

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES  
THURSDAY, AUGUST 7, 2008  
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE  
REGULAR MEETING**

1:30 p.m. Mayor's Conference Room

**ROLL CALL**

Present (4) Chairman Dowd, Board Members Holt, Lindsay and Swinth

Absent (3) Vice Chairman Lowe, Board Member Downey and Galvin

**STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE**

**STUDY SESSION**

**3.1 UTILITY BILLING CUSTOMER INFORMATION SYSTEM (CIS) PROJECT**

Patty Kutches, Revenue Operations Supervisor introduced the members of the Project Team. Laura Tredinnick, Information Technology Section Manager continued the presentation and explained why a new system is needed, and components of the application that would be included in the software. David Heath, Finance Director reviewed the objectives, benefits of implementing a new system and expectations some of which include improved customer service; ease of use for staff; access to data; and user level automation like voice activated system for bill paying. Jeff Ott, Westin Engineering presented a project overview including the Request for Proposals process and criteria used to review the proposals. Ms. Kutches discussed the vendor demonstrations; site visits and reference checks and final vendor selection. Mr. Ott discussed the proposed implementation plan and cost estimate. Ms. Kutches closed with a discussion of the improvements the new program would bring to both internal and external customers.

**3.2 PROPOSED FIFTH AMENDMENT TO THE SUBREGIONAL AGREEMENT FOR OPERATION OF THE LAGUNA TREATMENT PLANT AND WATER RECLAMATION SYSTEM**

Dan Carlson, Deputy Director Utility Operations reviewed the history of the original agreement, subsequent amendments and then presented the proposed changes for Amendment No.5. The proposed changes

include increasing capacity from 21.34 to 25.86 mgd; revising cost allocation methodology for future reuse projects; adding cost allocation methodology for wet weather driven projects; and allocating cost and capacity for the Geysers Expansion Project. Dr. Dave Smith continued the presentation and explained in detail, each of the key recitals and provisions of Amendment No.5 and their impacts to the Subregional operations. The Amendment has been sent to the User agencies for approval and once each of the partners has approved it, it will be brought back to the Board for a recommendation to Council.

Adjourn study session and reconvene to open session in City Council Chamber at approximately 3:10 p.m.

**MINUTES APPROVAL**

Board Member Swinth moved approval of the minutes of July 17, 2008. The motion was seconded by Board Member Holt and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN (0)

**STAFF BRIEFINGS**

**5.1 OVERVIEW OF THE SUPPORT SERVICES DIVISION**

Jann Trumbly, Administrative Support Supervisor began the staff presentation with a review of general support services duties; projects that have been worked on and the organizational structure of the division. Arline Freebury, Administrative Secretary introduced each member of the Subregional support services team and the duties they perform. Joyce Babcock, Administrative Secretary introduced each member of the local support services team and the duties they perform. Gina Perez, Administrative Secretary introduced the remaining members of the local support services team; their duties; the future challenges; and the Mission Statement of the division.

**CONSENT ITEMS**

**6.1 BID AWARD – SODIUM HYPOCHLORITE SUPPLY**

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**MOTION:**

Board Member Lindsay moved a motion to award a two-year term contract with three (3) one-year renewal options for the supply of sodium hypochlorite to Olin Corporation, dba Olin Chlor Alkali, Walnut Creek, California, for the total amount of \$474,444. The motion was seconded by Board Member Swinth and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN (0)

**6.2 PROPOSAL AWARD – CUSTOMER INFORMATION SYSTEM (CIS) SOFTWARE AND SERVICES**

Chairman Dowd removed this item from the consent calendar. He thanked staff for the amount of work that has been performed to get to this award. Board Member Lindsay requested that staff come back to the Board with periodic updates as the implementation progresses.

**MOTION:**

Board Member Lindsay moved a motion to authorize the award of a proposal and issuance of a contract for customer information system software and maintenance services to N. Harris Computer Corporation, in the total amount of \$1,268,510. The motion was seconded by Board Member Holt and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN (0)

**6.3 ACCEPTANCE OF A GRANT FROM THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT TO BUILD PHASE II OF THE AQUATIC BIOMASS TO FUEL PROJECT**

**MOTION:**

Board Member Lindsay moved to approve Resolution No. 932 entitled "Resolution of the Board of Public Utilities Accepting a Grant from the Bay Area Air Quality Management District (BAAQMD) to Build Phase II of the Aquatic Biomass to Fuel Project." The motion was seconded by Board Member Swinth and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN

(0)

**REPORT ITEMS**

**7.1 PROFESSIONAL SERVICES AGREEMENT FOR PRE-DESIGN SERVICES FOR THREE PHASES OF THE POWER MASTER PLAN FOR THE LAGUNA WASTEWATER TREATMENT PLANT**

Mr. Carlson gave the staff presentation and explained that the City had contracted with Brown and Caldwell in 2005 for the preparation of the Power Master Plan for the Plant to address the need to increase output and efficiency for near and long term power needs. Staff has determined that three phases of the Master Plan are the highest priority and are targeted for pre-design. Those projects include building a new cogeneration building and relocating existing engine generators to the new building; modifying existing cogeneration building to accommodate three new 2-MW diesel standby power engines; and modifying the gas blending system to allow stable operation of one cogeneration engine. A request for proposals to provide those design services was issued on April 4, 2008. Proposals were reviewed with staff and Board Member Swinth and the panel concluded that Winzler & Kelly Consulting Engineers' proposal best meet the Department's needs. Mr. Carlson spoke about a question that was brought to his attention about Dr. Smith being included in the Winzler & Kelly contract budget. He explained that it was an oversight and that the 14 hours that were budgeted for him in the amount of \$2,205.00 would be removed from the Winzler & Kelly contract and would be paid out of Dr. Smith's City contract instead. Dr. Smith's role in the Winzler & Kelly contract was to provide assistance in the evaluation of the pasteurization alternative.

Board Member Swinth reported that she was impressed by the thoroughness of the process and supported the selection of Winzler & Kelly based on the excellent team and proven track record on other City projects.

**MOTION:**

Board Member Swinth moved a motion to award a Professional Services Agreement

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(PSA), in the amount of \$401,499.00, the source of funds to be from Account No.8506, to Winzler & Kelly Consulting Engineers of Santa Rosa, CA for the Pre-Design of Three Phases of the Power Master Plan for the Laguna Wastewater Treatment Plant. The motion was seconded by Board Member Holt and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN (0)

**7.2 SUBREGIONAL RECLAMATION SYSTEM ENERGY EFFICIENCY IMPROVEMENTS**

Mr. Carlson explained that staff entered into an agreement with Quantum Energy Services and Technologies Incorporated (Quest) to evaluate energy efficiency improvements that could be made in the Subregional System. Three projects in the Reclamation System qualified for incentives. He further explained that Lescure Engineering was retained to refine the design of the projects; evaluate the potential for California Energy Commission (CEC) loans; and prepare contract documents. The projects involve improvements at three reclamation pump stations: Meadow Lane Pond, Poncia/Rohnert Park, and one on-farm pump station. The total costs for the improvements are estimated at \$812,000. It is estimated that these three projects will pay for themselves in approximately seven years, well below the ten year mark that CEC requires.

Mr. Carlson introduced John Rosenblum from Lescure Engineering to answer a question regarding the assumptions made in estimating the payback periods.

**MOTION:**

Board Member Lindsay moved to approve Resolution No. 933 entitled "Resolution of the Board of Public Utilities of the City of Santa Rosa Authorizing Application for a Low Interest Loan from the California Energy Commission for Energy Efficiency Improvements in the Santa Rosa Subregional Water Reclamation System. The motion was seconded by Board Member Swinth and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin

ABSTAIN (0)

**7.3 BIOSOLIDS DEWATERING FACILITY UPGRADE – INCREASE OF CONSTRUCTION CONTINGENCY**

Mr. Carlson gave a brief explanation about the purpose of the project which included conveyor replacement with pumps and the fabrication and installation of a storage hopper and the process that was completed to procure the equipment and to assign it to a construction contractor. The storage hopper was originally scheduled for delivery in June 2005 but has been delayed for over three years. Delay issues include a steep escalation in material prices accompanied by a shortage of materials; consolidation and acquisition in the equipment and manufacturing industry; inability to complete the prefabrication submittal process and staffing changes at the City. He showed pictures of the current status of the project and identified the site for the storage hopper. The installation of the pumps was completed in 2006 and the hopper fabrication is now complete and installation is pending. The delays have significantly impacted the construction contractor because construction labor and material costs have escalated and the work was bid to be constructed simultaneously but has now been separated therefore causing the need for additional project management and engineering services. He stated that the total additional costs to complete the project are estimated at \$800,000. He discussed alternatives to increasing the construction contingency to cover the costs of a change order in the construction contract but noted that none of the options were desirable because the hopper is still needed and rebidding could bring higher costs. Staff reviewed the alternatives and the recommended approach with the Contract Review Subcommittee. While the subcommittee supported the staff recommendation, they asked that a comprehensive presentation including an evaluation of options be given to the full Board for consideration. Board Member Lindsay stated that millions of ratepayer's money is spent usually without issues but there will be times when projects don't go right. With that said, he supported moving forward with the

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project. Board Member Swinth concurred with Board Member Lindsay's comments and commended staff for moving the project forward because the need still exists.

Suzanne Rawlings, Assistance City Attorney commented that the process had been thoroughly reviewed with legal counsel who concur in the staff recommendation.

**MOTION:**

Board Member Swinth moved a motion to approve an increase in the construction contingency account for the Biosolids Dewatering Facility Upgrade from 10% to 33% in order to cover the delay costs associated with the procurement of the biosolids hopper. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (4) NO (0) ABSENT (3) Lowe, Downey, Galvin ABSTAIN (0)

**7.4 WATER SUPPLY UPDATE**

Glen Wright, Deputy Director Water Resources reported that Lake Sonoma is 88.1% full and Lake Mendocino is 66.1% full and Farmer's Lane wells are producing 3.2 mgd which is about 10% of the overall usage. He then presented a chart showing that water use continues to be lower this year than when compared to the same period last year. For the month of June, total water use was 3.45% less than June of last year. When looking at June's water use on a gallon/connection basis, water use for all customers per connection was 4.08% less than June of last year. Mr. Wright further reported that over 500 audits had been completed this calendar year by water conservation staff and they are booked into September. Also 6 ½ acres of grass had been removed through the Green Exchange Program.

**8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE**

**9. REFERRALS**

**10. WRITTEN COMMUNICATION (And Possible Board Action)**

10.1 July 18, 2008 Letter from BPU to

Governor Arnold Schwarzenegger, Hon. Don Perata, Hon. Karen Bass, Hon. Dave Cogdill, and Hon. Michael Villines re: State and Regional Water Boards Restructuring Proposal; included in packet.

10.2 July 21, 2008 Memorandum from Miles Ferris, Director of Utilities re: Voluntary Implementation of Water Conservation and Water Supply; included in packet.

**11. SUBCOMMITTEE REPORTS - NONE**

**12. BOARD MEMBER REPORTS - NONE**

**13. DIRECTORS REPORT**

Mr. Ferris reported that two major water main breaks had occurred and that they were both future Capital Improvement Projects. Last weekend there were three hydrant knockdowns which was unusually high for a non holiday weekend. The meter shop staff had installed 31 new meters last week which was up from the 1-2 per day that had been occurring.

**14. ANNOUNCEMENT OF CLOSED SESSION ITEM(S) AND ADJOURNMENT TO CLOSED SESSION(S) (MAYOR'S CONFERENCE ROOM – ROOM 10)**

At 4:52 p.m., Ms. Rawlings announced the closed session item.

**14.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

(Subdivision (a) of Government Code Section 54956.9)  
Name of Case: City of Santa Rosa v. Regional Water Quality Control Board, Sonoma County Superior Court Case No. SCV-241194

**15. RECONVENE TO OPEN SESSION**

At 5:12 p.m., Chairman Dowd announced there had been an information briefing by legal counsel on the City of Santa Rosa v. Regional Water Quality Control Board case and no action was taken.

**16. ADJOURNMENT OF MEETING**

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At 5:13 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, August 21, 2008 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

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Richard Dowd

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Gina Perez