

Minutes of the Regular Meeting of  
The Board of Directors of the  
Aromas Water District  
August 28<sup>th</sup>, 2012

**I. CALL TO ORDER:**

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Huggins on Tuesday, August 28<sup>th</sup>, 2012 at 7:07 p.m. at the District Office located at 387 Blohm Ave, Aromas, CA.

**II. ROLL CALL:**

Pres. Huggins, Vice President Dutra, Directors, Mahler and Holman were present. General Manager Vicki Morris, Counsel Bob Bosso and staff Maureen Cain and Gina Patten were also present.

**III. PLEDGE OF ALLEGIANCE:** Pres. Huggins 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 July 24, 2012 Regular Meeting were presented for acceptance and approval.

Director Mahler moved and Director Dutra seconded that the minutes be approved. Approval was unanimous.

**VII. ORAL COMMUNICATION:** Becky Steinbruner spoke on behalf of Via del Sol resident Bob Perry. She is not a resident, but is hoping that he and other Via del Sol residents will not be forced to be included in the assessment district planned to be formed as a result of the annexation into the AWD. She asked that the next agenda include the Oakridge/Via del Sol proposal so that the Board can respond to her questions about the possible reconsideration of the LAFCO action and redefinition of the proposed annexation.

**VIII. PRESENTATIONS**

**A.** Director's Reports: None

**B.** Attorney's Report: None.

**C.** Manager's Report:

Operations: Production for July was 14.1 million gallons. All wells are being exercised as a way to monitor and maintain all system operations. All sampling has come back with good results.

Projects: The *New Office Building* at 388 Blohm continues to progress well. Work will probably be slightly over budget because of additional foundation work and the addition of a trellis, but everyone seems to be pleased with the work and completion is projected to be in September. The *Caltrans and Rocks Road Bridge Relocation Projects* are progressing. The Caltrans relocation work will likely be put out to bid in October. GM Morris hopes the AWD portion of the cost of the San Benito County Rocks Rd. Bridge Relocation will be less expensive if engineered and constructed by the same contractor with the bridge construction. The LAFCO application for the *Oakridge/Via del Sol Annexation and Sphere of Influence* project has been approved and the protest hearing is closed. All votes must be checked for validity. A large group from Via del Sol is now opposed to the project because of the cost. The AWD Board will decide to accept or change the boundaries at the next meeting. GM Morris presented information on the possible *Oil or Gas Exploration and Hydraulic Fracturing* ("Fracking") that could affect our local area as evidenced by seismic studies which took place during July. She recommends that the Board form a committee to come up with a strategy for addressing the issue. Staff: Operator David DeAlba has completed six years with the District.

## IX. ACTION ITEMS

- A. Appointment of New Director:** The vacancy left by the resignation of former Director Sylvia Borchard last month has been posted at the library, post office and other visible locations in Aromas. We received applications from two interested persons qualifying for the position. Residents Wayne Norton and Steven Manville submitted the required application. Mr. Manville was not present. Mr. Norton was asked to tell about himself. He has lived in Aromas since 1985. He feels protecting our water is the foremost task of the Board and he would hope to work together to control the destiny of our future. Director Mahler was impressed with his attendance at so many recent meetings.

Director Holman nominated Mr. Wayne Norton for the Director position and Pres. Huggins seconded. He was elected unanimously. He took the oath of office administered by Secretary Goodman and took his seat.

- B. Resolution 2012-14 to thank former Director Sylvia Borchard for Serving on the Board:** A Certificate of Appreciation was prepared.

Director Holman moved to pass the resolution and Director Mahler seconded the motion. It passed with the following votes:

Ayes: Huggins, Dutra, Mahler, Holman and Norton

Noes: None

Absent: None

- C. Biennial Review of Conflict of Interest Code:** The Board is required to review its Conflict of Interest Code every other year. There were no changes recommended.

Director Mahler moved and Director Norton seconded that the Code did not need changes. It was approved unanimously.

- D. Agreement with Graniterock for Temporary Service of APN 011-020-017:** Counsel Bosso prepared the agreement to provide temporary service to Graniterock property, an annexed parcel at 400 Forest Rd. They do not want to pay the full connection fee because the house will be torn down in the future. The agreement provides a separate meter connection for a maximum of five years in the amount of \$5,000. If Graniterock wants to continue the service after five years, they will be required to pay the rest of the connection fee in effect at that time, minus \$5,000. They would also be responsible for the costs to tap the main and install the new meter.

Director Holman moved to accept the agreement, as written, and President Huggins seconded. It was accepted unanimously.

- E. Proposal to Annex Properties in Seely Avenue Area:** The property owners have two lots (APNs 011-150-078 and 011-150-141) which are mostly surrounded by parcels served by the District. They wish to be annexed and purchase connections. They were excluded from the annexations that included most property on the northern side of Seely Ave in 1971 and 1982. They have been in the Sphere of Influence since 1970. In July, GM Morris proposed that we include 16 other parcels in the vicinity that would logically fit into an annexation that would not leave any islands in that part of the historic Sphere of Influence. There was discussion about the costs of annexation and who would be responsible to pay for those. It was determined that

inclusion of any other parcels would cause the District to pay for those costs. Becky Steinbruner asked why "hopscotching" was allowed in the previous annexations in the vicinity. Counsel Bosso explained that laws have changed since then and LAFCO would prevent that from happening now.

Director Holman proposed that GM Morris look into the intentions/needs of the other property owners and report back to the Board with a proposal based on those findings. The motion passed unanimously.

**F. Financial Report:** GM Morris presented the financials for the month of July 2012. Total assets are \$6.8 million. We have benefited from larger than usual bulk water sales. Income for July 2012 was \$98,753.54. Pres. Huggins reviewed the payments from July 17<sup>th</sup> to August 21<sup>st</sup> 2012 which totaled \$120,382.92 and included renovation work on the new office building.

Vice President Dutra moved to accept the financials and it was seconded by Director Holman. They were approved unanimously as presented.

- X. ADJOURN TO CLOSED SESSION.** Board adjourned to closed session at 8:21 PM.
- XI. RETURN TO OPEN SESSION:** The meeting returned to open session at 8:32 PM. Counsel Bosso reported that Board discussed General Manager annual performance evaluation.

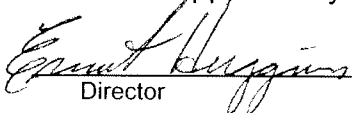
The next Regular meeting will be held September 25<sup>th</sup> and agenda will include Oakridge/Via del Sol and a proposal to address oil or gas exploration. Directors Holman and Norton formed an ad hoc committee to meet with GM Morris to put a recommendation together. Director Norton suggested there be a presentation on the state of the Pajaro Basin Aquifer in the future.

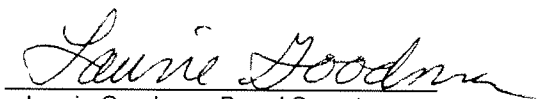
**XII. ADJOURNMENT**

President Huggins adjourned the meeting at 8:50 PM.  
Report submitted by Laurie Goodman, Board Secretary

Date: September 25, 2012

Read and approved by:

  
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Director

Attest:   
\_\_\_\_\_  
Laurie Goodman, Board Secretary