

“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

March 21, 2024



# Call To Order/Roll Call/Salute to Flag





# Comments by the Chair



Jensen, 2011





# Board Policy Committee Report





# SFPUC Report



Ragsdale, 2023



# **Water Supply Conditions Update**

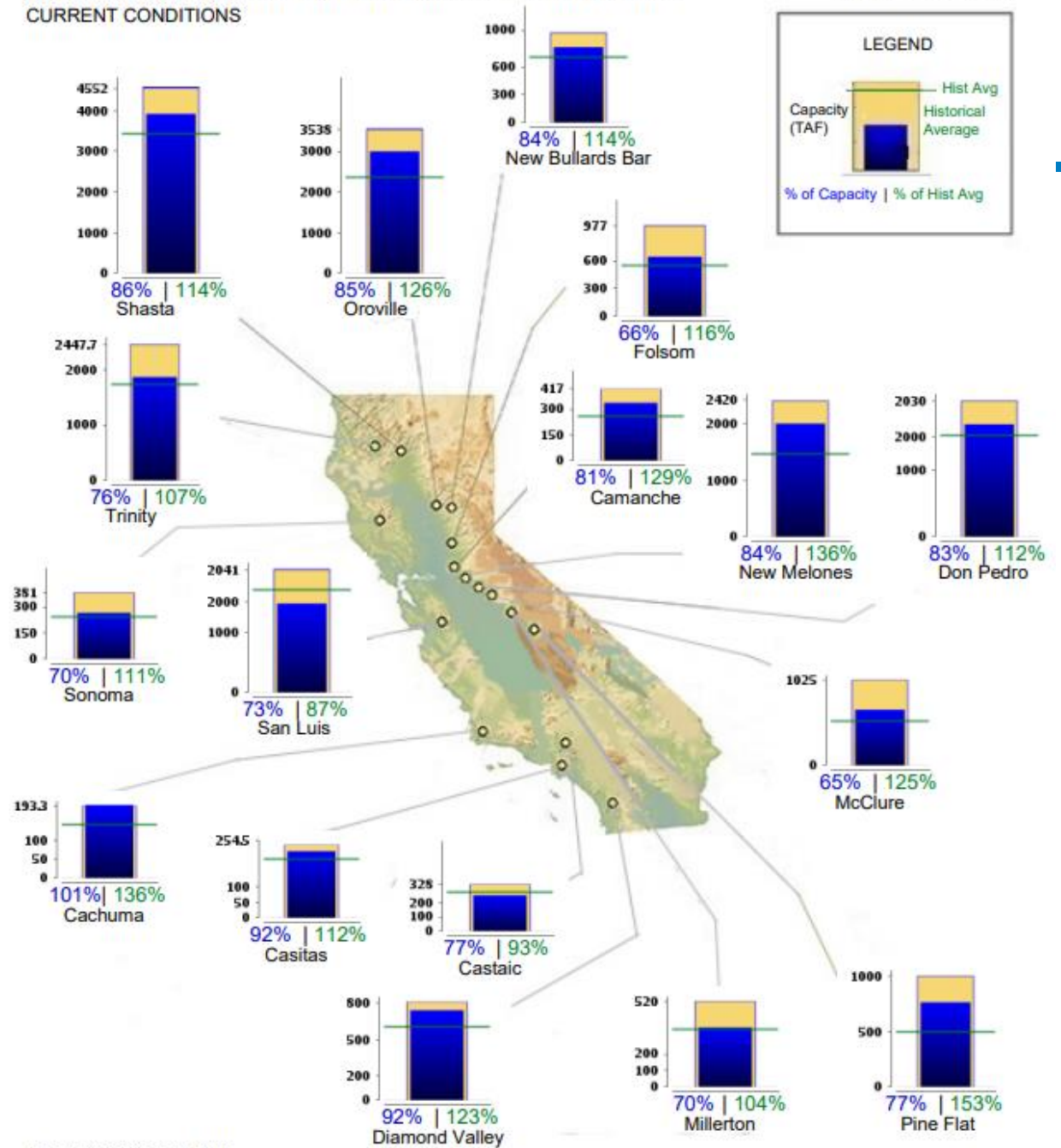
March 21, 2024

# March 18, 2024 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	306,400	360,360	53,960	85.0%	<b>61.9%</b>
Cherry	237,500	273,345	35,845	86.9%	-
Eleanor	23,670	27,100	3,430	87.3%	-
Water Bank	570,000	570,000	0	100.0%	<b>99.0%</b>
<b>Total Tuolumne Storage</b>	<b>1,137,570</b>	<b>1,230,805</b>	<b>93,235</b>	<b>92.4%</b>	-
<u>Local System</u>					
Calaveras	91,459	96,670	5,211	94.6%	-
San Antonio	50,072	53,266	3,194	94.0%	-
Crystal Springs	43,665	68,953	25,288	63.3%	-
San Andreas	14,331	18,675	4,344	76.7%	-
Pilarcitos	2,551	3,125	574	81.6%	-
<b>Total Local Storage</b>	<b>202,078</b>	<b>240,689</b>	<b>38,611</b>	<b>84.0%</b>	-
<b>Total System Storage</b>	<b>1,339,648</b>	<b>1,471,494</b>	<b>131,846</b>	<b>91.0%</b>	<b>80.0%</b>
<b>Total without water bank</b>	<b>769,648</b>	<b>901,494</b>	<b>131,846</b>	<b>85.4%</b>	-

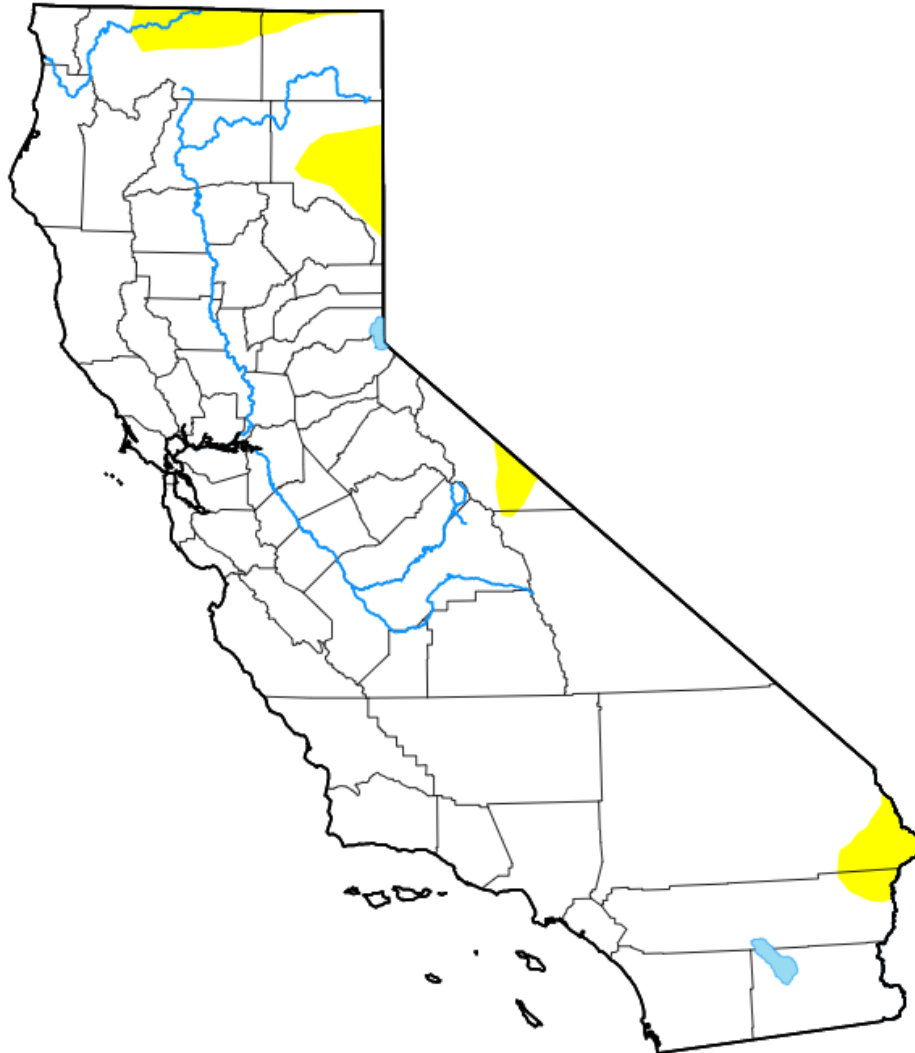


# Other California Reservoirs





# California Drought Monitor



Map released: Thurs. March 14, 2024

Data valid: March 12, 2024 at 8 a.m. EDT

## Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

## Authors

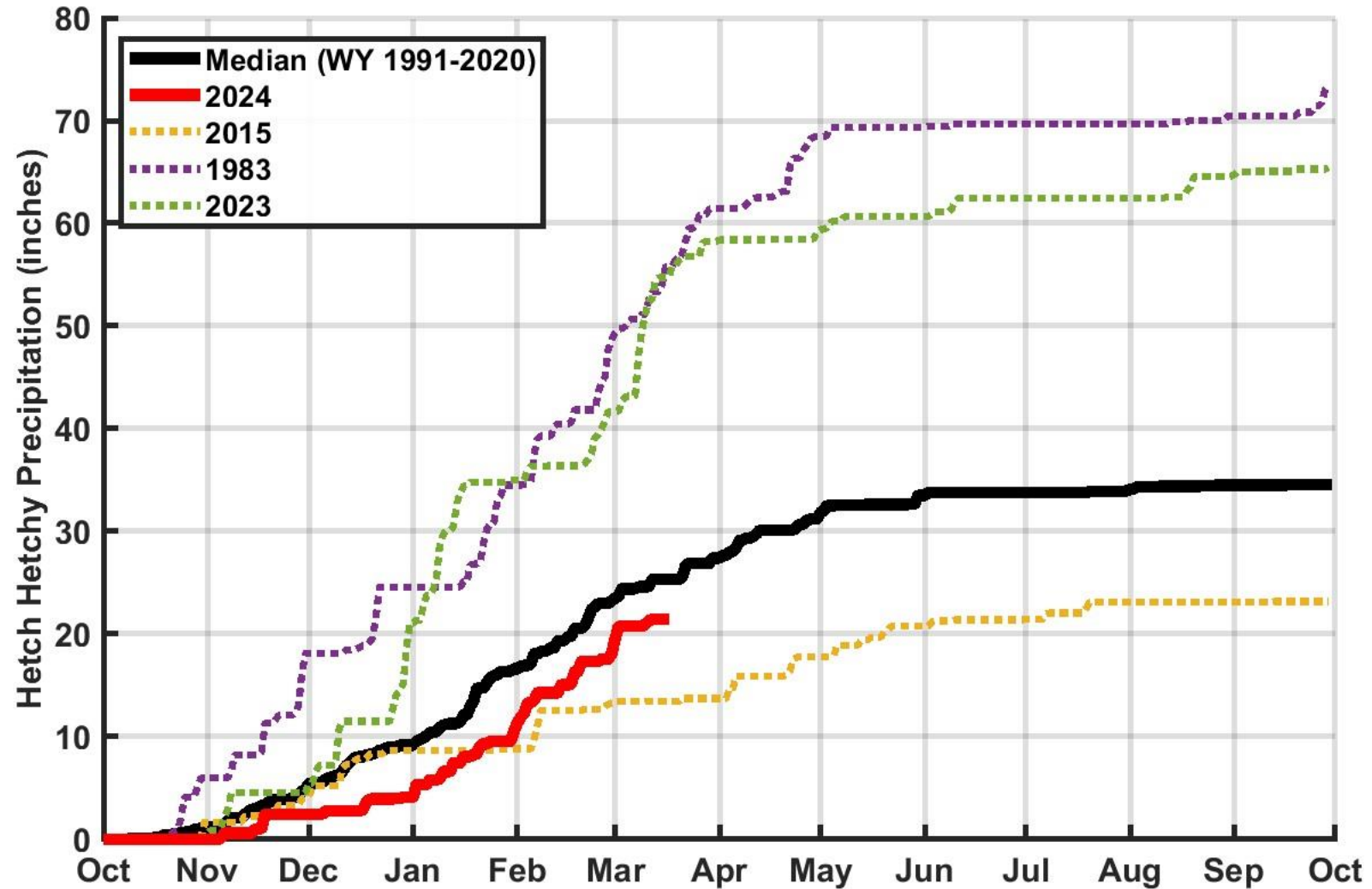
United States and Puerto Rico Author(s):

[Curtis Riganti](#), National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

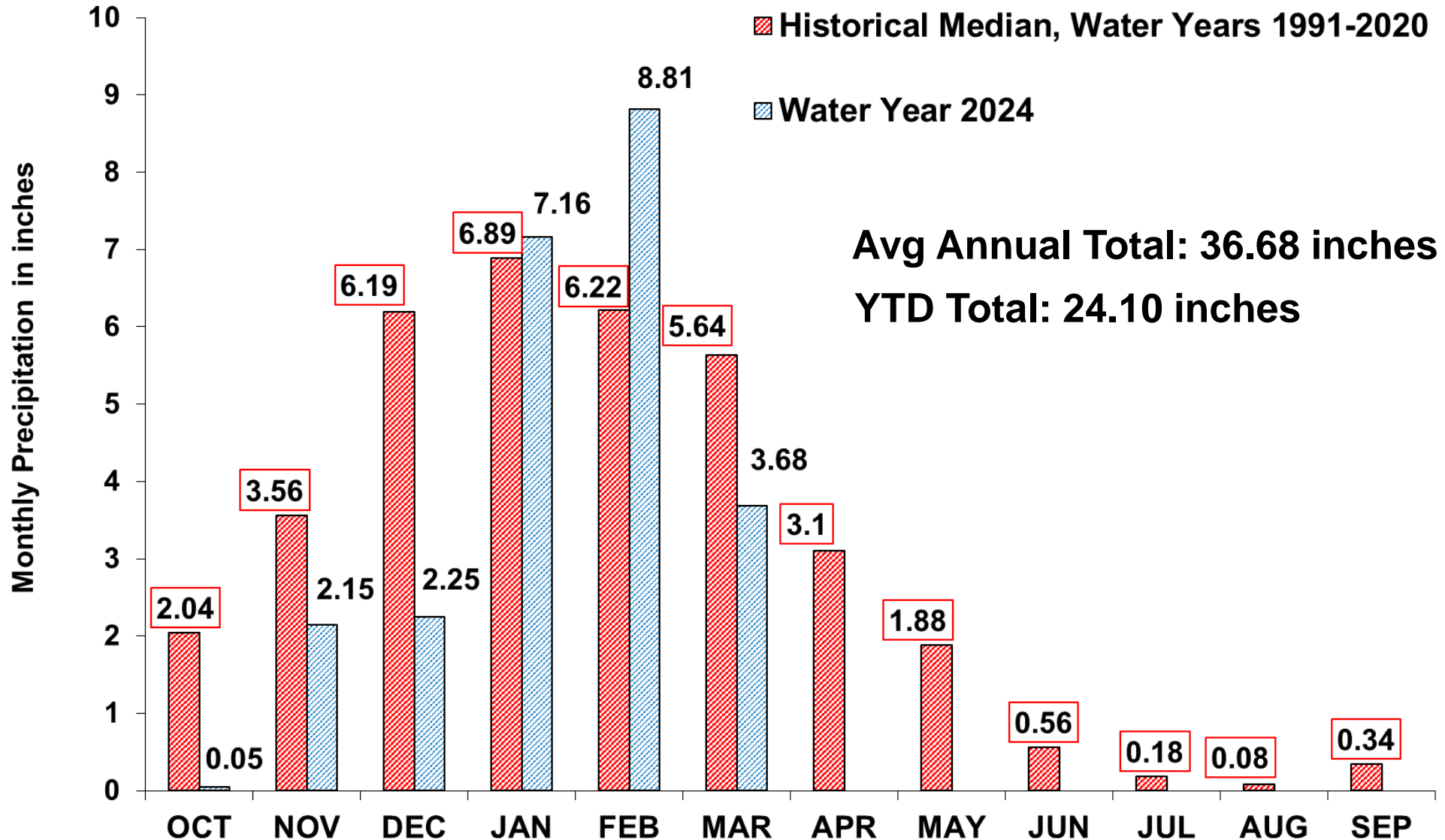
[Denise Gutzmer](#), National Drought Mitigation Center

# Hetch Hetchy Precipitation

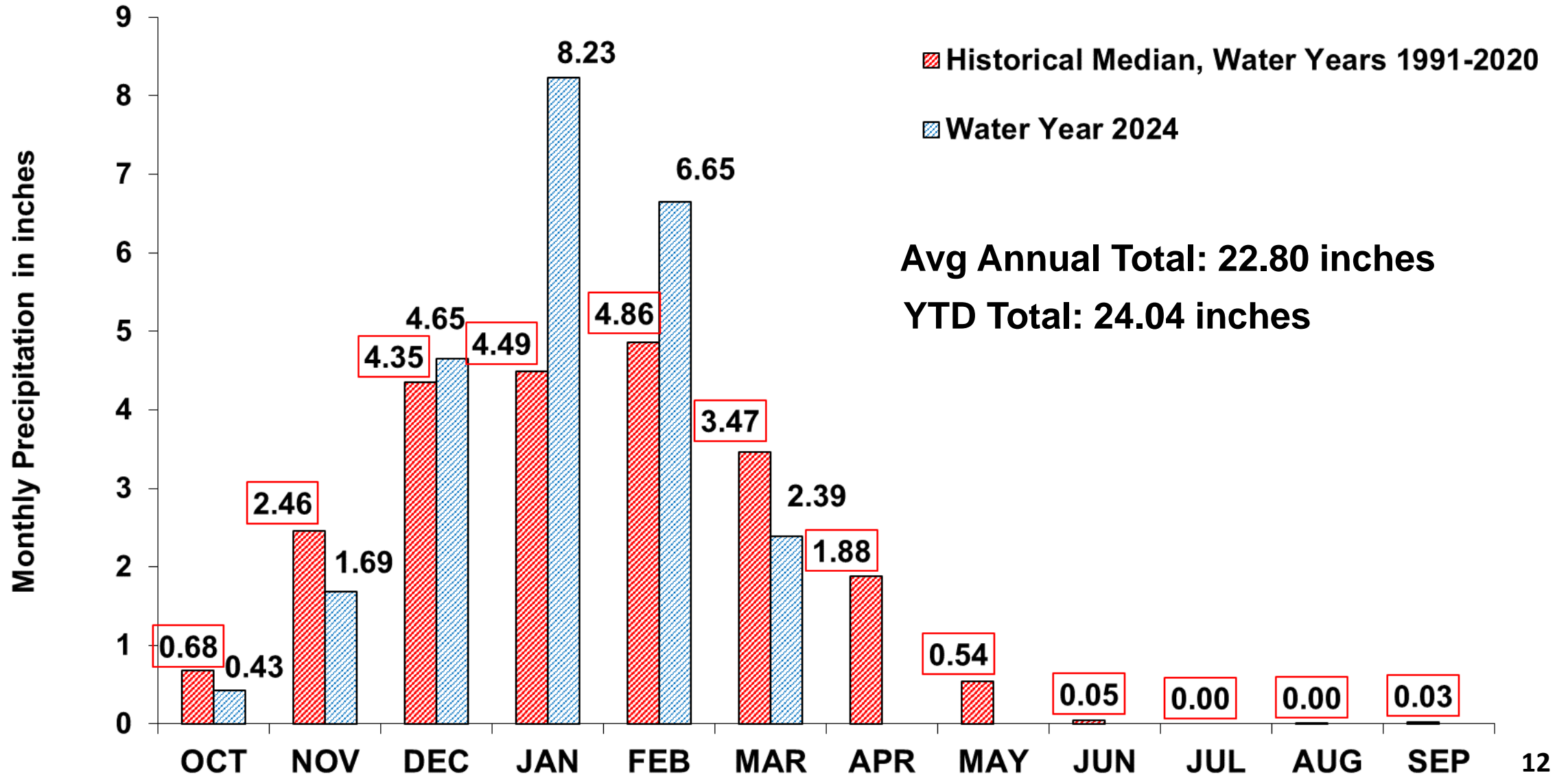




# Upcountry 6-station Precipitation Index as of March 17, 2024

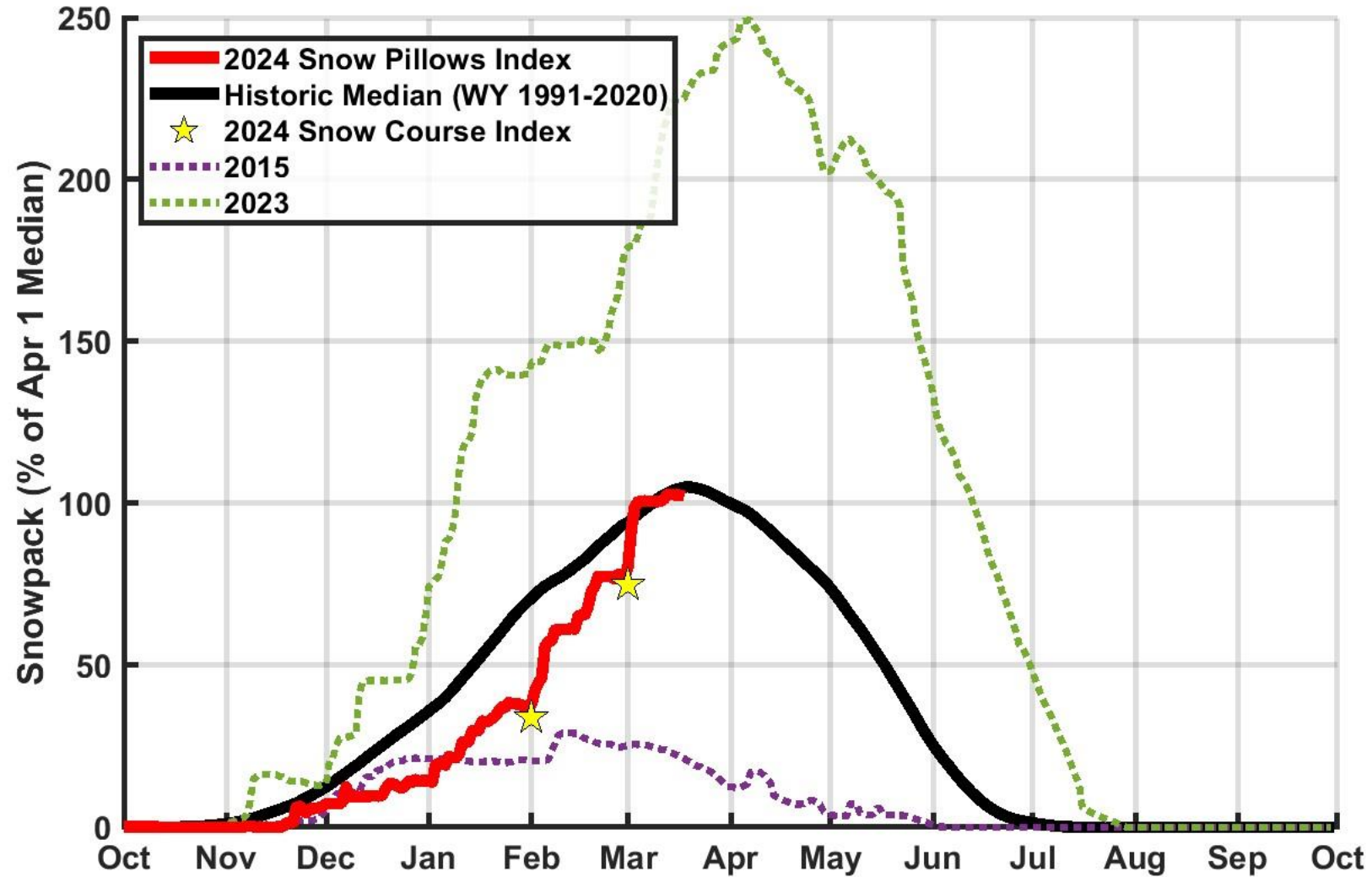


# Bay Area 7-station Precipitation Index as of March 17, 2024

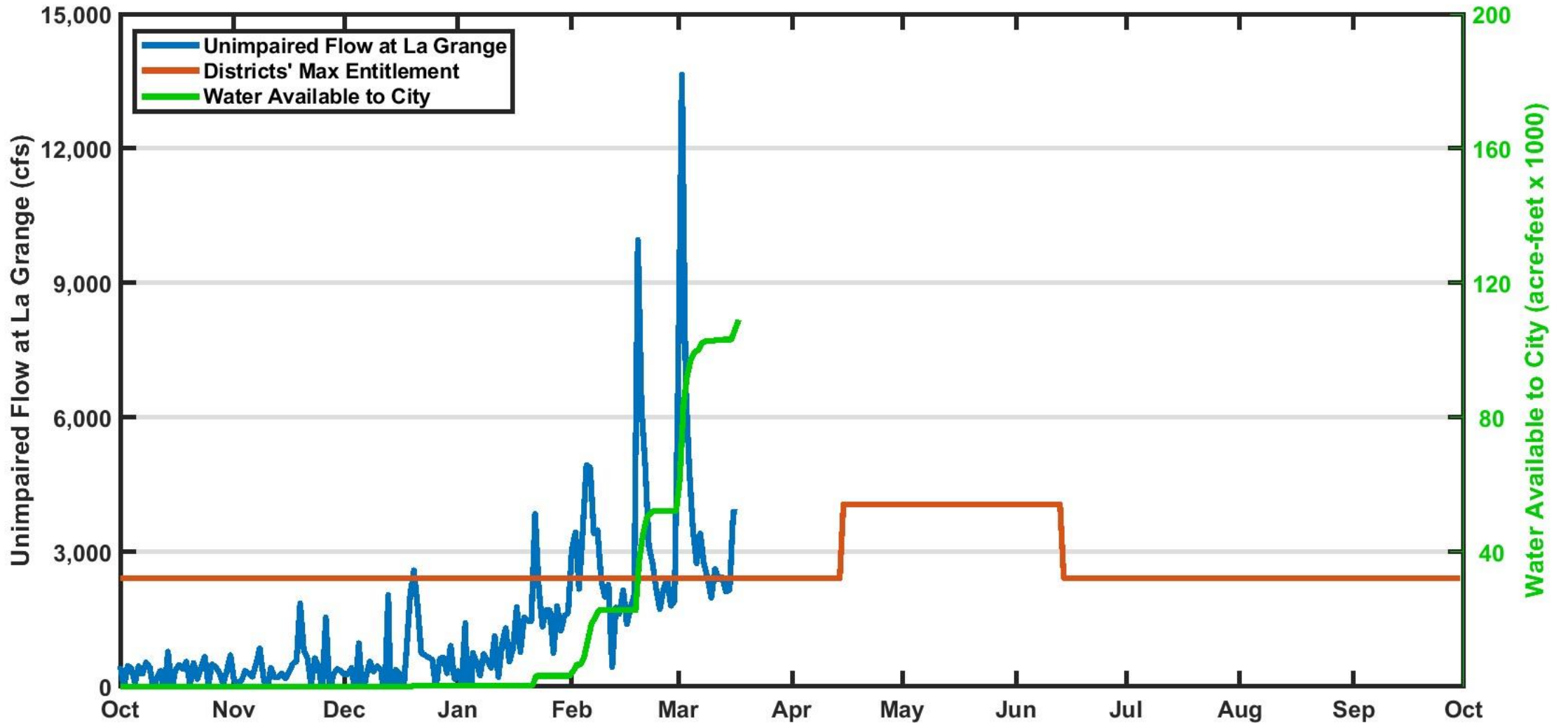




# Upcountry Snowpack

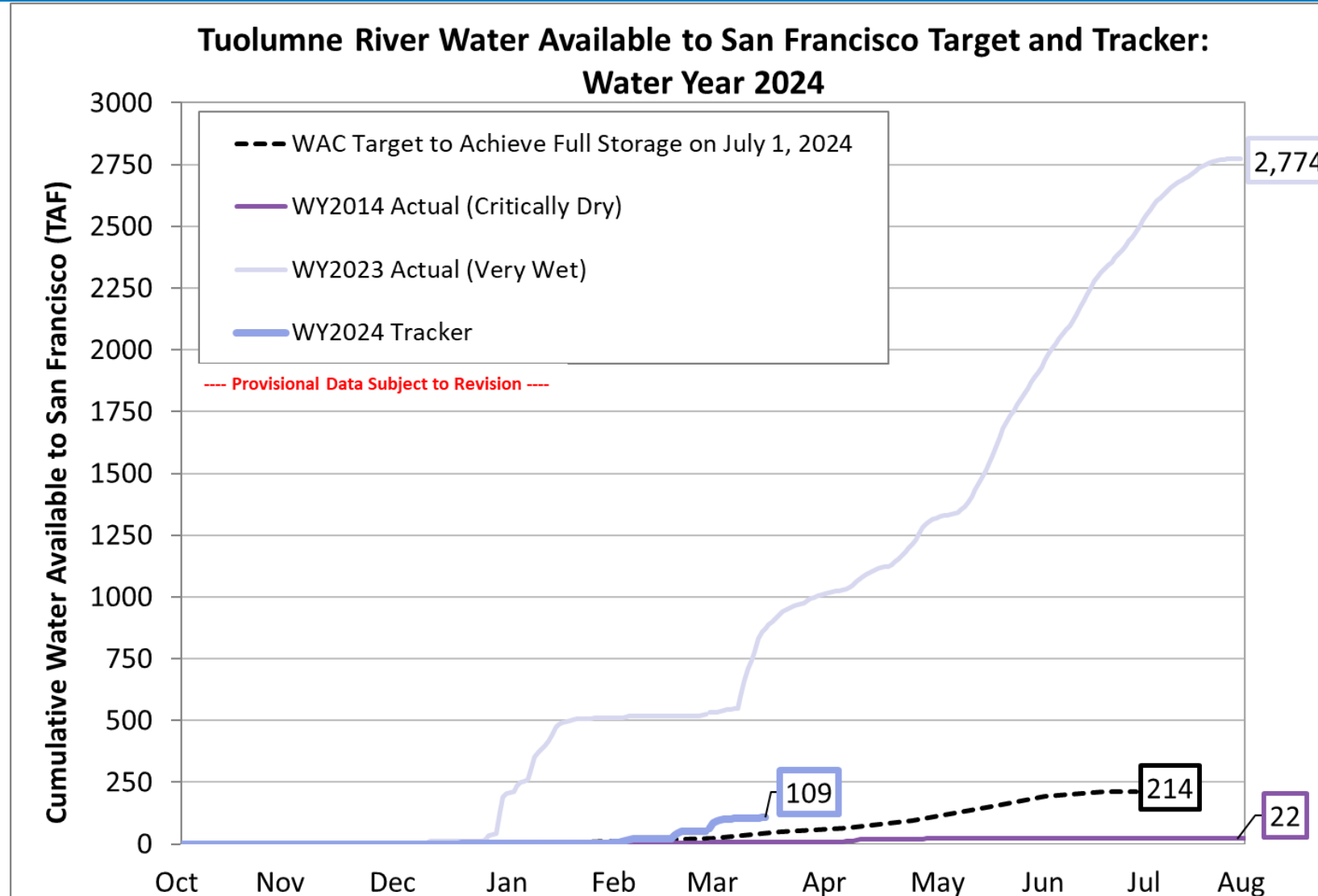


# Water Available to the City



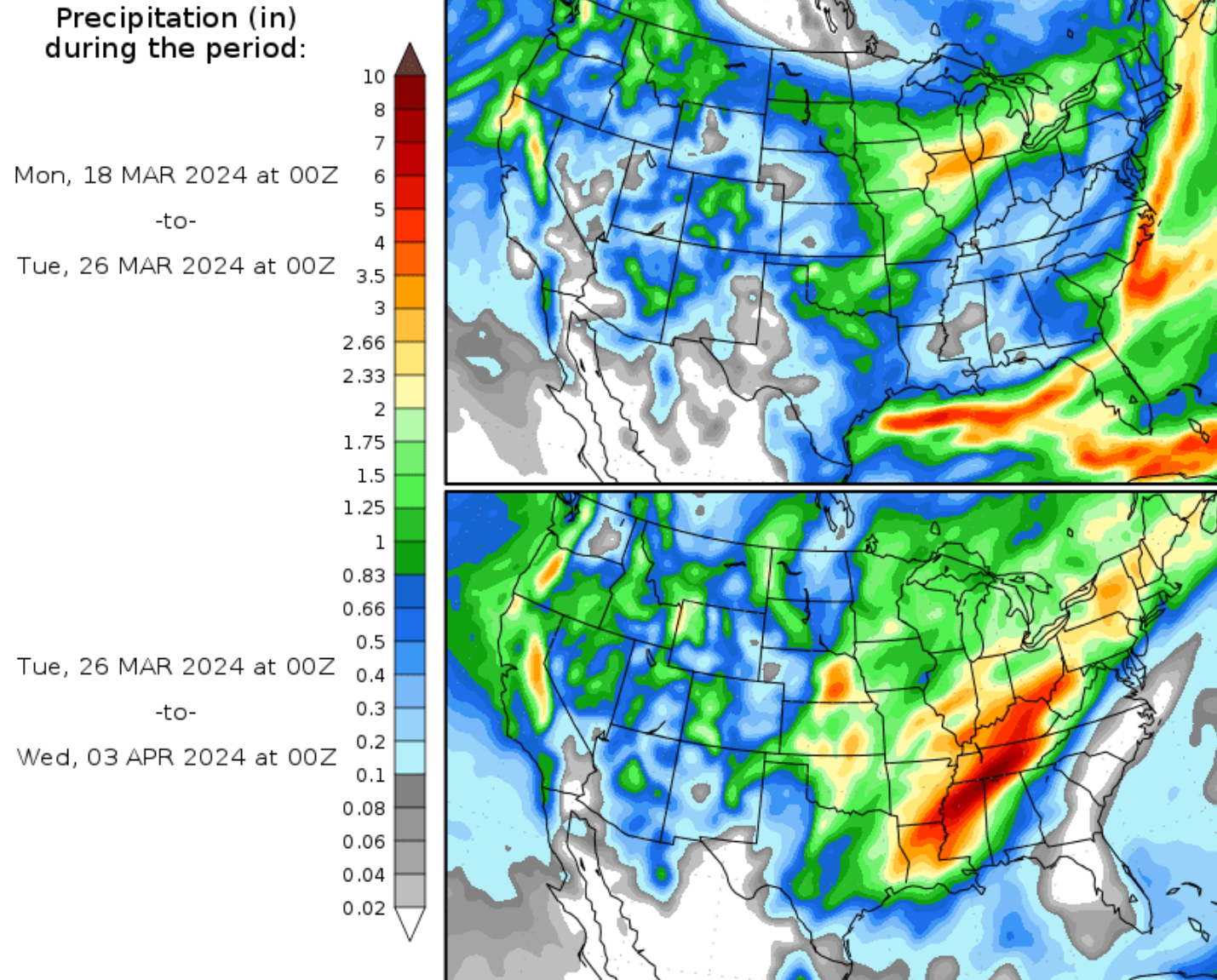


# Tuolumne River Water Available to the City



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

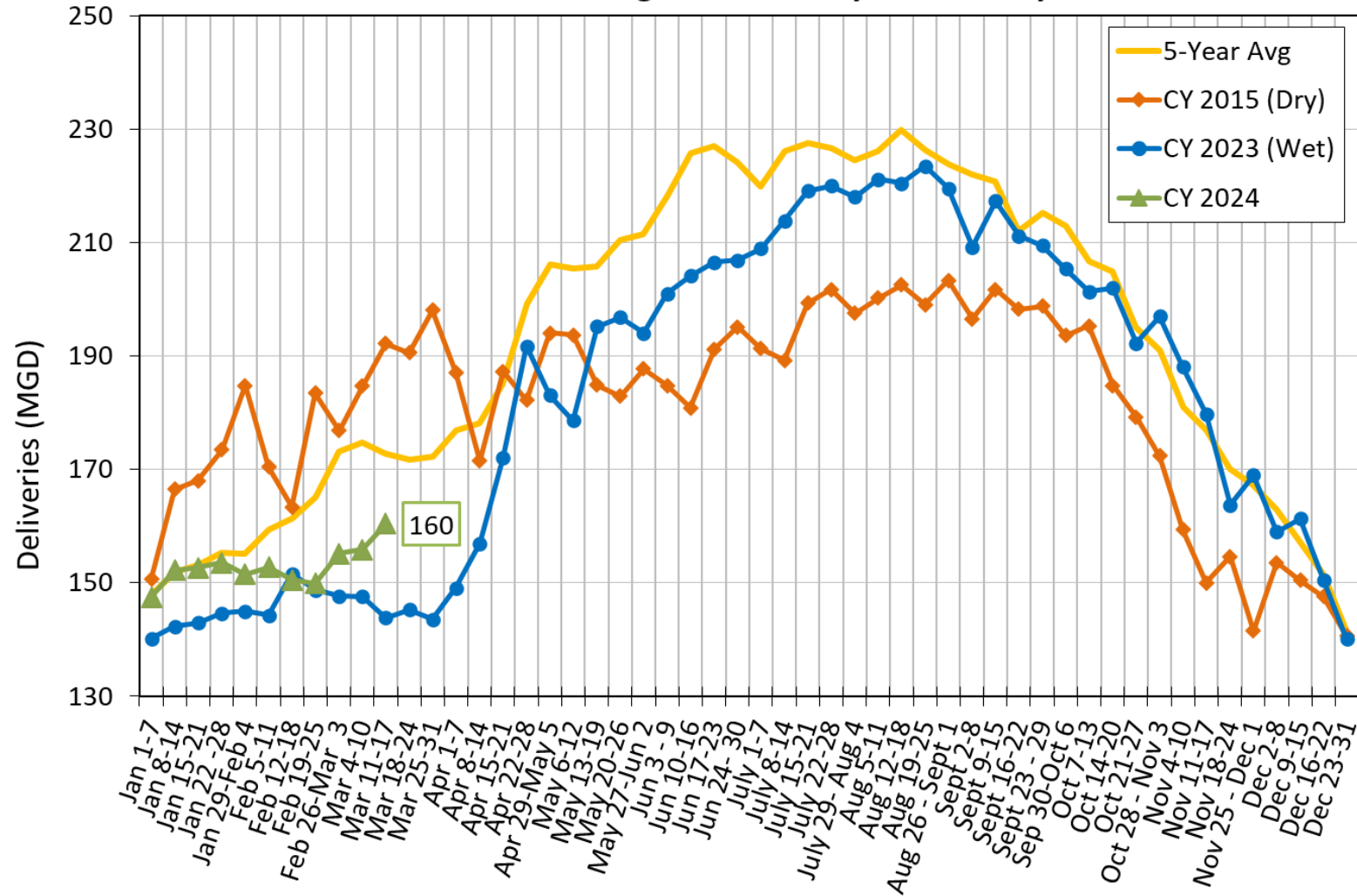
# National Precipitation Forecast





# Total Deliveries

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



# **Budget and 10 Year CIP Update**

March 21, 2024

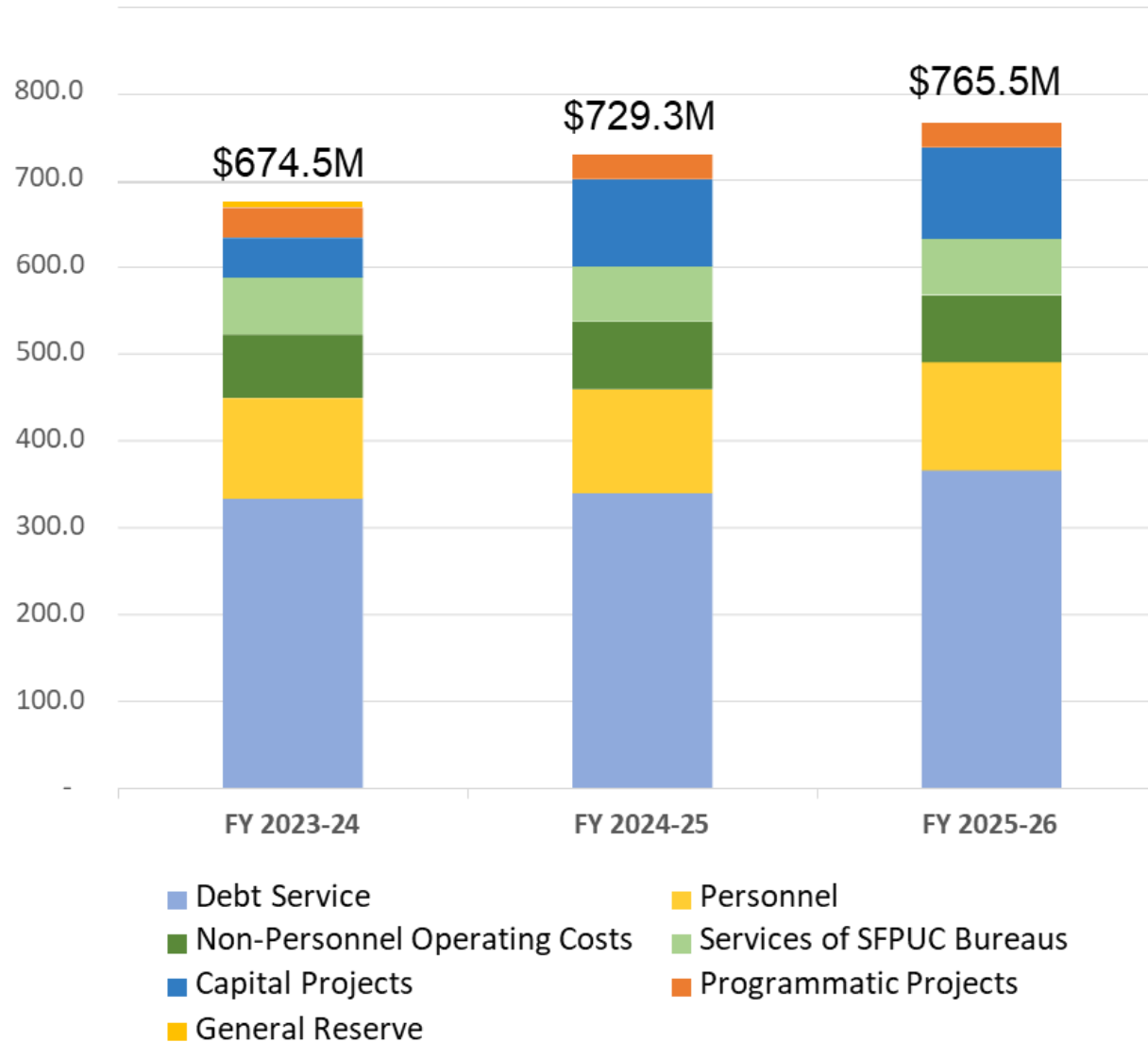
- Adopted by the Commission on February 13, 2024
- Will be component of City-wide budget submitted to the Board of Supervisors by the Mayor on May 1
- Board of Supervisors will consider the budget in June/July



Developed considering:

- Water Enterprise Levels of Service
- New regulatory requirements
  - Lead in drinking water (*Retail Only*)
  - Vehicles and equipment
- Implementing new programs
  - Alameda Creek Watershed activities
  - Alternative Water Supplies
  - Native American and Cultural Resources
  - Tuolumne River issues
- Realignment of certain staff resources

# Water Budget Growth Overview



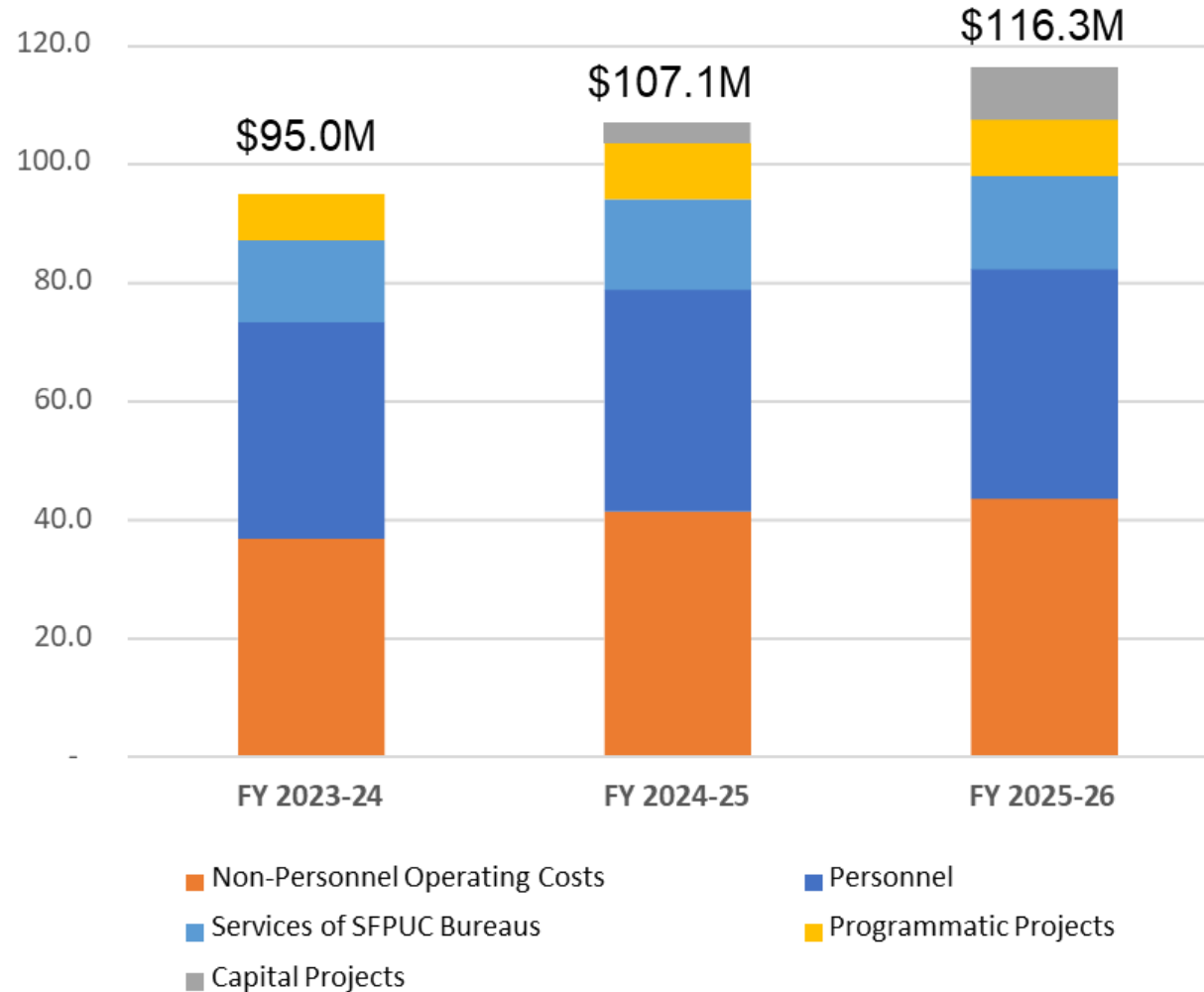
# Highlights of Water Operating Requests

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- Conversions of Temporary to Permanent positions
- New Hydrant Meter regulations
- New Lead In-School monitoring requirements
- Position realignments in Water Supply and Treatment Division
- Staffing for Alameda Watershed Center and Nursery
- Permanent staffing for Alternative Water Supplies
- Chemical cost increases
- Equipment & Fleet Modernization



# Hetchy Water Budget Growth Overview



# Highlights of Hetchy Water Operating Requests

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- National Park Service Memorandum of Agreement and Turlock & Modesto Irrigation Districts for Don Pedro Project re-licensing
- O'Shaughnessy Dam Instream Flow Management Plan environmental review
- Native American and Cultural Resources Management Program

# Water Enterprise Capital Improvement Programs

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- Water Capital is really 3 separate 10-year programs:
  - Local Water..... \$1.3 Billion
    - Dominated by water mains plus a new yard
  - Regional Water..... \$1.6 Billion
    - Dominated by water treatment and transmission plus a new yard
  - Hetch Hetchy Water... \$1.5 Billion
    - Dominated by replacement and rehabilitation of aging facilities



# Regional Water Capital Program Highlights

- Millbrae Yard Campus Improvements (\$411M)
  - Rollins Road building is seismically unsafe
  - Millbrae laboratory is outdated
  - South Shops building is unsafe and unusable
  - Millbrae Yard has numerous “temporary” outbuildings and storage containers



# Regional Water Capital Program Highlights

- 3 SVWTP Projects (\$175M, \$190M previously appropriated)
  - Ozone Treatment (\$107M, \$145M previously appropriated)
  - Short Term Improvements (\$33M, \$45M previously appropriated)
  - Long Term Improvements (\$35M)



# Regional Water Capital Program Highlights

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- Five major transmission main projects (\$196M) in construction in the next 4 years
  - BDPL1-4 Lining Repair (\$19M)
  - BDPL4 Pre-Stressed Concrete Cylinder Pipe Repair (\$50M)
  - BDPL3&4 UPRR Crossing Upgrade (\$18M)
  - CSPL2 Reaches 2&3 Rehabilitation (\$74M)
  - CSPL2 Reach 5 Lining Replacement (\$35M)



# Hetch Hetchy Water Capital Program Highlights

- Mountain Tunnel Improvements (\$58M), Moccasin Powerhouse Projects (\$80M), and SJPL Valve and Safe Entry (\$75M) all in construction



# Hetch Hetchy Water Capital Program Highlights

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- Seven other major projects (\$294M) going into construction in the next 5 years
  - SJPL Valve Remote Control (\$38M)
  - Moccasin Switchyard Rehabilitation (\$18M)
  - Transmission Lines Clearance Mitigation (\$63M)
  - Cherry-Eleanor Pumps (\$38M)
  - Canyon Tunnel - Hetchy Adit (\$27M)
  - Moccasin Engineering and Records Building (\$84M)
  - Moccasin Warehouse Building (\$26M)

# Hetch Hetchy Water Capital Program Highlights

- Moccasin Penstocks Replacement (\$322M) is a very large, critical project.
  - Penstocks are essential for Hetch Hetchy water supply delivery.
  - Penstocks were constructed in 1925.
  - Rehabilitation has been actively considered, but not selected.
  - All replacement options are being considered, but all have similar costs.



- $$\text{FYE 2025 Rate} = \frac{\$327.6M \text{ WRR} + \$19.4M \text{ Balancing Account}}{127.4 \text{ MGD Estimated Water Sales}} = \$5.55/ccf$$

**FYE 2025 Rate Increase = 6.5%**

### Factors driving rate increase:

- *Growth in capital spending*
- *Continued low water usage*
- *Balancing account being drawn down to make up for deferral in FYE 2024*

### Schedule:

April 14, 2024	Notification of Wholesale Water Rates
May 14, 2024	Commission Rate Hearing
July 1, 2024	FY 2024-25 Rates Effective







# Consent Calendar

- A. Approve Minutes of the January 18, 2024 Meeting
- B. Receive and File Budget Status Report – As of January 31, 2024
- C. Receive and File Investment Report – as of January 31, 2024
- D. Receive and File Bond Surcharge Collection, Account Balance and Payment Report – as of December 31, 2023
- E. Authorization of Professional Services Contract to Support the Preparation of the 2021-2023 Drought Report

*Board Policy Committee voted unanimously to recommend Board authorization of Item 5E*





# Public Comments on Items Not on the Agenda



BAWSCA 2018





# Preliminary Fiscal Year 2024-25 Work Plan, Results to be Achieved and Operating Budget



SFPUC



# Preliminary FY 2024-25 Work Plan Will Achieve BAWSCA's Goals

- Preliminary Work Plan aligns with BAWSCA's legislated authority and three goals
  - Table 1 presents draft preliminary FY 2024-25 Work Plan
  - Table 2 presents activities not included
- Addresses critical issues identified between now and 2065
- Includes additional program activity and staff time to:
  - Initiate development of BAWSCA's Strategy 2050
  - Initiate development of Updated Regional Water Demand Projections
- Includes continuation of previously approved multi-year projects
  - Prepare BAWSCA 2021-2023 Drought Summary Report
  - Support Members with water use efficiency legislation CII performance measure requirements
  - Facilitate negotiation and adoption of an updated Tier 2 Plan



# Preliminary FY 2024-25 Work Plan Reflects Board Input Provided During January 18<sup>th</sup> Budget Planning Session and Feb. 14<sup>th</sup> BPC

- Table 4 provides responses to the comments provided by the Board and members of the public in January
- New information provided in response to request for information about staff loading and as part of staff analysis performed in preparing the preliminary work plan:
  - Chart 1 “Staff Resource Analysis for Preliminary FY 2024-25 Work Plan”
  - Table 3 “Estimated Staff Hours and FTE by Preliminary FY 2024-25 Work Plan Item”
- In response to concerns related to staffing constraints and BPC’s strong suggestion, the following has been added to the preliminary Work Plan:
  - New independent consultant support to act as “staff extension” for short-term assistance, and
  - \$68K budget allowance for this support





# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *Reliable Water Supply*

- I. Facility Reliability: Monitor SFPUC’s WSIP, 10-Year Capital Plan, Asset Mgmt. Program, and Emergency Response
  - a. Monitor WSIP scope, cost, and schedule ***including extending State oversight as necessary*** through to completion
  - b. Review and monitor SFPUC’s Regional 10-Year Capital Plan to ensure that identified projects and programs meet the needs of the members in a cost-effective and appropriate manner
  - c. Review and monitor SFPUC's Asset Management Program to ensure ongoing long-term maintenance and protection of RWS assets
  - d. Provide assistance to members and help facilitate engagement with the SFPUC regarding emergency response matters
  - e. Engage with and track the SFPUC Capital Planning Improvements Initiative
  - f. Review the SFPUC 2024 State of Water System Report



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *Reliable Water Supply*

2. Long-Term Supply Solutions: Implement Strategy
  - a. ***Initiate development of Strategy 2050\****
  - b. ***Initiate development of updated regional water demand projections\****
  - c. Participate in Bay Area Regional Reliability (BARR) Partnership
  - d. Participate in the continued planning of the PureWater Peninsula portable reuse project.
  - e. Facilitate development of other local water supply options
  - f. Use BAWSCA Reliability Model to evaluate Bay Delta Plan/VA impacts
  - g. Facilitate use of the BAWSCA Reliability Model by members via subscription program



# Staff Resources to Initiate Development of Strategy 2050 Included in FY 2024-25 Work Plan but Not Funding

- Scope of work for Strategy 2050 will be complete this fiscal year
  - Reflects significant input from Board and members
- Preliminary FY 2024-25 Work Plan includes staff resources to initiate Strategy 2050 development
  - Based on staffing analysis and identified limitations, preliminary work plan assumes work to be initiated in January 2025
- Alternative funding source will be recommended for Strategy 2050
  - WSA provides for the SFPUC to include a “Water Management Charge” in water bills sent to Wholesale Customers if requested by BAWSCA
  - Water Management Charge can be used to support conservation, recycling, and development of alternative supplies
- Recommended Board action on Strategy 2050 consultant contract will include a recommended funding source



# Initiate Development of Updated Regional Water Demand Projections (2025 Demand Study)

- BAWSCA has coordinated regional water demand projections since 2002
  - Projections done generally every 5 years
  - Most recent 2022 Demand Study provided projections thru 2045
- Updated demand projections necessary to support
  - Strategy 2050
  - 2025 Urban Water Management Plans
  - Other regional planning efforts
- Staff has initiated consultant selection process and anticipates bringing recommended contract to Board in May 2024
  - New demand projections will take 18 months to complete
  - Work will be performed in FY 2024-25 and FY 2025-2026
- Estimated FY 2024-25 Cost: \$400K
  - FY 2024-25 and FY 2025-26 cost will need to be updated based on current contract negotiations



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *Reliable Water Supply*

3. Near-Term Supply Solutions: Water Conservation and Drought Response
  - a. Prepare the BAWSCA 2021-2023 Drought Summary Report
  - b. Represent member agency interests in discussions related to “Making Water Conservation a California Way of Life” requirements as appropriate
  - c. Provide regional coordination to support AMI implementation and data management
  - d. Implement BAWSCA’s core conservation programs that benefit all customers\*
  - e. Implement BAWSCA’s subscription conservation rebate programs\*
  - f. Engage with CalWEP and others to promote 3rd party development and administration of a lead repair and training certification program
  - g. Participate in San Mateo County C/CAG one watershed pilot program
  - h. Represent members in regional and State-level discussions relative to water conservation





# Thirteen Existing and Planned Core Conservation Programs for FY 2024-25

Water Efficient Landscape Education Classes  
*In Person & Virtual*

Water-Wise Gardening in the Bay Area Tool

Native Garden Tours and Symposiums

Qualified Water Efficient Landscaper (QWEL) Program

“Making Conservation a Way of Life” Strategic Plan

Residential Self-Audit Program

Water Loss Evaluation & Knowledge Workgroup

Advanced Metering Infrastructure (AMI) Support

Water Conservation Database (WCDB)

LEAK Workgroup

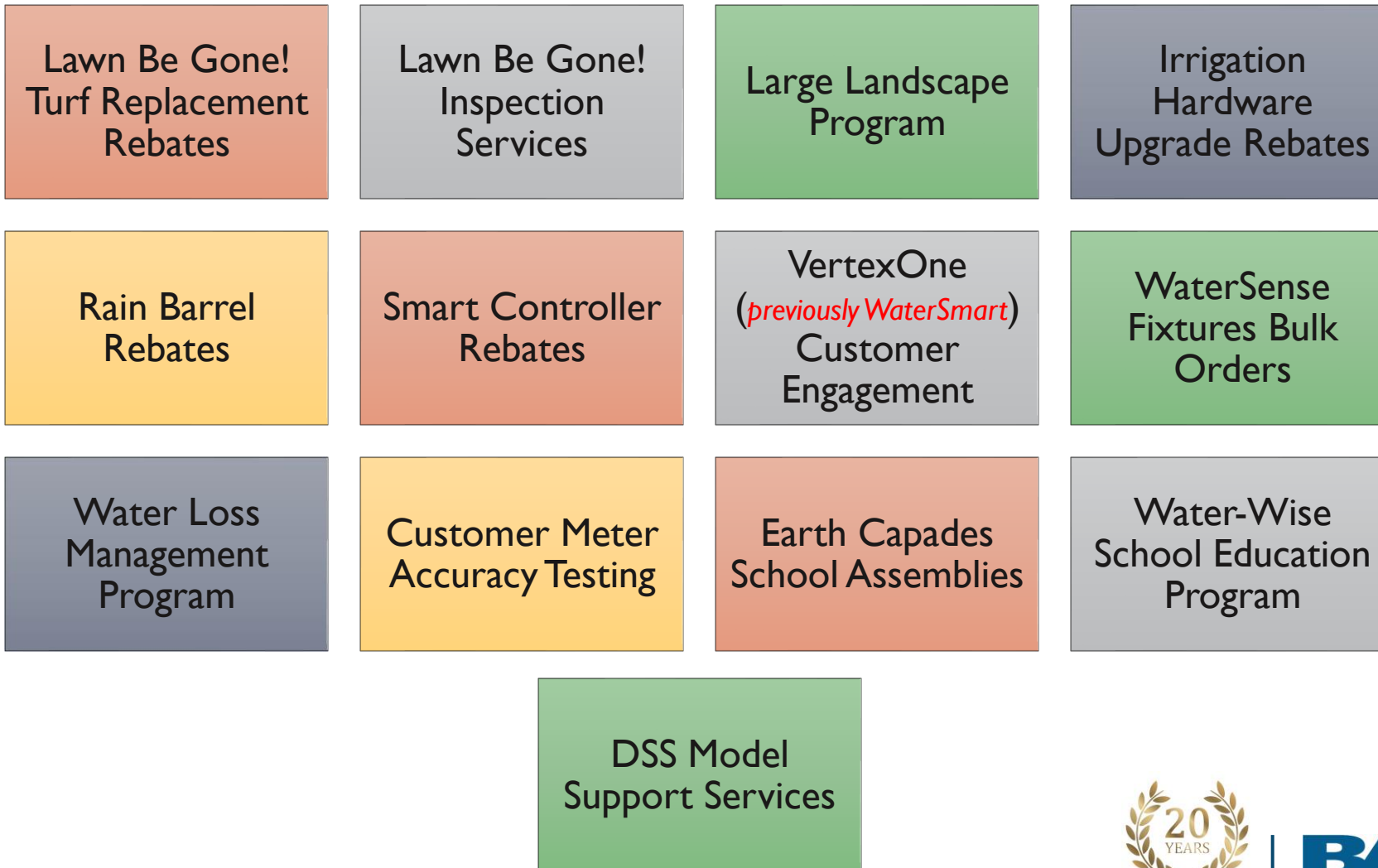
2021-2023 Drought Summary Report

BAWSCA Grant Tracking Program

Water Use Efficiency Legislation Support



# Thirteen Existing and Planned Subscription Conservation Programs for FY 2024-25



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *Reliable Water Supply*

4. Take Actions to Protect Members' Water Supply and Financial Interests in WSA Administration
  - a. Monitor SFPUC's implementation of its Alternative Water Supply (AWS) Program
  - b. Protect members' interests to ensure SFPUC meets its legal and contractual water supply obligations
  - c. Adopt temporary extension of Tier 2 Plan that expires December 2024 if necessary
  - d. Facilitate final negotiations and adoption of an updated Tier 2 Plan
  - e. Protect members' water supply and financial interests in the SFPUC's required 2028 decisions
  - f. Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment
  - g. Ensure correct implementation of 2023 WSA amendments allowing for minimum purchase transfers
  - h. ***If proposed by SFPUC, support members in considering a possible new amendment to the WSA related to Minimum Purchase obligations***



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *Reliable Water Supply*

5. Protect Members' Interest in Reliable Water Supply
  - a. Participate in SWRCB Bay Delta Water Quality Control Plan proceedings
  - b. Participate in La Grange and Don Pedro FERC Relicensing proceedings
6. Pursue Grant Opportunities
  - a. Pursue and use grant funds, including Prop I Integrated Regional Water Management conservation grant
  - b. Pursue grant funding with regional partners
  - c. Implement BAWSCA grant tracking tool to support members' access to grant funds**
  - d. Investigate potential grant funds to support implementation of BAWSCA's Strategy
7. Reporting and Tracking of Water Supply and Conservation Activities
  - a. Annual Survey
  - b. Annual Water Conservation Report
  - c. In partnership with members, operate and maintain updated Water Conservation Database



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – *High Water Quality*

8. Support Member Agencies in Receiving Reliable Communication on Water Quality Issues
  - a. Coordinate members participation in Joint Water Quality Committee to ensure it addresses Wholesale Customer needs
  - b. Relay important water quality information to member agencies
  - c. Review and act on, if necessary, State legislation affecting water quality regulations





# Major Tasks in Preliminary FY 2024-25 Work Plan – Fair Price

9. Perform Matters that Member Agencies have Delegated to BAWSCA in WSA
  - a. Administer WSA to protect financial interests of member agencies
  - b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to SF

**AMENDED AND RESTATED**  
**WATER SUPPLY AGREEMENT**  
 between  
**THE CITY AND COUNTY OF SAN FRANCISCO**  
 and  
**WHOLESALE CUSTOMERS**  
 in  
**ALAMEDA COUNTY, SAN MATEO COUNTY AND**  
**SANTA CLARA COUNTY**  
  
**NOVEMBER 2018**

\$135,115,000<sup>\*</sup>  
**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**REFUNDING REVENUE BONDS**  
**(CAPITAL COST RECOVERY PREPAYMENT PROGRAM), SERIES 2023A**  
**(THE "BONDS")**

**CERTIFICATE OF FINALITY OF PRELIMINARY OFFICIAL STATEMENT**

October 8, 2021

The undersigned hereby states and certifies:

- That she is a duly authorized officer of the Bay Area Water Supply and Conservation Agency and such is duly

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 8, 2021**

**NEW ISSUE - BOOK-ENTRY ONLY** **RATINGS:** Moody's: "Aa3"  
S&P: "AA-"  
See "RATINGS" herein.

**BAWSCA**  
 Bay Area Water Supply & Conservation Agency

**\$135,115,000<sup>\*</sup>**  
**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**Refunding Revenue Bonds**  
**(Capital Cost Recovery Prepayment Program), Series 2023A**

**Dated:** Date of Delivery **Due:** October 1, as shown on inside cover page

The Bay Area Water Supply and Conservation Agency Refunding Revenue Bonds (Capital Cost Recovery Prepayment Program), Series 2023A (the "Series 2023A Bonds"), will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2023A Bonds. Individual purchasers of Series 2023A Bonds will be made in book-entry form only, in denominations of \$1,000 or any integral multiple thereof. Purchasers of Series 2023A Bonds will not receive certificates representing their interest in the Series 2023A Bonds purchased but will receive a credit balance in the records of DTC. Principal and interest are payable directly to DTC by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Series 2023A Bonds will be issued pursuant to a Revenue Bond Indenture, dated as of January 1, 2013, by and between the Bay Area Water Supply and Conservation Agency (the "Agency") and the Trustee, and a Second Supplemental Revenue Bond Indenture, dated as of October 1, 2021 (the "Second Supplement"), by and between the Agency and the Trustee (said indenture as amended and supplemented, including as supplemented by the Second Supplement collectively, the "Indenture").

Principal is payable on the dates set forth on the inside cover page. Interest on the Series 2023A Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2023. Upon receipt of payments of principal and interest, DTC is obligated in turn to remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to purchasers of the Series 2023A Bonds, as described herein. As used herein, the term "Bonds" means the Bay Area Water Supply and Conservation Agency Revenue Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

The Series 2023A Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2023A BONDS-Redemption" herein.

The Series 2023A Bonds are being issued to (i) refund a portion of the Bay Area Water Supply and Conservation Agency Revenue Bonds (Capital Cost Recovery Prepayment Program), Series 2023A and (ii) pay costs of issuance incurred in connection with the issuance of the Series 2023A Bonds. The Series 2023A Bonds will be secured by a pledge of and payable from surcharges imposed by the Agency and collected by the Public Utilities Commission of the City and County of San Francisco on water sold to certain retail water service providers in Alameda County, Santa Clara County and San Mateo County (the "Members") and interest and investment earnings on amounts held by the Trustee under the Indenture ("Revenues").

The Bonds are special, limited obligations of the Agency. The Bonds shall not be deemed to constitute a debt or liability of the Agency, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory provision, or a pledge of the faith and credit of the Agency, the State of California or of any political subdivision thereof, but shall be payable, except to the extent of certain amounts held under the Indenture pledged thereto, solely from Revenues. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of California or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Agency has no taxing power.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2023A Bonds are offered when, as, and if delivered to and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Agency by Hansen Bridgett LLP and for the Underwriters by Stridling, Yocum, Carlson & Benth, a Professional Corporation. The Series 2023A Bonds are expected to be available for delivery through the facilities of The Depository Trust Company on or about January 5, 2023. See "FORWARD DELIVERY OF THE SERIES 2023A BONDS" for a discussion regarding the delayed delivery of the Series 2023A Bonds, certain conditions to the obligations of the Underwriters to purchase the Series 2023A Bonds and certain risks to purchasers of the Series 2023A Bonds resulting from the delayed delivery thereof.

**Goldman Sachs & Co. LLC** **J.P. Morgan**

Dated: October \_\_, 2021

\* Preliminary, subject to change

\*\* DRAFT\*\* 2/4



# Major Tasks in Preliminary FY 2024-25 Work Plan

## – Agency Effectiveness

- I 0. Maintain Community Allies and Contacts with Environmental Interests
  - a. Maintain close relationships with BAWSCA's local legislators and allies, and activate them if necessary, to safeguard the health, safety, and economic well-being of residents and communities
  - b. Maintain a dialogue with responsible environmental and other groups, who will participate in the permitting and approval process for efforts to maintain system reliability
  - c. Maintain effective communications with members, customers, and others to achieve results and support goals
  - d. In conjunction with SFPUC, conduct tours of the water system for selected participants
- I I. Manage the Activities of the Agency Professionally and Efficiently
  - a. Implement BAWSCA's Student Internship Program
  - b. Implement Board policy directives for management of BAWSCA's unfunded OPEB and pension liability obligations
  - c. Maintain a motivated, trained, and effective workforce
  - d. Continue development of a staff-led plan to address BAWSCA's long-term policy and operational resilience to inform future policy making
  - e. **Implement directive to make Board and BPC meetings available to public via livestream**



# Preliminary FY 2024-25 Work Plan Includes Continuation of Three Previously Approved Multi-Year Projects

1. Prepare BAWSCA 2021-2023 Drought Summary Report
  - Contract with EKI included in tonight's consent calendar for total cost of \$135K
  - Work to begin this fiscal year and be complete in FY 2024-25
  - Estimated FY 2024-25 Cost: \$100K
2. Support Members with Water Use Efficiency Legislation CII Performance Measure Requirements
  - BAWSCA has been collaborating with Valley Water since 2022 to provide support to Members in meeting 2018 water use efficiency legislation requirements
  - State Water Board released updated draft regulations on March 12, 2024 to be finalized in Summer 2024
  - FY 2024-25 results will include finalizing the guidance documents to reflect adopted regulations and training sessions
  - Estimated FY 2024-25 Cost: \$65K



# Preliminary FY 2024-25 Work Plan Includes Continuation of Three Previously Approved Multi-Year Projects

## 3. Facilitate Negotiation and Adoption of an Updated Tier 2 Plan

- Starting in FY 2021-22, the Board directed BAWSCA to facilitate negotiations with Members to update the existing Tier 2 Plan
- For FY 2024-25 work planning purposes, it is assumed that negotiations will be complete July 1 and effort transitions to preparing contract materials and support adoption by governing bodies
- Estimated FY 2024-25 Cost: \$130K (\$50K for legal; \$80K for technical consultants)



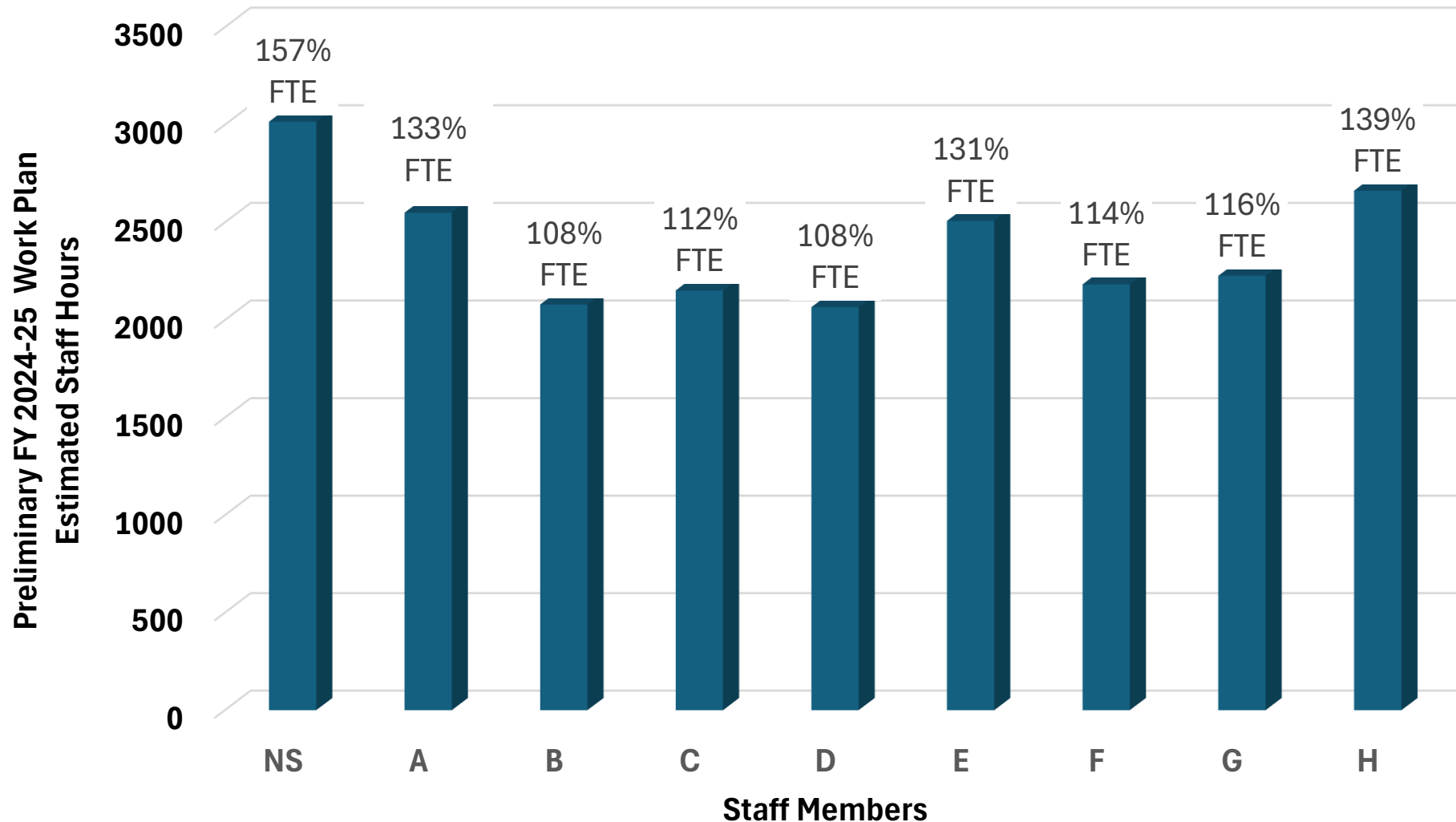
# Staffing Constraints Identified in the Development of Preliminary FY 2024-25 Work Plan

- Work plan development includes estimating staff hours by task
- First iteration of preliminary FY 2024-25 Work Plan showed significant overloading for several staff members
  - 3 staff with an estimated workload at 150% or greater
- Challenge is that FY 2024-25 Work Plan includes several major work areas with external drivers that impact staff workload
  - Tier 2 negotiations and 2025 Demand Study
- Preliminary FY 2024-25 Work Plan & Operating Budget reflects two modifications to mitigate this issue
  - Delay start of Strategy 2050 until January 2025
  - Additional \$68K budget allocation to secure new independent consultant support to act as “staff extension” for short-term assistance
- These modifications help but staffing resource constraint remains and will need to be monitored carefully in FY 2024-25
  - Will continue to look for areas to trim down work plan





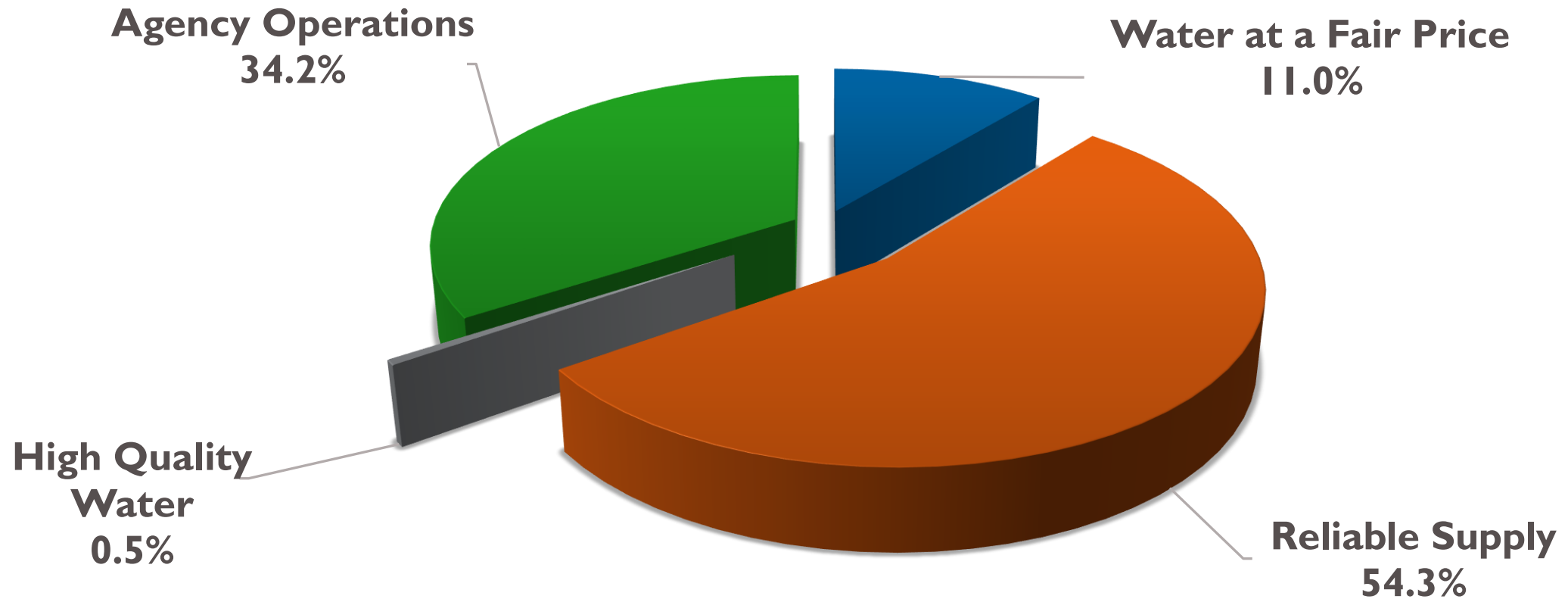
# Preliminary FY 2024-25 Work Plan Will Require Close Management to Ensure Sufficient Staff Resources to Implement



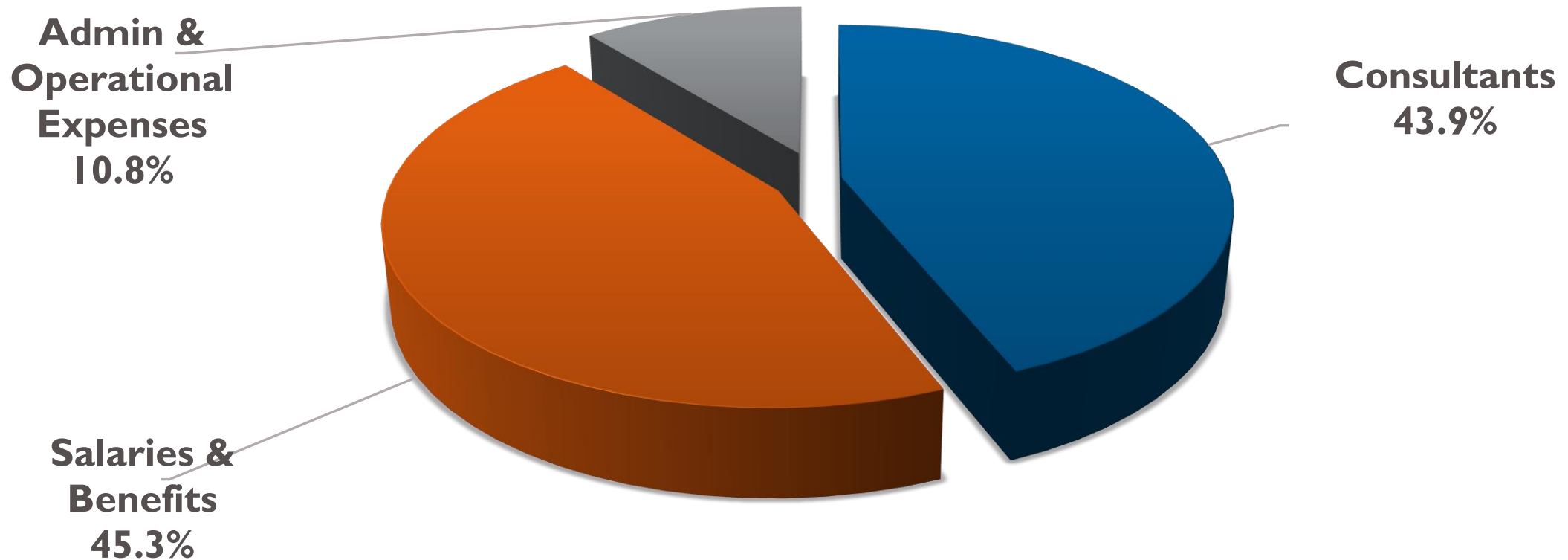
## Staff Analysis Results Reflecting Six Month Strategy Delay

- Only CEO allocated hours above 150% FTE
- All staff allocated hours above 100% FTE
- BAWSCA approved staff level is 9 FTE
- Estimated 21,445 staff hours, or 11.2 FTE, to implement Work Plan

# How is the FY 2024-25 Preliminary Budget of \$5.437M Applied to Agency Goals?



# What Resources Does the FY 2024-25 Preliminary Budget of \$5.437M Purchase?



# Considerations for Funding the Operating Budget

- Assessments on member agencies are BAWSCA's primary source of funding per AB 2058
- Four principles used historically by BAWSCA in 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.
- No assessment increases were required to fund approved FY 2023-24 Operating Budget
  - BAWSCA FY 2023-24 Operating Budget \$4,983,419
  - BAWSCA FY 2023-24 Assessments \$4,838,897
- One item that will not be included in the preliminary Operating Budget is funding the development of BAWSCA's Strategy Update
  - This will be a separate action item for Board in July 2024
  - Funding via separate Water Management Charge will be recommended



# Three Funding Options Analyzed for Preliminary Operating Budget of \$5,436,785

Fund Source	FY42023-23	FY 2024-25		
	Adopted Funding Plan as of 1/18/2024	Option 1 3% Assessment Increase	Option 2 5% Assessment Increase	Option 3 12.4% Assessment Increase
Assessments	\$4,838,897	\$4,984,064	\$5,080,842	\$5,436,785
Transfer from/(to) GR	\$144,522	\$452,721	\$355,943	\$0
Total Op. Budget/Funds	\$4,983,419	\$5,436,785	\$5,436,785	\$5,436,785
Est. EOY Transfer to GR		\$0	\$0	\$0
Est. EOY Reserves	\$1,543,390	\$1,090,669	\$1,187,447	\$1,543,390
% of Total Budget	31%	20%	22%	28%
Assessment to Budget Ratio	97%	92%	93%	100%





# Preliminary Work Plan and Budget Enables BAWSCA to Meet its Goals and Provide Significant Cost Value and Savings to Customers

- Preliminary 2024-25 Work Plan will enable BAWSCA to meet its legislative obligations and agency goals
  - BAWSCA formed to protect the health, safety and economic well-being of the water customers outside of SF that depend on the Regional Water System
  - BAWSCA's goals are to ensure a reliable supply of high-quality water at a fair price for these water customers
- BAWSCA provides significant cost value and savings to water customers
  - BAWSCA's review of WRR has saved water customers \$47M since 2001-02
  - BAWSCA's bonds, including the recent refunding, will save water customers \$89.4M over term of bonds
  - Estimated cost of preliminary Work Plan and Operating Budget to water customers is \$2.91 per person
- Tonight's feedback will be incorporated into the proposed FY 2024-25 Work Plan & Operating Budget
- April BPC Meeting: Final FY 2024-25 Work Plan and Operating Budget presented for further discussion
- May Board Meeting: Recommended Action



# BAWSCA's Long-Term Reliable Water Supply Strategy 2050

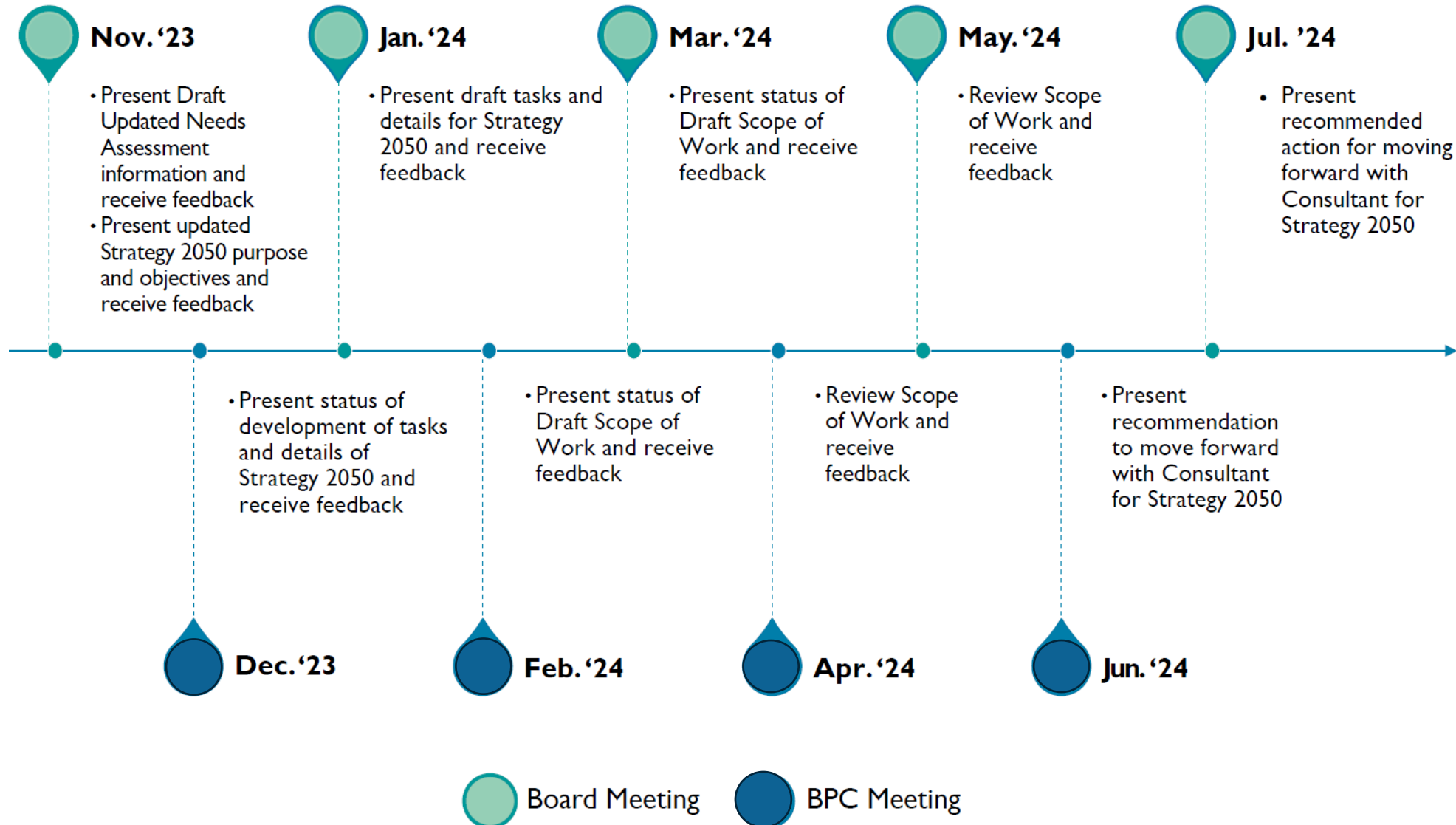


BAWSCA 2018





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



# Next Steps Towards Finalizing Scope of Work

- The draft Scope of Work (SOW) was shared with the BAWSCA WMR on March 1<sup>st</sup> with edits received by March 15<sup>th</sup>
  - The SOW comprises of several key tasks and associated subtasks, all of which will be integrated into the workplan for the strategy development
  - Feedback from both the Board and WMRs has helped guide task and subtask selection for the SOW development
- SOW will be shared with BPC in April and Board in May as an informational item
- Schedule anticipates Board action to authorize a recommended consultant contract and associated SOW in July 2024
  - Action will include recommended consultant selection and funding plan





# CEO Report



# Trial Court Decision in the State Water Board Cases

- On March 15<sup>th</sup>, the Court in State Water Board Cases issued its decision and ruled in the State Water Board's favor on all 116 claims by 12 petitioners
  - In February 2019, BAWSCA intervened in legal action “to protect the water interests” of its 26-member water agencies and their customers
  - As an intervenor, BAWSCA joined SF and others challenging the State Board's adopted Bay Delta Plan Phase I Update, which includes the Tuolumne River
  - If implemented the Plan would significantly reduce the water supply available to the water users BAWSCA represents
- BAWSCA is still reviewing the decision to determine next steps, if any
- Based on its initial review, BAWSCA is extremely disappointed in the decision, which makes a reliable supply for the Hetch Hetchy System uncertain
- The Court's decision highlights the importance of SFPUC's new Alternative Water Supply Program and early planning for new alternative water supplies
- BAWSCA continues to support a voluntary agreement for the Tuolumne River, which is being currently evaluated by the State Water Board



# Developments on Bay Delta Phase 1 and Phase 2 Plan Amendments and Voluntary Agreements

Delayed

- Phase I Voluntary Agreement (VA): CEQA review ongoing
  - Tuolumne River Scientific Basis Report Supplement for Phase I VA – anticipated in Fall 2023
  - 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
  - Written comments were due on Jan. 19, 2024
  - BAWSCA submitted comments
  - **“The Board plans to consider adoption of the Sacramento/Delta updates in late 2024 during a public process.”**





# Update on Negotiations of a New Tier 2 Drought Allocation Plan

- Lead negotiators made significant progress on major elements of the updated Plan at the February workshop
- Incremental progress made on smaller elements of the Plan at March workshop
- 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
- Consensus not secured yet, however BAWSCA continues to believe that the lead negotiators will come to agreement on final key parameters by end of June
  - If progress appears to stall, BAWSCA plans to provide Board and BPC with increasingly thorough updates on the strawperson concept beginning in June
  - BAWSCA will facilitate Board decision by October/November on whether to extend the existing Tier 2 Plan or adopt a new Plan



# Closed Session



Ragsdale, 2023





# Directors' Discussion



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# Hetch Hetchy Tour – A 2<sup>nd</sup> Tour Added!



- 2-Day Overnight Tour
  - June 4-5
  - Oct. 15-16
- Departs from and arrives back at BAWSCA Headquarters
- RSVP needed due to limited capacity
- New Board members encouraged to participate



# Next Meeting and Adjournment



## Next Meeting

May 16, 2024  
6:30 pm  
Burlingame Community Center

