

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

**April 12, 2006– 1 p.m.
155 Bovet Road, 1st Floor Conference Room**

MINUTES

1. Call to Order: 1:35 p.m.

The meeting was called to order by committee Chair, Rosalie O'Mahony at 1 o'clock. Six (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.

Public Comments: Linda Corwin, Vice-President of Citizens Concerned About Chloramine delivered a statement urging BAWSCA to include the initiation of human health studies in its budget.

Susan Gearhart, of the League of Women Voters, Bay Area Chapter stated that the issue of San Francisco's Water System Improvement Program has been placed in the chapter's highest priority. She said the topic was selected by the chapter board following Art Jensen's presentation to the San Mateo Chapter County League on February 25th about the status of the Hetch Hetchy Water System rebuild and the challenges ahead.

2. Reports:

Comments by the General Manager:

Mr. Jensen reported that a meeting with Susan Gearhart and Miriam Keller, President of the Fremont, Newark and Union City Chapter, is scheduled for April 20th.

1906 Earthquake Centennial Events: The Progress Seminar held on April 7th through 9th covered disaster preparedness, and Assemblymember Ira Ruskin and John Quinlan from the San Mateo County Sheriff's office were members of the panel, together with hospital representatives. Art reported that a meeting with San Mateo County Board of Supervisor Adrienne Tissier and Mr. Quinlan is scheduled for April 13th to further discuss the County's activities on emergency preparedness. Supervisor Tissier co-sponsored an emergency preparedness workshop in early Fall of 2005, and plans to schedule another one in 2006.

An Earthquake Conference commemorating the 1906 San Francisco Earthquake is scheduled for April 18th through April 22nd at the Moscone Center. The California Seismic Safety Commission will hold its April 17th meeting in San Francisco and will discuss emergency preparedness and its draft report on its review of SFPUC's Water System Improvement Program.

San Francisco unveiled a photograph exhibit featuring the 1906 earthquake and the building of the Hetch Hetchy water system on April 10th. On April 11th, a report on a collaborative effort between the SFPUC and American Water Works Association Research Foundation

“Identifying Critical Water Turnouts in the SFPUC Regional System: Initial Efforts to Explore Priorities for Water Service Continuity and Restoration When Responding to a Regional Disaster”, was scheduled to be presented to the commission, but has been deferred.

Water System Improvement Program – Assessment by California Seismic Safety Commission and California Department of Health Services: The CSSC’s draft review of the changes to the Water System Improvement Program states that the revised program is better, and that the increased risk to public health and safety from the changes is not easily quantified. Further considerations CSSC offered is that the public should be informed that even after the system is rebuilt, a high magnitude earthquake could still mean 30% of the regional turnouts being out of service. The draft report says the SFPUC and BAWSCA should continue their collaborative efforts so that all systems are able to function as soon as possible after an earthquake. The final CSSC report is anticipated by April 23.

Water System Improvement Program – Second Quarterly Progress Report: The second Quarterly Progress Report is expected in May. The first WSIP review with Mayor Newsom’s staff was held on March 23rd. Mr. Irons made a 90-minute presentation of the WSIP. Art expects that the next progress report with the Mayor will focus on the WSIP’s progress. At the last BAWSCA board meeting, Mr. Irons offered to provide a similar presentation to the Board.

3. Action Calendar

Approval of Minutes from February 15th Meeting:

M/S/C (Wykoff/Kasperzak; Unanimous) that the minutes of the February 15, 2005 meeting be approved.

Adoption of Floating Holidays: The consideration of floating holidays was supported by the Committee at its meeting in February and by the Board at its meeting in March. The goal for the adoption of floating holidays is to provide a means for staff to observe non-Christian holidays. A survey of other agencies shows that BAWSCA’s total vacation, holiday and administrative leave is currently lower than the median for other agencies by at least 2 days. For clarification, the committee discussed whether the floating holidays should also apply to the general manager.

M/S/C (Beecham/Kasperzak; Unanimous) that the committee recommend board approval of an amendment to the personnel handbook incorporating two floating holidays per year for each employee inclusive of the general manager.

FY 2006-07 Results to be Achieved and Proposed Budget: The activities and proposed budget of \$2,291,904 for FY 2006-07 remains the same as presented to the committee in February, and the board in March. Areas receiving greater attention next year include monitoring of San Francisco’s WSIP, continued environmental work, and the new water contract. Funding options, results to be achieved, and activities not included in the proposed budget were presented. The possibility of providing a Hetch Hetchy tour is being considered by the general manager, but it does not affect the budget since participation pays for the cost. Director

Beecham noted that the preliminary budget was discussed in detail by the committee in February and by the board in March.

M/S/C (Beecham/Kasperzak; Unanimous) that the committee recommend board adoption of the proposed results to be achieved in FY 2006-07; the proposed budget of \$2,291,904; and Option #1 funding plan, which increases agency assessments by 8.4% in FY 06-07, uses the BAWUA reserve of \$149,000, ending BAWSCA reserve at \$554,000 or 25% of its operating budget.

Priority FY 2006-07 Professional Services Contracts: Professional services contracts that need to be in place on July 1, 2006 were presented to the committee for recommendation to the board for approval. The contracts include Hanson Bridgett et al., Management Communications, Dale Newkirk, William Ibbs, Stetson Engineering, Kelling Northcross and Nobriga, and John Whitcomb. Director Beecham inquired whether more would be spent on legal fees for water contract negotiation if agencies negotiated individually with San Francisco. Legal Counsel, Ray McDevitt, said he thought they would. He noted that at least, the larger agencies are likely to have their attorneys highly involved. Director Kasperzak asked whether it was practical to ask for detailed accounting of strategic counsel's activities, and whether the nature of strategic support has evolved. Mr. Jensen stated that the support has evolved. He now identifies and articulates more of the issues, and works with strategic counsel to formulate and implement approaches. Director O'Mahony stated that the work by strategic counsel is varied and highly valuable. Director Beecham said that part of the value with strategic counsel is "what didn't happen".

Director Wykoff commented that the agency's dealings with San Francisco, Local, County and State governments in Sacramento require first rate legal and strategic consultants to heighten the agency's presence and influence for its cause. Mr. Jensen noted that the SFPUC conduct strategic meetings with governmental and public affairs staff, city attorney staff, key managers, and outside consultants.

Director Beecham stated that the consultants listed have added value and completed what was expected of them.

M/S/C (Kasperzak/Wykoff; Unanimous) that the committee recommend board approval of the contracts for legal, engineering (3), financial, strategic, and water conservation services at its May board meeting.

- 4. Adjournment:** The committee adjourned at 2:35pm. The next meeting is scheduled for June 14, 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
April 12, 2006**

Attendance Roster

Committee Members Present:

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

Committee Members Absent

Roberta Cooper	City of Hayward
Kelly Fergusson	City of Menlo Park

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.

Guests:

Vivian Blomenkamp	League of Women Voters Bay Area
Susan Gearhart	LWV, Bay Area, Natural Resources/Water Director
James Gearhart	Fremont Resident
Linda Corwin	Citizens Concerned About Chloramine
Claudette Main	Citizens Concerned About Chloramine
Sharyn Saslafsky	San Francisco Public Utilities Commission