



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

Thursday, April 19, 2018

1:30 PM

1. CALL TO ORDER AND ROLL CALL

Chair Galvin called the meeting of the Board of Public Utilities to order at approximately 1:30 p.m.

Present 5 - Chair Daniel Galvin III, Board Member Richard Dowd, Board Member Mary Watts, Board Member Christopher Grabill, and Board Member Lisa Badenfort

Absent 1 - Vice Chair William Arnone Jr.

2. STATEMENTS OF ABSENTION BY BOARD MEMBERS

No statements of abstention were made.

3. STUDY SESSION - NONE.

4. MINUTES APPROVAL

4.1 March 15, 2018 - Regular Meeting Minutes.

Approved as submitted.

5. STAFF BRIEFINGS

Presenter(s): Rhianna Frank, Research and Program Coordinator

5.1 EARTH DAY ONSTAGE AT COURTHOUSE SQUARE

Water Department staff will provide information on Santa Rosa's annual Earth Day OnStage event, which will take place Saturday, April 21, from 12-4pm, at Courthouse Square. Staff will provide an overview of the event and information on the activities that will take place.

Attachments: [Presentation](#)

6. CONSENT ITEMS - NONE.

7. REPORT ITEMS

7.1 REPORT - ADOPTION OF MITIGATED NEGATIVE DECLARATION,

MITIGATION AND MONITORING PROGRAM AND APPROVAL OF THE R7 ROAD ACCESS STABILIZATION REPAIRS PROJECT

BACKGROUND: Pursuant to the requirements of the California Environmental Quality Act, a Mitigated Negative Declaration (MND) and Mitigation and Monitoring Program (MMP), were prepared for the R7 Road Access Stabilization Repairs Project (Project). An approval will direct City staff to proceed with the next steps in implementing and completing the mitigation required as part of the Project.

RECOMMENDATION: It is recommended by the Departments of Water and Transportation and Public Works that the Board of Public Utilities, by resolution, 1) adopt the Mitigated Negative Declaration for R7 Road Access Stabilization Repairs Project; 2) adopt a Mitigation Monitoring Program for the Project; and 3) approve the Project.

Attachments: [Staff Report](#)
 [Attachment 1](#)
 [Attachment 2](#)
 [Attachment 3](#)
 [Resolution](#)
 [Presentation](#)

Presenter(s): Tetyana Mokvyts, Associate Civil Engineer

A motion was made by Board Member Dowd, seconded by Board Member Watts, to approve Item 7.1 - RESOLUTION NO. 1157 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF SANTA ROSA ADOPTING THE MITIGATED NEGATIVE DECLARATION, MITIGATION AND MONITORING PROGRAM AND APPROVING THE R7 ROAD ACCESS STABILIZATION REPAIRS PROJECT". The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Board Member Dowd, Board Member Watts, Board Member Grabill and Board Member Badenfort

Absent: 1 - Vice Chair Arnone Jr.

7.2 REPORT - RECOMMENDATION FOR CITY COUNCIL APPROVAL OF THE PRELIMINARY 2018/19 SUBREGIONAL SYSTEM OPERATING AND MAINTENANCE, CAPITAL IMPROVEMENT, AND DEBT SERVICE BUDGET AND ALLOCATION OF COSTS

BACKGROUND: The Subregional System, managed by the City of Santa Rosa per the Agreement, is a state-of-the-art wastewater treatment facility serving five-member agencies (Santa Rosa, Rohnert

Park, Sebastopol, Cotati, and the Sonoma County South Park Sanitation District, each hereinafter referred to as "User Agency" or collectively as "User Agencies"). The Laguna Treatment Plant is a tertiary-level treatment facility permitted for 21.34 million gallons per day (MGD) average dry weather flow.

The Subregional Operations and Maintenance (O&M) Fund budget request is \$35,161,214, the Subregional cash-funded Capital Improvement Program (CIP) is \$11,739,000 and the Subregional debt service due is \$22,319,235.

The operating Agreement requires that the City annually prepare a Preliminary Budget and Allocation of Costs for the Subregional System and notify the User Agencies of these costs by May 1st of each year. The Agreement further requires that the proposed budget and allocation of costs be reviewed by the Subregional Technical Advisory Committee (TAC), the Board of Public Utilities (BPU) and the Council of the City of Santa Rosa prior to noticing the partners of operating and debt service costs due. The Council will be asked to approve the preliminary budget for the purpose of notifying the User Agencies on May 2, 2018, and will review the proposed budget with the city-wide budget study session on May 16, 2018.

RECOMMENDATION: It is recommended by Santa Rosa Water Staff and the Technical Advisory Committee (TAC) that the Board of Public Utilities, by resolution, recommend that the City Council approve the Preliminary 2018/19 Subregional System Operating and Maintenance, Capital Improvement, and Debt Service Budget and Allocation of Costs for the purpose of notifying the participating Subregional User Agencies of their allocation of such costs.

Attachments: [Staff Report](#)
 [Resolution](#)
 [Presentation \(added 4/18/18\)](#)

Presenter(s): Kimberly Zunino, Deputy Director Administration

A motion was made by Board Member Dowd, seconded by Board Member Badenfort, to approve Item 7.2 as amended - RESOLUTION NO. 1158 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE SANTA ROSA CITY COUNCIL APPROVE THE PRELIMINARY FISCAL YEAR 2018/19 SUBREGIONAL SYSTEM

OPERATING, CAPITAL AND DEBT SERVICE BUDGET AND THE PROPOSED OPERATIONS AND DEBT SERVICE ALLOCATION OF COSTS".

The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Board Member Dowd, Board Member Watts, Board Member Grabill and Board Member Badenfort

Absent: 1 - Vice Chair Arnone Jr.

7.3 REPORT - RECOMMENDATION FOR CITY COUNCIL APPROVAL OF THE FY 2018/19 WATER AND LOCAL WASTEWATER FUNDS OPERATIONS, MAINTENANCE AND CAPITAL EXPENDITURES REQUESTS

BACKGROUND: Santa Rosa Water manages the City of Santa Rosa's water and wastewater enterprise funds under the general policy authority and direction of the Board of Public Utilities (BPU) pursuant to the City Charter. The BPU annually recommends a proposed fiscal year water and wastewater budget to the City Council to be included in the annual City budget adoption.

The water and wastewater funds are primarily financed by Santa Rosa ratepayer user fees and charges. Water rates approved by the Santa Rosa City Council include a fixed charge increase of 5% and a wholesale water rate pass-through increase of approximately 1.6% (for a combined water rate increase of approximately 2.3% for most customers). This increase, combined with the use of current fund balances, is considered sufficient to fund the prudent operation of the water system in 2018/19, with the exception of the water quality issue resulting from the October fires. Additional funds will be made available for the final water quality repair project from fund balance, re-appropriation of existing CIP funding and reserves. The authorized 3% wastewater rate increase combined with the use of current fund balances is considered sufficient to fund the prudent operation of the wastewater system and Santa Rosa's share of the Subregional system and maintain appropriate debt service ratios through 2018/19.

RECOMMENDATION: It is recommended by Santa Rosa Water staff that the Board of Public Utilities, by resolution, recommend that the City Council approve the Fiscal Year 2018/19 Water Fund and Local Wastewater Fund operation, maintenance and capital expenditure appropriation requests.

Attachments: [Staff Report](#)
 [Resolution - all members](#)
 [Resolution - abstention](#)

A motion was made by Board Member Dowd, seconded by Board Member Badenfort, to approve Item 7.3 as amended - RESOLUTION NO. 1159 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE SANTA ROSA CITY COUNCIL APPROVE THE PROPOSED FISCAL YEAR 2018/19 SANTA ROSA WATER OPERATING, MAINTENANCE AND CAPITAL IMPROVEMENT BUDGETS FOR THE WATER FUND AND THE LOCAL WASTEWATER FUND, AND

RESOLUTION NO. 1160 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE SANTA ROSA CITY COUNCIL APPROVE THE PROPOSED FISCAL YEAR 2018/19 SANTA ROSA WATER OPERATING, MAINTENANCE AND CAPITAL IMPROVEMENT BUDGETS FOR THE WATER FUND AND THE LOCAL WASTEWATER FUND". The motion carried by the following vote:

Yes: 5 - Chair Galvin III, Board Member Dowd, Board Member Watts, Board Member Grabill and Board Member Badenfort

Absent: 1 - Vice Chair Arnone Jr.

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 that the Water Conservation Subcommittee would be meeting today.

12. BOARD MEMBER REPORTS

NONE.

13. DIRECTORS REPORTS

Ben Horenstein, Director reported on various department activities.

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

At 2:20 p.m., Molly Maclean, Assistant City Attorney announced the closed session item and the Board adjourned to closed session.

14.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: potential number of cases unknown.

15. ADJOURNMENT TO OPEN SESSION IN THE MAYOR'S CONFERENCE ROOM AND ANNOUNCEMENT OF CLOSED SESSION ACTION, IF ANY.

The Board adjourned to open session at 3:56 p.m. Assistant City Attorney Maclean reported that the Board gave direction to staff.

16. ADJOURNMENT OF MEETING

The meeting was adjourned at 3:57 p.m. The next regularly scheduled meeting of the Board of Public Utilities will be held on May 3, 2018.