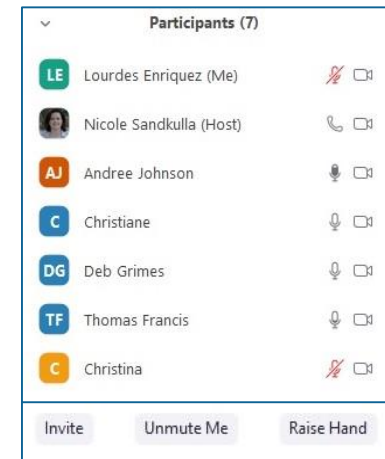


Meeting Instructions While We Gather

- You have been muted upon entry
- Please feel free to unmute yourself to say “Hi” and test your sound connection
- Please mute yourself during meeting when you are not talking
- **During the meeting, BAWSCA staff will mute your sound and video if necessary**
- The **Raise Hand** button is at the bottom of your “Participants” list.
- To get the “Participants” list, click on the “Participants” button at the bottom of your Zoom Screen.
- If you have technical difficulties, please text Lourdes at 650-799-3854



Bottom left corner
of your screen





“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 November 19, 2020

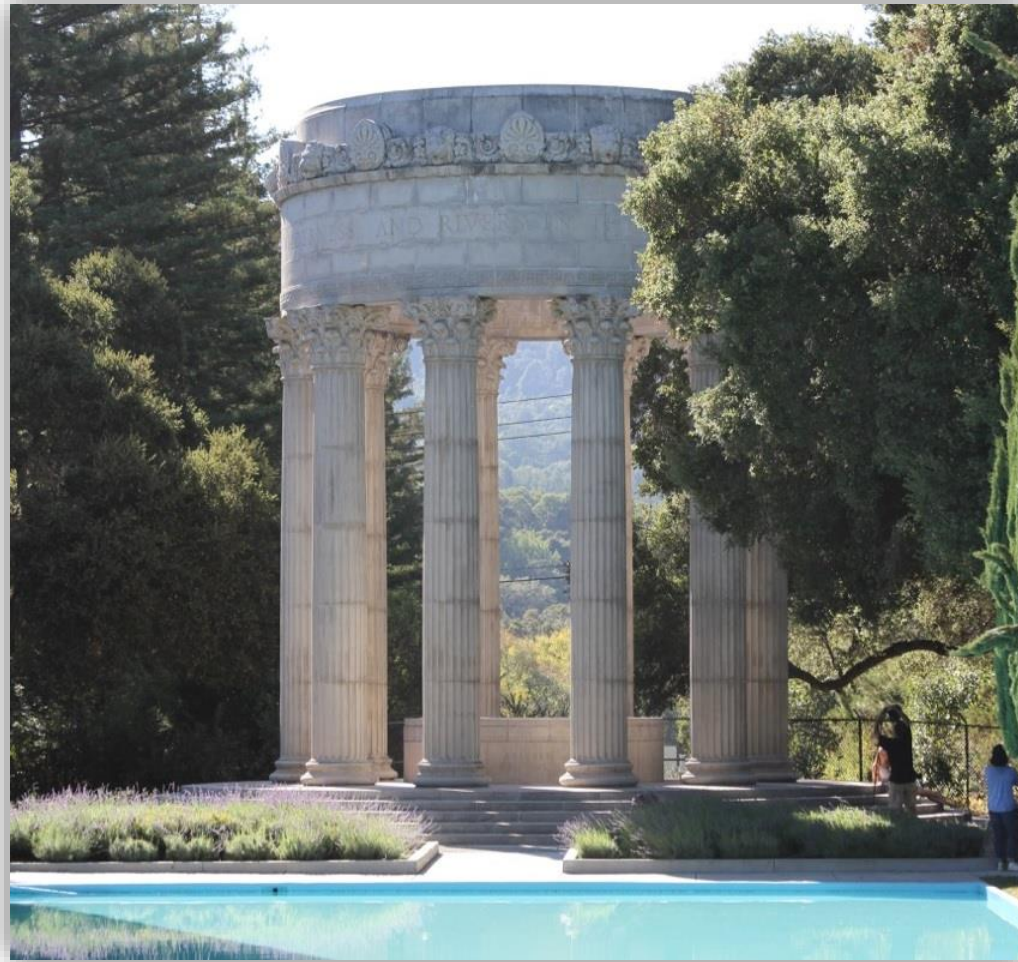
Pledge of Allegiance



Comments by the Chair



Board Policy Committee Report



L. Ash, 2017

Public Comment



Jensen, 2011

SFPUC Commission Update

Sophie Maxwell
President
SFPUC Commission

Water Supply Conditions Update

Steven R. Ritchie

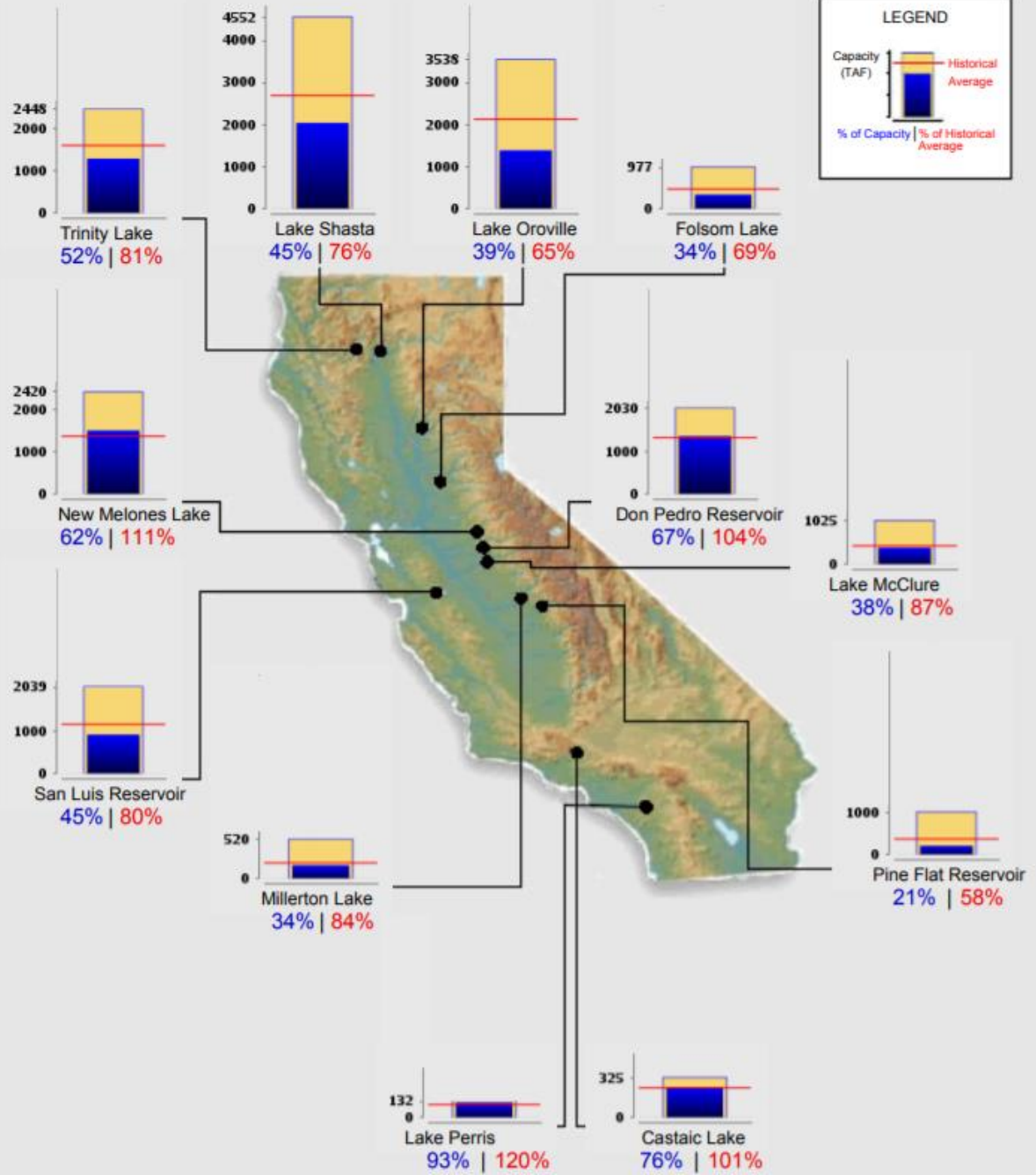
Assistant General Manager, Water

November 15, 2020

November 15, 2020 Reservoir Storage

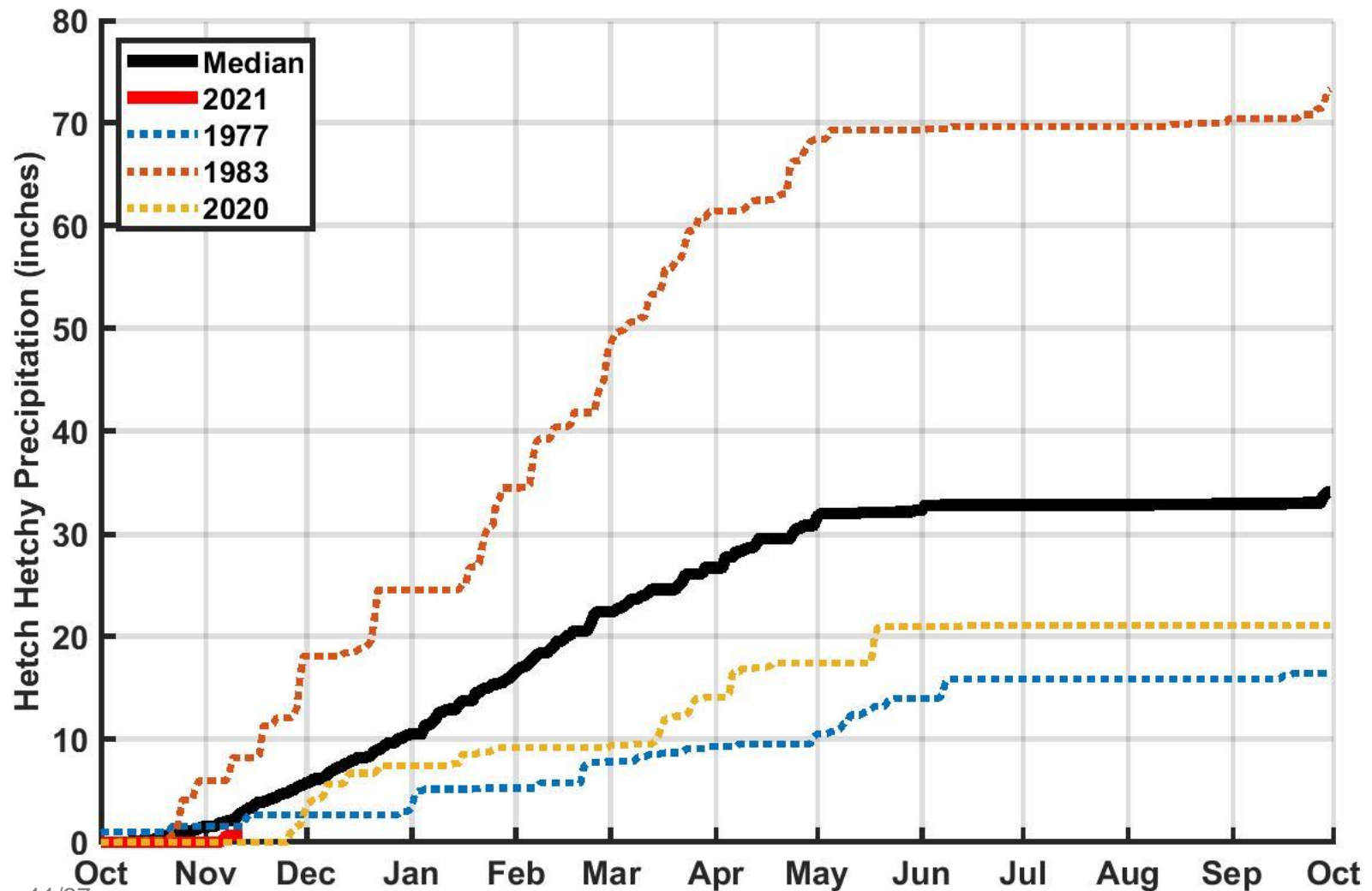
Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ^{3,4} (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	242,100	340,830	98,730	71.0%	72.2%
Cherry	196,430	268,810	72,380	73.1%	-
Eleanor	10,270	21,495	11,225	47.8%	-
Water Bank	536,369	570,000	33,631	94.1%	98.4%
Total Tuolumne Storage	985,169	1,201,135	215,966	82.0%	-
<u>Local System</u>					
Calaveras	56,835	96,670	39,835	58.8%	-
San Antonio	44,826	53,266	8,440	84.2%	-
Crystal Springs	50,726	58,309	7,583	87.0%	-
San Andreas	16,409	19,027	2,618	86.2%	-
Pilarcitos	1,836	3,030	1,194	60.6%	-
Total Local Storage	170,632	230,302	59,670	74.1%	-
Total System Storage	1,155,801	1,431,437	275,636	80.7%	79.5%
Total without water bank	619,432	861,437	242,005	71.9%	-

CURRENT RESERVOIR CONDITIONS



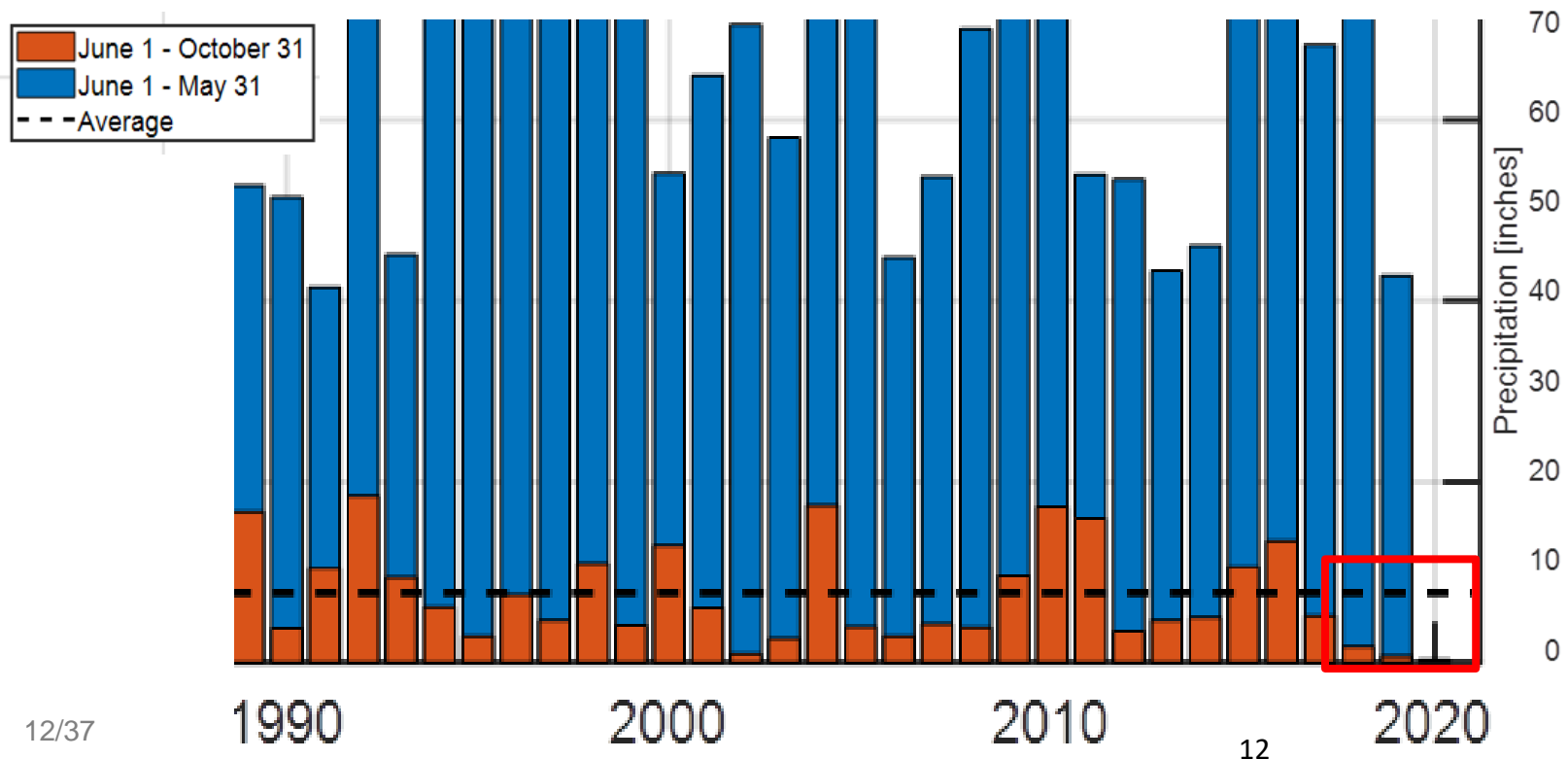
Other California Reservoirs

Hetch Hetchy Precipitation

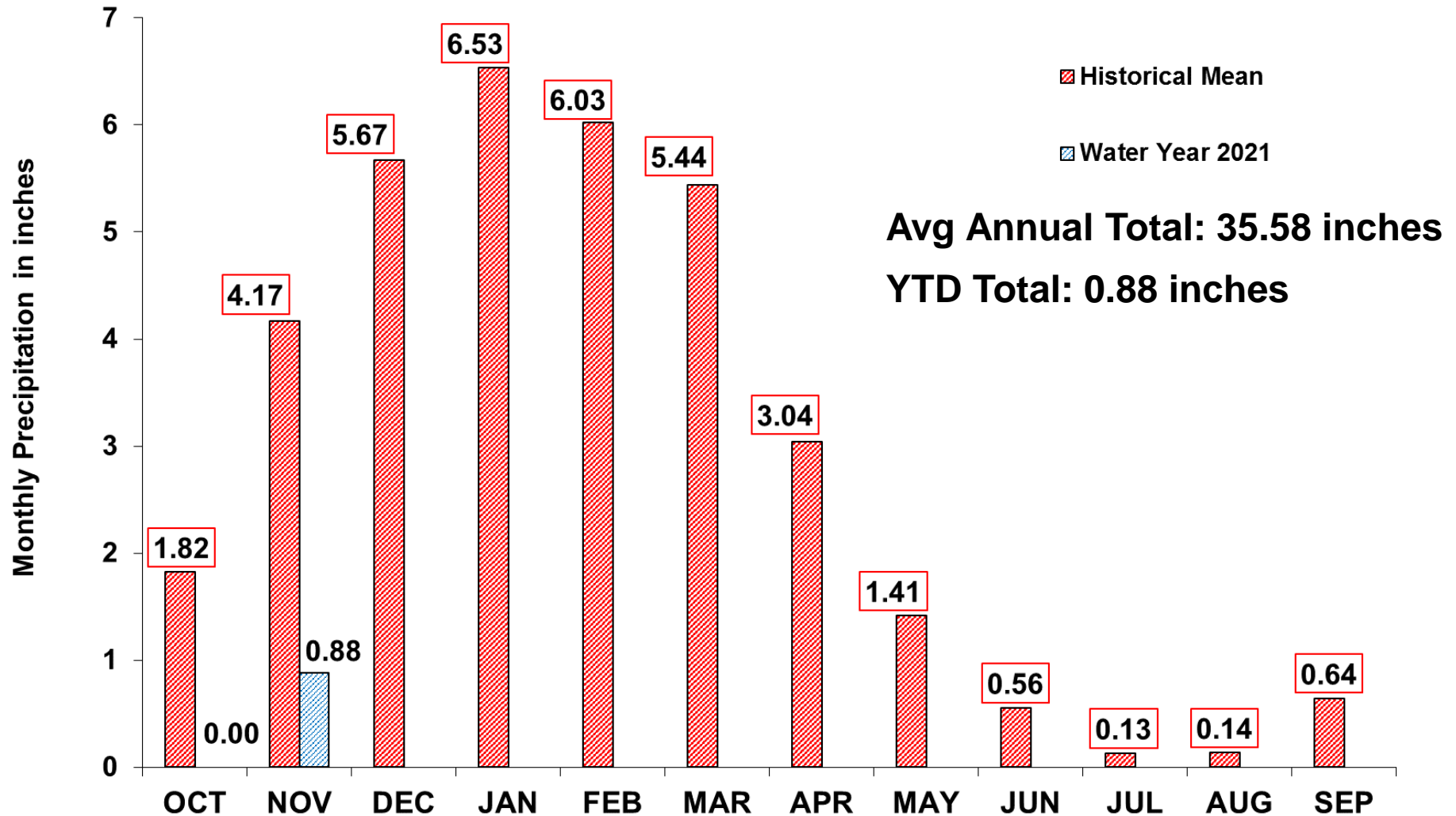


Hetch Hetchy June 1 – October 31 Precipitation

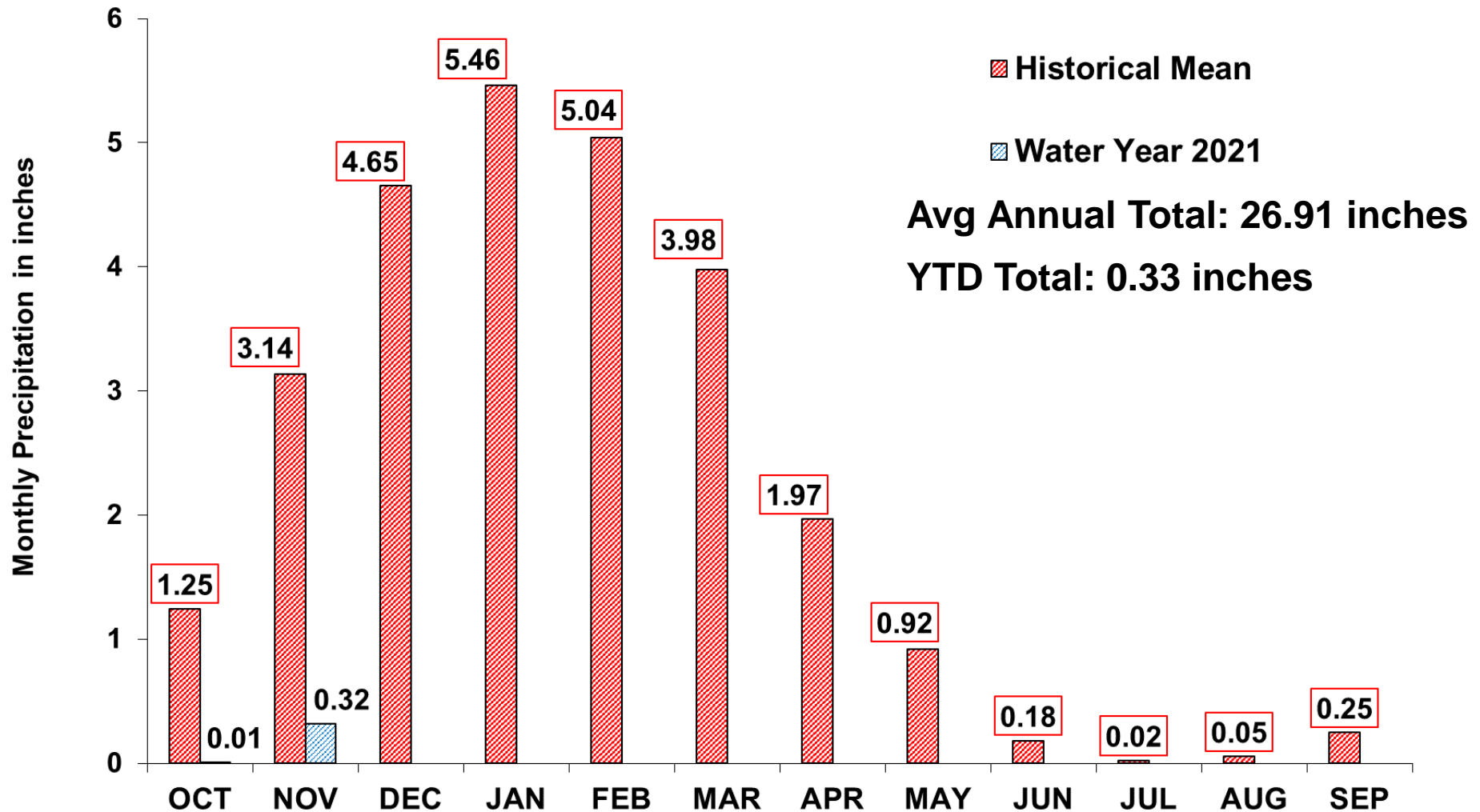
- Precipitation has been measured since 1930 at Hetch Hetchy
- 2020 precipitation was only 0.16", lowest ever recorded
- Only nine years in the past 90 have seen less than 1 inch, three of the nine were the past 3 years



Upcountry 6-station Precipitation Index as of November 15, 2020



Bay Area 7-station Precipitation Index as of November 15, 2020



National Precipitation Forecast

Precipitation (in)
during the period:

Mon, 16 NOV 2020 at 00Z

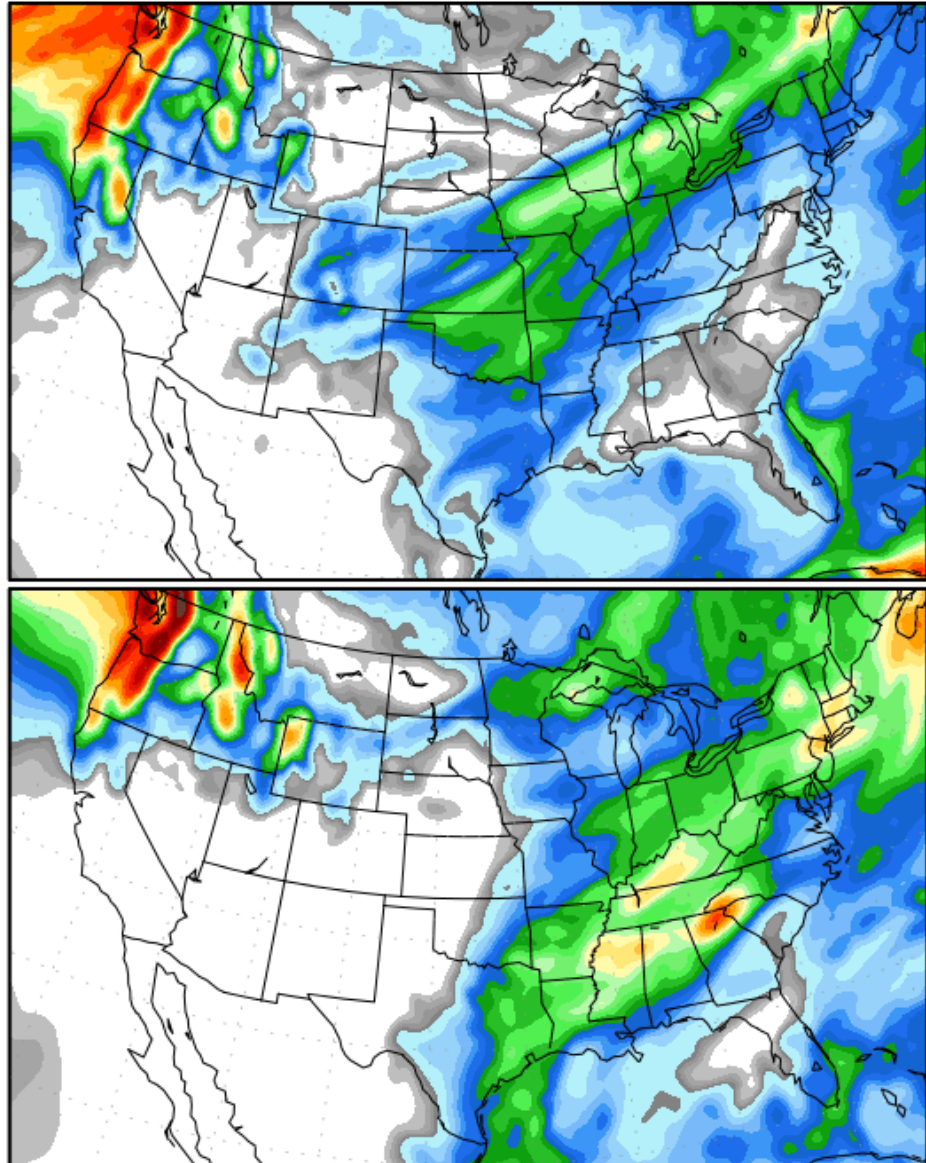
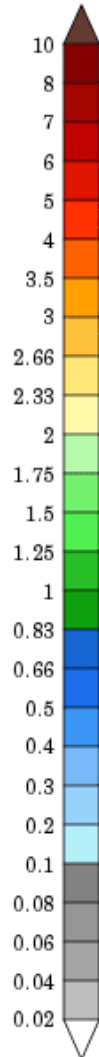
-to-

Tue, 24 NOV 2020 at 00Z

Tue, 24 NOV 2020 at 00Z

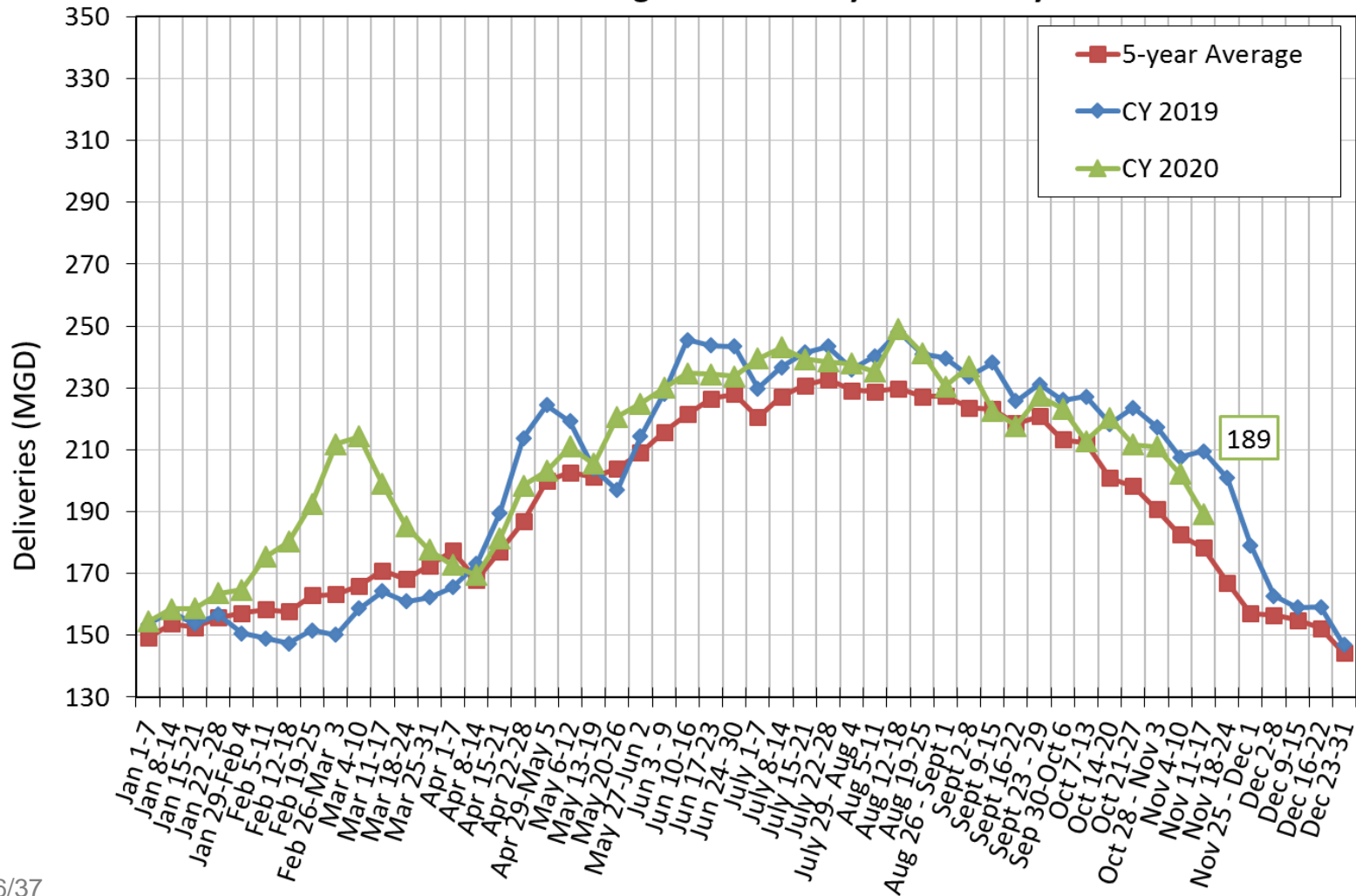
-to-

Wed, 02 DEC 2020 at 00Z



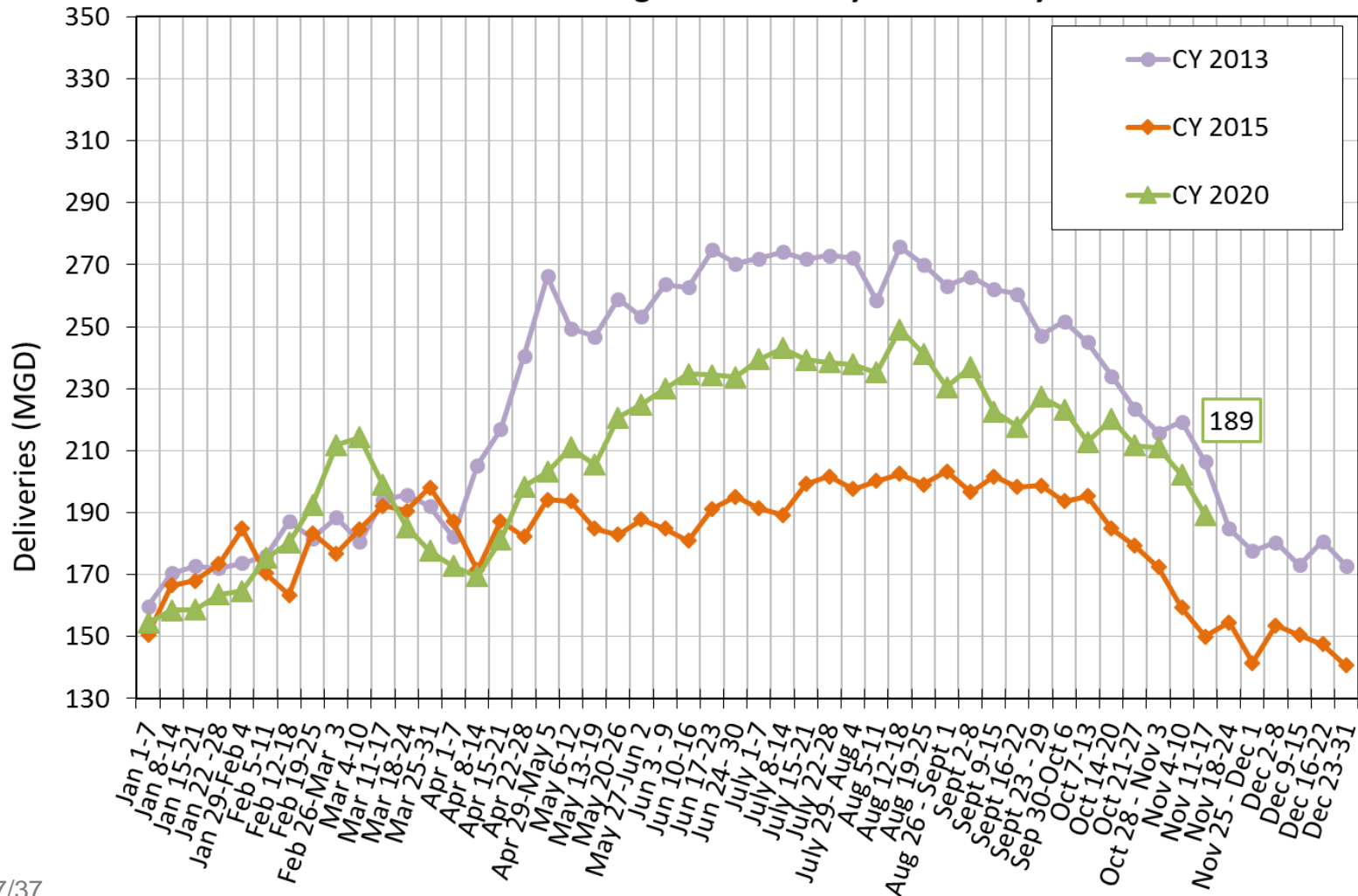
Total Deliveries

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



Total Deliveries

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



Consent Calendar



New Calaveras Dam – May 2019

Annual Review of Investment Policy & Proposed Additional New Permitted Investment Vehicles

- BAWSCA's Investment Policy requires annual consideration of the Statement of Investment Policy
 - Primary objectives: safety, liquidity and yield
- Last reviewed January 2020: No changes made
- Both agency funds and bond funds are invested per the Policy
 - Most agencies have the Policy govern operating funds, not bond funds
 - Current language is consistent with State law
- U.S. Agency Securities are recommended as permitted investments for the bond proceeds with a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase
- No other changes to the Policy are recommended

Recommended Inclusion of U.S. Agency Securities as Permitted Investment Vehicles for Bond Proceeds

- Policy specifies permitted investments for the bond proceeds associated with the Series 2013A&B bonds
 - Currently allowed instruments: Money Market Mutual Funds, Certificates of Deposit, and Federal Securities
- Based on a recent review of all investments permitted by the Bond Indenture, the U.S. Agency Securities are determined appropriate for consideration
 - Consistent with the primary objectives of the Investment Policy
 - Could potentially increase the portfolio's yield
- BAWSCA and its investment advisor recommend including U.S. Agency Securities as permitted investment vehicles in the Policy

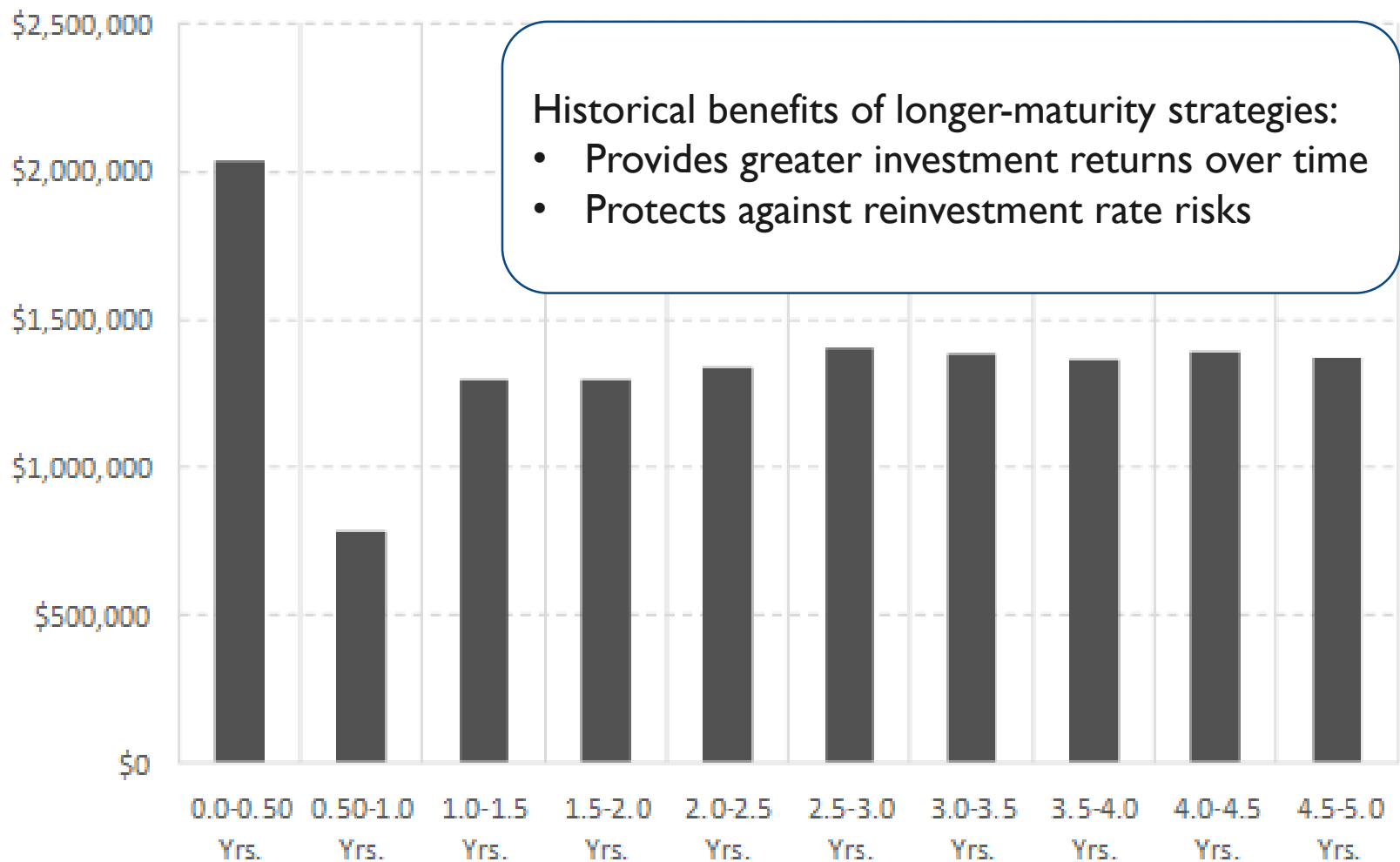
U. S. Agency Securities are Government Sponsored Enterprises (GSE's)

- What is the definition of recommended Agency Securities?
 - Fannie Mae, Freddie Mac and the Federal Home Loan Banks are GSE's
 - GSE's carry the same credit ratings as the United States government
- What happened to Fannie Mae and Freddie Mac during the 2008-2010 recession?
 - They were placed into conservatorship with the Federal Housing Finance Agency (FHFA) taking over operations
 - Federal government provided financial support via Senior Preferred Stock Purchase Agreements (SPSPA) to preserve liquidity and stability to the housing market
- What is the current rating outlooks on the U.S. housing market?
 - Strong credit ratings from S&P and Moody's
 - Federal government's ongoing support

Current Investment Strategy for Stabilization Fund

- In response to the COVID-19 pandemic, interest rates across the yield curve declined dramatically
- BAWSCA's longer-term portfolio strategy is performing well
 - Previously purchased securities now provide fixed yields that are well above currently available interest rates
- Total bond funds held by Trustee: \$19,239,250 (as of 10/30/2020)
 - \$5.6M bond surcharges – in Money Market Fund
 - \$13.6M stabilization fund (reserve) – in US Treasury Securities
- Based on a recent evaluation, the current 0-5 year ladder portfolio investment strategy is determined appropriate

Current 0-5 Year Laddered Maturity Portfolio Strategy Remains Appropriate



Recommended Action

That the Board approve the proposed modification to the current Statement of Investment Policy by including U. S. Agency Securities as permitted investments for the bond proceeds with a sector allocation limit not to exceed 40% of total stabilization fund market value at the time of purchase.





Jensen, 2011

BAWSCA Participates in the CalPERS Pension Plan

- BAWSCA offers its employees and retirees pension benefits via CalPERS, the State of California Pension Trust Program
- Every year, CalPERS provides BAWSCA an actuarial valuation report
 - Includes latest pension trust plan funded status and minimum required employer contributions for next fiscal year
- BAWSCA's FY 2020-21 Operating Budget includes the CalPERS required employer contributions of \$215,697

BAWSCA's CalPERS Pension Plan Funded Status as of June 30, 2019

Actuarial Calculation	CalPERS "Misc." Plan Value
a. Present Value of Projected Benefits (PVB)	\$5,504,674
b. Entry Age Normal Accrued Liability (AL)	\$3,854,370
c. Market Value of Assets (MVA)	\$3,114,014
d. Unfunded Accrued Liability (UAL) =b-c	\$ 740,356 
e. Funded Ratio =c/b	80.8% 

- BAWSCA's UAL is currently scheduled to be paid off by 6/30/2038
- Options available to voluntarily make additional contributions
 - Additional Discretionary Payments of UAL to CalPERS
 - Re-amortized Annual UAL Contributions to CalPERS
 - Contributions to Prefunding Trust for Offsetting Future Pension Liability
- Possible next steps could be discussed during the preparation of FY 2021-22 Operating Budget



S. Ritchie, 2019

BAWSCA Participates in the California Employers' Retiree Benefit Trust Program (CERBT)

- BAWSCA has participated in CERBT since April 2014 to prefund BAWSCA's Other Post-Employment Benefits (OPEB) obligations
 - CERBT is administered by CalPERS
- Participation in CERBT allows BAWSCA to pay for future retiree benefits, reduce future agency cash flow requirements, and reduce OPEB liabilities
- Since FY 2013-14, BAWSCA has been fully funding the annual OPEB expense as determined by the annual actuarial valuation
 - BAWSCA's FY 2020-21 Operating Budget includes a CERBT contribution of \$78,000
- BAWSCA's Net OPEB Liability as of 6/30/2020: \$817,230
 - Scheduled to be paid off by 6/30/2042

BAWSCA's CERBT Fund Status Update as of June 30, 2020

Total Contributions (Initial contribution made on 4/26/2014)	\$652,731
Total Disbursements	-
Total CERBT Expenses	(\$2,454)
Total Investment Earnings	\$162,403
Total Assets	\$812,680
Current Asset Allocation Strategy Selection	CERBT Strategy 2
CERBT Long-Term Expected Rate of Return	7.01%
BAWSCA's Discount Rate Used in OPEB Actuarial Valuation as of June 30, 2019	5.75%
BAWSCA Actual Average Annualized Rate of Return* in FY2019-20	5.45%
BAWSCA Actual Cumulative Annualized Rate of Return* from Inception (4/26/2014) through 10/19/2020	6.60%
BAWSCA Net OPEB Liability as of 6/30/2020 (Scheduled to Be Paid Off by 6/30/2042)	\$817,230

*Net of fees



New Don Pedro FERC Relicensing Update

- July 2020 – Final Environmental Impact Statement (FEIS) released
 - Several parties have submitted comments to FERC
 - SFPUC and BAWSCA coordinating on potential additional comments
- In August, National Marine Fisheries Service sent a report to FERC as part of relicensing
- Report presents a critique of two fish-population models developed and used in the relicensing process
- Those models and other technical tools developed by Districts to understand impacts of project operation and alternative management strategies, including Tuolumne River Voluntary Agreement
- BAWSCA understands that the Districts are reviewing the report and will provide a detailed response to FERC
- BAWSCA remains closely engaged on this issue

Bay Delta Plan Update

- Governor Newsom's leadership is critical to resolution of this issue
- BAWSCA and its member agencies continue to
 - Support Bay-Delta Plan objectives
 - Be committed to working with other stakeholders to protect water quality in the Bay-Delta for humans, fish and other wildlife
 - Support voluntary agreements to resolve this critical issue
- BAWSCA continues coordination with SFPUC and others
- BAWSCA remains focused on having the State Water Board perform an environmental evaluation of the Tuolumne River Voluntary Agreement (TRVA)
 - TRVA is a better alternative to meet Bay-Delta Plan objectives compared to the adopted Bay-Delta Plan

Closed Session



Jensen, 2011

Directors' Discussion



Announcement & Adjournment

- December 10, 2020
- Time: 10am – 12pm
- Location: “Virtual” Zoom Meeting
- RSVP at lenriquez@bawsca.org

Next Board Meeting

- January 21, 2021
- Time: 6:30 pm
- Location: “Virtual” Zoom Meeting



Alameda Creek Watershed – SFPUC May 2020