

**VALLEY OF THE MOON WATER DISTRICT**  
**REGULAR MEETING AGENDA**  
June 1, 2004

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 1, 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<br>Ed Kenny<br>Ron Prushko<br>Sanford Smith<br>Michael Woods  |
| Directors Absent:   | None  |
| District Personnel: | Shari Walk, Office Supervisor   |
| General Manager:    | Lee Harry   |
| Board Secretary:    | Shari Walk  |
| Public Present:     | Marcia Chadbourne, Krishna Kumar, Steve Perry, Win Smith, Dave Willer, Clinton Wilson, and Sandi Hansen, for the Sonoma Index-Tribune |

**2. PUBLIC COMMENTS**

There were no public comments.

**3. CONSENT CALENDAR**

- A.** Receive and Approve Minutes of Regular Meeting of May 4, 2004
- B.** Receive and Approve Minutes of Special Meeting of May 11, 2004
- C.** Approve Bank Signature Card
- D.** Cancel Regular Meeting of June 15, 2004
- E.** Schedule Special Meeting for June 22, 2004

Motion by **Director Bramfitt**, seconded by **Director Smith** 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 April 2004

**Office Supervisor Shari Walk** pointed out that VOMWD revenues were up by \$10,000 ten months into the fiscal year with expenses down by \$59,000.

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 April 2004 in the amount of \$266,512.97.

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

**General Manager Lee Harry** presented the summary review of current District projects and significant operations and maintenance issues for May 2004, as follows:

- **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 the Board had adopted a Resolution of Necessity to proceed with property acquisition. Upon obtaining a preliminary title report and with a deposit, the process was ready to proceed;
- **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 regarding the hydrology and geology in the area of the proposed well site;
- **Project #2878 - Arnold Drive, Horn Avenue, Garric Avenue, Hill Drive and Mound Avenue** and
- **Project #2879 - Loma Vista Drive:** Three contractor representatives attended the pre bid job walk on May 25 as had the designing engineer and VOMWD staff, with bid opening scheduled for June 8, 2004;

**Mr. Harry** advised that all current VOMWD wells were in operation and in spite of a slight problem with the Sonoma County Water Agency (SCWA) system this date that had been corrected early in the day, there was no significant reduction in the storage on the system. He stated that the Sonoma County Water Agency was up to 80 mgd (million gallons a day) on the total system and was now into the demands of the summer period.

C. Water Source Report

**Mr. Harry** stated since the summer season started in June, under the Temporary Impairment Memorandum of Understanding (MOU), the VOMWD's allocation had been increased by another one tenth mgd Aqueduct capacity, for 4.8 mgd for 2004. He explained that was approximately another 100 acre feet of water per year.

In response to **Director Prushko** with respect to the booster pump at the SCWA tank above Madrone Road and whether that had helped, **Mr. Harry** explained that there were additional problems on the upstream side

of the Eldridge Tanks..

**Mr. Harry** commented that there had been no dramatic increases and that further studies would be conducted during the summer.

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

There were no reports.

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

- A. Report of WAC Negotiating Meeting of May 24, 2004

**General Manager Lee Harry** reported that Marin Municipal Water District had named its new General Manager, who he understood was a well respected individual who VOMWD staff would work closely with in dealing with the Water Advisory Committee (WAC) and associated issues.

**Mr. Harry** noted that he had distributed a handout entitled "Summary of Draft 4 of Proposed Restructured Water Supply Agreement." He described the summary and highlighted some of the proposed major changes of Draft 4. He stated that he would schedule the information in the attachment as an action item at the special VOMWD Board of Directors meeting on June 22 when more information would be available on what the proposal would mean to the VOMWD. The Board of Directors would be asked to direct staff on how to proceed at that time.

**Director Prushko** inquired whether or not the growth around Santa Rosa had come into the discussions, to which **Mr. Harry** noted that it did not appear that Santa Rosa development would slow down in the near future and Santa Rosa would need additional water in the future as a result.

- B. Summary on Rate Workshop May 25, 2004 at Altimira School

**General Manager Harry** commented that the information presented at the Rate Workshop on May 25 had been pertinent and timely. His only concern was the fact that few ratepayers had chosen to attend that workshop.

**8. OLD/NEW BUSINESS**

- A. **Adopt:** Resolution No. 040601, Adopting 2004-2005 Fiscal Year Budget  
Resolution No. 040602, Adopting 2004-2005 Capital Improvement Budget

**Mr. Harry** reported that the 2004-2005 Fiscal Year Budget and 2004-2005 Capital Improvement Budget (CIP) had been submitted to the Board twice before. He recommended the adoption of the two resolutions to adopt the 2004-2005 Fiscal Year Budget and the 2004-2005 CIP.

**President Woods** acknowledged that the Board had considered the Budget and CIP on a number of occasions in detail.

Motion by **Director Prushko**, seconded by **Director Smith** and carried unanimously by a roll call vote to adopt Resolution No. 040601, Adopting 2004-2005 Fiscal Year Budget, and Resolution No. 040602,

Adopting 2004-2005 Capital Improvement Program.

- B.     **Discuss/Direct Staff:**   Request from Sonoma County Water Agency to Install a Connection for the Kenwood Water Company to Provide Additional Water Services

**Mr. Harry** reported that the VOMWD had received a letter and supporting documents from the SCWA. Under Section 3.2 (b) of the Eleventh Amended Agreement, he explained that the SCWA required permission from any prime contractor within two miles of a proposed new water service from any of their aqueducts. Section 3.6 of the Eleventh Amended Agreement also requires permission from the VOMWD to provide a new service for fire protection purposes only. Because the SCWA Aqueduct was at capacity, and even though only five properties would initially be served, he suggested it offered the potential opportunity for a developer to request water in the future for additional properties.

**Mr. Harry** advised that due to the fact that the granting of the request could result in additional constraints on the ability of the VOMWD and the City of Sonoma to serve their customers during the peak production period, a denial of the request to allow a new domestic service tap on the Sonoma Aqueduct was recommended. He stated that the request for a service to provide fire protection for the five properties would result in standby water to be used for fire protection purposes only. The SCWA had advised that the fire service could not be converted to a domestic service in the future without VOMWD approval.

Although there was a question of whether or not the site was within the two mile limitation of allowing the VOMWD the right to veto the tap, **Mr. Harry** recommended that the Board deny the request and leave that decision to the SCWA. He noted that he had also spoken with City of Sonoma staff, who did not support a new tap on the Aqueduct for the same reasons outlined in the staff report . City of Sonoma staff had asked the VOMWD to deny the request..Mr. Harry did not recommend that the tap be approved.

**Director Kenny** questioned the ability for lot splits in the area, to which **Mr. Harry** stated that he was unaware of whether or not a lot split would be allowed in Kenwood at this time.

**Director Bramfitt** commented that assuming the Kenwood Water Company had existing taps off of the Aqueduct, he suggested that the Kenwood Water Company could serve its customers and expand its distribution system without a new tap into the Aqueduct.

**Mr. Harry** noted his understanding that a main extension would be required in that case. He referred to alternatives identified in the staff report to drill a well, to extend the existing water line, or to pursue a combination of the two.

**President Woods** verified with Mr. Harry that the Kenwood Water Company had been in the category of "Other Agency Customers" for purpose of entitlements, which category reflected a total allocation of 2.7 mgd.

**Mr. Harry** further advised that category was already exceeding the specified allocation of water during the maximum periods.

**Marcia Chadbourne**, the property owner who had made the request, noted that she had been working with the SCWA for over two years to address the issue. She noted that there was a water delivery agreement that the SCWA was required to uphold. There was a two-mile radius connection requirement within the district's boundaries.

**Ms. Chadbourne** questioned the two-mile radius and suggested that the actual area was more than a quarter of a mile but less than a half a mile outside the 2 mile distance to VOMWD. She commented that she had worked for the County for seven years and was aware of the water limitations in the Valley. She also noted that the Kenwood Marsh area where her home was located had a high water table. Her desire was to obtain public water to avoid concerns related to well water and possible erosions to the aquifer. She had considered that it would be more responsible to use the Aqueduct for domestic water. She further commented that the SCWA had an easement that transected her property.

With respect to alternatives, **Ms. Chadbourne** acknowledged that she had an alternative to drill a well, but she also had an alternative to tap into the existing Kenwood tap on Warm Springs Road. She acknowledged that it would be costly to pursue the 1,300 to 1,400 feet of underground pipeline along the roadway. While it was likely she would pursue that alternative in addition to a well, in order to finance that possibility she would contact over 30 people who lived in her area who were all on wells and who were all having trouble with his/her wells to request participation. She noted her understanding that the Kenwood Water Company would be able to provide retail service to all in the area since there was an existing tap.

With respect to lot splits, **Ms. Chadbourne** explained that the two parcels had originally been comprised of 3.66 acres but had now been broken into three separate lots, all slightly over one acre in size.

In response to **Director Prushko** as to what the SCWA would require in the way of water storage for fire fighting purposes, **Ms. Chadbourne** stated that she would be required to have a 2,500 gallon water tank in addition to the well. Her home was currently under construction and she had an agreement with the adjacent property owner to use his well water for fire protection purposes during the construction period. She would not be able to obtain final approval on her home without a permanent water source.

**Mr. Harry** noted his understanding that the cost of an 8-inch tap into the Aqueduct would be in the area of \$30,000. He inquired what would prevent the other properties from then hooking onto the tap to serve his/her systems.

**Ms. Chadbourne** suggested that would be between the SCWA and the Kenwood Water Company.

**President Woods** verified with Ms. Chadbourne her desire that if the Board did not want to approve the request to allow a new domestic service tap into the Sonoma Aqueduct, she would still be interested in an approval of the fire service connection request.

**Clint Wilson**, Ms. Chadbourne's fiancé, stated with respect to the requested line, that it was located behind the Kenwood restaurant while the houses considering the need for water because of failing wells were located in the Warm Springs Road area. He noted that those connections could be made now, although the cost would be very high. The water from the proposed tap would be even more expensive. As such, the tap would be used for the three properties earlier referenced and a fourth adjacent property. He requested that Ms. Chadbourne be allowed to bring the water to her building site or that she be allowed to tap into the line transecting her property.

**Winfield Smith**, a Glen Ellen resident, supported Mr. Harry's staff report and his recommendations. He had a reservation about the fire water requirement and the ability to tap the Aqueduct exclusively for fire water. He noted that Sonoma County Fire Safe Standards in unincorporated areas dictated a water supply at a residence within 150 feet of an engine for fire protection purposes.

**Mr. Smith** suggested that to grant an intertie water hookup to the Aqueduct solely for fire purposes was something he characterized as a “pipe dream.” He noted that Kenwood residents had voted not to have sewer service in Kenwood in an effort to keep the population down and to keep the area the way it was. He expressed his hope that the Board would consider Mr. Harry’s recommendation. He did not recommend either of the two requests for hookups. He did not believe there would be any problem getting water in Kenwood given the high water table in the area and he suggested that water would have to be conserved. If there was ever a time when there was water coming down from the SCWA, he stated that Kenwood might have an opportunity to attain water at that time.

**Steve Perry**, a Glen Ellen resident, also supported Mr. Harry’s proposal to deny the domestic use request. He urged taking another look at fire protection. He agreed with Mr. Smith and noted his concern related to limited approvals. He concurred that there could be potential concerns for subdivisions and commented that the parcel maps appeared to show subdivisions in the areas in question. He suggested that the issue related to the Kenwood Water Company could be a sphere of influence (SOI) issue to be addressed through the Sonoma Local Agency Formation Commission (LAFCO).

**Mr. Perry** commented that the General Plan had spoken to the expansion of public water into areas outside of the urban services boundary, which should also be addressed.

**Win Smith** added with respect to fire service that the Kenwood Fire Chief had seen no plans for the development and did not know anything about it. He requested that the VOMWD Board communicate with the Kenwood Fire Chief to investigate fire protection water storage to be able to provide fire protection services.

**Director Smith** inquired whether or not the Kenwood Water Company had participated in the construction or maintenance of the Aqueduct, to which **Mr. Harry** stated that through the payment of water fees to the SCWA there would be some monies available to the SCWA

**Mr. Harry** added that the primary construction of all the infrastructure having to do with the storage tanks and the Sonoma County Aqueduct were borne by the City of Sonoma and the VOMWD based on the Eleventh Amended Agreement's pro-rata share.

**President Woods** commented that the "Other Agency Customers" category paid a different rate for water than the VOMWD or the City of Sonoma. He described that rate as higher, 125 percent of the rate paid by the VOMWD from the Aqueduct. With that higher rate, he questioned whether or not the SCWA credited any of the difference between the 125 percent and the 100 percent actually to the cost, operation and maintenance of the Aqueduct or to the retirement of the bonded indebtedness that all the other ratepayers in the area had paid over the years.

**Mr. Harry** suggested it was more to cover the fact that there was no contribution to the recycled local project funds, environmental funds, water protection funds and the like. The premium charged would therefore go to other costs of the agency than to the transmission costs. He also noted, when asked, that to his knowledge the VOMWD had never allowed taps into the Aqueduct for fire protection purposes only although he was aware that there had been some taps into the Aqueduct for fire protection purposes by others.

**President Woods** referenced Ms. Chadbourne's comment that 30 property owners might participate in a water main extension to receive water from the Kenwood Water Company even though a new tap would be necessary.

If that were to occur, **President Woods** questioned how the SCWA would regulate in Kenwood the amount of water taken from the Aqueduct through that tap.

In response, **Mr. Harry** stated that the SCWA had specific contracts with each of its other customers, although water entitlements were allowed on a blanket basis under that category, so if one agency was exceeding its fair share that might not be known until the 2.7 mgd had been exceeded. It would then have to be determined which agency had caused exceeding the entitlement. While the VOMWD would serve a development within its district boundaries if that development complied with all connection fees including a Main Extension Agreement as long as there were entitlements, that would be entirely different when there were no specific limits on the other agency customers. He stated that the VOMWD's tap on the Aqueduct was metered, as were the other taps. He affirmed that if the VOMWD exceeded its allotment it could be faced with severe increases in water charges.

**President Woods** commented that as far as the subdivision question was concerned that would refer to issues related to growth inducements which were not within the VOMWD's jurisdiction.

**Director Bramfitt** questioned the courtesy granted by the SCWA to the VOMWD two miles outside its border, and potentially greater than that two mile limit in this case, and suggested that the SCWA could be granting multiple taps without contacting the VOMWD. It appeared to him that the Kenwood Water Company had no specified allocation and was not contributing in a meaningful way directly to the Sonoma Valley Aqueduct Project, which he would like to see changed. He otherwise suggested it would be spiteful not to grant a means of providing a distribution service to a couple of customers instead of hooking up a 1,300 foot extension that could add 30 customers from the Kenwood Water Company. He had a concern with the water company taking water from the Aqueduct without being responsible for the costs that the VOMWD was responsible to fund. He otherwise noted that the request might be the lesser of two evils since the VOMWD could hook up two customers or the Kenwood Water Company could hook up 30 or more customers on a 1,300 foot extension.

**Director Prushko** commented that since the VOMWD was working under a Temporary Impairment MOU, he suggested that Ms. Chadbourne be required to provide her own fire protection storage as others constructing homes were required to provide.

**Director Bramfitt** noted that history had indicated that the SCWA had previously granted numerous surplus water taps. He emphasized that the issue had been discussed in the past.

**President Woods** explained that the VOMWD Board's position in the past was for the SCWA not to allow taps into the Aqueduct. He noted that the SCWA had wanted other water districts to take over those customers and the VOMWD had adopted a policy to set forth the terms and conditions under which the VOMWD would assume the SCWA's surplus water customers outside VOMWD boundaries. He described those terms and conditions as fairly onerous.

**Mr. Harry** reiterated that the situation related to a provision in the Eleventh Amended Agreement. He noted that some of the water contractors had expressed a desire rather than limit the permission policy to two miles, if downstream from the Aqueduct any of the prime contractors should have a veto power. He reiterated the staff recommendation not to allow the tap as requested.

**Director Bramfitt** suggested that a tap was potentially the cost of a well. He stated that the Kenwood Water Company had no limitations and were not being responsible for the cost of the Aqueduct where the VOMWD was responsible for that cost.

**Ms. Chadbourne** commented that she had consulted with Dimension 4, the engineer working with the Kenwood Water Company, who had indicated that there was sufficient flow from the Warm Springs Road tap. She also noted that it had been represented to her by the SCWA that the Kenwood Spa had installed a fire hydrant and there should therefore be no problem allowing her to make a connection as well.

**Mr. Harry** commented that there was an issue of time and the applicants were under some kind of time constraints.

**President Woods** expressed concern with the request to tap into the Aqueduct and suggested that the Board might consider working with the SCWA to increase the degree of regulation so that those tapping into the Aqueduct were complying with the same circumstances of VOMWD ratepayers, for instance, who had paid for the facility. He emphasized that the VOMWD had to comply with water conservation issues, Best Management Practices on conservation, potentially needed to ration, and needed to impose mandatory conservation measures. Unless there was some way for the SCWA to monitor the uses of other agency customers, the VOMWD, which was at the far end of the Aqueduct, could be negatively impacted by the lack of controls.

**Director Bramfitt** noted that the Kenwood Water Company could be making taps unknown to the VOMWD or any other water provider. He characterized the situation as an infantile issue that had arisen simply because it was situated within two miles of the VOMWD system.

**Mr. Harry** noted that he would look into the Kenwood Inn situation to determine whether or not there had been a tap in that case since the Kenwood Inn was situated much closer to the VOMWD system than the subject site. He emphasized the need for consistency where regulations were concerned.

**Director Bramfitt** requested that staff be directed to take up the issue of water supply at the Kenwood Water Company and all the issues discuss at this time.

**President Woods** stated that if denying the request it would seem to him that the SCWA would have to verify whether or not it should have asked the VOMWD to vote on the request to tap into the system, particularly if the contract did not require permission to be obtained from the VOMWD. If denying the request at this time, he suggested that there should be some clarifications from the SCWA.

Motion by **Director Kenny**, seconded by **Director Prushko** and carried by voice vote to deny both requests to allow a new domestic service tap on the Sonoma Aqueduct and for a new fire service connection.

**Director Bramfitt** voted no.

**Director Bramfitt** explained his no vote given that under the existing conditions there was no basis to deny the request. He noted that he was narrowly focused on getting two customers as opposed to thirty. He would rather see Kenwood Water Company comply with regulations and participate in the costs that the VOMWD was required to provide.

- C. **Discuss/Approve:** Funds in the Amount of \$11,000 for the Purchase of a New Server and Required Software to Perform Necessary Accounting Functions

**Mr. Harry** stated that the present server was up to capacity and would be severely overloaded as data was added. He stated that the hardware was also outmoded and it was critical that the VOMWD had a reliable and redundant system to handle its accounting functions.



**Mr. Harry** recommended that the server be replaced with a new Dell computer as recommended by the VOMWD's computer consultant. The cost of the server was \$5,633 and the total system including software, virus protection, rewriting language and installation would total \$10,500. The funds were available in Project 2874 of the current CIP Budget.

Motion by **Director Prushko**, seconded by **Director Bramfitt** and carried unanimously by a roll call vote to authorize funds in the amount not-to-exceed \$11,000 for the purchase and installation of a new server and accounting software.

**President Woods** declared a recess at 7:36 P.M. prior to convening into Closed Session at 7:38 P.M.

**9. CLOSED SESSION**

- A.** Conference with Labor Negotiator Pursuant to Government Code Section 54957.6; Agency Negotiator: General Manager Lee Harry; Negotiating Parties: International Union of Operating Engineers, Stationary Local 39 AFL-CIO, and Non Represented Office and Confidential Employees
- B.** Consultation with Security Consultant Tony Cinquini, of the Firm of Winzler and Kelly Consultants Regarding District Vulnerability Assessment Pursuant to Government Code Section 54597 (a) Regarding Threat to Public Services or Facilities

**10. RECONVENE IN OPEN SESSION**

**President Woods** reconvened into open session at 8:01P.M. and reported that no reportable action had been taken in Closed Session.

**11. REQUEST FOR FUTURE AGENDA ITEMS**

**President Woods** requested a specific discussion of the Kenwood Water Company's position and others in the category that used 2.7 mgd. He also wanted to look at consistency in the application of the requirement in the contract and he sought information on the Kenwood Spa.

**12. ADJOURNMENT**

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously to adjourn the meeting at 8:07 P.M. The next scheduled meeting is a Special Meeting on June 22, 2004 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary