

“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

May 16, 2024



# 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 March 21, 2024 Meeting
- B. Receive and File Budget Status Report – As of March 31, 2024
- C. Receive and File Bond Surcharge Collection Reports – As of March 31, 2024
- D. Receive and File Investment Report – As of March 31, 2024
- E. Receive and File Directors' Reimbursement Report – As of March 31, 2024
- F. Receive and File Employee Reimbursement Report – As of March 31, 2024
- G. Authorize Consultant Contract with Hazen and Sawyer to Develop a Regional Water Demand and Conservation Projections Study
- H. Second Amendment to Hanson Bridgett Professional Services Contract

*The Committee voted unanimously to recommend Board approval of the recommended action for Agenda Items #5G and 5H.*





# SFPUC Report



Ragsdale, 2023



# **Water Supply Conditions Update**

Alison Kastama

BAWSCA Liaison, Water

May 16, 2024

# May 13, 2024 Reservoir Storage

Storage as of: 13-May-2024

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	311,100	360,360	49,260	86.3%	<b>73.8%</b>
Cherry	254,000	273,345	19,345	92.9%	-
Eleanor	24,210	27,100	2,890	89.3%	-
Water Bank	570,000	570,000	0	100.0%	<b>92.7%</b>
<b>Total Tuolumne Storage</b>	<b>1,159,310</b>	<b>1,230,805</b>	<b>71,495</b>	<b>94.2%</b>	-
<u>Local System</u>					
Calaveras	94,840	96,670	1,830	98.1%	-
San Antonio	51,177	53,266	2,089	96.1%	-
Crystal Springs	49,576	68,953	19,377	71.9%	-
San Andreas	12,962	18,675	5,713	69.4%	-
Pilarcitos	2,660	3,125	465	85.1%	-
<b>Total Local Storage</b>	<b>211,215</b>	<b>240,689</b>	<b>29,474</b>	<b>87.8%</b>	-
<b>Total System Storage</b>	<b>1,370,525</b>	<b>1,471,494</b>	<b>100,969</b>	<b>93.1%</b>	<b>83.4%</b>
<b>Total without water bank</b>	<b>800,525</b>	<b>901,494</b>	<b>100,969</b>	<b>88.8%</b>	-

<sup>1</sup> Upcountry storage is the date's 8AM storage value taken from USGS data

<sup>2</sup> Water bank storage reported by HHWP for 05/12/2024

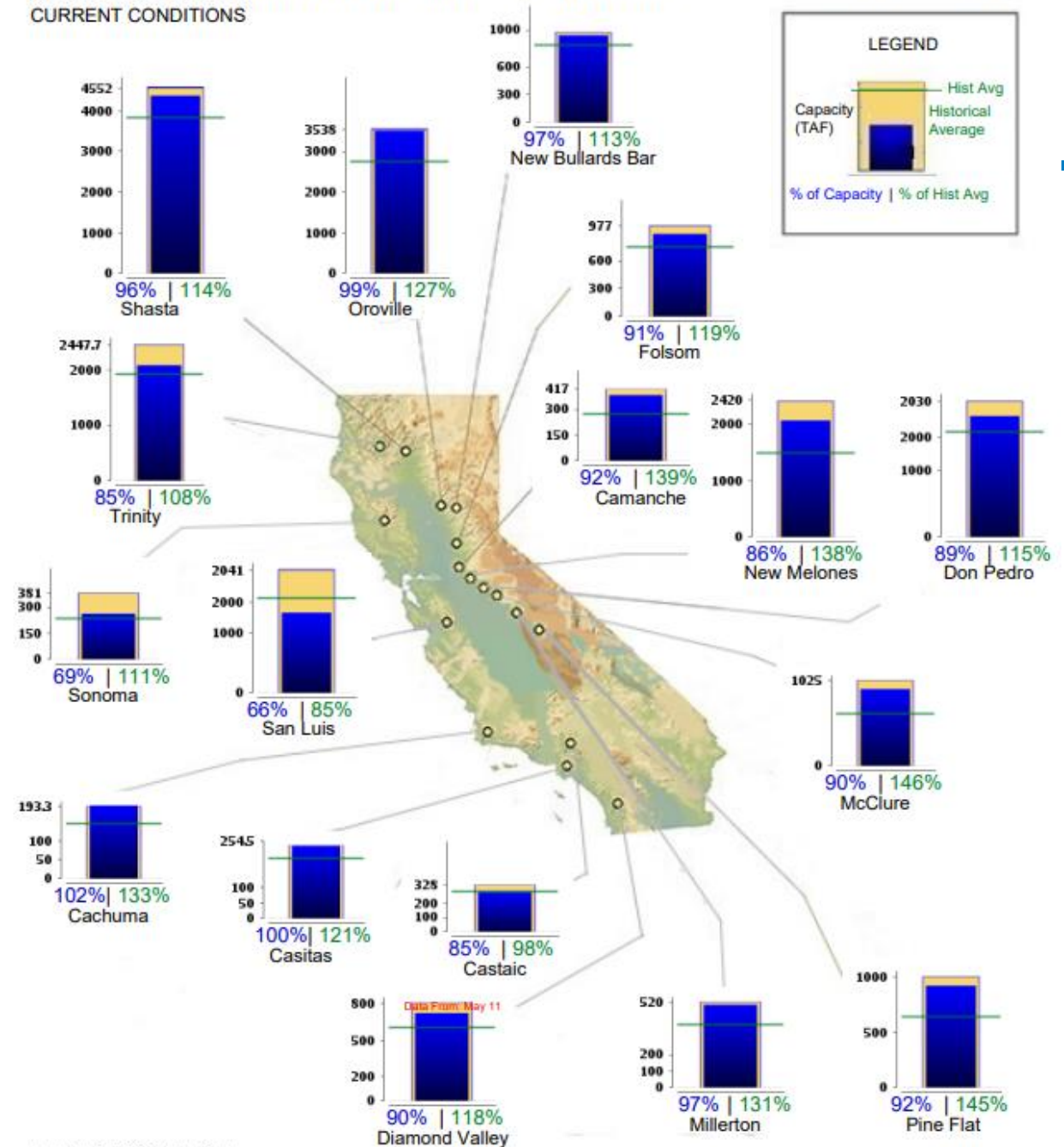
<sup>3</sup> Local storage is the date's 8AM storage value taken from USGS data

<sup>4</sup> Hetch Hetchy maximum storage is with drum gates activated. Cherry and Eleanor maximum storage is with flashboards in. All maximum storages taken from rating curve.

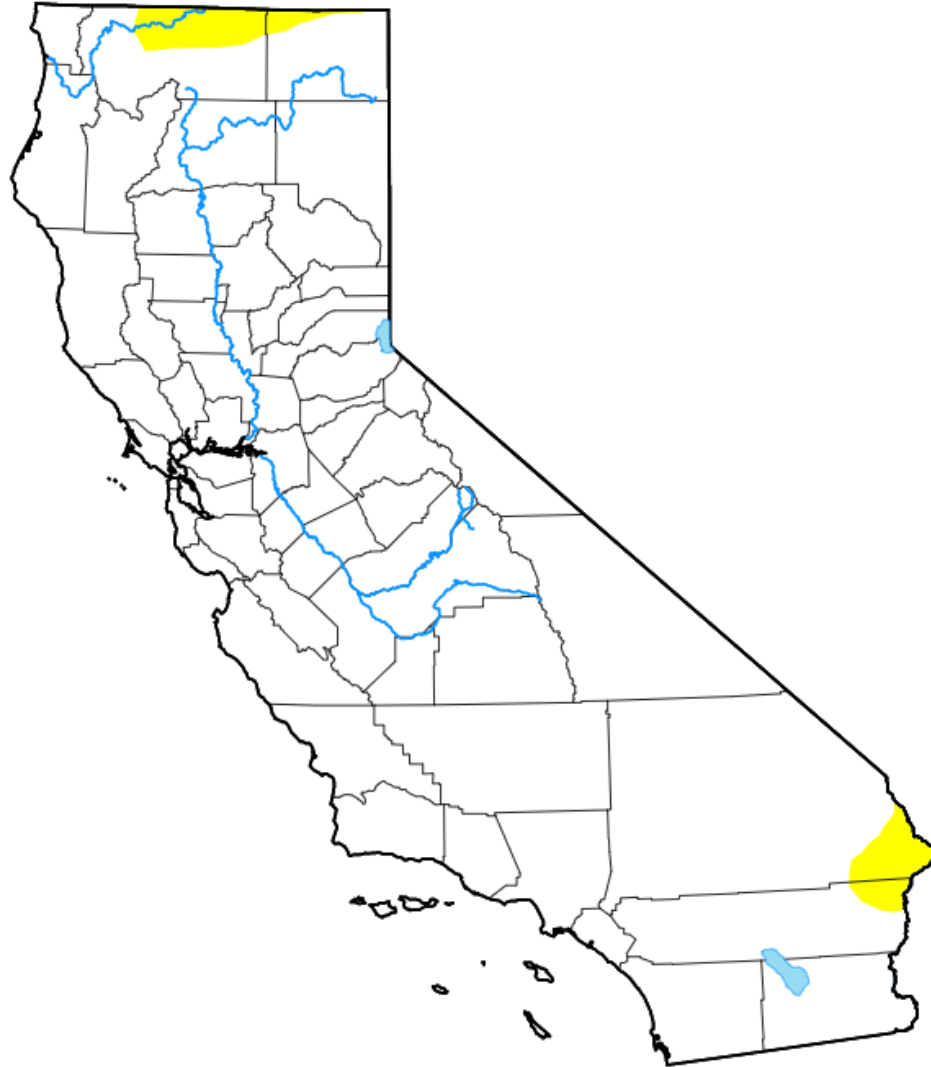
<sup>5</sup> The ratio of median storage for this day over maximum storage capacity. Median storage for this day is based on historical storage data from years 1991 - 2020



# Other California Reservoirs



# California Drought Monitor



Map released: Thurs. May 9, 2024

Data valid: May 7, 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):

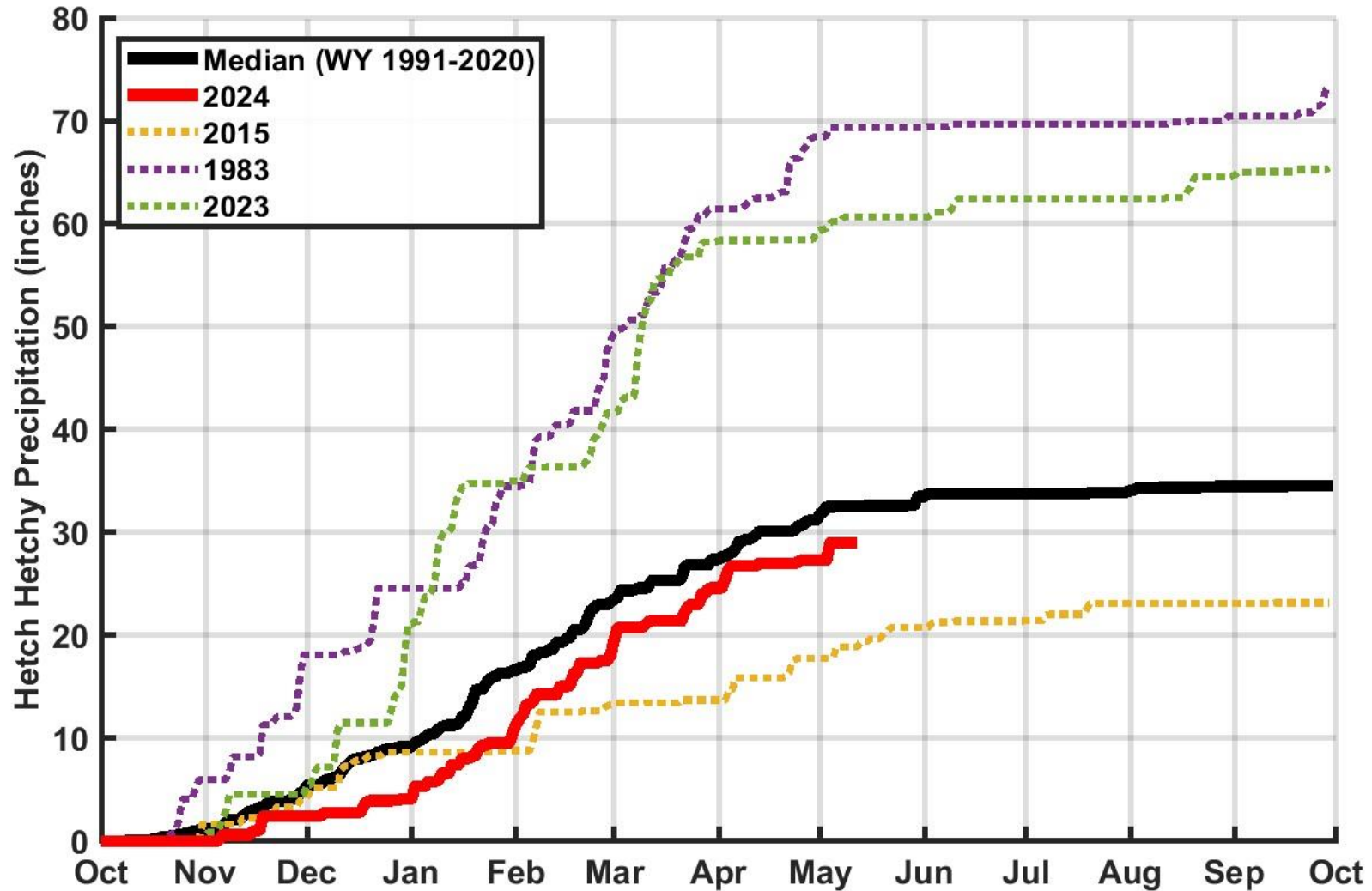
[Curtis Riganti](#), National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

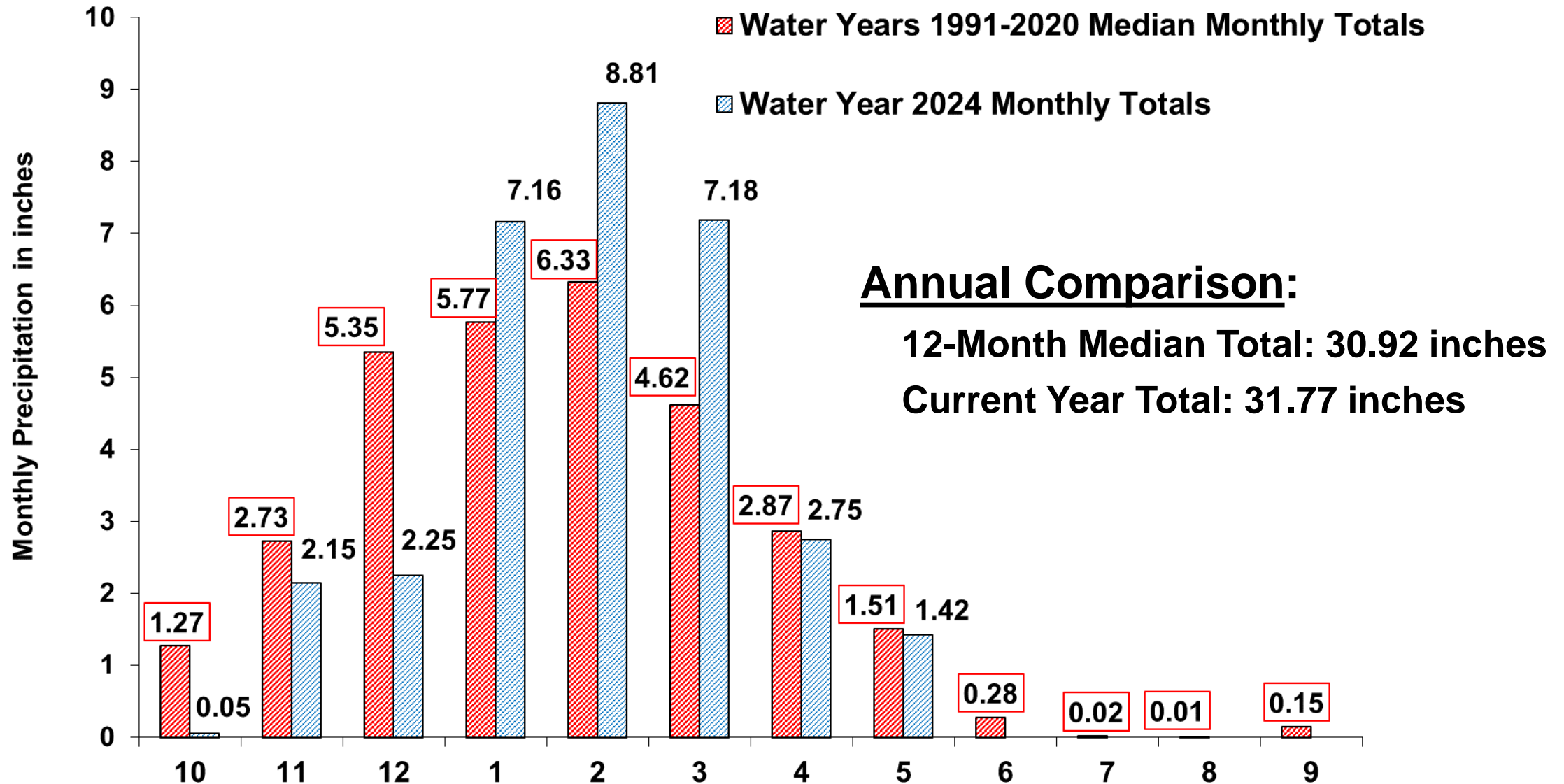
[Richard Tinker](#), NOAA/NWS/NCEP/CPC



# Hetch Hetchy Precipitation

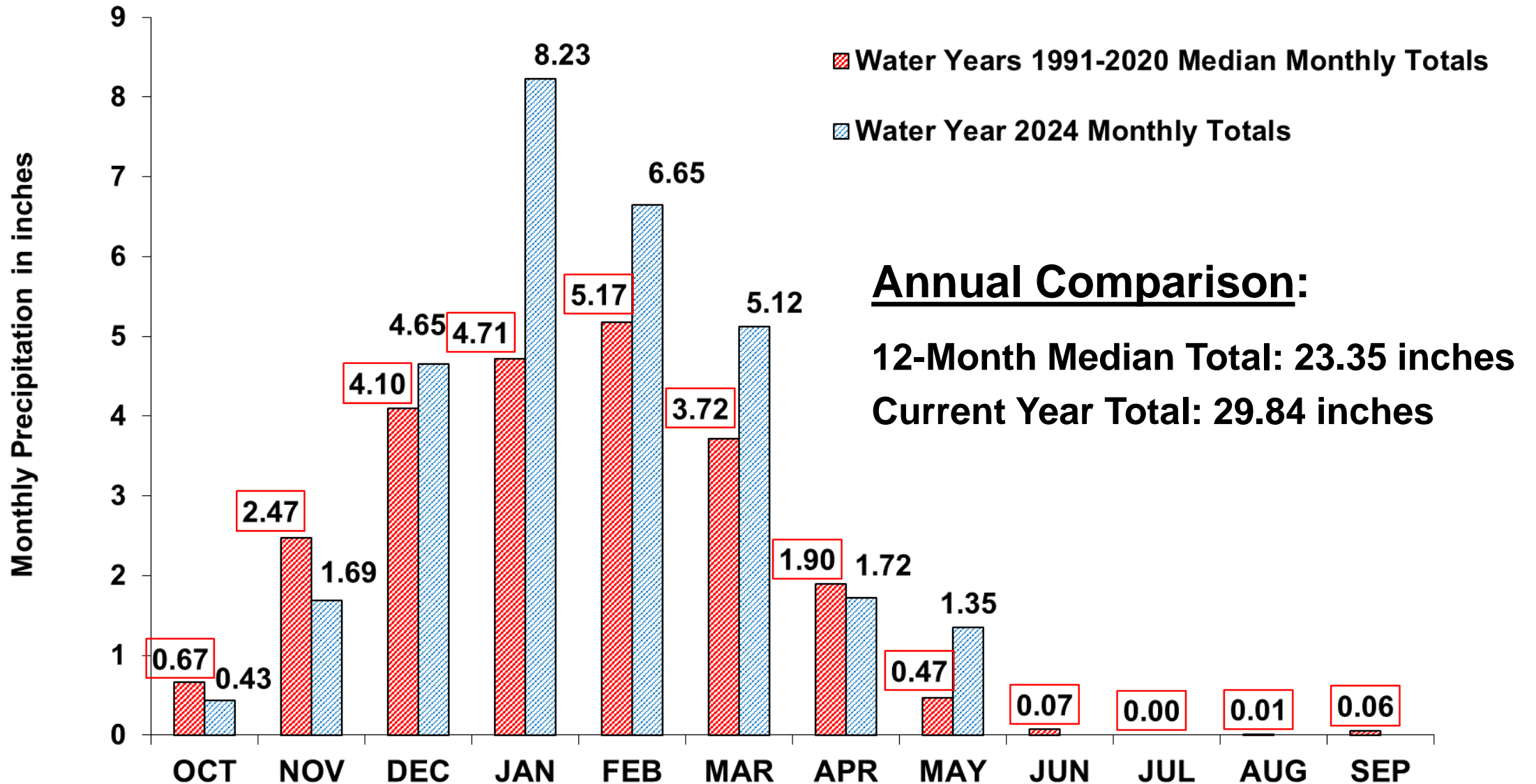


# Upcountry 6-station Precipitation Index as of May 12, 2024

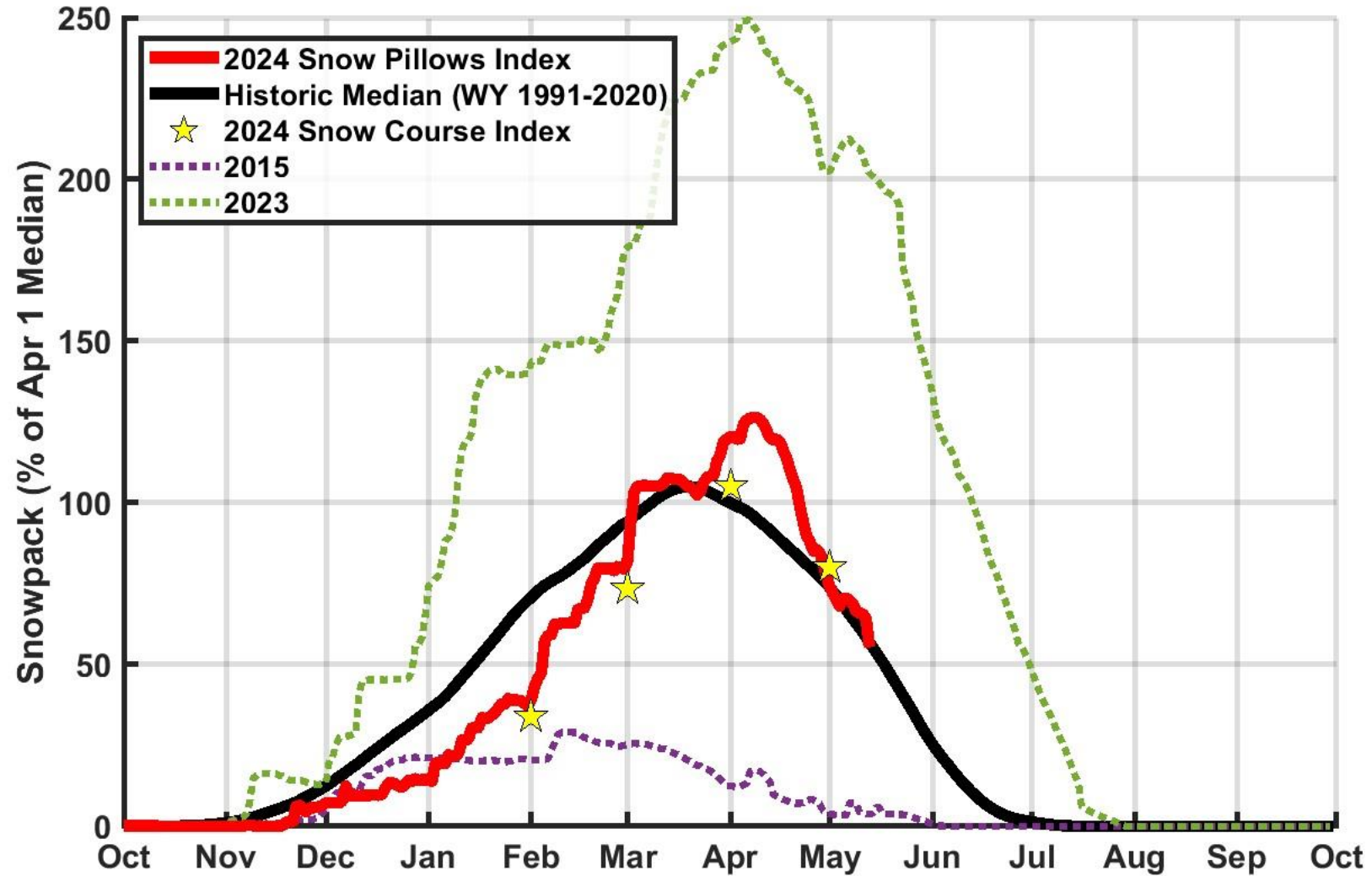




# Bay Area 7-station Precipitation Index as of May 12, 2024

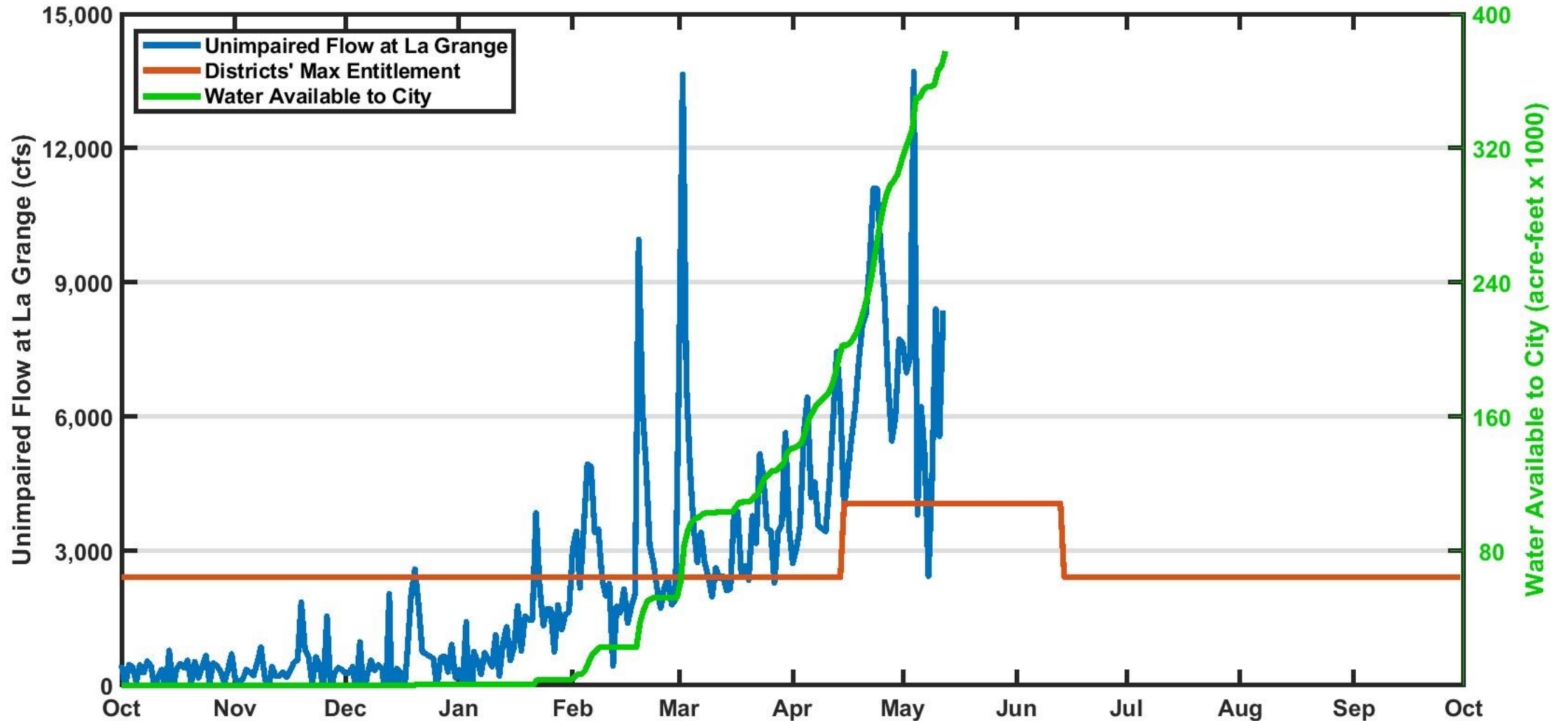


# Upcountry Snowpack

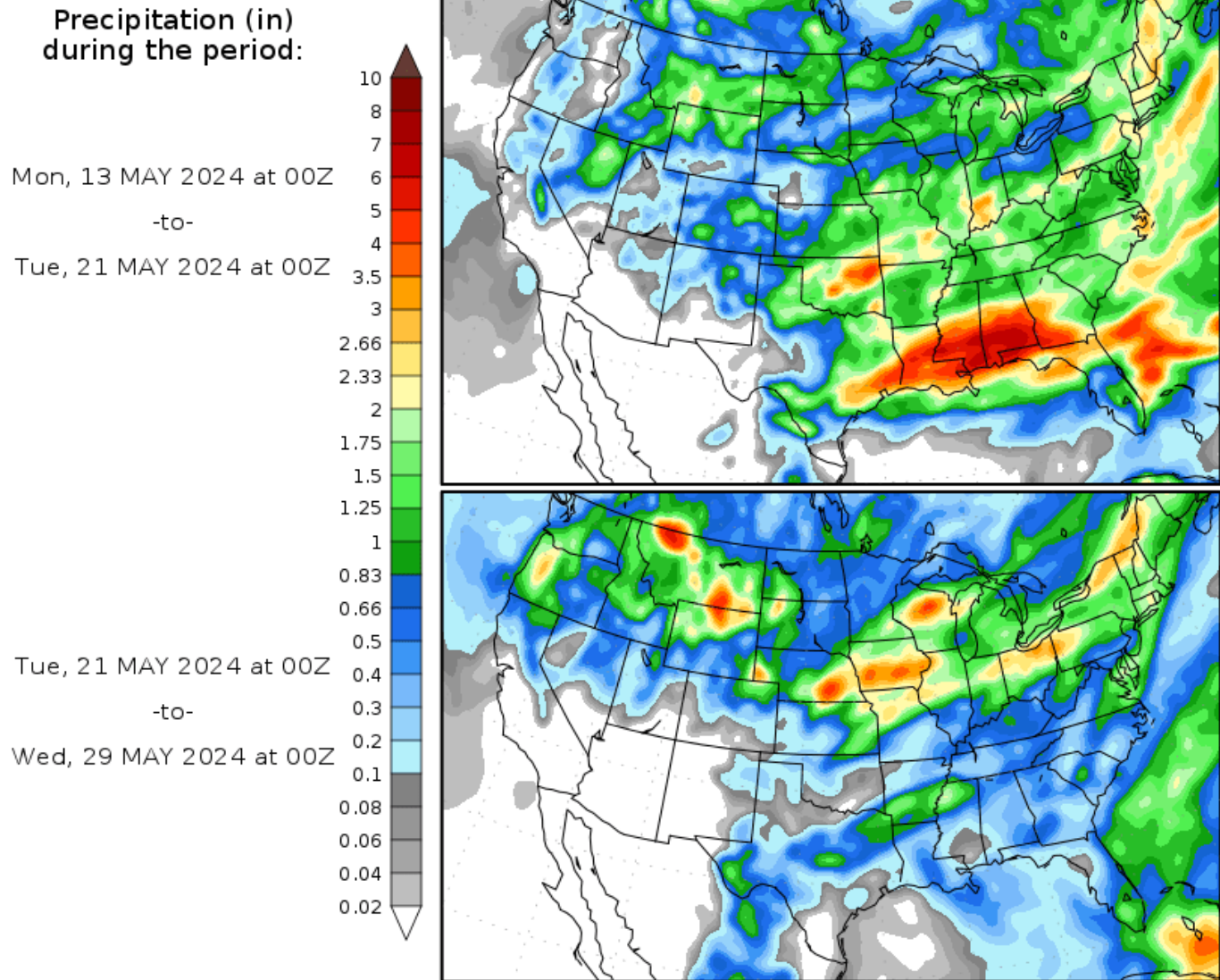




# Water Available to the City



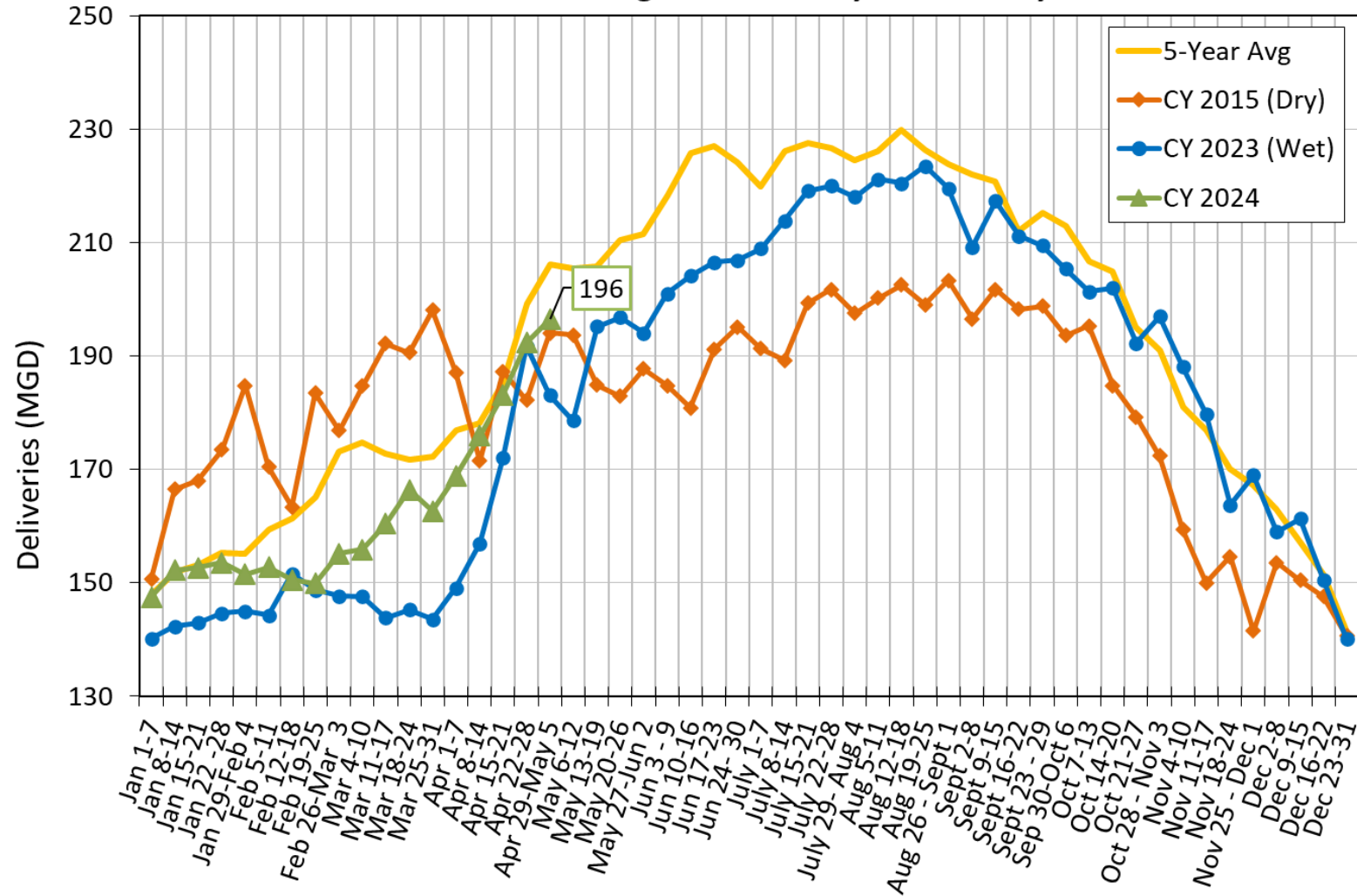
# National Precipitation Forecast





# Total Deliveries

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



# Public Comments on Items Not on the Agenda



BAWSCA 2018





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



SFPUC





# Proposed FY 2024-25 Work Plan Addresses Critical Issues Between Now and 2060 to Achieve BAWSCA's Goal

- Continue BAWSCA's role in managing the Water Supply Agreement with San Francisco to protect the member agencies' financial and water supply interests
- Administer BAWSCA's bonds
- Oversight of SFPUC's WSIP, 10-Year CIP, and Asset Management
- Engage in SFPUC's Alternative Water Supply Plan implementation
- Participate in the Bay Delta and FERC Proceedings to protect regional water supplies
- Initiate development of BAWSCA's Strategy 2050
- Initiate development of Updated Regional Water Demand and Conservation Projections
- Facilitate adoption of updated Tier 2 Drought Plan
- Prepare a Drought Summary Report following drought conclusion
- Implement core and subscription conservation programs



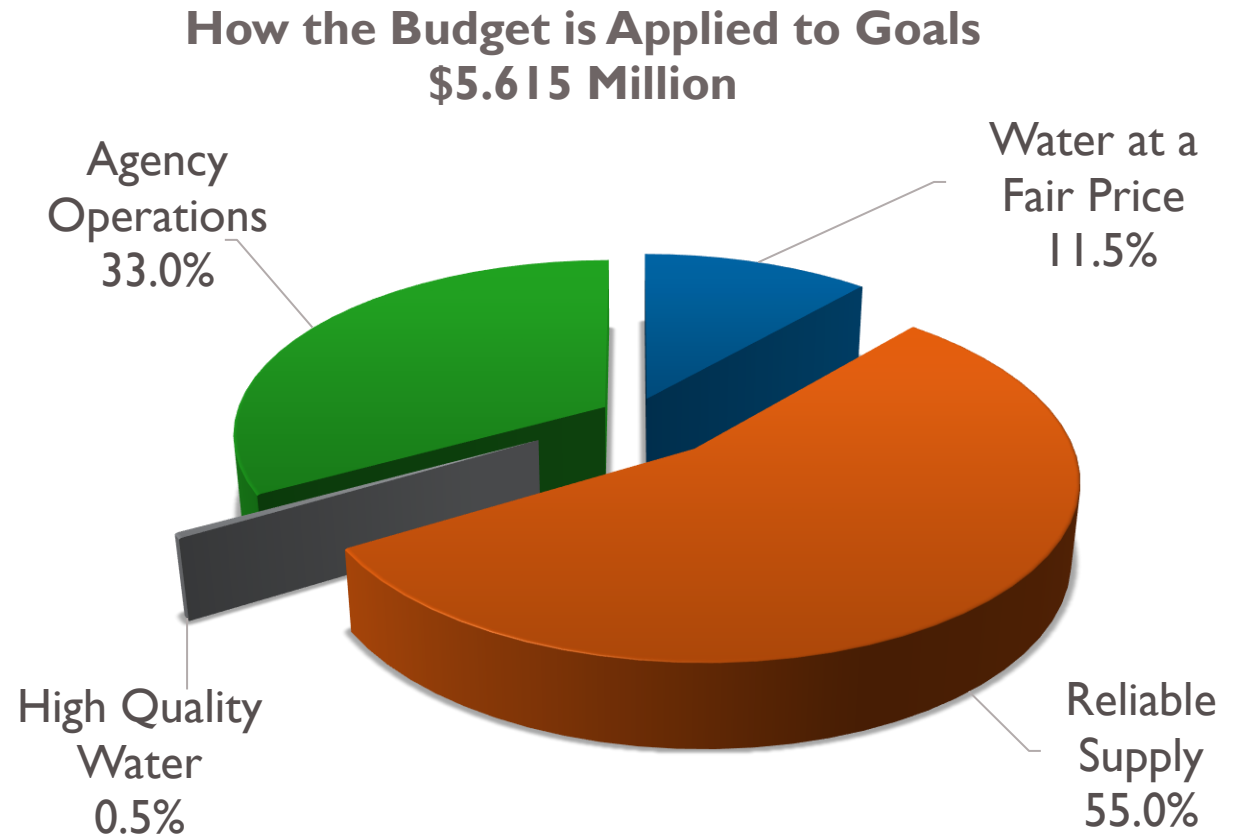
# Proposed Work Plan and Operating Budget Reflects Several Necessary Changes from the Last Few Months

- Work Plan Item 2b “Initiate development of updated regional water demand projections”
  - Budget adjusted to reflect recommended consultant contract
  - FY 2024-25 budget increased by \$150K; FY 2025-26 budget increased by \$5k
- Work Plan Item 4h “Possible Proposed WSA Amendment re: Minimum Purchases”
  - Budget increased \$30K given recent SFPUC activity
- Work Plan Item 9a “Administer WSA to protect financial interests of members”
  - Budget increased \$20K given recent SFPUC activity on Regional Source Meter Testing Plan
- Eliminated one subscription conservation program as no longer needed
  - No longer using the DSS model for regional demand projections
- Work Plan Item 11 “Implement BAWSCA Internship Program”
  - On hold for Summer 2024 given inability to secure a qualified/interested candidate



# Proposed Operating Budget 12.7% (\$631K) Above Approved FY 2023-24 Budget\*

- FY 2024-25 Proposed Operating Budget = \$5,614,518
- Fully funds annual OPEB expense
- Includes budget allowance for up to a 5% adjustment to existing salaries for both COLA and merit-based increases
- Total estimated cost of:
  - \$3/person (+7 cents)
  - \$9/household (+21 cents)
  - \$12.40/customer account (+36 cents)



\*budget as of 5/1/2024





# Considerations for Funding the Operating Budget

- BAWSCA's primary source of funding is its assessments on member agencies (AB 2058)
- BAWSCA historically uses four principles when considering how to fund 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.
- Currently estimating spending 90-95% of FY 2023-24 approved budget
- Funding plan for FY 2023-24 Operating Budget required no increase in assessments
- As of 5/1/2024, General Reserve balance is \$1,543,390
  - 31% of current adopted FY 2023-24 Operating Budget
  - If recommended increase in legal counsel contract is approved, General Reserve would be \$1,459,390



# Five Funding Options Analyzed: Option 2 Recommended

	FY 2023-24	FY 2024-25				
Fund Source	Adopted Funding Plan as of 1/18/2024	Option 1 7% Assessment Increase	Option 2 9% Assessment Increase	Option 3 10% Assessment Increase	Option 4 11.5% Assessment Increase	Option 5 16% Assessment Increase
Assessments	\$4,838,897	\$5,177,620	\$5,274,398	\$5,322,787	\$5,395,370	\$5,614,518
Transfer from GR	\$144,522	\$436,898	\$340,120	\$291,731	\$219,148	\$0
Total Op. Funds/Op. Budget	\$4,983,419	\$5,614,518	\$5,614,518	\$5,614,518	\$5,614,518	\$5,614,518
Est. EOY Transfer to GR	\$1,543,390	\$0	\$0	\$0	\$0	\$0
Est. EOY Reserves	31%	\$1,106,492	\$1,203,270	\$1,251,659	\$1,324,242	\$1,543,390
% of Total Budget	97%	20%	21%	22%	24%	27%
Assessment to Budget Ratio	\$4,838,897	92%	94%	95%	96%	100%



# Recommendation

That the Board approve the:

1. Proposed Fiscal Year 2024-25 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$5,614,518; and
3. Proposed funding plan Option 2 with a 9% assessment increase and a transfer of \$340,120 from the General Reserve.





# Approval of Professional Services Contracts for FY 2024-25



SFPUC



# Eleven Professional Services Contracts for Technical and Administrative Services (FY 2024-25) are Needed to Implement Work Plan

Contract #	Consultant (Work Description)
1	Chavan & Associates (Auditor)
2	E Source (Water Loss Management Program)*
3	Hanson Bridgett (Legal Counsel)
4	Hazen & Sawyer (Engineering/Water Management)*
5	IG Services (Auditing / Accounting Services)
6	KNN Public Finance (Financial Advisor)
7	Maddaus Water Management (Water Use Efficiency Legislation)
8	Orrick, LLP (Bond Documents, Legal Services)
9	Richard Sykes (WSIP, 10-year CIP)
10	Stetson Engineering (Water Analysis, WSA)
11	Woodard & Curran (Water Management / Tier 2)

*\*Consultant contract also includes a subscription program component*



# Seven Consultant Contracts for Subscription Conservation Programs (FY 2024-25) Needed to Implement Work Plan

Contract #	Consultant (Work Description)
1	AM Conservation Group (School Education Program)
2	EarthCapades (School Assembly Program)
3	Global Sun Landscape (Lawn Be Gone Inspection Services)
4	M&M Backflow and Meter Maintenance (Customer Meter Testing Program)
5	Regional Water Authority (Rachio Smart Controller Program)
6	VertexOne (Home Water Use Reports Program)
7	Waterfluence, LLP (Large Landscape Conservation Services)



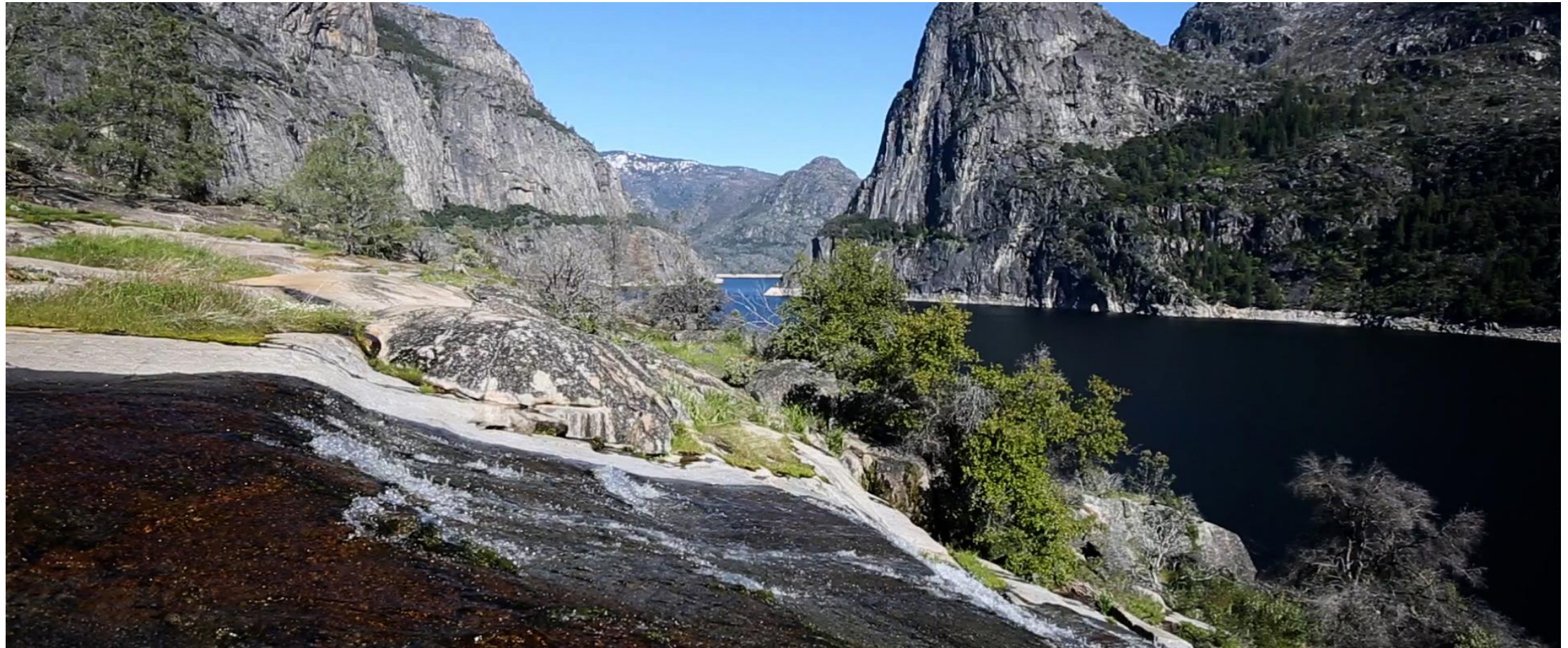


# Recommendation

That the Board approve the eighteen (18) contracts, subject to legal counsel review, for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2024.



# Reports and Discussion



BAWSCA 2018





# Negotiations of a New Tier 2 Plan



Ragsdale, 2023





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

- Lead negotiators continued to make incremental progress finalizing the updated Plan at the recent May 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
- Lead negotiators are nearing consensus and BAWSCA believes 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



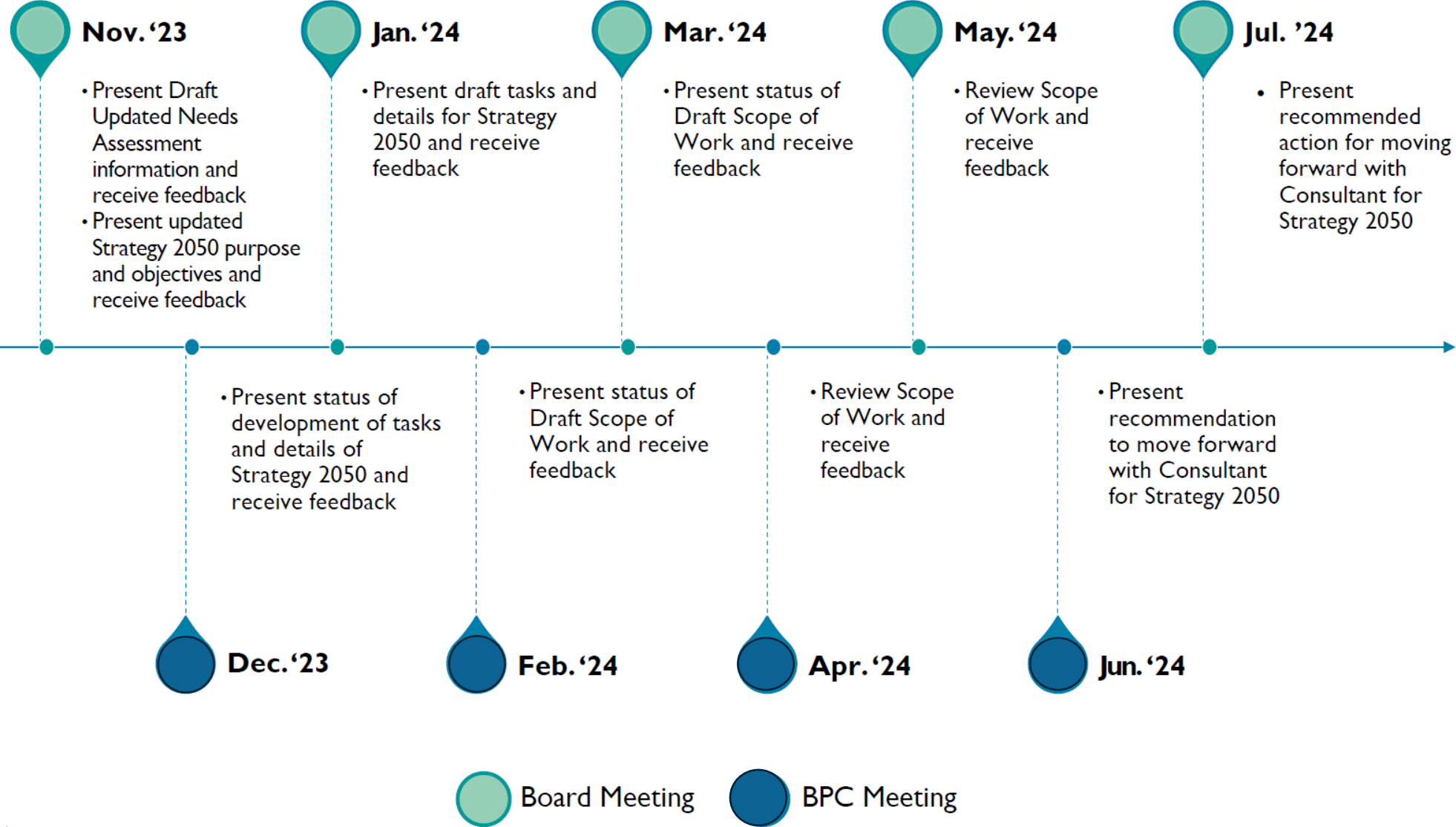
# BAWSCA's Strategy 2050



BAWSCA, 2018



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



# Strategy 2050 Purpose and Objectives 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 Supports the Identification of 7 Preliminary Key Tasks for the Scope of Work – Key Tasks #1 and #2

## KEY TASKS

## DETAILS

**(1)  
Evaluate Water  
Supply and Demand  
Management  
Reliability**

- Conduct a Risk Assessment of Water Reliability
- Develop Preliminary Water Demand, Supply, and Reliability Assessment for 2025 UWMPs
- Assess Existing Risks and Emergency Framework
- Assess Regional Emergency Resilience Programs

**(2)  
Assess Regulatory  
Setting and  
Collaboration  
Opportunities**

- Identify Regulatory Setting
- Assess Framework for Future Regulatory Collaboration



# Purpose and Objectives of Strategy 2050 Supports the Identification of 7 Preliminary Key Tasks for the Scope of Work – Key Tasks #3 and #4

## KEY TASKS

## DETAILS

(3)

**Evaluate Existing Project Concepts/  
Identify New Regional Project Opportunities**

- Establish and Refine Project Inventory
- Develop Additional Water Supply and Demand Management Project Concepts
- Develop Comparative Metrics
- Develop Project Portfolios
- Update Regional Groundwater Model
- Provide Individual Reliability Planning Services (**Subscription Program**)

(4)

**Provide Support to Member Agencies in their Efforts to Obtain External Funding**

- Expand Grant Tracking Tool
- Establish Regional Funding Strategy and Advocacy Approach
- Provide Funding Application Support (**Subscription Program**)
- Pursue Funding for Strategy 2050



# Purpose and Objectives of Strategy 2050 Supports the Identification of 7 Preliminary Key Tasks for the Scope of Work – Key Tasks #5-7

## KEY TASKS

## DETAILS

(5)

**Document Drinking Water Affordability Challenges and Opportunities**

- Evaluate Affordability and Identify Affordability Challenges
- Assess Affordability Programs

(6)

**Develop Method to Track and Report on Status of Strategy 2050 Implementation**

- Develop Strategy 2050 Dashboard
- Develop Strategy 2050 Decision Support Tool
- Develop Metrics for Progress Tracking
- Develop Initial Strategy 2050 Progress Report and Action Plan

(7)

**Report Preparation – Including Findings, Near and Long-Term Recommendations**

- Develop Strategy 2050 Report
- Develop Strategy 2050 Communication Materials





# Strategy 2050 will be Funded Using a Water Management Charge

- The BAWSCA Board will be provided with the following recommendation related to Strategy 2050 at its July 18, 2024 meeting:
  - Approve contract with selected consultant for development of Strategy 2050; and
  - Approve funding Strategy 2050 development through a Water Management Charge as authorized in Section 3.06A of the WSA
- Benefits of using Water Management Charge:
  - Flexibility to collect revenue & allocate costs differently from BAWSCA assessment process and rules
  - Becomes a discrete project budget that can be tracked and monitored separately from BAWSCA operating budget
  - Agencies able to include the Water Management Charge in customer's bills as part of the cost of water from San Francisco



# The Water Management Charge was Previously Used to Successfully Fund the 2015 Strategy

- On July 15, 2010, the Board authorized enactment of the Water Management Charge to fund the 2015 Long-Term Reliable Water Supply Strategy (2015 Strategy)
- Proposed funding for Strategy 2050 will be similar to the funding method for the 2015 Strategy
  - An estimated \$2,267,000 is to be collected over 18 months (\$125,944 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
  - 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



# Strategy 2050 Scope of Work: Next Steps Towards Finalizing

- BAWSCA is continuing to coordinate with SFPUC on the administrative matters involved in billing, collecting, and remitting Water Management Charge funds
- Further details about the estimated cost of Strategy 2050 and the Water Management Charge will be presented at the June WMR and June BPC meetings
- Schedule anticipates Board action to authorize a recommended consultant contract and associated SOW in July 2024
  - Consultant contract and associated SOW
  - Use of Water Management Charge as authorized by the Water Supply Agreement to fund consultant contract cost
- Strategy 2050 is anticipated to begin in January 2025



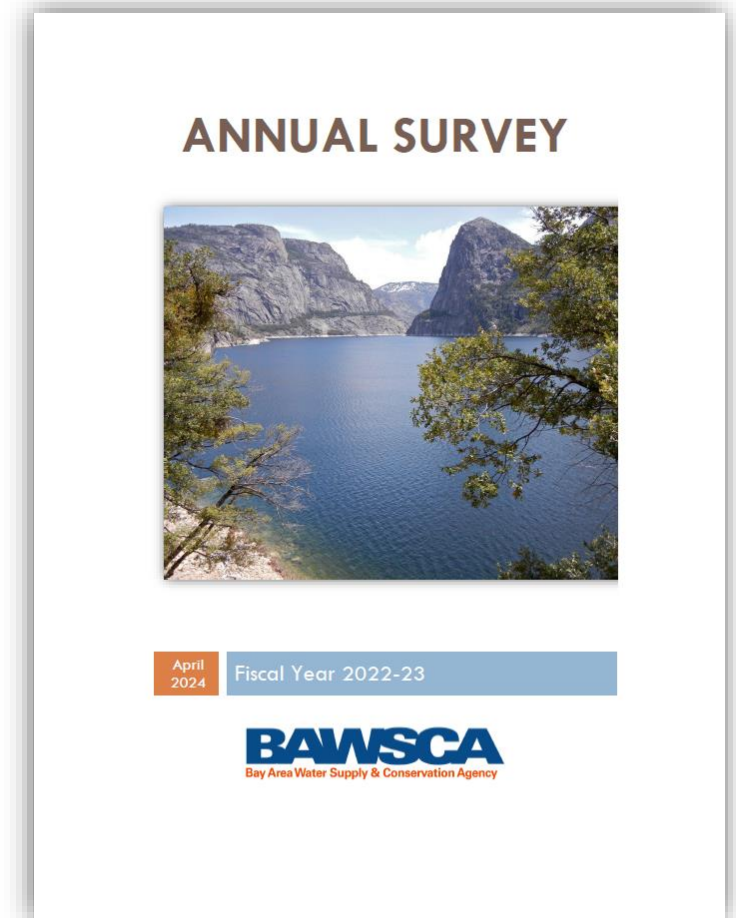


# CEO Reports



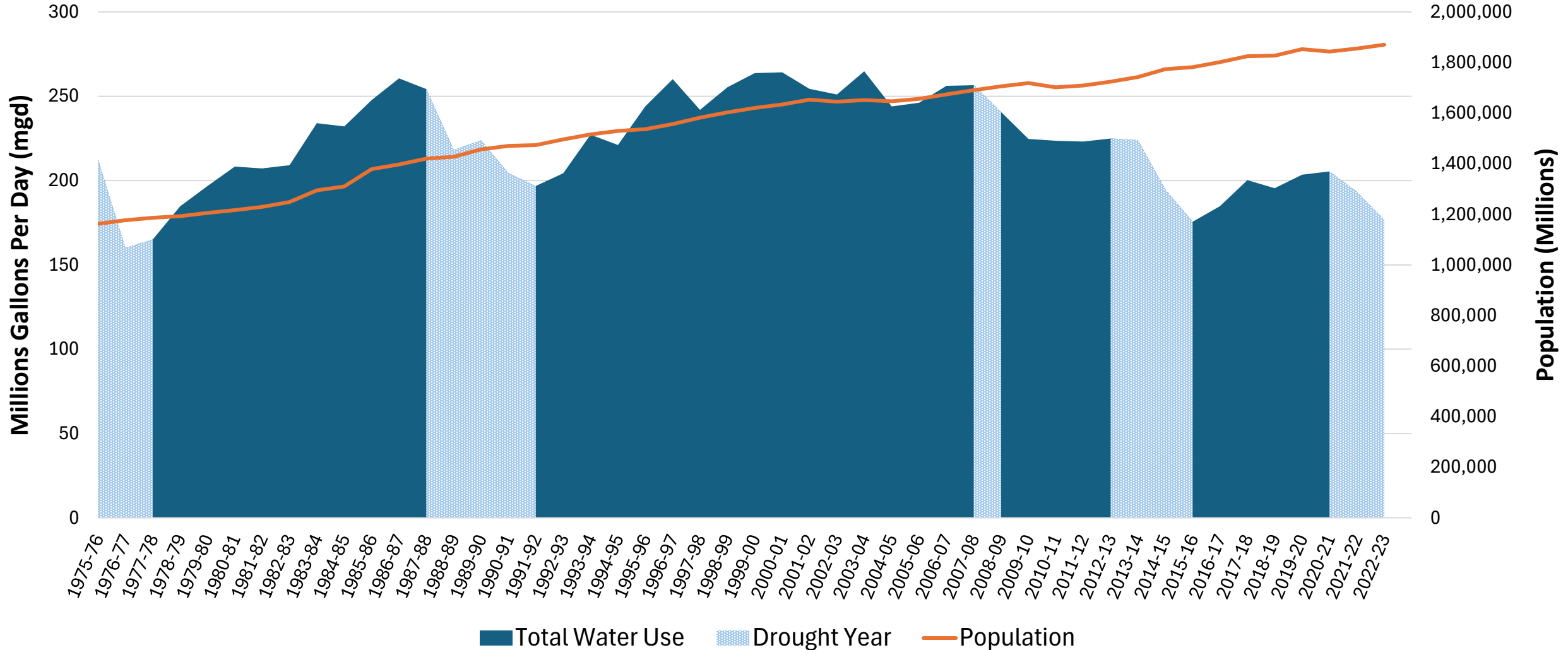
# BAWSCA Annual Survey: A Valuable & Reliable Source of Data Used for Regional Water Planning

- Annual Survey conducted since 1996
- Collection of key service area information by individual agency and for region
  - Current water supply from each source
  - Current and projected water purchases from RWS
  - Projected water supplies and demands
  - Consumption by customer class
  - Current and projected population
  - Per capita water use
  - Single family water bills and rate structures
  - BAWSCA member agency profiles
- FY 2022-23 Annual Survey available on BAWSCA website
- FY 2022-23 water use data reflects drought conditions



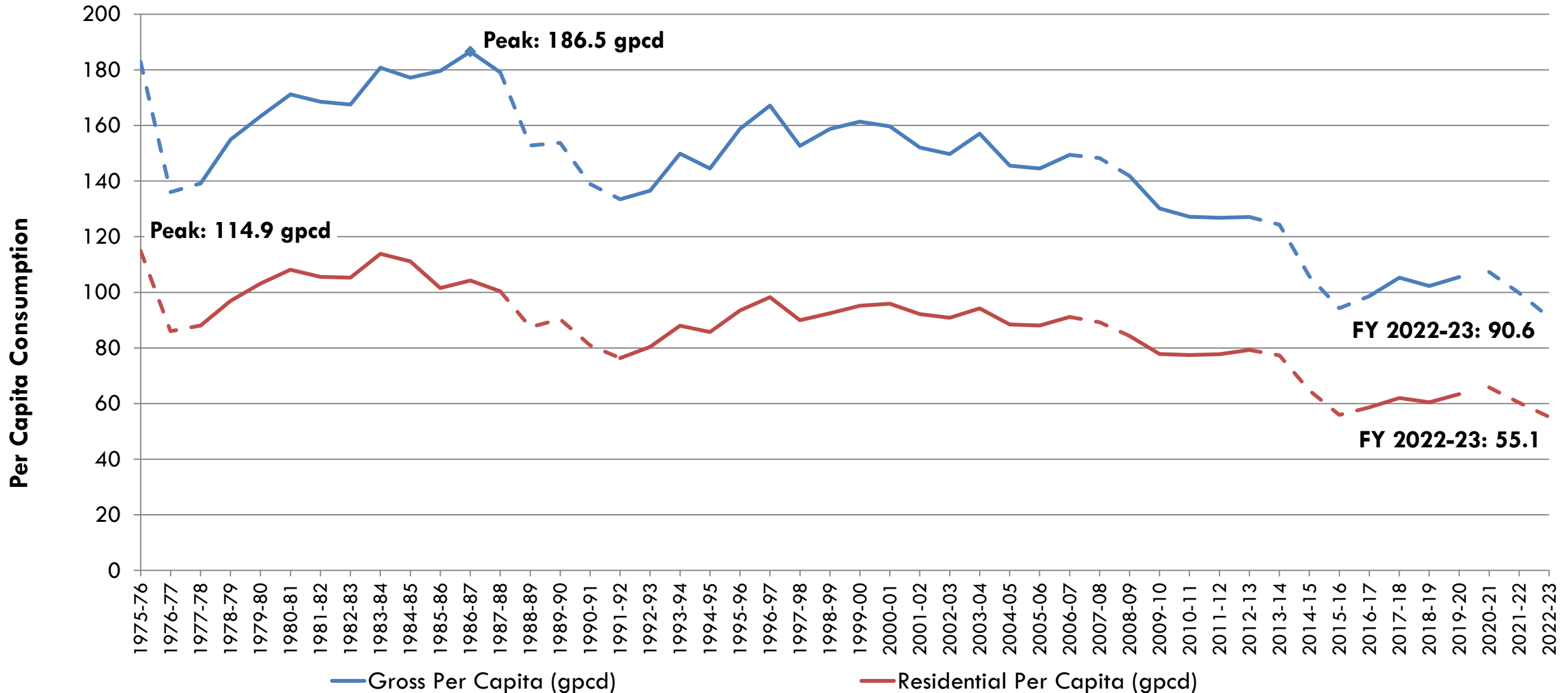


# In FY 2022-23, 32% Less Water Used in BAWSCA Region Compared to FY 1986-87 Despite a 34% Population Increase





# Water Use Efficiency Investments Result in a 52% Decrease in Residential Per Capita Use in the BAWSCA Region Since 1975-76



# BAWSCA Appealing Recent 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 the 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 extremely disappointed in the decision, which makes a reliable supply for the Hetch Hetchy System uncertain
- On May 10<sup>th</sup>, BAWSCA filed an appeal of the Court's March 15<sup>th</sup> decision to protect the water interests of its member agencies and their water customers
- BAWSCA continues to support a proposed voluntary agreement for the Tuolumne River, which is being currently evaluated by the State Water Board



# State Board Hosted a 3-Day Workshop on Proposed Agreements to Support Healthy Rivers and Landscapes

- Workshop held on April 24 , 25 & 26
- Workshops focused on the proposed Agreements to Support Healthy Rivers and Landscapes (formerly called Voluntary Agreements)
  - Primary focus was on Phase 2 agreements
  - Agreement parties provided a detailed overview of the primary components of the proposed agreements
- The Board provided its input and presenters answered questions from Board members
- Public comment was heard
  - NGOs indicated that they were not engaged in the effort;
  - Tribal representatives expressed their concern with the VAs
- BAWSCA monitored the Workshop and is reviewing the key documents





# State Board Shared an Anticipated Timeline for Sacramento/Delta Update (Phase 2)

- **Mid-2024**: Consider input received during 3-day workshop to inform development of draft program of implementation language
- **Summer/Fall 2024**: Release specific draft Sacramento/Delta updates to Bay-Delta Plan (including program of implementation language) for public review and comment and hold public workshop
- **First Quarter 2025**: Release for public review final draft Sacramento/Delta updates to Bay-Delta Plan with final draft Staff Report, including response to comments on draft Staff Report
- **Second Quarter 2025**: Board meeting to consider adoption of Sacramento/Delta updates to Bay-Delta Plan and final Staff Report



# State Board Shared Next Steps for Consideration of Proposed Agreements for Lower San Joaquin River/South Delta including Tuolumne River (Phase I)

- Phase I experiencing overall schedule delays
- Implementation of 2018 Phase I Update
  - Current effort: Preparing draft Environmental Impact Report (EIR) and regulation to implement the updates the Board adopted in 2018
  - Early 2025: Release draft EIR and draft regulation for public review and hold public workshop
- Consideration of proposed agreement for the Tuolumne River
  - Environmental and technical review ongoing
  - Incorporation would require changes to the Bay-Delta Plan updates adopted in 2018
  - Summer 2024: Release draft Scientific Basis Report for public review, hold public workshop, and submit report for external scientific peer review
  - Late 2024: Respond to comments on draft Scientific Basis Report, including peer review comments



# Closed Session



Ragsdale, 2023





# Agreement with Executive Recruitment Firm

- CEO has notified Board of her intent to retire at end of Calendar Year 2024
- Chair has indicated intent to convene Ad Hoc Committee to assist in CEO recruitment process
- Use of an executive recruitment firm is recommended to assist in filling the pending vacancy
- First step is to issue a Request for Proposals (RFP) on May 20 in accordance with agency's procurement policy
- Proposed not to exceed agreement amount of \$57K
  - Funds available in FY 2024-25 Operating Budget "budgeted contingency"
  - No impact on FY 2024-25 Operating Budget
- Next steps
  - May 20: Issue RFP
  - Early June: Committee to receive RFPs and select executive recruitment firm
  - June BPC: Chair kicks off annual CEO review process



# Recommendation

That the Board authorize the CEO/General Manager to negotiate and execute an Agreement with an Executive Recruitment Firm in accordance with the agency's procurement policy and in a form approved by legal counsel.



# Directors' Discussion



BAWSCA 2018





# Next Meeting and Adjournment



**Note Special Meeting Location for July Board Meeting**

## Next Meeting

**July 18, 2024**

6:30 pm

Foster City Community Center  
(Wind Room)

