

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, NOVEMBER 4, 2010
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:35 p.m. Mayor's Conference Room

MINUTES APPROVAL

ROLL CALL

Board Member Galvin moved approval of the minutes for September 2, 2010. The motion was seconded by Board Member Swinth and carried unanimously. AYES (4) NO (0) ABSENT (2) Gale and Meechan ABSTAIN (0)

Present (4) Chairman Dowd, Board Members Galvin, Holt and Swinth

Absent (2) Vice Chair Gale and Board Member Meechan

STAFF BRIEFINGS

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE

5.1 DISCHARGE COMPLIANCE PROJECT UPDATE

STUDY SESSION

Mike Prinz, Supervising Engineer briefly reviewed the project background, total project cost and the design process. He then presented a slideshow of the various phases of the construction of the project.

3.1 SYSTEMATIC WATER ASSUMPTIONS GUIDELINES

CONSENT ITEMS

Jennifer Burke, Senior Water Resources Planner discussed the usage trends for single family, multi-family, commercial and dedicated irrigation accounts and the factors over the last 3 years that are affecting water use. She explained that previous water use assumptions have been based on the lowest year on record. The last 15 years of the Sonoma County Water Agency wholesale rates were reviewed and discussed. She then reported that staff had met with the Budget Subcommittee and they recommended that no formal policy be pursued at this time; asked that staff continue to be conservative in their assumptions and asked that staff provide assumptions for Board review and approve prior to running the rate model. Board Member Galvin spoke on behalf of the Budget Subcommittee and reported that they liked the idea of adopting benchmarks or regular reviews so that adjustments can be made as needed. Board Member Swinth spoke on behalf of the Budget Task Force and stated that while the Board has no formal policy, staff should be using a similar or lower figure to that listed in the Restructured Agreement. Board Member Holt requested that flexibility be maintained when possible. Chairman Dowd suggested that staff continue to be slightly more conservative considering that rates continue to go up yet revenue has remained flat.

6.1 AMENDMENTS TO EXISTING MASTER AGREEMENTS FOR PROFESSIONAL SERVICES FOR CAPITAL IMPROVEMENT PROGRAM PROJECTS

MOTION:

Board Member Swinth moved a motion amending existing Master Professional Services Agreement (MPSAs) to increase the maximum compensation limits with Coastland Civil Engineering (\$3,500,000) and Winzler & Kelly (\$4,500,000) for Engineering Services for Capital Improvement Program projects and extend the term of these MPSAs for an additional five years. The motion was seconded by Board Member Holt and carried unanimously. AYES (4) NO (0) ABSENT (2) Gale & Meechan ABSTAIN (0)

REPORT ITEMS

Adjourn study session and reconvene to open session in City Council Chamber at approximately 2:08 p.m.

7.1 OAKMONT GOLF COURSES IRRIGATION UPDATE

Dan Carlson, Deputy Director Utility Operations provided a brief review of the item, discussed the Board direction pursuant to closing the plant and introduced the stakeholder group that has been involved. He reported that since staff developed and presented an interim agreement to the stakeholders, there had been no further

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contact. Board Member Swinth discussed the potential decommissioning of the plant that would save \$400,000 per year in operating costs with an additional \$2-3 million in capital over the next 10 years. Suzanne Rawlings, Assistant City Attorney reviewed the basis of the agreement and advised that there was no perpetual obligation for the City of Santa Rosa to provide the water or for the Golf Course to use the water.

Stephen Fuller-Rowell spoke on behalf of the Sonoma County Water Coalition and expressed concern about the use of groundwater and long term reuse.

Rod Metzler, representing the Oakmont Golf Club stated that the Golf Club and their legal counsel disagrees with the City of Santa Rosa attorney's position on the agreement. He spoke about the contact he has had with City staff and the new committee that has been formed to meet with staff. He discussed the interim agreement that was given to them on August 18th and added that this was the first time that he is hearing that the City is not obligated to provide an alternative source of water.

Barbara Spangler, Oakmont Golf Course introduced herself and said that she is the Chair of the Oakmont Negotiating Committee. She stated that she was looking forward to working with the City to come to a fruitful solution.

Mr. Carlson responded that the likelihood of bringing recycled water to East Santa Rosa is unrealistic at this time or in the near future. He added that he and Mr. Metzler have worked together for numerous years and hope to continue that relationship to develop a solution.

Board Member Swinth proposed a motion to direct staff to proceed with the decommissioning of the Plant, formally notifying Oakmont, closing the Plant and directing staff to negotiate an interim agreement for no more than two years. The motion was seconded by Board Member Holt. Board Member Galvin stated that he saw this item on the agenda as a report item and didn't expect it to result in any action. He added that he would be abstaining from any vote

because his law firm has represented one or more entities of the ownership and/or operation of the Oakmont Golf Course. He respectfully requested that since that leaves 3 members of the Board remaining to vote on this motion, that this be continued until a quorum of members are present to consider this item. Chairman Dowd concurred and acknowledged that Board Member Galvin had discussed this potential conflict.

7.2 WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources reported that Lake Mendocino is currently at 71,861 acre feet. Inflow is 204 cubic feet per second (cfs) and outflow is 202 cfs. Lake Sonoma is currently at 215,947 acre feet measuring 88% of the water supply pool and 56.7% of total capacity. Inflow and outflow are both at 122 cfs. Lake Pillsbury has 50,475 acre feet measuring 67% of total capacity and releasing approximately 216 cfs. At Van Arsdale there are 46 cfs going down the Eel River and 301 cfs going to Potter Valley. The flows at Hacienda Bridge are at 750 cfs. He then reported that the Santa Rosa Groundwater Planning Steering Committee is planning to give a presentation at the Veteran's Memorial Building on November 17th; then in Sebastopol on December 2nd, and then in Rohnert Park on January 12th. Mr. Wright then read an email from the Water Agency reporting that 2002 Chinook salmon and possibly 19 coho have been counted but counts could be higher because of an early dam deflation. The Sonoma County Water Agency has issued a Notice of Preparation for the Fish Habitat and Water Rights Project and is having some workshops on tonight, again on November 8th. On Tuesday, November 16th, the Russian River Watershed Association will be holding a Russian River Friendly Landscape Guidelines Workshop. He then showed the 1st, 2nd and 3rd place winners of the SCWA student video contest with the theme of Storm Water.

7.3 2010 URBAN WATER MANAGEMENT PLAN (UWMP) UPDATE

Jennifer Burke, Senior Water Resources Planner provided an overview of the Urban Water Management Plant Requirements and

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discussed the recent changes to those requirements. She discussed SB 7x7 components and added that the demand analysis work continues and that staff is currently reviewing the demand portion and not supply. Ms. Burke explained in great detail, the Decision Support System Model that was developed by Maddaus Water Management and is nationally recognized and endorsed by the California Urban Water Conservation Council.

At 3:40 p.m. Board Member Galvin left for the remainder of the meeting.

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE

9. REFERRALS

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

11. SUBCOMMITTEE REPORTS

Chairman Dowd reported on behalf of Board Member Galvin, that the Budget Subcommittee will be meeting on November 22nd to discuss Target Rate Increases.

12. BOARD MEMBER REPORTS

Chairman Dowd reported that he and Board Member Swinth met today with some senior staff members of the Water Agency and is pleased to report that the relationship with the Agency and some of the things that they are working on are improving dramatically. Great strides have been made and he looks forward to continuing those discussions.

13. DIRECTORS REPORT

Miles Ferris, Director of Utilities reported that Steering Team continues to meet and going through a large amount of data that has been collected. He then reported on a recent main break that involved a hydrant knockdown that had an auto shut off valve that closed but caused a break in three places of the main. He added that this was a very unusual situation. Mr. Ferris then reported that water departments around the country are facing the same financial issues as the City of Santa

Rosa yet the City is in a far better position than many. Chairman Dowd reported that he had called the Utilities Department to report a suspected leak in his neighborhood and was pleased that the crew visited the site that afternoon and verified that it is indeed a leak that will be repaired.

14. ADJOURNMENT OF MEETING

At 4:09 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, November 18, 2010 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez