

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD POLICY COMMITTEE**

**August 10, 2005 – 1 p.m.  
155 Bovet Road, 1<sup>st</sup> Floor Conference Room**

<b>MINUTES</b>
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**1. Call to Order: 1:10 p.m.**

The meeting was called to order by committee Chair, Rosalie O'Mahony at 1:10pm. All members of the committee were present, constituting a quorum. A list of directors present (7) and members of the community attending is attached.

- 1. Public Comments:** Wynn Greich stated the need for alternative technology to treat water.
- 2. Comments by Committee Members:** Director Kasperzak announced that he will attend the League of Cities water system conference, and will report pertinent issues back to the board.

**3. General Manager's Comments:**

Arthur Jensen reported that the preliminary audit for BAWSCA and BAWUA for FY 04-05 took place in July and the final audit will begin on August 22<sup>nd</sup>. The board will receive the final audit when it becomes available. Mr. Jensen also announced that Annual Surveys for fiscal years 2003-04 and 2004-05 are nearing completion. The surveys have historically been completed by BAWSCA's predecessor organization, Bay Area Water Users Association (BAWUA). It serves as an almanac of information on the agencies in the Alameda, Santa Clara and San Mateo Counties that purchase water from the SFPUC. Completion of the surveys was suspended during FY 03-04 and FY 04-05 because of resource allocation to high priority efforts.

**4. Action Calendar:**

- A.** Approval of minutes:

**M/S/C (O'Mahony/Wykoff; Director Cooper abstained)** that the minutes of the June 15<sup>th</sup> meeting be approved.

- B. Recommend authority to negotiate and execute a contract to implement a Direct-Install High-Efficiency Toilet program to be funded by participating agencies:** Mr. Jensen reported that BAWSCA examined the success of the High Efficiency Toilet Replacement Program recently launched by the City of Redwood City. A proposal to make the program available to interested BAWSCA agencies was presented to the committee for consideration and advice before being presented to the BAWSCA board of directors. Redwood City Public Works Director, Peter Ingram, and Water Utilities Services Division Superintendent, Manny Rosas, presented details of the program and answered questions from committee members. Redwood City's program costs were funded by a water rate increase. There is a net cost savings to the Redwood City water customers. The Redwood City program includes three types of implementation: a toilet giveaway event, a direct-install program, and a toilet rebate program. Redwood City

offered 3 types of units which include gravity-fed models, pressure-assist 1.6 gallons per flush (GPF) models, and high-efficiency models that use 20% less than 1.6 GPF.

Mr. Rosas reported that to date, the direct-install program has received 817 applications to replace 1,772 toilets. The program's average cost per toilet is \$217.

Redwood City has an estimated 18 thousand single family households, and between 10-12 thousand multi-family units. Currently, Multi- and Single- Residential response is far greater than the Commercial sector response. A trend in which of the three models is preferred is not yet evident.

In response to several committee inquiries, Mr. Jensen stated that contract negotiation with the program consultant, San Jose Water Conservation Corporation, will be on behalf of participating BAWSCA member agencies and will address their needs, including the firm's capacity to provide the volume of service. He also stated that cost and cost-effectiveness information would be included in the material to the board of directors. There would be no net cost to BAWSCA because all costs would be borne by the agencies that elect to participate in the program. The committee supported the recommendation for the board to authorize the general manager to negotiate and execute a contract with San Jose Water Conservation Corporation.

**M/S/C (Beecham/Kasperzak; Unanimous) to recommend that the board authorize the general manager to negotiate and execute contracts with San Jose Water Conservation Corporation to implement the Direct-Install High-Efficiency Toilet Replacement Program.**

Director Cooper asked what has or could be done to promote landscape conservation and requested that materials available from other agencies be provided to the board. She asked whether they could be made available on, or accessed through, BAWSCA's website. Amy Fowler of the Santa Clara Valley Water District (SCVWD) offered to provide BAWSCA SCVWD's conservation information. Mr. Jensen stated that the new position of Water Resource Planner will assist staff in following up on work begun in this area. Materials will be compiled and presented to the board with a recommendation on how applicable materials could be made available to BAWSCA agencies and the public.

- C. **San Francisco Implementation of the Water System Improvement Program:** Mr. Jensen reported actions taken by BAWSCA to assess and ensure progress, participate in the review of costs and schedules, and ensure sufficient drought reliability of the WSIP.

Implementation status. BAWSCA has compared the current status of the WSIP to the draft budgets and schedules released in February. Planning tasks for some major projects have slipped, but SFPUC project managers state that the delays will not affect the completion dates of those projects. Progress reports for each WSIP project were expected on August 1<sup>st</sup>, but have not been received.

Annual SFPUC Progress Report to the State. On September 1, the SFPUC is required to submit a progress report to the State Legislative Audit Committee, the Seismic Safety Commission and the Department of Health Services on WSIP progress during FY 2004-05. BAWSCA expects to submit written comments on the progress report to San Francisco and to these State agencies.

Revision and adoption of the WSIP. The commitment by Mayor Newsom is that a revised WSIP will be adopted no later than November. The document is to contain a revised list of projects, a firm schedule, a budget that includes appropriate allowances for inflation and contingencies, a financing plan and the estimated cost impact to wholesale customers. The SFPUC must send the revised WSIP, due to be made public in October and adopted in November, to these same State agencies. BAWSCA made a presentation to the Seismic Safety Commission in April 2005 on its obligations once the report is submitted. Mr. Jensen will contact the State agencies prior to the report being released and tell them to expect to receive input from BAWSCA.

The review of WSIP project scopes, schedules and costs by Parsons Engineering must be completed, and the changes, if any, incorporated into the WSIP before its release to the public in October. Mr. Jensen reported that the scope of work for the Parsons review and information on the review team has been received. Dr. William Ibbs, one of BAWSCA's technical consultants, is participating in the Parsons review. He will provide input to the SFPUC and report observations and recommendations to the BAWSCA general manager.

Mayor Newsom's review of WSIP Progress. Communication with Mayor Newsom regarding his review of the WSIP's progress continues. Chris Vein from the Mayor's office told Mr. Jensen that the mayor will review the progress of the WSIP at a meeting scheduled for September 12<sup>th</sup>.

Drought protection. At the August 9 SFPUC meeting, and in response to a commission request, Tony Irons presented a draft letter to the San Francisco Planning Department containing instructions that in preparing the PEIR, the Planning Department should evaluate the environmental impacts associated with achieving drought shortages of both 10 and 20 percent. However, at the meeting Mr. Irons said the Planning Department refused to analyze an unreasonable number of program configurations (two drought shortage levels for the proposed program and three or more program alternatives). The Commission decided not to send the letter, meaning that the environmental analyses will not be conducted. The next administrative opportunity BAWSCA and its members have to address this issue is through their comments on the scope for the PEIR once the Notice of Preparation has been released. BAWSCA will coordinate comments on the PEIR with its members. The SFPUC does intend to examine the economic impacts of 10, 20 and 30 percent drought shortages, and that work would be performed separately from the Planning Commission's work on the PEIR.

Increased conservation. The San Francisco Board of Supervisors attached a condition to one WSIP appropriation that at least one alternative be examined that does not require use of additional Tuolumne River water. The environmental stakeholders working with SFPUC have asked that an alternative be considered in addressing additional future water needs through the year 2030 using only conservation, recycling and alternative sources. The probability and cost of achieving such a program is not yet known. Mr. Jensen stated that he has committed to include SFPUC staff in BAWSCA's work to identify additional cost-effective programs for water customers to use less water and save money.

- D. Chloramination Information Flyer:** Mr. Jensen stated that public concerns and questions on the health impacts of chloramine in the water must continue to be taken seriously. While BAWSCA has no expertise in health matters, BAWSCA can direct the public to the organizations and individuals that can provide answers to their questions. A draft flyer was presented to the committee.

Director Cooper expressed the opinion that BAWSCA is accountable to the people for water quality as well as supply and fair pricing. She suggested BAWSCA provide support for public health research by a university or a reliable public agency to resolve the health questions. Director Beecham acknowledged the frustration and concern of the public and said a primary role of the agency to ensure a reliable supply of water. Directors Kasperzak and Wykoff shared the notion that BAWSCA's authority can address more water issues than just supply. It was noted that additional issues can impact the agency's priorities and resources, requiring authorization by the board. The Committee made no specific recommendation for board consideration in September.

- E. Proposal to Drain Hetch Hetchy:** The California Department of Water Resources' (DWR) report on the proposal to drain Hetch Hetchy Reservoir is not expected to be released until late fall. At the July 21<sup>st</sup> BAWSCA board meeting, Agencies were requested to send DWR a letter of comment supporting BAWSCA's position on the proposal. Sample letters were provided to Technical Advisory Committee representatives. Some agencies have already sent their letters.
- F. Expert Panel Objective:** At the July 21<sup>st</sup> board meeting, Director Seidel suggested an expert panel be created to review San Francisco's WSIP. The board directed the general manager to consider the proposal and bring a recommendation to the Board Policy Committee. Mr. Jensen proposed that consideration of such an expert panel be taken up after the revised WSIP is adopted in November. He stated the objective for such a panel would need to be clearly defined. Director Seidel attended the committee meeting and stated that the panel could advise the board on the strengths, weaknesses, methods, costs and schedules of the WSIP. The objectives would be to give the board confidence that the WSIP is going the right direction and that there is oversight on the progress. He said now is the time to form a panel while the WSIP is being conceptualized. Director Seidel also offered names of individuals he considered to be appropriate for such a panel.

Mr. Jensen noted five considerations leading to his recommendation that consideration of forming an independent panel be postponed: 1) Technical concerns noted by Director Seidel have been, and will continue to be, identified, resolved or presented with specific constructive written recommendations to the SFPUC using the technical expertise under contract to BAWSCA; 2) No opportunity is being lost because Dr. Ibbs, one of the candidates on Director Seidel's list, is currently working for BAWSCA and integrally involved in the current review of the WSIP; 3) One of the experts suggested by Director Seidel told Mr. Jensen that one of BAWSCA's consultants, Mr. Newkirk, would provide greater value to BAWSCA; and 4) BAWSCA's experts have been reviewing projects and issues associated with the WSIP for well over five years; and 5) BAWSCA's time and resources are currently committed to the following eight high-priority issues:

- i. Participating in Parsons' independent review of the WSIP
- ii. Evaluating and commenting on the SFPUC's progress report for FY 04-05
- iii. Evaluating and commenting on the revised WSIP projects, schedule, cost estimates, financing plan and impact to customer costs
- iv. Providing ongoing input to the alternatives to be examined in the PEIR, preparing comments on the Notice of Preparation for the PEIR for rebuilding the water system and preparing testimony and input to the PEIR scoping process.

- v. Coordinating SFPUC's analysis of aggressive water conservation with member agencies
- vi. Preparing input Responding to the pending release of the State's report on the proposal to drain Hetch Hetchy Reservoir
- vii. Conducting a variety of assignments in preparation to negotiate a new Master Contract
- viii. Resolving issues associated with administration of the current Master Contract

He concluded that if BAWSCA's involvement in the current review of the WSIP reveals deficiencies or serious questions about project scopes, schedules, costs or system operations, the general manager will bring those issues and recommended actions to the board Policy Committee and Board.

The committee discussed the value BAWSCA can get, and may already have, from such a panel.

**M/S/C (Kasperzak/Beecham; Cooper opposed) to postpone formation of an expert panel after the revised WSIP is adopted in November.**

**5. Adjournment to Closed Session:**

- 6. Adjournment:** The committee adjourned at 3:30pm. The next meeting is scheduled for October 12, at 1pm in the first floor conference room of the BAWSCA office building, 155 Bovet Road, San Mateo.

Respectfully submitted,



Arthur R. Jensen, General Manager and Secretary

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Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
Board Policy Committee  
August 10, 2005**

**Attendance Roster**

**Committee Members Present:**

Rosalie O'Mahony	City of Burlingame (Chair)
Bern Beecham	City of Palo Alto (Vice-Chair)
Roberta Cooper	City of Hayward
Kelly Fergusson	City of Menlo Park
Mike Kasperzak	City of Mountain View
Chris Reynolds	Skyline County Water District
Rick Wykoff	Estero Municipal Improvement District

**BAWSCA Staff Members Present:**

Arthur Jensen	General Manager
Nicole Sandkulla	Senior Water Resources Planner
John Ummel	Senior Administrative Analyst
Ray McDevitt	Hanson, Bridgett, Marcus et al.
Bud Wendell	Management Communications

**Guests:**

Jane Ratchye	City of Palo Alto
Amy Fowler	Santa Clara Valley Water District
Linda Corwin	Concerned Citizens about Chloramine
Denise Johnson-Kula	Concerned Citizens about Chloramine
Vivian Blomenkamp	League of Women Voters of the Bay Area
Stephen Baxter	Daily Journal
Wynn Gricich	Fremont Resident
Michelle Porazzo	Millbrae Resident
Anne De Jarnett	Pacifica Resident
Manouch Boozarpour	SFPUC
David Smith	Daily News
Dan Seidel	Purissima Water District