

VALLEY OF THE MOON WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING MINUTES  
November 3, 2015

DRAFT

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, November 3, 2015, 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 Foreman 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: Bruce Adams  
Mark Heneveld  
Ron Prushko  
Ed Kenny  
Jon Foreman
- General Manager: Daniel Muelrath
- District Personnel: Matt Fullner, Operations & Maintenance Supervisor  
Shari Walk, Administration & Finance Manager
- Public: Karla Noyes & Heidi Danieli

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the October 6, 2015 Board of Directors Meeting.
- B. Declare Vehicle No. 28 as Surplus Equipment.
- C. Cancel December Board Meeting.

On motion by Director Heneveld, seconded by Director Adams, and carried unanimously by a voice vote to adopt consent calendar as shown.

4. PUBLIC HEARING - NONE

5. OPERATIONAL REPORTS

- A. Monthly Financial Reports & Disbursements for September 2015.

Ms. Walk reported the amount of decrease in water sales for the first quarter of the fiscal year; however, that amount was offset by the decreased expense in water purchases. It was also reported that staff will be wiring

funds tomorrow into the Sonoma County Investment Pool as the interest is better in that account.

On motion by **Director Prushko**, seconded by **Director Heneveld**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of September 2015 in the amount of \$333,205.22.

**B. Water Source Report.**

Matt Fullner, O & M Supervisor said three of our wells are off and two are on (Larbre & Donald).

**C. Operational updates.**

Operations and Maintenance Supervisor Fullner reported the following:

- Staff started the El Verano Water Main Project beginning on Center Street. Four new valves and 5 services have been installed. The next section planned will be on Railroad Avenue.
- Currently, one new field staff is being trained as an inspector.
- Staff saw a presentation on a valve operating machine that is part of the FY 15/16 budget.

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

**Director Prushko** sought clarification on if treated waste water from Ukiah and Healdsburg was going into the Russian River.

**Director Heneveld** said he attended the WAC/TAC meeting where the main discussion was the Safe Medicine Program and the amount of medicine that has been collected.

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

General Manager Muelrath reported the following:

**Water Supply Levels:** Lake Sonoma is at 69% of current target water supply for this time of the year and Lake Mendocino is at 55% of current target water supply for this time of the year. October water saving numbers were not available yet, but the September water use was 22% lower in 2015, compared to 2013 as reported to the State Water Resource Control Board.

**Water & Technical Advisory Committee Meetings:**

1. The latest temporary urgency change order expired at the end of last month and releases have been increased per Decision 1610. If significant rain is not seen by the end of this month then another temporary urgency change petition will be filed in December.
2. Impacts of Potter Valley Project on Lake Mendocino Reliability:
  - 1922-1963 160,000 AF diverted annually (original FERC license)
  - 1964-2006 140,000 AF diverted annually (slight re-license change)
  - 2007-2014 60,000 AF diverted annually (major re-license change)
  - 2015 30,000 AF diverted annually (due most to penstock construction)
3. Sonoma Marin Water Saving Partnership won the US EPA certifying organization award for the second year in a row for our Qualified Water Efficient Landscaper program that is now in six States.

4. Potential Countywide Safe Medicine Ordinance – Extended Producer Responsibility making drug manufacturers responsible to pay for drug take back programs. The Safe Medicine Program may ask the District to support a countywide Ordinance early next year.

**Low Income Housing Update:** In response to Director Prushko's question at the September Board meeting regarding the impact of water rates, more specifically, the service charge on low income housing developments, Mr. Muelrath learned and reported the following:

1. The upfront and ongoing operating costs impact sustainability of affordable housings.
2. Utility rates and fees do not impact the renters; they impact the developer and investors/lenders.
3. The rental rates are set by Federal limits.
4. The upfront and development cost is obtained through construction loans and federal grants.

**California Special District Association Legislative Aide Tour:** Thirty five legislative aides for assembly members and senators visited Valley of the Moon Water District to see how water districts work and see us in operation. At the time, the water main on Center Street was in progress, so Matt and Brian showed them the importance of operational valves and they also toured the water main installation. We were the only Water District selected to tour.

Mr. Muelrath passed out a flyer regarding the Sustainable Groundwater Management Act (SGMA) workshops that will be held in Sonoma County to review the new law, what it requires, how it affects Sonoma County, and to discuss the formation of local Groundwater Sustainability Agencies. The Sonoma Valley Groundwater Basin Workshop will be held on Thursday, November 12<sup>th</sup> between 6 pm – 8 pm at the Sonoma Veterans Memorial Building.

## 8. OLD/NEW BUSINESS

### A. Urban Water Management Plan Demand Analysis.

**General Manager Muelrath** said the Board approved a contract at the January meeting for Maddaus Water Management, Inc. to perform the first half of the District's Urban Water Management Plan (UWMP). That work has been completed, and shows the District's future demands through 2040 as 3,336 acre feet (AF) without plumbing code, 3,117 AF with plumbing code, and 2,850 AF with plumbing code and conservation. The other important data point regarding the District's water demands is compliance with SB X7-7, which is a regulation that requires a 20% reduction in demand from the District's baseline water usage (1995/96 - 2004/05). The District's year 2020 target is 124 gallons per capita per day and under all projected scenarios the District's water demands are in compliance with the target.

The second phase of the UWMP is the development and submittal of the District's 2015 UWMP, to the State, due every five years. Staff issued a request for proposals from engineering consultants to perform this work, and received two proposals. With the help of staff performing a majority of the work, the proposal from Erler & Kalinowski, Inc. came in at under \$25,000.

Staff is requesting board approval on the demand and conservation numbers for inclusion in the District's 2015 UWMP, and approval of Task Order No. 15-921-02 to Erler & Kalinowski, Inc. for an amount not to exceed \$24,500 for the development and submittal of the District's 2015 Urban Water Management Plan.

On motion by **Director Heneveld**, seconded by **Director Adams**, and carried by unanimously by a voice vote to approve demand and conservation numbers for inclusion in the District's 2015 Urban Water Management Plan.

On motion by **Director Heneveld**, seconded by **Director Prushko**, and carried unanimously by a roll call vote to approve Task Order No. 15-921-01 to Erler & Kalinowski, Inc. for an amount not to exceed \$24,500

for the development and submittal of the District's 2015 urban Water Management.

**B. Updated Employee Handbook.**

**General Manager Muelrath** said the District's Employee Handbook was last updated and adopted 21 years ago and was obsolete and out of date regarding current law and practices. The Board decided at the September meeting to have a two member subcommittee read the new Employee Handbook and provide staff with feedback. On September 23<sup>rd</sup> the subcommittee met and it was identified that additional wording regarding smoking was required. That language has been included.

On motion by **Director Prushko**, seconded by **Director Heneveld**, and carried unanimously by a roll call vote to adopt Resolution No. 151101 expiring and overwriting the District's Employee Rules and Regulations Handbook dated April 1993 with the new Employee Handbook dated October 2015.

**C. Sonoma Mountain Homestead, LLC Water Infrastructure and Appurtenance Agreement and Deed Restriction.**

**General Manager Muelrath** reported that in 2002, the District entered into a water facilities agreement where the infrastructure and appurtenance for the project were deeded back to the District, common practice. Under normal circumstances the ongoing water bills will be on average sufficient to recover the cost of maintenance and replacement, however given the large amount of infrastructure for this project and limited number of users and low volume of water use the District was not recovering enough money for maintenance and replacement. At staff's request, the District's rate consultant evaluated the scenario as part of the District's "Water Rate Analysis and Capacity Fee Study, March 2015" and confirmed that the cost of service and replacement cost is not being recouped by the normal fixed and variable rate charges in the District's bi-monthly water bills. The study estimated that the District would be short over \$915,000 in 2015 dollars and with inflation would be short between \$5-6.5 million at the time of future replacement.

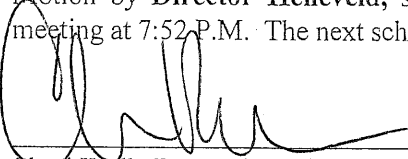
Staff met with the sole owner of Sonoma Mountain Homestead, LLC to discuss the District's findings and to achieve an equitable solution. The solution agreeable to both parties was to create and record a Water Infrastructure and Appurtenance Agreement and Deed Restriction. The agreement requires all operations, maintenance or replacement costs in excess of \$1,000 per year to be paid for by the owner, which protects the financial interest of the District while preserving the owner's objective of having the District physically, not fiscally responsible for keeping water in service at this location.

On motion by **Director Kenny**, seconded by **Director Adams**, and carried unanimously by a roll call vote to adopt Resolution No. 151102, authorizing the Acceptance of the Water Infrastructure and Appurtenance Agreement and Deed Restriction from Sonoma Mountain Homestead, and Authorizing the Board President to sign the Agreement and Deed Restriction.

**9. CLOSED SESSION - NONE**

**10. ADJOURNMENT**

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 7:52 P.M. The next scheduled meeting is a regular meeting on January 5, 2016 at 6:30 P.M.

  
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Shari Walk, Deputy Board Secretary

  
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Jon Foreman, Board President