

BOARD OF DIRECTORS
Regular Meeting Agenda
February 3rd, 2026, 6:30 p.m.
Board Room
19039 Bay Street, El Verano
(707) 996-1037

Board of Directors

Steve Caniglia, President
Gary Bryant, Vice President
Jon Foreman
David Williams
Colleen Yudin-Cowan

PUBLIC NOTICE

Members of the public may participate in this open, public meeting in person.

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 January 6th, 2026, Board of Directors Regular Meeting

Item 3.B Minutes of the January 14th, 2026, Board of Directors Strategic Planning Workshop Special Meeting

Item 3.C Consider Resolution No. 260201 Accepting Water Well and Aquifer Storage and Recovery (ASR) Facilities, Constructed Under Project Numbers 3038, 3039, and 2989 at Park and Verano Wells Under Contract With Weeks Drilling & Pump Co.

4. PUBLIC PRESENTATION, HEARING OR WORKSHOP

5. FINANCE, ADMINISTRATIVE & 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 December 2025 in the amount of \$650,559.73.

Item 5.B Administrative Report

Item 5.C Water Source Report

Item 5.D Operational Updates

6. DIRECTORS' & COMMITTEE REPORTS

Item 6.A January 26th, 2026, Sonoma Valley Groundwater Sustainability Agency Board Meeting Update

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

Item 7.A Sonoma Developmental Center (SDC) Update

Item 7.B February 2nd, 2026, Water Advisory Committee (WAC) and Technical Advisory Committee (TAC) Meeting Update

Item 7.C PFAS Claims Update

Item 7.D EKI Client Panel Update

8. DISCUSSION AND ACTION (GENERAL BUSINESS)

Item 8.A Adoption of the Valley of the Moon Water District Annual Strategic Plan Goals and Objectives Update for Fiscal Year 2026-2027.

9. CLOSED SESSION

10. REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT

The next scheduled Board meeting is a regular meeting at 6:30 p.m. on March 3rd, 2026. Posted this 29th day of January 2026, online and in three public places.

Amanda Hudson

Amanda Hudson, Board Secretary

VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
January 6, 2026

A Regular Meeting of the Board of Directors of the Valley of the Moon Water District was held on January 6, 2026. Members of the public were provided the opportunity to participate in this open, public meeting in person.

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

President Caniglia called the meeting to order at 6:34 P.M. PST.

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

Directors: Gary Bryant
Steve Caniglia
Jon Foreman
David Williams
Colleen Yudin-Cowan

District Personnel: Clayton Church, Water System Manager
Matthew Fullner, General Manager
Amanda Hudson, Administration Manager
Oscar Madrigal, Finance Manager

District Counsel: Leah Castella

Sonoma Water Staff: Kent Gylfe, David Royall, Brad Sherwood

Public: See sign-in sheet

2. PUBLIC COMMENTS

None

3. CONSENT CALENDAR

Item 3.A Minutes of the November 4th, 2025, Board of Directors Regular Meeting

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

January 6, 2026 - Draft Minutes until signed
by Board President & Secretary

A roll call vote was taken:

Director Bryant	Aye
Director Caniglia	Aye
Director Foreman	Aye
Director Williams	Aye
Director Yudin-Cowan	Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

4. PUBLIC PRESENTATION, HEARING OR WORKSHOP

Item 4.A Sonoma Water Transmission System Update

Kent Gylfe and **David Royall** from Sonoma Water presented the Sonoma Water Transmission System Update.

Director Foreman asked if there been talk about a Petaluma/Sonoma intertie; it would provide resiliency. **Kent Gylfe** said there has been talk about it, but it would be costly and the primary beneficiary is Sonoma Valley.

5. FINANCE, ADMINISTRATIVE & 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 months of October and November 2025 in the amounts of \$653,328.33 and \$489,083.35, respectively.

Finance Manager Madrigal said that \$5,000 was posted to Lomita CIP but it was for a customer account, not Lomita. That will be corrected on the following month's financials.

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 months of October and November 2025 in the amounts of \$653,328.33 and \$489,083.35, respectively.

A roll call vote was taken:

Director Bryant	Aye
Director Caniglia	Aye
Director Foreman	Aye
Director Williams	Aye
Director Yudin-Cowan	Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

Item 5.B Administrative Report

Item 5.C Water Source Report

Item 5.D Operational Updates

6. DIRECTORS' COMMITTEE REPORTS

Item 6.A Appointment of Board Representatives

President Caniglia confirmed that all directors read and understand assignments. All directors agreed.

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

Item 7.A Sonoma Developmental Center (SDC) Update

Director Bryant asked how long the draft leak response agreement has been on Gerald's, the liaison's, desk. General Manager Fullner said three weeks, with the last question being a week ago.

Item 7.B January 5th, 2026, Technical Advisory Committee (TAC) Meeting Update

Item 7.C ACWA Fall Conference Update

8. DISCUSSION AND ACTION (GENERAL BUSINESS)

Item 8.A Adoption of the Valley of the Moon Water District Annual AB 1600 Report

Director Foreman made a motion, seconded by Director Bryant, approve the Fiscal Year 2024-2025 AB 1600 report and direct staff to retain the report on the District's website for a minimum of five years.

A roll call vote was taken:

Director Bryant Aye

Director Caniglia Aye

Director Foreman Aye

Director Williams Aye

Director Yudin-Cowan Aye

Ayes 5 Noes 0 Absent 0 Abstain 0

9. CLOSED SESSION

10. REQUEST FOR FUTURE AGENDA ITEMS

11. ADJOURNMENT

President **Caniglia** adjourned the meeting at 7:44 P.M. PST.

Amanda Hudson, Board Secretary

Steve Caniglia, Board President

VALLEY OF THE MOON WATER DISTRICT
BOARD OF DIRECTORS
STRATEGIC PLAN WORKSHOP MEETING MINUTES
January 14, 2026

A Strategic Plan Workshop Meeting of the Board of Directors of the Valley of the Moon Water District was held on January 14, 2026. **Members of the public were provided the opportunity to participate in this open, public meeting in person.**

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

President **Caniglia** called the meeting to order at 6:30 P.M. PST.

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

Directors:	Gary Bryant Steve Caniglia Jon Foreman David Williams Colleen Yudin-Cowan
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District Personnel:	Clayton Church, Water System Manager Matthew Fullner, General Manager Amanda Hudson, Administration Manager Oscar Madrigal, Finance Manager
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Public:	See sign-in sheet
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2. PUBLIC COMMENTS

None

3. BOARD WORKSHOP

Item 3.A Workshop on the District's Fiscal Year 26-27 Strategic Plan Goals and Objectives Update

The Board participated in the workshop on the District's Fiscal Year 26-27 Strategic Plan goals and objectives update.

4. ADJOURNMENT

President Caniglia adjourned the meeting at 7:29 P.M. PST.

Amanda Hudson, Board Secretary

Steve Caniglia, Board President

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Consider Resolution No. 260201 Accepting Water Well and Aquifer Storage and Recovery (ASR) Facilities, Constructed Under Project Numbers 3038, 3039, and 2989 at Park and Verano Wells Under Contract With Weeks Drilling and Pump Co.

Background:

The Board of Directors awarded the construction of the final phases of ASR equipment, at both Park and Verano Wells, as well as the completion of the newly redrilled Park Avenue well (collectively projects 3038, 3039, and 2989) at the Regular Board meeting in August of 2025. The work is now complete and has passed inspection by District staff and the Project Engineer. To finalize the project, the facilities need to be accepted by the Board as the District's facilities, and the Notice of Completion (NOC) needs to be issued to the Contractor. Adoption of Resolution No. 260201 by the Board would accept the facilities. The Board should also consider directing staff to issue the NOC.

Recommendation:

1. Adopt Resolution No. 260201 accepting the facilities outlined as District Property; and
2. Direct staff to issue the Notice of Completion (NOC)

Attachment:

- Resolution No. 260201
- Developer's Notice of Completion

RESOLUTION NO. 260201

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT
ACCEPTING WATER FACILITIES UNDER PROJECTS NO. 3038, 3039, and 2989.**

WHEREAS, the District awarded the construction contract for Water Well and Aquifer Storage and Recovery (ASR) Facilities at the Park and Verano Avenue Well sites (also known as projects 3038, 3039, and 2989) to Weeks Drilling & Pump Co., Inc. at the Regular Board Meeting in August of 2025; and

WHEREAS, the Projects have been completed per the Agreement and District and Project Engineer standards.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Valley of the Moon Water District, that the Water Well and Aquifer Storage and Recovery (ASR) facilities constructed under projects 3038, 3039, and 2989 at Park and Verano Avenue Well sites are hereby accepted.

THIS RESOLUTION PASSED AND ADOPTED THIS 3rd DAY OF February 2026, by the following votes:

Director Caniglia _____

Director Bryant _____ By _____
President

Director Foreman _____

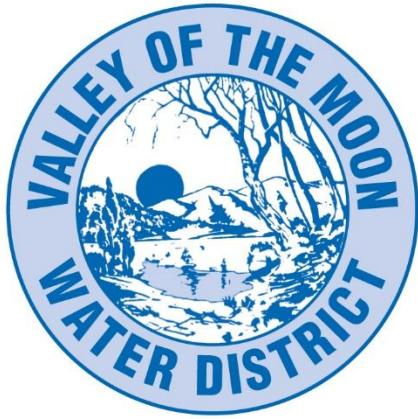
Director Williams _____ By _____
Secretary

Director Yudin-Cowan _____

AYES _____ **NOES** _____ **ABSTAIN** _____ **ABSENT** _____

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 February 2026, of which meeting all Directors were notified and at which meeting a quorum was present at all times and acting.

By _____
Secretary



VALLEY OF THE MOON WATER DISTRICT

A Public Agency Established in 1962
19039 Bay Street · P.O. Box 280
El Verano, CA 95433-0280
Phone: (707) 996-1037
Fax: (707) 996-7615

NOTICE OF COMPLETION (Public Works Project)

NOTICE IS HEREBY GIVEN pursuant to California Civil Code Section 9204 that:

1. Name and Address of Public Agency Owner:

Valley of the Moon Water District
19039 Bay Street
Sonoma, CA 95476

2. Nature of the Interest or Estate of the Owner:

The undersigned is the owner of the public works project described below.

3. Project Title or Description of Work of Improvement:

Aquifer Storage and Recovery Equipping Phase (two locations) and completion of Park Avenue Well Re-drill. District Project Numbers: 3038, 3039 and 2989.

The work generally consisted of equipping construction for aquifer storage and recovery (ASR) facilities at Park Ave and Verano Ave, as well as the completion of the new production well at Park Ave.

4. Name of Contractor for the Project:

Weeks Drilling & Pump Co., Inc.

5. Date of Completion:

December 31, 2025.

6. Date of Acceptance by Governing Body:

The project was accepted as complete by the Board of Directors of Valley of the Moon Water District at its regular meeting held on February 3, 2026.

7. Address of the Work of Improvement (Jobsite Location):

DIRECTORS:
OFFICERS:

Gary Bryant – Steve Caniglia – Jon Foreman – David Williams – Colleen Yudin-Cowan
Matt Fullner, General Manager – Burke, Williams & Sorensen, LLP, District Counsel

17128 Park Ave and 1032 Verano Ave
Sonoma, CA 95476

VERIFICATION

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the General Manager of Valley of the Moon Water District, the public agency that conducted and owns the above-described public work, and that the foregoing Notice of Completion is true and correct.

Executed on February 3, 2026, at Sonoma, California.

Matt Fullner – General Manager
Valley of the Moon Water District

DIRECTORS:
OFFICERS:

Gary Bryant – Steve Caniglia – Jon Foreman – David Williams – Colleen Yudin-Cowan
Matt Fullner, General Manager – Burke, Williams & Sorensen, LLP, District Counsel

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Oscar Madrigal, Finance Manager

SUBJECT: Monthly Financial Reports & Disbursements for December 2025

Revenue

- December's operating revenue was \$682,100, which was under budget by \$106,311 when periodized and under budget by \$124,813 when using a straight-line average. December's operating revenue was \$40,244 lower than the same period last fiscal year.
- December water deliveries decreased and were lower than projected.

Salaries

- Salaries were under budget by \$28,586 in December. Salaries are periodized, accounting for employees' step increases and other earnings paid at set times throughout the year. Grant-funded project reimbursements cover a portion of wages, contributing to savings.

Purchased Water

- Purchased water for December was under budget by \$80,964 when periodized.
- Water production had a slight increase in December. There was no well-water production, and agency-purchased water increased compared with the previous month.

Transfer to/from Reserves

- The annual O&M allocation to CIP is \$2,702,995. Year-to-date, the District has transferred \$1,351,497 to the CIP.
- O&M is anticipated to have a budget deficit of \$24,125 at the end of the fiscal year. There is a budgeted transfer from undesignated reserves to cover the O&M deficit.

CIP

- YTD expenditures for CIP as of December 31, 2025, are \$573,983. This includes \$429,088 in expenditures for rollover CIP projects from FY 2024/25.

Report of Investment

- The Undesignated Reserves are positive at \$2,214,199, which includes a cash outflow from grant-funded CIP projects.
- The Undesignated Reserves are positive at \$2,700,104 when adjusted for pending grant reimbursements.
- The Undesignated Reserves will help fund the capital plan for the next fiscal year.

Expenses

- Expenses without purchased water were under budget by 9%. Some expense accounts are over budget because budgeted items were purchased early in the fiscal year or due to unforeseen expenses. Total expenses are also 9% under budget.

Audit Update

- Worked with Auditors to submit the District's 2024-25 Special District Financial Transaction Report to the State Controller's Office. The report was completed and submitted in January 2026.
- We continue the review of the asset and inventory components of the financials to ensure subsequent years are also reconciled. Once the draft of the FY 2021-2022 audit report is completed, we will expedite the completion of subsequent audits.

Recommendation:

Receive and approve, by roll call vote, the monthly financial reports and disbursements in the amount of \$650,559.73 for the month of December.

Attachments:

Monthly Financial Disbursements

Board of Directors Disbursements

Monthly Revenue & Expense Comparison Report

Report of Investments

Capital Improvement Project Summary

Capital Improvement Project – ASR Well Reports

VALLEY OF THE MOON WATER DISTRICT

Monthly Financial Disbursements

December 2025

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
589	AFLAC	AFLAC PREMIUM (NOV)	1,276.14
590	AT&T	TELEPHONE - ADMIN OFFICES 10/22/25-11/21/25	63.37
591	BAY AREA AIR QUALITY	INV#T196340 AIR QUALITY PERMIT 01/01/26-01/01/27	563.00
592	CAL-WEST RENTALS INC.	BOOM LIFT, S-60J 4WD GENIE - RENTAL & FORKLIFT, REACH, 1056 GENIE - RENTAL	2,290.18
593	CHECKRITE BACKFLOW SVC.	INV#35353 ANNUAL BACKFLOW TESTING (HOA)	9,261.00
594	CINTAS	AED LEASE AGREEMENT (NOV)	239.21
595	CORBIN WILLITS SYSTEMS, INC.	MONTHLY ACCOUNTING & BILLING SOFTWARE (DEC)	1,088.28
596	SWRCB ACCOUNTING OFFICE	ANNUAL NPDES SERVICE CONNECT FEE 7/1/25-6/1/26	881.00
597	DEWITT'S TIRE & BRAKE	TRACTOR FLAT TIRE REPAIR	260.00
598	EKI ENVIRONMENT & WATER	PROJ#C30174.00 - ALTIMIRA FIRE FLOW IMPROVEMENT	11,046.36
599	FAUSTINO ENTERPRISES, INC	VEHICLE MTNC - TRUCK #31	2,021.63
600	FEDEX	POSTAGE - WELLS	46.07
601	FRIEDMAN'S HOME IMPROVEMENT	SMALL TOOLS & EQUIP; WELLS, BUILDING MTNC, MISC-PARTS & MATERIALS; REDRILL PARK WELL-PRTS & MTRLS	647.95
602	INFRATERRA, INC	SEISMIC VULNERABILITY ASSESSMENT	32,870.06
603	MISCO WATER	INV#58898B45126 WELLS - PARTS AND MATERIALS	1,096.38
604	NICK BARBIERI TRUCKING, LLC	FUEL	1,552.06
605	DOMINIC ORTEGA	REIMBURSEMENT: QWEL RENEWAL FEES & AWWA WATER USE EFFICIENCY PRACTICE EXAM	106.99
606	PACE SUPPLY CORP.	STORAGE/TANKS, SERVICE REPAIRS, PARK WELL ASR-PARTS/MATERIALS; SMALL TOOLS & EQUIP; INVENTORY SUPPLIES	15,062.90
607	PARSONS LUMBER & HARDWARE	MAIN REPAIRS, VALVE REPLACEMENT, BOLLI TANKS, PARK WELL ASR, GE BOOSTER-PARTS/MATERIALS; SMALL TOOLS	352.10
608	RECOLOGY SONOMA MARIN	TRASH DISPOSAL	557.45
609	NEW ANSWERNET, INC.	ANSWERING SERVICES	80.00
610	STANDARD INSURANCE CO.	GROUP INSURANCE LTD (NOV)	372.54
611	STATIONARY ENGINEERS, LOCAL 39	UNION DUES FOR O&M (NOV)	971.86
612	STATE BRD OF EQUALIZATION	094-003879 ANNUAL WATER RIGHTS FEE 7/1/25-6/30/26	356.79
613	BRANDON STEINER	REIM : T2 RENEWAL	110.00
614	STROUPE PETROLEUM	TANK CLEANING - 450 GAL STEEL DSL GEN TANK & RETEST AQ PER BAAQMD	5,505.92
615	ULINE, INC	MARK & LOCATES - SPRAY PAINT	640.54
616	VERIZON WIRELESS	MACHINE TO MACHINE 10/13/25-11/12/25	213.66
617	WILSON'S LOCKSMITH	MASTER PADLOCKS (12)	469.66
618	GHILOTTI BROS. INC.	CUSTOMER REFUND	1,150.72
619	GHILOTTI BROS. INC.	CUSTOMER REFUND	1,116.79
620	DAWN KIMBALL	CUSTOMER REFUND	65.98
621	FRANK MA	CUSTOMER REFUND	54.44
622	RCX INC.	CUSTOMER REFUND	891.76
623	VIOLA TRUDELL TRUST	CUSTOMER REFUND	46.61
624	SECRETARY OF STATE	NNA TRAINING - A HUDSON	40.00
625	ACWA/JPIA	GROUP INSURANCES (JAN)	2,996.83
626	BURKE, WILLIAMS & SORENSEN, LL	ATTORNEY FEES; SDC WATER SUPPLY ASSESSMENT; LABOR NEGOTIATIONS ; FERC DECOMM PROCEEDING - NOV	18,305.41
627	CALTEST LABORATORY	ROUTINE WATER TESTING	1,178.00
628	CERVANTES LANDSCAPE, LLC	LANDSCAPING SERVICES (NOV)	250.00
629	CHECKRITE BACKFLOW SVC.	BF NEW SERVICE - 17940 ESCALON AVE; BF REPAIRS - 19114 ARNOLD DRIVE, 208 SIESTA WAY & 17700 ARNOLD DR	1,498.00
630	CINTAS	AED LEASE AGREEMENT (DEC)	44.26
631	COMCAST	INTERNET SERVICES (DEC)	401.11
632	CORE UTILITIES, INC.	CONSULTING SERVICES (NOV)	440.00
633	SWRCB ACCOUNTING OFFICE	SYSTEM 4910013-CONNECTIONS 1-15,000 7/1/25-6/30/26	45,327.52
634	EKI ENVIRONMENT & WATER	PROJ#C50208.00 - 2025 URBAN WATER MANAGEMENT PLAN	3,400.50
635	FRYE'S PRINTING, INC.	WINDOW ENVELOPES - OFFICE SUPPLIES; YELLOW DOOR HANGERS	1,146.13
636	INFOSEND, INC	NOVEMBER STATEMENT : POSTAGE & BILL PROCESSING	2,793.66
637	ITRON, INC.	ITRON MOBILE RADIO MAINTENANCE	394.66
638	KEVIN LOPEZ	O&M CLOTHING REIMBURSEMENT - BOOTS FY25-26	300.00
639	NICK BARBIERI TRUCKING, LLC	FUEL	1,030.64
640	PACIFIC GAS & ELECTRIC CO	UTILITIES (NOV)	6,341.11
641	PITNEY BOWES, INC	INV#3107520231 POSTAGE MACHINE 09/30/25-12/29/25	178.75
642	SAFEGUARD BUSINESS SYSTEMS, IN	OFFICE SUPPLIES - AP CHECKS (500)	360.61
643	SALOME SALANUEVA BILLY	EDUCATIONAL REIMBURSEMENT - CLASS & TEXTBOOK	373.84
644	NAPA AUTO PARTS	EQUIPMENT MNTC - PARTS AND MATERIALS	397.83
645	SONOMA CO. WATER AGENCY	WATER PURCHASES : 09/30/25-10/30/25 & 10/30/25-11/25/25	237,755.55
646	SONOMA VALLEY PEST CONT.	OUTSIDE SERVICES - PEST CONTROL & MONTHLY CONTROL (CO)	235.00
647	STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES	448.09
648	SOILAND CO., INC.	ROCK MATERIAL : 3/4"	146.22
649	USA BLUEBOOK	HYDRANT REPAIRS - "NOT IN SERVICE" BAGS	136.46
650	VERIZON WIRELESS	CELLPHONE SERVICE 11/04/25-12/03/25	584.64
ACH CALIFORNIA EMPLOYMENT DEVELOPMENT		STATE PAYROLL TAXES 12/11/25	4,138.78
ACH CALIFORNIA EMPLOYMENT DEVELOPMENT		STATE SICK TIME BUYBACK PAYROLL 12/12/25	1,108.23

VALLEY OF THE MOON WATER DISTRICT

Monthly Financial Disbursements

December 2025

CK #	Vendor Name	Invoice Description	Amount
ACH	CALIFORNIA EMPLOYMENT DEVELOPMENT	STATE PAYROLL TAXES 12/25/25	4,174.51
ACH	EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES 12/11/25	18,341.79
ACH	EFTPS FEDERAL TAX WITHHOLDING	FEDERAL SICK TIME BUYBACK PAYROLL TAXES 12/12/25	4,583.64
ACH	EFTPS FEDERAL TAX WITHHOLDING	FEDERAL PAYROLL TAXES 12/25/25	18,442.08
ACH	EXPERTPAY.COM	PERSONNEL-RELATED DISBURSEMENT PAYROLL 12/11/25	672.57
ACH	EXPERTPAY.COM	PERSONNEL-RELATED DISBURSEMENT PAYROLL 12/25/25	672.57
ACH	FIRST BANKCARD CENTER	EE RELATIONS - LUNCH (OFFICE) & FOREVER STAMPS - BOLLI TANK MAILERS	1,295.93
ACH	PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 12/11/25	1,902.28
ACH	PERS	CLASSIC RETIREMENT CONTRIBUTION PAYROLL 12/25/25	1,902.28
ACH	PERS	DEFERRED COMP CONTRIBUTION PAYROLL 12/11/25	2,250.00
ACH	PERS	DEFERRED COMP CONTRIBUTION PAYROLL 12/25/25	2,250.00
ACH	PERS	HEALTH INSURANCE PREMIUM (DEC)	33,479.28
ACH	PERS	PEPRA RETIREMENT CONTRIBUTION PAYROLL 12/11/25	10,212.86
ACH	PERS	PEPRA RETIREMENT CONTRIBUTION PAYROLL 12/25/25	10,257.79
ACH	RETIREE	RETIREE BENEFITS (DEC)	3,381.50
ACH	VALIC	401A CONTRIBUTION PAYROLL 12/11/25	250.00
ACH	VALIC	401A CONTRIBUTION PAYROLL 12/25/25	250.00
ACH	VALIC	DEFERRED COMP CONTRIBUTION PAYROLL 12/11/25	700.00
ACH	VALIC	DEFERRED COMP CONTRIBUTION PAYROLL 12/25/25	700.00
ACH	WESTAMERICA BANK	BANK CHARGES (NOV)	76.55
ACH	WESTAMERICA BANK	OFFICE: DUES, SUBSCRIPTIONS, SUPPLIES; EE RELATIONS; MANAGER'S DAY; CROSS CONNECT.TEST KIT; SMALL TOOLS	4,106.80

Net Payroll (After Deductions) 105,576.07BOARD PRESIDENT650,559.73GENERAL MANAGER

Board of Directors
December Disbursement

Pay Date	Bryant	Foreman	Caniglia	Williams	Yudin-Cowan
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Total	0.00	0.00	0.00	0.00	0.00
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VALLEY OF THE MOON WATER DISTRICT
 MONTHLY REVENUE AND EXPENSE COMPARISON
 PERIOD ENDING DECEMBER 31, 2025

50% of year remaining

	50% of year remaining												Forecasting Notes & Significant Changes for 2025-2026
	Actual		Actual		Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining
	23-24	24-25	25-26	DECEMBER	DECEMBER	DECEMBER	07/25-06/26	07/25-06/26	07/25-06/26	25-26	25-26	25-26	
Revenues													
Interest Income	\$ 173,071	\$ 213,242	\$ 224,858	\$ 18,738		8,667	(10,072)	\$ 112,429	\$ 122,682	\$ 10,253	\$ 102,176	45%	
Gain on Sale of Assets	-	-	-	-		-	-	-	-	-	-	-	
Operating Revenue	7,593,965	8,798,103	9,682,951	\$ 788,411	682,100	(106,311)	\$ 5,718,362	5,133,156	\$ (585,206)	4,549,795	47%		This account offsets the backflow outside
Backflow Testing Revenue	46,341	46,500	51,596	\$ 4,300	7,239	2,939	\$ 25,798	25,202	\$ (596)	26,394	51%	service expense account	
Customer Penalties & Fees	64,715	62,408	23,640	\$ 1,970	6,845	4,875	\$ 11,820	36,031	\$ 24,211	(12,391)	-52%		
Misc. Income	129,803	32,811	12,000	\$ 1,000	8,668	7,668	\$ 6,000	32,254	\$ 26,254	(20,254)	-169%		
Leak Adjustments	(7,923)	(9,601)	(9,613)	\$ (783)	(1,224)	(441)	\$ (5,677)	(5,145)	\$ 532	(4,468)	46%		
Total Revenue	7,999,972	9,143,463	9,985,432	\$ 813,636	712,295	(101,342)	\$ 5,868,732	5,344,180	\$ (524,552)	4,641,252	46%		
Expenses													
Salaries:													
O&M - Operating Wages	1,016,310	929,744	1,167,868	\$ 89,750	84,427	(5,323)	\$ 582,028	541,459	\$ (40,569)	626,409	54%		
Stand-By	32,150	35,371	35,354	\$ 2,946	2,772	(174)	\$ 17,677	17,542	\$ (135)	17,812	50%		
Net O&M Operating Wages	1,048,460	965,115	1,203,222	\$ 92,696	87,199	(5,498)	\$ 599,705	559,001	\$ (40,704)	644,221	54%		
Administration	705,553	760,806	834,827	64,080	76,688	12,608	\$ 415,654	418,131	\$ 2,477	416,696	50%		
Temporary Employees	-	-	-	-	-	-	\$ -	-	-	-	-		
Total Salaries	1,754,013	1,725,921	2,038,048	156,777	163,887	7,110	\$ 1,015,359	977,132	\$ (38,227)	1,060,917	52%		
Weighted Wages Transferred to Capital Projects	(438,503)	(431,480)	(509,512)	(39,156)	(40,972)	(1,816)	\$ (253,925)	(244,283)	9,642	(265,229)	52%		
Net Operating Wages	1,315,510	1,294,441	1,528,536	117,621	122,915	5,295	\$ 761,434	732,849	\$ (28,586)	795,687	52%	<i>Net Wages used to calculate Net Position</i>	

VALLEY OF THE MOON WATER DISTRICT
MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING DECEMBER 31, 2025

50% of year remaining

	Actual	Actual	Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining	Forecasting Notes & Significant Changes for 2025-2026
	23-24	24-25	25-26	DECEMBER	DECEMBER	DECEMBER	07/25-06/26	07/25-06/26	07/25-06/26	25-26	25-26	
Benefits:												
O&M - Operating & Maintenance	232,769	249,413	260,745	21,729	21,210	(519) \$	130,372	127,496	(2,876)	133,249	51%	
Administration	125,741	131,384	140,000	11,667	11,391	(276) \$	70,000	68,482	(1,518)	71,518	51%	
Retirees	49,141	65,186	69,268	5,772	5,628	(144) \$	34,634	33,766	(868)	35,502	51%	
Total Benefits	407,651	445,983	470,013	39,168	38,229	(939)	235,006	229,744	(5,262)	240,269	51%	
Mandatory Costs												
Workers Comp:												
Operating & Maintenance	50,116	37,783	41,875	3,490	-	(3,490) \$	20,937	1,937	(19,000)	39,938	95% estimated	The premium increase is higher than
Acct/Administration	7,329	5,738	6,234	519	-	(519) \$	3,117	313	(2,804)	5,921	95% estimated	The premium increase is higher than
FICA/Medicare:												
Operating & Maintenance	79,679	83,768	91,128	7,594	6,758	(836) \$	45,564	43,626	(1,938)	47,502	52%	
Administration	48,139	52,032	59,563	4,964	3,957	(1,007) \$	29,781	26,081	(3,700)	33,482	56%	
District Portion/Retirement:												
Operating & Maintenance	97,007	95,651	102,581	8,548	7,889	(659) \$	51,291	50,465	(826)	52,116	51%	
Administration	77,011	83,851	89,748	7,479	6,974	(505) \$	44,874	44,683	(191)	45,065	50%	
CalPERS Accrued Liability	229,834	271,613	311,936	25,995	25,931	(63) \$	155,968	155,589	(379)	156,347	50%	
Total Mandatory Costs	589,115	630,436	703,064	58,589	51,509	(7,079)	351,532	322,693	(28,839)	380,370	54%	
Travel & Training												
Operating & Maintenance	13,239	13,270	14,192	1,183	338	(845) \$	7,096	4,120	(2,976)	10,072	71%	
Administration	6,629	12,998	8,735	728	1,358	630 \$	4,368	5,197	829	3,538	41%	ACWA Conference
Total Travel & Training	19,868	26,268	22,927	1,911	1,696	(215)	11,464	9,317	(2,147)	13,610	59%	
Board of Directors:												
Meeting Compensation	16,276	15,939	19,440	1,620	-	(1,620) \$	9,720	7,080	(2,640)	12,360	64%	
Travel & Training	1,887	592	3,704	309	1,424	1,115 \$	1,852	3,067	1,215	637	17%	ACWA Conference
Total Board Expenses	\$ 18,163	\$ 16,531	\$ 23,144	\$ 1,929	1,424	(505)	11,572	10,147	(1,425)	12,997	56%	
Purchased Water												
Purchased Water	\$ 2,247,293	\$ 2,553,322	\$ 2,826,468	204,986	124,022	(80,964) \$	1,754,152	994,968	(759,184)	1,831,500	65%	
GSA Fee	7,465	15,383	\$ 21,422	1,785	1,489	(296) \$	10,711	8,937	(1,774)	12,485	58%	
Total Purchased Water	\$ 2,254,758	\$ 2,568,705	\$ 2,847,890	\$ 206,772	\$ 125,511	\$ (81,261)	\$ 1,764,863	\$ 1,003,905	\$ (760,958)	\$ 1,843,985	65%	

VALLEY OF THE MOON WATER DISTRICT
MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING DECEMBER 31, 2025

50% of year remaining

	Actual	Actual	Approved Budget	Approved Budget (Monthly)	Current Month Actual	Variance (Mo)	Budget (YTD)	Fiscal Year To Date Actual	Variance (YTD)	Budget Remaining	% Remaining	Forecasting Notes & Significant Changes for 2025-2026
	23-24	24-25	25-26	DECEMBER	DECEMBER	DECEMBER	07/25-06/26	07/25-06/26	07/25-06/26	25-26	25-26	
Services & Supplies												
Safety & Clothing Allowance	19,960	8,155	16,398	1,366	300	(1,066) \$	8,199	6,183	(2,016)	10,215	62%	
Vehicle Maintenance	22,279	13,915	17,130	1,428	4,268	2,840 \$	8,565	10,684	2,119	6,446	38%	
Election Costs	-	21,598	-	-	-	- \$	-	-	-	-	-	
Employee Relations	4,229	5,945	5,823	485	449	(36) \$	2,912	2,568	(344)	3,255	56%	
Legal Fees	106,375	78,884	82,031	6,836	-	(6,836) \$	41,015	43,599	2,584	38,432	47%	
SDC Expenses	14,559	11,311	82,160	6,847	-	(6,847) \$	41,080	42,654	1,574	39,506	48%	
HR Expenses	3,605	2,943	77,025	6,419	-	(6,419) \$	38,513	4,757	(33,756)	72,268	94%	
Engineering General Support	7,275	-	2,708	226	-	(226) \$	1,354	-	(1,354)	2,708	100%	
Advertising	6,834	19	1,027	86	-	(86) \$	514	2	(512)	1,025	100%	
Outside Services	24,837	26,722	79,148	6,596	1,863	(4,733) \$	39,574	12,572	(27,002)	66,576	84%	
Outside Services Backflow	57,429	37,299	51,596	4,300	1,548	(2,752) \$	25,798	19,989	(5,809)	31,607	61% revenue account	
Annual Audit	-	10,427	22,270	1,856	-	(1,856) \$	11,135	-	(11,135)	22,270	100%	
Bad Debts/Collections	8,135	20,686	17,479	1,457	(618)	(2,075) \$	8,740	6,460	(2,280)	11,019	63%	
Building MTNC.	21,195	25,079	44,157	3,680	705	(2,975) \$	22,078	41,842	19,764	2,315	5% Parking Lot asphalt repair and seal	
Dues and Subscriptions	25,991	29,193	29,504	2,459	1,812	(647) \$	14,752	12,039	(2,713)	17,465	59%	
Equipment MTNC./Repairs	25,162	29,560	25,023	2,085	824	(1,261) \$	12,511	19,736	7,225	5,287	21% Diesel Tank Cleaning	
Fees (County/State)	66,595	73,168	74,963	6,247	47,257	41,010 \$	37,481	63,925	26,444	11,038	15% Annual Service Connection Fees	
Fuel	36,475	33,858	31,717	2,643	2,401	(242) \$	15,859	17,592	1,733	14,125	45%	
Bank Charges	19,072	19,432	14,397	1,200	(74)	(1,274) \$	7,199	7,447	248	6,950	48%	
Liability Ins. (Incl. Losses)	88,758	99,918	109,135	9,095	10,001	906 \$	54,568	53,782	(786)	55,353	51%	
Postage	22,666	24,325	26,600	2,217	2,021	(196) \$	13,300	12,474	(826)	14,126	53%	
Public Information	4,346	5,218	16,268	1,356	-	(1,356) \$	8,134	1,503	(6,631)	14,765	91%	
Service Contracts	64,458	77,032	94,780	7,898	7,000	(898) \$	47,390	42,034	(5,356)	52,746	56%	
Office Supplies	6,630	9,838	16,951	1,413	1,945	532 \$	8,475	16,598	8,123	353	2% Computer upgrades	
Telephone-Internet	16,720	23,888	21,681	1,807	1,729	(78) \$	10,840	10,423	(417)	11,258	52%	
Small Tools & Equipment	30,869	24,182	30,932	2,578	1,320	(1,258) \$	15,466	5,225	(10,241)	25,707	83%	
Trash Disposal	7,025	9,116	7,222	602	557	(45) \$	3,611	3,587	(24)	3,635	50%	
Utilities - PG&E	200,358	215,324	199,244	16,604	6,251	(10,353) \$	99,622	109,292	9,670	89,952	45%	
Professional Services	47,093	30,469	200,187	16,682	2,188	(14,494) \$	100,093	29,585	(70,508)	170,602	85%	
Water Testing	36,787	59,870	46,925	3,910	1,274	(2,636) \$	23,463	17,191	(6,272)	29,734	63%	
Water Main Maintenance	7,525	38,089	38,831	3,236	2,283	(953) \$	19,415	2,599	(16,816)	36,232	93%	
Service Line Maintenance	3,957	8,938	11,255	938	3,091	2,153 \$	5,628	7,485	1,858	3,770	33%	
Hydrant Repairs	175	262	2,054	171	136	(35) \$	1,027	815	(213)	1,240	60%	
Misc. System Maintenance	21,542	9,245	5,674	473	513	40 \$	2,837	5,924	3,087	(250)	-4%	
Wells Maintenance	9,598	12,354	39,446	3,287	1,015	(2,272) \$	19,723	40,239	20,516	(793)	-2%	
Pump Maintenance	21,306	9,399	28,360	2,363	2,237	(126) \$	14,180	7,950	(6,230)	20,410	72%	
Storage Tank Maintenance	12,909	6,388	63,674	5,306	1,253	(4,053) \$	31,837	19,758	(12,079)	43,916	69%	
Water Conservation Program	6,599	23,669	74,166	6,180	1,950	(4,230) \$	37,083	4,243	(32,840)	69,923	94%	
Equipment Replacement	1,373	2,631	3,047	254	104	(150) \$	1,524	627	(897)	2,420	79%	
Total Services & Supplies	1,080,700	1,138,349	1,710,987	142,582	107,603	(34,979)	855,494	703,383	(152,111)	1,007,604	59%	
Total Expenses	5,685,765	6,120,713	7,306,562	568,570	448,888	(119,682)	3,991,365	3,012,038	(979,327)	4,294,523	59%	
Revenues Less Expenses	2,314,207	3,022,750	2,678,870	245,066	263,407	18,341	1,877,367	2,332,142	454,775	346,728	13%	
O&M Allocation to CIP	(682,323)	(2,069,401)	(2,702,995)	(225,250)	(225,250)	- \$	(1,351,497)	(1,351,497)	-	(1,351,497)	50%	
Transfer to/from Undesignated Reserves	\$ 1,631,884	\$ 953,349	\$ (24,125)	\$ 19,816	\$ 38,157	\$	525,870	\$ 980,644	\$ (1,004,769)	4165%		

VALLEY OF THE MOON WATER DISTRICT
REPORT OF INVESTMENTS AND RESERVES
For the Month Ended December 2025

Start of Fiscal Year

LAIF	\$ 2,798,746
SCIP	133,955
TVI	2,175,032
Westamerica Bank Checking/Petty Cash	39,040
Five Star Bank Checking/Money Market	1,336,232
Total Beginning Cash	<u>\$ 6,483,005</u>

Average Rate of

<u>Year To Date</u>	<u>Interest</u>
LAIF	4.025%
SCIP	4.106%
TVI	4.150%
Westamerica Bank Checking/Petty Cash	37,133
Five Star Bank Checking/Money Market	3,001,844
Total ending Cash	<u>\$ 8,204,596</u>

Outstanding Payments	\$ (239,429)
Adjusted Cash/Investment Balance	<u>7,965,168</u>

(1) Board Designated Reserves (Board Approved with 25/26 Budget)

(a) Operations & Maintenance Reserve (3 Months Operations)	(1,826,640)
(b) Rate Stabilization Reserve	(806,913)
(c) Capital Improvement Program	(980,000)
Total Board Designated Reserves	<u>(3,613,553)</u>

Remaining Cash/Investment Balance \$ 4,351,615

Previous Capacity Fees Balance (455,876)

(2) Year To Date Capacity Fees Collected FY 25/26	(183,411)
Capacity Fees to CIP FY 25/26	374,400
Total Capacity Fees Restricted Funds	<u>(264,887)</u>

(3) FY 2025-2026 Board Approved Capital Projects (3,077,395)

Year to Date Capital Project Disbursements 144,895

Remaining Transfer of Current Year Revenues to Capital Project Fund 1,538,698

Rollover Projects FY24-25 (907,814)

Year to Date Rollover Projects Disbursements 429,088

YTD Capital Project Unexpended funds (1,872,529)

Undesignated Reserves- funding for remaining 5-Year Capital Plan \$ 2,214,199

Pending Grant Expense Reimbursements \$ 485,905

Adjusted Undesignated Reserves \$ 2,700,104

Remaining 5-Year Capital Plan \$ 14,279,441

Project #	Project	Improvement Description	CIP Roll Over	Current CIP Budget	Total CIP Budget	Current Month - DEC	YTD Expenditures	Budget Remaining	% Remaining
			2024/25	2025/26	2025/26				
Facilities and Maintenance Projects									
CIP-5107	County of Sonoma Paving Projects requiring adjustments and or relocation of District facilities	Work done by the County of Sonoma affecting District facilities on Cherry Avenue and Riverside Drive.	-	110,793	110,793	-	-	110,793	100%
CIP-6001	New Services	Customer pays 100%.	-	-	-	(11,435)	22,417		
CIP-6004	All Service Replacements	All service replacements combined.	-	59,000	59,000	1,395	25,223	33,777	57%
CIP-8100	Valve Replacement Program	Valve replacement for system reliability and control.	-	59,000	59,000	-	12,365	46,635	79%
CIP-9300	Meter Replacement Program	Fiscal year 2025/26 represents replacing the AMI servers to keep the existing system operational. Beginning in year FY2028/29, the district will pilot a new AMI system and begin replacing all meters and end-points in subsequent years.	-	180,000	180,000	-	-	180,000	100%
CIP-3047	Seismic Vulnerability Assessment (LHMP)	From LHMP. District to pay 100% of assessment. District will seek FEMA grant funds for resulting projects.	208,097	-	208,097	939	128,623	79,475	38%
CIP-3070	Small Dump Truck Replacement	Move to Diesel	-	77,025	77,025	-	-	77,025	100%
CIP-3071	Replace Small Ranger	Buy a used Chevy Bolt (or like), include computer, light, radio, megaphone	-	35,945	35,945	-	-	35,945	100%
CIP-3072	Facility assessment and cameras replace all/ same brand	Year 1 system-wide security assessment. Year 2 equipment upgrades (\$50K place holder, actual cost TBD)	-	20,540	20,540	-	-	20,540	100%
CIP-3053	Spare Generator purchase	In case of failure in generator (The District operates many older generators that may fail at any time).	108,722	7,189	115,911	-	-	115,911	100%
CIP-2991	GPS Facilities	Finish GPSing the meters and valves. Assumes \$50 per location.	-	30,000	30,000	2,801	24,763	5,237	17%
CIP-3057	1-1/2 & 2" PB service line replacement	Re-evaluate after first year for future funding.	-	30,000	30,000	10,142	10,630	19,370	65%
CIP-3060	SDC Evaluation	Evaluate water treatment plant and transmission systems for needed upgrades and provide OPC for construction.	125,000	287,560	412,560	24,291	98,452	314,108	76%
Total Facilities and Maintenance Projects			441,820	897,052	1,338,871	28,133	322,473	1,016,399	76%
Pipeline Projects									
CIP-3022	WMP: P-7. Altamira Middle School Fire Flow Improvement and P-31 Arnold Drive and Agua Caliente Road Roundabout Improvement	Replace existing 6-inch and 8-inch PVC and ACP water mains with new 12-inch PVC water mains along Arnold Drive, replace existing 6-inch pipe with new 8 and 12-inch pipe adjacent to Altamira Middle School, replace 15 existing service connections, and replace three existing fire hydrants. This project will be combined with P-31 for efficiency. Replace existing 8-inch ACP water mains with new 12-inch PVC water mains and relocate the existing Hannah Lower PRV out of the center of the new roundabout. This project has been identified as high priority due to the safety concerns with operating this PRV. This project could be combined with P-7 for efficiency.	111,954	1,084,021	1,195,974	3,949	15,871	1,180,103	99%
CIP-3069	Lomita Avenue Commercial Fire Flow Improvement	Replace existing 6-inch ACP water main with new 12-PVC water main along Lomita Avenue, replace two service connections, and replace one hydrant.	-	48,783	48,783	120	120	48,662	100%
Total Pipeline Projects			111,954	1,132,803	1,244,757	4,069	15,991	1,228,765	99%

Project #	Project	Improvement Description	CIP Roll Over	Current CIP Budget	Total CIP Budget	Current Month - DEC	YTD Expenditures	Budget Remaining	% Remaining
			2024/25	2025/26	2025/26				
Wells, Pumping, & Supply									
CIP-2989	Redrill Park	Drilled next to & operated with existing well. Develop a minimum 100gpm District owned Well.	325,906	-	325,906	147,155	162,810	163,096	50%
CIP-3046	Pump Station Battery Wall - Hanna and Glen Ellen Boosters	A battery wall would operate the remote site during power outages unless a large power demand occurs (i.e. water pumps are called by SCADA) in which case the existing generator would turn on and supply the needed power. This would reduce the number of fuel deliveries needed in an emergency, increasing the District's staff time to respond to the emergency in other ways (i.e. leak response/system inspections etc.)	28,135	-	28,135	-	23,331	4,804	17%
CIP-3073	Glen Ellen Booster pump, VFD and check valve	Replace Softronics Slow Close system and include one new pump and motor.	-	41,080	41,080	-	41,060	20	0%
CIP-3074	Replace Generator at AC Booster	This Generator is now 24 years old and is beginning to experience mechanical issues. It is proposed that this generator be replaced with a Blue Star Final Tier 4 generator.	-	30,810	30,810	2,505	3,777	27,033	88%
Total Wells			354,041	71,890	425,931	149,661	230,978	194,953	46%
Tanks									
CIP-3029	Bolli Tanks Recoating & Railing/Solar Retrofit	Original interior coating is failing. Good time to add the required handrails and add solar mounting brackets. Includes \$50K for two electric water mixers.	-	975,650	975,650	572	4,541	971,109	100%
Total Tanks			-	975,650	975,650	572	4,541	971,109	100%
			Total	FY 23-24	FY 24-25	Current Month - DEC	YTD Expenditures	Budget Remaining	% Remaining
		Total Water System Improvements:	\$ 907,814	\$ 3,077,395	\$ 3,985,209	\$ 182,435	\$ 573,983	\$ 3,411,226	86%
ASR Projects						Current Month - DEC	Net Project Expenditures		
CIP-3038	Park Well ASR	Grant Funded Projects	-	-	-	81,976	145,106	-	
CIP-3039	Verano Well ASR	Grant Funded Projects	-	-	-	235,964	340,799	-	
Total ASR Projects			-	-	-	317,940	485,905	-	-

MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING DECEMBER 31, 2025

PARK WELL ASR - CIP 3038	Current Month Actual	Project To Date Actual	Notes
	Dec-25	Jun 2022 - Dec 2025	
Revenues			
Grant Revenue	60,502	1,088,971	
Total Revenue	60,502	1,088,971	
Expenses			
Salaries:			
O&M - Operating Wages	3,301	33,239	
Administration		2,862	
Total Salaries	3,301	36,101	
Services & Supplies			
Services & Supplies	139,178	1,197,976	
Total Services & Supplies	139,178	1,197,976	
Total Expenses	142,478	1,234,076	
Revenues Less Expenses	(81,976)	(145,106)	

MONTHLY REVENUE AND EXPENSE COMPARISON
PERIOD ENDING DECEMBER 31, 2025

	Current Month Actual	Project To Date Actual	
VERANO WELL ASR - CIP 3039	Dec-25	Jun 2022 - Dec 2025	Notes
Revenues			
Grant Revenue	133	610,013	
Total Revenue	133	610,013	
Expenses			
Salaries:			
O&M - Operating Wages	519	28,638	
Administration	-	4,942	
Total Salaries	519	33,579	
Services & Supplies			
Services & Supplies	235,577	917,233	
Total Services & Supplies	235,577	917,233	
Total Expenses	236,096	950,812	
Revenues Less Expenses	(235,964)	(340,799)	

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Amanda Hudson, Administration Manager

SUBJECT: Administrative Report

The following are some areas the Administrative Department has been focusing on:

Regulation

Leak Registry

California is requiring urban retail water suppliers to maintain and submit a "Leak Registry" to the State Water Resources Control Board every three years, beginning with data from 2025–2027, due by January 1, 2029. This registry tracks water infrastructure breaks, repairs, and estimated losses to improve efficiency.

- While mandatory reporting starts with 2025–2027 data (due 2029), systems must start collecting data on repaired leaks starting July 1, 2026.
- Various trainings are being made available, and staff are in the process of educating themselves to prepare for this new reporting requirement.
- Upon preliminary investigation, the District's MobileMMS (asset management system), fortunately, appears to track the majority of the data for the leak registry requirements.

Grants

DWR

Urban and Multibenefit Drought Relief Grant

- Invoice #14 submitted to DWR.
- We have two reporting periods left to submit (quarter 10/1/2025 – 12/31/2025, and quarter 1/1/2026 – 3/31/2026).
- Staff is working to have all reporting and final closeout documents for the DWR grant submitted ahead of the 3/31/2026 due date.

FEMA

Saddle Tank project \$659,422 / Admin time toward FEMA projects \$16,892

- As verbally updated at the last Board meeting, the District received a request for information from FEMA on August 4th in response to the Improved Project request submitted on June 16th.
- Staff fulfilled the request for information in its entirety ahead of the August 15th due date. CalOES confirmed receipt of the information same day.
- As of the writing of this report, there is no update in terms of FEMA's response, but we are hopeful that a response is forthcoming.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

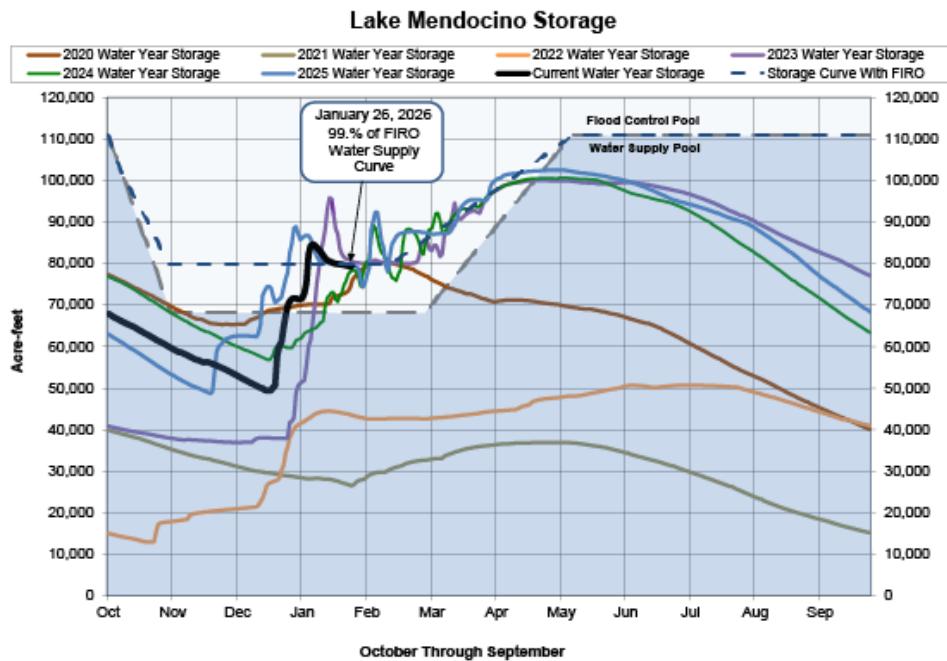
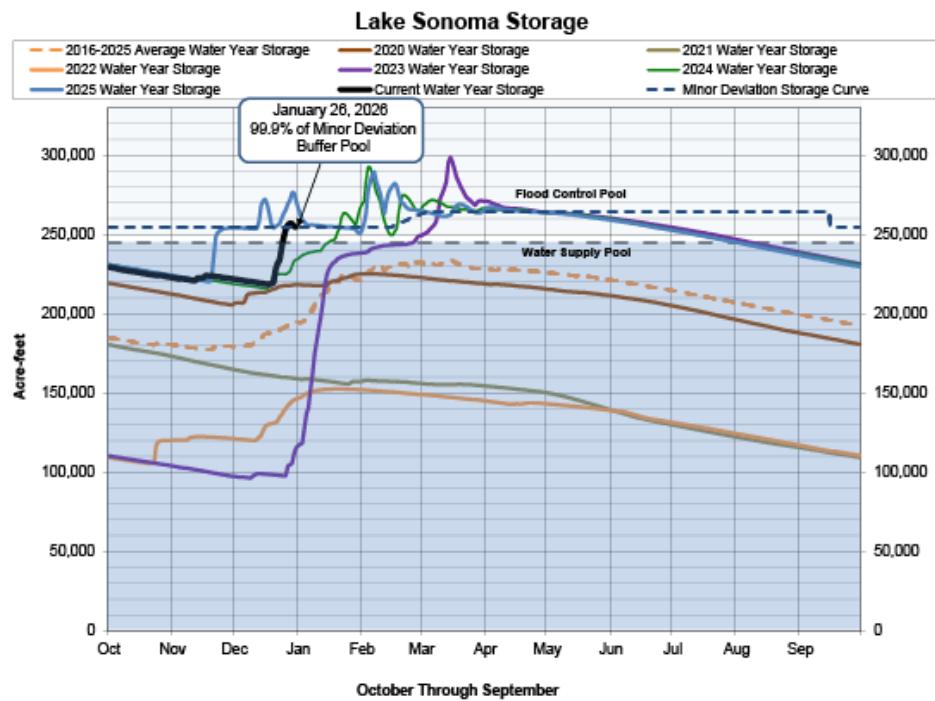
FROM: Clayton Church, Water System Manager

SUBJECT: Water Supply & Water Source Update

Water source report:

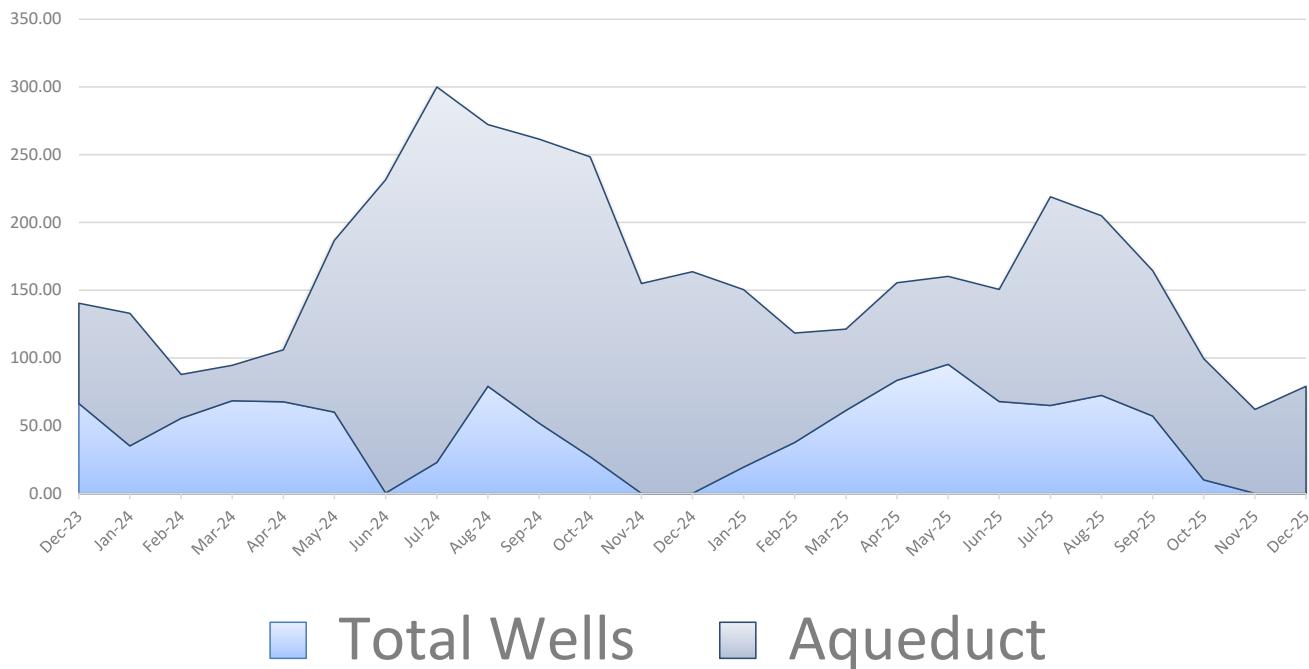
The wells were off in December 2025 and produced 0% of the District's overall demand for the month.

Lake Sonoma was at 99.9% of the minor deviation buffer pool, and Lake Mendocino was 99% (FIRO) of the Target Curve as of January 26, 2026.



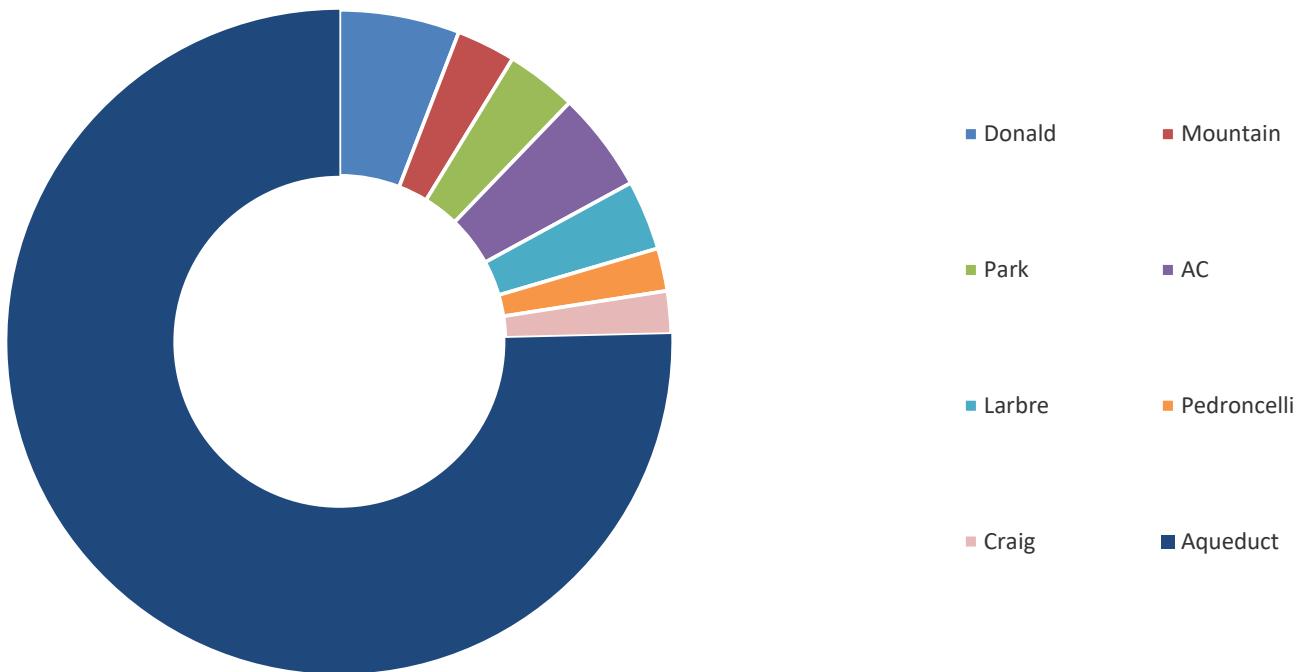
Water Supply Sources - Valley of the Moon Water District

Acre Feet Per Month



Month	Donald	Mt Ave	Park Ave	Agua Cal	Larbre	Pedroncelli	Craig	Aqueduct	Total Wells	Wells %	Total AF Produced	Total AF Deliveries
Dec-23	17.11	7.73	1.70	14.38	15.12	0.00	10.25	74.10	66.29	47.22%	140.40	168.50
Jan-24	9.74	0.85	3.03	8.00	7.64	0.00	5.75	97.91	35.02	26.35%	132.93	120.81
Feb-24	14.28	7.27	5.29	9.97	9.49	0.00	9.03	32.39	55.33	63.07%	87.73	119.04
Mar-24	9.49	5.28	7.82	14.75	15.94	0.00	15.11	26.06	68.39	72.41%	94.45	104.05
Apr-24	14.18	7.70	6.75	11.60	13.91	0.00	13.44	38.38	67.57	63.78%	105.95	111.99
May-24	11.33	8.34	6.14	9.90	13.02	0.00	11.28	126.64	60.02	32.15%	186.67	127.34
Jun-24	0.22	0.00	0.00	0.01	0.00	0.00	0.00	231.19	0.23	0.10%	231.42	207.41
Jul-24	4.94	2.58	2.51	6.03	6.82	0.00	0.01	277.11	22.89	7.63%	300.00	210.69
Aug-24	17.10	10.17	7.84	14.06	15.35	0.00	14.56	193.17	79.08	29.05%	272.25	295.04
Sep-24	12.97	4.15	5.74	10.95	10.43	0.00	7.52	209.67	51.76	19.80%	261.43	231.01
Oct-24	6.32	3.86	3.37	5.41	4.64	0.00	3.35	221.38	26.96	10.86%	248.33	262.02
Nov-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	154.90	0.00	0.00%	154.90	195.76
Dec-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	163.67	0.00	0.00%	163.67	172.44
Jan-25	0.00	4.93	0.00	7.97	0.00	0.00	6.42	131.10	19.32	12.84%	150.42	119.90
Feb-25	0.00	4.72	0.00	12.38	2.09	4.66	13.77	80.67	37.62	31.80%	118.28	118.01
Mar-25	10.01	8.73	0.00	8.17	5.13	14.13	15.10	60.05	61.27	50.50%	121.32	106.81
Apr-25	15.93	8.78	5.45	12.00	12.38	15.40	13.50	72.06	83.44	53.66%	155.50	116.02
May-25	19.05	8.55	10.68	16.54	12.42	19.17	8.89	64.86	95.30	59.50%	160.16	138.45
Jun-25	15.07	7.52	8.57	12.76	9.08	8.34	6.47	82.69	67.80	45.05%	150.50	212.05
Jul-25	14.70	7.56	8.54	12.34	8.59	7.34	5.71	154.14	64.78	29.59%	218.92	188.41
Aug-25	17.67	7.35	10.18	14.53	10.04	6.38	6.25	132.48	72.39	35.34%	204.87	272.82
Sep-25	13.70	7.61	8.42	11.38	8.17	3.13	4.57	107.37	56.98	34.67%	164.35	212.50
Oct-25	2.50	1.32	1.48	2.04	1.40	0.41	0.74	89.55	9.89	9.94%	99.44	262.54
Nov-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61.95	0.00	0.00%	61.95	177.37
Dec-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79.03	0.00	0.00%	79.03	132.98
FY to date (Acre Feet)	48.58	23.84	28.62	40.29	28.19	17.26	17.27	624.52	204.04	24.63%	828.56	1,246.62

Water Production



Actual Month	Wells								Aqueduct	Total	Wells %	flow rate*
	Donald	Mountain	Park	AC	Larbre	Pedroncelli	Craig	Total				
Jul-25	14.70	7.56	8.54	12.34	8.59	7.34	5.71	65	154.14	219	30%	1.62
Aug-25	17.67	7.35	10.18	14.53	10.04	6.38	6.25	72	132.48	205	35%	1.39
Sep-25	13.70	7.61	8.42	11.38	8.17	3.13	4.57	57	107.37	164	35%	1.17
Oct-25	2.50	1.32	1.48	2.04	1.40	0.41	0.74	10	89.55	99	10%	0.94
Nov-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	61.95	62	0%	0.67
Dec-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	79.03	79	0%	0.83
Jan-26								0		0	0%	0.00
Feb-26								0		0	0%	0.00
Mar-26								0		0	0%	0.00
Apr-26								0		0	0%	0.00
May-26								0		0	0%	0.00
Jun-26								0		0	0%	0.00
Sub-Total	49	24	29	40	28	17	17	204	625	829	25%	

* Average daily rate of flow during the month (in millions of gallons per day)

Annual Target	94	55	64	89	65	53	60	480	1,856	2,335	21%
% of Target	51%	44%	45%	45%	44%	33%	29%	43%	34%	35%	

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Clayton Church, Water System Manager

SUBJECT: Operations Update

Background:

The month of January was focused on completing and mobilizing for O&M and in-house CIP projects. Project and routine maintenance for the year continue. Below, please see a brief list and description of these items.

- **CIP 3069 Lomita Ave Commercial Fire Flow Improvement:** The District has awarded the design of the Lomita Ave Commercial Fire Flow Improvement project to CSW Engineering. Staff and the firm held kick off meeting on 1/28/2026.
- **CIP 2991 System GPS:** Continues to progress. GPS of all system assets is approximately 50% complete. Staff continues to GPS assets, moving onto service lines and identifying next best steps for the asset management program for budget recommendations. Focus has shifted to training and development of SOPs to integrate GPS practices into daily duties.
- **CIP 3047 Seismic Vulnerability Assessment:** Staff has satisfied all RFIs and conducted a site visit of all bridge crossings with InfraTerra Staff in November. The draft report of the Seismic Vulnerability Assessment is due to the District in January 2026.
- **CIP 3074 Replace AC Generator:** Precision Crane and staff set the new generator at the AC Pump station. Staff will now integrate the generator into the site and schedule Valley Power for initial commission and load test of the unit.
- **CIP 3029 Bolli Tanks Recoating & Railing Project:** Finishing coating the ceiling and the shell of Bolli Tank A is set for inspection in the coming week. Bolli Tank B has been stripped and is currently having prime coat applied to the interior. The contractor and inspector have kept a close eye on environmental conditions and will continue to monitor.
- **Well Operation:** At the beginning of January, Donald, AC, Labre, and Pedroncelli Wells were put online. The new Park well will be put online pending the domestic water supply permit from SWRCB (application to be submitted ASAP).
- **Cross Connection Control Program:** Staff continues to operate under the newly adopted Cross-Connection Control Program. In coordination with operations and the Water Service Field Representative, hazard assessments continue on a prescriptive basis as the District plans to launch self-assessments in early 2026.
- **Leak Response:** Crews investigated and repaired leaks on Heaven Hill Rd. This leak has a temporary repair clamp. To address severe deflection in the main, staff is planning a larger repair as weather permits in the coming months. St Mathew Ct: Dead-end blow off failed at the steel riser. Staff replaced the blow-off assembly.
- **Safety:** The focus of the training calendar for 2026 is to satisfy all JPIA's commitment to excellence criteria. As well in house trainings focused on GPS and MMS. Staff held two trainings in the month of January; GPS system startup and GPSing assets.

The month of February will be focused on the completion of CIP 3074 AC Booster Generator Replacement. CIP 3029 (Bolli Tanks Recoating & Railing Project) is in full swing, and staff will continue to coordinate with the contractor. GPS, MMS, and CCCP activities will continue with coordination supporting the mobilization of the Cross-Connection Control Program. Budget development is in full swing. Numerous staff are pursuing advanced certification; staff and management alike take the time to support and encourage advanced certification and education. Staff continue to gain ground on work orders, catch up on equipment maintenance, and manage various RFIs the District is currently engaged in.

The table below shows a subjective percentage completed for each of the CIP projects based on an estimate of the time requirement remaining. 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 2989: Park Well Drilling	100%
Project 2991: GPS Facilities	50%
Project 3022: Altamira Fire Flow Improvement & P-31 Arnold Dr & Aqua Caliente Rd Roundabout Improvement	65%
Project 3029: Bolli Tanks recoating & Railing /Solar Retro	50%
Project 3046: Pump Station Battery Wall- Glen Ellen Booster	80%
Project 3047: Seismic Vulnerability Assessment (LHMP)	55%
Project 3053: Spare Generator purchase	100%
Project 3057: 1-1/2 & 2" PB service line replacement	100%
Project 3060: SDC Evaluation	50%
Project 3069: Lomita Ave Commercial Fire Flow Improvement	20%
Project 3070: Small Dump Truck purchase	50%
Project 3071: Replace Small Ranger	50%
Project 3072: Facility Assessment security camera assessment	20%
Project 3073: Glen Ellen Booster Pump, VFD and check valve	75%
Project 3074: Replace Generator at AC Booster	75%
Project 5107: County of Sonoma Paving Project requiring adjustment and/or relocation of District facilities	0%
Project 8100: Valve Replacement Program	30%
Average Percent Complete	57%

AC Generator Crane pick 1-27-2026



MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Jon Foreman, Director, SVGSA Representative

SUBJECT: January 26th, 2026, Sonoma Valley Groundwater Sustainability Agency Board Meeting Update

Background

On Monday, January 26, I attended the GSA Board meeting. These are the highlights.

1. Approved Consent Calendar consisting of our minutes from the October 27, 2025, meeting, approving the year-to-date financial, and extending a contract with SFEI.
2. A report on the Long Term Funding Work Group, in which we were told that, at this time, they haven't formed a long-term plan.
3. A short report from Caitlin Cardwell regarding the Advisory Committee's work. She spoke of the difficulty in judging the Valley's growth.
4. Chris Delany and Stephen Maples presented information on the Russian River Watershed, where there are five pilot plans and \$2M has been set aside to study and improve resilience.
 - a. Explained that the goal is to understand climate change and its effects on the watershed
 - b. Identified over 150 different vulnerabilities in the watershed
 - c. Provided a website address for the coalition:
www.russianriverwatershedresilience.org
5. Explained the plan for restoring the groundwater, which included:
 - a. Continued planning with VOMWD and the City of Sonoma
 - b. Working to get recycled water to 8th St. E.
 - c. Develop focused work plan
 - d. The need for more storage
 - e. The agreement from the Ag Community to a 15% voluntary reduction in groundwater use
 - f. Keeping the Ag public aware of the plans being developed
 - g. How, if all the proposed plans were implemented, it could save 985 AF per year from the 6571 AF/year now being used
 - h. Meeting with Ag to identify specific measures, i.e., costs, benefits, and how to fund incentives to use less groundwater
 - i. Measurement and accounting of study results
 - j. Conditions that could trigger mandatory measures

6. Water Saving Projects
 - a. Well Aware Tool Kit was launched in November 2025
 - b. Introduced personalized water-saving practices
 - c. Explore funding opportunities
7. The Board was told of efforts to have the golf course restrict its use of groundwater and the reluctance of the golf course's top management to work with us in any way. Ideas were floated on how we can increase public awareness of the golf course not cutting back on its usage.
8. Reelected Mike Sangiacomo as Chair, and Rebecca Hermasillo as Vice Chair
9. Approved contract extension with West Yost to continue providing agency administration and grant management services through the 26 – 27 fiscal year
10. Authorized the Administrator to negotiate a contract with ERA Economics for technical and economic services associated with the creation of a Demand Management Framework
11. Adopted the 2026 Legislative Policy Platform

The meeting was adjourned at 6:00 PM.

Attached

GSA Talking Points, updated December of 2025.

Talking Points: Advancing Groundwater Sustainability in Sonoma County

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The Big Picture

The GSAs Provide Value for Groundwater Users

The Sonoma Valley, Petaluma Valley and Santa Rosa Plain GSAs:

- Develop and provide access to tools and information for groundwater users that advance resiliency and help prepare for future droughts.

- EXAMPLES: The Well Aware Toolkit for resources to improve water use efficiency, The Sonoma County Groundwater Data Dashboard that displays current groundwater levels across three basins, Flow Smart program which is a voluntary flow metering program, helping groundwater users see how much water they are using.
- Plan and build projects that **increase water supply** and are making progress toward achieving sustainable groundwater basin conditions.
 - EXAMPLES: Expansion of recycled water pipelines in Petaluma and recycled water planning in Sonoma Valley, pilot programs across all basins for Aquifer Storage and Recharge.
- Advocate for **land-use decisions** that protect groundwater supplies and natural resources.
 - EXAMPLE: Established new Groundwater Sustainability Priority Areas to help safeguard areas most at risk
- Participate in **regional water management planning** initiatives ensuring local groundwater user interests are incorporated.
- Provide **local control** of our resources, avoiding state intervention through accountable governance and collaborative management.
- Continuing to **secure outside grant funding** for projects and programs that benefit all basin groundwater users
 - EXAMPLE: CA Dept of Water Resources SGMA planning and implementation grants.

Groundwater Use and Sustainability

- Groundwater is essential to Sonoma County—supporting **43,000 residents, 21,800 acres of agriculture**, businesses, and many disadvantaged communities across the Petaluma Valley, Santa Rosa Plain and Sonoma Valley basins. Groundwater is also essential for ecosystem health and is a key supplement to municipal water supply.
- Groundwater provides up to **60% of California's water supply during droughts, and 40% during non-drought times**—so this is an essential local resource we must protect.
- Sustainability will require **multiple strategies across all supply sources**, from increasing supply to conservation efforts that reduce or offset groundwater use and more.
- It can take **years to decades** to replenish groundwater aquifers, making long-term planning essential.

- Sustainable management ensures reliable water for **residents, agriculture, economy and ecosystems**—now and for future generations.

GSAs Provide Local Control & Local Solutions

- Since 2016, fourteen public agencies and organizations in Sonoma County collaborated to create **three locally governed Groundwater Sustainability Agencies (GSAs)**—Santa Rosa Plain, Sonoma Valley, and Petaluma Valley—to comply with the **Sustainable Groundwater Management Act (SGMA)** while also keeping control in the hands of locally elected leaders.
- Local collaboration is the backbone of our success and keeps **governance and decision-making local**.
- Through a competitive selection process, the three GSAs coordinated to set up a **centralized GSA administration** team that cost-efficiently supports and coordinates the work of the GSAs.

GSAs Engage in Strong Community Collaboration

- The agencies convene and staff active and diverse **Advisory Committees** in each of the three basins.
- GSAs worked with a wide range of representative interest groups—farmers, rural well owners, environmental groups, cities, and others—to develop **state-approved Groundwater Sustainability Plans (GSPs)**.
- The GSAs regularly present to **community and civic organizations** throughout the county to keep our community informed of the progress we are making in ensuring a sustainable groundwater supply for future generations.

Funding Sustainability Work

GSAs Demonstrate Significant Funding Success

- Grant funding has helped **minimize fees** for groundwater users and launch key programs.
- In eight years, the GSAs have secured **over \$21 million in state and federal grants**, reducing local costs to groundwater users:
 - \$6M in grant funds to prepare three state-approved basin-specific Groundwater Sustainability Plans (GSPs).
 - Technical assistance grant funding.

- \$15.3 million in GSP implementation grants from the California Department of Water Resources to:
 - **collect needed information** to inform sustainability projects, to
 - fund innovative and coordinated **water conservation programs** across the three basins
 - construct a **recycled water pipeline** in Petaluma to offset existing groundwater use.

GSAs Get Work Done

GSAs are Active in Regional Planning

- GSAs **advocate land-use decisions** that protect and enhance groundwater supplies and natural resources.
- GSAs review and engage on County and city **general plans, well ordinance updates, and proposed projects** that may impact groundwater supplies and water quality.
- GSAs participate in **regional water management planning initiatives** to ensure local groundwater user interests are incorporated into local and regional planning efforts.
- GSAs participate in the **regional watershed resiliency study, regional water bank, drought resilience planning** and more.

Recently Completed and Ongoing Major Initiatives

- Expanded **monitoring networks** by constructing **14 new shallow and deep monitoring wells** across the three basins to fill critical data gaps.
- Advanced and funded **recycled water projects** in Petaluma and Sonoma Valley to offset groundwater pumping.
- Supported **Aquifer Storage & Recovery (ASR)** studies in all three GSAs in collaboration with GSA member agencies to help store water underground when it is plentiful for use in dry years.
- Developed the **Sonoma County Groundwater Data Dashboard** providing public access to groundwater level information in the three GSA basins.
- Developed tools and programs for groundwater users that support sustainability, including the **Well Aware Toolkit, Flow Smart**, and the **Level Up!** monitoring program.

- Conducted **interconnected surface water and ecosystem studies** with expert work groups.

What's Next (2025–2026)

- Complete **grant-funded projects in all three GSA basins by mid-2026**.
- Update **basin models and analyses** and prepare the required **five-year SGMA periodic evaluations** by early 2027.
- Work with Sonoma Water and its prime contractors to join the **Sonoma – Marin Saving Water Partnership** to advance regional water conservation to groundwater users throughout the three basins.
- Pursue **additional grants** to continue implementing GSPs and keep costs down.
- Strengthen **policies and programs** that support climate resilience, groundwater protection, environmental health and long-term sustainability.
- Develop the most cost-effective fee structure and work program moving forward that addresses long-term funding needs while providing the maximum benefits to users.

Basin-Specific Highlights

Projects in Petaluma Valley

- Partnered with the City of Petaluma on multiple projects including:
 - New **monitoring wells** installed to fill data gaps.
 - **Aquifer storage and recharge** pilot to increase groundwater supply with high quality drinking water.
 - Expansion of **recycled water** to offset the need for groundwater pumping.
- **Monitoring for seawater intrusion** in the Baylands

Projects in Sonoma Valley

- Developing **recycled water expansion** for the Eastside Priority Area, including design alignments to deliver the maximum amount of recycled water to offset existing groundwater pumping.
- Continued **aquifer storage and recharge** work with Valley of the Moon Water District.
- Installed new **deep aquifer monitoring wells** to fill data gaps.

- Conducting direct engagement with **large groundwater users** to build support around solutions to reduce groundwater pumping and reverse declines in the two priority areas.
- **Continued monitoring for seawater intrusion** in the Baylands.

Projects in Santa Rosa Plain

- **Aquifer storage and recharge** pilots planning, implementation and analysis with the City of Santa Rosa, Town of Windsor and Sonoma Water.
- **Stormwater recharge** pilot projects (on-farm and at Crane Creek Regional Park).
- Five new **monitoring wells** installed to fill data gaps.
- Educational groundwater signage at Maddux Ranch Regional Park.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Sonoma Developmental Center (SDC) Update

Background

As reported previously, the State Department of General Services is interested in entering into an agreement with the District to provide leak response services at the former SDC site during the interim period between now and the beginning of the redevelopment work to help manage water losses at the site. Staff and legal counsel prepared a draft exhibit to the standard State contract agreement and have shared it with State staff.

State staff have unfortunately been very busy managing the site, including handling instances of copper pipe and copper wire theft. They have therefore not completed their review of the materials we supplied, so we are still awaiting comments or a signature-ready version of the agreement. I was assured after my last conversation with State staff in late January that the review was a priority and would occur as soon as possible.

February 3, 2026
Item: 7.B

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: February 2nd, 2026, Water Advisory Committee (WAC) and Technical Advisory Committee (TAC) Meeting Update

Background:

Director Foreman and General Manager Fullner will be attending the WAC/TAC meeting on February 2nd and will provide a verbal update during the Board meeting.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: PFAS Claims Update

Background:

As the Board may be aware, several manufacturers of per- and polyfluoroalkyl substances (PFAS) have entered into national class-action settlement agreements related to the manufacture and release of PFAS compounds into the environment. These settlements include agreements with 3M and with DuPont, Chemours, and Corteva, and the eligible claimant class includes public water systems (such as the District) that have incurred PFAS-related testing or treatment costs.

The claims administrators for these settlements recently extended the deadline for submission of Phase Two PFAS testing claims, allowing additional time for water systems to submit required documentation. The District submitted the required Phase Two testing claim materials for both the 3M and DuPont/Chemours/Corteva settlements prior to the revised deadline. The total documented testing costs submitted by the District were approximately \$14,000.

Phase Two of the settlement process is focused on reimbursement of eligible PFAS testing and monitoring costs previously incurred by water systems. Submission of a Phase Two claim preserves the District's eligibility to receive a portion of any settlement funds allocated for testing costs; however, submission of a claim does not guarantee a specific payment amount. Settlement proceeds are distributed nationally based on allocation methodologies established in the settlement agreements and are subject to review and validation by the claims administrators.

At this stage, no determination has been made regarding the amount, timing, or certainty of any payment to the District. Any reimbursement for testing costs is expected to represent a partial offset of previously incurred expenses and, if awarded, would be distributed over time in accordance with the settlement payment schedules. Settlement funds should be viewed as supplemental and should not be relied upon for budgeting or project financing purposes.

The District will continue to track developments related to the PFAS settlements, including future phases that may address treatment-related costs. Staff will return to the Board with additional information as it becomes available and as further decisions are required.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: EKI Client Panel Update

Background:

On January 27th, I was honored to participate in a client panel in Burlingame hosted by EKI Environment & Water. The panel included representatives from several public agencies and utilities and was intended to provide candid client-side perspectives on procurement practices, proposal evaluation, consultant engagement, and project delivery.

The discussion focused on topics such as:

- How agencies approach RFPs and RFQs
- What clients look for in proposals and project teams
- Appropriate and effective consultant engagement prior to procurements
- Use of alternative pricing models (e.g., fixed fee, retainers)
- Managing risk, scope, and expectations on complex projects

The panel discussion was well attended (around 200 EKI staff and leadership in attendance) and generated strong engagement and positive feedback. The format encouraged open, professional dialogue and reinforced best practices around transparency, value, and effective consultant/client relationships.

I was very impressed by the degree of preparation and thought that had clearly gone into holding the panel. I also learned that they had held a regulator panel discussion immediately before the client panel, which speaks to the level of commitment they bring to really understanding what is needed in their fields of operation, from regulation all the way through client satisfaction.

MEMORANDUM

TO: Valley of the Moon Water District Board of Directors

FROM: Matt Fullner, General Manager

SUBJECT: Adoption of the Valley of the Moon Water District Annual Strategic Plan Goals and Objectives Update for Fiscal Year 2026-2027.

Background:

On January 14th, 2026, the District's Board of Directors held a workshop to discuss numerous areas of concern facing the District. Following the introduction and discussion of each topic in some depth, each member of the Board ranked their top 6 goals to address in the coming years. Staff then used the prioritized rankings provided by the Board as inputs to a scoring spreadsheet, the results of which are attached. Not surprisingly, most of the goals have not changed significantly from previous years, even if slightly rearranged in terms of priority.

There were, however, two new goals that scored in the top six this year: Goal #4, Seismic Resilience of the Water System, and Goal #6, Fire Flow Capacity and Public Safety Improvements. While all of the goals and their related objectives were updated, these two had entirely new sections created. The whole document is 14 pages of relatively dense material; however, the "Summary of Findings" section at the end is only about one page, and provides a one-paragraph summary of each goal and its corresponding objectives and status.

Once finalized and adopted by the Board, the Fiscal Year 2026-2027 Strategic Plan Goals and Objectives Update will become a tool that will be used by staff and the Board Finance Ad Hoc Subcommittee in setting the upcoming budget and 5-year capital plan.

Recommendation:

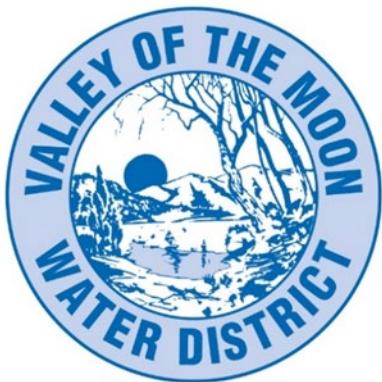
- Adopt the attached Draft Fiscal Year 2026-2027 Strategic Plan Goals and Objectives Update and direct staff to post it to the District's Website.

Attachment:

- Strategic Planning Workshop Priority Ranking Worksheet.
- Draft Fiscal Year 2026-2027 Strategic Plan Goals and Objectives Update.

Valley of the Moon Water District Strategic Planning Workshop Priority Ranking Worksheet

Strategic Priority Topic	Yudin-Cowan	Bryant	Caniglia	Foreman	Williams	Total	Average	Final Score
Water Main Replacement and Distribution System Renewal	1	5	4	2	2	14	2.8	2nd
Seismic Resilience of the Water System	2	6	2	3	9	22	4.4	4th
Local Water Supply and Emergency Self-Sufficiency	3	3	3		4	13	3.3	3rd
Financial Sustainability and Rate Stability	4	4	1	1	1	11	2.2	1st
Unfunded Accrued Liability (UAL) and Long-Term Pension Obligations	6	11	6	4	5	32	6.4	7th
Regulatory Compliance and Risk Management	5	7	10		6	28	7.0	9th
Fire Flow Capacity and Public Safety Improvements		8	8	5	3	24	6.0	6th
Climate and Wildfire Resilience		1	9	6	10	26	6.5	8th
Organizational Capacity and Workforce Readiness		2	7		7	16	5.3	5th
Community Trust, Communication, and Transparency		9	5		8	22	7.3	10th
Environmental Stewardship and Energy Resilience		10	11		11	32	10.7	11th
Other: None Provided						0		
Other: None Provided						0		



Valley of the Moon Water District

2026-2027 Strategic Plan: Goals and Objectives Update

Valley of the Moon Water District
A Public Agency Established in 1962
19039 Bay Street · P.O. Box 280

El Verano, CA 95433-0280

Phone: (707) 996-1037

customerservice@vomwd.org

Board of Directors

Steve Caniglia – President

Gary Bryant – Vice-President

Jon Foreman

Colleen Yudin-Cowan

David Williams

Officers

Matt Fullner – General Manager

Amanda Hudson – Secretary to the Board

Burke, Williams & Sorensen LLP – District Counsel

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Issues of Concern

Current and emerging issues facing the District help shape the direction of our strategic planning and overall goals as a community water system. By identifying key challenges and developing a plan for overcoming them, the District will be well-positioned for continued, reliable service for future generations. Some of the key challenges currently facing the District include:

1 — Existential / System Reliability Risks

A. Aging, Undersized, and Seismically Vulnerable Distribution Infrastructure

A significant portion of the District's nearly 100 miles of water main was installed during a concentrated construction period in the 1960s–1970s and is approaching or exceeding its expected useful life. The District has averaged less than 0.5 miles of main replacement per year, well below the approximately 1 mile per year needed to stay ahead of the age-out curve.

Compounding this issue, many older mains are undersized relative to modern fire-flow requirements, limiting firefighting capability and public safety in portions of the service area. The 2026 Seismic Vulnerability Assessment has further identified distribution, production, pumping, and storage infrastructure at elevated risk of failure during a major earthquake. It also identified

critical “backbone infrastructure” that will be the District’s highest priority to keep operational following a major seismic event.

The convergence of pipe age, insufficient diameter for fire flow, and seismic vulnerability significantly increases the likelihood of system failures, extended outages, and emergency repairs unless proactively addressed through a sustained, prioritized replacement program.

B. Loss of the SDC Water Treatment Plant and Reduced Local Supply Redundancy

The loss of the SDC Water Treatment Plant eliminated the District’s only large-scale local water supply facility and substantially reduced its ability to operate independently during emergencies involving partial or total loss of wholesale supply from Sonoma Water. This has materially weakened the District’s overall water supply resilience and emergency response capability.

While redevelopment of the SDC site may eventually allow for reactivation of supply capacity, the timing, configuration, and certainty of that outcome remain outside the District’s control. Until that local capacity is restored, the District remains more vulnerable to prolonged outages caused by seismic events, power disruptions, or aqueduct failures.

C. Need for a Multi-Benefit Capital Prioritization Framework

Given the scale of infrastructure needs and finite financial resources, the District faces a growing challenge in determining where limited capital dollars yield the greatest reduction in system risk.

Going forward, capital planning must increasingly prioritize projects that:

- Replace aging or failure-prone infrastructure, and
- Upsize mains to meet modern fire-flow standards, and/or
- Address identified seismic vulnerabilities, and/or
- Improve hydraulic reliability for emergency operations and system redundancy.

Without a deliberate multi-benefit prioritization framework, the District risks incremental progress that does not materially improve overall system resilience, while increasing long-term costs and exposure to emergency failures.

D. Seismic Resilience of Critical Facilities and Emergency Fire-Flow Performance

The District operates in a seismically active region and relies on tanks, pump stations, wells, and key transmission mains that may not perform adequately during a major earthquake. Failures at these facilities could impair both potable water delivery and firefighting capability at the time they are most critical.

Ensuring that critical facilities, fire-flow-relevant distribution corridors, and emergency supply assets are seismically hardened is essential to protecting life, property, and post-event recovery. The District must translate seismic study findings into a phased, fundable resilience program that meaningfully reduces risk while remaining financially sustainable.

2 — Structural Water Supply and Financial Pressures

A. Dependence on External Water Supplies and Cost of ASR Source Water

The District's strategy to improve local water supply resilience increasingly relies on Aquifer Storage and Recovery (ASR) as a near- to mid-term solution while local treatment capacity remains unavailable. However, the long-term viability of ASR depends not only on physical infrastructure but also on the availability, reliability, and cost of source water for injection, particularly during wet-year conditions.

Future conditions, including wholesale water pricing, regulatory constraints, climate variability, and competition for surplus water, may materially affect the cost and feasibility of operating ASR at scale. Without careful planning and engagement with the Sonoma Valley Groundwater Sustainability Agency (GSA), ASR could introduce new financial pressures even as it improves supply resilience. This creates a need to more clearly understand and manage the cost structure and operating assumptions associated with ASR as part of the District's long-term water supply strategy.

B. Long-Term Funding Gap for Integrated Infrastructure and Resilience Investments

Achieving a sustained rate of approximately one mile of main replacement per year, while simultaneously addressing fire-flow deficiencies, seismic hardening, and water supply resilience, represents a significant increase in annual capital investment.

While grants and low-interest financing may support discrete projects (including those outlined in the Seismic Vulnerability Assessment), much of the District's core distribution system work will continue to rely on local funding. Balancing infrastructure reinvestment, rate stability, affordability, and Proposition 218 compliance remains a central strategic challenge.

3 — Operational Capacity and Adaptive Readiness

A. Delivering a More Complex and Accelerated Capital Program

An integrated program that replaces aging infrastructure, upsizes mains for fire flow, incorporates seismic resilience, and expands local supply assets will increase demands on planning, design, construction management, grant administration, and internal coordination.

Ensuring the District has sufficient organizational capacity, through staffing, consultant support, and systems, to deliver this expanded program without degrading day-to-day operations is an emerging concern.

4 — Community Trust, Governance, and Transparency

A. Public Understanding of Infrastructure, Fire-Flow, and Water Supply Tradeoffs

Accelerated infrastructure replacement, seismic upgrades, and water supply investments will increase construction activity, visibility of costs, and potential rate impacts. Clear communication will be essential to help customers understand that these investments are directly tied to fire

protection, seismic safety, emergency preparedness, and long-term reliability, rather than discretionary upgrades.

Context on Issues of Concern:

- Following the 2015 court ruling on tiered water rates in San Juan Capistrano, which found that water rates were unconstitutional if they did not reflect the actual cost of providing water service under Proposition 218, many water utilities, including the District, performed an overhaul of their rates and tier structures. Many of the District's costs are related to state-mandated water conservation and capital projects that are needed to meet peak demand and fire flow. The majority of the District's customers have dramatically reduced their water demand over the past several years, yet as a result of the ongoing need to ensure peak water demand and fire flow, coupled with rapidly increasing costs of wholesale water and energy, unprecedented inflation in the early 2020s, and decline in overall revenue due to a reduction in water sales following two major droughts and the resultant "demand hardening", that same group of customers has seen their water bills remain static or even increase. In order to address this issue, the Board of Directors wishes to explore ways to reallocate expenses among the tiered rates, including the possible addition of a tier based on needed CIP for high-demand users, mandated water conservation, or both. In spite of the foregoing, the District has a strong desire to keep rates stable (i.e., regular, small rate increases each year), and an additional tier in the rate structure, based on those costs, could be a way to achieve that goal.
- The SDC treatment plant (or a package plant at the same site) may be able to be brought back online once redevelopment starts on the 180-acre core campus. The District is assumed to be the water purveyor for the site and has been working diligently for years to understand the water system, from surface water diversions to distribution. It is possible that redevelopment could begin as soon as one and a half years from now, but it could also be delayed depending on local politics and citizens against development in the area. As a result of possible delays, other water sources (groundwater wells) will be evaluated as part of the District's goal to increase readiness for a water outage from Sonoma Water.
- The District is a JPA member of the Sonoma Valley Groundwater Sustainability Agency (GSA) and has a good working relationship with the GSA staff and Board. The District developed and provided a white paper to the GSA emphasizing conservation and metering above more expensive infrastructure as a means to reach sustainability more efficiently. At the same time, the District was awarded a grant to study and construct two ASR wells. The wells are now complete and ASR-capable, pending final permitting. The District hopes to use these wells to store wintertime water locally, for use later in the year, offsetting demand from the wholesaler when water availability could be restricted (in drought conditions). It would also strategically leave a pre-determined percentage of the water behind in the aquifer on each injection and recovery cycle for the overall benefit of the aquifer, and the District would like the GSA to be a financial partner in this effort.

- Regarding infrastructure, the District needs to become much more aggressive on water main replacement. The District owns nearly 100 miles of water main, and water main has about a 100-year lifespan. So the District needs to average about a mile of main replacement per year to stay ahead of the expected useful life of the mains it operates. Over the past decade, the District has averaged less than half a mile of main replacement per year. A compounding factor is that the District installed a large percentage of the existing infrastructure (about 50%) within the decade or so period following its formation in 1962. There is, therefore, a large amount of pipe that will age out at nearly the same time in the 2060s and 70s.
- In 2021 and 2022, the District carried out two staffing studies. The first focused on office and management staff and resulted in splitting the finance and administration manager into two positions, one Finance Manager and one Administration Manager, as well as the creation of a “Track B” Administrative Specialist, for a total of two additional office staff, and both were filled. This was in response to the increased load of government reporting, regulatory compliance, etc., that had led to a work overload in the office. The second focused on field staff and resulted in the theoretical creation of a laborer position (not filled), as well as increasing the number of operators back to the number the District had in the early 2010s. This was intended to help conduct certain in-house capital projects (which helps keep costs down), as well as provide a larger pool of qualified personnel to respond in emergencies, which increases system reliability. This has resulted in one additional operator being hired. The new staffing structure, combined with good pay and benefits for District employees, has worked very well, resulting in less turnover, higher quality of service for our customers, better emergency response, the ability to apply for and manage grants, and the ability to respond to the regulatory environment in a timely and proactive manner. This is all being done with about one less FTE than would typically be expected for a system with the number of connections that VOMWD has, according to AWWA Benchmarking statistics. This is all the more impressive when one considers the fact that VOMWD’s system is more complex and has more miles of main in operation than the average system with the same number of connections. That said, with the administration of the District’s first major grant now complete, it is becoming clear that the new, more scalable office staffing structure may need to increase if further grants and similar efforts are taken on.

Strategic Goals and Objectives

In order to address the Issues of Concern, the following Strategic Goals have been developed and discussed at some depth during a Board Strategic Planning Workshop. These goals are in alignment with the District’s Mission Statement and are designed to ensure that the District will have the ability to carry out its mission for future generations.

1. Financial Sustainability and Rate Stability
2. Water Main Replacement and Distribution System Renewal
3. Local Water Supply and Emergency Self-Sufficiency
4. Seismic Resilience of the Water System

5. Organizational Capacity and Workforce Readiness
6. Fire Flow Capacity and Public Safety Improvements

Goal 1: Financial Sustainability and Rate Stability

Maintaining financial stability is fundamental to ensuring that the District can continue to meet its obligations and provide reliable service to its customers. This goal aims to balance the need for fair and equitable rates with the pressures of rising operational costs, such as increasing wholesale water prices, energy costs, and inflation. The District will explore the implementation of a rate structure that minimizes the financial burden on low and moderate-water users while addressing these escalating costs. Seeking external funding opportunities, such as state or federal grants, will be key to supporting capital projects, particularly those that focus on infrastructure upgrades and sustainability.

Objective 1.1: Aggressively seek a multi-tier rate structure that places an emphasis on conservation and cost allocation to the appropriate water user in accordance with Prop 218 and related case law.

Objective 1.2: Actively seek state, federal, or regional funding opportunities (e.g., grants and low-interest loans) for capital projects, especially those related to infrastructure upgrades and sustainability initiatives.

Objective 1.3: Pursue innovative financial strategies, including investment and proactive management of pension unfunded accrued liability (UAL) to help stave off rate volatility in the future.

Status: The District is currently in year four of a five-year water rate plan implementation. The next rate plan will therefore need to begin in the upcoming fiscal year. The addition of a defensible multi-tier rate structure will be evaluated at that time. The District, with the assistance of its consultant EKI, successfully sought a \$3 million grant from DWR for the conversion of two wells to ASR. This is the first major grant awarded to the District, and it has been an excellent learning experience for staff.

Following the conclusion of the District's seismic vulnerability assessment, the District plans to use this knowledge and experience to seek federal grants to address shortcomings found to harden against seismic vulnerabilities. Additional staff may be needed to assist in the administration of these grants. Synergies will be sought to focus on areas of the water system that are both susceptible to seismic activity and are also in need of replacement due to fire flow requirements, age/condition, or both. However, since a large local match will be needed, and it is very likely that there will not be a 100% overlap of these needs, the District should plan to generate enough revenue to proactively replace water mains on a PAYGO basis. More expensive and rare projects, such as pump station and water tank replacement, will come about on a less regular basis. Low-interest loans, bonds, or grants should be sought in these scenarios.

Goal 2: Water Main Replacement and Distribution System Renewal

A strong, reliable infrastructure is essential for delivering consistent, high-quality water to our customers. This goal underscores the need to enhance the District's physical assets and modernize aging systems. A key priority is accelerating the replacement of outdated water mains, with a target of replacing one mile per year. This effort will focus on the most vulnerable sections of the system that are at risk of failure.

Additionally, upgrading undersized infrastructure to meet modern fire flow and emergency response standards is crucial for ensuring public safety. The District has also recently updated its comprehensive Water Master Plan, and has commissioned a Seismic Vulnerability Study in order to gain the best possible understanding of its existing infrastructure and effectively prioritize replacements and upgrades.

The District is dedicated to the continued incorporation of advanced technologies (such as maintenance management system, or "MMS", Automated Metering Infrastructure "AMI", and Artificial Intelligence "AI") into its Information Technology infrastructure to maximize efficiencies wherever possible.

Objective 2.1: Aggressively increase the rate of water main replacement to one mile per year, prioritizing sections of the system that are aging and at risk of failure.

Objective 2.2: Upgrade undersized infrastructure to meet modern fire flow and emergency response standards, especially for booster pump stations and key distribution mains.

Objective 2.3: Continue evaluating ways to harden remote structures (such as well houses, booster stations, and tank sites) against the threat of wildfire, extreme weather events, and seismic activity.

Objective 2.4: Maintain a comprehensive Water Master Plan (WMP) to prioritize maintenance and replacement activities, incorporating advanced technologies (MMS, AMI, AI, etc.) for monitoring the condition of infrastructure and maximizing efficiency.

Status: Some progress has been made in this area by the District, but there is still room for improvement. AMI and MMS systems are in place and in daily use by District staff, and important records have been digitized for the systems. In early 2025, the District completed an update to its 2019 WMP, focusing on the prioritized capital improvement list. Some key fire flow upgrades have been made in the system, most recently in Glen Ellen and Chestnut.

Furthermore, the District recently completed a Seismic Vulnerability Assessment, which was accompanied by a prioritized list of areas in need of seismic hardening. In spite of these strides in the right direction, however, water main replacement remains anemic, at less than half a mile on average per year. Also, staff has begun using AI where possible; however, it is anticipated that this

area will grow rapidly over the next several years, opening up new opportunities and efficiencies for the District.

Goal 3: Local Water Supply and Emergency Self-Sufficiency

The District has a long-term goal of having enough local water supply that it can last weeks (if not longer) without the normal supply of water from our wholesaler, Sonoma Water, or normal power supplied by PG&E. The success of this goal hinges on securing additional reliable, resilient, and ideally, sustainable water supplies for its customers, right here in the Sonoma Valley, and making sure each of those sources has a supply of backup power.

This goal focuses on enhancing the District's water supply through both infrastructure improvements and strategic initiatives. A key objective is exploring the re-establishment of the SDC Water Treatment Plant or a similar system, which would provide enough local water capacity to bridge short to mid-term emergencies involving the loss of our wholesale water. Bringing the SDC Water Treatment Plant back online will be a long-term process, but there has been movement on this front in the last several months. Therefore, the District is shifting priority away from groundwater wells in the near term, with the desired outcome becoming more focused on the SDC supply.

There is also approximately 5.5 million gallons of water storage capacity within the District, plus the water stored by Sonoma Water on the Sonoma Aqueduct. This immediate supply would be supplemented in a water outage from Sonoma Water's source by the District's seven (7) leased or owned wells in its service area. Out of the seven wells, five (5) have either permanent or portable backup power supply, meaning that two (2) do not. This deficit in backup power supply is a current weak point in the event of a sustained power and water outage.

Another significant strategy is the expansion of Aquifer Storage and Recovery (ASR) systems in collaboration with the Groundwater Sustainability Agency (GSA) and Sonoma Water, ensuring the District can store surplus water during wet periods for future use during droughts. The District now has the infrastructure needed to conduct ASR activities at one permitted source (Park Well) as well as Verano Well. Verano Well may be able to become a source for the District once again if several cycles of ASR are successful at that location.

Additionally, maintaining proactive water conservation efforts is essential to ensure long-term sustainability and reduce external water dependencies.

Objective 3.1: Continue pursuing opportunities to re-establish the SDC Water Treatment Plant to boost local water capacity for emergency situations as soon as possible.

Objective 3.2: Ensure that all new and existing sources of water have sufficient backup power to help bridge the gap during power outages or public safety power shutoffs (PSPSs) by securing at least two additional generators capable of powering well sites.

Objective 3.3: Implement and expand Aquifer Storage and Recovery (ASR) systems in collaboration with the Groundwater Sustainability Agency (GSA) and Sonoma Water, to store water during wet periods for future use during droughts.

Objective 3.4: Continue to engage in proactive water conservation programs to maintain long-term water availability and reduce customer dependency on external water sources through participation in organizations like CalWEP and SMSWP.

Status: The District is still in a precarious position with respect to water supply resiliency under certain circumstances, especially those involving the loss, or partial loss, of the wholesale water system operated by Sonoma Water. It has therefore, dedicated staff time and funds to communicating with the County, State, and likely Developer of the former SDC property, on the resurrection of the water sources on the site and has also initiated an assessment of the site's water infrastructure components in an effort to provide opinion of probable cost (OPC) figures to be used in the redevelopment of the site's water infrastructure. Furthermore, two District-owned wells have been outfitted for ASR, which can help ensure there is water available locally from them in an emergency. The District has also been very proactive in obtaining additional well sources and increasing the capacity of existing well sources in recent years. Making sure that all wells can be operated in a sustained power outage remains an outstanding objective.

Goal 4: Seismic Resilience of the Water System

The District operates in a seismically active region and relies on a complex network of distribution mains, wells, pump stations, storage tanks, and transmission corridors to deliver potable water and support emergency response. A major seismic event has the potential to cause widespread infrastructure damage, extended service outages, and a loss of firefighting capability at a time when water service is most critical to public safety and post-event recovery.

The District recently completed a Seismic Vulnerability Assessment, which identified critical facilities and distribution corridors most at risk during a major earthquake, as well as “backbone infrastructure” that will be essential to maintaining limited service and supporting emergency response following a seismic event. These findings provide the District with its first system-wide, data-driven framework for prioritizing seismic risk reduction.

This goal focuses on translating the results of that assessment into a phased, fundable program that meaningfully reduces seismic risk while remaining financially sustainable. Wherever possible, seismic resilience efforts will be integrated with water main replacement, fire-flow upgrades, and other capital investments in order to maximize risk reduction and avoid duplicative construction.

Objective 4.1: Use the findings of the Seismic Vulnerability Assessment to identify and prioritize critical facilities, transmission corridors, and distribution mains necessary to maintain limited water service and firefighting capability following a major seismic event.

Objective 4.2: Develop a phased seismic resilience program that focuses on the District's highest-risk and highest-consequence assets, balancing risk reduction with financial feasibility and rate stability.

Objective 4.3: Integrate seismic hardening measures into planned capital projects, including water main replacement, fire-flow improvements, pump station upgrades, and storage facilities, wherever feasible.

Objective 4.4: Actively pursue state and federal grant funding and other external financing opportunities to support seismic resilience projects, recognizing that local funding alone may be insufficient to address system-wide vulnerabilities.

Status: The District completed its first comprehensive Seismic Vulnerability Assessment in 2026. The study identified critical assets and distribution corridors at elevated risk of failure during a major earthquake, along with recommended mitigation measures and relative prioritization.

Staff is currently reviewing the findings and integrating them into capital planning efforts, including water main replacement prioritization and facility upgrade planning. The District intends to use the assessment to pursue external funding opportunities for seismic resilience projects and to guide the sequencing of future capital improvements. Development of a formal, phased seismic resilience program will be an ongoing effort over the next several fiscal years.

Goal 5: Organizational Capacity and Workforce Readiness

In an ever-evolving regulatory environment, ensuring compliance with local, state, and federal guidelines is critical for the District's operations. This goal emphasizes the importance of proactively adhering to increasingly complex regulatory requirements, such as those set by the California Air Resources Board (CARB), the Bay Area Air Quality Management District (BAAQMD), State Water Resources Control Board (SWRCB), and the U.S. Environmental Protection Agency (EPA).

To maintain compliance, the District has prioritized adequate resources for monitoring and reporting and will continue to evaluate these needs on an ongoing basis. Alongside this, organizational efficiency has been a focal point: the District has optimized staffing structures to ensure it can meet its regulatory obligations without overburdening internal teams. Advocacy for regulatory reforms through the District's involvement with organizations like the Association of California Water Agencies (ACWA) will also play a role in balancing environmental protections with operational flexibility, ensuring affordability for the District's customers.

Furthermore, the District takes the opportunity during the budget preparation each year to evaluate each and every line item to determine if it adds to the District's efficiency or takes away from it, and only funds the item if it furthers the mission of the District in an efficient manner.

Objective 5.1: Maintain a proactive approach to comply with increasing regulatory requirements (e.g., CARB, BAAQMD, RWQCB, EPA) by allocating sufficient resources for monitoring, reporting, and implementing necessary changes.

Objective 5.2: Continue optimization of staffing to support regulatory compliance and improve operational efficiency, including ongoing evaluation of staffing needs and using consultants where necessary to avoid overburdening internal teams.

Objective 5.3: Advocate for regulatory reforms that help balance environmental protections with operational flexibility and customer affordability through involvement with ACWA, California Water Efficiency Partnership (CalWEP), etc.

Objective 5.4: Continue to evaluate ways to gain organizational efficiencies and cut costs where possible, including through the annual budget process.

Status: The District completed two staffing studies that identified areas that needed to be shored up or restructured and has fully implemented the recommendations of both over the past four years. A compensation survey completed in 2024 showed that the District's employees are compensated within the District's target ranges for salaries and benefits. The District is a member of both ACWA and CalWEP, and also takes the opportunity to address lawmakers directly through local delegations. While the District has made significant progress in this area, Organizational Efficiency remains a strategic goal due to the nature of the ever-changing and increasing regulatory environment.

Goal 6: Fire Flow Capacity and Public Safety Improvements

Providing adequate fire flow is a core public safety responsibility of the District and a critical component of community resilience. Portions of the District's water system were constructed prior to modern fire-flow standards and include undersized mains, limited redundancy, and constrained hydraulic capacity that can restrict firefighting capability during structure fires and wildfires.

As infrastructure ages and redevelopment occurs within the service area, demands on the water system for fire protection continue to increase. At the same time, wildfire risk and the potential for seismic events heighten the consequences of inadequate fire-flow capacity during emergencies.

This goal focuses on systematically improving fire-flow capability through targeted infrastructure upgrades, integration with water main replacement efforts, and coordination with seismic resilience planning. By prioritizing fire-flow improvements in areas of greatest risk and

consequence, the District can enhance public safety while maximizing the value of limited capital resources.

Objective 6.1: Identify and prioritize areas of the distribution system where fire-flow capacity is insufficient to meet modern firefighting needs, with particular emphasis on high-risk and high-density areas.

Objective 6.2: Upgrade undersized water mains, booster pump stations, and related infrastructure to improve fire-flow capacity, integrating these improvements with planned water main replacement and seismic resilience projects where feasible.

Objective 6.3: Incorporate fire-flow performance as a key criterion in capital project prioritization, ensuring that public safety benefits are explicitly considered alongside asset condition and seismic risk.

Status: The District has made targeted fire-flow improvements in recent years, including upgrades in Glen Ellen and Chestnut, improving system performance in those areas. The recent update to the Water Master Plan and completion of the Seismic Vulnerability Assessment have further improved the District's understanding of hydraulic constraints and critical infrastructure.

Despite this progress, portions of the system remain undersized for modern fire-flow demands. Addressing these deficiencies will require sustained, coordinated investment over multiple years. Fire-flow improvements will continue to be incorporated into water main replacement and capital planning efforts as funding allows.

Summary of Findings:

1 Financial Sustainability and Rate Stability

The District is in good financial health, customer water rates are sustainable, and the District is gaining experience with grant management and conservative investment management. Room for improvement exists in the areas of addressing the current tiered rate structure, future revenue generation in light of the needed infrastructure investments, and unfunded pension liability.

2 Water Main Replacement and Distribution System Renewal

The District is well-managed and has good policy direction regarding infrastructure and capital programs. However, there is significant room for improvement regarding aging water main replacement. If not addressed in the coming years, these older water mains will begin to fail at an unsustainable rate. Further action is therefore needed soon to avoid this scenario.

3 Local Water Supply and Emergency Self-Sufficiency

The loss of the SDC water source has set the District back significantly in this area. Planning efforts are underway, but there is a significant gap between the current water supply resilience and where

the District would like to be. In light of the recent movement and County and developer action at the former SDC, it is possible that we may see the water system coming back online within the next few years. Making sure all local water supply sources also have a source of backup power will be critical for ensuring the District can get the most out of what it already has.

4 Seismic Resilience of the Water System

The completion of the District's Seismic Vulnerability Assessment represents a major step forward in understanding system-wide risk and identifying critical infrastructure necessary for post-earthquake response and recovery. While meaningful progress has been made in defining priorities, significant work remains to translate study findings into a phased, fundable resilience program. Continued integration of seismic hardening with capital projects and pursuit of external funding will be essential to reducing long-term seismic risk.

5 Organizational Capacity and Workforce Readiness

The District is currently in great shape with respect to organizational efficiency and staffing. However, this is an area where things can change quickly, and adaptations need to be made frequently. The District will, therefore, continue to monitor and make adjustments as needed.

6 Fire Flow Capacity and Public Safety Improvements

The District has taken important steps to improve fire-flow capacity in targeted areas; however, portions of the water system remain undersized relative to modern firefighting needs. As wildfire risk, redevelopment, and infrastructure age continue to increase demands on the system, sustained investment will be required to enhance public safety. Integrating fire-flow improvements with water main replacement and seismic resilience efforts will be critical to cost-effectively achieving meaningful progress.