

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING
September 15, 2005 – 7 p.m.
Foster City Community Building, Foster City CA**

MINUTES

1. Call to Order/Pledge of Allegiance/Roll Call – 7:23 p.m.

BAWSCA Chair, Bern Beecham, called the meeting to order and led the flag salute. Secretary Art Jensen called the roll. Nineteen (19) members were present, constituting a quorum. A list of directors present (19) and absent (9) is attached.

2. Comments by the Chair: Chair Beecham announced that Ms. Leal and Mr. Irons will be reporting on SFPUC's progress in developing a draft of the Water System Improvement Program (WSIP) costs and schedule changes in October.

The events in New Orleans serves as a reminder of the risks communities of the BAWSCA member agencies face if the regional water system ruptures after a major earthquake. It is up to each agency to be prepared for the risk of losing water supply for as long as 30-60 days. Board members are urged to take the message to their governing bodies. There will be further discussion within BAWSCA to facilitate the development of proper emergency preparedness.

BAWSCA developed an informational material on where the public could take concerns about the health effects of chloramine. The material was included in the agenda. Chair Beecham stated that in terms of medical questions related to chloramines, the agency is not a medical agency. Its responsibilities and expertise must be kept in mind.

3. Board Policy Committee Report: Committee Chair Rosalie O'Mahony stated that the summary report of the August 10 committee meeting was included in the agenda and welcomed questions and comments from board members. There being no questions or comments, the meeting proceeded to the next agenda item.

4. General Manager's Report:

a. Water System Improvement Program Status – Progress Report:

Program Environmental Impact Report (PEIR): Mr. Jensen reported that the Notice of Preparation (NOP) of the Program Environmental Impact Report (PEIR) for the Water System Improvement Program (WSIP) was released on September 6. The NOP indicates that the San Francisco Planning Department will be evaluating the environmental impacts of projects that will achieve the goals of 10%, 20% and 30% water supply reduction during drought. BAWSCA requested the evaluation of the environmental and economic impacts

of a 10% goal, and is pleased to see it included in the NOP. Public comments to the NOP will be accepted until October 24th. Scoping meetings will be held throughout the SFPUC service area. Written comments and oral testimony to the scoping process will be accepted. BAWSCA will attend the scoping meetings and will submit written comments on behalf of the members. Each agency may submit a written comment or make an oral comment.

Director Gage expressed the need to understand what the real impacts of the 10%, 20% and 30% goals are and that they can substantially be higher reductions for some agencies. Mr. Jensen explained that the SFPUC goals are average system-wide cutbacks. Existing rules impose greater reductions to BAWSCA agencies than to San Francisco. And a given agency may impose greater reductions on some of its customers than others. Art noted that each agency's Urban Water Management Plan addresses how much of a reduction the agency would receive.

Program Status: Five significant WSIP projects that improve reliability are currently under construction. These five projects include seismic improvements at the Pulgas Balancing Reservoir, the SFPUC/Hayward/East Bay MUDD inter-tie, the Sunset Reservoir in San Francisco, connection between Bay Division pipelines and the groundwater storage in San Francisco. Mr. Jensen stated that the projects listed in AB 1823 are not yet under construction, nor are they scheduled to be under construction at this time. Director Weed asked if there are projects under AB1823 that can be exempted from the PEIR because of its seismic criticality, and whether the PEIR is structured so that if a project or set of projects is removed for engineering or financial consideration, the PEIR does not have to be revisited. Mr. Jensen will consult legal counsel and will report the answers and any recommendations back to the board. Mr. Jensen stated that several months ago, the PUC submitted a letter to the San Francisco Planning Department suggesting that of 35 projects, 12 should be in the PEIR. The NOP shows 23 projects that are likely to be in the PEIR and 12 that can be excluded from the PEIR. Comments can be made during the scoping process for consideration of what projects should be excluded.

The SFPUC WSIP Progress Report was submitted to the State on September 1st. The report fails to compare project status to planned progress and some material is confusing or misleading. BAWSCA will submit comments to the SFPUC and the State.

- b. Community preparedness to cope with long-term water outages:** The issue of community preparedness to cope with long-term water outages has been discussed before. Director Wykoff has taken the issue back to the City of Foster City and an emergency water contingency plan is being developed for consideration of the City Council. The draft plan addresses what a city that is dependent on San Francisco for all of its water might do if that supply were cut off for an extended time. Director Wykoff stated that the report has raised some issues that the City of Foster City is still pursuing, but will help prepare the city if a catastrophic event should occur. Mr. Jensen emphasized the lessons learned from hurricane Katrina, and encouraged other BAWSCA agencies to consider how long-term outages of the SFPUC system might affect their emergency preparedness planning.

- c. Information for persons concerned about possible health-related effects of chloramination:** The board packet contained an informational flyer BAWSCA developed to help direct people with concerns about chloramines to appropriate sources of information. Contact numbers of health departments and local water providers in the San Francisco, San Mateo, Santa Clara, and Alameda Counties are listed. Mr. Jensen referred to a letter from the Citizens Concerned About Chloramine (CCAC) included in the board packet. The letter notes that concerned customers have approached San Francisco, local health authorities, and legislators on the Peninsula.
- d. Proposal to drain Hetch hetchy Reservoir:** The Water Education Foundation (WEF) is seeking funding to develop a documentary on the various issues surrounding the proposal to drain Hetch Hetchy Reservoir. WEF Executive Director, Rita Schmidt Sudman sent a letter to SFPUC and copied BAWSCA. She has made an oral inquiry about BAWSCA's contribution. Mr. Jensen stated that the issue can be taken to the Board Policy Committee. Whether SFPUC will contribute to the effort is unknown.

Recently, the Environmental Defense wrote comments on SFPUC's response to the State Department of Water Resources' request for information. Restore Hetch Hetchy released its report and copies were delivered to BAWSCA. The reports will be distributed to the Board and TAC members.

5. SFPUC Report:

Ms. Leal presented answers to four questions the BAWSCA board wanted addressed. She stated that "yes", San Francisco will present the revised WSIP to the Public Utilities Commission in October for adoption in November as promised, and "yes", the WSIP will include all the elements required to rebuild the system, a firm schedule for completion of each project, a budget with all appropriate allowances for inflation and contingency costs, a Financing Plan, and estimates of the cost impacts to customers of the system. In regards with the sufficiency of the remaining time available to Parsons and the SFPUC to complete a thorough and rigorous review of project scopes, schedules and costs, and to incorporate recommendations, Ms. Leal stated that the SFPUC would like to have more time, but is working towards the November deadline that was committed to. Ms. Leal stated the WSIP would be implemented immediately upon adoption by the Commission in November. Lastly, Ms. Leal reported that at the September 27 commission meeting, she will be proposing an estimate cost and schedule for an economic analysis on the 10% versus 20% cutback during drought. She believes that an economic analysis will answer some of the key questions.

Mr. Irons pointed out that SFPUC is proceeding with the design and planning of the projects concurrent with the environmental review. Associated risks include changes in designs that would result to an increased cost, however, SFPUC is willing to take the risks to avoid cost escalations from significant delays.

Mr. Irons reported that he and Ms. Leal met with the presidents of Parsons and CH2M Hill and clearly communicated the significance and reputations at stake in completing a thorough review of the entire program within the given timeframe. Mr. Irons stated that the presidents provided their assurances.

The review of the WSIP is divided into six groups: Tunnels, Dams, Treatment Facilities, Modeling, Cost, and Schedule. The group is comprised of 37 internationally recognized experts in their fields. They are working concurrently, and are scheduled to present their recommendations during the first week of October. This allows a 2-week review period and time to prepare comments for the October 18 hearing where the commission may approve the release of the document for a 30 day public review period. November 22 is the date of the hearing at which the commission will adopt a new program including all projects, the scope of work, the cost, and schedule.

Mr. Irons stated that he advised the California Seismic Safety Commission (CSSC) that the progress report submitted on September 1st included information that had not gone through the confirmation process. CSSC has accepted his invitation to meet with San Francisco in October to discuss the issues that are relative to the seismic safety of the system. Mr. Irons asked that CSSC begin their 90-day review clock after adoption of the WSIP in November.

Chair Beecham thanked Ms. Leal for her concise response to the board's questions and Mr. Irons' explanation of the Parsons and CH2M Hill review process. Chair Beecham expressed his appreciation for the efforts SFPUC is making on the economic analysis of the 10% versus 20% cutback during drought, and the pro-active role it has taken with the Parsons team. Chair Beecham stated that going through the project design concurrent with the PEIR is an appropriate step.

Mr. Jensen commented that the Parsons' team is very well-organized and well-informed. The flow of information between the SFPUC and the Parsons team and San Francisco has been carefully structured. However, developing final recommendations, incorporating those recommendations into a final plan, and the plan into a document that contains what has been promised is a significant task. BAWSCA will continue to meet regularly with San Francisco and with its own technical review team.

Mr. Jensen reported that Mayor Newsom's review of the WSIP's progress scheduled in September has been moved to a date in October or November. Mr. Jensen anticipates that the Chair will be invited to the meeting when it is scheduled. The board will be kept informed.

6. Public Comments:

Linda Corwin stated that the concerns with chloramine will not be resolved until human tests are done. Reports say that chloramine lowers Trihalomethanes (THM) but it does not say what chloramine does to human bodies or at what level. Ms. Corwin stated that it would be appreciated if BAWSCA can help in contacting people to get human testing done.

Wynn Grcich spoke against fluoridation and commented on lead in the water and desalination plants in the East Bay.

Heather Dempsey of the Tuolumne River Trust stated that the current flows in the Tuolumne are not adequate, and diverting more water from the river in the future is not sound. She encouraged the board to participate in developing water supply alternatives that do not draw water from the River as part of the Program EIR.

7. Consent Calendar:

M/S/C (Risch/Reynolds; Vella abstained) that the Minutes of the July 21, 2005 BAWSCA Board meeting be approved; the Monthly Budget Status Report and Year-End Report be received and filed.

8. Directors' Discussion: Comments, Questions and Agenda Requests:

Mr. Jensen stated that the November meeting will focus on the Water System Improvement Program, the PEIR, and the significance to BAWSCA agencies.

9. Adjournment to the San Francisco Bay Area Regional Water System Financing Authority. The meeting was adjourned at 8:20pm

10. Date, Time and Location of Next Meeting: The next meeting is scheduled for November 17, 2005 at 7:00 p.m. in the Wind Room, Foster City Community Center.

Respectfully submitted,

Arthur R. Jensen, General Manager and Secretary

ARJ/le

Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
Board of Directors Meeting
September 15, 2005**

Attendance Roster

Present:

Bern Beecham	City of Palo Alto
Randy Breault	Guadalupe Valley Water District
Robert Craig	Westborough Water District
John Fannon	Town of Hillsborough
Kelly Fergusson	City of Menlo Park
Stan Gage	Los Trancos County Water District
Mike Goff	Stanford University
Rob Guzzetta	California Water Service Company
Patrick Kolstad	City of Santa Clara
Robert Livengood	City of Milpitas
Irene O'Connell	City of San Bruno
Rosalie O'Mahony	City of Burlingame
Tom Piccolotti	North Coast County Water District
Chuck Reed	City of San Jose
Chris Reynolds	Skyline County Water District
Tim Risch	City of Sunnyvale
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District
Rick Wykoff	City of Foster City

Absent:

Richard Claire	City of Redwood City
Roberta Cooper	City of Hayward
Marc Hershman	City of Millbrae
Mike Kasperzak	City of Mountain View
Chris Mickelsen	Coastside County Water District
Lee Panza	City of Brisbane
Dan Seidel	Purissima Hills Water District
Adrienne Tissier	City of Daly City
David Woods	City of East Palo Alto