

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

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, February 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:	Mark Heneveld Ed Kenny Ron Prushko Meghan Peddicord Jon Foreman
General Manager:	Daniel Muelrath
District Counsel:	Doug Coty, Bold, Polisner, Maddow, Nelson & Judson
District Personnel:	Matt Fullner, Operations & Maintenance Supervisor Shari Walk, Administration & Finance Manager
Public:	None

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A. Minutes of the January 6, 2015 Board of Directors Meeting.
- B. Expressing appreciation for services rendered by retiring employee, John Ridge.

On motion by **Director Kenny**, seconded by **Director Prushko**, 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 December 2014.

On motion by **Director Heneveld**, seconded by **Vice President Peddicord**, and carried unanimously by a

roll call vote to approve the monthly Financial Reports & Disbursements for the month of December 2014 in the amount of \$338,504.49.

B. Water Source Report.

Operations and Maintenance Supervisor Fullner reported that three wells were turned off at the end of January, leaving two wells on, Larbre and Agua Caliente.

C. Operational updates.

Operations and Maintenance Supervisor Fullner reported the following:

1. The valve replacement program started last month, beginning with the valve located at Arnold Drive and Carmel Avenue in Glen Ellen. Pictures of that replacement were shown to the Board.
2. EKI is working on the 100% plans for the Bay Street, Walnut Avenue, Penny Lane, Oak Street, Center Street, Railroad Avenue & LaMancha Drive Project.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS
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There were no reports or comment.

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

WAC/TAC Meetings:

1. The Urban Water Management Plan process was discussed.
2. PG&E is still working on the Potter Valley Project.
3. SCWA presented an overview on their budget, which will be presented at the next TAC and WAC meetings.
4. Annual report from the Sonoma-Marin Saving Water Partnership was handed out, which outlined all the accomplishments over the past year.

Habitat Enhancement:

1. Per Director Prushko's question last month of how the restoration sites handled the December storm, the Sonoma County Water Agency provided the following response to General Manager Muelrath:
 - a. "Overall we had very little impact from the high flows. A minor amount of gravel movement and lost some of our newly installed plantings, but all the large wood, bank stabilization work, and constructed riffles all appear to have weathered the storm with no impact."
2. Upcoming Tour dates: February 5th from 1-4pm or February 20th 9am – noon.

Water Supply Levels: Lake Sonoma = 77% of water supply capacity and Lake Mendocino = 85%.

State Water Resources Control Board Drinking Water System Discharge Permit: Starting July 1, 2015 the District will need to obtain a permit for incidental and emergency discharges of well and potable water.

AB2747: In January, per AB2747, the District starting hanging notices in multiple languages for Multi-Family Residential/non-account holders when water will be shut off for nonpayment.

District Counsel Doug Coty reported the following:

Jarvis Gann Act and Related Legislation: Legislation covered and their relevance to Special Districts included Prop 4, 13, 26 and 218.

8. OLD/NEW BUSINESS

- A. Proposed Operations and Maintenance and Capital Improvement Program Budgets for Fiscal Year 2015-16.

General Manager Muelrath presented an overview of the Budget highlighting that the District is budgeting based on historical low water demands and the possible continuation of the drought.

Administration and Finance Manager Walk recapped a few of the budget funds that had significant changes year over year. The Directors asked a few clarify questions about specific line items and what expenses were contributing to the total expense projections. Additionally, they commented on the continual increase in the cost of wholesale water from SCWA and the potential budget shortfalls that would occur due to rising costs should the proposed budget and rate restricting not be approved.

On motion by **Director Kenny**, seconded by **Vice President Peddicord** and carried unanimously by a roll call vote to take the following actions:

- 1) Authorized staff to mail notices to all District customers regarding the proposed water rate restructure for FY 2015-16;
 - 2) Set June 2, 2015, 6:45 P.M. as the date and time of the Public Hearing to a) review the protests received regarding the proposed water rate increase and b) receive public comments regarding the 2015-16 proposed budget.
- B. Asset Management and Electronic Work Order Software.

General Manager Muelrath reported that the District has relied on paper hardcopies and physical files to manage the District's assets and work orders. This system has worked well but has some limitations, such as relying heavily on personal knowledge, which the District is currently losing due to retirement. The data in the files is not easily assessable and is time consuming to research.

The approved 2014/15 CIP budget for this project includes \$25,000 for the initial implementation and in total it was estimated to cost \$90,000 over the five year capital plan with an expectation of a ten year life before requiring upgrades. After receiving proposals it was determined that the most cost effective option for the District is to implement this project using software as a service (licensing) rather than purchasing software. The total cost over a ten year period will be \$85,500 with additional benefits including: ongoing customer support, free upgrades to software and remote hosting for data storage and security.

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried by a roll call vote to authorize the General Manager to sign a professional services agreement with Websoft Developers, Inc. in an amount not to exceed \$18,000 in year one and \$7,500 annually in years two through 5 to develop and implement a GIS based electronic asset management and work order system for the District.

President Foreman convened the meeting into Closed Session at 8:00 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.** 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.
- C.** Public Employee Performance Evaluation Pursuant to Government Code Section 54957-General Manager.

Since the agenda for this meeting was posted, information was received which the Board must immediately consider. Pursuant to Government Code section 54956.9(d)(2) legal counsel has determined that a potential for litigation exists and recommends that the Board discuss the matter in closed session. The Board may add a closed session pursuant to Government Code 54954.2(b) if four members of the Board agree to do so.

It is recommended by legal counsel that a motion be made that immediate action is necessary, that the need for action came to the attention of the District after the posting of the agenda, and to add this matter to the agenda for discussion in closed session pursuant to paragraph (4) of subdivision (d) of section 54956.9 of the Government Code: (one case).

President Foreman reconvened from Closed Session at 8:30 P.M. It was reported that a motion was made and agreed by all board member to add the following to closed session:

- D.** Conference with legal counsel to consider pending litigation, pursuant to government code session 54956.9 (d) – 1 case.

10. ADJOURNMENT

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 8:31 P.M. The next scheduled meeting is a regular meeting on March 3, 2015 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Jon Foreman, Board President