

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

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

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A.** Receive and Approve Minutes of October 7, 2003
- B.** Adopt Resolution No. 031101, Authorizing Quitclaim Deed of Easements to Richards Boulevard LLC
- C.** Annual Statistical Report
- D.** Adopt Resolution No. 031102, Approving Closing Papers, David Busby, Main Extension Agreement, Project #2871
- E.** Cancellation of Regular Board Meeting Scheduled for November 18, 2003
- F.** Cancellation of Regular Board Meeting Scheduled for December 2, 2003
- G.** Cancellation of Regular Board Meeting Scheduled for December 16, 2003

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

4. PUBLIC HEARING

There was no Public Hearing.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for September 2003

Office Supervisor Shari Walk pointed out that the net interest for the Sonoma County funds was 2.4 percent, which was much greater than the Local Agency Investment Fund (LAIF) at 1.6 percent.

Motion by **Director Woods**, seconded by **Director Kenny** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of September 2003 in the amount of \$327,536.35.

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

General Manager Lee Harry advised that Mr. Gradolph had recently had an emergency appendectomy but was glad to inform them that he was ok and back to work.

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

- **Project #2855 – Glen Ellen Storage Tank:** The project had been placed on hold pending the results of the lawsuit filed protesting the Mitigated Negative Declaration that had been conducted on the project.
- **Project #2863 – Sobre Vista Water Main Replacement:** The project was essentially complete and a Notice of Completion would be issued as soon as final touch up paving had been completed.
- **Project #2865 – Future Production Well at Arnold Drive & Felder Road:** Action on the Initial Study and proposed Negative Declaration had been tabled pending the results of additional studies.
- **Project #2875 – Donald and Hanna Storage Tank Painting:** The painting of Hanna tank had been completed. The exterior of the Donald tank was now in process. After the completion of exterior painting, the tank would be taken out of service to allow the recoating of the interior. The system had been manipulated to keep the well serving the Michael Drive area. Completion was anticipated in late November.

Mr. Gradolph also reported that the Request for Proposals (RFP) for engineering services for the Capital Improvement Projects (CIP) for 2003/04 were out for projects planned for spring construction.

In response to **President Prushko** as to the Heaven Hill main relocation project, **Mr. Gradolph** reported

that the main had been pressure tested this date, would be bacteria tested tomorrow and would be tied in next week.

Mr. Harry reported that the issues with the property owner had been resolved. The project was essentially complete.

Mr. Harry also advised with respect to the Glen Ellen Storage Tank Project that a court date had been set for the litigation regarding that tank in early December, and a resolution of that issue was anticipated. As to the production well at Arnold Drive and Felder Road, in anticipation of additional work needed in that case he had visited the Temelec tank site with Ron Foster of Groundwater Pump and Wells to determine whether or not that would be a feasible site prior to determining a scope of work to be used in a request for proposals from hydrogeology firms. By the time of the next Board meeting, he stated that a proposal would be presented for Board consideration..

C. Water Source Report

When asked, **Mr. Gradolph** noted that this was the time of year when the wells were turned off. He stated that water levels were generally checked and logged every Friday. No extreme changes from prior years had been found.

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

Director Bramfitt expressed his appreciation for receiving the Annual Statistical Report, which he had found to be a very useful document. He also noted that Supervisor Brown had planned a Groundwater Forum and would ask the Sonoma Valley Citizens Advisory Commission (CAC) to be the lead group to host that forum, scheduled for the fourth Wednesday in January 2004. He had been advised that the Sonoma County Water Agency (SCWA), the Sonoma County Permits and Resource Management Department (PRMD) and the VOMWD had been invited to make presentations at the forum. More details would be provided when available.

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

A. WAC Negotiating Meeting of October 27, 2003 and WAC meeting of November 3, 2003

General Manager Harry reported on the Water Advisory Commission (WAC) negotiating meeting of October 27 when the intent to terminate negotiations for a new Master Agreement had been discussed in favor of a Twelfth Amendment to finalize all of the issues that had been agreed upon. He characterized those issues as minor, related to the language for an Urban Management Water Plan, conservation and the representation at the WAC. That representation would be two-tiered with elected officials comprising the WAC and staff of the organizations comprising a Technical Advisory Committee (TAC).

Mr. Harry noted his discussions with the City of Sonoma and the questions related to whether or not to agree to a Twelfth Amendment. He commented that the reported reason for the termination of negotiations was the intent to work on extending the provisions and altering the methodology for the Temporary Impairment Memorandum of Understanding (MOU). He was concerned with the situation that would not likely be accepted by all the contractors. He suggested that the SCWA would present its draft of a new agreement at the next WAC meeting. He did not recommend that the Board rush to judgment on a Twelfth Amendment agreement because there was no desire for the VOMWD to finalize an agreement prior to resolving our annual entitlement issue. Instead, **Mr. Harry** recommended holding off until the new Sonoma

County General Plan had been adopted to determine whether or not the entitlement issue could be resolved to the VOMWD's benefit. More would be known when the SCWA draft was made available.

Noting the discussion at the WAC meeting with respect to the allocation of water during a drought, **Mr. Harry** commented that currently the SCWA would determine each Agency's local production capability and then assign an amount of water for public health and safety reasons and count the local production against the water agency. He stated that under the allocation method proposed by Santa Rosa, they would not lose their local supply available from reclaimed water. Equity among all water contractors was preferred. He noted that Santa Rosa had asked to make its staff available to resolve the issues. The SCWA was not planning to make a determination on any of the issues pending the receipt of comments from the WAC. More information would be presented for later discussion.

B. General Plan Amendment Citizen's Advisory Committee Meeting of October 16, 2003

Mr. Harry reported that he had also attended the CAC meeting on October 16 when information presented to the PRMD regarding the build out report and the growth of the VOMWD had been compared with PRMD data offering an estimate of the 2020 timeframe for what the VOMWD would need. He stated that data coincided closely with the 1,000-acre feet of additional water being sought by the VOMWD as part of its annual entitlements. The VOMWD had been listed under the Land Use Element as being a water district that was currently under stress because it had insufficient entitlements. It was his hope that would be corrected by action by the SCWA in conformance with the new General Plan.

C. District Christmas Party

Mr. Harry identified the VOMWD Christmas party scheduled for December 5, 2003 at the Vaquero Restaurant & Bar at 7:00 P.M. An RSVP was requested.

D. Meeting with SCWA and Representatives of the U.S. Geological Survey Regarding Sonoma Valley Groundwater Study

Mr. Harry noted that he had recently met with the SCWA and members of the United States Geological Services (USGS) with respect to a PowerPoint presentation offered to the WAC, which included all the things that the USGS was doing in the Sonoma Valley, including a study of Sonoma Creek, water quality analyses, survey and well data, and developing a geographical information system. Of value to the VOMWD was a groundwater system study of the Valley funded partially by the SCWA and partially by federal grants. A study of the Santa Rosa Plain was also being pursued.

President Prushko questioned whether or not as part of the study it would be feasible to pump water out of the flood plain into a storage facility, to which **Mr. Harry** noted that was not part of the scope of the USGS study. He did not believe that any physical solution to increase the water supply was being sought. The study would identify where recharge capabilities were located and would identify the availability of groundwater for extraction.

President Prushko sought a determination of whether or not the scope of the study could be expanded to consider a flood plain storage plan. **Mr. Harry** noted that the scope of work had already been determined and that he would inquire whether SCWA had any plans for such a project.

With respect to his attendance at the County Board of Supervisors meeting this date, **Mr. Harry** stated that it appeared as if the Board was trying to put in new requirements for groundwater. The groundwater issues

that had been developed had to do with some recommendations that PRMD staff had made to the Board.

Mr. Harry explained that staff had been using the Citizens Advisory Committee for the General Plan Update and their Water Resources Element (WRE) Subcommittee to prepare a plan to add a WRE to the County General Plan. He noted that before the WRE had been adopted five recommendations had been proposed, which recommendations he delineated at this time. The Board had approved the first 4 and declined to approve the 5th.

Mr. Harry stated that he had testified to the Board of Supervisors that in consultation with VOMWD Counsel, there were questions that the Board of Supervisors should clarify with its counsel regarding the powers that it actually had with respect to groundwater regulation. He explained that the State Water Resources Control Board regulated all surface water entitlements and groundwater in subterranean streams, while percolating groundwater was a matter of western water law and was very specific with respect to overlying property rights and the powers of a public agency.

Mr. Harry noted that Supervisor Brown had indicated that as a special water district, the VOMWD would not be bound by any permit requirements imposed by the County. He had advised that the VOMWD has voluntarily complied with the County's permit requirements to date and hoped to continue to do so as long as the permits do not negatively impact the ratepayers or result in redundant work.. He otherwise emphasized the need for the VOMWD to be vigilant in following the issue to ensure that the General Plan Update and the WRE did not include provisions that would be detrimental to the VOWMD.

Director Woods suggested that an agenda item on the Board of Supervisors issue would be advisable when there was sufficient information to discuss. He otherwise stated that it would not be his intent to give up any sort of jurisdiction to the County that the County currently did not have.

Mr. Harry noted the cooperation from the County in the past.

E. Information Regarding Customer Reaction to Flyers Informing of January 1 Rate Modification

Mr. Harry reported that when the first flyer had been sent out in September to apprise ratepayers of the rate modification effective January 1, 2004, one of the issues that had arisen was that there were many homes in the area that had granny units. The owners of those units wanted those units to be considered in the multifamily category to exempt them from the block rates. He noted that clarifying language would be required in January to redefine what a multifamily dwelling unit was within the VOMWD. He suggested, for instance, that a residence with three or fewer dwelling units would not be considered multifamily.

Mr. Harry advised that he would return some language to the Board at its next meeting to ensure that those in the target areas using significant water for irrigation during the summer months would not be able to avoid the incentive to conserve on water that the tiered rate would impose.

With respect to the Vice Presidential election of the Association of California Water Agencies (ACWA), **Mr. Harry** reported that the SCWA was sponsoring a forum in Napa on November 21 and there would be no VOMWD meeting before the next ACWA meeting. He suggested that the Region 1 position be supported for the position of ACWA Vice President. He added that if members wanted to attend the meeting there was an RSVP number available. He added that he would attend that meeting.

8. OLD/NEW BUSINESS

A. **Discuss/Approve:** Agreement with Sonoma Ecology Center for GIS Services

Mr. Harry reported that in conjunction with the VOMWD's conservation efforts from the SCWA, the VOMWD received approximately \$60,000 annually to expend on conservation programs. Much of those funds had been used to repair Polybutylene leaks on services and the like. With respect to the large landscape audits required under Best Management Practice No. 5, he proposed the hiring of the Sonoma Ecology Center, which had the capability of using colored aerial photography to identify the turf, non-turf, and hardpan areas of selected large lots. He stated that the information would help with the long term goal of establishment water budgets for large landscaped lots.

Mr. Harry recommended the approval of an agreement between the VOMWD and the Sonoma Ecology Center in an amount not-to-exceed \$10,080 to provide GIS service to the VOMWD to assist it in the preparation of water budgets for large water accounts.

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve an agreement between the VOMWD and the Sonoma Ecology Center in an amount not-to-exceed \$10,080 to provide GIS service to the VOMWD to assist in preparing water budgets for large water accounts.

B. **Discuss/Approve:** Contract to Outsource Printing and Mailing of Customer Bills

Mr. Harry explained that the proposal would represent a major departure in how the VOMWD was doing business. He reported that the billing systems of other agencies had been evaluated during the process to address the concern that the postcard-sized bill currently being used in the VOMWD's billing system was inadequate to provide sufficient information to the ratepayer. A full letter size bill had been proposed.

Noting that either in-house or contract services could be considered for a full letter size bill, **Mr. Harry** explained that with an in-house service, a capital cost of \$35,000, additional maintenance and material costs and additional staff time would be required. Given that the VOMWD did not have the volume to qualify for a discounted postal rate, each mailing cost \$0.37, resulting in the fact that the cost of an in-house alternative would be \$0.75 per item.

Comparing that with a service provided by InfoSend, Inc. of Fullerton, California, **Mr. Harry** reported that the per piece cost would not exceed \$0.48. The annual savings to the VOMWD with that proposal would be \$8,000. He added that InfoSend did work for both Calistoga and Cotati. The company would work with the VOMWD to customize the billing form.

Director Woods suggested that the proposal was a great idea. He commented that North Marin had won an award for its billing system after converting to a similar system. He had been impressed with the amount of information available on that bill. He sought a format that would include a prior year description of usage for each ratepayer.

Office Supervisor Walk explained that she had received positive references from those dealing with InfoSend, Inc. She explained that there would be a capability for informing customers regarding usage in the tiers. She also noted that the firm had quality assurance systems to ensure the proper mailing of our billings.

Mr. Harry advised that Board input on the final format would be sought prior to the finalization of the

billing format with the new system to be initiated in March 2004. He also noted that the new system would help free up some storage space in the VOMWD offices.

In response to **Director Bramfitt**, **Ms. Walk** verified that staff was still doing the payment processing. Further with respect to electronic bill payment formats, she noted that was something she would like to consider in the future. She reported that InfoSend had been studying that possibility. InfoSend currently provided an online service. She added that the City of Sonoma was currently considering the same process. Motion by **Director Woods**, seconded by **Director Bramfitt** and carried unanimously by a roll call vote to authorize the General Manager to outsource the service for printing and mailing of invoices to InfoSend, Inc. of Fullerton, California at a per piece cost not to exceed \$0.48 and an additional \$0.01 for inserts.

C. Discuss/Adopt: Resolution No. 031103, Amending the District's Miscellaneous Fees and Charges, Property-Side Leaks and Adjustment of Billing

Mr. Harry stated that the item had been submitted to the Board in July when clear input had been offered. In compliance with the Board's direction, a recommended fee structure was presented for implementation in January 2004 concurrent with the VOMWD's new rate structure.

The requested fee changes were identified as follows:

Requested New Fees

1.	Fire Flow Test	\$	75.00
2.	Short Term Termination of Service Fee		30.00
3.	Pressure Recording Fee		150.00

Fee Recommended to be Discontinued

1.	Plumber's Deposit		100.00
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Fees Recommended to be Increased

	<u>Current Fee</u>	<u>Proposed Fee</u>
1.	Returned Check Handling Fee	12.00 25.00
2.	Unauthorized Turn-on	63.00 150.00
3.	Unauthorized Use of Fire Hydrant	317.00 and up 800.00+
4.	Reconnection Fee (Failure to Sign Up & Pay Deposit)	20.00 50.00
5.	Turn Off for Non Payment of Bill	12.00 and up 50.00
6.	After Hours Service Charges	63.00 75.00

With respect to the District Leak Adjustment Policy, revisions were recommended to correct uncertainties, eliminate ambiguities, support the VOMWD's conservation efforts and result in a clear and concise policy.

Mr. Harry advised that the proposed fees had been found by District Counsel to be appropriate.

Director Bramfitt noted that he had opposed the establishment of a start up fee for new service. He suggested that the Board might wish to discuss that fee. He was otherwise fully in support of all of the proposed changes, revisions and additions.

With respect to a turnoff for non-payment of the bill in response to **Director Smith**, **Ms. Walk** noted that many ratepayers waited until he/she had the water turned off and would then come in to pay the fees.

Director Woods indicated support for the fee restructuring.

Motion by **Director Bramfitt**, seconded by **Director Woods** and carried unanimously by a roll call vote to adopt Resolution No. 031103, Revising the District's Miscellaneous Fees and Revising the District Leak Adjustment Policy and Method of Calculation

President Prushko declared a recess at 7: 31 P.M. and adjourned into Closed Session at 7:35 P.M.

9. CLOSED SESSION

- A.** Conference with Legal Counsel pursuant to Government Code Section 54956.9, Subsection C, Anticipation of Initiation of Litigation, one potential case.

10. RECONVENE IN OPEN SESSION

President Prushko reconvened into open session at 7:55 P.M. and reported that no action had been taken in Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

12. ADJOURNMENT

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously to adjourn the meeting at 7:58 P.M. The next scheduled meeting is a Regular Meeting on January 6, 2004 at 6:30 P.M.

Shari Walk, Deputy Board Secretary