

Board of Directors Meeting

November 19, 2026

BAWSCA
Bay Area Water Supply & Conservation Agency

A multi-county agency authorized to plan for and acquire supplemental water supplies, to encourage water conservation and use of recycled water on a regional basis.

BAWSCA Act, AB 2058 Louis Papan-2002

Agenda Item #1

Call to Order/ Roll Call



Salute to the Flag



Agenda Item #2

Comments by Chair



Agenda Item #3

Public Comments on Items not on the Agenda



Agenda Item #4

Board Policy Committee Report



Agenda Item #5

SFPUC Report



Hetch Hetchy
Regional Water System
Services of the San Francisco Public Utilities Commission

Water Supply Conditions Update

November 16, 2026

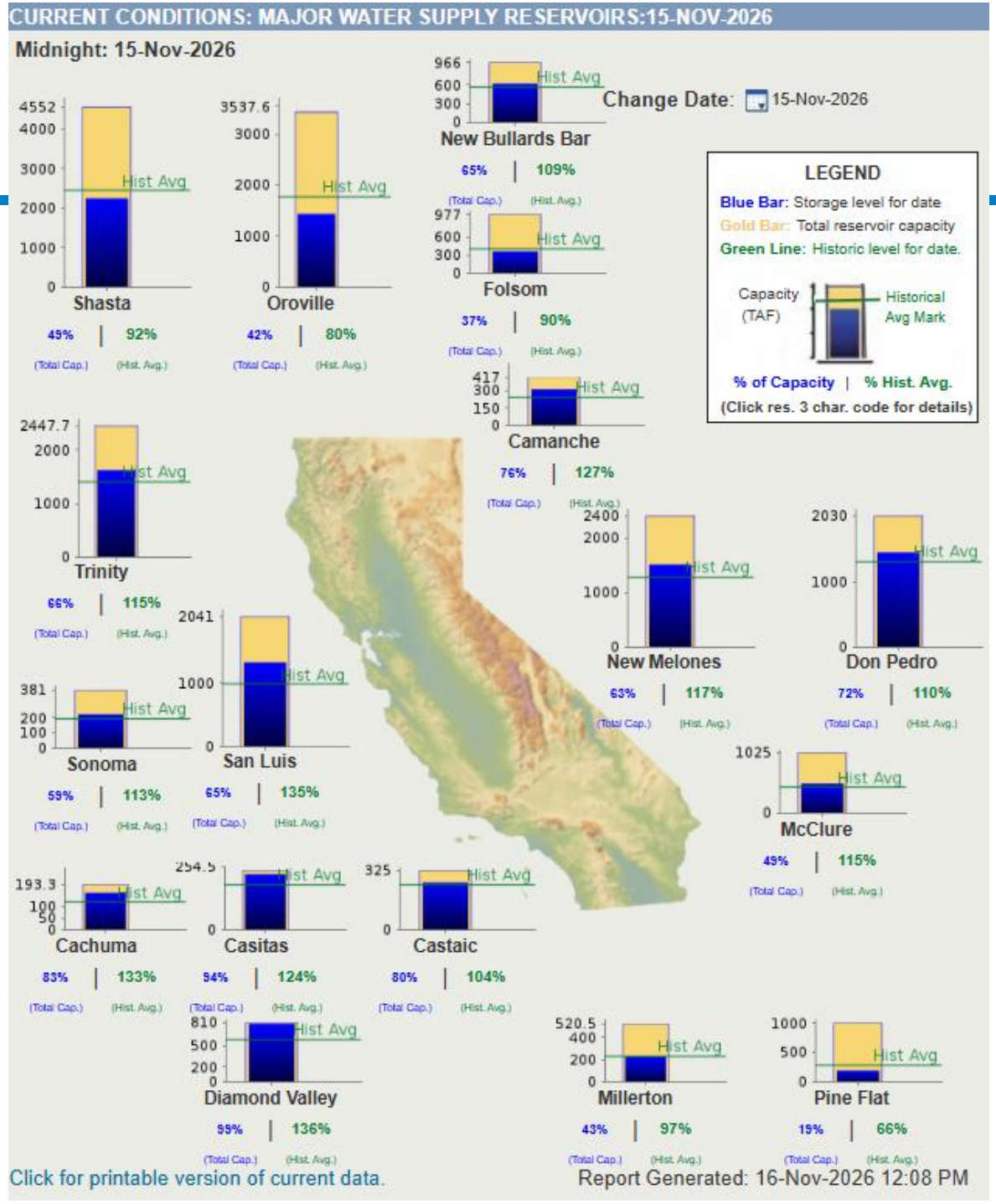
November 16, 2026 Reservoir Storage

Reservoir	Current Storage[1,2,3] (AF)	Maximum Storage[4] (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage[5]
Tuolumne System					
Hetch Hetchy	254,900	360,360	105,460	70.7%	**71.1%**
Cherry	244,800	273,345	28,545	89.6%	-
Eleanor	13,610	27,100	13,490	50.2%	-
Water Bank	566,433	570,000	3,567	99.4%	**97.9%**
Total Tuolumne Storage	**1,079,743**	**1,230,805**	**151,062**	**87.7%**	-
Local System					
Calaveras	48,563	96,670	48,107	50.2%	-
San Antonio	42,446	53,266	10,820	79.7%	-
Crystal Springs	41,989	68,953	26,964	60.9%	-
San Andreas	16,368	18,675	2,307	87.6%	-
Pilarcitos	1,628	3,125	1,497	52.1%	-
Total Local Storage	**150,994**	**240,689**	**89,695**	**62.7%**	-

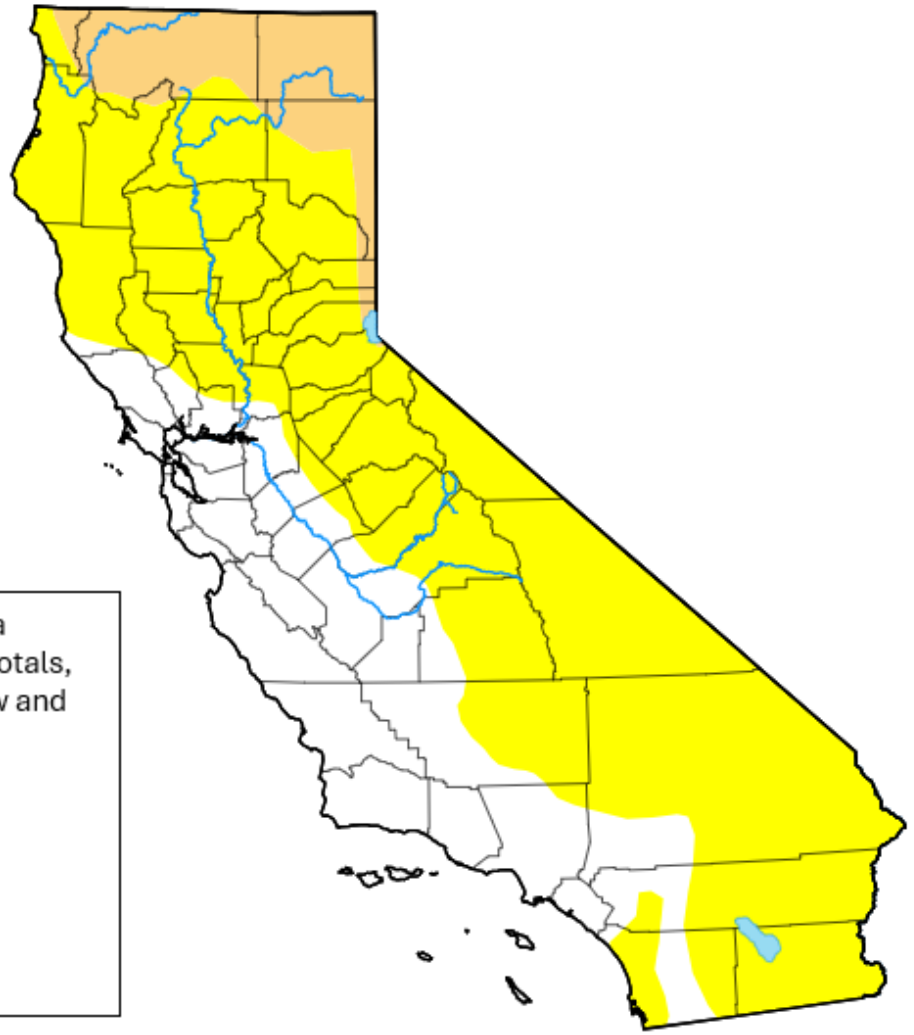
Total System Storage	1,230,737	1,471,494	240,757	**83.6%**	**78.1%**
Total without water bank	664,304	901,494	237,190	**73.7%**	-

Hetch Hetchy Regional Water System

Other California Reservoirs



California Drought Monitor



Color scale is based on the historical average of a combination of data including rainfall and snow totals, soil moisture levels, reservoir storage, streamflow and other data:

- >30% of historical average
- 20-30% of historical average
- 10-20% of historical average
- 5-10% of historical average
- 2-5% of historical average
- <2% of historical average

Map released: Thurs. November 12, 2026

Data valid: November 10, 2026 at 7 a.m. EST

Intensity

- None
- **D0** (Abnormally Dry)
- **D1** (Moderate Drought)
- **D2** (Severe Drought)
- **D3** (Extreme Drought)
- **D4** (Exceptional Drought)
- No Data

Authors

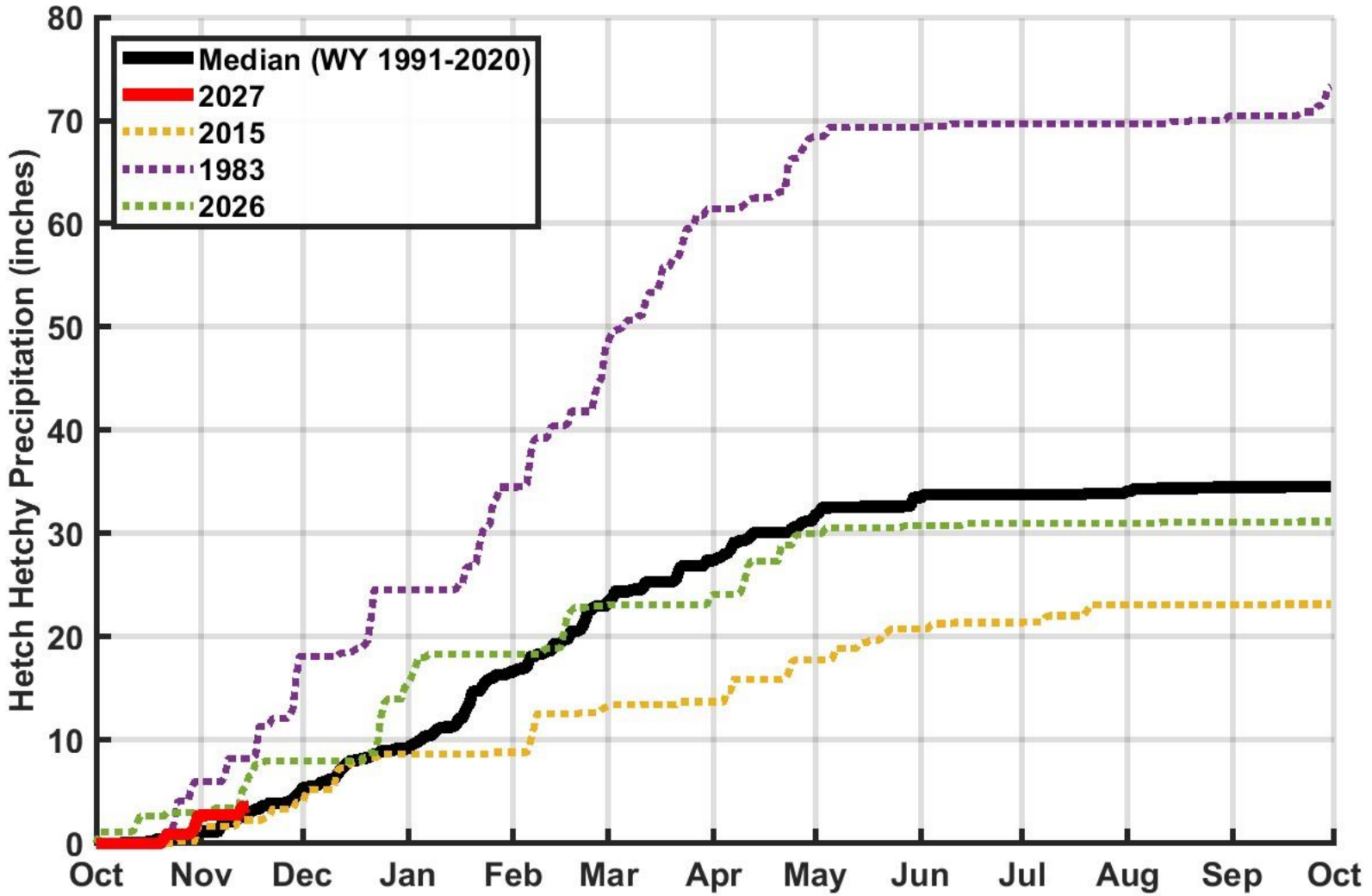
United States and Puerto Rico Author(s):

Jonathan Case, NASA/MSFC/UAH

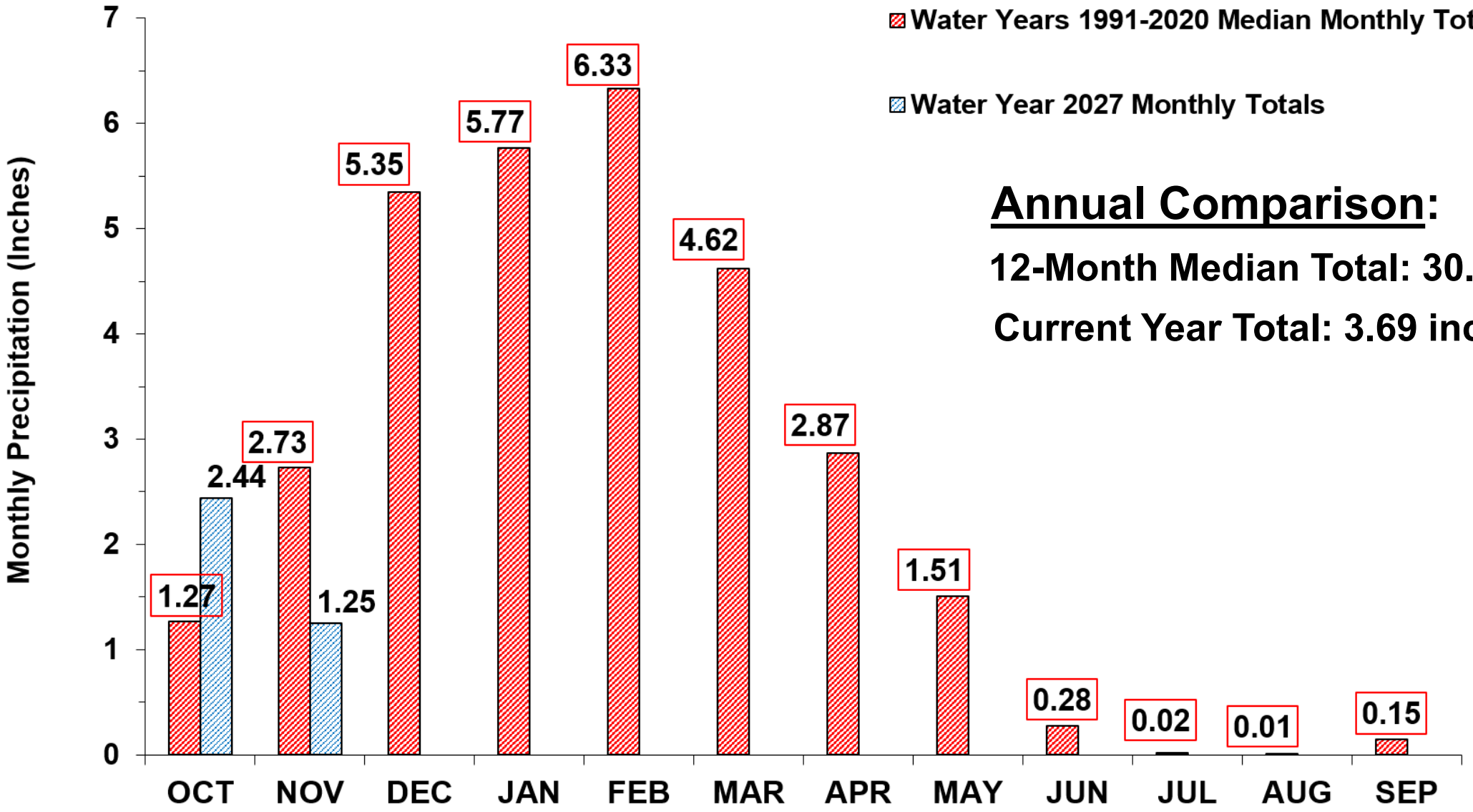
Pacific Islands and Virgin Islands Author(s):

Richard Tinker, NOAA/NWS/NCEP/CPC

Hetch Hetchy Precipitation



Upcountry 6-station Precipitation Index as of November 15, 2026

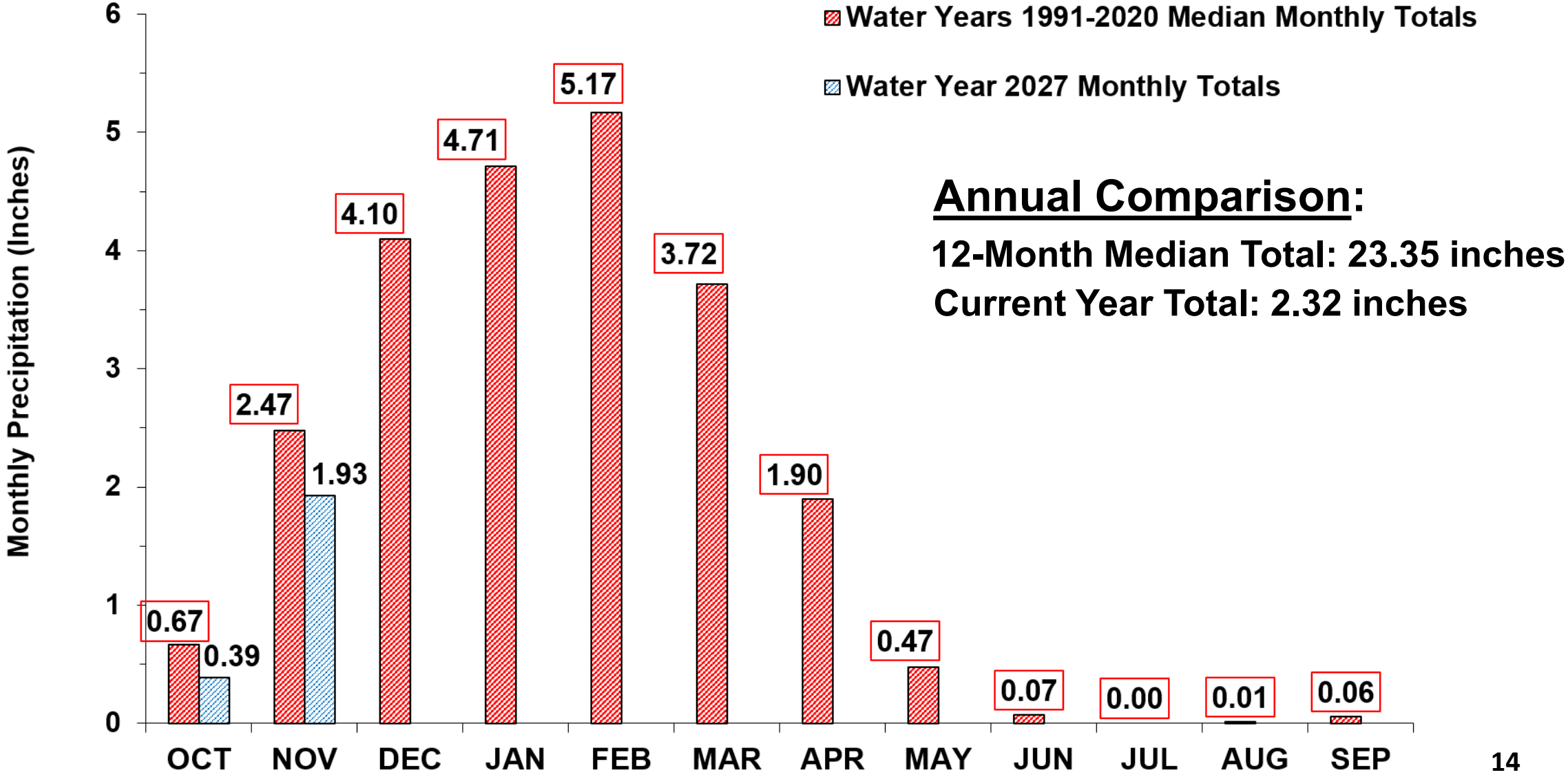


Annual Comparison:

12-Month Median Total: 30.92 inches

Current Year Total: 3.69 inches

Bay Area 7-station Precipitation Index as of November 15, 2026



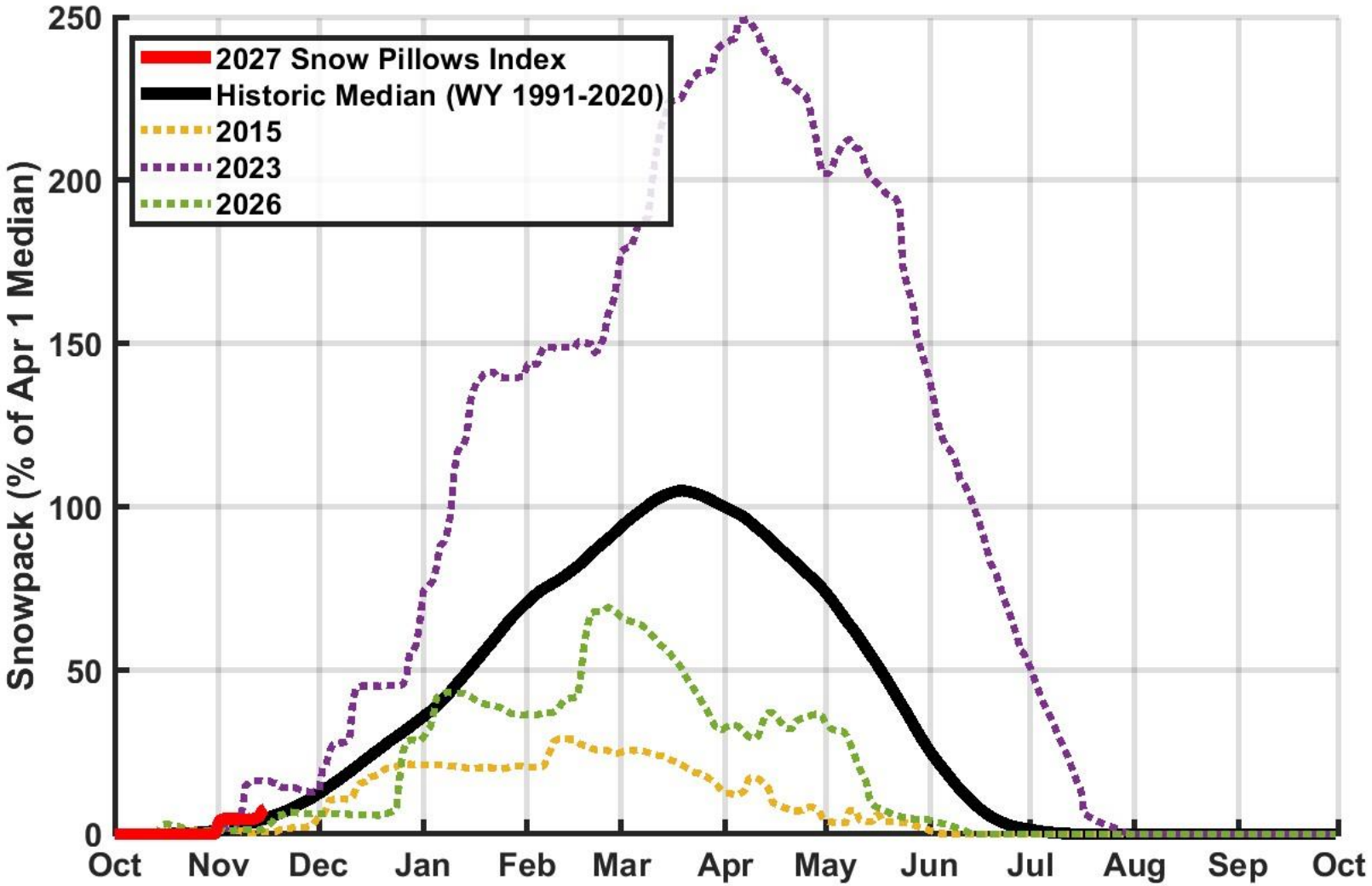
Annual Comparison:

12-Month Median Total: 23.35 inches

Current Year Total: 2.32 inches

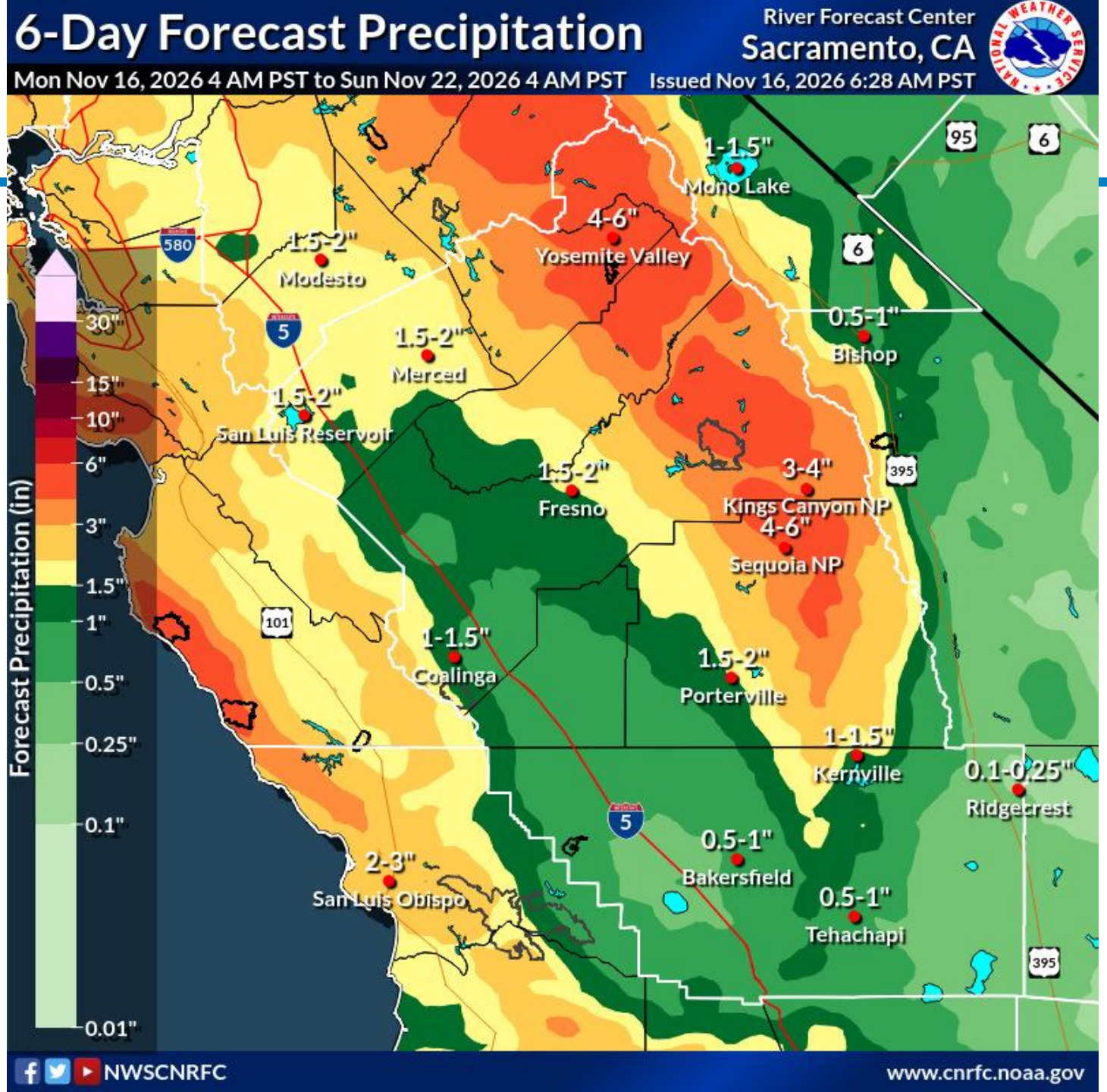
Hetch Hetchy Regional Water System

Upcountry Snowpack



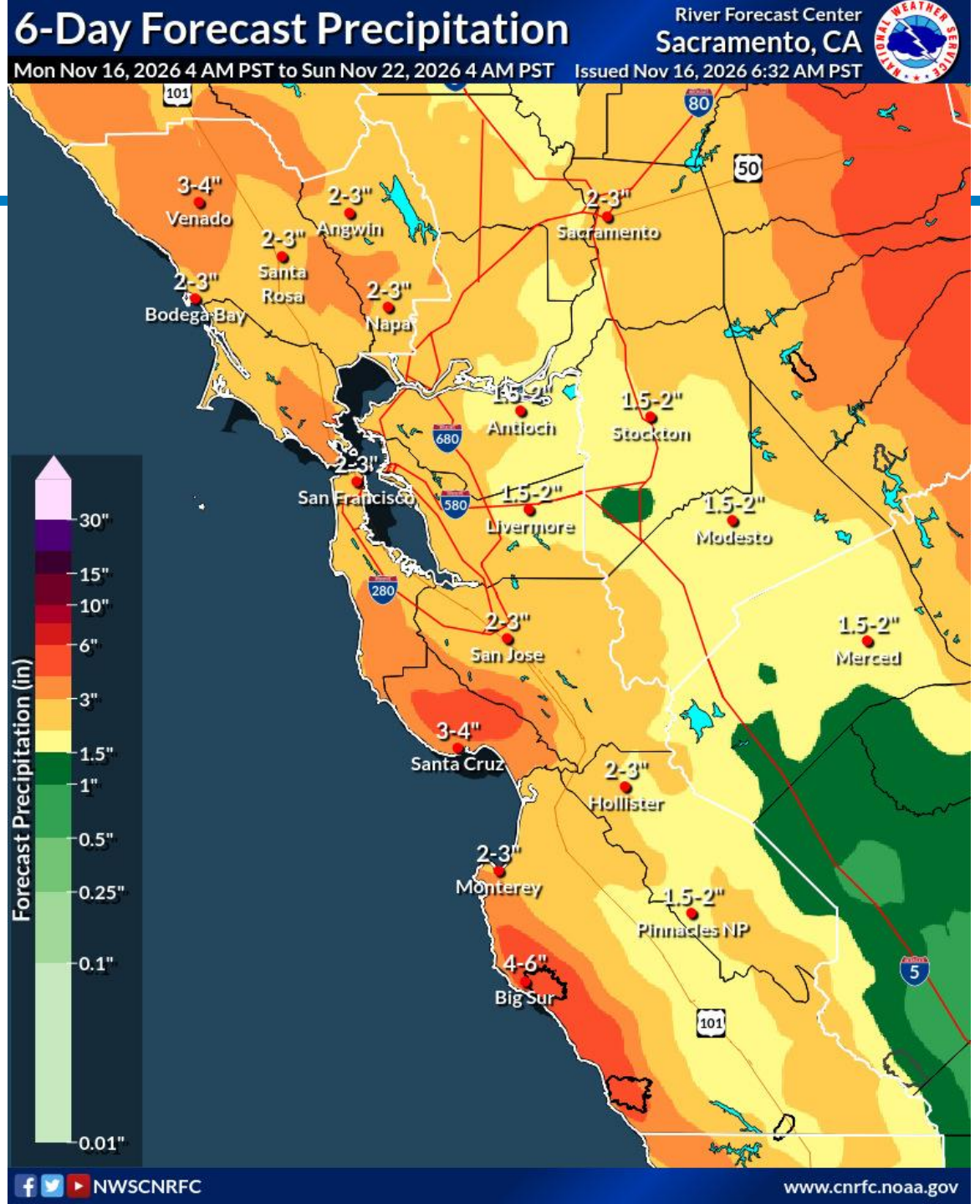
Hetch Hetchy Regional Water System

Upcountry Precipitation Forecast



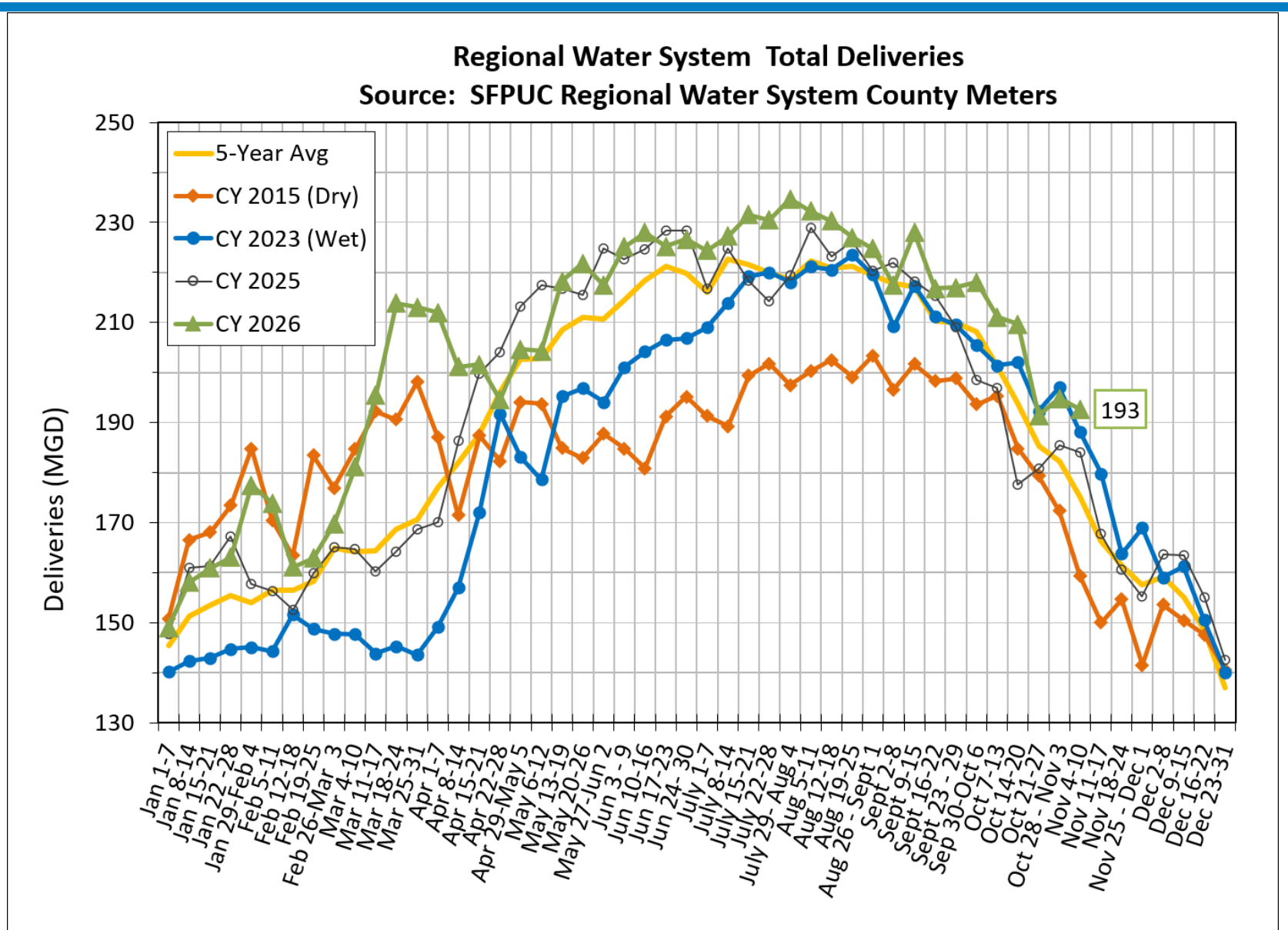
Hetch Hetchy Regional Water System

Bay Area Precipitation Forecast



Hetch Hetchy Regional Water System

Total Deliveries



Agenda Item #6

Consent Calendar



- Approve Minutes of the September 17, 2026 Meeting
- Receive and File Budget Status Report – As of Sept. 30, 2026
- Receive and File Budget Status Report – As of Sept. 30, 2026
- Receive and File Annual Audit Report for BAWSCA and Compilation Report for BAWUA for FY 2025-26
- Receive and File Directors' Reimbursement Report – As of Sept. 30, 2026
- Receive and File Employees' Reimbursement Report – As of Sept. 30, 2026
- Receive and File Investment Report – As of Oct. 31, 2026
- Annual Review and Consideration of BAWSCA's Statement of Investment Policy

Agenda Item #7A

Resolution Re-Appointing Nicole Sandkulla As Special Counsel



Item #7A - Approval of Resolution #2026-02

BAWSCA
Bay Area Water Supply & Conservation Agency

Temporary Appointment of Nicole Sandkulla as Special Counsel

- The Board appointed former CEO, Nicole Sandkulla, in 2024 to serve as Special Counsel to the CEO/General Manager for a period of twenty-four months.
- CEO Smegal is requesting that this role continue for another twenty-four months.
- CalPERS allows the temporary employment of a CalPERS-covered retiree under specified conditions.
- The recommended resolution reflects these specified conditions and findings as required by CalPERS regulations.

Item #7A - Approval of Resolution #2026-02

- Ms. Sandkulla's long history with BAWSCA provides valuable support to CEO Smegal as he navigates the agency's strategic vision, long-term goals, and future opportunities.
- The Board's appointment of Ms. Sandkulla as Special Counsel to CEO Smegal is consistent with the Board's historical appointment of former CEO/General Manager Art Jensen as Special Counsel during Nicole's leadership transition.
- The Board Policy Committee unanimously voted to recommend the resolution to the BAWSCA Board.

Recommendation

That the Board adopt Resolution #2026-02 approving the temporary re-appointment of Nicole Sandkulla to the position of Special Counsel to the CEO/GM and making associated findings in support of such an appointment.

Agenda Item #8A

Strategy 2050 Draft Implementation Plan



Goals for Today's Presentation

- Share the Draft Implementation Plan framework and how it was developed to inform Strategy 2050 decisions.
- Present potential implementation levels, including near-term, mid-term, and trigger-based actions to support Strategy 2050 objectives.
- Seek Board input on the overall direction of the plan and discuss next steps.

Strategy 2050 Overview: Purpose and Objectives

BAWSCA
Bay Area Water Supply & Conservation Agency

Purpose: To identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience.

Objectives align with BAWSCA's goal to ensure a reliable supply of high-quality water at a fair price

1. Provide a comprehensive picture of the region's supply and demand management needs and options



2. Establish a framework for collectively maintaining and improving regional water supply reliability and resilience.



3. Elevate awareness of and support the region's interests in new and emerging regulations that impact water supply and demand management.



4. Expand regional dialogue and collaboration to collectively address common needs.



5. Close the gap on funding needed for water supply resilience and reliability.



6. Support availability of affordable water supplies and demand management strategies to all customers.

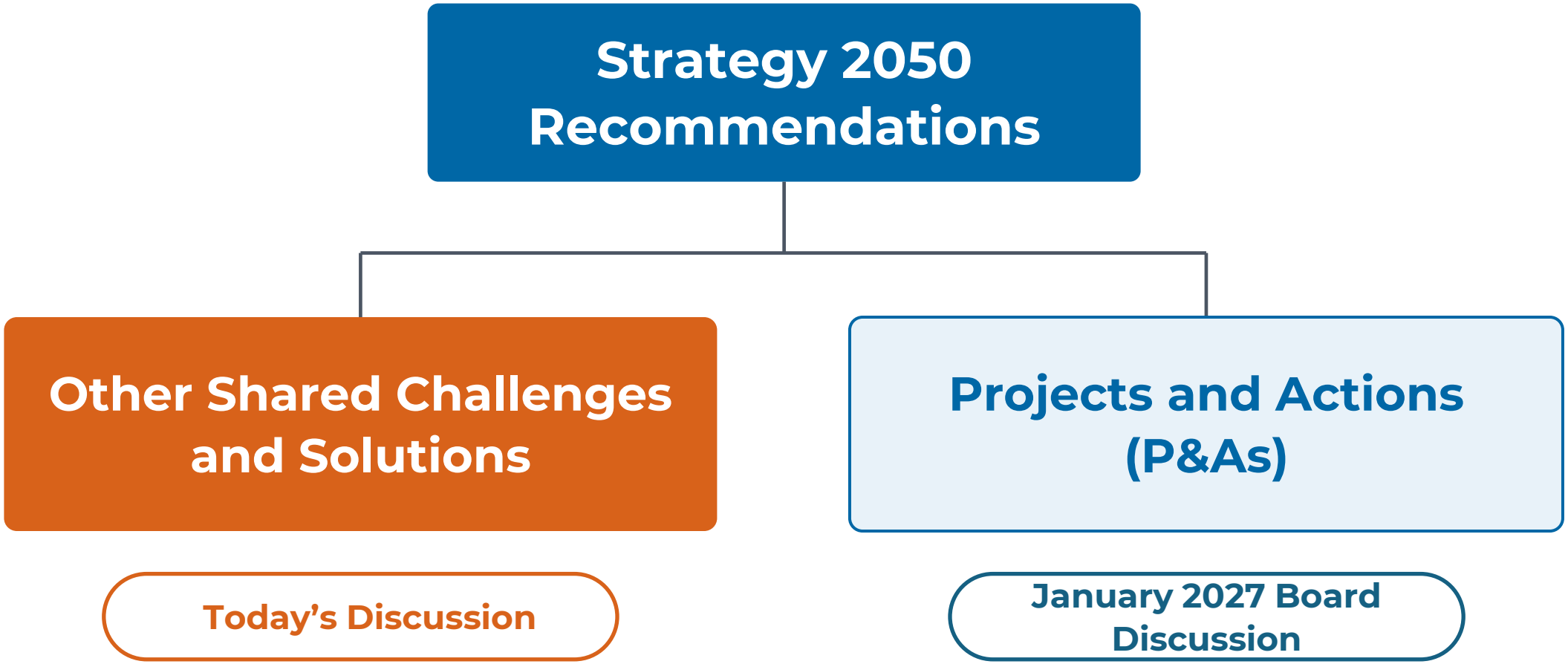


Implementation Plan Purpose

The purpose of the Implementation Plan is to:

- Translate Strategy 2050 findings and recommendations into an organized program that considers relative priorities, roles, and resource needs.
- Establish the framework to collectively support water reliability and resilience and make sustained, measurable progress toward the established Strategy 2050 objectives.

Implementation Plan Framework



Implementation Plan Development

BAWSCA
Bay Area Water Supply & Conservation Agency

1 2 3 4

Compile

Recommended actions from each Strategy 2050 task

Categorize

Actions grouped by relative priority and level of effort

Gather Input

October WMR Meeting and survey
Provided input on priorities and preferences

October BPC Meeting
Provided input on level of BAWSCA involvement, regional priorities, organizational capacity, and resource considerations

Refine

- Incorporated WMR and BPC input
- Restructured work plan to a phased implementation framework

Implementation Plan Framework

BAWSCA
Bay Area Water Supply & Conservation Agency

	Near-Term Years 1-5	**Mid-Term** As Resources Allow
	Priority recommendations to be implemented in the first five years	Recommendations to be advanced as funding and organizational capacity becomes available
Upfront Investments One-time effort	One-time initial effort required to establish and create the infrastructure needed for long-term success	

Ongoing Implementation: Recurring actions required to sustain and advance established recommendations over time

Ongoing: Core Implemented regionally	Activities implemented regionally
Ongoing: Subscription Funded by participating agencies	Activities funded by participating member agencies

Trigger-Based
Not tied to a fixed timeline

TRIGGER

Predefined milestone, condition, or project phase that initiates a specific recommendation

▼ **ACTION(S)**

Recommendations enacted when a specific milestone, condition, or project phase is reached, rather than according to a fixed timeline

Board Input Requested

- Does the near-term, mid-term, and trigger-based framework provide an effective structure for implementing Strategy 2050?
- What considerations should guide whether ongoing programs are offered as core or subscription programs?
- What revisions should staff make as the Implementation Plan is further developed?

Funding and Financing

	Near-Term Years 1-5	Mid-Term As Resources Allow
Upfront Investments One-time effort	• Establish Grant Support Program • Extend Regional Financing Authority • Facilitate regional forum and discussions on asset management programs	• Further develop regional funding program institutional model and potential pilot • Evaluate options to expand use of Regional Financing Authority
Ongoing: Core Implemented regionally	• Maintain list of agencies' funding needs • Maintain Grants Tool	• Regional funding advocacy
Ongoing: Subscription Funded by participating agencies	• Grant Support Program	• Funding advocacy for individual P&As

Trigger-Based
Not tied to a fixed timeline

TRIGGER
P&A advances towards construction
▾ **ACTION(S)**
- Legislative advocacy for priority P&As (core or subscription)

TRIGGER
3+ BAWSCA agencies align on P&A for further implementation
▾ **ACTION(S)**
- BAWSCA as sponsor or facilitator for P&As

TRIGGER
P&A identified for potential regional funding partnership
▾ **ACTION(S)**
- Regional funding program (independently or with SFPUC)

Affordability

	Near-Term Years 1-5	Mid-Term As Resources Allow
Upfront Investments One-time effort	• Guidance for member agencies to conduct affordability assessment with agency data	• Workshops on regional affordability thresholds and customer assistance programs • Template partnership agreements for member agencies for non-profit partnerships
Ongoing: Core Implemented regionally	• Regional water affordability assessment updates	• Support for agencies in design / implementation of customer assistance programs

Trigger-Based
Not tied to a fixed timeline

TRIGGER

Regional water affordability assessments show decline in affordability

▼ **ACTION(S)**

- Establish subscription water bill assistance program with a nonprofit partner
- Review P&A implementation next steps with revised affordability lens

Emergency Preparedness

	Near-Term Years 1-5	Mid-Term As Resources Allow
Upfront Investments One-time effort	• Support regional emergency contact list updates • Shared library of emergency templates/documents • Interties assessment	• Multilingual emergency communications • Inventory of emergency equipment • Tracking system of member agency trainings/exercises
Ongoing: Core Implemented regionally	• County emergency services offices coordination	• Working sessions on emergency preparedness and cybersecurity • Annual emergency exercises on wholesale customer scenarios

Trigger-Based
Not tied to a fixed timeline

TRIGGER

Need for shared equipment or funding identified through working sessions/exercises

▼ **ACTION(S)**

- Grant funding for regional emergency resilience programs

TRIGGER

Need for water quality testing services identified through working sessions

▼ **ACTION(S)**

- Develop procedures or subscription services for water quality testing and recovery after an emergency

Regulatory

BAWSCA
Bay Area Water Supply & Conservation Agency

	Near-Term Years 1-5	Mid-Term As Resources Allow	Trigger-Based Not tied to a fixed timeline
Upfront Investments One-time effort	• Data Center Policy Support • Conservation Strategic Plan • Establish Legislative / Regulatory Program • Establish UWUO/NFT Compliance Support Program for CII • AI Policy and Strategy	• Onsite Reuse Implementation Program Development	**TRIGGER** **Regional Purified Water Program reaches design phase** ▾ **ACTION(S)** • Regional Purified Water Outreach
Ongoing: Core Implemented regionally	• Legislative / Regulatory Tracking • Policymaker Relationships	—	
Ongoing: Subscription Funded by participating agencies	• Lobbyist Support • UWUO/NFT Compliance Program • Commercial audits and retrofits rebates	• Onsite Reuse Program	

Board Input Requested

- Does the near-term, mid-term, and trigger-based framework provide an effective structure for implementing Strategy 2050?
- What considerations should guide whether ongoing programs are offered as core or subscription programs?
- What revisions should staff make as the Implementation Plan is further developed?

Agenda Item #9

CEO Reports



Bay-Delta Plan and FERC Update

BAWSCA
Bay Area Water Supply & Conservation Agency

Bay-Delta Plan – Phase 2

- On August 19th, the State Board released its final draft plan for the Sacramento River and San Francisco Bay-Delta (e.g., Phase 2).
- 3 Change Sheets were issued by the State Board to the final draft plan (Sheet #1 on October 16th, Sheet #2 on October 27th, and Sheet #3 on October 29th).
  - Change Sheets addressed some of the comments received
  - Change Sheet #3 addressed notable comments received during the 1st day of the public hearing (Oct. 28th)
- A public hearing was held on Oct. 28-29 to consider Phase 2 Adoption.
  - The State Board adopted a Final Plan, incorporating the Change Sheets, at the close of the hearing.
- BAWSCA is following Phase 2 matters because they may affect Phase 1.

Bay-Delta Plan – Phase 1

- BAWSCA is waiting for the State Board's release of the peer review of their draft Scientific Basis Report.

Bay-Delta Plan and FERC Update (Continued)

BAWSCA
Bay Area Water Supply & Conservation Agency

Litigation Update

- On March 2, 2026, BAWSCA filed its opening brief in the appeal challenging the March 15, 2024, decision in the State Water Board Cases.
- The State Board's combined respondent's brief was delayed by 60 days (until Nov. 20, 2026).
- BAWSCA's reply brief is anticipated to be due in Jan. 2027.

BAWSCA
Bay Area Water Supply & Conservation Agency

BAWSCA's Requests of the SFPUC

- That the SFPUC review its drought planning procedures, particularly SFPUC's reference drought hydrology of 1987-1992 plus 1976-1977 (the Design Drought) to determine if it remains a reasonable planning framework.
- Given SFPUC's internal budget approval will take some time, BAWSCA also requested that the SFPUC provide an estimate of the time, cost, and scope to perform the requested review so that the Board and its member agencies remain informed on these matters.
- Letter dated November 12, 2026.
- Sent by Tom Smegal, BAWSCA CEO / GM.
- Addressed to Dennis Herrera, SFPUC GM.

Letter Noted the Following

- The effort would potentially be costly and require significant internal and external resources.
- BAWSCA desires to be engaged in the effort, were it to be conducted.
- A review provides an opportunity to bolster confidence in the SFPUC's drought planning process and sets the SFPUC up for operational success in the coming decades.
- A window of opportunity is present to complete this work before the next round of UWMPs (due in 2031) and the earliest date SFPUC currently proposes expenditures on an Alternative Water Supply project (in 2034).
- If the State Water Board adopts new regulations for the Tuolumne River as part of the Bay-Delta Plan amendment, a drought planning review could also incorporate the water supply impact of that plan.
- BAWSCA acknowledged that a review could lead to a more severe , less severe, or the same Design Drought.
- BAWSCA acknowledged that a more severe Design Drought could in turn require additional future investments in Alternative Water Supply Projects.

BAWSCA's Pension Plan Funded Status

	CalPERS Actuarial Valuation as of 6/30/2025[1]
Unfunded Accrued Liability (UAL)	$963,799
Funded Ratio	88.0%

1. Estimated to be paid off by 2035 (discount rate of 6.8%)

BAWSCA's Pension Plan Funded Status

	CalPERS Actuarial Valuation as of 6/30/2025[1]	CalPERS Actuary's Estimate as of 6/30/2026[2]
Unfunded Accrued Liability (UAL)	$963,799	$50,000
Funded Ratio	88.0%	99.4%

1. Estimated to be paid off by 2035 (discount rate of 6.8%)
2. Resulting from the ADP of $300,000 made in January 2026 & CalPERS' 14.8% investment earnings for FY 2025-26

BAWSCA's OPEB Plan Funded Status

- BAWSCA's unfunded OPEB liability as of 6/30/2026: $1,568,848
  - Estimated to be paid off by 2036 (discount rate of 5.5%)

CERBT Account Summary as of October 31, 2026	
Total Assets	$1,938,118
BAWSCA Actual Cumulative Annualized Rate of Return* from Inception (4/26/2014) through 10/31/2026	6.13%
CERBT Asset Allocation Strategy Selection	Strategy 2
CERBT 20-Year Expected Rate of Return	6.4%
Funded Status	57.5%

SFPUC's Pension & OPEB Plans Funded Status Update

BAWSCA
Bay Area Water Supply & Conservation Agency

	Net Pension Liability as of 6/30/2025	Net OPEB Liability as of 6/30/2025
SFERS	$4.170 billion*	
RBP	$0.134 billion	
SF Total	$4.304 billion	$3.936 billion
SFPUC's Share	x 7.5%	x 6.4%
	$324.6 million	$253.3 million
Discount Rate	7.2%	7.0%

* SFERS' funded ratio was 94.9%

- San Francisco's unfunded liability is not BAWSCA agencies' liability
- BAWSCA agencies pay their share of the SFPUC's operation expenses through the wholesale water rates
  - Includes pension and OPEB benefits

CEO Letter - Results of FY 2023-24 WRR Review

BAWSCA
Bay Area Water Supply & Conservation Agency

- Pursuant to Section 7.06A of the WSA, BAWSCA conducted a review of SFPUC's calculation of the FY 2023-24 WRR

Type of Adjustment	Adjustment to Balancing Account	Estimated Future Savings
Cost Allocation	$521,928	
Accounting*	$261,660	$2 million
Interest	$28,274	
Total Savings	$811,862	$2 million

*The adjustments made in FY 2023-24 will also result in estimated additional savings of approx. $2 million over the course of subsequent WRR periods.

Agenda Item #10

CLOSED SESSION



Agenda Item #11

Report After Closed Session



Agenda Item #12

Additional Time for Public Comments



Agenda Item #13

Directors' Discussion



Reminder – AB1234 Training

- Government Officials are required by State Law to complete a 2-hour ethics training every 2-years.
- BAWSCA complies with requirements by filing certificates of completion in its eDisclosure system.
- Hanson Bridgett will provide training
  - December 10, 2026 at 1-3pm
  - Foster City Community Center, Boardwalk Room – 650 Shell Blvd.
- Board attendance is limited to less than quorum
  - There are several additional places available for directors
  - RSVP to email reminder sent on November 18th
- Send BAWSCA copies of Certificates of Completion from training received with home agencies.



Adjournment

Next Meeting:
January 21, 2027