

**VALLEY OF THE MOON WATER DISTRICT**  
REGULAR MEETING AGENDA  
April 6, 2004

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, April 6, 2004, 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 Michael Woods** called the meeting to order at 6:30 P.M. and led the Pledge of Allegiance. Roll Call by **Deputy Secretary Shari Walk** noted the following present:

Directors Present:	Mark Bramfitt Ed Kenny Ron Prushko Sanford Smith Michael Woods
Directors Absent:	None
District Personnel:	Paul Gradolph, Operations & Maintenance Supervisor Shari Walk, Office Supervisor
General Manager:	Lee Harry
Board Secretary:	Shari Walk
Public Present:	Mickey Cooke, Steve Perry, Win Smith, Pat Smith, Maria Solis and Sandi Hansen, Sonoma-Index Tribune.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. CONSENT CALENDAR**

- A. Receive and Approve Minutes of March 2, 2004
- B. Cancel Regular Meeting of April 20, 2004

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 February 2004

Motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of February 2004 in the amount of \$186,297.61.

### 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 March 2004 related to the following:

- **Project #2855 - Glen Ellen Storage Tank:** The VOMWD had received a favorable judgment regarding the lawsuit contesting the Mitigated Negative Declaration California Environmental Quality Act (CEQA) action and would be determining the steps necessary to proceed with the project;
- **Project #2865 - Future Production Well at Arnold Drive and Felder Road:** Action on the Initial Study and proposed Negative Declaration had been tabled pending the results of additional studies;
- **Project #2878 - Arnold Drive, Horn Avenue, Garric Avenue, Hill Drive and Mound Avenue** and
- **Project #2879 - Loma Vista Drive:** The main line replacement projects were currently being surveyed by the VOMWD Consulting Engineers Brelje and Race and 50 percent drawings had been completed and were being reviewed by VOMWD staff, to be returned to Brelje and Race next week at which time 90 percent drawings would be presented. The projects are expected to begin construction in June, 2004.

**Mr. Gradolph** referred to a mainline replacement project that VOMWD staff was constructing on Verano Avenue and adjacent streets where 760 feet of an old and deteriorated steel line was currently in process. He also reported with respect to the VOMWD's Vulnerability Assessment that he had attended an Environmental Protection Agency (EPA) sponsored training program on March 25 and 26 in Sacramento that would help him coordinate the vulnerability assessment currently being performed by Winzler & Kelly.

In response to Director Prushko, **Mr. Gradolph** explained that there were no applications available for a reimbursement of the funds required as part of the Vulnerability Assessment and the issue had not been raised at the referenced sessions. He explained that the EPA had hired consultants to assist districts which was what the program had been geared to do.

**General Manager Lee Harry** reported that he had been speaking with the Sonoma County Regional Parks Department which was interested in establishing a partnership to utilize one of the County's parks to produce a well and to assist the Regional Parks Department on some of its capital projects. He noted that the Department was facilitating that process with the County Board of Supervisors. He added that the water quality at Ernie Smith Park was deemed to be preferable. To that end, a draft Right of Entry Agreement had been submitted to District Counsel for review. He stated that partnership may offer the VOMWD a very good way to secure additional groundwater supplies.

**Win Smith** noted that his experience with the groundwater at Ernie Smith Park was that it was hot and had boron in it. He therefore questioned the quality of that water.

**Mr. Harry** explained that there were two wells in Ernie Smith Park and the VOMWD had taken water

quality data from one of the wells. No boron had been found and the water appeared to be acceptable for the VOMWD's needs. He added that further investigation would be pursued to verify the quality of the water.

C. Water Source Report

There were no comments on the Water Source Report submitted to the Board.

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

**Director Bramfitt** reported that he had attended the Association of California Water Agencies (ACWA) Legislative Forum and had specifically been asked to report back on the Ortiz Bill, SB 1272. He noted that Senator Ortiz had proposed legislation to govern special districts including water districts with respect to ethics, controls on compensation and auditing requirements. He reported that some water boards were very upset as a result of the proposed legislation. He described what had initiated the legislation and noted that, if approved, the legislation would require all Boardmembers of special districts to attend annual ethics training, there would be controls on compensation, and that meeting compensation would only be provided for publicly noticed meetings pursuant to the Brown Act.

**Director Bramfitt** commented that while there was vociferous opposition to the legislation from elected water board officials, there was also a likelihood that the legislation would pass an amended version of the bill. He explained why that was likely to occur, and added that the deadline for comment was April 15.

**President Woods** noted that there were 8,000 local government agencies in California and while he suggested that annual ethics training may be appropriate, he suggested that it would be inappropriate to single out special districts. He explained that he had called Assemblymember Canciamilla's office about the Bill and had learned that it had not yet been submitted to the Assembly. At that point, he suggested the Bill might be amended to make more sense.

**Director Bramfitt** noted that his concern with ethics training was its effectiveness and cost. While he did not oppose ethics training, he expressed his hope that ACWA might devise a standard training program without the need to hire a consultant at a cost of thousands of dollars a day to offer ethics training.

**Director Smith** reported that he had attended the ACWA Insurance and Personnel Committee meeting on March 24 in Sacramento and gave the Board information on ACWA's projections for what was to be done with the dental plan, the life plan, the disability plan, and the worker's comp plan. The Committee had then discussed the health plan. He noted that the VOMWD would have to pay a great deal of attention to the health insurance plan which would become significantly more expensive. He also noted that there would be a regional rating on top of the health insurance premium increases and he described how and why that would occur and what it would mean for the VOMWD's health insurance premiums.

**President Woods** thanked Directors Bramfitt and Smith for attending the meetings and for the reports.

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

A. Report of WAC Negotiating Meeting of March 22, 2004

**General Manager Harry** stated that he had attended the March 22, 2004 Negotiating Meeting when a second draft of the restructured Water Supply Agreement had been created and a status and recap of all activities had been provided.

B. Report of Regular WAC Meeting of April 5, 2004

**Mr. Harry** also reported that many issues had been discussed at the April 5 Water Advisory Committee (WAC) meeting including a water conservation compliance rating system. He suggested that the VOMWD would have a mid-rating since the rating had been based on last year's data although the VOMWD would have improved this year. He also noted that all of the other water contractors had submitted a report on the amount of water needed for further development. He reported that the VOMWD's numbers now accurately indicated the VOMWD's growth rate of slightly over one percent each year and the VOMWD's increased entitlement needs. He noted that Santa Rosa had significant requests for new water based on its expected development.

C. Report on Workshop May 25, 2004 - Altimira School (Multi Purpose)

**Mr. Harry** advised that work had begun on the Workshop for Water Conservation scheduled for May 25, 2004 at Altimira Middle School, from 6:00 to 9:00 P.M. A meeting with the Sonoma County Water Agency (SCWA) Conservation Coordinator had been scheduled to discuss the most effective format for the workshop.

**Mr. Harry** stated that he had decided to attend the next ACWA Conference to be able to address some issues on the agenda in coordination with Director Prushko and to provide assistance to the SCWA regarding important issues that they were sponsoring.

**Director Kenny** concurred with respect to Director Smith's report from the ACWA Insurance and Personnel Committee meeting that health insurance costs were becoming more and more problematic.

8. OLD/NEW BUSINESS

- A. **Discuss/Direct Staff:** Approval of Resolutions Deleting the Current District By-Laws, Adopting a Code of Conduct, and Adopting a Policies and Procedures Manual

**Mr. Harry** stated that the comments from the last Board meeting had been incorporated into the document and another iteration of the proposed adoption of the ACWA Code of Conduct as the official Code of Conduct of the VOMWD had been submitted for consideration along with revisions to the District By-Laws.

Commenting with respect to the Ortiz Bill, **Mr. Harry** stated that his information was that ACWA was pursuing an amendment to the travel requirements since there was a provision in the amendment to limit any travel expenses to those of State employees, which could result in a significant loss of attendance at ACWA conferences.

**Mr. Harry** questioned whether or not the Board wished to proceed with the adoption of a policies and procedures manual at this time given the possibility that the approval of the Ortiz Bill would require modifications to those policies and procedures.

**President Woods** questioned when the Ortiz Bill might be adopted. He did not mind waiting until August or September to determine the status of that Bill.

On the discussion of whether or not to pursue the proposed changes or wait to see what would happen with the Ortiz Bill, **Director Smith** noted the difficulties related to lodging when attending ACWA conferences

given the high cost of the conference hotels versus the distances involved if seeking a reasonably priced hotel that was situated so far away from the conference site as to replace high hotel costs with high travel costs. He suggested that the State encourage ACWA and those supplying convention space for ACWA to price the lodging at a reasonable rate that would be affordable to the public agencies in the State.

**Director Smith** added that the VOMWD and other similar districts were being placed in a position of paying obscene rates for lodging or not being able to attend ACWA meetings and not being able to know what was going on or have input in the process. He commented that the Ortiz Bill was not addressing that situation.

**Director Bramfitt** recommended the adoption of the Guidelines for Conduct - a Primer for Public Water Agency Officials - January 2004 that had been developed by ACWA as the Code of Conduct for the VOMWD and defer the Policies and Procedures Manual for the VOMWD pending further action from the State.

In response to **President Woods** as to whether or not it would be best to defer any action until after the selection of a new General Manager, **Mr. Harry** noted that the Board had been very responsible in the amount of travel that it had pursued and while there was an annual budgeted amount each fiscal year that amount had never been exceeded. He did not believe it would make any difference if there was a new General Manager on board. The issue related to Board policy. He also suggested that the Code of Conduct could be adopted at this time while deferring the conversion of the By-Laws to a Policies and Procedures Manual.

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a voice vote to direct the General Manager to prepare a resolution to adopt the 2004 Guidelines for Conduct - a Primer for Public Water Agency Officials as the Code of Conduct for the VOMWD, to be returned to the Board for adoption at the next meeting.

**Mr. Harry** clarified for President Woods that the adoption of the Policies and Procedures Manual would require the repeal of the existing VOMWD By-Laws.

**B. Discuss/Authorize:** District's Vote for Special District Representative and Alternate for the Local Agency Formation Commission

**Mr. Harry** reported that the Local Agency Formation Commission (LAFCO) had requested an election of a special district representative. He noted that the VOMWD had the opportunity to vote for a special district Class 1 representative, which was limited to elected officials of a fire or community service district. He reported that there was only one applicant for that position. There were three applicants for alternate representatives who could represent any special district. He had included the biography of each person in the meeting packets.

**Win Smith** reported that as a retired Fire Chief in the County, he was familiar with Robert Jabs of Rincon Valley. He described Mr. Jabs as a very competent man and he highly recommended him for the LAFCO position.

**Director Bramfitt** acknowledged that Mr. Jabs résumé was very impressive, although he noted that Gary Helfrich of Camp Meeker was the only Alternate candidate who had attended a LAFCO meeting.

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a voice vote to

select **Raymond Brunton** as the Special District Class I representative to LAFCO.

**Director Bramfitt** noted that in addition to attending LAFCO meetings, Mr. Helfrich had some small water district experience at Camp Meeker Recreation and Park District, and on that basis and no other he supported the nomination of Mr. Helfrich.

Motion by **Director Bramfitt**, seconded by **Director Kenny** to select **Gary Helfrich** as the Alternate Special District Representative to LAFCO. The motion carried by the following vote:

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

C. **Discuss/Receive:** Preliminary Operations and Maintenance & Capital Improvement Program (CIP) Budgets for Fiscal Year 2004-2005

**Mr. Harry** presented a very preliminary budget for Board consideration and reported that staff was in the process of negotiating a new contract for the Employees Association and for the Unrepresented Employees and had not yet begun to receive data regarding the new water rate structure for residential customers. On a best projection of expenditures, he suggested that the VOMWD would be \$227,195 in the red based on cost of living increases previously discussed and by other issues related to minimal cost of living increases and the increased cost of wholesale water.

**Mr. Harry** suggested that this year's budget could be balanced by the VOMWD's sale of its last piece of surplus real property. He stated that the budget would be returned to the Board in May for adoption in June and that the budget could be modified during the process based on the Board's directives..

**President Woods** noted that the staff recommendation was to determine whether or not to use proceeds from the surplus property sales to help offset the difference between revenues and expenditures. He suggested that should be considered and he stated that staff should be able to do that now to determine how to structure the budget prior to its submittal to the Board for consideration. Commenting that the Board had in the past placed the proceeds of surplus property sales into the CIP, he expressed concern for doing that this year. The potential for a general rate increase at the same time as the imposition of a tiered water rate structure was a concern to him, particularly since the surplus properties had originally been funded by the VOMWD ratepayers.

**Director Bramfitt** suggested that funding the CIP or funding operations the VOMWD ratepayers would receive the benefit of the funds either way. He suggested under normal circumstances the sale of any asset that was capital in nature should in turn fund the VOMWD's capital work, which was a policy that had been applied to the proceeds of the sale of surplus property. He continued to support that policy under normal circumstances. Because of the significant change in the VOMWD rate structure he was sympathetic to the fact that the revenues were currently unknown. He was therefore open to the approach of the use of the surplus funds to offset the difference between revenues and expenditures this year only. He did not want to see the VOMWD get behind on its capital improvements.

**Office Supervisor Shari Walk** advised that the proceeds from surplus property did not necessarily have to be used in that the transfer over to the CIP could be reduced.

**Mr. Harry** also pointed out that regardless of what would be done, the CIP would still be recommended for funding at \$800,000.

**President Woods** summarized the issues and that the direction of the Board was for staff to return a budget that applied the appropriate fund transfer to the CIP that would offset the difference between revenues and expenditures this year.

**Director Prushko** suggested that if the proceeds were not required for operations and maintenance given the unknowns related to the income to be generated by the new rate structure, it should be used for capital improvements.

**President Woods** declared a recess at 7:23 P.M. prior to convening into Closed Session at 7:30 P.M.

**9. CLOSED SESSION**

- A.** Conference with Legal Counsel on Existing Litigation (under Government Code Section 54956.9(a) Petitioners - Cooke, Smith, and Perry - Sonoma County Superior Court Case No. 232354.
- B.** To Consider the Appointment and/or Employment of a Public Employee, General Manager Pursuant to Government Code Section 54957(b)(1).

**10. RECONVENE IN OPEN SESSION**

**President Woods** reconvened into open session at 8:25 P.M. and reported that no action had been taken in Closed Session.

**11. REQUEST FOR FUTURE AGENDA ITEMS**

There was no request for future agenda items.

**12. ADJOURNMENT**

Motion by **Director Kenny**, seconded by **Director Smith** and carried unanimously to adjourn the meeting at 8:28 P.M. The next scheduled meeting is a Regular Meeting on May 4, 2004 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary