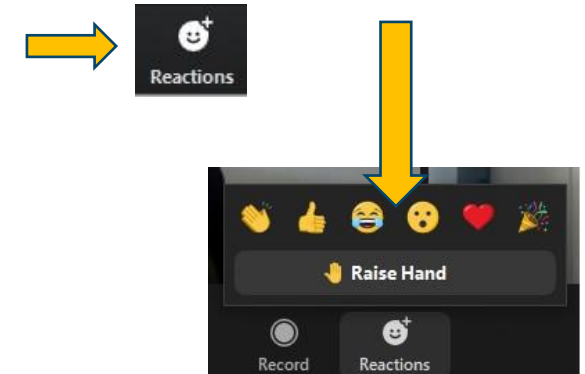


Meeting Instructions While We Gather

- 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

October 13, 2021

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



Consideration of Declaration that BPC 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 BPC and Board meeting
 - Can be adopted via consent calendar

Recommendation

That the Committee adopt Resolution No. 2021-02, 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



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

Special Report from SFPUC

Every drop counts. Use water wisely.



1 lawn watering =
71 loads

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



SaveOurWater.com

BAWSCA Board Policy Committee Water Supply Curtailments Update

Steven R. Ritchie
Assistant General Manager, Water
October 13, 2021

Effects of Tuolumne River Diversion Curtailments

- Curtailments went into effect for our Tuolumne River diversions on August 20
- The curtailments eliminate access to the 360,000 acre-feet of storage in Water Bank in Lake Don Pedro
- We are meeting all of the curtailment obligations by releasing water from Cherry Lake and Lake Eleanor so that we can divert water into Hetch Hetchy
- We have requested a Health and Safety exception for diversions allowing us to divert enough water to supply 55 GPCD to our entire service area (there are conditions)

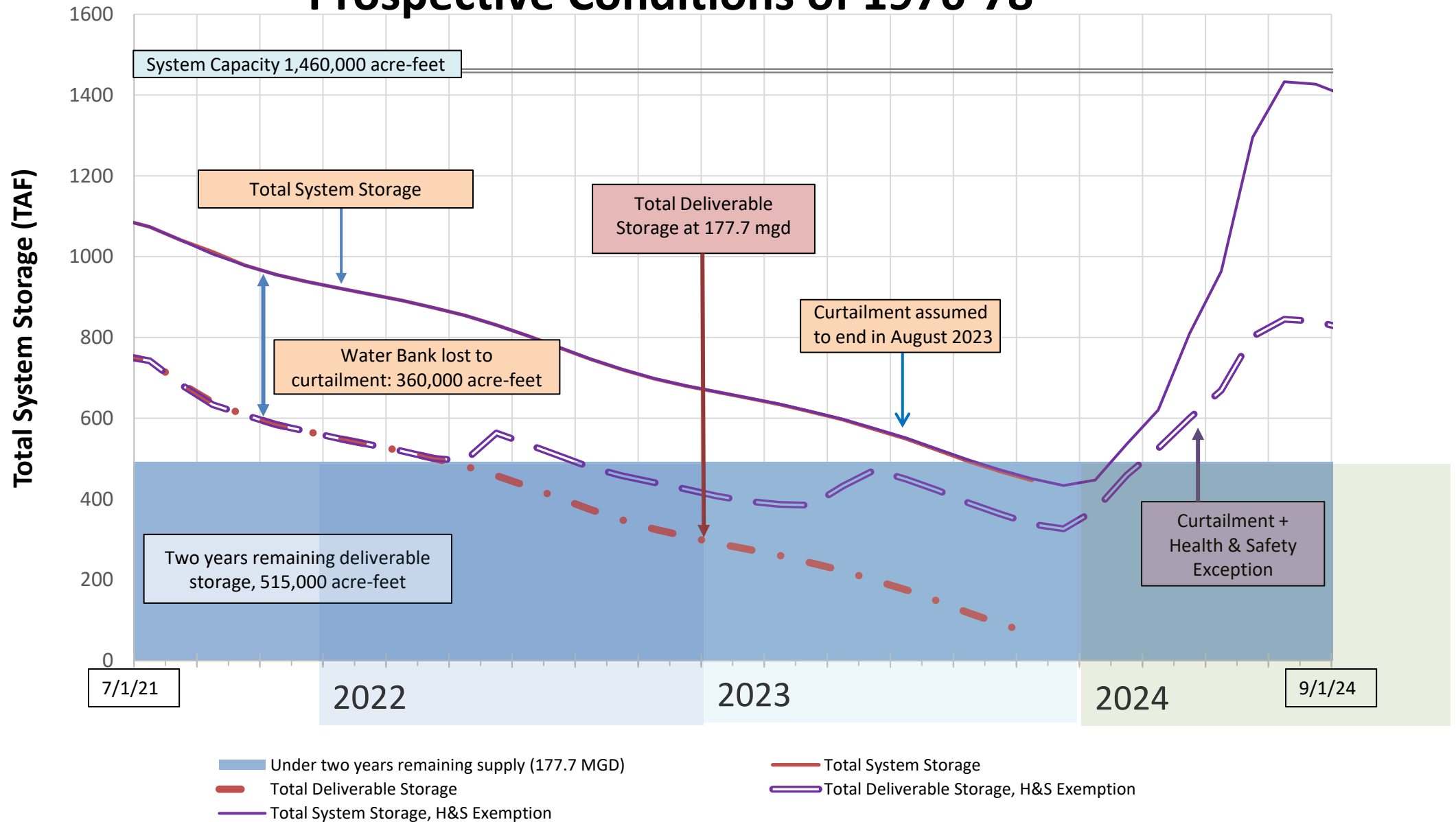
Proposed Declaration of Water Supply Emergency

- Plan to go to our Commission on November 9
- Proposed emergency declaration details:
 - Baseline will be 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
 - Retail share is less than actual FY 19-20 demand, so Retail target water use reduction will be 5% off of FY 19-20 demand = 62.3 MGD resulting in 1.7 MGD of “float”
- Potential rate actions
 - Retail: Considering already authorized temporary drought surcharge
 - Wholesale: Potentially higher wholesale rate increase next year than previously projected

Our Analysis of Potential Impacts If Drought Persists

- We analyzed the impacts on water supply through 2024
- We utilized the Prospective Drought for operational purposes:
 - Two more years of extreme drought like 1976-1977
 - Followed by some recovery as occurred in 1978
 - Under this scenario, curtailments are likely to be extended through August 2023;
- Two changes in water use allowance were assessed:
 - A 10% water use reduction from FY19-20 demands (decreasing total system demand to an average of 177.7 MGD); and
 - A Health and Safety exception is granted allowing diversions of 55 gpcd for the entire service area

System Response to Continued Curtailments and Prospective Conditions of 1976-78



Conclusions

- Under curtailments to August 2023, Deliverable storage is gone by December 2023, even with a 10% reduction in water use
- A Health and Safety Exception through both years adds 270,000 acre-feet to Deliverable storage in 2022-23, allowing the system to continue serving water
- The system effectively refills by July 2024 assuming no other changes
- **BOTTOM LINE:** We need to focus on finding a way to regain access to Water Bank and/or we need to achieve a Health and Safety exception


Consent Calendar



SHORT & STEAMY

Shorten your showers. It's a DROUGHT.

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

Adoption of Resolution #2021-03 Approving Tier 2 Drought Allocation Plan



Drought Shortages on Regional Water System Governed by Two Plans

- **Tier 1 Plan** – Allocates water between SFPUC retail and the wholesale customers collectively
- **Tier 2 Plan (or DRIP)** – 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 Tier 2 Plan
 - Per WSA Section 3.11(C)(3)
 - BAWSCA Board has ability to adopt the existing plan with a revised end date
- BAWSCA Board approved a 1-year extension in May 2019 to extend the plan through December 31, 2019
- BAWSCA Board approved a 1-year extension in November 2019 to extend the plan through December 31, 2020
- BAWSCA Board approved a 1-year extension in November 2020 to extend the plan through December 31, 2021

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

- In 2019, BAWSCA held three workshops with the WMRs where the potential to either update the Tier 2 Plan or to extend the existing 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

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.
- WMR did not voice opposition to a one-year extension to the existing plan by BAWSCA
- BAWSCA committed to an annual review of this topic with WMR
- BAWSCA conducted annual review of Tier 2 Plan with WMR on October 7th
 - A water shortage emergency declaration by the 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 the SFPUC may take in the future months

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%	7%	26%

Notes:

1. The Tier 2 Formula accounts for health and safety minimum gpcd 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 (26%), 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

Recommended Action

That the Committee recommend the Board adopt Resolution 2021-03 adopting the Tier 2 Plan drought allocation methodology for the upcoming year from January 1, 2022 through December 31, 2022.

**note: this recommended action language is slightly different that recommendation in staff memo*

Annual Review and Consideration of BAWSCA's Investment Policy

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California native plants
and use less water.



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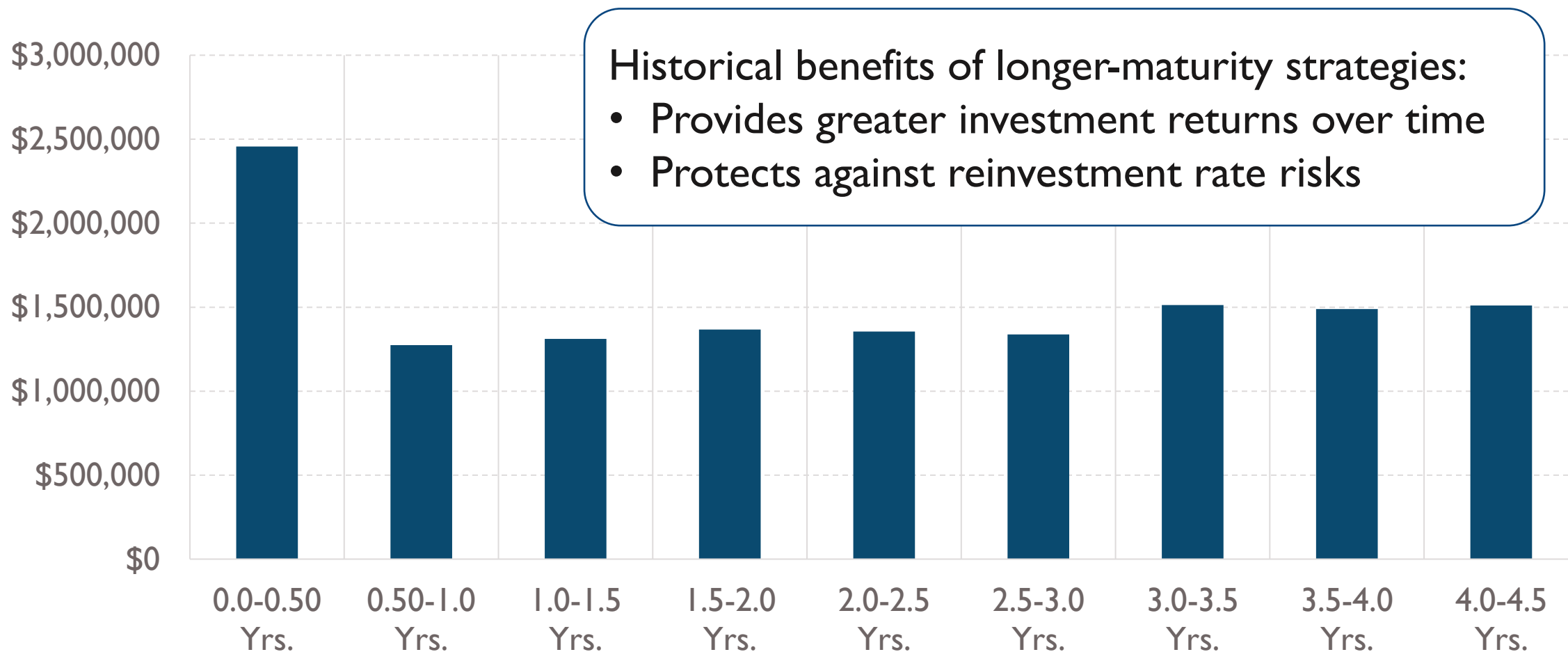
Annual Review and Consideration of BAWSCA's Investment Policy

- BAWSCA's Investment Policy requires annual consideration of the Statement of Investment Policy
 - Primary objectives: safety, liquidity and yield
- Last reviewed November 2020
 - Included U.S. Agency Securities as permitted investment vehicles for the bond funds
- Both agency funds and bond funds are invested per Investment Policy
 - Most agencies have the Policy govern operating funds, not bond funds
 - Permitted investments reflect the agency's circumstances and primary investment objectives
 - Current language is consistent with State law
- No changes to the policy are recommended

Overview of Current Investment Strategy for Stabilization Fund

- Over the past year, the yield curve has steepened as interest rates across the curve has increased
- BAWSCA's longer-term portfolio strategy performs well
 - Previously purchased securities now provide fixed yields that are well above currently available interest rates
- Total bond funds held by Trustee: \$17,777,663 (as of 10/1/2021)
 - \$4.2M bond surcharges – in Money Market Fund
 - \$13.6M stabilization fund (reserve) – in U.S. Treasury Securities
- Based on a recent evaluation, the current 0-5 year ladder portfolio investment strategy is determined appropriate

Stabilization Fund Investment Portfolio Maturity Distribution as of 10/1/2021



Recommendation

That the Committee recommend Board re-affirmation of the current Statement of Investment Policy.

Administrative Revision to BAWSCA's CalPERS Health Benefit Resolution



Administrative Change by BAWSCA's Health Benefit Provider Requires BAWSCA Board Action

- BAWSCA's health benefit provider is CalPERS Medical Plan
- CalPERS is making an administrative change to rename its "PERS Choice Plan" to "PERS Platinum Plan"
 - Effective January 1, 2022
 - There is no fiscal impact of this change
- In order to adhere to CalPERS Health Program, BAWSCA must take action
 - Rescind Resolutions 2003-A and 2003-B
 - Replace them with a single Resolution 2021-04

Recommendation

That the Committee recommend the Board:

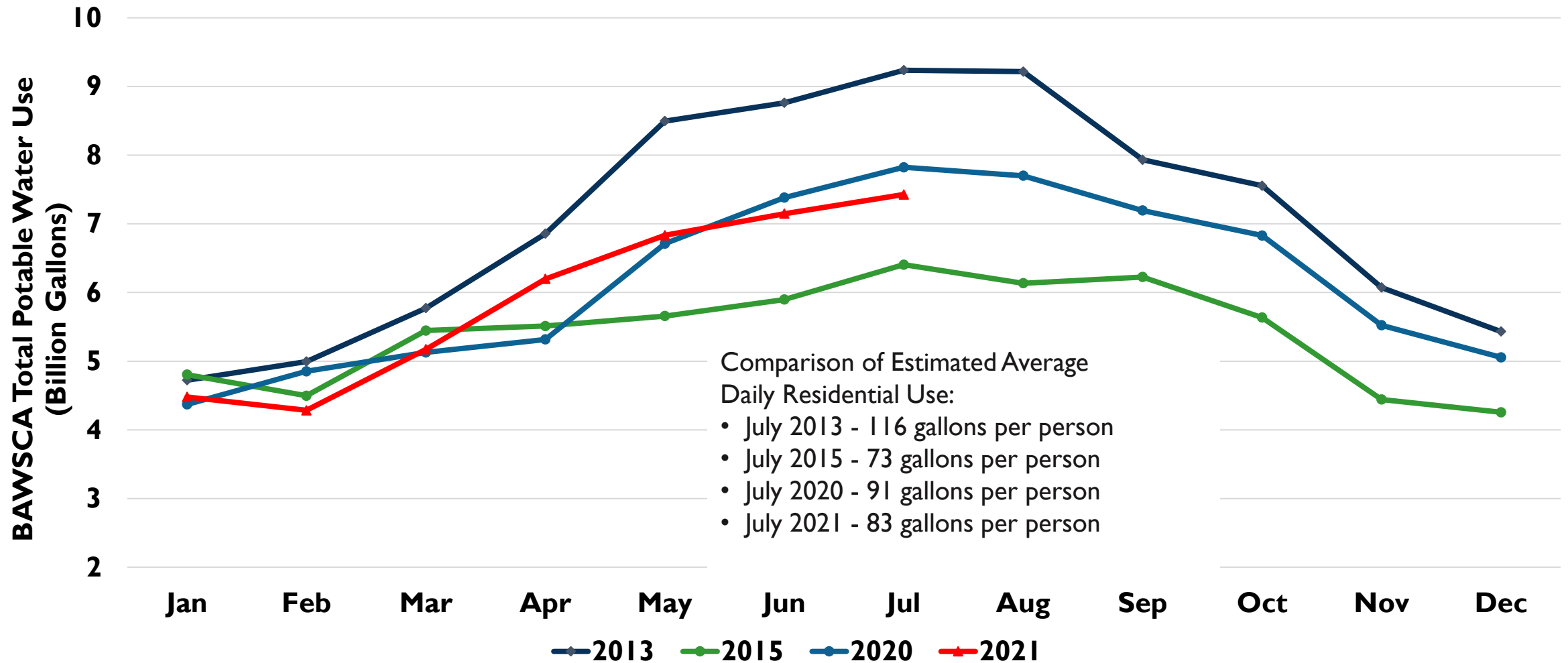
- A. Rescind Resolutions No. 2003-03A & 2003-03B, which specify PERS Choice Plan; and
- B. Adopt replacement Resolution No. 2021-04 (provided by CalPERS), which specifies PERS Platinum Plan.

Reports



L. Ash, 2017

BAWSCA July 2021 Total Potable Water Use is 5.1% Less than July 2020 and 20% Less than July 2013



NEW Conservation Programs as of Summer 2021

Irrigation Hardware Rebates!



High
Efficiency
Sprinkler
Nozzles
\$5/nozzle



High
Efficiency
Spray
Bodies
\$10/body



High
Efficiency
Large
Rotors
\$30/rotor



Residential Self-Audit Tool

Choose to order a conservation kit
or follow online instructions to
complete a home water audit!

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
- No evident progress on voluntary agreements
 - State focus has been on addressing the developing drought situation, including curtailments
- BAWSCA continues to pursue having the State Board perform an evaluation of the TRVA as an alternative to the Bay-Delta Plan

Closed Session

Every drop counts. Use water wisely.



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



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Comments by Committee Members

GARDENS
GONE WILD

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

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

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Next Meeting and Adjournment

Next BPC Meeting

- December 8, 2021
- Time: 1:30 pm
- Location: TBD

