

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

**August 12, 2009 – 1:30 p.m.
155 Bovet Road, 1st Floor Conference Room**

MINUTES

1. Call to Order: 1:30 p.m.

Committee Chair Kelly Fergusson called the meeting to order at 1:30. Director Quirk participated in the meeting by teleconference, and Eight (8) members of the committee were present, constituting a quorum. A list of directors present (9), absent and members of the community attending is attached.

2. Public Comments: There were no public comments.

3. Reports:

A. Comments by Chair: Committee Chair Fergusson emphasized that it is important for BAWSCA board members to think and act regionally as the strategy for ensuring long-term water supply reliability is developed. While individual member agencies will act locally, BAWSCA exists to ensure regional problems are addressed, and that member agencies can take the opportunities to work beyond their local boundaries.

B. Comments by Committee Members: Committee members who attended the Hetch Hetchy tour in July stated that the tour was well done and very informative. Director Fergusson stated that the tour provided a lot of information on the non-static environment of the regional system.

Director Swegles reported that the Santa Clara Valley Water District reduced their staff to cut their budget and to avoid rate increases for their customers.

Directors Swegles and Pierce provided an update on the League of California Cities' review of pending legislations and its observation of the State's growing need for legislation to fix the Delta.

C. Reports by the Chief Executive and General Manager:

1. Pending Legislation – Update: AB49 (Feuer, Huffman) Water Conservation: Mr. Jensen reported that a critical amendment in the wording of the bill that clarifies BAWSCA's ability to act on behalf its member agencies was included. The bill is pending review with several other pieces of legislation that concern the Delta and State water issues. A committee of the legislature is expected to consider the bills as one unit. A hearing with the Assembly Committee on Water, Parks and Wildlife and Senate Committee on Natural Resources and Water is scheduled for August 18th

SB 407 (Padilla) Plumbing Retrofit: The bill was revised on July 1st to amend the requirement to replace non-water conserving fixtures prior to a real estate transition. A

bill analysis by the Assembly Committee on Appropriations is scheduled for August 19th.

HR 11 (Ruskin) – Chloramines: The resolution proposes a study of the potential human health effects of chlorine and chloramines when used as a disinfectant for drinking water. Revisions to include the study of secondary alternatives to drinking water disinfectants are pending.

2. Water System Improvement Program – Commission hearing on WSIP modifications and report to the State: Mr. Jensen reported that on July 28th, the commissioners of the SFPUC adopted the proposed changes to the WSIP with an amendment to the resolution, moved by Commissioner Vietor, to incorporate BAWSCA’s recommendations.

BAWSCA’s recommendation focused on the program scope, schedule and budget. The amended resolution requires the update of the system performance analysis with the current WSIP to ensure that the combination of projects is consistent with the program objectives and level of service (LOS) goals. Staff will be directed to report how potential delays are identified and what is being done to avoid or address delays, and to confirm that final construction schedules are not compressed into the final years of the program. If so, mitigation measures of potential consequences should be presented. Lastly, a comparison of construction cost estimates to awards, and a summary of construction change orders are to be reported on a regular basis.

BAWSCA looks forward to the reports that will be submitted to the California Seismic Safety Commission and State Department of Public Health

3. Seismic Risks to Water Systems – USGS presentation in September: Ensuring local water distribution systems are seismically resilient is a responsibility of each local agency. Agencies reportedly continue to implement recommendations from seismic reviews conducted in 2000.

Mr. Jensen suggests providing a continued insight by inviting Dr. David Schwartz from the U.S. Geological Survey to speak to the board in September about the most recent information on Bay Area earthquake faults, expected ground motion, and possible implications to infrastructure.

4. New Water Supply agreement: Approval Status - Mr. Jensen reported that the last agency adopted the new Water Supply Agreement on August 11th. The documents are currently at the SFPUC for Ed Harrington’s signature. Fully executed agreements will be mailed to each BAWSCA member agency.
5. Long-Term Water Supply Strategy, Drought Allocations, and Interim Supply Limits: Appointment of Agency Representatives - The CEO had requested each agency manager to appoint a representative to work with BAWSCA on these three important water supply efforts being undertaken this fiscal year. To date, representatives for 24 member agencies have been designated. Two remain to be appointed. Meetings with

small groups of agencies will be scheduled towards the end of September and the beginning of October.

The process will be similar to the meetings held with agency representatives during the negotiation of the new water supply agreement.

The existing drought allocation formula will be analyzed to determine whether it is adequate or if revisions are necessary. Conditions that have changed since the development of the formula will be discussed and concerns by agencies will be considered to identify whether changes are needed.

Mr. Jensen noted three principles that were incorporated into the existing water shortage allocation formula: ongoing water conservation efforts should not be penalized, an agency should not be penalized because development in their area is occurring later than it may have occurred in some other areas, and agencies should not be penalized if others have historically exceeded their contractual supply guarantees.

Mr. Jensen stated that the prior formula is complicated and it will be important to provide a transparent explanation of whatever formula is agreed upon

6. Water Conservation Implementation Plan: Status Report - Final comments to the consultant on the draft report have been submitted, and the final document should be available by the end of August.

BAWSCA is working with staff members of agency utility and city planning departments to develop draft indoor and outdoor ordinances. The group is reaching out to stakeholders considered as key players in the process for adoption of the ordinances.

BAWSCA's High Efficiency Toilet Rebate Program is focused on attracting water customers to participate in the program. BAWSCA is collaborating with Silicon Valley Leadership Group (SVLG) and Silicon Valley Joint Venture (SVJV) to inform the public. Ms. Dutton explained that SVLG and SVJV are including revisions to their websites to provide "one-stop-shopping" for information on energy conservation, water conservation and carbon footprint reduction.

BAWSCA is looking to hire an intern to support the tasks required for the program, including consistent outreach to toilet vendors.

Director Pear recommended that BAWSCA work closely with industry groups as ordinances are developed to ensure consensus.

Anona Dutton, Water Resources Planner, noted that the workgroup is maintaining close coordination with other laws being developed. A comprehensive review of existing State ordinances and Leadership in Energy and Environmental Design (LEED) measures is being done to identify what parameters should be included in the ordinances.

The workgroup is comprised of member agency staff, city attorneys, and staff from city and county planning departments.

Legal counsel, Allison Schutte, noted that once the ordinances are developed, they can be adopted by each agency based on the agency's individual requirements.

Director Wykoff supports Director Pear's comment to obtain input from industry experts who will be directly impacted by the ordinances. Mr. Jensen appreciated this advice, and that staff will determine whether any of the recommendations that may result have not already been vetted with such groups

4. Action Calendar:

- A. Consultant Selection for Scoping of the Long-Term Reliable Water Supply Strategy:** Mr. Jensen presented the timeline and approach to selecting the consulting firm that will work with BAWSCA in developing the Scope of the Long-Term Reliable Water Supply Strategy.

BAWSCA received ten proposals on August 5th. On August 14th, an interview panel comprising representatives from two member agencies, Art Jensen, and Nicole Sandkulla will create a shortlist. Ms. Dutton will be a non-voting observer due to her prior employment with a firm that is part of a team that has submitted a proposal. She holds no financial interest in the firm, but the step is being taken to avoid even the appearance of impropriety.

Consultants on the short list will be interviewed on August 26th. If a second day is needed, interviews will be held on August 27th. A recommendation to the board to authorize the CEO and General Manager to negotiate and execute a contract with a recommended consultant will be presented at the September board meeting.

The committee was asked to confirm whether the proposed process conforms to agency practices and appropriate public process, and to advise whether additional information would be helpful to the board for its consideration in September.

The committee was pleased with the proposed approach and had no additional comments.

- B. Water conservation Monitoring and Reporting System:** Mr. Jensen reported that the BPC and board supported the recommendation for a sole-source contract with Brown and Caldwell (B&C) to develop a computer-based system to track and monitor the progress of conservation programs. Negotiations of the project scope and total cost with B&C continue. It is critical that the development of the system takes place this fiscal year, and that it is implemented in FY 2010-11.

Sole-sourcing the development of the system with B&C is the best approach for BAWSCA because B&C has the necessary expertise in three specialized technical areas: 1) Water conservation implementation and reporting, 2) fluency with the model used by all BAWSCA member agencies to project water demand and conservation savings, and 3) development of a customized web-accessible database and reporting program. Authority to finalize and execute a professional services agreement with B&C will be requested of the board in September.

If negotiations with B&C are unsuccessful, the next best alternative is to broaden the selection and release a Request for Proposals.

Chair Fergusson asked if the database will include historical data. Mr. Jensen explained that the MRS will be married with the demand projection model and that the water demand projections reflect historical water savings.

Director Pierce noted that it will be helpful to see the value of the monitoring and reporting system, and what can be obtained with it.

Chair Fergusson noted that information from the MRS can be used in completing Urban Water Management Plans.

Director Pear asked how much of the water savings gained from conservation efforts can fill the gap between the water supply needs and the water supply limitation that has been mandated upon the member agencies. He stated that BAWSCA needs to pursue a policy of looking at where the water supply will come from. Mr. Jensen explained that is the purpose of the Long-Term Reliable Water Supply Strategy.

5. **Consent Calendar:** The committee unanimously approved the minutes from the meeting of June 10, 2009, and a recommendation that the board authorize the CEO and General Manager to execute a 48-month copier lease agreement with Toshiba.

6. **Adjournment to Closed Session:** The committee adjourned to closed session at 3:45pm for CEO and General Manager's performance evaluation.

7. **Actions taken during Closed Session:** The committee reconvened at 4pm. The committee voted in closed session to recommend that the board extend the contract of the CEO and General Manager by one year with no change in compensation, as requested by the CEO.

8. **Comments by Committee Members:** There were no additional comments.

9. **Adjournment:** The committee adjourned at 4:05. The next meeting of the committee is October 14, 2009 at 1:30pm in the 1st 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

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
Board Policy Committee
August 12, 2009

Attendance Roster

Committee Members Present:

Kelly Fergusson, Chair	City of Menlo Park
Bill Quirk, Vice-Chair <i>By Teleconference</i>	City of Hayward
Robert Craig, Vice Chair	Westborough Water District
John Fannon	Town of Hillsborough
Matt Pear	City of Mountain View
Barbara Pierce	City of Redwood City
Ron Swegles	City of Sunnyvale
Rick Wykoff	Estero Municipal Improvement District

Committee Members Absent

Rob Guzzetta	California Water Service Company
Irene O'Connell	City of San Bruno

BAWSCA Staff Members Present:

Arthur Jensen	Chief Executive Officer/General Manager
Anona Dutton	Water Resources Planner
John Ummel	Sr. Administrative Analyst
Lourdes Enriquez	Assistant to the CEO/General Manager
Allison Schutte	Hanson Bridget, LLP.

Guests:

Bob Anderson	Purissima Hills Water District
Nan Barton	City of Hayward
Linda Corwin	Citizens Concerned About Chloramine
Jenny Gain	Brown & Caldwell
Jane Ratchye	City of Palo Alto
Sharyn Saslafsky	San Francisco Public Utilities Commission
Ellis Wallenberg	Kennedy Jenks

