

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, MAY 19, 2016
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:30 p.m. (City Council Chamber)

Chairman Galvin announced that Item 6.3 is pulled from Board consideration.

ROLL CALL

Present (5) Chairman Galvin, Vice Chair Kaun, Board Members Arnone, Dowd, and Watts

6.1 BID AWARD -FERRIC CHLORIDE SUPPLY

MOTION:

Absent (2) Board Members Holt and Tibbetts

Vice Chair Kaun moved a motion to approve a two year Blanket Purchase Order with Thatcher Company of California, Inc., for the delivery of ferric chloride as required by the Laguna Treatment for a total amount not to exceed \$190,870. Funds for this operational expense have been allocated for fiscal year 2015-16 in various Water Department operational key account numbers, and will be allocated for fiscal year 2017-18 upon budget approval by the City Council. The motion was seconded by Board Member Watts. AYES (5) NO (0) ABSENT (2) Holt and Tibbetts ABSTAIN (0)

STATEMENTS OF ABSTENTION BY BOARD MEMBERS – NONE

STUDY SESSION -NONE

MINUTES APPROVAL – April 21, 2016

Vice Chair Kaun moved a motion to approve the minutes from April 21, 2016. The motion was seconded by Board Member Dowd. AYES (5) NO (0) ABSENT (2) Holt and Tibbetts ABSTAIN (0)

STAFF BRIEFINGS

5.1 QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE

BACKGROUND: The briefing will highlight projects that are expected to be under construction in the coming months. CIP Project provide the infrastructure that is critical to the economic vitality and quality of life in Santa Rosa.

PRESENTER(S): Brad Hoffman, Supervising Land Surveyor

CONSENT ITEMS

6.2 CONTRACT EXTENSION – SUPPLY OF DEWATERING POLYMER SERVICES FOR LAGUNA WASTEWATER TREATMENT PLANT

MOTION:

Vice Chair Kaun moved a motion to approve the First Amendment to Contract F000929 with SNF Polydyne, Inc., Riceboro, Georgia for a one year contract extension with no rate increase for the supply of dewatering polymer to the Laguna Wastewater Treatment Plant, in an amount not to exceed \$210,000. Funds required for this operational expense have been appropriated in the fiscal year 2015-16 adopted budget of the Water

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Department and as a regular operating expense, and will be included in future budget proposals when presented to the City Council for budget approval. The motion was approved by Board Member Watts. AYES (5) NO (0) ABSENT (2) Holt and Tibbetts ABSTAIN (0)

REPORT ITEMS

Chairman Galvin announced that item 7.2 will be pulled from Board consideration.

7.1 SANTA ROSA WATER RESERVE POLICY UPDATE

BACKGROUND:Maintaining adequate reserve levels – funds set aside for specific purposes – allows a utility to respond to fluctuations in revenues and costs and respond to short term emergencies. Adequate reserves directly affect a utility’s bond rating, and ultimately its ability to borrow money at affordable interest rates. Santa Rosa Water Reserves were last updated in 2012. The 2015 Rate Study recommended an increase in the Catastrophic Reserve level to account for increased cost of construction over the years since the last update.

RECOMMENDATION: It is recommended by Water Department staff that the Board of Public Utilities, by resolution, recommend that the City Council update the Santa Rosa Water Reserve Policy to increase the catastrophic reserve levels by 30% in accordance with the 2015 Rate Study recommendations.

PRESENTER: Linda Reed, Acting Director of Santa Rosa Water

MOTION:

Vice Chair Kaun moved a motion to approve Resolution No. 1116 entitled “Resolution of the Board of Public Utilities Recommending that the Santa Rosa City Council Revise Council Policy 000-57, Santa Rosa Water Reserves Fund to Increase the Catastrophic Reserves”. The motion was seconded by Board Member Dowd. AYES (5) NO (0) ABSENT (2) Holt and Tibbetts ABSTAIN (0)

7.3 REPORT - WATER SUPPLY UPDATE

BACKGROUND: Staff will update the Board on water supply issues. The Board may discuss this item and give direction to staff.

PRESENTER: Jennifer Burke, Deputy Director of Water and Engineering Resources and Mike Prinz, Deputy Director Subregional Operations

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS – NONE

9. REFERRALS – NONE

10. WRITTEN COMMUNICATION (AND POSSIBLE BOARD DISCUSSION/ ACTION)

10.1 MEMO FROM LINDA REED, INTERIM DIRECTOR RE: QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE: JANUARY – MARCH 2016; INCLUDED IN PACKET

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11. SUBCOMMITTEE REPORTS –
NONE

Daniel J. Galvin III

12. BOARD MEMBER REPORTS –
NONE

13. DIRECTORS REPORT –

Gina Perez

Linda Reed, Acting Director, reported on the plans for the hydration station to be placed at the Amgen Festival on the day of the Amgen Race and Rose Parade. Staff will be hosting the Water Smart Expo. This will include a Compost Booth, which will include sample bags of compost for the public to take. Director Reed then reported that the high strength waste facility is about to go into test mode out at the Laguna Treatment Plant. Staff will start with 1 truck a day until operations is ready to increase the volume received. Board Member Dowd announced he will not attend the June 2nd meeting.

Chairman Galvin stated that there may be a need for a special meeting by the end of the month. Staff will be in contact with the Board once a date has been selected.

14. ADJOURNMENT OF MEETING

At 2:26 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, June 2, 2016 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.