

“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

October 8, 2025



BAWSCA
Bay Area Water Supply & Conservation Agency

Call To Order/Roll Call

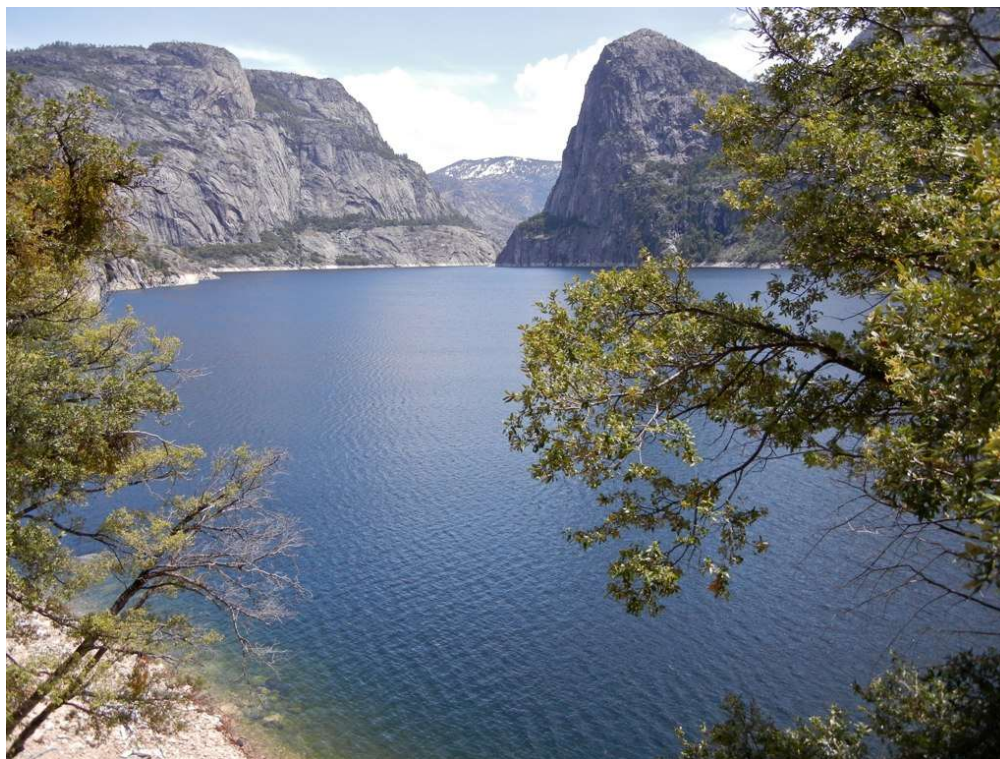


BAWSCA 2018



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Comments by Chair



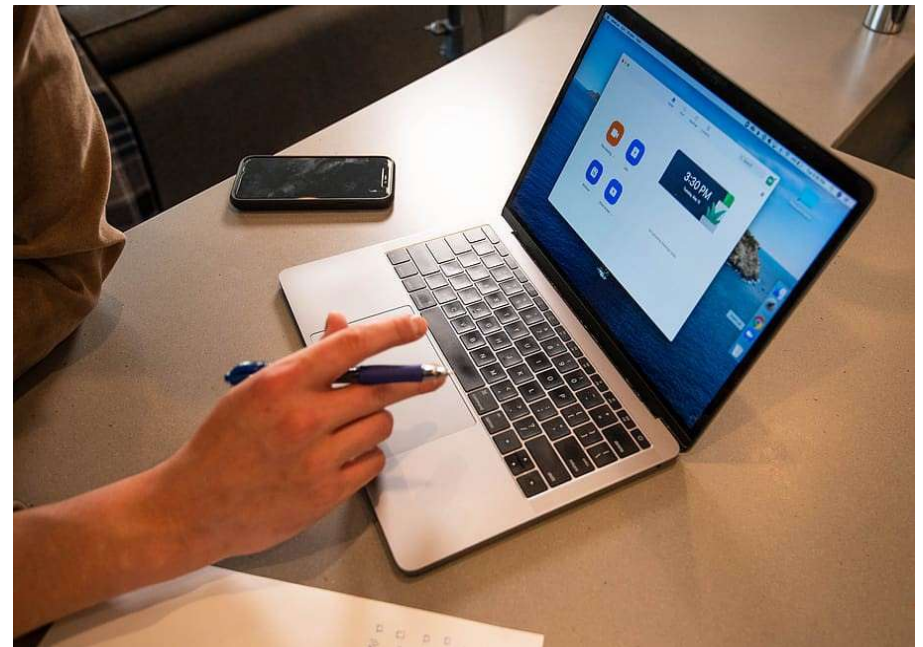
Jensen, 2011



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Consent Calendar

- Approval of June 11, 2025 Board Policy Committee Minutes



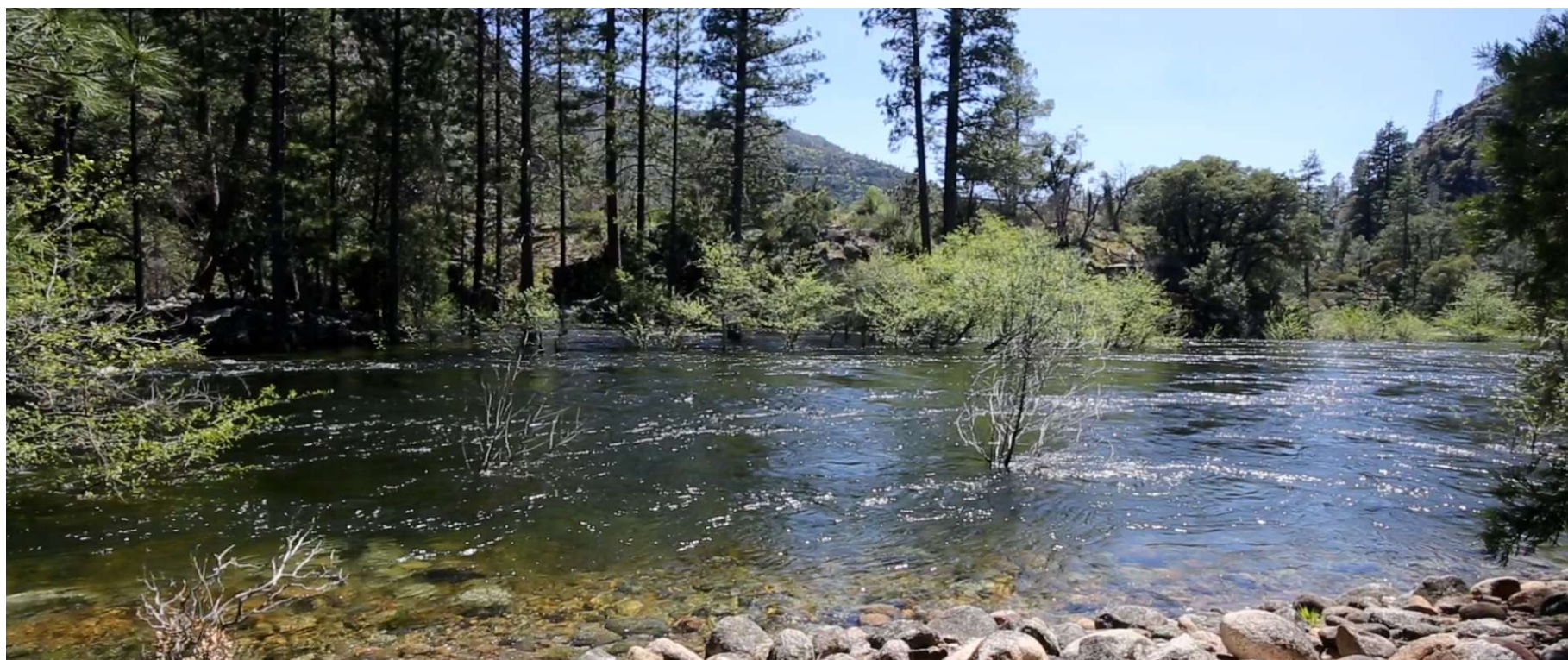
Public Comments on Items Not on the Agenda



Sandkulla, 2023

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Action Calendar



BAWSCA 2018



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Adoption of Resolution #2025-02 – Approving Extension of the Current Tier 2 Plan



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Shortages on the Regional Water System (RWS) are Governed by Two Plans

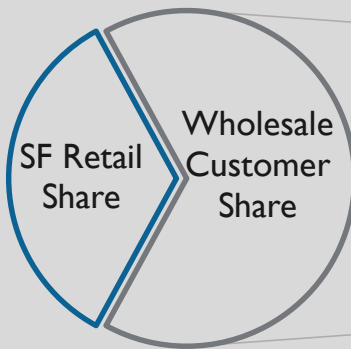
Shortages on the RWS*



* Applies during system-wide shortages due to drought of 20% or less

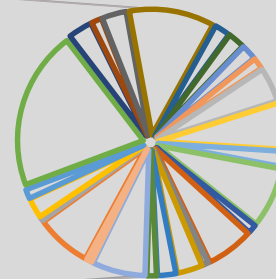
Tier 1 Plan

Method of allocating water from the RWS between:



Tier 2 Plan*

Method of allocating water from the RWS among the Wholesale Customers



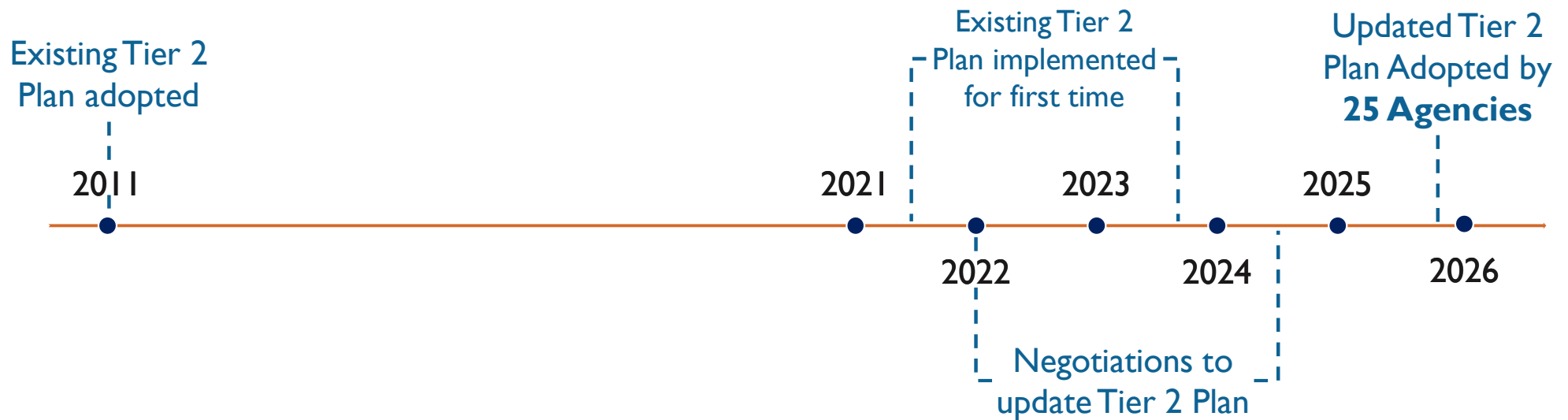
* Agreement among Wholesale Customers, San Francisco not included

Tier 2 Plan Implementation

- **WSA Section 3.11(C)(3):** SFPUC will honor Tier 2 allocations among the Wholesale Customers provided by BAWSCA or unanimously agreed to by all the Wholesale Customers



Tier 2 Plan Required Update and Currently Adopted by 25 Member Agencies



- Once unanimously adopted, the updated Tier 2 Plan will supersede the existing Plan
 - Board Action extending the existing Plan ensures a Plan is in place in the event of a drought

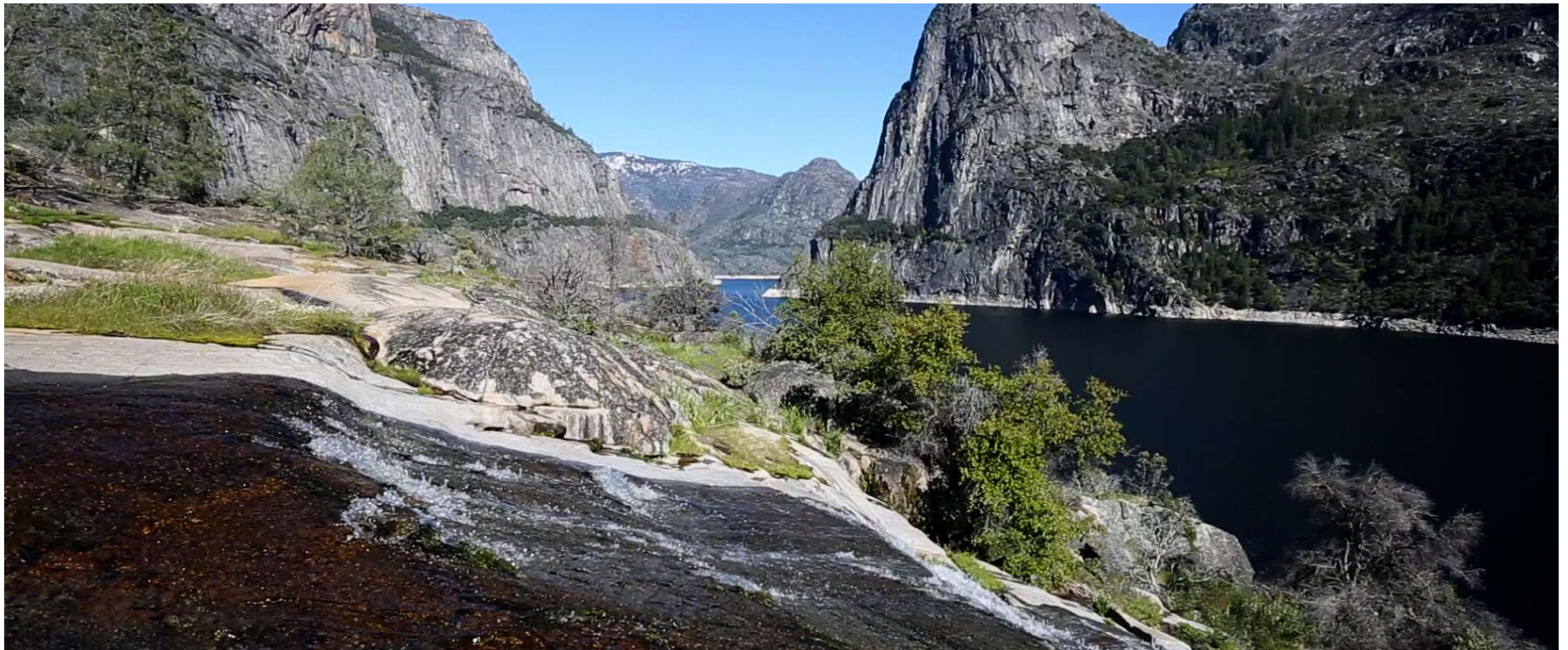


Recommended Action

That the Board Policy Committee recommend the Board adopt Resolution #2025-02 extending the term of the 2021 Amended and Restated Tier 2 Plan through December 31, 2026, or until all Wholesale Customers' governing bodies adopt an updated Tier 2 Plan.



Annual Review and Consideration of the Statement of Investment Policy



Annual Review and Consideration of BAWSCA's Investment Policy

- BAWSCA's Investment Policy requires annual review of the Statement of Investment Policy
 - Primary objectives: safety, liquidity and yield
- Last reviewed in November 2024
 - No changes made
- Both agency funds and bond funds are invested per Investment Policy
 - Most agencies have the Policy govern general agency funds, not bond funds
 - Permitted investments reflect the agency's circumstances and primary investment objectives
 - Current language is consistent with State law
- No changes to the policy are recommended



Overview of Investment Strategy for Bond Stabilization Fund

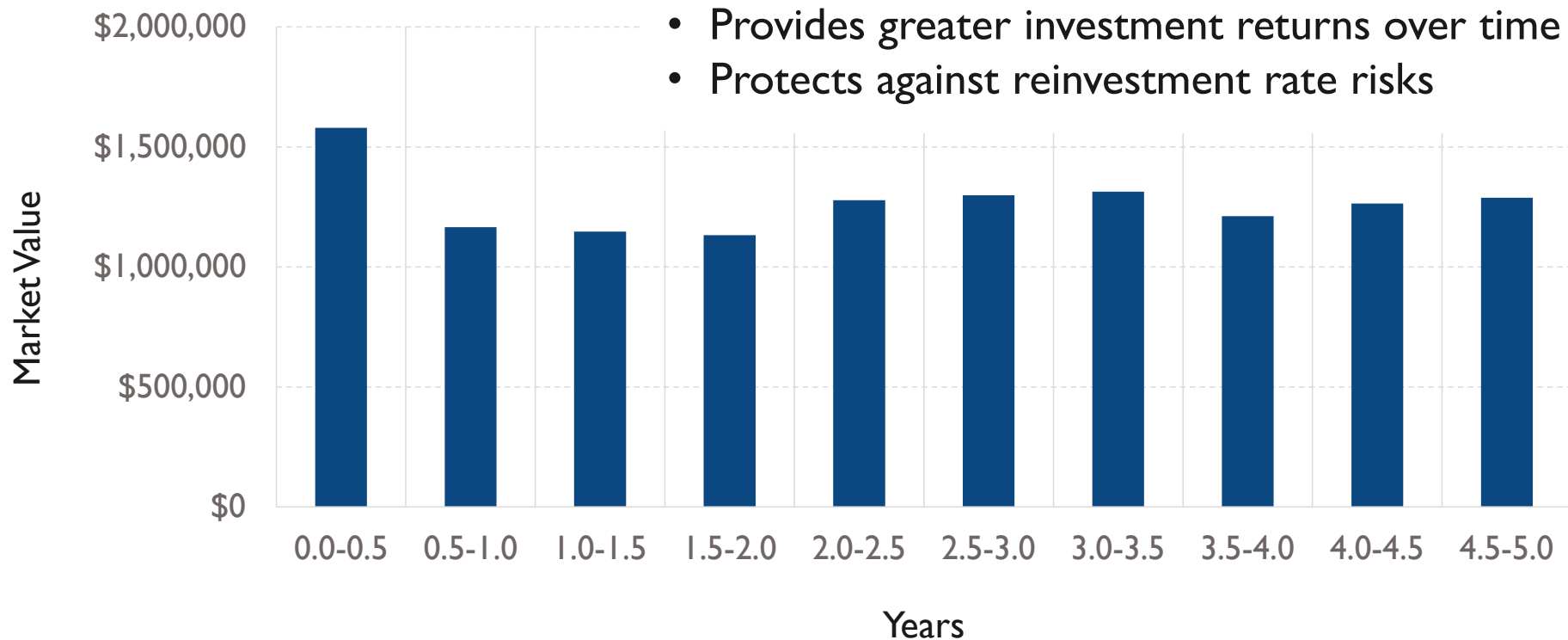
- While Federal Reserve has been reducing interest rates from their highest level in over 20 years, rates in the 0-5 year range still remain elevated since 2022
- BAWSCA's longer-term portfolio strategy is performing well
 - Continues to provide important yield curve diversification against both market price and reinvestment rate risks
- Total bond funds held by Trustee: \$18,422,782 (as of 10/1/2025)
 - \$5.7M bond surcharges – in Money Market Fund
 - \$12.7M stabilization fund – in U.S. Treasury Securities
- Based on a recent evaluation, the current 0-5 year ladder maturity investment strategy continues to be appropriate



Stabilization Fund Investment Portfolio Maturity Distribution as of 10/1/2025

Historical benefits of longer-maturity strategies:

- Provides greater investment returns over time
- Protects against reinvestment rate risks



Recommendation

That the Board Policy Committee recommend Board re-affirmation of the current Statement of Investment Policy.



Reports and Discussions



L. Ash, 2017

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Strategy 2050 – Affordability Analysis



BAWSCA 2018



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Goals for Today's Presentation







- Share information on the “affordability” of water for typical and low-income customers in the BAWSCA region.
 - Understood as the general concept that water bills should not be a burden on households, allowing them to meet other basic needs like food, housing, and health care
- Provide context on water affordability to inform upcoming Strategy 2050 decisions.
- Seek input from Board Policy Committee:
 - What questions do you have about the analysis and methodology?
 - How does this analysis compare with your understanding of water affordability conditions in your agency's service area?
 - Would you suggest any changes for the memo and presentation to the BAWSCA Board for the November meeting?



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

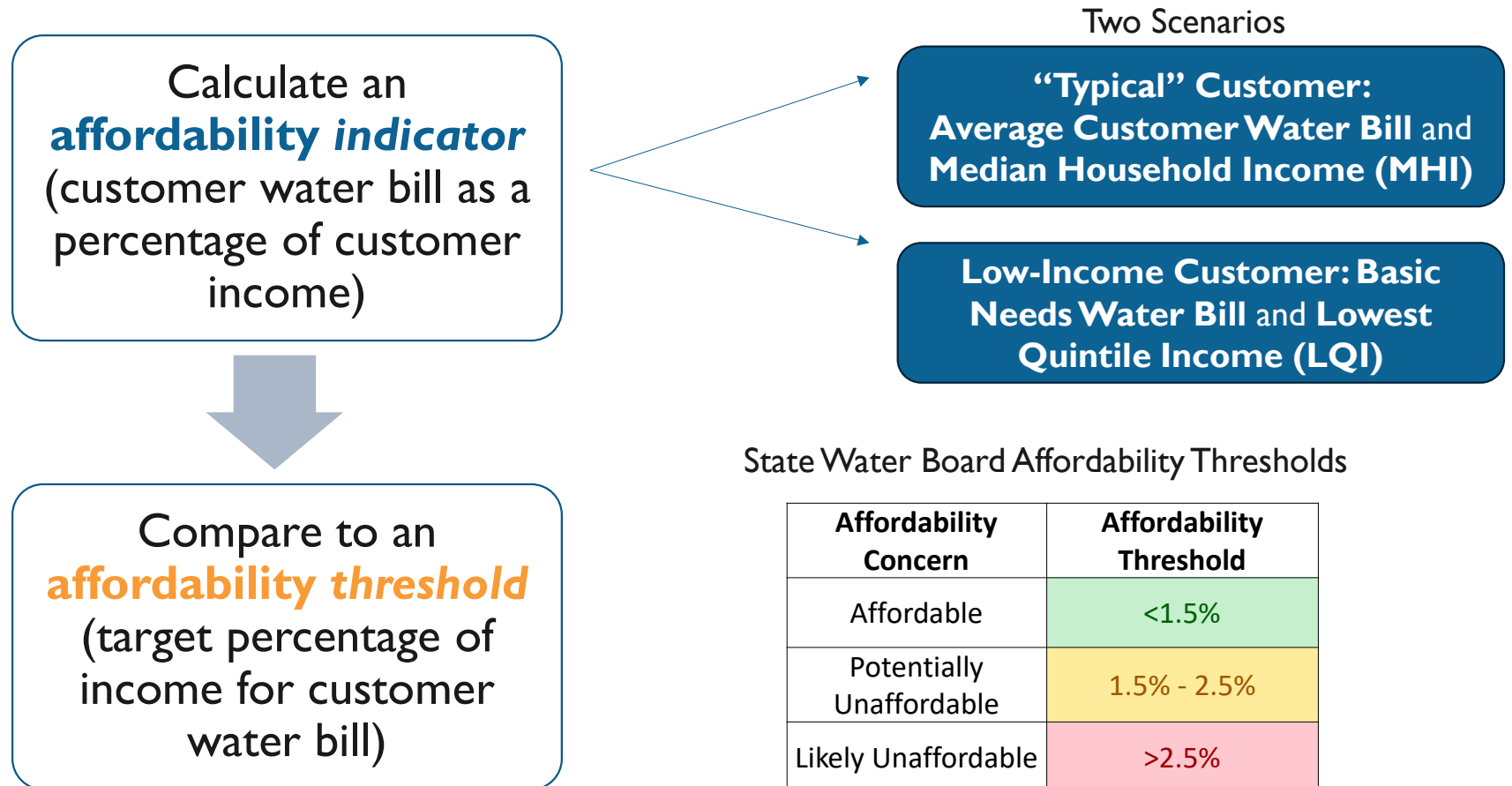
- 1 Provide a comprehensive picture of the region's supply and demand management needs and options

- 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.


Affordability Analysis Key Questions

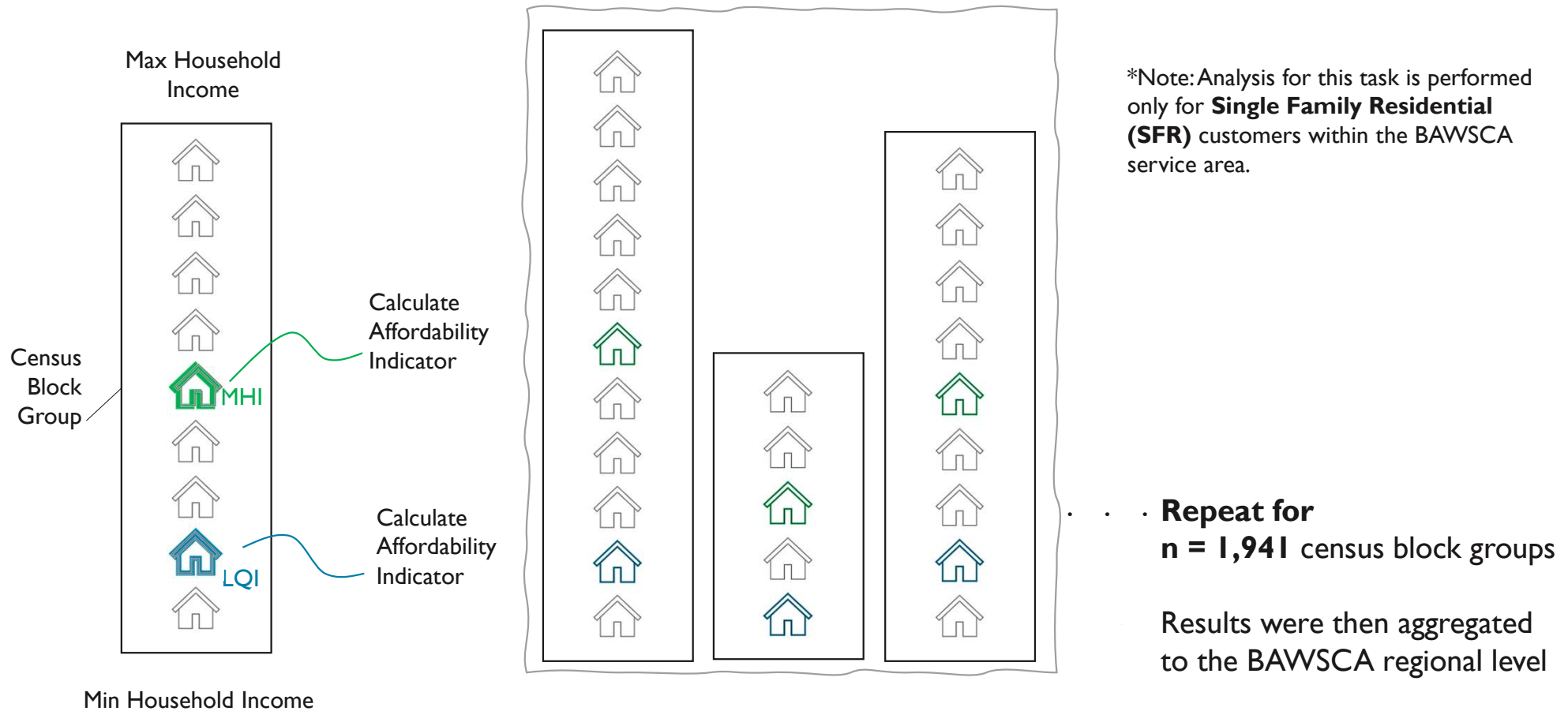
1. How affordable is average water use for the typical household in the BAWSCA region?
2. How affordable is basic water service for low-income households?
3. How have water costs changed relative to income growth and other essential household expenses over the past decade?
4. What is the extent of water affordability challenges in the BAWSCA region?



How Is Affordability Assessed?



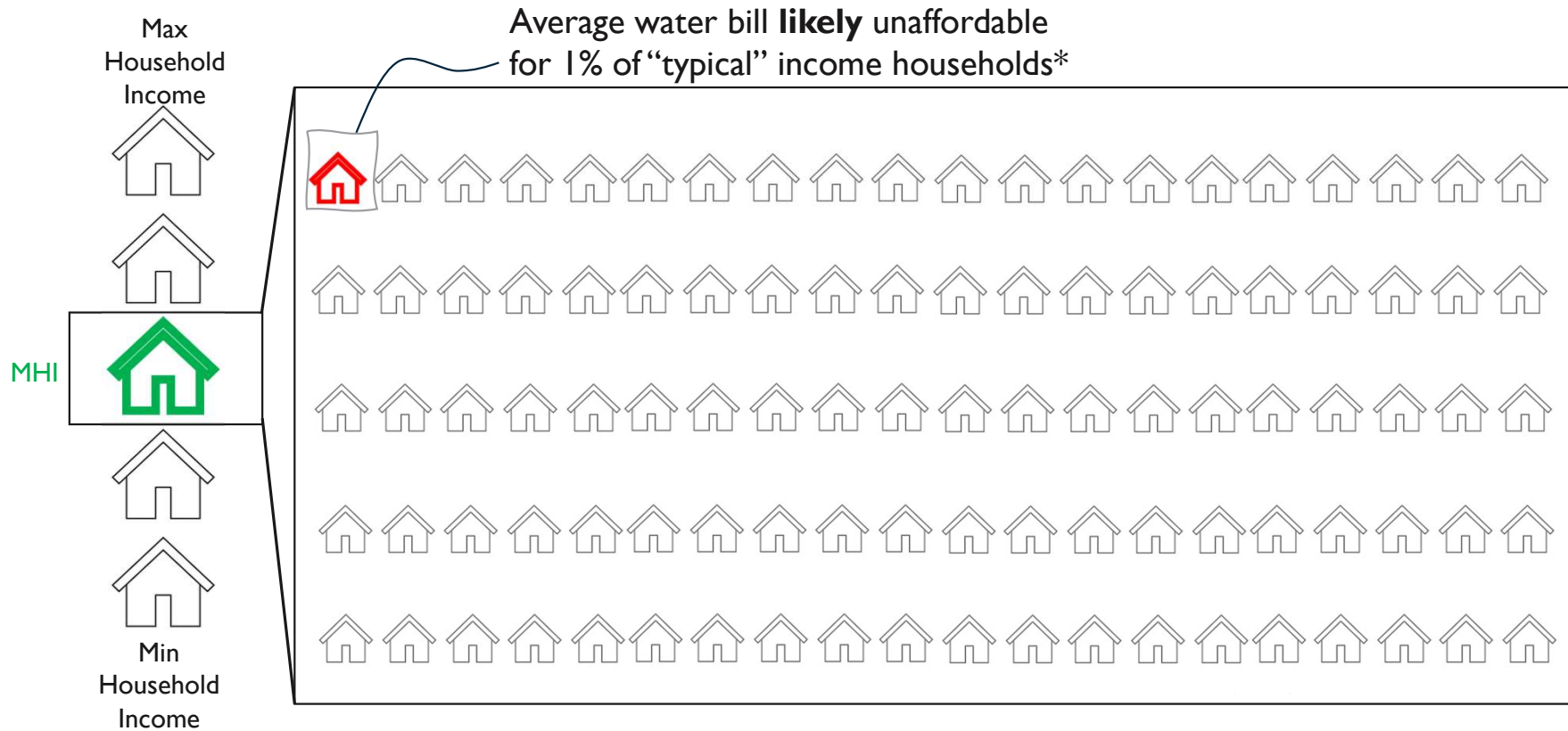
Accessing Affordability Threshold



Affordability for “Typical” Income Household

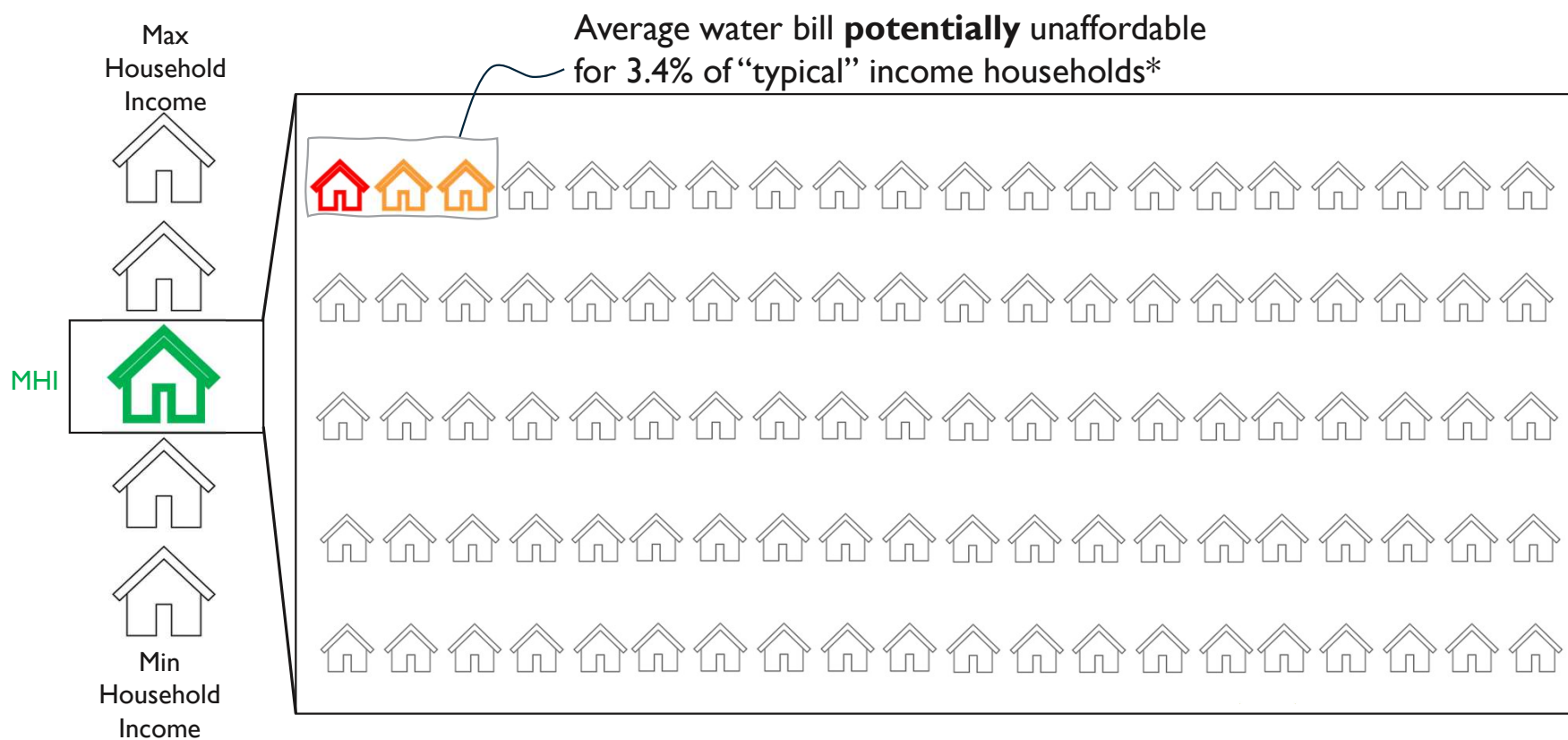


Affordability for “Typical” Income Household

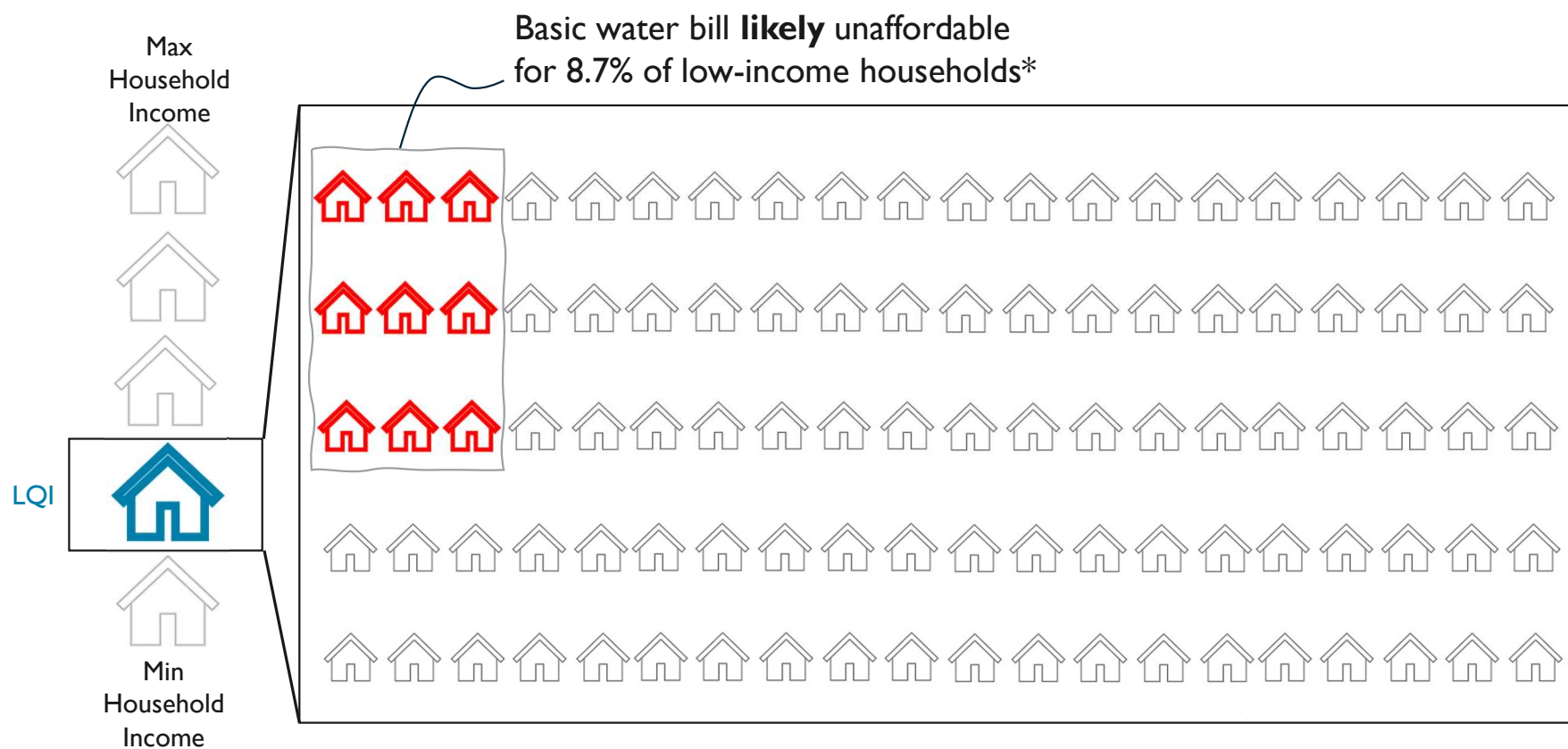


*1.0% of MHI households pay $\geq 2.5\%$ of their income for an average bill.

Affordability for “Typical” Income Household

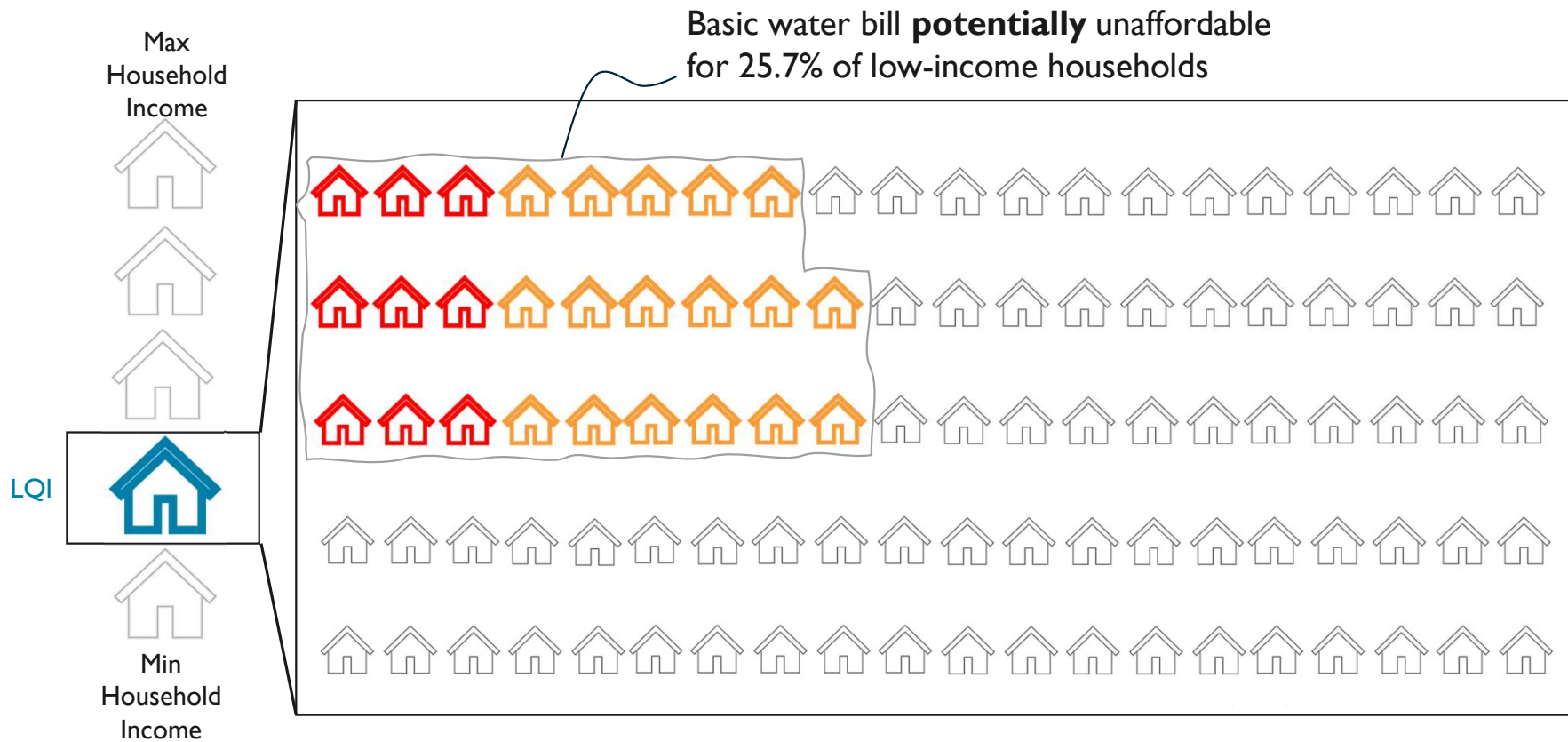


Affordability for Low-Income Households



*8.7% of LQI households pay $\geq 2.5\%$ of their income for an average bill.

Affordability for Low-Income Households



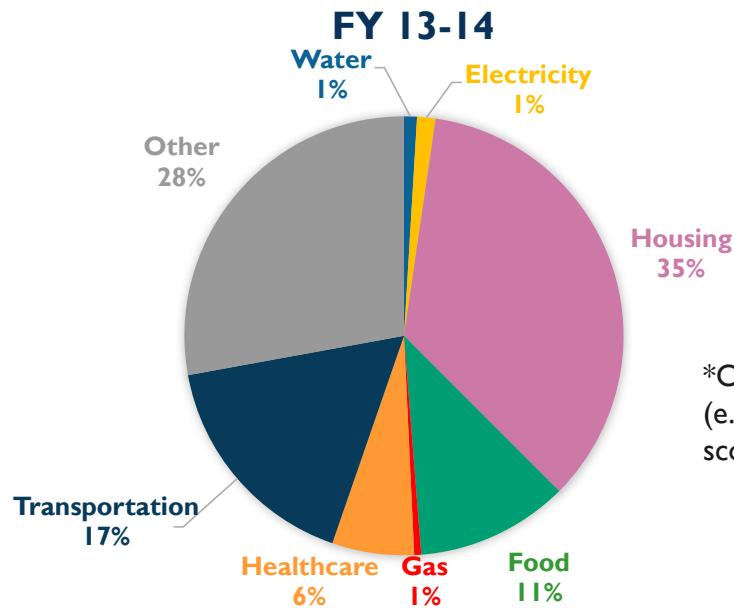
*25.7% of LQI households pay $\geq 1.5\%$ of their income for an average bill.

Affordability Comparative Analysis

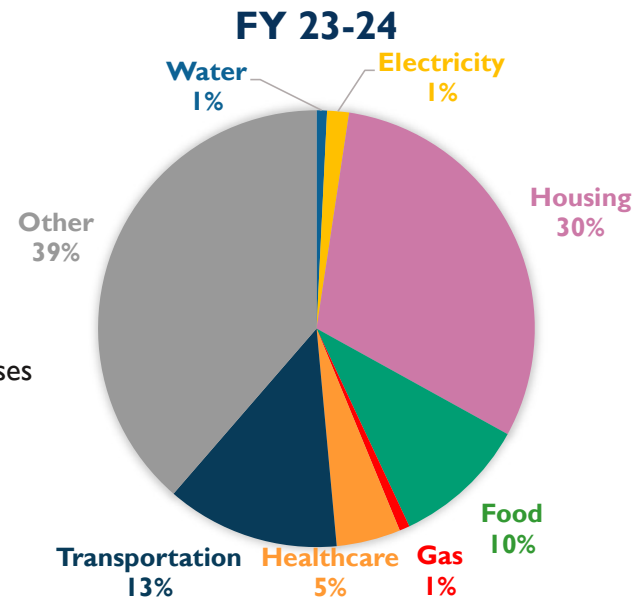
- BAWSCA (with assistance from our summer intern from Eastside College Prep) analyzed how water costs have changed relative to other essential household expenses over the past decade.
- Data for the analysis was obtained from:
 - BAWSCA's Annual Survey
 - Bureau of Labor Statistics Consumer Price Index
 - Pacific Gas and Electric Company
 - Federal Reserve Economic Data
- Objective was to assess whether water remains affordable relative to median household income and other essential expenditures, including:
 - Electricity
 - Natural gas
 - Food
 - Healthcare
 - Housing
 - Transportation



Average Monthly Household Expenses 2013 - 2024



*Other includes all other expenses (e.g. entertainment) outside the scope of this analysis

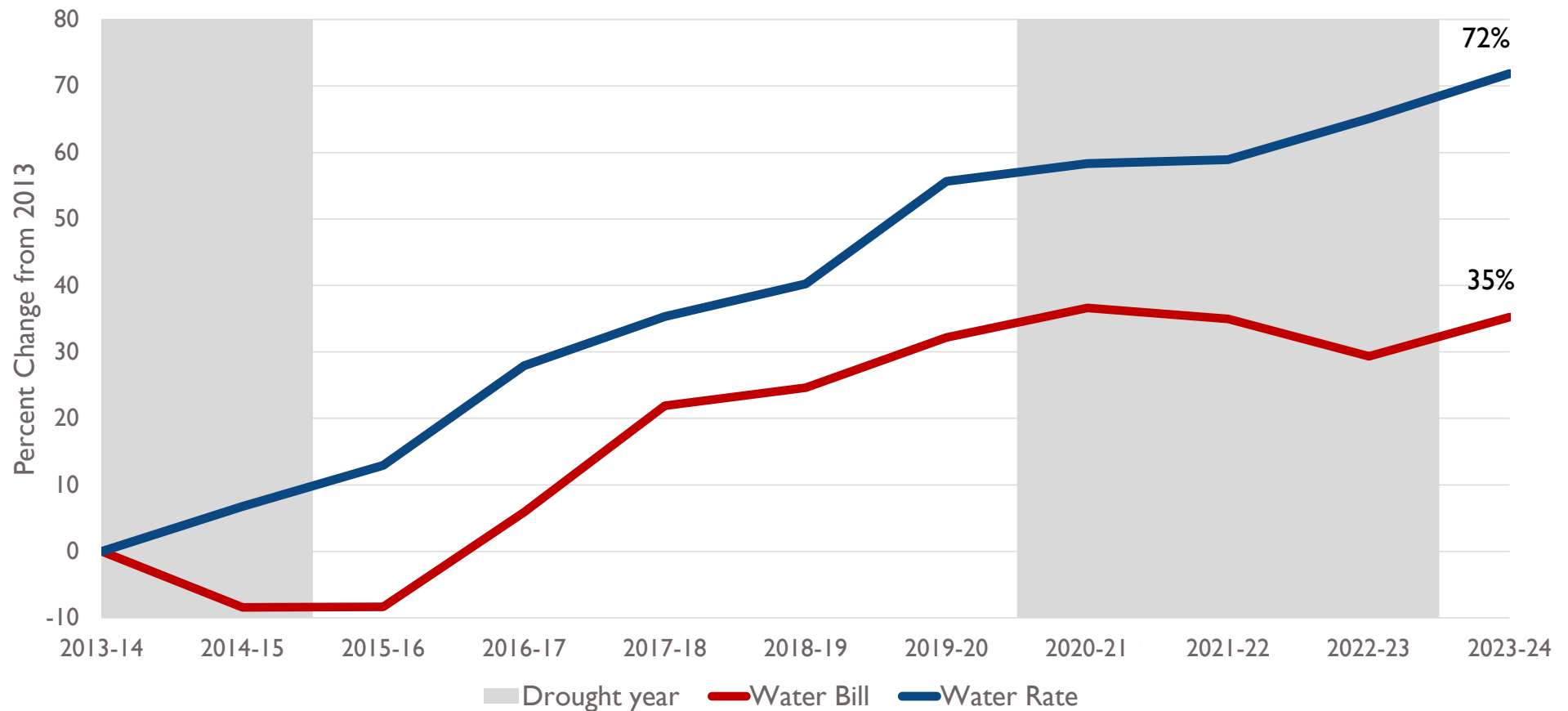


Median Monthly Household Income: \$7,084

Median Monthly Household Income: \$11,800

Year	Water	Electricity	Housing	Food	Gas	Healthcare	Transportation	Other
FY 13-14	0.95%	1.35%	35.21%	11.22%	0.52%	6.05%	16.83%	27.86%
FY 23-24	0.77%	1.62%	30.67%	9.98%	0.66%	4.78%	12.84%	38.68%

Comparison of Average Water Bills Vs. Water Rates



Current Affordability-Related Practices

- The Strategy 2050 team also surveyed the BAWSCA agencies to understand current affordability-related programs and practices.
- Key findings:
 - Most common affordability programs were:
 - Payment plans and arrearage forgiveness (29%)
 - Flexible payment options (26%)
 - Proposition 218 is the most significant challenge to implementing and administering affordability programs.



Takeaways

- Water bills generally appear to be affordable for the typical single-family water customer, including most low-income customers, across the BAWSCA region.
- Overall, income has risen at a faster rate than water costs in the region, and water bills have risen more slowly than water rates due to increased efficiency.
- Next steps include:
 - Evaluating affordability impacts of potential Strategy 2050 investments.
 - Highlighting approaches that other water agencies have used to support water affordability.

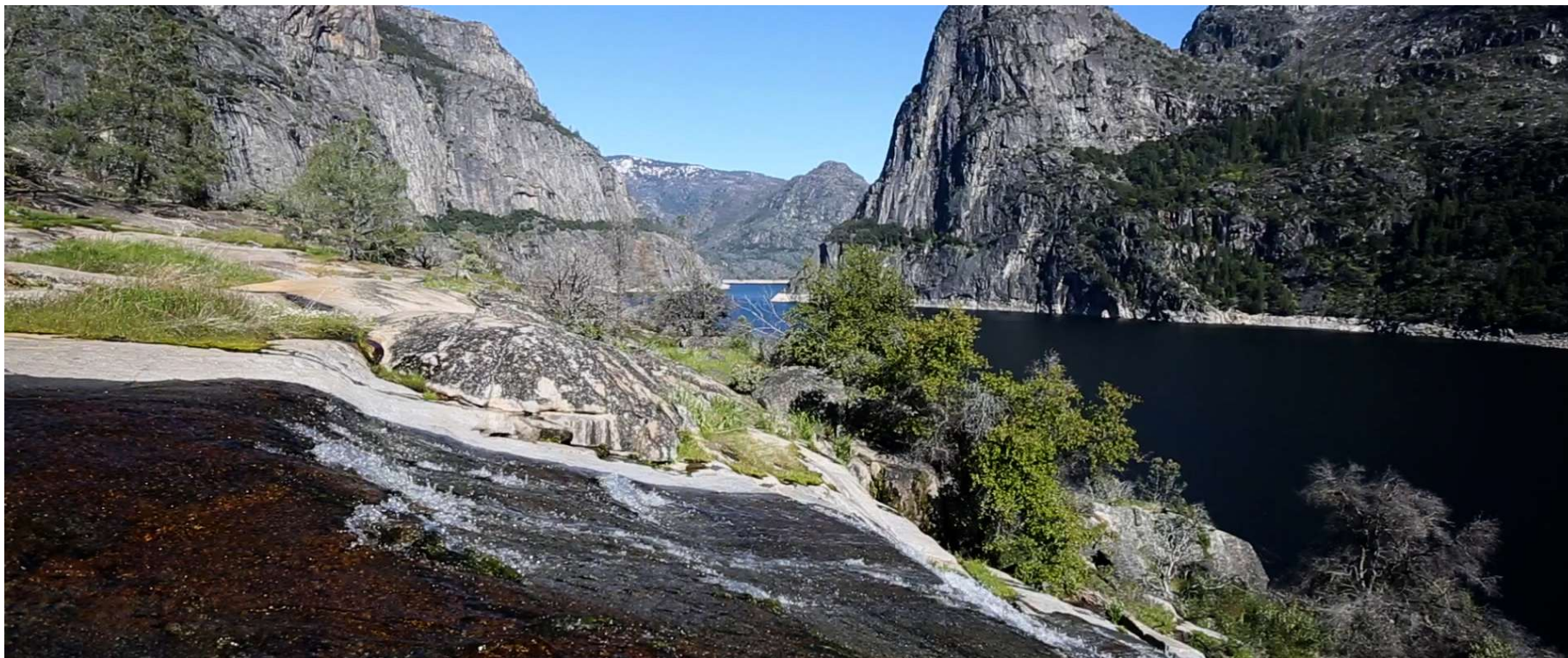


Discussion Questions

1. What questions do you have about the analysis and methodology?
2. How does this analysis compare with your understanding of water affordability conditions in your agency's service area?
3. Would you suggest any changes for the memo and presentation to the BAWSCA Board for the November meeting?



CEO Reports



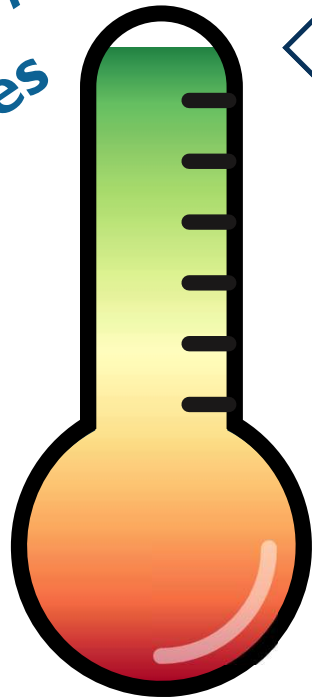
BAWSCA 2018



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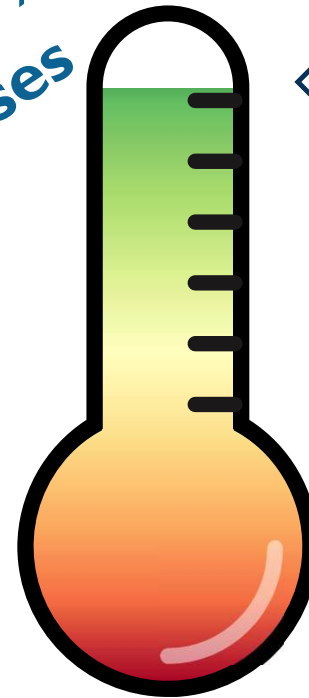
Tier 2 Plan and WSA Amendment Adoption Tracking

Adoption by #
of Agencies



25 Agencies

Adoption by %
of Purchases

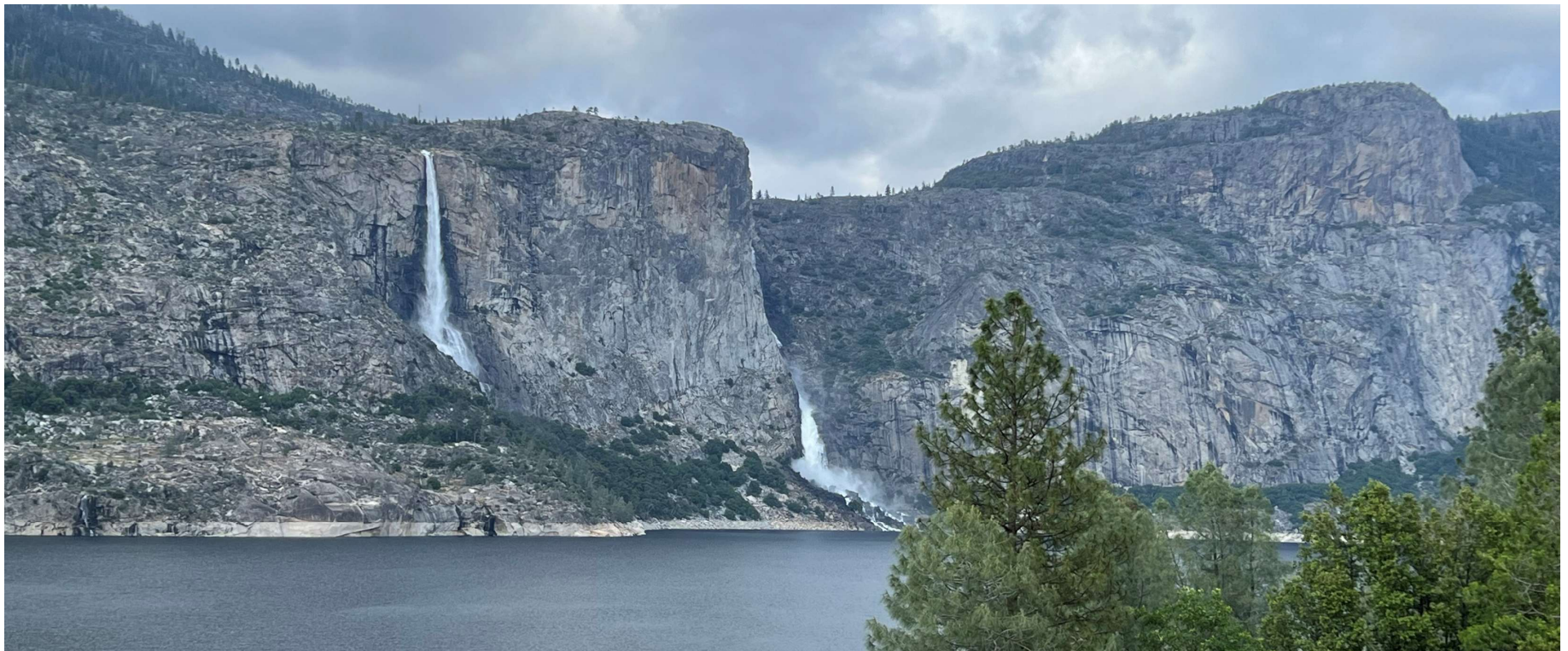


89% of Purchases



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Water Supply Conditions



Ragsdale, 2023



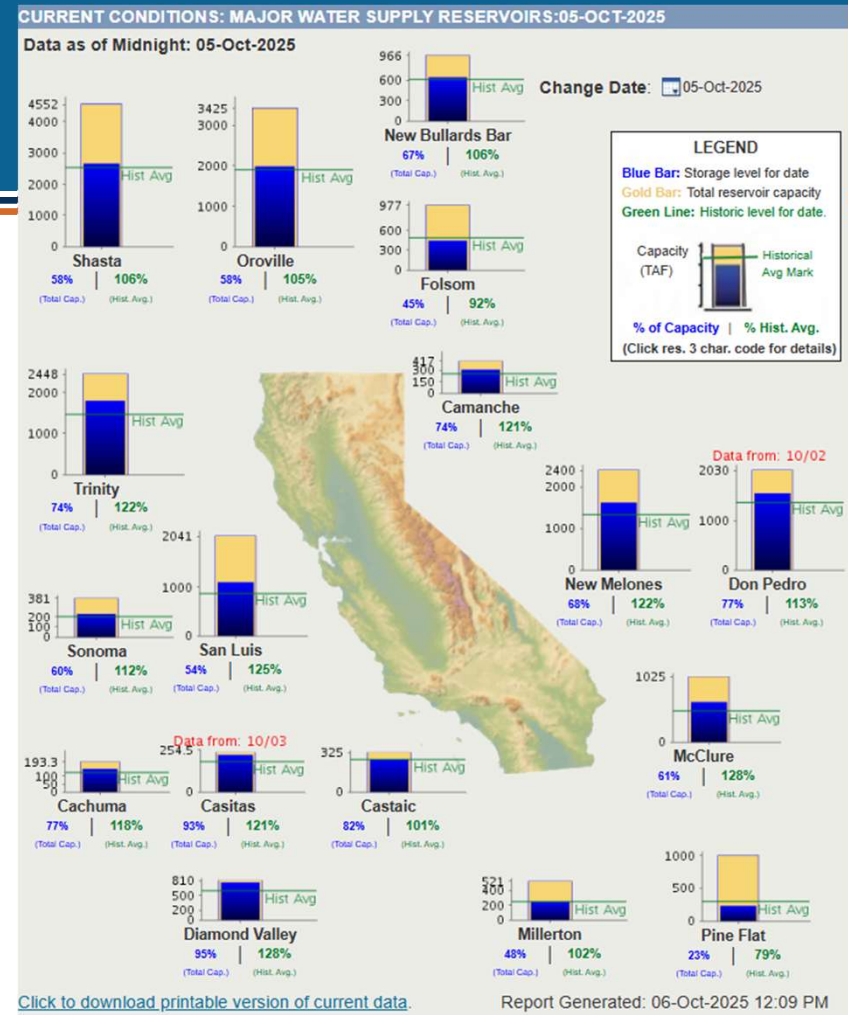
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October 06, 2025, Reservoir Storage

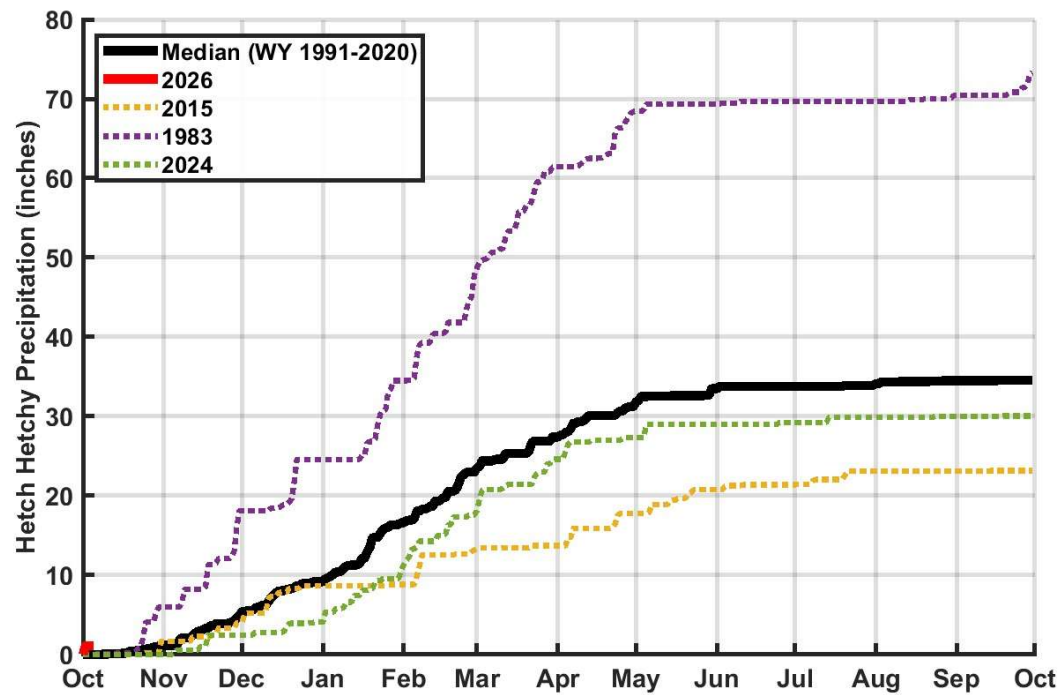
Reservoir	Current Storage ^{1,2,3} (AF)	Maximum Storage ⁴ (AF)	Available Capacity (AF)	Percent of Maximum Storage	Normal Percent of Maximum Storage ⁵
<u>Tuolumne System</u>					
Hetch Hetchy	278,900	360,360	81,460	77.4%	78.2%
Cherry	245,100	273,345	28,245	89.7%	-
Eleanor	18,600	27,100	8,500	68.6%	-
Water Bank	567,972	570,000	2,028	99.6%	99.5%
Total Tuolumne Storage	1,110,572	1,230,805	120,233	90.2%	-
<u>Local System</u>					
Calaveras	70,416	96,670	26,254	72.8%	-
San Antonio	48,033	53,266	5,233	90.2%	-
Crystal Springs	49,739	68,953	19,214	72.1%	-
San Andreas	15,637	18,675	3,038	83.7%	-
Pilarcitos	1,741	3,125	1,384	55.7%	-
Total Local Storage	185,566	240,689	55,123	77.1%	-
Total System Storage	1,296,138	1,471,494	175,356	88.1%	79.3%
Total without water bank	728,166	901,494	173,328	80.8%	-



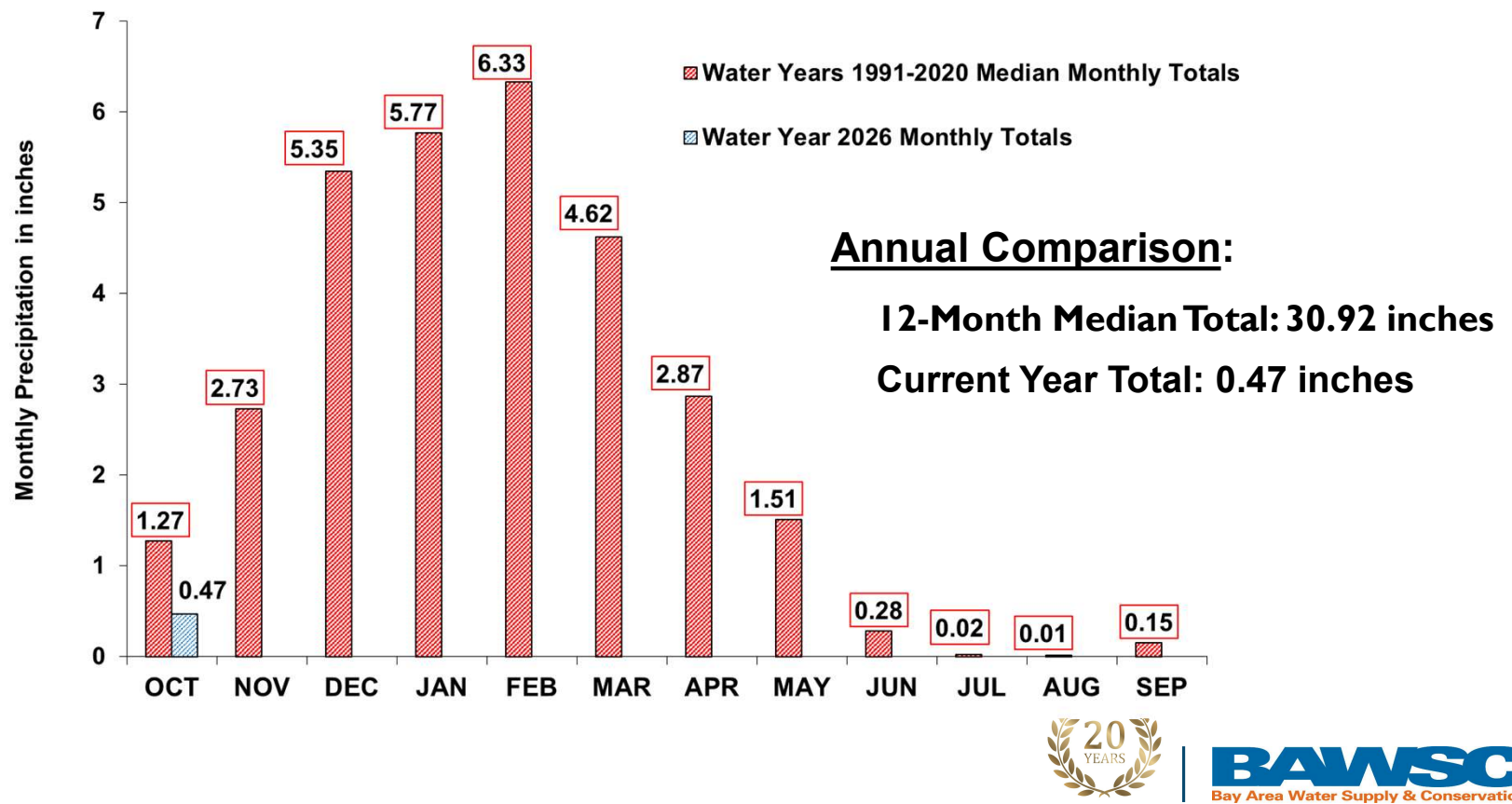
Other California Reservoirs



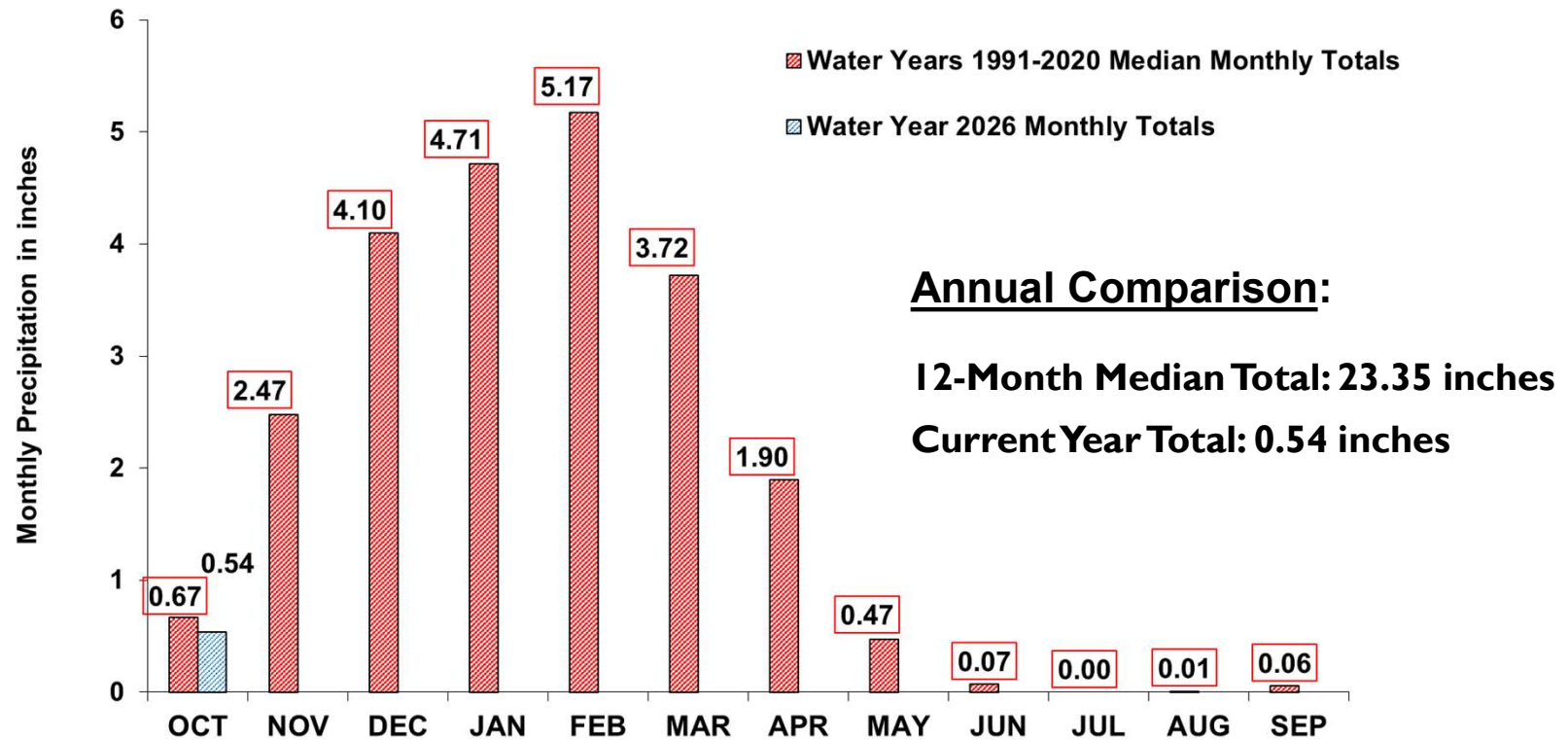
Hetch Hetchy Precipitation



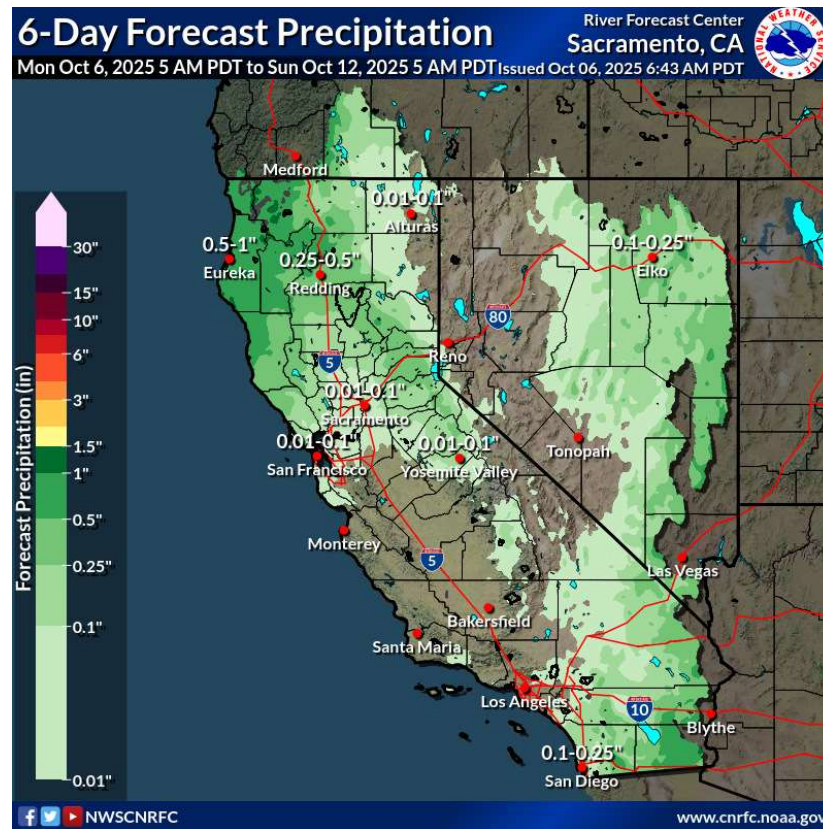
Upcountry 6-station Precipitation Index as of October 5, 2025



Bay Area 7-station Precipitation Index as of October 5, 2025

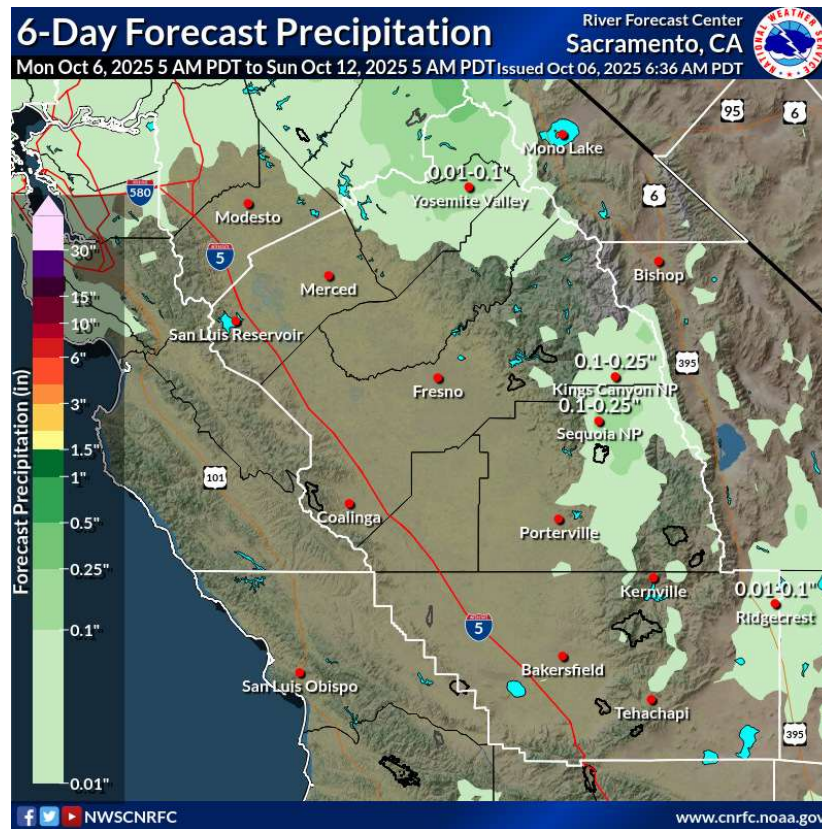


California Precipitation Forecast

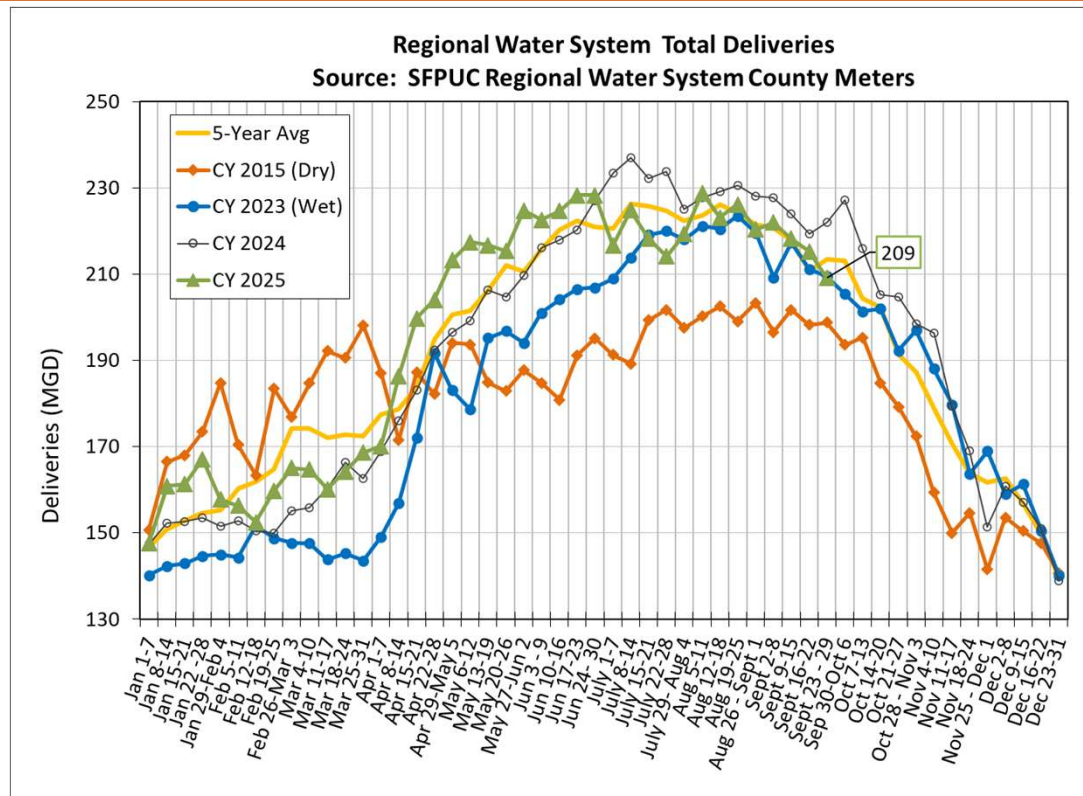


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Upcountry Precipitation Forecast



Total Deliveries



Bay Delta Plan / FERC Process Update



BAWSCA 2018



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Bay-Delta Plan Update

- Bay-Delta Plan Update – Phase I

- The State Water Board released a Draft Scientific Basis Report for the Tuolumne River on September 19, 2025
- BAWSCA released a Statement regarding the Report on September 26, 2025
 - Statement noted BAWSCA was pleased that the State Water Board had taken this step to advance consideration of the Healthy Rivers and Landscapes Plan for the Tuolumne River (Tuolumne HRLP)
- The State Water Board will hold a Workshop on the Draft Report on November 5, 2025
- Public Comments to the Draft Report are due by November 7, 2025
- BAWSCA and the SFPUC are reviewing the Draft Report, and have yet to determine if or how to participate in the public Workshop and whether to provide comments

- Bay-Delta Plan – Phase 2

- The State Water Board has proposed a “limited recirculation” of the draft Staff Report/Substitute Environmental Document that they are currently updating
- Draft documents for public review and comment will be released in December 2025
- Dates for public hearing(s) and the length of the comment period have yet to be provided



FERC Update

- FERC Update

- MID and TID have withdrawn their application for a water quality certification (WQC) submitted to the State Water Board for the FERC licensing of the Don Pedro and La Grange Hydroelectric Projects
- Based on the comments received on the Initial Study/Mitigated Negative Declaration, the Districts are concerned that they will be unable to complete CEQA review within the CWA one-year statutory timeframe to act on the application and give the State Water Board time to properly review a final CEQA document
- The Districts indicated that they will be filing a new WQC application with the State Water Board within the next several months, completing the CEQA process once filed



Closed Session



L. Ash, 2017



Report from Closed Session



L. Ash, 2017



Comments by Committee Members



Next Meeting and Adjournment

Next Meeting

December 10, 2025
1:30 pm

