

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

**January 15, 2015 – 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-one (21) members of the Board were present, constituting a quorum. Two arrived after roll-call. A list of Directors present (23) and absent (3) is attached.

2. Special Order of Business: Election of Officers for Calendar Year 2015.

Chair O'Connell called for nominations for the position of Chair of the BAWSCA Board. Director Bronitsky nominated Randy Breault for Chair. Director Quigg seconded the nomination. There being no other nominations, nominations were closed by consensus.

The Board unanimously voted to elect Randy Breault as Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2015 to commence at the adjournment of the meeting at which he was elected.

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

The Board unanimously voted to elect Al Mendall as Vice-Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2015 to commence at the adjournment of the meeting at which he was elected.

3. The meeting adjourned at 7:05pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.**4. The meeting reconvened at 7:09****5. Comments by the Chair:** Chair O'Connell was pleased to announce the completion of the Long-Term Reliable Water Supply Strategy Report. The Executive Summary was included in the agenda packet and a summary of the report findings will be presented by staff to initiate Board discussions. The Board will further discuss the Strategy findings and recommendations as part of the FY 2015-16 Work Plan and Budget Process. Chair O'Connell encouraged Board members to contact Nicole and Michael if they have any questions about the findings and recommendations before the March and May meetings.

Chair O'Connell reported that she requested assigned seating to encourage Board members to get acquainted with each other, and to provide a different perspective given the Board is of 26 members.

Additionally, an updated BAWSCA binder has been prepared for each member of the board with updated reference information. Each member of the board has received a request from staff for an updated biography to be inserted in the new version of the binder as well as posted on the website. Chair O'Connell recognized the directors who were appointed to the Board when it was originally formed in 2003. They were Directors Breault, Kasperzak, O'Mahony, Piccolotti, Vella, Weed, and herself.

Lastly, she thanked the Board for the opportunity to serve as Chair for the past two years. The Board has built a strong, respectful and productive relationship with the SFPUC, and appointed a new CEO who continues to confirm the wisdom of the Board's selection and decisions. The CEO has built a strong staff that continues to produce results for the member agencies and their customers. Chair O'Connell expressed her confidence that BAWSCA's new leadership will continue to provide the policy guidance and resources for BAWSCA to provide valuable results for member agencies and protect the water interests of the water customers.

6. **Board Policy Committee (BPC) Report:** Director Mendall reported the discussions and actions taken by the Board Policy Committee at its meeting on December 10, 2014.
7. **SFPUC Report:** Michael Carlin, SFPUC Deputy General Manager and Chief Operating Officer, reported on the SFPUC's 2014 State of the Regional Water System report, which he encouraged the Board to read in time for the March Board meeting, where an in-depth presentation will be given by the SFPUC. Mr. Carlin also reported on WSIP activities on the Coast Range Tunnel, and the approval of the operating agreement for the Regional Groundwater Recovery Project, which has been a project that has taken 21-years in the making. The project will provide dry year supply when it is completed.

Steve Ritchie, Assistant General Manager of the Water Enterprise, reported on the current water supply conditions, and the continued success of the region in reaching its target for water use reduction. He noted that the water bank is the key component of the system that fulfills its obligations to the irrigation districts, and keeps water in Hetch Hetchy. Despite the precipitation in December, conditions remain dry, and the voluntary 10% reduction will continue. Mr. Ritchie noted that if dry conditions continue through February, the State may believe that further action necessary because other parts of the State are in much worse conditions than San Francisco's Regional Water System. In response to Directors' questions, Mr. Ritchie stated that the region needs to continue its conservation efforts and consider that the worst will happen and be prepared to take actions, whatever they may be.

8. **Public Comments:** There were no public comments.

9. Consent Calendar:

Director Richardson made a motion, seconded by Director Kasperzak, to approve the Minutes of the November 20, 2014 meeting, and receive and file the Budget Status Report as of November 30, 2014, and the Investment Report and Directors' Reimbursement Report as of December 31, 2014.

The motion carried unanimously.

Director Kasten suggested to review the Local Agency Investment Fund (LAIF) investments to ensure that the assets are sufficiently protected and not subject to risks due to rapid changes in the market.

10. Action Calendar:**A. Mid-year 2014-15 Work Plan and Budget Review**

Director Bronitsky made a motion, seconded by Director Laporte, that the Board approve the following revision to the FY 2014-15 Work Plan:

1. **Defer item 8C "Coordinate input to goals and objectives for future examination of alternative wholesale water rate structures and potential relationship to alternative retail rate structures Member Agencies might consider to stabilize water rates and water revenues" for consideration in FY 2015-16 Work Plan;**
2. **Board review and discussion related to managing the General Reserve balance at the March and May 2015 Board meetings.**

The motion carried unanimously.

11. Reports and Discussions:

A. Fiscal Year 2015-16 Work Plan and Budget Preparation: Ms. Sandkulla reported on the development of the FY 2015-16 work plan and budget, which is driven by the results that must be achieved to address the long-term and short-term challenges BAWSCA and its member agencies face. Ms. Sandkulla highlighted the need for the Board's consideration and discussion of increasing assessments to fund the operating budget and manage the General Reserve balance.

B. Long-Term Reliable Water Supply Strategy (LTRWSS) – Final Phase: Mr. Hurley presented a summary of the LTRWSS Final Phase to provide the board members a frame of reference as they read the final report. He highlighted the demand study, the project evaluation analysis, and strategic findings of the final report.

12. Reports: Additional staff reports included Ms. Sandkulla's update on the Pilot Water Transfer with East Bay Municipal Utility District (EBMUD), and EBMUD's decision to defer its use of the Freeport Facility at least until April 2015.

- 13. Directors' Discussion:** Chair O'Connell reminded each Board member to take their Binders with them as a reference source. Updated materials for each tab will be sent to the Board as changes occur.
- 14. Date, Time and Location of Next Meeting:** The next meeting is scheduled on March 19, 2015 in the Wind Room, Foster City Community Center.
- 15. Adjournment:** The meeting adjourned at 8:42pm.

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
January 15, 2015

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
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
Gustav Larsson	City of Sunnyvale
Marty Laporte	Stanford
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:

Larry Klein	City of Palo Alto
Jerry Marsalli	City of Santa Clara
Chuck Reed	City of San Jose