

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, SEPTEMBER 17, 2009
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

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

ROLL CALL

Present (6) Vice Chair Swinth, Board Members Gale, Galvin, Holt (arrived at 1:45 p.m.), Lowe and Meechan

Absent (1) Chairman Dowd

STATEMENTS OF ABSTENTION BY BOARD MEMBERS

Board Member Lowe abstained from the approval of minutes for August 20, 2009. Board Member Meechan abstained from the approval of the minutes for September 3, 2009.

STAFF BRIEFING

Miles Ferris, Director of Utilities reported that the staff has requested to postpone the staff briefing item to a future meeting date. Board Member Lowe moved a motion to pull the item from the agenda. The motion was seconded by Board Member Galvin and carried unanimously. AYES (6) NO (0) ABSENT (1) Dowd ABSTAIN (0)

STUDY SESSION

3.1 WATER AND WASTEWATER RATES – RATE MODEL INPUTS

Linda Reed, Administrative Services Officer, presented additional revenue and expenditure results and projections as requested by the Board during the August 20, 2009 Study Session. Ms. Reed and consultant Bob Reed of The Reed Group presented the preliminary rate model recommendations for rates based on the 2009/10 approved operation and maintenance and capital improvement program budgets that included increasing water and recycled water service charges and water and recycled water usage rates by 20% on January 8, 2010 and 7% on January 1, 2011; and increasing wastewater service charges and wastewater usage rates by 7% on January 8, 2010 and 7% on January 1, 2011. With reductions in water expenditures of \$2 million, rates could be adjusted to a 9% increase in both January 2010 and January

2011. Mr. Reed presented a refined tiered rate structures for single family residential accounts and dedicated irrigation accounts that could lessen the impact of a water rate increase for tier one usage. Mr. Reed then provided additional information about implementing an automatic rate adjustment that would pass through changes in wholesale water costs from the Sonoma County Water Agency in July of each year when the rates take effect. The Board directed staff to review the approved budgets and propose water expenditure reductions to mitigate the water rate recommendations and present this information during the October 1, 2009 regular meeting.

3.2 ADJOURN STUDY SESSION AND RECONVENE TO OPEN SESSION IN CITY COUNCIL CHAMBER

Adjourn study session and reconvene to open session in City Council Chamber at approximately 3:12 p.m.

APPROVAL OF MINUTES

Board Member Gale moved approval of the minutes of August 20, 2009. The motion was seconded by Board Member Galvin and carried unanimously. AYES (5) NO (0) ABSENT (1) Dowd ABSTAIN (1) Lowe

Board Member Holt moved approval of the minutes of September 3, 2009. The motion was seconded by Board Member Galvin and carried unanimously. AYES (5) NO (0) ABSENT (1) Dowd ABSTAIN (1) Meechan

CONSENT ITEMS

6.1 CONTRACT AWARD – CHERRY STREET SEWER AND WATER MAIN REPLACEMENT

MOTION:

Board Member Gale moved a motion to award a construction contract in the total amount of \$939,798.00 to the lowest responsive bidder, Northwest General Engineering of Santa Rosa, CA, for the Cherry Street Sewer and Water Main Replacement and approve a construction contingency of 15 percent. The

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motion was seconded by Board Member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Dowd ABSTAIN (0)

6.2 REJECTION OF BIDS – PROCTOR HEIGHTS WALKING PATH

MOTION:

Board Member Gale moved a motion to reject all bids for the Proctor Heights Walking Path. The motion was seconded by Board Member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Dowd ABSTAIN (0)

6.3 CONTRACT AWARD – LAGUNA WASTEWATER TREATMENT PLANT ROOF REPLACEMENTS – FILTER CONTROL AND CHEMICAL BUILDING

MOTION:

Board Member Gale moved a motion to authorize the award of bid and issuance of a contract for Laguna Wastewater Treatment Plant Filter Control and Chemical Buildings roof replacements to Best Contracting Services, Inc., Hayward, California. Total estimated amount of contract is \$150,900. The motion was seconded by Board Member Holt and carried unanimously. AYES (6) NO (0) ABSENT (1) Dowd ABSTAIN (0)

REPORT ITEMS

7.1 DECLARATION OF THE END OF THE WATER SHORTAGE EMERGENCY AND RESCINDING STAGE 1 OF THE CITY OF SANTA ROSA URBAN WATER SHORTAGE CONTINGENCY PLAN

Jennifer Burke, Senior Water Resources Planner, gave the staff presentation and began with clarifying the action before the Board that was misinterpreted in the Press Democrat. She explained that ending the water shortage emergency when the State Board Order term ends would not cause a reduction in the City's existing Water Conservation programs. Ms. Burke then presented an overview of all of the current programs that are provided to Santa Rosa customers. The timeline of activities by the Sonoma County Water Agency that lead up to

the Council's action of declaring a Water Shortage Emergency and adopting a Stage 1 Water Shortage was discussed, including reminding the Board of the Water Agency's projections in February for storage levels for Lake Mendocino. Ms. Burke explained that the goal of preserving water supply has been achieved and that there is no longer justification for the continuation of Stage 1. She also indicated that even if Stage 1 continues, the Agency is still required to increase releases from Lake Mendocino beginning October 3, 2009. The Board congratulated the rate payers for utilizing Water Conservation tools and for their continued conservation.

MOTION:

Board Member Lowe moved to approve Resolution No. 964 entitled "Resolution of the Board of Public Utilities Recommending that the Council of the City of Santa Rosa Adopt a Resolution Declaring the End of the Water Shortage Emergency and Rescinding Stage 1 of the City's Urban Water Shortage Contingency Plan." The motion was seconded by Board Member Galvin. AYES (5) NO (1) Holt ABSENT (1) Dowd ABSTAIN (0)

7.2 WATER SUPPLY UPDATE

Glen Wright, Deputy Director Water Resources, displayed a map that identified areas of Santa Rosa that have Tiered 3 water users; discussed the types of outreach that has been used for this group of users and displayed a map of the locations of known water wasters that staff is working with to resolve various issues. Mr. Wright reported that the Green Exchange Program has removed 821,709 square feet of turf and provided approximately \$400,000 in rebates. Vice Chair Swinth requested that the City Council, Board of Supervisors and newspaper receive notice of the success of the Program. Mr. Wright provided updated statistics of the existing Water Conservation Programs. Lake Sonoma is 81.4% full and Lake Mendocino is 58.8% full. Storage with the Agency is at 100 million gallons and demand has recently been as low as 36.7 mg per day. He then reported on the Board of Supervisors meeting decision on September 15th that added on additional

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\$1 million in appropriations to fund the 12 Strategic Priorities.

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS – NONE

9. REFERRALS

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

11. SUBCOMMITTEE REPORTS - NONE

12. BOARD MEMBER REPORT – NONE

13. DIRECTORS REPORT

Mr. Ferris reported that the biosolids storage hopper is now in operation at the Laguna Treatment Plant and staff has been able to reduce the number of trucks on site and allow for more effective and efficient system for hauling of those materials. He then reported that Local Operations has put a special emphasis on leak detection and repair of those leaks. Mr. Ferris added that there is still concern about citizens not using irrigation wells efficiently and Water Conservation staff is working diligently to find and correct those problems.

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

At 4:00 p.m., Suzanne Rawlings, Assistant City Attorney announced the closed session item.

14.1 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. RECONVENE TO OPEN SESSION

At 5:15 p.m., Vice Chair Swinth announced that the Board had had an information briefing from its attorney and no action was taken.

16. ADJOURNMENT OF MEETING

At 5:16 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, October 1, 2009 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Richard Dowd

Gina Perez