

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, MARCH 20, 2008
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:30 p.m. City Council Chamber

ROLL CALL

Present (6) Chairman Dowd, Vice Chairman Lowe, Board Members Galvin, Holt, Lindsay and Swinth

Absent (1) Board Member Downey

Dan Carlson, Deputy Director Utility Operations introduced Alejandro Joaquin from East Bay Municipal Utility District who will be mentoring him through the Water Education Foundation. The focus will be on the City's water conservation and recycled water programs.

STATEMENTS OF ABSTENTION BY BOARD MEMBERS

Board Member Galvin abstained from item 7.2 because the responsive bidder is a client of his firm.

PUBLIC APPEARANCES

Brenda Adelman, Russian River Watershed Protection Committee spoke about the EIR documents that were released for the discharge compliance project and expressed concern that the 45 day comment period is not sufficient because the documents are so voluminous. She requested that the review period for future EIR documents be extended to 2 months.

MINUTES APPROVAL

Vice Chairman Lowe moved approval of the minutes of February 21, 2008. The motion was seconded by Board Member Galvin and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

STAFF BRIEFING

5.1 GEYSERS OPERATIONS UPDATE

Bob Austin, Geysers Operations Coordinator presented an overview of the initiation of the project and the management philosophy that has been utilized. This has been implemented by optimizing technology and personnel to

create a balanced, stabilized approach. The Supervisory control and data acquisition system provides the information necessary to make business decisions and assists the division in sustaining a flat budget. Kacey Reed, Utilities Technician explained that the system contains over 2,000 major assets and 41 miles of pipeline. The assets are managed using the Enterprise Asset Management System and provides a legal record, warranty, proof of contractual obligations and work orders. All maintenance days are coordinated with Calpine's activities to reduce the production downtime. The core business of the five member crew includes preventative and predictive maintenance and Underground Service Alerts markouts. Mr. Carlson noted that an amendment to the agreement with Calpine had been completed and would increase pumping up to 20 MGD; boosts clean electricity for up to 150,000 homes and may reduce the need for an alternative discharge point along the Russian River. Calpine will also be investing \$30 million to prepare for the increases by opening new well heads and adding pipeline. Mr. Carlson reported that both Mr. Austin and Ms. Reed would be retiring in April and that Mike Sherman and Tami DeVol have been selected to replace them.

CONSENT ITEMS

Chairman Dowd asked that the consent items be removed from the consent calendar for discussion. He requested that when there is a sole source award, included in the staff report should be some pricing comparison of what the City is paying versus other cities or treatment plant facilities for the same equipment.

6.1 WAIVER OF COMPETITIVE BIDDING – SOLE SOURCE WINKLEPRESS BELT FILTER PRESSES RECONDITIONING AND RETROFITTING

MOTION:

Vice Chairman Lowe moved to approve Resolution No. 918 entitled "Resolution of the Board of Public Utilities Waiving Competitive Bidding and Authorizing the Award of a Sole Source Purchase Order for Reconditioning

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and Retrofit of 2 Winklepress Belt Filter Presses to Ashbrook Simon-Hartley Operations, Dallas, Texas.” The motion was seconded by Board Member Lindsay and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

6.2 AGREEMENT FOR REIMBURSEMENT FUNDING OF THE CITY OF SANTA ROSA’S LOCAL SUPPLY PROJECT (LRT2 PROGRAM) WEST COLLEGE RECYCLED WATER TREATMENT AND EXPANSION

Chairman Dowd asked for clarification as to where funds would be used. Glen Wright, Deputy Director Water Resources explained that the City pays into these funds through the purchase of water from the Sonoma County Water Agency and then the agency grants the funds back to use towards water conservation projects. These funds will be used to design and construct a Pilot Project for recycled water. Additional funding of \$1.5 million will be received from Prop 50 funds.

MOTION:

Vice Chairman Lowe moved a motion to approve the Sonoma County Water Agency’s “Agreement for Reimbursement Funding of the City of Santa Rosa’s Local Supply Project (LRT2 Program) West College Recycled Water Treatment and Expansion” in the amount of \$1,100,000, and authorize the Chairman to sign. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

6.3 AGREEMENT FOR REIMBURSEMENT FUNDING OF THE CITY OF SANTA ROSA’S LOCAL SUPPLY PROJECT (LRT2 PROGRAM) A PLACE TO PLAY RECYCLED WATER TREATMENT AND EXPANSION

Mr. Wright explained that funds will be used for a pump and filtration station at A Place to Play to irrigate 3 new soccer fields as well as other areas at the facility.

MOTION:

Vice Chairman Lowe moved a motion to approve the Sonoma County Water Agency’s

“Agreement for Reimbursement Funding of the City of Santa Rosa’s Local Supply Project (LRT2 Program) A Place to Play Recycled Water Treatment and Expansion” in the amount of \$1,100,000, and authorize the Chairman to sign. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

REPORT ITEMS

7.1 REPORT – REGULATORY ISSUES UPDATE

Craig Johns, California Resource Strategies, Inc. provides monitoring and advice to the Board on regulatory and legislative issues. Mr. Johns announced that City Council Member Carol Dean had been appointed to the North Coast Regional Water Quality Control Board on March 14, 2008. He discussed the State Water Resources Control Board (SWRCB) Recycled Water Policy and noted that that the statewide recycling goal was set at 1 million AFY by 2010 but is currently at 50% of the target. The City of Santa Rosa is currently at about 20,000 AFY. He then spoke about the current status of the State Board Policy and the latest draft released on February 15th. Many of the issues raised by Santa Rosa have been addressed but some have not. Incidental runoff will be dealt with using a statewide NPDES General Permit with CEQA scoping scheduled for May 2008; Draft permit and State Board Workshops scheduled for November 2008; and State Board approval scheduled for July 2009.

Mr. Johns reviewed the SWRCB Compliance Schedule Policy, explained what the schedules are and why they are important. A draft policy was issued by the State Board in December 2007 and would overturn North Coast Regional Board Basin Plan governing compliance schedules. A State Board hearing was held on March 18, 2008 but action was deferred to April 15, 2008. He explained that the City will continue to participate in stakeholder meetings and informal outreach to State Board Members to advocate City’s positions.

He then reviewed the current SWRCB

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Enforcement Policy which was last updated in 2002. The City participated in the State Board workshop on February 19, 2008 and many of the suggestions made by the City were addressed or incorporated in latest draft Policy. A main issue of contention involves Supplemental Environmental Projects (SEP's). He explained the significance of these projects to the City and the community. Mr. Johns then reviewed the SWRCB Wetlands & Riparian Areas Policy and noted that a public notice was issued last month and the first hearing was scheduled for March 18th but continued to April 1, 2008. The Policy would develop a three-phase approach to establishing revised policy for regulating wetlands and riparian areas. The City is still evaluating the potential impacts of this Policy which may impact irrigation practices.

Brenda Adelman, Russian River Watershed Protection Committee expressed concern about the Associated Press study which showed low levels of toxins accumulating in the water supply; the collapse of the salmon and steelhead and destruction of water supply.

Chairman Dowd responded that the scientific evidence is not conclusive in this area and the City of Santa Rosa continues to review research as it becomes available.

At 2:45 p.m., Board Member Galvin left the dais.

7.2 REPORT – BID AWARD – LIFT STATION SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA)

Colleen Ferguson, Interim Deputy Director Utilities Engineering gave the staff presentation. She reviewed the SCADA system and explained that the system would replace the existing system with a licensed radio system that will improve overall communications and give operators the ability to monitor and control aspects of the system remotely. Data from the 18 sewer lift stations will be used to comply with new requirements regarding sanitary sewer overflows. The SCADA systems are very specialized and there are a limited number of qualified firms to provide this service. Eighteen firms were sent

the Request for Proposals and three proposals were received. Proposals were evaluated, including the verification of references, and it was determined that Western Water Constructors, Inc. provided the best value to the City because of their superior record of performance; proposed SCADA system meets the technical requirements without exception; the detailed schedule would make the system operational by October 2008 and provided the lowest cost.

Chairman Dowd requested that bid amounts of all of the proposals be included in the staff report for future items.

MOTION:

Vice Chairman Lowe moved a motion to authorize the award of bid and approve a contract, contingent on City Attorney approval, for lift station SCADA to Western Water Constructors, Inc., Santa Rosa, California, in the total amount of \$529,900. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (5) NO (0) ABSENT (1) Downey ABSTAIN (1) Galvin

At 2:50 p.m., Board Member Galvin returned to the dais.

7.3 WATER SUPPLY UPDATE

Mr. Wright reported that Lake Sonoma is at 100% of water supply and Lake Mendocino is at 95% of water supply. He noted that a Water Smart Expo will be held at the Wednesday Night Market on May 28th in conjunction with PG & E. There will be toilet, irrigation and solar vendors present. To date Water Conservation has rebated 200 High Efficiency Toilets and 5 acres of grass in the Cash for Grass Program and customers have begun calling about rebates for irrigation and Cash for Grass programs.

8. REFERRALS

9. WRITTEN COMMUNICATION (And Possible Board Action)

9.1 Letter to Jeanine Townsend, Clerk to the Board, State Water Resources Control Board

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re: Comment Letter – Water Recycling Policy (February 15, 2008 Draft) dated 3/10/08 from Greg Scoles, Deputy City Manager; included in packet

10. SUBCOMMITTEE REPORTS

Board Member Galvin reported on the recent Policies, Procedures and Programs Subcommittee meeting. The committee is continuing to identify outreach opportunities including public relations with a focus on internal staff communications. Chairman Dowd reported that the City Council/BPU Liaison Subcommittee met yesterday and is working on the 5th Amendment to the Subregional Agreement and negotiations are ongoing.

11. BOARD MEMBER REPORTS

Board Member Holt requested that the Board of Public Utilities consider at their next meeting to direct staff to make a short report concerning present activities for monitoring of endocrine disruptors, personal care products of concern and other emerging contaminants at another Board meeting within the following four weeks. Staff shall also report on any possible plans to reduce or eliminate such contaminants.

Chairman Dowd indicated that he will work with Miles Ferris, Director of Utilities to see if staff is able to put an item together to address Board Member Holt's request.

12. DIRECTORS REPORT

Mr. Ferris that the Pharmaceutical Take Back Program had collected 162.5 pounds of pharmaceuticals during their first collection for incineration. The standard for turbidity is 2 NTU and at the Laguna Treatment Plant is reporting 0.1 NTU. Recycled water storage is on schedule but more rain could be used. Flows at into the plant are currently below 20 mgd.

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

At 3:02 p.m., Suzanne Rawlings, Assistant City Attorney announced the closed session item.

13.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Subdivision (a) of Government Code Section 54956.9)
Name of Case: City of Santa Rosa v. Regional Water Quality Control Board, Sonoma County Superior Court Case No. SCV-241194

14. RECONVENE TO OPEN SESSION

At 3:40 p.m., Chairman Dowd announced the Board received a briefing from its legal counsel regarding the litigation between City of Santa Rosa and Regional Water Quality Control Board.

15. ADJOURNMENT OF MEETING

At 3:42 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, April 3, 2008 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez