

"A multicounty agency authorized to plan for and acquire supplemental water supplies, encourage water conservation and use of recycled water on a regional basis."

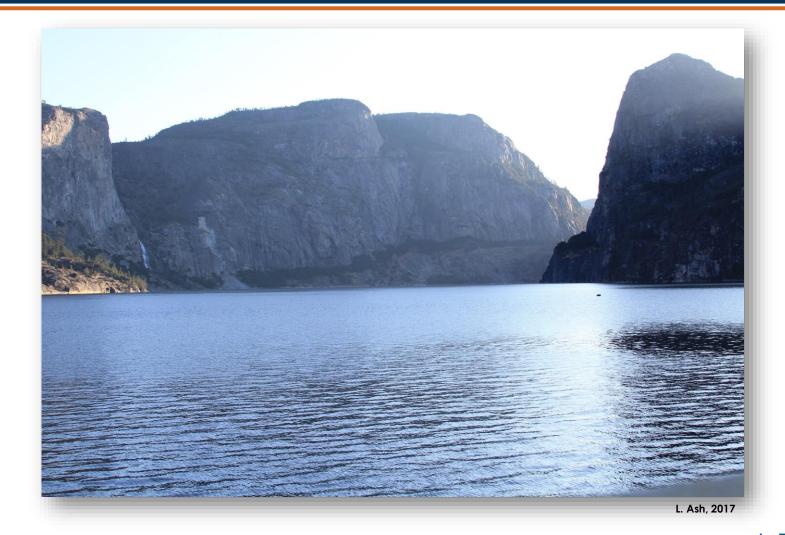
[BAWSCA Act, AB2058 (Papan-2002)]

## **Board of Directors Meeting**

March 16, 2023



### Call to Order / Roll Call





# Adoption of Resolution #2023-02 Declaring that the Board Meeting will be Held via Teleconference



Lake Eleanor Overtopping/SFPUC, January 2017



## Comments by the Chair







## Board Policy Committee Report



L. Ash, 2017



#### Consent Calendar

- Approve Minutes of the Jan. 19, 2023
- Receive and File:
  - Budget Status Report as of 1/31/23
  - Investment Report as of I/31/23
  - Receive and File Bond Surcharge Collection Report as of 12/31/22
- Proposed Fiscal Year 2023-24 Bond Surcharges
- Adjustments to Staff Top Step Position Compensation





## SFPUC Report



L. Ash, 2017





## SFPUC 10-Year Water Capital Improvement Program FY2024-33

March 16, 2023 Steven R. Ritchie Asst. General Manager, Water





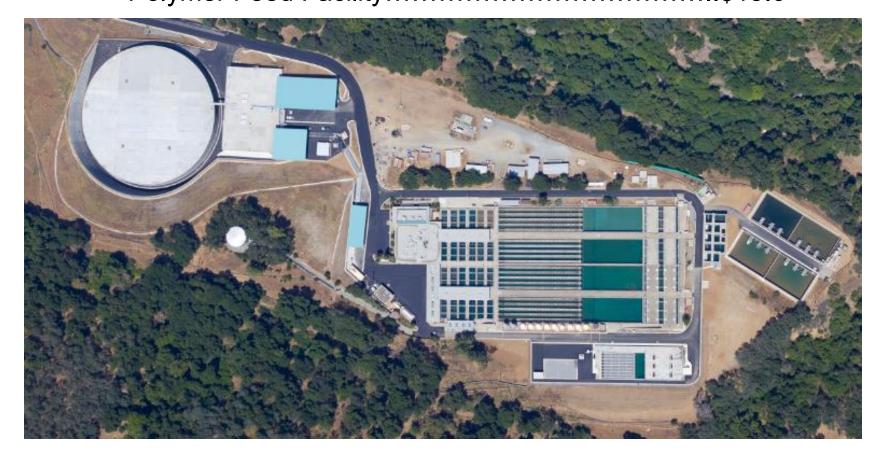
## Water FY24-33 10-Year Capital Improvement Program

\$ million	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	Total
Water - Regional	181.5	188	191.5	176	180	53.1	26.6	23.5	22.1	92.9	1,135.3
Water - Local	108.5	249.3	252.1	161.4	65.4	65.0	58.7	60.2	58.3	49.7	1,128.6
Hetch Hetchy Water	85.9	155.6	152.6	141.6	94.6	99.6	100.0	57.5	47.4	42.3	976.9
Total Water Projects	375.9	592.9	596.2	479.0	340.0	217.7	185.3	141.2	127.8	184.9	3,240.8



## **Sunol Valley Water Treatment Plant** (10-year CIP Funding in Millions)

•	Addition of Ozone Treatment	.\$189.4
•	Short Term Treatment Improvements	\$ 54.7
•	Polymer Feed Facility	\$13.0





## Regional Dam Projects (10-year CIP Funding in Millions)

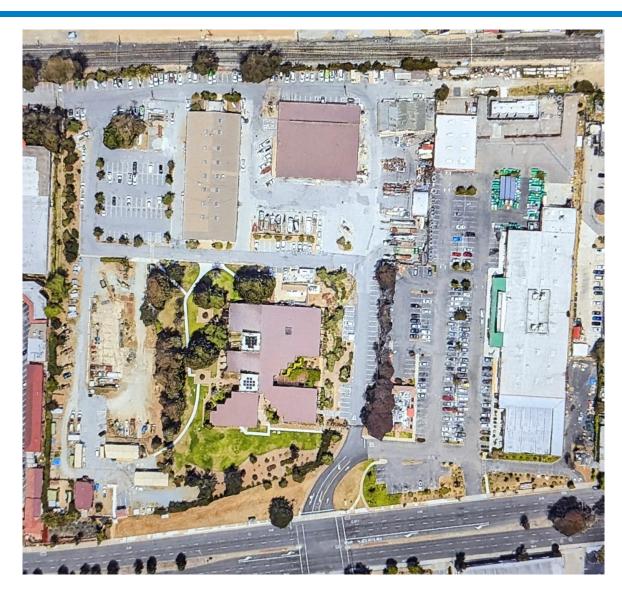
- Pilarcitos Dam Improvements......\$ 23.3
- San Andreas Dam Improvements...\$ 26.6
- Calaveras Reservoir Expansion.....\$ 3.0







## Millbrae Yard Improvements (10-year CIP Funding in Millions)

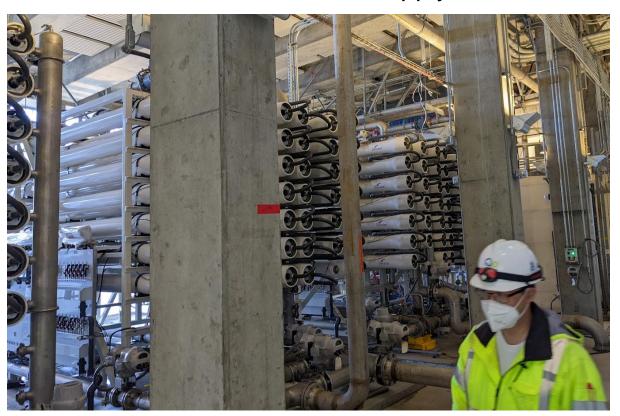


- Millbrae Yard Improvements....\$224.1
  - New Office & Water Quality Lab
  - New Shop Facilities
  - Consolidation of staff from Rollins Road Facility



## Alternative Water Supply Program (10-year CIP Funding in Millions)

- Alternative Water Supply Program......\$82.7
- Includes funding for purified water projects and Los Vaqueros Reservoir Expansion.
- Funding reduced in FY27-33 in anticipation of Commission consideration of Alternative Water Supply Plan later in 2023.





## Moccasin Powerhouse (10-year CIP Funding in Millions)

- "New" Powerhouse constructed in 1967
- Generators, Transformers, & Switchyard Rehabilitation.....\$ 21.9
- Moccasin and Kirkwood Powerhouse Bypass Upgrades....\$ 38.2





## Hetch Hetchy Water Transmission Facilities (10-year CIP Funding in Millions)

- San Joaquin Pipeline Life Extension and Safe Entry Projects....\$111.9
- Mountain Tunnel Improvements Project......\$ 68.0

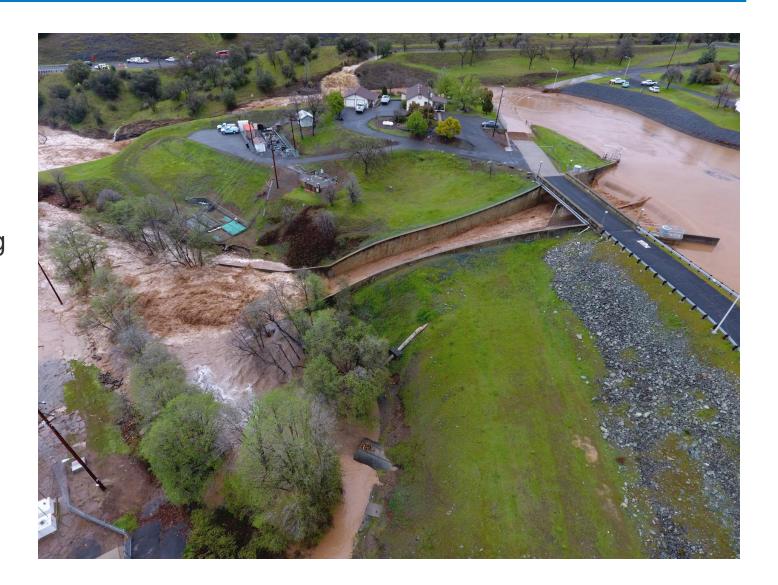






## **Moccasin Dam and Spillway** (10-year CIP Funding in Millions)

- March 22, 2018 Atmospheric River Event
- Moccasin Dam and Reservoir Short Term Improvements are complete
- Moccasin Dam and Reservoir Long Term Improvements....\$ 63.8





## O'Shaughnessy Dam (10-year CIP Funding in Millions)



- O'Shaughnessy Dam constructed in 1923 and raised in 1938
- Outlet Works Phase I………\$ 14.6
- Outlet Works Phase II......\$ 98.0

O'Shaughnessy Dam



## **Key Hetch Hetchy and Regional Water Project Locations**





#### Conclusion

- The 10-year Regional and Hetch Hetchy Water Capital Programs are robust with roughly \$2.1 billion programmed.
- The FY 23-24 Capital Program reflects a commitment to spending down available balances while moving forward on significant projects.

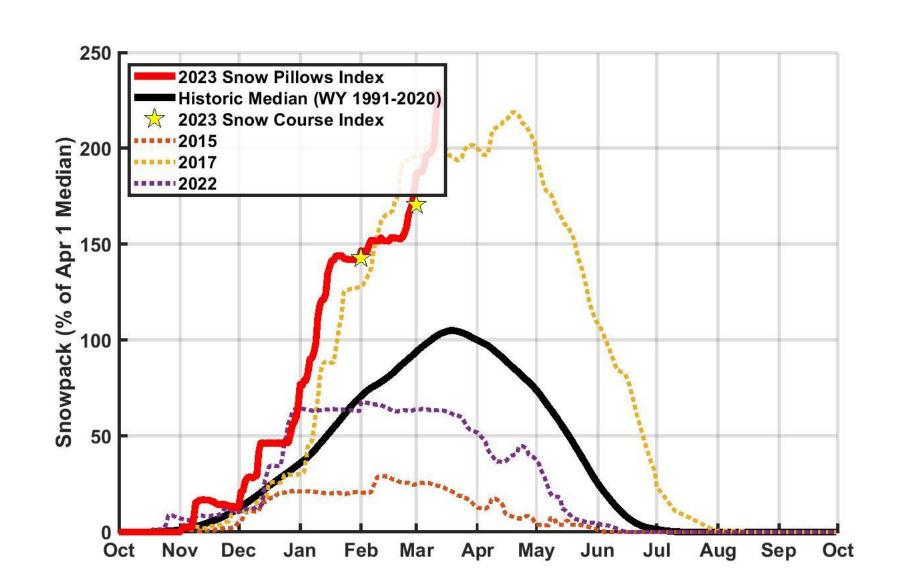


## **Water Supply Conditions Update**

Alison Kastama
BAWSCA Liaison, Water
March 16, 2023



### **Upcountry Snowpack**





### March 13, 2023 Reservoir Storage

Crystal Springs San Andreas	54,503 16,431	68,953 18,572	14,450 2,141	79.0% 88.5%	-
San Antonio	54,249	53,266	14.450	100.0%	-
Calaveras	97,562	96,670	0	100.0%	-
<u>Local System</u>					
Total Tuolumne Storage	1,073,800	1,230,805	157,005	87.2%	-
Water Bank	570,000	570,000	0	100.0%	99.6%
Eleanor	24,500	27,100	2,600	90.4%	-
Cherry	194,100	273,345	79,245	71.0%	-
Hetch Hetchy	285,200	360,360	75,160	79.1%	63.79
Tuolumne System					
	(AF)	(AF)	(AF)		
Reservoir	Storage <sup>1,2,3</sup>	Storage <sup>4</sup>	Capacity	Storage	Storage <sup>5</sup>
	Current	Maximum	Available	Maximum	Maximum
				Percent of	Percent o
					Normal

1,471,391

901,391

1,299,422

729,422

79.9%

88.3%

80.9%

173,844

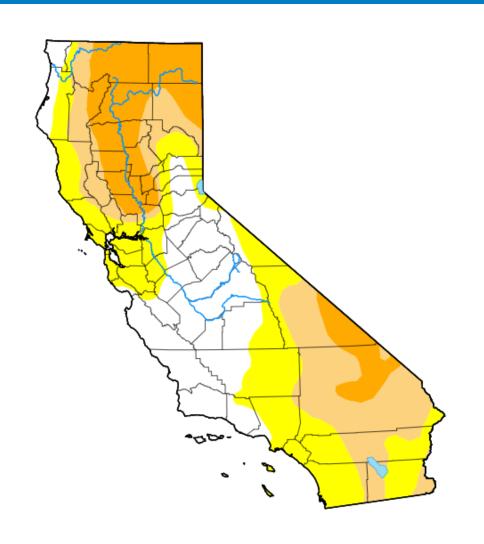
173,844

**Total System Storage** 

**Total without water bank** 



### **California Drought Monitor**



Map released: Thurs. March 9, 2023

Data valid: March 7, 2023 at 7 a.m. EST

#### **Intensity**

None

**D0** (Abnormally Dry)

D1 (Moderate Drought)

D2 (Severe Drought)

D3 (Extreme Drought)

**D4** (Exceptional Drought)

No Data

#### **Authors**

United States and Puerto Rico Author(s):

Deborah Bathke, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

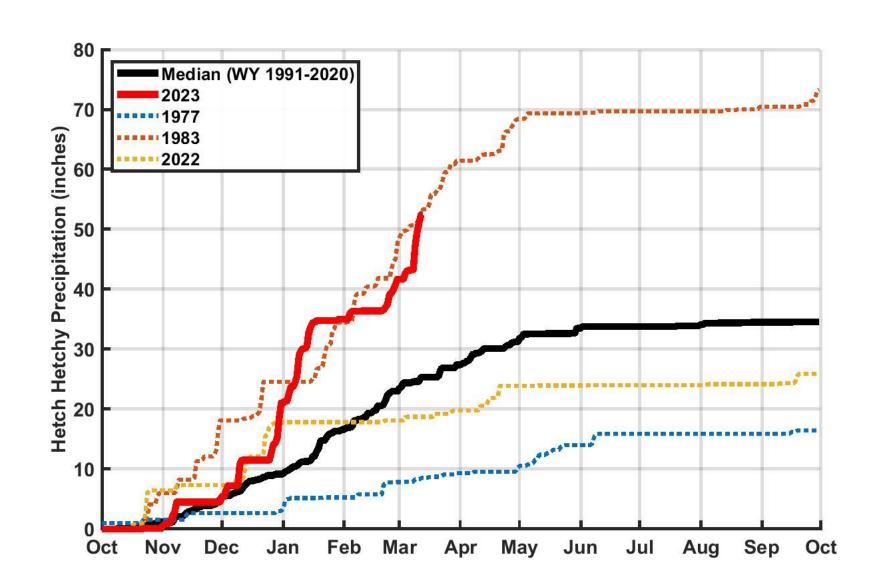
Richard Tinker, NOAA/NWS/NCEP/CPC

The Drought Monitor focuses on broad-scale conditions.

Local conditions may vary. See accompanying **text summary** for forecast statements.

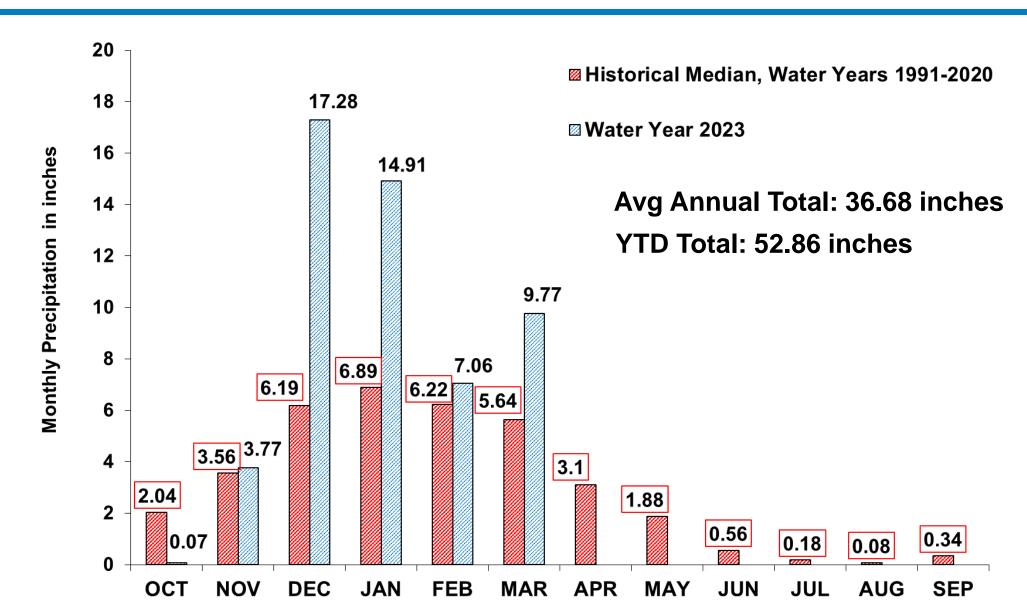


### **Hetch Hetchy Precipitation**



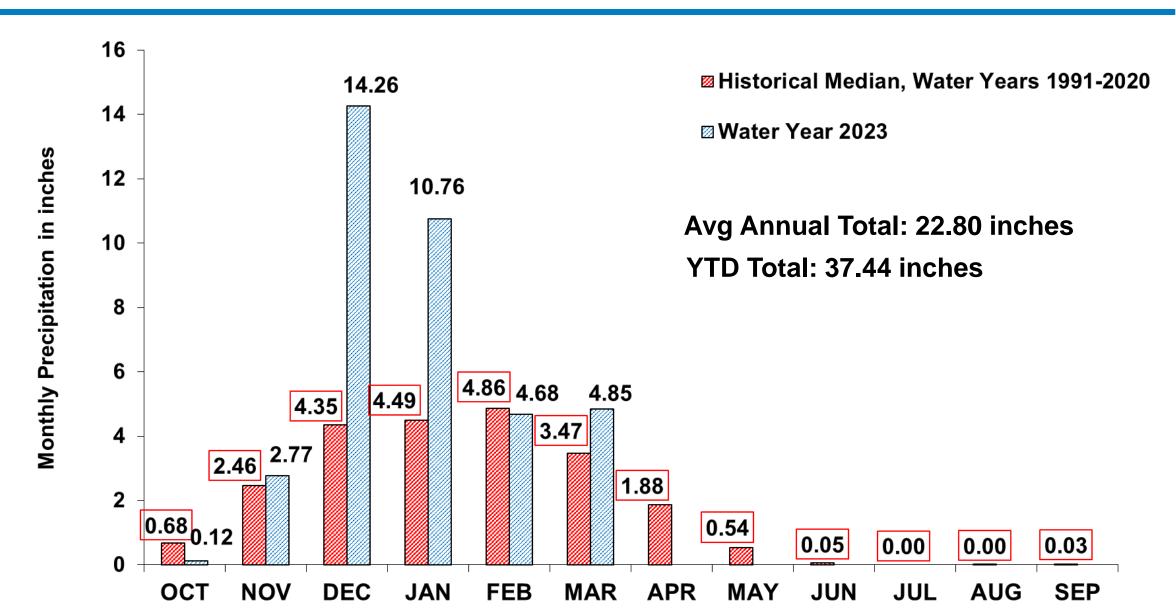


# Upcountry 6-station Precipitation Index as of March 12, 2023



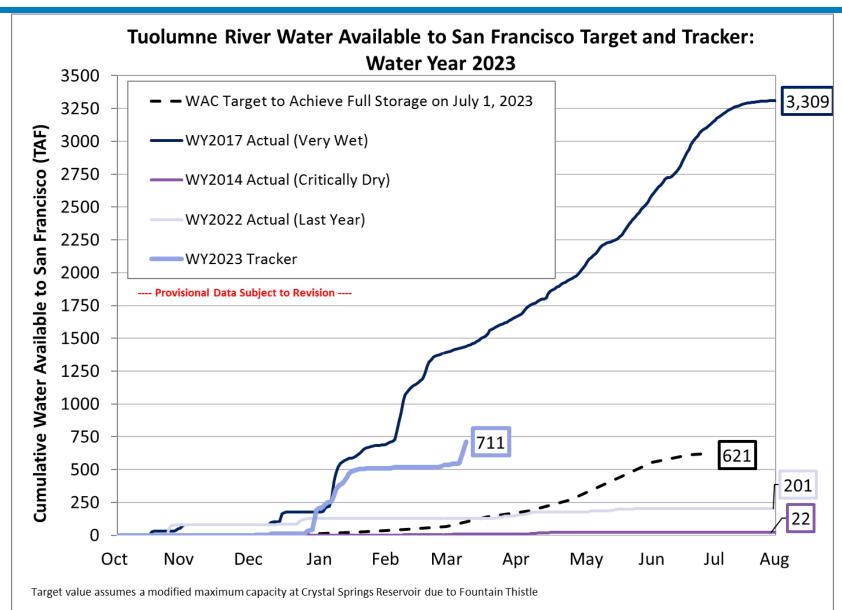


# Bay Area 7-station Precipitation Index as of March 12, 2023



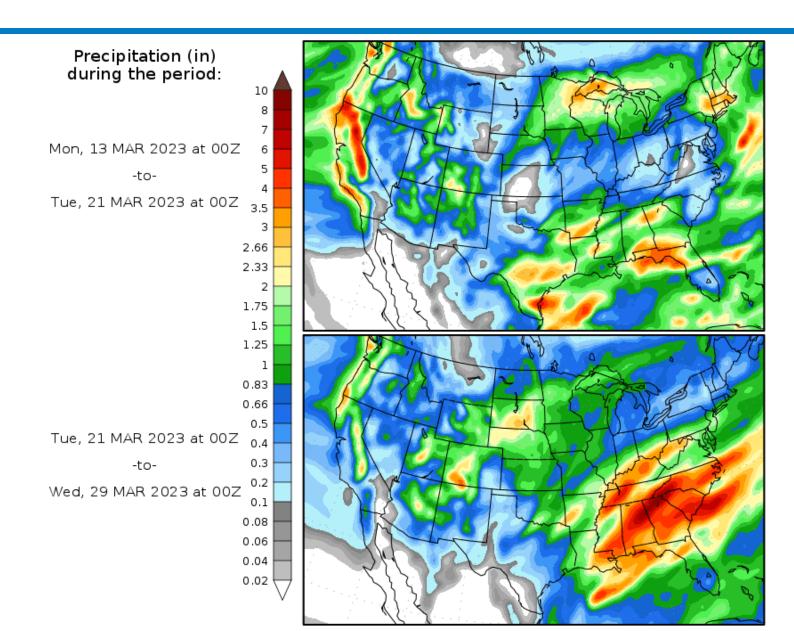


# Tuolumne River Water Available to the City



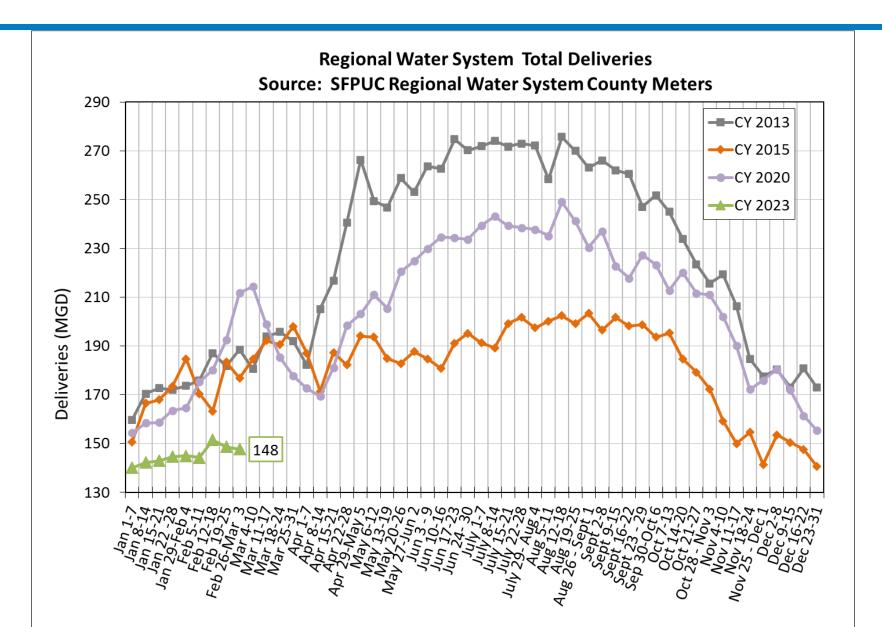


### **National Precipitation Forecast**





#### **Total Deliveries**





### **Governor's February 13th Executive Order**

- Continued the State Emergency Drought Declaration
- Key provisions of significance for the SFPUC:
  - "To ensure adequate water supplies for purposes of health, safety, the environment, or drought resilient water supplies, the Water Board shall consider modifying requirements for reservoir releases or diversion limitations in Central Valley Project or State Water Project facilities"
  - "No later than April 28, 2023, state agencies shall send me their recommendations for what
    further actions, if any, are necessary for on-going emergency drought response, and their views on
    whether any existing provisions in my proclamations and executive orders related to the drought
    emergency are no longer needed to prepare for and mitigate the effects of the drought
    conditions."



### **SFPUC Actions Moving Forward**

- Based on current conditions we'll be recommending the SFPUC Commission find that
  a water shortage condition no longer exists and that the local water shortage
  emergency should be rescinded.
- The systemwide water use reduction should remain in effect consistent with the State Water Board regulations, but it should be removed once the State Water Board modifies its regulations.
- Action is planned for April 11<sup>th</sup> SFPUC Commission meeting.



### **Proposed Legislation Affecting Water Rights**

- <u>AB 460</u> (Bauer-Kahan) Provides the SWB with authority to issue an interim order in any proceeding regarding unreasonable use, public trust, water quality plans, or sufficient water beneath dams (F&W 5937); the interim order may require the diverter to cease all harmful practices (including diversions); SWB must provide 20 days' notice, unless the matter is urgent.
- AB 676 (Bennett) Amends water code 106 (3/14/23: Author amendments under review).
- <u>AB 1337</u> (Wicks) Authorizes the SWB to adopt regulations to enforce unreasonable use prohibitions, promote conservation, protect public trust resources, curtail water use, or report data. Provides CEQA exemption to regulations; eliminates SWB limited jurisdiction over pre-1914 and riparian; no due process required if "impractical."
- **SB 389** (**Allen**) Increases SWB investigatory authority; expand jurisdiction over pre-1914s and riparians; SWB may investigate and determine rights; removes competing claim requirement for forfeiture.

And many more...

# Water Management Representative Report: Ms. Elizabeth Flegel, City of Mountain View



SFPUC, Eleanor Dam





## Water Management Representatives

#### **Discussion Topics**

- Receive updates on regional projects
- Track new requirements
- Provide input and perspective

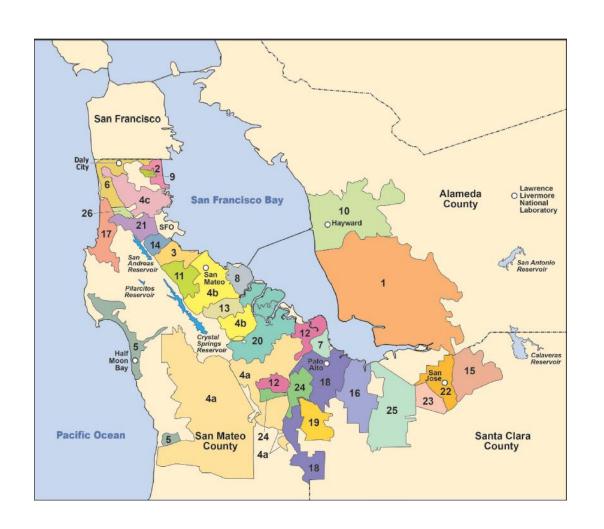




## Water Management Representatives

#### **Key Benefits**

- Share our experiences
- Learn about other agencies
- Respectful dialogue
- Connect and collaborate





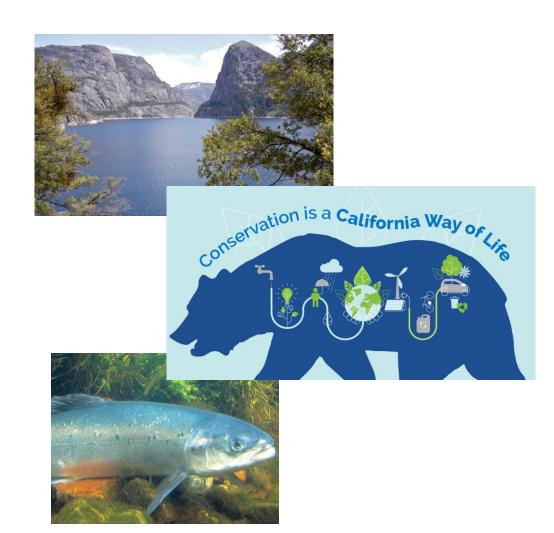
### Water Management Representatives

#### **Critical Updates**

- Water Supply Updates
- Bay Delta Water Quality Control Plan
- Water Use Efficiency Standards

#### **Collaborative Efforts**

- Water Supply Agreement Amendment
- Tier 2 Drought Allocation Plan





## Water Management Representatives

### Water Supply Agreement / Minimum Purchase Transfer

- Affects small subset of agencies
- Found a solution that worked for everyone
- BAWSCA's leadership is pivotal
- Takes time to hear 26 agency voices and address their concerns

### **Tier 2 Drought Allocation Plan**

- Making progress
- Still issues that need to be resolved

## Public Comments On Items Not On The Agenda



Lake Eleanor Overtopping/SFPUC, January 2017



## Action Calendar



SFPUC



## Consideration of Resolution #2023-01 Concurring in Nomination of John Weed for ACWA-JPIA Executive Committee

- There is a vacancy on the Executive Committee of the Association of California
   Water Agencies Joint Powers Insurance Authority (ACWA-JPIA)
- ACWA-JPIA has invited its member agencies to submit nominations
- ACWD has nominated John Weed (ACWD Board President and ACWA-JPIA Board Member for ACWD) for the vacant position
- ACWD and Director Weed have requested BAWSCA's support for his nomination
  - BAWSCA provided similar support for Director Weed last year
- ACWA-JPIA requires a resolution concurring the nomination
- Resolution 2023-01 meets the requirements of ACWA-JPIA



### Recommended Action

That the Board adopt Resolution #2023-01 concurring in nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority



## Report and Discussion



L. Ash, 2017



### Preliminary FY 2023-24 Work Plan Will Achieve BAWSCA's Goals

- Preliminary Work Plan aligned with BAWSCA's legislated authority and three goals
  - Table I presents draft preliminary FY 2023-24 Work Plan
  - Table 2 presents activities not included
  - Table 3 provides responses to the 13 comments provided by Board in January
- Addresses critical issues identified between now and 2060
- Includes additional program activity and staff time to:
  - Prepare a Drought Summary Report following drought conclusion
  - Develop & implement BAWSCA Grant Support Program (core and subscription)
  - Prepare staff-led plan to address BAWSCA's long-term policy and operations resilience
- Includes continuation of previously approved multi-year projects
  - Complete scoping for BAWSCA Strategy Update
  - Support members with water use efficiency legislation CII performance measure requirements
  - Facilitate development of updated Tier 2 Plan



- 2. Facility Reliability: Monitor SFPUC's WSIP, 10-Year Capital Plan, Asset Mgmt. Program, and Emergency Response
  - a. Monitor WSIP scope, cost, and schedule as San Francisco continues an aggressive construction schedule through to completion.
  - b. Review and monitor SFPUC's Regional 10-Year Capital Plan to ensure that identified projects and programs meet the needs of the members in a cost-effective and appropriate manner.
  - c. Review and monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS assets, including performing tasks or deeper reviews identified in the audit of SFPUC's asset management practices per WSA.
  - d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters.
  - e. Review and comment on SFPUC's current and long-term labor capacity to maintain and operate the RWS.



- 2. Long-Term Supply Solutions: Implement Strategy
  - a. Complete scoping activity for an update to BAWSCA's Long-Term Reliable Water Supply Strategy (Strategy) and initiate Strategy 2045 development
  - b. Participate in Bay Area Regional Reliability (BARR) Partnership
  - c. Complete Basis of Design Report (BODR) for San Francisco-Peninsula Regional Pure Water Project
  - d. Facilitate development of other local water supply options
  - e. Use BAWSCA Reliability Model to evaluate Bay Delta Plan/VA impacts
  - f. Facilitate use of the BAWSCA Reliability Model by members via subscription program
  - g. Host meetings of BAWSCA's Regional Water Supply Reliability Roundtable



### 3. Near-Term Supply Solutions: Water Conservation and Drought Response

- a. Provide staff-only drought support to member agencies and their customers, assuming dry conditions continue, and prepare a drought summary report following drought conclusion\*
- b. Represent member agency interests in discussions related to "Making Water Conservation a California Way of Life" requirements, including developing an approach for member agencies to meet the new CII performance measure requirements and possible subscription program for additional assistance
- c. Provide regional coordination to support AMI implementation and data management
- d. Implement existing core conservation programs that benefit all customers
- e. Implement existing subscription water conservation programs
- f. Continue development of a leak repair and training certification program for implementation in FY 2024-25
- g. Pursue partnership opportunities with San Mateo County C/CAG related to a potential greywater pilot program
- h. Represent agencies in regional and State-level discussions relative to water conservation



# Prepare a Drought Summary Report Following Conclusion of the Current Drought

- The region is currently in the middle of a drought that began in 2021
- In last few months, drought conditions in California have improved yet drought conditions remain in parts of California and Governor's Executive Orders remain in effect
- BAWSCA staff will continue to support member agencies and their efforts in response to local and statewide drought requirements
- Preliminary FY 2023-24 Work Plan proposes preparation of a new drought report following drought conclusion
  - Detail drought actions by State, SFPUC, Valley Water, and member agencies
  - Analysis of drought actions implemented on actual water use reductions experienced
- Estimated FY 2023-24 cost: \$40K



### 4. Protect Water Supply Interests in Administering 2009 WSA

- a. Review and Comment on SFPUC's Alternative Water Supply (AWS) Plan
- b. Monitor SFPUC's implementation of new supplies through the AWS Program and participate as appropriate
- c. Protect members' interests to ensure SFPUC meets its legal and contractual water supply obligations
- d. Adopt temporary extension of Tier 2 Plan that expires December 2023 if necessary
- e. Facilitate negotiations of an updated Tier 2 Plan
- f. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions
- g. Monitor SFPUC's unfunded pension and OPEB liabilities
- h. Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment
- i. Ensure correct implementation of 2023 WSA amendments allowing for minimum purchase transfers



- 5. Protect Members' Interest in Reliable Water Supply
  - a. SWRCB Bay Delta Water Quality Control Plan
  - b. La Grange and Don Pedro FERC Relicensing
- 6. Pursue Grant Opportunities
  - a. Pursue and use grant funds, including Prop 1 Integrated Regional Water Management conservation grant
  - b. Pursue grant funding with regional partners
  - c. Develop and implement new BAWSCA Grant Support Program with both a core and subscription component\*
  - d. Investigate potential grant funds to support implementation of BAWSCA's Strategy
- 7. Reporting and Tracking of Water Supply and Conservation Activities
  - a. Annual Survey
  - b. Annual Water Conservation Report
  - c. In partnership with members, operate and maintain updated Water Conservation Database



### Develop and Implement a New BAWSCA Grant Support Program

- Member agencies have expressed interest in BAWSCA support for tracking state and federal funding opportunities for water resources related work
  - A summary of current grant opportunities was prepared and well received as part of the BAWSCA Reliability Roundtable this year
- Preliminary FY 2023-24 Work Plan includes development and implementation of a new grant support program
  - Secure outside expertise and consultant support through a competitive selection process to develop grant support program
  - Core component: Tracking grant opportunities with regular updates to member agencies
  - Subscription component: Provide member agencies access to consultant expertise and support in grant application preparation
- Estimated FY 2023-24 cost: \$55K



# Major Tasks in Preliminary FY 2023-24 Work Plan – High Water Quality

- 8. Support Member Agencies in Receiving Reliable Communication on Water Quality Issues
  - a. Coordinate members participation in Joint Water Quality Committee to ensure it addresses Wholesale Customer needs
  - b. Relay important information to member agencies
  - c. Review and act on, if necessary, State legislation affecting water quality regulations



## Major Tasks in Preliminary FY 2023-24 Work Plan – Fair Price

- 9. Perform Matters that Member Agencies have Delegated to BAWSCA in WSA
  - a. Administer WSA to protect financial interests of member agencies
  - b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to SF

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY REFUNDING REVENUE BONDS (CAPITAL COST RECOVERY PREPAYMENT PROGRAM), SERIES 2023A (THE "BONDS")

#### CERTIFICATE OF FINALITY OF PRELIMINARY OFFICIAL STATEMENT

October 8, 202

\$135,115,000

The undersigned hereby states and certifies:

1. That she is a duly authorized officer of the Bay Area Water Supply and

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 8, 2021

RATINGS: Moody's: "Aa3

RATINGS: Moody's: "Aa3" S&P: "AA-" See "RATINGS" herein.

xchange Act

In the opinion of Orrick, Herringion & Statiffic LLP, Bond Counset to the Agency, based on an analysis of existing lares, regulation, realizing and court decisions, and assuming, among other matters, the occurrey of certain representations and compliance with certain conventual, interest on the Series 2022A Bonds is excluded from gross income for Interest income tax presents under Section 150d glid heart all resources for all 1908 and in a campil primo Blast of California personal income taxs. In approximation of the California personal income taxs. In alternative minimum taxes. Bond Commed capreses no opinion regarding any other tax consequences related to the ownership or disposition of, or the mount, account or receipt of interest, on the Series 2022A Bonds Sec "TAX MATTERS bern, bliving of the Series 2022A Bonds and are subject to the satisfaction of certain person and conditions provided in the Bond Personal Contracts.

#### BAWSCA

NEW ISSUE - BOOK-ENTRY ONLY

#### \$135,115,000° BAY AREA WATER SUPPLY AND CONSERVATION AGENCY Refunding Revenue Bonds

(Capital Cost Recovery Prepayment Program), Series 2023A

Due: October 1, as shown on inside cover pag

The Bay Area Water Supply and Conservation Agency Befunding Revenue Bonds (Capital Con Recovery Prepayment Program).
Series 2023 (A) the "Series 2023A Bonds", will be registered in the name of Cork e & Co., as nominee of the Depository Protest Company,
New York, New York ("DIT"), DTC will at as securities depository of the Series 2023A Bonds, Individual parchases of Series 2023A
Bends will be made in book entry from only, in demonstances of \$6,000 or any integral multiple theoreof. Purchasers of Series 2023A
Bonds will not receive certificates representing their interest in the Series 2023A Bonds purchased but will receive a credit balance in
the records of DTC. Principal and interest are payable effectly to DTC by The Bands of New York Melion Trat Company, N. A. as treated
(the "Trustee"). The Series 2023A Bonds will be issued pursuant to a Revenue Bond Indenture, dated as of January 1, 2013, by and
between the Bay Area Ware Supply and Conservation Agency (the "Agency) and the Trustee, and a Second Supplemental Revenue
Bond Indenture, dated as of October 1, 2021 (the "Second Supplement"), by and between the Agency and the Trustee (said indenture
as amended and supplemented, Individual as supplemented by the Second Supplement Collectively, the "Individual").

Principal is payable on the dates set forth on the inside cover page, interest on the Series 2023A Bonds is payable semiazurally on each April I and October I, commencing April I, 2023. Upon receipt of payments of principal and interest, DTC is obligated in turn to remit such principal and interest to the DTC Participants (as defined brein) for subsequent disbustments to principants of the remit of the principant is destinated disbustments to principants set of the principants (as defined remix) for subsequent disbustments of payables of Series 2023A Bonds, as described herein. As used herein, the term Bonds' means the Bay Area Water Supply and Conservation Agency Revenue Bonds authorized by, and any time Outstanding grussmant to, the Indenture.

The Series 2023A Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2023A BONDS-

The Series 2023 Monds are being issued to (1) refund a portion of the Bay Area Water Stuply and Conservation Agency Recents Bords (Capital Cost Receivers) Prepriment Program). Series 2023A and (3) any cent and feasonise incurred in concertain with the issuance of the Series 2023A Bonds. The Series 2023A Bonds will be secured by a pledge of and payable from surcharges imposed by the Agency and collected by the Public Utilities Commission of the City and County of Sam Prancisco on water sold to certain retail water service providens in Alameda County, Sainta Clara County and Sam Mateo County (the "Members") and interest and investment earnings on amounts held by the Transice under the Inductive (Theorems").

The Bonds are special, limited obligations of the Agency. The Bonds shall not be deemed to constitute a debt or liability of the Agency, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory provision, or a peloge of the fulls and credit of the Agency, the State of California or of any political subdivision thereof, but shall be payable except to the excitor of cortain amounts had under the Individual repelogid theory, suboly from Beremus. Neither the faith and credit nor the baxing power of the State of California or of any political subdivision thereof, suboly from Beremus. Neither the faith and credit nor the baxing power of the State of California or of any political subdivision thereof to pelogic to the gayment of the principal of, premium, if any, or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of California or any political subdivision thereof to levy or to pledge usy from of kasation or to make any appropriation for their

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must resthe entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2023A Bonds are affered when, as, and if delivered to and received by the Underwriters, subject to the superval of politility by Greek, thereinguod a Sudielfic LLP, Bond Councel. Certain long than unteres will be passed upon for the Anguest poly Hanson Bridget LLP and for the Underwriters by Strading, Yocca, Cutton of Basuth, a Professional Corporation. The Series 2023A Bonds or acqueed in the smallder for delivery through the fineling (Yocca, Cutton of Basuth, a Professional Corporation, or a cloud sharmony, 5, 2023.\*
Series 2023A Bonds, certain conditions to the obligations of the Underwriters to purchase the Series 2023A Bonds and certain risks to purchasers of the Series 2023A Bonds resulting from the delayed delivery thereof.

nan Sachs & Co. LLC

J.P. Morgan

Dated: October \_\_, 2021

\* Preliminary, subject to change

DRAFT\*\*V4

AMENDED AND RESTATED
WATER SUPPLY AGREEMENT
between

THE CITY AND COUNTY OF SAN FRANCISCO

and

WHOLESALE CUSTOMERS

in

ALAMEDA COUNTY, SAN MATEO COUNTY AND SANTA CLARA COUNTY

**NOVEMBER 2018** 

10110720

# Major Tasks in Preliminary FY 2023-24 Work Plan – Agency Effectiveness

### 10. Maintain Community Allies and Contacts with Environmental Interests

- a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them if necessary, to safeguard the health, safety, and economic well-being of residents and communities
- b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability
- Maintain effective communications with members, customers, and others to achieve results and support goals
- d. In conjunction with San Francisco, conduct or co-sponsor tours of the water system for selected participants
- 11. Manage the Activities of the Agency Professionally and Efficiently
  - a. Implement BAWSCA's Student Internship Program
  - b. Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations
  - c. Maintain a motivated, trained, and effective workforce
  - d. Prepare a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy decision making\*



## Prepare a Staff-Led Plan to Address BAWSCA's Long-Term Policy and Operations Resilience

- During its first year (2003), BAWSCA adopted and implemented necessary operational practices and policies
- These actions have enabled BAWSCA to be successful to date in achieving its goal for the water users it represents
- It seems timely to review actions and policies that may need to be updated or taken to ensure BAWSCA's continuing success and resilience
- Preliminary FY 2023-24 Work Plan includes preparation of plan by staff with legal counsel assistance
- Plan would be shared with BPC and Board for further discussion and action
- Estimated FY 2023-24 cost: \$20K (updated from \$5k shown in BPC memo)



### Considerations for Funding the Operating Budget

- BAWSCA's primary source of funding is its assessments on member agencies as provided for in its enabling legislation (AB 2058)
- Four principles used historically by BAWSCA when considering how to fund the Operating Budget
  - Budget sufficient resources to achieve the desired Work Plan results.
  - Spend only what is needed to achieve the results.
  - Apply incremental and prudent increases in assessments as necessary.
  - Maintain a prudent General Reserve balance within Board guidelines.
- Currently estimating spending 90-95% of FY 2022-23 approved budget
- Board approved 25% increase in assessments in FY 2022-23 to (1) fully fund the Operating Budget and (2) replenish the General Reserve to lower end of budgetary guideline
  - BAWSCA FY 2022-23 Operating Budget \$4,720,885
  - BAWSCA FY 2022-23 Assessments \$4,838,897



## Three Funding Options Analyzed

	FY 2022-23		FY 2023-24	
	Adopted Funding Plan as of 1/19/2023	Option I	Option 2	Option 3
Fund Source		0% Assessment Increase	3% Assessment Increase	5% Assessment Increase
Assessments	\$4,838,897	\$4,838,897	\$4,984,064	\$5,080,842
Transfer from GR	(\$163,012)	(\$24,230)	(\$169,397)	(\$266,175)
Balancing Acct. Transfer	\$75,000			
Total Op. Funds/Op. Budget	\$4,750,885	\$4,814,667	\$4,814,667	\$4,814,667
Est. EOY Transfer to GR		\$0	\$0	\$0
Est. EOY Reserves	\$1,046,550	\$1,070,780	\$1,215,947	\$1,312,725
% of Total Budget	22%	22%	25%	27%
Assessment to Budget Ratio		101%	104%	106%



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

- Preliminary 2023-24 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 cost value and savings to water customers
  - BAWSCA's review of WRR has saved water customers \$47M since 2001-02
  - BAWSCA's bonds, including the recent refunding, will save water customers \$89.4M over term of bonds
  - Estimated cost of preliminary Work Plan and Operating Budget to water customers is \$2.59 per person



### Next Steps

- Feedback from today will be incorporated into the Proposed FY 2023-24 Work Plan & Operating Budget
- April BPC Meeting:
  - Proposed FY 2023-24 Work Plan and Operating Budget presented for further discussion and recommended action
- May Board Meeting:
  - Recommended action



## **CEO** Reports





### Annual Balancing Account Update

- Balancing Account serves as a true up mechanism between
  - Estimated Wholesale Revenue Requirement/amount billed to Wholesale Customers; and
  - Actual SFPUC expense attributable to Wholesale Customers
- BAWSCA conducts an annual review
  - SFPUC's calculation of the WRR; and
  - Balance in the Balancing Account
- Unaudited 6/30/2022 Balancing Account \$27.6 million
- Estimated 6/30/2023 Balancing Account (\$9.5 million)



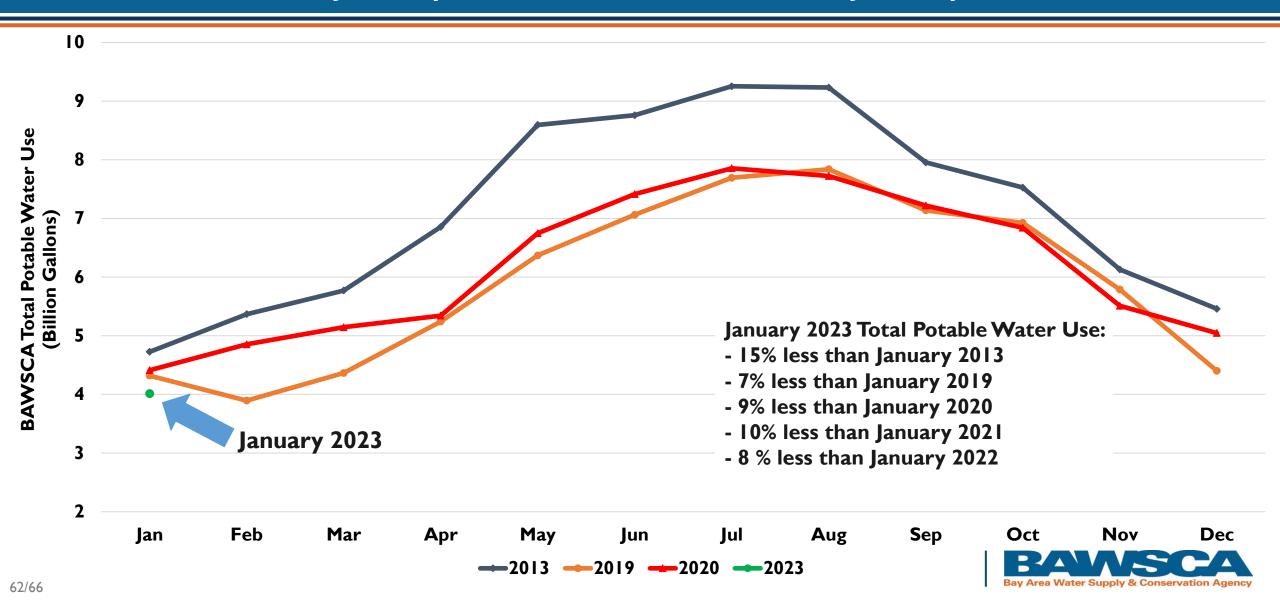
### Projected Wholesale Water Rates & Planned Use of Balancing Account

• SFPUC takes into account the BA balance in establishing wholesale water rates

	Projected	Projected	Projected
	Wholesale	Replenishment/(Use)	BA Due
	Water Rate	of Balancing Account	To/(From) Agencies
FY 2022-23	\$4.75/Ccf *	(\$37.1 million)	(\$9.5 million)
FY 2023-24	\$5.30/Ccf	\$4.3 million	(\$5.2 million)
FY 2024-25	\$5.30/Ccf	\$9.1 million	\$3.9 million
FY 2025-26	\$5.30/Ccf	(\$1.6 million)	\$2.3 million
FY 2026-27	\$5.30/Ccf	(\$1.4 million)	\$0.9 million
FY 2027-28  * Actual rate	\$5.54/Ccf	(\$6.1 million)	(\$5.2 million)



# BAWSCA January 2023 Total Potable Water Use 15% Less Than January 2013 and 10% Less Than January 2021

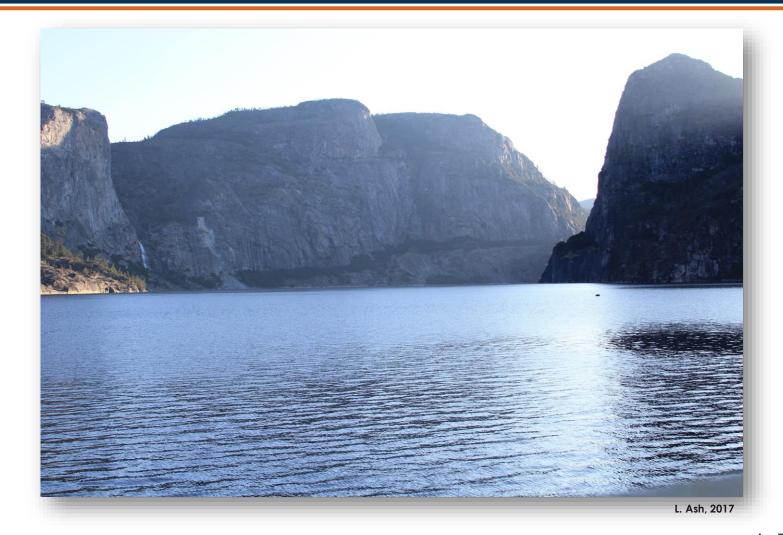


## VA Discussions and State Board Efforts Progressing on Schedule to Meet State Board Deadlines

- State Board held a workshop on Jan. 19<sup>th</sup> on the Water Quality Control Plan for the SF/Sacramento-San Joaquin Delta (Plan) and Voluntary Agreements (VA)
- State Board provided details on upcoming actions and an aggressive schedule
- Fall 2023
  - Scientific Basis Repot for Tuolumne River VA submitted for peer review
  - Draft Staff Report for Bay-Delta Plan amendment for Tuolumne River VA
- Winter/Spring 2024
  - Board workshop & consideration of Tuolumne River VA
  - Final draft EIR and regulation implementing Lower San Joaquin River flows
  - Board consideration of regulation implementing Lower San Joaquin River flows
- VA discussions and State Board efforts progressing on schedule to meet above deadlines
- BAWSCA remains engaged with SFPUC and others in support of a VA for the Tuolumne River as an alternative to the adopted Plan
- BAWSCA urging Tuolumne River parties, including the SFPUC, to move forward now with early implementation of the MOU commitments for new additional flows in the Tuolumne River and implementation of identified habitat improvements (\$64M)



## **Closed Session**





### Directors' Discussion



L. Ash, 2017



## Announcement & Adjournment to Next Meeting

## **Annual Conflict of Interest Form 700 Filing**

- April 3, 2023 deadline
- Electronic filing through eDisclosure
- Email was sent from BAWSCAForm700@BAWSCA.org

### **Next Meeting**

May 18, 2023 6:30 pm

