

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
November 26, 2013

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, November 26, 2013 at 7:02 p.m. at the District Office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

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

III. PLEDGE OF ALLEGIANCE: President 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 October 22, 2013 Regular Meeting and November 13, 2013 Special Meeting were presented for acceptance and approval.

Director Norton moved to approve both minutes and Director Leap seconded. The minutes were unanimously approved.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports: Director Leap attended a seminar on agricultural practices to promote water quality sponsored by the CCOF (California Certified Organic Farmers). He reported that stringent controls for protecting water are proposed in the "Ag Waiver".

B. Attorney's Report: Counsel Bosso gave an update on the court cases involving the use of tiered rates. The City of San Juan Capistrano tiered rates have been ruled unlawful under Proposition 218, but the City has filed an appeal. On the contrary, PVWMA rates were upheld. Counsel reported that 70% of water districts have tiered rates and he is closely watching these cases.

C. Manager's Report:

Operations: Production in October was 11.22 million gallons as we head into the fall season.

Staff: A new Administrative Assistant, Lisa Dobbins, has been hired to replace retiring staff member Laurie Goodman and will begin work on December 2nd. She comes with an impressive background and experience. Projects: GM Morris is continuing the lengthy USDA Application for the *Oakridge/Via del Sol Assessment*. Their funding requirements are complex and she has worked through many hurdles. They are requiring a prepaid \$150,000 reserve. Monterey County is considering a loan contract; details are still being worked out. The new *Seely Pump Station Engine Generator* is being manufactured and predicted to be installed in December.

IX. ACTION ITEMS

Discussion of Study for Rate Increase: The need for a rate increase has been discussed as a result of the recent Strategic Planning. Cash reserves have not increased as planned for reasons pointed out by GM Morris. Besides an overall decrease in water sold, there have only been a few new connections and income from property taxes and interest on cash has also decreased. She distributed a copy of the Bartle Wells Rate study done in 2007. The cost for them to conduct the study is considerably more today. She expressed her concern about the cost and would prefer to do the study in-house. Counsel Bosso stated a

professional study would be more defensible in court, if challenged. President Holman proposed that staff get a quote from Bartle Wells and several others. Director Norton expressed agreement because we definitely need greater reserves. Counsel Bosso stated that we will likely need bonding in the future and AWD would benefit from a higher revenue stream; this could allow us to get a lower interest rate. A continuous rate increase is limited to five years, when done correctly under Proposition 218. Director Norton requested a layperson's explanation of the Proposition from Counsel Bosso.

The Board gave staff direction to get proposals for a rate study. GM Morris will work on it as time allows.

B. Presentation of Financial Reports for the Month of October 2013: Revenue for October was \$80,823.73. Total assets are \$6.4 million. Total liabilities are \$1.4 million. Expenses from October 16th to November 18th, 2013 were \$152,031.20 and included the purchase of new Master Meters, PVWMA quarterly fees and progress payment to ERBCO for the new generator . Payments were reviewed by Pres. Holman.

President Holman moved to accept the financials as presented and Dir. Dutra seconded. The financials were accepted unanimously.

X. ADJOURNMENT

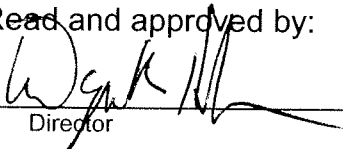
President Holman adjourned the meeting at 8:00 PM.

Report submitted by Laurie Goodman, District Secretary

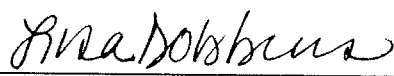
The next regularly scheduled meeting will be held on Wednesday December 18, 2013.

Date: December 18, 2013

Read and approved by:



Director

Attest: 

Lisa Dobbins, Board Secretary