

BAWSCA

Bay Area Water Supply & Conservation Agency

October 14, 2026
1:30 p.m.

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

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AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page#</u>
1. <u>Call To Order, and Roll Call</u> Roster of Committee Members (<i>Attachment</i>)	(Ragsdale)	Pg 5
2. <u>Comments by Chair</u>	(Ragsdale)	
3. <u>Consent Calendar</u> A. Approval of Minutes from the June 10, 2026 meeting (<i>Attachment</i>)	(Ragsdale)	Pg 7
4. <u>Public Comment</u> <i>Members of the public may address the committee on any issues not listed on the agenda that are within the purview of the committee. Comments on matters that are listed on the agenda may be made at the time the committee is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	(Ragsdale)	
5. <u>Action Calendar</u> A. Resolution Approving the Temporary Re-Appointment of Nicole Sandkulla as Special Counsel to the CEO/GM (<i>Attachment</i>) <u>Issue:</u> What outside expertise and resources are needed to achieve critical results during FY 2026-27 and FY 2027-28? <u>Information to Committee:</u> Staff memo, resolution, and oral report. <u>Committee Action Requested:</u> That the Board Policy Committee recommend the Board adopt Resolution #2026-02 approving the temporary re-appointment of Nicole Sandkulla to the position of Special Counsel to the CEO/GM.	(Schutte)	Pg 15
B. Annual Review and Consideration of BAWSCA's Statement of Investment Policy (<i>Attachment</i>) <u>Issue:</u> BAWSCA's Investment Policy requires the Board to act on it annually irrespective of any changes. No changes are recommended. <u>Information to Committee:</u> Staff memo and oral report. <u>Committee Action Requested:</u> That the Board Policy Committee recommend Board re-affirmation of the current Statement of Investment Policy.	(Tang)	Pg 23

6. Reports and Discussions

- A. Discussion of Desirable Skills and Background for the Next SFPUC General Manager (*Attachment*) (Smegal) Pg 35
Issue: What key attributes and priorities are BAWSCA and its member agencies seeking in the next SFPUC General Manager?
Information to Committee: Staff memo and oral report.
Committee Action Requested: Comments and feedback.
- B. BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy 2050) - Draft Implementation Plan (*Attachment*) (Ashoori) Pg 49
Issue: How should BAWSCA implement Strategy 2050?
Information to Committee: Staff memo and oral report.
Committee Action Requested: Comments and feedback.
- C. BAWSCA's Request to the SFPUC to Review its Design Drought (*Attachment*) (Smegal) Pg 53
Issue: What questions and comments do the BPC members have about the CEO's proposed action?
Information to Committee: Staff memo and oral report.
Committee Action Requested: Comments and feedback.

7. CEO Reports

(Smegal)

- A. Bay Delta Plan/FERC Update
- B. CEO's Letter (*Attachment*) Pg 59
- C. Board Policy Committee Calendar (*Attachment*) Pg 61
- D. 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)

December 9, 2026 at 1:30pm

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Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to bawsca@bawsca.org or submitted by phone at 650-349-3000. Requests will be granted whenever possible and resolved in favor of accessibility.

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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
June 10, 2026 – 1:30 p.m.

MINUTES

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

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

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

2. **Comments by Committee Chair:**

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

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

3. **Consent Calendar:**

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

The motion passed unanimously by roll call vote.

4. **Public Comments on Items not on the Agenda:**

Public comments were received from Dave Warner on SFPUC's Design Drought.

5. **Action Calendar:**

- A. **Authorization to Extend Office Lease:**

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

The negotiated terms include:

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

- Effective rate of \$3.78/sq ft per month over entire term

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

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

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

There were no comments from members of the public.

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

The motion passed unanimously by roll call vote.

6. Reports and Discussions:

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

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

In response to the Board's expressed interest in the topic at previous meetings, BAWSCA staff prepared a presentation on SFPUC's 3rd Quarter Reports for FY 2025-26 to BAWSCA. The discussion is provided for the Committee's information and feedback on whether such a presentation should be provided to the full Board on a regular basis. Oversight of the SFPUC's CIPs is a major part of BAWSCA's work plan in accordance with the WSA, and staff is prepared to regularly inform the Board of its efforts as directed.

Tom Francis, Water Resources Manager, provided the report.

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

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

Requirements of the Water Supply Agreement

- 30 days prior to the first budget meeting of the Commission in January, SFPUC must meet with BAWSCA to discuss its 10-year CIP.
- 14 days prior to the first budget meeting of the Commission, final materials for the budget meeting must be provided to BAWSCA.
Upon receipt, BAWSCA conducts its review and provides written comments to San Francisco.
- SFPUC must respond, in writing, to all of BAWSCA's written comments on the 10-Year CIP before the Commission's second budget meeting, typically in February, in which the 10-year CIP will be considered for adoption.
- SFPUC must publish Quarterly CIP Reports that track work progress on each of the CIPs, including project costs and challenges. The reports are provided to BAWSCA via the Commission Packets that are published prior to regular Commission meetings.

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

BAWSCA staff meets with SFPUC staff and project managers to discuss contents of the Quarterly reports. Separate meetings are held every quarter for each of the three CIPs, where BAWSCA's questions and concerns are brought up with SFPUC.

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

The Committee consensus was for BAWSCA staff to provide an annual report to the Board on its review of SFPUC's 10-Year CIP and status of the WSIP.

Public comments were provided by Dave Warner.

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

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

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

The objective of the analysis was to understand what emergency scenarios might occur and how it can be best addressed to ensure a reliable supply of high-quality water at a fair price.

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

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

The analysis was grounded with direct engagement of BAWSCA member agencies through the appointed Water Management Representatives (WMR). A workshop was held with the WMRs in February 2026 to gather input on existing strategies and identify collaborative opportunities.

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

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

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

Existing frameworks were evaluated at 5 different levels; Local, Countywide, Regional, Statewide, and National level.

Regionally, the analysis found that there is an existing foundation around the identification of assets and operational practices for emergency response. Existing frameworks outside of California identified gaps that will be considered in the potential emergency resilience framework.

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

- **Templates and Resources**
- **Training and Exercises**
- **Communication Plans and Protocols**
- **Peer Learning and Knowledge Sharing**

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

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

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

There were no comments from members of the public.

C. CEO/General Manager Performance Evaluation Process:

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

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

There were no comments from members of the public.

7. CEO Reports:

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

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

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

Public comments were provided by Dave Warner on SFPUC's water rate setting.

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

9. Report from Closed Session: N/A.

10. Comments by Committee Members:

Director Hardy was excited to report that the first FIFA game will be held at Santa Clara's Levi's Stadium which is served by Hetch Hetchy water. The City of Santa Clara has worked with stadium personnel on water efficiency, including having toilets that run on reclaimed

water. Additionally, the SFPUC is part of the discussion with Valley Water over the purified water treatment plant, which has received land approval.

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

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

11. Adjournment: The meeting was adjourned at 3:18pm.

Respectfully submitted,

Thomas F. Smegal
CEO/General Manager

TS/le

Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

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

✓: present

☎: Teleconference

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

BAWSCA Staff:

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

Members of the Public:

Alison Kastama	SFPUC
Jason Wang	Santa Clara
Dave Warner	Self

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Resolution Approving the Temporary Re-appointment of Nicole Sandkulla as Special Counsel to the CEO/GM**

Summary:

As required by the California Public Employees' Retirement System (CalPERS), Board findings are required before Nicole Sandkulla, who has retired from BAWSCA, can be re-appointed to the position of Special Counsel to the Chief Executive Officer and General Manager (CEO/GM) in order to provide BAWSCA with essential services. The responsibilities for this position are described in Exhibit A.

Fiscal Impact:

Sufficient funds to re-appoint Nicole Sandkulla as Special Counsel to the CEO/GM are estimated to be available in the adopted budget for FY 2026-27. No budget adjustment is needed at this time.

These estimates will be updated and reviewed during the mid-year work plan and budget review.

If the estimate at mid-year indicates that the adopted operating budget will be insufficient through the end of the year, the additional increment of funding will be relatively small and may be available from savings in other areas of the budget or, if necessary, from the General Reserve.

Recommendation:

That the Board Policy Committee recommend 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 make associated findings in support of such an appointment.

Discussion:

Nicole Sandkulla continues to be essential in providing critical executive strategic advice and counsel services to CEO Smegal.

The California Government Code allows the temporary employment of a PERS-covered retiree only under specified conditions, and only if the person works no more than 960 hours per fiscal year. During fiscal year 2024-2025, Ms. Sandkulla billed 63.50 hours as Special Counsel to the CEO/GM, and during fiscal year 2025-2026, she billed 39.50 hours, an average of 51.50 hours per year, well below the 960-hour limit. The attached resolution includes findings that the Board must adopt in order for the CEO/GM to retain Ms. Sandkulla in this position for no longer than twenty four months in compliance with all legal requirements. The resolution also includes the CEO/GM position's base salary of \$330,195 as of October 1, 2026, demonstrating that Ms. Sandkulla's compensation will be consistent with the salary for the position most closely related to the duties that Ms. Sandkulla will be performing. Ms. Sandkulla will be paid an hourly rate of \$158.75. Consistent with state law, Ms. Sandkulla has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to her hourly pay rate.

Attachments:

1. Exhibit A, Responsibilities of Special Counsel to the CEO/GM.
2. Resolution #2026-02 Approving the Temporary Re-Appointment of Nicole Sandkulla as Special Counsel to the CEO/GM.

EXHIBIT A

BAWSCA

Special Counsel to the Chief Executive Officer and General Manager

RESPONSIBILITIES

The part-time position of Special Counsel to the CEO/GM will report to Thomas Smegal.

The Special Counsel to the CEO/GM will assist the CEO/GM by providing executive strategic advice and counsel to Mr. Smegal.

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**RESOLUTION NO. 2026-02
BY THE BOARD OF DIRECTORS OF THE
BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**APPROVING TEMPORARY APPOINTMENT OF NICOLE SANDKULLA
AS SPECIAL COUNSEL TO THE CEO/GM AND MAKING FINDINGS IN SUPPORT OF THE
APPOINTMENT**

WHEREAS, the Bay Area Water Supply and Conservation Agency ("BAWSCA") is organized and established pursuant to the Bay Area Water Supply and Conservation Agency Act, Water Code section 81300, et seq. (the "Act");

WHEREAS, section 81408 of the Act authorizes the Board of Directors of BAWSCA (the "Board") to (i) employ employees that it determines are necessary or convenient to operate BAWSCA, and (ii) delegate that authority to the Chief Executive Officer and General Manager of BAWSCA (the "CEO/GM") with respect to the employment of additional employees;

WHEREAS, CEO/GM, Thomas Smegal, would benefit from the temporary appointment of Nicole Sandkulla (the "Appointee") to the position of Special Counsel to the CEO/GM;

WHEREAS, the Appointee will be a retired annuitant entitled to receive retirement benefit payments under the California Public Employees' Retirement System ("PERS"), which benefits she accrued based on service with multiple PERS-covered agencies;

WHEREAS, BAWSCA contracts with PERS to provide retirement benefits to its eligible employees;

WHEREAS, the Appointee will be performing similar duties to those performed by individuals who have held or are currently holding the position of CEO/GM;

WHEREAS, the California Government Code ("Code") generally requires that a retired PERS annuitant be reinstated to active PERS membership upon employment by a PERS-covered agency, unless she is temporarily appointed by the agency's appointing authority under sections 7522.56 and 21224 of the Code, which exempt a retired PERS annuitant from the reinstatement requirement if (i) she is temporarily appointed because she "... has specialized skills needed in performing work of limited duration," (ii) she works no more than 960 hours per fiscal year for all PERS-covered employers, (iii) her hourly rate of pay is neither less than nor more than the monthly base salary paid by the agency to any of its other employees who perform comparable duties, divided by 173.333, as reflected in the publicly-available salary schedule, (iv) she will not receive any other benefit, incentive, compensation in lieu of benefits, or other form of compensation in excess of such hourly rate, (v) she is not reemployed within 180 days of her retirement, unless she did not receive any incentive to retire, and the appointment is certified by the agency as necessary to fill a critically-needed position before 180 days has passed and approved by the employer's governing body at a public meeting, and (vi) she has not received unemployment compensation arising out of any prior employment subject to these requirements with the same employer during the 12-month period preceding her appointment;

WHEREAS, Code section 7522.56 also permits a retired PERS annuitant to be employed within 180 days following the date of retirement, if, among other criteria, she (i) fills a "critically needed position before 180 days have passed" and (ii) the appointment has been "approved by the governing body of the employer in a public meeting;"

WHEREAS, the Board has determined that BAWSCA continues to have a critical need and that the appointment of the Appointee is necessary to fill this critical need;

WHEREAS, the Board has also determined that the Appointee has the skills needed in performing work as Special Counsel to the CEO/GM for a limited term of no more than twenty-four months and intends that her appointment to that position for such term meet this and all other applicable requirements of sections 7522.56 and 21224 of the Code;

WHEREAS, the hourly pay rate to Appointee will be \$158.75, calculated from CEO Smegal's base salary of \$330,195 as of October 1, 2026, as required by sections 7522.56 and 21224 of the Code; and

WHEREAS, Appointee has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to the hourly pay rate stated above.

NOW THEREFORE BE IT RESOLVED, that subject to BAWSCA's customary employment practices and the specific terms and conditions of any offer of employment by BAWSCA to the Appointee in connection therewith, the Board hereby approves the appointment of the Appointee to the position of Special Counsel to the CEO/GM for up to one twenty-four month term, effective upon appropriate action by the incoming CEO/GM; and

RESOLVED FURTHER, that in accordance with sections 7522.56 and 21224 of the Code:

1. The Board finds that BAWSCA continues to have a critical need to fill the position of Special Counsel to the CEO/GM;
2. The Board finds and declares that the Appointee possesses extensive, highly specialized skills and experience needed to provide critical executive strategic advice and counsel to CEO Smegal;
3. The Appointee's appointment to the position of Special Counsel to the CEO/GM will not exceed 960 hours in any fiscal year for all PERS-covered agencies;
4. The Appointee is being appointed more than 180 days after her retirement;
5. The Appointee's hourly rate of pay as Special Counsel to the CEO/GM will be neither less than nor more than the base monthly salary of any of BAWSCA's other employees who perform comparable duties divided by 173.333, and she will not receive any other benefit, incentive, compensation in lieu of benefits, or other form of compensation in excess of such hourly rate;
6. The Appointee has not received any unemployment compensation arising out of her prior employment with BAWSCA during the 12-month period preceding her appointment; and
7. Subject to BAWSCA's customary employment practices, including "at-will" employment, the appointment of Appointee as Special Counsel to the CEO/GM will continue only until the earlier of: (i) the end of the appointment's twenty-four month term, or (ii) termination of the Appointee's employment by either BAWSCA or the Appointee for any other reason.

RESOLVED FURTHER, that the CEO/GM, Thomas Smegal is hereby authorized and directed to execute all documents and take all other actions necessary or advisable to effect the purposes of this resolution.

PASSED AND ADOPTED this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

Chair, Board of Directors
Bay Area Water Supply and
Conservation Agency

ATTEST:

Assistant to the CEO

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Annual Review and Consideration of BAWSCA's Statement of Investment Policy**

Summary:

The Board's Investment Policy states that the CEO/General Manager shall annually submit a Statement of Investment Policy to the Board, which the Board will consider at a public meeting. The previous review occurred on November 20, 2025 and resulted in no modifications to the Investment Policy. Quarterly investment reports are provided to the Board as required by the policy. The last investment report was provided to the Board on September 17, 2026.

BAWSCA's Investment Policy applies to all funds and investment activities under the direction of the agency. It also specifies permitted investment instruments for the bond proceeds and delegates the management and oversight of the investments to the CEO/General Manager. Based on a recent review of the agency's circumstances, BAWSCA believes the current permitted investment instruments are consistent with the agency's risk tolerances and primary investment objectives. In consideration of the long-term nature of the stabilization fund, BAWSCA has determined that the current 0-5 year ladder maturity investment strategy is appropriate and continues to provide the agency opportunities to benefit from longer maturity and higher yielding investments over time.

Legal counsel has confirmed that the current Statement of Investment Policy reflects language consistent with the State law. A copy of the policy is attached. Other than minor clerical clean-up edits, no changes to the policy, including the investment strategy for the bond proceeds, are recommended at this time.

Fiscal Impact:

No impact on BAWSCA's annual operating budget.

Recommendation:

That the Board Policy Committee recommend Board re-affirmation of the current Statement of Investment Policy.

Discussion

The primary objectives of BAWSCA's Investment Policy are safety, liquidity and return on investment. All BAWSCA funds shall be invested in accordance with the Investment Policy and the California Government Code.

Permitted Investments for Agency Funds

The current Investment Policy requires the agency funds that are not invested in the Local Agency Investment Fund (LAIF) to be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the Government Code. The current policy also limits the maturity of any Certificate of Deposit to 12 months or less.

Although the current California Debt and Investment Advisory Commission (CDIAC) investment guidelines allow for community bank participation in holding local agency funds and for Certificates of Deposit with a maturity of up to 5 years, it is determined that a change to allow longer maturities of Certificates of Deposit is not needed at this time, given the agency's high liquidity needs. BAWSCA will continue investigating these additional investment options as the Investment Policy may be amended from time to time.

Permitted Investments for Bond Proceeds

BAWSCA's bond proceeds are held in a separate trust account at the Bank of New York Mellon Trust Company (Trustee) and are invested in accordance with the Bond Indenture and the agency's Investment Policy. The Bond Indenture specifies investments in which BAWSCA is permitted to invest bond proceeds. BAWSCA's Investment Policy further restricts allowable investments for bond proceeds to four specific instruments: Federal Securities, Money Market Mutual Funds, Certificates of Deposit, and US Agency Securities.

BAWSCA staff believe the current permitted investment instruments are consistent with the agency's risk tolerances and primary investment objectives. No changes to the permitted investments for the bond proceeds are recommended at this time.

Investment Strategy for Bond Stabilization Fund

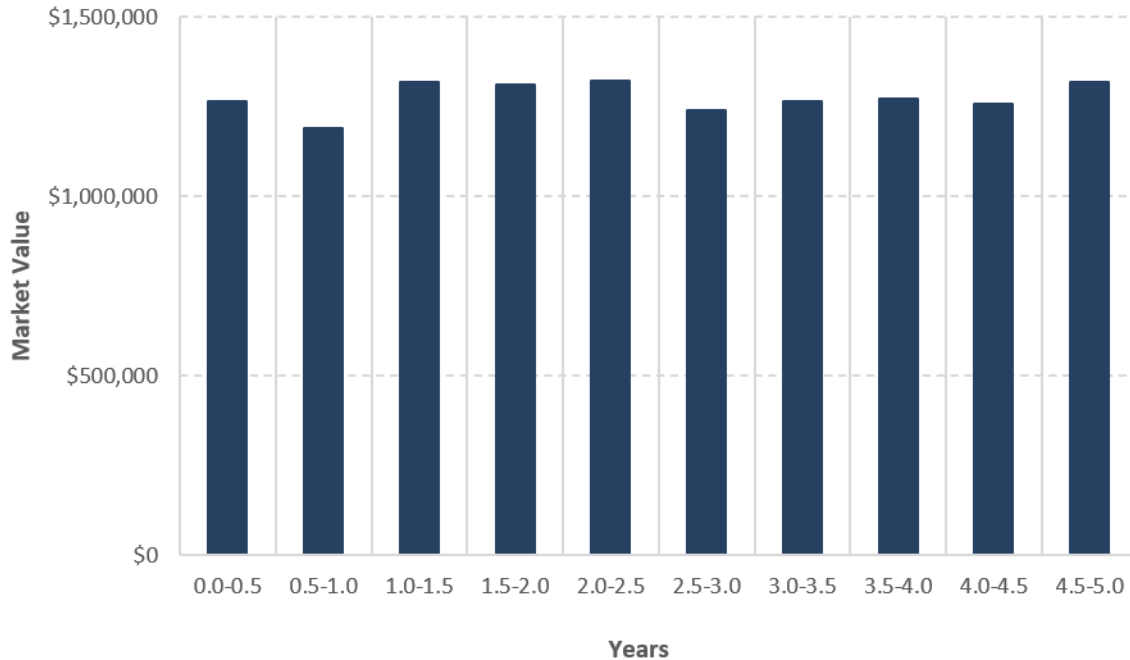
BAWSCA's bond stabilization fund held at the Trustee serves as a reserve to cover the debt service payments in case of shortfalls in the surcharge collection. As part of this annual review, BAWSCA reviewed the investment strategy for the stabilization fund given current market conditions.

Since 2018, BAWSCA has utilized a 0–5 year laddered maturity strategy to manage the investment portfolio. More recently, persistent inflation and resilient economic activity have led the Federal Reserve to shift toward a more restrictive policy stance, including a 25-basis-point increase in the federal funds target range in September. The Federal Reserve has indicated that inflation remains elevated and that monetary policy will remain focused on restoring price stability while its latest projections suggest policy rates may remain higher for longer than previously anticipated. Within this evolving interest-rate environment, BAWSCA's 0–5 year laddered maturity structure continues to provide important diversification across the yield curve and helps mitigate the risks associated with changes in interest rates. As rates rise, regularly scheduled maturities provide opportunities to reinvest proceeds at higher prevailing yields, allowing portfolio income to adjust upward over time. Conversely, if rates decline, the portfolio's allocation to longer-maturity securities help preserve previously locked-in yields and reduce reinvestment-rate risk relative to a shorter-duration strategy. The current investment strategy therefore provides a balanced approach to managing both market price risk and reinvestment-rate risk while remaining consistent with BAWSCA's risk tolerances, liquidity requirements, and primary investment objectives. For these reasons, BAWSCA and its investment advisor believe the current strategy remains appropriate as longer maturity strategies have historically provided the opportunity for greater investment income and return over time, and the laddered maturity structure reduces reliance on any single interest-rate environment.

As of October 1, 2026, the total balance held by the Trustee was \$19,301,172, which includes: (1) the bond surcharges of \$6,563,412 collected from the member agencies to pay the next semi-annual debt service payment, and (2) the stabilization fund of \$12,737,760.

A summary of the current investment portfolio maturity distribution for BAWSCA's stabilization fund is shown in Figure 1. The CEO/General Manager anticipates another evaluation of the investment strategy during next year's Investment Policy review. The result of the evaluation will be reported to the Committee and the Board.

Figure 1: Stabilization Fund Investment Portfolio Maturity Distribution as of 10/6/2026



Attachments:

1. Statement of Investment Policy, showing clerical edits in redlined format
2. Statement of Investment Policy, incorporating edits

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BAY AREA WATER SUPPLY & CONSERVATION AGENCY
STATEMENT OF INVESTMENT POLICY

1. Introduction

The investment policies and practices of the Bay Area Water Supply & Conservation Agency (BAWSCA) are based on state law and prudent money management. All funds will be invested in accordance with the Agency's Investment Policy and the California Government Code.

2. Scope

This policy applies to all funds and investment activities under the direction of the Agency, including funds held in the name of the Bay Area Water Users Association (BAWUA), a California nonprofit corporation of which the Agency is the sole member.

3. Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

Investments shall be made with the judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived, and in accordance with the provisions of Government Code Section 53600 et seq.

4. Objectives

The primary objectives, in priority order, of the Agency's investment activities shall be:

A. Safety. Safety of principal is the foremost objective of the investment program. The Agency's funds shall be invested in a manner that seeks to ensure preservation of capital.

B. Liquidity. The Agency's investments will remain sufficiently liquid to enable the Agency to meet its cash flow requirements.

C. Return on Investment. The Agency's investments shall be designed with the objective of attaining a market rate of return consistent with the constraints imposed by its safety and liquidity objectives.

5. Delegation of Authority

The management and oversight responsibility for investments is hereby delegated to the CEO/General Manager who shall monitor and review all investments for consistency with this Investment Policy.

6. Investment of Funds

A. Permitted Investments and Depositories

(i) Agency funds may be deposited only in state or national banks and state or federal savings associations with offices in California that meet the requirements and conditions of the California Government Code, as it may be amended from time to time.

(ii) Collateralization will be required on all deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit, in accordance with Government Code Sections 53630-53686 ~~and Section 16522~~. Funds not deposited in banks or savings associations shall be invested in the Local Agency Investment Fund administered by the Treasurer of the State of California, in accordance with Government Code Section 16429.1.

B. Other Limitations

(i) The General Manager may maintain separate accounts for the Agency and for BAWUA.

(ii) Investment maturities shall be based on a review of cash flow forecasts and shall be scheduled so as to allow the Agency to meet all projected obligations. The maturity of any certificate of deposit shall not exceed 12 months.

7. Investment of Bond Proceeds

Permitted Investments and Depositories. Pursuant to Government Code section 53601(m), a local agency may invest bond proceeds "in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance ~~of these bonds~~." Typically, a local agency will specify in its investment policy that the investment of bond proceeds is out of the scope of the investment policy because permitted investments are specified in the bond indenture.

Instead, BAWSCA has determined that it would like to at least temporarily use its Investment Policy to restrict the vehicles permitted for the investment of bond proceeds to more conservative investments than are permitted by the Revenue Bond Indenture, dated January 1, 2013, by and between BAWSCA and the Trustee (the "Indenture"). This gives BAWSCA the flexibility to, through amendments to future Investment Policies, gradually

expand permitted investments for bond proceeds to include some or all of the investment vehicles permitted in the Indenture. As such, notwithstanding language allowing a broader range of investment vehicles in the Indenture, bond proceeds may be invested only in the following instruments:

(i) “Federal Securities” meaning direct and general obligations of the United States of America, or those which are fully and unconditionally guaranteed as to timely payment of principal and interest by the same;

(ii) “Money Market Mutual Funds” meaning funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s of “AAAm-G” or “AAAm” and, if rated by Moody’s, having a rating by Moody’s of “Aaa,” including money market funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund or for which the Trustee or any of its affiliates serve as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(iii) “Certificates of Deposit” (including those placed by third parties pursuant to an agreement between the Agency and the Trustee), trust funds, trust accounts, overnight bank deposits, interest bearing money market accounts, time deposits, savings accounts, deposit accounts, bankers’ acceptances or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including those of the Trustee or its affiliates; and

(iv) “U.S. Agency Securities” meaning bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies: (1) senior debt obligations of the Federal Home Loan Bank System; (2) senior debt obligations of the Federal Home Loan Mortgage Corporation (FHLMC); (3) senior debt obligations of the Federal National Mortgage Association (FNMA); and (4) consolidated systemwide bonds and notes of the Farm Credit System. The investment in U.S. Agency Securities has a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase.

8. Reporting Requirements

The CEO/General Manager shall provide the Board a quarterly investment report, which shall include the information specified in Government Code Section 53646.

9. Annual Review of Investment Policy

The CEO/General Manager shall annually submit a Statement of Investment Policy to the Board, which the Board will consider at a public meeting. The Agency shall also annually verify that deposits are properly collateralized.

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Investments shall be made with the judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived, and in accordance with the provisions of Government Code Section 53600 et seq.

4. Objectives

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(iii) “Certificates of Deposit” (including those placed by third parties pursuant to an agreement between the Agency and the Trustee), trust funds, trust accounts, overnight bank deposits, interest bearing money market accounts, time deposits, savings accounts, deposit accounts, bankers’ acceptances or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including those of the Trustee or its affiliates; and

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **Discussion of Desirable Skills and Background for the Next SFPUC General Manager**

Summary:

The San Francisco Public Utilities Commission (SFPUC or Commission) is soliciting feedback in its search for a new General Manager (GM), replacing Dennis Herrera who will retire in December. The Commission's search committee has asked that the BPC provide any input on this subject.

Recommendation:

This item is for discussion purposes only.

Discussion:

The General Manager of the SFPUC oversees its water, wastewater, and power enterprises. As the largest customer of the SFPUC, the collective wholesale customers (represented by BAWSCA) count on a constructive working relationship with the General Manager to ensure San Francisco is meeting its contractual obligations and cooperating on efforts of joint interest. The General Manager is also a member of the Regional Financing Authority Board.

A copy of the position description and brochure is attached, along with an online survey shared with the public. The survey asks respondents to select priorities and attributes they would like to see in the next General Manager.

The search committee has reached out to BAWSCA for its opinions. The Commission is planning to evaluate candidates soon and this BPC meeting is likely the last opportunity to provide useful input from BAWSCA.

Board Policy Committee Input

At the October 14th meeting, staff will request input from the BPC on the following:

- What priorities should the next SFPUC General Manager make?
- What opportunities are there for the next GM to take advantage of?
- What attributes, skills, and experiences would be most important in the next GM?

Attachments:

1. SFPUC General Manager Recruitment Survey
2. SFPUC General Manager Recruitment Brochure

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SFPUC General Manager Recruitment Survey- Community

1. Opportunities & Priorities: What are the most significant opportunities/challenges facing the SFPUC that will require the next General Manager's attention? Choose up to 5 only.

- ☐ Strengthen Financial Sustainability – Improve financial stewardship while balancing affordability and long-term fiscal health.
- ☐ Advance Infrastructure & System Resilience – Address critical infrastructure needs and strengthen the long-term reliability and resilience of SFPUC systems.
- ☐ Build Greater Transparency & Public Trust – Enhance transparency, communication, accountability, and public confidence in SFPUC.
- ☐ Establish a Long-Term Strategic Vision – Develop a clear vision and strategic direction that positions SFPUC for future challenges and opportunities.
- ☐ Advance Climate & Environmental Leadership – Build on SFPUC's climate leadership while integrating environmental sustainability into long-term decision-making.
- ☐ Strengthen Regulatory & Government Partnerships – Build effective relationships with federal, state, local, and regulatory partners to advance SFPUC priorities.
- ☐ Deepen Community & Stakeholder Engagement – Create stronger connections and alignment among customers, communities, employees, elected officials, and other stakeholders.
- ☐ Enhance Customer Service & Equity – Identify opportunities to improve the customer experience and ensure reliable, equitable access to essential services.
- ☐ Other (please specify)

2. Ideal Candidate: What are the top attributes the General Manager must exhibit to be successful? Choose up to 5 only.

- ☐ Fiscal & Financial Stewardship – Proven ability to manage budgets, operating costs, and expenditures responsibly.

- ☐ Capital Project Leadership – Experience delivering successful, cost-effective capital projects and overseeing capital investments.
- ☐ Utility Affordability & Reliability – Ability to balance affordable rates with system reliability, regulatory compliance, climate goals, and infrastructure needs.
- ☐ Strategic & Regulatory Leadership – Ability to align federal, state, and local priorities while ensuring regulatory compliance.
- ☐ Workforce Leadership & Development – Ability to motivate, mentor, and develop a large and diverse workforce.
- ☐ Stakeholder Relations & Negotiation – Strong negotiation skills and ability to build effective partnerships with key stakeholders.
- ☐ Communication & Public Engagement – Ability to clearly and persuasively communicate complex operational, financial, and policy matters.
- ☐ Collaborative Decision-Making – Ability to balance competing priorities and make sound decisions that support organizational sustainability and ratepayer value.
- ☐ Other (please specify)

3. Any other information you would like the Commission to consider during this recruitment process? (Optional, Open ended/free response)

Done

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San Francisco
Water
Power
Sewer

Services of the San Francisco Public Utilities Commission

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO PUBLIC UTILITIES COMMISSION

General Manager

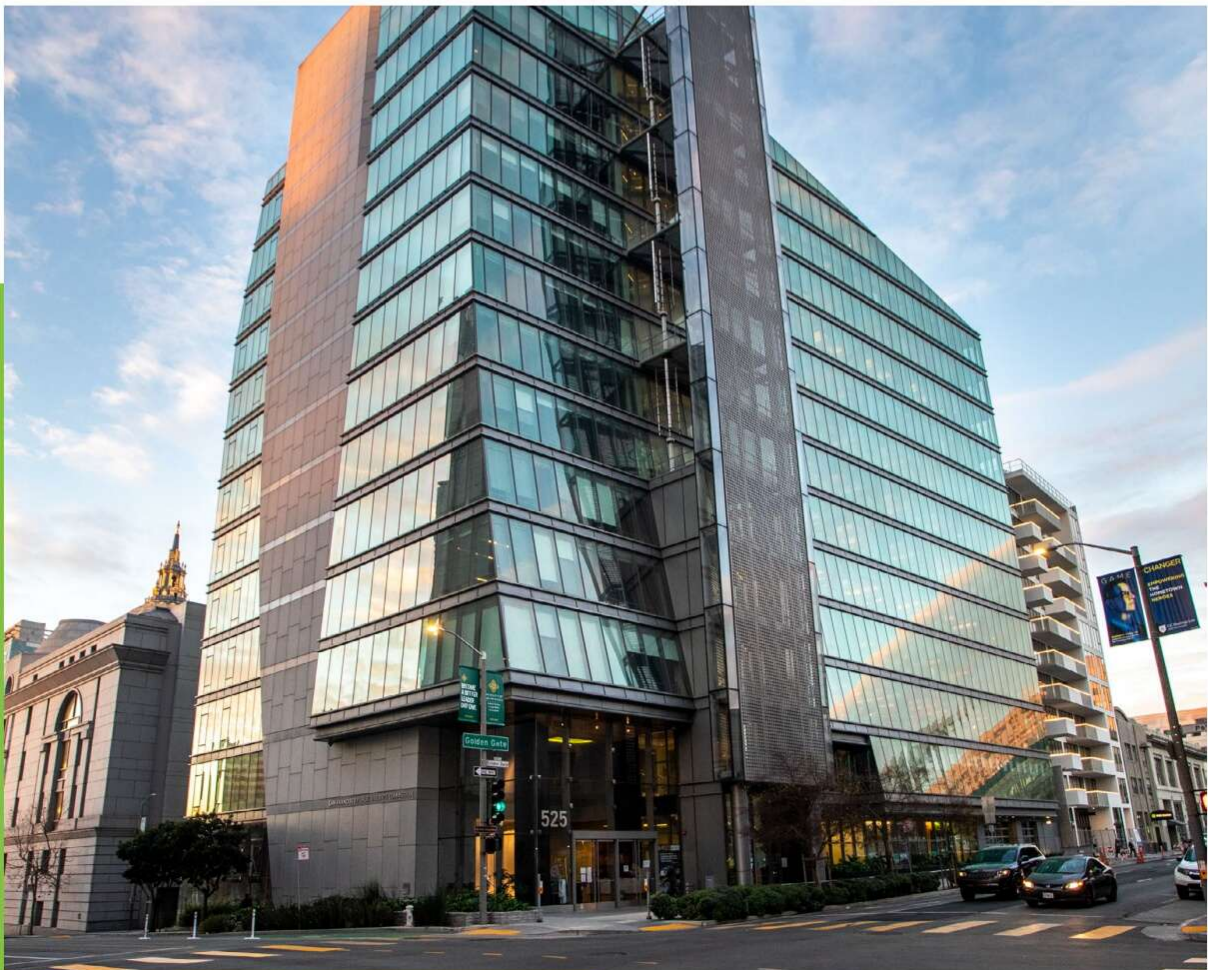


About the San Francisco Public Utilities Commission (SFPUC)

The SFPUC is a department of the City and County of San Francisco that provides drinking water and wastewater services to San Francisco, wholesale water to three Bay Area counties, and green hydroelectric and solar power to municipal departments and renewable energy to San Francisco customers through our clean power programs, CleanPowerSF and Hetch Hetchy Power.

The SFPUC is recognized throughout the world as a leading utility that delivers high-quality water, wastewater treatment, and power services through efficient, state of the art technologies that protect and sustain our precious resources. We are proud of our infrastructure and programs, but most importantly, we value our highly qualified and dedicated workforce who ensure that this vision becomes a reality.

SFPUC is comprised of three essential 24/7 service utilities: Water, Wastewater, and Power. These functions are supported by the Business Services, Infrastructure, and Professional Services bureaus.





Mission and Values

The core mission of SFPUC is to provide our customers with high quality, efficient, and reliable water, power, and sewer services in an affordable manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care.

The SFPUC provides water and wastewater services to ratepayers within the geographic boundaries of the City and County, water supply to 26 wholesale water customers represented by the Bay Area Water Supply and Conservation Agency, and three wholesale wastewater customers (neighboring municipalities). The SFPUC provides power to City and County-owned buildings, including the San Francisco International Airport and the San Francisco Unified School District, and a number of privately-owned buildings.

SFPUC values sustainability as a fundamental business principle, showcased through the adoption of an agency-wide strategic sustainability plan to ingrain the values of a sustainable future into the agency's core processes.

SFPUC is also fiscally responsible on behalf of its ratepayers and wholesale customers. Budgeting and capital and financial planning is approached with rigor.

Most importantly, SFPUC values our workforce and community as reflected in the core values adopted by the organization:

- » **Service:** We focus on customer satisfaction, health, and safety.
- » **Excellence:** We strive for personal and professional excellence. We recognize exemplary performance as we seek continuous improvement.
- » **Trust:** We act with honesty, integrity, and fairness.
- » **Respect:** We understand and appreciate the inherent value of our staff, customers, and community.
- » **Diversity:** We are committed to diversity, equity, and inclusion in our services and our workplace.
- » **Teamwork:** We support a cooperative work environment. Our team is strengthened by the diversity and contributions of its members.
- » **Equal Opportunity:** We provide opportunities for all staff to contribute and reach their potential. To achieve this, we must be a learning organization.
- » **Communication:** We listen and communicate honestly and openly.
- » **Stewardship:** We responsibly manage the resources entrusted to our care.
- » **Safety:** We take the health and safety of all our employees seriously and strive to maintain a safe work environment at all times.



SFPUC Commission

The San Francisco Public Utilities Commission consists of five members, nominated by the Mayor and approved by the Board of Supervisors. Its responsibility is to provide operational oversight in areas such as rates and charges for services, approval of contracts, and organizational policy.

City and County of San Francisco

The City and County of San Francisco is Northern California's commercial, financial, and cultural center. San Francisco is the 17th most populous city in the United States and the 4th most populous in California. The City and County of San Francisco is a local government committed to innovation, leadership, and collaboration in creating environmental change. The possibilities are endless in San Francisco, from exploring Golden Gate Park, Fisherman's Wharf, Alcatraz, and of course, the Golden Gate Bridge. Travel anywhere with the San Francisco International Airport, Bay Area Rapid Transit, and upcoming High-Speed Rail. The Bay Area also boasts world class universities, including Stanford University, University of California - Berkeley, University of California - San Francisco, and the University of San Francisco, as well as professional sports teams, including the San Francisco Giants, the San Francisco 49ers, the Golden State Warriors, the Golden State Valkyries, the San Jose Earthquakes, and Bay FC.



The Position



Under the policy direction of the Public Utilities Commission and reporting to the Mayor, the General Manager manages, plans, and organizes the activities and operations of the Commission; serves as administrative head in the Commission's relations with the public, legislative bodies, and federal, state and local public agencies; and does related work as required. The General Manager serves as Chief Executive Officer of this complex agency, coordinating the work of a team of highly skilled professional managers and a large diverse workforce to exercise administrative direction and coordination over employees engaged in the operation of the SFPUC's three major utilities (power, water and wastewater) and the support bureaus.

Most SFPUC employees are subject to San Francisco Civil Service requirements and are represented by labor unions, with City-wide collective bargaining agreements governing their terms of employment.

The General Manager must make continuing personal contacts to establish and maintain public relations, frequently involving difficult negotiations and presentations and interpretation of policy, rules and regulations with administrative officials and representative groups. The General Manager has the overarching responsibility to continue to enhance the transparency of the SFPUC by promoting improved financial reporting, long-term strategic planning, organizational policies and overall efficiencies.

The General Manager must continuously maintain and develop professional relationships, frequently involving difficult negotiations, with presentations and interpretation of policy, rules and regulations with administrative officials and representative groups. The General Manager is responsible for further strengthening SFPUC transparency by promoting fiscal responsibility, financial efficiency, improved reporting, long-term strategic planning, sound organizational policies, and overall operational effectiveness. The General Manager is accountable for shepherding a fiscally sound budget through a series of hearings, first at the SFPUC Commission followed by the executive and legislative branch review processes.

The General Manager is responsible for maintaining the water, power, and wastewater systems in a responsible manner, reliably delivering water, power, and wastewater services to all customers.





The Ideal Candidate



The ideal candidate will be a collaborative, forward-thinking executive who leads the SFPUC with sound judgment, innovative problem-solving, and a strong commitment to operational excellence, fiscal responsibility, transparency, and accountability. This person will bring credibility, decisiveness, and a results-oriented approach while balancing the delivery of safe, reliable, and sustainable utility services with affordability for ratepayers. The successful candidate will apply disciplined financial management to ensure that infrastructure, regulatory compliance, and system resilience investments are strategic, responsible, and fiscally sound.

The ideal candidate will understand the importance of making decisions through the lens of long-term fiscal sustainability and climate leadership, carefully evaluating environmental, social, and economic impacts while safeguarding the financial health of the organization. An exceptional listener, communicator, and public spokesperson, the General Manager must be skilled at explaining complex operational and financial issues in a transparent and accessible manner to customers, stakeholders, policymakers, and the public.

The successful candidate will be an effective manager who inspires confidence within the organization and earns the trust of the organization and the community. Both collaborative and decisive, that person will lead with a sense of urgency while thoughtfully balancing service reliability, capital investment needs, and the financial impact on ratepayers.

A successful General Manager will demonstrate the ability to anticipate emerging challenges and opportunities and develop a compelling long-term vision that strengthens the SFPUC's ability to deliver its mission. An effective General Manager balances innovation and transformation with affordability, reliability, equity, transparency, stewardship, and public trust. A General Manager must build alignment among ratepayers, community members, elected officials, employees, and other stakeholders while translating long-term vision into achievable strategies and measurable results.

The ideal candidate will be results-oriented, using data-driven decisions and clear performance metrics to strengthen accountability across the organization. They will demonstrate a commitment to excellent customer service, operational efficiency, and responsible stewardship of public funds, along with the ability to navigate and communicate complex policies, regulatory, infrastructure, and financial issues in a highly visible public setting.

The General Manager must work with Federal and State regulators and partners, as well as a diverse array of stakeholder groups. The SFPUC is a department of the City and County of San Francisco, and the General Manager serves as a partner and collaborator with other City departments.

Key attributes and qualities strongly desired in the General Manager include:

- » A strong administrator with exceptional leadership abilities and a demonstrated commitment to accountability and organizational effectiveness.
- » An experienced executive with a proven track record of fiscal stewardship, responsible budget management, and operating expenditures.
- » An individual with private and/or public sector experience delivering successful and cost-effective capital projects with strategic oversight.
- » A leader who understands the importance of maintaining affordable utility rates while ensuring long-term system reliability, regulatory compliance, continued climate leadership, and infrastructure investment.
- » An accomplished strategist capable of aligning federal, state, and local priorities while ensuring compliance with applicable laws and regulations.
- » A dynamic and inspirational leader who can motivate, mentor, and develop a large and diverse workforce.
- » A skilled negotiator who can advance SFPUC's interests while building productive partnerships with regulatory agencies, elected officials, community organizations, and other stakeholders.
- » An effective and persuasive public speaker who can clearly communicate complex operational, financial, and policy matters to a wide range of audiences.
- » A collaborative problem-solver who can balance competing priorities and make informed decisions that support both organizational sustainability and ratepayer value.



Education and Experience

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Education - Candidates will have completed a Bachelor's degree, preferably with major course work in civil, electrical or mechanical engineering, law, business administration, economics, or public policy or administration. An advanced degree is a plus.

Experience - The Commission desires an accomplished and experienced executive for this position. Significant and highly responsible senior-level experience is required with a demonstrated track record of success in a public or private enterprise that is deemed comparable in size, scope and complexity.

Certifications/License - None required, although this will be considered in conjunction with overall career history during the evaluation of a candidate's submitted materials.





Compensation and Benefits

The annual salary range is **\$325,754 to \$481,208**, which is supplemented by a comprehensive benefits program including:

- » Medical insurance: Options of Health Net CanopyCare HMO, Blue Shield of CA Trio HMO, Access+ HMO, and PPO, and Kaiser Permanente HMO with employer contribution to the employee and dependent premiums
- » Vision: VSP Vision Care Benefits
- » Dental: Delta Dental PPO, DeltaCare USA DHMO, UnitedHealthcare Dental DHMO with employer contribution to the employee and dependent premiums
- » Well-Being Programs: Group Exercise, Health Education Workshops and Seminars, EAP, and more
- » Flex Credit Spending

Other Benefits:

- » Flexible Spending Accounts: Healthcare FSA, Dependent Care Assistance FSA
- » Chubb Lifetime Benefit Term Insurance with Accelerated Death Benefit for Long-Term Care
- » Auto and Home Insurance
- » MetLife: Critical Illness and Accident Insurance
- » LegalShield Legal Insurance
- » Pets Best Pet Insurance

Paid Leave

Vacation: Ten (10) days of vacation accrued per year upon one year of service, twelve (12) legal holidays per year, five (5) floating holidays, and five (5) days of management leave.

Sick: Thirteen (13) days accrued per year

Retirement:

The City and County of San Francisco participate in SFERS, San Francisco Employees' Retirement System. The retirement formula for this pension is 2.3% @ 65, with full coverage for the retiree and half of one dependent upon 20 years of service.

For a complete benefit overview, click [HERE](#).



Application Process

This position is open until filled. To be considered for this exceptional career opportunity, submit your application that includes résumé, cover letter, and a list of six work-related references (two supervisors, two direct reports and two colleagues who will not be contacted in the early phases of the process) by **Friday, October 16, 2026**. Résumé should reflect years and months of employment, beginning/ending dates, as well as the size of budgets and organizations you have served.

Please go to our website to submit your application: <https://www.cpshr.us/recruitment/2672>

For further information contact:



Debbie Gutman

Tel: 916 / 471-3364

Email: dgutman@cpshr.us

Teddi Anderson

Tel: 916 / 471-3439

Email: tanderson@cpshr.us

Selection Process

Résumé and letters of interest will be screened in relation to the criteria outlined in this brochure. Candidates deemed to have the most relevant qualifications will be invited to interview with the consultant, following which, the most qualified candidates will be referred for interviews with SFPUC. An appointment to the position will be made following comprehensive reference and background checks to be coordinated with the successful candidate.



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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 (Strategy 2050) – Draft Implementation Plan**

Summary:

This memorandum provides an update on BAWSCA’s Long-Term Reliable Water Supply Strategy (Strategy 2050) and introduces the Strategy 2050 Draft Implementation Plan.

The Implementation Plan will translate the findings and recommendations developed through Strategy 2050 into an organized program that considers relative priorities, roles, and resource needs. Building on the work completed to date to identify water supply management needs and opportunities for the BAWSCA region, the Implementation Plan will establish the framework to collectively support water reliability and resilience and make sustained, measurable progress toward the established Strategy 2050 objectives. The Draft Implementation Plan presents three potential levels of implementation, ranging from actions consistent with BAWSCA’s current role to an expanded regional leadership role.

Board Policy Committee (BPC) input on the overall direction of the Implementation Plan, including the appropriate level of BAWSCA involvement, will be requested at the October BPC meeting. Discussion questions are provided herein.

Recommendation:

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

Discussion:

Since BAWSCA initiated Strategy 2050 in 2024, the effort has assessed risks to water supply reliability in the BAWSCA region and identified local and regional projects and actions to address them, with input from member agency staff, the BPC, and the Board. The Implementation Plan is the next step. It will preserve BAWSCA’s core regional function: representing member agencies and coordinating with San Francisco Public Utilities Commission (SFPUC) on water supply reliability issues that affect the wholesale customer region. It will also define where BAWSCA would expand its role to advance progress toward Strategy 2050 objectives.

Implementation Levels

The Draft Implementation Plan groups Strategy 2050 recommendations into three potential levels, each building on the one before it. The levels differ primarily in BAWSCA’s role and the resources required:

- **Priority Investments:** Focuses on the highest-priority actions that are consistent with BAWSCA’s current role and can be carried out within existing staff time and resources.
- **Incremental Investments:** Adds actions that advance regional priorities with some increase in investment and resources. These actions may expand BAWSCA’s role.
- **Maximize Regional Resilience:** Shifts BAWSCA into an expanded leadership role in regional water resources management, requiring substantial additional capacity, sustained funding, and expanded partnerships.

Recommendations within each level address strategy implementation and adaptive management, BAWSCA's near-term priority actions, regulatory support, funding and financing, affordability, and emergency resilience. Attachment A provides a preliminary grouping of these recommendations for reference.

Given that the portfolio evaluation is still underway, recommendations for supply reliability projects and actions, and associated funding approaches, will be discussed at a future BPC meeting.

Member Agency Input

Member agency staff provided input on the specific recommendations at the October 1, 2026 Water Management Representatives (WMR) meeting and are providing additional input through a follow-up survey. That input will inform refinement of the individual recommendations, while BPC input is requested on the overall direction of the Implementation Plan.

BPC Discussion Questions

At the October BPC meeting, BPC members will be asked to provide input on the following questions:

- What level of involvement is appropriate for BAWSCA in implementing Strategy 2050?
- What regional priorities, organizational capacity, and resource and funding considerations should guide selection of an implementation level?
- Are there priority areas the BPC would like to see emphasized in the Implementation Plan?
- What revisions should staff make before the item advances for broader Board discussion?

Next Steps

The Strategy 2050 team will refine the Draft Implementation Plan and implementation levels based on feedback from WMR and BPC to present at the November 19, 2026 Board of Directors meeting.

Attachment:

- A. BAWSCA Strategy 2050 Recommendations and Implementation Levels.

Attachment A: BAWSCA Strategy 2050 Recommendations and Implementation Levels

	<u>Priority Investments</u> <i>Highest-priority actions that fit BAWSCA's current role and can be carried out with existing staff and resources.</i>	<u>Incremental Investments</u> <i>Adds actions that advance regional priorities and require some additional staff, consultant, or funding resources.</i>	<u>Maximize Regional Resilience</u> <i>BAWSCA takes on an expanded regional leadership role, requiring substantial new capacity, sustained funding, and new partnerships.</i>
		<i>Includes everything in Priority Investments, plus:</i>	<i>Includes everything in the previous two levels, plus:</i>
Strategy Implementation and Adaptive Management	• Track each recommended project and action (P&As), including who is responsible and target dates • Report on progress and emerging issues twice a year	• Plan grant applications and advocacy around priority P&As • Provide technical support to member agencies developing local P&As	
Near-Term Priorities	• Develop a Conservation Strategic Plan • Advance low-cost, broadly beneficial actions, such as commercial water audit programs, public education, technical workgroups and coordination with other regional agencies		
Regulations and Policy	• Build relationships with policymakers and regulators • Help member agencies meet new state water use efficiency requirements, especially for businesses and institutions • Support coordination on water quality	• Expand tracking of and advocacy on state legislation and regulations • Support programs for reusing water on site (for example, within buildings) and public education on purified recycled water • Address emerging issues, such as water use by data centers	• Offer a regional program to help implement and inspect on-site water reuse systems • Run a broad public outreach campaign on purified recycled water
Water Supply Reliability (to be developed)	<i>Actions will be identified after the evaluation of potential water supply projects is complete.</i>		

	<u>Priority Investments</u> <i>Highest-priority actions that fit BAWSCA's current role and can be carried out with existing staff and resources.</i>	<u>Incremental Investments</u> <i>Adds actions that advance regional priorities and require some additional staff, consultant, or funding resources.</i>	<u>Maximize Regional Resilience</u> <i>BAWSCA takes on an expanded regional leadership role, requiring substantial new capacity, sustained funding, and new partnerships.</i>
Funding and Financing <i>(preliminary)</i>	• Help member agencies pursue grants and loans • Continue existing regional financing efforts	• Advocate regionally for funding for priority P&As	• Establish a regional funding program, independently or with the San Francisco Public Utilities Commission (SFPUC) • Use BAWSCA's financing authority to fund regional P&As • Serve as a sponsor for P&As
Affordability	• Periodically update the assessment of water affordability across the region • Provide guidance so member agencies can apply the assessment using their own data	• Help member agencies design customer assistance programs • Facilitate regional discussion of what affordable water bills look like given local cost of living	• Coordinate a water bill assistance program with a nonprofit partner • Develop template partnership agreements for BAWSCA agencies
Emergency Preparedness	• Support updates to the regional emergency contact list • Build a shared library of emergency templates and documents • Strengthen coordination with county emergency services offices	• Hold regular working sessions on emergency preparedness and cybersecurity • Plan and practice using emergency water interties between agencies • Develop multilingual emergency communications for customers • Maintain a shared inventory of emergency equipment • Establish tracking system of member agency trainings and exercises	• Develop procedures for water quality testing and recovery after an emergency • Hold annual emergency exercises focused on wholesale customer scenarios • Pursue grant funding for regional emergency resilience programs

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE MEETING

Agenda Title: **BAWSCA's Request to the SFPUC to Review its Design Drought**

Summary:

Since the State Water Board's 2018 adoption of the Bay-Delta Water Quality Control Plan – Phase 1 (Phase 1 Plan) for the Tuolumne River — and the subsequent effort to amend the Plan to incorporate a Healthy Rivers and Landscapes alternative to its unimpaired-flow approach — members of the public have made statements questioning the length of the SFPUC's Design Drought. In particular, these statements have been made during public meetings of the BAWSCA Board of Directors, SFPUC Commission (Commission), Palo Alto City Council, and Palo Alto's Utility Advisory Commission.

The Commission held a public workshop on the Design Drought in 2022 and recently presented on the topic to the Board on July 16, 2026. Following that presentation, Director Stone asked that BAWSCA consider a policy that asks SFPUC to review its drought planning, specifically to conduct a risk analysis of the Design Drought.

Previously, BAWSCA's stated position was that it would not oppose a review of the Design Drought if the process includes a robust, independent, and documented analysis performed by experts in this field and further, if BAWSCA is actively engaged in the process.

CEO Smegal, under his existing authority, intends to request SFPUC conduct such an analysis as described below, and furthermore to outline for BAWSCA the potential scope and timeline as well as internal and external cost of such an analysis.

Recommendation:

This item is not an action item and is for information and discussion purposes only.

CEO Smegal requests input at this time from the BPC on making a formal request to the SFPUC for a review and to evaluate the scope, cost, and time required.

Discussion:

The Design Drought has served as an important water supply planning tool since 1992. It tests the reliability of Hetch Hetchy Regional Water System (RWS) supplies during a drought worse than any yet experienced.

Previous BAWSCA Statement on the Design Drought

On August 23, 2022, in conjunction with the SFPUC's Design Drought workshop, BAWSCA's then CEO Nicole Sandkulla, (through acting CEO Tom Francis), issued a statement to the Commission outlining BAWSCA's position on the Design Drought at that time. That statement is attached to this memorandum.

In the statement, BAWSCA wrote that a change to the Design Drought did not appear warranted at that time. It noted, however, that the Agency would not oppose a review of the Design Drought if the process included a robust, independent, documented analysis by experts in the field and if

BAWSCA is actively engaged in the process. BAWSCA also noted that the SFPUC had used the Design Drought successfully for 30 years in its long-term system planning and operations and closed by reiterating that any change to such a critical component must be approached cautiously.

BAWSCA's position remains that the Agency will not oppose a review of the Design Drought if the process includes a robust, independent, documented analysis by experts in the field and if BAWSCA is actively engaged.

At the same time, BAWSCA staff recognizes that some Board members would like a change in that policy so that BAWSCA advocates for an immediate review of drought planning and the Design Drought. Staff will begin this effort by formally requesting the SFPUC conduct the work and studies needed to confirm the adequacy of its Design Drought (and, if the results warrant, adjustments to the Design Drought as appropriate). It is possible that after a review, SFPUC could conclude that a more severe or less severe drought sequence should be used for planning purposes or that the existing Design Drought is appropriate.

The CEO can implement this policy direction as an adjustment to the Work Plan for FY 2026-27 and efforts can be accommodated in the current adopted budget. However, in future years, additional BAWSCA resources, staff and consultant, might be required to participate in the requested review.

Level of Effort Required for the SFPUC to Confirm the Adequacy of its Design Drought

The SFPUC began using the Design Drought in its drought planning in 1992. Since then, events and new information have emerged that could justify asking the SFPUC to review it including climate change, changes in regional growth and water demand patterns, and changing environmental requirements including the adopted Phase 1 Plan. Such a review will require a significant investment of staff time and money.

While BAWSCA has no formal cost or schedule estimate for an SFPUC review of the Design Drought, it has held informal discussions with technical consultants to gauge the possible scope and schedule as well as ballpark cost.

Based on these discussions, BAWSCA staff estimates that a review would take at least one year and possibly two to three years. The SFPUC would likely contract with a water resources consulting firm already familiar with the RWS. Selecting a technical review panel, developing a stakeholder engagement plan, and collecting existing data — along with methods to fill data gaps — would take significant time and deliberation to compile and implement. The SFPUC may also want greater certainty on matters such as whether the State Water Board adopts an Amendment to Bay-Delta Plan Phase 1 before embarking on any analysis. While a consultant would most likely perform the work, significant SFPUC staff engagement would also be necessary, requiring shifts in existing work priorities by SFPUC staff.

Additionally, it can be speculated that such a review could cost at least \$1 million and as much as \$3 million if the effort extends over multiple years (and dependent on the scope selected by the SFPUC). Even assuming SFPUC staff requests its Commission to authorize this work, the budget priority process would need to be followed, leading to potential additional delays.

Background:

The Design Drought has served as an important water supply planning tool since 1992. It tests the reliability of Hetch Hetchy Regional Water System (RWS) supplies during a 8.5 year planning drought.

The 8.5-year Design Drought combines two historically significant droughts — 1986–1992 and 1976–1977 — into a planning drought longer and more severe than anything in the observed record. This allows the SFPUC to test how to operate the RWS to maintain a reliable water supply through extended droughts. All drought sequences are different, and due to the water rights factors described below, the water shortage generated by this 8.5 year sequence might not be as severe as another sequence of shorter duration.

In its July 16, 2026 presentation to the Board, the SFPUC reiterated that the RWS's worst drought was in 1987–1992 and stressed the need to prepare not just for a repeat of that drought but for a more severe drought. The SFPUC emphasized that during a drought, a water supply agency should never assume the next year will be wet and noted that this planning approach has served the RWS well in surviving and recovering from subsequent droughts. The SFPUC also stated that trying to predict when the next drought will occur or how long it will last is not productive. The SFPUC closed by stating that the consequences of drought are too great, that planning and preparation are critical, and that the Bay Area's economic stability rests on a stable water supply — sentiments the SFPUC also expressed at its 2022 Design Drought Workshop. The SFPUC has no current plans to review its Design Drought.

SFPUC has made other public presentations on drought planning, most notably on November 6, 2024, before the Palo Alto Utility Advisory Commission.

Considerations that Led to the SFPUC's Design Drought Selection

The SFPUC's drought management is driven by three factors: (1) its water resources, (2) its water rights, and (3) its system management and operational experience. All water agencies weigh these factors, but how they combine into a reasonable, credible, and effective plan differs by agency.

Factor 1 — water resources: Tuolumne River diversions account for 85% of RWS supplies; local (Bay Area) runoff and storage account for 15%; and groundwater and recycled water contribute less than 1%. This underscores the importance of focusing on how droughts affect Tuolumne River supplies. Moreover, the SFPUC is not a State Water Project contractor and only maintains limited interconnections with agencies connected to the State Water Project or Delta.

Factor 2 — water rights: although the SFPUC's Tuolumne River water rights are "pre-1914," they are junior to those of the Modesto and Turlock Irrigation Districts, and in California water rights, seniority governs. In wet years, the RWS has access to Tuolumne River water beyond current demand, but in dry years demand and instream flow requirements can exceed available water rights. Storage in Hetch Hetchy Reservoir and New Don Pedro Water Bank helps mitigate that shortfall, though existing flow-release requirements for downstream obligations limit the mitigation storage provides — and those requirements are likely to increase regardless of whether the State Water Board adopts an amended Phase 1 Plan. Water rights were therefore a primary consideration in selecting the length and severity of the Design Drought.

Factor 3 — RWS management and operational experience: the SFPUC manages the RWS's daily, monthly, and yearly operations. Its experience navigating the 1987–1992 drought led to the

conclusion that a longer drought could not be ruled out. The SFPUC made the careful, cautious decision to plan for two additional drought years beyond 1992, years that could be as severe as the 1976–1977 drought. That operational experience played an important role in selecting the Design Drought.

Attachment:

1. August 23, 2022 Statement from Tom Francis, Acting Chief Executive Officer, to the San Francisco Public Utilities Commission (SFPUC), about the Design Drought and San Francisco's Obligations to Provide a Reliable Supply of High-Quality Water at a Fair Price to its Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties



Statement from Tom Francis, Acting Chief Executive Officer, to the San Francisco Public Utilities Commission (SFPUC), about the Design Drought and San Francisco's Obligations to Provide a Reliable Supply of High-Quality Water at a Fair Price to its Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties

August 23, 2022

Good afternoon, President Moran and Members of the Commission. My name is Tom Francis and I'm here today on behalf of BAWSCA's 26 member agencies. BAWSCA is pleased to offer the following comments in response to the Commission's workshop today on the Design Drought.

San Francisco has existing legal and contractual obligations to provide a reliable supply of high-quality water at a fair price to the BAWSCA member agencies and their customers. The San Francisco Public Utilities Commission (SFPUC) is also responsible for environmental expenditures related to its operations on the Tuolumne River and bay area watersheds and moreover has faithfully incorporated environmental stewardship elements into their management of the regional water system.

Since its inception in 1992, the Design Drought has been the backbone of effective system operations ensuring that the San Francisco Regional Water System operates in a manner that provides a reliable water supply. Its defined length and breadth is a determining factor that influences long-term water supply planning and operations. When environmental documents, such as the Program Environmental Impact Report (PEIR) for the Water System Improvements Program were prepared, or when urban water management plans were crafted, the Design Drought was a key factor in their development. BAWSCA agencies also incorporated the Design Drought into their long term planning efforts.

It is not evident to BAWSCA that a change to the Design Drought is warranted at this time. However, BAWSCA will not oppose a review of the Design Drought if the process includes a robust, independent, and documented analysis performed by experts in this field and further if BAWSCA is actively engaged in the process.

The Design Drought is an important planning tool that has been used successfully by the SFPUC for 30 years as part of its long-term system planning and operations. Any change to such a critical component must be must be approached cautiously.

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MEMORANDUM

TO: BAWSCA Board of Directors

FROM: Tom Smegal, CEO/General Manager

DATE: October 9, 2026

SUBJECT: Chief Executive Officer/General Manager's Letter

Memorandum of Understanding with the San Mateo County Sustainability Department:

BAWSCA has entered into a Memorandum of Understanding (MOU) with the San Mateo County Sustainability Department regarding funding for the administration and management of the County's "Check it Out" Home Energy and Water Efficiency Toolkit update project. The toolkit has existed since 2018; however, the County is currently updating the tools, equipment, and informational materials to make them more accessible, user-friendly, and relevant for San Mateo County residents and community partners. The updated toolkits are intended to support residents in identifying practical water and energy efficiency improvements, understanding newly available resources and incentives, and taking actions that can reduce water and energy use, lower utility costs, and support local sustainability goals.

BAWSCA has provided a one-time funding contribution in the amount of \$5,000 to the Sustainability Department for the development of this toolkit update. The electronic version will be available on BAWSCA's website for the public to utilize.

Non-Functional Turf Toolkit:

In August of 2025, BAWSCA contributed \$15,000 to the California Water Efficiency Partnership (CalWEP) for the development of a statewide (AB 1572) non-functional turf toolkit so that BAWSCA agencies that are not members of CalWEP could access the materials. This included a website, outreach materials, and various resources for developers, landscapers, property management companies, HOAs, and more. From September 2025 through October 2026, the website tracked 32,000 sessions with a 57% engagement rate – meaning nearly three in five visitors spent meaningful time learning. With an average of 2.3 pages viewed per session and the average time spent on the site upwards of 2 minutes, it can be deduced that visitors are exploring multiple pages and spending real time to understand the content.

One of the most important findings is the toolkit's reach through partner agencies and organizations. Over 50 California water agencies, cities, and water districts actively cross-posted and linked to the resources, amplifying the message across networks one organization could not reach alone. This referral network represents the kind of collaborative infrastructure that CalWEP and its partners have built and continue to support.

As 2027 approaches and retailers begin adopting regulations, ordinances, and policies to comply with AB 1572, CalWEP and its partners are looking for ways to provide additional resources. These resources include more information about tree care/removal, support for more presentations/events in communities, videos/social media content, and an update to the suite of resources that will reflect the 2027 guidelines.

Regional Water System Tours - 2026:

SFPUC hosted two Hetch Hetchy Tours and one Peninsula Watershed Tour for BAWSCA and its member agencies in 2026. Hetch Hetchy tours were held on June 16th-17th and September 29th-30th. The Peninsula Watershed Tour was held on September 24, 2026.

Tour participants were a combination of elected officials and staff members from the cities, water districts and agencies in the three counties of the BAWSCA Region. A combined total of eighteen (18) people attended the June and September Hetch Hetchy tour, and nineteen (19) people attended the Peninsula Watershed Tour along with Tom Smegal, Tom Francis and Negin Ashoori from the BAWSCA Staff.

Led by Steve Ritchie, SFPUC Asst. GM for Water Enterprise, and Alison Kastama, SFPUC Liaison to BAWSCA, the tours provide a visual overview of the regional water system's critical infrastructure. The guided tour helps participants gain a better understanding of the system and effectively represent the interests of water users in the BAWSCA region.

BAWSCA will continue to work with the SFPUC in coordinating such tours for members of the Board, elected officials and member agency staff.

Board Policy Committee

Policy Calendar Through April 2027

Meeting Date	Purpose	Issue or Topic
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 R	Presentation of Preliminary FY2027-28 Work Plan BAWSCA's Strategy 2050 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