

**Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
September 27, 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, September 27, 2016 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Leap, Directors Dutra, Holman and Norton were present. Vice-President Smith was absent. Also in attendance were General Counsel Bob Bosso, General Manager Vicki Morris, Asst. General Manager Mark Dias, and Board Secretary Laurie Goodman.

III. PLEDGE OF ALLEGIANCE: Director Norton 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 August 23, 2016 Regular Meeting were presented for acceptance and approval.

Director Norton noted a typographic error. The correction was made and the minutes were unanimously approved as amended.

VII. ORAL COMMUNICATION: There were no comments.

VIII. PRESENTATIONS

A. Director's Reports

President Leap reported he had attended the Salinas Valley Groundwater Sustainability Agency formation working group meeting on September 23 along with GM Morris and AGM Dias.

B. Attorney's Report

Counsel Bosso reported he recently attended the ACWA attorney's conference earlier in the month. A September 2016 State Supreme Court ruling narrowed when Environmental Impact Reports must be re-circulated if a project is modified. He is still following numerous Proposition 218 cases involving water districts and still anticipates it may be a number of months before decisions are made.

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

Operations:

- GM Morris handed out monitoring well level graphs. While the reasons were unclear, it was noted the water levels were higher than at this time last year. August well production (pumping) was similar to July. Revenues for the late summer months were higher than the yearly average and are expected to drop again in the late fall and winter. Overall, revenues are consistent with yearly budget projections. Customers continue to use less water than previous years.
- The Pleasant Acres Well was used regularly in August following the July installation of a Variable Frequency Drive (VFD) for the pump motor. All three wells are now operational. Comparisons of efficiency rates to date show higher pump efficiency and cost savings. Efficiency will continue to be evaluated.

Staff & Board Recognitions

- GM Morris thanked the Board members and staff for another successful participation in Aromas Day. Director Dutra appreciated the participation and enthusiasm of PVWMA's staff at the event.
- GM Morris announced Louise Coombes, Accounting Clerk, had completed her first full year with the District.
- The new Customer Service Representative, Ester Giron, began yesterday and is being trained by Maureen Cain, who is retiring in November. Ester was an Aromas native who recently returned to live in Aromas.
- The District received an Award from the Special District Risk Management Authority for five consecutive years without a Worker's Compensation Claim. This will mean savings on the District's worker's compensation insurance rates.

Projects

- Marshall Shop Building. A revised bid had been received. The bid was in two parts: 1) the construction of the building, and 2) nineteen "exclusions" such as soils tests, septic system, permitting, grading, water/electrical services to building, etc.. The exclusions essentially double the total cost and greatly exceed the preliminary budget. The exclusion costs were general estimates (not based on specific quotes); so they could possibly be refined downward. GM Morris will seek a similarly detailed bid from other contractors. There are no deadlines for a decision on this project.
- Water main relocation at Rocks Road Bridge (near Rancho Larios). GM Morris gave a brief history of how this bridge was funded and selected for replacement/widening. The preliminary engineering has been completed. The replacement pipe would be suspended on the bridge. Despite the history of delays, San Benito County Public Works has said they will definitely be moving forward, possibly sometime next year. The cost to the District is expected to be significant, partially due to the need to install a 10" temporary water line during the construction period. The water main work would be folded into the State/County contract (not a separate District contract). It may be possible for San Benito County to assist with financing. GM Morris will be meeting with the principals in October and will investigate options.

- Pipeline easement survey near San Juan Road. President Leap asked about the status of the survey. GM Morris responded that the survey results showed the pipeline almost entirely within the easement. The pipe-location technology that was used had a margin of error so the results will be clarified with the surveyor. Counsel GM Morris will be drafting a letter, with review by Counsel, to the property owner describing the survey findings and the next steps.

D. Sustainable Groundwater Planning Report:

AGM Dias noted that Sustainable Groundwater Planning would be a new standing item on the monthly agendas. This first report was to update the Board on emerging issues and describe the initial questions being investigated. No decisions or Board direction was being requested at this time.

The Pajaro Basin is a critically over-drafted basin so, to avoid possible state intervention, the entire basin needs to be managed. A Potentially Un-Managed Area (PUMA) of the basin lies outside of PVWMA's boundaries. The PUMA mostly falls in AWD's service area and therefore PVWMA and Monterey County are interested in having AWD form a Groundwater Sustainability Agency (GSA) to cover the PUMA. However, within the PUMA there are "islands" that are also outside of AWD's boundaries. There were several questions being developed for counsel and State agencies regarding how (or if) AWD might manage the islands. If AWD Board chooses to form a GSA at some future time, then the District would have to take on new regulatory responsibilities. Therefore, staff was also assessing what new responsibilities AWD might be facing. Board discussion turned to questions about options for managing the islands and what might need to be regulated under different scenarios. These were the same questions that staff have developed for counsel and State agencies. Outreach to all stakeholders would be needed. Board members expressed an interest in assisting in the outreach where possible. President Leap also requested that staff begin tracking time spent on this effort.

E. Correspondence: The monthly correspondence list was reviewed.

IX. ACTION ITEMS

A. Approval of Contract for Tank Diving & Cleaning (Rea, Carr, Cole, Rancho Larios, Oak Ridge and Pinetree tanks) in the amount of \$6,000. GM Morris summarized the proposed contract as contained in the staff report. Potable Divers were the lowest bidder and had previously cleaned the District's tanks with good results. Potable Divers also received favorable recommendations from a number of local water agencies.

Director Holman moved to approve the execution of the contract as presented. Director Norton seconded. The contract was approved unanimously by the Board.

B. Financials: Revenue for August was \$111,741.81. Total assets are \$6.8 million. Total liabilities remained at \$1.979 million. The expenditures between August 13 and Sept 19, 2016 total \$95,832.36 and included a one time cost of \$22,000 for the Variable Frequency Drive for the Pleasant Acres well. President Leap had previously reviewed the expenditures. GM Morris noted staff is starting the annual audit process for FY 15-16.

Director Norton moved to accept the financials as presented and Director Holman seconded. The financials were accepted unanimously.

X. FUTURE MEETINGS & AGENDA ITEMS: Next meeting will be October 25, 2016.

XI. ADJOURNMENT - Pres. Leap adjourned the meeting at 8:22 PM.

Date: October 25, 2016

Read and approved by:



Board President, Jim Leap

Attest: 

District Secretary