

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Foster City Community Building – 1000 E. Hillsdale Blvd., Foster City**

**Wind Room**

*(Directions on Page 2)*

**Thursday, September 15, 2011**

**7:00 P.M.**

**AGENDA**

- 1. Call to Order/Roll Call/Salute to Flag** (Pierce)
- 2. Comments by the Chair** (Pierce)
- 3. Board Policy Committee Report** *(Attachment)* (Klein)
- 4. Public Comments** (Pierce)  
*Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.*
- 5. Consent Calendar** (Pierce)
  - A. Approve Minutes of the July 21, 2011 Meeting *(Attachment)*
  - B. Receive and File Pre-Audit Budget Status Report – As of June 30<sup>th</sup> *(Attachment)*
  - C. Receive and File Investment Report – As of June 30<sup>th</sup> *(Attachment)*
- 6. SFPUC Report** (Harrington)
- 7. Action Calendar**
  - A. Management of the General Reserve Balance *(Attachment)* (Jensen)  
*The Board Policy Committee voted unanimously to recommend Board approval of the Committee's advice to the CEO.*
- 8. Reports and Discussions** (Jensen)
  - A. Development of a Statistical Tool to Examine Causes of Decreased Water Use *(Attachment)*  
*The Board Policy Committee voted unanimously to recommend not to pursue the development of a statistical tool to examine causes of water demand suppression.*
  - B. Water System Improvement Program - Report *(Attachment)* (Sandkulla)
  - C. Water Supply Agreement – Second Year Administration *(Attachment)* (Jensen)
  - D. BAWSCA's Communication with Agencies Regarding Technical Matters *(Attachment)* (Jensen)

- E. Process and Schedule for CEO Evaluation (*Attachment*) (Pierce)
- 9. Directors' Discussion: Comments, Questions and Agenda Requests** (Pierce)
- 10. Date, Time and Location of Future Meetings** (Pierce)  
(See attached schedule of meetings)
- 11. Adjourn to next meeting scheduled for November 17, 2011 at 7pm** (Pierce)

*Upon request, the Bay Area Water Supply and Conservation Agency will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and the preferred alternative format or auxiliary aid or service at least two (2) days before the meeting. Requests should be sent to: **Bay Area Water Supply & Conservation Agency, 155 Bovet Road, Suite 650, San Mateo, CA 94402** or by e-mail at [bawsca@bawsca.org](mailto:bawsca@bawsca.org)*

*All public records that relate to an open session item of a meeting of the BAWSCA Board that are distributed to a majority of the Committee less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at **BAWSCA, 155 Bovet Road, Suite 302, San Mateo, CA 94402** at the same time that those records are distributed or made available to a majority of the Committee.*

**Directions to Foster City Community Bldg. – 1000 E. Hillsdale Blvd., Foster City**

**From Hwy. 101**, take the Hillsdale Ave. exit East. Turn Right into the parking lot just after the intersection with Shell Blvd. The Community Bldg. entrance is separate from the Library entrance and is marked by signage. The Wind Room will be at the top of the stairs on the right, across from the reception station (there is also an elevator).

**From the East Bay**, take Hwy. 92 West, exiting at Foster City Blvd., and going South on Foster City Blvd. to Hillsdale. Turn Right (West) onto Hillsdale and proceed to Shell Blvd., making a U-turn to be able to pull into parking lot on SE corner of Hillsdale and Shell. See underlined sentence of first paragraph above for remainder of directions.

# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

155 Bovet Road, Suite 302  
San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

## **MEMORANDUM**

TO: BAWSCA Board Members

FROM: Arthur R. Jensen, Chief Executive Officer

DATE: September 9, 2011

SUBJECT: Summary of Board Policy Committee meeting held August 10, 2011

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The Committee meeting was called to order at 1:30 pm by Committee Chair, Larry Klein. A list of Committee members present and absent, and of other attendees is attached. Because Director Anderson participated by teleconference, all Committee actions were taken by roll call vote.

The Committee took the following actions and discussed the following topics:

### **Consent Calendar:**

Approval of the Minutes from the June 8, 2011 Meeting: By roll call vote, the Committee approved the minutes from the meeting of June 8, 2011. Directors O'Connell and Breault abstained.

### **Action Calendar:**

Recommendation for Potential Uses for the General Reserve Funds: Mr. Jensen noted that in June, the Committee advised that the CEO: 1) provide at the September Board meeting, any one-time value-added work product that could be added to the Work Plan and budget and performed in FY 2011-12, and 2) present to the Board at mid-year, the projected year-end balance and alternatives for managing it.

Mr. Jensen presented an analysis of the current and projected size of the General Reserve. Although the current approved budget is within two percent of the level of assessments, the General Reserve balance can be expected to grow because actual expenditures historically average about 14 percent less than the approved budget, and unspent funds are deposited in the General Reserve following the close of each fiscal year. The General Reserve balance as of July 1, 2011 is \$1.05 M. If expenditures are at 86% during FY 2011-12, the projected General Reserve balance on July 1, 2012 will be between \$1.25 and \$1.40M.

Mr. Jensen then presented several alternatives for managing the General Reserve balance.

One alternative is to reduce the potential growth in the Reserve balance by decreasing the amount of unspent budget. Under-spending of the Operating Budget is typically in the areas of as-needed consultants, not using the entire contingency budget and an aggregate of savings across individually small budget items. An alternative for budgeting as-needed consultants was presented and received considerable discussion by the Committee. The ability to, and the advisability of fine-tuning the budget is limited by the relatively small size of the agency budget, the inherent uncertainty in the resources needed to achieve results and the low frequency of Board meetings at which modifications to the approved budget could be presented and considered.

Another alternative to reduce the growth in the Reserve balance would be to reduce the size of annual assessments. Mr. Jensen noted that if the option of reducing the assessments is considered, it should be planned and moderated to minimize variations in assessments from year to year.

A third alternative for managing the size of the Reserve balance would be to send agencies a refund. Refunding the agencies the excess reserve balances would provide sufficient reserves and mitigate fluctuations in assessments. But Mr. Jensen noted that it should be done as an exception, and not on a regular basis.

A fourth alternative would be to invest in one-time, value-added studies or services, provided sufficient resources are available to manage the additional work. Mr. Jensen noted that the current reserve balance will remain sizeable even if there is a one-time expenditure for a value-added project of \$200K. Ultimately, assessments must be decreased if future work plans do not require more budget resources. Investment in a one-time study should provide BAWSCA member agencies true value. However, such investments do not solve the long-range issue of managing the General Reserve balance. Mr. Jensen noted that a recommendation for a one-time study is included on the Committee meeting agenda as a separate item for the Committee's consideration. It was reviewed in the annual Work Plan for FY 2011-12 but was not included due to staff resources limitations at the time the budget was considered.

A fifth alternative would be to let the balance exceed the guidelines temporarily "provided there is: 1) a compelling reason to do so, and 2) a plan to reduce the balance on a specified schedule."

Mr. Jensen recommended a combination of actions be brought to the Committee and the Board at Mid-year for consideration. Potential measures that might be included are: reducing the size of the budget by creating a contingency pool for a portion of the budget devoted to as-needed consulting support; reducing assessments gradually to avoid wide fluctuations; consider evolving issues and the resources that might be needed to address them; and presenting a plan that projects the Reserve balance for a range of potential budget and spending levels.

Detailed Committee discussion ensued to understand how a contingency pool from each as-needed consultant might be developed and used, and how the current General Reserve balance could be reduced.

Director Abrica expressed his support to lower the assessments for one year and clearly stating that assessments would go back to the same level the following year.

Director Quirk concurred and stated that lowering the assessments is symbolic and the right thing to do.

Director O'Connell agreed and noted to clarify the amount.

Director Pierce expressed her support to gradually make changes to the assessments because of the unexpected nature of the needs of the agency. Additionally, Director Pierce said that staff compensation should be considered as it has remained unchanged over the last few years, the replacement of a retiring staff member will be needed, as well as the potential need for additional staff.

Director Piccolotti commented on whether the Work Plan is overambitious and whether the year's Work Plan will push expenditures closer to the budget.

Director Klein noted that refunding the agencies and lowering the assessments, although it may be a small amount, is valuable to the agency because it demonstrates the agency's responsibility and credibility.

Following in-depth discussion on details of a motion, the Committee, by roll call, voted on two separate motions.

Director Klein moved, seconded by Director Piccolotti, that the Board, at its meeting in September, consider refunding the agencies the surplus amount of the Reserve above the Board's newly adopted 35% guideline. The amount will be confirmed following the FY 10-11 Audit to be finalized in November. The motion passed by roll call vote.

Director Klein moved, seconded by Director O'Connell, to advise the CEO to report to the Board at mid-year his analysis of how much assessments can be reduced. Director Breault added to the motion that the CEO also include in his report a review of the budget and the Committee's suggested target guideline of reducing assessments by 8%, and to include in the budget a pooled contingency amount from the as-needed consultants that the CEO will have available to use at his discretion. He noted that the projected spending level, the projected Reserve balance, considerations for modification to the existing Work Plan and Operating Budget, as well as a discussion of factors that should be considered during preparation of the FY 2012-13 Work Plan, Operating Budget, and funding plan are factors the CEO regularly reports at mid-year, and should also be included. The motion passed by roll call vote. Director Guzzetta abstained.

Professional Services Contract with Camp Dresser and McKee (CDM): As a result of the Committee's recommendation and acceptance by the Board in July, staff was asked to look into critical projects that could be done using a portion of the existing BAWSCA reserve balance, including the investigation of factors affecting current water use, and addressing current efforts to drain Hetch Hetchy reservoir.

Mr. Jensen emphasized that the consideration of possible projects was not done with an eye toward merely spending money, but was approached on the basis of creating added value for the member agencies and their customers.

The project recommended for consideration was considered by the Board in March and May 2011, but was placed on the list of activities not included in the Work Plan for FY 2011-12 due to staff resource constraints at the time the budget was formed. If undertaken, the project would develop a statistical tool to examine causes of water demand suppression by CDM. Additional comments made by directors at the July Board meeting were addressed in the staff memo.

Investigating the factors affecting current water use can provide a better understanding of the unprecedented reductions in water demand throughout California and the Bay Area. As agencies approach decision-making on long-term water supply planning, the information can avoid under-or over-estimating investments in new water supplies. Additionally, accounting for the factors that affect water use and water rate setting can stabilize revenues.

Mr. Jensen noted that a broad array of factors may contribute to the trend observed in the BAWSCA service area. The increased cost of water purchased from the San Francisco Regional Water System does not explain the observed trend, and does not explain the State-wide decrease in water use. The Los Angeles Department of Water and Power (LADWP) and the City of San Diego observed such trends and had CDM analyze their water use trends using the same method proposed for the BAWSCA area.

LADWP reportedly used the tool in developing their Urban Water Management Plan to estimate how quickly water use might respond to an end to the recession, and to assess the effectiveness of its conservation program

The City of San Diego is reportedly examining a range of future demand projections based on the results they obtained from the tool.

Director Klein asked whether the results from LA and San Diego can be used for the Bay Area. Directors Breault and Piccolotti noted that the driving factors and water use trends between the areas may be very different. Mr. Jensen added that differences between Northern and Southern California would be at least as large as the differences between the two Southern California agencies.

Director O'Connell noted that San Bruno's water rates do not reflect increases from the SFPUC and questioned how useful the analysis will be.

Director Quirk stated that an analysis to look at the correlation of different factors over the last 30 years will not predict the future, and he would not support it. He commented that a statistical analysis that looks at the factors to understand the past would be more valuable, and he would support it. Director Quirk stated that this study is not the right study, and perhaps a different study can be considered. Mr. Jensen noted that no model will be able to predict the future and that the value of this analysis is to better understand the past as a means for improving future decisions.

Mr. Jensen reported that the proposed one-time study responds to the Board's direction in July. Additional interests noted at the July Board meeting included addressing the efforts by the group that wants to drain Hetch Hetchy Reservoir. Mr. Jensen stated that work on that issue is being pursued within the existing budget. If and when more resources are required to

address this emerging issue, Mr. Jensen would come back to the Committee and the Board with a specific request.

Following comments by Committee members, Mr. Jensen summarized the Committee's view that it does not consider the study useful to the agencies at the local level. While the study might provide insights at the regional level, those results would not necessarily be useful at the local level for each agency. Mr. Jensen reported that the SFPUC is considering performing a different economic study in relation to the FERC relicensing process. That study would look at the significance of reductions in the flow of water to the Bay Area, as a possible result of the FERC relicensing process, and what the socio-economic impacts of such reductions might be. BAWSCA will monitor the development of the study and use of resulting data.

Director Quirk moved, seconded by Director Breault, to not move forward with the professional services contract with CDM to develop a statistical tool to examine causes of water demand suppression. The motion passed by roll call vote.

Mr. Jensen stated that he would not bring the proposed study to the Board without the Committee's support, and that the item, including the Committee's discussion, would be presented at the September Board as a report rather than as an action item.

**Reports:**

Board Policy Calendar: The management of the General Reserve balance will be added to the Board agenda in September, as well as the Board agenda in January with the mid-year budget report. The CEO will come back to the Committee in December with the budget report that was discussed at this meeting.

Fall 2011 Landscape Classes: The Fall schedule has received very good media coverage and is currently a popular regional program.

**Discussion item:**

Procedures for Conducting the CEO's Performance Evaluation: BAWSCA Chair, Barbara Pierce, reported that she has been working with Vice-Chair Irene O'Connell and Art Jensen in revising the process for conducting the CEO's performance evaluation. She requested the Committee's comments on the draft procedure summary and evaluation form.

Director Pierce noted that the goal is to develop a process that allows all Board members an opportunity to provide input to the CEO's evaluation.

This will be the first year for trying this new procedure. Because the evaluation is for the prior year, changes in the evaluation form were minimized.

Director Breault is pleased with the draft process and form. So that the Board chair would retain the ability to modify and improve the process, he preferred that the process not be adopted by the Board or amended to the CEO's contract. He also noted that the nature of the performance objectives on the form was appropriate for the requirements of the position, which do not lend themselves to quantifiable measurement. Director Abrica commented that the Board should agree on the objectives for the following year's performance review. It was

noted that a step toward the end of the procedure provides for Board discussion of performance objectives for the following year.

Legal counsel commented that ongoing discussion is positive, and that changes to the procedure would not require an amendment to the employee contract or formal adoption by the Board. She also said that providing Director Pierce, as Chair of the Board, with the discretion to lead the evaluation process is appropriate.

Director Pierce said she would take Committee members' comments into consideration as she finalizes the process and evaluation form before presenting it to the Board.

**Comments by Committee Members:** Director Quirk commented that the Committee had a good discussion of the items on the agenda and made very good recommendations.

**Adjournment:** The meeting was adjourned at 3:30pm.



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD POLICY COMMITTEE – August 10, 2011**

**Roster of Attendees:**

**Committee Members Present**

Larry Klein, City of Palo Alto (Chair)  
Rob Guzzetta, California Water Service Company (Vice-Chair)  
Ruben Abrica, City of East Palo Alto  
Robert Anderson, Purissima Hills Water District *by teleconference*  
Randy Breault, City of Brisbane/GVMID  
Irene O’Connell, City of San Bruno (BAWSCA Vice-Chair)  
Tom Piccolotti, North Coast County Water District  
Barbara Pierce, Redwood City (BAWSCA Chair)  
Bill Quirk, City of Hayward

**BAWSCA Staff:**

|                  |  |
|------------------|--|
| Art Jensen       | Chief Executive Officer                  |
| Lourdes Enriquez | Assistant to the Chief Executive Officer |
| Allison Schutte  | Legal Counsel, Hanson Bridgett, LLP      |

**Public Attendees:**

|            |                               |
|------------|-------------------------------|
| Paul Sethy | Alameda County Water District |
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**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING****July 21, 2011 – 7 p.m.  
Foster City Community Building, Foster City CA**

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| <b>MINUTES</b> |
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**1. Call to Order/Pledge of Allegiance/Roll Call – 7:00 pm**

BAWSCA Chair, Barbara Pierce, called the meeting to order. Art Jensen, called the roll. Eighteen (18) members of the Board were present, constituting a quorum. A list of directors present (18) and absent (8) is attached.

- 2. Comments by the Chair:** Chair Pierce noted that because Director Quirk is participating in the meeting by teleconference, all votes will be done by roll call vote. She reported that she attended the SFPUC meeting on July 12<sup>th</sup> and was pleased with the Commission's action on the Water System Improvement program. The Commission accepted all but one of BAWSCA's recommendations addressing issues associated with proposed revisions to project scopes, schedules and budgets. She noted the improved relationship between the SFPUC and BAWSCA, which can be credited to the work of Art Jensen and Ed Harrington and their staffs. Chair Pierce cited how well the WSIP has been managed and controlled as a result of the efforts by the SFPUC, its leadership and its staff, as well as Mr. Jensen and his staff. There is still much work to be done, and the continued diligence of BAWSCA is going to be important.

Chair Pierce reported that the Restore Hetch Hetchy group has demonstrated that they are serious about their goal to restore the valley. BAWSCA takes this issue very seriously and is considering a strategy intensively. BAWSCA's position remains opposed to taking down the dam unless and until an equivalent alternative water supply is in place and the costs have been paid by others.

**3. Adjournment to the meeting of the San Francisco Bay Area Regional Water System Financing Authority (RFA)****4. Call to Order following the adjournment of the RFA meeting**

- 5. Board Policy Committee Report:** Director Guzzetta addressed the Board on behalf of Committee Chair Larry Klein. The Board Policy Committee discussed four items included in the Board Agenda and voted unanimously to recommend Board approval. He noted that the Committee's unanimous decisions typically result from lengthy debates and discussions that take place during the meeting, and which ultimately result in consensus on how to move forward.

At the June 8<sup>th</sup> meeting, the Committee discussed the revisions to the Statement of Investment Policy and Rules of the Board, approval of three professional services contracts, and the agency's General Reserve policy.

**6. Public Comments:** Public comments were received from Wynn Greich, resident of Hayward.

**7. Consent Calendar:**

**Director Chambers made a motion, seconded by Director Quigg, that recommended Board actions for items A through H under the Consent Calendar be approved by the Board. The motion passed unanimously by roll call vote.**

**8. Action Calendar:**

A. Review and Consideration of Changes to the General Reserve Policy: Mr. Jensen reported that the General Reserve Policy was an item of considerable discussion at the Board Policy Committee in June.

Mr. Jensen reported that he consulted a variety of sources in reviewing BAWSCA's existing General Reserve Policy, and stated that the basis of BAWSCA's existing policy is sound and demonstrates responsible management of the agency's reserves.

BAWSCA's General Reserve enables the agency to respond to urgent, unforeseen needs without imposing special assessments on its members or disrupting budget process during the fiscal year. It can also allow the agency to fund one-time expenses and moderate fluctuations in assessments from one year to the next. Mr. Jensen noted that when and if an unexpected need arises, redirecting funds in the current budget is always considered before recommending the use of the reserve to fund all or a portion of the necessary effort.

BAWSCA's unanticipated expenses can potentially come from arbitration in the administration of the Water Sales Agreement, initiation of special studies or audits, engagement in legislative matters, and initiation of, or defense against legal actions.

For a typical water agency, reserves are sized to cover the types of emergency operating conditions that water departments, districts or utilities might encounter. By comparison, BAWSCA has no operating functions, staff or equipment. Because BAWSCA's revenues are based on agency assessments, they are stable and unaffected by emergency situations.

BAWSCA's existing General Reserve Policy has guidelines for maximum and minimum balances. For budgetary purposes, the guideline for the maximum balance in the General Reserve is twenty-five percent (25%) of the current year's Operating Budget, and the guideline for the minimum balance is twenty percent (20%) of the current year's Operating Budget. The minimum serves as a trigger for to rebuild the reserve.

The Committee discussed that the maximum balance may be too low, and that the 5% gap between the maximum and the minimum is too small.

Mr. Jensen reported that the largest single expenditure in a given year was in 1996 by its predecessor organization, the Bay Area Water Users Association. It was to support arbitration that cost \$570,000 for legal and technical work.

Using the upper guideline, 25% of the current Operating Budget for FY2011-12 is \$650,000. The projected Reserve balance at the end of FY 2010-11 is \$900,000 or 34% of the current Operating Budget.

The Committee recommended increasing the maximum guideline to 35%, not to accommodate the number, but with the consideration that a larger amount and a larger gap would be prudent for the agency. The Committee also recommended looking at alternatives the CEO presented for managing a large balance, such as; 1) reducing the size of assessments; 2) refunding a portion of the balance to member agencies; and, 3) investing in a one-time services that add value for the water customers.

Mr. Jensen reported that: (1) in September, he will present to the Board for its consideration, a one-time, value added work product that could be added to the budget and performed in FY 2011-12, and (2) at Mid-year, he will present the Board with the projected General Reserve balance at year-end and alternatives for managing it.

Mr. Jensen emphasized that the Committee discussed the importance of avoiding any appearance that the public's money might be spent merely because it was available.

Director O'Mahony shared that concern and expressed that one of BAWSCA's greatest priorities is protecting Hetch Hetchy and making sure that the dam is not taken down.

Director Pierce stated that addressing the efforts to Restore Hetch Hetchy can be an additional item that can be taken into consideration as the Board looks into what might be valuable and important to the agencies and their customers.

Director McLeod stated that she concurs with those sensitivities and while there is no harm in looking at what efforts would be valuable to the member agencies and their customers, she asked confirmation that no expenses will be made prior to the Board's review of additional expenditures. Mr. Jensen confirmed that the authority to spend any funds on reserve rests with the Board.

**Director O'Mahony made a motion, seconded by Director Chambers, that the Board:**

- 1. Adopt a resolution to amend the General Reserve Policy so that the guideline for the range in the General Reserve is changed from 20%-25% to 20%-35%;**
- 2. Advise the CEO to present the options for potential uses of the reserve funds to conduct work not budgeted for FY 2011-12, including why current water use is low and additional concerns in drought years, as well as addressing the efforts of restoring Hetch Hetchy, for the Committee's discussion in August, and for possible Board action in September; and,**
- 3. Review the projected state of the reserve and alternatives of managing the reserve balance at mid-year prior to developing the FY 2012-13 budget.**

**The motion passed by roll call vote.**

- B. Review and Consideration of Changes to the Rules of the Board: Mr. Jensen reported that Hanson Bridgett reviewed the Rules of the Board and recommended changes that

were discussed by the Board Policy Committee in June. The Committee's discussion is summarized in the BPC Summary Report and the four changes are described in the staff memo included in the agenda packet.

Mr. Jensen noted that an additional suggestion by Director Quirk was to authorize the Board to allow the authority of the Chair or Vice-Chair of the Committee to conduct a meeting as limited to the meeting itself, and for the Board to provide more authority to the Chair and Vice-Chair, if it were appropriate. Legal counsel advised that the Board already has a broad authority and that citing specifics could make it appear that the Board only had authorities that were specified in the Rules.

**Director Abrica made a motion, seconded by Director Quigg, that the Rules of the Board be amended to:**

- 1. Add a process for filling vacancies of the Vice Chair;**
- 2. Authorize the Chair or Vice-Chair of the Board Policy Committee to conduct a Board meeting in the absence of the Chair and Vice-Chair of the Board;**
- 3. Cite the Board Policy Committee as a standing Committee;**
- 4. Adjust weighted voting to reflect acquisition of two agencies by a third.**

**The motion passed by roll call vote.**

- 9. SFPUC Report:** Deputy SFPUC General Manager, Michael Carlin, addressed the Board on behalf of Ed Harrington. The SFPUC water supply operations are managing Summer runoff into the Sierra reservoirs. The current level of runoff has been challenging for the Operations Staff and has caused minor variations in water quality.

Mr. Carlin reported that the SFPUC recently dedicated its new ultraviolet disinfection station in Tesla, at the western side of the Central Valley. The new facilities provide a second, non-chemical form of disinfection. The new disinfection process will treat all of the water that comes from Hetch Hetchy Reservoir.

On Monday, July 25<sup>th</sup> the SFPUC will launch the tunnel boring machine that will dig a 5-mile tunnel under the San Francisco Bay. The SFPUC looks forward to seeing BAWSCA staff and Board members at the event.

Mr. Carlin reported that \$602 million of bonds were sold for the WSIP at a favorable 4.48% interest rate. The interest rate will be as low as 3.7% on some shorter-term borrowing. This low cost financing translates to about \$18 million in savings for water customers.

In response to a question from Director Guzzetta, Mr. Carlin reported that the duration of the 4.48% bonds is an average of 22 years. The 3.7% is on the "D-bond series."

Mr. Carlin noted that moving forward and completing the re-build of the system to ensure a reliable source of supply is important to the SFPUC. Talk about alternative supplies to the regional system is taken very seriously and closely monitored by the SFPUC. Recently, the

SFPUC countered language included in a bill put before Congress that talked about the Hetch Hetchy system supplying more water to the Delta. Mr. Carlin urged BAWSCA and its member agencies to protect Hetch Hetchy and the regional water supply.

In response to Director Fergusson's question, Mr. Carlin reported that the so-called "Granny" tree in Menlo Park currently remains unsolved. The SFPUC is looking at micro-burrowing under the tree with a pipe, and has asked neighbors to form a non-profit association to maintain the tree.

In closing, Mr. Carlin expressed his condolences for the loss of BAWSCA Director Ron Swegles.

## **10. Reports and Discussions:**

- A. SFPUC Water Supply Improvement Program (WSIP) - Update: Mr. Jensen reported that at its meeting on July 12<sup>th</sup>, the Commission adopted changes to the WSIP project scopes, schedules and budgets. The Commission amended the proposed resolution to include 9 of BAWSCA's 10 recommendations, which addressed project scopes and clarification of specific items.

Mr. Jensen reported that the program completion date is delayed by eight months, moving the date from December 2015 to July 2016. The eight-month delay is significant for several reasons. First, it is important because it exposes customers to potential water outages by an additional six months.

Secondly, the 2009 Water Supply Agreement states that the SFPUC will complete the WSIP by December 31, 2015. The delay approved by the Commission is inconsistent with this provision in the Agreement. Mr. Jensen reported that the Commission acknowledged the concern and directed staff to work with BAWSCA and its wholesale customers to address the contractual matter. BAWSCA served as an agent for all wholesale customers in the negotiation of the Agreement, and will continue to work with the agencies and the necessary policy actions they need to take. Any action to modify the Agreement would not be an action by the BAWSCA Board, but of the individual agencies. The BAWSCA Board's policy action would be to authorize resources needed to negotiate on behalf of the member agencies with San Francisco.

The SFPUC's revised budget for the WSIP is now below the budget adopted in 2009 due to favorable bond interest rates and savings achieved in a favorable bidding environment. One of BAWSCA's recommendations was for the SFPUC to clarify how water customers would realize those savings. The SFPUC clarified that if money is not needed it will not be spent, and water rates for customers outside and inside of San Francisco would not need to be raised as high as originally estimated..

Mr. Jensen reported that the Commission did not incorporate BAWSCA's recommendation to have the SFPUC staff provide information on the significance of the schedule extension to public health and safety. BAWSCA is not concerned because the State must make such an assessment during its review.

Senior Administrative Analyst, John Ummel and BAWSCA's technical consultants regularly review the SFPUC's construction contract awards. Mr. Ummel completed a report that updates the engineer estimates and contract award data for the previous 18 months and presents final cost information and construction duration times for completed projects to date.

Mr. Jensen reported that the analysis of SFPUC's contract awards is positive. Contracts awarded since 2005 average 18% less than the engineers' estimates, and contracts awarded since January 2010 remain an average of 18% below the engineers' estimates. Other water utilities and waste water utilities in California are experiencing comparable savings.

Because competition between contractors can result in lower construction costs, BAWSCA also tracks how many bids the SFPUC receives on each project. The SFPUC received an average of 6 bids per project, which is good.

To determine whether contractors are bidding low and requesting additional costs later, BAWSCA tracks whether the total cost of each project is significantly higher than the contractors' bids. The analysis shows that completed projects averaged only 4% higher than the bids, and 12% below the original construction budget, which is good.

Seven out of 15 projects were completed on or ahead of schedule. Eight projects were completed later at an average delay of 15 weeks for a variety of reasons.

Mr. Jensen stated that the overall program is 40% complete in terms of construction, but some of the major projects are yet to begin or be completed. This includes the Bay Tunnel, Irvington Tunnel, Harry Tracy Treatment Plant, Crystal Springs Dam, and the Peninsula Pipeline. BAWSCA and SFPUC will continue to watch costs and schedules diligently. Mr. Jensen emphasized that the size and complexity of the projects that have yet to be completed deserve particular attention during the coming years.

Several photos taken at the June 23<sup>rd</sup> SFPUC Tour of the WSIP project sites for BAWSCA Board of Directors were shared with the Board. Mr. Jensen stated that the projects and overall progress is very impressive. The people working on the projects are enthusiastic and are excited to be building facilities that will give them greater confidence that water will continue to be delivered reliably after an earthquake. Mr. Jensen complimented San Francisco for the change in the culture of the SFPUC.

In response to Director Quigg's comment about the cost of the tunnel boring machine, Mr. Jensen stated that the parts for the machine will be scavenged after its one-time use.

Mr. Jensen encouraged members of the Board to visit project sites when they can, as it is fascinating to watch the progress of the program.

- B. Long-Term Reliable Water Supply Strategy – Schedule for Policy Decisions: Mr. Jensen reported that the schedule for the Strategy has been slowed down so that staff and consultants can reassess long-term water supply needs based on the agencies' recent



Urban Water Management Plans (UWMP) and the current decrease in water use. This schedule change was anticipated and reported to the Board last Spring.

Total water demand in recent years is significantly lower than prior projections, and it is prudent to examine each agencies' updated UWMP's for internal consistency. It is critical that the projections used by BAWSCA be suitable for regional planning. This review and assessment will be completed and reported to the Board this Fall.

Revisions needed to the scope and schedule of the Strategy will be examined in the Fall/Winter 2011.

Director O'Connell emphasized that the total water demand Mr. Jensen presented in his graph is just total demand and not per capita water use. Even though the population has increased, the demand has gone down significantly. Mr. Jensen clarified that the 220 mgd also represents BAWSCA's total demand, and not just the amount of water purchased from San Francisco.

In response to a question from Director Abrica, Mr. Jensen explained that agency-identified potential regional water supply projects are projects that individual agencies said they may want to undertake independently or may want BAWSCA to consider as the regional plan is developed, and that could benefit one or more agencies. In contrast, regional projects are ones BAWSCA has identified and that could be implemented to serve multiple agencies.

Phase IIA of the Strategy will compile information on the projects agencies want BAWSCA to consider and review for their feasibility.

Director Weed commented that some local development projects are being challenged on the basis of water supply availability. He would be interested in the Board Policy Committee discussing what role, if any, BAWSCA would have in local arguments about growth or perhaps remove water as a limitation on future development and growth in an area.

Mr. Jensen stated that the Committee could discuss these issues, but that BAWSCA has not engaged in local land use decision making because that is not within BAWSCA's area of authority or expertise. He added that whether a local agency has sufficient or insufficient water resources depends on which jurisdiction is examined. There some agencies that are at or near their contractual limits, and others which are not.

Director Weed noted that there may some agencies that have water to sell.

Director Fergusson commented that an analysis of why water consumption is low is important in answering the policy question of whether water should be a limiting factor.

Director McLeod noted that many cities have alternative supply sources that might be more economical to tap. She cautioned against drawing firm conclusions based on the initial and obvious trends.

Mr. Jensen concurred, and added that the trend is not unique to the service area, but is also happening throughout the State.

Director Coverdell suggested adding a line to the graph that shows the use of SFPUC water.

Director Pierce commented that ABAG has become aware that water is an issue for some cities, and that BAWSCA and the SFPUC will be providing them information for their understanding. Mr. Jensen stated that the objective is to inform and clarify.

Director Weed added that it is important to look at the regional water supply. Water has increasing marketability and if the disparities and availability of water are merely economic issues, and not of physical water supply restrictions, then apparent shortages could be overcome. He said water should not be used as an excuse to deny development in California.

Mr. Jensen stated that the Water Supply Agreement with San Francisco does permit agencies to transfer a portion of their contractual water entitlements. He said whether such transfers take place is both an economic issue and political issue.

- C. Water Conservation: Mr. Jensen reported that the Bay Area's regional grant application for Prop 84 funds was successful and a formal notification from the Department of Water Resources is expected. Following formal notification is the negotiation of an agreement with the State of California for the use of the funds. This is expected to be finalized in Spring 2012. The grant will directly benefit up to 24,000 water customers in the BAWSCA service area through the Washing Machine Rebate Program, the High Efficiency Toilet Replacement Program, and the Lawn Replacement Program. Activities since July 2011 should be eligible for reimbursement.

Grant funds totaling \$863,000 for BAWSCA are expected to be available in July 2012. Mr. Jensen presented a graph that shows the dollar allocation for each program. He noted that the grant dollars are in addition to the agencies' budgets and BAWSCA's subscription program budget for conservation.

The Landscape Education Program is being modified to include hands-on workshops in response to requests from agencies and water customers in the service area. BAWSCA is working on partnerships to increase effectiveness in community outreach and implementation, and to reduce overall costs.

- 11. Directors' Discussion:** Director Wykoff encouraged a visit to Yosemite to see the Tuolumne River flow, the falls and the water.

**12. Date, Time and Location of Next Meeting:** The next meeting is scheduled on September 15, 2011, in the Wind Room, Foster City Community Center.

**13. Adjournment:** Chair Pierce moved to adjourn the meeting in memory of the late Director Ron Swegles. She had the privilege to work with Director Swegles on the Peninsula Division of the League of California Cities, and praised his commitment to community service, his fine spirit and constructive attitude. Director McLeod seconded the motion. The motion passed unanimously. The meeting was adjourned at 8:30 pm in memory of the late Director Swegles.

Respectfully submitted,

Arthur R. Jensen,  
Chief Executive Officer

ARJ/le

Attachments: 1) Attendance Roster

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**  
**Board of Directors Meeting**  
**July 21, 2011**

**Attendance Roster**

Present:

|                  |                                   |
|------------------|-----------------------------------|
| Ruben Abrica     | City of East Palo Alto            |
| Robert Anderson  | Purissima Hills Water District    |
| Cyril Bologoff   | City of Brisbane                  |
| Randy Breault    | Guadalupe Valley Water District   |
| Tom Chambers     | Westborough Water District        |
| Ken Coverdell    | Coastside County Water District   |
| Kelly Fergusson  | City of Menlo Park                |
| Rob Guzzetta     | California Water Service Company  |
| Jamie McLeod     | City of Santa Clara               |
| Irene O'Connell  | City of San Bruno                 |
| Rosalie O'Mahony | City of Burlingame                |
| Tom Piccolotti   | North Coast County Water District |
| Barbara Pierce   | City of Redwood City              |
| Dan Quigg        | City of Millbrae                  |
| Bill Quirk       | City of Hayward                   |
| Louis Vella      | Mid-Peninsula Water District      |
| John Weed        | Alameda County Water District     |
| Rick Wykoff      | City of Foster City               |

Absent:

|                  |                       |
|------------------|-----------------------|
| Armando Gomez    | City of Milpitas      |
| Michael Guingona | City of Daly City     |
| Mike Kasperzak   | City of Mountain View |
| Tom Kasten       | Town of Hillsborough  |
| Larry Klein      | City of Palo Alto     |
| Chuck Reed       | City of San Jose      |
| Vacant           | Stanford              |
| Vacant           | City of Sunnyvale     |

# BAWSCA

## Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 302  
 San Mateo, California 94402  
 (650) 349-3000 tel. (650) 349-8395 fax

**TO:** Arthur R. Jensen, CEO/General Manager  
**FROM:** Deborah Grimes and John Ummel  
**DATE:** September 8, 2011  
**SUBJECT:** Pre-Audit Budget Status Report as of June 30, 2011

This memorandum shows ending fiscal year budget status for FY 2010-11. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

**Summary:**

For the fiscal year ending June 30, total (pre-audit) expenses were \$2,290,465 or 85% of the total budget of \$2,680,394.

**Table 1. Budget Summary as of June 30, 2011 (Pre-Audit)**

| Cost Category                           | Year-To-Date     |                  |            |
|---|------------------|------------------|------------|
|   | Budget           | Expenses         | Percent    |
| <b>Consultants /Direct Expenditures</b> |                  |                  |            |
| Reliability                             | 975,800          | 646,177          | 66%        |
| Fair Pricing                            | 248,000          | 208,148          | 84%        |
| Administration                          | 62,000           | 111,601          | 180%       |
| <b>Subtotal</b>                         | <b>1,285,800</b> | <b>965,926</b>   | <b>75%</b> |
| <b>Administration and General</b>       |                  |                  |            |
| Salary & Benefits                       | 1,057,894        | 1,075,830        | 102%       |
| <b>Other Expenses</b>                   |                  |                  |            |
| BAWSCA                                  | 278,500          | 241,265          | 87%        |
| BAWUA                                   | 1,200            | 0                | 0%         |
| <b>Subtotal</b>                         | <b>2,623,394</b> | <b>2,283,021</b> | <b>87%</b> |
| <b>Capital Expenses</b>                 | 8,000            | 7,307            | 91%        |
| <b>Budgeted Contingency</b>             | 47,500           | 0                | 0%         |
| <b>Regional Financing Authority</b>     | 1,500            | 138              | 9%         |
| <b>Grand Total</b>                      | <b>2,680,394</b> | <b>2,290,465</b> | <b>85%</b> |

**Overview:**

Overall expenditures were less than budgeted by 15% or \$390,000.

**Consultants**

The \$255,000 budget for technical review and tracking of the SFPUC’s WSIP was 52% expended. Strategic counsel’s budget, for work other than the Long-Term Reliable Water Supply Strategy, was 109% expended.

Strategic Counsel’s total expenditures fell within the not-to-exceed amount of the contract. The additional expense against the Operating Budget was authorized under the CEO’s spending authority.

The \$366,000 legal budget was 87% expended. The \$360,800 budget for water management and conservation-related activities including public information, regional program and materials, water supply planning, data base development and landscape classes was 72% expended.

**Administration**

Salary/fringe costs were 102% expended.

**Other Expenses**

Other Expenses were 87% expended.

**Use of Reserve Fund Balance:**

In accordance with the adoption of the annual budget in May 2010, \$163,394 of the BAWSCA reserve account was transferred *from* the reserve to BAWSCA to pay eligible expenses during FY 2010-1. The balance shown below reflects this transfer as well as the transfer of unspent funds remaining from last fiscal year in the amount of \$409,965 to the reserve.

**Table 2. Reserve Fund Balances**

| <b>Fund</b>  | <b>Account Balance<br/>(As of 5/31/11)</b> | <b>Account Balance<br/>(As of 6/30/11)</b> |
|--------------|--|--|
| RESERVE      | \$653,763                                  | \$653,763                                  |
| <b>Total</b> | <b>\$653,763</b>                           | <b>\$653,763</b>                           |

**Long-Term Reliable Water Supply Strategy and Use of Water Management Charge:**

Phase 2 of the Long-Term Reliable Supply Strategy (Strategy) began this fiscal year. Funding is provided through the Water Management Charge, approved by the Board in July 2010. As of June 30, 2011, Water Management Charge revenue totaling \$1,343,135 was collected by and received from the SFPUC. As of June 30, consultant invoices totaling \$735,480 were paid.

# **BAWSCA**

## **Bay Area Water Supply & Conservation Agency**

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San Mateo, California 94402  
(650) 349-3000 tel. (650) 349-8395 fax

### MEMORANDUM

**TO: BAWSCA Board of Directors**

**FROM: Arthur R. Jensen, Chief Executive Officer**

**DATE: September 7, 2011**

**SUBJECT: Investment Report for the Period Ending June 30, 2011**

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In February 2004, the Board adopted an investment policy consistent with the Government Code that requires a quarterly report on the Agency's investments be provided to the Board within 30 days after the close of each quarter. The Board reviewed and revised the investment policy at the July 21<sup>st</sup> board meeting. This report presents fund management in compliance with the investment policy.

Local funds in excess of \$250,000 are deposited in the BAWSCA LAIF account throughout the year to ensure compliance with BAWSCA's investment policy at that time.

BAWSCA's prior and current period local agency investment (LAIF) account balances are shown below.

|                 |                 |
|-----------------|-----------------|
| <u>05/31/11</u> | <u>06/30/11</u> |
| \$2,256,784     | \$2,181,784     |

Of the total in the BAWSCA LAIF account as of June 30, \$653,763 represents BAWSCA's Reserve Fund, equivalent to approximately 24% of FY 2010-11 budget. The remaining amount consists of Subscription Conservation Program funds, Water Management funds and unrestricted funds.

Recent historical quarterly interest rates for LAIF deposits are shown below:

|                 |                 |
|-----------------|-----------------|
| <u>03/31/11</u> | <u>06/30/11</u> |
| 0.51%           | 0.48%           |





**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title:**           **Management of the General Reserve Balance**

**Summary:**

The Board revised the General Reserve Policy in July with the understanding that the CEO would respond to the advice of the Board and Board Policy Committee to:

- A. Present to the Board at mid-year the projected year-end balance of the General Reserve and alternatives for managing the balance prior to developing the FY 2012-13 budget.
- B. Present potential uses of reserve funds to conduct work not originally budgeted for FY 2011-12, including why water use has declined, for consideration by the Board Policy Committee in August and possible Board action in September.

Item B will be discussed in a separate memo for Agenda Item 8.A.

The CEO presented the Committee several alternatives for managing the General Reserve balance. Following discussion, the Committee voted to recommend that a portion of the Reserve balance be refunded to the BAWSCA member agencies this fall.

A proposed study of the reasons for declining water use was not supported by the Committee and is not presented to the Board for consideration at this time.

The presentation at mid-year will include the projected reserve balance and a variety of actions to keep the balance within the Board's budgeting guidelines.

**Fiscal Impact:**

The budgeting guideline for the maximum General Reserve balance is 35 percent of the current year's Operating Budget. For FY 2011-12, that amount would be \$917,000. The unspent budget from FY 2010-11, based on pre-audit accounting information, is approximately \$380,000. When added to the current balance of \$654,000 the estimated General Reserve balance at the present time is \$1,034,000.

Refunding the amount over and above the budgeting guideline would return approximately \$117,000 to BAWSCA's member agencies, leaving a balance of \$917,000. If approved by the Board, the actual amount of the refund will be based on the audited year-end results for FY 2010-11, which will be known in November.

The size of the refund to each agency, based on this estimate, is presented in a table at the end of this memorandum.

At the end of this fiscal year, the General Reserve balance would be increased by any unspent funds from the approved budget. An estimate of the General Reserve balance as of June 30, 2012 will be presented with the mid-year budget review.

**Board Policy Committee Action:**

The Board Policy Committee voted unanimously to recommend the following board actions:

- Consider refunding the agencies the surplus of the 35% guideline in the General Reserve. The amount will be confirmed following the FY 10-11 Audit to be finalized in November.
- Receive an updated report from the CEO at mid-year that includes information on:

- a. How much assessments can be reduced according to the committee's suggested target guideline of 8%;
- b. A pooled contingency amount from the as-needed consultants that the CEO will have available to use where needed.
- c. The projected spending level, the projected reserve balance, considerations for modification to the existing Work Plan and Operating Budget, as well as a discussion of factors that should be considered during preparation of the FY 2012-13 Work Plan, Operating Budget, and funding plan.

The CEO's recommend action addresses the same basic information to coincide with the mid-year budget report and the presentation of next year's budget.

**Recommendation:**

**That the Board of Directors:**

- **Authorize the CEO to refund to the agencies the excess General Reserve balance above 35% guideline of the Operating Budget in November 2011, based on the balance determined using the results of the FY 2010-11 Audit to be finalized in November.**
- **Receive an updated report from the CEO at mid-year that includes information on projected FY 2011-12 spending levels, the projected year-end General Reserve balance, the emergence of issues that would require modifications of the existing Work Plan and Operating Budget, as well as factors that should be considered during preparation of the FY 2012-13 Work Plan, Operating Budget, and funding plan.**
- **Receive, as part of developing and presenting the preliminary Operating Budget for FY 2012-13, a list of results needing to be achieved during FY 2012-13, a preliminary Work Plan, an estimate of the cost of resources needed to achieve those results, a plan for managing the General Reserve balance and a preliminary funding plan. The Board Policy Committee suggests considering a target of reducing assessments by 8 percent.**

**Discussion:**

If spending levels over the next two years were to remain similar to the last two years, the General Reserve balance would grow beyond the guidelines adopted by the Board in July 2011. The actual balance at year end will depend on spending actual levels during FY2012-13.

**The Projected General Reserve Balance.** The current Work Plan, Operating Budget and funding plan were developed last spring and approved by the Board in May 2011. The size of the current Operating Budget is nearly equal to the current level of assessments.

On average, 10 to 15 percent of the Operating Budget is unspent each year, and accumulates in the Reserve.

Most of these savings result from not needing to use all of the hours budgeted for support by as-needed consultants. The as-needed consultants include legal counsel, strategic counsel, financial advisors, and technical consultants who produce reviews and recommendations related to San Francisco's Water System Improvement Program and work related to administration of the 2009

Water Supply Agreement. These consulting contracts contain estimated hours for work that *might* need to be performed. A review of the last four years showed that the use of as-needed consultants varied from a low of 73% of the budget for their services to a high of 95%.

The revised guideline for the General Reserve balance at the end of FY2011-12 is 35% of the Operating Budget, or \$917,000.

While the financial audit of FY 2010-11 has not yet been completed, the General Reserve balance at the beginning of FY 2011-12 is estimated to be higher than earlier projections at slightly over \$1,000,000.

If actual expenditures for FY 2011-12 equal 86% of the budget, the Reserve balance at the end of the year would be slightly over \$1,380,000, or 53% of the Operating Budget.

**Ongoing Management of the Reserve Balance.** As stated earlier, if the levels of expenditures and assessments remain unchanged, the Reserve balance will continue to grow.

During the budget development process for FY 2012-13, it will be necessary to determine whether next year's Work Plan would require a larger Operating Budget than this year. If so, the General Reserve may fund a portion of that need.

If savings at the end of the current year are as high as the historical average, and if the Work Plan does not require additional resources, then it would be necessary and prudent to consider lowering the level of assessments.

Additional considerations include whether large expenditures are anticipated in future years, and whether those anticipated needs provide a compelling reason to build a larger reserve.

In any event, the integrity of the agency in its use of water customers' money should be the foremost consideration in preparing and discussing these plans.

**Options for managing the General Reserve balance:**

Several options should be considered for ongoing management of the General Reserve balance.

1. Reduce the potential growth in the Reserve balance by decreasing the amount of unspent budget. Under-spending of the Operating Budget is typically in the areas of as-needed consultants, not using the entire contingency budget and an aggregate of savings across individually small budget items. An alternative for budgeting as-needed consultants was presented and received considerable discussion by the Committee. The ability to, and the advisability of fine-tuning the budget is limited by the relatively small size of the agency budget, the inherent uncertainty in the resources needed to achieve results and the low frequency of Board meetings at which modifications to the approved budget could be presented and considered.
2. Reduce the growth in the Reserve balance by reducing the size of annual assessments. If the option or reducing the assessments is considered, it should be planned and moderated to minimize variations in assessments from year to year.
3. Reduce the size of the Reserve balance by sending agencies a refund. Refunding the agencies the excess reserve balances would provide sufficient reserves and mitigate fluctuations in assessments. Such an action should be done as an exception, and not on a regular basis.
4. Reduce the size of the Reserve balance by investing in one-time, value-added studies or services, provided sufficient resources are available to manage the additional work. Like the

annual Work Plan and Operating Budget, investments in one-time studies should provide BAWSCA member agencies and their customers true value. The effect of one-time spending would be temporary unless budget and/or assessment levels were also changed. Ultimately, assessments must be decreased if future work plans do not require more budget resources.

5. Let the balance exceed the guidelines temporarily provided there is: 1) a compelling reason to do so, and 2) a plan to reduce the balance on a specified schedule.”

The Board Policy Committee discussion of these options led to the Committee’s recommendation that the Board authorize a refund of a portion of the General Reserve balance that exceeds the current maximum guideline.

The attached table shows the estimated amount that would be refunded to each agency.

**Conclusions:**

The reserve balance will grow beyond the current guidelines if the Operating Budget, actual spending and assessments remain at their current levels.

The mid-year budget review is the appropriate time to review projected spending and projected reserve balances, consider modifications to the existing Work Plan and operating budget, and discuss factors that should be considered during preparation of the FY 2011-12 Work Plan, Operating Budget and funding plan.

The development of the FY 2012-13 Work Plan and Operating Budget is the appropriate time to consider alternatives for funding the budget and managing the General Reserve balance, and setting an appropriate level for the annual assessments.

Attachment: Table showing the estimated amount that would be refunded to each agency.

**Estimated Refund to Each Agency**

| <b>Member</b>       | <b>Estimated Refund</b> |
|---------------------|-------------------------|
| ACWD                | \$7,863                 |
| Mid Peninsula       | \$2,397                 |
| Brisbane            | \$245                   |
| Burlingame          | \$3,255                 |
| Coastside           | \$1,036                 |
| Cal Water           | \$24,830                |
| Daly City           | \$3,038                 |
| E. Palo Alto        | \$1,434                 |
| Estero              | \$3,941                 |
| Guadalupe Valley    | \$306                   |
| Hayward             | \$12,285                |
| Hillsborough        | \$2,552                 |
| Menlo Park          | \$2,311                 |
| Millbrae            | \$1,836                 |
| Milpitas            | \$4,723                 |
| Mountain View       | \$7,437                 |
| North Coast         | \$2,299                 |
| Palo Alto           | \$9,228                 |
| Purissima Hills     | \$1,462                 |
| Redwood City        | \$7,884                 |
| San Bruno           | \$1,635                 |
| San Jose (North)    | \$3,221                 |
| Santa Clara (North) | \$2,739                 |
| Stanford            | \$1,804                 |
| Sunnyvale           | \$6,563                 |
| Westborough         | \$677                   |
| <b>Total</b>        | <b>\$117,000</b>        |



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Development of a Statistical Tool to Examine Causes of Decreased Water Use**

In order to manage the size of the Reserve balance, the Board asked the CEO to consider what, if any, additional work could be performed that would be valuable to the member agencies and their water customers.

Work noted as important but not time-critical in both March and May budget memos to the Board included two important items:

1. Introduction of major legislation or supporting or opposing legislation initiated by others.

This item was not included in the budget because no significant legislation had yet been identified. The group called Restore Hetch Hetchy plans to place a ballot measure before San Francisco voters that would require San Francisco to develop an alternative water supply so that Hetch Hetchy Valley can be restored. BAWSCA is following this effort closely to ensure that the interests of its member agencies are protected. At this time, no additional resources are needed beyond those available in the approved budget. If this assessment changes, the Board will be informed and asked for authority to modify the Work Plan and, if necessary, augment the budget.

2. Independent analysis of why water use is down in recent years.

This item had been identified as important, but was not included in the Work Plan and budget because of staff limitations due to an approved leave of absence.

To accommodate the leave of absence, the approved Operating Budget includes an increased contingency budget to permit hiring interns, temporary employees and/or consultants to support critical work related to water resource management.

In July, the Board approved a contract with CSG Consultants that enabled us to bring Mr. Ed Cooney on board to perform a variety of water resources work. We are pleased that Mr. Cooney's experience and familiarity with BAWSCA and its member agencies enable us to use him in ways we had not anticipated. His availability makes it possible for BAWSCA to undertake the study of why recent water use is down in this service area. The analysis could be performed by CDM through an amendment of the existing contract with that firm. Mr. Cooney could compile data from member agencies and other sources that would be needed for the analysis. The estimated cost of CDM's work was \$140,000.

The nature of this study, and the value it would provide to member agencies and their water customers was presented to the Board Policy Committee in August. The Committee did not find compelling reasons to conduct the study, and it is not being recommended to the Board.

San Francisco has indicated interest in such a study, but it is not known at this time whether a study conducted by the SFPUC would be of water use in San Francisco alone or water use throughout the SFPUC service area. If the SFPUC were to conduct a study encompassing the entire service area, the CEO would likely recommend that BAWSCA be involved so that interpretation of the study results would include the knowledge and input of BAWSCA staff.





**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Water System Improvement Program (WSIP)**

SFPUC Notice of Changes to the Water System Improvement Program: On July 12, 2011, the San Francisco Public Utilities Commission (SFPUC) adopted a revised Water System Improvement Program (WSIP) which included revisions to the WSIP project scopes, schedules and budgets.

BAWSCA Chair Pierce and CEO Art Jensen testified at the July 12<sup>th</sup> SFPUC meeting. The Commission's action incorporated BAWSCA's recommendations summarized in a memorandum distributed to the Board on July 13<sup>th</sup>.

In accordance with AB 1823, the Wholesale Regional Water System Security and Reliability Act, the SFPUC has notified the Chair of the California Seismic Safety Commission and Director of the California Department of Public Health of this action. A copy of this notification was emailed to members of the Board on August 8<sup>th</sup>.

The Seismic Safety Commission and Department of Public Health are to review the changes and produce a written report within 90 days stating the significance of the changes with respect to public health and safety.

BAWSCA will keep the Board apprised of further communications and the State's comments on the SFPUC's report. Further information will be presented at the September 15<sup>th</sup> Board meeting.

SFPUC Annual Progress Report to the State: Pursuant to State Water Code, on September 1, 2011, the SFPUC submitted its FY 2010-11 Annual WSIP Progress Report to the Chair and Vice Chair of the Joint Legislative Audit Committee, the Chair of the California Seismic Safety Commission, and the Director of the California Department of Public Health. The purpose of the Annual Report is to describe the progress made on the implementation of the WSIP during the previous fiscal year. BAWSCA is reviewing the Annual Report and will document its findings and comments for the record.

SFPUC Report on Proposed Actions Affecting the WSIP Level of Service Goals: In February 2011, as part of its action to adopt the Calaveras Dam Environmental Impact Report, the Commission responded to comments by BAWSCA and directed its staff to report back by August 31, 2011, on what actions are proposed to replace the amount of water supply dedicated to in-stream flows pursuant to the environmental regulatory permits issued for the Calaveras Dam and Lower Crystal Springs Dam Improvements Project. This report has been slightly delayed but is expected this month. BAWSCA is interested in this report because the information presented in it will be critically important to the SFPUC's decisions about the WSIP and its ability to meet the Water Supply Level of Service Goals upon completion of the WSIP.



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Water Supply Agreement – Second Year Administration**

Administration of the 2009 Water Supply Agreement proceeds smoothly. All deadlines for action by the SFPUC and BAWSCA have been met.

The attached table summarizes the status of major milestones as of September 2011.

The Board meeting will include a brief oral report and an opportunity to respond to questions from directors.

Attachment:

1. Water Supply Agreement Compliance as of September 2011



## Water Supply Agreement Compliance as of September 2011

| Section | Content   | Status   | Comment   |
|---------|---|--|---|
| 3.06    | Annual accounting of Management Charge remitted, due by Sept. 30 <sup>th</sup>  | SFPUC submitted on Sept. 1, 2011, \$1,502,472 remitted in FY 10-11 | Funds to support Phase IIA of BAWSCA's Water Supply Strategy                        |
| 3.08    | Form Joint Water Quality Committee  | Committee formed and meetings held quarterly                       |   |
| 3.10    | SFPUC Annual Report on Regional Water System  | SFPUC submitted on schedule Sept 1, 2010                           | Report under review   |
| 3.14    | SFPUC to inspect and calibrate system water meters  | Done quarterly   | 3 year calibration contract recently renewed  |
| 3.14    | SFPUC to report on reservoir levels and system flows  | Provided monthly   |   |
| 4.05    | BAWSCA to submit projected 2018 Wholesale purchases and workplan for achieving the Interim Supply Limitation to SFPUC annually by June 30 | Completed  |   |
| 5.04    | SFPUC to provide certificate of proceeds for each bond sale   | Done for each issue  | Itemizes projects for which the wholesale customers pay their share of debt service |
| 6.03    | SFPUC to provide BAWSCA with proposed annual budget   | Completed January 2011   | BAWSCA reviewed and submitted comments  |
|         | SFPUC provides formal notification of wholesale rate increase   | Issued by SFPUC, May 11, 2011                                      | Revised wholesale rate effective July 1, \$2.63 per unit                            |
| 7.02    | SFPUC to arrange for annual audit of wholesale revenue requirement  | FY 09-10 completed, FY 10-11 to begin in October                   | BAWSCA and SFPUC resolving remaining issues for FY 08-09 and FY09-10                |
| 8.03    | SFPUC management to meet with wholesale customers   | Completed February 2011  |   |



**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: BAWSCA's Communication with Agencies Regarding Technical Matters**

From time to time, directors have asked how BAWSCA communicate with its member agencies about technical matters. The CEO will provide a brief presentation about existing Committees and the types of issues discussed with agency staff persons.

BAWSCA currently has three active Committees.

The Board Policy Committee deals with policy issues.

The two Technical Committees are the Join Water Quality Committee with San Francisco, which meets as a condition of the 2009 Water Supply Agreement. The Water Supply Management Committee meets with the BAWSCA CEO and staff and provide technical input on matters related to water supply.

Attached is a table of the various Committees that have existed over time. The table indicates whether participants are policy or technical representatives, who appointed them, and whether the committee is active or inactive.

Also attached are three letters from the CEO to the City and District Managers asking for an appointment to the technical committees. The letters identify the nature and purpose of each committee.

Attachments:

1. Table of Committees
2. July 15, 2009 Letter requesting appointment of a Water Supply Management Representative
3. May 19, 2006 Letter regarding Technical Advisory Committee





**Committees**

| <b>Committee</b>   | <b>Participants</b>   | <b>Purpose</b>                         | <b>Type</b> | <b>Status</b> |
|--|---|--|-------------|---------------|
| <b>Board Policy Committee</b>                                | <b>Directors</b><br>Appointed by Board Chair                  | Regional policy action                 | Standing    | Active        |
| <b>Contract Initiation Advisory Committee</b>                | <b>Directors</b><br>Appointed by Board Chair                  | Regional policy action                 | Ad hoc      | Inactive      |
| <b>Water Management Representatives</b>                      | <b>Agency technical staff</b><br>Appointed by agency managers | Agency technical input                 | Ad hoc      | Active        |
| <b>Water Quality</b><br>(Required by Water Supply Agreement) | <b>Agency technical staff</b><br>Appointed by agency managers | Agency technical input                 | Standing    | Active        |
| <b>Technical Advisory Committee</b>                          | <b>Agency technical staff</b><br>Appointed by agency managers | Agency technical input                 | Standing    | As-needed     |
| <b>Conservation program</b>                                  | <b>Agency technical staff</b><br>Agency-assigned              | Agency technical input                 | Standing    | As-needed     |
| <b>Conservation ordinances</b>                               | <b>Agency technical staff</b><br>Agency-assigned              | Agency policy action & technical input | Ad hoc      | As-needed     |
| <b>Water Supply Agreement Representatives</b>                | <b>Agency staff</b><br>Appointed by agency managers           | Agency policy action                   | Ad hoc      | Inactive      |

|        |           |          |
|--------|-----------|----------|
| Active | As-needed | Inactive |
|--------|-----------|----------|



# **BAWSCA**

**Bay Area Water Supply & Conservation Agency**

July 15, 2009

Mr. Kevin Duggan, City Manager  
City of Mountain View  
500 Castro Street  
Mountain View, CA 94039-7540

**SUBJECT: Request for You to Appoint a Representative to Work with BAWSCA on Three Water Supply Decisions Critical to Your Water Customers**

Dear Mr. Duggan:

This letter respectfully requests that you appoint a member of your staff to represent you and your agency in three critically important water management activities that will begin this summer. All three activities have been discussed with members of your staff and the BAWSCA board beginning last fall and all are included in BAWSCA's adopted budget for this fiscal year.

The three activities being undertaken this year are:

1. Preparing a plan to allocate water from San Francisco during a drought;
2. Preparing for "Interim Water Supply Limitations" which San Francisco intends to impose on each agency; and
3. Preparing a Long-Term Regional Water Management Strategy to meet the future needs of our communities through 2035.

The first activity determines how much of San Francisco's available water supply your agency will receive during droughts. The second activity could affect the price you pay to San Francisco for the water you purchase between now and 2018. The third activity addresses how the water needs of your community will be met reliably into the future.

#### Background and Schedule

The first activity will be completed in FY 2009-10. The schedule is driven by outside forces. For example, most agencies are legally required to submit an updated "Urban Water Management Plan" to the California Department of Water Resources by December 31, 2010. The allocation of water during droughts is one important element of those plans. The prior allocation method, developed and agreed to by all BAWSCA agencies in 2001, expired on June 30, 2009. It will also be important to have an allocation method in place in case this coming winter is dry and San Francisco institutes water rationing next spring.

The schedule for the second activity is also critical. Last fall, San Francisco made a unilateral decision to limit how much water it will allow its retail and wholesale customers to purchase until

at least 2018 (265 MGD, divided 81 MGD to San Francisco retail customers and 184 MGD to all 26 Wholesale Customers collectively). To enforce this limitation, San Francisco plans to impose additional fees, beginning in 2011, on any agency using more than a specified limit. San Francisco has said it will set limits for each agency by December 2010. If the BAWSCA agencies can agree among themselves on what those limitations should be, the results will be more certain, and perhaps more acceptable, than if San Francisco were left to determine those limits on its own.

For both of these first two activities, BAWSCA, with the support of its technical and legal resources, will organize and facilitate discussions among the member agencies, provide the necessary technical analyses, and produce any agreements or other documents that might be required to formalize the agencies' decisions.

The third activity, developing a long-term regional water management strategy, is critical because San Francisco decided to limit water available for purchase and defer decisions about meeting future water needs until 2018. This decision creates uncertainties about how community and economic development can be sustained. The water management planning that was done as part of San Francisco's Program EIR for rebuilding the regional water system, while very valuable, is no longer sufficient to support future development in our region.

The preparation of the water management strategy itself must begin now so that reliable supplies of water can be in place by the time they are needed. The scope of work for preparing this long-term strategy will be completed this year with input from each agency. A Request for Proposals was sent out last week by BAWSCA, and a consultant contract will be considered by the Board at its September meeting. Preparing the strategy will take at least two years, followed by implementation. Ongoing input will ensure the strategy addresses the needs of your community.

#### Action Requested

As we did at the outset of negotiations for the new Water Supply Agreement with San Francisco, I am requesting that managers of each agency appoint an individual to represent their agency in these discussions. I recommend you appoint a person who has appropriate technical knowledge and advises you on matters related to water supply management and the water needs associated with local land use planning.

Please provide the name, phone number, and email address of the person you select as your agency's representative to BAWSCA by July 31, 2009. You may send the information to my attention at [ajensen@bawasca.org](mailto:ajensen@bawasca.org) or by mail to: BAWSCA, 155 Bovet Road, Suite 302, San Mateo, CA 94402.

Please call my office at (650) 349-3000 if you have any questions. I look forward to working closely with you and your organization in successfully completing these three activities which impact water supply reliability for your current and future water customers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arthur R. Jensen', with a long horizontal flourish extending to the right.

Arthur R. Jensen  
Chief Executive Officer

cc: Matt Pear, BAWSCA Board Member  
Cathy Lazarus, TAC Representative



# BAWSCA

Bay Area Water Supply & Conservation Agency

May 19, 2006

Ms. Kevin Duggan, City Manager  
City of Mountain View  
500 Castro Street  
P.O. Box 7540  
Mountain View, CA 94039-7540

**Subject: BAWSCA Technical Advisory Committee Representatives**

Dear Ms. Duggan:

In 2004, you designated Cathy Lazarus to serve as a representative of City of Mountain View in the Technical Advisory Committee (TAC). As we update our records this year, we ask that you confirm your designation of Ms. Lazarus as your agency's current representative to the TAC. Because TAC members will be familiar with a variety of issues, we recommend you also designate this person to be your agency's representative to the Suburban Advisory Group (SAG).

*Section 8.04 Suburban Advisory Group (SAG)* of the existing 1984 Master Water Sales Contract, states that San Francisco shall have informational meetings with the agencies that have signed water contracts. San Francisco has been holding these meetings annually since 1984. The meetings have historically been attended by management or technical staff of each agency. As part of administering the master contract, BAWSCA coordinates the date, time, place, and agenda with San Francisco.

The TAC provides a forum for your technical and managerial representative to provide staff-level input to BAWSCA actions on a routine basis. It serves as an advisory body to the BAWSCA General Manager, and provides a mechanism for BAWSCA and its member agencies to present and receive feedback on a variety of issues. Matters brought before the TAC includes water supply planning, water conservation assistance, grant funding opportunities, emergency preparedness, the San Francisco Public Utilities Commission's Water System Improvement Program, wholesale water rates changes, and other matters related to a reliable supply of high quality water to the public at a fair price. The TAC also provides a forum for us to receive input from you on the matters or opportunities you believe are most important and deserve BAWSCA's attention.

The SAG Meetings are held at least once a year. TAC Meetings are held on the first Thursdays of the month, between 9:30-11:30am in the Wind Room of the Foster City Community Building, 1000 E. Hillsdale Blvd., Foster City. Agendas for upcoming meetings are e-mailed to participants in advance.

If you have any questions, please call me at the BAWSCA office, (650) 349-3000.

Sincerely,



Arthur R. Jensen  
General Manager

cc: Cathy Lazarus, TAC Representative





**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**BOARD OF DIRECTORS MEETING**

**Agenda Title: Process and Schedule for CEO Evaluation**

The Chair and Vice-Chair have met with the CEO and developed a revised procedure for the CEO's performance evaluation. The Board Chair discussed the procedure with the Board Policy Committee at its meeting on August 10<sup>th</sup> and their comments and advice have been taken into consideration in finalizing both the attached procedure and evaluation form.

The design of the evaluation procedure is based on the participation by the full Board and a written set of performance objectives. Prior to the evaluation, the CEO will prepare a report to the Board on his performance during the prior year. The new procedure will result in a written performance evaluation.

At the September 15<sup>th</sup> Board meeting, Chair Pierce will present the procedure and evaluation form for the Board of directors. The CEO's performance report and the evaluation form will be mailed to each Director by the end of September. The closed session performance evaluation will take place at the November 17<sup>th</sup> Board meeting.

Following the evaluation of last year's performance, objectives for the following year will be developed.

Attachments:

1. CEO Evaluation Procedure
2. CEO Annual Performance Evaluation Form



## **CEO Evaluation Procedure**

**September 6, 2011**

### **Evaluation procedure design**

- a. Based on prescribed objectives.
- b. Conducted by the Board Chair.
- c. Includes the full Board's participation and review.
- d. Summarized in the CEO's personnel file.
- e. At any time the Board Chair may access legal counsel guidance on legal questions and procedures.

### **Evaluation steps**

#### **1. CEO Activities**

CEO provides a copy of the evaluation criteria for the current year.

CEO produces a summary of annual activities and a copy of the CEO's job description.

#### **2. Board Chair activities**

Board Chair sends evaluation criteria and form to all Board members.

Board members have a specified time by which they are to submit completed forms and written comments.

#### **3. Directors submit forms and written comments**

A reasonable period of time is allotted and a deadline specified.

#### **4. Board Chair activities**

Board Chair compiles scores and compiles all written comments (anonymous listing).

Board Chair may edit if director comments are inappropriate under law.

Board Chair may ask CEO to clarify or fact-check information referenced in directors comments.

Board Chair should exercise caution to avoid the fact or appearance of serial communications with directors.

Board Chair produces a written draft consisting of:

1. Tabulated scores and totals.
2. Compilation of directors' comments.
3. Summary CEO evaluation.

Board Chair distributes these products to directors in advance of closed session discussion.

Legal counsel should be asked to provide a cover letter that sets the context for, and prudent reminders related to closed session discussions and personnel performance reviews.

**5. The Board meets in closed session:**

Board Chair presents the written materials for discussion:

1. Board Chair notes any comments deleted or revised, and the reasons for doing so.
2. Board Chair may ask that any significant new information be put in writing, perhaps as an amendment to the director's original input, so as to ensure the input is accurately reproduced.
3. The Chair may ask the CEO to join the closed session for clarification or discussion of matters.
4. The Chair may ask legal counsel to join the closed session for legal guidance.

**6. Board Chair activities**

Following the closed session, the Board Chair finalizes the written materials, including the summary evaluation.

Board Chair meets with the CEO to go over and discuss the materials.

1. The packet is signed by both the Board Chair and CEO to signify that the meeting and discussion took place.
2. The CEO should acknowledge whether he/she accepts the report or wishes to provide written responses to specific statements.

All of the written material will be retained in the CEO's personnel file.

Board Chair shares the finalized evaluation with the Board, or makes it available to them.

**7. Board Chair activities**

Following the evaluation process, the Board Chair reviews and establishes the evaluation criteria for the coming evaluation period.

Board Chair and the CEO meet to discuss and agree on the revised criteria.

The Board Chair reviews the revised criteria with the Board of Directors.

**BAY AREA WATER SUPPLY & CONSERVATION AGENCY  
CHIEF EXECUTIVE OFFICER  
ANNUAL PERFORMANCE EVALUATION FORM**

Employee: \_\_\_\_\_

Date of Evaluation: \_\_\_\_\_

Evaluator: \_\_\_\_\_

**Instructions:**

Please check the appropriate box for each factor. Provide specific comments or examples to substantiate your rating in the comment section provided on page 2.

| <b><u>LEADERSHIP OBJECTIVES</u></b>   | <b>Extra-ordinary performance</b> | <b>Meets expectations</b> | <b>Meets minimal expectations</b> | <b>Does not meet expectations</b> | <b>Don't know</b> |
|---|-----------------------------------|---------------------------|-----------------------------------|-----------------------------------|-------------------|
| A. Leads BAWSCA, its agencies, the Board, staff, San Francisco policy makers, legislators, media and others to understand and support BAWSCA's goals  |                                   |                           |                                   |                                   |                   |
| B. Identifies major issues and assigns appropriate priorities   |                                   |                           |                                   |                                   |                   |
| C. Establishes appropriate annual results to be achieved toward meeting the agency's goals.   |                                   |                           |                                   |                                   |                   |
| D. Applies resources effectively to achieve results.  |                                   |                           |                                   |                                   |                   |
| E. Achieves timely progress toward results.   |                                   |                           |                                   |                                   |                   |
| F. Relates effectively with diverse audiences to achieve results.   |                                   |                           |                                   |                                   |                   |
| G. Provides clear information for the Board of Directors to make timely and informed decisions.   |                                   |                           |                                   |                                   |                   |
| H. Anticipates and recognizes when external actions impact our ability to achieve our goals, and helps the agency respond accordingly.  |                                   |                           |                                   |                                   |                   |
| I. Defines, and proposes how to address, Policy issues and carries out the direction of the Board.<br>Policy issues relate to specific public concerns, have identifiable pros and cons and are subject to public debate. |                                   |                           |                                   |                                   |                   |
| J. Listens to and objectively considers comments by the Board, staff and agencies and responds appropriately to achieve the agency's goals.   |                                   |                           |                                   |                                   |                   |

| <b><u>MANAGEMENT OBJECTIVES</u></b>                | <b>Extra-ordinary performance</b> | <b>Meets expectations</b> | <b>Meets minimal expectations</b> | <b>Does not meet expectations</b> | <b>Don't know</b> |
|--|-----------------------------------|---------------------------|-----------------------------------|-----------------------------------|-------------------|
| K. Prepares budgets consistent with objectives.    |                                   |                           |                                   |                                   |                   |
| L. Maintains expenses within budget.               |                                   |                           |                                   |                                   |                   |
| M. Acquires and maintains an effective work force. |                                   |                           |                                   |                                   |                   |

**COMMENTS:**

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**Bay Area Water Supply and Conservation Agency  
and Regional Financing Authority**

**Meeting Schedule through June 2012**

| <b>Schedule for BAWSCA Board Meetings (Meetings are held from approx. 7:00 – 9:00 p.m.)</b> |   |
|---|---|
| <b><u>Date</u></b>  | <b><u>Location</u></b>                  |
| Thursday – November 17, 2011  | Wind Room, Foster City Community Center |
| Thursday – January 19, 2012   | Wind Room, Foster City Community Center |
| Thursday – March 15, 2012   | Wind Room, Foster City Community Center |
| Thursday – May 17, 2012   | Wind Room, Foster City Community Center |

| <b>Schedule for RFA Board Meetings (Meeting time will be announced)</b> |   |
|---|---|
| <b><u>Date</u></b>  | <b><u>Location</u></b>                  |
| Thursday – January 19, 2012   | Wind Room, Foster City Community Center |

| <b>Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)</b> |  |
|--|--|
| <b><u>Date</u></b>   | <b><u>Location</u></b>                                     |
| Wednesday, October 12, 2011  | 155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm. |
| Wednesday, December 14, 2011   | 155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm. |
| Wednesday, February 8, 2012  | 155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm. |
| Wednesday, April 11, 2012  | 155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm. |
| Wednesday, June 13, 2012   | 155 Bovet Rd., San Mateo – 1 <sup>st</sup> Floor Conf. Rm. |