

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
May 28th, 2013

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, May 28th, 2013 at 7:00 p.m. at the District Office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Holman, Vice President Mahler, Directors Dutra, Norton and Leap were present. General Manager Vicki Morris, Counsel Bob Bosso, Engineer Mike Freitas and staff Maureen Cain and Gina Patten were also present. Scott Ferguson of Jones Hall Law firm was introduced and Supervisor Lou Calcagno and his staff, Henry Gowin, were welcomed.

III. PLEDGE OF ALLEGIANCE: President 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 April 23, 2013 Regular Meeting were presented for acceptance and approval.

Director Norton moved and Vice Pres. Mahler seconded that the minutes be approved and they were unanimously accepted as written.

VII. ORAL COMMUNICATION: None

VIII. PRESENTATIONS

A. Director's Reports: Vice President Mahler reported that she and Pres. Holman have met with GM Morris to go over the proposed 2013-14 Expense Budget. Director Norton attended the San Benito County Supervisors Meeting on May 21 where they discussed the proposed ordinance to regulate oil and gas extraction. Pres. Holman thanked him for staying informed on the progress. Director Leap led an irrigation workshop at the District on May 18th.

B. Attorneys Report: Counsel Bosso attended the ACWA Conference in Sacramento where he listened to a discussion on the complex adjudication of water rights in the San Maria area. He also informed the board of an article on "fracking" in the ACWA News.

C. Manager's Report:

Operations: Production in April was 9.9 million gallons as we head into the higher usage time of year. All sampling has met State Health Standards. The Decant Tank at the filtration plant is lined with new epoxy and a two-year warranty from Valley Tank. Staff: GM Morris has made application for an engineering student intern grant for the summer. The former intern has fulfilled his hours. Staff is working through issues and adjusting to the new billing software program. Projects: GM Morris has continued to work on the *Oakridge/Via del Sol* Proposed Assessment District. Properties cannot be in foreclosure nor have delinquent taxes when the district is formed. Bond assessment attorney Scott Ferguson of Jones Hall law firm will discuss this on item IXA. *The Seely Area Annexation* CEQA Initial Study has completed the public review stage and Public Hearing is also on this agenda.

IX. ACTION ITEMS

- A. Presentation by Bond Assessment Attorney Scott Ferguson of Jones Hall Law firm to discuss Proposed Oakridge/Via del Sol Assessment District:** Mr. Ferguson explained the Jones Hall Law firm role in forming the assessment district to fund the project. The formation is governed by the Municipal Improvement Act of 1913 and the California Constitution. Funding is expected to be through USDA with best available rate, currently at 3.5% interest on a 40 year loan. He outlined the phases leading to formation as 1) definition of boundaries and preparation of engineering report with estimated costs 2) a Resolution of Intention to form the assessment district and Resolution to accept and approve the preliminary Engineer's Report 3) Distribution of assessment notices and ballots to parcel owners 45 days before public hearing 4) Informational workshop for property owners 5) Public Hearing with tabulation of votes, weighted on amount of assessment.

Attendees were given the opportunity to ask specific questions. There was discussion about the option to pay the costs before the property is assessed as well as paying off at a later time. Acquiring a connection after formation of the assessment district involves buying into the cost of the project to pay down the bond in addition to the actual connection fee. Time elapsed after formation of the district makes a difference in the actual cost to buy in.

- B. Public Hearing to Adopt a Negative Declaration Pursuant to CEQA for Seely Avenue Area Annexation of Eighteen Parcels:** No comments were received during or after the 30-day review period. The Initial Study did not identify any significant effects the project would have on the environment.

President Holman moved to approve the Negative Declaration and Director Leap seconded the motion. The Declaration was approved unanimously. A Notice of Determination will immediately be filed with San Benito County and the application for annexation can be completed for submittal to San Benito LAFCO.

- C. Proposed 2013-14 Expense Budget:** The proposed budget, in the amount of \$880,000 as compiled by GM Morris, was reviewed by President Holman and Vice Pres. Mahler as the ad hoc Budget Committee. GM Morris went over the predicted income. The increase in bulk water sales during the current year is not expected to continue. ERAF tax withholding refund should yield about \$5,000 in the coming year. Most of the predicted expenses are the same or slightly increased compared to the current year. Payroll will likely increase due to the retirement of staff Laurie Goodman and the plan for her to work as a contractor while training a new Administrative Assistant. GM Morris distributed a Monterey County Special District Stipend Survey. It showed that the AWD Board receives a substantially larger amount than other Districts. Directors Mahler and Dutra refused to accept the 2% increase.

Director Norton made the motion to approve the Proposed 2013-14 Expense Budget and it was seconded by Vice Pres. Mahler. It was approved unanimously.

President Holman, V. President Mahler, and Director Leap offered to sit on the Capital

Budget ad hoc committee to meet in June. When a date and time is determined, two of the above directors will meet with GM Morris.

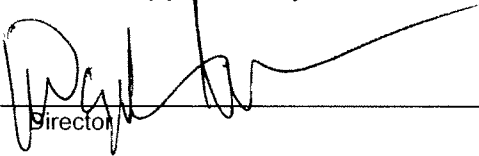
D. Presentation of Financial Reports for the Month of April 2013: Revenue for April was \$89,836. Total assets are \$6.5 million. Total liabilities are \$1.44 million. Expenses from April 16 to May 21, 2013 were \$79,512.97. Payments were reviewed by Pres. Holman.

Pres. Holman moved to accept the financials as presented and Vice Pres. Mahler seconded. The financials were accepted unanimously.


X. ADJOURNMENT

President Holman adjourned the meeting at 8:42 PM.
Report submitted by Laurie Goodman, Board Secretary

Date: May 28, 2013
Read and approved by:



Director

Attest: 

Laurie Goodman, Board Secretary