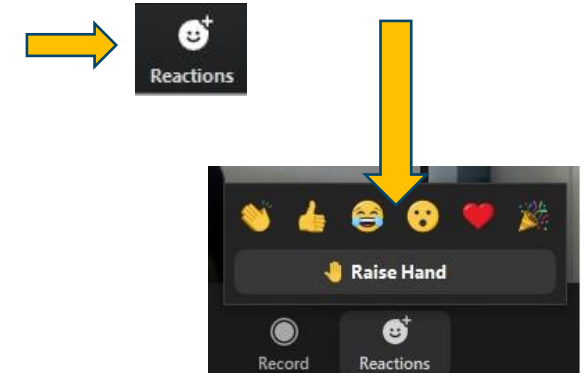


Meeting Instructions While We Gather

- 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
- 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



An aerial photograph showing the BAWSCA Service Area. The map highlights the San Francisco Peninsula, including San Francisco, Marin County, and parts of Contra Costa and Alameda counties. The area is characterized by green hills, urban development, and the San Francisco Bay. The text "BAWSCA Service Area" is overlaid in the top left corner.

BAWSCA Service Area

Every drop counts. Use Water Wisely.

“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)]

BAWSCA Board of Directors Meeting

November 18, 2021

Call to Order and Roll Call

Every drop counts. Use water wisely.



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



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Special Order of Business: Declaring that Board Meetings Will Continue to be Held via Teleconference



Consideration of Declaration that Board Meetings Will Continue to be Held via Teleconference

- AB 361 emergency teleconference rules now part of the Brown Act
- Modified procedures are available whenever 1) the Governor has declared a state of emergency, and either
 - ✓ 2) State or local officials have recommended social distancing, or
 - 3) The agency's legislative body finds that in person attendance would "present imminent risks to the health and safety of attendees"
- BAWSCA will rely on existing social distancing recommendations
 - State DIR regulations require employers to train employees on physical distancing
 - SMC Health Order incorporates CDPH and CDC distancing recommendations
- Going forward - BAWSCA must reconsider need for teleconference every 30 days
 - Will require resolutions at each Board meeting
 - Can be adopted via consent calendar

Recommendation

That the Board adopt Resolution No. 2021-05, declaring that it will continue to meet via teleconference, in accordance with AB 361 and the provisions of Government Code Section 54953 (e).

Comments by the Chair



**REDUCE OUTDOOR
WATER USE**

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

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Board Policy Committee Report



Every drop counts. Use water wisely.

1 lawn watering =
16 loads

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



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Public Comment on Items Not on the Agenda



GIVE IT UP

Lose your lawn. It's a DROUGHT.

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SFPUC Report

Every drop counts. Use water wisely.



1 lawn watering =
71 loads

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

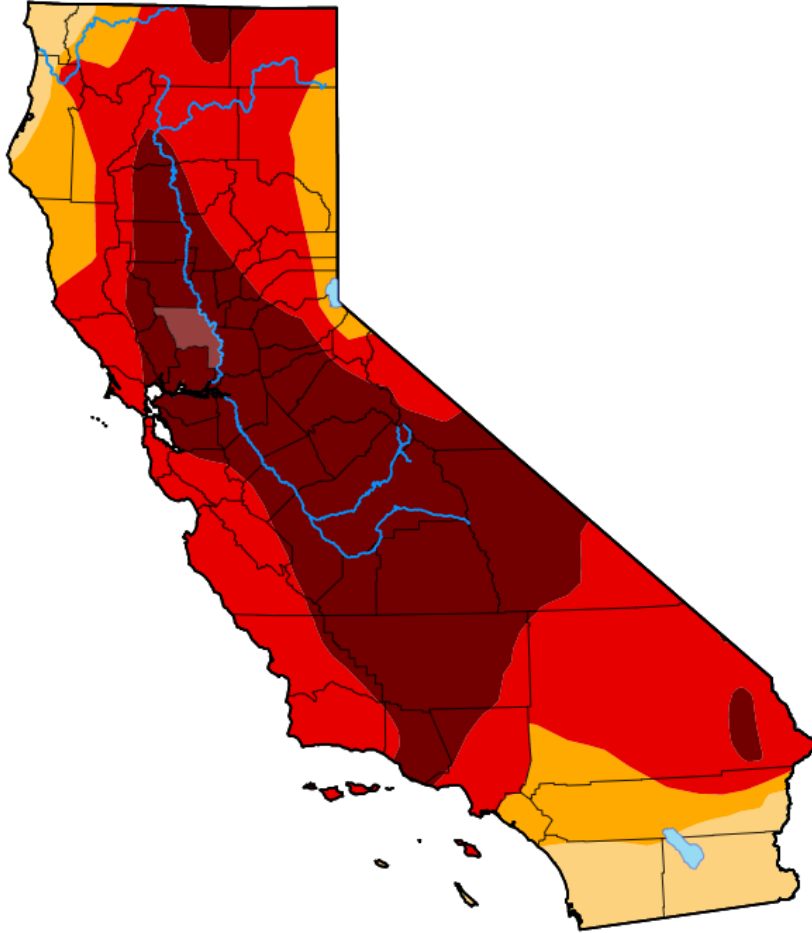


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Water Supply Update and Proposed Declaration of Water Shortage Emergency

Steven R. Ritchie
Assistant General Manager, Water
November 18, 2021

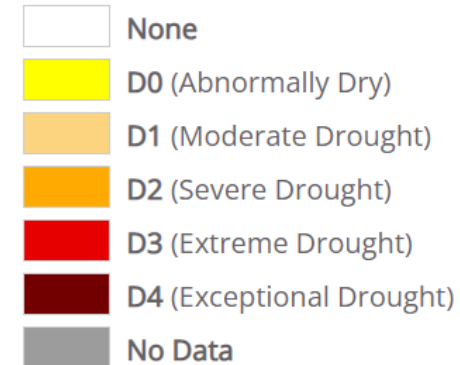
California Is In a Drought



**Map released: Thurs. November 11,
2021**

Data valid: November 9, 2021 at 7 a.m. EST

Intensity



Authors

United States and Puerto Rico Author(s):

Curtis Riganti, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

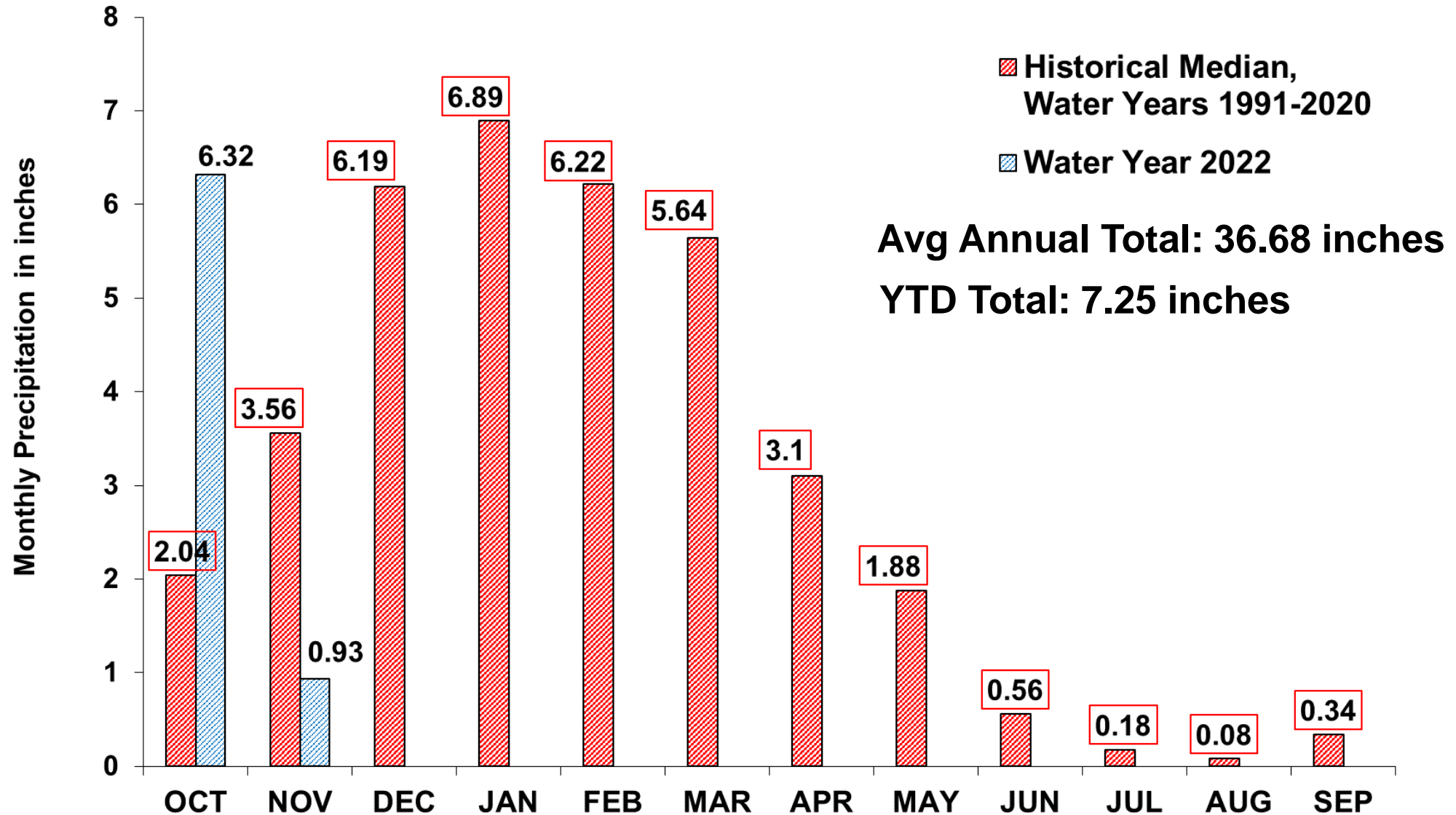
Richard Tinker, NOAA/NWS/NCEP/CPC

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

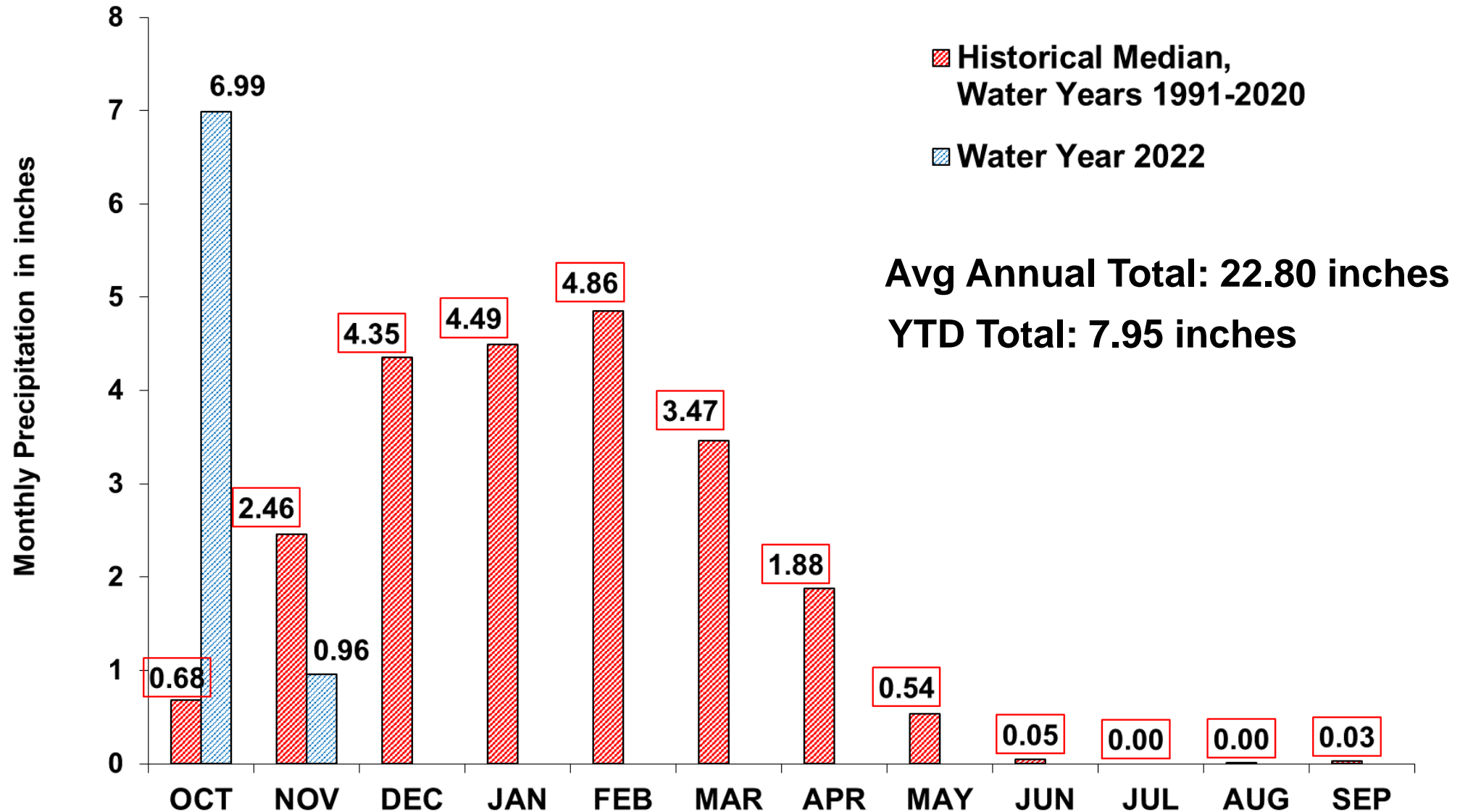
November 12, 2021 Reservoir Storage

Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ⁴ (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	264,400	340,830	76,430	77.6%	76.9%
Cherry	244,700	268,800	24,100	91.0%	-
Eleanor	20,900	21,495	595	97.2%	-
Water Bank	344,563	570,000	225,437	60.4%	98.3%
Total Tuolumne Storage	874,563	1,201,125	326,562	72.8%	-
<u>Local System</u>					
Calaveras	55,141	96,670	41,529	57.0%	-
San Antonio	44,335	53,266	8,931	83.2%	-
Crystal Springs	55,528	58,309	2,781	95.2%	-
San Andreas	16,738	19,027	2,289	88.0%	-
Pilarcitos	2,144	3,030	886	70.8%	-
Total Local Storage	173,886	230,302	56,416	75.5%	-
Total System Storage	1,048,449	1,431,427	382,978	73.2%	80.8%
Total without water bank	703,886	861,427	157,541	81.7%	-

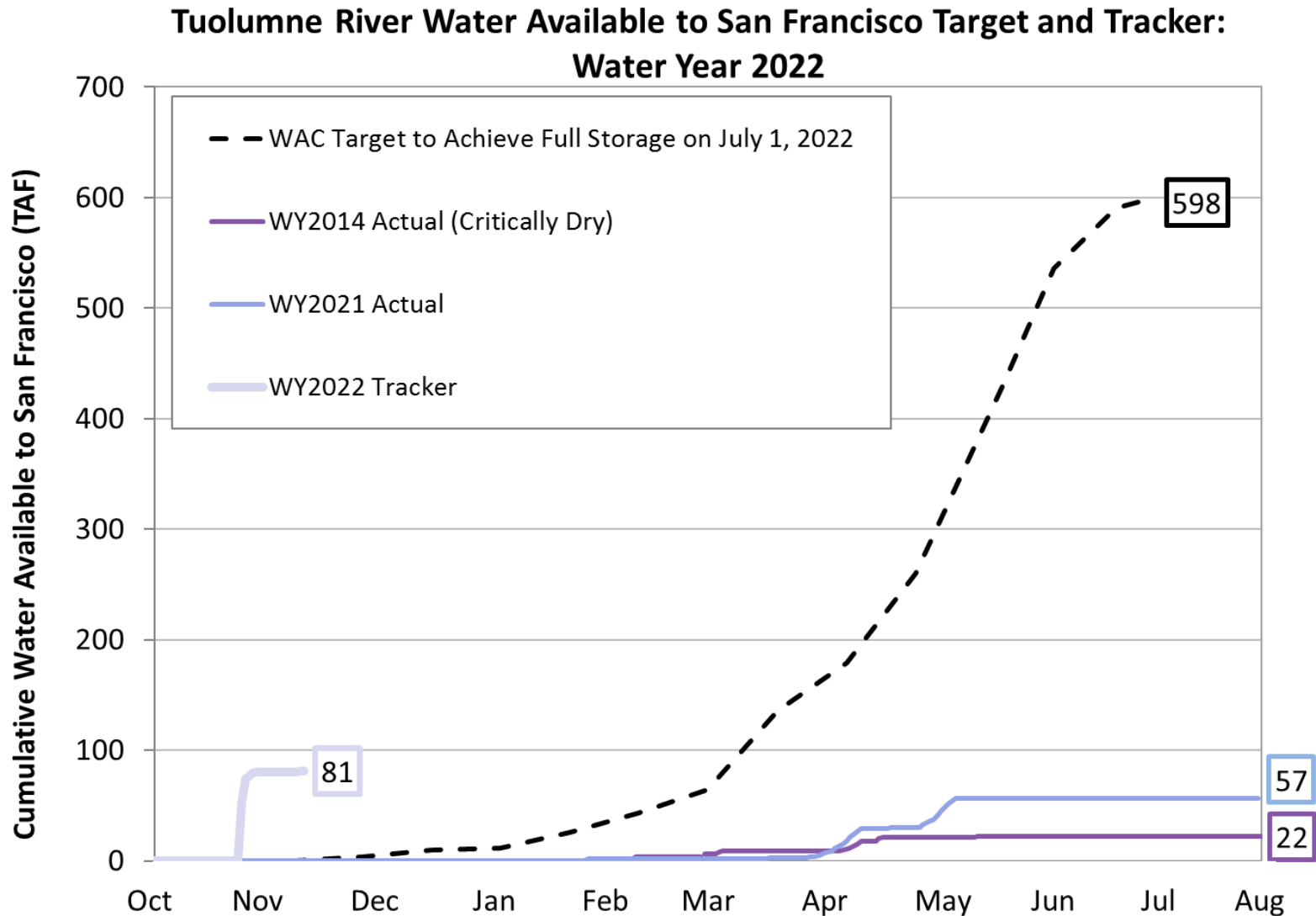
Upcountry 6-station Precipitation Index as of November 11, 2021



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

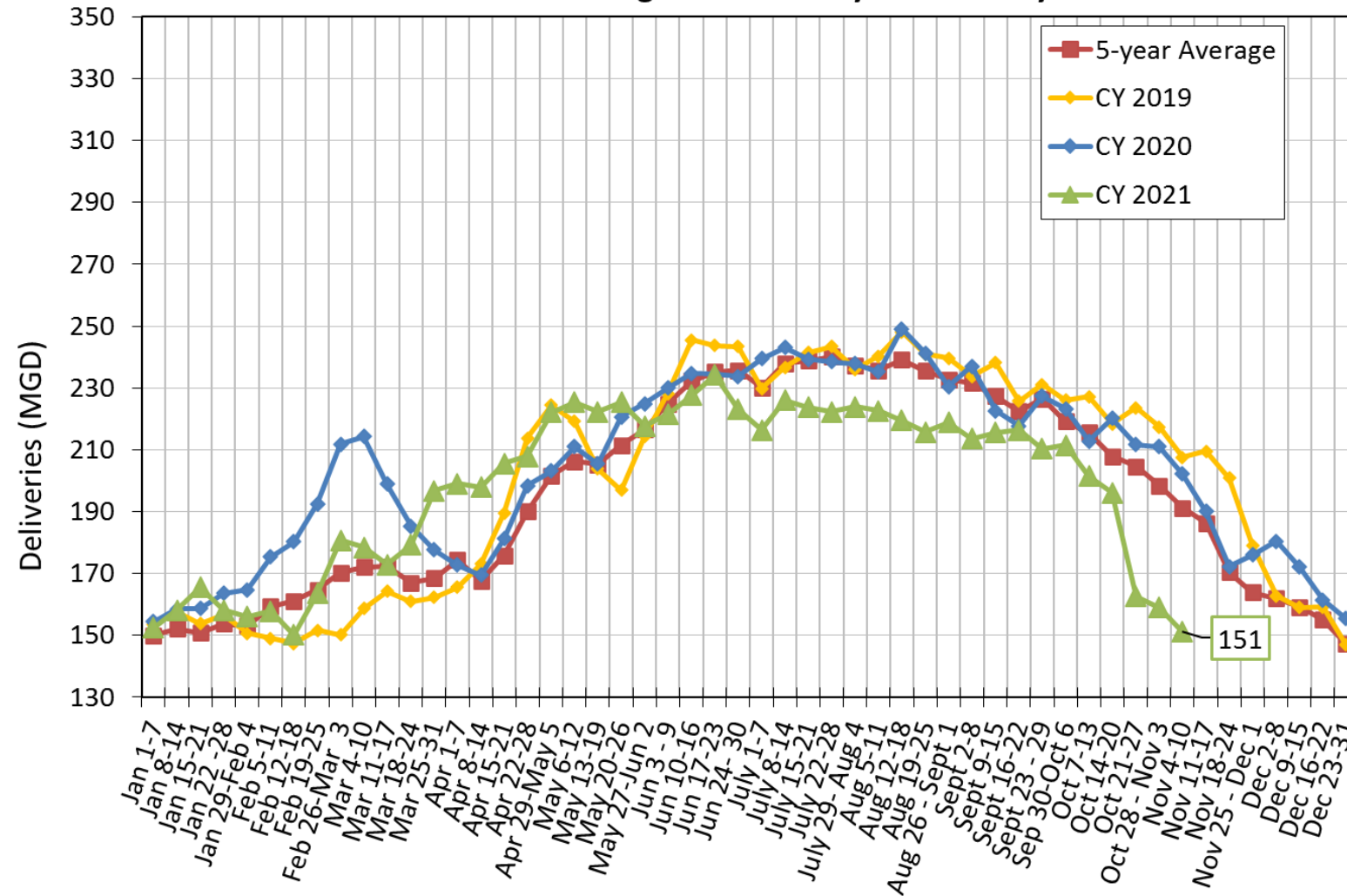


Tuolumne River Water Available to the City



Total Deliveries

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



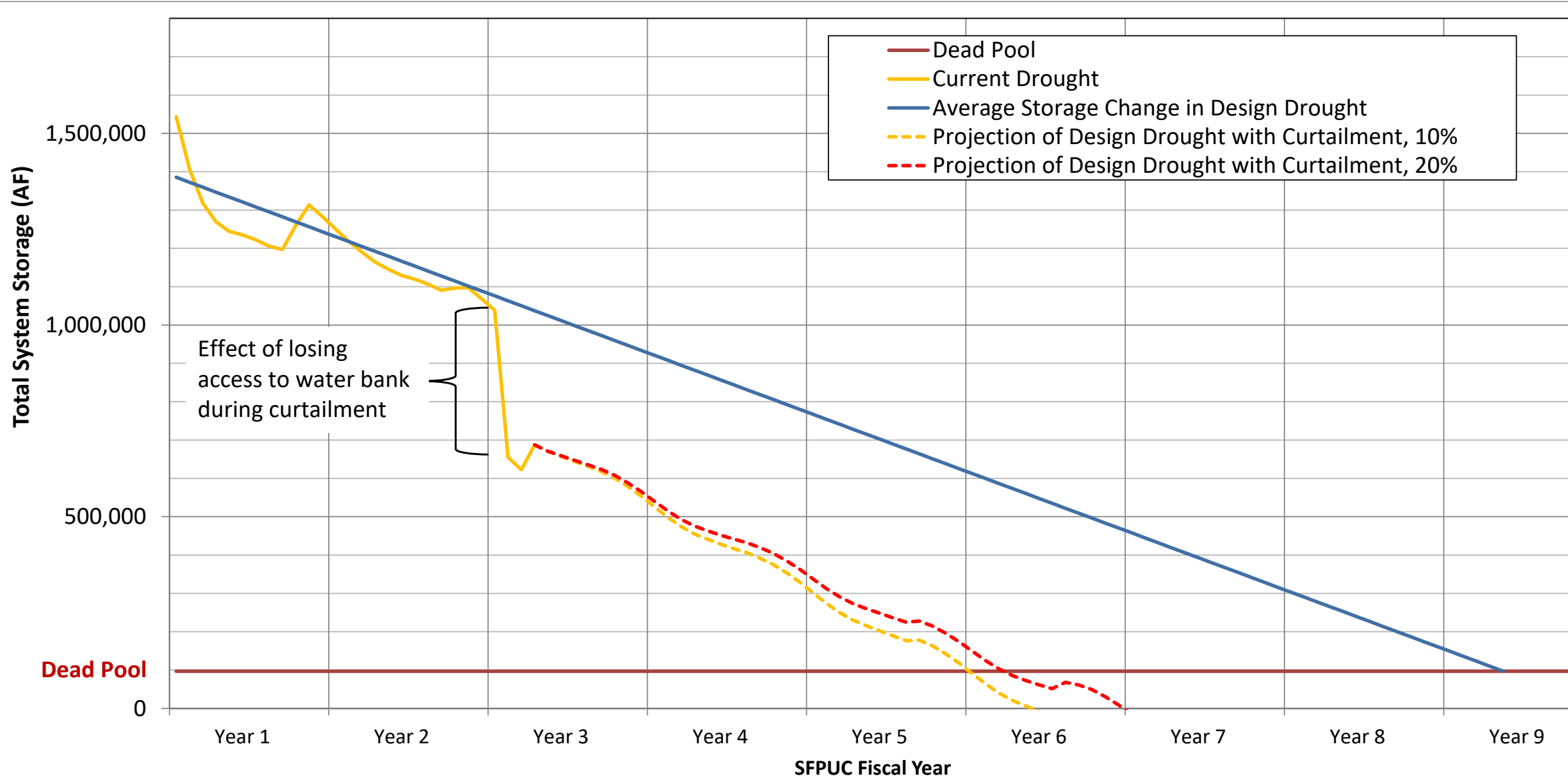
The State Has Curtailed Bay-Delta System Diversions

- Went into effect for our Tuolumne River diversions on August 20
- Curtailment orders in effect for one year
- Tuolumne curtailments eliminate access to the Water Bank in Don Pedro = loss of ~360,000 AF of storage
- Curtailments were “suspended” on October 19, but could be reinstated at any time
- Recent storms have helped out, but drought still remains, necessitating action

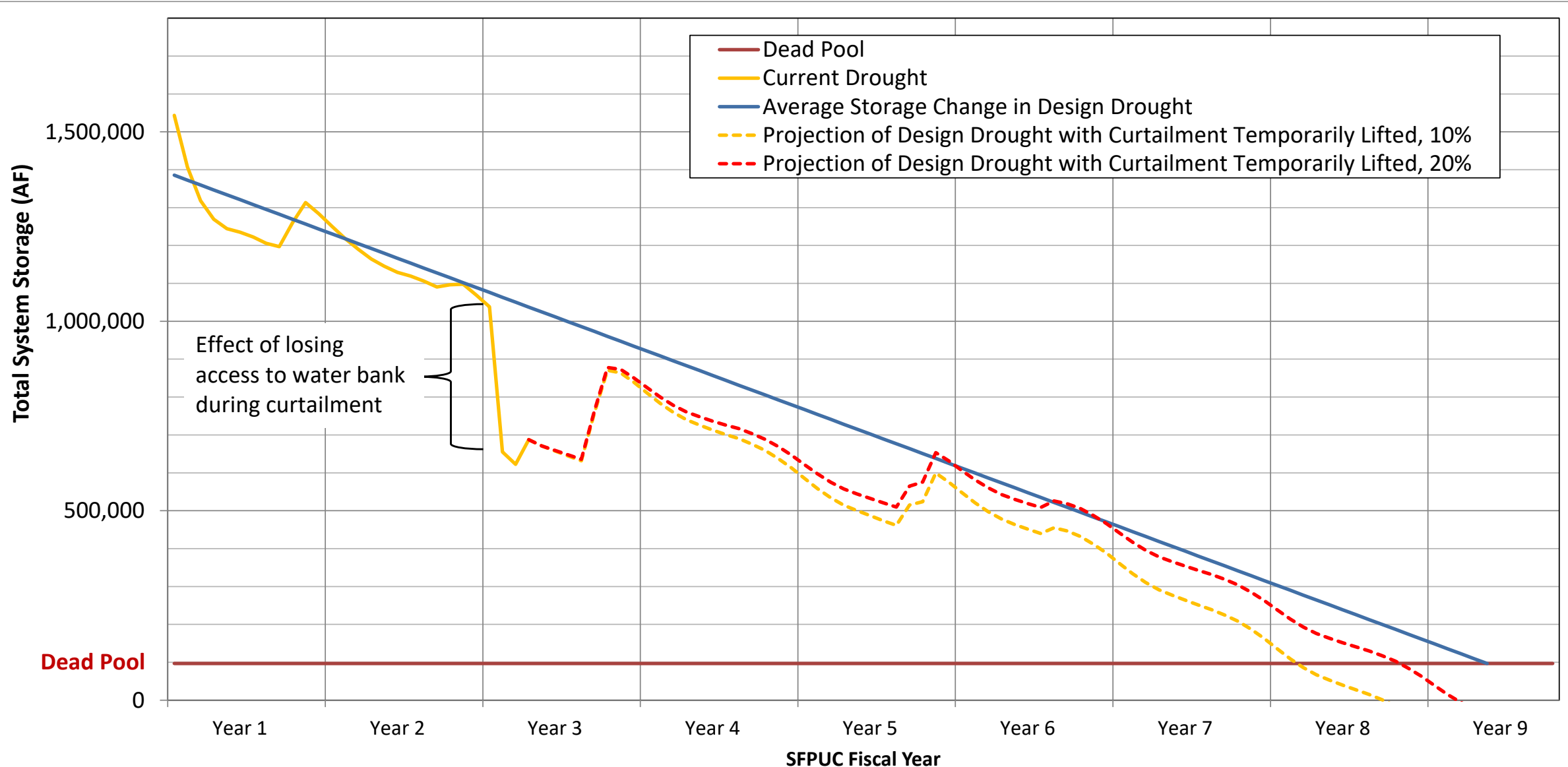
Eliminating or Mitigating Effects of Curtailments

- Requesting the State modify or eliminate curtailments to allow access to our vital Water Bank storage
- If curtailments remain, achieving a Health and Safety exception for diversions allowing us to divert enough water to supply 55 GPCD to our entire service area
- Through the San Joaquin Tributaries Authority, filing suit against the State over the underlying regulations for curtailments


Design Drought Storage Projection – Average Over Remaining Design Drought



Design Drought Storage Projection with Curtailments Temporarily Lifted in Two Assumed Wet Periods



Proposed Declaration of Water Supply Emergency

Urban Water Management Plan (UWMP) - Water Shortage Contingency Plan (WSCP)	Water Supply Agreement Water Shortage Allocation Plan	Retail Water Shortage Allocation Plan (RWSAP)	Call for Conservation
Formalized plan contained in the UWMP for SFPUC response to water shortage stages (plan required by State of CA). Declaration triggers Water Shortage Contingency Plan (WSCP) and Drought Surcharge.	WSCP triggers this contractual obligation, determines allocation of available water supply amongst users of the Regional Water System [split between 1) San Francisco and 2) Wholesale Customers]	Retail Water Shortage Allocation Plan (RWSAP) allocates available water supplies among the SFPUC's retail customers, if reductions are mandatory	Water Conservation and Communications outreach effort to achieve desired level of water savings.
SHORTAGE & SHORTAGE LEVEL	ALLOCATION	ALLOCATION	CONSUMER ACTION
Announces systemwide supply shortage, and enacts Water Shortage Allocation Plan and, if reductions mandatory, Retail Water Shortage Allocation Plan	Announces <u>systemwide</u> supply shortage and allocations between 2 groups: retail customers and wholesale customers	Announces <u>retail</u> supply shortage and, if reductions are mandatory, allocations among retail customers	Communicates the conservation effort required to maintain consumption below reduced allocations.
			

Proposed Declaration of Water Supply Emergency

- Proposed emergency declaration details:
 - Baseline is FY 19-20 demand of 197.4 MGD
 - Start with 10% voluntary water use reduction; so overall target is 177.7 MGD
 - Will move to mandatory if performance is not there
 - Split per Water Shortage Allocation Plan is Wholesale (64%) and Retail (36%)
 - Wholesale share is 113.7 MGD, resulting in average reduction of 13.7%
 - Retail share would only require 2% reduction, so under WSAP, Retail target water use reduction will be 5% = 62.3 MGD
- Potential rate actions
 - Retail: Declaration triggers drought surcharge process established in 2018 for revenue stability; not to exceed 5% surcharge for volumetric water and wastewater rates beginning in April 2022
 - Wholesale: Higher wholesale rate increase next fiscal year than previously projected to achieve revenue stability

Recent Customer Water Use Data

For July 1 - November 10			
CUSTOMER GROUPS	2019 AVERAGE	2021 AVERAGE	% REDUCTION
San Francisco Customers	66.9 MGD	56.6 MGD	15.5%
Wholesale Customers	164.9 MGD	150.1 MGD	9.0%
TOTAL	231.9 MGD	206.7 MGD	10.9%

Conclusions

- The drought persists
- The State's curtailment orders damage our ability to manage our storage, and their management of curtailments adds to ongoing uncertainty
- The severity of conditions shows the need for a Declaration of a Water Shortage Emergency
- San Francisco and the Wholesale Customers can achieve the proposed water use reductions necessary for water supply stability
- To achieve revenue stability, the retail Drought Surcharge will be triggered and Wholesale water rates will likely be increased

Water Management Representative Report



GIVE IT UP

Lose your lawn. It's a DROUGHT.

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WATER MANAGEMENT REPRESENTATIVES

November 18, 2021

Tammy Rudock, General Manager

Mid-Peninsula Water District



WMR OBJECTIVES

- Bring agency values and objectives and professional experience/expertise to participate in monthly BAWSCA Water Management Representative (WMR) meetings and scheduled special meetings and workshops
- Be informed and engaged in SFPUC Regional Water System (RWS) and Water Supply Agreement matters
- Be willing to collaborate and compromise

SIGNIFICANT MEMBER AGENCY ISSUES

- D-R-O-U-G-H-T and water supply (including local groundwater)
- Unfunded regulatory mandates and operational requirements
- Water rates and revenues
- Employee retirements
- Customer engagement
- Development/Growth

WMR RECENT PRIORITIES

- Impacts of potential Bay Delta Plan implementation and severe water supply cutbacks - 2020 UWMPs and WSCPs - recently completed
- WSA amendment - Compromise on Minimum Purchase Requirements - near completion
- Tier 2 Plan update - presently working on
- Wholesale customer water rates (including balancing account at SFPUC) - ongoing

COLLABORATION AND COMPROMISE


- New or changing WMRs—due to employee retirements/promotions/assignments
- Knowledge of impacts on member agency—financial, operational, governance, etc.
- BAWSCA staff research or assimilation of data for consideration
- Agency governing body schedules and/or internal committee meeting requirements
- Other priorities—water supply (drought) and/or member agency operations
- Changing regulations or new mandates

THANK YOU

- Agency BAWSCA Board member and WMR communications are important
- While the work is extremely challenging, WMRs are committed, not only to their respective member agencies but to each other as professionals
- BAWSCA staff continues to be resourceful and responsive

We appreciate your invitation to share our report!


Consent Calendar



SHORT & STEAMY

Shorten your showers. It's a DROUGHT.

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Adoption of Resolution 2021-03 Adopting a 2021 Amended and Restated Tier 2 Drought Response Implementation Plan

Every drop counts. Use water wisely.



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



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Drought Shortages on Regional Water System Governed by Two Plans

- **Tier 1 Plan** – Allocates water between SFPUC Retail and Wholesale Customers collectively
- **Tier 2 Plan** – Allocates water among the Wholesale Customers
 - Adopted in the Winter/Spring of 2011 by the governing body of each Wholesale Customer
- Tier 1 and Tier 2 Plans apply during system-wide shortages of 20 percent or less
- WSA Section 3.11(C)(3): SFPUC will honor Tier 2 allocations among the Wholesale Customers provided by BAWSCA or unanimously agreed to by all the Wholesale Customers

Tier 2 Plan Originally Expired December 31, 2018

- Tier 2 Plan term was through December 31, 2018
 - Consistent with timing of SFPUC 2018 decisions per 2009 WSA
- WSA enables BAWSCA Board to extend the 2011 Tier 2 Plan by adopting the 2011 Plan for another year or adopt a new or amended plan
 - Per WSA Section 3.11(C)(3)
- BAWSCA Board approved a 1-year extension in May 2018 by adopting the 2011 Plan through December 31, 2019
- BAWSCA Board approved a 1-year extension in November 2019 by adopting the 2011 Plan through December 31, 2020
- BAWSCA Board approved a 1-year extension in November 2020 by adopting the 2011 Plan through December 31, 2021
- The WMRs were engaged and supportive of the Tier 2 adoptions by the Board for each of the successive years

The Tier 2 Plan Has Four Main Provisions That are Implemented Through a Seven Step Calculation

1. 33.3 percent weight applied to individual agency's Individual Supply Guarantee (ISG) (with slight variations for Hayward, San José, and Santa Clara)
 2. 66.6 percent weight applied to a Base/Seasonal calculation using three-year average monthly production values for all potable supply sources
 3. 10 percent minimum cutback and maximum cutback equal to no more than the average cutback plus 20 percent
 4. Guaranteed sufficient supply of water to East Palo Alto (EPA) to meet health and safety needs for its community (via the EPA hardship bank)
- The final product is an Allocation Factor (as a percent) – the share of water each individual Wholesale Customer is allocated

The 2011 Tier 2 Plan Results in an Incomplete Allocation of the Collective Wholesale Customer Allocation

- Since the Plan was adopted in 2011, East Palo Alto (EPA) purchased additional ISG
- Because ISG has a 1/3 weight in the calculation, EPA now receives a higher allocation and no longer requires the full EPA hardship bank to achieve a sufficient supply of water to meet customer needs
- The Tier 2 Plan does not provide for allocation of the EPA hardship bank to other agencies
- The final step in the Tier 2 Plan prescriptively describes how to calculate each Wholesale Customer's Allocation Factor
 - Numerator = Final allocation (in mgd) after the EPA adjustment
 - Denominator = The Overall Wholesale Customer Allocation (in mgd)
- Because the sum of the final allocations after the EPA adjustment does not equal the Overall Wholesale Customer Allocation, the result is an incomplete allocation of the collective Wholesale Customer allocation

An Amendment is Needed to Ensure the Wholesale Customers Get the Full Benefit of the Water They Are Entitled to Under the WSA

- To avoid this unintended outcome and to ensure that the Wholesale Customers get the full benefit of the water that they are entitled to under the WSA, BAWSCA proposes the following minor change to the Tier 2 Plan

*Section 2.2.7 Step Seven: Determination of Final Allocation Factor. Each Wholesale Customer's Final Allocation Factor is the fraction expressed as a percentage, the numerator of which is the particular Wholesale Customer's "Final Allocation with EPA Adjustment" (in mgd) as calculated in Steps One through Six and **the denominator of which is based on the Overall Wholesale Customer Allocation (in mgd), a number provided by the SFPUC during the drought period as determined by the SFPUC in the Tier I Plan.***

BAWSCA Facilitated Water Management Representatives' (WMR) Review of Tier 2 Plan in 2019

- In 2019, BAWSCA held three workshops with the WMR where the potential to either update the Tier 2 Plan or to extend the existing Plan was discussed
- Workshop topics included:
 - Review of present Tier 2 plan, including history and policy principles
 - Analysis of projected allocations to each BAWSCA agency for past and future drought scenarios
 - Analysis of potential modifications to the present plan and associated potential allocations
- WMRs agreed that a formal update to the Tier 2 formula was inappropriate at the time, and should await further information from DWR regarding matters such as Water Efficiency Standards

Yearly Feedback and Follow-up with Water Management Representatives

- In 2019, WMR provided CEO the following feedback which was shared with BPC and Board:
 1. The Tier 2 Plan continues to meet the policy principles upon which the plan is based, and the policy principles are still appropriate
 2. An annual review of the Tier 2 Plan to evaluate its continued effectiveness would be beneficial
 3. Additional information on the process for water transfers between agencies would be helpful in preparing for potential Tier 2 Plan implementation
- BAWSCA committed to an annual review of this topic with WMR
- BAWSCA conducted an annual review of the Tier 2 Plan with WMR on October 7th and November 4th
 - A water shortage emergency declaration by SFPUC in calendar year 2021 would result in BAWSCA providing Tier 2 calculations, as it is currently in place thru calendar year 2021
 - BAWSCA shared tentative draft information on potential Tier 2 allocations under various drought actions SFPUC may take in the future months
- WMR did not voice opposition to BAWSCA's proposed amendment

Draft Tentative Results of Possible Tier 2 Allocations in FY 2021-22 as Presented to the WMR

RWS System-Wide Cutback Set by the SFPUC	Resulting Average SF Retail and Wholesale Cutbacks	Wholesale Minimum Cutback Observed¹	Wholesale Maximum Cutback Observed²
10%	SF Retail: 5% Wholesale: 14%	5%	32%

Notes:

1. The Tier 2 Formula accounts for health and safety minimum gpcpd for East Palo Alto, hence EPA receives the lowest cutback
2. The Tier 2 Formula results in Purissima Hills Water District receiving the greatest cutback (32%), and that also is applied to the interruptible customers (the City of San Jose and the City of Santa Clara) under the rules of Tier 2

Independent Review Confirmed BAWSCA Applied the Tier 2 Plan Calculations Correctly

- BAWSCA contracted with the consulting firm Woodard & Curran (W+C) to conduct a robust independent review of BAWSCA's application of the Tier 2 Plan and calculations
 - Andree Johnson, a former BAWSCA staff member now with W+C, has specific expertise in the Tier 2 Plan calculations given her experience at BAWSCA running the Tier 2 model
- W+C determined BAWSCA applied the calculations correctly and in accordance with the Tier 2 Plan
- W+C recommended BAWSCA use the most recent fiscal year of water use (FY 2020-21) for the Wholesale Customers when it is available and has been validated
 - This information will not be available within the time window needed to meet the provisions set forth in the WSA to provide SFPUC with the required allocations
 - BAWSCA will keep this recommendation under consideration and is working with legal counsel to determine whether the Tier 1 and/or Tier 2 Plans allow this at some future date

Recommended Action

That the Board adopt Resolution 2021-03 approving an amendment to the Amended and Restated Tier 2 Drought Response Implementation Plan and extending the term through December 31, 2022.

CEO Reports

QUICK & EASY

Replace leaky toilet parts. It's a DROUGHT.

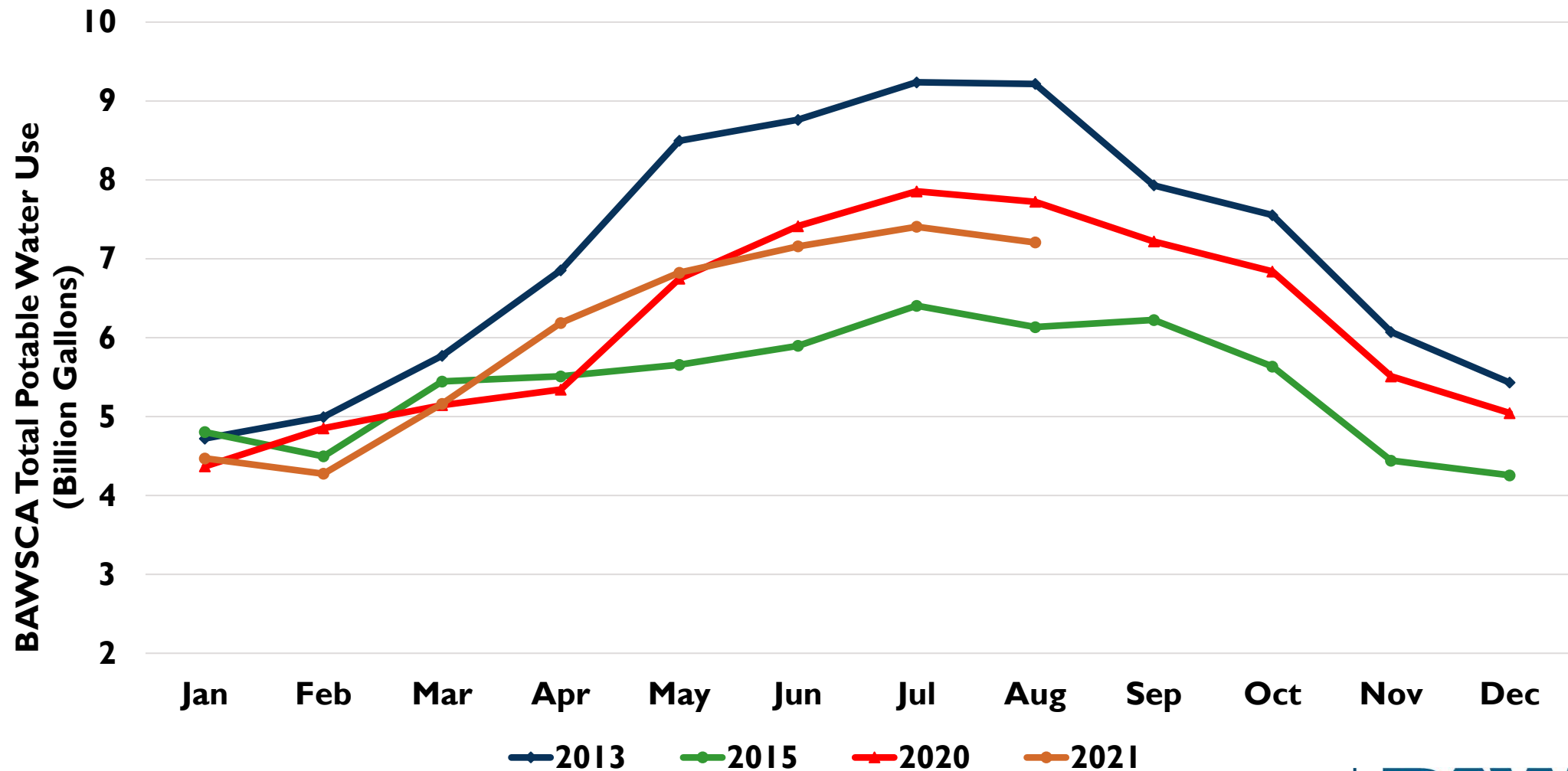
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#DROUGHTSF

BAWSCA August 2021 Total Potable Water Use 22% Less Than August 2013 and 6.7% Less Than August 2020



Bay-Delta Plan Update



Results of BAWSCA's Refunding Bond Sale

- Sale of Revenue Bond Series 2023A was completed on October 21, 2021
 - To refund the callable portion of 2013A bonds
 - All-in true interest rate: 2.06% based on a tax-exempt forward delivery
 - Term of bonds: Through 2034
- Satisfaction of three criteria specified in the Board authorization
 - Estimated Net Present Value savings (after costs): approx. \$25.1 million
 - Total principal amount: \$134.310 million
 - Underwriter's discount is 0.237% of the principal amount
- Portion of Stabilization Fund was used to pay down the principal amount
 - \$1.351 million from the Stabilization Fund Requirement
 - \$1.386 million from the excess Stabilization Fund balances
- Settlement date: January 5, 2023

Closed Session

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brushing your teeth
and save 10 gallons
per person per day.



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Directors' Discussion: Comments, Questions and Agenda Requests

Every drop counts. Use water wisely.



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



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Announcement and Adjournment



Next Board Meeting

January 20, 2022

6:30pm

**Format and Location -
TBA**