

**Minutes of the Regular Meeting of  
the Board of Directors of the  
Aromas Water District  
November 22, 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, November 22, 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, Dutra and Norton were all present. Also in attendance were General Counsel Bob Bosso, General Manager Vicki Morris 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 October 25, 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 with Directors Dutra and Norton abstaining.

**VII. ORAL COMMUNICATION:** There were no comments.

**VIII. PRESENTATIONS**

**A. Director's Reports**

Director Norton reported that he had requested and received a briefing from District staff regarding SGMA groundwater planning efforts. President Leap said that during his visits to the office that staff seemed positive and motivated.

**B. Attorney's Report**

Counsel Bosso briefly reported that pending court rulings were dragging on regarding various Proposition 218 cases involving water district conservation rates. He also reported there were newer cases involving whether the public has a right to bring referenda (vs. initiatives) to challenge rate increases.

**C. Manager's Report:** See detailed report in agenda packet. Highlights include:

Production:

- GM Morris handed out monthly monitoring well level graphs. Water levels were continuing to recover from summer lows. Production (pumping) figures showed typical reduction for the fall months. The corresponding drop in revenue was consistent with budgeted figures. President Leap asked about annual, mandated conservation reporting. GM Morris responded those were due in December and that it appeared we were still meeting the mandated 20% reduction as compared

the 2013 baseline year. The area was still receiving more than average rainfall for this time of year.

Operations:

All critical activities were being completed and operations were going well despite one operator being on light duty.

Maintenance:

Weed control had started with mowing and spraying near fire hydrants and fence lines. Sheep were still under consideration for weed control in the solar panel yard.

Staff & Board Recognitions

- GM Morris noted AGM Dias had attended a two-day District Secretary training and was now the Secretary to the Board.
- GM Morris reported she had investigated the actual amount of funds lost due to the sudden closure of the District's payroll company (Pinnacle Payroll Solutions). The amount lost appears to be less than initial estimates. While Pinnacle did not make the tax payments, apparently they also did not withdrawal tax funds from District accounts. The final amount lost is still being determined. The District is assessing options for a new payroll company and in the interim is completing payroll in-house at least until the end of the year.

Projects

- Marshall Shop Building. Salinas Steel Builders had been asked to work on assembling information regarding site constraints such as easements, building/zoning setbacks, and septic locations. AGM Dias had met onsite with Tri-County Fire who initially indicated the main driveway would need to be paved adding significant project costs. Different access grades and options would be proposed. Fire Department was reviewing their codes.
- Water main relocation at Rocks Road Bridge (near Rancho Larios). GM Morris reported that nothing more had been heard from San Benito County staff since the October meeting. She noted that the pipeline had not actually been accepted by the District until 2002 meaning that it was under their ownership for a number of years.

**D. Sustainable Groundwater Planning Report:**

AGM Dias presented the third of a series of monthly updates. The agenda packet included a written staff report. AGM Dias also gave a PowerPoint presentation. A printed version was distributed to the Board and made available to the public. The presentation highlighted that: AWD staff has made progress assessing options with enough questions answered to develop a list of options. New landuse and mapping data allowed staff to analyze the size of the problem. Because of our local complexity, some GSA formation questions will not be fully answered before a decision is needed. Seven initial options were presented. Monterey and San Benito's County's participation level will impact which options are viable or not. PVWMA's submittal of an "alternative plan" appears to be pivotal since it may render the need to form a GSA moot. Staff would be meeting with County water district staff the week of

December 12. A list of pros/cons and cost estimates for the options were still under development. A Special Board workshop was recommended to discuss the options in detail. The Board discussed and selected Wednesday December 21st at 5 PM for the workshop.

**E. Correspondence:** The monthly correspondence list was reviewed. Director Holman asked about the use permit item. GM Morris replied it was an application to build a home on a vacant lot. Directors asked questions about the follow up on the Oak Ridge tank corrosion issue discussed last month. GM Morris responded she had discussed it with the District Engineer and the particulars of the construction contract were under review with the contractor. This contractor had been used for other tanks. Follow up was ongoing.

**IX. ACTION ITEMS**

**A. Financials:** Revenue and expenses for October reporting period were \$83,553.58 and \$124,802.82 respectively. Total assets are \$9.02 million. Total liabilities were similar to last year at \$1.92 million making a net equity of \$7.05 million. The expenditures from October 20 to November 16, 2016 totaled \$71,777.95. GM Morris noted that the expenditures were lower than the budgeted amounts in almost all major categories. The operations budget included non-routine costs for cleaning of all tanks, two large valves, two solar panels and SCADA programming. Net expenses were lower than budgeted for this point in the fiscal year. A mid-year budget adjustment would likely be presented in January. President Leap had previously reviewed the expenditures. He noted that separate entries to U.S. Treasury were now appearing instead of being included in a generic "payroll" entry as was previously the case. The pros and cons of contracting with a payroll company or doing payroll in-house were discussed.

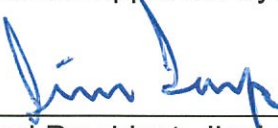
Director Dutra moved to accept the financials as presented and Director Norton seconded. The financials were accepted unanimously with all directors present.

**X. FUTURE MEETINGS & AGENDA ITEMS:**

The Board discussed options to hold a ground water sustainability workshop and to also reschedule the regular December meeting. It was agreed both meetings would be held Wednesday, December 21, with the workshop starting at 5PM and the regular Board meeting at 7 PM.

**XI. ADJOURNMENT** - Pres. Leap adjourned the meeting at 8:31PM until December 21, 2016.

Read and approved by:

  
\_\_\_\_\_  
Board President, Jim Leap

Attest:   
\_\_\_\_\_  
District Secretary, Mark Dias

Date: December 21, 2016

