

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING  
November 17, 2005 – 7 p.m.  
Foster City Community Building, Foster City CA**

**MINUTES**

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

BAWSCA Chair, Bern Beecham, called the meeting to order and led the flag salute. Secretary Art Jensen called the roll. Nineteen (22) members were present, constituting a quorum. A list of directors present (22) and absent (6) is attached.

- 2. Comments by the Chair:** Chair Beecham announced that the San Francisco Public Utilities Commission (SFPUC) is scheduled to act on the draft Water System Improvement Program (WSIP) on November 29<sup>th</sup>. SFPUC's independent consultant, Parsons Engineering, and BAWSCA's technical consultant, Professor William Ibbs, have provided several significant recommendations. BAWSCA strongly recommends that the consultants suggestions be addressed in the final draft of the WSIP. Chair Beecham stated that wholesale customers paid about \$720,000 for Parsons' assessment of the WSIP, and the report is an asset that needs to be fully utilized at this point. SFPUC has looked at the recommendations, and it is important for the wholesale customers to understand the rationale of SFPUC's response to those recommendations. Chair Beecham announced his exchange of calls with Mayor Newsom which has not yet resulted in a conversation. The call is to express BAWSCA's interest in ensuring that the recommendations by Parsons and Prof. Ibbs are incorporated in the WSIP. Chair Beecham explained that if incorporating the consultants' recommendations take more time, it would be appropriate to invest in the time.

Mr. Jensen is currently assisting Foster City in developing a plan for coping with long-term water outages, with the goal of that plan becoming a prototype for other BAWSCA agencies. Chair Beecham urged board members to develop similar preparedness plans.

North Coast County Water District issued a letter to BAWSCA inquiring about respiratory, dermatological and epidemiological testing on human effects of chloraminated water. Mr. Jensen has asked the Environmental Protection Agency (EPA), California Department of Health Services (CDHS) and the American Water Works Association Research Foundation (AWWARF) to notify BAWSCA of studies on human health effects of chloramine in drinking water that have been conducted, being conducted, or are anticipated.

- 3. Board Policy Committee Report:** Committee Chair Rosalie O'Mahony reported that the committee met on October 12<sup>th</sup>, and discussed the Parsons review of the WSIP cost and schedule estimates. The committee's assessment of the draft report from Parsons is that the program cost of the WSIP is unrealistic and the schedule unachievable. The committee noted

Parsons report stated it did not contain the analytic depth needed to thoroughly validate the WSIP. The committee had also discussed Foster City's interest in considering desalination as an alternative source of water.

**4. General Manager's Report:**

- a. Introduction of Benjamin Pink, Water Resources Planner:** Benjamin Pink joined BAWSCA as its Water Resources Planner three weeks ago. Mr. Pink holds a Bachelor and Masters Degree in Geology from UC Santa Cruz and a Master Degree in Environmental Science and Management from the Bren School of Environmental Science and Management at UC Santa Barbara.. Together with Nicole Sandkulla, Mr. Pink is reviewing the various draft Urban Water Management Plans that BAWSCA member agencies must adopt by December 31, 2005, and has worked with the Silicon Valley Leadership Group and Santa Clara Valley Water District in developing a Bay Area cooling tower initiative. His arrival has allowed Nicole to conduct the necessary comprehensive review of the WSIP Program EIR.
- b. Community preparedness to cope with long-term water outages:** The office of Supervisor Adrienne Tissier sponsored a County Disaster Preparedness Day on November 12<sup>th</sup> that address preparedness in the home. Art reported that a meeting with managers of the City of Foster City and BAWSCA is scheduled to discuss how Foster City's water contingency plan might be strengthened and used as a prototype for the BAWSCA member agencies.
- c. Concerns about the Water System Improvement Program:**  
Comments on PEIR: The task of the San Francisco Planning Department is to ensure that the Program EIR addresses all of the needs and issues that are critical to the water customers while they do the primary task of looking at the environmental impacts of the proposed plan and its alternatives. BAWSCA's comments on the PEIR supports the two objectives of addressing all critical water demand and meeting all legal requirements.

Mr. Jensen reported that the PEIR is written with a sound direction, but needed elaboration in some areas. BAWSCA's comments included identification of projects, clarification on where the water is going to come from, and consideration of the environmental impacts resulting from no planned growth, and water shortages during drought. BAWSCA also commented on the need to take into account how water is allocated to wholesale customers during droughts, how ongoing water conservation decreases a customers ability to cut back further during a drought, and the environmental impacts of a pipeline failure if the necessary and significant parts of the system is not rebuilt. Comments submitted by other organizations are currently being reviewed for their significance.

Comments on Parsons' Assessment of the WSIP: Mr. Jensen reported that BAWSCA's priority in the comments it provides on the WSIP is reducing the risk to public health and safety. BAWSCA believes that all of the recommendations made by SFPUC's independent consultant, Parsons Engineering and BAWSCA's technical consultant, Dr. William Ibbs, should be addressed. These recommendations should be incorporated into the program or projects, unless clear policy and technical reasons provide that they shouldn't. The work

completed by Parsons Engineering was performed on behalf of SFPUC and BAWSCA member agencies, and the information on how the recommendations are addressed should be available to the wholesale customers.

Preliminary comments on the draft WSIP: BAWSCA provided preliminary comments on November 4<sup>th</sup>, and will be providing a second set of comments on November 18<sup>th</sup>. There are seventeen recommendations BAWSCA believes should be addressed prior to the adoption of the WSIP on November 29<sup>th</sup>. These recommendations affect project scopes, the ability to keep the program on schedule, and on budget.

BAWSCA's comments state the need to clarify several issues including the revised San Joaquin pipeline project and its ability to replenish supply in the Peninsula reservoirs after a lengthy reduction of flows from Hetch Hetchy, identification of which cities will receive water following a major earthquake after the projects have been completed, and the scope of the desalination project and the basis for the cost. The comments also suggest the need to examine the risks related to critical project delays, the reliability of Crystal Springs and San Andreas Reservoirs after an earthquake, cost contingencies to address foreseeable legal challenges in the PEIR, and San Francisco's capacity to implement the program. Mr. Jensen reported that at the October 25 SFPUC meeting, the commission directed SFPUC staff to provide a frank assessment of its ability to implement the program. BAWSCA's comments will also recommend a more detailed revised financial plan and an estimated cost impact to water customers.

Director O'Mahony asked about the 47 mile San Joaquin Pipeline #4 that has been replaced by a 9 mile pipeline in the WSIP. Mr. Jensen explained that increasing capacity across the San Joaquin valley can be achieved by a shorter piece of pipeline, however, the question is whether this alternative can achieve the level of service goals the commission adopted. Clarification is needed at this time.

Director Gage expressed his concern with the program cost and the potential environmental impacts of what BAWSCA agencies and their customers can afford. Director Weed inquired about the inclusion of desalination in the WSIP, and what kinds of impacts desalination of sea water at less than \$5 per unit can have on the overall program. Mr. Jensen stated that a placeholder value of \$10M is included in the WSIP for a potential new desalination project. One of BAWSCA's comments to the draft WSIP is the clarification of the cost basis for that project. Mr. Jensen stated that the cost of the WSIP is predominantly for rebuilding the system, and a small amount is associated with developing new water supply. If new water supply is developed, a reliable system in which the supply can be transported would still be required.

Director O'Mahony asked about the basis of the significant cost variances in SFPUC's financial plan. Art stated that in reviewing the financial plan with BAWSCA's financial advisor, the reduction of the financing costs from 20% to 16% is possible, and may have no impact to the water customers at the end. Financial staff of the SFPUC and of the Mayor's office are reviewing the mechanisms and approach of the program's financial plan, and the issue is addressed in BAWSCA's comments submitted on November 4<sup>th</sup>.

SFPUC staff are reviewing comments and will submit a summary to the commission on or before November 29<sup>th</sup>. There are more than 100 concerns and recommendations by various experts, and BAWSCA suggests that seventeen recommendations that significantly affect the project scopes, PEIR, and the cost and schedule, be incorporated into the program.

**Chloramine:** North Coast County Water District (NCCWD) submitted a letter to BAWSCA and to Susan Leal requesting information on human health studies on the impacts of using chloramines as a disinfectant in drinking water. As a response, Mr. Jensen issued a letter to the Environmental Protection Agency (EPA), California Department of Health Services (CDHS), and the American Water Works Association Research Foundation (AWWARF) inquiring about the kinds of studies that have been done, in the process of being done, and are anticipated to be done. The letter asks that responses be sent to Citizens Concerned About Chloramines, BAWSCA and Susan Leal.

Chair Beecham moved the report from SFPUC staff as agenda item #5.

## **5. SFPUC Report:**

SFPUC General Manager, Susan Leal and Deputy General Manager Tony Irons reported that all public comments on the draft WSIP received during the 30 day period will be reviewed and responded to prior to adoption of the program. The commission will be provided with information to allow them to act on a program on November 29<sup>th</sup>. Mr. Irons concurred with the importance of getting the program right and the costs right. He noted that following adoption of the program, things will change over time, and project scopes will become more specific. Currently, seven regional projects are in design phase and six are in construction. The projects are moving rapidly, concurrent with the environmental review, and he is pleased with the progress.

The 9-mile alternative to building San Joaquin pipeline #4 (SJPL #4) is a solid engineering proposal that will meet all the level of service goals, and is much more cost effective. Ms. Leal noted that at the PEIR scoping meetings, the number one environmental objection was building the longer San Joaquin Pipeline #4 and that SFPUC believes that the reconfigured SJPL #4 removes one of the big environmental concerns on the WSIP.

Mr. Irons reported that at a recent meeting with the California Seismic Safety Commission, there were concerns with the risks of water-outage to hospitals, schools and residents. Mr. Irons stated that SFPUC can identify the risks associated with water coming to the turnouts, but cannot identify the risks beyond that because San Francisco does not control the distribution systems of local communities that purchase water from SFPUC.

Mr. Jensen stated that it would be helpful for wholesale customers to know which turnouts will receive water once the system is repaired.

Mr. Irons reported that a Seismic Safety Task Force has been convened and is working with SFPUC in identifying where the likelihood of breaks in the system would occur, and therefore

knowing which turnouts would be operational. SFPUC is happy to work with local communities and in getting that information to the BAWSCA member agencies.

**6. Ira Ruskin Address:**

Assemblymember Ira Ruskin stated that part of his work focuses on the issues that are of great importance to BAWSCA. First, it is essential for San Francisco to adopt a sound WSIP with a schedule that is achievable, a budget that is realistic, and a financial plan to get the job done. These and the financial impacts on the water-rate payers are significant information to the people in the local communities. Assemblymember Ruskin stated his support for BAWSCA's efforts to make this happen and recognized the hard work SFPUC staff is putting forth to accomplish this difficult task.

Second, the legislature is concerned with the threat of disasters, and as a part of the legislative committee on Emergency Preparedness on Homeland Security, Assemblymember Ruskin stated his efforts in acquainting the committee with the need to seismically retrofit Hetch Hetchy, and all the challenges that is involved in the process.

Third, it is essential that local communities have appropriate emergency response plans in place. Board members were urged to meet with their respective governing bodies to determine their agency's state of preparedness for a disaster, and to identify how BAWSCA can assist.

Finally, Assemblymember Ruskin commended BAWSCA member agencies' continuing efforts on conservation. Water conservation should be a high priority, and implementation of aggressive, cost-effective and technically feasible programs is essential in the future of water supply. Agencies have also made a significant commitment to diversify their water supply portfolio so that future water conservation and recycled water can be used to meet 14% of projected water demand in the service area in 2030.

Assemblymember Ruskin expressed his appreciation for having the opportunity to share his thoughts and express his concerns on critical issues. BAWSCA's concerns are important to him and that he welcomes the opportunity to assist BAWSCA.

**7. Public Comments:**

Denise Johnson-Kula, President of Citizen Concerned About Chloramines (CCAC) thanked the board of directors for the inquiry letter it sent to the EPA, CDHS, and AWWARF inquiring what human health studies have been done, are being done, and are anticipated to be done on the effects of using chloramines as a disinfectant in drinking water.

Kevin Russo, a carpenter-builder, shared his experiences with the different types of degradation to plumbing fixtures over the last 16 months.

Marilyn Raubitschek, a San Mateo resident and member of the CCAC described the skin reaction she experienced following the addition of chloramine in the water, and her experiment with using distilled water versus tap water.

Wynn Grcich, a Fremont resident, commented on the health effects of disinfectant byproducts in the water, the rising costs to retrofit the Hetch Hetchy system, and the increasing water rates to customers.

Lillian Lieberman, Secretary of CCAC, urged BAWSCA to pursue the efforts of having studies conducted on the dermal and respiratory effects of chloramines.

Linda Corwin, Vice-President of CCAC, thanked BAWSCA for corresponding with the EPA, CDHS and AWWARF requesting information on any past, current, and anticipated studies on the human health impacts of chloramines.

Kory Trebbin, member of CCAC, spoke of the negative effects he is experiencing with chloramine in the water, and of the negative impacts it has on plumbing systems. He asked for BAWSCA's support to stop the use of chloramines until all facts are known.

**8. Consent Calendar:**

**M/S/C (Craig/O'Mahony; Claire abstained) that the Minutes of the September 15, 2005 BAWSCA Board meeting be approved; the Quarterly Budget Status Report, Quarterly Investment Report, and the BAWUA and BAWSCA Audit report for FY 2004-05 be received and filed.**

**9. Directors' Discussion: Comments, Questions and Agenda Requests:**

Director Gage stated that as the water supplier, SFPUC should hear what the customers of BAWSCA member agencies are saying, and stay for the duration of the meeting.

Director O'Connell asked about the Governor's response to the Restore Hetch Hetchy Report. Mr. Jensen stated that no comment has been received from the Governor's office to date, and that the report from the State Department of Water Resources is expected to be released at the beginning of the next calendar year.

**10. Adjournment to the San Francisco Bay Area Regional Water System Financing Authority.** The meeting was adjourned at 8:40pm

**11. Date, Time and Location of Next Meeting:** The next meeting is scheduled for January 19, 2006 at 7:00 p.m. in the Wind Room, Foster City Community Center.

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 of Directors Meeting  
November 17, 2005**

**Attendance Roster**

**Present:**

Bern Beecham	City of Palo Alto
Randy Breault	Guadalupe Valley Water District
Richard Claire	City of Redwood City
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
Marc Hershman	City of Millbrae
Mike Kasperzak	City of Mountain View
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
Chris Reynolds	Skyline County Water District
Tim Risch	City of Sunnyvale
Dan Seidel	Purissima Hills Water District
Adrienne Tissier	City of Daly City
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District

**Absent:**

Roberta Cooper	City of Hayward
Chris Mickelsen	Coastside County Water District
Lee Panza	City of Brisbane
Chuck Reed	City of San Jose
David Woods	City of East Palo Alto
Rick Wykoff	City of Foster City