

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

**November 19, 2015 – 7 p.m.
Foster City Community Building, Foster City CA**

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| MINUTES |
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1. Call to Order/Pledge of Allegiance/Roll Call – 7:00 pm

BAWSCA Chair, Randy Breault, called the meeting to order and led the salute to the flag. CEO/General Manager, Nicole Sandkulla was absent due to illness. Acting CEO/General Manager, Michael Hurley, called the roll. Nineteen (19) members of the Board were present, constituting a quorum. A list of Directors present (19) and absent (7) is attached.

2. Comments by the Chair: Director Breault stated that the constituents of BAWSCA member agencies continue to face a major water supply issue with the risk of a catastrophic failure in Mountain Tunnel. A failure could mean the sudden loss of the entire water supply from Hetch Hetchy Reservoir, which amounts to 85% of the water used by customers of the member agencies. BAWSCA's immediate challenge is to work closely with the SFPUC to ensure that there is an Emergency Operations Plan in place in case of a collapse, and that the SFPUC develop a strategy to fix or bypass a substantial part of the tunnel before it collapses.

BAWSCA continues to urge the SFPUC to expedite their efforts on Mountain Tunnel since BAWSCA was informed of the risks of collapse 2 years ago. Several strong statements have been made to the Commission by BAWSCA's CEO, and recently, a letter with detailed questions about how the wholesale customers can be protected was sent by Mr. Hurley. SFPUC's response to these recent questions provides several thoughtful and encouraging answers.

BAWSCA remains concerned with what sources of alternative supplies exists if the tunnel collapses, what short-term fixes are in place should the tunnel fail, what long-term solutions are there to ensure the system's reliability, and what determination does SFPUC have to accelerate decision-making to achieve results. BAWSCA will continue to take the necessary steps to protect the water customers of the BAWSCA service area.

The Board's continuing support for this effort is essential for its success. While some may suggest that the probability for collapse of the Mountain Tunnel is low, the consequences of a collapse are unacceptably high.

3. Board Policy Committee (BPC) Report: In the absence of Committee Chair, Charlie Bronitsky, BAWSCA Chair Breault reported that the Committee did not meet in October.**4. Public Comments:** There were no public comments.

5. Consent Calendar:

Director Richardson made a motion, seconded by Director Pierce, to approve the Consent Calendar which included:

- Approval of the September 17, 2015 Meeting Minutes;
- Receipt and filing of the Budget Status Report as of September 30, 2015;
- Receipt and filing of the Annual Audit Report for BAWSCA, and Compilation Report for BAWUA for FY 2014-15;
- Receipt and filing of Directors' Reimbursement Report as of September 30, 2015;
- Receipt and filing of the Investment Report as of September 30, 2015; and
- Receipt and filing of the Bond Surcharge Collection, Account Balance and Payment Report as of September 30, 2015.

The motion carried unanimously.

6. Action Calendar:

A. Authorization to Negotiate and Execute a Contract Amendment with PG&E for the Washing Machine Rebate Program.

Mr. Hurley reported that the proposed contract is consistent with the previous years' contract for the program.

Director Pierce made a motion, seconded by Director Quigg, that the Board authorize the CEO/General Manager to:

1. Negotiate and execute a contract amendment with PG&E, subject to legal counsel's final review, for administrative and rebate processing services through June 30, 2017 associated with implementation of the Washing Machine Rebate Program from January 1 through December 31, 2016; and
2. Offer participation in the program to BAWSCA member agencies through December 31, 2016.

The motion carried unanimously.

7. SFPUC Report: SFPUC Assistant General Manager of Water Enterprise, Steve Ritchie, provided a report on current water supply conditions, and reported that the SFPUC is planning for another conservation year. He also provided a progress report on Lower Cherry Aqueduct and Mountain Tunnel.

SFPUC Chief Financial Officer and Assistant General Manager of Business Services, Eric Sandler, reported on the wholesale water rate calendar, calculation and the projected wholesale rate range for FY 2016-17.

8. Reports: Water Resources Manager, Michael Hurley reported on the Governor's extension of water use regulations, the State Board's consideration of changes to the regulations, and the overall water conservation performance of the region.

A progress report was also provided to the Board on BAWSCA's efforts with seven project areas to implement the recommendations in the Long-Term Reliable Water Supply Strategy.

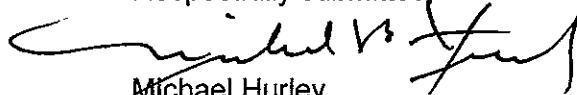
- 13. Directors' Discussion:** Mr. Ritchie provided a brief update on the Calaveras Dam in response to Director Piccolotti. He also provided information he was aware of regarding San Mateo County's progress on the county road crossing Crystal Springs Dam in response to Director Benton.

Director Breault announced that he and Vice Chair Mendall are hosting a briefing meeting for the newly appointed directors in January.

- 14. Date, Time and Location of Next Meeting:** The next meeting is scheduled on January 21, 2016 in the Wind Room, Foster City Community Center.

- 15. Adjournment:** The meeting adjourned at 8:33 pm.

Respectfully submitted,



Michael Hurley
Acting Chief Executive Officer/General Manager

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Attachments: 1) Attendance Roster

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
Board of Directors Meeting
November 19, 2015

Attendance Roster

Present:

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| Ruben Abrica | City of East Palo Alto |
| Robert Anderson | Purissima Hills Water District |
| Jay Benton | Town of Hillsborough |
| Randy Breault | Guadalupe Valley Municipal Improvement District |
| Tom Chambers | Westborough Water District |
| Jose Esteves | City of Milpitas |
| Michael Guingona | City of Daly City |
| Rob Guzzetta | California Water Service Company |
| Gustav Larsson | City of Sunnyvale |
| 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 |
| Greg Schmid | City of Palo Alto |
| John Weed | Alameda County Water District |
| Tom Zigterman | Stanford University |

Absent:

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| Charlie Bronitsky | Estero Municipal Improvement District (City of Foster City) |
| Mike Kasperzak | City of Mountain View |
| Kirsten Keith | City of Menlo Park |
| Sam Liccardo | City of San Jose |
| Jerry Marsalli | City of Santa Clara |
| Irene O'Connell | City of San Bruno |
| Louis Vella | Mid-Peninsula Water District |