

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
October 28, 2014

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, October 28, 2014 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Norton, Vice President Leap, Directors Dutra, Holman and Mahler were in attendance. General Manager Vicki Morris, staff: Maureen Cain, Gina Patten, Engineer Mike Freitas and Counsel Bob Bosso were also present.

III. PLEDGE OF ALLEGIANCE: President Norton 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 September 23, 2014 Regular Meeting were presented for acceptance and approval.

V.P. Leap moved to approve the minutes. Director Holman seconded the motion. The minutes were unanimously approved.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports:

- Pres. Norton & V.P. Leap attended the Special Districts Association of Monterey County Quarterly dinner meeting with GM Morris. A topic at the meeting was recycled water in the Salinas Valley.
- Pres. Norton reviewed financials in the office last week.

B. Attorney's Report:

- Bob Bosso provided the Board with a summary of a court order in the San Juan Capistrano tiered rates case. The order includes continuing oral arguments and created two hypotheticals with a number of questions to be addressed. Could take 90 days beyond January 2015.

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

Operations:

- July, August and September the usage is down from prior years. Conservation by AWD customers shows an approximate 14% reduction in use.

- The District is going into a lower use time period.
- AWD has two more new connections coming on-line.
- AWD's Chief Operator is on medical leave and retiring at the end of the year.
- The District has hired a new Water System Operator, Trevor Zelmar.

Projects:

- AWD bill card program for October offered customers \$5 off to go paperless. Nine customers signed up for automatic transfer payment and email billing.
- Oak Ridge/Via Del Sol will be breaking ground soon. As required the work will meet all environmental mitigations.
- Staff has decided not to pursue a State Water-Energy Grant for funding for the solar project at Carpenteria and for conservation projects. The issues of concern are limited staff time availability and the lack of potential to be competitive.

IX. ACTION ITEMS

- A. Presentation by Brian Lockwood, Senior Hydrologist of Pajaro Valley Water Management Agency (PVWMA):** Discussing current state of the basin and the status of the Basin Management Plan.

Mr. Lockwood delivered a PowerPoint presentation. Highlights include:

- The State is experiencing a historic drought.
- Current land use in the Pajaro Valley equals approximately 28,000 irrigated acres.
- Agriculture uses 80% of water supply in Pajaro Valley.
- Seawater intrusion first documented in 1953.
- PVWMA formed in 1984 by the California Legislature.
- Water levels from 110 monitoring wells throughout the Pajaro Valley have dropped 4 to 5 feet.
- Water levels in the Aimee Meadows monitoring well in the Aromas area had dropped 1 - 2 feet.
- Overview of water supply facilities developed by the PVWMA.
- Overview of Basin Management Planning (BMP) both projects and funding strategies.

Link to Mr. Lockwood's presentation:

http://www.aromaswaterdistrict.org/images/20141028_AWD_BOD_Final_2_.pdf

- B. Out of District Service Agreement:** Discuss water service to parcels in Sphere of Influence but not annexed. Request by property owner at APN # 141-011-006.

- GM Morris explained that the previous parcel owner at APN# 141-011-006 requested to be drawn out of the Oak Ridge area annexation and/or assessment. The current parcel owner is requesting water service from AWD for their existing residence.
- Included in the agenda materials is a letter from the Arredondo family requesting a service connection, a parcel map and an excerpt of LAFCO ordinance.
- The out of district service agreement will be subject to LAFCO process.
- San Benito LAFCO is the lead LAFCO for AWD. The District would have to get

permission from San Benito LAFCO to have Monterey County LAFCO process the request. As was done with the Oak Ridge annexation. The cost for the process at LAFCO is approximately \$2,000.

- Jose & Miguel Arredondo addressed the Board requesting their consideration to have their 48 acre parcel served. On this parcel they farm 20 acres with a spring box as their source of water, this supply does not meet health and safety requirements for residential drinking water.
- GM Morris explained that any service from AWD would be for residential use only.
- The Arredondo's are subject to the assessment for the Oak Ridge water supply project currently being constructed at the cost of \$62,000.
- There is no USDA financing for this. The buy in purchase would be applied to the bond.

Director Holman made a motion to pursue an Out of Service Agreement as presented, Director Dutra seconded. The issue went to discussion.

- V.P. Leap suggested that the Arredondo's pursue an agricultural well since any connection to AWD would be for residential only.
- Pres. Norton raised his concerns about this action creating precedent. He suggested that AWD develop a policy for this kind of request.
- Director Dutra recommended that the Board address each parcel one at a time or as they come forward to the District.
- Pres. Norton said that their parcel is contiguous along service lines which is important.
- District Engineer Mike Freitas commented that he thought it was a legitimate request to consider.
- There were a number of questions from the public and staff on the issue.

After lengthy discussion a vote was taken. Four members of the Board voted to accept the motion, Pres. Norton voted against.

C. 2014-2015 Director's Compensation: Review status and history of compensation for Board members.

- GM Morris explained that the Water Code 20201 allows for 5% increase per year, not compounded from the original \$100 per month. She shared that some districts offer additional stipends for second Board meetings per month or committee meetings.
- Director Holman requested that this item be addressed at tonight's meeting after the Board declined to raise Director compensation back in May 2014 in conjunction with the annual budget review and adoption process.
- Director Holman expressed that it is not about the money but the principal of the idea.
- V.P. Leap expressed that he prefer not to have compensation for other meetings but does believe that it is reasonable to be compensated for the allowable incremental increase.
- Director Mahler said in light of the District raising rates, she felt it best to not give Director compensation increases at this time.

- Pres. Norton suggested that this discussion item be a separate Board item at the same meeting as the Mid-year budget review which typically is at the January 2015 meeting.
- Discussion to be continued at that time.

D. Presentation of the Financial Reports for the Month of September 2014: Revenue for September is \$607,891.50. Expenditures between September 17 and October 21, 2014 are \$117,150.33. These financials and monthly expenditures will be presented for discussion and approval.

- GM Morris shared that the annual audit is underway and that she would like to get volunteers from the Board to be on the audit committee.
- V.P. Leap and Director Mahler volunteered to be on the audit committee.
- GM Morris noted the Balance Sheet was incorrect and informed the Board that a corrected sheet will be sent out via email.

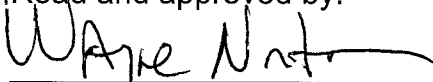
Director Mahler moved to accept the financials as presented and V.P. Leap seconded. The motion was accepted unanimously.

X. FUTURE MEETINGS & AGENDA ITEMS - November 25, 2014

XI. ADJOURNMENT - Pres. Norton adjourned the meeting at 9:15 pm.

Date: November 25, 2014

Read and approved by:



Board President, Wayne Norton

Attest: 

Lisa Dobbins, District Secretary