



“A multicounty agency authorized to plan for and acquire supplemental water supplies, encourage water conservation and use of recycled water on a regional basis.”

[BAWSCA Act, AB2058 (Papan-2002)]

Board of Directors Meeting May 21, 2020





Water Supply Conditions Update

Steven R. Ritchie

Assistant General Manager, Water

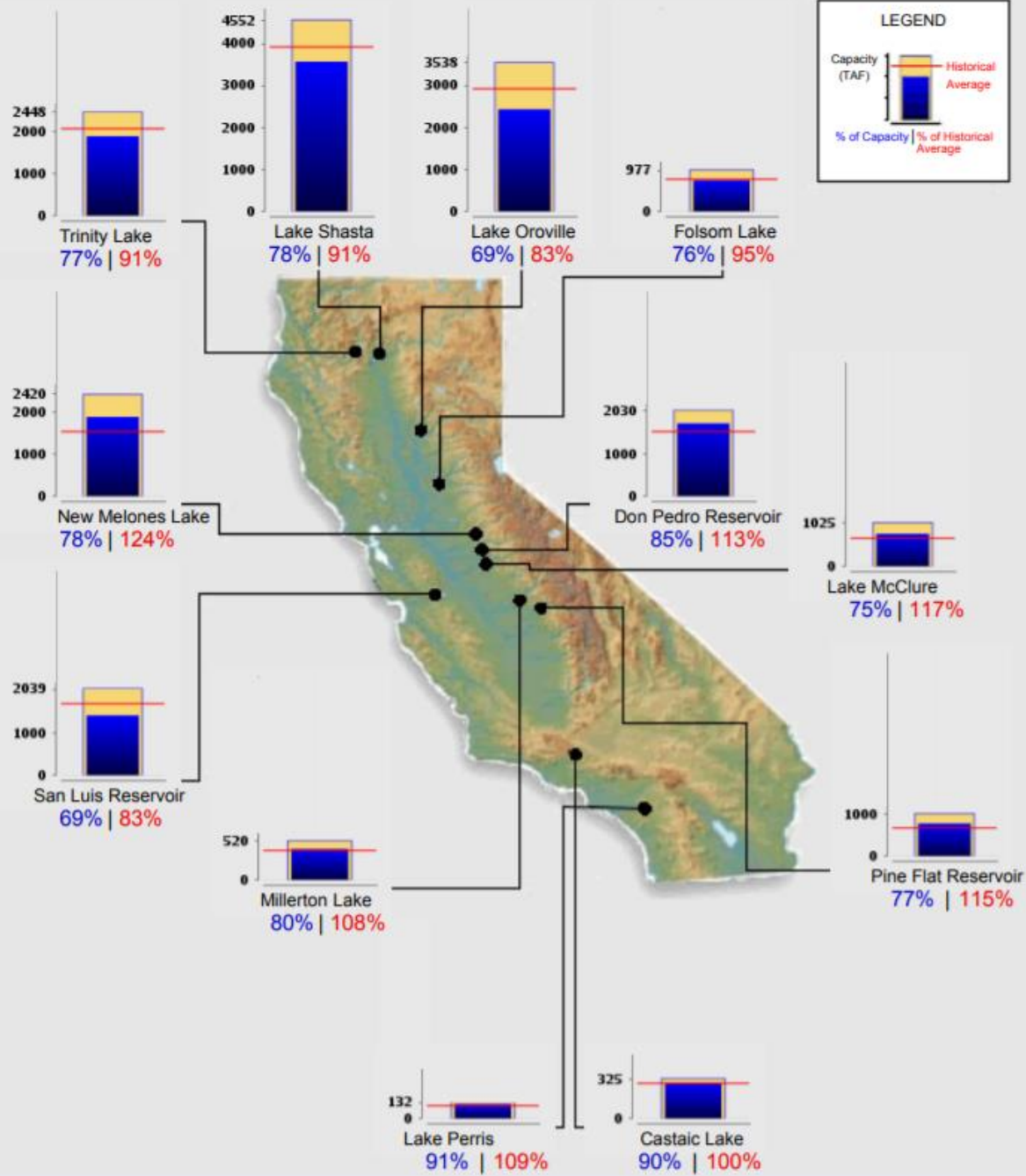
May 21, 2020

May 17, 2020 Reservoir Storage

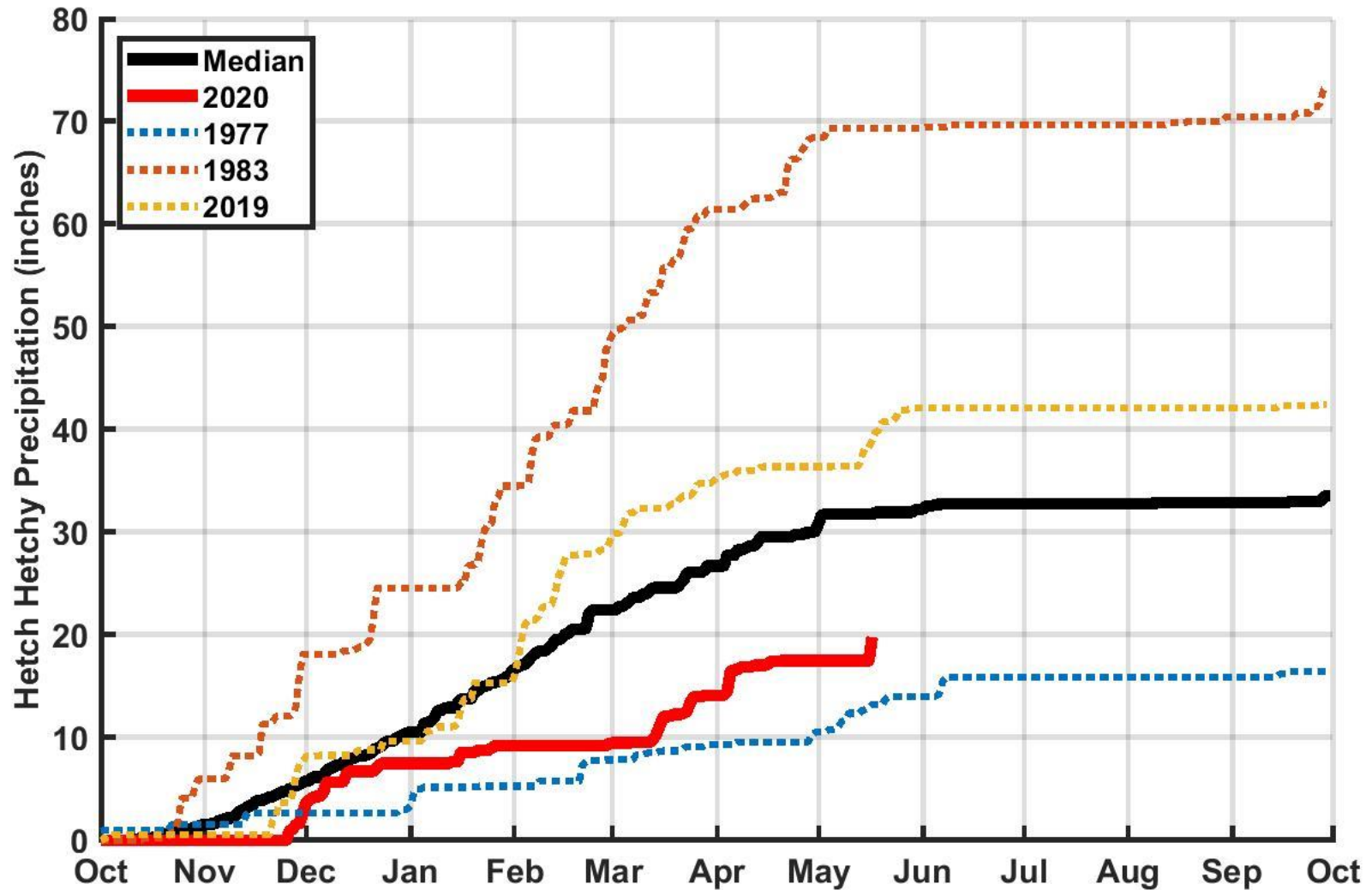
Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ^{3,4} (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	324,460	360,360	35,900	90.0%	68.5%
Cherry	263,080	275,340	12,260	95.5%	-
Eleanor	26,020	27,100	1,080	96.0%	-
Water Bank	498,962	570,000	71,038	87.5%	91.8%
Total Tuolumne Storage	1,112,522	1,232,800	120,278	90.2%	-
<u>Local System</u>					
Calaveras	65,053	96,670	31,617	67.3%	-
San Antonio	45,381	50,637	5,256	89.6%	-
Crystal Springs	54,254	58,309	4,055	93.0%	-
San Andreas	16,734	19,027	2,293	87.9%	-
Pilarcitos	2,504	3,030	526	82.6%	-
Total Local Storage	183,926	227,673	43,747	80.8%	-
Total System Storage	1,296,448	1,460,473	164,025	88.8%	83.0%
Total without water bank	797,486	890,473	92,987	89.6%	-

Other California Reservoirs

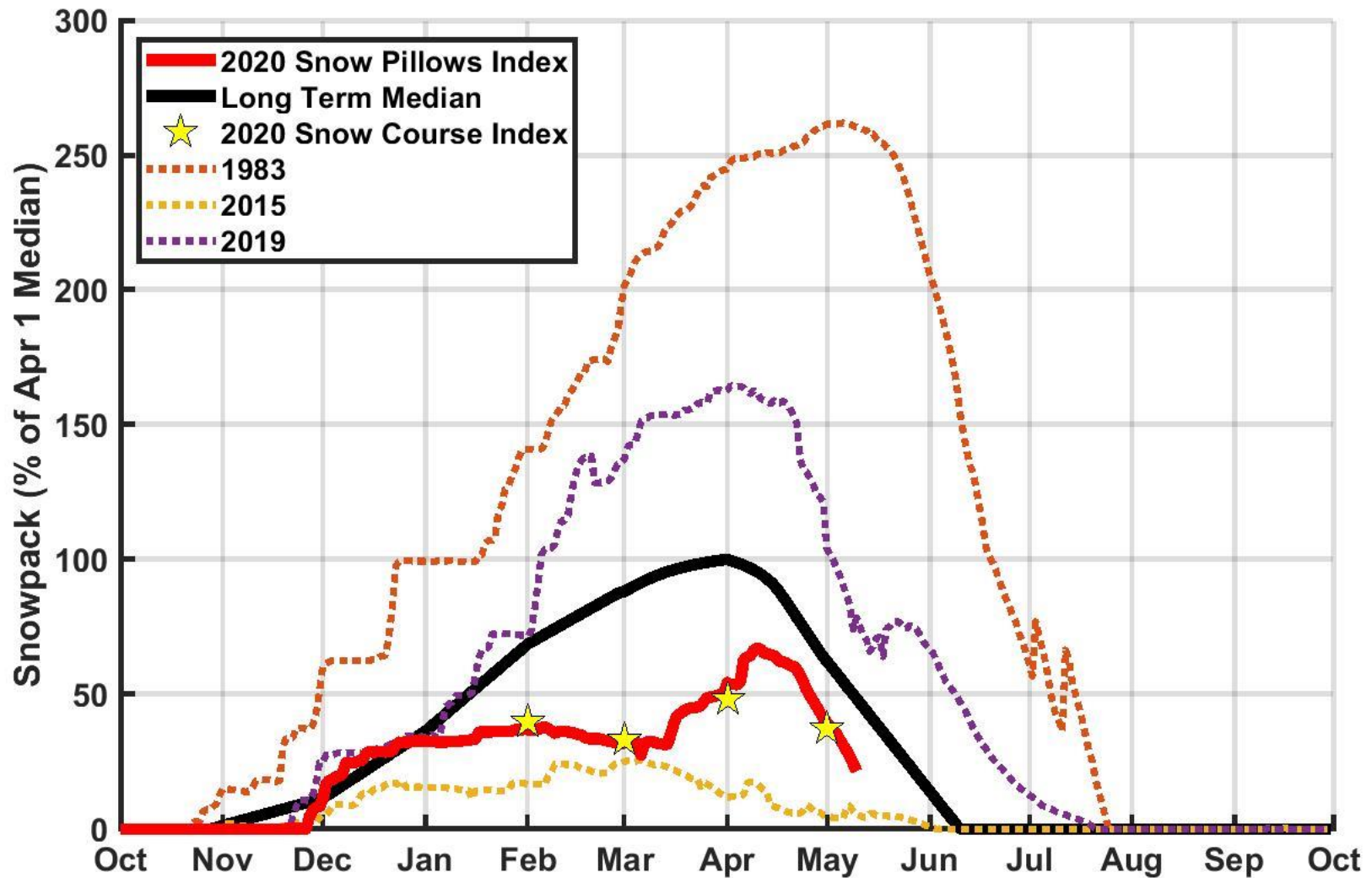
CURRENT RESERVOIR CONDITIONS



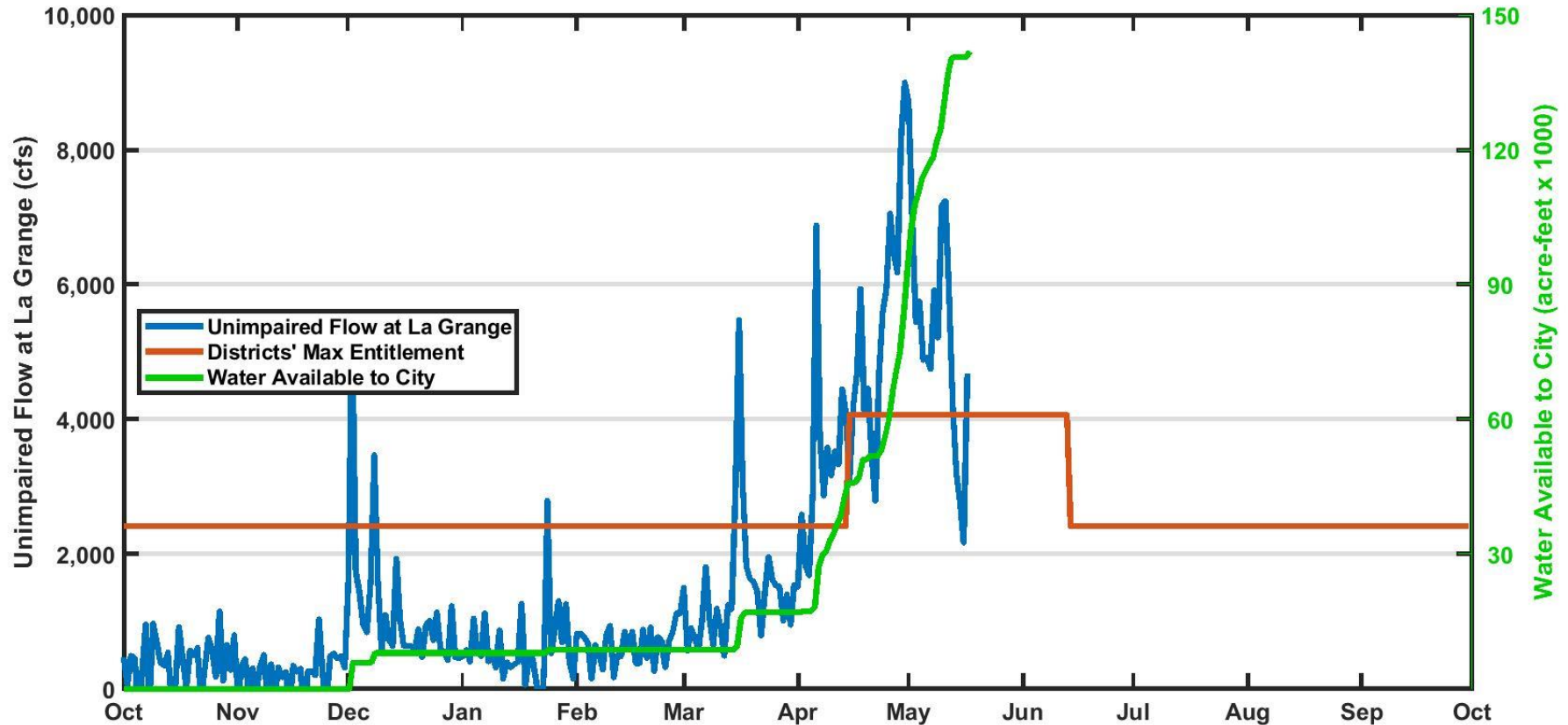
Hetch Hetchy Precipitation



Upcountry Snowpack

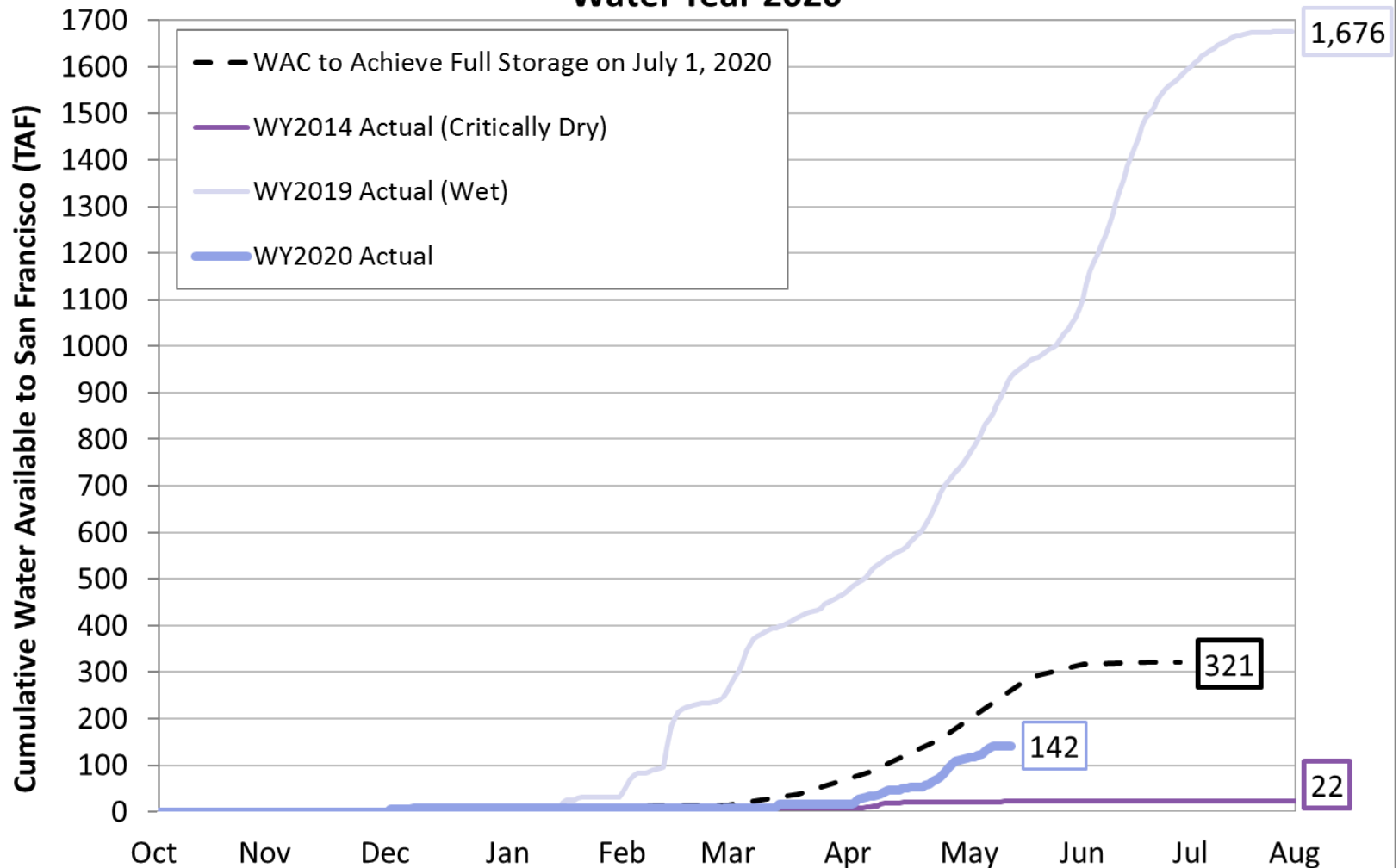


Water Available to the City

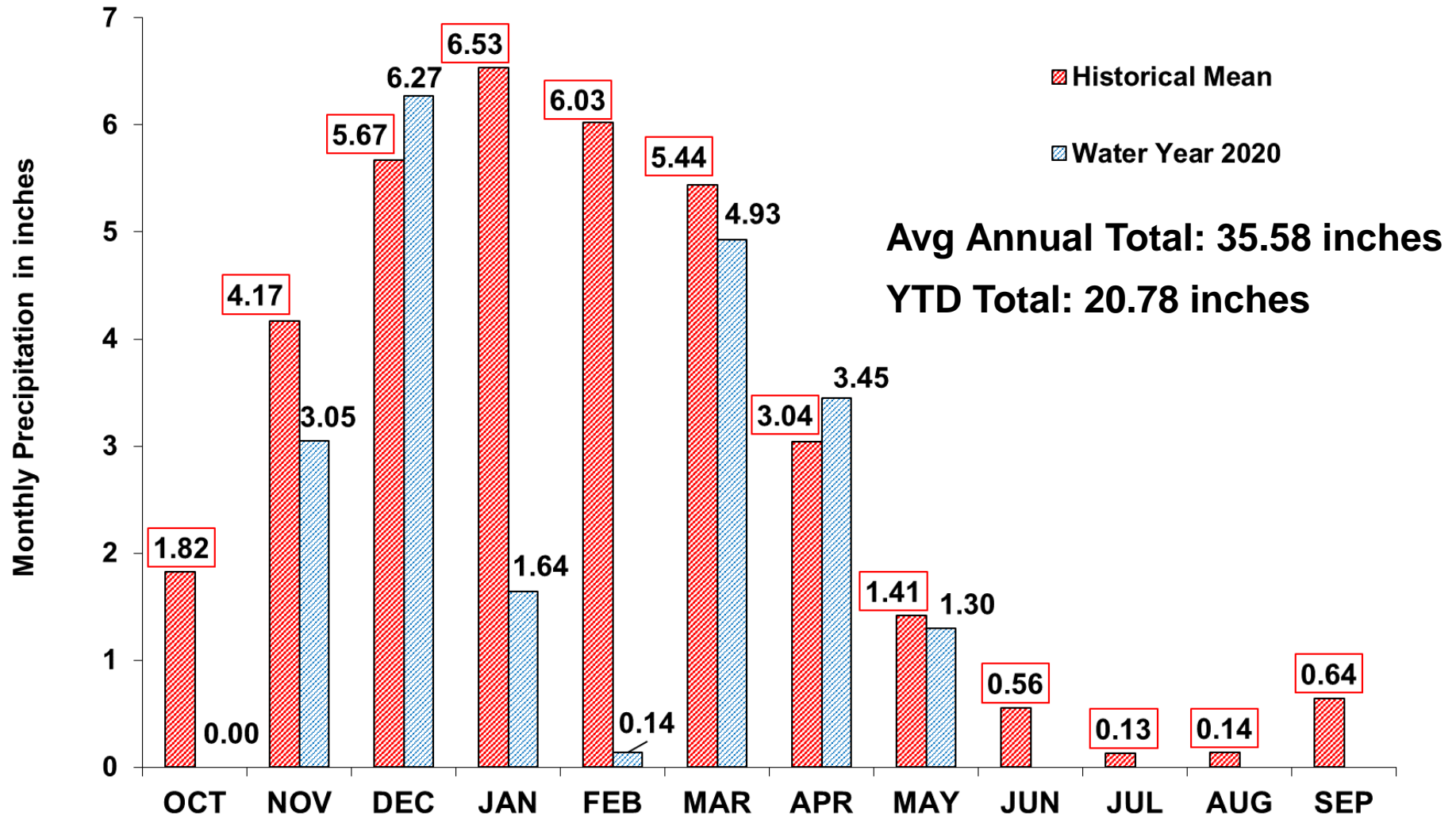


Tuolumne River Water Available to the City

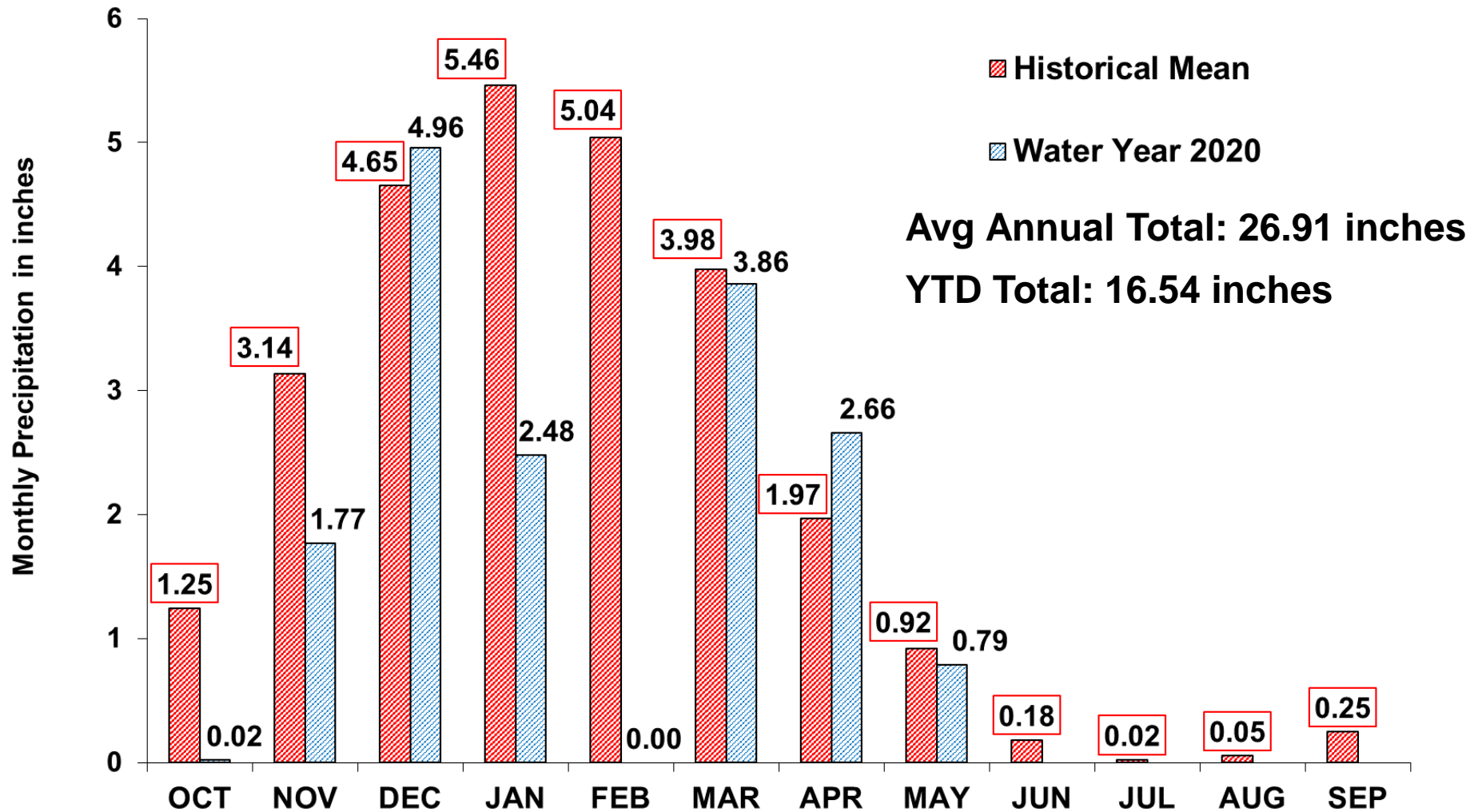
**Tuolumne River Water Available to San Francisco:
Water Year 2020**



Upcountry 6-station Precipitation Index as of May 17, 2020



Bay Area 7-station Precipitation Index as of May 17, 2020



National Precipitation Forecast

Precipitation (in)
during the period:

Mon, 18 MAY 2020 at 00Z

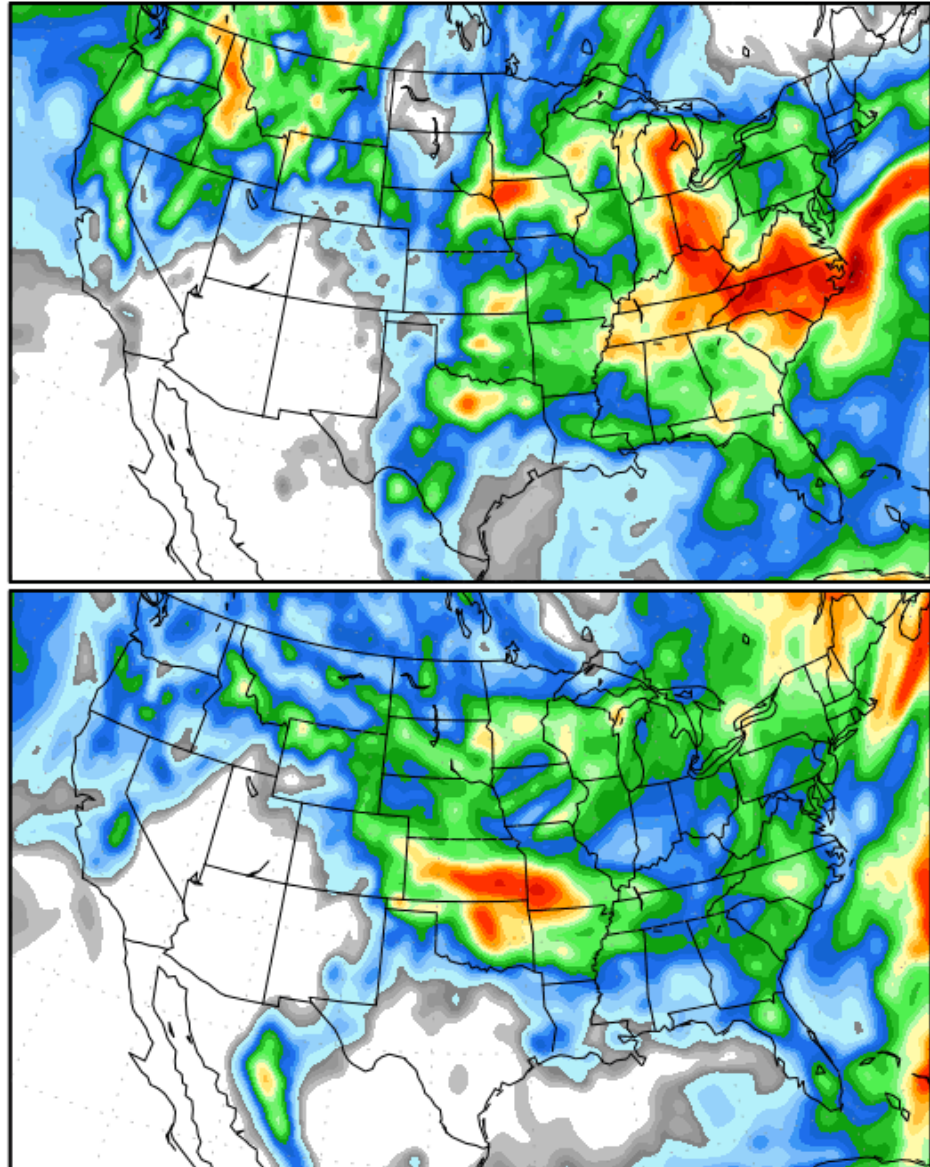
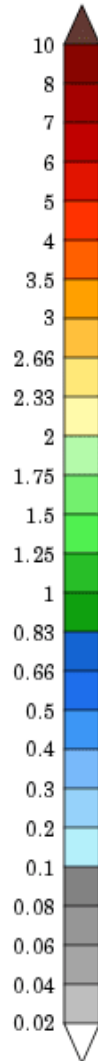
-to-

Tue, 26 MAY 2020 at 00Z

Tue, 26 MAY 2020 at 00Z

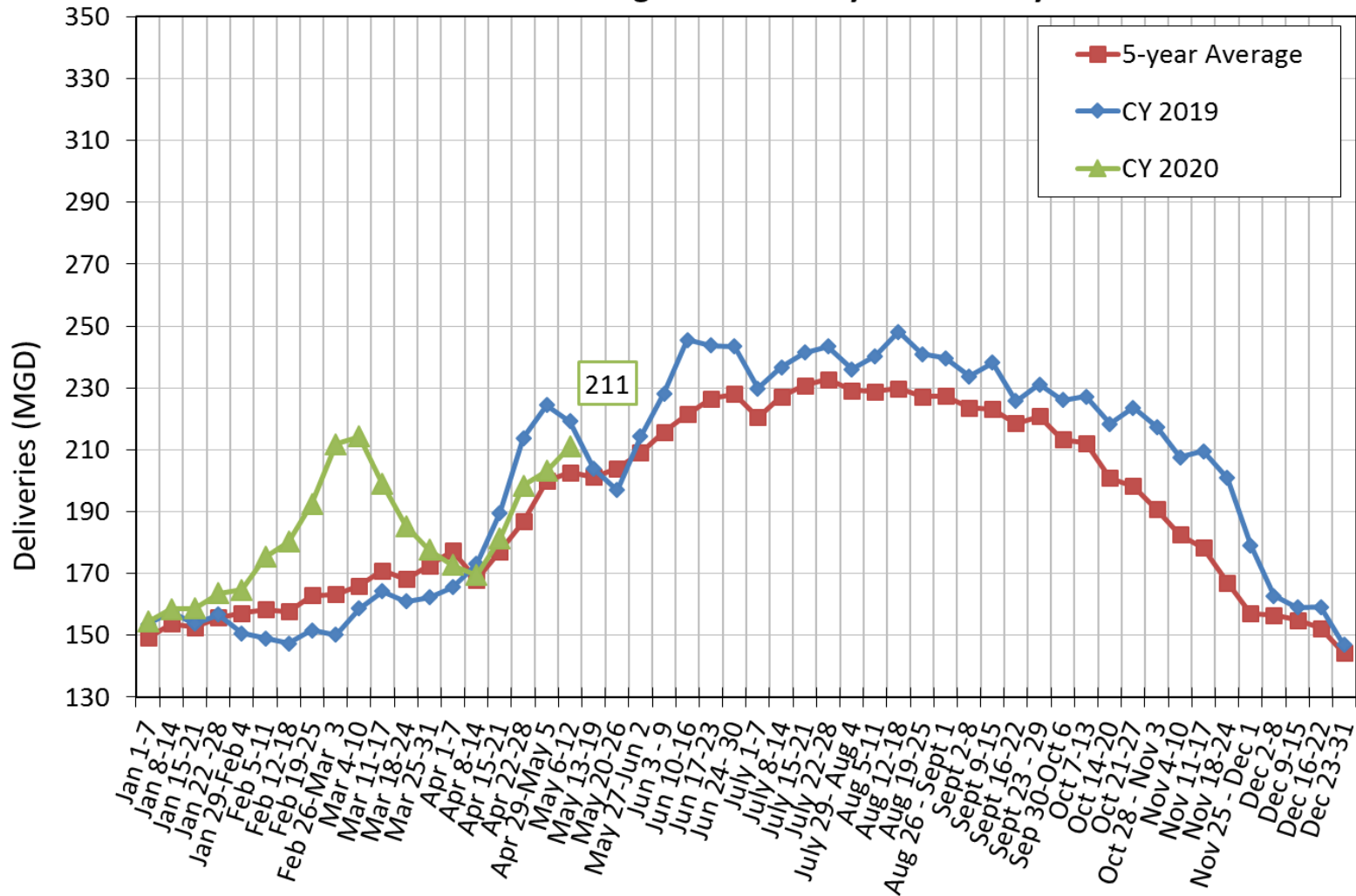
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Wed, 03 JUN 2020 at 00Z



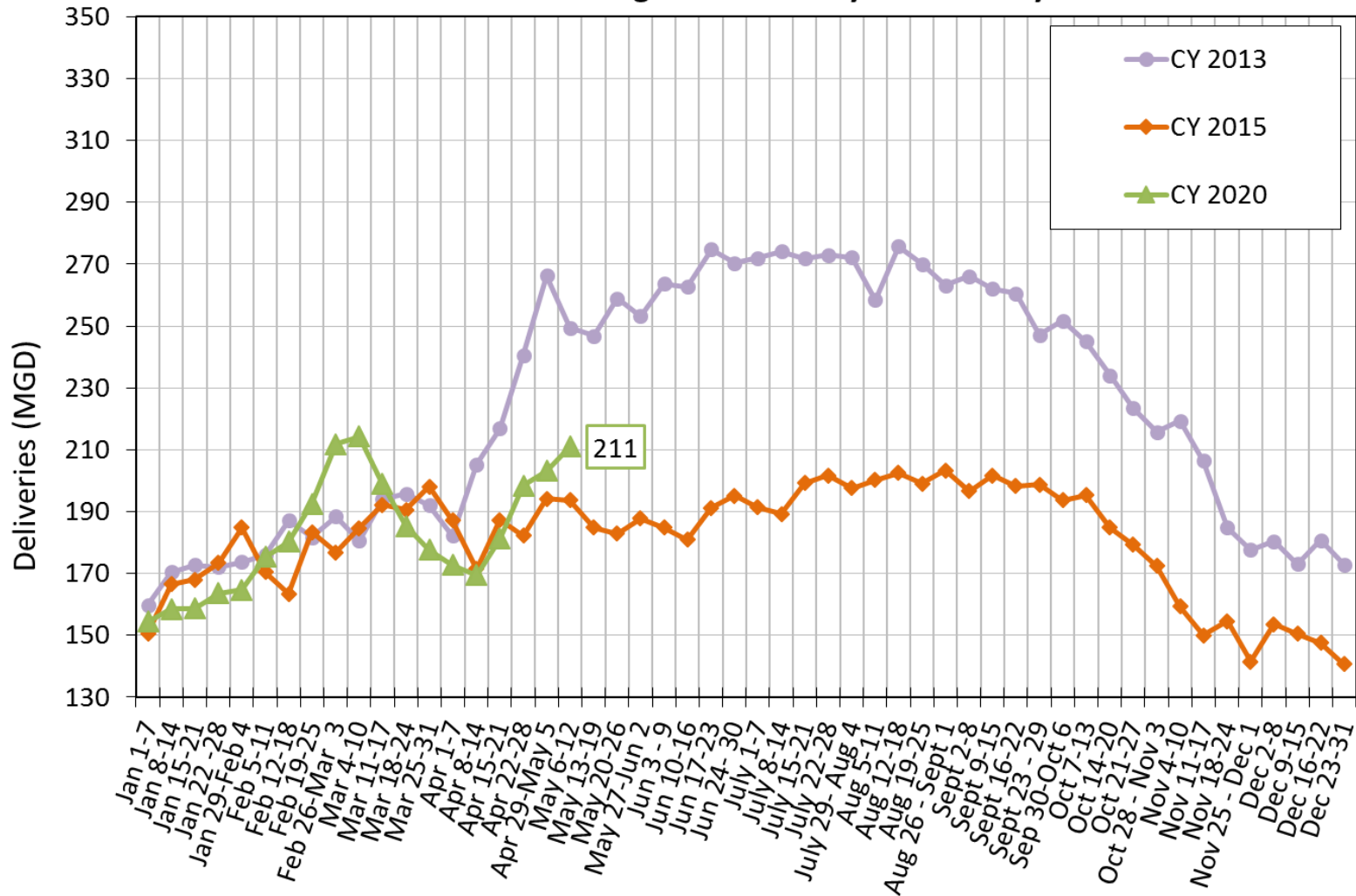
Total Deliveries

Regional Water System Total Deliveries
Source: SFPUC Regional Water System County Meters



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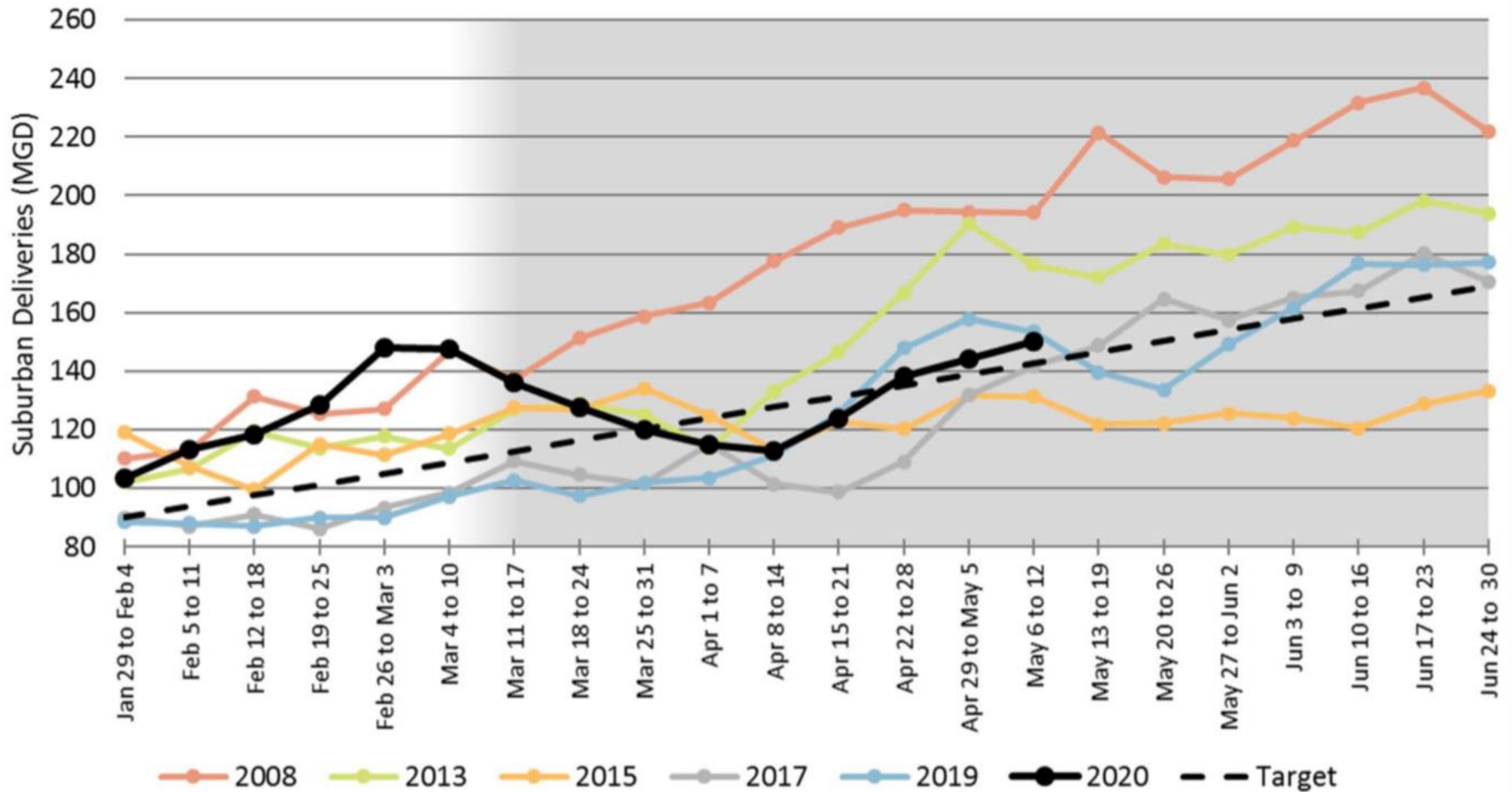


COVID-19 Effects Update

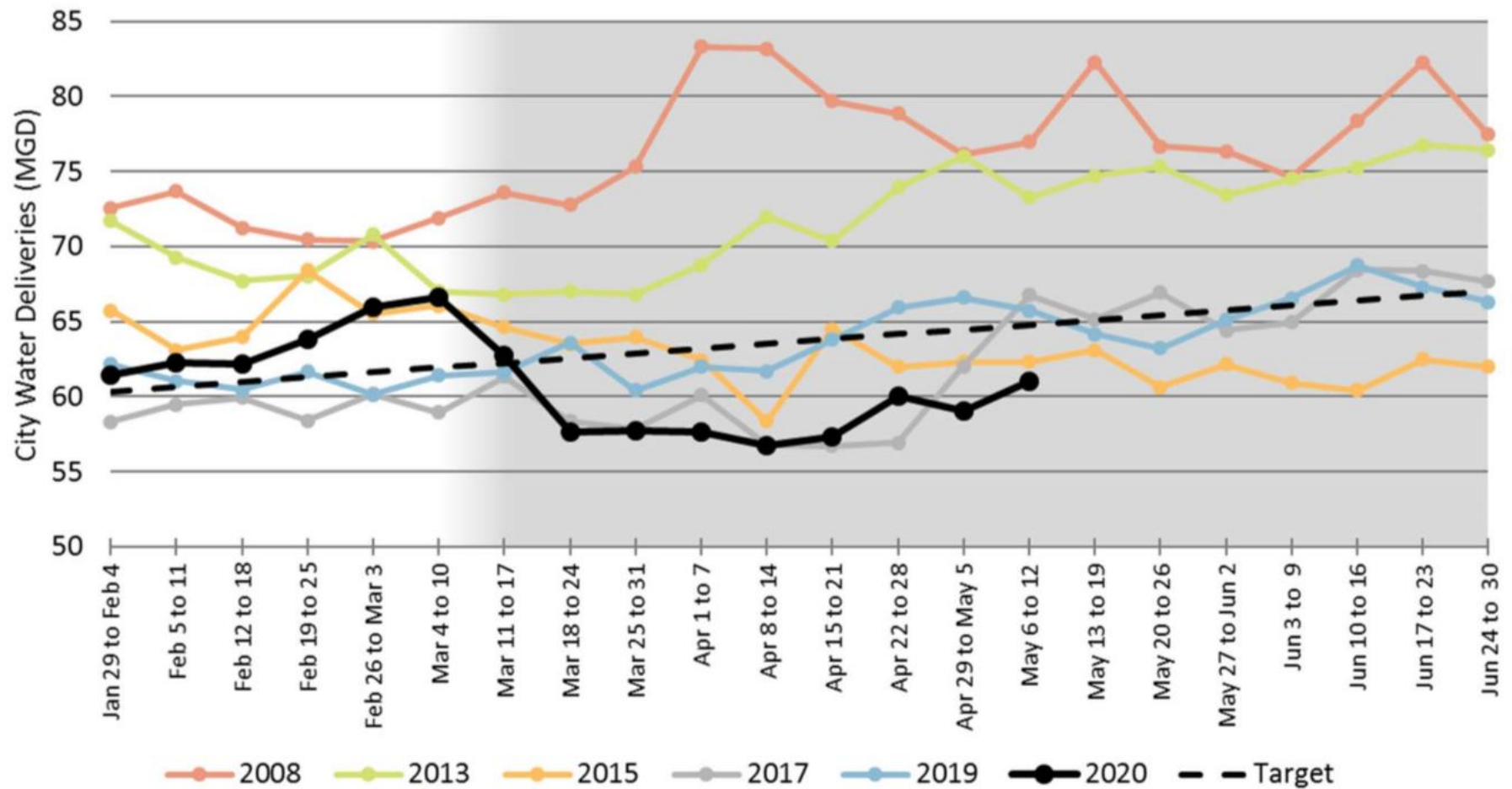
Operations

- Status unchanged: Water deliveries continue unaffected
- Field crews reporting for work
- Treatment Plants remain isolated (no visitors, just operators and deliveries)
- Vast majority of office staff working remotely
- Beginning development of Business Continuity Plan
 - Office staffing restoration will likely take months
 - Office utilization will be different
 - Telecommuting will be a much bigger part of our future

Wholesale and Suburban Retail Deliveries



San Francisco Retail Deliveries



Current FY Revenue Impacts

- Estimated Water Enterprise revenue shortfall: \$9 million
 - Cuts in Local Water expenditures
- Hetchy Water revenue shortfall (Power): \$1.9 million
 - Cuts in Power expenditures that do not affect water deliveries

Budget Revision Objectives

- Rebalance budget based on reduced revenues
 - Interim budget
 - FY 20-21 (9 months)
 - FY 21-22
- Redevelop budget in keeping with themes
 - Utility of the Future Now
 - Provide essential services critical to public health and safety*
 - Resiliency
 - Fiscal Prudence and Financial Sustainability*
 - Engine of Economic Recovery post-COVID*
 - People
 - Support Employment*
 - Customer Assistance, Affordability and Inclusion*
- Financial sustainability and strength
 - Financial policies
 - Fund balance and reserves

Interim Budget

- Interim Budget for July, August, September
- Continuation of FY 19-20 budget with no new programs
- No new Capital appropriation, current project funding will have to last through October 1
 - The FY21 capital budget was based on spending down existing appropriations before requesting new appropriations.
 - Deferring new capital expenditures should not be problematic.
 - There may be individual special cases.
- Operating Budget will be replenished
- Key questions
 - Rate increases
 - Debt Service coverage

FY 20-21 Budget (9 months)

- Budget instructions coming from Mayor's Office soon
- Water Enterprise and Hetchy Water developing Operating and CIP budget revisions before May 30
- Commission consideration of budget revisions projected for July 14
- Mayor to submit revised City and County budget to Board of Supervisors August 1
- Adoption by the Board of Supervisors and Mayor's final approval by October 1



New Calaveras Dam – May 2019

Proposed FY 2020-21 Work Plan Addresses Critical Issues Between Now and 2050

- Continues BAWSCA's role in managing the Water Supply Agreement with San Francisco
 - Protect member agencies' financial and water supply interests
- Administer BAWSCA's 2013 bonds
- Oversight of SFPUC's WSIP, 10-Year CIP, and Asset Management
- Participate in the State Water Board Bay Delta Proceedings and FERC Proceedings to protect regional water supplies
- Implement BAWSCA's Long Term Reliable Water Supply Strategy including participation in the following
 - Los Vaqueros Expansion project studies
 - Potable Reuse studies
 - Bay Area Regional Reliability Partnership
- Implement core and subscription conservation programs including 4 new programs

Core Conservation Programs FY 2020-21

Water Efficient
Landscape
Education Classes
now virtual!

Water-Wise
Gardening in the
Bay Area Tool

Native Garden
Tours and
Symposiums

Qualified Water
Efficient
Landscaper
(QWEL) Program

“Making
Conservation a
Way of Life”
Strategic Plan

Participation in
Technology
Research Pilot
Projects and
Studies

Water Loss
Evaluation and
Knowledge (LEAK)
Workgroup

Advanced
Metering
Infrastructure
(AMI) Support

Water
Conservation
Database (WCDB)

Public Outreach

Leak Repair Training
Program
New!

Residential Self-
Audit Program
New!

Subscription Conservation Programs for FY 2020-21

Lawn Be Gone!
Turf Replacement
Rebates

EarthCapades
School Assemblies
now virtual!

Large Landscape
Audits

Water Loss
Management
Program

Rain Barrel
Rebates

Water-Wise
School Education
Kits & Curriculum
now virtual!

WaterSmart
Customer
Engagement

Customer Meter
Accuracy Testing

Smart Controller
Rebates

WaterSense
Fixtures Bulk
Orders

Lawn Be Gone!
Inspection
Services

DSS Model
Support Services

Landscape Area
Measurements
New!

Irrigation
Hardware
Upgrade Rebates
New!

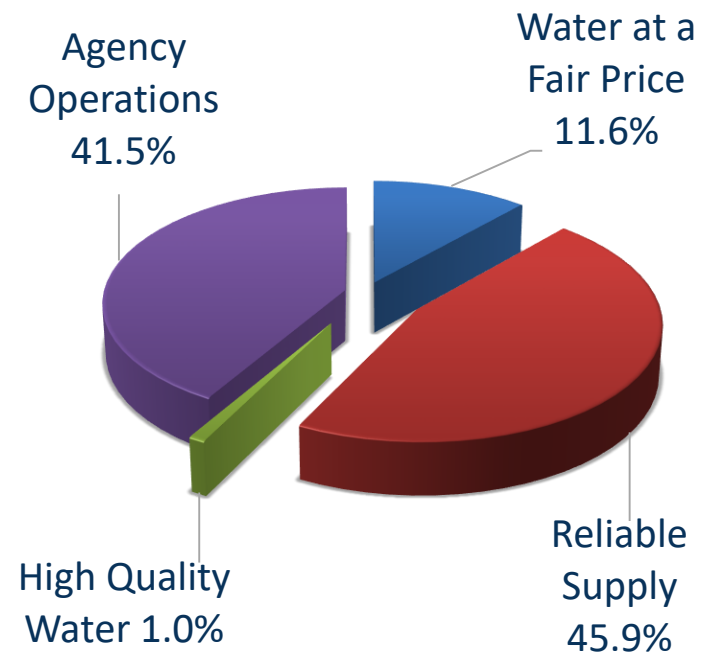
Work Plan Modified in Response to Ongoing COVID-19 Crisis

- Proposed Work Plan reflects three changes from preliminary Work Plan in response to COVID-19 crisis
- Deleted/Defer: New internship program removed for reconsideration next fiscal year
- Reduced Effort: Implementation of recommendations of BAWSCA's asset management audit of SF Regional Water System
- Reduced Effort: BAWSCA's coordination with SFPUC on development and implementation of a Regional Source Meter Testing Plan

Proposed Operating Budget 12% Less Than Current Budget

- FY 2020-12 Proposed Operating Budget = \$4,020,679
- 45.9% of budget to support “Reliable Water Supply goal
- Fully funds estimated OPEB Annual Required Contribution
- Includes budget for COLA adjustment to top step and merit allowance
- Any discretionary decisions related to salary adjustments will be postponed until Fall 2020 or later
- Total water customer cost of \$2.20 (-30 cents) per person

How the Proposed Budget is Applied to Goals \$4.021 Million



Funding Considerations

- Funding principles relied upon by BAWSCA
 - Budget sufficient resources to achieve results
 - Spend only what is needed to achieve results
 - Apply incremental & prudent assessment increases as necessary
 - Maintain a prudent General Reserve
- Current General Reserve balance of \$1,037,877
 - 23% of current Operating Budget
 - Within 20-35% budgetary guideline
- Important to maintain General Reserve given current issues
- Review of estimated FY 2019-20 expenditures identify current year budget will be 95% expended
 - Identified salary savings due to staff vacancy plus savings due to reduced conservation program costs resulting from COVID-19
- Estimated that \$100k will be available at end of year to transfer to General Reserve

Three Funding Options Analyzed

	FY 2019-20	FY 2020-21		
Fund Source	Adopted Funding Plan	Option 1* 0% Assessment Increase	Option 2 1% Assessment Increase	Option 3 2% Assessment Increase
Assessments	\$3,686,799	\$3,686,779	\$3,723,647	\$3,760,515
Transfer from GR	\$77,971	\$333,900	\$297,032	\$260,164
Transfer from Balancing Acct.	\$805,000	\$0	\$0	\$0
Total Op. Funds/Op. Budget	\$4,569,750	\$4,020,679	\$4,020,679	\$4,020,679
Est. End of Tr. Transfer to GR	\$100,000	\$100,000	\$100,000	\$100,000
Est. Year-End Reserves	\$1,137,877	\$903,977	\$940,845	\$997,713
% of Budget	25%	22%	23%	24%
Assessment to Budget Ratio	81%	91%	93%	94%

**Option 1 is recommended for adoption*

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% of Budget	25%	22%	23%	24%
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Recommended Action

That the Board approve the:

- Proposed FY 2020-21 Work Plan & Results to be Achieved;
- Proposed Operating Budget of \$4,020,679; and
- Proposed funding plan of 0% assessment increase and \$333,900 transfer from the General Reserve.



L. Ash, 2017

BAWSCA Leverages Consultant Support to Achieve Critical Results

- 20 annual contracts need to be in place by July 1 to ensure continuity
 - 13 contracts for legal, engineering, financial, and strategic support funded by BAWSCA Operating Budget
 - 7 contracts to support subscription conservation programs
- Other contracts to support other work plan activities anticipated for Board action in upcoming months

Professional Services Contracts for Technical and Administrative Services (FY 2020-21)

Contract #	Consultant (Work Description)
1	BLX (Bond Arbitrage Rebate Analysis)
2	Burr, Pilger, Mayer (Auditing, WSA)
3	Geosyntec (Engineering)
4	Hanson Bridgett, LLP (Legal Counsel)
5	Harlan Wendell (Strategic Counsel)
6	Hazen & Sawyer (Engineering)
7	Kelling, Northcross, Norbriga (Financial Advisor)
8	Orrick, LLP (Bond Documents Legal Support)
9	Public Trust Advisors, LLC (Investment Advisor)
10	Stetson Engineering (Water Analyses, WSA)
11	Terry Roberts (Engineering Consultant – WSIP, 10-year CIP)
12	Water Systems Optimizations (Water Loss Mgmt./LEAK Workgroup)
13	West Yost (Engineering, Asset Management)

Consultant Contracts for Subscription Conservation Programs (FY 2020-21)

Contract #	Consultant (Work Description)
1	EarthCapades (School Assembly Program)
2	Franklin Energy (School Education Program)
3	Global Sun Landscape (Lawn Be Gone Inspection Services)
4	Maddaus Water Management (DSS Model Support Services)
5	M&M Backflow and Meter Maintenance (Customer Meter Testing)
6	Regional Water Authority (MOU for Rachio Smart Controller Program)
7	Waterfluence (Large Landscape Conservation Services)

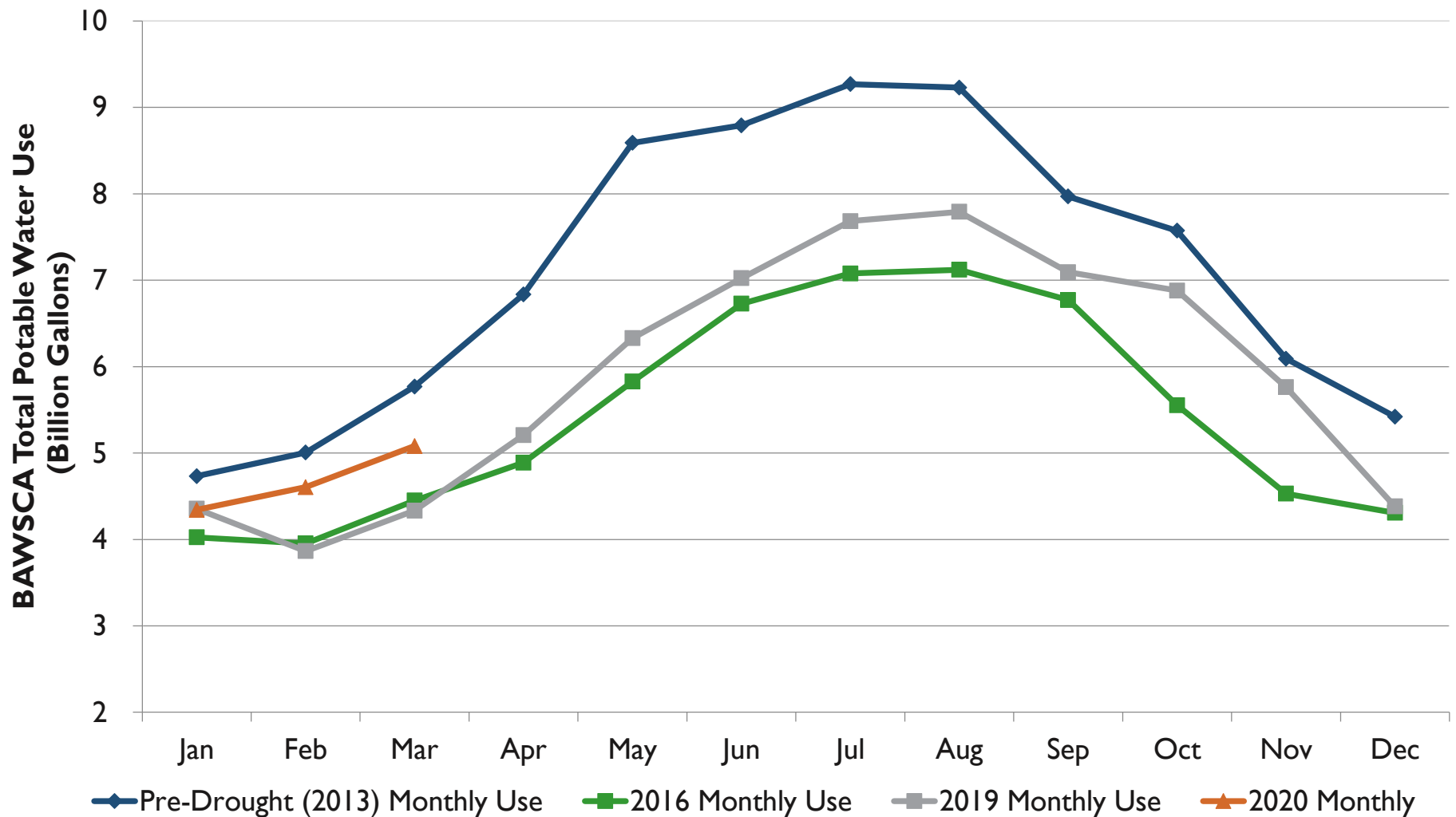
Recommended Action

That the Board approve the 20 contracts for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2020



S. Ritchie, 2019

BAWSCA March 2020 Total Potable Water Use 12% Less Than March 2013



Board of Directors

Policy Calendar Through November 2020

Meeting Date	Purpose	Issue or Topic
May 2020	D&A A A R	Consideration of Proposed FY 2020-21 Work Plan and Operating Budget Consideration of Proposed FY 2020-21 Bond Surcharges Consideration of Changes to Approved Signatures for Bank Accounts Review of Water Supply Conditions
July 2020	D&A R&D S	Review of Agency Personnel Handbook Audit of SFPUC's Asset Management Program Los Vaqueros Expansion Project and Potential BAWSCA Participation
September 2020	D&A R&D R&D R&D R&D	Consideration of Action to Extend Current Tier 2 Drought Plan Discussion on CEO Evaluation Procedure OPEB Report Demand Study Findings Los Vaqueros Expansion Project and Potential BAWSCA Participation
November 2020	D&A D&A D&A D&A	Discussion and Consideration of Action on CEO Evaluation Annual Review and Consideration of BAWSCA's Statement of Investment Policy Review and Consideration of BAWSCA's General Reserve Policy Los Vaqueros Expansion Project and Potential BAWSCA Participation

Key: R=Report, D = Discussion, S = Study Session, A = Action



Jensen, 2011

Closed Session



Jensen, 2011