



**Board of Public Utilities
Regular Meeting Minutes - Draft**

Thursday, October 15, 2020

1:30 PM

1. CALL TO ORDER AND ROLL CALL

Chairman Galvin called the meeting to order at approximately 1:30 p.m.

Present 7 - Chair Daniel Galvin III, Vice Chair William Arnone Jr., Board Member Lisa Badenfort, Board Member Christopher Grabill, Board Member Mary Watts, Board Member Glen Wright, and Board Member Matt Mullan

2. STATEMENTS OF ABSTENTION BY BOARD MEMBERS

There were no Statements of Abstention from Board members.

3. STUDY SESSION - NONE

4. MINUTES APPROVAL

The minutes for September 17, 2020 and October 6, 2020 were received and accepted as submitted.

4.1 September 17, 2020 - Regular Meeting Minutes

4.2 October 6, 2020 - Special Meeting Minutes

5. STAFF BRIEFINGS

5.1 2020-2021 CAPITAL IMPROVEMENT CONSTRUCTION PROJECT UPDATE

Staff will present a brief update on completed water, wastewater and regional construction projects in 2020, highlighting key projects in each sector. Staff will also provide a preview of construction projects to be initiated in 2021. The Board may discuss this item and give direction to staff.

Presenters: Lori Urbanek, Deputy Director - Engineering Resources, Mark Kasraie, TPW Supervising Engineer, Tracy Duenas, TPW Supervising Engineer and Erich Rauber, TPW Supervising Engineer

6. CONSENT ITEMS

6.1 RESOLUTION - WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE AWARD FOR ULTRAVIOLET DISINFECTION SYSTEM PARTS

RECOMMENDATION: It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, authorize and award a sole source Blanket Purchase Order (BPO) for ultraviolet disinfection system parts to D. C. Frost Associates, Inc., Walnut Creek, California, in an amount not to exceed \$1,050,000.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Wright, to approve Item 6.1 - RESOLUTION NO. 1236 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES AUTHORIZING A WAIVER OF COMPETITIVE PROCESS AND AWARD OF A SOLE SOURCE BLANKET PURCHASE ORDER FOR ULTRAVIOLET DISINFECTION SYSTEM PARTS TO DC FROST ASSOCIATES, INC., WALNUT CREEK, CALIFORNIA." The motion carried by the following vote:

Yes: 7 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Grabill, Board Member Watts, Board Member Wright and Board Member Mullan

6.2 RESOLUTION - THIRD AMENDMENT - GENERAL SERVICES AGREEMENT F001601 PONCIA FERTILIZER, INC.

RECOMMENDATION: It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, approve the Third Amendment to General Service Agreement F001601 in the amount of \$1,225,679.60 for biosolids hauling services with Poncia Fertilizer, Inc., Cotati, California.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Wright, to approve Item 6.2 - RESOLUTION NO. 1237 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES APPROVING THIRD AMENDMENT TO GENERAL SERVICE AGREEMENT F001601 WITH PONCIA FERTILIZER, INC, COTATI, CALIFORNIA." The motion carried by the following vote:

Yes: 7 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Grabill, Board Member Watts, Board Member Wright and Board Member Mullan

7. REPORT ITEMS

7.1 REPORT - ADOPTION OF MITIGATED NEGATIVE DECLARATION, ADDENDUM, AND A MITIGATION MONITORING AND REPORTING PROGRAM, AND PROJECT APPROVAL FOR THE COBBLESTONE DRIVE ZONE R2-R4 WATER MAIN CONNECTION

BACKGROUND: This proposed resolution will adopt the Mitigated Negative Declaration (MND) and associated Addendum, adopt the Mitigation Monitoring and Reporting Program (MMRP), and approve the Project. The proposed resolution will direct City staff to file a Notice of Determination for the Project pursuant to the California Environmental Quality Act (CEQA) Guidelines.

RECOMMENDATION: It is recommended by the Transportation and Public Works Department and the Water Department that the Board of Public Utilities, by resolution: 1) adopt the Mitigated Negative Declaration and associated Addendum for the Cobblestone Drive Zone R2-R4 Water Main Connection Project (Project); 2) approve the Project; 3) adopt the Mitigation Monitoring and Reporting Program for the Project; and, 4) direct staff to file a Notice of Determination.

Presenters: Andrew Wilt, Associate Civil Engineer and Justin Witt, Environmental Planner - Brelje and Race

A motion was made by Board Member Wright, seconded by Board Member Watts, to approve Item 7.1 - RESOLUTION NO. 1238 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF SANTA ROSA ADOPTING A MITIGATED NEGATIVE DECLARATION AND ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION, ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, AND APPROVING THE COBBLESTONE DRIVE R2-R4 WATER MAIN CONNECTION PROJECT." The motion carried by the following vote:

Yes: 7 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Grabill, Board Member Watts, Board Member Wright and Board Member Mullan

7.2 REPORT - RECOMMENDATION TO AUTHORIZE ISSUANCE OF WASTEWATER REVENUE BONDS, SERIES 2020A AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2020B (FEDERALLY TAXABLE)

BACKGROUND: The Water Department proposes to upgrade its ultraviolet (UV) disinfection system at the Laguna Wastewater Treatment Plant along with other capital improvements (UV Disinfection and Diversion Project) and recommends the issuance of wastewater revenue bonds to raise funds for the UV Disinfection and Diversion Project. Additionally, the City previously issued its City of Santa Rosa Wastewater Revenue Bonds, Series 2012A (the "2012A Bonds") for the purpose of financing certain improvements to the City's wastewater system. Staff has determined that the remaining outstanding 2012 Bonds can be refunded and generate savings for the benefit of the ratepayers and therefore staff is also recommending that the 2012A Bonds be refinanced at this time.

RECOMMENDATION: It is recommended by the Finance Department and the Water Department that the Board of Public Utilities, by resolution, recommend that the City Council authorize the issuance of Wastewater Revenue Bonds, Series 2020A (the "2020A Bonds") to fund capital improvements projects of the wastewater system and Wastewater Revenue Refunding Bonds, Series 2020B to redeem certain outstanding wastewater revenue bonds for debt service savings (Federally Taxable) (the "2020B Bonds"; collectively with the 2020A Bonds, the "2020 Bonds") and all related actions necessary to carry out the issuance.

Presenters: Kimberly Zunino, Deputy Director - Water Administration and Sarah Hollenbeck, Managing Director - PFM Financial Advisors LLC

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Watts, to approve Item 7.2 - RESOLUTION NO. 1239 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE CITY COUNCIL AUTHORIZE THE ISSUANCE AND SALE OF SANTA ROSA SERIES 2020A AND CITY OF SANTA ROSA WASTEWATER REVENUE REFUNDING BONDS, SERIES 2020B (FEDERALLY TAXABLE), REFINANCING OF ALL OR A PORTION OF THE OUTSTANDING CITY OF SANTA ROSA WASTEWATER REVENUE REFUNDING BONDS, SERIES 2012A." The motion carried by the following vote:

Yes: 7 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Grabill, Board Member Watts, Board Member Wright and Board Member Mullan

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS

None.

9. REFERRALS

None.

10. WRITTEN COMMUNICATION (AND POSSIBLE BOARD DISCUSSION)

None.

11. SUBCOMMITTEE REPORTS

Board Member Watts reported the Budget Review Subcommittee met on October 13, 2020. Staff provided information on the progress of the upcoming multi-year rate proposal. Staff and consultants provided information on the drivers for the proposal including increase of catastrophic reserve levels, debt service, capital improvement expenditures and O&M costs.

12. BOARD MEMBER REPORTS

Board Member Grabill requested formation of a subcommittee related to recycled water issues.

13. DIRECTORS REPORTS

Director Burke reported the Laguna Environmental Laboratory recently received a new Gas Chromatograph Mass Spectrometer (GCMS) and staff is developing the methods and proving proficiency to achieve accreditation. She gave an update on the Wyland Foundation Mayors' National Water Conservation Challenge. The City of Santa Rosa placed fourth for cities with comparable populations. Director Burke detailed the department's response to the recent Glass Fire. Local Operations staff closely monitored the water system and all water pump stations operated at full capacity in impacted areas. Staff flushed and sampled the system and confirmed no contamination had entered the water system.

14. ANNOUNCEMENT OF CLOSED SESSION ITEM(S) AND ADJOURNMENT TO CLOSED SESSION

The Closed Session was pulled from the October 15, 2020 meeting agenda.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case, related to claims filed by TerraCon in connection with Contract C02081 - Post Ct and Simpson PI Sewer Replacements

15. ADJOURN TO OPEN SESSION AND ANNOUNCEMENT OF CLOSED SESSION ACTION, IF ANY

16. ADJOURNMENT OF MEETING

Chairman Galvin adjourned the meeting at 2:56 p.m. in memory of Daryl Clark, Santa Rosa Water staff member, and read a tribute in his honor.