

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
May 26, 2015

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Norton on Tuesday, May 26, 2015 at 6:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Norton, Vice President Leap, Directors Dutra, Holman, Smith and General Manager Vicki Morris were in attendance. Counsel Bob Bosso and Engineer Freitas were also present.

III. ADJOURN TO CLOSED SESSION: The meeting was adjourned to closed session at 6:05 to discuss personnel matters.

IV. RETURN TO OPEN SESSION: At 7:04 the meeting returned to open session. President Norton reported that no action had been taken.

V. PLEDGE OF ALLEGIANCE: President Norton led the pledge of allegiance.

VI. STATEMENTS OF DISQUALIFICATION: There were no disqualification statements.

VII. ADDITIONS AND DELETIONS: There were no additions or deletions.

VIII. MINUTES: The minutes of the April 28, 2015 Regular Meeting was presented for acceptance and approval.

Vice President Leap moved to approve the meeting minutes. The motion was seconded by Director Smith. The minutes were unanimously approved.

IX. ORAL COMMUNICATION: There was no oral communication.

X. PRESENTATIONS

A. Director's Reports:

- Pres. Norton reported that he and V. Pres. Leap participated in meetings for the ad hoc 2015-16 Expense Budget/Personnel review with GM Morris during the month of May.
- Director Dutra visited the office to check in with staff and discuss the new solar project.

B. Attorney's Report:

- Counsel Bosso shared that the 4th District Court of Appeal decision in *Capistrano Taxpayers Association v. City of San Juan Capistrano* regarding the ability of public agencies to impose tiered water rates was not likely to be appealed. The court has affirmed an August 2013 ruling that concluded the city's tiered rates violated Proposition 218 and the city may have to refund three years of overcharges. He

explained that the effect on each district will be different. He recommended that the AWD stay with our current plan and rate structure.

- Counsel Bosso has also worked on the Oakridge/VDS easements for the 500 foot extension on Dunbarton and the tank site.

C. Manager's Report: Detailed report in agenda packet. Highlights include:

Operations:

- April production was about the same as last year
- Solar panels have been installed.

Oak Ridge/Via Del Sol Water Supply Project

- Service line installation project bids were received and are reported in item XI A.
- MPE repaired leaks on old Oakridge system which may have been caused by new construction.

Drought and Conservation

- GM Morris participated in a drought and conservation webinar for small districts and learned more about the new requirements imposed by the State Water Board. Districts must choose either a 25% reduction in overall usage or restricted outdoor water days to be implemented in June. Many challenges will need to be addressed. V. Pres. Leap asked if small districts will get an allowance for prior conservation. The requirement for reduction is based upon usage from June through November 2013 compared to June through November 2015.

Loan Refinance

- The refinance of the loan closed on 5/15/15 at considerable savings to the District. The loan has financed the treatment plant, SCADA equipment, storage tanks, Carpenteria Well replacement, the new office building and other upgrades. The tax-exempt portion of the loan is \$1,323,721 at 3% for 15 years and an additional \$200,000 for the solar project at 2.75% for 6 years with no balloon payment.

XI. ACTION ITEMS

A. Oakridge/Via Del Sol Water Service Line Installation Project Bid Results Award.

Bids from four contractors were received for installation of the 100 feet of service lines for the project. Low bidder was HNG Construction in the amount of \$54,190.

Director Holman moved to award the contract to HNG . It was seconded by VP Leap and passed unanimously

B. C. and D. Resolution 2015-04, 2015-05 and 2015-06 Tax Assessment Levy for 2015-2016 Tax year for Oak ridge/via Del sol, Orchard Acres and Ballantree/ Marilyn Lane (CFD 98-1). The Board reviewed the annual assessments to pay bonds for water line extensions for the three assessments districts.

Director Dutra moved to pass the three resolutions collectively. It was seconded by Director Smith and passed by the following vote:

Ayes: Norton, Leap, Holman, Smith, Dutra

Noes: None

Absent: None

Abstain: None

E. 2015-2016 Expense Budget: The proposed budget in the amount of \$969,080 was reviewed by the ad hoc Budget/Personnel committee members Pres. Norton and V. Pres. Leap with GM Morris on May 8th and 13th. Pres. Norton noted that the proposed budget balances out well. It includes the added cost of a full time Assistant Manager Position, but includes added revenue with rate increases and 47 new customers plus savings due to the loan refinance and solar power to offset PG&E costs. V. Pres Leap emphasized the additional costs of depreciation to build our reserves. GM Morris noted that we will be paying expenses for the solar panels for 6 years. Director Holman asked about the effect of the 25% reduction in usage on the budget. GM Morris discussed the complexity of taking over new systems and figuring out the actual target reduction.

Director Holman moved to pass the proposed 2015-2016 Expense Budget. V. Pres. Leap seconded. It was passed unanimously.

F. Financials: Revenue for April is \$86,520.82. Expenditures between April 22, 2015 and May 20, 2015 are \$58,814.17. Total assets are \$6.57 million. The financials were presented for discussion and approval. President Norton reviewed the expenses.

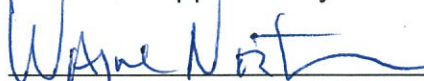
Director Dutra moved to accept the financials as presented and VP Leap seconded. The financials were accepted unanimously.

XI. FUTURE MEETINGS & AGENDA ITEMS - June 23, 2015

XII. ADJOURNMENT - Pres. Norton adjourned the meeting at 7:55 pm.

Date: June 23, 2015

Read and approved by:


Board President, Wayne Norton

Attest: 
District Secretary