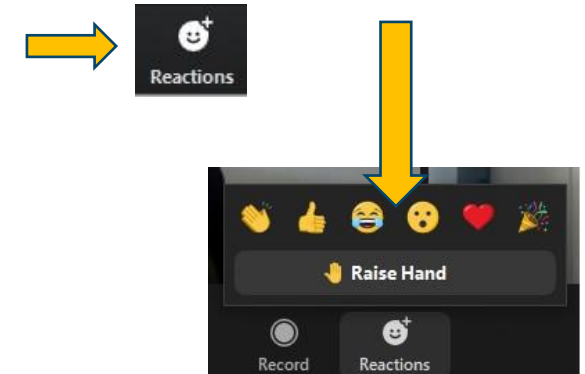


Meeting Instructions While We Gather

- 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





“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)]

Special Meeting Board Policy Committee September 7, 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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Comments by the Chair



Public Comment on Items Not on the Agenda



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.



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Water Supply Conditions and Curtailments Update

Steven R. Ritchie

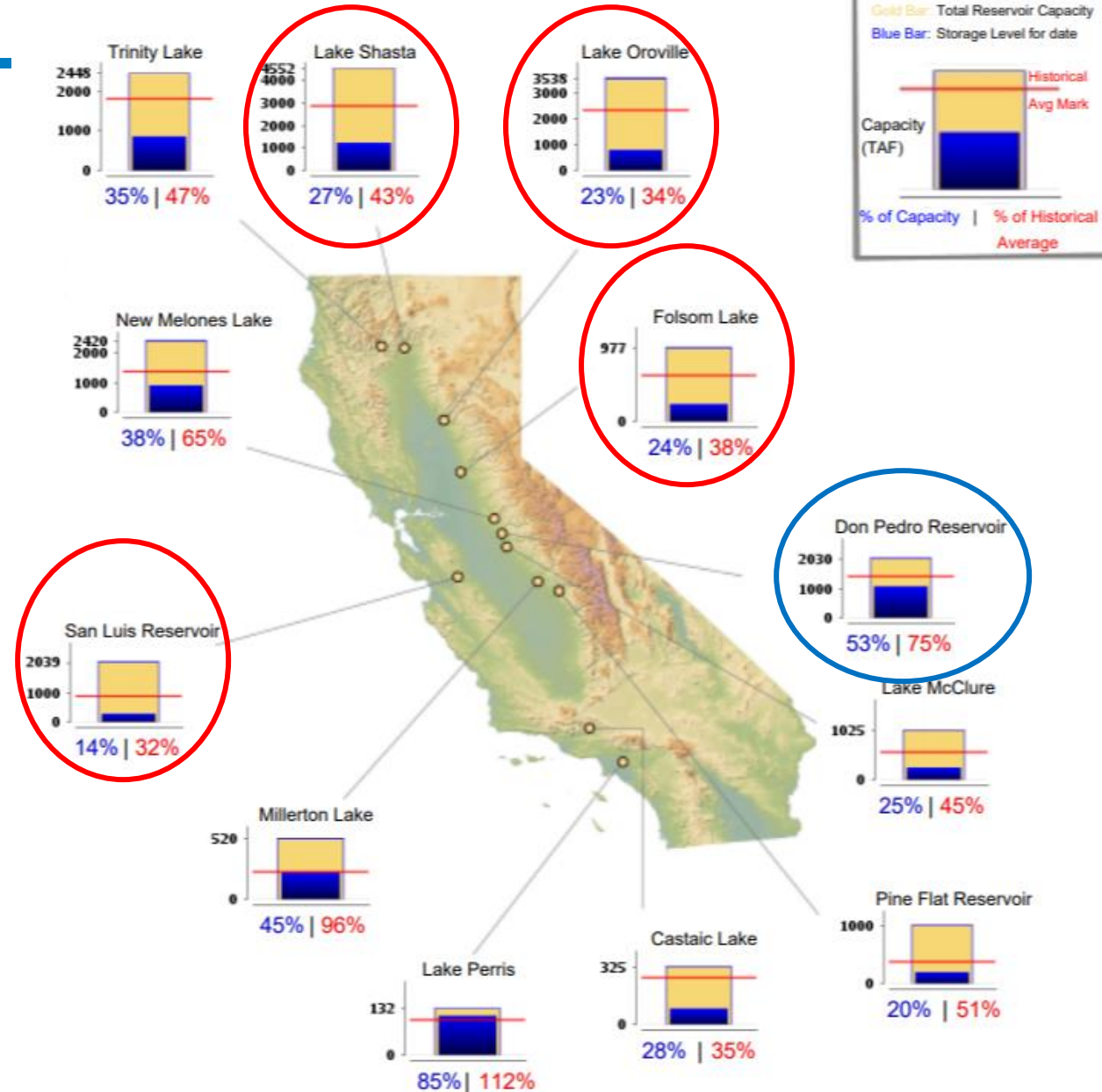
Assistant General Manager, Water

September 7, 2021

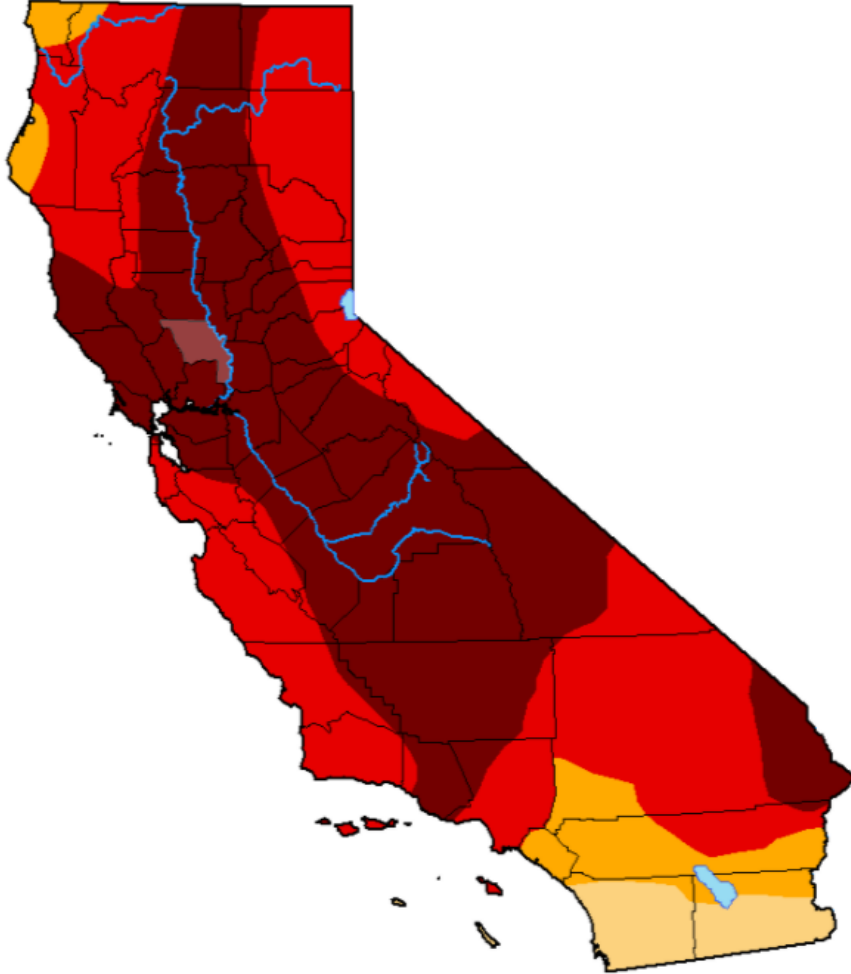
August 30, 2021 Reservoir Storage

| 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 | 268,016 | 360,360 | 92,344 | 74.4% | 86.4% |
| Cherry | 202,500 | 273,345 | 70,845 | 74.1% | - |
| Eleanor | 22,220 | 27,100 | 4,880 | 82.0% | - |
| Water Bank | 353,916 | 570,000 | 216,084 | 62.1% | 97.1% |
| Total Tuolumne Storage | 846,652 | 1,230,805 | 384,153 | 68.8% | - |
| <u>Local System</u> | | | | | |
| Calaveras | 54,799 | 96,670 | 41,871 | 56.7% | - |
| San Antonio | 44,640 | 53,266 | 8,626 | 83.8% | - |
| Crystal Springs | 48,627 | 58,309 | 9,682 | 83.4% | - |
| San Andreas | 16,366 | 19,027 | 2,661 | 86.0% | - |
| Pilarcitos | 1,692 | 3,030 | 1,338 | 55.8% | - |
| Total Local Storage | 166,124 | 230,302 | 64,178 | 72.1% | - |
| Total System Storage | 1,012,776 | 1,461,107 | 448,331 | 69.3% | 85.0% |
| Total without water bank | 658,860 | 891,107 | 232,247 | 73.9% | - |

Other California Reservoirs



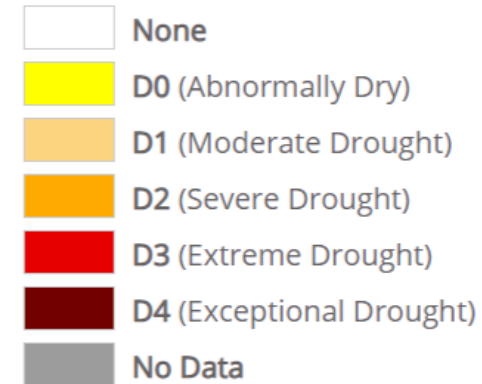
California Drought Monitor



Map released: Thurs. August 26, 2021

Data valid: August 24, 2021 at 8 a.m. EDT

Intensity



Authors

United States and Puerto Rico Author(s):

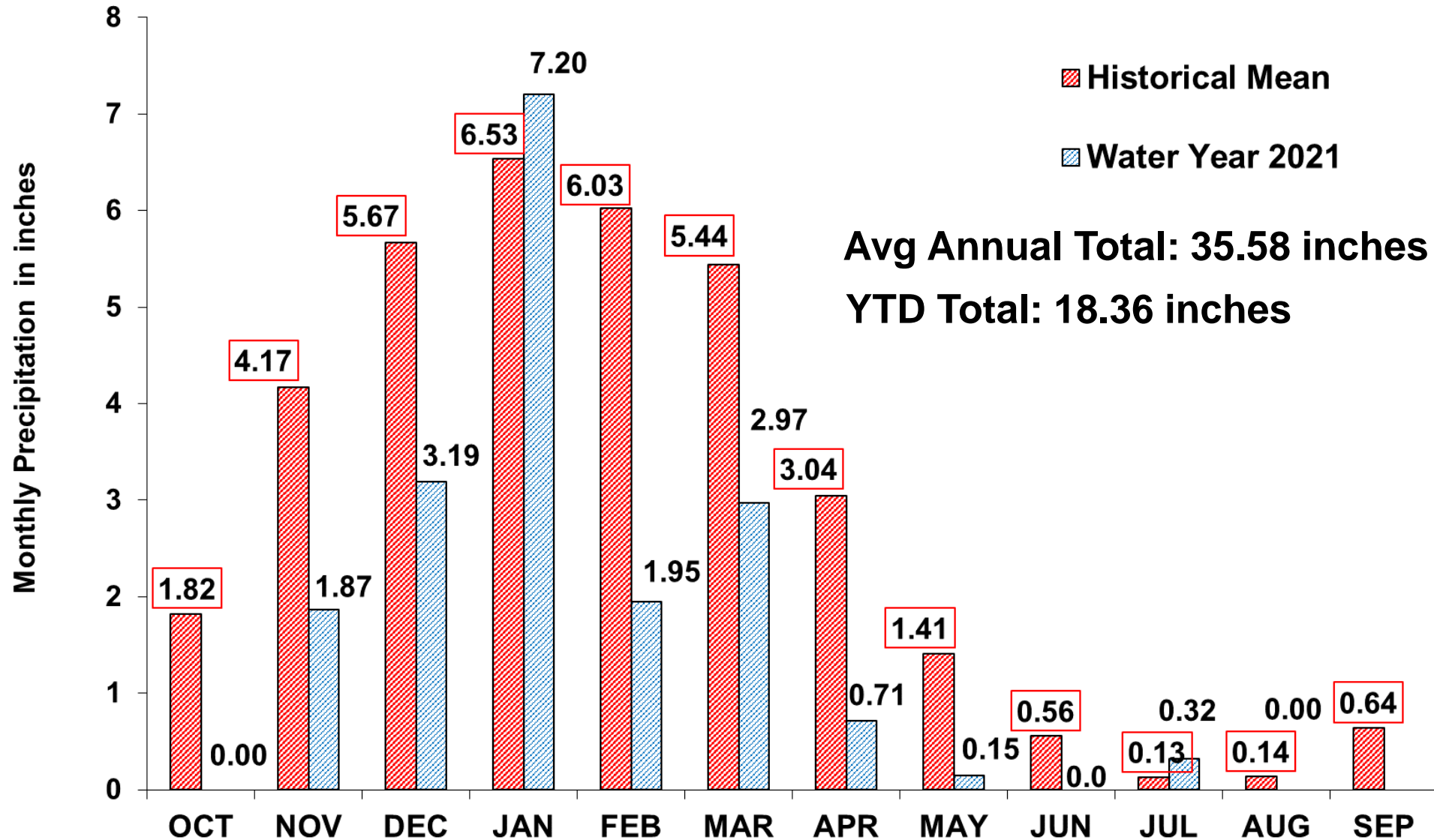
Curtis Riganti, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

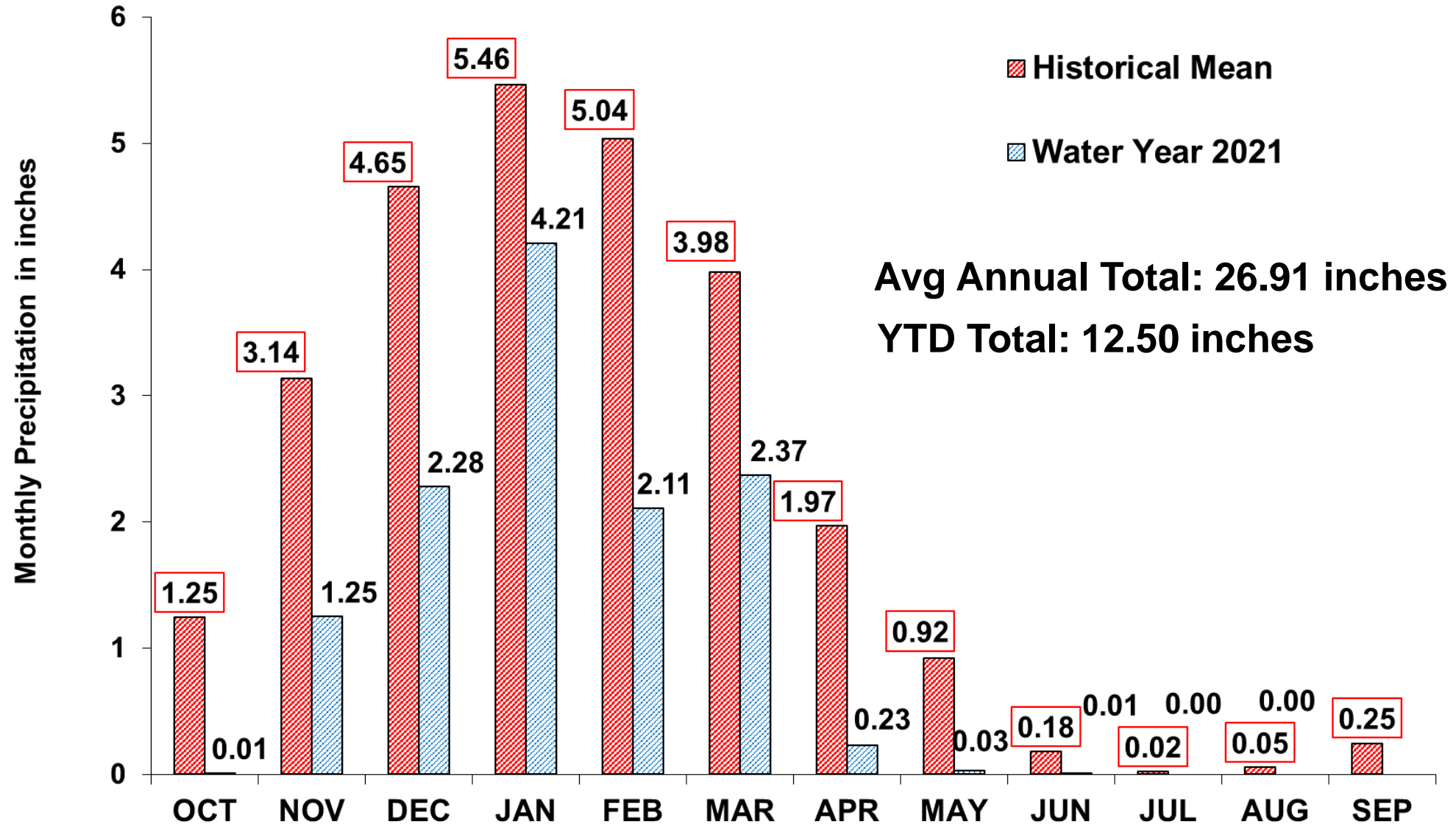
Brad Rippey, U.S. Department of Agriculture

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

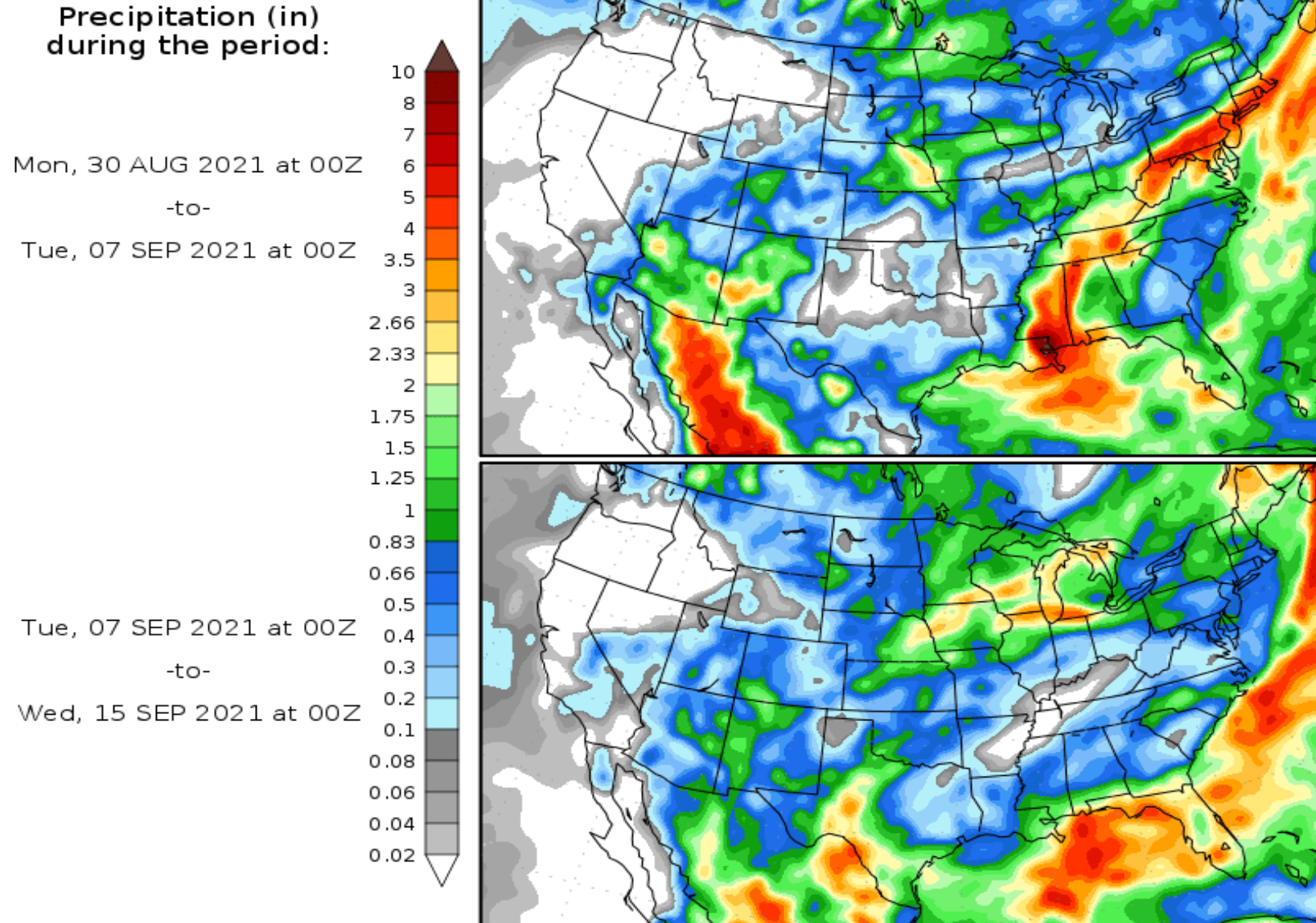
Upcountry 6-station Precipitation Index as of August 29, 2021



Bay Area 7-station Precipitation Index as of August 29, 2021

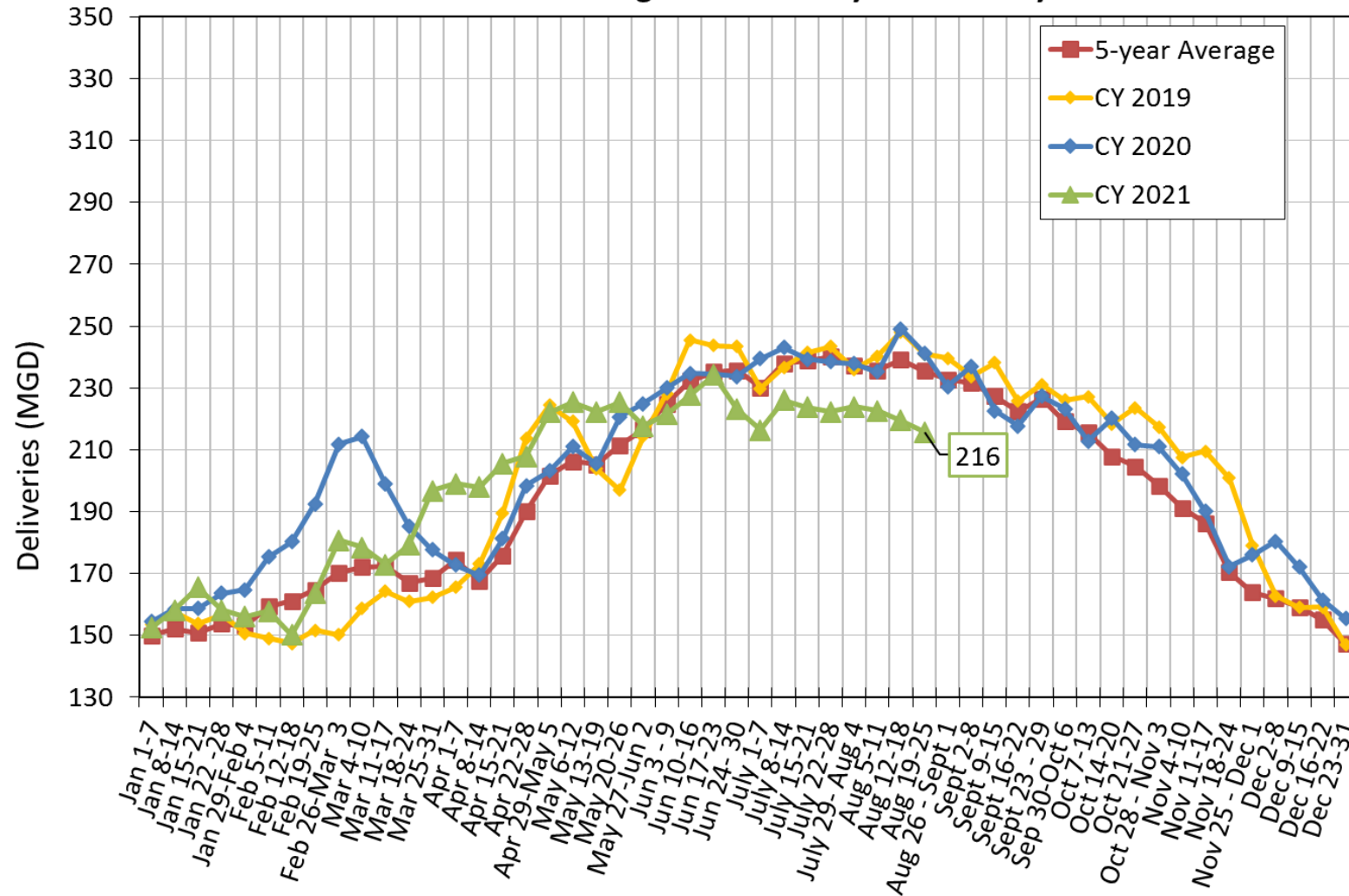


National Precipitation Forecast



Total Deliveries

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





Regional Water System Water Use Reductions From 2020

(From Weekly Delivery Reports)

| For the Period January 1 – June 30 | | | |
|------------------------------------|------------------|------------------|-------------|
| CUSTOMER GROUPS | 2020 AVG. MGD | 2021 AVG. MGD | % REDUCTION |
| San Francisco Customers | 61.1 | 55.2 | 9.7% |
| Wholesale Customers* | 133.3 | 137.2 | -2.9% |
| TOTAL | 194.5 | 192.4 | 1.1% |

*Data are for Regional Water System Deliveries only and do not include reductions in other sources of supply.



Regional Water System Water Use Reductions From 2020

(From Weekly Delivery Reports)

| For the Period July 1 - August 31 | | | |
|-----------------------------------|------------------|------------------|-------------|
| CUSTOMER GROUPS | 2020 AVG. MGD | 2021 AVG. MGD | % REDUCTION |
| San Francisco Customers | 62.3 | 57.3 | 8.0% |
| Wholesale Customers* | 177.4 | 163.7 | 7.7% |
| TOTAL | 239.7 | 221.0 | 7.8% |

*Data are for Regional Water System Deliveries only and do not include reductions in other sources of supply.

Curtailment Regulations and Orders

- On June 15th, the State Water Board issued notices of water unavailability to all post-1914 appropriative water right holders in the Delta watershed
- On July 23rd, the State Water Board released draft emergency water right curtailment and reporting regulations:
 - The emergency regulations require those water diverters subject to the regulation to curtail all diversions and bypass full natural flow from their points of diversion
 - The regulations provide for initiation and suspension of any curtailments based on current information regarding supplies and demands
 - The emergency regulations would remain in effect for up to one year but could be repealed if conditions improve
- Also on July 23rd, the State Water Board issued notices of water unavailability to:
 - All pre-1914 appropriative water right claims in the San Joaquin River watershed; and
 - All pre-1914 appropriative water right claims in the Sacramento River watershed with a priority date of 1883 or later and some with a priority date earlier than 1883

Curtailment Regulations and Orders

- San Francisco received the July 23rd notices of water unavailability for its points of diversion in the Tuolumne River watershed
- The Board adopted the emergency regulations on August 3rd
- The State Office of Administrative Law approved the regulations and filed them with the Secretary of State on August 19th
- On August 20th San Francisco was issued curtailment orders for these points of diversion

| WATER RIGHT ID | AFFECTED DIVERSIONS |
|----------------|-----------------------------------|
| S002636 | Eleanor |
| S002638 | Cherry |
| S014379 | Lower Cherry Aqueduct |
| S002635 | Hetch Hetchy |
| S002637 | Early Intake |
| S018734 | Scoggins Dam (Camp Mather) |
| S018735 | Canyon Ranch Creek (Camp Mather) |
| S015858 | Sunol Filter Gallery (ELIMINATED) |

Curtailment Regulations and Orders

- We have been releasing water above full natural flow to meet instream flow requirements and provide for rafting while generating hydropower
- Water released above full natural flow has been credited to Water Bank, and we do not expect this to change under a curtailment order because the order does not affect previously stored water
- With the closure of Stanislaus National Forest, rafting season is over
- However, during the rest of September, we do have an obligation under electricity regulations to be available for generation at Holm Powerhouse on 5 minutes notice which results in our needing to keep flow going through the generators at a rate of about 60 AF/day.
- At the end of September we will reduce releases to instream flow requirements or full natural flow, whichever is greater, to preserve water in storage

Curtailment Orders and Responses

- Curtailment Order Certificates of Compliance must be filed by September 3rd
- We plan to offset Tuolumne curtailment requirements with releases of stored water from Cherry/Eleanor, while diverting into Hetch Hetchy
- Exceptions can be requested for:
 - Non-Consumptive Uses
 - Human Health and Safety
 - Alternative Water Sharing Agreements
- Exceptions need to be requested by September 3rd with supporting information submitted by September 10th
- We expect to make requests under specific categories for different situations:
 - Non-Consumptive Use: Moccasin Fish Hatchery
 - Human Health and Safety: RWS and small systems in early 2022 if still dry and the Camp Mather diversions

Curtailment Orders and Responses

- We filed our Certificates of Compliance on September 2nd
- The San Joaquin Tributaries Authority filed a lawsuit against the State on September 2nd over the curtailment regulations
- We will begin filing monthly reports accounting for Tuolumne releases from Cherry/Eleanor and diversions to Hetch Hetchy demonstrating our compliance
- If dry conditions persist, we will likely take additional actions regarding reduction in available water supply in January, potentially including declaring a water supply emergency

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.



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Establishing a Debt Management Policy



Consideration of Establishing a Debt Management Policy

- Purpose: To comply with Government Code section 8855(i), which became effective January 1, 2017
 - BAWSCA must have a Debt Management Policy prior to the refunding sale
- Objectives:
 - Guide and regulate BAWSCA's issuance of debt
 - Protect credit rating and minimize borrowing costs
 - Incorporate best debt administration practices
- This action item was previously presented at the July Board meeting
- The proposed Policy reflects changes made in response to the feedback provided by the Board

Recommendation

That the Board Policy Committee recommend Board approval of a Debt Management Policy.

Authorization of Issuance of Refunding Revenue Bonds

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Consideration of Authorizing BAWSCA's Issuance of Refunding Revenue Bonds

- BAWSCA proposes the issuance of Refunding Revenue Bonds to refund the callable portion of 2013A bonds
 - Expected Net Present Value (NPV) savings (after costs): over \$20 million
 - Average annual savings: approx. \$2 million after bond settlement
 - Estimated cost of issuance: up to \$1.2 million
 - Not-to-exceed principal amount: \$180 million
- The proposed Resolution for consideration and approval would also authorize the forms of the following financing documents
 - Second Supplemental Revenue Bond Indenture
 - Contract of Purchase
 - Continuing Disclosure Certificate
 - Escrow Agreement
 - Preliminary Official Statement

Key Terms of Potential Refunding Revenue Bonds

- Tax-exempt forward delivery continues to be determined most economical
 - Less market risk than waiting for a tax-exempt regular delivery in 2023
 - Pricing premium of up to 5 bps (0.05%) per month over a theoretical tax-exempt regular delivery
 - More savings than a taxable advance refunding
- Key terms remain the same as the 2013A bonds
 - Method of sale: negotiated sale
 - Final maturity: October 1, 2034
 - Stabilization requirement: 50% of max annual debt service
- Bond sale without a green designation is recommended
 - No assurance of financial benefits
 - Additional cost of \$20,000 - \$25,000 for the green verification process
 - Minimal possibility to warrant a green designation for all refunding bonds
 - Delay in bond sale would expose the refunding to additional market risk

Preliminary Timeline

| | |
|---|----------------------------|
| Recommendation of Board authorization to issue bonds and approval of bond documents | September Special BPC Mtg. |
| Board authorization to issue bonds and approval of bond documents | September Board Mtg. |
| Credit Rating Process | September 2021 |
| Bond pricing/sale (tentative) | Oct 2021 |
| Bond document closing | Oct – Nov 2021 |
| Bond settlement | January 2023 |

* Based on a tax-exempt forward delivery refunding and subject to market conditions and other factors

Recommendation

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

- I. Adopt Resolution No. 2021-01 authorizing the issuance of the Refunding Revenue Bonds in an amount not to exceed \$180 million and authorizing the forms of the following financing documents provided as attachments to the staff report
 - a. Second Supplemental Revenue Bond Indenture;
 - b. Contract of Purchase;
 - c. Continuing Disclosure Certificate;
 - d. Escrow Agreement
 - e. Preliminary Official Statement; and
2. Authorize the CEO/General Manager to execute these financing documents, subject to the satisfaction of specified criteria
 - a. NPV savings: not less than \$20 million
 - b. Principal amount: not to exceed \$180 million
 - c. Underwriter's discount: not to exceed 0.25% of the principal amount

Authorization to Increase Contract Amount and Extend Schedule for 2021 Demand Study Update



BAWSCA Proposing to Increase Scope and Extend Schedule for 2021 Demand Study Update

- The adopted FY 2021-22 work plan and budget includes completion of the 2021 Demand Study Update.
 - On May 20, 2021, the Board authorized the CEO/General Manager to negotiate and execute a contract with MWM to complete this work
- Since May, BAWSCA has been in negotiations with MWM that have resulted in refinements to the proposed scope to ensure product meets BAWSCA's needs
 - Additional clarity on a specific task, the sensitivity analysis
 - Preparation of a stand-alone updated water demand projections report, rather than just a TM
- Changes result in \$75K increased cost and additional 6 months to complete
 - Total revised budget of \$350k to complete from \$275k
 - Completion by December 2022 instead of June 2022
 - Billing rates have not changed; Additional work is necessary to complete BAWSCA's goal of producing defensible water demand to support regional water planning

What Purpose Will a Sensitivity Analysis and Final Report Serve?

- Demand studies, BAWSCA's 2020 Demand Study and others, have been subject to intense scrutiny by interest groups, particularly environmental organizations
- A sensitivity analysis will address these concerns by helping to understand the effects of key factors on water demand projections
- Analysis will determine the impacts of a range of population, employment, and climate scenarios to better quantify uncertainty in water demand
- Results will assist BAWSCA and member agencies to refine future efficiency programs and enhance future regional and agency water use forecasting
- The necessity for a stand-alone document is related to the anticipated need for SFPUC to rely on and reference these results for its alternative water supply planning effort

Increased Cost Associated with Work in FY 2022-23

| Fiscal Year | Description | Cost |
|-------------|---|------------------|
| 2021-22 | Data Collection and Phase 4 Kickoff Meeting | \$47,084 |
| | Water Demand Review | \$114,572 |
| | Sensitivity Analysis | \$88,596 |
| | Project Management | \$24,748 |
| | Subtotal | \$275,000 |
| 2022-23 | Preparation of Sensitivity Analysis TM | \$23,804 |
| | Workshop on Sensitivity Analysis Results | \$9,436 |
| | Draft and Final Report Preparation | \$35,616 |
| | Project Management | \$6,144 |
| | Subtotal | \$75,000 |
| | TOTAL | \$350,000 |

Recommendation

That the Board Policy Committee recommend the Board authorize:

- 1) A \$75k increase in the not to exceed budget amount, for a total not to exceed amount of \$350k, and a 6-month extension for completion on December 31, 2022, for BAWSCA's 2021 Demand Study Update; and
- 2) Authorize a request for transfer of \$75k from the Balancing Account to BAWSCA in accordance with BAWSCA's Balancing Account Policy, Res. No. 2020-02.

Reports and Discussions



L. Ash, 2017

CEO/GM Evaluation Metrics for FY 2021-22

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



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New Online Format for CEO Evaluation Offers Increased Flexibility

- CEO's FY 2020-21 evaluation used a new, online format
 - Feedback to date indicates new format worked well for Board Members
- This format provides increased flexibility for overall length and specific wording
 - Number of objectives, description of objectives and evaluation criteria
- Now is the appropriate time for consideration of modifications to CEO evaluation metrics for FY 2021-22
- Feedback from BPC is requested to provide assistance to Board Chair

FY 2020-21 CEO Evaluation Included 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 Included 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

Board and Committee Meeting Logistics Post Oct. 1st



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1 lawn watering = 16 loads

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



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BAWSCA Closely Monitoring Actions at State Level to Inform Plans for Agency Meetings After Oct. 1

- Existing modifications to Brown Act teleconference requirements will expire on October 1
- AB 361 will likely be passed by the Legislature next week
 - Must pass by September 10
 - Would be effective as soon as the Governor signs it, but no later than Oct. 11
- AB 361 will effectively allow agencies to use the existing teleconference requirements
 - whenever the state or counties have declared state of emergency and
 - state or local officials have recommended social distancing
- To take advantage of this, the agency's legislative body must make findings that in-person attendance would "present imminent risks to the health and safety of attendees"
 - Agencies must renew this finding every 30 days as long as the state of emergency continues
 - Once the initial finding is made, Legal Counsel's opinion is that renewals can be approved via the consent calendar
- Legal Counsel will continue to monitor this situation and update the Chair and CEO

CEO Reports



GARDENS
GONE WILD

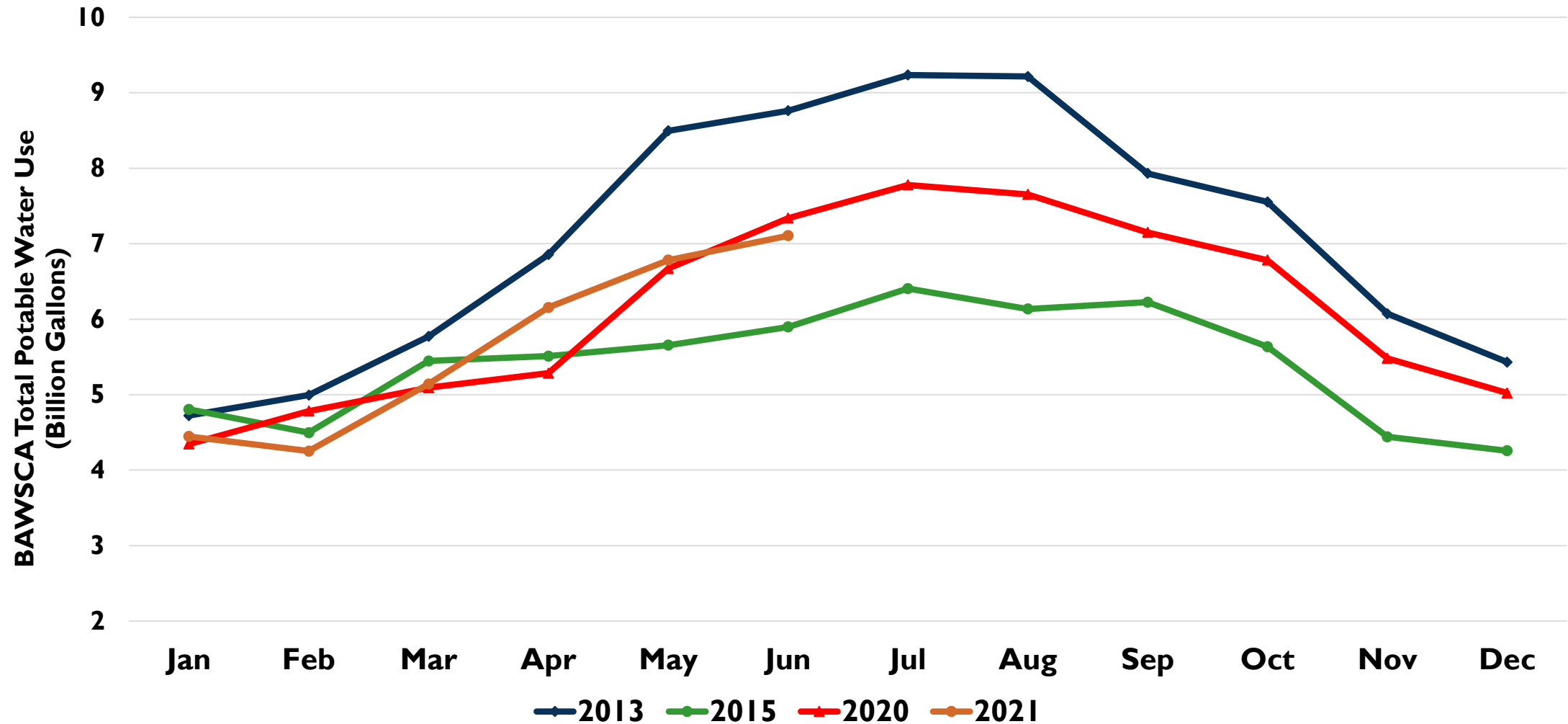
Use native, water-efficient plants. It's a DROUGHT.

BAWSCA
Bay Area Water Supply & Conservation Agency

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

bawsca.org/DROUGHT

BAWSCA June 2021 Total Potable Water Use is 3.2% Less than June 2020 and 19% Less than June 2013



BAWSCA Continues to Provide Drought Support for Region and Member Agencies

- New conservation information on the BAWSCA website
 - New conservation programs being offered
 - Video library of past landscape classes
- Discussions with San Mateo County on a potential conservation partnership with BAWSCA
 - That partnership, when in place, would increase the rebates amounts provided to residents in the County that participate in select BAWSCA conservation programs, such as “Lawn be Gone”
- Discussions with Valley Water about potential to co-sponsor landscape education classes in Santa Clara County
- BAWSCA serving on San Mateo County Office of Emergency Services' Drought Task Force
 - The first meeting of the Drought Task Force took place on August 3, 2021
 - The Task Force will continue to meet throughout the drought

SFPUC Workshop on its Alternative Water Supply Program on September 17, 2021

- SFPUC workshop on AWS Program scheduled for September 17, 2021
 - Three-hour virtual workshop (2 pm – 5 pm)
 - Workshop is open to the public and the SFPUC Commission will be present
 - BAWSCA will attend and has suggests board and member agencies attend
 - The agenda for the workshop is still being developed
 - Depending on the final agenda, BAWSCA may be asked to participate directly
- The SFPUC' Citizens' Advisory Committee (CAC) passed a “Resilient Water Supply Resolution” urging the SFPUC to:
 - Include in its AWS Program specific projects to meet the full amount of identified supply shortfall for the SF RVWS, and
 - Provide those plans, with options, costs, and timelines, to the public in a timely manner

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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Comments by Committee Members

QUICK & EASY

Replace leaky toilet parts. It's a DROUGHT.

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 Hetch Hetchy
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Next Meeting and Adjournment

Next BPC Meeting

- October 13, 2021
- Time: 1:30 pm
- Location: TBD

