

**VALLEY OF THE MOON WATER DISTRICT**  
**SPECIAL MEETING MINUTES**  
June 21, 2005

A special meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 21, 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**

**Vice President Sanford Smith** 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
Directors Excused:	Michael Woods
District Personnel:	Shari Walk, Office Supervisor
General Manager:	Krishna Kumar
Public Present:	Ken Borba, Paul Helliker, Jeffrey Ohmart, Randy Poole 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 June 7, 2005

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

**4. PUBLIC HEARING**

There was no Public Hearing.

**5. OPERATIONAL & COMMITTEE REPORTS**

There were no Operational & Committee Reports.

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

There were no reports or comments.

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

A. Report on Regional Water Conservation Efforts

**General Manager Krishna Kumar** reported that the staff of the various water contractors had been meeting for some time to discuss regional water conservation efforts currently being called the "Sonoma-Marin Saving Water Partnership." At the last meeting on June 13, there was consensus among the water contractors as to the need for such a partnership. The General Manager of the North Marin Water District had offered to create an organizational framework to accomplish the goals of the proposed partnership. He suggested it would be through a Memorandum of Understanding (MOU) among the ten water contractors that were currently signatories to the existing Temporary Impairment MOU.

At that meeting it had been pointed out that there was a need for increasing the current water conservation budget item within the Water Agency's budget for FY 2006/07 to provide additional staffing to meet the new objectives. The additional funding could be approximately \$300,000 to \$400,000 which would translate to one or one and a half percent increase in rates at the wholesale level.

**Mr. Kumar** noted that during an earlier meeting Director Kenny had expressed a desire to be informed of the City of Sonoma's unaccounted for water figure. Per the City of Sonoma staff that figure was approximately 8 percent.

8. OLD/NEW BUSINESS

A. **Discuss/Direct Staff:** Request from Marin Municipal Water District to the Sonoma County Water Agency to Extend the Deadline for Purchasing Additional Water

**Mr. Kumar** introduced Randy Poole the General Manager/Chief Engineer of the Sonoma County Water Agency, Paul Helliker, General Manager of the Marin Municipal Water District (MMWD), and Jeffrey Ohmart, Acting Assistant Engineering Division Manager of MMWD.

**Paul Helliker**, MMWD General Manager, expressed his appreciation to the Board for considering the item at a special meeting. He noted that the Water Advisory Committee (WAC) had discussed the issue relating to the option to secure 5,000 acre feet of water by the MMWD.

The MMWD had proposed in January an extension of five years for making a decision and had offered a compensation to allow that to occur with a payment of \$1 million over and above the lump sum payment required to pay to exercise the option.

The five year option was considered to be appropriate to allow the pursuit of the desalinization project plant and to allow the Sonoma County Water Agency (Water Agency) the opportunity to finalize the water supply planning Environmental Impact Report (EIR) and begin making water system improvements identified to supply everyone the water needed for the next twenty years.

**Mr. Helliker** noted that there had been a number of concerns expressed with a five-year extension. After

discussion, a payment of \$1.6 million was offered by the WAC for not exercising the option. In April, the MMWD had written to the Water Agency asking it to provide information as to the availability of water supply to fulfill the option that was to be exercised. Issues associated with the Temporary Impairment MOU, EIR and a host of other issues had been discussed with the Water Agency.

**Mr. Helliker** also explained that since November, the MMWD had been in the process of installing and operating a desalinization pilot plant, which opened on June 9. He commented that a tasting conducted on June 17 had found the desalinated water to taste as good as or better than water from the MMWD. As such, there were promising aspects associated with that program although there was a great expense involved in that case.

**Mr. Helliker** reported that two years would be required to do the environmental work and the like. As a result, a revised offer of two years and a \$400,000 payment had been proposed to allow the extension of the MMWD option. He suggested that desalinization was part of the portfolio that they wanted to pursue and they wanted to diversify their portfolio and to ensure there was a secure water supply for the entire region. Prior to that time, answers would have to be provided which was the reason the MMWD was asking for support from the VOMWD when MMWD would go before the Sonoma County Board of Supervisors on June 28 to discuss the issue. The MMWD would be asking that the Board of Supervisors amend the MMWD contract with the County. He suggested that the Board of Supervisors would be more willing to amend that contract if there was a positive response from the VOMWD.

**Director Prushko** asked about the desalinization plant, what it now produced and what it was projected to produce.

**Mr. Helliker** explained that the pilot plant was a test bed with 187,000 gallons per day capacity. The purpose of the pilot plant was to determine the costs and environmental impacts of desalinization so that the MMWD could be prepared to have a full scale plant. The full scale plant would be somewhere between five and fifteen million gallons per day which was being considered to solve the 3,000 acre feet per year current water supply deficit that was expected to grow up to 7,000 acre feet per year by 2015. That represented 10 percent and up to 20 percent of the MMWD's water demand. He suggested that desalinization would be able to provide deliveries during dry years.

MMWD Board has authorized him to pay the lump sum payment and secure the additional 5,000 acre feet of water from the Water Agency to be able to supply the water required of the MMWD during the dry years.

**Mr. Helliker** suggested that desalinization and the option for 5,000 acre feet both might need to be pursued.

**Director Kenny** inquired whether or not the decision would be made by the Board of Directors of MMWD or a ballot measure for desalinization is required, to which **Mr. Helliker** stated that the possibility existed to take the matter to the electorate.

**Mr. Helliker** added that the MMWD was considering different ways to finance the desalinization. No decision had yet been made. During the desalinization pilot plant it was the hope that the process would be found to be a safe and viable way of providing a water supply.

**Director Prushko** expressed surprise that the MMWD had waited until the last minute to pursue the option for 5,000 acre feet.

**Mr. Helliker** commented that when the MMWD had negotiated the agreement with the Water Agency in 1996 there had been 4,300 acre feet of firm water supply for off-peak and an additional 5,000 acre feet of

supplemental water contracts. He noted that the additional 5,000 acre feet had a negotiated window of ten years to move from “as available” to “firm.” He described what had occurred during that time that had delayed the pursuit of the 5,000 acre foot option. He also noted the uncertainties associated with additional supply from the Russian River and commented that members of the MMWD Board shared the same concerns. He emphasized that there were a number of issues associated with the 5,000 acre foot option. Since that time desalinization had become less expensive and was one of the reasons they were implementing the pilot plant to determine precisely the costs so that when the MMWD faced a \$100 million investment it would know it was a wise choice.

**Mr. Helliker** commented that the MMWD was already five years overdue in making the choice. He suggested that two more years would allow the MMWD at least to have answers to the questions regarding desalinization. The MMWD would do its best at that time to make a choice. If faced with a drought today, the MMWD would be faced with 65 percent rationing in the second year of the drought. As such, it was incumbent upon the MMWD to make a decision soon.

**Director Prushko** noted that with a 3,000 acre foot shortfall from the Water Agency, he questioned whether or not there was a moratorium on building by the MMWD.

**Mr. Helliker** advised that there was no moratorium at this time. A few years ago there had been a moratorium although the MMWD had been sued and had learned to ensure that its choices would have to be wise choices if that option was made.

**Director Kenny** suggested that desalinization produced bad tasting water. He suggested that the MMWD had not taken the necessary steps to address problems when problems arose. He also suggested that 5,000 acre feet could allow 15,000 new homes.

**Mr. Helliker** reported that since 1978, the MMWD had instituted cutting edge water conservation programs and had reduced its demand by approximately 20 percent as compared to the high peak period in 1978. Water conservation rates had also been imposed and involved some of the most aggressive water conservation rates in the country. Water reclamation had also been pursued. Further, the MMWD had pursued bills through the Legislature to address other issues of water reclamation and had contracted for water from Sonoma County since 1978. The MMWD had diversified its portfolio and had raised one of its dams. He suggested therefore that the MMWD was not lacking in efforts to address the problem. He added that the desalinization pilot plant at this point had cost \$1.5 million and the MMWD would also evaluate whether or not to use the Russian River augmentation.

**Director Prushko** suggested that the crises had been a long time in coming and that MMWD’s planning staff had done a poor job. To not put a moratorium on building, in his opinion, was shortsighted.

**Randy Poole**, General Manager of the Sonoma County Water Agency, stated that the MMWD had made a request and there had been negotiations on several options. He had submitted a Board packet to the Water Agency Board seeking directions whether or not he would be authorized to sign a contract to extend the MMWD option as proposed, authorize that he start negotiations with the MMWD after the option expired, or if it was exercised to work out something in the future.

**Mr. Poole** commented that the Water Agency was determining the position of the various members of the WAC. He would return to the Water Agency Board on June 28 with a response. There would be a WAC meeting on June 27. He commented that he would get something from the WAC to take to the Water Agency Board on Tuesday June 28.

**Mr. Poole** clarified, when asked, that the Water Agency's EIR would come out in 18 to 24 months, although he was waiting for the County General Plan to use those numbers in the EIR.

**Director Bramfitt** commented that one of the things that had disturbed him was that MMWD was consulting with the WAC members and at the same time asserting that it did not have to consult with WAC members, and that the MMWD contract was solely at the discretion of the Water Agency. He commented that it could not be done both ways. He inquired of Mr. Poole's opinion of the statement as contained in the April 6, 2005 MMWD letter which had indicated that the changes were solely within the discretion of the Water Agency and the MMWD.

**Mr. Poole** stated that he would be taking to his Board a request that there be unanimous support which would be above and beyond either the Master Agreement or the Marin contract. He would look to the water contractors to advise the Water Agency Board of Directors to see what they would like to see happen and whether or not there would be an amendment to the agreement.

**Director Prushko** understood that the weight of the VOMWD vote would be 6.4 percent of the total package with the City of Santa Rosa vote representing 42 percent.

**Vice President Smith** questioned the impact on the Water Agency if the MMWD was to pay the money and asked for 5,000 acre feet. He asked what would occur if the option was, in fact, exercised.

In response, **Mr. Poole** explained that the Water Agency was currently analyzing all of the contractors water needs, including that of MMWD and the Town of Windsor. There would also be new standards for conservation and recycled water as a component for urban reuse. Through the Restructured Agreement, there was an expectation that the contractors would develop 7,500 acre feet of local supply since primarily the additional infrastructure that would go from the Cotati tanks north to the river would not be available for 10 to 15 years at the least.

**Mr. Poole** commented that for anyone who wanted to add on a major subdivision unit, there would have to be summertime water deliveries with them to do that. Once they added up all of the numbers from the water contractors and considered an EIR not to exceed 101,000 acre feet per year, it would be close and it would mean that some contractors would have less water allocated to them than in the current Amendment No. 11, while some would have more. Under Section 1.6 of the Master Agreement there would be individual agreements with contractors to either raise or lower their annual entitlements.

**Vice President Smith** noted the issue of whether or not the MMWD took the 5,000 acre feet, some agencies would be asked to make do with less and some with more. As a result, he asked Mr. Poole if he knew which category the agencies would fall into and where the VOMWD would be in that scenario.

**Mr. Poole** stated that the General Plan anticipated that they would have to locate some of the developments in the Sonoma Valley area due to the Housing Element of the General Plan. The water demand for the VOMWD would increase although there would be a certain amount of conservation that would be required. The Water Agency had reviewed the recycled water potential in the area and there was not a lot that could be done. He suggested that the VOMWD was on the up tick in terms of identified needs for future supplies above and beyond the current contract amounts. As to who might be on the lower side, the City of Rohnert Park could face some change since their water assessment had shown less water needs based on their new General Plan. He was uncertain where the City of Petaluma would fit in since there was more potential for recycled water use in that area that had not been implemented since the treatment plant was not yet up to

standard.

**Vice President Smith** was concerned for potential impacts to the VOWMD if the MMWD received the 5,000 acre feet of water.

**Mr. Poole** did not believe that there would be a problem due to the new conservation standards and an effort to bring 7,500 acre feet of water to the table as part of local supplies and more recycled water by some of the other contractors.

**Mr. Kumar** referred to two letters presented to the VOMWD Board of Directors; one from the City of Rohnert Park and the other from Paul Helliker, MMWD to the Mayor of the City of Santa Rosa, indicating the financial commitments and timelines for the MMWD decision to proceed with the desalinization plant. He explained that during a meeting on May 17, the VOMWD Board had authorized its General Manager to vote in favor of a time extension for a reasonable period of time with the understanding that such a period would not exceed six months. Subsequently, MMWD had requested a two year extension of the deadline in lieu of a one time payment of \$400,000. He noted that it would require the consent of at least five prime contractors and over 50 percent of the weighted votes for a formal approval of the request for the extension from the MMWD. The VOMWD had 6.4 percent of the total weighted votes.

**Mr. Kumar** stated that the City of Petaluma City Council had voted in favor of the two-year extension. One of the conditions put forward by the City of Rohnert Park had been to have the MMWD acknowledge that the 5,000 acre feet was not part of the 75,000 acre feet covered by the Water Agency's current water right permits

**Mr. Kumar** advised that he had received an e-mail from Mr. Helliker advising that the MMWD was not supportive of that condition which would essentially make the City of Rohnert Park's decision a no vote on the requested extension. The City of Sonoma planned to abstain from the vote as it had not been able to agendize the matter for consideration by its City Council.

**Mr. Kumar** added that Mr. Helliker's letter to the Mayor of the City of Santa Rosa had indicated that the MMWD Board had authorized him to make the lump sum payment and secure the option should the request for the extension be denied by the Water Agency. The City of Santa Rosa's City Council had voted 5-0 to not allow the extension as requested by the MMWD. It was recommended that the VOMWD Board discuss the matter and direct the VOMWD's negotiator as to the position to take at the WAC meeting on June 27.

**Director Bramfitt** appreciated the position that the MMWD was in and suggested that the VOMWD would likely experience similar concerns for a lack of water. He was disturbed by the two-prong negotiation by asking the contractors for approval and then pressing the case that the contractors did not have a right to an opinion. He suggested that the Board of Supervisors acting as the Board of the Agency would not disregard the VOMWD's opinion and he suggested that the VOMWD had an opportunity to shape the debate and offer an opinion on the issue.

**Director Bramfitt** suggested that the MMWD should not expect that the water would be available from the Water Agency which had an EIR process to go through to get past the 75,000 acre feet which would take some time and which was an uncertain process. In the meantime, there was no ability to do the transmission improvements that would in fact deliver the 5,000 acre feet of water to MMWD. He added that not only the Cotati/Petaluma pipeline was operating beyond capacity, but that the water could not be pulled out of the river at that end of the collection system to get more than 75,000 acre feet. In reality, he stated that paper water would not affect the VOMWD in one way or another if the option were exercised or not.

**Director Bramfitt** commented that with the information that the cities of Santa Rosa and Rohnert Park had essentially voted no, they were in control with their weighted average and from their political clout. He was supportive of a generous six months and recognized the position to choose between two very expensive and uncertain options between the Water Agency water and desalinization. He suggested that the MMWD could exercise its 5,000 acre feet and it would not be part of the 75,000 acre feet that the Water Agency could pull in. He was inclined to offer something like the City of Rohnert Park but with the information that the MMWD would not acknowledge it was not part of the 75,000 acre feet, he was in a quandary. He indicated that he was in favor of what Rohnert Park had presented but could easily be convinced to support the City of Santa Rosa's no vote.

**Director Prushko** noted that Mr. Helliker recognized that they were in crises. He suggested that the VOMWD should support the two-year extension.

**Director Prushko** made a motion to give the MMWD a two-year extension on the option with the proviso that the 5,000 acre feet would not be part of the 75,000 acre feet.

**Director Bramfitt** seconded the motion under the assumption that it would mirror the Rohnert Park decision that the 5,000 acre feet were not part of the 75,000 acre feet.

**Director Prushko** commented that in two years the entire issue could change.

**Vice President Smith** clarified the motion to direct staff to vote in favor of a two year extension under the same terms and conditions as set forth by the City of Rohnert Park.

**Mr. Helliker** clarified that the MMWD would be formally responding to the response from the City of Rohnert Park tomorrow. He stated that the request from Rohnert Park would involve a change to their current contract.

**Mr. Helliker** commented that none of the contracts for water from the Russian River defined that they were related to the Agency's 75,000 acre feet of water right, and the MMWD was not proposing that it be defined, although the City of Rohnert Park had asked that they do so. Each contract had included a specification of what the priority for delivery would be by the Water Agency in the case of any particular hydrological régime. The MMWD recognized the priorities specified in the Eleventh Amended Agreement for water supply.

**Mr. Helliker** stated that the MMWD's priorities were in Section 3.12 and in their contract with the Water Agency. Discussing whether or not the issue was part of the 75,000 acre feet water right was irrelevant since it was the Water Agency's decision how to supply water under its water rights pursuant to the MMWD contracts. The MMWD was only asking that they keep their contract intact and were not suggesting that the VOMWD's priority or the MMWD's priorities be changed, but that the deadline for making that decision be extended. He stated that same explanation would be made to the City of Rohnert Park.

**Vice President Smith** inquired if the two year extension were to be granted if the MMWD would guarantee that there would be no extensions beyond that time, to which Mr. Helliker stated the MMWD did not plan to proceed with both options in that there would either be an investment in desalinization or a pipeline to allow the water supply from the Russian River, so that two years hence they would make that decision and it would go one way or another. The scenario being presented now was an attempt to provide options for the region that would meet the VOMWD and the MMWD water needs. He was confident that in two years, a

decision could be made.

**Director Bramfitt** rephrased the motion with **Director Prushko's** assent, and sought assurance that the Agency would not deliver any portion of the 5,000 acre feet until after such time as an EIR had been certified and the 5,000 acre feet would not come from the 75,000 acre feet. If the MMWD were to agree to that, the language could be amended to reflect that the water would not be delivered until after the Agency secured additional water rights from the Russian River.

On motion by **Director Prushko**, seconded by **Director Bramfitt**, to instruct the District's negotiator to support MMWD's request for a two year extension under the terms set forth by the City of Rohnert Park with the understanding that the 5,000 acre feet was not part of the 75,000 acre foot water right for diversion and rediversion. The motion **FAILED** by the following vote:

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

**Director Bramfitt** offered a new motion, although he acknowledged it was not much different than the prior motion.

On motion by **Director Bramfitt**, seconded by **Director Prushko**, to grant the authority to the General Manager to negotiate on behalf of the VOMWD up to and including allowing a two year extension of option from MMWD with the understanding that the 5,000 acre feet would not be delivered until and after such time as the Water Agency had secured water rights in the Russian River beyond 75,000 acre feet. The motion **FAILED** by the following vote:

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

**Vice President Smith** suggested that the discussion of a six months extension was as far as he thought it would go and even adding the \$400,000 did not change that. He was concerned with a two year extension given that the issue had gone on so long. He could not support a two year time period.

**Director Bramfitt** commented that MMWD could not build any facilities to deliver the water in two years and he did not believe that facilities could be built to deliver the 75,000 acre feet. He commented that conservation and alternative supplies were the future and VOMWD had pushed to the limit already on alternative supplies other than the reclaimed water issue.

**Mr. Helliher** wanted to make sure that the VOMWD did not believe that the MMWD was being disingenuous in that when they had a conversation of a three month window it had been in the context of a temporary delay and in defining what the extension would be to be able to complete negotiations with the Water Agency given the June 30 deadline. The plan was that during the three month window the MMWD would have successful resolution as to whether or not the extension should be two or five years. The three month period would not have allowed adequate time to make a choice as to whether or not to move forward with the option.

**Mr. Kumar** commented that MMWD had ten years to make the decision and it was unlikely that there would be significant additional certainty regarding the Water Agency's ability to deliver the additional 5,000



acre feet, although MMWD should know more about the desalinization project by that time. He added that the water contractors' water supply planning is affected in part by MMWD's decision. If MMWD does exercise the option, the 5,000 acre feet go off the table. If they don't, that water is available for other water contractors. He emphasized that the extension of MMWD's option results in uncertainty for the water contractors for another two years, which would essentially result in a shifting of uncertainty from MMWD to the other water contractors. He was not comfortable recommending an extension beyond the six months.

**Vice President Smith** thanked the speakers for the presentations.

**Director Kenny** commented that in all the years he had been on the Board this was the first time there had been a split vote with no final action.

With no decision from the VOMWD Board, **Mr. Kumar** was to consider a six month extension, as was previously authorized by the Board.

**B. Discuss/Direct Staff:** Request for Adopting a Resolution in Favor of "The Ahwahnee Water Principles for Resource Efficient Land Use"

**Mr. Kumar** explained that a preliminary analysis of the document had indicated that most of the principles listed in the Ahwahnee Water Principles for Resource Efficient Land Use were directed primarily toward cities and counties and entities that set and had a direct say on land use policy matters, and not for special districts. In that context, the VOMWD would have very limited say, if any, on influencing the implementation of the principles at a practical level. As such, the item did not apply to the VOMWD.

**Director Prushko** suggested that the VOMWD was the County and to exclude the VOMWD would constitute his objection to the implementation of the principles.

**Director Bramfitt** pointed out that the VOMWD would not have any land use authority although he suggested the principles should be supported. He would like to make a motion that would indicate that the VOMWD, in principle, agreed with the principles as outlined, with the understanding that the VOMWD would not be impacted and would not have a lot to say with respect to land use decisions. As stated in the document, "water supply agencies should be consulted early in the land use decision making process," which he suggested should be the case with respect to the VOMWD.

**Director Bramfitt** made a motion that would authorize the VOMWD's General Manager to offer the VOMWD'S support for the adoption of The Ahwahnee Water Principles for Resource Efficient Land Use by the WAC with an accompanying statement particularly for a County water agency that had to interact with a body far removed from it with regard to land use principles.

**Mr. Kumar** stated that the idea was to have each entity adopt a resolution.

**Director Bramfitt** inquired whether or not The Ahwahnee Water Principles for Resource Efficient Land Use could be adopted in principal with the understanding that some of the principles did not directly affect the VOMWD.

**Vice President Smith** suggested it was inappropriate for the VOMWD to approve principles that it had no jurisdiction to carry out.

On motion by **Vice President Smith**, seconded by **Director Kenny** and carried unanimously, for staff to

return with a solid recommendation regarding The Ahwahnee Water Principles for Resource Efficient Land Use at a subsequent meeting, as discussed.

**9. CLOSED SESSION**

A. None

**10. RECONVENE INTO OPEN SESSION**

There was no Closed Session.

**11. REQUEST FOR FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

**12. ADJOURNMENT**

Motion by **Director Kenny**, seconded by **Director Bramfitt** and carried unanimously to adjourn the meeting at 7:43 P.M. The next scheduled meeting is a regular meeting on July 5, 2005 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary