

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
March 1, 2005

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, March 1, 2005, 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 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:	Ken Borba, Steve Perry; and Sandi Hansen, Sonoma Index-Tribune

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A.** Receive and Approve Minutes of Regular Meeting of February 1, 2005 [REMOVED]
- B.** Resolution No. 050301, Approving Water Main Extension Agreement with William Ivancovich
- C.** Adopt Resolutions
 - 1. No. 050302, Accepting Project Closing Documents, Water Facilities Installation Agreement with Mark and Susan Molofsky, Project No. 2886.
 - 2. No. 050303, Accepting Project Closing Documents, Water Main Extension Agreement with the Sonoma Valley Unified School District (Woodland Star Charter School), Project No. 2890.
- D.** Cancel Regular Meeting of March 15, 2005

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

A. Receive and Approve Minutes of Regular Meeting of February 1, 2005

President Woods referred to the next to the last paragraph on Page 11 of the February 1, 2005 minutes and requested an amendment to the second and third sentences of that paragraph, as follows:

The articles could be discussed and prepared at a meeting or the General Manager could be allowed to prepare the series of articles which could be made available to the public and distributed to the Board. If a member of the Board wished to agendize one of the articles that could be done.

Motion by **President Woods**, seconded by **Director Smith** and carried unanimously by a voice vote to approve the minutes of the regular meeting of February 1, 2005, as amended.

4. **PUBLIC PRESENTATION**

There was no public presentation.

5. **OPERATIONAL & COMMITTEE REPORTS**

A. Approve Current Financial Reports for January 2005

Motion by **Director Prushko**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of January 2005 in the amount of \$212,737.49.

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 January 2005, as follows:

- **Project #2855 - Glen Ellen Storage Tank:** Comments had been offered to Winzler & Kelly on the 70 percent plans. The 95 percent plans would be available next week. A package would likely be returned to the Board at its next meeting to request a Notice to Bid to advertise the project.
- **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 #2891 – Locust Avenue, Spring Street, Toy Lane, and Quenno Lane Main:** The item was to be considered by the Board at the current meeting to seek permission to advertise the project.
- **Project #2895 – Pressure Reducing Valve Replacement:** Three of the six stations had been completed. The project was going very well and there was now an ability to adjust the valves with accuracy. The newer valves would be easier to use and more user friendly. There was a potential to get more water through the valves. Remote control of the valves through SCADA had been considered but deemed not necessary at this time.

C. Water Source Report

General Manager Krishna Kumar referred to Page 2 of the Water Source Report, the “Annual Water Budget – FY 2004-05 (in acre-feet)” and noted that the report had been helpful in optimizing the water resource available from the Aqueduct and the VOMWD’s wells.

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

Director Prushko reported that he and the General Manager had made arrangements to attend the Association of California Water Agencies (ACWA) Legislative Symposium on March 29, 2005, in Sacramento.

Director Smith reported that he had attended the Water Advisory Committee (WAC) Regular meeting on February 7 and the WAC Negotiation meeting on February 28. He added that he would attend the JPIA-ACWA Insurance and Benefits Committee meeting in Sacramento and expected to see some good results from Workers’ Compensation reforms.

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

A. Report on the Water Advisory Committee Regular Meeting of February 7, 2005

General Manager Kumar presented highlights of the regular WAC meeting of February 7. He reported that the Sonoma County Water Agency (SCWA) had presented the proposed wholesale water rates and charges for fiscal year 2005-06 and had also presented its 2005-06 preliminary budget. The General Manager of the Marin Municipal Water District (MMWD) had also presented the WAC with an update on MMWD’s option to obtain an additional block of 5,000 acre-feet of water from the SCWA. The same issue had been discussed at the WAC meeting on February 28.

B. Report on the Water Advisory Committee Negotiating Meeting of February 28, 2005

Mr. Kumar highlighted the discussions at the WAC meeting on February 28 by reporting that Randy Poole of the SCWA had received a letter from the State Water Resource Control Board (SWRCB) asking the SCWA to make a joint presentation to the SWRCB on April 5, 2005, along with the Mendocino County Russian River Flood Control and Water Conservation Improvement District, which would be a continuation of the SCWA’s last presentation to the SWRCB in November. A working group of the staff of WAC members had been asked to work with representatives of the SCWA’s consultants to determine the best approach to collect the data requested by the SWRCB.

Mr. Kumar noted that the same data – projected water needs of the contractors up to the year 2020, was required to satisfy four different needs; the SWRCB presentation in the spring, the completion of the new demand analysis update being prepared by the SCWA’s consultants, the completion of the new Water Project Environmental Impact Report (EIR) being undertaken by the SCWA, and the completion of the current Urban Water Management Plan.

Director Prushko referred to the release rates for water sources such as Lake Sonoma and Lake Mendocino as reported in the Sonoma Press Democrat, and asked why those reservoirs were not being filled up now while it was still raining.

In response, **Mr. Kumar** advised that under Decision 1610, the SCWA was required to maintain a certain

flow at certain points in both streams. The releases were matched to meet the flow regime under Decision 1610.

President Woods clarified that Decision 1610 was the SWRCB's decision that authorized SCWA's rediversion from the Russian River.

Director Bramfitt suggested that more water could be stored behind the dam than could be delivered through the river system. He explained that there were a number of constraints involved and he suggested that there was a delivery issue and not a storage issue.

Mr. Kumar stated that he would confirm the situation related to Decision 1610. He also noted, for instance, that the SCWA had rights to store 245,000 acre-feet of water in Lake Sonoma while the current rediversion permit was only for 75,000 acre-feet. He confirmed that there was a delivery issue and not a storage issue.

Reiterating that MMWD's option to obtain an additional block of 5,000 acre-feet of water from the SCWA had also been discussed on February 28, **Mr. Kumar** explained that the MMWD had indicated that its Board was not interested in foregoing its current option. Instead, the MMWD asked the WAC to consider one of two other offers made by MMWD.

The first offer would have MMWD pay the SCWA, prior to July 1, 2005, the amount of \$1 million. In return, the option date would be extended to July 1, 2014. The second offer would have the MMWD pay the SCWA \$2 million to extend the option date to July 1, 2014, the amount to be paid at such time as the MMWD elected to exercise the option. All the other conditions of the current agreement would remain in place in both cases.

Mr. Kumar reported that the WAC had no interest in either of the two offers from the MMWD. Instead, the WAC Subcommittee considering the matter recommended that the SCWA offer a \$1.6 million payment to MMWD as a contribution to MMWD's proposed desalinization project in return for MMWD's non exercise of the option by the June 30, 2005 deadline. The WAC had approved the Subcommittee's recommendation by a 6-1-1 vote. Forestville was absent and the City of Petaluma had voted no on that recommendation.

As to why \$1.6 million would be offered for an option that might never be available, in response to Director Prushko, **President Woods** clarified that the value of the option stems from the fact that MMWD had a legal right to exercise that option.

President Woods clarified with Mr. Kumar the evaluation protocol that had arrived at the \$1.6 million valuation of MMWD's option. He also verified with Mr. Kumar that neither the WAC offer nor the MMWD offer had included a time limit. Mr. Kumar confirmed that if the MMWD option was not exercised by July 1, 2005, it would become null and void.

Director Smith explained that MMWD's position as set forth and the SCWA's response were negotiating positions. He suggested that was supposed to start a process and all were under a great deal of pressure. While the \$1.6 million had been arrived at with the process, he suggested that the true figure representing the savings if MMWD did not exercise its option was considerably more than \$1.6 million. He also described the constraints related to that option and the fact that MMWD would not actually be able to use the water when it was needed now and for the foreseeable future since it did not have a delivery system.

Steve Perry, Glen Ellen, questioned whether or not the MMWD had the option to resell the water should it exercise the option to collect the water even without a delivery system.

Mr. Kumar announced that the Sonoma Developmental Center was sponsoring an Earth Day celebration on April 22 from 10:00 A.M. to 2:30 P.M., which event was open to the public. VOMWD staff would attend the event and spread the message of water conservation and free residential water surveys.

Mr. Kumar also advised that the VOMWD was planning to run newspaper ads jointly with the City of Sonoma, advertising the free water-wise house calls program, approximately three times during the late spring/summer. The cost of the ads would be shared. Through those efforts and others, he expressed his hope that the VOMWD would be able to meet its targets prescribed under BMP-1 [Best Management Practice-1].

8. OLD/NEW BUSINESS

A. Discuss/Direct Staff: Notice Inviting Bids for the Locust, Spring, Quenno and Toy Water Main Replacement Project No. 2891

Mr. Kumar reported that staff was ready to advertise for bids for the project. Construction was expected to be completed sometime in April 2005. He recommended that staff be authorized to advertise notice to bidders for construction of the Locust, Spring, Quenno and Toy Water Main Replacement Project No. 2891.

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a roll call vote to authorize staff to advertise notice to bidders for construction of the Locust, Spring, Quenno and Toy Water Main Replacement Project No. 2891.

B. Discuss/Approve: Funds in the Amount of \$5,162.00 to Perform Water Leak Detection Survey by Hughes Supply, Inc. Utility Services Group

Mr. Kumar characterized the water leak detection survey as a very exciting project in that it would be the first leak detention project that would locate any major leaks in the VOMWD system. He described how the sensitive machinery would be able to coordinate the sound of the leak to determine the location and magnitude of a leak.

In response to Director Prushko, **Mr. Kumar** explained that there was no guarantee that any leaks would be found, although the process would detect leaks if there were leaks.

Mr. Gradolph explained that the final report would identify the estimated water saved over an annual period. Once leaks were detected and quantified the amount of water to be saved each year would be identified by the contractor. He explained how the equipment would work. He also noted that the VOMWD was aware of the problem with polybutylene as far as leaks were concerned, and that issue was being addressed with replacements.

Motion by **Director Prushko**, seconded by **Director Kenny** and carried unanimously by a roll call vote to authorize funds in the amount of \$5,162 to perform water leak detention survey by Hughes Supply, Inc., Utility Services Group.

C. Discuss/Direct Staff: Fiscal Year 2005-06 SCWA Proposed Wholesale Water Rates and Preliminary Budget

Mr. Kumar presented a synopsis of the impact of the SCWA's proposed increase in wholesale water rates and preliminary budget. While WAC members had been advised that wholesale rates would increase 1.7 percent, since that time the SCWA had identified a math error and the 1.7 percent increase had now been

identified as 2.6 percent. He advised that the new rates would be discussed at the next WAC meeting on Monday, March 7 and the WAC would consider recommending adoption of those rates by the SCWA's Board of Directors. He stated that the 2.6 percent increase would roughly translate to less than a one percent increase in VOMWD's retail rates. He recommended that the VOMWD Board approve the rate.

In response to Director Prushko, **Mr. Kumar** advised that there was no significant increase in any one category of the SCWA budget.

President Woods clarified that the VOMWD was not voting on how it would respond to the wholesale rate increase in the VOMWD Budget once it was confronted with that issue.

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a roll call vote to authorize the General Manager to cast a vote in support of the proposed SCWA preliminary budget and wholesale water rate for the Sonoma Aqueduct for Fiscal Year 2005-06, with the applicable rate increasing by approximately 2.6 percent.

President Woods adjourned into Closed Session at 7:20 P.M. to consider the following:

9. CLOSED SESSION

- A. Conference with Legal Counsel on Existing Litigation, under Government Code 54956.9(a) – VOMWD vs. Jacobson.
- B. Conference with Labor Negotiator Pursuant to Government Code Section 54957.6; Agency Negotiator: General Manager Krishna Kumar; Negotiating Parties: International Union of Operating Engineers, Stationary Local 39 AFL-CIO.

10. RECONVENE INTO OPEN SESSION

President Woods reconvened into open session at 8:37 P.M. There was nothing to report.

11. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

12. ADJOURNMENT

Motion by **Director Kenny**, seconded by **Director Smith** and carried unanimously to adjourn the meeting at 8:38 P.M. The next scheduled meeting is on April 5, 2005 at 6:30 P.M.

Shari Walk, Deputy Board Secretary