

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES  
THURSDAY, APRIL 17, 2008  
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE  
REGULAR MEETING**

3:32 p.m. City Council Chamber

**ROLL CALL**

Present (7) Chairman Dowd, Vice Chairman Lowe, Board Members Downey, Galvin, Holt, Lindsay and Swinth

**STATEMENTS OF ABSTENTION BY BOARD MEMBERS**

Vice Chairman Lowe abstained from approval of the minutes of April 3, 2008 because he was absent from that meeting. Board Member Galvin abstained from the approval of the minutes of April 3, 2008 because he was absent from that meeting. He also abstained from Item 7.1 because one of the participants is not only a member of the group legal plan through the North Coast Builders Exchange that his firm administers but also had contacted his office about possibly assisting him with his presentation today before the Board.

**PUBLIC APPEARANCES - None**

**MINUTES APPROVAL**

Board Member Downey moved approval of the minutes of April 3, 2008 as corrected. The motion was seconded by Board Member Swinth and carried unanimously. AYES (5) NO (0) ABSENT (0) ABSTAIN (2) Lowe and Galvin

**STAFF BRIEFINGS**

**5.1 UTILITIES ENGINEERING--CURRENT DEVELOPMENT OVERVIEW**

Andrew Allen, Supervising Engineer, reviewed the Current Development section, the areas of service that are provided and the various departments and outside agencies that they work with in their day to day operation. Staff responds to customer inquiries and condition development projects through tentative maps for subdivisions; design review; and building permits. They also calculate and collect fees and process meter sets. The plan check team conducts plan reviews on subdivisions improvement plans and maps; miscellaneous improvement plans; building permit

applications and Public Works Capital Improvement Projects. The inspection team ensures that all tie-ins and abandonments to the system are installed to city standard. Other duties consist of updating the Guide to Potable Water, Recycled Water & Wastewater Policy and Design and Construction Standards.

**CONSENT ITEMS**

**6.1 BID AWARD--FERRIC CHLORIDE DELIVERY**

**MOTION:**

Vice Chairman Lowe moved a motion to award a two-year contract with three one-year renewal options, for the delivery of Ferric Chloride to the Laguna Wastewater and West College Treatment Facilities, to the lowest responsive and responsible bidder, Kemira Water Solutions, Inc. of Lawrence, KS, in the total amount of \$251,920.80. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

**REPORT ITEMS**

**\*\* 7.1 BID AWARD--A PLACE TO PLAY IRRIGATION PUMP STATION**

Suzanne Rawlings, Assistant City Attorney gave instructions to the Board about disclosing any Ex Parte communications. Chairman Dowd reported that he spoke with Ms. Rawlings, Vice Chairman Lowe and Board Member Downey about this item. Vice Chairman Lowe reported that he spoke with Ms. Rawlings and Chairman Dowd about this item. Board Member Downey reported that he spoke with Chairman Dowd about this item.

Tracy Duenas, Associate Civil Engineer provided a brief review of the award, design and bid of the A Place to Play Irrigation Pump Station Project. A list of the bidders and bid amounts was reviewed and an explanation of the irregularity for Stiles Construction Co. was provided. Stiles failed to sign the bid form, though the bid bond had been appropriately executed. He further explained the irregularity

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that was found in the second lowest bidder, Team Ghilotti, Inc. who failed to list a subcontractor for electrical portions of the work under the proposed contract. Additional bid information was subsequently provided by Team Ghilotti but it was determined that due to the nature of the mistake, Team Ghilotti would have had the opportunity to pursue relief from its bid. The third lowest bidder, Argonaut Constructors bid was complete and a bid protest was submitted stating that the bid received by the City from Stiles, was 'non-responsive' and should not be considered for award by the City. Mr. Duenas reviewed the four options before the Board which included award to either Stiles, Team Ghilotti or Argonaut or reject all bids and readvertise the project.

James Cobb, representing Argonaut Constructors spoke in support of relieving Stiles from their bid because the bid instructions clearly state that the bid documents must bear original signature and expressed concern that waiving the irregularity could affect the integrity of the bidding process. He further requested that their first choice of action is that the bid should be awarded to Argonaut Constructors or secondly, the bids should be discarded and the project should be put out to rebid.

A discussion ensued regarding the bid bond for Stiles and if it would bind the bidder to the amount that was listed on the bid documents and not give Stiles an unfair advantage over other bidders. Ms. Rawlings responded that the bid bond would hold the bidder to their bid amount as long as the rest of the documents were complete.

**MOTION:**

Board Member Downey moved a motion to waive the irregularity and award the bid to Stiles. The motion was seconded by Board Member Swinth and carried unanimously. AYES (6) NO (0) ABSENT (0) ABSTAIN (1) Galvin

Vice Chairman Lowe moved to approve Resolution No. 919 entitled "Resolution of the Board of Public Utilities of the City of Santa Rosa Waiving an Irregularity in the Low Bid

and Awarding Contract No. 08-802 to Stiles Construction Co. of Windsor, CA, for A Place to Play Irrigation Pump Station." The motion was seconded by Board Member Lindsay and carried unanimously. AYES (6) NO (0) ABSENT (0) ABSTAIN (1) Galvin

**7.2 FY-2008/09 SUBREGIONAL WATER REUSE SYSTEM OPERATIONS AND CAPITAL BUDGET REVIEW**

Linda Reed, Administrative Services Officer, gave the staff presentation and reviewed the partners of the Subregional system and its accomplishments for 2007. Mrs. Reed then briefly reviewed the Subregional Water Reuse System Operating and Capital Improvement budgets that were reviewed with the Technical Advisory Committee and BPU Budget Subcommittee. The expenditures totaling \$29.3 M include personnel; services and supplies; information technology expenses; operating projects and capital item requests. Mrs. Reed then reviewed the Capital Improvement Program (CIP) budget for Subregional which includes the cash and bond funded CIP program. She then identified the operating and debt service contributions for each partner. Board Member Lindsay spoke of behalf of the Budget Review Subcommittee and reported that the committee supported the staff recommendation.

**MOTION:**

Board Member Swinth moved to approve Resolution No. 920 entitled "Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Approve the Preliminary FY 2008/09 Budget for the Subregional Water Reuse System and the Proposed Operations and Debt Service Allocation of Costs." The motion was seconded by Board Member Galvin and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

**7.3 FY 2008/09 WATER AND LOCAL WASTEWATER BUDGET REVIEW**

Mrs. Reed reviewed the Operating and Capital Improvement Program budget for Water and Local Wastewater and presented

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the achievements of the local divisions. She explained that the rate setting model for water and wastewater was reviewed and considered during the budget process. The overall expenditures total \$44M including 5 new personnel and 2 capital items being requested but no new operations projects. The budget recommendation includes a reduced cash funded water and wastewater CIP because demand fee revenue is down from 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 on behalf of the Budget Review Subcommittee and reported that the committee supported the staff recommendation.

**MOTION:**

Board Member Downey moved to approve Resolution No. 921 entitled "Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Approve the Proposed 2008/09 Department of Utilities Water and Local Wastewater Budgets, Including the Water and Local Wastewater Capital Improvement Program Budget." The motion was seconded by Board Member Swinth and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

Board Member Swinth moved to approve Resolution No. 922 entitled "Resolution of the Board of Public Utilities Recommending that the City of Santa Rosa City Council Approve Certain Projects Within the Proposed FY 2008/09 Department of Utilities Water and Local Wastewater Five-Year Capital Improvement Program Budgets." The motion was seconded by Board Member Lindsay and carried unanimously. AYES (6) NO (0) ABSENT (0) ABSTAIN (1) Downey

**7.4 REPORT–MEMORANDUM OF UNDERSTANDING REGARDING THE SONOMA-MARIN SAVING WATER PARTNERSHIP (SM MOU)**

Jennifer Burke, Senior Water Resources Planner, gave the staff presentation. She explained that previously the Water Advisory Committee (WAC) approved \$15 million to be expended over 10 years starting in FY97-98 to implement water conservation programs. That funding mechanism ends this fiscal year. In Summer 2005, work began on developing a regional water conservation partnership between the Water Contractors, the Sonoma County Water Agency (SCWA), and Marin Municipal Water District to more cost effectively implement water conservation programs. On March 3, 2008, the WAC unanimously recommended approval of the SM MOU and recommended that each Water Contractor take the SM MOU to their respective Boards and Councils for adoption. She reviewed the requirements of the SM MOU for both Santa Rosa and SCWA. The funding mechanism per the SM MOU states that \$15 million will be budgeted and expended by signatories to SM MOU over the next ten years, starting July 2008/09. The annual amount will be based on prorated 3 year average annual water deliveries to each contractor with the current amount based on 2004, 2005 and 2006 deliveries with an adjustment in 2012 and 2015. Santa Rosa must budget and expend \$557,325 annually. The current funding mechanism has given \$6,037,340.00 to Santa Rosa and the City has spent an additional \$5.7 million to fund the existing Water Conservation Program. A discussion ensued about the Annual Report feature of the SM MOU and the Board requested that additional checks and balances be included to ensure that the other Water Contractors are budgeting and spending their funds appropriately and should be required to provide information on the amount of water savings that has been realized by their conservation efforts.

**MOTION:**

Board Member Swinth moved to approve Resolution No. 923 entitled "Resolution of the Board of Public Utilities Recommending that the City Council Approve the Memorandum of Understanding Regarding Sonoma-Marin Saving Water Partnership (SM MOU) and Authorize the Mayor to Sign the SM MOU subject to an amendment forthcoming on the

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annual reporting of accountability'. The motion was seconded by Board Member Galvin and carried unanimously. AYES (7) NO (0) ABSENT (0) ABSTAIN (0)

**PUBLIC HEARING**

**8.1 PUBLIC HEARING—INCREMENTAL RECYCLED WATER PROGRAM SEASONAL STORAGE PROJECT DRAFT EIR**

Glen Wright, Deputy Director Water Resources explained that the hearing was an opportunity for the public to comment orally on the adequacy of the Seasonal Storage Project Draft EIR. Written comments will be accepted until May 28, 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 alternatives will not be addressed in the Final EIR. After the Final EIR is completed during summer, a public process may be undertaken in which a decision about project selection may be made and comments about said projects would 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 one or more new reservoirs for a total of up to 500 million gallons additional storage. Alternative reservoir sites are located at Kelly Farm (2 sites), Brown Farm (2 sites) and Alpha Farm (1 site). 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; Combinations of Alternatives; and CEQA-Required Sections. She further explained that the EIR identified that additional storage capacity could be used as Mitigation for the Discharge Compliance Project. A summary of the selected impacts by alternative was presented as well as the selected mitigation measures. The Draft EIR identified the environmentally superior alternative to be the Brown Farm 2 site. It also identified an additional alternative as a combination of Brown Farm 1 & Kelly Farm 1 as the environmentally superior combination

of alternatives that would meet the project goal of 500 MG.

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 5:40 p.m.

At 5:40 Chairman Dowd left for the remainder of the meeting and Vice Chairman Lowe chaired the meeting.

Keith Kaulum, stated that he had submitted a letter during the scoping process but didn't receive a response. He showed a map of the conservation area for tiger salamanders on the Kelly Farm 2 site and spoke about the impacts to tiger salamanders.

Brenda Adelman, Russian River Watershed Protection Committee thanked the Board for extending the review period for both of the Draft EIR's. She also expressed concern about the Kelly Farm 1 site, its proximity to the Laguna and flood plain; affects to the Laguna in a 100-year flood event, the groundwater draw down and concurred with Mr. Kaulum's comments.

Hearing no further comments, at 5:50 p.m., Vice Chairman Lowe closed the public hearing.

**7.5 WATER SUPPLY UPDATE**

Mr. Wright reported that Lake Mendocino is at 90% water supply and Lake Sonoma is at 99%. The Sonoma County Water Agency (SCWA) has reported that water use is at 60 MGD. He further reported that the State Water Resources Control Board has requested that the SCWA appear before the Board on May 6 to provide a status report on SCWA developing projects. The State Board asked specifically for updates on the following topics:

1. Consider the permanent modification Decision 1610 to reduce flows on the Russian River at Lake Mendocino. The consideration is partly the result of reduced flows from the Potter Valley project.
2. Provide a status update for the SCWA

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work plan for Russian River Water Rights Accounting Program. This program includes estimating the amount of water diversions in the Russian River Watershed.

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Richard Dowd

3. Consider what can be done to more efficiently manage and schedule water diversions in the Russian River Watershed.
4. Provide an update of community efforts to resolve water right issues.
5. Identify steps the Agency can take to develop an aggressive plan and implementation procedures to achieve the Governor's goal of a 20 percent reduction in per capita water use by 2020.

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Gina Perez

Mr. Wright noted that staff will be monitoring this workshop and will report back to the Board any significant issues. The Water Advisory Committee will be discussing this report at their May 5 meeting. He also spoke about AB2175, Laird's bill that would mandate water conservation for urban and agricultural users.

**9. REFERRALS**

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

**11. SUBCOMMITTEE REPORTS - None**

**12. BOARD MEMBER REPORTS - None**

**13. DIRECTORS REPORT**

Mr. Ferris reported that Mike Pieraccini, Utilities System Supervisor who had been stationed in Iraq had returned home safely. The Steering Team, with participation from Board Member Downey, continues to develop a strategy about how the organization should be organized.

**14. ADJOURNMENT OF MEETING**

At 6:01 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, May 1, 2008 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.