

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

**December 10, 2008 – 1:30 p.m.  
155 Bovet Road, 1<sup>st</sup> Floor Conference Room**

<b>MINUTES</b>
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**1. Call to Order: 1:35 p.m.**

Committee Vice-Chair Robert Craig presided over the meeting in Director Fannon's absence. The meeting was called to order at 1:35. Seven (7) members of the committee were present, constituting a quorum. A list of directors present (7) and absent (3) and members of the community attending is attached.

- 2. Public Comments:** Peter Drekmeier, Bay Area Program Director for Tuolumne River Trust congratulated the City of Hayward for all its efforts towards Green Building. As the San Francisco Public Utilities Commission (SFPUC) Water System Improvement Program (WSIP) gets going, the Trust looks forward to working with BAWSCA and its member agencies on conservation.

**3. Reports:**

Comments by Chair and Committee Members:

Director Quirk announced that the City of Hayward is considering a proposed ordinance aimed at promoting efficient water-use through guidelines and checklists for landscape professionals, homeowners and residential and commercial remodels.

Reports by the Chief Executive and General Manager:

- A. BAWSCA Board Matters – Policy Calendar: A schedule highlighting upcoming policy decisions by the board in 2009 was presented to the committee. The budget process will begin with a preliminary report to the committee in February. Findings from the conservation implementation plan will be considered during the budget process.

Director Fergusson asked why the new agreement with San Francisco was not included in the schedule. Art explained that the agreement with San Francisco is an action item for the member agencies, and not the BAWSCA board. The board will continue to receive reports on the developments of the negotiations with San Francisco. The board will receive a briefing in the spring

- B. Water Supply Conditions: Conditions continue to be dry. Substantial rain is needed to recover from the past two dry years.

- C. Conservation Implementation Plan: The progress of the study is on schedule with tremendous participation from staff of twenty-three agencies. The recycled water survey is close to completion. A status report on the progress and information obtained to date will be presented to the board in January. Committee discussion covered a number of comments, questions and answers related to future water supply planning. The discussion under this item was stopped and continued under Item 5, the discussion of Fiscal Year 2009-10 Budget Preparation. The various comments, question and answers are collected and presented with that item.

- D. Staff Position Vacancy: Mr. Jensen reported the position description and requirements for BAWSCA's vacant Water Resources Planner were revised based on an examination of the talents that will be needed to achieve results required to implement water efficiency programs and investigate and implement longer-term water management alternatives. The position requires engineering skills to perform routine and complex analyses related to water resources planning and development.

The revisions are being reviewed by legal counsel, and a compensation analysis will be completed in time for presentation to the board at its January meeting. Mr. Jensen stated that the compensation analysis could not be completed in time for this meeting of the Board Policy Committee, but that the position should be filled as soon as possible to assist with work being conducted this year. He stated his desire to take the issue directly to the board in January and note that the details had not been reviewed by this committee.

Director Quirk expressed his support for the changes in the position requirements and qualifications. Other directors agreed with moving forward to the board to expedite filling the vacancy.

- E. Mid-Year Budget Assessment: Mr. Jensen reported that all planned efforts for the current fiscal year of 2008-09 are on schedule.

Significant legislative efforts were not planned for the fiscal year, but legislation related to water conservation may require time and resources from BAWSCA and its member agencies.

Mr. Jensen reported that there may be two parallel but contradicting plans by the State on water conservation. The State Water Resources Control Board is looking into a statewide water-use reduction by 20% by the year 2020, and the Governor has asked legislatures to prepare water conservation legislation for the State.

At BAWSCA's Technical Advisory Committee (TAC) meeting on December 4<sup>th</sup>, technical representatives adamantly supported coordination between BAWSCA and the member agencies to follow the developments of both efforts in the coming months. Mr. Jensen and the TAC agreed to identify the needs of the agencies, determine how they can be best represented, and find out how to influence the results of the two efforts to support members' interests.

Mr. Jensen stated that successful legislative and regulatory efforts can be extremely labor intensive. BAWSCA will work with strategic and legal counsels to review what actions are necessary and appropriate at this time, and report back at the January TAC meeting.

Fiscal Year 2009-10 Budget Preparation: Budget preparation for FY 2009-2010 has begun. A formal list of results to be achieved during FY 09-10 will be brought to the committee at its meeting in February. Mr. Jensen presented his preliminary examination of future challenges that lie ahead and what results BAWSCA would need to achieve next fiscal year.

Recurring strategic and administrative tasks include agency efficiency, environmental stewardship, maintaining support of allies, and the continued monitoring of the WSIP. Anticipated new activities include:

- a. Close-out tasks involved following the expiration of the existing water sales agreement with San Francisco, and
- b. Beginning administration of the new water agreement, including a check list to ensure all provisions are implemented and documenting procedures for future personnel.
- c. Performing the first-year's activities from the Water Conservation Implementation Plan currently being developed. Implementing these near-term activities plan will ensure reliable water supplies through the year 2018.
- d. Beginning regional water management planning with BAWSCA's member agencies. The resulting water management plan will be designed to ensure reliable water supply over a longer term.

To elaborate on the results required from this last activity, Mr. Jensen reviewed relevant portions of the presentation given at BAWSCA's November board meeting. The conclusion was that BAWSCA must coordinate regional water management planning with its member agencies to determine how to meet water needs reliably in 2019 and beyond. The effort will require outside professional resources to reach a result that should define who must do what by when.

During FY 2009-10, a scope of work for this undertaking must be developed.

Mr. Jensen presented a list of steps from scope development to completion of an implementation plan for future water supplies. He emphasized that the work would be conducted by BAWSCA and coordinated with the SFPUC, the SCVWD and perhaps other outside agencies.

Committee discussion addressed the following topics and issues:

Comment: BAWSCA appears to have focused on water conservation rather than developing new reliable water supplies.

Response: BAWSCA has developed a strong water conservation program. BAWSCA has worked extensively on water supply alternatives for meeting future water needs and drought reliability with San Francisco during preparation of the Program Environmental Report.

Comment: Did BAWSCA abandon the goal of 10 percent drought reductions?

Response: BAWSCA did not abandon that goal. San Francisco's work was guided by the SFPUC's level of service goals, and they selected a drought reliability goal of 20 percent reductions. Any study conducted by BAWSCA will reflect the goals the BAWSCA board wishes to pursue.

Comment: Why didn't San Francisco adopt a plan that addressed BAWSCA member agencies' needs?

Response: Mr. Jensen reminded the Committee that of BAWSCA's 27 members, 25 agencies have perpetual contractual rights for up to 184 mgd. Beyond that amount it remains uncertain how much San Francisco might provide and when they will decide. He stated that San Francisco is not accountable for meeting the future needs of the wholesale customers. Comments by San Francisco Planning Commission members at a hearing on December 18<sup>th</sup> included statements such as, "Can San Francisco control land use outside the City through water?" These statements underscore the importance of the member agencies and BAWSCA, which they created to develop and implement regional water supply and conservation plans.

Director Guzzetta concurred with Mr. Jensen and stated that San Francisco will never take the regional responsibility with the decisions it makes. The supply from San Francisco will continue to have risks, but will also continue to be needed by the wholesale customers. BAWSCA's member agencies have the obligation to stay together, serve its water customers, and work together to benefit the whole group. AB 2058 allows agencies to work together to address regional issues such as supply limitations.

Director Quirk stated that the City of Hayward has resources and could consider looking at its water recycling project to potentially provide an alternative source of water for communities outside of Hayward. Mr. Jensen emphasized that under the new agreement with San Francisco, BAWSCA has the authority to work with member agencies in trading water supplies.

Director Pierce supported collaboration among the wholesale customers towards a regional benefit. She raised a possibility that there may be a time that supplies may not be assured.

Suggestions by committee members include consideration of best practices as a basis for drought allocation in future studies, investing in each other's conservation, and trading allocations of water from San Francisco, and building pipelines to transport supplies. Members were mindful of potential environmental impacts projects may have.

Director Guzzetta concurs with the need to work together in finding a regional solution to provide common good for the region. Agencies have the responsibility to serve its water customers, and BAWSCA can help in making each individual agencies' responsibility a lot less difficult.

Director Wykoff was pleased with the discussion, and felt that it was very productive.

Committee members recommended being clear about the objectives of the planned efforts when presenting it to the board.

**4. Action Calendar:**

A. Approval of the Minutes from October 22, 2008 Meeting:

**M/S/C (Quirk/Fergusson/Unanimous) that the minutes from the special meeting of October 22, 2008 be approved and filed.**

**5. Comments by Committee Members:** There were no comments.

**6. Adjournment:** The committee adjourned at 3:30. The next meeting of the committee is February 11, 2009 at 1:30pm in the 1<sup>st</sup> floor conference room of the BAWSCA office building.

Respectfully submitted,

  
Arthur R. Jensen, Chief Executive Officer/General  
Manager and Secretary

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Attachments: 1) Attendance Roster

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Board Policy Committee  
December 10, 2008**

**Attendance Roster**

**Committee Members Present:**

Robert Craig, Vice Chair	Westborough Water District
Kelly Fergusson	City of Menlo Park
Rob Guzzetta	California Water Service Company
Rosalie O'Mahony	City of Burlingame
Barbara Pierce	City of Redwood City
Bill Quirk	City of Hayward
Rick Wykoff	Estero Municipal Improvement District

**Committee Member Absent:**

John Fannon, Chair	Town of Hillsborough
Cyril Bologoff	City of Brisbane
Chris Reynolds	Skyline County Water District

**BAWSCA Staff Members Present:**

Arthur Jensen	Chief Executive Officer/General Manager
Nicole Sandkulla	Senior Water Resources Engineer
John Ummel	Senior Administrative Analyst
Lourdes Enriquez	Assistant to the CEO/General Manager
Allison Schutte	Hanson Bridget, LLP.
Bud Wendell	Management Communications

**Guests:**

Peter Drekmeier	Tuolumne River Trust
Marilyn Mosher	City of Hayward
Sharyn Saslafsky	San Francisco Public Utilities Commission