

**Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
May 24, 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, May 24, 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, Directors Dutra, Holman and Norton were present. General Manager Vicki Morris, Counsel Bob Bosso and staff Maureen Cain were also in attendance.

III. PLEDGE OF ALLEGIANCE: President Leap asked Vice President Smith to lead 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 April 26, 2016 Regular Meeting were presented for acceptance and approval.

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

VII. ORAL COMMUNICATION: There were no comments.

VIII. PRESENTATIONS

A. Director's Report

- President Leap reported that he, GM Morris and V. Pres. Smith attended the ACWA Conference in Monterey on May 4th. There were two sessions covering California State Groundwater Management (CSGM). He commented that the challenges in forming the boundaries of the Groundwater Sustainability Agencies are still being realized by the State and that much of California is facing similar challenges to AWD. There was discussion that the direction for the District will most likely be to manage our own GSA, but coordinate with PVWMA with an agreement for their management of the plan. The GSA must be finalized by June 2017.
- Director Leap distributed materials for annual performance evaluation of General Manager to be discussed in closed session at the June meeting.

B. Attorney's Report:

- Counsel Bosso reported that he also attended the ACWA Conference. The Legal Affairs Committee discussed numerous new Proposition 218 cases involving water districts.

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

Operations:

- April 2016 production was 5.8 million gallons, customers have begun irrigating but usage is much lower than 2015.
- Well levels are dropping consistent with seasonal use , but recovery continues to be steady.
- Derek Davis of SDRMA reviewed office and field safety and made some recommendations including safety at the Leo Booster confined space.
- Operators have kept up an abundance of mowing.

Staff

- Operators DeAlba and Zelmar continue to attend a monthly safety seminar.
- Recruitment notice for Assistant General Manager was distributed via emails. Deadline for application was May 23rd and over 70 applicants have responded. Director Norton and Pres. Leap will assist with selection process.

Marshall Well

- Marshall Well pump test has been performed by Martin Feeney. Well produced satisfactorily with quick recovery. Water quality samples were taken, the results have not been studied yet.

Drought

- Governor Brown has issued an Executive Order to extend emergency conservation through the end of January 2017. AWD will continue to support water efficiency throughout the District. AWD will report annually (in December) to the State DWR.

D. Correspondence:

Directors asked for additional information on the communications with San Benito County Sheriff's Office and San Benito County planning. Regarding LAFCO of Monterey, GM Morris reported that one of the newly annexed parcels has purchased a meter.

IX. ACTION ITEMS

A. California Drought Emergency Regulations: Shawn Novack, Water Conservation Program Manager of Water Resources Association of San Benito County gave a presentation on the current water situation in the San Juan Valley Basin. They are implementing a mandatory 15% reduction from Fall 2013 numbers. Water Districts are struggling with reduced revenue. He discussed impact of new residential development in Hollister. Homes are being constructed with more water-efficient appliances and landscaping. Water softeners are banned

throughout their district. San Benito County Water Resources is set up for the requirements of CSGM except for some boundary determinations.

B. Resolution 2016-02 to approve CalPERS Supplemental Income 457 Plan: GM Morris presented the plan to allow AWD to participate in a deferred compensation plan administered by CalPERS. It would allow employees to contribute pre-tax earned income for retirement savings at no cost to the District.

Director Holman made a motion to adopt the resolution and Director Norton seconded. It passed with the following vote:

AYES: Leap, Smith, Dutra, Norton, and Holman
NOES: None
ABSTAIN: None
ABSENT: None

C. Resolutions 2016-03, 04, 05 for Assessments on 2016-2017 Tax Rolls: Board reviewed the resolutions to secure assessments in the amounts of \$47,303.18 for CFD 98-1, \$156,224.76 for Oakridge/Via Del Sol and \$36,560 for Orchard Acres. GM Morris reported this is the last tax year before payoff of the CFD 98-1 Assessment (Ballantree/Marilyn Lane).

Director Norton made a motion to approve the resolution and V. Pres. Smith seconded. It passed with the following vote:

AYES: Leap, Smith, Dutra, Norton, and Holman
NOES: None
ABSTAIN: None
ABSENT: None

D. Resolution 2016-06 Ordering Election of Directors in November 2016 General Election: Terms of office for Directors Holman and Norton end in 2016.

V. Pres. Smith made a motion to approve the resolution and Director Holman seconded. It passed with the following vote:

AYES: Leap, Smith, Dutra, Norton, and Holman
NOES: None
ABSTAIN: None
ABSENT: None

E. Annual Expense Budget for 2016-17: GM Morris prepared the Expense Budget in the amount of \$1,003,080. Ad hoc budget committee members Directors Holman and Norton reviewed the budget with GM Morris. She noted that the approved rate increase of 7% will go into effect on July 1. Compared to 2015-16, Payroll and employee costs are expected to increase. Increased revenue is also expected.

Director Holman moved to approve the budget as presented. Director Norton seconded and it was approved by unanimous vote.

C. Financials: Revenue for April was \$73,022.37. Total assets are \$6.59 million. The expenditures between April 21 and May18, 2016 are \$134,122.18 and included the bi-annual loan payment in the amount of \$73,491.07. President Leap reviewed the expenditures.

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

X. FUTURE MEETINGS & AGENDA ITEMS: Next meeting will be June 28, 2016.

XII. ADJOURNMENT - Pres. Leap adjourned the meeting at 8:17 PM.

Date: June 28, 2016

Read and approved by:



Board President, Jim Leap

Attest: 

District Secretary