



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

Thursday, May 20, 2021

1:30 PM

1. CALL TO ORDER AND ROLL CALL

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

Present 4 - Chair Daniel Galvin III, Board Member Mark Walsh, Board Member Mary Watts, and Board Member Glen Wright

Absent 3 - Vice Chair William Arnone Jr., Board Member Lisa Badenfort, and Board Member Christopher Grabill

Chair Galvin announced the agenda would be re-ordered due to availability issues for some Board Members.

2. STATEMENTS OF ABSTENTION BY BOARD MEMBERS

There were no Statements of Abstention from Board Members.

3. STUDY SESSION - NONE.

4. MINUTES APPROVAL

4.1 May 6, 2021 - Regular Meeting Minutes.

The minutes for May 6, 2021 were received and accepted as submitted.

6. CONSENT ITEMS

6.1 MOTION - APPROVAL OF VECTOR CONTROL SERVICES AGREEMENT WITH MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

RECOMMENDATION: It is recommended by Santa Rosa Water that the Board of Public Utilities, by motion, approve a four-year agreement with Marin/Sonoma Mosquito & Vector Control District, Cotati, CA, for vector control services for a total not to exceed amount of \$280,000.

A motion was made by Board Member Wright, seconded by Board Member Walsh, to approve a four-year agreement with Marin/Sonoma Mosquito & Vector Control District, Cotati, CA, for vector control services for a total not to exceed amount of \$280,000. The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

6.2 MOTION - PROJECT WORK ORDER APPROVAL - PROFESSIONAL ENGINEERING DESIGN, CONSTRUCTION MANAGEMENT, CONSTRUCTION INSPECTION, AND ENVIRONMENTAL SERVICES FOR THE KELLY FARM MITIGATION BANK DEVELOPMENT PROJECT

RECOMMENDATION: It is recommended by the Board of Public Utilities Contract Review Subcommittee and Santa Rosa Water that the Board of Public Utilities, by motion, approve a Project Work Order under the Master Professional Services Agreement with GHD of Santa Rosa, CA, to provide professional design, construction management, construction inspection, and environmental services for the Kelly Farm Mitigation Bank Development in the amount not to exceed \$1,160,368.

A motion was made by Board Member Wright, seconded by Board Member Walsh, to approve a Project Work Order under the Master Professional Services Agreement with GHD of Santa Rosa, CA, to provide professional design, construction management, construction inspection, and environmental services for the Kelly Farm Mitigation Bank Development in the amount not to exceed \$1,160,368. The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

6.3 RESOLUTION - SOLE SOURCE CONTRACT SPECIFICATION FOR ELECTRICAL AND MECHANICAL EQUIPMENT FOR LAGUNA TREATMENT PLANT DISINFECTION IMPROVEMENTS PROJECT

RECOMMENDATION: It is recommended by the Transportation and Public Works Department and Santa Rosa Water that the Board of Public Utilities, by resolution, approve a sole source specification for electrical and mechanical equipment for construction contract C00284 - Laguna Treatment Plant Disinfection Improvements Project.

A motion was made by Board Member Wright, seconded by Board Member

Walsh, to approve Item 6.3 - RESOLUTION NO. 1256 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF SANTA ROSA APPROVING THE SOLE SOURCE SPECIFICATION FOR ELECTRICAL AND MECHANICAL EQUIPMENT FOR THE LAGUNA TREATMENT PLANT DISINFECTION IMPROVEMENTS PROJECT." The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

6.4 MOTION - APPROVAL OF A COOPERATIVE AGREEMENT BETWEEN THE CITY OF SANTA ROSA, THE SONOMA RESOURCE CONSERVATION DISTRICT AND THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION TO INSTALL A RIPARIAN PLANTING ON GRAVENSTEIN CREEK, SERVING AS MITIGATION FOR IMPACTS DUE TO THE REPLACEMENT OF THE LAGUNA DE SANTA ROSA BRIDGE

RECOMMENDATION: It is recommended by the Board of Public Utilities Contract Subcommittee and Santa Rosa Water that the Board, by motion, approve and authorize the Chair of the Board to sign the Cooperative Agreement with the California Department of Transportation (CALTRANS), the Sonoma Resource Conservation District (SRCD), and the City of Santa Rosa granting CALTRANS permission to contract to the SRCD to carry out the Gravenstein Creek Riparian Restoration project on City owned property known as Brown Farm.

A motion was made by Board Member Wright, seconded by Board Member Walsh, to approve and authorize the Chair of the Board to sign the Cooperative Agreement with the California Department of Transportation (CALTRANS), the Sonoma Resource Conservation District (SRCD), and the City of Santa Rosa granting CALTRANS permission to contract to the SRCD to carry out the Gravenstein Creek Riparian Restoration project on City owned property known as Brown Farm. The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

7. REPORT ITEMS

7.1 REPORT - 2020 URBAN WATER MANAGEMENT PLAN AND 2020 WATER SHORTAGE CONTINGENCY PLAN

BACKGROUND: The Urban Water Management Planning Act (Act) requires every urban water supplier that provides water for municipal purposes to more than 3,000 connections or supplying more than 3,000 acre-feet per year (AFY) of water to adopt and submit an Urban Water Management Plan (UWMP) to the California Department of Water Resources (DWR) every five years. The Act requires very specific information to be included in the UWMP and requires the urban water supplier to hold a public hearing to review and adopt the UWMP. The deadline for water suppliers to submit their 2020 UWMP to DWR is July 1, 2021.

The City is an urban supplier of water for approximately 54,000 connections supplying approximately 19,000 AFY of water and is therefore required to comply with the Act. The City's previous UWMP was the 2015 UWMP, which was adopted by the City Council in June 2016.

The Act includes a requirement to prepare a Water Shortage Contingency Plan (Shortage Plan), which details how a water supplier plans to respond to water shortages ranging from up to 10 percent to over 50 percent. The City's Shortage Plan was initially adopted in 1992 and was most recently updated and adopted by City Council as part of the 2015 UWMP in June 2016. For 2020, the UWMP Act requires that the Shortage Plan be prepared as a stand-alone document. The Act also requires the urban water supplier to hold a public hearing to review and adopt the Shortage Plan. The deadline for water suppliers to submit their 2020 Shortage Plan to DWR is July 1, 2021.

The Water Conservation Subcommittee of the Board of Public Utilities met three times from January through April 2021 to participate in the development of the 2020 UWMP and the 2020 Shortage Plan. The Board of Public Utilities reviewed the 2020 UWMP and the 2020 Shortage Plan in a Study Session on April 15, 2021. The Council reviewed the 2020 UWMP and the 2020 Shortage Plan in a Study

Session on April 27, 2021.

RECOMMENDATION: It is recommended by Santa Rosa Water that the Board of Public Utilities, by resolution, recommend that the City Council adopt the 2020 Urban Water Management Plan and the 2020 Water Shortage Contingency Plan.

Presenter: Colin Close, Senior Water Resources Planner

A motion was made by Board Member Walsh, seconded by Board Member Watts, to approve Item 7.1 - RESOLUTION NO. 1257 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE COUNCIL OF THE CITY OF SANTA ROSA ADOPT THE 2020 URBAN WATER MANAGEMENT PLAN AND THE 2020 URBAN WATER SHORTAGE CONTINGENCY PLAN." The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

7.2 REPORT - RECOMMENDED CHANGES TO THE SEWER CAP AND WATER CAP SETTING PERIOD FOR THE SEWER OR WATER CAP IN EFFECT FROM JULY 1, 2021 THROUGH JUNE 30, 2022

BACKGROUND: Santa Rosa Water bills single-family residential and multi-family residential accounts that do not have a separate irrigation meter for landscaping for sewer usage based on a calculated sewer cap. Santa Rosa Water bills single-family residential accounts for water based on a two-tier water usage rate. For water-only customers that use City water for both indoor and irrigation use, a water cap is calculated to determine indoor water use. Water only customers are billed for water use up to the water cap at the first tier and all water use above the water cap is billed at the second tier.

Sewer and water caps are calculated by the average winter water use for three complete billing periods of use beginning with the first meter reading on or after November 15th of each year and ending after three full billing periods have completed ("Winter Billing Period"). The sewer and water caps go into effect July 1st of each year.

During the most recent Winter Billing Period, Santa Rosa received less than average rainfall with the exception of the second billing period. Due to the lack of rainfall, there may have been a need to irrigate during portions of the Winter Billing Period. In order to be responsive to Santa Rosa Water customers, staff reviewed the cap setting months and determined the second billing period which began with reads on or after December 17, 2020 and ended before or on February 10, 2021 did not require irrigation for landscaping based on an analysis of plant water needs. For some accounts the three-month average was less than the second billing period and therefore the lesser of the second billing period use or three-month average use is proposed.

RECOMMENDATION: It is recommended by Santa Rosa Water and Finance Department staff that the Board of Public Utilities, by resolution, establish sewer and water caps effective for the period from July 1, 2021 through June 30, 2022, by either averaging usage for three winter billing periods of November 2020 through March 2021 or based solely on the second billing period where irrigation was not required, whichever is lower.

Presenter: Alan Alton, Deputy Director - Finance

A motion was made by Board Member Watts, seconded by Board Member Walsh, to approve Item 7.2 - RESOLUTION NO. 1258 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES ESTABLISHING THAT THE SEWER AND WATER CAPS EFFECTIVE FOR THE PERIOD FROM JULY 1, 2021 THROUGH JUNE 30, 2022, BE DETERMINED BY AVERAGING WATER USAGE FOR WINTER BILLING PERIODS OF NOVEMBER 2020 THROUGH MARCH 2021 OR BASED SOLELY ON THE SECOND WINTER BILLING PERIOD DURING THE WINTER BILLING PERIOD, WHICHEVER IS LOWER." The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

7.3 REPORT - 2021 DEMAND FEE UPDATE - RECOMMENDATION TO CITY COUNCIL

BACKGROUND: Demand fees are the one-time fees charged for new service connections to the City's water and wastewater systems or for

an expansion of existing use. The fees are intended to recover costs attributable to new development. Water and wastewater demand fees were last calculated in 2014 resulting in the 2014 Water and Wastewater Demand Study (2014 Study) and development of a new fee schedule that was adopted, with an annual inflationary adjustment.

The proposed update to the 2014 Study incorporates the water and wastewater systems' updated valuation including additions of assets, depreciation, changes in debt financing, and reserves designated for capital projects; some modifications to the various customer categories; as well as updated water use and sewer flow factors based on data collected over the past four years.

These updates result in the recommended fees being higher per one thousand gallons for both water and wastewater but due to decreased water use and sewer flows of Santa Rosa customers, the combined total water and wastewater fees for residential uses are decreasing. Commercial usage factors are dependent on each type of use and the fees are calculated based on the estimated peak demand for the size and type of use of the commercial development.

RECOMMENDATION: It is recommended by the Board of Public Utilities Budget Subcommittee and Santa Rosa Water Staff that the Board of Public Utilities, by resolution, recommend that, based on the 2021 Water and Wastewater Demand Fee Study, the City Council adopt the revised Demand Fees, re-adopt the annual escalator and make related revisions to the City Code.

Presenters: Kimberly Zunino, Deputy Director - Administration and Bob Reed, The Reed Group, Inc.

A motion was made by Board Member Walsh, seconded by Board Member Wright, to approve Item 7.3 - RESOLUTION NO. 1259 ENTITLED "RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE COUNCIL OF THE CITY OF SANTA ROSA ADOPT A RESOLUTION ESTABLISHING A SCHEDULE OF DEMAND FEES FOR PROPERTIES TO BE SERVICED BY CONNECTION TO THE CITY WATER SYSTEM AND INTRODUCE AN ORDINANCE ESTABLISHING A SCHEDULE OF DEMAND FEES FOR PROPERTIES TO BE SERVICED BY CONNECTION TO THE CITY SEWER SYSTEM." The motion carried by the following vote:

Yes: 4 - Chair Galvin III, Board Member Walsh, Board Member Watts and Board Member Wright

Absent: 3 - Vice Chair Arnone Jr., Board Member Badenfort and Board Member Grabill

Board Member Walsh left the meeting at 2:19 p.m. resulting in no quorum for the remainder of the meeting.

5. STAFF BRIEFINGS

5.2 WATER AND RECYCLED WATER SUPPLY UPDATE

Staff will update the Board on water and recycled water supply issues. The Board may discuss this item and give direction to staff.

Presenters: Peter Martin, Deputy Director - Water Resources and Emma Walton, Deputy Director - Water Reuse

5.1 OVERVIEW OF SUPPORT SERVICES/SAFETY & TRAINING

Staff will present an overview of the functions and responsibilities of the teams. The Board may discuss this item and give direction to staff.

This agenda item was continued to the June 17, 2021 Board of Public Utilities meeting.

8. PUBLIC COMMENTS ON NON-AGENDA MATTERS - NONE.

9. REFERRALS - NONE.

10. WRITTEN COMMUNICATION (AND POSSIBLE BOARD DISCUSSION) - NONE.

11. SUBCOMMITTEE REPORTS

Chair Galvin reported the Contract Review Subcommittee met on May 10, 2021. Staff provided information on a Project Work Order with GHD related to the Kelly Farm Mitigation Bank Development Project and a Cooperative Agreement between the City of Santa Rosa, the Sonoma Resource Conservation District and the State of California Department of Transportation related to a riparian planting on Gravenstein Creek. The subcommittee unanimously supported both items for presentation to the full Board.

12. BOARD MEMBER REPORTS - NONE.

13. DIRECTORS REPORTS

Jennifer Burke, Director, reported that, after two and a half years of negotiations, Renewable Sonoma has decided to end negotiations with Zero Waste Sonoma on the potential development of a regional organics processing facility, and with the City for siting of the project on city-owned property adjacent to the Laguna Treatment Plant. She thanked City Council Member John Sawyer, Board Member Lisa Badenfort and City staff for the time they spent on the project, with a special thanks to Emma Walton, Deputy Director - Water Reuse Operations.

14. ADJOURNMENT OF MEETING

Chair Galvin adjourned the meeting at 2:42 p.m. The next regular meeting of the Board of Public Utilities is scheduled for June 17, 2021.