

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

San Mateo Marriott Hotel, 1770 S. Amphlett Blvd., San Mateo

June 19, 2003 – 7:30 p.m.

1. Call to Order/Pledge of Allegiance/Roll Call – 7:40 p.m.

Art Jensen, General Manager of the Bay Area Water Users Association (BAWUA), welcomed attendees to the first meeting of the board of directors of the Bay Area Water Supply and Conservation Agency (BAWSCA) and led the pledge of allegiance.

Roll Call was by self-introduction. Twenty-six of the twenty-eight directors were present. An attendance roster is attached.

2. Remarks by former Assembly Member Lou Papan:

Mr. Jensen introduced Mr. Papan, recognizing him as the principal author of AB 2058, the legislation that enabled the creation of BAWSCA, and also principal author of AB 1823, which sets performance requirements for San Francisco's implementation of its capital improvement program for the regional water system.

Mr. Papan acknowledged the support of AB 2058 co-authors Joe Simitian and John Dutra as well as members, staff, and legal and communications counsels for BAWUA, which spearheaded the campaign to get the legislation passed.

3. Oath of Office

John Maltbie, Clerk of the Board for San Mateo County, administered the oath of office.

4. Election of Board Officers:

a. Election of Chair: M/S/C (Tissier/Risch) that Ira Ruskin be elected as Chair.

b. Election of Vice-Chair: Roberta Cooper and Bern Beecham were nominated for the position of Vice-Chair. Following brief remarks by the nominees and persons supporting their candidacy, votes on each candidate were taken. **Mr. Beecham was elected Vice-Chair by a vote of 17 to 9.**

6. Designation of Acting General Manager/CEO/Acting Secretary:

Information in the agenda packet explained that there are certain clerical/ministerial tasks that will need to be performed in order for BAWSCA to function effectively and in compliance with California law. Some actions on BAWSCA's behalf are of an executive rather than a clerical nature. Mr. Jensen offered his services to the Board at no cost.

M/S/C (Cooper/Auer & Parle) that Art Jensen be appointed Acting General Manager/CEO and Secretary of the Bay Area Water Supply and Conservation Agency.

7. Reports to Board

- a. Strategic and Operational Challenges:** Mr. Jensen provided an overview of the San Francisco regional water system, noting that the major portion of the water supply comes from the Sierras and traverses major earthquake faults to get to the Bay Area; that the system was built long ago and is showing its age; and that the area served by the system has grown over time, so that now the customers outside of San Francisco outnumber the customers in the city.

He observed that when the SFPUC's Capital Improvement Program is implemented, the wholesale customers will have to pay for a good portion of it. San Francisco will be the lead agency on all the CEQA work, including looking at issues in the wholesale customers' areas. Consequently land use issues and decisions made locally will now be brought into a regional perspective as they have not been in the past.

Mr. Jensen noted that the Bay Area Water Users Association has operated with three basic goals, all directed toward the fundamental principle of protecting public health, safety and economic wellbeing. He suggested these goals—reliable supply of water, high quality, fair pricing--might be a good place for the BAWSCA board to start.

Mr. Jensen then presented ten strategic challenges facing BAWSCA

1. That the system gets rebuilt cost-effectively and that BAWSCA monitor implementation of AB 1823;
2. That the cost of improvements is fairly allocated;
3. That future water needs can be met;
4. That there are adequate supplies during droughts;
5. That communities prepare for potential water outages;
6. That agencies implement cost-effective water conservation activities;
7. That water received must meet drinking water standards;
8. That the Master Contract is properly implemented;
9. That a new Master Contract is in place prior to 2009;
10. That there is ongoing support of efforts to protect health, safety and economic well-being of the water customers and communities.

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- b. Initial Organizational Actions:** Operational challenges include a number of actions that must be taken within specified timeframes to meet State guidelines or respond to institutional needs, such as adopting Bylaws and a Conflict of Interest Code, establishing directors' compensation, and establishing a benefits program if the board wishes to hire employees.

Mr. Ruskin asked the board to consider the following five recommendations, provided there were no objections by the board:

1. That BAWSCA's initial goals would be: A reliable supply of water, with high quality, and at a fair price.
2. That the acting general manager /CEO be directed to address the ten challenges noted in the presentation. The Chair would ensure that the board has the opportunity to address these priority challenges.
3. That the BAWSCA board focus initially on:
 - a. Fixing the system by monitoring implementation of AB 1823;
 - b. Making sure the suburban customers are treated fairly in the allocation of costs for the CIP;
 - c. Making sure there is enough water to meet all agencies' needs and encouraging conservation policies;
 - d. Being a catalyst for developing a plan for the 3-county region to copy with a sudden long-term water outage; and
 - e. Maintaining the support of the many allies who supported the legislative effort.
4. That the Chair be authorized, in consultation with the Vice Chair, to establish a Start Up Advisory Committee to help the general manager/CEO and the board during BAWSCA's first several months. He recommended a committee of seven or nine members, with representation from all three counties; cities, water districts and private utilities; large and small utilities; and utilities that are entirely dependent upon the regional water system as well as those with multiple sources of supply.
5. That the board authorize the Chair, in consultation with the Vice Chair, to be sure the Acting General Manager/CEO has the resources needed to deliver results.

Following the introduction of each recommendation, the Chair called for discussion and said that if there were no objections, each recommendation would be implemented. No objections were raised.

8. Authorizations--Obtain information on or access to benefits providers for future establishment of an employee benefits program:

BAWUA legal counsel Ray McDevitt explained that the board was being requested to authorize the Acting General Manager/CEO to submit applications for membership in the Association of California Water Agencies (ACWA) and the California Special Districts Association because these agencies have various types of insurance and benefits programs in which BAWSCA may wish to participate. In addition the board is requested to authorize submittal of an initial questionnaire to the California Public Employees Retirement System (CALPERS) for an actuarial valuation. The combined cost of these three submittals is approximately \$4,660, which has been budgeted by BAWUA.

M/S/C (O'Mahony/Livengood) that the Acting General Manager be authorized to proceed with gathering benefits information from, and applying for BAWSCA membership in, the Association of California Water Agencies (ACWA) and California Special Districts Association (CSDA), and to submit an initial questionnaire to California Public Employees Retirement System (CalPERS).

9. Discussion:

Before opening the floor for general discussion, Mr. Ruskin requested board consideration of the location and frequency of meetings and whether the board would be open to having briefings at times other than the regular meetings. Following discussion of a fixed versus a rotating location for meetings, it was agreed that the Start-up Advisory Committee would address this issue as well as meeting frequency and make a recommendation to the board. Directors were requested to send Mr. Jensen a list of topics on which they would like to have briefings.

10. Selection of Next Meeting Time and Place:

It was agreed that the next meeting would be held Wednesday, July 23, at a location to be determined by the Acting General Manager/CEO.

11. Public Comments:

The board agreed that public comment would be limited to three minutes per speaker and that in the future, this item would be placed at the beginning of the meeting rather than the end.

Mr. Greg Zlotnik, board member of the Santa Clara Valley Water District, addressed the board, congratulating them on the agency's formation and indicating that his district looked forward to working with them. He also mentioned that the ABAG CalFed Task Force, of which he is chair, had recommended that BAWSCA be asked to provide a

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representative to the task force. He did not know whether the Executive Committee had acted on the recommendation, and suggested that Mr. Ruskin, who is a member of the ABAG Water Management Committee, follow up.

12. Adjournment: M/S/C that the meeting be adjourned at 9:35 p.m.

Respectfully submitted,

Arthur R. Jensen, Acting General Manager/CEO
and Acting Secretary

Secretary
ARJ/GE

Attachments: Attendance Roster
Section from Briefing Binder, “Strategic and Operational Challenges”