

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
October 5, 2010

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, October 5, 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 Russ Townsend
Directors Excused:	Mark Bramfitt Al Bandur
General Manager:	Krishna Kumar
District Personnel	Shari Walk, Office Supervisor
Public:	None

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the August 3, 2010 Board of Directors Meeting.
- B. Annual District audit report

On motion by **Director Kenny**, seconded by **Director Prushko** and carried unanimously by a voice vote to adopt the Consent Calendar, as shown.

4. PUBLIC PESENTATION – NONE

5. OPERATIONAL REPORTS

- A. Monthly Financial Reports & Disbursements for July & August 2010.

On motion by **Director Prushko**, seconded by **Director Kenny** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of July 2010 in the amount of \$446,536.86 and for the month of August, 2010 in the amount of \$705,784.73.

B. Current District projects and significant O & M issues.

There were no comments on the current District projects and significant O & M issues.

C. Water Source Report.

In response to **Director Prushko**, Mr. Kumar clarified that the groundwater recharge feasibility study for the District's service area was still on going. If the District had the ability to do groundwater recharge, some of the 20,000 acre-feet water that was being forced to be released from Lake Mendocino (to make room for the on-coming rainy season), could have been stored underground.

In response to **President Townsend**, Mr. Kumar explained that five water contractors, including the District, were still in the process of completing the groundwater recharge feasibility study. The consultants were studying all available records to characterize the groundwater properties of the respective service areas. Site specific studies would be completed subsequently. The most important component on the study would be to convince the respective state water resource control board's local office on the water quality parameters. Toward that end, the consultants were planning to hold an initial meeting with the state officials soon.

In response to **Director Kenny**, **Director Prushko** said that artisan water comes out of the ground naturally, whereas groundwater has to be pumped.

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

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

TAC meetings on October 5, 2010

With Lake Mendocino full and rainy season approaching, the Army Corps of Engineers was planning to release close to 20,000 acre-feet of water from Lake Mendocino over a period of 10 days, beginning from October 8th, to make room for the storm runoff during the rainy season. The Lake storage was approximately 89,000 acre-feet and it needed to come down to 68,400 acre-feet by the middle of the month, per the operating guidelines established by the Corps. This was unprecedented in the Coyote Dam's 51-year history. This situation had largely come about due to the bountiful rains last season.

Temelec Letter of Commendation

A letter of commendation had been received from the Temelec Homeowners Association in regards to a broken water main on Temelec Circle. **Director Kenny**, a homeowner in the Temelec area and a Board member of the Temelec Homeowners Association, explained that the District had a break in an eight inch water main. He added that the District's field staff responded quickly and did a great job of finding and repairing the leak, while maintaining appropriate traffic control in the area. Such prompt action was the reason a letter of commendation was sent by the vice President of the Association.

Resignation of Employee

District employee Jason Archer resigned on September 7, 2010, moving to Arizona. Staff did not plan to fill the position at this time.

Return of Connection Fees

The proposed Las Palmas Subdivision Project of 52 single family homes, to be located on Sonoma Hwy and close to the Charter School, had been abandoned, and therefore the connection fee previously paid, was being returned.

8. OLD/NEW BUSINESS

A. Agreement for auditing services.

President Townsend introduced the item noting that staff recommendation was to approve and authorize the President to sign the agreement for auditing services with the firm of Moss, Levy, Hartzheim, Certified Public Accountants to perform the District's annual financial audits for five fiscal years beginning with the audit for FY 2010-11, subject to an annual review.

Mr. Kumar pointed out that the firm of Moss, Levy, Hartzheim, CPA's charged the District \$6,450 for this last audit and was proposing the same rate for the next three years, with a marginal increase in years four and five. Mr. Kumar also noted that the quotes received with the last Request for Proposals for auditing services averaged around \$12,000. Staff contacted the District's previous Auditor, Larry Johnson who informed that he cannot perform the District's audit for under \$10,000. Mr. Kumar also said the firm was very responsive to any questions through out the year.

In response to **Director Prushko**, Mr. Kumar said staff did not do a formal Request for Proposals, however, was certain that the quotes would not be lower than \$10,000. He also added that in order to ensure rotation, the firm will be providing a new audit partner for the next five years.

Motion by **Director Kenny**, seconded by **Director Prushko** to approve and authorize the President to sign the agreement for auditing services with the firm of Moss, Levy & Hartzheim, Certified Public Accountants to perform the District's annual financial audits for five fiscal years beginning with the audit for FY 2010-11, subject to an annual review.

B. Board member travel to Washington DC

Motion by **Director Kenny**, seconded by **Director Prushko** and carried unanimously by a voice vote to approve travel to Washington DC by **Director Bramfitt** for the purpose of meeting with federal legislators to advocate for the Water Resources Development Act passage and Russian River Project funding.

President Townsend adjourned into Closed Session at 7:16 P.M.

9. CLOSED SESSION

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

President Townsend reconvened from Closed Session at 7:32 P.M and announced that, after a closed session, the District has decided to intervene in the JM Eagle pipes false claim action.

10. REQUEST FOR FUTURE AGENDA ITEMS

There was no request for future agenda items.

11. ADJOURNMENT

Motion by **Director Kenny**, seconded by **Director Prushko**, and carried unanimously to adjourn the meeting at 7:35 P.M. The next scheduled meeting is a regular meeting on November 2, 2010 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Russell Townsend, Board President