

**Minutes of the Regular Meeting of
The Board of Directors of the
Aromas Water District
October 27, 2015**

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, October 27, 2015 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 Smith were all present. General Manager Vicki Morris, Counsel Bob Bosso and staff Maureen Cain were also in attendance.

III. PLEDGE OF ALLEGIANCE: President 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 September 22, 2015 Regular Meeting were presented for acceptance and approval.

Director Smith moved to approve the meeting minutes. The motion was seconded by Vice Pres. Leap. The minutes were unanimously approved.

VII. ORAL COMMUNICATION: There was no oral communication.

VIII. PRESENTATIONS

A. Director's Report

- Vice President Leap attended a meeting of the Monterey County Special Districts Association with GM Morris. There are 43 member districts and although attendance was low, he found it to be an excellent networking opportunity.

B. Attorney's Report:

- Counsel Bosso is continuing to follow cases involving Proposition 218 in Central California and is waiting for outcomes and impacts.

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

Operations:

- September production was 9.74 million gallons and continues to reflect our customers conservation efforts with a decrease collectively of 28.62% for the past four month period compared to June through September 2013.
- Carpenteria well is still down and Maggiora Bros. has sent motor back to factory for

- assessment. GM Morris intends to have it covered by warranty.
- Operators are preparing for winter storms by clearing ditches and taking measures to prevent erosion.
 - Plants are being purchased for Solar Site.

Oak Ridge/Via Del Sol Water Supply Project

- MPE is still completing punch list. Funds continue to be retained.

Audit

- Auditor has begun the 2014-15 financial study. Director Holman happened to visit the office and Rob Smiley took the opportunity to interview him. President Norton also met with Mr. Smiley on a different day and discussed office procedures. Director Holman suggested that directors resume monthly visits to the office.

Staff

- GM Morris was present at the Fire Department open house on October 10 with information about AWD and the solar arrays.
- She also attended the PVWMA Groundbreaking ceremony on Oct. 1 for the first of the Basin management Plan projects.
- CSDA has awarded us with \$675 in scholarship funds for classes at their September Conference.
- Operators DeAlba and Zelmar attended a VFD drive training class on October 13.

D. Correspondence:

Staff answered questions about correspondence from directors Holman and Norton.

IX. ACTION ITEMS

A. Audit Contract Renewal with Armanino LLP, an Accounting Firm: GM Morris presented the contract, in the amount of \$10,450, with the company which has acquired Berger Lewis. It includes the separate Oakridge/VDS single audit, in the amount of \$3,500, as required by the USDA.

Director Holman moved to approve the contract. It was seconded by Vice Pres. Leap and passed unanimously.

B. Proposed 2015-16 Capital Budget: GM Morris presented the proposed projects and estimated costs for the fiscal year. Largest projects, besides the mandatory loan principal payments, include upgrading the Pleasant Acres Well and construction of a shop building at the Marshall yard. The costs of a few items will be revised to a grand total of about \$343,000. There was detailed discussion of each proposed project researched by GM Morris. Operators DeAlba and Zelmar are studying the feasibility of eliminating the need for the Ballantree Tanks, thus eliminating the need to upgrade the access road estimated at a cost of \$15,000. Directors commended their initiative to come up with this possibility. It will be tested out with our engineer. GM Morris distributed a photo of the damaged motor from the Carpenteria Well. She intends to replace the column with better

quality American manufactured steel. She also got a much lower quote for asphalt slurry repairs, bringing the cost down to \$4,000. The reserves left after completion of all projects would be over \$550,000. Reserves are not accumulating as quickly as planned because of the drought and lower revenues. Counsel Bosso feels reserves would still be in line with our annual budget. GM Morris doesn't expect income to be much different in the coming year, but the increase in new customers (OR/VDS) should help. The directors carefully weighed the pros and cons of items in the proposal. Vice President Leap asked if the shop building should be postponed. Director Dutra emphasized the necessity of having a shop with improved working conditions for the operators.

Director Holman moved that the Proposed 2015-16 Capital budget be approved with adjustments, as discussed. Director Smith seconded and it passed unanimously. Director Holman commented that it was a healthy board discussion.

- C. Financials:** Revenue for September was \$104,400.57. The expenditures between September 17 and October 21, 2015 are \$50,771.86 and total assets are over \$6.6 million and total liabilities are \$1.5 million. GM Morris feels the rate increase has offset the decrease in water sold. The financials were presented for discussion and approval. Expenses were reviewed by President Norton.

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

- X. FUTURE MEETINGS & AGENDA ITEMS:** Next meeting will be November 24, 2015

- XII. ADJOURNMENT** - Pres. Norton adjourned the meeting at 9:01 pm.


Date: November 24, 2015

Read and approved by:



Board President, Wayne Norton

Attest:


District Secretary