

“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

January 18, 2024



BAWSCA
Bay Area Water Supply & Conservation Agency

Call To Order/Roll Call/Salute to Flag



SPECIAL ORDER OF BUSINESS: Election of Officers for Calendar Year 2024



Break for San Francisco Bay Area Regional Water System Financing Authority (RFA) Board of Directors Meeting



Call to Order and Roll Call

**San Francisco Bay Area Regional Water System
Financing Authority**

Special Order of Business: Election of Officers for Calendar Year 2024



**San Francisco Bay Area Regional Water System
Financing Authority**

Consent Calendar

- a. Approval of January 19, 2023 Minutes
- b. Adopt FY 2023-24 Budget

**San Francisco Bay Area Regional Water System
Financing Authority**

Comments by the Chair

**San Francisco Bay Area Regional Water System
Financing Authority**

Public Comments on Items Not on the Agenda

**San Francisco Bay Area Regional Water System
Financing Authority**

General Manager's Report

Annual Conflict of Interest Form 700 Filing

- April 2, 2024 deadline
- Electronic filing through eDisclosure
- Email will be sent from
BAWSCAForm700@BAWSCA.org

**San Francisco Bay Area Regional Water System
Financing Authority**

Directors' Comments

**San Francisco Bay Area Regional Water System
Financing Authority**

Meeting Adjournment and Return to BAWSCA Board Meeting

Annual Conflict of Interest Form 700 Filing

- April 2, 2024 deadline
- Electronic filing through eDisclosure
- Email was sent from BAWSCAForm700@BAWSCA.org

Next Meeting

January 16, 2025

Reconvene to BAWSCA Board Meeting Following RFA Meeting



BAWSCA 2018



Comments by the Chair



Jensen, 2011



Board Policy Committee Report



SFPUC Report



Ragsdale, 2023



Water Supply Conditions Update

Steven R. Ritchie

Assistant General Manager, Water

January 16, 2024

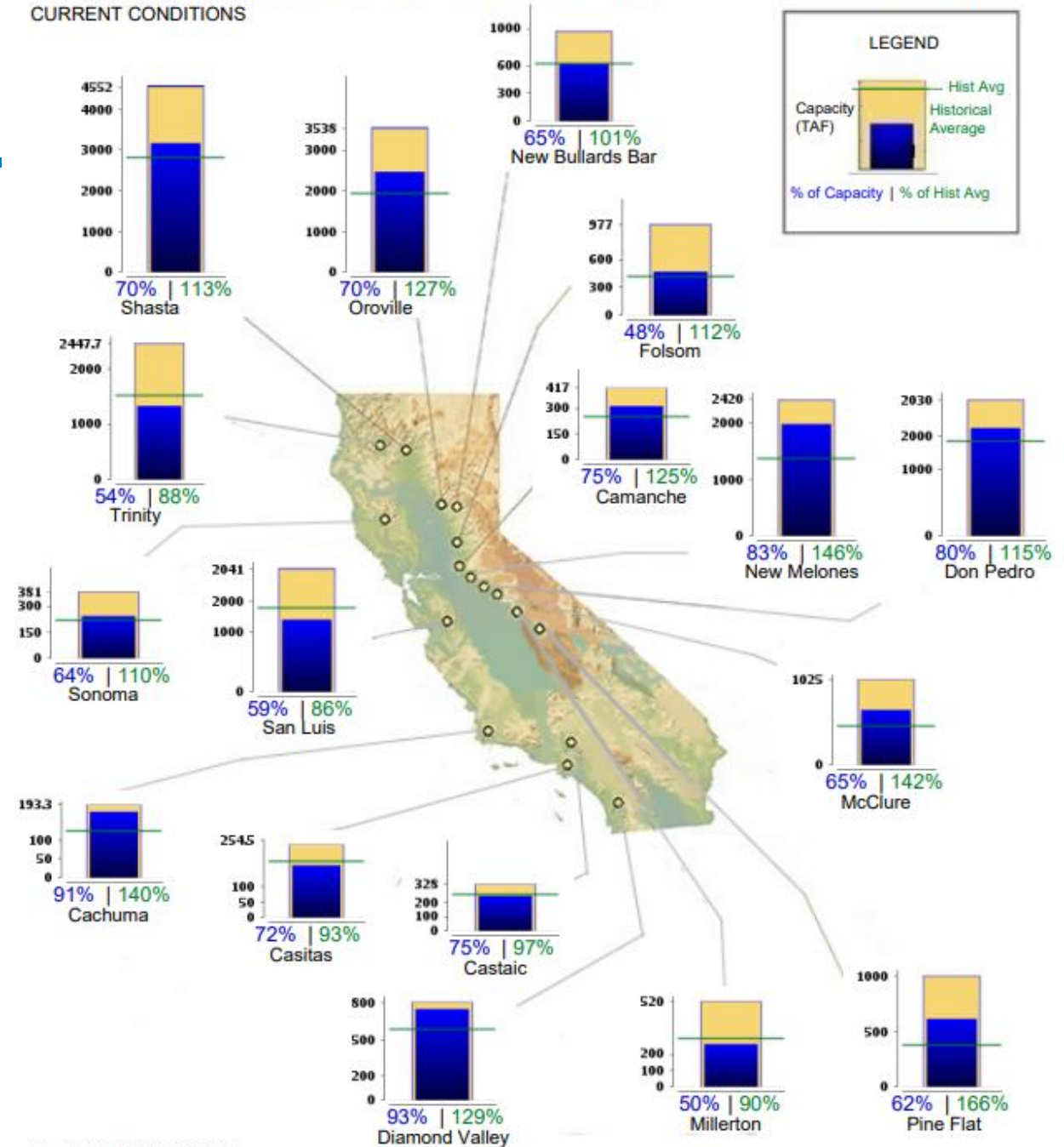
January 16, 2024 Reservoir Storage

Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ⁴ (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	304,200	360,360	56,160	84.4%	67.8%
Cherry	253,400	273,345	19,945	92.7%	-
Eleanor	23,400	27,100	3,700	86.3%	-
Water Bank	559,376	570,000	10,624	98.1%	97.7%
Total Tuolumne Storage	1,140,376	1,230,805	90,429	92.7%	-
<u>Local System</u>					
Calaveras	79,636	96,670	17,034	82.4%	-
San Antonio	45,581	53,266	7,685	85.6%	-
Crystal Springs	43,731	68,953	25,222	63.4%	-
San Andreas	15,583	18,675	3,092	83.4%	-
Pilarcitos	2,664	3,125	461	85.2%	-
Total Local Storage	187,195	240,689	53,494	77.8%	-
Total System Storage	1,327,571	1,471,494	143,923	90.2%	79.7%
Total without water bank	768,195	901,494	133,299	85.2%	-

Other California Reservoirs

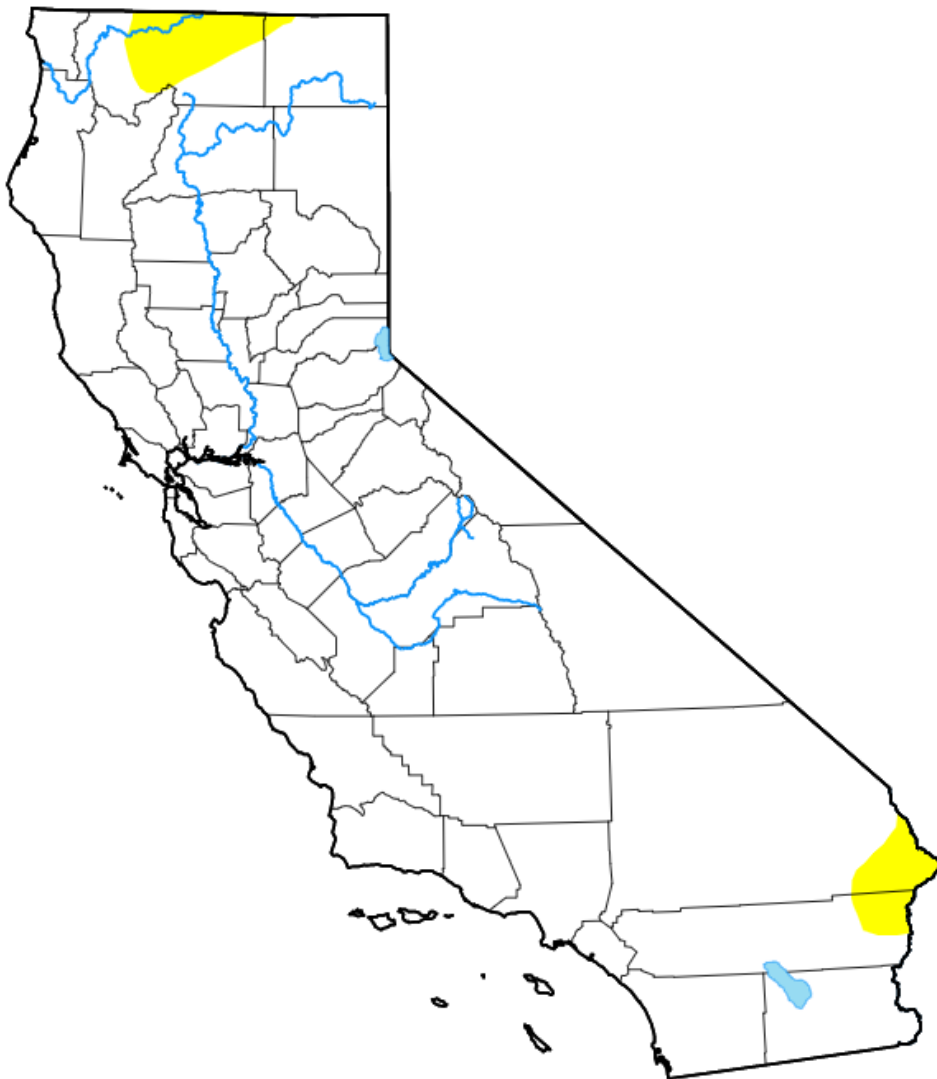
CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS CURRENT CONDITIONS

Midnight - January 15, 2024



Updated 01/16/2024 12:18 PM

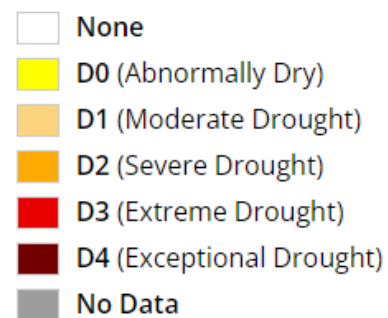
California Drought Monitor



Map released: Thurs. January 11, 2024

Data valid: January 9, 2024 at 7 a.m. EST

Intensity



Authors

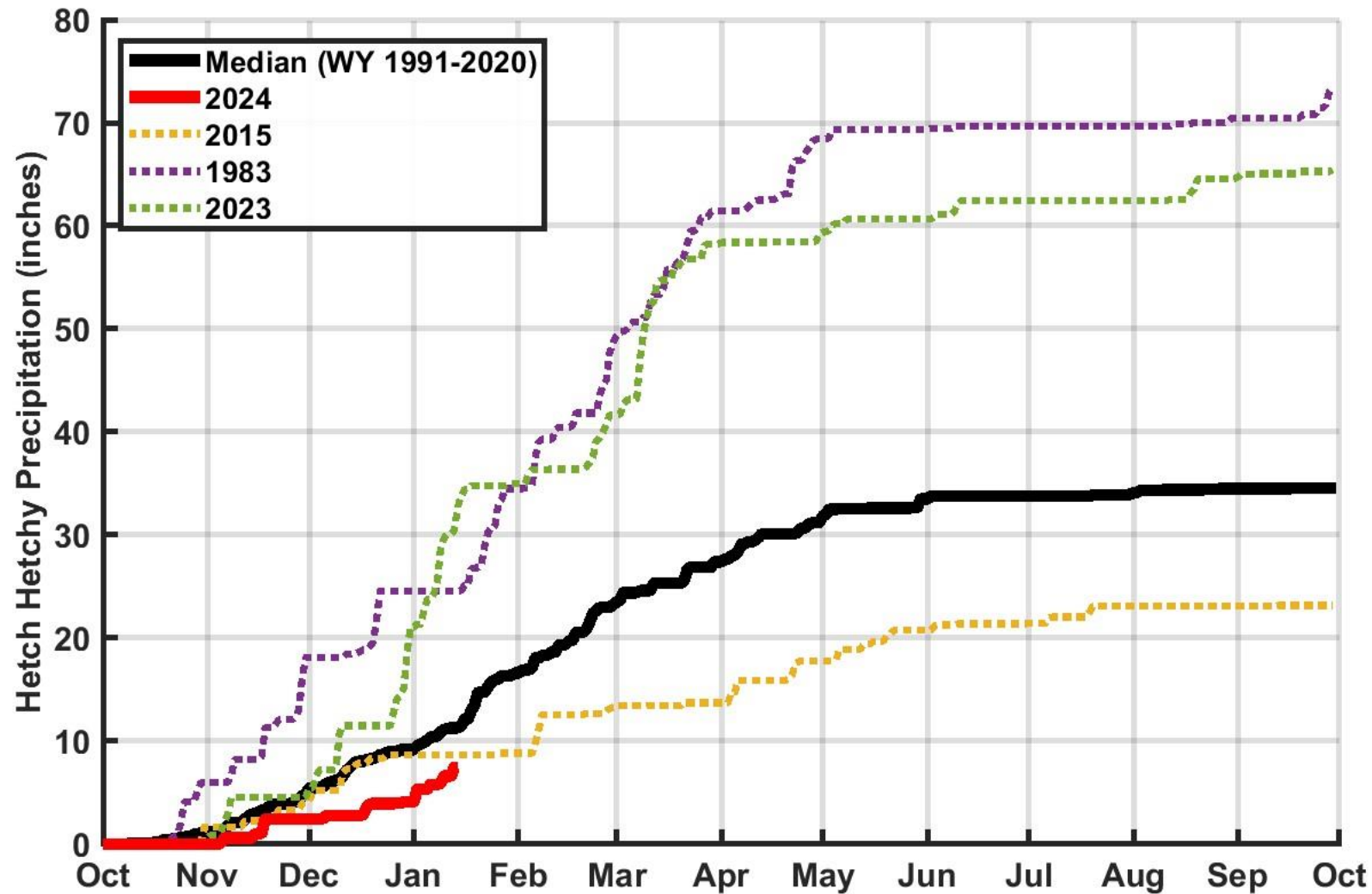
United States and Puerto Rico Author(s):

[Adam Hartman](#), NOAA/NWS/NCEP/CPC

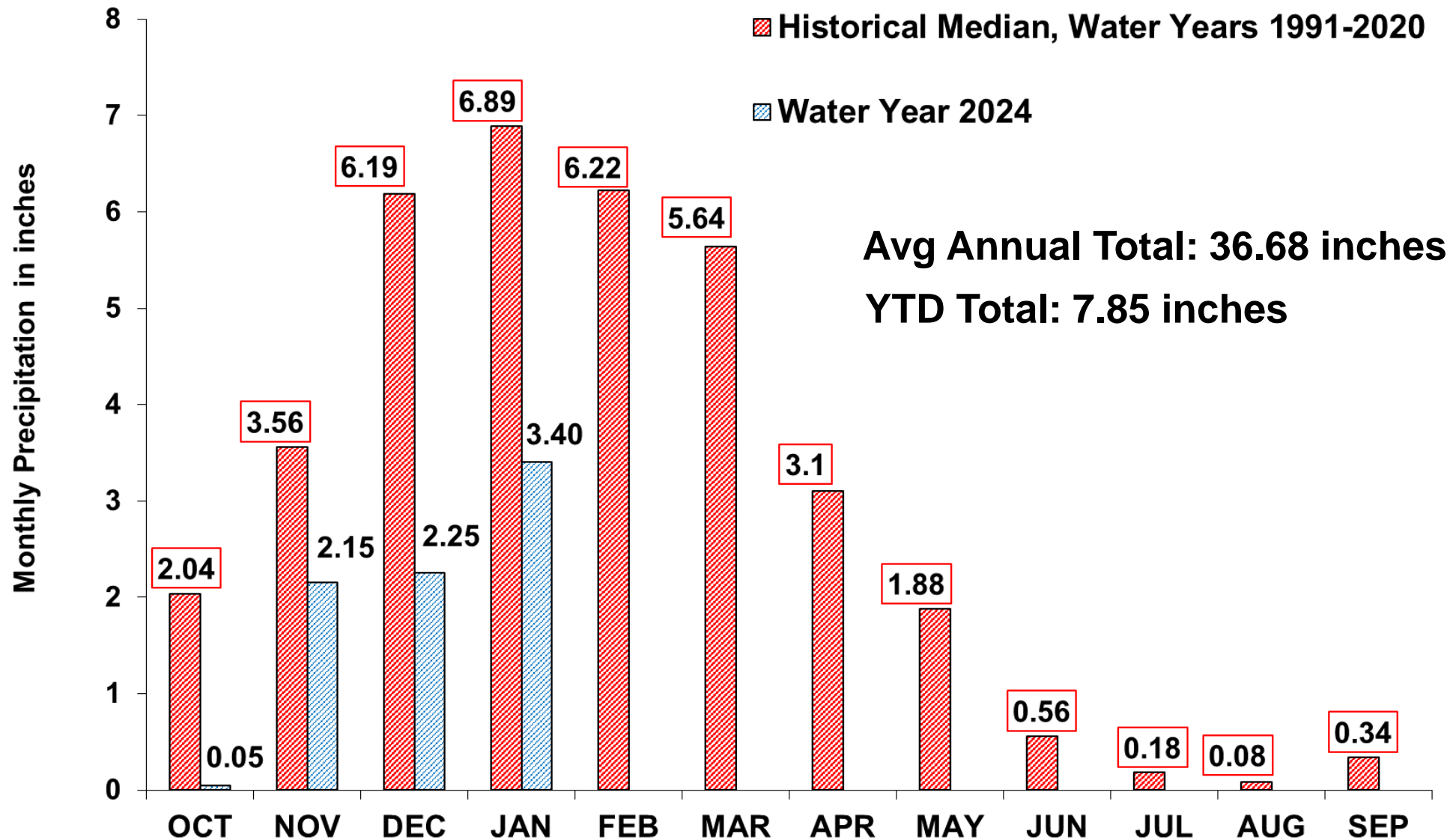
Pacific Islands and Virgin Islands Author(s):

[Anthony Artusa](#), NOAA/NWS/NCEP/CPC

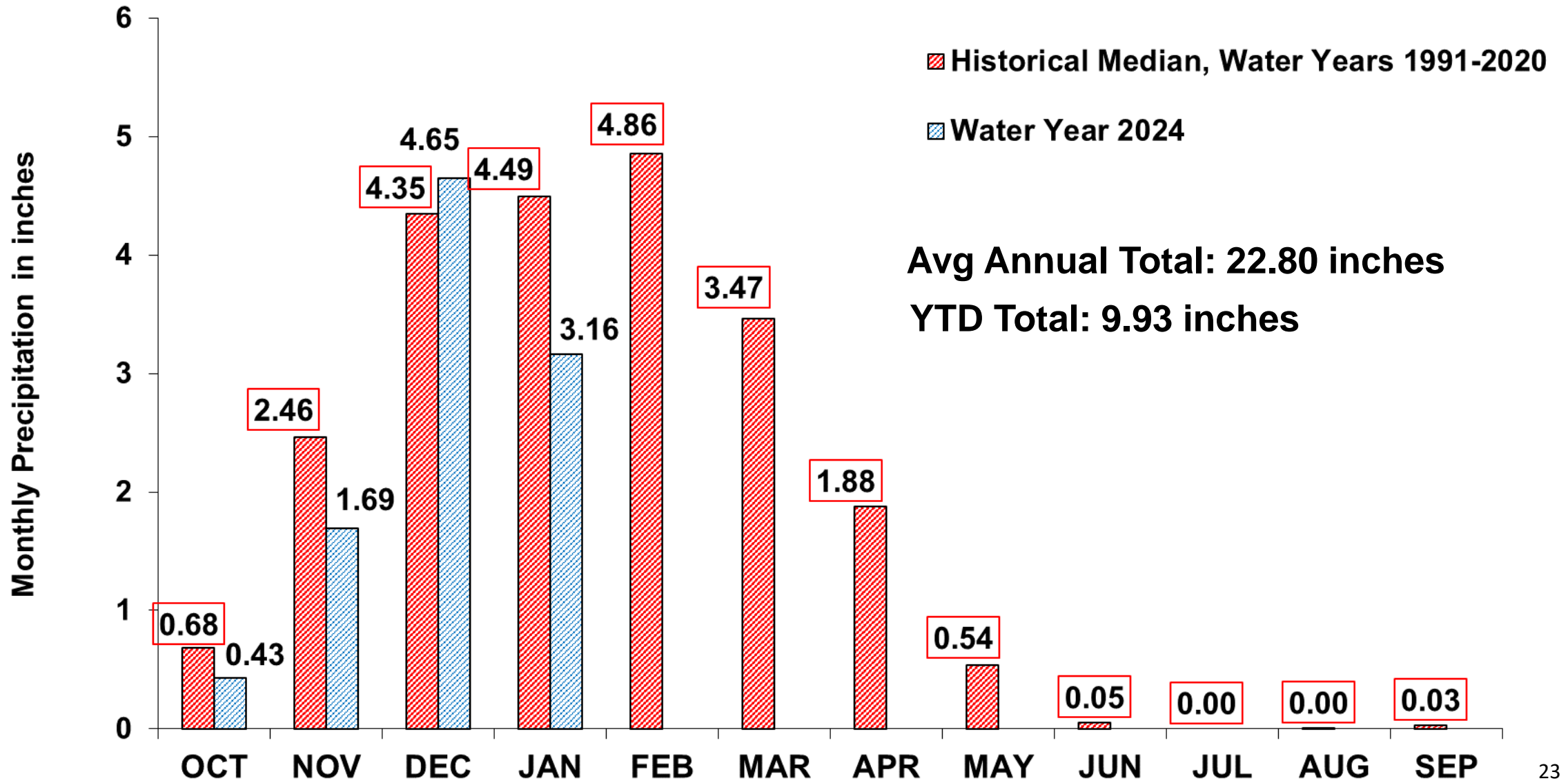
Hetch Hetchy Precipitation



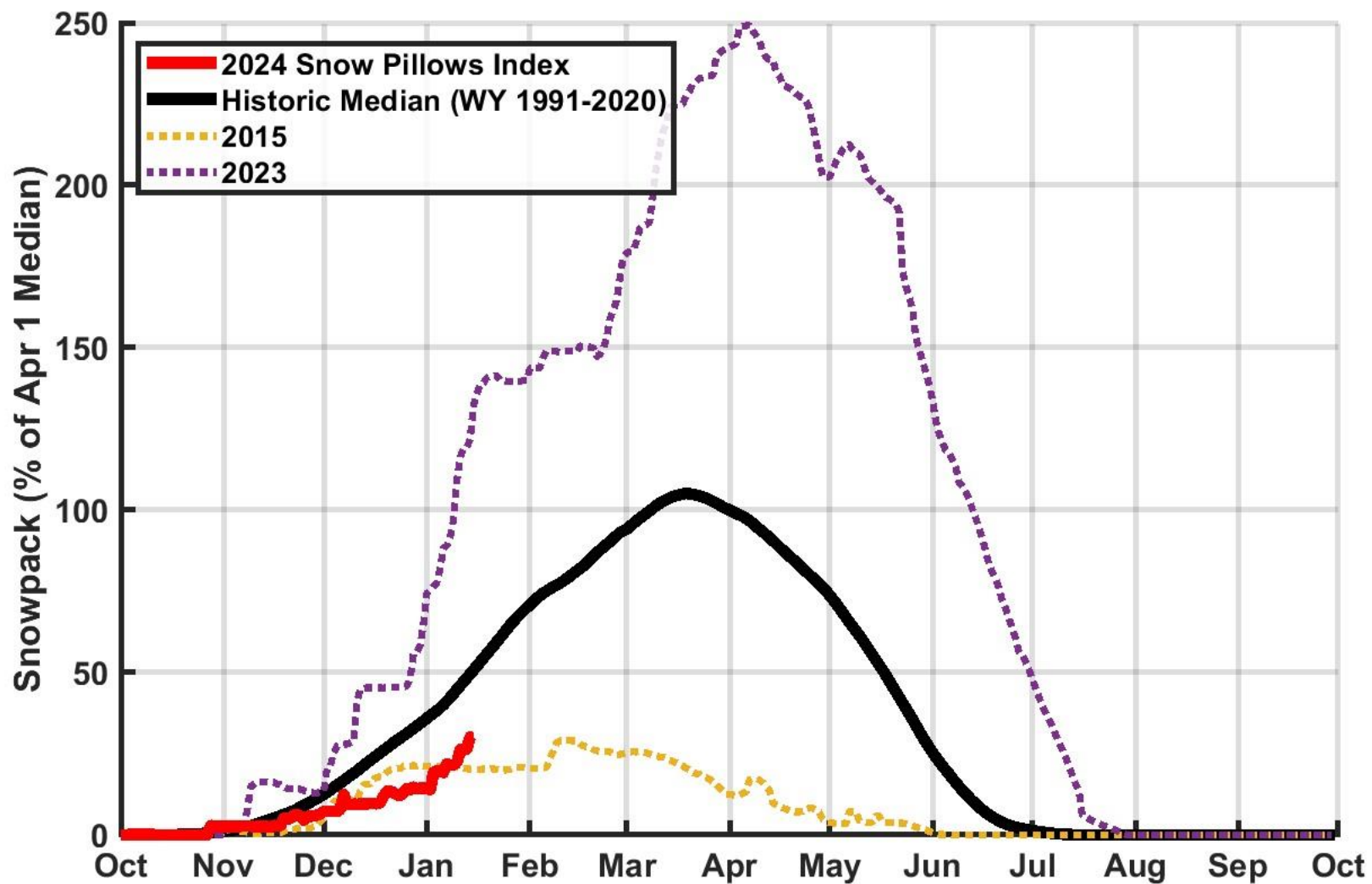
Upcountry 6-station Precipitation Index as of January 15, 2024



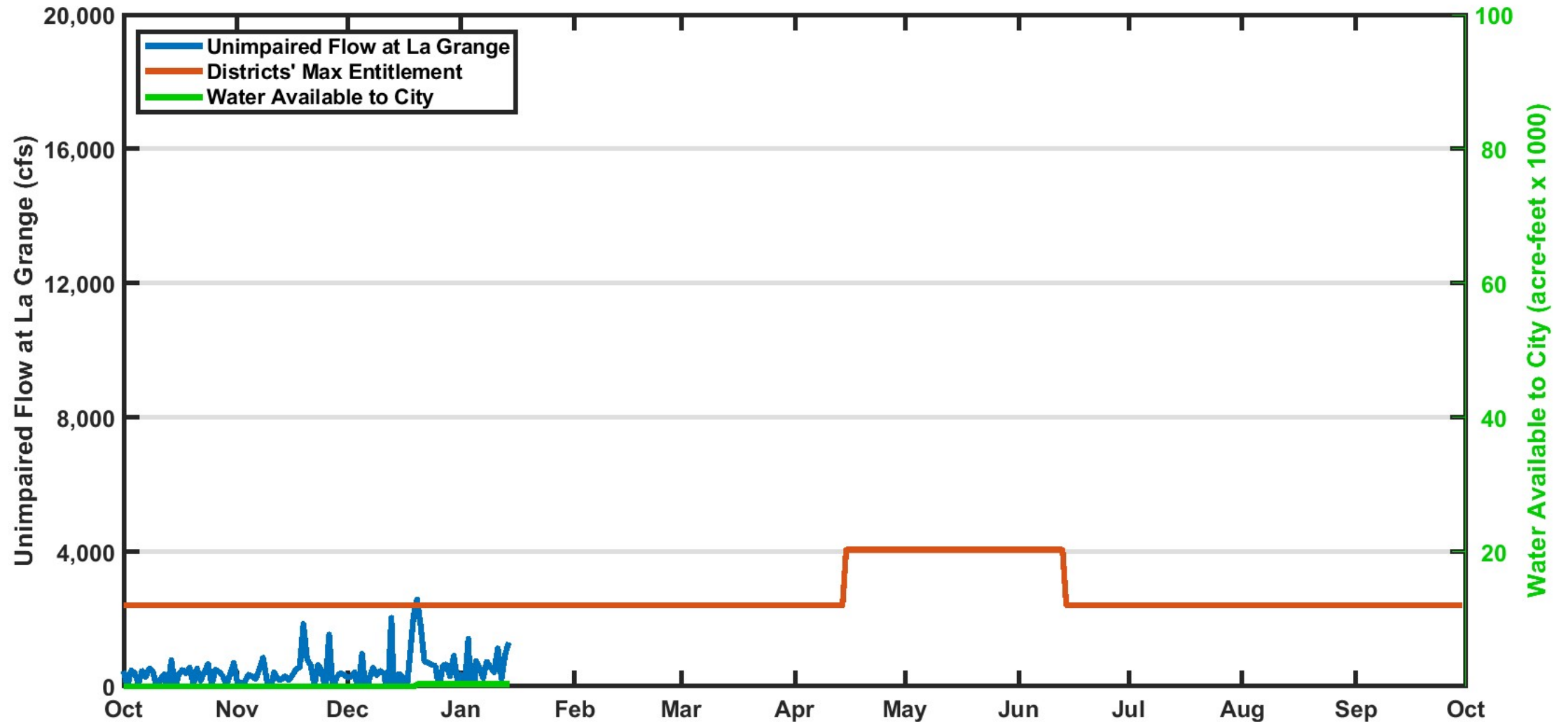
Bay Area 7-station Precipitation Index as of January 15, 2024



Upcountry Snowpack



Water Available to the City



National Precipitation Forecast

Precipitation (in)
during the period:

Tue, 16 JAN 2024 at 12Z

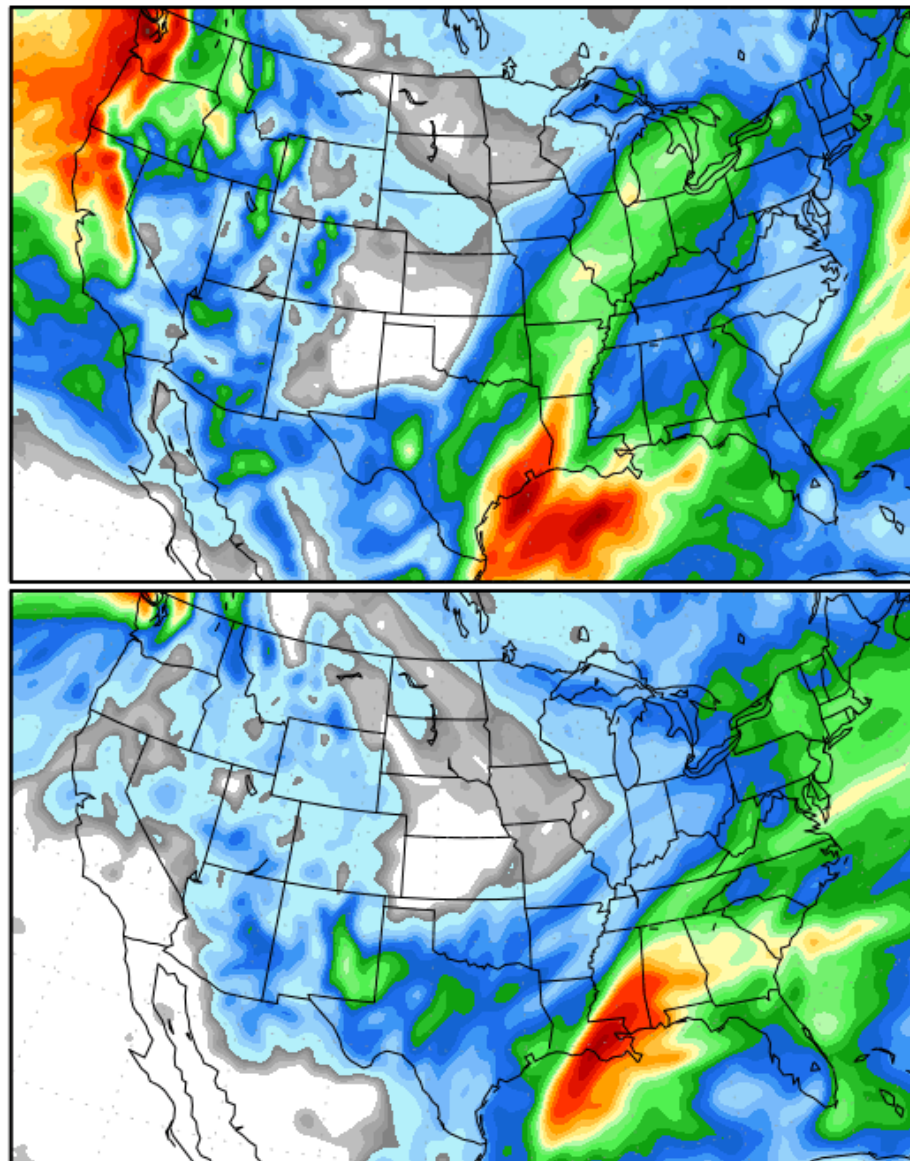
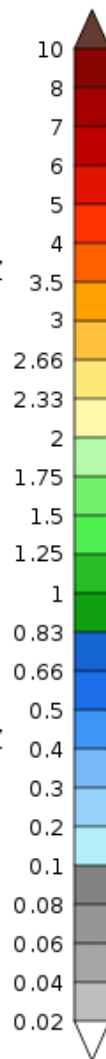
-to-

Wed, 24 JAN 2024 at 12Z

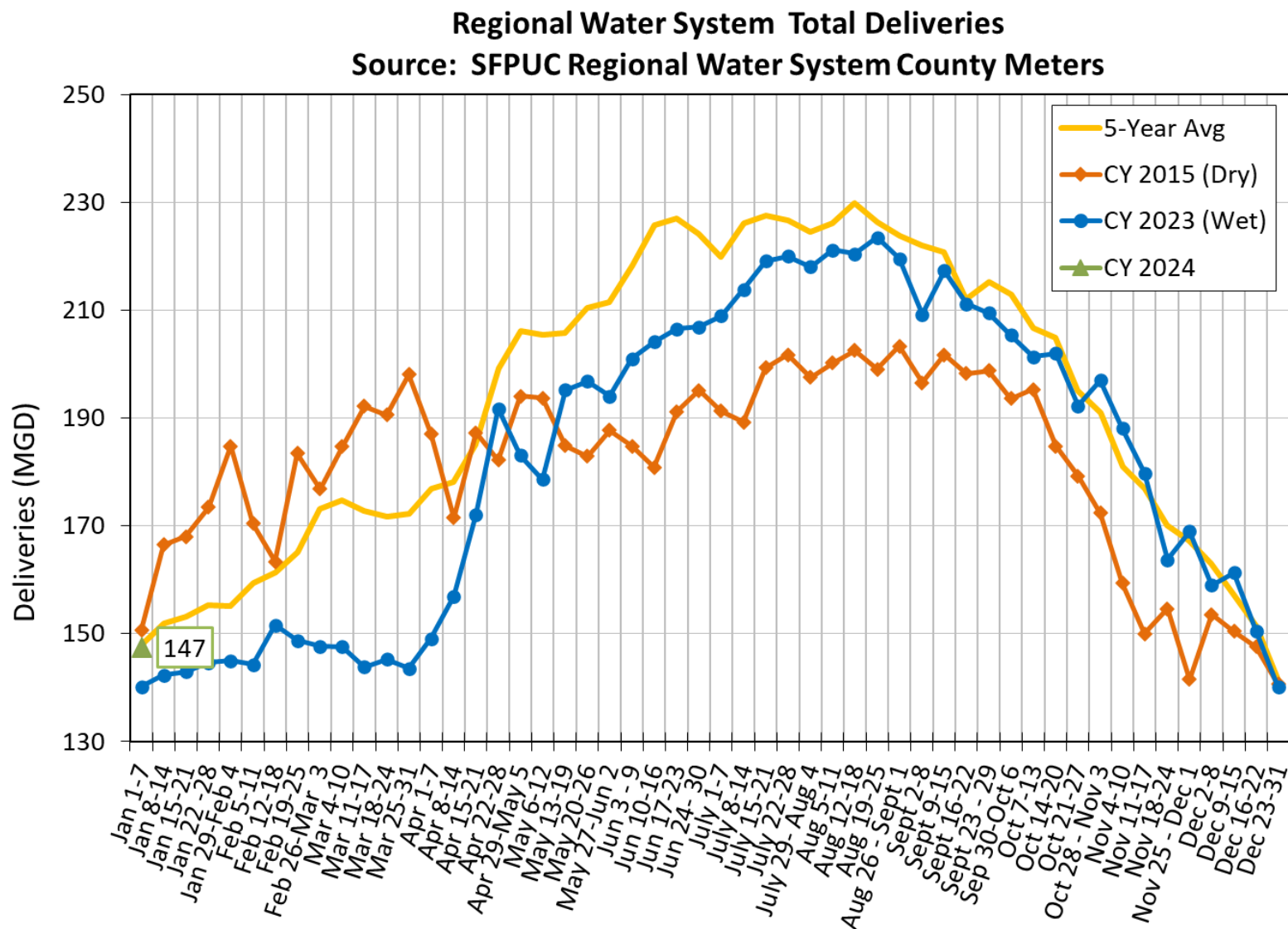
Wed, 24 JAN 2024 at 12Z

-to-

Thu, 01 FEB 2024 at 12Z



Total Deliveries



Public Comments on Items Not on the Agenda



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

Consent Calendar

- A. Approve Minutes of the November 16, 2023 Meeting
- B. Receive and File Budget Status Report – As of November 30, 2023
- C. Receive and File Investment Report – as of December 31, 2023
- D. Receive and File Directors' Reimbursement Report – As of December 31, 2023
- E. Receive and File Employee Reimbursement Report – As of December 31, 2023
- F. Approval of the Proposed FY 2024-25 Bond Surcharges



Mid-Year 2023-24 Work Plan, Budget and General Reserve Review and Recommended Changes



SFPUC

BAWSCA
Bay Area Water Supply & Conservation Agency

Mid Year Work Plan Review Identifies Need for Scope and Budget Changes Due to Current Conditions

- A review of the FY 2023-24 Work Plan was performed, and results are presented in Table I
- Six changes recommended as a result of this review
- Reduced scope on three work plan items: 2g, 3b, and 3f
- Delete one work plan item: 6c
- Increased technical and legal resources for work plan item 4e “Facilitate updated Tier 2 Plan”
- Increased legal resources related to extraordinary agency/board administrative items



Reduced Scope on Three Work Plan Items Recommended

- Change Work Plan Item 2g to read:
 - “Host one meeting of BAWSCA Regional Water Supply Reliability Roundtable to discuss possible near-term water supply options, demand management, and local partnership opportunities as well as to receive feedback on the Strategy 2050 proposed scope.”
- Change Work Plan Item 3b to read:
 - “Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements, including developing an approach for meeting the new requirements as appropriate.”
- Change Work Plan Item 3f to read:
 - “Continue development of a leak repair and training certification program for future implementation by an outside entity.”



Deleting One Work Plan Item Recommended

- Delete work plan item 6c “Develop and implement new core and subscription BAWSCA Grant Support Program”
- BAWSCA is investigating what grant support can be offered this fiscal year



Two Budget Changes Recommended to Complete Work Expected During FY 2023-24

- Change #1: Increase Woodard & Curran's existing contract by an additional \$80K for a new contract amount of \$152K
 - Supports work plan item 4e "Facilitate negotiations of an updated Tier 2 Plan"
 - Fund through reallocation of available funds within current approved Operating Budget
- Change #2: Increase Hanson Bridget's existing contract by an additional \$112K for a new contract amount of \$891K+
 - \$82K for work plan item 4e
 - \$30K for work plan item 11 "Manage the activities of the Agency professionally & efficiently"
 - Fund via a transfer from the General Reserve
- Recommended budget adjustment would result in
 - \$112K increase in the FY 2023-24 Operating Budget to \$4,983,419
 - \$112K reduction in General Reserve to \$1,543,390 (31% of the modified Operating Budget)



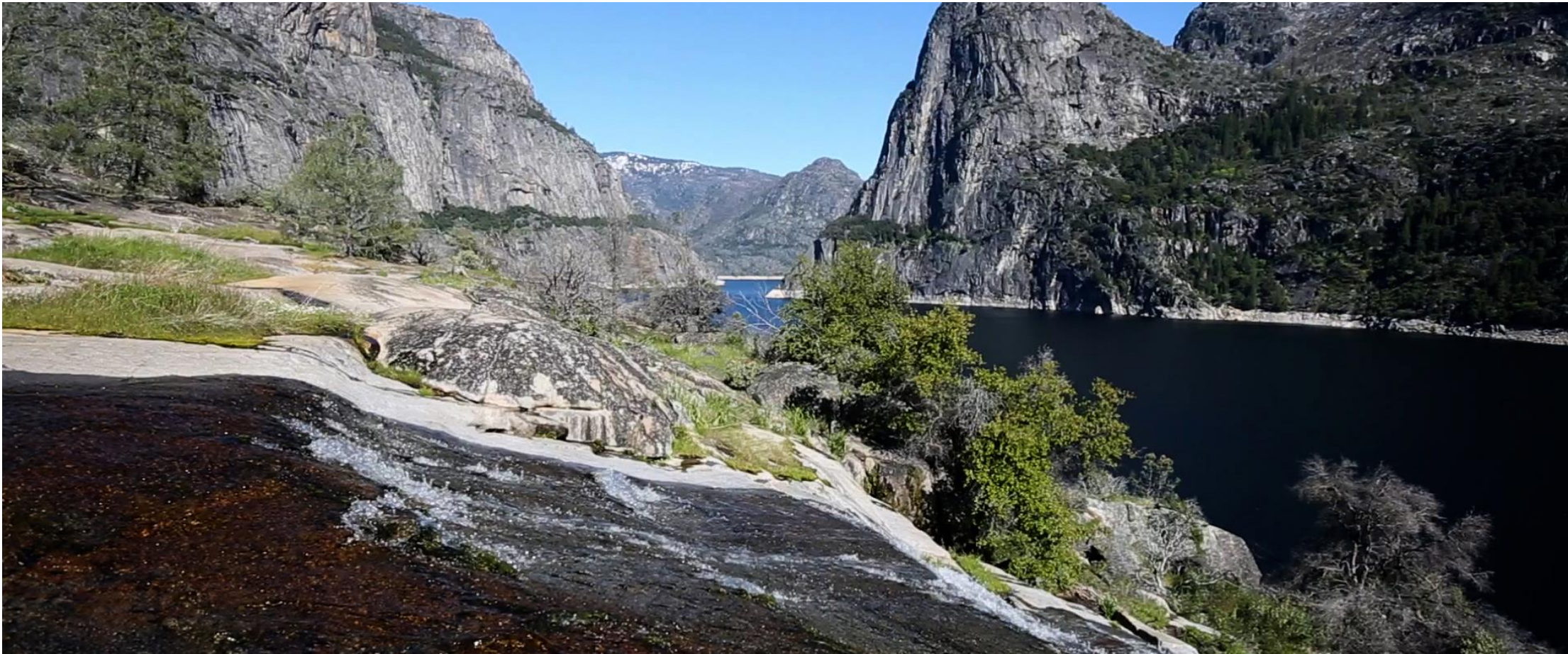
Recommendation

That the Committee recommend Board approval of the following FY 2023-24 Work Plan, Operating Budget and funding changes:

- 1) For Work Plan Item 2g, change description to read “Host one meeting of BAWSCA Regional Water Supply Reliability Roundtable to discuss Strategy 2045 proposed scope and receive feedback”;
- 2) For Work Plan Item 3b, change description to read “Represent members’ interests in regional and statewide discussions on the development of and compliance with California’s “Making Water Conservation a California Way of Life” requirements, including developing an approach for meeting the new requirements as appropriate”;
- 3) For Work Plan Item 3f, change description to read “Continue development of a leak repair and training certification program for future implementation by an outside entity”;
- 4) For Work Plan Item 4e, increase consultant contract budget with Woodard & Curran by an additional \$80K for a total contract amount of \$152K, funded using reallocation within the current approved FY 2023-24 Operating Budget;
- 5) Work Plan Item 6c, delete from work plan completely; and
- 6) For Hanson Bridgett, increase consultant contract budget by an additional \$82K for Work Plan Item 4e “Facilitate negotiations of an updated Tier 2 Plan” and by \$30K for Work Plan Item 11 “Manage the activities of the Agency professionally and efficiently”, for a total contract increase of \$112K and a total new contract amount of \$891,000, to be funded through a transfer from the General Reserve.



Special Report: BAWSCA's Long-Term Reliable Water Supply Strategy 2050



BAWSCA 2018



Strategy 2050 Purpose and Objectives Have Been Updated to Reflect WMR and Board Input

Strategy 2050 Purpose

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

Strategy 2050 Objectives

1

Provide a comprehensive picture of the region's supply and demand management needs and options.

2

Establish a framework for collectively maintaining and improving regional water supply reliability and resilience.

3

Elevate awareness of and support the region's interests in new and emerging regulations that impact water supply and demand 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

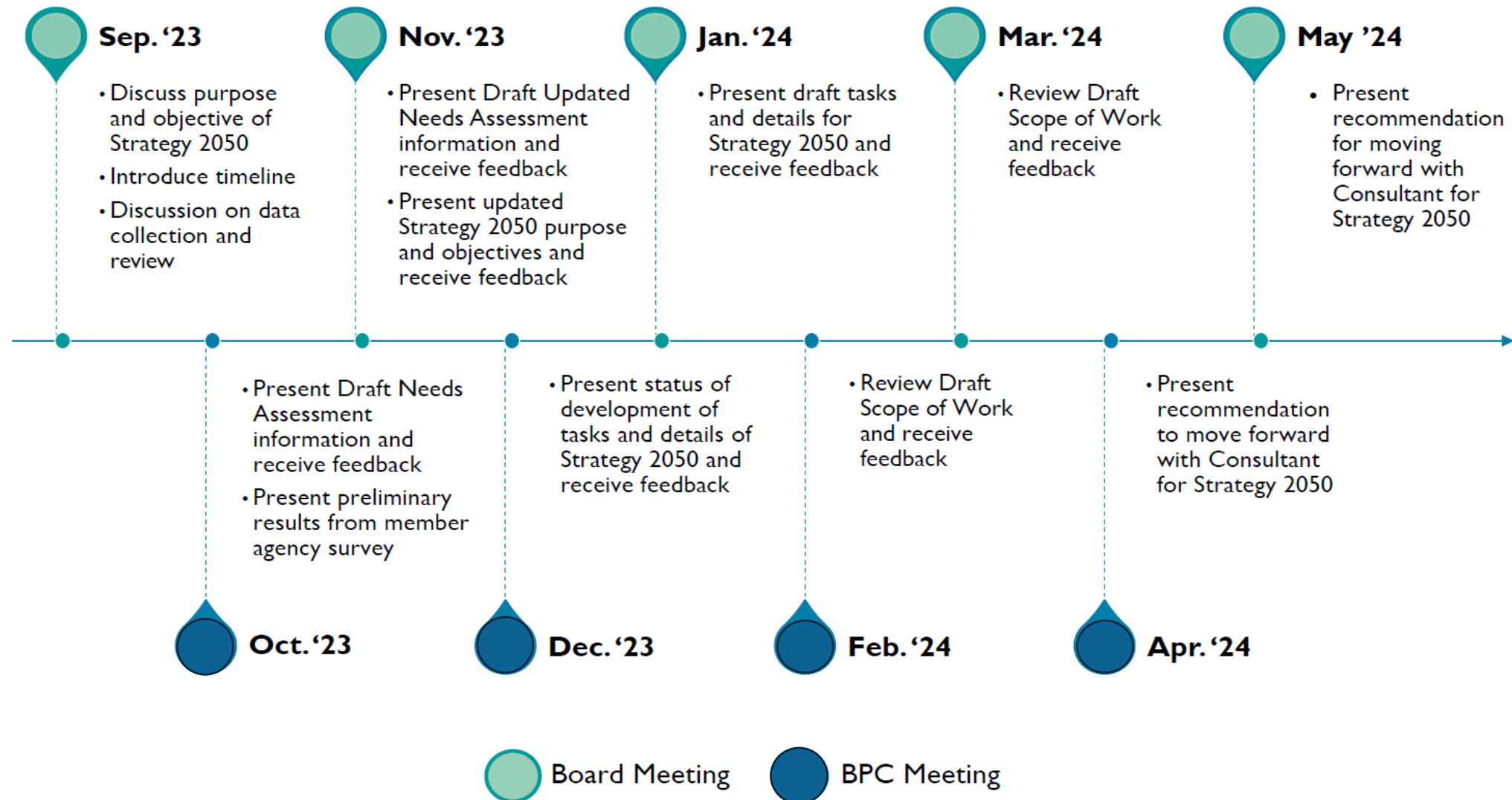
Support availability of affordable water supplies and demand management strategies to all customers.

Purpose and Objectives of Strategy 2050 Support the Identification of Seven Preliminary Tasks for the Scope of Work

1. Evaluate Water Supply and Demand Management Reliability
2. Assess Regulatory Setting and Collaboration Opportunities
3. Evaluate Existing Project Concepts / Identify New Regional Project Opportunities
4. Provide Support to Member Agencies in Their Efforts to Obtain External Funding
5. Document Water Affordability Challenges and Opportunities
6. Develop Method to Track and Report on Status of Strategy 2050 Implementation
7. Report Preparation – Including Findings, Near and Long-Term Recommendations

- Each task aligns with one or more of the Strategy 2050 Objectives
- Details associated with each task is included in the Board memo

Feedback from BPC and Board are Critical Throughout Scope Development for Strategy 2050



CEO Report



Planned Schedule for the Tier 2 Plan Update for CY 2024

- Lead negotiators working towards finalizing updated Tier 2 Plan by end of June for unanimous adoption by governing bodies by December 2024
 - Approximately a 6-month process for unanimous adoption
- Existing Tier 2 Plan expires December 31, 2024
- BAWSCA continues to believe that the lead negotiators will come to agreement on final key parameters by end of June
- However, if progress appears to stall, BAWSCA plans to provide Board and BPC with increasingly thorough updates on the strawperson concept
- Will facilitate Board decision by October/November on whether to extend the existing Tier 2 Plan or adopt a new Plan



Market Comparison Indicates that BAWSCA's Current Consultant Billing Rates are within Acceptable Range

- Every May, Board considers action on the next fiscal year's proposed work plan and budget
- At that time, Board is also asked to approve consultant contracts associated with identified consultant resources to support BAWSCA work plan
- To access the necessary consulting services in an efficient and cost-effective manner BAWSCA relies on a combination of annual contracts with the same consultants
- As part of this year's budget development process, BAWSCA completed a review of billing rates for current FY 2023-24 consultant contracts
- This review compared the current rates paid by BAWSCA with the rates paid by other public agencies in the Bay Area for engineering, financial, legal, and strategic services
 - Exhibit A to Board memo presents the detailed review results
- This market comparison indicates that BAWSCA's current consultant billing rates are within an acceptable range



Oral Arguments in State Water Board Cases Have Concluded

- Oral argument in the State Water Board Cases began the week of August 28, 2023 and concluded on October 24, 2023
- On October 25, 2023, the Judge issued an Order separating the case into two phases
 - “Merits” Phase
 - “Potential Remedies” Phase
- This change extends the timeline for final decision to potentially early summer
 - “Merits” Phase preliminary ruling by January 22, 2024
 - “Potential Remedies” Phase proceeding afterwards



Developments on Bay Delta Phase I 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 – anticipated in Fall 2023 but is delayed
 - Staff Report (CEQA Equivalent) for Phase I VA – Winter/Spring 2024
 - State Board workshop & consideration of Phase I VA – Winter/Spring 2024
- Sacramento/Delta Updates to the Bay Delta Plan (Phase 2 Plan) and VA
 - September 28, 2023: Draft Phase 2 Plan Staff Report released for public review & comment
 - Deadline for written comments extended from Dec. 15, 2023, to Jan. 19, 2024
 - BAWSCA engaging its member agencies, SFPUC and Valley Water as part of its review and will comment as appropriate



Closed Session



Ragsdale, 2023



FY 2024-25 Work Plan and Budget Planning Session



BAWSCA 2018



FY 2024-25 Work Plan and Budget Planning Session

- BAWSCA's budget process begins with an assessment of long-term critical issues and major challenges
- Long-term view allows identification of critical results and associated timeline between now and 2065
- Forms basis for FY 2024-25 Work Plan and Results to be Achieved



Table I. Future Challenges (Preliminary FY 2024-25)

BAWSCA Goal and Associated Challenges	FY 2024-25 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
Reliable Supply: Ensure Long-Term Water Supply Reliability			
Protection of member agencies' interests in long-term water supply reliability from the RWS and 184 MGD SA	X	X	X
Protection of member agencies' interests in SFPUC development and implementation of its Alternative Water Supply Program including oversight of scope, schedule, and budget.	X	X	X
Protection of BAWSCA member agencies from normal and dry year supply shortages and resulting excessive economic impacts, including completion of Updated Demand Projections.	X	X	X
Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	X	X	X
Support member agencies in their efforts to ensure system reliability during an emergency.	X	X	X
Representation of member agencies in Federal relicensing of New Don Pedro to protect SF RWS water supply reliability.	X	X	
Representation of member agencies in Bay Delta Plan Update to protect RWS water supply reliability.	X	X	
Assist member agencies in complying with the State's expanding regulatory requirements related to water use efficiency and reliability.	X	X	X
Protection of member agencies' interests in San Francisco's December 2028 decisions including deciding whether to make San Jose and Santa Clara permanent customers.	X	X	
Development of a new Tier 2 Drought Implementation Plan.	X	X	



Table I. Future Challenges (Preliminary FY 2024-25)

BAWSCA Goal and Associated Challenges	FY 2024-25 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
Reliable Supply: Ensure SF RWS Facility Reliability			
Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's asset management program to ensure ongoing maintenance and protection of RWS assets.	X	X	X
Promote emergency resiliency of the SF RWS to protect interests of water customers.	X	X	X
Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation, including extension of State oversight (exp. 12/2026) and RFA capability (exp. 1/2030).	X	X	



Table I. Future Challenges (Preliminary FY 2024-25)

BAWSCA Goal and Associated Challenges	FY 2024-25 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
High Quality Supply & Fair Price: Enforce 2009 Water Supply Agreement (WSA)			
Enforcement and amendment as necessary, of the WSA to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.	X	X	X
Protection of member agencies' water supply reliability interests against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	X	X	X
Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	X	X	X
Extension or renegotiation of the WSA before it expires in 2034. The WSA can be extended 2 times, for a period of 5 years each. By December 2031, SFPUC must notify Wholesale Customers of desire to extend contract.		X	X
Management of BAWSCA's revenue bonds in accordance with Bond Indenture and other applicable laws to ensure accountability and ultimately to reduce overall cost to regional water customers (thru 2034).	X	X	
Management of Agency			
BAWSCA CalPERS pension & OPEB liability management			X
Ensure Agency's near-term and long-term resiliency	X	X	X



Are There Additional Challenges That Should Be Considered?

- Table I presents identified major challenges thru 2065
- Invite Board comments tonight on other near and long-term issues to be considered
- Discussion of additional ideas tonight will be focused on getting clarity on comments provided, not evaluating the comment or suggestion
- Comments received tonight will be addressed by CEO in Work Plan and Budget development



Directors' Discussion



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

Next Meeting and Adjournment

Next Meeting

March 21, 2024
6:30 pm
Burlingame Community Center

