

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
June 7, 2005

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 7, 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 Ron Prushko Sanford Smith Michael Woods
Directors Excused:	Ed Kenny
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Board Secretary:	Shari Walk
Public Present:	Ken Borba, Sherri Lewis 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 May 17, 2005
- B.** Adopt Resolutions: Contribution for Healthcare Benefits
 - 1. No. 050601, Fixing the Employer's Contribution under the Public Employees' Medical and Hospital Care Act.
 - 2. No. 050602, Revising Health Benefit Vesting Requirements for Future Retirees under the Employees' Medical and Hospital Care Act
- C.** Adopt Resolutions: Boardmember Compensation/Board Policies & Procedures Manual
 - 1. No. 050603, Revising Boardmember Compensation
 - 2. No. 050604, Adopting Board Policies and Procedures Manual
- D.** Adopt Resolutions: PERS Retirement

1. No. 050605, Resolution of Intention to Approve an Amendment to the Contract with the Board of Administration, California Public Employees' Retirement System for Employee Funded Enhanced PERS Retirement Formula
 2. No. 050606, Resolution Implementing the Provisions of Section 414(h)(2) of the Internal Revenue Code for Treating Employees' Public Retirement System Contributions as Employer Contribution for Federal and State Tax Purposes
- E.** Adopt Resolutions: Project Closing Documents
1. No. 050607, Accepting Project Closing Documents, Water Facilities Installation Agreement with Sonoma Golf Club, LLC, Project No. 2888
 2. No. 050608, Accepting Project Closing Documents, Water Main Extension Agreement with Peter Trethewey, Project No. 2889
 3. No. 050609, Accepting Project Closing Documents, Water Facilities Installation Agreement with Pine and Greger, LP, Project No. 2877
- F.** Approve Amendment No. 2 – General Manager's Employment Agreement

Motion by **Director Bramfitt**, seconded by **Vice President Smith** and carried unanimously by a voice vote to adopt the Consent Calendar, as shown.

4. PUBLIC HEARING

- A.** Proposed Water Rate Increase, Effective July 1, 2005

Given that the hour of the public hearing had been set for 7:00 P.M., the Board continued on with the agenda pending that hour.

5. OPERATIONAL & COMMITTEE REPORTS

- A.** Approve Current Financial Reports for April 2005

Motion by **Director Bramfitt**, seconded by **Vice President Smith** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2005 in the amount of \$235,945.94.

- 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 May 2005, as follows:

- **Project #2855 - Glen Ellen Storage Tank:** A Notice of Award was sent to North Bay Construction on May 18 and a preconstruction meeting has been scheduled with the contractor on June 14. The Glen Ellen Fire Chief had been invited to that meeting to be introduced to the contractor.
- **Project #2891 – Locust Avenue, Spring Street, Toy Lane, and Queeno Lane Main Replacements:** A Notice of Award was sent to W.R. Ford Construction on May 18. A preconstruction meeting to be scheduled after the contractor had submitted all appropriate information to the VOMWD and a Notice to Proceed had been issued.
- **Project #2895 – Pressure Reducing Valve Replacements:** The project is one hundred percent complete.

Mr. Gradolph also reported that the Leak Survey would be commenced on Monday, June 13, 2005 and would be completed by the end of that week.

C. Water Source Report

There were no comments on the Water Source Report.

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

There were no reports or comments.

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

A. Report on the Water Advisory Committee Meeting of June 6, 2005

General Manager Krishna Kumar reported on the WAC Negotiating Meeting of June 6, 2005 and stated that the primary discussion related to the Marin Municipal Water District (MMWD) request for extension of an option for 5,000 acre feet per annum of water from the Sonoma County Water Agency (Water Agency). He noted that at the meeting on May 17, 2005, the Board of Directors had authorized him, as the VOMWD's negotiator, to vote in favor of a time extension for a reasonable period of time. The actual voting had not taken place at that meeting.

Mr. Kumar explained that Paul Helliker, General Manager of the MMWD had requested that the WAC consider agreeing to a two-year extension in lieu of a payment of \$400,000 which would allow MMWD a reasonable time to make a considered choice in the matter. He noted Mr. Helliker's reaffirmation of his position that the matter was a bilateral issue with the Water Agency and that the WAC had no role in that matter. He added that the MMWD had threatened legal action if the Water Agency were to insist otherwise. The City of Santa Rosa at that time had been unwilling to support an extension of time in the matter. After discussion, WAC members had agreed to seek direction from its councils and boards.

Mr. Kumar reported that the WAC had agreed to hold a special meeting on June 27, 2005 to take a formal vote on the matter. Given that the new request from the MMWD for a two year extension, detailed in a letter from the MMWD to the Water Agency dated June 6, 2005, was beyond the direction he currently had from the Board, he suggested that the Board might need to call a special meeting on June 21, 2005. He noted that while the MMWD letter had been addressed to the Water Agency, it was not a request to the respective members of the WAC.

Vice President Smith advised that two matters that had come up in the negotiations would require the VOMWD Board's attention. He referred to the Ahwahnee Water Principles for Resource Sufficient Land Use, which had come up at the behest of the Mayor from Rohnert Park and a member of the Santa Rosa delegation, and represented a set of principles adopted for efficient land use comprising nine community principles and five implementation principles. While there was a request that the WAC adopt those principles, a number of comments from the water contractors had stressed the need for the respective councils and boards to discuss those principles prior to any adoption.

With respect to the MMWD issue, **Vice President Smith** referred to the previously mentioned April 6 letter to the Water Agency asking for guarantees that if the MMWD exercised its option the Water Agency would be capable of delivering that water. He reported that as of June 6, there had been no response to that request.

The option would expire on July 1, 2005. He added that there was no indication whether or not there would be a response to the letter for a multi-year extension option to that deadline. He reiterated some of the comments made by the MMWD General Manager related to the extension request, noted that the extension request was for two full years, and explained that the \$400,000 offered to exercise that option represented a proportionate share of the initial offer from MMWD for a 9 year extension. He suggested that the VOMWD Board meet prior to the special meeting of the WAC on June 27 to determine how to act on the matter.

With respect to the MMWD issue, **President Woods** advised that the item could not be discussed at this time but that a special meeting could be considered by the Board later on the meeting agenda.

Vice President Smith further reported that there would be a dedication of MMWD's desalinization plant on June 9 and members of the VOMWD Board were invited to that ribbon cutting ceremony at the Marin Rod and Gun Club in San Rafael between 11:30 A.M. and 12:30 P.M.

B. Water Agency Updates

Mr. Kumar reported that an update had been provided on the Water Agency's Solar Electricity Project which had been estimated to cost \$3.5 million. The project was expected to generate approximately 522 kw of electricity. He also reported that the Water Agency's General Manager Randy Poole had indicated a desire to get as many contractors as possible to approve the Restructured Agreement, while the VOMWD could continue to work with the Water Agency to address its requirements. Mr. Poole was expected to meet with each contractor individually within the course of the month. The WAC Consultant John Nelson had indicated that the Water Agency was not agreeable to the earlier suggestion as to how to handle the VOMWD's annual entitlement issue although Mr. Nelson had informed the WAC that he was currently working on other options.

C. Community Meeting at Glen Ellen Fire District – May 24

Mr. Kumar reported that the VOMWD had held a community meeting on May 24 at the Glen Ellen Fire District to discuss emergency access to Hill Road during the construction of the Hill Road Tank Project. He stated that the meeting had received positive press. At the suggestion of Vice President Smith, VOMWD staff was in the process of creating a map to easily identify the houses on Hill Road in the event of an emergency, which map would be made available to the contractor and staff.

D. Presentation by the Water Agency

Mr. Kumar reported that Jay Jaspers, the Deputy Chief Engineer of the Water Agency, had agreed to make a presentation to the Board regarding the status of the Sonoma Valley Recycled Water Project, and the Sonoma Valley Groundwater Study being conducted by the U.S. Geological Society, possibly at the next Board meeting.

Mr. Kumar added that Water Agency consultants were currently conducting a Natural Hazard Liability Assessment on the Water Agency's water supply and transmission systems. Phase 1 of the assessment had been completed and Phase 2 was currently underway and expected to be completed by July 2006. He explained that the assessment would offer a comprehensive evaluation of the system from a structural integrity point of view when faced with potential seismic, flood, mudflow and other natural hazards. As part of the study, the Water Agency had completed a seismic assessment of all its storage tanks. For the most part and with minor adjustments, all had been found to be okay.

E. VOMWD's Consultant Engineer

Mr. Kumar reported that Tony Cinquini, the VOMWD's consultant engineer, had resigned from Winzler & Kelly to join his father's firm in Santa Rosa. As a result, a new project manager was being assigned to the VOMWD.

President Woods noted an interest in ensuring continuity with Mr. Cinquini's replacement, in particular on the Hill Road Tank Project.

In response, **Mr. Kumar** stated that at the current stage of the project, the design was complete, the project had been bid and a contractor was on board. At this time, there would only be a need for consultant services during construction including review of submittals, which would offer a relatively smooth transition to a new consultant engineer. He added that Mark Solomon had been involved in the project throughout and he would continue to do the same and even more. At the conclusion of the Glen Ellen meeting, Mark Solomon and Tony Cinquini had met with VOMWD staff including the construction inspector to discuss a smooth transition to a new consultant engineer.

F. New and Improved Annual Water Quality Report

Mr. Kumar explained that the new Annual Water Quality Report, also known as the Consumer Confidence Report was being prepared by an outside firm. The new report would be in an easy to understand format. The report would have to meet State requirements and the outside firm specializes in such compliance. A Spanish version of the report would be available in the VOMWD Offices and would be provided to customers upon request.

G. Water Broom

Mr. Kumar described a water broom which used a combination of air and water pressure using approximately 2 gallons per minute as opposed to a hose and nozzle which used 8 to 18 gallons per minute. He described the water broom as effective, using a minimal amount of water. The VOMWD had recently acquired a water broom and was using it at its construction sites.

Mr. Gradolph explained that the crews put the water broom on the utility truck responding to leaks. He affirmed that it used considerably less water and was working well in the field. A pressure washer, it would provide a nice clean path 36 inches wide with 2 gallons of water per minute.

4. PUBLIC HEARING

A. Proposed Water Rate Increase, Effective July 1, 2005

President Woods opened the public hearing for public comment. There was no one present to speak. The public hearing was closed.

8. OLD/NEW BUSINESS

A. **Discuss/Adopt:** Resolutions:

1. No. 050610, Amending Regulation for Water Use and Service Charge, Effective July 1, 2005
2. No. 050611, Approving the Fiscal Year 2005-2006

- Operations and Maintenance Budget and Annual
Investment Policy
3. No. 050612, Approving the Fiscal Year 2005-2006
Capital Improvement Program

Mr. Kumar advised that the item related to the same budget that had been presented to the Board on two previous occasions.

President Woods reported that the items had previously been considered by the Board. He opened the item to public comment. There was none.

Motion by **Director Prushko**, seconded by **Director Bramfitt** and carried unanimously by a voice vote to adopt Resolution No. 050610, Amending Regulation for Water Use and Service Charge, effective July 1, 2005.

Motion by **Director Prushko**, seconded by **Vice President Smith** and carried unanimously by a voice vote to adopt Resolution No. 050611, Approving the Fiscal Year 2005-2006 Operations and Maintenance Budget and Annual Investment Policy.

Motion by **Director Prushko**, seconded by **Director Bramfitt** and carried unanimously by a voice vote to adopt Resolution No. 050612, Approving the Fiscal Year 2005-2006 Capital Improvement Program Budget.

- B. Discuss/Select:** Candidate for Alternate Special District Representative to LAFCO

Mr. Kumar stated that the staff recommendation was to discuss and select a candidate for Alternate Special District Representative to the Sonoma Local Agency Formation Commission (LAFCO).

Motion by **Director Bramfitt**, seconded by **Vice President Smith** and carried unanimously by a voice vote to select the sole candidate, Albert Giordano of the Cloverdale Fire Protection District, for Alternate Special District Representative to LAFCO and authorize the President to cast the vote for the selected candidate.

9. CLOSED SESSION

- A. None

10. RECONVENE INTO OPEN SESSION

There was no Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

President Woods acknowledged Vice President Smith's request to agendize the Ahwahnee Water Principles for Resource Sufficient Land Use.

There was a discussion on the advisability of scheduling a special meeting to discuss the MMWD request for an extension. By consensus, a special meeting was scheduled for June 21, 2005.

Motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously to adjourn the meeting at 7:09 P.M. The next scheduled meeting is on June 21, 2005 at 6:30 P.M.

Shari Walk, Deputy Board Secretary