

**VALLEY OF THE MOON WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING MINUTES  
January 6, 2015**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, January 6, 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 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, Administration & Finance Manager
Public:	Heidi Danieli, and Greg Clumpner, NBS

**2. PUBLIC COMMENTS**

There were no public comments.

**3. CONSENT CALENDAR**

- A. Minutes of the November 4, 2014 Board of Directors Meeting.
- B. Expressing appreciation for services rendered by retiring employee, Sam Villasenor.

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 PRESENTATION - NONE**

**5. OPERATIONAL REPORTS**

- A. Monthly Financial Reports & Disbursements for October & November, 2014.

On motion by **Vice President Foreman**, seconded by **Director Kenny**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of October 2014 in the amount of \$376,642.16 & November 2014 in the amount of \$232,250.58.

**B. Water Source Report.**

Operations & Maintenance Supervisor Fullner said we received approximately 30% of our water from District wells in December. We are currently running the wells to help reduce the District's cost of purchasing water from SCWA.

**Director Prushko** is concerned about not resting our wells.

General Manager Muelrath agrees that typically the wells are rested in the winter, however, with the recent storms and lack of data on winter pumping results, staff wanted to test the aquifer and see how soon the wells recover as they are cycled on and off this winter.

**C. Operational updates.**

Operations and Maintenance Supervisor Fullner reported the following:

1. The replacement for the employee who retired in October, started work yesterday.
2. Another employee will be retiring next month, and we are currently recruiting for his replacement.
3. The required first round of the Unregulated Contaminant Monitoring Rule 3 (UCMR3) water sampling has been completed. The results provide data to EPA to determine whether any new unregulated contaminant should be regulated in the future.
4. The District should be receiving the plans at 95% complete soon, on the El Verano Water Main Project.
5. The Standard Plans and mapping should also be completed soon.

<b>6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS</b>
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**President Heneveld** commented on how impressed he was with Operations and Maintenance Supervisor Matt Fullner in regards to his handling of the crew and how well they all work together even as new employees are coming on board.

**Director Prushko** would like our attorney to look into the Jarvis Gann Act and its applicability to limiting Special District rate increases.

<b>7. GENERAL MANAGER'S AND DISTRICT COUNSEL'S REPORTS</b>
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General Manager Muelrath reported the following:

**TAC Meeting:**

1. Sonoma County Water Agency's preliminary budget will be released later this month.
2. Lake Mendocino reliability study is close to being complete. It models several scenarios ranging from no Potter Valley diversions to low growth and wet weather. This will be presented to the WAC at a future meeting.

**Fish ladder tour/education facility groundbreaking:** President Heneveld and I attended the groundbreaking ceremony of the new education facility that will see 3,000-5,000 Sonoma County students per year.

**December Storm recap:** Due to SCWA and NOAA’s advanced detection of the atmospheric river we were able to preplan 5 days in advance. Generators were towed to locations that frequently lose power and we were able to identify other critical assets that we needed to watch as the storm arrived, such as bridge crossings.

**Water supply levels:** A slide presented showing the water supply levels was presented to the Board.

**Water shortage charges:** The amount collected through December 2014 from water shortage charges is \$54,699.

<b>8. OLD/NEW BUSINESS</b>
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**A. Election of District Officers for 2015.**

Motion by **Director Peddicord**, seconded by **Director Prushko**, and carried unanimously to elect Director Foreman as the President. Motion by **Director Foreman**, seconded by **Director Prushko**, and carried unanimously to elect Director Peddicord as Vice President. Motion by **Director Foreman**, seconded by **Director Peddicord**, and carried unanimously to elect Daniel Muelrath as the Secretary and Shari Walk as the Deputy Secretary of the Board of Directors of the Valley of the Moon Water District for 2015.

At this point, newly elected **President Foreman** chaired the meeting.

**B. Appointment of Board Representatives.**

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried by a voice vote to reassign the Board representatives as shown below.

<b>Organization/Committee</b>	<b>Board Representative (s)</b>	<b>First Alternate</b>
Water Advisory Committee	Director Heneveld	Director Peddicord
Ad Hoc Liaison Committee with the City of Sonoma	Director Prushko Director Kenny	Director Peddicord
ACWA – Region 1 & ACWA JPIA	Director Foreman	Director Peddicord

**C. Water Rate Study Update.**

General Manager, Muelrath said it’s been over 10 years since the District changed its water rate structure to a conservation oriented tier rate structure. Since that time there has been an economic recession/rebound and 6 years classified as a drought which has resulted in changed water use patterns. At the September 2, 2014 Board meeting, an agreement with NBS to perform a transparent and comprehensive water rate study was approved. Since that time, staff has been working with the consultant, to incorporate the Board’s direction into the rate model: CIP reserves, rate stabilization reserves, increase the CIP funding, adjust the fixed vs. variable rate ratio, lower the tier thresholds and add a 4<sup>th</sup> tier.

General Manager, Daniel Muelrath gave a brief power point presentation leading into a more detailed presentation by consultant Greg Clumpner, NBS regarding the water rate study. It was stated that the rate structure presented reduces the total water bill for low water use customers, allocates the cost of water service by customer class, strengthens revenue stability, and improves the financial resiliency of the District

to be able to withstand multiple drought years, natural disasters, etc. Mr. Clumpner further highlighted the importance of changing the rate structure and increasing the revenue of the District to match expenses as failure to do so would mean eliminating the District's CIP program within two years and an inability to cover debt obligation in three years.

**Director Heneveld** said he supports the proposed water rate discussed.

**Director Prushko** stated that he needed more time to review the results of the rate study.

Motion by **Vice President Foreman** seconded by **Director Kenny** and carried by a roll call vote of 4 ayes, and 1 nay, Prushko to move forward with the proposed water rate structure and prepare the Proposition 218 Notification accordingly.

**D. Urban Water Management Plan Demand Analysis Cost Share Agreement.**

Mr. Muelrath reported that every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections is required to assess the reliability of its water sources over a 20-year planning horizon, and report its progress on 20% reduction in per-capita urban water consumption by the year 2020. The Urban Water Management Plan (UWMP) must be prepared and submitted to the California Department of Water Resources every 5 years.

It is time for the District to start preparing the 2015 UWMP which is comprised of two components:

1. Demand and future conservation analysis
2. Water supply analysis, climate change impact, embedded energy, and all other required data, tables, and completion of the UWMP

In 2010, the District and most other SCWA water contractors participated in a cost share approach, using one consultant to perform the demand and future conservation analysis component. Due to the economies of scale and efficiencies of having a single consultant perform the demand and future conservation analysis, the water contractors have solicited proposals from vendors and have determined the lowest responsive proposal to be the same company that performed the analysis 5 years ago, Maddaus Water Management Inc.

The regional agreement will be managed by City of Santa Rosa and it is proposed that the District enter into a letter agreement with Santa Rosa to reimburse them for our share of the costs. The District portion of the agreement including a 10% contingency is \$15,837.

On motion by **Director Heneveld**, seconded by **Director Kenny**, and carried by a roll call vote of 4 ayes, and 1 nay, Prushko to approve a Letter Agreement with City of Santa Rosa in the amount of \$15,837 for the performance of the demand and future conservation analysis by Maddaus Water Management Inc.

**President Foreman** convened the meeting into Closed Session at 8:10 P.M.

<b>9. CLOSED SESSION</b>
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- 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. Conference with Labor Negotiator Pursuant to Government Code Section 54957.6; Agency Negotiator: General Manager Daniel Muelrath; Negotiating Parties: International Union of Operating Engineers, Stationary Local 39 AFL-CIO.

**President Foreman** reconvened from Closed Session at 8:25 P.M. There was nothing to report.

<b>10. ADJOURNMENT</b>
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Motion by **Director Kenny**, seconded by **Director Heneveld**, and carried unanimously to adjourn the meeting at 8:25 P.M. The next scheduled meeting is a regular meeting on February 3, 2015 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary

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Jon Foreman, Board President