

VALLEY OF THE MOON WATER DISTRICT
REGULAR MEETING MINUTES
May 3, 2011

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, May 3, 2011, 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 Bandur 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:

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| Directors: | Russ Townsend Ron Prushko Ed Kenny Mark Bramfitt Al Bandur |
| General Manager: | Krishna Kumar |
| District Personnel | Paul Gradolph, Operations & Maintenance Supervisor Shari Walk, Office Supervisor |
| Public: | Mark Heneveld & Heidi Danieli |

2. PUBLIC COMMENTS

There were no public comments

3. CONSENT CALENDAR

- A.** Minutes of the April 5, 2011 Board of Directors Meeting.

On motion by **Director Bramfitt**, seconded by **Director Kenny** and carried unanimously by a voice vote to adopt the Consent Calendar, as shown, noting **President Bandur's** abstention.

4. PUBLIC PESENTATION – NONE

5. OPERATIONAL REPORTS

- A.** Monthly Financial Reports & Disbursements for March 2011.

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 March 2011 in the amount of \$234,772.35.

B. Water Source Report.

In response to **Director Prushko**, Mr. Gradolph said the wells were ready to go and would be turned on the coming week.

In response to **Director Prushko**, Mr. Kumar stated that the Board of Supervisors had authorized the Sonoma County Water Agency (Water Agency) and County's Permit and Resources Management Department to assume responsibility as the Monitoring Entities for 13 of the 14 groundwater basins and sub-basins located in Sonoma County as required by the California Statewide Groundwater Elevation Monitoring Program to demonstrate seasonal and long term trends.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS

Vice-President Bramfitt reported that he attended the WAC meeting on May 2, 2011, but will defer his comments until the General Manager's report on that meeting.

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

General Manager Kumar reported the following:

WAC/TAC meeting on May 2, 2011

1) 2010 UWMP

The Water Agency and its water contractors had finalized the demand projections for 2035 and were in the process of completing their respective 2010 Urban Water Management Plans (Plan). The District's draft Plan would be available for public inspection on May 24th and the Board would hold a Public Hearing for considering the adoption of the District's Plan on June 7th. The deadline for adopting the Plan was July 1st.

The combined projected Russian River deliveries for 2030 for all the water contractors were projected to be 101,000 AF, as reflected in the 2005 Water Agency UWMP. The revised combined projections for 2035 are only 80,000 AF, a drop of nearly 20%, even with an additional five years. This reduced projection is primarily because of considerable savings due to intense water conservation efforts in the region.

2) SBx7-7 Compliance at the Regional Alliance level

The Board had authorized the District's participation in the Regional Alliance among the Water Agency's water contractors and Marin Municipal Water District for computing the 20% state mandated reduction in water usage by 2020. All the other water contractors had also subsequently agreed for such participation.

3) Dry Creek Habitat Restoration and Pipeline Feasibility Studies

Two important Biological Opinion related studies had been released by the Water Agency. A detailed handout describing each one of those studies was handed out.

Plan A for Dry Creek was fish habitat restoration of six miles of Dry Creek in three stages. Stage 1 was a one-mile demonstration project which was currently underway. The Water Agency had been able to secure the cooperation of all the landowners located within that one-mile stretch of Dry Creek.

In response to **Director Prushko, Vice President Bramfitt** noted that the one mile demonstration project was located at the lower end on Dry Creek, closer to the confluence with the Russian River.

Stage 2 was to complete another two miles by 2018 at which time a determination will be made as to whether the habitat restoration was successful. If deemed successful, the Water Agency will have to restore another three miles of Dry Creek. The total estimated cost of the restoration work was between \$36 million and \$48 million.

If at the end of 3 miles restoration, the project was deemed unsuccessful, a pipeline had to be built at an estimated cost of \$142 million (for a total cost of approximately \$162 million, including the restoration work on the first three miles).

In response to **President Bandur**, Mr. Kumar noted that if the habitat restoration was deemed successful, it would allow sufficient flows to meet the currently permitted 75,000 acre-feet annual diversion and re-diversion from the Russian River. He indicated that the Biological Opinion required the Water Agency to restore the habitat for a minimum of three miles before the pipeline option could be further examined.

Vice President Bramfitt noted that the Army Core of Engineers was on the hook for a part of the money required for carrying out the mandates in the Biological Opinion. The Water Agency will still have to maintain the Dry Creek habitat restoration work with or without the pipeline option in place. The restoration and pipeline documents were topnotch. He hoped the engineering study for the pipeline stayed on the shelf and that the restoration option would ultimately be deemed successful and there would be no need for the pipeline project.

President Bandur confirmed with staff that two different agencies controlled the releases from Lake Sonoma with the Army Core of Engineers controlling the flood control pool and the Water Agency controlling the water supply pool.

4) SB 34 California Water Resource Investment Act of 2011 (Public Goods Charge)

SB 34, authored by Senator Simitian, D-Palo Alto, would establish an assessment on all retail water sales to urban water users of an unspecified amount per acre-foot sold annually for nonagricultural uses. It would establish an annual assessment on agricultural water use of an unspecified amount, based on the irrigated acreage of land, and a lesser amount if that land was irrigated with best management practices. In the March 23 version of the bill, those amounts were set at \$110 per acre-foot, \$20 per acre, and \$10 per acre respectively. The April 13 version deleted the specific amounts.

SB 34 created a broad tax on water use in the state, to be collected and paid by retail water agencies, to fund projects and programs that were not defined with much specificity. Half of the funds would be returned to particular regions for use at that level, but there was no guarantee that any retail water supplier would be able to use any of these funds for projects and programs they need to implement. This bill will take resources away from retail water suppliers that could otherwise be used to fund critical water supply, water conservation, flood mitigation and ecosystem enhancement projects.

An expanded write up was also handed out.

Vice-President Bramfitt said his thought was that the District should take a stand on this. If the District wanted to comment, it should do as early as possible. After a round of discussion, the consensus was to agenzize the item for the next board meeting.

Sonoma Valley Groundwater Management Program BAP Meeting

At the Basin Advisory Panel meeting held on April 21st, the Water Agency made a presentation on the Sonoma Valley Stormwater Management-Groundwater Recharge Scoping Study in the Sonoma Creek Watershed. The objective of the study was to identify potential projects that will reduce flood hazards and recharge groundwater in the Sonoma Valley area. This study would help to address one of the key components of the Sonoma Valley Groundwater Management Plan, namely stormwater capture and groundwater recharge.

The purpose of the meeting was to provide information to stakeholders and the public on the nature and progress of the study to date and to receive input. A second meeting later in the year will address project concepts, alternatives analysis, and the selection of projects for further development.

First of a Kind Agreement among the District, SCWA, and IBM

At the April meeting, the board approved the draft agreement with the Water Agency and the IBM for undertaking non-revenue water reduction through analytics and optimization, subject to approval as to form by the District Counsel, and determination by the District Counsel and the General Manager that the terms of the final agreement improve upon, or are substantially similar to the draft agreement.

The agreement had been finalized among the parties subject to the conditions prescribed by the Board. The next step will be for the Water Agency to obtain formal approval from its Board sometime later in the month and then the work could begin soon thereafter.

8. OLD/NEW BUSINESS

A. Real Property Purchase and Sale Agreement.

Mr. Kumar reported that per Board authorization, staff had successfully negotiated with the Curreris a price of \$88,000 for a portion of the property located at 13600 Sonoma Highway. In order to serve water to the tank site, a water main extension through parcel number 054-270-033 (13470 Mound Ave., Glen Ellen) would need to be constructed. Staff had negotiated a price for an easement with the property owner in the amount of \$5,358.

In response to **Director Prushko**, Mr. Gradolph said there was no need for a booster pump at the tank site since it would be gravity feed.

Director Townsend confirmed with staff that the District was not restricted as to the exact use of that property since it was an outright purchase. He also wanted to amend the original motion to include the provision for obtaining title insurance.

On motion by **Director Townsend**, seconded by **Vice-President Bramfitt** and carried unanimously by a roll call vote to 1) approve the draft Purchase and Sale Agreement between Valley of the Moon Water District and Paul Norman Curreri and Yvette N. Curreri for \$88,000 and authorize the Board President to sign the final agreement, subject to the District Counsel's approval as to form of the final agreement and obtaining title insurance, 2) approve a payment in the amount of \$5,358 to Bruce H. Rector for a perpetual exclusive easement through this property, subject to obtaining title insurance, 3) Adopt Resolution No. 110501 authorizing the acceptance of the grant and easement deeds from Paul Norman Curreri and Yvette N. Curreri, and 4) Adopt Resolution No. 110502 authorizing the acceptance of the easement grant deed from Bruce H. Rector, Trustee of the Bruce H. Rector declaration of trust dated January 16, 2003.

B. Award of District's public works contracts.

Mr. Kumar reported that in response to the request made by **President Bandur**, staff had obtained information from the District Counsel regarding the implementation of a local preference policy for the award of District's public works contracts.

In staff's and District Counsel's views, the successful creation of a program that would create a preference for local contractors – however that term “local” was defined – as against its more distant competitors would be fraught with constitutional challenges, and thus no change to the existing policy was recommended.

President Bandur said that, as the one who asked for this item to be placed on the agenda, he was pleased with the information that the staff brought back.

Director Townsend commented that the staff report was very thorough and he was also pleased with staff's recommendation.

Vice President Bramfitt said he can readily sympathize with **Director Prushko's** position that he would like to see the District's projects be awarded to local contractors, thus aiding in the local economic recovery. However, he noted that the effort to get the best price for District's projects also helped the District's ratepayers with lower water rates and the resultant savings eventually flowed into the local economy.

Director Prushko stated that although he was disappointed, he understood the challenges the District would face in attempting to change the existing policy for awarding District's public works contracts.

The consensus was to leave the current policy as it was.

President Bandur convened into Closed Session at 7:30 P.M.

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| 9. CLOSED SESSION |
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- A.** Public Employee Performance Evaluation Pursuant to Government Code Section 54957-General Manager.

President Bandur reconvened from Closed Session at 8:14 P.M. There was nothing to report.

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

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| 11. ADJOURNMENT |
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Motion by **Vice President Bramfitt**, seconded by **Director Townsend**, and carried unanimously to adjourn the meeting at 8:15 P.M. The next scheduled meeting is a regular meeting on June 7, 2011 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Al Bandur, Board President