

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
June 25th, 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, June 25th, 2013 at 7:00 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 present. General Manager Vicki Morris, Counsel Bob Bosso and Engineer Mike Freitas 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 May 28, 2013 Regular Meeting were presented for acceptance and approval.

Vice Pres. Mahler moved and Director Leap seconded that the minutes be approved and they were unanimously accepted as written.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports: Director Norton reported from the ad hoc Aquifer Risk Assessment Committee that San Benito Board of Supervisors passed an ordinance to regulate oil and gas extraction. Dir. Norton was pleased to announce that the new ordinance provides for water quality testing where there was nothing required previously. Director Leap reported that he and Dir. Norton met with GM Morris as the ad hoc Capital Expense Committee, on the agenda as item IXA. Pres. Holman visited the office concerning a leak on his property. His concerns were addressed by Staff Maureen Cain and he was pleased with the help he received.

B. Attorneys Report: None

C. Manager's Report:

Operations: Production in May was 12.74 million gallons reflecting an overall increase in usage. All sampling has met State Health Standards. Vehicle damaged hydrant repair work was completed at School Rd. and Hwy 129 and insurance has been billed. Staff: GM Morris has made application for and received two grants: \$2,000 from American Public Works Assoc. for an Engineering Student Internship grant for the summer, and a CSDA grant for two educational seminars for \$1,175. Operators Warner and DeAlba attended training for Back Flow Tester Recertification. Staff is working through issues on both the new billing software program and the takeover by Union Bank. GM Morris met with Tim Quinn, CEO and other executives from ACWA to assess needs of our District. Projects: The Seely Area Annexation application will be completed soon and submitted to LAFCO of SB County.

IX. ACTION ITEMS

A. Proposed 2013-2014 Fiscal Year Capital Budget: Directors Norton and Leap reviewed the proposed Capital Budget with GM Morris in the amount of \$218,000, which

would be allocated from cash reserves reducing the reserves to approximately \$200,000. Phase I includes the most urgent expenses. An emergency back-up generator designed and installed at the Seely Booster Station would service 80% of our customers in a power outage for a cost of about \$90,000. A new SCADA system is needed to replace the current outdated one and would be designed and implemented by TESCO for about \$29,000. A change to better quality and more dependable Master Meter Company for the radio read meters would eventually replace the problem-prone Neptune radio read meters currently in use. Since our revenue is based on the meters we have, it was recommended that we purchase the Software, hardware and 60 radio read meters at a cost of \$24,000. Phase II expenditures would depend on completion of the first phase within the estimated budget. Phase II consists of resealing asphalt on Cole and RLS Tank roads, re-grading and base rock for Ballantree tank road, rehabilitate 388 Blohm apartment, replace roof at Marshall yard shop and replace Rose Ave. valve, all for a cost of about \$70,000. Discussion and questions followed. Dir. Dutra suggested a new steel building at Marshall Yard in lieu of roof replacement. V. Pres Mahler suggested that Phase II be approved later.

Director Norton made motion to adopt Phase I of the proposed Capital Budget and Dir. Mahler seconded it. The budget passed unanimously.

- B. Proposal for Engineering Services by Freitas + Freitas to Design and Prepare Bid Documents for an Emergency Generator:** The generator would be located at the Carpenteria Well and Seely pump station to be back-up for pumping water to the Cole Tank, RLS Tank, Pinetree Tank, Rea Booster and Rea Tank supplying most of our customers. The only portion of the system that would not be served by the generator would be the Carr Booster which could be run by a smaller mobile generator. The contract with Freitas + Freitas for the design engineering complete with technical specifications totals \$5,100.

President Holman moved to adopt the proposal and Dir. Norton seconded. The Proposal for Engineering Services was approved.

- C. Presentation of Financial Reports for the Month of May 2013:** Revenue for May was \$97,343. Total assets are \$6.57 million. Total liabilities are \$1.44 million. Expenses from May 22nd to June 18th, 2013 were \$64,124.97. Payments were reviewed by Pres. Holman.

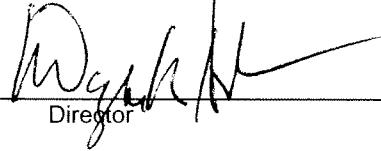
Pres. Holman moved to accept the financials as presented and Dir. Norton seconded. The financials were accepted unanimously.

- X. ADJOURN TO CLOSED SESSION:** The meeting was adjourned to closed session at 8:20 PM to review annual evaluation of General Manager, Vicki Morris.
- XI. RETURN TO OPEN SESSION:** The Board returned to open session at 8:50 PM. President Holman reported that the Board performed a personnel evaluation of GM Morris.

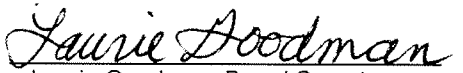
XII. ADJOURNMENT

President Holman adjourned the meeting at 8:55 PM.
Report submitted by Laurie Goodman, Board Secretary

Date: July 23, 2013
Read and approved by:



Director

Attest: 
Laurie Goodman, Board Secretary