

**VALLEY OF THE MOON WATER DISTRICT**  
REGULAR MEETING MINUTES  
November 16, 2004

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, November 16, 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.

Prior to the Roll Call, **Deputy Secretary Shari Walk** administered the Oath of Office to the newly re-elected members of the Board; Mark Bramfitt, Ed Kenny, and Ron Prushko. Roll Call by **Deputy Secretary Walk** noted the following present:

Directors Present:	Mark Bramfitt Ed Kenny Ron Prushko Sanford Smith Michael Woods
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Board Secretary	Shari Walk
Public Present:	Jerry Simmel, and Sandi Hansen, Sonoma Index-Tribune

**2. PUBLIC COMMENTS**

**Jerry Simmel**, 346 Las Casitas Court, Sonoma questioned whether or not the VOMWD Board of Directors set the water rates for the City of Sonoma. He was advised that the City of Sonoma sets the water rates for its residents.

**3. CONSENT CALENDAR**

- A. Receive and Approve Minutes of Special Meeting of September 13, 2004  
[Removed for Discussion]
- B. Receive and Approve Minutes of Regular Meeting of October 5, 2004
- C. Adopt Resolutions
  - 1. No. 041101, Approving Water Main Extension Agreement with Peter Tretheway

2. No. 041102, Approving Water Main Extension Agreement with Sonoma Valley Unified School District

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a voice vote to adopt the Consent Calendar, with the removal of Item A.

- A. Receive and Approve Minutes of Special Meeting of September 13, 2004

**Vice President Smith** clarified for the record that he had attended the meeting, but not as a Director of the Board. He should therefore be shown as recused and not as absent from the special meeting of September 13, 2004.

Motion by **Director Kenny**, seconded by **Director Prushko** to approve the minutes of the Special Meeting of September 13, 2004, as amended, carried with abstentions from Vice President Smith and Director Bramfitt.

#### 4. PUBLIC PRESENTATION

There was no public presentation.

#### 5. OPERATIONAL & COMMITTEE REPORTS

- A. Approve Current Financial Reports for September 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 September 2004 in the amount of \$515,291.48.

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

**Operations and Maintenance Supervisor Paul Gradolph** presented the summary review of current District projects and significant operations and maintenance issues for October 2004, as follows:

- **Project #2855 - Glen Ellen Storage Tank:** Staff had given the consulting engineer comments on the 30 percent design. Review of the 70 percent complete plans had been put on hold pending public comments regarding landscaping and partial screening of the tank, to be discussed at the December 7 meeting of the Board. The project was on schedule to bid early in 2005.
- **Project #2865 - Future Production Well at Arnold Drive and Felder Road:** The project had been placed on hold pending investigation of an alternative well site at Gillman and Arnold Drives.
- **Project #2878 - Arnold Drive, Horn Avenue, Garric Avenue, Hill Drive and Mound Avenue:** The project was complete and a Notice of Completion had been filed on October 26, 2004; and
- **Project #2879 - Loma Vista Drive:** The project was complete and a Notice of Completion had been filed on October 27, 2004.

- C. Water Source Report

The report was presented. There were no comments.

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

**Vice President Smith** reported that he would attend the JPIA Conference in Palm Springs. No other member of the Board was expected to attend that conference.

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

A. Report of Water Advisory Committee (WAC) Negotiating Meeting of October 25, 2004

**General Manager Krishna Kumar** highlighted the WAC meeting of October 25 and reported that the Proposed Temporary Impairment Memorandum of Understanding (MOU) is nearing completion, but will have to wait till the Proposed Restructured Agreement for Water Supply is finalized. He stated that the City of Petaluma had presented its own allocation methodology although the WAC had decided to hire a consultant to prepare a methodology of its own.

B. Report of October 26, 2004 Meeting with the City of Santa Rosa Officials Regarding the Farmers Lane Wells

**General Manager Kumar** advised that he had met with officials from City of Santa Rosa to explore the possibility of both taking advantage of the City's Farmers Lane wells. He noted that although the water was warm, it had blend in with the City's system and there had been no complaints. He commented that there appeared no advantage at this time for the City to pump the water from the Farmers Lane Wells into the SCWA aqueduct.

**President Woods** stated that in discussions with the General Manager/Chief Engineer of the Sonoma County Water Agency (SCWA) there was a thought to bring those wells on line, pump them to the SCWA aqueduct and allow the VOMWD some share in that water. While Santa Rosa was willing to discuss that situation, the City appeared not to be willing to lose control of the wells. He noted that the City would have to be made whole for its cost of improvements. He also noted that Santa Rosa was looking to use the wells to address its own General Plan water needs.

C. Report on Sonoma County Water Agency Board Workshop held on November 1, 2004

**Mr. Kumar** referenced the report of the SCWA Workshop on November 1, included in the Board packets. He explained that the most significant aspect of the report related to the new water project Environmental Impact Report (EIR). The SCWA Board had authorized its staff to prepare a new EIR to address the deficiencies identified in the existing Water Supply and Transmission System Project EIR. A copy of a statement from the WAC to the SCWA Board regarding the assignment of weighted scores to each of the water contractors which ostensibly measures that contractor's performance in the area of water conservation was presented.

D. Information Related to Drought of 1977-78

Regarding the drought of 1977-78, **Mr. Kumar** explained that Director Prushko had requested information on how that severe drought had affected the VOMWD. He presented a list of all of the board resolutions that had been adopted in 1977-78 which identified the steps that the VOMWD had taken to address that drought and the associated water shortage at that time. The actions taken on February 17, 1977 had declared

a water shortage emergency, prohibited non-essential uses of water, prohibited new water service connections, and allocated per permanent resident daily water limit of 50 gallons, effective June 15, 1977.

From that time through January 16, 1978, the effective date of the daily water limit and cost of water had been changed several times. On that date the resolutions declaring the restrictions were revoked.

E. Status of Court Decision on the Jacobson Property Matter

**Mr. Kumar** presented the status of the court decision on the Jacobson property matter.

**8. OLD/NEW BUSINESS**

A. **Discuss/Adopt:** Resolution No. 041103, Amending Regulation 8-2.19, Water Use Charge, Effective December 1, 2004

**General Manager Kumar** explained that there had been two complaints associated with the new rate structure that had become effective on January 1, 2004. The complaints received related to the allocation of the same amount of water irrespective of the fact that a single meter is serving properties with a single residential unit or up to two additional units. He recommended the adoption of higher tier-points for residential properties with a main residence and up to two additional units served by a single meter. He advised that a methodology had been arrived at, as described in the staff report dated November 16, 2004.

**Mr. Kumar** stated that the difference between the current and the proposed tiered rate structure would be \$19,000 for both duplex and triplex units. In terms of number of customers, the group would constitute 4.6 percent and the revenue involved would be 6.9 percent. He added that staff was ready to implement the revised rate structure, with minimum modifications to the billing system, by December 1, 2004.

**Vice President Smith** noted the two practices that dealt with the situation and inquired whether or not any other district, which had tiered water rates, had dealt with similar situations.

In response, **Mr. Kumar** stated that many water entities had excluded duplexes and triplexes from their tiered rate structures. Those entities that incorporated them into their tiered rate structure had included slightly different tier points than single family residences. He commented that there was the option of excluding duplexes and triplexes entirely from the tiered rates.

**Vice President Smith** noted that according to the staff report, anyone who fell into the category in the future would have to clarify the legalization of the second unit as far as the County was concerned. In his experience, he suggested that might be a major problem and he questioned how much staff would be burdened with the potential legalities involved.

**Mr. Kumar** stated that the issue was with existing duplexes and triplexes that might not be identified as such. He referred to the existing District Ordinance governing additional dwelling units and commented that the requirement for paying additional connection charges for additional units was nothing new. At this point in time, staff did not anticipate significant problems as a result of the staff recommendation.

**President Woods** clarified that staff intended to rely on the information provided by ratepayers.

**Director Bramfitt** clarified that the new connections would require a connection charge. His issues were equity and manageability. He wanted to know which units were being grandfathered in and he verified that

staff was comfortable with the available information.

**Director Bramfitt** suggested that the proposal was defensible and reasonable from a financial standpoint, and he would take it on staff's word that the proposal would be easily manageable. On that basis, he could accept the proposal.

**Director Prushko** suggested that there were many residences in the Springs and El Verano area where there were multiple units, many not legalized, and that those involved did not have the means to pay additional connection charges. He therefore suggested that there was some inequity involved.

**President Woods** suggested that the proposal appeared to be heading in the direction of improving the inequity. He therefore supported the proposal. He questioned whether or not something more might be possible. He noted the inequity of the flip side for someone who was affluent.

**Director Bramfitt** recognized Director Prushko's concerns, although in terms of equity he explained that the property owners of the non-legalized units had not paid the required connection charges, which charges were paying for water lines and capital improvements. While he appreciated those of little means who could be impacted, he stated that most frustrating to him was that the tenants in many cases were being penalized for something that landlords had illegally done. He suggested that the proposal would get the VOMWD as far as it could get. He suggested that the only fair way to address the situation would be to require separate meters. He commented that the policy would acknowledge those who had done things fairly and who had paid the appropriate fees. He also commented that the situation was not social policy and the Board had to be fair to the ratepayers who were paying their fair share.

Motion by **Director Bramfitt**, seconded by **Vice President Smith** to adopt Resolution No. 041103 Amending Regulation 8-2.19, Water Use Charge, effective December 1, 2004. The motion carried by the following vote:

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

**B. Discuss/Approve: Larbre Well Lease Renewal Agreement**

**Mr. Kumar** reported that the Larbre Well lease agreement would expire on January 14, 2005. The renewal agreement had been reviewed and approved as-to-form by District Counsel. The proposed price to be paid to Larbre would be \$29 an acre foot or 8.5 percent less compared to the applicable portion of the price paid to the SCWA. He stated that the VOMWD currently paid \$414 an acre foot to the SCWA of which \$73 was considered debt service cost.

**Mr. Kumar** recommended that the Board approve the Larbre Well Lease Amendment and Extension of Lease with Gilda Larbre, Trustee of the Joseph C. Larbre Trust and authorize the President to sign the amendment and extension.

**President Woods** advised that at the last meeting Vice President Smith and Director Kenny had been asked to review the opt-out language. He verified with those Directors that they were content with that language.

**Director Bramfitt** clarified the responsibility in the agreement if a pump, for instance, should fail and the VOMWD were to pay for a new pump. He verified that some balance was being built up in the O&M fund to pay for such costs.

**Mr. Gradolph** commented that the pump had been replaced three years ago.

Motion by **Director Prushko**, seconded by **Vice President Smith** and carried unanimously by a roll call vote to approve the Larbre Well Lease Amendment and Extension of Lease with Gilda Larbre, Trustee of the Joseph C. Larbre Trust and authorized President Woods to sign the amendment and extension.

- C.     **Discuss/Approve:**     Task Order #04-2891-01 to the firm of Winzler & Kelly in an Amount Not to Exceed \$28,860 for Engineering Services for the Locust Avenue, Spring Street, Quenno Lane and Toy Lane Water Main Replacements

**Mr. Kumar** reported that the VOMWD had authorized funds in the 2004/05 Capital Improvement Program (CIP) to construct Project 2891, water main replacements on Locust Avenue, Spring Street, Quenno Lane and Toy Lane.

**Mr. Kumar** recommended the approval of Task Order #04-2891-01 to the firm of Winzler and Kelly Engineers in an amount not to exceed \$28,860 to perform engineering and construction services for Project 2891.

**President Woods** clarified that the proposal received from another firm was comparable.

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a roll call vote to approve Task Order #04-2891-01 to the firm of Winzler and Kelly in an amount not to exceed \$28,860 to perform engineering and construction services for Project 2891.

- D.     **Discuss/Direct Staff:**     Workshop on Long-Term Water Supply and Demand

At this time, **Mr. Kumar** corrected the staff report to clarify that the VOMWD's projected water demand had been shown as 3,660 acre-feet in Fiscal Year 2008-09, not the 3,620 acre-feet shown in the staff report. He explained that figure would have to be corrected throughout the staff report. He also pointed out some other minor typographical corrections to the staff report.

**Mr. Kumar** began his presentation referring to a report prepared in 1995 when the SCWA had contemplated the water supply and transmission project and had conducted a water demand analysis. He presented a table adapted from that report for a 20 year timeframe. The report used the then General Plan for each of the water contractors to create a projected population and net water demand (acre-feet per year) for each contractor. Table 1 of the staff report detailed the Projected Population and Net Water Demand (acre-feet per year) for the eight water contractors; North Marin, Petaluma, Rohnert Park, Cotati, Santa Rosa, Sonoma, Valley of the Moon and Forestville. He pointed out that the General Plans for three of the water contractors had been planned out to 2015. Two other water contractors had their General Plans going out to 2010, while three others, including the VOMWD, had theirs planned to 2005. He explained, when asked, that the SCWA had based their water demands on adopted General Plans to prevent the need for examining growth inducing impacts of demands higher than those contained in the General Plans.

**Mr. Kumar** summarized Table 2 of the staff report, Basis for the Annual Delivery Entitlements to reflect that the VOMWD's projected horizon of 2005 had shown a net demand of 3,430 acre-feet, less a 230 acre foot conservation factor, for a 3,200 acre foot projected annual demand. He explained that figure had been carried through several documents, including the SCWA's Water Supply and Transmission System Project

(WSTSP) and the 11<sup>th</sup> Amended Agreement.

**Mr. Kumar** pointed out that with the 11<sup>th</sup> Amended Agreement, signed in 2001, annual entitlement limits had been introduced for the first time since 1974 and the VOMWD's annual entitlement was based on growth projections up to 2005. As such, he noted that it was not surprising that the VOMWD was reaching its annual entitlement of 3,200 acre-feet. He explained that in light of the impending shortfall, in April 2003, the VOMWD formally requested an additional 1,000 acre-feet per year increase in its annual delivery entitlement as allowed by Section 1.6 of the 11<sup>th</sup> Amended Agreement.

**Mr. Kumar** referred to Table 3, Annual Delivery Entitlements and FY 03-04 Actual Deliveries, which had shown that, for FY 03-04, the VOMWD had the highest actual to entitlement ratio, at 98.7 percent. He noted that the City of Sonoma was second. He commented that the 3,200 entitlement assumed no local supply. The total demand was, however, over 3,500 acre-feet.

For Table 4, Actual Water Supply from District Wells, **Mr. Kumar** explained that the VOMWD's wells had been rested periodically.

**Mr. Gradolph** reported that it was the VOMWD's intent to use its wells during periods of peak demands.

**Mr. Kumar** highlighted Table 5, Actual Demand and Supply, and Table 6, Projected Demand and Aqueduct Supply. He reported that the demand numbers had been based on the report by Weber Analytical, which was commissioned by VOMWD. He reiterated that the VOMWD was relying on its wells not just to meet peak demand but was actually using them for meeting its base demand. Given the situation, **Mr. Kumar** indicated the VOMWD might have to rely temporarily on its agreement with the Forestville Water District until its request for increased allocation has been allowed by the SCWA.

Further, **Mr. Kumar** highlighted Table 7, Water Savings for FY 2003-04 from ultra low flow toilets, showerheads and aerators, washing machines and leak repair through polybutylene pipe replacement. There had been an annual savings of 133 acre-feet as a result of those conservation efforts. The pipe replacement had also represented significant reduction in the VOMWD's unaccounted-for-water.

With respect to the Restructured Agreement, **Mr. Kumar** stated that the terms would be until 2036. Since the Restructured Agreement retained the VOMWD's existing annual entitlement at 3,200 acre-feet (based on demand projections up to the year 2005), the VOMWD would have to address that issue. He added that while there was currently no financial penalty for exceeding the annual entitlement limits under the 11<sup>th</sup> Amended Agreement, there would be a financial penalty with the Restructured Agreement.

**President Woods** emphasized why the entitlement information was so critical. He explained that Mr. Kumar had been able to get the WAC to agree to put the VOMWD's entitlement issue on the major issues list for the discussion of the Restructured Agreement. As such, the WAC and the SCWA were aware that the issue was important to the VOMWD.

**President Woods** referred to the report submitted by SCWA to its Board on November 1 that had predicted that the "VOMWD and the City of Sonoma must be prepared to significantly reduce their demands during a seven day heat wave so that water levels in the Sonoma tank levels will be maintained." He explained that had been predicted to occur by 2009 when significant declines were expected to occur and the report had stated that water use would have to be reduced by conservation or use of other non-transmission sources, for 1.7 million gallons a day (mgd) reduction by 2017 by the VOMWD and the City of Sonoma. He noted that the aqueduct had been built in 1963 and there was probably an assumption that the aqueduct solved the

problem, which he stated was not the case. He emphasized that the VOMWD had to be clear in its point and that it had to be satisfied that there was a solution in the Restructured Agreement that would be satisfactory to the VOMWD in order to support it.

**Director Prushko** suggested that a big variable was the continued growth in Santa Rosa and other areas of the County that would have to be addressed.

**Director Bramfitt** commented that the VOMWD was doing all the right things and had almost met its 2020 goal for conservation. He explained that aqueduct improvements had been made; the VOMWD had pursued most of its local storage needs and carried out most of its system improvements. He also suggested that the VOMWD had some of the best local supply sources compared to the other water contractors. He otherwise suggested that the VOMWD was a victim of circumstance given that the Sonoma County General Plan sunset in 2005 and VOMWD's allocation was appropriate up to that point. With respect to the Restructured Agreement, he stated that the VOMWD could not support something that did not recognize that situation. He did not see a dire situation. He also commented that while electric utility companies planned out 10 to 15 years, in water supply there was a 20 to 30 year planning period. He emphasized that there was always the threat of a drought.

**President Woods** explained that historically the VOMWD was living off of the water that had been provided as a result of voter approved projects in the early 1950's. He noted with respect to the Coyote Dam in 1954 which had created Lake Mendocino that the then Sonoma County voters and the political leadership had the foresight to take the lion's share of the cost of that project and the majority of its water resources. While the Warm Springs Dam project had been developed in 1983, there was not even a discussion of the next big project other than the SCWA's effort to expand its entitlement from the Russian River. He concluded that some hard thinking about what it would take to address the long-term water supply needs of the area was overdue.

**Director Bramfitt** also noted his recognition that the VOMWD was living off of its wells, which he suggested was a sobering thought.

**President Woods** expressed a desire to explore whether the State would like to enter into a more comprehensive arrangement with the VOMWD for water service from the Sonoma Developmental Center than the existing emergency tie-up arrangement. He commended Mr. Kumar's report.

## **9. CLOSED SESSION**

There was no closed session.

## **10. REQUEST FOR FUTURE AGENDA ITEMS**

There were none.

## **12. ADJOURNMENT**

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously to adjourn the meeting at 8:20 P.M. The next scheduled meeting is on December 7, 2004 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary