

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

1:33 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

STATEMENTS OF ABSTENTION BY BOARD MEMBERS

Board Member Swinth stated she would abstain from the approval of minutes because she was not present for the entire meeting.

STUDY SESSION - NONE

MINUTES APPROVAL

Vice Chairman Lowe moved approval of the minutes of November 6, 2008. The motion was seconded by Board Member Lindsay and carried unanimously. AYES (5) NO (0) ABSENT (1) Downey ABSTAIN (1) Swinth

STAFF BRIEFINGS

5.1 TAKE IT FROM THE TAP!

Tasha Wright and Gina Perez gave the staff briefing and discussed the Outreach Committee efforts to educate fellow employees on the health, safety and environmental benefits of drinking tap water. One goal of the program is to reduce the purchase of single-serving bottled water by generally prohibiting the use of City funds for such purposes, with limited exceptions. Staff members attended department and section staff meetings and distributed more than 1,200 "goodie bags" with items to help City employees use tap water and make simple, environmentally-friendly changes to their lifestyle. Ms. Wright distributed the same goodie bags to all members of the Board. The total cost of the water bottles and reusable bags was \$13,136 and was paid for with Utilities outreach funds in the 2007/08 budget.

CONSENT ITEMS

6.1 INCREASE IN CONSTRUCTION

CONTRACT AMOUNT – SANTA ROSA UTILITIES ON-CALL SEWER AND WATER REPAIR AND INSTALLATION – PHASE V

MOTION:

Vice Chairman Lowe moved a motion to approve a change order to increase the construction contract amount by \$5,869.11 for a total contract amount of \$135,869.11 for Santa Rosa Utilities On-Call Sewer and Water Repair and Installation – Phase V which was awarded to Piazza Construction on February 20, 2007. The motion was seconded by Board Member Swinth and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

REPORT ITEMS

7.1 WAIVER OF COMPETITIVE BIDDING – SOLE SOURCE PURCHASE OF ADDITIONAL PUMPS, MOTORS, STARTERS, AND VIBRATION MONITORING EQUIPMENT FOR THE GEYSERS RECHARGE SYSTEM

Dan Carlson, Deputy Director Utility Operations reviewed the recommended components. He explained that additional equipment is needed to meet the increased flow requirements while maintaining system reliability. Procurement of pumps, associated motors, and motor controllers to match the existing pumping system is recommended to assure seamless interchangeability and to facilitate maintenance of the entire system. Norman Amidon, Associate Civil Engineer discussed the advantages of a sole source purchase for the equipment and explained that Weir Floway has demonstrated reliability and good service. Jim Wright, Purchasing Agent explained that a comparison of competing manufacturers had been completed as well as an analysis of the cost escalation and a review of similar proposals for other Agencies. Mr. Wright noted that he had been able to negotiate a lower price after the agenda materials were distributed. The final negotiated cost was \$1,711,561.88. Mr. Wright explained that because of the long lead time for the motors and pumps, the Board was being asked to make a conditional recommendation with Weir Floway with the

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understanding staff would not proceed until all of the terms and conditions are finalized and approved by the City Attorney's Office.

MOTION:

Vice Chairman Lowe moved to approve Resolution No. 943 entitled "Resolution of the Board of Public Utilities Waiving Competitive Bidding and Authorizing the Award of a Sole Source Purchase Order for Geysers Recharge System Pumps, Motors, Starters, and Vibration Monitoring Equipment to Weir Floway, Inc." The motion was seconded by Board Member Galvin and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

7.2 RECYCLED WATER PRICING POLICY UPDATE

Mr. Carlson began the staff presentation and stated that the Subregional System 2008 Recycled Water Pricing Policy (Policy) as previously adopted by the BPU and City Council established policy on pricing for future recycled water but did not specify what conditions would be placed on existing urban users as their contracts expire. Virginia Porter, Virginia Porter Consulting, reviewed the proposed policy amendment which would provide more specific guidance on pricing recycled water as existing contracts expire. The Subregional Technical Advisory Committee reviewed the proposed amendment to the Policy at their October meeting and supported the changes but asked that in implementation, negotiations consider a phased approach to achieving the goal of 95% of the alternative supply. Most of the contracts have rates set at 75% of the alternate source of supply. The proposed amendment adds language such that negotiation will be done with the goal of the end user paying 95% of the alternative source supply but with a phased approach.

Chairman Dowd expressed concern about the length of contracts and a minimum rate to be paid. Mr. Carlson responded that in no case is the rate less than 75% nor the phase in period longer than 5 years. Mr. Carlson recommended that staff revise the language and bring the item back to the Board on

December 4, 2008.

MOTION:

Vice Chairman Lowe moved a motion to continue item 7.2 to allow staff to adjust the language to include price floors and bring it back on December 4, 2008. The motion was seconded by Board Member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Downey ABSTAIN (0)

7.3 WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources presented a graph showing the current and historical reservoir conditions throughout California. He reported on a recent workshop that he attended that indicated water conditions from October 1, 2007 thru September 30, 2008 have seen a deficit of as much as 10 to 20 inches of precipitation in the Northern and Central Sierra. In addition, the seven-month period March-September 2008 was the driest on record in the Northern Sierra with only 3.5" of rainfall received. Furthermore, for the Northern Sierra, 2007 and 2008 marks the ninth driest two-year period in 88 years of record. Lake Mendocino is 43.4% full and Lake Sonoma is 78.5% full. Mr. Wright stated that two test wells, one near Jack London School and one off of West Ave. are being drilled as part of the groundwater program to test the aquifer to see what type of flows can be obtained and where the best places are to put in a municipal well. Mr. Wright further reported that from July – October 2008, the Sonoma County Water Agency has reduced diversions from the Russian River by 159 acre feet compared to the same time in 2007. To date, 1041 Chinook salmon have been counted.

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE

9. REFERRALS

10. WRITTEN COMMUNICATION (And Possible Board Action)

11. SUBCOMMITTEE REPORTS - NONE

12. BOARD MEMBER REPORTS - NONE

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13. DIRECTORS REPORT

Miles Ferris, Utilities Director reported that the Todd Rd trunk line was complete and in service. Mr. Amidon provided a brief update to the Board on the Parsons Terrace Private Sewer Lateral Replacement Project. The project is near completion with 11 out of 55 homes remaining for replacement. Mr. Ferris then reported that the audit has begun on the Incremental Recycled Water Program contracts. Mr. Carlson reported that the City Council approved the 5th Amendment to the Subregional Agreement on November 18, 2008 and is now in effect. The Council also concurred with the Board's recommendation on the Preferred Project as the Environmentally Superior Alternative for the Discharge Compliance Project. Mr. Carlson informed the Board that the City of Sebastopol is replacing their force main trunk line. Final testing of the line is taking place and if it passes, final connection will begin Friday night. Sebastopol will be required to haul their raw sewage to the plant for a period of 6-8 hours while this takes place.

14. ADJOURNMENT OF MEETING

At 3:26 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, December 4, 2008 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez