



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

Thursday, November 5, 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 by Board Members.

3. STUDY SESSION

3.1 KELLY FARM MITIGATION BANK OPPORTUNITIES

The Laguna Treatment Plant (LTP) and many of the city-owned farms are located within the Santa Rosa Plain which is home to endangered species, including the California tiger salamander (CTS), and rare plants, including Sebastopol meadowfoam, Burke's goldfields, and Sonoma sunshine. When the City undertakes a project located at these facilities, the project needs to be designed to avoid impacts to these sensitive species, or the City needs to purchase mitigation credits from a privately held mitigation bank to offset the impacts. Over the last ten years, the cost of CTS credits has increased. The City has planned projects that may require significant mitigation credits, like the flood wall at LTP. The purchase of mitigation credits can add a large cost to the project and extend the time that it takes to obtain regulatory permits, thus delaying the start of the project. The alternative to purchasing mitigation credits from privately-owned mitigation banks is for the City to establish a mitigation bank for City projects on city-owned property. The City has worked with a consultant, GHD, to explore the opportunity to establish a mitigation bank on Kelly Farm. Staff will provide the preliminary results of this analysis. The Board may discuss this item

and provide direction to staff.

Presenter: Sean McNeil, Deputy Director - Environmental Services

Board Member Grabill left the meeting at 1:59 p.m.

4. MINUTES APPROVAL

The minutes for October 15, 2020 were received and accepted as submitted.

4.1 October 15, 2020 - Regular Meeting Minutes

5. STAFF BRIEFINGS - NONE.

6. CONSENT ITEMS

6.1 MOTION - CONTRACT AWARD - NORTH TRUNK SEWER REPLACEMENT-MENDOCINO AVE TO TERRA LINDA DR

RECOMMENDATION: It is recommended by the Transportation and Public Works Department and the Water Department that the Board of Public Utilities, by motion, award Construction Contract No. C00158 in the amount of \$8,947,141.70 to the lowest responsible bidder, Team Ghilotti, Inc., of Petaluma, California for North Trunk Sewer Replacement-Mendocino Ave to Terra Linda Dr, approve a 20% contingency, and authorize a total contract amount of \$10,736,570.04.

Board Member Watts asked for and received information from Gregory Dwyer, Associate Civil Engineer, addressing a letter from Sonia Taylor regarding project concerns.

A motion was made by Vice Chair Arnone, Jr., seconded by Board Member Mullan, to award Construction Contract No. C00158 in the amount of \$8,947,141.70 to the lowest responsible bidder, Team Ghilotti, Inc., of Petaluma, California for North Trunk Sewer Replacement-Mendocino Ave to Terra Linda Dr, approve a 20% contingency, and authorize a total contract amount of \$10,736,570.04. The motion carried by the following vote:

Yes: 6 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Watts, Board Member Wright and Board Member Mullan

Absent: 1 - Board Member Grabill

7. REPORT ITEMS

7.1 REPORT - REFUND OF WATER DEMAND FEE TO IDENTIFIED MULTI-FAMILY PROPERTIES THAT PAID AN ADDITIONAL IRRIGATION DEMAND FEE

BACKGROUND: Santa Rosa Water (SRW) discovered additional water demand fees (also referred to as capacity fees) have been charged to some multi-family residential developments since the new demand fee structure was approved in August 2014 by Santa Rosa City Council. Some multi-family residential customers were charged irrigation demand for a dedicated irrigation meter as well as an incorporated irrigation demand by unit as defined in the Demand Fee Final Report. SRW staff has identified all multi-family properties that paid dedicated irrigation water demand and irrigation water demand incorporated in the per unit fee, and calculated the correct demand requirement and corresponding dollar amount, and is requesting approval to refund the per unit incorporated irrigation water demand fee charges.

RECOMMENDATION: It is recommended by Santa Rosa Water (SRW) that the Board of Public Utilities, by resolution, recommend that the City Council approve a refund in the total amount of \$545,674.80 for water demand fees collected from multi-family units for which an additional demand fee was paid for separate irrigation demand, and authorize the Chief Financial Officer to pay these refunds to individual properties from Fund 1615-4643.

Presenter: Kimberly Zunino, Deputy Director - Administration

A motion was made by Board Member Wright, seconded by Board Member Watts, to approve Item 7.1 - RESOLUTION NO. 1240 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE SANTA ROSA CITY COUNCIL APPROVE A REFUND FOR WATER DEMAND FEES FOR MULTI-FAMILY PROPERTIES THAT PAID A SEPARATE IRRIGATION WATER DEMAND FEE." The motion carried by the following vote:

Yes: 6 - Chair Galvin III, Vice Chair Arnone Jr., Board Member Badenfort, Board Member Watts, Board Member Wright and Board Member Mullan

Absent: 1 - Board Member Grabill

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 29, 2020. Staff and consultants provided additional information on the current rate setting process including an overview of the methodology and cost of service study. In addition, information was presented on the community outreach that will accompany the process in 2021.

Chairman Galvin reported the Contract Review Subcommittee met on October 20, 2020. Two professional services contracts, an amendment to a contract with Carollo Engineers and a contract with Psomas, both for the UV Disinfection Project, were unanimously supported by the subcommittee. Both contracts are scheduled to come before the Board on November 19.

12. BOARD MEMBER REPORTS

None.

13. DIRECTORS REPORTS

Director Burke reported that recent negotiations by the Real Estate Manager for a purchase and sale agreement for 1,400 acres in south county for use of biosolids application ended with the family accepting another offer. She shared that the U.S. EPA recently recognized the Sonoma-Marin Saving Water Partnership with two of the 29 awards given out nationally under their WaterSense Partnership Program: the "Sustained Excellence Award" and the "Excellence Award." Director Burke reported the City Council approved the 2020A Bond Series for the UV Project funding and the 2012 Bond Series refunding at the October 27 meeting. Both bond issuances will be a significant reduction of expected debt service for

our ratepayers.

14. ADJOURNMENT OF MEETING

Chairman Galvin adjourned the meeting at 2:36 p.m. The next regular meeting of the Board of Public Utilities is scheduled for November 19, 2020.