

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY  
BOARD OF DIRECTORS MEETING  
September 20, 2012 – 7 p.m.  
Foster City Community Building, Foster City CA**

<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 at the time of roll call, constituting a quorum. One director arrived later. A list of Directors present (19) and absent (7) is attached.

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

**3. Board Policy Committee Report:** Committee Vice-Chair Robert Guzzetta provided a report on the discussions and actions that took place at the BPC meeting held on August 8, 2012.

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

**5. SFPUC Report:** Steve Ritchie provided a report on the status of the Water System Improvement Program (WSIP) projects, and the appointment of Harlan Kelly as the SFPUC General Manager.

**6. Consent Calendar:**

**Director Quigg made a motion, seconded by Director Kasten, to approve the Minutes of the July 19<sup>th</sup> Board Meeting, and to receive and file the Pre-Audit Budget Status Report as of June 30, 2012. The motion carried unanimously.**

**7. Action Calendar:**

**A. Potential Bond Issuance to Prepay Capital Debt Owed to SFPUC:**

**Director Griffith made a motion, seconded by Director O'Mahony, that the Board take the following actions:**

- 1. Authorize the CEO/General Manager to amend the contract with Orrick, Harrington & Sutcliffe, LLP, subject to legal counsel's review, to begin Phase 3 of the Bond Counsel services, to appoint Orrick as Disclosure counsel and to increase the not-to-exceed amount by \$220,000. Payment would be made from bond proceeds.**
- 2. Authorize the CEO/General Manager to engage Moody's and S&P to secure credit ratings for the BAWSCA bonds at a cost of \$200,000. Payment would be paid from bond proceeds upon a successful bond issuance, although a payment of \$120,000 for preliminary ratings would be necessary even if bonds are not issued.**

- 3. Authorize the CEO/General manager to transfer \$120,000 from the General Reserve for payments to rating agencies, if bonds are not issued.**
- 4. Adopt a resolution which encourages the governing bodies of all member agencies to seriously consider adopting the Participant Resolution.**

**By roll call vote, the motion carried unanimously.**

**8. Special Report and Action Item:**

- A. Long-Term Reliable Water Supply Strategy Phase II A Report: Ms. Dutton presented the findings and recommendations of the Strategy's Phase IIA Report.
- B. Long-Term Reliable Water Supply Strategy – Recommended Actions:

**Director Richardson made a motion, seconded by Director Laporte, that the board:**

- 1. Complete the Reprogrammed Phase II A Work by December 2014.**
  - a. Authorize the CEO/General Manager to issue Notice to Proceeds to CDM Smith and Bud Wendell to complete the reprogrammed work within the original contract not-to-exceed amounts; and**
  - b. Authorize the CEO/General Manager to amend the existing contract with Hanson Birdgett, LLP to complet the reprogrammed work and to increase the contract by \$65,000 for a revised not-to-exceed amount of \$141,000. Funds are available from the unspent balance of the WMC.**
- 2. Develop a Plan for a Pilot Water Transfer wit EBMUD by June 2013**
  - a. Authorize the CEO/General Manager to negotiate and execute a contract with CDM Smith for \$72,000 to provide technical support for the development of the Plan;**
  - b. Authorize the CEO/General Manager to negotiate and execute a contract with Hanson Bridgett, LLP for \$58,000 to provide legal support for the development of the Plan; and**
  - c. Authorize a transfer of \$130,000 from the BAWSCA General Reserve.**

**The motion carried unanimously.**

**9. Reports:**

- A. **Water System Improvement Program**: Ms. Sandkula provided a report on the Calaveras Dam Project. BAWSCA is closely following how the SFPUC is addressing the challenges of the site's geological features including the naturally occurring asbestos and the instability of the land formation on the left abutment.
- B. **Status of Initiative to Drain Hetch Hetchy**: Mr. Jensen reported that he presented BAWSCA's position on the initiative to the Board of Directors of the Cities Association of Santa Clara County (CASCC). He is pleased to report that the CASCC Board voted to support BAWSCA's position. Mr. Jensen will also be addressing the San Mateo City and County Association of Governments, and would

be happy to speak similarly with organizations in Alameda County. Copies of the Statement as of September 20, 2012 were provided to members of the Board. He noted that revisions to the new version include minor word changes that do not affect the policy approach.

Mr. Jensen reported that correspondence was received from Restore Hetch Hetchy, and that he will review it to determine the appropriate follow up.

- C. Status of 2 mgd Water Transfer between the SFPUC and MID: Mr. Jensen reported that the negotiations between the SFPUC and MID have been suspended. BAWSCA is following up with the SFPUC on the issue of meeting their Level of Service (LOS) goals for their wholesale customers.
- D. Third Year Administration of the Water Supply Agreement: Mr. Jensen reported that the administration of the Water Supply Agreement continues to be on track.
- E. Board Policy Calendar: Mr. Jensen noted that a report on the Mid-Year review will come to the Board in November to provide an opportunity to present status of the budget, necessary changes, if any, to the work plan, and review and discussion of what to do with the General Reserve. The CEO's performance evaluation will also be scheduled in November.

**10. Date, Time and Location of Next Meeting:** The next meeting is scheduled on November 15, 2012, in the Wind Room, Foster City Community Center.

**11. 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**  
**September 20, 2012**

**Attendance Roster**

**Present:**

Ruben Abrica	City of East Palo Alto
Robert Anderson	Purissima Hills Water District
Randy Breault	Guadalupe Valley Water District
Tom Chambers	Westborough Water District
Ken Coverdell	Coastside County Water District
Jim Griffith	City of Sunnyvale
Michael Guingona	City of Daly City
Rob Guzzetta	California Water Service Company
Tom Kasten	Town of Hillsborough
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
Tom Piccolotti	North Coast County Water District
Barbara Pierce	City of Redwood City
Dan Quigg	City of Millbrae
Sepi Richardson	City of Brisbane
John Weed	Alameda County Water District

**Absent:**

Charlie Bronitsky	City of Foster City
Kelly Ferguson	City of Menlo Park
Armando Gomez	City of Milpitas
Mike Kasperzak	City of Mountain View
Larry Klein	City of Palo Alto
Chuck Reed	City of San Jose
Louis Vella	Mid-Peninsula Water District