

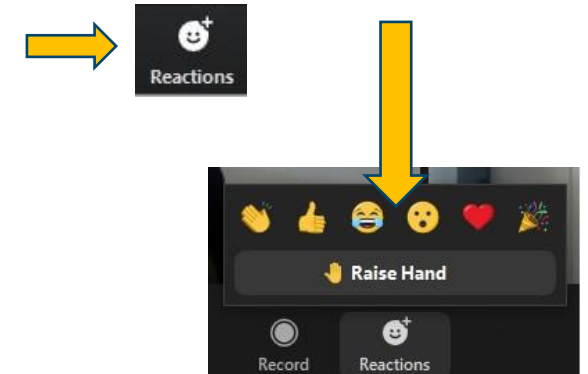
Meeting Instructions While We Gather

- 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





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 of Directors Meeting

May 19, 2022

Call to Order and Roll Call

😊 Water plants no more than twice a week

😡 Never when it's raining


We're in a drought, cut waste out.

BAWSCA
Bay Area Water Supply & Conservation Agency


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

bawasca.org/conserve


Comments by Chair



A colorful illustration of a water-wise landscape. It features a central blue pond or stream bordered by a chain of light blue stones. Various green and blue plants, including succulents and flowering stalks, are scattered around the water. The background is a solid yellow color.

 **Replace your lawn with a water-wise landscape**

We're in a drought, cut waste out.

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Services of the San Francisco Public Utilities Commission

bawsca.org/consERVE

Consent Calendar



The infographic is split into two panels. The left panel features a smiling emoji and the text 'Use a nozzle on your hose'. It shows a hand holding a hose with a nozzle, spraying water in a fine mist onto a bush of green plants with pink flowers. The right panel features a frowning emoji and the text 'Don't drown your daisies'. It shows a hand holding a hose without a nozzle, pouring water directly into a pool of water that has formed at the base of a similar bush of plants.

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Consent Calendar

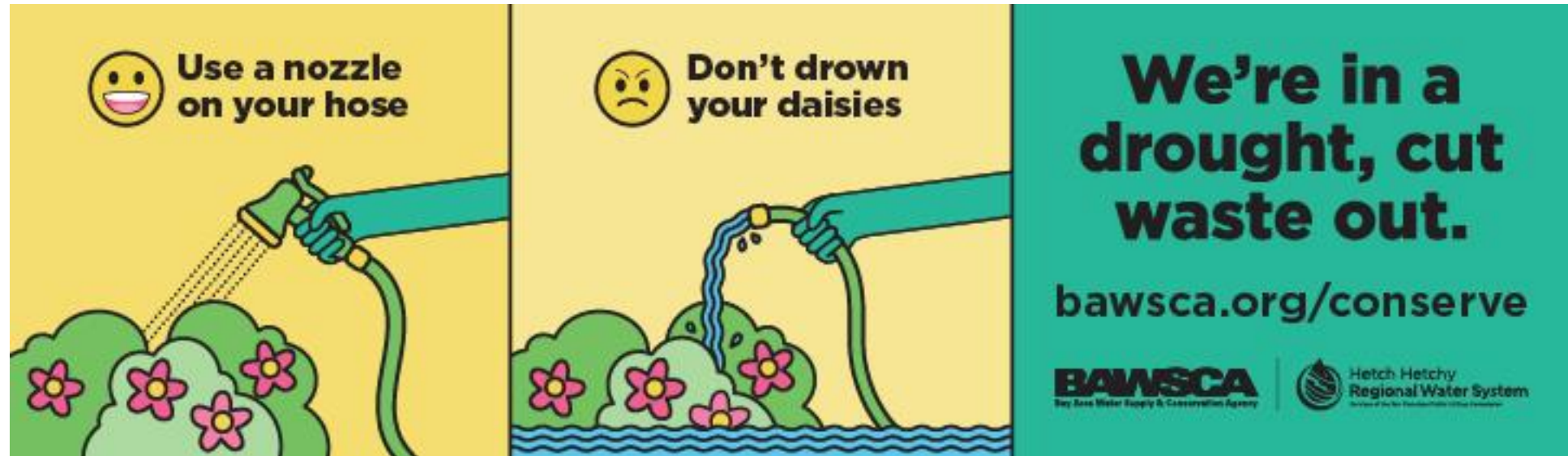
- A. Approval of Resolution #2022-07, Declaring that the Board Meetings will Continue to be Held Via Teleconference (Attachment)
- B. Approve Minutes of the March 17, 2022 Meeting
- C. Receive and File Budget Status Report – As of March 31, 2022
- D. Receive and File Bond Surcharge Collection Reports – As of March 31, 2022
- E. Receive and File Investment Report – As of March 31, 2022
- F. Receive and File Directors' Reimbursement Report – As of March 31, 2022



Board Policy Committee Report



Public Comments on Items Not on the Agenda



SFPUC Report

 **Only wash when the hamper's full**

 **Not full? Not today**

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Drought Conditions Update

Alison A. Kastama

BAWSCA Liaison

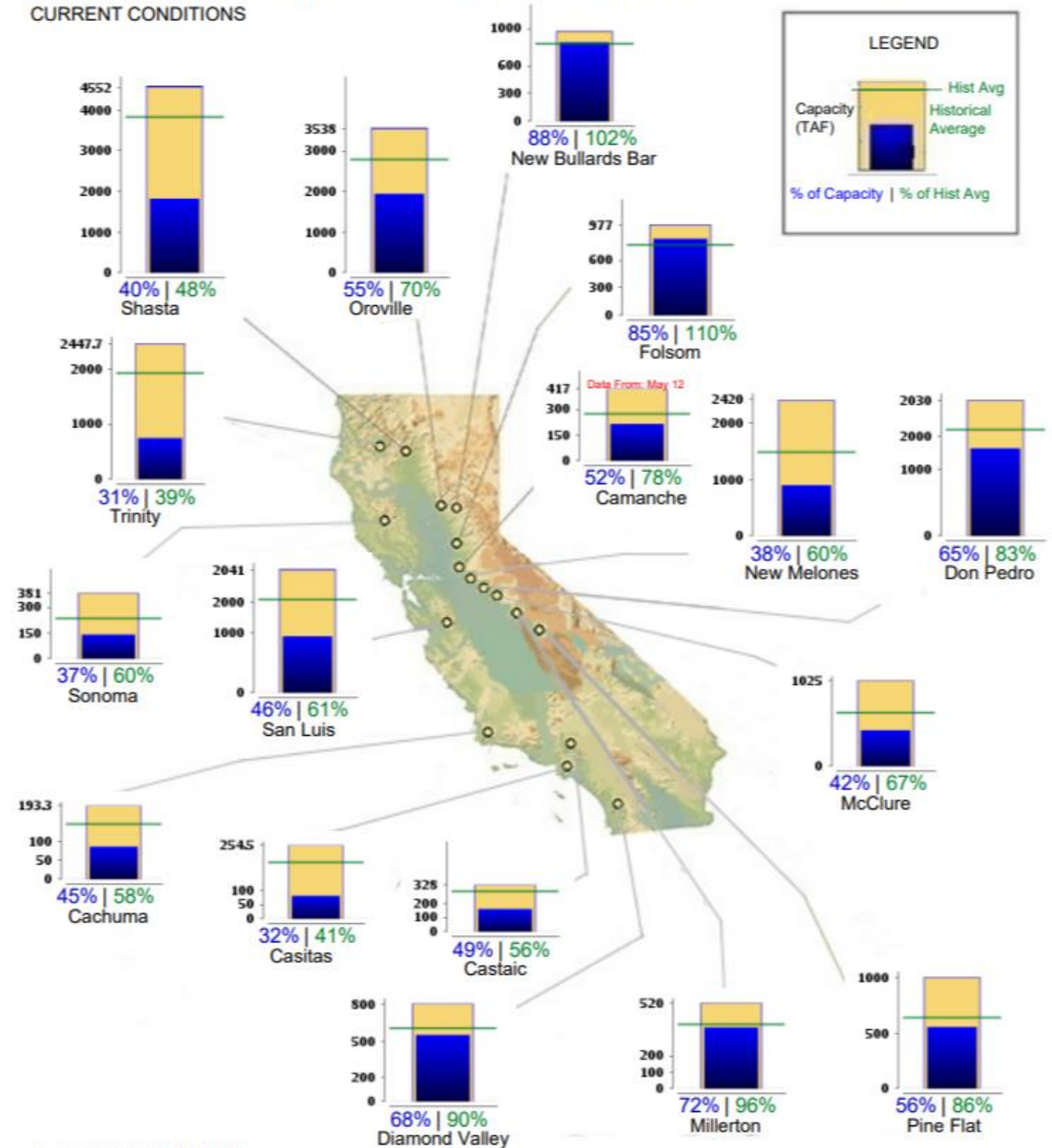
May 19, 2022



May 16, 2022 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	341,400	360,360	18,960	94.7%	75.7%
Cherry	261,300	273,345	12,045	95.6%	-
Eleanor	26,410	27,100	690	97.5%	-
Water Bank	273,390	570,000	296,610	48.0%	90.8%
Total Tuolumne Storage	902,500	1,230,805	328,305	73.3%	-
<u>Local System</u>					
Calaveras	62,586	96,670	34,084	64.7%	-
San Antonio	45,892	53,266	7,374	86.2%	-
Crystal Springs	49,273	58,309	9,036	84.5%	-
San Andreas	12,852	19,027	6,175	67.5%	-
Pilarcitos	2,870	3,030	160	94.7%	-
Total Local Storage	173,473	230,302	56,829	75.3%	-
Total System Storage	1,075,973	1,461,107	385,134	73.6%	84.4%
Total without water bank	802,583	891,107	88,524	90.1%	-

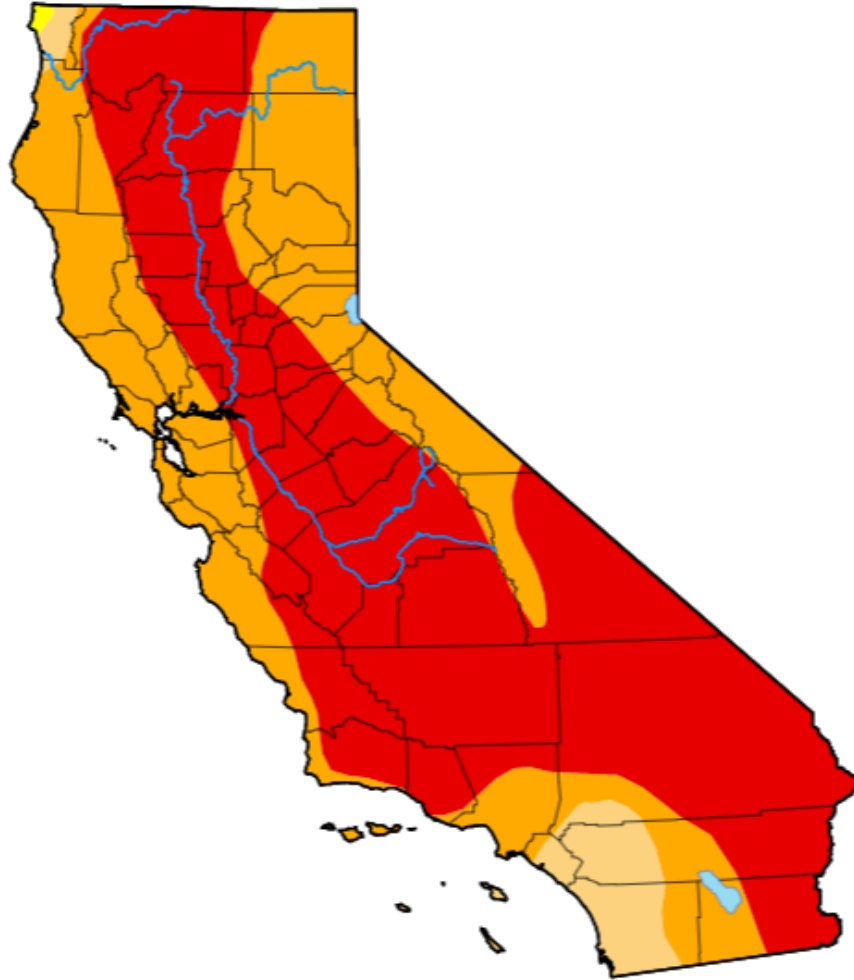
Other California Reservoirs



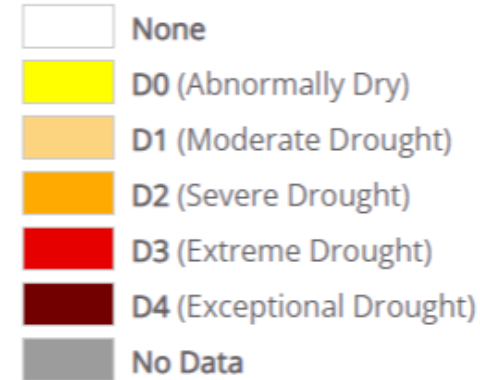
California Drought Monitor

Map released: Thurs. May 12, 2022

Data valid: May 10, 2022 at 8 a.m. EDT



Intensity



Authors

United States and Puerto Rico Author(s):

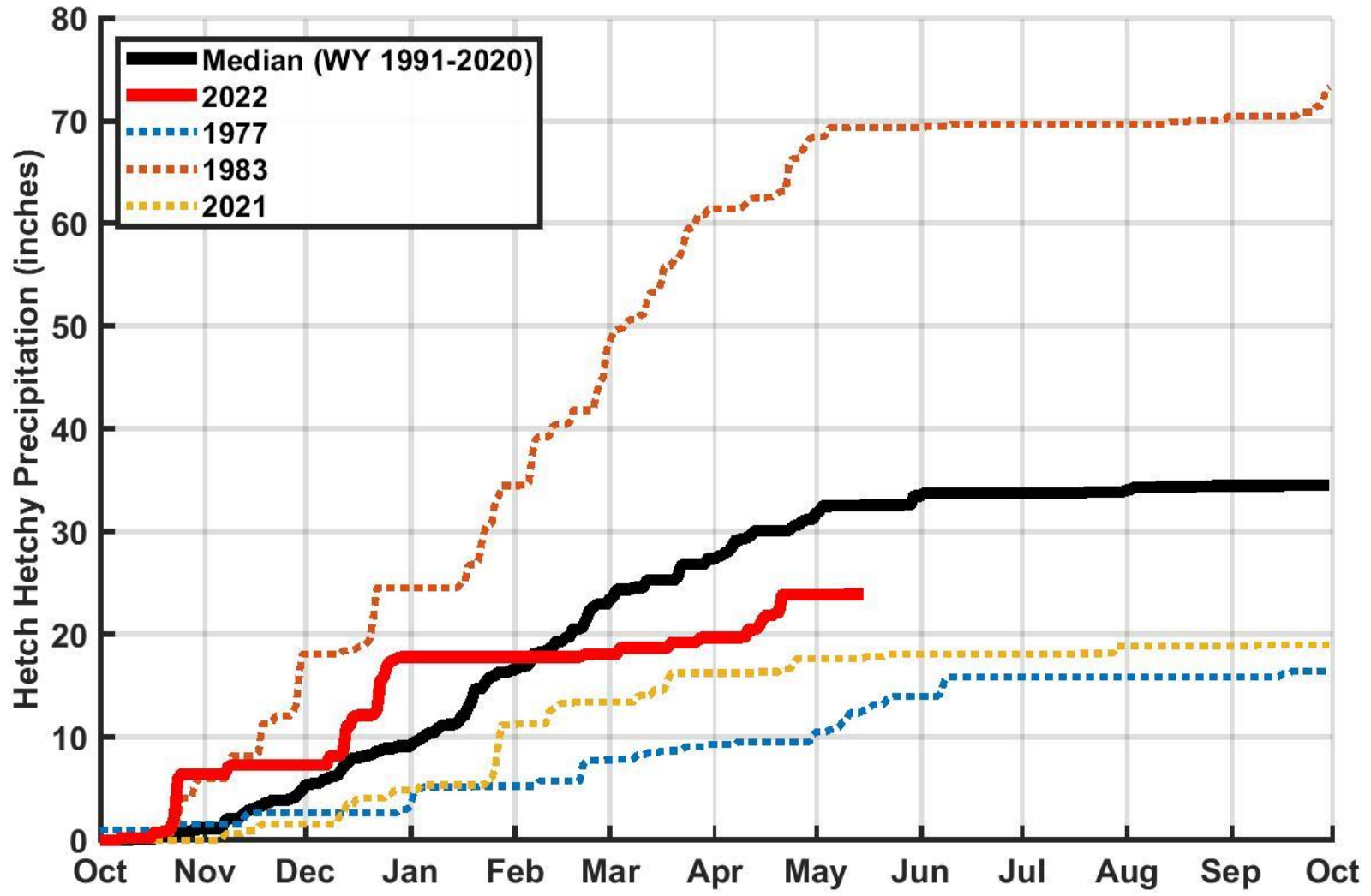
David Simeral, Western Regional Climate Center

Pacific Islands and Virgin Islands Author(s):

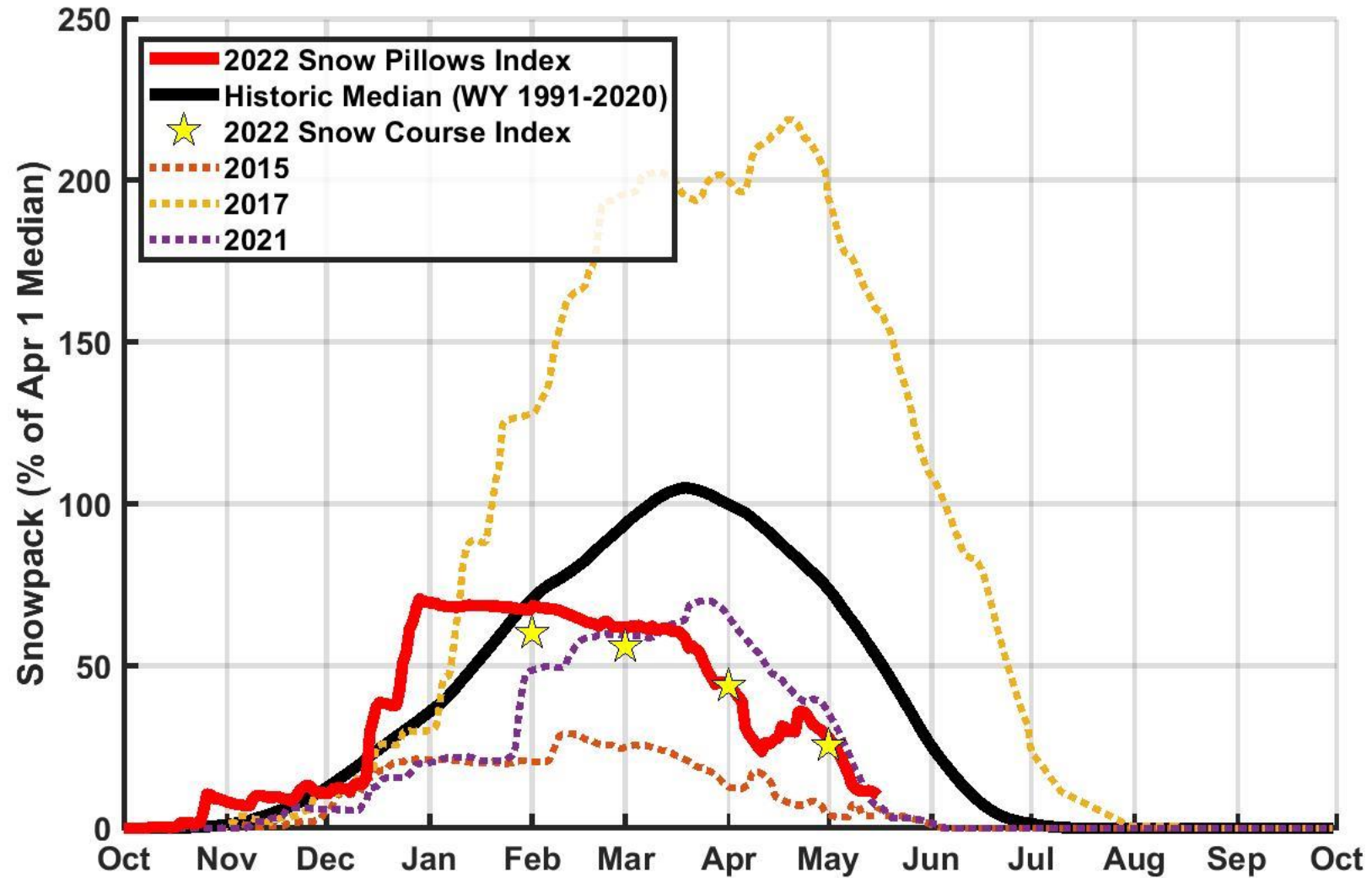
Curtis Riganti, National Drought Mitigation Center

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

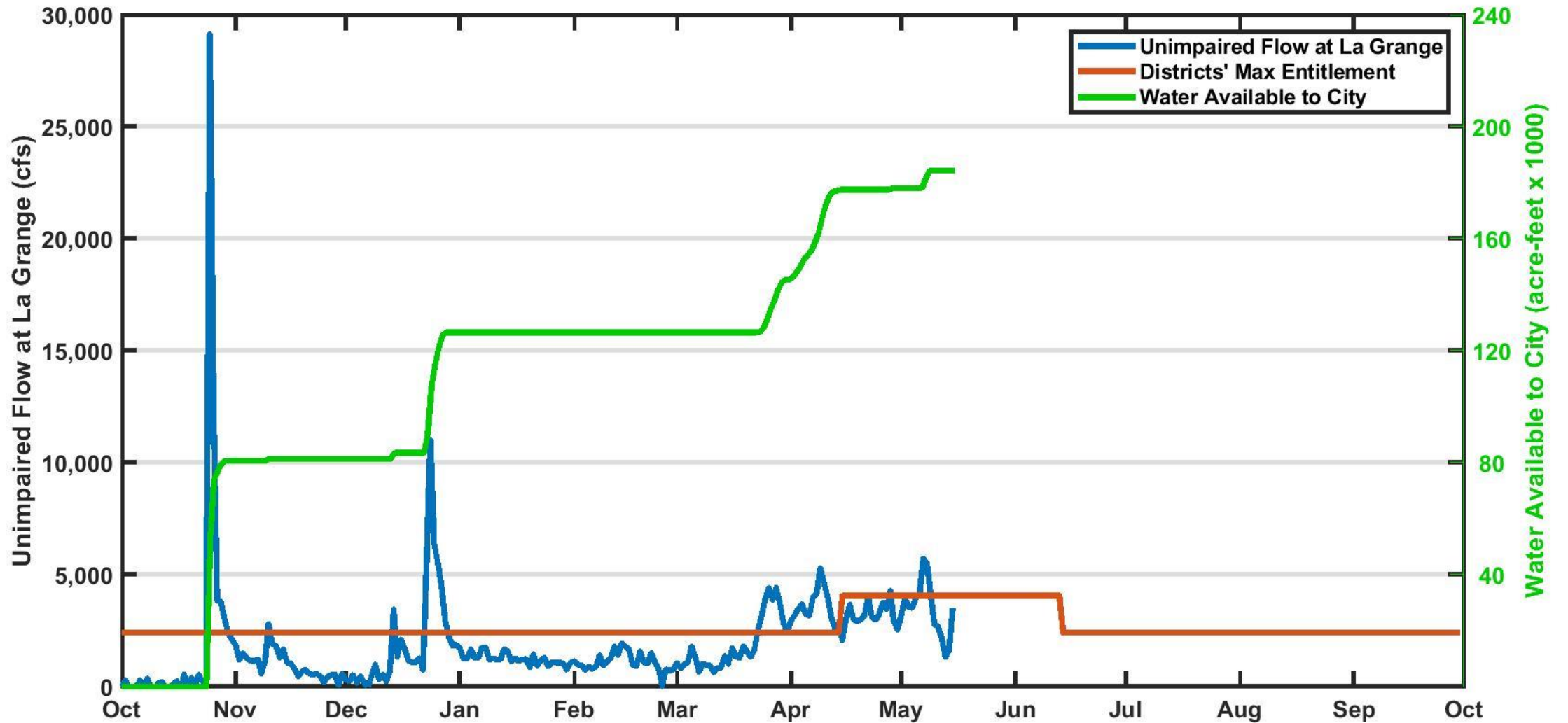
Hetch Hetchy Precipitation



Upcountry Snowpack

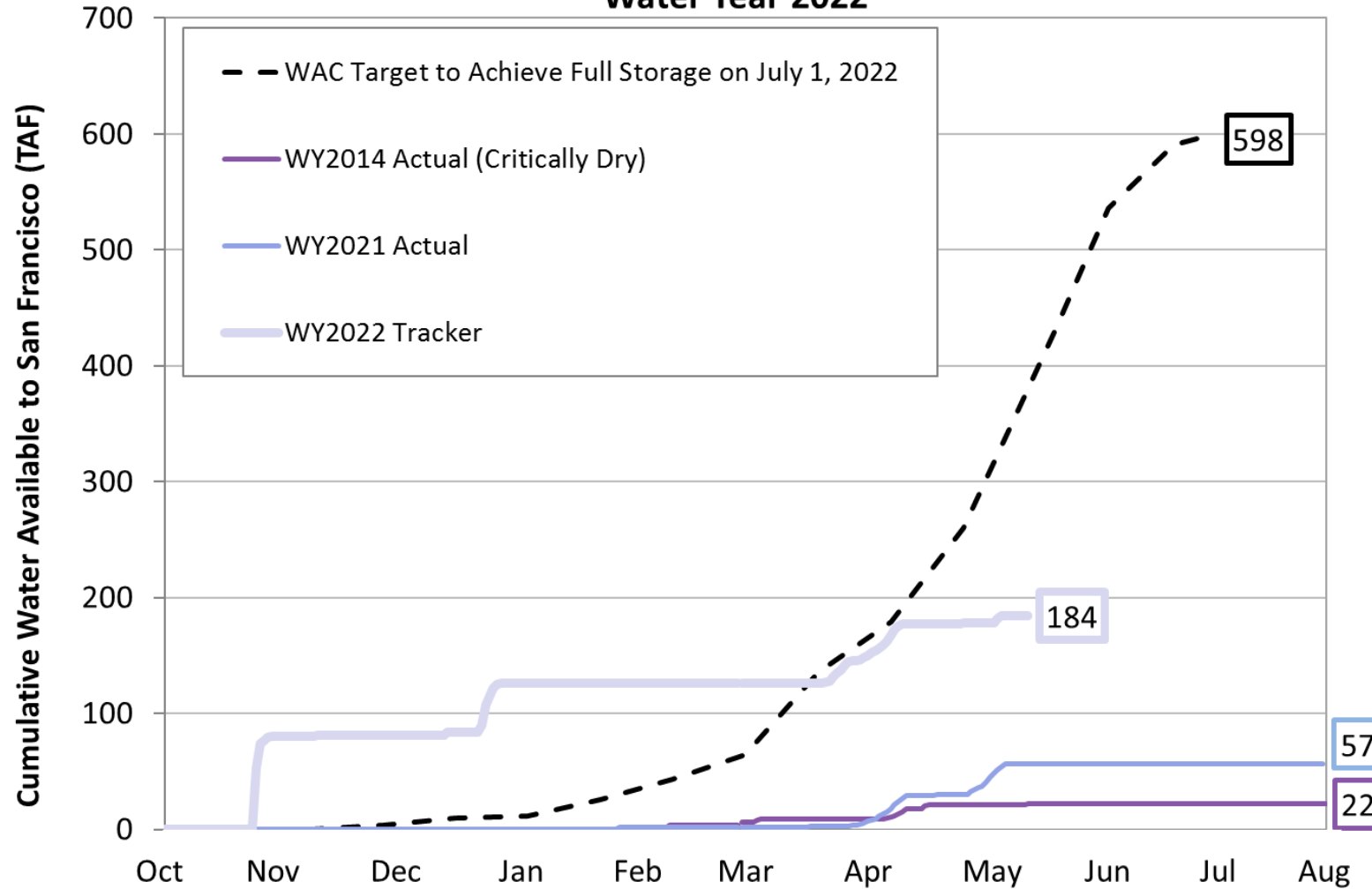


Water Available to the City

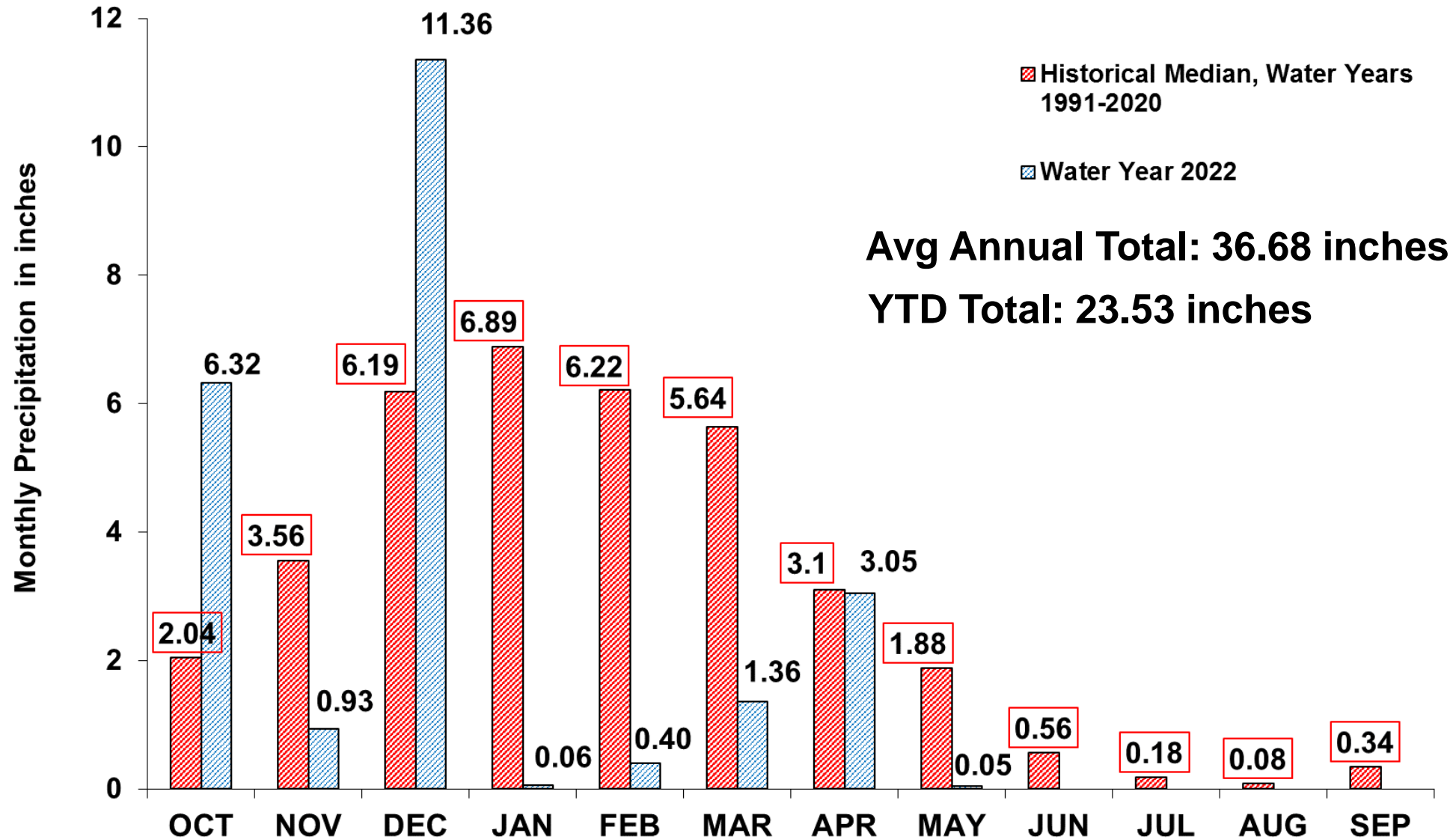


Tuolumne River Water Available to the City

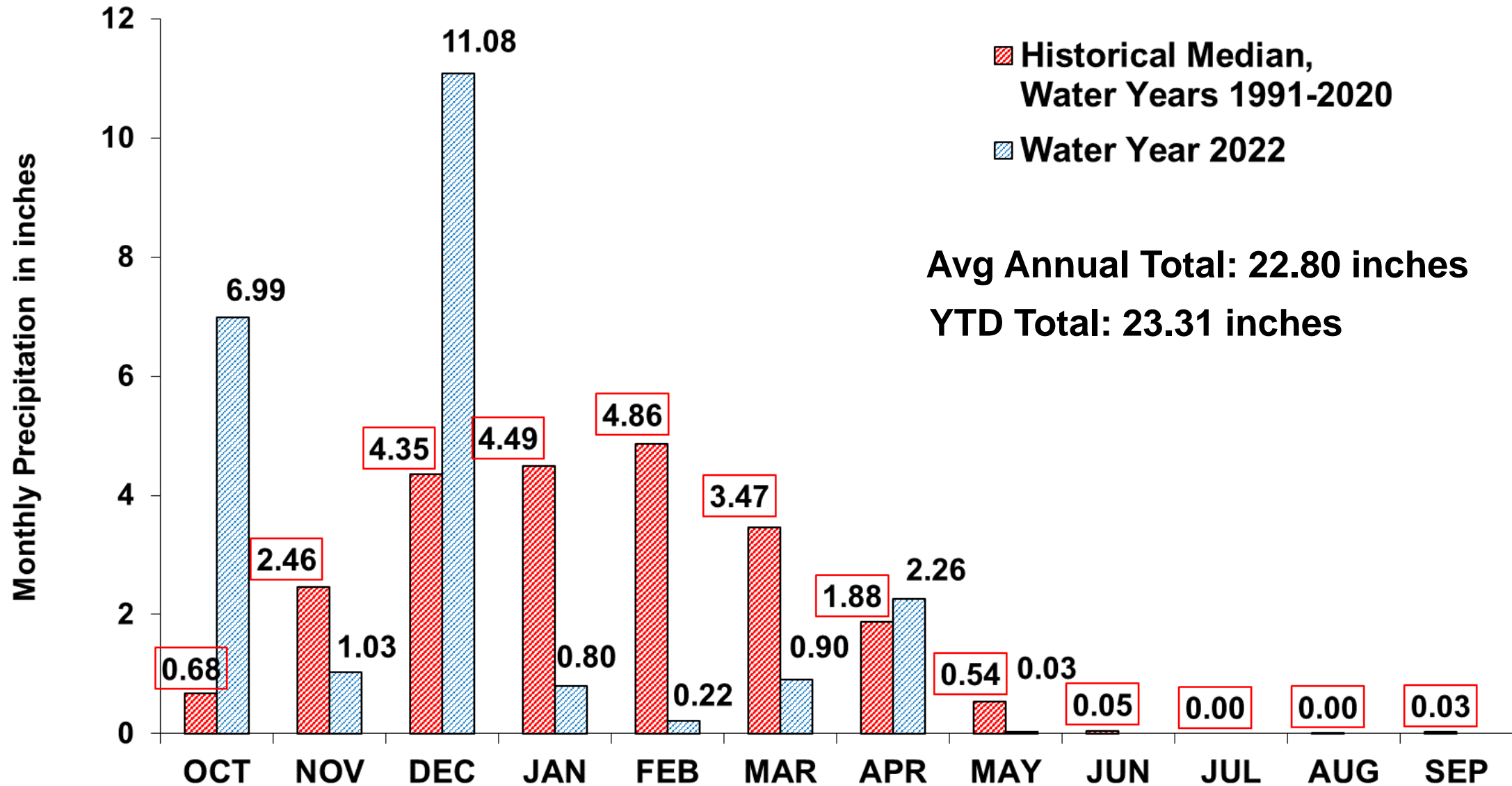
**Tuolumne River Water Available to San Francisco Target and Tracker:
Water Year 2022**



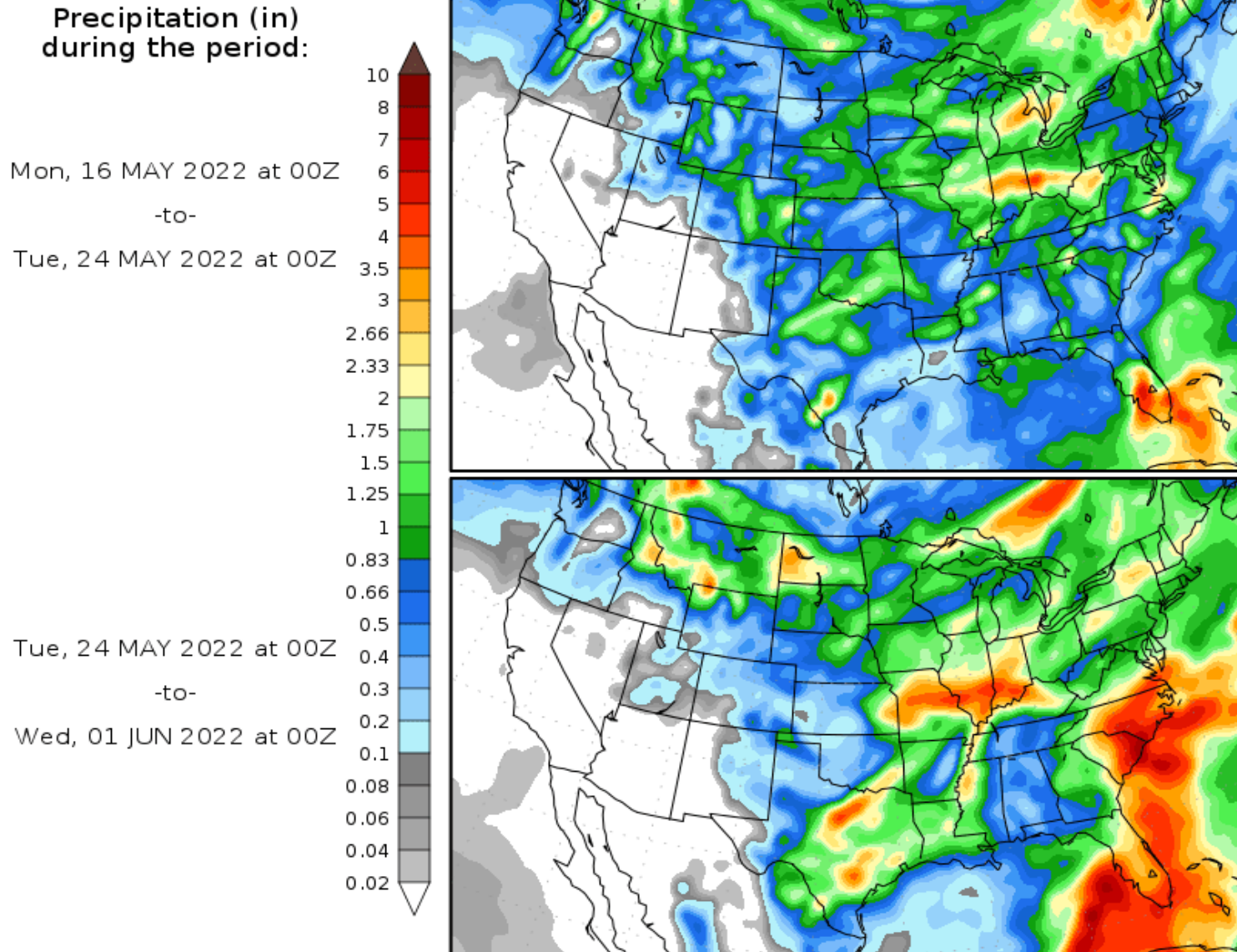
Upcountry 6-station Precipitation Index as of May 15, 2022



Bay Area 7-station Precipitation Index as of May 15, 2022

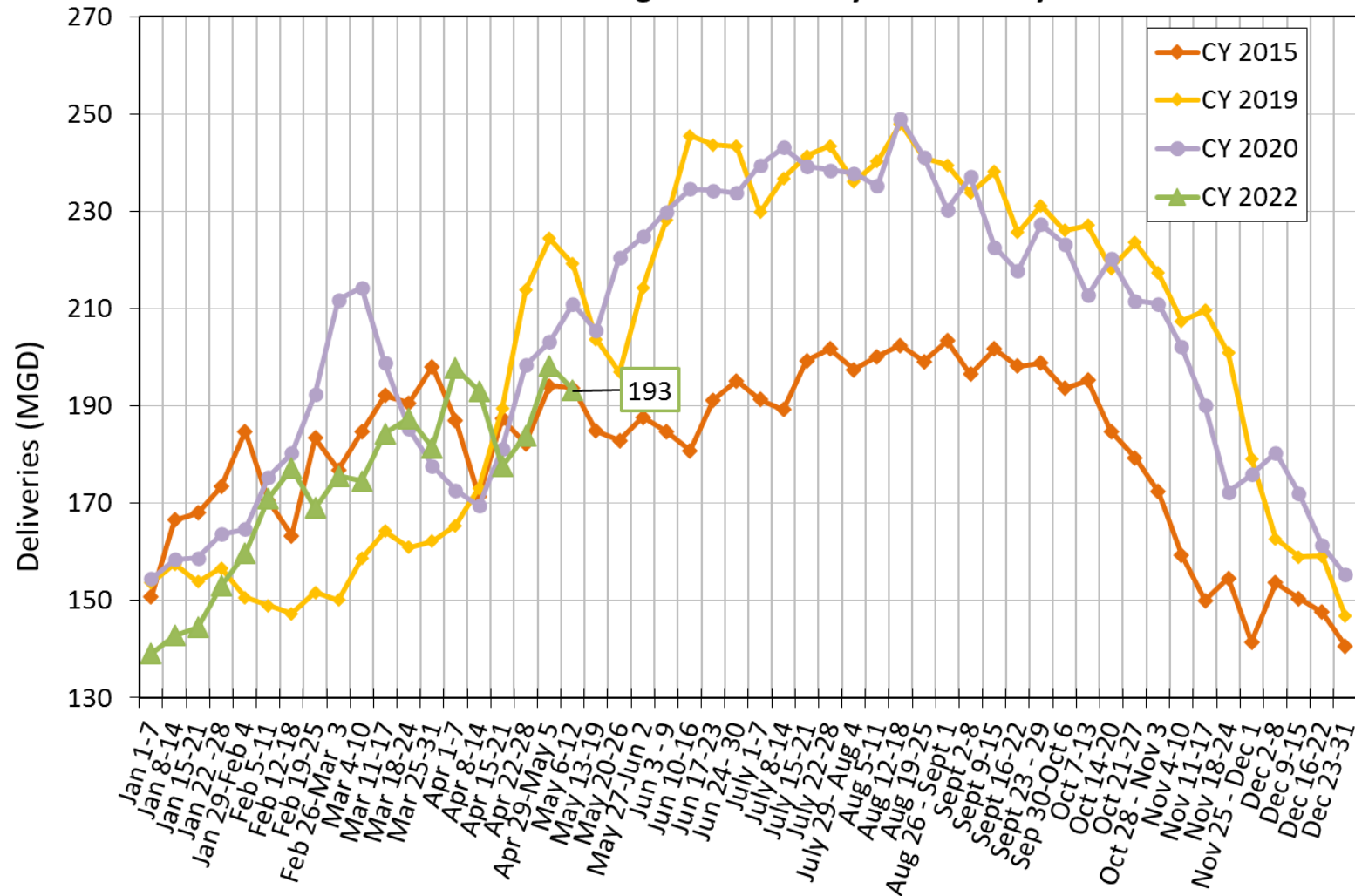


National Precipitation Forecast



Total Deliveries

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



- Anticipated adoption of new emergency regulations by State Water Board on May 24th
- SFPUC Commission Action on May 24th to:
 - Adopt Systemwide Use Reduction of 11% associated with Stage 2 of our Water Shortage Contingency Plan = 175.7MGD
 - 37% Retail / 63% Wholesale Allocations from Base Year FY19-20
 - 62.3 MGD Retail (Remains at 5% below baseline)
 - 110.7 MGD Wholesale (16% reduction below baseline)
 - Impacts to Wholesale Agencies range from 7% to 35% reductions based on Tier Two allocations
- Takes affect in July 2022 to allow for Water Shortage Allocation Plan actions under 2009 Water Supply Agreement

- To achieve a systemwide 11% reduction, we need to keep systemwide demands below 200 MGD in the coming summer months.
- A 16% reduction to the Wholesale Allocation means reducing residential per capita average from 63 GCPD down to 53 GCPD.
- San Francisco per capita demand is 42 GCPD.

- May 24 – SFPUC Commission Action to Adopt 11% Reduction
- May 25 – SFPUC Issues Tier One Allocation
- May 26 – BAWSCA Affirms Tier Two Allocation Factors under continuing shortage
- May 27 – SFPUC Issues New Monthly Water Budgets with Updated Tier Two Allocations Under 11% Systemwide Reductions
 - Includes Carryforward of Banked Water from Initial Monthly Water Budgets
 - Resets Monthly Water Budget Cycle for Another 12 Month Period (June 2022 – June 2023)
- By August 15 – SFPUC Provides First Monthly Water Budget Report on July 2022 Usage Under 11% Reduction
- Continued drought outreach campaign, emphasizing reducing outdoor use

Water Management Representatives Report



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Benefits of the
Water
Management
Representatives
Meetings

Receive Updates

Collaborate

Explore Shared Interests

Build Understanding

Topics Discussed
at Water
Management
Representatives
Meetings

SFPUC Updates

Bay-Delta Plan

Alternative Water Supplies

New Regulations

Tier 2 Allocation Plan

Action Calendar

Keep your showers short

Every minute uses a gallon more

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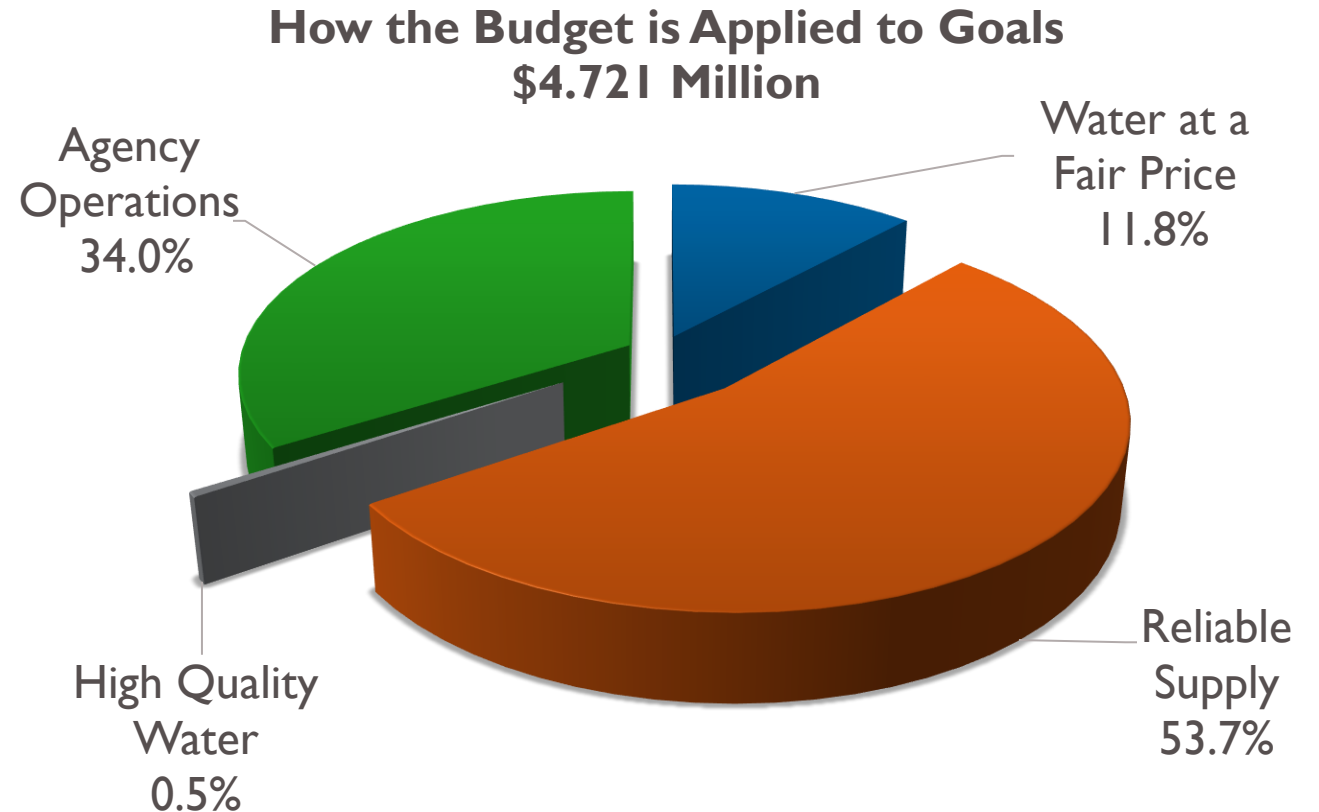
bawsca.org/conserve

Proposed FY 2022-23 Work Plan Addresses Critical Issues Between Now and 2050 to Achieve BAWSCA's Goals

- Continues BAWSCA's role in managing the Water Supply Agreement with San Francisco
 - Protect member agencies' financial and water supply interests
- Administer BAWSCA's bonds
- Oversight of SFPUC's WSIP, 10-Year CIP, and Asset Management
- Participate in the State Water Board Bay Delta Proceedings and FERC Proceedings to protect regional water supplies
- Implement BAWSCA's Long Term Reliable Water Supply Strategy & Scope an Update
- Refresh & update BAWSCA's 2020 Demand Study
- Facilitate development of update of Tier 2 Drought Plan
- Implement core and subscription conservation programs
- Provide drought support to member agencies

Proposed Operating Budget 1.6% (\$77K) Below FY 2021-22 Budget

- FY 2022-23 Proposed Operating Budget = \$4,720,885
- Fully funds estimated OPEB Annual Required Contribution
- Includes budget allowance for up to a 5% adjustment to existing salaries for both COLA and merit-based increases
- Total water customer cost of \$2.56 (-2 cents) per person



Considerations for Funding the Proposed Operating Budget

- Funding principles relied upon by BAWSCA
 - Budget sufficient resources to achieve results
 - Spend only what is needed to achieve results
 - Apply incremental & prudent assessment increases as necessary
 - Maintain a prudent General Reserve
- BAWSCA has relied heavily on the use of General Reserve and Balancing Account funds to fund its operating budget and moderate the need for assessment increases in recent years
 - Assessments have not kept up with overall operating budget cost
- Important to maintain General Reserve given current issues
 - Current General Reserve balance of \$758,794 is outside the BAWSCA budgetary guidelines at 16% of budget
- Funding the FY 2022-23 budget will require an assessment increase given
 - Current General Reserve levels
 - SFPUC's planned drawdown of Balancing Account in FY 2022-23 to offset impact of drought and wholesale rate increases

Three Funding Options Analyzed: Option 2 Recommended

Fund Source	FY 2021-22	FY 2022-23		
	Adopted Funding Plan as of 3/17/2022	Option 1 20% Assessment Increase	Option 2 25% Assessment Increase	Option 3 30% Assessment Increase
Assessments	\$3,871,118	\$4,645,885	\$4,838,897	\$5,032,453
Transfer from GR	\$281,676	\$0	(\$193,012)	(\$386,568)
Balancing Acct. Transfer	\$346,750	\$75,000	\$75,000	\$75,000
Bond Stabilization Fund	\$300,000	\$0	\$0	\$0
Total Op. Funds/Op. Budget	\$4,799,544	\$4,720,885	\$4,720,885	\$4,720,885
Est. EOY Transfer to GR	\$0	\$0	\$0	\$0
Est. EOY Reserves	\$758,794	\$758,794	\$951,806	\$1,145,362
% of Total Budget	16%	16%	20%	24%
Assessment to Budget Ratio	81%	98%	102%	107%



Proposed Work Plan and Budget Enables BAWSCA to Meet its Goals and Provide Significant Cost Value and Savings to Customers

- Preliminary 2022-23 Work Plan will enable BAWSCA to meet its legislative obligations and agency goals
 - BAWSCA formed to protect the health, safety and economic well-being of the water customers outside of SF that depend on the Regional Water System
 - BAWSCA's goals are to ensure a reliable supply of high-quality water at a fair price for these water customers
- BAWSCA provides significant value and cost savings to water customers
 - BAWSCA's review of the Wholesale Revenue Requirement has saved water customers \$47M over last 18 years
 - BAWSCA's bonds, including the recent refunding, will save water customers \$87.4M over life of bonds
 - Estimated cost of proposed Work Plan and Operating Budget to water customers is \$2.56 per person

Recommendation

That the Board approve the:

1. Proposed Fiscal Year 2022-23 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$4,720,885;
3. Proposed funding plan of a 25% assessment increase (to \$4,838,897) and a \$75,000 transfer from the Balancing Account; and
4. Authorization of a transfer of \$193,012 to the General Reserve.

Sixteen Professional Services Contracts for Technical and Administrative Services (FY 2022-23)

Contract #	Consultant (Work Description)
1	BLX (Arbitrage Rebate Compliance)
2	Burr Pilger Mayer (Auditing/Accounting)
3	Droplet (Online Rebate System)
4	EKI (Water Mgmt./Reliability Roundtable)
5	E Source (Water Loss Mgmt. Program)
6	Hanson Bridgett (Legal Counsel)
7	Harlan P. Wendell (Strategic Counsel)
8	Hazen & Sawyer (Engineering)**

Contract #	Consultant (Work Description)
9	Immersive (Website/WCDB)
10	KNN Public Finance (Financial Advisor)
11	Orrick LLP (Bond Documents, Legal Services)
12	Public Trust Advisors (Investment Advisor)
13	Richard Sykes (WSIP, 10–Year CIP)
14	Stetson Engineering (Water Analyses, WSA)
15	West Yost (Asset Management)
16	Woodard & Curran (Water Mgmt./Tier 2)


Seven Consultant Contracts for Subscription Conservation Programs (FY 2022-23)

Contract #	Consultant (Work Description)
1	AM Conservation Group (School Education Program)
2	EarthCapades (School Assembly Program)
3	Global Sun Landscape (Lawn Be Gone Inspection Services)
4	Maddaus Water Management (DSS Model Support Services)
5	M&M Backflow and Meter Maintenance (Customer Meter Testing)
6	Regional Water Authority (MOU for Rachio Smart Controller Program)
7	Waterfluence, LLC (Large Landscape Conservation Services)

Recommendation

That the Board approve the twenty-three (23) contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2022.

CEO Reports




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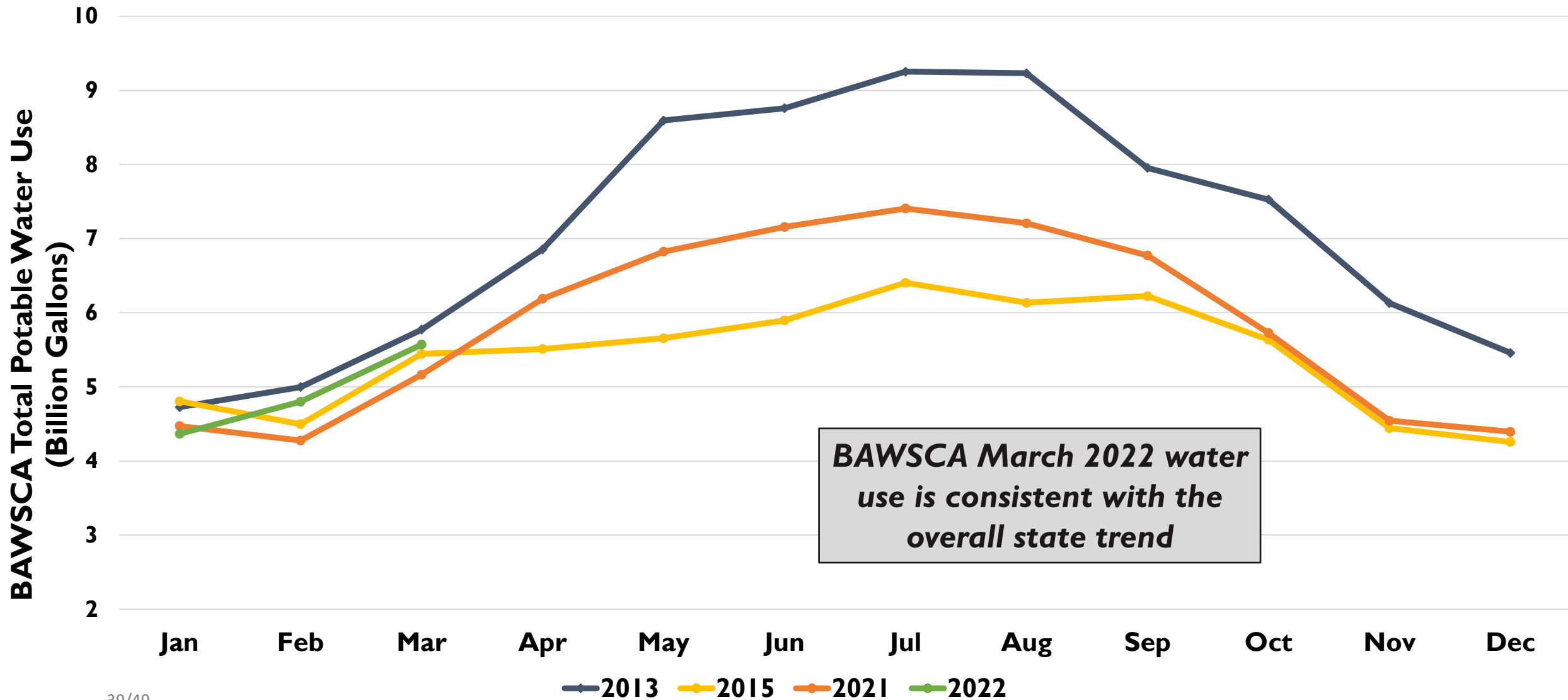
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 Hetch Hetchy
Regional Water System
Division of the San Francisco Public Utilities Commission

BAWSCA March 2022 Total Potable Water Use 3.6% Less Than March 2013 and 7.9% Greater than March 2021



BAWSCA Actively Supports the Governor's Conservation Call

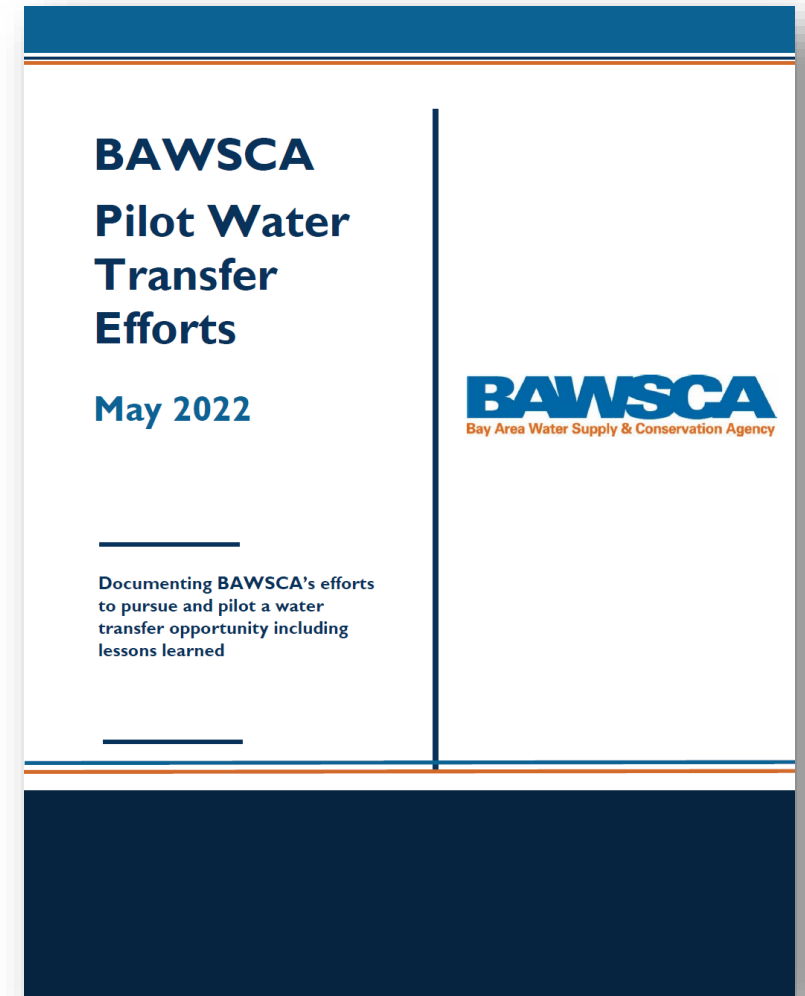
- BAWSCA supports the Governor's call for a 15% water use reduction from all Californians
- Reducing outdoor summertime water use is greatest opportunity to achieve necessary savings
- BAWSCA has ramped up activity on several conservation programs including:
 - Rain Barrel rebates – including in person distribution events in partnership with C/CAG
 - Smart Irrigation controller rebates
 - Turf replacement rebates (including Rain Garden rebates)
 - Two new programs that were launched in FY 2021-22: Irrigation Hardware Rebates, and a Residential Self-Audit Tool/Kit
- BAWSCA and the SFPUC have initiated a coordinated regional drought messaging campaign to promote wise water use
 - The campaign utilizes billboards, social media, mail inserts, and BAWSCA & SFPUC websites
- More information can be found at www.BAWSCA.org/drought

BAWSCA Focused on Protecting Water Users Interests in State's Bay Delta Plan Efforts

- BAWSCA efforts to are continuing on multiple fronts
 - Legal action remains ongoing
 - Pressing for negotiations on a voluntary agreement with State, SF, and others
 - SFPUC Alternative Water Supply Program planning work continues as necessary
- On May 12, BAWSCA received a letter from a long list of respected, non-government, environmental agencies requesting BAWSCA drop its legal intervention in Bay Delta Plan
- BAWSCA Chair and Vice-Chair responded and provided clarification regarding BAWSCA's intervention in the Bay-Delta lawsuit
 - BAWSCA will not withdraw its intervention because the serious concerns about the Plan and its impacts to the water customers BAWSCA represents in accordance with state law have not been resolved
 - If implemented, these water users could suffer very serious water reductions up to 50% during multiple year droughts as documented in state-required Urban Water Management Plans adopted by SF and BAWSCA agencies.
 - BAWSCA recognizes the need for a healthy Bay-Delta environment and will continue to support efforts to negotiate a voluntary settlement agreement as the preferred alternative to achieve its objectives and to provide critically necessary water for all the water users that rely on the Tuolumne River, including the fish, environment and water customers BAWSCA represents.

BAWSCA has Completed a Report Summarizing Its Pilot Water Transfer Efforts

- Report documents BAWSCA efforts to execute a Pilot Water Transfer
- Contents include details on:
 - First Attempt – 2011 thru 2015
 - Second Attempt – 2016 thru Early 2020
 - Lessons learned
 - Future efforts – BARR SWAP
 - Legal considerations
 - All agreements developed
- Report details the agreement roadblocks encountered during both attempts, and how close BAWSCA came to executing the Second Attempt at a pilot water transfer
- Report is a record for potential future water transfers contemplated by BAWSCA or BAWSCA member agencies



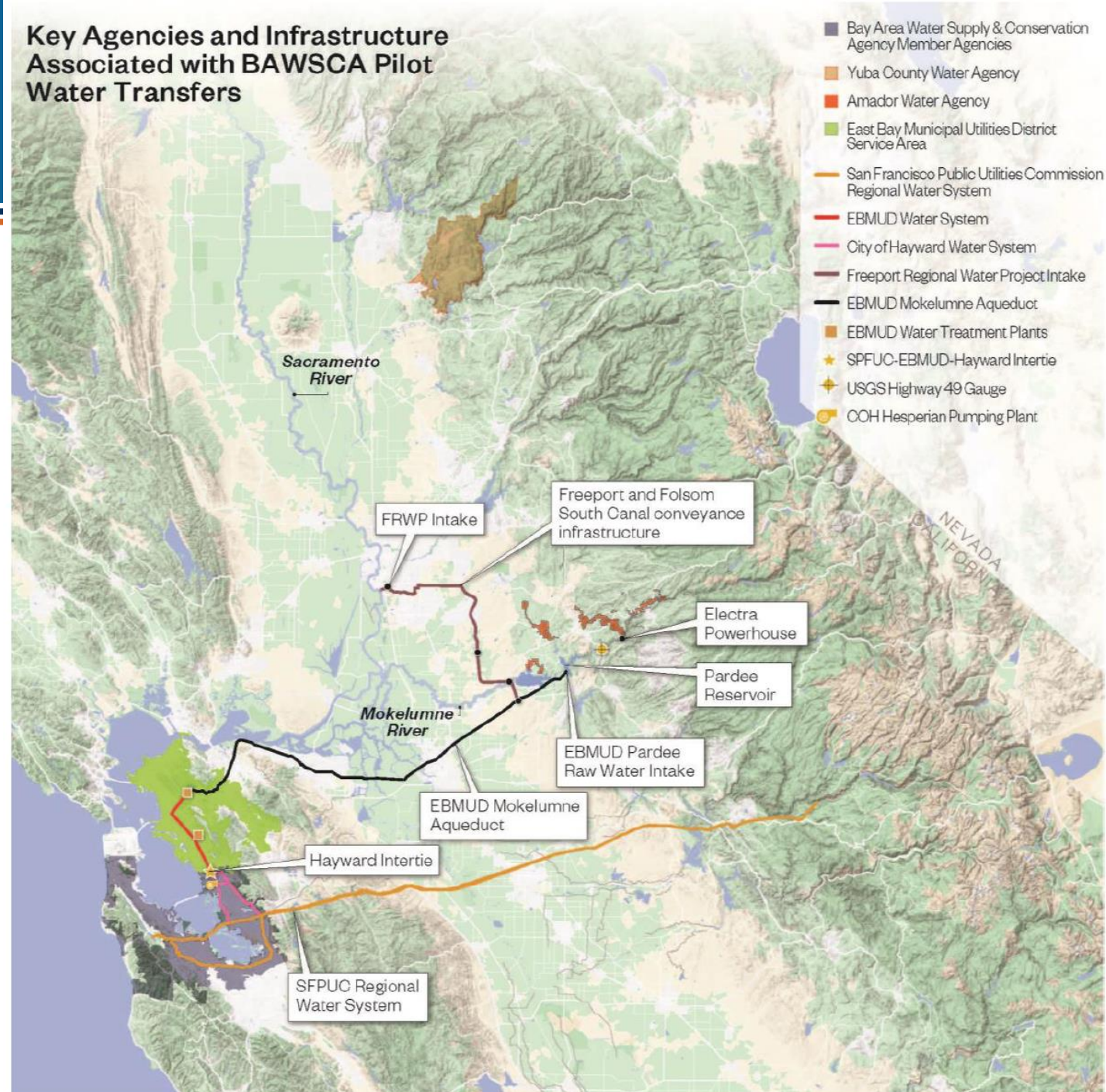
Implementation of a Pilot Water Transfer has Long Been a Priority of BAWSCA

- BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy), developed between 2009 and 2015:
 - Identified dry-year transfers with agencies outside of BAWSCA and the SFPUC as a potential long-term water supply option
 - Dry-year transfers seen as a way to reduce rationing levels during a drought
 - Implementing a pilot water transfer was a key Strategy recommendation to test the feasibility of a future transfer

Both Pilot Attempts Involved Multiple Partner Agencies

- Partner agencies were necessary to secure and convey transfer water to the BAWSCA service area
 - Water purchase (transfer agency)
 - Water conveyance agencies
 - Facility owners and operators (SFPUC, City of Hayward, EBMUD, PG&E, etc.)
- Multiple agreements were developed (and for the Second Attempt, were finalized)

Key Agencies and Infrastructure Associated with BAWSCA Pilot Water Transfers



Lessons Learned from the First Attempt

- Transfers that require State or Federal approval, including use of those facilities, are difficult to execute
 - BAWSCA should identify transfers that minimize the need for use of Federal or State facilities
- Partner agencies may have little incentive to cooperate
 - BAWSCA should seek partner agencies that commit to engaging and see some benefit for their own organizations
- Transfer costs may increase as conditions on the ground change
 - In addition to the cost of water, total cost to transfer water includes wheeling, treating and delivering the water
- Prioritize transfers that involve a limited number of partner agencies

Lessons Learned from the Second Attempt

- While lessons learned from the First Attempt allowed BAWSCA to better prepare for the Second Attempt, new issues emerged
- Water rights disputes, which many not be immediately evident, can impact the willingness of transfer partners to move forward
- The interests of all parties to a transfer should be identified early and be well defined
 - This issue is a particular concern, particularly if there is not a strong, independent interest on the part of a one or more partners for the transfer to be executed
- Allocation of risk should be balanced and acceptable to all parties

Closed Session

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San Francisco Bay Area Waterworks Utility District

Directors' Discussion: Comments, Questions and Agenda Requests



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Next Meeting and Adjournment

Next Meeting

July 21, 2022

6:30 pm

Location and Format TBA