

**BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING****September 19, 2024 – 6:30 p.m.****MINUTES****1. Call to Order/Pledge of Allegiance/Roll Call – 6:34 pm.**

BAWSCA Chair, Tom Chambers, called the meeting to order. CEO/General Manager Nicole Sandkulla called the roll. Eighteen (18) members of the Board were present at roll call. Four members of the Board arrived after roll call. A list of Directors present (22) and absent (4) is attached.

2. Comments by the Chair:

Chair Chambers highlighted 3 key items that the Board needs to address.

The first is a key responsibility outlined in BAWSCA's enabling legislation, which is the appointment of a General Manager. Chair Chambers thanked the Ad Hoc committee, Barbara Pierce Leslie Ragsdale, Randy Breault, and Louis Vella, for their time spent on the executive recruitment over the past several months. Nicole Sandkulla and Allison Schutte also played major roles in the search for a new CEO who will provide a seamless transition that maintains BAWSCA's operational excellence and the delivery of results to the water customers BAWSCA represents.

Second, in accordance with her contract, the Board needs to complete the annual review of the current CEO. Chair Chambers expressed his appreciation for the 17 directors who provided input on the CEO/GM evaluation, which will be discussed in the second closed session of the meeting.

Finally, the Board has an action item to resolve the issue of director compensation. Chair Chambers proposed using a special debate rule that will allow and encourage everyone to participate, but avoid spending all night discussing the issue.

3. SFPUC Report: Steve Ritchie, SFPUC AGM for Water, provided a report on the "Tuolumne River Mainstem Channel Restoration" project that is upstream of Old La Grange Bridge. [Click here](#) to see video of the work taking place in the Tuolumne River channel:

Katie Miller, SFPUC Director of Water Capital Programs, provided an update report on the WSIP.

Public comments were received from Dave Warner.

4. Consent Calendar: There were no comments or questions from members of the Board or from members of the public.

Director Schneider made a motion, seconded by Director Hardy, that the Board approve the Minutes of the July 18, 2024 meeting, Receive and File Pre-Audit Budget Status Report, Investment Report, Directors' Reimbursement Report, and Employee Reimbursement Report as of June 30, 2024, and the Bond Surcharge Collection, Account Balance and Payment Report for Fiscal Year Ending June 30, 2024.

The motion passed unanimously. See attached voting log.

5. Public Comments on Items Not on the Agenda:

Public comments were received from Dave Warner.

6. Closed Session #1, Government Code Session 54957, Public Employee Appointment: The Board adjourned to Closed Session at 7:02pm.

7. Report for Closed Session #1: Legal Counsel, Allison Schutte, reported that the Board consulted with the Ad Hoc CEO Recruitment Committee in closed session, which concluded at 7:30pm. The Board considered the recommended candidate and is ready to appoint the new CEO/General Manager by resolution of appointment. Copies of the resolution are available on the table at the back of the meeting room and on the table outside the meeting

8. Break for Labor Negotiations: Labor negotiations was not necessary.

9. Reconvene Following Labor Negotiations: This item did not occur.

10. Action Item Following Closed Session #1:

Chair Chambers announced that the Board concurs with the Ad Hoc Committee's recommendation to select Tom Smegal as BAWSCA's new CEO/General Manager effective December 1, 2024.

Legal Counsel summarized the terms of the new CEO/General Manager agreement. Mr. Smegal's base salary is \$306,550. He will be paid the maximum tax-deferred 401 (a) plan contribution, which for FY2024-25 is \$26,455. In addition, an annual car allowance of \$7,800, which has remained since before 2012. The total compensation is \$340,805. The contract also includes a 3% annual raise and a salary survey in years 2, 3 or 4.

Director Breault made a motion, seconded by Director Jordan, that the Board adopt Resolution 2024-02 to appoint Thomas Smegal as the new CEO/General of BAWSCA and Authorize the Board Chair to Execute an Employment Agreement with Mr. Smegal.

There were no comments from members of the Board or the public on the motion.

The motion passed unanimously by roll call vote. See attached voting log.

Mr. Smegal addressed the Board with a statement expressing his appreciation to the Board for his selection as the new CEO/General Manager, and to the Ad Hoc CEO Recruitment Committee for its recommendation. He recognized the leadership Nicole demonstrated that delivered results over the past eleven years as BAWSCA's, CEO/General Manager, and expressed his dedication to work with the Board and the agencies in successfully achieving BAWSCA's goal of a reliable supply of high-quality water at a fair price.

11. Closed Session #2, Public Employee Performance Evaluation: The Board adjourned to Closed Session #2 at 7:56pm.

There were no comments from members of the board and of the public prior to Closed Session #2

- 12. Report from Closed Session #2:** Legal Counsel, Allison Schutte, reported that Closed Session #2 concluded at 8:15pm, in which the Board evaluated the CEO/General Manager's performance for the past year and determined that her overall performance is outstanding.
- 13. Break for conference with Labor Negotiator #2:** Chair Chambers announced that there is no need for Labor Negotiations.
- 14. Reconvene from Labor Negotiations:** This item did not occur.
- 15. Action Items Following Closed Session #2:** Chair Chambers summarized that the Board will act on providing a 3.2% increase on the CEO/General Manager compensation for a total base salary of \$344,166, and the continuance of a \$7,800 car allowance which remains unchanged.

Director Stevenson made a motion, seconded by Director Andrews, that the Board approve the contract amendment to the CEO/General Manager's Employment Agreement, effective September 30, 2024, and that the Board approve the revised BAWSCA Publicly Available Pay Schedule to reflect the updated CEO/General Manager's salary range.

Chair Chambers read comments received from Director Doerr, who could not attend the meeting. There were no further comments from members of the Board or the public.

The motion carried unanimously by declaration.

- 16. Closed Session #3:** This item was removed from the agenda.
- 17. Report from Closed Session #3:** This item was not necessary.
- 18. Action Item:**
- A. Board Compensation Increase and Reimbursement Policy on Board member Expenses: Legal Counsel, Allison Schutte presented the item to the board. Discussions ensued following comments from members of the Board that were present, each stating their preference from the four options presented.

Director Stevenson suggested that, instead of having a specified interval of a certain number of years, have the compensation increase be tied to COLA up to the maximum amount of the ordinance, and re-adjudicated once it hits the maximum.

Director Mehlinger made a motion for Option #2, that Board Compensation increase of \$200 per day of service would go in effect in FY 2024-25 with a notice of public hearing for a Board meeting in Spring 2025 and inclusion of the necessary funding in the proposed FY 2025-26 Operating Budget; and Option #3, to require review of Board member compensation on a specified year interval of every 5 years.

The motion was seconded by Director Hardy.

Director Weed made a substitute motion for Option #1, increasing the stipend up to \$200/meeting at the earliest effective day of November 18, 2024, issuing a notice of public hearing for the next available Board meeting and requiring a transfer from the General Reserve to increase the FY 2024-25 Operating Budget, and Option #3, to require review of board member compensation on a specified year interval of every 5 years.

The motion was seconded by Director Hindi.

Director Ragsdale asked a point of clarification, that applies to both motions, regarding the application of COLA to the Board compensation.

The COLA application would be discussed in 5 years.

By roll call vote, the substitute motion superseded the original motion.

Further discussion ensued, but the substitute motion remained at increasing Board compensation at \$200/meeting as soon as practicable with a 5 year interval for review. Additional factors, including COLA, can be discussed when the ordinance is up for review in 5 years.

There were no public comments.

The substitute motion passed by roll call vote. 18 ayes, 2 abstentions, 2 nays. See attached voting log.

Legal Counsel noted that a vote is required to extend the meeting before continuing to the next agenda item as the meeting has exceeded the time allotted (2 hours and a quarter) in accordance with the Rules of the Board.

Director Vella made a motion, seconded by Director Mehlinger, to extend the meeting until 10pm.

The motion carried unanimously by declaration.

19. CEO Reports:

- A. Tier 2 Drought Allocation Plan Update: Ms. Sandkulla reported that negotiations are complete on a new Tier 2 Plan, pending resolution of a potential Minimum Purchase Quantity (MPQ) amendment. BAWSCA and MPQ agencies continue to meet on a one-on-one basis with agencies to review the proposal and answer questions.

BAWSCA plans to prepare a single adoption package for consideration and action by each BAWSCA agency's governing body. The legal team is working on developing the adoption package while negotiations on the MPQ are ongoing.

It is anticipated that MPQ negotiations will not be complete prior to existing Tier 2 Plan expiration on December 31, 2024; therefore, extension of the existing Tier 2

Plan will be agendized for consideration at the October BPC and November Board meetings.

- B. FERC/Bay Delta Plan Update: Ms. Sandkulla provided updates on the Department of Water Resources, US Bureau of Reclamation and participating water agencies' responses to questions raised at the State Board's April 2024 workshops. Ms. Sandkulla provided the current known timelines for Phase 1 and Phase 2.

Director Weed requested that the Board Policy Committee be updated on the status of the Los Vaqueros Expansion project.

20. Additional Time for Public Comments (Time Permitting):

There were no comments made from members of the public.

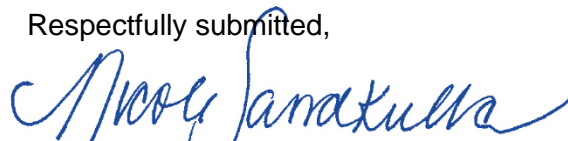
21. Directors' Discussion: Comments, Questions and Agenda Requests:

There were no comments from members of the Board.

22. Date, Time and Location of Next Meeting: The next meeting is scheduled on November 21, 2024 at 6:30pm in the Burlingame Community Center.

23. Adjournment: The meeting adjourned at 9:25pm.

Respectfully submitted,



Nicole Sandkulla
CEO/General Manager

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Attachments: 1) Roll Call & Voting Log
2) Attendance Roster

Roll Call & Voting Log - BAWSCA

Meeting Date: Sept. 19, 2024

Agency	Director	Item #18A Board Compensation							Weighted Voting ⁽²⁾	
		Present/ Absent	Item #4 Consent @ 6:58pm	Item #10 Resolution #2024-02 Roll Call @ 7:40pm	Item #15 Action CEO Evaluation @ 8:20pm	Acceptance of Substitute Motion Roll Call @ 9:15pm	Substitute Motion Roll Call @ 9:19pm	Extend the Meeting to 10pm Roll Call @ 9:20	Weighted "Yes" Votes	Weighted "No" Votes
Hayward	Andrews, Angela	y	y	y	y	y	y	y		
Brisbane	Breault, Randy	y	y	y	y	y	a	y		
Guadalupe	Breault, Randy	y	y	y	y	y	a	y		
Westborough	Chambers, Tom	y	y	y	y	n	n	y		
San Jose	Cohen, David	0	0	0	0	0	0	0		
Menlo Park	Doerr, Maria	0	0	0	0	0	0	0		
CalWater	Duncan, Darin	y	y	y	y	n	y	y		
San Bruno	Hamilton, Tom	0	0	0	0	0	0	0		
Santa Clara	Hardy, Karen	y	y	y	y	n	n	y		
Foster City	Hindi, Sam	y	y	y	y	y	y	y		
Purissima	Jordan, Steve	y	y	y	y	y	y	y		
East Palo Alto	Lopez, Antonio	y	y	y	y	y	y	y		
Daly City	Manalo, Juslyn	y	0	0	y	y	y	y		
Mountain View	Matchak, Lisa	y	y	y	y	n	n	y		
Sunnyvale	Mehlinger, Richard	y	y	y	y	n	y	y		
Coastside	Mickelsen, Chris	y	y	y	y	y	y	y		
Milpitas	Montano, Carmen	y	y	y	y	y	y	y		
North Coast	Piccolotti, Tom	y	y	y	y	y	y	y		
Redwood City	Pierce, Barbara	y	y	y	y	n	n	y		
Hillsborough	Ragsdale, Leslie	y	y	y	y	y	y	y		
Millbrae	Schneider, Ann	y	y	y	y	y	y	y		
Burlingame	Stevenson, Peter	y	y	y	y	y	y	y		
Palo Alto	Stone, Greer	0	0	0	0	0	0	0		
Mid-Peninsula	Vella, Louis	y	y	y	y	y	y	y		
ACWD	Weed, John	y	y	y	y	y	y	y		
Stanford	Zigterman, Tom	y	y	y	y	n	n	y		

Vote Tally

								Weighted Vote Summary	
	Yes (y)	No (n)	Absent (0)	Abstain (a)	Item Carries by Simple Vote?	Item Carries by Weighted Vote?	"Yes"	"No"	
Yes (y)	22	21	21	22	15	15	22		
No (n)	0	0	0	0	7	5	0		
Absent (0)	4	5	5	4	4	4	4		
Abstain (a)	0	0	0	0	0	2	0		
Item Carries by Simple Vote?									
Item Carries by Weighted Vote?									

(1) Under simple voting, item carries if it receives an affirmative vote of a majority of the total membership (15 votes)

(2) Under weighted voting, item carries if it receives the affirmative vote of directors representing both

a) A majority of the members present and voting, and

b) a majority of the number of votes represented by directors present

Bay Area Water Supply and Conservation Agency

Board of Directors Meeting Attendance Roster

Director	Agency	Sept. 19, 2024	July 18, 2024	May 16, 2024	Mar. 21, 2024	Jan. 18, 2024	Nov. 16, 2023
Andrews, Angela	Hayward	✓	✓	✓	✓	✓	✓
Breault, Randy	Guadalupe	✓	✓	✓	✓	✓	✓
Breault, Randy	Brisbane	✓	✓	✓	✓	✓	✓
Chambers, Tom	Westborough	✓	✓	✓	✓	✓	✓
Cohen, David	San Jose					✓	✓
Doerr, Maria	Menlo Park		✓	✓	✓	✓	✓
Duncan, Darin	Cal Water	✓	✓	✓	✓	✓*	✓*
Hamilton, Tom	San Bruno		✓	✓	✓	✓	✓
Hardy, Karen	Santa Clara	✓	✓	✓	✓	✓	✓
Hindi, Sam	Foster City	✓	✓			✓	
Jordan, Steve	Purissima	✓	✓		☎	✓	✓
Lopez, Antonio	East Palo Alto	✓	✓	✓	✓		✓
Manalo, Juslyn	Daly City	✓		☎			
Matichak, Lisa	Mountain View	✓	✓	✓	✓	✓	
Mehlinger, Richard	Sunnyvale	✓		✓		✓*	✓*
Mickelsen, Chris	Coastside	✓	✓	✓	✓		✓
Montano, Carmen	Milpitas	✓	✓	✓			✓
Piccolotti, Tom	North Coast	✓		✓	✓	✓	✓
Pierce, Barbara	Redwood City	✓	✓	✓	✓	✓	✓
Ragsdale, Leslie	Hillsborough	✓	✓	✓	✓	✓	✓
Schneider, Ann	Millbrae	✓	✓	✓	☎	✓	✓
Stone, Greer	Palo Alto			✓	✓		✓
Stevenson, Peter	Burlingame	✓	✓			✓	✓
Vella, Louis	Mid-Peninsula	✓	☎	✓	✓	✓	✓
Weed, John	ACWD	✓	✓	✓	✓	✓	✓
Zigterman, Tom	Stanford	✓	☎	✓	✓		✓

✓ : Present

* : Predecessor

☎ : Teleconference