

Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
December 23, 2014

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Norton on Tuesday, December 23, 2014 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Norton, Vice President Leap, Directors Dutra, Holman and Mahler and newly appointed Director Richard Smith were in attendance. General Manager Vicki Morris, staff: Lisa Dobbins, Maureen Cain, Engineer Mike Freitas and Counsel Bob Bosso were also present.

III. PLEDGE OF ALLEGIANCE: President Norton led the pledge of allegiance.

IV. OATH OF OFFICE: Newly appointed Directors Jim Leap, Richard Smith and Marcus Dutra were sworn in by Aromas Water District Counsel Bob Bosso.

V. STATEMENTS OF DISQUALIFICATION: There were no disqualification statements.

VI. ADDITIONS AND DELETIONS: There were no additions or deletions.

VII. MINUTES: The minutes of the November 25, 2014 Regular Meeting were presented for acceptance and approval.

Director Dutra moved to approve the minutes as amended. The motion was seconded. The minutes were unanimously approved.

VIII. ORAL COMMUNICATION: None

IX. PRESENTATIONS

A. Director's Reports:

- VP Leap and Director Mahler met as the Audit Committee with GM Morris and Auditor Rob Smiley to review the 2013-2014 Audit.
- Pres. Norton, VP Leap, Director Dutra, and Director Holman attended the Oak Ridge Water Supply Project Groundbreaking Ceremony on December 5.
- Pres. Norton & GM Morris met with incoming Monterey County Supervisor John Phillips.
- Pres. Norton reviewed financials and expenditures in the office last week.

B. Attorney's Report:

- Bob Bosso attended the Association of California Water Agencies (ACWA) conference.
- The San Juan Capistrano case is scheduled to have oral arguments on January

21, 2015 with a judgment following 90 days later.

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

Operations:

- GM Morris shared recent communication from NOAA's Climate Prediction Center indicating that the Seasonal Precipitation Outlook for January to March indicates and increase in precipitation. December showed good rainfall numbers, however the drought continues.
- The District is at a lower use time period.
- The District received a "non-detect" for Chromium VI at all wells.
- Operator DeAlba is conducting backflow testing system-wide.
- There was a line break at Carr due to a corroded service saddle.
- AWD's Chief Operator is back from being on disability. He is on light duty and will retire at the end of this month.

Projects:

- Oak Ridge/Via Del Sol water supply project has begun along Oak Ridge.
- Monterey County LAFCO suggests that AWD pursue annexation of the parcel seeking water service along Oak Ridge that is currently in the sphere but was not annexed.
- Staff updated the Board on the progress of the solar potential at the Carpenteria site. Staff is narrowing down financial options that best serve the District. Staff will meet with the Solar Subcommittee in January 2015 to review.
- GM Morris shared that ACWA/JPIA has presented AWD with two President's Special Recognition Certificates for low ratio of Paid Claims and Case Reserves to Deposit Premiums in the Liability and Property Programs.

X. ACTION ITEMS

A. Presentation of Audited Financial Statements for the fiscal year 2013-2014: Board to review the audit by Berger-Lewis Accountancy Corporation to be presented by Robert Smiley, CPA of Berger-Lewis.

- Robert Smiley of Berger-Lewis met with the Audit Committee and GM Morris to review the findings from the Annual Audit. Mr. Smiley presented the following:
- Depreciation is at a cost basis.
- AWD has adequate cash to maintain basic operations.
- There is \$5 million in fixed assets.
- AWD should develop a 10, 15, 20 year Financial Reserve Plan.
- GASB 68 rules require Districts to indicate the financial liability of the CalPERS carrying costs. The Board can address the actuarial cost number at a future Board meeting.

VP Leap moved to accept the Audited Financial Statements as presented and Director Holman seconded. The motion was accepted unanimously.

B. Oak Ridge/Via Del Sol Project, Dunbarton Rd. Property Owner's Request for main extension

- GM Morris presented there are 4 property owners (5 parcels) off Dunbarton Road that have requested that AWD add a main extension up their private driveway, upwards of 3,000 feet.
- GM Morris stated that during the planning stages of the project, the Dunbarton Road property owners were informed that they would have a meter on Dunbarton Road. Under separate funding, the District is planning to put in 100 feet of service line from the meter toward their homes. Two of the parcels front Dunbarton, their meters will be in front of their homes. Three parcels are adjacent to a driveway up from Dunbarton, In previous discussions, GM Morris offered them the total of 500 feet of 4 inch line with a hydrant up the driveway on the condition that the District be deeded a utility easement to the driveway as the 500 feet would belong to and be maintained by the District. The property owners rejected that offer.
- President Norton invited the property owners attending the meeting to speak.
- Mr. Hickenbottom would like the meter placed at his parcel and is concerned about receiving enough pressure where his parcel is located.
- Mr. Rocha had the expectation that the water would be delivered to his home.
- Mr. Auria felt this group is being unfairly treated.
- Director Dutra asked if it was best for the parcel owners to put the line in themselves.
- AWD Engineer Mike Freitas shared that he gave the parcel owners a preliminary drawing of what it would take to get the main line to the top of the driveway. All of which is outside the current scope of the project.
- AWD Counsel Bosso explained that the District must have "right of way" and that a title search is required.
- President Norton stated that the Board has consensus that AWD could supply 500 feet of 4 inch line up the driveway with a hydrant only if the District is provided a utility easement.

C. Resolution 2014-16 in Appreciation of Years of Service to Supervisor Lou Calcagno: The Supervisor will be leaving office in December 2014 after 16 years of dedicated service as Monterey County Supervisor.

Director Holman moved to pass Resolution 2014-16: in Appreciation of Years of Service to Supervisor Lou Calcagno. It was seconded by V.P. Leap and passed by the following vote:

Ayes: Norton, Leap, Holman, Smith, Dutra

Noes: None

Abstain: None

D. Election of Officers for 2015: Board to nominate and elect President and Vice President for the coming year to take office in January 2015.

- VP Leap nominated Wayne Norton to serve as President, it was seconded by Director Smith.
- Director Dutra nominated Jim Leap to serve as President. Jim Leap declined the nomination.

- The motion for Wayne Norton to serve another year as President was unanimously approved.
- Director Holman nominated Jim Leap to serve as Vice President, it was seconded by Director Dutra.
- The motion for Jim Leap to serve another year as Vice President was unanimously approved.

E. Presentation of the Financial Reports for the Month of November 2014.

Revenue for November 2014 is \$58,028.55. Expenditures between November 18 and December 16, 2014 are \$57,145.65. These financials and monthly expenditures will be presented for discussion and approval.

Director Holman moved to accept the financials as presented and VP Leap seconded. The motion was accepted unanimously.

XI. FUTURE MEETINGS & AGENDA ITEMS - January 27, 2015

XII. ADJOURNMENT - Pres. Norton adjourned the meeting at 9:20 pm.

Date: January 27, 2015

Read and approved by:



Board President, Wayne Norton

Attest: 
Lisa Dobbins, District Secretary