

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

**October 13, 2010 – 1:30 p.m.
1000 South El Camino Real, Suite #100, San Mateo**

NOTES

1. Call to Order:

A quorum was not present at the call-to-order and the BPC Chair noted that no action could be taken without a quorum. The roster of Committee members and public attendees present is attached.

With the guidance of legal counsel, copies of the handouts prepared for the meeting were distributed to those who arrived for the meeting and a brief presentation was made without discussion. Copies of the handouts were distributed to committee members who were not present.

2. Public Comments: There were no public comments.

3. Consent Calendar:

The approval of the minutes from the meeting of August 11, 2010 will be rescheduled to the next meeting on December 8, 2010.

4. Action Calendar:

Recommendation to authorize the CEO/General Manager to Negotiate and Execute a contract with PG&E, subject to legal counsel's review, for rebate processing services through June 30, 2012 associated with implementation of the Washing Machine Rebate Program from January 1 through December 31, 2011, and offer participation in the program to BAWSCA member agencies through December 31, 2011:

No action was taken. The item for the Committee's consideration to recommend to the Board will go forward to the Board of Directors in November without a Committee recommendation

5. Reports:

New Agenda Format: Mr. Jensen explained that the modified agenda format is based on board member input on how information can be better presented to the committee and board during its meetings.

The format focuses on policy decisions and status of achieving results. Decision items are in the beginning with clarification of the policy issues and presentation of honest alternatives. There will be clear policy basis for status reports given, and discussions can focus on whether policy issues are clearly stated, policy alternatives are well formed and compared, and whether additional alternatives should be considered.

BAWSCA Water Supply Management:

Annual Water Conservation Report: The report is in draft, and will be finalized and distributed to the board in November.

SFPUC Interim Supply Allocations: A schedule of the SFPUC's meetings on establishing the Interim Supply Allocations for wholesale customers was included in the committee's agenda packet. BAWSCA staff will circulate the schedule and related materials to the Board and agency appointed Water Supply Management Representatives.

Long-Term Reliable Water Supply Strategy (Strategy) – Policy Issues: The handout presentation included the chart of the Water Supply Management Program and the timeline for the phases of the Strategy.

Mr. Jensen stated that a variety of policy issues must be articulated, alternatives evaluated, and recommendations presented for consideration and action. The back and forth process with the board will evolve over the next 18th months.

Presentations will be made to the board to provide technical basics, public policy implications and the advantages and disadvantages of alternatives. Directors will have the opportunity to ask questions and request more information from staff, discuss policy implications with their colleagues, and request information from their appointing agency staff. Mr. Jensen noted that the objective of the process is not to make the board technical experts, but to provide a clear informational foundation upon which the Board can make policy decisions.

Mr. Jensen's presentation included examples of policy issues based on future water supply needs and drought reliability.

Mr. Jensen stated that the examples are preliminary and incomplete. They were presented to the committee as a helpful introduction to what must be addressed to implement the Strategy, and to clarify that the 18-month schedule provides time to formulate the policy issues and support them with cost and other information.

Director Fergusson asked how the 18-month schedule was formulated. Mr. Jensen stated that the 18-month schedule was driven by the technical information.

Director Pierce asked if there are other organizations that have addressed similar issues and whether their experience is relevant or helpful. Mr. Jensen answered that such experience is available and that BAWSCA's consultant has specific experience in this area.

SFPUC Water System Improvement Program: Mr. Jensen reported that the ground breaking for the Bay Division Tunnel Project was held on September 24th. BAWSCA sent a letter to the SFPUC and the Joint Legislative Audit Committee (JLAC), California Seismic Safety Commission (CSSC), and Department of Public Health (DPH) to provide its comments on the SFPUC's Annual Report to the State. BAWSCA's letter lists its assessment of the program's progress, and contains specific recommendations.

Lower Crystal Springs Dam Improvement Project: Mr. Jensen reported that The SFPUC will have a hearing on the Final Environmental Impact Report (FEIR) for the Lower Crystal Springs Dam Improvement (LCS DI) Project on October 15th. BAWSCA will be providing testimony regarding unmet water supply objectives in the FEIR.

Mr. Jensen explained that the SFPUC's negotiated fish releases below the Calaveras and Lower Crystal Springs Reservoirs would impact the SFPUC's ability to meet its water supply goals and contractual obligations to its wholesale customers. A reduction of water supply for the regional water system of 7.4 mgd would result from the proposed fish flow.

Mr. Jensen reported that the SFPUC has not identified new water supplies to meet the Levels of Service Goals for normal and drought years, and that the SFPUC does not plan on modifying the LOS goals. In addition, the information on the Lower Crystal Springs FEIR was not shared with BAWSCA in a timely manner.

Mr. Jensen reported that a letter was submitted to the San Francisco Planning Commission on October 6, 2010. A letter is being prepared for the SFPUC, and a testimony will be delivered at the SFPUC's October 15th meeting where the Commission will consider adopting the final project EIR. BAWSCA will ask the Commission to amend the draft resolution to address BAWSCA's concerns by a specific date. Mr. Jensen asked for agency support at the meeting.

9. **Adjournment:** Mr. Jensen finished his presentation at 2:30pm.

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
October 13, 2010**

Attendance Roster

Committee Members Present:

Irene O'Connell (Chair)	City of San Bruno
Kelly Fergusson	City of Menlo Park
Matt Pear	City of Mountain View
Barbara Pierce (BAWSCA Vice Chair)	City of Redwood City
Rick Wykoff	Estero Municipal Improvement District

Committee Members Absent:

Robert Craig	Westborough Water District
Rob Guzzetta (Vice Chair)	California Water Service Company
Ruben Abrica	City of East Palo Alto
John Fannon (BAWSCA Chair)	Town of Hillsborough
Bill Quirk, Vice-Chair	City of Hayward
Ron Swegles	City of Sunnyvale

BAWSCA Staff Members Present:

Arthur Jensen	Chief Executive Officer/General Manager
Nicole Sandkulla	Water Resources Planning Manager
John Ummel	Sr. Administrative Analyst
Lourdes Enriquez	Assistant to the CEO/General Manager
Allison Schutte	Legal Counsel, Hanson Bridget, LLP.

Guests:

Bob Anderson	Purissima Hills Water District
Peter Drekmeier	Tuolumne River Trust
Nico Procos	City Of Palo Alto
Sharyn Saslafsky	SFPUC