

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

**January 16, 2020 – 6:30 p.m.  
Foster City Community Building – 1000 E. Hillsdale Blvd.  
Wind Room**

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

BAWSCA Chair, Barbara Pierce, 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 at roll call. Two (2) Directors arrived after roll call. A list of Directors present (19) and absent (6) is attached.

**2. Special Order of Business: Election of Officers for Calendar Year 2020.**

Chair Pierce called for nominations for the position of Chair of the BAWSCA Board. Director Wood nominated Barbara Pierce for Chair. Director Benton seconded the nomination.

Director Wood made a motion, seconded by Director Chambers, 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 2020, to commence at the adjournment of the meeting at which she was elected.**

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

Director Quigg made a motion, seconded by Director Chambers, 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 2020 to commence at the adjournment of the meeting at which he was elected.**

**3. The meeting adjourned at 6:35 pm to convene the San Francisco Bay Area Regional Water System Financing Authority Board of Directors meeting.****4. The meeting reconvened at 6:40 pm****5. Comments by the Chair:**

Chair Pierce put emphasis on the CEO's presentation of BAWSCA's mid-year progress towards achieving the critical results for FY 2019-20, as well as a budget planning session for the development of the work plan and budget for FY 2020-2021. The Board will also be updated on the developments of the pilot water transfer.

Lastly, Chair Pierce noted the opportunity she had, as BAWSCA Chair, to attend the ACWA conference in December, and sit in on a meeting of the Los Vaqueros

Expansion Project partner agencies. She appreciated the dynamics of the different agency partners as they considered the challenges of the LVE.

**6. Board Policy Committee Report:**

Committee Vice-Chair Chambers reported that the Committee voted unanimously to recommend Board approval of the items presented in the Action Calendar. The Committee's discussion on the items are reflected in the Board Policy Summary Report included in the agenda packet.

**7. SFPUC Report:**

Steve Ritchie, Assistant General Manager for Water Enterprise, reported that Katie Miller will replace Dan Wade as Director of Capital Improvement Projects. Dan Wade served the SFPUC for 12 years and will be working for an outside consulting firm. Katie Miller has been with the SFPUC since 1996 and has over 20 years combined experience with the Water Enterprise, Water Quality Division, Infrastructure, and Distribution.

Mr. Ritchie reported on water supply conditions and total system deliveries to date.

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

**9. Consent Calendar:**

**Director Keith made a motion, seconded by Director Chambers, to approve the Minutes of the November 21, 2019 meeting; receive and file the Budget Status Report as of November 30, 2019, the Investment Report and the Directors' Reimbursement Report as of December 31, 2019.**

**The motion carried unanimously.**

**10. Action Calendar:**

- A. Annual Review and Consideration of BAWSCA's Statement of Investment Policy.

**Director Mendall made a motion, seconded by Director Vella, that the Board re-affirm the current Statement of Investment Policy.**

**The motion carried unanimously.**

- B. Mid-Year 2019-20 Work Plan and Budget Review.

Ms. Sandkulla noted the change in the proposed action that was presented and recommended to the Board Policy Committee at its meeting in December. She reported that the proposed Board action includes the stopping of the execution of the Pilot Water Transfer with Hayward as of January 16, 2020.

She explained that the Hayward City Council and the BAWSCA Board approved the pilot with the understanding that any risk to the Hayward Water System would be mitigated, in part, by BAWSCA purchasing a limited-term insurance policy up to \$10 million to cover potential damage. After initial indications that such insurance would be available from BAWSCA's risk-management authority,

BAWSCA learned that this insurance is not currently available due to recent statewide and nationwide catastrophic events. BAWSCA and Hayward are unable to resolve the issue before the completion of the Hetch Hetchy supply-system shutdown.

Ms. Sandkulla noted, and Board members concurred, that the multi-year process that was put towards the Pilot Water Transfer Plan proves valuable to future considerations of water transfers. There were countless and critical lessons learned from all aspects including negotiating agreements, water rights, water quality, and system risks.

**Director Wood made a motion, seconded by Director Benton, that the Board approve the deletion of item 4b “Develop new Tier 2 Drought Allocation Plan” in the FY 2019-20 Work Plan and the stopping of the execution of the Pilot Water Transfer with Hayward as of January 16, 2020.**

**The motion carried unanimously.**

- 11. Reports:** The CEO/General Manager reported that the total potable water use in November is 6% less than November 2018, which continues to show no sign of a rebound from the drought. The Demand Study is analyzing population growth and water use as well as various scenarios in the service area.

Efforts on the Bay Delta Plan are ongoing. Secretaries of State are continuing their negotiations, and BAWSCA is engaged through the SFPUC.

BAWSCA's Pilot Water Transfer could not be executed, but the experience and work completed will produce a report that will detail the knowledge gained to serve as a solid planning document for future transfers. BAWSCA will engage all expert and agency partners involved in the effort. BAWSCA will continue to pursue alternatives.

- 12. Closed Session:** The meeting adjourned to Closed Session at 7:49pm

- 13. Report After Closed Session:** Closed Session ended at 8:11pm. Legal Counsel, Allison Schutte, reported that no action was taken during Closed Session.

- 14. Fiscal Year 2020-21 Work Plan and Budget Planning Session:** Board members provided their input to the CEO/General Manager for the development of FY 2020-21 work plan and budget.

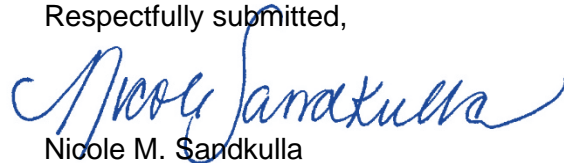
- 15. Directors' Discussion: Comments, Questions and Agenda Requests:** Director Larsson reported that Felicia Marcus will be the speaker at Sunnyvale's sustainability speaker series on January 29<sup>th</sup> in the City Council Chambers.

Director Jordan requested an update on staff's refinancing analysis of BAWSCA's 2013 bond series.

- 16. Date, Time and Location of Next Meeting:** The next meeting is scheduled on March 19, 2020 at 6:30pm, in the Oak Room of the San Mateo Main Library.

**17. Adjournment:** The meeting adjourned at 8:40pm.

Respectfully submitted,



Nicole M. Sandkulla  
Chief Executive Officer/General Manager

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Attachments: 1) Attendance Roster

**INSERT ATTENDANCE HERE**