

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
September 24, 2019**

- I. CALL TO ORDER.** The regular meeting of the Board of Directors of the Aromas Water District was called to order by Vice President Holman on Tuesday, September 24, 2019 at 7.00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.
- II. ROLL CALL.** Vice President Holman and Directors Dutra, Leap and Norton were present; President Smith was absent. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso and Board Secretary Louise Coombes.
- III. PLEDGE OF ALLEGIANCE.** Vice 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 to the Agenda.
- VI. MINUTES.** The minutes of the August 27, 2019 Board Meeting were presented for review and approval; there were no corrections or comments from the Board, however, Board Secretary Coombes made one slight correction. Director Leap moved for approval of the minutes and Director Norton seconded. Minutes were unanimously approved by those Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** Director Leap reported that during the recent Financial Audit, he was asked to answer questions from the Auditors.
- B. Attorney's Report.** Counsel Bosso reported on the Wilde vs. City of Dunsmuir case where the city rejected the referendum to repeal a water rate master plan, which included upgrading aging water infrastructure, consistent with the requirements of a Proposition 218 vote. The District Court of Appeal ~~upheld~~ ^{appelled} the case and the Supreme Court refused to take the case, so the Resolution adopted by the City of Dunsmuir stands as law for that jurisdiction.

Counsel Bosso also reported on the query that Director Norton posed at the last meeting regarding the City of Oroville. This case involved sewage as opposed to water; the plaintiff claimed the City's sewer system failed causing property damage, however, the plaintiff had not installed a recommended backflow prevention valve. The Supreme Court ruled that the City was not solely responsible in the culpability of this incident. This decision by the Supreme Court may limit the inverse condemnation law for the liability of Public Agencies.

C. Manager's Report

OPERATIONS

No new connections were established in August, so the total number of connections remains at 963. There have been a couple of recent inquiries regarding potential connection. All water testing continues to be both, filed on time and represent satisfactory results.

Production & Well Levels

GM Johnson reported total production, in August 2019 was similar to July at just under 12 million gallons, with a daily average of 377,564 gallons. Between the two months, the total accounts for approximately 40% of the entire year's production. This calendar year to date, total production is 61,900,834 gallons, with system wide production loss remaining below five percent. Carpenteria Well operated the entire month; Pleasant Acres Well was not used for seven days; San Juan Well was not utilized for three days of August.

Reporting Operational well levels; Carpenteria Well was down two feet and San Juan Well was down one foot. Observation well levels; Marshall Well is up one foot Aimee Meadows Well is up two feet.

MAINTENANCE

Incidents

None at the time the Manager's Report was written.

ADMINISTRATIVE

Staff & Board Recognition

GM Johnson mentioned that AC Giron, with assistance from ASO Coombes, completed the Financial Audit Field Work with the Auditors. As mentioned earlier, Director Leap was in attendance to answer questions from the Auditors.

CSR Bowman is very welcoming with the customers both on the phone and when they visit the office.

GM Johnson reported that CO DeAlba and Op Smith have been diligently working on a number of Operational tasks in preparation for the "Sanitary Survey", a system-wide inspection carried out by the State Water Resources Control Board who have hired a new engineer as the District's new contact. GM Johnson was happy to report that CO DeAlba keeps the system in great shape and very clean, so he has every confidence that the Survey will go well.

GM Johnson also reported that Phase II of the XiO installation is well under way to get Pine Tree tank working with Pleasant Acres Well. There are some integration issues with the older electronic infrastructure, so there are additional parts that will be needed to resolve such issues.

GM Johnson recounted that he has been working with PG&E for two projects; to move a pole at Marshall Yard and secondarily, installing a new power meter at the upper Oakridge booster to circumvent purchasing power via a customer. A PG&E engineer will be meeting with GM Johnson tomorrow to survey and discuss the two projects on-site.

Conservation & Rainfall

A surprise light rainfall in September increased the rain gauge measurement at Chittenden. Since the beginning of the rain year, October 1, 2018 to date, a total of 25.52" has been recorded.

Projects

Annexation Update for Eilert

Mr Eilert needs to complete a couple of tasks for the State Board of Equalization. Since the tax rate area for the surrounding properties are already well established, Mr Eilert's property will be its own tax rate area. His connection should take place within the next month to six weeks.

Annexation Update Cole Road

The Cole Road annexation continues to progress; LAFCo requested corrections to the application in mid September. One of the four parties had not previously supplied a request for connection; this has now been provided and the application has been accepted by LAFCo. GM Johnson will follow up to find out the timing for the application's appearance on the LAFCo agenda.

Relocation of T1 Line

GM Johnson continues discussion with AT&T to move this line originally used for telemetry at the Marshall well. Current charges for office internet are approximately \$60 for a current speed of 20Mbps and 1Mbps. AT&T offered new rates of 10Mbps and 10Mbs for \$550 per month arguing that the increase in price is justified because it would be a dedicated line. Vice President Holman described his own experience with Spectrum and suggested contacting them; GM Johnson indicated he will be investigating a number of options.

- D. **Correspondence:** GM Johnson indicated that Certificates had arrived for those Board members in attendance at the last Board training session. Instructions were sent to Director Dutra to follow the online training webinar as he did not attend the training session.

Director Norton inquired about the water availability for a parcel split from Mr & Mrs Gomes on Chateau Drive; GM Johnson elaborated that San Benito RMA would only approve the parcel split if water was available, however, as the District is not a land use agency, GM Johnson responded to the RMA that the approval of the split should be made first, according to the parcel restriction regulations, then water may be available. Vice President Holman and Director Leap requested more details regarding the PVWMA boundary lines since the implementation of SGMA and therefore it could be a PUMA. Counsel Bosso pointed out that PVWMA gave approval for only 11 lots some years ago and this is annexed within the District sphere of influence; the number of lots needs confirming. If the lot split increases the number of lots beyond the approved, a new request will need to be submitted to PVWMA.

IX. ACTION ITEMS

- A. **Consider receiving a report on the Monterey County Special Districts Association's request for a "Certificate of Liability Coverage" to ensure meeting attendees are covered by insurance**

The District holds membership with the Special District's Association of Monterey County (SDAMC) which is affiliated with the CSDA and holds quarterly meetings. The SDAMC required liability insurance (to comply with CSDA requirements) at significant cost, previously defrayed by the Monterey Regional Fire Protection District who have covered this cost for a number of years, but this stops in 2020. To avoid having to purchase insurance in future, the CSDA agreed to accept letters of certification of liability insurance from each member as covered by their own entities' insurance; this was confirmed with ACWA JPIA for the District.

Director Norton moved to receive the report and authorize the General Manager or Board Vice President to sign the "Certificate of Liability Coverage". The motion was seconded by Director Leap. The report was unanimously received and authorization granted with Vice President Holman and Directors Norton, Leap and Dutra present. President Smith was absent.

- B. **Consider approving a Master Services Agreement (MSA) from Martin Feeney, Consulting Hydrogeologist, for water well and hydrogeologic consulting services**

GM Johnson presented a MSA for Professional Services to be provided on an as-needed basis by Martin Feeney, Consulting Hydrogeologist, and is simply a no-cost retainer for his services. His long-term and local specialized knowledge and expertise is needed for hydrogeology and well repair/rehabilitation in various areas, including reducing the iron bacteria in Carpenteria Well which GM Johnson anticipates will take place during November/December 2019 after the scope of work is presented to the Board for approval at the October meeting.

Director Norton inquired as to whether the activity required for Carpenteria Well had been included in the budget? GM Johnson explained that due to the unknown nature and extent of the work at the time of budget setting, it was not specifically included. Director Norton also inquired about the intellectual property rights and ownership of Mr Feeney's work. Counsel Bosso clarified that the District cannot sell Mr Feeney's work. Director Norton queried the necessity for a non-disclosure agreement (NDA) with Mr Feeney, however, Counsel Bosso pointed out that the Public Records Act means an NDA would not be effective.

Director Norton moved to approve the MSA with Martin Feeney, Consulting Hydrogeologist, for water well and hydrogeologic consulting services. The motion was seconded by Director Leap. The MSA was unanimously approved with Vice President Holman and Directors Norton, Leap and Dutra present. President Smith was absent.

C. Financial Reports for the Month of August 2019

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,548,491.31, of which *Total Current Assets* are \$4,583,736.32, and *Total Fixed Assets* are \$6,775,474.19. In *Liabilities*, the *Total Current Liabilities* are \$294,743.11 and *Long Term Liabilities* are \$4,529,545.10.

The total revenue for August was \$143,041.84. Total expenditures were \$61,159.78.11 between July 12 and August 18, 2019.

In the **P&L Report**, *Water Revenue* for May was \$127,250.30, again, just shy of the budgeted \$130,000.00.

Director Leap inquired about the ever increasing PVWMA augmentation fee; is the current agreement still valid considering the recent boundary changes when SGMA was implemented. GM Johnson expressed willingness to investigate this agreement; a request echoed by Director Norton, especially for long-term planning and budgeting. As the cost is pass-through, this could reduce cost for the Districts' customers.

Again, GM Johnson drew the Board's attention to Payroll variations due to the new bi-weekly pay schedule. The monthly expense will be less consistent on a monthly basis than before due to 26 pay periods during the year, however, as the fiscal year draws to an end, the budget will align.

Water analysis and treatment costs are higher than usual due to additional annual testing and increasing costs of chlorine. Power bills have been excessively complicated in the last couple of months due to recalculations on PG&E's part; 10 accounts were overcharged and then later adjusted. AC Girōn has been doing an admirable job of keeping up with these convolutions.

In the **Monthly Expenditures**, GM Johnson drew the Board's attention to the first two items on the Monthly Expenditure report payable to CalPERS. The \$700 was for the GASB 68 Actuarial Annual Report which has been a payable for the last five years. A new payable is \$300 for the Section 218 Agreement.

GM Johnson anticipates purchasing the new office computers in November 2019 with the expected cost to be in the region of \$10,000 as included in the budget under the expense 446-Office Equipment and Maintenance.

Director Dutra moved to accept the Financial Reports as presented; seconded by Director Leap. The Financial Reports were unanimously approved with Vice President Holman and Directors Norton, Leap and Dutra present. President Smith was absent.

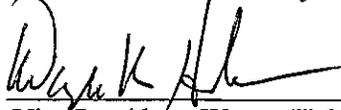
X. FUTURE MEETINGS & AGENDA ITEMS

The next meeting will be on Tuesday, October 22, 2019 at 7:00pm at the District Office; 388 Blohm Ave.

Discussion ensued to set the date for the December meeting; consensus was for Wednesday December 18, 2019 at 7:00pm.

XI. ADJOURNMENT. Vice President Holman adjourned the meeting at 8:04pm until Tuesday, October 22, 2019.

Read and approved by:


Vice President, Wayne Holman

Attest: 
Board Secretary, Louise Coombes

Date: 22 OCT 2019

Date: 22 October 2019