

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
June 2, 2009

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 2, 2009, in the Board Chambers of the District Office at 19039 Bay Street, El Verano, California.

President Ron Prushko 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 Al Bandur Ed Kenny Russell Townsend Ron Prushko
Directors Absent:	None
District Personnel:	Paul Gradolph, Operations and Maintenance Supervisor Shari Walk, Office Supervisor
General Manager:	Krishna Kumar
Public Present:	Heidi Danieli, Mark Heneveld, Sherri Lewis and Sandi Hansen, <u>Sonoma Index-Tribune</u>

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A.** Minutes of the May 5, 2009 Board of Directors Meeting.
- B.** Sonoma Valley Groundwater Management Program 2008 Annual Report.
- C.** Project Closing Documents for Water Facilities Installation Project No. 2921.

On motion by **Director Bramfitt**, seconded by **Director Kenny** and carried by a voice vote to adopt the Consent Calendar, as shown, with Director Townsend's abstention on Item A.

Speaking to Item B, **Director Bramfitt** took the opportunity to applaud the efforts of the Sonoma Valley Groundwater Basin Advisory Panel which he stated had done great things for the Valley. He thanked the VOMWD Board for financially supporting the commitment to the groundwater management effort in the Valley.

4. PUBLIC HEARING

- A. Time Set 6:45 P.M. Proposed Water Rate Increase, Effective July 1, 2009.

Given that the hour was not yet 6:45 P.M., the Board continued on with the agenda until that time.

5. OPERATIONAL REPORTS

- A. Monthly Financial Reports & Disbursements.

On motion by **Director Bramfitt**, seconded by **Director Bandur** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2009 in the amount of \$412,028.04.

- B. Water Source Report

The report was received and filed.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS

There were no President's and Directors' Reports or Comments.

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

- A. Technical Advisory Committee Meeting of June 1, 2009.

General Manager Krishna Kumar reported that the State Water Resources Control Board had issued the final order regarding the Temporary Urgency Petition filed by the Sonoma County Water Agency (Water Agency). The required 25 percent reduction in Russian River diversion was now from June 15 to October 2. He noted that the water contractors, as a group, were confident that target could be met. The Water Agency was planning to gear up water conservation messaging throughout its service area including Sonoma Valley to help accomplish the target. He added that VOMWD's customers had readily responded to similar requests in the past and staff was confident that would be the case this time as well.

- B. SCWA Strategic Alternatives

Mr. Kumar advised that the Water Agency had recently presented a set of strategic alternatives to its Board. Water Agency staff had offered to make a similar presentation to the VOMWD Board of Directors in July. The presentation would be informative and provide an opportunity to exchange ideas with Water Agency staff.

- C. Cash for Grass Grant Application

Mr. Kumar advised that the City of Santa Rosa had applied for \$1 million of grant funding to launch a regional cash for grass program on behalf of all of the water contractors, including the VOMWD. The grant was made available through the Bureau of Reclamation's Challenge Grant Program. If granted, it would provide a great boost to the VOMWD's current cash-for-grass program.

Given the hour of 6:45 P.M., **President Prushko** opened the public hearing at this time.

4. PUBLIC HEARING

B. Proposed Water Rate Increase, Effective July 1, 2009.

President Prushko opened the public hearing.

Mark Heneveld, 18595 Manzanita, Boyes Hot Springs, suggested a 10 percent water rate increase, although **President Prushko** advised that the Board had determined that percentage would be too high. He noted that a 7 percent increase had been supported by the Board.

There was no one else to speak. **President Prushko** closed the public hearing at 6:47 P.M.

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

Mr. Kumar continued with his report.

D. Funding Applications

Mr. Kumar advised that the VOMWD's preliminary application for stimulus funds did not rank high enough to be awarded actual funding. Approximately 85 projects totaling \$150 million had been funded by the State. The total number of projects that requested funding was more than 1,500.

E. Water Conservation Cooperative Program with the City of Sonoma

Mr. Kumar noted that the Water Agency had indicated it would no longer be able to lend the services of Carrie Pollard to perform water conservation duties on behalf of the VOMWD and the City of Sonoma effective July 1. The City of Sonoma had recently designated a City staffer as its new Water Conservation Coordinator taking over the tasks previously performed by Ms. Pollard. The City had also offered to share the services of the new coordinator with the VOMWD. Staff was currently under preliminary discussions with City staff to come up with a contractual arrangement to essentially share the services of the new coordinator between the City and the VOMWD as a replacement for Ms. Pollard.

8. OLD/NEW BUSINESS

A. Fiscal Year 2009-10 Final Budget & Water Rates.

1. Adopt, by roll call vote, the following Resolutions:

- a. No. 090602, overruling objections and protests, adopting a Report on Charges for Water Services and Confirming Such Charges for Fiscal Year 2009-10, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges.
- b. No. 090603, adopting the Fiscal Year 2009-10 Operations and Maintenance Budget and the Annual Statement of Investment Policy.
- c. No. 090604, adopting the Five-Year Capital Improvement Program for Fiscal Years 2009-10 through 2013-14 and approving funds for Fiscal Year 2009-10 Capital Improvement Program Budget.

2. Approve \$250,000 for Sonoma Aqueduct Parallel Pipeline Debt Service Reserve, effective July 1, 2009.

President Prushko verified with **Mr. Kumar** that there had been two protests from approximately 6,800 notices. One customer was residential and one was a commercial customer.

Director Bramfitt referred to the third page of the staff report and the cost comparison of agencies throughout the area. He emphasized that the increase was being driven by the increased costs imposed by the Water Agency. He commended staff and the Board for the efforts to manage costs and emphasized that much had been done to fix the water system. He suggested that more increases in the future would likely be required given increasing water supply costs. He added that the VOMWD was doing all the right things with respect to services to its customers, including the installation of a new well. He supported the rate increase.

Motion by **Director Bramfitt** seconded by **Director Kenny** and carried unanimously by roll call vote to adopt Resolution No. 090602, overruling objections and protests, adopting a Report on Charges for Water Services and Confirming Such Charges for Fiscal Year 2009-10, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges; to adopt Resolution No. 090603, adopting the Fiscal Year 2009-10 Operations and Maintenance Budget and the Annual Statement of Investment Policy; to adopt Resolution No. 090604, adopting the Five-Year Capital Improvement Program for Fiscal Years 2009-10 through 2013-14 and approving funds for Fiscal Year 2009-10 Capital Improvement Program Budget; and approved \$250,000 for Sonoma Aqueduct Parallel Pipeline Debt Service Reserve, effective July 1, 2009.

President Prushko declared a five-minute recess prior to adjourning into Closed Session at 6:58 P.M.

9. CLOSED SESSION

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| A. Conference with legal counsel to consider initiation of litigation, pursuant to Government Code Section 54956.9(c) – 1 case |
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10. RECONVENE INTO OPEN SESSION
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President Prushko reconvened from Closed Session at 7:47 P.M. There was nothing to report.

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

12. ADJOURNMENT

Motion by **Director Kenny**, seconded by **Director Townsend**, and carried unanimously to adjourn the meeting at 7:50 P.M. The next scheduled meeting is a regular meeting on July 7, 2009 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Ron Prushko, Board President