

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, JANUARY 7, 2010
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:30 p.m. Mayor's Conference Room

ROLL CALL

Present (6) Chairman Dowd, Vice Chair Swinth, Board Members Gale, Galvin, Holt and Meechan

Absent (1) Board Member Lowe

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE

STUDY SESSION

3.1 REVIEW OF POTENTIAL LEGISLATIVE IMPACTS

Miles Ferris, Director of Utilities introduced Wendy Ridderbusch from the Association of California Water Agencies (ACWA). Ms. Ridderbusch spoke about the role of ACWA and the ways it has helped its member agencies and included specific examples of legislative bills that were amended or cancelled in response to ACWA actions. She then updated the Board members on the current State budget challenges and the possible methods the Legislature may use to supplement its revenue. She then discussed the recent initiative to amend Proposition 1A and how that could benefit local cities and agencies.

Adjourn study session and reconvene to open session in City Council Chamber at approximately 2:40 p.m.

MINUTES APPROVAL

Board Member Holt moved approval of the minutes as corrected for December 17, 2009. The motion was seconded by Vice Chair Swinth and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

STAFF BRIEFINGS - NONE

CONSENT ITEMS - NONE

REPORT ITEMS

7.1 SUBREGIONAL SYSTEM 2009 RECAP

Dan Carlson, Deputy Director Subregional Operations introduced the item which recapped highlights from each Subregional division for 2009. He specifically noted the National Biosolids Partnership Environmental Management System Program certification that was acknowledged at a recent BPU meeting. He also highlighted several projects completed at the Plant over the last year which included the Headworks' pipe-lining, the Geysers Expansion Project and the Biosolids hopper and identified projects that are scheduled for construction in the coming year. Lynn Small, Deputy Director Environmental Services continued the staff presentation and highlighted the Receiving Water Quality Limit Compliance Assurance and Monitoring Plan and the Environmental Laboratory performance evaluation. He discussed the Environmental Compliance Division and reviewed the inspection and enforcement activities. He then presented program updates for the Amalgam Separator Program and the Safe Medicine Disposal Program. The Natural Resources Division completed major restoration projects at Irwin Creek, Duer Creek, the Native Plant Demonstration Garden at the Plant and the Native Plant Propagation Nursery. Mr. Small then highlighted the projects that were completed in 2009 and briefly discussed the projects that will be ongoing in 2010.

7.2 AUTHORIZATION TO ACQUIRE EASEMENTS FOR THE SANTA ROSA DIFFUSER PROJECT

Josh Maresca, Right of Way Agent explained to the Board that the proposed agreement was still under negotiation and had been put on this agenda in order to meet the Board of Supervisors meeting agenda on February 9, 2010. Because of this, Mr. Maresca requested that the item be continued until the January 21, 2010 BPU meeting so negotiations could be completed. Chairman Dowd expressed concern that the agreement included compensation estimated at \$10,000 and asked that Mr. Maresca attempt to negotiate those fees.

MOTION:

Vice Chair Swinth moved a motion to continue

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this item to the January 21, 2010 meeting agenda. The motion was seconded by Board Member Meechan and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

7.3 CONTRACT AWARD – RINCON VALLEY SEWER TRUNK ABANDONMENT – CARLEY ROAD TO MONTGOMERY DRIVE

Norman Amidon, Associate Civil Engineer provided back information for the project and provided an overview of the staff recommendation to find Team Ghilotti's bid nonresponsive. The bid had been submitted on a cement slurry material which does not meet the requirements specified in the bid documents. The second lowest bidder, Argonaut Constructors, was deemed responsive and responsible to execute the contract and perform the work. Mr. Amidon explained that Team Ghilotti was in agreement of the findings.

MOTION:

Board Member Gale moved to approve Resolution No. 972 entitled "Resolution of the Board of Public Utilities of the City of Santa Rosa Rejecting the Bid of Team Ghilotti of Petaluma, CA, and Awarding Contract No. 2009-044 to Argonaut Constructors of Santa Rosa, CA, for Rincon Valley Sewer Trunk Abandonment – Carley Road to Montgomery Drive". The motion was seconded by Board member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

7.4 WEST COLLEGE FACILITIES, PHASE 3 – INCREASE IN CONTINGENCY

Glen Wright, Deputy Director Water Resources began the presentation and reviewed the proposed change of scope change order to upgrade the planned West College Facilities server room to a complete duplicate data center. Eric McHenry, Chief Technology Officer presented a project overview and discussed the rationale behind building the data center. He identified the options before the Board and explained that the infrastructure would be build so that the Board could chose to move forward now or in the future. Mr. Wright added that

approximately \$500,000 unanticipated PG & E rebates will be received for the West College Project and could be used to cover the requested increase.

MOTION:

Vice Chair Swinth moved a motion to authorize Utilities staff to negotiate and execute a change of scope change order with Midstate Construction, and approve an increase in the construction contingency account for the West College Facilities Phase 3 from 10% to 13% to construct a Data Center as part of the West College Facilities Phase 3 Project. They also directed that should staff be unable to negotiate a fair change order to construct the Data Center at the West College Facilities, then the Board of Public Utilities authorizes staff to proceed with a competitive procurement of the Data Center. Staff would return to the BPU with a bid award for the Data Center should a competitive procurement process be necessary. The motion was seconded by Board Member Galvin and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

7.5 PROFESSIONAL SERVICES AGREEMENT WITH RMC WATER AND ENVIRONMENT TO PROVIDE ENGINEERING AND ENVIRONMENTAL SERVICES FOR THE PREPARATION OF A SALT AND NUTRIENT MANAGEMENT PLAN

Mr. Small explained that the development of the Salt and Nutrient Management Plan is a requirement of the State Water Resources Control Board Recycled Water Policy which was adopted in 2009. The Recycled Water Policy requires that Salt and Nutrient Management Plans be developed to manage salts, nutrients, and other significant chemical compounds found in recycled water on a watershed- or basin-wide basis as it relates to groundwater. He explained that the City desires to complete the Salt and Nutrient Management Plan so that it may be delivered in conjunction with the NPDES Permit Report of Waste Discharge which is due to the North Coast Regional Board by March 20, 2011. He discussed the Request for Proposals (RFP) that was sent out and the RFP review

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committee which consisted of Board Member Len Holt, Deputy Director Dan Carlson, and Senior Water Resources Planner Jennifer Burke. The panel came to a consensus that RMC Water and Environment is the most qualified firm. He explained that RMC had been invited to a meeting to respond to minor issues requiring clarification by the panel and staff negotiated the scope of work.

He then spoke about the comments that were submitted by Brenda Adelman on behalf of the Russian River Watershed Protection Committee that expressed concern about the fairness in the selection of RMC; concern that RMC may have a conflict of interest; and concern that the salt and nutrient plan will not focus on phosphorous. Mr. Small responded to Ms. Adelman's by explaining that the City had followed the regular process for RFPs for professional services agreements. He then explained that staff had checked with the RWQCB Staff who told us they have found RMC to be technically competent and possessing a good knowledge of water quality and regulatory issues, that the SWRCB required this salt and nutrient plan be completed by stakeholders, not unaffected third party consultants and that from RWQCB staff's point of view, RMC does not have any undue influence on the RWQCB's decision-making. Lastly, he explained that the Recycled Water Policy requires that Salt and Nutrient Management Plans be developed to manage salts, nutrients, and other significant chemical compounds found in recycled water on a watershed or basin wide basis as they relate to groundwater. Phosphorous is a nutrient by definition and therefore not omitted from study. Phosphorous is generally bound to soil and soil, generally does not migrate in groundwater, and therefore phosphorus, does not typically migrate in groundwater, but does so in surface water. Thus, phosphorus is generally not a pollutant of concern in groundwater. Regardless, one of the first phases of the project is to identify all the pollutants of concern for further study based on input from the stakeholders and technical groups.

Board Member Holt spoke about his participation on the review panel and explained that the committee each reviewed

the proposals independently; rated the proposals which ranked within 1 point of each other and discussed the meeting that RMC attended to provide clarification on their proposal.

Board Member Galvin explained that the Contract Review Subcommittee (CRS) met to discuss the agreement and asked staff if there was a competitive advantage. Board Member Gale added that he was concerned about a transparency issue and added that it may have been more appropriate to interview the two closest competitors. The CRS voted 2 to 1 to support approval of the agreement. Board Member Holt responded that he believes no additional review was necessary. Board Member Gale stated that based on Board Member Holt's comments and staff's responses, he could now support approval of the agreement.

Brenda Adelman – Russian River Watershed Protection Committee stated that she appreciated the responsiveness to her letter and expressed additional concern about the perception of RMC acting as a lobbyist for dischargers and her continued concern that phosphorus would not be included in the scope of work.

Dr. Dave Smith responded that RMC is phasing out in their role on the Russian River Water Association and does not see a conflict. He then reviewed the scope of work and noted that phosphorus would be included. Board Member Gale requested that the deliverables be clarified as more constituents are identified.

MOTION:

Board Member Galvin moved a motion to approve a Professional Services Agreement with RMC Water and Environment in the amount of \$138,915 to provide engineering and environmental services for the preparation of a Salt and Nutrient Management Plan for compliance with the State Water Resources Control Board Recycled Water Policy. The motion was seconded by Board Member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

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7.6 WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources reported that Lake Mendocino is currently at 32,869 acre feet with releases of 195 cubic feet per second. Lake Sonoma is currently at 182,869 acre feet with releases of 92 cubic feet per second. Flows at the Hacienda Bridge are being measured at 475 cubic feet per second. The Cash for Grass Program reached the 1,000,000 square feet of turf removed mark on December 16th. Water Conservation staff had a contest to guess the date and Gale Chavez won. Mr. Wright showed a density map that identified the areas that participated in the program. He then reported that Linda Reed, Administrative Services Officer attended a budget meeting at the Water Agency and noted they had been reporting rate increases of 17% in July but at today's meeting, the increase is down to 10.6%. Mr. Wright then updated the Board on the water well levels at the Farmers Lane wells which had risen to 6ft from the surface since the shutdown on November 23, 2009. The drilling of a test well on Martha Way has stopped for the holidays but resumed on January 4th and had gone artesian and was causing difficulties because of the volume of water. Lastly he reported that the Law Offices of Jack Silver had filed a 60 day notice with the Sonoma County Water Agency. Mr. Wright stated that in his opinion the basis for the complaint was essentially because the Agency is allowing a take of salmonids by not adequately controlling Russian River Flows when water is being diverted for frost control and other uses.

Chairman Dowd asked that the BPU Budget Review Subcommittee work with the Water Agency towards transparency and ask for a detailed review the proposed rate increases that the contractors are entitled to see. Board Member Holt asked that any rate increase from the Water Agency be shown on the water bill as a separate charge.

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE

9. REFERRALS

10. WRITTEN COMMUNICATION (And

Possible Board Action)

11. ELECTION OF VICE CHAIR

Vice Chair Swinth moved a motion to nominated Board Member Gale for the position of vice chair. The motion was seconded by Board Member Galvin and carried unanimously. AYES (6) NO (0) ABSENT (1) Lowe ABSTAIN (0)

12. SUBCOMMITTEE REPORTS

Chairman Dowd reported that he has received the requests for the subcommittee assignments and is evaluating them to make sure the workload is equitable. Chairman Dowd also spoke about the Board attendance report and thanked the Board for their dedication and efforts to serve the City and the community.

Board Member Swinth reported there is a Budget Subcommittee meeting scheduled for January 19, 2010. Board Member Holt reported that the Water Conservation Subcommittee is scheduled to meet on January 12, 2010.

13. BOARD MEMBER REPORTS

Board Member Swinth congratulated the department on winning the Theodore Roosevelt Environmental Award for Excellence at the Association of California Water Agencies conference. It is the water communities' most prestigious environmental award and it was won for the Aquatic Biomass to Fuel Project.

14. DIRECTORS REPORT

Mr. Ferris introduced Steve Brady, Environmental Specialist who spoke about the award that was received from the California Stormwater Quality Association. The award is the 2009 Outstanding Stormwater News, Information, Outreach, and Media Award for the High School Bioassessment Program. The Program was the only one to receive the award in the State of California. The Program educates students through a two week long hands-on assessment of local creeks with over 2,000 students participating since 1998.

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Mr. Ferris then reported that he had received the annual results of the Call Center staff and Field Crews based on input received from the public rating their customer service. The call center staff received a 3.91 out of 4.0 and the field crews received a 3.85 out of 4.0. He then reported that only 1 hydrant was knocked down during the two week holiday period which is the lowest in over 20 years.

15. ANNOUNCEMENT OF CLOSED SESSION ITEM(S) AND ADJOURNMENT TO CLOSED SESSION(S) (MAYOR'S CONFERENCE ROOM – ROOM 10)

Suzanne Rawlings, Assistant City Attorney announced item 15.1 on the closed session and added that item 15.2 was not needed.

15.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Subdivision (a) of Section 54956.9) City of Santa Rosa v. Sonoma County Water Agency, et al., Sonoma County Superior Court Case Number SCV – 245844

15.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: One potential case

16. RECONVENE TO OPEN SESSION

At approximately 5:20 p.m., the Board adjourned and Chairman Dowd announced that the closed session was informational only and no action was taken.

17. ADJOURNMENT OF MEETING

At 5:20 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, January 21, 2009 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez