

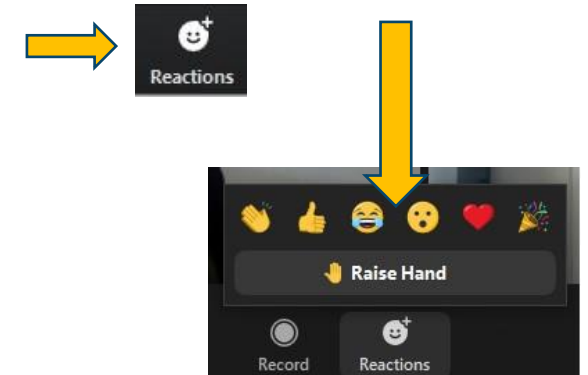
Meeting Instructions While We Gather

- 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

September 15, 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

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Comments by Chair

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

 **Not full? Not today**

We're in a drought, cut waste out.

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Consent Calendar

- A. Adoption of Resolution #2022-10, Declaring that the Board Meetings will Continue to be Held Via Teleconference (Attachment)
- B. Approve Minutes of the July 21, 2022 Meeting
- C. Receive and File Pre-Audit Budget Status Report – As of 6/30/22
- D. Receive and File Investment Report – As of 6/30/22
- E. Receive and File Directors' Reimbursement Report – As of 6/30/22
- F. Receive and File Bond Surcharge Collection, Account Balance and Payment Report – As of 6/30/22



Public Comments on Items not on the Agenda



SFPUC Report

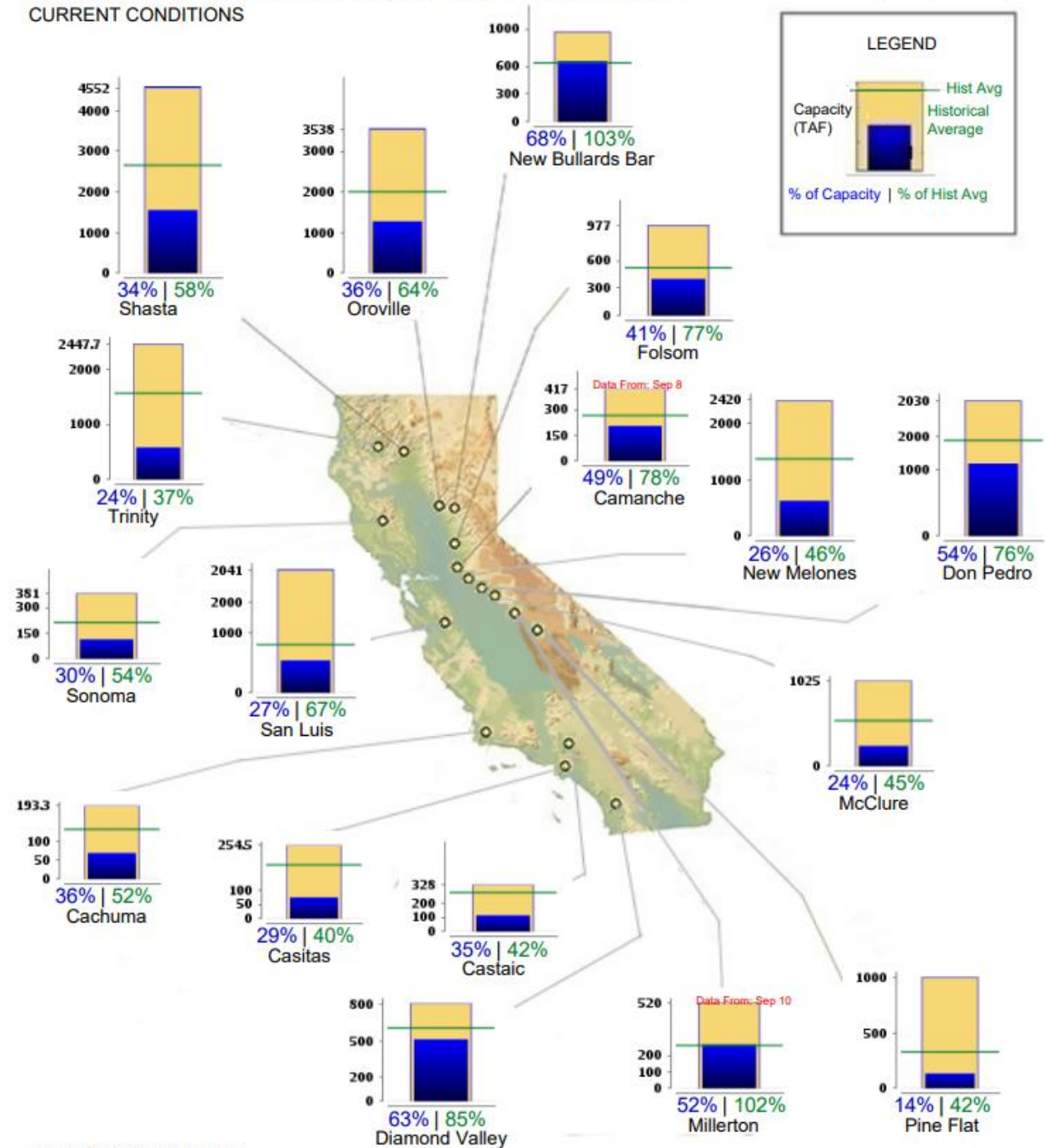
1. Mr. Ron Flynn
Deputy GM & COO
2. Mr. Steve Ritchie
AGM Water Enterprise
3. Ms. Manisha Kothari
AWS Program Manager



September 12, 2022 Reservoir Storage

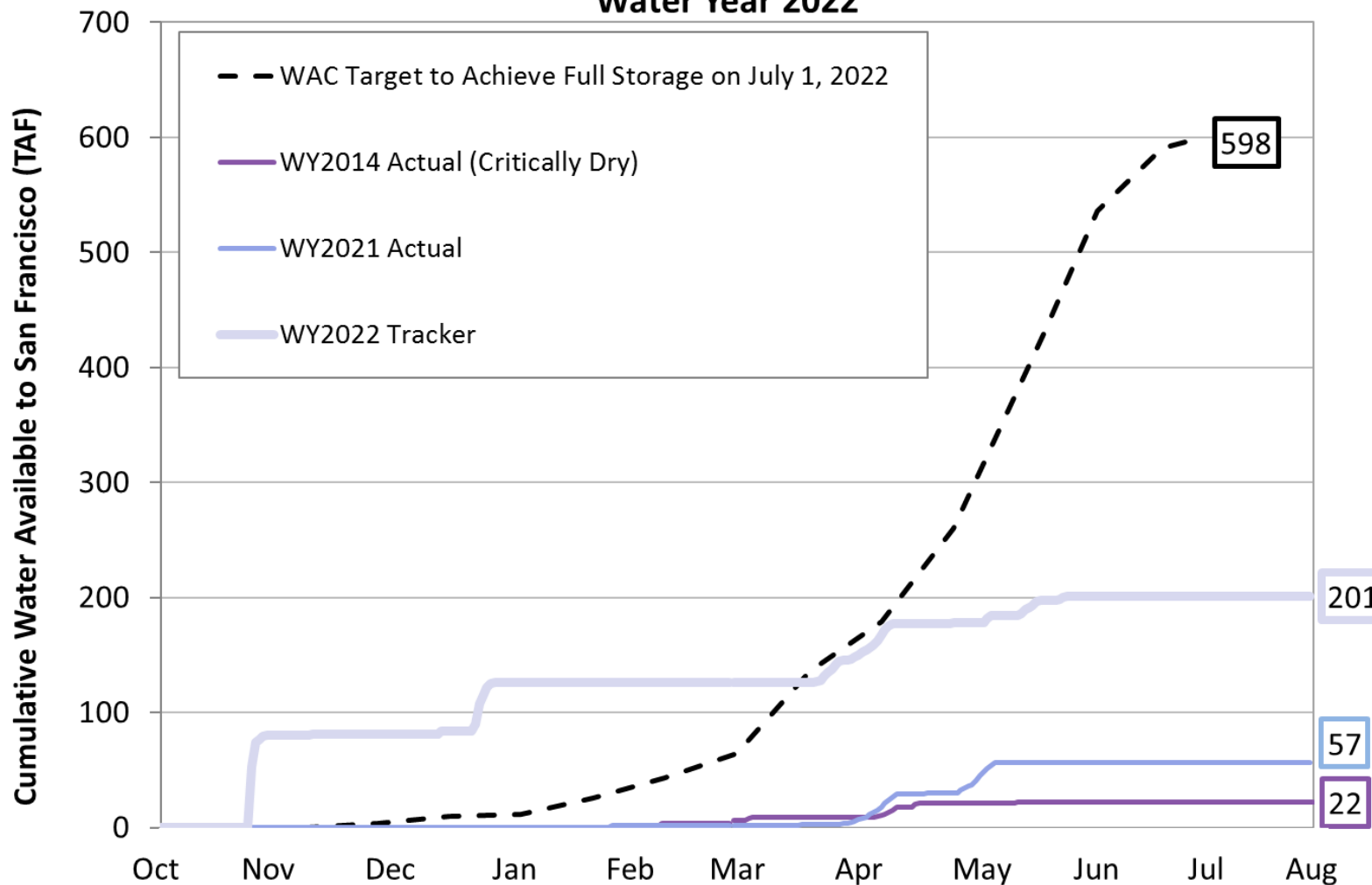
Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ⁴ (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	296,300	360,360	64,060	82.2%	84.5%
Cherry	238,400	273,345	34,945	87.2%	-
Eleanor	22,060	27,100	5,040	81.4%	-
Water Bank	253,706	570,000	316,294	44.5%	97.5%
Total Tuolumne Storage	810,466	1,230,805	420,339	65.8%	-
<u>Local System</u>					
Calaveras	58,565	96,670	38,105	60.6%	-
San Antonio	44,685	53,266	8,581	83.9%	-
Crystal Springs	51,154	58,309	7,155	87.7%	-
San Andreas	16,223	19,027	2,804	85.3%	-
Pilarcitos	2,406	3,030	624	79.4%	-
Total Local Storage	173,033	230,302	57,269	75.1%	-
Total System Storage	983,499	1,461,107	477,608	67.3%	83.3%
Total without water bank	729,793	891,107	161,314	81.9%	-

Other California Reservoirs



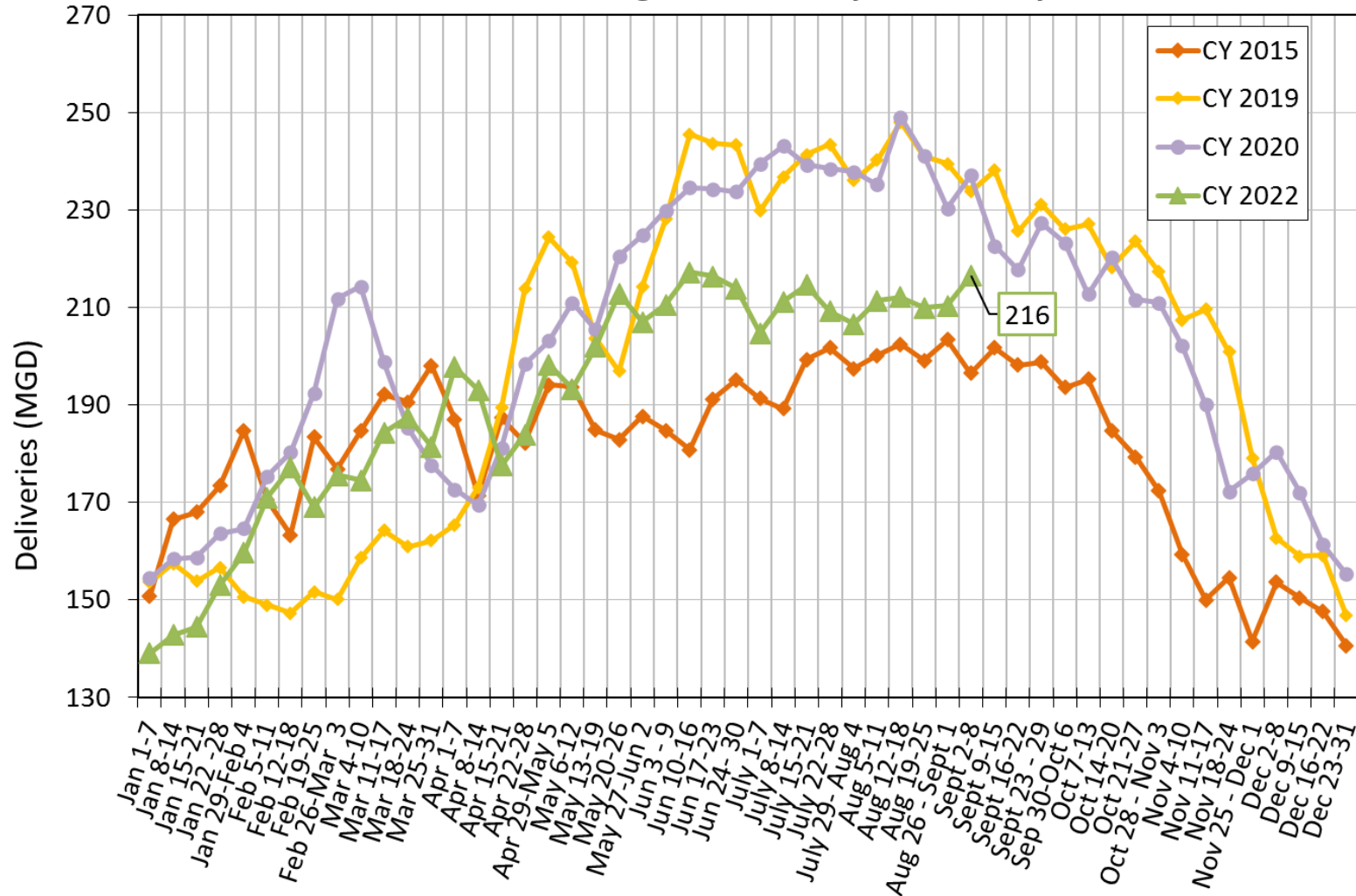
Tuolumne River Water Available to the City

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



Total Deliveries

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



Drought Tracker

---- Provisional Data Subject to Revision ----

For the Period July 1, 2021 - June 30, 2022			
CUSTOMER GROUPS	FY2019/2020 AVG. MGD	FY2021/2022 AVG. MGD	% REDUCTION
San Francisco Customers	63.0	55.8	11.4%
Wholesale Customers	136.6	131.5	3.8%
TOTAL	199.7	187.3	6.2%

For the Period January 1, 2022 - September 8, 2022			
CUSTOMER GROUPS	FY2019/2020 AVG. MGD	FY2021/22/23 AVG. MGD	% REDUCTION
San Francisco Customers	62.8	57.0	9.3%
Wholesale Customers	138.7	134.5	3.0%
TOTAL	201.5	191.5	5.0%

For the Period July 1, 2022 - September 8, 2022			
CUSTOMER GROUPS	FY2019/2020 AVG. MGD	FY2022/2023 AVG. MGD	% REDUCTION
San Francisco Customers	67.0	58.1	13.2%
Wholesale Customers	166.7	152.6	8.5%
TOTAL	233.6	210.7	9.8%

National Precipitation Forecast

Precipitation (in)
during the period:

Mon, 12 SEP 2022 at 00Z

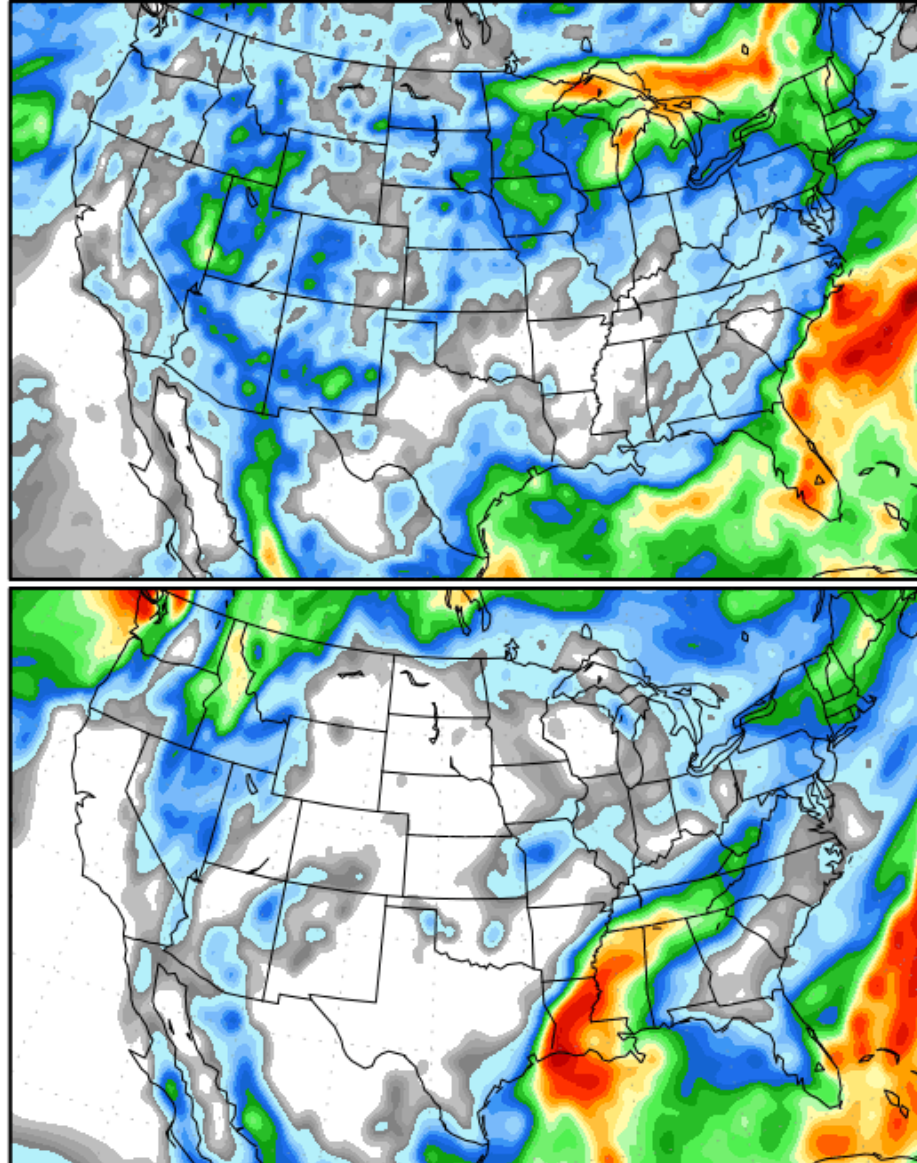
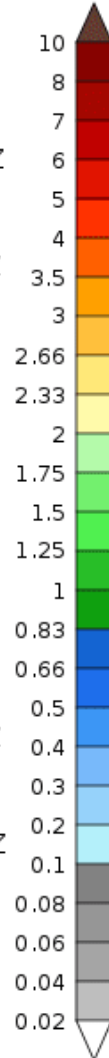
-to-

Tue, 20 SEP 2022 at 00Z

Tue, 20 SEP 2022 at 00Z

-to-

Wed, 28 SEP 2022 at 00Z



Alternative Water Supply (AWS) Planning Update

Manisha Kothari

AWS Program Manager, SFPUC

BAWSCA Board Meeting

September 15, 2022

AWS Program Objective and Approach

Objective: Augment RWS supplies to improve dry year reliability

- Planning based on Regional Water System dry year supply availability and customer demand projections in 2045
- Recognizes planning as ongoing, and water supply needs would be modified as inputs change over time

Approach: Plan for obligations and build for demands of 94 mgd in 2045 (94 mgd will not meet obligations, which would require 122 mgd)

2045 Demand-Based Need Scenario

Supply 257 without Bay-Delta Plan	Supply 152 with Bay-Delta Plan
246* Total Demands on System	
-	- 94
without Bay-Delta Plan	with Bay-Delta Plan

**Demands reflect updated purchase projections for the Wholesale Customers per BAWSCA's FY20-21 Annual Survey*

AWS Projects

- Distributed opportunities in the Service Area
- Various conveyance and delivery alternatives being considered for each project
- Leveraging existing infrastructure and regional partnerships

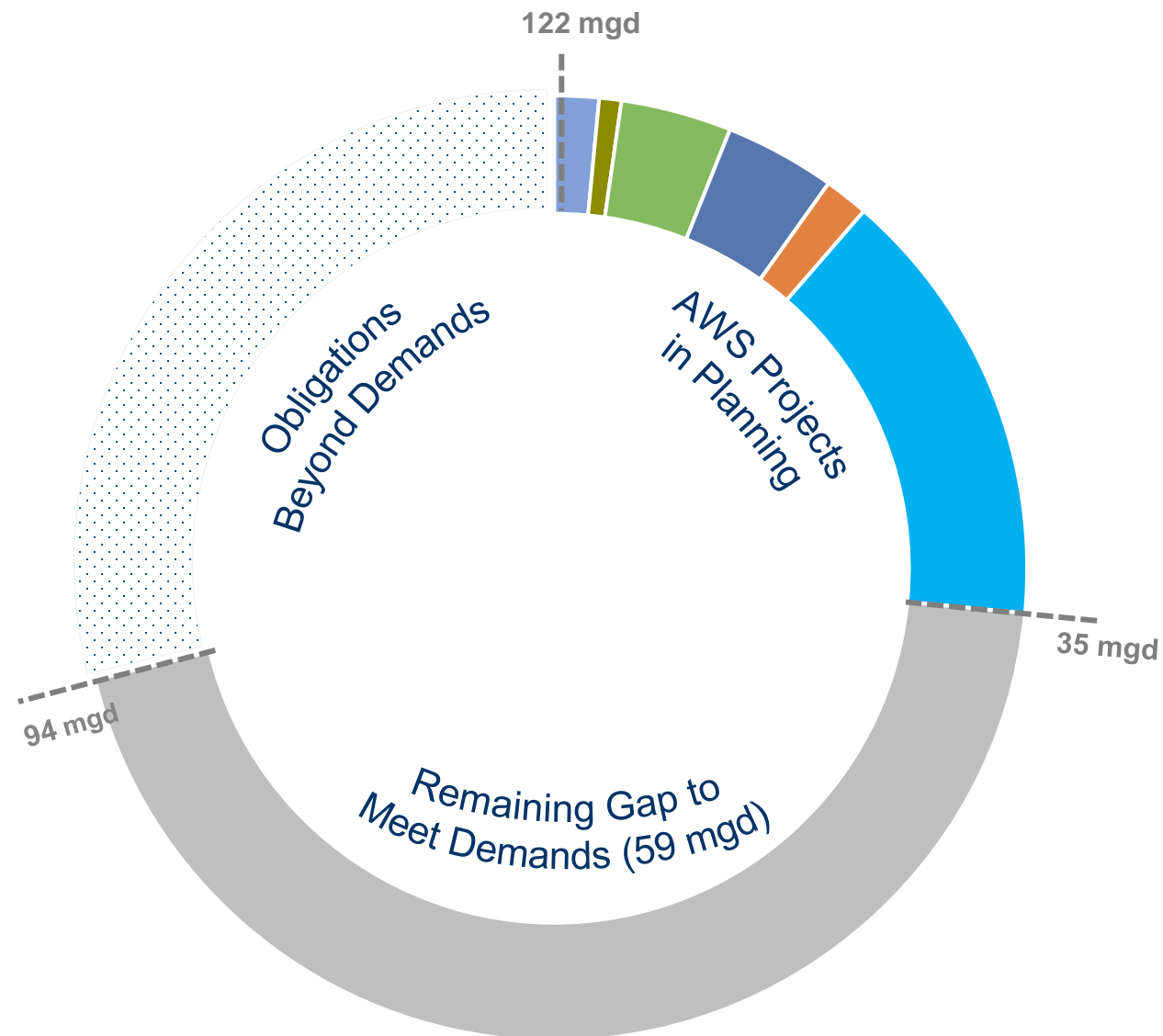


Current Status of Project Planning

Dry Year Transfers (Districts)	2 mgd	Voluntary Agreement
Daly City Recycled Water Expansion	1 mgd	Project structuring; confirming customers;
ACWD-USD Purified Water	5 mgd	Feasibility analysis
Crystal Springs Purified Water	5 mgd	Initiating Basis of Design; alternative analysis
Los Vaqueros Reservoir Expansion / Bay Area Brackish Desalination	2 mgd	Financing, permitting, service agreements; analysis of supply alternatives
Calaveras Reservoir Expansion	20 mgd	Conveyance alternatives, preparing for AAR
South Bay Purified Water	TBD	Initiating feasibility analysis

Projected Gap in Meeting Demands

- Dry year water supply need is 94 mgd (to meet projected purchase requests) to 122 mgd (to meet obligations)
- AWS projects in planning currently total up to ~ 35 mgd
- Remaining gap of at least **59 mgd** after AWS project implementation to meet projected purchase requests



Quarterly Reports are a way to provide ongoing updates on dynamic projects and programmatic planning considerations (most recent submitted to Commission on September 13)

The **AWS Plan** will analyze how projects are helping to improve dry year reliability and seek Commission approval to advance planning and implementation

The AWS Plan will:

- Recommend water supply projects to advance toward implementation
- Outline next steps for the AWS Program

The AWS Plan will not:

- Make changes to the current planning framework
- Meet the full water supply need through AWS water supply projects

AWS Plan Organization:





Schedule:

- Draft report for review in Spring 2023
- Final report in Summer 2023

1. The Alternative Water Supply Program intends to improve dry year reliability of the Regional Water System for all customers.
2. Options for new water supplies are limited and demands on the RWS are increasing, resulting in a growing gap.
3. Projects currently being planned could provide ~ 35 mgd, but uncertainties remain.
4. Projects currently being planned will not be sufficient to meet 2045 obligations or demands in dry years.
5. The Alternative Water Supply team is working diligently and quickly to plan projects. The AWS Plan will help move projects toward implementation; meanwhile, quarterly reports provide regular progress updates.


Water Management Representatives Report



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

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WATER MANAGEMENT REPRESENTATIVES REPORT

COLLABORATORS

- Respected Colleagues
- Engaged Member Agency Staff
- BAWSCA CEO & Staff

KEY FOCUS AREAS

- **Drought Response**
- **Tier 2 Allocation Plan**
- Bay-Delta Plan Updates
- Regulatory and Legislative Updates
- Alternative Water Supplies
- SFPUC Updates and Coordinated Collaboration

BACK IN-PERSON & ADDITIONAL COLLABORATION

- WMR in-person for September 2022 meeting
- Tier 2 Plan Workshops
- WMR Gathering at Filoli Historic House & Garden
 - Blue Gold: The Power & Privilege of Water



Action Calendar

Keep your showers short

Every minute uses a gallon more

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Consideration of the Execution of a Memorandum of Agreement for the SF – Peninsula Regional PureWater Project

- Project initiated in 2016
- Three phases have been completed to date
 - Phase 1 = Initial Study (2018)
 - Phase 2 = Concept and Institutional Study (2019)
 - Phase 3 = Feasibility Study (to be integrated into the upcoming Basis of Design Report)
- Partner Agencies for this next Phase are BAWSCA, Cal Water, City of San Mateo, Mid-Peninsula Water District, Redwood City, SFPUC, and Silicon Valley Clean Water (SVCW)
 - All partners are directly connected to water or wastewater systems being used or potential recipients of direct potable reuse supply
- For FY 2022-23, the proposed work to be performed includes
 - Preparation of Basis of Design Report (BODR) as required for Federal funding and useful for seeking State funding
 - Completion of 10% design of key facilities including design reports, drawings, misc. water quality studies, and the development of operational strategies

SF – Peninsula Regional PureWater Project Phase I and Phase 2 Concepts

- Phase I = 6 MGD indirect potable reuse project, directing IPR to Crystal Springs Reservoir
- Phase 2 = 6 MGD direct potable reuse project (expansion)



Project Partners, Partner Roles, and Financial Contributions for the Upcoming Work Effort Identified in MOA

- The MOA for the proposed work sets the following financial contributions

Party	Cost Allocation Percentage	Not to Exceed Amount
BAWSCA*	5%	\$51,500
Cal Water	9%	\$92,700
City of San Mateo	9%	\$92,700
Mid-Peninsula Water District	9%	\$92,700
Redwood City	9%	\$92,700
Silicon Valley Clean Water	9%	\$92,700
SFPUC	50%	\$515,000
TOTAL	100%	\$1,030,000

* BAWSCA's financial contribution is included in the adopted FY 2022-23 budget and work plan

BAWSCA Has a Continuing Interest in This Project and the Potential Water Supply Benefits it Can Provide to Member Agencies

BAWSCA's Interest in the Work

- Participation enables BAWSCA to directly affect the project's development to the benefit of the member agencies and is consistent with BAWSCA's Long-Term Reliable Water Supply Strategy

Memorandum of Agreement (MOA)

- Proposed to guide the work effort for this coming phase, documenting the responsibilities of the partner agencies, including financial commitments
- The governing bodies of all partner agencies are asked to approve their respective execution of the MOA

Recommended Board Action for Item 7A

That the Board authorize the CEO/General Manager, subject to legal counsel review, to execute the Memorandum of Agreement to participate in the development of the SF-Peninsula Regional PureWater Project, including authorization of BAWSCA's cost share contribution of \$51,500.

Need to Change Location of Regular Board Meetings Given New Limitations at San Mateo Library

- Rules of the Board specify date, time, and location of regular board meetings
- Current regular meeting location is the San Mateo Library Oak Room
- San Mateo Library hours are currently shortened such that the Board's regular 6:30 pm meeting time is no longer feasible at this location
- Staff performed an investigation of possible alternative locations
- Newly constructed Burlingame Community Center is recommended as the new location for regular board meetings
 - Large meeting room that can accommodate board size with room for social distancing
 - New, state of the art ventilation system
 - Accessible to local highways, Downtown Burlingame CalTrain Station, and ample, free parking

Change in Board Meeting Location Requires Change in Rules of the Board

- Rules of Board currently states
 - “All regular meetings of the Board shall be held at the San Mateo Main Library, 55 W. 3rd Ave, San Mateo”
- Rules of the Board require an affirmative vote by majority of the full Board to amend the Rules
- Exhibit A presents a redline of the Rules with the following recommended revision to Rule II.D:

D. Location of Regular Meetings. All regular meetings of the Board shall be held at the ~~San Mateo Main Library, 55 W. 3rd Avenue~~ Burlingame Community Center, 850 Burlingame Ave., Burlingame. When that location is unavailable, or when it is otherwise in the public’s interest, a meeting may be held at another location determined by the Chairperson. Notice of the change shall be given as provided in Rule II.B above.

Recommended Board Action for Item 7B

That the Board modify Rule II.D to read as follows:

- D. Location of Regular Meetings. All regular meetings of the Board shall be held at the Burlingame Community Center, 850 Burlingame Ave, Burlingame. When that location is unavailable, or when it is otherwise in the public's interest, a meeting may be held at another location determined by the Chairperson. Notice of the change shall be given as provided in Rule II.B above.

Closed Session #1

Water plants no more than twice a week

Never when it's raining

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CEO Reports



Turn off the faucet while you brush

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BAWSCA Participates in the California Employers' Retiree Benefit Trust Program (CERBT)

- BAWSCA has participated in CERBT since April 2014 to prefund BAWSCA's Other Post-Employment Benefits (OPEB) obligations
 - CERBT is administered by CalPERS
- Participation in CERBT allows BAWSCA to pay for future retiree benefits, reduce future agency cash flow requirements, and reduce OPEB liabilities
- BAWSCA has been fully funding the annual OPEB expenses
 - BAWSCA's FY 2022-23 Operating Budget includes a CERBT contribution of \$70,000
- BAWSCA's unfunded OPEB liability as of 6/30/2022: \$808,070
 - Estimated to be paid off by 2036 (discount rate: 5.5%)
 - Anticipated increase of annual CERBT contribution to \$78,000 starting FY 2023-24

BAWSCA's CERBT Account Summary as of June 30, 2022 with Estimated Paid Off Date of 2036

Total Contributions (Initial contribution made on 4/26/2014)	\$807,731
Total Disbursements	-
Total CERBT Expenses	(\$4,228)
Total Investment Earnings	\$190,751
Total Assets	\$994,254
Current Asset Allocation Strategy Selection	CERBT Strategy 2
CERBT 20-Year Expected Rate of Return	5.5%
BAWSCA's Discount Rate Used in OPEB Actuarial Valuation as of June 30, 2022	5.5%
BAWSCA Actual Cumulative Annualized Rate of Return* from Inception (4/26/2014) through 6/30/2022	4.2%
BAWSCA Net OPEB Liability as of 6/30/2022 (Estimated to Be Paid Off by 2036)	\$808,070
Funded Status	55%



SFPUC's OPEB Liability Funded Status Update

- SFPUC participants in a single employer defined benefit plan
 - Pay-as-you-go plus a contribution to the Retiree Health Care Trust Fund (Trust Fund)
- San Francisco's Net OPEB Liability as of 6/30/2021: \$3.8 billion
 - Funded ratio: 11.3%
 - Estimated to be paid off by 2043 (discount rate: 7.0%)
- SFPUC's share of SF's Net OPEB Liability: \$234.5 million
 - 6.13% of SF's unfunded liability of \$3.8 billion
 - Includes \$148.8 million for Water Enterprise & \$14.4 million for Hetchy Water
- SFPUC's FY 2021-22 Operating Budget: \$1.5 billion
 - Includes pay as you go benefits
 - Includes a share of contributions to Trust Fund: \$15.1 million

San Francisco's Unfunded OPEB & Pension Liabilities Are San Francisco's Obligations

- BAWSCA consulted with BPM and its legal counsel
- San Francisco's unfunded liability is not BAWSCA agencies' liability
 - No accounting guidelines require the agencies to report SF's unfunded liability
 - Funding policies appear appropriate to BPM
- BAWSCA agencies pay their share of the SFPUC's operation expenses through the wholesale water rates
 - Includes retirement benefits
- Per the WSA, the Wholesale Customers only pay their share of expenses of SFPUC operations from which they receive benefit
 - Calculated based on the terms specified

BAWSCA Participates in the CalPERS Pension Plan

- BAWSCA offers its employees and retirees pension benefits via CalPERS, a State of California Pension Trust Program
- Every year, CalPERS provides BAWSCA an actuarial valuation report
 - Includes latest pension trust plan funded status and minimum required employer contributions for next fiscal year
 - BAWSCA's FY 2022-23 Operating Budget includes a CalPERS required employer contributions of \$237,795
- BAWSCA's unfunded pension liability as of 6/30/2022: \$353,710
 - Estimated to be paid off by 2030 (discount rate: 6.8%)

BAWSCA's Pension Liability Funded Status as of June 30, 2021 with an Estimated Paid Off Date of 2030

Actuarial Calculation	CalPERS "Misc." Plan Value
a. Present Value of Projected Benefits (PVB)	\$6,803,316
b. Entry Age Normal Accrued Liability (AL)	\$4,886,955
c. Market Value of Assets (MVA)	\$4,533,245
d. Unfunded Accrued Liability (UAL) =b-c	\$ 353,710 ←
e. Funded Ratio =c/b	92.8% ←

SFPUC's Pension Liability Funded Status Update

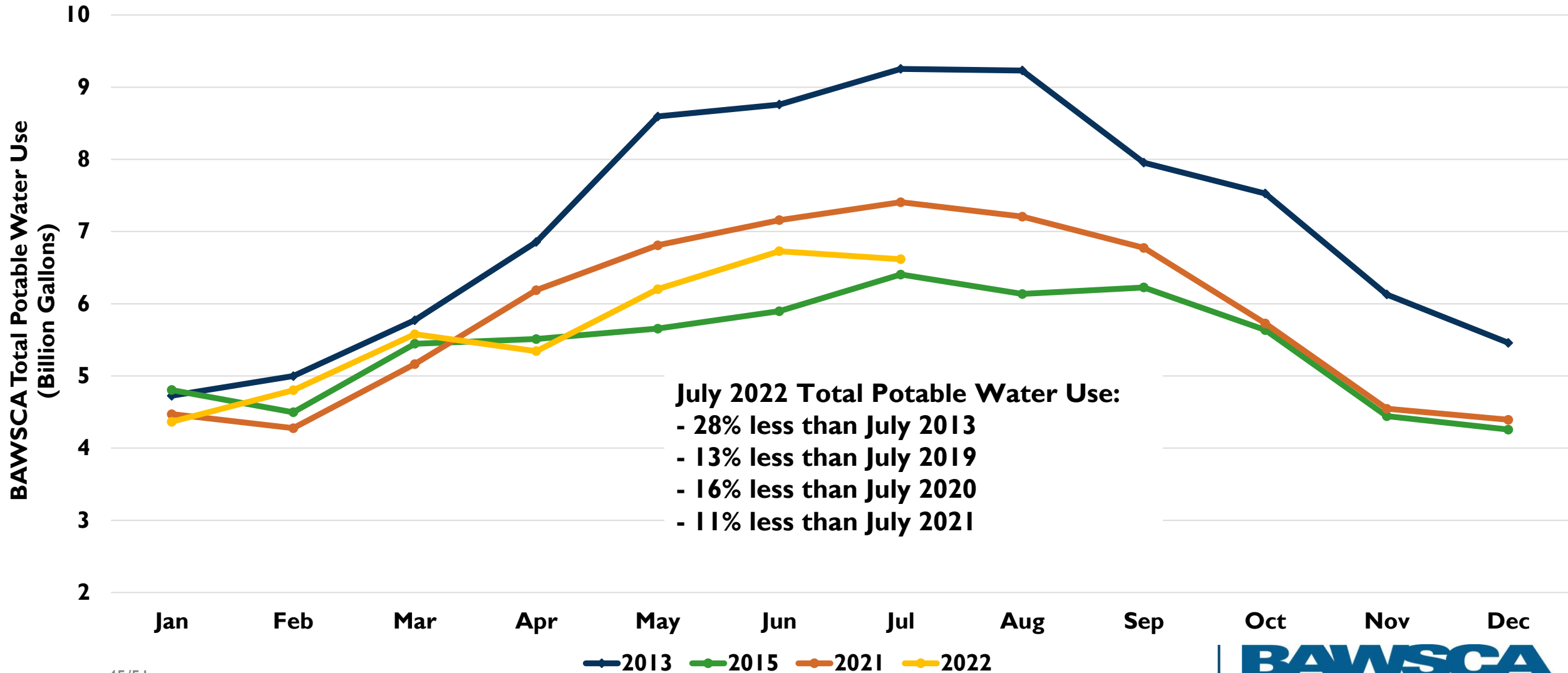
- SFPUC participates in a cost-sharing multiple-employer defined benefit pension plan that is administered by SF Employees' Retirement System (SFERS)
 - Benefits provided under the Plan are currently paid based on “pay as you go”
- San Francisco's Net Pension Liability as of 6/30/2021: \$5.3 billion
 - Funded ratio: 15% (discount rate: 7.4%)
- SFPUC's share of SF's Net Pension Liability: \$381.2 million
 - 7.20% of SF's unfunded liability of \$5.3 billion
 - Includes \$215.2 million for Water Enterprise & \$26.6 million for Hetchy Water
- SFPUC's FY 2021-22 Operating Budget: \$1.5 billion
 - Includes a share of contributions to SFERS: \$59.1 million

San Francisco's Unfunded OPEB & Pension Liabilities Are San Francisco's Obligations

- BAWSCA consulted with BPM and its legal counsel
- San Francisco's unfunded liability is not BAWSCA agencies' liability
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 - Includes retirement benefits
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 - Calculated based on the terms specified

BAWSCA July 2022 Total Potable Water Use

28% Less Than July 2013 and 11% Less Than July 2021




FERC/Bay Delta Update – Progress on a Tuolumne River Addendum to the March 2022 Bay-Delta Memorandum of Understanding (MOU)


- In March 2022, the State and other water suppliers entered into a MOU to update and implement the Bay-Delta Water Quality Control Plan
- SFPUC, MID, TID and the State Resources Agencies continue to make progress on a Tuolumne River specific addendum for inclusion in the MOU
- SFPUC General Manager Dennis Herrera has stated
 - The agreement would invest \$64 million for fish over eight years
 - We've always been willing to do our part to further protect natural habitats, including in times of drought
 - Now we have a framework agreement that strikes the right balance. It safeguards the water supply for 2.7 million Bay Area residents and businesses while continuing the SFPUC's track record of strong environmental stewardship
- MID and TID Boards have authorized their General Managers to sign the MOU and Tuolumne River-specific addendum advancing a term sheet for the voluntary agreements
- SFPUC General Manager Herrera has the necessary authority to sign the MOU also
- BAWSCA eagerly anticipates the next step in this process with the State team's preparation and release of the Tuolumne River-specific addendum for signatures

Closed Session #2




Break for Conference with Labor Negotiator



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

We're in a drought, cut waste out.

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Action Following Closed Session: Consider Compensation Adjustment for CEO

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

 **Not full? Not today**

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Directors' Discussion

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 **Hetch Hetchy Regional Water System**
San Francisco Bay Area Waterworks Utility District

Next Meeting and Adjournment

Next Meeting

November 17, 2022
6:30 pm
Location and Format TBA