

**VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
June 2, 2015**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, June 2, 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:	Heidi Danieli, Barry Danieli, Rudy & Emy Valderrama

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

- A.** Minutes of the May 5, 2015 Board of Directors Meeting.
- B.** General Manager's Employment Agreement.
- C.** Memoranda of Understanding with the Employee Bargaining Groups.
- D.** Water Facilities Agreement with the Larbre Trust, Project No. 2956.

On motion by **Director Heneveld**, seconded by **Vice President Peddicord**, and carried unanimously by a voice vote to adopt consent calendar item 3.A.

Director Prushko requested item 3.B be pulled. **Director Prushko** noted his objection to the General Manager's salary increase.

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

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

4. PUBLIC HEARING

- A. Proposed water rate restructure, effective July 1, 2015.

President Foreman opened the public hearing at 7:00 pm.

No members of the public came forward to speak. **President Foreman** closed the public hearing at 7:01 pm.

5. OPERATIONAL REPORTS

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

On motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of April 2015 in the amount of \$363,275.28.

- B. Water Source Report.

Operations and Maintenance Supervisor Fullner said all wells have been on for a month now, and water levels are sustaining.

- C. Operational updates.

Operations and Maintenance Supervisor Fullner reported the following:

- The valve replacement program will be starting next Monday in the Agua Caliente area.
- Staff installed the concrete pad for the Chestnut Tank generator, and the contractor will be starting the installation of the generator soon. In response to **Director Prushko**, Mr. Fullner said the generator would be automatically started when power goes out.
- District has contracted with Core Utilities for a SCADA overview, which will be needed to write an RFP for that project. The project is budgeted for in fiscal year 2015-16.
- In response to SWRCB regulations, staff has been issuing more water waste tags, mostly for irrigating during the day, and has had an increase in the number of pre and post inspections performed for the “cash for grass” program.
- The field staff attended a BBQ at the City of Sonoma, an opportunity to brainstorm on various water issues.

6. PRESIDENT’S AND DIRECTORS’ REPORTS OR COMMENTS

President Foreman commented on his meeting with Supervisor Gorin regarding county paving standards.

Vice President Peddicord announced that she would be resigning her position on the Board effective June 30, 2015. She feels she cannot commit the time needed to serve on the Board, with the current and upcoming issues facing the District.

Director Prushko mentioned an article about the cost of water that Israel is paying from a desalination plant.

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

General Manager Muelrath reported the following:

Water Supply Levels: Lake Sonoma is at 85% of current target water supply for this time of the year and Lake Mendocino is at 65% of current target water supply or this time of the year.

SWRCB Emergency Regulations: SWRCB finalized their regulations and VOMWD's conservation mandate is 20%. Other Sonoma Marin Saving Water Partners have mandates that range from 16% to 28%. VOMWD April savings is 30% compared to 2013 and currently has all of the regulatory components in place as required by the SWRCB regulations. The 20% mandatory compliance runs from June 2015 – February 2016.

GSA Update: Met with LAFCO, NBCWD, etc. and VOMWD may want to consider a sphere annexation and expansion of services offered at the July or August meeting.

Zone 4 & 5 : District staff is working on a potential resolution to financially protect the District from the infrastructure replacement cost in these two small but expensive zones. Current replacement cost is in excess of \$1.5 million and will likely exceed \$5 million at time of replacement.

County Paving Standards: President Foreman and I met with Supervisor Gorin regarding the County's paving requirements on the El Verano Water Main Replacement Project. A final resolution should be determined by next week.

8. OLD/NEW BUSINESS

A. Fiscal year 2015-16 Final Budget & Water Rates.

Adopt, by roll call vote, the following Resolutions:

1. No. 150604, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2015-16, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges.
2. No. 150605, adopting the fiscal year 2015-16 Operations and Maintenance budget and the Annual Statement of Investment Policy.
3. No. 150606, adopting the five-year Capital Improvement Program for fiscal years 2015-16 through 2019-20 and approving funds for fiscal year 2015-16 Capital Improvement Program budget.
4. No. 150607, updating the Reserve Policy.

General Manager, Muelrath, introduced the item and noted that the budget includes the District's proposed rate restructure, the rate increase from SCWA of 5.46% and additional funding transferred to the Capital Improvement Program in the amount of \$1,100,000.

Administration & Finance Manager, Walk highlighted items that were included in the expenses, such as funds for an updated master water plan, building maintenance at the District and Corporation offices and additional tools needed. Staff responded to clarification requests by Board members regarding specific charges included in various line items of the budget.

Motion by **Director Heneveld** seconded by **Vice President Peddicord** and carried unanimously by a roll call vote to adopt Resolution No. 150604, overruling objections and protests, adopting a report on charges for water services and confirming such charges for fiscal year 2015-16, and amending District Regulations 8-2.19 and 8-2.21 to reflect such charges; to adopt Resolution No. 150605, adopting the fiscal year 2015-16 Operations and Maintenance budget and the Annual Statement of Investment Policy; to adopt Resolution No. 150606, adopting the five-year Capital Improvement Program for fiscal years 2015-16 through 2019-20 and approving funds for fiscal year 2015-16 Capital Improvement Program budget; to adopt Resolution No. 150607, updating the Reserve Policy.

President Foreman convened the meeting into Closed Session at 7:40 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”

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

10. ADJOURNMENT

Motion by **Director Kenny**, seconded by **Director Heneveld**, and carried unanimously to adjourn the meeting at 8:20 P.M. The next scheduled meeting is a regular meeting on July 7, 2015 at 6:30 P.M.

Shari Walk, Deputy Board Secretary

Jon Foreman, Board President