



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

Thursday, December 19, 2024

1:30 PM

1. CALL TO ORDER AND ROLL CALL

Present 5 - Chair Daniel Galvin III, Vice Chair William Arnone Jr., Board Member Robin Bartholow, Board Member Duane De Witt, and Board Member Glen Wright

Absent 1 - Board Member Lisa Badenfort

2 REMOTE PARTICIPATION UNDER AB 2449 (IF NEEDED)

None.

3. STATEMENTS OF ABSTENTION BY BOARD MEMBERS

None.

4. STUDY SESSION

None.

5. PRESENTATION

**5.1 PRESENTATION - SONOMA WATER - WATER TRANSMISSION
SYSTEM CAPITAL PROJECTS UPDATE**

Kent Gylfe, Director of Engineering - Sonoma Water, presented and answered Board Member questions.

6. MINUTES APPROVAL

6.1 December 5, 2024 - Regular Meeting Minutes - Draft

The December 5, 2024 were approved as submitted.

7. STAFF BRIEFINGS

None.

8. CONSENT ITEMS

**8.1 MOTION - APPROVAL OF WAIVER OF BID AND ISSUANCE OF ONE
YEAR BLANKET PURCHASE ORDER TO CUMMINS, INC. FOR**

PURCHASE OF MISCELLANEOUS PARTS AND TECHNICAL SERVICES

RECOMMENDATION: It is recommended by Santa Rosa Water and the Finance Department that the Board of Public Utilities, by motion, approve a waiver of bid and issuance of a one-year Blanket Purchase Order (BPO) to Cummins, Inc., of Irvine, California, for the purchase of miscellaneous parts and technical services for the Combined Heat and Power (CHP) engines at the Laguna Treatment Plant (LTP) for a total amount not to exceed \$300,000.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Bartholow, to approve Consent Item 8.1.

The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Bartholow, Board Member De Witt and Board Member Wright

Absent: 1 - Board Member Badenfort

9. REPORT ITEMS

9.1 REPORT - REJECT ALL BIDS - WATER PUMP STATION 9 ELECTRICAL UPGRADES, CONTRACT NO. C02438

BACKGROUND: Contract No. C02438, Water Pump Station 9 Electrical Upgrades (Project) will replace aging equipment that is nearing the end of its usability as well as incorporate new equipment to increase the safety and reliability of the facility, with the installation of a portable generator and main power PG&E disconnect.

On October 15, 2024, a total of one (1) bid was received in the amount of \$2,903,800.06, which is 77.97% over the Engineer's Estimate. Staff recommends rejecting all bids and proposes to implement design changes to the Project, that do not significantly impact the Project objectives, and a re-solicit the Project in early 2025.

RECOMMENDATION: It is recommended by Santa Rosa Water and the Transportation and Public Works Department that the Board of Public Utilities, by motion, reject all bids received for Contract No. C02438, Water Pump Station 9 Electrical Upgrades.

Richela Maeda, Associate Civil Engineer, presented and answered

Board Member questions.

A motion was made by Board Member Wright, seconded by Vice Chair Arnone, Jr., to approve to reject all bids received for Contract No. C02438, Water Pump Station 9 Electrical Upgrades.

The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Bartholow, Board Member De Witt and Board Member Wright

Absent: 1 - Board Member Badenfort

9.2 REPORT - ORDINANCE AMENDING SECTIONS OF SANTA ROSA CITY CODE TITLE 15 - SEWERS, 2025, TO MAINTAIN COMPLIANCE WITH EPA INDUSTRIAL PRETREATMENT PROGRAM REGULATION REVISIONS

BACKGROUND: This ordinance consists of proposed sewer code edits that derive from the California State Water Resources Control Board (SWRCB) Pretreatment Compliance Audit findings from the August 5, 2022 audit of the City's Industrial pretreatment program.

RECOMMENDATION: It is recommended by Santa Rosa Water that the Board of Public Utilities, by resolution, recommend that the City Council adopt an Ordinance amending sections of Santa Rosa City Code Title - 15 Sewers: 15-04.030 Definitions(16); 15-08.490 Periodic Compliance Reports; and 15-08.620 Recordkeeping.

Martin St. George, Environmental Compliance Supervisor, presented.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Bartholow, to waive reading of the text and adopt:

RESOLUTION NO. 1333 ENTITLED: RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE SANTA ROSA CITY COUNCIL ADOPT AN ORDINANCE AMENDING SECTIONS OF SANTA ROSA CITY CODE TITLE 15 SEWERS TO MAINTAIN COMPLIANCE WITH EPA INDUSTRIAL PRETREATMENT PROGRAM REGULATION REVISIONS.

The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Bartholow, Board Member De Witt and Board Member Wright

Absent: 1 - Board Member Badenfort

9.3 **REPORT - 2024 WATER AND WASTEWATER COST OF SERVICE STUDY AND PROPOSED FY25/26 THROUGH FY29/30 RATE SCHEDULE**

BACKGROUND: In 2023, Santa Rosa Water (SRW) hired Hildebrand Consulting, LLC (HC), to develop a ten-year long-range financial plan, followed by a thorough cost of service analysis and recommendation of a new water and wastewater rate schedule. HC found SRW's financial health is such that at the end of the current rate schedule, set to conclude on June 30, 2025, moderate annual water and wastewater rate increases would be required. Proposed increases between 6-7% each year for water fixed and usage charges and 5% each year for wastewater fixed and usage charges are proposed to help ensure that SRW continues to meet all service and financial obligations. In addition, SRW is proposing the re-introduction of the wholesale pass-through rate increase to water rates. This would ensure that the annual increase for wholesale water rates through Sonoma Water would be passed through to the usage portion of customer water bills, ensuring that SRW is neither under nor over charging customers for the annual increase in the cost of wholesale water. In terms of the billing impacts, in years where Sonoma Water's increase to the wholesale rate is larger than SRW's increase to the usage rate, the customer would see an impact slightly larger than the rate proposal on the usage portion of their bills, and in years where Sonoma Water's increase to the wholesale rate is smaller than SRW's increase to the usage rate, the customer would see an impact slightly lower than SRW's increase to the usage rate.

RECOMMENDATION: It is recommended by the Board of Public Utilities Budget Subcommittee and Santa Rosa Water that the Board of Public Utilities, by resolution, recommend that, after compliance with Proposition 218 and successful conclusion of a protest hearing, the City Council 1.) Enact increased rates for water services and 2.) Enact increased rates for wastewater services.

Nick Harvey, Deputy Director - Water Administration, Dan Hennessy, Director - Transportation and Public Works, Dustin Cooper, Interim Assistant City Attorney, and Mark Hildebrand, consultant with Hildebrand Consulting, presented and answered Board Member

questions.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Wright, to waive reading of the text and adopt:

RESOLUTION NO. 1334 ENTITLED: RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE COUNCIL OF THE CITY OF SANTA ROSA ENACT INCREASED CHARGES AND RATES FOR WATER AND WASTEWATER SERVICES.

The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Bartholow, Board Member De Witt and Board Member Wright

Absent: 1 - Board Member Badenfort

10. PUBLIC COMMENTS ON NON-AGENDA MATTERS

None.

11. REFERRALS

None.

12. WRITTEN COMMUNICATION (AND POSSIBLE BOARD DISCUSSION)

None.

13. SUBCOMMITTEE REPORTS

None.

14. BOARD MEMBER REPORTS

Board Member DeWitt asked when the next Water Conservation Subcommittee will be held.

Director Burke answered that the next Water Conservation Subcommittee meeting will be held once Council appointments have been made and the Board is fully seated.

15. DIRECTORS REPORTS

Director Burke reported: Thanked the Board and the Budget Subcommittee for their hard work on the rate setting.

During the last Recycled Water Update, there was a comment that they may need to discharge. As of now, they are still closely watching. As of early this week we were a little over 840 million gallons of storage, which is very high for this time of year. With the incoming storms, we are estimating that we will be close to a billion gallons in storage. The operations teams and environmental staff at the plant have been meeting, and are anticipating we will be discharging in January. This is a routine part of what we do, but it is very staff intensive. We are maximizing flows to the Geysers and thanks to the Board support, we were able to set a contract with Sonoma Water to purchase phosphorus credits, so we anticipate we will be in good shape for when we do discharge.

Chris Kilgore, who has been with the City since 2006, is retiring. He has exceptional work ethic and he has earned everyone's respect. He has always put forth a can do attitude, he has been an excellent coach and mentor, and can always be counted on. Always asked "what is best for the organization". Wishing him a very well deserved retirement.

16. ADJOURNMENT OF MEETING

Chair Galvin adjourned the meeting at 3:22 p.m. The next Board of Public Utilities meeting is scheduled for January 2, 2025 at 1:30 p.m.