

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, APRIL 3, 2014
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:30 p.m., Mayor's Conference Room – Room 10

ROLL CALL

Present (7) Chairman Gale, Vice Chair Galvin, Board Members Arnone, Dowd, Holt, Kaun and Steffensen

Chairman Gale announced that he will be stepping down from the Board at the end of May because he has been hired as the District Representative for Senator Mike Thompson. The Mayor will be appointing a new Chair later this month.

STATEMENTS OF ABSTENTION BY BOARD MEMBERS

No statements of abstention were made.

STUDY SESSION

3.1 CITYWIDE COST ALLOCATION PLAN REVIEW

BACKGROUND: The Cost Allocation Plan distributes city-wide administrative departmental costs to all departments based on various methodologies. Operating programs benefit from the city structure; therefore, the funding for the programs should reimburse the general government for that support. The Board may ask questions and discuss the cost allocation plan.

Presenters: Scott Wagner, Accountant and Jeff Wakefield, MGT of America, Inc.

No action was taken by the Board.

Chairman Gale adjourned the Study Session at 2:20 p.m. and reconvened to open session in City Council Chamber at 2:30 p.m.

MINUTES APPROVAL

Board Member Holt moved the approval of the minutes for March 20, 2014. The motion was seconded by Board Member Steffensen. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

STAFF BRIEFINGS – NONE

CONSENT ITEMS - NONE

REPORT ITEMS

David Guhin, Director of Utilities announced that he would be leaving the meeting at 3:30 p.m. and Mike Prinz, Deputy Director Utility Operations will cover the remainder of the meeting.

7.1 REPORT - 2014 WASTEWATER REVENUE BONDS, SERIES 2014A - RECOMMENDATION TO COUNCIL

BACKGROUND: The City has a long-standing practice of financing capital construction needs of the Subregional System by authorizing the issuance of revenue bonds. Staff has identified projects which are being recommended to be funded using the proceeds of the proposed revenue bonds.

RECOMMENDATION: It is recommended by the staff from Utilities and Finance that the Board of Public Utilities recommend that the City Council authorize the issuance of City of Santa Rosa Wastewater Revenue Bonds, Series 2014A.

Presenters: Linda Reed, Administrative Services Officer – Budget; Sarah Hollenbeck, PFM, Sohail Bengali and Stifel Nicolaus

MOTION:

Board Member Dowd moved to approve Resolution No. 1063 entitled "Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Authorize the Issuance of City of Santa Rosa Wastewater Revenue Bonds." The motion was seconded by Vice Chair Galvin and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

7.2 REPORT - APPROVAL OF 2014/15 SUBREGIONAL WATER RESOURCE RECOVERY SYSTEM OPERATING, CAPITAL, AND DEBT SERVICE BUDGET AND ALLOCATION OF COSTS

BACKGROUND: The Agreement for Use of Santa Rosa Subregional Sewerage System requires that the City annually prepare a Preliminary Operating, Capital, and Debt Service Budget and Allocation of Costs for the Subregional Wastewater System. The

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Agreement further requires that the proposed budget and allocation of costs be reviewed by the Subregional Technical Advisory Committee, the Board of Public Utilities and the Council of the City of Santa Rosa.

RECOMMENDATION: It is recommended by Utilities Staff and the Technical Advisory Committee (TAC) that the Board of Public Utilities, by resolution, recommend that the City Council approve the Preliminary 2014/15 Subregional Water Resource Recovery System Operating, Capital, and Debt Service Budget and Allocation of Costs for the purpose of notifying the participating Subregional agencies of their allocation of such costs for 2014/15.

Presenters: Linda Reed, Administrative Services Officer – Budget

MOTION:

Board Member Dowd moved to approve Resolution No. 1064 entitled “Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Approve the Preliminary FY 2014/15 Budget for the Subregional Water Resource Recovery System and the Proposed Operations and Debt Service Allocation of Costs.” The motion was seconded by Vice Chair Galvin and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

7.3 REPORT - FY 2014/15 WATER AND LOCAL WASTEWATER OPERATING AND CAPITAL BUDGETS – RECOMMENDATION TO CITY COUNCIL

BACKGROUND: The Board of Public Utilities will review the water and local wastewater Operation and Maintenance and Capital Improvement Program budget appropriation requests for fiscal year 2014/15 and make a recommendation to the City Council.

RECOMMENDATION: It is recommended by Utilities Department Staff that the Board of Public Utilities, by resolutions, recommend that the City Council approve the Water Fund and Local Wastewater Fund operation, maintenance and capital expenditure appropriation requests proposed for FY 2014/15.

Presenters: Linda Reed, Administrative Services Officer – Budget

MOTION:

Board Member Dowd moved to approve Resolution No. 1065 entitled “Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Approve the Proposed 2014/15 Department of Utilities Operating, Maintenance and Capital Improvement Budgets.” The motion was seconded by Vice Chair Galvin and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

MOTION:

Board Member Dowd moved to approve Resolution No. 1066 entitled “Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Approve the Proposed 2014/15 Department of Utilities Operating, Maintenance and Capital Improvement Budgets.” The motion was seconded by Vice Chair Galvin. AYES (6) NO (0) ABSENT (0) ABSTAIN (1) Arnone

At 3:22 p.m., Mr. Guhin left the dais for the remainder of the meeting.

7.4 REPORT - WATER SUPPLY UPDATE

BACKGROUND: Staff will update the Board on water supply issues. The Board may discuss this item and give direction to staff.

Presenter: Mike Prinz, Deputy Director Utility Operations

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE

9. REFERRALS - NONE

10. WRITTEN COMMUNICATION (And Possible Board Action)

10.1 April 3, 2014 - Memo from David Guhin, Director of Utilities re: Increase in Minor Construction Contract Threshold to \$281,000.00; included in packet.

10.2 April 3, 2014 – Memo from David Guhin, Director of Utilities re: Minor Contract Award – C00412 – Oakmont Sewer Lift Station 17 Improvements; included in packet.

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Mr. Prinz also provided copies of a written response to a citizen letter that was received by Board Members re: 320 Boas Dr.

11. SUBCOMMITTEE REPORTS - NONE

12. BOARD MEMBER REPORTS - NONE

13. DIRECTORS REPORT

Mike Prinz, Deputy Director Utility Operations provided a status update on various Capital Improvement Projects that are happening across the City.

14. ADJOURNMENT OF MEETING

At 3:37 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, April 17, 2014 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Stephen Gale

Gina Perez