

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING AGENDA
January 7, 2003

A Regular meeting of the Board of Directors of the Valley of the Moon Water District in Joint Session with the Valley of the Moon Water District Financing Corporation was held on Tuesday, January 7, 2003, in the Board Chambers of the District Office at 19039 Bay Street, El Verano, California.

1. CALL TO ORDER - PLEDGE OF ALLEGIANCE - ROLL CALL

President Mark Bramfitt called the meeting to order at 6:30 P.M.

At this time, **Deputy Secretary Shari Walk** administered the Oath of Office to incoming Directors **Sanford Smith** and **Michael Woods**. The subsequent Roll Call noted the following present:

Directors Present:	Edward Kenny Ron Prushko Sanford Smith Michael Woods Mark Bramfitt
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Lee Harry
Board Secretary:	Shari Walk
District Counsel:	Bob Maddow
Public Present:	Tom Benton, Tami Borton, Lee Chocalas, Tony Cinquini, Curtis Duff, Erik Holber, Ellen McNight, Bill Murray, Andrea Perry, Steve Perry, Alec Petris, Doris Sassenrath, J. Marlin Sassenrath, David Stollmeyer, Bob Slotzbach, Allan Tose, David Willer, and Sandi Hansen, Sonoma Index-Tribune

President Bramfitt requested a modification of the agenda to move Items 8 B and 8 C after Item 3.

2. PUBLIC COMMENTS

There were no comments from the public.

3. CONSENT CALENDAR

- A. Receive and Approve Minutes of December 3, 2002 Regular Board Meeting
- B. Approve Bank Signature Card

Motion by **Director Kenny**, seconded by **Director Woods** and carried unanimously by a voice vote to adopt the Consent Calendar, as shown.

8. OLD/NEW BUSINESS

- B. **Adopt:** Resolution No. 030101 Expressing Appreciation for Services Rendered by Outgoing Director - David C. Willer

President Bramfitt read the Proclamation expressing appreciation for the services rendered by outgoing Director David C. Willer.

General Manager Lee Harry advised that Mr. Willer would be greatly missed by the Board and staff.

General Counsel Bob Maddow explained that he had been pleased to have the opportunity to work with Mr. Willer in 1977 and 1978 prior to working with him as a Director on the VOMWD Board of Directors.

Director Woods stated that Mr. Willer had come on board at the same time that he had been hired as the then District Counsel. He too offered his appreciation at being able to work with Mr. Willer

President Bramfitt commented that Mr. Willer had talked him into running for the Board of Directors.

Director Kenny noted that at some point in the future the parallel pipeline would be secured as sought by Mr. Willer.

Director Prushko thanked Mr. Willer for his expertise and for making the VOMWD a better water district.

On motion by **Director Woods**, seconded by **Director Prushko** and carried unanimously to adopt Resolution No. 030101 thanking Director *David C. Willer* for his services as a member of the Board of Directors for the Valley of the Moon Water District.

David Willer thanked the membership for the recognition and offered incoming **Director Sanford Smith** a Director Handbook.

- C. **Accept/Authorize:** Initial Study and Proposed Mitigated Negative Declaration - Glen Ellen Storage Tank Project

District Counsel Bob Maddow identified the process related to the Draft Mitigated Declaration and the filing of the appropriate materials with the State Clearinghouse, which would trigger the commencement of the review period to run from January 8 to February 10, 2003, at the conclusion of which the matter would return to the Board of Directors when the draft documents and all written comments, along with the comments to be received from the public review period would be considered by the Board to allow a determination of whether or not to adopt the documentation and the proposal. He clarified that the item initiated the public review process and he emphasized that the item on the agenda was not technically required by the law in that staff could simply have commenced the public review period without the Board's

action.

In effect, **Mr. Maddow** advised that the VOMWD was acting in a manner consistent with previous actions by taking the extra step and providing an extra opportunity for discussion and public input.

Director Woods clarified that the Board would not be making any decision on the project at this time and would not state any point of view in that would not occur until after the public review period and only if the Board determined to proceed.

Mr. Maddow verified that the Board was not considering the merits of the proposal in any way at this time.

General Manager Harry acknowledged the public's interest in the decisions to be made by the Board and prior to the public review process. He added that the documentation had been made available to the Glen Ellen residents prior to the current discussion.

With respect to the Initial Study itself, **Mr. Harry** stated the results from the study had found that the project would have no significant impact and there were mitigation measures to reduce any impacts to less than significant levels. He noted the impacts to be mitigated were construction related impacts all able to be mitigated through proper construction methodologies. Impacts to be mitigated in the long term were the potential degrading of the visual character of the site, which had no scenic vista other than from Arnold Drive residents driving to and from their homes. To address that concern, the site would be screened with trees to reduce the impact to less than significant.

Mr. Harry reported that the consultants had performed a spotted owl study as recommended by appropriate regulatory agencies when there had been six nighttime visits to the site. Another spotted owl habitat study would be required if the project were not completed by March 2003. The potential loss of protected trees would also have to be identified and brought to the attention of the Sonoma County Permits and Resource Management Department (PRMD) and the appropriate replacement of the trees would be required. He offered a number of views of the site that he explained was well screened from the public area.

Mr. Harry stated that staff was looking for direction from the Board to place the item in process and submit it to the State Clearinghouse.

Director Woods referred to the comment that the project would not be visible to the public and suggested that the project should be not visible to the general public, and Mr. Cinquini concurred.

Director Woods referred to the section on population growth, population and housing where a statement had been made that the sole purpose of the project was to make up current operational, emergency, and fire water storage deficiencies identified in the VOMWD Water Master Plan. He inquired whether or not it would be helpful to include excerpts from the Water Master Plan as part of the record to specifically identify the deficiencies.

Tony Cinquini, with Winzler & Kelly, the VOMWD's Engineers, explained that could be included in an appropriate manner in the process.

Mr. Harry stated that along with the Master Plan, a more definitive rationale was the Water Storage Plan, which should also be incorporated into the public hearing process given that it was quite specific with respect to the need in Glen Ellen.

President Bramfitt verified with Mr. Maddow that while comments could be taken at this time for the public record on the project itself, it would be preferable that those comments be submitted during the formal public review period.

Mr. Maddow advised that the document had been made available through the Glen Ellen website. He suggested that the Board not assume that widespread public review of the document had occurred. Instead, that the Board should encourage residents to review the document and submit comments during the public review period, although the Board could accept comments at this time. He emphasized that the current item was not the project itself in that the current purpose of the public review and the ultimate public hearing was to focus on the environmental impacts with regard to project. He explained that the environmental documentation was a precursor to discuss the merits of the project itself, which would not be available until the completion of the environmental process, when the substance of the project would be most relevant.

Mr. Maddow clarified with Mr. Harry that the photographs shown during the presentation were the same ones included in the proposed Mitigated Negative Declaration, and **Mr. Harry** affirmed that was the case with the exception of one additional photo not included in the documents.

President Bramfitt emphasized to the members of the public that comments on the project were acceptable although specific comments on the environmental documentation were specifically requested.

PUBLIC COMMENTS:

Bill Murray, Glen Ellen Fire Chief, stated that the project was very important to the Fire District given the under gallonage with respect to reserves. He had checked with a number of insurers on the information to determine what the reserves should be for Glen Ellen, estimated at a minimum 2,000 gallons per minute for two hours or over one quarter of the tank capacity. He emphasized the importance of the tank to the district, noted that the district was broken up into three sections; Trinity Oaks, Glen Ellen and Eldridge, and emphasized the point by describing what had occurred last year when the Aqueduct had been pierced and some areas had been totally without water as a result. He stated therefore that the tank was very important for fire service and he suggested that two tanks of what had been proposed were actually needed in Glen Ellen. He encouraged the Board to seriously consider the situation.

Marlin Sassenrath, 1465 Hill Road, Glen Ellen, whose home was located just above the proposed site inquired of the number of fire hydrants up Hill Road, reported by **Operations and Maintenance Supervisor Paul Gradolph** that generally fire hydrants were spaced 500 feet in a residential area. Given the 2,000-foot pipeline, he suggested that three to four hydrants on Hill Road would be installed as part of the project.

Steve Perry, 13975 Arnold Drive, Glen Ellen, presented letters to the Board, agreed with the Chief on the fire issue and acknowledged the shortage involved. Referring to Section 12A referenced by Director Woods on Page 12 and 13 of the Proposed Mitigated Negative Declaration, he disagreed with the position that General Plan Land Use Element 2.2.2 dealt with rural residential areas with respect to density, allowed with well and septic systems of 1.5 acres with a dwelling. He stated that introducing public water would involve one acre per dwelling, which he suggested would encourage and facilitate development. He urged the Board to look into possible mitigation and to determine ways to mitigate the impact on development.

David Stollmeyer, 1455 Hill Road, Glen Ellen, referenced one of the graphic slides of the proposed tank presented by the General Manager did not represent a tank that had been described in the plan. As such, he suggested that photograph was inaccurate. He stated that the picture bore no resemblance to the written

description of the tank and the site of the tank that had been presented.

Ellen McKnight, 1320 Hill Road, Glen Ellen, whose property was situated directly across from the proposed site, concurred with the statement that the computer rendition was inaccurate and would not represent what the tank would look like to visually screen the site.

Ms. McKnight also noted that from the drawings it appeared as if the tank was not set that far back from the road. She identified other discrepancies in that simulation, which did not clearly identify the massiveness of the proposed tank. She also had concerns with the berm and whether or not they would worsen the runoff concerns on Hill Road.

When asked, **Mr. Harry** stated that with the proposed tank, a water main from Hill Road would be installed, at which point water service would be made available based upon the VOMWD's standard connection fees to those wishing to hook into the system. He noted that the VOMWD already had 20 services on Hill Road. He affirmed that if wells were failing and residents on Hill Road wanted to connect to the VOMWD that could be done through the VOMWD's standard connection charges.

Ms. McKnight suggested that connections on a piecemeal basis would result in a constantly torn up Hill Road. As to the impact on future development, she was concerned reducing the percentage of acreage to dwellings on Hill Road. It was her understanding that a project had already been approved dependent upon whether or not the tank was approved and installed. She questioned the VOMWD's arrangement with the Development Center as a water source.

President Bramfitt stated that the VOMWD had a mutual aid agreement with the Development Center for water, which had nothing to do with fire protection for Glen Ellen.

Erik Holber, 1457 Hill Road, Glen Ellen, an architect, described what had occurred in his case when trying to build a home. He noted that the road was narrow and he inquired whether or not a turnaround would be required to meet the specifications. He concurred with the need for the water but questioned whether or not the tank had to be as big as it had been proposed. He also inquired where the chain link fence, gate and wire would be placed. He did not want the site to look like "Stalag 17."

In response, **Mr. Harry** stated that the base level of the tank was consistent with the VOWMD's saddle tank.

Tom Benton, Glen Ellen, noted that the residents were watching the situation carefully. He described the property in the area that could be subdivided and he inquired whether or not an application had been received for an extension to the line, to which **Mr. Harry** stated that had not occurred.

Mr. Harry added that was an issue that the PRMD needed to identify given that it was the County regulatory agency over development.

Mr. Benton emphasized his concern with the destruction of the hillside with development, and while acknowledging that the water was needed, he stated that the proposal appeared to facilitate development.

Mr. Harry stated that in his experience the water issue had never been the controlling factor in growth. He stated that the VOMWD was not increasing its water supply. The issue was water storage for fire protection purposes.

Mr. Sassenrath urged the use of evergreen trees for screening purposes.

Director Woods expressed his appreciation for the comments. He sought Mr. Cinquini's responses on some of the comments.

In response to **Mr. Perry's** suggestion related to the proposal's impact on the density permitted by the General Plan, **Mr. Harry** noted his understanding that there was a 5-acre per house limit in the area of the proposed tank.

Director Woods inquired whether or not that would need to be analyzed in the environmental document. He noted his understanding that if the County allowed permits for a development, the VOMWD would be required to serve that development. He emphasized that the VOMWD otherwise did not make land use policy.

Mr. Harry explained that he had spoken with the PRMD, which was trying to curtail urban sprawl, particularly in those areas not within the Urban Service Boundary. He stressed that the County controlled planning issues and if the County allowed a development, the VOMWD would have no basis for denying service.

Mr. Maddow noted that in experience with similar provisions in other circumstances, the density question related more to septic and community sewer than it would on a water system.

Tami Borton, Winzler & Kelly, Environmental Planner, explained that the issue related to capacity with respect to potable water and whether or not there was adequate capacity to serve. She advised that the water was intended to specifically meet fire flows and she suggested that the County General Plan should have some per household ratio of water supply required to serve development. If the project did not meet that ratio it was likely that the County would not allow development.

Director Woods clarified that more analysis would be available at the time of public hearing should the Board determine to proceed at this time.

With respect to the comments related to misleading photographs, **Mr. Cinquini** reported that the photographs had been generated out of Winzler & Kelly and the rendition had been crafted as an example of what could be done with trees as opposed to specifically what the project would look like. He stated that the distances involved were accurate and that the plans had been drawn to scale. As such, the picture referenced by some of the speakers represented what existed.

Director Prushko inquired whether or not the construction would create more erosion, and **Mr. Cinquini** stated that would not occur and the runoff from the property would have to be contained on the property and captured for discharge elsewhere.

Director Woods requested that the PowerPoint presentation offered at this time by the General Manager be included in the record at the next applicable Board meeting.

Director Prushko requested that story poles be placed on the site to identify the height of the berm and the dimensions of the tank, although **Mr. Harry** suggested that while the dimensions of the tank could be identified, without knowing the design the height of the berm could not be identified at this time.

President Bramfitt thanked the audience for the comments and encouraged public input throughout the

process.

Mr. Harry noted that when returned for public hearing much of the concern had to do with the growth impact of the project. He suggested that a member of the County Planning Department be invited to that public hearing to respond to questions.

On motion by **Director Kenny**, seconded by **Director Smith** and carried unanimously to receive the Initial Environmental Study and Proposed Mitigated Negative Declaration for the Glen Ellen Water Storage Tank Project and authorize staff to send the documents to the State Clearinghouse and make them available for public review and comments from January 8, 2003 until February 10, 2003, and direct staff to schedule a public hearing to review and consider all written comments and to receive oral comments regarding the Proposed Negative Declaration for the Board meeting of February 18, 2003.

President Bramfitt declared a recess at 7:38 P.M. The meeting reconvened at 7:45 P.M.

4. PUBLIC HEARING

There was no Public Hearing.

5. OPERATIONAL & COMMITTEE REPORTS

- A. Approve Current Financial Reports for November 2002

Office Supervisor Shari Walk reported that the VOMWD was on budget and on track.

Motion by **Director Woods**, seconded by **Director Prushko** and carried unanimously by a roll call vote to receive and approve the monthly Financial Reports and Disbursements for the month of November 2002 in the amount of \$229,332.20.

- B. Review/Comment on Current District Projects and Significant O & M Issues

Operations and Maintenance Supervisor Paul Gradolph provided the summary review of current District projects and significant O & M Issues for December 2002 and reported that:

- Project #2823 - Future Production Well at Arnold Drive and Felder Road: Mr. Gradolph, the General Manager and one Director had met with representatives of the Valley of the Moon Fire District to discuss issues related to a lease agreement. Much progress had been made.
- Project #2864 - Telemetry System Phase Three: Meyer Control Company had been given the Notice to Proceed on the last phase of the SCADA project and was in the process of design and the ordering of materials for the remote transmitter units (RTU'S). The project was running smoothly to complete the SCADA system.
- Project #2853 - Sunnyside, Keaton and Michael Water Main Replacement: The project had been completed with the exception of the slurry seal on Michael Drive. The Notice of Completion had been filed with the exception of that work. An overlay would be applied to Sunnyside and Keaton as per the agreement with the PRMD once the project was complete, weather permitting.
- Project #2862 – Sobre Vista Tank Replacement: Terracon Pipelines had yet to receive the Notice to

Proceed. A preconstruction meeting had been scheduled for January 9 to discuss the project in detail and review the site. Temporary storage at the site was being prepared. The tank would be emptied to allow the commencement of that work.

- Project #2863 – Sobre Vista Water Main Replacement: Winzler & Kelly was working on that project which had been designed up to 50 percent. A title search had been commenced to identify the existing easements and where additional easements are needed. High density fused polyethylene (PE) pipeline was being used.

Director Prushko noted that the PE at one time had leached lead. He wanted to make certain that no lead was being leached, and **Mr. Gradolph** stated that he would check into that situation although PE had been used for service material since 1989 and the material had proven to hold up very well in earthquakes.

Mr. Harry affirmed that issue would be verified, although he commented that he would be surprised if there was a lead contaminant in modern water pipe.

- Project #2866 - Storage Reservoir Painting Phase 1: A Notice to Proceed had been issued for the two reservoirs in the Temelec area. The contractor would be coating the tanks as weather permitted.

When asked, **Mr. Gradolph** stated that there was existing lead paint on the smaller tank and a specified process was being pursued to remove that material consistent with Environmental Protection Agency (EPA) and CalOSHA standards. He also clarified that the vaults would not be painted, just the tanks. The Temelec tanks had been installed at different times during the 1960s and the 1980s.

Mr. Gradolph also noted that the heavy rains during the early part of December did not heavily damage VOMWD facilities, although a one inch steel line crossing the creek had been hit and a temporary plastic line had been run over the flood level of the creek. The steel line over the creek would be replaced at a higher level in the near future.

C. Water Source Report

Director Prushko verified that the VOMWD wells had been operating in December the same as in November.

6. RECEIVE & FILE PRESIDENT'S AND DIRECTOR'S REPORTS OR COMMENTS

There were no reports.

7. GENERAL MANAGER'S AND DISTRICT COUNSEL'S REPORTS

District Counsel Report:

A. Information Regarding Changes and Revisions to the Brown Act

District Counsel Maddow noted that periodically public agencies received updates on the Brown Act where all business was to be conducted in public with some exceptions typically dealing with contract or labor negotiations or personnel matters. He acknowledged the VOMWD's compliance with the Brown Act but noted a couple of amendments enacted by the Legislature during the past year, one of which was the subject of agenda Item 8D.

In the aftermath of September 11, 2001, **Mr. Maddow** explained that a number of issues had been considered, among them Assembly Bill 2645 amending the provisions of the Brown Act that allowed the Board to meet in Closed Session regarding security matters. The VOMWD could now go into Closed Session with a security consultant or operations manager for the purpose of dealing with matters potentially posing a threat to the security of the VOMWD. To the extent that the Board had security concerns, he emphasized that the Board had the opportunity to discuss those issues in Closed Session.

Another change related to the vulnerability of the water system and what would occur in the event of the nature of a terrorist or criminal act.

Mr. Maddow noted that historically for a Board to meet in special session 24-hour notice was required. Senate Bill 1643, which became effective January 1, 2003, permitted an emergency meeting of the Board to be conducted without 24 hour notice on the call of the presiding officer if the notice was given at or near the time of the emergency meeting related to a criminal act or terrorist act related to the vulnerability and safety of the VOMWD. In parallel with that he stated that Senate Bill 1643 amended a provision of the Public Records Act and exempted from public disclosure documents dealing with vulnerability of a system to terrorist or criminal acts.

General Manager Report:

A. Information on Sonoma County Water Agency "Water Policy Statement 2002"

General Manager Harry explained that the revised version of the Sonoma County Water Agency's (SCWA's) Water Policy Statement 2002 had recently been submitted to the Sonoma County Board of Supervisors, at which time he had addressed the 5 percent participation in reclaimed wastewater provisions where certain requirements would be imposed without VOMWD representation or control. He had been assured by the General Manager SCWA that water would be made available to the VOMWD as part of the study. He referenced Attachments B and C to the staff report, explained that they were troublesome, and stated that the VOMWD had until the end of February to respond. The Board had deferred any action on the Water Policy Statement 2002 until after the consultation of the Initial Study had been completed in April. While not time sensitive, he wanted to agendize issues for the next meeting for discussion.

B. Information Regarding ACWA Pavement Restoration Survey

Mr. Harry referred to the Association of California Water Association (ACWA) Pavement Restoration Survey and pavement restoration issues and stated that he had filled out the survey consistently with the way the VOMWD was being treated and was attempting to address that situation on a Statewide basis.

C. Information Regarding Sale of Surplus Real Property

Mr. Harry reported that two items of surplus property remained to be sold. He stated that Richard Boulevard had closed bringing the net proceeds of surplus properties to date of \$630,000 of which \$590,000 had cleared. The remaining properties in escrow were Alberca Road at \$260,000 and Heaven Hill at \$125,000, bringing the program close to \$1 million upon completion. He added that the VOMWD was very pleased with its realtor.

D. Information Regarding JPIA Survey

Mr. Harry referenced the JPIA Survey that had been distributed to the Board and noted the consideration of having the JPIA Conference separate from the ACWA Conference and looking upon that as a cost savings. Each Director was encouraged to respond to the survey, to be submitted to staff for submittal to ACWA prior to the deadline on January 13, 2003.

9. OLD/NEW BUSINESS

A. Elect/Appoint: President, Vice President, Secretary, and Deputy Secretary

Director Woods nominated **Mark Bramfitt** for President and recommended keeping the officers as is in one motion for all officers consistent with past practice.

Director Kenny nominated Ron Prushko as President. **Director Woods** moved that nominations be closed.

On the nomination of Mark Bramfitt for President, the motion failed by the following vote:

Ayes: Bramfitt, Woods
Noes: Kenny, Prushko, Smith

On the nomination of Ron Prushko for President, **Ron Prushko** was selected as the President of the Board of Directors of the Valley of the Moon Water District by the following vote:

Ayes: Kenny, Prushko, Smith
Noes: Bramfitt, Woods

President Prushko nominated Sanford Smith as Vice President.

Director Bramfitt nominated Michael Woods as Vice President. There were no further nominations and the nominations were closed.

On the nomination of Sanford Smith for Vice President, the motion failed by the following vote:

Yes: Prushko
Noes: Bramfitt, Kenny, Smith, Woods

On the nomination of Michael Woods for Vice President, **Michael Woods** was unanimously selected as the Vice President of the Board of Directors of the Valley of the Moon Water District.

When asked, **Office Supervisor Shari Walk** noted that the General Manager generally served as the Secretary to the Board.

On motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously to designate Lee Harry as the Secretary and Shari Walk as the Deputy Secretary to the Valley of the Moon Water District Board of Directors.

To show unanimity, **Director Kenny** moved unanimity for the previous set of officers. **Director Woods** seconded that motion. By acclamation that action was unanimous.

The Board moved to the Valley of the Moon Water District Financing Corporation at this time to complete

that agenda.

D. Approve/Authorize: Changes to Agenda Format to Comply with New Requirements

Legal Counsel Maddow noted that AB 3035 had incorporated into the Brown Act specific reference of federal law related to the Americans with Disabilities Act (ADA) which had been applicable to the VOMWD and all public agencies for nearly 12 years. He stated that the Legislature had adopted the Bill given that there had been some public agencies for which the meetings in one way or another had not been open to persons with disabilities, either with physical barriers or barriers related to hearing limitations or sight limitations. He stated that the Legislature had not added new substantive provisions to the Brown Act, it just highlighted them.

Mr. Maddow reported that the intent was to make certain that public agencies were reminded that they needed to make certain that all aspects of their services, including public meetings, were accessible to persons with disabilities. He recommended the addition of an informational box that appeared on the first page of the agenda to advise that the Board Room was generally accessible to persons with disabilities and if special accommodations were needed that special arrangements would be made.

Mr. Maddow noted that only 11 percent of the blind in California used Braille, although he had also learned that many had computer equipment which would enable the VOMWD to assist those people by e-mailing the material, which information would then be accessible through other means by those individuals. He stated that the same accommodations could be made to hearing impaired and others who might need special assistance.

Director Kenny verified with Mr. Maddow that the accessibility requirement related not only to mobility access in and out of the Board Room but accessibility to all manners of public services in the information and discussions offered by the Board.

Director Woods referred to the Public Notice Section striking the section where someone must get a public speaker card with the Board President to call for comments prior to engaging in discussion of pending action, and he questioned whether or not that had actually been done.

Mr. Maddow suggested what was intended and what could be clarified under the third sentence in the Public Notice was that *Board President will call for comments prior to the Board deliberating on pending action.*

On motion by **Director Woods**, seconded by **Director Smith** and carried unanimously by a voice vote to authorize staff to add the recommended information to the box on the first page of the District's Agenda, as amended by District Counsel, to be posted for all future Board meetings.

E. Approve/Authorize: Hiring the Firm of CH2M HILL to Perform a Comprehensive Rate Study in the Amount Not to Exceed \$30,000

General Manager Harry stated that the Board had directed staff to return in time for the next fiscal year to perform a comprehensive rate study. Four firms had been contacted and proposals from Brelje and Race and CH2M HILL had been received. He stated that CH2M HILL had impressed him with its experience in rate studies and the fact that it had been highly recommended. With that, he recommended the rate study without making any predeterminations of what the Board would like to do but would like to hire the firm of CH2M HILL for the rate study.

Director Kenny referenced the rate study that had been done for the East Bay Municipal Utility District's (EBMUD's) four tiered system which had been in existence for eight years. He had also checked with the City of Millbrae on its system.

Mr. Harry explained that a rate study was done for the client and a consultant would have to analyze the specific system. He noted that CH2M HILL was a good firm and he had been impressed with Allan Highstreet, CH2M HILL's Vice President Mr. Highstreet.

Director Woods referred to the scope of services that "in addition to equity and revenue generation, the water rates needed to be in conformance with SB 218."

Mr. Maddow explained that since Prop 218 had been passed there had been a split in the thinking amongst counsel who had reviewed its applicability to water rates and related charges. He considered the better view that water rates were not posed as incident of property ownership and there was a difference between something that was proposed as an incident of the ownership of property and the charges for water rate. He also noted that the proponents of Prop 218 would vigorously disagree with that and that the Prop 218 guide prepared by the League of California Cities and sent to all ACWA member agencies laid out the differences between the two theories. He suggested it was still possible that a connection charge was not required to comply with all aspects of Prop 218 although there were some elements of Prop 218 that were probably applicable to all the types of rates and charges. He stated that 218 was certainly an issue to touch upon.

Mr. Harry suggested that they were being very careful given that stormwater drainage rates had been found to be applicable to Prop 218 standards.

Director Woods had no problem with the recommendation.

Director Kenny noted that rather than the ten-year projections offered to the Water Board, CH2M HILL had recommended only five-year projections. He otherwise acknowledged that CH2M HILL came highly recommended.

Mr. Harry explained that the principal impetus of the study was to retain the existing water rate or go to another form of rate. The impetus was to compare the existing water rate structure with a tiered structure and incorporate zone pumping rates.

In response to **President Prushko's** concern for a lack of competitiveness, **Mr. Harry** stated that the proposal from Brelje & Race was brief and not all inclusive.. The CH2M HILL proposal was reasonable and competitive with a good firm and a good rate. He anticipated a successful study. He added that he had been unsuccessful in obtaining proposals from other firms.

On motion by **Director Woods**, seconded by **Director Bramfitt** and carried unanimously by a roll call vote to authorize staff to hire the firm of CH2M HILL for an amount not to exceed \$30,000 to perform a comprehensive rate study for the Valley of the Moon Water District, with the funds available in the 2002-2003 Operating Budget for Professional Services.

President Prushko adjourned into Closed Session at 8:45 P.M.

8. CLOSED SESSION

- A.** Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8; Negotiate Price and Terms of Payment. Agency Negotiator: Lee J. Harry; Negotiating Parties: N/A. Proposed Well Site Arnold Drive and Felder Road, Proposed tank Site 1475 Hill Road, and District Declared Surplus Properties: APN 056-583-017, Alberca Road and APN 133-061-002, Heaven Hill Road.

10. RECONVENE TO OPEN SESSION

President Prushko reconvened the meeting at 9:06 P.M. and reported that no action had been taken in Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

Director Kenny requested that the next agenda include discussion of the alternative of going to a monthly meeting format for Board meetings.

12. ADJOURNMENT

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously to adjourn the meeting at 9:08 P.M. The next regular meeting is scheduled for January 21, 2003 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

**VALLEY OF THE MOON WATER DISTRICT
FINANCING CORPORATION
REGULAR MEETING AGENDA
January 7, 2003**

A Regular meeting of the Board of Directors of the Valley of the Moon Water District Financing Corporation was held on Tuesday, January 7, 2003, in the Board Chambers of the District Office at 19039 Bay Street, El Verano, California.

1. CALL TO ORDER - PLEDGE OF ALLEGIANCE - ROLL CALL

President Mark Bramfitt called the meeting to order at 6:30 P.M. Roll Call by **Deputy Secretary Shari Walk** noted the following present:

Directors Present:	Edward Kenny Ron Prushko Sanford Smith Michael Woods Mark Bramfitt
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Lee Harry
Board Secretary:	Shari Walk
District Counsel:	Bob Maddow
Public Present:	Tom Benton, Tami Borton, Lee Chocalas, Tony Cinquini, Curtis Duff, Erik Holber, Ellen McNight, Bill Murray, Andrea Perry, Steve Perry, Alec Petris, Doris Sassennath, J. Marlin Sassennath, David Stollmeyer, Bob Slotzbach, Allan Tose, David Willer, and Sandi Hansen, Sonoma Index-Tribune

2. PUBLIC COMMENTS

There were no comments from the public.

3. CONSENT CALENDAR

- A.** Receive and Approve Minutes of January 8, 2002 Regular Meeting

Motion by **President Bramfitt**, seconded by **Director Kenny** and carried by a voice vote to adopt the Consent Calendar, as shown.

4. **OLD/NEW BUSINESS**

- A. Elect President and Vice President, Appoint Secretary and Assistant Secretary, and Set Meeting Schedule for Calendar Year 2003

Motion by **Director Woods**, seconded by **Director Smith** to select the same officers as had been selected by the Board of Directors of the Valley of the Moon Water District to serve as President, Vice President, Secretary and Assistant Secretary. By a unanimous voice vote, **Ron Prushko** was unanimously elected as President, **Michael Woods** as Vice President, **Lee Harry** as the Secretary-Treasurer to the Board of Directors, and **Shari Walk** as the Deputy Secretary to the Board of Directors of the Valley of the Moon Water District Financing Corporation.

5. **ADJOURNMENT**

Motion by **Director Kenny**, seconded by **Director Smith** and carried unanimously to adjourn the meeting at 8:18 P.M. to the next regular Board of Directors of the Valley of the Moon Water District Financing Corporation meeting on January 6, 2004 at 6:30 P.M.

Shari Walk, Deputy Board Secretary