

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****September 19, 2013 – 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, Irene O'Connell, called the meeting to order. Art Jensen called the roll. Nineteen (19) members of the Board participated in the meeting with 2 members by conference call, constituting a quorum. A list of Directors present (19) and absent (7) is attached.

2. Comments by the Chair:

Chair O'Connell reported that the agenda includes an action item for a smooth transition to the new Chief Executive Officer of BAWSCA. The agenda also includes two reports, one on the progress of the Water System Improvement Program after 10 years of implementation, and the second is on the Pilot Water Transfer Plan.

3. Board Policy Committee Report: Committee Chair Rob Guzzetta reported the discussions and actions that took place at the BPC meeting held on August 14, 2013. The Committee voted unanimously to recommend approval of the proposed Board action to establish the California Employers' Retiree Benefit Trust (CERBT) through CalPERS to fund Other Post-Employment Benefits Costs, and to approve the resolution appointing Art Jensen as Special Counsel to the CEO/GM.**4. Public Comments:** Public comments were received from Wynn Greich, Flouride Action Network, and Peter Drekmeyer, Tuolumne River Trust.**5. Consent Calendar:**

Director Richardson made a motion, seconded by Director Bronitsky, to approve the Consent Calendar. The items included approval of the Minutes of the July 18, 2013 Board Meeting, and that the Board receive and file the Pre-Audit Budget Status Report as of June 30, 2013.

The motion carried by roll call vote.

6. Action Calendar:**A. Establishment of the Recommended California Employers' Retiree Benefit Trust (CERBT) through CalPERS to fund Other Post-Employment Benefits Costs.**

Director Bronitsky made a motion, seconded by Director Richardson, that the Board approve:

- 1. Establishing an irrevocable IRC Section 115 trust through CERBT trust administered by the CalPERS to accommodate the agency's OPEB funding; and**

2. **Authorizing the CEO/GM to execute an agreement with the CalPERS CERBT to establish and administer the agency's OPEB Trust Fund (A copy of the agreement is attached to this report as Attachment A); and**
3. **Delegating authority to the CEO/GM to request disbursements from the agency's OPEB Trust Fund, and take other actions needed to implement the trust.**

The motion carried by roll call vote.

- B. Resolution Approving Temporary Appointment of Arthur Jensen as Special Counsel to the CEO/GM, with Compensation Consistent with the Salary Schedule for the CEO/GM Position and Adopting the Salary Schedule for the CEO/GM Position

Director Richardson made a motion, seconded by Director Griffith, that the Board adopt a Resolution approving the temporary appointment of Arthur Jensen to the position of Special Counsel to the CEO/GM, adopting the salary schedule for the CEO/GM position, and making associated findings in support of such an appointment.

The motion carried by roll call vote.

- C. **CEO/General Manager Transition:** Chair O'Connell presented a resolution honoring Art Jensen's retirement after 36 years of serving the water customers of the Bay Area, and as CEO/General Manager of BAWSCA for 18 years.

Director Breault made a motion that the Board of Directors of the Bay Area Water Supply and Conservation Agency, hereby honor Arthur Jensen's exceptional service as CEO and General Manager of BAWSCA, and its predecessor agency, BAWUA, for the last 18 years, and authorize the Chair of the Board of Directors to execute Resolution 2013-04 on the Agency's behalf. A roll call vote was taken. The motion carried unanimously.

Mr. Jensen thanked the BAWSCA Board, and stated that he was proud of what BAWSCA, its Board, staff and team of consultants have achieved. BAWSCA is a unique agency and is a fine example of what government should be; driven to get results for the member agencies and the customers who pay the bill. BAWSCA is the agency authorized to represent the customers' interests and the only regional agency that is ultimately accountable to the water customers in Alameda, San Mateo, and Santa Clara Counties. Significant work remains to be done that will lead to a number of policy decisions by and beyond 2018. BAWSCA has, is and should continue to be focused on achieving results.

7. **SFPUC Report:** SFPUC General Manager, Harlan Kelly, addressed the BAWSCA Board. He congratulated Art Jensen for his retirement, and congratulated the Board on its selection of Nicole Sandkulla as its new CEO and General Manager. He reported that the SFPUC will also be going through a change with Julie Labonte's transition to her new position as Vice President with Montgomery, Watson, Harza (MWH). Mr. Kelly will be working with his staff and looking to Art and Nicole for recommendations on the selection of Ms. Labonte's successor.

Mr. Kelly provided a status report on the Calaveras Dam Project, New Irvington Tunnel Project, and the Sunol Valley Water Treatment Plant.

Deputy General Manager, Michael Carlin provided a report on the Rim Fire. The fire burned only 1% of the Hetch Hetchy watershed, and no issues are expected. While there were no structures affected at Camp Mather O'Shaughnessy, there was one housing structure lost during the fire. Mr. Carlin reported that the SFPUC is now in the assessment, restoration and recovery phase.

8. **Reports:** Ms. Sandkulla provided an informational report on the SFPUC's 10-year implementation of the WSIP, and BAWSCA's progress with the Pilot Water Transfer Plan during dry years with EBMUD. Director Mendall commented that the Pilot Water Transfer is beneficial for the BAWSCA member agencies; however, there are unique negative impacts to the City of Hayward. He noted that while all member agencies are receiving water supply from Hetch Hetchy when the transfer is occurring, the City of Hayward will be getting water from a different source. This is an inequity that he would like to see addressed.

Christina Tang provided a report on the bond surcharge collection, account balance and payment report.

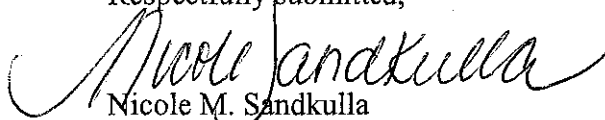
9. **Directors' Discussion:** Director Weed reported that Glenn Reynolds was elected to the Board of Directors of the Coastside County Water District.

Director Pierce stated that she would be interested to hear about the SFPUC's reaction to BAWSCA's recommendations on the WSIP. She also thanked Director Kasten for raising questions on the finances, and would appreciate bringing forward his insights.

10. **Date, Time and Location of Next Meeting:** The next meeting is scheduled on November 21, 2013, in the Wind Room, Foster City Community Center.

11. **Adjournment:** The meeting adjourned at 8:52pm.

Respectfully submitted,



Nicole M. Sandkulla

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 19, 2013

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
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
Al Mendall	City of Hayward
Chris Mickelsen	Coastside County Water District
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
Sepi Richardson	City of Brisbane
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District

Absent:

Armando Gomez	City of Milpitas
Mike Kasperzak	City of Mountain View
Kirsten Keith	City of Menlo Park
Marty Laporte	Stanford
Jerry Marsalli	City of Santa Clara
Dan Quigg	City of Millbrae
Chuck Reed	City of San Jose