

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING AGENDA
July 1, 2003

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, July 1, 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 Ed Kenny Sanford Smith Michael Woods Ron Prushko
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor
General Manager:	Lee Harry
Board Secretary:	Shari Walk
Public Present:	Steve Perry, Gary Stedecker, and Sandi Hansen, Sonoma Index-Tribune

2. PUBLIC COMMENTS

Steve Perry, a Glen Ellen resident, commented that last week he had received his water bill which had included a notice from the VOMWD regarding the proposed adoption of a tiered rate structure and an indication that no changes would be made until a public hearing and significant outreach had been conducted. He sought clarification of that issue since he understood that the public hearing had already occurred.

General Manager Lee Harry explained that the notices had been included in the water bills to accommodate all of the VOMWD's rate cycles. The notices had been sent out prior to the Board's action. It was likely that Mr. Perry's bill was on a later cycle.

Mr. Perry referenced prior discussions related to an increase in entitlements to ensure the continuation of current and future water service to the VOMWD's existing customer base. He understood that the current entitlements based on the current water plan would hold to at least 2005, and would include 48 new connections each year. He also understood that even under Title 22 new entitlements for existing service was not an issue in that there was a need for an increased supply to offer new connections.

Mr. Harry advised that one of the issues he had presented to the Board of Directors on many occasions was that the VOMWD's annual entitlement caps did not tie in with its actual needs. The VOMWD was currently under the Temporary Impairment Memorandum of Understanding (MOU) and given the recent issues regarding the Environmental Impact Report (EIR) and the Eleventh Amended Agreement, the VOMWD might be under that MOU longer than anticipated. The VOMWD was currently staying within its entitlements by using up to 20 percent of its water from local wells although he acknowledged the need for a more reliable water supply.

Mr. Harry further clarified for Mr. Perry that the VOMWD needed the additional entitlement in order to meet its nominal future growth as shown in the Sonoma County General Plan. He reiterated the mistake that had been made in the EIR for the 20 year General Plan and explained the ongoing efforts that were being pursued with the County to resolve that issue.

3. CONSENT CALENDAR

- A. Receive and Approve Minutes of June 3, 2003
- B. Adopt Resolution No. 030701, Main Extension Agreement with Cottonwood Sonoma LP, by Dasun Homes, Inc. by David Reber, President
- C. Adopt Resolution No. 030702, Accepting Closing Papers for Project No. 2846, Fire Hydrant Installation Agreement with Sharon Gemini

Director Woods requested that Consent Calendar Item A, the minutes of the June 3 meeting, be removed for discussion.

Prior to the consideration of the Consent Calendar, **Mr. Harry** reported that staff had removed an item from the Consent Calendar that called for the cancellation of the July 15 Board meeting. While it had been anticipated that meeting would be required to consider the approval of additional work related to the Felder Road Well site, it had been found that additional environmental mitigation work was required to comply with the California Environmental Quality Act (CEQA). As a result, there was no need for the July 15th meeting.

Director Woods suggested that canceling the July 15th meeting would be best handled at the end of tonight's meeting

Motion by **Director Bramfitt**, seconded by **Director Smith**, and carried unanimously by a voice vote to adopt Consent Calendar Items B and C, as shown.

Director Woods requested the following amendments to the minutes of the June 3, 2003 meeting.

To the first sentence of the tenth paragraph on Page 3:

Director Woods noted that if including properties within the VOMWD's SOI, was applied for it would be likely that the Board would want to establish a procedure to consider annexations.

To the last sentence of the first paragraph on Page 4:

With respect to the question of what could be done, he [Director Woods] noted that if the Board, the applicant and other members of the community might be interested in an amendment to the SOI, that might then be considered.

Motion by **Director Bramfitt**, seconded by **Director Smith**, and carried unanimously by a voice vote to approve the minutes of the June 3, 2003 meeting, as amended.

4. PUBLIC HEARING

There were no public hearings.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for May 2003

Motion by **Director Woods**, seconded by **Director Bramfitt**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of May 2003 in the amount of \$336,557.75.

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

Operations and Maintenance Supervisor Paul Gradolph presented his summary review of current district projects and significant operations and maintenance issues for June 2003 related to the following:

- **Project #2855** - Glen Ellen Storage Tank: The project had been placed on hold pending results of recent lawsuits filed in protest of the Mitigated Negative Declaration that had been filed for the project.
- **Project #2863** – Sobre Vista Water Main Replacement: The project has been awarded to Ashlin Pacific Construction at the June 3 Board meeting and a Notice to Proceed had been issued on June 11. Clearing of debris on the pipeline alignment had begun on June 16 with the installation of the water main and services to follow. Unique challenges had been encountered due to the nature of the project on private properties. Completion of construction was anticipated by mid-September.
- **Project #2865** – Future Production Well at Arnold Drive and Felder Road: An Initial Study would be prepared to determine the appropriate environmental compliance needed for the project. Upon review of the criteria for the Notice of Exemption for the Verano Well Project, it had been based on the fact that the VOMWD was replacing an existing well. The Initial Study would be prepared to determine whether a Negative Declaration or a Mitigated Negative Declaration would be required. As a result, the schedule would be moved back until the CEQA work was completed..

Director Bramfitt inquired whether or not the visual impacts at the site would have to be considered since the site had been used for the placement of spoils for many years and was very prominent. He also inquired whether or not the Fire District or the County planned to continue using the site for spoils.

Mr. Harry recognized that the site had been used for clean spoils. An Initial Study would determine whether or not there would be an impact on neighboring wells that would result in an impairment of existing water resources and related issues. The initial surveillance of the area had indicated that it would be far enough away from established wells and would impact no neighbors. Under CEQA, some type of compliance via a Negative or Mitigated Negative Declaration would be required. He added that the VOMWD would take control of the site as soon as there was a productive well. The Fire Department had notified the County to remove its spoils from the site and to discontinue that use of the property.

Mr. Gradolph otherwise commented that last week during the extremely hot weather, the Sonoma County Water Agency's (SCWA's) total storage had dropped. The County had notified the VOMWD via e-mail that the County would be shutting down surplus customers. The VOMWD had been notified this date that the County would be restoring service to those surplus customers. He explained that the SCWA had experienced a number of problems maintaining its water levels. The VOMWD had made some changes in its system to assist the operation during the warmer weather. When the demand decreased, those changes would be reversed to avoid any problems with high pressure.

Director Bramfitt inquired whether or not the City of Sonoma had started its wells under the same regime, to which **Mr. Gradolph** advised that the City had one well operating last Thursday.

Mr. Harry also commented that the issue was that the Sonoma Tank had been drawn down significantly and was unable to be restored. He was uncertain what was occurring since the weather had not been as hot. He also noted that the City had a new 3 million-gallon storage tank in Sonoma that it relied on. If there was an emergency and a reliance on that water, the VOMWD could be impacted. He was uncertain why the wells were not being used and he would contact the City to learn of its philosophy in this case.

Director Bramfitt suggested that the matter be raised with the Sonoma City Manager.

Mr. Harry pointed out that the City was not using its storage to full capacity and it would be a simple matter to do so. He did not like the major storage terminal tank being drawn down since it was uncertain what would occur, particularly during the Fourth of July weekend when fireworks were used. He expressed the willingness to contact the Sonoma City Manager to discuss the matter.

- **Project #2869** - Highway 12 Main Relocation: Ground water levels had dropped and construction had resumed on the 12-inch water main relocation. The work was being done at night as a condition of the Caltrans Encroachment Permit with construction scheduled to be completed by June 27. Caltrans had indicated that its project might be delayed until next year due to the required relocation of other utilities.

Mr. Harry also noted that the VOMWD had made special accommodations with Caltrans to do its work and had pulled the VOMWD contractor off the Sobre Vista job to complete the Highway 12 project only to later be notified by Caltrans that it was delaying its project for a year which had been a disappointment.

President Prushko advised of a typographical error on Page 2 of the Summary Review of Current District Projects and Significant Operations and Maintenance Issues for June 2003, to the last sentence of the Significant O & M Issues which should read:

Due to this reduction in storage, from increased demands due to weather conditions and SCWA collector problems, the SCWA is shutting off water customers until the storage had recovered.

In response to **Director Bramfitt** as to whether the SCWA or the VOMWD would be responsible for shutting off surplus water customers, **Mr. Harry** explained that those discussions had been ongoing for some time and the VOMWD needed to be apprised how that work affect its entitlements before accepting a willingness to accept the excess customers.

President Prushko inquired whether or not the Sonoma Developmental Center Emergency Project had been completed, to which **Mr. Gradolph** affirmed that the project had been completed. A test would be scheduled with the Sonoma Developmental Center with water transferred in both directions using the VOMWD portable pump. The pump would be able to accommodate 1,200 to 1,300 gallons a minute.

C. Water Source Report

In response to **President Prushko**, **Mr. Gradolph** advised that the production of the Agua Caliente and Mountain Avenue wells would be reflected in the next report. He affirmed that all VOMWD wells were operating correctly.

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

President Prushko reported that he had attended the Water Advisory Committee (WAC) meeting but would allow the General Manager to report on the details of that meeting.

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

A. WAC Negotiation Meeting of June 23, 2003

Mr. Harry updated the Board on the WAC Negotiation Meeting held on June 23. He advised that **President Prushko** had also been in attendance at that time. He described a number of new fees that had been suggested and noted that the SCWA was pushing for more and more revenue from water contractors to accommodate items that were actually the responsibility of other agencies, particularly with respect to reclamation.

Mr. Harry added that the VOMWD might not have the opportunity to participate in a cost effective recycled water plan as much as the other agencies that had control over its water and sewage systems. The VOMWD was making comment all along in the process that the proposed charges would not be equitable and that a "one size fits all" mentality should not be used. He also explained that the SCWA was also looking away from the needs of the wastewater agencies to have additional effluent disposal and should share significantly in the costs of the recycled water projects. He explained that the negotiations at this time had pretty much been stalled since the SCWA had not determined whether or not Marin Municipal would become a prime contractor and since some of the fees and charges were directly related to the status of that agency.

B. Information Regarding Outreach Efforts for New Rate Structure

Mr. Harry advised that last year the VOMWD had placed advertisements in the Index Tribune Almanac that was distributed each year. This year the VOMWD would repeat that advertisement with an impetus on the new rate structure to allow one mechanism for the public to be informed of the need to conserve water, particularly summer irrigation water. Other outreach efforts would commence in September with the September 1 billing allowing two billing cycles prior to implementation and allowing customers to be fully informed of the ramifications of the new rate structure with examples in the notices of the possible effects.

Mr. Harry added that the VOMWD's fifty highest water users had been identified. Sometime around the end of November 2003, personal letters would be sent from the General Manager informing those users of what he/she could expect to see with the new rate structure if not altering their water use.

President Prushko inquired why only the fifty highest water users had been identified.

Mr. Harry explained that anyone that used over 100 billing units in a two month cycle had been identified and the number of those involved would equate to around fifty property owners.

C. GM Scheduled Vacation July 16 through July 25, 2003

Mr. Harry reported that he would be out on town on vacation from July 16 through July 25, 2003.

8. OLD/NEW BUSINESS

A. Discuss/Direct Staff: Request to Annex Real Property Located at 12160 Flicker Road, APN 053-160-035

Mr. Harry reported that based on the direction of the Board, he had approached the Local Agency Formation Commission (LAFCO) to inquire whether or not there was any exemption that LAFCO could grant the property owner of 12160 Flicker Road based on emergency public, health and safety requirements. LAFCO had informed him that since the property was not developed, there was nothing that could be done. LAFCO had provided him with the enabling documents on the original lot split, which had not supported the property owner's contention that the VOMWD's promise of water was the reason that the lot split had been allowed.

In that report, which had been included in the staff report and provided to the Board, Mr. Harry explained that an alternative had been provided to the property owner which had presented to the County of Sonoma Permit and Resource Management Department (PRMD). The alternative would have allowed the property owner to consider using the well existing on a neighbor's property and creating a small mutual water system.

Based on those facts, there was nothing the VOMWD could do for the property owner, short of an annexation application.

Mr. Harry recommended that the Board deny the request to annex the property located at 12160 Flicker Road.

Gary Stedecker, Real Estate Broker representing Michael Cornwall, the former owner of the property and the current purchaser of the property who was unable to attend the meeting this date requested a continuance of the item to allow the current property owner to be in attendance and to allow him to speak to the issue and hear the decision of the Board in person. He clarified, when asked, that the escrow on the sale of the property had closed and that Mr. Cornwall no longer had an interest in the property.

As a courtesy, Director Bramfitt suggested that the Board continue the item to allow the new property owner to appear before the Board.

Mr. Harry stated that he had contacted Mr. Cornwall directly and had informed him of the staff recommendation, although he had been unaware that the escrow on the property had closed and that the property had changed hands.

Motion by Director Bramfitt, seconded by Director Woods, and carried unanimously by a roll call vote to continue the request to annex property at 12160 Flicker Hill Road to the regular VOMWD meeting scheduled for August 5, 2003.

B. Discuss/Award: Contract for Storage Reservoir Painting of Two Tanks (Hanna and Donald) to Quality Painting and Maintenance in the Amount of \$100,000

Mr. Harry advised that staff had been pleased with the proposal submitted from the contractor. Of the \$250,000 that had been budgeted for the project, only \$100,000 would be needed to have the two tanks

painted, in conformance with the specifications. He recommended that the Board accept the proposal included in the staff report dated July 1, 2003. He added that the proposal had been inspected and had met all of the criteria for the plans and specifications for the project.

Mr. Gradolph advised, when asked by **President Prushko**, that the project would likely start in August. The project would not disrupt the VOMWD's water supply. The Hanna Tank would involve exterior work only and the Donald Tank would include interior and exterior work. The VOMWD would be routing its well up to the booster station at the Donald Tank during the interior work process. No water storage would be jeopardized during the improvement period.

Motion by **Director Bramfitt**, seconded by **Director Kenny**, and carried unanimously by a roll call vote to award the contract in the amount of \$100,000 and authorize the President to sign the contract.

C. Discuss/Direct Staff: Consideration of Changes to District Investment Policy

Mr. Harry explained that with the current challenging times in State government, the VOMWD Investment Policy currently invested 100 percent of its funds in the Local Agency Investment Fund (LAIF). As indicated in the attachments to the staff report dated July 1, 2003, a memorandum from the State Treasurer had indicated that the LAIF funds would be safe.

Having spoken to some colleagues in State government and based on the State's history, **Mr. Harry** suggested it was possible that a budget would not be approved until late September, potentially earlier. He understood that the State needed to borrow \$10 billion from the investment firms on Wall Street in order to get through the next couple of years. If the budget was not approved, those monies could not be borrowed. While he had been advised that there were current laws and legislation protecting the LAIF, the Legislature could pass emergency legislation to borrow money against the LAIF and list it as collateral. If the State were to go bankrupt that would place the liquidity of the VOMWD's funds in jeopardy.

Although the VOMWD was probably safe, **Mr. Harry** suggested that it was not prudent to invest all of the VOMWD investments in one fund. He noted that the City of Santa Rosa was placing its money into a Merrill Lynch Institutional Fund and into individual securities. Since the VOMWD would either have to hire a Financial Officer or a Consultant to manage its funds if it were to do the same, he recommended that the Board review the other funds identified in the staff report, including a Joint Powers Fund similar to LAIF and the County Treasurer's Pooled Investment Fund. He added that several other special districts in the County had all of their monies in the County Fund.

Mr. Harry recommended that the Board modify the VOMWD Investment Policy to allow half of its monies to be placed in the County Pooled Fund and to leave the other half in the LAIF. He further explained that the County had informed him that action would not require a resolution of the Board and that it would be a simple matter for the VOMWD to instruct LAIF to conduct a wire transfer of funds to the County Investment Fund.

Director Bramfitt inquired who would run the Sonoma County Pooled Investment Fund, to which **Mr. Harry** understood that Tom Ford was the individual responsible for operating that fund. He explained that Mr. Ford was the elected County Treasurer and was independent of the Sonoma County Board of Supervisors.

Mr. Harry understood that the VOMWD's monies would not be vulnerable in that case, although the monies could be frozen for a certain period of time. If the State were to attempt to do so, the VOMWD could use the County fund. If the County fund were vulnerable to a taking, the VOMWD could use the State

fund. He advised that the VOMWD could function on \$2 million for liquidity purposes with its cash flow.

Director Kenny clarified that the State budget was currently at a \$38 billion deficit.

Director Woods understood that the Sonoma County Investment Policy, which the County Fund applied, had provided that LAIF was one of the accepted investment sites. He inquired how much money the County had in the LAIF.

Deputy Secretary Shari Walk reported that amount was very small, approximately \$300,000.

Director Woods spoke to the collateral requirements under the County Policy which had provided for market value of 102 percent in U.S. Treasuries or U.S. Agencies Securities. The VOMWD policy was for 110 percent. The VOMWD also had a policy for 150 percent against First Mortgage Collateral. He noted that the County did not allow for that, although that might not be a problem since the County's policy was more restrictive than the VOMWD's policy in that respect.

Director Woods explained that the collateral for a given investment must be 110 percent of principal for Government Securities Collateral and 150 percent of principal for First Mortgage Collateral. Speaking to the County Policy, Item 15, Page 4, that policy had shown 102 percent of collateral. He commented that the County invested in government securities up to 102 percent of collateral, while the VOMWD's policy called for 110 percent. He inquired whether or not that needed to be changed.

Ms. Walk suggested that the VOMWD policy should be changed as well.

Mr. Harry was uncertain whether or not that would be necessary in that the 110 percent were if the VOMWD were investing in government securities, not if it were investing in the pool system or LAIF. He suggested that the LAIF collateral requirements be reviewed. If the Board were to approve a money transfer right away, that could be done, or the Board could wait until the policy had been reviewed. A statement could be added to the VOMWD's Investment Policy to indicate that "investments in any pooled fund would have a collateral in excess of 102 percent" or something of that nature.

Director Woods suggested that a statement could also be added to the policy indicating that the VOMWD investment was in a pooled fund that was deemed to comply with its collateral requirements. He recommended that as opposed to identifying a specific percentage since the percentages might change.

Motion by **Director Woods**, seconded by **Director Bramfitt**, and carried unanimously by a roll call vote to approve the recommended changes to the VOMWD Investment Policy, as described in the staff report dated July 1, 2003, with an additional provision that staff include language in the Investment Policy indicating that investment in a permitted pooled fund was not required to meet the same collateral requirement for investment in government securities. In addition, staff was authorized to transfer 50 percent of funds invested in the LAIF fund to the Sonoma County Pooled Investment Fund.

D. Discuss/Direct Staff: Regarding Miscellaneous Fees and Leak Adjustment Policy

Mr. Harry commented that the schedule of conducting Board meetings once a month had been working well for staff since it allowed staff the ability to review and present other issues of interest to the Board. One of those issues was a review of the VOMWD's Miscellaneous Fees Policy. He discussed the proposed fee changes identified in the staff report dated July 1, 2003 including requested new fees for a Fire Flow Test in the amount of \$75.00, Pressure Recording Fee in the amount of \$150.00, and a New Account Activation Fee

in the amount of \$15.00

Mr. Harry also recommended the deletion of the Plumber's Deposit of \$100.00 in order for a plumber to be authorized to perform turn on and turn off services and repairs. He suggested that fee was not necessary since it was cumbersome and tedious to administer.

In addition, fee increases were recommended for the following:

	<u>Current Fee</u>	<u>Recommended Fee</u>
Returned Check Handling Fee	\$ 12.00	\$ 25.00
Illegal Turn on	63.00	200.00
Unauthorized Hook Up to <u>Unmetered Service</u>	317.00	400.00
Unauthorized Use of Fire Hydrant	317.00*	800.00
Reconnection Fee – Illegal Start of Service	20.00	50.00
Turn off for Non-Payment of Bill	12.00	50.00
After Hours Service Charges	63.00	75.00

* \$317.00 first offense/\$632 thereafter

Referencing the recommended fee increase for Illegal Turn Ons, **Mr. Harry** requested that the second to last sentence of that policy be amended to read:

This action often results in them cutting off the padlock and the District having to install a tamper proof locking device.

Mr. Harry also spoke to the District Leak Adjustment Policy. He noted that staff was currently receiving a number of requests to have property side leaks adjusted and that many of the requests were coming from the customers who had experienced additional leaks after having already received an adjustment. It was noted that there were a number of plumbers who continued to advise their clients to seek a leak adjustment for water use from a leak on the property. Many of the requested repeat adjustments did not qualify based on the VOMWD's existing criteria. He commented that the VOMWD's leak policy was vague and subject to interpretation and did not support the VOMWD's conservation efforts.

Director Woods spoke to the staff recommendations and inquired whether or not the proposal had been reviewed by VOMWD Legal Counsel, particularly developer fees and compliance issues. He suggested that the recommended fee changes and new fees be reviewed by Legal Counsel.

Mr. Harry understood that the staff recommendations had been forwarded to Legal Counsel who had yet to respond.

Director Bramfitt inquired whether or not a public hearing was required to take action on the staff recommendations.

Mr. Harry informed the Board that a Public Hearing was not required. He recommended that the Board discuss the proposed changes, consider whether or not any or all of the recommended changes should be implemented and, if appropriate, direct staff to bring the issue back for action at a future meeting, which would allow staff plenty of time to resolve any issues. The proposal could be returned to the Board towards the end of the year with responses and recommendations from Legal Counsel. He also recommended that any changes to the current District Miscellaneous Fee and Leak Adjustment Policy to be effective as of

January 1, 2004 when the new commodity rate system would become effective.

Director Woods noted the rationale for the fee increases as sufficient to cover the VOMWD's costs, which made sense, although when establishing fees high enough to create a penalty as a deterrent he wanted assurance of Legal Counsel's comfort in that case. He suggested that Legal Counsel determine whether or not that should be designated as an Emergency Water Regulation or be tied to temporary impairments, particularly in terms of the VOMWD's lack of jurisdiction in terms of police powers.

Mr. Harry recognized that the VOMWD lacked a police power although he expressed a preference that the fees be set as a deterrent to illegal actions.

President Prushko spoke to the Plumber's Deposit that was being recommended for elimination and noted that he had a deposit on file with the VOMWD for many years.

Mr. Harry advised that he could obtain an opinion from Legal Counsel as to whether or not that would create a conflict of interest for the President of the Board.

Director Bramfitt spoke to the proposed New Account Activation Fee. As an employee of a utility agency, PG&E, he noted that agency did not impose such a fee. He expressed concern that the new fee being proposed would be on top of a deposit that would be requested from a new customer, which did not appear to be welcoming. He disagreed with the New Account Activation Fee. He also spoke to the Reconnection Fee that had been proposed and while he appreciated the need for customers to pay his/her bills, he recognized that there were those with financial hardships. He suggested that those recommended fees appeared to be onerous.

Mr. Harry inquired whether or not PG&E imposed an illegal turn on fee, to which **Director Bramfitt** acknowledged that PG&E now imposed a fee for the reconnection of services. He clarified that proposed fee bothered him far less than the proposed New Account Activation Fee.

Ms. Walk reported that the City of Sonoma charged a \$180.00 turn on fee. She explained that the VOMWD had a number of owners that placed water service in their names for one day or two until tenants occupied the properties. As a result, staff would have to go out and read the meter and then go back out again to read the meter. Since no water was likely used during that period of time all a property owner could be charged was a one month service charge, which would be raised to \$5.00 if the Board approved the recommended fee increases. She acknowledged that the VOMWD did not have a Landlord Agreement to address those situations.

Mr. Harry explained that this was the reason staff had submitted the proposal to the Board on a preliminary basis to identify a level of Board comfort with the proposed fees. While the VOMWD had been getting along quite well financially as is, he advised that the desire was to use the best standards of the industry and to be more progressive where fees were concerned.

Director Woods expressed an interest in learning what other agencies charged for similar items. He also commented that if there was a way to conveniently differentiate landlord/tenant circumstances from other circumstances that could be considered as well.

Mr. Harry expressed the willingness to provide that information. He also commented that he was considering other variables to charging a deposit. Currently the VOMWD asked for a letter of credit, although there were other ways to identify the credit worthiness of people signing up without a deposit.

Director Bramfitt urged staff not to pursue that possibility which he suggested could prove to be difficult with credit scoring and the like. He recommended that the item be returned to the Board in light of the Board's comments for further discussion.

Steve Perry spoke to an apartment and a landlord/tenant situation where the water meter would have to be read in any event. He recommended that a fee be imposed, that the last month be billed with the option of a fee, or that an average of the billing period from a past billing cycle be considered. He suggested that in many of those cases, it would behoove the landlord/tenant to pay on a one-day basis as opposed to paying a \$15 New Account Activation Fee.

Director Woods suggested that was a good point in that if there was an early termination charge it could be charged back to the landlord rather than the tenant if the service was ceased within a 30-day period, as an example.

Ms. Walk acknowledged that typically there was no water involved in those situations.

It was the consensus of the Board to continue the Request to Revise District's Miscellaneous Fee and Leak Adjustment Policy to a later date, subject to the Board's comments.

9. CLOSED SESSION

- A.** Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8; Negotiate Price and Term of Payment. Agency Negotiator: Lee J. Harry; Negotiating Parties: N/A. District Declared Surplus Property: APN 056-583-017, Alberca Road

Mr. Harry reported that there was no new information on the Closed Session item and there was therefore no need for the Closed Session at this time.

10. REQUEST FOR FUTURE AGENDA ITEMS

Mr. Harry reminded the Board that the meeting scheduled for July 15 had been canceled. The Board would next meet on August 5, 2003.

12. ADJOURNMENT

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously to adjourn the meeting at 7:43 P.M. The next scheduled meeting is a Regular Meeting on August 5, 2003 at 6:30 P.M.

Shari Walk, Deputy Board Secretary