

“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

July 18, 2024



BAWSCA
Bay Area Water Supply & Conservation Agency

Call To Order/Roll Call/Salute to Flag



Comments by the Chair



Jensen, 2011



Board Policy Committee Report



Consent Calendar

- A. Approve Minutes of the May 16, 2024 Meeting
- B. Receive and File Budget Status Report – As of May 31, 2024
- C. Receive and File Investment Report – As of May 31, 2024



SFPUC Report



Ragsdale, 2023



SFPUC Update

July 18, 2024

Steven R. Ritchie

Assistant General Manager, Water

Alison Kastama

BAWSCA Liaison, Water

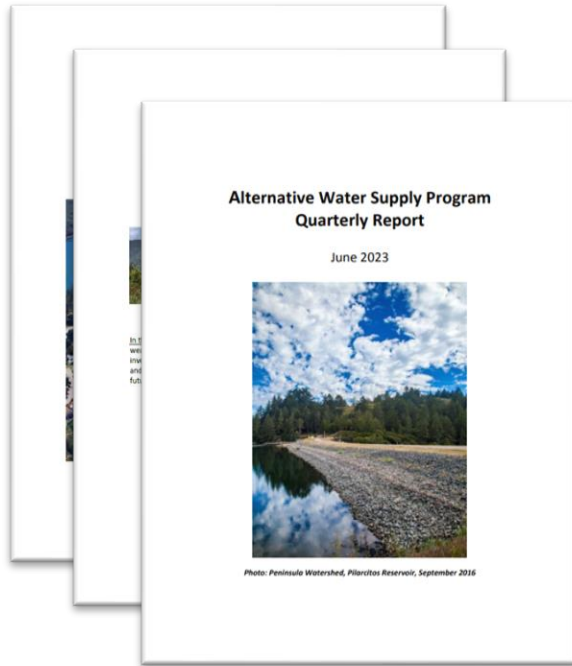
Water Supply Update

| 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 | 354,500 | 360,360 | 5,860 | 98.4% | 98.6% |
| Cherry | 264,800 | 273,345 | 8,545 | 96.9% | - |
| Eleanor | 26,720 | 27,100 | 380 | 98.6% | - |
| Water Bank | 570,000 | 570,000 | 0 | 100.0% | 100.0% |
| Total Tuolumne Storage | 1,216,020 | 1,230,805 | 14,785 | 98.8% | - |
| <u>Local System</u> | | | | | |
| Calaveras | 92,204 | 96,670 | 4,466 | 95.4% | - |
| San Antonio | 50,227 | 53,266 | 3,039 | 94.3% | - |
| Crystal Springs | 51,696 | 68,953 | 17,257 | 75.0% | - |
| San Andreas | 11,998 | 18,675 | 6,677 | 64.2% | - |
| Pilarcitos | 2,317 | 3,125 | 808 | 74.1% | - |
| Total Local Storage | 208,442 | 240,689 | 32,247 | 86.6% | - |
| Total System Storage | 1,424,462 | 1,471,494 | 47,032 | 96.8% | 89.5% |
| Total without water bank | 854,462 | 901,494 | 47,032 | 94.8% | - |

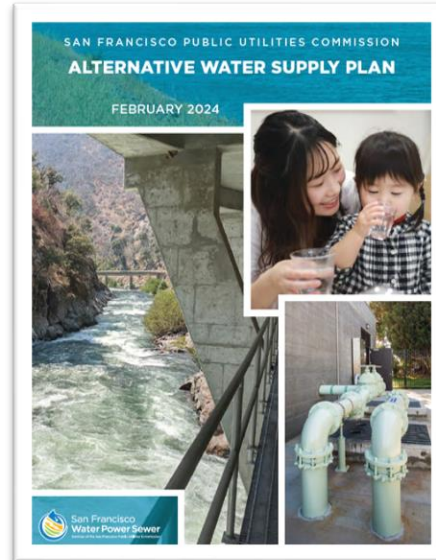


Alternative Water Supply Planning Annual Progress Report

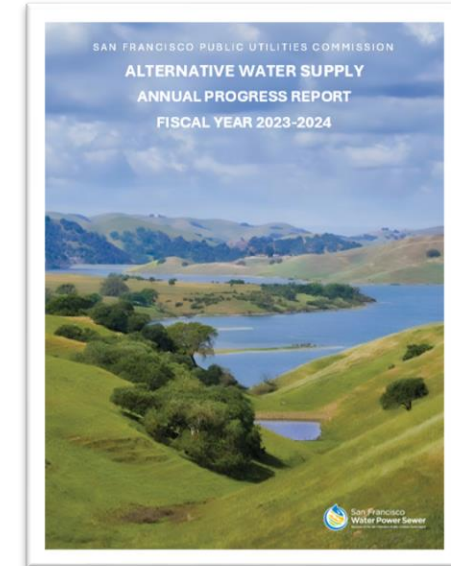
Alternative Water Supply Reporting



June 2020-June 2023
Quarterly Reports



February 2024
AWS Plan



June 2024
Annual Progress Report



Extending Existing Supplies

Conservation Program

- Robust active conservation program for over 30 years
- Leak Alert Program has resulted in estimated savings of 73 million gallons in FY 2022-23
- Implementing recommendations of independent Pacific Institute review



Groundwater Expansion

- Plans to continue expanding use in drinking water supply (up to 4 mgd)

Recycled Water Expansion

- Maximizing recycled water use for large-scale irrigation with the construction of the Westside Recycled Water Project

Onsite Water Reuse

- Established and expanded ordinance since 2012, with 45 systems permitted and 29 planned

Innovations Program

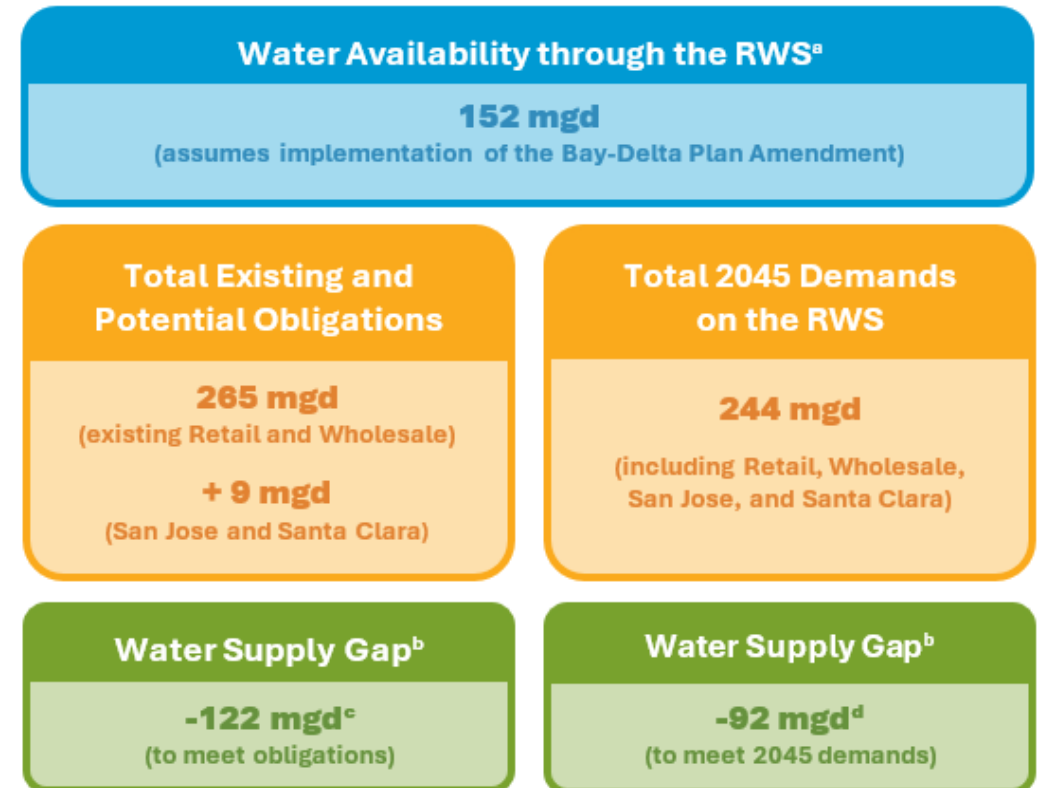
- Continuing to seek new technologies to generate water savings and supplies at every scale (e.g., atmospheric water generation, efficient point-of-use fixtures)

Plan for Obligations, Build for Demands

Table 1. Projected 2045 Water Availability during Dry Years with the Bay-Delta Plan Amendment

| | Scenario <u>with</u> Bay-Delta Plan Amendment |
|---|---|
| Baseline Water Supply with WSIP Implemented | 227 |
| New Instream Flow Release Requirements from the Bay-Delta Plan Amendment | -93 |
| Water Supply ^a (Firm Yield) | 134 |
| Demands Addressed through Implementation of Rationing Policy ^b | 18 |
| Water Availability (Total System Yield)^c | 152 |

Figure 1. Anticipated Water Supply Gap



Actions on AWS Plan Recommendations

| AWS Plan Recommendations | Current Status |
|--|---|
| AWS staff to recommend whether to approve participation in the LVE Project or not. | Continuation of work on the identification and feasibility of water supply options. |
| Continue developing terms of agreement with project partners and prospective recycled water customers for the Daly City Recycled Water Expansion Project . | Staff will negotiate agreement terms for construction, operation, and maintenance of the project with its partners. |
| Funding for the South Bay Purified Water Project through 10% design and environmental review (\$6.72 million*). | Continue to discuss with project partners how the project concept can be updated to meet needs of each partner. |
| Funding for planning through environmental review and 10% design for PureWater Peninsula (\$5.28 million*) and ACWD-USD Purified Water (\$8.02 million*). | Staff will carry out additional technical analysis and explore public engagement strategies. |
| Propose in FY 2025 budget for a new Purified Water Program Manager to track and ensure compliance with new regulations, coordinate with stakeholders, and support programs. | Included in FY 2025 budget. |

**Included in the FY 2025-2034 CIP*

Actions on AWS Plan Recommendations

| AWS Plan Recommendations | Current Status |
|---|--|
| Funding to evaluate treatment alternatives for the Groundwater Storage and Recovery project (\$30.7 million*). | Evaluation of alternatives will begin once funding is released in the coming months. |
| Re-design of the Alameda Creek Recapture Project (\$5 million*). | The re-design effort will commence once funding is released in the coming months. |
| Evaluate infrastructure and operational needs for the San Francisco Groundwater Supply Project (\$13.5 million*). | Planning for the treatment project is underway. |
| Support planning the technical analyses, demonstration, and outreach for PureWaterSF, a local supply project in the retail service area (\$1 million*). | In fall 2023, staff conducted three focus groups for SFPUC staff. Outreach and education activities are ongoing. |

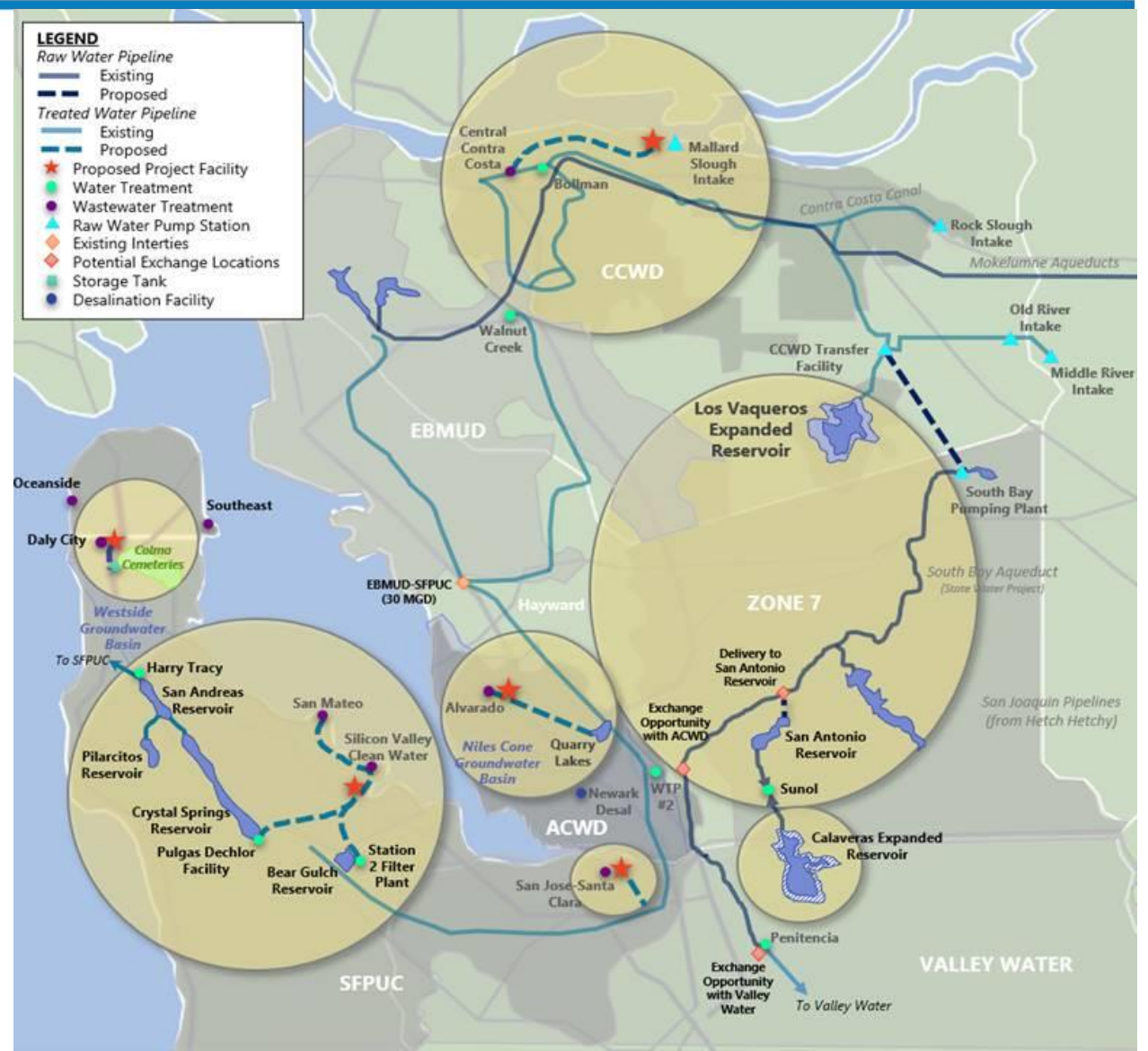
**Included in the FY 2025-2034 CIP*

Actions on AWS Plan Recommendations

| AWS Plan Recommendations | Current Status |
|--|---|
| Continue reporting progress on Proposed Voluntary Agreement and potential transfers and projects. | Ongoing, awaiting updates from the State Water Resources Control Board. |
| Provide updates to the AWS Plan beginning in FY 2026-2027. | None. |
| Develop 1-2 additional demand scenarios for the retail service area including a sensitivity analysis as appropriate. | Ongoing, staff will begin working on task to update its econometric model in the coming months. |
| In partnership with BAWSCA, explore the feasibility of a grant program to support local projects that reduce demands on the RWS. | Ongoing, staff will begin meeting with key stakeholders to explore this program. |

AWS Projects Throughout the Service Area

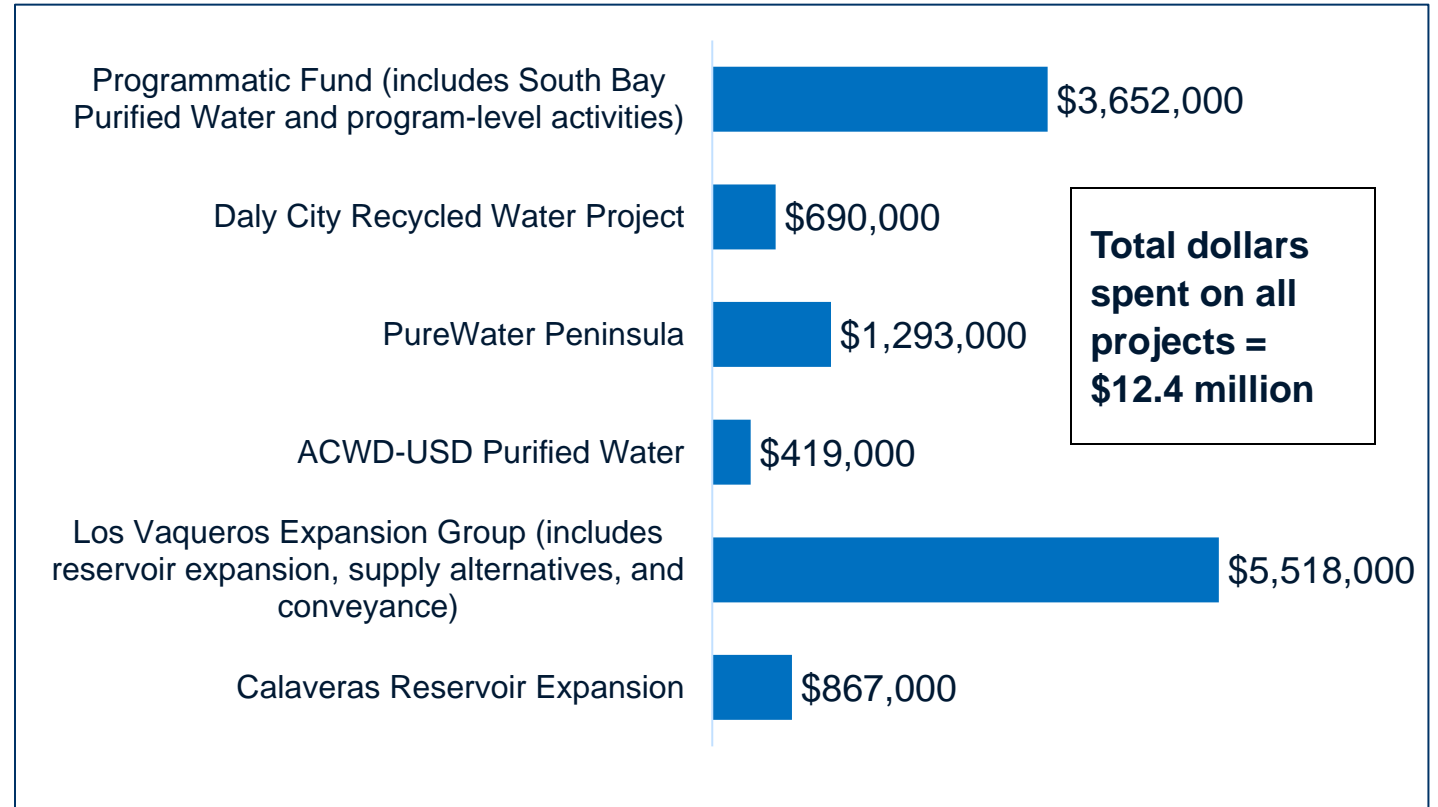
1. Daly City Recycled Water Expansion
2. PureWater Peninsula
3. South Bay Purified Water
- 4a. Los Vaqueros Reservoir Expansion (LVE)
- 4b. Supply Alternatives for LVE
- 4c. Conveyance Alternatives for LVE
5. ACWD-USD Purified Water
6. Calaveras Reservoir Expansion



Timeline of AWS Projects

| Projects Moving Forward for Implementation | Projected Online Date |
|--|-----------------------|
| Los Vaqueros Reservoir Expansion | 2030 |
| Los Vaqueros Conveyance | |
| Los Vaqueros Supply | |
| Daly City Recycled Water Expansion | |
| Projects Moving Toward 10% Design and CEQA | Projected Online Date |
| South Bay Purified Water | 2038 |
| PureWater Peninsula | 2039 |
| ACWD-USD Purified Water | 2040 |
| Projects with Planning Deferred | Projected Online Date |
| Calaveras Reservoir Expansion | - |

- Total dollars spent for the AWS Program between July 2020 and May 2024 is **\$12.4 million.**



- Earlier this year, the SFPUC approved a 10-year Capital Improvement Plan, including funding for AWS regional project planning.
- The FY2025-34 CIP totals:
 - **\$1.63B** Regional Water, **\$1.53B** Hetchy Water
 - The AWS Program represents \$260.1M in the 10 year plan
- In **FY24-25 thru FY25-26, \$10.89M** in AWS spending is planned.
 - This funding supports Purified Water and Other Studies, Daly City Recycled Water Expansion Project, and South Bay Purified Water Project.

- Delivering our significant CIP takes sound financial planning.
- This includes:
 - Smart infrastructure planning and investment
 - Low-cost debt funding (SRF, WIFIA, Tax-Exempt Bonds)
 - Conservative Financial Policies: Reserve, Debt Coverage, Ratepayer Affordability
 - Numerous proactive audits
 - Setting rates compliant with Prop 218, Water Supply Agreement
- As such, we plan our finances to support our infrastructure needs without overly burdening our constituents.



Questions?



Water Management Representative Report: Phil Witt, General Manager, Purissima Hills Water District



Old Calaveras Dam, 2006

Member Agency Topics

Purissima Hills Water District

Service Population: 6,245

Area Size: 4,600 acres

FY 22/23 SF Purchases: 1.31 mgd

Key Issues:

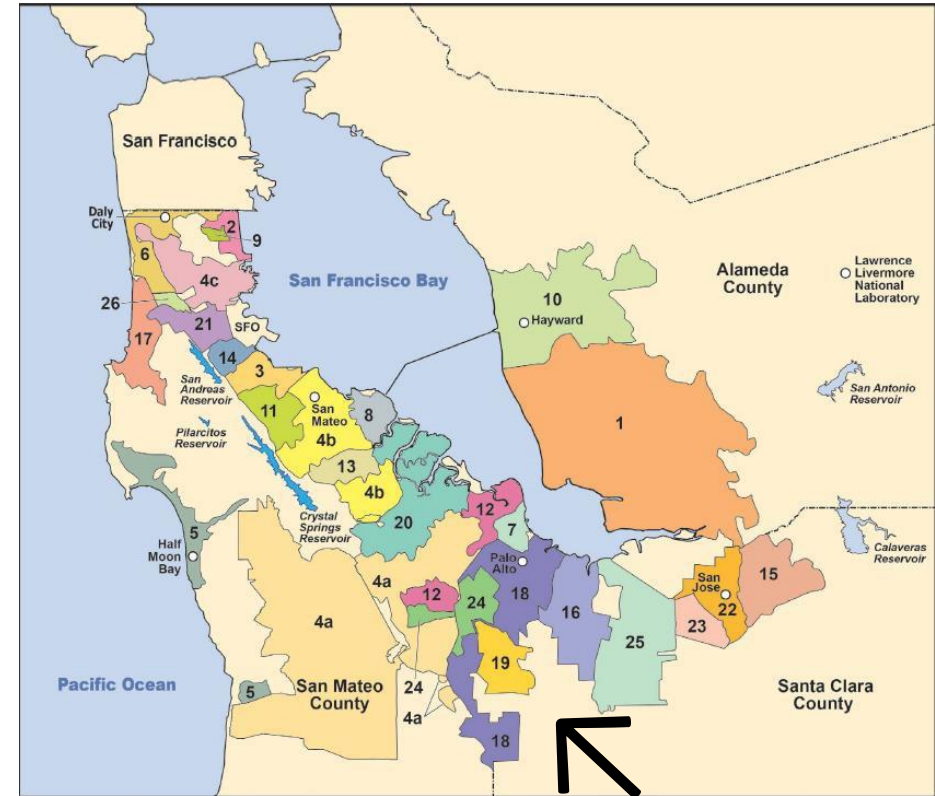
- Water Supply
- Capital Improvement Program
- Development/Growth



Water Management Representatives

Key Benefits

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



19. Purissima Hills Water District

Critical Updates

- Water Supply Updates
- SFPUC Rate Increase Updates
- Water Use Efficiency Standards

Collaborative Efforts

- 2024 Water Reliability Contract Amendments
 - Minimum Purchase Quantity
 - Tier 2 Plan Drought Allocation
 - Tier 1 Plan



Tier 2 Drought Allocation Plan

- Very close to agreement

Minimum Purchase Quantity Amendment

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

Public Comments on Items Not on the Agenda



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

Resolution Honoring Harlan P. “Bud” Wendell and His Service to the Water Customers

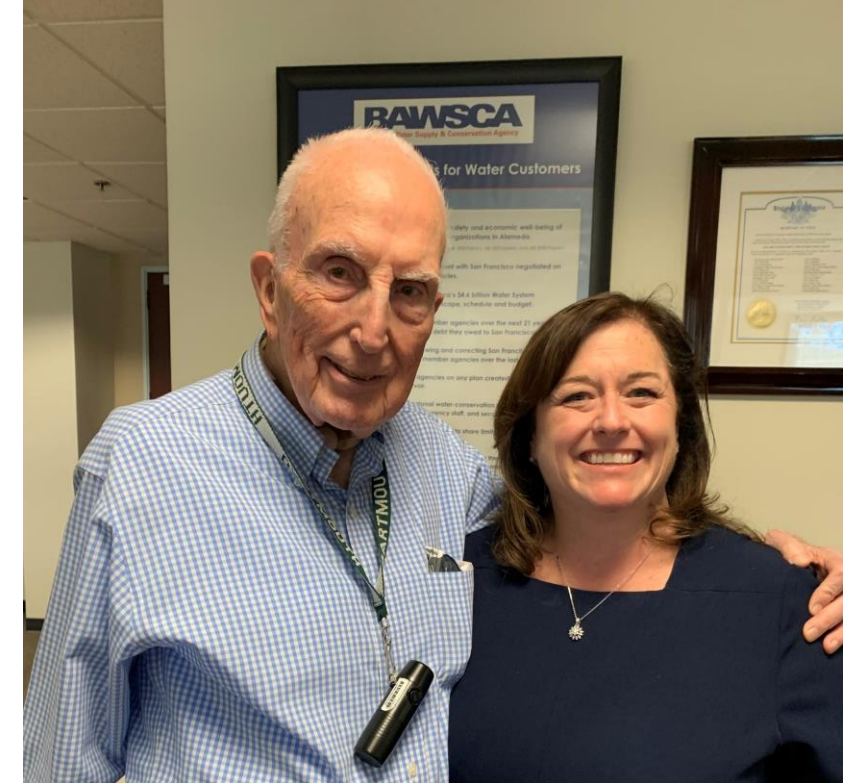


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Resolution Honoring Harlan P. “Bud” Wendell and His Service to the Water Customers





Resolution Honoring Harlan P. "Bud" Wendell and His Service to the Water Customers

Contracting and Funding to Initiate the Development of the Long-Term Reliable Water Supply Strategy 2050



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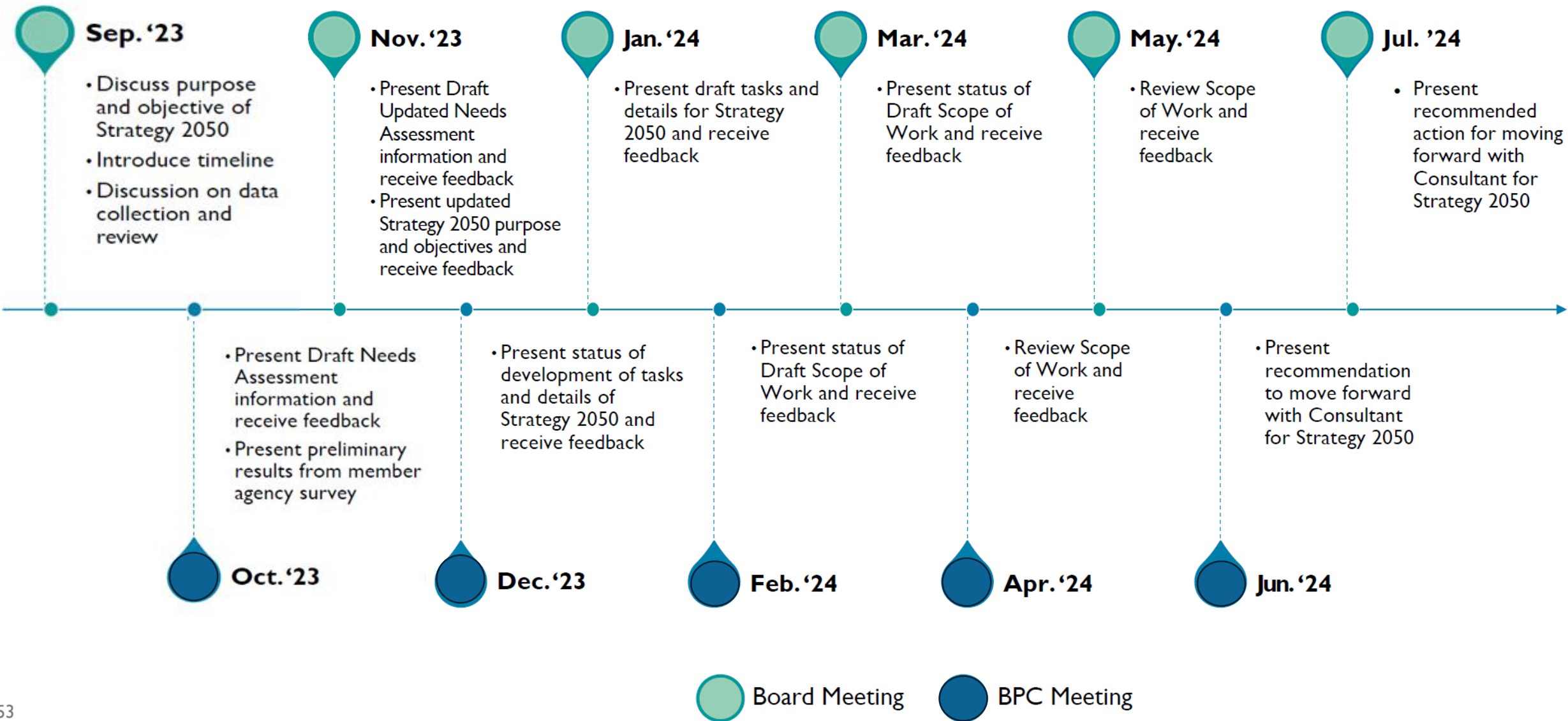
BAWSCA is Ready to Initiate Development of Strategy 2050

Recommended Action – Authorize CEO/GM to:

- Negotiate and execute a contract with EKI to develop Strategy 2050 for a cost not to exceed \$2,267,000;
- Execute a new contract with Hanson Bridgett to provide legal services in support of the development of Strategy 2050 with a cost of \$180,000; and
- Approve the enactment of the Water Management Charge to fund the development of Strategy 2050 work up to a not-to-exceed amount of \$2,447,000



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



The Seven Key Tasks for the Scope of Work Reflect Board and WMR Input

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 Drinking 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



Positive Feedback for Strategy 2050 Expressed During Recent Regional Water Supply Reliability Roundtable Workshop

- BAWSCA hosted a Regional Water Supply Reliability Roundtable (Roundtable) meeting on June 17, 2024
 - Approximately 25 people were present, including representatives from the San Mateo County's Office of Sustainability, Sustainable San Mateo, Tuolumne River Trust, Valley Water, SFPUC, EBMUD, and BAWSCA agencies
- Discussions centered on proposed scope of work for Strategy 2050 development
 - Roundtable participants were highly supportive of proposed approach for Strategy 2050
 - Roundtable participants expressed a strong interest in being kept informed of Strategy 2050
 - BAWSCA intends to hold Roundtable meetings in FY 2024-25 that will accommodate stakeholder interest
- Participants shared:
 - Needs, concerns, and priorities related to Strategy 2050
 - Ideas for how Strategy 2050 can support the region
 - Related efforts to be considered in Strategy 2050 and other potential participants



Strategy 2050 Development–Consultant Resources Needed

- EKI – Technical Services
 - Technical consultant for Scope of Work development
 - Proposed technical consultant for development of Strategy 2050
 - Proposed contract = \$2,267,000
- Hanson Bridgett – Legal services
 - Provide legal support for development of Strategy 2050
 - Proposed contract = \$180,000



Water Management Charge Previously Used to Successfully Fund the 2015 Strategy

- Proposed funding for Strategy 2050 is similar to the successful funding method for the 2015 Strategy
 - An estimated \$2,447,000 is to be collected over 18 months (\$135,944 per month)
 - Charges allocated to agencies in proportion to their FY 2000-01 Regional Water System purchases
 - SFPUC would collect funds via a new line “Water Management Charge” added to each wholesale customer’s water bills beginning in September 2024
 - Agencies encouraged to seek additional legal guidance on best way to recover this cost
 - SFPUC would remit funds to BAWSCA for its use on behalf of its member agencies
 - As required by the WSA, BAWSCA would provide an annual fiscal year report to San Francisco stating how much money was received and how the funds were expended



Recommendation

That the Board authorize the CEO/General Manager to:

1. Negotiate and execute a contract with EKI for the development of Strategy 2050 for a cost not to exceed \$2,267,000;
2. Execute a new contract with Hanson Bridgett to provide legal services to support of the development of Strategy 2050 with a cost of \$180,000;
3. Enact the Water Management Charge to fund the development of Strategy 2050 work up to a not-to-exceed amount of \$2,447,000.



Board Compensation Increase and Reimbursement Policy on Board Member Expenses



BAWSCA, 2018



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Bay Area Water Supply & Conservation Agency

Legal Framework for Board Member Compensation

- 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 last adopted June 17, 2004, becoming effective on September 1, 2004
- Maximum allowable increase using simple adjustment is to \$200 per day of service effective September 1, 2024



Expanded Agency Board Member Compensation Comparison (from June 2023 BPC memo)

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.

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



Board Consideration of an Increase in Board Member Compensation Has Been Requested

- It has been requested that the Board consider an increase in compensation from \$100/meeting to \$200/meeting
- Topic discussed by BPC three separate times (April 2023, June 2023 and June 2024) with no recommendation to the Board
- Increasing stipend from \$100 to \$200/meeting would result in
 - \$21K increased meeting cost
 - For FY 2024-25, this increased cost would need to be funded by a transfer from the General Reserve and an associated increase to the approved Operating Budget
 - Stipend increase could be delayed until July 1, 2025 and included in FY 2025-26 Operating Budget
- It has also been suggested that the Board consider modifying BAWSCA's policy to require a compensation review every 3 to 5 years

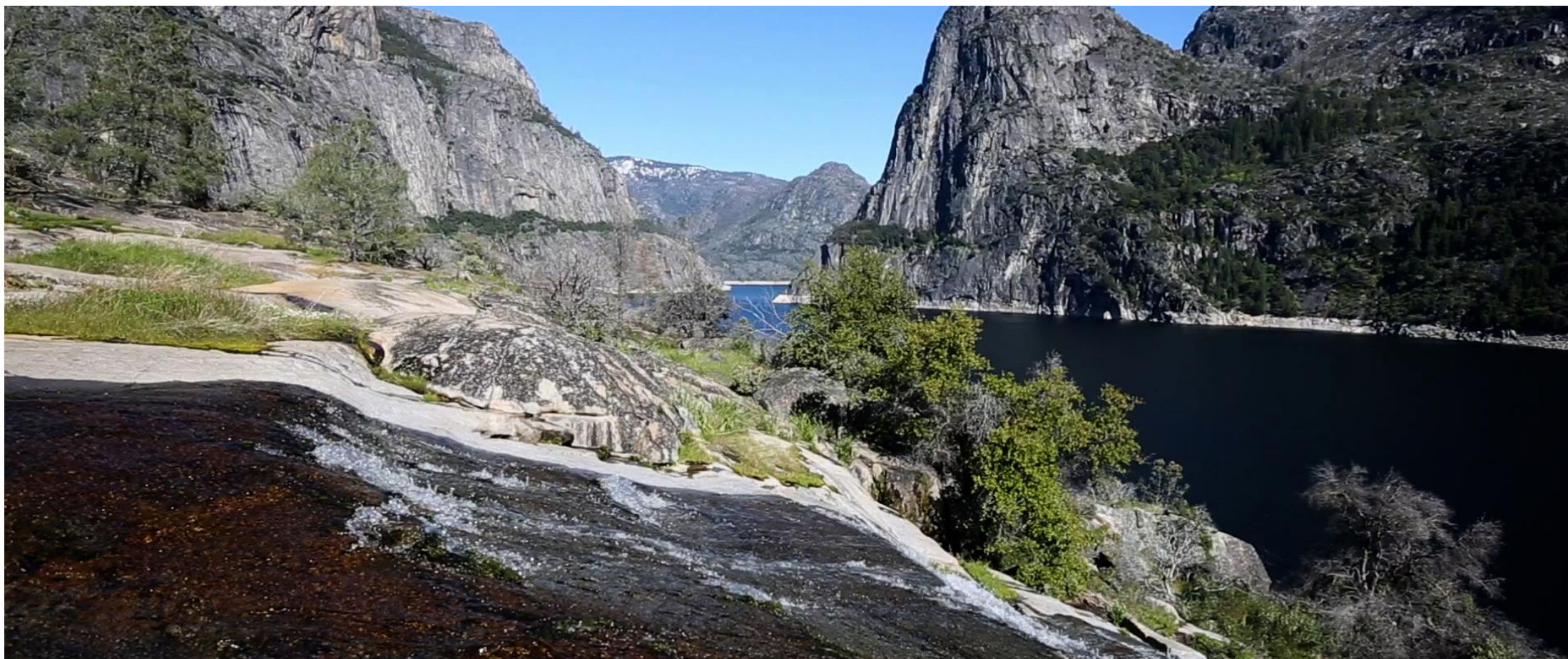


Options for Board Action

- There is no specific recommendation for this agenda item
- The following are possible options for Board action tonight:
 1. **Increasing the stipend up to \$200/meeting:** The earliest effective date for such an increase is November 18, 2024 . If the Board selects this option, it will direct staff to publish notice of a public hearing for the next available Board meeting and would require a transfer from the General Reserve to increase the FY 2024-25 Operating Budget.
 2. **Clarifying that the compensation increase would go into effect in FY 2025-26 pending budget approval:** If the Board selects this option, it will direct staff to publish notice of a public hearing for a Board meeting in Spring 2025 and to include the necessary funding in the proposed FY 2025-26 Operating Budget.
 3. **Requiring review of Board member compensation on a specified year interval:** If the Board selects this option, a revised Reimbursement Policy and Resolution of adoption would be brought forward at the next available Board meeting
 4. **No action.**



CEO Reports



Update on Negotiation of a New Tier 2 Drought Allocation Plan

- Final elements of the Tier 2 Plan were agreed to at the June workshop
- Lead negotiators supportive of a final deal that includes:
 1. New Tier 2 Plan, and
 2. WSA amendment to address minimum purchase challenges
- Both pieces expected to go to agency governing bodies simultaneously
- BAWSCA is confident the updated Plan will be adopted by all agencies
- Given additional minimum purchase element in deal, schedule will be impacted
 - Unanimous adoption by all 26 agencies not possible before existing Plan expires Dec 31, 2024
 - Board will need to act to extend existing Plan until new Plan is unanimously adopted
- BAWSCA team continues to move the Tier 2 Plan process forward
 - Meeting with negotiators, agency executive staff, and others
 - Developing adoption materials with legal counsel



FERC/Bay Delta Plan Update

- No official change in Phase 1 or Phase 2 Bay Delta Plan timelines
 - Delays have been experienced for Phase 1 overall
- SWRCB staff and stakeholders continue necessary engagement and technical development to support preparation of necessary environmental documents
- Late last month, Governor Newsom signed SB 108 (Wiener), the Budget Act of 2024, which includes the restoration of nearly \$500 million for the Agreements to Support Healthy Rivers and Landscapes, formerly known as the Voluntary Agreements



CEO/General Manager Performance Evaluation

- CEO FY 2023-24 evaluation initiated with discussion at June BPC and a compensation survey
- No changes proposed to evaluation process this year
- Evaluation materials will be e-mailed to Board by July 29th
 - CEO's "Summary of Annual Activities" report
 - Link to CEO evaluation form
- Board member asked to return evaluation form by August 12th
- September Board meeting
 - Results of FY 2023-24 evaluation at September meeting
 - Consideration of any changes to CEO compensation
 - Consideration of any changes to CEO evaluation for FY 2024-25



New CEO/General Manager Recruitment

- Mr. Peter Smith with Koff and Associates has been hired to assist BAWSCA in its recruitment effort
- Recruitment has begun and brochure can be found at www.BAWSCA.org and [here](#)
- In addition to traditional water, wastewater and government job list serves, Mr. Smith is targeting LinkedIn groups focused on Black, Latino and Women Engineers
- Applicants requested to submit necessary information by August 13th
- Schedule currently anticipates
 - Late August/Early September: Candidate interviews with Ad Hoc Committee
 - September 19, 2024: Candidate recommendation from Ad Hoc Committee for Board consideration
 - November 2024: New CEO start, allowing for overlapping “hand-off” with current CEO
- Another update will be provided via email in August



Closed Session



Ragsdale, 2023



Additional Time for Public Comments (Time Permitting)



BAWSCA 2018



Directors' Discussion



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

Next Meeting and Adjournment

Next Meeting

September 19, 2024
6:30 pm
Burlingame Community Center

