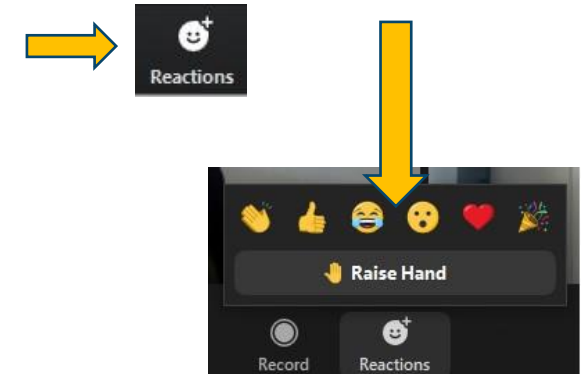



# Meeting Instructions While We Gather

- 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



An aerial photograph showing the BAWSCA Service Area, which includes the San Francisco Bay and surrounding land areas. The text "BAWSCA Service Area" is overlaid in the top left corner of the image.

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)]*

## **Board Policy Committee Meeting**

**June 9, 2021**

# 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



# Public Comment on Items Not on the Agenda



# Consent Calendar



Jensen, 2011

# Action Calendar

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



1 lawn watering =  
71 loads

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



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

# Additional Actions Needed to Proceed 2013A Bonds Refunding

- 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 are 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 Jan. 1, 2017

- Objectives:

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

- Draft Policy included in Attachment 1 to 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 Request for Proposal (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*

# Proposed Bond Structure with Original Final Maturity (Conventional) vs. Alternative Shortened Maturity

	a	b	c	d	e		f	h	g	h	i		j
	1. Refund to Original Final Maturity (2034)						2. Shorten Final Maturity for 2013A (2033)						Savings Comparison: Scenario 2 vs. Scenario 1
	Annual Net Debt Service After Refunding				Refdg. Savings		Annual Net Debt Service After Refunding				Refdg. Savings		
Bond Yr. End. 8/1	Refunding of 2013A	2013B	Stabil. Fund Release	Total Net DS	Refunding of 2013A		Refunding of 2013A	2013B	Stabil. Fund Release	Total Net DS	Refunding of 2013A		
2023	\$16,273,120	\$6,283,552	-	\$22,556,672	\$2,117,880		\$18,390,644	\$6,283,552	-	\$24,674,197	\$356		(\$2,117,524)
2024	16,272,000	6,283,067	-	22,555,067	2,118,500		18,389,550	6,283,067	-	24,672,617	950		(2,117,550)
2025	16,270,000	6,282,643	-	22,552,643	2,119,750		18,387,750	6,282,643	-	24,670,393	2,000		(2,117,750)
2026	16,267,000	6,282,023	-	22,549,023	2,121,000		18,384,500	6,282,023	-	24,666,523	3,500		(2,117,500)
2027	16,269,000	6,286,826	-	22,555,826	2,118,500		18,385,750	6,286,826	-	24,672,576	1,750		(2,116,750)
2028	16,274,500	6,283,046	-	22,557,546	2,117,250		18,389,750	6,283,046	-	24,672,796	2,000		(2,115,250)
2029	16,272,000	6,284,498	-	22,556,498	2,117,000		18,384,750	6,284,498	-	24,669,248	4,250		(2,112,750)
2030	16,270,500	6,284,391	-	22,554,891	2,117,500		18,384,500	6,284,391	-	24,668,891	3,500		(2,114,000)
2031	16,268,500	6,286,496	-	22,554,996	2,118,500		18,387,000	6,286,496	-	24,673,496	-		(2,118,500)
2032	16,269,500	6,285,413	-	22,554,913	2,119,750		18,385,250	6,285,413	-	24,670,663	4,000		(2,115,750)
2033	16,271,750	6,285,942	-	22,557,692	2,116,000		5,617,500	6,285,942	(9,195,322)	2,708,120	21,965,572		19,849,572
2034	13,933,500	8,922,685	(11,213,522)	11,642,663	690,737		-	8,922,685	(3,076,272)	5,846,413	6,486,987		5,796,250
Totals:	\$192,911,370	\$78,050,582	(\$11,213,522)	\$259,748,429	\$23,992,367		\$189,486,944	\$78,050,582	(\$12,271,594)	\$255,265,932	\$28,474,865		\$4,482,498
	Avg. Annual Savings:				1,999,364		Avg. Annual Savings (backloaded savings):				2,372,905		
	All-In True Interest Cost:				2.48%		All-In True Interest Cost:				2.36%		-0.12%
	Present Value Savings:				20,964,320		Present Value Savings:				21,972,864		\$1,008,544
	Pct. Refunded Bonds:				12.8%		Pct. Refunded Bonds:				13.4%		0.6%

- The proposed structure with the original final maturity (Scenario 1) is a common refunding structure as many agencies prefer to spread the savings out proportionally over the life of the bonds for intergenerational fairness purposes.

# Tentative Schedule of Key Dates for Potential Bond Refunding

Recommendation of Board approval of a new debt policy, bond underwriter selection and contingent contracts & update on the refunding structure including bond surcharge setting	June BPC
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	Oct 2021 - Jan 2022
Bond settlement	January 2023

\* Assumes a tax-exempt forward delivery refunding

# Recommended Action

That the Committee recommend 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.

# Proposed Modifications to Assistant to the CEO/General Manager Position

- This position's duties and responsibilities have evolved significantly over the past several years
- While CEO remains the agency's Secretary for official business, Assistant to the CEO acts as a Deputy Secretary providing significant assistance to CEO and Board
  - Preparing agenda and materials for agency meetings, including all Brown Act requirements for posting and material distribution;
  - Board Member administrative support;
  - Filing Officer for Fair Political Practices Commission Form 700 filing; and
  - Special technical projects at direct request of CEO
- The level of support and skills associated with these tasks, as well as the independent discretion exercised, are not included in the current job description

# Review Consistent with BAWSCA Historical Practice

- BAWSCA has used an independent desk audit and salary survey to maintain market competitiveness
- Compared duties and responsibilities to similar positions at Bay Area water utilities
  - Used BAWSCA standard comparator agencies
  - ACWD, Contra Costa Water District, EBMUD, Hayward, Palo Alto, SFPUC, Valley Water
- Desk audits used to review position duties, roles and responsibilities
  - Modifications ensure that job position description matches the required job skills and needs
- Salary surveys used to review salary ranges for comparable positions

# Audit Recommends Changes to Position Description and Top-Step Salary

- Results indicated need for modifications to reflect actual work performed by current Assistant to the CEO
- Recommended position description to match current duties and responsibilities
- Recommended 17% increase to top-step salary
- No impacts on approved FY 2021-22 Operating Budget
- Any salary adjustments will stay within adopted allowance for merit increases

# Recommended Action

That the Board Policy Committee recommend that the Board approve the recommended modifications to the position description and top-step salary by 17% for the position of Assistant to the CEO/General Manager.

# CEO Reports

**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)



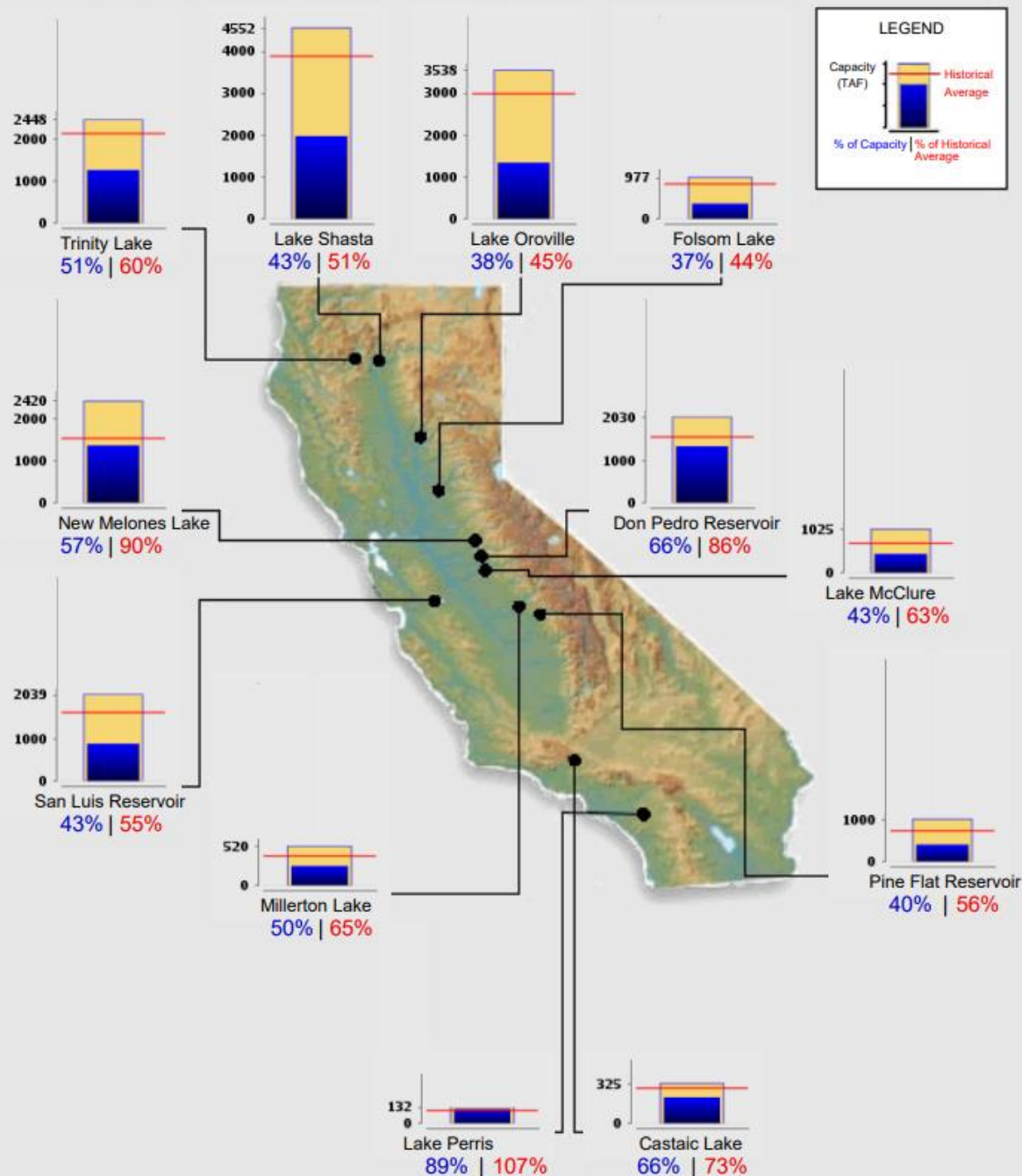
# June 1, 2021 Reservoir Storage

Reservoir	Current Storage <sup>1,2,3</sup> (AF)	Maximum Storage <sup>3,4</sup> (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage <sup>5</sup>
<u>Tuolumne System</u>					
Hetch Hetchy	311,400	340,830	29,430	91.4%	<b>88.7%</b>
Cherry	266,400	273,345	6,945	97.5%	-
Eleanor	26,690	27,100	410	98.5%	-
Water Bank	317,328	570,000	252,672	55.7%	<b>96.1%</b>
<b>Total Tuolumne Storage</b>	<b>921,818</b>	<b>1,211,275</b>	<b>289,457</b>	<b>76.1%</b>	-
<u>Local System</u>					
Calaveras	57,872	96,670	38,798	59.9%	-
San Antonio	49,376	53,266	3,890	92.7%	-
Crystal Springs	46,793	58,309	11,516	80.3%	-
San Andreas	17,029	19,027	1,998	89.5%	-
Pilarcitos	1,819	3,030	1,211	60.0%	-
<b>Total Local Storage</b>	<b>172,889</b>	<b>230,302</b>	<b>57,413</b>	<b>75.1%</b>	-
<b>Total System Storage</b>	<b>1,094,707</b>	<b>1,441,577</b>	<b>346,870</b>	<b>75.9%</b>	<b>86.6%</b>
<b>Total without water bank</b>	<b>777,379</b>	<b>871,577</b>	<b>94,198</b>	<b>89.2%</b>	-



## Other California Reservoirs

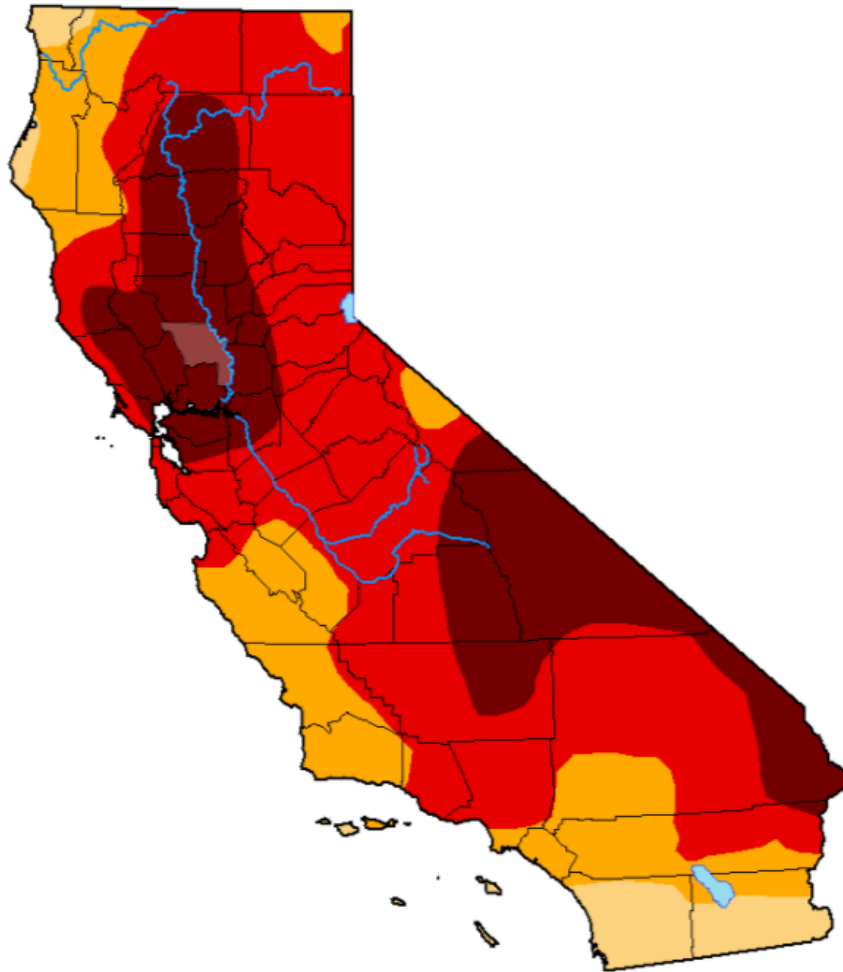
### CURRENT RESERVOIR CONDITIONS



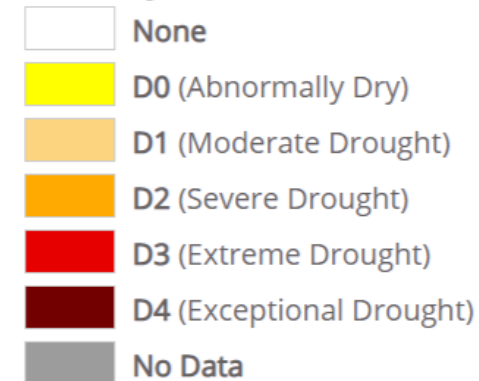
# California Drought Monitor

**Map released: Thurs. May 27, 2021**

**Data valid: May 25, 2021 at 8 a.m. EDT**



## Intensity



## Authors

United States and Puerto Rico Author(s):

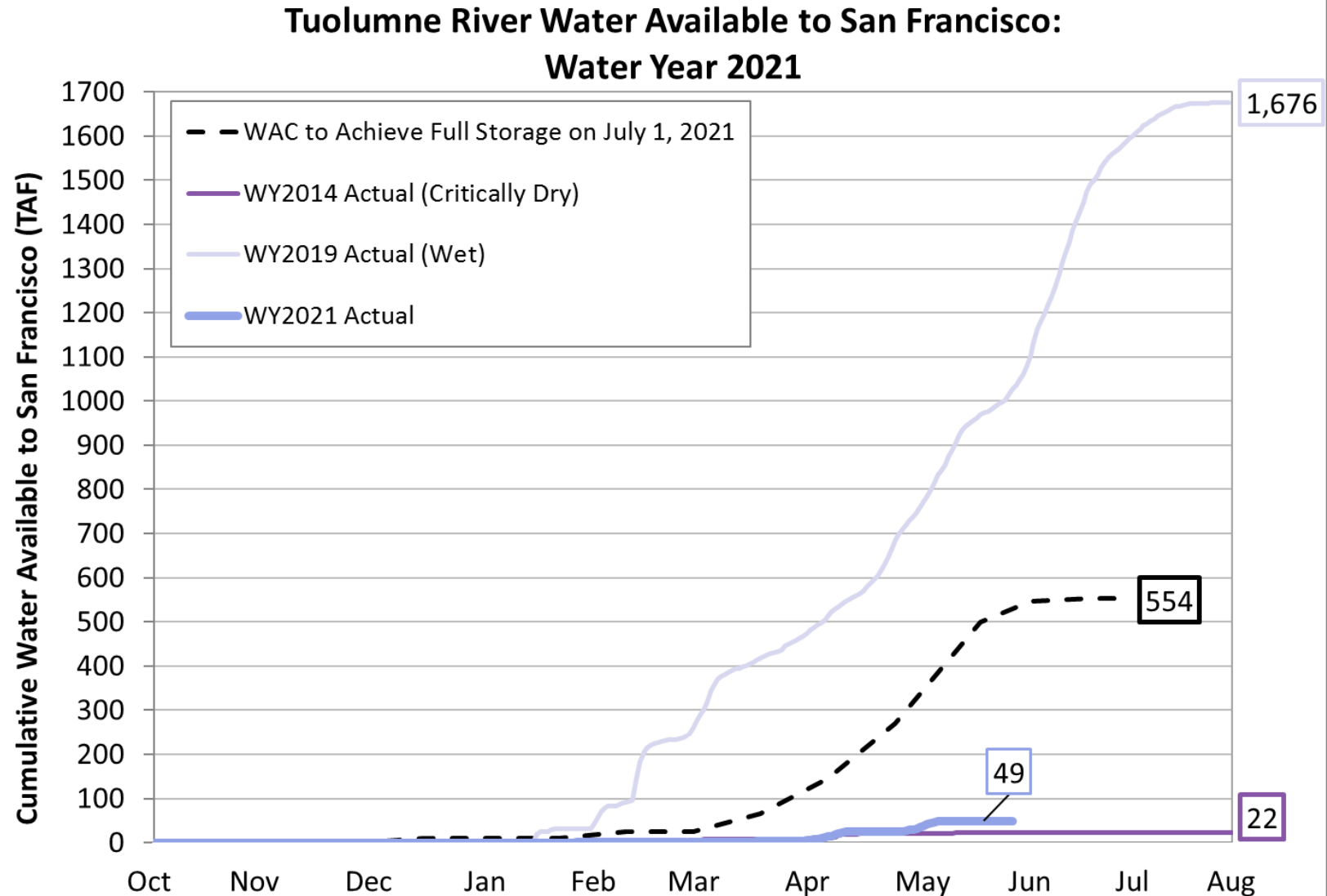
**Adam Hartman**, NOAA/NWS/NCEP/CPC

Pacific Islands and Virgin Islands Author(s):

**Ahira Sanchez-Lugo**, NOAA/NCEI

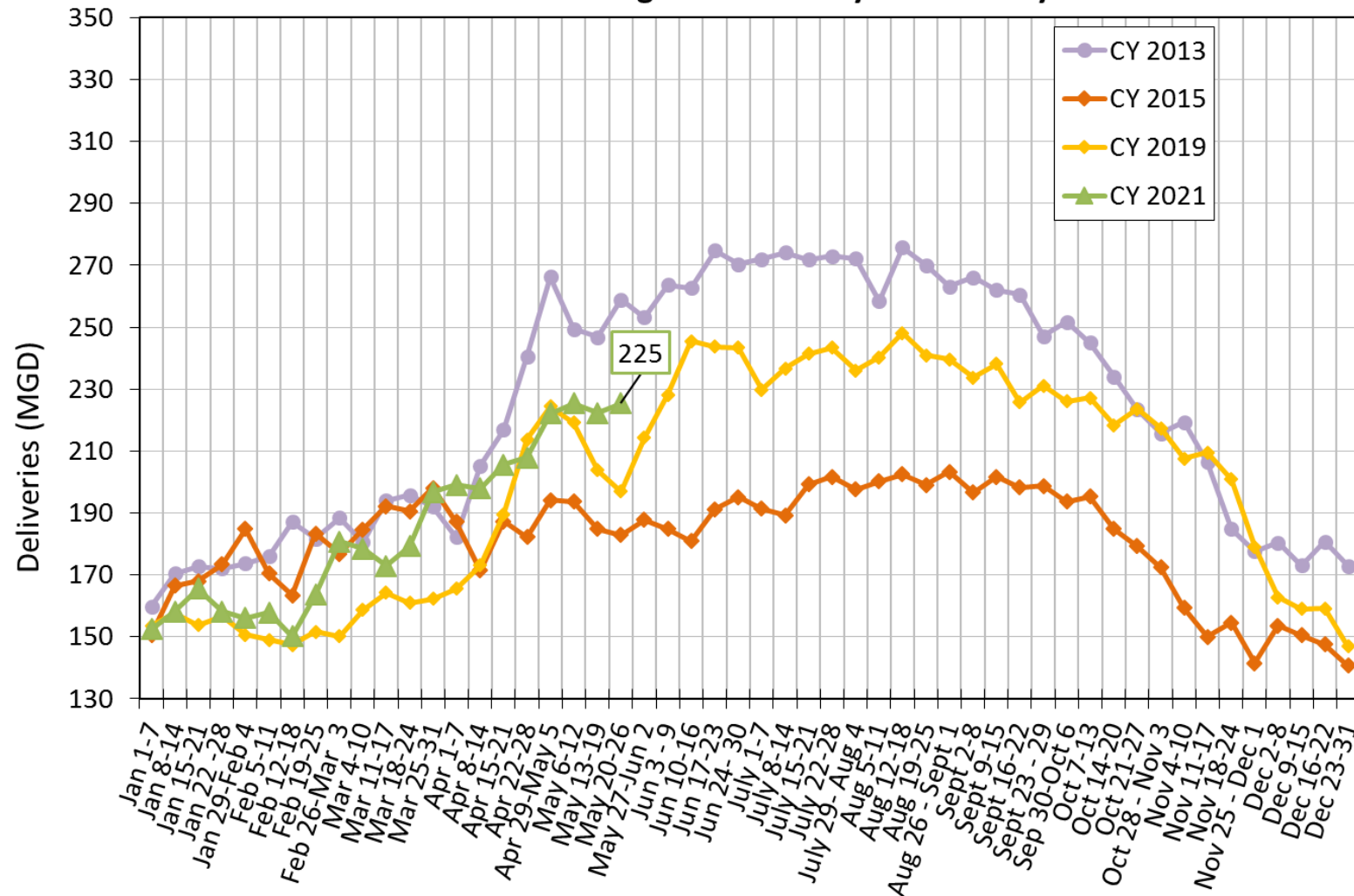
*The Drought Monitor focuses on broad-scale conditions.  
Local conditions may vary. See accompanying [text summary](#) for forecast statements.*

# Tuolumne River Water Available to the City



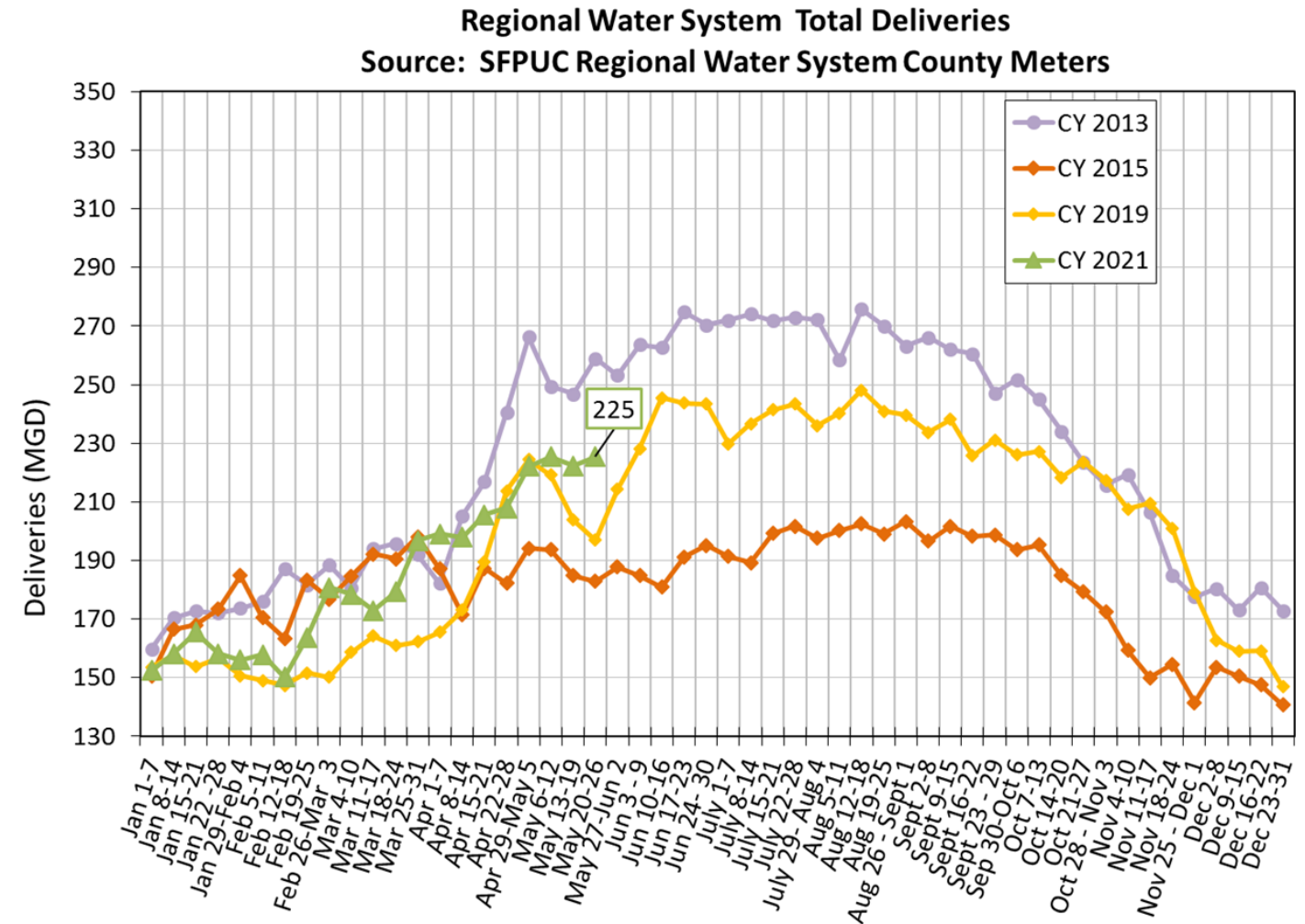
# Total Deliveries

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



# SFPUC Has Asked For Voluntary Water Use Reductions

- SFPUC has asked BAWSCA agencies to maintain summertime Regional Water System purchases to “Pre-Pandemic 2019 Levels”
- BAWSCA prepared to provide support to its member agencies
  - Increased conservation program activity
  - Increased public outreach
- BAWSCA, SFPUC, and Valley Water engaged in discussions related to Valley Water supply situation
- Initiation of regional discussions regarding coordination of customer messaging



# Drought Messaging – SaveOurWater.Com



# A New Link on BAWSCA Web Site to Drought Information



WHO WE ARE ▢

MEMBER AGENCIES ▢

ABOUT YOUR WATER ▢

WATER CONSERVATION ▢

IN THE COMMUNITY ▢



## Every drop counts. Use water wisely.



1 lawn watering =  
71 loads

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

### How Do I?

- ▾ Get rebates
- ▾ Register for a class
- ▾ Get water supply info
- ▾ Get meeting packets
- ▾ Get annual survey data
- ▾ Get reports & documents
- ▾ Request a speaker
- ▾ Access RFPs

# A New Drought Page that Provides Information on How to Save Water Including Rebates



WHO WE ARE ▾

MEMBER AGENCIES ▾

ABOUT YOUR WATER ▾

WATER CONSERVATION ▾

IN THE COMMUNIT



[Home](#) >> [COMMUNITY](#) | DROUGHT

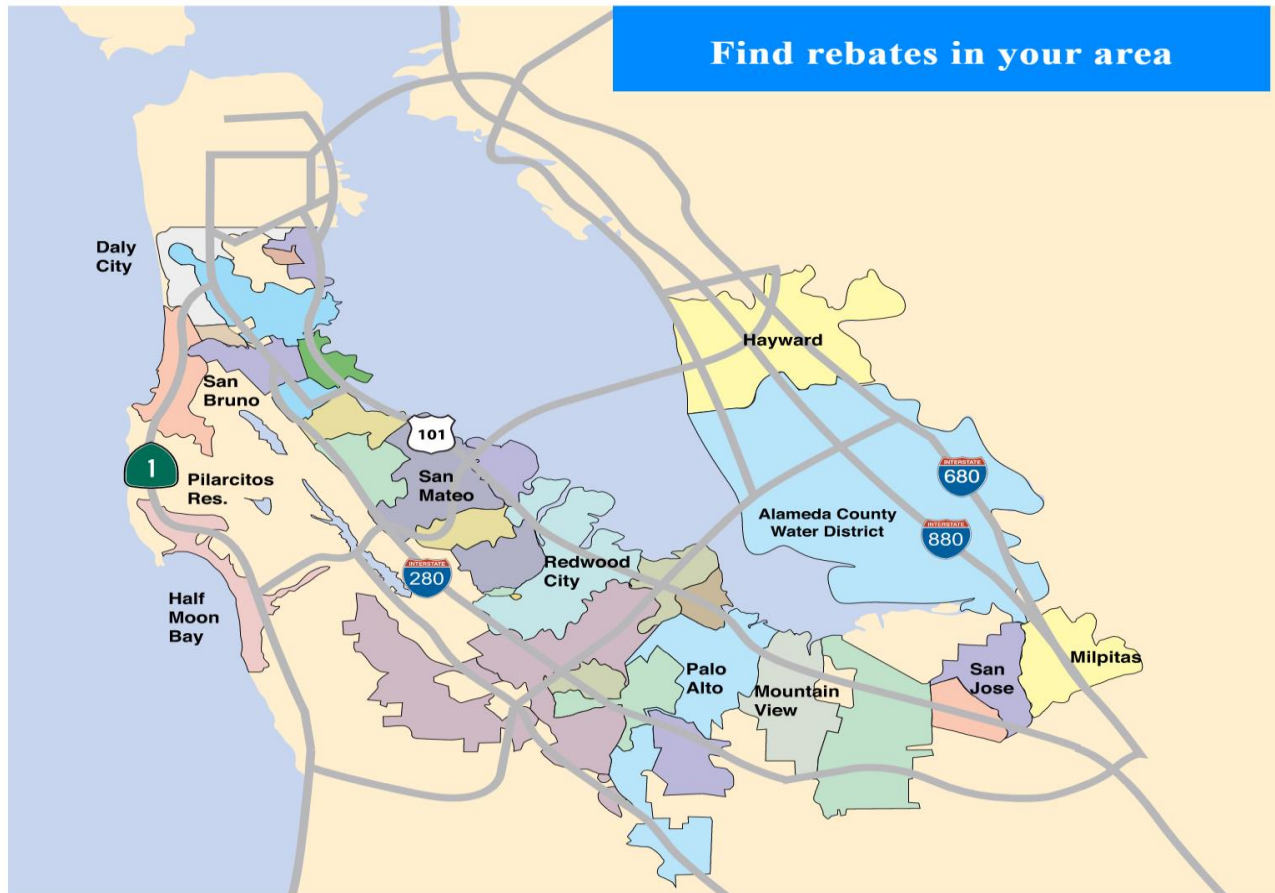
## Drought

# Rebate Programs Can Be Investigated Via the BAWSCA Website



## Water Conservation Programs

Find rebates in your area



Every drop counts. Use water wisely.



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



SaveOurWater.com

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

- On June 1, 2021, BAWSCA filed to intervene in the coordinated legal actions against the State Board related to the adoption of the Bay-Delta Plan
  - Intervened in actions by three parties who want the State Board to provide greater flows on the Tuolumne River than the 40 percent unimpaired flows in the 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
- BAWSCA is supporting having the State Board perform a technical and environmental 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 following July 15<sup>th</sup> Board meeting
  - 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
  - Example of new survey form
  - New format offers opportunity for refinement or clarification to objectives and measurement
- 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

# FY 2020-21 CEO Evaluation Includes Leadership and Management Objectives

## Leadership Objectives

- A. Leads BAWSCA, the member agencies, Board and staff to understand and support BAWSCA's goal of a reliable supply of high-quality water at a fair price.
- B. Represents the interests of BAWSCA's member agencies with San Francisco and others to ensure that San Francisco meets its legal and contractual obligations.
- C. Works with SF policy makers, legislators, media and others to understand and support BAWSCA's goal of a reliable supply of high-quality water at a fair price.
- D. Identifies major issues and assigns appropriate priorities to determine appropriate annual results to meet agency goal.
- E. Crafts and executes on BAWSCA's long-term strategic goal including local, state, regulatory, legal and legislative issues that impact BAWSCA's ability to meet its goal.
- F. Defines and proposes how to address policy issues and provides clear information for the Board to make timely, informed decisions.
- G. Listens to and objectively considers comments by the Board, staff and member agencies, responding appropriately to achieve the agency's goal.
- H. Ensures that staffing, consultant and financial resources are deployed efficiently and impactfully, creating a culture of excellence and detail-oriented work-product.

# FY 2020-21 CEO Evaluation Includes Leadership and Management Objectives

## Management Objectives

- I. The CEO's performance in preparing, presenting and implementing the annual work plan and budget.
- J. The CEO's performance maintaining BAWSCA's finances: bonds, expenses within budget and managing the reserve.
- K. The CEO's performance in recruiting, training and managing staff.
- L. The CEO's performance in managing the agency's consultants.
- M. The CEO's performance in achieving a results focused workplan to ensure progress is being made on agency goal of a reliable supply of high-quality water at a fair price.

## Five Evaluation Options are Provided for Each Objective

- Exceeds
- Meets
- Needs Improvement
- Does Not Meet
- Don't Know

# 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



L. Ash, 2017

# Comments by Committee Members

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



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



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

# Next Meeting and Adjournment

## Next Committee Meeting

- August 11, 2021
- Time: 1:30 pm
- Location: “Virtual” Zoom Meeting



L. Ash, 2017