

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING  
November 15, 2012 – 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 – 7:04 pm**

BAWSCA Chair, Barbara Pierce, called the meeting to order. Art Jensen called the roll. Four members of the Board arrived after roll call. Twenty-three (23) members of the Board were present, constituting a quorum. A list of Directors present (23) and absent (3) is attached.

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

**3. Board Policy Committee Report:** Committee Chair Larry Klein provided a report on the discussions and actions that took place at the BPC meeting held October 8, 2012.

**4. Public Comments:** Public comments were received from Wynn Grich and Michael Francois.

**5. SFPUC Report:** SFPUC General Manager Harlan Kelley addressed the Board. Julie Labonte, Water System Improvement Program Director, provided a report on the progress of the overall WSIP and the Calaveras Dam Project.

**6. Consent Calendar:**

**Director O’Mahony made a motion, seconded by Director Fergusson, to approve the Minutes of the September 20<sup>th</sup> 2012 Board Meeting, receive and file the Budget Status, Quarterly Investment, and Directors’ Reimbursement Reports as of September 30, 2012, and authorize the CEO/General Manager to negotiate and execute a contract amendment with PG&E for the Washing Machine Rebate Program. The motion carried unanimously.**

**7. Action Calendar:**

A. Potential Bond Issuance to Prepay Capital Debt Owed to SFPUC – Policy Decisions:

**Director Klein made a motion, seconded by Director Laporte, that the Board:**

- 1. Authorize the CEO/General Manager to include a fixed volumetric surcharge setting methodology in the bond structure; and,**
- 2. Authorize the CEO/General Manager to use a blended interest rate on the allocation of debt service.**

**The motion carried unanimously.**

B. Potential Bond Issuance to Prepay Capital Debt Owed to SFPUC – Actions Needed to Proceed.

**Director Griffith made a motion, seconded by Director Richardson, that the Board:**

1. **Authorize the CEO/General Manager to amend the contract with KNN for their financial advisory services until the completion of the financing.**
2. **Authorize the CEO/General Manager to appoint a bank to be selected through an RFP process as the Trustee for the bonds.**
3. **Authorize the CEO/General Manager to appoint Morgan Stanley and Citigroup Global Markets as underwriter Co-Managers for the bond issuance and increase the maximum underwriters' discount.**
4. **Authorize a maximum underwriters' discount of 0.0375% (\$3.75 per \$1,000 in par amount or "per bond").**

**The motion carried unanimously.**

- C. Approval of the Bay Area Water Supply and Conservation Agency Revenue Bond Series 2013A and Series 2013B (Taxable) Financing Structure and Documents for an Amount Not-To-Exceed \$385 Million with a Term Ending No Later Than December 31, 2034.

**Director Kasten made a motion, seconded by Director Vella, that the Board adopt a resolution authorizing the following Board actions:**

1. **Approve the issuance and structure of the Bay Area Water Supply and Conservation Agency Revenue Bonds Series 2013A and Series 2013B (Taxable) in an amount not-to-exceed \$385 million with a term ending no later than December 31, 2034.**
2. **Approve the substantially final forms of financing documents provided in the staff report, including the Revenue Bond Indenture, First Supplemental Indenture, the Continuing Disclosure Certificate, the Preliminary Official Statement, a Prepayment and Collection Agreement with the SFPUC, and the Bond Purchase Agreement.**
3. **Authorize the CEO/General Manager to execute these financing documents at the appropriate time conditioned upon satisfaction of specified criteria.**
  - a. **The bond interest rates and final financing structure will need to result in a net present value savings of not less than 4% (or approximately \$14.2 million) over the term of the bonds.**
  - b. **San Francisco must provide, in advance of receiving any funds, a written pledge to use bond proceeds in a manner consistent with federal laws and regulations. This is memorialized in the Prepayment and Collection Agreement.**

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

8. Review of BAWSCA's Statement of Investment Policy and Proposed Modifications

**Director Klein made a motion, seconded by Director Coverdell, that the Board approve the revised language modifications to the Investment Policy. The motion passed unanimously.**

**9. Date, Time and Location of Next Meeting:** The next meeting is scheduled on January 17, 20, 2013, in the Wind Room, Foster City Community Center.

**10. Adjournment:** The meeting adjourned at 9:00pm.

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   |
| Kelly Ferguson    | City of Menlo Park                |
| Armando Gomez     | City of Milpitas                  |
| Jim Griffith      | City of Sunnyvale                 |
| Michael Guingona  | City of Daly City                 |
| 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              |
| Tom Piccolotti    | North Coast County Water District |
| Sepi Richardson   | City of Brisbane                  |
| Louis Vella       | Mid-Peninsula Water District      |
| John Weed         | Alameda County Water District     |

Absent:

|                |                       |
|----------------|-----------------------|
| Mike Kasperzak | City of Mountain View |
| Dan Quigg      | City of Millbrae      |
| Chuck Reed     | City of San Jose      |