

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
May 2, 2006

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, May 2, 2006, 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 Sanford Smith called the meeting to order at 6:30 P.M. and led the Pledge of Allegiance.

Roll Call by **Deputy Secretary Shari Walk** noted the following present:

Directors Present:	Mark Bramfitt Ed Kenny Ron Prushko Michael Woods (By conference call) Sanford Smith
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Board Secretary:	Shari Walk
Public Present:	Mark Bautisto, Ken Borba, Susan Haydon, Wayne Haydon, Jay Jasperse, Bill Keene, Eric Reichard, Martin Steinpress, and Sandi Hansen, <u>Sonoma Index-Tribune</u>

2. PUBLIC COMMENTS

There were no comments from the public.

President Smith congratulated Mark Bramfitt for having been elected to a four-year term to the Sonoma County Local Agency Formation Commission (LAFCO).

3. CONSENT CALENDAR

- A. Receive and Approve Minutes of Regular Meeting of April 4, 2006
- B. Authorize Notice to Bidders – Boyes Springs Area Water Mains, Project No. 2899
- C. Authorize Notice to Bidders – El Verano Area Water Mains, Project No. 2900
- D. Adopt Resolution No. 060501 Ordering an Election to be Held and Requesting Consolidation with the November 7, 2006 General Election
- E. Adopt Resolution No. 060502, Approving the District's Cell Phone Use Policy

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

4. PUBLIC PRESENTATION

JAY JASPERSE, DEPUTY CHIEF ENGINEER OF THE SONOMA COUNTY WATER AGENCY TO PRESENT INFORMATION REGARDING ACTION PLAN FOR THE SONOMA VALLEY GROUNDWATER MANAGEMENT PLAN

Jay Jasperse, Deputy Chief Engineer of the Sonoma County Water Agency (Water Agency) introduced the members of the team working to develop the SCWA/USGS Groundwater Study. He described regional water supply planning and identified four sources of water; Russian River Water, water conservation, recycled water and groundwater, all interconnected and related. He noted that groundwater in the Sonoma Valley was very much related to Russian River water. With respect to the technical study, he identified the first phase of a systematic program that had started in 2000 to evaluate the state of groundwater in Sonoma County. He noted that the current groundwater basins information was old, from the 1970's.

Mr. Jasperse explained that the Water Agency had developed a program working with the United States Geological Survey (USGS) to update the state of understanding of groundwater conditions in the Sonoma Valley to understand the linkage between groundwater and Russian River water. He commented that if Russian River water supplies were constrained, the impacts to the Sonoma Valley or elsewhere would have to be identified. Tools were being developed to understand the issues and linkages involved.

Mr. Jasperse explained that a multi-year Groundwater Basin Study was in the final stages of completion. The study had indicated that certain areas of the basin were vulnerable to overdraft, poor quality or could experience saltwater intrusion.

Eric Reichard, USGS, Program Chief, San Diego Office, advised that the first phase of the study had focused on Sonoma Valley and Alexander Valley. He summarized the USGS report for the Sonoma Valley Area, which had recently received official approval for publication on the Web. That report had included some specific information on the Valley of the Moon water levels. A peak component of the study was to look at water-chemistry, surface water and groundwater, and some potential items of concern related to constituents of potential concern. A second report on the Alexander Valley would be released next month.

Mr. Reichard highlighted the components of the report, which included the trend in well depth in the Sonoma Valley where over the last 60 years well depth had increased from 100 to 150 feet to over 500 feet in depth. He identified the challenges involved, the need for accurate information, the most recent land use information and the key aspect of linking the geology of the area to groundwater. Other issues related to water quality. Seventy five wells had been sampled as part of the study and historic data had been evaluated along with specific issues of importance. He stated that overall water quality on a regional level was of generally acceptable levels.

Director Prushko questioned whether or not the source of the water had been identified, reported by Mr. Reichard that the water was either from direct precipitation or water from the adjacent mountains and the interaction with Sonoma Creek. In general, much of Sonoma Creek appeared to be a drain instead of a source. The source of water was the precipitation that fell in the watershed of Sonoma Creek from either the higher elevations or from the valley floor itself.

Mr. Reichard identified the salinity results and explained that the saline results had moved somewhat since the last study 50 years ago and identified potential concerns. He added that the final main task of the study was to monitor groundwater flow. A groundwater flow model was presented to assess potential impacts and key data gaps. He explained how the model, which went up to 2000 only, was used to simulate water levels throughout the area.

Vice President Kenny advised of the difficulty in identifying wells. He asked how the study had been able to identify the 75 wells it had identified in the modeling. He was advised of the wells that had been used to comprise the model.

In response to Director Prushko, **Mr. Reichard** stated that most of the wells were Department of Water Resources identified wells and a fall measurement had been taken in most cases. He explained that the highs and the lows on a seasonable basis had been considered. He also noted the intent to have a historic record of water levels to see how those levels would change.

With respect to the Stakeholder Assessment, **Bill Keene** of the Water Agency stated that subsequent to the 2001 study, the Water Agency Board had a workshop in November 2004 to evaluate groundwater management and to develop a work plan for groundwater management. The study had been conducted by the Center for Collaborative Policy.

The Stakeholder Assessment was the interview process, a series of questions asked of each respondent. The assessment was designed to look at water supply and groundwater issues in the Sonoma Valley. It consisted of 16 interviews involving 30 people. The findings of the assessment identified the importance of educating residents about the water supply, the fact that pumping existing quantities of groundwater was not considered to be sustainable and a concern for water quality. With respect to recycled water, recycled water was viewed favorably and an expanded use was encouraged. As to land use, it was recommended that land use decisions be linked with available water supply. The importance of being sensitive to well monitoring and data collection and analysis in the valley was also expressed. Further, comments were received that a hydro geologic assessment could provide a framework for planning, there was motivation for groundwater management planning, and there was a desire to prevent further depletion of the aquifer.

Mr. Jasperse introduced groundwater management plans under AB 3030 and emphasized the importance of groundwater management in the Sonoma Valley. He explained what could occur without groundwater management. He also identified the benefits to groundwater planning which would, among other things, maintain local control. He noted that AB 3030 provided a large leeway in how to approach water management. He emphasized local control and a collaborative process through stakeholder groups in a non-regulatory approach. He added that one of the benefits would be to gain state funding which required a Groundwater Management Plan prior to any state funding for water projects.

Mr. Jasperse stated that the Water Agency had authorized the development of a work plan to identify the best approach to develop a Groundwater Management Plan in Sonoma County. He identified the five phases of the phased approach for developing that plan.

Director Prushko questioned what would trigger a call to conservation, reported by Mr. Jasperse that groundwater levels could drop in certain areas of the valley over time. He suggested that the work that had been done put the Water Agency in a good position to allow the issues to be discussed and look to the future as to how to best manage that resource. Once groundwater quality was degraded, he stated it would not come back easily.

Mr. Keene spoke to the funding and explained that \$1.2 million had been spent studying groundwater in the basin. To date, there had been no cost to the VOMWD. Over the past several months work had been ongoing to develop a cooperative agreement. He noted that there were a number of cooperating agencies. The desire was to utilize a three year process to develop a Water Management Plan at a cost of \$150,000 annually. He identified the VOMWD's contribution in that regard to \$30,000 annually for a total of \$90,000. He explained that after the third year there would likely be some costs associated with implementing a management plan. Those costs were unknown at this point.

Mr. Keene described the work that was being done to secure some monetary assistance and some technical assistance from the State to offset some of the identified costs. He stated that the Department of Water Resources (DWR) was very supportive of the commitment to the groundwater study to date and were supportive of the groundwater management process.

With respect to next steps, **Mr. Keene** stated that the Water Agency would work to finalize a Cooperative Funding Agreement with local partners, finalize the DWR Memorandum of Understanding (MOU) and return to the Water Agency Board on June 20, 2006 to consider the approval of the work plan, the authorization to sign the DWR MOU and authorize signature to the Cooperative Funding Agreement. He identified what would occur over the next three years to be able to implement the plan and monitor the basin.

Vice President Kenny requested a clarification of the representation in the process, which information was provided to him. **Mr. Keene** added that a similar presentation would be made to the City of Sonoma City Council on May 17, 2006.

Director Prushko spoke to AB 3030 and Prop 50 funds and questioned whether or not proposals had been submitted to take advantage of those findings. He was advised by **Mr. Keene** that he and **Mr. Jasperse** had met with DWR staff and were pursuing an MOU for funding with the DWR.

Mr. Keene added that he was considering a project to link groundwater, recycled water and floodplain information, offering multiple benefits in a regional area, where groundwater supply and reliability of sources of water, fisheries issues and others would be considered. It was his hope as part of the Basin Advisory Plan and in light of the groundwater management objectives to partner with various entities to address multiple benefits.

Director Woods verified with **Mr. Keene** that there was nothing in the VOMWD's participation in the study that would prohibit in any way the exploration of groundwater resources in the VOMWD. He also verified that if the study ultimately resulted in a Groundwater Management Plan that would require the approval of the VOMWD Board of Directors if it affected the VOMWD.

As to any particular outcomes of the completion of the study in terms of water management, in response to **Director Woods**, **Mr. Keene** referred to the components of the Groundwater Management Plan and stated that the Basin Advisory Panel would develop basin management objectives, which was the first phase in the development of the Plan, with additional steps to follow along the way related to achieving those steps and monitoring.

Director Woods clarified that approving the study would not restrict the VOMWD to any particular course of action.

President Smith verified that there was precedent for the study elsewhere in the state. He requested a matrix of which groups used what proportion of the water from the four sources. Given that the plan would

be funded by various agencies he wanted to determine how the plan would benefit all water users.

Mr. Keene stressed that a plan such as the subject plan required broad local support, which was one reason for the Stakeholder Assessment. He emphasized the need to increase education around water issues within the valley, one of the first tasks to complete the work.

Mr. Gradolph asked when the water model would be updated, reported by Mr. Reichard that the water model had been designed to be updated every four to five years.

Mr. Jasperse added that the Water Agency would anticipate doing a lot of that work. The Water Agency would fund \$40,000 for the consultants, hold the meetings, offer education and many of the things described in the work plan. There was also technical work that needed to be done, such as the model update, which would be done by Water Agency staff.

Vice President Kenny asked why creek water could not be put into the ground. **Mr. Reichard** advised that the conjunctive use of ground and surface water would involve legal and institutional issues, water rights and other issues that would have to be addressed.

The following related item was taken out of agenda order.

8. OLD/NEW BUSINESS

- A. Discuss/Direct:** Action Plan for the Sonoma Valley Groundwater Management Plan

General Manager Krishna Kumar referred to the Draft Cooperative Agreement to Provide Funding and Support Information for Sonoma Valley Groundwater Management Planning Process attached to the staff report dated May 2, 2006. He sought Board direction at this time and stated that the actual approval would be considered at the Board meeting scheduled for June 6. In order to fund the VOMWD's annual share, he stated that the annual contribution from Operations to the Capital Improvement Program (CIP) would need to be reduced by approximately \$30,000. He added that due to an available fund balance in the CIP account, the requested funding would not jeopardize any projects.

Director Bramfitt referred to the USGS study and was pleased with an update of a report that had last been developed in the late 1960's or early 1970's. He agreed with the need to maintain an updated study. He suggested that there were some clear gaps in the study and he suggested that the model be fine-tuned. With respect to the Ground Basin Study and the proposed management activities, he recognized concerns from members of the VOMWD Board.

Director Bramfitt recognized some positives in the proposal, particularly the maintenance of local control over groundwater management. With respect to public outreach, he suggested that the avenue for the VOMWD and other agencies would be to communicate with the agricultural users and private well owners in the valley. He supported the proposal, stated that the VOMWD should be a part of it and he was glad to see that the Water Agency, City, VOMWD, Sanitation District, Sonoma County and others would be involved.

Director Bramfitt recommended that staff return the matter back to the Board for action. He also sought Board discussion on the implications to the budget over the long term. He sought additional discussion of how the VOMWD would fund its share of the cost.

Director Woods generally supported Director Bramfitt's comments and looked forward to the return of the item to the Board.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for March 2006

Motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of March 2006 in the amount of \$266,914.21.

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 April 2006, as follows:

- **Project #2855 - Glen Ellen Storage Tank:** Electrical and fence work had begun and was expected to be completed by May 5. The water sample results had been forwarded to the Department of Health Services (DHS) for its review and it had offered its approval to place the tank on line. The tank would be placed on line on May 3. Subsequently, the tank would be formally dedicated. The planting plan, which had to be modified, would be all native planting. Soils had been removed from the front and rear portion of the tank to clean up the prior oil spill.
- **Project #2892 – Agua Caliente Booster Station:** The contractor was in the process of ordering the vault and other equipment. Once delivered, the project would continue.
- **Project #2899 – Boyes Springs Water Mains:**
- **Project #2900 – El Verano Area Water Mains:** The 100 percent drawings and bid specifications had been completed. Permission to advertise the project was on the agenda for action.
- **Project #2901 – Glen Ellen Area Water Mains:** Award of contract was requested.
- **Project #2902 – Production Well No. 5:** The test well drilling portion of the project was out to bid. A recommended pre-bid meeting had been held on April 27. Bids to be opened on May 18, 2006.

C. Water Source Report

With respect to a prior comparison of data for same month year to year, **General Manager Kumar** explained that those comparisons were not exact in that the Water Agency read meters on different dates for the same month in different years. As such, there could not be a one on one comparison.

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

Director Bramfitt advised that he would not be available for the June 6 meeting.

Vice President Kenny asked about the discharge from the reservoirs and noted that some dams were half

full. He sought the rationale of that situation. He was advised by **Director Bramfitt** that there were almost flood level waters in the Sacramento River and water was being released in anticipation of the snow melt.

Director Prushko noted his understanding that Lake Mendocino and Lake Pillsbury purposely held its water supply. He was advised by Mr. Kumar that the Water Agency was under obligation to release a specified amount of water to maintain a certain flow level in the river.

President Smith reported that he had attended the Sonoma Valley Water Forum last week. He had been impressed that there were a certain number of groups sponsoring the forum, however, there was no opportunity to find out specifically whether any representatives of those groups had attended the forum.

On other matters, **President Smith** stated that he had also attended the Water Advisory Committee (WAC) meeting on May 1.

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

A. Water Advisory Committee (WAC) Meeting of May 1, 2006

General Manager Kumar stated that the City of Santa Rosa's consultant had presented the status of the City's Incremental Recycled Water Program which explored ways to relocate the existing discharge locations on the Russian River for the treated water from the Sub-Regional Waste Water Treatment Plant. Both direct and indirect discharges had been studied. The City appeared to opt for direct discharge for a variety of water quality reasons. A draft Environmental Impact Report (EIR) would be available by April 2007, wherein discharge alternatives would be identified and evaluated. Currently, about 25 percent of Santa Rosa's treated water was discharged, representing less than 5 percent of the Russian River's flow. The Water Agency indicated that it would pay attention to the discharge alternative ultimately chosen by the City and would discuss the matter with representatives of the Department of Health Services and the WAC.

With respect to the Temporary Impairment MOU, out of the 10 signatories of the MOU, all but Marin Municipal Water District (MMWD) had approved the MOU's extension for another three years. The MMWD questioned the need for the MOU given its opinion that there was currently no impairment to the Water Agency's transmission system. The WAC determined to proceed with the MOU without MMWD as a signatory. A new version of the MOU would be presented to the VOMWD Board for consideration, the only change being the omission of MMWD as a signatory.

Mr. Kumar referred to the required ethics training and advised that MMWD was conducting ethics training for Boardmembers on May 18 at its offices in Corte Madera, with separate morning and afternoon sessions. MMWD had extended an invitation to the Boardmembers of other water districts in the region.

B. Alberca Road Surplus Property

Mr. Kumar advised that the VOMWD had been attempting to finalize the sale of a surplus property on Alberca Road for four years. The VOMWD had initiated legal proceedings to assert certain easements which were required before the sale of the property could proceed. Mediation sessions had been held to attempt to resolve the issues. The VOMWD had successfully negotiated all the required easements and the sale of the Alberca property had been finalized, resulting in sale proceeds of \$242,700 to the VOMWD.

Mr. Kumar also reported that the Water Agency had adopted a shortage allocation methodology under the existing agreement. He was awaiting a copy of the adopted policy which would be provided to the Board at

its next meeting.

8. OLD/NEW BUSINESS

- B. Discuss/Adopt:** Resolution No. 060503, Approving the Restructured Agreement and Authorizing the President to Execute the Document and to Approve Minor, Administrative Changes to the Said Document, if Any

Mr. Kumar stated that the Board had approved the Restructured Agreement in October 2005. Subsequent to that approval, at the request of certain other water contractors, the Water Agency had agreed to amend Section 2.4 of the Agreement dealing with the Potter Valley Project. He recommended the adoption of the Restructured Agreement with a modification to the language, as presented.

Motion by **Director Bramfitt**, seconded by **Director Woods** and carried unanimously by a voice vote to adopt Resolution No. 060503 approving the Restructured Agreement, as amended and to remove the Marin Municipal Water District as a signatory, authorize the President to execute the document and to approve minor administrative changes to said document, if any, and authorize the General Manager to file the Notice of Exemption with the Sonoma County Clerk in accordance with the provisions of the California Environmental Quality Act (CEQA).

- C. Discuss/Set:** Date and Time of Public Hearing to Receive Public Comments Regarding the 2006-07 Final Budget and a Proposed 2.5 Percent Water Rate Increase

Mr. Kumar stated that the Board had reviewed the VOMWD's proposed budget at its last meeting. He noted two changes; a recommendation that the VOMWD conduct a full system water audit for the VOMWD which had not been done for several years as required under Best Management Practice (BMP) 3, at an approximate cost of \$40,000, or consider increasing the proposed rate increase by a half to one percent to pay for the expenditure, which would raise approximately \$35,000. The second item related to the \$30,000 funding requested for the ground water management planning process, which he suggested might also strengthen the case for an additional rate increase.

Mr. Kumar recommended that the date of June 6, 2006 at 7:00 P.M. be set as the date and time for the Public Hearing to receive public comments regarding the 2006-2007 final budget and a proposed 2.5 percent water rate increase.

Director Bramfitt characterized the full water system audit as a one-time expenditure that could be accommodated by reducing the transfer from the operations fund to the CIP, although the cost of the Groundwater Basin Study would relate to at least three years and potentially beyond. He suggested that \$30,000 would warrant a rate increase in that respect, which would increase a 2.5 percent rate increase to a 3.3 percent increase.

Director Prushko agreed and preferred to do what was needed along the way as opposed to burdening the ratepayers with a greater increase at a later date.

President Smith acknowledged that the Board had recently worked very hard to get the Water Agency to reduce its increase. He asked if the notice for the next meeting had to identify the percentage increase involved. As such, he acknowledged that the Board would have to consider at this time whether or not to

consider something greater than a 2.5 percent increase.

Director Woods commented that a 2.5 percent rate increase for a lowest tier user would represent a \$0.43 increase. He suggested that was a very modest increase given the increased cost to the VOMWD for costs of water from the Water Agency. With a 3.3 percent increase, a \$0.50 increase was probable for the lowest tier.

By consensus, the Board supported a 3.3 percent rate increase and set June 6, 2006 at 7:00 P.M. as the date and time of the Public Hearing to receive public comments regarding the 2006-2007 final budget and a proposed 3.3 percent water rate increase.

D. Discuss/Award: Glen Ellen Water Mains Project No. 2901 Construction Contract to Pipeline Excavators in the Amount of \$446,755

Mr. Kumar recommended that Project No. 2901, Glen Ellen Area Water Mains Replacement Project be awarded to Pipeline Excavators in the amount of \$446,755.

Motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously by a roll call vote to award Project No. 2901, Glen Ellen Area Water Mains Replacement Project to Pipeline Excavators in the amount of \$446,755.

E. Award/Approve: Sonoma County Water Agency SCADA Interface Project No. 2909 Construction Contract to Control Systems West, Inc. in the Amount of \$15,577

Mr. Kumar stated that the lowest bid had come from Control Systems West, Inc. which had also provided additional services not addressed in the qualifications for an additional \$1,620. He recommended that Project No. 2909, Sonoma County Water Agency Interface Project No. 2909 be awarded to Control Systems West, Inc. in the amount of \$15,577.

Mr. Gradolph characterized the bid as very good in comparison with the others that were in excess of \$20,000.

Motion by **Director Prushko**, seconded by **Director Bramfitt** and carried unanimously by a roll call vote to award Project No. 2909, Sonoma County Water Agency Interface Project No. 2909 to Control Systems West, Inc. in the amount of \$15,577.

President Smith adjourned into Closed Session at 8:57 P.M.

9. CLOSED SESSION

A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957 – General Manager

10. RECONVENE INTO OPEN SESSION

President Smith reconvened into open session at 9:40 P.M. and advised that there was nothing to report from Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

Two items had been requested for the future Board agenda; goal setting workshop and an update on the Hill Road project.

12. ADJOURNMENT

Motion by **Vice President Kenny**, seconded by **Director Prushko** and carried unanimously to adjourn the meeting at 9:44 P.M. The next scheduled meeting is a regular meeting on June 6, 2006 at 6:30 P.M.

Shari Walk, Deputy Board Secretary