

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

**December 14, 2005 – 1 p.m.
155 Bovet Road, 1st Floor Conference Room**

MINUTES

1. Call to Order: 1:05 p.m.

The meeting was called to order by committee Chair, Rosalie O'Mahony at 1:05pm. Five (5) members of the committee were present, constituting a quorum. A list of directors present (5) and absent (2), and members of the community attending is attached.

2. Public Comments: There were no comments from the public.

3. Reports:

Status of request to Environmental Protection Agency (EPA), California Department of Health Services (CDHS), and American Water Works Association Research Foundation (AWWARF) for information on studies of human health effects of chloramine as a drinking water disinfectant: In response to North Coast County Water District's letter to BAWSCA and SFPUC General Manager, Susan Leal, BAWSCA wrote a letter to the CDHS, EPA, and AWWARF requesting information on studies of human health effects of chloramine as a drinking water disinfectant. To date, AWWARF has responded by providing a book that has information on studies done in 1999 and earlier. Director Beecham restated that BAWSCA does not have the expertise to address the concerns on chloramines.

Study of SFPUC project overhead costs: BAWSCA's studies of SFPUC's capital project overhead costs by Hilton Farnkopf and Hobson is being finalized. The draft report did not point to issues of significant concern. A final report is being prepared.

Water System Improvement Program (WSIP): The Commission adopted the WSIP at its meeting on November 29th. BAWSCA supports SFPUC in proceeding with implementation of the program, and resolving the issues of concerns, which include projects scopes definitions and the achievability of the schedule by the existing organization. Mr. Jensen stated that the success of the WSIP is contingent upon the implementation of Parsons' recommendations for project control, staffing, organization and management, and clarification of authority and accountability. The revised schedule is aggressive and the current San Francisco leadership will likely change before getting to the most challenging period of the WSIP. 2009 marks the end of Susan Leal's 5-year contract as SFPUC's General Manager, and 2010 marks the end of Mayor Newsom's second term. The Parsons report cites numerous obstacles that could derail the program from the schedule, and a plan to address each issue should be created. In a statement delivered at the SFPUC meeting of November 29th, Director Beecham stated the importance of issues being addressed effectively as implementation gets underway so the

program can be managed. The commissioners expressed the same concerns with staffing and directed Mr. Irons to provide a report on staff capabilities. Art stated that no such report was provided at the December 13th meeting.

BAWSCA will monitor obstacles and concerns to assure that they are addressed, and will provide input to the project schedule reviews by the California Seismic Safety Commission and Department of Health Services.

Mr. Jensen reported that SFPUC's analysis of the economic impacts of water shortages by Public Financial Management (PFM) was presented to the commission at its meeting on December 13th under the General Manager's report. Mr. Jensen stated that more work remains to be done on the analysis. The report should have been on the agenda for public comments from those who will be significantly impacted, and should have appropriate public policy process. Dr. William Wade will further review the report.

BAWSCA will continue to pursue the work needed on the economic impact analysis, and will contribute to, and monitor progress of WSIP project developments and PEIR/EIR's. Implementation of Parsons' organizational recommendations and Mayor Newsom's quarterly reviews will also be monitored to ensure attention is given to issues and concerns of the wholesale customers.

The committee discussed BAWSCA's efforts to work with San Francisco towards a successful implementation of the WSIP.

SFPUC Financing Plan: Mr. Jensen reported that San Francisco's current financial plan reallocates San Francisco groundwater and regional recycled water development, puts San Francisco as the issuer of all bonds, and increases wholesale water rates at approximately 14% higher than previous estimates. Some committee members felt that the financial plan was complicated and requested a way to better understand the document. BAWSCA's financial advisor is currently reviewing the document and will provide a better understanding of the plan's components.

Water Supply Workshop: For purposes of the PEIR, San Francisco held a water supply workshop with BAWSCA member agencies on December 5th. The purpose of the workshop was to receive input from BAWSCA agencies on potential water supply projects in their local service areas that could be used to develop a water supply alternative for the PEIR. The alternative would rely solely on a combination of aggressive conservation, water recycling, and naturally renewable groundwater to meet the projected 2030 water purchase requests. Prior to the workshop, member agencies were surveyed to find out what project may be available within each agency's individual service area that could provide a water supply benefit. Preliminary results were presented at the workshop for review and comment. As this analysis continues development, the regional benefits of what local resources or projects would need to be identified and evaluated, as well as the potential contractual issues, local agency issues, and BAWSCA issues. Who benefits and who pays, who decides, and who implements are important questions that would need to be answered. Director Beecham stated that the wholesale

customers are responsible for their conservation efforts, and should not have to pay for the SFPUC's.

4. Action Calendar

Approval of Minutes from the October 12th Meeting:

M/S/C (Reynolds/Beecham; Unanimous) that the minutes of the October 12, 2005 meeting be approved.

Mid-Year Budget Review: Mr. Jensen reported that results achieved are as scheduled and the balance of the fiscal year focuses on results critical to the success of the organization. BAWSCA will continue to monitor the WSIP, and support program success and document progress. Technical and policy input to the PEIR and project permitting process will be coordinated with San Francisco. Work on the development of a new master contract will continue as well as efforts to ensure communities are prepared for long-term water outages.

The committee received a recommendation to authorize the general manager to allocate \$75,000 from the contingency budget to fund unanticipated activities that require outside expertise for the balance of FY 2005-06. The activities include Dr. Ibbs' continued monitoring of WSIP schedules and budgets, initiation of a professional services contract for 1) water system modeling investigations; and 2) evaluations of Master Contract auditing issues and procedures.

M/S/C (Beecham/Kasperzak/Unanimous) that the committee recommends the board authorize the general manager to allocate \$75,000 from the contingency budget as follows:

- a) \$15,000 for Dr. Ibbs continued monitoring of WSIP schedules and budgets, and modify the not-to-exceed contract limit to a total of \$60,000,**
- b) \$30,000 for initial professional water system modeling investigations, and**
- c) \$30,000 for evaluation of Master Contract auditing issues and procedures.**

Garden Soft – WaterWise Gardening CD-ROM: Nicole Sandkulla reported on the conservation opportunity targeted at efficient landscape water use and presented the Garden Soft CD-ROM tool that may be developed and utilized to promote water efficient gardens. It was recommended that an agreement be executed with GardenSoft to develop a WaterWise Gardening CD-Rom for an amount not to exceed \$15,000 and to authorize BAWSCA to purchase the CD-Rom at a bulk rate for resale at cost to interested BAWSCA agencies. The committee was enthusiastic about the program and provided additional ideas.

M/S/C (Reynolds/Fergusson/Unanimous) that the Board Policy Committee recommend that the Board authorize the General Manager to:

- 1) **Execute a contract with GardenSoft for the development of a Waterwise Gardening CD-Rom for an amount not to exceed \$15,000; and**
- 2) **Purchase at a bulk rate the BAWSCA Waterwise Gardening CD-Rom for resale at cost to interested BAWSCA agencies**

Cooling Tower Conductivity Rebate Program: Nicole Sandkulla reported on the opportunity to identify the potential water savings on cooling towers through the automated monitoring of water flow and chemistry that controls the volume of water discharged from the cooling tower. Santa Clara Valley Water District (SCVWD) is initiating a pilot project that would offer rebates for the installation of the control devices, and has offered to partner with BAWSCA to expand the program into the service areas of interested BAWSCA agencies. The regional program will be structured with a Memorandum of Understanding (MOU) between SCVWD and BAWSCA, with SCVWD being the lead agency. The SFPUC is also interested in being a third partner in this project. For the BAWSCA agencies, the program will be subscription based, and program costs will be paid for by participating agencies. It was recommended that the BAWSCA board authorize the general manager to execute an agreement with SCVWD to implement a cooling tower conductivity rebate program that would run in FY 2005-06 and FY 2006-07, and to offer the participation in the program to BAWSCA member agencies. The committee voted unanimously to recommend board approval of the proposed action.

M/S/C (Kasperzak/Fergusson/Unanimous) That the Board Policy Committee recommend that the Board authorize the General Manager to:

- 1) **Execute an agreement with SCVWD to implement a cooling tower conductivity rebate program that would run in FY 2005-06 and FY 2006-07; and**
- 2) **To offer the participation in the above mentioned program to BAWSCA member agencies.**

Approval of Signature Authority: Resolution # 2004-02 adopted by the BAWSCA board at its meeting on February 19, 2004 specifies what individuals are authorized to sign checks. The committee was asked to support the recommendation for the BAWSCA board to rescind Resolution # 2004-02, and adopt Resolution #2006-01 that adds the authority for the BAWSCA senior administrative analyst to sign checks in the absence of the general manager, and requires that for checks needing two signatures, at least one shall be that of a director. Resolution #2006-01 would replace Resolution #2004-02.

M/S/C (Reynolds/Kasperzak/Unanimous) That the Board Policy Committee recommend the Board of Directors:

- a. **Rescind Resolution No. 2004-02 that specifies what individuals are authorized to sign checks;**
- b. **Adopt a replacement Resolution No. 2006-01 that adds the authority for the BAWSCA Senior Administrative Analyst to sign checks in the absence of the**

general manager, and requires that for checks needing two signatures, at least one shall be that of a director.

AB 1234 Requirements - Local Government Ethics Bill: Art reported that recently adopted legislation AB1234 requires all agencies that provide either compensation or expense reimbursement to directors must also provide them with two hours of training in ethical matters at least once every two years. Many of BAWSCA's directors are elected officials who will receive training through their appointing authority, however, a few are citizens appointed by the agency or are individuals who have left their elected office during their term on the BAWSCA board. BAWSCA is responsible for assuring that the requirement is fulfilled.

AB 1234 – Directors' Expense Reimbursement: A second aspect of AB 1234 provides special districts with explicit authority to reimburse members of their boards of directors for expenses incurred on district businesses, and establish a uniform limit on activities that qualify for such reimbursement as well as a uniform procedure for the documentation of claims for reimbursement. The item was presented to the committee for consideration as to whether the general manager should prepare and present to the board a draft of a reimbursement policy and procedure. The committee voted that a draft policy be put together by the general manager for committee discussion at its meeting in February.

- 5. Adjournment:** The committee adjourned at 2:43pm. The next meeting is scheduled for February 15, 2006, 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
December 14, 2005**

Attendance Roster

Committee Members Present:

Rosalie O'Mahony	City of Burlingame (Chair)
Bern Beecham	City of Palo Alto (Vice-Chair)
Kelly Fergusson	City of Menlo Park
Mike Kasperzak	City of Mountain View
Chris Reynolds	Skyline County Water District

Committee Members Absent

Roberta Cooper	City of Hayward
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
Lourdes Enriquez	Assistant to the General Manager
Ray McDevitt	Hanson, Bridgett, Marcus et al.
Bud Wendell	Management Communications

Guests:

Heather Dempsey	Tuolumne River Trust
Vivian Blumenkamp	League of Women Voters Bay Area
Kenza Aladus	Kennedy Jenks Consultants
Jane Ratchye	City of Palo Alto
Susan Gearhart	League of Women Voters Bay Area