

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
July 26, 2011

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Holman on Tuesday, July 26th, 2011 at 7:03 p.m. at the District Office located at 387 Blohm Ave, Aromas, CA.

II. ROLL CALL:

Pres. Holman, Vice President Mahler, Directors Dutra, Huggins and Borchard were present. General Manager Vicki Morris and Counsel Bob Bosso were also present.

III. PLEDGE OF ALLEGIANCE: Pres. Holman 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 June 28th, 2011 Regular Meeting were presented for acceptance and approval. Director Borchard wanted the record to note that she was absent on the June 28th, 2011 meeting due to illness.

Director Huggins motioned and Vice Pres. Mahler seconded that the minutes be approved. The motion passed unanimously.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports:

Director Borchard went on a tour of the system with Operator David DeAlba during July. She commended DeAlba for the cleanliness of the shop, the condition of the system, his pride in his work, and the amount of work to be done over a large geographic area.

B. Attorney's Report: Counsel Bosso reported that the Judge awarded the Defendants and Cross-Complainants costs in the amount of \$12,753.33 in the recent water theft litigation and trial. GM Morris inquired about the possibility of writing a letter of complaint addressing the perceived bias of the San Benito County Superior Court judge. A discussion followed.

C. Manager's Report:

Operations: June production and resulting revenue was below normal. Counsel Bosso and GM Morris agreed that this trend is affecting all water districts and that concerns over revenue would eventually need to be addressed to make up for conservation and lack of growth. Director Huggins expressed his opposition to raising rates to make up for increased rain and customer conservation efforts.

Maintenance: GM Morris shared photos of some of the typical ongoing problems faced by operators including corroded pipes on customer side next to meters and uncovering buried valves.

Projects: Funding for the *New Office Building* has moved forward with a commitment letter from Santa Barbara Bank. The loan would include \$600,000 to be financed at 4.8% amortized over 20 years. The *Carpenteria Well Replacement* has had numerous delays caused by improper equipment or failure thereof. Maggiora Drilling has completed the drilling and well casing. Soil samples were available to view. The upcoming test pumping will determine the water quality and capacity. Hydrogeologist Martin Feeney is optimistic about the production. *Rea and Carr Tanks and Carr Booster* have received final permitting from the CDPH. The *Oakridge/Via del Sol*

Annexation proposal is to be addressed at a public meeting, date to be determined. Directors agreed to participate in an Aromas Water District booth on *Aromas Day*, August 28th.

IX. ACTION ITEMS

- A. Resolution 2011-06 to Clarify Monthly Rates for Private and Commercial Fire Protection Service:** Staff Laurie Goodman explained the need for changes to our rates for fire services because rates paid by residential fire service and commercial customers are not equitable. Previously, Resolution 2008-09 adjusted rates according to size of fire service meter for commercial customers, but did not clearly apply the rates to residences. Counsel Bosso pointed out that the resolution should be reworded to make clear that customers will pay for the cost of labor to install the fire service equipment. Director Dutra was concerned that customers who have one inch meters without fire service might protest having to pay the higher cost. Staff will address that issue in an updated resolution.

Pres. Holman motioned and Dir. Huggins seconded to pass the resolution as reworded. It passed with the following vote:

Ayes: Holman, Mahler, Dutra, Huggins, Borchard

Noes: none

Abstain: none

Staff will address Dir. Dutra's concern by preparing another resolution for consideration.

- B. Financial Report:** GM Morris presented the unaudited financials for the month of June 2011, the end of the fiscal year. Total current assets are \$6.4 million. Both revenue and expenses were below budget for the year. Staff is preparing for the 2010-11 audit. Income for June was \$86,311.28. President Holman reviewed the payments for June 22nd to July 19th, 2011 which totaled \$88,885.74.

Director Dutra moved to accept the financials and Director Huggins seconded. They were approved unanimously as presented.

X. FUTURE MEETINGS & AGENDA ITEMS

The next Regular Meeting will be Tuesday, August 23rd, 2011 at 7:00 pm. The location will be at the District Office at 387 Blohm Avenue.

XI. ADJOURNMENT

President Holman adjourned the meeting at 7:45 pm.

Report submitted by Laurie Goodman, Board Secretary

Date: August 23, 2011

Read and approved by:

Director

Attest: _____
Board Secretary