



“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 June 10, 2020

Water Supply Agreement Section 6.05.B

Balancing Account

- Balancing Account records the difference between the actual SFPUC costs attributable to the Wholesale Customers and the amount billed to the Wholesale Customers in each year
- Balancing Account serves a critical rate stabilization role in the wholesale rate setting
 - The balance (positive or negative) shall be taken into consideration in establishing wholesale rates and may be prorated over multiple years to avoid fluctuating increases and decreases in wholesale rates
 - If a positive balance is maintained for three successive years and represents 10% or more of the WRR, BAWSCA Board may direct the SFPUC to apply the positive balance to one or more of the purposes set forth in Section 6.05.B.2.a of the WSA
- Current level of Balancing Account = \$64M as of 6/30/2019
 - SFPUC currently plans to use positive balance over next 4 years to moderate wholesale rate increases

WSA Provides for Use of Balancing Account That May Be Directed by BAWSCA

- Six purposes for which a positive balance may be applied if criteria met
 - a) transfer to the Wholesale Revenue Coverage Reserve
 - b) amortization of any remaining negative balance from the ending Balancing Account under the 1984 Agreement
 - c) prepayment of the existing asset balance under Section 5.03
 - *As of 6/30/2020, the remaining principal balance of \$4,278,518 is scheduled to be paid off in 4 years with interest at 4%*
 - d) BAWSCA administered water conservation or water supply projects
 - e) immediate reduction of wholesale rates
 - f) continued retention for future rate stabilization purposes
- In May 2019, Board authorized use of Balancing Account to fund two BAWSCA projects
 - Regional Water Demand and Conservation Projections Study (\$450k)
 - LVE Project Studies (\$355k)

Consideration of Establishing a Balancing Account Policy

- Board requested policy related to future use of Balancing Account be brought forward for consideration
- Resolution No. 2020-02 prepared by legal counsel
 - Guides the Board in making written findings to justify the allocation of the positive balance in the Balancing Account taking into consideration the purposes set forth in the VWSA
 - Requires findings to reasonably demonstrate that use of Balancing Account funds for identified purposes is in best interests of Wholesale Customers and water customers

Recommended Action

That the Committee recommend the Board adopt Resolution No. 2020-02 to establish a Balancing Account policy.



New Calaveras Dam – May 2019

BAWSCA Continues to Examine Participation in Los Vaqueros Expansion (LVE) Project

- LVE Project being evaluated by CCWD, BAWSCA and seven other agencies
 - Includes expanded surface water reservoir storage and other facilities
- Next project decision/action scheduled for early Fall 2020
- Between now and then, regular reports with project details and information will be presented to Committee/Board for input and discussion
- Today we will review:
 - Upcoming Fall 2020 LVE decision details
 - South Bay Aqueduct role and outstanding questions
- Discussion purposes only today, no action requested

BAWSCA & SFPUC Participating in LVE with Different Objectives

- BAWSCA and the SFPUC are participating separately in LVE with different objectives
- BAWSCA interest in LVE supports Long-Term Reliable Water Supply Strategy
 - 10 thousand acre-feet (TAF) per year of supply for drought years
 - Would reduce impact of SFPUC Regional Water System shortages
- SFPUC interest in LVE
 - Provide dry-year supply to meet SFPUC's current 184 mgd supply assurance obligation to Wholesale Customers
 - SFPUC examining two scenarios
 - 20 TAF and 40 TAF storage
 - 10 TAF and 20 TAF dry year deliveries over 1-2 years

Next BAWSCA Board Decision on LVE Anticipated in September 2020

- Planning & engineering is continuing on the project into 2022 by CCWD and consultants
- A new round of partner funding is needed to continue work effort
- Costs now need to be split between 8 partner agencies
- BAWSCA Board will need to consider approving Multi-Party Agreement Amendment #2
 - Extends agreement term 1-year to December 2021
- Critical information necessary to inform a decision remains sparse
 - Complete understanding of benefits and costs of water supply from LVE
 - Studies are being conducted to help determine how water could be delivered to the BAWSCA service area
 - Access to key conveyance elements (the SBA) and cost of access (and treatment) will not be known until later in 2021

Multi-Party Agreement Amendment #2 Requires New Funding from Partner Agencies

- Total \$ needed from all partners = \$6.8M (tentative, to be updated)
 - Cost allocation among 8 partners is likely to be an equal split
 - BAWSCA's share would be \$850k
- Amendment #2 calls for four payments to cover costs thru 2021
 - September 2020, November 2020, February 2021, and July 2021
- Partner agencies can pull out of Agreement at any time
 - Financial obligations are waived after departure from Agreement
- The four \$ payments may not be equal
 - BAWSCA suggesting the 2020 payments be lower than those in 2021, reflecting significant unknowns are still present in 2020
- BAWSCA's share is not included in its adopted FY 2020-21 budget
 - Board would have to decide on funding mechanism
 - Options include a special BAWSCA assessment, a Water Management Charge provided in WSA, or a transfer from WSA Balancing Account

South Bay Aqueduct (SBA) is a Critical Facility for BAWSCA to Access Water from LVE

- SBA required to convey LVE water to BAWSCA and SFPUC
- SBA currently has reliability and capacity issues that impact ability to support additional use by BAWSCA and SFPUC as part of LVE
- SBA studies are underway that could help inform BAWSCA Board in its decision, but they will take time to complete

South Bay Aqueduct (SBA) Studies will be completed between now and February 2022

- Conveyance Capacity Evaluation led by Valley Water
 - What is the available capacity of the SBA?
 - Scheduled to be completed by July 2020
- DWR Studies and Work Efforts (and Completion Dates)
 - Geotech Report on Landslide Area – July 2020
 - Short Term Reliability Improvements – January 2021
 - Asset Management Plan / Vulnerability Study – September 2021
 - Feasibility Study on Long-Term Reliability Improvements – February 2022
 - Operational Improvements – this work will take up to 5 years to complete
- BAWSCA's goal is to understand ability to access SBA and at what cost and what reliability

Steps to Get to the Fall 2020 Decision

- BAWSCA continuing to meet with CCWD, Valley Water and others to continue analysis and evaluation
- Further details and updated information associated with BAWSCA's potential participation in LVE will be provided to Board in July
 - Water supply benefits
 - Costs for LVE and associated facilities
 - Review of outstanding issues
 - Review of schedule and decision making process
- Scheduled for discussion with BPC and Board at all meetings until September



L. Ash, 2017



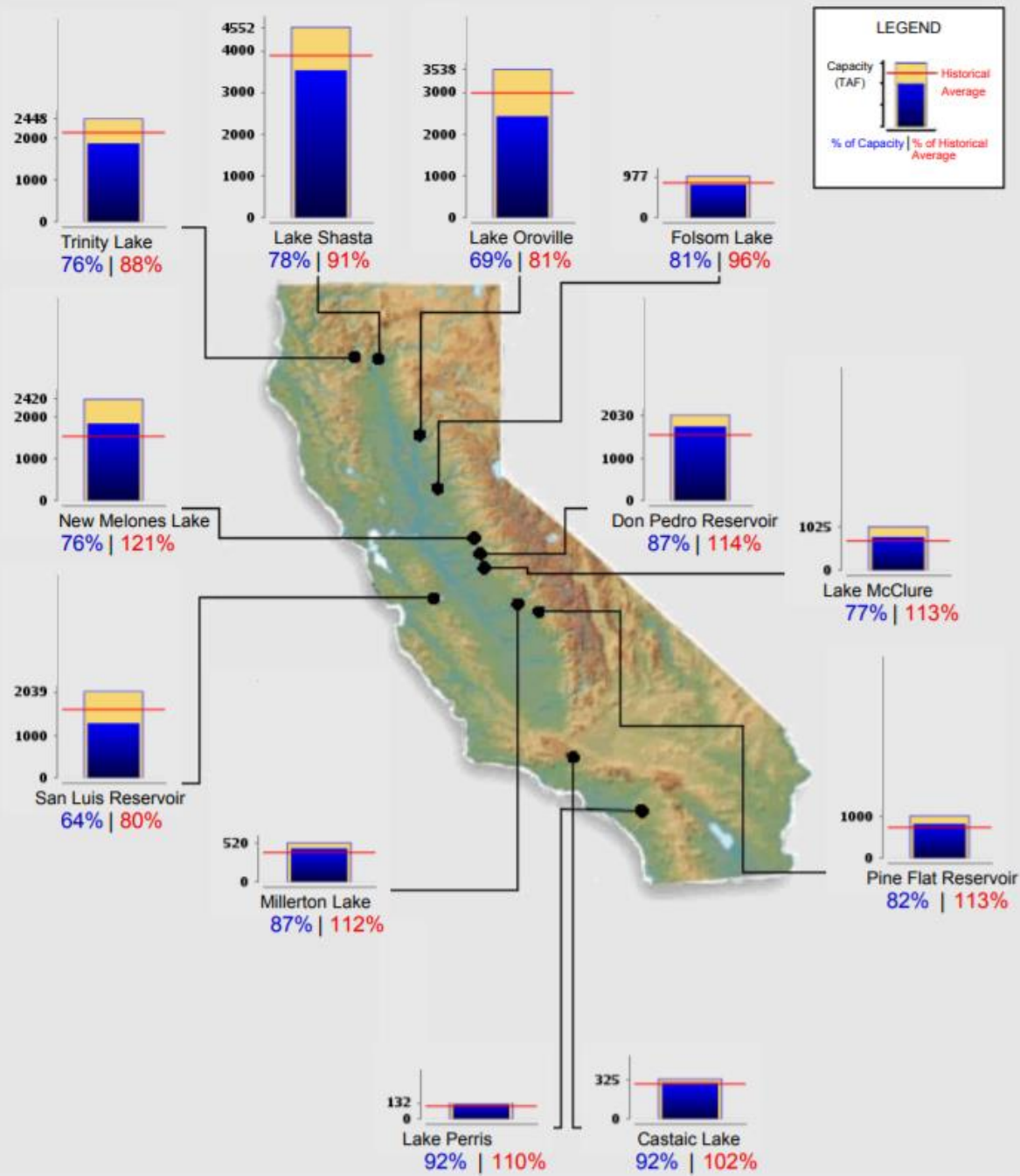
May 31, 2020 Reservoir Storage

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	349,210	360,360	11,150	96.9%	83.9%
Cherry	267,620	273,345	5,725	97.9%	-
Eleanor	27,160	27,100	0	100.2%	-
Water Bank	485,506	570,000	84,494	85.2%	96.1%
Total Tuolumne Storage	1,129,496	1,230,805	101,369	91.8%	-
<u>Local System</u>					
Calaveras	64,705	96,670	31,965	66.9%	-
San Antonio	45,219	50,637	5,418	89.3%	-
Crystal Springs	54,630	58,309	3,679	93.7%	-
San Andreas	16,921	19,027	2,106	88.9%	-
Pilarcitos	2,488	3,030	542	82.1%	-
Total Local Storage	183,963	227,673	43,710	80.8%	-
Total System Storage	1,313,459	1,458,478	145,079	90.1%	85.6%
Total without water bank	827,953	888,478	60,585	93.2%	-

Other California Reservoirs

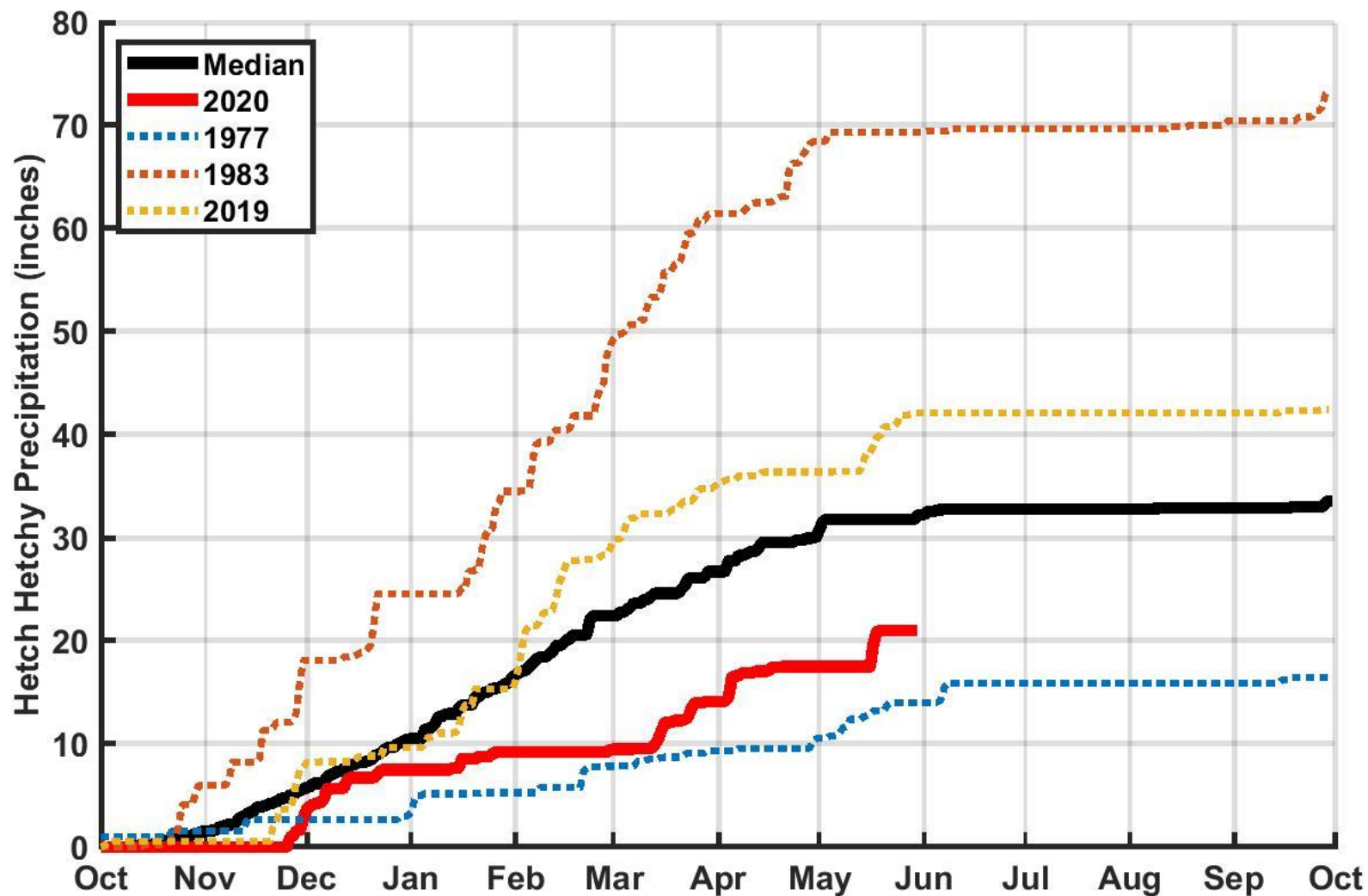
CURRENT RESERVOIR CONDITIONS

Ending At Midnight - May 31, 2020



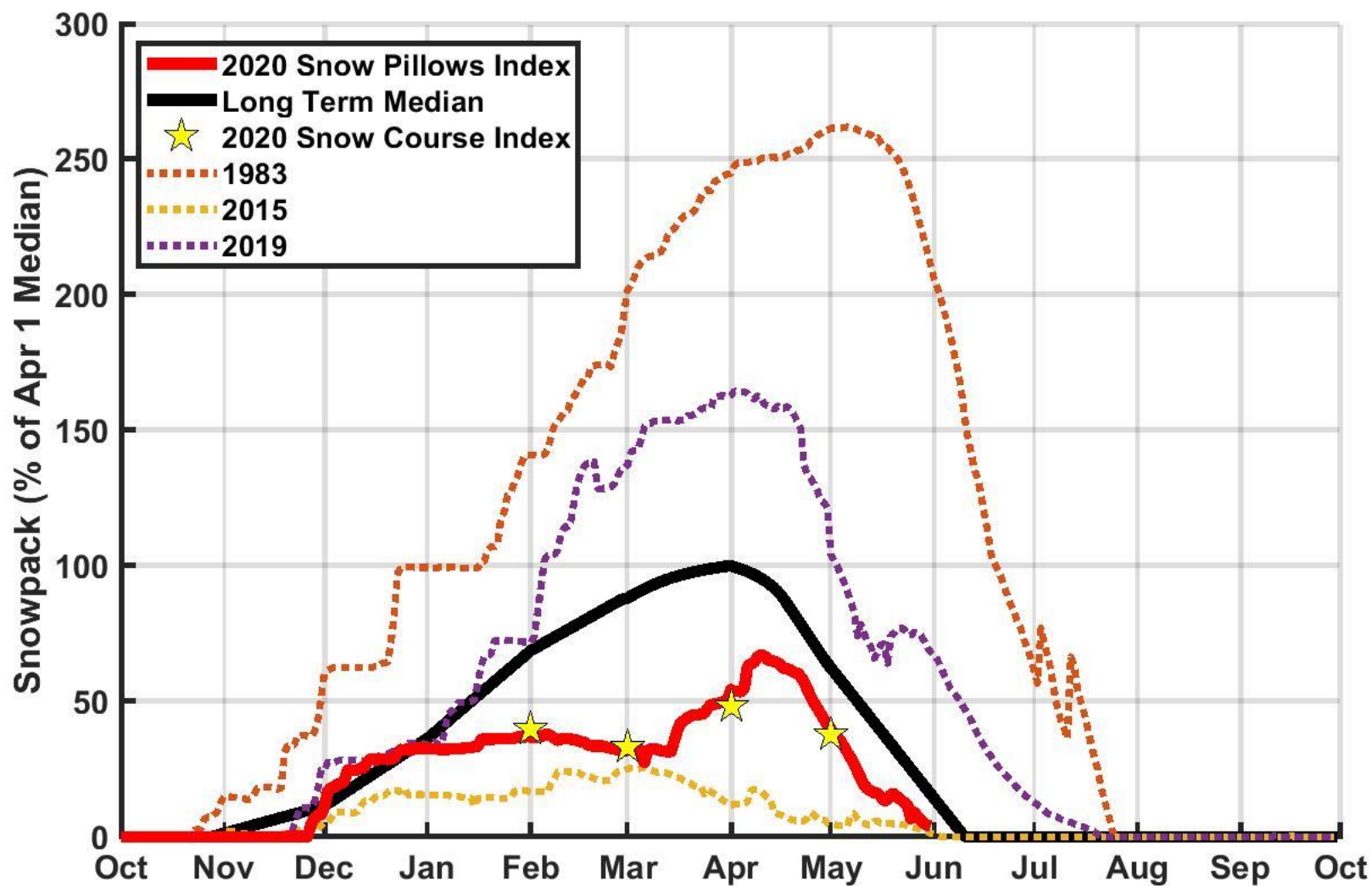


Hetch Hetchy Precipitation



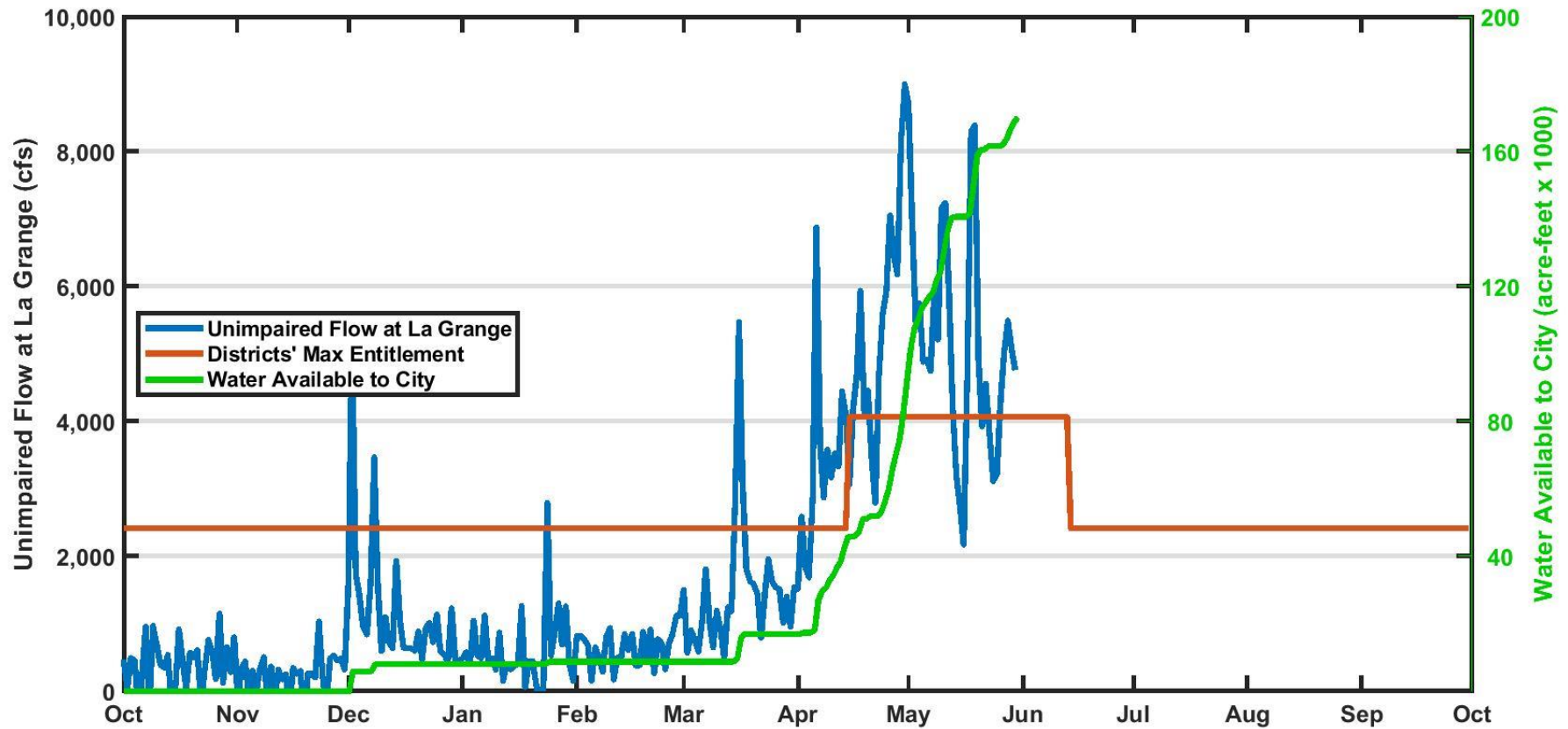


Upcountry Snowpack





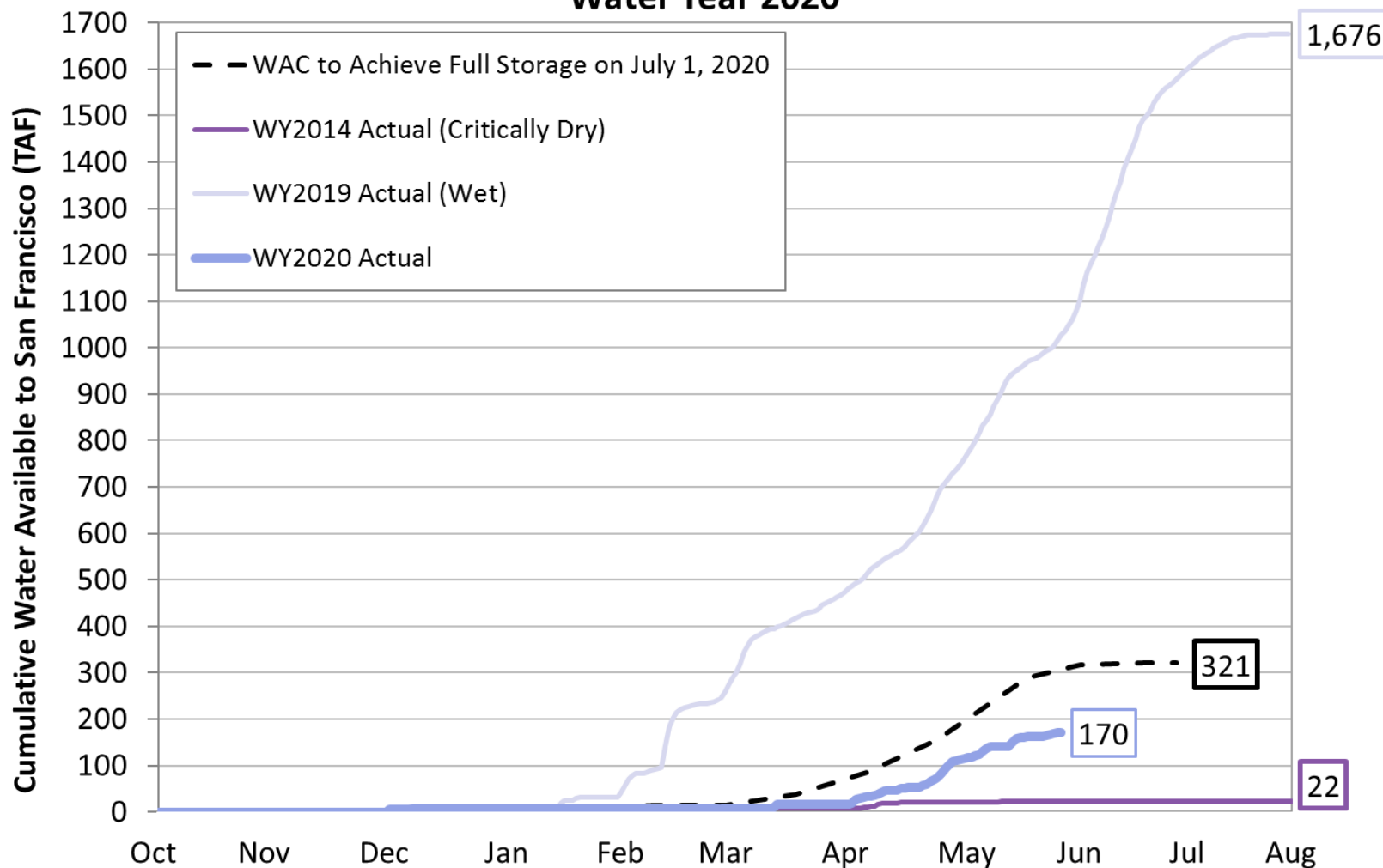
Water Available to the City





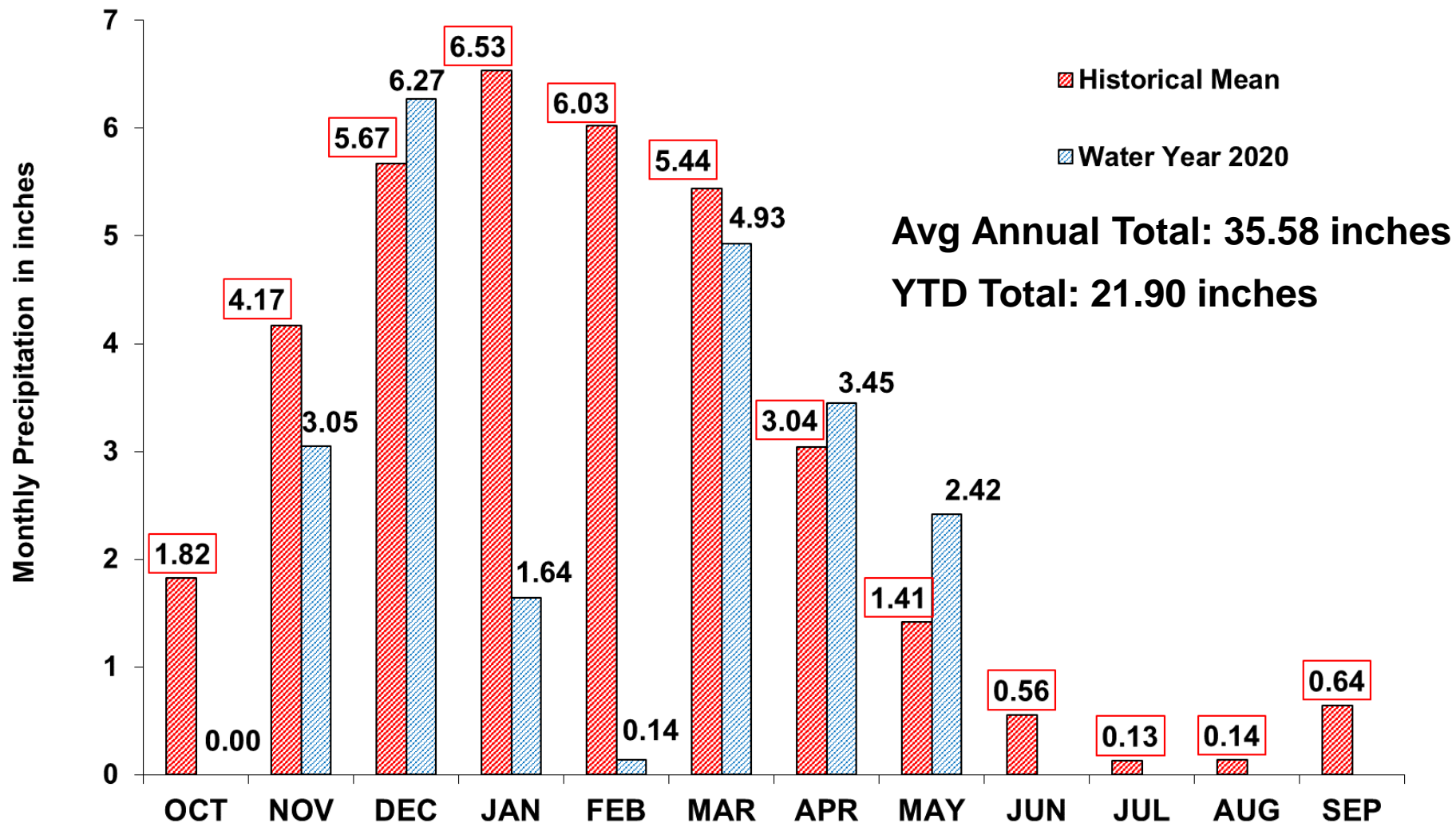
Tuolumne River Water Available to the City

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

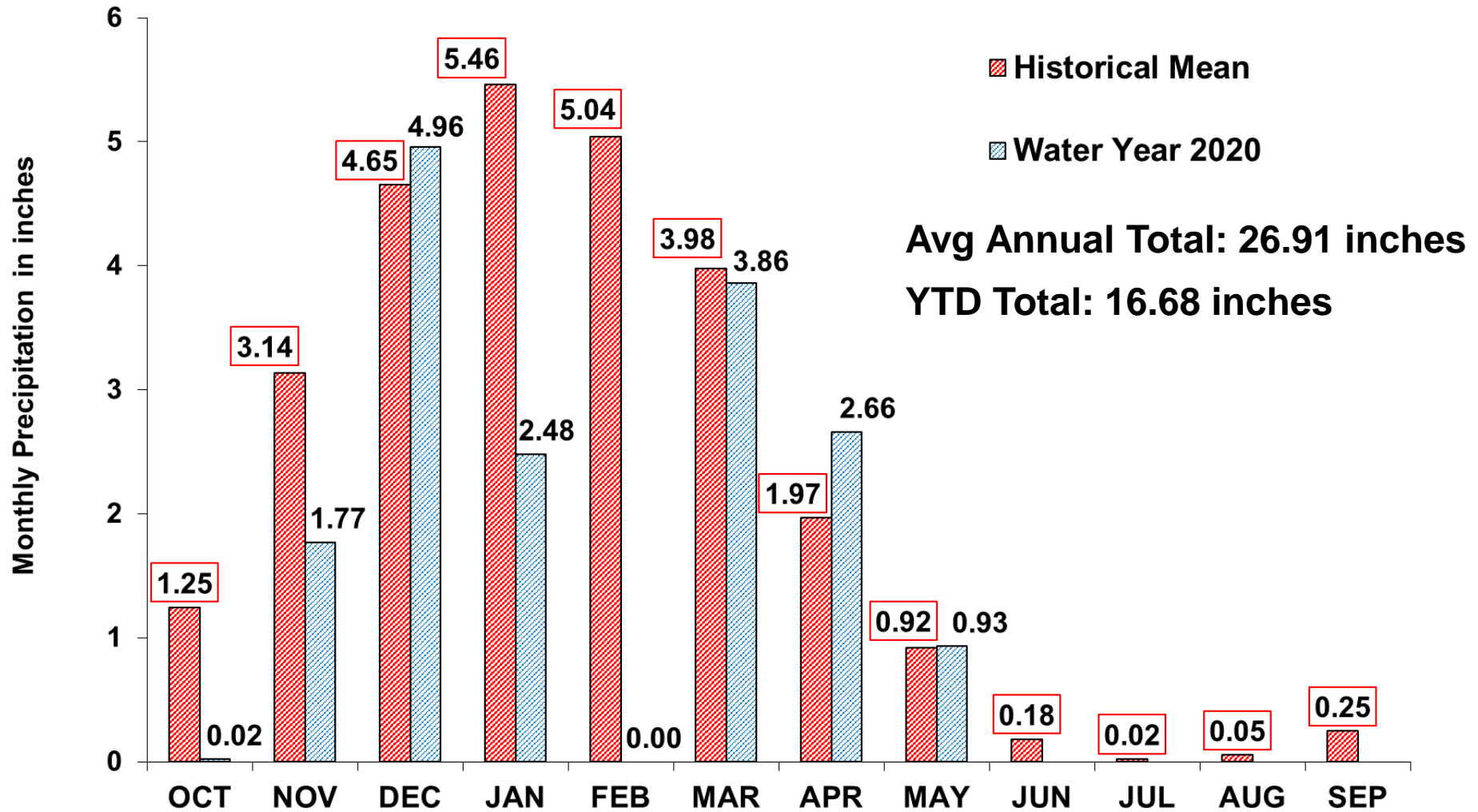




Upcountry 6-station Precipitation Index as of May 31, 2020



Bay Area 7-station Precipitation Index as of May 31, 2020





National Precipitation Forecast

Precipitation (in)
during the period:

Mon, 01 JUN 2020 at 00Z

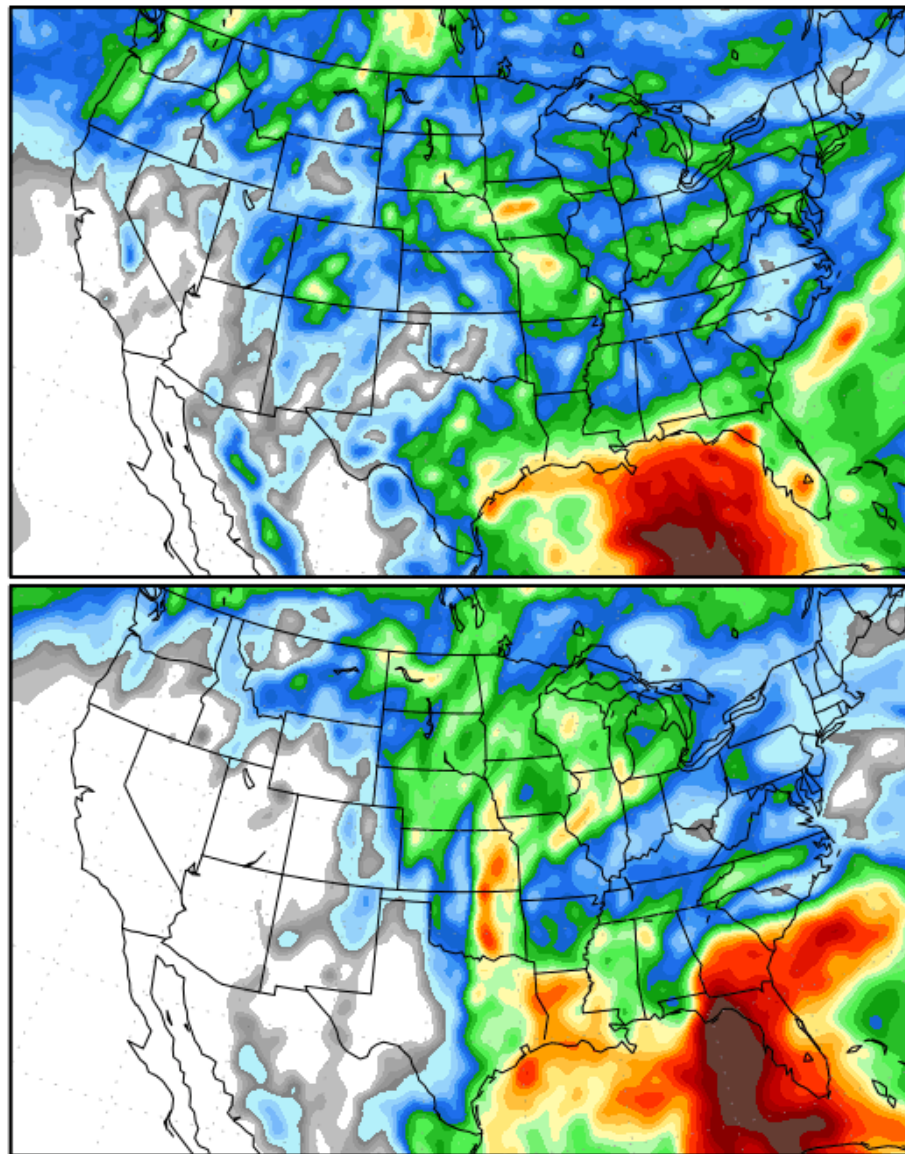
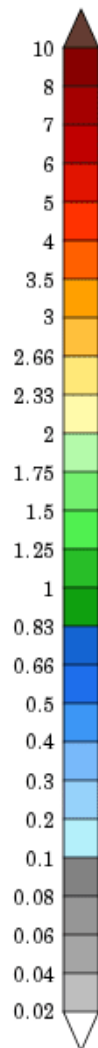
-to-

Tue, 09 JUN 2020 at 00Z

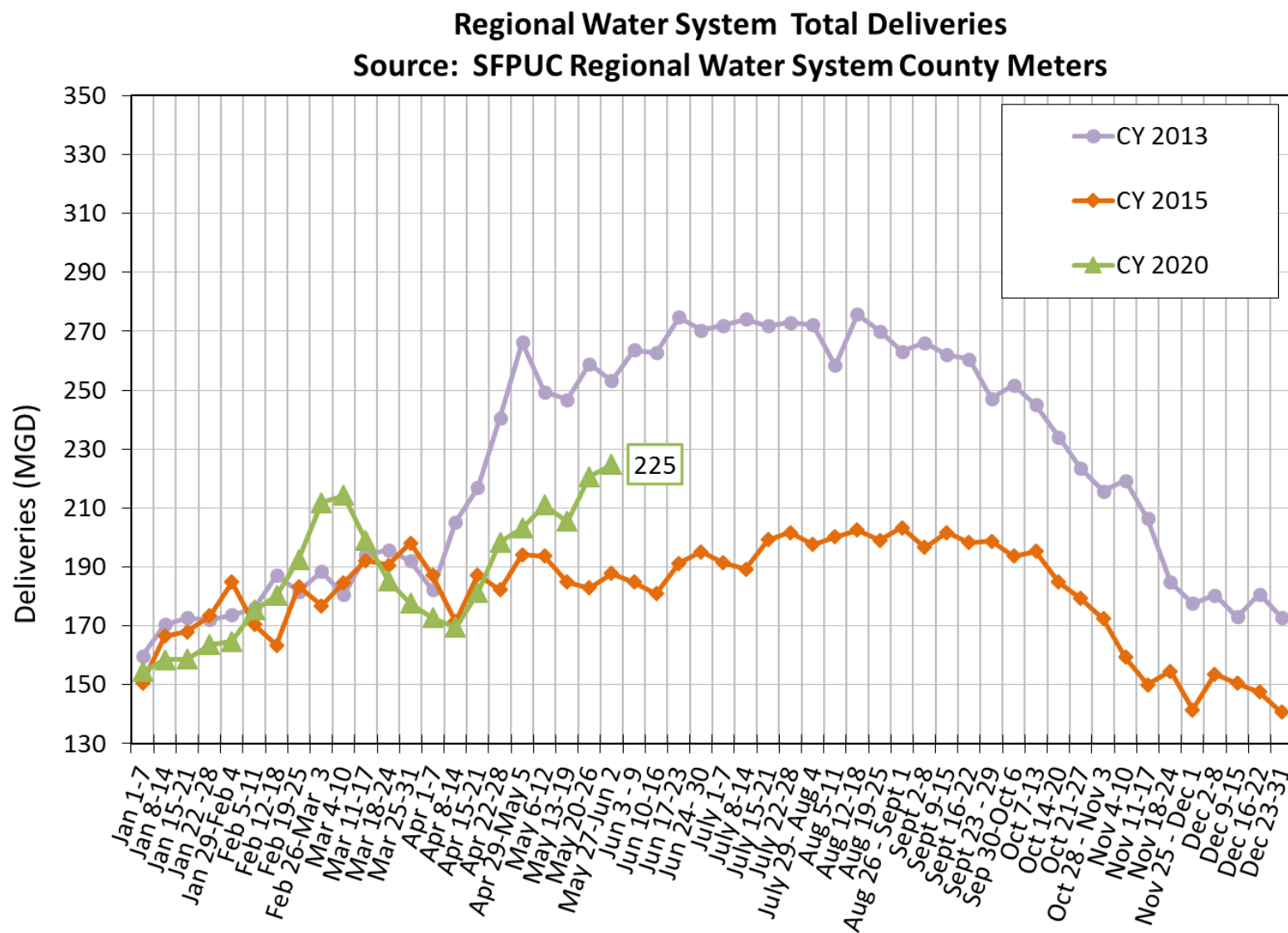
Tue, 09 JUN 2020 at 00Z

-to-

Wed, 17 JUN 2020 at 00Z



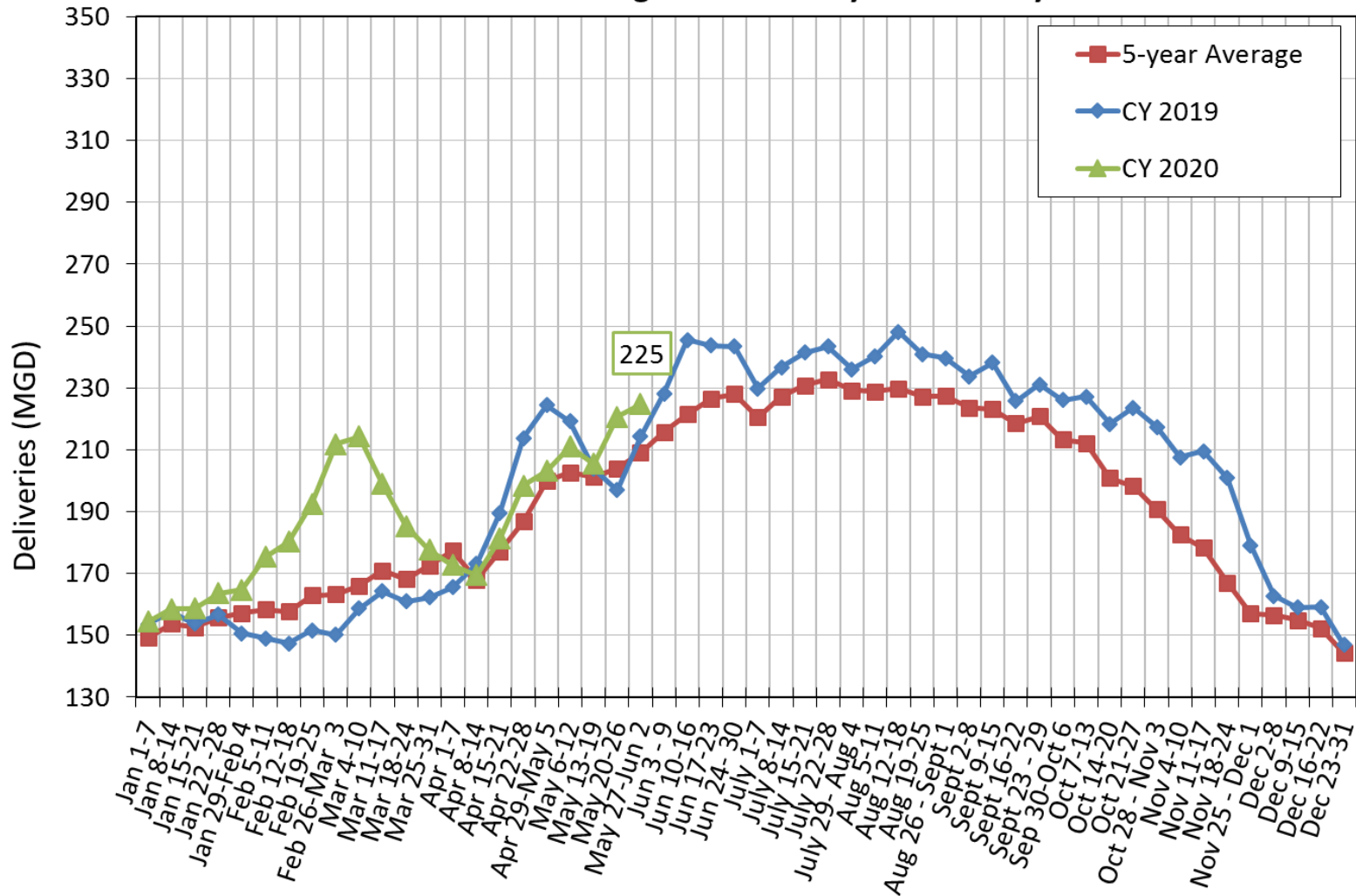
Total Deliveries





Total Deliveries

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



Bay Delta Plan Update

- Governor Newsom continues to provide critical leadership
- CA Secretaries of Natural Resources and CA EPA remain engaged
- BAWSCA continues coordination with SFPUC and others
- 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 settlement agreements to resolve this critical issue
- BAWSCA remains focused on a voluntary agreement as best solution to resolve this critical issue
- June 2nd letter to Governor Newsom asks for his further leadership
 - Initiate environmental review of Tuolumne River Voluntary Agreement by the State Water Board

SFPUC Budget & 10 Year CIP

- Mayor London Breed has directed all City Departments to review budgets based on reduced revenues
 - Interim budget for July, Aug., Sept.
 - FY 20-21 (9 months)
 - FY 21-22
- SFPUC's Interim Budget is a continuation of FY 19-20 with no new programs
 - Overall, not anticipating issues to Regional Water System
 - FY 20-21 capital budget based on spending down prior appropriation
- FY 20-21 Budget to be considered by Commission on July 14 and Final Mayor approval by Oct. 1
 - BAWSCA closely reviewing any proposed changes with SFPUC
 - Impacts hopefully limited to SF Retail CIP

Process & Schedule for CEO Evaluation

- CEO evaluation being initiated this month
- Last year's review indicated need for a review of the evaluation process and the CEO's contract
- Formation of Ad Hoc Committee by Board Chair to assist in this process
- Goal is to have evaluation materials to Board in late July/early August
- Closed session discussion regarding results of evaluation at September meeting



S. Ritchie, 2019

Closed Session



Jensen, 2011