

“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

January 15, 2026

Call To Order/Roll Call/Salute to Flag



SPECIAL ORDER OF BUSINESS: Election of Officers for Calendar Year 2026



Break for San Francisco Bay Area Regional Water System Financing Authority (RFA) Board of Directors Meeting



Call to Order and Roll Call

**San Francisco Bay Area Regional Water System
Financing Authority**

Special Order of Business: Election of Officers for Calendar Year 2026



**San Francisco Bay Area Regional Water System
Financing Authority**

Consent Calendar

- a. Approval of January 16, 2025 Minutes
- b. Adopt FY 2025-26 Budget
- c. Appointment of Tom Smegal as General Financial Officer, and Secretary of San Francisco Bay Area Regional Water System Financing Authority

**San Francisco Bay Area Regional Water System
Financing Authority**

Comments by the Chair

**San Francisco Bay Area Regional Water System
Financing Authority**

Public Comments on Items Not on the Agenda

**San Francisco Bay Area Regional Water System
Financing Authority**

General Manager's Report

Annual Conflict of Interest Form 700 Filing

- April 1, 2026 deadline
- New Filing Requirements Under SB 827

Directors' Comments

**San Francisco Bay Area Regional Water System
Financing Authority**

Meeting Adjournment and Return to BAWSCA Board Meeting

Next Meeting

January 21, 2027

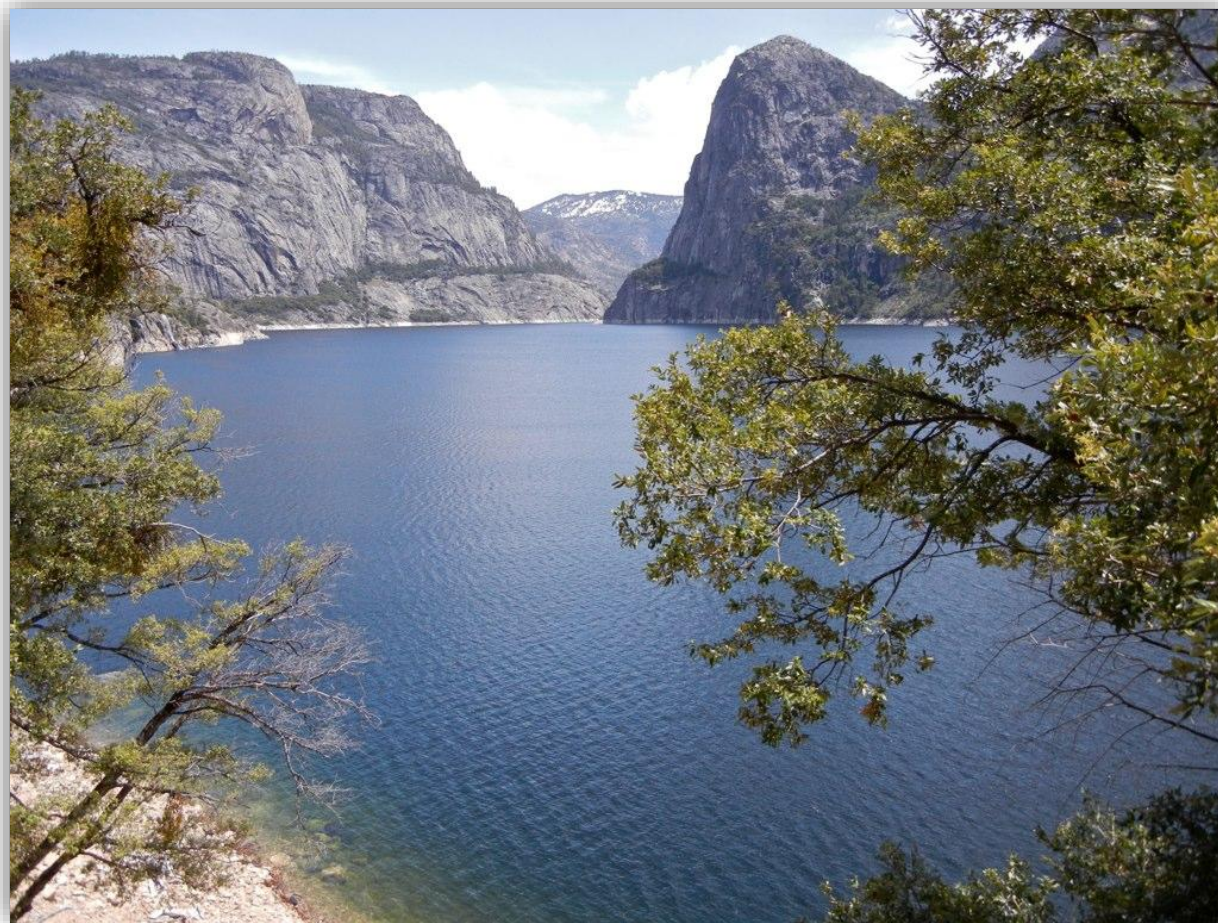
San Francisco Bay Area Regional Water System
Financing Authority

Reconvene to BAWSCA Board Meeting Following RFA Meeting



BAWSCA 2018

Comments by Chair



Jensen, 2011

Board Policy Committee Report



BAWSCA 2018

Public Comments on Items Not on the Agenda



Sandkulla, 2023

SFPUC Report



Ragsdale, 2023

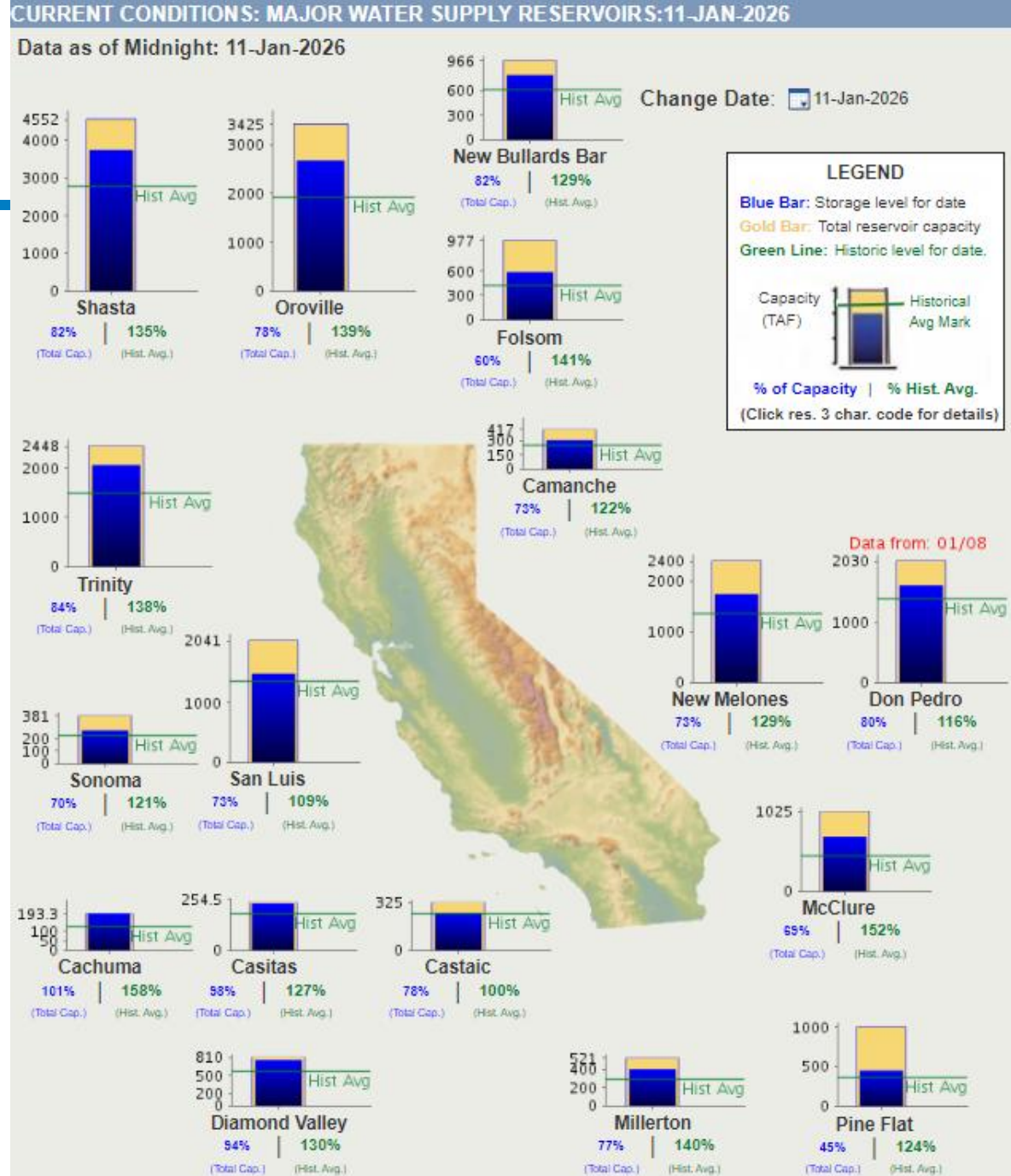
Water Supply Conditions Update

January 15, 2026

January 12, 2026, 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	323,300	360,360	37,060	89.7%	67.6%
Cherry	244,800	273,345	28,545	89.6%	-
Eleanor	23,640	27,100	3,460	87.2%	-
Water Bank	565,873	570,000	4,127	99.3%	97.8%
Total Tuolumne Storage	1,157,613	1,230,805	73,192	94.1%	-
<u>Local System</u>					
Calaveras	64,009	96,670	32,661	66.2%	-
San Antonio	48,356	53,266	4,910	90.8%	-
Crystal Springs	52,835	68,953	16,118	76.6%	-
San Andreas	15,646	18,675	3,029	83.8%	-
Pilarcitos	1,879	3,125	1,246	60.1%	-
Total Local Storage	182,725	240,689	57,964	75.9%	-
<u>Total System Storage</u>	1,340,338	1,471,494	131,156	91.1%	79.7%
<u>Total without water bank</u>	774,465	901,494	127,029	85.9%	-

Other California Reservoirs










California Drought Monitor



Map released: Thurs. January 8, 2026

Data valid: January 6, 2026 at 7 a.m. EST

Intensity

-  None
-  D0 (Abnormally Dry)
-  D1 (Moderate Drought)
-  D2 (Severe Drought)
-  D3 (Extreme Drought)
-  D4 (Exceptional Drought)
-  No Data

Authors

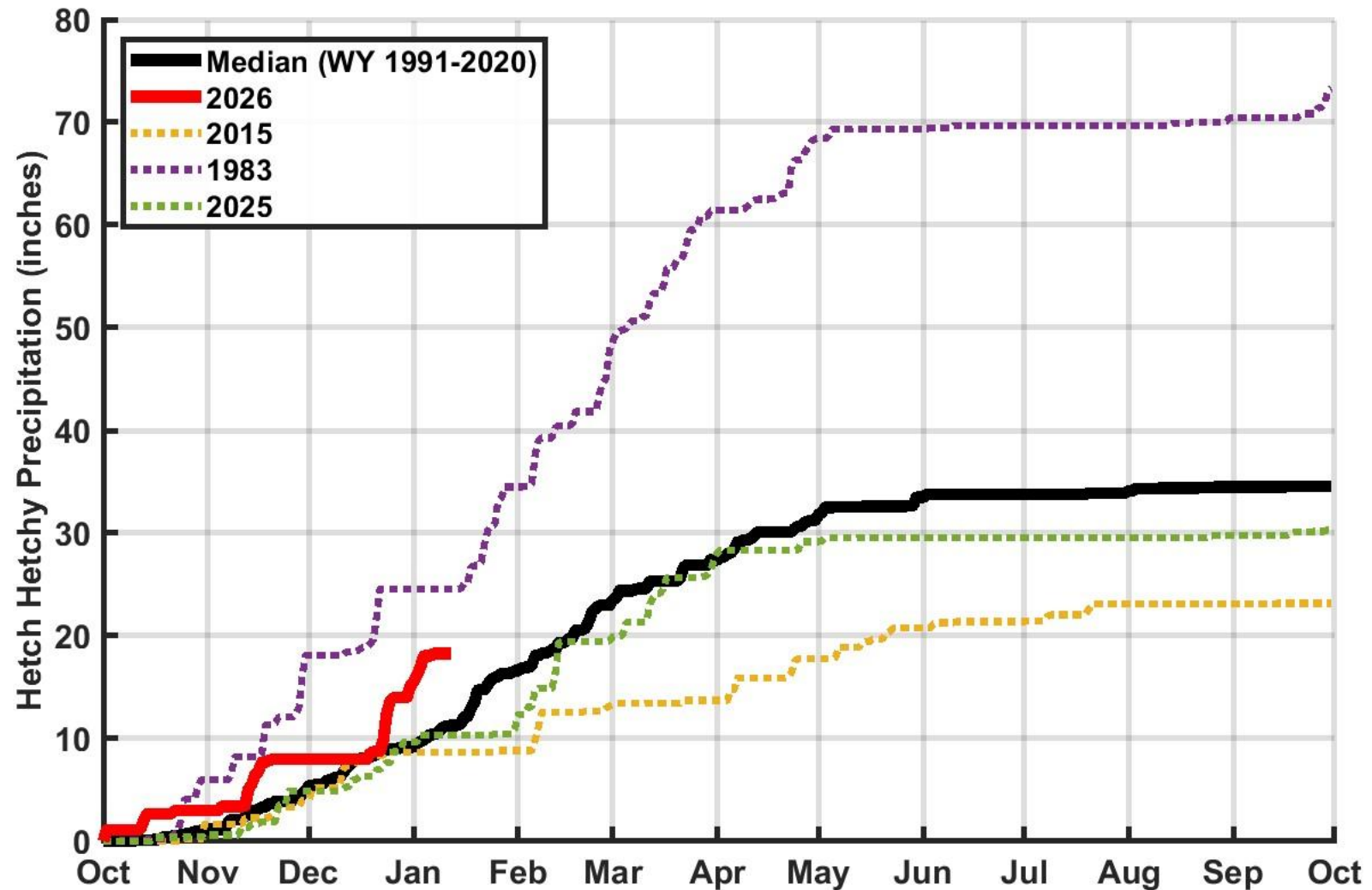
United States and Puerto Rico Author(s):

[Brian Fuchs](#), National Drought Mitigation Center

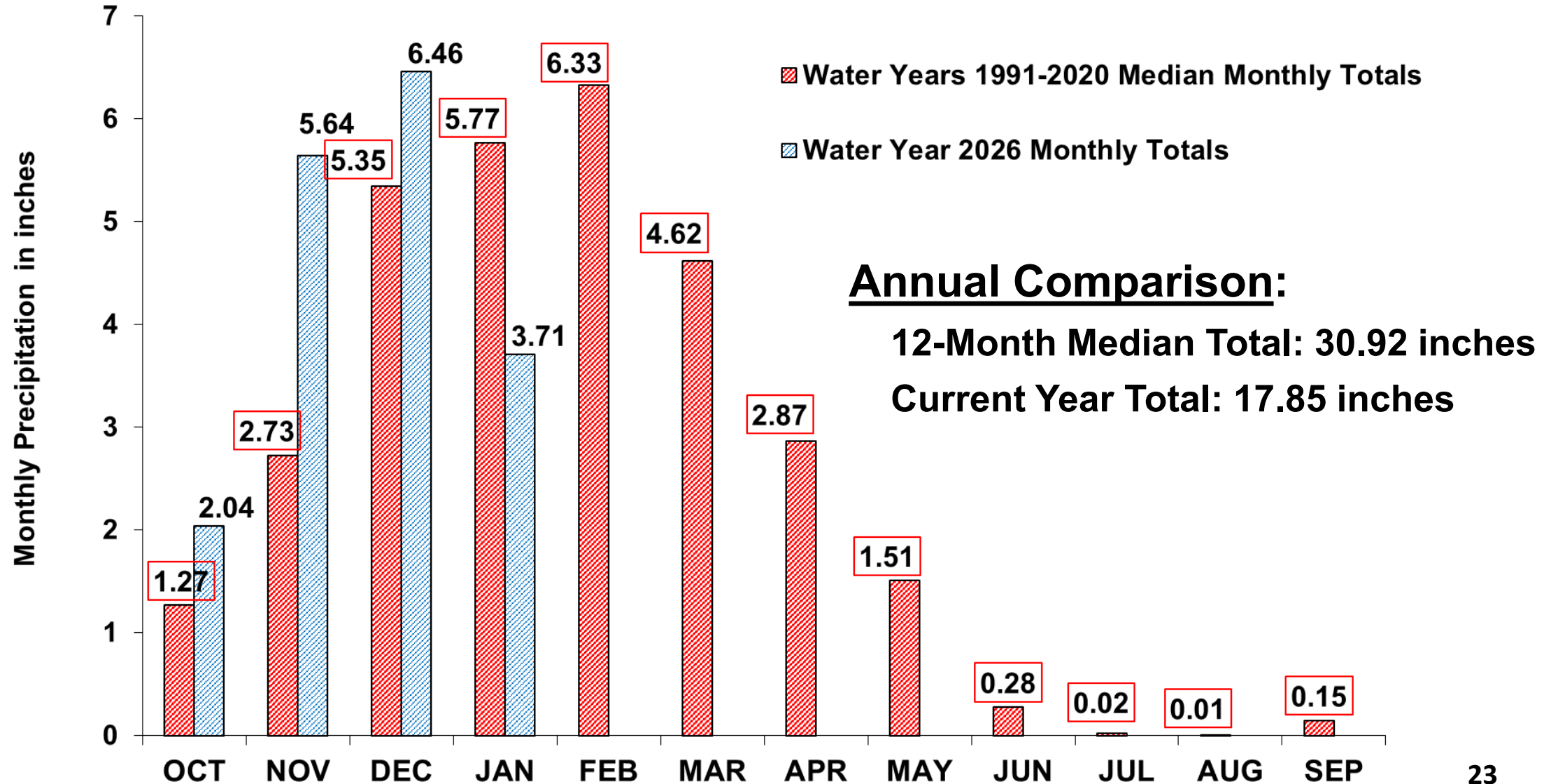
Pacific Islands and Virgin Islands Author(s):

[Tsegaye Tadesse](#), National Drought Mitigation Center

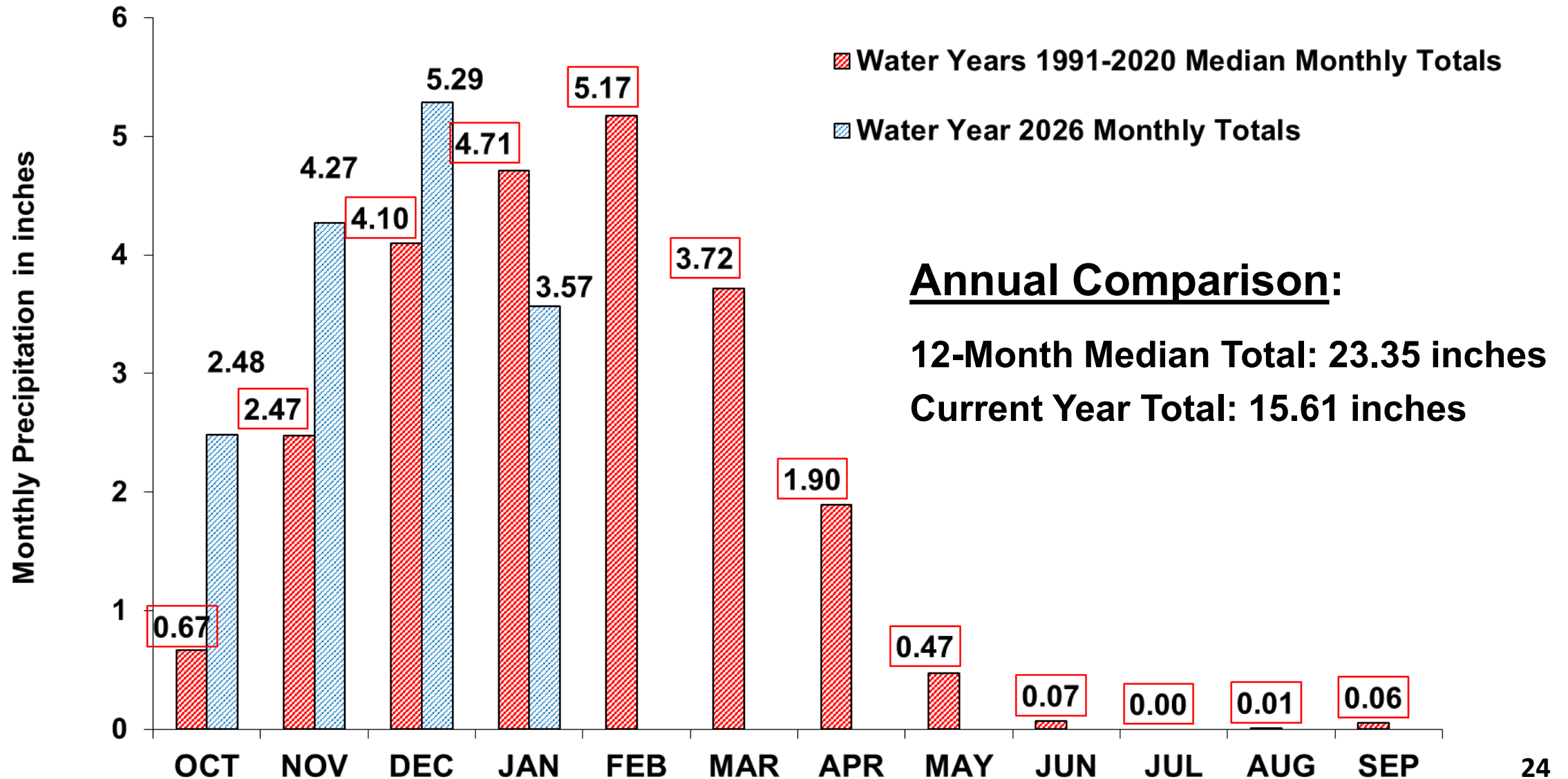
Hetch Hetchy Precipitation



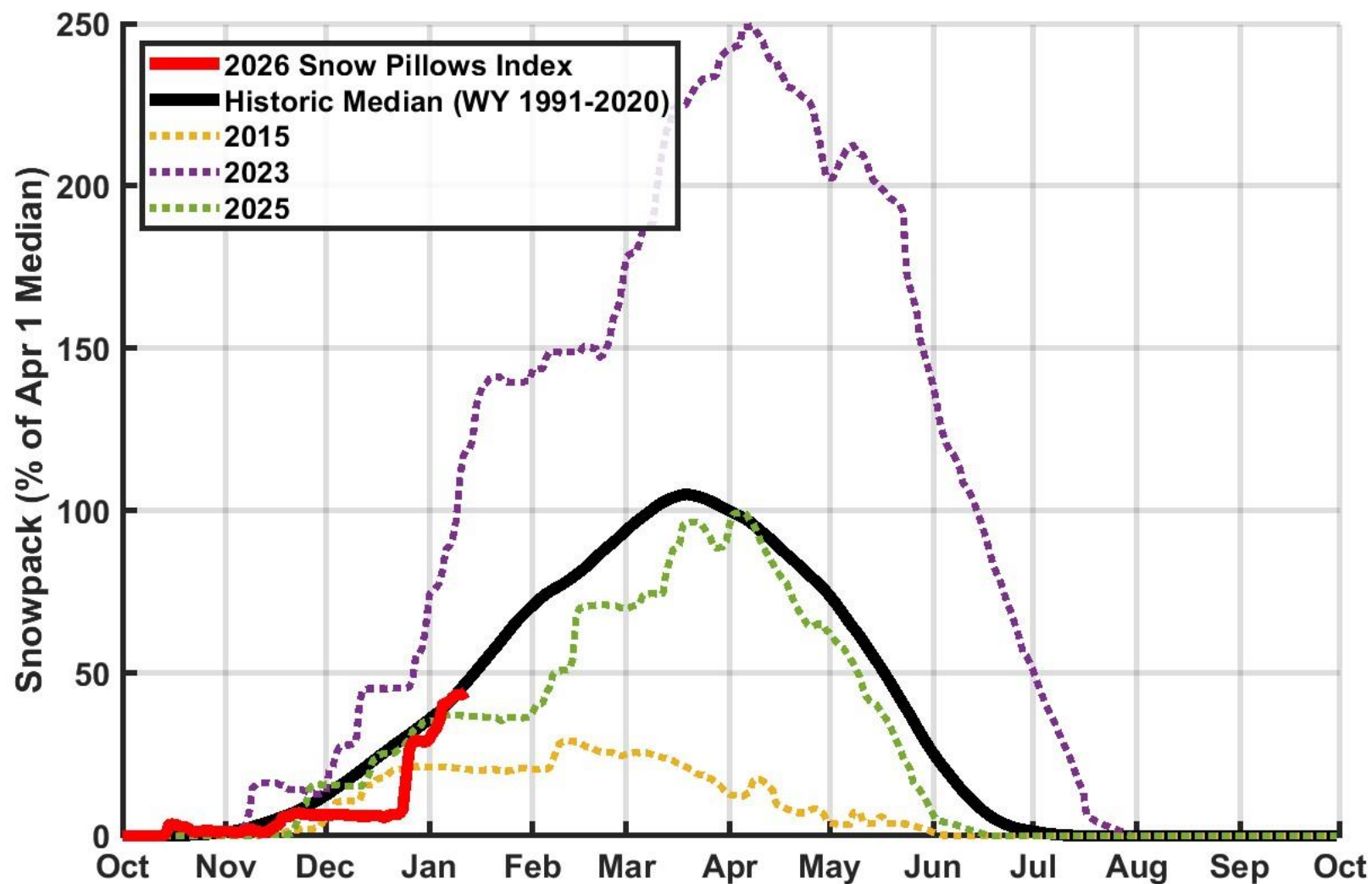
Upcountry 6-station Precipitation Index as of January 11, 2026



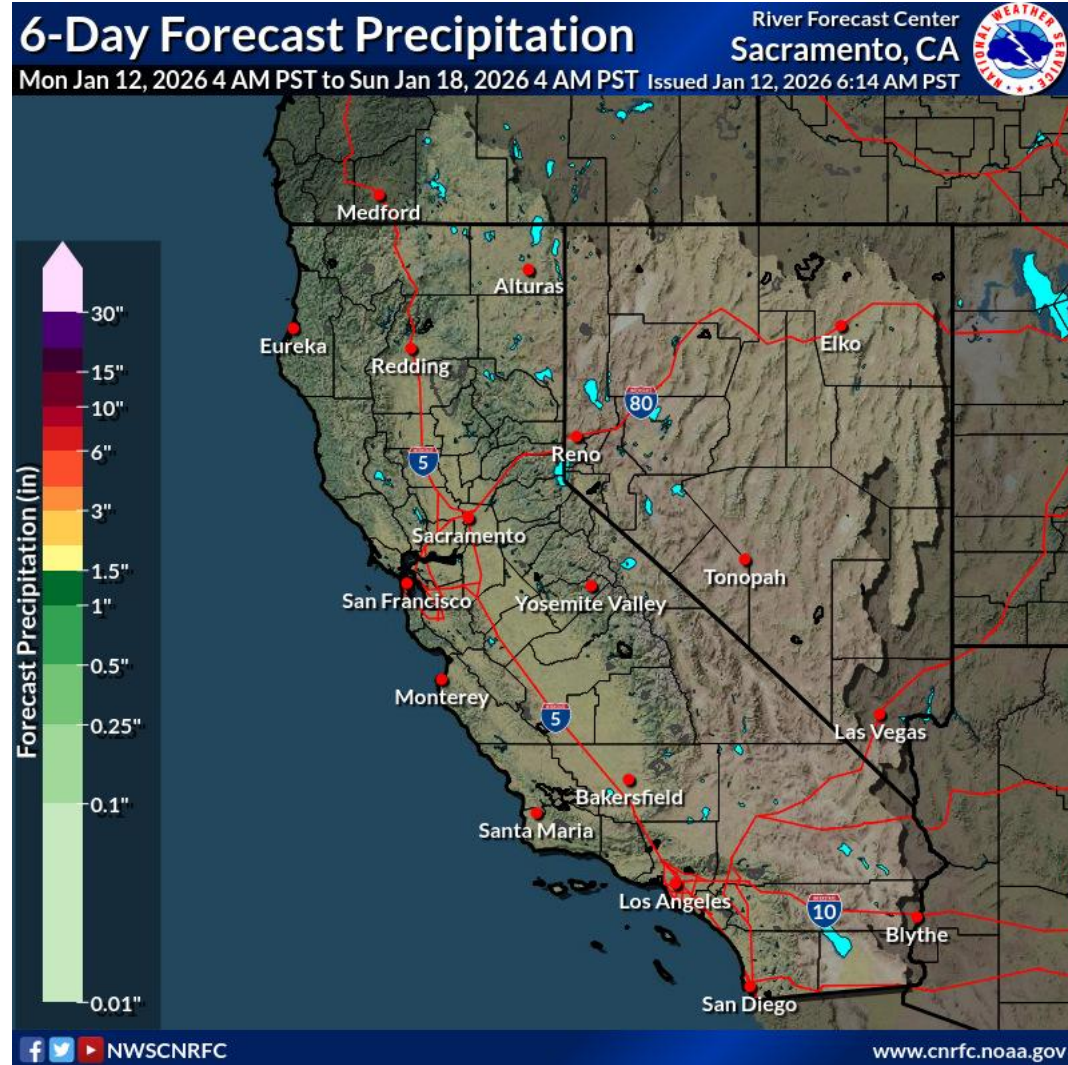
Bay Area 7-station Precipitation Index as of January 11, 2026



Upcountry Snowpack

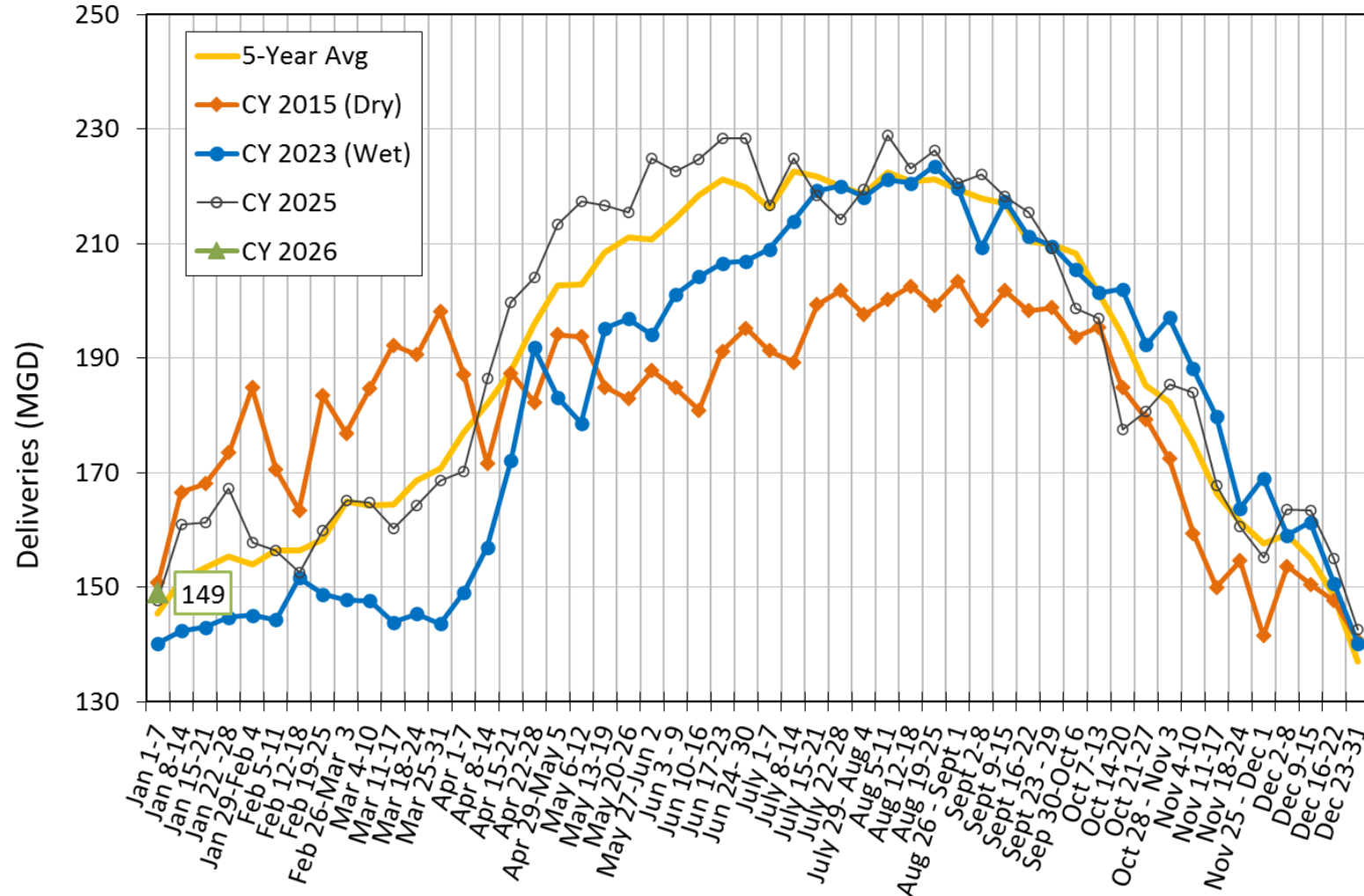


California Precipitation Forecast



Total Deliveries

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



Budget and CIP Update

Budget Process and Hearings

- SFPUC Budget and CIP is part of the City and County of SF's budget process.
 - Commission review, then proceeds to the Mayor and Board of Supervisors
- Commission Hearings for the FY27-36 CIP will occur in January and early February
 - Water Enterprise will present on Thursday, January 29
 - Adoption is currently planned for early February
- Though there are budgetary constraints, the SFPUC is maintaining commitment to planned projects, particularly those in construction.

Major CIP Projects: Regional

- Improvements at Regional Water Treatment Plants, including ozone at Sunol, back-up power at Tesla, and chemical facilities rehab at Harry Tracy
- DSOD work on Pilarcitos, San Andreas, and Turner Dams
- Millbrae Operations Center Improvements

Major CIP Projects: Upcountry

- Moccasin Penstock Rehabilitation
- O'Shaughnessy Dam Outlet Works Phase II
- Moccasin Dam & Reservoir Long Term Improvement
- San Joaquin Pipelines Valve and Safe Entry

Consent Calendar

- A. Approval of November 20, 2025 Minutes
- B. Budget Status Report
- C. Investment Report
- D. Directors' Reimbursement Report
- E. Employees' Reimbursement Report
- F. Bond Surcharge Collection, Account Balance and Payment Report
- G. Approval of FY 2026-27 Bond Surcharges



Action Calendar



SFPUC

Potential Additional One-time Payment to CalPERS to Reduce BAWSCA's Unfunded Pension Liability

- BPC asked staff to evaluate BAWSCA's fiscal situation at conclusion of FY 24-25 to consider making an Additional Discretionary Payment (ADP) to CalPERS
 - ADPs are allowed at any time and in any amount to reduce the UAL
 - Making an ADP does not require an ADP to be made in any future year
- BAWSCA's Unfunded Accrued Liability (UAL) as of 6/30/2024: \$1,209,958
 - UAL represents the liability for service that has been earned but not funded
 - Estimated to be paid off by 2043, based on a discount rate: 6.8%
- Projected UAL as of 6/30/2025: \$928,000
 - CalPERS' investment return in FY 2024-25: 11.6%
 - Estimated to be paid off by 2042, based on a discount rate: 6.8%
 - CalPERS can change the UAL based on actuarial and market changes

Alternative One-time Additional Payment Funding Options

	CalPERS Actuarial 6/30/2024	CalPERS Projected 6/30/2025	Option 1	Option 2	Option 3
General Reserve Balance as of 10/31/25		\$1,204,265			
Unspent Funds from FY24-25		\$500,997			
General Reserve Balance as of 11/30/25		\$1,705,262			
Additional Payment to CalPERS Pension Funded by Reserves			\$0	\$200,000	\$300,000
Estimated Reserve After Funding Additional Payment to CalPERS			\$1,705,262	\$1,505,262	\$1,405,262
General Reserve to Budget Ratio ⁽¹⁾			31%	27%	25%
CalPERS UAL ⁽²⁾	\$1,209,958	\$928,000			
Estimated UAL Pay Off Year ⁽³⁾	2043	2042	2042	2037	2034
Resulted from Previous Year's Investment Earning	9.3%	11.6%			
CalPERS Estimated Investment Return	6.8%	6.8%	6.8%	6.8%	6.8%
UAL Funded Ratio	82.7%	87.5%	87.5%	91.4%	92.7%
Estimated PV Savings ⁽⁴⁾			\$0	\$32,000	\$46,000

Recommendation

- That the Board approve a funding approach out of the three options presented.

Reports and Discussions



BAWSCA 2018

BAWSCA OPEB and Pension Liability Funded Status Update



BAWSCA 2018

BAWSCA's Pension Liability Funded Status as of June 30, 2024 with an Estimated Paid Off Date of 2043

Actuarial Calculation	CalPERS "Misc." Plan Value
a. Present Value of Projected Benefits (PVB)	\$9,032,899
b. Entry Age Normal Accrued Liability (AL)	\$6,980,936
c. Market Value of Assets (MVA)	\$5,770,978
d. Unfunded Accrued Liability (UAL) =b-c	\$1,209,958
e. Funded Ratio =c/b	82.7%



SFPUC's Pension Liability Funded Status Update

- SFPUC participates 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 exceeding IRS 415 limits
 - Benefits provided under SFERS are currently paid based on “pay as you go”
- San Francisco's Net Pension Liability as of 6/30/2024: \$3.9 billion
 - Assumes a discount rate: 7.2%
- SFPUC's share of SF's Net Pension Liability: \$291.3 million
 - 7.4% of SF's unfunded liability of \$3.9 billion
 - Includes \$167.0 million for Water Enterprise & \$20.4 million for Hetchy Water
- SFPUC's FY 2024-25 Operating Budget: \$2.0 billion
 - Includes a share of contributions to SFERS: \$48.5 million

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 allow 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 2025-26 Operating Budget includes a CERBT contribution of \$85,000
- BAWSCA's unfunded OPEB liability as of 11/30/2025: \$1,548,253
- 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 November 30, 2025 with Estimated Paid Off Date of 2036

CERBT Account Summary as of November 30, 2025	
Total Contributions (Initial contribution made on 4/26/2014)	\$1,120,731
Total Disbursements	-
Total CERBT Expenses	(\$7,660)
Total Investment Earnings	\$565,472
Total Assets	\$1,678,543
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, 2025	5.5%
BAWSCA Actual Cumulative Annualized Rate of Return* from Inception (4/26/2014) through 11/30/2025	6.06%
BAWSCA Net OPEB Liability as of 11/30/2025 (Estimated to Be Paid Off by 2036)	\$1,548,253
Funded Status	52%

*Net of fees



SFPUC's OPEB Liability Funded Status Update

- SFPUC participates 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 6/30/2024: \$3.9 billion
 - Estimated to be paid off by 2045
 - Assumes a discount rate: 7.0%
- SFPUC's share of SF's Net OPEB Liability: \$253.1 million
 - 6.7% of SF's unfunded liability
 - Includes \$162.0 million for Water Enterprise & \$16.6 million for Hetchy Water
- SFPUC's FY 2024-25 Operating Budget: \$2.0 billion
 - Includes a share of contributions to Trust Fund: \$19.4 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

2025 Regional Water Demand and Conservation Study



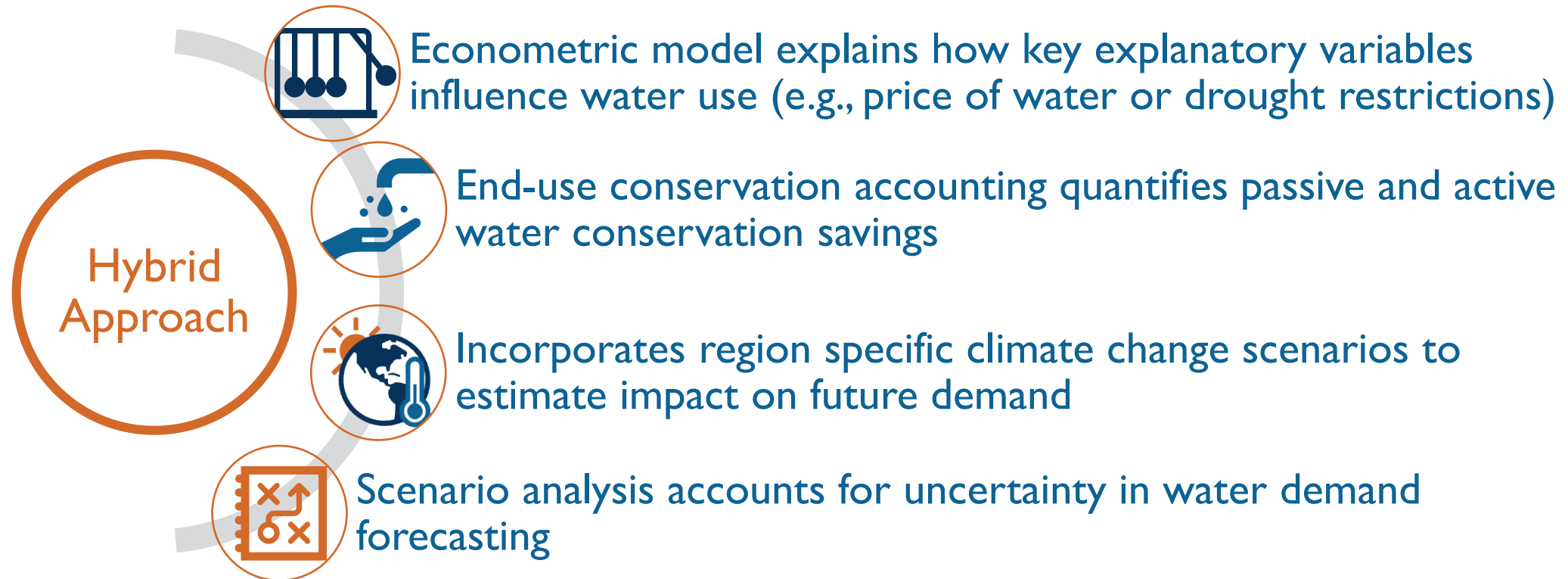
BAWSCA 2018

Demand Projections Support Individual Agency and Regional Planning Efforts

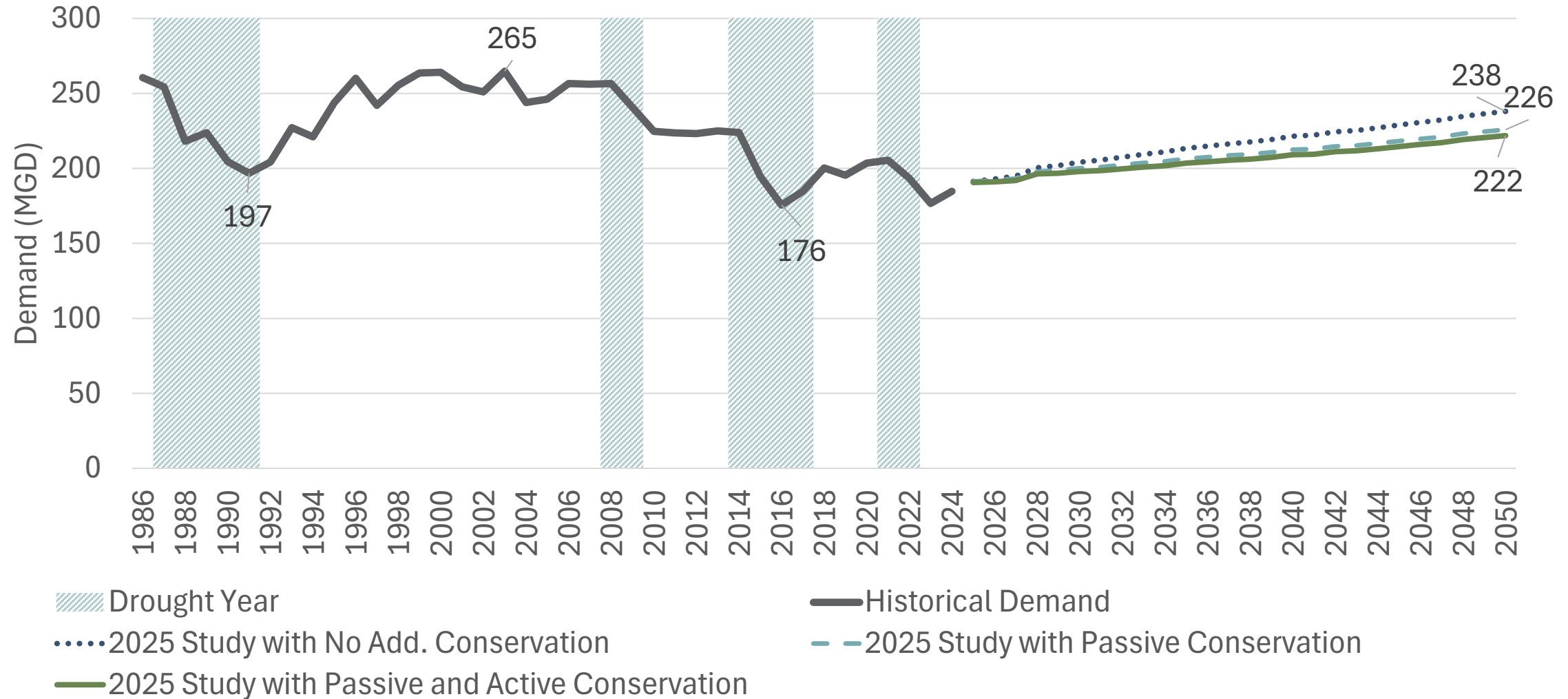
- BAWSCA facilitates update to agency-specific demand projections every five years
- Updated demand projections support local and regional planning efforts
 - Urban Water Management Plans (UWMPs)
 - Compliance with new state-wide water use efficiency regulations
 - BAWSCA's Long-Term Regional Water Supply Strategy (Strategy 2050)
- Baseline demand forecasts reflect agency-approved demographic projections
 - Align with individual agency planning documents (e.g., City-wide Master Plans and approved developments)
- Approach and assumptions comply with CA state law under Urban Water Management Planning Act
 - Unconstrained demand (i.e., absent water supply restrictions)

Regional Study Utilizes Best Practices for Demand Forecasting

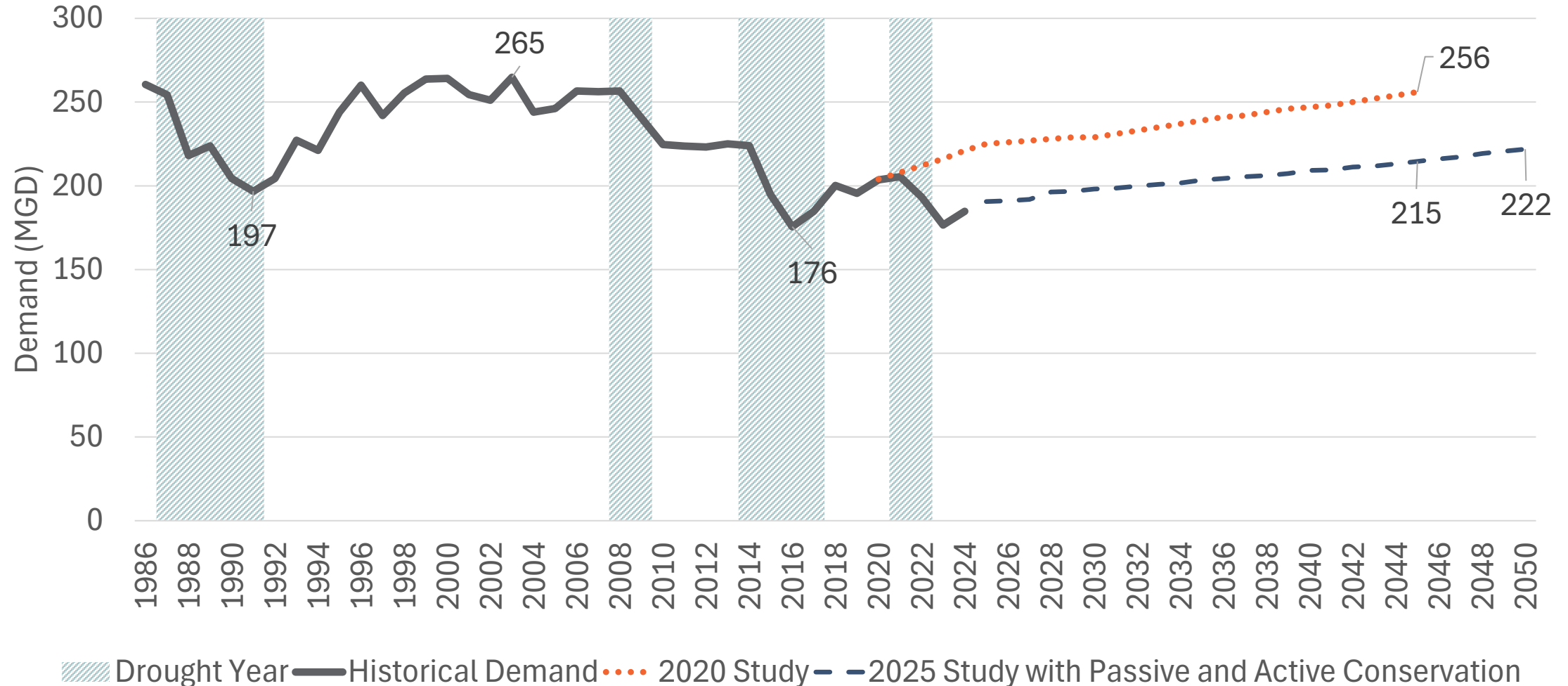
- Hybrid water demand modeling framework integrates econometric regression techniques with end-use conservation accounting



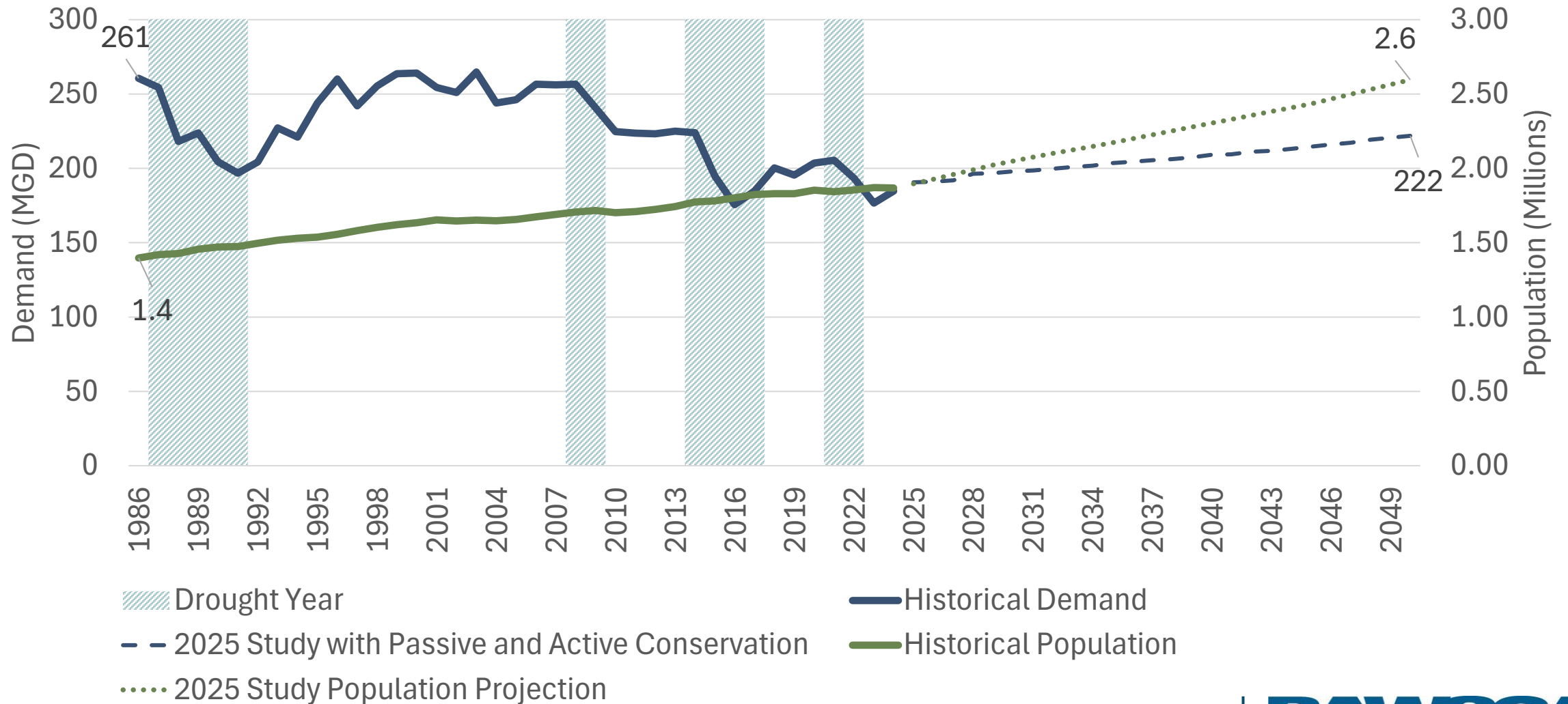
Regional Demand is Projected to Increase Gradually Through 2050, Moderated by Ongoing Conservation and Efficiency



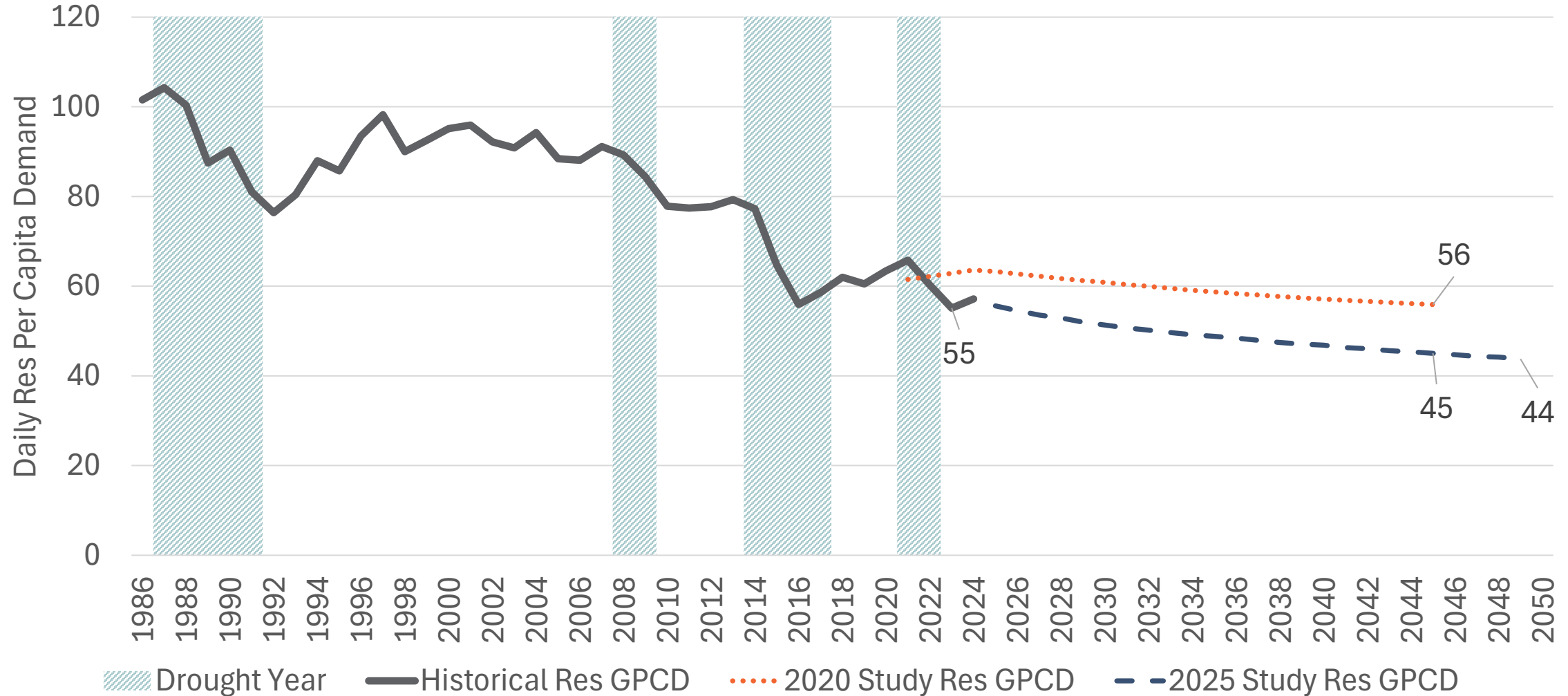
2050 Demand is Projected to be 13% Less Than Prior 2045 Demand Projection



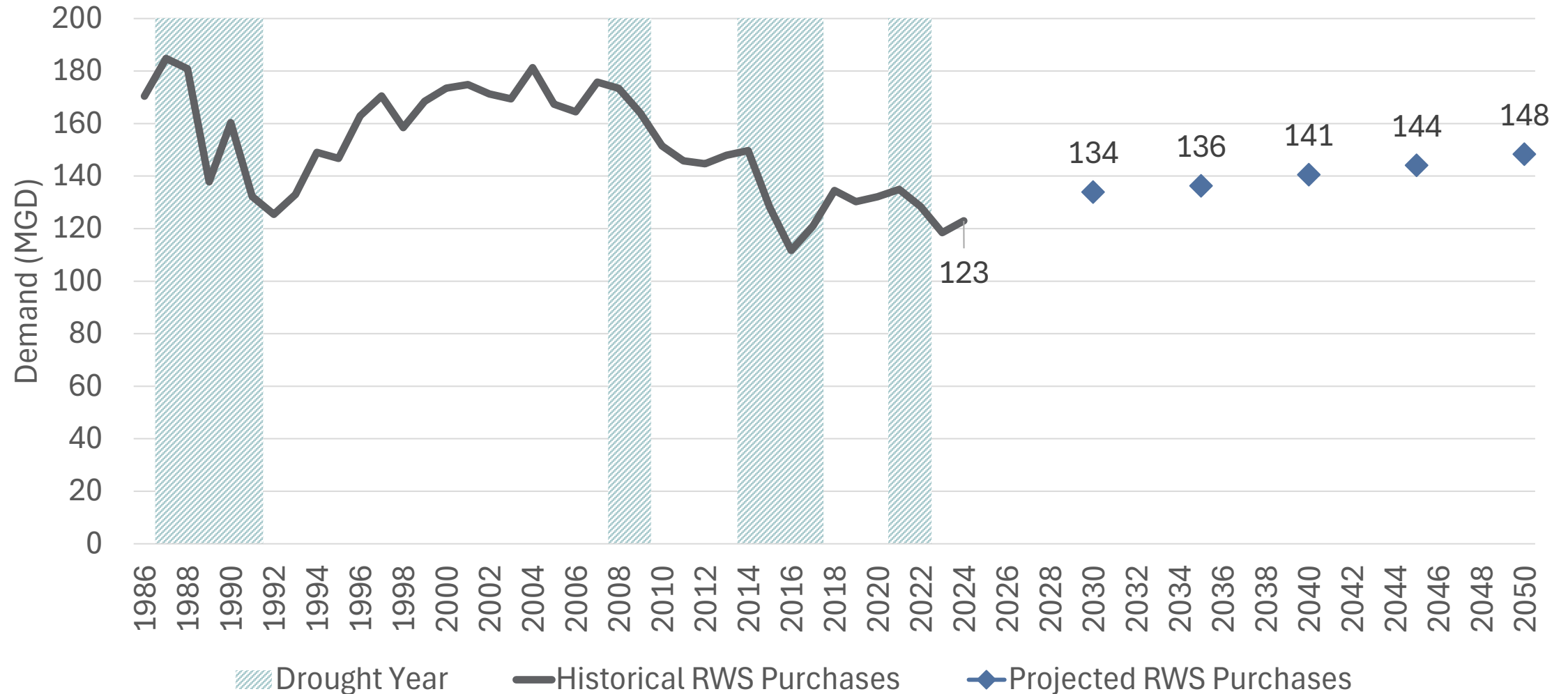
From 1986 to 2050, Projected Population Increases 86% while Demand Decreases 15%



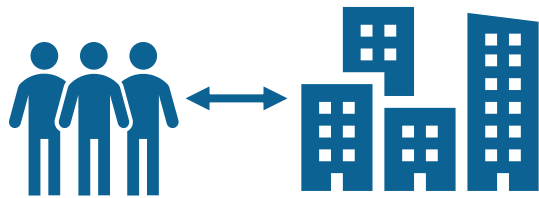
Residential Per Capita Use in 2050 Projected to Be 23% Less than Lowest Recorded Use for Region



SF Regional Water System Purchases Projected to Stay Below 184 MGD Supply Assurance Through 2050

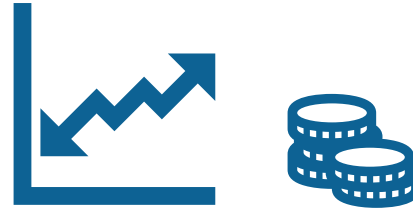


Water Demand Forecasting is Sensitive to Uncertainties in Assumptions Around Future Condition



Population Growth & Demographic Shifts

Sensitivity: Migration patterns, urbanization trends



Economic Development & Industrial Activity

Fluctuations: Economic output, market demand for goods/services
Sensitivity: Changes in water-intensive industries (biotech, data centers)



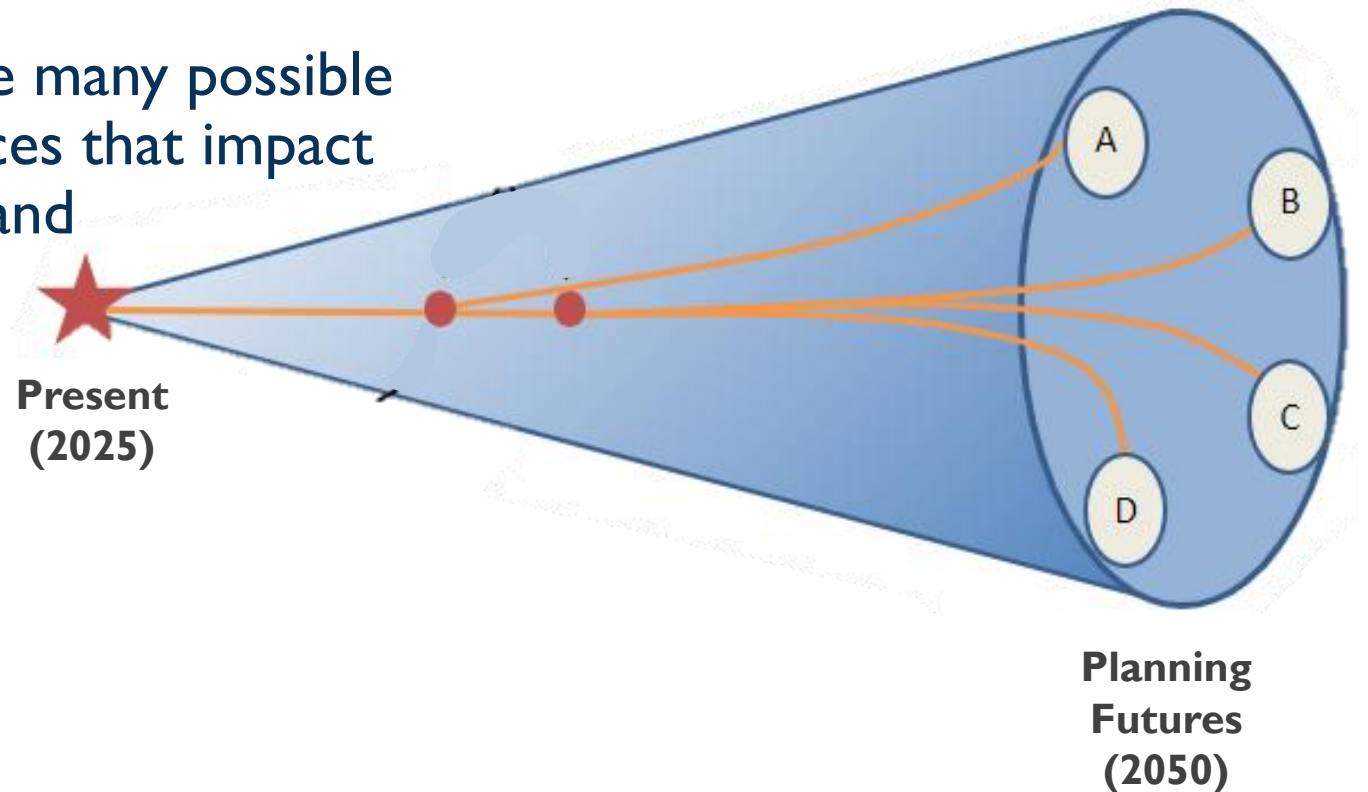
Technological Adoption & Policy

Uncertainty: Adoption of water-saving devices and water reuse systems
Influence: Behavioral changes and policies

- Water agencies do not have control over the external factors that ultimately determine whether the current forecast correctly anticipates future conditions

Alternative Scenario Analysis Provides Practical Framework to Explore a Range of Plausible Futures

- Scenario analysis enables water suppliers to test assumptions and assess the resilience of strategies under varying conditions
- Developed by considering the many possible combinations of external forces that impact member agency's water demand



Five Alternative Scenarios Developed Collaboratively with Member Agencies, External Stakeholders, and SFPUC

- Three workshops and several one-on-one meetings held over two-month period
- Feedback categorized into four general groups aligning with water demand model inputs



Demographic and Development

- Housing
- Employment
- Population
- Housing density



Socioeconomic

- Income/Output (GDP)
- Industry types
- Household size



Conservation and Pricing

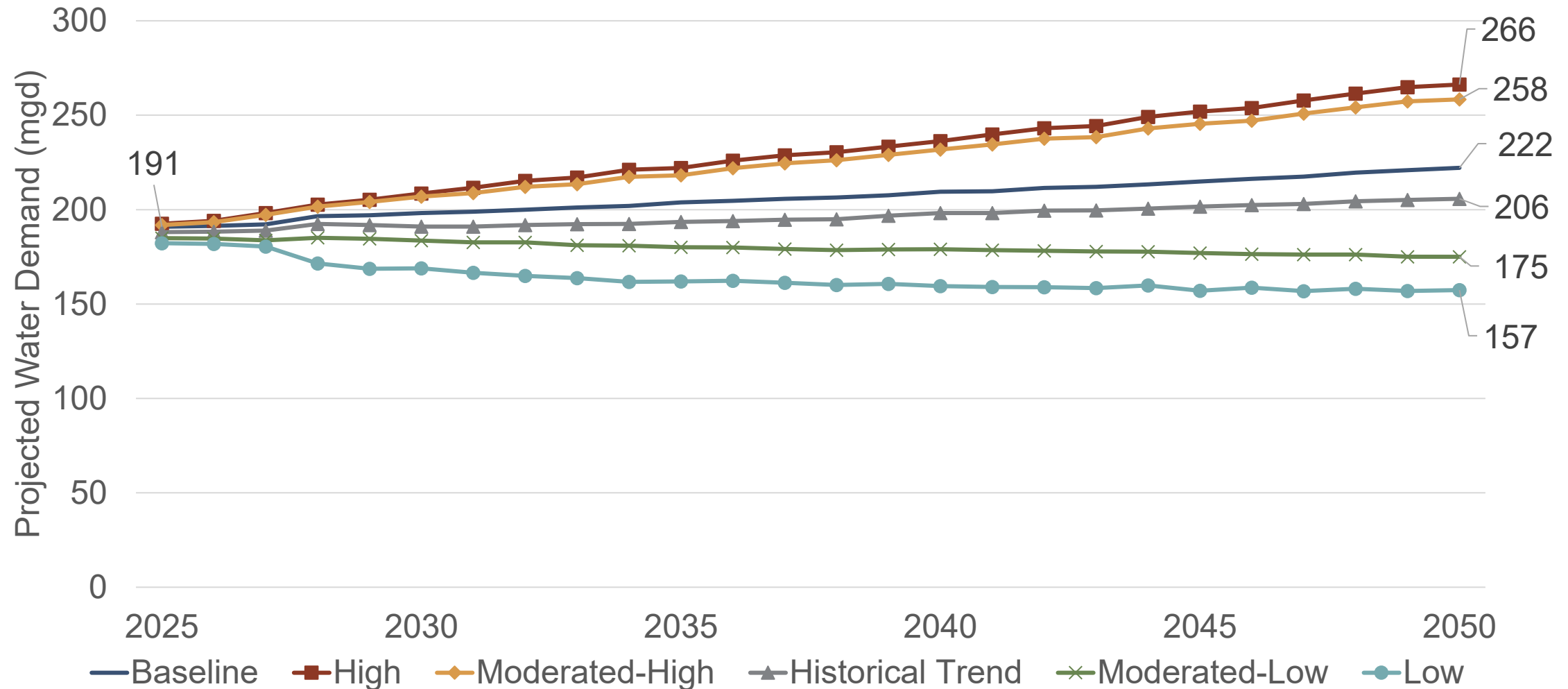
- Water rates/pricing
- Passive conservation
- Active conservation



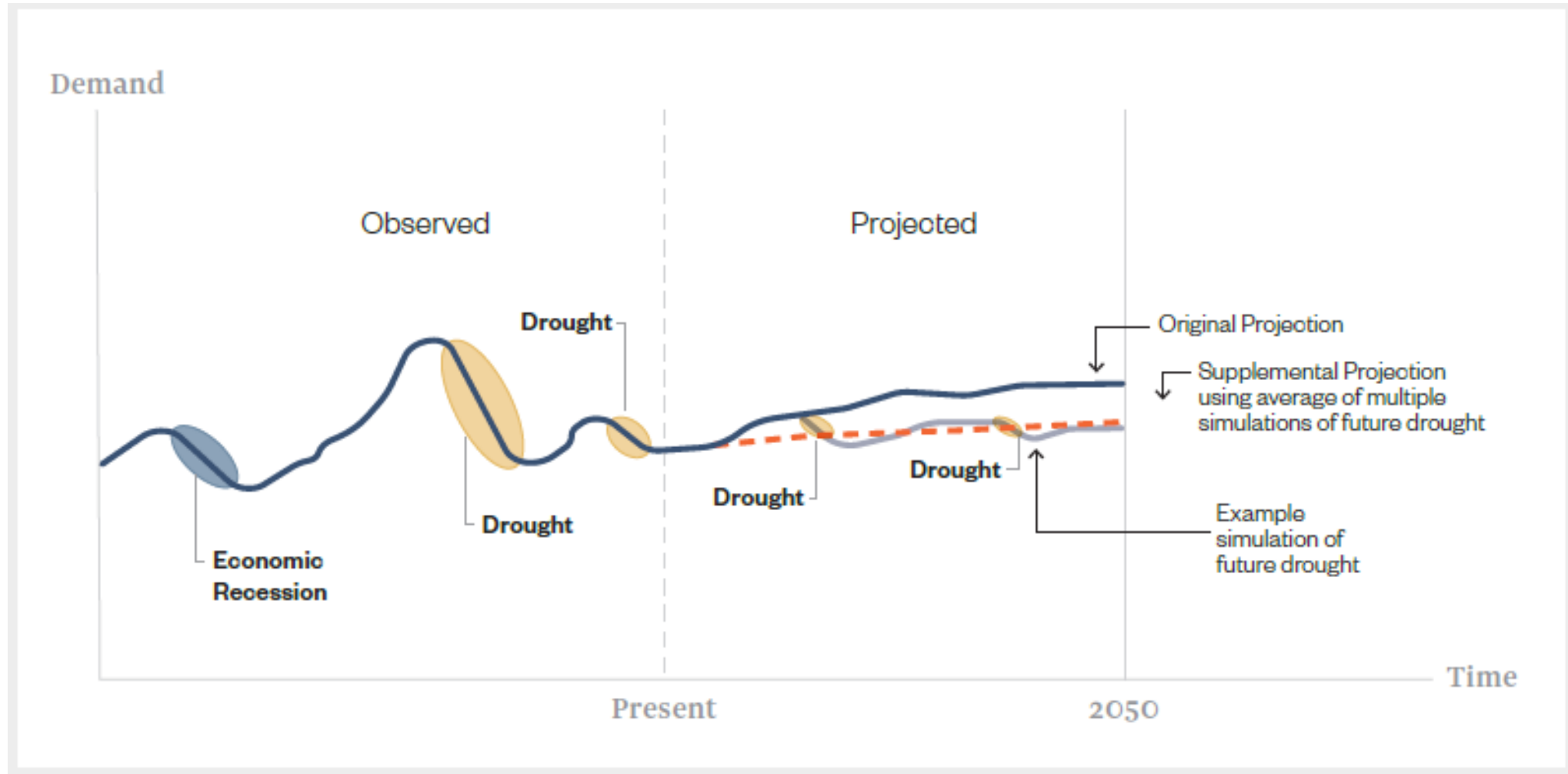
Climate and Other

- Climate and weather
- Potential large users
- Other regional trends/concerns

Comparison of Water Demand Scenarios



Drought Task: Simulate Impacts of Projected Future Droughts Considering the Potential for Future Demand Gardening



Summary and Next Steps

- Regional water demand is projected to remain relatively flat or grow only slightly through the planning period
 - 37% increase in population by 2050
- Growth is tempered by compounding passive conservation savings
 - Passive and active conservation savings are projected to reduce demand by 7%
- BAWSCA agencies continue to rely on Regional Water System purchases within the 184 mgd Supply Assurance
- BAWSCA will continue to work with Hazen to evaluate future uncertainty, particularly around drought

Mid-Year 2025-26 Work Plan, Budget, and General Reserve Review



L. Ash, 2017

Mid-Year 2025-26 Work Plan, Budget and General Reserve Review

- Performed a review of the FY 2025-26 Work Plan, and results are presented in Table I in the BPC agenda packet
- No changes recommended as a result of this review
- No change in budget is recommended at this time
 - CEO will report to the Board as necessary and bring further action if required
- Current general reserve balance is \$1,705,262, approximately 31% of operating budget and in line with guidelines

Reliable Water Supply (1 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
<u>1. Facility Reliability: Monitor the SFPUC's WSIP, 10-Year CIP, Asset Management Program, and Emergency Response</u>	
✓	a. Monitor WSIP scope, cost, and schedule
✓	b. Review and monitor SFPUC's Regional 10-Year Capital Improvement Program
✓	c. Review and monitor SFPUC's Asset Management Program
✓	d. Provide assistance to members and help facilitate engagement with SFPUC regarding emergency response matters
✓	e. Engage with and track the SFPUC Capital Planning Improvements Initiative
✓	f. Engage with SFPUC on preparation of 2026 State of the Regional Water System Report

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Reliable Water Supply (2 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
2. <u>Long-Term Supply Solutions: Implement BAWSCA's Strategy</u>	
✓	a. Continue development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050)
✓	b. Complete development of updated regional water demand projections
✓	c. Participate in the Bay Area Regional Reliability (BARR) Partnership
✓	d. Participate in the planning of the PureWater Peninsula potable reuse project
✓	e. Facilitate development of other local water supply options
✓	f. Use BAWSCA Reliability Model to evaluate Bay Delta Plan Voluntary Agreement impacts
✓	g. Facilitate use of the BAWSCA Model by members via Subscription Program

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ☆ Extraordinary Result/Effort

Reliable Water Supply (3 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
3. <u>Near-term Supply Solutions: Demand Management, Water Conservation and Drought Response</u>	
✓	a. Represent members' interests in regional and statewide discussions on the development of and compliance with California's "Making Water Conservation a California Way of Life" requirements as appropriate
✓	b. Provide regional coordination to support members' AMI implementation and data management and utilization
✓	c. Implement BAWSCA's core water conservation programs
✓	d. Implement BAWSCA's subscription conservation rebate programs
✓	e. Engage with CalWEP and others to promote 3 rd party development and administration of a leak repair and training certification program
✓	f. Participate in San Mateo County's C/CAG OneWatershed pilot project
✓	g. Represent members in regional and State-level discussions relative to water conservation–related regulations and grant funding

! Needs Attention
● Experiencing Delay
✓ Complete/On Track
★ Extraordinary Result/Effort

Reliable Water Supply (4 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
4. <u>Take Actions to Protect Members' Water Supply and Financial Interests in the WSA Administration</u>	
✓	a. Monitor SFPUC implementation of AWS Program and participate as appropriate to ensure the SFPUC meet its water supply reliability obligations to its Wholesale Customers
✓	b. Protect members' water supply interests to ensure that the SFPUC meets its legal and contractual obligations for RWS supply
★	c. New Tier 2 Drought Response Implementation Plan unanimously adopted by member agencies
✓	d. Protect members' water supply and financial interests in SFPUC's required 2028 decisions
✓	e. Ensure correct implementation of asset classification adjustments associated with 2018 WSA amendment.
✓	f. Ensure correct implementation of the recent WSA amendment allowing for the paired transfer of a portion of an agency's ISG and minimum purchase obligation
★	g. WSA Amendment that alters calculation and assessment of Minimum Purchase Obligations unanimously adopted by member agencies

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Reliable Water Supply (5 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
5. <u>Protect Members' Interests in a Reliable Water Supply</u>	
✓	a. Participate in SWRCB Bay Delta Plan Update
✓	b. Participate in the Don Pedro Project/La Grange Project FERC licensing process
6. <u>Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u>	
✓	a. Pursue and use grant funds for water conservation programs and for regional supply projects and programs
✓	b. Pursue, with regional partners, grant funding to support studies that aim to improve regional water supply reliability
✓	c. Support BAWSCA grant tracking tool to support members' access to grant funds
✓	d. Investigate potential for grant funds to support the implementation of the Strategy

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ☆ Extraordinary Result/Effort

Reliable Water Supply (6 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
7. <u>Reporting and Tracking of Water Supply and Conservation Activities</u>	
✓	a. Complete BAWSCA FY 2024-25 Annual Survey
✓	b. Complete BAWSCA FY 2024-25 Annual Water Conservation Report
✓	c. In partnership with members, operate and maintain BAWSCA's updated WCDB

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ☆ Extraordinary Result/Effort

High Quality Water (I of I)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
8. <u>Support Member Agencies in Receiving Reliable Communication of Water Quality Issues</u>	
✓	a. Coordinate members participation in Joint Water Quality Committee
✓	b. Relay important water quality information to members
✓	c. Review and act on, if necessary, State legislation affecting water quality regulations

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Fair Price and Maintain Allies (1 of 1)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
9. <u>Perform Matters that Members Delegated to BAWSCA in the WSA</u>	
★	a. Administer the WSA with SF to protect the financial interests of member agencies. Completed FY 21-22 and FY 22-23 Wholesale Revenue Requirement Review and successfully reached agreement with SFPUC in favor of the Wholesale Customers
✓	b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco
10. <u>Maintain Community Allies and Contacts with Environmental Interests</u>	
✓	a. Maintain close relationships with BAWSCA's local legislators and allies
✓	b. Maintain a dialogue with responsible environmental and other groups
✓	c. Maintain effective communications with member agencies, customers, & others
✓	d. In conjunction with San Francisco, conduct or co-sponsor tours of the water system

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ★ Extraordinary Result/Effort

Agency Effectiveness (1 of 1)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
<u>11. Manage the Activities of the Agency Professionally and Efficiently</u>	
✓	a. Implement BAWSCA's Student Internship Program
✓	b. Implement Board policy directives for management of BAWSCA unfunded OPEB and pension liability obligations
✓	c. Maintain a motivated and effective workforce
✓	d. Manage and interact with selected Consultant to serve as BAWSCA's Human Resources Service Provider
✓	e. Continue development of a staff-led plan to address BAWSCA's long-term policy & operational resilience to inform future policy decision-making

! Needs Attention ● Experiencing Delay ✓ Complete/On Track ☆ Extraordinary Result/Effort

Discussion Item



BAWSCA 2018

FY 2026-27 Work Plan and Budget Planning Session

- BAWSCA's budget process begins with an assessment of long-term critical issues and major challenges
- Long-term view allows identification of critical results and associated timeline between now and 2065
- Forms basis for FY 2026-27 Work Plan and Results to be Achieved

BAWSCA Goal and Challenges until 2065

Reliable Supply: Ensure Long-Term Water Supply Reliability	FY 26-27 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
Protection of member agencies' interests in long-term water supply reliability from the SF RVWS and 184 MGD Supply Assurance	x	x	x
Protection of member agencies' interests in SFPUC development and implementation of its Alternative Water Supply Program	x	x	x
Protection of BAWSCA member agencies from normal and dry year supply shortages	x	x	x
Reflection of member agencies' long-term water supply needs and investments in regional planning efforts.	x	x	x
Support member agencies in their efforts to ensure system reliability in an emergency.	x	x	x
Representation of member agencies in FERC Process	x	x	
Representation of member agencies in the Bay Delta Plan	x	x	
Assist member agencies in complying with State's expanding regulatory requirements.	x	x	x
Protect member agencies' interests in San Francisco's December 2028 decisions	x	x	

BAWSCA Goal and Challenges between now thru 2065

Reliable Supply: Ensure Regional Water System Facility Reliability	FY 26-27 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
Protection of water supply and financial interests of water customers in SFPUC's development and implementation of its 10-Year CIP.	x	x	x
Protection of water supply and financial interests of water customers in SFPUC's asset management program	x	x	x
Promote emergency resiliency of the SF RVWS to protect interests of water customers.	x	x	x
Protection of water supply and financial interests of water customers in SFPUC's WSIP implementation and state oversight (exp. 1/1/2036).	x	x	
Potential extension of RFA's authority to issue revenue bonds (exp. 1/2030) and explore uses of the RFA to finance projects key to regional water system reliability.	x	x	x

BAWSCA Goal and Challenges between now thru 2065

High Quality Supply & Fair Price: Enforce Water Supply Agreement (WSA)	FY 26-27 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
Enforcement and amendment as necessary, of the WSA to ensure San Francisco meets its financial, water supply, quality, maintenance and reporting obligations.	x	x	x
Protection of member agencies against threats by outside forces including efforts by others to drain Hetch Hetchy that disregard their interests in reliability, quality and cost.	x	x	x
Protection of water customers interests in ensuring SF maintains its Tuolumne River water rights.	x	x	x
Extension or renegotiation of the WSA before it expires in 2034.	x	x	x
Management of BAWSCA's revenue bonds in accordance with Bond Indenture and other applicable laws to ensure accountability and ultimately to reduce overall cost to regional water customers (thru 2034).	x	x	

BAWSCA Goal and Challenges between now thru 2065

Management of Agency		FY 26-27 (Near-Term)	2025-2040 (Mid-Term)	2040-2065 (Long-Term)
BAWSCA CalPERS pension & OPEB liability management		x	x	x
Ensure Agency's near-term and long-term resiliency		x	x	x

Are There Additional Challenges That Should Be Considered?

- Table I presents identified major challenges thru 2065
- Invite Board comments tonight on other near and long-term issues to be considered
- Discussion of additional ideas tonight will be focused on getting clarity on comments provided, not evaluating the comment or suggestion
- Comments received tonight will be addressed by CEO in Work Plan and Budget development

CEO Reports



Ragsdale, 2023

Consultant Billing Rate Market Comparison - Background

- In May of each fiscal year, the Board is asked to adopt a work plan and budget for the coming fiscal year starting July 1
- As part of that work plan adoption, the Board approves consultant agreements each year to support the work plan, including updated agreements with existing consultants.
- A review of consultant billing rates is conducted every two years, with the last presented in 2024
- The review compares the rates that BAWSCA is billed with those billed by consultants for similar services to outside agencies
- BAWSCA's Review of FY 2025-26 Consultant Billing Rates indicates that such rates are acceptable and in line with the Market
 - If the review had indicated that a particular consultant was not charging reasonable rates, BAWSCA would have taken further action (e.g., sought rate adjustments or initiated a formal proposal solicitation process)

Consultant Billing Rate Market Comparison – Results

Work Effort Category	Work Effort Subcategory	BAWSCA Consultant	Hourly Rate Charged by Project Managers and Senior Staff for FY 2025-26	Market Comparison for Comparable Position
Water Resources, Water Conservation, and CIP Efforts	Water Resources	Hazen & Sawyer	\$160 - \$345	\$190 - \$358
	Water Conservation	WSC	\$147 - \$310	\$140 - \$355
	CIP and WSIP Review	Richard Sykes	\$236	\$300
Legal Counsel	All Subcategories	Hanson Bridgett	\$500 (principal level)	\$603 - \$780
Fair Pricing Work Efforts	Arbitrage Rebate Compliance	BLX Group	\$2,000	\$2,000 - \$6,000 (depending on complexity of scope)
	Cost Allocation Review	IGService	\$220	\$240-325
	Financial Advisory	KNN Public Finance	\$290-375	\$250-415
	Bond Counsel	Orrick, Herrington & Sutcliffe	\$995	\$1,100 (top tier bond counsels)
	Investment Advisory	Public Trust Advisors	8 basis points	10 basis points
	Water Usage Analysis	Stetson Engineering	\$106-\$244	\$190-\$358

Bay-Delta Plan and FERC Process Update

- Bay-Delta Plan Update
 - Based on comments received at their Nov. 5th Workshop and the written comments they received by Nov. 7th, the State Water Board is reviewing their draft Scientific Basis Report (SBR) for the Tuolumne River VA and will revise it if appropriate to produce a 2nd draft
 - The subsequent 2nd draft SBR will be provided for peer-review – likely in the first quarter of 2026
 - Concurrent with the peer-review, existing environmental documents will be reviewed and revised by staff if needed
 - The next public hearing or workshop in the proceeding may occur early- to mid-2026
- Bay-Delta Plan Phase 2 (Sacramento System)
 - Revised draft updates to the Phase 2 Bay-Delta Plan were released on Dec. 12th
 - Hearings will be on Jan. 28-30, 2026, to take public comments. Written comments are due by Feb. 2, 2026
- FERC Update
 - CEQA review for the CWA 401 Certification associated with licensing at Don Pedro and La Grange is underway

SFPUC's Capital Improvement Plan (CIP) for FY 2027-2036

- SFPUC Prepares a new 10-Year CIP for Commission adoption every 2 years and BAWSCA's interactions are condensed
 - Limited draft budget information provided December 12
 - BAWSCA and SFPUC staff discussion on December 29
 - Per the WSA, BAWSCA is provided a copy of workshop materials 14 days in advance (Jan 15th) of the January 29 Water Enterprise/Hetch Hetchy CIP workshop
 - BAWSCA prepares written comments to the SFPUC prior to January 29th
 - SFPUC must respond to timely comments before the February 10th adoption hearing
- BAWSCA's review is continuous, yet formally focused on this short period
 - SFPUC's budget remains relatively consistent with the prior cycle from a cost and content perspective, yet there are a few new projects and some schedule modifications
 - More information is required to be provided for expenditures within the first two budget years
 - WSA also requires quarterly CIP reports and update meetings

Legislative Updates

SB 707 – Brown Act Amendments

- Effects of SB 707 on BAWSCA are limited
- BAWSCA's compliance continues to fall under the traditional Brown Act rules for teleconferencing
 - *Optional teleconference rules that allow for more flexibility are not applicable to BAWSCA, as they require a guaranteed uninterruptable audio/visual connection for a hybrid meeting. (Any connection disruption would require BAWSCA to end the meeting)*
- Remote participation requires compliance with the traditional Brown Act rules
 - *Address must be published on the Agenda*
 - *Location must be open to the public*
 - *Agenda must be posted at the remote location in advance of the meeting*
 - *Pls. provide BAWSCA notification at least 2-weeks in advance of the meeting to allow compliance and proper coordination*
- SB 707's new enhanced transparency requirements do not apply to BAWSCA
 - *Most onerous and widely reported aspects of SB 707 (such as translation of agendas, closed captioning for remote platforms, and outreach to certain groups)*
 - *Does not apply to a special district of BAWSCA's size.*

Legislative Updates

SB 852 – E-Filing Form 700s with the FPPC (effective January 1, 2026)

- Corrects an inadvertent omission from a 2024 bill (AB 1170), which requires certain categories of filers to file their Form 700 electronically with the FPPC.
- BAWSCA Board of Directors must file their Form 700s directly with the FPPC via the FPPC's e-filing system instead of with BAWSCA's e-Disclosure system.
- FPPC is expected to contact BAWSCA requesting contact information for the purpose of ensuring that filers will be ready to file through FPPC's e-filing system by April 1st.

Legislative Updates

SB 827 – Fiscal and Financial Training requirement for BAWSCA Board Members

- Requires all existing Board Members to receive “fiscal and financial training” by January 1, 2028.
- Two-hour training covering:
 - Financial administration and fiscal management.
 - Budgeting, capital financing, debt management, and revenue mechanisms.
 - Pensions, investments, and ethics in safeguarding public resources.
- In-person and virtual trainings offered by CSDA.
- Board Members who have already completed training for their home agencies are not required to repeat the training for BAWSCA.

CLOSED SESSION



BAWSCA 2018

Report After Closed Session



BAWSCA 2018

Directors' Discussion



Sandkulla, 2023

Additional Time for Public Comments (As Time Permits)



BAWSCA 2018

Next Meeting and Adjournment

Next Meeting

March 19, 2026
6:30 pm