

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
February 2, 2010

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, February 2, 2010, 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 Russ Townsend 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:	Ron Prushko Ed Kenny Mark Bramfitt Al Bandur Russ Townsend
General Manager:	Krishna Kumar
District Personnel:	Paul Gradolph, Operations and Maintenance Supervisor Shari Walk, Office Supervisor
Public:	Nicole Richardson

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the January 5, 2010 Board of Directors Meeting.
- B. Resolution No. 100201, amending and reinstating the District's 401A Plan to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA").

On motion by **Director Kenny**, seconded by **Director Bramfitt** and carried by a voice vote to adopt the Consent Calendar, as shown, noting **Vice-President Bandur's** recusal on item 3.B.

4. PUBLIC PRESENTATION - NONE

5. OPERATIONAL REPORTS

- A. Monthly Financial Reports & Disbursements.

On motion by **Director Bramfitt**, seconded by **Director Prushko** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of December 2009 in the amount of \$286,468.52.

B. Water Source Report

In response to **Director Bramfitt**, General Manager Kumar agreed that the well usage for December was comparatively high; however, January's well usage percentage was down to 9% since all wells were off with the exception of Larbre and Verano.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS
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There were no Director's reports or comments.

7. GENERAL MANAGER'S AND DISTRICT COUNSEL'S REPORTS
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Mr. Kumar reported the following:

The Sonoma County Water Agency (Water Agency) Board of Directors appointed Assistant General Manager Grant Davis as the Water Agency's Interim General Manager beginning February 23, 2010. Davis had served as the Assistant General Manager since 2007. The interim appointment was for one year.

Lake Sonoma is at flood pool stage with 245,728 acre-feet (AF) of water storage, which is over 100% of the water supply pool (245,000 AF). The Army Corps of Engineers had taken over the control of the lake from the Water Agency and was releasing at the rate of 228 cfs to ensure that the water levels do not go up any more than 245,000 AF. Lake Sonoma reached the 245,000 AF mark for the first time in five years.

In response to **Vice-President Bandur**, Mr. Kumar explained the current flow requirements under Decision 1610 and the newly required flow levels under the Biological Opinion.

In response to **Director Bramfitt**, Mr. Kumar noted that the total storage capacity of Lake Sonoma is 381,000 acre-feet, with the first 245,000 being the water supply pool and the next 136,000 acre-feet being the flood control pool. Releases from the water supply pool were controlled by the Water Agency and the releases from the flood control pool were regulated by the Army Corps of Engineers.

Lake Mendocino was getting close to the flood control pool with 65,760 acre-feet of water storage, or 96% of the water supply pool (68,400 acre-feet). Given the natural flows in the Russian River, the current releases from Lake Mendocino were minimal.

In response to **Director Prushko**, Mr. Kumar, explained the various dynamics involved with the water releases from Lake Sonoma and Lake Mendocino. The Water Agency was required to maintain certain minimum flow levels at various points in the Russian River. That gets done either through natural flows, as was currently the case, or if there were no adequate natural flows, the Water Agency will have to release water from the Lakes to maintain the required flows. This was complicated by the reduced Eel River flow into Lake Mendocino through the Potter Valley Project.

Director Bramfitt observed that given the lake conditions, the Water Agency couldn't very well continue to claim that the region continues to be in a drought, but could say the transmission system was impaired due to

restrictions in the Biological Opinion.

Director Kenny inquired if the restrictions in direct pumping from the Russian River by the vineyards were compensated by increased use of water from wells owned by the vineyards.

8. OLD/NEW BUSINESS

A. Proposed Operations and Maintenance and Capital Improvement Program Budgets for Fiscal Year 2010-2011.

Director Bramfitt was pleased with the 2009 urban area total annual water cost comparison chart included in the budget package, but inquired about the City of Sonoma rates, because he had assumed they were more in line with the District. He noted that the District was at the bottom of the comparison chart, which is where the District needed to be.

Vice-President Bandur responded by saying that the City went for several years without any rate increases, and therefore required several large increases. He also pointed out that there were a large number of properties with large landscape areas, and affordability being less of an issue. Both rate increase and usage would be contributing to the difference in the average customer cost.

Director Bramfitt questioned if the District should be looking at additional storage needs in Glen Ellen. Mr. Kumar indicated that the last water master plan that was completed by Brelje & Race Engineers, confirmed that the District had met its storage needs.

Mr. Kumar said that the Water Agency, along with five water contractors, was embarking on a groundwater banking program. It comprised of two components. One was the regional component, which was to take stock of what the Water Agency's position was, how much physical capability it had, what were the requirements, can they have sufficient water in the winter, etc. The second component was the purveyor specific component, which was to evaluate the five water contractor sites. For the District, the Verano Avenue well site would be the most optimal site. The group had selected a consultant to do the initial engineering and planning work. The initial cost estimates were \$500,000, \$250,000 for the regional component, which will be funded entirely by the Water Agency and \$250,000 for the purveyor specific component, which would be spread among the five water contractors. Under a different program approved by the Water Agency's board of directors, the Water Agency might potentially pay for a large part of the purveyor costs as well.

Director Bramfitt indicated his support for moving forward with the 7% water rate increase, as long as the District is not losing site of any of the strategic opportunities.

Director Prushko commented that since there was a lot of water just across from Highway 12, Arnold Drive intersection, would there be a possibility of putting in a well there and piping underneath Highway 12. Mr. Gradolph said there was a potential, however, that well would be out of the District boundaries.

Director Kenny noted that the report prepared by Luhdorff and Scalmani was very helpful, and it too pointed out issues with each of the potential well sites they had considered at that time.

On motion by **Director Bramfitt**, seconded by **Director Bandur** and carried unanimously by a voice vote the Board took the following actions:

- 1) Authorized staff to mail notices to all District customers regarding the proposed 7.0% water rate increase for FY 2010-11;

- 2) Set June 1, 2010, 6:45 P.M. as the date and time of the Public Hearing to a) review the protests received regarding the proposed water rate increase and b) receive public comments regarding the 2010-11 proposed budget.

B. 2010 Urban Water Management Plan.

Mr. Kumar reported that in 2005, the Water Agency had contracted with Brown and Caldwell for doing the Urban Water Management Plan on behalf of all the water contractors. However, this time around, the Water Agency has indicated its disinterest in pursuing that kind of an approach, so the contractors got together and decided to hire Maddaus Water Management (Maddaus) to perform the water demand analysis covering the period up to 2035. Maddaus had performed similar work in 2005.

In response to **Director Kenny**, Mr. Kumar confirmed that City of Petaluma is not part of the agreement with the City of Santa Rosa. The City of Petaluma had already completed this portion of the study.

In response to **Vice-President Bandur**, Mr. Kumar confirmed that Maddaus will be able to meet the completion deadline.

On motion by **Director Bramfitt**, seconded by **Vice-President Bandur** and carried unanimously by a roll call vote to approve letter agreement among the Valley of the Moon Water District, North Marin Water District, and the Cities of Santa Rosa, Rohnert Park, Sonoma, Cotati, and Town of Windsor for funding consulting services for the preparation of the 2010 Urban Water Management Plan water demand analysis and water conservation measures update and authorize the General Manager to execute the letter agreement.

C. Sonoma Developmental Center

Mr. Kumar explained that this process started at the request of **Director Bramfitt** who had suggested that the water resources that are available to the SDC, consisting primarily of two lakes and a water treatment plant, could be used for Valley wide purposes as opposed to meeting just the needs of SDC. **Director Bramfitt** and Mr. Kumar had the opportunity to speak with the Executive Director of the Sonoma Developmental Center who was open to considering this idea. Subsequently, **Directors Bramfitt** and **Bandur** visited the SDC water treatment plant to obtain a better understanding of the system. **Director Bramfitt** suggested bringing this item to the Board so a two member Ad-Hoc Board Committee could be appointed by **President Townsend**.

Director Bramfitt suggested adding other legislative members as needed to staff's recommendation. He wanted to secure two members from the Board with the authority and understanding to go out and see what the District could potentially negotiate and provide feed back at regular intervals to the full Board.

President Townsend asked **Director Bramfitt** if there had been discussion about what type of arrangements were possible or was the District simply looking for additional storage. **Director Bramfitt** said that in short phases we accomplished an emergency intertie with their system several years ago, so that if they have a problem or we have a problem we have the opportunity to swap water. The potential opportunities range from SDC selling the District some water when they have it available to the other end, which is SDC selling the District their system, and have the District incorporate SDC into our service area. He thought the parameters are pretty straight forward; it would have to make financial sense to both parties. It has to make good economic and environmental sense for them and the District customers. The opportunity space is pretty large, but we're very early in the discussion, what we have is a willing participant to have discussions with us.

In response to **President Townsend**, **Director Bramfitt** explained the various steps involved in conducting these negotiations. The next level was to sit down with SDC again, and maybe some of the legislators and State officials from Sacramento and narrow the potential options down a little bit. Then we would come back here to see if we want to study this further.

Director Prushko said that ex-director **Dave Willer** addressed this item several times in the past, saying that if we could get reserve storage up in that area, it would be a feather in our cap.

Director Bramfitt said there are certainly storage opportunity up there as well as water supply opportunity. There could be 200 acre feet a year in that system that might be available to us – that’s equivalent to another well. Executive Director James Rogers was very open to it. Additionally, SDC, like any other state department, is facing huge budgetary challenges. If we could do a deal, that pays them some capital, or takes an asset off their hands and we manage it for them, or we buy water from them, they have to be open to those things as being really valuable to them under their current circumstances.

President Townsend noted that this is a very timely development and indicated his support in going forward.

In response to **Directors Prushko** and **Kenny** Mr. Gradolph said that with the six inch meter in place it’s possible to move approximately 2,000 gallons a minute into and out of the SDC system.

President Townsend appointed Director Bramfitt and Vice President Bandur to serve on an Ad-Hoc Sub-Committee to represent the District in its on-going discussions with the Sonoma Developmental Center, its parent body, the California Department of Developmental Services, Assemblymember Jared Huffman, and other legislative members as needed, and to keep the Board apprised of the progress in this regard.

President Townsend adjourned into Closed Session at 7:32 P.M.

9. CLOSED SESSION

- A. Conference with legal counsel to consider initiation of litigation, pursuant to government code section 54956.9 (c) - 1 case

10. RECONVENE INTO OPEN SESSION
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President Townsend reconvened from Closed Session at 7:45 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 Bramfitt**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 7: 46 P.M. The next scheduled meeting is a regular meeting on March 2, 2010 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Russell Townsend, Board President