

“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 Policy Committee Meeting

April 9, 2025



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

# Call to Order/Roll Call



Jensen, 2011



# Comments by Chair



BAWSCA 2018



# Consent Calendar

- Approval of Minutes from the February 12, 2025 Meeting



# Public Comment on Items Not on the Agenda



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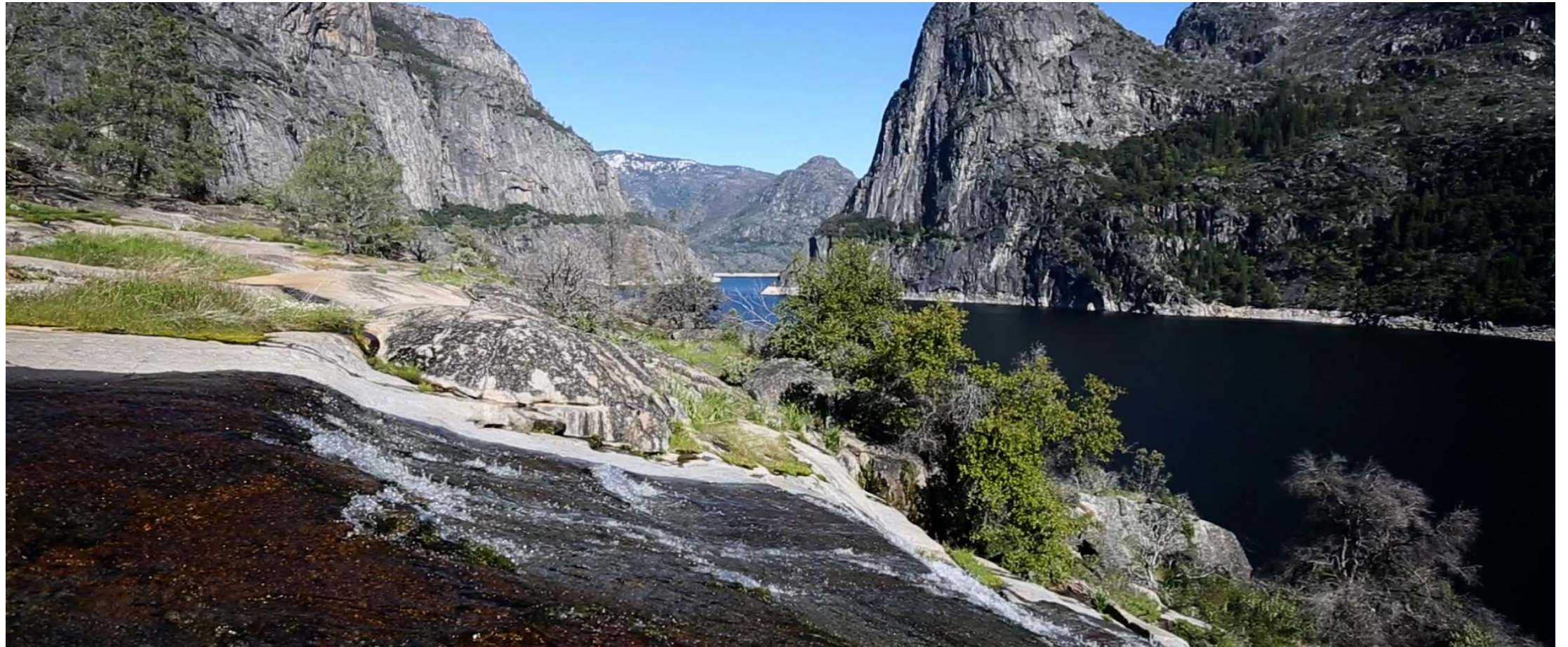
# Action Calendar



Sandkulla, 2023



# Proposed FY 2025-26 Work Plan, Results to be Achieved, and Operating Budget



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# Proposed FY 2025-26 Work Plan Addresses Critical Issues Between Now and 2065 to Achieve BAWSCA's Goals

- 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
- Continue development of BAWSCA's Strategy 2050
- Complete development of Updated Regional Water Demand and Conservation Projections
- Implement soon-to-be adopted updated Tier 2 Drought Plan and associated Water Supply Amendment
- Implement core and subscription conservation programs





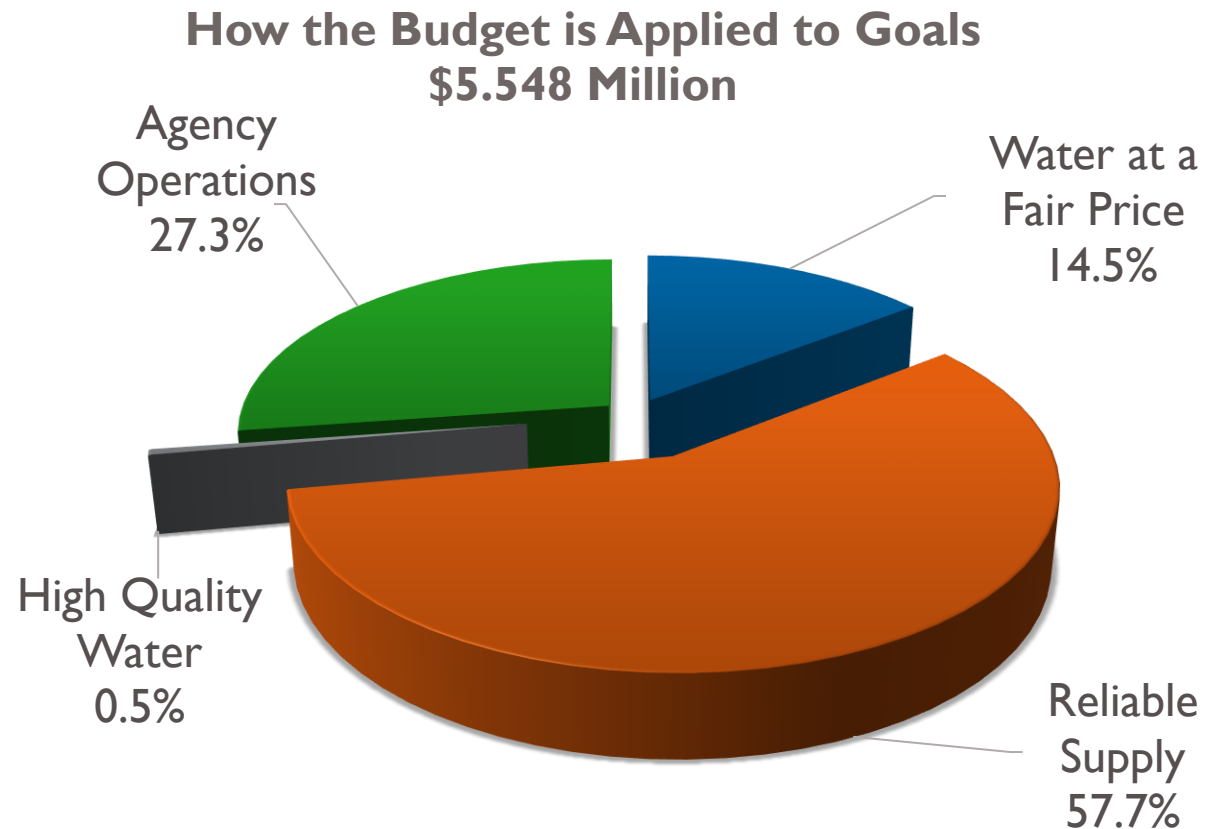
# Proposed Work Plan and Operating Budget Reflects Several Necessary Changes from Last Few Months

- Work Plan Item 2b “Continued Development of Updated Regional Water Demand Projections”
  - Budget increased \$40k due to delayed work elements in 2024-25
  - Not requesting a change to the 2024-25 budget but item should be underspent
  - No change to the total anticipated project cost over two years
- Work Plan Item 4d “Protect Members’ Water Supply and Financial Interests in the SFPUC’s required 2028 Decisions”
  - Budget increased \$35k to reflect expected activity leading up to 2028
- Work Plan Item 4g “Implementation of the 2025 WSA Amendment”
  - Budget increased \$20k due to expected continued approval efforts in FY 2025-26
- Work plan elements updated to better reflect affordability considerations



# Proposed Operating Budget Is 1.2% (\$67K) Below Approved FY 2024-25 Budget

- FY 2025-26 Proposed Operating Budget = \$5,547,732
- Fully funds annual OPEB expense
- Includes budget allowance for a 5% adjustment to existing salaries for both COLA and merit-based increases
- Total water customer cost of \$2.97 (3 cents less) per person



# 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 2024-25 approved budget
- Funding plan for FY 2024-25 Operating Budget required 9% increase in assessments
- Current General Reserve balance: \$1,356,288
  - 24% of current adopted FY 2024-25 Operating Budget



# Potential for Prepaying Pension Obligations

- At the February BPC, staff presented options available to pay off Unfunded Accrued Liability (UAL) for pension faster than CalPERS' default 20-year schedule
  - BAWSCA's projected 6/30/2025 UAL of \$1,264,815 is estimated to be paid off by 2045
- Option to accelerate payments includes Additional Discretionary Payments (ADPs)
  - ADPs can reduce the UAL and result in long-term savings
  - Making an ADP does not require an ADP to be made in any future year
- ADPs can be funded as an additional budget item, with funds from General Reserve
- Alternatively, the Board can choose to make an ADP after a transfer of unspent balance from FY 2024-25 to the General Reserve is made in November 2025



# Five Funding Options Analyzed: Option 2a or 2b Recommended

	FY 2024-25	FY 2025-26				
Fund Source	Adopted Funding Plan as of 5/16/2024	Option 1 0% Assessment Increase	Option 2a 2.3% Assessment Increase	Option 2b* 2.3% Assessment Increase	Option 3a 5.2% Assessment Increase	Option 3b* 5.2% Assessment Increase
Assessments	\$5,274,398	\$5,274,398	\$5,395,709	\$5,395,709	\$5,547,732	\$5,547,732
Transfer from GR	\$340,120	\$273,334	\$152,023	\$152,023	\$0	\$0
Total Operating Budget	\$5,614,518	\$5,547,732	\$5,547,732	\$5,547,732	\$5,547,732	\$5,547,732
Est. EOY Transfer to GR		\$0	\$0	\$0	\$0	\$0
Add'l Payment to CalPERS				(\$66,000)		(\$66,000)
Est. EOY Reserves	\$1,356,288	\$1,082,954	\$1,204,265	\$1,138,265	\$1,356,288	\$1,290,288
% of Total Budget **	24%	20%	22%	21%	24%	23%
Assessment to Budget Ratio	94%	95%	97%	97%	100%	100%

\* Options 2b and 3b include \$66k transfers from the General Reserve to make ADPs. This amount would be used as a one-time additional payment to CalPERS, targeting the unfunded pension liability to be paid off by 2035, assuming a payment of \$66k is made every year over the next 10 years and the actuarial assumptions remain unchanged.

\*\* BAWSCA's General Reserve Policy provides the guideline for the General Reserve balance of 20% to 35% of the annual operating expense.

# Recommendation

That the Committee recommend Board adoption of the:

1. Proposed Fiscal Year 2025-26 Work Plan and Results to be Achieved;
2. Proposed Operating Budget of \$5,547,732; and
3. Recommended funding plan Option 2a or 2b



# Approval and Adoption of BAWSCA Pay Schedules for FY 2025-26



L. Ash, 2017



# Adoption of BAWSCA Pay Schedules for FY 2025-26

- BAWSCA is a participating agency in CalPERS
- CalPERS requires that BAWSCA's employees' reportable compensation comply with the California Public Employee's Retirement Law
- The Board must approve and adopt pay schedules each 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
- Pay schedules will be approved and adopted again in September following the CEO/GM evaluation
- Pay schedules reflect the annual minimum and maximum salaries for each classification
  - 2025-2026 Pay schedules have been updated to reflect CPI increase of 2.08% plus the Board-approved adjustment of 1.8% to the senior water resources specialist annual maximum salary





# Second Amendment to Hanson Bridgett Professional Services Contract



L. Ash, 2017



# Hanson Bridgett Agreement 2: Amendment Background

- The contract with Hanson Bridgett must be amended to avoid disruption of necessary work to achieve critical results for FY 2024-25
- FY 2024-25 Agreement history:
  - The original contract with Hanson Bridgett, in the amount of \$880,000, was entered into on July 1, 2024, to cover the cost of legal services to be provided during the fiscal year
  - On June 28, 2024, BAWSCA entered into a separate agreement with Hanson Bridgett to provide specialized services to hire, on BAWSCA's behalf, a professional recruitment firm to assist in the new CEO search effort
  - On December 31, 2024, with the CEO recruitment completed, Amendment I to the Agreement with Hanson Bridgett was executed to increase the not-to-exceed cost of legal services by \$25,000 to cover the total cost billed by the recruitment firm
- A second amendment to the agreement with Hanson Bridgett is now required to fund necessary work through June 30, 2025, to cover unanticipated legal expenses
- The second amendment proposes to increase the not-to-exceed cost of legal services by \$80,000 such that the revised total contract amount be set at \$985,000



# Work Covered by Amendment 2 and the Financial Impact to the FY 2024-25 Budget

- Unanticipated legal services provided under Amendment 2
  - Development of an amendment to the Water Supply Agreement, including but not limited to the negotiation with the SFPUC on the proposed language of the amendment
  - Legal assistance related to the publication of BAWSCA pay schedules in compliance with CalPERS requirements
  - Establishing provisions for BAWSCA's former CEO to provide post-retirement advice and transition assistance
  - Setting-up of BAWSCA internal programs to comply with the new CEO's contract provisions
- Financial impact of authorizing Amendment 2
  - This recommended contract increase of \$80,000 would be funded using budget previously allocated to other outside consultants
  - Funds are available due to short-term changes in scope of consultant work for 2024-25
  - No overall change in the operating budget is contemplated



# Recommendation

- That the Committee recommend the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$80,000 for a total not-to-exceed amount of \$985,000



# Report and Discussion



SFPUC



# BAWSCA's Long-Term Reliable Water Supply Strategy 2050 - Risk Assessment and Scenario Planning



L. Ash, 2017



# BAWSCA Long-Term Reliable Water Supply Strategy 2050 Development is in Progress

- BAWSCA is advancing the development of Strategy 2050, focusing on long-term water supply reliability.
- Goals for today's discussion:
  - Provide an update on Strategy 2050 development
  - Highlight context for scenario planning and its role in Strategy 2050
  - Request Board input on key drivers of change and uncertainty in the BAWSCA region



# Strategy 2050 Overview: Purpose and Objectives

**Purpose** – *To identify the water supply management needs and opportunities for the BAWSCA region and establish a framework to collectively support water reliability and resilience.*

**Objectives** align with BAWSCA's goal to ensure a reliable supply of high-quality water at a fair price

**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.





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**5** Close the gap on funding needed for water supply resilience and reliability.



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# Scenario Planning will be Applied to Evaluate Water Supply and Demand Management Reliability

- Scenario planning is a structured approach to envision possible future scenarios, identifying key drivers of change.
  - Developed by considering the many possible combinations of external forces that impact member agency's ability to meet future needs of customers.
  - Explores environmental, societal, regulatory, and socioeconomic outcomes for water supply reliability.
  - Goal is to establish how these foundational drivers link to the availability of and need for water in the Bay Area.
- These scenarios will be used to:
  - Conduct a risk assessment of water supply shortages.
  - Aid in long term planning & intervention/investment decisions.

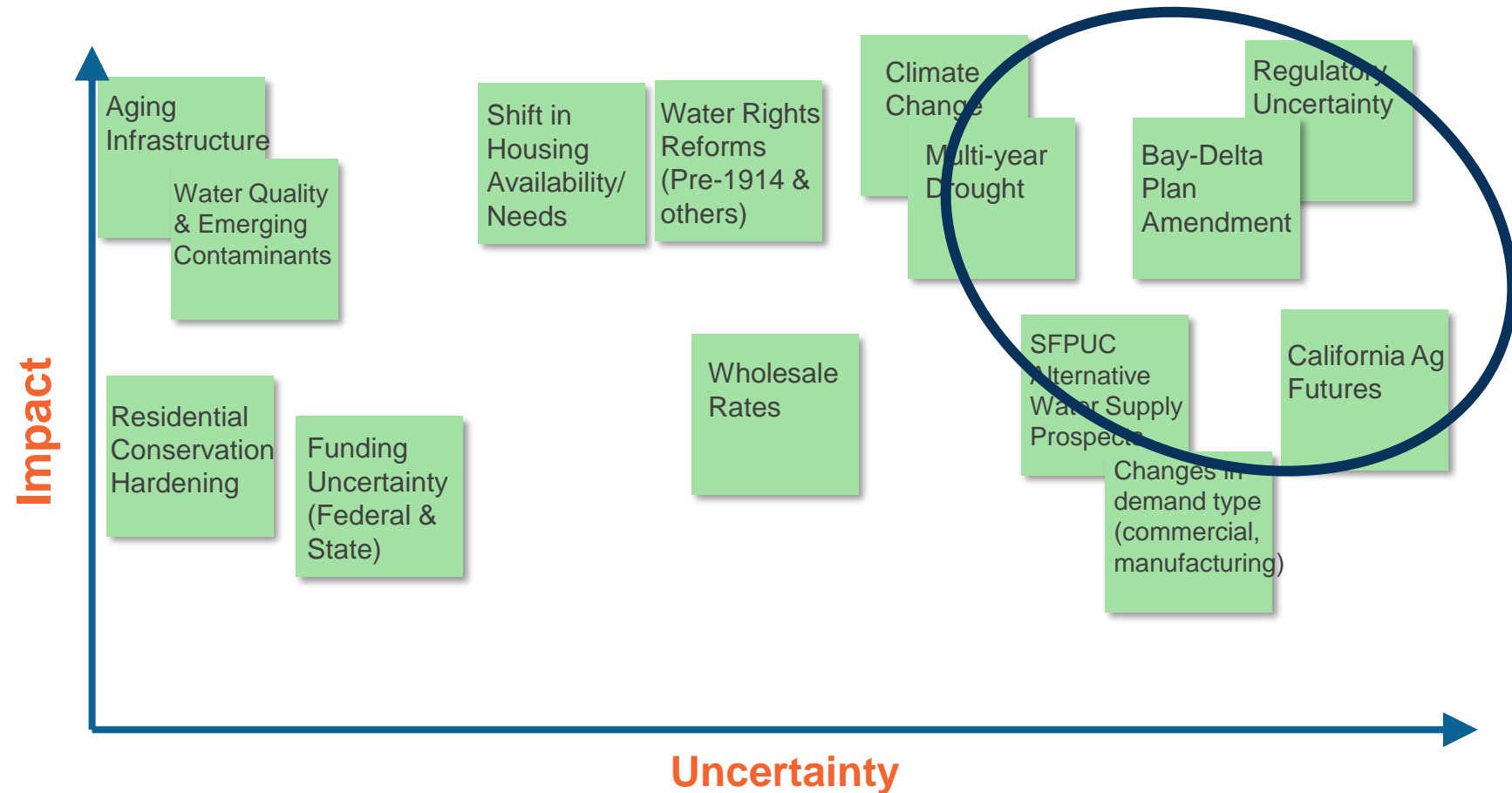


# BAWSCA Held a February 19<sup>th</sup> WMR Scenario Planning Session to Support the Development of the Scenarios

## Goal:

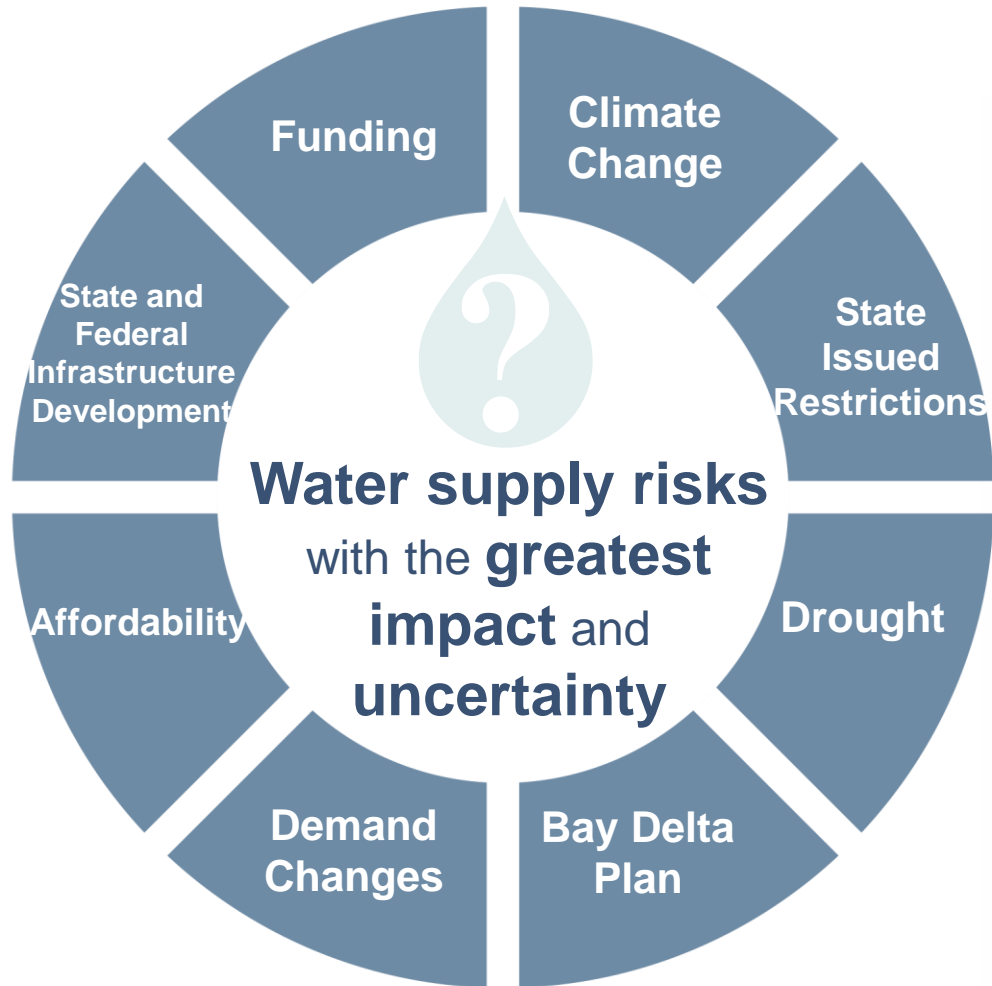
**Identify** the risks impacting water **supply reliability** both at the local agency and regional level and **quantify** the effects of these risks on water supply

- Identified 50+ drivers
- Drivers evaluated based on their relative impact to water supply reliability & degree of uncertainty



*Sample produced by one breakout group during the workshop*

# Scenario Planning Session Takeaways



## HOW WE ARE INCORPORATING IT

*These risks were grouped and/or broken down to form the **Primary Factors of Change** (scenario assumptions):*

- State Issued Restrictions
- Climate Change
- Drought
- Frequency/Severity
- Bay Delta Plan
- Local Water Supply/Water Quality
- SWP & CVP
- Housing Development
- Jobs Industry
- Population
- Housing Density
- Macroeconomic Indicator
- Water Rates

*These factors together form the **thematic uncertainties** which make up the axes of the scenario matrix:*

- Supply Availability
- Regional Development
- Water Rates/Affordability

*Other risks that may be more certain, but could have great impact:*

- Aging Infrastructure
- Water Quality/Regulations

# Board Engagement will be Important Throughout the Development of Strategy 2050

To ensure continued collaboration and input throughout the development of Strategy 2050 BAWSCA is requesting input from the BPC on the following questions:

- What major challenges do you foresee for the BAWSCA region over the next 25 years?
- What potential risks or drivers could impact economic growth within the region over the next 25 years?
- What types of data, information, or projections would be most useful to inform relevant regional policy decisions?



# Next Steps

- BAWSCA is scheduled to have a dedicated planning session on May 15<sup>th</sup> as part of the Board meeting.
  - Focus is to present information on the scenario planning and evaluation of water supply reliability risks.
  - Opportunity to engage with technical staff, provide input on potential future scenarios, and contribute to shaping the long-term strategy for a sustainable water supply in the BAWSCA region.
  - Planning session topic aligns to key milestones in Strategy 2050 development.



# CEO Reports



L. Ash, 2017

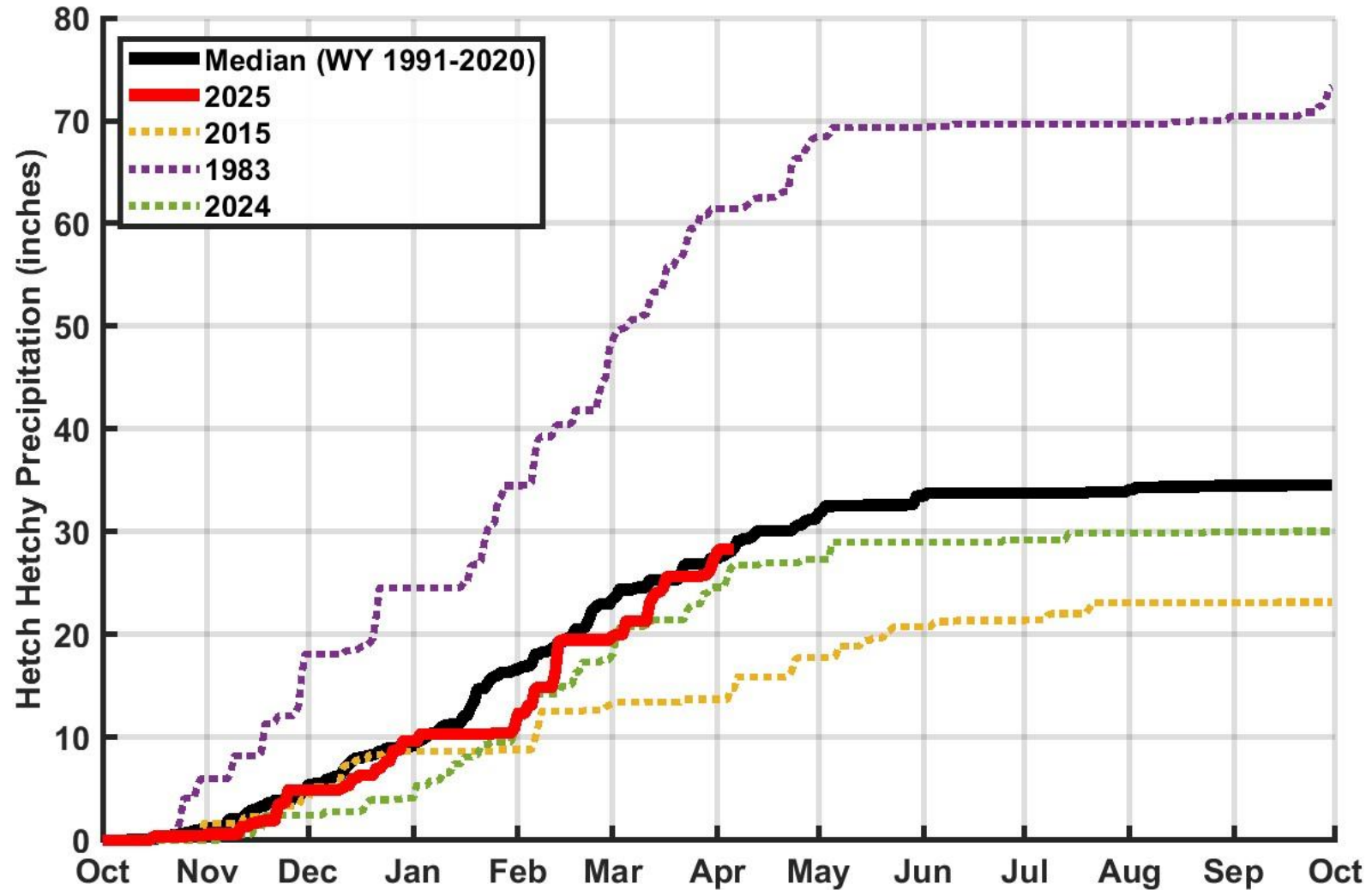


# Current Reservoir Storage

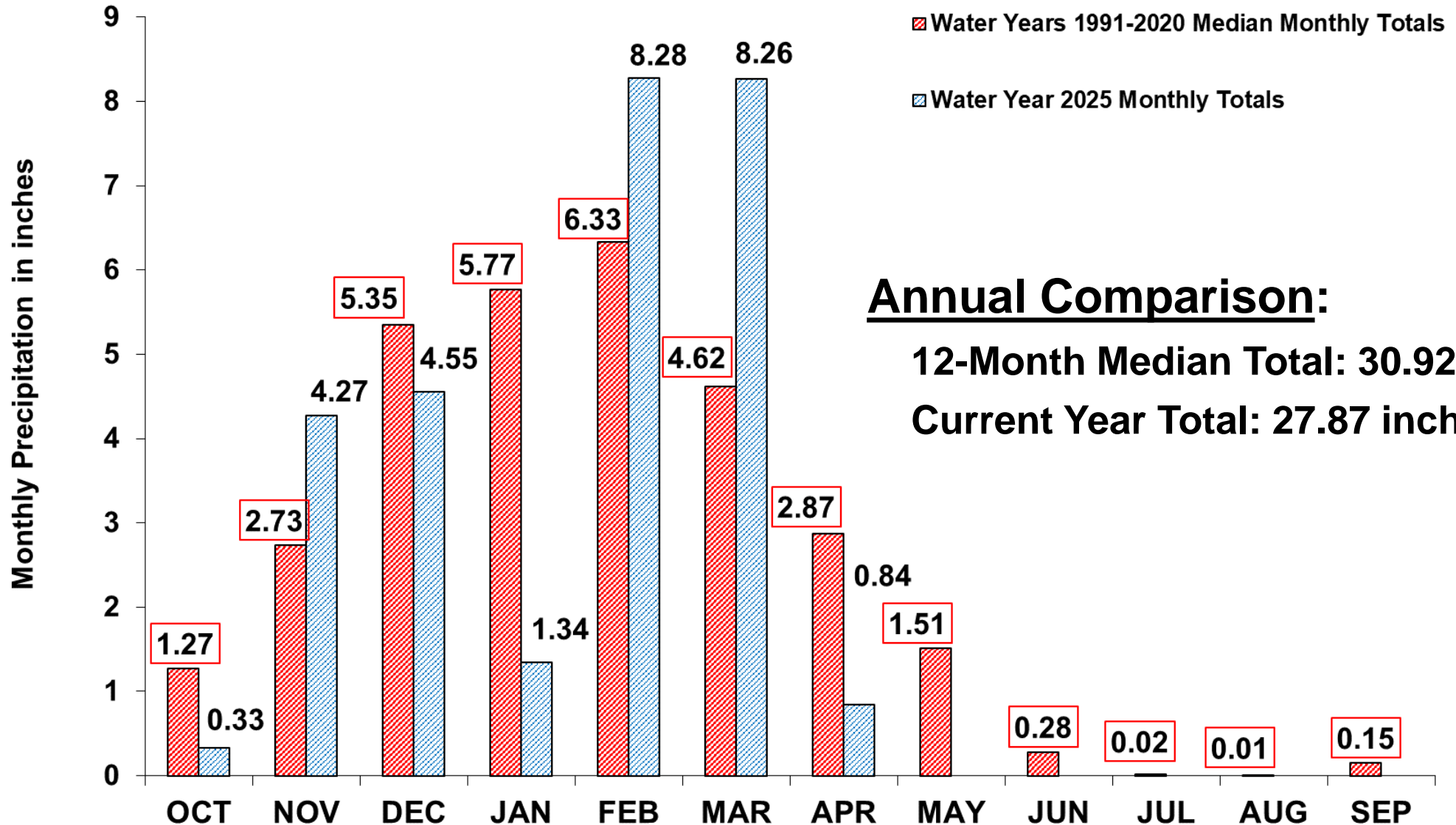
Reservoir	Current Storage <sup>1,2,3</sup> (AF)	Maximum Storage <sup>4</sup> (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage <sup>5</sup>
<u>Tuolumne System</u>					
Hetch Hetchy	265,200	360,360	95,160	73.6%	<b>61.2%</b>
Cherry	242,900	273,345	30,445	88.9%	-
Eleanor	22,340	27,100	4,760	82.4%	-
Water Bank	570,000	570,000	0	100.0%	<b>99.5%</b>
<b>Total Tuolumne Storage</b>	<b>1,100,440</b>	<b>1,230,805</b>	<b>130,365</b>	<b>89.4%</b>	-
<u>Local System</u>					
Calaveras	78,964	96,670	17,706	81.7%	-
San Antonio	45,127	53,266	8,139	84.7%	-
Crystal Springs	43,742	68,953	25,211	63.4%	-
San Andreas	15,762	18,675	2,913	84.4%	-
Pilarcitos	1,933	3,125	1,192	61.9%	-
<b>Total Local Storage</b>	<b>185,528</b>	<b>240,689</b>	<b>55,161</b>	<b>77.1%</b>	-
<b>Total System Storage</b>	<b>1,285,968</b>	<b>1,471,494</b>	<b>185,526</b>	<b>87.4%</b>	<b>80.2%</b>
<b>Total without water bank</b>	<b>715,968</b>	<b>901,494</b>	<b>185,526</b>	<b>79.4%</b>	-



# Hetch Hetchy Precipitation



# Upcountry 6-station Precipitation Index as of April 6, 2025

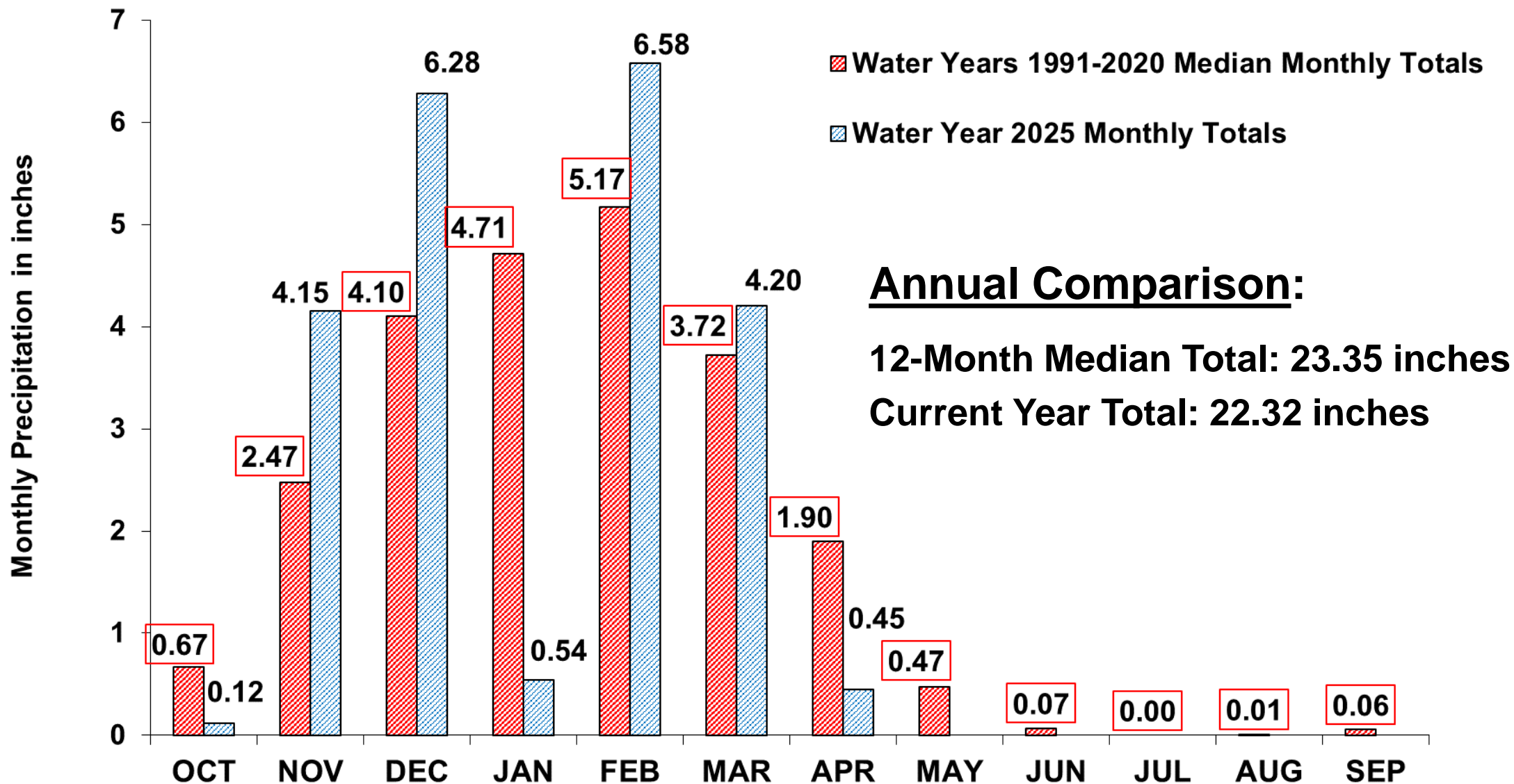


## Annual Comparison:

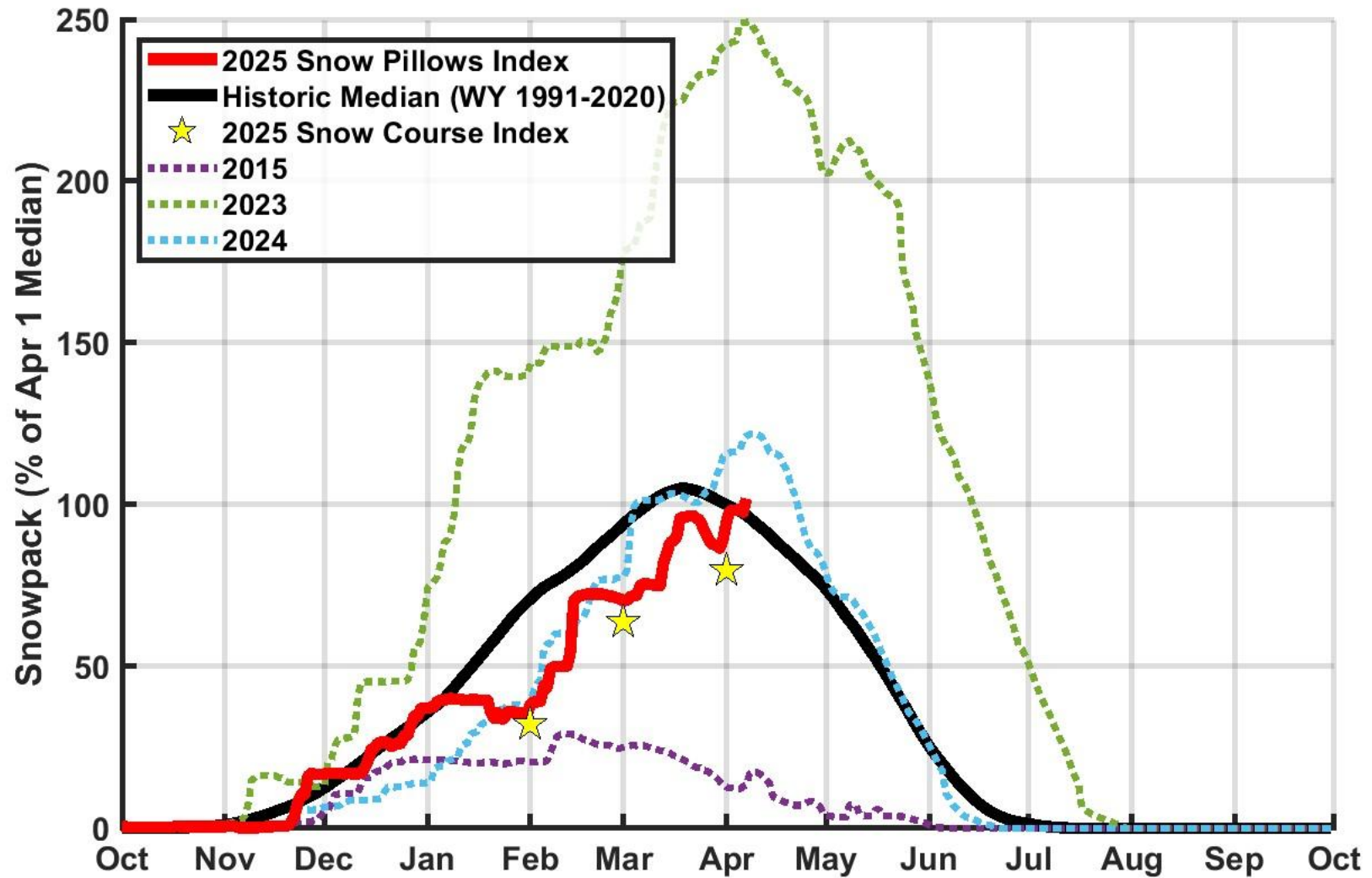
12-Month Median Total: 30.92 inches

Current Year Total: 27.87 inches

# Bay Area 7-station Precipitation Index as of April 6, 2025

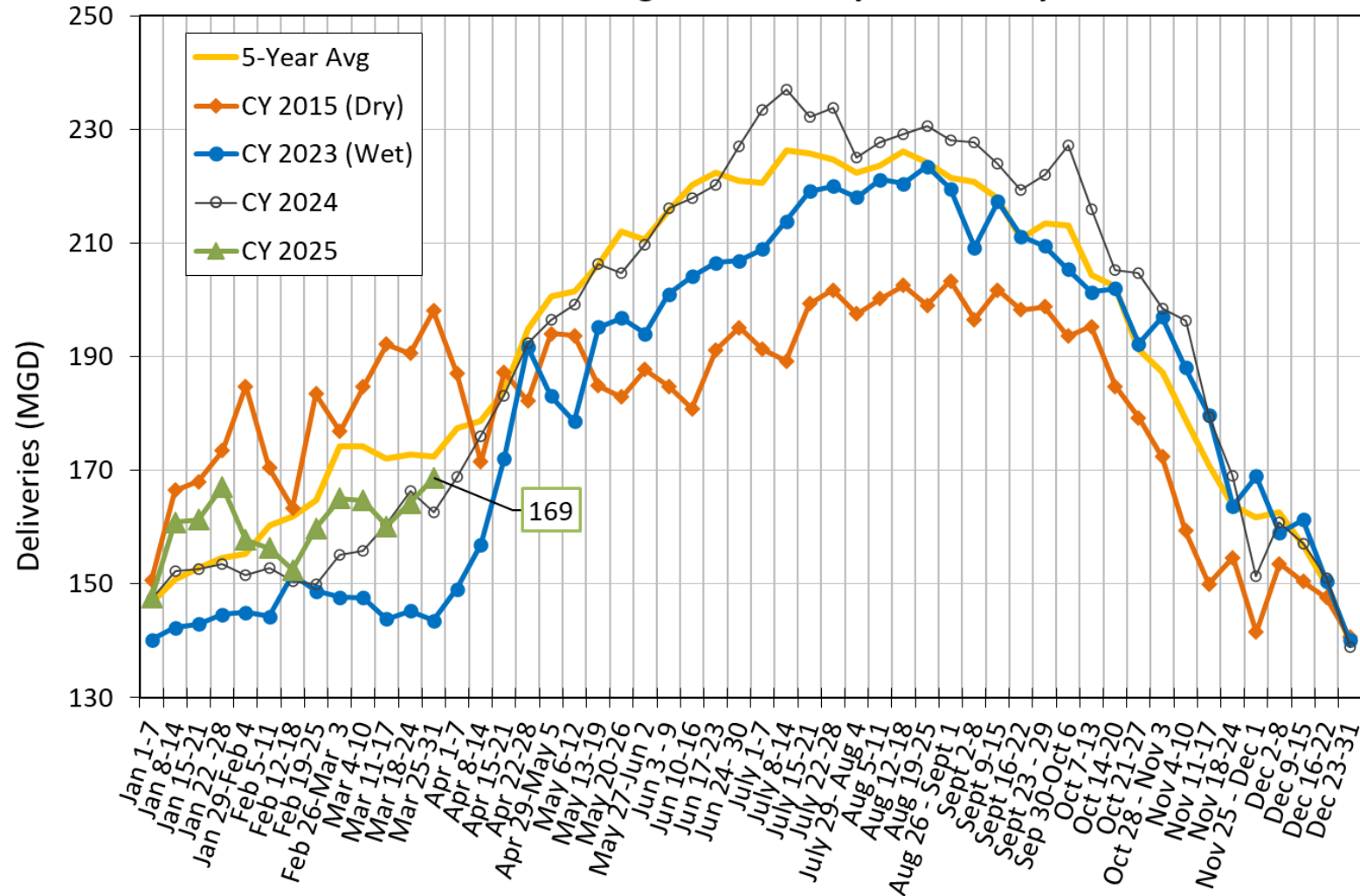


# Upcountry Snowpack



# Total Deliveries

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



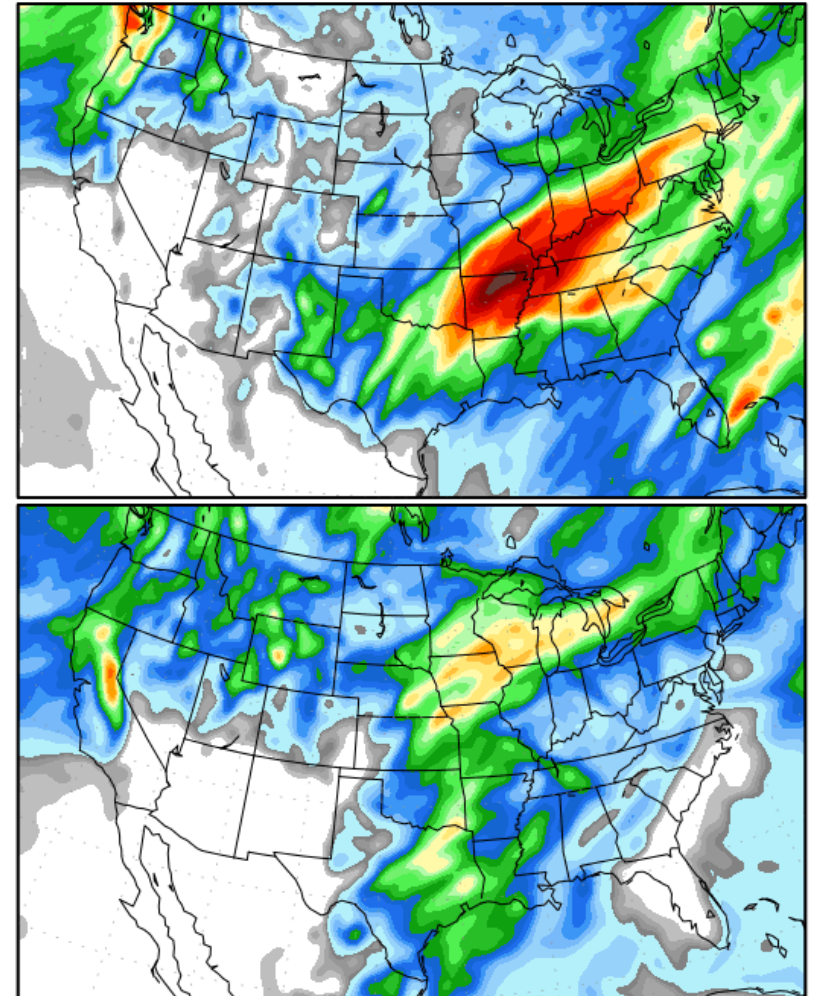
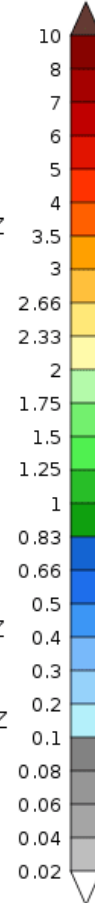
# National Precipitation Forecast

## Precipitation Forecasts

Precipitation (in)  
during the period:

Fri, 04 APR 2025 at 00Z  
-to-  
Sat, 12 APR 2025 at 00Z

Sat, 12 APR 2025 at 00Z  
-to-  
Sun, 20 APR 2025 at 00Z



# Closed Session



L. Ash, 2017



# Report from Closed Session

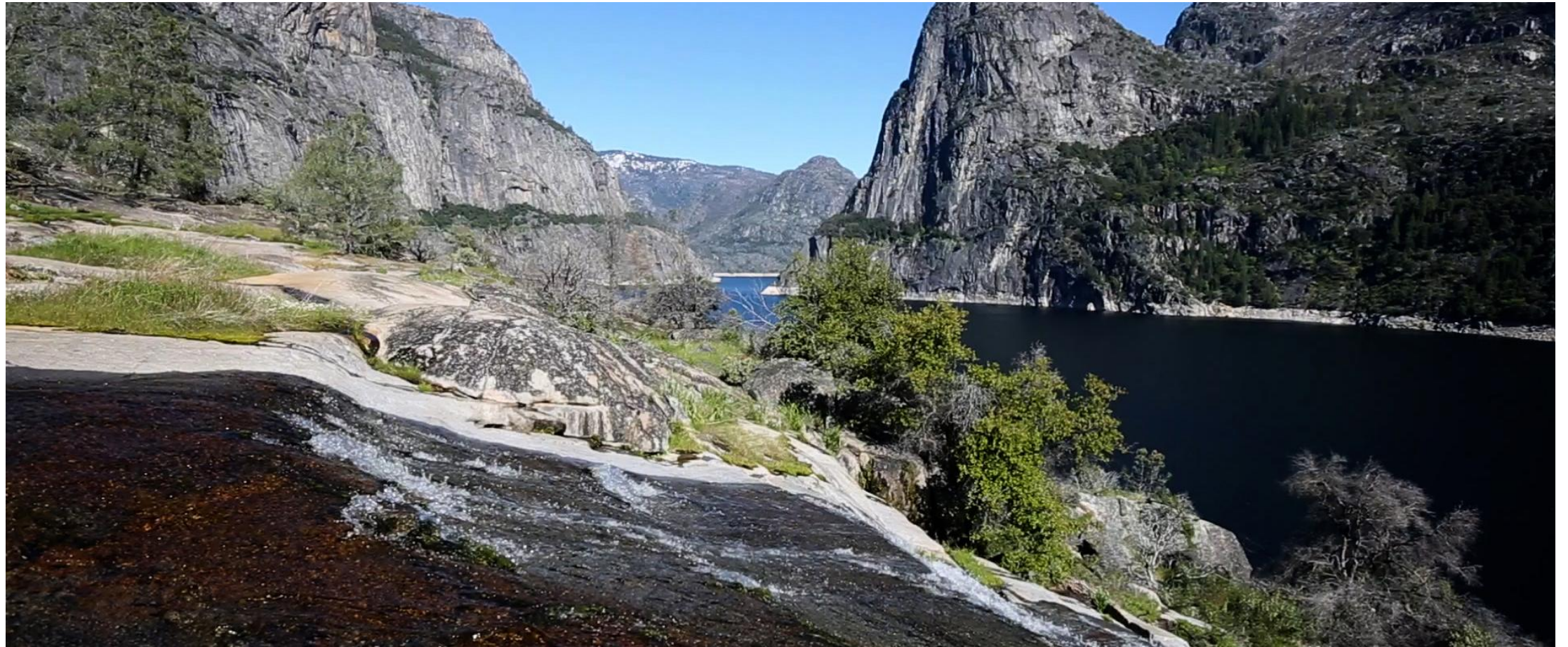


Ragsdale, 2023





# Comments by Committee Members



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# Next Meeting and Adjournment

## Next Meeting

June 11, 2025  
1:30 pm

**Note Different Location:  
Foster City Community Building, Wind Room**

