

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

**May 15, 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 Chair, Irene O'Connell, called the meeting to order. Nicole Sandkulla called the roll. Twenty (20) members of the Board were present, constituting a quorum. A list of Directors present (20) and absent (6) is attached.

**2. Comments by the Chair:**

Chair O'Connell noted the action items before the Board.

The proposed FY 2014-15 Work Plan and Operating Budget, designed to meet BAWSCA's goals of a reliable supply of high quality water at a fair price, is 10% less than the current budget and proposes a 5% increase in assessments to maintain the General Reserve within BAWSCA's reserve policy. The Board Policy Committee unanimously voted to recommend Board approval of the proposed Work Plan and Operating Budget at its meeting on April 9<sup>th</sup>, and the Board discussed it favorably at its meeting in March.

The CEO will present proposed amendments to the Hanson Bridgett and Maddaus Water Management contracts necessary to complete work needed for the remainder of the fiscal year.

Finally, the Board will have an update on the Long-Term Reliable Water Supply Strategy (Strategy) and the status of the Pilot Water Transfer Plan. The drought highlights the need for increased water supply reliability in all water systems, including the San Francisco Regional Water System. The Strategy and recommended actions will be presented to the Board in January 2015

**3. Board Policy Committee (BPC) Report:**

Committee Chair Al Mendall reported the discussions and actions that took place at the BPC meeting held on April 9, 2014. The Committee voted unanimously to recommend approval of the proposed Board actions, including the FY 2014-15 Work Plan and Operating Budget, Professional Services Contracts for FY 2014-15, selection of highest ranked vendor(s) to implement the Home Water Use Reports Program, and the contract amendments to Hanson Bridgett and Maddaus Water Management. The committee discussions on current water supply conditions, Pilot Water Transfer Plan, the WSIP, and legislation are reflected in the summary report.

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

**5. Consent Calendar:**

**Director Richardson made a motion, seconded by Director Keith, that the Minutes of the March 20, 2014 be approved, and the Budget Status Report, Investment Report, Bond Surcharge Collection Status Report, and Directors' Reimbursement Report as of March 31, 2014 be received and filed.**

**The motion carried unanimously.**

**6. Action Calendar:****A. Potential Amendment to Hanson Bridgett Professional Services Contract.**

**Director Kasten made a motion, seconded by Director Pierce, that the Board authorize the CEO/General Manager to amend the professional services contract with Hanson Bridgett by \$80,000 for a total not to exceed amount of \$601,000.**

**The motion carried unanimously.**

**B. Amendment to FY 2013-14 Budget to Fully Fund Maddaus Water Management Professional Services Contract**

**Director Quigg made a motion, seconded by Director Mendall, that the Board authorize the CEO/GM to amend the FY 2013-14 budget for the professional services contract with MWM by \$28,216 for a total not to exceed amount of \$328,216.**

**The motion carried unanimously.**

**C. Proposed FY 2014-15 Work Plan and Operating Budget**

Director Kasten expressed his support for the recommendation, but made several suggestions. He recommended against predicting a flat budget amount over the next five years, and advocated for a clear explanation of the 5% increase in assessments and the importance of a General Reserve.

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

- **The FY 2014-15 Work Plan and Results to be Achieved;**
- **The recommended Operating Budget of \$2,939,286; and**
- **Funding the Operating Budget with a 5% increase in assessments and a transfer of \$296,436 from the General Reserve.**

**The motion carried unanimously.**

**D. Approval of Professional Services Contracts for FY 2014-15**

Director Quigg suggested that Item D be approved under consent calendar, unless there are questions on a specific contract.

Chair O'Connell explained that unless there are questions that Nicole needs to answer, the fourteen items under Item D can be approved under one motion.

**Director Quigg made a motion, seconded by Director Vella, that the Board approve the fourteen contracts for legal, engineering, financial, strategic and water conservation services needing to be in place by July 1, 2014.**

**The motion carried unanimously.**

**7. SFPUC Report:**

SFPUC Assistant General Manager of Water Enterprise, Steve Ritchie, reported on the current water supply conditions, wholesale water rates, and updates on the WSIP.

The SFPUC extended its request for voluntary 10% water use reduction system-wide, and will revisit its request for water use reduction on June 15<sup>th</sup>. Mr. Ritchie reported that the current demand is not responding to the call for conservation. The SFPUC will consider a 20% reduction or mandatory rationing if a 10% water use reduction system wide is not achieved.

San Francisco's drought communication campaign will roll out in June. Drought relief projects underway include the Lower Cherry Aqueduct Emergency Rehabilitation Project and the San Antonio Pump Station and SVWTP Emergency Drought Reliability Improvements.

Wholesale Water Rate increase for FY 2014-15 is at 19.6%, lower than previously anticipated.

The SFPUC's responses to BAWSCA's recommendations on the proposed changes to the WSIP will be presented to the Commission at its meeting on June 24<sup>th</sup>.

**8. Reports:**

Ms. Sandkulla reported on the Long-Term Reliable Water Supply Strategy and the Pilot Water Transfer Plan.

**9. Closed Session:**

The meeting adjourned to Closed Session at 8:25pm.

**10. Reconvene and Report from Closed Session:**

The meeting reconvened to Open Session at 9:05. Legal Counsel, Allison Schutte, reported that the Board of Directors of the Bay Area Water Supply and Conservation Agency (BAWSCA) voted unanimously to request that the Wholesale Water Customers authorize the BAWSCA Board to initiate, defend, and settle arbitration related to the Water Supply Agreement, dated as of June 2009.

**11. Directors' Discussion:**

There were no further discussions.

**12. Date, Time and Location of Next Meeting:** The next meeting is scheduled on July 17, 2014 in the Wind Room, Foster City Community Center.

**13. Adjournment:** The meeting adjourned at 9:06pm.

Respectfully submitted,

A handwritten signature in cursive script, reading "Nicole M. Sandkulla".

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**  
**May 15, 2014**

**Attendance Roster**

**Present:**

Robert Anderson	Purissima Hills Water District
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Armando Gomez	City of Milpitas
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
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
Tom Chambers	Westborough Water District
Larry Klein	City of Palo Alto
Jerry Marsalli	City of Santa Clara
Chris Mickelsen	Coastside County Water District
Chuck Reed	City of San Jose