

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

**May 17, 2018 – 6:30 p.m.  
Oak Room – San Mateo Main Library – San Mateo, CA**

<b>MINUTES</b>
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**1. Call to Order/Pledge of Allegiance/Roll Call – 6:30 pm**

BAWSCA Chair, Al Mendall, called the meeting to order and led the salute to the flag. CEO/General Manager, Nicole Sandkulla called the roll. Fifteen (15) members of the Board were present at roll call, constituting a quorum. One Board Member was on a conference call-in line and one arrived after roll-call. A list of Directors present (17) and absent (9) is attached.

**2. Comments by the Chair:** Director Mendall welcomed members of the Board, SFPUC staff, and Commission President Ike Kwon. He expressed his and the BAWSCA Board's appreciation of President Kwon's efforts to attend the meeting despite his busy schedule. The BAWSCA member agencies who pay more than \$233 M in water purchases are vitally interested in SFPUC's water supply activities and policies. The BAWSCA Board is pleased that the Commission welcomes BAWSCA's input on the Commission's important policy decisions that affect the wholesale customers.

Director Mendall noted that the agenda includes adoption of the Work Plan and Operating Budget for FY 2018-19, and approval of twenty-two professional services contracts.

**3. Board Policy Committee (BPC) Report:** Director Zigterman reported the discussions and actions taken by the Board Policy Committee at its meeting on April 11, 2018. They are reflected in the BPC summary report included in the packet.

**4. Water Bond Initiative:** Jerry Meral, Director, California Water Program, Natural Heritage Institute addressed the Board on the Water Bond Initiative that will be on the November ballot. The purpose of his presentation is to solicit water purveyors in urban areas to support the measure.

Ms. Sandkulla noted that while BAWSCA does not generally take positions on water bonds, Mr. Meral's presentation may assist individual member agencies' independent considerations.

**5. SFPUC Report:** Commission President Ike Kwon addressed the BAWSCA Board and expressed his appreciation for the agencies' continued collaboration in maintaining and improving the Regional Water System.

General Manager, Harlan Kelly, was pleased to report the approval of SFPUC's proposed FY 2018-19 budget and proposed water and wastewater rates for its in-city customers, as well as the inclusion of Prop A in the November ballot that will allow

the PUC to have revenue bonds for Power supply. The PUC is also working on its succession plan for its aging workforce to ensure a reliable workforce in the future.

Steve Ritchie, Assistant General Manager for Water Enterprise, reported on current water supply conditions and water storage, and reported on the Moccasin Reservoir and Dam repair.

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

**7. Consent Calendar:**

**Director Keith made a motion, seconded by Director Kasperzak, to approve the minutes of the March 15, 2018 Board meeting, receive and file the Budget Status Report, Investment Report, Bond Surcharge Collection Report, and Directors' Reimbursement Report as of March 31, 2018, and to authorize the negotiation and execution of a contract with Water Systems Optimization, Inc. to implement the Water Loss Management Program in FY 2018-19.**

**The motion carried unanimously by roll call vote.**

**8. Closed Session was moved up on the Agenda. The Board adjourned to Closed Session at 7:21pm**

**9. The Board re-convened to Open Session at 7:31pm**

Legal Counsel, Allison Schutte, reported that no action was taken during Closed Session.

**10. Action Calendar:**

A. Proposed Fiscal Year 2018-19 Work Plan and Results to Be Achieved:

**Director Richardson made a motion, seconded by Director O'Connell, that the Board approve:**

- 1. The proposed Fiscal Year 2018-19 Work Plan and Results to be Achieved;**
- 2. The proposed Operating Budget of \$3,901,085; and**
- 3. The proposed funding plan of a 1% assessment increase and a transfer of \$321,688 from the General Reserve.**

**The motion passed by roll call vote of 16:1.**

B. Approval of Professional Services Contracts for FY 2018-19:

**Director Kasperzak made a motion, seconded by Director Zigterman, that the Board approve the 22 contracts for legal, engineering, financial, strategic, and water conservation services needing to be in place by July 1, 2018.**

**The motion passed unanimously by roll call vote.**

C. Adoption of Resolution 2018-01 Approving the Extension of the Tier 2 Drought Allocation Plan:

**Director Keith made a motion, seconded by Director Richardson, that the Board adopt Resolution 2018-01 adopting the Tier 2 drought allocation methodology for the year January 1, 2019 through December 31, 2019.**

**The motion passed unanimously by roll call vote.**

**11. Reports:**

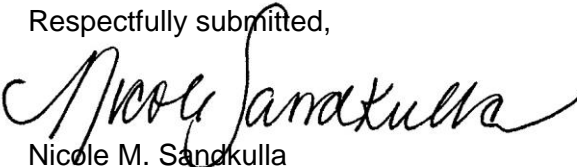
BAWSCA staff reported that overall water use as of March 2018 continued to be 21% less than in March 2013. However, total water purchases from San Francisco is only down 4%, indicating member agencies' increased reliance on the San Francisco Regional Water System. BAWSCA and the SFPUC are monitoring the water use patterns closely to get a better understanding of the causes.

**12. Directors' Discussion: Comments, Questions and Agenda Requests:** Director Moody reported that the City of Palo Alto has agreed to transfer water to the City of East Palo Alto. He thanked the BAWSCA Board of Directors, Ms. Sandkulla and her staff for its efforts in supporting inter-agency water transfers, which allows the City of East Palo Alto to receive the water it needs to lift a moratorium on its development.

**13. Date, Time and Location of Next Meeting:** The next meeting is scheduled on July 19, 2018 at 6:30pm, in the Oak Room, of the San Mateo Main Library.

**14. Adjournment:** The meeting adjourned at 8:30pm.

Respectfully submitted,



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 17, 2018**

**Attendance Roster**

Present:

Jay Benton	Town of Hillsborough
Tom Chambers	Westborough Water District
Mike Kasperzak	City of Mountain View
Kirsten Keith	City of Menlo Park
Pat Kolstad	City of Santa Clara
Rob Kuta	California Water Service Company
Gustav Larsson	City of Sunnyvale
Al Mendall	City of Hayward
Larry Moody	City of East Palo Alto
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
Sepi Richardson	City of Brisbane
Gregg Schmid	City of Palo Alto
Louis Vella	Mid-Peninsula Water District
Tom Zigterman	Stanford

Absent:

Robert Anderson	Purissima Hills Water District
Randy Breault	Guadalupe Valley Water District
Charlie Bronitsky	City of Foster City
Sam Liccardo	City of San Jose
Juslyn Manalo	City of Daly City
Chris Mickelsen	Coastside County Water District
Dan Quigg	City of Millbrae
Rich Tran	City of Milpitas
John Weed	Alameda County Water District