

“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 17, 2025**

**Special Meeting  
due to Location**



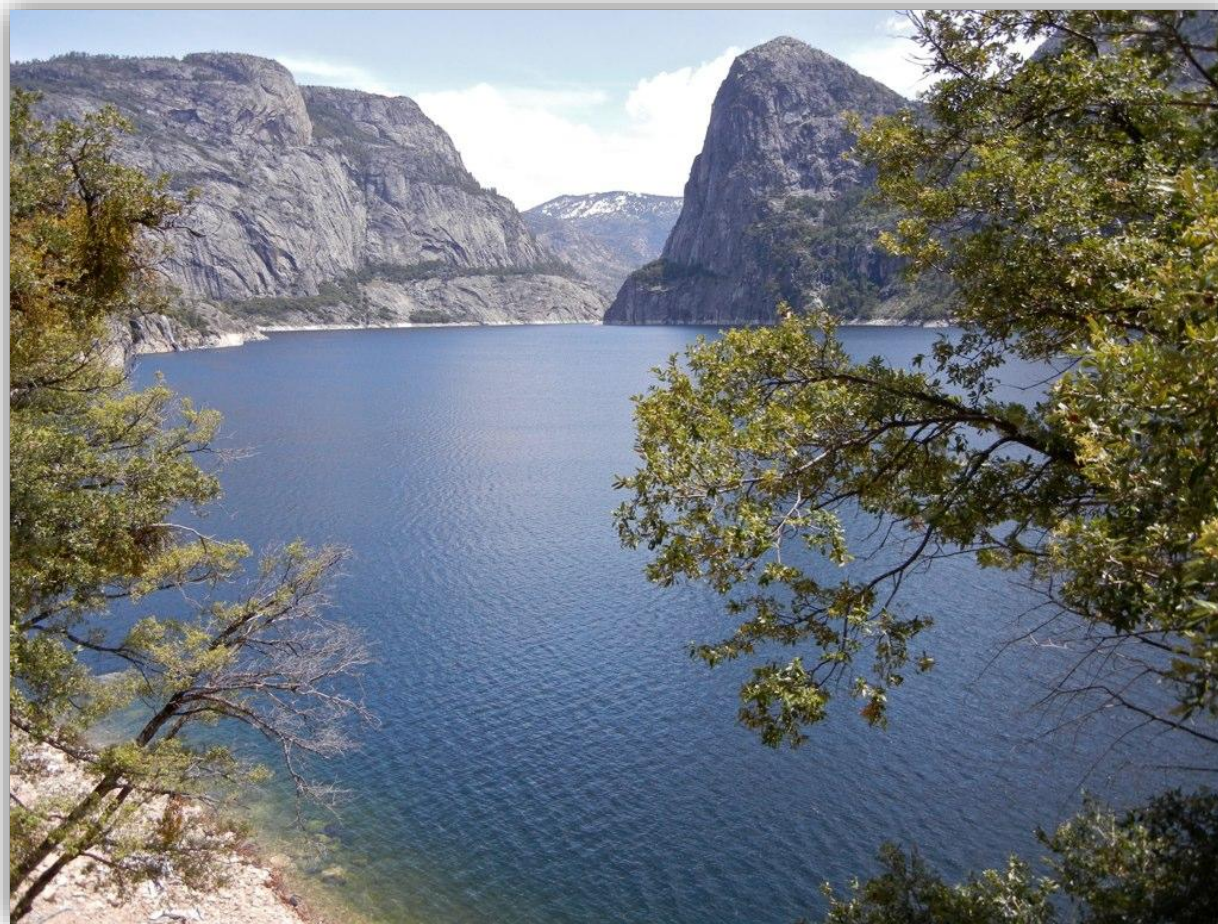
**BAWSCA**  
Bay Area Water Supply & Conservation Agency

# Call To Order/Roll Call/Salute to Flag





# Comments by the Chair



Jensen, 2011





# Board Policy Committee Report



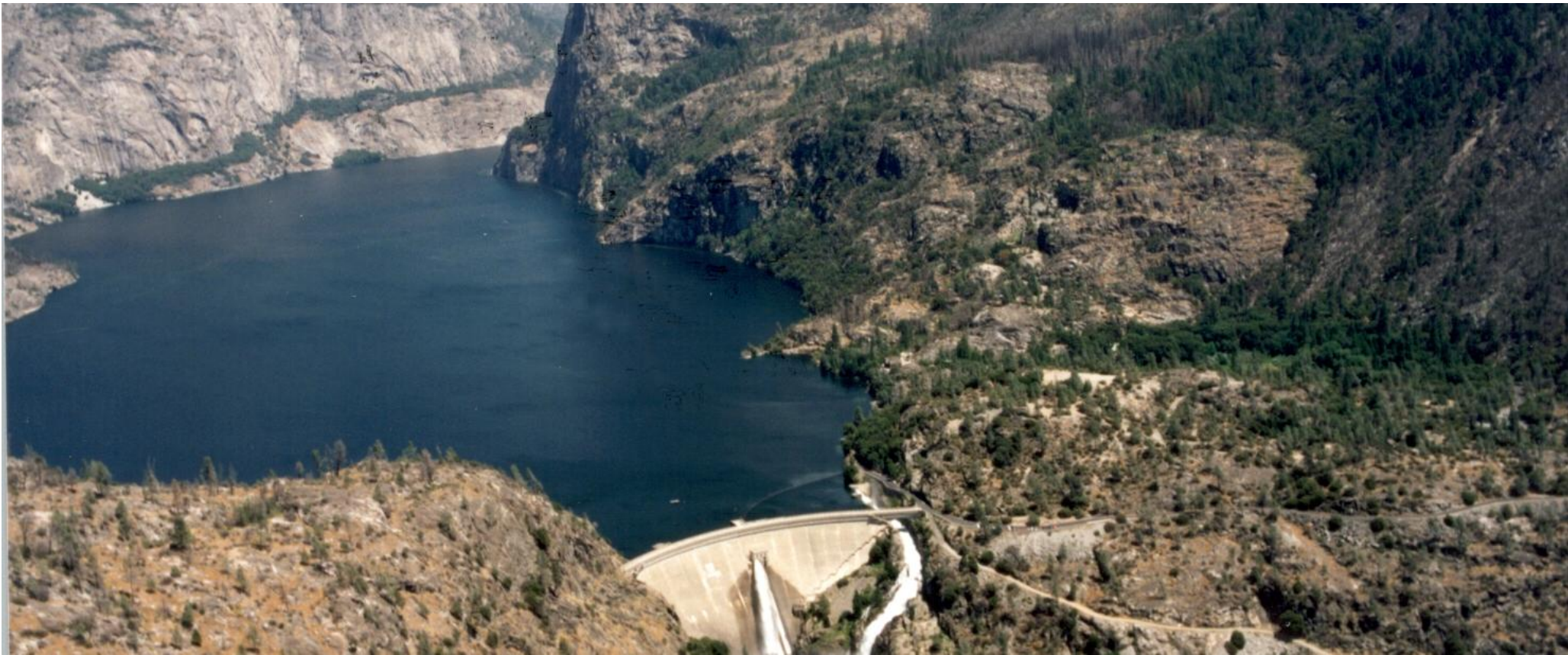
# Consent Calendar

- A. Approve Minutes of the May 15, 2025 Meeting
- B. Receive and File Budget Status Report – As of May 31, 2025
- C. Investment Report – as of May 31, 2025





# SFPUC Report



SFPUC



# **SFPUC Affordability Policy & Wholesale Water Customers**

Erin Corvinova, Financial Planning Director

July 17, 2025

# Affordability Policy Background

- Affordability Policy available on website
- Approved by Commission in November 2023
- Industry-leading – no other utilities we surveyed have anything like this
- Policy includes three pieces: 1) process, 2) metric, 3) target
- Used for two years to evaluate affordability of combined water/sewer bills



# Key Considerations in Developing Policy

## **Integrated into existing budget and financial planning process**

- Minimizes administrative effort and increases likelihood of targets mattering in decision-making
- Relies on simple to calculate metrics

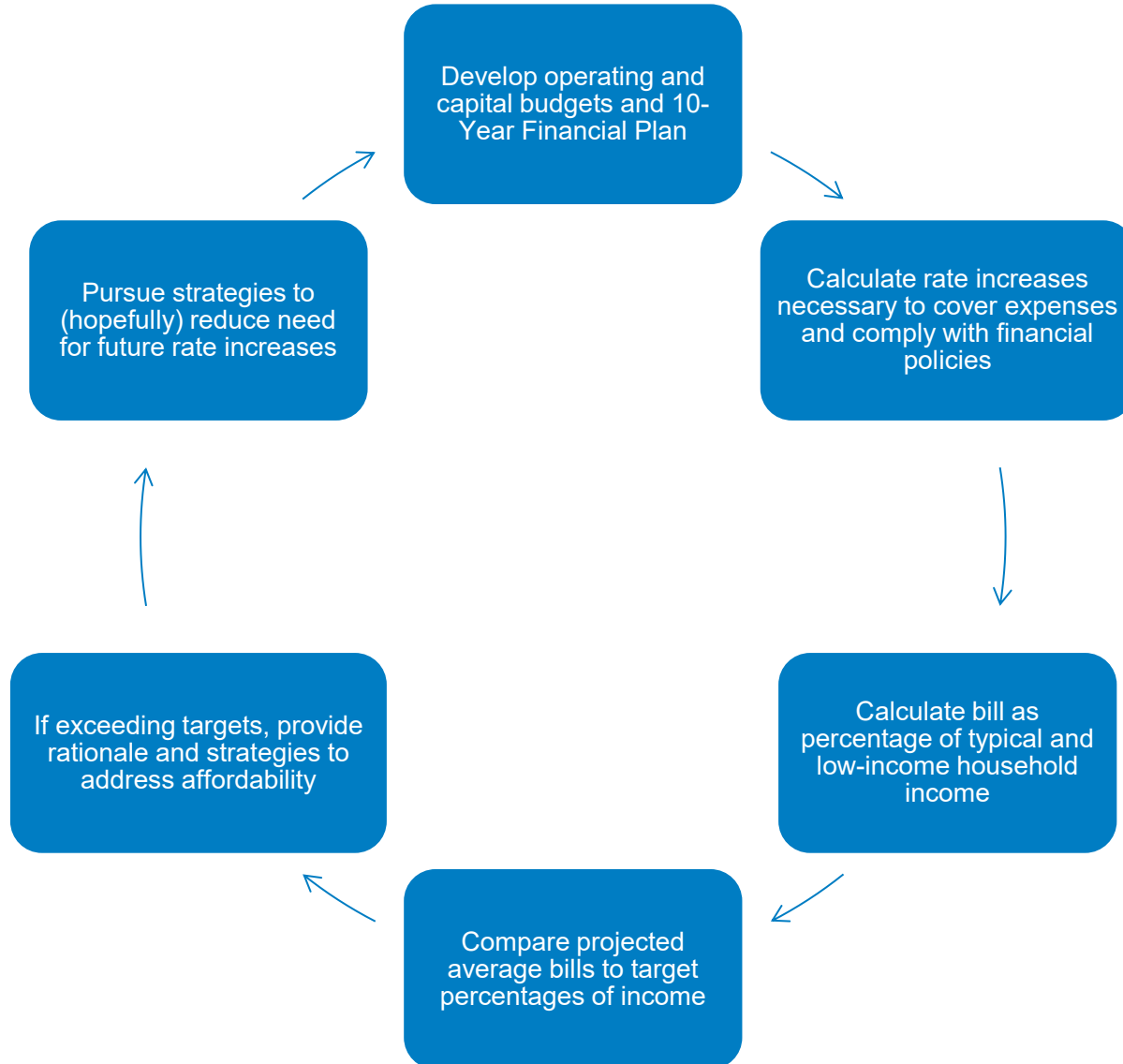
## **Metrics and targets tailored to our service area**

- High cost of living and income inequality vs. high average income
- Retail residential households are indicative of cost to entire customer base

## **Not a hard limit, but an early warning system to drive action**

- Both a challenge and an opportunity to communicate
- Goal is to make changes to meet targets, but sometimes tradeoffs may be necessary

# Affordability Evaluation Process



- The iterative process is the core of the Affordability Policy
- Future affordability projections allow time to change course



# Water/Sewer Affordability Metrics and Targets

## Typical Household = 40th Percentile Income

- Measures how rates impact an average customer
- Lower than median (50<sup>th</sup> percentile) to account for racial disparities and high cost of living
- **Target: Combined water/sewer bill < 3% of income**

## Low Income Household = 20th Percentile Income

- Adds focus on customers who face greatest challenges from high cost of living and widening inequality
- Roughly aligns with eligibility for deepest discounts in Customer Assistance Program
- Used by regulators, industry associations
- **Target: Combined water/sewer bill < 7% of income**

Two metrics use the same general formula, but with different incomes to cover a diverse cross-section of customers

$$\frac{\textit{Average residential bill}}{\textit{Household income}} = \textit{Affordability metric (\%)}$$

# Affordability Policy and Wholesale Customers

- Metrics are focused on retail residential customers because that's the only group where it's feasible to say measure affordability
- Wholesale customers are part of the policy: Because of legal and contractual obligations, controlling costs for one set of customers generally controls costs for all customers
- Wholesale customers aren't a perfect fit in the policy:
  - Cost allocations between retail and wholesale are not 1:1 – ex. could cut only SF retail projects to bring down retail bills, which wouldn't impact wholesale rate
  - Combined water/sewer retail metric means pressure on wastewater rate increases may impact water decision-making
- For actual financial decision-making, impact on wholesale customers is always considered, even if not explicitly in the policy
  - WSA requires information sharing, opportunities for BAWSCA comment in budgeting process

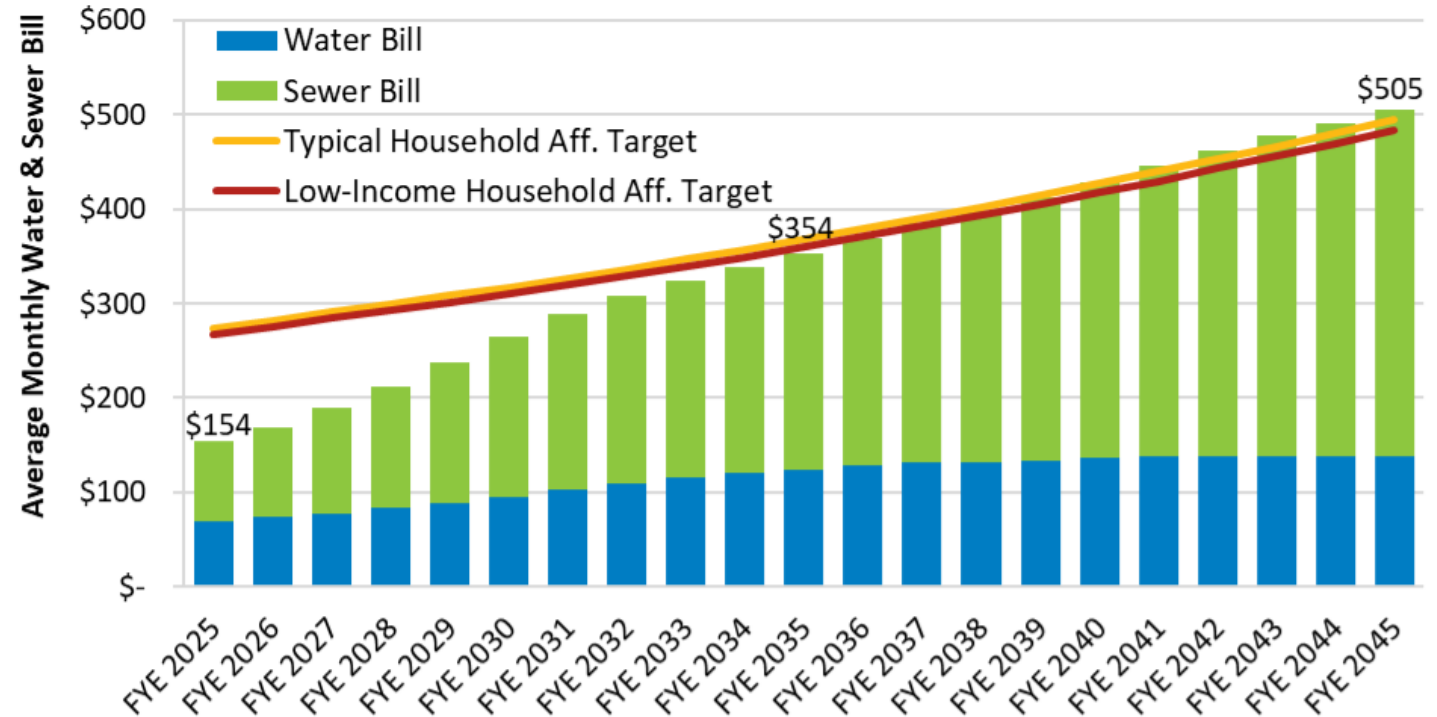


# Latest Affordability Projection – February 2025

Historic

Projected

Fiscal Year	Water Rate Increase	Wastewater Rate Increase	Combined Bill Increase
FYE 2020*	8.3%	7.0%	7.6%
FYE 2021*	7.8%	8.0%	7.9%
FYE 2022*	7.9%	8.0%	8.0%
FYE 2023*	0.0%	0.0%	0.0%
FYE 2024*	5.0%	9.0%	10.5%
FYE 2025*	5.0%	9.0%	8.0%
FYE 2026*	5.0%	9.0%	9.7%
FYE 2027	7.0%	15.0%	11.5%
FYE 2028	7.0%	15.0%	12.5%
FYE 2029	8.0%	14.0%	11.8%
FYE 2030	8.0%	12.5%	11.7%
FYE 2031	7.0%	10.5%	9.1%
FYE 2032	6.5%	6.5%	6.4%
FYE 2033	6.5%	5.0%	5.5%
FYE 2034	3.5%	5.0%	4.4%
FYE 2035	3.0%	5.0%	4.2%
<b>10-Year Avg.</b>	<b>6.0%</b>	<b>10.5%</b>	<b>8.6%</b>



- Forecasted to exceed affordability targets outside of 10-year window
- Early warning of affordability issues 10+ years out allows time to adjust in capital planning

\* Approved rates, all others forecast/planning only

# Current Status

- Beginning budget process for new 2-year operating budget and 10-year Capital Improvement Plan now
- Budget instructions aim to make cuts to bring bill forecast down below affordability target
  - Also related to Capital Planning Improvement Initiative, focused on right-sizing CIPs and improving internal processes to prioritize deliverability
- Affordability Policy is a non-binding guideline – if other considerations drive us to exceed it, that is allowable



# Water Management Representatives Report



BAWSCA 2018







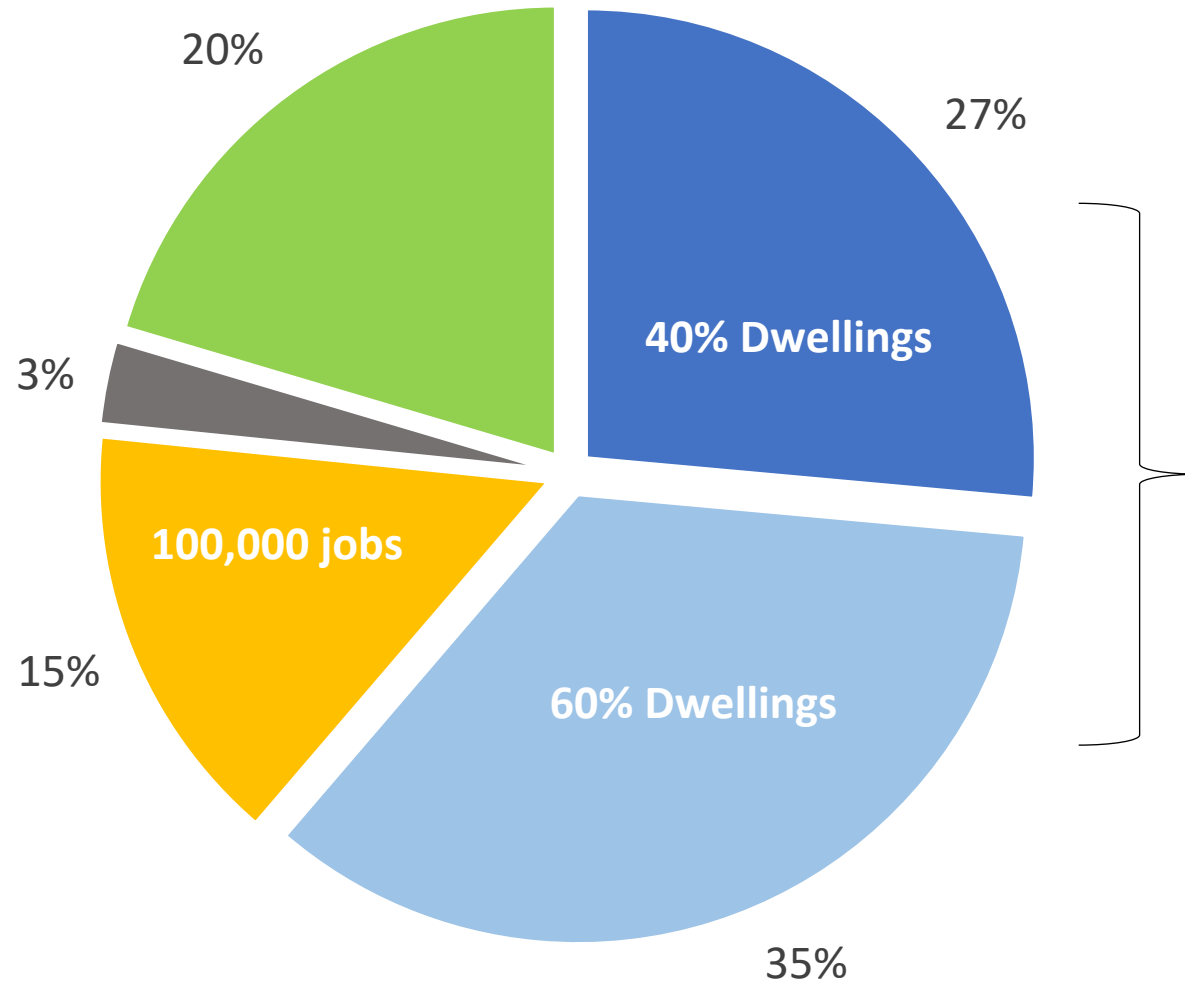
City of  
**Mountain  
View**

# Agency Spotlight

Elizabeth Flegel, Water Resources Manager

July 17, 2025

# Water Use by Customer



- Single-Family
- Multifamily
- Commercial
- Industrial
- Landscape

Population  
85,000 residents  
40,000 housing units

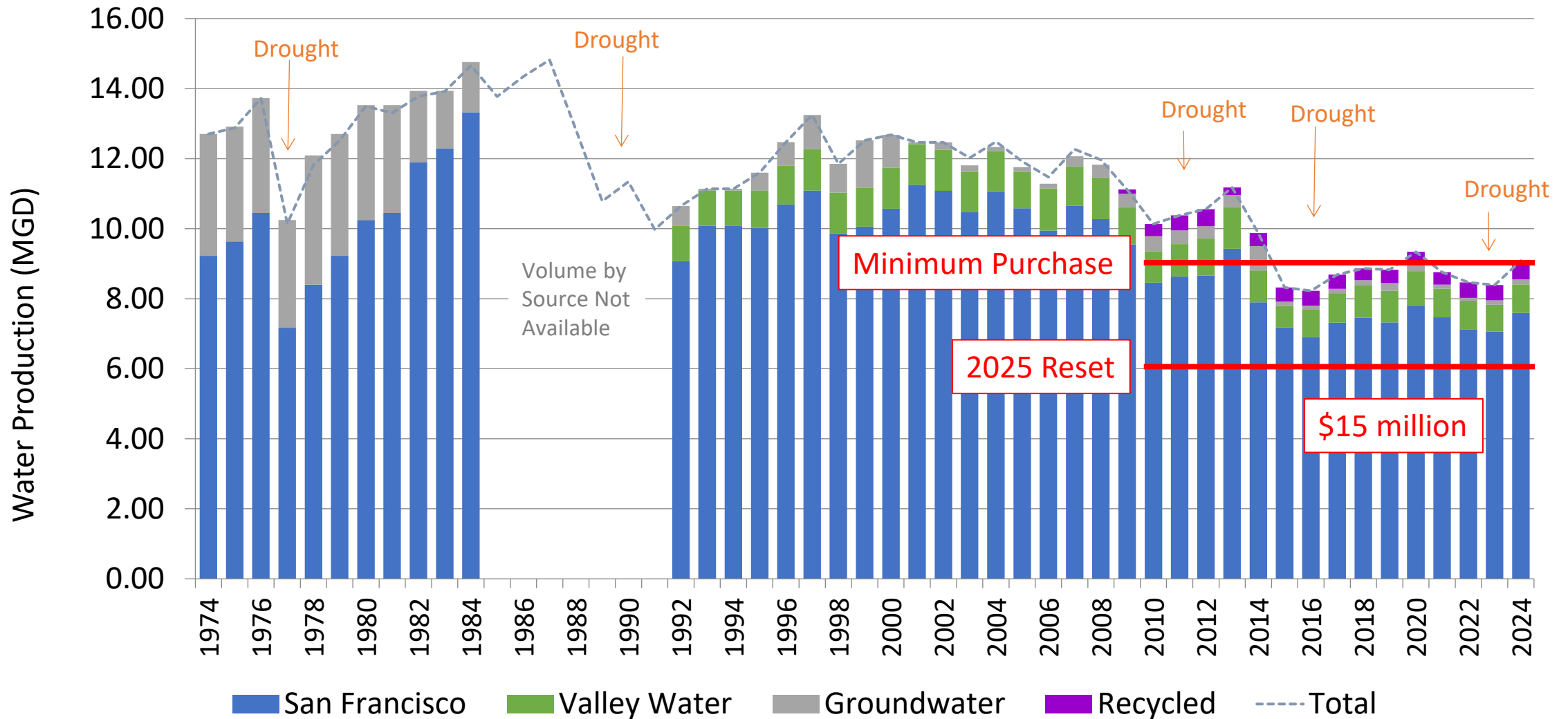
Future  
148,000 residents

**\*RHNA to increase by 75%**





# Water Use by Source



# Value of Alternative Supplies

## SMART METERS



**SAVE  
WATER**





# New Recycled Water Tank

Current Site at Charleston Park

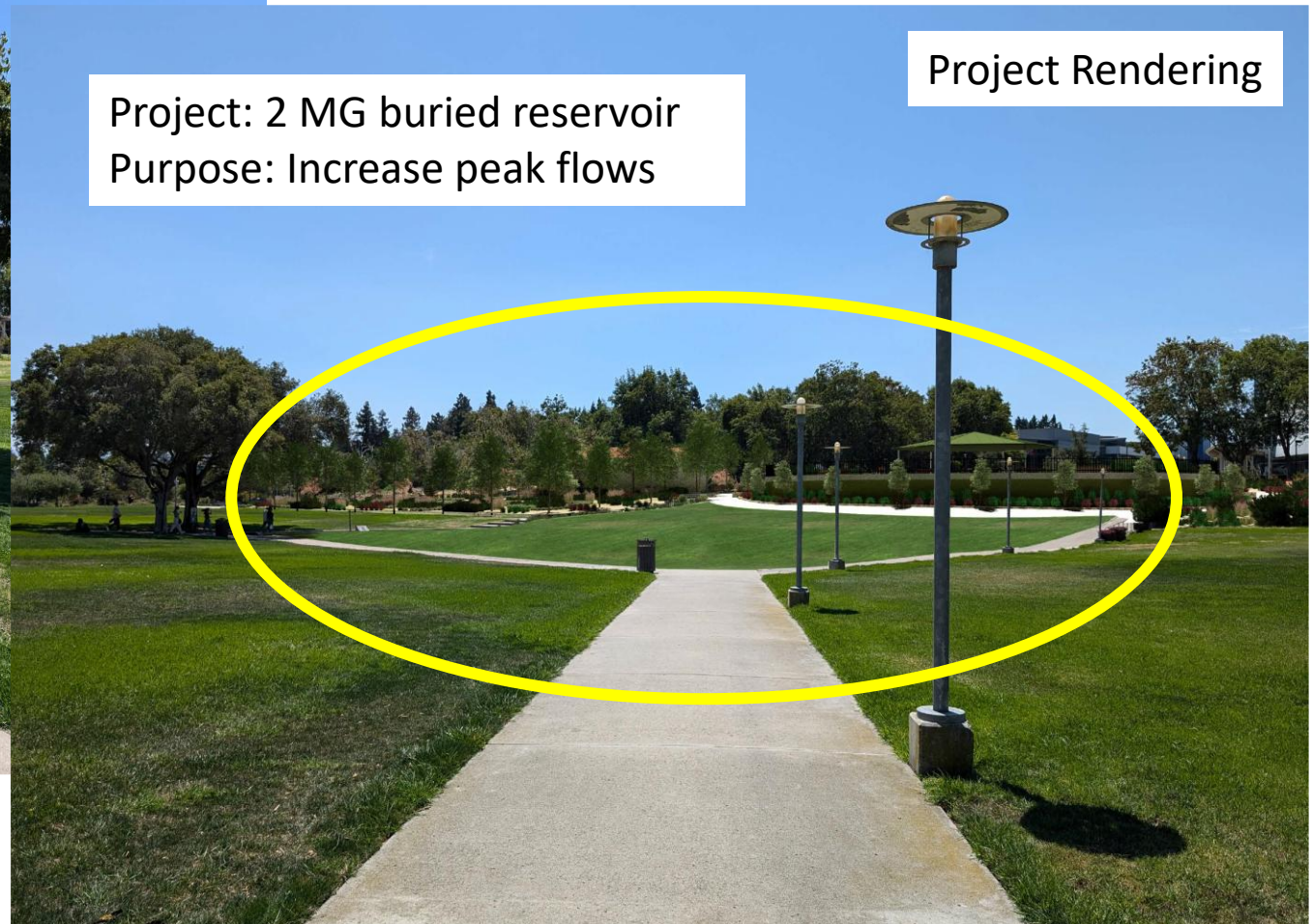


## Schedule

2025 - Siting Study  
2027 - Design  
2028 - Construction

Project: 2 MG buried reservoir  
Purpose: Increase peak flows

Project Rendering

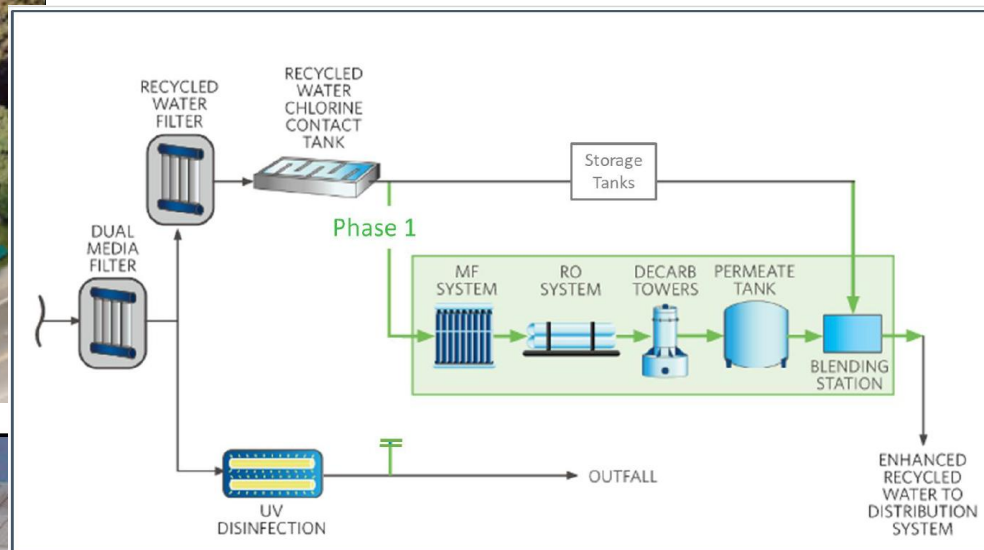




# Advanced Water Treatment System



Joint Project: Mountain View & Palo Alto  
Purpose: Improve recycled water quality  
Construction Schedule: 2025 - 2028

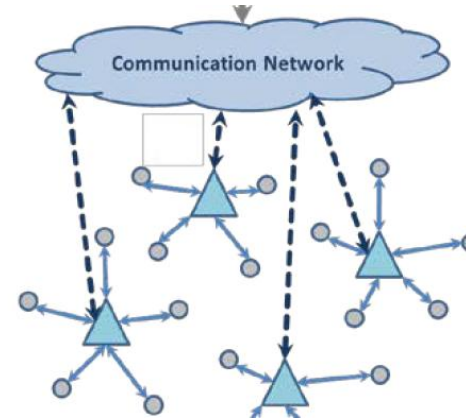
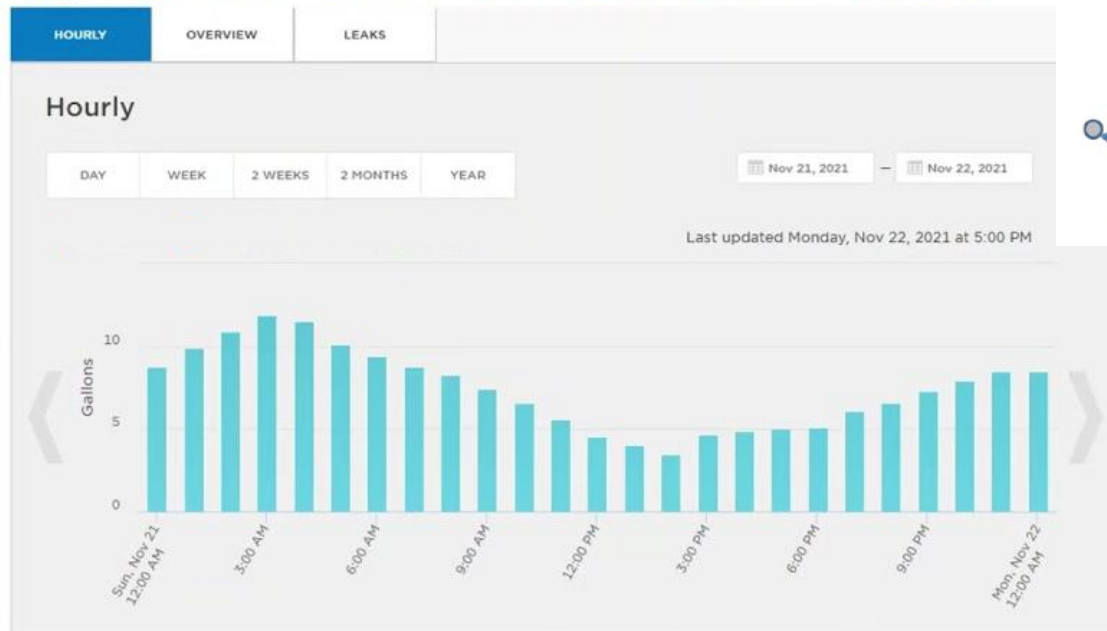






Project: Convert to smart water meters  
Purpose: Customer leak detection / operations

## Daily Water Use- Undetected Leak



Fixed Network (AMI)



# Questions?



# Public Comments on Items Not on the Agenda



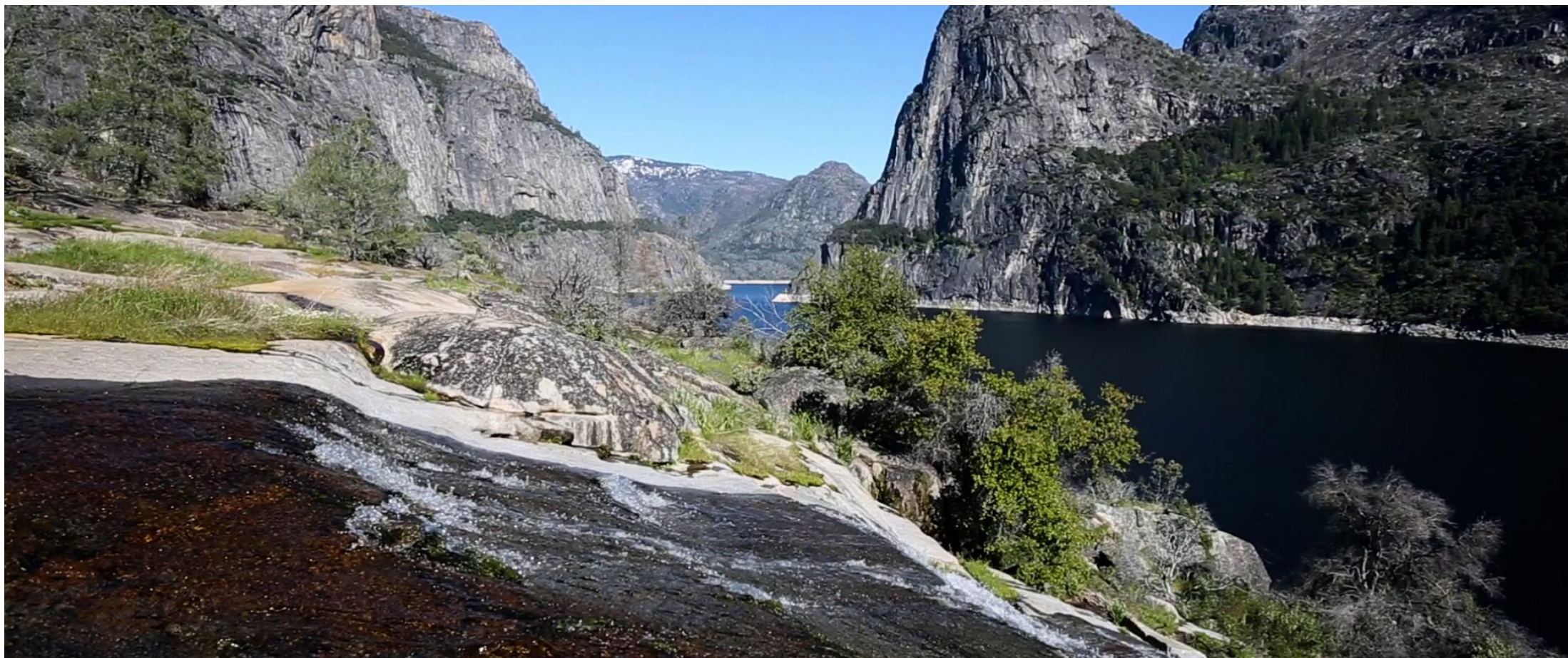
BAWSCA 2018



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# Reports and Discussions



BAWSCA 2018



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



SFPUC



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



# BAWSCA Board and Water Management Representatives Planning Session Schedule for 2025

Spring  
2025

- **Review Reliability Risks-** Share information on scenario planning. Review and discuss risks to water supply reliability. Engage with Board to provide input on potential future scenarios.

Summer  
2025

- **Solicit Input on Project Concepts-** Seek Board input on local water supply and demand management projects and actions. Engage with Board to provide input on which projects to further evaluate.

Fall 2025

- **Review Affordability Findings-** Discuss water supply affordability, rate considerations, and Proposition 218-compliant assistance programs. Review recommendations for local or regional affordability models supported or administered by BAWSCA.

# Goals for Today's Meeting

- Share process used for screening and sorting new water reliability Projects and Actions (P&As) identified to date through Strategy 2050
- Seek feedback on short list of:
  - Potential Water Supply P&As
  - Near-Term Priority Actions
- Review next steps for P&A development



# Discussion Questions

**Consider the following questions as we review the next few slides:**

- Of the potential 14 Water Supply P&As, which should be further developed?
- Of the 10 Near-Term Priority Actions, which should be considered?
- Are there other P&As not currently included in the list that should be considered?



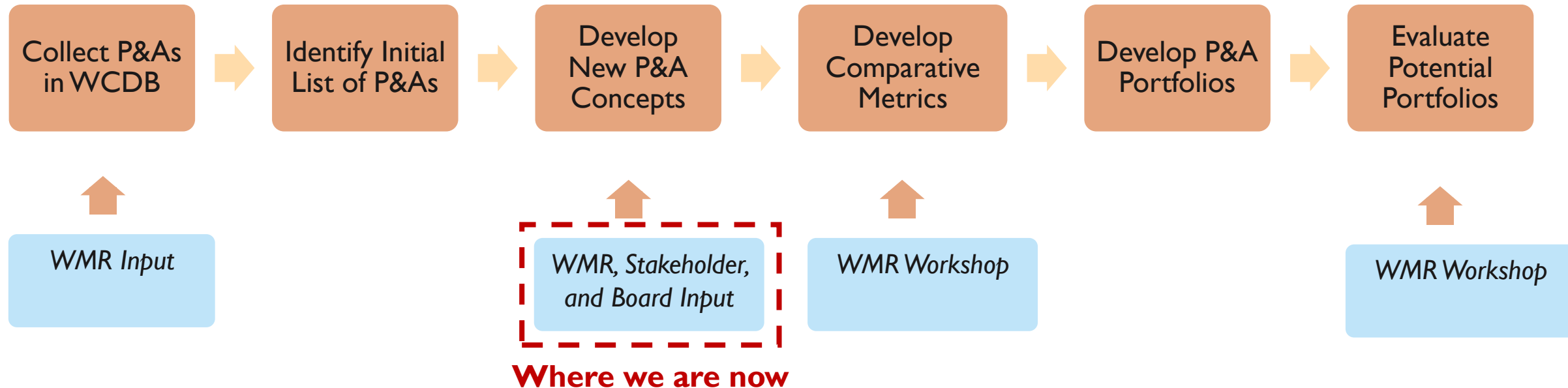


# Strategy 2050 Projects and Actions

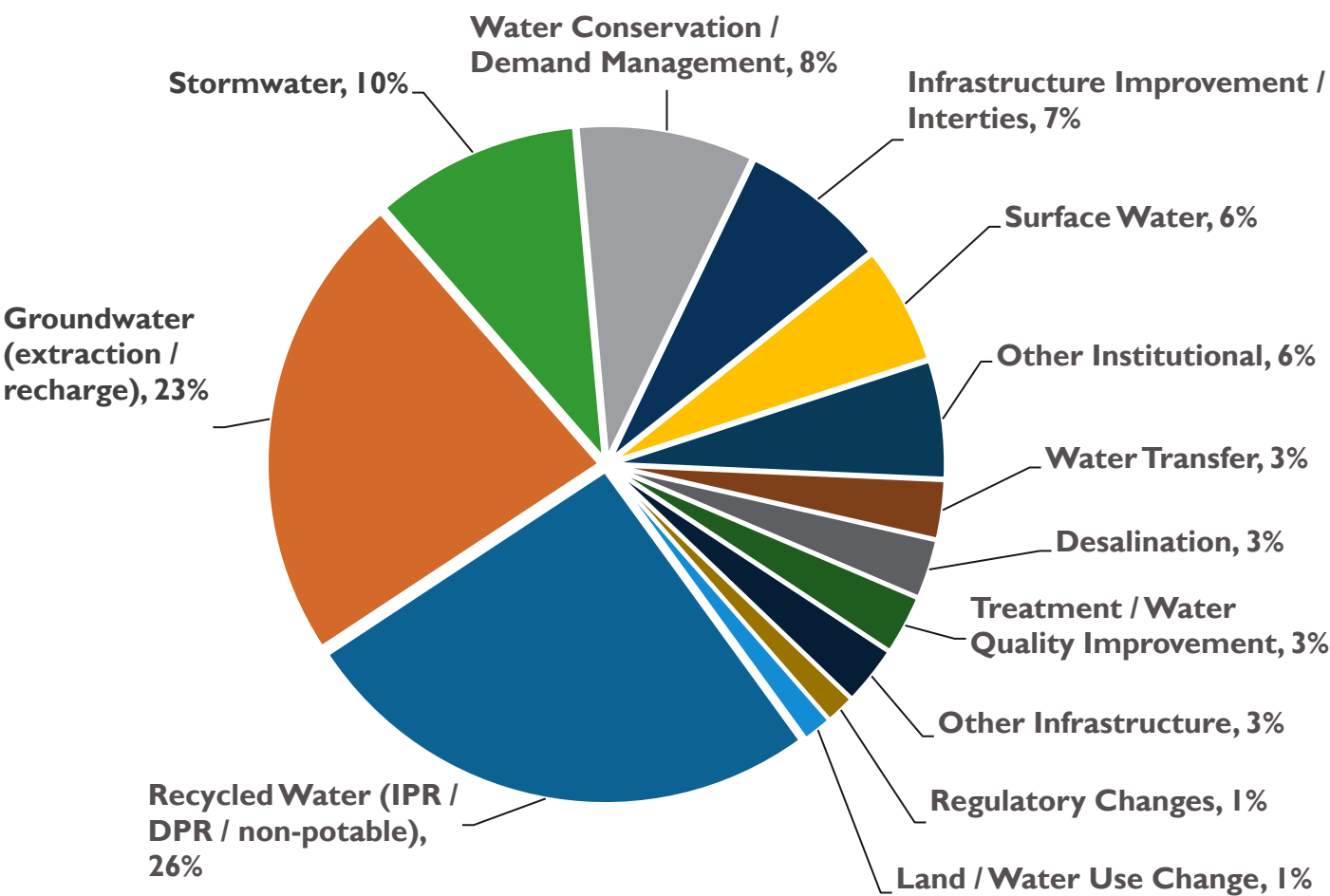
- Strategy 2050 will consider both **projects** and **actions** (P&As) to improve water supply reliability
- **Projects** generally involve physical infrastructure
- **Actions** involve non-infrastructure interventions, such as policies, programs, and/or contractual agreements
- Planned or potential P&As – including individual agency projects and regional projects – will be collected and evaluated



# Project and Actions Development Role in Strategy 2050



# Existing Projects and Actions Collected



Project Type	Count
Recycled Water (IPR / DPR / non-potable)	18
Groundwater (extraction / recharge)	16
Stormwater	7
Water Conservation / Demand Management	6
Infrastructure Improvement / Interties	5
Surface Water	4
Other Institutional	4
Water Transfer	2
Desalination	2
Treatment / Water Quality Improvement	2
Other Infrastructure	2
Regulatory Changes	1
Land / Water Use Change	1
Total	70



# Approach to Identifying New P&A Concepts

- BAWSCA collected input on potential new P&As concepts for Strategy 2050 through a series of meetings and workshops:
  - May WMR meeting
  - May BAWSCA Board planning session
  - One Water Roundtable Workshop
- Through these forums, a total of 29 potential new P&A concepts were identified for further consideration



# Three Broad Categories of P&As

## Near-Term Priority Actions

- Could be implemented in the near-term (<5 years)
- May support specific time-sensitive needs (e.g., regulatory compliance)
- May represent initial steps towards Water Supply P&As
- Align with and directly builds upon BAWSCA's current role

## Funding Actions

- Support funding or financing of other P&As
- No direct water supply benefit, but may address implementation hurdles for Water Supply P&As

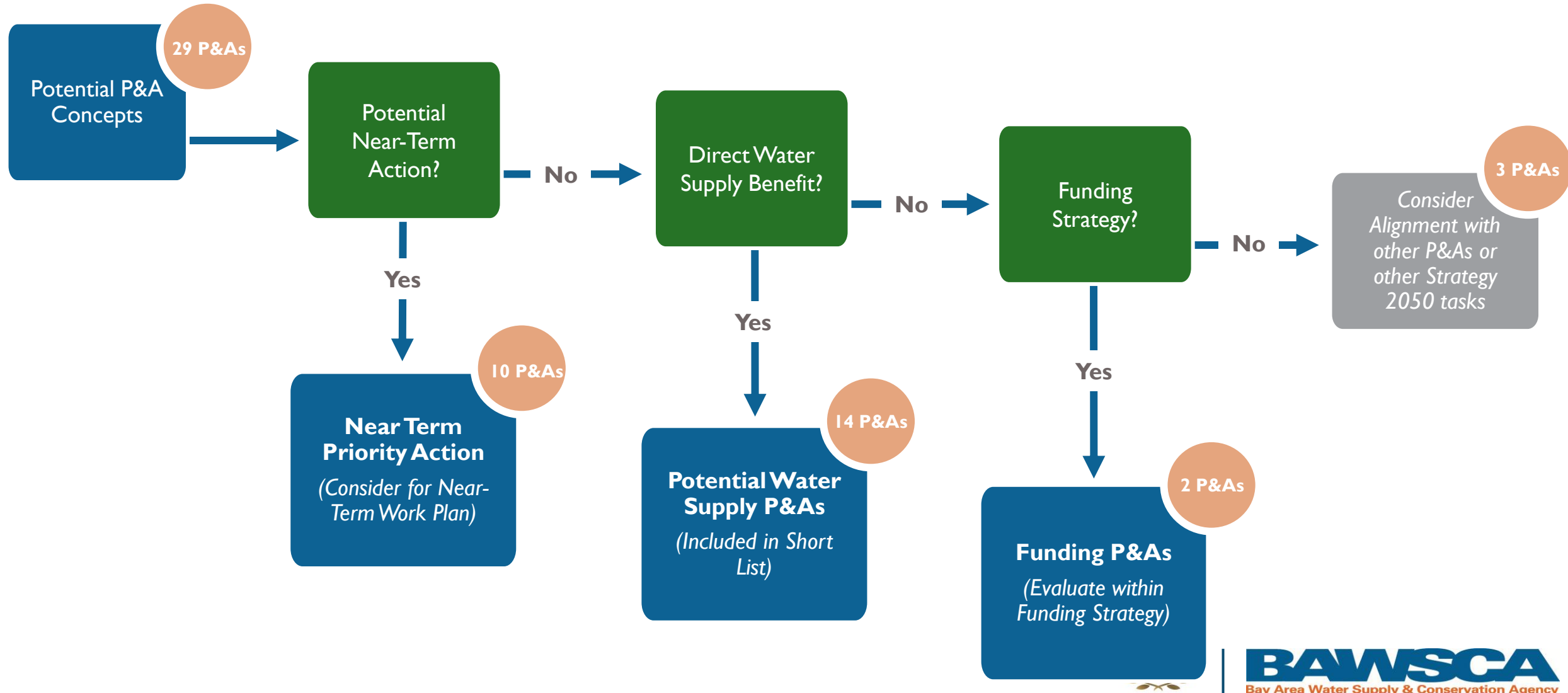
## Water Supply P&As

- Direct water supply benefit
- Typically require multi-phase implementation over > 5-year horizon
- If implemented by BAWSCA, may expand BAWSCA's role





# Approach to Screening P&As



# Near-Term Priority Actions

- Expand on Collaboration with Wastewater Agencies and Regional Entities
- Technical Workgroup for Onsite Reuse
- Regional Model Ordinance for Residential Front Yard Non-Functional Turf Ban
- Education and Communication Programs for Water Conservation and Drought Response
- San Francisco Regional Water System (SF RWS) Wheeling Policy and Structure
- Intertie Schematic and Assessment
- Asset Management Working Group and Program
- Commercial Audits and Retrofit Rebates
- AMI Working Group
- ISG Transfer Implementation Plan
- *Emergency Response Mutual Aid Agreements\**

\*To be considered in Emergency Resilience Task (Task 1D)



# Funding Actions

- Local Project Funding Program
- Private (e.g., Corporate or Foundation) Funding Opportunities



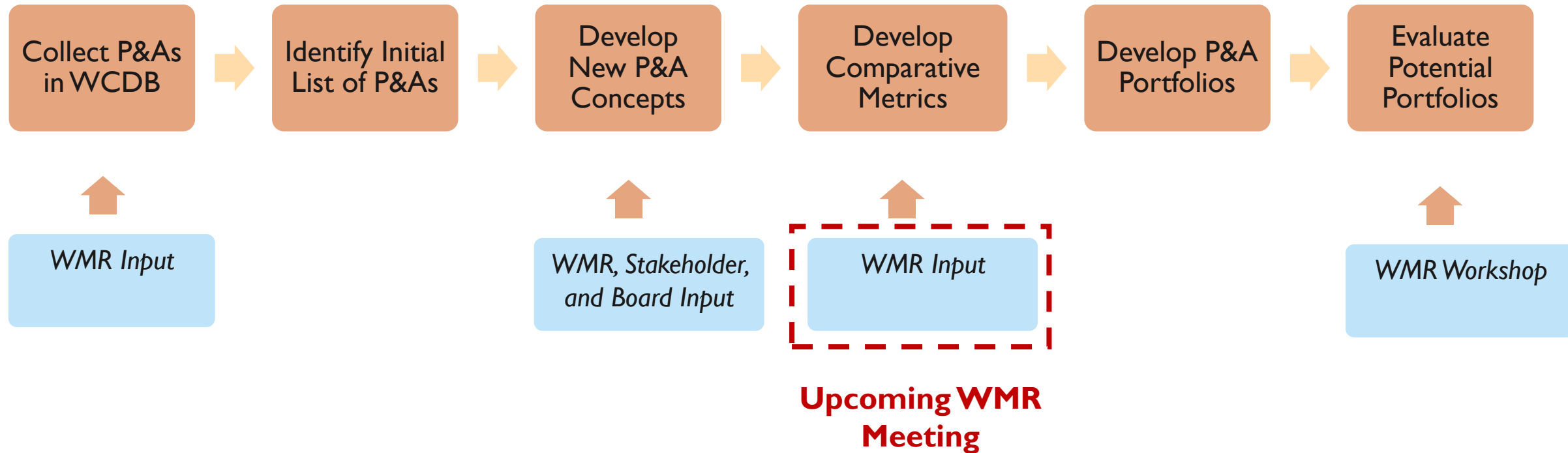


# Potential Water Supply Projects & Actions

- Regional Stormwater Project (*TBD, pending CCAG Discussion*)
- Satellite Facilities for Distributed Reuse
- Technical Assistance Program for Onsite Reuse
- Tuolumne River Groundwater Recharge and Banking Partnership
- New Partnerships for Groundwater Banking w/ linked water supply
- Conserved Water Transfer with Irrigation Districts
- Regional Groundwater Conjunctive Management Program
- Desal Buoy Pilot Project
- San Francisco Bay Desalination Project
- Fog Collection Subscription Program
- Valley Water/SFPUC Regional Supply Optimization Program
- Regional “Net Zero” Conservation Offset Program
- Intertie Development/Optimization
- Debt Financing for Distributed Infrastructure



# Next Steps



# Discussion Questions

- Of the potential 14 Water Supply P&As, which should be further developed?
- Of the 10 Near-Term Priority Actions, which should be considered?
- Are there other P&As not currently included in the list that should be considered?





# BAWSCA's 2021-23 Drought Report



BAWSCA 2018



# Project Objectives

- Document and evaluate drought actions and drought response measures (DRMs)
- Document fiscal impacts and water quality issues observed
- Quantify water use reductions achieved
- Quantitatively analyze the effectiveness of local and regional DRMs
- Identify lessons learned to support future planning



# Governor Orders & Agency Actions Taken During the Course of the Drought

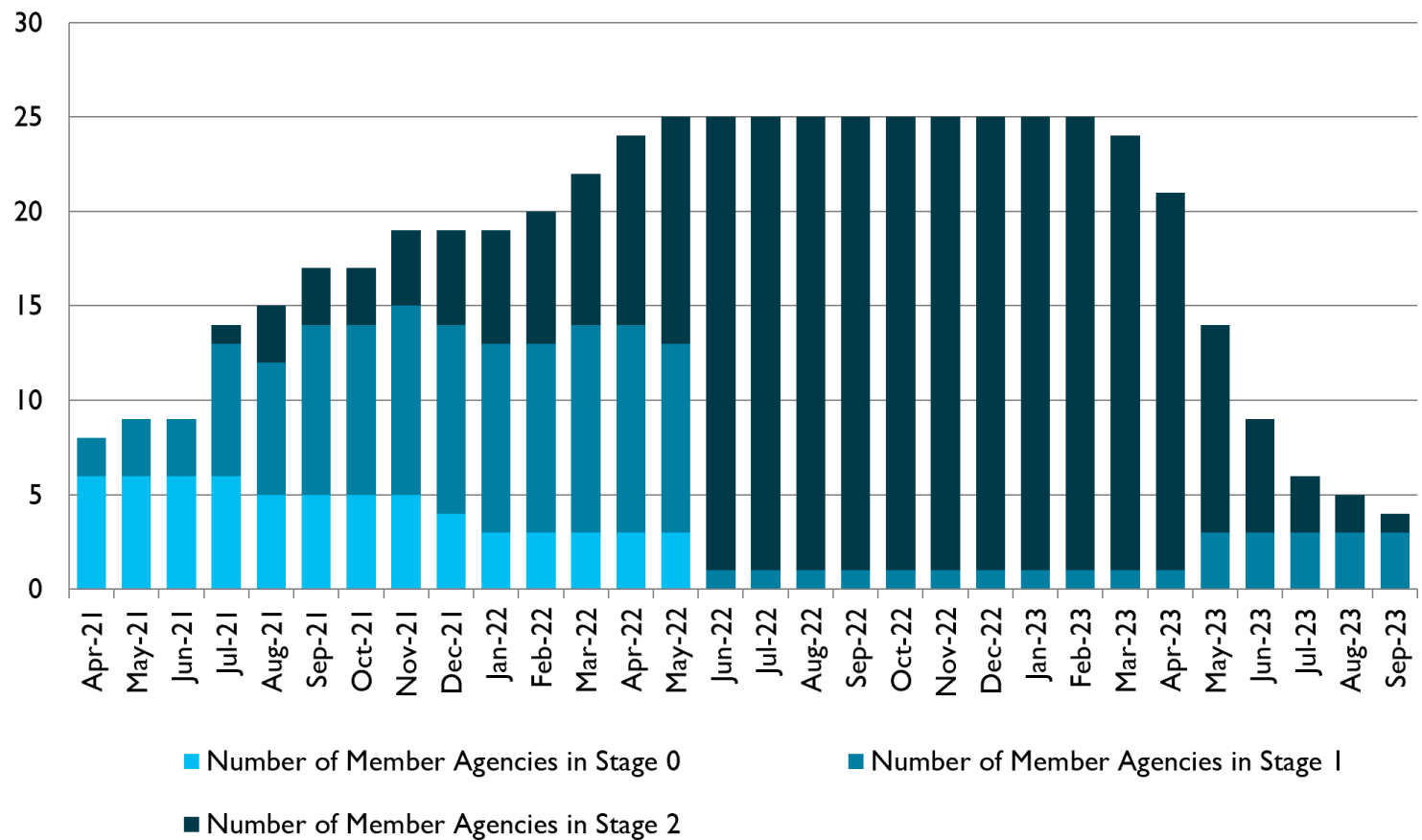
- Governor's Office
  - 6 Executive Orders (EOs) and 1 Proclamation (April 2021 – September 2024)
- State Water Resources Control Board
  - 6 Regulatory Actions to implement EOs (August 2021 – December 2023)
- SFPUC
  - 5 actions, including voluntary water use reduction requests, as made to Wholesale Customers (April 2021 – April 2023)
  - 2 formal requests as made to the State Board asking for regulatory requirement adjustments / relief
- BAWSCA
  - 6 Statements issued regarding the drought (June 2021 – April 2023)
- BAWSCA Agencies
  - Numerous Actions placing water use and water waste avoidance requirements on customers taken by each BAWSCA Agency
- Other Agencies
  - Santa Clara Valley Water Agency (Valley Water) – 7 Drought Actions (April 2021 – June 2023)





# Agencies Phased into Drought Response and Utilized Administrative Actions

- Gradually phased into drought response beginning summer 2021
- Many agencies implemented administrative actions before officially enacting their WSCPs



# Actions Taken by BAWSCA Member Agencies (1 of 2)

Water Use Restriction Actions	% of Agencies Implemented
Weekly water restrictions	96%
Application of water to irrigate turf and ornamental landscapes during rainfall	96%
Excessive irrigation of outdoor landscapes	96%
Application of potable water directly to driveways or sidewalks	92%
Washing a motor vehicle with a hose not fitted with a shut-off nozzle	92%
Use of potable water in decorative water features	88%
Wasting water from broken or defective water systems	80%
Other use-type restrictions	56%

Demand Actions	% of Agencies Implemented
Turf replacement/rebates	75%
Residential water audits	72%
CII Customer Sector water audits	64%
Expanded existing rebate programs	52%

Communication Actions	% of Agencies Implemented
Website updates / use	100%
Paper mail	88%
Articles / new releases	80%
E-mails	80%
Social media	76%
Community events	68%
Notification via customer app	60%
Banners	56%
Door hangers	52%



# Actions Taken by BAWSCA Member Agencies (2 of 2)

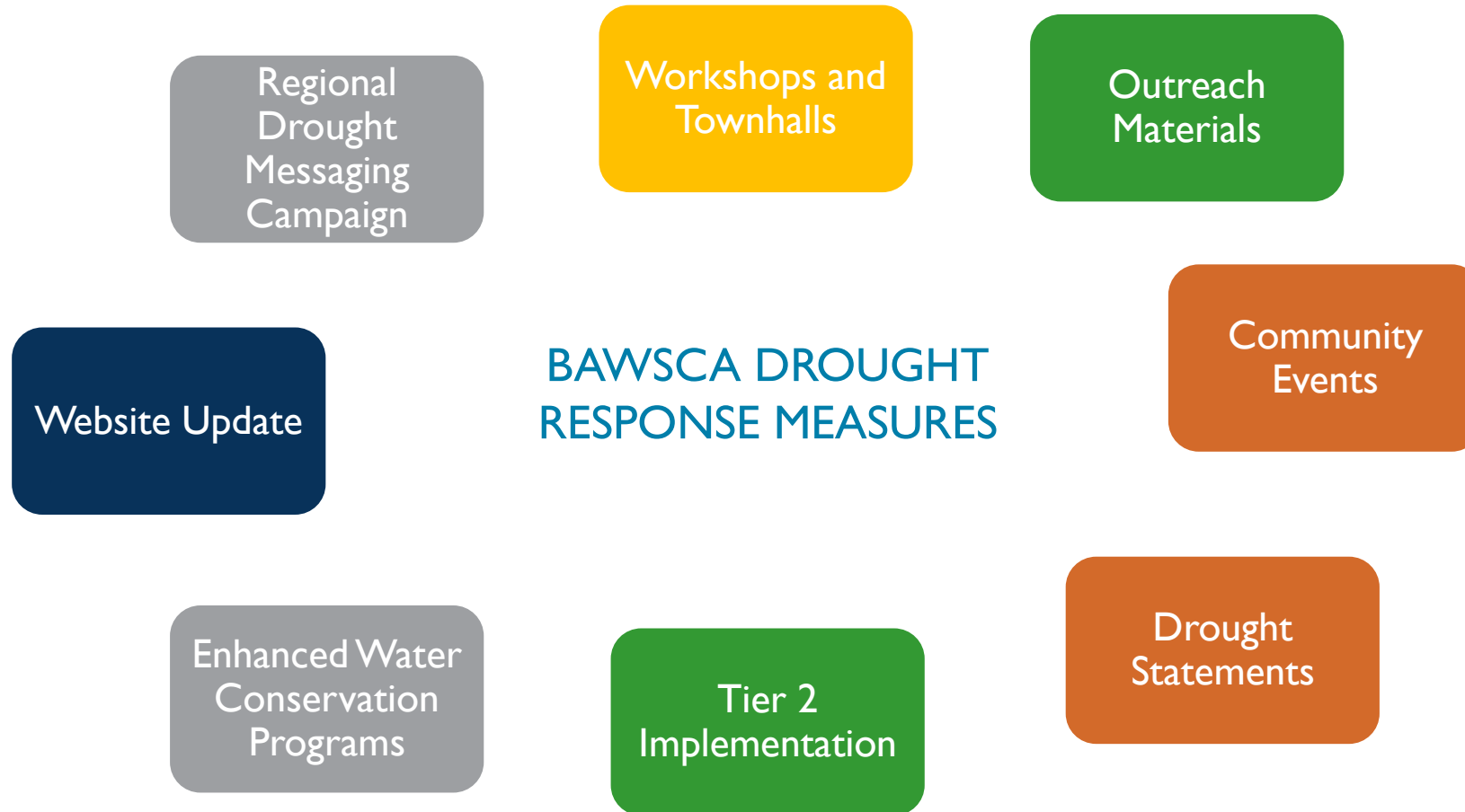
Water Waste Actions	% of Agencies Implemented
Notification via door hanger	84%
Notification via letter	72%
Notification via phone call	72%

Other Actions	% of Agencies Implemented
Not serving drinking water other than upon request in eating or drinking establishments	76%
Operators of hotels and motels providing guests with the option of choosing not to have towels and linens laundered daily	72%
Implementation of a drought surcharge and/or raised rates	36%
Rationing and reduced water allocations	28%
Fines for wasteful water use	20%
Creative public messaging endeavors (e.g., emergency announcements, school partnerships, hosting of water-efficient garden tours, media briefings, truck decals, etc.)	16%

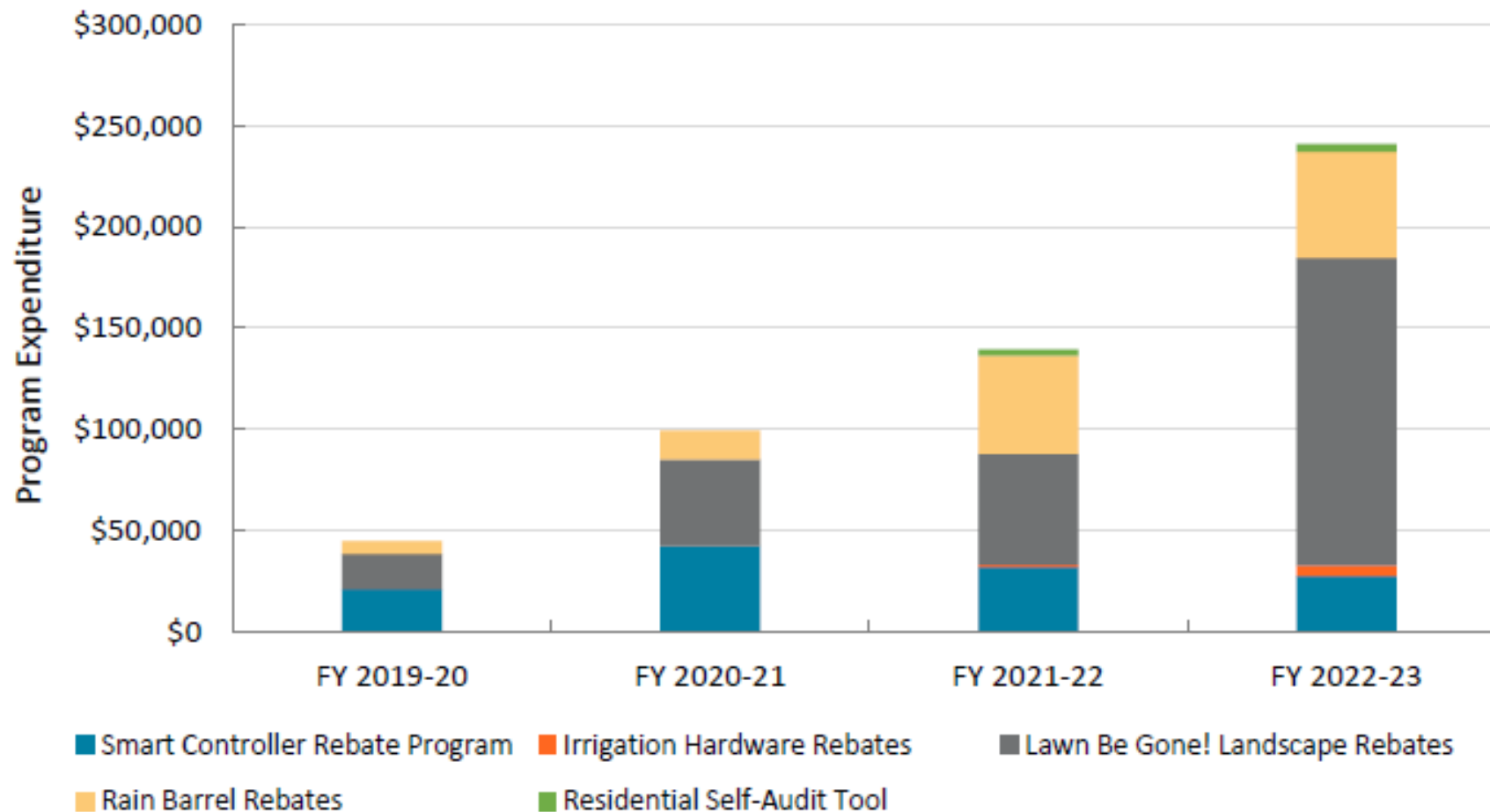




# During the 2021-2023 Drought, Effective Communication and Outreach led by BAWSCA was Instrumental

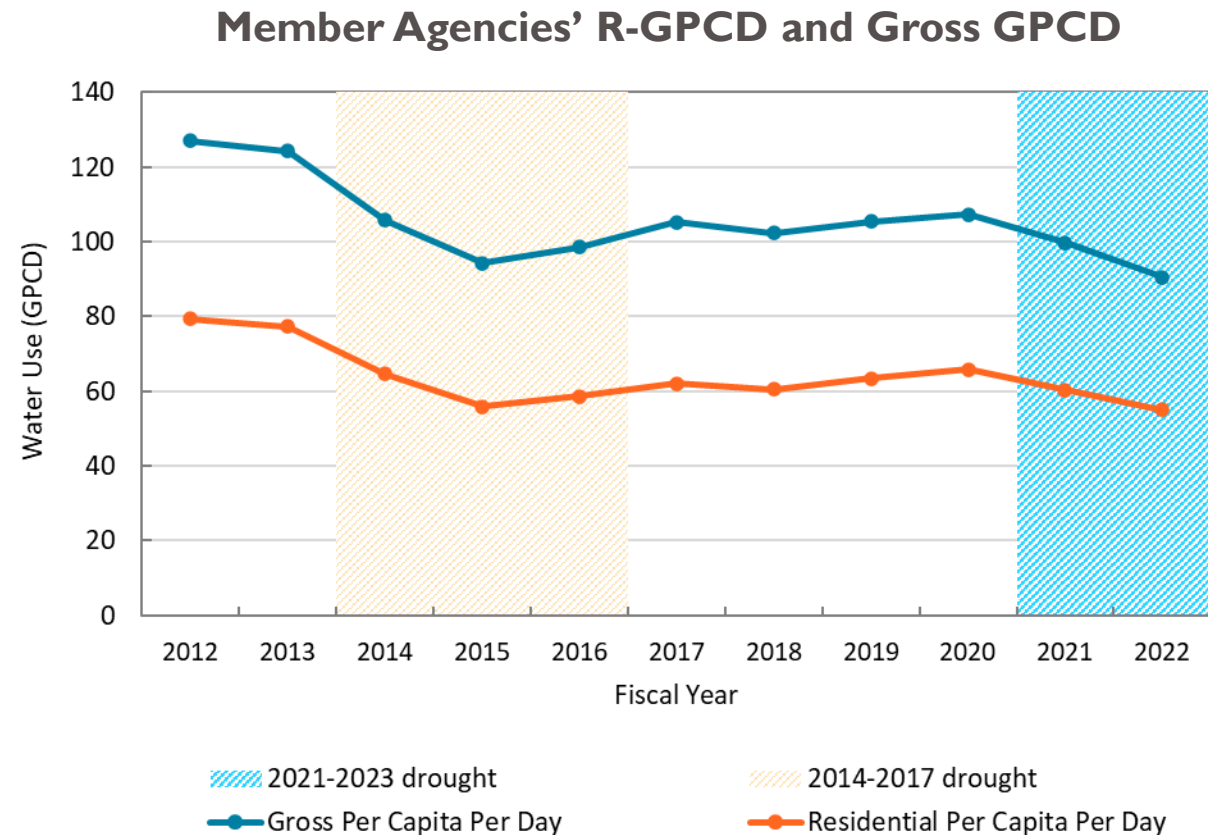


# Program Expenditures – BAWSCA Rebate Programs



# Water Savings Achieved During the 2021-2023 Drought was Notably Lower than Achieved Previously

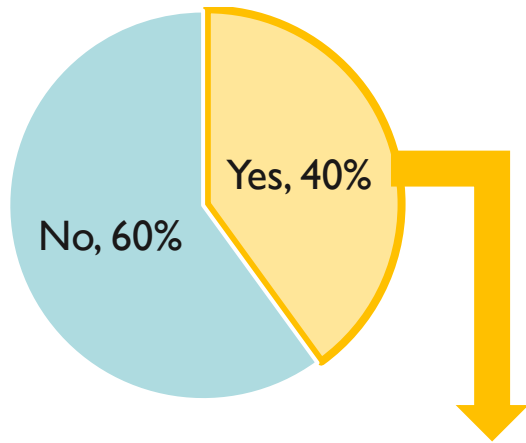
- Residential per capita use in gallons per day (R-GPCD) and gross per capita use (gross GPCD) were relatively stable between the two drought periods and did not rebound to pre-2014-17 drought levels
- Slightly lower R-GPCD and GPCD observed during the 2021-23 drought
- Water use reduction during the drought was 7.8% from the 2020 baseline, below the 11% voluntary as requested by the SFPUC
- Demand hardening may have contributed to the lower water use reductions, yet other factors are at play





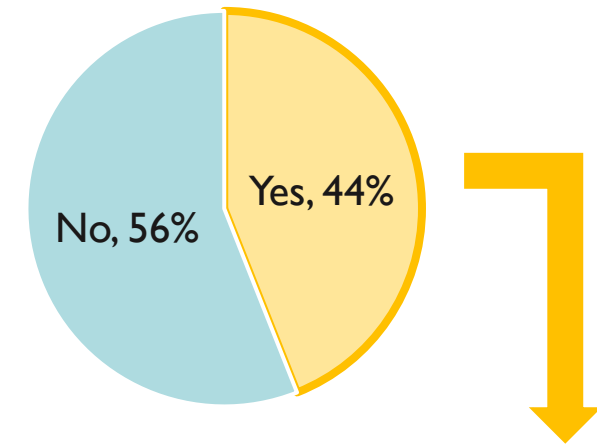
# Water Quality Issues Remain and are an Operational Challenge

- 40% of agencies experienced water quality issues due to lower than usual water flows



- Water quality/nitrification issues due to
  - Reduced flushing
  - Increased water age following lower demand
- Quality issues from raw water sources

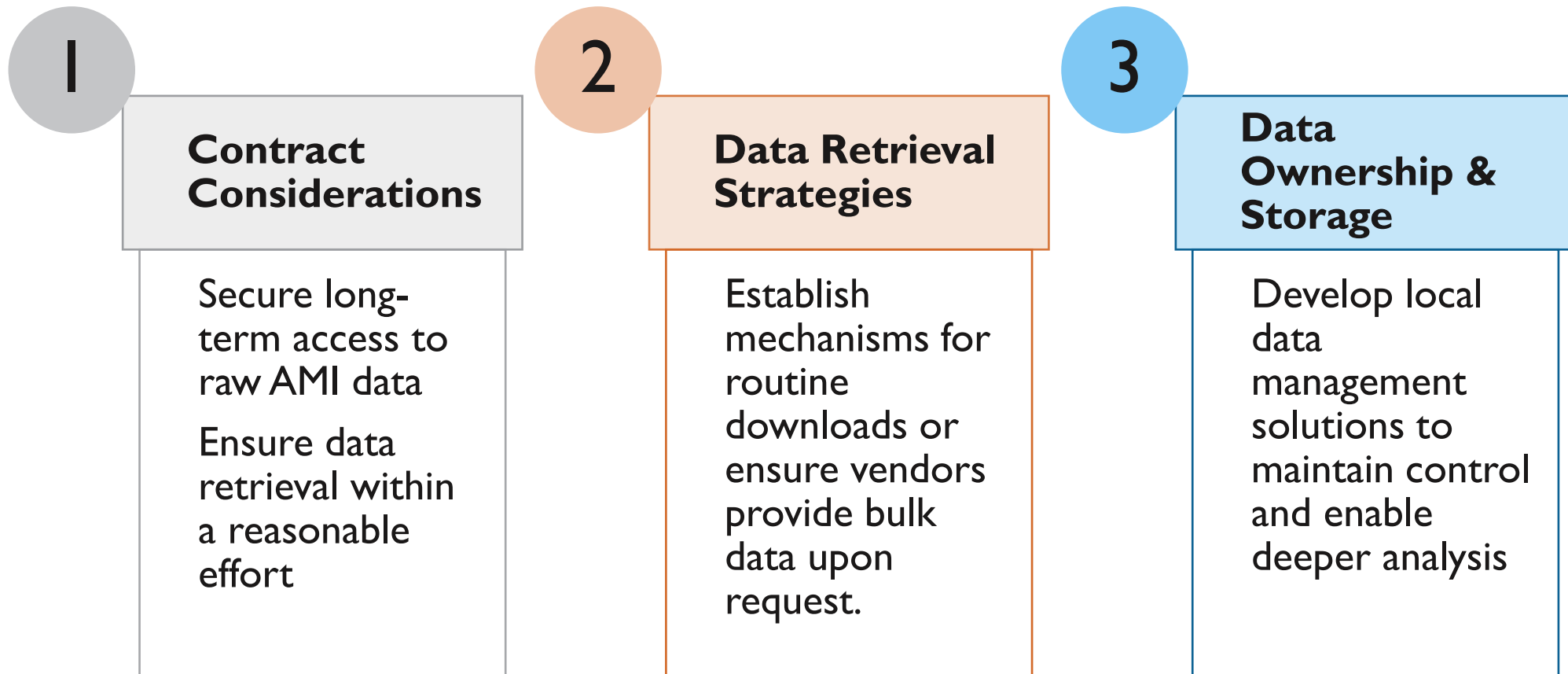
- Many agencies implemented preventative measures during this Drought in anticipation of water quality impacts



- Changed the flushing operations to flush when and where needed
- Utilize Neutral Output Discharge Elimination System (NO-DES)
- Adding additional automatic flushing unit
- Proactively drained and cleaned reservoirs
- Took tank or reservoir offline to help reduce water age

# Limited Access to AMI Data Posed Challenges for Advanced Analysis

## Recommendations for AMI Data Management



# Preparing for the Next Drought

- Plan ahead: coordinate with Regional partners including SFPUC in advance of drought to improve flexibility and responsiveness
- Continue to enhance BAWSCA conservation programs to improve overall water use efficiency and drought preparedness
- Agencies should review their AMI structure and contracts to ensure data is available for analysis
- Advocate for continued research into demand hardening
- Agencies may need to reevaluate effectiveness of their drought plans due to hardening and message fatigue



# Questions & Comments

- Questions & Comments
  - The 2021-2023 Drought Report is available on BAWSCA's website at the following link:  
<https://bawsca.org/water/reliability>





# CEO Reports

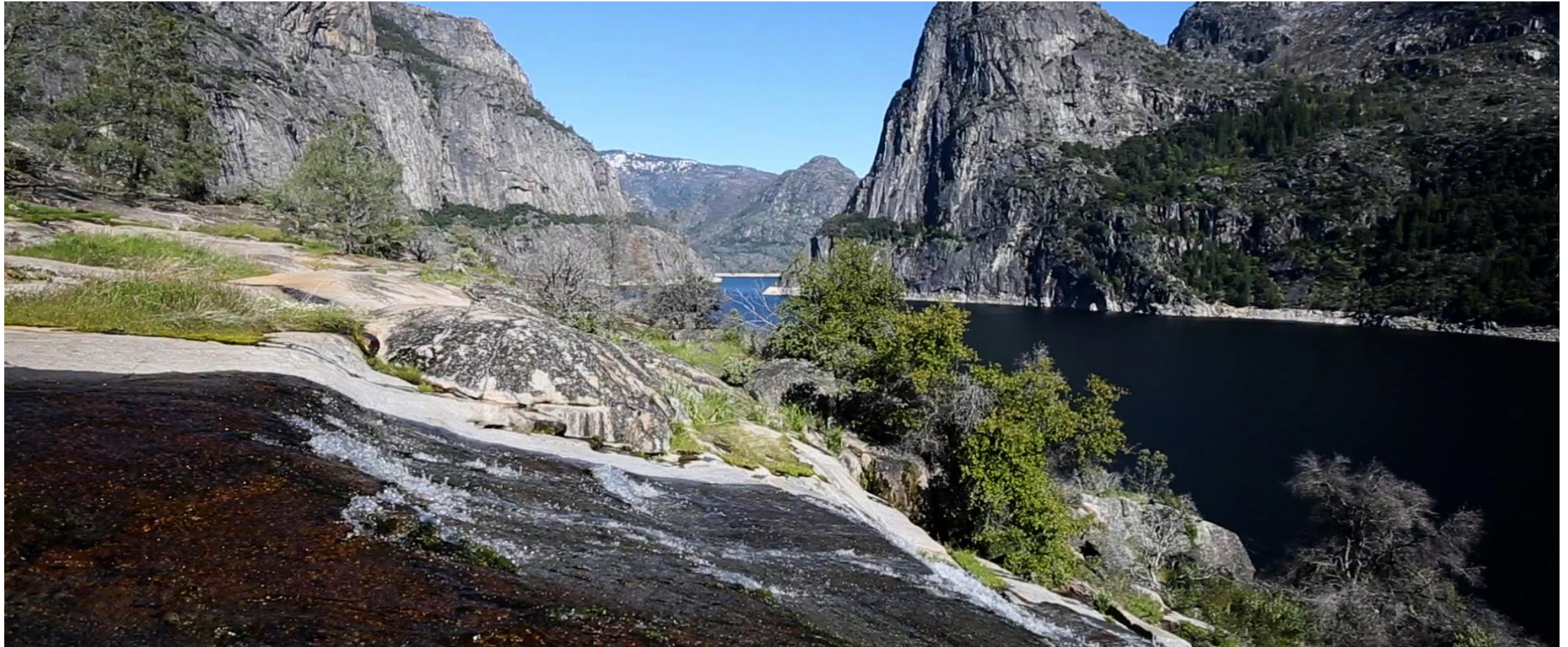


Ragsdale, 2023

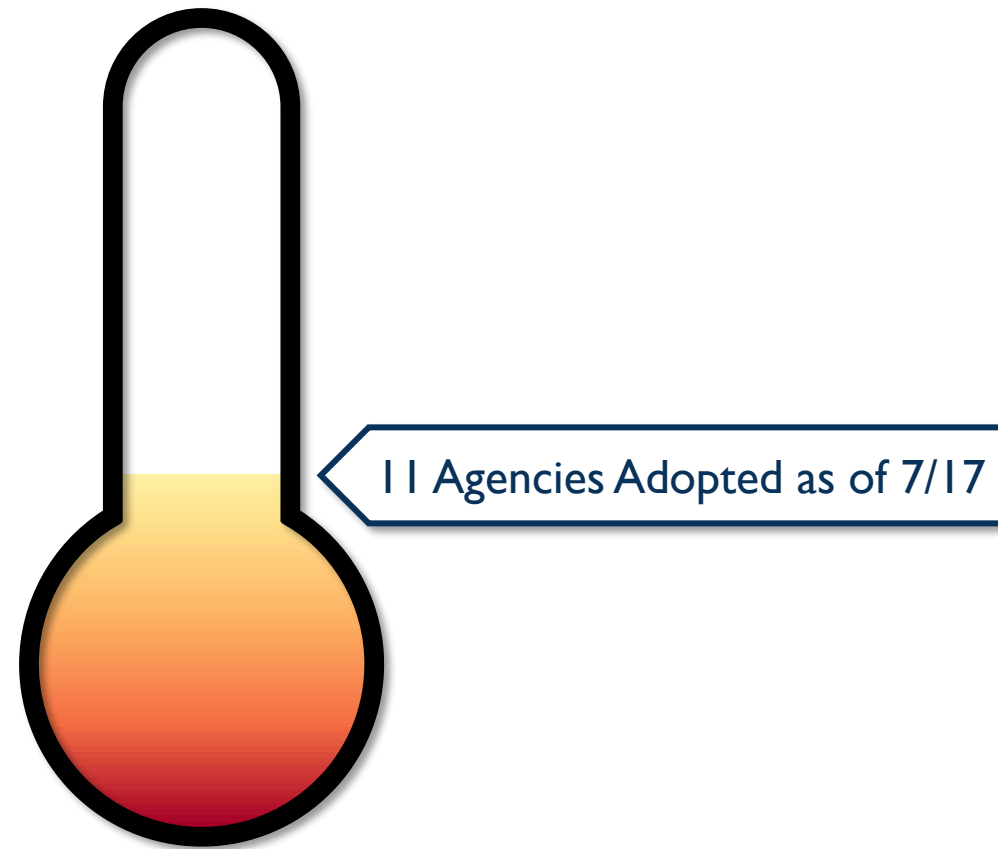




# Update on New Tier 2 and WSA Amendment Adoption Process



# Tier 2 Plan and WSA Amendment Adoption Tracking





# FERC/Bay Delta Plan Update



Jensen, 2011





# FERC/Bay-Delta Plan Update

- FERC Update

- MID and TID issued an NOI to adopt a Mitigated Negative Declaration (MND) for the FERC licensing of the Don Pedro and La Grange Hydroelectric Projects
- As a reminder, FERC assumed the TRVA in their relicensing approach (vs 40% unimpaired flow)
- The NOI is open for public review for a 30-day comment period starting on June 27, 2025 through July 27, 2025
- Neither BAWSCA nor the SFPUC plans to comment at this time

- Bay-Delta Plan Update

- SFPUC and BAWSCA continue to track the State Water Board's efforts and engage with them when appropriate. Recent activities:
- BAWSCA produced a statement, dated April 10, 2025, supporting the timely and continued evaluation of the Tuolumne Healthy Rivers and Landscapes (HRL) proposal by the State Water Board
- The State Water Board is working toward the development of a Draft Phase 2 Plan for release in Summer 2025
- SFPUC continues to engage with the State Water Board on their efforts to produce a Scientific Basis Report needed in their evaluation of the Tuolumne HRL proposal



# CEO/General Manager Performance Evaluation Process



BAWSCA 2018



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

# CEO/General Manager Performance Evaluation Process

- CEO FY 2024-25 evaluation being initiated in July
- No changes proposed to evaluation process this year
  - Form has both numeric and free response sections
  - Goal is 100% participation. “Not Observed” may be appropriate response
  - All responses are due by August 15<sup>th</sup>
- Evaluation materials will be e-mailed to Board during the week of July 20<sup>th</sup>
  - CEO’s Annual Performance Report for FY 2024-25
  - Link to CEO evaluation form
- September Board meeting closed session discussion and possible open session action
  - Results of FY 2024-25 evaluation
  - Consideration of any changes to CEO evaluation for FY 2025-26
  - No compensation action required. As set in existing Employment Agreement, Total Compensation will be increased by 3%





# Closed Session



Ragsdale, 2023





# Report from Closed Session



L. Ash, 2017





# Additional Time for Public Comments (Time Permitting)





# Directors' Discussion



L. Ash, 2017





# AB 1661 Training

- AB 1661 requires local agency officials, including board members, to receive sexual harassment prevention training and education every 2 years.
  - AB 1661 is similar to the training required under AB 1825 for supervisory employees
  - Some Board members receive training from their home agencies
  - Online webinars available
- As a best management practice, BAWSCA works with Hanson Bridgett to offer an in-person training to the BAWSCA Directors and Staff.
- December 11, 2025
  - San Mateo Library, Oak Room
  - 2pm – 4pm



# Next Meeting and Adjournment

## Next Meeting

September 18, 2025

6:30 pm

**Regular Location**  
**Burlingame Community Center –**  
**Sequoia Room**

