

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
TUESDAY, APRIL 6, 2010
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
SPECIAL MEETING**

3:02 p.m. Community Development – Room 7

ROLL CALL

Present (5) Chairman Dowd, Board Members Galvin, Holt, Meechan and Swinth

Absent (2) Vice Chair Gale and Board Member Lowe

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE

REPORT ITEMS

4.1 WATER FUND REVIEW

Linda Reed, Administrative Services Officer briefly reviewed the water fund expenditure adjustments that had already been made for FY2008/09 and 2009/10. She presented a summary of the water rate model with the changes as directed by the Board and suggested by staff. Staff had identified additional funding in the purchase of water contingency that could be added to the turnback assumption, and proposed a Backflow Administration Fee. The proposals would provide a near term fix to the water fund deficit. The Board expressed support for the near term fix as presented but requested that staff return with suggestions to fix the long term deficit. The Board also requested that staff provide a review of the Subregional and Local Wastewater budget review on April 13, 2010.

4.2 UTILITIES ORGANIZATIONAL STRUCTURE

Ms. Reed provided handouts showing the current organizational structure and reviewed the Utilities Department Management ratio; reviewed system growth versus staffing levels between 1991 and 2010. Ms. Reed and Miles Ferris, Director of Utilities discussed the Department Reorganization that occurred in 2003 and added that the department Steering Team continues to meet to identify efficiencies and deal with the changing work environment. Board Member Lowe is assisting with this process. Ms. Reed then discussed the issues that continue to provide uncertainty and difficulty in long term planning. The Board

concurred that a long term solution need to be identified and that there is a need to be more conservative moving forward. The Board directed staff to review the fixed/commodity charge ratio to provide more stability in predicting future revenue and to consider increasing water fund reserve levels.

5. ADJOURNMENT OF MEETING

At 4:35 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, April 15, 2010 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez