



**Executive Board Meeting  
AGENDA**  
**Friday, November 18, 2022 9:00 AM - 12:30 PM (PDT)**

To attend the meeting via Zoom or submit a comment  
please [request access](#).

Agenda Item	Time	Pages
ROLL CALL, INTRODUCTIONS, AND TELECONFERENCE ETIQUETTE	9:00 AM	
PUBLIC COMMENT <a href="#">Guidelines</a>	9:05 AM	
CONSIDERATION TO TAKE AGENDA ITEMS OUT OF ORDER		
CONSENT CALENDAR	9:15 AM	
1 Resolution to continue teleconferencing Executive Board meetings (AB361)		3-4
2 October 21, 2022 BACWA Executive Board meeting minutes		5-10
3 September 29, 2022 Special Board Meeting/NST minutes		11-12
4 October 19, 2022 Special Board Meeting/NST minutes		13-14
5 September 2022 Treasurer's Report		15-24
APPROVALS AND AUTHORIZATIONS	9:25 AM	
6 <u>Approval</u> : FY22 Audit Report		25-46
7 <u>Approval</u> : BACWA Chair for remainder of FY23		47
8 <u>Authorization</u> : CAR Contract extension for Rich Cunningham SSS WDR support		48-50
POLICY/STRATEGIC	9:30 AM	
9 <u>Discussion</u> : Nutrients a. Technical Work i. SCCWRP OAH Update <a href="#">9/9 SCCWRP Commission meeting slides</a> b. Regulatory i. NST meeting 12/2 - Engagement with individual agencies c. Governance i. December 9 Steering Committee meeting d. Communications and lobbying i. Communications steering committee debrief ii. Nutrient FAQs iii. Nutrient Powerpoint guide		51
10 <u>Discussion</u> : Engagement with BAAQMD Board		
11 <u>Discussion</u> : SSS WDR - BACWA engagement with State Water Board <a href="#">State Water Board SSS-WDR Website</a>		52-53
<b>BREAK</b>	10:45 AM	
12 <u>Informational</u> : BAPPG Pesticides Update		54-57
13 <u>Discussion</u> : Hg/PCB Watershed Permit Tentative Order BACWA Comments		
OPERATIONAL	11:45 AM	
14 <u>Discussion</u> : Teleconferencing per AB 361		
15 <u>Discussion</u> : Holiday lunch and committee leadership recognition		
16 <u>Informational</u> : BACC Update		
REPORTS	12:20 PM	
17 Committee Reports		58-60
18 Member highlights		
19 Executive Director Report		61-63
20 Board Calendar and Action Items		64-65
21 Regulatory Program Manager Report		66
22 Other BACWA Representative Reports		67-81
a. RMP Technical Committee	Mary Lou Esparza, Yuyun Shang, Samantha Engelage	
b. RMP Steering Committee	Karin North; Amanda Roa; Eric Dunlavey	
c. Summit Partners	Lorien Fono; Amit Mutsuddy	
d. ASC/SFEI	Lorien Fono; Amit Mutsuddy; Lori Schectel	
e. Nutrient Governance Steering Committee	Eric Dunlavey, Jackie Zipkin alternates: Lori Schectel, <b>1 alternate needed</b>	

e.i Nutrient Planning Subgroup	Eric Dunlavey		
f. SWRCB Nutrient SAG	Lorien Fono		
h. BAIRWMP	Cheryl Munoz; Florence Wedington; Lorien Fono		
i. NACWA Emerging Contaminants	Karin North; Melody LaBella		
j. CASA State Legislative Committee	Lori Schectel		
k. CASA Regulatory Workgroup	Lorien Fono; Mary Cousins		
l. RMP Microplastics Liaison	Artem Dyachenko		
m. Bay Area Regional Reliability Project	Jackie Zipkin		
n. WaterReuse Working Group	Cheryl Munoz		
o. San Francisco Estuary Partnership	Lorien Fono; Jackie Zipkin		
p. CPSC Policy Education Advisory Committee	Colleen Henry		
q. California Ocean Protection Council	Lorien Fono		
r. Countywide Water Reuse Master Plan	Karin North, Pedro Hernandez		
s. CHARG - Coastal Hazards Adaptation Resiliency Group	Jackie Zipkin		
t. California Water Quality Monitoring Council	Lorien Fono		

24 SUGGESTIONS FOR FUTURE AGENDA ITEMS	12:29 PM	
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NEXT MEETING		
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The next meeting of the Board is scheduled for December 16 , 2022		
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ADJOURNMENT	12:30 PM	
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**BAY AREA CLEAN WATER AGENCIES  
RESOLUTION NO. R-23-05**

**RESOLUTION AUTHORIZING REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361**

WHEREAS, all Bay Area Clean Water Agencies (BACWA) meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch BACWA’s legislative bodies conduct their business; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for an anticipated broader spread of the novel coronavirus disease 2019 (“COVID-19”); and

WHEREAS, On March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, as a result of Executive Order N-29-20, staff set up virtual meetings for all BACWA Executive Board meetings; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which, effective September 30, 2021, repealed the provisions of Executive Order N29-20 that allowed local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 (2021), which allows for local legislative bodies and advisory bodies to continue to conduct meetings via teleconferencing under specified conditions and includes a requirement that the BACWA Executive Board make specified findings. AB 361 (2021) took effect immediately; and

WHEREAS, in order for legislative bodies to continue to conduct meetings via teleconferencing pursuant to AB 361 (2021), a proclaimed State of Emergency must exist; and

WHEREAS, AB 361 (2021) further requires that State or local officials have imposed or recommended measures to promote social distancing, or, requires that the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in BACWA’s jurisdiction, specifically, Governor Newsom has declared a State of Emergency due to COVID-19; and

WHEREAS, the Centers for Disease Control and Prevention (“CDC”) continues to recommend physical distancing of at least 6 feet from others outside the household; and

WHEREAS, local county health jurisdictions continue to recommend physical and social distancing as a COVID-19 mitigation strategy and

WHEREAS, because of the prevalence of highly contagious variants of COVID-19, the BACWA Executive Board is concerned about the health and safety of all individuals who intend to attend BACWA Executive Board and Committee meetings; and

WHEREAS, the BACWA Executive Board desires to provide a way for Executive Boarders, staff, and members of the public to participate in meetings remotely, without having to attend meetings in person; and

WHEREAS, the BACWA Executive Board hereby finds that the presence of COVID-19 and the prevalence of cases due to the Omicron variant would present imminent risks to the health or safety of attendees, including the legislative bodies and staff, should BACWA’s legislative bodies hold in person meetings; and

WHEREAS, BACWA shall ensure that its meetings comply with the provisions required by AB 361 (2021) for holding teleconferenced meetings.



**BAY AREA CLEAN WATER AGENCIES  
RESOLUTION NO. R-23-05**

NOW, THEREFORE, BE IT RESOLVED that the Executive Board of the Bay Area Clean Water Agencies hereby declares as follows:

1. The above recitals are true and correct, and incorporated into this Resolution.
2. In compliance with AB 361 (2021), and in order to continue to conduct teleconference meetings without complying with the usual teleconference meeting requirements of the Brown Act, the BACWA Executive Board makes the following findings:
  - a. The BACWA Executive Board has considered the circumstances of the State of Emergency; and
  - b. The State of Emergency, as declared by the Governor, continues to directly impact the ability of the BACWA Executive Board and BACWA's legislative bodies, as well as staff and members of the public, from meeting safely in person; and
  - c. The CDC continues to recommend physical distancing of at least six feet due to COVID-19 and as a result of the presence of highly contagious variants of COVID-19, meeting in person would present imminent risks to the health or safety of attendees, the legislative bodies and staff.
3. The BACWA Executive Board may continue to meet remotely in compliance with AB 361, in order to better ensure the health and safety of the public.
4. The BACWA Executive Board will revisit the need to conduct meetings remotely within thirty (30) days of the adoption of this resolution.

PASSED AND ADOPTED THIS 18<sup>th</sup> DAY OF NOVEMBER, 2022.

Amit Mutsuddy  
Chair of the Bay Area Clean Water Agencies Executive Board

ATTEST:

Lorien J. Fono  
Executive Director, Bay Area Clean Water Agencies



## October 21, 2022 BACWA Executive Board Meeting Minutes

### ROLL CALL AND INTRODUCTIONS

**Executive Board Representatives:** Amy Chastain (San Francisco Public Utilities Commission); Alicia Chakrabarti (East Bay Municipal Utility District); Jackie Zipkin (East Bay Dischargers Authority); Lori Schectel (Central Contra Costa Sanitary District); Amit Mutsuddy (City of San Jose).

Name	Agency/Company
<b>Other Attendees and Guests:</b>	Delta Diablo
Andrew Damron	Napa San
Dave Richardson	Woodard & Curran
David Donovan	City of Hayward
Don Gray	EBMUD
Eric Dunlavey	City of San Jose
Jasmine Ramezanzadeh	Public
Jennifer Dymont	BACWA
Jenny Reina	Jacobs
Jordan Damerel	FSSD
Lorien Fono	BACWA
Mary Cousins	BACWA
Mary Lou Esparza	CCCSD
Meg Herston	FSSD
Robert Wilson	City of Santa Rosa
Talyon Sortor	FSSD
Tom Hall	EOA

**BACWA Executive Board Closed Session 9:06-9:51**

**Amit started meeting at 9:51am**

### Agenda Item

1 CLOSED SESSION to discuss personnel matters pursuant to California Government Code Section 54957

### ROLL CALL, INTRODUCTIONS, AND TELECONFERENCE ETIQUETTE

#### PUBLIC COMMENT

[Guidelines](#)

## **CONSIDERATION TO TAKE AGENDA ITEMS OUT OF ORDER**      Moved Item 7 first.

### **CONSENT CALENDAR**

- 2      Resolution to continue teleconferencing Executive Board meetings (AB361)
- 3      August 19, 2022 BACWA Executive Board meeting minutes
- 4      August 25, 2022 Special Board Meeting/NST minutes
- 5      August 2022 Treasurer's Report

Lorien Fono, BACWA Executive Director, shared that California Governor announced that state of emergency will be ending in February 2023, and it is unclear how it will impact AB361.

**Action item:** Meeting options to be discussed at November 2022 meeting

**Consent Calendar Items 1 thru 5:** A motion to approve was made by Amy Chastain (San Francisco Public Utilities Commission) and seconded by Jackie Zipkin (East Bay Dischargers Authority). The motion was approved unanimously.

### **APPROVALS AND AUTHORIZATIONS**

#### **6      Approval: FY22 Annual Report**

**Item 6:** A motion to approve was made by Amit Mutsuddy (City of San Jose) and seconded by Amy Chastain (San Francisco Public Utilities Commission). The motion was approved unanimously.

**7      Discussion: Resolution honoring service of Farid Ramezanzadeh**      - David Donovan spoke about Farid Ramezanzadeh's legacy at the City of Hayward. Mary Cousins shared Farid's contributions to the BACWA Lab Committee. Other meeting attendees shared their memories of Farid. Jasmine Ramezanzadeh spoke about her father.

**Item 7:** A motion to approve was made by Jackie Zipkin (EBDA) and seconded by Lori Schectel (Central Contra Costa Sanitary District). The motion was approved unanimously.

### **POLICY/STRATEGIC**

**8      Discussion: Debrief from September BACWA Technical Seminar**      - BACWA Executive Director shared potential budget direction for FY2024 and science funding for 3<sup>rd</sup> permit that were discussed at the BACWA Technical Seminar. There will be a biosolids committee roundtable discussion at the November 14<sup>th</sup> BABC meeting that is open to all BACWA members, and invitations are going out soon.

#### **9      Discussion: Nutrients**

##### **a. Technical Work**

**i. Overview of Algal Bloom** - An overview is included under item d.ii, below.

##### **b. Regulatory**

**i. Outcome of 10/19 NST meeting** - BACWA Executive Director shared a slide summary of the 10/19 meeting. At the meeting they discussed: setting up a communications subcommittee, nutrient reduction planning and setting up a regular NST meeting schedule. Action items from the meeting include understanding the short, medium, and long-term options for nutrient reduction (for eventual discussion with the Water Board as part of the 3<sup>rd</sup> watershed permit negotiations), and working with the science program staff to model water quality impacts of load reduction scenarios.

**BREAK 10:32-10:45**

**c. Governance**

**i. Planning Subcommittee meeting #69 notes - September 15, 2022**

**ii. Planning Subcommittee meeting #70 notes - October 5, 2022**

**iii. Memo to Steering Committee on resource reallocation** - the planning subcommittee has been providing guidance to the science program staff on budget reallocations necessitated by the summer's harmful algal bloom. The next steering committee meeting is scheduled for December 9<sup>th</sup>, where the budget reallocations will be slated for approval.

**d. Communications and lobbying**

**i. Launching communications Steering Committee** - BACWA is establishing a communications steering committee to discuss public outreach messaging related to the NMS, algal bloom, and wastewater in general. Volunteers were solicited for participation in the communications steering committee.

**Action item:** Establish communication steering committee and report back to the Executive Board.

**ii. Presentation to SF BOS Land/Transport committee** - An update on the algal bloom was presented at the October 17<sup>th</sup> SF Board of Supervisors Land Use and Transportation Committee ([link](#) to meeting materials). The meeting featured updates from BACWA (represented by the Executive Director), SFEI, SFPUC, Baykeeper, and Regional Water Board.

**10 Informational: Outcome of PFAS Legislation from 2022** - Lori Schectel, Centra San, shared that the governor signed bills AB817 and AB2771 that limit PFAS exposure. Unfortunately, the governor vetoed AB2247, which would have established a PFAS notifications database, citing administrative costs.

**11 Informational: BACWA perspective in CWEA PFAS Issue** - BACWA Executive Director shared she will be writing an article on PFAS source control for CWEA's winter magazine.

**Action item:** If BAPPG decides to submit a comment letter on the PFAS CERCLA designation, it will be shared with the Executive Board in the week prior to the November 7<sup>th</sup> deadline for submittal to USEPA.

**12 Discussion: Debrief from 10/17 BAAQMD/BACWA Reg 2 Workgroup Meeting** - BACWA RPM referred to the agenda in the packet and shared several highlights from the meeting, including discussions about the CASA air toxics characterization study, streamlining the BAAQMD permitting

process, optimizing the source testing planning and reporting process, and application of BACT rules. Several meeting attendees also shared their positive view of the meeting. The next meeting is January 30<sup>th</sup>.

**13 Discussion: Housing climate change discussions at BACWA** - BACWA RPM shared slides on climate change at BACWA. Group discussed how to engage with BCDC and regulators on climate change planning. RPM is also following funding opportunities that might be useful for smaller agencies. Peer-to-peer infoshare about climate change and engagement with the Water Board were identified as a key needs that BACWA could address. Engagement with AQPI was also suggested. A Board member noted that a publication is forthcoming that would update IDF curves.

**14 Discussion: Hg/PCB Watershed Permit Tentative Order** [Tentative Order](#) – BACWA RPM shared that the tentative order has been released for 30 day public review. Comments are due on November 14, 2022. BACWA Lab and Permit committees are reviewing, and RPM will share comment letter the week of November 7<sup>th</sup>. PCB congener monitoring frequency has been reduced.

**Action item:** BACWA RPM will share comment letter with BACWA Executive Board the week of November 7<sup>th</sup>.

**15 Informational: Pulse of the Bay, CWA 50th Anniversary Edition** [Link to Pulse](#) - BACWA Executive Director provided link to the publication. Hard copies can be ordered from SFEI.

## OPERATIONAL

**16 Discussion: BACCWE future, and O&M/BACCWE Joint meeting** - Jordan Damerel, FSSD, shared a slide presentation that summarized BACCWE mission, history, agencies, and original focus. Jordan shared how the program was working and improvements they were going to make. As a BACWA project of special benefit, it has about a quarter of a million dollars in reserves. BACCWE is going to meet with the BACWA O&M Committee on November 10, 2022 to strategize how to best use these funds for workforce development. Depending on its proposed future direction, BACCWE may request that it be incorporated into BACWA as one of its committees.

**17 Discussion: BACWA Communication Policy** - BACWA Executive Director shared that BACWA is developing the communication policy and shared a working draft policy that lays out approvals for different types of communication. BACWA will continue to scope out how it wants to move ahead with public communications, and will continue to refine the policy as that effort evolves.

**Action item:** BACWA ED will bring a revised draft Communication Policy to the Executive Board for approval at a future meeting.

**18 Discussion: BACWA Reserve Policy Review** - BACWA Executive Director shared that we may be spending reserves on unforeseen expenditures, which may include nutrient reduction scenarios consultant and a communication communications. BACWA asked for feedback from attendees. General discussion followed.

**Action item:** BACWA ED will bring a revised draft Reserve Policy to the Executive Board for approval at a future meeting.



**19 Informational: BACC Update** - BACWA AED shared that agencies are working on their estimated quantities and delivery detail worksheets, we completed the annual legal review of the bid document, and several BACC agencies met with Univar to go over their corrective action plan around ongoing service issues.

**20 Discussion: Pardee/Technical Seminar dates** - Possible 2023 dates are in packet and BACWA ED asked for feedback on dates. All of the dates were good for attendees.

**Action item:** BACWA ED to share dates with two BACWA Board members not currently present.

## REPORTS

**21 Committee Reports** - BACWA RPM shared summary of committee reports. A revised draft of the statewide general order for Sanitary Sewer Systems will be released on October 28<sup>th</sup>, and will be considered by the State Board in December. The Lab Committee is organizing additional TNI training sessions, which will be funded from miscellaneous committee support and authorized by the Executive Director.

**22 Member highlights** - Jackie Zipkin offered to serve as the Bay Area Regional Reliability Project representative.

**23 Executive Director Report** - in the packet.

**24 Board Calendar and Action Items** - in the packet.

**25 Regulatory Program Manager Report** - in the packet.

## **26 Other BACWA Representative Reports**

a. RMP Technical Committee Mary Lou Esparza, Yuyun Shang, Samantha Engelage

b. RMP Steering Committee Karin North; Amanda Roa; Eric Dunlavey

c. Summit Partners Lorien Fono; Amit Mutsuddy

d. ASC/SFEI Lorien Fono; Amit Mutsuddy; Lori Schectel

e. Nutrient Governance Steering Committee Eric Dunlavey, Jackie Zipkin alternates: Lori Schectel, 1 alternate needed

e.i Nutrient Planning Subgroup Eric Dunlavey

f. SWRCB Nutrient SAG Lorien Fono

h. BAIRWMP Cheryl Munoz; Florence Wedington; Lorien Fono

i. NACWA Emerging Contaminants Karin North; Melody LaBella

j. CASA State Legislative Committee Lori Schectel

k. CASA Regulatory Workgroup Lorien Fono; Mary Cousins

l. RMP Microplastics Liaison Artem Dyachenko

- m. Bay Area Regional Reliability Project 1 rep needed
- n. WaterReuse Working Group Cheryl Munoz
- o. San Francisco Estuary Partnership Lorien Fono; Jackie Zipkin
- p. CPSC Policy Education Advisory Committee Colleen Henry
- q. California Ocean Protection Council Lorien Fono
- r. Countywide Water Reuse Master Plan Karin North, Pedro Hernandez
- s. CHARG - Coastal Hazards Adaptation Resiliency Group Jackie Zipkin
- t. California Water Quality Monitoring Council Lorien Fono

## 26 **SUGGESTIONS FOR FUTURE AGENDA ITEMS**

**NEXT MEETING**            The next meeting of the Board is scheduled for November 18, 2022

**ADJOURNMENT**        **12:31**



## Nutrient Strategy Team September 29, 2022 Meeting Summary

### ATTENDEES:

**Executive Board Representatives:** Lori Schectel (Central Contra Costa Sanitary District); Amit Mutsuddy (San José); Jacqueline Zipkin (East Bay Dischargers Authority); Amy Chastain (San Francisco Public Utilities Commission)

### Other Attendees:

<u>Name</u>	<u>Agency/Company</u>
Lorien Fono, Mary Cousins	BACWA
Dan Frost, Mary Lou Esparza, Blake Brown	CCCSD
Amanda Roa	Delta Diablo
Don Gray	EBMUD
Tom Hall	EOA
Meg Herston	FSSD
David Donovan	Hayward
Mike Falk	HDR
Karin North, Samantha Engelage	Palo Alto
Jennie Pang, Nohemy Revilla	SFPUC
Eric Dunlavey	San José
Azalea Mitch	San Mateo
Anir Bhagwat	Silicon Valley Clean Water
Melody Tovar	Sunnyvale
Jennifer Harrington	Vallejo Flood & Wastewater District

Jacqueline Zipkin called the meeting to order at 11:04 am, and led introductions. Amit Mutsuddy chaired the remainder of the meeting. There was no public comment.

The purpose of the meeting was to debrief from the September 9<sup>th</sup> technical seminar with Regional Water Board staff, and to determine next steps for negotiating aspects of the 3<sup>rd</sup> Nutrient Watershed Permit.

The BACWA Executive Director (ED) first shared slides with background information about the August 2022 harmful algae bloom in San Francisco Bay. SFEI, USGS, and partners are continuing to review monitoring data collected before, during, and after the bloom.

As noted at the September 9<sup>th</sup> technical seminar, the Regional Water Board's vision for the 3<sup>rd</sup> Watershed Permit has changed as a result of the harmful algae bloom. Antidegradation-based load caps are still planned, but they may be lower than previously discussed. The permit may also contain expectations for load reductions by the end of the five-year permit term. BACWA

will need to prepare information over the next year for the Regional Water Board's use in determining the appropriate form for these load reductions (i.e., magnitude, timing, and other implementation considerations). The group brainstormed possible types of information that could be assembled under this effort, including:

- **Long-term actions.** Regional Water Board staff are interested in hearing about potential actions to reduce nutrient loading by 20% to 50%. Many agencies have already self-identified as “early actors,” but agencies have an opportunity to put forward new or more detailed project plans within the next year and/or within the next permit term. The group discussed that nutrient trading also needs to be part of the conversation.
- **Medium-term actions.** Plant optimization can typically be implemented in less time than a major treatment train modification, which means nutrient loads can be reduced more quickly. Mike Falk (HDR) provided information about WRF Study #4973, [Guidelines for Optimizing Nutrient Removal Plant Performance](#). He will be providing a full summary of the project at WEFTEC in October, and the report will be available soon. Members might also be able to learn from the nutrient removal demonstration project at [Linda County Water District](#), where several technologies including Microvi, a membrane aerated biofilm reactor, and aerobic granular sludge are being evaluated through [a California Energy Commission grant](#).
- **Short-term actions,** such as temporarily reducing nutrient loads through source reduction, treatment train optimization, storage, or discharging to wetlands. It is not known whether such actions would be effective in reducing bloom severity; this scenario would need to be modeled by the science team

The group discussed that BACWA will need to put effort towards a regional communication strategy in the next year, as well.

#### NEXT STEPS

- HDR will distribute a spreadsheet with nutrient loading data for use by members.
- The NST will reconvene in October to continue planning, with a particular focus on (a) a regional communications effort and (b) a schedule for technical work to be completed in the next year.
- Discussions will also continue at the October 21 Executive Board meeting.

**ATTENDEES:**

**Executive Board Representatives:** Lori Schectel (Central Contra Costa Sanitary District); Amit Mutsuddy (San José); Jacqueline Zipkin (East Bay Dischargers Authority); Amy Chastain (San Francisco Public Utilities Commission)

**Other Attendees:**

<u>Name</u>	<u>Agency/Company</u>
Lorien Fono, Mary Cousins	BACWA
Dan Frost, Mary Lou Esparza, Blake Brown	CCCSO
Amanda Roa	Delta Diablo
Don Gray	EBMUD
Tom Hall	EOA
Talyon Sortor, Jordan Damerel, Meg Herston	FSSD
David Donovan	Hayward
Samantha Engelage	Palo Alto
Jennie Pang, Nohemy Revilla	SFPUC
Eric Dunlavey	San José
Azalea Mitch	San Mateo
Anir Bhagwat	Silicon Valley Clean Water
Melody Tovar, Rohan Wikramanayake	Sunnyvale
Armando Lopez, Tim Grillo	Union Sanitary District
Jennifer Harrington	Vallejo Flood & Wastewater District

Amit Mutsuddy called the meeting to order at 3:03 pm, and led introductions. There was no public comment.

The purpose of the meeting was to envision a new communications initiative, and to continue discussing possible deliverables for the 3<sup>rd</sup> Nutrient Watershed Permit that would summarize nutrient reduction actions.

First, the group discussed options for a new public-facing communications initiative. This outreach would be related to nutrient impacts to the Bay, but it could also extend beyond nutrients to deepen the public's understanding of wastewater collection, treatment, and disposal. A few of the concepts brainstormed by the group included:

- PowerPoint slides updating the [2017 Layperson's Guide to Nutrients](#) (including the title)
- Revamping the BACWA or Baywise website to include public-facing content
- Having communications-related deliverables be a requirement in the 3<sup>rd</sup> Watershed Permit

## October 19 2022 NST Meeting Summary

- Basic public education about wastewater would be helpful. We should let the public know we are on their side.
- Event-specific messaging in case of a future algae bloom could be developed as a contingency.

Next, the group discussed planning around actions to reduce nutrient loading to the Bay. Regional Water Board staff recently shared their thoughts on load reductions in the 3<sup>rd</sup> Watershed Permit at a meeting of the SF Board of Supervisors Land Use and Transportation Committee Meeting (see [slides](#)), posing the question, “How much, by when?”

Members discussed that nutrient loading scenario analysis and synthesis documents from the NMS science team are critical at this juncture, as these documents are needed to justify spending and preliminary capital planning. Each of the following types of load reduction actions were discussed:

- **Long-term actions.** BACWA staff will engage in one-on-one conversations with the 15-20 largest dischargers to understand if any nutrient removal projects are currently in their long-term capital plans or master plans, or if conceptual planning is taking place. A few of these agencies have already self-identified as “early actors,” but others have not. Based on these responses, we will begin to scope out next steps for planning deliverable(s) for the 3<sup>rd</sup> Watershed Permit.
- **Medium-term actions.** In the medium term, BACWA can assist with information-sharing regarding nutrient removal optimization technology and encourage continued expansion of recycled water projects. Funding assistance would also be helpful; BACWA could assist with outreach related to the need for funding (example: SRF outreach to note that nutrient removal is needed for climate adaptation, since the bloom was related to climatic conditions) and connect members with funding opportunities.
- **Short-term actions,** such as temporarily reducing nutrient loads through source reduction, treatment train optimization, storage, or discharging to wetlands. Members discussed that these actions might enhance the credibility of the wastewater community in taking the problem seriously. The effects of short-term actions on reducing bloom magnitude and duration are not currently known, but the NMS science team plans to model several scenarios in spring 2023 so that results are available before summer 2023. BACWA will need to provide input on scenario development this winter.

### NEXT STEPS

- The NST will be reconvening on a more routine schedule. The Executive Director will offer members a few options for routine monthly meeting times.
- A communications subgroup will convene at a separate time from the NST.
- BACWA staff will schedule one-on-one conversations with large dischargers.
- Discussions will also continue at the October 21 Executive Board meeting.



# Bay Area Clean Water Agencies

A Joint Powers Public Agency

Leading the Way to Protect our Bay

October 17, 2022

MEMO TO: Bay Area Clean Water Agencies Executive Board  
MEMO FROM: Samuel Feldman-Crough, Treasurer, East Bay Municipal Utility District  
SUBJECT: Third Month FY 2023 Treasurer's Report

As required by section eight of the Joint Powers Agreement establishing the Bay Area Clean Water Agencies (BACWA) and California Government Code Sections 6500 et seq., attached is the BACWA Treasurer's Report for the period covering **July 1, 2022 through September 30, 2022** (Three months of Fiscal Year 2023). This report covers expenditures, cash receipts, and cash transfers for the following BACWA funds:

- Bay Area Clean Water Agencies (BACWA),
- BACWA Legal Reserve Fund (Legal Rsrv),
- Water Quality Attainment Strategy (WQA CBC),
- Bay Area Biosolids Coalition (BABC),
- Bay Area Chemical Consortium (BACC),
- Water/Wastewater Operator Training (WOT),

## Houck, Matt

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**From:** Feldman, Samuel  
**Sent:** Tuesday, October 18, 2022 2:13 PM  
**To:** Houck, Matt  
**Subject:** RE: September 2022 Treasurer's Report

Approved, thank you!

**Sam Feldman** (he/him/his)  
Manager of Budget  
office: (510) 287-0441  
mobile: (510) 882-6860

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**From:** Houck, Matt <matt.houck@ebmud.com>  
**Sent:** Tuesday, October 18, 2022 8:43 AM  
**To:** Feldman, Samuel <samuel.feldman@ebmud.com>  
**Subject:** September 2022 Treasurer's Report

Hi Samuel,

Please approve BACWA - September 2022 Treasurer's Report for distribution.

Thanks,

**Matt Houck**

Accountant II  
East Bay Municipal Utility District  
375 11TH St, MS 402, Oakland, CA 94607  
P 510-287-0238





## MONTHLY FINANCIAL SUMMARY REPORT

September 2023

### **Fund Balances**

In FY23 BACWA has three operating funds (BACWA, Legal, and CBC) and three pass-through funds for which BACWA provides only contract administration services (WOT, BABC & BACC). As of October 31st, 2021, revenues are recognized when billed, not when payments are received.

**BACWA Fund:** This fund provides resources for BACWA staff, its committees, and other administrative needs. The ending fund balance on September 30, 2022, was \$990,700 which is significantly higher than the target reserve of \$229,098 which is intended to cover 3 months of normal operating expenses based on the BACWA FY22 budget. \$595,970 of the ending fund balance is shown on the BACWA Fund & Investments Balance Report September 30, 2022, as encumbered to meet ongoing operating line-item expenses for BAPPG Committee Support, Legal services, IT services, Board meeting expenses, accounting services and BACWA staff support. This leaves an actual unencumbered reserve of \$165,632 (i.e., actual fund balance of \$394,730 less target reserves) as September 30, 2022. Reserves will increase as agencies remit their FY23 BACWA dues payments.

**CBC Fund:** This fund provides the resources for completing special investigations as well as meeting regulatory requirements. The ending fund balance on September 30, 2022, was \$3,128,071 which is higher than the target reserve of \$1,000,000. \$619,429 of the ending fund balance is encumbered to meet line-item expenses for completion of the Group Annual Report contract, completion of the NBS Study, Recycled Water Evaluation, and the PFAS Regional Study. This leaves an actual unencumbered reserve balance of \$1,508,642 (i.e., actual fund balance of \$2,058,642 less target reserves) as of September 30, 2022. As directed by the BACWA Executive Board, the CBC fund has diminished over time due to BACWA's ongoing funding of the NMS program to comply with the Nutrient Watershed Permit.

**Legal Fund:** This fund provides for needed legal services. The ending balance was \$300,000 which is at the target reserve of \$300,000.


### **Budget to Actual**

The BACWA Annual Budget includes all expected revenues as well as budgeted expenses. Transfers are made from the BACWA Fund and/or the CBC Fund to balance the Annual Budget if expenses exceed revenues and vice versa. It is therefore important to achieve the anticipated revenues and not exceed the budgeted expenses on an annual basis to maintain the BACWA and CBC Fund balances at the levels projected in the 5 Year Plan.

Revenues as of September 30, 2022 (25% of the FY) are at 91%

Expenses as of September 30, 2022 (25% of the FY) are at 34%

FY 2023  
BACWA BUDGET to ACTUAL

							
<u>BACWA FY23 BUDGET</u>	<u>Line Item Description</u>	<u>FY 2023 Budget</u>	<u>Projected Revenue as of Sept 2022 Changes from budget in blue</u>	<u>Actual Sept 2022</u>	<u>Actual % of Budget Sept 2022</u>	<u>Variance</u>	<u>NOTES</u>
<b>REVENUES &amp; FUNDING</b>							
<b>Dues</b>	Principals' Contributions	\$527,250	\$527,250	\$527,250	100%	\$0	FY23: 2% increase 5 @ \$105,450
	Associate & Affiliate Contributions	\$187,793	\$187,793	\$0	0%	-\$187,793	FY23: 2% increase. 12 Assoc: \$8702; 47 Affiliate: \$1743
<b>Fees</b>	Clean Bay Collaborative	\$675,000	\$675,000	\$674,250	100%	-\$750	Prin: \$450,000; Assoc/Affil: \$225,000
	Nutrient Surcharge	\$1,400,000	\$1,400,000	\$1,399,980	100%	-\$20	See Nutrient Surcharge Spreadsheet
	Voluntary Nutrient Contributions			\$0	0%	\$0	
<b>Other Receipts</b>	AIR Non-Member	\$7,217	\$7,217	\$7,217	100%	\$0	2% increase (Santa Rosa)
	BAPPG Non-Members	\$4,033	\$4,033	\$4,033	100%	\$0	2% increase (Sta Rosa, Sac Reg'l, Vacaville) \$1,344/each
	Other			\$2,653		\$2,653	
<b>Fund Transfer</b>	Special Program Admin Fees (WOT)	\$5,202	\$5,202	\$0	0%	-\$5,202	
	Special Program Admin Fees (BACC)	\$36,000	\$36,000	\$0	0%	-\$36,000	400 hours of AED support \$90/hr
	Special Program Admin Fees (BABC)	\$6,000	\$6,000	\$0	0%	-\$6,000	ED, AED and RPM support
<b>Interest Income</b>	LAIF	\$4,000	\$4,000	\$4,437	111%	\$437	BACWA, Legal, & CBC Funds invested in LAIF
	Higher Yield Investments						
	<b>Total Revenue</b>	<b>\$2,852,495</b>	<b>\$2,852,495</b>	<b>\$2,619,820</b>	<b>91.84%</b>	<b>-\$232,675</b>	
<b>EXPENSES</b>							
<b>Labor</b>							
	Executive Director	\$204,250	\$204,250	\$17,021	8%	-\$187,229	7.5% increase (flat in FY22)
	Assistant Executive Director	\$86,004	\$86,004	\$24,665	29%	-\$61,339	7.5% over FY21; \$71.67/hour; Reflects 1200 hours
	BACC Administrator	\$36,000	\$36,000	\$5,740	16%	-\$30,260	400 hrs AED support at \$90 per hr
	Regulatory Program Manager	\$142,223	\$142,223	\$36,612	26%	-\$105,611	7.5% increase (flat in FY22); \$103.35/hour, Reflects 1350 hours
	<b>Total</b>	<b>\$468,477</b>	<b>\$468,477</b>	<b>\$84,038</b>	<b>18%</b>	<b>-\$384,439</b>	
<b>Administration</b>							
	EBMUD Financial Services	\$43,297	\$43,297	\$0	0%	-\$43,297	2% increase
	Auditing Services	\$5,452	\$5,452	\$0	0%	-\$5,452	Finanical Auditors through EBMUD; per auditor rate schedule
	Administrative Expenses	\$8,118	\$8,118	\$0	0%	-\$8,118	2% increase over FY22
	Insurance	\$8,132	\$8,132	\$7,571	93%	-\$561	15% increase over FY22 actual
	<b>Total</b>	<b>\$64,999</b>	<b>\$64,999</b>	<b>\$7,571</b>	<b>12%</b>	<b>-\$57,428</b>	
<b>Meetings</b>							
	EB Meetings	\$2,706	\$2,706	\$0	0%	-\$2,706	2% increase from FY22
	Annual Meeting	\$14,369	\$14,369	\$0	0%	-\$14,369	2% increase from FY22
	Pardee	\$6,668	\$6,668	\$3,332	50%	-\$3,336	2% increase from FY22
	Misc. Meetings	\$5,412	\$5,412	\$1,964	36%	-\$3,448	2% increase from FY22
	<b>Total</b>	<b>\$29,155</b>	<b>\$29,155</b>	<b>\$5,296</b>	<b>18%</b>	<b>-\$23,859</b>	
<b>Communication</b>							
	Website Hosting	\$714	\$714	\$0	0%	-\$714	2% increase from FY22, Go Daddy website hosting and domain registration
	File Storage	\$780	\$780	\$0	0%	-\$780	2% increase from FY22, box.net
	Website Development/Maintenance	\$1,561	\$1,561	\$0	0%	-\$1,561	2% increase from FY22
	IT Support	\$2,705	\$2,705	\$0	0%	-\$2,705	2% increase from FY22
	Other Commun	\$1,821	\$1,821	\$404	22%	-\$1,417	2% increase from FY22; MS Exchange, Survey Monkey, PollEv, Zoom, Netfile
	<b>Total</b>	<b>\$7,581</b>	<b>\$7,581</b>	<b>\$404</b>	<b>5%</b>	<b>-\$7,177</b>	
<b>Legal</b>							

**FY 2023  
BACWA BUDGET to ACTUAL**

<b>EXPENSES</b>							
	Regulatory Support	\$2,871	\$2,871	\$0	0%	-\$2,871	2% increase from FY22, Downey Brand LLP
	Executive Board Support	\$2,309	\$2,309	\$0	0%	-\$2,309	2% increase from FY22, Day Carter & Murphy LLP
	<b>Total</b>	<b>\$5,181</b>	<b>\$5,181</b>	<b>\$0</b>	<b>0%</b>	<b>-\$5,181</b>	
<b>Committees</b>							
	AIR	\$96,000	\$96,000	\$11,145		-\$84,855	\$75k consulting support, \$20k support for ACE, \$1k misc expenses. Carollo Engineers
	BAPPG	\$130,600	\$130,600	\$11,463	9%	-\$119,137	Includes CPSC @ \$10,000, OWOW @ \$10,000, and Pest. Reg Spt. @ \$60,000
	Biosolids Committee	\$0	\$0			\$0	
	Collections System	\$1,000	\$1,000	\$0	0%	-\$1,000	Same as FY23
	InfoShare Groups	\$1,000	\$1,000	\$0	0%	-\$1,000	
	Laboratory Committee	\$6,400	\$6,400	\$731	11%	-\$5,669	TNI standard training and meetings
	Permits Committee	\$1,000	\$1,000	\$0	0%	-\$1,000	
	Pretreatment	\$1,000	\$1,000	\$0	0%	-\$1,000	
	Recycled Water Committee	\$20,000	\$20,000	\$0	0%	-\$20,000	
	Misc Committee Support	\$45,000	\$45,000	\$0	0%	-\$45,000	
	Manager's Roundtable	\$1,000	\$1,000	\$0	0%	-\$1,000	
	<b>Total</b>	<b>\$303,000</b>	<b>\$303,000</b>	<b>\$23,339</b>	<b>8%</b>	<b>-\$279,661</b>	
<b>Collaboratives</b>							
	<b>Collaboratives</b>						
	State of the Estuary (SFEP-biennial)	\$20,000	\$20,000	\$0	0%	-\$20,000	Biennial in Odd Fiscal Years. (Paid biennially in odd years for even year conference)
	Arleen Navarret Award	\$2,500	\$2,500	\$0	0%	-\$2,500	Biennial in Even Fiscal Years. Increase in FY20. 2022 Award to be paid in FY23
	BayCAN	\$5,000	\$5,000	\$0	0%	-\$5,000	
	Bay Area One Water Network	\$5,000	\$5,000	\$0	0%		New for FY23
	Bruce Wolf Scholarship	\$4,000	\$4,000	\$0	0%		FY22, FY23, FY24, FY25 FY26
	Misc	\$1,500	\$1,500	\$0	0%	-\$1,500	NBWA
	<b>Total</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$0</b>	<b>0%</b>	<b>-\$38,000</b>	
<b>Other</b>							
	<b>Unbudgeted Items</b>						
	Other	\$0	\$0	\$0	0%	\$0	
	<b>Total</b>	<b>\$0</b>		<b>\$0</b>	<b>0%</b>	<b>\$0</b>	
<b>Tech Support</b>							
	<b>Technical Support</b>						
	Nutrients						
	Watershed	\$1,800,000	\$1,800,000	\$1,000,000	56%	-\$800,000	Advance funding for 2nd Watershed Permit Sciece Studies; Final \$ TBD
	NMS Voluntary Contributions	\$0	\$0	\$0	0%	\$0	
	Additional work under permit	\$100,000	\$100,000	\$48,040	48%	-\$51,960	Includes HDR PO for \$225k spread out over FY20-24.
	Regional Study on Nature based systems	\$248,811	\$248,811	\$16,721	7%	-\$232,090	SFEI \$500K, expires 06/30/2023
	Regional Recycling Evaluation	\$63,525	\$63,525	\$0	0%	-\$63,525	HDR \$154K, expires 12/31/2023
	Nutrient Workshop(s)	\$0	\$0	\$0	0%	\$0	Pilot Studies/Plant Review/Innovative Technologies
	NMS Reviewer	\$50,000	\$50,000	\$0	0%	-\$50,000	M. Connor Contract
	General Tech Support	\$100,000	\$100,000	\$0	0%	-\$100,000	AB617 emissions factors, PFAS, other nutrient support
	CEC Investigations	\$140,000	\$140,000	\$0	0%	-\$140,000	PFAS Study Phase II
	Risk Reduction	\$12,500	\$12,500	\$0	0%	-\$12,500	APA FSS completed \$12,500 contract in FY20, CIEA will complete \$12,500 contract in FY23
	<b>Total</b>	<b>\$2,514,836</b>	<b>\$2,514,836</b>	<b>\$1,064,761</b>	<b>42%</b>	<b>-\$1,450,075</b>	
	<b>TOTAL EXPENSES</b>	<b>\$3,431,228</b>	<b>\$3,431,228</b>	<b>\$1,185,410</b>	<b>34.55%</b>	<b>-\$2,245,819</b>	
	<b>PROJECTED EXPENSE DEVIATION FROM BUDGET</b>		<b>\$0</b>				
	<b>NET INCOME BEFORE TRANSFERS</b>	<b>-\$578,733</b>					
	<b>TRANSFERS FROM RESERVES</b>	<b>\$578,733</b>					aligns with strategy of drawing down reserves to lessen impact of Nutrient Surcharge
	<b>NET INCOME AFTER TRANSFERS</b>	<b>\$0</b>					
	<b>TOTAL OPERATING BUDGET</b>	<b>\$916,392</b>					
	<b>OPERATING RESERVE</b>	<b>\$229,098</b>					

**BACWA Fund Report as of September 30, 2022**

BACWA FUND BALANCES - DATA PROVIDED BY ACCOUNTING DEPT.							
DEPTID	DESCRIPTION	FISCAL YEAR BEGINNING FUND BALANCE	TOTAL BILLED REVENUE TO- DATE	TOTAL DISBURSEMENTS TO-DATE	MONTH-ENDING FUND BALANCE	OUTSTANDING ENCUMBRANCES	MONTH-END UNOBLIGATED FUND BALANCE
600	BACWA	376,500	728,574	114,374	990,700	595,970	394,730
604	LEGAL RSRV	300,000	-	-	300,000	-	300,000
605	CBC	2,114,741	2,078,091	1,064,761	3,128,071	619,429	2,508,642
	<b><i>SUBTOTAL 1</i></b>	<b><i>2,791,241</i></b>	<b><i>2,806,665</i></b>	<b><i>1,179,135</i></b>	<b><i>4,418,771</i></b>	<b><i>1,215,399</i></b>	<b><i>3,203,372</i></b>
602	BABC	176,260	176,600	19,942	332,918	100,348	232,570
606	BACC	29,810	-	35,740	(5,930)	29,970	(35,900)
607	BACC LEGAL RSRV	30,000	30,000	-	60,000	-	60,000
610	WOT	270,974	-	-	270,974	-	270,974
	<b><i>SUBTOTAL 2</i></b>	<b><i>507,044</i></b>	<b><i>206,600</i></b>	<b><i>55,682</i></b>	<b><i>657,962</i></b>	<b><i>130,318</i></b>	<b><i>527,644</i></b>
	<b>GRAND TOTAL</b>	<b>3,298,285</b>	<b>3,013,265</b>	<b>1,234,817</b>	<b>5,076,733</b>	<b>1,345,717</b>	<b>3,731,016</b>

\*Beginning fund balance adjusted October 2021 due to change in reported accounting basis.

BACWA INVESTMENTS BALANCES - DATA PROVIDED BY TREASURY DEPT.														
DEPTID	DESCRIPTION	FISCAL YEAR BEGINNING FUND BALANCE	TOTAL BILLED REVENUE TO- DATE	TOTAL DISBURSEMENTS TO-DATE	MONTH-ENDING FUND BALANCE	RECONCILIATION TO FINANCIAL STATEMENTS A/R	RECONCILIATION TO FINANCIAL STATEMENTS A/P	MONTH-END RECONCILED FUND BALANCE	UNINVESTED CASH BALANCES	LAIF INVESTMENTS AMOUNTS	LAIF INVESTMENTS PERCENTAGE	ALTERNATIVE INVESTMENTS AMOUNTS	ALTERNATIVE INVESTMENTS IDENTIFIERS	ALTERNATIVE INVESTMENT INSTRUCTIONS AND NOTES
800	BACWA	376,500	728,574	114,374	990,700	(606,376)	23,352	407,676	407,676	-	0%	-		priority # 3 for allocation
804	LEGAL RSRV	300,000	-	-	300,000	-	-	300,000	-	300,000	13%	-		priority # 1 for allocation
805	CBC	2,114,741	2,078,091	1,064,761	3,128,071	(906,724)	-	2,221,347	254,310	1,967,037	87%	-		priority # 2 for allocation
	<b><i>SUBTOTAL 1</i></b>	<b><i>2,791,241</i></b>	<b><i>2,806,665</i></b>	<b><i>1,179,135</i></b>	<b><i>4,418,771</i></b>	<b><i>(1,513,100)</i></b>	<b><i>23,352</i></b>	<b><i>2,929,023</i></b>	<b><i>661,986</i></b>	<b><i>2,267,037</i></b>	<b><i>100%</i></b>	<b><i>-</i></b>		
802	BABC	176,260	176,600	19,942	332,918	(42,650)	-	290,268	290,268	-	0%	-		pass-through funds, no allocation
806	BACC	29,810	-	35,740	(5,930)	-	-	(5,930)	(5,930)	-	0%	-		
807	BACC LEGAL RSRV	30,000	30,000	-	60,000	-	-	60,000	60,000	-	0%	-		
810	WOT	270,974	-	-	270,974	-	-	270,974	270,974	-	0%	-		pass-through funds, no allocation
	<b><i>SUBTOTAL 2</i></b>	<b><i>507,044</i></b>	<b><i>206,600</i></b>	<b><i>55,682</i></b>	<b><i>657,962</i></b>	<b><i>(42,650)</i></b>	<b><i>-</i></b>	<b><i>615,312</i></b>	<b><i>615,312</i></b>	<b><i>-</i></b>	<b><i>0%</i></b>	<b><i>-</i></b>		
	<b>GRAND TOTAL</b>	<b>3,298,285</b>	<b>3,013,265</b>	<b>1,234,817</b>	<b>5,076,733</b>	<b>(1,555,750)</b>	<b>23,352</b>	<b>3,544,335</b>	<b>1,277,298</b>	<b>2,267,037</b>	<b>-</b>			

To be used to cover Reconciliation to Financial Statements (\$0)

**Reconciliation to Trial Balance**

<u>Per Report above:</u>		STB	14930	2,267,037	
General	2,806,665	STB	15050	1,277,298	
WOT, BABC, & BACC	206,600			<b>3,544,335</b>	-
PROP	-	STB	16300	1,555,750	
<b>subtotal</b>	<b>3,013,265</b>	STB	21350	(23,352)	
				<b>5,076,733</b>	-

Trial Balance Revenue Accounts

40100	Interest	(4,438)
40101	Mem Contrib	(1,378,100)
40102	Transfer	(30,000)
40103	Assoc Contrib	(186,845)
40104	Other	(1,413,882)
47310	State Grant	-
47320	Grant Retention	-
<b>subtotal</b>		<b>(3,013,265)</b>
<b>Difference</b>		<b>-</b>

## BACWA Revenue Report as of September 30, 2022

Cost Center Code	Cost Center Description	Program Segment Description	Program Segment Value	Amended Budget	Current Period	FY23 - Year to Date	Unobligated
600	Bay Area Clean Water Agencies	BABC - AED and RPM Support	6200	(6,000.00)	-	-	6,000.00
		BACC - AED Support	6199	(36,000.00)	-	-	36,000.00
		BDO Affil/CS/Assoc Dues	6104	-	(38,846.00)	(38,846.00)	(38,846.00)
		BDO Affiliate/Associate Dues	6103	-	(43,575.00)	(43,575.00)	(43,575.00)
		BDO Assoc.&Affiliate Contr	6102	(187,793.00)	(104,424.00)	(104,424.00)	83,369.00
		BDO Fund Transfers	6141	(5,202.00)	-	-	5,202.00
		BDO Member Contributions	6101	(527,250.00)	-	(527,250.00)	-
		BDO Non-Member Contr AIR	6136	(7,217.00)	(1,344.00)	(1,344.00)	5,873.00
		BDO Non-Member Contr BAPPG	6135	(4,033.00)	(9,905.00)	(9,905.00)	(5,872.00)
		BDO Other Receipts	6105	-	-	-	-
		BDO Other Receipts (Misc)	6140	-	(2,653.00)	(2,653.00)	(2,653.00)
		BDO- Interest Income from LAIF	6142	(4,000.00)	-	(576.85)	3,423.15
		BDO-Alternative Investment Inc	6143	-	-	-	-
<b>600 Total</b>				<b>(777,495.00)</b>	<b>(200,747.00)</b>	<b>(728,573.85)</b>	<b>48,921.15</b>
602	Bay Area Biosolids Coalition	BDO Fund Transfers	6141		-	-	-
		BDO Member Contributions	6101		(103,100.00)	(176,600.00)	(176,600.00)
<b>602 Total</b>				<b>-</b>	<b>(103,100.00)</b>	<b>(176,600.00)</b>	<b>(176,600.00)</b>
605	Clean Bay Collaborative	BDO Fund Transfers	6141	-	-	-	-
		BDO Member Contributions	6101	(675,000.00)	(224,250.00)	(674,250.00)	750.00
		BDO Other Receipts	6105	(1,400,000.00)	(444,864.00)	(1,399,980.00)	20.00
		BDO- Interest Income from LAIF	6142	-	-	(3,860.46)	(3,860.46)
<b>605 Total</b>				<b>(2,075,000.00)</b>	<b>(669,114.00)</b>	<b>(2,078,090.46)</b>	<b>(3,090.46)</b>
606	Bay Area Chemical Consortium	BDO Member Contributions	6101	-	-	-	-
<b>606 Total</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
607	BACC Legal RSRV	BDO Fund Transfers	6141	-	-	(30,000.00)	(30,000.00)
<b>607 Total</b>				<b>-</b>	<b>-</b>	<b>(30,000.00)</b>	<b>(30,000.00)</b>
<b>Grand Total</b>				<b>(2,852,495.00)</b>	<b>(972,961.00)</b>	<b>(3,013,264.31)</b>	<b>(160,769.31)</b>

## BACWA Expense Detail Report for September 30, 2022

Cost Center Code	Program Segment Description	Program Segment Value	Balance Type	Current Period Activity	FY23 - Year to Date
600	AIR-Air Issues&Regulation Grp	6153	Actual	6,451.75	11,144.75
			Encumbrance	(6,451.75)	83,855.25
			Obligated	-	95,000.00
	AS-Assistant Executive Directo	6175	Actual	16,304.93	24,665.23
			Encumbrance	(16,304.93)	61,338.77
			Obligated	-	86,004.00
	AS-Audit Services	6180	Actual	-	(534.00)
			Encumbrance	-	534.00
			Obligated	-	-
	AS-BACWA Admin Expense	6173	Actual	-	-
			Obligated	-	-
	AS-EBMUD Financial Services	6176	Actual	-	-
			Encumbrance	-	43,297.00
			Obligated	-	43,297.00
	AS-Executive Director	6174	Actual	-	17,020.83
			Encumbrance	-	187,229.17
			Obligated	-	204,250.00
	AS-Insurance	6177	Actual	7,571.20	7,571.20
			Obligated	7,571.20	7,571.20
	AS-Regulatory Program Manager	6179	Actual	24,003.04	36,611.74
			Encumbrance	(24,003.04)	105,611.26
			Obligated	-	142,223.00
	Administrative Support	6178	Actual	-	-
			Obligated	-	-
	BC-BAPPG	6152	Actual	4,970.92	11,463.43
			Encumbrance	(4,867.60)	94,806.15
			Obligated	103.32	106,269.58
	BC-InfoShare Groups	6148	Actual	-	-
			Obligated	-	-
	BC-Laboratory Committee	6149	Actual	-	731.25
			Encumbrance	-	4,468.75
			Obligated	-	5,200.00
	BC-Manager's Roundtable	6154	Actual	-	-
			Obligated	-	-
	BC-Miscellaneous Committee Sup	6150	Actual	-	-
			Encumbrance	-	-
			Obligated	-	-
	BC-Permit Committee	6145	Actual	-	-
			Obligated	-	-
	BC-Pretreatment Committee	6151	Actual	-	-
			Obligated	-	-
	BC-Water Recycling Committee	6146	Actual	-	-
			Encumbrance	-	9,650.00
			Obligated	-	9,650.00
	CAR-BACWA File Storage	6165	Actual	-	-
			Obligated	-	-
	CAR-BACWA IT Software	6167	Actual	371.64	403.64
			Obligated	371.64	403.64
	CAR-BACWA IT Support	6166	Actual	-	-
			Encumbrance	-	-
			Obligated	-	-
	CAR-BACWA Website Dev/Maint	6163	Actual	-	-
			Obligated	-	-
	CAR-BACWA Website Hosting	6164	Actual	-	-
			Obligated	-	-
	CAS-Arleen Navaret Award	6160	Actual	-	-
			Obligated	-	-

Cost Center Code	Program Segment Description	Program Segment Value	Balance Type	Current Period Activity	FY23 - Year to Date
	CAS-BayCAN	6204	Actual	-	-
			Obligated	-	-
	CAS-Misc Collaborative Sup	6162	Actual	-	-
			Obligated	-	-
	CAS-Stanford ERC	6159	Actual	-	-
			Obligated	-	-
	GBS-Meeting Support-Annual	6170	Actual	-	-
			Obligated	-	-
	GBS-Meeting Support-Exec Bd	6169	Actual	-	-
			Obligated	-	-
	GBS-Meeting Support-Misc	6172	Actual	935.49	1,964.15
			Obligated	935.49	1,964.15
	GBS-Meeting Support-Pardee	6171	Actual	3,332.19	3,332.19
			Obligated	3,332.19	3,332.19
	LS-Executive Board Support	6156	Actual	-	-
			Encumbrance	-	2,309.00
			Obligated	-	2,309.00
	LS-Regulatory Support	6155	Actual	-	-
			Encumbrance	-	2,871.00
			Obligated	-	2,871.00
	WQA-CE-Nature Based Solutions	6196	Actual	-	-
			Obligated	-	-
	Write-Off Doubtful Accounts	6208	Actual	-	-
			Obligated	-	-
<b>600 Total</b>			<b>Actual</b>	<b>63,941.16</b>	<b>114,374.41</b>
<b>600 Total</b>			<b>Encumbrance</b>	<b>(51,627.32)</b>	<b>595,970.35</b>
<b>600 Total</b>			<b>Obligated</b>	<b>12,313.84</b>	<b>710,344.76</b>
602	AS-Assistant Executive Directo	6175	Actual	-	-
			Obligated	-	-
	AS-Regulatory Program Manager	6179	Actual	-	-
			Obligated	-	-
	Academia Research & Development	6203	Actual	-	-
			Obligated	-	-
	Administrative Support	6178	Actual	-	289.88
			Obligated	-	289.88
	BDO Contract Expenses	6186	Actual	-	-
			Obligated	-	-
	Collateral Development	6197	Actual	-	-
			Obligated	-	-
	Program Manager Expense	6202	Actual	10,101.54	19,652.29
			Encumbrance	(10,101.54)	100,347.71
			Obligated	-	120,000.00
	Technology Research & Development	6206	Actual	-	-
			Obligated	-	-
<b>602 Total</b>			<b>Actual</b>	<b>10,101.54</b>	<b>19,942.17</b>
<b>602 Total</b>			<b>Encumbrance</b>	<b>(10,101.54)</b>	<b>100,347.71</b>
<b>602 Total</b>			<b>Obligated</b>	<b>-</b>	<b>120,289.88</b>
605	Recycled Water Evaluation	6198	Actual	-	-
			Encumbrance	-	23,992.35
			Obligated	-	23,992.35
	WQA - CEC Investigations	6201	Actual	-	-
			Encumbrance	-	260,626.00
			Obligated	-	260,626.00
	WQA-CE Addl Work Under Permit	6191	Actual	-	48,040.00
			Encumbrance	-	43,398.00
			Obligated	-	91,438.00
	WQA-CE Risk Reduction	6190	Actual	-	-
			Encumbrance	-	-
			Obligated	-	-
	WQA-CE Voluntary Nutr Contrib	6193	Actual	-	-
				-	-

Cost Center Code	Program Segment Description	Program Segment Value	Balance Type	Current Period Activity	FY23 - Year to Date
	WQA-CE-Nature Based Solutions	6196	Obligated	-	-
			Actual	-	16,721.17
			Encumbrance	-	241,412.33
	WQA-CE-Nutrient WS Permit Comm	6188	Obligated	-	258,133.50
			Actual	1,000,000.00	1,000,000.00
			Obligated	1,000,000.00	1,000,000.00
	WQA-CE-Technical Support	6181	Actual	-	-
			Obligated	-	-
	WQA-NMSReviewer	6205	Actual	-	-
			Encumbrance	-	50,000.00
			Obligated	-	50,000.00
605 Total			Actual	1,000,000.00	1,064,761.17
605 Total			Encumbrance	-	619,428.68
605 Total			Obligated	1,000,000.00	1,684,189.85
606	Administrative Support	6178	Actual	4,680.00	5,740.12
			Encumbrance	(4,680.00)	29,970.00
			Obligated	-	35,710.12
	BDO Fund Transfers	6141	Actual	-	30,000.00
			Obligated	-	30,000.00
606 Total			Actual	4,680.00	35,740.12
606 Total			Encumbrance	(4,680.00)	29,970.00
606 Total			Obligated	-	65,710.12
610	Administrative Support	6178	Actual	-	-
			Obligated	-	-
	BDO Contract Expenses	6186	Actual	-	-
			Obligated	-	-
610 Total			Actual	-	-
610 Total			Encumbrance	-	-
610 Total			Obligated	-	-
Grand Total Actual				1,078,722.70	1,234,817.87
Grand Total Encumbrance				(66,408.86)	1,345,716.74
Grand Total Obligated				1,012,313.84	2,580,534.61





## BACWA EXECUTIVE BOARD AUTHORIZATION REQUEST

AGENDA NO.: 6

MEETING DATE: November 18, 2022

**TITLE: Approval of Audited Financial Reports for the Year Ended June 30, 2022**

☐ RECEIPT

☐ DISCUSSION

☐ RESOLUTION

☒ APPROVAL

### RECOMMENDED ACTION

Approve the Audited Financial Report for Fiscal Year 2022 (BACWA Audit Communication Letter and BACWA Basic Financial Statement) provided by EBMUD acting as Treasurer of BACWA.

### SUMMARY

At the end of each fiscal year EBMUD requests an audit of the BACWA financials and provides the reports to BACWA. The audit are provided for Board approval. There were no significant issues found in the audit.

### FISCAL IMPACT

Audits are prepared by Auditors engaged by EBMUD and paid for under the budgeted Audit Fees.

### ALTERNATIVES

Do not approve the audited financial reports. This is not recommended as the audits are required by the BACWA JPA.

*Attachments:*

*BACWA Financial Statement*

**Approved:**

\_\_\_\_\_  
**Amit Mutsuddy, BACWA Chair**

**Date:** November 18, 2022



October 28, 2022

To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

We have audited the financial statements of the Bay Area Clean Water Agencies (BACWA) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Significant Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by BACWA are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2021-2022. We noted no transactions entered into by BACWA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no significant estimates pertaining to the Authority during fiscal year 2021-2022.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant or Unusual Transactions***

Management is responsible for the policies and practices used to account for significant or unusual transactions. No significant unusual transactions have occurred during fiscal year 2021-2022.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.



To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated October 28, 2022.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to BACWA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the significant events or transactions that occurred during the year, business conditions affecting BACWA and business plans and strategies that may affect the risks of material misstatements, the application of accounting principles and auditing standards, with management each year prior to retention as BACWA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **New Accounting Standards**

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2021-2022 audit:

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.



To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Fiscal year 2024

GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Fiscal year 2025

GASB Statement No. 101, *Compensated Absences*.

**Restriction on Use**

This information is intended solely for the use of the board of directors and management of the Bay Area Clean Water Agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll &amp; Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California



## BAY AREA CLEAN WATER AGENCIES

FOR YEARS ENDED JUNE 30, 2022 AND 2021

BASIC FINANCIAL STATEMENTS

Focused  
on YOU



**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

### Report on the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of the Bay Area Clean Water Agencies (BACWA) as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bay Area Clean Water Agencies as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BACWA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BACWA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BACWA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BACWA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Responsibilities***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic





To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Prior Year Comparative Information*

The financial statements include prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principals generally accepted in the United States of America. Accordingly, such information should be read in conjunction with BACWA's financial statements for the year ended June 30, 2021, from which such partial information was derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022 on our consideration of BACWA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BACWA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BACWA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP".

Sacramento, California  
October 28, 2022

## **BAY AREA CLEAN WATER AGENCIES**

### **Management's Discussion and Analysis June 30, 2022 and 2021**

This section presents management's analysis of the Bay Area Clean Water Agencies (BACWA) financial condition and activities as of and for the years ended June 30, 2022 and 2021. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to BACWA's basic financial statements. The MD&A represents management's examination and analysis of BACWA's financial condition and performance.

This information should be read in conjunction with the audited financial statements that follow this section. The information in the MD&A is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Analysis
- Request for Information

#### **Organization and Business**

The Bay Area Dischargers Association (BADA) was created as a public entity in accordance with the terms of a Joint Powers Agreement, dated January 4, 1984, for the purpose of collecting, interpreting, and disseminating data on the aquatic life and quality of waters of the San Francisco Bay System (the Bay) with emphasis on pollution-related effects. Renamed BACWA on February 22, 2001, it is composed of BADA's five original signatory agencies ("BACWA principals"): East Bay Municipal Utility District (EBMUD), a public corporation; Central Contra Costa Sanitary District (CCCSD), a public corporation; East Bay Dischargers Authority (EBDA), a joint powers public corporation; the City and County of San Francisco (San Francisco), a municipal corporation; and the City of San Jose (San Jose), a municipal corporation. BACWA membership includes other San Francisco Bay Area sanitation agencies who are not BACWA principals. BACWA members contribute funds to cover operating expenses based on an annual work plan and budget, in accordance with sections 9 and 10 of BACWA's Joint Powers Agreement. There are twelve associate members and forty-seven affiliate members that contribute a minimum of \$8,702 and \$1,743 annually, respectively.

For additional information, please see the notes to the basic financial statements.

#### **Overview of the Financial Statements**

The financial statements include *statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements*. The report also contains other required supplementary information in addition to the basic financial statements.

BACWA's financial statements include:

The *Statements of Net Position* presents information on BACWA's assets and liabilities, with the difference between the two reported as net position. It provides information about the nature and amount of resources and obligations at year-end.

## BAY AREA CLEAN WATER AGENCIES

### Management's Discussion and Analysis June 30, 2022 and 2021

The *Statements of Revenues, Expenses, and Changes in Net Position* presents the results of BACWA's operations over the course of the fiscal year and information as to how the *net position* changed during the year.

The *Statements of Cash Flows* presents changes in cash and cash equivalents resulting from operational and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 10 to 14 of this report.

#### Financial Analysis:

Table 1 summarizes net position at June 30, 2022 and 2021, and Table 2 summarizes revenues, expenses and changes in net position for the years ended June 30, 2022 and 2021. Both tables also include changes from the prior year.

**Table 1**  
**Summary of Net Position**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Current assets	<u>\$ 3,513,115</u>	<u>\$ 3,409,873</u>	<u>\$ 103,242</u>
Current liabilities	<u>210,564</u>	<u>198,104</u>	<u>12,460</u>
Net position:			
Unrestricted	<u>3,302,551</u>	<u>3,211,769</u>	<u>90,782</u>
Total net position	<u><u>\$ 3,302,551</u></u>	<u><u>\$ 3,211,769</u></u>	<u><u>\$ 90,782</u></u>

- Current assets increased by \$103,242 primarily due to an increase in member contributions.
- Current liabilities increased by \$12,460 primarily due to an increase in accounts payable.

**BAY AREA CLEAN WATER AGENCIES**  
Management's Discussion and Analysis  
June 30, 2022 and 2021

**Table 2**  
**Summary of Revenues, Expenses and Changes in Net Position**  
**Years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Operating revenues	\$ 4,376,123	\$ 3,368,097	\$ 1,008,026
Operating expenses	<u>(4,293,818)</u>	<u>(4,085,650)</u>	<u>(208,168)</u>
Net operating income/(loss)	82,305	(717,553)	799,858
Nonoperating revenues	<u>8,477</u>	<u>12,902</u>	<u>(4,425)</u>
Change in net position	<u>\$ 90,782</u>	<u>\$ (704,651)</u>	<u>\$ 795,433</u>

- Operating revenues increased by \$1,008,026 primarily due to an increase in member contributions. On August 20, 2021, BACWA's board of directors approved a one-time fund transfer of one million dollars from the general fund to the Clean Bay Collaborative fund.
- Operating expenses increased by \$208,168 primarily due to an increase in professional service expenditures.
- Non-operating revenues for the years ended June 30, 2022 and 2021 consisted of interest income. The decrease of \$4,425 is due to a decrease in interest rates.

**Request for Information**

This financial report is designed to provide viewers with a general overview of The Bay Area Clean Water Agencies' finances and demonstrate BACWA's accountability for the assets and liabilities it manages. If you have any questions about this report, or need additional information, please contact: the BACWA Treasurer, Samuel Fieldman-Crough, PO Box 24055, MS 809, Oakland, CA 94623.

**BAY AREA CLEAN WATER AGENCIES**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2022 AND JUNE 30, 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 1,168,225	\$ 1,137,996
Investments (Note 2)	2,262,600	2,262,600
Accounts receivable	78,025	7,178
Accrued interest receivable	<u>4,265</u>	<u>2,099</u>
Total assets	<u>3,513,115</u>	<u>3,409,873</u>
<b>LIABILITIES</b>		
Accounts payable	<u>210,564</u>	<u>198,104</u>
Total liabilities	<u>210,564</u>	<u>198,104</u>
<b>NET POSITION (Note 1B)</b>		
Unrestricted	<u>3,302,551</u>	<u>3,211,769</u>
Total net position	<u><u>\$ 3,302,551</u></u>	<u><u>\$ 3,211,769</u></u>

See accompanying notes to financial statements.

**BAY AREA CLEAN WATER AGENCIES  
STATEMENTS OF REVENUE, EXPENSE  
AND CHANGES IN NET POSITION  
FOR YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

	<u>2022</u>	<u>2021</u>
Operating income:		
Member contributions	\$ 1,439,676	\$ 1,358,850
Other receipts	<u>1,906,447</u>	<u>2,009,247</u>
Total operating revenue	<u>3,346,123</u>	<u>3,368,097</u>
Operating expense:		
Professional services	(2,778,265)	(3,400,704)
General and administrative	(485,553)	(665,578)
Grants and other	<u>-</u>	<u>(19,368)</u>
Total operating expense	<u>(3,263,818)</u>	<u>(4,085,650)</u>
Operating Income (loss)	<u>82,305</u>	<u>(717,553)</u>
Nonoperating revenue:		
Interest income	<u>8,477</u>	<u>12,902</u>
Changes in net position	90,782	(704,651)
Total net position - beginning	<u>3,211,769</u>	<u>3,916,420</u>
Total net position - ending	<u><u>\$ 3,302,551</u></u>	<u><u>\$ 3,211,769</u></u>

See accompanying notes to financial statements.

**BAY AREA CLEAN WATER AGENCIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from member contributions	\$ 1,368,829	\$ 1,369,233
Cash received from other receipts	1,906,447	2,009,247
Cash paid for supplies and services	<u>(3,251,358)</u>	<u>(4,248,537)</u>
Net cash provided (used) by operating activities	23,918	(870,057)
Cash flows provided by investing activities:		
Interest received on investments	<u>6,311</u>	<u>19,127</u>
Net increase (decrease) in cash and equivalents, and investments	30,229	(850,930)
Cash and equivalents, and investments at beginning of period	<u>3,400,596</u>	<u>4,251,526</u>
Cash and equivalents, and investments at end of period	<u><u>\$ 3,430,825</u></u>	<u><u>\$ 3,400,596</u></u>
Reconciliation of cash and cash equivalents, and investments to amounts reported on the statement of net position		
Cash and cash equivalents	\$ 1,168,225	\$ 1,137,996
Investments	<u>2,262,600</u>	<u>2,262,600</u>
Cash and equivalents, and investments at end of period	<u><u>\$ 3,430,825</u></u>	<u><u>\$ 3,400,596</u></u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 82,305	\$ (717,553)
Adjustments to reconcile operating loss to cash flows from operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(70,847)	10,383
Accounts payable	<u>12,460</u>	<u>(162,887)</u>
Net cash flow provided (used) by operating activities	<u><u>\$ 23,918</u></u>	<u><u>\$ (870,057)</u></u>

See accompanying notes to financial statements.

**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
--

**A. Description of Reporting Entity**

The Bay Area Clean Water Agencies (BACWA) was organized on January 4, 1984 as the Bay Area Dischargers Association (BADA), and changed its name to BACWA effective February 22, 2001. BACWA was established for the purpose of collecting, interpreting and disseminating data on the aquatic life and quality of waters of the San Francisco Bay System with emphasis on pollution-related effects. BACWA is composed of five original BADA signatory agencies: East Bay Municipal Utility District (EBMUD), a public corporation; Central Contra Costa Sanitary District (CCCSD), a public corporation; East Bay Dischargers Authority (EBDA), a joint powers public corporation; the City and County of San Francisco (San Francisco), a municipal corporation; and the City of San Jose (San Jose), a municipal corporation. BACWA membership includes other San Francisco Bay Area sanitation agencies who are not BACWA principals. BACWA principals and other members contribute funds to cover operating expenses based on an annual work plan and budget, in accordance with Sections 9 and 10 of BACWA's Joint Powers Agreement. There are twelve associate members and forty-seven affiliate members that contribute a minimum of \$8,702 and \$1,743 annually, respectively. BACWA has the following special programs in the fiscal year 2022. Each special program's revenues and expenses are tracked separately from BACWA's other revenues and expenses.

- *The Water Quality Attainment Strategies (WQAS)* is a program to develop and fund regional projects that benefit participants. The program changed its name to the Clean Bay Collaborative (CBC) during fiscal year 2010. Revenues come from contributions from program participants and expenditures are determined by the BACWA principals.
- *Water/Wastewater Operator Training (WOT)* was a program formed with Solano County Community College to provide water operators with educational training to help them understand the standard environmental rules and regulations related to water and wastewater. Revenues are provided by participating agencies and expenditures determined by those agencies. BACWA continues its educational relationship with Solano Community College.
- *Bay Area Biosolids Coalition (BABC)* became a Special Benefits Program in fiscal year 2020, where the participants establish their budget and associated revenue needs. BABC is a regional collaboration between San Francisco Bay Area wastewater agencies that are working to develop sub-regional projects with a primary focus on beneficial use of biosolids.
- *Bay Area Chemical Consortium (BACC)* became a Special Benefits Program in fiscal year 2020. BACC is an administrative program governed by BACWA and supported by the BACWA ED and AED. BACC solicits chemical bid information from more than 60 member agencies, then arranges a group bid. BACC participant agencies are invoiced for BACWA labor and other expenses related to bid administration at the end of each fiscal year.



**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)</b>
--

**B. Basis of Accounting and Presentation**

The accompanying financial statements report the financial position of BACWA in accordance with accounting standards generally accepted in the United States of America. As BACWA is exclusively comprised of governmental entities, the preparation of its financial statements is governed by the pronouncements of the Governmental Accounting Standards Board (GASB).

BACWA as a proprietary enterprise is accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

BACWA distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing deliverable goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for BACWA include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Statement of Net Position* – The statement of net position is designed to display the financial position of BACWA. BACWA's fund equity is reported as net position, which is the excess of all the agency's assets and deferred outflows over all its liabilities and deferred inflows. Net Position is divided into three captions under GASB Statement 34. As of June 30, 2022 and 2021, BACWA reported the following classifications of net position:

- *Unrestricted* describes the portion of Net Position which is not restricted to use.

*Statement of Revenues, Expenses, and Changes in Net Position* – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. When both restricted and unrestricted resources are available for use, it is BACWA's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**D. Cash and Cash Equivalents**

BACWA considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. BACWA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**F. Allocation of Costs**

In accordance with the adopted work plan and approved budget for the year ended June 30, 2022, all costs incurred by BACWA for general overhead and for programs with general benefit are shared by BACWA members consistent with the terms of the Joint Powers Agreement establishing the agency, between each of the original signatory members.

Costs incurred for programs of special benefit are allocated in direct proportion to the benefits received as approved by BACWA's Executive Board.

BACC, WOT and BABC have their own budgets, and their expenditures are funded from their own separate revenues. BACC maintains a legal reserve fund that whose revenue is collected from its members and is held separately from other BACWA funds.

**NOTE 2 - CASH AND INVESTMENTS**

**A. Composition**

BACWA's cash and cash equivalents at June 30 consisted of the following deposits and investments held by EBMUD on the BACWA's behalf:

	<b>2022</b>	<b>2021</b>
Demand deposits with banks	\$ 1,168,225	\$ 1,137,996
Local Agency Investment Fund	2,262,600	2,262,600
Total cash and cash equivalents	<u>\$ 3,430,825</u>	<u>\$ 3,400,596</u>

**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>NOTE 2 - CASH AND INVESTMENTS (CONTINUED)</b>
--

***B. Collateralization of Cash and Cash Equivalents***

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of BACWA's cash on deposit or first trust deed mortgage notes with a value of 150% of BACWA's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in BACWA's name and places BACWA ahead of general creditors of the institution pledging the collateral. BACWA has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

BACWA's investments are carried at fair value, as required by generally accepted accounting principles. BACWA adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

***C. Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As an external investment pool, the Local Agency Investment Fund was not rated as of June 30, 2022 and 2021.

***D. Fair Value Hierarchy***

BACWA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The California Local Agency Investment Fund is exempt from classification for fair value hierarchy.

***E. Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. BACWA generally manages its interest rate risk by purchasing a combination of short-term and long-term investments and holding investments to maturity. BACWA's only investment is in the California Local Agency Investment Fund which can be withdrawn at any time usually within a day.

***F. Local Agency Investment Fund (LAIF)***

BACWA is a participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code §16429 under the oversight of the Treasurer of the State of California. The value of the pool shares in LAIF is determined on an amortized cost basis, which is different from the fair value of its position in the pool. BACWA's investments with LAIF at June 30, 2022 and 2021 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

**BAY AREA CLEAN WATER AGENCIES  
BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets, such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022 and 2021, BACWA had investments of \$2,262,600 and \$2,262,600, respectively, invested in LAIF, which had invested 1.88% and 2.31% of the pooled investment funds in Structured Notes and Asset-Backed Securities.

**NOTE 3 – RELATED PARTY TRANSACTION**

As BACWA does not have any employees, EBMUD provides BACWA with ongoing treasury, accounting and auditing pass-through costs, and certain technical (laboratory) services, which are reimbursed by BACWA and the related organizations on no less than a quarterly basis. Total reimbursements for the year ended June 30, 2022 and 2021, were \$33,838 and \$42,401 respectively, and are primarily reflected in the general and administrative expenditures on the Statement of Revenues, Expenditures, and Changes in Net Position.

**NOTE 4 – RISK MANAGEMENT**

BACWA's liability and property risks are insured by commercial insurance carriers. Selected insurance coverage includes:

<b>Coverage</b>	<b>Policy Limit</b>
Bodily injury	\$ 5,000,000
Property damage	5,000,000
Personal injury	5,000,000
Non-owned and hired automobile liability	5,000,000
Public officials, errors, and omissions	5,000,000
Fire damage liability	1,000,000
Employment practices liability	2,000,000
Security and privacy liability	10,000,000

Any liability BACWA may have for uninsured claims are limited to general liability claims. However, BACWA has experienced no losses from such claims during the preceding three years and it therefore believes there is no liability for claims incurred but not reported.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bay Area Clean Water Agencies (BACWA), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise BACWA's basic financial statements, and have issued our report thereon dated October 28, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered BACWA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BACWA's internal control. Accordingly, we do not express an opinion on the effectiveness of BACWA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BACWA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors  
Bay Area Clean Water Agencies  
Oakland, California

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agencies internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the agencies internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lingham, LLP*

Sacramento, California  
October 28, 2022



## BACWA EXECUTIVE BOARD ACTION REQUEST

AGENDA NO.: 7

MEETING DATE: November 18, 2022

**TITLE: Approval for Amit Mutsuddy to continue as Executive Board Chair representing East Bay Municipal Utilities District, remainder of FY23**

☐ RECEIPT

☐ DISCUSSION

☐ RESOLUTION

☒ APPROVAL

### RECOMMENDED ACTION

Board approval for Amit Mutsuddy to continue to serve as BACWA Executive Board Chair representing East Bay Municipal Utilities District, effective December 5, 2022.

### SUMMARY

Section 7 of the Joint Powers Agreement establishing BACWA states that the agency shall designate a Chair and Vice Chair, chosen by the Executive Board, from the members of the Executive Board. These positions each have a one year term that coincides with BACWA's fiscal year. Historically, most BACWA Chairs and Vice Chairs are asked to serve for two consecutive terms. On June 17, 2022, Amit Mutsuddy was nominated and elected as the BACWA Executive Board Chair for FY23, representing the City of San José. On December 5, 2022, Amit will be leaving his position at the City of San José and commencing service at the East Bay Municipal Utilities District. The Executive Board is asked to approve Amit Mutsuddy's continued service as BACWA Executive Board Chair through the remainder of FY23 as the East Bay Municipal Utilities District designate.

### BACWA Leadership History

#### Timeframe

2000 – 2002  
2002 – 2004  
2004 – Feb. 2005  
March 2005 – June 2005  
July 2005 – June 2006  
July 2006 – May 2007  
June 2007 – June 2008  
July 2008 – March 2010  
April 2010 – June 2010  
July 2010 – October 2010  
Nov 2010 – Feb 2013  
March 2013 – June 2015  
July 2015 – June 2017  
July 2017 – Feb 2018  
March 2018 – June 2020  
July 2020 – June 2022  
July 2022 – present

#### Chair

Chuck Weir (EBDA)  
Jim Kelly (CCCSD)  
Michael Carlin (SFPUC)  
Dave Williams (EBMUD)  
Bill Keaney (SFPUC)  
Bill Keaney (SFPUC)  
Dave Williams (EBMUD)  
Dave Tucker (SJ)  
Dave Tucker (SJ)  
Arleen Navarret (SFPUC)  
Ben Horenstein (EBMUD)  
Mike Connor (EBDA)  
Laura Pagano (SFPUC)  
Jim Ervin (SJ)  
Lori Schectel (CCCSD)  
Amit Mutsuddy (SJ)  
Amit Mutsuddy (SJ)

#### Vice-Chair

Jim Kelly (CCCSD)  
Michael Carlin (SFPUC)  
Dave Williams (EBMUD)  
Bill Keaney (SFPUC)  
Chuck Weir (EBDA)  
Dave Williams (EBMUD)  
Dave Tucker (EBMUD)  
Doug Craig (CCCSD)  
Arleen Navarret (SFPUC)  
Ben Horenstein (EBMUD)  
Tommy Moala/Laura Pagano (SFPUC)  
Laura Pagano (SFPUC)  
Jim Ervin (SJ)  
Lori Schectel (CCCSD)  
Amit Mutsuddy (SJ)  
Eileen White (EBMUD)  
Jackie Zipkin (EBDA)

### FISCAL IMPACT

This action has no fiscal impact.

### ALTERNATIVES

This action does not require consideration of alternatives.



## BACWA CHAIR AUTHORIZATION REQUEST

AGENDA NO.: 8

MEETING DATE: November 18, 2022

**TITLE: Request for BACWA Executive Board Chair to Approve an Extension to the Agreement with Richard Cunningham to support BACWA Collection Systems Committee on SSS-WDR**

☐ RECEIPT      ☐ DISCUSSION      ☐ RESOLUTION      ☒ APPROVAL

### ACTION

Approve an extension to the agreement with Richard Cunningham to provide support to the BACWA Collection Systems Committee regarding the State Water Board's reissuance of the SSS-WDR.

### SUMMARY

The State Water Board released a draft update of its Sanitary Sewer System Waste Discharge Requirements (SSS-WDR) in early 2022, and subsequently issued a revised draft in October 2022. BACWA's Collection System Committee is collaborating with CASA to develop comments in response to the draft, and is also develop its own comments based on regional concerns. Richard Cunningham is supporting BACWA in this work under a contract for \$9,920 approved in January 2022.

The original agreement expired on June 30, 2022. The revised draft was issued after the original agreement expiration date, and the contract still has remaining budget. The contract extension will allow for continued support during the finalization and adoption of the SSS-WDR.

### FISCAL IMPACT

This work is being funded from the BACWA FY22 Budget from the Miscellaneous Committee Support line item. There is no change to the agreement amount approved on January 28, 2022.

### ALTERNATIVES

1. Do not amend the agreement – This alternative is not recommended, as BACWA requires collection system operational experience and expertise to respond to the proposed reissuance of the SSS WDR.
2. Select another consultant to conduct the work – This alternative is not recommended, as the SSS-WDR is nearing its adoption date and Richard Cunningham's ongoing support will provide continuity.

*Attachments: Amendment #1 to FY 22 Contract with Richard Cunningham  
January 28, 2022 Agreement with Richard Cunningham*

Approved:

Date:

\_\_\_\_\_  
Amit Mutsuddy  
Chair, BACWA Executive Board



AMENDMENT NO. 1  
TO AGREEMENT BETWEEN  
BAY AREA CLEAN WATER AGENCIES and  
Richard Cunningham .

This Amendment No. 1 is made this 18th day of November 2022, in the City of Oakland and County of Alameda, State of California, to that certain agreement of January 28, 2022 (original agreement), by and between Richard Cunningham and the Bay Area Clean Water Agencies (BACWA) (the "Agreement") in consideration of the covenants hereinafter set forth.

1. BACWA and Richard Cunningham agree to a new contract termination date of June 30, 2023
2. Except as herein expressly modified, the Agreement will remain in full force and effect.

BAY AREA CLEAN WATER AGENCIES

By _____ Amit Mutsuddy, Chair BACWA Executive Board	Date <u>November 18, 2022</u>
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By _____ Richard Cunningham	Date _____
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Date: 1/27/22

## BAY AREA CLEAN WATER AGENCIES

# CONSULTING AGREEMENT

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TO:	Richard Cunningham 999 Victoria Ct. Lafayette, CA 94549	rc@sewers.com 925-297-9229
FROM:	Lorien Fono, Executive Director BACWA PO Box 24055, MS702 Oakland, CA 94623	lfono@bacwa.org Phone: 510-684-2993

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RE: BACWA Agreement for FY22 Review of SSS WDR update.

This Agreement covers professional services to be performed by Richard Cunningham for technical support related to the State Water Board's proposed update of the Sanitary Sewer System Waste Discharge Requirements. This work is described in the attached Scope of Work and under the direction of Mary Cousins, BACWA Regulatory Program Manager. The total cost of professional services to be performed by Richard Cunningham not to exceed \$9,920. This contract will be funded by the BACWA Budget under the Miscellaneous Committee Support line item.

This Agreement may be terminated by either party at any time for convenience with 30 day's notice. In the event of termination by BACWA, BACWA shall pay Richard Cunningham for professional and competent services rendered to the date of termination upon delivery of assigned work products to BACWA. The term of this agreement shall extend through June 30, 2022.

Richard Cunningham shall submit invoices to the BACWA Assistant Executive Director via e-mail. Invoices shall indicate hours associated with each task. Invoices will be paid within thirty (30) days of receipt.

BACWA Assistant Executive Director E-mail: Jennifer Dymant [jdymant@bacwa.org](mailto:jdymant@bacwa.org)

Approved:

By \_\_\_\_\_  
Amit Mutsuddy  
Chair, BACWA Executive Board

By \_\_\_\_\_  
Richard Cunningham

Date \_\_\_\_\_

Date \_\_\_\_\_

BACWA EIN: 94-3389334

Tax ID: on file

SCCWRP CTAG votes on nine options for ocean modeling uncertainty analyses

	WQ Regulators	Stormwater	POTW	Across Sectors
<b>Skill Assessment</b>	1	1	2	1
<b>Intrinsic Variability</b>	8	2	6	8
<b>Non-linearity</b>	9	6	4	9
<b>Sensitivity</b>	6	4	3	4
<b>Natural (Climate) Variability</b>	2	2	8	2
<b>Data Visualization</b>	3	4	9	5
<b>Plume Sensitivity</b>	4	7	7	7
<b>QAPP</b>	5	7	4	6
<b>Independent Peer Review</b>	6	9	1	3



A harmful algae bloom event occurred in San Francisco Bay (SF Bay), beginning in late July 2022. Discolored waters in the Oakland estuary were an early indication of the presence of the algae species *Heterosigma akashiwo*. This species of algae may produce substances that are toxic to fish, but has not been shown to be harmful to humans. The algae bloom subsequently spread between the Bay Bridge and the Dumbarton Bridge, and extended into other regions of the Bay.

The bloom peaked in late August and began to die off by August 31, which caused substantial decreases in the amount of dissolved oxygen in the water. As oxygen levels declined, a significant fish die-off was observed in multiple locations around the Bay.

Since algae needs nutrients to grow, regulators, wastewater agencies, and scientists are continuing to examine how nutrients are managed in the SF Bay region. **Below are answers to frequently asked questions about nutrients in the SF Bay.**

## What are “nutrients” and why are they in wastewater?

Nutrients, along with light exposure, are essential to the process of photosynthesis which is how plants like algae grow. In the San Francisco Bay ecosystem, nitrogen is the primary nutrient of concern since decreasing nitrogen can limit algal growth. Nitrogen in wastewater mostly comes from human urine.

## What role do nutrients play in nature?

Nutrients are necessary for healthy ecosystems to produce algae, which are necessary to support life in all water bodies. However, under certain conditions, over-enrichment of nutrients can lead to too much algal growth. As the algae die off and decompose, oxygen in the water is depleted, causing harm to fish and wildlife. In addition, some algal species can produce toxins that directly harm aquatic life.

## What role did nutrients play in the 2022 algal bloom?

We don't know what started the algal bloom, but once it began, the algae were able to use nutrients in the SF Bay to grow and extend throughout much of the region. In recent years, wastewater treatment plants have decreased the amount of nitrogen they add to the SF Bay, so we know that the bloom was not triggered by an increase in nitrogen in 2022.

## What fraction of nutrient loads to the SF Bay are from wastewater treatment plants?

Approximately 2/3 of the nutrients that are added to the SF Bay come from the 37 wastewater treatment plants in our region that discharge to SF Bay. The remaining 1/3 comes from the Sacramento River Delta and stormwater runoff.

## What fraction of nutrient loads to the SF Bay are from wastewater treatment plants?

Nutrients, along with light exposure, are essential to the process of photosynthesis, which is how plants like algae grow.

During Summer 2022, there were two unusual conditions in the SF Bay – less fog and clearer water than usual.

These two factors are linked to climate change and increased the amount of sunlight available to the algae, potentially contributing to the start of and growth of the bloom.



## Why don't wastewater treatment plants around the SF Bay remove nutrients?

14 of the 37 wastewater treatment plants in the region have enhanced nutrient removal, and several more are in the process of implementing upgrades to further reduce nutrients. Enhanced nutrient removal is very costly and has not historically been required in the SF Bay, because the ecosystem had been considered resilient to harmful algae blooms because of tidal mixing, low water clarity which limits algal growth, and a large population of organisms, such as clams, that feed on algae. With water clarity increasing due to upstream dams capturing sediment, and a decrease in clam populations, this resiliency may be decreasing, as shown by the 2022 algal bloom.

## What will it cost to reduce nutrient loads from wastewater treatment plants?

Upgrading all wastewater treatment plants to remove nutrients to the lowest levels feasible could cost the region over twelve billion dollars.

Unless significant federal or state infrastructure grants become available to our region for nutrient removal, ratepayers would need to pay for these upgrades through increases in their wastewater bills.

## How are nutrients in wastewater regulated in the SF Bay Area?

Nutrients are regulated via a Watershed Permit, which is administered by the San Francisco Regional Water Quality Control Board.

The current Watershed Permit requires wastewater treatment plants to:

1. Measure and report the amount of nutrients they discharge to the SF Bay;
2. Provide financial support to a Nutrient Management Strategy (NMS) Science Program to understand the impacts of nutrients on the SF Bay water quality; and
3. Investigate alternatives for reducing nutrients in wastewater discharge.

The next Watershed Permit, which will be adopted in 2024, is currently under development and will further address nutrient management in the SF Bay region.

## How can the investments that SF Bay Area wastewater agencies have made in the NMS Science Program help us understand the bloom, and plan our next steps?

Over the past decade, wastewater agencies have invested more than \$14 million dollars in science programs to study the impacts of nutrients in the SF Bay. The scientists involved with the NMS, a science program housed at the San Francisco Estuary Institute, have:

1. Developed a monitoring network to observe impacts that may be linked to nutrients;
2. Performed studies to better understand the biological and chemical processes affecting nutrients in the SF Bay; and
3. Built a numerical model to better understand and predict the impacts of nutrients on biological and chemical processes in the SF Bay.

As wastewater agencies move to implement projects that will reduce nutrients in the SF Bay, they will work closely with the NMS science program and use the tools and monitoring stations in place to understand how these changes will benefit water quality in the SF Bay.



November 14, 2022

James Parrish  
San Francisco Bay Regional Water Quality Control Board  
1515 Clay Street, Suite 1400  
Oakland, CA 94612

VIA EMAIL: [James.Parrish@waterboards.ca.gov](mailto:James.Parrish@waterboards.ca.gov)

**Subject: Comments on Tentative Order NPDES Permit CA0038849 for Mercury and PCBs from Municipal and Industrial Wastewater Discharges**

Dear James Parrish:

The Bay Area Clean Water Agencies (BACWA) appreciate the opportunity to provide comments on the San Francisco Bay Regional Water Quality Control Board's (Regional Water Board's) Tentative Order reissuing NPDES Permit CA0038849 for mercury and PCBs from municipal and industrial wastewater discharges to San Francisco Bay.

BACWA is a joint powers agency whose members own and operate publicly-owned treatment works and sanitary sewer systems that collectively provide sanitary services to over 7.1 million people in the nine-county San Francisco Bay Area. BACWA members are public agencies, governed by elected officials and managed by professionals who protect the environment and public health. BACWA collaborated with Regional Water Board staff during development of the Tentative Order, and strongly supports its adoption. In particular, we appreciate the approach taken in the Tentative Order to adjust the effluent monitoring frequency for PCB congeners. BACWA looks forward to assisting with development and funding of the risk reduction programs required by Special Provision 6.3.4 of the Tentative Order, which we expect will build upon the public outreach campaign that is ongoing in the current permit term.

BACWA has three comments on the Tentative Order, as outlined below:

- 1. Include language clarifying that flow discharged through the Oro Loma/Castro Valley Water Pollution Control Plant's shallow water outfall is to be used in calculating the East Bay Discharger Authority's (EBDA's) mercury mass load.**

EBDA has an annual average effluent mass limit for mercury of 2.2 kg/yr, as established in Table 7.2.2-3 of the Basin Plan. This mass loading represents the combined contributions of six treatment plants: (1) City of Hayward Water Pollution Control Facility, (2) Oro Loma/Castro Valley Sanitary Districts Water Pollution Control Plant, (3) Union Sanitary District's Raymond



A. Boege Alvarado Wastewater Treatment Plant, (4) City of San Leandro Water Pollution Control Plant; (5) Dublin San Ramon Services District Wastewater Treatment Plant, and (6) City of Livermore Water Reclamation Plant. Virtually all of the flow volume from these six plants is discharged through the EBDA common outfall. EBDA is responsible for effluent sampling of mercury and PCBs at the EBDA common outfall. EBDA is also responsible for estimating the annual mercury mass emissions for these six plants, and reporting it in the annual report.

The proposed markup is for clarity, and would not change the current reporting protocol established in the individual NPDES Permit for Oro Loma and Castro Valley Sanitary Districts (NPDES Permit CA0037559), which states:

“If the Discharger discharges on the same day EBDA samples for mercury or PCBs pursuant to NPDES Permit No. CA0038849, the Discharger shall report the flow to EBDA to be included in the mercury and PCBs loading calculations at the EBDA common outfall” (Order R2-2018-0010, Table E-3, Footnote [5])

Our expectation is that listing this protocol directly within the Tentative Order will facilitate the reporting process for EBDA and its member agencies.

[Pages 11-13]

**Table 3A. Mercury Effluent Limitations for Municipal Dischargers**

Discharger	Average Annual Effluent Limit (kg/yr) <sup>[1]</sup>	Average Monthly Effluent Limit (µg/L)	Average Weekly Effluent Limit (µg/L)
⋮			
East Bay Dischargers Authority (EBDA) <sup>[3]</sup>	2.2	0.066	0.072
City of Hayward			
City of San Leandro			
Oro Loma Sanitary District and Castro Valley Sanitary District			
Union Sanitary District			
Livermore-Amador Valley Water Management Agency			
Dublin San Ramon Services District			
City of Livermore			
⋮			
<b>Aggregate Mass Emission Limit (kg/yr) <sup>[1],[3]+[4]</sup></b>	<b>11</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

Footnotes:

...

[\[3\] EBDA mass emissions shall be calculated using the concentration at the EBDA Common Outfall \(Discharge Point 001\) and the total flow rate discharged to receiving waters on the day of mercury sampling from EBDA Discharge Point 001 \(NPDES Permit CA0038768\) plus that of Oro Loma Sanitary District and Castro Valley Sanitary District \(NPDES Permit CA0037559\).](#)

~~[4]~~~~[3]~~ The total differs slightly from the column sum due to rounding to the nearest kilogram.

## **2. Remove Provision 6.1.3, which is overbroad, inappropriate, and not necessary.**

Since 2020, Provision 6.1.3 has been part of the standard NPDES permit template in the San Francisco Bay Area (Region 2). BACWA's position is that this provision is both overbroad and inappropriate. It should be removed from this Tentative Order, and from the permit template for the region.

For dischargers, it is not always clear cut which provisions are "more stringent" than others. Provision 6.1.3 leaves too much room for interpretation; dischargers and regulators may reasonably disagree on what is "more stringent." Sometimes it will be clear (e.g., 1/Year versus 2/Year monitoring), but many times it will be unclear (e.g., collect a grab or composite sample).

Provision 6.1.3 is inappropriate because it places a significant burden on the dischargers to determine whether something constitutes a "conflict," "duplication" or "overlap." It is the Regional Water Board's responsibility to prepare permits that avoid any conflict, duplication, or overlap between the provisions of the Order, and to specify which applies. Under Provision 6.1.3, the discharger could potentially violate the permit just by failing to note a permit discrepancy. Liability for permit discrepancies should rest with the Regional Water Board, not with the discharger.

In addition, because this permit already contains language that carefully specifies the precedence of specific provisions (see Provision 6.2 and Attachment E, Section 1.1), the language in Provision 6.1.3 is unnecessary within this Tentative Order. We respectfully request the removal of Section 6.1.3, as shown below.

[Page 18]

### **6.1. Standard Provisions**

6.1.1. The Dischargers shall comply with all "Standard Provisions" in Attachment D (as amended) of their individual NPDES permits listed in Attachment B of this Order.

6.1.2. The Dischargers shall comply with all applicable provisions of the "Regional Standard Provisions, and Monitoring and Reporting Requirements for NPDES Wastewater Discharge Permits" in Attachment G (as amended) of their individual NPDES permits listed in Attachment B of this Order.

~~6.1.3. If there is any conflict, duplication, or overlap between provisions in this Order, the more stringent provision shall apply.~~

### **6.2. Monitoring and Reporting Provisions**

The Dischargers shall comply with the Monitoring and Reporting Program (MRP, Attachment E) and future revisions thereto, and applicable monitoring and reporting requirements in Attachments D and G (as amended) of their individual NPDES permits listed in Attachment B of this Order. ~~Notwithstanding Provision 6.1.3, the~~ The MRP in Attachment E of this Order shall apply over any more stringent, conflicting, duplicative, or overlapping requirement in Attachments D and G of the individual NPDES permits listed in Attachment B of this Order. Between the MRP



in Attachment E of this Order and the MRP in individual NPDES permits listed in Attachment B of this Order, the more stringent MRP shall apply.

**3. Repeat Provision 6.2 language about discrepancies between multiple permits by adding similar language to the Monitoring and Reporting Program (Attachment E).**

Provision 6.2 contains helpful language about resolving discrepancies between different NPDES permits, stating, “Between the MRP in Attachment E of this Order and the MRP in individual NPDES permits listed in Attachment B of this Order, the more stringent MRP shall apply” (page 18). For consistency, we request that similar language be added to Attachment E.

This is a different issue that Comment #2, above, which deals with discrepancies *within* a single permit. This language resolves discrepancies *between* permits, which is problem less easily avoided. The requested markup is shown below.

[Page E-2]

**1. GENERAL MONITORING PROVISIONS**

- 1.1. Dischargers shall comply with this MRP. The Executive Officer may amend this MRP pursuant to 40 C.F.R. section 122.63. If any discrepancies exist between this MRP and the “Regional Standard Provisions, and Monitoring and Reporting Requirements (Supplement to Attachment D) for NPDES Wastewater Discharge Permits” (Attachment G) in the individual permits listed in Attachment B of this Order, this MRP shall prevail. Between this MRP and the MRP in individual NPDES permits listed in Attachment B of this Order, the more stringent MRP shall apply.

We appreciate your attention to our comments. Please do not hesitate to contact us with any questions or concerns.

Respectfully Submitted,



Lorien Fono, Ph.D., P.E.  
Executive Director  
Bay Area Clean Water Agencies

cc: BACWA Executive Board

**Committee Request for Board Action:** None

Regular meeting: 34 attendees via Zoom representing 18 member agencies

**Tentative Orders**

Tentative Order individual NPDES Permits for [Rodeo Sanitary District](#)'s Bay discharge and [North San Mateo County Sanitation District](#)'s ocean discharge will be considered at the December 14<sup>th</sup> Regional Water Board meeting. Rodeo San's permit contains language implementing the new toxicity provisions for deep water dischargers (see below), including surveillance monitoring for chronic toxicity.

**Implementation of [Statewide Toxicity Provisions](#)**

EPA is still reviewing the Statewide Toxicity Provisions, and may approve them before the end of 2022. For Region 2 implementation, Regional Water Board staff are issuing new NPDES permits with two sets of toxicity testing requirements; the existing toxicity testing requirements remain in effect until EPA approves the Statewide Toxicity Provisions, at which point the new TST-style testing procedures replace the existing requirements. This approach has already been adopted in the [Pacifica NPDES Permit](#).

**Mercury and PCBs Watershed Permit**

The [Tentative Order NPDES Permit](#) for the Mercury and PCBs Watershed Permit has been issued for public comment. BACWA staff provided a summary of changes compared to the 2017 permit ([slides](#)), which includes a reduced monitoring frequency for PCB congeners. Members were asked to provide their comments on the Tentative Order by **Fri., Oct. 28<sup>th</sup>** for inclusion in a BACWA comment letter, due Nov. 14<sup>th</sup>.

**Chlorine Blanket Permit Amendment**

The chlorine [Basin Plan Amendment](#) continues to be delayed by EPA review. Approval is expected no sooner than Spring 2023, according to Regional Water Board staff.

**Climate Change and Sea Level Rise Updates**

- BCDC has received grants from the Ocean Protection Council and State Coastal Conservancy to [develop regional sea level rise adaptation guidance](#).
- ICARP has released draft guidelines for [adaptation planning grants](#); applications will open soon.
- EPA is providing technical assistance related to climate change ([link](#)).

**Nutrients Update**

- Data for the Group Annual Report must be uploaded into the [template](#) by November 23<sup>rd</sup>. This year, the template also asks for information about flow and sample composite timing.
- The BACWA Exec. Director shared [SFEI, BACWA, RWQCB, SFPUC, and Baykeeper](#) slides from the Oct. 17<sup>th</sup> meeting of the SF Board of Supervisors Land Use and Transportation Committee.
- The BACWA Exec. Director previewed the [agenda](#) for the upcoming Nutrient Strategy Team meeting, which will focus on communications initiatives and planning for the 3<sup>rd</sup> Watershed Permit.
- [SCCWRP](#) is developing a physical and biogeochemical model of the coastal ocean to assess eutrophication, acidification, and hypoxia. Southern CA POTWs are advocating for a third-party review of the model before it is used for regulatory purposes.

**PFAS Update**

- Results from Phase 2 of BACWA's regional PFAS study are anticipated to be available in early 2023.
- USEPA has proposed [designating PFAS as a hazardous substance](#) under CERCLA. NACWA held a webinar on the topic and is preparing a comment letter, as is CASA.
- SF Dept. of the Environment received the Teng-Chung Wu Pollution Prevention Award for their PFAS source control efforts (see [RWQCB Press Release](#), [RWQCB staff slides](#), or go to 22:33 in this [Video](#))

**Other Items**

- A revised draft version of the [SSS-WDR](#) will be released on Friday 10/28 ahead of a State Water Board adoption hearing scheduled for December 6<sup>th</sup>. There will be a public workshop on November 14<sup>th</sup>.
- Region 2 will be included in the [2024 303\(d\) listing and Integrated Report](#) cycle. The 45-day comment period is estimated to run from February to April 2023.
- Materials from the [2022 RMP Annual Meeting](#), including the [Pulse of the Bay](#), are now available.

**Next Permits Committee Meeting: December 13<sup>th</sup>, 12:00 PM** via Zoom (Tentative)

The December meeting will begin early and will include a holiday social at the beginning of the meeting.

Committee Request for Board Action: None

**31 attendees representing 11 member agencies**

**San José-Santa Clara Regional Wastewater Facility Yard Piping Project**

Lani Good, Derek Wurst, Clinton McAdams, and Jesse Wallin from Black & Veatch described several phases of the ongoing Yard Piping Improvements Project at the San José – Santa Clara Regional Wastewater Facility. The project began with a condition assessment planning phase, followed by field investigations, rehabilitation planning, and rehabilitation design. Construction is being handled through traditional design-build-bid. The presentation and ensuing discussion noted the following:

- Pipeline condition assessment at a treatment plant is substantially different and more complex than traditional outside-the-fence pipeline inspections. The focus is on short-length, large-diameter, high-criticality piping.
- Project scheduling was highly constrained by the seasonality of facility flows, since many shutdowns can only happen in dry weather. Treatment plant design engineers should incorporate redundancy, isolation valves, and access points into their facility designs to plan for future inspections and shutdowns.
- Overall, pipes that carry untreated sewage or high solids were in the worst condition. Pipelines downstream of secondary treatment were typically in good condition.
- Pipeline crown corrosion had occurred in some areas with air pockets.
- The project team used a variety of pipe inspection methods, including a Remote Operated Vehicle (ROV) that can enter a pipe even while it's still in service. They also used an unmanned aerial vehicle (i.e., a drone) that can fly through the pipeline, providing imagery similar to traditional CCTV but with more flexibility about the travel path. The project team found it valuable to use stepwise, multiple inspections for each pipeline. In-person physical inspections are highly valuable, but in some cases this was prevented by safety concerns (i.e., no double isolation).
- For pipelines that required rehabilitation, the team selected an approach by balancing four considerations: hydraulic impacts, service life, constructability, and cost. The constructability assessment was the most complex, because the team had to consider shutdown sequencing and access. In most cases, the team selected a trenchless rehabilitation method such as cured-in-place pipe, concrete repair, carbon fiber reinforced polymer, or protective coatings.

**Next Meeting:** February 2023, Topic TBD

**Committee Request for Board Action: None**

**40 attendees, including guest speakers and representatives from 27 member agencies**

**Goodbye, I&I**

Truckee Sanitation District's Blake Tresan (General Manager) and Eric Sundale (O&M Superintendent) provided a comprehensive overview of the District's efforts to reduce I&I, including their novel approach to sealing manhole covers. The District is highly motivated to eliminate spills and protect water quality in their service area, especially since water-based tourism is so important to the Truckee economy. The [presentation](#) covered the following District efforts to reduce I&I:

- For new development, don't cut corners on specifications or inspections. High-quality construction will reduce I&I from future defects.
- The District uses manhole chimney seals and manhole covers with a pick hole that does not go all the way through the cover. They also use cast iron cleanout covers, which makes it easier to find with a metal detector when they are buried under snow.
- Since the 90s, the District's private lateral testing program has required air pressure tests.
- The District piloted and assisted with development of a product called [Hercules Shut-Out](#), which is a sealant that gets applied in the annular space between the manhole cover and the grade ring. It prevents water from entering through this space. The product costs less than \$5 per manhole per application. For manholes in a vehicle pathway, the District re-applies the product each time a manhole is opened. Hercules Shut-Out also significantly reduces manhole road noise (this benefit, regardless of I&I, makes it a useful product in some areas) and makes it easier to open manholes.

**SSS WDR Update**

A [Revised Draft](#) version of the SSS-WDR was released in late October. The BACWA Regulatory Program Manager gave an overview of key changes compared to the January 2022 public review draft, including how [BACWA's comments](#) on the January 2022 draft were resolved (or not) by State Water Board staff. Positive changes include the removal of receiving water field testing; the definition of Category 1 spills was changed to align with the current SSS-WDR; and removal of the requirement for secondary certification of SSMPs by a professional engineer or Grade II operator.

Remaining concerns include (1) Legal concerns about Prohibition 4.1, which prohibits any discharge with the potential to reach surface waters; (2) Legal concerns about the removal of discretionary enforcement for spills beyond the reasonable control of enrollees; (3) Duplicate lateral spill reporting requirements; (4) quarterly Category 4 spill reports; (5) Annual Spill Emergency Response Plan updates; and (6) New Category 1 spill reporting requirements. It is also concerning that the State Water Board did not address most of BACWA's minor comments (which included factual errors) and has not yet committed to providing financial assistance for implementation. Additional resources and opportunities for engagement include:

- An [Excel tool](#) to look up audit and SSMP due dates is now available from State Water Board staff
- On Monday 11/14, State Water Board staff will hold a virtual [workshop](#) to review the revised draft.
- On Tuesday 12/6, State Water Board will hold an Adoption Hearing on the revised draft order. Members can attend in-person or via Zoom.
- BACWA representatives are participating in cost-of-compliance meetings and CIWQS implementation meetings with State Water Board staff.

For more information or to share your feedback on the new draft, contact [Mary Cousins](#).

**Announcements and Events**

- The [CWEA P3S Conference](#) will be held January 30 – February 1 near Monterey. The Collection System committee plans to hold a separate, concurrent training on Day 2 of the conference (Tuesday 1/31). A FOG workshop will occur on Day 3.
- The [CWEA Annual Conference](#) will occur April 18-21 in San Diego. The awards luncheon will be on the first day, and the Collection Systems committee will occur on the last day (Friday).

**Next Collection System Committee Meeting:** Thursday, February 9, 2023, 10 AM on Zoom  
Other Meeting Dates in 2023 will be May 18, August 17, and November 16



## Executive Director's Report to the Board

### October 2022

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#### EXECUTIVE BOARD MEETING AND SUPPORT

- Worked with BACWA staff to plan and manage 10/21 Executive Board meeting
- Conducted the Executive Board meeting agenda review with the BACWA Chair
- Hosted 10/21 Executive Board meeting and distributed draft meeting notes
- Met with individual Board members to discuss regulatory issues
- Continued to track all action items to completion
- Worked with staff to draft Annual report and add to Board packet for approval
- Provided 2022 Strategic Plan progress update

#### COMMITTEES:

- Planned and hosted Managers Roundtable, 10/5
- Planned communications steering committee kickoff, 10/11
- Attended Permits Committee, 10/18
- Planned O&M Committee meeting for November

#### REGULATORY:

- Attended OPC meeting, 10/6
- Hosted planning meeting for BAAQMD Workgroup meeting, 10/13
- Participated in CASA toxicity subgroup meeting, 10/19
- Developed communication to BAAQMD Board member on permitting resources

#### NUTRIENTS:

Completed a variety of tasks and activities associated with BACWA's interests on nutrients and collaborating with the Water Board including:

- Discussed nutrient strategy with member staff
- Participated in meetings with SWB members McGuire (10/4), Morgan (10/4), D'Adamo (10/6) and Firestone (10/6) regarding nutrient permitting in Central Valley, and OAH modeling technical review
- Participated in CASA OAH Subgroup meeting 10/4
- Participated in planning subcommittee meetings, 10/5
- Met with SFPUC staff and other stakeholders several times to plan SF BOS hearing on algae bloom
- Attended NBS CMG meeting, 10/14
- Spoke at SF BOS hearing on algae bloom, 10/17
- Planned and hosted NST meeting on 10/19
- Met with Summit Partners and Paul Hutton to discuss OAH modeling technical review, 10/25
- Participated in SCCWRP OAH TAG, 10/26
- Discussed algae bloom with PSC members, BACWA member staff, Board members, and NMS reviewers during various ad hoc meetings

- Updated website BACWA communique on algae bloom
- Draft nutrient FAQ and distributed for review
- Spoke to media about algal bloom
- Discussed urine separation initiatives with Dr. Nelson, UCB 10/31

#### **FINANCE:**

- Reviewed the monthly BACWA financial reports
- Reviewed and approved invoices
- Started planning assumption for FY24 BACWA Budget

#### **COLLABORATIONS:**

- Attended and spoke on POTW perspective on CWA at RMP Annual meeting, 10/3
- Attended CASA strategy retreat wrap-up, 10/4
- Attended BCDC Racial Equity workshop, 10/6
- Attended Prop 1 Round 2 IRWM screening committee meeting, 10/18
- Reviewed Prop 1 Round 2 screening materials
- Participated in Transforming Shorelines meeting, 10/19
- Participated in CASA RWG Water meeting, 10/20
- Met with NGO/POTW coalition to plan next steps on PFAS, 10/25
- Drafted article on PFAS for CWEA magazine

#### **ASC (AQUATIC SCIENCE CENTER)**

- Reviewed materials sent via email by ASC ED
- Discussed onboarding new BACWA designates to ASC Board

#### **BABC (BAY AREA BIOSOLIDS COALITION)**

- Attended 10/17 meetings and drafted meeting summaries
- Communicated regional infoshare opportunity to BACWA Biosolids committee

#### **BACC (BAY AREA CHEMICAL CONSORTIUM)**

- Discussed chemical costs with members
- Discussed policy issues with administrator and Board member
- Worked with administrator to review legal opinion on changes to bid documentation

#### **BACWWE (BAY AREA COALITION FOR WATER/WASTEWATER EDUCATION)**

- Planned in-person joint meeting with BACWA O&M Committee

#### **ADMINISTRATION:**

- Planned for and conducted the monthly BACWA staff meeting to prepare for the Board Meeting and to coordinate and prioritize activities.
- Met with RPM to discuss progress on regulatory issues
- Signed off on invoices, reviewed correspondence, prepared for upcoming Board meetings, responded to inquiries on BACWA efforts, oversaw and participated in updating of web page and provided general direction to BACWA staff.
- Worked with RPM in the preparation of the monthly BACWA Bulletin.

- Developed and responded to numerous emails and phone calls as part of the conduct of BACWA business on a day-to-day basis.
- Proposed updates to reserve policy
- Proposed new communications policy

**MISCELLANEOUS MEETINGS/CALLS:**

- Submitted performance plan to Executive Board
- Reviewed performance plan with Chair
- Worked with BACWA Chair and Committee Chairs on items that arose during the month
- Other miscellaneous calls and inquiries regarding BACWA activities
- Responded to Board members' requests for information



## **Board Calendar**

December 2022 – February 2023 Meetings

<b>DATE</b>	<b>AGENDA ITEMS</b>
December 16, 2022	<b>Approvals &amp; Authorizations:</b> <ul style="list-style-type: none"><li>•</li></ul> <b>Policy / Strategic Discussion:</b> <ul style="list-style-type: none"><li>• National Stewardship Action Council Biosolids Report for Solano County</li></ul> <b>Operational:</b> <ul style="list-style-type: none"><li>• FY24 Budgeting assumptions</li><li>• 2023 BACWA Meeting Schedule</li></ul>
January 20, 2023	<b>Approvals &amp; Authorizations:</b> <ul style="list-style-type: none"><li>•</li></ul> <b>Policy / Strategic Discussion:</b> <ul style="list-style-type: none"><li>• NDPS Compliance</li></ul> <b>Operational:</b> <ul style="list-style-type: none"><li>•</li></ul>
February 17, 2023	<b>Approvals &amp; Authorizations:</b> <ul style="list-style-type: none"><li>•</li></ul> <b>Policy / Strategic Discussion:</b> <ul style="list-style-type: none"><li>•</li></ul> <b>Operational:</b> <ul style="list-style-type: none"><li>• Draft FY24 Budget</li></ul>





## BACWA ACTION ITEMS

Number	Subject	Task	Responsibiity	Deadline	Status
<b>Action Items from Oct 2022 BACWA Executive Board Meeting</b>			<b>resp.</b>	<b>deadline</b>	<b>status</b>
2022.10.16	Continuation of teleconferencing with state of emergency ending in Feb 2023	Meeting options to be discussed at November 2023 meeting	ED	11/15/2022	complete
2022.10.17	BACWA Perspective in CWEA PFAS Issue	If BACWA decides to submit a comment letter on the PFAS CERCLA designation, it will be shared with the Exed	ED	11/3/2022	complete
2022.10.18	Hg/PCB Watershed Permit Tentative Order	BACWA RPM will share comment letter with BACWA Executive Board the week of November 7th.	RPM	11/9/2022	complete
2022.10.19	Pardee/Technical Seminar dates	BACWA ED to share dates with two BACWA Board members not currently present	ED	11/15/2022	complete
2022.10.20	Communication Steering Committee	Establish steering committee and report back to the Executive Board	ED	11/15/2022	complete
2022.10.21	BACWA Communications Policy	BACWA ED will bring a revised draft Communication Policy to the Executive Board for approval at a future meeting.	ED		WIP
2022.10.22	BACWA Reserve Policy	BACWA ED will bring a revised draft Reserve Policy to the Executive Board for approval at a future meeting.	ED		WIP
<b>Action Items Remaining from Previous BACWA Executive Board Meetings</b>					
2022.3.42	Plain-language review of nutrient science program	BACWA ED to work with SFEI to augment plain-language review to include graphics, simplified text, and a summary of what we have learned so far.	ED		on going

FY23: 22 of 22 Action Items are complete  
 FY22: 51 of 52 Action items are completed  
 FY21: 51 of 51 Action items completed  
 FY20: 70 of 70 Action Items completed  
 FY19: 110 of 110 action Items completed  
 FY18: 66 of 66 Action Items completed  
 FY17: 90 of 90 Action Items completed



## Regulatory Program Manager's Report to the Executive Board

October 2022

**BACWA BULLETIN:** Completed and circulated October Bulletin.

**CLIMATE:** Prepared climate change-related slides for October Executive Board meeting.

**MERCURY & PCBS:** Began review of Tentative Order for reissuance of the Mercury and PCBs watershed permit, and began drafting comment letter. Discussed permit conditions with individual member agencies.

**NUTRIENTS:** Attended check-in with State Water Board member regarding nutrient modeling. Attended October Nutrient Strategy Team meeting; prepared notes from September and October Nutrient Strategy Team meetings. Assisted Executive Director (ED) with kickoff of communications subgroup.

**PFAS:** Attended NACWA webinar regarding CERCLA hazardous substance designation. Provided comments and questions on SFEI paper regarding PFAS in San Francisco Bay.

### COMMITTEE SUPPORT:

**AIR** – Attended CASA air toxics subgroup meeting to discuss list of air toxics study participants. Prepared for and participated in meeting between BACWA AIR committee and BAAQMD staff; prepared meeting summary.

**BAPPG** – Participated in steering committee, pesticides committee, and general committee meeting notes. Coordinated with pesticides contractor team regarding upcoming outreach sessions.

**Collection System** – Prepared draft agenda for November meeting. Began review of revised draft SSS-WDR issued by State Water Board.

**Laboratory** – Assisted with October committee meeting, including meeting summary. Prepared resolution honoring Farid Ramezanzadeh's contributions to BACWA.

**Permits** – Provided regulatory updates at October committee meeting; prepared notes from committee meeting. See also Mercury/PCBs Watershed Permit item, above.

**Recycled Water** – Participated in planning meetings for site supervisor training video. Assisted with planning for November committee meeting.

**Executive Board** – Prepared regulatory updates for October meeting; reviewed meeting notes. Assisted with preparation of draft Annual Report for FY22.

**ADMINISTRATION/STAFF MEETING** – Participated in Staff Meeting.

### BACWA MEETINGS ATTENDED:

BAPPG Steering Committee and General Meeting (10/5)  
BAPPG Pesticides Subcommittee (10/11)  
Laboratory Committee (10/11)  
AIR Committee Meeting with BAAQMD (10/17)  
Lab Committee TNI Training (10/18)  
Permits Committee (10/18)  
Nutrient Strategy Team (10/19)  
Executive Board (10/21)

### EXTERNAL EVENTS ATTENDED:

RMP Annual Meeting (10/3)  
BCDC Racial Equity Workshop (10/6)  
Sewer Summit (partial) (10/12)  
Transforming Shorelines Collaborative #4 (10/19)  
CASA Air Toxics Subgroup (10/19)  
CASA Water Regulatory Workgroup (10/20)

**From:** [Jared Voskuhl](#)  
**Subject:** [Regulatory] CASA Regulatory Update - November 2022  
**Date:** Tuesday, November 1, 2022 12:22:06 PM

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Good Afternoon,

Please find below water quality, biosolids, and air updates from September and October and for November. Our next Regulatory Workgroup meetings will be held on November 17, the next ACE meeting will be held on November 15, and our Collection Systems Workgroup will meet on November 1, November 9, and November 16 to review and discuss the final draft of the SSS WDR order, which is scheduled for adoption by the State Water Board in the first week of December. Please let us know if you have any questions about these updates or if you

have problems accessing the materials.

Thank you,  
The RWG Team

## WATER QUALITY

### **SWRCB Releases Final Draft of New SSS WDR Order**

On October 28, the State Water Resources Control Board (State Water Board/SWRCB) released the [final draft](#) of the Sanitary Sewer System Waste Discharge Requirements (SSS WDR). A [public workshop is scheduled on Monday, November 14 from 9 AM to 1:30 PM](#), and the SWRCB has scheduled adoption of the SSS WDR on December 6, to be effective on May 5, 2023. CASA's Collection Systems Workgroup will meet on November 1 (9 AM – 12 PM; [Zoom Link](#)), November 9 (1 – 3 PM; [Zoom Link](#)), and November 16 (1 – 3 PM; [Zoom Link](#)) to discuss the draft and final changes that we should pursue to ensure its implementation is practical for our members who are part of the eleven hundred collection systems across California. You may access a [draft version of the SSS WDR with redlines](#) showing changes from the SWRCB's January 3, 2022 draft on which CASA, BACWA, CVCWA, and SCAP submitted [formal comments](#), and the SWRCB's Response to Comments is scheduled to be released later this week. Please reach out to [Jared Voskuhl](#) with your feedback, comments, or questions.

### **DWR Submits Water Use Efficiency Recommendations and Reports to State Water Board**

On October 28, DWR transmitted to the State Water Board the full recommendations package featuring 21 reports including technical appendices for urban water use efficiency pursuant to California Water Code § 10609. These reports follow DWR's ["Summary Recommendations"](#) previously submitted to the State Water Board on September 29, 2022. The full reports can be found on [DWR's Urban Water Use Efficiency Standards, Variances and Performance Measures webpage](#). The reports and technical appendices provide details on DWR's process conducting the necessary studies and investigations, data analyses, development of the recommendations, and guidelines and methodologies for urban water suppliers for calculating their annual water use objective. The documents also include information about the public engagement processes and public comments DWR received during the development of the recommendations.

Related to additional analyses of the changing indoor water use standards, under [Senate Bill 1157 \(SB 1157\)](#), which was passed this year and [signed](#) into law by Governor Newsom, DWR in coordination with the SWRCB must provide another report to the Legislature by October 2028 summarizing the findings from additional mandated studies and investigations to assess and quantify the economic benefit and impacts of a 42 gallons per capita per day indoor residential standard on water, wastewater, and recycled water systems. This report is required to be conducted in a timely and inclusive manner with input from a broad group of stakeholders, including wastewater and recycled water agencies.

SB 1157 also requires DWR to consider recommending to the SWRCB variances to accommodate unique challenges related to residential indoor water use, such as stranded

assets, impacts to environmental flows, or adverse impacts to wastewater or recycled water operations. Notably, [Governor Newsom's signing message](#) observed that apart from DWR recommendations, the State Water Board is allowed to create variances and encouraged to do so for recycled water.

If you have inquiries about the reports or how the State Water Board will proceed with its water use efficiency and water use objectives rulemaking, please reach out to [Jared Voskuhl](#).

### **CASA Submits Letter to USEPA on Proposed CERCLA PFAS Rulemaking**

On November 1, [CASA submitted its comment letter](#) to the United States Environmental Protection Agency (USEPA), on their [Advanced Federal Register Notice of Proposed CERCLA Designation of PFOA and PFOS Rule](#). USEPA has proposed to designate PFOA and PFOS as hazardous substances under CERCLA, based on evidence that the chemicals "may present substantial danger to public health or welfare or the environment when released into the environment." [The advanced proposed rulemaking](#) identifies wastewater treatment facilities as one of the five broad categories affected by this action, as entities are not designed to treat/remove PFAS but receive the chemicals in their waste stream.

After USEPA officially released the rulemaking materials on September 6, the agency provided a 60-day public comment period. CASA, as part of a coalition of stakeholders representing water and wastewater sectors, submitted a [letter](#) in response to the proposed rulemaking, requesting the Agency extend the public comment period to allow water sectors to adequately respond to the rulemaking and allow for sufficient review of the comments. Additionally, the letter requested that the Agency make the Economic Assessment of the Potential Costs and Other Impacts report publicly available. However, it was announced in October that [USEPA denied the request for an extension](#) and comments would be due by the original 11/6 deadline. If you have any questions about our letter or this proposed rulemaking, please reach out to [Adam Link](#).

### **SWRCB Adopts CWSRF 22-23 IUP Adding \$240m in New Projects to the Fundable List**

On October 3, the State Water Board adopted the [Clean Water State Revolving Fund Intended Use Plan for Fiscal Year 2022-23 \(CWSRF IUP 22-23\)](#), which included changes shown in [this Change Sheet](#) released before the hearing, under which the Board will place approximately \$240 million in projects on the fundable list. Previously on August 24, the State Water Board released the draft CWSRF IUP 22-23 which recommended that no new infrastructure projects be added onto the fundable list, despite historic investments from the federal and state governments.

On September 23, CASA and WaterReuse California (WRCA) submitted a [formal comment letter](#), noting we did not support the draft recommendation, following up on public comments provided to the September [SWRCB workshop on 9/7](#), where numerous commenters conveyed opposition to this proposal.

In the week between the comment deadline and the CWSRF IUP 22-23's adoption, CASA and numerous members held meetings with SWRCB staff and SWRCB members to advocate for a different recommendation for the policy. While ultimately the \$240 million sum is far less than the \$600 million of the CWSRF's annual sustainable funding capacity, SWRCB explained

the approval of nearly \$2 billion in projects last year had stretched staff resources and the program's cash flow, thus why they had not wanted to add more projects. As for the CWSRF program going forward, the SWRCB has launched a stakeholder group to track changes and advise on improvements to increase funding capacity and originate loans on a briefer timeframe. Please reach out to [Jared Voskuhl](#) with any questions about the CWSRF.

### **SWRCB Water Quality Fees Adopted on 9/20**

On September 20, the [SWRCB adopted its fiscal year 2022-23 Waste Discharge Permit Fund fee schedule](#) for various water quality programs at the Board. WDR fee payers will have a 3.8% increase and NPDES wastewater fee payers will have a 4.1% increase, which each include a 5% increase in order to establish an overall WDPF fund reserve which may be accessed in future years for other programs in the fund.

During the adoption hearing, CASA, along with other stakeholders from different water quality fee programs reiterated our comments in opposition to pursuing the establishment of the fund reserve this year, suggesting different alternatives or conditions. [CASA also submitted a comment letter on September 2.](#)

After listening to the public comment, and despite opposition to pursuing the establishment of the fund reserve in the recommended manner this year, to ensure that any reserves gathered are restricted to fund those specific programs which contributed to them, the Board voted unanimously to accept the fee schedule that had been proposed in August.

The development of the 2023-24 fee schedule will proceed with public meetings in March, June, and August 2023. Before then, and in advance of the release of the Governor's 2023 Budget in January, some outreach to the legislature has been discussed with stakeholders, but with the state tax returns coming in less than estimated and legislation being vetoed because of limited state resources, it is uncertain whether the Appropriations Committee will be receptive to a request for a one-time funding contribution to the WDPF to establish the reserve and pay for foundational programs which previously had been supported by the state's general fund. If you are interested in these matters or have any questions about the 2022-23 fees, please reach out to [Jared Voskuhl](#).

### **SCCWRP OAH Research and SWRCB Coastal Nutrient Management Policy Update**

On September 9, SCCWRP held its quarterly public [Commission meeting](#), and there was a presentation on the potential for wastewater recycling and nutrient reductions to reduce the modeled adverse effects of ocean acidification and hypoxia (OAH) which are attributed to wastewater discharges. One of the takeaways from their presentation was that unless denitrification is coupled with water recycling, recycling will exacerbate the impacts of OAH. Previously during the SCCWRP Commission's June 3 meeting, researchers shared about the modeled effects of wastewater discharges on OAH and the biological effects of those changes. Those presentations are available [here](#).

Since these meetings, SCCWRP has worked with their Technical Advisory Group to identify further research and analyses to conduct over the next year, which likely will include empaneling an expert science panel for an independent review of the OAH model. CASA's OAH subgroup held a meeting on October 4 and is hosting another one on November 1 to

discuss this further with four wastewater CTAG members along with other CASA and SCAP members in southern California.

Additionally, this past summer the [State Water Board's Statewide & Regional Policies](#) was updated in July to note that SWRCB staff are scoping an Ocean Plan amendment to add water quality objectives and a program of implementation to address ocean acidification, hypoxia, and the effects of anthropogenic sources of nutrients in ocean waters. Their current schedule includes releasing the draft Ocean Plan in June 2024, with a hearing in the subsequent month, followed with adoption by June 2025. SWRCB staff currently are working with the OPC, SCCWRP, and others to better understand (1) the impacts of ocean acidification and hypoxia on marine life, (2) the effects of anthropogenic sources of nutrients, and (3) appropriate parameters and thresholds to address these impacts. Staff is also working within the Integrated Report program to identify appropriate parameters (e.g., aragonite saturation, pH, dissolved oxygen) and thresholds to determine if parts of the Pacific is impaired for ocean acidification, as it may pertain to future 303(d) listings.

Please reach out to [Jared Voskuhl](#) with questions about these developments or briefings with State Water Board members in October about coastal nutrient management policy matters.

#### **SWRCB CEC's Monitoring Presentation at WaterReuse Annual Conference**

At WaterReuse California's Annual Conference this past September, the State Water Board provided a [presentation](#) on monitoring recommendations proceeding out of the [Constituents of Emerging Concern \(CEC\) Science Advisory Panel for Aquatic Ecosystems \(CEC Aquatic Ecosystems Panel\)](#), which is funded by a grant to SCCWRP from the SWRCB and OPC. The CEC Aquatic Ecosystems Panel assessed the current state of scientific knowledge on the risks of CECs impacting human health and the environment in freshwater, coastal, and marine ecosystems of the State and have updated their [2012 recommendations](#). The panel initially met in October 2020 and had a follow-up meeting in February 2022 to commence drafting the final report. The presentation at WaterReuse's conference included a preview of the SWRCB's forthcoming report on CECs and the monitoring strategies that the Board will pursue over the next decade. Tentatively, a public presentation is planned in December, for which in advance, the draft report will be released. If you have any questions, please reach out to [Jared Voskuhl](#).

#### **SWRCB Water Quality Coordinating Committee Meetings on 10/27 & 10/28**

On October 27-28, the State Water Board hosted its annual [Water Quality Coordinating Committee](#) where the SWRCB Board Members and the Board Members from each of the nine Regional Water Quality Control Boards convene over two days. This year, their [meeting agenda](#) included discussions on recycled water, the Governor's Water Supply Strategy, water conservation, and permit streamlining.

Notably [during the water conservation update](#), SWRCB staff shared that the Governor directed the SWRCB to consider and develop new short-term requirements that could take effect in spring 2023, if drought conditions persist. These new requirements would consider the relative efficiency of each water supplier, and the new efficient target would therefore work as a bridge to take California from voluntary measures to efficiency-based, water-use budgets that account for differences in climate zones, landscape area, population, and other



factors.

Additionally, [during the recycled water update](#), SWRCB staff shared they are on track to adopt the direct potable reuse regulations by December 2023, and in January 2024 intend to convene a strike team to identify and resolve permitting and funding barriers in coordination with CASA, WaterReuse, and the SWRCB's Division of Water Quality, Division of Financial Assistance, and Office of Information Management and Assessment. If you have any questions, please reach out to [Jared Voskuhl](#).

#### **USEPA Announces 2022 – 2032 Vision for the Clean Water Act 303(d) Program**

On September 20, the EPA announced the [2022 - 2032 Vision for the Clean Water Act Section 303\(d\) Program](#) ("2022 Vision"). Released as the Agency celebrated the 50th Anniversary of the enactment of the Clean Water Act, the EPA stated that their plan outlines a vision for continued progress in protecting and improving the Nation's water resources. It was designed to help states, territories, tribes, and EPA leverage partnerships and limited resources, and encourage the development of flexible, innovative solutions to meeting difficult and emerging water quality challenges. If you have any questions, please reach out to [Jared Voskuhl](#).

#### **SWRCB B&C&B Workshop on Inland Nutrients Management Available**

The State Water Board has released the [recording](#) of its first workshop in several years on their forthcoming ["Biostimulation, Cyanotoxins, and Biological Condition Provisions"](#) (B&C&B), for inland water bodies covered such as wadeable streams, lakes, rivers, and estuaries. While SWRCB staff shared they do not expect to issue new draft regulations for another 12 to 24 months, they stated they held the meeting to discuss and review the science for forthcoming statewide standards, as the staff who were working on the toxicity provisions have now pivoted to pursuing these policy changes over the next couple of years.

As we previously reported, during the July 14 workshop SWRCB staff noted their 4 distinct project goals are to: (1) Adopt numeric or narrative water quality objectives for biostimulation, nutrients and other biostimulatory substances, and cyanotoxins, (2) Normalize and expand the use of biological condition assessment methods and scoring tools for assessing benthic macroinvertebrate and algae biological integrity in wadeable streams, (3) Adopt a program of implementation to achieve the biostimulation, nutrient, and cyanotoxins water quality objectives, and to improve biological conditions and maintain water quality in streams with healthy biological communities, (4) establish a new beneficial use or amend an existing beneficial use to encompass dogs and other domestic animals using waterbodies to ensure protection from cyanotoxins and other pollutants.

The SWRCB also has provided supplemental presentations on the [B&C&B program webpage](#) under the "Recorded Webinars" section on the right hand side of the page, which are based on the scientific research conducted by Southern California Coastal Water Research Project (SCCWRP). Please reach out to [Jared Voskuhl](#) with questions about this workshop or briefings with SWRCB members in October about inland nutrient management policy.

#### **SWRCB Cerio Study Update**

On October 13, SCCWRP notified stakeholders in the [c. dubia study](#) that the three rounds of split sample testing for Phase 1 of the [cerio study](#) has been completed and labs had until



October 18 to submit data. SCCWRP is planning a public meeting in December to discuss the results and findings from Phase 1 and potential next steps for the optimization work in Phase 2 of the study during the winter of 2023. Overall, SCCWRP reported the study went well and that most labs completed all three rounds. However, four of the labs reported issues (including samples lost in transit, culture crash) preventing them to start or complete at least one round as instructed. Once SCCWRP completes QA evaluation of the data submitted, they will commence data analyses (i.e., summary statistics and other statistical analyses) for water chemistry, reproduction, and survival data. SCCWRP is planning to meet with the Expert Science Panel in a series of closed sessions over November to receive and execute their recommendations for data analyses. SCCWRP plans to report back after these meetings via email to the Stakeholder Advisory Group, and then will schedule a meeting in December before the holidays to present on the data, key analyses, findings, and recommended next steps. Please contact [Jared Voskuhl](#) if you have any questions or feedback on these developments.

### **OPC Microplastics Study Update**

On October 13 and 14, CASA and SCCWRP hosted full-scale study kickoff meetings for agencies interested in participating and sampling in the OPC's wastewater treatment removal effectiveness study over the next several months. SCCWRP's presentation is available [here](#), and if your agency is interested in further details about the project, its development, or the add-on studies for comparing sampling and analytical methods, please reach out to [Jared Voskuhl](#).

### **Draft NOAA Report on Microfiber Pollution**

On September 15, a [draft Report](#) on [Microfiber Pollution](#) was released from the Interagency Marine Debris Coordinating Committee, NOAA's Marine Debris Program, and EPA's Trash Free Waters Program. This report provides Congress with an overview of the microfiber pollution issue, while also outlining a path forward for federal agencies, in partnership with other stakeholders, to address this problem. If you have any questions on this, please reach out to [Jared Voskuhl](#).

### **SWRCB & CWEA Operator in Training Survey**

On November 1, [CWEA has launched an operator survey](#) developed in conjunction with the SWRCB by members of a workgroup focused on CA Operator Certification challenges. The purpose of [this survey](#) is to collect your feedback on the impacts of the Wastewater Operator in Training program upon the clean water community, as well as overall perception of its purpose, in order to collect preliminary information to inform CWEA's work with the SWRCB on its future. The survey will take approximately 10-15 minutes to complete and closes on Tuesday November 22 before Thanksgiving. We encourage you to share this survey with an operations superintendent at your agency, and if you have questions about completing it, you may contact [Norah Duffy](#) for additional assistance.

### **Cross-Connection Control Policy Handbook SWRCB Hearing Set for Dec. 5**

On October 20, the State Water Board announced a public hearing on the Cross-Connection Control Policy Handbook on December 5. This Policy Handbook is being developed in response to the legislative charge to adopt standards for backflow protection and cross-connection control. The most recent draft of the Handbook from 2021 is available [here](#). On

November 2, the SWRCB will release the new draft of the Cross-Connection Control Policy Handbook, on which comments will be due on December 9. The Notice of Public Hearing can be found [here](#). If you would like more information, please contact [Jennifer West](#) with WaterReuse California.

### **SWRCB Agenda Roundup**

Here are recent State Water Board agendas for their meetings on [September 7](#), [September 20](#), [October 3](#), and [October 18](#). The Executive Director reports are available for [September](#) and [October](#), and they feature a link to [the SWRCB's recently updated statewide and regional policies calendar](#).

## **BIOSOLIDS**

### **ECOS Announces Assessment of State Environmental Agency Efforts on PFAS in Biosolids**

On October 24, the Environmental Council of the States (ECOS) distributed a [press release](#) detailing the assessment that they are undertaking to evaluate different states' actions and efforts on PFAS. The survey delves into each state's legislative and regulatory landscape, monitoring and treatment processes, testing and analysis protocols, and risk communication needs as they pertain to this challenging issue. ECOS will compile a report of its findings that will be made available later this fall. Recently, the Interstate Technology & Regulatory Council, a project of ECOS, released a Biosolids and PFAS fact sheet, which can be found [here](#). If you have any questions about this assessment, do not hesitate to reach out to [Greg Kester](#) for more information.

### **Inflation Reduction Act Incentives for Biogas Projects**

The Inflation Reduction Act (IRA) offers up to 40% of a biogas project's costs as a tax credit, or as cash payment if tax exempt, for biomass (including organic waste) to energy projects. This new assistance could support SB 1383 implementation and an array of organic waste to energy projects. In order to qualify the project must begin by December 31, 2024, comply with Build America, Buy American provisions, have an apprenticeship program in place, and create new jobs. There is a sliding scale based upon timing compliance of large-scale projects, but projects less than 1 MW may qualify for the entire credit. The Internal Revenue Service is seeking public comments on program implementation by November 4. A fact sheet is available [here](#). If you would like to submit comments or have any questions, please reach out to [Greg Kester](#).

### **EPA Awards \$1 Million for COVID-19 Research on Wastewater Systems**

On October 19, the U.S. Environmental Protection Agency (EPA) announced \$1 Million in research grant funding to the University of Illinois Urbana-Champaign to improve wastewater monitoring to rapidly detect the emergence and spread of infectious disease in the current COVID-19 pandemic, and to detect other pathogens that could cause future pandemics. Using funding from this grant, researchers from the University of Illinois Urbana-Champaign plan to develop a system to rank locations where wastewater monitoring should take place to detect disease-causing pathogens. The research will focus on improving the accuracy of predictions using an integrated analysis of data including weather, human mobility, health care,

infrastructure, population density, socio-demographics and information from the current COVID-19 pandemic. Results from the project are expected to include a transmission forecasting model for wastewater monitoring, a tested system to identify optimal monitoring sites, and a secure platform for data storage and analysis to provide actionable wastewater monitoring information to public health officials for pandemic management. If you would like to learn more information about the research grant recipient, you can find that information [here](#). If you have any questions about this, please reach out to [Greg Kester](#).

#### **Northwest Biosolids Virtual Webinar on Risk Assessment and PFAS**

Northwest Biosolids is hosting a virtual course called, “Framing Risk Assessment in the Era of PFAS” by Dr. Sally Brown. This three-day event over November 8 – 10 will take place from 11:00 – 12:00 PM via zoom. The course will cover these forever chemicals and their impacts on biosolids. This three-part series will go over the basics of risk assessment including an analysis of different pathways for contaminants to cause harm. The next section will dive deep into PFAS including their structure, their history, their presence in the environment, and their behavior in biosolids. For the final class, they will be going over the different ways to communicate what the science says- to regulators, stakeholders, people within your division, and even the general public. If you are interested in registering for this event, you can find more information [here](#). If you have any questions, please reach out to [Greg Kester](#).

#### **CWEA & CASA Webinar: Wastewater Based Surveillance**

On October 5, CASA and CWEA hosted a webinar titled, *Wastewater Based Surveillance – An update on its use and variant tracking*. At this free event, CASA provided updates to the wastewater community on recent developments in wastewater-based surveillance (WBS) for COVID and its variants. Presenters included the California Department of Public Health, who discussed their program and engagement with WBS, Professor Al Boehm (Stanford University) who provided an update on her ongoing surveillance work and focus on variants, and Noako Munakata (LACSD) who discussed the LACSD’s work with WBS and future plans. If you have any questions about this event or if you would like to hear more about what was presented, please reach out to [Greg Kester](#).

#### **California Bioresources Alliance 2022 Symposium**

On October 3, the registration for the California Bioresources Alliance 2022 Symposium opened. This event will be virtual, and it will be held on November 9 and November 10. To find out more information about the event, you can go to the [event site here](#). To register, follow the link available [here](#). If you have any questions, please reach out to [Greg Kester](#).

#### **From Sewage Sludge, to Biosolids: Article Posted from W4170 Members**

On September 14, the article [From Sewage Sludge, to Biosolids](#), written by Kristen Coyne was published. If you have any questions about this CSA News Biosolids story, please reach out to [Greg Kester](#).

#### **WEF 2023 Residuals and Biosolids Conference**

On August 30, the Water Environment Federation (WEF) announced that the [Residuals and Biosolids Conference 2023](#) will be held on May 16 – 19, 2023, in Charlotte, NC. If you have any questions, please reach out to [Greg Kester](#).

### **CMUA Holds Meeting on Grid Reliability: Next Steps**

On September 20, CMUA hosted a meeting where regulatory committees, legislative committees, and heads of utilities were called to discuss the recent Flex Alert and the Governor's response to the heat wave. During the final check in for the Flex Alert, CEC, CAISO, and the Governor's office acknowledged that there are opportunities to improve processes and programs moving forward. CASA, NCPA, SCPPA, and other organizations were in attendance and commented on the lack of consistent communication from the Governor's office. CMUA has taken lead on gathering the feedback from all utilities and relevant stakeholders for how to improve grid reliability and create a better system to tackle Flex Alerts in the future. If you have any questions, please reach out to [Greg Kester](#).

### **Lego Project to Create a Lego Set showcasing Sanitation Agencies**

On September 11, a Lego product idea titled, *SEWER HEROES: FIGHTING THE FATBERG*, was created that aims to turn the spotlight on the water & wastewater sectors. Additionally, this project aims to educate on what not to flush, and the impact that fats, oils, and grease (FOG) has on our sewer infrastructure. This project has received wide support and hit the 10,000-vote threshold and has entered the next stage in the process. Now this project is going to be reviewed by Lego, and we will find out if they are going to move forward and manufacture this Lego set. If you would like to support this project, or find out more information, please see the following [link](#). If you have any other questions, please reach out to [Spencer Saks](#).

### **National Biosolids Data Released**

On September 28, a press release for the [National Biosolids Data Project](#) was distributed, which provided more detail on how biosolids were managed across the United States in 2018. There is an abundance of information provided by this resource. Contributors to this research include Ned Beecher (formerly of NEBRA), Juliana Beeche, Maile Lono-Batura (WEF), Janine Burke-Wells (NEBRA), Nora Goldstein (BioCycle), and CASA's own Greg Kester. Attached is a [Press Release](#) on it from NEBRA. If you have any questions about the project or the data made available, please reach out to [Greg Kester](#).

## **AIR**

### **CASA ACE Workgroup Comment Letter on the Proposed Advanced Clean Fleet Regulations**

On Oct. 18, CASA distributed our final [comment letter](#) on the Proposed Advanced Clean Fleet Regulations. CASA's main focus in the letter is to maintain all beneficial uses of biogas, including as a transportation fuel for our medium- and heavy-duty vehicles, while remaining compliant with the Heavy-Duty Omnibus Regulation. In addition to CASA's comment letter, we have also signed onto a [coalition letter](#), spearheaded by ACWA, that focused on the need for a definition for "commercially available". CASA has also released our [markups to the draft requirements](#) for your review. If you have any questions, please reach out to [Sarah Deslauriers](#).

### **Advanced Clean Vehicles Regulation Updates**

The CASA's Air, Climate, and Energy workgroup has been focused on the [Proposed Advanced Clean Fleets Regulation](#), specifically the [State and Local Government Agency Fleet](#)

[Requirements](#), which applies to any state or local government agency with jurisdiction in California that owns, leases, or operates a vehicle with manufacturer's gross vehicle weight rating (GVWR) greater than 8,500 lbs. The latest version was released August 30<sup>th</sup>. The ACE Workgroup has been reviewing the language, with focus on Exemptions and Extensions, as well as the [Initial Statement of Reasons](#) (ISOR).

The wastewater sector does not have CARB-approved options for various heavy-duty vehicle types we need, nor is there a timeframe for when they will be available. The definition of near-zero emission vehicle (NZEV) still excludes low carbon, low NOx options that could run on our wastewater-derived biogas; however, the “ZEV Unavailability” exemption allows for use of internal combustion engines if there are no CARB-approved ZEV or NZEV options that meet our needs and they meet the latest [Omnibus Regulation](#) (for NOx, PM, CO limits). This could provide time to work with CARB on technology demonstrations to determine if ZEV or NZEV options could even support the operations we require to maintain essential public services. Members of the ACE workgroup, along with CASA staff have been engaged with CARB Board Members to direct staff to include language allowing time for successful demonstration of clean technology and to maintain other uses of biogas for resilience purposes.

CASA has provided comment on the ISOR. The ISOR states that wastewater biogas should be “directed towards harder to decarbonize sectors than transportation, or as a feedstock for energy and materials” and that “CPUC’s decision to implement SB 1440 essentially directs RNG away from transportation.” Air Districts disagree with the former statement, and we have had discussions with CPUC and CEC about their intent. If you have any questions, please reach out to [Sarah Deslauriers](#).

### **Report out from CARB Public Board Meeting on October 27**

On October 27, the California Air Resources Board held their hearing on the Advanced Clean Fleet Regulations. CASA and many CASA members were able to testify, and we appreciate all of those who were able to provide testimony. In response to our previous comments and letters, the Board responded to our requests and directed staff to provide flexibility in the regulation (exemptions and/or extensions) for “wastewater and sanitation agencies” to implement SB 1383 mandates and continue various uses of biogas until other options are available. They added that staff need to help establish the market for other biogas uses before any are removed. While this is a great step forward, this begins the next step of collaborating with Board staff on developing language that provides flexibility in the regulation.

The timeline for the next draft of the Advanced Clean Fleet Regulations will likely be released in Spring of 2023, a 15-day comment period, and then adoption will follow likely in early summer. If you would like to view the talking points that CASA circulated prior to the hearing, you can view them [here](#). A brief recap of the comments made by the Board members is available below.

Chair Randolph opened the Board discussion by highlighting key concerns/areas she believed the Board would need to address. This was mainly focusing flexibility for SB 1383 implementation and defining commercial availability. Vice Chair Berg expressed support for

incorporating flexibility in implementing SB 1383 as part of the regulation. She also stated support for “wastewater and sanitation agencies” to continue using their biogas until an additional market is developed. She also directed staff to support the development of that additional market. Until then, existing uses, including use as a low carbon transportation fuel, should continue. Dr. Balmes expressed support for formally defining “commercially available” and suggested an advisory committee be established consisting of various sectors to develop it. He also agreed with incorporating flexibility for SB 1383 implementation and continued use of organic waste-derived methane. Dr. Balmes stated that one year extension for infrastructure is insufficient, and they would support extending that. Dr. Sperling stated he does not believe that infrastructure (and vehicles) will be available per the timeline of the regulation nor per CPUC’s estimate. He also commented that public charging will be an issue. He also emphasized concern about SB 1383 implementation, highlighting wastewater and sanitation’s role and the fact that there would be much more biogas produced. He stated that the biogas Sanitation Agencies produce has three uses, on-site energy/heat, pipeline injection, and transportation fuel to avoid flaring. He acknowledged the limitations on each use and reminded staff that pipelines don’t reach all facilities. He agreed with our request for an extension and thinks it should be indefinite (not just 10 years) since our uses are good/low carbon and support essential public services. Other Board Members have expressed support for these concerns, and they also mentioned other smaller issues that could influence wastewater agencies. The Chair mentioned in her closing statements that the Board and staff are looking forward to continuing this discussion and collaboration in workshops and in future meetings. If you have any questions about this meeting, or its effect on the Advanced Clean Fleet Regulations, please reach out to [Sarah Deslauriers](#).

#### **USEPA Office of Water Releases Climate Adaption Implementation Plan**

The U.S. Environmental Protection Agency's Office of Water has released its [Climate Adaption Implementation Plan 2022-2026](#) as part of the Administration's whole-of-government approach to confronting climate change. The plan builds upon USEPA's FY2022-204 Strategic Plan and 2021 Climate Adaption Action Plan, identifying specific priority actions for the Office of Water.

The plan is intended to guide the Office's activities to support states, communities, and the water sector adapt to a changing climate by utilizing Bipartisan Infrastructure Law funding, prioritizing nature-based solutions, and considering future climate conditions within the Clean Water Act permitting and water quality programs. As stated in the document, the plan "represents a course shift toward bold and coordinated action to embed climate adaptation and resilience across Office of Water’s financial assistance programs, policies, regulatory actions, training, and outreach. The priority actions within this plan will help ensure our programs continue to deliver services essential to supporting the adaptive capacity of communities." Improving the climate resilience of America’s Water Infrastructure, protecting America’s waters from the impacts of a changing climate, and advancing adaptive capacity of the water sector were some of the priorities given in this plan. If you have any questions or would like to find more information, please reach out to [Sarah Sapirstein](#).

## **CALENDAR**

Nov. 1      Collection Systems Workgroup Meeting

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Nov. 1      Deadline to Apply for 2021-22 Infrastructure Financing

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Nov. 3      California Financing Coordinating Committee 2022 Fall Funding Fair

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Nov. 6      US EPA PFAS CERCLA Designation Comments Due

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Nov. 8-10   Northwest Biosolids PFAS Course by Dr. Sally Brown

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Nov. 9      Collection Systems Workgroup Meeting

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Nov. 9      California Bioresources Alliance 2022 Symposium (virtual)

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Nov. 10     California Bioresources Alliance 2022 Symposium (virtual)

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Nov. 14     SWRCB Workshop on SSS WDR Reissuance

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Nov. 15      Air Quality, Climate Change, and Energy Workgroup Meeting

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Nov. 15      SWRCB Board Meeting (DWR Reports on Water Use Efficiency)

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Nov. 16-18    NACWA Law Conference (Tampa)

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Nov. 16      Collection Systems Workgroup Meeting

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Nov. 17      Regulatory Workgroup Meeting

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Nov. 22      SWRCB & CWEA Operator in Training Survey Deadline

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Dec. 1      CWQMC Meeting

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Dec. 2      SCCWRP Commission Meeting

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Dec. 5      SWRCB Public Hearing on the Cross-Connection Control Policy Handbook

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Dec. 6 SWRCB Meeting (SSS WDR Reissuance Adoption)

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Dec. 8 Regulatory Workgroup Holiday Party

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Dec. 20 SWRCB Meeting (2023 Board Strategic Priorities)

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Jan. 25 – 27 CASA Winter Conference (Palm Springs)

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CASA | 925 L Street, Suite 200, Sacramento, CA 95814

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