

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, APRIL 3, 2008
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

3:05 p.m. Mayor's Conference Room

ROLL CALL

Present (5) Chairman Dowd, Board Members Downey (arrived at 5:05 p.m.), Holt, Lindsay and Swinth

Absent (2) Vice Chairman Lowe and Board Member Galvin

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - None

STUDY SESSION

3.1 CAPITAL IMPROVEMENT PROJECT (CIP) UPDATE

Colleen Ferguson, Interim Deputy Director Engineering introduced Mike Prinz, Supervising Engineer for the CIP Team, and David Guhin, Supervising Engineer for the Planning and Technology Team. Mr. Prinz briefly reviewed the city wide system improvements that have been made over the last 5 years. A variety of photos were shown of some of the more unique projects that have been completed. He then identified the projects scheduled to bid in 2008 and reviewed some of the biggest challenges for the team including matching staff levels to budget and increasing efficiency and output. Mr. Guhin provided examples of the various data sources and criteria used to identify the priority of projects. A list of the total projects that need to be done is produced and developed into a 5 year plan based on priorities and budget. The prioritized project list allows the CIP team to focus on efficiently completing the most important projects. This is made possible due to investment in the overall asset management of the system.

3.2 UTILITIES 2008/09 OPERATIONS AND MAINTENANCE AND CAPITAL IMPROVEMENT PROGRAM BUDGET REVIEW

Linda Reed, Administrative Services Officer, gave the staff presentation and reviewed the accomplishments of the Subregional system for 2007. Mrs. Reed then reviewed the Subregional Water Reuse System Operating

budget which includes total expenditures; personnel requests; services and supplies; information technology expenses; operating projects and capital item requests. She noted that the City Overhead expense was going up 3.24% across the board but that there is an expectation that a Request for Proposals for a new overhead allocation study be done in 2008. She further reviewed the costs that are shared across the department for Administration, Safety and Training, Technology, Project Development, Engineering and Asset Management. The costs that are covered in other departments by Utilities include an Environmental Crimes Officer, Finance staff, City Attorney staff and the Central Warehouse. Utilities will also pay a portion of the City's Financial/Payroll/Human Resources system replacement.

Mrs. Reed then reviewed the Capital Improvement Program (CIP) budget for Subregional which includes the cash funded CIP; proposed bond funded projects; revenues; and the partner operating and debt contributions. Mrs. Reed then reviewed the Operating and Capital Improvement Program budget for Water and Local Wastewater. She presented the achievements of the local divisions and the benchmarking indicators being used to measure areas of success and areas that need attention. The rate model for water and wastewater was reviewed as well as the overall expenditure summary. A total of 5 new personnel and 2 capital items are being requested but no new operations projects are being added. The budget recommendation includes a reduced cash funded water and wastewater CIP because demand fee revenue is down according to projections.

Mrs. Reed reported that there is a need for continued infrastructure replacement based on the Sewer Pipe Aging Analysis and the 2 % replacement goal for sewer set by the Board. Based on this and other criteria, staff is recommending two additional engineering teams on a 5 year limited term basis to keep up with the anticipated workload. Board Member Lindsay spoke of behalf of the Budget Review Subcommittee and reported that the committee supported the staff recommendations.

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Adjourn study session and reconvene to open session in City Council Chamber at approximately 4:50 pm.

PUBLIC APPEARANCES - None

MINUTES APPROVAL

Board Member Lindsay moved approval of the minutes of March 20, 2008. The motion was seconded by Board Member Swinth and carried unanimously. AYES (4) NO (0) ABSENT (2) Lowe and Galvin ABSTAIN (0)

STAFF BRIEFINGS

6.1 ENVIRONMENTAL COMPLIANCE OVERVIEW

Martin St George presented the staff briefing and gave an overview of the compliance program. Staff includes 6 Environmental Compliance Inspectors which oversee industrial users; 1200 Commercial permits; plan checking; sampling and meter reads; investigations; and Fats, Oil and Grease Control program. Mr. St George reviewed some of the types of environmental crimes that have been investigated and some of the programs that are in place to assist with pollution prevention.

At 5:05 p.m., Board Member Downey arrived at the dais for the remainder of the meeting.

CONSENT ITEMS

Board Member Lindsay reported that the Contract Review Subcommittee reviewed both of these items during their recent meeting and concurs with the staff recommendations.

7.1 AMENDMENT NO.1 TO EXISTING MASTER AGREEMENT FOR PROFESSIONAL SERVICES WITH ECON, INC. FOR ENGINEERING SERVICES FOR UTILITIES CIP TEAM PROJECTS

MOTION:

Board Member Downey moved a motion to approve Amendment No.1 to the existing Master Professional Services (MPSA) with

ECON, Inc. to increase the maximum compensation limit by \$1,100,000, for a total of \$1,600,000 for Engineering Services for Utilities Capital Improvement Program (CIP) projects. The motion was seconded by Board Member Holt and carried unanimously. AYES (5) NO (0) ABSENT (2) Lowe and Galvin ABSTAIN (0)

7.2 BID AWARD – A PLACE TO PLAY IRRIGATION PUMP STATION PACKAGE

MOTION:

Board Member Downey moved a motion to award a bid to Watertronics, Inc., Hartland, Wisconsin, the lowest responsive and responsible bidder for the manufacture, warranty, service, start up and testing of an irrigation pump station package, in the total amount of \$154,496.80, and authorize the Purchasing Agent to issue a purchase order for same. The motion was seconded by Board Member Holt and carried unanimously. AYES (5) NO (0) ABSENT (2) Lowe and Galvin ABSTAIN (0)

REPORT ITEMS

8.1 WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources reported that since there hasn't been any substantial rain, the reservoirs have begun to go down. The Sonoma County Water Agency is preparing to put the rubber dam in place next week.

PUBLIC HEARING

9.1 PUBLIC HEARING – INCREMENTAL RECYCLED WATER PROGRAM DISCHARGE COMPLIANCE PROJECT DRAFT EIR

Mr. Wright explained that the hearing was an opportunity for the public to comment orally on the adequacy of the Discharge Compliance Project Draft EIR. Written comments will be accepted until May 6, 2008. All comments both oral and written will be addressed in the Final EIR. The EIR is not a decision about which alternatives to implement therefore comments expressing opinions about said

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alternatives will not be addressed in the Final EIR. After the Final EIR is completed, a public process will be undertaken in which a decision about project selection will be made and comments about said projects will be heard at that time. Pat Collins, Winzler & Kelly Consulting Engineering reviewed the CEQA process and Draft EIR availability and notification process to the public. Project alternatives include continued recycled water discharge to the Laguna de Santa Rosa and relocation of recycled water to one of three sites on the Russian River. A No Project alternative is also an option. She reviewed a map of the various alternatives that have been included in the EIR. Ms. Collins then briefly reviewed the Draft EIR organization, including the Project Descriptions; Mitigation and Monitoring program; Impacts; Geysers Summary; Storage Summary; Combinations of Alternatives; and CEQA-Required Sections. She further explained the effects of the Geysers Expansion Project on the Discharge Compliance Project and indicated that a reduced volume of discharge enhances likelihood of complying with standards in the Laguna. A review of the key water quality impacts based on existing standards was provided as well as the mitigation to meet existing standards for temperature, dissolved oxygen and nutrients. The Draft EIR identified the environmentally superior alternative as the Laguna Discharge Alternative with an in-stream diffuser and a Watershed Offset Program for nutrients.

Chairman Dowd reviewed the hearing ground rules and explained that no responses and no decision would be made during today's meeting. Chairman Dowd opened the public hearing at 5:38 p.m.

Peggy Maddock, Clean Water Coalition spoke about her concern with discharge at the three proposed sites in the Russian River and well contamination as it relates to children's health and development.

Laurie Ross, spoke about concern with discharge at Steelhead Beach due to the close proximity to the park and discharge to the river in general.

Fred Corson, Clean Water Coalition – Northern Sonoma County expressed concern that EIR documents are inadequate to support any discharge because of organic materials not checked for; spoke against Alexander Valley Rd. bridge discharge site and requested more substantial data on impacts to human health and/or endangered fish.

Dan Rose, M.D. spoke about discharge site D4 because it can't be mitigated due to the proximity to wells. He also spoke about non regulated contaminants and the unknown public health effects and requested better waste water treatment.

Brenda Adelman, Russian River Watershed Protection Committee, expressed concern about the review period and requested an additional 2 weeks to review. She further spoke about the size of the project in respect to the General Plan 2020; lack of necessity of river discharge; if lower flow scenarios or increased flows to Geysers have been incorporated; impacts from housing and mortgage crisis; and concern for unknown constituents in the effluent unless advanced membrane treatment is implemented.

H.R. Downs, OWL Foundation, explained that he would be submitting written documents because he feels EIR is inadequate. He expressed concern about there being no standards for tertiary treated water; different pathogens in effluent; and a study known as Mersa that speaks about compounds in effluent.

Jane Nielson, Sebastopol Water Info Group, stated that much is positive in the EIR but concerned about the lack of concern with emerging contaminants. She noted that some chemicals are more damaging in lower concentrations and focus should be on more advanced water conservation and Inflow & Infiltration.

Craig Litwin, Sonoma County Conservation Action, requested additional time to review the documents, expressed concern that the project was oversized and allowed for too much capacity. He also requested one more public hearing be held.

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Vesta Copestakes, West County Gazette, requested more time to review the document; stated that more research is needed of non-regulated compounds; asked what impacts to fish are caused by construction projects, dams, and cutting back water flows; and requested more water conservation.

Don McEnhill, Russian Riverkeeper, expressed concern about untreated endocrine disruptors on aquatic species; that waterways will attenuate treated water but this is prohibited; and his request to obtain samples of effluent to participate in an independent study at UC Davis.

Duane DeWitt, Roseland Action, express concern that the time to review EIR is too short and requested additional time for public speaking. He stated a no discharge option is the only option because more work should be done on pharmaceuticals, and focus on ag reuse, water conservation, Geysers, and urban reuse.

Dennis Hill, WASA and CWC-NSC, expressed concern that documents do not address cumulative discharge into the aquifer and Healdsburg's plan to discharge in the same area as Santa Rosa near Windsor and Healdsburg water wells. He requested that a decision wait till Sonoma County Water Agency decides if flows will be reduced to the Russian River.

David Ring, Clean Water Coalition of Northern Sonoma County, spoke about site D4 and its proximity to area wells and that the EIR does not consider the effect of discharge in combination with high-rate groundwater pumping for frost control. He also stated that the EIR does not adequately evaluate project effects on the quality of water in small community wells.

John Uniack, requested that the Board follow the intent of the previous Board and remove discharge from the river.

Magick, Sebastopol Preservation Coalition, concurred with Ms. Maddock's comments about concerns for children's health. She requested that precautionary principles about

protecting water supplies from unknown chemical compounds be used.

Keith Kaulum, commented that the EIR is a large document, highly technical and user unfriendly because of the organization of the document and because of the number of components, there is a limited number of alternatives.

Anne Seeley, Concerned Citizens for Santa Rosa, commented that the document is not ready to be approved and asked that more time be given to study. She also requested that the deadlines be more apparent to the public.

Daisy Pistey-Lyhae, asked for additional time for the document to be reviewed, and that an additional public hearing is held close to the comment end date. She asked that the Board explore alternative uses, purple pipes, create more renewable energy instead of river discharge.

Hearing no further comments, at 6:34 p.m., Chairman Dowd closed the public hearing.

At 6:35 p.m., the Board adjourned for a brief recess and at 6:40 p.m. reconvened the meeting.

10. REFERRALS

11. WRITTEN COMMUNICATION (And Possible Board Action)

11.1 Ten (10) form letters concerning the Incremental Recycled Water Program, Discharge Compliance Project Draft EIR, included in packet

12. SUBCOMMITTEE REPORTS - None

13. BOARD MEMBER REPORTS

Chairman Dowd noted that a Brown Act training class has been scheduled for April 30, 2008 and he encouraged all members to attend if they are able.

14. DIRECTORS REPORT

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Mrs. Ferguson reported that Board Member Holt's request from the last meeting will be brought forward in July when results of ongoing studies on pharmaceuticals and personal care products are complete. Mrs. Ferguson requested that Dr. Smith report on a recent meeting with Russian Riverkeeper Don McEnhill. Dr. Smith responded staff had met with Mr. McEnhill regarding his proposal for Santa Rosa to participate in testing being conducted at UC Davis. Dr. Smith described appropriate criteria for evaluating proposals and reasons why this proposal did not meet the criteria.

15. ADJOURNMENT OF MEETING

At 6:47 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, April 17, 2008 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez