

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, JANUARY 6, 2011
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:34 p.m. City Council Chamber

ROLL CALL

Present (6) Chairman Dowd, Vice Chair Gale, Board Members Galvin, Holt, Meechan (arrived at 1:40pm) and Swinth

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE

STUDY SESSION

3.1 STEERING TEAM RECOMMENDATION

Miles Ferris, Director of Utilities provided background information on the history of the Steering Team. Linda Reed, Administrative Services Officer discussed the issues that Utility Agencies are facing both statewide and nationwide and reviewed the adjustments that have been made to date. She then presented a view of both historical and projected reserve levels, statistical information on water sales, a summary of delinquent accounts and Board participation to date. Annette Townley, Organizational Development and Training Specialist and Steering Team Facilitator discussed the Steering Team directive, process used, and interests of the group. Rick Santarini, Utility Systems Superintendent and Leslie Hunziker, Senior Administrative Assistant spoke about their experience on the team. Ms. Reed presented the three proposals and their components that were developed and identified the Steering Team and Director recommendations. She then reviewed the feedback given by the BPU Budget Task Force and Budget Review Subcommittee and identified the challenges with changing the organizational structure.

The Board had an extensive discussion about the process, the issues facing the organization and fixes that have been implemented and not solved the deficit. The Board expressed concern about increases in staffing, proposed reductions in the Groundwater Program, requested that risk assessments be done for Capital Improvement Program deferrals and that triggers are put in place if the downturn continues or revenue begins to rebound. The Board expressed their appreciation to the

Steering Team members and the organization as a whole but indicated they felt Proposal 3 may not be sufficient to solve the deficit, restore reserves in an adequate timeframe and asked that staff focus on maintaining the true core functions of the department. The Board asked staff to return with further information addressing their concerns.

The meeting was adjourned for a brief recess and reconvened at 3:00 p.m.

3.2 CONCEPTUAL PLAN FOR A MITIGATION BANK ON SUBREGIONAL PROPERTY

Dan Carlson, Deputy Director Utility Operations identified City owned properties surrounding the Laguna Treatment Plant that could be converted to mitigation banks along an existing mitigation bank. Steve Brady, Environmental Specialist discussed the mitigation site concept for each of the parcels and identified the existing wetlands and endangered plant species on one of the sites. Mr. Brady then spoke about the total potential mitigation available, estimated costs involved with the conversion and estimated value of the restored and preserved properties and proposed implementation schedule. The Board expressed concern about the potential of open space properties being used as mitigation and about spending money on this until the budget improves. Vice Chair Gale expressed concern that the cost benefit analysis is not take into account the time value of money. Because the cash outflow would occur today without benefit until some time in the future, he asked that staff utilize a discounted cash flow analysis to assess the financial impact of the alternatives being presented."The Board supported staff taking this item to the Subregional Technical Advisory Committee and bringing back to the Board at a future date.

MINUTES APPROVAL

Chairman Dowd requested that the minutes from November 18, 2010 be deferred until the next meeting so the Board has more time to review.

CONSENT ITEMS

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**5.1 CONTRACT AWARD – EARLE STREET
SEWER REPLACEMENT – HWY 101 TO
SANTA ROSA AVENUE**

MOTION:

Vice Chair Gale moved to approve Resolution No. 990 entitled "Resolution of the Board of Public Utilities of the City of Santa Rosa Relieving Able General Engineering, Inc. of Santa Rosa, CA, of its Bid and Awarding Contract No. C00174 to Northwest General Engineering of Santa Rosa, CA, for Earle Street Sewer Replacement – Hwy 101 to Santa Rosa Avenue." The motion was seconded by Board Member Meechan and carried unanimously. AYES (6) NO (0) ABSENT (0) ABSTAIN (0)

REPORT ITEMS

**6.1 REPORT – REVIEW OF SANTA ROSA
SUBREGIONAL WATER RECYCLING
SYSTEM OPERATIONS FOR 2010**

Dan Carlson, Deputy Director Utility Operations provided a recap of operations for the Laguna Treatment Plant and Water Recycling System. He presented statistical information on total annual flow, average dry weather flows, storage levels, deliveries to the Geysers, agricultural and urban reuse, discharge and biosolids use. He noted that the pieces are now in place to work well with a weather dependent system.

6.2 REPORT – WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources reported that Lake Sonoma is currently at 252,048 acre feet measuring 102.9% of the water supply pool and 66% of total capacity. Inflow is 450 cubic feet per second (cfs) and outflow is at 1990 cfs. Lake Mendocino is currently at 70,229 acre feet measuring 100% of the water supply pool and 57% of total capacity. Inflow is 360 cfs and outflow is 360 cfs. Lake Pillsbury has 55,639 acre feet measuring 74% of total capacity and releasing approximately 1429 cfs. At Van Arsdale there are 1218 cfs going to the Eel River and 200 cfs going to Potter Valley. The flows at Hacienda Bridge are at 5790 cfs. All Marin reservoirs are at 100% and North Marin

at Lake Stafford is at 68%. Mr. Wright then reported that the Sonoma County Water Agency has stated that there will be a net 5.0% rate increase for 2011/12 with the primary factors being reduced deliveries, increase to watershed planning restoration related to the Biological Opinion, a minimum prudent reserve charge and overall reduction in other expenses. Phase 1 of the Urban Reuse Project is now on line with 13 customers and Phase 2 construction is ongoing.

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

9. REFERRALS

**10. WRITTEN COMMUNICATION (And
Possible Board Action) - NONE**

11. SUBCOMMITTEE REPORTS

Vice Chair Gale reported that the Budget Review Subcommittee will have their first meeting for this budget cycle later this month.

12. BOARD MEMBER REPORTS - NONE

13. DIRECTORS REPORT

Miles Ferris, Director of Utilities reported that there were 7 spills for 2010 which is considered excellent for a system of our size. He then discussed changes in the State reporting system for spills and provided an update on the report for waste discharge.

14. ADJOURNMENT OF MEETING

At 4:18 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, January 20, 2011 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez