

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

**January 17, 2019 – 6:30 p.m.  
San Mateo Library – 55 W. 3<sup>rd</sup> Ave.  
Oak Room**

<b>MINUTES</b>
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**1. Call to Order/Pledge of Allegiance/Roll Call – 6:00 pm**

BAWSCA Chair, Al Mendall, called the meeting to order and led the salute to the flag. Nicole Sandkulla called the roll. Seventeen (17) members of the Board were present. A list of Directors present (17) and absent (9) is attached.

**2. Special Order of Business: Election of Officers for Calendar Year 2019.**

Chair Mendall called for nominations for the position of Chair of the BAWSCA Board. Director Quigg nominated Barbara Pierce for Chair. Director Breault seconded the nomination.

Director O'Connell made a motion, seconded by Director Quigg, to close the nominations. The motion carried.

**The Board unanimously voted to elect Barbara Pierce as Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2019 to commence at the adjournment of the meeting at which she was elected.**

Chair Mendall called for nominations for the position of Vice-Chair. Director Wood nominated Gustav Larsson as Vice-Chair of the Board. Director Pierce seconded the nomination.

Director O'Mahony made a motion, seconded by Director Breault, to close the nominations. The motion carried.

**The Board unanimously voted to elect Gustav Larsson as Vice-Chair of the Bay Area Water Supply and Conservation Agency Board of Directors for calendar year 2019 to commence at the adjournment of the meeting at which he was elected.**

**3. The meeting adjourned at 6:04 pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.****4. The meeting reconvened at 6:08 pm****5. Comments by the Chair:** Chair Mendall announced Director Anderson's retirement from the BAWSCA Board and thanked him for the service and valuable contributions he provided BAWSCA. He welcomed Foster City Mayor, Sam Hindi, to the BAWSCA Board.

Director Mendall expressed his appreciation for the robust discussions and decisiveness of the BAWSCA Board regarding the legal and strategic matters that

confronts the region's water users. He reminded the Board that BAWSCA, under State law, is responsible for protecting the water interests of the water users served by BAWSCA's 26 member agencies. He stated that the Bay Delta Plan, FERC process, and Restore Hetch Hetchy have been, and will continue to be critical issues along with Mountain Tunnel, Los Vaqueros Expansion project, and regional demand. The Board must remain focused on continuing to set policies, priorities, and budgets that enable BAWSCA staff to achieve BAWSCA's goals.

Over the past 15 years, BAWSCA has strived to deliver results for its member agencies and its water users. Director Mendall reported that, with time permitting, the CEO will show a short video highlighting those results. He encouraged members of the Board to share the video with their colleagues and agency staff members to become informed, if not be reminded of, the work BAWSCA does.

Finally, Director Mendall thanked the Board for the opportunity to serve as Chair.

**6. Board Policy Committee (BPC) Report:** Director Larsson reported the discussions and actions taken by the Board Policy Committee at its meeting on December 12, 2018. They are reflected in the BPC summary report included in the packet.

**7. SFPUC Report:** Assistant General Manager for Water Enterprise, Steve Ritchie, provided a report on Water Supply Conditions and an update on the Bay Delta Plan.

In the interest of time and to stay on topic, Chair Mendall moved Agenda Item 12B, CEO Report on Bay Delta Plan Phase 1, to follow SFPUC's report. Ms. Sandkulla provided her report to the Board.

**8. Public Comments:** Public comments on Agenda Item #7 were provided by Peter Drekmeier and Dave Warner.

**9. Closed Session:** The meeting adjourned to Closed Session at 6:46pm

**10. Report from Closed Session:**

The meeting reconvened to Open Session at 7:40pm

Legal Counsel, Allison Schutte, reported that the Board took action and provided direction to the Legal Counsel.

**11. Consent Calendar:**

**Director O'Connell made a motion, seconded by Director Benton, to approve the Minutes of the November 15, 2018 meeting, receive and file the Budget Status Report as of November 30, 2018, the Investment Report as of December 31, 2018, Directors' Reimbursement Report as of November 30 2018, approve the proposed FY 2019-20 Bond Surcharges, and re-affirm BAWSCA's Statement of Investment Policy.**

**The motion carried unanimously.**

**12. Action Calendar:**

A. Mid-Year 2017-18 Work Plan and Budget Review and Management of the General Reserve

**Director Pierce made a motion, seconded by Director Schmid, that the Board authorize the following revisions to the FY 2018-19 Work Plan:**

- 1. Scope Reduction/Delay:**
  - a. Postpone initiation of an audit of the SFPUC's asset management practices until FY 2019-20**
  - b. Delay completion of two Phase 2 pre-feasibility studies for purified water projects**
- 2. Scope Addition:**
  - a. Initiate Regional Water Demand and Conservation Projections Study for completion in FY 2019-20**

**The motion carried unanimously.**

- B. Authorization of CEO to Enter into a Contract with Maddaus Water Management to Develop a Regional Water Demand and Conservation Projections Study**

**Director Pierce made a motion, seconded by Director Vella, that the Board authorize the CEO to:**

- 1. Negotiate and execute an agreement with Maddaus Water Management, subject to legal counsel review, for an amount not to exceed \$450,000 to complete the Regional Water Demand and Conservation Projections Study; and**
- 2. Transfer of up to \$150,000 to the Operating Fund from first, the Long-Term Planning Fund, and second, the General Reserve to fund Year 1 project costs.**

**The motion carried unanimously.**

- C. Los Vaqueros Expansion Project MOU**

**Director Wood made a motion, seconded by Director Pierce, that the Board authorize the:**

- 1. CEO/General Manager to enter into an MOU with CCWD, subject to legal counsel review, for an amount not to exceed \$355,000 for completion of the final planning stage of the LVE project; and**
- 2. Transfer of up to \$177,500 to the Operating Fund from first, the Long-Term Planning Fund, and second, the General Reserve, to fund Year 1 project costs.**

**The motions carried unanimously.**

### **13. Reports:**

Ms. Sandkulla reported on the member agencies' current water use as of November 2018, which is 8% less than the pre-drought year of 2013.

### **14. Budget Planning Session:**

Ms. Sandkulla reported that BAWSCA's annual budget development process always begins with the assessment of long-term critical issues and major challenges that look out 20-30 years ahead. The long-term perspective identifies the results that

need to be achieved and the associated timeline to form the basis of the work plan and budget for the upcoming fiscal year.

The work plan is built around BAWSCA's goals of ensuring a reliable supply of high-quality water at a fair price. Ms. Sandkulla identified the critical tasks under each category, and presented the schedule of the work plan and budget development for the Board's consideration in May.

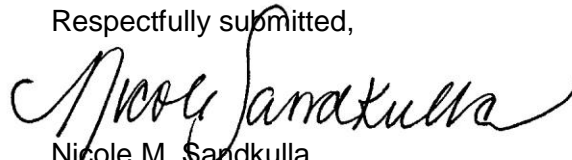
Comments received from the Board will be addressed by the CEO and presented to the Board Policy Committee for discussion at its February meeting. Feedback from the BPC will be presented at the March Board meeting for discussion. A proposed work plan and budget will be presented to the BPC at its meeting in April for discussion, and to the Board in May for adoption.

**15. Directors' Discussion: Comments, Questions and Agenda Requests:** Director Mendall stated that he has asked the CEO/General Manager to look at possible options on improving Board meeting attendance. He noted the new format of the attendance sheet that is included in the minutes. He encouraged members of the Board to provide suggestions.

**16. Date, Time and Location of Next Meeting:** The next meeting is scheduled on March 21, 2019 at 6:30pm, in the Oak Room, of the San Mateo Main Library.

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

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 Attendance Roster

Director	Agency	Jan. 17 2019	Nov. 15 2018	Sept. 20 2018	Jul. 19 2018	May 17 2018	Mar. 15 2018	Jan. 18 2018
Anderson, Robert	Purissima	✓	✓	✓	✓			
Benton, Jay	Hillsborough	✓	✓	✓		✓	✓	✓
Breault, Randy	Guadalupe	✓	✓	✓				✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓	✓
Hindi, Sam	Foster City	✓	na	na	na	na	na	na
Kasperzak, Mike	Mountain View		✓			✓	✓	
Keith, Kirsten	Menlo Park				✓	✓	✓	✓
Kuta, Rob	Cal Water	✓	✓	✓	✓	✓	✓	✓
Larsson, Gustav	Sunnyvale	✓		✓	✓	✓	✓	✓
Liccardo, Sam	San Jose							
Manalo, Juslyn	Daly City			✓	✓			
Mendall, Al	Hayward	✓	✓	✓	✓	✓	✓	✓
Mickelsen, Chris	Coastside	✓			✓		✓	
Moody, Larry	East Palo Alto		✓	✓		✓		
O'Connell, Irene	San Bruno	✓	✓	✓	✓	✓	✓	
O'Mahony, Rosalie	Burlingame	✓	✓	✓	✓	✓	✓	✓
Piccolotti, Tom	North Coast		✓	✓		✓		✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓		✓
Quigg, Dan	Millbrae	✓	✓		✓		✓	✓
Wood, Sepi	Brisbane	✓	✓	✓	✓	✓	✓	✓
Schmid, Greg	Palo Alto	✓	✓		✓	✓	✓	✓
Tran, Rich	Milpitas							
Vella, Lou	Mid-Peninsula	✓		✓	✓	✓	✓	✓
Weed, John	ACWD	✓	✓	✓	✓		✓	✓
Zigterman, Tom	Stanford		✓	✓	✓	✓	✓	✓
VACANT	Santa Clara		✓		✓	✓	✓	✓

✓ : Present