

“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

November 21, 2024



Call To Order/Roll Call/Salute to Flag



Comments by Chair



Jensen, 2011



Board Policy Committee Report



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

Public Comments on Items Not on the Agenda



Sandkulla, 2023



SFPUC Report



Ragsdale, 2023

Water Supply Conditions Update

Steven R. Ritchie

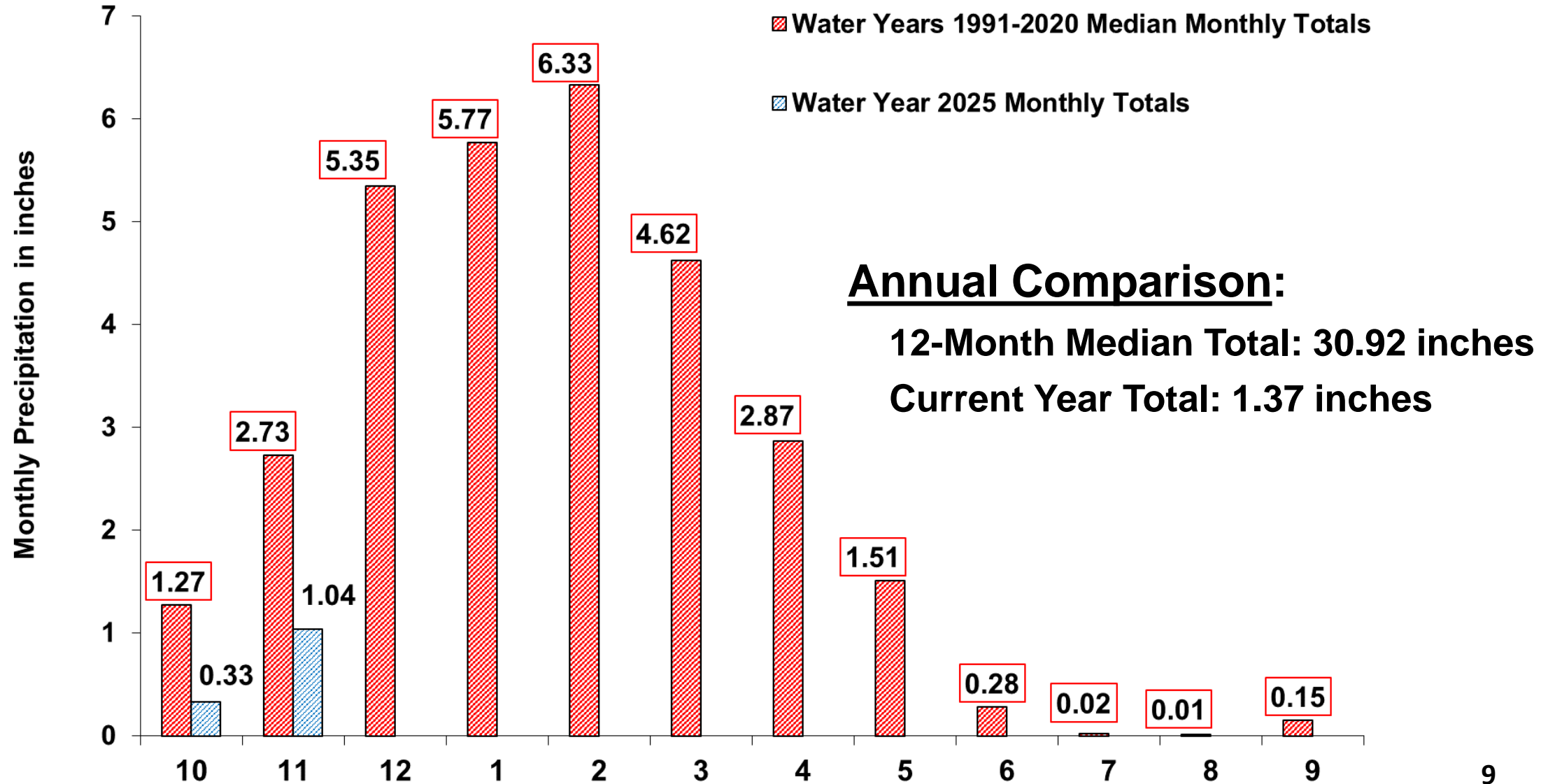
Assistant General Manager, Water

November 21, 2024

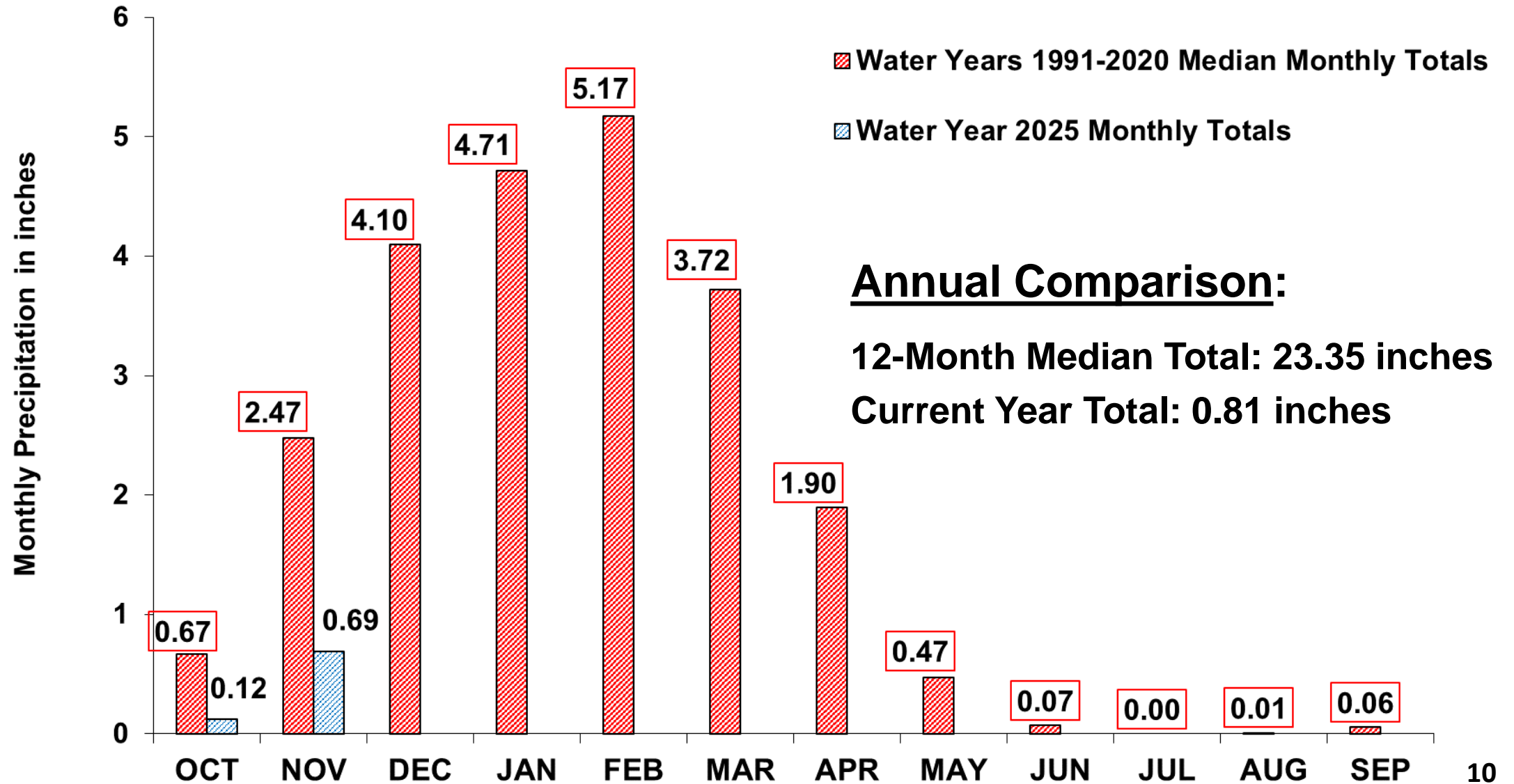
November 18, 2024 Reservoir Storage

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	248,600	360,360	111,760	69.0%	70.7%
Cherry	244,200	273,345	29,145	89.3%	-
Eleanor	15,110	27,100	11,990	55.8%	-
Water Bank	570,000	570,000	0	100.0%	98.0%
Total Tuolumne Storage	1,077,910	1,230,805	152,895	87.6%	-
<u>Local System</u>					
Calaveras	80,073	96,670	16,597	82.8%	-
San Antonio	48,392	53,266	4,874	90.8%	-
Crystal Springs	50,587	68,953	18,366	73.4%	-
San Andreas	16,025	18,675	2,650	85.8%	-
Pilarcitos	2,240	3,125	885	71.7%	-
Total Local Storage	197,317	240,689	43,372	82.0%	-
Total System Storage	1,275,227	1,471,494	196,267	86.7%	78.0%
Total without water bank	705,227	901,494	196,267	78.2%	-

Upcountry 6-station Precipitation Index as of November 17, 2024



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



National Precipitation Forecast

Precipitation (in)
during the period:

???, 18 NOV 2024 at 00Z

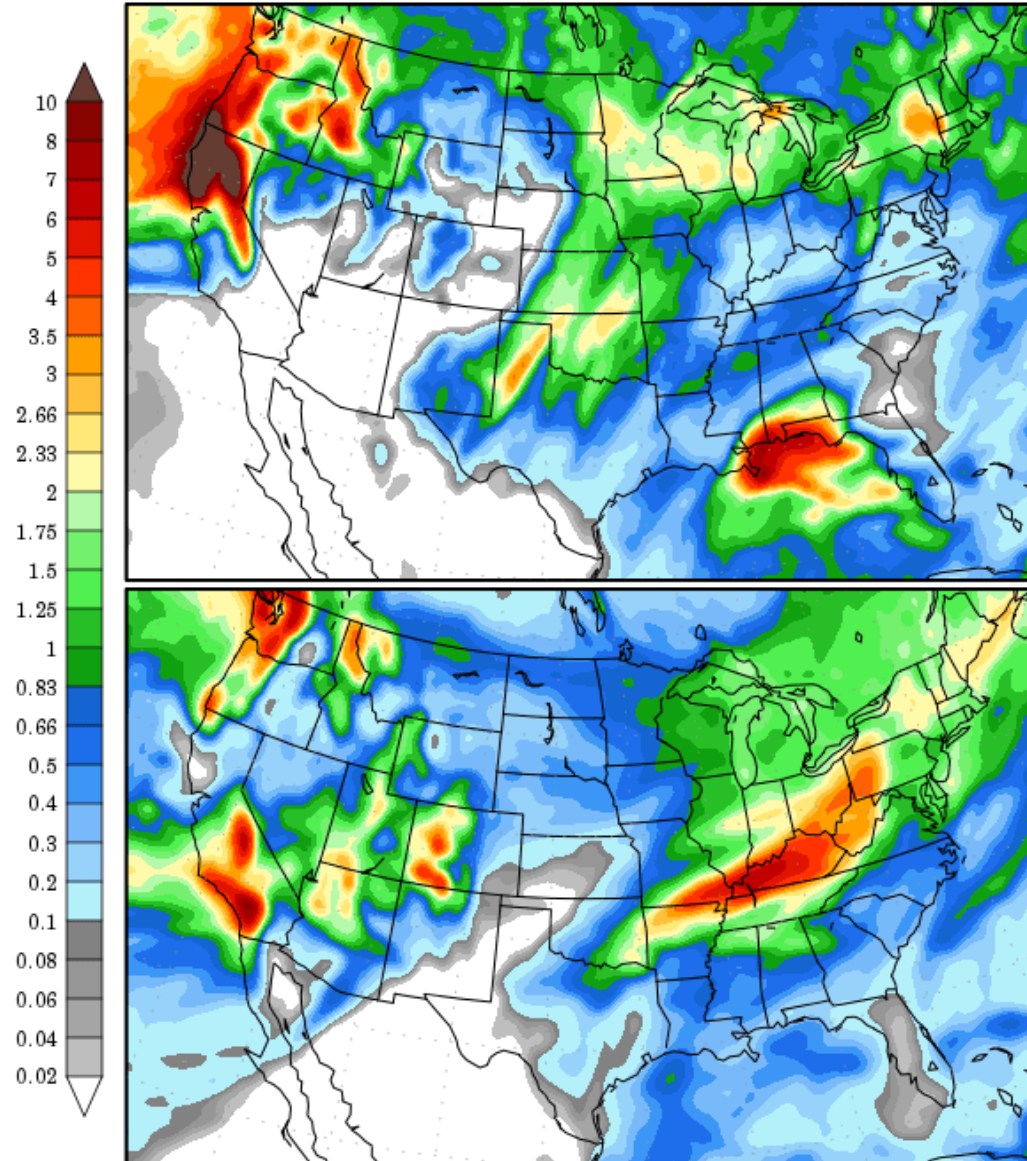
-to-

???, 26 NOV 2024 at 00Z

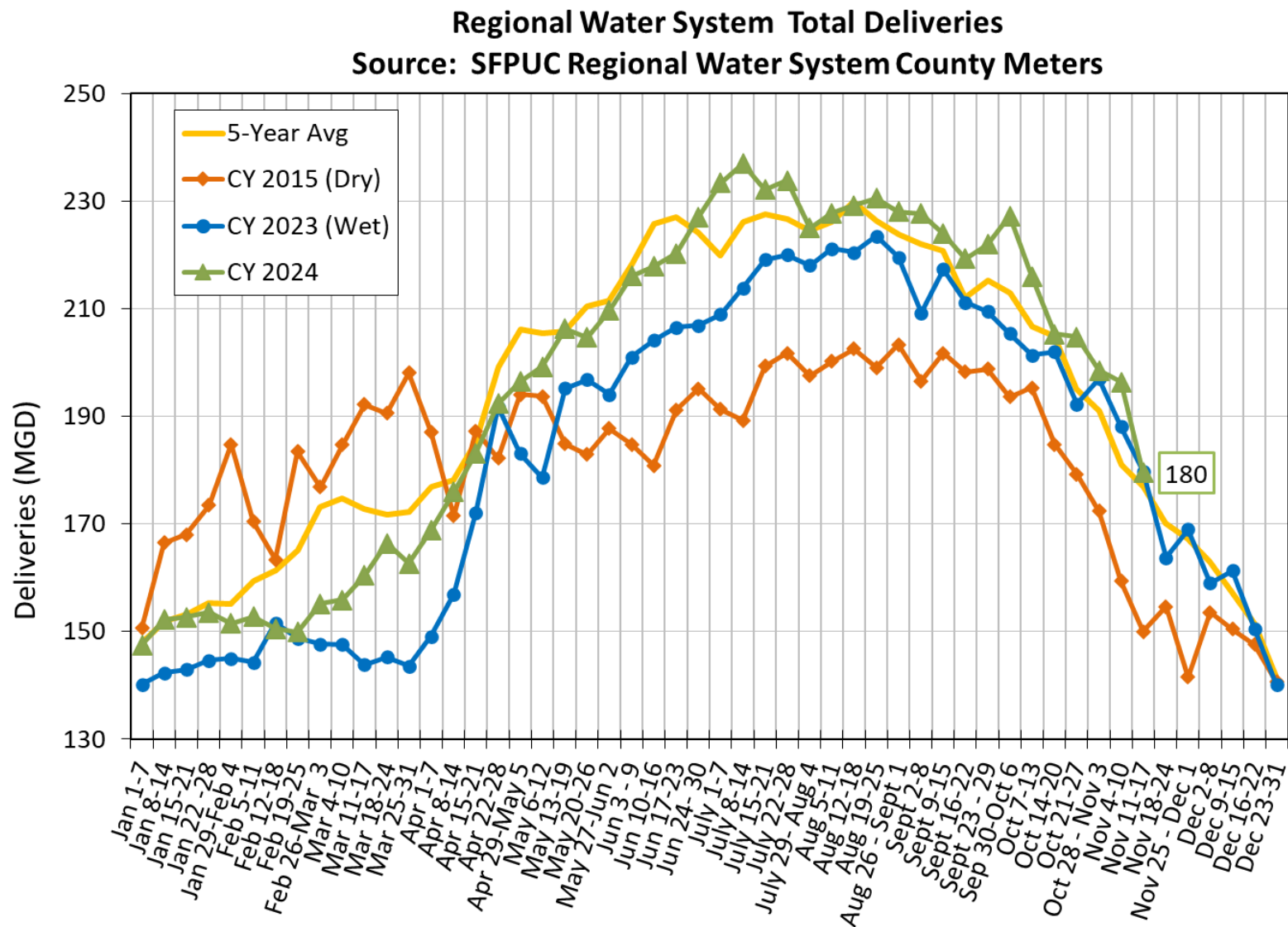
???, 26 NOV 2024 at 00Z

-to-

???, 04 DEC 2024 at 00Z



Total Deliveries



The Upper Tuolumne River Ecosystem Program & Environmental Flow Study



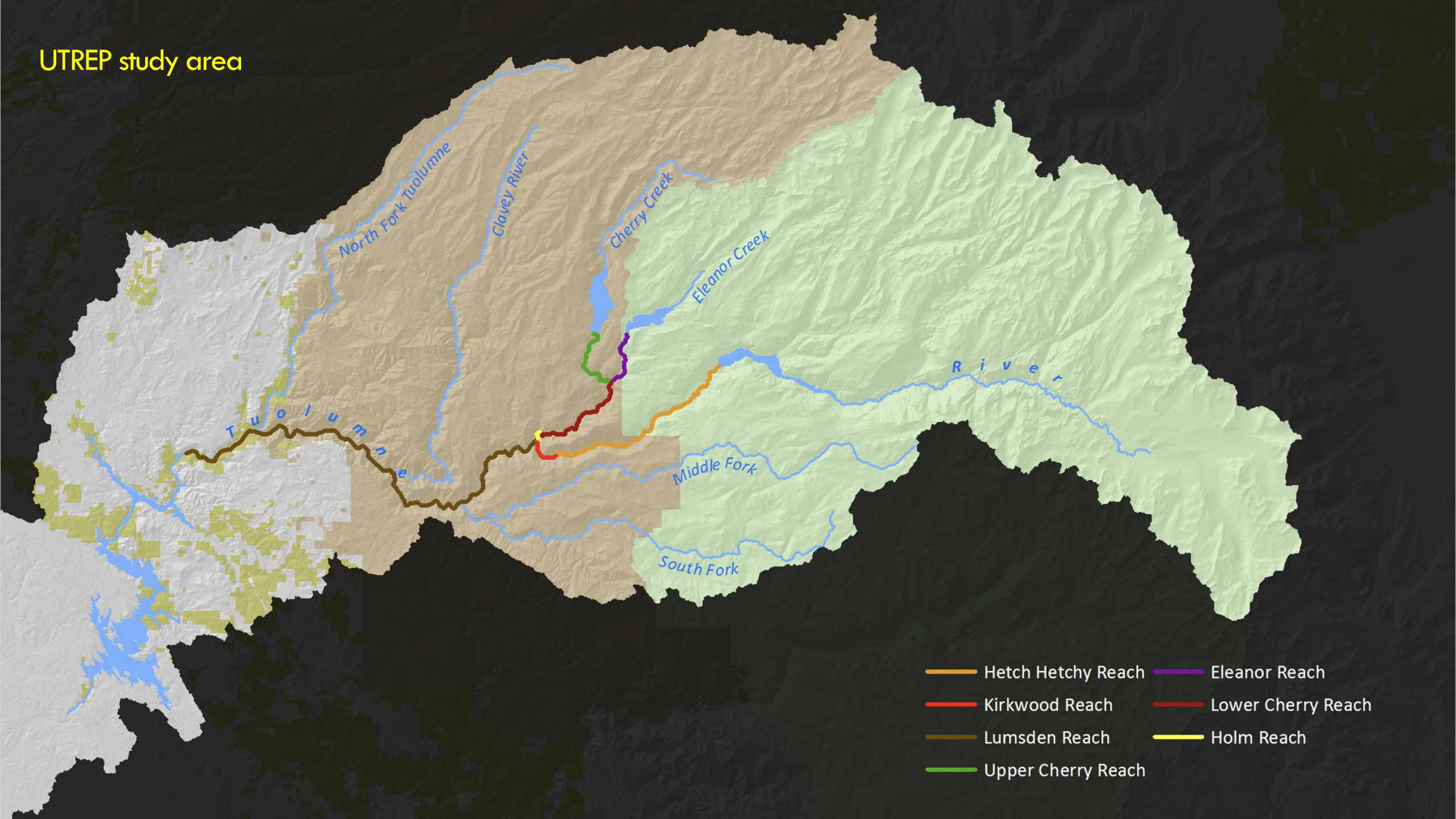
SFPUC Natural Resources Division | November 2024

What is the Upper Tuolumne River Ecosystem Program?

- A collaborative river ecosystem management effort led by the SFPUC:
- Describes upper Tuolumne River ecosystem conditions downstream of Hetch Hetchy Project facilities
- Characterizes relationships between Hetch Hetchy Project operations and the river ecosystem
- Develops recommendations to improve river ecosystem conditions

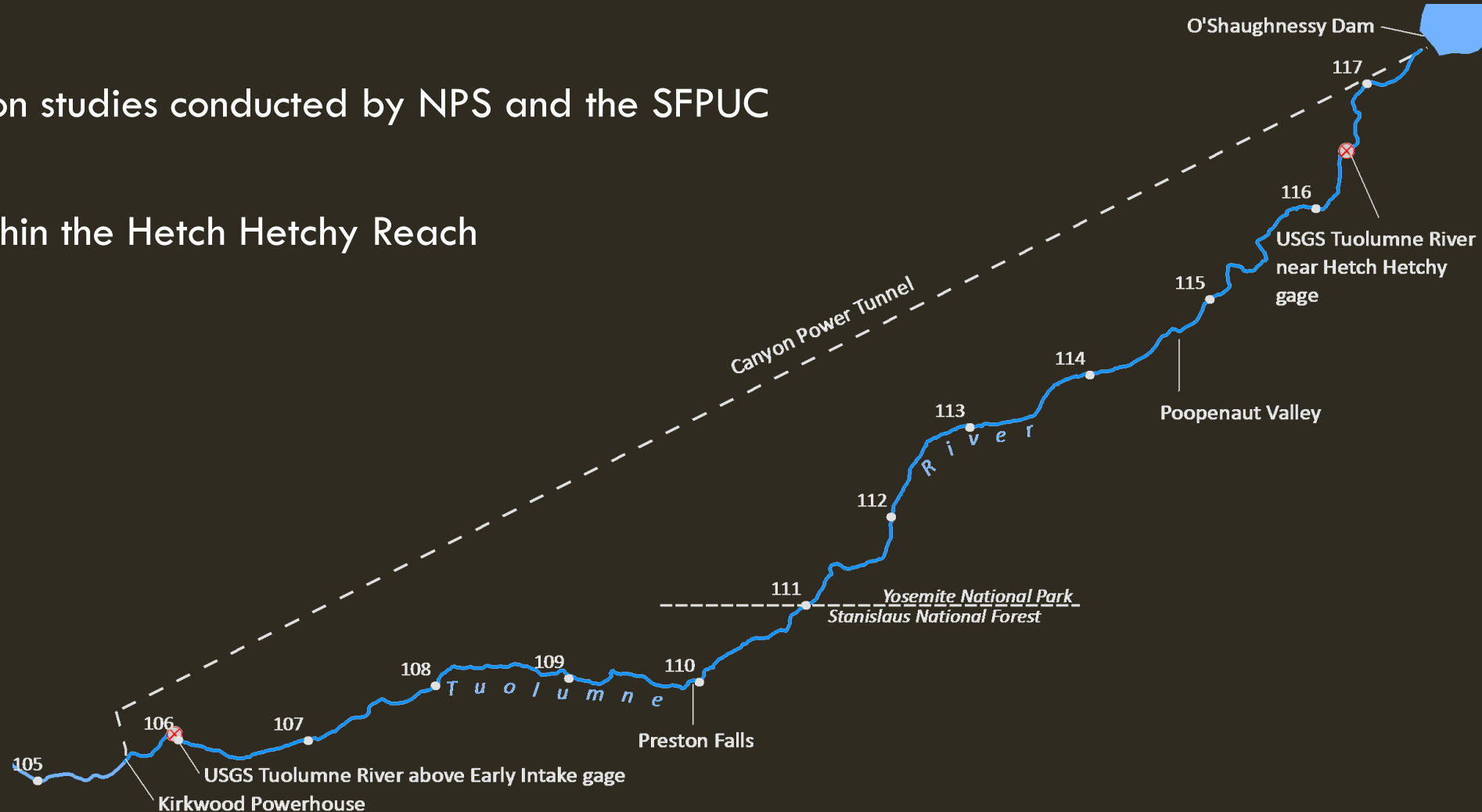


UTREP study area



What is the Environmental Flow Study?

- An SFPUC study describing recommended changes to existing environmental flow release requirements from O'Shaughnessy Dam
- Developed based upon studies conducted by NPS and the SFPUC
- Focus on resources within the Hetch Hetchy Reach



What is the Environmental Flow Study?

- Recommended flow changes are designed to support a broader range of native species and habitats compared to existing requirements
- Better mimics the full range of observed natural hydrology
- Developed through a collaborative process with federal agencies and the Upper Tuolumne River Workgroup over the last decade
- Implementation requires updating agreements (stipulations) under the Raker Act with the U.S. Department of Interior



Recommended baseflow releases

- Shift existing water volume from summer towards spring to:
 - Better mimic natural hydrologic and thermal regimes
 - Provide an increase in productivity for rainbow trout growth
 - Improved support for foothill yellow-legged frog habitat in drier years



Recommended spring snowmelt management

- Use existing spring snowmelt spill to:
 - Maintain and potentially expand Poopenaut Valley wetlands
 - Increase frequency of sediment transport to maintain aquatic and riparian habitat and better mimic natural physical processes



Status

- October 2024
 - Provided draft study to the Upper Tuolumne River Workgroup
 - Presented draft recommendations to Upper Tuolumne River Workgroup
 - Received initial comments from NPS
- Ongoing
 - Annual notification to NPS of spring snowmelt management implementation
 - Ongoing coordination with NPS Looking Downstream and Amphibian projects
- Next steps
 - Confirm environmental review process (CEQA/NEPA) with lead agencies

Ongoing monitoring








Cherry and Eleanor creeks
fisheries monitoring

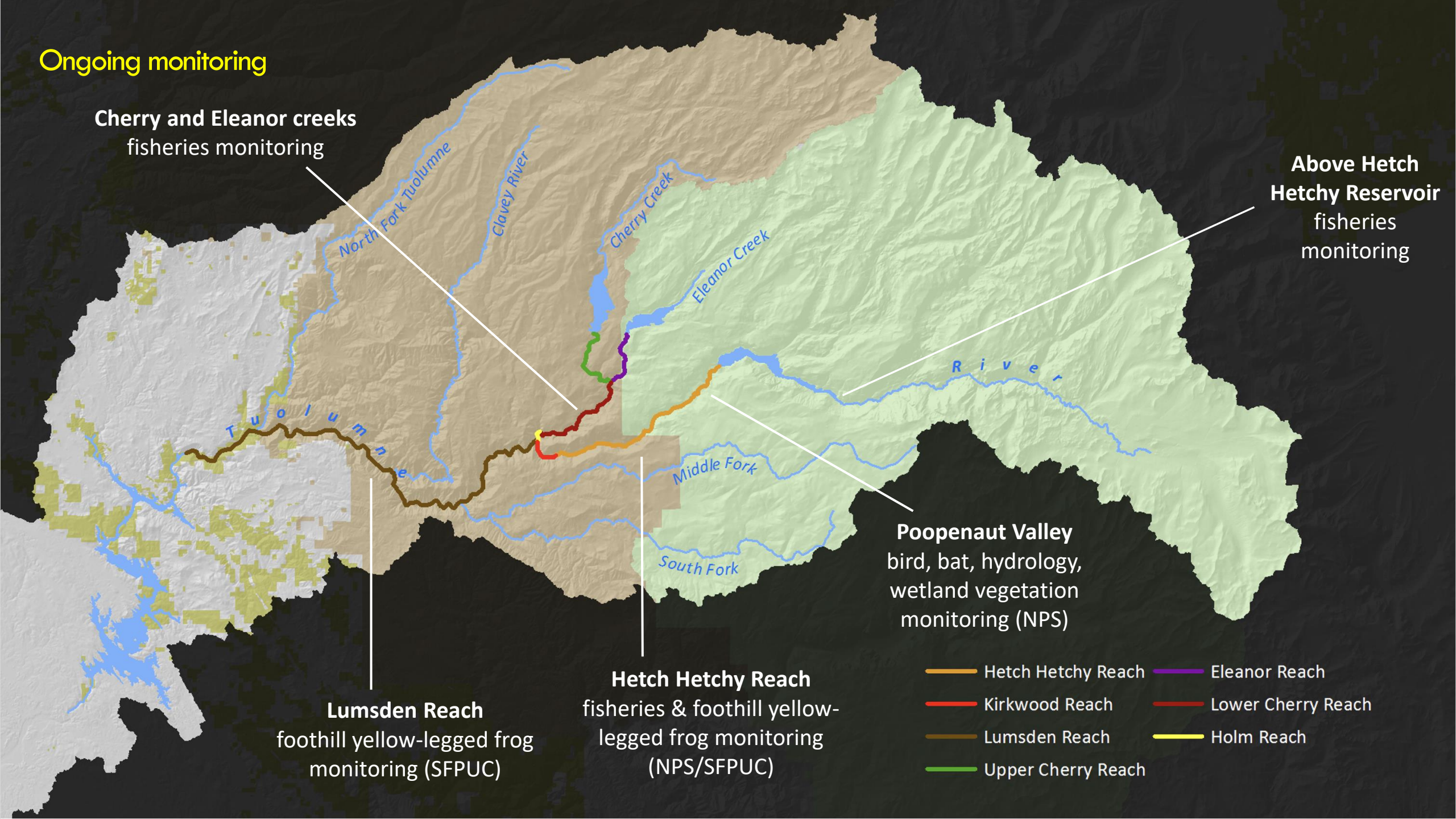
Above Hetch
Hetchy Reservoir
fisheries
monitoring

Poopenaut Valley
bird, bat, hydrology,
wetland vegetation
monitoring (NPS)

Lumsden Reach
foothill yellow-legged frog
monitoring (SFPUC)

Hetch Hetchy Reach
fisheries & foothill yellow-
legged frog monitoring
(NPS/SFPUC)

- | | |
|--|--|
|  Hetch Hetchy Reach |  Eleanor Reach |
|  Kirkwood Reach |  Lower Cherry Reach |
|  Lumsden Reach |  Holm Reach |
|  Upper Cherry Reach | |





For more information:

uppertuolumneriver.wordpress.com

Consent Calendar

- A. Approval of September 19, 2024 Minutes
- B. Budget Status Report
- C. Annual Audit for BAWSCA and Compilation Report for BAWUA for FY 2023-24
- D. Directors' Reimbursement Report
- E. Employees' Reimbursement Report
- F. Investment Report
- G. Adoption of Resolution #2024-03 Approving the Extension of the 2021 Amended and Restated Tier 2 Plan
- H. Annual Review and Consideration of BAWSCA's Statement of Investment Policy



Special Report: Transition Plan for CEO/General Manager



SFPUC

BAWSCA
Bay Area Water Supply & Conservation Agency

Special Report: Transition Plan for CEO/General Manager

- BPC approved appointing the current CEO Nicole Sandkulla to a newly created position of Transition Manager for a roughly one-month period to provide executive level services to ensure a smooth transition for the incoming CEO/GM, Thomas Smegal.
- Recent advice and direction from CalPERS staff and attorneys, has directed BAWSCA to keep Ms. Sandkulla in the employee classification of “CEO/GM” and not create a new Transition Manager position.
- When Mr. Smegal assumes the role of CEO/GM in December, Ms. Sandkulla will perform the job duties proposed for the Transition Manager Position, but will remain in the CEO/GM employee classification.



Special Report: Transition Plan for CEO/General Manager

- During the month of December, Ms. Sandkulla will provide advice and counsel to Mr. Smegal, including but not limited to:
 - Policy and program guidance to the CEO/GM Smegal.
 - Strategic advice to CEO/GM Smegal on negotiations with the San Francisco Public Utilities Commission, stakeholders, and BAWSCA's members.
 - Historical knowledge and information on issues BAWSCA has addressed, including previous negotiations and agreements executed by BAWSCA.
 - Advice to CEO/GM Smegal on issues pertaining to the BAWSCA Board of Directors, including programs, finances, operating budgets, and consultant agreements.
 - Strategic advice on executive management issues as requested by CEO/GM Smegal.



Resolution Approving the Temporary Appointment of Nicole Sandkulla as Special Counsel to the CEO/GM



BAWSCA 2018



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Bay Area Water Supply & Conservation Agency

Temporary Appointment of Nicole Sandkulla as Special Counsel to the CEO/GM

- BAWSCA's current CEO, Nicole Sandkulla, is scheduled to retire soon
- Her services and executive strategic advice after retirement will continue to be essential to affect a smooth transition to her successor, Mr. Tom Smegal
- CalPERS allows the temporary employment of a CalPERS-covered retiree under specified conditions, including:
 - No more than 960 hours per fiscal year
 - Salary consistent with the adopted salary range for the most closely related position
 - No other benefit, incentive, or compensation in-lieu of in addition to the hourly rate
 - If hired within 180 days following retirement, she fills a critically needed position
- The recommended resolution reflects these specified conditions and findings as required by CalPERS regulations



Recommended Action

That the Board adopt Resolution #2024-04 approving the temporary appointment of Nicole Sandkulla to the position of Special Counsel to the CEO/GM and making associated findings in support of such an appointment.



Approval and Adoption of BAWSCA Retroactive Pay Schedules for FY 2020-21 through FY 2024-25



BAWSCA 2018



Adoption of BAWSCA Retroactive Pay Schedules for FY 2020-21 through FY 2024-25

- BAWSCA is a participating agency in CalPERS
- CalPERS requires that BAWSCA's employees' reportable compensation comply with the California Public Employee's Retirement Law
- CalPERS recently informed BAWSCA that the Board needed to approve and adopt retroactive pay schedules for preceding four fiscal years plus the current fiscal year
- Following the Board's action, the approved and adopted pay schedules will be posted on BAWSCA's publicly available website and formally transmitted to CalPERS
- Moving forward, adoption of an updated pay schedule will be included as part of the Board's consideration of the annual Work Plan and Budget and will again be approved and adopted after the September Board evaluation and action on the CEO/GM employment agreement



Recommended Action

That the Board approve and adopt the BAWSCA Retroactive Pay Schedules for FY 2020-21 through FY 2024-25.



Public Hearing and Consideration of Possible Adoption of Ordinance #2024-01 to Increase Board Member Compensation



L. Ash, 2017



Adoption of Ordinance #2024-01 to Increase Board Member Compensation

- BAWSCA's existing Board compensation Ordinance was adopted on June 17, 2004
- Board members are currently compensated \$100 per day of service, up to 4 days per month
- At its last meeting, Board directed Legal Counsel to prepare a revised Ordinance for Board Member Compensation that
 - Increases the meeting attendance stipend from \$100 to \$200 per day of service, and
 - Requires Board review of member compensation every 5 years
- If the Board adopts this increase at its November 21st meeting, the earliest effective date for such an increase is January 20, 2025
 - Water Code requires a public hearing (November 21, 2024), noticed in a newspaper of general circulation (November 6 and 13) and an effective date 60 days from adoption



Recommended Action

That the Board adopt Ordinance #2024-01 increasing compensation to \$200/day for attending meetings and each day of service by request of the Board, and require review of Board member compensation on a five (5) year interval.



BAWSCA OPEB Liability Funded Status Update



BAWSCA 2018



BAWSCA
Bay Area Water Supply & Conservation Agency

BAWSCA Participates in the California Employers' Retiree Benefit Trust Program (CERBT)

- BAWSCA has participated in CERBT since April 2014 to prefund its Other Post-Employment Benefits (OPEB) obligations
 - CERBT is administered by CalPERS
- Contributions made to CERBT allows BAWSCA to pay for future retiree benefits, and reduce future cash flow requirements and OPEB liabilities
- BAWSCA has been fully funding the annual OPEB expenses
 - BAWSCA's FY 2024-25 Operating Budget includes a CERBT contribution of \$80,000
- BAWSCA's unfunded OPEB liability as of 6/30/2024: \$1,182,811
- BAWSCA's unfunded OPEB liability estimated to be paid off by 2036
 - Assumes a discount rate: 5.5%



BAWSCA's CERBT Account Summary as of Sept. 30, 2024 with Estimated Paid Off Date of 2036

Total Contributions (Initial contribution made on 4/26/2014)	\$1,035,731
Total Disbursements	-
Total CERBT Expenses	(\$6,437)
Total Investment Earnings	\$425,746
Total Assets	\$1,455,040
Current Asset Allocation Strategy Selection	CERBT Strategy 2
CERBT 20-Year Expected Rate of Return	6.1%
BAWSCA's Discount Rate Used in OPEB Actuarial Valuation as of June 30, 2024	5.5%
BAWSCA Actual Cumulative Annualized Rate of Return* from Inception (4/26/2014) through 9/30/2024	5.7%
BAWSCA Net OPEB Liability as of 6/30/2024 (Estimated to Be Paid Off by 2036)	\$1,182,811
Funded Status	52%

*Net of fees



SFPUC's OPEB Liability Funded Status Update

- SFPUC participants in the single employer defined benefit plan
 - Pay-as-you-go plus a contribution to the Retiree Health Care Trust Fund (Trust Fund)
- San Francisco's Net OPEB Liability as of 6/30/2023: \$3.7 billion
 - Estimated to be paid off by 2047
 - Assumes a discount rate: 7.0%
- SFPUC's share of SF's Net OPEB Liability: \$247.9 million
 - 6.32% of SF's unfunded liability of \$3.7 billion
 - Includes \$158.3 million for Water Enterprise & \$16.3 million for Hetchy Water
- SFPUC's FY 2023-24 Operating Budget: \$1.69 billion
 - Includes a share of contributions to Trust Fund: \$17.6 million



San Francisco's Unfunded OPEB & Pension Liabilities

Are San Francisco's Obligations

- BAWSCA consulted with its auditors and legal counsel to understand potential risks of San Francisco's unfunded liabilities
- BAWSCA auditor and legal counsel confirmed that San Francisco's unfunded liability is not BAWSCA agencies' liability
 - No Accounting guidelines require the agencies to report San Francisco's unfunded liability
- BAWSCA agencies pay their share of the SFPUC's operation expenses through the wholesale water rates
 - Includes retirement benefits attributable to current and retired employees
- Per the WSA, the Wholesale Customers only pay their share of expenses of SFPUC operations from which they receive benefits
 - Wholesale Customer expenses calculated based on the terms specified in the WSA



BAWSCA Pension Liability Funded Status Update



BAWSCA 2018



BAWSCA Participates in the CalPERS Pension Plan

- BAWSCA offers its employees and retirees pension benefits via CalPERS, a State of California Pension Trust Program
- Every year, CalPERS provides BAWSCA an actuarial valuation report
 - Includes latest pension trust plan funded status and minimum required employer contributions for next fiscal year
 - BAWSCA's FY 2024-25 Operating Budget includes a CalPERS required employer contributions of \$281,625
- BAWSCA's unfunded pension liability as of 6/30/2023: \$1,248,057
- BAWSCA's unfunded pension liability estimated to be paid off by 2044
 - Assumes a discount rate: 6.8%



BAWSCA's Pension Liability Funded Status as of June 30, 2023 with an Estimated Paid Off Date of 2044

Actuarial Calculation	CalPERS "Misc." Plan Value
a. Present Value of Projected Benefits (PVB)	\$8,329,282
b. Entry Age Normal Accrued Liability (AL)	\$6,294,845
c. Market Value of Assets (MVA)	\$5,046,788
d. Unfunded Accrued Liability (UAL) =b-c	\$1,248,057
e. Funded Ratio =c/b	80.2%



SFPUC's Pension Liability Funded Status Update

- SFPUC participants in a cost-sharing multiple-employer defined benefit pension plan administered by SF Employees' Retirement System (SFERS) & Replacement Benefits Plan (RBP) for the retirement allowance exceeds IRS 415 limits
 - Benefits provided under SFERS are currently paid based on “pay as you go”
- San Francisco's Net Pension Liability as of 6/30/2023: \$3.6 billion
 - Assumes a discount rate: 7.2%
- SFPUC's share of SF's Net Pension Liability: \$265.9 million
 - 7.4% of SF's unfunded liability of \$3.6 billion
 - Includes \$152.6 million for Water Enterprise & \$19.1 million for Hetchy Water
- SFPUC's FY 2023-24 Operating Budget: \$1.69 billion
 - Includes a share of contributions to SFERS: \$48.7 million



San Francisco's Unfunded OPEB & Pension Liabilities

Are San Francisco's Obligations

- BAWSCA consulted with its auditors and legal counsel to understand potential risks of San Francisco's unfunded liabilities
- BAWSCA auditor and legal counsel confirmed that San Francisco's unfunded liability is not BAWSCA agencies' liability
 - No Accounting guidelines require the agencies to report San Francisco's unfunded liability
- BAWSCA agencies pay their share of the SFPUC's operation expenses through the wholesale water rates
 - Includes retirement benefits attributable to current and retired employees
- Per the WSA, the Wholesale Customers only pay their share of expenses of SFPUC operations from which they receive benefits
 - Wholesale Customer expenses calculated based on the terms specified in the WSA



Los Vaqueros Reservoir Expansion Project - Update



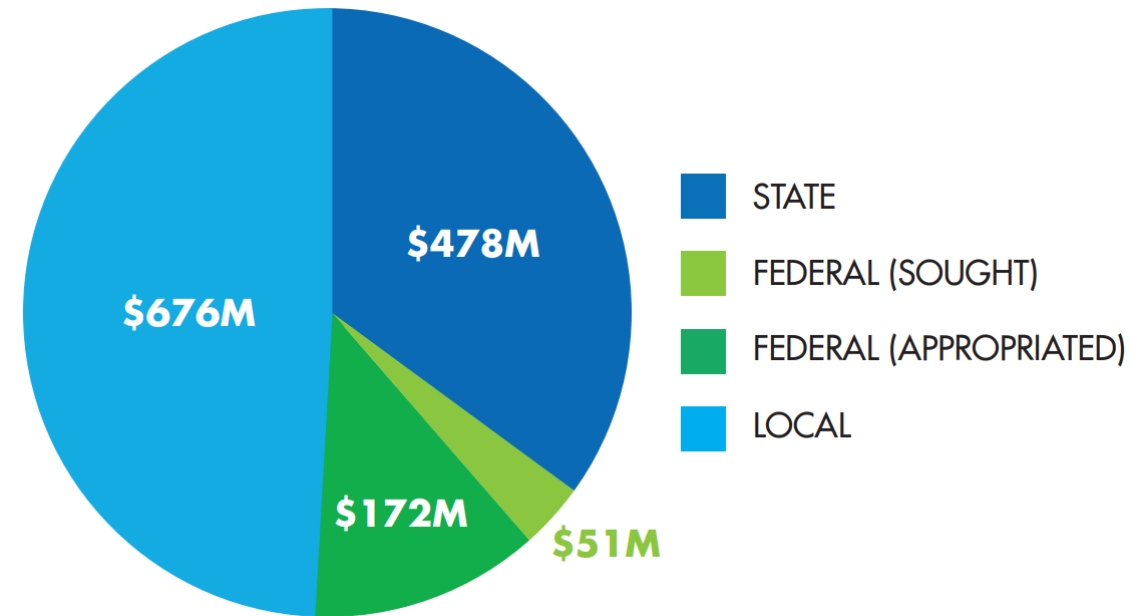
BAWSCA 2018



Los Vaqueros Reservoir Expansion (LVE) Background

- LVE was envisioned
 - to improve Bay Area water supply reliability and water quality
 - Protect Delta fisheries and provide additional Delta ecosystem benefits
- Project components included:
 - an increase in the existing LV Reservoir capacity from 160,000 to 275,000 acre-feet,
 - a regional intertie (the Transfer-Bethany Pipeline), and
 - improved pump stations and pipelines
- Contra Costa Water District (CCWD) was a central figure in the LVE project
 - existing LV Reservoir owned by CCWD
 - a significant portion of the project lies in CCWD service area and utilizes CCWD-owned facilities

Project Implementation Funding Plan



Recent Action by CCWD Will Essentially End LVE Project

- September 18, 2024: CCWD Board directed its General Manager to develop an approach to end CCWD's participation in the project
 - CCWD Board made this request based on its conclusion that facts showed the project was no longer viable
- LVE Joint Powers Authority (JPA) issued a subsequent statement urging CCWD to reconsider
 - Conveyed the JPA's sincere and continued interest in LVE
- November 6, 2024: CCWD Board unanimously voted to take actions that effectively ends the LVE Project
 - Work with the CA Water Commission (CWC) to eliminate / back-out of CWC's project funding support
 - Work with the LVE JPA to dissolve the partnership
- What's next?
 - It may take as long as one-year to close out the LVE Project
 - During that time, the JPA will remain in place (to document/archive the work to date and determine financial responsibilities)
 - There remains the possibility that the project may continue in some form or fashion, although without State and Federal Funding, and without CCWD's participation, that is unlikely



Bay Delta Plan/FERC Update



Jensen, 2011



SWRCB Releases Draft Phase 2 Bay Delta Plan Updates Including Program of Implementation (POI)

- SWRCB has released Draft Phase 2 Bay Delta Plan Updates
 - Draft Plan includes a POI for Phase 2 of the Bay Delta Plan
 - POI references the Tuolumne River and associated requirements (albeit in no great detail)
 - Presents both Unimpaired Flow provisions and provisions for Healthy Rivers and Landscape Proposal
 - References to flow release requirements and how the SWRCB may utilize curtailments are of particular interest to BAWSCA and the SFPUC, and greater clarity is sought
 - BAWSCA and the SFPUC are still reviewing the POI
- SWRCB intends to hold 5 workshops to present and discuss the POI with the public
 - Workshops will be held on Nov. 20, Nov. 22, Dec. 3, Dec. 12, 2024 and January 23, 2025
 - These are hybrid workshops, with both in person attendance and web viewing
- Draft Plan and workshop details can be found on SWRCB website here:
https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/2024/drft-sacdelta-bdplan-updates.pdf



Closed Session



Ragsdale, 2023



Report After Closed Session



BAWSCA 2018



Additional Time for Public Comments (Time Permitting)



Sandkulla, 2023



Directors' Discussion



BAWSCA 2018



Next Meeting and Adjournment

Next Meeting

January 16, 2025
6:30 pm

