

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

BOARD POLICY COMMITTEE

June 12, 2024 – 1:30 p.m.

MINUTES

- 1. Call to Order:** Committee Chair, Karen Hardy, called the meeting to order at 1:31pm. She noted that the meeting is a Special Meeting because it is being held at the San Mateo Main Library, 55 W. 3rd Ave., which is a location different from what is noted on the Rules of the Board. While one Committee member is participating via teleconference and the meeting is being livestreamed, it is not a hybrid meeting. All public comments shall be made in-person, or from the teleconferencing location. Accordingly, all committee actions require a roll call vote.

CEO/General Manager, Nicole Sandkulla called the roll. Eight members (8) of the Committee were present at roll call with one member via teleconference in accordance with the traditional Brown Act rules. A list of Committee members who were present (8), absent (1), and other attendees is attached.

The Committee took the following actions and discussed the following topics.

- 2. Comments by Committee Chair:** Committee Chair Hardy welcomed members of the Committee. She thanked BAWSCA and SFPUC staff for putting together the June 4th and 5th Hetch Hetchy tour, in which she encourages Board members and members of the agencies' governing bodies to attend when possible. It is an educational tour of the Regional Water System.

- 3. Consent Calendar:**

Director Pierce made a motion, seconded by Director Schneider, that the Committee approve the Minutes of the April 10, 2024 Board Policy Committee meeting.

The motion passed unanimously by roll call vote.

There were no comments from members of the Committee and from members of the public on the consent calendar.

- 4. Public Comments:** There were no public comments.

- 5. Action Calendar:**

- A. Contracting and Funding to Initiate the Development of BAWSCA's Long-Term Reliable Water Supply Strategy 2050 (Strategy 2050):** BAWSCA Sr. Water Resources Engineer, Negin Ashoori, was pleased to report that the scoping for the development of Strategy 2050 has been completed, and the next steps are to obtain and fund the technical and legal services needed to develop Strategy 2050.

Ms. Ashoori reminded the Committee that the scope of work for Strategy 2050 was developed by first defining its purpose and objectives. The purpose established for Strategy 2050 reflect input received from discussions with the Water Management Representatives and BAWSCA Board.

Six objectives were developed based on responses from a needs assessment survey of the member agencies. The objectives are in addition to BAWSCA's work to oversee the Water Supply Agreement (WSA), and are in alignment with BAWSCA's overall goal of ensuring reliable supply of high quality water at a fair price.

The established purpose and objectives of Strategy 2050 supported the identification of seven key tasks for the scope of work which will serve as the foundation of Strategy 2050. The scope of work for Strategy 2050 includes defined primary tasks and subtasks that were presented to the WMR in March, the BPC in April, and the full Board in May. Each task and subtasks within the scope tie directly back to the purpose and objectives of Strategy 2050. In completing the seven tasks, BAWSCA will hold workshops for WMRs and the Board and stakeholder engagement with outside parties.

The next steps are to initiate the development of Strategy 2050, which requires Board action to authorize the CEO/General Manager to 1) negotiate and execute professional services agreements with the necessary technical and legal support; and, 2) use the Water Management Charge as the source for funding.

To facilitate an efficient transition from the scoping of Strategy 2050 to its development, the contract for technical services that BAWSCA negotiated and executed for the scoping effort left open the potential to use the same consultant for subsequent phases, at BAWSCA's sole discretion.

EKI provided the technical support for scoping Strategy 2050. BAWSCA is recommending continuing with EKI for the development of Strategy 2050 for several factors including:

- the quality of work they performed, which reflected EKI's familiarity with the level of complexity associated with the work involved;
- EKI's demonstrated ability to complete the work within schedule and budget; and,
- the reasonableness of EKI's proposed key business terms for preparing Strategy 2050, which includes schedule, price, and key staff.

The proposed contract amount is \$2,267,000 which would cover the completion of all seven tasks.

The second consultant support needed is legal services with Hanson Bridgett. BAWSCA is recommending a separate contract for legal services specifically associated with the development of Strategy 2050. This would provide flexibility to pay for legal fees throughout the 2+ years of the Strategy development, the ability to track legal fees specifically associated with Strategy 2050, and ensure its direct relationship with the Water Management Charge.

The proposed contract amount for legal services is \$180,000

The proposed funding source for developing Strategy 2050 is the use of the Water Management Charge (WMC), which was a successful funding method used for the 2015 Strategy.

An estimated \$2,447,000 would be collected from member agencies over a period of 18 months, or \$135,944 per month collectively. The charges allocated to each agency would be in proportion to their FY 2000-01 Regional Water Supply purchases, which is consistent with the allocation of BAWSCA's annual assessments as was set by BAWSCA's enabling legislation, AB 2058, and is the same as used for the WMC that funded the 2015 Strategy.

At the direction of the BAWSCA Board, SFPUC would collect the funds via a new line item called "Water Management Charge" in each wholesale customer's water bill beginning September 2024. SFPUC would remit the funds to BAWSCA for its use on behalf of its member agencies. As required by the WSA, BAWSCA would provide an annual fiscal year report to San Francisco stating how much money was received and how the funds were expended.

The use of the WMC offers unique benefits including; having the flexibility to collect revenue & allocate costs specifically for Strategy 2050 as opposed to the assessment process which funds BAWSCA's operating budget; it represents a distinct project budget that is independent of BAWSCA's annual operating budget and offers a revenue stream that is not constrained by a fiscal year; and enables the member agencies to accommodate the costs of Strategy 2050 as part of the costs of water from San Francisco.

The development of Strategy 2050 is anticipated to begin in January 2025. As previously reported to the Board, the six month delay is due to staff time needed to get the Demand Study completed in time for the member agencies' use in developing their Urban Water Management Plans. The six month period would also provide time to accrue sufficient funds from the WMC before starting the work.

Ms. Ashoori noted that the time between July 2024 and January 2025 will allow BAWSCA to develop a more precise schedule for Board participation and input throughout the 2+ years scheduled for Strategy 2050. Receiving input from the Board during the scope development was critical and continuing the same level of engagement with the Board throughout the development of Strategy 2050 is important.

Committee members' comments and questions were taken following Ms. Ashoori's presentation.

In response to Director Zigterman, Ms. Sandkulla clarified that the professional services with EKI will be paid as a not-to-exceed the contract amount. She also explained that the use of FY 2000-01 as the basis of allocation to the member agencies for the water purchases is because it is also the basis of calculation for BAWSCA's annual assessments in which BAWSCA's normal operating budget is collected in that proportion. This allocation for BAWSCA's annual assessments was set by BAWSCA's enabling legislation, AB 2058, which was passed in 2002. The legislation does not allow for the basis of calculation to be changed without a legislative amendment. The recommendation is to charge the cost for Strategy 2050 in the same proportion that BAWSCA would charge any other planning study that is done by BAWSCA through its annual operating budget because there is no distinctive difference between the benefits received if it was done on an annual operational basis.

Director Schneider expressed her support for the Strategy but is sensitive to how much more Millbrae residents can be expected to pay. She asked how long would the WMC last and what would be the percentage of cost to each agency.

Ms. Ashoori stated that the WMC would last for 18 months and that Table 1 of the staff report provides the percentages per agency as well as the cost per month and total agency share. Ms. Ashoori noted that the impact is about \$0.02/ccf.

Director Schneider recognized the value of Strategy 2050 as well as the regional projects in general, and stated that it would help local government and districts if the messaging of the reasons behind them and what their benefits are to the rate payers are provided by the lead entities like BAWSCA.

Director Duncan stated his support for the recommendation and provided a comment similar to Director Schneider's regarding the impacts to rate payers. His preference would have been to have the increase concurrent with the SFPUC's rate increase. Water customers do not like rate changes throughout the course of the year, and having one impact would be better received. Additionally, as a private company, CalWater is required to file with the Public Utilities Commission to pass through rate increases. CalWater will complete this process for SFPUC's rate increases in July, and will have to repeat the process for the additional surcharge in September.

Ms. Sandkulla appreciated the point made and noted the comment for future reference.

Director Pierce noted that it is also helpful for Board members to remember that the member agencies' Water Management Representatives have input in the Strategy 2050 so that all of the tasks that will be undertaken are tasks that will benefit our agencies and water customers. Even if the WMC is an additional charge, it is for a limited time period, it will set the work plan for the next 10-15 years, and it will provide long-term benefits. It is an investment in the future for all of the residents and water customers.

Director Hardy added that the established purpose of Strategy 2050 clearly states the reasons for, and the benefits of, the effort. It indicates what the BAWSCA Board wants to do and why it is an effort the Board wants to support and invest in collectively to ensure water reliability and resilience within the BAWSCA region.

There were no additional comments from members of the Committee. There were no public comments.

Director Pierce made a motion, seconded by Director Zigterman, that the Board Policy Committee recommend the Board authorize the CEO/General Manager to:

- **Negotiate and execute a contract with EKI for the development of Strategy 2050 for a cost not to exceed \$2,267,000;**
- **Execute a new contract with Hanson Bridgett to provide legal services to support of the development of Strategy 2050 with a cost of \$180,000;**
- **Enact the Water Management Charge to fund the development of Strategy 2050 work up to a not-to-exceed amount of \$2,447,000.**

The motion passed unanimously by roll call vote.

6. Reports and Discussions:

CEO/General Manager Performance Evaluation Process: Chair Chambers reported that the evaluation process for the CEO/General Manager will be initiated in July. No changes are being proposed to the process. Following the July 18th Board meeting, Board members will be emailed the evaluation materials that will include the CEO's Summary of Annual Activities report and a link to the evaluation form. Responses are requested by August 7th

A summary of the responses will be reported for discussion during Closed Session at the September Board Meeting. Changes to the evaluation process for FY 2024-25 and changes to the CEO compensation may be considered and acted on during open session.

There will be reminder emails to respond throughout the process to encourage Board participation.

Director Chambers noted the CEO's efforts to serve the Board and enable it to make informed policy decisions so the agency can achieve its goal of ensuring a reliable supply of high quality water at a fair price. He trusts that Board members can complete a google form and submit it electronically so that the CEO can receive a performance evaluation.

New Board members are encouraged to reach out to their predecessors for further information, and are requested to go through and submit the survey with the option of selecting "don't know" or "no comments" as opposed to not responding at all.

There were no comments from members of the Committee, or members of the public.

- B. Board Member Compensation and Expense Reimbursement: Legal Counsel, Allison Schutte presented and facilitated Committee discussions to help the Board's consideration of possible action at its July meeting. The staff report provides copies of previous reports from when the same topic was raised and discussed in 2023. The Board did not move forward with any changes after discussions, but the topic is being discussed again in response to a renewed request.

As a reminder, Ms. Schutte reported that BAWSCA Board member compensation is set by statute at the rate of \$100 per day of service for up to four days of service per month. Both can be increased by ordinance with a limit to no more than 5% for each year following the date of the last adjustment for compensation, and no more than 10 days of service in a calendar month.

As BAWSCA's Board compensation ordinance was adopted on June 17, 2004, becoming effective on September 1, 2004, the maximum allowable increase using a simple percentage increase calculation would be up to \$200 per day of service effective September 1, 2024.

Ms. Schutte presented data from 2023, shown in Table 1 of the staff report, that provides a compensation comparison between BAWSCA, 6 member agency districts, Contra Costa Water Districts, East Bay MUD, Golden Gate Bridge, Highway, and Transportation District, Irvine Ranch Water District, Marine Municipal Water District, Metropolitan Water District of Southern California, SFPUC, and Santa Clara Valley Water District. She pointed out that there are differences based on the number of days per month that is allowed for some agencies, which can increase the total compensation or the total compensation per meeting.

Ms. Schutte reminded the Committee that BAWSCA does have a reimbursement policy which allows Board members to be reimbursed for "actual, necessary, and reasonable expenses incurred in the performance of duties performed at the request of the Board". The policy lists the activities that are approved for reimbursement. To date, reimbursed expenses have been related to direct travel by the Board Chair, or designee, to a specific meeting or conference as a representative of the agency. Changes to the existing reimbursement policy must be adopted by the full Board in a public meeting.

The Committee discussed this issue in April and June of 2023 with no further action at that time. But the request has been renewed for the Board to consider an increase in compensation from \$100/meeting to \$200/meeting.

Increasing the stipend to \$200/month would have a \$21k increase in meeting costs which would need to be funded by a transfer from the General Reserve and an associated increase in the approved operating Budget for FY 2024-25, since the request came after the budget was adopted.

Given the interest in the topic, it was suggested that the Board consider modifying BAWSCA's ordinance related to compensation to require a review every specified number of years.

The desire is to have this item at the July 18th Board meeting for further discussion and possible action.

Ms. Schutte noted that as part of the Supplemental Correspondence packet, the Committee members were given a copy of comments received from a BAWSCA Board member that provides information on benefits in addition to board compensation offered by other agencies in the area.

Director Pierce shared her findings from her research on the Boards of the agencies that were listed in the comments provided by one of the Board member. She found that the scope and responsibilities of the Board members in comparison to BAWSCA's is very different. For the level of work and the expectations from the BAWSCA Board's oversight of the agency, the additional benefits should not be considered in addition to BAWSCA's Board compensation. Most of the work in terms of maintaining and managing agency operations are done by staff so that the level of involvement that the BAWSCA Board members have is at the higher policy level.

Committee Chair Hardy asked each committee member to provide their input on the level of compensation and on a scheduled review of Board compensation. She noted that it would be efficient and helpful for staff to have a schedule for reviewing this issue as opposed to it coming up randomly.

Director Schneider noted that BAWSCA is the only regional body in which she is paid for. She pointed out that there seems to be fewer people running for office because the demand for time to serve the public responsibly can mean time away from family and day job.

At the same time, she agrees with Director Pierce's findings that the BAWSCA Board's scope is different from the scopes of other agencies that provide additional benefits to their board compensation. She recommends reviewing Board compensation every 3-years, and noted that she would want to be cognizant of future public servants who may be coming from a more middle to low income.

Director Duncan understands the awkwardness of the Board voting to raise its compensation; however, he would support matching the compensation with inflation given the rate of \$100 per day of service was established in 2004. He would also support reviewing compensation every 4-5 years.

Director Zigterman noted that while he is not interested in getting compensated more, he sees the sense in recognizing the value of serving on the BAWSCA Board. It is not trivial, and requires hours of work to do the homework before coming to the meetings. The adjustment is warranted, and he would prefer to do it now than later. Most importantly, he wouldn't want a qualified individual to not serve in a Board role because it is another task on their plate that does not put food on the table. For that reason alone, he would support a compensation increase of \$175 - \$200, and would support a compensation review every 3-years. He suggested that perhaps there can be a mechanism that would allow for others to decline the stipend so that it can go back in the coffers and be available to those who need it.

Director Chambers noted that his appointing agency, Westborough Water District, has been paying its Board members \$100 per day of service for a long time, and he believes it is a fair compensation. He would not want BAWSCA to pay him more than what his

home agency is paying him for as its Board member. Additionally, he would not support additional benefits, such as healthcare, added to the compensation for this Board. That should be received through the individual's employment. He recommends keeping compensation at \$100 per day of service. He would support a periodic review every 4 years since many of the cities and districts' election terms are every 4 years.

Director Pierce could personally stay at \$100, but would support \$200 if that can serve as a benefit to other Board members and to help compensate costs incurred for serving. A review every 3-4 years is appropriate to avoid becoming out of date. She noted that the stipend was not meant to be compensation for hours put in. It was established to encourage the agencies to appoint people. She appreciates the topic being discussed and hopes that the issue can be resolved.

Director Ragsdale stated that should the Board decide to increase Board compensation at its meeting in July, she would recommend the increase to take effect in FY 2025-26 since the operating budget for FY 2024-25 has already been adopted. She supports the idea of discussing this topic on a scheduled basis no matter what the decision is moving forward, and a 4year cycle makes sense. She supports reimbursements for costs incurred to serve on the Board, particularly for those who travel long distances and for those who require care for family members while serving.

Director Schneider added to Director Ragsdale's comments about caregiving, which could be very expensive.

Director Vella noted that while many BAWSCA Board members would serve for \$0 dollars, it is worth considering that 20 years have passed and the token of appreciation that was established then no longer have the same value today. Additionally, if a Board Member was to charge for mileage or other expenses incurred for serving on the Board, the administrative costs for staff time to calculate and administer that process could potentially add up to being more than the \$200 compensation. He concurs with the comments made by committee members. He is interested in the outcome that is reached by the full Board.

Committee Chair Hardy commented that she values her time but recognizes the privilege to serve. Having to come from Santa Clara, she appreciates Director Vella's comments that increasing compensation would be more cost effective than having to calculate multiple and specific reimbursement requests.

She thanked committee members for their input, and staff for the time put into the issue raised.

There were no further comments from committee members and the public.

- C. Update on Negotiation of a New Tier 2 Drought Allocation Plan: Sr. Water Resource Specialist, Danielle McPherson, was pleased to report that the member agency lead negotiators reached an agreement on all of the elements of the new Tier 2 Drought Allocation Plan.

Part of reaching an agreement involved expanding the deal for the new Tier 2 Plan to include a WSA amendment to address minimum purchase challenges. Because the details of the WSA amendment on minimum purchases are still under negotiation and development, Ms. McPherson noted that her presentation will focus on the Tier 2 Plan negotiations.

BAWSCA continues to be confident that the new Tier 2 Plan will be adopted by the governing bodies of all agencies. However, given the additional minimum purchase element, the schedule may be impacted, and there is a likely potential that the Board will need to act in November to extend the existing Plan until the new Tier 2 Plan is unanimously adopted.

Currently, BAWSCA is meeting individually with member agencies' lead negotiators, executive staff, and advisory committees formed by some agencies to discuss key points of the new Tier 2 Plan and why the existing plan needed an update.

Ms. McPherson presented background information on the existing Plan, lessons learned from implementation in 2021, the process for updating the Plan, and how the updated Plan achieves the intended objectives and policy principles.

She walked through the major elements of the existing Plan, what conditions changed since it was adopted, how it resulted in unintended outcomes, and what the lead negotiators intended to achieve with an updated Plan.

The existing Plan:

- allocates water primarily based on a 1/3 weight on individual supply guarantee (ISG), and 2/3 weight on San Francisco purchases;
- has minimum and maximum cutbacks to limit the range of potential cutbacks;
- includes an adjustment for East Palo Alto (EPA); and,
- has special rules for San Jose and Santa Clara.

While the existing Plan allocates all the water based on the 1/3 ISG and 2/3 SFPUC purchases, it requires supplies to be shifted around between the agencies to meet the other objectives; and therefore, becoming very confusing to follow how an agency is allocated water through the process.

Changed Conditions, Unintended Outcomes, *Desired Update*:

- Since the Plan was adopted in 2011, the agencies are, on average, purchasing less of their ISG, resulting in a weaker correlation between actual purchases in the pre-drought years and ISG. The result is final cutbacks that are not intuitive.

Generally, an agency with very high per capita water use would be expected to have more discretionary water use, more opportunities to conserve, and might have a higher cutback. But because of the heavy weight of ISG in the existing Plan, that is not what actually happens.

The lead negotiators wanted an updated Plan that was straightforward, doesn't require shuffling of supplies, and provides results that are more intuitive.

- When the existing Plan was adopted, EPA had the lowest per capita water use, and because of the heavy weight of ISG in the Plan along with EPA's ISG value at the time, EPA would have had a very high cutback. To address this, the agencies agreed to limit EPA's cutback by creating a banking system or a "bucket" of water that would be allocated to EPA.

Since the Plan was adopted in 2011, however, EPA has received and purchased ISG and no longer needs the full "bucket" to achieve the limited cutback. This resulted in unallocated water.

The agencies wanted a plan that allocates 100% of the available Tier 1 regional water system (RWS) supply.

- In 2021, the Board extended the existing Plan with an amendment that ensured a 100% allocation.

But this resulted in some agencies' final cutbacks to be below the agreed upon minimum cutback.

The agencies wanted to ensure that those limits are met in the new Tier 2 Plan.

- Since 2010-11 there are many more agencies that developed similar water use profiles as EPA's very low per capita water use. The agencies have considered whether it would be appropriate to have similar protections for similarly situated agencies.

The group decided to have an updated Tier 2 Plan that ensures sufficient supply for all wholesale customers, as opposed to carving out exceptions for one wholesale customer.

- Since 2011, the terms of the water sales contract between San Francisco, San Jose and Santa Clara have changed.

The group considered whether the special rules were still appropriate. While it did not specify an intended outcome or objective, the group indicated its intention for its consideration during the negotiation process.

In January 2022, the 26 member agencies appointed a lead negotiator to represent the interests of their agency in the negotiations of a new Tier 2 Plan. This allowed the active engagement of all agencies throughout the entire process.

The group started with research of the existing shortage allocation plans to understand how other agencies allocate water during drought, and to be able to expand on what a Tier 2 Plan can look like beyond the existing one.

The group then developed policy principles to collectively define the intended objectives of the new Plan before they started dividing the supply.

It has been an iterative process for the agencies over the past 2 and a half years. The agencies would look at different steps that could implement the policy principles, select some, toss others, refine, analyze, and go back to the beginning to reconsider steps, look at new ones, refine, and do the cycle all over again until the final Plan was reached.

The member agencies are all very unique and the 2+ years process was necessary because of the education that agencies had to have about each other and the trust-building that needed to be established in the room.

As previously reported to the BPC and Board, the Policy Principles are:

1. Provide sufficient water for the basic health and safety needs of customers.
2. Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
3. Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
4. Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

The new Tier 2 Plan achieves the Policy Principles and intended objectives developed by the lead negotiators on behalf of the 26 agencies.

New Tier 2 Plan Elements	Outcomes
<ul style="list-style-type: none"> Maintains the minimum and maximum cutbacks; 	<ul style="list-style-type: none"> Ensures all agencies contribute to overall Wholesale reduction Limits adverse impacts by capping potential cutbacks
<ul style="list-style-type: none"> Includes needs-based allocations at the very beginning of the process that allocates water based on demonstrated demand in the pre-drought years; and, 	<ul style="list-style-type: none"> Provide RWS supply for base indoor use Have intuitive results
<ul style="list-style-type: none"> Allocates the final remaining water based on the 1/3 ISG, 2/3 SFPUC purchases. 	<ul style="list-style-type: none"> Provide measures of predictability

Additionally, the Plan allocates water in an additive step-wise process, which means an allocation is provided in step one, and another allocation is provided in step-two that is added to step-one, and so on through the process; therefore providing an easier way to follow how water is allocated among the agencies. The new Plan also ensures all RWS supply is allocated.

The next steps are for BAWSCA, its technical consultants, and the legal team to develop adoption packet materials for the lead negotiators to review over the coming months. The terms of minimum purchase amendment are undergoing further evaluation.

The typical adoption process by all 26 agencies' governing bodies is about 6 months. But as previously stated, the matter of the minimum purchase amendment may impact the schedule, and there is a potential for the Board to extend the existing Tier 2 Plan in November until the new Tier 2 Plan is adopted by all member agencies.

Comments and questions from Committee members were taken following Ms. McPherson's report.

Committee Chair Hardy and members of the Committee expressed their appreciation for Ms. McPherson's heavy lift and a job well done. The visuals in the staff report and presentation effectively communicated the complexity of the negotiation process with 26 member agencies. They were succinct and clear in showing what needed to be addressed and what was resolved.

In response to Director Schneider, Ms. Sandkulla explained that administratively, BAWSCA staff and the legal team have begun writing the documents that will form a packet of staff reports, presentations and resolution templates. The packet will be provided to agencies in mid-August/September for its governing body adoption process. The BAWSCA staff and legal team will support agencies as needed, including being present at the meeting in which the item is agendaized.

Director Pierce noted that from previous processes, materials are developed by staff and goes through the WMRs and lead negotiators who then have conversations with the agency's executive team. The role that the BAWSCA Board has is to ensure that the item gets on the council agenda and to support it. It is typically not a big discussion item for the governing bodies.

Director Zigterman asked about the status of the minimum purchase amendment and how the Board can assist.

Ms. Sandkulla reported that it will be further discussed by the WMRs in July. Because it is a new issue, the WMR's agreed to engage with their agency management for due diligence. BAWSCA staff and legal team are available to meet with agencies, if needed. Ms. Sandkulla noted that the WMRs indicated their commitment to a solution.

The Board's comfort with the issue is critical, therefore Board members are encouraged to reach out to BAWSCA with their concerns and questions in order to reach that comfort level. Ms. Sandkulla added that it would be helpful if Board members can be the champion for the item as it makes its way through their councils and boards since agency governing bodies typically look to BAWSCA directors for their knowledge and judgement.

At this time, it is anticipated that the new Tier 2 Plan will not come back to the BPC or the Board. More details are expected in July/August and will be shared with the Board. The item will be packaged with the new Tier 2 Plan documents for agency governing body action.

There were no further comments from members of the Committee or from the public.

7. CEO Reports:

- A. Bay-Delta Plan and FERC Update: Ms. Sandkulla noted that while there are no recent developments from the last report provided in May, it does not diminish the importance of the effort. There are a lot of work being done by the State Board staff and other parties.

Ms. Sandkulla went over the schedules as a reminder. For Phase 2, which is the Sacramento/Delta Phase of the Plan, three workshops were held to inform development of the draft program of implementation language. State Board staff are evaluating the information received from the workshops. They anticipate releasing a draft in the Fall.

For the Phase 1 Update, which is the implementation of the adopted action by the State Board on the Bay Delta Plan, there are overall schedule delays in the efforts to develop proposed agreements for Lower San Joaquin River/South Delta including the Tuolumne.

The State Board staff is preparing the draft Environmental Impact Report (EIR) to implement the updates adopted in 2018. An early draft is anticipated in early 2025.

The State Board is considering a proposed agreement for the Tuolumne River in which they currently have ongoing environmental and technical review.

BAWSCA is actively engaged in regular discussions with SFPUC to monitor activities through the schedule.

There were no comments and questions from members of the committee or members of the public

- B. CEO Recruitment Ad Hoc Committee Report: Board Chair Chambers reported that an Ad Hoc Committee was formed to lead the recruitment process for the new CEO/General Manager. The Committee released Request for Proposals that generated several responses from which three candidate firms will be interviewed. The Committee will work with the selected firm to develop the recruitment materials. The schedule anticipates the release of recruitment announcement in early July, a recommendation of a candidate to the full Board at its September Board meeting, and the transition to the

selected CEO/General Manager in November. This schedule would allow for an overlapping “hand-off” with Ms. Sandkulla.

Serving on the Ad Hoc Committee with Board Chair Chambers are Directors Pierce, Breault, Vella, and Ragsdale. They were selected to represent majority of the Board Policy Committee. Directors Breault and Pierce were selected for the amount of time they have served as Directors during Nicole’s time as the CEO/General Manager, and particularly for Director Breault who was part of the Committee that recommended Ms. Sandkulla as CEO/General Manager in 2013.

- 8. Closed Session:** Legal Counsel, Allison Schutte, reported that there were no further updates for the Committee. Unless members of the Committee have questions for discussions in Closed Session, Closed Session can be moved to the July Board meeting.

There were no comments from members of the Committee or from the public.

- 9. Report from Closed Session:** Legal Counsel, Allison Schutte, reported that at 2:56pm the Committee did not go into Closed Session and returned to open session to conduct the general agenda.

- 10. Comments by Committee Members:** Director Ragsdale supported Chair Hardy’s comments on the value of attending the Hetch Hetchy tour and encouraged members of the Board who have not yet attended to get on the waiting list to participate in the tour. It provides valuable information and is worth the time.

Director Schneider reported that the City of Millbrae will be moving over to a new City Attorney as of September 2024.

Director Hardy stated that the October Hetch Hetchy tour is on the 15th and 16th.

Ms. Sandkulla added that BAWSCA Board members are priority and are encouraged to get on the list of interested participants.

- 11. Adjournment:** The meeting was adjourned at 3 o’clock m. The next meeting is August 14th in the regularly scheduled location of Burlingame Community Center, Sequoia Room.

Respectfully submitted,


Nicole Sandkulla, CEO/General Manager

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Attachments: 1) Attendance Roster

Bay Area Water Supply and Conservation Agency

Board Policy Committee Meeting Attendance Roster

Agency	Director	Jun. 12, 2024	Apr. 10 2024	Feb. 14, 2024	Dec. 13, 2023	Oct. 11, 2023	Aug. 11, 2023
Santa Clara	Hardy, Karen (C)	✓	✓	✓	✓	✓	MEETING CANCELLED
Hillsborough	Ragsdale, Leslie (VC)	✓	✓	✓	n/a	n/a	
Westborough	Chambers, Tom	✓	✓	✓	✓	✓	
Menlo Park	Doerr, Maria		✓	✓	✓	✓	
CalWater	Duncan, Darin	✓	✓	✓	n/a	n/a	
Redwood City	Pierce, Barbara	✓	☎	✓	☎	✓	
Millbrae	Schneider, Ann	✓	✓	✓	✓	✓	
MPWD	Vella, Lou	☎	✓	☎	✓	✓	
Stanford	Zigterman, Tom	✓	✓	✓	✓	✓	

✓ : present

☎ : Teleconference

June 12, 2024 Meeting Attendance (*In-Person*)

BAWSCA Staff:

Nicole Sandkulla	CEO/General Manager	Allison Schutte	Legal Counsel, Hanson Bridgett
Tom Francis	Water Resources Manager		
Christina Tang	Finance Manager		
Danielle McPherson	Sr. Water Resources Specialist		
Negin Ashoori	Sr. Water Resources Engineer		
Lourdes Enriquez	Asst. to the CEO/General Manager		
Deborah Grimes	Office Manager		

Public Attendees:

Alison Kastama SFPUC