

**Minutes of the Special Meeting of
the Board of Directors of the
Aromas Water District
December 21, 2016**

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Leap on Tuesday, December 21, 2016 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Leap, Vice-President Smith and Directors Holman and Dutra were present with Director Norton absent. Also in attendance were General Counsel Bob Bosso and Asst. General Manager/Board Secretary Mark Dias.

III. PLEDGE OF ALLEGIANCE: President Leap 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 November 22, 2016 Regular Meeting were presented for acceptance and approval. There were no comments or corrections. Director Holman moved to approve and the motion was seconded by Vice Pres. Smith. The minutes were approved unanimously by the directors in attendance.

VII. ORAL COMMUNICATION: There were no public comments.

VIII. PRESENTATIONS

A. Director's Reports

Director Smith reported he had attended the 15th meeting of Salinas Valley Water Groundwater Planning group and was impressed with the group's progress in forming a new 11-member Joint Powers Authority. President Leap reported on four items: (1) he and Vice President Smith (SGMA ad hoc committee) had been offered a tour of Rock's Ranch. Rocks Ranch representatives did not clarify what viable water source they were pursuing to serve any future development. (2) On Dec 8 the SGMA ad hoc committee (Leap and Smith) met with staff and agreed the previously planned December 21 Board SGMA workshop was no longer needed and instead could be addressed as part of the regular Board meeting. (3) On December 14 the ad hoc committee members attended a SGMA planning meeting with key staff from PVWMA, San Benito County Water District and Monterey County Water Resources Agency. AGM Dias would provide an update later in the meeting. (4) On December 15, he and AGM Dias toured the Watsonville's upgraded waste water treatment plant.

B. Attorney's Report

Counsel Bosso briefly reported that water districts were still awaiting appellate court rulings regarding various Proposition 218 cases involving water district conservation

rates. A rate hike by Goleta Water District was being challenged because the district only notified customers but not the property owners even though legislation allowed this approach. President Leap expressed interest in hearing a presentation from Counsel regarding the details of Proposition 218 at some future date.

C. Manager's Report: See detailed report in agenda packet. AGM Dias gave the report. Highlights included:

Production:

AGM Dias had submitted the required annual conservation report to the State and the District had again met the mandated 20% reduction in pumping as compared to the 2013 baseline year. The monthly monitoring well level graphs were discussed and water levels were continuing to recover from summer lows. The graphs cover more recent years since older data was less consistent/reliable. System losses remained under 6%.

Operations:

All critical activities were being completed and operations were going well despite one operator being on light duty. A triennial inspection by state inspector had been completed for the entire water system. The inspection went smoothly with only minor items noted.

Maintenance:

Regarding the warranty work for the Oak Ridge Tank, GM Morris had requested Monterey Peninsula Engineers work directly with the tank sub-consultant to assess options.

Audit:

The members of the ad hoc Audit committee would be meeting in January to review the FY 15-16 draft audit. The District's past/current auditor would not be available for the next FY 16-17 audit and so a new auditor would be sought. Counsel Bosso was aware of a California firm that specializes in audits for public water systems.

Projects

- Marshall/Blohm Ave Shop Building. Due to several large site improvement costs, plus Tri-County Fire's position that the main driveway would need to be paved, the projected costs for the Marshall site greatly exceeded the District's budget. Fire had not yet provided the actual codes for paving. A less expensive option was being investigated for a shop at the rear of the office lot at 388 Blohm. The first step was to locate the existing septic system to determine any septic constraints and available septic repair area.
- Main relocation at Rocks Road/Pinacate bridge. Director Dutra asked why the November minutes noted that the District had not accepted the pipeline from San Benito County until 2002. AGM Dias clarified that because the pipeline was originally under SB County ownership (CSA 45) for several years the County would have the construction and encroachment records instead of requesting them from the District.

D. Sustainable Groundwater Planning Report:

AGM Dias presented the fourth of a series of monthly updates. The agenda packet included a written staff report. AGM Dias gave a PowerPoint presentation. A printed version was available to the public. The presentation highlighted that: (1) staff had researched the pros/cons of each of the seven draft options and discussed them with all three neighboring water agencies; (2) Option A (PVWMA's submittal of an "Alternative" plan) could resolve the need for the District or the Counties to form a GSA; (3) It would take at least six months and up to two years for the State to review PVWMA's Alternative. (4) If Option A is denied by the State, then the District could revisit the most viable options and would still have at least 180 days to form a GSA. (5) Option E (forming a Joint Powers Authority) was not supported by any of the water agencies and was not recommended for further study. The SGMA ad hoc committee (Leap, Smith) had been tracking the developments and had attended the meeting with the neighboring water agencies. The Board concurred to await the results of State review of PVWMA's Alternative plan. GM Morris would send a letter the State in support of PVWMA's Alternative.

E. Correspondence: The monthly correspondence list was reviewed without comment.

IX. ACTION ITEMS

A. Financials: Revenue and expenses for November reporting period were \$70,653.50 and \$75,034.06 respectively. Total assets were \$8.98 million. Total liabilities were slightly lower than last year at \$1.91 million making a net equity of \$7.07 million. The expenditures from November 16 to December 9, 2016 totaled \$47,197.55. AGM Dias noted that the expenditures continued to be lower than the budgeted amounts in almost all major categories and that total, year-to-date expenses were lower than budgeted. President Leap had previously reviewed the expenditures.

Director Dutra moved to accept the financials as presented and Director Smith seconded. The financials were accepted unanimously by those directors present.


B. Elections of Officers for 2017: The staff report was reviewed. Nominations were opened to the Board. After a brief discussion Director Holman moved that President Jim Leap continue as President for another year. Motion was seconded by Vice President Smith. Motion passed unanimously with Director Norton absent. For Vice President, Director Holman moved that Vice President Richard Smith continue for another year. Motion was seconded by Director Dutra. Motion passed unanimously with Director Norton absent.

X. FUTURE MEETINGS & AGENDA ITEMS:

The next meeting is the regular meeting of January 24, 2017. No agenda items were added. A separate Ethics training was also planned at 5 PM on January 24th.

XI. ADJOURNMENT- Pres. Leap adjourned the meeting at 8:11PM until January 24, 2017.

Read and approved by:



Board President, Jim Leap

Attest: 

District Secretary, Mark Dias
Date: February 28, 2017