

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
March 6, 2007

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, March 6, 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 Ed Kenny 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 Russell Townsend Ed Kenny
Directors Absent:	None
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor Matthew Fullner, Water Distribution Mechanic – I
General Manager:	Krishna Kumar
Public Present:	Ken Borba, Matthew Damos, Sandi Hansen, <u>Sonoma Index-Tribune</u> , and Martin Steinpress

2. PUBLIC COMMENTS

There were no comments from the public.

3. CONSENT CALENDAR

A. Receive and Approve Minutes of Regular Meeting of February 6, 2007

Motion by **Director Smith**, seconded by **Director Prushko**, and carried by a voice vote to adopt the Consent Calendar, as submitted with an abstention from **Director Bramfitt**.

President Kenny took the following items out of agenda order.

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

General Manager Krishna Kumar introduced Matthew Fullner who had joined the VOMWD as a Water

Distribution Mechanic I. He noted that Mr. Fullner had a current Water Distribution Operator Grade 2 Certification and had over two years of experience as a Water Distribution Service Technician with a private water system in Napa.

Matthew Fullner stated that he was a fifth generation Napan, a descendant of masons and prune farmers who enjoyed many outdoor activities and volunteering at his church youth group. He stated he had first become involved in water distribution when he and his in-laws had purchased a small water system. He stated that he would like to work toward obtaining a D5 and T5 license. He looked forward to working with the VOMWD.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for January 2007

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of January 2007 in the amount of \$339,452.59.

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 February 2007, as follows:

Project #2902 – Production Well No. 5: A kick off meeting with the Designing Engineer from Winzler & Kelly had occurred on March 2. Test pumping would occur on March 19.

Mr. Gradolph expressed his hope that Well No. 5 would be on line during the peak period next year.

Director Bramfitt commented that he had found a water leak on Lomita Avenue although the leak had been fixed by staff prior to his report of that leak.

C. Water Source Report

Mr. Gradolph reported that all the wells were well rested and ready for the June and July peak demands.

Director Prushko commented that it was nice to see Lake Sonoma full. He asked when the US Army Corps of Engineers would allow control of Lake Mendocino.

Matthew Damos, an engineer with the Sonoma County Water Agency (Water Agency), explained that May 1 was the date when the Water Agency would gain control during certain years and weather patterns. When asked who controlled the release, he stated that if allowed permission to control the flood control pool, the Water Agency would be allowed to control the release in mid-April. On May 1, the Water Agency would take control of calling the release. If there were significant storm events in between that period, the US Army Corps of Engineers would supersede the Water Agency's authority and take control. In further response to questions, he explained that it was the Agency's procedure and policy to retain as much water in the early months of spring as possible.

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

Director Bramfitt reported that he would attend the Association of California Water Agencies (ACWA) Legislative conference.

Director Smith reported that he would be attending ACWA's Personnel and Insurance Committee next week in Sacramento.

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

A. Technical Advisory Committee (TAC) Meeting of March 5, 2007

General Manager Kumar reported that at the March 5, 2007 TAC meeting, Randy Poole of the Water Agency announced that the Water Agency Board was planning to hold a workshop on April 10 at 10:00 A.M. to receive input from the water contractors as to the exact nature of the project to be included in the water supply and transmission system reliability project. He noted that the water contractors had requested that the Water Agency explore the inclusion in the Environmental Impact Report (EIR) of a pipeline along Dry Creek. The City of Santa Rosa had specifically asked the Water Agency that the option be analyzed in the EIR at a project level as opposed to a programmatic level. He described the differences of each. Mr. Poole had noted that the Water Agency was considering the inclusion of the pipeline at the programmatic level.

Mr. Kumar stated that Mr. Poole had indicated that the EIR would have to analyze all the options at the project level, which options he described at this time. He noted that all the options would be treated at the project level, which would be an extremely time consuming process. At that point, he stated that the TAC Chairman had asked for a straw vote from each contractor present. All preferred treating the pipeline option in the EIR at the programmatic level given the potential delay in the process.

Mr. Kumar advised that there would be another TAC meeting on April 2, prior to the workshop scheduled for April 10.

4. PUBLIC HEARING

A. Proposed Adoption of the Urban Water Management Plan

President Kenny opened the public hearing.

Martin Steinpress, Brown and Caldwell, described the preparation of the Urban Water Management Plan (UWMP) and its purpose, to fulfill requirements of the UWMP Act and required every five years if over 3,000 connections or serving over 3,000 acre feet/year. He explained that the Department of Water Resources (DWR) had a very detailed checklist of what was required and what would be reviewed, to a planning horizon to 2030 to provide a 25 year estimate of water supplies and demands.

Mr. Steinpress identified the planning process to develop population and water demand projections and to maximize conserved and recycled water that would be balanced with groundwater and Russian River water. He presented the methodology used to forecast water needs and identified how the water demand projections had been established and the conservation potential evaluated.

Mr. Steinpress also described the conservation measures in the plan, identified conservation savings and

percentage of demand and presented Water Agency supply assumptions with percentage of demand versus supply. He explained that the projected net water demand could be met by the Water Agency's supplies. He compared water supplies to demands by normal and multiple dry years and explained that the supply was sufficient to meet the VOMWD's demand under those scenarios. He stated that comparing supply and demand during a single dry year projected out into future years would result in a shortfall of supply relative to the demand by 6 percent in 2025 and 5 percent in 2030.

Mr. Steinpress stated in the event of a shortfall, the Water Shortage Contingency Plan would be implemented pursuant to the methodology described in the Restructured Agreement and there would be an increase of VOMWD groundwater supplies used until the Water Agency obtained the additional water rights and completed the water project.

President Kenny verified that the same type of information had been prepared for the City of Sonoma.

As to whether or not Sonoma was at a better or worse situation in response to Director Bramfitt, **Mr. Steinpress** noted that a draft plan would be submitted to the City of Sonoma in the near future.

Mr. Damos described the situations with respect to the VOMWD and the City of Sonoma as very similar. He added that the information would be in print.

Director Smith asked about the basis of the water supply assumptions where the listing of the three salmonid species under the Endangered Species Act would not reduce the amount of water the Water Agency could divert from the Russian River. He suggested that was a huge assumption.

Mr. Damos explained the basis of the assumption, on 500 different iterations in the model related to water flow. So far, he stated that all the modeling had shown the capacity to still divert water and meet water supply needs. He also explained in response to Director Prushko, the Water Agency's preference to use recycled water for beneficial uses before it was discharged into the river.

There were no other public comments.

President Kenny closed the public hearing.

8. OLD/NEW BUSINESS

- A. **Discuss/Adopt:** Resolution No. 070301, Adopting Urban Water Management Plan 2005 and Resolution No. 070302, Requesting a Supply of Water from the Sonoma County Water Agency Russian River Water System to Serve the Water Demand Resulting from Implementation of the Sonoma County General Plan

Motion by **Director Bramfitt**, seconded by **Director Smith** and carried unanimously by a roll call vote to adopt Resolution No. 070301, Adopting Urban Water Management Plan 2005; and Resolution No. 070302, requesting a supply of water from the Sonoma County Water Agency Russian River Water System to serve the water demand resulting from implementation of the Sonoma County General Plan.

President Kenny returned to the General Manager's report at this time.

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

General Manager Kumar reported that the Water Agency had announced that it had hired an outside firm to conduct a stakeholder survey. Contractors would be contacted by the firm to conduct 30-minute telephone interviews. He noted that was one of the ways the Water Agency used to find better ways to serve its clientele.

Director Bramfitt verified with Mr. Kumar that those to be contacted would be the managers of the water districts and utility departments and the Boardmembers associated with the WAC. He found that to be odd and stated that the Board spoke with one voice in terms of policy making and recommendations to the Water Agency. He did not support a separate poll or interview

Mr. Kumar suggested that the issue was one of confidentiality. When hiring an outside firm he suggested that the firm would encourage spontaneous responses. He noted that the outside firm collected and compiled all the information.

Director Bramfitt suggested that would subvert the process of the Board meeting as representatives of VOMWD customers discussing policy positions and attitudes, sometimes with disagreements but reaching a consensus position, which he suggested was what the Water Agency should be concerned with. He also suggested it subverted the principles of the Brown Act.

Director Prushko agreed and emphasized the need for an open forum.

Director Smith noted that he had a similar discussion with Mr. Kumar on the issue. He shared Director Bramfitt's concerns.

Mr. Kumar stated that the Board had the option of not participating in the survey.

Director Bramfitt expressed a preference to invite Randy Poole, the General Manager of the Water Agency, to a VOMWD Board of Directors meeting for a general discussion where individual opinions could be shared in the public forum.

Mr. Kumar advised that he would advise Mr. Poole of the Board's preference and invite him to a future meeting of the Board.

On other matters, **Mr. Kumar** reported that the Water Agency had distributed a listing of its 2007 California State Legislative initiatives. He also reported that Core Utilities, which provided VOMWD its computer support services, would revamp the VOMWD's web site. Input from the Board was solicited.

Mr. Damos took this opportunity to state that as the Project Manager for the Urban Water Management Plan which was a long, involved, complex and tedious process, he had worked with Mr. Kumar. He commended Mr. Kumar for his diligence and input into the process which he stated was very important to the VOMWD in that through Mr. Kumar's perseverance he had been able to get the VOMWD's water supply at its current level and potentially increase that supply given that the qualitative values used by the consultants had inadvertently shown a diminished need for that water supply. He recognized Mr. Kumar's participation in that process which had shaped the actions involved.

President Kenny thanked Mr. Damos for his praise.

B. Discuss/Authorize: Authorize Staff to Make Available Optional Online Water Bill Payment Programs to the District's Customers

Mr. Kumar noted that the VOMWD had received a number of requests asking that online water bill payments be made available to its customers, which was often available with other utilities. He stated that he and Office Manager Walk had researched the possibilities and had learned that the VOMWD's accounting software provider, Corbin Willits Systems (CWS) had a product to allow online payments that was used by 15 other utilities. He reported that the software to allow online payments would involve a one-time cost of \$2,000, with \$225 monthly for software maintenance and making available customer bills on-line. This would allow the capability of online statements for all customers whether or not the online payment option was used.

Mr. Kumar explained that customers would have two options; to have automatic deductions for water payments from checking or savings account or to pay by credit card. If using a credit card, there would be a 3.8 percent cost. He recommended that the VOMWD make the option available for free to the debits from checking and savings account while credit card users would have to pay the corresponding charges.

In response to questions, **Mr. Kumar** explained that anyone signing up for the option would have the opportunity of receiving online statements. In that case, a statement would not otherwise be mailed. He suggested that once set up, the service would be well used.

Director Bramfitt noted that PG&E offered a number of online services at no cost to customers given the huge back office savings. He described it as a customer service issue and stated that it might have to be made available at no cost. He also commented that if the participation was low, the one-time costs and ongoing costs could be subsidizing the customers who used the service, although he suggested that there was a break-even point where the back office savings would cover the fixed costs. He suggested that customers wanted the service, that over time, the VOMWD would break even on the service, and that it would please customers. He suggested that the service would be a modest money loser for the VOMWD initially although there was the potential for back office savings. He also supported the proposal from an environmental standpoint.

Office Manager Walk also responded to comments and explained that approximately 6,800 bills were sent out, sometimes grouped, with a cost of \$0.50 to send each bill. She commented that she had contacted the other utilities using the CWS service and had learned that the service had started out small with those other districts and had grown over time. She added that she had learned from those districts that the greatest use was with credits cards when the customers paid the costs associated with that credit card use. Those districts had also noted that just before turn-off for non-payment, customers would make the payment online when the district would see that payment instantly.

While he was familiar with the benefits of online bill paying, **President Kenny** did not support the proposal given the cost.

Director Russell suggested that online bill paying would occur more and more in the future and the Board could consider that service now or wait until later.

While he was sensitive to President Kenny's concern, **Director Bramfitt** suggested there was enough positive in the proposal from a customer standpoint.

Director Prushko asked if the program could be discontinued if not profitable, to which Mr. Kumar noted

that the service would be difficult to reverse once instituted. Given the amount involved and the customer service that would be offered, he strongly recommended the proposal.

Motion by **Director Smith**, seconded by **Director Bramfitt** to authorize staff to make available optional online water bill payment programs to the VOMWD's customers, carried by the following vote:

Ayes: Bramfitt, Prushko, Russell, Smith.
Noes: Kenny

President Kenny adjourned into Closed Session at 7:46 P.M.

9. CLOSED SESSION

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

10. RECONVENE INTO OPEN SESSION

President Kenny reconvened into open session at 8:05 P.M. and advised that there was nothing to report from Closed Session.

11. REQUEST FOR FUTURE AGENDA ITEMS

There was no request for future agenda items.

12. ADJOURNMENT

On motion by **Director Smith**, seconded by **Director Prushko** and carried unanimously by a voice vote to adjourn the meeting at 8:07 P.M. The next scheduled meeting is a regular meeting on Tuesday, April 3, 2007 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Edward Kenny, Board President