

**VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
April 7, 2015**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, April 7, 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 Personnel:	Matt Fullner, Operations & Maintenance Supervisor Shari Walk, Administration & Finance Manager
Public:	Jim Scriven & Dawna Gallagher-Stroeh

2. PUBLIC COMMENTS

Mr. Scriven had questions regarding, the State's order to conserve, the new water rate restructure and groundwater management. Mr. Muelrath said some of his questions would be addressed under agenda items 8.A & 8.C

3. CONSENT CALENDAR

- A.** Minutes of the March 3, 2015 Board of Directors Meeting.
- B.** Minutes of the March 25, 2015 Special Board of Directors Meeting.
- C.** LAFCO Law for Special Districts.
- D.** Marin/Sonoma Mosquito & Vector Control District.
- E.** Water Main Valve Replacement Agreement.
- F.** Fluoride Letter to Sonoma County Board of Supervisors.

Director Prushko requested item 3.D be pulled for discussion.

On motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously by a voice vote to adopt the consent calendar items 3.A, B, C, E & F.

Director Prushko voiced his concerns over the new fee from Marin/Sonoma Mosquito & Vector Control

District, and wasn't in favor of voting yes on the proposed rate.

On motion by **Director Heneveld**, seconded by **Director Kenny**, and carried by a voice vote of 4 ayes, and 1 nay, Prushko to adopt the consent calendar item 3.D.

4. PUBLIC PRESENTATION - NONE

5. OPERATIONAL REPORTS

A. Monthly Financial Reports & Disbursements for February 2015.

Administration & Finance Manager, Walk said that the current revenues were short by \$394,181, however, the expenses were under by \$443,353, netting an actual vs. budget positive position of \$49,172.

On motion by **Director Kenny**, seconded by **Director Heneveld**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of February 2015 in the amount of \$268,633.92.

B. Water Source Report.

General Manager Muelrath reported that all wells were off in March except for Larbre. Starting in April production wells will be turned on.

C. Operational updates.

General Manager Muelrath reported:

- The District received over \$7,600 for the recycling of meters and scrap metal.
- Websoft, the vendor for the asset management program begun setting up work orders and backflow information for staff to utilize.
- Pacific Gas & Electric hit one of the District's fire hydrants while working on the Highway 12 improvements. The repairs, which PG & E has agreed to pay for will be done by an outside contractor.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS

President Foreman talked about an article in the San Francisco Chronicle regarding the legal challenges to San Juan Capistrano's tier rate system. The tier rates were set in house without substantial backup for tier breakpoints and cost allocations; which is why the suit was filed. He stated the article was full of miss information especially in reference to the wording that alluded to the fact that tiered rates were going to be overturned.

Director Heneveld reported that he attended the special meeting of the Water Advisory Committee where he made a request of the Sonoma County Water Agency to keep future water rate increases to under 5%.

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

General Manager Muelrath reported the following:

WAC/TAC Meeting: All water contractors agreed to bring a three day per week or less water restrictions to their Boards for consideration and approval. Due to the cumulative inflow in Lake Pillsbury the Russian

River system is at a normal water supply condition year. This means normal water releases per Decision 1610 which conflicts with the Biological Opinion meaning SCWA will be filing a Temporary Urgency Change Petition with the State Water Resources Control Board to reduce flows per the Biological Opinion.

Water Supply Levels: Lake Sonoma is at 87.8% of water supply capacity and Lake Mendocino is at 69% of current water supply capacity and 56.9% of summer capacity.

8. OLD/NEW BUSINESS

A. State Water Resources Control Board Continuation of Emergency Regulations.

The State Water Resources Control Board (SWRCB) emergency regulations had a 270 day time limit which would have expired in late April 2015, however due to the continuation of the drought they have extended the regulations another 270 days. In order to remain compliant with the new SWRCB regulations the District must amend its Urban Water Shortage Contingency Plan (UWSCP) to address day per week irrigation limitations.

Staff recommended adding language to section 4.3 Prohibitions on Water Waste in the District's UWSCP as follows:

Stage 2: Irrigation is limited to 3 days or less per week.

Stage 3: Irrigation is limited to 2 days or less per week.

Stage 4: Irrigation is limited to 1 day or less per week.

Additionally, staff recommended extending the District's water shortage rates, which is set to expire this month through June 30, 2015 at which time the District's proposed water rate structure will take effect.

On motion by **Director Heneveld**, seconded by **Vice President Peddicord**, and carried unanimously by a voice vote to adopt Resolution No. 150401, approving modifications to the District's 2014 Urban Water Shortage Contingency Plan, and adopt Resolution No. 150402, continuing the Stage 2 water shortage level and extension of water shortage charges.

B. VOMWD Backup Power Plan and Generator Agreement.

General Manager Muelrath summarized the current status of backup power at District locations, noting that hydro-pneumatic booster stations are the most critical locations for backup power due to the quick loss in pressure during a power outage. In the currently approved 2014/15 capital projects, money has been budgeted for the installation of permanent backup power at the Chestnut hydro-pneumatic booster station.

Staff received a price quote from Shafer Electric in the amount of \$32,500 for the installation of permanent backup power at the Chestnut hydro-pneumatic booster station. The quote is significantly under budget and there may be economies of scale to install a second generator at a District facility should the Board desire to accelerate another location in this fiscal year.

The general consensus of the Board was to bring back another agreement should a second location prove to be cost effective.

On motion by **Vice President Peddicord**, seconded by **Director Heneveld**, and carried unanimously by a roll call vote to authorize the General Manager to enter into an Agreement with Schafer Electric in an amount not to exceed \$32,500 for the installation of permanent power backup at the District's Chestnut facility.

C. Sustainable Groundwater Management Act.

General Manager Muelrath reported that at the March 3, 2015 Board of Directors meeting the general consensus of the Board was to delay a decision on the following questions until after the Sonoma County Board of Supervisors heard a Sustainable Groundwater management Act updated at their March 17, 2015 meeting.

The questions still up for consideration are:

1. Does the District want to participate in a facilitated regional approach with multiple local agencies?
2. Does the District want to be the lead groundwater sustainability agency for its current service area?
3. Is the District interested in serving as the lead groundwater sustainability agency for an area larger than its current service area (i.e. Sonoma Valley)?

Staff recommended holding a public hearing at the May Board meeting to seek input from the public including but not limited to: current District customers, rural residential owners, agricultural and environmental interest.

On motion by **Director Heneveld**, seconded by **Vice President Peddicord**, and carried unanimously by a voice vote to schedule a public hearing for the May 5, 2015 Board meeting to seek public input regarding the creation of a Groundwater Sustainability Agency.

D. Service Line Accountability Program.

General Manager Muelrath reported that the District has many service lines, the line between the water main and meter, that have resulted in no active customer, such as the installation of water facilities as part of a subdivision and the development of the lots never occurred, or a customer requesting the removal of the water meter to avoid the bi-monthly service charge, since they have an alternate water source or they are not going to need District water at that locations for an extended period of time.

These service lines need to be replaced as they leak and since there are no current customers assigned to the account the District has not been able to collect revenue (fixed or variable) to help offset the cost of maintenance and or replacement. Additionally, many of these service lines are now undersized for County fire sprinkler requirement and will require a new service line should the development of these lots occur.

In order to minimize the risk to the District, staff recommends modifying section 4-3 of the District Code as follows:

4-3 TERMINATION OF SERVICE: Wherever premises are vacated, the charge for water service shall continue until a new current customer is assigned to the account or the current customer pays the District for the permanent removal of the meter and service line. In the event of a tenant moving out the default current customer will be the landlord.

Director Prushko voiced his concern that if a customer paid to have the service line installed, they should not be required to pay a bi-monthly service fee if they do not have a water meter.

General Manager Muelrath responded that the service fee that would be collected is to help offset the cost to maintain and replace these service lines and currently no fee is being collected from the property owner, meaning the cost is being spread to all other rate payers.

On motion by **Vice President Peddicord**, seconded by **Director Kenny**, and carried by a roll call vote of 4 ayes, and 1 nay, Prushko to adopt Resolution No. 150403 amending the District's Code Section 4-3 Termination of Service, to read "*Whenever premises are vacated, the charge for water service shall continue until a new current customer is assigned to the account or the current customer pays the District for the permanent removal of the meter and service line. In the event of a tenant moving out the default current customer will be the landlord*", and directing staff to contact all locations that have service lines and are inactive accounts and allow them 12 months to become an active customer or the service line will be abandoned.

President Foreman convened the meeting into Closed Session at 7:50 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.

President Foreman reconvened from Closed Session at 8:41 P.M. There was nothing to report.

10. ADJOURNMENT

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 8:42 P.M. The next scheduled meeting is a regular meeting on May 5, 2015 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Jon Foreman, Board President