

Minutes of the Regular Meeting of  
The Board of Directors of the  
Aromas Water District  
May 22<sup>nd</sup>, 2012

**I. CALL TO ORDER:**

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Huggins on Tuesday, May 22, 2012 at 7:00 p.m. at the District Office located at 387 Blohm Ave, Aromas, CA.

**II. ROLL CALL:**

Pres. Huggins, Vice President Dutra, Directors Holman, Mahler and Borchard were present. General Manager Vicki Morris, Counsel Bob Bosso, Engineer Mike Freitas and staff Maureen Cain and Gina Patten were also present. Staff Marty Warner and David DeAlba arrived at 7:30 p.m.

**III. PLEDGE OF ALLEGIANCE:** Pres. Huggins led the pledge of allegiance.

**IV. STATEMENTS OF DISQUALIFICATION:** There were no disqualification statements

**V. ADDITIONS AND DELETIONS:** There were no additions or deletions.

**VI. MINUTES:** The minutes of the April 24, 2012 Regular Meeting were presented for acceptance and approval.

Director Holman moved and Director Borchard seconded that the minutes be approved. Approval was unanimous.

**VII. ORAL COMMUNICATION:** None

**VII. PRESENTATIONS**

**A. Director's Reports:** Director Borchard reported on the Ad Hoc Expense Budget meeting on May 17 for the coming fiscal year with Director Mahler and GM Morris. She feels that the information presented by GM Morris was clear with a well defined forecast for the coming year. Director Mahler agreed that it is a good budget. Dir. Borchard pointed out that the GM is overdue for a performance review which should be done for her by the Board in the near future.

**B. Attorney's Report:** Counsel Bosso reported on his attendance at the ACWA Legal Affairs Committee. They addressed the PERS reduced rate of return and its impact on agencies. He is also advising us on steps to protect our District from new "Boutique" law firms whose sole purpose is to sue public entities over rate increases.

**C. Manager's Report:**

Operations: All lab results have shown non-detect for coliform, iron and manganese. April water production was only 5.55 million gallons. Carpenteria Well #2 contributed almost half of the production for the month. Water loss reports compiled by Staff Gina Patten show that production loss is less than 10%. There is a complaint alleging that a main break on April 20<sup>th</sup> at the end of Rea Ave caused the root system of a large eucalyptus clump to become unstable. GM Morris is working with concerned neighbors, the property owner and our insurance to work out a solution. Another repair was done on Rock Springs Rd. Operators did a system check at the 101 Stockyard with prior notice and found no problems. Projects: The *New Office Building* at 388 Blohm has new windows and roof replacement. Plans are being checked at the County. *San Juan Interchange Relocation Project:* We have received reimbursement for the first request for funds in the amount of \$19,000 from Caltrans for the relocation of hydrants and pipeline. The largest amount of work must wait until the State acquires the property near Marilyn Lane. The *Carpenteria Well* is being pumped on a daily basis. There is still a short punch list of items to be completed before final payment will be made to Don Chapin Co. The LAFCO application for the *Oakridge/Via del Sol Annexation and Sphere of Influence* project has been submitted and scheduled for their June Commissioners meeting. Eng. Freitas is continuing to work on the engineering portion for the Bond. The bond attorney, Scott Ferguson of Jones Hall, is working on a contingency basis.

Staff: Both Operators Warner and DeAlba attended a distribution workshop. She commended Staff Cain and Goodman for presenting an Aromas Water District skit at Aromas Live, and the good relations it promotes with the community.

## VIII. ACTION ITEMS

- A. Resolution 2012-10 to Consent to Join the Health Benefits Program of the ACWA Joint Power Insurance Authority:** There will be a transition of employee health benefits to the JPIA and the ACWA Health Benefits Authority will be dissolved. There was no choice in the matter but a resolution needs to be adopted for their records.

Director Holman moved to adopt the resolution and Pres. Huggins seconded. It passed with the following vote:

Ayes: Huggins, Dutra, Mahler, Holman, Borchard  
Noes: None  
Abstain: None

- B. Resolutions 2012-11 Requesting Approval by the County of Monterey of Proposed Resolution of Intention and Boundary Map Under Section 10104 of the Streets and Highways Code of California:** The District proposes to form as Assessment District within the Oakridge/Via del Sol neighborhoods in unincorporated Monterey County. The resolution is required as a step before the County can allow the District to initiate proceedings.

Director Mahler moved to adopt the resolution and Pres. Huggins seconded the motion. It passed with the following votes:

Ayes: Huggins, Dutra, Holman, Mahler, Borchard  
Noes: None  
Abstain: None

- C. Amendment to Agreement for Funding Engineering Work for Oakridge/Via del Sol:** This amendment to the agreement with Monterey County formalizes the addition of \$50,000 to costs for additional engineering, LAFCO filing, and easement appraisals to provide water to the Oakridge/Via del Sol area. It will be repaid to the County by Property owners after formation of the Assessment District.

Director Holman moved and Director Borchard seconded that the Amendment to the Agreement be passed. It was approved unanimously.

- D. Proposed 2012-2013 Expense Budget:** GM Morris and the Ad Hoc Budget Committee consisting of Directors Borchard and Mahler met on May 17<sup>th</sup> and recommended that the budget in the amount of \$853,000 be approved as presented. There was discussion about the lower water revenues, but GM Morris is committed to managing expenses to avoid a rate increase in the near future. Lower energy costs at the Carr Booster and Carpenteria Well will offset some of the expenses. A 2% salary increase was proposed for Staff and Directors, except for Directors Mahler and Dutra, who have declined the increase. Staff had not received any raises since 2010. GM Morris distributed a comparison of salaries at other Water Districts and other Special Districts in the area. It showed that AWD salaries are generally lower than other agencies. She also compiled an outline of her duties, accomplishments and goals so that the Board can effectively review her performance. Customer, Wayne Norton encouraged the Board to pass the

budget and commended the leadership provided by GM Morris. He noted that the District had paid a high cost for poor leadership in the past. Director Borchard noted that the dedicated staff is both loyal and enjoys what they do. Director Dutra enjoys seeing staff out in the community and sees Operator's pride in their work and in taking care of equipment. He expressed his concern about the increasing cost for the CalPers retirement and how it will affect the District. The Board showed their gratitude to all of the staff.

Vice Pres. Dutra moved and Director Mahler seconded to approve the Expense Budget as presented. It passed unanimously.

- E. Financial Report:** GM Morris presented the financials for the month of April 2012. Total assets are \$6.78 million. Income for April 2012 was \$61,258 and included taxes received. President Huggins reviewed the payments from April 18<sup>th</sup> to May 16<sup>th</sup> 2012 which totaled \$84,088.77. Increasing bank fees were discussed as a sign of the times and had to be included in the budget.

President Huggins moved to accept the financials and it was seconded by Dir. Borchard. They were approved unanimously as presented.

## XII. FUTURE MEETINGS & AGENDA

The next Regular Meeting will be Tuesday, June 26<sup>th</sup>, 2012 at 7:00 pm at the District Office at 387 Blohm Avenue.

## XIII. ADJOURNMENT

President Huggins adjourned the meeting at 8:30 PM.  
Report submitted by Laurie Goodman, Board Secretary

Date: June 26<sup>th</sup>, 2012

Read and approved by:

  
Director

Attest:   
Laurie Goodman, Board Secretary