

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING
Foster City Community Building – 1000 E. Hillsdale Blvd., Foster City
Wind Room
(Directions on Page 2)

Thursday, September 18, 2014
7:00 P.M.

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>	<u>Page #</u>
1. Call to Order/Roll Call/Salute to Flag	(O’Connell)	
2. Comments by the Chair	(O’Connell)	
3. Board Policy Committee Report <i>(Attachment)</i>	(Bronitsky)	<i>Pg 3</i>
4. Public Comments <i>Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Agency. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.</i>	(O’Connell)	
5. Consent Calendar	(O’Connell)	
A. Approve Minutes of the July 17, 2014 Meeting <i>(Attachment)</i>		<i>Pg 11</i>
B. Receive and File Pre-Audit Budget Status Report – As of 6/30/14 <i>(Attachment)</i>		<i>Pg 17</i>
C. Receive and File Bond Surcharge Collection Status Report – as of 6/30/14 <i>(Attachment)</i> <i>All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by one motion without discussion. If discussion is desired, the subject item may be removed and considered separately.</i>		<i>Pg 21</i>
6. <u>Action Items</u>		
A. Resolution Approving Temporary Reappointment of Arthur Jensen as Special Counsel to the CEO/GM, with Compensation Consistent with the Salary Schedule for the CEO/GM Position <i>(Attachment)</i> <i>The Board Policy Committee unanimously recommends approval of the proposed Board action.</i>	(Sandkulla)	<i>Pg 25</i>
7. SFPUC Report		
A. Findings of the National Economic and Labor Impacts of Water Utilities Survey	(Kelly)	
B. Report on Report on Independent Due-Diligence Review of Calaveras Dam	(Wade)	
C. Water Supply Conditions – Update	(Briggs)	
8. Reports	(Sandkulla)	
A. Long-Term Reliable Water Supply Strategy - Update <i>(Attachment)</i>		<i>Pg 31</i>
B. WSIP – Groundwater Storage and Recovery Project		
D. CEO Letter <i>(Attachment)</i>		<i>Pg 33</i>
E. Correspondence Packet <i>(Under Separate Cover)</i>		

9. Closed Session

- A. Conference with Legal Counsel – Anticipated Litigation (Schutte)
Initiation of litigation pursuant to Government Code 54956.9(c)
(One potential case)
- B. Public Employee Performance Evaluation (O’Connell)
Title: CEO/General Manager
Closed Session Pursuant to Government Code Section 54957
(Under Separate Cover)
- C. Conference with Labor Negotiator (O’Connell)
Agency designated representative: Irene O’Connell
Unrepresented Employee: CEO/General Manager

10. Report from Closed Session (O’Connell)

11. Break for Negotiation with Agency Labor Negotiator (O’Connell)

12. Reconvene Following Labor Negotiations (O’Connell)

13. Action Item Following Closed Session (O’Connell)

- A. Consider Compensation Adjustment for CEO/General Manager
for FY 2014-15 (Under Separate Cover)

14. Directors’ Discussion: Comments, Questions and Agenda Requests (O’Connell)

15. Date, Time and Location of Future Meetings (O’Connell) Pg 39
(See attached schedule of meetings)

16. Adjourn to next meeting scheduled for November 20, 2014 at 7pm (O’Connell)

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Directions to Foster City Community Bldg. – 1000 E. Hillsdale Blvd., Foster City

From Hwy. 101, take the Hillsdale Ave. exit East. Turn Right into the parking lot just after the intersection with Shell Blvd. The Community Bldg. entrance is separate from the Library entrance and is marked by signage. The Wind Room will be at the top of the stairs on the right, across from the reception station (there is also an elevator).

From the East Bay, take Hwy. 92 West, exiting at Foster City Blvd., and going South on Foster City Blvd. to Hillsdale. Turn Right (West) onto Hillsdale and proceed to Shell Blvd., making a U-turn to be able to pull into parking lot on SE corner of Hillsdale and Shell. See underlined sentence of first paragraph above for remainder of directions.

BAWSCA

Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650
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(650) 349-3000 tel. (650) 349-8395 fax

MEMORANDUM

TO: BAWSCA Board Members
FROM: Nicole Sandkulla, Chief Executive Officer/General Manager
DATE: September 12, 2014
SUBJECT: Summary of Board Policy Committee meeting held August 13, 2014

1. **Call to Order:** Committee Vice-Chair Charlie Bronitsky called the meeting to order at 1:35 pm. A list of Committee members who were present (8), absent (2) and other attendees is attached.

The Committee took the following actions and discussed the following topics:

2. **Comments by the Chair:** Director Bronitsky welcomed the Committee members, and was pleased to Chair the meeting in absence of Director Mendall.

3. **Consent Calendar:**

Director O’Connell made a motion, seconded by Director Pierce, that the minutes from the June 11, 2014 Board Policy Committee meeting be approved.

The motion passed. Director Bronitsky abstained.

4. **Public Comments:** There were none.

5. **Discussion:**

Item #7A was moved as the next item on the agenda following Consent.

In response to Director Breault’s request at the July 17th BAWSCA Board meeting, Director O’Connell reported that she and the CEO/General Manager has reviewed the process BAWSCA should follow when it is requested to take a position on a public issue that might affect its constituents and would need to be implemented and communicated successfully by its Chief Executive Officer.

Director O’Connell will be appointing a sub-committee that will examine the appropriate process. The sub-committee will report back to the BPC so it can report back to the full Board.

6. Action Items:

A. Resolution Approving Temporary Reappointment of Arthur Jensen as Special Counsel to the CEO/GM

Ms. Sandkulla reported that the temporary one-year appointment of Mr. Jensen as Special Counsel to the CEO/GM during FY 13-14 provided assistance on specific critical tasks and the CEO transition. A one year re-appointment was anticipated for FY 14-15 specifically for critical tasks including the negotiations with San Francisco related to the classification of assets under the Water Supply Agreement. The adopted budget for FY 2014-15 includes an allocation of \$56,800 in anticipation of Mr. Jensen's continued support.

The Board's adoption of a resolution is required to authorize the CEO/GM to re-appoint Mr. Jensen in full accordance with State law and PERS requirements.

Ms. Sandkulla explained that BAWSCA contracts with PERS to provide retirement benefits to eligible employees. Mr. Jensen is a retired annuitant entitled to receive retirement benefit payments under PERS. California law requires a retired PERS annuitant be re-instated to active PERS membership upon employment by a PERS-covered agency, unless the employee is temporarily appointed under specified conditions. The conditions are very specific. The appointment must be temporary and shall not exceed 960 hours for the year. The appointee must have specialized skills, receive a rate of pay that is neither less nor more than employees of comparable capacity, and is not receiving unemployment.

Ms. Sandkulla reported that Mr. Jensen's chargeable services during the 10-months that he served in this capacity in FY 13-14 were less than 260 hours. She anticipates the same level of hours for his re-appointment during FY 14-15.

In response to Director Pierce's question, Legal Counsel, Allison Schutte will investigate whether there is a cap on the number of times a re-appointment can be made.

Director O'Connell made a motion, seconded by Director Vella, that the Committee recommend Board adoption of the resolution approving the reappointment of Arthur Jensen to the temporary position of Special Counsel to the CEO/GM, and making associated findings in support of such an appointment.

The motion passed unanimously.

6. Reports:

- A. Water Supply Conditions: Ms. Sandkulla reported that overall, system storage is slightly over 60%. Hetch Hetchy reservoir is approximately 88% of maximum capacity, and is on target to hit a 250 acre feet of storage level on October 1st. However, while the storage level and drinking water reservoir are at normal level, Ms. Sandkulla reported that the water bank is significantly lower than where it would normally be because San Francisco is currently using it as the source of supply to meet its obligations with the irrigation districts.

Ms. Sandkulla reported that recent precipitation has put the year 2014 slightly above 2007. She stated that with a little bit more precipitation, it's possible that the last three years will no longer be the worst three years on record. However, while current conditions are not worse than the last drought, it continues to be a bad situation.

Ms. Sandkulla was pleased to report that water demand in the past 11 weeks has stayed down despite the warm weather. The system's total deliveries are below the targeted 10% reduction.

Director Weed asked about San Francisco's rates based on projected income.

Ms. Sandkulla explained that the SFPUC set its FY 2014-15 rates for wholesale customers based on an estimate of total combined retail and wholesale water sales of 211 mgd (68 mgd retail, 143 mgd wholesale). For drought planning purposes, the SFPUC has assumed actual combined retail and wholesale sales of 209 mgd, which reflects a 10% across the board reduction in the combined retail and wholesale water sales of 232 mgd (75 mgd retail, 157 mgd wholesale). These estimated wholesale sales were based on a 10% reduction in the BAWSCA member agencies total purchase requests of 157 mgd for FY 2014-15. This conservative financial approach helps to avoid a major impact on revenues due to reduced water use. Individual agencies, however, may see an impact on its revenues, depending on how each agency set its water rates.

Director Weed suggested having a slide for the Board explaining San Francisco's rate projections and the impacts of reduced water use.

Cumulative water savings as of the week of August 5th is 90% of the targeted goal to date. She stated that this demonstrates the positive response of water customers to both the local and statewide drought messaging.

Ms. Sandkulla reported that BAWSCA has been working with the SFPUC on a regional drought campaign which launched on August 11th. The focus of the campaign is on San Mateo County and Alameda County as Santa Clara Valley Water District is targeting Santa Clara County. The media buy includes five billboards along I-280, 101 and El Camino Real spanning from Daly City to Belmont. Negotiations are underway for 30 second spots on Google/You Tube and Movie Theaters.

Water Management representatives were made aware that both static and 30 second commercials are available to them for their use at their request. All materials were produced by the SFPUC. The main artwork being emphasized in the BAWSCA service area highlights water use reduction in the landscape. This is consistent with the statewide message from the Governor for reduced outdoor water use.

B. Long-Term Reliable Water Supply Strategy – Update on the Pilot Water Transfer Plan:

Ms. Sandkulla reported that BAWSCA staff continues to work on the necessary agreements required to implement the pilot water transfer plan. BAWSCA meets regularly with EBMUD and Hayward staff to finalize transfer delivery details, and is closely monitoring EBMUD's water supply operations.

Ms. Sandkulla reported that EBMUD is not planning to operate the Freeport Facility this Fall, and plans to defer that decision to early 2015, depending on water supply conditions. If dry conditions persist, EBMUD may consider operating the facility as early as December. If so, implementation of the pilot transfer plan will be considered from January into early Spring.

Director Weed noted that the operation of the Freeport facility would institute a rate surcharge to cover the operation cost of the Facility.

Ms. Sandkulla stated that the surcharge is significant, roughly 14-15%. She explained that EBMUD's system as a whole runs by gravity and their normal operating costs are fairly small. Operation of the Freeport facility requires a lot of pumping and treatment of the water supply, and is therefore an expensive operational cost for EBMUD.

Staff has been working closely with Hayward to thoroughly understand and work through the unique impacts the pilot transfer has on the City. Hayward is a critical player and their system is the connector between EBMUD and San Francisco.

Ms. Sandkulla explained that when the transfer is occurring, Hayward's system will be pressurized by running pumps 24/7. This is a 100% change in Hayward's distribution system operations, and a 100% switch to EBMUD for Hayward's source of supply, which has the potential for noticeable water quality differences.

Ms. Sandkulla stated that the reverse system operation and pumped flow can have adverse impacts to Hayward's distribution system. It increases the risk for failure of the distribution system components, and cause changes in the system pressure and flows, including fire flows.

The pilot water transfer does offer benefits to Hayward and BAWSCA member agencies. The pilot will test the viability of water transfers and identify the technical, financial and institutional issues of a potential long-term water transfer.

The pilot will also provide Hayward the opportunity to operate the Hayward Intertie, which was built for emergency use, during a non-emergency condition to assess impacts of north to south operations. Hayward now has the opportunity to develop plans and collect important real-time information needed to evaluate the effects of future water transfers.

BAWSCA and Hayward will continue to work together to identify and address potential issues associated with the operation of the Hayward Intertie, including the development of a public outreach and communications plan that address the water quality differences.

BAWSCA is working with the agencies involved to complete the necessary agreements and regulatory approvals by January 2015 for a possible implementation in the January through April timeframe.

- C. WSIP – Groundwater Storage and Recovery (GSR) Project: Ms. Sandkulla reported that at its August 12th meeting, the SFPUC adopted the CEQA findings on the Groundwater Storage and Recovery project, and authorized the General Manager to implement the agreements necessary for the project.

Ms. Sandkulla explained that the GSR is a dry-year water supply project in the WSIP that is essential to meeting San Francisco's Level of Service (LOS) goal. The agencies involved include the SFPUC, City of San Bruno, Cal Water, City of Daly City, and private well owners.

The agencies involved overly the groundwater basin of interest and are all parties to the agreement. Implementation of the project will necessitate changes to the Water Supply Agreement to protect the interests of both the wholesale customers and San Francisco.

Ms. Sandkulla explained that the project involves proposed groundwater recovery wells within the South Westside Groundwater Basin. The GSR project is proposed to store approximately 60,500 acre feet of water in the basin. This volume is equivalent to Upper and Lower Crystal Springs Reservoirs. There will be 16 new wells with the extraction capability of 7.2 mgd. On an average annual basis, this amount provides up to 7.5 years of a drought supply.

The project is specifically focused on dry year supply and is designed to be able to provide 7.2 mgd in a dry year like this year. It's a great project to have online in today's conditions.

Currently, Cal Water, Daly City and San Bruno use both San Francisco and groundwater supply to meet their customer needs. Ms. Sandkulla explained that in normal years, they would stop using groundwater and take surplus surface water from San Francisco. The groundwater they would otherwise be using will be stored in the basin. When dry years occur, Cal Water, Daly City, and San Bruno would reduce or discontinue use of San Francisco's surface water supply so that it can be made available to other agencies and would instead pull from the groundwater storage basin to meet their customers' needs.

This is called a conjunctive use operation, which Ms. Sandkulla emphasized, puts the system's surplus surface water to effective use and allows groundwater to be stored for dry years.

Director Weed encouraged BAWSCA to closely monitor the groundwater legislation to ensure that it does not have unintended consequences that inhibits conjunctive use projects.

Ms. Sandkulla reported that San Francisco's review of the legislation, as currently amended, indicates no conflict at this time. San Francisco will follow developments of the legislation.

In response to Director Pierce, Ms. Sandkulla stated that there are price differentials for agencies that will switch between Hetch Hetchy water and groundwater supply. She explained that the agencies will receive surplus surface water, when available, from San Francisco at no charge. When groundwater supply is used, agencies will pay San Francisco the current going rate for the amount of water pumped from the basin.

The limitation on capacity is based on how much water can be pumped, the available sites to pump from, and how the level of the basin is managed.

Ms. Sandkulla explained that other existing overlying users in the basin are the cemeteries which are independent groundwater well users. Their records of water use are incomplete. Through the GSR project and the mitigation that was adopted as part of the project, the cemeteries have pledged to monitor their usage. A long-term vision is to provide recycled water delivered to these users.

Ms. Sandkulla stated that the 2009 WSA anticipated this project, but the project definition and scope continued to be defined since the finalization of the WSA. An amendment to the WSA is needed to define and classify required mitigation costs, and to clarify cost recovery and benefit recovery of the project in the event that the Operating Agreement is terminated.

BAWSCA is taking the lead in drafting the language for the amendment. The process will be similar to the recent Hetch Hetchy WSA amendment. The action to amend the WSA will be taken by the governing boards of BAWSCA member agencies, and not by the BAWSCA Board.

Ms. Sandkulla will have more details on the amendment language at the September Board meeting, as well as the schedule for agency action.

Director Guzzetta noted that the GSR project has been discussed for over 20 years. Conjunctive use has been in place in the Los Angeles area for over 25 years. Conjunctive use is an effective way of recharging groundwater supply.

Ms. Sandkulla reported that the SFPUC's contract advertisement will begin in September 2014. The target completion of the WSA amendment is Fall/Winter of 2014. Construction is anticipated in the Spring of 2015 through 2017, with operation expected in 2018.

- D. Legislation: Ms. Sandkulla reported that SB 1345 passed the Assembly Appropriations Committee on August 6th under consent, and will now be going to the Assembly floor. Ms. Sandkulla reminded the Committee that the bill is a committee bill containing other language not directly related to BAWSCA. Following the Assembly floor vote, the bill will go back for a Senate floor vote for a late amendment by the author on language not directly related to BAWSCA.

BAWSCA is working closely with local Assembly Members, and will continue to keep the Board and agencies updated on developments.

- E. Board Policy Committee Calendar: Vice-Chair Bronitsky asked the members of the Committee to contact Nicole if they have items for the Board Policy Committee calendar.

7. Comments by Committee Members.

Director Pierce stated that it has been fascinating to follow the media coverage on the region's conservation efforts and how the 10% water use reduction is being met. She appreciates the work that BAWSCA did on clarifying the water use data and the thoughtful delivery of the message. She noted that Redwood City has received negative reactions to neighborhood developments when people are being asked to conserve water due to the drought. Redwood City will be developing a messaging strategy for its community to better

understand the overall picture of the City's water use. She welcomed insights from other agencies that have the same experiences and welcomed collaboration to provide water customers a clear overall picture of the region's water use.

Secondly, she noted that the Chair has extended the deadline for completion of the performance evaluation for the CEO/General Manager. She encourages all members of the Committee and Board to complete their form.

Director Weed noted that there are water bonds that can potentially be available to local water purveyors. He encourages BAWSCA and member agencies to monitor its development and the opportunities it offers for agencies individually or collectively.

Director Weed attended the Hetch Hetchy tour in June and encourages members of the Board to participate in upcoming tour.

Director Breault asked about a follow up on the difference between the State Water Board and the SFPUC's results on the estimated economic impacts of drought.

Michael Hurley reported that BAWSCA is scheduled to meet with the SFPUC to discuss San Francisco's study of the economic impacts of drought.

Director Pierce asked about the SFPUC's response to comments from Tuolumne River Trust on San Francisco's study.

In response to Director Pierce, Ms. Sandkulla reported that the SFPUC is preparing a response to Tuolumne River Trust's (TRT) comments on SFPUC's report. She added that SFPUC's report is a baseline analysis of the economic impacts and does not talk about the alternatives. That piece of information is currently being prepared by the SFPUC. BAWSCA is working closely with the SFPUC on this effort as BAWSCA's data for its Long-Term Reliable Water Supply will be used in the analysis.

Director Bronitsky reported that Foster City is looking at a pilot program to offer low interest loans to multi-family residents to convert their water meters to individual automated and wireless meters. He hopes to provide a progress report at the next meeting.

8. **Adjournment:** The meeting was adjourned at 2:17pm. The next meeting is August 13, 2014.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE – August 13, 2014

Roster of Attendees:

Committee Members Present

Charlie Bronitsky, City of Foster City (Vice Chair)
Barbara Pierce, City of Redwood City
Randy Breault, City of Brisbane/GVMID (BAWSCA Vice Chair)
Rob Guzzetta, California Water Service Company
Irene O’Connell, City of San Bruno (BAWSCA Chair)
Tom Piccolotti, North Coast County Water District
Louis Vella, Mid-Peninsula Water District
John Weed, Alameda County Water District

Committee Members Absent

Al Mendall, City of Hayward (Chair)
Kirsten Keith, City of Menlo Park

BAWSCA Staff:

Nicole Sandkulla	CEO/General Manager
Michael Hurley	Water Resources Manager
Adrienne Carr	Sr. Water Resources Specialist
Andree Johnson	Water Resources Specialist
Lourdes Enriquez	Assistant to the Chief Executive Officer
Allison Schutte	Legal Counsel, Hanson Bridgett, LLP

Public Attendees:

Michele Novotny San Francisco Public Utilities Commission

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

July 17, 2014 – 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 and led the salute to the flag. 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 emphasized the severe drought the entire state of California is experiencing and the immediate need for the region to reduce its water use further and immediately. She called on the BAWSCA Board members to increase their leadership for water conservation and stated that the water saved today will be water available later, should the drought continue to next year.

The SFPUC will provide a report on the current status of the region’s water supply situation. The CEO will report on BAWSCA’s efforts to support the member agencies in achieving the 10% voluntary water use reduction.

As part of the Federal Energy Regulatory Commission (FERC) process, San Francisco conducted a study on the economic impacts of water shortages in the region. BAWSCA supports the SFPUC’s study which provides critical information for the FERC process, as well as essential components to BAWSCA’s discussions and possible actions to implement water management projects.

Chair O’Connell informed the Board of the passing of former BAWSCA Chair and Assembly Member, Ira Ruskin.

On behalf of Cheryl Ruskin, Ira Ruskin’s wife, Director Pierce accepted a statement by BAWSCA honoring the late Ira Ruskin. Director Pierce expressed Cheryl Ruskin’s appreciation for the recognition, and delivered a message from Cheryl Ruskin.

3. Board Policy Committee (BPC) Report: On behalf of BPC Chair, Al Mendall, Ms. Sandkulla reported the discussions and actions taken by the Board Policy Committee at its meeting on June 11, 2014.

The Committee voted unanimously to recommend board approval of the recommended Board actions, including adoption of the Bay Area Regional Reliability Principles, and appointment of Nicole Sandkulla as the General Manager and Secretary of the RFA. The Committee discussions on Water Supply, Pilot Water Transfer Plan, Long-Term Reliable Water Supply Strategy, Wholesale Revenue Requirement for FY 2011-12, SFPUC’s WSIP, and Legislation are reflected in the Summary Report.

4. Public Comments: There were no public comments.

5. Consent Calendar:

Chair O'Connell pulled Item #5E, Bay Area Regional Reliability Principles, out of consent for public comment.

Ms. Sandkulla noted that there are corrections to the Budget Status Report and that the corrections are reflected in the revised report provided to each member of the board.

Director Vella made a motion, seconded by Director Keith, to approve the May 15, 2014 Minutes, receive and file the Budget Status Report as of May 31, 2014, the Investment Report as of June 30, 2014, and the Directors' Reimbursement Report as of June 30, 2014, and appoint Nicole Sandkulla as General Manager and Secretary of the RFA Board.

The motion carried unanimously.

Public Comments on Item #5E were received from Spreck Rosekrans.

Director Richardson made a motion, seconded by Director Klein, that the Board adopt the Bay Area Regional Reliability Principles.

The motion carried unanimously.

6. The meeting adjourned at 7:25pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.

7. The meeting reconvened at 7:27pm.

8. Action Calendar:

A. Process and Schedule for CEO/General Manager Annual Performance Evaluation

Chair O'Connell presented an updated procedure and draft evaluation form for the CEO's FY 2013-14 performance review for the Board's input and consideration.

The CEO's performance report for FY 13-14 and the evaluation form will be distributed to each Board member by July 23rd.

Director O'Mahony made a motion, seconded by Director Vella, that the Board use the evaluation form for the CEO/GM performance evaluation.

The motion carried unanimously.

9. SFPUC Report:

SFPUC Assistant General Manager, Steve Ritchie, addressed the BAWSCA Board on behalf of SFPUC General Manager, Harlan Kelly.

Mr. Ritchie reported the regional water system's current water supply conditions and San Francisco's action relative to the drought.

Mr. Ritchie also reported on the Groundwater Storage and Recovery Project, and the SFPUC's efforts with the Mountain Tunnel,

10. Reports:

The Board discussed the staff reports on the findings of SFPUC's Study of the Socioeconomic Impacts of Water Shortages, the results of FY 11-12 Wholesale Revenue Requirement review, BAWSCA's efforts associated with the current water supply conditions, the Pilot Water Transfer Plan, the Regional Water Demand and Conservation Projections Project, and SB 1345.

11. Closed Session:

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

12. Reconvene and Report from Closed Session:

The meeting reconvened to Open Session at 9:25pm. Chair O'Connell reported that no action was taken during Closed Session.

13. Directors' Discussion:

Director Breault reported that the State Water Resources Control Board and the Local Regional Water Quality Control Board are considering regulations on discharge of potable water from systems. He stated that this will be a challenge for non-municipal agencies that, unlike cities, are not covered under an MS4 permit. Director Breault reported that the proposed statewide drinking water systems discharge permit package requires a numeric limit of chlorine discharges. This limitation can result to agencies having to conduct a significant amount of laboratory testing, which can be costly.

Because BAWSCA is a strong advocacy organization for its member agencies, Director Breault raised the question of whether this issue is something BAWSCA can take a position on. Since the Board only meets bi-monthly, he suggested that the Board may consider forming a leadership group that could analyze such an issue, without affecting the adopted work plan and budget for the fiscal year, to determine the appropriate actions needed prior to the scheduled Board meetings.

He proposed that the BPC discuss the matter in detail and bring its recommendation to the Board in September.

In response to Director Pierce about how often these kinds of issues come up, and how much of a load it puts on the organization, Ms. Sandkulla stated that similar matters such as the water bond and ABAG come up once or twice a year.

Director Keith supported further discussion of the matter.

Director Vella stated that having a mechanism in place is important regardless of how often issues come up.

Chair O'Connell directed staff to put the item on the August BPC agenda, and report back to the Board in September.

In response to Director Richardson's request, staff will make the electronic files related to the drought outreach campaign available to the Board and member agencies for their use.

14. Date, Time and Location of Next Meeting: The next meeting is scheduled on September 18, 2014 in the Wind Room, Foster City Community Center.

15. Adjournment: The meeting adjourned at 9:38pm.

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
July 17, 2014

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
Rob Guzzetta	California Water Service Company
Tom Kasten	Town of Hillsborough
Kirsten Keith	City of Menlo Park
Larry Klein	City of Palo Alto
Marty Laporte	Stanford
Gustav Larsson	City of Sunnyvale
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

Absent:

Armando Gomez	City of Milpitas
Michael Guingona	City of Daly City
Mike Kasperzak	City of Mountain View
Jerry Marsalli	City of Santa Clara
Al Mendall	City of Hayward
Chris Mickelsen	Coastside County Water District
Chuck Reed	City of San Jose
John Weed	Alameda County Water District

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BAWSCA

Bay Area Water Supply & Conservation Agency

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San Mateo, California 94402
(650) 349-3000 tel. (650) 349-8395 fax

TO: Nicole Sandkulla, CEO/General Manager

FROM: Deborah Grimes, Office Manager

DATE: September 8, 2014

SUBJECT: Pre-Audit Budget Status Report as of June 30, 2014

This memorandum shows fiscal year budget status for FY 2013-14. It includes major areas of spending, provides an assessment of the overall budget, and summarizes reserve fund balances. This report covers the budget and expenses for BAWSCA. The BAWSCA budget includes necessary resources for the RFA and BAWUA.

Operating Budget Summary:

For the period ending June 30, 2014, total expenditures were \$3,030,537 or 92 percent of the total approved Operating Budget of \$3,280,188.

Table 1. Operating Budget Summary as of June 30, 2014

Cost Category	Year-To-Date		
	Budget	Expenses	Percent
Consultants /Direct Expenditures			
Reliability	1,044,662	924,330	88%
Fair Pricing	330,500	284,839	86%
Administration	249,000	268,337	102%
Subtotal	1,637,008	1,477,507	90%
Administration and General			
Salary & Benefits	1,359,026	1,309,711	96%
Other Expenses			
BAWSCA	277,654	242,689	87%
BAWUA	1,100	0	0%
Subtotal	3,274,788	3,029,906	93%
Capital Expenses	4,000	0	0%
Budgeted Contingency	0	0	0%
Regional Financing Authority	1,400	631	45%
Grand Total	3,280,188	3,030,537	92%

Overview:

Overall expenditures for FY 2013-14 were within budget. In the consultant cost categories, Administration was over budget due to the personnel transition expenses incurred earlier this fiscal year.

Consultants

The total budget for consultant support was 90 percent expended at the end of the fiscal year. The \$125,000 budget for technical review and tracking of the SFPUC’s Water System Improvement Program was 82 percent expended as of June 30, 2014. The revised budget of \$162,846 for strategic counsel was 100 percent expended. The revised budget of \$601,000 for legal counsel’s expenses was 100 percent expended. The \$550,662 budget for water management and conservation-related activities was 89 percent expended.

Administration and Other Expenses

Budgets for salaries & benefits and other expenses were 96 and 87 percent expended, respectively.

Use of CEO’s Discretionary Spending Authority:

In June, the CEO entered into the following agreements under her discretionary spending authority:

- Ricoh USA, Inc. for a 48 month copier lease agreement that begins July 2014. Monthly fees are anticipated to be approximately \$300 a month, an estimated annual savings of \$1,000.
- Bud Wendell contract amendment in the amount of \$12,846 for services related to strategic counsel.
- EKI contract amendment in the amount of \$4,500 for services related to water resources planning to fund the current year’s activity within the existing two year contractual limit.

To reflect the actual category of expenditures within the overall existing budget, funds were reallocated from the Operating Budget Contingency, Reliability, Salary & Benefits and Fair Pricing budgets, and are reflected in this report. The total Operating Budget for FY 2013-14 remained unchanged.

Use of Reserve and Reserve Fund Balance:

In accordance with the adoption of the FY 2013-14 budget, the Board approved the following use of funds from the General Reserve:

- \$300,000 for work associated with the Water Demand and Conservation Projections Project.
- \$98,000 to fund the Annual Required Contribution to Other Post-Employment Benefits (OPEB).
- \$66,000 for water resources services.

The complete transfer of \$464,000, \$300,000 of which was transferred in April, and \$164,000 which was transferred in June, is reflected in the General Reserve balance below.

Table 2. General Reserve Fund Balance

Fund	Account Balance (As of 05/31/14)	Account Balance (As of 06/30/14)
General Reserve	\$685,897	\$521,897

Long-Term Reliable Water Supply Strategy and Use of Water Management Charge:

Phase 2 of the Long-Term Reliable Supply Strategy (Strategy) began in FY 2010-11. Funding is provided through the Water Management Charge, approved by the Board in July 2010. All Water Management Charge revenue, totaling \$2,321,998 has been collected by the SFPUC and received by BAWSCA. Expenditures for strategic and legal support of the Long-Term Reliable Water Supply Strategy are within their respective budgets. Consultant invoices received and paid through June 30, 2014 total \$1,687,461.

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BAWSCA

Bay Area Water Supply & Conservation Agency

155 Bovet Road, Suite 650
San Mateo, California 94402
(650) 349-3000 tel. (650) 349-8395 fax

MEMORANDUM

TO: Nicole Sandkulla, CEO/General Manager

FROM: Christina Tang, Senior Administrative Analyst

DATE: August 29, 2014

**SUBJECT: Bond Surcharge Collection, Account Balance and Payment Report
as of June 30, 2014**

BAWSCA's Revenue Bond Series 2013A and Series 2013B (Taxable) were issued to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013 when the payments were paid off. The bond transaction and the prepayment program was anticipated to generate approximately \$62.3 million in net present value savings over the term of the bonds, or about 17% of the \$356.1 million in principal prepaid from bond proceeds to San Francisco at the end of February 2013.

Bond Surcharge Collections

In July 2013, BAWSCA began collecting the bond surcharge from member agencies through the SFPUC as a separate item on SFPUC's monthly water bills to agencies. The bond surcharge payments are used to make debt service payments on BAWSCA's revenue bonds.

All FY 2013-14 surcharges have been collected. Partial payments of surcharges billed for May 2014 and all payments of surcharges billed for June 2014 were received after the fiscal year ended. The total payments of surcharges billed for FY 2013-14 but received in July and August 2014 were \$3,114,347. Table 1 below presents a summary of surcharges remitted to trustee related to BAWSCA's Bond Series 2013A and 2013B for FY 2013-14.

Table 1: Summary of Surcharges Remitted to Trustee for Fiscal Year Ending 6/30/2014

<u>Month</u>	<u>Amount Billed</u>	<u>Amount Remitted to Trustee</u>
July 2013	\$2,056,235	\$2,056,235
August 2013	\$2,056,235	\$2,056,235
September 2013	\$2,056,235	\$2,056,235
October 2013	\$2,056,235	\$2,056,235
November 2013	\$2,056,235	\$2,056,235
December 2013	\$2,056,235	\$2,056,235

January 2014	\$2,056,235	\$2,056,235
February 2014	\$2,056,235	\$2,056,235
March 2014	\$2,056,235	\$2,056,235
April 2014	\$2,056,235	\$2,056,235
May 2014	\$2,056,235	\$2,056,235
June 2014	<u>\$2,056,235</u>	<u>\$2,056,235</u>
Total	\$24,674,820	\$24,674,820

Bond Surcharge Account Balances

All surcharge payments are deposited with the Bank of New York, which manages BAWSCA’s accounts and administers debt service payments. BAWSCA’s account balances at the Bank of New York and the account activities in FY 2013-14 are shown in Table 2 below.

Table 2: Bank of New York Bond Trustee Account Activity for Fiscal Year Ending 6/30/2014

	19,101,155	Account balance as of 6/30/2013
<i>plus:</i>	21,560,473	<i>Surcharge collected from July 2013 to June 2014</i>
<i>plus:</i>	304,211	<i>Interest earnings</i>
<i>minus:</i>	(13,454,814)	<i>Debt service payment to bondholders</i>
<i>minus:</i>	(110,435)	<i>Accrued interest for Treasury coupon bonds purchased</i>
	27,400,590	Account balance as of 6/30/2014

There are two ways interest is earned by BAWSCA on the collected surcharge payments. First, interest is automatically earned on the account balance in the Bank of New York Bond Trustee money market account at a rate of 0.01%. In FY 2013-14, that interest earning was \$625. Second, BAWSCA has the ability to invest the collected surcharge payments by purchasing US Treasury securities, possibly earning a higher rate of return than the money market account. BAWSCA receives semi-annual interest earnings on the purchased U.S. Treasury securities. Total interest earnings of \$303,586 were received on the securities purchased for the fund in the Trustee account.

Based upon an evaluation of the available yields, it was determined that BAWSCA would realize a moderate earnings benefit by purchasing the U.S. Treasury securities instead of staying invested in the money market account. Accordingly, BAWSCA purchased \$3,112,000 par amount of the U.S. Treasury Bill that matured on 3/27/2014; \$3,611,000 par amount of the U.S. Treasury Note that matured on 3/31/2014; and \$4,437,000 par amount of the U.S. Treasury Note that will mature on 9/30/2014. The purchase prices included a total accrued interest of \$110,435 because BAWSCA received at the maturity date the interests which accrued during the period prior to the time the securities were purchased. The interest earnings are estimated to be about \$3,741 more than the interests BAWSCA could receive from the money market account.

All investment interest earnings are deposited directly in the Trustee account, and will be used to pay for future expenses and debt service of the bonds. Ultimately, all interest earnings are returned to the member agencies through annual savings and through distribution of the Stabilization Fund, including interest, once the bonds are fully paid.

Revenue Bond Series 2013A and Series 2013B Debt Service Payment Status

During FY 2013-14, the semi-annual debt service payment of \$6,727,407 was made twice. The first payment made on October 1, 2013 was paid using a set-aside portion of the proceeds from bond issuance, consistent with the initial bond structure. The second payment made on April 1, 2014 was paid using the bond surcharges collected from the agencies, consistent with the initial bond structure. The next debt service payment of \$17,947,407 will be made on October 1, 2014. There are sufficient funds in the Trustee account to make the payment. Debt service payments are made on April 1st and October 1st of each year until 2034.

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: **Resolution Approving Temporary Reappointment of Arthur Jensen as Special Counsel to the CEO/GM**

Summary:

As required by PERS, Board findings are required before Arthur Jensen, retired from BAWSCA, can be reappointed to the temporary position of Special Counsel to the Chief Executive Officer and General Manager (CEO/GM) in order to provide BAWSCA with essential services.

Fiscal Impact:

Adopted FY 2014-15 budget includes a budget allocation of \$56,800 in “salaries and benefits” in anticipation of Mr. Jensen’s continuation as Special Counsel to the CEO/GM this fiscal year.

Board Policy Committee Action:

The Committee voted unanimously to recommend approval of the proposed Board action.

Recommendation:

That the Board adopt the attached resolution approving the reappointment of Arthur Jensen to the temporary position of Special Counsel to the CEO/General Manager, and making associated findings in support of such an appointment.

Discussion:

Although Arthur Jensen retired from BAWSCA in September 2013, his services continue to be essential to ensure that BAWSCA complete critical negotiations with the City and County of San Francisco pertaining to the classification of assets under the Water Supply Agreement between San Francisco and its wholesale water customers and other matters as needed.

The California Government Code allows the temporary employment of a PERS-covered retiree only under specified conditions, and only if the person works no more than 960 hours per fiscal year. The attached resolution includes findings that the Board must adopt in order for the incoming CEO/GM to appoint Arthur Jensen to a temporary position for no longer than one year in compliance with all legal requirements. In addition, the new rules for appointing retired PERS annuitants do not contain a maximum number of times a person can be reappointed. However, it is expected that the appointment is for a “limited duration.”

Attachments:

1. Resolution for the temporary reappointment of Arthur Jensen as Special Counsel to the CEO/GM.

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**RESOLUTION NO. 2014-03
BY THE BOARD OF DIRECTORS OF THE
BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**

**APPROVING TEMPORARY APPOINTMENT OF ARTHUR JENSEN
AS SPECIAL COUNSEL TO THE CEO/GM**

WHEREAS, the Bay Area Water Supply and Conservation Agency ("BAWSCA") is organized and established pursuant to the Bay Area Water Supply and Conservation Agency Act, Water Code section 81300, et seq. (the "Act"); and

WHEREAS, section 81408 of the Act authorizes the Board of Directors of BAWSCA (the "Board") to (i) employ employees that it determines are necessary or convenient to operate BAWSCA, and (ii) delegate that authority to the Chief Executive Officer and General Manager of BAWSCA (the "CEO/GM") with respect to the employment of additional employees; and

WHEREAS, the CEO/GM recommends the temporary appointment of Arthur Jensen (the "Appointee") to the position of Special Counsel to the CEO/GM; and

WHEREAS, the Appointee is a retired annuitant entitled to receive retirement benefit payments under the California Public Employees' Retirement System ("PERS"), which benefits he accrued based on service with multiple PERS-covered agencies; and

WHEREAS, BAWSCA contracts with PERS to provide retirement benefits to its eligible employees; and

WHEREAS, the Appointee will be performing similar duties to those performed by individuals who have held or are currently holding the position of CEO/GM; and

WHEREAS, the California Government Code ("Code") generally requires that a retired PERS annuitant be reinstated to active PERS membership upon employment by a PERS-covered agency, unless he is temporarily appointed by the agency's appointing authority under sections 7522.56 and 21224 of the Code, which exempt a retired PERS annuitant from the reinstatement requirement if (i) he is temporarily appointed because he ". . . has specialized skills needed in performing work of limited duration," (ii) he works no more than 960 hours per fiscal year for all PERS-covered employers, (iii) his hourly rate of pay is neither less than nor more than the monthly base salary paid by the agency to any of its other employees who perform comparable duties, divided by 173.333, (iv) he will not receive any other benefit, incentive, compensation in lieu of benefits, or other form of compensation in excess of such hourly rate, (v) he is not reemployed within 180 days of his retirement, and (vi) he has not received unemployment compensation arising out of any prior employment subject to these requirements with the same employer during the 12-month period preceding his appointment; and

WHEREAS, the Board has determined that the Appointee has the skills needed in performing work as Special Counsel to the CEO/GM for a limited term of no more than one year and intends that his appointment to that position for such term meet this and all other applicable requirements of sections 7522.56 and 21224 of the Code.

NOW THEREFORE BE IT RESOLVED, that subject to BAWSCA's customary employment practices and the specific terms and conditions of any offer of employment by BAWSCA to the Appointee in connection therewith, the Board hereby approves the appointment of the

Appointee to the position of Special Counsel to the CEO/GM for up to a one-year term, effective upon appropriate action by the CEO/GM; and

RESOLVED FURTHER, that in accordance with sections 7522.56 and 21224 of the Code:

1. the Board finds and declares that the Appointee possesses extensive, highly specialized skills and experience needed to complete critical negotiations with the City and County of San Francisco pertaining to the classification of assets under the Water Supply Agreement between San Francisco and its wholesale water customers and other matters as needed;
2. the Appointee's appointment to the position of Special Counsel to the CEO/GM will not exceed 960 hours in any fiscal year for all PERS-covered agencies;
3. the Appointee's rate of pay as Special Counsel to the CEO/GM will be neither less than nor more than the monthly base salary paid by the agency to any of its other employees who perform comparable duties, as reflected in the attached existing salary schedule for the CEO/GM position, divided by 173.333, and he will not receive any other benefit, incentive, compensation in lieu of benefits, or other form of compensation in excess of such hourly rate;
4. the Appointee is being reappointed more than 180 days after his retirement;
5. the Appointee has not received any unemployment compensation arising out of his prior employment with BAWSCA during the 12-month period preceding his appointment; and
6. subject to BAWSCA's customary employment practices, including "at-will" employment, the appointment of Appointee as Special Counsel to the CEO/GM will continue only until the earlier of: (i) the end of the appointment's one-year term, or (ii) termination of the Appointee's employment by either BAWSCA or the Appointee for any other reason; and

FURTHER RESOLVED, that the CEO/GM is hereby authorized and directed to execute all documents and take all other actions necessary or advisable to effect the purposes of this resolution.

PASSED AND ADOPTED this 18th day of September, 2014, by the following vote:

AYES:

NOES:

ABSENT:

Chair, Board of Directors
Bay Area Water Supply and
Conservation Agency

ATTEST:

Assistant to the CEO/GM

Attachment A

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

Salary Schedule for the Chief Executive Officer and General Manager Position

Adopted September 19, 2013

Position	Salary Range
Chief Executive Office and General Manager	\$154,415 per year - \$211,000 per year

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BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD OF DIRECTORS MEETING

Agenda Title: Long-Term Reliable Water Supply Strategy – Update

Summary:

BAWSCA is developing its Long-Term Reliable Water Supply Strategy (Strategy) to provide a comprehensive, regional assessment of the water supply reliability needs of the BAWSCA member agencies, and an evaluation of potential water management actions that could be implemented to meet those water supply reliability needs. The final phase of the Strategy is currently underway and anticipated to be completed in December 2014. This item presents an initial evaluation of the cumulative water demands and water supply reliability needs of the BAWSCA member agencies through 2040.

Discussion:

As part of the development of the Strategy, BAWSCA is finalizing the results of the Regional Demand and Conservation Projections Project (Project). The Project was produced in response to Recommendation #3 of the Strategy's Phase IIA Report, which identified the need to update the water demand and conservation projections for the BAWSCA member agencies using a common methodology. The Project results are projecting total water demands, defined as demand after passive water conservation but before additional active conservation efforts, to be 19% lower in 2035 than previously projected in the 2009 BAWSCA Water Conservation Implementation Plan (2009 WCIP).

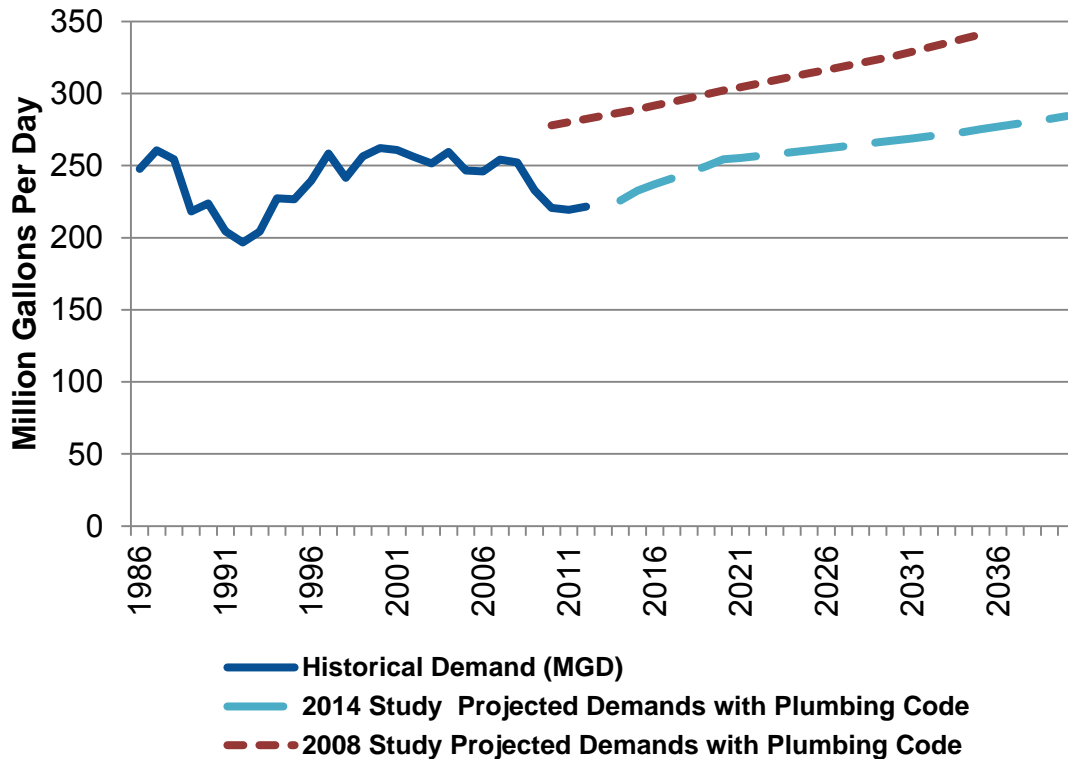
In addition, BAWSCA has recently received updated water supply projections from each of the member agencies, detailing how each agency anticipates meeting their total water demands through 2040 including projected purchases from the San Francisco Regional Water System (SF RWS).

Based on these updated demand and supply projections, the preliminary findings for the combined BAWSCA agencies are as follows:

- Total water demand with active conservation in 2040 is estimated to be 269 million gallons per day (mgd);
- Anticipated purchases from the SFPUC in 2040 are approximately 168 mgd including projected purchases of 9 mgd from San Jose and Santa Clara;
- The need for additional water supplies in normal years through 2040 has been nearly eliminated with only a few agencies identifying a combined need of less than 1 mgd, which can be purchased from the SFPUC under the Water Supply Agreement.
- The need for additional water supplies in dry years remains with a shortfall of up to 24 mgd and 43 mgd during a 10% and 20% system-wide rationing on the SF RWS respectively (assuming 100% level of service at this time).

Figure 1 below presents the historical total water demands for the BAWSCA agencies and compares the projected demands after passive conservation from the 2008 and 2014 demand studies.

FIGURE 1: Comparison of Historic and Projected Total Water Demands for BAWSCA Agencies



As noted above, the current projections continue to identify gaps in dry-year supply reliability, however, it is important to note that the supply reliability need was calculated on a collective basis for BAWSCA member agencies. Further analysis of this data will refine this reliability need for each of the individual member agencies as part of the Strategy completion.

The final Strategy report will provide recommendations on filling the identified dry-year reliability needs to avoid potential severe economic consequences due to water shortages. In all instances, and in accordance with a key BAWSCA principle, the water supply management projects that are developed as part of this Strategy will be paid for by those agencies that benefit from their development.

BAWSCA

Bay Area Water Supply & Conservation Agency

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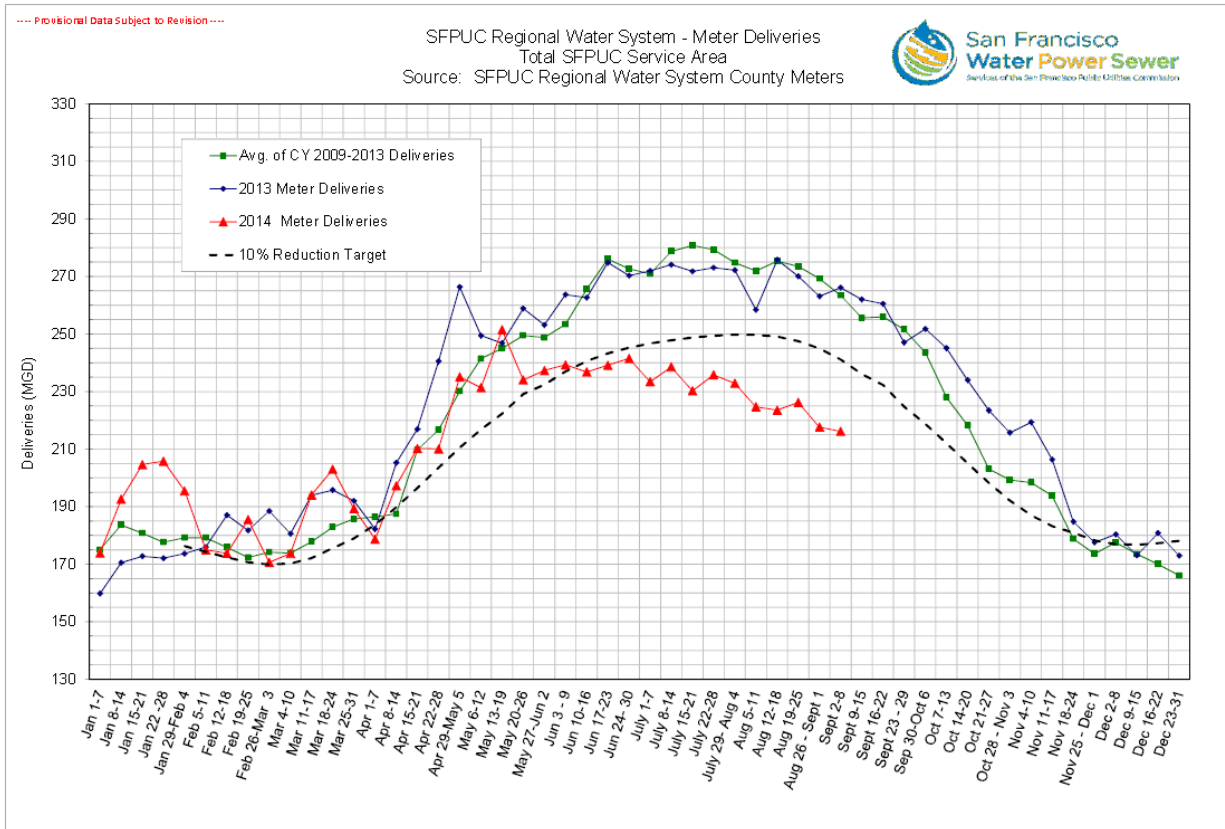
MEMORANDUM

TO: BAWSCA Board of Directors
DATE: September 12, 2014
FROM: Nicole Sandkulla, CEO/General Manager
SUBJECT: Chief Executive Office/General Manager’s Letter

Current Water Supply Conditions - Update

Water demand on the San Francisco Regional Water System (RWS) continues to decrease in response to the request for 10% voluntary water use reductions. As shown in Figure 1 below, total water demand on the RWS late May. The SFPUC will provide an updated water supply report at the BAWSCA board meeting.

Figure 1: SFPUC Regional Water System Delivery Report



Each year the SFPUC must make assumptions for total water purchases by both the BAWSCA member agencies and its retail customers as part of its rate making process. For FY 2014-15,

the SFPUC set its water rates for the wholesale customers based on an estimate of total combined retail and wholesale water sales of 211 mgd (68 mgd retail, 143 mgd wholesale). For drought planning purposes, the SFPUC assumed actual combined retail and wholesale sales of 209 mgd, which reflects a 10% across the board reduction in the combined retail and wholesale water sales of 232 mgd (75 mgd retail, 157 mgd wholesale). These estimated wholesale sales were based on a 10% reduction in the BAWSCA member agencies total purchase requests of 157 mgd for FY 2014-15. This conservative financial approach helps to avoid a major impact on revenues due to reduced water use. Individual agencies, however, may see an impact on its revenues, depending on how each agency set its water rates.

Pilot Water Transfer Plan with EBMUD - Update

BAWSCA is continuing work on the development of a pilot water transfer in partnership with the East Bay Municipal Utilities District (EBMUD), San Francisco Public Utilities Commission (SFPUC), the City of Hayward (Hayward), and Yuba County Water Agency (YCWA).

EBMUD has indicated that a decision to operate its Freeport Facilities, an essential facility for the transfer, could occur as early as January 2015. BAWSCA is working to finalize the agreements necessary to implement a pilot water transfer by January 2015 such that a pilot transfer could occur as early as the spring of 2015

BAWSCA and Hayward are working cooperatively to identify and address potential issues associated with operation of Hayward Intertie for a pilot water transfer. The parties have been meeting regularly since the beginning of July to further understand Hayward's operational concerns, identify benefits to both Hayward and BAWSCA from the occurrence of the pilot transfer, and to resolve important issues that remain. During the pilot water transfer, Hayward's water system will be pressurized by running pumps at all times, which is a significant change in the operation of Hayward's distribution system. In addition, Hayward will be receiving its entire water supply from EBMUD, and there is a potential for noticeable water quality differences. BAWSCA and Hayward are poised to enter into a planning-level agreement committing both agencies to continuing to work to resolve issues surrounding a pilot water transfer that could occur as early as Spring 2015.

New Subscription Water Conservation Program - Rain Barrel Rebates

On October 1st, BAWSCA is launching a new subscription water conservation program for rain barrel rebates. This program is offered in partnership with the City/County Association of Governments of San Mateo County (C/CAG), who will be funding rebates of \$50 per rain barrel for all San Mateo County residents as well as program administration and marketing costs. BAWSCA member agencies that elect to participate in the program may offer an additional rebate of up to \$50 per barrel. The program is intended to reduce stormwater runoff and promote water conservation.

Legislation – Senate Bill 1345

Senate Bill (SB) 1345 passed in the legislature at the end of August and now awaits the Governor's signature to make it law. A letter from BAWSCA to Governor Brown recommending him to sign the legislation into law was sent on August 28th. BAWSCA is in close contact with both Senator Pavley's office, as the author of the bill, and staff at the Governor's office, regarding the bill.

Correspondence

Media coverage of both local and statewide water related issues and activities have increased due to the current drought conditions. In response to requests from some members of the

Board, media coverage of interest to BAWSCA and its member agencies will be transmitted to the Board monthly.

In addition, you may request to receive the Department of Water Resources' (DWR) compilation of water-related news at water_news_editors@water.ca.gov . This daily e-mail service provides a comprehensive collection of water related news and is used by most water industry professionals.

Board Policy Calendar

An updated policy calendar for the Board through the end of FY 2014-15 is attached.

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Board Policy Calendar for FY 2014-15

Board Meeting	Purpose	Issue or Topic
Sept. 2014	D&A	Resolution Approving Temporary Appointment of A. Jensen as Special Counsel to the CEO/GM
Nov. 2014	D&A D&A D&A R&D R&D	Annual Review and Consideration of BAWSCA's Investment Policy Review of BAWSCA's General Reserve Policy Contract Amendment with PG&E for Continuation of Washing Machine Rebate Program Updated Water Demand Projections: Results & Recommended Actions BAWSCA Mid-Year Review for FY 2014-15 Work Plan and Budget
Jan. 2015	D&A D&A D&A D R	Review Water Supply Forecast & Decide if a Transfer Should be Pursued BAWSCA Mid-Year Review for FY 2014-15 Work Plan and Budget Consideration of BAWSCA Bond Surcharges for FY 2015-16 Work Plan and Budget Planning for FY 2015-16 Presentation of Final Strategy Report and Recommendations
March 2015	D&A D	Final Strategy Report and Recommended Action Presentation of Preliminary FY 15-16 Work Plan and Budget
May 2015	D&A	Adoption of Proposed FY 15-16 Work Plan and Budget

Key: R=Report, D = Discussion, S = Study Session, A = Action

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**Bay Area Water Supply and Conservation Agency
and Regional Financing Authority**

Meeting Schedule through June 2015

Schedule for BAWSCA Board Meetings (Meetings are held from approx. 7:00 – 9:00 p.m.)	
<u>Date</u>	<u>Location</u>
Thursday – November 20, 2014	Wind Room, Foster City Community Center
Thursday – January 15, 2015	Wind Room, Foster City Community Center
Thursday – March 19, 2015	Wind Room, Foster City Community Center
Thursday – May 21, 2015	Wind Room, Foster City Community Center
Thursday – July 16, 2015	Wind Room, Foster City Community Center
Thursday – September 17, 2015	Wind Room, Foster City Community Center
Thursday – November 19, 2015	Wind Room, Foster City Community Center

Schedule for RFA Board Meetings (Meeting time will be announced)	
<u>Date</u>	<u>Location</u>
Thursday – January 15, 2015	Wind Room, Foster City Community Center

Schedule for BAWSCA Board Policy Committee Meetings (Meetings held from 1:30-4:00 p.m.)	
<u>Date</u>	<u>Location</u>
Wednesday – October 8, 2014	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – December 10, 2014	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – February 11, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – April 8, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – June 10, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – August 12, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – October 14, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.
Wednesday – December 9, 2015	155 Bovet Rd., San Mateo – 1 st Floor Conf. Rm.