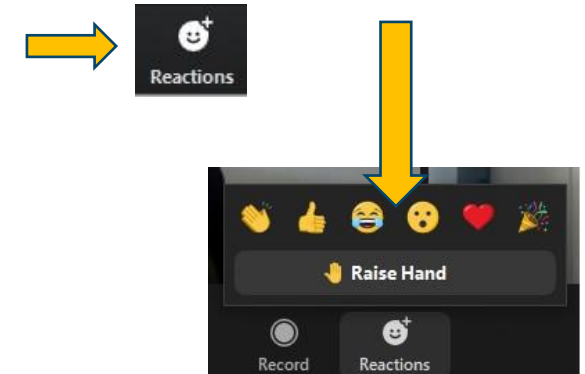


# Meeting Instructions While We Gather

- 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** feature will be used for Board questions
- **\*NEW\*** To get the **Raise Hand** button, Click on **Reactions** button at the bottom of your screen and Select **Raise Hand**
- The **Chat** function has been disabled for this meeting
- If you have technical difficulties, please text Lourdes at 650-799-3854

Bottom left corner  
of your screen





BAWSCA Service Area

“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

July 15, 2021

**Every drop counts. Use Water Wisely.**

# Call to Order and Roll Call

**Every drop counts. Use water wisely.**



Make the change to  
California native plants  
and use less water.



[SaveOurWater.com](http://SaveOurWater.com)



# Comments by the Chair



**REDUCE OUTDOOR  
WATER USE**

It's a DROUGHT.

**BAWSCA**  
Bay Area Water Supply & Conservation Agency

 Hetch Hetchy  
Regional Water System  
Services of the San Francisco Public Utilities Commission

[bawsca.org/DROUGHT](http://bawsca.org/DROUGHT)

# Board Policy Committee Report





# Public Comment on Items Not on the Agenda



**GIVE IT UP**

Lose your lawn. It's a DROUGHT.

**BAWSCA**  
Bay Area Water Supply & Conservation Agency

 Hetch Hetchy  
Regional Water System  
Services of the San Francisco Public Utilities Commission

[bawasca.org/DROUGHT](http://bawasca.org/DROUGHT)



# SFPUC Report

**Every drop counts. Use water wisely.**



1 lawn watering =  
71 loads

Make the change to California  
native plants and use less water.



SaveOurWater.com

# Water Supply Conditions Update

Steven R. Ritchie

Assistant General Manager, Water

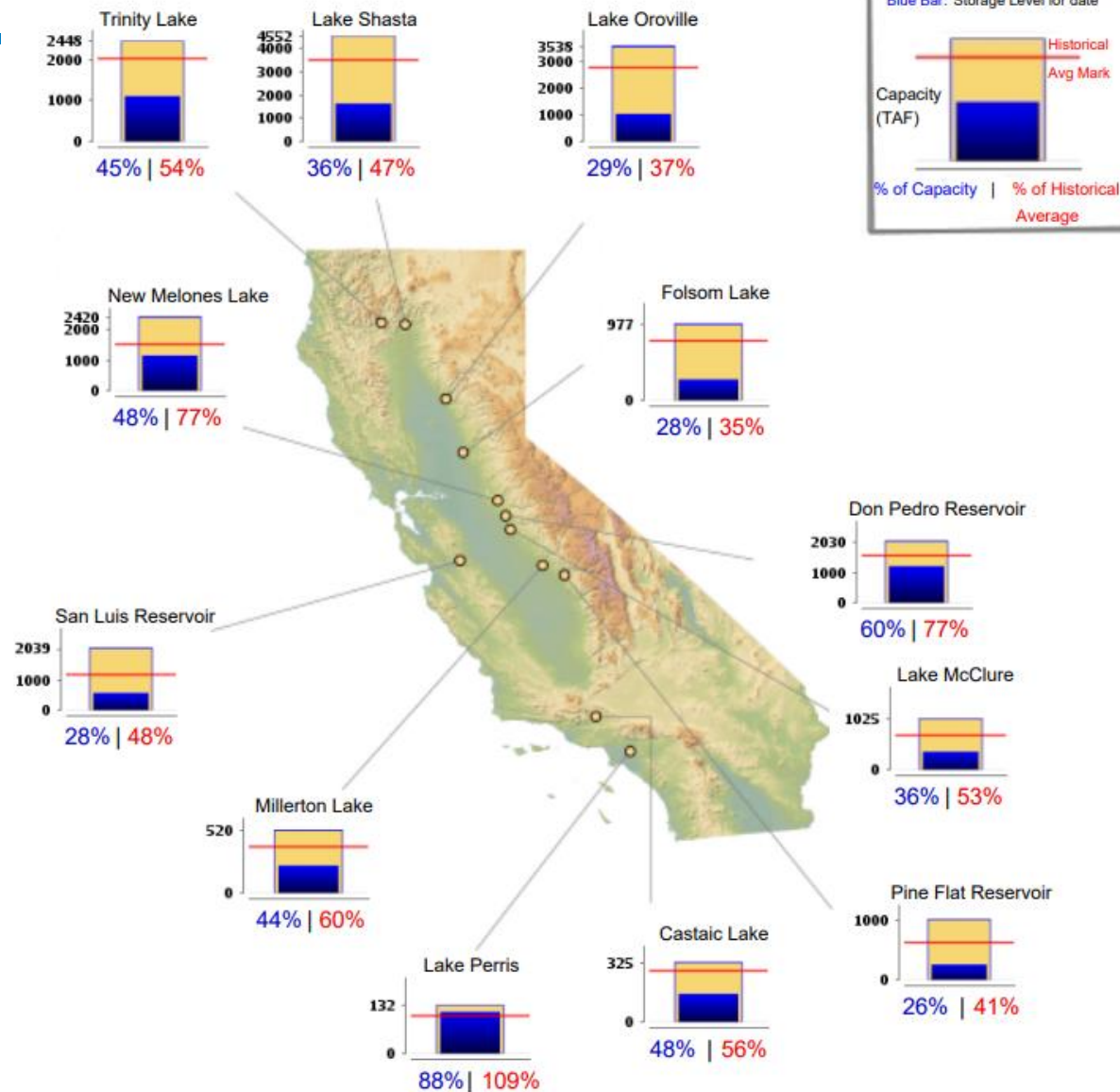
July 12, 2021



# July 12 2021 Reservoir Storage

Reservoir	Current Storage <sup>1,2,3</sup> (AF)	Maximum Storage <sup>4</sup> (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage <sup>5</sup>
<u>Tuolumne System</u>					
Hetch Hetchy	306,400	360,360	53,960	85.0%	<b>98.7%</b>
Cherry	240,900	273,345	32,445	88.1%	-
Eleanor	25,240	27,100	1,860	93.1%	-
Water Bank	315,935	570,000	254,065	55.4%	<b>96.7%</b>
<b>Total Tuolumne Storage</b>	<b>888,475</b>	<b>1,230,805</b>	<b>342,330</b>	<b>72.2%</b>	-
<u>Local System</u>					
Calaveras	56,486	96,670	40,184	58.4%	-
San Antonio	48,309	53,266	4,957	90.7%	-
Crystal Springs	48,615	58,309	9,694	83.4%	-
San Andreas	16,145	19,027	2,882	84.9%	-
Pilarcitos	1,819	3,030	1,211	60.0%	-
<b>Total Local Storage</b>	<b>171,374</b>	<b>230,302</b>	<b>58,928</b>	<b>74.4%</b>	-
<b>Total System Storage</b>	<b>1,059,849</b>	<b>1,461,107</b>	<b>401,258</b>	<b>72.5%</b>	<b>91.1%</b>
<b>Total without water bank</b>	<b>743,914</b>	<b>891,107</b>	<b>147,193</b>	<b>83.5%</b>	-

## Other California Reservoirs

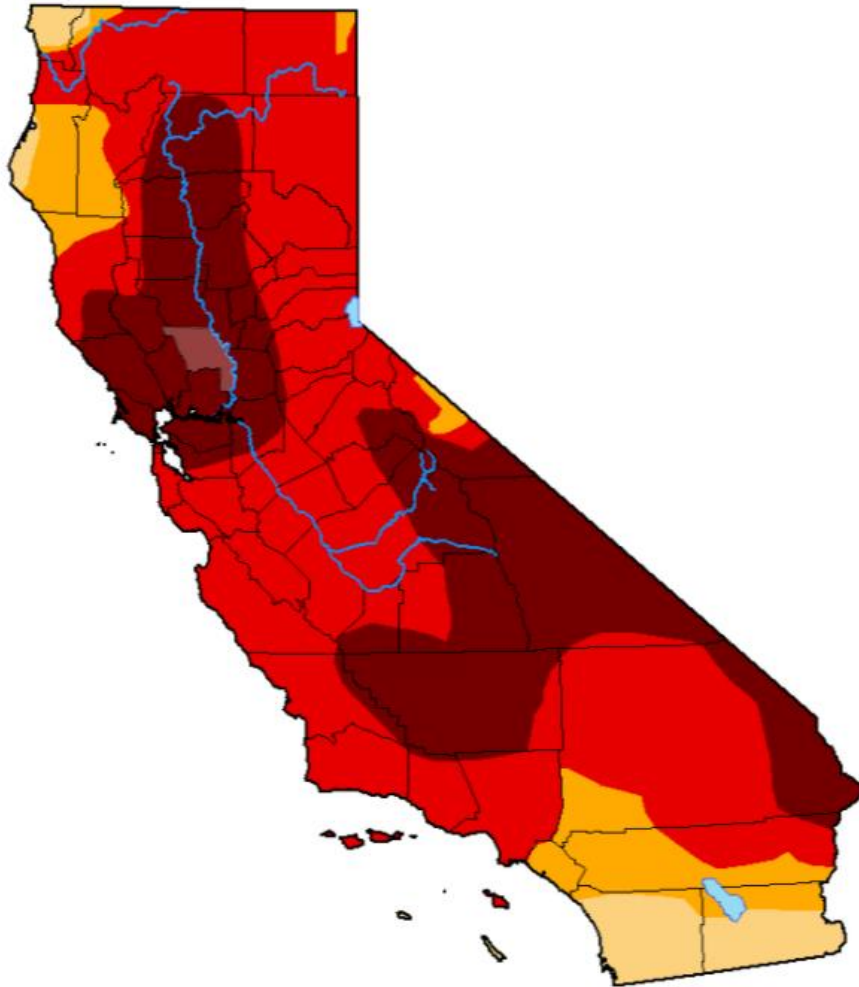




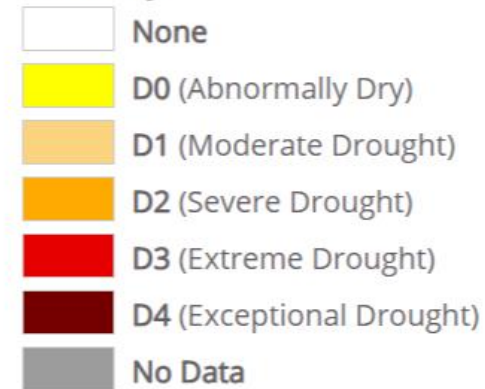
# California Drought Monitor

Map released: Thurs. July 8, 2021

Data valid: July 6, 2021 at 8 a.m. EDT



## Intensity



## Authors

United States and Puerto Rico Author(s):

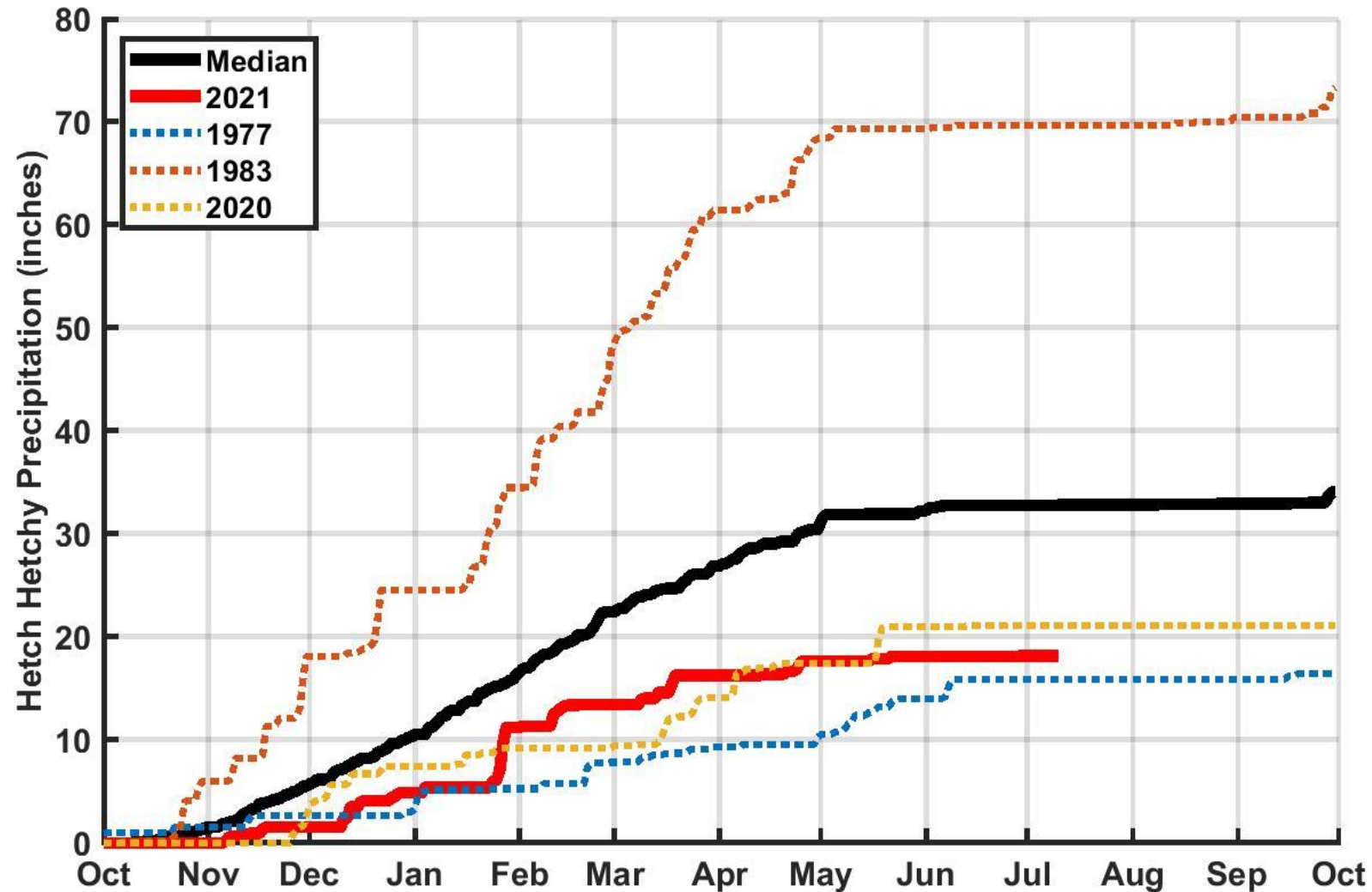
**Deborah Bathke**, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

**Curtis Riganti**, National Drought Mitigation Center

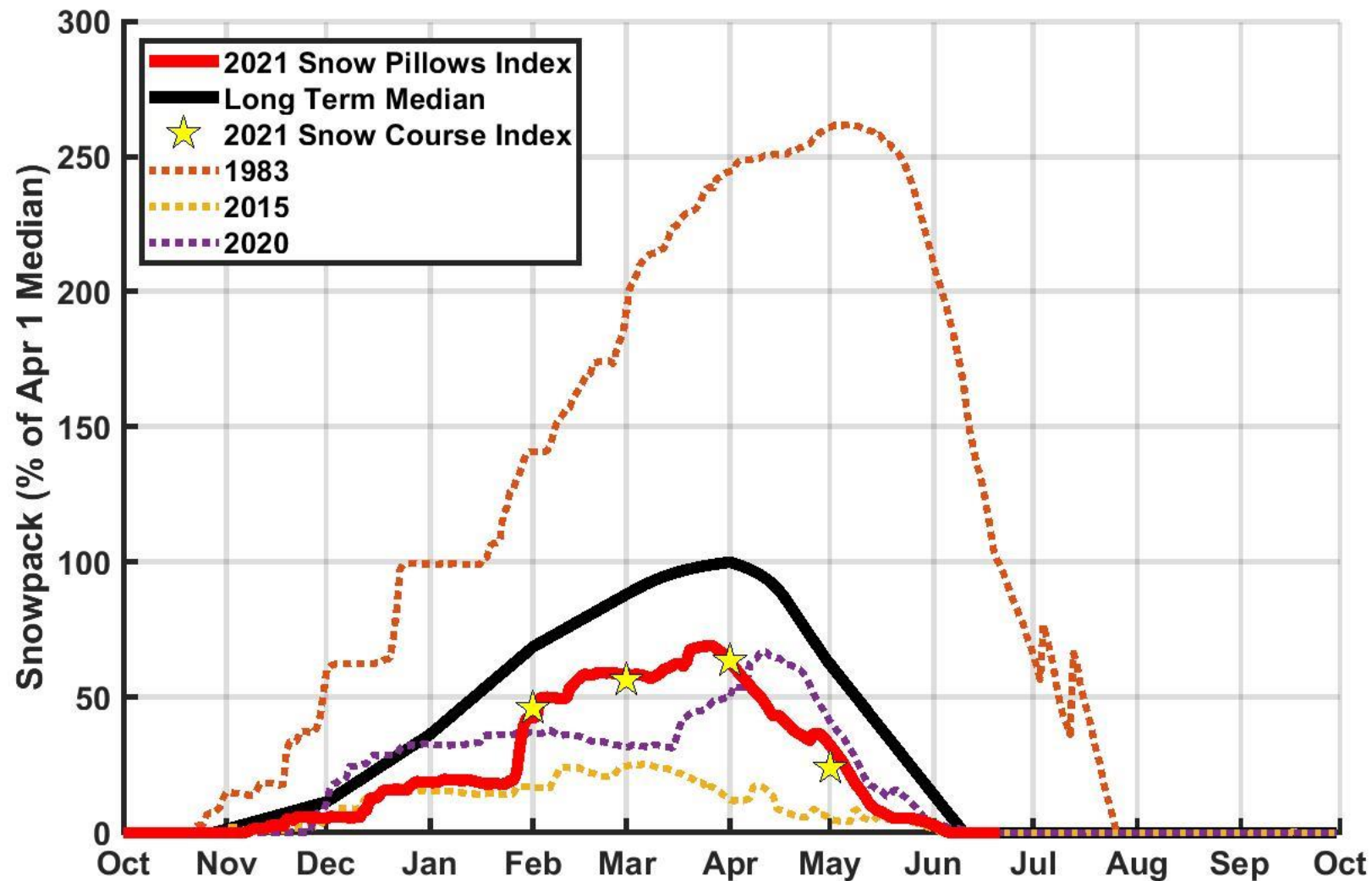
*The Drought Monitor focuses on broad-scale conditions.  
Local conditions may vary. See accompanying **text  
summary** for forecast statements.*

# Hetch Hetchy Precipitation

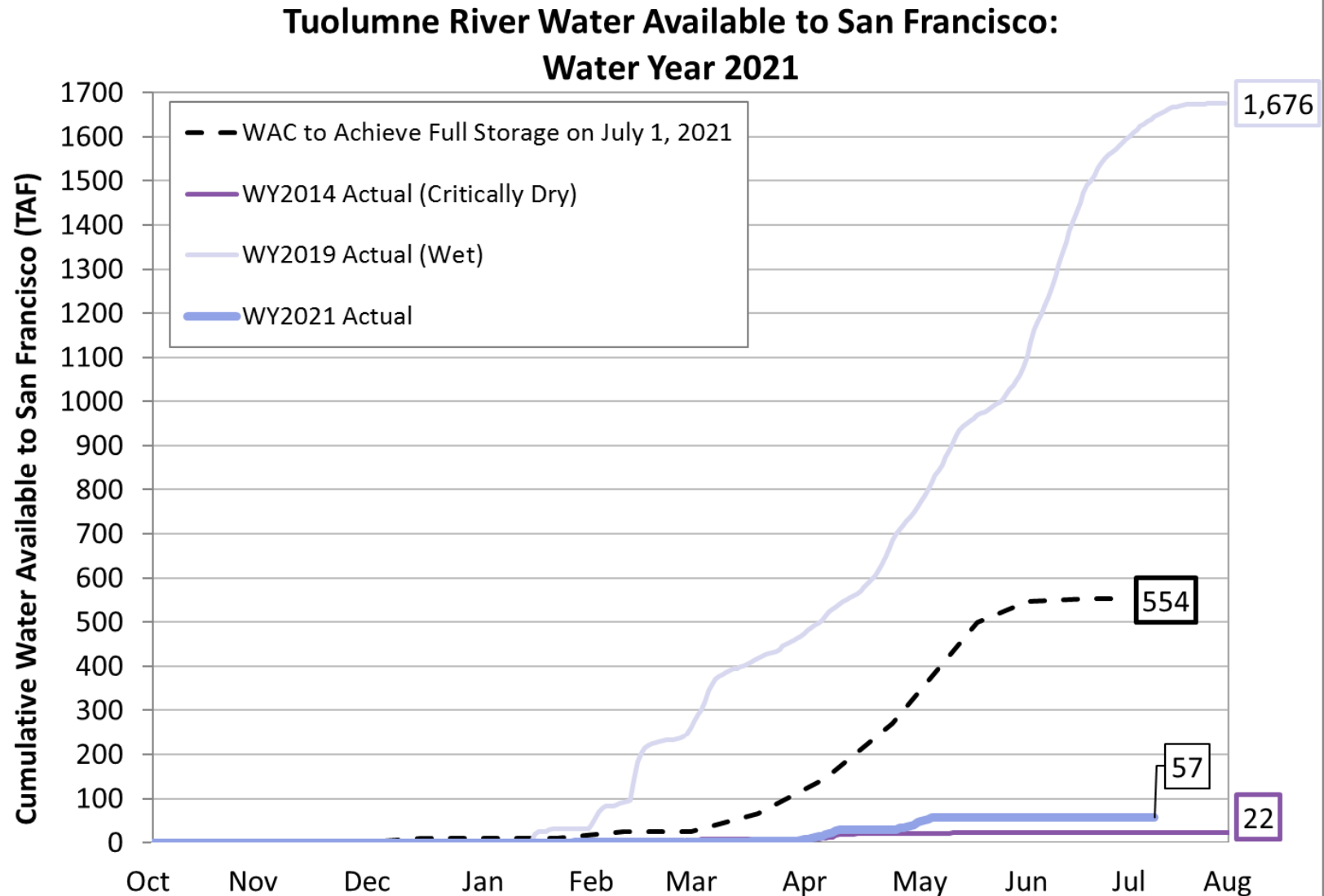




# Upcountry Snowpack

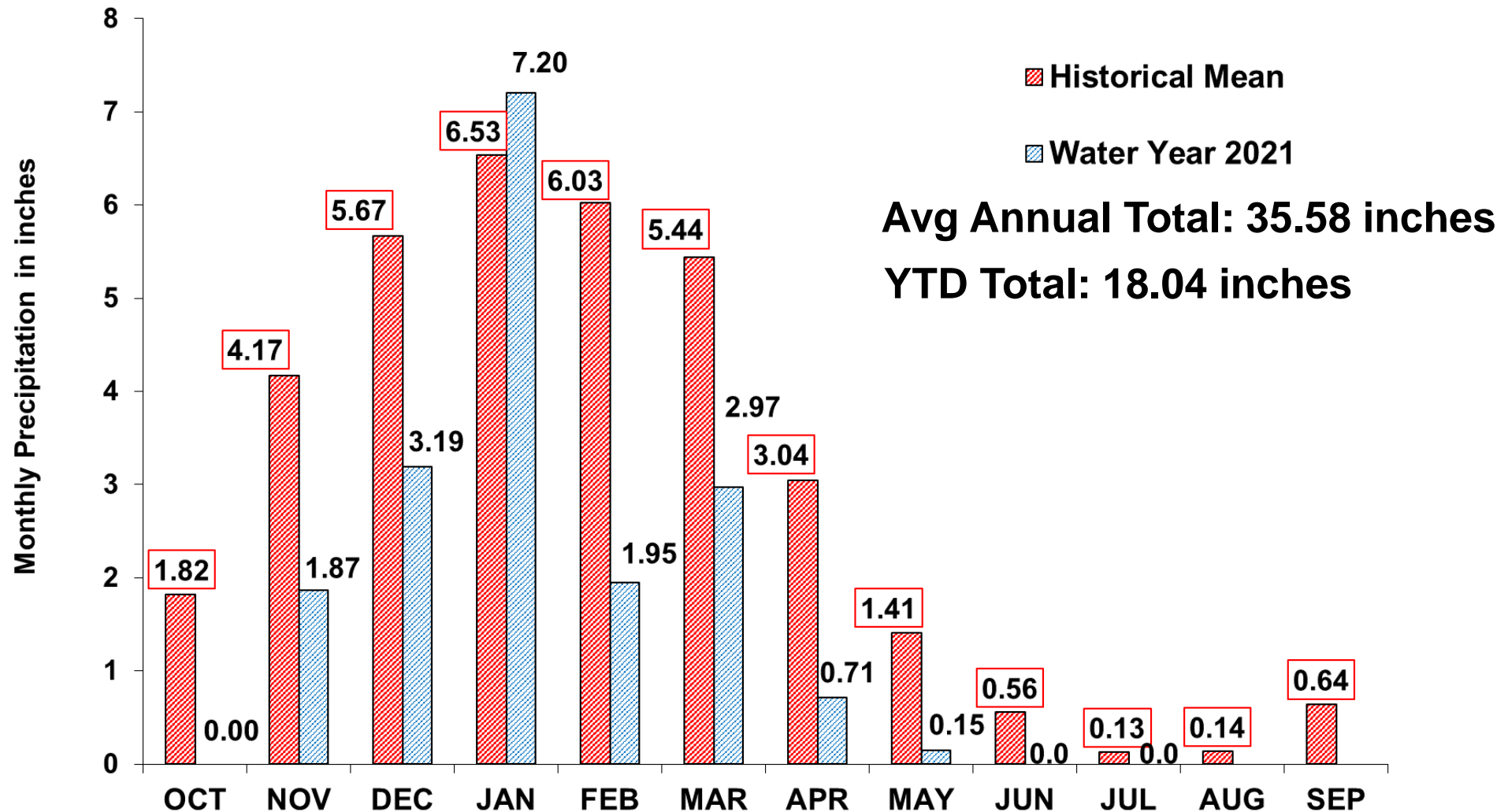


# Tuolumne River Water Available to the City

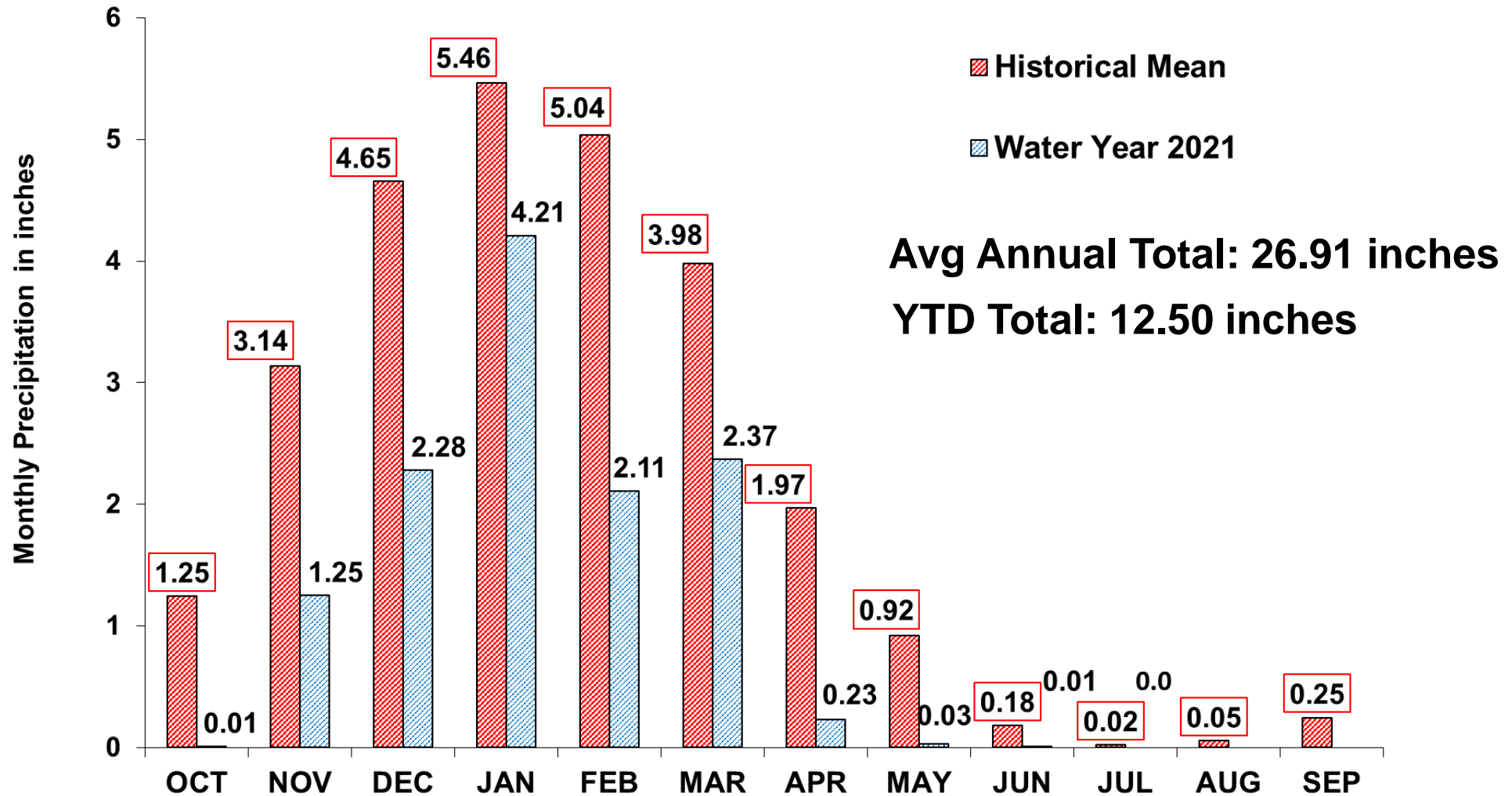




# Upcountry 6-station Precipitation Index as of July 11, 2021



# Bay Area 7-station Precipitation Index as of July 11, 2021





# National Precipitation Forecast

Precipitation (in)  
during the period:

Mon, 12 JUL 2021 at 00Z

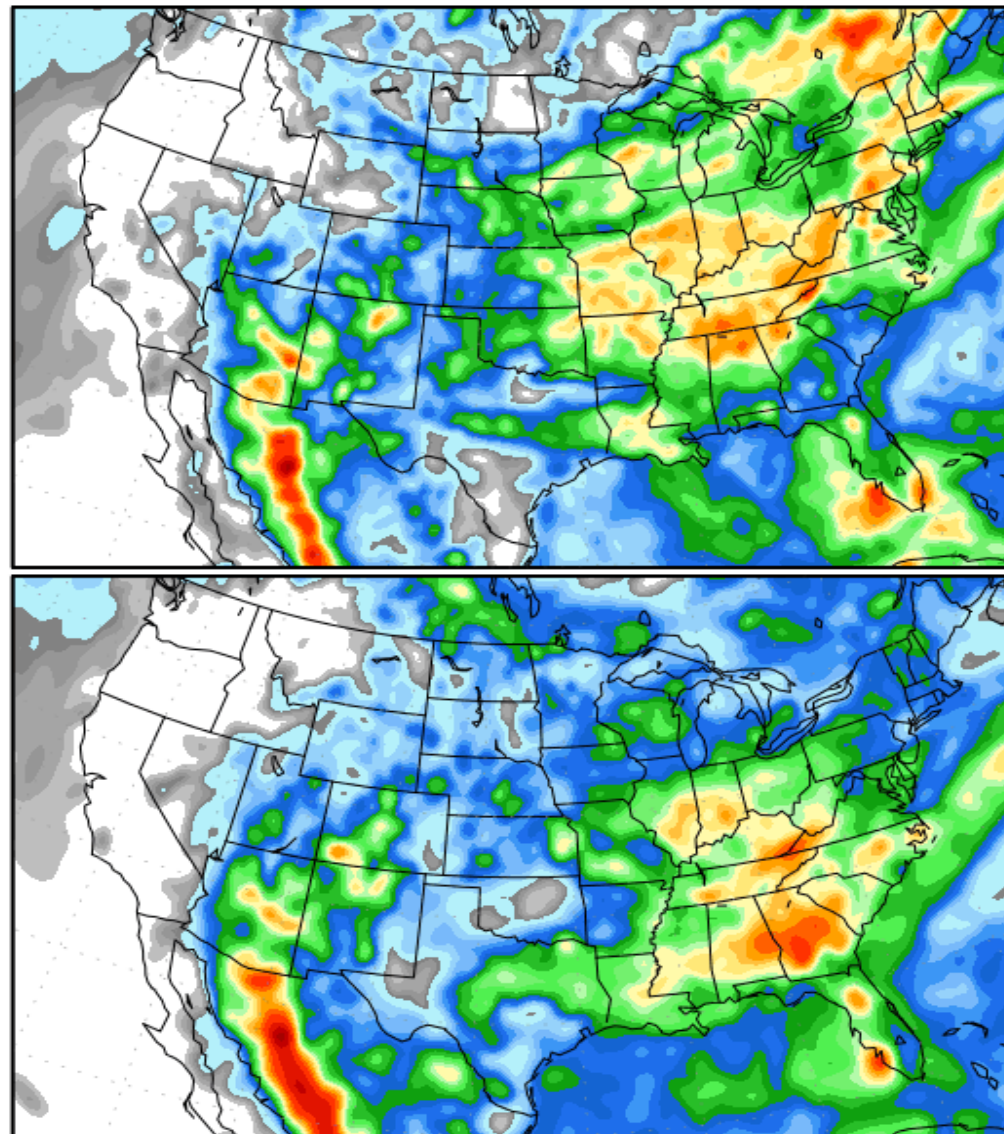
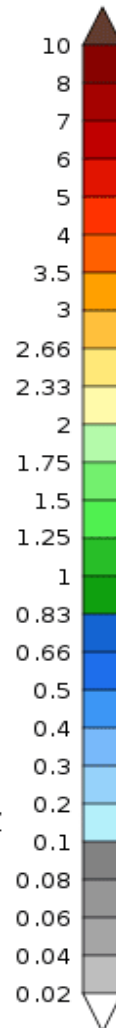
-to-

Tue, 20 JUL 2021 at 00Z

Tue, 20 JUL 2021 at 00Z

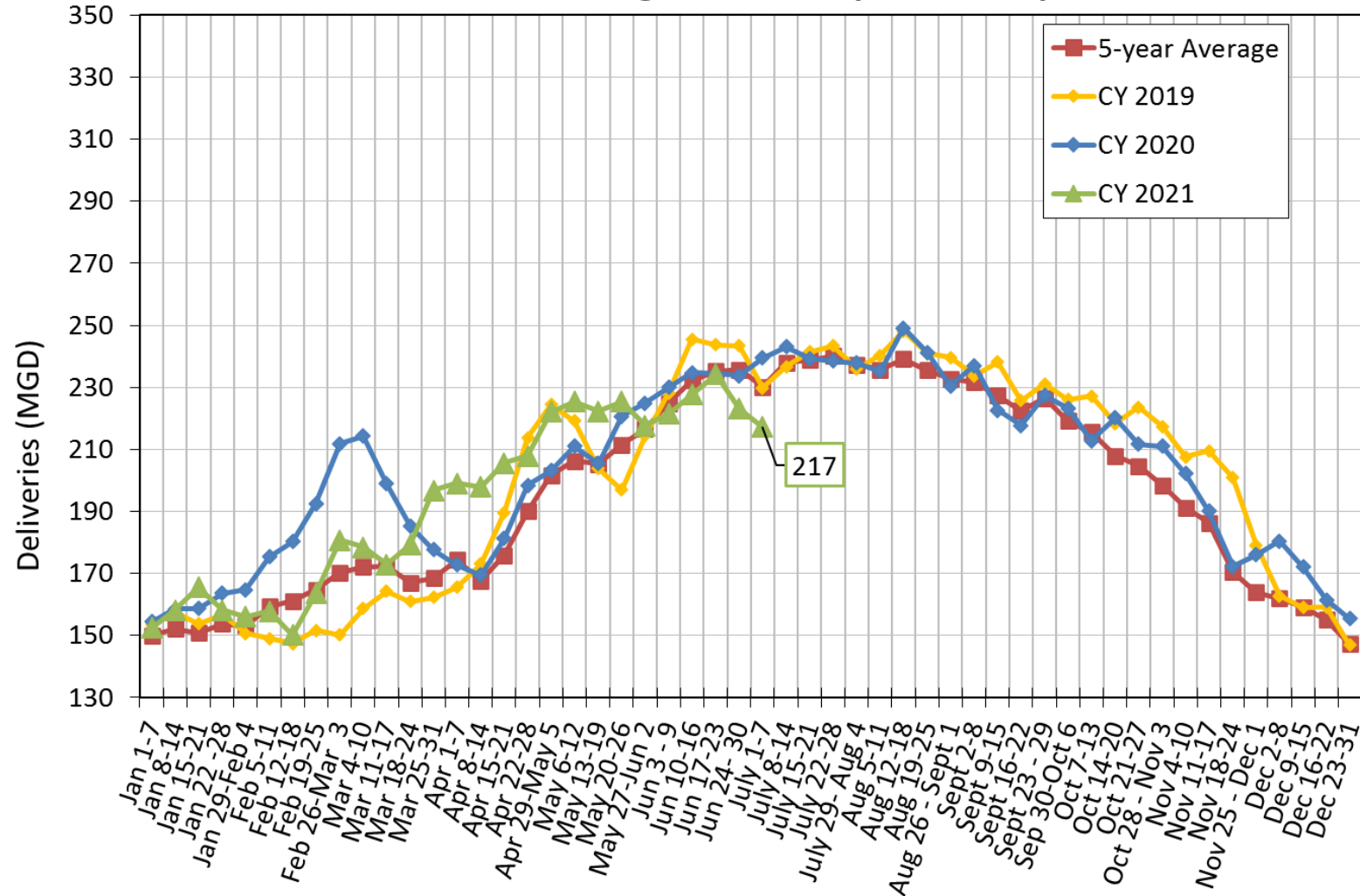
-to-

Wed, 28 JUL 2021 at 00Z



# Total Deliveries

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



# How Dry Has It Been?

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- Comparison between 2020 & 2021 and 1976 & 1977
- Two-year Hetch Hetchy precipitation totals:
  - 1976 & 1977: 39.14 inches
  - 2020 & 2021: 39.28 inches



# Storage Comparisons: 1977 to 2021

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- March 21, 1977
  - Hetch Hetchy: 24,500 AF (dead pool)
- March 21, 2021
  - Hetch Hetchy: 179,700 AF (Water First!)
- June 10, 1977
  - Hetch Hetchy: 128,900 AF
  - Total Hetchy System: 563,298 AF
- June 10, 2021
  - Hetch Hetchy: 321,302 AF
  - Total Hetchy System: 917,455 AF

# Actions/Lessons from 1977 to 2021

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- Planning:
  - Water First
  - Drought Scenario
- Investments:
  - Conservation
  - Alternative supplies
  - Infrastructure improvements

# Governor's May 10, 2021 Drought Executive Order

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- Covered Sacramento-San Joaquin Delta Watershed Counties, including Tuolumne County and Alameda County
- “...with urban water use approximately 16% below where it was at the start of the last drought, ...I encourage all Californians to undertake actions to further eliminate wasteful water practices and conserve water;”
- Gave direction that “the Water Board shall consider emergency regulations to curtail water diversions when water is not available at water right holders' priority of right or to protect releases of stored water.”



## State Water Board Notice of Water Unavailability in the Sacramento-San Joaquin Delta Watershed

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- June 15, 2021 issued notice of water unavailability for post-1914 water rights holders
- Warning of impending water unavailability this summer for pre-1914 water rights holders
- For post-1914 rights holders, requests to complete water unavailability certification forms:
  - Will you cease diversions?
  - Do you have alternate sources of water?
  - Will you seek an exception due to a human health and safety need?
- Potential emergency regulations regarding diversion curtailments being developed

# Governor's July 8, 2021 Drought Executive Order

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- Expanded emergency to include San Mateo and Santa Clara counties (not San Francisco)
- All Californians to voluntarily reduce water use by 15 percent from their 2020 levels
- The State Water Board to track and report monthly on the State's progress toward achieving a 15-percent reduction in statewide urban water use as compared to 2020

# Potential Issues/Actions

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- Confirming our voluntary reduction of 15 percent from 2020 demands Regional Water System-wide
- Waiving minimum purchase requirements
- Preparing to deal with curtailments
- Pursuing water transfers
- Completing the Westside Recycled Water Project
- Continuing our efforts on our groundwater projects
- Constructing the Alameda Creek Recapture Project



# Questions

# Consent Calendar



SHORT & STEAMY

Shorten your showers. It's a DROUGHT.

[bawsca.org/DROUGHT](http://bawsca.org/DROUGHT)

 Hetch Hetchy  
Regional Water System  
Services of the San Francisco Public Utilities Commission

**BAWSCA**  
Bay Area Water Supply & Conservation Agency

# Action Calendar

**Every drop counts. Use water wisely.**



Always run a full  
load of laundry  
and save 15-45  
gallons per load.



[SaveOurWater.com](http://SaveOurWater.com)



# Additional Actions Needed to Proceed 2013A Bonds Refunding

- BAWSCA is continuing to move forward with plans for refunding its 2013A bonds
- A tax-exempt refunding is still determined more appropriate than a taxable advance refunding based on the current market
  - Par amount: \$163.8 million
  - Call date: 4/1/2023
  - Preliminary estimated NPV savings: over \$20 million
  - Preliminary estimated cost of issuance: approx. \$1-\$1.2 million
- Four additional actions needed to continue proceeding with the refunding:
  - Establish a new Debt Management Policy
  - Authorize the appointment of Underwriters
  - Authorize a contract with Orrick for its bond counsel & disclosure counsel services
  - Authorize a contract with KNN for its municipal advisory services

# Action I: Establish A New Debt Management Policy

- Purpose: To Comply with Government Code section 8855(i), which became effective January 1, 2017

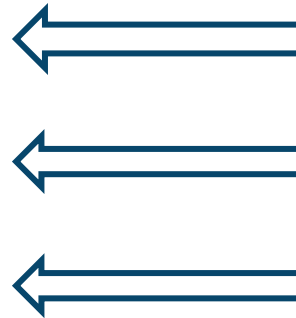
- Objectives:

- Guide and regulate BAWSCA's issuance of debt
- Protect credit rating and minimize borrowing costs;
- Incorporate best practices into debt administration

- Attachment I provides a redline version of the proposed Policy showing changes based on the BPC comments

- A draft Policy is included as Attachment I to the staff report –

- |       |  |
|-------|--|
| I.    | Types of Debt  |
| II.   | Debt Management Responsibility                                 |
| III.  | Uses and Limits on Indebtedness                                |
| IV.   | Method of Sale   |
| V.    | Financing Professionals  |
| VI.   | Structuring Debt Financing                                     |
| VII.  | Refunding Bonds  |
| VIII. | Debt Administration  |
| IX.   | Relationship of Debt to Capital Improvement Program and Budget |
| X.    | Internal Control Procedures                                    |



## Action 2: Authorize Appointment of Goldman Sachs as BAWSCA's Senior Managing Underwriter and JP Morgan as Co-Manager

- On April 21, 2021, a bond underwriter RFP was distributed to seven firms
- Six firms responded to the RFP & four firms were invited to oral interviews
- The interview panel recommends Goldman Sachs be selected as the senior managing bond underwriter and JP Morgan be selected as co-manager
  - Goldman Sachs is recommended as senior underwriter based on its underwriting and distribution capabilities, the thoughtfulness of its structuring and credit strategy, and familiarity with the BAWSCA's existing bonds due to prior involvement
  - JP Morgan is recommended to serve as a co-manager primarily based on the quality of the proposal, particularly regarding structure and credit, and also its experience in underwriting water revenue and other California bonds
- Underwriters' compensation will be paid directly from refunding bond proceeds
  - Anticipated to be no more than approx. 0.25% of the principal amount of the refunding bonds

# Action 3 and 4: Authorize Two Professional Services Contracts To Complete Execution of Refunding Transaction

Action 3: Authorize the CEO/GM to negotiate and execute a contract with Orrick to provide the contingent portion of bond counsel and disclosure counsel services

- Not-to-exceed amount: \$265,000\* for a tax-exempt forward refunding  
or \$295,000\* based on tax-exempt forward plus an advance refunding

Action 4: Authorize the CEO/GM to negotiate and execute a contract with KNN Public Finance to provide the contingent portion of the municipal advisory services

- Not to exceed amount: \$115,000\*

*\*Will be paid directly from the refunding bond proceeds, contingent upon the successful delivery of refunding bonds*



# Tentative Schedule of Next Steps

Board approval of a new debt policy, bond underwriter appointment and contingent contracts	July Board
Recommendation of Board authorization to issue bonds and approval of bond documents ( <u>tentative</u> )	August BPC
Board authorization to issue bonds and approval of bond documents ( <u>tentative</u> )	September Board
Bond pricing/sale ( <u>tentative, based on market conditions</u> )	Oct 2021- Jan 2022
Bond document closing	2 Weeks after Pricing
Bond settlement	January 2023

\* Assumes a tax-exempt forward delivery refunding

# Recommendation

That the Board approve the following additional actions needed to continue proceeding with BAWSCA's potential bond refunding:

1. Establish a new Debt Management Policy;
2. Authorize the CEO/General Manager to appoint Goldman Sachs as BAWSCA's Managing Underwriter and JP Morgan as Co-Manager;
3. Authorize the CEO/General Manager to negotiate and execute a contract with Orrick, subject to legal counsel's final review, to provide the contingent portion of the bond counsel services and disclosure counsel services, for a not-to-exceed amount of \$265,000 for a tax-exempt forward refunding or a not-to-exceed amount of \$295,000 based on tax-exempt forward plus an advance refunding; and
4. Authorize the CEO/General Manager to negotiate and execute a contract with KNN Public Finance, subject to legal counsel's final review, to provide the contingent portion of the municipal advisory services, for a not-to-exceed amount of \$115,000.

# CEO Reports



GARDENS  
**GONE WILD**

Use native, water-efficient plants. It's a DROUGHT.

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Bay Area Water Supply & Conservation Agency

 Hetch Hetchy  
Regional Water System  
Services of the San Francisco Public Utilities Commission

[bawsca.org/DROUGHT](http://bawsca.org/DROUGHT)

# Results of FY 2017-18 Wholesale Revenue Requirement (WRR) Review

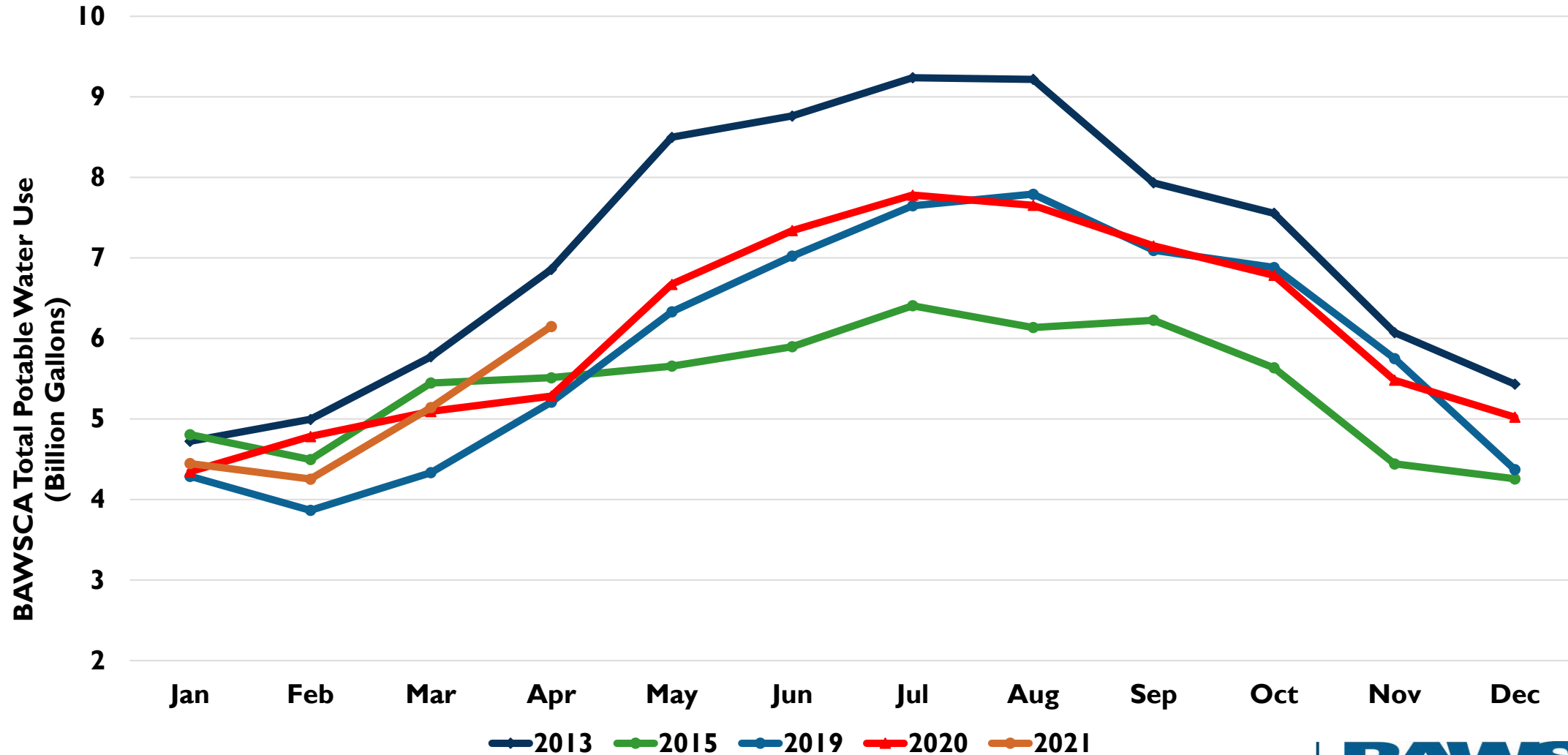
- Pursuant to Section 7.06A of the 2009 WSA, BAWSCA conducted a review of SFPUC's calculation of FY17-18 WRR
- On June 9, 2021, the parties reached an agreement pertaining to BAWSCA's cost allocation concerns
- BAWSCA's FY17-18 WRR review resulted in a total credit of \$2,323,997 to the Wholesale Customers



# Summary of Adjustments Resulting From FY 2017-18 WRR Review

Type of Adjustment	Due from (to) Wholesale Customers	
Cost Allocation	(\$1,835,771)	
Accounting	(\$296,428)	
Interpretation of WSA	(\$132,719)	
Interest	(\$59,079)	
<b>Total adjustments</b>	<b>(\$2,323,997)</b>	

# BAWSCA April 2021 Total Potable Water Use 10% Less Than April 2013



# BAWSCA Will Submit a Comment Letter to MTC/ABAG on its Plan Bay Area 2050 Draft EIR

- MTC/ABAG released the Draft EIR for Plan Bay Area 2050 on June 4, 2021
- Comments are due by July 20, 2021
- BAWSCA is preparing a detailed comment letter
- BAWSCA comment letter is undergoing final review and will be provided to ABAG prior to the comment deadline
  - A copy of the BAWSCA comment letter will be shared with the BAWSCA Board and VMRs
- BAWSCA is asking that the MTC/ABAG address document insufficiencies and recirculate a corrected draft EIR



# The BAWSCA Comment Letter Identifies that the MTC/ABAG Draft EIR is Insufficient

- The impacts of the Bay-Delta Plan are absent
  - Ignores the Bay-Delta Plan's associated water supply shortfalls
  - Neglects to include the Bay-Delta Plan in the "Regulatory Setting" discussions
  - Neglects to detail the measures agencies would need to take to address supply shortfalls (e.g., severe rationing, development moratoria, etc.)
- The impacts of the FERC licensing and water quality certification process for New Don Pedro Reservoir are absent
  - Neglects to include FERC licensing and certification in the "Regulatory Setting" discussion
  - Neglects to consider the water supply impact of the water quality certification requirements proposed by the State Board
- The ability of agencies to readily develop new water supply projects is overestimated
  - Ignores the fact that projects are complex in nature and time consuming to implement
- The document includes outdated information
  - Analysis is based on Member Agency 2015 UWMPs vs. 2020 UWMPs



# BAWSCA Has Strongly Encouraged Member Agencies to Also Submit Comments

- BAWSCA has provided a sample comment letter to member agencies for their consideration and use to submit their own comments
- The sample letter notes the following significant comments
  - DEIR fails to account for the impacts of the Bay-Delta Plan on water supply reliability
  - DEIR fails to account for the FERC relicensing of Don Pedro Reservoir (and its associated 401 Water Quality Certification) on water supply reliability
  - DEIR fails to evaluate how the agency would respond to water supply shortages during drought
  - ABAG/MTC should reconsider mitigation measures that assume new or expanded water supplies could quickly come on-line
  - ABAG/MTC should consider information as detailed in agency 2020 UWMPs
- Sample letter has areas for member agencies to provide agency specific details as found in recently prepared UWMPs
- BAWSCA available to assist member agencies as necessary

# BAWSCA Remains Focused on Having State Board Evaluate the TRVA as an Alternative to Adopted Bay-Delta Plan

- 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
- Progress on voluntary agreements has been slow as State focus turned quickly to address developing drought situation
- BAWSCA strongly supports the Governor's call for 15% voluntary water use reductions
- BAWSCA also continues to pursue having the State Board perform an evaluation of the TRVA as an alternative to the Bay-Delta Plan

# Process and Schedule for CEO Evaluation

- CEO FY 2020-21 evaluation being initiated this month
- Evaluation materials will be e-mailed to Board next week
  - CEO's "Summary of Annual Activities" report
  - Link to CEO evaluation form
- CEO evaluation will utilize a web-based survey form this year to simplify overall process for board and chair
- September Board meeting closed session discussion
  - Results of FY 2020-21 evaluation at September meeting
  - Consideration of any changes to CEO evaluation for FY 2021-22

# Timely to Discuss Possible Modifications for FY 2021-22 CEO Evaluation

- The next two months offer opportunity for BPC and Board to consider possible modifications to CEO evaluation for FY 2021-22
  - Language changes to provide greater clarity given new format flexibility
  - Change to objectives
  - Change to evaluation options
  - Other “special” items or benchmarks (e.g., training requirement for CEO)
- Finalize FY 2021-22 CEO evaluation format following September Board meeting

# Closed Session

**Every drop counts. Use water wisely.**



Turn off the water when  
brushing your teeth  
and save 10 gallons  
per person per day.



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# Directors' Discussion

QUICK & EASY

Replace leaky toilet parts. It's a DROUGHT.

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Bay Area Water Supply & Conservation Agency

 Hetch Hetchy  
Regional Water System  
Services of the San Francisco Public Utilities Commission

[bawasca.org/DROUGHT](http://bawasca.org/DROUGHT)

    
#DROUGHTSF

# Next Meeting and Adjournment

## Next Board Meeting

- September 16, 2021
- Time: 6:30 pm
- Location: “Virtual” Zoom Meeting

