

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
May 6, 2008

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, May 6, 2008, 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 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:	Mark Bramfitt Ron Prushko Ed Kenny Russell Townsend
Directors Absent:	Sanford Smith
District Personnel:	Shari Walk, Office Supervisor Paul Gradolph, Operations and Maintenance Supervisor
General Manager:	Krishna Kumar
Members of Public:	Sandi Hansen, <u>Sonoma Index-Tribune</u>

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the April 1, 2008 Board of Directors Meeting.
- B. Ordering an election to be held and requesting consolidation with the November 4, 2008 general election.
- C. Approve Water Facilities Installation Agreement with Mission Oaks Development LLC, Project No. 2920.

Director Townsend requested the removal of Consent Calendar Item C for discussion.

Motion by **Director Kenny**, seconded by **Vice President Prushko** and carried unanimously by a voice vote to adopt the Consent Calendar with the removal of Item C.

The following item was removed from the Consent Calendar for discussion.

- C. Approve Water Facilities Installation Agreement with Mission Oaks Development LLC, Project No. 2920

Director Townsend had mistakenly removed this item.

Motion by **Director Townsend**, seconded by **Director Kenny** and carried unanimously by a voice vote to adopt Resolution No. 080502, approving water facilities installation agreement with Mission Oaks Development LLC, Project No. 2920.

4. PUBLIC HEARING - NONE

5. OPERATIONAL REPORTS

- A. Monthly Financial Reports & Disbursements

Motion by **Vice President Prushko**, seconded by **Director Kenny** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of March 2008 in the amount of \$228,977.83.

- B. Current District Projects and Significant O & M Issues

General Manager Krishna Kumar presented the summary review of current District projects and significant operations and maintenance issues for April 2008, as follows:

- **Project #2902 – Production Well No. 5:** The underground piping had been installed and backfilled at the site. The contractor had begun forming the concrete pads for the filtration unit and the backwash tank. Once the tank pads are completed, construction will start on the building. Mr. Kumar also informed the Board that the California Infrastructure Bank had formally adopted a resolution approving the loan to the District as partial funding for this project, and the Board would soon be presented with the final loan agreement for its consideration.
- **Project #2912 – Agua Caliente, Trinity Oaks, El Verano Water Mains:** Bids were opened on April 17th. Twelve bids were received with the low bid of \$261,765 by Piazza Construction. A recommendation for award of a contract would be presented as part of another agenda item.

- C. Water Source Report

In response to **Director Kenny**, Mr. Kumar explained the basis of arriving at the amount of water deliveries estimated for the rest of the fiscal year.

Vice President Prushko raised the matter of controlled releases from Lake Mendocino by the Sonoma County Water Agency (Water Agency) to maintain the required minimum flows in the Russian River. He was especially concerned by the fact that due to the recent increased diversion by the wine growers – to counter the unseasonably high frost incidents – the Water Agency had to increase the rate of release from Lake Mendocino thereby reducing the storage level at the Lake. **Vice President Prushko** inquired as to who gets the priority for the water – people, fish, or agriculture. Mr. Kumar offered to address these concerns as part of his report later in the agenda.

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

President Bramfitt, a Sonoma County LAFCO Commissioner, reported that the LAFCO rates would be increased by 18% mainly due to the hiring a full time Executive Director. Previously the duties were performed by an employee of the County Administrators Office and LAFCO had to pay for only 15% of that person's time. Although that decision had already been taken by LAFCO, **President Bramfitt** shared his deep concern at this steep rate increase and its adverse effect on smaller sized local agencies.

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

- A. Technical Advisory Committee Meeting of April 7, 2008 and Water Advisory Committee Meeting of May 5, 2008.

At the request of Mr. Kumar, **President Bramfitt**, who was also present at the Water Advisory Committee meeting, covered the discussions that took place at the WAC meeting on two pending Bills AB 2153 and AB 2175. He reported that the essential aspect of AB 2175 was to get the state wide water consumption reduced by 20% by the year 2020. He indicated that the agricultural sector was not held anywhere close to the reduction expected from the urban water users. Under the existing provisions of the bill, the agricultural sector would be required to reduce their use by approximately 1.5%. Although the Natural Resources Defense Council (NRDC) fully supports this bill, **President Bramfitt** pointed out that the NRDC has no rational basis to conclude that this lofty target of a 20% reduction is achievable, especially given the great strides made in conservation by many of the water agencies, including the District.

President Bramfitt indicated that there was strong pushback from other retail agencies of the region, namely, Rohnert Park, Petaluma, and Windsor. He mentioned that this region was far ahead in water conservation after having spent millions of dollars to accomplish significant water savings over the years. One of the retail agencies reported its daily per capita water usage being as low as 90 gallons. The other issue revolves around a base year to count the 20% savings. **President Bramfitt** was surprised at the Water Agency's support for the bill, especially given the regions record. He firmly indicated that, as far as he was concerned, this bill is a non starter for the district. He recommended that the General Manager be asked to write a letter strongly opposing the bill.

President Bramfitt explained the provisions of the other bill – AB 2153 – essentially as the need for new hookups to provide their own water supply by funding water conservation measures either within their developments or elsewhere in the service area, with the proviso that 40% of that money be directed to low income households. He further stated that the District already charges a considerable amount as new connection fees to buy into the existing capital infrastructure of the District. With this bill the District would be asking new customers to pay a hefty hook up fee but not let them really get any new water.

After considerable discussion, and at the suggestion of **Director Townsend**, an adhoc Board Committee comprising of **President Bramfitt** and **Director Townsend** was formed to formulate and send the District's response to these two bills and to report back to the Board.

Mr. Kumar reported that the Water Agency's Biological Opinion was expected to be released in August of this year. Toward that end, the Water Agency would be setting up individual contractor meetings and would like each of the water contractors to adopt supporting resolutions.

Mr. Kumar also reported that the Water Project draft EIR was anticipated to be released by the Water Agency's Board of Directors on June 24th. The comment period would be from June 25th thru September 25th. The Water Agency was planning to hold four sub-regional contractor public meetings to hear public comments on the draft EIR. One of the four meetings would be held in Sonoma Valley to be jointly hosted by the District, the City of Sonoma and the Water Agency. The panel would include 1-2 members of the Water Agency's Board of Directors and two elected representatives each from the District's Board and the City Council.

Mr. Kumar presented a report on the Water Agency's presentation to the State Water Resources Control Board (State Board) that morning. The State Board had requested the Water Agency to appear before it to provide a status report on the Water Agency's Water Development Projects. He explained in detail the challenges faced by the Water Agency in maintaining the minimum required flows in the Russian River, given the fact the Water Agency had no control over the Russian River water diversions by both legal and illegal diverters. He added that the WAC Chair, Jake McKenzie, also addressed the State Board and provided the Board members with a brief description of the region's collective water conservation efforts this past summer. The State Board presentation was an entirely informational item and no action was taken by the State Board.

Mr. Kumar informed the Board that he had requested Pam Jeane, Deputy Chief Engineer, Water Agency, to address the Board at its next meeting in June to share the challenges that the Water Agency faces to maintain minimum required flows in the Russian River and to answer any questions the Board may have in this regard.

8. OLD/NEW BUSINESS

- A. Water Main Replacement (Carmel Avenue) & Water Main Extension (Leann Marie Lane) Projects, Nos. 2893 & 2894.

Mr. Kumar reported that in June, 2002, the District had entered into a cost sharing agreement with the Gemini family for the replacement of water mains on Carmel Avenue, in connection with the Gemini Subdivision consisting of five homes to be built on 5.13 acres located on Carmel Avenue. The project had failed to materialize. The Geminis had since then sold their property to Coldspring Fields LLC (Coldspring). The District had negotiated with Coldspring a cost sharing agreement similar to the terms approved earlier by the Board in 2002. **Deputy Secretary Shari Walk** explained the basis of cost sharing with Coldspring.

Director Townsend pointed out that the District's total share of the project cost is more than the developer's and inquired if the District had a general policy to handle cost sharing transactions like this one. Mr. Kumar responded in the negative and added that the District received such requests far and in between and could not recollect a similar situation in the last four years he had been with the District. He also clarified that the Board had approved a cost sharing agreement with the Geminis in 2002, which is very much similar to the one presented to the Board. He also explained that the District's share was more due to costs associated with transferring the lateral connections. He admitted that the staff report could have highlighted these facts more clearly.

Director Townsend also pointed out that the language in the Board Resolution No. 080503 appeared to give the District Counsel authority to amend the agreement subsequent to Board approval. Mr. Kumar clarified that it definitely was not the intention. However, the language of the Resolution could be modified to better reflect that reality. **Director Townsend** provided an alternative language for the Resolution.

Motion by **Director Townsend**, seconded by **Director Kenny** and carried unanimously by a roll call vote to 1) Adopt Resolution No. 080502, as amended, approving a water main replacement agreement between the District and Coldspring Fields LLC, Project No. 2893, and approve funds for cost sharing in the amount not-to-exceed \$50,000, and 2) Adopt Resolution No. 080503, as amended, approving a water main extension agreement between the District and Coldspring Fields LLC, Project No. 2894.

B. Agua Caliente, Trinity Oaks, El Verano area water mains replacements, project No. 2912.

Mr. Kumar reported that the District's current fiscal year Capital Improvement Program includes the Agua Caliente, Trinity Oaks & El Verano Area Water Mains Replacement Project. The engineering firm of Cinquni and Passarino, Inc. had completed the design of the Project, notice to bidders was advertised in March 2008 and the bids were opened on April 17, 2008. Twelve bids were received and all were found to be acceptable. The engineer's estimate for construction was \$355,730. The low bid from Piazza Construction was \$93,965 or 26.42% under the engineer's estimate.

Motion by **Vice President Prushko**, seconded by **Director Townsend** and carried unanimously by a roll call vote to award Project No. 2912, Agua Caliente, Trinity Oaks & El Verano area water mains replacement project to Piazza Construction in the amount of \$261,765.

President Bramfitt adjourned into Closed Session at 7:45 P.M., noting that only item 9.B would be discussed.

9. CLOSED SESSION

B. Public Employee Performance Evaluation Pursuant to government code Section 54957-General Manager.

President Bramfitt reconvened into open session at 8:08 P.M. and advised that there was nothing to report from Closed Session.

10. REQUEST FOR FUTURE AGENDA ITEMS
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There was no request for future agenda items.

11. ADJOURNMENT

Motion by **Director Kenny**, seconded by **Vice President Prushko**, and carried unanimously by a voice vote to adjourn the meeting at 8:10 P.M. The next scheduled meeting is a regular meeting on June 3, 2008.

Shari Walk, Deputy Board Secretary

Mark Bramfitt, Board President