

**Minutes of the Regular Meeting of
the Board of Directors of the
Aromas Water District
March 28, 2017**

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, March 28, 2017 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 Directors Holman, Dutra and Norton were all present. Also in attendance were General Counsel Bob Bosso, District Auditor Rob Smiley, Armanino LLP; 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 February 28, 2017 Board Meetings were presented for review and approval. There were no comments or corrections. Vice Pres. Smith moved for approval of the minutes and Director Norton seconded. Minutes were approved unanimously.

VII. ORAL COMMUNICATION: There were no public comments.

VIII. REPORTS/PRESENTATIONS

A. Director's Reports

Vice Pres. Smith reported he had participated in an informative ride-along with chief operator DeAlba to gain insight into how the system might be operated during an emergency. Director Norton reported he had attended Assemblyman Mark Stone's ceremony to receive California Special District Association's Legislator of the Year award and noted that the host (Monterey Regional Waste Management District) exemplified a special district that is a creative leader in environmental projects.

B. Attorney's Report

Counsel Bosso briefly reported on two items: (1) ACWA filed an *amicus* brief for the Goleta case arguing that the statute is valid regarding Prop 218 notifications to property owners. (2) Regarding Accessory Dwelling Units (ADUs), the wording of SB 1069 legislation could be amended by a Senate Bill. If passed, special districts could not longer require separate connections and charges for existing ADUs. For new ADUs districts could only require prorated connections or charges.

C. Manager's Report: See detailed report in agenda packet. Items highlighted include:

Production:

GM Morris noted production (pumping) continued to be low but was starting to pick up as is typical this time of year. There had been over 32" of rain at Chittenden to date.

Operations:

GM Morris reported the damaged Variable Frequency Drive for the San Juan well was being repaired and on the repairs would have a two-year warranty. The VFD was being shipped back by April 3. The system was operating smoothly using the Pleasant Acres and Carpenteria wells.

Water quality testing had been completed in March for multiple types of constituents and all results were in compliance with regulations.

Warranty work on the Oakridge tank was wrapping up and the tank was back online. The items on the large punch list had been worked on. There was still an issue with the improper construction of the tank's roof causing water ponding along the edge. GM Morris would be working to resolve the issue.

Regarding lead testing at Aromas school, the school had not yet formally requested testing in writing, which is required. The type and age of the school's pipes was not known at this time.

An operator was returning to full duty. Overall the system is operating smoothly.

D. Sustainable Groundwater Planning Report:

AGM Dias gave a brief verbal update that there had been no new developments and it would be at least six months before the Alternative plans could be reviewed after the March 31 comment deadline.

E. Correspondence: The monthly correspondence list was reviewed. In response to Board questions GM Morris provided additional background on three items.

IX. ACTION ITEMS

- A. Presentation and Acceptance of Audited Financial Statements- Fiscal Year 2015-16.** District Auditor Robert Smiley, CPA, Armanino, LLP presented the highlights of the audited financials. The Unmodified report found the District's financial position was presented fairly in all material respects. The audit did not identify any material weakness, significant deficiencies or non-compliance issues. The *ad hoc* audit committee of Directors Smith and Holman had previously reviewed the draft audit. Director Norton moved to accept the audit. Motion seconded by Director Dutra. The audit was accepted unanimously with all members present.
- B. Receive procedural update on Robert's Rules of Order-** District Counsel Bosso highlighted some common rules of order in regards to motions and the timing of public comments and Board discussions. No action taken; informational item only.

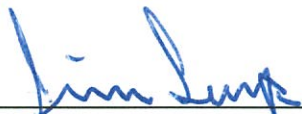
- C. **Financials:** Revenue and expenses for February reporting period were \$57,300.44 and \$81,503.06 respectively. Total assets are \$9.01 million. Total liabilities continued to gradually decrease to \$1.888 million making a net equity of \$7.13 million. The expenditures from February 25 to March 22, 2017 totaled \$56,329.91. At eight months into the fiscal year the District is slightly below budget in nearly every category. Water revenue in March and April is difficult to predict. President Leap had previously reviewed the expenditures. Director Dutra moved to accept the financials as presented and Vice Pres. Smith seconded. The financials were accepted unanimously with all directors present.
- D. **Adjourn to Closed Session-** As permitted by Govt. Code Sec. 54956.9, the Board held a closed session to discuss personnel matters - Performance Evaluation, General Manager.
- E. **Return to Open Session-** Upon returning to open session Counsel Bosso stated there were no reportable statements or actions by the Board during closed session.
- F. **Consider General Manager Employment Performance Payment Amendment-** After introduction of the item, Director Norton recommended approval per the staff report. Motion seconded by Director Holman. Motion passed unanimously with all directors present.

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

The next meeting would be the regularly scheduled meeting of April 25, 2017.

XI. **ADJOURNMENT** - Pres. Leap adjourned the meeting at 8:57 PM until April 25, 2017.

Read and approved by:



 Board President, Jim Leap

Date: 4-25-17

Attest:



 District Secretary, Mark Dias

Date: 4/25/17