

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
June 28, 2011

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Holman on Tuesday, June 28th, 2011 at 7:05 p.m. at the District Office located at 387 Blohm Ave, Aromas, CA.

II. ROLL CALL:

Pres. Holman, Vice President Mahler, Directors Dutra and Huggins were present. Director Borchard was absent. Staff Maureen Cain, General Manager Vicki Morris and Counsel Bob Bosso were also present.

III. PLEDGE OF ALLEGIANCE: Pres. Holman 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 May 24th, 2011 Regular Meeting were presented for acceptance and approval. President Holman noted corrections needed on item IXB to read "Directors Dutra and Mahler withdrew their motion."

Vice Pres. Mahler moved and Director Huggins seconded that the minutes be approved as corrected. The motion passed unanimously with Dir. Borchard absent.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports:

Vice President Mahler went on a tour of the system with GM Morris during June. She commended the operators and staff for the wonderful job they do maintaining the system.

B. Attorney's Report: None

C. Manager's Report:

Operations: May Production was in the normal range. GM Morris reported repairs were made on Ballantree Lane. Administration: Ms. Goodman completed the annual water quality report which was distributed to customers last week. The loan application with Santa Barbara Bank for the *New Office Building* has produced a letter of interest and the plan is to combine the existing loan with the loans to fund the new office. Paperwork can begin when the prepayment period ends in July. MPE has now completed all work on *Carr Tank and Booster Station* project. GM Morris is putting together a list of damages to withhold from the 5% retention still held. GM Morris met with Sup. Lou Calcagno to discuss the proposed annexation of *Oakridge and Via del Sol Subdivisions*. Letters have been sent to all property owners. Engineering Design and environmental has been funded by Monterey County for this project. The Initial Study/Mitigated Negative Declaration should be released in July. The next step will be to conduct some community meetings at the Grange for answering questions. Many properties have changed ownership since the process began. Potholing for the *CalTrans Pipe and Hydrant Relocation* project at the San Juan Interchange begins July 29th. The *Carpenteria Well* drilling mobilization begins July 30th. Neighbors were sent letters to forewarn them and apologize for noise from the project.

IX. ACTION ITEMS

A. Proposed 2011-12 Fiscal Year Expense Budget and Capital Budget: GM Morris

met with the ad hoc budget committee (Dir. Huggins and Pres. Holman) to discuss the proposal. Revenue is reduced to reflect the lower production during the past year due to the wet winter, conservation and the economy. Staff will not have any salary increases and the Chief Operator will be taking 2 furlough days per month. The budget for system repairs is estimated to be lower than last years. Expenses have been reduced wherever possible. There will be no rate increases this year. Estimated income is \$857,000 and expenses \$851,665.

The proposed Capital Budget in the amount of \$335,125 includes two major capital improvements: the replacement of the Carpenteria Well and the construction of the new office building. The budget will use approximately \$235,000 from reserves and \$100,000 from water revenue and will reduce reserves to about \$340,000.

Pres. Holman motioned and Dir. Huggins seconded to accept the proposed budgets. The motion carried unanimously with Dir. Borchard absent.

B. Carpenteria Well #2 Proposal for Engineering Services: We have a proposal to complete the design engineering for proper pump sizing, piping, electrical, SCADA and other specifications to complete the engineering to connect the new well to the existing system. After reviewing the work and revisiting the site, Freitas+Freitas has revised the original proposal of \$12,750, to provide services for the amount of \$10,750.

V. Pres. Mahler moved and Dir. Dutra seconded that the proposal be accepted. It passed unanimously with Dir. Borchard absent.

C. Financial Report: GM Morris presented the financials for the month of May 2011. Total current assets are \$547,335. Income for May was \$82,499.60 and included taxes received. President Holman reviewed the payments from May 18th to June 21st 2011 which totaled \$93,613.33.

Director Huggins moved to accept the financials. V. Pres. Mahler seconded and they were approved unanimously as presented, with Dir. Borchard absent.

X. FUTURE MEETINGS & AGENDA ITEMS

The next Regular Meeting will be Tuesday, July 26th, 2011 at 7:00 pm. The location will be at the District Office at 387 Blohm Avenue.

XIII. ADJOURNMENT

President Holman adjourned the meeting at 7:57 pm.

Report submitted by Laurie Goodman, Board Secretary

Date: July 26, 2011

Read and approved by:

Director

Attest: _____
Board Secretary