

“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

November 16, 2023



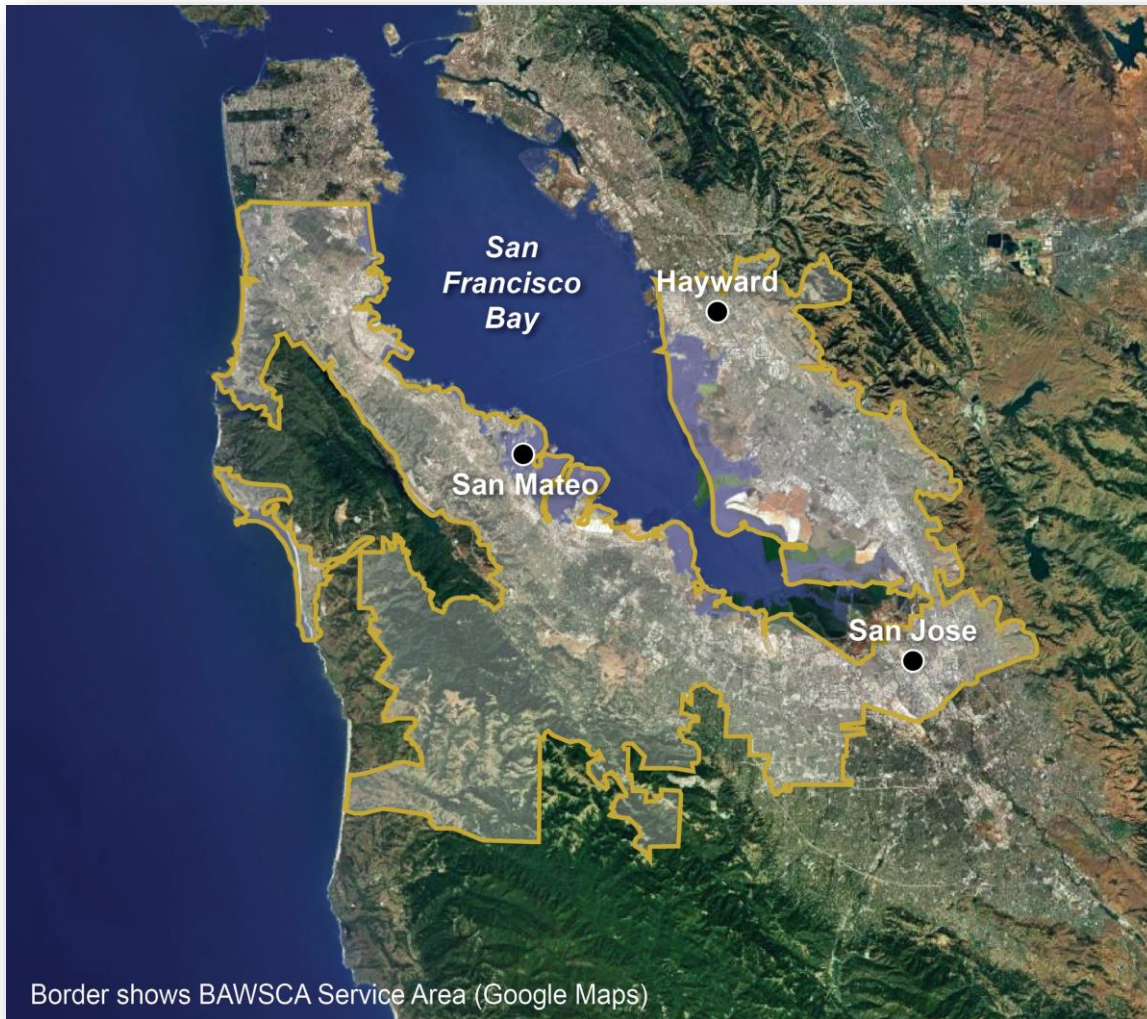
Call to Order / Roll Call



Ragsdale, 2023



20 Year Anniversary



“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)]



BAWSCA's 20-Year Results

- ✓ Ensuring a reliable supply of high-quality water at a fair price for BAWSCA's 1.8 million water users in Alameda, San Mateo, and Santa Clara counties, including more than 40,000 businesses and hundreds of communities.
- ✓ Saving BAWSCA's water users \$47 million through oversight of the water supply agreement with San Francisco.
- ✓ Making valuable investments in water conservation resulting in a 27% reduction in total water use since 2003, including educating water customers about the importance of using water wisely.
- ✓ Helping residential water customers in the three counties respond aggressively and responsibly to recent droughts, and to Governor Gavin Newsom's request for a reduction in water use, achieving a low per capita use of 60 gallons per person per day.
- ✓ Providing close oversight and making specific recommendations for the State mandated \$4.8 billion rebuilding of San Francisco's 100-year-old, 165-mile long, earthquake-vulnerable Regional Water System, which is 99 percent complete, to protect all water users who depend on it.



Comments by the Chair



BAWSCA 2018



Board Policy Committee Report



Public Comments on Items Not on the Agenda



BAWSCA 2018



SFPUC Report



Ragsdale, 2023



Water Supply Update and Alternative Water Supply Planning Update

Steven R. Ritchie

Assistant General Manager, Water

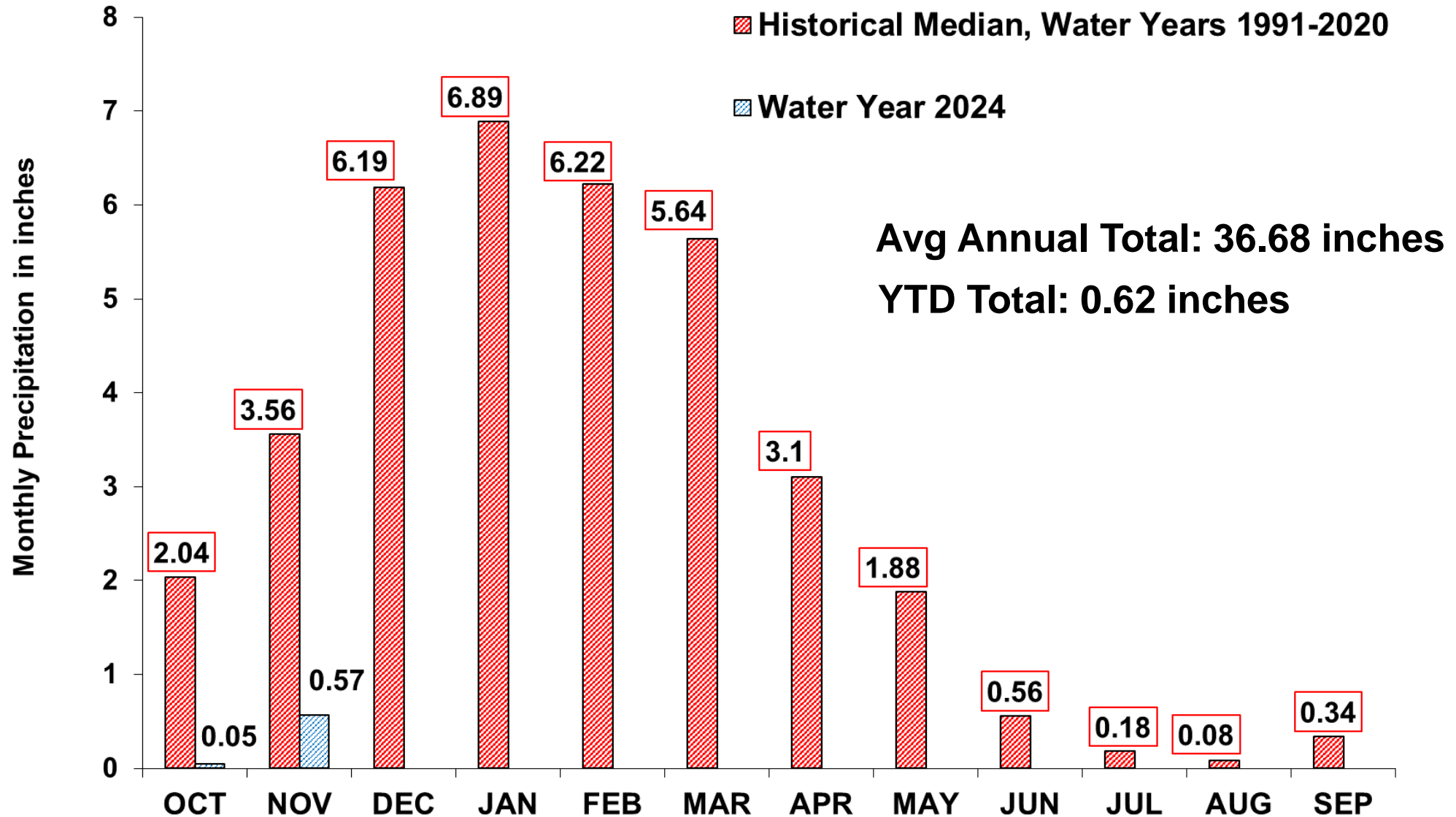
November 16, 2023



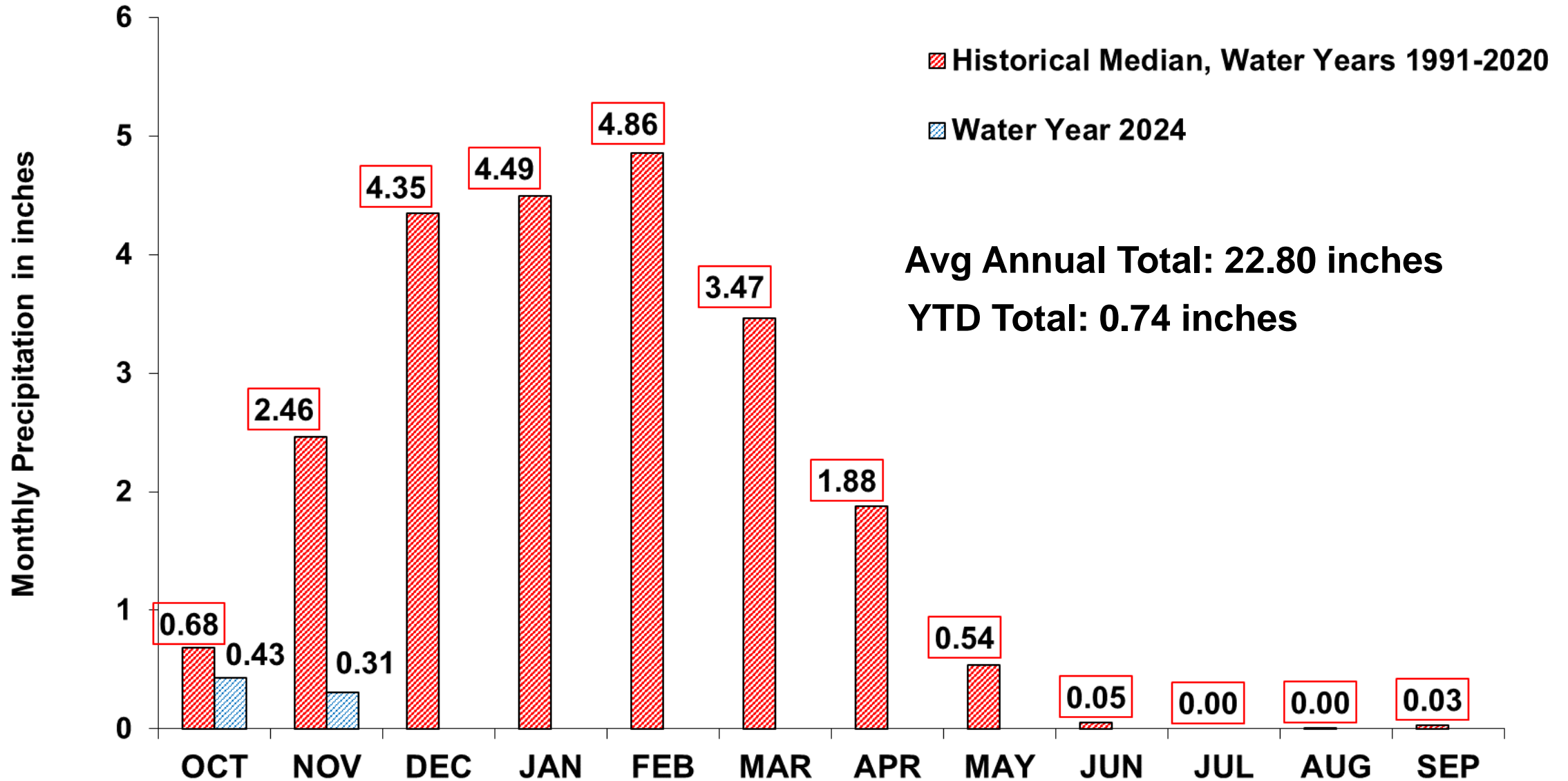
November 13, 2023 Reservoir Storage

| Reservoir | Current Storage ^{1,2,3} (AF) | Maximum Storage ⁴ (AF) | Available Capacity (AF) | Percent of Maximum Storage | Percent of Normal Maximum Storage ⁵ |
|---------------------------------|--|--------------------------------------|----------------------------|----------------------------|--|
| <u>Tuolumne System</u> | | | | | |
| Hetch Hetchy | 312,100 | 360,360 | 48,260 | 86.6% | 71.6% |
| Cherry | 249,200 | 273,345 | 24,145 | 91.2% | - |
| Eleanor | 17,490 | 27,100 | 9,610 | 64.5% | - |
| Water Bank | 570,000 | 570,000 | 0 | 100.0% | 98.0% |
| Total Tuolumne Storage | 1,148,790 | 1,230,805 | 82,015 | 93.3% | - |
| <u>Local System</u> | | | | | |
| Calaveras | 86,089 | 96,670 | 10,581 | 89.1% | - |
| San Antonio | 49,137 | 53,266 | 4,129 | 92.2% | - |
| Crystal Springs | 50,006 | 68,953 | 18,947 | 72.5% | - |
| San Andreas | 15,614 | 18,675 | 3,061 | 83.6% | - |
| Pilarcitos | 2,559 | 3,125 | 566 | 81.9% | - |
| Total Local Storage | 203,405 | 240,689 | 37,284 | 84.5% | - |
| Total System Storage | 1,352,195 | 1,471,494 | 119,299 | 91.9% | 78.2% |
| Total without water bank | 782,195 | 901,494 | 119,299 | 86.8% | - |

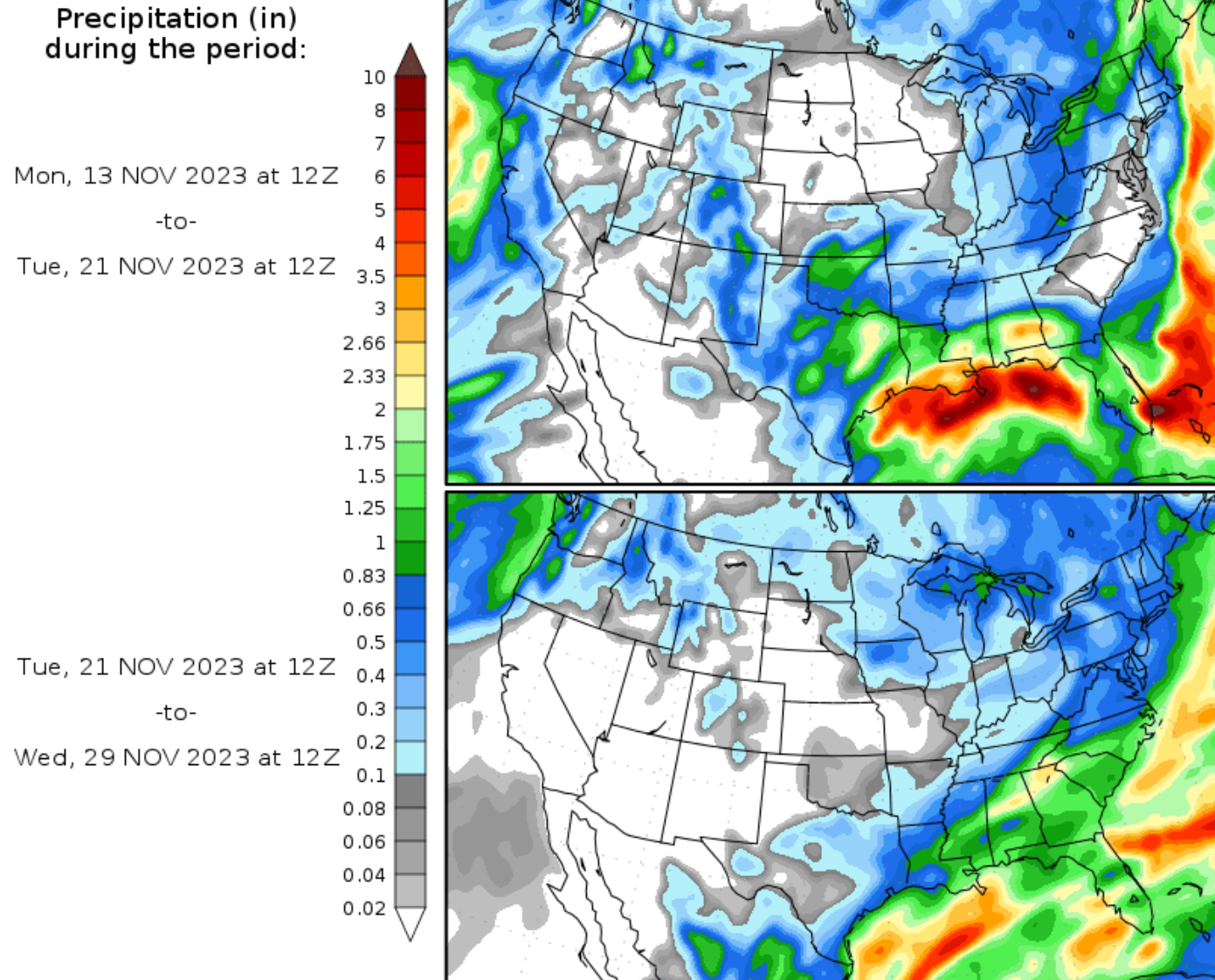
Upcountry 6-station Precipitation Index as of November 12, 2023



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

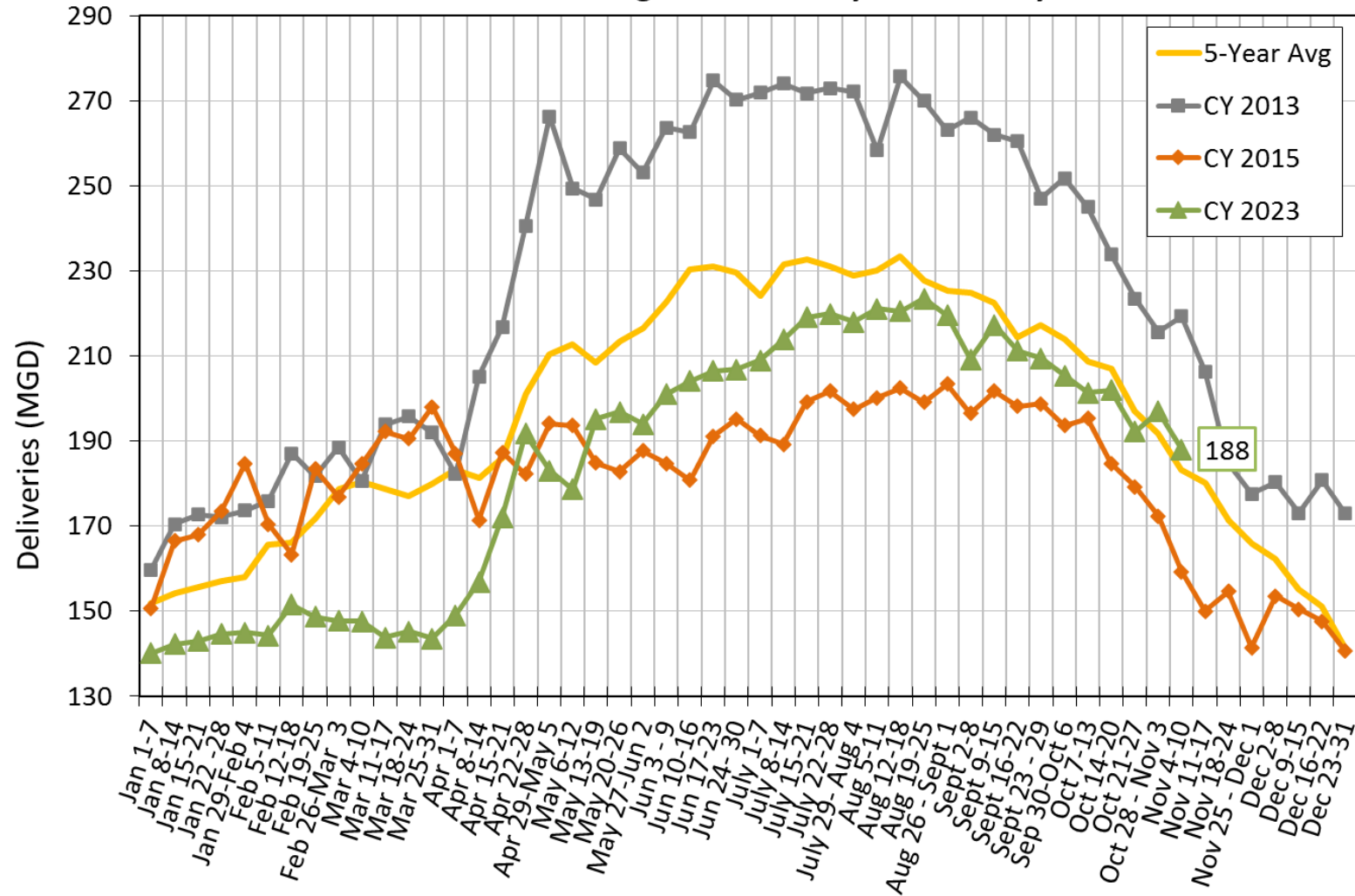


National Precipitation Forecast



Total Deliveries

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



Summary of Alternative Water Supply Planning in 2023

1. Alternative Water Supply Projects can improve dry year reliability but will not eliminate the projected gap in 2045.
2. Implementing Alternative Water Supply Projects will need additional planning focus in key strategic areas (operational integration, purified water, financing).
3. Affordability is a key issue that needs to be addressed as we invest in Alternative Water Supplies.
4. Parallel actions to manage and reduce the gap, such as Voluntary Agreement negotiations and demand reduction, are critical.
5. Update retail demand forecasts and coordinate wholesale purchase requests, and for future Alternative Water Supply recommendations, closely track past deliveries and trends.
6. The question of how to make San Jose and Santa Clara permanent remains and is being evaluated through the South Bay Purified Water Project.

Proposed Next Steps for Alternative Water Supply Planning

Avoid Widening the Water Supply Gap

- Support funding for completion of WSIP Regional Projects
- Continue reporting progress on Proposed Voluntary Agreement and potential San Joaquin Valley projects

Fill the Water Supply Gap

- Implement 2 projects: Los Vaqueros Expansion (storage, supply, and conveyance components) and Daly City Recycled Water Expansion
- Continue planning through CEQA and 10% design for purified water projects
- Focus planning and implementation of Alternative Water Supply Program in three strategic areas: 1. Operations Planning; 2. Purified Water Planning; and 3. AWS Funding and Financing

Reduce the Water Supply Gap

- Review and update demand forecasting model
- Support hiring a Project Manager to plan the technical analyses, demonstration, and outreach for PureWaterSF
- In partnership with BAWSCA, explore the feasibility of a grant program to support local projects that reduce demands on the RWS

Consent Calendar



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New Tier 2 Drought Allocation Plan Negotiations



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New Tier 2 Drought Allocation Plan Negotiations

- Tier 2 Negotiators made significant progress on addressing outstanding questions
 - Are new features needed to the strawperson concept or are they already addressed?
- Major elements of the strawperson concept haven't changed for several months
- Negotiators are narrowing in on components in those major elements, such as:
 - Minimum and Maximum Cutback thresholds
 - After “needs-based” allocations, what is the appropriate weighting of Base Period SFPUC Purchases and Individual Supply Guarantee
- Negotiation progress is expected to continue through the next four to six months
- Adoption by member agencies would progress after negotiations complete



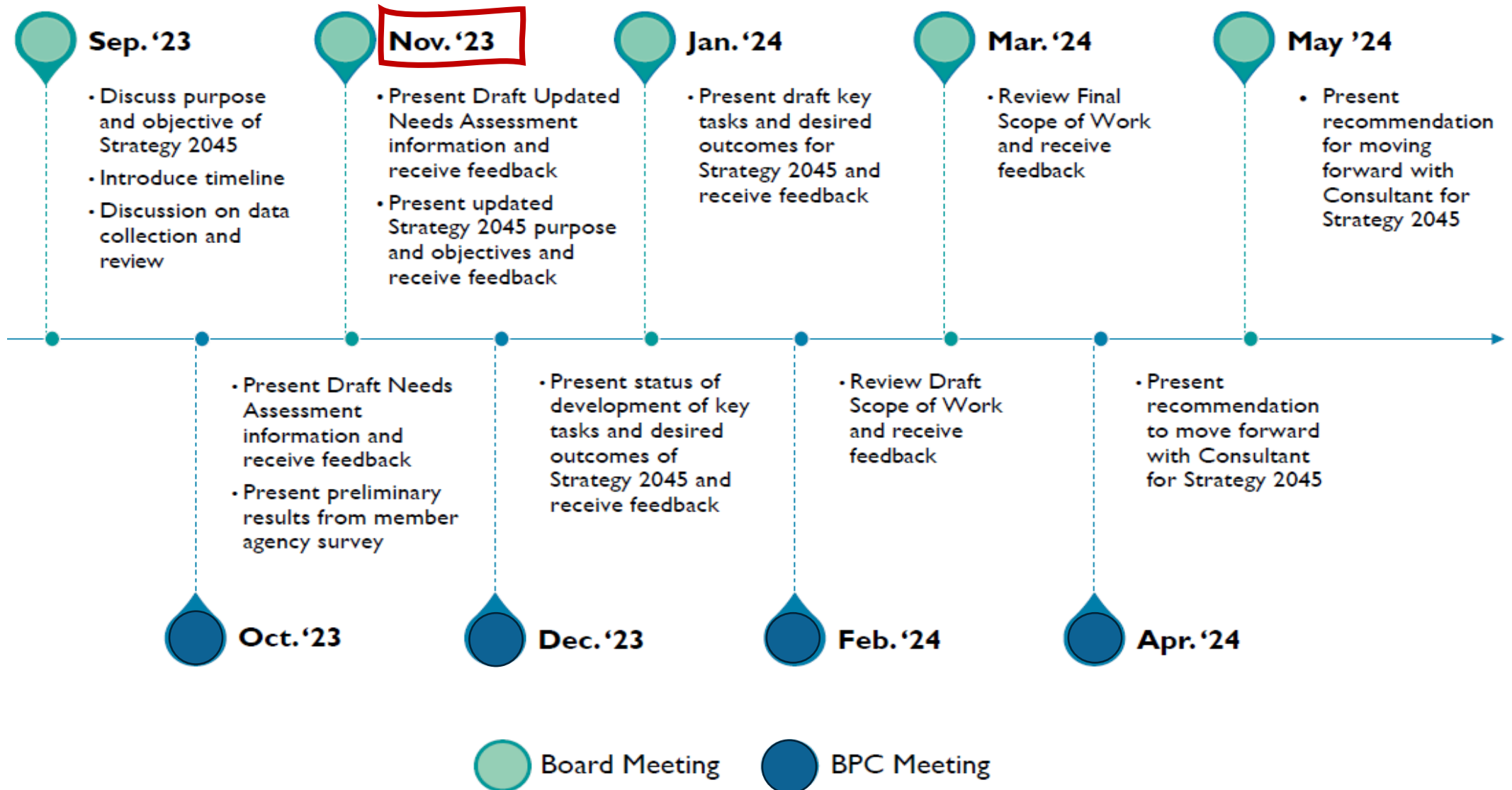
BAWSCA's Long-Term Reliable Water Supply Strategy 2045



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Preparing a Scope of Work for Strategy 2045: BPC and Board Will Be Engaged Throughout Development Process



Strategy 2045 Focuses on Water Supply Management Activities Separate From BAWSCA's Role in Administering the WSA

BAWSCA's Goal

A reliable supply of high-quality water at a fair price.

Implement WSA to ensure SF fulfills contractual & legal obligations

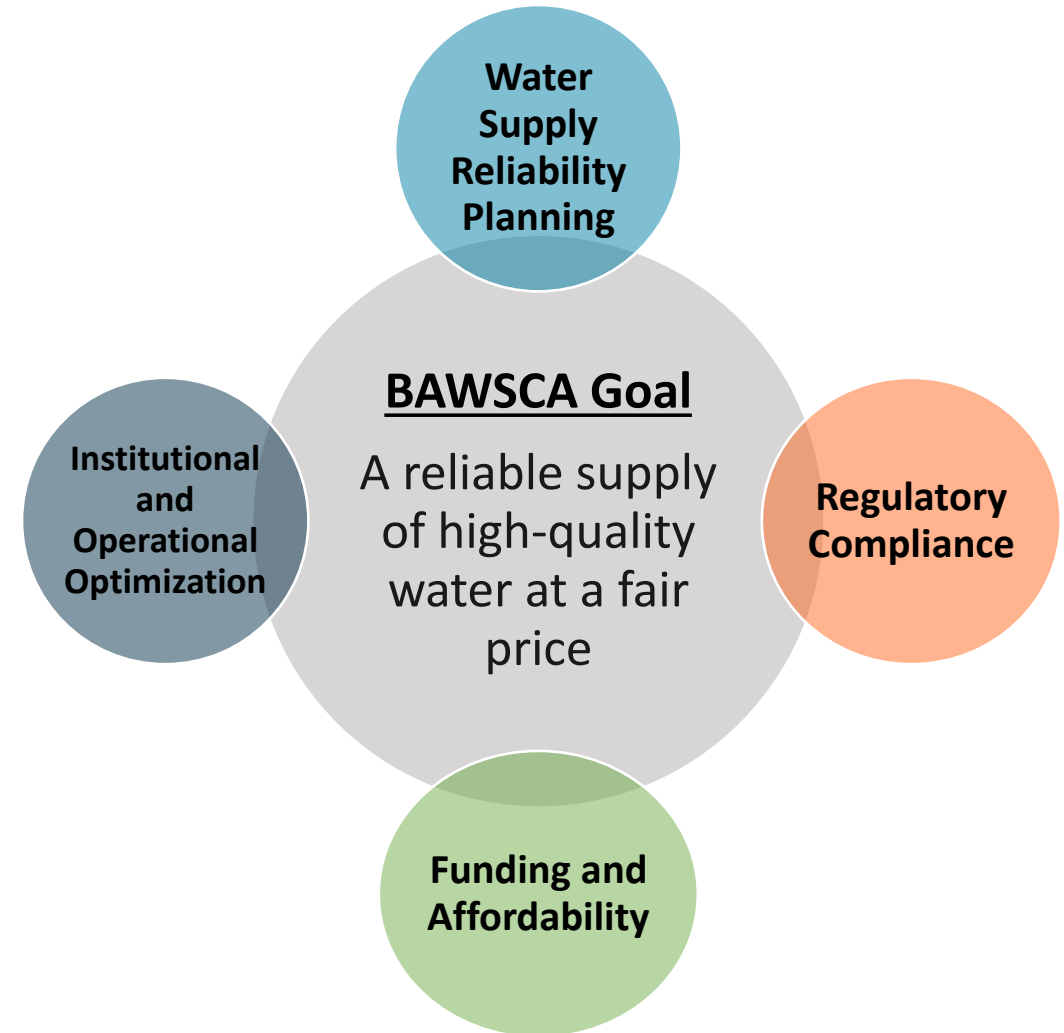
Other regional water supply management activities

Strategy 2045



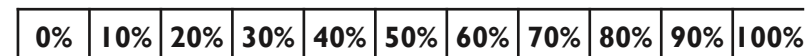
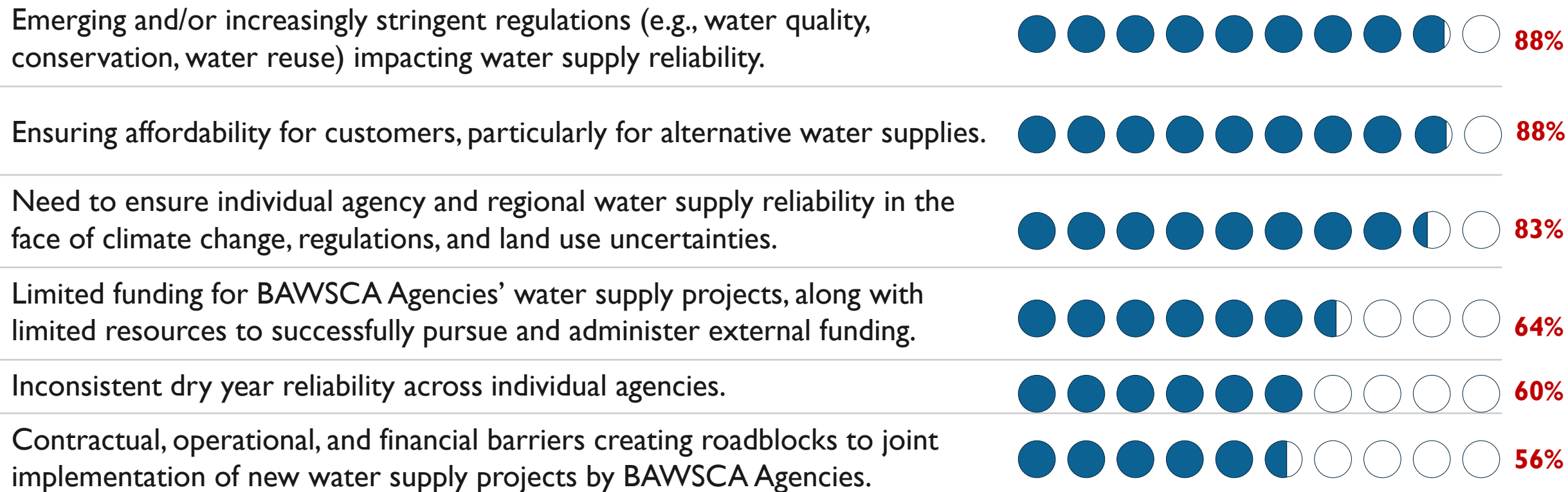
Member Agency Survey Used to Support the Identification of the Purpose and Objectives of Strategy 2045

- 100% participation from BAWSCA Agencies
- BAWSCA Agencies identified:
 - Challenges of concern to their agency
 - Potential desired outcomes of Strategy 2045
- Challenges and potential desired outcomes grouped into four categories:
 - Water Supply Reliability Planning
 - Regulatory Compliance
 - Funding and Affordability
 - Institutional and Operational Optimization



BAWSCA Agencies are Facing Multiple Water Supply Management Challenges Beyond Water Supply Reliability

> 50% agencies identified being **“very”** or **“extremely”** concerned about the following challenges



BAWSCA Agencies are Interested in Collaborating to Address Water Supply Management Challenges Beyond Water Supply Reliability

> 50% agencies identified the following desired outcomes as “**very helpful**”

Provide pathway to achieve water affordability for the region.



Inform local, regional, and state decision makers on the region’s water supply challenges and opportunities on an ongoing basis.



Facilitate collaboration to collectively address known regulatory challenges and enable advocacy for local needs and impacts in state regulatory policy and funding discussions.



Provide building blocks (e.g., demand studies, modeling tools) for local agency planning and decision making, including regional tools and studies.



Three Major Themes are Evident Across Survey Results

1. To meet the Region's needs, Strategy 2045 should consider other challenges in addition to new water supply development
 - Regulatory challenges
 - Affordability and funding
 - Regional resilience
2. BAWSCA agencies see a benefit in Strategy 2045 providing both:
 - A comprehensive picture of the region's challenges and opportunities to inform decision makers and support funding; and
 - The building blocks and tools to inform local planning efforts
3. Strategy 2045 can provide a vehicle to expand upon the successes that BAWSCA and its agencies have had in working collectively to address common challenges

Strategy 2045 Draft Purpose Aligns with BAWSCA's Goal

BAWSCA's Goal

A reliable supply of high-quality at a fair price.

Strategy 2045 Draft Purpose

Identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience.

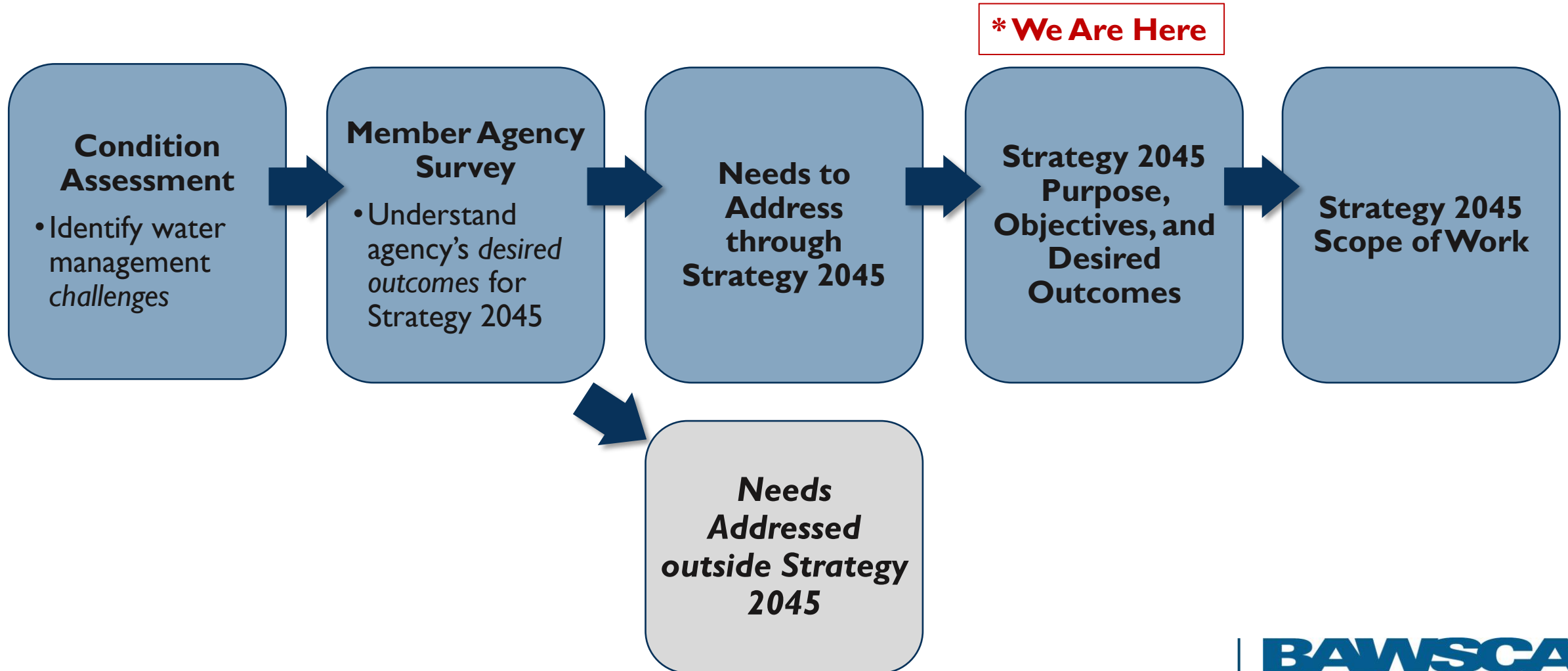
Six Draft Regional Water Supply Management Objectives Align with BAWSCA's Strategy 2045 Draft Purpose

Strategy 2045 Draft Purpose

Identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience.

- 1. Provide a comprehensive picture of the region's supply needs and options.**
- 2. Establish a framework for collectively maintaining and improving regional water supply reliability and resilience.**
- 3. Elevate awareness of new and emerging regulations that impact water supply management.**
- 4. Expand regional dialogue and collaboration to collectively address common needs.**
- 5. Close the gap on funding needed for water supply resilience and reliability.**
- 6. Support availability of affordable water supplies to all customers.**

Purpose and Objectives Define Approach and Scope for Strategy 2045



Next Steps Towards Preparing a Strategy 2045 Draft Scope of Work

- Member agency survey responses have informed the development of draft purpose and objectives for the Strategy 2045 Scope
- Draft Strategy 2045 Purpose and Objectives have been reviewed with:
 - BAWSCA Agency WMRs at the November meeting
 - Board of Directors at the November Board meeting
- Inputs and comments will be incorporated into updated draft Strategy 2045 Purpose and Objectives
- Current schedule anticipates receiving acceptance from the Board by January 2024
- Draft Scope of Work for Strategy 2045 will be discussed with Board in early 2024

CEO Reports



BAWSCA 2018



Oral Arguments in State Water Board Cases Completed

- Oral argument in the liability phase of the State Water Board Cases concluded on October 24th
- BAWSCA argued that in developing the Bay-Delta Plan the State Board:
 - Failed to consult with & consider the recommendations of local agencies as required by law
 - Failed to effectively consider the economic impacts and the need for developing housing in the region as required by law
 - Failed to adequately evaluate substitute water supply options evaluated by the SFPUC in its water planning documents
- BAWSCA was the only party that addressed:
 - The impacts to the Bay Area
 - The Regional Water System in any depth
 - The Plan's impacts to housing
 - The feasibility of alternative water supplies
 - The likelihood of rationing and related risks/impacts
- On October 25th, Judge issued an Order separating the litigation into a “Merits Phase” and a “Potential Remedies Phase”
 - This change will extend the timeline for final decision to potentially mid-summer



Continued Progress on Bay Delta Phase 1 and Phase 2 Plan Amendments and Voluntary Agreements

- Phase I Voluntary Agreement (VA): CEQA review ongoing
 - Tuolumne River Scientific Basis Report Supplement for Phase I VA - Fall 2023 Draft Staff Report (delayed)
 - Staff Report (CEQA Equivalent) for Phase I VA – Winter/Spring 2024
 - State Board workshop & consideration of Phase I VA – Winter/Spring 2024
- Adopted Phase I Plan: State Board moving forward with implementation
 - ✓ Sept. 6: State Board adopted “Initial Biological Goals for Lower San Joaquin River Flow Objectives”
- Sacramento/Delta Updates to the Bay Delta Plan (Phase 2 Plan) and VA: Progressing
 - ✓ Sept. 28: Draft Staff Report and Environmental Report for Phase 2 Plan and VA released for public review and comment



BAWSCA Has Initiated Its Review of the Draft Staff Report and Will Comment as Appropriate

- BAWSCA has initiated its legal and technical review of the draft Staff Report
 - A 6,000 page environmental document that complies with CEQA and other laws
 - It does not include a specific proposal for moving forward with the Sacramento/Delta updates
 - It does evaluate the potential economic, environmental, and other impacts, and associated mitigation measures of a range of alternatives for updating the Bay-Delta Plan
 - It includes the final draft Scientific Basis Report Supplement in support of the VAs that will be submitted for independent peer review
- BAWSCA will engage its member agencies, SFPUC and Valley Water as part of its review
- State Water Board will convene a multi-day public hearing to receive overall comments
 - November 17th, December 1st, and December 11th all starting at 9:30 am
- Written comments accepted until December 15th



Closed Session #1



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BAWSCA
Bay Area Water Supply & Conservation Agency

Closed Session #2



BAWSCA 2018



Reconvene Open Session Following Labor Negotiations



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Consider Compensation Adjustment for CEO for FY 2023-24

Recommended Action

That the Board approve the contract amendment to the CEO/General Manager's Employment Agreement, effective September 30, 2023.



Directors' Discussion



BAWSCA 2018



Announcement & Adjournment to Next Meeting

Next Meeting

January 18, 2024
6:30 pm

