

**VALLEY OF THE MOON WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING MINUTES  
September 1, 2015**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, September 1, 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

**2. PUBLIC COMMENTS**

There were no public comments.

**3. CONSENT CALENDAR**

- A.** Minutes of the August 4, 2015 Board of Directors Meeting.
- B.** Bank Signature Card.
- C.** Board of Directors Policies and Procedures Update.
- D.** Project Closing Documents for Water Facilities Installation Project No. 2951

On motion by **Director Kenny**, seconded by **Director Heneveld**, 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 July 2015.

Administration & Finance Manager Walk reported:

1. The CalPERS Employer Contribution rate each year consists of the Plan's Employer Normal Cost plus the Employer Unfunded Accrued Liability Contribution Amount. This fiscal year CalPERS offered the option to pay the unfunded accrued liability portion in either monthly payments of \$7,247 (as done in the past), or to prepay the entire amount of \$83,876 at the beginning of the fiscal year as one lump sum payment. Paying the entire amount for the year yielded a net savings of \$3,088, an amount that could not be made up in interest.
2. The Rate Stabilization and Capital Improvement Program reserves have been added to the Report of Investments for fiscal year 2015-2016.

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 July 2015 in the amount of \$405,588.16.

**B. Water Source Report.**

Operations and Maintenance Supervisor Fullner reported that well production was at 31% for July 2015, although the percent is slightly skewed given the number of days used for well production versus the production days from Sonoma County Water Agency.

**C. Operational updates.**

Operations and Maintenance Supervisor Fullner reported the following:

1. A pre-construction meeting was held for the Sonoma Springs Project on Sonoma Highway.
2. District fire hydrants are being moved as part of the Sonoma County road pavement project currently taking place on Sonoma Highway.
3. On August 12<sup>th</sup>, Director Adams was taken on the tour of our water facilities.
4. The new Meter Reader started on August 24<sup>th</sup>, and the new Water Distribution System Operator will start on Sept. 8<sup>th</sup>.
5. Attended a meeting with Sonoma Greens Homeowners Association and Larbre to go over the installation of the backflow devices at Sonoma Greens.
6. A pre-bid meeting was held last Wednesday, August 26<sup>th</sup> for the El Verano Water Main Project.
7. John Haaf, Risk Management Manager with ACWA/JPIA performed the annual inspection of the District's facilities and reported no issues.

<b>6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS</b>
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**President Foreman** encouraged other Board members and the public to participate in the Sonoma Master Gardeners GardenSense program stating that he was impressed with the level of service the program provided during an inspection at his residence.

**Director Prushko** commented that Fisch Brothers was drilling a well in the location adjacent to where the District looked at putting a well several years ago (fowler creek area), and wondered why there was no objection to drilling that well, when there was so much objection with the District's proposed drilling.

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

**Water Supply Levels:** Lake Sonoma is at 75.7% of current target water supply for this time of the year and Lake Mendocino is at 58.3% of current target water supply for this time of the year. Charts showing each lake were presented to the board.

**Resolution of Verano Well:** The District has reached an amicable settlement regarding this issue. A settlement letter will follow, and staff will present construction options at the October or November Board meeting.

Valley of the Moon Water District was selected as the only Water District destination in California for the California Legislative Aide Tour in October.

Dr. Hahn, Oxford University, who is responsible for the greenhouse gas cap and trade program is interested in partnering with us when we pilot a save and trade conservation program that is going to start later this year.

In response to Director Henveld, Mr. Muelrath explained the District's current stage of the AMI project.

<b>8. OLD/NEW BUSINESS</b>
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**A. Fire Line Fee Structure for 10" and 12" Lines.**

**General Manager Muelrath** stated the District's current fee structure under service charges only goes up to an eight inch fire line, as that is the largest size in the District's current distribution system. A new development under construction is requiring a ten inch fire line. Staff has developed a 10" and 12" fire line service charge fee to be added to the District Code Section 8-2.21, Service Charges, and is requesting adoption of Resolution No. 150903, amending District Code Section 8-2.21 Service Charges (Fire Lines).

**Director Pruhsko** is not in favor of this fee as it affects the low income development and stated it is a fee with no service.

**President Foreman** pointed out, that all ratepayers pay a service charge fee, and that we cannot eliminate fees for one group as it would be a violation of Prop 218.

General Manager Muelrath also stated that this is a fee for service as the District's portion of the fire line will need to be replaced in the future and that fire line service charges do not fully cover future replacement costs.

On motion by **Director Heneveld**, seconded by **Director Adams**, and carried by a roll call vote of 4 ayes, and 1 nay, Prushko to adopt Resolution No. 150903 amending District Code Section 8-2.21 Service Charges (Fire Lines).

**B. District Code Section 10: Adjustment of Billing.**

General Manager Muelrath said with the restructuring of the tiered rates that went into effect July 1, 2015, the District's Code Section 10: Adjustment of Billing needs to be revised. The revisions required for consistency with the new rates is as follows:

1. Remove the reference to adjustment made in tier 1 since the District will not adjust water use in tier 1 or 2.
2. Eliminate reference to specific tiers that will receive adjustment since as rates change tiers eligible for adjustment may change.

On motion by **Director Heneveld**, seconded by **Director Adams**, and carried unanimously by a voice vote to adopt Resolution No. 150904, revising District Code Section 10: Adjustment of Billing.

**C.** Updated Employee Handbook.

Mr. Muelrath said the District's Employee Handbook was last updated and adopted 21 years ago and is obsolete and out of date regarding current laws and labor practices. Staff has worked on a new employee handbook incorporating current labor laws and requirements. After completing, the handbook it was reviewed by the District's risk management company and is now ready for Board review and adoption.

The general consensus of the board was to appoint a subcommittee to review the updated Handbook. **President Foreman** appointed Directors Prushko and Heneveld to serve on the committee.

**D.** Groundwater Management Program.

At the last board meeting, staff presented a high level overview of groundwater program options that could be offered in the Sonoma Valley. The general consensus of the Board at that meeting was for staff to further investigate the groundwater management services the District could provide in Sonoma Valley and to bring back additional information on these potential programs including how to fund these initiatives.

Due to the amount of technical and legal legwork that is required to bring a proposal to the full board, staff recommends establishing a subcommittee of the Board to help guide groundwater related activities and bring items back to the full board for discussion and decisions.

**President Foreman** appointed Directors Adams and Heneveld to serve on the subcommittee, and he would act as a backup if needed.

<b>9. CLOSED SESSION - NONE</b>
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<b>10. ADJOURNMENT</b>
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Motion by **Director Kenny**, seconded by **Director Adams**, and carried unanimously to adjourn the meeting at 7:58 P.M. The next scheduled meeting is a regular meeting on October 6, 2015 at 6:30 P.M.

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Shari Walk, Deputy Board Secretary

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Jon Foreman, Board President