

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

**June 14, 2006– 1 p.m.  
155 Bovet Road, 1<sup>st</sup> 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 o'clock. 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.

**Public Comments:** There were no public comments.

**2. General Manager's Reports:**

Wholesale Water Rate: SFPUC's suburban rate estimate for fiscal year 06-07 is \$1.22, dependent on weather and subsequently the suburban purchases. A letter from Susan Leal will be sent to BAWSCA in the next few days, and it will indicate PUC's plans to monitor purchases throughout the summer and fall. If suburban purchases exceed projections during that time period, the PUC may select to lower the rate accordingly. This information was provided to the representatives of the Technical Advisory Committee at its meeting on June 1, 2006.

In response to questions, Art clarified that water rates are set by contract, and do not require acceptance by the BAWSCA membership to be carried out.

Study of Economic Impact of Water Supply Shortages – Status: SFPUC and BAWSCA are working with Public Financial Management (PFM) and the Bay Area Economic Forum (BAEF) to refine a previous study of the economic impacts of water supply shortages completed by PFM in November 2005. The study will be done as a joint effort and in parallel to the PEIR work. A task plan and cost estimates will be put together by PFM and BAEF. The SFPUC Commission is expected to consider the PFM contract modification and the contract between SFPUC and BAEF at its second meeting in July. The intermediate findings will be reviewed with both the SFPUC and BAWSCA to receive input and direction during the study. The study is expected to be completed and released by November 2006.

Mr. Jensen stated that the study will further examine the estimate of what the economic impacts from a system-wide drought shortage of 20 percent and identify policy measures to mitigate those impacts. The study will also estimate the economic impacts from a system-wide drought shortage of 10 percent. The study will gather data from industrial customers that the previous study did not have. The study is well-worth the money given the possible economic impacts previously estimated to be several billion dollars.

Current Legislation - Status: Mr. Jensen reported that AB 2236 will go through the Senate Local Government Committee. The bill removes Los Trancos County Water District (LTCWD) from its membership with the Bay Area Water Supply and Conservation Agency (BAWSCA) and the San Francisco Bay Area Regional Water System Financing Authority (RFA) due to California Water Service Company's purchase of its water distribution operation. The bill also deletes the amount of water delivered to LTCWD, and revises appropriately the amount of water deliveries to the California Water Service Company. Los Trancos will continue to exist even without its water distribution system.

San Francisco Bay Area Regional Water System Financing Authority (RFA) Budget Adoption: The proposed RFA budget of \$7,550 for FY 2006-07 will be presented to the RFA board for adoption at its meeting on July 20<sup>th</sup> as required by State law. The proposed RFA budget is funded by the BAWSCA budget approved by the BAWSCA board at its meeting on May 25<sup>th</sup>.

Integrated Regional Water Management Plan – Status: Nicole Sandkulla presented the status of the Integrated Regional Water Management Plan (IRWMP) for the 9-County Bay Area. It is a regional undertaking by water and wastewater agencies and other stakeholder organizations serving the 9-county Bay Area. This multi-discipline effort responds to state requirements for obtaining state grant funds for water-related project. The objective is to secure State Grant funds for region wide water conservation efforts, recycling projects, ecosystem restoration, desalinization, groundwater demineralization, groundwater monitoring, and regional interties. The plan is currently under development, and is expected to be presented to the BAWSCA board for consideration and possible adoption in Winter 2006-07. BAWSCA's staff time for this effort is included in the budget adopted by the board in May.

Four BAWSCA agencies have projects included in this grant request: Alameda County Water District, City of Mountain View, City of Redwood City, and North Coast County Water District. Additionally, the grant request includes funding for several regional conservation programs.

High Efficiency Toilet Replacement Program – Status: The High Efficiency Toilet Replacement Program (HET) was originally presented to the Board Policy Committee in August, and received the committee's full support. Redwood City's implementation of a Toilet Replacement Program was highly successful. Staff decided to issue a Request for Proposals (RFP) to identify a contractor with the qualifications, experience and resources to perform direct installation of high efficiency toilets and urinals for multi-family housing and commercial and industrial sites. Ms. Sandkulla reported that the RFPs were issued on May 12, and proposals from four firms have been received. A selection will be made by the end of June and a recommendation to approve a contract will be presented to the board in July.

### **3. Action Calendar**

The minutes from the meeting of April 12<sup>th</sup> were approved provided that the time shown on the top of the page is changed from 1 pm to 1:30pm; that the time the meeting was called to order is appropriately reflected as 1:30; and that five members of the committee were present.

**M/S/C (Reynolds/Beecham; Unanimous) that the minutes of the April 12, 2006 meeting be approved.**

FY 06-07 Proposed Budget for BAWUA: Section 4.6 of the Bay Area Water Users Association (BAWUA) Bylaws requires that the BAWSCA board adopt a budget for BAWUA for FY 2006-07. BAWUA's proposed budget of \$3,650 is incorporated in BAWSCA's FY 06-07 budget adopted by the BAWSCA board in May. The amount of BAWUA's budget covers operating expenses that would be incurred under BAWUA's corporate name, including filing of State required papers with the Secretary of State, and tax related documents. The committee asked why it is necessary for BAWUA to continue to exist. Section 5.33 of Proposition P, a San Francisco Charter amendment that established the Public Utilities Revenue Bond Oversight Committee (RBOC), requires that one of the seven committee members be appointed by the governing body of the Bay Area Water Users Association. The committee voted unanimously to recommend board approval of BAWUA's proposed budget of \$3,650 for FY 06-07.

**M/S/C (Reynolds/Fergusson; Unanimous) that the committee recommend board adoption of the proposed FY 06-07 budget for BAWUA totaling \$3,650.**

Water Wise School Education Kit: Ms. Sandkulla reported that in FY 05-06 six BAWSCA agencies participated in a trial-run for a school education program with WaterWise Consulting in which a total of 1,554 water conservation kits were distributed to 5<sup>th</sup> grade students. Each kit contained water saving devices that students installed and used to perform a water audit in their home.

The program is a part of a water conservation curriculum that is readily implemented by teachers, easily understood by students, and uses methods that quantify the water savings. This year's program has an estimated water savings of 58 acre-feet per year, or enough water to serve 252 single family homes. Participating agencies have positive feedback about the program and other BAWSCA agencies are highly interested.

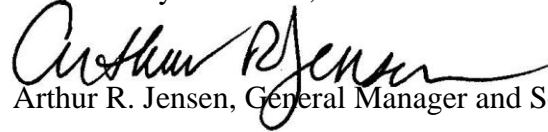
WaterWise Consulting will maintain the current bulk volume discount price of \$29.75 per kit for the FY 06-07 program and will continue to perform all administrative and implementation tasks, including coordinating and following up with the school districts, schools and teachers, and compiling the audit results into a report.

BAWSCA recommends that the program be offered to all member agencies on a subscription basis in which all costs are paid for by participating agencies. The program helps agencies implement Best Management Practices #1, 2 and 8 for Urban Water Conservation, and develops a relationship between the agencies and the school districts.

**M/S/C (Beecham/Fergusson; Unanimous) that the committee recommend that board to authorize the general manager to negotiate and execute a contract with WaterWise Consulting, subject to legal counsel's final review, for implementation of the WaterWise School Education Program in FY 2006-07; and to offer participation in the program to interested BAWSCA agencies.**

4. **Closed Session:** The committee adjourned to closed session at 1:55pm.
5. **Adjournment:** The next meeting is scheduled for August 9, 2006, at 1pm in the first floor conference room of the BAWSCA office building, 155 Bovet Road, San Mateo.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Arthur R. Jensen", written in a cursive style.

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  
June 14, 2006**

**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
Chris Reynolds	Skyline County Water District
Rick Wykoff	Estero Municipal Improvement District

**Committee Members Absent**

Roberta Cooper	City of Hayward
Mike Kasperzak	City of Mountain View

**BAWSCA Staff Members Present:**

Arthur Jensen	General Manager
Nicole Sandkulla	Senior Water Resources Planner
Benjamin Pink	Water Resources Planner
Lourdes Enriquez	Assistant to the General Manager
Ray McDevitt	Hanson, Bridgett, Marcus et al.

**Guests:**

Dan Seidel	Director, Purissima Hills Water District, BAWSCA
Susan Gearhart	LWV, Bay Area, Natural Resources/Water Director
Jane Ratchye	City of Palo Alto
Sharyn Saslafsky	San Francisco Public Utilities Commission