



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 18, 2023**

# Call to Order / Roll Call



L. Ash, 2017

# Comments by the Chair



L. Ash, 2017

# Board Policy Committee Report



L. Ash, 2017

# Consent Calendar

- Approve Minutes of the March 16, 2023 Meeting
- Receive and File:
  - Budget Status Report as of 3/31/23
  - Bond Surcharge Report as 3/31/23
  - Investment Report as of 3/31/23
  - Directors' Reimbursement Report as of 3/31/23
- Proposed Modifications to BAWSCA's Investment Policy to Ensure Safety of Bank Deposits Over \$250,000



# SFPUC Report



L. Ash, 2017

# **Water Supply Conditions Update**

Alison A. Kastama  
BAWSCA Liaison, Water  
May 18, 2023



# May 15, 2023 Reservoir Storage

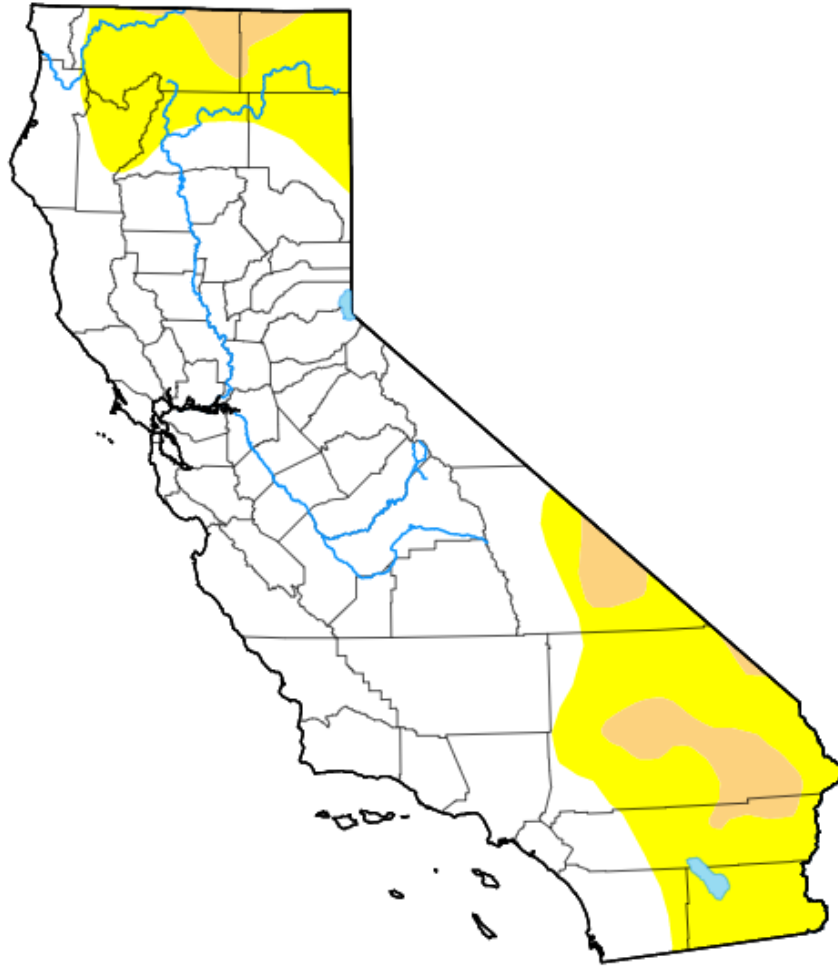
Reservoir	Current Storage <sup>1,2,3</sup> (AF)	Maximum Storage <sup>4</sup> (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage <sup>5</sup>
<u>Tuolumne System</u>					
Hetch Hetchy	249,300	360,360	111,060	69.2%	<b>75.0%</b>
Cherry	181,800	273,345	91,545	66.5%	-
Eleanor	24,360	27,100	2,740	89.9%	-
Water Bank	570,000	570,000	0	100.0%	<b>91.3%</b>
<b>Total Tuolumne Storage</b>	<b>1,025,460</b>	<b>1,230,805</b>	<b>205,345</b>	<b>83.3%</b>	-
<u>Local System</u>					
Calaveras	95,058	96,670	1,612	98.3%	-
San Antonio	53,240	53,266	26	100.0%	-
Crystal Springs	54,346	68,953	14,607	78.8%	-
San Andreas	16,302	18,572	2,270	87.8%	-
Pilarcitos	2,601	3,125	524	83.2%	-
<b>Total Local Storage</b>	<b>221,547</b>	<b>240,586</b>	<b>19,039</b>	<b>92.1%</b>	-
<b>Total System Storage</b>	<b>1,247,007</b>	<b>1,471,391</b>	<b>224,384</b>	<b>84.8%</b>	<b>84.0%</b>
<b>Total without water bank</b>	<b>677,007</b>	<b>901,391</b>	<b>224,384</b>	<b>75.1%</b>	-



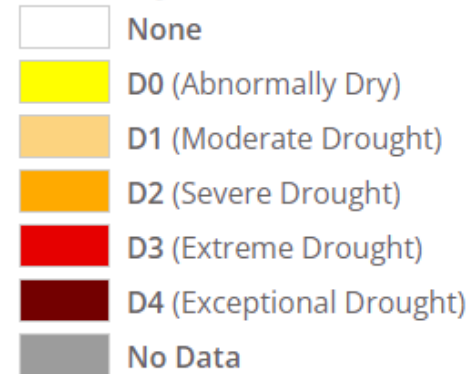
# California Drought Monitor

**Map released: Thurs. May 11, 2023**

**Data valid: May 9, 2023 at 8 a.m. EDT**



## Intensity



## Authors

United States and Puerto Rico Author(s):

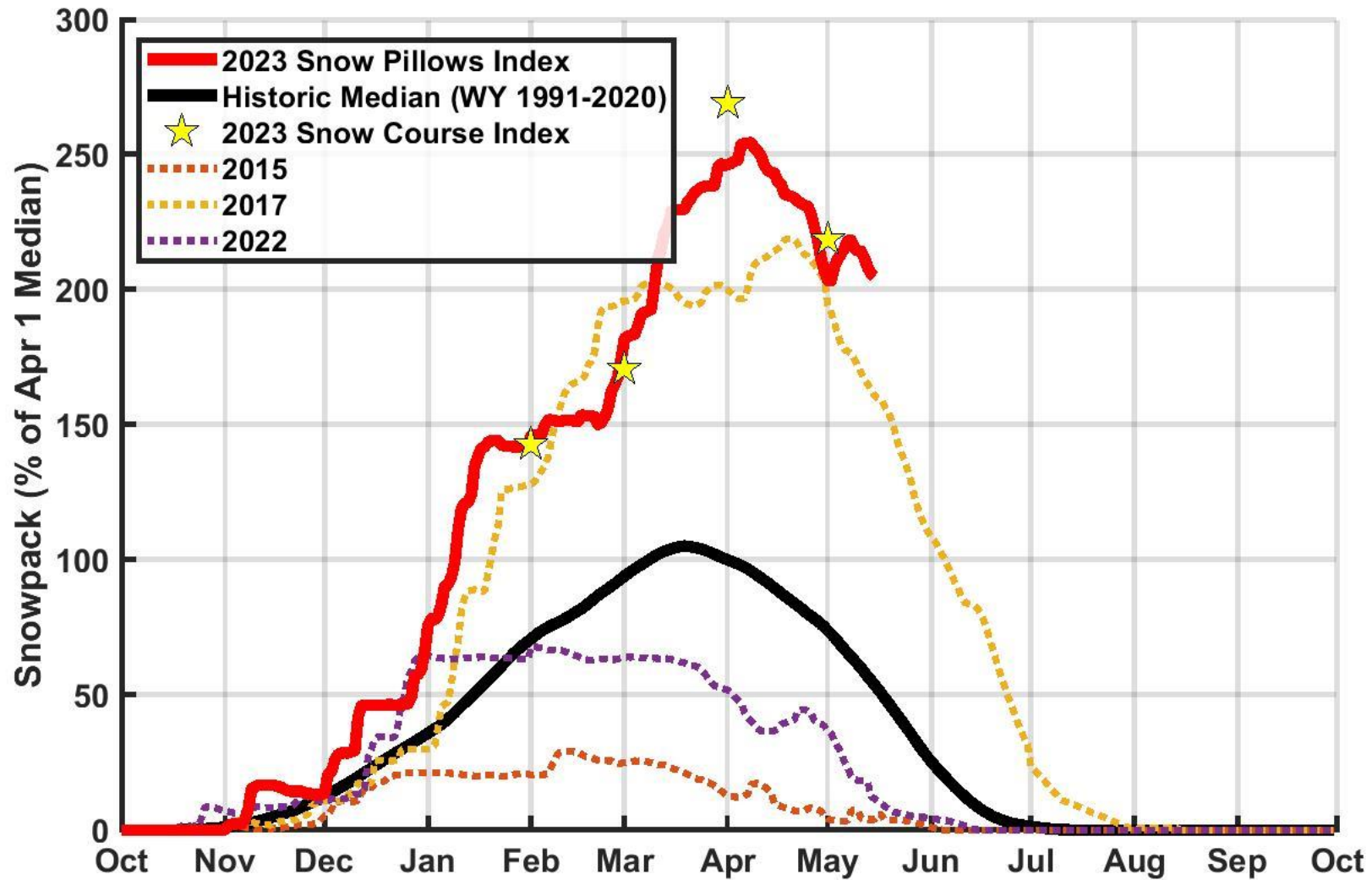
**Brad Pugh**, NOAA/CPC

Pacific Islands and Virgin Islands Author(s):

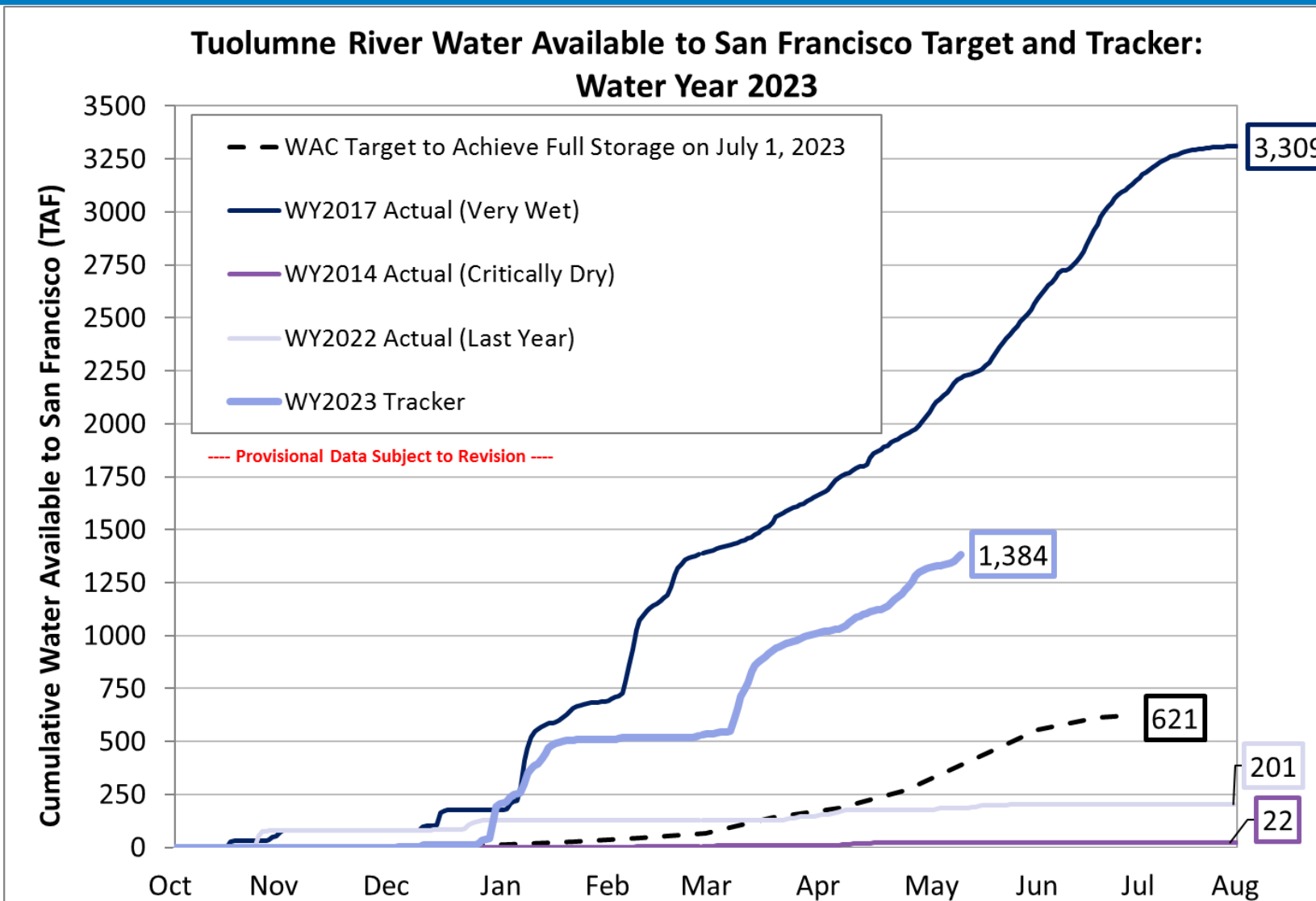
**Curtis Riganti**, National Drought Mitigation Center

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

# Upcountry Snowpack



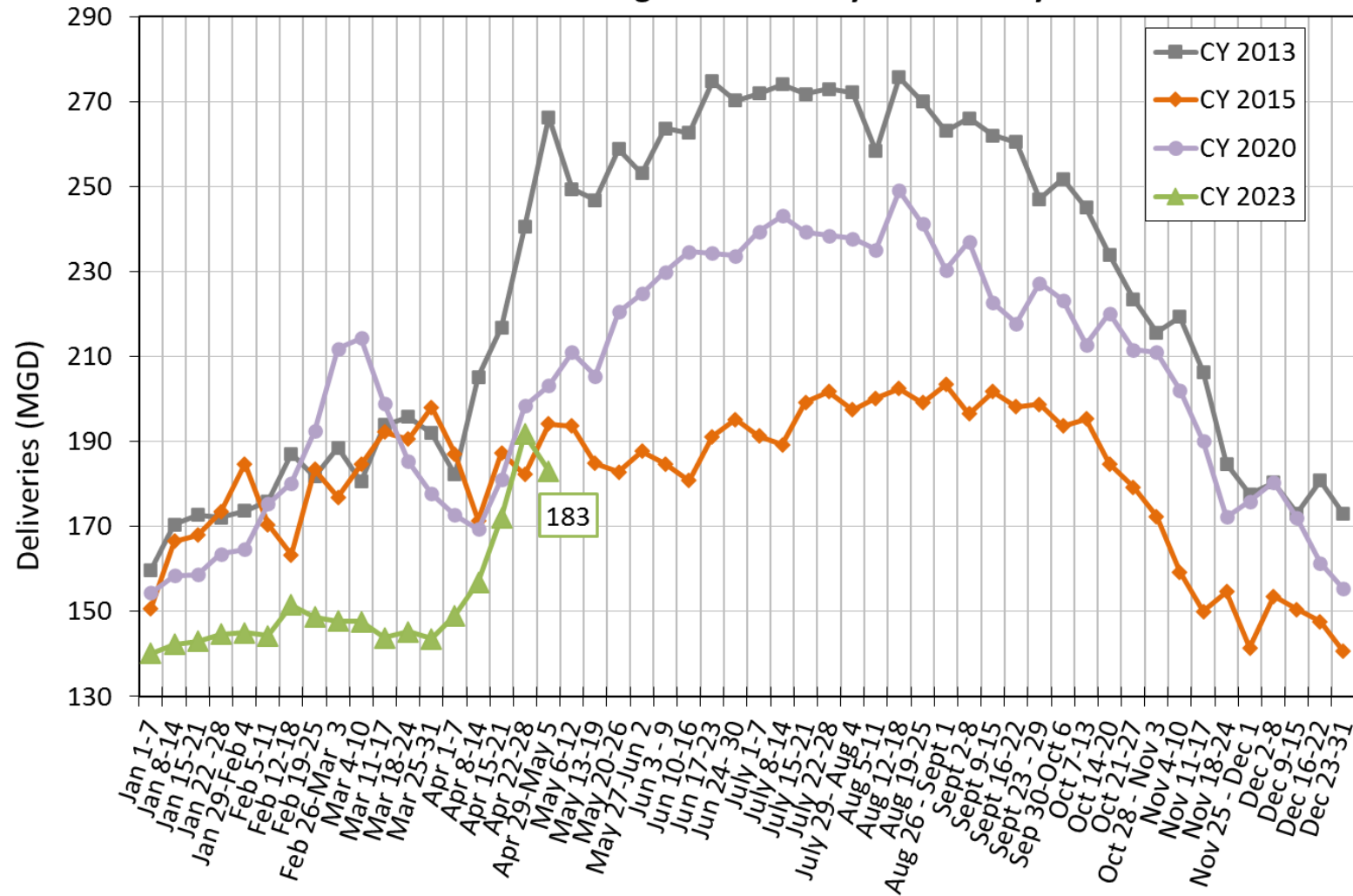
# Tuolumne River Water Available to the City



Target value assumes a modified maximum capacity at Crystal Springs Reservoir due to Fountain Thistle

# Total Deliveries

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



# Proposed Legislation Affecting Water Rights

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- **AB 460 (Bauer-Kahan)** – State Board: water rights and usage: interim relief: procedures.
  - **AB 1337 (Wicks)** – State Board: Diversion Curtailment
  - They will likely be taken up on the Assembly Floor sometime between May 22 and June 2.
- 
- **SB 389 (Allen)** – State Board: Determination of water right.
  - It will be likely taken up on the Senate Floor between May 22 and June 2.

# WSA Minimum Purchase Requirement

## 3.07. Restrictions on Purchases of Water from Others; Minimum Annual Purchases

C. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco.

The minimum annual purchase requirements set out in Attachments E and E-1 **will be waived during a Drought or other period of water shortage** if the water San Francisco makes available to these Wholesale Customers is less than its Minimum Annual Purchase Quantity, and **may be waived during a state of emergency declared by the Governor of California** that impacts water supply use or deliveries from the Regional Water System.

- **With the expectation of State Board regulations expiration in June, Minimum Purchase Requirements for FY2023/2024, will likely be in effect.**
- **SFPUC continues to consider correspondence from Cities of Sunnyvale and Mountain View, and the potential for future WSA amendments on this issue.**

# May 2, 2023



# May 2, 2023 O'Shaughnessy Dam Centennial





# May 2, 2023 O'Shaughnessy Dam Centennial



# May 2, 2023 O'Shaughnessy Dam Centennial



# Public Comments On Items Not On The Agenda



SFPUC, Eleanore Dam

# Action Calendar



SFPUC

# Proposed FY 2023-24 Work Plan Addresses Critical Issues Between Now and 2060 to Achieve BAWSCA's Goals

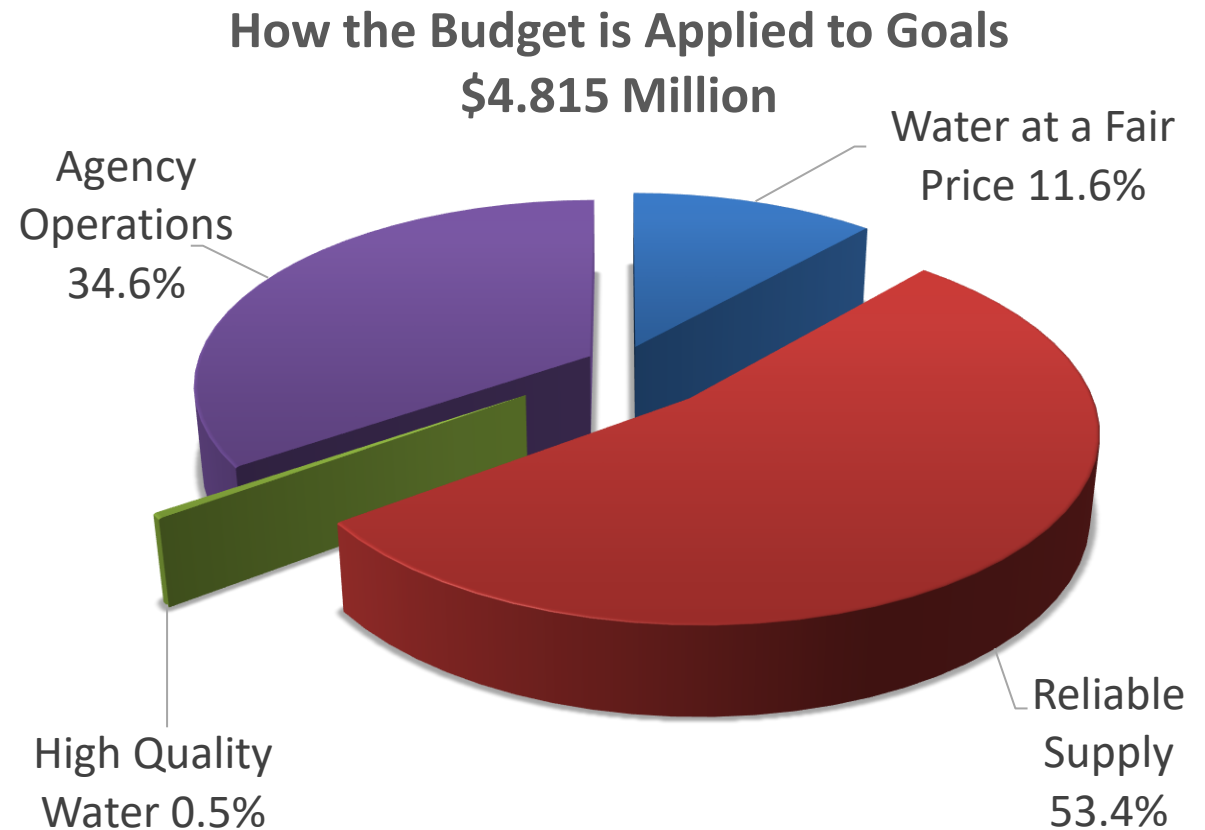


# Proposed FY 2023-24 Work Plan Addresses Critical Issues Between Now and 2060 to Achieve BAWSCA's Goals

- Continue BAWSCA's role in managing the Water Supply Agreement with San Francisco to protect the 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 Bay Delta and FERC Proceedings to protect regional water supplies
- Complete scoping for BAWSCA Strategy 2045
- Facilitate development of updated Tier 2 Drought Plan
- Prepare a Drought Summary Report following drought conclusion
- Implement core and subscription conservation programs
- Prepare a staff-led plan to address BAWSCA's long-term policy and operations resilience

# Proposed Operating Budget 2% (\$64K) Above Approved FY 2022-23 Budget

- FY 2023-24 Proposed Operating Budget = \$4,814,667
- Fully funds annual OPEB expense
- Includes budget allowance for up to a 5% adjustment to existing salaries for both COLA and merit-based increases
- Total water customer cost of \$2.59 (+3 cents) per person



# Considerations for Funding the Operating Budget

- BAWSCA's primary source of funding is its assessments on member agencies (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: Option 1 Recommended

	FY 2022-23	FY 2023-24		
Fund Source	Adopted Funding Plan as of 1/19/2023	Option 1 0% Assessment Increase	Option 2 1% Assessment Increase	Option 3 2% Assessment Increase
Assessments	\$4,838,897	\$4,838,897	\$4,887,286	\$4,935,675
Transfer from GR	(\$163,012)	(\$24,230)	(\$72,619)	(\$121,008)
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	\$1,119,169	\$1,167,558
% of Total Budget	22%	22%	23%	24%
Assessment to Budget Ratio	102%	101%	102%	103%

Note: This analysis & recommendation does not reflect any changes that might result from approval of Strategy 2045 later tonight.



# Recommendation

That the Board approve of the:

1. Proposed Fiscal Year 2023-24 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$4,814,667; and
3. Proposed funding plan of a 0% assessment increase (\$4,838,897) to fund the Operating Budget.

# Approval of Professional Services Contracts for FY 2023-24



L. Ash, 2017

# Eighteen Professional Services Contracts for Technical and Administrative Services (FY 2023-24) Needed to Implement Work Plan

Contract #	Consultant (Work Description)
1	BLX (Arbitrage Rebate Compliance Services)
2	Droplet Technologies (Online Rebate System)**
3	EKI (Water Mgmt./Reliability Roundtable)
4	E Source (Water Loss Mgmt. Program)**
5	Hanson Bridgett (Legal Counsel)
6	Harlan P. Wendell (Strategic Counsel)
7	Hazen & Sawyer (Engr./Water Mgmt.) **
8	IG Services (Auditing/Accounting Services)
9	Immersive (Website & WCDB)

Contract #	Consultant (Work Description)
10	KNN Public Finance (Financial Advisor)
11	Maddaus Water Mgmt. (Water Use Efficiency Leg.)
12	Orrick LLP (Bond Documents, Legal Services)
13	Public Trust Advisors (Investment Advisor)
14	Richard Sykes (WSIP, 10-Year CIP)
15	Stetson Engineering (Water Analyses, WSA)
16	West Yost (Asset Mgmt.)
17	Woodard & Curran (Water Mgmt./Tier 2 Plan)
18	Woodard & Curran (WCDB Host & Support)

\*FY 2022-23 contract amounts as amended through 5/1/2023

\*\*Consultant contract also includes a subscription conservation program component

# Seven Consultant Contracts for Subscription Conservation Programs (FY 2023-24) Needed to Implement Work Plan

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 Program)
6	Regional Water Authority (Rachio Smart Controller Program)
7	Waterfluence, LLP (Large Landscape Program)

# Recommendation

That the Board approve the twenty-five (25) contracts, subject to legal counsel's review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2023.

# Authorization of Professional Services Contract to Support the Scoping of BAWSCA's Long-Term Reliable Water Supply Strategy



# The Purpose of a Long-Term Water Supply Strategy

- BAWSCA's water management objective is to ensure that a reliable, high-quality supply of water is available where and when people within the BAWSCA member agency service area need it
- The 2015 Strategy purpose was to:
  - Quantify the water supply reliability needs of the BAWSCA member agencies through the planning horizon
  - Identify the water supply management projects and/or programs (projects) that could be developed to meet those regional water reliability needs
  - Develop an implementation plan for the Strategy
- At this time, the purpose remains the same for Strategy 2045
  - This will be one of the first things confirmed with the Board and WMR



# Why Does the 2015 Strategy Need Updating?

- The region's water demands have changed
- The reliability of our existing water supplies is in question
  - A result of new regulatory pressures, climate change, and other system vulnerabilities
  - A “one-water” approach to water supply planning has emerged
- Potential for BAWSCA's independent participation in other agencies' water supply projects in planning
  - SFPUC Alternative Water Supply Plan includes projects with partnership potential
  - Valley Water's future water supply plans contemplate partnerships
  - Projects envisioned by other large bay-area agencies are partnership driven
- Investments in new supplies directly impact water affordability and must be examined holistically

# Careful Planning Is Required for the Scoping of Strategy 2045

- Strategy Update included in prior fiscal years' adopted work plans and budgets
- Strategy Update delayed due to other higher priority work plan items and staff time constraints
- Board and Member Agencies have provided the following feedback to date
  - Acknowledged that a Strategy Update was appropriate
  - Scoping should be performed first, prior to preparing the actual update
- Scoping of Strategy 2045 is a significant effort requiring resources
- Use of consultants to help scope Strategy 2045 is recommended to augment existing staff given resource limitations

# What Will Be The Outcome of Scoping of Strategy 2045?

- BAWSCA will secure Board and Member Agency consensus on:
  - The goals and objectives of Strategy 2045
  - The development approach for Strategy 2045
  - A detailed scope of work to prepare Strategy 2045, including a cost and schedule estimate
  - An approach to funding Strategy 2045
- All of this will be documented in a final Scoping Report

# How Does the Recommended Action Reflect Input Received from the BPC?

- In April, the BPC expressed need for further clarity on:
  - Specific level of Board and member agency engagement
  - Total cost of the proposed contract
  - Proposed funding
- Recommended scope of work with EKI reflects the following:
  - Board and member agency engagement is more clearly defined
  - A review of proposed tasks and removal of those not required by BAWSCA
  - A resulting reduction in recommended contract cost by \$72,896 to \$146,752

# Recommendation

That the Board authorize the CEO/General Manager to:

- Negotiate and execute a contract with EKI Environment and Water, Inc. in an amount not-to-exceed \$146,752, subject to legal counsel's final review, to support the scoping of BAWSCA's Long-Term Reliable Water Supply Strategy 2045;
- Transfer \$55,000 from FY 2023-24 budgeted contingency to project funds; and
- Transfer \$56,752 from the General Reserve to the FY 2023-24 Operating Budget.

# Amendment to Hanson Bridget FY 2022-23 Professional Services Agreement



L. Ash, 2017

# Additional Funds Needed for Legal Counsel in FY 2022-23 Due to Unanticipated Work

- BAWSCA staff works closely with legal counsel every year to identify tasks and resources needed to complete the Work Plan
  - Existing contract is \$781,500
- Legal counsel budget is prepared according to approved work plan and specific results
  - New or unanticipated items will generally require a contract amendment
  - Enables increased transparency with board and public regarding increased legal counsel resources
- Several unanticipated items have arisen in FY 2022-23 requiring increased resources:
  - Silicon Valley Bank closure
  - First Amendment Audits
  - SFPUC's Alternative Water Supply Program
  - Extended legislative review for potential Brown Act changes and water rights changes
- A \$50,000 budget increase for legal counsel is necessary to complete remaining critical work this fiscal year
  - Funds available from unexpended FY 2022-23 operating funds

# Recommendation

That the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$50,000 for a total not to exceed amount of \$831,500.

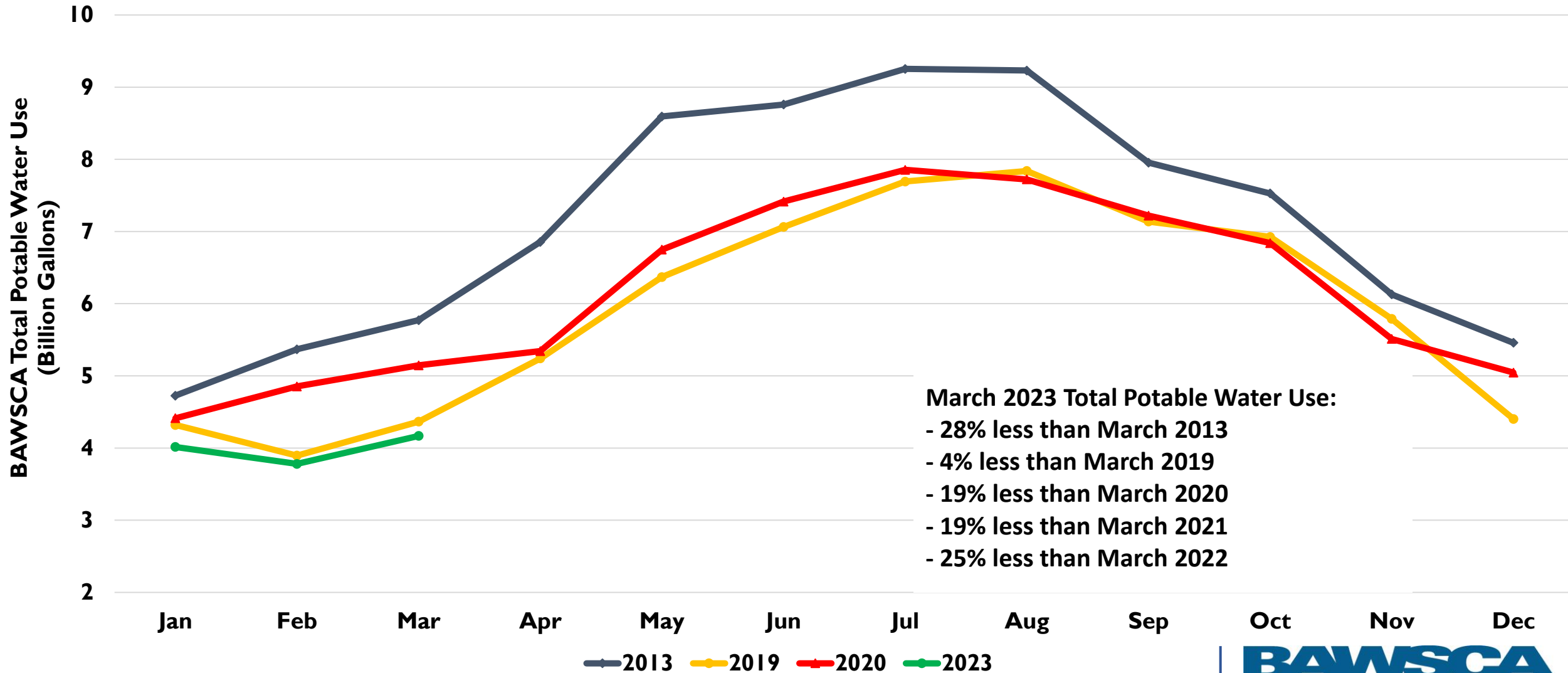


# CEO Reports



L. Ash, 2017

# BAWSCA March 2023 Total Potable Water Use 28% Less Than March 2013



# Notice of Preparation (NOP) and Scoping Meeting Regarding the Proposed Tuolumne River Voluntary Agreement (VA)

- State Board has issued the NOP for development of an environmental document related to the proposed Tuolumne River VA
  - Proposed Tuolumne River VA as documented in November 2022 MOU to State Board
- State Board to evaluate the proposed Tuolumne River VA as an amendment to the adopted Bay-Delta Plan
- BAWSCA provided oral comments to State Board at today's public hearing
  - Support for State Board's evaluation of the proposed Tuolumne River VA
- *“The proposed Voluntary Agreement for the Tuolumne River could be a big step forward in providing more flows and increased habitat for fish in the Tuolumne River and ensuring a continuing reliable supply of high-quality water at a fair price for the health, safety, and economic well-being of BAWSCA's water users.” (N. Sandkulla)*

# Closed Session



L. Ash, 2017

# Directors' Discussion



L. Ash, 2017

# Announcement & Adjournment to Next Meeting

## Next Meeting

July 20, 2023  
6:30 pm