

**VALLEY OF THE MOON WATER DISTRICT**  
**REGULAR MEETING MINUTES**  
June 7, 2011

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 7, 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<br>Ron Prushko<br>Ed Kenny<br>Mark Bramfitt<br>Al Bandur |
| General Manager:   | Krishna Kumar                                                          |
| District Personnel | Shari Walk, Office Supervisor                                          |
| Public:            | Mark Heneveld, Heidi Danieli, Margaret Steele &<br>Eileen Klug         |

**2. PUBLIC COMMENTS**

There were no public comments

**3. CONSENT CALENDAR**

- A. Minutes of the May 3, 2011 Board of Directors Meeting.
- B. Amendment No. 3 to the General Manager's Employment Agreement.

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

The Board of Directors continued on with the agenda pending the 6:35 P.M. time period to allow the opening of the Public Hearing scheduled for that time.

**5. OPERATIONAL REPORTS**

- A. Monthly Financial Reports & Disbursements for April 2011.

On motion by **Vice President Bramfitt**, seconded by **Director Prushko** and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2011 in the amount of \$314,131.06.

**B. Water Source Report.**

**Director Prushko** confirmed with General Manager Kumar that the water levels of all the District wells were recovering adequately.

**4. PUBLIC HEARINGS**

- A.** Time Certain 6:35 P.M. Proposed interim 2015 and final 2020 community water use targets, as required by Senate Bill x7-7, the Water Conservation Act of 2009 and 2010 Urban Water Management Plan.

**President Bandur** opened the public hearing at 6:35 pm. There was no one to speak. He closed the public hearing at 7:40 pm.

The Board of Directors continued on with the agenda pending the 6:45 P.M. time period to allow the opening of the Public Hearing scheduled for that time.

**6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS**

**Director Prushko** informed the Board that he was invited by Grant Davis, General Manager, Sonoma County Water Agency (Water Agency) to a meeting to discuss the recent letter he submitted and was printed in the local newspaper regarding increases to both the sewer and water rates. He noted that **Director Townsend**, Mr. Kumar, Mr. Jay Jasperse, Chief Engineer, Water Agency and Mr. Mike Thompson, Assistant General Manager, Water Agency also attended the meeting. He commented that from his personal perspective nothing seemed to have changed with regard to any assurances from the Water Agency for reduced rate increases in the future. He said the real solution was tied to governance change at the Water Agency which would give the water contractors a direct and more effective say.

**Director Townsend** further commented that he was impressed that the Water Agency representatives did come to the District to meet with members of the board and staff. He stated that at the meeting he clarified that although the principal matter was raised on the personal behalf of **Director Prushko** and hence not the official position of the Board, the Board too was concerned with the steep increases to the wholesale water rates in the last few years.

**4. PUBLIC HEARINGS**

- B.** Time Certain 6:45 P.M. Proposed Water Rate Increase, Effective July 1, 2011.

**President Bandur** opened the public hearing at 6:50 pm. There was no one to speak. He closed the public hearing at 6:58 pm.

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

**General Manager Kumar** reported the following:

**TAC meeting on June 6, 2011**

**Mr. Kumar** circulated a copy of the Russian River Biological Opinion (BO) update provided by the Water Agency. He added that the update listed all the important milestones required to be completed under the BO and the Water Agency will continue to provide such periodical updates which was very helpful in following the progress in the implementation of the BO.

## 8. OLD/NEW BUSINESS

### A. The Water Conservation Act (SBx7-7) and the 2010 Urban Water Management Plan.

**Mr. Kumar** provided the background of the agenda item and presented an overhead chart showing the projected water demand and water supply through the year 2035. He explained the recent adoption of SBx7-7, the Water Conservation Act of 2009, which required a 20% reduction in per capita water use in the District's service area by the year 2020. The legislation required the Board to choose one of four methods and adopt both a final 2020 and an interim 2015 water use targets. The 2015 target was midway between baseline and 2020 target.

For the District, the 10-year baseline (1995-2004) was 147 gallons per capita per day (GPCD); the 2020 target was 124 GPCD; and the 2015 interim target was 136 GPCD. The legislation allowed for regional compliance and the District was part of a regional alliance formed for that purpose and comprised of the water contractors of the Water Agency. He added that he was confident that the District was on track to meet both the 2015 and 2020 targets.

**Director Prushko** was gravely concerned at the state dictating how much water the District's customers can use in the next ten years and expressed his deep displeasure with SBx7-7.

**Director Bandur** agreed with **Director Prushko**, especially given how the urban water users and the agricultural water users were unequally treated under the legislation.

**Mr. Kumar** clarified that, notwithstanding the inherent flaws and lack of fairness in the legislation, failure to adopt the 2015 and 2020 water use targets would result in the District failing to comply with state law.

In response to **Director Townsend**, **Vice President Bandur** said it was a good thing to show less reliance on groundwater in the out years which resulted in the need for additional entitlement limits due to the increased reliance on supplies from the Russian River.

In response to **Director Townsend**, **Mr. Kumar** clarified that choosing Method 3 to determine the water use targets proved to be the most advantageous to the District.

**Vice President Bramfitt** added that projecting lower reliance of groundwater was good, since that source would more than likely be available during an emergency. He also thanked the District's customers for their valiant efforts to conserve water in response to the recent calls for such efforts. He emphasized the need to build strong partnership with both the District's customers and associated state and local agencies to effectively manage the District's water resources in the next 25 years.

**Director Kenny** stated that he had attended a similar presentation at the Sonoma City Council meeting the previous day and noted the stark similarity in the approaches reflected in the Urban Water Management Plans of the City and the District.

Motion by **Vice President Bramfitt** seconded by **Director Townsend** and carried by a roll call vote of 3 ayes, Bramfitt, Kenny and Townsend, and 2 nays, Bandur and Prushko to adopt Resolution No. 110601, adopting 1) SB x7-7 method 3 to set the District's interim 2015 community water use target at 136 gallons per capita per day and final 2020 community water use target at 124 gallons per capita per day and 2) the 2010 Urban Water Management Plan.

### B. Fiscal Year 2011-12 Final Budgets & Water Rates.

Adopt, by roll call vote, the following Resolutions:

1. No. 110602, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2011-12, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges.
2. No. 110603, adopting the fiscal year 2011-12 Operations and Maintenance budget and the Annual Statement of Investment Policy.
3. No. 110604, adopting the five-year Capital Improvement Program for fiscal years 2011-12 through 2015-16 and approving funds for fiscal year 2011-12 Capital Improvement Program budget.

In response to **President Bandur**, Mr. Kumar confirmed that the final budget had not changed from the preliminary one submitted to the Board in February and that the increase to the average ratepayer was \$2.77 per month.

Motion by **Vice President Bramfitt** seconded by **Director Kenny** and carried by a roll call vote of 4 ayes, Townsend, Kenny, Bramfitt and Bandur, and 1 nay, Prushko to adopt Resolution No. 110602, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2011-12, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges; to adopt Resolution No. 110603, adopting the fiscal year 2011-12 Operations and Maintenance budget and the Annual Statement of Investment Policy; to adopt Resolution No. 110604, adopting the five-year Capital Improvement Program for fiscal years 2011-12 through 2015-16 and approving funds for fiscal year 2011-12 Capital Improvement Program budget.

C. SB 34 California Water Resources Investment Act of 2011

**Director Townsend** wondered, since the bill was now a two-year bill, if the District should wait to see how the bill was re-written before sending a letter opposing the proposed legislation.

**Vice President Bramfitt** observed that there is no down side in sending the proposed letter now since the central issue of upholding the ‘beneficiary pays’ principle won’t change.

**President Bandur** suggested that the District send the proposed letter now, and if need be, send another letter later depending on the changes, and or if the bill progressed further.

Motion by **Vice President Bramfitt** seconded by **Director Kenny** and carried unanimously by a voice vote to approve the letter opposing SB 34 and authorize the Board President to sign the letter.

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| <b>9. CLOSED SESSION - NONE</b> |
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| <b>10. ADJOURNMENT</b> |
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Motion by **President Bandur**, and carried unanimously to adjourn the meeting at 8:00 P.M. The next scheduled meeting is a regular meeting on July 5, 2011 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary

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Al Bandur, Board President