

BOARD OF DIRECTORS
Regular Meeting Agenda
August 3rd, 2021, 6:30 p.m.
Board Room and on-line
19039 Bay Street, El Verano
(707) 996-1037

Board of Directors

Steve Rogers, President
Jon Foreman, Vice President
Gary Bryant
Brooke Harland
Colleen Yudin-Cowan

PUBLIC NOTICE

This meeting will be held as a hybrid of in-person and remote via Zoom or telephone. Space in the Board Room will be limited due to the need for social distancing.

Pursuant to Governor Newsom's Executive Orders N-25-20, N-29-20 and N-33-20, this meeting may be conducted telephonically or by other electronic means.

Directors and the public may participate in this open, public meeting in person or remotely: Join Zoom Meeting

<https://us02web.zoom.us/j/2135226170?pwd=R1lra2FZWVWNmdrVk16ZTFwelfsU>

T09

Meeting ID: 213 522 6170

Password: VOMWD

Dial in

+1 669 900 6833 US

Meeting ID: 213 522 6170

Find your local number: <https://us02web.zoom.us/j/2135226170?pwd=R1lra2FZWVWNmdrVk16ZTFwelfsU>

Consistent with the State of California's current guidance regarding face coverings, individuals who are not fully vaccinated against COVID-19 must wear face coverings. Time will be provided for public comment. Any member of the public wishing to speak will be allowed 3 minutes to make a statement. Board President will call for comments prior to the Board deliberating on pending action. However, please note that no action can be taken on any item unless printed on the agenda and included with the meeting notice. Therefore, any item discussed by members of the public and not shown on the agenda will only be received for information. The Board of directors may choose to set such item for future discussion and staff report. A full agenda packet is available at the District office for public view. A fee may be charged for copies. During the meeting, information and supporting materials are available in the Boardroom. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District as soon as possible, but at least two days prior to the meeting.

All open meetings are recorded. Recordings for each meeting are retained for a minimum of 90 calendar days and may be heard upon request, at no cost. Please contact a member of the District staff for assistance. ITEMS ON THIS AGENDA MAY BE TAKEN OUT OF THE ORDER SHOWN.

Any writings or documents provided to a majority of the Board regarding any item on this agenda will be made available for public inspection in the VOMWD office located at the above address during normal business hours.

1. CALL TO ORDER – PLEDGE – ROLL CALL

2. PUBLIC COMMENTS:

This section of the agenda is provided so that the public may express comments on any item within the District's jurisdiction not listed on the agenda. Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or follow Board procedures to direct staff to place a matter of business on a future agenda. The public may express comments on agenda items at the time of Board consideration.

3. CONSENT CALENDAR

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Agenda for discussion, it will be considered separately. The consent calendar may be approved by a single motion.

Item 3.A Minutes of the July 6th, 2021 Board of Directors Regular Meeting

Item 3.B Consider Declaration of Surplus Equipment: Vehicle No. 25

4. PUBLIC HEARING - NONE

5. FINANCE & OPERATIONAL REPORTS

Item 5.A Monthly Financial Reports & Disbursements

Staff Recommendation: Receive, and approve by roll call vote, the monthly financial reports & disbursements for the month of June 2021 in the amount of \$603,513.59.

Item 5.B Water Source Report

Item 5.C Operational Updates

6. DIRECTORS' COMMITTEE REPORTS

Item 6.A July 26th Sonoma Valley Groundwater Sustainability Agency Board Meeting Update from President Rogers.

Item 6.B Employee Recognition

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

Item 7.A July 12th Technical Advisory Committee (TAC) Meeting and August 2nd Combined Water Advisory Committee (WAC) and TAC Update.

Item 7.B Verano Well Update.

8. DISCUSSION AND ACTION (GENERAL BUSINESS)

Item 8.A Consider Adoption of the District's Local Hazard Mitigation Plan Resolution Number 210801.

Item 8.B Consider Authorizing the Execution of Easements, Lease and Water Purchase Agreements and a Settlement Agreement with Mr. Larbre and Mr. Pedroncelli.

Item 8.C Consider the Creation of a Board Ad Hoc Subcommittee to Advise on the Second Phase of the District's Staffing Study.

Item 8.D Rate Study Discussion and Action.

9. CLOSED SESSION – NONE

10. REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT

The next scheduled Board meeting is a regular meeting at 6:30 p.m. on September 7th, 2021.
Posted this 30th, day of July 2021, online and in three public places.

A handwritten signature in blue ink, appearing to read "Matt Fullner", is written over a light blue rectangular background.

Matt Fullner, Board Secretary

VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
For: July 6, 2021

A Regular Meeting of the Board of Directors of the Valley of the Moon Water District was held on July 6, 2021. Pursuant to Governor Newsom's Executive Orders N-25-20 and N-29-20 this meeting was conducted openly by remote means using the Zoom teleconference service. Directors and the public were provided the opportunity to participate, observe, and comment.

1. CALL TO ORDER - PLEDGE OF ALLEGIANCE - ROLL CALL

President Rogers called the meeting to order at 6:31 P.M. PST.

Roll Call by **Secretary Fullner** noted the following present:

Directors:	Gary Bryant Jon Foreman Brooke Harland Steve Rogers Colleen Yudin-Cowan
District Counsel:	Morgan Biggerstaff Leah Castella, proposed District Counsel from Burke, Williams & Sorensen LLP
District Personnel:	Matthew Fullner, General Manager Amanda Hudson, Administration Manager Brian Larson, Water System Manager
Public:	Paul Rocket Jim

2. PUBLIC COMMENTS

Paul Rocket from 781 Ernest Dr made a public comment. As a recently retired research physicist, he has studied climate change since the early 1990s. Climate change has been noted in feet per day rainfall in Houston and North Carolina instead of inches, temperatures in Syberia, Sweeden, and Canada, as well as wildfires destroying millions of acres in Australia and the Western U.S. The Draft 2021 Urban Water Management Plan states that climate patterns and associated hydrology over 108 years provide a reasonable basis for the 25-year planning horizon. There are large error margins in many climate models but the trends are clear. In the 20th century, the time between

serious droughts was 20 years. In the 21st century, the time between serious droughts has been 6 years.

Mr. Rocket asks the Board to not depend on 1910 data for the model, and instead look at the last 20 years.

President Rogers said the models dictate water use but it does not impact the District directly as much as it impacts Sonoma Water as the District's supplier. A percentage of the budget is being used for carbon reduction and solar planning starting this year. Customers can expect to see significant changes in carbon reduction.

3. CONSENT CALENDAR

Item 3.A Minutes of the June 1, 2021 Board of Directors Regular Meeting.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to adopt the Consent Calendar.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Harland	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

4. PUBLIC HEARING – NONE

5. DISCUSSION AND ACTION (GENERAL BUSINESS)

Item 5.A Consider appointment of Burke, Williams & Sorensen LLP as District General Counsel and authorize the Board President to execute an agreement with Burke, Williams & Sorensen LLP

Director Yudin-Cowan said the Board reached out to nine to ten firms, and Burke, Williams & Sorensen answered all questions efficiently. **President Rogers** said that the fees are higher than desired but many of their services are provided in-house as well as rate study expertise.

Director Bryant asked how much more the monthly fees are. **President Rogers** said it is a thousand dollars more a month than what the District paid a few years ago, but less than what the District has been paying in the last two years. In six months, the Board can reevaluate the service model. **Director Bryant** asked **President Rogers** if he believes the cost per month is not going to impact ratepayers in

the long run and will get more than what the District is paying for now. **President Rogers** agreed that is true.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to appoint Burke, Williams & Sorensen LLP as District General Counsel and authorize the Board President to execute an agreement with Burke, Williams & Sorensen LLP.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Harland	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 5.B Consider enacting Stage Two of the District’s 2020 Water Shortage Contingency Plan and implementing corresponding mandatory conservation measures and restrictions on water use.

President Rogers opened up for public comment. There was no public comment. **Director Foreman** said that this action is likely a couple of months late and is necessary. **Director Yudin-Cowan** asked if there was a way to do this sooner in the future. **President Rogers** said he believes the state needs to declare an emergency before restrictions can be placed and it took a while for the Governor to declare the emergency.

1. Consider adoption of Resolution Number 210703 enacting Stage 2 of the District’s 2020 Water Shortage Contingency Plan and calling for implementation of corresponding mandatory conservation measures and restrictions on water use.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to adopt Resolution Number 210703 enacting Stage 2 of the District’s 2020 Water Shortage Contingency Plan and calling for implementation of corresponding mandatory conservation measures and restrictions on water use.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Harland	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

2. Consider adoption of Ordinance Number 1013 implementing mandatory conservation measures and restrictions on water use in accordance with Stage 2 of the District’s 2020 Water Shortage Contingency Plan.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to adopt Ordinance Number 1013 implementing mandatory conservation measures and restrictions on water use in accordance with Stage 2 of the District’s 2020 Water Shortage Contingency Plan.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Harland	<u>Aye</u>
Director Rogers	<u>Aye</u>
Director Yudin-Cowan	<u>Aye</u>

Ayes 5 Noes 0 Absent 0 Abstain 0

President Rogers highlighted that the restrictions also eliminate fire hydrant use and only the General Manager has the authority to approve fire hydrant use.

General Manager Fullner addressed that part of why these restrictions are coming later is because while there were earlier signs of water shortage, there were still opportunities for rain. The District wanted to wait until there was a proper emergency before restricting customers. Sending out messaging too soon can cause customers to ignore messaging in the future.

Item 5.C Consider approval of Notice to customers of proposed rate increase as required by Proposition 218.

General Manager Fullner highlighted that the timeline of this rate increase allows for three rate increases that are nine months apart each. The intention is to keep the increases spaced out.

It was the consensus of the Board to adjust the Proposition 218 notice language to allow for a hybrid rate hearing at the regular September meeting, allowing remote and in-person access for the public to participate.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to approve notice to customers of proposed rate increase as required by Proposition 218.

A roll call vote was taken:

Director Bryant	<u>Aye</u>
Director Foreman	<u>Aye</u>
Director Harland	<u>Aye</u>
Director Rogers	<u>Aye</u>

Director Yudin-Cowan Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

President Rogers mentioned that this is the last year of the current rate study. **General Manager Fullner** said he has proposals for the next rate consultant and will be reviewing them.

Item 5.D Consider adoption of Resolutions Number 210701 and 210702 updating signature cards for Westamerica Bank, I-Bank, Local Agency Investment Fund, and Sonoma County Investment Pool.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to adopt Resolutions Number 210701 and 210702 updating signature cards for Westamerica Bank, I-Bank, Local Agency Investment Fund, and Sonoma County Investment Pool.

A roll call vote was taken:

Director Bryant Aye
 Director Foreman Aye
 Director Harland Aye
 Director Rogers Aye
 Director Yudin-Cowan Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

6. FINANCE & OPERATIONAL REPORTS

Item 6.A Monthly Financial Reports & Disbursements

Staff Recommendation: Receive, and approve by roll call vote, the monthly financial reports & disbursements for the month of May 2021 in the amount of \$598,640.91.

President Rogers said it is in the best interest of the District to pay off the IBank loan in FY21/22. The earliest it can be paid off without penalty is October 2021.

Director Foreman made a motion, seconded by **Director Yudin-Cowan**, to receive and approve by roll call vote, the monthly financial reports & disbursements for the month of May 2021 in the amount of \$598,640.91.

A roll call vote was taken:

Director Bryant Aye
 Director Foreman Aye
 Director Harland Aye
 Director Rogers Aye
 Director Yudin-Cowan Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 6.B Water Source Report.

General Manager Fullner said that Park well is currently throttled to offset agency water. Due to water restrictions from the agency, the District is running the wells later than usual.

Item 6.C Operational Updates.

7. DIRECTORS' REPORTS OR COMMENTS

Item 7.A June 28th Sonoma Valley Groundwater Sustainability Agency Board Meeting Update.

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

District Counsel Biggerstaff thanked the Board on behalf of Bold, Polisner, and Maddow for the opportunity to serve as District Counsel.

Item 8.A June 7th Technical Advisory Committee Meeting Update.

Item 8.B Verano Well Update.

Item 8.C Contract with the Sonoma Valley Fire and Rescue Authority for AMI Collector at Station 5 in Glen Ellen.

President Rogers opened the closed session at 7:28 P.M.

9. CLOSED SESSION

Item 9.A Conference with real property negotiators pursuant to Government Code section 54956.8.

Properties: Assessor's Parcel Number (APN) 052-521-037; and APN 052-521-035.

Agency Negotiators: Matthew Fullner, General Manager; Steve Rogers, Board President; and Colleen Yudin-Cowan, Director

Negotiating Parties: Mike Larbre and PJ Pedroncelli

Under negotiation: Price and Terms of Payment for Water Supply

President Rogers reopened the Open Session with nothing to report from Closed Session at 7:40 P.M. PST.

10. ADJOURNMENT

President Rogers adjourned the meeting at 7:42 P.M. PST. The next scheduled meeting is a Regular Meeting on August 3, 2021.

Matthew Fullner, Board Secretary

Stephen Rogers, Board President

Date: August 3, 2021

Item: 3.B

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Consider Declaration of Surplus Equipment: Vehicle No. 25

Background

Last year the District budgeted to replace vehicle No. 25, which has served as the large service truck for over 20 years. The replacement vehicle that was ordered early last fiscal year, arrived in June and has since been set up and is in use as the new service truck. As a result, staff is now recommending that vehicle No. 25 be declared surplus and sold at auction.

Recommendation

Declare vehicle No. 25 as surplus and direct staff to sell it at auction.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Amanda Hudson, Administration Manager

SUBJECT: Monthly Financial Reports & Disbursements for June 2021

Revenue

- June Revenue was \$705,311 and YTD is \$7,062,561. Monthly revenue consistent with last fiscal year and YTD is up 4.6% from last fiscal year.

Salaries

- Total salaries were 5% overbudget for the fiscal year.

Purchased Water

- YTD Purchased Water was 4% overbudget.

Expenses

- Expenses without Purchased Water and Salaries is overbudget by 18% YTD. The categories that are causing this are most notably: Legal fees & Professional Services.

Transfer to/from reserves

- The annual budgeted amount to reserves is \$46,834 and YTD the District is negative \$320,728.

CIP

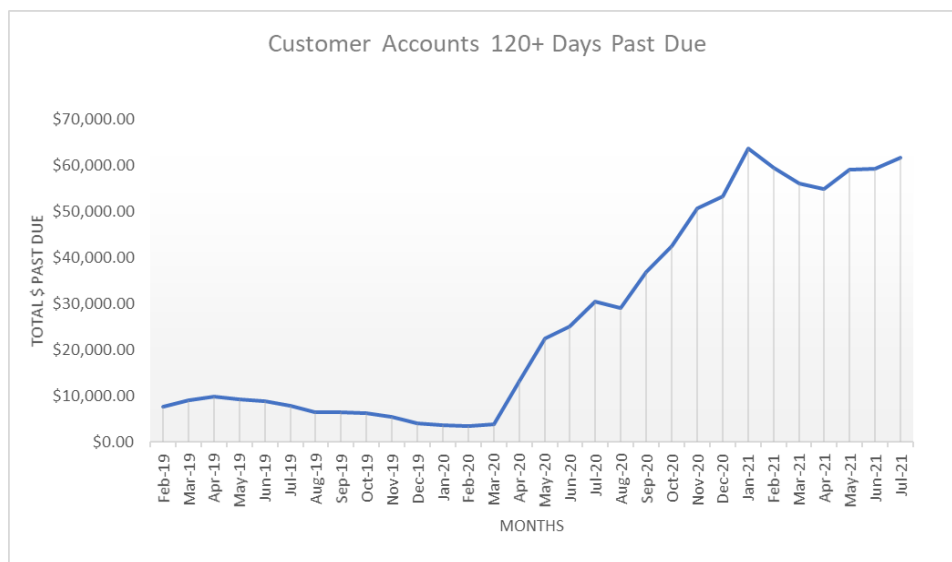
- YTD expenditures for CIP as of June 30, 2021, is \$2,269,770.
- The county has not billed the District for CIP-2967 Boyes Blvd Bridge Pipeline Replacement. There is \$211,722 of the budget remaining for this project at the close of FY20/21. Staff will bring a CIP budget amendment to pay this in FY21/22.

FEMA

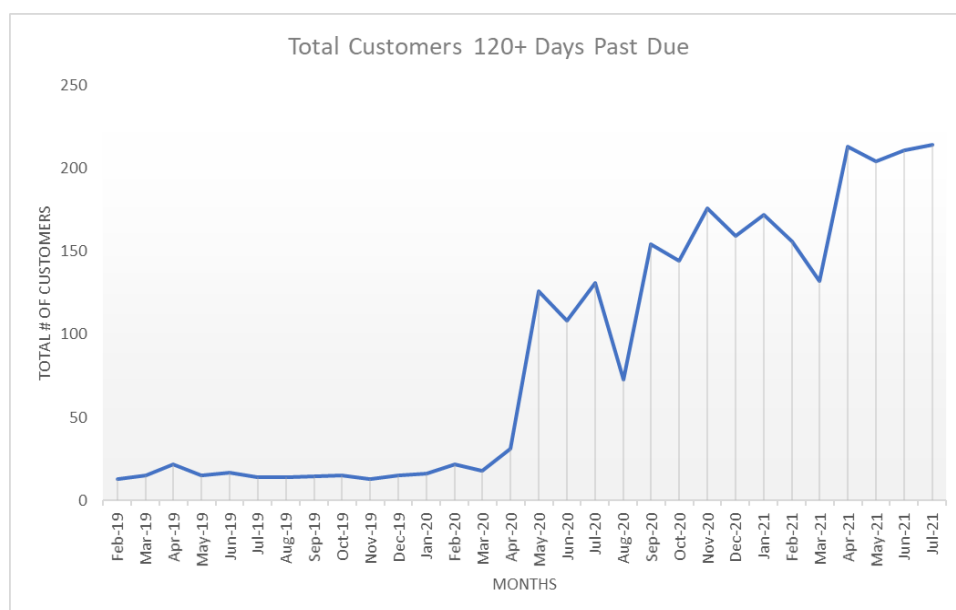
- Abandonment project \$69,892 – submitted all supporting documents and waiting for FEMA approval (could take approximately 6 months with a payout date of November/December 2021). No update in timeline at this point.
- Saddle Tank project \$659,422 / Admin time toward FEMA projects \$16,892 – working to submit supporting documents to our current Close Out Specialist at CalOES to proactively work toward getting him assigned to remaining projects.
- Quarterly FEMA reimbursement request submitted on July 26, 2021, to reimburse Professional Services expense (LHMP). Even though the full reimbursement amount has been requested, we are still required to submit an updated reimbursement request showing cumulative

expenditures to date. Requested follow up again regarding the nonstandard (74.7756%/25.2244%) cost share on this reimbursement on July 29, 2021.

Delinquent Payments



- This chart represents total *past due dollars* (120+ days past due) for active customer accounts from February 2019 – July 2021.
- It is important to note that February 1, 2020, late notices and shut off for non-pay timelines were extended due to SB 998. Shortly after, turn offs were suspended due to COVID-19 and will continue to be suspended until at least September 30, 2021.
- Since year 2021, one office staff makes phone calls and resends bills weekly.



Payment Plans

- Staff will send copies of bills and payment plan applications for August-September to encourage customers to customers to arrange a payment plan before shut off for non-pay process begins again.

Recommendation:

Receive and approve, by roll call vote, the monthly financial reports and disbursements in the amount of \$603,513.59 for the month of June.

Attachments:

Monthly Financial Disbursements

Board of Directors Disbursements

Monthly Revenue & Expense Comparison Report

Report of Investments

Capital Improvement Project Summary

VALLEY OF THE MOON WATER DISTRICT

Monthly Financial Disbursements

June 2021

The following demands made against the District are listed for approval and authorization to pay, in accordance with Section 31302 of the California Water Code, being a part of the County Water District Law:

CK # Vendor Name	Invoice Description	Amount
38629 ACOUNTEMPs	TEMP LABOR WEEK ENDING 5/28, 6/4	5,968.61
38630 ACWA/JPIA	GROUP INSURANCE LTD (JULY)	2,608.99
38631 NOEL BARBULESCO	CASH FOR GRASS REBATE	550.00
38632 CALIFORNIA STATE DISBURSEMENT	REMITTANCE ID 200000001139624	333.69
38633 CINTAS	AED (2) LEASE AGREEMENT AND SUPPLIES REPLENISH SERVICE	451.02
38634 CORES UTILITIES, INC.	PROFESSIONAL FEES - MAY	1,260.00
38635 FRIEDMAN'S HOME IMPROVEMENT	O&M SUPPLIES, AMI PROJECT, WELL CHLORINATION PROJECT	1,048.39
38636 GARY'S POOL SERVICE	CHLORINE	732.93
38637 GEMINI GROUP LLC	2020 ANNUAL WATER QUALITY REPORT	3,210.00
38638 INTEGRITY SHRED LLC	SHREDDING	50.00
38639 MICHAEL IRVINE	WASHING MACHINE REBATE	50.00
38640 OIL CHANGER	VEHICLE OIL CHANGE #37	56.09
38642 PARSONS LUMBER & HARDWARE	O&M SUPPLIES, PROPANE, WELL CHLORINATION PROJECT, SADDLE TANK IRRIGATION	735.32
38643 PACIFIC GAS & ELECTRIC CO	UTILITIES (MAY)	12,906.55
38644 PITNEY BOWES, INC	POSTAGE MACHINE 3/30/21-6/29/21	103.35
38645 QUINONEZ CLEANING SERVICE	JANITORIAL SERVICE FOR DISTRICT OFFICES (MAY)	450.00
38646 RECOLOGY	WASTE DISPOSAL (MAY)	451.12
38647 REPUBLIC SERVICES OF SONOMA CO	YARD WASTE/COMPOST	38.13
38648 SAFETY-KLEEN CORP.	2 DRUM SPILL CONTAINMENT BALLET - POLY	264.83
38649 ANSWERNET	OUTSIDE SERVICES (JUNE)	156.80
38650 SMILE BUSINESS PRODUCTS	GENERAL CLEANING	150.00
38651 SONOMA AUTO PARTS, INC.	O&M VEHICLE MAINTENANCE, AMI PROJECT	261.93
38652 STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES	30.37
38653 USA BLUEBOOK	EQUIPMENT MAINTENANCE	142.02
38654 U.S. POSTMASTER	P.O. BOX 280 - 12 MONTHS	284.00
38655 WATERSMART SOFTWARE	UTILITY DASHBOARD & CUSTOMER PORTAL	14,460.00
38656 DANISE COLLINS	CLOSED ACCOUNT - CUSTOMER REFUND	13.49
38657 GARY GATHMAN	CLOSED ACCOUNT - CUSTOMER REFUND	48.48
38658 KARYLL KETCHUM HESS	CLOSED ACCOUNT - CUSTOMER REFUND	39.54
38659 MICHAEL HOLMAN	CLOSED ACCOUNT - CUSTOMER REFUND	55.55
38660 CALIFORNIA STATE DISBURSEMENT	REMITTANCE ID 200000001139624	333.69
38661 ACOUNTEMPs	TEMP LABOR WEEK ENDING 06/11, 6/18	9,972.21
38662 BOLD, POLISNER, MADDOW, NELSON & JUDSON	ATTORNEY FEES & POTTER VALLEY PROJECT (MAY)	6,718.50
38663 CALTEST LABORATORY	ROUTINE WATER TESTING (MAY)	1,306.00
38664 COMPLETE WELDERS SUPPLY	ULTRA-VIEW AUTO-DARKENING HELMET	150.85
38665 COMCAST	INTERNET SERVICE (JUNE) 06/11/21 - 07/10/21	165.01
38666 CORBIN WILLITS SYS'S, INC	MONTHLY ACCOUNTING & BILLING SOFTWARE (JULY)	867.61
38667 EKI ENVIRONMENT & WATER	URBAN WATER MANAGEMENT PLAN 5/01/21 - 05/28/21	3,718.26
38668 BADGER METER INC.	BADGER METER - AMI PROJECT	1,007.80
38669 NORTH BAY PETROLEUM	FUEL	2,396.06
38670 PACIFIC GAS & ELECTRIC CO	UTILITIES (MAY) SADDLE ROAD 04/29/21-05/27/21	7.06
38671 THE RENTAL PLACE	EQUIPMENT RENTAL - EXCAVATOR, 3.5 TON AMI PROJ	422.80
38672 RESERVE ACCOUNT	POSTAGE	500.00
38673 SONOMA CO. WATER AGENCY	WATER PURCHASES 04/29/21 - 05/27/21	197,388.37
38674 STANDARD INSURANCE CO.	GROUP INSURANCE LTD (JULY)	293.30
38675 VERIZON WIRELESS	MACHINE TO MACHINE 05/13/21 - 06/12/21	557.16
38676 W.K. MCLELLAN COMPANY	PAVING	5,108.77
38677 WOOD ENVIRONMENT & INFRASTRUCTURE	LHMP SERVICES THRU 05/31/21	1,816.50
38678 NATIONAL AUTO FLEET GROUP	NEW 2021 FORD SUPER DUTY DRW	164,053.34
38679 STATIONARY ENGINEERS, LOCAL 39	UNION DUES FOR O&M (MAY)	689.30
38680 AFLAC	AFLAC PREMIUM (MAY)	1,010.80
38681 RAYMOND J AND SUZANNE LARBRE REVOCABLE TRUST	WATER PURCHASES: LARBRE WELL LEASE PMT (MAY)	3,503.39
112346 PAYMENTUS	TRANSACTION FEES FOR MAY 2021	698.15
113327 PAYMENTUS	TRANSACTION FEES FOR JUNE 2021	675.25
115202 EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES PAYROLL 06/17/21	14,461.44
158047 EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES PAYROLL 06/03/21	13,816.07
160800 CALIFORNIA EMPLOYMENT DEVELOPMENT	STATE PAYROLL TAXES PAYROLL 06/03/21	2,758.34

VALLEY OF THE MOON WATER DISTRICT**Monthly Financial Disbursements****June 2021**

CK # Vendor Name	Invoice Description	Amount
421675 VALIC	DEFERRED COMP CONTRIBUTION PAYROLL 06/03/21	1,300.00
432193 VALIC	DEFERRED COMP CONTRIBUTION PAYROLL 06/17/21	1,300.00
506036 FIRST BANKCARD CENTER	ASSOCIATION OF CALIFORNIA GM TRAINING, PRESS SUBSCRIPTION	115.29
60121I RETIREES	RETIREES BENEFITS (JUNE)	4,028.43
667078 ACWA/JPIA	GROUP INSURANCES (JUNE)	2,447.56
80-480 CALIFORNIA EMPLOYMENT DEVELOPMENT	STATE PAYROLL TAXES PAYROLL 06/17/21	2,922.26
868499 PERS	HEALTH INSURANCE PREMIUM (JUNE)	25,594.63
868776 PERS	PEPRA RETIREMENT CONTRIBUTION PAYROLL 06/03/21	5,553.93
868777 PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 06/03/21	2,215.66
868778 PERS	DEFERRED COMP CONTRIBUTION PAYROLL 06/03/21	1,225.00
877228 PERS	PEPRA RETIREMENT CONTRIBUTION PAYROLL 06/17/21	5,355.82
877229 PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 06/17/21	2,215.66
877230 PERS	DEFERRED COMP CONTRIBUTION PAYROLL 06/17/21	1,225.00

Net Payroll (After Deductions) 66,707.12

BOARD PRESIDENT\$603,513.59

GENERAL MANAGER

Board of Directors
June Disbursement

	Pay Date	Bryant	Foreman	Harland	Rogers	Yudin-Cowan
Regular Board Meeting 6/1/21	6/17/2021	193.00	193.00	193.00	193.00	193.00
June 2021 ACWA Board 6/4/21	6/17/2021		193.00			
G.E. Forum - SDC Sub 6/7/21	6/17/2021	193.00				193.00
Wells Negotiation Sub 6/8/21	6/17/2021				193.00	193.00
ACWA Reg 1 Seminar 6/23/21	7/1/2021		193.00			
SVGSA Community Mtg 6/23/21	7/1/2021				193.00	
SVGSA Board Meeting 6/28/21	7/15/2021				193.00	
Total		386.00	579.00	193.00	772.00	579.00

VALLEY OF THE MOON WATER DISTRICT
MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING JUNE 30, 2021

Page.: 1
% of year remaining

	Actual 18-19	Actual 19-20	Approved Budget 20-21	Current Month June	Fiscal Year To Date 07/20-06/21	Budget Remaining	% Remaining	Forecasting Notes & Significant Changes for 2020/2021
Revenues								
Interest Income	\$ 100,174	\$ 103,320	\$ 105,805	-	\$ 51,074	\$ 54,731	52%	
Gain on Sale of Assets	-	-	-	-	-	-	-	
Operating Revenue	6,517,224	6,654,453	7,015,482	702,091	6,972,525	42,957	1%	
Customer Penalties & Fees	53,825	50,115	50,473	1,622	21,161	29,312	58%	
Misc. Income	71,800	25,641	26,000	1,598	17,801	8,199	32%	
Leak Adjustments	-	(9,614)	(9,613)	-	-	(9,613)	0%	
Total Revenue	6,743,023	6,743,023	7,188,147	705,311	7,062,561	125,586	2%	
Expenses								
Salaries:								
								WSM salary included in approved budget; recategorized to Administration salaries since 8/05/20
O&M - Operating Wages	681,708	746,270	956,226	63,219	824,230	131,996	14%	
Stand-By	28,836	29,731	29,526	2,478	31,899	(2,373)	-8%	
Net O&M Operating Wages	710,544	776,001	985,752	65,697	856,129	129,623	13%	

Administration	477,019	477,145	499,907	37,991	533,936	(34,029)	-7%	Not budgeted
Temporary Employees	-	-	-	21,404	169,374	(169,374)		
Total Salaries	1,187,563	1,253,146	1,485,659	125,092	1,559,439	(73,780)	-5%	
Weighted Wages Transferred to Capital Projects	(234,151)	(226,389)	(608,485)	(51,234)	(638,703)	30,218	-5%	
Net Operating Wages	953,412	1,026,757	877,174	73,858	920,736	(43,562)	-5%	Net Wages used to calculate Net Position
Benefits:								
O&M - Operating & Maintenance	112,926	149,753	219,109	17,493	190,063	29,046	13%	
Administration	91,544	92,693	109,039	8,455	105,093	3,946	4%	
Retirees	126,611	86,604	78,704	6,052	69,530	9,174	12%	
Total Benefits	331,081	329,051	406,852	32,000	364,686	42,166	10%	
Mandatory Costs								
Workers Comp:								
Operating & Maintenance	33,472	31,452	31,500	5,102	28,336	3,164	10%	
Acct/Administration	4,356	4,594	4,600	715	3,996	604	13%	
FICA/Medicare:								
Operating & Maintenance	55,934	63,979	69,099	4,980	65,277	3,822	6%	
Administration	24,882	33,643	38,113	2,491	33,759	4,354	11%	
District Portion/Retirement:								
Operating & Maintenance	57,974	73,511	75,803	5,983	78,145	(2,342)	-3%	
Administration	29,641	38,077	34,390	3,786	48,543	(14,153)	-41%	
CalPERS Accrued Liability	139,875	210,301	210,500	-	210,500	-	0%	
Total Mandatory Costs	346,134	455,556	464,004	23,057	468,556	(4,552)	-1%	

Total Gross Employee Costs	1,864,778	2,037,753	2,356,515	180,149	2,392,681	(36,166)	-2%	For display only, not used to calculate Net Position due to Estimated Transfer of wages & overhead to Capital
Travel & Training								
Operating & Maintenance	11,673	7,760	7,500	150	7,333	167	2%	Cross connection in-house specialist & Leadership Development course
Administration	10,569	12,121	12,000	100	1,750	10,250	85%	Minimal travel and cost. Virtual Meetings during current COVID-19 circumstances.
Total Travel & Training	22,242	19,881	19,500	250	9,083	10,417	53%	
Board of Directors:								
Meeting Compensation	9,313	15,403	17,500	2,909	31,303	(13,803)	-79%	
Travel & Training	1,228	5,479	14,834	-	520	14,314	96%	Minimal Travel during current COVID-19
Total Board Expenses	\$ 10,541	\$ 20,881	\$ 32,334	2,909	31,823	511	2%	
Services & Supplies								
Purchased Water	\$ 1,947,045	\$ 2,108,460	\$ 2,390,814	\$ 221,771	\$ 2,487,512	\$ (96,698)	-4%	Summer usage without wells. This will taper off and level after the winter.
Safety & Clothing Allowance	6,036	10,201	11,422	700	7,222	4,200	37%	
Vehicle Maintenance	8,729	10,357	8,800	323	6,210	2,590	29%	Minimal maintenance due to newer vehicles
Election Costs	10,871	-	16,307	-	-	16,307	100%	
Employee Relations	2,451	4,219	4,200	48	4,089	111	3%	
Legal Fees	45,932	103,981	75,000	6,570	194,618	(119,618)	-159%	Bold, Polisner, Maddow, Nelson & Judson
Engineering General Support	98,905	-	10,000	448	4,659	5,341	53%	
Misc. Expenses/Contributions	127,469	22,223	25,000	-	25,000	-	0%	Sonoma Valley Groundwater Sustainability Agency
Advertising	60	-	4,000	387	1,340	2,660	67%	
Outside Services	60,764	31,985	31,480	3,679	31,534	(55)	0%	
Annual Audit	7,771	12,867	9,650	-	-	9,650	100%	
Bad Debts/Collections	12,188	1,969	2,000	-	9,828	(7,828)	-391%	
Building MTNC.	2,211	16,024	10,973	912	10,146	827	8%	
Dues and Subscriptions	23,215	24,741	26,801	445	25,187	1,614	6%	ACWA 2021 Agency Dues and CALWEP & AWE in January
Equipment MTNC./Repairs	25,423	18,163	15,300	455	27,395	(12,095)	-79%	
Fees (County/State)	39,649	59,519	49,219	1,163	53,621	(4,402)	-9%	Annual Water System Fees in 12/2020

Fuel	23,742	24,380	23,975	2,396	24,936	(961)	-4%	
Bank Charges	9,117	39,074	39,074	1,373	11,435	27,639	71%	
Liability Ins. (Incl. Losses)	51,720	41,500	41,501	2,901	39,692	1,809	4%	
Postage	19,272	21,352	23,236	3,557	21,372	1,864	8%	
Public Information	671	6,969	4,500	4,664	5,848	(1,348)	-30%	
Service Contracts	48,287	53,205	55,754	2,092	54,024	1,730	3%	
Office Supplies	8,546	11,031	7,800	241	7,878	(78)	-1%	
Telephone-Internet	11,459	13,564	11,540	1,137	16,748	(5,208)	-45%	Lightning strike caused excessive data usage
Small Tools & Equipment	17,111	11,728	16,962	1,630	8,724	8,238	49%	
Trash Disposal	4,943	5,307	5,400	451	5,525	(125)	-2%	
Utilities - PG&E	134,114	126,073	127,000	14,322	165,292	(38,292)	-30%	
Professional Services	20,425	66,387	63,910	2,943	117,331	(53,421)	-84%	Includes VOMWD share of regional UWMP
Water Testing	35,740	32,320	37,250	853	33,976	3,274	9%	
Water Main Maintenance	(1,415)	10,787	11,000	1,757	15,249	(4,249)	-39%	
Service Line Maintenance	9,999	5,073	2,500	1,076	13,095	(10,595)	-424%	
Hydrant Repairs	-	-	7,000	-	3,189	3,811	54%	
Misc. System Maintenance	54,050	3,388	5,430	77	4,963	467	9%	
Wells Maintenance	7,013	13,108	14,000	12	2,904	11,096	79%	
Pump Maintenance	7,799	6,421	7,000	154	10,334	(3,334)	-48%	
Storage Tank Maintenance	7,099	4,073	8,000	-	4,708	3,292	41%	
Water Conservation Program	4,172	32,719	4,500	550	3,396	1,104	25%	
Abandoned Projects	-	-	-	-	-	-	0%	
Interest Expense	46,991	51,645	28,151	-	29,426	(1,275)	-5%	Westamerica Annual Loan Interest
Equipment Replacement	1,466	1,861	5,000	-	-	5,000	100%	
Total Services & Supplies	2,941,040	3,006,675	3,241,449	279,088	3,488,406	(246,957)	-8%	
Total Expenses	4,604,450	4,858,802	5,041,313	411,162	5,283,290	(241,976)	-5%	
Revenues Less Expenses	2,138,573	1,965,112	2,146,834	294,149	1,779,272	367,563		
Allocation to CIP	(1,316,000)	(2,000,000)	(2,100,000)	(175,000)	(2,100,000)	-		
Transfer to/from Undesignated Reserves	\$ 822,573	\$ (34,888)	\$ 46,834	\$ 119,149	\$ (320,728)			

VALLEY OF THE MOON WATER DISTRICT
REPORT OF INVESTMENTS AND RESERVES
For the Month Ended June 2021

Start of Fiscal Year

	LAIF	\$	1,167,264
	SCIP		4,073,863
Westamerica Bank Checking/Petty Cash			<u>324,962</u>
Total Beginning Cash	\$		<u><u>5,566,089</u></u>

Year To Date

	LAIF	\$	974,974
	SCIP		3,117,170
Westamerica Bank Checking/Petty Cash			<u>755,709</u>
Total ending Cash	\$		<u><u>4,847,853</u></u>

	LAIF	SCIP
Average Rate of Interest	0.262%	0.521%

Total Cash/Investment Balance \$ 4,847,853

(1) FY 2020-2021 Board Approved Capital Projects & Rollover Projects	(3,445,713)
Year to Date Capital Project Disbursements	2,269,770
Remaining Transfer of Current Year Revenues to Capital Project Fund	-
(2) Board Designated Reserves (Board Approved with 20/21 Budget)	
(a) Operations & Maintenance Reserve (3 Months Operations)	(1,295,000)
(b) Rate Stabilization Reserve	(555,000)
(c) Capital Improvement Program	(1,100,000)
Total Board Designated Reserves	<u><u>(2,950,000)</u></u>

Undesignated
Reserves-
funding for
remaining 5-Year
Capital Plan \$ 721,910

Remaining 5-
Year Capital Plan \$ 5,294,179

Capital Improvement Project Summary

June 2021

Project #	Project	Justification	Improvement Description	Total Amended Budget	Current Month - June	YTD Expenditures	Budget Remaining	% Remaining
				2020/21				
Facilities and Maintenance Projects								
CIP-2957	Equipment Replacement	Replacement of equipment that has exceeded its useful life or no longer meets district needs						
CIP-2957-3	Light tower	Nighttime road work Safety	<u>Significant improvement in available illumination</u> https://www.patriotequipment.us/product/wacker-neuson-ltv6l-new-6kw-light-tower-with-kohler-diesel-engine-item-5100028780/	9,000	-	9,567	(567)	-6%
CIP-2957-7	Replace #25 w/a larger utility truck, crane etc.	Current trucks have exceeded their useful life and are incurring maintenance costs that exceed current value. Replaces 2000 Ford.	This is truck #25, the District's oldest vehicle. The truck has a lot of hours on the engine due to the now non-operational air compressor which was used at nearly every jobsite from 2000 through about 2007 when the compressor became too dangerous to operate and was replaced by the V-MAC unit on #31. We would have replaced this vehicle two years ago, but made the decision to keep it longer because of the DPF filter that we were forced to install at a cost of \$15,000 by the BAAQMD a couple of years before that. These trucks do not run well with the filters. The filter will also shorten the life of the engine. The crane on the truck is also very old and was transferred from the previous service truck. The service body on the truck leaks during rainy weather due to	180,000	175,474	175,474	4,526	3%
CIP-2957-10	Water Buffalo	Help comply with new Fed OSHA silica standards for dust control	<u>Controlling dust is now an important safety issue. This unit is required to help comply.</u> https://www.singlecylinderstore.com/Multiquip-WT5C-Water-Trailer-500-Gal-TRLR70H-QP2H?language=en&currency=USD&vsrefdom=adwords&gclid=Cj0KCCQjAgKzwBRCjARIsABBBFug1IQ4BseFQsgidInTlcCyVP6cJoUIPb7s4ITcjOq8iWxxAdaYXfJEaAHeEALw_wcB	8,000	-	7,925	75	1%

Capital Improvement Project Summary

June 2021

Project #	Project	Justification	Improvement Description	Total Amended Budget	Current Month - June	YTD Expenditures	Budget Remaining	% Remaining
				2020/21				
CIP-2957-13	New Chloretech	The 5 tab-feeder systems that the District switched to several years ago are not well supported.	Necessary replacement due to changed ownership and continuing poor support for this mandatory system at all 5 Wells	54,000	1,420	40,690	13,310	25%
CIP-5107	County of Sonoma Paving Projects requiring adjustments and or relocation of District facilities	Relocation of county Paving projects	SONOMA COUNTY 2020 PAVEMENT PRESERVATION PROGRAM Center-Grove-Linden-Solano *2020-2021 Annual Budget did not have an "Estimated Roll Over" for CP-5107. Actual Roll Over is included here.	68,280	49,005	49,005	19,275	28%
CIP-6001	New Services		customer pays 100%		3,703	9,814	(9,814)	
CIP-6004	All Service Replacements	Planned and unplanned service replacements, higher than normal budget needed due to service replacements needed as a result of 9300 Meter Replacement Program	All service replacements combined	20,000	5,801	58,861	(38,861)	-194%
CIP-8100	Valve Replacement Program	Valves reaching end of service life or failing	Valve Replacement Program	25,000	618	19,718	5,282	21%
CIP-9300	Meter Replacement Program	current meters at end of service life for accuracy. Reduction of un-accounted for/non-revenue water.	Approx.. 1076 of 7100 (15%)remain OF ALMOST 7200 HAVE TO GO: 12-15 LARGE, IE 3" AND LARGER, 921 5/8, 26 %, 49 1", 10 1 1/2 " , 5 2" PLUSE 1025 ERTs (Receiving Prop 1 \$87,500 grant funding toward 19/20 installation)	502,095	5,347	498,528	3,567	1%
CIP-2991	GPS Facilities	Required for LHMP, UWMP	10,000 estimated assets to GPS locate approx.. 600 complete 2020	30,000	-	7,895	22,105	74%
Total Facilities and Maintenance Projects				896,375	241,368	877,477	18,898	2%

Capital Improvement Project Summary

June 2021

Project #	Project	Justification	Improvement Description	Total Amended Budget	Current Month - June	YTD Expenditures	Budget Remaining	% Remaining
				2020/21				
CIP-2947	Walnut Ave, Oak St. & Penny Ln. Water Main Replacement	Watermain insufficient for fireflow and has reached end of service life	PROJECT ABOUT 4,000'. ABOUT 900' LEFT TO GO. NEED ONE SOLID MONTH TO FINISH. EXPECT BY MID-JULY DEPENDING ON CV-19 AND OTHER URGENT MATTERS.	62,100	-	64,216	(2,116)	-3%
CIP-2967	Boyes Blvd. Bridge Pipeline Replacement	County replacing Boyes Bridge	Total commitment to the County and any additional funding needed to complete any VOMWD portion. What is completion date and when does county expect payment. Any progress payments. COMPLETION UP TO COUNTY. THEY'RE WORKING ON IT. NEW CONTRACT AMOUNT WITH OUR 1 CHANGE ORDER \$327,000. NO PROGRESS PAYMENTS. DOUBLE BUDGETED SO HAVE \$600K.	215,986	-	4,264	211,722	98%
CIP-2984	Gibson St., Riddle Rd Easement, Sobre Vista (near Lake Josephine), Brookview & Lomita Water Main Replacements	Watermain insufficient for fireflow and has reached end of service life	REPLACE WATERMAIN AND SERVICES. . TOTAL PROJECT 2960'. DONE 500'. TO GO 2400'	263,096	-	329,687	(66,591)	-25%
CIP-2993 (P-1)	Steel Pipe Replacement	Replace all remaining aging steel water mains in the distribution system.	Replace all remaining steel water mains and convert steel laterals to customer service connections throughout distribution system as detailed by Figure 9-2. Mainlines and service lines separate. RFP sent 03/2020. Engineering 07/2020, Construction to begin Spring 2021.	18,500	-	18,500	-	0%
CIP-2996 (P-2)	Glen Ellen Transmission and Fire Flow Improvement	Replaces steel water mains, assists with addressing fire flow deficiency in PZ-1F, and increases transmission capability. Verify steel main to be replaced, if steel main is not present then project may be moved to Priority 2.	Replace existing 6-inch and 8-inch steel and ACP water mains with new 10-inch and 12-inch PVC water mains, replace existing service connections, and replace existing fire hydrants. RFP sent 03/2020. Engineering 07/2020, Construction to begin Spring 2021.	18,500	9,502	11,145	7,355	40%
Total Pipeline Projects				578,182	9,502	427,812	150,370	26%

Capital Improvement Project Summary

June 2021

Project #	Project	Justification	Improvement Description	Total Amended Budget	Current Month - June	YTD Expenditures	Budget Remaining	% Remaining
				2020/21				
CIP-2949	Well No. 5A (Verano Well Replacement)		(\$539,767 rollover from 2018)	148,156	826	37,399	110,757	75%
CIP-2983	New Larbre/ Pedroncelli Well(S) Private	constriction of facilities to bring private well water into the district	Construction of District facilities, 2 Wellhouses & 2 chlorine injection systems, SCADA, security cameras at the Larbre/Pedroncelli wells on Arnold- (Was New Well No. 9 Engineering (construction to be loan financed) (Reallocated \$40,000 to exploratory Wells by Board Resolution 04/18/2019))	250,000	-	5,595	244,405	98%
Total Wells				398,156	826	42,995	355,161	89%
				2020/21				
CIP-2966	Hillside Stabilization at Donald Tank & Booster	Hillside collapsing on district facilities	Existing District CIP with a total remaining 5-year budget of \$200,000. CANNOT WAIT FOR LHMP DUE TO DANGER. Engineering underway Going out to bid.	363,000	13,929	274,276	88,724	24%
CIP-2978	Saddle	Existing District CIP.	Saddle Tank Replacement (\$33,667.96 submitted to FEMA for YTD engineering expenses on 06/30/19) (Total Commitment reflects \$630,571 reimbursement from FEMA)	650,000	-	634,760	15,240	2%
CIP-3001	Saddle Tank non-FEMA	Needed work that is non-FEMA reimbursable	The creation of a separate account keeps our funding cleaner for FEMA reimbursement on the tank construction	50,000	660	4,411	45,589	91%
CIP-3000 (P-11)	Pressure Zone 1F Tank Project Alternative #1 - London Ranch Road	Addresses storage deficiency in PZ-1F.	Install a new 0.2 MG welded steel tank and a new 10-inch PVC transmission main; replace 590 LF of existing 8-inch PVC with a 10-inch PVC water main. (LHMP FEMA?) Soils engineering, appraisal, lot-line-adj/permanent easement, property acquisition year 1.	510,000	6,595	8,038	501,962	98%
Total Tanks				1,573,000	21,184	921,486	651,514	41%
TOTAL WATER DISTRIBUTION SYSTEM IMPROVEMENTS				3,445,713	272,880	2,269,770	1,175,943	34%

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

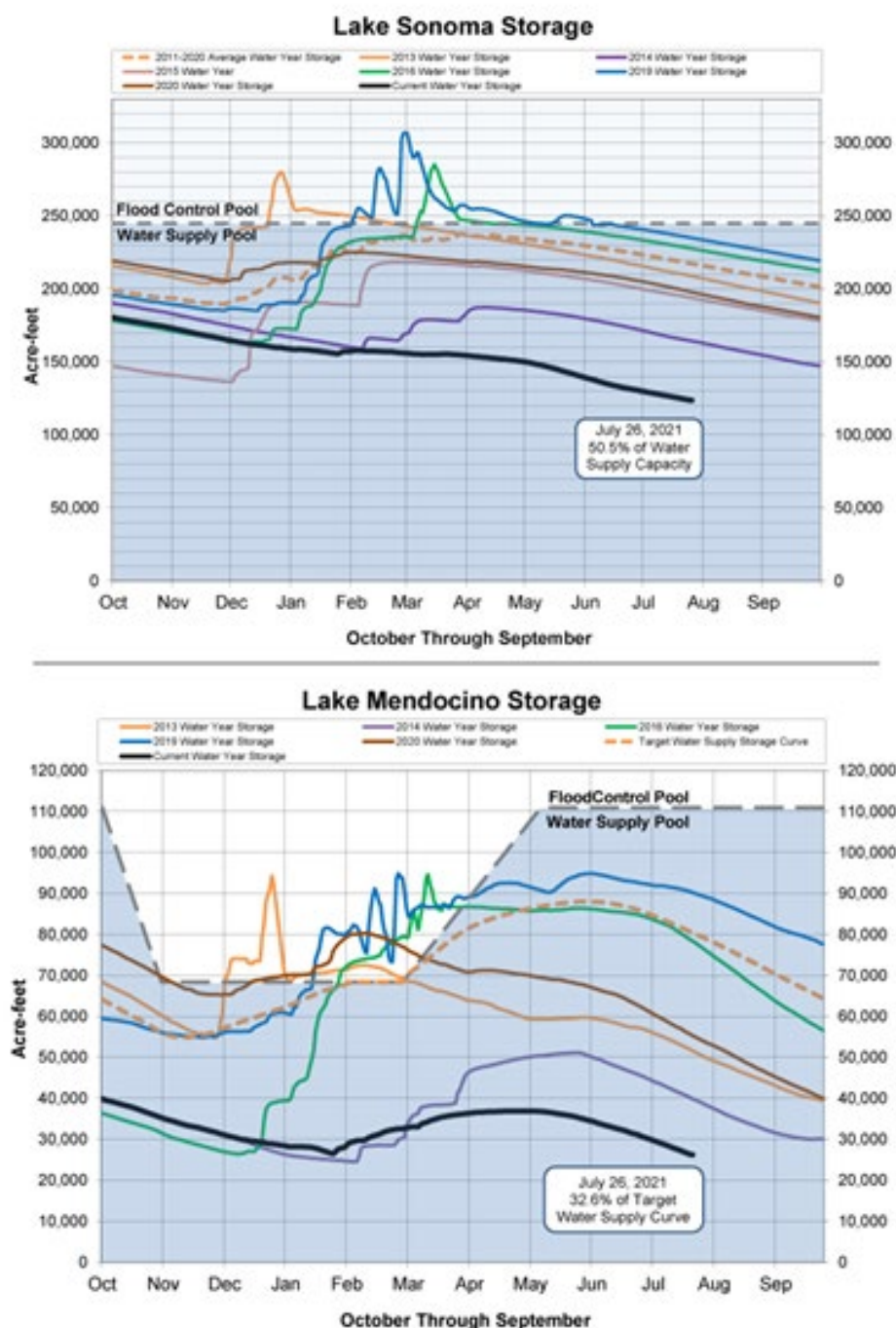
FROM: Brian Larson, Water System Manager

SUBJECT: Water Supply & Water Source Update

Water source report:

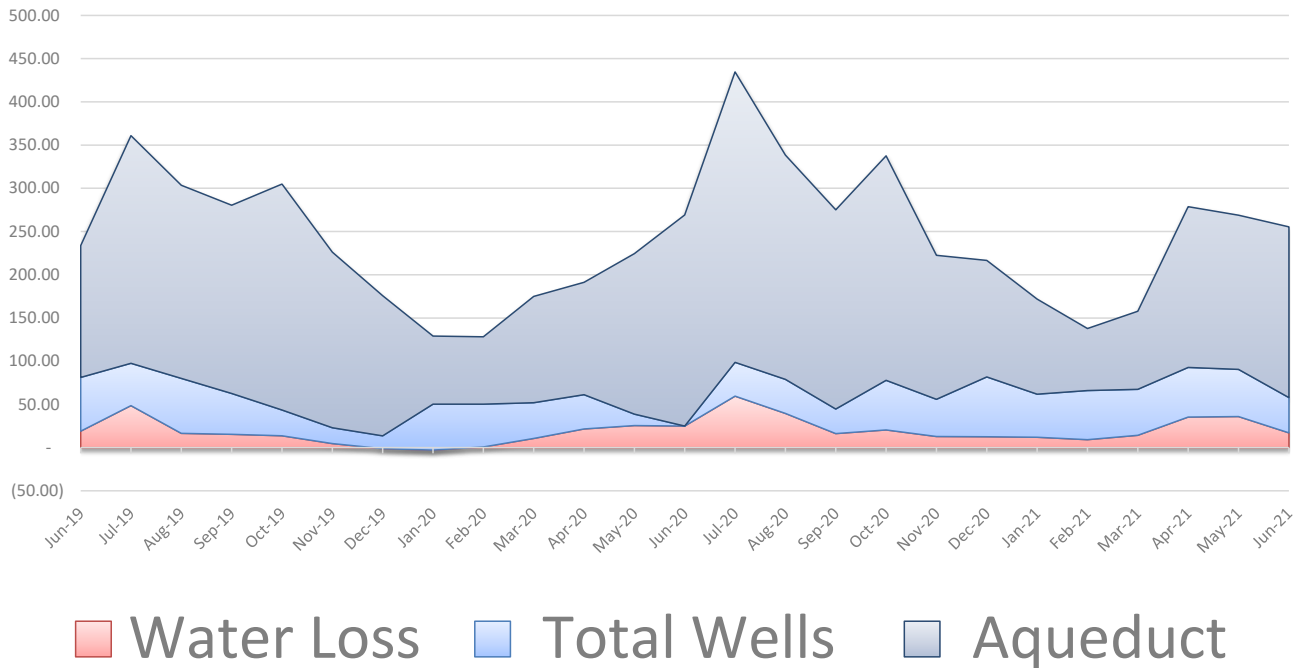
The wells produced 17.13% of our total water in June. This represents all the wells running for the month. The low production is because Park and MT Ave wells came back on near the end of the month.

Lake Sonoma: 50.5 % full, Lake Mendocino: 32.6 % of Target Curve as of July 26th, 2021



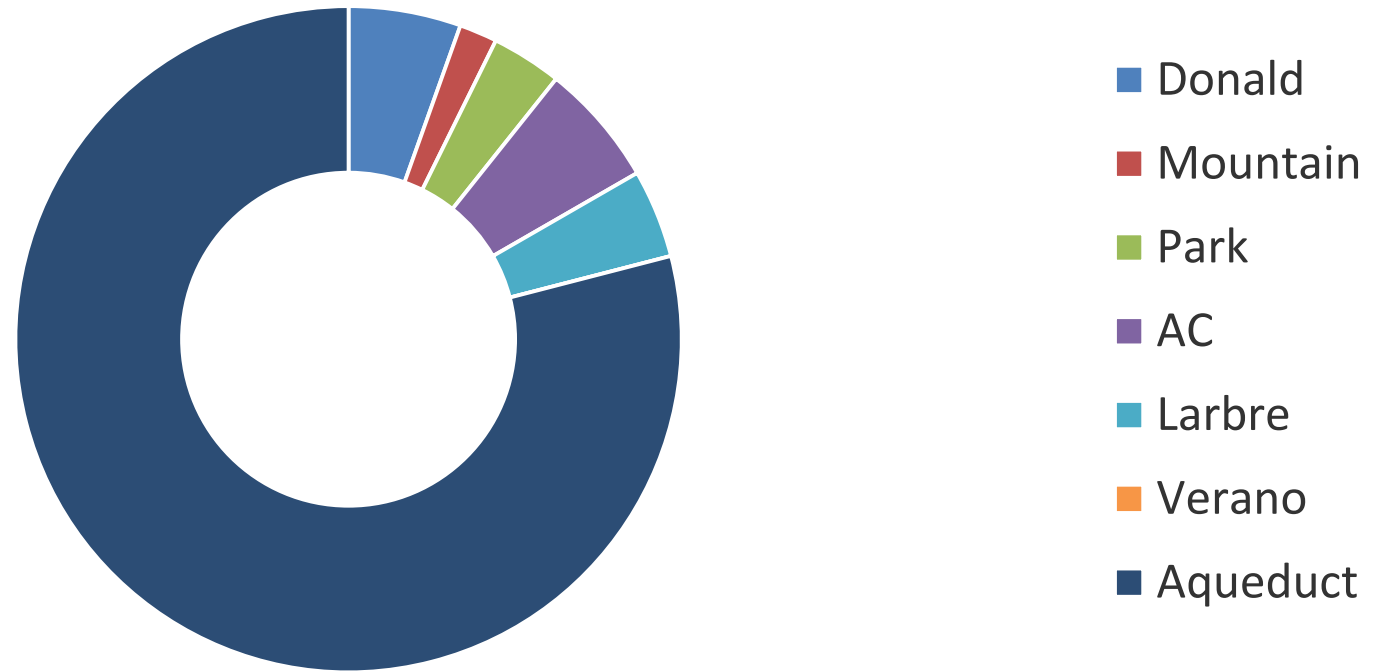
Water Supply Sources - Valley of the Moon Water District

Acre Feet Per Month



Month	Donald*	Mt Ave*	Park Ave*	Agua Cal*	Larbre*	Aqueduct	Total Wells	Wells %	Total AF Produced	Total AF Deliveries	Water Loss (Rolling 3 month Avg)	Water Loss %
Jun-19	16.71	11.51	10.62	10.56	12.64	152.50	62.03	28.92%	214.53	203.64	19.07	9%
Jul-19	14.90	11.13	10.55	0.00	12.28	263.36	48.86	15.65%	312.22	213.96	48.59	23%
Aug-19	18.23	12.97	9.69	10.16	12.46	223.63	63.50	22.12%	287.13	305.41	16.46	5%
Sep-19	13.48	8.98	0.00	15.45	9.27	217.87	47.18	17.80%	265.05	283.67	15.48	5%
Oct-19	8.48	0.86	0.00	14.17	6.28	261.29	29.79	10.23%	291.08	281.62	13.80	5%
Nov-19	0.00	0.00	0.00	16.28	1.88	203.23	18.16	8.20%	221.39	236.60	4.69	2%
Dec-19	4.67	3.25	0.00	5.33	1.45	162.17	14.70	8.31%	176.86	198.78	(1.14)	-1%
Jan-20	13.15	11.49	9.70	18.70	0.00	78.95	53.04	40.18%	131.99	144.24	(2.90)	-2%
Feb-20	13.08	9.33	10.68	14.71	1.72	77.88	49.52	38.87%	127.40	120.87	0.83	1%
Mar-20	9.88	6.87	10.24	14.44	0.00	122.89	41.43	25.21%	164.32	130.35	10.63	8%
Apr-20	13.60	5.57	6.45	14.06	0.00	129.99	39.68	23.39%	169.67	116.49	21.55	18%
May-20	5.28	3.07	0.00	4.95	0.00	185.66	13.30	6.68%	198.96	208.03	25.40	12%
Jun-20	0.00	0.00	0.00	0.00	0.00	244.14	0.00	0.00%	244.14	216.22	24.95	12%
Jul-20	1.05	13.43	11.33	13.43	0.00	335.91	39.23	10.46%	375.14	246.92	59.52	24%
Aug-20	13.66	2.31	9.50	13.95	0.00	259.36	39.41	13.19%	298.77	264.23	39.67	15%
Sep-20	10.17	0.00	7.83	10.30	0.00	230.45	28.30	10.94%	258.75	309.05	16.30	5%
Oct-20	15.32	0.00	11.44	16.81	13.95	259.45	57.52	18.15%	316.97	311.63	20.44	7%
Nov-20	11.69	0.00	9.02	12.26	10.11	166.51	43.07	20.55%	209.58	208.03	12.76	6%
Dec-20	18.48	0.10	14.26	20.10	16.28	134.97	69.24	33.91%	204.21	200.14	12.42	6%
Jan-21	11.95	4.90	8.76	13.47	10.86	109.95	49.94	31.23%	159.89	149.31	11.92	8%
Feb-21	12.75	7.40	9.96	12.95	13.73	71.68	56.79	44.21%	128.47	125.28	9.18	7%
Mar-21	13.04	4.24	9.73	12.76	13.25	90.36	53.02	36.98%	143.38	121.69	14.26	12%
Apr-21	16.28	9.41	1.34	14.44	16.03	185.92	57.50	23.62%	243.42	161.07	35.26	22%
May-21	16.12	8.71	0.00	15.38	14.39	178.28	54.60	23.44%	232.87	174.46	35.98	21%
Jun-21	12.71	1.23	2.96	11.86	12.08	197.64	40.84	17.13%	238.48	258.92	16.94	7%
FY to date (Acre Feet)	153.22	51.73	96.13	167.70	120.69	2,220.47	589.46	23.65%	2,809.93	2,530.73	284.66	11%

Water Production



Actual	Wells										Aqueduct
Month	Donald	Mountain	Park	AC	Larbre	Verano	Total	Aqueduct	Total	Wells %	flow rate*
Jul-20	1.05	13.43	11.33	13.43	0.00	0	39	335.91	375	10%	3.53
Aug-20	13.66	2.31	9.50	13.95	0.00	0	39	259.36	299	13%	2.73
Sep-20	10.17	0.00	7.83	10.30	0.00	0	28	230.45	259	11%	2.42
Oct-20	15.32	0.00	11.44	16.81	13.95	0	57.52	259.45	317	18%	2.73
Nov-20	11.69	0.00	9.02	12.26	10.11	0	43.07	166.51	210	21%	1.75
Dec-20	18.48	0.10	14.26	20.10	16.28	0	69.24	134.97	204	34%	1.42
Jan-21	11.95	4.90	8.76	13.47	10.86	0.00	49.94	109.95	160	31%	1.16
Feb-21	12.75	7.40	9.96	12.95	13.73	0.00	56.79	71.68	128	44%	0.75
Mar-21	13.04	4.24	9.73	12.76	13.25	0.00	53.02	90.36	143	37%	0.98
Apr-21	16.28	9.41	1.34	14.44	16.03	0.00	57.50	185.92	243	24%	2.02
May-21	16.12	8.71	0.00	15.38	14.39	0.00	54.60	178.28	233	23%	1.94
Jun-21	12.71	1.23	2.96	11.86	12.08	0.00	40.84	197.64	238	17%	2.08
Sub-Total	153	52	96	168	121	0	589	2,220	2,810	21%	
* Average daily rate of flow during the month (in millions of gallons per day)											
Annual Target	105	81	80	100	134	0	500	1,854	2,354	21%	
% of Target	146%	64%	120%	168%	90%	NA	118%	120%	119%		

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Brian Larson, Water System Manager

SUBJECT: Operations Update

Operations:

The crew has primarily been performing general maintenance such as valve operations, building maintenance, and installing new or upgraded service lines for the past month. Several leak investigation reports were generated from our AMI system with only a couple needing repair.

The upgrades to the chlorination systems at the wells have been completed. The new systems are a lot less demanding of our time and resources.

The last handful of meters needed to finish the AMI installations were delayed by several weeks due to the worldwide microchip shortage. However, the meters have now arrived, and we have ten difficult meters to install. Eight of those will require plumbing changes on the service line and two will need complete service line replacements. The project will be 100% complete within three weeks.

CIP Project Updates:

County and State Paving Projects:

The County's paving projects have begun on Greger St., Riverside Dr., and East Thompson Avenue. The Caltrans paving project on Hwy 12 from Boyes Blvd. to Verano Ave. has also begun. The District will provide inspections on our valve can installations within the District's boundaries.

Boyes Bridge Mainline:

The project is nearly complete and the conflict with the District water main depth and the road cut has been resolved. The road is now paved, cleanup has begun, and the road is now open to through traffic.

Park Well and Hanna Tank Road Cleanup

The District has hired Atlas tree service for two brush clearing and fire preparedness projects. One is to clear the brush back 3' on each side of the Hanna Tank road for better access to the storage tank. And the other is clearing the hillside owned by the District, behind Park Well for fire protection.

The table below shows a subjective percentage complete for each of the CIP projects based on an estimate of the time requirement remaining (currently showing fiscal year 20-21 projects). The percentage will not match the one shown on the CIP budget update, because that number accounts only for the budget remaining.

Project Number and Description	Percent Complete
Project 2957: Equipment purchases	100%
Project 5107: County paving/VOMWD facility inspection	100%
Project 9300: AMI meter installation	99%
Project 2991: Facility GPSing (funded in new FY)	23%
Project 2947: Water main installation	100%
Project 2967: Boyes Bridge main installation	99%
Project 2984: Water main installation	100%
Project 2993/2996: Engineering for P-1 and P-2	100%
*Project 2949: Verano Well Treatment/permit finalization (funded in new FY)	20%
*Project 2983: New Larbre/Pedroncelli Wells (funded in new FY)	5%
Project 2966: Donald Hillside Stabilization	100%
Project 2978: Saddle Tank Replacement	100%
Project 3001: Non-FEMA expenses (funded in new FY)	15%
*Project 3000: New Glen Ellen Storage property	5%
Average Percent Complete	69%
Average Percent Complete (no*)	85%

*Project will not be completed in fiscal year 20-21 due to reasons outside of District control.

FY = Fiscal Year.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Stephen Rogers, Board President

SUBJECT: July 26th Sonoma Valley Groundwater Sustainability Agency Board Meeting (GSA) Update.

Background

The meeting covered two main topics: 1) Additional identified projects and their impact on the aquifer, and 2) The Focus Group results.

The next phase of identifying projects and their impact on the aquifer was discussed. This consisted of new ASR wells and stormwater recharge. Of note, is the statement that they were working with VOMWD to develop grant funding for 2 ASR wells one near Verano and one near the Golf Course. Another ASR well is in the 8th Street area. When asked about whether it is close to a District distribution mainline, it was not, and they were trying to figure that out. I offered that if they could get the Distribution line for the ASR well, we may be able to offer service in the area. We need to be aware of ASR and other implementations to see if grant funding for ASR or other solutions can help our distribution network. The other projects are using excess creek water in the rainy season to flood the land. The water would then percolate down into the aquifer. Several sites are being considered this type of recharge.

Focus group results are a mixed bag and the results are being used to identify the main talking points for the next community engagement. The focus groups were small and were picked from the larger group of well owners that responded to the survey. There were several comments about stopping permitting and regulating how groundwater can be used. They also ask what the role of the GSA should be and most wanted it to be a data gathering and technical organization. Since the focus groups were so small, I did not place much faith in them being representative of the larger well-owner community.

GSA Staff gave a short presentation on the budget for the next 5 years and it is not cheap. The budget covered administration, technical, and operations and averages around \$1.7M per year. This does not include the projects for which they are counting on grant funding.

I touched on the need for more unified approaches to additional water-saving methodology through Permit Sonoma but was not encouraged by the responses. The need for additional water conservation methods and requirements has been brought up by the Advisory Committee several times.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: July 12th Technical Advisory Committee (TAC) Meeting and August 2nd Combined Water Advisory Committee (WAC) and TAC Update.

Background

The General Manager attended the Monthly TAC meeting on July 12th, 2021. Highlights included the following:

Water Supply Update: Outflow from Lake Mendocino was set at 84 CFS to meet the minimum instream flow of 25 CFS in the upper Russian River (above the confluence of Dry Creek) due to the amount of diversion and evaporation. The lake is projected to be under 16,000 acre-feet by October 1st. At the time of the meeting, it was anticipated that the upper Russian River would move to emergency use only on August 1st. Minimum instream flows for the lower Russian River remain 35 CFS.

Lake Levels: As of the date of the meeting, the water level of Lake Sonoma was: 52%, and Lake Mendocino was: 34%. Both are lower than ever (since originally filled).

Sonoma-Marin Saving Water Partnership (SWP): There are plans to hold two more “drought drop by” events like the one held in June. One will be August 21st and the other will be October 9th. The region-wide “Saving Water Challenge” included 31 water-saving tips, one for every day in July, and prizes for winners that signed up for the “Challenge”. The members of the SWP have conserved enough to get the Sonoma Water diversions down by 24% so far with the minimum requirement for diversions being a 20% reduction per the terms of the Temporary Urgency Change Order (TUCO).

Regional Water Supply Resiliency Study Update: as discussed at the last meeting, the drought components of the multi-year study are being prioritized in an effort to gain some insights that may be useful in the current drought emergency. In order to facilitate this, Sonoma Water’s consultant (Jacobs) will be contacting the contractors independently regarding project possibilities that could be included for study in this phase. Ultimately, it is unlikely that the findings would help this water year, but if the drought continues, it could prove useful in subsequent years. The District’s meeting with Jacobs was held on Tuesday, July 27th.

A verbal update on the August 2nd WAC/TAC meeting will be given during the Board meeting.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Verano Well Update

Background

As reported at the July Board meeting, the Verano well has water quality problems that are keeping the District from using the well. There are three main issues:

1. Arsenic is above the Maximum Contaminant Level (MCL) of 10 parts per billion (ppb) at 11 to 12 ppb. If the well still produced natural iron as it did after it was initially drilled, the existing Greensand Filter would allow the arsenic to co-precipitate out of solution solving the problem. However, now that the well does not produce iron, the problem becomes more difficult to solve.
2. The water has a slight pond-ish smell that would be off-putting to District customers that are used to the very high-quality water produced by Sonoma water and our other wells. The District struggled to figure out what was causing the smell for many months due to inconclusive sampling, however, staff was finally able to detect the suspected hydrogen sulfide (H₂S) with a gas detector on-site. And
3. The water is warm; approximately 80 degrees Fahrenheit. Even if the District were to treat for the arsenic and H₂S, the water would remain unpleasantly warm for the customers closest to the well. The well is screened at multiple water-bearing zones thought to have similar water quality at the time it was drilled. Often, warm water is associated with water quality problems such as arsenic and H₂S.

Two possible solutions were discussed with our engineering firm (EKI). One was to treat the arsenic and H₂S separately. It was determined fairly early on, that cooling the water would be both too expensive and require too much space to be considered. The other possible solution is to test the well at the various zones to see if one or more of them are the culprit of any or all of the water quality problems. If the testing determines that this is the case, the well could potentially be modified so that the area producing the bad water would be blocked off. This would leave only the higher quality water in the well resulting in a less complicated system and much lower long-term treatment costs.

EKI created a request for proposals for the testing work and the District has chosen a contractor. The work plan created by the contractor was reviewed by EKI and a field meeting was held on July 28th to discuss site access and the details of the process. The testing work is scheduled for August 16th and will take several weeks to complete. Depending on the results of the tests, staff may request funds to make the needed modifications to the well in this fiscal year.

Date: August 3, 2021

Item: 8.A

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Consider Adoption of the District's Local Hazard Mitigation Plan
Resolution Number 210801.

Background

For several years, the District has desired to create its own Local Hazard Mitigation Plan (LHMP). By having an LHMP, the District would become eligible for mitigation grant funding from FEMA.

In January of 2020, the District and its consultant, Wood, kicked off the nearly year-and-a-half-long LHMP process. This process included a lot of data gathering, customer and other stakeholder engagement, the creation of a Board ad hoc subcommittee, multiple public meetings, plan drafts as well as public, CalOES, and FEMA draft plan review. Now that all of those steps are behind us, the only remaining component is to formally adopt the plan by resolution and submit proof of the adoption to FEMA. From there, the District will have the ability to plan and budget time and resources to obtaining grant funds and begin addressing the specific areas outlined in the LHMP.

Recommendation

1. By roll call vote, adopt resolution Number 210801 adopting the District's Local Hazard Mitigation Plan.
2. Direct staff to submit documentation of the adoption of the plan to CalOES and FEMA Region IX within one year of the attached letter dated July 9th, 2021.

Attached

1. Resolution Number 210801
2. Notification letter of LHMP review completion from FEMA

RESOLUTION NO. 210801

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT ADOPTING THE 2021 LOCAL HAZARD MITIGATION PLAN

Whereas, the Valley of the Moon Water District recognizes the threat that natural hazards pose to water customers and property within our community; and

Whereas, undertaking hazard mitigation actions will reduce the potential for harm to water customers and property from future hazard occurrences; and

Whereas, the U.S. Congress passed the Disaster Mitigation Act of 2000 (“Disaster Mitigation Act”) emphasizing the need for pre-disaster mitigation of potential hazards; and

Whereas, the Disaster Mitigation Act made available hazard mitigation grants to state and local governments, such as special districts; and

Whereas, an adopted Local Hazard Mitigation Plan (LHMP) is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre-and post-disaster mitigation grant programs; and

Whereas, the Valley of the Moon Water District fully participated in the FEMA-prescribed mitigation planning process to prepare this LHMP; and

Whereas, the California Office of Emergency Services and FEMA, Region IX officials have reviewed the Valley of the Moon Water District LHMP and approved it contingent upon this official adoption by the Board of Directors: and

Whereas, the Valley of the Moon Water District desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts by formally adopting the Valley of the Moon Water District LHMP; and

Whereas, adoption by the Board of Directors of the Valley of the Moon Water District demonstrates the special water district’s commitment to fulfilling the mitigation goals and objectives outlined in this LHMP; and

Whereas, adoption of this legitimacies the plan and authorizes responsible agencies to carry out their responsibilities under the plan.

Now, therefore, be it resolved, that the Valley of the Moon Water District Board of Directors adopts the Valley of the Moon Water District LHMP as an official plan; and

Be it further resolved, that the Valley of the Moon Water District will submit this adoption resolution to the California Office of Emergency Services and FEMA Region IX officials to enable the plan's final approval in accordance with the requirements of the Disaster Mitigation Act of 2000.

THIS RESOLUTION PASSED AND ADOPTED THIS 3RD DAY OF AUGUST 2021, by the following votes:

Director Bryant _____

By _____

Director Foreman _____

President

Director Harland _____

By _____

Secretary

Director Rogers _____

Director Yudin-Cowan _____

AYES _____ NOES _____ ABSENT _____ ABSTAIN _____

I HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of Valley of the Moon Water District held on the 3rd day of August, 2021, of which meeting all Directors were notified and at which meeting a quorum was present at all times and acting.

By _____

Secretary



FEMA

July 9, 2021

Matt Fullner
Interim General Manager
Valley of the Moon Water District
P.O. Box 280
El Verano, CA 95433

Dear Mr. Fullner:

FEMA has completed its review of the *Valley of the Moon Water District Local Hazard Mitigation Plan Update* and has determined that this plan is eligible for final approval pending its adoption by Valley of the Moon Water District.

Formal adoption documentation must be submitted to FEMA Region IX within one calendar year of the date of this letter, or the entire plan must be updated and resubmitted for review. FEMA will approve the plan upon receipt of the documentation of formal adoption.

If you have any questions regarding the planning or review processes, please contact the FEMA Region IX Hazard Mitigation Planning Team at fema-r9-mitigation-planning@fema.dhs.gov.

Sincerely,

Alison Kearns
Risk Analysis Branch Chief
Mitigation Division
FEMA Region IX

Enclosure

cc: Victoria LaMar-Haas, Hazard Mitigation Planning Chief, California Governor's Office of
Emergency Services
Jennifer Hogan, State Hazard Mitigation Officer, California Governor's Office of
Emergency Services

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Consider Authorizing the Execution of Easements, Lease, and Water Purchase Agreements and a Settlement Agreement with Mr. Larbre and Mr. Pedroncelli

Background

Mr. Larbre and Mr. Pedroncelli have one well on each of their properties on Arnold Drive. The wells both appear to meet the District's requirements for water yield and quality. The attached agreements are based on negotiations between the District and Mr. Larbre and Mr. Pedroncelli. The agreements have been vetted by the District's counsel and ad-hoc subcommittee as well as the counsel of Mr. Larbre and Mr. Pedroncelli.

As you will see, the three agreements are still in redline format with a few, small adjustments needed. However, the outline and direction of each agreement overall is in place and ready for review and approval by the Board. The Well Lease and Water Purchase, and Easement Agreements attached are both for Mr. Larbre's well/property. An agreement with Mr. Pedroncelli will have identical terms to those seen here for Mr. Larbre. The Settlement Agreement is for both Mr. Larbre and Mr. Pedroncelli.

Today, staff is requesting that the Board authorize the Board President and General Manager to execute agreements based on the three attached draft agreements, provided that:

- The final clean-up of the provisions, seen here in redline, do not adversely impact the District or its customers as determined by the ad hoc subcommittee, District Counsel, and the General Manager; and
- Mr. Larbre and Mr. Pedroncelli follow through with property right transfers to their respective LLCs and in doing so, meet the approval of District Counsel.

Recommendation

1. By roll call vote authorize the Board President and the General Manager to execute agreements based on the attached drafts according to the outlined provisions above; and
2. Direct staff to have the easements recorded on the two properties at the County Recorder's Office after execution.

Attached

1. Draft Well Lease and Water Purchase Agreement with Mr. Larbre
2. Draft Easement Agreement with Mr. Larbre
3. Draft Settlement Agreement with Mr. Pedroncelli and Mr. Larbre

VALLEY OF THE MOON WATER DISTRICT – WATER FARM

WATER WELL LEASE AND WATER PURCHASE AGREEMENT

This Water Well Lease and Water Purchase Agreement ("Agreement") is made and entered into effective _____, (month/day) 2021, by and between the VALLEY OF THE MOON WATER DISTRICT, a political subdivision of the State of California ("DISTRICT"), and WATER FARM LLC, a California limited liability company ("WATER FARM").

IT IS HEREBY UNDERSTOOD AND AGREED AS FOLLOWS:

1. WATER FARM leases to DISTRICT and DISTRICT leases from WATER FARM, the water well located at 18701 Arnold Drive, Sonoma, CA 95476, which is identified as Assessor's Parcel Number (APN) 052-521-037 and is owned and controlled by WATER FARM (the "PROPERTY"), and which is further described in "EXHIBIT A," attached hereto and incorporated herein by this reference ("WELL SITE").
2. DISTRICT and its agents shall have a right of ingress and egress in, under, over, along and across the PROPERTY to the WELL SITE, for the purposes of operating and extracting water from the well and performing normal routine maintenance and repairs of the well and other equipment that now exists or which may be installed at the WELL SITE. The equipment currently existing, and the equipment expected to be installed by DISTRICT, at the WELL SITE are respectively listed in Exhibit "B," attached hereto and incorporated herein by this reference and made a part of this Agreement.
3. Notwithstanding the foregoing, DISTRICT shall have the right to install at the WELL SITE, at DISTRICT's expense, any additional equipment determined by District, in its sole discretion, to be necessary for proper and satisfactory operation of said well, including, but not limited to, the equipment to be installed and owned by DISTRICT as described in "EXHIBIT B," attached hereto and incorporated herein by this reference. Notwithstanding anything to the contrary, DISTRICT shall own all of the additional equipment that it installs and shall be entitled to remove same at the expiration or termination of this Agreement, provided that DISTRICT removes said equipment within 90 days from the date of expiration or termination of the Agreement. Ownership and all attendant rights of any such equipment not removed by DISTRICT within this 90-day period shall automatically transfer from DISTRICT to WATER FARM without the need for further notice or documentation.
4. DISTRICT shall pay WATER FARM, the actual Purchase Water Rate times the number of acre-feet (AF) of water passing through the production meter to be installed in the pipeline connecting the well to the DISTRICT's water main in Arnold Drive. For the first two years of the Agreement beginning on the day water is first delivered to the District through the production meter, the DISTRICT shall pay to WATER FARM three hundred eighty-five dollars and zero cents (\$385.00) per AF delivered through the production meter (the "Purchase Water Rate"). Commencing on the first day of the third year of service, the Purchase Water Rate shall be four hundred dollars and zero cents (\$400.00) per AF for the third, fourth and fifth years.
5. The DISTRICT shall pay on a monthly basis for water passing through the production meter into the pipeline connecting the well to the DISTRICT's water main in Arnold Drive during the prior month and the monthly payment shall be due and payable within thirty (30) days after the last day of the preceding month, provided that no payment shall be required for any month during which no water is taken from the well. Any payment not paid within 10 days of the due date shall be subject to a 5% late charge.
6. WATER FARM shall have no responsibility to pay any portion of any regulation, tax, or fee imposed

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or increased that directly or otherwise affects the Purchase Water Rate during the term of this Agreement.

7. DISTRICT agrees to maintain the production meter used for determining the monthly payment within accuracy limits stipulated by the American Water Works Association (AWWA). WATER FARM may request testing of the production meter once per quarter and DISTRICT will promptly test or cause to have tested the production meter. If a test indicates the production meter is reading either too high or too low beyond the AWWA accuracy limits, DISTRICT will calculate an appropriate adjustment. Said plus or minus adjustment shall be reflected in one or more subsequent monthly payments to WATER FARM as the parties may agree. If a request for a meter test is made more frequently than once in any three hundred and sixty-five (365) day period, WATER FARM shall pay DISTRICT for all "out-of-pocket" costs incurred by DISTRICT, including DISTRICT labor, for each meter test requested within three hundred and sixty-five (365) days of a prior meter test.
8. DISTRICT agrees to indemnify, defend and hold harmless WATER FARM and Michael Larbre, members of his family, invitees, and guests, from all liability and claims for damages by reason of any injury to any person or persons including DISTRICT's agents and representatives, from any cause whatsoever, to the extent caused or occasioned by, or in any way connected with the use of said well and related facilities by DISTRICT, during the term of this Agreement.
9. WATER FARM and Michael Larbre agrees to indemnify, defend and hold harmless DISTRICT from all liability and claims for damages by reason of any injury to any person or persons including WATER FARM and its agents and representatives, from any cause whatsoever, to the extent caused or occasioned by, or in any way connected with WATER FARM's ownership, maintenance, or use of the well on the property, during the term of this Agreement.
10. DISTRICT agrees that the entire cost of electricity, chemicals, water testing and normal maintenance and repair for the water well shall be borne by the DISTRICT during the term of this Agreement. The term "normal maintenance and repair" shall include replacement of the pump and/or motor and column pipe, should that be necessary for continuing operation of the well, as well as any maintenance and repairs to above-grade appurtenances of the well, provided that the term "normal maintenance and repair" shall specifically exclude the repair, rehabilitation, or replacement of the well casing, screens or seals, all costs of which shall be borne exclusively by WATER FARM.
11. If at any time this Agreement expires and is not renewed, or is terminated, DISTRICT agrees that all equipment enumerated as "Equipment owned by WATER FARM" in Exhibit "B" shall be left in the same condition as received, with the exception of normal wear and tear. The PARTIES acknowledge, however, that the well casing, screens or seals may clog or fail during the term of this Agreement in which event(s) neither WATER FARM nor the DISTRICT shall be under any obligation to repair, rehabilitate or replace same. Should, however, WATER FARM, at its sole discretion, opt to remedy any such condition, it may do so at its sole expense and the Agreement shall remain in full force and effect according to its terms. In such event, DISTRICT'S obligation to make payments shall be suspended until the repairs, etc., are successfully completed and water sampling shows that the quality is once again fit to be used in the DISTRICT's distribution system per Section 14 and as approved by the State Water Resources Control Board Division of Drinking Water ("Division"), after which DISTRICT shall resume payments at the Purchase Water Rate then in effect.
12. The term of this Agreement shall commence on the date first set forth above and be effective for a period of five (5) years thereafter, unless it is earlier terminated on grounds set forth herein, or unless the well casing, casing screens, seals fail and are not repaired as provided for in Section 11 above, in which case the Agreement shall expire as of the date on which the failure occurred without any action being required by either party. In that event, however, DISTRICT and WATER FARM shall retain all legal and equitable remedies under this Agreement and at law.

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13. DISTRICT will endeavor to run the well at its maximum capacity for nine (9) months per year. This is a best management practice developed by the DISTRICT to manage the ground water table without overdraft. If, however, this or other local wells are significantly negatively impacted by the production of water from the operation of this well at its maximum capacity, or reduced production is required or imposed by any regulatory agency as described in Section 14(c) below, lower production rates may be necessary, which may be accomplished, at the DISTRICT's sole discretion, by reducing the pump speed or the pumping schedule, or some combination thereof. In making its determination, DISTRICT shall exercise good faith so as not to unreasonably reduce the production of this well.
14. WATER FARM does not guarantee the water quality or production of the water well under this Agreement. If the DISTRICT determines that water quality, quantity or other circumstance has deteriorated or changed such that water purchases must be halted, it may, by seven (7) days' advance written notice to WATER FARM, re-open this Agreement for negotiation and DISTRICT shall have no obligation to purchase water under the Agreement while negotiations take place and/or while any needed repairs or remedies are procured and installed and the permit to operate is amended (If necessary). The reason/s for halting water purchases will be clearly delineated in writing by the DISTRICT to WATER FARM, and shall include the results of a qualified certified laboratory report and the report itself, SCADA data and/or other evidence of water quality or quantity of production problems or other circumstances as necessary to support such action. WATER FARM shall have the right to obtain the opinion of a qualified hydrogeologist and/or a second water quality report at WATER FARM's sole expense from any qualified laboratory of their choice, so long as it is accredited under the California, Environmental Laboratory Accreditation Program (ELAP) with accreditation for the specific constituent/s desired, for use in the negotiations. The following are examples of possible reasons that the DISTRICT may choose to reopen the Agreement:
- a. The quality of the water produced by the well has changed such that the changes that are within the minimum water quality parameters as set forth by the Division and DISTRICT determines in its sole discretion that the change(s) may have a negative impact on taste, odor, hardness, or other customer service or operational parameters. Such water quality parameters shall include, but are not limited to the following:
 - Iron below 30 UG/L
 - Manganese below 5 UG/L
 - Turbidity below 0.5 NTU
 - Arsenic below 6 UG/L
 - Total hardness below 150 MG/L
 - Odor threshold: 1 TON or less
 - b. The well production capacity drops to less than 100 gallons per minute (GPM) sustainably.
 - c. Any new regulation, including but not limited to a regulation under the Sustainable Groundwater Management Act, impacts the quantity of water purchased from the well.
 - d. Changes in site conditions including minimum public water source setbacks from sources of possible contamination.
 - e. Changes in the water quality parameters as specified from time to time by the Division.
- If negotiations are reopened for any reason and a resolution is not mutually agreed upon within six (6) months, either PARTY shall have the option to terminate the agreement after an additional thirty (30) days written notice. In connection with review of ongoing water production and water quality matters, DISTRICT agrees to provide WATER FARM and its hydrogeologist with any pertinent prior and up-to-date SCADA data promptly upon request by WATER FARM.

15. At no cost to DISTRICT, WATER FARM shall, by separate easement agreement grant DISTRICT the right to install, construct, reconstruct, repair, maintain, operate, and replace a pipeline connecting the well to the District's water main in Arnold Drive within an easement area to be mutually agreed to by the PARTIES (the "EASEMENT"). The EASEMENT will be separate from this Agreement and shall be recorded at the County of Sonoma Recorder's Office. If at any time this Agreement expires and is not renewed, or is terminated, the DISTRICT, ~~in its sole discretion, may choose to shall~~ abandon the pipeline in place and shall remove the EASEMENT from the PROPERTY by reconveyance or other appropriate instrument, properly recorded, within 90 days after termination of the Agreement, whereupon ~~the pipeline it~~ shall be considered as part of the ~~property located at 18701 Arnold Drive, Sonoma, CA 95476 (APN 052-521-037)~~ and the DISTRICT shall have no further obligations with regard to the pipeline, its maintenance, or removal.
16. Upon the later of execution of this Agreement or recordation of the EASEMENT, the DISTRICT shall begin the process of designing and building the following structures and equipment at no cost to WATER FARM:
- A well house to house and keep secure, the well controls, electrical equipment, treatment equipment and any other necessary appurtenances of the well. The well house will be roughly 10 feet by 10 feet in dimension. The DISTRICT will coordinate with WATER FARM on the design of the well house to ensure that the aesthetic does not conflict with other buildings on the property.
 - A pipeline, within the easement area identified in the EASEMENT, running from DISTRICT's water main in Arnold Drive to the well for the purpose of transporting the water into the DISTRICT's distribution system.
17. The structures and equipment described in Section 16a and 16b above will be maintained by the DISTRICT at no cost to WATER FARM for the term of this Agreement. Upon termination of this Agreement, the DISTRICT shall cease maintenance of the well and any related equipment or infrastructure and DISTRICT shall be entitled to remove its equipment subject to Section 3 hereof.
18. After installation of the pipeline connecting the well to the DISTRICT's water main in Arnold Drive, and upon WATER FARM's completion of the standard DISTRICT application for new service, DISTRICT shall cause to be installed, at no cost to WATER FARM, a service line and 1" meter to serve the property located at 18701 Arnold Drive, Sonoma, CA 95476 (APN 052-521-037). If at any time, according to the DISTRICT's demand calculations and based on information provided by WATER FARM, DISTRICT determines a meter larger than 1" is necessary, WATER FARM shall pay for any difference in capacity charges from a 1" meter pursuant to the DISTRICT capacity charges then in place. It shall be WATER FARM'S responsibility, at its sole cost, to properly maintain the required reduced pressure principal (RP) backflow prevention device in accordance with DISTRICT and State standards, to provide to DISTRICT an annual testing certificate of the backflow device, and to maintain any other piping down-stream of the meter. The DISTRICT-owned service line and meter will be installed as close as possible to the property line, adjacent to the new pipeline connecting the well to the main in Arnold Drive and along the Arnold Drive side of the property. The use of the water from this service shall be provided on the following terms for the duration that this Agreement remains in full force and effect (i.e., it has neither expired nor been terminated):
- The DISTRICT shall provide to WATER FARM a credit for a 1" service fee each billing cycle.
 - The first 30 units (thirty thousand gallons) of water used in each billing cycle shall be provided to WATER FARM at no cost.
 - ~~For the duration of this Agreement, a~~Any water used above 30 units (thirty thousand gallons), in a billing cycle ~~during duration of this Agreement shall be charged at the pertinent shall be charged at the highest~~ tier of the regular rate in effect at that time.
 - If at any time this Agreement expires and is not renewed, or is terminated, the DISTRICT'S regular

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fixed and volumetric water charges in effect at that time will apply. Fixed charges are service charges that do not vary as a result of the amount of water used and are based on the size and class of the meter. Volumetric charges are charges for water purchased based on volume, or the amount of water purchased in a billing cycle.

- e. Except as specifically provided for in this Section 18, the 1" inch meter and service line shall be subject to all rules and regulations applicable to DISTRICT water service and as these rules and regulations may change from time to time, including any and all water conservation requirements.
 - f. The 1" meter and service line shall be used solely and exclusively for the property located at 18701 Arnold Drive, Sonoma, CA 95476 (APN 052-521-037).
19. The PARTIES may terminate this Agreement as follows: (1) if DISTRICT fails to pay WATER FARM any charges due after thirty (30) days' advance written notice to DISTRICT of nonpayment and neither PARTY exercises the dispute resolution provisions contained in Section 30 of this Agreement during that time, WATER FARM may then, upon an additional thirty (30) days' advance written notice to DISTRICT, terminate this Agreement; or (2) if either PARTY fails to perform any of the terms, covenants or conditions of this Agreement, and if the claimed breach is not cured within thirty (30) days after the PARTY receiving written notice to cure and neither PARTY exercises the dispute resolution provisions contained in Section 26 of this Agreement during the time to cure, the PARTY alleging breach may then, upon an additional thirty (30) days' advance written notice to the other PARTY, terminate this Agreement. In such case, DISTRICT and WATER FARM shall retain all legal and equitable remedies under this Agreement and at law.
20. All notices required by this Agreement shall be sent to either party at their respective addresses as follows:
- Valley of the Moon Water District
Attn: Matthew Fullner, General Manager
P.O. Box 280
El Verano, CA 95433
- WATER FARM LLC
Attn: Mike Larbre, Managing Member
P.O. Box 187
El Verano, CA 95433
21. This Agreement may be amended from time to time as mutually agreed to, provided that such amendment shall be in writing and duly approved and executed by the PARTIES.
22. This Agreement shall be binding upon the PARTIES hereto, their heirs, beneficiaries, personal representatives, assigns, transferees and successors in interest provided that neither party assigns, transfers or delegates its rights or duties under this Agreement without having first obtained the consent of the other party in writing, which consent shall not be unreasonably withheld.
23. This Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties with respect to the well.
24. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.
25. This Agreement shall be construed under and in accordance with the laws of the State of California without regard for its conflict of law provisions.
26. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement

would be defeated by the loss of the illegal, unenforceable, or invalid provision.

27. Each party and its counsel have participated fully in the review and revision of this Agreement.
28. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.
29. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provision of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
30. Should any dispute arise under, or in connection with, this Agreement or any provision hereof (whether in contract, tort, or both), and upon the request of either PARTY, the PARTIES shall participate in nonbinding mediation before a single qualified impartial mediator that is mutually acceptable to both PARTIES. Each PARTY shall bear its own attorney's fees and costs attendant to the mediation, except that the fees and costs of the mediator shall be borne one-half by the DISTRICT and one-half by WATER FARM. Should mediation fail to result in full resolution of the dispute, the dispute shall be submitted to non-binding arbitration at the request of either PARTY before a single, impartial qualified arbitrator mutually selected by the PARTIES. At the conclusion of the arbitration the arbitrator shall render to the PARTIES a written report equivalent to a nonbinding award that shall include findings of fact and law as if rendering a binding award resolving the dispute (which, too, shall be non-binding). Each PARTY shall bear its own attorney's fees incurred in the arbitration and the PARTIES shall each pay one-half of the arbitrator's fees and costs incurred by the arbitrator in conducting the arbitration. If the dispute remains unresolved after mediation and arbitration as provided above, if requested by a PARTY, either PARTY may seek to enforce its rights under this Agreement (whether in contract, tort, or both) or seek declaration of any right or obligation under this Agreement in Sonoma County Superior Court, and in accordance with section 394 of the Code of Civil Procedure. In such case, any report produced by the arbitrator, including findings, shall have no LEGAL effect in Court.
31. This Agreement shall be duly executed by the party or its authorized agent/s and each signature shall be notarized.

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement in duplicate, the day and year first above written.

VALLEY OF THE MOON WATER DISTRICT

By: _____
Stephen Rogers, President of the Board

WATER FARM, LLC

By: _____
Mike Larbre, Managing Member

ATTEST:

By: _____
Matt Fullner, General Manager Board Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____

day of _____, 20____, by _____

_____,
proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.

(Seal)

Signature _____

EXHIBIT "A"



EXHIBIT “B”

**VALLEY OF THE MOON WATER DISTRICT - LARBRE
WATER WELL LEASE AND WATER PURCHASE AGREEMENT**

Equipment owned/supplied by WATER FARM upon commencement of the agreement:

1. The well, casing, grout seal, and sanitary seal
2. 15 hp submersible pump
3. Pump column
4. Pump wire
5. Electrical meter, pole, and switch gear including a variable frequency drive (VFD)

Equipment to be installed and owned by DISTRICT:

Water meter for the well

1. Chlorine metering pump and other treatment equipment
2. SCADA and monitoring equipment (including security cameras)
3. Valves and piping including the connection to the DISTRICT’s distribution system
4. A well house building approximately 10’ by 10’ will be built to house controls and equipment such as SCADA and treatment systems. The building will be constructed of a concrete slab and wood framing with siding and roofing per WATER FARM’s request and shall not conflict with the home on the same property at the time of construction.
5. Water service and 1” meter for use by WATER FARM

Recorded at Request of and When Recorded

Mail to:

VALLEY OF THE MOON WATER DISTRICT
PO Box 280
El Verano, CA 95433

(Space above this line for Recorder's use)

EASEMENT AGREEMENT

THIS AGREEMENT AND GRANT OF EASEMENT is made by and between WATER FARM LLC, a California limited liability company (the "Grantor"), and VALLEY OF THE MOON WATER DISTRICT, a local governmental agency of the State of California (the "District").

1. For valuable consideration, Grantor hereby grants to the District and the District hereby accepts from Grantor, a ~~perpetual~~ non-exclusive easement together with a right of ingress and egress in, under, over, along and across a portion of that certain real property in the County of Sonoma, State of California, located at 18701 Arnold Drive, which is identified as Assessor's Parcel Number 052-521-037, and delineated in **Exhibit A**, ~~(the "Easement")~~ attached hereto and incorporated by reference ~~(the "Property")~~. The specific area of the ~~e~~Easement (the "Easement Area") consists of a strip of land approximately 20 feet wide and 60 feet long running roughly West to East ~~centered over the pipeline~~ from the well location to Arnold Drive on the ~~Property identified as APN 052-251-037~~, the approximate location of which is delineated in **Exhibit "B"**, attached hereto and incorporated by reference. No money will change hands as a result of this Grant of Easement. Documentary Transfer Tax is \$0, no consideration.

2. The purposes of the ~~E~~easement ~~are~~ to excavate, install, construct, reconstruct, repair, maintain and operate a pipeline connecting Grantor's well to the District's water main in Arnold Drive, and all appurtenances thereto, ~~and operating and extracting~~ transporting water from ~~the Grantor's well to the District's water main in Arnold Drive~~, on and throughout the Easement Area ~~(the "Purposes")~~.

3. Grantor further grants the District, its employees, consultants, contractors, and other agents, and their respective vehicles of any kind whatsoever, access throughout the entirety of said

Commented [BPMNJ1]: This easement will go on until the District and Water Farm end their lease relationship (which could last many years beyond the initial term of the lease).

The District is separately making a commitment via the well lease and water purchase agreement to remove/reconvey the easement within a period of time after the lease terminates, so leaving the word "perpetual" in should not be a problem.

Easement Area.

4. Grantor will not permit, place, or construct any structure within the Easement Area, or within the appurtenant ingress and egress areas, which will prevent District staff/District contractors, vehicles and equipment from operating anywhere therein.

5. This grant specifically includes the right of District, without obtaining any consent from Grantor, its successors or assigns, to authorize its consultants, contractors, or other agents to use the Easement to access ~~the said Property for to carry out the Purposes. any lawful purpose.~~

6. The District will indemnify Grantor against any loss and damage which shall be caused by exercise of the rights herein granted, or by any wrongful or negligent act or omission of District or of its agents or employees in the course of their employment, provided however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative fault or willful misconduct.

7. The District, at its sole cost and expense, shall take all action necessary to maintain and repair all of its improvements damaged by the District and/or its Licensees within the Easement Area.

8. Except in the case of an emergency, the District shall make reasonable efforts to notify, and coordinate access with, the Grantor prior to carrying out any activity within the Easement Area, relating to major construction, maintenance, or repair of equipment owned by DISTRICT, e.g. main repair or replacement, instances where large equipment is needed to carry out repairs etc. Regular maintenance, sampling, testing and equipment checks will be made during normal business hours multiple times per week and DISTRICT shall not attempt to make arrangements for access beforehand for items that are routine in nature.

9. Should any dispute arise under, or in connection with, this Agreement or any provision hereof (whether in contract, tort, or both), and upon the request of either PARTY, the PARTIES shall participate in nonbinding mediation before a single qualified impartial mediator that is mutually acceptable to both PARTIES. Each PARTY shall bear its own attorney's fees and costs attendant to the mediation, except that the fees and costs of the mediator shall be borne one-half by the DISTRICT and one-half by WATER FARM. Should mediation fail to result in full resolution of the dispute, the dispute shall be submitted to non-binding arbitration at the request of either PARTY before a single,

impartial qualified arbitrator mutually selected by the PARTIES. At the conclusion of the arbitration the arbitrator shall render to the PARTIES a written report equivalent to a nonbinding award that shall include findings of fact and law as if rendering a binding award resolving the dispute (which, too, shall be non-binding). Each PARTY shall bear its own attorney's fees incurred in the arbitration and the PARTIES shall each pay one-half of the arbitrator's fees and costs incurred by the arbitrator in conducting the arbitration. If the dispute remains unresolved after mediation and arbitration as provided above, if requested by a PARTY, either PARTY may seek to enforce its rights under this Agreement (whether in contract, tort, or both) or seek declaration of any right or obligation under this Agreement in Sonoma County Superior Court, and in accordance with section 394 of the Code of Civil Procedure. In such case, any report produced by the arbitrator, including findings, shall have no effect in Court..

10. It is the intent of the parties hereto that this document be recorded in the Official Records of Sonoma County, and that said document shall be binding upon the successors and assignees of the parties. ~~during its duration. Within 90 days after expiration or termination of that certain "Valley of the Moon — Water Farm Well Water Lease and Water Purchase Agreement" executed by the parties concurrently herewith, District shall remove the Easement from the Property by reconveyance or other appropriate instrument, properly recorded in the Official Records of Sonoma County.~~

IN WITNESS WHEREOF, the Grantor and the District executed this agreement and grant of easement on **MONTH** _____, 2021.

GRANTOR

WATER FARM LLC

DISTRICT

VALLEY OF THE MOON WATER DISTRICT

By: _____
Mike Larbre, Managing Member

By: _____
Matthew Fullner, General Manager

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing instrument to Valley of the Moon Water District, a local governmental agency, is hereby accepted by the undersigned officer on behalf of the Board of Directors of the District pursuant to authority conferred by the Board's Resolution No. **21-XX** and the grantee consents to recordation thereof by its duly authorized officer.

Commented [BPMNJ2]: There is no need to add this language. The District is making a commitment via the well lease and water purchase agreement to remove/reconvey the easement within a period of time after the lease terminates. If it fails to do so, Water Farm/Larbre can seek recourse pursuant to the well lease and water purchase agreement.

Dated: _____ By: _____
District General Manager
Matthew Fullner

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the

same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

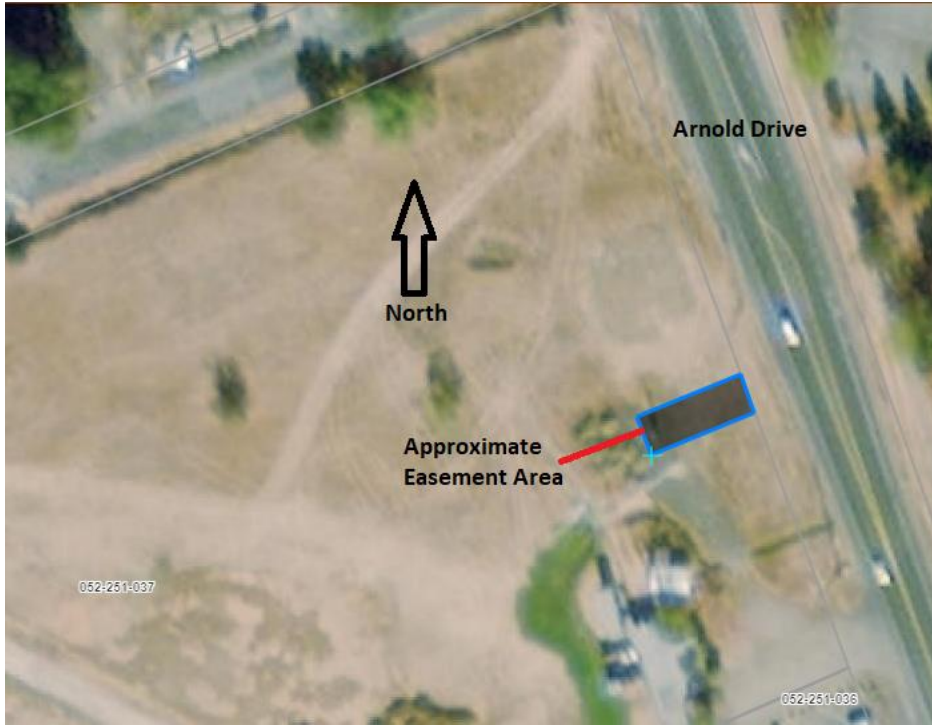
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit "B"

Easement Exhibit



SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Settlement Agreement") is made and entered into among and between the following, both on their own behalf and on behalf of any and all Related Persons and Entities (as defined below):

- Valley of the Moon Water District (the "District");
- Michael A. Larbre ("Larbre") and The Larbre Family Trust ("Larbre Trust") (referred to collectively herein as the "Larbre Parties"); and
- PJ Pedroncelli ("Pedroncelli") and The Paul Joseph Pedroncelli Jr. Revocable Trust ("Pedroncelli Trust") (referred to collectively as "Pedroncelli Parties").

DEFINITIONS

As used in this Settlement Agreement, the following phrases and words have the following meanings:

- A. "Claim" or "Claims" shall refer to any and all claims, demands, liabilities, losses, damages, punitive damages, errors, defects (whether manufacturing or design, patent or latent or otherwise), obligations, complaints, causes of action in law or in equity, proceedings, losses, settlements, damages, attorneys' fees, experts' fees, liens, costs, expenses, repair costs, investigative costs, consultative expenses, replacement costs, relocation costs, or damage of every kind and nature whatsoever.
- B. "Parties" shall refer to District, Larbre Parties, and Pedroncelli Parties.
- C. "Related Persons and Entities" shall refer to any and all past, present and future parent companies, divisions, subsidiaries, affiliates, partnerships, limited liability partnerships, corporations, limited liability ~~companies~~corporations, business entities, members, owners, stockholders, directors, officers, employees, lenders, mortgage holders, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, partners, joint venturers, legal representatives, agents, attorneys, heirs, administrators, trusts, trustees, beneficiaries, creditors, assigns, lessees, tenants, residents, legal owners and equitable owners that are related in any way to the Parties.

RECITALS

- A. Larbre Trust owns the real property located at 18701 Arnold Drive, Sonoma, California 95476, identified as Assessor's Parcel Number (APN) 052-251-037 ("Larbre Parcel"). Larbre is the Trustee of the Larbre Trust. Pedroncelli ~~Trust~~ owns the real property nearby located at 18775 Arnold Drive, Sonoma, California 95476, identified as APN 052-251-035 ("Pedroncelli Parcel"). Pedroncelli is the trustee of the Pedroncelli Trust.
- B. The District owns rights to a well located on Verano Avenue, Sonoma, California, about one thousand feet south of the Pedroncelli Parcel ("Verano Well").

- C. Beginning in August 2018, Larbre and Pedroncelli began discussions with the District about their intent to drill separate wells on their respective Parcels ("Larbre Well" and "Pedroncelli Well") and then possibly enter into lease agreements with the District under which the District would operate the Larbre Well and Pedroncelli Well and purchase the water produced by those wells.
- D. With a permit issued by the Sonoma County Permit and Resource Management Department ("PRMD"), and in communication with the District, Larbre and Pedroncelli drilled separate wells on their respective Parcels in the late Fall of 2019.
- E. Below the ground surface in the area that includes the Larbre Well, the Pedroncelli Well and the Verano Well are two natural water aquifers, one above the other – the "Upper Aquifer" and the "Lower Aquifer." The Verano Well has historically drawn water from the Lower Aquifer for its uses.
- F. When the Larbre and Pedroncelli Wells were drilled, the resulting wellbore construction penetrated the Upper Aquifer and then penetrated into the Lower Aquifer, which allowed water to transfer vertically within the well bore holes between the Upper and Lower Aquifers ("Bore Hole Water Transfer").
- G. The District asserts that drilling by Larbre and Pedroncelli through the Upper Aquifer and into the Lower Aquifer permitted the attendant Bore Hole Water Transfer between the Aquifers, giving rise to District claims for damages and costs, for the ~~resultant~~ change in mineral concentrations in the water of the Lower Aquifer which rendered the District's water treatment equipment ineffective and adversely affected the District's ability to operate the Verano Well efficiently with existing equipment ("District Claims"). The District thus contends that the Larbre Parties and Pedroncelli Parties are legally responsible for such District Claims ~~to~~ for which the District has threatened to pursue legal remedies to recover its claimed damages and costs.
- H. Larbre and Pedroncelli dispute any liability for the District's Claims, asserting various legal and technical defenses including that the Larbre and Pedroncelli Wells were drilled in full compliance with the terms and conditions of the Sonoma County PRMD permits.
- I. In or about February and March 2020, at the District's request, Larbre and Pedroncelli engaged a hydrogeologist and ~~co~~-coordinated and cooperated with District personnel and other consultants to design and implement a mutually agreed plan to perforate and seal off by abandonment procedures the Larbre and Pedroncelli Well Bore Holes between the Upper and Lower Aquifers in order to seal off any further Bore Hole Water Transfer between the Upper and Lower Aquifers. This Bore Hole closure procedure was successfully completed and stopped water transfer between the Upper and Lower Aquifers at the Bore Hole locations while still allowing the Larbre Well and Pedroncelli Well to produce water from the Upper Aquifer.

- J. By entering into this Settlement Agreement, the parties desire to fully and finally settle, and mutually release each other from, all Claims each has or may have against the other arising directly or indirectly out of, or in connection with, the drilling by Larbre and Pedroncelli of the Larbre and Pedroncelli Wells which may have occasioned Bore Hole Water Transfer between the Upper and Lower Aquifers, so that the Parties may remove this obstacle of lingering Claims and allow the Parties to execute the Valley of the Moon Water District-Water Farm Water Well Lease and Water Purchase Agreement and a related Easement Agreement on the Larbre Parcel, and execute the Valley of the Moon Water District-Triple C Water Ranch Water Well Lease and Water Purchase Agreement and a related Easement Agreement on the Pedroncelli Parcel.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, representations, and warranties set forth herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Release of Claims by the District. The District, on its behalf and on behalf of its Related Persons and Entities, do hereby fully, irrevocably, and unconditionally release and discharge:

(i) the Larbre Parties;

(ii) the Pedroncelli Parties; and

(iii) the Larbre Parties' Related Persons and Entities and the Pedroncelli Parties' Related Persons and Entities (collectively "Released Larbre/Pedroncelli Parties") from and against the District Claims including all direct and indirect claims, demands, losses, liabilities, expenses, causes of action, direct or consequential economic damages, punitive or exemplary damages, investigation or consultants' expenses, actions, liabilities, attorneys' fees, loss of earnings, and compensation of every kind and nature whatsoever, past present or future, whether now known or unknown, existing, alleged to exist, or which may hereafter arise, in law or in equity, whether contract or tort in nature, directly or indirectly arising out of or in connection with: the drilling of the Larbre Well and/or the Pedroncelli Well, penetrating the Upper or Lower Aquifers, causing or permitting the Bore Hole Water Transfer between the Upper and Lower Aquifers, perforation and sealing off by abandonment procedures the Bore Holes of the Larbre Well and Pedroncelli Well and sealing off any attendant Bore Hole Water Transfer, all claims that conduct by Larbre Parties and/or Pedroncelli Parties adversely affected the use by the District or integrity of the Verano Well in any way, and any related conduct by Larbre and/or Pedroncelli (collectively "Released Claims against Larbre/Pedroncelli Parties").

2. Release of Claims by the Larbre Parties and the Pedroncelli Parties. The Larbre Parties and the Pedroncelli Parties, on their own behalf and on behalf of their Related Persons and Entities do hereby fully, irrevocably and unconditionally release and discharge:

(i) the District; and

(ii) the District's Related Persons and Entities, (collectively "Released District Parties") from and against all direct and indirect claims, demands, losses, liabilities, expenses, causes of action, direct or consequential economic damages, punitive or exemplary damages, investigation or consultants' expenses, actions, liabilities, attorneys' fees, loss of earnings, and compensation of every kind and nature whatsoever, past present or future, whether now known or unknown, existing, alleged to exist, or which may hereafter arise, in law or in equity, whether contract or tort in nature, directly or indirectly arising out of or in connection with: the drilling of the Larbre Well and/or the Pedroncelli Well, penetrating the Upper or Lower Aquifers, causing or permitting the Bore Hole Water Transfer between the Upper and Lower Aquifers, perforation and sealing off by abandonment procedures the Bore Holes of the Larbre Well and Pedroncelli Well and sealing off the Bore Hole Water Transfer, all claims that conduct by the District Parties adversely affected the use or integrity of the Larbre Well or Pedroncelli Well (collectively "Released Claims against the District Parties").

Formatted: Indent: First line: 0.5"

3. Settlement Agreement Conditioned Upon Execution of Other Agreements. This Settlement Agreement shall be of no force or effect unless and until the Parties fully execute all of the following agreements: the Valley of the Moon Water District-Water Farm Water Well Lease and Water Purchase Agreement and the related Easement Agreement; the Valley of the Moon Water District-Triple C Water Ranch Water Well Lease and Water Purchase Agreement and the related Easement Agreement. Upon full execution of the above agreements, this Settlement Agreement shall then become operative and binding upon all Parties.

4. Waiver of Civil Code Section 1542. Subject to the terms of this Settlement Agreement, the Parties fully understand and agree that there is a risk that, subsequent to the execution of this Settlement Agreement, they may accrue, obtain, incur, suffer, or sustain Claims which in some conceivable way arise out of, are caused by, are connected with, or relate to the Parties (and/or their Related Persons and Entities), which are unknown and unanticipated at the time this Settlement Agreement is signed or which are not presently capable of being ascertained. The Parties further acknowledge that there is a risk that any Claims as are known or should be known with respect to the released matters may become more serious than they now expect or anticipate. Nevertheless, the Parties hereby expressly waive all rights they may have in such unknown and unexpected claims or consequences, or results as to the released matters. The Parties acknowledge that they have had the benefit of or opportunity to consult with counsel, understand the provision of California Civil Code section 1542, and expressly waive the provisions of California Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties hereby specifically waive any and all rights and benefits under California Civil Code section 1542 as they relate to the matters released and acknowledge that this settlement would not be made without such a waiver.

5. Warranty and Limited Indemnification. The District Parties on the one hand, and the Larbre Parties and Pedroncelli Parties, on the other hand, hereby represent and warrant to the other Parties that none of the Released Claims have previously been assigned or transferred to another person or entity, in whole or in part, and that the individual persons who are signing this Settlement Agreement have the power and authority to execute this Settlement Agreement. The District Parties, on the one hand, agree to indemnify, defend and hold harmless the Released Larbre/Pedroncelli Parties, and the Larbre Parties and Pedroncelli Parties, on the other hand, agree to indemnify, defend and hold harmless the Released District Parties, from and against any and all claims, loss, liabilities, costs, or damages asserted or threatened against the respective Released Parties or any of them by any person or entity, arising out of or in connection with any of the Released Claims.

6. Fees and Costs. Each party will bear his/her/its own attorneys' fees and costs incurred in connection with reaching settlement and preparing this Settlement Agreement.

7. No Admission. This Settlement Agreement constitutes a compromise of disputed claims. Nothing contained herein shall be deemed to be an admission of liability on the part of any Party.

8. Miscellaneous Provisions.

(a) This Settlement Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement contained herein and supersedes all prior and contemporaneous understandings or agreements of the parties with respect to the well. No Party has been induced to enter into this Settlement Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement. This Settlement Agreement shall be interpreted according to its own terms, as defined in this Agreement or otherwise according to their ordinary meaning, without any parole evidence. This is an integrated agreement.

(b) Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Settlement Agreement on behalf of the Party for whom he or she purports to sign.

(c) All of the terms and provisions of this Agreement have been explained to the Parties by their legal counsel and the Parties have understood and accept all of said terms and provisions.

(d) No waiver of any of the provisions of this Settlement Agreement, and no modification thereof, shall be valid unless first made in writing signed by all Parties..

(e) Any notice required under this Settlement Agreement shall be effective immediately upon delivery if made by personal service, first class mail, overnight delivery service, or fax. All notices required by this Agreement shall be sent to the parties at their respective addresses as follows:

Valley of the Moon Water District
Attn: District Manager
P.O. Box 280
El Verano, CA 95433

Michael A. Larbre
P.O. Box 187
El Verano, CA 95433

PJ Pedroncelli
18775 Arnold Drive
Sonoma, CA 95476

(f) The Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same agreement, and the transmission of a signed counterpart by fax or by emailed pdf (portable document file) shall constitute valid and effective delivery of an original for all purposes.

(g) The Parties may not assign or delegate any of their respective duties or obligations hereunder except with the prior written consent of the other Parties which may be withheld in their sole subjective discretion. ~~If the Larbre Parties or Pedroncelli Parties sell or transfer controlling interest in their property, the District shall have sole right to terminate this Settlement Agreement or accept the transfer of rights to such controlling interest.~~

(h) This Settlement Agreement is the product of negotiation and preparation by and between the Parties and their respective attorneys. Neither this Agreement nor any provision thereof shall be deemed prepared or drafted by one party or another, or its attorneys, and shall not be construed more strongly against any party.

(i) All of the terms and provisions of this Settlement Agreement have been explained to the Parties by their legal counsel and said Parties have understood and accept all of said terms and provisions.

(j) If any provision or any part of any provision of this Settlement Agreement is for any reason held to be invalid, unenforceable, or contrary to any public policy, law, statute, and/or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

(k) Except as otherwise provided herein, this Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective Related Persons and Entities.

(l) Should any dispute arise under or in connection with this Settlement Agreement, and upon the request of any Party, the Parties shall participate in nonbinding mediation before a single qualified impartial mediator that is mutually acceptable to the Parties, and each Party shall bear its own attorneys' fees and costs attendant to the mediation, except that the fees and costs of the mediator shall be borne one-half by the District on the one hand and one-half by the Larbre Parties and Pedroncelli Parties on the other. Should mediation fail to result in full resolution of the dispute, the dispute shall be submitted to non-binding arbitration at the request of any Party before a single, impartial qualified arbitrator mutually selected by the Parties. The mediation and arbitration, if any, shall be held in Sonoma, California, or such other location as may be mutually selected by the Parties. The arbitrator shall award reasonable attorneys' fees and costs to the prevailing party in the arbitration; except that the fees and costs of the arbitrator shall be borne one-half by the District on the one hand and one-half by the Larbre Parties and Pedroncelli Parties on the other until a final arbitration award is issued and costs are allocated in favor of the prevailing party.

(m) The headings contained in this Settlement Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(n) This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of California.

Michael A. Larbre, individually, and as Trustee of the Valley of the Moon Water Larbre Trust

PJ Pedroncelli, individually, and as Trustee of the Paul Joseph Pedroncelli Jr. Revocable Trust

Valley of the Moon Water District

By Matthew Fullner, General Manager

Date: August 3, 2021

Item: 8.C

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Consider the Creation of a Board Ad Hoc Subcommittee to Advise on the Second Phase of the District's Staffing Study.

Background

Last fiscal year, the District conducted the first phase of a two-part staffing study that focused on the office staffing. Part of the reason that the study was a success, is that the Board supplied an ad hoc subcommittee made up of the budget subcommittee, to give input and guidance on the process. In the second phase, occurring this fiscal year, the study will focus on the field operations and the District's changing operational and CIP needs. Staff would again like to request the creation of a subcommittee for the same purpose.

Several meetings of the subcommittee, staff, and the consultant, during business hours, will be needed between September and November. The current estimate is between three and five meetings.

Recommendation

Discuss the creation of an ad hoc subcommittee and elect a two-member staffing study subcommittee to provide input and assist in directing the outcomes of the study.

Date: August 3, 2021

Item: 8.D

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Rate Study Discussion and Action

Background

As you are aware, the District will be conducting another five-year rate study this year. The District sought and has received, proposals from consultants to perform the work. The same consultant that the District used in 2017/18, NBS, attained the highest score on the scoring matrix and will be assisting the District once again.

At this time, staff is seeking guidance from the Board regarding the level of input the Board would like to have in guiding the study and decision-making process. The possible level of involvement ranges from relatively uninvolved or supplying general guidance in this Board meeting or later by email, all the way up to the creation of an ad hoc subcommittee to be involved at a more granular level.

Recommendation

Discuss the level of involvement the Board would like to have in the rate study process and direct staff as necessary.