



MINUTES

Board of Water Commissioners

Water Resources Conference Room

3rd Floor, 619 Garden Street

Monday, January 12, 2015, at 3:00 p.m.

- COMMISSIONERS PRESENT: Russell Ruiz, Megan Birney, Barry Keller, James Smith, Mike Kielborn
- COUNCIL LIAISON PRESENT: Harwood "Bendy" White
- STAFF PRESENT: Joshua Haggmark, Water Resources Manager; Cathy Taylor, Water System Manager; Chris Toth, Wastewater System Manager; Kelley Dyer, Water Resources Supervisor; Matt Ward, Water Distribution Superintendent; Madeline Ward, Acting Water Conservation Coordinator; Anne Van Belkom, Administrative Assistant; Ariel Calonne, City Attorney
- PUBLIC: Deborah L. Schwartz, Planning Commission Liaison; Charles Hamilton, Carpinteria Valley Water District; Sudhir Pardiwala, Raffelis Financial Consultants, Inc.; Brianna Briggs, RDN; Robert Marks, PWR, Inc., Kira Redmond, Santa Barbara Channelkeeper
- 1. CALL TO ORDER:** The meeting was called to order at 300 p.m.
 - 2. CHANGES TO THE AGENDA:** An item briefing (MOU for Alameda Well) planned for the Water Resources Managers report was presented at the beginning of the meeting to facilitate the available time of the City Attorney, Ariel Calonne should there be questions. At December's Water Commission meeting staff informed the Commission that Water Resources would be offering Parks and Recreation Department \$280/year for compensation related to space impacted by the new Alameda Well. After a meeting with the City Administrator and City Attorney, the amount of \$280 was deemed not sufficient to satisfy the City Charter language concerning this matter. Based on another land encumbrance for a well involving a private property (Hope Well), \$3,000/year was considered a more appropriate level of compensation for use of Alameda Park. Mr. Calonne explained the regulations that require the annual payment and described how the annual payment amount was determined to be fair. Commissioner Ruiz stated his dislike with having one City Department pay another City Department for a service that is mutually beneficial. In particular, given the lower water rates that Parks are charged is based on the lower cost of water from wells like Alameda. Mr. Calonne said he was working on language that could involve changes to the City Charter which would require a vote of the people, to address this issue in the future. The goal of the change would be to address all existing Water Resources facilities along with any future well replacement projects.
 - 3. COMMENTS BY THE PUBLIC:** None.
 - 4. MEETING MINUTES, OCTOBER 13, 2014:** MOTION (Ruiz/Keller 4-2-1 with Birney abstaining): to approve the minutes as submitted.
 - 5. AUTHORIZATION PLEDGING WASTEWATER FUND NET REVENUE TO PAYMENT OF CLEAN WATER STATE REVOLVING FUND FINANCING AGREEMENT:** Mr. Toth provided an overview of a Council Agenda Report needed for an SRF loan application process. In order to fulfill the application process for State Revolving Fund (SRF) funding for biosolids improvement projects at El Estero, Council needs to approve a Resolution that pledges the Wastewater Fund net system revenue to payment of a Clean Water SRF Financing Agreement for the El Estero Wastewater Treatment Plant Biosolids Improvement Project. CDM Smith has been awarded the contract to provide a comprehensive assessment of the El Estero solids processing structures and equipment, and to identify those processes in need of rehabilitation or replacement. MOTION (Ruiz/Keller 5-0-0): to approve staff's recommendation.
 - 6. WATER MAIN PROGRAM INFORMATION UPDATE:** Mr. Ward gave an overview of the current Water Main Program that included water main assets, a description of water main breaks and modes of failure, and what type of data is being collected. Brown and Caldwell has been contracted to begin data collection in March 2015 and plans to have a database delivery in August 2015. Mr. Ward clarified the policy and funding for the Water Main Replacement Program and described the criteria used for targeting main replacement. Included as part of the Phase II of Asset Management will be a future Council presentation to seek their direction on any modifications to the Water Main Replacement Policy.

- 7. POLICY DIRECTION FOR THE DROUGHT RELATED WATER RATES:** Ms. Dyer brought two rate options to the Water Commission: Option 1 being a financial plan with deferred funding of the Water Main Program, and Option 2 being a financial plan with full funding of the Water Main Program. Council will select a funding option on January 13, 2015, which will determine the proposed fiscal year 2016 water rates for the Prop 218 water rate notice planned to be mailed to customers the week of January 19, 2015. Two public information meetings have been scheduled for February 18th and February 26th at 6:00 p.m. in City Council Chambers to discuss the rate increases and answer questions. In addition, there will be a public hearing date on March 10, 2015. Staff asked the Water Commission to recommend an additional \$35,000 increase to the City contract with Raftelis Financial Consultants, Inc. for further rate assessment adjustments that may be needed to reflect the actual cost of desalination and the projected FY16 budget and reserves. MOTION 1 (Ruiz/Keller 5-0-0): to recommend that Council approve funding Option 2 for the rate increase and direct staff to send water increase notices. MOTION 2 (Ruiz/Keller 5-0-0): to recommend that Council approve the rate increases under funding Option 2. MOTION 3 (Ruiz/Keller 5-0-0): to recommend that Council approve the increase of \$35,000 to the Raftelis Contract. MOTION 4 (Keller/Kielborn 5-0-0): to recommend that Council approve and set the public rate hearing date on March 10, 2015.
- 8. DROUGHT UPDATE:** Mr. Haggmark updated the Water Commission on the recent precipitation levels and noted that another seven inches of rain would be needed before any runoff would occur. The prediction for the next three months is for above average temperatures and above average chances of precipitation. While there has been a 700 AF of water savings as of the end of December. There needs to be a savings of 3,000 AF for the current water year to meet the 20% water demand reduction goals. All additional water needs for Water Year 2015 have been purchased. The work on the Vera Cruz and City Hall wells has not been completed due to problems in obtaining the required well seals needed to make each well operational. The \$40M SRF loan application for the Desal Plant was submitted in December. Pre-Proposal Meetings were held with three prequalified contractors for the Desalination Project, with a final Proposal due date of March 5, 2015. A Landscape Drought Symposium will be held from 8:30 a.m. – 5:00 p.m. at the Louise Lowry Davis Center, on Saturday, January 24, 2015.
- 9. RESOURCES MANAGER'S REPORT:** Mr. Haggmark distributed and reviewed the Monthly Water Resources report on water production, rainfall, and wastewater influent flows. For the Water Commission meeting on February 9th, Commissioner Ruiz requested an update on the status of the Pass-Through Agreement, and further information regarding Channelkeeper's specific usage of the funds they received from the City. The Regional Water Quality Control Board (RWQCB) will be meeting on January 29th in Santa Barbara to determine appropriate findings for the El Estero Wastewater Treatment Plant as an existing facility for what?. This would then exempt Santa Barbara from having to study alternative intakes options. The Coastal Commission will meet on February 11th and 12th to determine whether the City will be allowed to maintain its current intake structure.
- 10. DATE OF NEXT SCHEDULED MEETING:** It was confirmed that the next meeting was scheduled for Monday, February 9, 2015, at 3:00 p.m., in the Water Resources Conference Room located at 619 Garden Street, 3rd Floor.

The meeting was adjourned at 5:18 p.m.

Approved: February 9, 2015