

**SANTA ROSA BOARD OF PUBLIC UTILITIES MEETING MINUTES
THURSDAY, SEPTEMBER 3, 2009
CITY HALL COUNCIL CHAMBER, 100 SANTA ROSA AVENUE
REGULAR MEETING**

1:00 p.m. Mayor's Conference Room

Adjourn study session and reconvene to open session in City Council Chamber at approximately 2:02 p.m.

ROLL CALL

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

CONSENT ITEMS - NONE

REPORT ITEMS - NONE

Absent (1) Board Member Meechan

The following agenda items were not heard due to the joint Council session and will be brought back on September 17, 2009 for discussion: Item 4 – Minutes Approval; Item 11 – Subcommittee Reports; Item 12 – Board Member Reports; and Item 13 – Directors Report.

STATEMENTS OF ABSTENTION BY BOARD MEMBERS - NONE

STUDY SESSION

3.1 PAY AS YOU SAVE – PAYS PROGRAM

ADJOURN TO JOINT MEETING WITH THE CITY COUNCIL

Dell Tredinnick, Project Development Manager introduced Ned Orrett from Resource Performance Partners, Inc. and Renata Brillinger from the Climate Protection Campaign. Ms. Brillinger briefly discussed the Council adopted goals that included a 4% reduction in green house gas emissions to 2004 levels by 2015. Mr. Orrett presented a proposed financial structure that could assist the existing efficiency programs and AB 811 to achieve this goal. Ms. Brillinger identified how a system could be arranged to allow customers to obtain and install money saving products with no up-front payment, no debt obligation and allow charges for the products to appear on their utility bill for as long as they occupy the location where the products were installed. They presented information from six electric utilities that have offered this system to their customers and identified a phased approach for design, implementation and operation. The Board expressed support that staff work to define the benefits of such a program for the City's water system.

CALL TO ORDER JOINT MEETING WITH THE CITY COUNCIL

ROLL CALL OF THE CITY COUNCIL

Present (7) Mayor Gorin, Vice Mayor Vas Dupre, Council Members Bender, Jacobi (arrived at 2:05 p.m.), Olivares, Sawyer (arrived at 2:11 p.m.) and Wysocky (arrived at 2:05 p.m.)

ROLL CALL OF THE BOARD OF PUBLIC UTILITIES

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

Absent (1) Board Member Meechan

STATEMENTS OF ABSTENTION BY COUNCIL MEMBERS AND BOARD MEMBERS

No statements of abstention were made by Council or BPU.

PUBLIC APPEARANCES (COMMENTS WILL BE LIMITED TO JOINT MEETING TOPIC) - NONE

The Board voted unanimously to avoid staff from having to wait for the conclusion of the joint session with City Council therefore agenda item 5.1 will be moved to a future meeting agenda.

REPORT ITEMS

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

18.1 CURRENT WATER SUPPLY ISSUES

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Glen Wright, Deputy Director Water Resources, provided an overview of the proposed action by the Sonoma County Water Agency (SCWA) Board of Directors in relation to the Water Project Redirection and Proposed Water Supply Strategies. He then discussed the SCWA's 12 Proposed Water Supply Strategies that were presented to the Board on May 7, 2009. Mr. Wright presented the various concerns of City staff which included SCWA currently having contractual obligations for 101,000 acre feet per year (afy) and the potential effects to the City's current SCWA entitlement. Jennifer Burke, Senior Water Resources Planner, provided background information regarding the Water Supply and Transmission System Project Environmental Impact Report (EIR) and the draft Water Project EIR. She reviewed the existing SCWA water contracts including the Restructured Agreement, which is the City's contract for water supply, and the adopted Water Shortage Allocation Methodology. Ms. Burke then discussed the Biological Opinion and how it applies to SCWA's current operations, the impacts on coho and steelhead, and the Reasonable and Prudent Alternative that SCWA is required to implement. She reviewed the key components of an Urban Water Management Plan as well as the SB610 Water Supply Assessment requirements, which include water suppliers to make a determination of water supply sufficiency. The existing and projected water supply for the City of Santa Rosa was presented and Ms. Burke expressed concern that if the additional supply was not pursued by SCWA, the City's current contractual entitlement may not be able to be met. The accomplishments to date of the City's Water Conservation Program were presented. Martha Lennihan, Lennihan Law, answered questions from the Council and BPU in relation to water rights from Warm Springs Dam, Water Supply and the impacts of SCWA not pursuing additional water supply from the Russian River.

Chris DeGabriele, North Marin Water District, spoke about the Restructure Agreement between the Agency and the contractors, expressed concern about the proposed action to halt development of the Water Project and added that the project wouldn't need to be

completed quickly but could be completed over the next 30 years.

Brenda Adelman, Russian River Watershed Protection Committee, stated that while the Lower River could benefit from the Water Project, staff should be looking at greener ways to conserve as discussed in the study session.

Colleen Fernald spoke about the testing of bottled water and suggested organizing a Town Hall meeting to discuss water solutions.

Duane Dewitt thanked Santa Rosa for their conservation efforts; stated that Warm Springs Dam was built for flood control and expressed support for Sonoma County Water Agency's direction and decision.

Sue Nelson, Chamber of Commerce, spoke about the impact of the Agency's decision to withdraw the application and added that it was unrealistic to think it will not have an effect on the community.

19. ANNOUNCEMENT OF CITY COUNCIL CLOSED SESSION ITEM(S)

At 4:31 p.m., Caroline Fowler, City Attorney announced the closed session item for City Council.

20. ANNOUNCEMENT OF BOARD OF PUBLIC UTILITIES CLOSED SESSION ITEM(S)

At 4:31 p.m., Molly Dillon, Assistant City Attorney the closed session item for BPU.

20.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9: One potential case.

20.2 CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 5000 – 5010 Llano Road, 5045 & 5047 Arlington Avenue, 3950 & 4200 Woodsworth Road, Sebastopol CA (APNs

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046-011-020 & 021, 062-240-001, 062-240-012, 062-240-026-028)
Agency Negotiator: Josh Maresca, Right-of-Way Agent
Negotiating Parties: Clement & Ann Marie Carinalli
Under Negotiation: Price and terms of payment

21. ADJOURNMENT OF JOINT MEETING WITH CITY COUNCIL AND ADJOURN TO CLOSED SESSION(S) (RISK MANAGEMENT CONFERENCE ROOM – ROOM 9)

22. RECONVENE TO OPEN SESSION

At 5:30 p.m., Chairman Dowd announced that the BPU unanimously recommended that the City Council proceed with the legal remedies available to it in the matter with the SCWA.

At 6:10 p.m., Ms. Fowler reported that the Council had voted 6-0 (with Council member Olivares being absent) to initiate litigation against the SCWA.

23. ADJOURNMENT OF MEETING

At 6:10 p.m. the meeting was adjourned. The next regular meeting of the Board of Public Utilities will be held on Thursday, September 17, 2009 at approximately 1:30 p.m. in the Council Chamber, City Hall, 100 Santa Rosa Avenue, Santa Rosa.

Robin Swinth

Gina Perez