
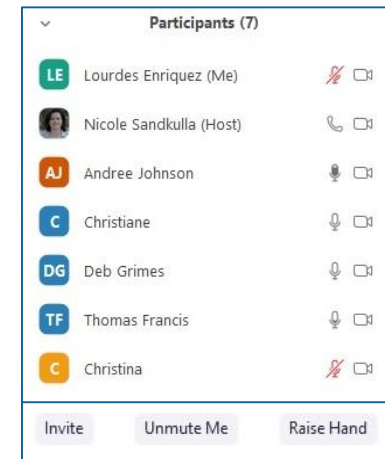


Meeting Instructions While We Gather

- 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.
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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 Policy
Committee
Meeting
December 9, 2020**



S. Ritchie, 2019

Mid-Year Work Plan Review Identifies Need for Scope Change

- Table I presents a status update on FY 2020-21 Work Plan
- Implementation of Work Plan on schedule and on budget
- Two changes to the Work Plan scope are identified
 1. **Continue development** of the Potable Reuse Exploratory Plan (PREP) Phase 3 Study for completion in FY 2021-22
 - Task originally anticipated completion of PREP Phase 3 in FY 2020-21
 - Progress on Phase 3 has been delayed with the project MOU currently being amended as necessary to complete Phase 3 work.
 2. **Reduce planned effort** to implement 2 new subscription conservation programs in FY 2020-21
 - Task originally anticipated implementing 3 to 4 new subscription conservation programs
 - The residential self audit tool and irrigation hardware rebates is on track
 - The landscape area measurements program and the leak detection/certification program are delayed

Reliable Water Supply (1 of 5)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
	1. <u>Facility Reliability: Monitor the SFPUC's WSIP, 10-Year CIP, and Asset Management Program</u>
✓	a. Monitor WSIP scope, cost, and schedule
✓	b. Review and monitor SFPUC's Regional 10-Year Capital Improvement Program
✓	c. Review and monitor SFPUC's Asset Management Program
✓	d. Promote increased emergency response coordination between member agencies, SFPUC, Valley Water and others.

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Reliable Water Supply (2 of 5)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
2. Long-Term Supply Solutions: Implement BAWSCA's Strategy	
⚠	a. Complete Potable Reuse Exploratory Plan Phase 3 pre-feasibility study with SFPUC and Silicon Valley Clean Water and plan for next phase of work <u>Proposed Work Plan Modification: Continue development of PREP Phase 3 Study for completion in FY 2021-22.</u>
●	b. Participate in development of Bay Area Regional Reliability Phase 2 Water Marketing Strategy
✓	c. Participate in CCWD's Los Vaqueros Expansion Project Studies
✓	d. Promote the continued sustainable use of San Mateo Plain Groundwater Basin
✓	e. Facilitate development of other local water supply options including monitoring/tracking member agency efforts
✓	f. Provide necessary data & assistance to support member agencies' development of state required Urban Water Management Plans
✓	g. Participate with SFPUC and ACWD in their evaluation of a potential potable reuse water supply project with Union Sanitary District.
✓	h. Identify and begin to evaluate the steps BAWSCA should undertake to update its Long-Term Water Supply Strategy

⚠ Needs Attention
 ● Experiencing Delay
 ✓ Complete/On Track
 ★ Extraordinary Result/Effort

Reliable Water Supply (3 of 5)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
3. <u>Near-term Supply Solutions: Water Conservation and Drought Response</u>	
✓	a. Represent member agency interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a Way of Life" requirements
✓	b. Provide regional coordination to support member agency Advanced Metering Infrastructure (AMI) implementation and data management, including hosting a regional symposium in Spring 2021
⚠	c. Implement 3 to 4 new subscription conservation programs <i><u>Proposed Work Plan Modification: Implement 2 new subscription conservation programs in Spring 2020 and continue development of 1-2 more new programs for future possible implementation.</u></i>
✓	d. Implement BAWSCA's core water conservation programs
✓	e. Implement BAWSCA's subscription conservation rebate programs
✓	f. Implement BAWSCA's Water Loss Management Program
✓	g. Represent member agencies in regional and State-level discussions related to water conservation-related regulations

⚠ Needs Attention ⚪ Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Reliable Water Supply (4 of 5)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
4. <u>Take Actions to Protect Members' Water Supply Interests in the Administration of the 2009 WSA</u>	
✓	a. Adopt temporary extension of existing Tier 2 drought allocation plan that expires Dec. 2020
✓★	b. Forward for adoption, if acceptable to the member agencies and SFPUC, an amendment to the Water Supply Agreement related to a paired transfer of an agency's minimum purchase requirement and Individual Supply Guarantee
✓	c. Protect members' water supply and financial interests in the SFPUC's 2028 decisions
✓	d. Protect member agencies' water supply interests to ensure that the SFPUC meets its legal and contractual obligations
5. <u>Protect Members' Interests in a Reliable Water Supply</u>	
✓★	a. Participate in SWRCB Bay Delta Plan Update
✓★	b. Participate in the Don Pedro Project/La Grange Project FERC licensing process
6. <u>Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u>	
✓	a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs
✓	b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability
✓	c. Investigate potential for grant funds to support the implementation of the Strategy

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Reliable Water Supply (5 of 5)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
7. <u>Reporting and Tracking of Water Supply and Conservation Activities</u>	
✓	a. Complete BAWSCA FY 2019-20 Annual Survey
✓	b. Complete BAWSCA FY 2019-20 Annual Water Conservation Report
✓	c. In partnership with member agencies, operate and maintain BAWSCA's Water Conservation Database

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

High Quality Water (1 of 1)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
	8. <u>Support Member Agencies in Receiving Reliable Communication of Water Quality Issues</u>
✓	a. Coordinate member agency participation in Joint Water Quality Committee
✓	b. Relay important water quality information to BAWSCA member agencies
✓	c. Review and act on, if necessary, State legislation affecting water quality regulations

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Fair Price (1 of 1)

STATUS	BAWSCA OBJECTIVE & FY 2019-20 WORK PLAN ITEM
9. <u>Perform Matters that Members Delegated to BAWSCA in the WSA</u>	
✓	a. Administer the WSA with SF to protect the financial interests of member agencies.
✓	b. Administer bonds issued by BAWSCA to retire capital debt owed to San Francisco
10. <u>Maintain Community Allies and Contacts with Environmental Interests</u>	
✓	a. Maintain close relationships with BAWSCA's local legislators and allies
✓	b. Maintain a dialogue with responsible environmental and other groups
✓	c. Maintain effective communications with member agencies, customers, & others
✓	d. In conjunction with San Francisco, conduct or co-sponsor tours of the water system
11. <u>Manage the Activities of the Agency Professionally and Efficiently</u> ✓	

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

No Changes to General Reserve are Recommended as Part of This Mid-Year Review

\$1,037,877 General Reserve balance as of June 30, 2020

-\$333,900 May 2020 approved transfer to Operating Fund

+\$435,266 FY 2018-19 Unspent Funds transferred to General Reserve Nov. 2020

\$139,243 General Reserve balance as of Dec. 9, 2020
28% of FY 2020-21 Operating Budget

Recommended Action

That the Committee recommend Board approval of the modification of Work Plan Item 2a “PREP Phase 3” and Item 3c “Implement New Subscription Programs” in the FY 2020-21 Work Plan.



Jensen, 2011

BAWSCA's Contract with Woodard & Curran Needs to be Amended to add Additional Funds

- On July 1, 2020 BAWSCA entered in a \$25k agreement with Woodard & Curran for professional services
 - Agreement amount was within GM/CEO's signature authority
- Services were designed to:
 - Provide critical resources necessary to complete activities associated with the adopted FY 2020-21 Work Plan
 - Address the vacancy caused by the staff transitions
 - Allow for continued access to Andree Johnson, now working with Woodard & Curran
- The \$25k budget will be exhausted by December 2020
- An additional \$25k is proposed to fund Woodard & Curran through the end of FY 2020-21
- Amending the agreement requires Board Approval since the new budget (\$50k) exceeds CEO's signature authority

Woodard & Curran Providing Critical Support to BAWSCA

- Work includes assisting BAWSCA staff on a number conservation programs including:
 - Assist BAWSCA efforts to support member agencies in their development of Urban Water Management Plan (UWMP) updates
 - Support BAWSCA staff efforts on continued implementation and management of BAWSCA's conservation programs
 - Guidance and advice regarding the development of new BAWSCA conservation programs proposed for implementation in FY 2020-21 and FY 2021-22
 - Input on the preparation of BAWSCA's Annual Survey and Annual Conservation Report
- If the agreement is not amended, BAWSCA's ability to complete key Work Plan elements would be compromised

No Fiscal Impact of Amending the Agreement

- \$25k in additional funding is requested
- Funding is available within BAWSCA's existing conservation program budget that can be reallocated without impacting the overall Work Plan
- Recommended action can be accommodated within BAWSCA's adopted FY 2020-21 Operating Budget

Recommended Action

That the Committee recommend the Board authorize the CEO/General Manager to negotiate and execute a contract amendment with Woodard & Curran that would increase the total not-to-exceed amount to \$50,000 for as-needed specialized water resources services for FY 2020-21.



Jensen, 2011

BAWSCA's Pension Liability 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

Option I: Additional Discretionary Payments of UAL

	Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
Current	30 years	\$132,874	\$68,648	\$0	\$68,648	\$201,522
Alternatives	20 years	\$132,874	\$68,648	\$2,656	\$71,304	\$204,178
	15 years	\$132,874	\$68,648	\$12,980	\$81,628	\$214,502
	10 years	\$132,874	\$68,648	\$34,819	\$103,467	\$236,341
	5 years	\$132,874	\$68,648	\$102,862	\$171,510	\$304,384

- CalPERS allows employers to make additional discretionary payments (ADPs) at any time and in any amount
 - To reduce the UAL and future required contributions
 - To stabilize annual contributions as a fixed dollar amount, or % of payroll
- Making an ADP during a fiscal year does not require an ADP be made in any future year
 - Nor does it change the remaining amortization period of UAL

Option 2: Re-amortized Annual UAL Contributions

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedule</u>			
	Balance	Payment	<u>15 Year Amortization</u>		<u>10 Year Amortization</u>	
			Balance	Payment	Balance	Payment
6/30/2021	727,422	68,648	693,348	73,594	693,348	95,433
6/30/2022	707,332	72,962	665,756	73,594	643,166	95,433
6/30/2023	681,372	77,451	636,233	73,594	589,470	95,433
6/29/2024	648,952	82,122	604,643	73,594	532,015	95,433
6/29/2025	609,431	84,423	570,842	73,594	470,539	95,433
6/29/2026	564,764	78,404	534,675	73,594	404,760	95,433
6/29/2027	523,196	80,476	495,977	73,594	334,376	95,433
6/28/2028	476,575	82,605	454,569	73,594	259,065	95,433
6/28/2029	424,487	84,792	410,264	73,594	178,483	95,433
6/28/2030	366,491	87,036	362,856	73,594	92,259	95,433
6/28/2031	302,115	89,346	312,131	73,594		
6/27/2032	230,842	91,717	257,854	73,594		
6/27/2033	152,128	94,156	199,778	73,594		
6/27/2034	65,382	19,409	137,636	73,594		
6/27/2035	49,882	19,858	71,145	73,594		
6/26/2036	32,832	16,547				
6/26/2037	18,014	13,039				
6/26/2038	5,787	5,986				

- CalPERS also allows employers to pay off the UAL more quickly than required based on alternative “fresh start” amortizations
 - Two sample schedules illustrated on the left would result in interest savings

Option 3: Contributions to Prefunding Trust

- Pension prefunding trust programs allow employers to set aside funds that can be used to offset future pension liability
 - Serves the purpose as a rainy-day contingency fund
 - Invests in higher yielding investment options versus general fund
 - Accumulated funds can also be used to prefund future ADPs, annual UAL payments or future normal cost payments
- BAWSCA conducted a survey of all member agencies who maintain pension benefit plans under CalPERS in Oct 2020
 - Nine city governments and one water district have established an irrevocable IRS Section 115 trust to voluntarily prefund for future required employer pension contributions

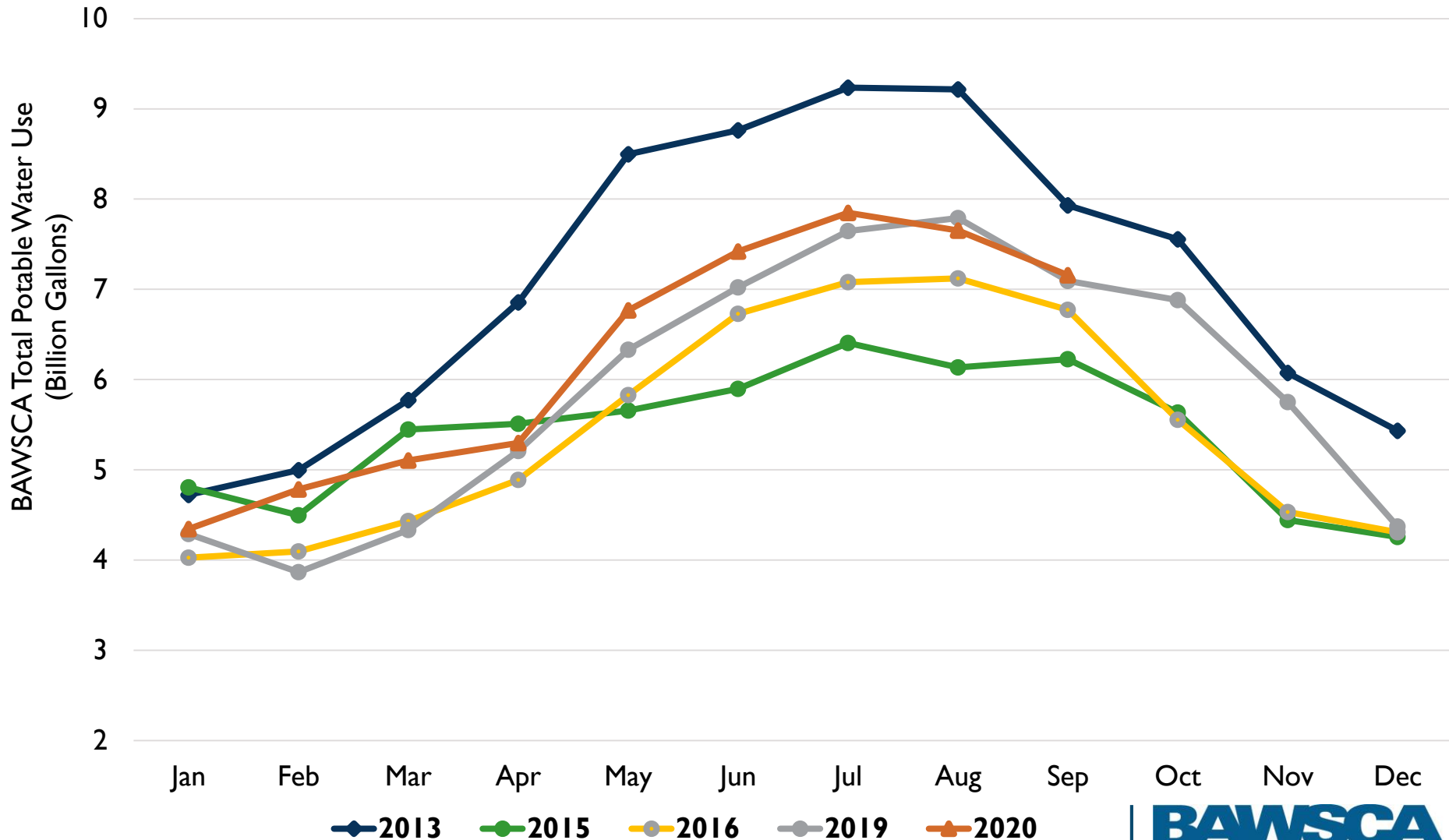
Next Steps

- Staff has no recommendation at this time given BAWSCA's relatively high pension liability funded ratio of 80.8%
- Feedback from the BPC on possible voluntary prefunding options is requested
- This feedback will be used as guidance for additional investigation as desired by Board
- Guidance for any consideration of additional funding that should be included in the preparation of FY 2021-22 Operating Budget would also be useful at this time



Jensen, 2011

BAWSCA September 2020 Total Potable Water Use 9% Less Than September 2013





Jensen, 2011

Six Concerns Raised by Others Regarding the TRVA and the Facts (1 of 3)

Concerns about the TRVA	TRVA Facts
<p>Concern #1: The TRVA does not include enhanced stream flow.</p>	<ul style="list-style-type: none">✓ The TRVA provides increased flows on the Tuolumne River in all water year types over current average requirements.✓ The TRVA will provide enhanced Tuolumne River flows resulting in 24,000 to 110,000 acre-feet of greater flows above current average requirements.
<p>Concern #2: Habitat enhancement is being advanced instead of flows.</p>	<ul style="list-style-type: none">✓ The TRVA habitat enhancements are designed to work in concert with additional flows.✓ The TRVA is based in and framed around adaptive management that includes the ongoing implementation and evaluation of flow and non-flow measures.

Six Concerns Raised by Others Regarding the TRVA and the Facts (2 of 3)

Concerns about the TRVA	TRVA Facts
<p>Concern #3: The TRVA is based on inadequate science and flawed governance structures.</p>	<ul style="list-style-type: none"> ✓ The TRVA is built on best available science and decades of monitoring, data collection and multiple Tuolumne River-specific scientific studies. ✓ A new Tuolumne River Partnership Advisory Committee will be formed to guide implementation of the Lower Tuolumne River Habitat Improvements described in the TRVA.
<p>Concern #4: A review performed by a National Marine Fisheries Services (NMFS) consultant of the fishery models that support the TRVA proves that the scientific basis of the TRVA is inadequate to evaluate long-term fish management on the river.</p>	<ul style="list-style-type: none"> ✓ The models reviewed by the NMFS consultant were not designed to be a tool for long-term fishery management for conservation purposes, but were developed and approved by FERC as part of the FERC relicensing study plan for the purpose of evaluating the relative changes to in-river fish populations resulting from possible license conditions.

Six Concerns Raised by Others Regarding the TRVA and the Facts (3 of 3)

Concerns about the TRVA	TRVA Facts
<p>Concern #5: State and federal funding will be required to implement the TRVA.</p>	<p>✓ The TRVA proposes \$83M in capital funding and \$44.5M in annual O&M funding that will be paid by partner agencies and does not depend on state or federal grants, loans, taxes or fees.</p>
<p>Concern #6: The TRVA development process lacked sufficient public input.</p>	<p>✓ The TRVA is the result of close collaboration and good faith discussions among the three public agency Partners and numerous stakeholders.</p> <p>✓ The stakeholders included federal, state and local agencies, scientists, and environmental stewards, including stakeholders engaged in pre-scoping, scoping, development of technical tools, and the completion and publication of a Final EIS by FERC.</p>

Eight Recent Comments About BAWSCA and Its Member Agencies' Bay-Delta Efforts and the Facts (1 of 3)

Comment	Facts
1. BAWSCA and SFPUC's demand estimates are flawed and too high.	✓ BAWSCA's demand studies are highly detailed, follow best practices, and result in future water demand projections suitable for water supply planning purposes.
2. SFPUC's design drought is too long and overly conservative.	✓ SFPUC's design drought is appropriately based on actual historical conditions coupled with the addition of an acceptable level of caution for what the future may hold, including climate change and the likelihood of more severe droughts and extreme weather.
3. The population projections estimated for the BAWSCA service area are too high, including the projected housing need.	✓ BAWSCA relies on projected population figures from the Association of Bay Area Governments (ABAG) and locally adopted land use plans, both of which are highly detailed, based on sound science, and reflect a comprehensive public engagement process.

Eight Recent Public Comments About BAWSCA and Its Member Agencies' Bay-Delta Efforts and the Facts (2 of 3)

Comment	Facts
<p>4. BAWSCA Member Agencies and their Customers can readily reduce water use during droughts as required by the Bay-Delta Plan.</p>	<p>✓ While Member Agency customers responded strongly during the 2015 drought, the level of rationing required under the Bay-Delta Plan will reach 50% or greater, creating severe hardships beyond what any resident has experienced.</p>
<p>5. BAWSCA's constituents do not support the TRVA.</p>	<p>✓ The business community as well as key community groups, such as the Silicon Valley Leadership Group (SVLG), have expressed support for the TRVA.</p>
<p>6. There will be no economic impact on the Bay Area during a drought if the Bay-Delta Plan is implemented.</p>	<p>✓ An extensive economic analysis was prepared by the SFPUC and relied upon during a recently completed FERC Don Pedro Final EIS review. Results indicate severe economic impacts due to the high level of rationing that would be required.</p>

Eight Recent Public Comments About BAWSCA and Its Member Agencies' Bay-Delta Efforts and the Facts (3 of 3)

Comment	Facts
<p>7. BAWSCA Staff and BAWSCA Board Members have no understanding of the TRVA or its components.</p>	<ul style="list-style-type: none"> ✓ BAWSCA was actively engaged in the TRVA development, its technical review, and is knowledgeable about its scientific basis, content, impacts and implementation. ✓ The BAWSCA Board is well informed on the TRVA through briefings by SFPUC and BAWSCA staff.
<p>8. BAWSCA has not provided opportunities for the public to discuss the Bay Delta Plan and the TRVA in an open forum / workshop.</p>	<ul style="list-style-type: none"> ✓ The Bay-Delta Plan has been included as a regular item on the BAWSCA Board agendas since 2018, during which time the opportunity for public comment is provided. ✓ At the September 19, 2019 BAWSCA Board meeting, the Bay Delta Plan was included as a special report with presentations by the Tuolumne River Trust, SFPUC, and BAWSCA.

BAWSCA Remains Focused on a Voluntary Agreement to Resolve the Critical Bay Delta Issue for Fish and People

- 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



SFPUC, January 2017

Lake Eleanor Overtopping

FY 2021-22 Work Plan and Operating Budget Preparation Has Begun

- BAWSCA's budget process begins with an assessment of long-term critical issues and major challenges
- Long-term view allows identification of critical results and associated timeline
- Basis for FY 2020-21 Work Plan and Results to be Achieved
- Long-term critical issues and major challenges will be presented to Board in January as part of Budget Planning session
- Input from Board will inform Draft Work Plan presented to BPC in February 2021
- Draft FY 2021-22 Work Plan and Budget will be presented to Board in March 2021

Board Policy Committee Policy Calendar Through June 2021

Meeting Date	Purpose	Issue or Topic
December 2020	D&A R&D R	FY 2020-21 Mid-Year Work Plan, Budget, & General Reserve Balance Review BAWSCA Pension Liability Funded Status Update Review of Water Supply and Demand
February 2021	D&A D&A R&D R	Consideration of BAWSCA Bond Surcharges for FY 2021-22 Review of Agency Personnel Handbook Presentation of Preliminary FY 2021-22 Work Plan and Budget Review of Water Supply Forecast
April 2021	D&A D&A R	Consideration of Proposed FY 2021-22 Work Plan and Budget Consideration of Annual Consultant Contracts Review of Water Supply Forecast
June 2021	R&D	Update on Long-Term Reliable Water Supply Strategy Implementation

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

Closed Session



Jensen, 2011

Comments by Committee Members



SFPUC, 2019

Adjourn



L. Ash, 2017