



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 Policy Committee Meeting

June 14, 2023

Call To Order / Roll Call



Ragsdale, 2023

Comments by Chair



Ragsdale, 2023

Consent Calendar

- Approval of April 12, 2023 Minutes



Public Comments on Items Not on the Agenda



Ragsdale, 2023

SFPUC Report



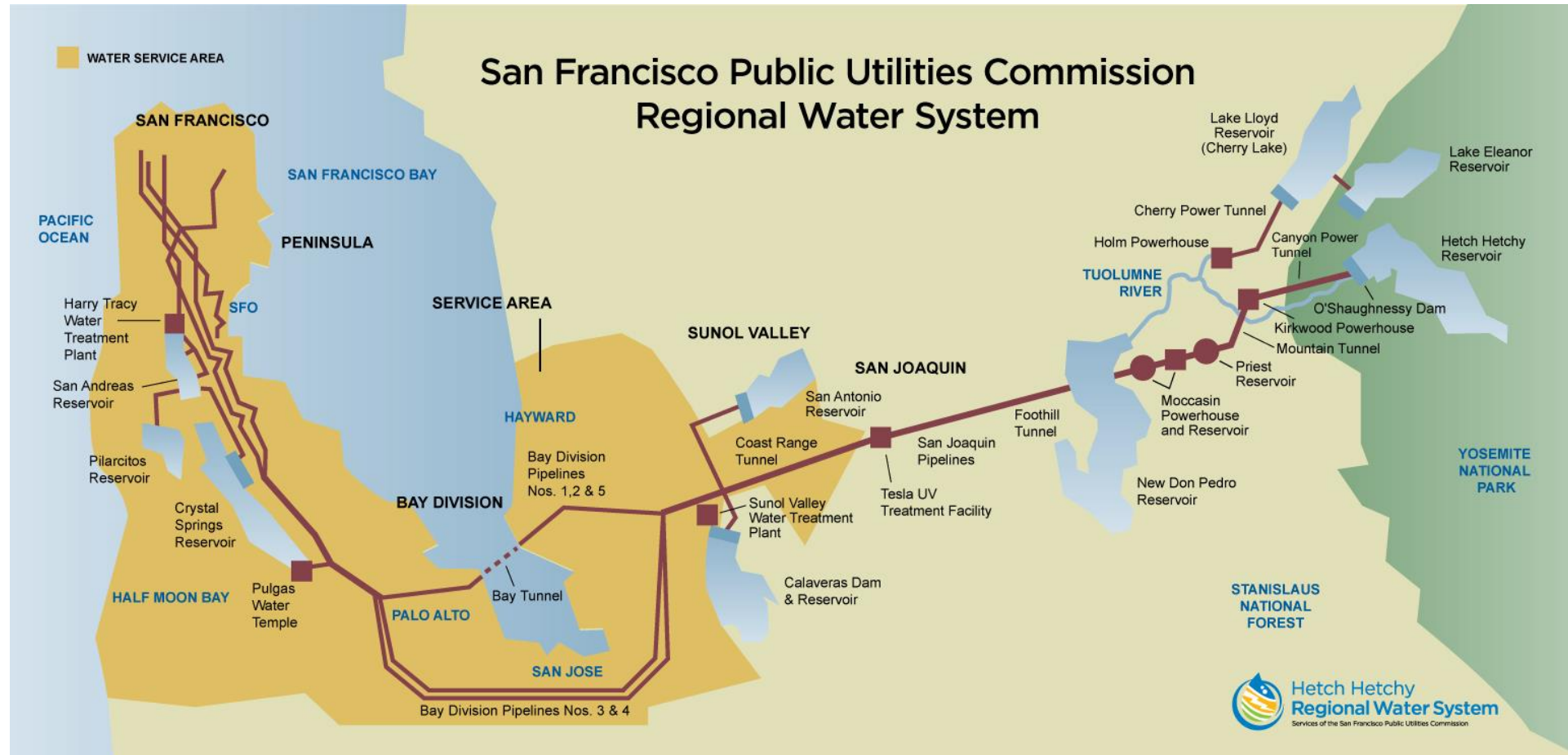
Ragsdale, 2023

Alternative Water Supply (AWS) Plan

June 2023

Manisha Kothari
AWS Program Manager, SFPUC

Need for Alternative Water Supply Plan



- SFPUC faces water shortages in future dry years with changing regulations and climate change
- SFPUC Commission faces decision on whether to make San Jose and Santa Clara permanent by 2028

Basis for Planning: Definitions

Water Availability

Regional Water System's Ability to Address Demands In Dry Years (Supply, Rationing)



Obligations

System Needs from Existing Permanent (Wholesale and Retail) and Interruptible Customers

Demands



Gap

What Alternative Water Supply Program is Trying to Solve

Basis for Planning: Influencing Factors (Drivers)

Water Availability

- 2018 Bay-Delta Plan Amendment
- Climate uncertainty
- Future regulations

Water
Availability

—

Obligations

Demands

=

Gap

Obligations

- Legal and contractual
- Retail service area
- Decision on San Jose and Santa Clara

Demands

- Demand projections
- Reliance on SFPUC Regional Water System

Meeting Obligations

Water Availability

152 mgd

With 2018 Bay-Delta Plan Amendment

Existing obligations + San Jose & Santa Clara

265 mgd + 9 mgd

Water Supply gap

-122 mgd

Meeting Demands

Water Availability

152 mgd

With 2018 Bay-Delta Plan Amendment

Total 2045 demands on the RWS

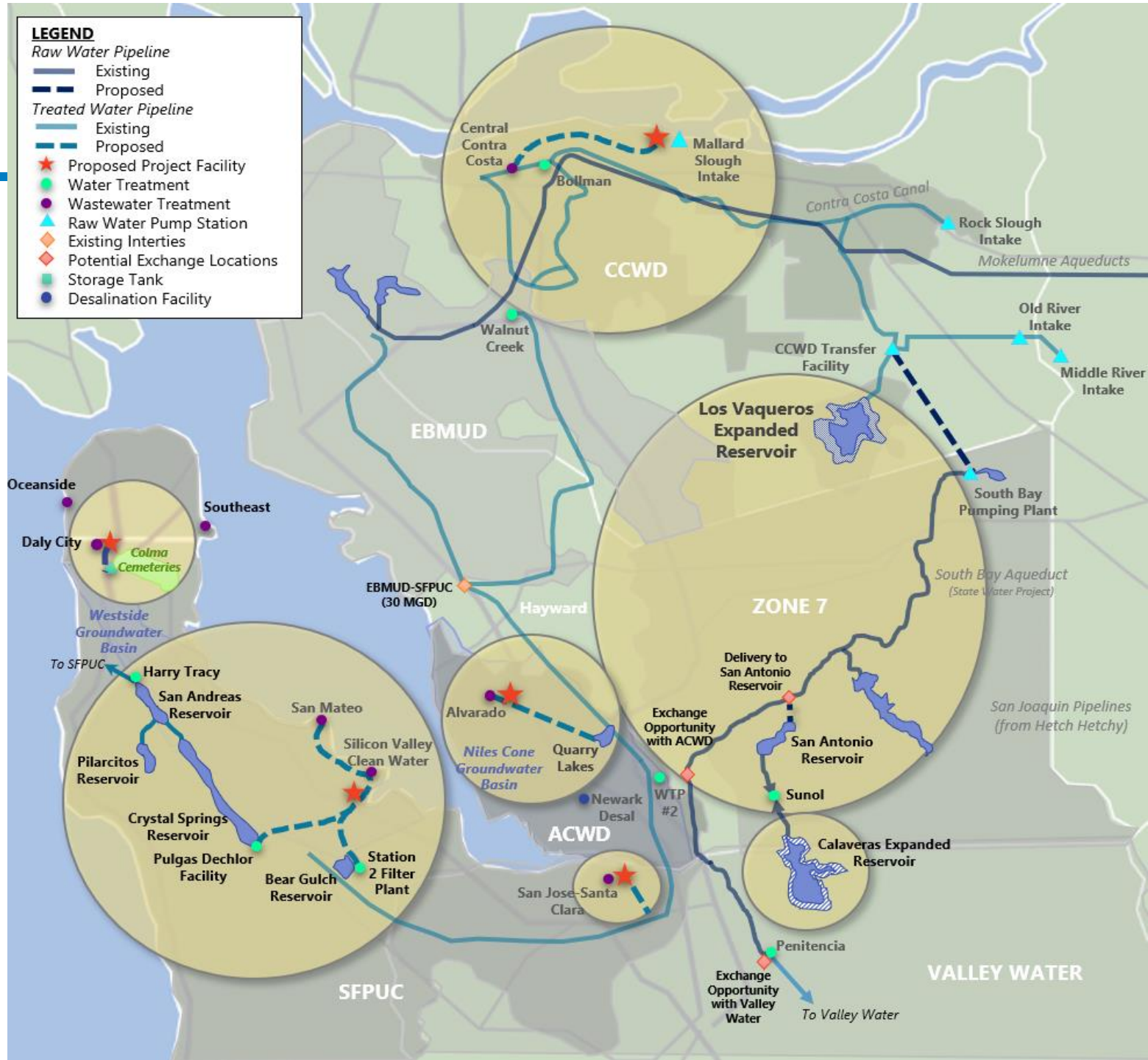
244 mgd

Water Supply gap

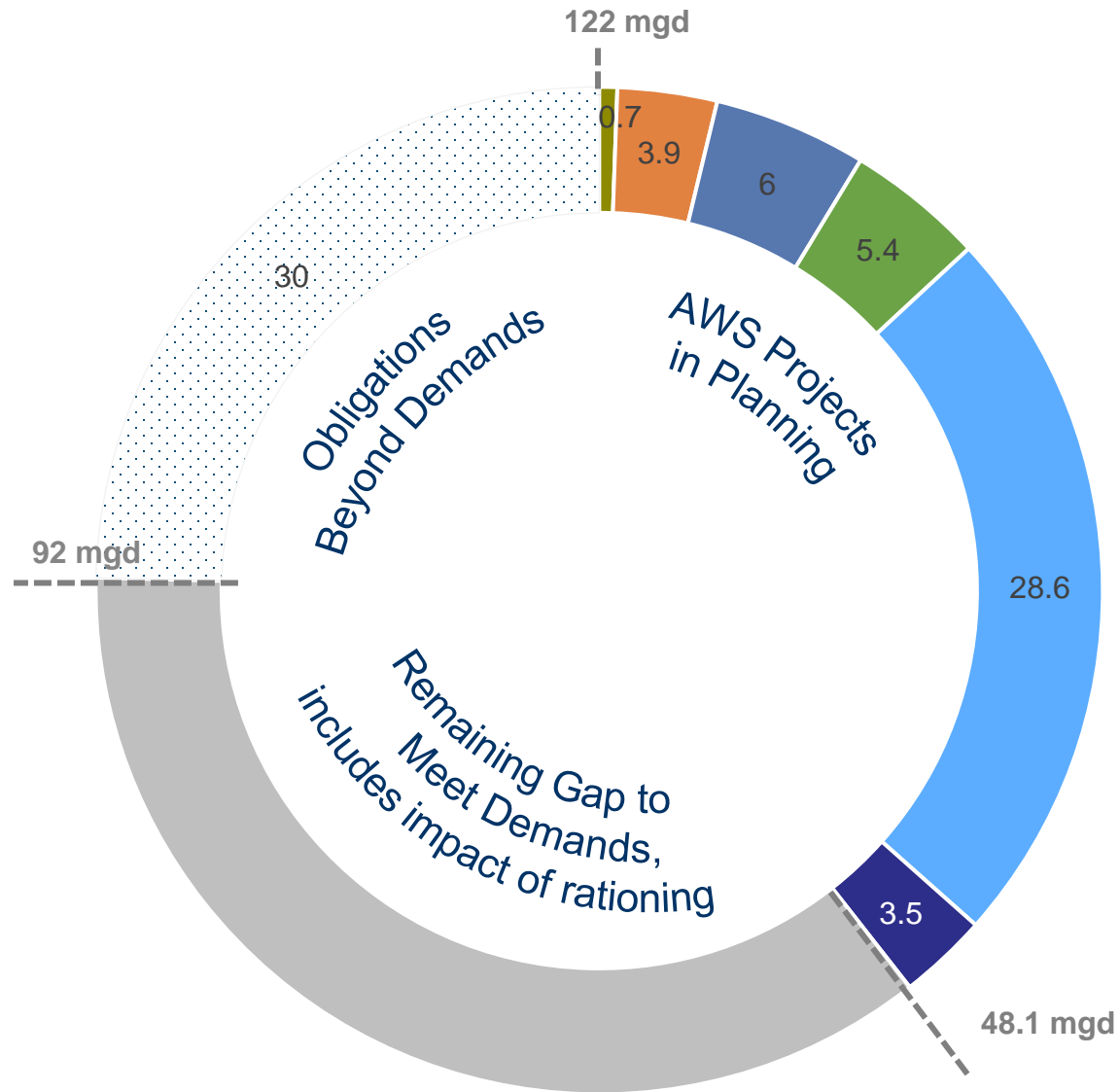
-92 mgd

Alternative Water Supply Projects

1. Daly City Recycled Water Expansion
2. Los Vaqueros Reservoir Expansion (Storage + Supply + Conveyance)
3. Alameda County Water District-Union Sanitary District (ACWD-USD) Purified Water
4. SF-Peninsula Regional PureWater
5. Calaveras Reservoir Expansion (Storage + Conveyance)
6. South Bay Purified Water (with San Jose and Santa Clara)



Gap in Meeting Demands



Managing the Water Supply Gap

- Support funding for completion of local and regional groundwater projects (WSIP)
- Explore development of a fund to support implementation of local projects

Potential budget impact: To be determined

Filling the Water Supply Gap

- Implement 2 projects: Los Vaqueros Expansion (storage, supply, and conveyance components) and Daly City Recycled Water Expansion (4.6 mgd supply)
- Continue planning through CEQA and 30% design for remaining 4 projects
- Create 3 new positions for planning and implementation of Alternative Water Supply Program

Potential budget impact: New funding of \$209 million estimated over next 10 years; will be further evaluated by Alternative Water Supply Program staff working with Capital Planning and Finance teams in light of other capital investment and financial sustainability priorities in the FY2025-FY2034 Capital Improvement Program (CIP) budget development process

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 staff support in key strategic areas.
3. Affordability is a key issue that needs to be addressed with investment in Alternative Water Supplies.
4. Parallel actions, such as Voluntary Agreement negotiations, to manage and reduce the gap are critical.
5. The question of how to make San Jose and Santa Clara permanent remains and is being evaluated through the South Bay Purified Water Project.

For more information visit:
[Sfpuc.org/awsplan](https://sfpuc.org/awsplan)

Today: Presentation – AWS Plan preview

June 30 – Delivery of draft plan to SFPUC Commission

July 31 – Comments due on the AWS plan

Sep-Oct
Final AWS Plan due – SFPUC Commission adopts
resolution

Action Calendar



Sandkulla, 2023

Update of Authorized Banks for BAWSCA Deposit Accounts

- Resolution No. 2020-01 serves as BAWSCA existing bank account signature authorization
 - Indicates Borel Bank & Trust Company (now Silicon Valley Bank) as authorized bank
- In May 2023, BAWSCA established JPMorgan Chase Bank accounts
 - Provides collateralization to deposits in excess of FDIC limit with securities in accordance with BAWSCA Investment Policy & State law
- BAWSCA recommends updating the authorization to reflect current bank accounts by adopting Resolution No. 2023-03
 - Includes Silicon Valley Bank and JPMorgan Chase Bank as authorized banks
 - No changes to signature authority

Proposed Replacement Resolution Languages

RESOLUTION NO. ~~2020-04~~ 2023-03

AUTHORIZING SIGNATURES FOR BANK ACCOUNTS OF BAWSCA AND BAWUA

WHEREAS the Bay Area Water Supply and Conservation Agency (BAWSCA) and the Bay Area Water Users Association (BAWUA), of which BAWSCA is the sole member, have established deposit accounts with ~~Borel Bank and Trust Company in San Mateo~~ Silicon Valley Bank and JPMorgan Chase Bank, and may establish accounts at other institutions in the future.

Recommendation

That the Board Policy Committee recommend Board approval of:

- a. Rescinding Resolution No. 2020-01 that indicates Borel Bank and Trust Company as the authorized bank where BAWSCA has established deposit accounts; and
- b. Adopting a replacement Resolution No. 2023-03 that identifies both Silicon Valley Bank and JPMorgan Chase Bank as the authorized banks where BAWSCA has established deposit accounts.

Reports and Discussions



BAWSCA 2018

Update on Negotiations of a New Tier 2 Plan



BAWSCA 2018

Regional Water System Shortage Allocation

- Water Supply Agreement between San Francisco and the Wholesale Customers (WSA) has two stepwise plans that allocate available Regional Water System (RWS) supply during droughts
 - **Tier 1 Plan** – Allocates available RWS supply between SFPUC Retail Customers and the Wholesale Customers collectively (*First Step, performed by the SFPUC*)
 - **Tier 2 Plan** – Allocates wholesale share of RWS supply among the Wholesale Customers (*Second Step, performed by BAWSCA*)
- Both Tier 1 and Tier 2 Plans apply during system-wide shortages up to 20 percent
- Tier 2 Plan must either be unanimously agreed to by all Wholesale Customers or be adopted by the BAWSCA Board

Existing Tier 2 Plan Has Been in Place Since 2011

- Existing Tier 2 Plan adopted in 2011 and was set to expire December 31, 2018
- WSA enables BAWSCA Board to extend the Tier 2 Plan
 - WMR have expressed support to extend the Tier 2 Plan each year since 2018
 - Board has voted to extend the Tier 2 Plan for one year each year since 2018
- While both the BAWSCA Board and the WMRs supported yearly extension of the existing Tier 2 Plan, they also expressed a desire to update the Tier 2 Plan
 - Board and WMR recognized that a Tier 2 Plan update would take time to negotiate and adopt given the important subject and significant member agency engagement required
- BAWSCA initiated work with WMR to update Tier 2 Plan in January 2022

Several Key Milestones Have Been Reached as the Update Proceeds

- Each member agency identified a lead negotiator / spokesperson (Jan. 2022)
- Four policy principles established to guide Tier 2 Plan Update (Spring 2022)
 - Provide sufficient water for basic health and safety needs of customers
 - Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region
 - Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing flexibility to respond to unforeseen circumstances
 - Recognize benefits of, and avoid disincentives for, water use efficiency and the development of alternative water supply projects
- An Excel-based spreadsheet tool created to evaluate possible plan components and support negotiations (Summer 2022 / Spring 2023)
 - Tool enables analysis of identified possible elements of a Tier 2 Plan

The “Strawperson Concept” was Fashioned to Align with the Policy Principles and Initiate Negotiations

- The lead negotiators have developed a rough outline of an allocation plan that pulled together a number of possible elements identified
- This is called the “strawperson concept”
- The strawperson concept allocates available supply is a series of steps that:
 - Provide a water allotment for health and safety needs of the agency’s customers from the Regional Water System
 - Provides a water allotment for non-residential indoor use to avoid adverse economic impacts
 - Ensures a minimum amount of water to each agency based upon past purchases
 - Remaining water is allotted between agencies based upon 1) each agency’s ISG and 2) each agency’s seasonal (outdoor) demand

Tier 2 Update Negotiations – Next Steps Moving Forward

- Iterative process using the Excel-based tool / strawperson concept to evaluate outcomes of changing inputs and threshold
- The goal is to reach consensus on an approach and Tier 2 formula
 - Negotiations anticipated to continue through at least the end of 2023
 - While consensus may be possible by the end of 2023, adoption of the updated Tier 2 Plan by Wholesale Customers will not begin until early 2024 (assuming adequate progress)
 - Adoption process takes 6+ months
- BAWSCA encourages Board members to engage with their appointing agency “lead negotiator” for updates on the negotiations
- Monthly updates will be provided to Board and BPC, including on whether consensus is building

Initiating Development of Strategy 2045

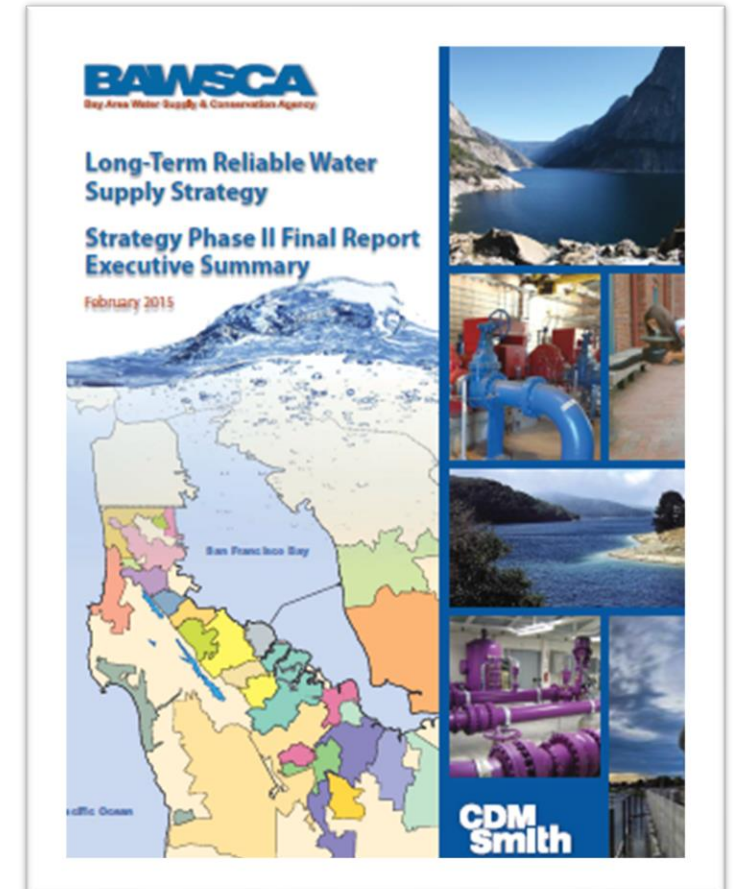
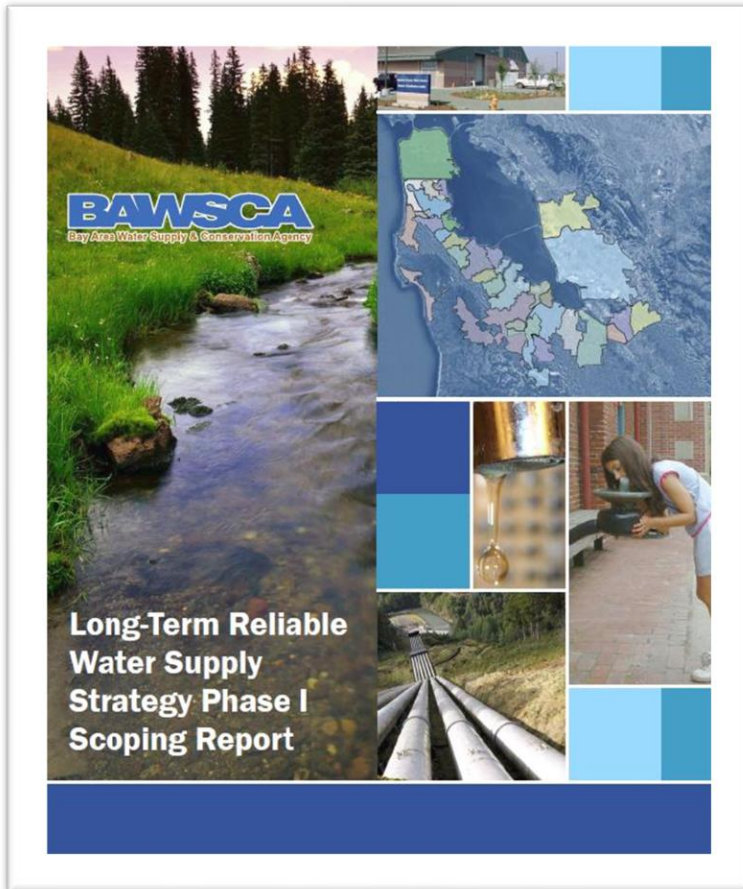


BAWSCA 2018

BAWSCA Initiated 2015 Strategy with a Focused Scoping Effort

- Board and WMR actively engaged in 1-year effort to scope 2015 Strategy
 - Defined magnitude of the water supply issue
 - Scope of work for 2015 Strategy
- In scoping 2015 Strategy, BAWSCA identified its Water Management Objective
 - *“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”*
- In scoping 2015 Strategy, BAWSCA identified the 2015 Strategy purpose:
 - 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

2015 Strategy: A Six Year, Multi-Phase Effort



2015 Strategy Made Five Key Findings that Informed the Recommendations

1. There was no longer a normal-year supply shortfall for the BAWSCA member agencies.
2. There was a drought-year supply shortfall
3. Water transfers scored high in a ranking of future, independent water supply source options
4. While desalination provided a potential sizable water supply yield, its high costs and extensive permitting requirements made it a poor option
5. While other water supply sources may only provide limited regional benefits in reducing dry year shortfalls, they were worthy of investigation
 - Groundwater development, water reuse opportunities, and expanded water conservation

2015 Strategy Resulted in Five Recommended Actions

1. Lead water transfer development and implementation including identifying and evaluating water storage options
2. Facilitate desalination partnerships and pursue outside funding for related studies
3. Support member agency-identified projects (i.e., recycled water and groundwater) and local capture and reuse
4. Participate in regional planning studies in cooperation with others
5. Continue monitoring regional water supply investments and policies

2015 Strategy Findings and Recommendations have Guided BAWSCA's Subsequent Work Plans and Results

SPECIFIC PROJECTS

- Expanded Core and Subscription Conservation Programs
- Pilot Water Transfer Efforts
 - Attempt # 1 (2015)
 - Attempt # 2 (2020)
 - Final Pilot Transfer Report (2022)
 - Bay Area Regional Reliability Partnership (BARR) Shared Water Access Program (2019 thru 2023)
- Engagement on Regional Supply Projects
 - Los Vaqueros Reservoir Expansion (2015 to current)
 - Partnership with Cal Water on a Potential Brackish Groundwater Desalination Project (2015)
 - SF-Peninsula Purewater (Sf-PRP) Project (2016 to current)
 - SFPUC-Union Sanitary District-ACWD Purified Water Project (2017 to current, engaged in support)
 - South Bay Purified Water Project (2020 to current, engaged in support)

- Participation in Regional Planning
 - BARR Partnership (2014 to current)
- Development of New Planning Tools
 - BAWSCA Regional Groundwater Model: Development and Use (2013 to current)
 - BAWSCA Regional Water System & Supply Model: Development and Use (2017 to current)
- Support members' UWMP development efforts
- Updated Demand Projections

REGIONAL PLANNING

Why Does the 2015 Strategy Need Updating?

- BAWSCA region's water demands have changed
- 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 future independent participation in other agencies' water supply projects
 - 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

BAWSCA Will Seek Member Agency and Board Consensus as Strategy 2045 Work Begins

- BAWSCA initiating a scoping process as first step for Strategy 2045
 - EKI will be providing support to BAWSCA
- Through this scoping effort, BAWSCA will seek 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
- Direct engagement with Board, BPC, and WMR is critical for success

2045 Strategy Scoping Tasks and Timeline

- Major Task 1: Document Review
 - Existing documents, from BAWSCA and others, pertinent to BAWSCA's water supply reliability needs
 - Water supply strategy plans prepared by other large water agencies outside of the BAWSCA service area in an effort to identify other considerations and approaches
- Major Task 2: Significant engagement with WMR and Board to receive input and feedback throughout process
 - Feedback forms
 - One-on-one agency discussions
 - WMR meeting interactions
 - Board updates and planning sessions
- Major Task 3: Development of Scope of Work for Strategy 2045, including funding plan
- Timeline: Complete draft Scope of Work for Strategy 2045 by June 2024

CEO/General Manager Performance Evaluation Process



BAWSCA 2018

CEO/General Manager Performance Evaluation Process

- CEO FY 2022-23 evaluation being initiated this month
- No changes proposed to evaluation process this year
- Evaluation materials will be e-mailed to Board following July 20th Board meeting
 - CEO's "Summary of Annual Activities" report
 - Link to CEO evaluation form
- September Board meeting closed session discussion
 - Results of FY 2022-23 evaluation at September meeting
 - Consideration of any changes to CEO evaluation for FY 2023-24

Board Member Compensation, Board Diversity, and the Board Member Expense Reimbursement



Sandkulla, 2023

Discussion of Board Member Compensation, Board Diversity, and the Board Member Expense Reimbursement

- BAWSCA Board member compensation is set by statute at the rate of \$100 per day of service, for up to four days of service per month
- Both can be increased by ordinance, limited to:
 - (i) no more than 5% for each year following the date of the last adjustment for compensation, and
 - (ii) no more than 10 days of service in a calendar month
- BAWSCA Board compensation ordinance adopted June 17, 2004, becoming effective on September 1, 2004
- Maximum allowable increase using simple adjustment is to \$190 per day of service
- Factors to consider:
 - Whether wages are suitable for the effort expended
 - Babysitting and caregiving costs
 - Opportunity cost of the work
 - Travel costs

Expanded Agency Board Member Compensation Comparison

Table 1: Agency Board Member Compensation Comparison

| Public Agency ¹ | Compensation per Day of Service | Limitation on Days of Service per Month |
|--|---------------------------------|---|
| BAWSCA | \$100/day | 4 days/month |
| Alameda County Water District | \$290/day | 10 days/month |
| Coastside County Water District | \$150/day | 6 days/month, max of \$600/month |
| Contra Costa Water District | \$100/day | 10 days/month |
| East Bay Municipal Utility District | \$1,397/month | 11 days/month |
| Golden Gate Bridge, Highway, and Transportation District | \$50/meeting day | \$5,000/year (\$7,500/year for President) |
| Irvine Ranch Water District | \$315/day | 10 days/month |
| Mid-Peninsula Water District | \$100/day | 10 days/month |
| Marin Municipal Water District | \$200/day | 10 days/month |
| Metropolitan Water District of Southern California | No compensation ² | N/A |
| North Coast County Water District | \$100/day | 10 days/month |
| Purissima Hills Water District | \$100/day | 6 days/month |
| San Francisco Public Utilities Commission | \$100/month | N/A |
| Santa Clara Valley Water District | \$331.86/day | 15 days/month |
| Westborough Water District | \$100/day | N/A |

¹ Peninsula Clean Energy and Silicon Valley Clean Energy do not provide compensation to Board members.

² At least some members receive a per diem and have a monthly meeting limitation from their home agency.

Voters and Member Agencies Determine Composition of BAWSCA Board

- Diversity of BAWSCA's Board is question for the governing bodies of BAWSCA's members
 - Member agencies generally appoint an elected official from their governing body, so it is the voters and member agencies that determine the composition of BAWSCA's Board
 - 12 member agencies hold District-based elections
- BAWSCA Board members are appointed by the governing body of each member agency
 - Appointees typically members of the member agency's governing body, but not a requirement
 - Appointees must be residents of and registered voters in the member agency's service area
 - For BAWSCA's two private member agencies, the Board appointees must be officers or employees of the agency

Existing Reimbursement Policy Provides for Reimbursement of Specific Expenses

- Board members may be reimbursed for “actual, necessary, and reasonable expenses incurred in the performance of duties performed at the request of the board”
- BAWSCA’s “Policy on Reimbursement of Expenses Incurred by Members of the Board of Directors” (Board Resolution 2006-02) specifies the types of activities that qualify, and do not qualify, for reimbursement
- To date, reimbursed expenses have generally been related to direct travel by the Board Chair, or designee, to a specific meeting or conference as a representative of the agency
- Any change to the reimbursement policy must be adopted by the Board in a public meeting

Recommendation

This item is for discussion only.

Committee feedback related to this item and next steps, if any, are welcome.

CEO Reports



BAWSCA 2018

BAWSCA Regional Reliability Roundtable




BAWSCA 2018

BAWSCA's Water Supply Reliability Roundtable

March 2023

**One Water Reliability Roundtable
Series Report**
Bay Area Water Supply and Conservation Agency



Page source: <https://bawasca.org/>

BAWSCA
Bay Area Water Supply & Conservation Agency

eki environment
& water

- **Purpose:** Provide an opportunity for collaboration among interested stakeholders
- **Goals:**
 - Understanding of how projects can fit within the One-Water concept
 - Identification of collaborative opportunities
 - Identify how entities can best support, help finance, permit/approve, and/or expand projects or programs that have the potential to offer multiple benefits
- Report available on BAWSCA's website at <https://bawasca.org/water/reliability>

Purpose and Goals of Roundtable Discussions

- Purpose: Provide an opportunity for collaboration among interested stakeholders
- Goals:
 - Understanding of how projects can fit within the one-water concept
 - Identification of collaborative opportunities
 - Identify how entities can best support, help finance, permit/approve, and/or expand projects or programs that have the potential to offer multiple benefits

Four Workshops Held - Each with a Different Theme



Workshop 1

**Demystifying the
One Water Concept**

Date: May 24, 2022



Workshop 2

**Regional Partnerships
Mean Regional
Funding**

Date: June 28, 2022



Workshop 3

**Identifying Local
One Water Projects**

Date: Nov 8, 2022



Workshop 4

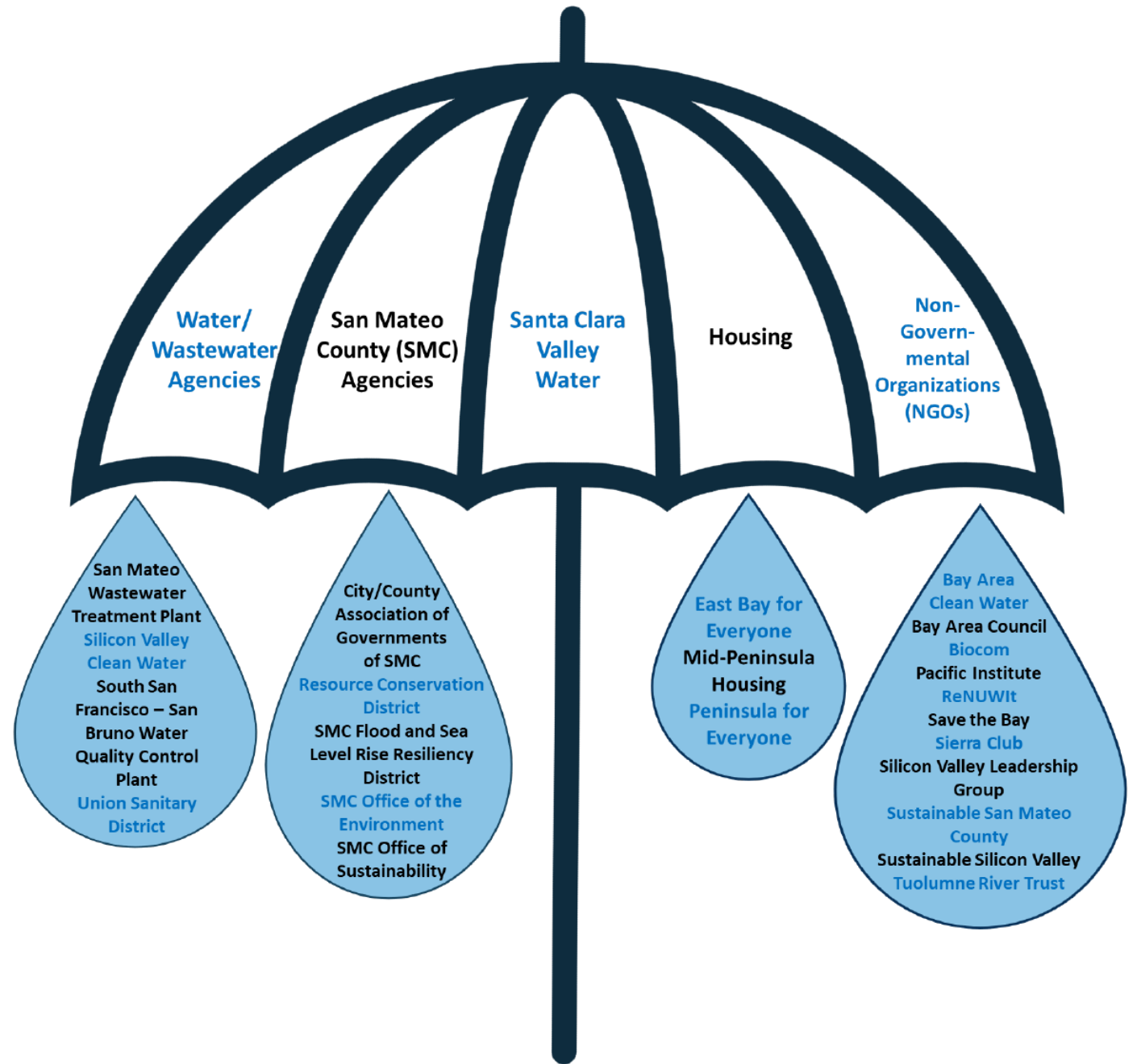
Moving Forward!

Date: Feb 14, 2023

One Water Roundtable Series

Invited Participants

- A wide range of participants were invited to the Roundtable
- Participation by BAWSCA agencies was good
- Participants from other agencies and groups was mixed



Each Workshop Featured Guest Speakers and Highlighted a Specific Topic of Interest

- Los Angeles Water and Power (One-Water Plan)
- City of Palo Alto (initiation of its One-Water Plan)
- San Bernadino Valley Water Management District (financing & partnership strategies)
- C/CAG San Mateo County (funding & financing options)
- SFPUC (Alternative Water Supply Plan)
- Alameda County Water District (Potable Reuse Project)



Workshops Included Interactive Polls

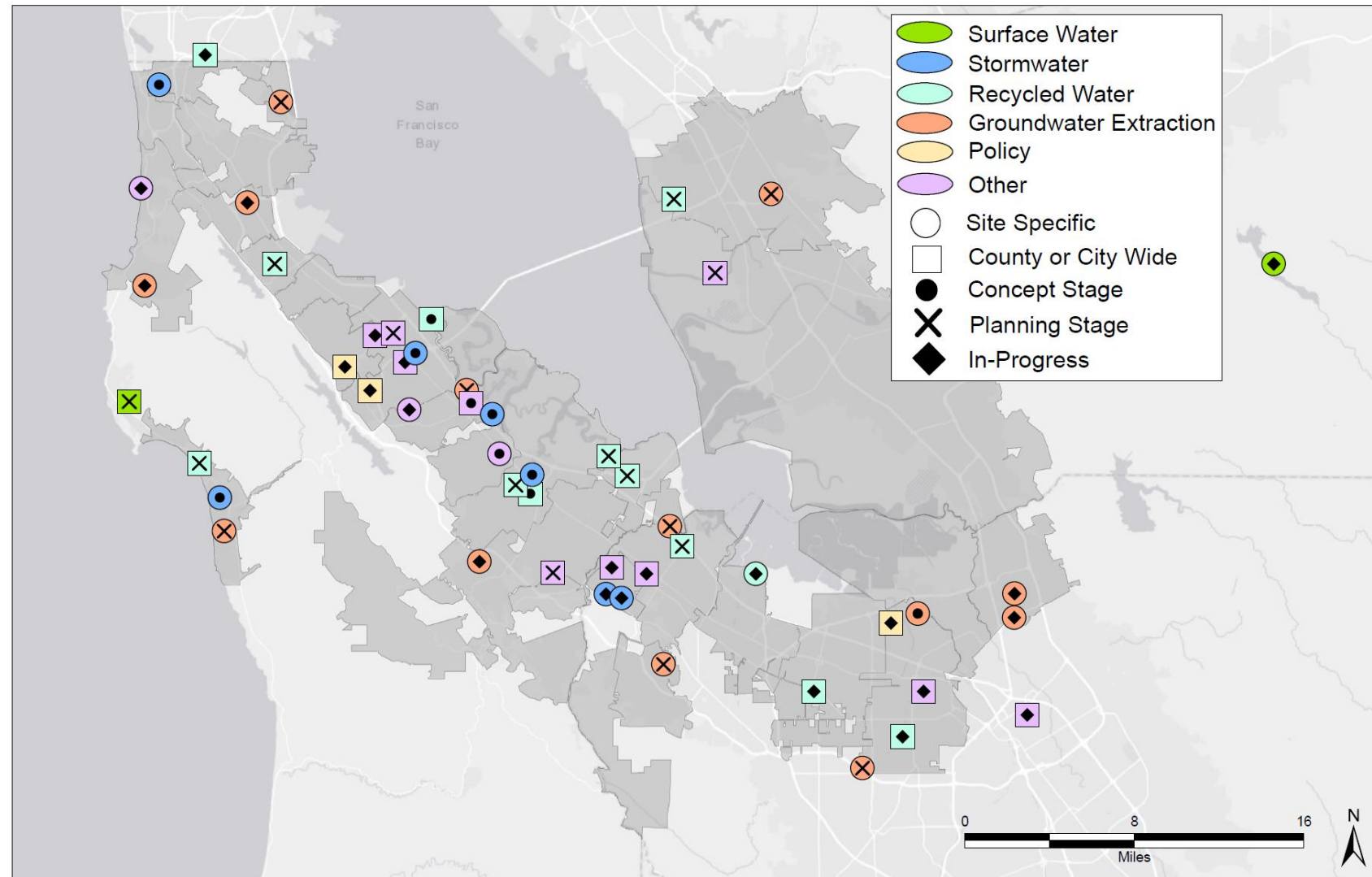
- Each workshop included polling questions
- Polls aligned with workshop content
- Each Workshop included polls
- Results were recorded and graphics produced to convey poll results

Q3. If there were absolutely no barriers, what water projects would you like to see in the Bay Area?

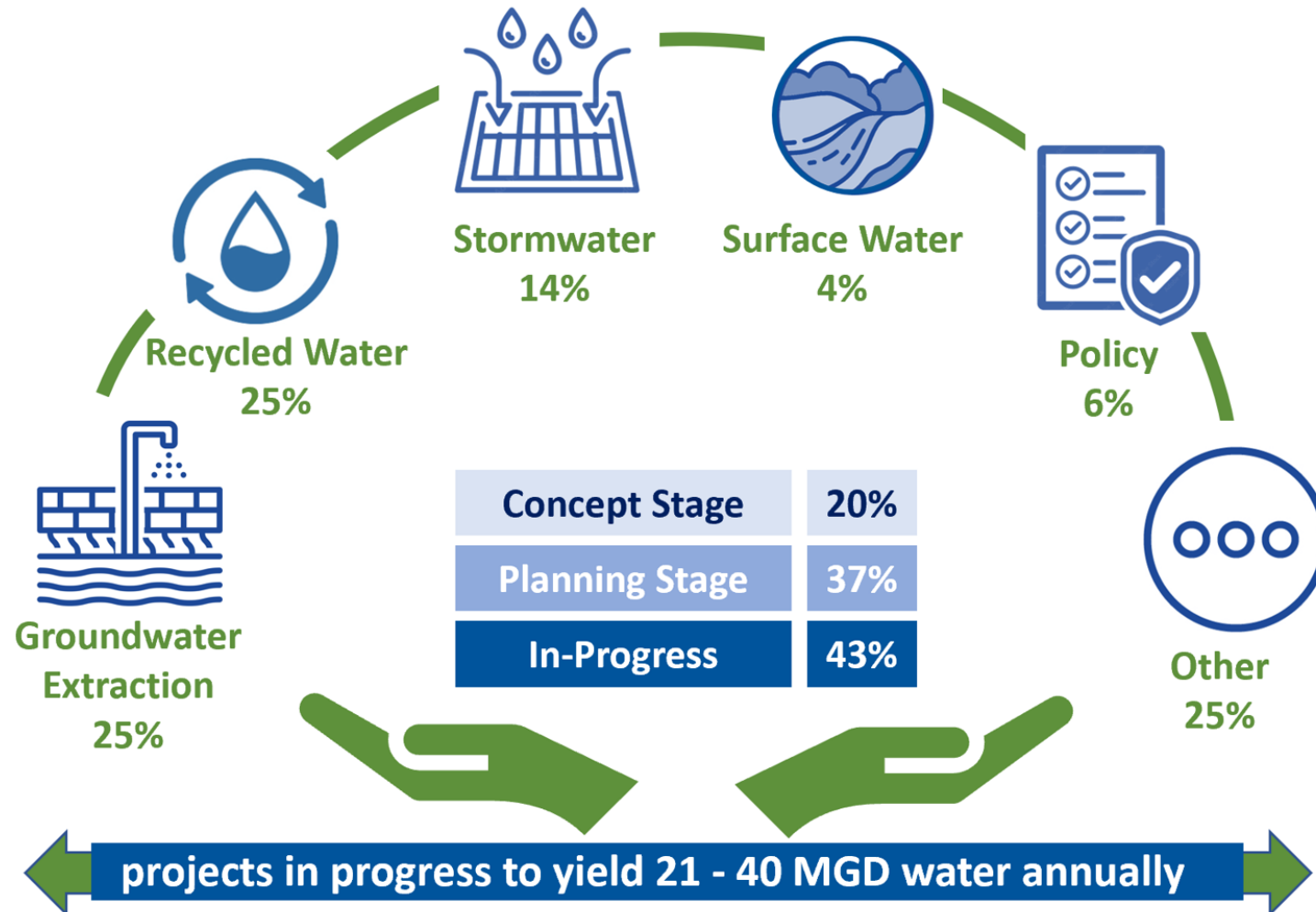


Participants Shared Information on Planned Future Projects

- Project Information Forms (PIFs) detailing planned future projects were produced
- Results displayed graphically showing distribution of projects by type and planning stage



Identified Future Projects Have Potential to Offer Added Water Supply Reliability for the Region



BAWSCA Roundtable Workshops: Findings and Next Steps

- Findings
 - There is significant interest in, and activity towards, developing local projects to increase supply diversity and resiliency within the BAWSCA service area
 - There is interest in having BAWSCA continue to facilitate the Roundtable Workshop series
 - Funding appears to be a significant and common hurdle
- Next steps are incorporated into adopted FY 2023-24 Work Plan and Budget
 - Offering 2 Roundtable Workshops
 - Development of a new grant support program – both core and subscription component
 - Using information from PIFs to inform Strategy 2045 development

Bay Delta and FERC Process Update



BAWSCA 2018

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

- The proposed TRVA, as documented in the November 2022 MOU, was negotiated by SFPUC, MID and TID with the State Resource Agencies and other MOU signatories
 - EPA, Fish and Wildlife, and Dept. of Water Resources
- In April, State Board issued the NOP for development of an environmental document related to the TRVA
- State Board to evaluate the TRVA as an amendment to the adopted Bay-Delta Plan
- 21 water agencies provided oral comments to State Board in support of its evaluation of the proposed TRVA
 - 16 from BAWSCA member agencies
 - BAWSCA
 - SFPUC and Irrigation Districts
- Timeline: Early 2024 - Draft State Board staff report and environmental report

Proposed Voluntary Agreement for the Tuolumne River (TRVA)

- BAWSCA is not the expert on the TRVA and technical questions on the TRVA should be addressed to the SFPUC
- 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
 - Ensure 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
- BAWSCA is supporting the State Board's thorough and robust evaluation of the proposed TRVA as an amendment to the adopted Bay-Delta Plan
 - This is distinct and different from supporting the TRVA itself
 - BAWSCA is looking to the State Board's analysis of the TRVA's ability to achieve the Bay-Delta objectives
- Regardless of outcome of State Board's actions, San Francisco's contractual and legal obligations to the Wholesale Customers remain

Closed Session



L. Ash, 2017

Report from Closed Session



Lake Eleanor Overtopping/SFPUC, January 2017

Comments by Committee Members



SFPUC

Next Meeting and Adjournment

Next Meeting

October 11, 2023

1:30 pm

Burlingame Community Center
Unless Otherwise Noticed



L. Ash, 2017