

**VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
June 3, 2014**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 3, 2014, 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 Heneveld 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:	Ed Kenny Meghan Peddicord Ron Prushko Jon Foreman Mark Heneveld
General Manager:	Daniel Muelrath
District Personnel:	Matt Fullner, Operations & Maintenance Supervisor Shari Walk, Office Supervisor
Public:	Cheri Burgi

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the May 6, 2014 Board of Directors Meeting.
- B. Surplus Equipment.

On motion by **Vice President Foreman**, seconded by **Director Kenny**, and carried unanimously by a voice vote to adopt the consent calendar as shown.

4. PUBLIC HEARING

- A. Proposed water rate increase, effective July 1, 2014.

President Heneveld opened the public hearing at 6:45 pm.

Cheri Burgi, ratepayer, wanted to thank the District and its employees for the quick response after she called regarding a leak on her side of the meter.

In response to Ms. Burgi's questions, General Manager Muelrath explained the difference between the volumetric water rates and service charge and how SCWA water rates impact the District's costs.

No other members of the public came forward to speak. President Heneveld closed the public hearing at 7:00 pm.

5. OPERATIONAL REPORTS

A. Monthly Financial Reports & Disbursements for April, 2014.

Office Supervisor, Walk reported that \$800,000 was transferred to the Sonoma County Investment Pool, which will be shown on the Report of Investments next month.

On motion by **Vice President Foreman**, seconded by **Director Peddicord**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2014 in the amount of \$309,608.54.

B. Water Source Report.

Matt Fullner, Operations and Maintenance Supervisor reported that the water levels in the wells are on average about 13' lower than last year.

C. Operational updates.

Matt Fullner, Operations and Maintenance Supervisor reported the following:

1. The leak detection survey has been completed. The contractor found 6 leaks, the largest of which was 10 gpm. Overall, the system seems to be in pretty good shape.
2. The water main replacement project in the Boyes Hot Springs area started on May 27th on Balsam Avenue. The contractor will be ready for the tie-in of the new main early next week.
3. The District received permits from Bay Area Air Quality Management District to operate the stationary generators which brings the District into compliance with air quality regulations. The two portable generators will have to be replaced as they cannot be permitted.
4. Representatives from JPIA were here last month, one representative did a value assessment of the District's facilities, which occurs every four years, and the other representative conducted the annual risk assessment. Nothing major was found and issues identified have already been resolved.
5. The California Department of Public Health issued a report of their findings from the inspection that occurred two months ago. The cover letter states "the system was found in good overall condition and is under competent management".

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS

Director Prushko commented on the recent new article regarding the Water Resource Reform and Development Act and how the article made it appear that SCWA was no longer pursuing the pipeline project should habitat enhancement not work.

President Heneveld reported that he attended the WAC meeting on June 2, 2014 where the main topic of discussion was groundwater.

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

General Manager Muelrath reported the following:

Water & Technical Advisory Committee Meetings of June 2nd.

WAC supported a resolution of support for SCWA to assist in water conservation activities in the upper Russian River area (Cloverdale, Healdsburg, etc.).

Water Supply Conditions: Pillsbury is 82% capacity (90% last month), Mendocino is at 46% of the seasonal storage curve (47% last month), and Lake Sonoma is at 73% capacity (75% last month).

Lester Snow of the California Water Foundation (formerly Director of DWR and GM at San Diego County Water Authority) gave a presentation on a sustainability profile project they are spearheading. SCWA has been selected to pilot the program and be the first agency to have a sustainability rating. This is a regional rating and is based on supply portfolio, environmental sensitivity and health of watershed, water demand and financial health of infrastructure.

Water Resource Reform and Development Act (WRRDA)

At the June 2nd press release, Congressman Huffman and Thompson announced the passage of the WRRDA and how it will be a vehicle to access Army Corps funding for the next 6 miles of the Dry Creek Habitat Restoration Project. This will save SCWA and therefore District ratepayers' money.

Mr. Muelrath also reported that the District's water purchases/production was down by 23% compared to last year for the month of April.

8. OLD/NEW BUSINESS

A. Fiscal Year 2014-15 Final Budgets & Water Rates.

Adopt, by roll call vote, the following Resolutions:

1. No. 140601, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2014-15, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges.
2. No. 140602, adopting the fiscal year 2014-15 Operations and Maintenance budget and the Annual Statement of Investment Policy.
3. No. 140603, adopting the five-year Capital Improvement Program for fiscal years 2014-15 through 2018-19 and approving funds for fiscal year 2014-15 Capital Improvement Program budget.

General Manager, Muelrath, introduced the item and noted that the budget includes the District's proposed rate increase, the rate increase from SCWA of 3.19% and additional funding transferred to the Capital Improvement Program in the amount of \$775,000.

Office Supervisor Walk highlighted items that were included in the expenses, such as funds for a water rate study, tank cleaning, updating maps, standard plans and water master plan.

Motion by **President Heneveld** seconded by **Vice President Foreman** and carried unanimously by a roll call vote to adopt Resolution No. 140601, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2014-15, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges; to adopt Resolution No. 140602, adopting the fiscal year 2014-15 Operations and Maintenance budget and the Annual Statement of Investment Policy; to adopt Resolution No. 140603, adopting the five-year Capital Improvement Program for fiscal years 2014-15 through 2018-19 and approving funds for fiscal year 2014-15 Capital Improvement Program budget.

President Heneveld convened the meeting into Closed Session at 7:35 P.M.

9. CLOSED SESSION

- A. Conference with legal counsel to consider pending litigation, pursuant to government code section 54956.9 (a) – “VOMWD v. Brown and Caldwell, et. Al”
- B. Public Employee Performance Evaluation Pursuant to Government Code Section 54957-General Manager.

President Heneveld reconvened from Closed Session at 8:15 P.M. There was nothing to report.

10. ADJOURNMENT

Motion by **Vice President Foreman**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 8:15 P.M. The next scheduled meeting is a regular meeting on July 1, 2014 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Mark Heneveld, Board President