

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

**November 20, 2014 – 7 p.m.
Foster City Community Building, Foster City CA**

MINUTES

1. Call to Order/Pledge of Allegiance/Roll Call – 7:05 pm

BAWSCA Vice-Chair, Randy Breault, called the meeting to order and led the salute to the flag. Nicole Sandkulla called the roll. Sixteen (16) members of the Board were present, constituting a quorum. A list of Directors present (16) and absent (10) is attached.

2. Comments by the Chair: There were no comments by the Vice-Chair.**3. Board Policy Committee (BPC) Report:** Director Mendall reported the discussions and actions taken by the Board Policy Committee at its meeting on October 8, 2014.**4. Public Comments:** There were no public comments.**5. Consent Calendar:**

Director Richardson made a motion, seconded by Director Quigg, to approve the September 18, 2014 Minutes, authorize the CEO/General Manager to negotiate and execute a contract amendment with PG&E for the washing machine rebate program and offer participation in the program to BAWSCA member agencies through December 31, 2015, authorize the agreement to implement grant funding for regional water conservation program, receive and file financial reports including the Budget Status Report, Directors' Reimbursement Report, Investment Report, and Bond Surcharge Collection, Account Balance and Payment Report as of September 30, 2014, the annual audit report for BAWSCA and compilation report for BAWUA for FY 2013-14.

The motion carried unanimously.

6. Action Calendar:**A. Annual Review and Consideration of BAWSCA's Statement of Investment Policy**

Director Quigg made a motion, seconded by Director Mendall, that the Board re-affirm the current Statement of Investment Policy.

The motion carried unanimously.

B. Annual Review and Consideration of BAWSCA's General Reserve Policy

Director Laporte made a motion, seconded by Director Chambers, that the Board re-affirm the current General Reserve Policy.

The motion carried unanimously.

7. SFPUC Report:

SFPUC General Manager Harlan Kelly addressed the Board. He thanked BAWSCA Chair Irene O'Connell for attending and speaking at the October 28th SFPUC meeting. He noted that the Commissioners appreciated her statement, and that Commission President Ann Caen hopes to attend the next BAWSCA Board meeting to address the Board as Chair. O'Connell addressed the Commissioners.

Mr. Kelly noted the importance of SFPUC and BAWSCA's partnership, and reported that a recent article in the Municipal Water and Sewer Magazine about the Water System Improvement Program (WSIP) did not provide a clear history of the program drivers. As a result, he and Ms. Sandkulla discussed how the SFPUC and BAWSCA can have, moving forward, a coordinated effort to provide inquiring reporters information intended for publication.

Dan Wade, Water System Improvement Program Director, presented a progress report on the WSIP, including status of 2 pre-construction projects, the Regional Groundwater Storage and Recovery Project, the Calaveras Dam Replacement Project, and 4 regional projects that remain in construction (the Peninsula Pipeline Seismic Upgrade, the Bay Tunnel, the Seismic Upgrade of Bay Divisions #3 and #4, and the Irvington Tunnel).

Steve Ritchie, Assistant General Manager of Water Enterprise, provided a water supply conditions and drought update. He reported that the customers of the regional water system exceeded the 8 billion gallons of targeted water savings.

Mr. Ritchie talked about the significance of the Don Pedro water bank. He clarified that only the irrigation districts can withdraw from the water bank, and how the water bank was key to fulfilling San Francisco's obligations to the irrigation districts water supply needs during the 2014 water year.

The 10% voluntary water use reduction will continue into 2015. San Francisco evaluated three hydrologic modeling scenarios to determine the types of actions and measures necessary to get through on-going dry conditions. The scenarios were based on an average year, and the historical dry years of 2007 and 1977. A hydrology model based on 2007 would maintain a 10% demand reduction, while the 1977 hydrology would require a 20% demand reduction with considerations of alternative water supply options.

Mr. Ritchie stated that extremely dry conditions can result in potential State and Federal declarations of emergency, Statewide mandatory rationing, widespread diversion curtailments and water re-allocation, suspension of certain environmental protection laws, and significant development of projects converting non-potable water to potable.

8. Reports:

The Board discussed the staff reports on the Long-Term Water Supply Strategy, the WSIP Groundwater Storage and Recovery Project, the Regional Drought Campaign, and SB 1345.

Ms. Sandkulla reported that the January Board meeting will include the final report on the Strategy, a report on the mid-year budget review and an analysis of the General Reserve. She reported that several areas of work have expanded beyond the work plan for the current

year and will result to the budget being fully expended. This will have an impact on the balance of the General Reserve at the end of the fiscal year.

BAWSCA continues to work with San Francisco and its member agencies on water conservation programs and a cohesive message that water saved today is water for the future.

Ms. Sandkulla reminded Board Members that BAWSCA will host an AB1234 training on December 15th.

9. Directors' Discussion: There were no comments from the Board Members.

10. Date, Time and Location of Next Meeting: The next meeting is scheduled on January 15, 2015 in the Wind Room, Foster City Community Center.

11. Adjournment: The meeting adjourned at 8:55pm.

Respectfully submitted,



Nicole M. Sandkulla

Chief Executive Officer/General Manager

NMS/le

Attachments: 1) Attendance Roster

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
Board of Directors Meeting
November 20, 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
Rob Guzzetta	California Water Service Company
Kirsten Keith	City of Menlo Park
Marty Laporte	Stanford
Jerry Marsalli	City of Santa Clara
Al Mendall	City of Hayward
Chris Mickelsen	Coastside County Water District
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:

Ruben Abrica	City of East Palo Alto
Armando Gomez	City of Milpitas
Michael Guingona	City of Daly City
Mike Kasperzak	City of Mountain View
Tom Kasten	Town of Hillsborough
Larry Klein	City of Palo Alto
Gustav Larsson	City of Sunnyvale
Irene O'Connell	City of San Bruno
Chuck Reed	City of San Jose
Louis Vella	Mid-Peninsula Water District