

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
January 2, 2007

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, January 2, 2007, 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:	Mark Bramfitt Ed Kenny Sanford Smith Russ Townsend
Directors Excused	Ron Prushko
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Public Present:	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 November 7, 2006
- B.** Receive and Approve Minutes of Regular Meeting of December 5, 2006
- C.** Adopt Resolutions – No. 070101, accepting easement grant deed from Sonoma Mountain Homestead Lake Jo Road, LLC; No. 070102, accepting easement grant deed from Sonoma Mountain Homestead II, LLC; No. 070103, accepting easement grant deed from Sonoma Mountain Homestead III, LLC; No. 070104, accepting easement grant deed from Sonoma Mountain Homestead IV, LLC; and No. 070105, accepting project closing documents for the Sobre Vista Management LLC Water Main Extension Agreement, Project No. 2850.
- D.** Informational report about excess flow diversions by PG&E

Director Bramfitt abstained from Item A of the Consent Calendar due to his absence from that meeting.

Director Townsend also abstained from Item A, since he was not serving on the Board at the time.
Director Smith abstained from Item B of the Consent Calendar due to his absence from that meeting.

Motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a voice vote to adopt the Consent Calendar, with the removal of Item A.

Since there was a lack of a quorum of the members present at the November 7, 2006 meeting, Item A, was carried forward to the next meeting.

4. PUBLIC PRESENTATION

There was no public presentation.

President Smith moved to Item 8.A with no objections.

8. OLD/NEW BUSINESS

A. **Discuss/Appoint:** President, Vice President, Secretary, and Deputy Secretary

Director Bramfitt thanked President Smith for his service as President during the past year. Director Bramfitt pointed out that it took a lot of effort to keep track of the meetings and to participate in them at the same time. **Director Bramfitt** complimented President Smith for having done a fantastic job on behalf of the District at the Water Advisory Committee (WAC) and JPIA meetings.

Director Bramfitt nominated Ed Kenny for President. There were no further nominations and the nominations were closed.

On the nomination of Ed Kenny for President, *Ed Kenny* was unanimously selected to serve as the President of the Board of Directors of the Valley of the Moon Water District

Director Kenny nominated Mark Bramfitt for Vice-President. There were no further nominations and the nominations were closed.

On the nomination of Mark Bramfitt for Vice-President, *Mark Bramfitt* was unanimously selected to serve as the Vice-President of the Board of Directors of the Valley of the Moon Water District

Director Bramfitt nominated General Manager Krishna Kumar for Secretary. There were no further nominations and the nominations were closed.

On the nomination of Krishna Kumar for Secretary, *Krishna Kumar* was unanimously selected to serve as the Secretary of the Board of Directors of the Valley of the Moon Water District.

Director Bramfitt nominated Office Supervisor Shari Walk for Deputy Secretary. There were no further nominations and the nominations were closed.

On the nomination of Shari Walk for Deputy Secretary, *Shari Walk* was unanimously selected to serve as the Deputy Secretary of the Board of Directors of the Valley of the Moon Water District.

The gavel was turned over to newly elected **President Kenny**, to complete the agenda.

5. OPERATIONAL & COMMITTEE REPORTS

- A.** Approve Current Financial Reports for November 2006

Motion by **Vice President Bramfitt**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of November 2006 in the amount of \$315,929.11.

- 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 December 2006, as follows:

- **Project #2902 – Production Well No. 5:**

Water quality analysis had indicated that the levels of iron and manganese are high enough to require removal. Brown and Coldwell had requested for an additional \$95,000 for completing the remaining design work as the need for treatment was not included in the original scope of work. Staff had requested for proposals from other engineering firms as they believed it may potentially result in a lower cost. The proposals were due on January 19th.

- C.** Water Source Report

General Manager Kumar reported that a new column headed MGD (million gallons per day) was added to the water source report for better comparison from year to year since the number of days between meter readings varies from year to year.

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

Vice President Bramfitt noted that the Basin Advisory Panel did not meet in the Month of Dec. 2006.

Director Smith reported that he had attended the ACWA/JPIA conference last month and provided a written summary of the meetings he attended.

Vice President Bramfitt updated the Board regarding his NO vote on an application for a use permit from an existing owner of warehouse space on Eighth Street East that had come up at the last Citizen Advisory Commission Meeting.

7. GENERAL MANAGER’S AND DISTRICT COUNSEL’S REPORT

General Manager Kumar thanked **Director Smith** for his presidency, noting that he enjoyed working with him, and also congratulated **President Kenny** for his appointment as President.

Mr. Kumar announced that staff is planning a retirement luncheon in honor of Larry Carniglia and Robert Freeland on February 6, 2007 (the day of the next board meeting) at the District office. Directors were invited to attend the luncheon if they wish to do so.

Mr. Kumar updated the Board on the recruitment of two new employees to replace Mr. Carniglia and Mr. Freeland. The position of Water Distribution Specialist closed on November 30th; the interviews for the two

candidates were scheduled for January 4, 2007. The anticipated start date for this position is February 8, 2007.

The position of the Water Distribution Mechanic I/II closed on December 29, 2006, and approximately 15 applications were received. The interviews were scheduled for February 8, 2007 and the anticipated start date for this position was March 1, 2007.

8. OLD/NEW BUSINESS (continued)

B. Discuss/Appoint: Board Representatives for 2007

Vice-President Bramfitt noted two vacancies where ex-Director Woods had previously served (first alternate to the ACWA Region 1 and the Board Representative to the Ad Hoc Liaison Committee with the City of Sonoma), and confirmed that the Water Advisory Committee meetings are now held quarterly. **Vice-President Bramfitt** said that he's willing to serve on the Water Advisory Committee but had no desire to serve as the ACWA/JPIA representative.

Director Smith said he was willing to continue serving on both the ACWA/JPIA committee and the Water Advisory Committee.

Director Townsend indicated his willingness to serve in place of ex-Director Woods on the Ad Hoc Liaison Committee with the City of Sonoma.

Motion by **Vice-President Bramfitt**, seconded by **Director Smith** and carried unanimously that the representatives for ACWA/JPIA and WAC continue as it stands, to replace ex-Director Woods with Director Townsend as the Board Representative to the Ad Hoc Liaison Committee with the City of Sonoma, and to carry over the ACWA Region 1 appointment to the next agenda as Director Prushko was absent.

C. Discuss/Approve: Agreement with Vulcan Construction and Maintenance, Inc. in an amount not to exceed \$125,000 for replacing water meters and polybutylene service lines and authorize the General Manager to execute the said agreement

Vice-President Bramfitt confirmed with staff that the service lines being replaced were between the main and the meter.

Director Smith asked if there was any other contractor besides Vulcan that would give us a better bid in terms of cost.

Mr. Gradolph explained that Vulcan specialized in this type of work, and he didn't believe we could get a better price than the one Vulcan has given. It was also noted that the price for replacing the meters was a little lower than last year's price for the same work by a different contractor.

Motion by **Director Smith**, seconded by **Vice-President Bramfitt** and carried unanimously to approve an agreement with Vulcan Construction and Maintenance, Inc. in an amount not to exceed \$125,000 for replacing water meters and polybutylene service lines, and authorize the General Manager to execute the said agreement.

D. Receive/Discuss: Results of the actuarial review for retiree medical benefits –

Governmental Accounting Standards Board (GASB) Statement
Numbers 43 & 45; Informational Item

General Manager Kumar, with the help of a PowerPoint presentation, described in detail the requirements of GASB Statements 43 & 45 and the implications for the District. He emphasized that the initial valuation, as required by GASB 45 was provided to the Board three years prior to the mandated reporting requirement from GASB to assist the Board in its future budget planning. The recommended course of action included the following.

1. As part of the budget process for FY 2007-08, that the Board earmark \$100 – 200K as a specially designated reserve for retiree medical obligations out of the existing undesignated reserves; and to consider adding an equivalent amount each in FY 2008-09 and FY 2009-10, subject to the availability of undesignated reserves.
2. As part of the next round of negotiations with employee bargaining units in FY 2009-10, explore alternative retiree medical benefit options with a view to reduce the overall cost.
3. Complete a comprehensive actuarial evaluation in FY 2009-10 to recalculate the unfunded accrued liability and the Annual Required Contribution (presumably the two steps mentioned above would considerably reduce both the unfunded liability and the ARC). It would also include different valuations based on alternative retiree health benefit packages, which would give more policy options to the Board.

9. CLOSED SESSION

A. None

10. RECONVENE INTO OPEN SESSION

There was no Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

12. ADJOURNMENT

On motion by **Vice President Bramfitt**, seconded by **Director Smith** and carried unanimously by a voice vote to adjourn the meeting at 7:37 P.M. The next scheduled meeting is a regular meeting on Tuesday, February 6, 2007 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Edward Kenny, Board President