

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING AGENDA
February 4, 2003

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, February 4, 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 Ron Prushko called the meeting to order at 6:30 P.M. Roll Call by **Deputy Secretary Shari Walk** noted the following present:

Directors Present:	Mark Bramfitt Edward Kenny Sanford Smith Michael Woods Ron Prushko
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Lee Harry
Board Secretary:	Shari Walk
Public Present:	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 21, 2003 Regular Board Meeting
- B.** Resolution Nos. 030201, 030202 and 030203, Accepting Grant Deeds – Bolli Tank Project
- C.** Cooperative Agreement for Funding of the Valley of the Moon Water District Water Conservation Program – Funded in Fiscal Year 2002-2003

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

4. PUBLIC PRESENTATION

There was no Public Presentation.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for December 2002

1. Mid-Year Budget Review

General Manager Lee Harry reported with respect to the mid-year budget review reflecting the year to date revenues and expenses as of December 31, 2002, that projections had indicated current fiscal year revenues would be approximately \$17,000 less than budgeted while expenses would also be approximately \$17,000 less than budgeted, making the mid-year budget right on track.

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a roll call vote to receive and approve the monthly Financial Reports and Disbursements for the month of December 2002 in the amount of \$204,081.26.

Motion by **Director Woods**, seconded by **Director Bramfitt** and carried unanimously by a voice vote to receive and file the Mid-Year Budget Review.

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 January 2003 and reported that:

- **Project #2823** - Future Production Well at Arnold Drive and Felder Road: The Valley of the Moon Fire District (VOMFD) had received the draft lease agreement, which was under review. Responses were expected by February 7
- **Project #2864** - Telemetry System Phase Three: Meyer Control Company was working on programming new and existing equipment and building the hardware. A factory witness test was scheduled for February 19 to review the equipment that would be tested through simulated operations. The last factory witness test had been very beneficial. Completion was anticipated by late March 2003.

President Prushko inquired whether or not the SCADA system was being installed in the Sobre Vista Tank site, to which Mr. Gradolph reported that the SCADA System Phase Three would have a transmitter installed at the Sobre Vista Tank site as a separate project and the developer of the Sonoma Homestead project would also have to install SCADA on the future tank and pump stations in that project.

- **Project #2862** – Sobre Vista Tank Replacement: Terracon Pipelines Inc. have been issued a Notice to Proceed. The demolition of the large 210,000-gallon began on February 4th. Two temporary tanks providing 15,000 gallons of storage have been installed during the construction period. The VOMFD and others have been notified of the limited storage pending the completion of the project. Submittals for the tank were currently being considered. Once the VOMWD engineer approves the submittals, the Company will start building the tank.
- **Project #2863** – Sobre Vista Water Main Replacement: Ninety-percent plans have been received from Winzler & Kelly Engineers. VOMWD staff is currently reviewing plans, with meetings scheduled with property owners near the site to address easements and other issues with respect to the project.
- **Project #2866** – Storage Reservoir Painting Phase 1: Quality Painting will soon be starting on painting

the tanks. The vent screen of the smaller, 40-year old tank will have to be replaced. A change order was issued to the contractor for the replacement of the vent screen.

Director Kenny inquired whether the change order was necessary because the contractor had missed the need to replace the vent screen in their initial inspection of the site.

In response, **Mr. Gradolph** noted that the screen was on the top of the tank, and that the contractor couldn't observe the condition of the screens prior to installing scaffolding. The screens on this tank have not been replaced since the initial installation of the tank. The galvanized screen would be replaced with stainless steel. He explained that the contractor was doing all the repair work.

With respect to the Change Order issue, **Mr. Harry** reiterated that the need for replacement had not been known prior to the completion of the scaffolding. He stated that the replacement of that vent screen represented a valid Change Order.

Mr. Gradolph added in response to Director Kenny that the tank was the only VOMWD tank that had a complete vent around the top. The cost of the removal and replacement of the screen was approximately \$4,500.

Mr. Gradolph also advised that Caltrans had notified the VOMWD that it would be realigning an existing storm culvert at Fetters Avenue which will be in conflict with the 12 inch main installed in Highway 12 some years ago. As such, the VOMWD will have to relocate this main below the level of the culvert. He noted that the consultant for the Sobre Vista Storage Tank project would prepare plans to allow the VOMWD to solicit bids from contractors that it had worked with in the past. He was confident that the work could be completed prior to the overlay work. He explained that the work had not been anticipated.

Director Bramfitt clarified his understanding that the project had been pushed up in Caltrans schedule as a result of a political Interest in the project.

Mr. Gradolph also reported that a meeting had been scheduled on February 5 at 10:00 A.M. with the Sonoma Developmental Center with respect to the installation of the intertie, at which time it will be determined the installation parameters. He characterized the project as a small project that will be done by District staff.

Mr. Harry clarified for **Director Kenny** that both the Developmental Center and the VOMWD have the right to terminate the intertie agreement. He also clarified that it had been a directive of the VOMWD Board of Directors to pursue the intertie, which had admittedly not been an economic benefit to the VOMWD, but could be of great importance in an emergency.

C. Water Source Report

There were no questions related to the Water Source Report.

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

Director Woods referred to a Water Bond Coalition meeting in Sacramento for March 26. He inquired whether or not other Boardmembers were interested in attending that meeting. He described what had occurred at the prior meeting and explained that he would not be able to attend the March 26 session.

President Prushko expressed an interest in attending the Water Bond Coalition meeting on March 26.

Director Smith commented that after the last meeting he had visited the site of the Hill Road Water Tank Project and had found that he lived four tenths of a mile from the site. As such, he requested that legal counsel identify whether or not he had a conflict of interest in that case. He also suggested that prior to hearing any public comments at the next meeting, all Directors should visit the site in daylight hours to be aware of what was involved, where the tank would be placed and its size. He sought a special Board meeting to allow a visit of the site.

Director Woods recommended that the Future Agenda Items be considered at this time to allow a discussion of the need for a special board meeting should that be the determination of the Board. He suggested that staff could schedule a meeting in the context of a future agenda item.

11. REQUEST FOR FUTURE AGENDA ITEMS

Director Bramfitt commented that he had visited the site of the Hill Road Water Tank Project and was comfortable with what he had seen in relation to the plans. He suggested that staff could schedule separate visits to the site with other Boardmembers consistent with the Brown Act.

President Prushko commented that he also lived close to the proposed tank site.

Mr. Harry advised that he would solicit a legal opinion from District Counsel Bob Maddow to verify whether or not Director Smith and President Prushko lived close enough to the site to have a conflict with the Hill Road Water Tank Project.

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

- A. Information Regarding WAC Negotiating Session of January 27 and WAC Meeting of February 4.

General Manager Harry advised that he had attended the Water Advisory Commission (WAC) Negotiating Session on January 27 and the WAC meeting on February 4. He reported that after significant discussion, complete resolution of the conservation issue had not been reached, although he suggested that agreement was close. He also noted discussions related to the Marin Municipal Water District (MMWD) and the Town of Windsor becoming prime contractors. The General Manager of the North Marin Water District had done a financial analysis of potential lump sum buy-in requirements for prime contractors. It had been estimated that the MMWD would be between \$10 and \$12 million dependent on the amount of water contracted for a firm supply entitlement. The Town of Windsor had been estimated at \$2.4 million. He informed the Board that he had requested an official position from the SCWA regarding the North Marin analysis. There were sixteen SCWA framework issues that they wanted to see included in the new agreement and both Windsor and Marin Municipal were asked to state their interest in negotiating the SCWA framework issues. As a member of a subcommittee discussing those issues, he advised that the process was ongoing and VOMWD Board discussion and direction would be scheduled before any decision was made.

Mr. Harry reported that the WAC meeting had a PowerPoint presentation on the Agency budget, with projected water rates of \$409/acre foot for the next fiscal year. No new additional charges had been added for endangered species or recreational use. He stated that the WAC had been given until next month to review the budget prior to a formal recommendation for approval of the budget. He would report on any concerns that there might be for the water rates and the budget. He explained that the Eldridge/Madrone

Pipeline Project was scheduled to be completed in the next fiscal year with a potential two percent passthrough to VOMWD customers.

B. Update on Water Resources Element of Sonoma County General Plan Update

Mr. Harry advised that he had reported as part of the process that as a major water purveyor in the County, the VOMWD should be considered differently from the small community water systems, and that the VOMWD was competent to do its own Master Plan and Facilities Planning. The intent was to get the County's assistance to resolve the entitlement issue on the VOMWD's annual capacity. To that end, he noted that Jack Weber, who had done the original wastewater cost study in the Urban Water Management Plan, had been hired to revise projections to identify the VOMWD's actual usage. He emphasized the need to get the VOMWD's annual entitlement more in line with the other Russian River prime contractors given that the VOMWD was the only prime contractor on the Russian River being asked to take care of future entitlement issues by expanding its local supply. He added that the VOMWD was already over ninety percent of its entitlement.

Director Woods expressed a concern for a number of jurisdictional issues. As such, he sought a further discussion of the issues and how those issues would affect the VOMWD.

Mr. Harry concurred, and stated that this item would be discussed at a meeting in the near future. He commented that the County Planning agency and the County Board of Supervisors would determine the issue. He was seeking more information and would present that information to the VOMWD Board when available.

Director Woods emphasized that the document itself had represented a great deal of work and a great deal of thought. He requested that the item be returned to the VOMWD for a further discussion.

Mr. Harry advised of a new requirement that all buildings in Sonoma County would have to be sprinkled, which could add up to \$11,000 to the construction cost of a new home. When asked, he stated that requirement had come from the County based on input from the fire services. He noted issues that would have to be addressed in the future, such as the requirement for a larger water service and meter size to meet those requirements, which issue would be returned to the VOMWD Board for discussion.

8. OLD/NEW BUSINESS

A. Discuss/Receive and File: Accomplishments for 2002

Mr. Harry expressed pride in the VOMWD's accomplishments over the last year and sought a discussion of what had been accomplished and what the Board would like to be accomplished in the future, particularly with respect to discussions related to next year's budget.

President Prushko pointed out that the VOMWD has been approved for a \$440,000 reimbursement as part of the Local Projects Program Fund to construct a proposed well at Arnold Drive and Felder Road, with a potential \$150,000 possible reimbursement from the same program next year.

Director Woods expressed appreciation to staff for furnishing a list of accomplishments to the Board. He commended the process.

President Prushko added that the process represented a good management tool.

B. Discuss/Receive and File: Requirements for MMWD and Windsor Becoming Prime Contractors

Mr. Harry advised that he has listed the minimal financial conditions and the other issues related to the requirements for the MMWD and the Town of Windsor becoming prime contractors. He commented that staff was not comfortable with the analysis by the North Marin Water District and he had sought an analysis from the Sonoma County Water Agency (SCWA). He had been advised that the SCWA had concurred with the North Marin Water District. He had asked for a letter to that effect and the SCWA Financial Manager was to provide that letter, which he suggested would be more helpful than just using another contractor's analysis. He commented that the item would be returned to the WAC several times. He also noted that the MMWD had requested a delay in the process. The issue would have to be analyzed, to return to the VOMWD Board with a recommendation for action.

Mr. Harry also reported that he had been informed that the Board of Supervisors had requested one hundred percent unanimity from the contractors regarding the issue and that the proposal might not be approved for other reasons.

Director Woods was pleased that the WAC subcommittee was being vigilant given that some of the requirements were problematic.

Mr. Harry noted his concern that SCWA framework issues, Attachment A and B to the staff report dated February 4, 2003 had been included with an updated Policy Statement of 2002. He had been assured that there was no connection between the issues. He concurred with the need to remain vigilant.

C. Board Action: Regarding Committee and Representative Appointments

The item regarding the present structure and status of current Board Ad Hoc Committees was presented by the General Manager for discussion. After significant discussion, the following representation was confirmed.

The Mayor's and Councilmembers Task Force on Water Supply Issues

The committee was dropped as unneeded.

Representation to Association of California Water Association (ACWA) Region 1

President Prushko	Primary
Director Woods	Alternate

Representation to Joint Powers Insurance Authority (JPIA)

Director Kenny	Primary.
Director Smith	Alternate

*Representation to Water Advisory Committee (WAC)**

President Prushko	Primary
Director Bramfitt	Alternate

* To be consistent with the Restructured Master Agreement for Water Supply and Transmission
Negotiators for Restructured Master Agreement for Water Supply and Transmission

General Manager Harry Principal Negotiator
President Prushko Alternate*

* And other Boardmembers as necessary

Joint Ad Hoc Committee with Sonoma City Council

Director Woods Primary
Director Bramfitt Primary
Director Kenny Alternate

Ad Hoc Committee for Policy Issues Regarding the Eldridge to Madrone Pipeline

The committee was eliminated.

9. 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 Tank Site 1475 Hill Road and District Declared Surplus Properties: APN 056-583-017, Alberca Road, and Proposed Well Site at Arnold Drive and Felder Road.

Mr. Harry reported that staff was moving ahead and there was nothing to discuss in Closed Session at this time.

12. ADJOURNMENT

Motion by **Director Bramfitt**, seconded by **Director Woods** and carried unanimously to adjourn the meeting at 7:42 P.M. The next regular meeting is scheduled for February 18, 2003 at 6:30 P.M.

Shari Walk, Deputy Board Secretary