

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING  
November 20, 2003 – 7 p.m.  
Foster City Community Building, Foster City, CA**

**MINUTES**

**1. Call to Order/Pledge of Allegiance/Roll Call – 7: 05 p.m.**

Ira Ruskin, Chair, called the meeting to order and led the flag salute. Acting Secretary Art Jensen called the roll. Nineteen (19) members were initially present, constituting a quorum. Additional members arrived after roll call. A list of directors present (22) and absent (6) is attached. Mr. Ruskin announced that a letter stating BAWSCA's interests in assuring the reliability of the SFPUC regional water system and inviting Dennis Normandy, President of the SFPUC, to attend the December meeting, had been mailed several days prior. He also acknowledged individual directors who had contributed comments to the draft letter.

- 2. Public Comments:** Pat Martel, General Manager of the SFPUC, presented an update on the SFPUC's Capital Improvement Program and Chloramination Conversion. She noted that responses to BAWSCA's questions regarding the CIP were contained in a letter she hand delivered to General Manager Art Jensen. Generally, the SFPUC wants to complete the CIP earlier than originally scheduled—10 years instead of 13. She anticipated that BAWSCA will be an active participant in the process. It is the SFPUC's goal to run the PUC like a business. An organization-wide performance audit is underway to assist them in determining what is needed to meet that objective. Stakeholder interviews will be held later this month. A strategic business planning process will also be initiated, again incorporating stakeholder interviews. She emphasized that this planning process would not replace the Long-Term Strategic Plan for the CIP.

Ms. Martel also reported that the Bond Oversight Committee, created as a result of Measure P, met for the first time on November 12. However, the committee's work will not begin in earnest for another 12-18 months, because the SFPUC will be financing the CIP with commercial paper in the interim. She announced that the San Francisco Board of Supervisors on Tuesday "voted to approve" the newest member of the PUC, Adam Werbach, whose presence may assist the SFPUC in addressing concerns of the environmental community.

Ms. Martel announced that the conversion to chloramine has now been scheduled for February 2004. In response to a question regarding the rationale for converting from chlorine to chloramines, Mr. Martel offered to make packets on the chloramination conversion available for distribution to the BAWSCA board. She also announced that public service announcements, a video and radio spots on the chloramination conversion had been created for agencies to utilize in their respective service areas.

**3. Reports**

- a. **Start-up Committee:** Committee Chair Aldyth Parle reported that the Committee is on schedule in its review of administrative issues for BAWSCA and progress toward objectives for completion by December 31.
- b. **Acting General Manager's Report:** Commenting on progress on goals, Acting General Manager Art Jensen said that the board's adoption of three motions having to do with water conservation were significant in making a statement about the role that BAWSCA would like to play in water conservation for the region. He reported that progress toward the December 31 objectives is on target. The field work for the audit of San Francisco's maintenance activities by the State Department of Health Services is 95% complete. This audit, required by AB 1823, is to be completed by July 1, 2004, and submitted to the Legislature by January 1, 2005. In addition, DHS is working on a new regional permit for the regional water system. He said a meeting on the Bay Area Regional Water Recycling Program (BARWRP) MOU would be held the next day and a full report on the outcome of that meeting would be shared with the Board in December. He reported that Patrick Sweetland is the interim appointee to the SFPUC Bond Oversight Committee.

**4. Consent Calendar**

Director Goff pointed out that the copies of the Rules of the Board distributed to directors subsequent to the October meeting reflected the language that was voted down at the meeting. Mr. Jensen said he would investigate and ensure that proper copies were distributed. The error in the Rules did not affect the Minutes.

**M/S/C (O'Mahony/Parle) that the Minutes of the October 3 and October 16 Meetings, and Amendments to the Personnel Handbook be approved and that the Acting General Manager be authorized to execute a payroll services contract as proposed.**

**5. Action Calendar:**

- a. **Water Supply Management—Endorse FY 2003-04 Activities:** Water Resources Analyst Nicole Sandkulla noted that the current water conservation activities underway were developed in consideration of BAWSCA's goals of reliable water supply, high quality water, and fair pricing. She stated that, in keeping with the intent of BAWSCA's enabling legislation, BAWSCA could, conceivably, conduct studies of water supplies and of current and future demand for water, develop plans for projects and programs to meet those water needs, and could develop, fund and implement a systematic and rational, cost-effective program for water supply, water conservation, and recycling. BAWSCA is currently coordinating development of water demand and water purchase projections to ensure that improvements to the regional water system can provide sufficient capability to meet current and future needs reliably, and is also assessing how future water needs can be met by reducing demand and using alternative sources. Other current activities include providing cost-effective water conservation measures to member agencies and evaluating other

water conservation opportunities that could provide added value. BAWSCA's consideration of and participation in BARWRP would help to address issues associated with implementation and funding of recycled water projects. The recommended action would be to endorse the current fiscal year water supply management activities as consistent with the organization's stated goals.

Director Cooper asked why BAWSCA should assume some of these responsibilities when member agencies are already doing many of the same activities. Mr. Jensen responded that this presentation was intended to put into context what BAWSCA is doing in comparison with what the legislation would permit and what local agencies are doing or are responsible for doing. BAWSCA offers agencies the opportunity to participate or not. BAWSCA does not provide direct conservation measures, but provides an administrative service that makes providing certain programs like washing machine rebates and large landscape audits more cost effective. These programs are paid for directly by the participating agencies. BAWSCA merely acts as an administrative and fiscal intermediary.

**M/S/C (Beecham/Seidel; unanimous) that the Board endorse the FY 2003-04 water supply management activities.**

- b. Approve Personnel Benefits Program:** Mr. Jensen explained that the total of the proposed personnel benefits, based on current costs, is about \$135,000 per year, which is only about \$30,000 more than the current benefits. Much of the increase is attributable to the 13.818% of payroll that represents the employer's share of CalPERS retirement contribution, whereas the contribution that BAWUA paid through ACWD was zero. The reason for the difference is that BAWSCA is a new agency with no contribution history and a relatively high percentage of employees at or close to retirement age. Director Livengood requested information on the fiscal impacts if the retirement benefit were 2.5% and 2.7% at 55.

**M/S/C (O'Mahony/Parle; unanimous roll call vote) that the Acting General Manager be authorized to execute documents and agreements necessary to implement dental, vision care, Employee Assistance Program, life/accidental death insurance, and disability insurance with the proposed vendors.**

**M/S/C (Auer/O'Mahony; unanimous roll call vote) that the board approve the Resolution adopting the CalPERS Health Benefits Plan.**

**M/S/C (Seidel/Nelson; unanimous roll call vote) that the Board approve the Resolution of Intent and Employer Adoption Agreement for participation in the CalPERS 457 Deferred Compensation Plan.**

**M/S/C (Breault/O'Connell; unanimous roll call note) that the board approve the resolution JPA agreement to participate in the Special District risk Management Authority (SDRMA) joint powers authority for Workers Compensation Insurance through the California Special District Association, and approve a companion resolution authorizing application to**

**the Director of Industrial Relations for the State of California, for a certificate of consent to self-insure Workers' Compensation Liabilities.**

Director Cooper requested that agenda materials include data comparing costs of alternatives considered by staff. She also requested that a summary of the discussion and actions of the Start-Up Advisory Committee be included in the Board packets or otherwise distributed to Board members.

- c. **Approve Staff Salary Schedules for Four Positions Approved in October:** Mr. Jensen stated that the proposed salaries were identical to the current BAWUA salaries for the four positions. In future years adjustments to salary ranges would be based on updated compensation surveys and annual budgeting parameters.

**M/S/C (O'Mahony/Parle; unanimous) that the Board approve the proposed initial salary ranges as proposed.**

- d. **Approve Addition of Two Positions (Water Resources Planner and Executive Assistant) to Approved Staff Complement:** Mr. Jensen explained that the Start-up Committee had considered the positions of Water Resources Planner and Executive Assistant to the General Manager. The Water Resources Planner would devote 25% of his or her time to water conservation programs, and would support other water management activities, including the annual survey, and CIP analyses. The Executive Assistant to the General Manager would provide general staff assistance to the general manager, assisting in creating, maintaining and coordinating long-term schedules for the Board, committees, TAC, Regional Financing Authority, and meeting with the SFPUC, in addition to special assignments, analyses, agenda planning and preparation, etc.

Director Cooper stated that she had reservations regarding the necessity for the two positions and requested weighted voting on the item. Director Beecham said that, even though Palo Alto had a strong water conservation program of its own, it recognized the need for a broader focus for conservation efforts. Director Livengood said he favored giving BAWSCA sufficient resources to represent the collective interest. Director Weed stated he would possibly support the positions in the development of the FY 2004-05 budget.

Director Nelson said he could not support the positions as a cost issue, plus the fact that there is only one goal related to water conservation between now and June 31.

Chair Ruskin said he thought it important, even vital, to approve the two positions because the role the legislation gave to BAWSCA is much more than only ensuring or monitoring the completion of the CIP and the repair of the Hetch Hetchy system or even creating a good contract with San Francisco for the benefit of all the member agencies. He said the legislature gave BAWSCA the ability to act together for their collective interests with respect to conserving as well as developing water supplies. The agency's General Manager has indicated the resources he needs to fulfill the agency's mission, and it would be shortsighted to withhold resources from him, because doing so would likely necessitate a pull-back in goals.

Director Wykoff agreed, but said he felt board members have a fiduciary responsibility to understand what the costs are, but the current proposal is lacking in sufficient information for him to make an informed decision.

**M/S/C (O'Connell/Breault; amended by Craig; Cooper dissenting) that the item be continued until a full budget discussion would be feasible.**

**The weighted vote on the motion to continue also passed by a vote of 21 affirmative votes and 1 dissenting vote.**

6. **Closed Session:** The Board met in closed session to consider the appointment of Arthur Jensen as General Manager/CEO and possibly approve an employment agreement for that position.
7. **Report of Action Taken in Closed Session:** Chairman Ruskin reported that the board considered a contract to hire Arthur Jensen on a regular basis, with the modified title of General Manager, and chose to take action in open session.

**M/S/C (Beecham/Parle) that Arthur R. Jensen be appointed General Manager of the Bay Area Water Supply Conservation Agency and that the board accept the proposed contract provisions, subject to modification of the title, correction of typographical errors, and attachment of a list of duties.**

8. **Directors Comments:** None
9. **Date, Time and Location of Next Meeting:** December 18, 7 p.m., Wind Room, Foster City Community Center.
10. **Adjournment:** There being no further business, the meeting was adjourned at 10:25 p.m.

Respectfully submitted,

Arthur R. Jensen, General Manager  
and Acting Secretary

ARJ/GE

Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
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**Attendance Roster**

**Present:**

Jean Auer	Town of Hillsborough
Bern Beecham	City of Palo Alto
Randy Breault	Guadalupe Valley Water District
Roberta Cooper	City of Hayward
Robert Craig	Westborough Water District
Mike Goff	Stanford University
Marc Hershman	City of Millbrae
Chuck Kinney	City of Menlo Park
Robert Livengood	City of Milpitas
Peter Nelson	California Water Service Company
Irene O' Connell	City of San Bruno
Rosalie O'Mahony	City of Burlingame
Lee Panza	City of Brisbane
Aldyth Parle	City of Santa Clara
Tom Piccolotti	North Coast County Water District
Chuck Reed	City of San Jose
Tim Risch	City of Sunnyvale
Ira Ruskin	City of Redwood City
Dan Seidel	Purissima Hills Water District
John Weed	Alameda County Water District
David Woods	City of East Palo Alto
Rick Wykoff	City of Foster City

**Absent:**

Stan Gage	Los Trancos County Water District
Mike Kasperzak	City of Mountain View
Chris Mickelsen	Coastside County Water District
Chris Reynolds	Skyline County Water District
Adrienne Tissier	City of Daly City
Louis Vella	Mid-Peninsula Water District