (age) and/or earthquake, 68%
- 2) Cyber-attack, 13%, which is expected to increase with the sophistication of AI.
- 3) Wildfire, 7%, due to the geography and climate trends in the Bay Area.

These threat categories shaped how existing frameworks were evaluated and how potential opportunities were identified.

Existing frameworks were evaluated at 5 different levels; Local, Countywide, Regional, Statewide, and National level. There is a wide range of existing frameworks as well as resources that were sifted through to determine which ones are most applicable to the BAWSCA region.

Regionally, the analysis found that there is an existing foundation around the identification of assets and operational practices for emergency response. That foundation was extremely meaningful as the BAWSCA region's resilience was assessed, and valuable in identifying gaps that existed, particularly around communication, coordination, and the ability for multiple agencies to act collectively and simultaneously when an emergency occurs.

In reviewing existing frameworks outside of California, the gaps identified items that should be considered in the potential emergency resilience framework, which include having emergency training and exercises, mutual-aid agreements, and a virtual emergency response center at a regional level. It also presents the consideration of an emergency drinking water framework that includes assessment of how to address isolated service areas or "islands" that are cut off from outside emergency response assistance.

Potential areas of opportunities to build emergency resilience that are of interest to member agencies include:

- **Templates and Resources** that can be easily customized by the agencies for, during and after emergencies. It would be an inventory of actions for responding to emergencies such as boil water notices, site condition assessments and after-action reports. It was identified as helpful tool, particularly for smaller agencies with resource constraints. The templates

and documents would be accessed through the BAWSCA agency portal and/or the Water Conservation Database (WCDB).

- **Training and Exercises** is a near-term opportunity to hold regular sessions introducing BAWSCA agencies to the updated California Water Agency Response Network (CalWarn) system that provides mutual aid information. Additionally, having local desktop emergency exercises, as well as an agency rotation for those exercises provides the opportunity for agencies to become familiar with each other's systems.
- **Communication Plans and Protocols** that provides a flow chart of the communication line for both regional and countywide emergency coordination. This would be paired with the existing emergency contact roster.
- **Peer Learning and Knowledge Sharing** that involves organized workshops 2-3 times a year where member agencies, as well as outside agency representatives, can discuss current emergency resilience topics and concerns, experiences, and lessons learned from events that occurred across the region.

The findings are currently being reviewed by the WMRs, and a Technical Memo is being finalized for discussion at the July 9th WMR meeting.

The Committee was asked for feedback on the analysis and methodology, and for suggested changes to the information prepared for the full Board in July.

The Board will be asked for input on the appropriate scope of regional emergency resilience coordination and potential funding approaches to help inform the team on which opportunities, if any, are advanced as part of the final Strategy 2050 report, which is expected in FY 2026-27.

Director Andrews noted that as part of the key regional threat of infrastructure failures and cyber-attacks with the sophistication of AI, how are data centers being looked at in terms of its infrastructure failure and the impacts it can have on system resiliency. It would be great to have guidance for data centers to know what to implement when it poses a threat to the system.

Director Hardy agreed that the aging infrastructure can be the most significant threat but also noted that parts of the system is controlled by computers which creates vulnerabilities. She noted that it is important for agencies to know the lessons learned from past experiences, including Mountain View's recent contamination incident, as it can provide a perspective of what to expect and the need to be realistic. Additionally, communication immediately following an emergency is a big problem as most information that gets out quickly can be misinformation.

Director Stevenson echoed Director Hardy's concerns with contamination because it is one of the bigger potential issues with the largest long-time remediation path. He was surprised not to see more specific mutual aid agreement recommendations as an area of interest by the member agencies since, often times, post emergency situations are localized in the footprint of our region, and better agreements between the agencies are essential to ensure that agencies come to the aid of each other. This touches upon the communication infrastructure to know where some of the problem areas are. CalFire can be a valuable resource in terms of their structure and response protocols. He suggested having more balance towards

learning how others have been impacted and how they responded on a national or broad regional area and apply them to the footprints of member agencies.

Director Vella suggested that the report provided to the Board in July should include the level of engagement, if any, the analysis had with the emergency management departments from the larger cities of San Francisco and San Jose, as well as the San Mateo County OES and Alameda County EOS. Their input on the development and engagement in the framework would be beneficial for the region. He commented that AI is a useful tool that can pose a real threat if used and managed in the wrong ways, which is the risk we are trying to prevent.

Director Duncan expressed his support for the direction the results of the analysis is heading. He agreed with Director Stevenson's comment on ways member agencies can help each other in emergency situations. He suggested the development of a regional inventory list of specialized parts and fittings that can be difficult to get, as well as an inventory list of emergency equipments such as portable boosters and generators, mobile tanks and layflat hoses. Having a regional inventory list of supplies can be helpful with CalWARN efforts. He mentioned that CalWater has Emergency Action Guidebooks that are simple in listing the top 25 things that need to be done in an earthquake, wildfire, or contamination situations. He would support development of a similar regional guidebook to serve the BAWSCA service area.

Director Pierce suggested that in presenting the framework overview to the Board, it would be helpful to provide a clear list of results such as the mutual aid agreements and utilizable tools such as templates for the member agencies to access as a resource for actions required to respond the key threats. She liked the idea of having Communication Plans and Protocols, as well as having a shared list of resources for the region.

Director Ragsdale agreed with the idea of having a regional inventory list of equipment and supplies, as well as an Emergency Action Guidebook, particularly in hard copy form in case power is lost. She appreciated the report and sees the efforts as valuable for the region's resilience. She recognized that the work takes time and money. She suggested looking into regional grant opportunities, as well reaching out to the Board for assistance with getting connected with organizations that can potentially be a useful resource for the effort. She, too, was surprised that contamination scored low as a threat.

Director Vella commented that the region has been fortunate that contamination incidents have been few and far between. While it can and will happen just as all the other potential threats can and will, he cautioned against putting too much focus on it just because it happened recently.

There were no comments from members of the public.

C. CEO/General Manager Performance Evaluation Process:

Director Vella reported that while the evaluation process in place will remain the same, he created an evaluation Committee consisting of Directors Chambers, Stone, Weed, Hardy and himself. He has reached out to the Directors who have graciously accepted.

Evaluation materials will be emailed to the Board following the July 16th Board meeting. He will work towards 100% participation.

There were no comments from members of the public.

7. CEO Reports:

- A. Water Supply Conditions: CEO Smegal reported that Hetch Hetchy is 100% full and water supply situation is very good. BAWSCA received SFPUC's WSA required Water Availability letter in which a normal water year has been declared.

Regional Water System total deliveries show a spike in March when temperatures increased, and a dip in April when the weather cooled down, showing that demands in the region does respond to the weather. The trend is generally consistent with last year being slightly higher in terms of water sales. As explained to the Board in March, SFPUC sets its rates in part based on data gathered from the previous water year deliveries.

- B. Bay Delta Plan/FERC Relicensing Process: CEO Smegal reminded the Committee that there are two Phases, Bay-Delta Plan Phase 1, which centers on the San Joaquin River (of which the Tuolumne River is a tributary) where BAWSCA has focused engagement and participation. Bay Delta Plan Phase 2 centers on the Sacramento System, which has moved slightly faster than Phase 1. No further action by the State Board has occurred in the past few months for either Phase. But as reported to the Board in March, BAWSCA filed its opening brief in the appeal challenging the March 15, 2024 decision in the State Water Board cases. The State Board must serve and file a respondent's brief by September 21st, and BAWSCA's reply brief will be due on October 12, 2026.

Tuolumne Irrigation District (TID) and Modesto Irrigation District (MID) were granted an extension to file their environmental documents, CWA 401 Certification for the Don Pedro Hydroelectric Project for the FERC relicensing process. The new deadline is December 31, 2026.

Public comments were provided by Dave Warner.

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

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

10. Comments by Committee Members:

Director Hardy was excited to report that the first FIFA game will be held at Santa Clara's Levi's Stadium which is served by Hetch Hetchy water. The City of Santa Clara has worked with stadium personnel on water efficiency, including having toilets that run on reclaimed water. Additionally, the SFPUC is part of the discussion with Valley Water over the purified water treatment plant, which has received land approval.

In response to Director Hardy's inquiry on a Crystal Springs tour, CEO Smegal noted that a Peninsula Watershed Tour is scheduled with the SFPUC on September 24th. It will start at the Millbrae Operations Center at 9am. Spots will be limited to less than a quorum of the Board.

Additionally, SFPUC has provided BAWSCA with a second Hetch Hetchy tour date on September 29-30 to accommodate BAWSCA Board members who were unable to attend the June tour.

- 11. Adjournment:** The meeting was adjourned at 3:18pm. The next meeting is August 12, 2026.

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Jun. 10, 2026	Apr. 8, 2026	Feb. 11, 2026	Dec. 10, 2025	Oct. 8, 2025	Aug. 13, 2025
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	✓	✓	Meeting Cancelled
San Bruno	Hamilton, Tom		✓	✓	n/a	n/a	
Hayward	Andrews, Angela	✓	✓	✓	n/a	n/a	
Westborough	Chambers, Tom	✓	✓	✓	✓	✓	
CalWater	Duncan, Darin	☎		✓	✓	✓	
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓	✓	
Redwood City	Pierce, Barbara	✓		☎	✓	✓	
Burlingame	Stevenson, Peter	☎	☎		✓		
MPWD	Vella, Louis	✓	✓	✓	✓	✓	

✓: present

☎: Teleconference

June 10, 2026 Meeting Attendance (*In-Person Meeting*)

BAWSCA Staff:

Tom Smegal	CEO/General Manager
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
Sandra Johnson	Office Assistant
Allison Schutte	Legal Counsel, Hanson Bridgett

Members of the Public:

Alison Kastama	SFPUC
Jason Wang	Santa Clara
Dave Warner	Self

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****May 21, 2026 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:32 pm.**

BAWSCA Chair, Louis Vella, called the meeting to order. The Assistant to the CEO/General Manager called the roll. Twenty (20) members of the Board were present at roll call with three members participating by teleconference in accordance with the traditional Brown Act Rule. Five members arrived after roll call. A list of Directors present (25) and absent (1) is attached.

2. Comments by the Chair:

Chair Vella highlighted the action items on the agenda which included approval of the proposed workplan and operating budget for FY 2026-27, and authorizing the CEO/General Manager to negotiate and execute professional services agreements that enable staff to effectively achieve BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price.

Since most member agencies are in the process of bringing the State required Urban Water Management Plans (UWMP) for adoption by their governing bodies in June, BAWSCA requested that SFPUC present information on their UWMP process for the Boards' understanding of how that process influences the BAWSCA member agency's UWMP.

Because there are no new developments on the Bay Delta Plan and FERC Process since the last report was provided to the Board, Closed Session is removed from the agenda. All votes will be taken by roll call in accordance with the traditional Brown Rules for teleconferencing.

3. Board Policy Committee Report: Committee Vice-Chair Tom Hamilton provided the BPC Report on behalf of Committee Chair Ragsdale who participated remotely. The Committee met on April 8, 2026 and voted to recommend Board adoption of the Proposed FY 2026-27 work plan, results to be achieved, and option to fund the operating budget; approval of the Pay Schedules for FY 2026-27 and correction for FY 2024-25; and recommendation for a Human Resource Service Provider.

The Committee was presented with the process for completing BAWSCA's FY 2024-25 Annual Survey as an informational item. Committee actions and discussions are reflected in the Board Policy Committee Summary Report included in the Board agenda packet.

Director Schneider commented on the Annual Survey and noted that it should also be presented to the Board.

There were no comments from members of the public.

4. Consent Calendar:

Director Breault made a motion, seconded by Director Chambers, that the Board approve the Consent Calendar which include adoption of the March 19, 2026 Board meeting minutes; receive and file the Budget Status Report as of March 31, 2026; receive and file the Bond Surcharge Collection, Account Balance and Payment Report as of March 31, 2026; receive and file the Investment Report as of March 31, 2026; receive and file the Directors' Reimbursement Report as of March 31, 2026; and receive and file the Employee Reimbursement Report as of March 31, 2026.

The motion passed unanimously by roll call vote.

There were no comments from members of the public.

- 5. SFPUC Report:** SFPUC's Liaison to BAWSCA, Alison Kastama, reported the water supply conditions as of May 18th. Hetch Hetchy reservoir is 100% full and SFPUC's Water Supply Availability Update letter, sent to the Water Management Representatives on April 14th, states no water supply shortage on the system is expected. Statewide reservoirs are at or above historical average as a result of carryover storage.

Ms. Kastama noted that SFPUC is part of efforts to install advanced radar network in the Bay Area to get better precipitation information; however, SFPUC does not rely on forecasts beyond 2 weeks. Increased discussion on El Niño does not impact SFPUC operations as the system is operated based on known conditions for water supply management.

Jennifer Lee, Water Resources Utility Specialist, presented the SFPUC's UWMP, particularly its water demand analysis component. In response to whether the SFPUC accounts for demand change as a function of percentage of rate increase, Ms. Lee stated that price elasticity is incorporated in SFPUC's demand study and rate projections.

Comments and questions were received from members of the Board.

Public comments were provided by Dave Warner and Peter Drekmeier.

6. Public Comments on Items not on the Agenda:

Public comments were provided by Peter Drekmeier.

7. Action Calendar:**A. Proposed FY 2026-27 Work Plan, Results to be Achieved, and Operating Budget**

CEO/General Manager Tom Smegal presented the Proposed FY 2026-27 Work Plan, Results to be Achieved, and Operating Budget to the Board for its consideration.

Questions and comments were taken from Board members.

Public comments were provided by Dave Warner and Peter Drekmeier.

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

- **Proposed Fiscal Year 2026-27 Work Plan and Results to be Achieved;**
- **Proposed Operating Budget of \$5,340,828; and**
- **Proposed funding plan Option #2 with a 0% assessment increase.**

The motion passed by roll call vote, with one abstention and one nay.

B. Approval of Professional Services Consultants for FY 2026-27

Mr. Smegal reported that there are Fourteen (14) Professional Services Agreement that must be in place by July 1, 2026 to support BAWSCA's work plan items. Eight (8) of the fourteen (14) professional services contracts are funded by the Proposed FY 2026-27 Operating Budget and have a combined budget of \$1,538,500. They are a suite of specialized consultants with technical expertise that supplements BAWSCA's staff of nine (9). Six (6) professional services are for subscription conservation programs that have no operating budget implications but need to be approved by the Board.

Mr. Smegal presented the staff recommendation.

Director Breault made a motion, seconded by Director Pierce, that the Board approve the fourteen (14) professional services contracts, subject to legal counsel review, for legal, engineering, financial, and water conservation services necessary to be in place by July 1, 2026.

The motion passed unanimously by roll call vote.

Comments were provided by Board members.

There were no comments from members of the public.

C. Approval and Adoption of BAWSCA Pay Schedules for FY 2026-27 and correction for FY 2024-25

Mr. Smegal reported that the Board must approve and adopt BAWSCA's Annual Pay Schedules to comply with California Code Regulations (CCR) Title 2 § 570.5, as required by California Public Employees' Retirement System (CalPERS).

The salary schedule for FY 2026-27 was presented to the Board, as well as a correction in the top range salary listed for the Water Resources Manager position in the salary schedule for FY 2024-25. Correcting the error will change the top range to \$248,774 from the \$247,967 as noted. The correction is not authorizing retroactive pay for agency employees, but rather formally approving and adopting previously approved salary schedules in a specified format as required by CalPERS.

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

Director Nash made a motion, seconded by Director Schneider, that the Board approve and adopt the BAWSCA Pay Schedules for FY 2026-27 and the corrected Pay Schedules for FY 2024-25.

The motion passed by roll call vote with one nay.

D. Authorization of CEO/General Manager to Negotiate and Execute a Professional Services Agreement with a Human Resources Management Service Provider

Mr. Smegal reported that BAWSCA's organizational growth and expanded regulatory and compliance obligations applicable to public agencies like BAWSCA has brought the need for an experienced HR service provider to: 1) update internal human resources procedures and practices, and 2) perform certain HR functions that are currently handled by staff and legal counsel. Doing so will improve efficiency and compliance.

BAWSCA issued a Request for Proposals (RFP) for HR Management Services on March 20, 2026. Proposals received were reviewed and short-listed for interviews. The selection process was consistent with BAWSCA's policies and procedures for professional services contracts, and the schedule and budget align with what was anticipated in the proposed FY 2026-27 Work Plan.

Questions and comments were received from members of the Board.

There were no comments from members of the public.

Director Hamilton made a motion, seconded by Director Manalo, that the Board authorize the CEO/General Manager to negotiate and execute a contract with CPS HR, subject to legal counsel's final review, for an amount not to exceed \$100,000 to provide Human Resources Management Services.

The motion passed unanimously by roll call vote.

8. CEO Reports:

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

BAWSCA has coordinated with the SFPUC on a Hetch Hetchy tour on June 16-17, and a Peninsula Watershed Tour on September 24th, in which Board members are encouraged to participate. There were no comments from members of the Board and members of the public.

9. Closed Session: No Closed Session was held.

10. Report from Closed Session: N/A.

11. Additional Time for Public Comments (Time Permitting): N/A.**12. Directors' Discussion: Comments, Questions and Agenda Requests:**

Director Showalter shared the City of Mountain View's contamination incident and the "lessons learned" gained from exercising their emergency response to the issue and expressed her appreciation for the mutual aid provided by the neighboring agencies including the City of Sunnyvale, Valley Water, Town of Hillsborough, San Jose Water, as well as the Division of Drinking Water. She noted that the mutual aid system was critical in the recovery process.

Director Zigterman suggested that a debrief report on the incident from the City of Mountain View staff to the Water Management Representatives is worth considering.

Director Jordan agreed with Director Zigterman and noted that one of the talks at ACWA's Spring Conference was on the aftermath and recovery process from the 2018 Paradise Fire, which informed the recovery from the recent Los Angeles fire.

Director Hardy supported the idea of sharing the lessons learned.

13. Date, Time and Location of Next Meeting: The next meeting is scheduled on July 16th at Foster City Community Building, Wind Room.**14. Adjournment:** The meeting adjourned at 8:47pm.

Respectfully submitted,

Thomas F. Smegal
CEO/General Manager

TS/le

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

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Roll Call & Voting Log - BAWSCA

Meeting Date: May 21, 2026

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

Vote Tally

								Weighted Vote Summary	
	Yes (y)	No (n)	Absent (0)	Abstain (a)				"Yes"	"No"
	25	21	22	24	23	24			
			1		1				
	1	5	2	2	2	2			
			1						

Item Carries by Simple Vote?									
Item Carries by Weighted Vote?									

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

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

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

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

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	May 21, 2026	Mar. 19, 2026	Jan. 15, 2026	Nov. 20, 2025	Sept. 18, 2025	July 17, 2025
Andrews, Angela	Hayward			✓	✓	✓	✓
Breault, Randy	Guadalupe	✓	☎	✓	✓	✓	
Breault, Randy	Brisbane	✓	☎	✓	✓	✓	
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cohen, David	San Jose	✓	✓	✓		✓	
Duncan, Darin	Cal Water	✓	✓	✓	✓	✓	✓
Hamilton, Tom	San Bruno	✓	✓	✓	✓		✓
Hardy, Karen	Santa Clara	✓	✓	✓	☎	✓	
Jordan, Steve	Purissima	☎	✓	☎	✓	☎	✓
Kiesel, Art	Foster City	✓	✓	✓	✓	✓	✓
Lincoln, Webster	East Palo Alto	☎		✓	✓	✓	
Manalo, Juslyn	Daly City	✓	✓	✓	✓		✓
Mehlinger, Richard	Sunnyvale	✓	✓	✓	✓		✓
Mickelsen, Chris	Coastside	✓	✓	✓	✓	✓	✓
Montano, Carmen	Milpitas	✓	✓		✓	✓	✓
Nash, Betsy	Menlo Park	✓	✓	✓	✓	✓	✓
Piccolotti, Tom	North Coast	✓	✓	✓	✓	✓	✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓	✓
Ragsdale, Leslie	Hillsborough	☎	✓	✓	✓	✓	✓
Schneider, Ann	Millbrae	✓	✓	✓	✓	✓	✓
Showalter, Patricia	Mountain View	✓	✓	✓	☎	✓	☎
Stevenson, Peter	Burlingame	✓	✓	✓	✓		✓
Stone, Greer	Palo Alto	✓	✓	✓	✓	✓	✓
Vella, Louis	Mid-Peninsula	✓	✓	✓	✓	☎	✓
Weed, John	ACWD	✓	✓	✓	☎	✓	✓
Zigterman, Tom	Stanford	✓	✓	✓		✓	✓

✓ : Present

* : Predecessor

☎ : Teleconference


Bay Area Water Supply & Conservation Agency

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

TO: Tom Smegal, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: July 7, 2026

SUBJECT: Budget Status Report as of May 31, 2026

This memorandum shows fiscal year budget status for FY 2025-26. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

Operating Budget Summary:

For the eleven-month period ending May 31, 2026, 92 percent into the fiscal year, total expenditures were \$4,509,919 or 81 percent of the total budget of \$5,547,732

Table 1. Operating Budget Summary as of May 31, 2026

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,563,088	1,079,188	69%
Fair Pricing	324,887	169,664	52%
Administration	346,000	136,724	40%
Subtotal	2,233,975	1,385,576	62%
Administration and General			
Salary & Benefits	2,694,282	2,694,444	100%
Other Expenses			
BAWSCA	554,300	427,038	77%
BAWUA	1,050	0	0%
Subtotal	5,483,607	4,507,058	82%
Capital Expenses	5,000	0	0%
Budgeted Contingency	57,500	0	0%
Regional Financing Authority	1,625	2,861	176%
Grand Total	5,547,732	4,509,919	81%

Overview:

Overall expenditures for FY 2025-26 are tracking within budget.

Consultants

The \$100,000 budget for technical review and tracking of the SFPUC's Water System Improvement Program was 30 percent expended. The Operating Budget allocation of \$935,000 budget for legal counsel was 72 percent expended. The \$271,600 budget for water management and conservation-related activities was 61 percent expended.

Administration and Other Expenses

Budgets for salaries and other expenses were 100 percent and 77 percent respectively. Salaries and Benefits expenses were higher than projected due to the recording of the \$300,000 one-time pension liability payment as an expense.

Use of CEO's Discretionary Spending Authority:

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

Use of Reserve and Reserve Fund Balance:

Unspent funds at the end of FY 2024-25 were \$500,997. The General Reserve balance as of May 31, 2026, reflects the transfer of unspent funds from FY 2024-2025 in accordance with BAWSCA's General Reserve Policy. At its January 2026 meeting, the Board authorized a transfer from the General Reserve of \$300,000 for a one-time payment to CalPERS to reduce BAWSCA's Unfunded Pension Liability. The reserve balance as of May 31, 2026, shown below reflects this transfer.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 03/31/26)	Account Balance (As of 05/31/26)
General Reserve	\$1,405,262	\$1,405,262



Bay Area Water Supply & Conservation Agency

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

MEMORANDUM

TO: Tom Smegal, CEO/General Manager
FROM: Deborah Grimes, Office Manager
DATE: July 8, 2026
SUBJECT: Investment Report – As of May 31, 2026

In February 2004, the Board originally adopted an investment policy consistent with the Government Code that requires a report on the Agency's investments be provided to the Board. This report presents fund management in compliance with the current investment policy. The Board most recently reviewed the investment policy at the November 20, 2025, board meeting.

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

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

<u>03/31/26</u>	<u>05/31/26</u>
\$3,677,236	\$3,714,150

Of the total in the BAWSCA LAIF account as of May 31, 2026, \$1,405,262 represents BAWSCA's General Reserve Fund, which includes the transfer of \$500,997 in unspent funds from FY 2024-2025, equivalent to approximately 25 percent of FY 2025-2026 Operating Budget, within our goal of 20-35% of our current Operating Budget. The remaining amount consists of unrestricted funds.

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

<u>12/31/25</u>	<u>03/31/26</u>
4.20%	3.98%

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Authorization to Extend Office Lease**

Summary:

The lease for office space at 155 Bovet Road expires January 31, 2027. The terms of the current lease offer an option to extend at market rate. A lease rate of \$3.80 per square foot and four months' free rent has been negotiated with the property management's agent. This rate is in line with comparable properties and represents the best value in terms of efficiency and moving costs. The current lease rate of \$4.50 per square foot will continue through the existing term of the lease, ending January 31, 2027. The pricing and rent abatement are contingent on a lease extension of sixty-four months. Shorter extensions would have resulted in less favorable terms.

Fiscal Impact:

The abatement of four months' rent will result in savings of \$50,662. Based on the existing office square footage, the recommended action would result in a net monthly rent decrease of \$2,340 beginning February 1, 2027. Combined, the estimated savings in FY 2026-27 is \$53,000.

Board Policy Committee Action:

The Committee voted unanimously to recommend approval of the proposed Board action.

Recommendation:

That the Board authorize the CEO/General Manager to extend the current lease for a period of sixty-four months.

Discussion:

Based on comparisons, it is cost-effective for BAWSCA to remain at its current location. The extended lease rate is in line with comparable office space in San Mateo County.

The current lease rate is \$4.50 per square foot. Under the recommended lease extension, the lease rate starting February 1, 2027 would be \$3.80 per square foot with an annual 3% increase. In addition to a lower rate per square foot, an abatement of four months' rent, beginning February 1, 2027, results in a FY 26-27 savings of \$50,662. Together, the reduced per square foot cost and rent abatement results in an estimated FY 2026-27 savings of \$53K. Table 1 provides lease rate history for BAWSCA.

Table 1. BAWSCA Historical Lease Rates

May 2000 - April 2005	\$3.45 - \$4.25
May 2005 - Oct. 2008	\$1.85 - \$2.08
Nov. 2008 - July 2011	\$3.20 - \$3.46
Aug. 2011 - Sept. 2016	\$2.20 - \$2.48
Oct. 2016-Sept. 2021	\$3.75-\$4.22
Oct. 2021-Jan. 2027	\$4.00-\$4.50
February 2027-May 2032	\$3.80-\$4.30

The real estate broker advising BAWSCA states current lease rates for suburban office product on the SF Peninsula have remained flat since falling in 2020/2021. While there have been shifts in landlord concessions, evidenced by the rent abatement BAWSCA has negotiated, rents have generally held steady. The combination of a reduced office supply – due to housing and life science redevelopment – has buffered the market to date. Lately the market has seen demand pick up due to AI and deep tech companies that are scaling in San Mateo County.

Suburban office product remains the best value product on the Peninsula and is seeing an uptick in activity as deal seeking tenants flock to this product. BAWSCA's offices have been in the same building for more than 25 years and in their current space since 2011. The site's location relatively central to the BAWSCA service area and with ease of access to San Francisco continues to be beneficial. The building continues to offer excellent value in the market.

Staff and the real estate broker reviewed comparable properties that might provide other advantages (such as greater proximity to transit) and found either higher rates or unsuitable space of the size and type needed for BAWSCA, considering also any costs associated with moving.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Status of the SFPUC's Water Enterprise Capital Improvement Program (WECIP), the Hetch Hetchy Capital Improvement Program (HCIP) and the Water System Improvement Program (WSIP) as Reported for the 3rd Quarter of FY 2025-26**

Definitions:

The Water System Improvement Program (WSIP) includes specified projects enumerated in the plan across the regional and retail water systems. Water Enterprise (WE) and Water Enterprise Capital Improvement Plan (WECIP) covers facilities west of the Tesla treatment plant outside Tracy. Hetch Hetchy Enterprise (HHE) and Hetch Hetchy CIP (HCIP) cover facilities in the Sierras to Tesla treatment plant.

Summary:

This memorandum provides a status summary of the WECIP, HHCIP, and WSIP using data as supplied by the SFPUC in the respective Program's Quarterly Reports as prepared to summarize work progress during the 3rd Quarter (Q3) of Fiscal Year (FY) 2025-2026.

Recommendation:

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

Background:

The SFPUC prepares a 10-year CIP for their Water Enterprise and a 10-year CIP for their Hetch Hetchy Enterprise. They update their 10-year CIPs biannually. Section 6.09 of the Amended and Restated Water Supply Agreement between the City / County of San Francisco and the Wholesale Customers (WSA) includes provisions that require the SFPUC to meet with BAWSCA to discuss project plans in the weeks preceding the close of the SFPUC's CIP development effort. The WSA also requires that the SFPUC produce quarterly CIP reports that track work progress. Following the receipt of a quarterly report, meetings are held between the SFPUC and BAWSCA staff to discuss the work being performed. BAWSCA makes recommendations and provides comments for consideration by the SFPUC but does not have the authority to change or approve the SFPUC's CIPs. Attachment 1 provides a listing of the projects of interests detailed in the respective 3rd Quarterly Reports.

The Wholesale Regional Water System Security and Reliability Act (AB 1823) is a state mandate that required the SFPUC to execute a multibillion-dollar capital improvement program. The goal of the suite of projects included in that CIP was to ensure seismic safety and reliable water delivery to San Francisco and its 26 wholesale agency customers across Alameda, Santa Clara, and San Mateo Counties. The act was signed in 2002.

The Water System Improvement Program (WSIP) was crafted by the SFPUC to facilitate the implementation of AB 1823. Pursuant to AB 1823, the SFPUC must document the progress achieved on WSIP implementation. More specifically, AB1823 requires that the SFPUC produce quarterly reports that track work progress. Following the receipt by BAWSCA of a quarterly WSIP report, meetings are held between the SFPUC and BAWSCA staff to discuss the work being performed.

Discussion:

SFPUC staff have issued reports detailing work performed in the third quarter of FY 2025-26 for WECIP, HCIP, and WSIP.

For both the WECIP and the HCIP, the baseline referenced in third quarterly reports (for scope, schedule and budget tracking purposes) is the SFPUC's 10-Year Capital Plan adopted in 2024. For the first quarter of 2026-2027, the SFPUC staff will update its baseline to the recently adopted 2026 10-Year capital plan. In each case, only currently authorized expenditures (generally the first two years of a 10-year CIP) are being tracked.

In the HCIP, capital projects are categorized by the primary role that they serve (e.g., water only, power only, and joint water and power). BAWSCA member agencies are responsible for a portion of the costs for the water and joint projects. There are 22 active projects in the HCIP as of the 3rd Quarter.

In the WECIP, capital projects are categorized as either regional (benefiting the entire SF RWS) or local (benefiting the residents of the City / County of San Francisco). BAWSCA member agencies are responsible for a portion of the costs of regional projects. There are 34 active projects in the WECIP as of the 3rd Quarter.

The WSIP is a \$4.8 billion, multi-year capital program to seismically upgrade the San Francisco local and RWS. Regional projects account for \$3.808B of the \$4.8B WSIP costs. BAWSCA member agencies are responsible for a portion of the costs of regional projects but not the local (City/County of San Francisco) WSIP projects.

The management of WSIP regional projects is divided into 6 regions – San Joaquin, Sunol Valley, Bay Division, Peninsula, San Francisco Regional, and Support Projects. The program budget and schedule were originally adopted by the SFPUC on March 1, 2003. The scope of the WSIP has changed over time, most significantly following the adoption by the SFPUC of Level of Service (LOS) goals in early 2005. The WSIP baseline budget and schedule has been revised periodically, with the most recent revision taking place in 2024. The vast majority (48) of the WSIP's 52 regional projects have been completed over the course of time. However, two of four projects that do remain are significant in scope and cost. Those two projects are critical to meeting LOS goals, as they produce a water supply benefit.

Noted Projects in the 3rd Quarter CIPs

For the HCIP, a project of particular interest is the replacement of the existing Moccasin Penstocks. Work underway at present includes geotechnical fieldwork and the finalization of an alternative analysis. BAWSCA's interest is derived from the fact that penstock replacement alternatives are few and the replacement cost will be expensive. The project is included in the recently adopted 10-Year HCIP. \$5.4M in funds were encumbered to cover its costs as estimated for years 1 and 2 plus \$504.7M is currently estimated to be needed to cover costs in years 3 through 10.

For the WECIP, BAWSCA staff is paying close attention to efforts associated with the planning and design of the SFPUC's Millbrae Operations Center Project and continues to encourage the SFPUC staff to engage with the City of Millbrae. An alternative project design which leaves in place the Outdoor Supply Hardware is anticipated to be available for BAWSCA's review in the summer months. In the recently adopted 10-Year WECIP, the SFPUC has encumbered \$57M in

funds to cover proposed year 2 costs, and \$302M has been estimated as needed to cover projected costs in years 3 through 10.

As a reminder, the cost of project work in years 1 and 2 of a CIP play a role in the calculation of wholesale water rates (since those funds must be encumbered). Estimated costs of project expenses in years 3 through 10 of a CIP are preliminary and can change. Those estimates are useful from a planning perspective, but have no impact on wholesale water rates as encumbering of funds has not been implemented.

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**Attachment 1
Key Project Activities for the 3rd Quarter of FY 2025-26**

HCIP Activities by Project in Q3

- San Joaquin Pipeline (SJPL) Valve and Safe Entry Improvements Project

As part of Phase 1A, the valves installed that were subsequently rejected for not meeting performance criteria were removed under a separate contract. The SFPUC team is negotiating final terms with the contractor regarding their replacement. As part of Phase 2A, the contractor continued the restoration work to repair or replace equipment damaged during a recent flooding event at the Roselle Valve House. As part of Phases 2B/2C, the contractor has completed 90% of the first outage work; however, a large butterfly valve was damaged during installation. A repair plan is being developed. For Phase 3, the Contractor completed the sample line upgrade from PVC to stainless steel during the Hetch Hetchy outage.

- Moccasin Powerhouse Bypass Upgrades Project

The design for the preferred alternative has advanced to Conceptual Engineering Report (CER) level. The preferred alternative includes two 48-inch diameter pressurized steel pipes conveying water to a new valve house plus a dissipation chamber and discharge structure at the Moccasin Reservoir shoreline. Workshops for CER including constructability review were conducted to present the information to internal SFPUC stakeholders. BAWSCA was not invited to attend those workshops.

- Moccasin Penstock Rehabilitation Project

The project is proceeding with geotechnical investigations and the development of a Request for Interest to be released to the contracting community to learn about project interest and gain feedback.

- Moccasin Engineering & Records Building Project

Design development continues toward the production of 95%-level construction documents. Additional coordination for fire protection water supply and heating, ventilation and cooling performance requirements associated with the server room and archives and records storage room is in progress. Potential impacts to overall project duration and budget are under evaluation.

- Moccasin Warehouse Building Project

Environmental review documentation was submitted to internal SFPUC staff to support the geotechnical investigation. Schematic design progression has been sequenced to prioritize the Moccasin Engineering and Records Building project ahead of this building.

- **O'Shaughnessy Dam Outlet Works Project**

Phase 1, Subproject A (Bulkheads) is in closeout; the construction team received the International Partnering Institute Award. Subproject B (Drainage & Miscellaneous Dam Improvements) progressed during this quarter, with rehabilitated ladder wells now operational and remaining punch list items in progress. Subproject C (Instream Flow Release Valve) is in closeout. Subproject D (Slide Gates) advanced and an Alternatives Analysis is underway. Subproject E (Drum Gates) continues development of the combined Needs Assessment and Alternatives Analysis Report.

- **Moccasin Dam & Reservoir Long-Term Improvements Project**

The combined Request for Qualifications and Proposals (RFQ&P) for spillway construction using a Construction Manager / General Contractor (CM/GC) project delivery method was completed during this quarter and will be advertised next quarter.

- **Cherry Dam Spillway - Short Term Improvements Project**

The SFPUC Commission awarded the construction contract this quarter. The construction contract includes the Cherry Dam Spillway work as well as the Eleanor Dam Bridge Interim Repairs (a separate project).

- **Eleanor Dam Rehabilitation Project**

The Eleanor Dam Bridge Interim Repairs construction contract (Subproject A) was awarded by the SFPUC Commission this quarter. For Subproject (B), Eleanor Dam Rehabilitation, the design team continues development of an Alternative Analysis Report.

- **Mountain Tunnel Improvements Project**

Outage 5 was successfully completed with the installation of all four 72-inch diameter double disc knife gate valves and one of the two flow control sleeve valves. The other sleeve valve was delivered to the site yet there were conditions present that prevented its' installation. Specifically, electrical and mechanical work advanced but more must be done before the second sleeve valve can be installed. A Job Order Contract was initiated to install sensors and fiber optic cables for new monitoring and controls systems located at the Second Garrote and Big Creek Shafts for the interim operation of the sleeve valves. Most of the buildings for the Moccasin Water System Filtration Plant were constructed.

- **Moccasin Wastewater Treatment Plant Project**

Construction has progressed during this quarter, and the Influent Pump Station riser elevation difference was resolved. Defective concrete has been removed from the Sequencing Batch Reactor structure, and the repair plan will be executed next quarter. The starter/control panel and equipment pad conduit has been installed.

WECIP Activities by Project in Q3

- **Sunol Valley Water Treatment Plant -Ozone Project**

The contractor completed the drilled pier installation for the Ozone Contactor Structure and for the above-ground large-diameter raw water pipeline structure. Work on the electrical and chemical duct banks, Ozone Contactor Structure drainage lines, storm drainage lines and radio tower continued. Unrelated to the project construction, a large valve on the Calaveras raw water pipeline within the plant boundary failed; the ozone project contractor performed emergency repair work to restore the pipeline. The SFPUC's project team is coordinating with Operations staff on a permanent fix for the failed valve.

- **Sunol Valley Water Treatment Plant Short-Term Improvements Project**

The contractor completed some work within the Flocculation Basins before the plant was returned to service to support operations during the Hetch Hetchy System winter outage. While the plant was in full operation, the contractor shifted focus to the utility water pump station scope of work efforts. The contractor also focused on the development of critical submittal packages for early equipment procurement. The SFPUC's project team is evaluating bird deterrent design options for the filter basins and continues holding partnering sessions with the contractor.

- **Sunol Valley Chloramination Facility Master Upgrades Project**

During this quarter, the Hetch Hetchy System was returned to service earlier than expected, due to operational concerns in the SF RWS, which shortened the planned outage for this project. As a result, the project will require additional time and budget to complete the remaining scope and to request another outage once other portions of the SF RWS have been repaired and are reliable. During the shutdown, the contractor completed part of the new pump piping and pump installation work but was unable to start up and test the facility due to the unexpected shortening of the outage window. The impact to the project's budget and schedule is being evaluated and will be reported in the future by the SFPUC when better understood.

- **Tesla Ultra-Violet-light (UV) Treatment Facility Upgrades Project**

The first phase to address immediate back-up power supply needs at the facility will most likely be performed as a Design-Build contract to expedite the schedule. For the first phase, the draft combined Needs Assessment/Alternatives Analysis/Conceptual Engineering Report comments from the SFPUC's project team were returned to the consultant. The second phase for remaining plant improvements will begin planning after Phase 1 work is in construction.

- **Corrosion Control Project**

For Contract B: Construction activities are ongoing. The contractor is scheduled to install the final vent for the rectifier to address condensation concerns. For Contract C: The project has reached 100% design. Development of contract documents is ongoing, and full-size drawings are currently being routed for management signatures. The report

indicated that the project was forecasted to be advertised in May 2026, yet BAWSCA awaits verification.

- **San Antonio Pump Station MCC Upgrades Project**

During this quarter reinforcement improvements and seismic retrofit of the server room were completed as well as installation and testing of the motor control centers and medium voltage switchgear.

- **Crystal Springs Pipeline No. 2 Reach 5 Lining Replacement Project**

Design was completed, and the bid package was advertised. A pre-bid meeting and a separate site visit with potential bidders was held this quarter.

- **Bay Division Pipeline No. 4 Pre-Stressed Concrete Cylinder Pipe (PCCP) Repair Project**

Preliminary hydraulic modeling was performed confirming the importance of this pipe segment. These results, combined with the emerging leaks and complexity of the previously considered repair project, are leading to a decision not to complete Phase 1 repairs and instead proceed with a project to address the repair or replacement needs of the entire 1.3-miles of pipeline. As the project team began moving forward with planning, a new leak was discovered and must be investigated further by the SFPUC's Water Supply and Treatment Division (WSTD). WSTD has decided to move forward with design of an Acoustic Fiber Optic monitoring system to monitor wire breaks and provide a temporary repair for the leak while planning for work on the 1.3-mile segment continues.

- **Alameda Creek Diversion Dam Restoration Project**

The Job Order Contract (JOC) completed winter support and removal of debris washed up against the sluicing gates. After the valves were assessed this quarter further repair is required and the team is working with the valve supplier to repair and replace the problematic parts.

- **Southern Skyline Blvd Ridge Trail Extension Project**

The contractor is continuing with the hydroseeding efforts at prepped staging areas and at various locations south of State Route 92. The contractor is nearing substantial completion of the contract work.

- **Sunol Long Term Improvements Project**

For the Watershed Center, the bluestone etching, sewer line investigation and grout repairs and one window leak repair work was completed. The aquarium leak and waterproofing delamination repairs, archeological pit repairs and wall and window leak investigation work continued. Discussions are ongoing for the exhibit work, including a maintenance agreement, for the exhibit equipment as associated with a two-year facility maintenance period following final construction.

- **Millbrae Campus Improvements Project:**

Detailed design for the South Shops, which is the first phase of construction, began. Updated PG&E applications were submitted for review. Reconciliation of the Construction Manager/General Contractor (CM/GC) and the design team's cost estimates continued. A second administrative draft Initial Study/Mitigated Negative Declaration was provided to the SFPUC's project team for review (note that BAWSCA does not have access to this draft document). BAWSCA is aware that in the subsequent quarter SFPUC agreed to perform an alternative analysis to review options for site reconfiguration. The SFPUC committed to including, as an alternative, option(s) that do not require that an existing building (which is currently leased to Outdoor Supply Hardware) be modified for project purposes. It is unclear at this point in time if that alternative is possible or if that alternative would be greater in cost or schedule than the proposed work that SFPUC had planned to move forward with.

- **Millbrae Yard Security Upgrade Project**

The contractor is progressing with installation of electrical conduits for lighting and security along the east side of the yard. Additional work includes sidewalk replacement, pedestrian gate installation at the entrance, and installation of bollards and keypad pedestal. Lighting installation is also ongoing around the administration building, warehouse, and north shops.

WSIP Activities by Project in Q3

- **Alameda Creek Recapture Project**

This project is in the Planning Stage.

The purpose of this project is to recapture water diverted from Calaveras Reservoir or bypassed around Alameda Creek Diversion Dam for fisheries habitat enhancement in Alameda Creek and return it to the SF RWS through facilities in the Sunol Valley, thus providing a water supply benefit to the SF RWS.

Three years ago, the project's design was complete and its construction was commencing. However, that construction contract was terminated by the SFPUC when it became evident that the project as designed was deemed to have fatal flaws. Those flaws are related to slope stability concerns of the active gravel quarry pit that would serve as a component of the water recapture system envisioned and the complexity of building and operating a permanent structure used as the intake for recaptured water. The decision to terminate the contract was made in April 2023.

In the summer of 2023, the project reverted to the planning stage. In Q3 of this fiscal year the SFPUC indicated that they have completed a draft Alternative Analysis Report, life cycle cost analysis and construction cost estimates for a redesigned project. Those documents have been distributed for internal SFPUC review. Once those documents are finalized, BAWSCA will be provided with copies and updated as to the proposed redesign for the project.

The SFPUC had indicated in the past that the project would be completed by June of 2032. However, more recently the SFPUC indicated that the project's budget and schedule would need to be re-evaluated when a new project alternative has been selected.

- **Regional Groundwater Storage and Recovery Project**

This project is in the Construction Stage

The purpose of this project is to develop groundwater supply in the South Westside Groundwater Basin (located in the northern portion of San Mateo County) for use during drought conditions. In normal and wet years, the SFPUC will supply supplemental surface water to Daly City, San Bruno, and the California Water Service Company (South San Francisco District) to be used in place of groundwater pumping by those agencies. The reduced pumping during the normal and wet years will thereby increase the volume of groundwater in storage that can be pumped in dry years to offset surface water supplies normally provided by the SFPUC. This project is complex and has been in the construction stage since 2012. It is presently scheduled to be completed by December of 2027, but a short delay is possible due to issues detailed below.

As documented in the SFPUC's Q3 report, multiple construction contracts have been completed within the past several years. This quarter one of the project's remaining contractors reinstalled a transmission line flow meter, which was damaged the prior year, at the Colma BART Well Site. Initial field testing of the flowmeter did not achieve anticipated results, hence the SFPUC project team is considering retesting the

flowmeter. As part of another phase of the project, a separate contractor has begun the installation of a pipeline to convey groundwater to Cal Water's system. Trenching for PG&E electrical service conduits is on hold due to a conflict with the alignment of the SFPUC's nearby Sunset Supply Pipeline.

The electrical service conflict with the Sunset Supply Pipeline in turn requires that PG&E must redesign its' service conduit. This is predicted to cause a schedule delay / variance (and hence the project's completion date may be delayed as noted above).

- **Bioregional Habitat Restoration**

This project is in the Close-Out Stage.

The last component of the Bioregional Habitat Restoration project construction work was completed when the Trousdale Oaks Tree Removal sub-project was completed in 2023. The work scope that remains is the purchase of mitigation credits for approximately 24 acres impacted by the San Joaquin Pipeline project. The SFPUC is actively seeking to identify suitable mitigation banks.

- **Long Term Mitigation Endowment**

This is a WSIP related commitment of \$12M that is noted as one of the 52 WSIP projects. Its purpose is to provide a secure source of funds for perpetual monitoring and maintenance of the Bioregional Habitat Restoration sites constructed in the SFPUC watershed. It does not involve construction of any facilities.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **BAWSCA's Long-Term Reliable Water Supply Strategy 2050 –
Emergency Resilience Framework**

Summary:

This memorandum provides an overview of work completed under Strategy 2050 to assess regional emergency resilience across BAWSCA agencies. As part of this effort, BAWSCA evaluated existing emergency preparedness frameworks, identified opportunities to strengthen regional resilience, and developed near, mid, and long-term recommended actions for BAWSCA consideration.

Board Policy Committee Action:

During the June 10th Board Policy Committee meeting, the initial results of the Emergency Resilience Framework was presented. This was an informational item and no Committee action was requested. However, input from the Committee was collected and was incorporated into the memo and presentation for the BAWSCA Board meeting on July 16, 2026.

Recommendation:

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

Discussion:

As part of Strategy 2050, BAWSCA conducted an assessment of regional emergency resilience to evaluate how well the BAWSCA region is positioned to prepare for, absorb, recover from, and adapt to acute shock events affecting drinking water supply, delivery, and quality. The analysis focused on natural and human-induced threats, such as earthquakes, wildfires, cyberattacks, and infrastructure failures.

This work was informed by Water Management Representative (WMR) input gathered through three WMR meetings as well as discussion with SFPUC staff on Regional Water System (RWS) emergency frameworks. Through this engagement, WMRs identified infrastructure failure due to age and/or seismic events, cyberattacks, and wildfire as the top three threats to regional emergency resilience (Figure 1).

The emergency resilience analysis inventoried existing frameworks at local, county, regional, state, and national scales, including Risk and Resilience Assessments (RRAs), Emergency Response Plans (ERPs), Hazard Mitigation Plans (HMPs), CalWARN, and the National Incident Management System (NIMS). The analysis also reviewed emergency resilience practices from comparable regions outside the Bay Area, including regional mutual-aid agreements, virtual emergency response centers, and emergency drinking water frameworks. While a solid baseline of frameworks exists, BAWSCA's current role in supporting emergency resilience is largely focused on participating in SFPUC-led RWS training and exercises and distributing SFPUC communications.

The region's water agencies also face compound risk, where a single event can affect multiple systems at once. A major earthquake, for example, could simultaneously disrupt SFPUC infrastructure, trigger Public Safety Power Shutoffs, sever communication networks, and isolate sub-regions from mutual aid. These compound scenarios are a central consideration in the opportunities identified in Table 1.

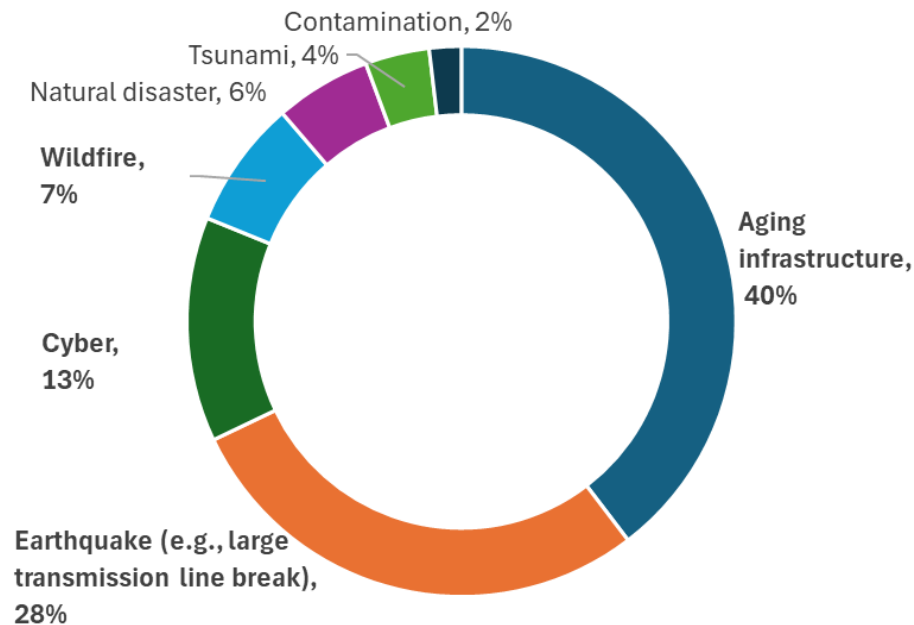


Figure 1. Top threats to emergency resilience in the region, as identified by BAWSCA WMRs

Through engagement with WMRs, the following areas emerged as potential opportunities of interest to BAWSCA agencies:

- **Templates and Resources:** Member agencies have independently developed tools such as boil water notices, after action reports, and site condition assessments that could be useful to other agencies. No regional mechanism currently exists to share or standardize these resources, representing a potential opportunity for coordination.
- **Training and Exercises:** BAWSCA Agencies expressed interest in sample desktop emergency exercises for local agencies and regional training and exercise opportunities.
- **Communication Plans and Protocols:** Potential opportunities exist to strengthen emergency communication at the regional level, including between SFPUC and BAWSCA and among BAWSCA Agencies (for example, around intertie operations), as well as at the county level through more coordinated engagement with county OES emergency response.
- **Peer Learning and Knowledge Sharing:** BAWSCA could convene workshops with member agencies to discuss current emergency resilience topics and concerns, and to share experiences and lessons learned from events occurring at agencies across the region. This model draws on BAWSCA's existing approach to the water loss management program and its Leak Education and Knowledge (LEAK) workgroups, which have enabled agencies to learn from one another and build shared resources over time.

These opportunities were synthesized into a set of recommended actions and associated implementation timeframes, summarized in Table 1. Actions that require relatively low resource investment, such as regional coordination and solicitation of shareable templates, are

recommended as near-term priorities to build BAWSCA Agency support before expanding into more resource-intensive opportunities such as training, exercises, and protocol development.

Table 1. Recommended Potential Actions and Implementation Timeframe

Recommended Action	Timeframe
Develop a regional emergency roles and responsibilities contact roster: 1-page reference identifying who to contact for specific operations and communications purposes across member agencies and key SFPUC contacts, complementing SFPUC's existing contact list.	Near-term (0-12 mo)
Solicit sharable templates from member agencies (boil water notices, AARs, generator logs, site condition assessments); compile into a searchable regional library.	Near-term (0-12 mo)
Establish a tracking system for member agency participation in trainings and exercises across BAWSCA region.	Near-term (0-12 mo)
Launch peer learning workshop series: convene WMR – focused sessions to discuss current emergency resilience topics, share experiences from recent events, and build shared resources across agencies.	Near-term (0-12 mo)
Pursue grant funding applications for regional emergency resilience programs.	Mid-term (1-3 yr)
Develop annual RWS emergency exercises to include wholesale-customer-focused scenarios.	Mid-term (1-3 yr)
Scope and complete intertie hydraulic modeling. Develop protocols for priority turnout sequencing, source-shifting, and post-emergency water quality confirmation testing.	Mid-term (1-3 yr)
Develop post-emergency water quality confirmation testing protocol. Identify backup testing resources (mobile labs, certified contractors) available within 24 hours for each member agency.	Mid-term (1-3 yr)
Host first regional intertie tabletop exercise, rotating host agency. Include operations staff and public works from all agencies with active interties.	Mid-term (1-3 yr)
Implement cybersecurity resilience actions across opportunity areas: WaterISAC group membership (templates and resources), annual multi-agency cyber tabletop with FBI/CISA, and multi-agency cyber incident communication protocol.	Mid-term (1-3 yr)
Identify opportunities for BAWSCA to provide supplemental coordination support to Alameda, Santa Clara, and San Mateo County OES when multiple member agencies within a county are impacted, while preserving each agency's own representation.	Mid-term (1-3 yr)
Develop equity-focused emergency communication framework: multi-language templates, accessible backup communication channels informed by customer input to ensure materials address the information customers need during an emergency.	Mid-term (1-3 yr)
Develop post-emergency recovery protocols: infrastructure repair sequencing, customer communication timelines, FEMA reimbursement documentation standards.	Long-term (3-5 yr)
Establish and maintain a regional mutual aid inventory of emergency equipment (shared generators, pumps, bypass equipment, water quality testing kits), potentially funded through grants or subscription model.	Long-term (3-5 yr)
Establish resilience performance metrics (aligned with AWWA Water Resilience Portal indicators) and report baseline and annual progress.	Long-term (3-5 yr)

During the July Board meeting, BAWSCA will present (1) the overview of the existing emergency resilience frameworks; (2) potential opportunities to improve and strengthen regional emergency resilience across the BAWSCA region as part of Strategy 2050; and (3) recommended next steps. Any opportunities pursued would require consideration of BAWSCA staff capacity and a funding model decision before implementation could begin.

Next Steps

Input from the BAWSCA Board is requested at the July Board meeting. Board input on the appropriate scope of regional emergency resilience coordination and potential funding approaches will help inform which opportunities, if any, are advanced as part of the final Strategy 2050 report, anticipated in FY 26-27. As Strategy 2050 advances in 2026, Water Management Representatives (WMR) and Board input will be critical in shaping priorities and ensuring that Strategy 2050 remains responsive to regional needs while advancing long-term water supply reliability, resilience, and affordability.



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MEMORANDUM

TO: BAWSCA Board of Directors

FROM: Tom Smegal, CEO/General Manager

DATE: July 10, 2026

SUBJECT: Chief Executive Officer/General Manager's Letter

BAWSCA Partnership with WaterNow Alliance and Pacific Institute to Scale Water Use Efficiency Investments

BAWSCA has been accepted as one of two communities to receive pro-bono support from WaterNow Alliance, Pacific Institute, and their team of experts to evaluate ways to accelerate water use efficiency programs. This initiative is designed to help BAWSCA and its 26 member agencies identify legal, accounting, and policy pathways to finance water efficiency incentives at a larger scale. The project aligns with BAWSCA's Strategy 2050 objectives to close funding gaps for water supply resilience and support affordable demand management. Staff will keep the Board updated as the project progresses.

Human Resources Professional Service Provider - Update:

At its May 21, 2026, regular meeting, the BAWSCA Board authorized the BAWSCA CEO/GM to negotiate and execute a professional services agreement with CPS HR Consulting (CPS HR) for on-call Human Resources (HR) Management Service. Agreement negotiation was completed in late June of 2026, and a contract with CPS HR was executed on July 1, 2026. BAWSCA intends to host a kick-off meeting with key CPS-HR and BAWSCA staff sometime in the coming weeks. The purpose of the kick-off meeting is to better understand work assignments as well as for staff to meet. One of the first assignments is an update of BAWSCA's Employee Handbook.

2025 Amended and Restated Water Supply Agreement:

As of April 2026, all BAWSCA member agencies and the San Francisco Public Utilities Commission (SFPUC) approved the 2025 Amended and Restated Water Supply Agreement (2025 Amended and Restated WSA). The 2025 Amended and Restated WSA is now in effect through June 30, 2034.

An electronic copy of the 2025 Amended and Restated WSA was sent to each member agency's water management representatives (WMRs) on June 19, 2026. The WMRs were asked to share the electronic document with their agency's attorneys and other key team members who may have an interest in having a copy of the WSA.

Hard copies were sent to each agency via FedEx by Hanson Bridgett.

Status of Wholesale Revenue Requirement (WRR) Reviews for FY 2024-25:

On May 13, 2026, BAWSCA received the compliance auditor's report and the audited WRR financial statements for FY 2024-25. Pursuant to Section 7.06 of the WSA, BAWSCA conducted its review of the SFPUC's calculation of the annual WRR and the changes in the balancing account for FY 2024-25. As a result of the review, BAWSCA sent a list of questions to the SFPUC on June 26, 2026. BAWSCA is waiting for SFPUC's response. The deadline for the parties to enter into an agreement to finalize the FY 2024-25 WRR calculations or for the Wholesale Customers to serve a demand for arbitration regarding issues related to FY 2024-25 is May 13, 2027.

BAWSCA Website:

A new visual format of the BAWSCA website was launched on July 1, 2026. In 2022, BAWSCA's Web Administrator, Immersiv Media, prompted an update to the website's operating system for efficiency, particularly in importing datasets from the Annual Survey, Water Conservation Database, and Demand Study. The opportunity to redesign the website pages was built into that effort. The overall design update was intended to offer ease of navigation and a fresh new look that best represented the BAWSCA region. Contents will continue to be updated.

Hetch Hetchy Tour – Fall Date Confirmed:

A second Hetch Hetchy Tour is scheduled for September 29 -30, 2026. The tour is arranged with SFPUC for BAWSCA Board Members' first-hand look at the Regional Water System. It provides critical information essential for effectively representing the interests of water users in the BAWSCA region.

Space is prioritized to Directors who are new and/or have not participated in a tour. Remaining spots are released to member agency elected officials and appointed Water Management Representatives. Please email Lourdes Enriquez at lenriquez@bawsca.org if you or another of your agency's elected officials or staff would like to participate in the tour.

SFPUC Announcement:

On June 23, 2026, Dennis Herrera announced his retirement as SFPUC General Manager effective December 2026. The schedule of his retirement provides San Francisco Mayor Lurie and the SFPUC Commission time to find a successor and plan for a smooth transition. Mr. Herrera was nominated by then-Mayor London Breed and confirmed by the San Francisco Board of Supervisors in April 2021.

Board of Directors

Policy Calendar Through May 2027

Meeting Date	Purpose	Issue or Topic
September 2026	D&A R&A R	CEO/General Manager Performance Evaluation BAWSCA's Publicly Available Pay Schedules Review of Water Supply Forecast
November 2026	D&A R&D R	Annual Review & Consideration of BAWSCA's Statement of Investment Policy BAWSCA's Strategy 2050 Review of Water Supply Forecast
January 2027	D&A D&A R&D R&D	Mid-Year Work Plan, Budget and General Reserve Review Proposed FY 2027-28 Bond Surcharges BAWSCA's Strategy 2050 FY 2027-28 Work Plan and Budget Study Session
March 2027	R&D R	Preliminary FY 2027-28 Work Plan Review of Water Supply Forecast
May 2027	D&A D&A	Consideration of Proposed FY2027-28 Work Plan and Operating Budget Consideration of Professional Services Agreements

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

Meeting Schedule through December 2027

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 6:30 – 8:45 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – September 17, 2026	Burlingame Community Center – Sequoia A Room
Thursday – November 19, 2026	Burlingame Community Center – Sequoia A Room
Thursday – January 21, 2027	Burlingame Community Center – Sequoia A Room
Thursday – March 18, 2027	TBA
Thursday – May 20, 2027	TBA
Thursday – July 15, 2027	TBA
Thursday – September 16, 2027	TBA
Thursday – November 18, 2027	TBA

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 21, 2027	Burlingame Community Center – Sequoia A Room

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday – August 12, 2026	Burlingame Community Center – Maple Room
Wednesday – October 14, 2026	Burlingame Community Center – Sequoia B Room
Wednesday – December 9, 2026	Burlingame Community Center – Sequoia B Room
Wednesday – February 10, 2027	Burlingame Community Center – Sequoia B Room
Wednesday – April 14, 2027	TBA
Wednesday – June 9, 2027	TBA
Wednesday – August 11, 2027	TBA
Wednesday – October 13, 2027	TBA
Wednesday – December 8, 2027	TBA