



**NOTICE OF  
SPECIAL MEETING  
of the  
BAWSCA BOARD OF DIRECTORS**

**on June 10<sup>th</sup>, 2026 at 1:30PM**

**at Burlingame Community Center – Sequoia Room B  
850 Burlingame Ave.,  
Burlingame CA 94010**

A second teleconference location is added on the agenda.

Teleconference locations shall be:

- 1600 S. Disneyland Drive, Anaheim CA, 92802
- 16839 Gale Avenue, City of Industry, CA. 91745

If you have any questions, please call the  
BAWSCA office at (650) 349-3000.



**SPECIAL MEETING**

**BOARD POLICY COMMITTEE**

June 10, 2026  
1:30 p.m.

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

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*(Two members of the Committee will participate in this meeting by Teleconference. Locations shall be:*

- 1600 S. Disneyland Drive, Anaheim CA, 92802*
- 16839 Gale Avenue, City of Industry, CA. 91745.*

*When any member of the Committee participates by teleconference, all votes taken at this meeting will be by roll call vote.)*

**AGENDA**

<b><u>Agenda Item</u></b>	<b><u>Presenter</u></b>	<b><u>Page#</u></b>
<b>1. <u>Call To Order, and Roll Call</u></b> Roster of Committee Members ( <i>Attachment</i> )	<b>(Ragsdale)</b>	<i>Pg 3</i>
<b>2. <u>Comments by Chair</u></b>	<b>(Ragsdale)</b>	
<b>3. <u>Consent Calendar</u></b> A. Approval of Minutes from the April 8, 2026 meeting ( <i>Attachment</i> )	<b>(Ragsdale)</b>	<i>Pg 5</i>
<b>4. <u>Public Comment</u></b> <i>Members of the public may address the committee on any issues not listed on the agenda that are within the purview of the committee. Comments on matters that are listed on the agenda may be made at the time the committee is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	<b>(Ragsdale)</b>	
<b>5. <u>Action Calendar</u></b> A. Authorization to Extend Office Lease ( <i>Attachment</i> ) <u>Issue:</u> To request Board approval of renewal of the existing office lease within specific parameters. <u>Information to Committee:</u> Memorandum and oral report <u>Committee Action Requested:</u> That the Committee recommend the proposed Board action.	<b>(Smegal)</b>	<i>Pg 17</i>
<b>6. <u>Reports and Discussions</u></b> A. Status of the SFPUC's Capital Improvement Programs (CIP) and WSIP as Reported for the 3 <sup>rd</sup> Quarter of FY2025-26 ( <i>Attachment</i> ) <u>Issue:</u> What are the key work efforts in Q3 undertaken by the SFPUC under their HCIP and WECIP as well as WSIP? <u>Information to Committee:</u> Memorandum and oral report <u>Committee Action Requested:</u> Comments and Questions	<b>(Francis)</b>	<i>Pg 19</i>

- B. BAWSCA's Strategy 2050 – Emergency Resilience Framework (*Attachment*) (Ashoori) Pg 31  
Issue: What gaps exist in emergency resilience in the BAWSCA region that may be mitigated by future work plans?

Information to Committee: Memorandum and oral report

Committee Action Requested: Comments and Questions

- C. CEO/General Manager Performance Evaluation Process (Vella)  
Issue: Are there any changes to the evaluation process?

Information to Committee: Oral report

Committee Action Requested: Comments and Questions.

**7. CEO Reports** (Smegal)

A. Water Supply Conditions - Update

B. FERC/Bay Delta Plan Update

C. CEO/General Manager's Letter (*Attachment*) Pg 33

D. Board Policy Committee Calendar (*Attachment*) Pg 35

E. Correspondence Packet ([Under Separate Cover](#))

**8. Closed Session** (Schutte)

A. **Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 Federal Energy Regulatory Commission Final License Application Proceedings for Don Pedro Hydroelectric Project, P-2299-082, and La Grange Hydroelectric Project, P-14581-002.**

B. **Conference with Legal Counsel – Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 - State Water Board Cases (Third Appellate District Court Case No. C101232)**

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

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

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

August 12, 2026 at Burlingame Community Center – Sequoia Room

**Accessibility for Individuals with Disabilities**

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE**

**2026 Committee Roster:**

Leslie Marden Ragsdale, Hillsborough (Committee Chair)

Tom Hamilton, City of San Bruno (Committee Vice Chair)

Angela Andrews, City of Hayward

Thomas Chambers, Westborough Water District (BAWSCA Immediate Past Chair)

Darin Duncan, California Water Service Company

Karen Hardy, City of Santa Clara (BAWSCA Vice Chair)

Barbara Pierce, City of Redwood City

Peter Stevenson, City of Burlingame

Louis Vella, Mid-Peninsula Water District (BAWSCA Chair)

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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**BOARD POLICY COMMITTEE**  
**April 8, 2026 – 1:30 p.m.**

<b>MINUTES</b>
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- 1. Call to Order:** Committee Chair, Leslie Ragsdale, called the meeting to order at 1:32pm. CEO/General Manager Smegal called the roll. One member of the Committee participated in the meeting by teleconference in accordance with the traditional Brown Act Rule. Six (6) members of the Committee were present at roll call. One member arrived after roll call. A list of Committee members who were present (7), absent (2) and other attendees is attached.

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

- 2. Comments by Committee Chair:**

Committee Chair Ragsdale announced that the teleconference location in Redwood City is no longer available. Board Member Stevenson is participating by teleconference and noted that there are no members of the public over 18 years old at his remote location. Closed Session will be pulled out of the agenda as there is no need for it.

All Committee actions will be taken by roll call vote to comply with the requirements of the traditional Brown Act Rule. The Chair thanked members of the Committee for providing advance notice to BAWSCA staff about their schedules and need to teleconference in order to comply with the Brown Act requirements and ensure there is a quorum.

She noted that the staff memo on the proposed work plan and operating budget is a progression of information that has been presented to both the Committee and the Board previously. The level of details provided creates a long memo that is good to read repetitively for a thorough understanding.

- 3. Consent Calendar:**

It was noted that the attendance sheet attached to the minutes should be corrected to reference Stephen Rainaldi's Council position as Vice-Mayor instead of Mayor of Millbrae.

**With the correction, Director Vella made a motion, seconded by Director Hamilton, that the Committee approve the Minutes of the February 11, 2026 Board Policy Committee meeting.**

**The motion passed by roll call vote.**

- 4. Public Comments:**

There were no public comments.

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

Mr. Smegal presented the proposed work plan and a recommendation for funding the proposed operating budget for FY 2026-27.

The work plan addresses the critical short- and long-term issues associated with achieving BAWSCA's goal of ensuring a reliable supply of high-quality water at a fair price.

As a primary role, BAWSCA continues to administer the Water Supply Agreement to protect the financial and water supply interests of the member agencies. Major efforts in FY 2026-27 include a review of the impacts of SFPUC's debt in setting rates, and negotiations of WSA amendments associated with SFPUC's 2028 decisions.

BAWSCA will continue to administer BAWSCA's bonds, oversee the SFPUC's management of the Regional Water System with its WSIP, 10-year CIP, Strategic Asset Management Plan and Alternative Water Supply Planning, stay engaged with the Bay-Delta and FERC proceedings to protect the regional water supplies, complete the development of BAWSCA's Strategy 2050, and implement core and subscription conservation programs.

The proposed FY 2026-27 operating budget of \$5,340,828 remains the same as reported to the Board in March. It is \$200K lower than the approved operating budget for FY 2025-26. It includes a 5% adjustment to existing salaries for both COLA and merit-based increases. The budget equates to about \$2.83 per person per year, which is \$0.14 less than the current fiscal year. As presented to the Board in March, a pie chart shows the allocation of the operating budget among BAWSCA's areas of work; Reliable Supply at 57.6%, Agency Operations at 27.7%, Fair Price at 14%, and High Quality at .6%.

BAWSCA's primary source of funding is its assessments on member agencies. Consideration of how to fund the operating budget are based on four principles: 1) Budget sufficient resources to achieve the desired Work Plan results; 2) Spend only what is needed to achieve the results; 3) Apply incremental and prudent increases in assessments as necessary; 4) Maintain a prudent General Reserve balance within Board guidelines.

BAWSCA's General Reserve guideline adopted by the Board provides a balance between 20%-35% of the annual budget. Currently, the General Reserve balance is at 25% of the current budget.

Mr. Smegal noted that last year, the Board adopted a 2.3% increase in assessments and a transfer of \$152K from the General Reserve to fund the FY 2025-26 Operating Budget.

Options for funding the FY 2026-27 Operating Budget provide either no change to the General Reserve or increasing the General Reserve balance up to 29% through small increases in assessments. Options include:

**Option 1** – 1.7% assessment decrease to match the proposed operating budget with a General Reserve balance maintained at 25%

**Option 2** – 0% assessment increase with a \$54,881 transfer to General Reserve to increase balance to 27%.

**Option 3** – 1% assessment increase with a \$108,838 transfer to General Reserve to increase balance to 28%.

**Option 4** – 2% assessment increase with a \$162,795 transfer to General Reserve to increase balance to 29%.

While all options fit into the guidelines for the General Reserve, Option 3 applies a small increase on assessments that can avoid a bigger increase in the future.

The Committee was asked for its consideration to recommend Board approval of the Proposed FY 2026-27 Work Plan and Results to be achieved, Operating Budget of \$5,340,828, and Funding Plan Option of 1% assessment increase.

Director Andrews asked about information on water usage for data centers that can be shared with the Board for its review, and in potentially considering partnerships with agencies like the Bay Area Air District to understand the impacts of data centers.

Water Resource Manager, Tom Francis, acknowledged that the issue has proven to be of great interest among member agencies. BAWSCA's recently completed Demand Study includes an assessment of how data centers might impact water usage which will inform the follow up actions from Strategy 2050 when identifying what new work efforts are critical for the region. The work plan includes the potential development of methods agencies can use to estimate water demands by data centers. The Board will be presented with further details on Strategy 2050 in the Fall. In the meantime, staff can provide information from the Demand Study and answer further questions individual Board members may have about data centers.

In response to Director Vella's question about BAWSCA's efforts in monitoring water rates, Mr. Smegal explained that the FY 2026-27 workplan has 2 main areas that review SFPUC's rates. One is the work that Finance Manager, Christina Tang, does in administering the Wholesale Revenue Requirement in accordance with the WSA, where the allocation of wholesale water rates are reviewed against the operation of the Regional Water System. She also works directly with SFPUC staff in the annual process for setting wholesale water rate projections. A second area is associated with ensuring reliability of the Regional Water System by monitoring SFPUC's infrastructure investments. Both efforts recognize the costs to operate and maintain the system to ensure water supply reliability for the region.

Committee discussion ensued on the options to fund the budget.

Director Chambers commented that a factor for consideration in setting assessments is stability. Given that the Water Management Charge has just ended and with SFPUC's rate increase of 7%, he sees the opportunity for a 0% assessment increase that will maintain a stable revenue for the agency to achieve its goals for the fiscal year. He commends staff for a decreased operating budget.

Director Hamilton stated that while he typically prefers low increases to mitigate unavoidable larger increases later, he also believes that it is a good time to have a 0%

assessment increase given 1) SFPUC's unexpected 7% rate increase, 2) the ability to increase the general reserve balance from 25% to 27%, and 3) maintaining a budget to assessment ratio that is above 100%.

Director Vella commented that it is good practice to have a low increase to avoid a larger increase later and supported a 1% increase.

Director Chambers noted that if the current budget is expended by 90-94%, there will be a transfer of approximately \$70k - \$140K to the general fund; therefore; he advocates for the 0% increase. Additionally, any consideration by the Board on making an additional payment to OPEB should be done after the audit.

Director Hamilton agrees that the difference between the options are minimal, but the symbolism is doing what we can to mitigate the impact of the 7% increase from SFPUC. He finds the operating budget's low cost per person each year to be exceptional given the size of the work plan.

Director Stevenson asked what the likelihood is for recouping some of the 7% in the upcoming year given the forecasts; where water use levels are, drought conditions, etc.? If there is a likelihood that a little bit will be recovered and some relief will be had, then he would advocate for the 1%. But without confidence on that, doing what we can to maintain low costs for rate payers is worthwhile. He expressed his support for a 0% increase.

In response, Mr. Smegal stated that it is difficult to predict water sales in the next 15 months.

Director Hardy supports a 0% increase.

Director Andrews supports at 0% increase but asked for a 6-month review of the work plan and budget status.

Mr. Smegal noted that there is a mid-year work plan and budget review in December in which actual increase in the General Reserve balance is known and any needed adjustments to the work plan and budget are brought to the Board for consideration and approval.

Chair Ragsdale can be swayed between the 1% and 0% but agrees with the message of a 0%.

Majority of the Committee supported the 0% assessment increase and all members cautioned against the option of a decrease in assessment.

**Director Hardy made a motion, seconded by Director Chambers, that the Committee, as majority, recommends Board approval of the:**

- **Proposed Fiscal Year 2026-27 Work Plan and Results to be Achieved;**
- **Proposed Operating Budget of \$5,340,828; and**
- **Recommended Funding Plan Option 2 with 0% Assessment** increase.

**The motion passed unanimously by roll call vote.**

There were no comments from members of the public.

B. Approval and Adoption of BAWSCA Pay Schedules for FY 2024-25 and FY 2026-27:

Mr. Smegal explained that as a participating agency in CalPERS, BAWSCA employees' reportable compensation is required to comply with CalPERS retirement law. The minimum and maximum salary ranges for each position must be approved by the Board each fiscal year and posted on BAWSCA's publicly available website upon Board approval.

The Staff report provides the proposed FY 2026-27 pay schedule for each non-CEO position classification. The proposed schedule reflects CPI increase of 3.104%.

In addition, the pay schedule for FY 2024-25 is being presented to retroactively correct the top range salary for the position of Water Resource Manager from \$247,967 to \$248,774. This corrective action is to ensure that the position's salary range is consistent with the Board approved maximum salary schedule as required by CalPERS. The correction does not have an impact on the budget nor does it authorize retroactive pay for the position.

In response to Director Hardy, Mr. Smegal stated that hiring an HR consultant can help with HR processes such as those required by CalPERS to avoid situations similar to that noted in this instance.

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

**Director Hardy made a motion, seconded by Director Chambers, that the Board Policy Committee recommend the Board's approval and adoption of the BAWSCA Pay Schedules for FY 2024-25 and FY 2026-27.**

**The motion passed unanimously by roll call vote.**

C. Consultant Selection to Provide Human Resources Management Services:

Mr. Smegal reported that BAWSCA issued a Request for Proposal (RFP) on March 20<sup>th</sup> for an HR professional services consultant to assist BAWSCA with Human Resources functions on an as needed basis. He noted that the retirement process of the previous CEO/General Manager required additional services from Hanson Bridgett associated with the CalPERS requirements that could have been handled by an HR consultant.

The RFP seeks an ad hoc HR consultant service that can assist BAWSCA when activities outside of the normal course arise. The RFP is posted on BAWSCA's website and was sent to a list of professional services consultants, including Regional Government Services Authority (RGS) as suggested by Director Andrews.

Proposals will be reviewed by a panel comprised of BAWSCA's CEO and Office Manager, member agency HR staff from North Coast Water District and Alameda County Water District, and an agency outside of the BAWSCA region.

Interviews are expected to take place in early May, with a goal of requesting the Board to authorize the CEO/General Manager to negotiate and execute a professional services agreement with a recommended consultant at its May 21<sup>st</sup> Board meeting.

HR consultant services is included in the Proposed FY 2026-27 work plan and operating budget and the procurement process executed is consistent with BAWSCA's policies and procedures for professional services consultants.

The Committee is asked to 1) confirm that the solicitation process conforms to agency practices, and 2) advise the CEO what additional information would be helpful to the Board for its consideration of authorizing the negotiation and execution of an agreement at its May Board meeting.

In response to Director Andrews, legal counsel Allison Schutte stated that the list of consultants that submit proposals can be shared with the Board. Mr. Smegal added that proposals were sent to a list of consultants that responded to other agencies similar to BAWSCA that were looking for the same types of services.

Director Hamilton suggested that the presentation to the Board in May can emphasize that hiring an HR consultant is what makes the most sense for BAWSCA's small staff size of 9 employees. It is also the most cost-effective way to address HR matters, instead of using legal counsel.

Director Chambers added that hiring an HR consultant on an as needed basis also makes sense given the current staff FTE is over 100%.

Director Hardy recommended to be aware of the regulatory requirements that are triggered by having 10 or more employees.

Director Ragsdale agreed with the points made by Committee members and added that an outside HR consultant would be appropriate for a small staff of nine.

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

**Director Andrews made a motion, seconded by Director Vella, that the Committee confirm the solicitation process conforms to agency practices.**

**The motion passed unanimously by roll call vote.**

## **6. Reports and Discussions:**

### **A. FY 2024-25 BAWSCA Annual Survey:**

Water Resources Analyst, Kyle Ramey, presented the process for developing BAWSCA's Annual Survey, the importance of the information it provides, and key highlights from the FY 2024-25 Annual Survey. The report was first developed in 1996 by BAWSCA's predecessor agency, Bay Area Water Users Association. The survey was conducted to obtain key service area information that provides an overall picture of the region's collective water use. The Annual Survey has 9 sections; water supply by source, projected water purchases from the SF RWS, projected water supply and demand, consumption by customer class, current and historical climate data, current and

projected population, per capita water use, single family water bills and rate structures, and member agency profiles.

Data is collected via the water conservation database (WCDB), which was relaunched in 2023 for a more efficient data collection system. An intensive data collection and review process with the member agencies take place from October through February to produce a final report in March. Member agencies are asked to input water resources information into the WCDB in October of each year. The data goes through a process of analysis in November and a review process of the draft document with member agencies through February before the final report is produced in March. Finalization of the report is typically announced to the WMR and the Board through the CEO letter.

In FY 2024-25, member agencies reported a total of 192.37 mgd in supply by source, 58.9 gpcd in residential per capita use which is low in comparison to previous years, 98 gpcd in gross per capita use, 243.05 mgd in demand projections by the year 2050 (data collected from the Demand Study), and 1.8 million in total population which has increased from last year. The report is posted on the BAWSCA website along with info graphics for additional details.

#### *Projected Water Purchases*

Key information the Annual Survey provides is data on past and current SF RWS purchases. Mr. Ramey presented a chart in which he highlighted the sharp decline in water use during drought years, as expected, but also noted the effectiveness of water conservation investments in which water customers respond to. The data also shows the spike in water use at the end of each drought period, which has never exceeded pre-drought numbers as far back as FY 2012-2013; the normal year before the consequential droughts over the last couple of decades.

#### *Projected Water Supply and Demand by Source*

BAWSCA agencies have consistently relied on the SF RWS for two-thirds of their total water supply. In FY 2024-25, BAWSCA member agencies' customary purchases from the SF RWS was 128.71 mgd, which is 67% of the member agencies' combined water supply need. 15% come from other sources (Valley Water, State Water Project, local storm water capture, etc.), 8% from ground water, 3.8% from recycled water, and 3.3% from surface water.

Water use continue to decline in the region despite significant population growth. Water use is 26% less today despite a 35% population increase since FY 1986-87; the year when water use peaked.

#### *Projected Water Supply and Demand*

BAWSCA's recently completed Regional Water Demand and Conservation Study shows that by the year 2050, anticipated total projected supplies is 243.05 mgd in which the SF RWS account will account for 61%. Significant increases in supplies from Ground Water and Recycled Water Projects are anticipated in the next 20 years.

### *Consumption by Customer Class*

As with the Source of Supply, water demand by customer class is also consistent over time. Residential use, including multi-family, typically accounts for 110.18 mgd or 55%-60% of total water use, followed by commercial/industrial at 39.88mgd, dedicated irrigation at 19.33 mgd, and government/institutional/other at 8.41mgd. Mr. Ramey noted that non-revenue water, which hovers around 14.56 mgd, is not just water loss, but can also include meter inaccuracies or just unaccounted for water. It is calculated by subtracting the total consumption from the total production.

### *Current and Historical Climate Data*

Current and historical regional climate data includes the most recent three years from four representative service areas; Redwood City, San Jose, Union City, and SF Airport, to give a general representation of what the total precipitation is within the BAWSCA region. The report also includes median temperature data.

### *Per Capita Water Use*

The section for per capita use is the most referenced section in the report. It has shown a decrease by 48% in the BAWSCA region since its peak at about 186 gpcd for gross and 114 gpcd for residential. In FY 2024-25, residential per capita use is 58.9 gpcd in comparison to around 57 gpcd in FY 2023-24, and 55 gpcd in FY 2022-23. While the latter is the lowest in BAWSCA's history, it was also during the drought of 2021-23.

### *Single Family Water Bills and Rate Structures*

Mr. Ramey presented a table that shows the impact of local action on average daily residential water use. The State uses FY 2012-13 as the baseline for water use reduction targets since it is the year that precedes the most detrimental drought in recent history. At that time, the BAWSCA region had an average residential use of 79.3 gpcd, and there were 15 agencies that were above 71gpcd. In FY 2024-25, the BAWSCA region have an average residential use of 58.9 gpcd with only 4 agencies that are above 71 gpcd.

The reduction in water use reflects investments by member agencies in their conservation programs and their customers' response to those conservation programs. It also reflects the response to previous drought and sustained low use. Mr. Ramey noted that Stanford is not included in the residential per capita calculations due to the nature of their service area.

### *Agency Profiles*

The section for Agency Profiles provides information on specific service area information such as total population, service area size, alternative supply sources, demand by sector, per capita water use, water operations infrastructure, interties, and agency contact information.

BAWSCA's Annual Survey is the most referenced document that BAWSCA produces annually. It informs other efforts including the Regional Water Demand and Conservation Study and Strategy 2050 and is a data source for all BAWSCA

related information in terms of water use and water resources. BAWSCA will continue to look for ways to improve the document to enhance efforts that it informs.

In response to Director Andrews, Mr. Ramey stated that survey includes historical information on production, consumption and gpcd by agency for the past 5 years.

Director Hardy was pleased to see that the BAWSCA region is at an average of 58.9 gpcd which is below Valley Water's reported 62 gpcd. While Valley Water's number may include agricultural use, being below 60 gpcd is good news.

Director Chambers appreciated the presentation and stated that the Annual Survey is a reference document he has used for many years.

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

## **7. CEO Reports:**

- A. **SFPUC Millbrae Operations Center:** Mr. Smegal provided an update on recent developments regarding the Millbrae Operations Center Project included in SFPUC's 10-year CIP. BAWSCA continues to encourage staff members of the SFPUC and the City of Millbrae to come together to better understand the concerns and explore possible solutions. As reported to the Board at its March 19<sup>th</sup> meeting, the SFPUC held a meeting on March 18<sup>th</sup> at their Millbrae Operations Center with key members of their staff and of the City of Millbrae, including their City Manager, Tom Williams and Vice Mayor Rainaldi. He and Tom Francis also attended. A tour of the facility was provided along with materials from SFPUC's 2021 and 2025 plans, and cost estimates associated with the project. Since then, the SFPUC has issued a letter to Assembly Members Papan, Stefani and Haney who have corresponded with the Commission previously on this matter. The letter states that SFPUC will pause further work on the project at the 35% design phase, which was estimated to be reached by April 3<sup>rd</sup>. The SFPUC will then develop a new alternative that maintains the Outdoor Supply Hardware store. The new alternative is expected to take 3 months to prepare and will be shared with BAWSCA and presented to the SFPUC's Commission including the estimate cost of implementing the alternative as well as associated logistical considerations of the alternative. BAWSCA will share details regarding SFPUC's new alternative to the Board once all information has been obtained from the SFPUC.

Public comments were provided by City of Millbrae Vice Mayor, Stephen Rainaldi.

Director Hardy asked what BAWSCA can do from a legal and historical point of view aside from having oversight on costs. It is an unprecedented situation.

Chair Ragsdale stated that the 3 months' time in which the project will be paused and a new alternative created will provide the opportunity for contemplation.

A copy of SFPUC's letter to the Assembly Members is included in the correspondence packet.

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

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

**10. Comments by Committee Members:**

Director Hardy commented that unlike electricity that is easy to move but difficult to store, water is easy to store but difficult to move. She noted the need for BAWSCA to have ability in the future to work together with other agencies in managing the region's precious water resources.

Director Vella noted that BAWSCA coordinates an annual Hetch Hetchy Tour with SFPUC to provide members of the Board the opportunity to gain better understanding of the San Francisco Regional Water System in order to address issues and make informed decisions on behalf of the region.

**11. Adjournment:** The meeting was adjourned at 2:48pm. The next meeting is June 10, 2026.

Respectfully submitted,

Thomas F. Smegal  
CEO/General Manager

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Attachments: 1) Attendance Roster

**Bay Area Water Supply and Conservation Agency**

**Board Policy Committee Meeting  
Attendance Roster**

Agency	Director	Apr. 8, 2026	Feb. 11, 2026	Dec. 10, 2025	Oct. 8, 2025	Aug. 13, 2025	Jun. 11, 2025
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	✓	Meeting Cancelled	✓
San Bruno	Hamilton, Tom	✓	✓	n/a	n/a		n/a
Hayward	Andrews, Angela	✓	✓	n/a	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

**April 8, 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
Christiane Barth	Office Assistant
Allison Schutte	Legal Counsel, Hanson Bridgett

**Members of the Public:**

Stephen Rainaldi	Vice Mayor, City of Millbrae
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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE 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 or 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.

**Recommendation:**

**That the Committee recommend 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 POLICY COMMITTEE 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 3<sup>rd</sup> 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.

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 CIP 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:**

**General**

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 current baseline (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.

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.

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.

**HCIP**

The HCIP Quarterly Report included details for 22 approved HCIP projects. As of the end of the reporting period, the status of the 22 HCIP is shown in Table 1 below:

**Table 1  
HCIP – 3<sup>rd</sup> Quarter – Progress Tracking**

<b>Project Phase</b>	<b>Number of Projects</b>	<b>Percent by Number of Projects</b>	<b>Total Project Value</b>	<b>Percent by Project Value</b>
Not Initiated	0	0%	\$0	0%
Planning	7	32%	\$652M	34%
Design	4	18%	\$302M	16%
Bid and Award	2	9%	\$99M	5%
Construction	2	9%	\$284M	15%
Multi-Phases	5	23%	\$453M	24%
Close-Out	0	0%	\$0	0%

Completed	2	9%	\$137M	7%
<b>Total*</b>	<b>22</b>	<b>100%</b>	<b>\$1,928M</b>	<b>100%</b>

*\* Of the 22 projects reported in the most recent HCIP quarterly report, 14 are categorized as Joint Projects, 8 as Power Projects, and there are no Water Projects currently being tracked.*

BAWSCA agencies have financial responsibilities for water projects and joint projects. BAWSCA agencies are not responsible for power project costs. BAWSCA’s review of the HCIP focuses on joint and water project categories (14 of the 22 projects detailed in this most recent quarterly report). Of particular interest is work related to the Moccasin penstocks, the Moccasin engineering & records building, the Moccasin warehouse building, and the Mountain Tunnel improvements project. Specifically, BAWSCA is tracking the alternative analysis being performed to identify a preferred method to replace the existing penstocks, is interested in visiting the sites for the new buildings (to better understand the need for the new structures and envision the proposed future construction), and has asked for clarification on work completion for tunnel repairs, given SFPUC’s interest in avoiding long winter mountain tunnel shutdowns for a few years.

A discussion of the HCIP key project activities performed during the 3<sup>rd</sup> Quarter is provided in Attachment 1 to this memorandum.

**WECIP**

The WECIP Quarterly Report detailed 34 regional projects in various phases of development. The status of the 34 regional projects as of the end of this reporting period is shown in Table 2 below.

**Table 2  
WECIP – 3<sup>rd</sup> Quarter – Progress Tracking**

<b>Project Phase</b>	<b>Number of Projects</b>	<b>Percent by Number of Projects</b>	<b>Total Project Value</b>	<b>Percent by Project Value</b>
Not Initiated	1	3%	\$19M	1%
Planning	12	35%	\$327M	19%
Design	8	24%	\$639M	38%
Bid and Award	0	0%	\$0M	0%
Construction	8	24%	\$629M	37%
Multi-Phases	1	3%	\$37M	2%
Close-Out	3	9%	\$27M	2%
Completed	1	3%	\$18M	1%
<b>Total</b>	<b>34</b>	<b>100%</b>	<b>\$1,697M</b>	<b>100%</b>

BAWSCA receives reports on the status of all 34 projects. Staff’s focus has been on the work related to the Sunol Valey Water Treatment Plant, of which several projects experienced schedule delays and potential cost impacts because of a break in the raw water treatment pipeline that connects Calaveras Reservoir to the Treatment Plant. In addition, 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 that the SFPUC engage with the City of Millbrae staff and elected officials regarding their concerns with the proposed work. An alternative project design which leaves in place the Outdoor Supply Hardware lease is anticipated to be available for BAWSCA’s review in the summer months. The Bay Division

Pipeline No. 4 Pre-Stressed Concrete Cylinder Pipe (PCCP) Repair Project has the potential to cost significantly more money than what was originally envisioned, hence BAWSCA staff also seeks updates on the proposed change(s) of plans as it relates to the approach to the repairs.

A discussion of the WECIP key project activities performed during the 3<sup>rd</sup> Quarter is provided in Attachment 1 to this memorandum.

**WSIP**

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. Further, the complexity of one of the two projects has resulted in the extension of the WSIP’s completion date to June of 2032. The Status of the 52 WSIP regional projects is shown in Table 3 below.

**Table 3  
WSIP – 3<sup>rd</sup> Quarter – Progress Tracking**

<b>Project Phase</b>	<b>Number of Projects</b>	<b>Percent by Number of Projects</b>	<b>Total Project Value</b>	<b>Percent by Project Value</b>
Planning	1	2%	\$51M	1%
Design	0	0%	\$0M	0%
Bid and Award	0	0%	\$0M	0%
Construction	1	2%	\$154M	4%
Close-Out	1	2%	\$96M	3%
Completed	48	92%	\$3,495M	92%
Not Applicable *	1	2%	\$12M	0%
<b>Total</b>	<b>52</b>	<b>100%</b>	<b>\$3,808M</b>	<b>100%</b>

\* “Not Applicable” category is for one project that does not include construction: Long Term Mitigation Endowment.

BAWSCA pays attention to the status of all four of the remaining WSIP projects, yet as noted above two of the projects (the Alameda Creek Recapture Project (ACR Project) and the Regional Groundwater Storage and Recovery Project (RGWR Project) are of primary interest. The RGSR Project has been in construction since 2012 and is nearing completion by late 2027. It includes a complex system of groundwater wells, groundwater treatment facilities at said wells, and pipelines to connect the wells / treatment facilities to water distribution systems. BAWSCA engagement is critical to better understand the challenges associated with the construction and the future operation and maintenance of the project. The ACR Project has had significant design and construction challenges associated with the incorporation of the operation of an active gravel quarry pit as part of the water recapture scheme. Similar to the RGSR Project, BAWSCA engagement is critical to better understand how the project will be built, maintained and operated. Both can provide significant water supply benefit to the SF RWS and their successful completion is critical.

A discussion of the WSIP key project activities performed during the 3<sup>rd</sup> Quarter is provided in Attachment 1 to this memorandum.

**Attachment 1  
Key Project Activities for the 3<sup>rd</sup> 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 nor 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 POLICY COMMITTEE 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- and mid-term recommended actions for BAWSCA consideration.

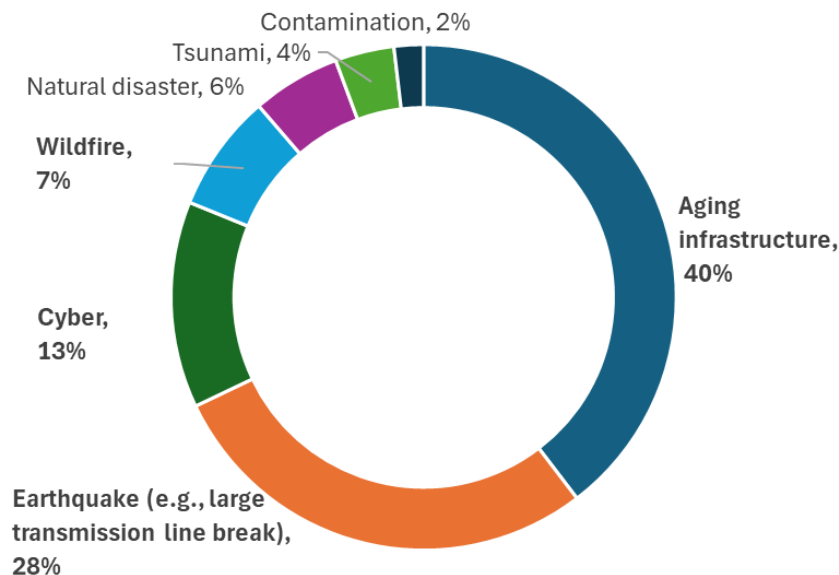
**Recommendation:**

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 a WMR meeting in December 2025 and a workshop in February 2026, as well as engagement 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. Top threats to emergency resilience in the region, as identified by BAWSCA WMRs**

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.

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.

During the June Board Policy Committee 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**

Findings from the emergency resilience analysis are currently under review by BAWSCA WMRs and will be discussed at the July WMR meeting. Input from the BAWSCA Board Policy Committee is requested at the June BPC meeting. Recommendations will be brought to the BAWSCA Board 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.



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**MEMORANDUM**

**TO:** BAWSCA Board of Directors  
**FROM:** Tom Smegal, CEO/General Manager  
**DATE:** June 5, 2026  
**SUBJECT:** Chief Executive Officer/General Manager’s Letter

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**Status of Wholesale Revenue Requirement (WRR) Review for FY 2023-24:**

Pursuant to Section 7.06A of the Water Supply Agreement (WSA), BAWSCA conducted its review of SFPUC’s calculation of the WRR and the changes in the Balancing Account for FY 2023-24. On June 1, 2026, BAWSCA and the SFPUC signed an initial agreement memorializing adjustments to the Balancing Account based on the issues that have been resolved by May. This agreement resulted in a total Balancing Account adjustment of \$525,305, including interest, as a credit to the Wholesale Customers. The parties are working collaboratively towards having all the remaining issues resolved by November 6, 2026.

**Urban Water Management Plans – Agency Adoption and BAWSCA Support**

Urban water suppliers have started adopting their Urban Water Management Plans (UWMPs). BAWSCA supports its member agencies’ UWMP development every five years by facilitating an update to the Regional Water Demand and Conservation Projections Study (Demand Study). Through the Demand Study, the member agencies work closely with a competitively selected consultant and their own planning agencies to develop water demand and conservation projections that are specific to their service area and reflect expected demographic growth.

BAWSCA continues to assist member agencies with adoption of their UWMPs by attending public hearings upon request.

**Water Use Efficiency Roundtable Workshop – June 2, 2026:**

BAWSCA and Valley Water hosted their final in-person Water Use Efficiency (WUE) workshop on June 2<sup>nd</sup> in Santa Clara. The workshop was titled, “The Great Data Dig: From Missing Metrics to Meaningful Action”. The theme of the working group was centered around Advanced Metering Infrastructure (AMI) and how to manage and analyze your water use and billing data. The guest speakers were representatives from BAWSCA and Valley Water member agencies including Mid-Peninsula Water District, Alameda County Water District, and City of Morgan Hill. The workshop was well attended with roughly 45 participants. The final WUE workshop of the fiscal year is scheduled for June 24<sup>th</sup> which will be held virtually.

**California Water Efficiency Partnership (CalWEP)**

BAWSCA sponsored, and Danielle McPherson, Senior Water Resources Specialist, attended the California Water Efficiency Partnership's (CalWEP) spring Peer-to-Peer conference. This flagship event convenes approximately 250 water efficiency professionals for two full days of learning and connection. Ms. McPherson moderated an engaging panel on advanced metering infrastructure and applications beyond standard leak detection and notification. The event offers BAWSCA the opportunity to showcase its, and its members', excellent work advancing the efficient use of water across the region.

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# Board Policy Committee Policy Calendar Through April 2027

Meeting Date	Purpose	Issue or Topic
August 2026	R&D R	Strategy 2050 Update Review of Water Supply Forecast
October 2026	R&A R	Annual Review and Consideration of Statement of Investment Policy Review of Water Supply Forecast
December 2026	D&A D&A R&D R&D	Mid Year 2026-27 Work Plan, Budget and General Reserve Review Proposed FY 2027-28 Bond Surcharges Review of FY2027-28 Work Plan and Budget Planning Process BAWSCA's Strategy 2050
February 2027	R&D R	Presentation of Preliminary FY2027-28 Work Plan Review of Regular Consultant Rates
April 2027	D&A R	Consideration of Proposed FY 2027-28 Work Plan and Operating Budget Review of Water Supply Forecast