

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
March 27, 2018**

- I. CALL TO ORDER.** The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Smith on Tuesday, March 27, 2018 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.
- II. ROLL CALL.** President Smith, Vice President Holman and Directors Norton, Leap and Dutra were present. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso, Board Secretary Louise Coombes, Management Consultant Vicki Morris and staff Ester Gir6n.
- III. PLEDGE OF ALLEGIANCE.** Director Dutra 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 February 27, 2018 Board Meeting were presented for review and approval; there were no corrections or comments. Director Leap moved for approval of the minutes and Director Norton seconded. Minutes were unanimously approved with all Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** There were no reports from the Directors this month.
- B. Attorney's Report.** Counsel Bosso gave a brief update on the progress of Proposition 218; in essence, in the case of San Diego County Water Authority vs Metropolitan Water District in June 2017, the Courts have determined that it is not their task to decide on the correct methodology used for rate making, but whether the chosen methodology is fair, which is a good standard for future laws. He will continue to watch the case progress.

An update on the Section 218 Agreement was given by Board Secretary Coombes. In summary; all part-time staff have agreed that they would prefer to continue making Social Security payments. In conference with Veronica Silva-Gil (AWD's Social Security Administrator at CalPERS) the type of vote would therefore be a Majority. At the April Board meeting, a Resolution will be presented to the Board for approval to begin the process of Error Modification of the existing Section 218 Agreement.

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

Production & Well Levels

GM Johnson commented that the well levels are a little higher than last month and all wells were operational for the majority of the month.

Operations

GM Johnson noted recent testing showed continued good news; all system distribution testing produced non-detect results and all the required reports were filed on time.

Operators DeAlba and Zelmar recently installed a service line to a new house for fire flow requirements.

Based on various discussions, GM Johnson reported there is a possibility of two or three new connections in the next few months.

Maintenance & Repair

The check valve at San Juan Well needed inspection as it was not performing as expected; and once extracted it was found to be broken. It was also discovered that the pump and motor were around twelve years old, and the recommended industry standard is between five to seven years, plus the steel pump column was found to be corroded.

As the San Juan Well plays a vital role in total production and considering the cost of extracting all this equipment, it seemed prudent to take this opportunity to replace the pump, motor, wiring harness and pump column for which a quote has been received for around \$63,000.

This would mean that all three wells have been recently upgraded.

Staff & Board Recognition

GM Johnson represented AWD at the first Home Energy Expo at the Aromas Grange on March 18, 2018.

During recent staff meetings:

- Staff reviewed the "Red Flag Rule" Resolution which is in place to protect the identity of both customers and the District. Staff will be cognizant of possible future improvements throughout the coming year.
- GM Johnson continues to present the Seven Habits of Highly Effective People to establish the principles into AWD staff work culture.
- Staff continued further discussion on workflow improvement.

AC Giron continues to work on additional tasks, including incorporating the recent budget revision which is reflected in this months' financials.

ASO Coombes used the mapping software to produce a water hydrant map of the District in response to a request from the Tri-County Fire Protection District.

Drought & Conservation

GM Johnson reported that we have had almost 11" of rain since the beginning of October, with almost 5" of that falling in March.

PROJECTS

1. Chipper Program

This annual program starts April 1st and continues until May 12th or 19th, 2018.

2. Backup Generator / AWD Office Going Solar

GM Johnson reported he is still speaking with electricians regarding the use of a portable generator for the AWD Office. However, the line of enquiry is moving more towards the potential for installation of solar panels on the office roof, and a wall battery, which would be utilized year round to reduce power bills, as well as be an environmentally clean way to still have power in the event of power outages. From one quote received so far, the cost of the solar would be around \$11,500, and the cost of the wall battery would be approximately \$14,000 with a \$5,000 rebate, but more comparisons will be forthcoming.

- D. Correspondence.** The monthly correspondence list was reviewed; GM Johnson drew attention to the Carpentaria Generator report and annual permit. Also, a scholarship from the SDLF had been obtained for ASO Coombes to attend Board Secretary Training in October.

IX. ACTION ITEMS

A. Community Facilities District 98-1 closeout and release of property liens - GM Johnson outlined that this project has now reached an end after twenty years. The notice of cessation, once recorded, therefore removes the lien from the residential deeds. The remaining unexpended funds will then be distributed back to the homeowners on a parcel by parcel basis. Director Norton moved to accept the recordation of the Notice of Cessation and Exhibit A as presented; the motion was seconded by Vice President Holman. The motion passed unanimously with all Directors present.

B. Presentation of current Strategic Plan and Capital Budget. GM Johnson briefly outlined the history of the current Strategic Plan, and presented a suggested way forward to update the document.

GM Johnson and Consultant Morris have begun revising the Capital Budget spreadsheet, for 2018-2019, to reflect those projects that have already been completed, and how we can revise it for the next Fiscal Year. Director Norton suggested that the previous approach, an Ad-Hoc Committee and a workshop at a Special Meeting of the Board and appropriate staff, had considerable value. President Smith directed the formation of an Ad-Hoc Committee of himself and Director Norton with GM Johnson and Consultant Morris. The first meeting was scheduled for April 12, 2018.

C. Financial Reports for the Month of February 2018. Total Revenue was \$72,501.66; Total expenditures were \$60,533.08 between February 22, 2018 and March 21, 2018. GM Johnson drew the Board's attention to the fact that although the Assessment Districts are included on the financials now, CFD 98-1 Assessment District is now closed out. The income is higher than expected and expenses lower, even with the recent budget revision.

Vice President Holman proposed a motion to accept the Financial Reports as presented and seconded by Director Leap. The Financial Reports were unanimously approved with all Directors present.

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, April 24, 2018.

XI. ADJOURNMENT. Vice President Smith adjourned the meeting at 8:22 pm until April 24, 2018.

Read and approved by: Richard Smith
President, Richard Smith

Attest: Louise Coombes
Board Secretary, Louise Coombes

Date: 5/8/18

Date: April 24, 2018

