

**Minutes of the Regular Meeting of  
the Board of Directors of the  
Aromas Water District  
October 25, 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, October 25, 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 and Director Holman were present. Directors Dutra and Norton were absent. Also in attendance were General Counsel Bob Bosso, General Manager Vicki Morris and Asst. General Manager/Board Secretary Mark Dias.

**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 September 27, 2016 Regular Meeting were presented for acceptance and approval. There were no comments or corrections. Director Holman moved to approve the meeting minutes. The motion was seconded by Vice Pres. Smith and the minutes were approved unanimously with Directors Dutra and Norton absent.

**VII. ORAL COMMUNICATION:** There were no comments.

**VIII. PRESENTATIONS**

**A. Director's Reports**

There were no director's reports

**B. Attorney's Report**

Counsel Bosso briefly reported that agencies are still awaiting pending court rulings regarding various Proposition 218 cases involving water district conservation rates.

**C. Manager's Report:** See detailed report in agenda packet. Highlights include:

Production:

- GM Morris handed out monitoring well level graphs. It was noted the water levels appeared to be recovering from previous years possibly due to the end of seasonal ag pumping and recent rainfall. Water conservation appeared to be ongoing with September production the same as last year, and with October production, so far, lower than last year.

### Operations:

All three wells remained in operation.

### Maintenance:

The tanks had been cleaned and inspected per the contract approved the previous month. In addition to the six larger tanks, the contractor was also able to access and inspect the School Road tanks with a small change order. There were no additional charges for spot repairs. Sediment levels were typical except for the Pine Tree Tank which had thicker sediment. This may have been due to sediment from the Carpenteria well brought online since the last cleaning. The District's newest tank at Oak Ridge was noted to have higher than normal corrosion rates for such a new tank. In some cases this was due to using dissimilar metal-types for hardware and bolts. In other cases the contractor did not use spacers or epoxy to separate the bolts from the tank walls. GM Morris would review the details of the warranty and would be contacting the contractor while the tank was still under warranty.

### Staff & Board Recognitions

- The District's new Customer Service Representative, Ester Girón, was in the audience. GM Morris welcomed her and introduced her to the Board.
- The auditor had received the District's financial data and it was currently being reviewed. A draft audit is expected in November. GM Morris requested two Board members for the *ad hoc* audit committee. Directors Smith and Holman volunteered. GM Morris noted that due to changes in the auditor's work location and retirement plans he would not be available next year. The District would need to obtain a new auditor and issuing a Request for Proposals (RFP) would be advisable.
- The District's payroll company, Pinnacle Payroll Solutions, had suddenly gone out of business and was currently under investigation by the District Attorney's Office and the FBI. Pinnacle received all the payroll funds from the District and the payroll checks were issued. However the federal and state taxes were not transmitted to either the IRS or the State by Pinnacle. The location of the missing tax funds is unknown. The exact amounts have not been determined. The District is assessing options for a new payroll company.
- Regarding "No Parking" signs along Blohm Ave just north of the park, GM Morris had contacted the County of Monterey. The County's initial response was that it was a complicated process requiring a Board of Supervisor's ordinance. County staff could look into whether past ordinances were previously approved for Blohm Ave and possibly (re)use that previous ordinance. It was also learned that other parties had requested "No Parking" along the Carpenteria frontage of the park. Since the park is intended for public use it may be less likely that public parking would be restricted nearby.
- Red Flag Rule. GM Morris reported to the Board that she and staff had conducted the annual review of District operations and found that no significant changes had occurred during the year and so no major revisions to the Rule were needed.

## Projects

- Marshall Shop Building. GM Morris had been working to obtain revised bids. E.R. Bacon had not responded with additional information. Salinas Steel Builders had responded and will be meeting on site with District staff on October 26. There are no deadlines for a decision on this project.
- Water main relocation at Rocks Road Bridge (near Rancho Larios). GM Morris reported that during the week of Oct 17, AWD staff met with staff from San Benito County. The District's engineer, Mike Freitas, and Supervisor Botelho also attended. San Benito county's initial position was that no District pipeline could be located on the bridge and that the pipeline relocation work could not be included in the bridge contract. San Benito County staff was newly hired and would be looking into the project design details and the history of the pipeline easement. District staff intend to pursue a pipeline integrated with the new bridge. More meetings were planned.

### **D. Sustainable Groundwater Planning Report:**

AGM Dias presented the second of a series of monthly updates. The agenda packet included a written staff report. AGM Dias also gave a PowerPoint presentation which highlighted that:

- Due to the complex local setting, several questions were submitted to the State and PVWMA regarding establishing a GSA. It is possible that some questions may not be fully answered before the June 30, 2017 filing deadline.
- It is too early to develop a clear list of pros and cons or cost estimates
- Some basic steps for GSA formation were introduced to the Board such as the need to identify stakeholders and public outreach
- Staff would continue to assess options through November and December. A Board decision to initiate the formal process would likely be needed by January.

Brian Lockwood, PVWMA, was in attendance and said that because local water agencies might have more expertise in determining local boundary conditions, DWR would again open up boundary modification requests in 2018.

**E. Correspondence:** The monthly correspondence list was reviewed without comment.

## **IX. ACTION ITEMS**

### **A. Resolution 2016-07 in Appreciation of Maureen Cain upon her Retirement:**

President Leap read the Resolution into the record. Director Holman moved to Adopt the Resolution acknowledging her service from 2009 to present. Vice-President Smith seconded. The resolution was unanimously approved as submitted with Directors Dutra and Norton absent.

**B. Financials:** Revenue for September was \$91,747.97. Total assets are \$8.879

million. Total liabilities are \$1.992 million. The expenditures from Sept 20 to October 19, 2016 totaled \$171,950.11 which included a semi-annual capitol improvement loan payment of \$73,491.07 and a quarterly well augmentation fee payment to PVWMA of \$19,239.20. GM Morris noted that the expenditures were lower than the budgeted amounts in all major categories. President Leap had previously reviewed the expenditures.

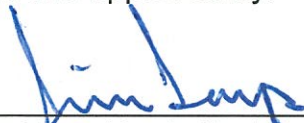
Vice-Pres. Smith moved to accept the financials as presented and Director Holman seconded. The financials were accepted unanimously with Directors Dutra and Norton absent.

**X. FUTURE MEETINGS & AGENDA ITEMS:**

The next regularly scheduled meeting will be November 22, 2016.

**XI. ADJOURNMENT - Pres. Leap adjourned the meeting at 7:57 PM.**

Read and approved by:

  
\_\_\_\_\_  
Board President, Jim Leap

Attest:   
\_\_\_\_\_  
District Secretary, Mark Dias

Date: November 22, 2016