

“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

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

# 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

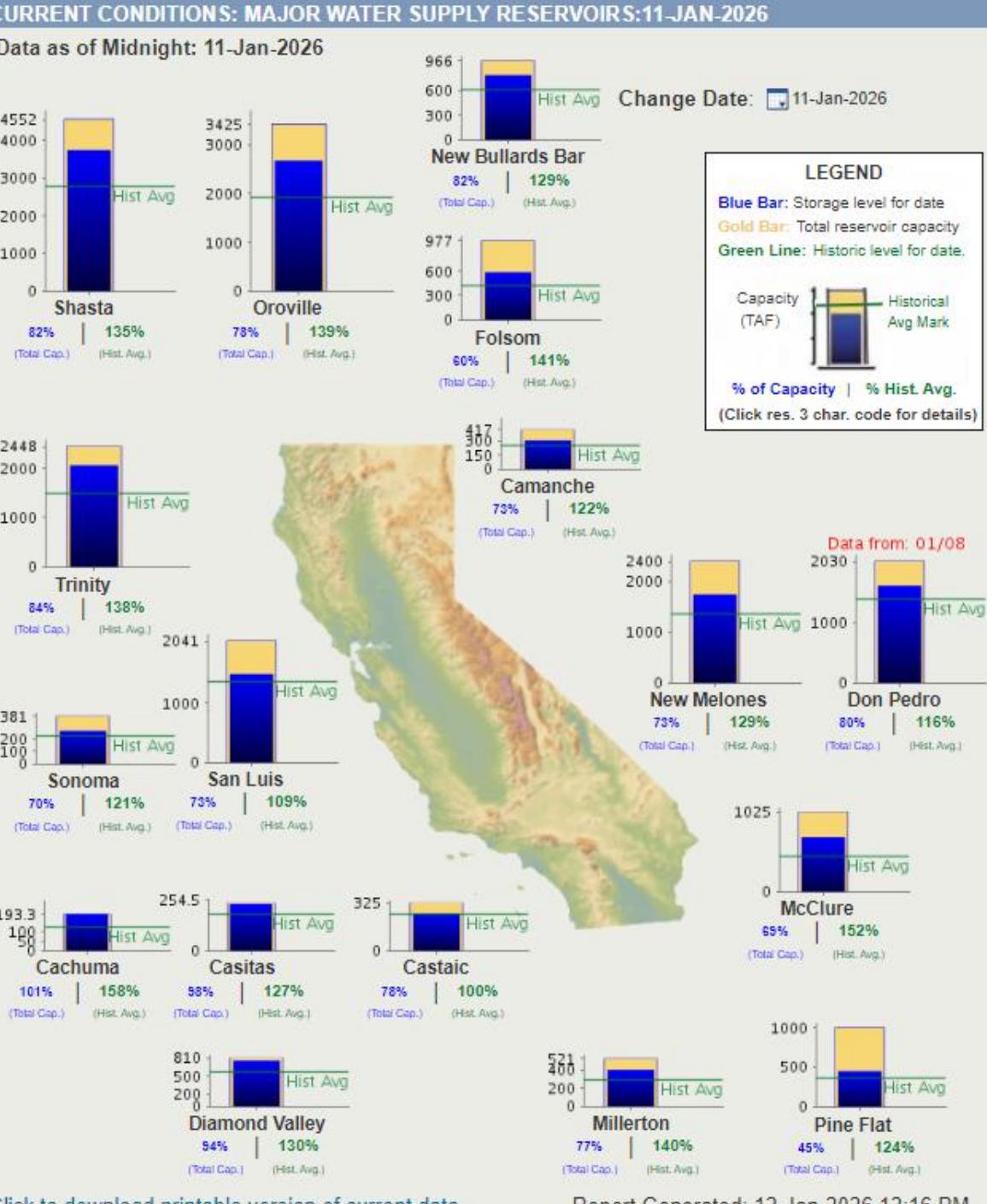
# Water Supply Conditions Update

January 15, 2026

# January 12, 2026, Reservoir Storage

Reservoir	Current Storage <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	323,300	360,360	37,060	89.7%	<b>67.6%</b>
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%	<b>97.8%</b>
<b>Total Tuolumne Storage</b>	<b>1,157,613</b>	<b>1,230,805</b>	<b>73,192</b>	<b>94.1%</b>	-
<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%	-
<b>Total Local Storage</b>	<b>182,725</b>	<b>240,689</b>	<b>57,964</b>	<b>75.9%</b>	-
<b>Total System Storage</b>	1,340,338	1,471,494	131,156	91.1%	<b>79.7%</b>
<b>Total without water bank</b>	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

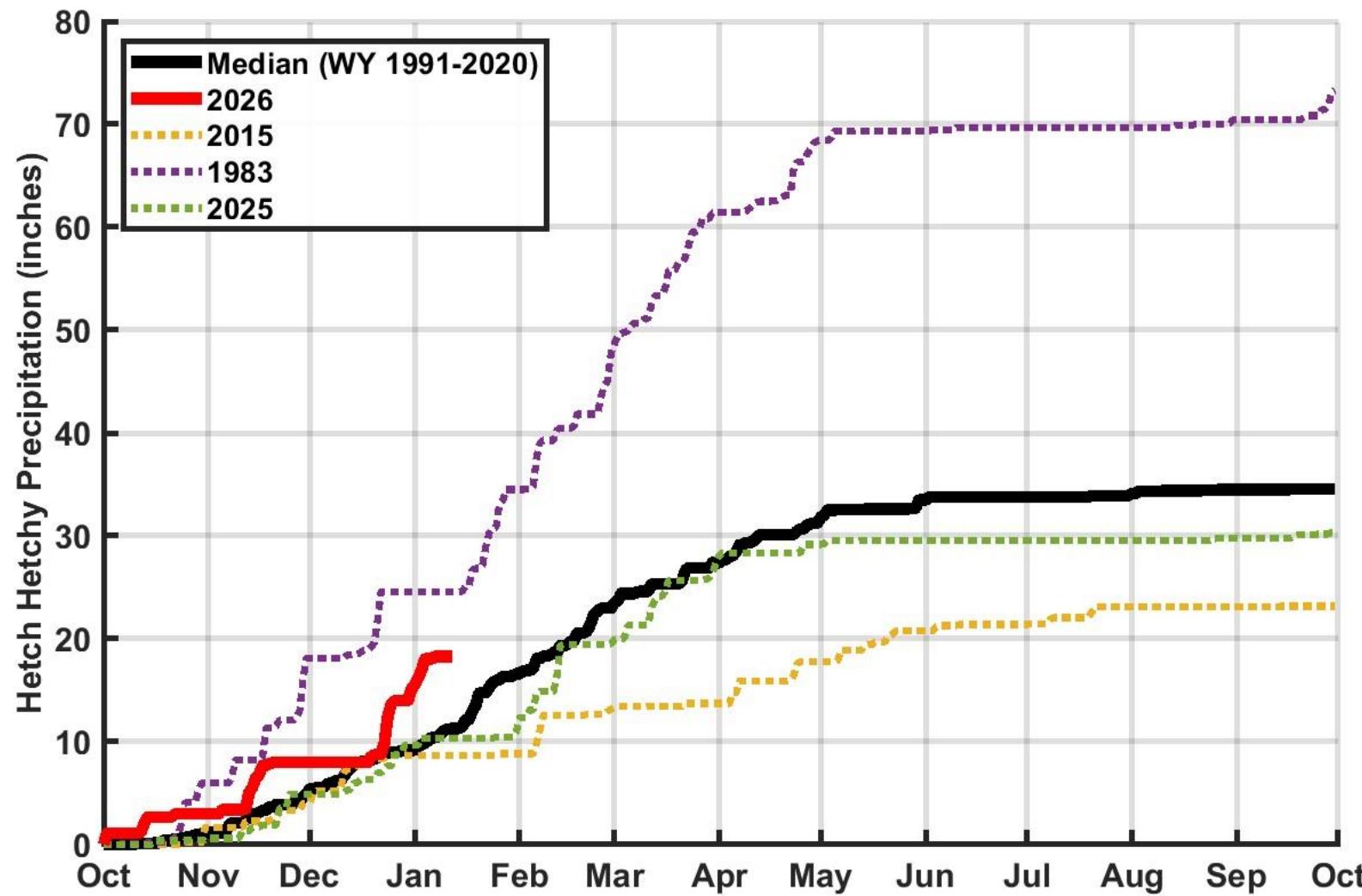
United States and Puerto Rico Author(s):

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

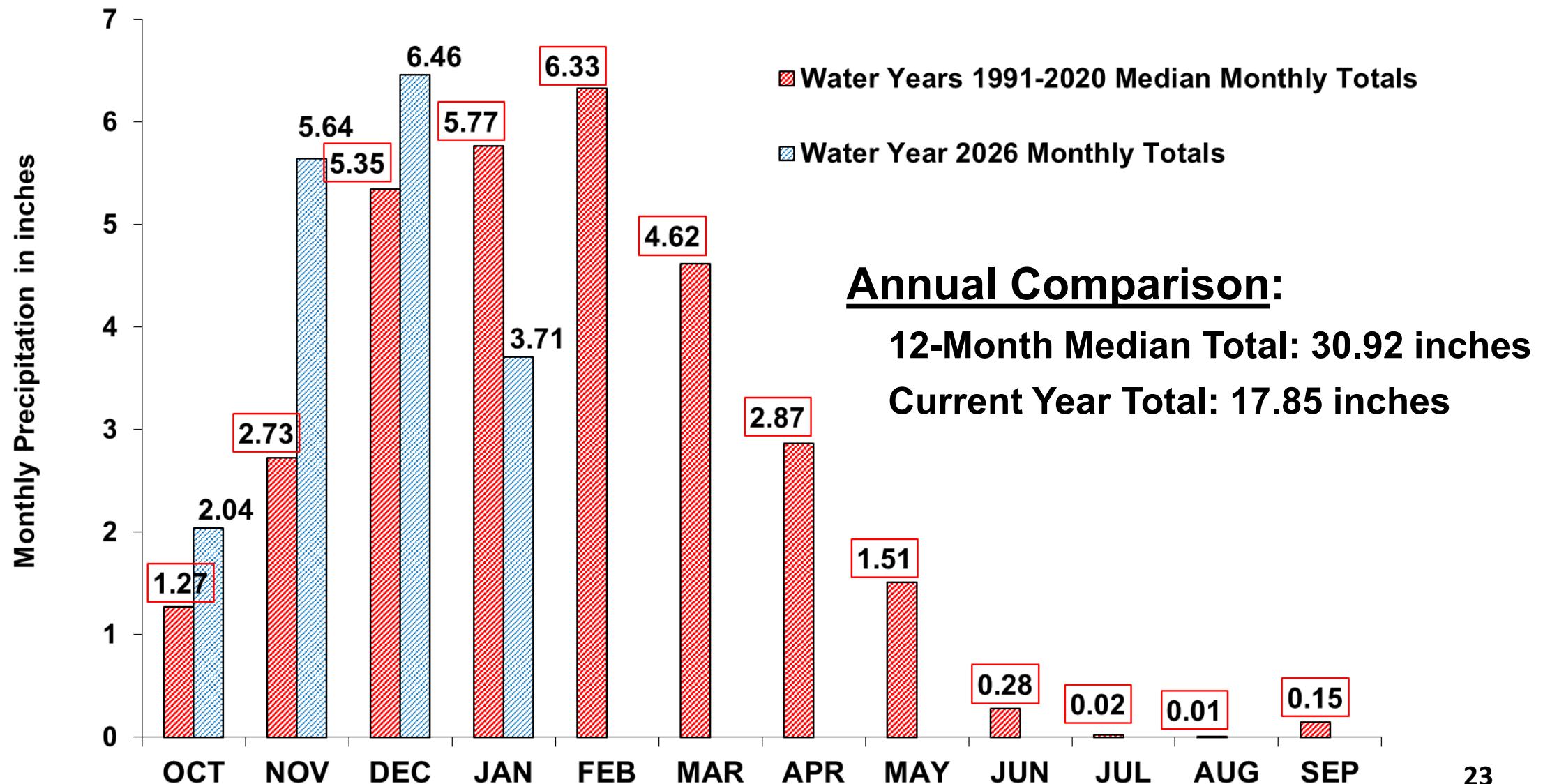
Pacific Islands and Virgin Islands Author(s):

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

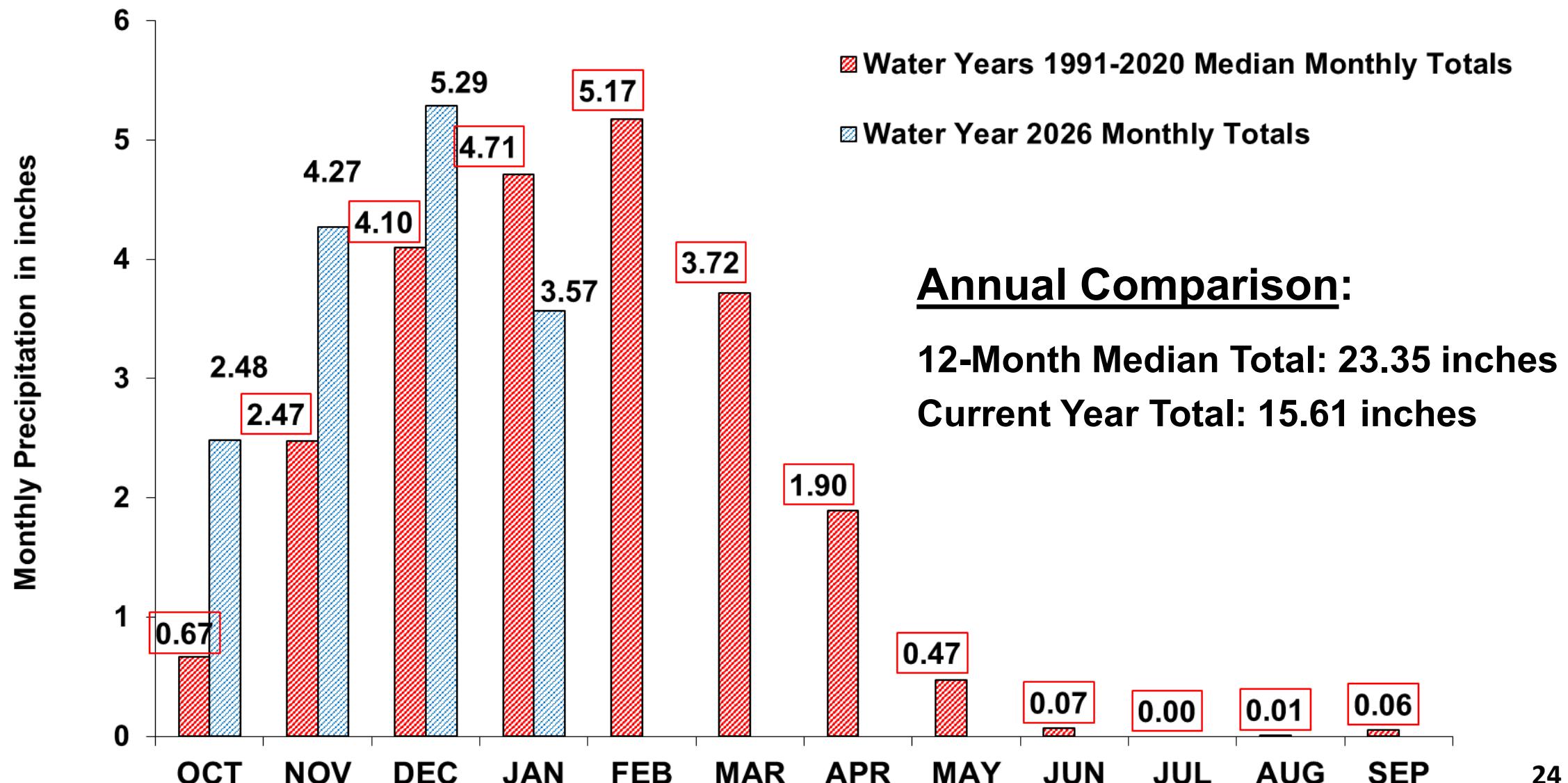
# Hetch Hetchy Precipitation



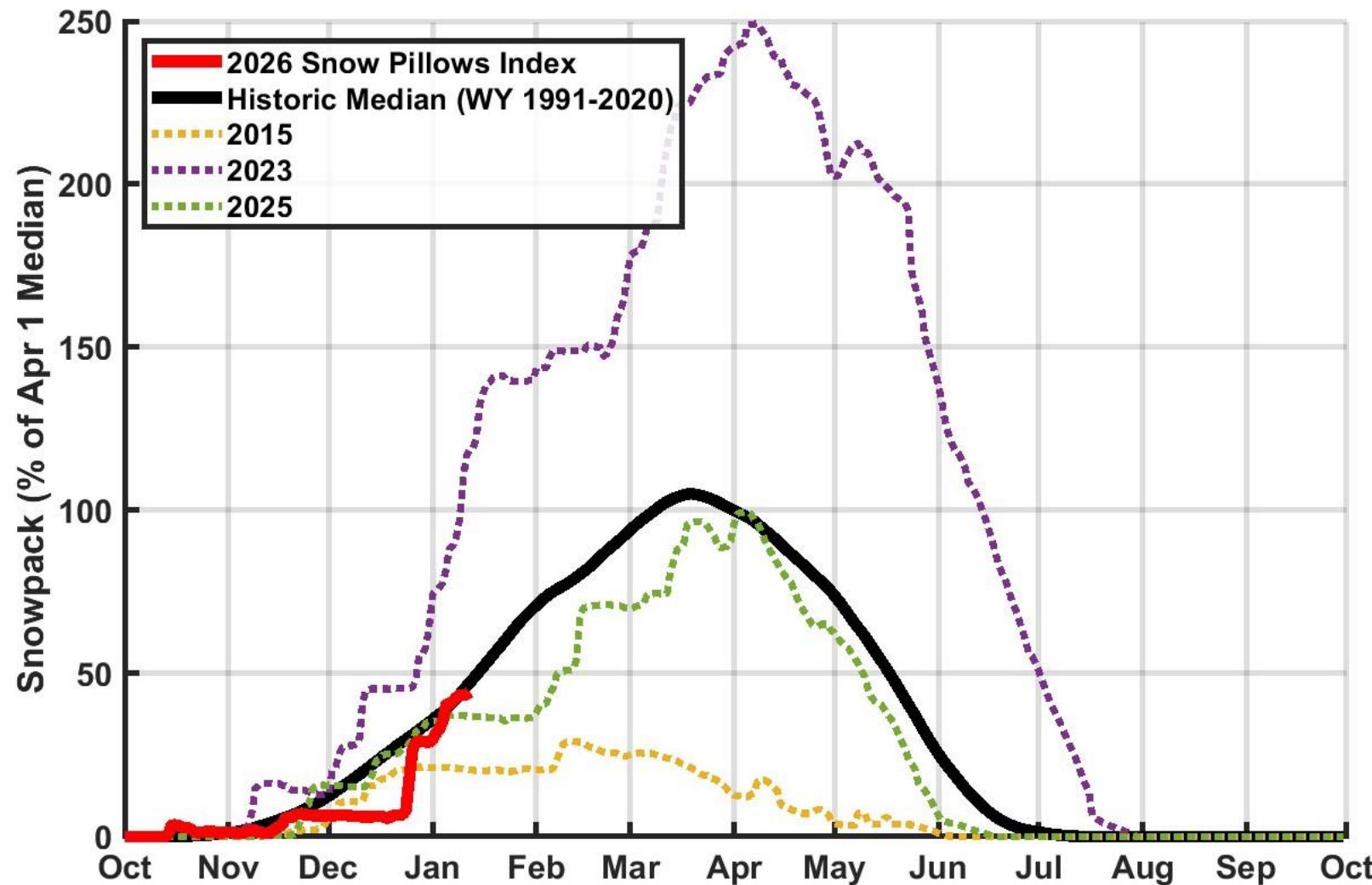
# Upcountry 6-station Precipitation Index as of January 11, 2026



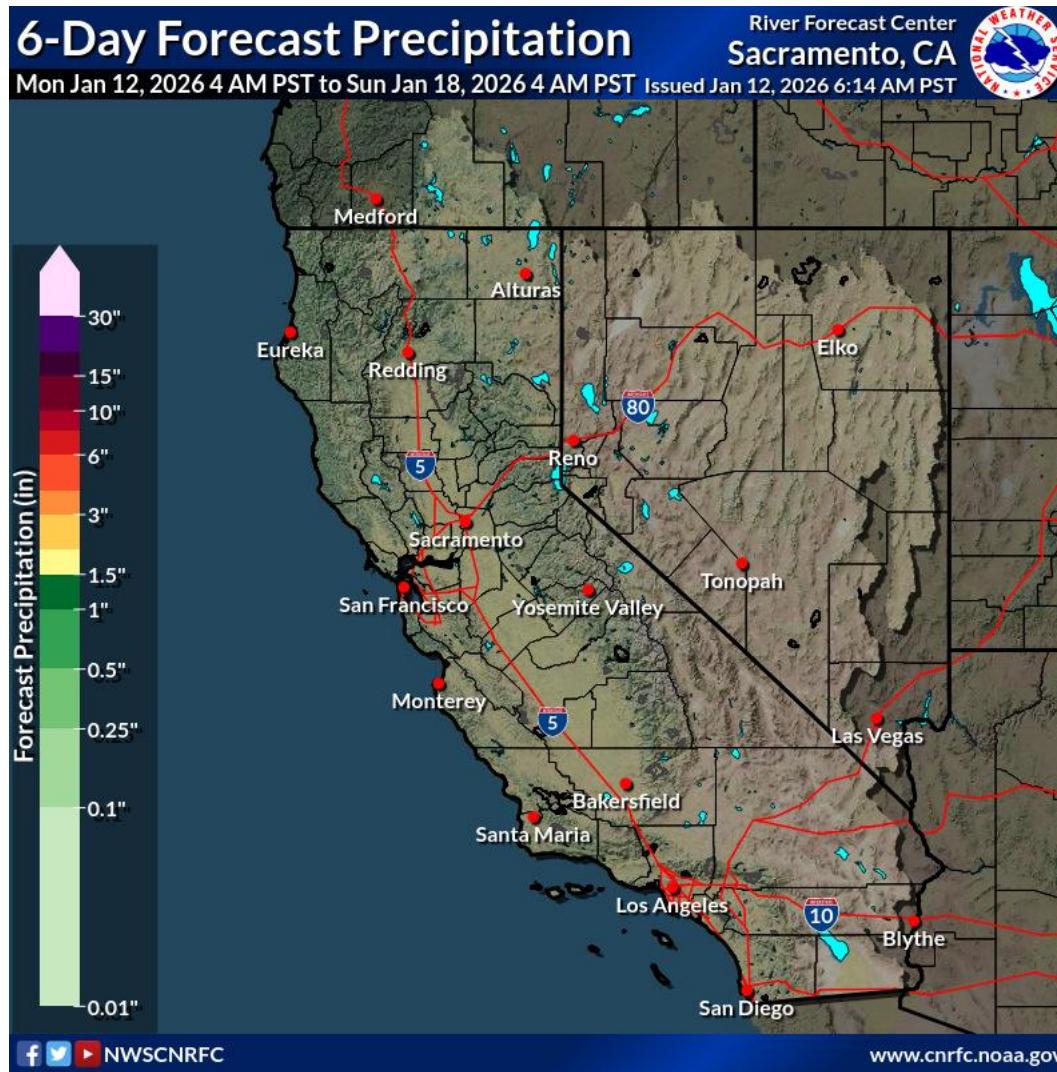
# Bay Area 7-station Precipitation Index as of January 11, 2026



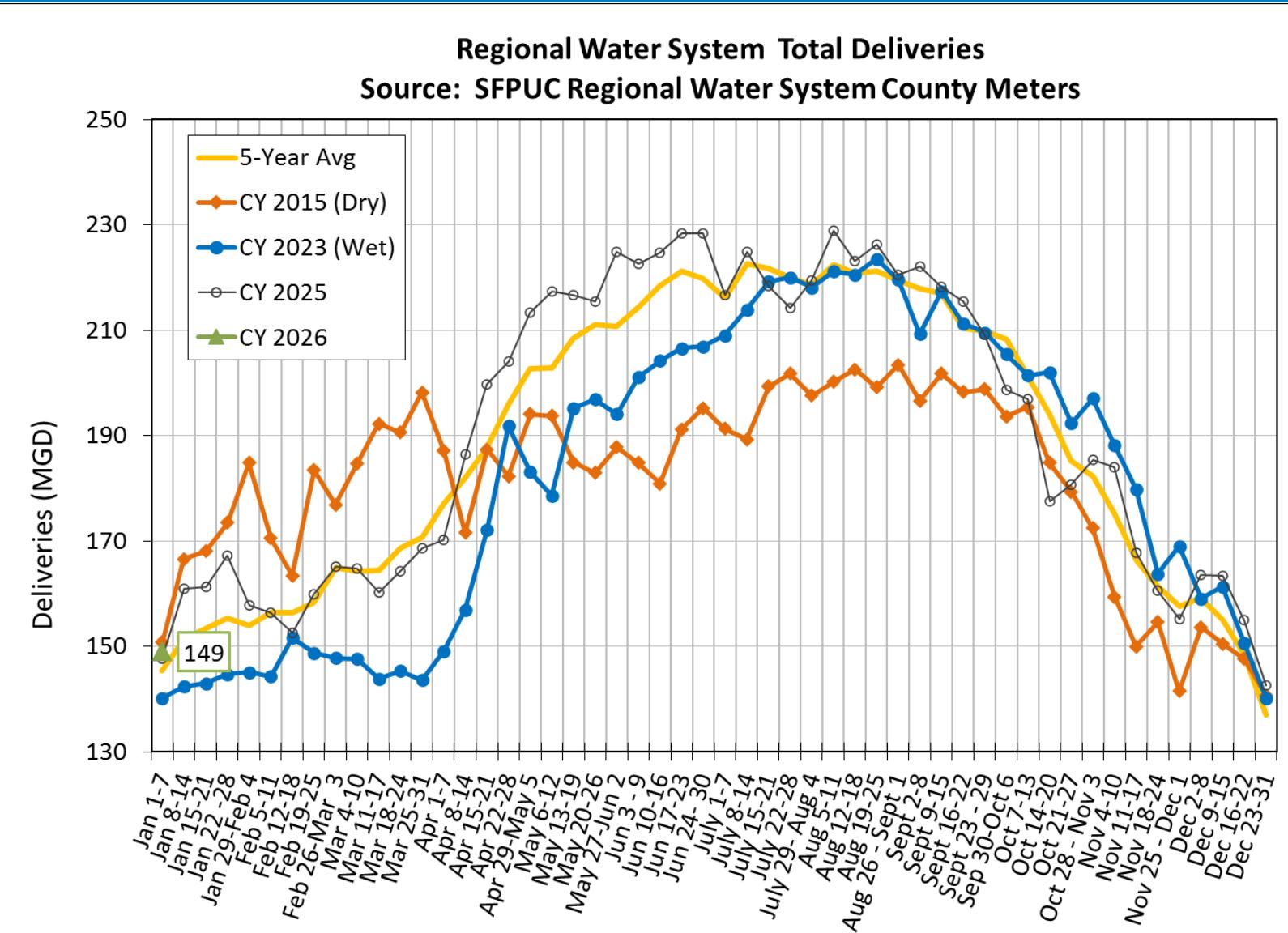
# Upcountry Snowpack



# California Precipitation Forecast



# Total Deliveries



# **Budget and CIP Update**

# Budget Process and Hearings

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- 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

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- 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

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- 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

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

# 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
<b>General Reserve Balance as of 10/31/25</b>		\$1,204,265			
Unspent Funds from FY24-25		\$500,997			
<b>General Reserve Balance as of 11/30/25</b>		\$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
<b>General Reserve to Budget Ratio<sup>(1)</sup></b>			31%	27%	25%
CalPERS UAL <sup>(2)</sup>	\$1,209,958	\$928,000			
Estimated UAL Pay Off Year <sup>(3)</sup>	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%
<b>Estimated PV Savings<sup>(4)</sup></b>			\$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



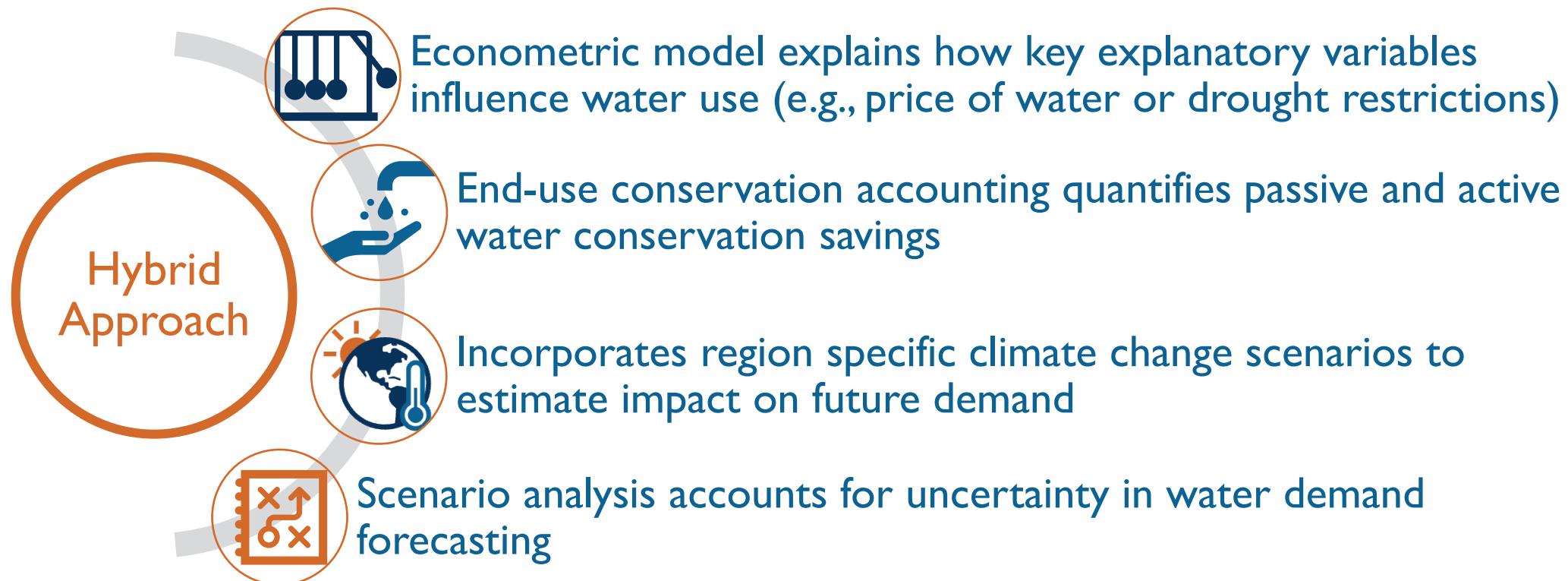
BAWSCA 2018

# Demand Projections Support Individual Agency and Regional Planning Efforts

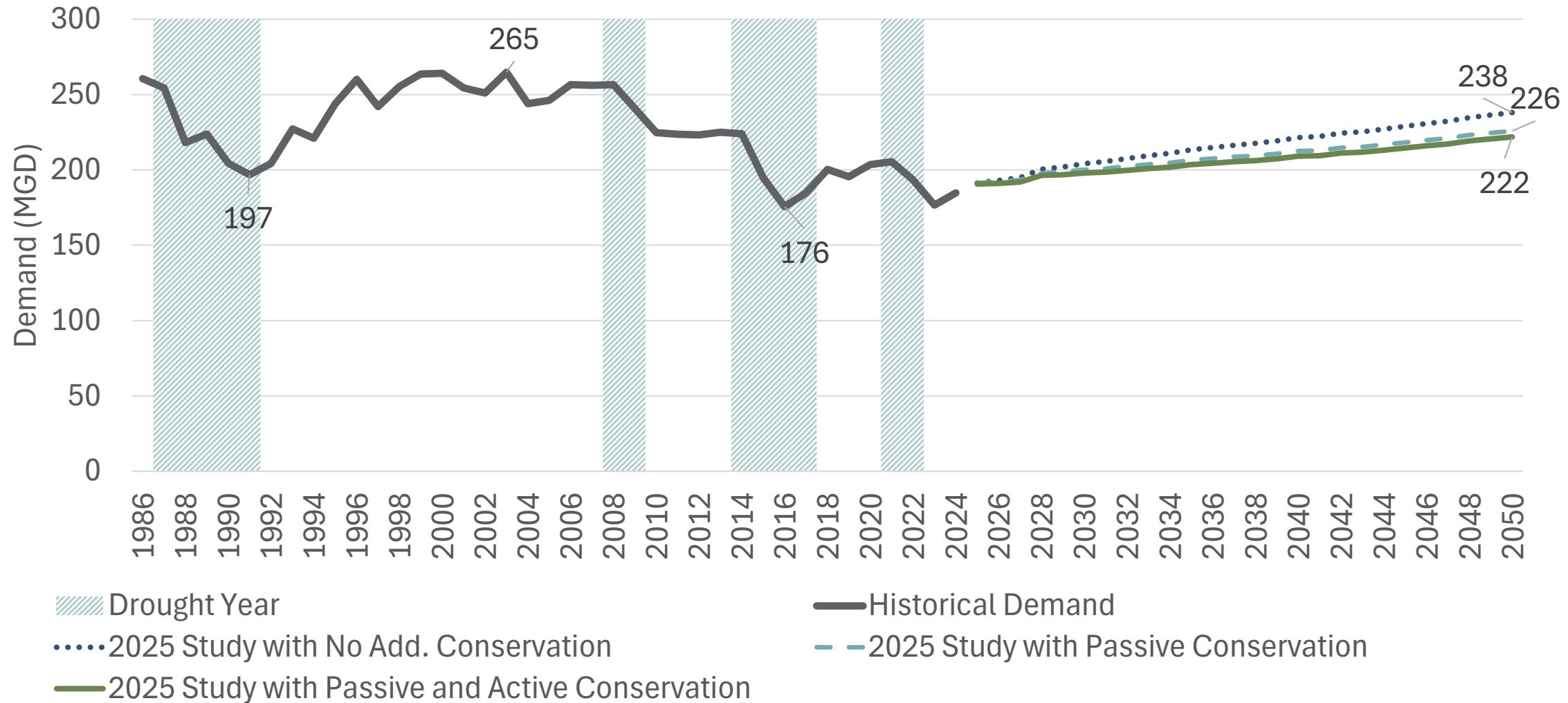
- BAWSCA facilitates update to agency-specific demand projections every five years
- Updated demand projections support local and regional planning efforts
  - Urban Water Management Plans (UWMPs)
  - Compliance with new state-wide water use efficiency regulations
  - BAWSCA's Long-Term Regional Water 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

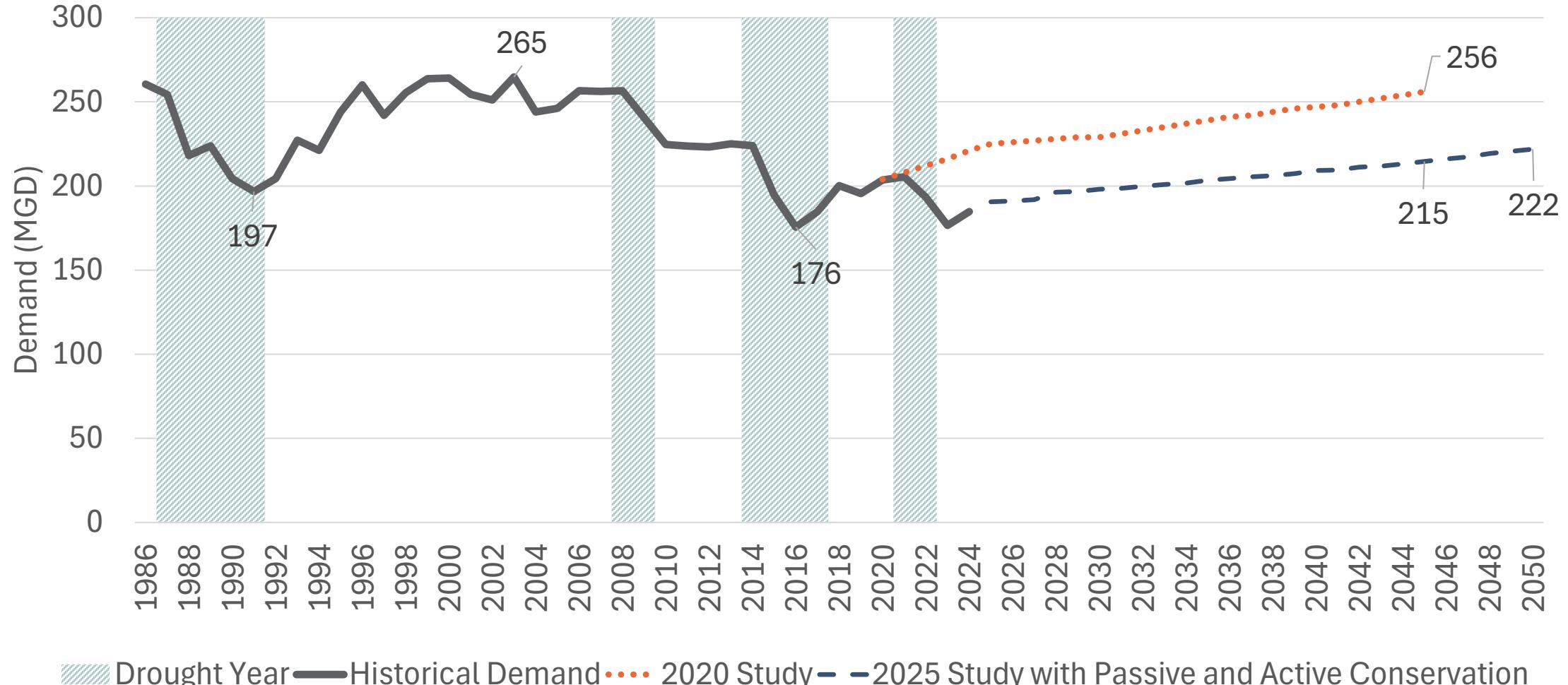
- Hybrid water demand modeling framework integrates econometric regression techniques with end-use conservation accounting



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

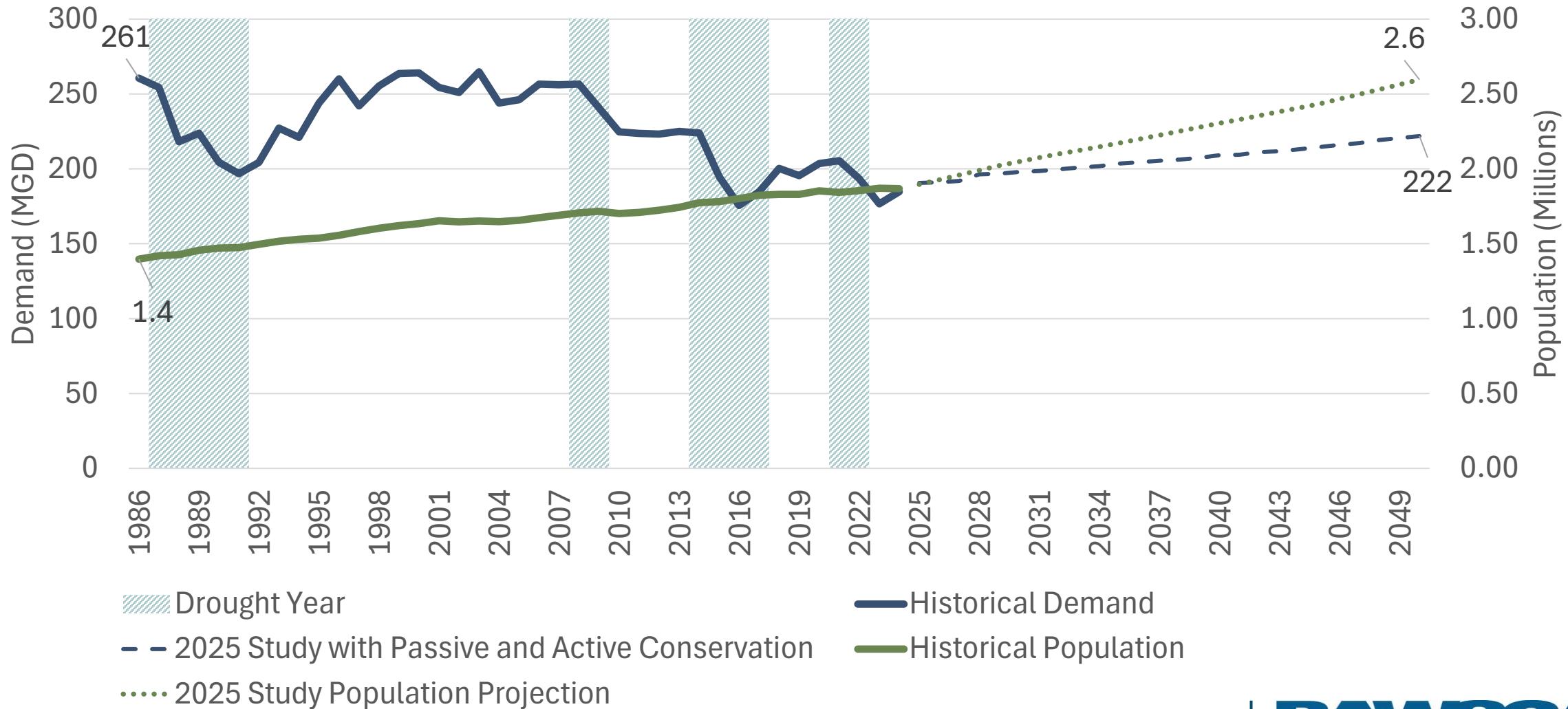


# 2050 Demand is Projected to be 13% Less Than Prior 2045 Demand Projection

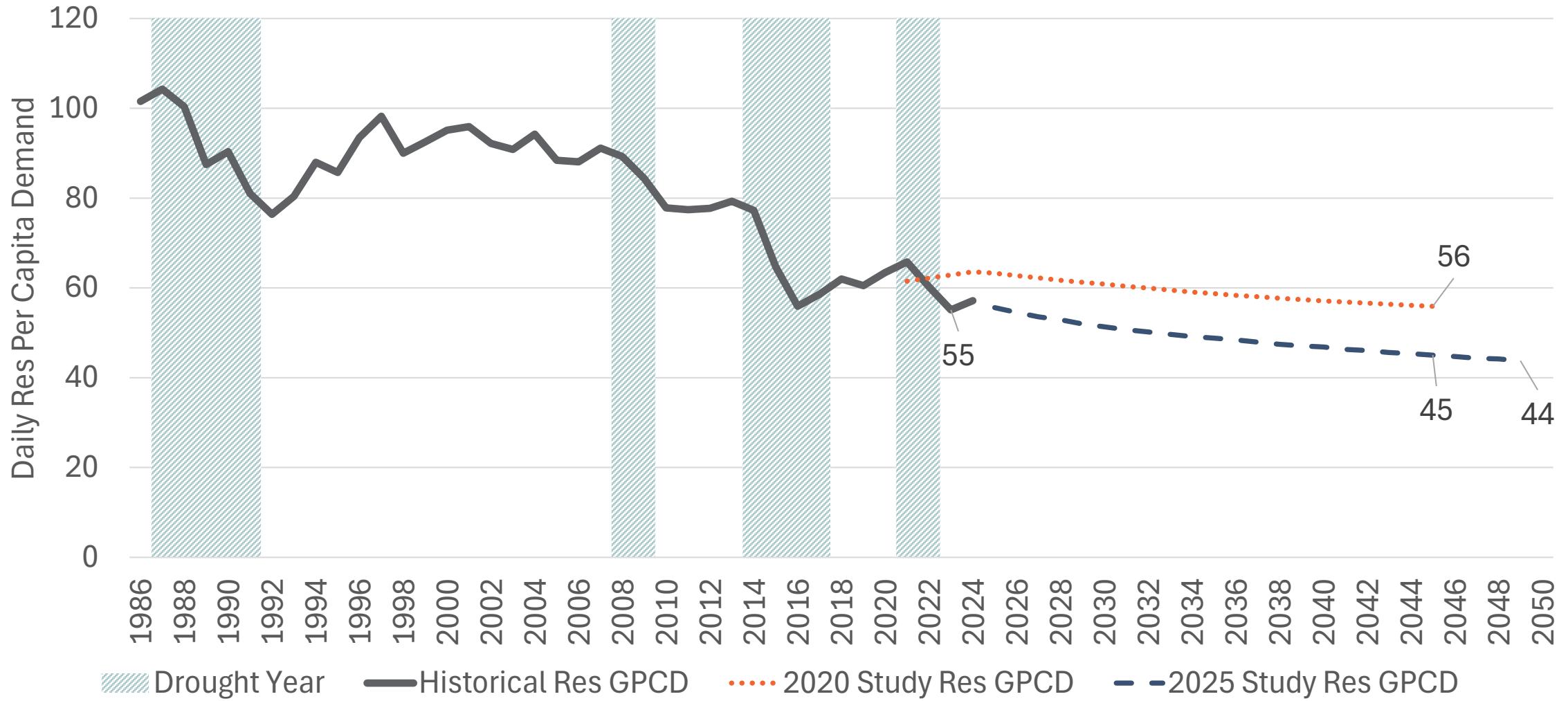


■ Drought Year — Historical Demand ⋅ 2020 Study - - 2025 Study with Passive and Active Conservation

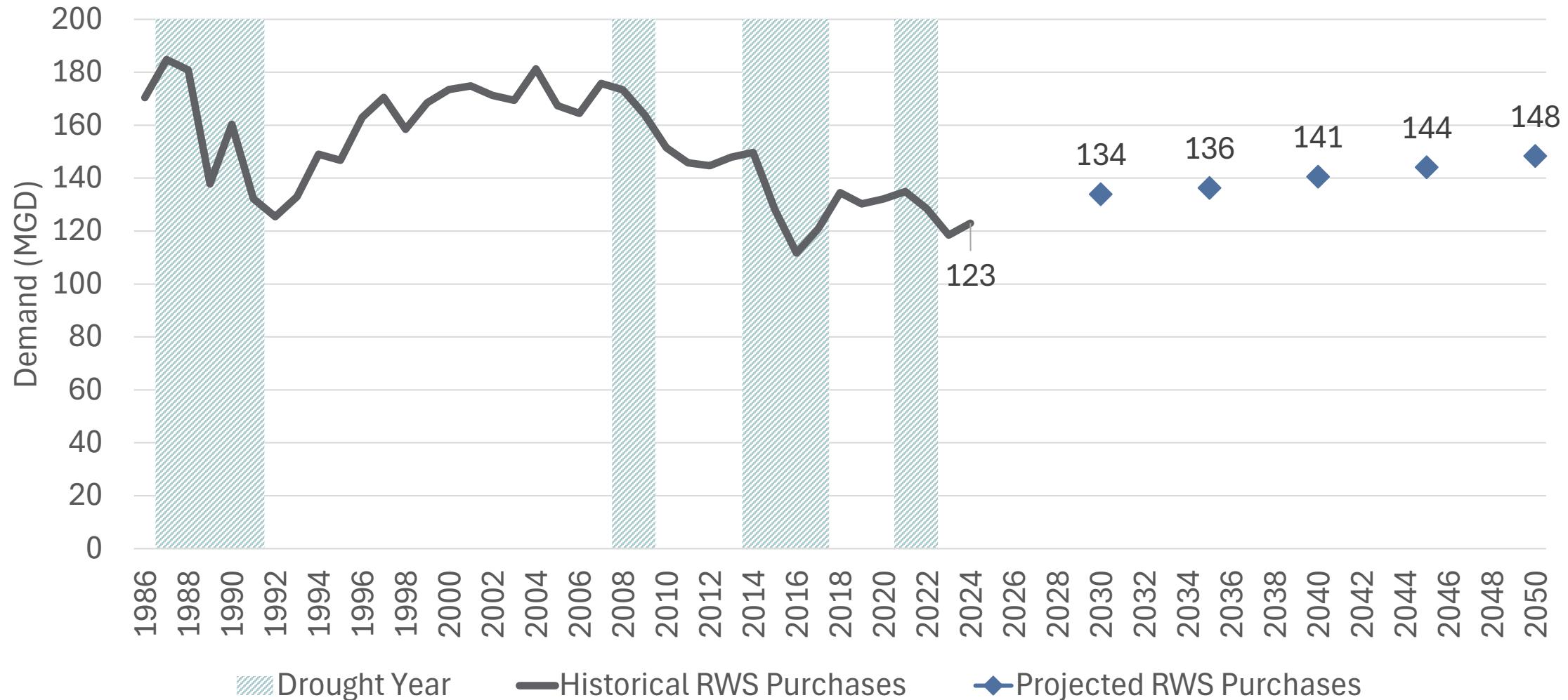
# From 1986 to 2050, Projected Population Increases 86% while Demand Decreases 15%



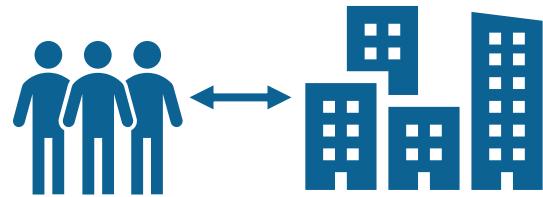
# Residential Per Capita Use in 2050 Projected to Be 23% Less than Lowest Recorded Use for Region



# 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

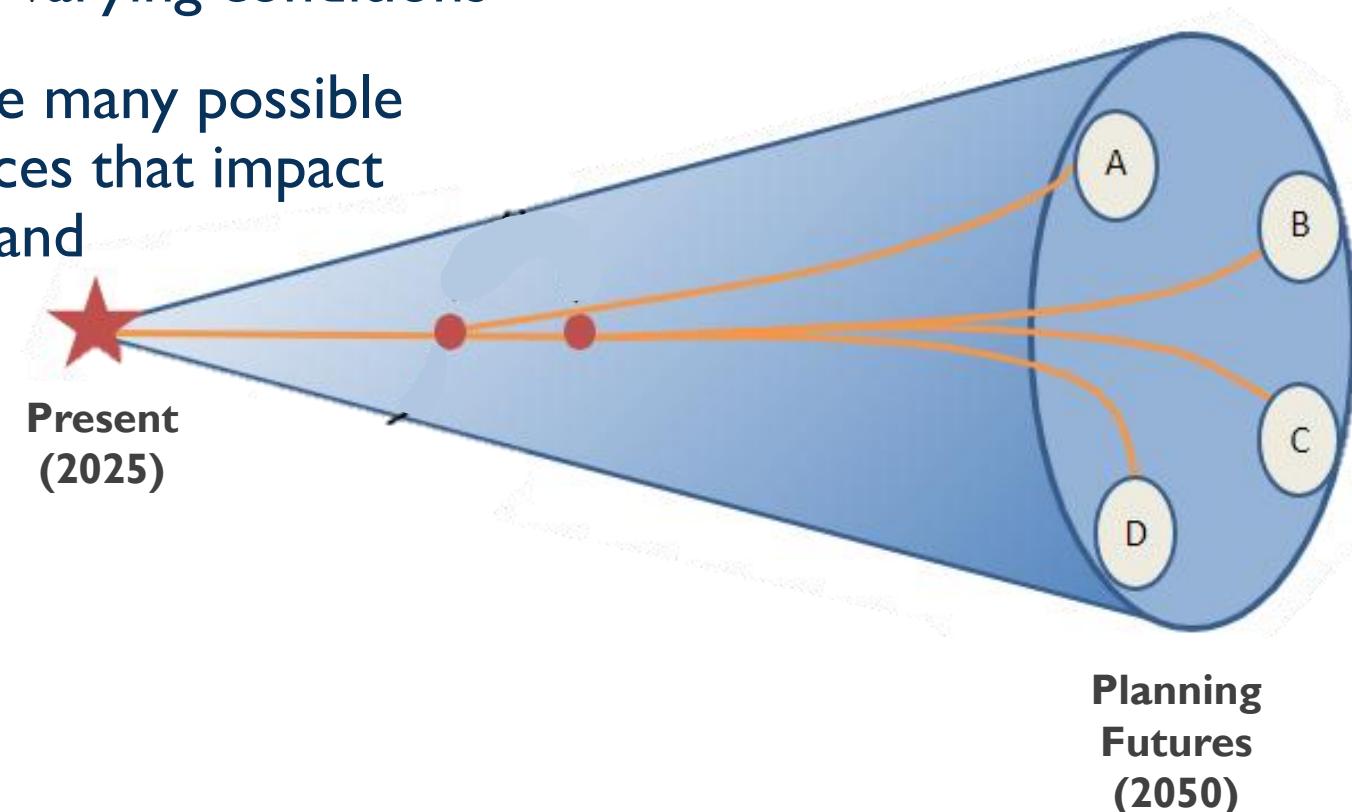
**Uncertainty:** Adoption of water-saving devices and water reuse systems

**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



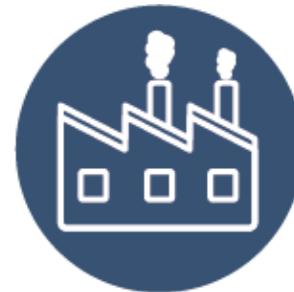
# Five Alternative Scenarios Developed Collaboratively with Member Agencies, External Stakeholders, and SFPUC

- 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

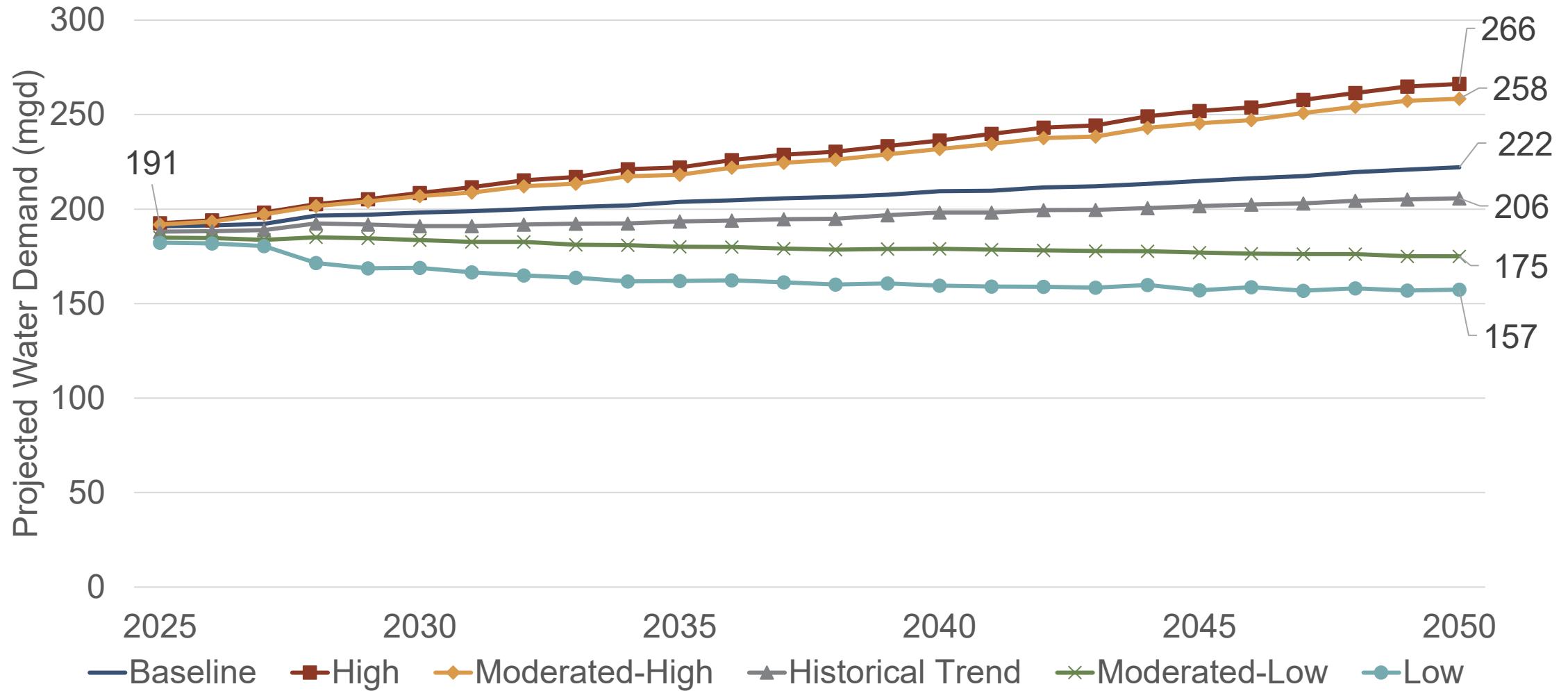
- Water rates/pricing
- Passive conservation
- Active conservation



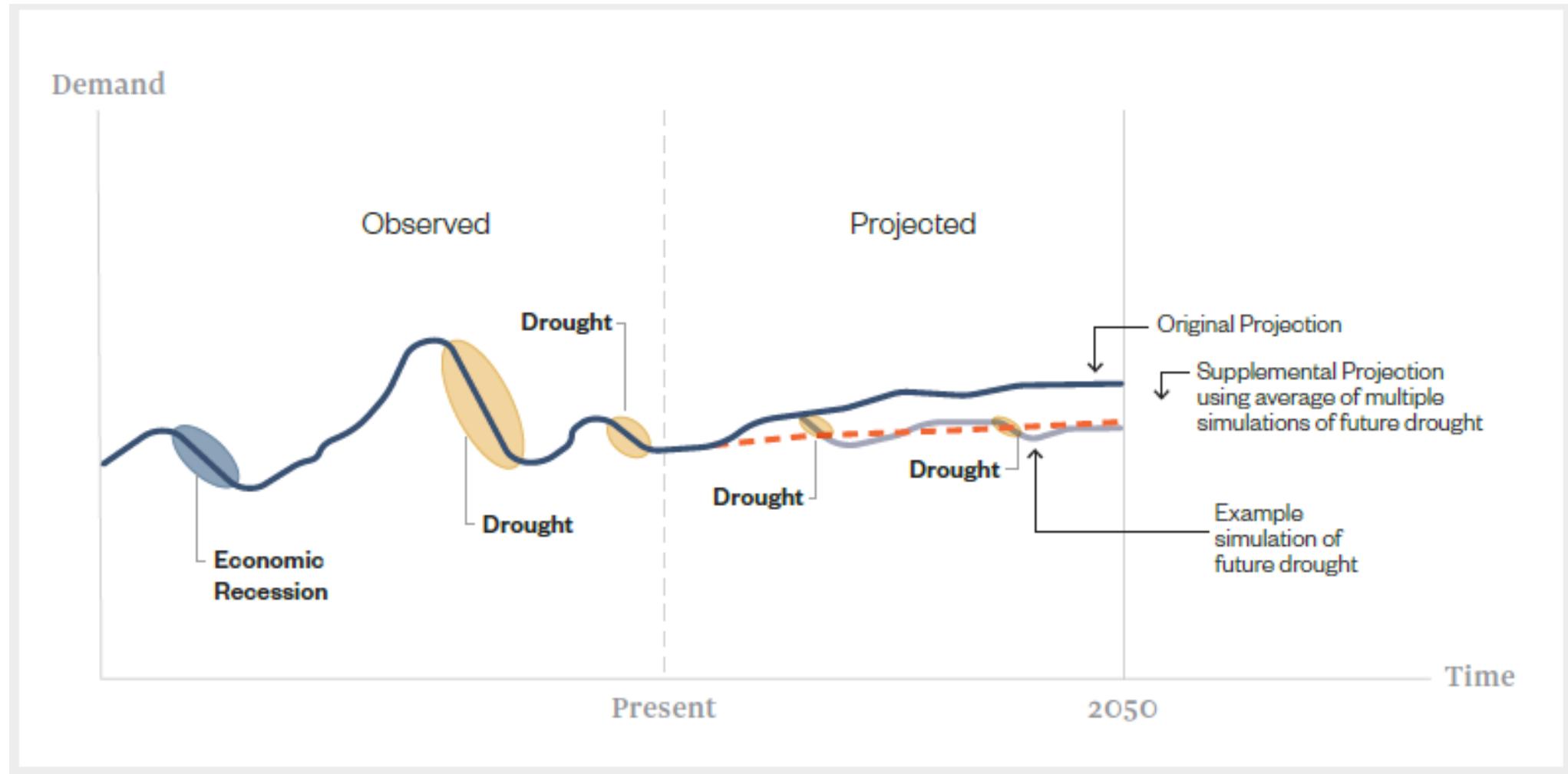
## Climate and Other

- 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
<b><u>1. Facility Reliability: Monitor the SFPUC's WSIP, 10-Year CIP, Asset Management Program, and Emergency Response</u></b>	
✓	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
<b>2. <u>Long-Term Supply Solutions: Implement BAWSCA's Strategy</u></b>	
✓	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

# Reliable Water Supply (3 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
<b>3. <u>Near-term Supply Solutions: Demand Management, Water Conservation and Drought Response</u></b>	
✓	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 <sup>rd</sup> 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
<b>4. Take Actions to Protect Members' Water Supply and Financial Interests in the WSA Administration</b>	
✓	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
★	<b>c. New Tier 2 Drought Response Implementation Plan unanimously adopted by member agencies</b>
✓	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
★	<b>g. WSA Amendment that alters calculation and assessment of Minimum Purchase Obligations unanimously adopted by member agencies</b>

! 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
<b><u>5. Protect Members' Interests in a Reliable Water Supply</u></b>	
✓	a. Participate in SWRCB Bay Delta Plan Update
✓	b. Participate in the Don Pedro Project/La Grange Project FERC licensing process
<b><u>6. Pursue Grant Opportunities Independently and in Coordination with Regional Efforts</u></b>	
✓	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

# Reliable Water Supply (6 of 6)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
<b><u>7. Reporting and Tracking of Water Supply and Conservation Activities</u></b>	
✓	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
<b><u>8. Support Member Agencies in Receiving Reliable Communication of Water Quality Issues</u></b>	
✓	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

# Fair Price and Maintain Allies (1 of 1)

STATUS	BAWSCA OBJECTIVE & FY 2025-26 WORK PLAN ITEM
<b>9. <u>Perform Matters that Members Delegated to BAWSCA in the WSA</u></b>	
★	a. Administer the WSA with SF to protect the financial interests of member agencies. <b>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>
✓	b. Administer BAWSCA's revenue bonds issued to retire capital debt owed by the Wholesale Customers to San Francisco
<b>10. <u>Maintain Community Allies and Contacts with Environmental Interests</u></b>	
✓	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
<b><u>11. Manage the Activities of the Agency Professionally and Efficiently</u></b>	
✓	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

# 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

<b>Reliable Supply: Ensure Long-Term Water Supply Reliability</b>	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 RWS 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

<b>Reliable Supply: Ensure Regional Water System Facility Reliability</b>	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 RWS 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. 5<sup>th</sup> Workshop and the written comments they received by Nov. 7<sup>th</sup>, 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 2<sup>nd</sup> draft
  - The subsequent 2<sup>nd</sup> 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. 12<sup>th</sup>
  - 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 15<sup>th</sup>) of the January 29 Water Enterprise/Hetch Hetchy CIP workshop
  - BAWSCA prepares written comments to the SFPUC prior to January 29<sup>th</sup>
  - SFPUC must respond to timely comments before the February 10<sup>th</sup> 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 uninterrupted 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 1<sup>st</sup>.

# 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