

**Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
March 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, March 22, 2016 at 7:01 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Leap, Vice President Smith, Directors Dutra, Holman and Norton were present. General Manager Vicki Morris, Counsel Bob Bosso and staff Maureen Cain and Louise Coombes were also in attendance.

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 February 23, 2016 Regular Meeting were presented for acceptance and approval.

Director Dutra moved to approve the meeting minutes. The motion was seconded by Director Norton and the minutes were approved unanimously.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Report

- Director Norton reported he attended a PVWMA meeting to address the Sustainable Groundwater Management Act to learn more about the formation of the state-required Groundwater Sustainability Agency (GSA). GM Morris and Directors Leap and Smith also attended the meeting.

B. Attorney's Report:

- Counsel Bosso reported they are still waiting on court appeals including Great Oaks Water in Santa Clara and the Ventura County Cases. Supreme Court will decide by April 16 if they will grant hearings to rule on whether Proposition 218 applies to pumping charges in the cases being considered.
- He added information that the Howard Jarvis Taxpayers Association is trying to amend the State procedure for validating assessment bonds so that it could be challenged during a review period after an agency has already validated it.

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

Operations:

- February 2016 production was 4.687 million gallons, the lowest in at least the past 10 years.
- Operators are using the new brush mower, instead of Round-up to control weeds.

Staff

- Operators DeAlba and Zelmar attended a safety seminar and have implemented some new procedures and purchased equipment for safety compliance, especially in road and traffic situations.
- The new intern is working with operators two days a week.

Oakridge/VDS

- A questionnaire has been sent to all property owners for future Lead and Copper testing program.
- USDA final inspection was completed and final retention was made to AWD for payment to contractors.
- Annexation of two additional parcels will be considered by LAFCO of Monterey on March 28.

Marshall Well

- Marshall Well pump test will be conducted by Martin Feeney in April.

Other News

- GM Morris noted that CalFire is resuming their chipper program and mulch is available at the Carpenteria well site (490 Carpenteria).

D. Correspondence:

Directors asked about communications with Elkhorn Nursery. GM Morris reported that plants for landscaping/screening at the solar arrays will be ordered soon.

IX. ACTION ITEMS

- A. Presentation of Audited Financial Statements for Fiscal Year 2014-15:** Robert Smiley of Armanino, LLP was introduced. He thanked Directors Leap and Smith for meeting with GM Morris and him to review the Audited Financial Statements. He presented the report with explanations of the purpose and scope of the audit. Revenue for the period is stable as offset by the rate increase. New connections (Oakridge/Via Del Sol) provided income. Cash flow is similar to the previous year. The increase in accounts payable is higher because of the Solar project. There were changes in the accountancy of pensions through CalPERS which resulted from the Governmental Accounting Standards Board (GASB 68) implementation. Mr. Smiley reported that the District is in good shape. Additionally, Mr. Smiley presented a single audit for the loan through USDA for the Oakridge/Via Del Sol Water Supply Project.

B. Presentation by Brian Lockwood, Senior Water Resources Hydrologist for PVWMA. Mr. Lockwood gave a power point presentation on the Sustainable Groundwater Management Act, a statewide formation of agencies to produce plans to implement the enforcement of groundwater protection and management. Currently, the boundaries of the management areas are forming. The AWD is in one of the high priority areas designated by the State. Although PVWMA will most likely be the Groundwater Sustainability Agency (GSA) for Pajaro Valley Basin 3-02, there are additional areas served by AWD outside of the area PVWMA is likely to manage. The complexities of the geography and overlapping political boundaries cause this to be a problematic issue. There is a possibility that AWD will form a GSA for portions of our sphere of influence which are part of Pajaro Valley Basin 3-02 and outside of PVWMA's political boundary. The staffing needs and financing involved in such an endeavor would need to be addressed.

The Board thanked Mr. Lockwood for his presentation and then discussed some of the implications of the Sustainable Groundwater Management Act. GM Morris will follow up with contacting attorney Russell McGlothlin, an expert in water use and management. An ad hoc Committee was formed with Pres. Leap and VP Smith to develop questions needing to be answered. Counsel Bosso offered to be available by conference call.

C. Financials: Revenue for February was \$57,942.33. Total assets are \$6.59 million. The expenditures between February 18 and March 16, 2016 are \$59,671. President Leap reviewed the expenditures.

Director Dutra moved to accept the financials as presented and VP Smith seconded. The financials were accepted unanimously.

X. FUTURE MEETINGS & AGENDA ITEMS: Next meeting will be April 26, 2016.

XII. ADJOURNMENT - Pres. Leap adjourned the meeting at 9:25 pm.

Date: April 26, 2016

Read and approved by:



Board President, Jim Leap

Attest: 

District Secretary