

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

**January 16, 2014 – 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 Vice-Chair, Randy Breault, called the meeting to order. Nicole Sandkulla called the roll. Twenty-one (21) members of the Board were present, constituting a quorum. A list of Directors present (21) and absent (5) is attached.

**2. Special Order of Business: Election of Officers for Calendar Year 2014.**

Vice-Chair Breault called for nominations for the position of Chair of the BAWSCA Board. Director Pierce nominated Irene O'Connell for Chair. Director Richardson seconded the nomination. There being no other nominations, nominations were closed by consensus.

**Director O'Mahony made a motion, seconded by Director Quigg, that Irene O'Connell be elected as Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2014 to commence at the adjournment of the meeting at which she was elected.**

Chair O'Connell called for nominations for the position of Vice-Chair. Director Richardson nominated Randy Breault as Vice-Chair of the board, and was seconded by Director Mendall. There being no other nominations, nominations were closed by consensus.

**Director O'Mahony made a motion, seconded by Director Richardson, that Randy Breault be elected as Vice-Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2014 to commence at the adjournment of the meeting at which he was elected.**

**3. The meeting adjourned at 7:03pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.****4. The meeting re-convened at 7:06pm****5. Comments by the Chair:** Chair O'Connell welcomed Gustav Larsson as a newly appointed member of the Board for City of Sunnyvale. Director Larsson replaces Jim Griffith, who was appointed as Mayor of Sunnyvale. Director O'Connell expressed her appreciation for Director Griffith's active participation on the Board since 2011, and congratulated him on his appointment as Mayor.

Chair O'Connell reported that an important item on the agenda for Board action is the mid-year review of BAWSCA's work plan and budget for the current FY 2013-14.

The Board will receive information from the SFPUC on the current water conditions, and a report from Danielle Blacet from ACWA regarding the Statewide Water Action Plan. Chair O'Connell noted that while BAWSCA's work plan does not include projects related

with the Bay Delta, she stated that statewide planning issues are important to BAWSCA member agencies.

Ms. Sandkulla added that a potentially significant problem with the SFPUC's key facilities, the Mountain Tunnel, is developing. Recent assessment reports indicate the risks of system failure with impacts to public health and safety from an extended shut down of water from Hetch Hetchy. The Mountain Tunnel is one of the original tunnels of the regional water system that conveys 100% of the Hetch Hetchy water supply to the Bay Area.

SFPUC General Manager Harlan Kelly and his executive staff have been asked to speak to the Board on this issue. Ms. Sandkulla reported that BAWSCA was notified of the matter as soon as it was discovered. BAWSCA will aggressively pursue the facts to fully understand the risks posed and the solutions recommended.

6. **Board Policy Committee (BPC) Report:** Committee Chair Rob Guzzetta reported the discussions and actions that took place at the BPC meeting held on December 12, 2013. The Committee voted unanimously to recommend approval of the proposed Board actions for the mid-year review of the Work Plan and Budget. Committee discussions are reflected in the summary report provided in the packet.

7. **Public Comments:** Public comments were received from Wynn Greich.

8. **Consent Calendar:**

**Director Quigg made a motion, seconded by Director Kasperzak, that the Budget Status Report as of November 30, 2013, and the Investment and Directors' Reimbursement Reports as of December 31, 2013 be received and filed, and that the Minutes of the November 21, 2013 meeting be approved, with corrections so that the sentence at the top of the page 3 reads; "...supplies will last for 8 ½ years with additional conservation and rationing."**

**The motion carried unanimously.**

9. **Action Calendar:**

**A. Mid-year 2013-14 Work Plan and Budget Review**

**Director Pierce made a motion, seconded by Director Kasten, that the Board approve:**

**1. Revisions to the FY 2013-14 Work Plan:**

**a. Additions:**

1. Investigate a potential pilot subscription program that would provide customers with water use information designed to promote water conservation, with all costs to be borne by participating member agencies;
2. Complete Phase II of the Pilot Water Transfer Plan to develop the agreements necessary to support a potential pilot water transfer.

**b. Deferrals to next fiscal year:**

1. Further evaluation of alternatives to current Tier 1 Drought Allocation Plan with San Francisco;

**2. Coordinate input to SFPUC examination of alternative wholesale water rate structures.**

**2. Board review and discussion related to managing the General Reserve balance at the March 2013 and May 2013 Board meetings.**

**The motion carried unanimously.**

**10. SFPUC Report:**

SFPUC General Manager Harlan Kelly, WSIP Director Dan Wade and Assistant General Manager of Water Enterprise, Steve Ritchie provided reports to the Board.

Mr. Wade presented a progress report on the WSIP and the Calaveras Dam Project.

Mr. Ritchie addressed the Board on the SFPUC's 10-year CIP, the Mountain Tunnel, and current water supply conditions.

**11. Reports:**

Association of Water Agencies (ACWA) Statewide Water Action Plan: Danielle Blacet, ACWA Special Projects Manager, presented ACWA's Statewide Water Action Plan (SWAP), and ACWA's response to the Brown Administration Draft Action Plan.

Fiscal Year 2014-15 Work Plan and Budget Preparation: Ms. Sandkulla reported that the preparation of the Work Plan and Budget for FY 2014-15 has commenced and will remain focused on BAWSCA's three goals of ensuring a reliable supply of high quality water at a fair price. The Work Plan and Budget will be developed with a long-term perspective of major challenges anticipated in future years to prioritize resources that will achieve the critical results needed to meet BAWSCA's goals.


CEO/General Manager's Letter: Ms. Sandkulla briefly spoke on the items in the CEO/General Manager's Letter; the potential implementation of a pilot water transfer plan, the WSIP, legislation to extend the state oversight of the SFPUC's implementation of the WSIP, and a Hetch Hetchy system tour with the SFPUC for members of the Board.

**12. Directors' Discussion:** There were none.

**13. Date, Time and Location of Next Meeting:** The next meeting is scheduled on March 20, 2014 in the Wind Room, Foster City Community Center.

**14. Adjournment:** The meeting adjourned at 9:13pm.

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**  
**January 16, 2014**

**Attendance Roster**

**Present:**

Robert Anderson	Purissima Hills Water District
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Tom Chambers	Westborough Water District
Michael Guingona	City of Daly City
Rob Guzzetta	California Water Service Company
Mike Kasperzak	City of Mountain View
Tom Kasten	Town of Hillsborough
Kirsten Keith	City of Menlo Park
Marty Laporte	Stanford
Gustav Larsson	City of Sunnyvale
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
Dan Quigg	City of Millbrae
Sepi Richardson	City of Brisbane
Louis Vella	Mid-Peninsula Water District
John Weed	Alameda County Water District

**Absent:**

Ruben Abrica	City of East Palo Alto
Armando Gomez	City of Milpitas
Larry Klein	City of Palo Alto
Jerry Marsalli	City of Santa Clara
Chuck Reed	City of San Jose