

**VALLEY OF THE MOON WATER DISTRICT**  
**REGULAR MEETING MINUTES**  
June 6, 2006

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 6, 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 Walk** noted the following present:

Directors Present:	Ron Prushko Michael Woods Sanford Smith
Directors Excused:	Mark Bramfitt Ed Kenny
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Public Present:	Ken Borba and Sandi Hansen, <u>Sonoma Index-Tribune</u>

**2. PUBLIC COMMENTS**

There were no comments from the public.

**3. CONSENT CALENDAR**

- A.** Receive and Approve Minutes of Regular Meeting of May 2, 2006
- B.** Adopt:
  - 1. Resolution No. 060601, Accepting an Easement Grant Deed from Joseph Merz
  - 2. Resolution No. 060602, Quitclaiming a Portion of the Existing Easement Grant Deed to Joseph Merz
- C.** Adopt Resolution No. 060603 Accepting Project Closing Documents, Water Main Extension Agreement with William Ivancovich, Project No. 2896
- D.** Adopt Resolution No. 060604 Supporting a Cooperative Grant Application by the Sonoma Ecology Center and Authorizing the President to Sign the Letter of Support
- E.** Adopt Resolution No. 060605 Approving the Extension of Memorandum of Understanding Regarding Water System Capacity Allocation During Temporary Impairment; 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)

- F. Adopt Resolution No. 060606, Designating the General Manager as the Authorized Agent of the District for Purposes of Obtaining Federal Financial Assistance
- G. Receive and File an Informational Item Regarding Water Shortage Allocation Methodology Adopted by the Sonoma County Water Agency
- H. Approve Amendment No. 3 - General Manager's Employment Agreement

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

4. **PUBLIC HEARING – Time Set 7:00 P.M.**

- A. Proposed Water Rate Increase, Effective July 1, 2006

Given that the 7:00 P.M. hour had not yet arrived, the Board of Directors considered other items on the meeting agenda at this time.

5. **OPERATIONAL & COMMITTEE REPORTS**

- A. Approve Current Financial Reports for April 2006

Office Manager Shari Walk reported that there was a \$283,000 surplus to date, primarily a result of the sale of the VOMWD's last surplus property.

Motion by **Director Woods**, seconded by **Director Prushko** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2006 in the amount of \$255,866.00.

- 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 May 2006, as follows:

- **Project #2855 – Glen Ellen Storage Tank** – The project had reached a point of substantial completion with minor punch list items remaining. Staff would be seeking Board direction to hold a dedication ceremony under Old/New Business on the current meeting agenda.
- **Project #2892 – Agua Caliente Booster Station** – The contractor was scheduled to start the project on June 6, after allowing for time extension to the contractor due to the wet site conditions earlier in the year.
- **Project #2899 – Boyes Springs Water Mains:** A prebid meeting was held on May 25 and the bid opening had been scheduled for June 20. It was anticipated that staff would bring a recommendation for award of the project at the July Board meeting.
- **Project #2900 – El Verano Area Water Mains:** A prebid meeting was held on May 25 with the bid opening scheduled for June 20. It was anticipated staff would bring a recommendation for award of the project at the July Board meeting.

- **Project #2901 – Glen Ellen Area Water Mains:** The project consists of the replacement of the water mains and services on Robertson Road, London Ranch Road, Chauvet Road, Arnold Drive and Gibson Street in the Glen Ellen area. Construction of the project would start in early June.
- **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. Award of contract had been included as a Board item under Old/New Business on the current meeting agenda.

**President Smith** commented that the Glen Ellen water tank was barely visible and the site looked good.

C. Water Source Report

**President Smith** acknowledged the significant decrease in water use in April from both prior years.

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

**President Smith** reported on his attendance at the Association of California Water Agencies (ACWA) Conference in Monterey the second week in May. He advised that his written report of that conference had been presented to staff and the Board. As reported at the conference, there was a plethora of water related bond measures that would be placed on the November ballot, which could create a concern for the passage of any of those bond measures. He added that he had also attended the recent Water Advisory Committee (WAC) meeting.

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

A. Water Advisory Committee (WAC) Meeting of June 5 2006

**General Manager Krishna Kumar** reported that the Restructured Agreement had been approved by all the water contractors. Under the Restructured Agreement, there would be a WAC Committee comprised of elected representatives and a Technical Advisory Committee (TAC) comprised of staff members. The WAC would meet once a quarter and the TAC would meet once a month. At the July Board meeting, the VOMWD Board of Directors would be asked to identify representatives to the two groups.

**Mr. Kumar** presented the highlights of the meeting related to a sustainable initiative that the Sonoma County Water Agency (Water Agency) had recently approved. The Water Agency would contract with the Sustainable Earth Institute to define the sustainability goals of the Water Agency and the region. The Water Agency was assisting in organizing a conference *Climate Protection 2: Everybody Profits*, to be held on July 14 at the Spreckles Center in Rohnert Park.

B. Sonoma Valley Hospital Emergency Preparedness Community Forum

**Mr. Kumar** also reported that Sonoma Valley Hospital had sponsored an Emergency Preparedness Community Forum. At the invitation of Sonoma Valley Hospital, the VOMWD and other community organizations had participated in that forum.

C. Eldridge Madrone Pipeline

**Mr. Kumar** announced that the Eldridge Madrone Pipeline and the Water Agency’s Collector 6 System were now on line.

D. VOMWD Operators

**Mr. Kumar** advised that two VOMWD operators had passed Grade 3 and Grade 1, Brian Larson and Sam Villasenor had taken the certification exams. He acknowledged both accomplishments. Commenting that two current employees with Grade 3 certification had indicated that they would retire soon, he recognized the importance of having a new Grade 3 operator on staff.

E. *California's Water* – Huell Howser Production

**Mr. Kumar** reported that members of the Association of California Water Agencies had participated in the production of a fifteen part series for public television – *California's Water* – which was produced by Huell Howser. Information on the project was provided to the Board. The District would receive the entire complimentary copy of that series.

F. Pictures in the Boardroom

**Mr. Kumar** took the opportunity to identify new pictures in the Board Room, which included a picture of the Delta.

G. Next Board Meeting

Since the first Tuesday of July was on the 4<sup>th</sup>, **Mr. Kumar** stated that the next Board meeting would be on Wednesday, July 5, 2006.

**President Smith** considered Item 8 B. at this time since Item 8 A. related to the public hearing, yet to occur.

**8. OLD/NEW BUSINESS**

- B. Award/Authorize:**
1. Award Construction Contract to Nor-Cal Pump & Well Service in the Amount of \$257,293.74 for Installing the Verano Avenue Test Well Project No. 2902
  2. Authorize the General Manager to File the Notice of Exemption with the Sonoma County Clerk

**Mr. Kumar** advised that the bids for the test well installation had been opened on May 18. The Engineering firm of Todd Engineers had recommended that the contract be awarded to the low bidder, Nor-Cal Pump & Well Service. Sufficient funds were available in the District Capital Improvement Program (CIP) budget to carry the project and the amount would be reimbursed by the Water Agency. He added that the project would be exempt under CEQA guidelines per Section 15306. He recommended that the Board award the contract to Nor-Cal Pump & Well Service in the amount of \$257,293.74 for installing the Verano Avenue Test Well – Project No. 2902 and authorize the General Manager to file a Notice of Exemption with the Sonoma County Clerk.

On motion by **Director Prushko**, seconded by **Director Woods** and carried unanimously by a roll call vote to award contract to Nor-Cal Pump & Well Service in the Amount of \$257,293.74 for installing the Verano Avenue Test Well Project No. 2902 and authorize the General Manager to file the Notice of Exemption with the Sonoma County Clerk.

- C. Approve/Authorize:** Approve Cooperative Agreement to Provide Funding and Support Information for Sonoma Valley Groundwater Management Planning Process and Authorize the President to Execute the Document and to Approve Minor, Administrative Changes to Said Document, if Any

**Mr. Kumar** stated that the Board had directed staff to return the item to the Board for consideration. He noted that the City of Sonoma had approved the agreement and also the VOMWD budget had been adjusted to accommodate the annual \$30,000 payment. He recommended approval of the Cooperative Agreement.

On motion by **Director Prushko**, seconded by **Director Woods** and carried unanimously by a roll call vote to approve the Cooperative Agreement to provide funding and support information for Sonoma Valley groundwater management planning process, and authorize the President to execute the document and to approve minor, administrative changes to said document, if any.

- D. Discuss/Approve:** Amendment No. 2 to Task Order No. 05-2855-01 to Winzler & Kelly to Increase the Not-to-exceed Amount by \$5,000 for Construction Observation and Inspection Services on the Glen Ellen Storage Tank Project

**Mr. Kumar** noted that the Board had previously approved an amendment in the amount of \$20,000 that had included the costs associated with the diesel spill to be paid by North Bay. Winzler & Kelley anticipated an additional \$2,685 on account of the diesel spill, which amount would be reimbursed by North Bay and \$2,315 on account of regular inspection related services. Together that would mean an additional \$5,000 to the Winzler & Kelly contract. He characterized the additional request as reasonable.

**Mr. Kumar** recommended that the Board approve by a roll-call vote, Amendment No. 2 to Task Order 05-2855-01 to Winzler & Kelly to increase the not-to-exceed amount by \$5,000 for construction observation and inspection services for the Glen Ellen Storage Tank Project.

On motion by **Director Prushko**, seconded by **Director Woods** and carried unanimously by a roll call vote to approve Amendment No. 2 to Task Order 05-2855-01 to Winzler & Kelly to increase the not-to-exceed amount by \$5,000 for construction observation and inspection services for the Glen Ellen Storage Tank Project.

- E. Discuss/Receive:** Receive Memorandum Dated May 22, 2006 from Maddaus Water Management Regarding the District's Projected 2030 Water Savings from Tier Two and New Development Conservation Measures

**Mr. Kumar** explained that the Board had been kept up-to-date on the matter for the past few months. The projected water demand in 2030 would be approximately 3,779 acre feet. Several water conservation possibilities had been identified for a total water savings of 541 acre feet. No action was being requested of the Board at this time.

**Mr. Kumar** explained that staff would negotiate with the Water Agency for the annual allocation which would also depend on the completion of the Environmental Impact Report (EIR). He recommended that the Board receive the memorandum dated May 22, 2006 from Maddaus Water Management regarding projected 2030 water savings from tier two and new development conservation measures.

**Director Woods** questioned whether or not the projected water savings were considered to be reasonable and if not, whether or not the Board should express that now. He was advised by Mr. Kumar that William Maddaus of Maddaus Water Management had done a very thorough work in analyzing the potential water savings.

**Director Woods** had no objections but urged the Board to consider the cost implications if and when the Board approved the specific water conservation programs. He also questioned whether or not the numbers would have a persuasive effect in negotiations for water allocations in years to come.

**Mr. Kumar** stated that the only contractual agreement in existence today was the Restructured Agreement. The Restructured Agreement's 8.5 mgd (million gallons/day) for the VOMWD was a binding contractual agreement, with a sufficient cushion. The annual allocation number was contractually non-binding.

**President Smith** verified that the firm that was hired by the Water Agency would do the work for all of the water contractors.

The VOMWD Board received the memorandum dated May 22, 2006 from Maddaus Water Management regarding projected 2030 water savings from tier two and new development conservation measures.

At the 7:00 P.M. hour, **President Smith** opened the public hearing for the proposed water rate increase.

4. **PUBLIC HEARING – Time Set 7:00 P.M.**

A. Proposed Water Rate Increase, Effective July 1, 2006

**Mr. Kumar** stated that at the Board meeting of May 2, 2006, the Board had directed staff to set June 6, 2006 at 7:00 P.M. as the date and time to consider a proposed water rate increase effective July 1, 2006.

PUBLIC HEARING OPENED

There was no one to speak to the proposed water rate increase.

PUBLIC HEARING CLOSED at 7:02 P.M.

8. **OLD/NEW BUSINESS**

A. **Discuss/Adopt:**

Resolutions

1. No. 060607, Amending Regulation for Water Use and Service Charge, Effective July 1, 2006
2. No. 060608, Approving the Fiscal Year 2006-2007 Operations and Maintenance Budget and Annual Investment Policy
3. No. 060609, Approving the Fiscal Year 2006-2007 Capital Improvement Program

**Mr. Kumar** reported that the final budget for Fiscal Year 2006/2007 for \$3,754,896 included a transfer of \$530,000 to the CIP. The operating revenues for the coming fiscal year had been projected at \$3,755,455, with a final budget indicating a surplus of \$559. The CIP amounted to \$2,425,714, and the total for the next five fiscal years had been estimated to be \$5,524,314.

**Mr. Kumar** recommended that the Board by a roll call vote adopt the following resolutions:

1. No. 060607, Amending Regulation for Water Use and Service Charge, effective July 1, 2006.
2. No. 060608, Approving the Fiscal Year 2006-2007 Operations and Maintenance Budget and Annual Investment Policy.
3. No. 060609, Approving the Fiscal Year 2006-2007 Capital Improvement Program Budget.

**Director Prushko** noted his understanding that there had been a CIP budget of \$700,000 at one time.

**Mr. Kumar** noted that the CIP had been \$700,000 as a result of the sale of surplus properties, but had been reduced to \$570,000 for the last three years, dropping by \$40,000 to accommodate the system-wide water audit. It would return to \$570,000 next year. In response to Director Prushko, he described a system-wide water audit. Given a slightly higher unaccounted for water loss of over 10 percent, he noted that BMP 3 [Best Management Practice 3] required an unaccounted for water amount of less than that amount, requiring an audit to identify that loss, which also included a Leak Detection Program. He noted that \$40,000 was a placeholder to carry out the task of bringing the unaccounted for water to an amount less than 10 percent.

**Director Prushko** noted his understanding that the unaccounted for water could be a result of not only leaks but a need for meter calibration. He clarified that VOMWD personnel would identify the leaks in the system first.

**Director Woods** verified that the item would return to the Board to consider a specific proposal. He characterized the proposed increase as modest and recognized that most of the increase was needed to offset the increased cost of purchased water, the groundwater management study and the system-wide water audit. He supported the resolutions.

Motion by **Director Woods**, seconded by **Director Prushko** and carried unanimously by a roll call vote to adopt Resolutions No. 060607, amending Regulation for Water Use and Service Charge, effective July 1, 2006; No. 060608, approving the Fiscal Year 2006-2007 Operations and Maintenance Budget and Annual Investment Policy; and No. 060609, approving the Fiscal Year 2006-2007 Capital Improvement Program Budget.

**President Smith** thanked Mr. Kumar for including the total annual water cost comparison chart prepared by the North Marin Water District. He noted that the chart had indicated that of the eight primary water contractors that obtained water from the Sonoma County Water Agency, the VOMWD had the second lowest cost, acknowledging the removal of Forestville from the prime water contractors.

The Board continued with the remaining agenda item.

- F. Receive/Direct:** Receive Status Report Regarding Implementation of the Inputs Received from the Hill Road Residents for the Construction of the Glen Ellen Water Storage Tank and Direct Staff Regarding the Holding of a Dedication Ceremony at the Tank Site in the Month of July

**Mr. Kumar** noted that Director Woods had requested the item at the last Board meeting. The specific changes requested by the Hill Road residents and as authorized by the Board had been incorporated into the construction of the tank, as listed in the staff report. All eight of the requests that had been made had

been accommodated by the VOMWD. As the construction was nearing completion, he proposed a dedication ceremony at the site. Dates were offered for when that dedication ceremony might occur.

**Director Woods** thanked Mr. Kumar for the follow-through. He commented that a dedication would be appropriate.

The potential dates for a dedication ceremony were discussed by the Board, to be finalized pending the determination of the schedules of the absent Board Members.

**9. CLOSED SESSION**

A. None

**10. RECONVENE INTO OPEN SESSION**

There was no Closed Session.

**11. REQUEST FOR FUTURE AGENDA ITEMS**

There was no request for future agenda items.

**12. ADJOURNMENT**

**President Smith** adjourned the meeting at 7:16 P.M. The next scheduled meeting is a regular meeting on Wednesday, July 5, 2006 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary