

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
June 5, 2007

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 5, 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

Vice President Mark Bramfitt 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 Sanford Smith Russell Townsend Mark Bramfitt
Directors Excused:	Ed Kenny
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Public Present:	Ken Borba, Shirley Stack Clark, Robert Hauser, 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 1, 2007
- B.** Approve Amendment No. 4 – General Manager’s Employment Agreement
- C.** Declaring Used Equipment/Property as Surplus
- D.** Adopt Resolution No. 070604, Approving a Water Facilities Installation Agreement with Western Pacific Development, Project No. 2911

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

4. PUBLIC HEARING

Vice President Bramfitt advised that the public hearing for the proposed water rate increase, effective July

1, 2007, had been scheduled for 6:45 P.M. The remainder of the agenda would be pursued until that time.

5. OPERATIONAL & COMMITTEE REPORTS

A. Approve Current Financial Reports for April 2007

Motion by **Director Prushko**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve the monthly financial reports and disbursements for the month of April 2007, in the amount of \$358,555.98.

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 2007, as follows:

Project #2902 – Production Well No. 5: Staff was currently working with the design engineer to finalize the Preliminary Design Report (PDR), which was anticipated by the end of June. A meeting and site visit with the Design Engineer, the General Manager and the Operations and Maintenance Supervisor had been scheduled for June 7 to review the conceptual design of the project.

Mr. Gradolph reported that the annual inspection by the California Department of Health Services (DHS), the VOMWD's regulatory agency, had been conducted on May 23, at which time the DHS representative had expressed his pleasure with the condition and maintenance of the VOMWD facilities.

C. Water Source Report

In response to Director Prushko as to whether or not the new well, Production Well No. 5, would be needed this year, **General Manager Krishna Kumar** stated that might not be necessary.

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

A. Director Smith's Report on Attendance at the ACWA/JPIA Spring Conference

Director Smith reported on his attendance at the Association of California Water Agencies (ACWA) Joint Powers Insurance Agency (JPIA) Conference and presented a written report of his perceptions of that conference.

Speaking to the Water Advisory Committee (WAC) meeting of May 7, 2007, **Director Smith** reported that among other things, a brochure for the Russian River Urban Water Users group had been discussed, along with a temporary urgency change petition requesting support from water districts, and a voluntary water conservation request and water conservation education update, with direction to the Technical Advisory Committee (TAC) to come up with means to reduce the consumption of water. There had also been a report on the Sonoma County Water Agency's (Water Agency) sustainability efforts and a recommendation from the WAC for treating the pipeline project at the programmatic level. He described strong support from the County Board of Supervisors for the pipeline project.

Director Smith added that a special meeting would be added to the quarterly meeting schedule in March 2008, to deal strictly with the Water Agency's annual budget.

Vice President Bramfitt expressed his appreciation to Director Smith for his attendance at the ACWA JPIA and WAC meetings.

Vice President Bramfitt moved to the public hearing at 6:45 P.M.

4. PUBLIC HEARING

General Manager Krishna Kumar advised that at the Board of Directors meeting of February 6, 2007, the Board had directed staff to mail notices to all customers regarding the proposed rate increase and had set June 5, 2007 at 6:45 P.M. as the date and time for the public hearing. A copy of the mailing notice had been included in the Board packets. He recommended that the public hearing be opened to take comments from the public regarding the proposed water rate increase to become effective July 1, 2007.

PUBLIC HEARING OPENED

Robert Hauser commented that periodically in the local press there were reminders that water supplies were running short and that the aquifer was being depleted. He noted another notice in the press of a proposed rate increase in water rates and he recalled that the rates were being increased to offset the cost of pipelines for new development. He was not fully convinced that a rate increase was necessary. He suggested that the smart growth philosophy was costing the Sonoma Valley, the County and particularly the City of Sonoma and he pointed out that the Valley could only support so much. He stated it was an injustice to ask residents to pay extra for water that the tourists were using and to also pay for the smart development that was taking place in the Valley. He suggested that the increase should be imposed on those causing the water shortage.

PUBLIC HEARING CLOSED at 6:54 P.M.

8. OLD/NEW BUSINESS

A. Discuss/Adopt:

Resolutions:

- a. No. 070601, Overruling Objections and Protests, Adopting a Report on Charges for Water Services and Confirming Such Charges for Fiscal Year 2007-2008, and Amending District Regulations 8-2.19 and 8-2.21 to Reflect Such Charges.
- b. No. 070602, Approving the Fiscal Year 2007-2008 Operations and Maintenance Budget and Annual Investment Policy
- c. No. 070603, Approving the Five Year Capital Improvement Program for Fiscal Years 2007-2008 Through 2011-2012 and Approving Funds for Fiscal Year 2007-2008 Capital Improvement Program Budget

Mr. Kumar presented the Operations and Maintenance and Capital Improvement Program Budgets for Fiscal Year 2007-2008. He explained that the documents were those that had been submitted to the Board in February. He advised that the most important change related to compliance with Proposition 218 requirements. As a result, the notices had been mailed out. As of this date, only one protest had been received in response to the 6,800 notices that had been mailed. He noted that if more than fifty percent of the VOMWD's customers would have protested the rate increase, the proposed rate increase could not be adopted. Since that did not occur, the Board would be allowed to adopt the proposed rate increase.

Motion by **Director Prushko**, seconded by **Director Smith** and carried unanimously by a roll call vote to adopt the following:

1. No. 070601, Overruling Objections and Protests, Adopting a Report on Charges for Water Service and Confirming Such Charges for Fiscal Year 2007-2008, and Amending District Regulations 8-2.19 and 8-2.21 to Reflect Such Charges.
2. No. 070602, Approving the Fiscal Year 2007-2008 Operations and Maintenance Budget and Annual Investment Policy
3. No. 070603, Approving the Five Year Capital Improvement Program for Fiscal Years 2007-2008 Through 2011-2012 and Approving Funds for Fiscal Year 2007-2008 Capital Improvement Program Budget

In response to Mr. Hauser's comments, **Vice President Bramfitt** stated that the City of Sonoma and the Valley of the Moon Water District shared common concerns regarding water supply, including the use of the aquifers in the Valley. He explained that the VOMWD Board of Directors had no discretion over development activity in the Valley areas it served, although the City of Sonoma had that ability. He thanked Mr. Hauser for his comments and explained that the Board had considered its rate increases carefully and was confident that new development was being charged for the impacts new development had on the system and that the rate structure imposed charges to those commercial businesses that used the VOMWD's water supply. He urged Mr. Hauser to speak to the General Manager or the Board at any time to address his concerns. He thanked Mr. Hauser for his comments.

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

A. Technical Advisory Committee Meeting of June 4, 2007

Mr. Kumar reported that he had been nominated to represent the WAC and the TAC at the State Water Resources Control Board Workshop on this date to receive public comments on the temporary urgency petition change request from the Sonoma County Water Agency.

Mr. Kumar also reported that the Temporary Impairment Memorandum of Understanding (MOU) would sunset in September 2008. The TAC discussed the need to extend that agreement beyond that time. He noted a general interest and consensus that the MOU should be extended for three years.

B. State Water Resources Control Board Workshop

Mr. Kumar stated that following the presentation from Water Agency staff as to the need for a temporary urgency change, public comments had been taken. Many comments from residents living in the lower portion of the Russian River related to the need for mandatory water conservation. The concern was that the reductions in the flow would handicap the recreational interests in the lower river. He stated that Randy Poole of the Water Agency had indicated that only about 50 percent of the Russian River water usage was through the Water Agency, with 40 percent used by the agricultural community and 10 percent by private diverters. Mr. Poole had urged the Board to adopt a measure that would be applicable to all Russian River water users and not just to Water Agency contractors. There was also a discussion around the need to revisit Decision 1610 adopted in 1986, which stipulated the minimum flows in the Russian River.

Director Prushko expressed concern for sufficient water should there be an additional year of drought and he questioned the feasibility of running a temporary pipeline from Lake Sonoma to the collectors to ensure sufficient water to users.

Mr. Kumar reported that as of June 3, 2007, the water supply storage in Lake Sonoma was at 96 percent. He noted a discussion of the water conservation mandated within Decision 1610. The staff from the Water Resources Control Board had advised that the only water conservation component in Decision 1610 was that if the water supply storage in Lake Sonoma fell below 100,000 acre feet, there would be a 30 percent mandated cut in the Russian River diversion.

As of June 3, **Mr. Kumar** stated there were 236,000 acre feet in Lake Sonoma. He noted that at the last TAC meeting he had asked the Water Agency if there were any impacts on the Water Agency's production capabilities because of the reduced flows. He had been advised there were none. As such, he stated that production capabilities were not constrained at this time.

Vice President Bramfitt verified that there was adequate water supply and that the issue related to delivery using the Russian River system which led to the potential for other solutions, temporary or permanent. He commented that there was 96 percent of the water that would ever be available behind the dam and the issue was related to delivery, not supply.

C. Groundwater Basin Panel Meeting of May 31, 2007

Mr. Kumar stated that the meeting consisted of a presentation from the California Department of Water Resources on the various aspects of conjunctive water use. As to a feasible conjunctive use approach for the Valley, he stated there had been a discussion of aquifer storage and recovery (ASR) although the Regional Water Quality Control Board (RWQCB) was not open to that possibility given a concern for water quality.

Vice President Bramfitt noted the discussions of using not just reclaimed water but excess flows in the creek, injecting those into the groundwater with the intent of removing that water at a later time. He described, when asked, some of the development costs involved with that possibility and noted that there was currently no system in place in Sonoma to do that although injection systems had been used elsewhere in California.

B. Approve/Award: Task Order No. 09-2912-01 to the Firm of Cinquini and Passarino, Inc. in an Amount Not to Exceed \$40,720 to Perform Engineering Services for Project No. 2912

Mr. Kumar reported that the VOMWD was in need of engineering services to design the water main replacement project for the Woodland, Cragmont, Indian Lane, Hillcrest, Adine Easement, and Trinity Easement areas. Staff had evaluated the proposal and determined that the proposal was superior both in technical merit and in the price quoted. He noted that the firm had been awarded one of three contracts in 2005 and staff had been pleased with the services received from Tony Cinquini, who had previously worked for another engineering firm.

Mr. Kumar recommended that the Board approve Task Order No. 09-2912-01 to Cinquini and Passarino, Inc. in an amount not to exceed \$40,720 for Engineering Services for Project No. 2912.

Vice President Bramfitt confirmed with regard to engineering and technical services that the VOMWD did not technically go out to bid but shopped the work amongst a number of firms.

Motion by **Director Prushko**, seconded by **Director Smith** and carried unanimously by a roll call vote to approve Task Order No. 09-2912-01 to Cinquini and Passarino, Inc. in an amount not to exceed \$40,720 for Engineering Services for Project No. 2912.

Vice President Bramfitt declared a five minute recess prior to adjourning into Closed Session at 7:17 P.M.

9. CLOSED SESSION

- A. Conference with District Counsel Concerning Pending Litigation, Pursuant to Government Code Section 54956.9(a) – one case.

10. RECONVENE INTO OPEN SESSION

Vice President Bramfitt reconvened into open session at 7:56 P.M.

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 7:58 P.M. The next scheduled meeting is a regular meeting on Tuesday, July 3, 2007 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Ed Kenny, Board President