

**Minutes of the Special Meeting of
the Aromas Water District Board of Directors
December 21, 2021**

- I. CALL TO ORDER.** The special meeting of the Aromas Water District Board of Directors was called to order by President Leap on Tuesday, December 21, 2021, at 7:00 p.m. in a hybrid setting; attendees were both present in the Board Room and online via Zoom.
- II. ROLL CALL.** President Leap, Vice President Morris and Directors Dutra, Holman and Smith were present. Also in attendance were General Manager Johnson and Board Secretary Coombes, and Counsel Bosso attended via Zoom.
- 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 to, or deletions from, the Agenda.
- VI. MINUTES.** The minutes of the November 23, 2021, Board Meeting were presented for review and approval. Director Smith moved for approval of the minutes as presented; Vice President Morris seconded. Minutes were unanimously approved with all Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Report(s).** Director Smith mentioned that he and Vice President Morris, with GM Johnson, had attended another Ad-Hoc Infrastructure & Finance Committee Meeting to be discussed later in the Action Items; Progress Report on the Marshall Well Project.
- B. Attorney's Report.** Counsel Bosso mentioned that changes to the legislation for Proposition 218 include a time limit of 120 days for objections. This will not affect the District until the next Rate Study in 2024.

C. Manager's Report

OPERATIONS & MAINTENANCE

Production & Well Levels

GM Johnson reported total production in November 2021 was 5,501,812 gallons, with a daily average of 183,394 gallons. Pleasant Acres was used for five days, Carpenteria Well ran the entire month; San Juan Well was used for twenty-nine days of the month.

There were no new meters installed, so the current total is 969 connected meters. All water testing continues to be both filed on time and represent satisfactory results.

Reporting on well levels; all wells show an increase of one foot.

INCIDENTS

None at the time of the report

ADMINISTRATIVE

Staff & Board Recognition

WUSp Girōn continues to integrate the hard copy backflow information and results into digital format to be utilized in future backflow testing.

ASO Coombes continues to refine and update multiple points of information in the GIS mapping of the District.

CO DeAlba continues on medical leave, although available by phone for consultation; likely to continue until January 2022.

Operator Smith continues to work hard to maintain a fully operational system. Recent achievements include the reactivation of Ballantree communications to full working order.

Conservation & Rainfall

Since the start of the rainfall year on October 1, 2021, at total of 8.64 inches of precipitation have been recorded by the rain gauge at Chittenden pass, of which 2.52 inches fell on December 13. That total is 91% of the 9.48 inches of precipitation recorded last year.

Projects

Cole Road & Rocks Road Project

GM Johnson is scheduled to present the annexations of Cole Road and Rocks Road at the PVWMA January Board of Directors meeting.

New Water Source

GM Johnson elaborated on this project with an update in Action Item X.B later in this meeting.

Correspondence: Director Holman enquired about the letter regarding 0 Pine tree; GM Johnson explained that it was a request for a connection.

IX. CONSENT CALENDAR

A. Consider adopting Resolution 2021-12 authorizing the continuation of hybrid/remote teleconferencing meetings pursuant to AB 361

Vice President Morris moved to adopt Resolution 2021-12 as presented; seconded by Director Smith. The Resolution was unanimously adopted, by roll-call vote, with all Directors present.

X ACTION ITEMS

A. Presentation of Audited Financial Statements for the Fiscal Year ending June 2021

Chris Brown of Fedak & Brown presented to the Board a synopsis of the audit results as discussed in detail earlier in the day at the Audit Committee meeting. He provided an unmodified, clean opinion of the books with no material weaknesses and an increased net position with an increase in total revenues.

Vice President Morris moved to receive the audited financial statements as presented; seconded by Director Smith. The audited financial statements were unanimously adopted, with all Directors present.

B. Consider receiving a progress report on the Marshall Well project

Although the financial impact is not yet fully known, there are two proposals to be presented tonight and research is underway to seek financing options, including possible grant funds to help offset costs. MNS and two subcontractors are working to provide a preliminary engineering report and required environmental documentation. GM Johnson presented the estimated timeline again showing that the proposal has arrived ahead of time. Martin Feeney is overseeing the new geologist from Luhdorff & Scalmanini (LSCE). Their proposal came in at \$331,010, the majority of which is for the drilling. Vice President Morris commented that this seemed a reasonable amount. GM Johnson indicated if all goes well with the permits, the test well may be drilled in June/July, 2022.

The Finance Committee also spoke with a Bond Attorney to review financial options; he offered three Financial Advisors to assist in reviewing the proposals. One advantage the District currently has is that interest rates are below 2%, therefore with increasing inflation, the financing will be extremely low cost.

Counsel Bosso expressed his confidence in LSCE who are well known and have satisfactorily performed many such projects in the local area. Director Smith was pleased that the project is progressing in a timely manner considering what a high priority having an additional well available in the future.

Vice President Morris moved to accept the report as presented and to continue the project with LSCE and MNS plus Counsel Bosso's recommendation for financial advisors; seconded by Director Holman. To move forward with this project as presented was unanimously adopted with all Directors present.

C. Consider receiving an update on the Board Training Plan

As part of the Strategic Plan to maintain and enhance the consistent learning culture of the District Board of Directors, up-to-date and relevant training is important. As mentioned at the previous Board meeting, the training that has already been undertaken, by both the Board and the GM, brings the District very close to achieving the necessary requirements to achieve the District of Distinction Award. Previously, the Board agreed to continue with this remaining training as only two webinars remain. A timely approach is needed as some training has to be within the last five years and in April 2022, this time period is up.

There is a live workshop *Board Member Best Practices* on February 2 & 3 from 9am-noon. Plus an on-demand workshop; *Board Member and District Liability Issues*. Both of these can be set up as a workshop that all can attend at the District office. President Leap commented that this award sets a good tone and indicates the level of integrity and responsibility for any newly joining Board member in the future. Vice President Morris commented that awards like this are a great asset to public relations and shows the Board takes their role seriously.

Director Smith moved to accept the training update as presented, as well as move forward with the training necessary to achieve the District of Distinction Award; seconded by Vice President Morris. The update was unanimously adopted with all Directors present.

D. Financial Reports for the Month of November 2021

Total Assets / Liabilities & Equity are \$10,904,327.55, of which Total Current Assets are \$4,832,378.01, and Total Fixed Assets are \$5,922,829.54. In Liabilities, the Total Current Liabilities are \$247,389.97 and Total Liabilities are \$4,408,988.65.

In the P&L Report, Water Revenue for November was \$97,226.43. Total Expenditures were \$92,902.11 between November 16 to December 14, 2021.

On the graphical representation of the Financials, when compared to the current budget there is a +8.5% difference for YTD Revenue and -4.8% difference for YTD Expenditures.

Director Holman moved to approve the Financial Reports as presented; seconded by Director Smith. The Financial Reports were unanimously approved, with all Directors present.

E. Election of New Board Officers

Vice President Morris nominated President Leap to continue as President for a further year. Director Smith nominated Vice President Morris to continue as Vice President for a further year. Director Smith moved to accept the nominations, seconded by Director Dutra. The nominations were unanimously adopted with all Directors present.

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting date will be on Tuesday, January 25, 2022, and will be the same hybrid format as this meeting.

XI. ADJOURNMENT. President Leap adjourned the meeting at 8:30pm until Tuesday, January 25, 2022.

Read and approved by: 
President, Jim Leap

Attest: _____
Board Secretary, Louise Coombes

Date: 1-25-22

Date: January 26, 2022

