

**VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
February 2, 2016**

A regular meeting of the Board of Directors of the Valley of the Moon Water District was held on Tuesday, February 2, 2016, 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 Yankovich** noted the following present:

Directors:	Jon Foreman Ron Prushko Bruce Adams Mark Heneveld Ed Kenny
General Manager:	Daniel Muelrath
District Personnel:	Matt Fullner, Operations & Maintenance Supervisor Jennifer Yankovich, Administration & Finance Manager
Public:	None

2. PUBLIC COMMENTS

There were no public comments.

3. CONSENT CALENDAR

A. Minutes of the January 5, 2016 Board of Directors Meeting.

On motion by **Director Adams**, seconded by **Director Kenny**, and carried by a voice vote 4-0, with Director Heneveld abstaining, to adopt the consent calendar as shown.

4. PUBLIC PRESENTATION - NONE

5. OPERATIONAL REPORTS

A. Monthly Financial Reports & Disbursements for December 2015

On motion by **Vice President Prushko**, seconded by **Director Heneveld**, and carried unanimously by a roll call vote to approve the monthly Financial Reports & Disbursements for the month of December 2015 in the amount of 294,481.35.

B. Water Source Report

Operations and Maintenance Supervisor Fullner reported that two wells are resting and three wells are currently operating. Water levels are at the same level as 2015 and rising with the recent rains.

There was discussion regarding rising water levels and the impact of pumping during winter months. Staff confirmed that due to rising groundwater levels throughout the basin and the decreased pumping required to access the well water, this is an optimal time of year for the District to be using its groundwater resources.

C. Operational Updates

Operations and Maintenance Supervisor Fullner reported the following:

- The emergency response trailer improvements are near completion.
- Fittings were acquired for the emergency temporary water main that meet State Compliance Standards.
- Work has commenced on the Fetters Apartments project, Cal Trans is working during night hours and VOMWD staff member, Brian Larson, is flexing his time to provide inspections for the project.
- The valve replacement at Agua Caliente and Cedar is scheduled for Tuesday, February 9th.
- A contractor has been selected to install the new generator at Upper Heaven Hill booster station, VOMWD staff will pour the concrete pad and complete the underground trenching for the project.
- Staff met with Chief Mark Freeman, Sonoma Valley Fire and Rescue Authority (SVFRA) regarding their ISO project.
- Staff provided a brief report on the Flint, Michigan water quality issues and the safeguards the District has in place to prevent water quality issues within the District.
- VOMWD staff member, Michael Snieg completed his probationary employment period on Feb 1, 2016.

6. PRESIDENT'S AND DIRECTORS' REPORTS OR COMMENTS

There were no reports or comment.

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

General Manager Muelrath reported the following:

A. Water Supply Update

- Lake Sonoma is 95% of water supply capacity; Lake Mendocino is at 105% of target water supply storage
- State Water resource Control Board Report shows the District's December 2015 water use was 38% lower in 2015 compared to December 2013.
- During the period of June through December 2015, VOMWD customers conserved over 201 million gallons of water. The district target is 192.5 million gallons by the end of February 2016, so we are well above our goal.

B. WAC/TAC Meeting

- Mike Healy (Petaluma) was elected as the 2016 Chair, and Laurie Gallian (Sonoma) was elected as the 2016 Vice Chair for the Water Advisory Committee.

- The WAC authorized the Chair to send a letter of support to the County Board of Supervisors for the proposed Safe Medicine Disposal Ordinance.
- The draft Sonoma County Water Agency budget started at a projected 11% rate increase, however input from the finance subcommittee (General Manager Muelrath is a member of this committee) assisted in lowering the proposed increase to 6-7%. Board members were encouraged to meet with staff to review SCWA budget in more detail if interested.
- Efforts are being made to change the hydrologic condition benchmark for Lake Mendocino to Lake Mendocino rather than Lake Pillsbury. This is beneficial because it would result in higher low levels and higher high levels of water storage in Lake Mendocino.
- Advanced weather forecasting efforts are continuing. If implemented, this would not impact our water allocations, but would allow additional water supply to be stored in the flood pool portion of Lake Mendocino depending on weather forecasts.

C. LAFCO Special District Vacancy

The current LAFCO Special District Representative that the VOMWD Board supported in 2015 has passed away. This position represents water districts and other special districts, and VOMWD Board members are eligible to run for this seat. Interested Board members should contact the General Manager for more information and a candidate application.

D. AMI Update

The pilot phase of the VOMWD Automated Meter Installation project has completed its first year. To date, staff efforts have focused on ensuring the IT systems are adequate to ensure information collection is efficient and data is accurate and able to integrate data transfers to and from our billing system. Staff feels that the current meter reads and system alerts, that became fully operational on our pilot meters in January, are sufficient to move the project forward. Starting this month, staff will begin the next phase of full deployment of the AMI project, consistent with the implementation timeline as shown in the 5- year District’s Capital Improvement Plan, approved by the Board in 2015.

Staff distributed the Sonoma-Marin Saving Water Partnership Annual Report for FY2014-15.

Vice President Prushko and General Manager Muelrath reported that Chris DeGabriele (North Marin Water District) sent a letter on behalf of the Sonoma-Marin Saving Water Partnership and provided testimony at the SWRCB meeting expressing concerns that local water supply sources are not being considered in State conservation, thereby creating “artificial” rate increases for customers.

8. OLD/NEW BUSINESS

A. Proposed Operations and Maintenance and Capital Improvement Program Budgets for Fiscal Year 2016-17.

General Manager Muelrath provided a PowerPoint presentation of the proposed FY 2016/17 Budget, based on historical low water demands and the possible continuation of State conservation mandates.

Staff highlighted the purpose of increasing the fixed-rate service charge to cover a larger portion of the District fixed costs as approved by the Board in 2015. The intent is to achieve a service charge rate at 25% of the total bi-monthly customer cost for water usage by FY 2019/20. The only increase projection in the proposed budget for customer water purchases is a pass-through rate based on a formula to reflect changes to wholesale water purchase costs from SCWA.

The Board and staff discussed specific line items and the efficiencies and long term benefits of performing repair and replacement projects in-house, rather than paying outside contractors. Discussion regarding State conservation mandates, SCWA rate and contractual obligations to maintain infrastructure essential to the District's ability to acquire and distribute water to its customers was also central to budget considerations.

On motion by **Director Adams**, seconded by **Director Heneveld** 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 2016-17;
- 2) Set June 7, 2016, 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 2016-17 proposed budget.

B. Equivalent Single Family Dwelling (ESD) Policy

General Manager Muelrath provided draft recommendations and items for discussion regarding the District's ESD policy as directed by the Board in May 2015. Staff presented items for discussion including:

1. Enforcement of the policy to collect additional ESDs on customers that are using water in excess of the ESDs they paid for (post 1999 accounts)
2. Determining an ESD for pre 1999 accounts (grandfathering)
3. Enforcement of the policy to collect additional ESDs on customers that are pre 1999 accounts
4. Accounting for well production when a location has an existing well or is installing a well and connecting to the District system
5. Refunding of Connection Fees paid where no development/water connection has since occurred.

After discussion of the above referenced items, the Board requested that above referenced Items 1-4 be brought back to a future meeting with additional information regarding the economic impacts and procedural processes for the implementation of addressing customer accounts that are not consistent with current usage calculations.

Motion by **Director Heneveld**, seconded by **Director Adams**, and carried by a 4-1 roll call vote, with **Vice President Prushko** opposed, to adopt Resolution No. 160201 amending District's Code Section 8-3.3 as shown in Attachment A.

Motion by **Director Heneveld**, seconded by **Director Adams**, and carried by a 4-1 roll call vote, with **Vice President Prushko** opposed, to authorize staff to refund connections fees where no development has occurred.

C. State Water Resources Control Board Continuation of Emergency Regulations

Staff reported in November 2015, Governor Brown issued an executive order giving the SWRCB authority to further extend the emergency conservation regulations adopted in 2014. SWRCB is expected to extend the

regulations (regardless of local supply conditions) for an additional 270 days. Staff recommended Board approval of a resolution to extend the water shortage declaration through this May.

Motion by **President Foreman**, seconded by **Director Heneveld**, and unanimously approved by voice vote, to adopt Resolution No. 160202, continuing the Stage 2 water shortage level through May 31, 2016.

D. Update Drug and Alcohol Policy

Staff has prepared a new Drug and Alcohol Policy for the District incorporating current best practices and requirements. At its November 3, 2015 meeting, the Board Adopted Resolution No. 151101 expiring and overwriting the District's Employee Rules and Regulations handbook with the new Employee Handbook. At that time, staff notified the Board that the Handbook referenced the Substance Abuse Policy, 1996 and that the Policy would be updated and brought for review and approval at a future meeting.

Motion by **President Foreman**, seconded by **Director Heneveld**, and carried 4-1 by voice vote with **Vice President Prushko** opposing, to adopt Resolution No. 160203 expiring and overwriting the District's Substance Abuse Policy, 1996 with the new Drug and Alcohol Policy dated February 2016.

E. Clothing Artwork and Directors/ Management Jackets

Staff presented a redesigned logo artwork for clothing only, that is more readily identifiable and easy to read while still maintaining the important design aspects that are in the official District logo. The Board discussed the graphic and font of the proposed logo.

Motion by **President Foreman**, seconded by **Vice President Prushko** to approve the proposed redesign for the logo artwork on District clothing. The motion was opposed by **Directors Adams, Heneveld and Kenny** and not carried.

Staff was directed to return with a revised logo at a future Board meeting that incorporated elements that were discussed by the Board. The Board expressed support for logo clothing items, such as jackets be made available for purchase by Board and management staff members.

9. CLOSED SESSION - NONE

10. ADJOURNMENT

Motion by **Director Heneveld**, seconded by **Director Kenny**, and carried unanimously to adjourn the meeting at 9:06 P.M. The next scheduled meeting is a regular meeting on March 1, 2016 at 6:30 P.M.

Jennifer Yankovich, Deputy Board Secretary

Jon Foreman, Board President