

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
April 5, 2005

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, April 5, 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, Kent Carothers, Nancy Lassiter, Sherri Lewis, Bill Murray, Steve Perry; Sandi Hansen, Sonoma Index- Tribune and Jeri Chandler, Sonoma Sun

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A.** Receive and Approve Minutes of Regular Meeting of March 1, 2005
- B.** Resolution No. 050401 Accepting the Closing Papers, Water Facilities Installation Agreement with Rich Merlo, Project No. 2885
- C.** Adopt Resolution No. 050402 Amending the District's Deferred Compensation Plan Agreement to Comply with the IRS Automatic Rollover Requirements
- D.** Adopt Resolution No. 050403 Authorizing Adding Additional Land to Real Property Required to Supplement Resolution No. 040506, which Authorized Eminent Domain Proceedings for Jacobson Property

- E. Declare Surplus Equipment
- F. Cancel Regular Meeting of April 19, 2005
- G. Cancel Regular Meeting of May 3, 2005

Motion by **Director Kenny**, seconded by **Director Bramfitt** 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 2005

Motion by **Director Prushko**, seconded by **Vice President Smith** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of February 2005 in the amount of \$204,973.00.

- 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 March 2005, as follows:

- **Project #2855 - Glen Ellen Storage Tank:** A Notice Inviting Bids for the Glen Ellen Storage Tank to be considered by the Board under New Business.
- **Project #2891 – Locust Avenue, Spring Street, Toy Lane, and Queeno Lane Main:** A mandatory pre-bid meeting on March 29 had involved thirteen interested contractors. Bid opening was scheduled for April 19 at 2:00 P.M. and a recommendation of award would be made at the May 17, 2005 meeting of the Board.
- **Project #2895 – Pressure Reducing Valve Replacement:** All six pressure relief valves had been replaced and were operating well. The project would be complete with the installation of three of the new aluminum vault lids. The project was expected to increase the flow.

On another item, **Mr. Gradolph** noted that after discussions with the General Manager as to how to improve local water supply, it was decided to rehab the District's leased well. He noted that some testing had been done previously and the flow from the leased well could be increased with a rehab project. The rehab work has been completed and the post rehab video indicated adequate perforations in the well casing.

When asked, **Mr. Gradolph** explained that the video work had been subbed out. He added that the video was available for viewing by interested members of the Board. He also noted, when asked that the wells were recovering to a good level.

- C. Water Source Report

Steve Perry, Glen Ellen, referred to the Water Source Report and the information that the wells in February had produced 3 percent of the demand, which he noted was the lowest in total percentage and in total gallonage for those wells. He asked why that had occurred.

General Manager Krishna Kumar described the planned program to rest the wells and allow them to renew prior to the summer demand.

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

Director Bramfitt reported that he and the General Manager had met with two representatives of the Sonoma Valley Vintners and Growers in the last week to discuss well policies and mutual interests in local ground water supplies and to start a conversation as to how to bring recycled water up the Valley and to be prepared to file for grant funding or whatever was necessary to make that happen. He characterized the meeting as a good first effort and noted the suggestion of a broader meeting of more interested parties to bring recycled water into the Valley. He added that the dialogue was good and that storage would be a big issue for the vintners, particularly since the treatment plant had surplus water in the winter which was a difficult time to store water.

President Woods applauded the discussions.

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

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

General Manager Kumar presented a report on the Water Advisory Committee (WAC) meeting on March 7 when the WAC had unanimously recommended the adoption of both the proposed wholesale water rates as well as the Sonoma County Water Agency's (Water Agency's) budget for 2005-06 by its Board of Directors. The proposed rates for Fiscal Year 2005-06 would result in a 2.6 percent rate increase to the VOMWD's wholesale water rates.

B. Report on the Water Advisory Committee Regular Meeting of April 4, 2005

Mr. Kumar highlighted the discussions at the WAC meeting of April 3, when an update had been provided on the Incremental Recycled Water Program Discharge Relocation Study being undertaken by the City of Santa Rosa to relocate the point of discharge of the treated wastewater from the Sub-Regional Waste Water Treatment Plan from a tributary of the Russian River to the Russian River itself. He noted that a number of options were being considered from a direct to an indirect discharge using percolation ponds. The completion of the chosen option was not expected until 2010.

Vice President Smith affirmed that the discussions included an option for indirect discharge into the Russian River in that the percolation ponds, bodies of water located some distance from the Russian River, would serve as a last filter before treated water going into the river. He noted that the question had also been raised with respect to the water quality to be discharged, to be tertiary plus ultraviolet, which was better water than was normally in the Russian River.

Mr. Kumar clarified as part of the discussion that the project related to the sub-regional treatment plant that served not only Santa Rosa but the cities of Rohnert Park, Sebastopol, and South Park County Sanitation District.

Director Bramfitt questioned whether or not the discharge points were above or below the Water Agency's collectors. He was advised by Mr. Kumar that the discharge points were above those collectors, all the way up to Cloverdale.

President Woods asked the General Manager to keep the VOMWD Board up to date on the alternatives analysis.

Director Prushko commented that he did not like the idea of the proposal.

President Woods noted that a vigorous environmental review process would be required, which was likely the reason for a 2010 target date.

Mr. Kumar distributed an “Idea” sheet that had been distributed by the General Manager of North Marin Water District relating to a regional water conservation concept, entitled the “Sonoma Marin Saving Water Partnership”, with the purpose of pursuing a regionally and locally effective water (and possibly energy) conservation program among customers of the Water Agency. He explained that the WAC had approved the concept in principle and had asked the North Marin Water District’s General Manager to return with more specific program and organizational details.

With respect to Marin Municipal Water District’s (MMWD’s) 5,000 acre foot option to obtain an additional block of water from the Water Agency, **Mr. Kumar** advised that the General Manager of the MMWD was entering into direct negotiations with the Water Agency as they were the only two parties to the current agreement. The MMWD General Manager did not believe that an amendment to the current agreement required WAC approval. Several members of the WAC had disagreed. The Water Agency’s General Manager was not at the meeting to clarify that situation.

Vice President Smith commented that none of the members of the WAC had agreed with the legal argument at that meeting and had indicated that any pursuit of the item would result in litigation. He suggested that the absence of the Water Agency’s General Manager appeared to be deliberate. He characterized the meeting as by far the most energetic, emotional meeting that he had attended, so emotional that some were prompted to leave. He commented that those attending the meeting had been upset that there was no response to a number of concerns.

Mr. Kumar also reported that the Water Agency’s presentation to the State Water Resources Control Board had been scheduled for April 21, 2005 in Sacramento. He added that VOMWD staff had finalized suggested water budgets for 26 of the VOMWD’s 28 dedicated irrigation accounts and had mailed the water budgets to each of those customers, which would mark compliance with the major component of Best Management Practice No. 5. The water budgets for the remaining two dedicated irrigation accounts would be finalized shortly. Further, he reported that the original completion date for the Eldridge-Madrone Pipeline project, May 8, 2005, would now slip to August or September given the Water Agency’s difficulties in getting its contractor to perform on the project.

Mr. Kumar added that he had attended the Association of California Water Agencies (ACWA) Legislative Symposium on March 29, 2005, in Sacramento and had attended a number of useful sessions. He had also attended, with Director Bramfitt, the Second Annual Water Conservation Showcase co-sponsored by PG&E in San Francisco on March 22 when presentations from representatives of the San Francisco Public Utilities Commission and the East Bay Municipal Utility District had identified successful water conservation efforts and programs.

8. OLD/NEW BUSINESS

A. **Discuss/Direct Staff:** Request from the Sonoma County Water Agency to Approve a New Fire Service Connection on the Sonoma Aqueduct

General Manager Kumar advised that the Water Agency sought the VOMWD Board's approval for the Water Agency to provide a new fire service connection on the Sonoma Aqueduct to serve the property at 12560 Dunbar Road, Glen Ellen. The property owner would be responsible for all costs associated with the installation of the fire service connection. The Water Agency would be responsible for the maintenance of the connection and would bill the customer annually for the maintenance costs. A 5/8 inch detector meter which would detect low flows from both leaks and residential use from the new connection would be installed. The request for a new fire connection would result in stand by water to be used only for fire protection purposes.

Mr. Kumar advised that the granting of the request would not result in additional constraints on the ability of the VOMWD to serve its customers. He recommended that the Water Agency's request to approve a new fire service connection on the Sonoma Aqueduct be granted.

Steve Perry, Glen Ellen, had no problem with the fire connection but referred to Mr. Kumar's letter and asked for a correction as to whether or not the property was located within the VOMWD boundaries.

President Woods explained that the VOMWD was required to consent if the site was located within two miles of its territorial boundaries.

Mr. Kumar affirmed that the subject property was located within the VOMWD's boundaries.

Director Kenny verified with Mr. Kumar that the intent was that the line would be for fire purposes only in that the home was served by well water.

Mr. Kumar verified that the cost of the line would be billed to the property owner. There would be no cost to the VOMWD.

Bill Murray, Chief of the Glen Ellen Fire District, identified the Type 5 frame construction residence of 20,000 square feet on the site. He noted that the State and the Sonoma Fire Safety Standard Act required 2,500 gallons of water in reserve for fire protection. The area was flat and there was little opportunity to provide a water tank. He explained how fire service would be provided. He emphasized that the house would be sprinklered and there would be a sustained need for a water supply. The process would be to install a line to back up the sprinkler system, which could be boosted. A sprinkler system with 100 to 150 pounds pressure was preferred to allow a sustained amount of water, necessary for a building of the subject size.

When asked, **Chief Murray** noted his understanding that there were a number of parcels involved. The parcel with the home was approximately 20 acres in size. He added that there were other parcels involved. The Glen Ellen Fire District was familiar with the site because the property had been in the prior owner's family since 1853. The 20 acre parcel had been donated to the Sonoma County Community Foundation which, in turn, sold the property to the current owners. Out of the sale proceedings, the Foundation had donated \$350,000 each to the Glen Ellen, Kenwood and Shell Vista Fire Departments. This donation had allowed the Glen Ellen District to purchase firefighting apparatus.

Director Bramfitt commented that the Citizens Advisory Commission (CAC) had reviewed the project,

which was moving forward.

Chief Murray explained that most of the property was in agriculture. The oak woodlands would also be preserved.

President Woods expressed concern that the connection could be used as a residential service connection or might one day be converted to a residential service connection. He supported a recordable covenant or equitable servitude to ensure that the property owner and the Fire District were aware that the connection was for fire service purposes only.

Director Bramfitt agreed, supported the fire connection for a property of the subject size, but did not want to see customers served directly from the Aqueduct. He supported the fire service off of the Aqueduct for fire protection purpose but stated that if in the future the property needed municipal water service, a local distribution service, as opposed to a direct connection off of the Aqueduct, would have to be considered.

Steve Perry, Glen Ellen, questioned whether or not the property owner had the right to be provided residential services. He was advised that would be through the VOMWD System and not off of the Aqueduct.

When asked, **Mr. Kumar** suggested that there were adequate controls in place to address the issue, which would rest with the Water Agency. He noted that the Water Agency could not convert the fire service connection into a residential service connection under the terms of the Eleventh Amended Agreement for Water Supply, which was the VOMWD's first line of protection. Any change to that situation would require VOMWD approval.

Director Bramfitt suggested that if the customer applied for service from the VOMWD, the Board might consider providing that service from the local distribution system. Currently, only a fire service connection was being sought.

Director Prushko referred to a prior situation where a property owner who had Water Agency Aqueduct within 100 feet of her home had been denied a connection. He suggested that recommending approval of the item would be a mistake in policy.

President Woods clarified in that case that a residential connection had been sought. He wanted to be certain that before the subject connection could be used as a residential connection it would have to be submitted to the VOMWD Board for consideration.

Board members agreed that there was no desire to approve individual hookups to the Aqueduct.

President Woods suggested that a motion to approve could include an indication that the approval of the motion would in no way sanction, authorize or contemplate any potential residential use for the fire service connection and that the Board's approval of the fire service connection was in no way indicating any willingness to allow that connection to be used for residential purposes in the future.

Nancy Lassiter, the property owner, explained that there were four parcels on the lower area and a portion of a fifth parcel, totaling 50 acres. She reported that there were three wells on the property, one of which was a 300 gallon per minute well. There was a desire to put those three wells on a grid to be able to irrigate the vineyards and to allow a continuous flow of water for irrigation purposes. She noted that not all the wells were as productive as the one well producing 300 gallons per minute.

Motion by **Director Bramfitt**, seconded by **Vice President Smith**, to send notice to the Water Agency granting approval of a new fire connection for the parcel at 12560 Dunbar Road, Glen Ellen, solely for fire service.

On the question as to whether or not he would want to amend his motion to include the language recommended by President Woods, **Director Bramfitt** emphasized that the parcel was located within the VOMWD and if the property owner wanted to come to the Board 15 years from now requesting residential service at that time, that Board would have to decide the most functional, economic, appropriate policy decision for providing that service. He let his motion stand.

Director Kenny suggested that there were a number of red flags involved.

President Woods remained concerned and reiterated his recommendation for a stipulation that the current Board was not taking any action for a residential connection, was not contemplating a residential connection and was not indicating that a residential connection would be approved in the future.

Director Prushko opposed tapping into the Aqueduct to allow fire protection service.

Chief Murray stated that fire only hookups were common in large cities to maintain the sprinkler systems for the building and it would be no different for a fire hookup in the VOMWD's own system. He noted that the VOMWD had, in the past, voted for fire only hookups to its own system. He had requested the fire only hookup because he needed a hydrant at the subject site. Since the Water Agency Aqueduct ran within 60 feet of the building site, which was the logical place to install a hydrant. He stated that there was a hydrant off the Aqueduct at the Dunbar School and a fire only connection off the Aqueduct for the English Winery in Kenwood, which were no different from the fire hookups permitted on the VOMWD's own system. He stated that none of those connections were hooked up for domestic water supplies. The domestic supply was separate. Fire code would not allow a domestic system to come off of a sprinkler system.

President Woods had no problem with a fire connection, particularly when requested by the Fire District although he had a concern for the oversight and the ability to ensure that the hookup remained for fire protection purposes only. He was not confident that the Water Agency would continue to recognize the exclusive use of the connection over the long term. He suggested that the motion be subject to some recordable instrument, or some document, to put subsequent owners on notice that the connection was for fire purposes only and shall not be used for residential purposes without the approval of the VOMWD.

Chief Murray emphasized that he had requested the fire only hookup. He explained that the property owner had already included a 10,500 gallon storage tank in the plans, which would be insufficient to fight a fire and which was why he had requested the fire only hookup.

Ms. Lassiter explained how the tank had been proposed and explained how that tank had been questioned by the Fire Chief. She supported the Chief's recommendation and stated that she wanted to keep the site and her home, including a large oak grove, as safe and pristine as possible.

On President Wood's suggestion, **Director Bramfitt** concurred but noted that the property was in the VOMWD. If outside the VOMWD he would be more leery about what the Water Agency might do or might overlook in the future. He noted that the VOMWD could sue for cause. He stated that the VOMWD had jurisdiction and an obligation to serve municipal water service at the request of someone in the VOMWD. He suggested that the VOMWD was in that situation with the parcel.

President Woods suggested that it made sense for the VOMWD to serve, but that the VOMWD had no obligation to serve. Since there was no current policy related to such a situation, he suggested that policy might be considered for discussion in the future.

Mr. Kumar expressed comfort from the staff perspective of dealing with the Water Agency that it would have no intention of granting, particularly on the property in question, a connection for residential service. Being familiar with such transactions in the past, he suggested that the possibility of that occurring was fairly remote. As to a recordable document, he could explore what would need to be done in that case, should the Board decide to require that. He reiterated his comfort with the situation and noted that should it ever occur, it could be addressed. He clarified with respect to any recordable document that the VOMWD was not a party to the transaction per se, in that the agreement would be between the Water Agency and the property owner.

President Woods reiterated his support for the fire connection but sought something recorded to put people on notice that the connection was for fire protection purposes only.

Director Bramfitt withdrew his motion because he did not need the motion to go as far as recommended by President Woods. **Vice President Smith** withdrew his second.

Motion by **Vice President Smith**, seconded by **Director Prushko** and carried unanimously to approve the request from the Sonoma County Water Agency to approve a new fire service connection on the Sonoma Aqueduct for the property at 12560 Dunbar Road, Glen Ellen, provided that as part of that approval there is a document generated which can be part of the title for the property such that the current owners and any new owners of the property would be on notice that the connection is solely a fire service connection and could not be converted to any other use without approval of the Valley of the Moon Water District Board of Directors

- B. **Discuss/Approve:** Notice Inviting Bids for the Glen Ellen Storage Tank Project No. 2855

Mr. Kumar advised that the design and contract documents were complete for the Glen Ellen Storage Tank Project and that it was ready to advertise for bids. Bids were to be received by May 10, 2005 and a recommendation would be made to the Board at its May 17, 2005 meeting for award of the construction contract. He recommended that staff be authorized to advertise notice for bids for the construction of the Glen Ellen Storage Tank Project No. 2855.

Motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously by a voice vote to authorize staff to advertise notice for bids for the construction of the Glen Ellen Storage Tank Project No. 2855.

- C. **Discuss/Direct Staff:** Preliminary Operations and Maintenance & Capital Improvement Program Budgets for Fiscal Year 2005-2006

Mr. Kumar described the preliminary budget for Fiscal Year 2005-2006 as essentially a pass-through budget that did not include any additional level of service. The Preliminary Operations and Maintenance Budget for 2005/06 showed an increase of \$101,000, or a 3.5 percent increase over the current budget. He advised that the Board had several options to balance the budget; a reduction in budget items, a rate increase

to the commodity charge only, or a rate increase to the service charge only.

Mr. Kumar presented a baseline attempt to fill the budget gap subject to Board direction, changes and amendments. He presented a number of tables to show what a 3 percent increase for single-family residential and flat-rate customers would represent. With the proposed increase, each Billing Unit (1,000 gallons) for a Tier-1 customer would increase by \$0.07, for a Tier-2 customer \$0.11, for a Tier-3 customer \$0.16, and for a flat rate customer \$0.09 and the 5/8 inch meter monthly charge would increase by \$0.15. The monthly increase for the low water user would be \$0.50, an average water user \$0.85, a moderately high water user \$1.63, a high water user \$5.43, and the flat rate user \$1.05.

In response to Director Prushko's question related to the \$700,000 line item for Capital Improvement Program (CIP) projects, **Office Supervisor Shari Walk** verified that there was a line item of \$700,000 on top of the funds from the sale of surplus properties, which in the prior year had been \$750,000. Given the significant funds in the CIP for current projects, the total had been lowered.

Mr. Kumar referred to the Five Year Plan that had been included in the staff report and stated that in each of the next five years \$570,000 had been planned, which was sufficient to accommodate all the plans in the CIP program.

President Woods suggested that a 3 percent rate increase was minimal, consistent with the increases being imposed on the VOMWD and consistent with the rate increases of the past.

Director Bramfitt noted that half of the 3 percent cost would come from the increased costs from the Water Agency, meaning that the VOMWD was keeping up with the increased costs. He stated that the VOMWD had just completed a rate study and he suggested that the 3 percent increase was consistent with that rate study. He supported that direction.

The Board commended staff for a terrific job. By consensus, the Board supported the 3 percent rate increase.

D. Discuss/Direct Staff: Updated Draft Urban Water Shortage Contingency Plan

Mr. Kumar reported that under current law, every urban water supplier providing municipal water directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre feet of water annually was required to develop an Urban Water Shortage Contingency Plan, which would have to be updated once every five years. The current plan was slightly older than five years. The existing plan and a draft plan were presented to the Board.

Mr. Kumar presented a number of tables. **Table I**– Customer Class, Highest Year Demand, and Projected Demand (in acre feet); **Table II** – Stages of Action and Demand Reduction Goals; **Table III** – Highest Year Demand and Reduction Goals During Shortage Stages (in acre feet); **Table IV** – Gallons Per Capita Demand Allocations, Single-Family (SF) Customers; **Table V** – Water Shortage Charge: Stages 2 & 3; **Table VI** – Impact of Water Shortage on Revenues and Expenditures; and **Table VII** – Water Bill Impacts Under Shortage Conditions (based on 2004-05 rates).

When asked, **Mr. Kumar** explained that the tables had been fashioned after existing plans and what Santa Rosa had produced.

Mr. Kumar explained that Table I verified that there would be sufficient supplies for the VOMWD to meet its water demands for the next three years.

In response to Director Prushko, **Mr. Kumar** clarified that the existing Eleventh Amended Agreement did not include a penalty, although the Restructured Agreement did include a penalty for exceeding the annual limits.

Mr. Kumar described the remaining tables, identified the information provided by the tables, clarified that the information offered a framework to allow the Board to address shortage situations, and explained that with only a 30 percent water shortage surcharge, two years of a 50 percent water shortage would wipe out the VOMWD's reserves. He added that at the time of the actual adoption of the water shortage surcharge, these factors may need to be kept in mind as well as the then available actual reserves.

Director Prushko clarified that the CIP fund was available and could be used to offset depletion of reserves caused by water shortage.

Director Bramfitt supported the overall framework and noted that higher rates might be needed to address shortage conditions. He noted that in a Stage 2 situation, ratepayers would only be asked to eliminate the in-house consumption by 10 percent in that the remainder would be saved from the garden and other areas. He characterized that as a reasonable approach. He supported the proposal to draw on the CIP budget should the need occur to avoid serious budget shortages.

Mr. Kumar pointed out that the water shortage charge was designed such that customers meeting allocation limits during Stages 2 and 3 would have lower water bills than they would with normal usage. If customers could abide by the allocation limits being set, the water bills should not increase. While rates would increase, the bills would not. He added that a Stage 2 or Stage 3 situation would require overall community support.

President Woods thanked staff for the significant work.

Steve Perry, Glen Ellen, referred to Table III related to the percentage of reductions and noted a reduction goal of single family residential at 27 percent and commercial at 15 percent. In comparison with Table I, he commented that commercial used four or five times the quantity per connection. While he did not want to eliminate business, he suggested that the two should be closer together. He also referred to the Water Shortage Charge (WSC) and suggested that should start earlier and bigger at the first stage. He referred to a seven year drought, for instance, and questioned whether there was a need for a deficit in each of those years. He suggested that penalty charges should also be contemplated by the plan.

Mr. Kumar stated that single family residential had been kept at 27 percent and commercial at 15 percent consistent with most other plans. He commented that those numbers could be fine-tuned, if needed. His initial recommendation would be to pursue what had been proposed. As to starting the WSC earlier, he suggested that be kept in mind when the program was in need of initiation.

President Woods suggested it might be worth indicating in the plan that WSCs can be considered earlier, such as in the first stage.

Director Prushko agreed with the inclusion of a penalty provision.

President Woods understood that the Board would be considering specific kinds of fines, penalties and other devices at the time of the implementation phase.

Mr. Kumar stated that the 10 and 30 percent penalty charges were incentives to reduce consumption. If that were not to occur another layer could be added.

Director Prushko supported another punitive layer of penalties.

Director Bramfitt noted with respect to residential versus commercial that commercial businesses largely used water inside with very little landscaping. As such, he did not believe it needed to be part of the policy although if getting into the program there would need to be an incredible communications effort with the community. He suggested that creative conservation techniques would develop as a result.

By consensus, the Board supported the staff presentation.

E. **Discuss/Direct Staff:** Draft Board Policies & Procedure Manual

Mr. Kumar stated that the Board had requested that the VOMWD By-Laws be discussed and that revisions be considered to bring them up to date and to give the Board and the public a clear understanding of its policies and procedures as related to Board governance. Copies of the 1993 By-Laws and a suggested Draft Board Policies & Procedures Manual were presented. When adopted, the Manual would replace the existing By-Laws.

Mr. Kumar also included, as requested, the relevant background information on Director compensation. Under Water Code Section 30507, he advised that Directors were compensated at a daily rate of \$75. That section allowed for a maximum of \$100 for attendance at meetings of the Board, including Board committee meetings. The Board could, by Resolution, change the per diem Director compensation up to \$100. The \$75 limit had been adopted by the Board in 1995. He also clarified that the Board used to meet twice a month. That had been changed to a monthly meeting for the most part.

President Woods clarified that a \$75 per diem meant that the members of the Board received \$75 per meeting and not \$75 per day.

Mr. Kumar advised that an alternate procedure for Director compensation under Water Code Section 20202 would allow Director compensation above the maximum amount of \$100 per diem provided that such increase might not exceed an amount equal to 5 percent for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted. Furthermore, Section 30507 had a six meetings monthly cap and Section 20202 had a monthly cap of ten meetings.

President Woods stated that the Board had evaluated its Policies & Procedures Manuals at different times and some revisions had been approved to remove some cumbersome policies and to simplify the By-Laws. He described some of the changes that had occurred over time. Having reviewed the manual, he saw no concerns. He suggested that the item be held over to allow the public a one month opportunity to review the document. He suggested that the compensation issue could be discussed separately.

Consistent with the By-Laws, **President Woods** selected Directors Bramfitt and Kenny to serve on a committee to review the new Policies & Procedures Manual, including the issue related to compensation.

Director Bramfitt encouraged members of the public to offer input to the committee.

Steve Perry, Glen Ellen, did not see a problem with an increase of the maximum Director compensation to \$100.

President Woods noted his reluctance to consider an increase in compensation at the same time as a 3 percent increase in rate, which might present a negative perception. He clarified that the item had been introduced for the Board's consideration, a subcommittee of Directors Bramfitt and Kenny had been appointed, and that members of the public could contact the members of the subcommittee. The item would be returned at the next Board meeting with a resolution to adopt or for further consideration of the Board at that time.

Vice President Smith noted his understanding that mileage, room rates and the like would also need to be discussed. **Mr. Kumar** advised that the proposed policies and procedures reflected ACWA Guidelines regarding those items.

President Woods declared a recess at 8:37 P.M. and adjourned into Closed Session at 8:45 P.M. to consider the following:

9. CLOSED SESSION

- A. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(c) Regarding Potential Litigation – (1) Case
- B. Conference with Legal Counsel Pursuant to Government Code Section 59456.9(a) – VOMWD vs. Bowser
- C. 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 Engineers, Local 39 AFL-CIO
- D. Public Employee Performance Evaluation Pursuant to Government Code Section 54957 – General Manager

10. RECONVENE INTO OPEN SESSION

President Woods reconvened into open session at 10:05 P.M. and advised that there was nothing to report from Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

There was no request for future agenda items.

12. ADJOURNMENT

Motion by **Director Bramfitt**, seconded by **Vice President Smith** and carried unanimously to adjourn the meeting at 10:07 P.M. The next scheduled meeting is on May 17, 2005 at 6:30 P.M.

Shari Walk, Deputy Board Secretary