

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING**

July 19, 2012 – 7 p.m.

Foster City Community Building, Foster City CA

MINUTES

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. Nineteen (19) members of the Board were present, constituting a quorum. A list of Directors present (19) and absent (7) is attached.

2. Comments by the Chair: Comments were provided by Chair Pierce

3. The Board adjourned at 7:07pm to conduct the Board meeting of the San Francisco Bay Area Regional Financing Authority.

4. The Board reconvened at 7:10pm.

5. Board Policy Committee Report: Committee Chair Larry Klein provided a report on the discussions and actions that took place at the BPC meeting held on June 13, 2012.

6. Public Comments: Public comments were received from Wynn Gr Eich and Michael Francois.

7. Consent Calendar:

Director Bronitsky made a motion, seconded by Director Mcleod, to approve the Minutes of the May 17th Board Meeting, receive and file the Budget Status, Investment, and Directors' Reimbursement Reports as of March 31, 2012, adopt the Personnel Handbook amendments, and approve the Professional Services Contract with Brown & Caldwell to Support the Implementation of the BAWSCA Water Conservation Database for FY 2012-13. The motion carried unanimously.

8. Special Report:

Mr. Jensen provided reports on the efforts to drain Hetch Hetchy Reservoir, SFPUC's proposed 2 mgd water transfer with the Modesto Irrigation District, and the potential issuance of bonds to prepay capital debt owed to San Francisco.

Director Klein commented that the Board should consider, sooner than later, what actions are appropriate in response to the efforts to drain Hetch Hetchy reservoir because timing is critical.

Public comments for Item 8A, Hetch Hetchy Reservoir, were received from Spreck Rosekrans and Wynn Gr Eich.

Public comments for Item 8B, SFPUC 2 mgd Water Transfer with the Modesto Irrigation District, were received from Cindy Charles, Griff Derryberry, Peter Drekmeier, Maryann Moise Derwin, Haley Greenberg, Loran Fear, Melissa Hippard, Sonia Diermayer, Steve Menicucci, Ann Clark, Elizabeth Dougherty, Gloria Purcell.

Director Mendall asked what guarantee is there that the water transfer will go to BAWSCA member agencies, and what happens to the transfer if water consumption continues to decrease. Mr. Jensen responded that the allocation of water during drought is established by the Water Supply Agreement. If the water is not used, it would flow down the river.

Mr. Bronitsky asked questions about supply and cost allocation from the transfer. SFPUC Assistant General Manager of Water Enterprise, Mr. Ritchie, provided clarification, and Mr. Jensen offered to provide a source for the study on the economic impact of drought.

Director McLeod provided comments stating her reasons for opposing the water transfer.

Director Weed provided comments stating his support for the transfer.

Chair Pierce noted that the item requires no action by the Board. She requested that clarification on the cost for the water transfer be provided.

9. **Action Calendar:** A 10-minute break preceded the action calendar. The meeting resumed at 8:48pm
 - A. Authorization to Amend the contract with Orrick, Herrington & Sutcliffe, LLP:
Director Vella made a motion, seconded by Director Klein, to authorize the amendment of the contract with Orrick, Herrington & Sutcliffe, LLP. The motion carried unanimously.
 - B. Authorization to Appoint Goldman Sachs and De La Rosa & Co.
Director Klein made a motion, seconded by Director Coverdell, to authorize the CEO/General Manager's appointment of Goldman Sachs and De La Rosa & Co., as underwriters for the potential bond issuance. The motion carried unanimously.
10. **SFPUC Report:** Chair Pierce read aloud a letter commending Mr. Harrington for his years of service and wishing him the best following his retirement. SFPUC General Manager, Ed Harrington and Commission President, Anson Moran, addressed the Board. Mr. Harrington cited one significant challenge facing the SFPUC and the Wholesale Customers is consideration of alternative rate structures that would ensure sufficient revenues while encouraging conservation. Mr. Moran noted BAWSCA's strength is good for its members and for the SFPUC. He suggested BAWSCA and SFPUC consider ways for addressing issues jointly.
11. **Study Session:** Chair Pierce tabled the Study Session to the next Board meeting on September 20, 2012.
12. **Date, Time and Location of Next Meeting:** The next meeting is scheduled on September 20, 2012, in the Wind Room, Foster City Community Center.
13. **Adjournment:** The meeting adjourned at 9:30pm.

Respectfully submitted,

Arthur R. Jensen,
Chief Executive Officer/General Manager

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Attachments: 1) Attendance Roster

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
Board of Directors Meeting
July 19, 2012

Attendance Roster

Present:

Ruben Abrica	City of East Palo Alto
Robert Anderson	Purissima Hills Water District
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Tom Chambers	Westborough Water District
Ken Coverdell	Coastside County Water District
Armando Gomez	City of Milpitas
Jim Griffith	City of Sunnyvale
Rob Guzzetta	California Water Service Company
Tom Kasten	Town of Hillsborough
Larry Klein	City of Palo Alto
Marty Laporte	Stanford
Jamie McLeod	City of Santa Clara
Al Mendall	City of Hayward
Irene O'Connell	City of San Bruno
Rosalie O'Mahony	City of Burlingame
Barbara Pierce	City of Redwood City
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District

Absent:

Kelly Ferguson	City of Menlo Park
Michael Guingona	City of Daly City
Mike Kasperzak	City of Mountain View
Tom Piccolotti	North Coast County Water District
Dan Quigg	City of Millbrae
Chuck Reed	City of San Jose
Sepi Richardson	City of Brisbane