

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
September 25, 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, September 25, 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 Girõn.
- III. **PLEDGE OF ALLEGIANCE.** Director 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 28, 2018 Board Meeting were presented for review and approval; there was one minor correction requested by President Smith to amend the title of the Agricultural Commissioners' Representative; there were no other comments. Director Holman moved for approval of the minutes with the correction and Director Norton seconded. Minutes were unanimously approved with all Directors present.
- VII. **ORAL COMMUNICATION.** Maureen Cain expressed considerable gratitude on behalf of the community for the use of the District conference room during various recent community events. There were no other public comments.

VIII. REPORTS/PRESENTATIONS

- A. **Director's Reports.** Director Norton commented on the recent meeting with himself, President Smith and GM Johnson as the Ad-Hoc Committee for the Director's Training Plan, which was a valuable and productive discussion.
- B. **Attorney's Report.** Counsel Bosso reported that the SB998 has still not left the Governors' desk. Counsel Bosso has also been following other cases which have not recently progressed. The Soquel rate study revealed that a specific project could be built in as a reason for a tiered rate, however, maximum contaminant levels may be an issue causing a court decision to refund money charged via tiered rates.
- C. **Manager's Report.**

OPERATIONS

GM Johnson reported that two new meters have now been installed at the end of Rose Ave, bringing the total number of meters to 957.

Production & Well Levels

GM Johnson reported total production, in August 2018, was just over 11.5 million gallons for the month with the daily average at just over 373,500 gallons.

There is currently a large amount of bulk water being used to hydro-test the new PG&E pipeline. During one day, the consultants pulled over 300,000 gallons (nearly an acre foot) for the testing. Director Dutra enquired whether all this water is being recycled, but GM Johnson did not know where the water went after testing.

GM Johnson called the Boards' attention to the fact that the Production Chart shows how the total in August 2018 was well into the production quantity level shown in September 2017, but the figures are still under the 2013 production figures. Director Dutra enquired as to whether it is generally considered if we are out of a drought situation yet, but there are varying opinions depending on the source, however, there is no mandated restriction in place.

San Juan well ran the entire month but both Carpenteria and Pleasant Acres wells were down two days and one day respectively.

Marshall Well is up a foot and Aimee Meadows' current level is still the August reading from PVWMA. Carpenteria is up five feet and San Juan Well is up six feet despite September's production.

INCIDENTS

There were no recorded incidents in August.

ADMINISTRATION

The Interim Testing for the Annual Financial Audit took place and everything went well, and next month is the main audit, so we can look forward to the report later in the year.

GM Johnson commented on the list of constituents to test from the information received from Monterey County Resource Management Agency. This is going to be a challenge to take uncontaminated samples, so he has requested advice/attendance from the Stormwater Program Representative for sample protocols. At the same time a visit to view the crushed culvert, which is largely causing the backup and overflow issue, will take place.

Staff & Board Recognition

The Districts' new Customer Service Representative continues to learn her new role. Sandra has a great manner with the customers and has been fielding questions from lots of customers who have questions about leaks. AC Giron is still helping and teaching a tremendous amount.

GM Johnson, once again, pointed out that AC Giron and ASO Coombes are going above and beyond to keep everything running smoothly in the office. GM Johnson remarked that since he began working at the District, there has been three different people in the CSR role, with intermittent periods of no-one as CSR, therefore AC Giron and ASO Coombes have been either training or covering the various tasks of all three roles for more than a year now.

Projects

GM Johnson reported that he is still working with San Benito Management Resource Agency on the lot line adjustment at Marshall Yard. In addition, the two Conex trailers that belong to the Fire Department have been moved. The one in which the Fire Department store items, has been moved to just inside the gate for easier access and so the Fire Department no longer have to take their vehicles down the steep driveway. The other trailer, in which AWD stores items, has been moved to alongside the dilapidated fence line.

The portable bathroom has been removed from the Marshall site, saving the District around \$80 per month, and the bathroom in Unit C of the District building has been cleaned up for use by the Operations Team.

- D. Correspondence.** Director Norton enquired about the type of records that were required for the Public Records Request and GM Johnson replied that it was anything we had on file for 348 Seely Ave. The water service line to 348 Seely Ave had been erroneously placed on a neighbors property, despite specific direction from that neighbor to the contrary; this service line is not the Districts' responsibility.

GM Johnson drew the Boards' attention to the Notification of check issuance from the Hartford. This is recompense for the damage caused to the gutters at the San Juan Road treatment facility by a delivery driver.

Director Norton enquired about the damage from the incident at Garden Avenue; GM Johnson reported that MGE Underground have conceded to recompense the District for the damage to the main line.

IX. ACTION ITEMS

A. Consider receiving a report regarding the possible annexation of one parcel in the Rancho Larios area, and provide direction to staff.

GM Johnson presented a recent request for water service within the Rancho Larios subdivision which is within the Districts' sphere of influence but not annexed. The parcel was not included in the original agreement and now the existing supply, from a well, is insufficient. The property owner was present at the meeting and has researched drilling a new well, but there no guarantee of success. The process begins with requesting approval from PVWMA for the exportation of water outside of the basin boundary for health and safety reasons. Later the process will involve requesting annexation of, unusually just the one parcel, through San Benito LAFCO to establish a change to the Districts' borders, any environmental impact or the requirement for any encroachment permits.

After some Board discussion, Director Holman moved to approve the commencement of the process of investigating the annexation of the single Rancho Larios property, with any cost to be covered by the property owner. The motion was seconded by Director Dutra and unanimously accepted with all Directors present.

B. Consider receiving an update on the development of a Board member Training Plan, and providing direction to Staff.

GM Johnson recapped the plan as previously devised by the Ad-Hoc Committee. In light of no further comments since the last meeting, an updated training plan, with the training webinars in the order of priority was presented. With the Committee proposed one training session per quarter, the first training session will take place before the October Board Meeting. Director Norton moved and Director Leap seconded the motion to accept the report and direct staff to set up the training ahead of the Board Meeting in October.

C. Consider receiving a report regarding the purchase of XiO Systems hardware for two sites, in the amount of \$19,406.67, and providing direction to staff.

Following on from the previous discussions regarding the issues with SCADA, the inadequacies of Tesco and the potential addition of the XiO systems. The total financial impact of a partial installation would be \$19,406.67 over a three year period; this is broken down into 36 monthly payments of \$375.25 and a down payment of \$5,897.67. There will be an additional monthly charge of \$117 for cloud-based costs of data storage and site control. This proposal would add the ability to remotely monitor the Rancho Larios tank to avoid such situations as a previous loss of around 300,000 gallons. It would also free up time for the Operations Team who currently need to physically set points for well levels twice a day. At Pleasant Acres, the requirement is more complex, so the XiO system would allow remote control of the pump as well as the VFD frequencies, monitoring of the water level, water used, water pressure, total flow rate and chlorine levels. Changes to the system are made remotely by XiO the following working day. This provides considerably greater control and monitoring than is currently possible, especially for Rancho Larios where there is no monitoring in place. Director Dutra enquired as to whether there is any termination clause in the contract should there be any future issues. GM Johnson reassured the Board that XiO are quickly gaining popularity in many Californian Water Districts. Management Consultant Morris enquired as to what happens should the Programmable Logic Controller, currently in place, fail. GM Johnson will investigate and report back. GM Johnson requested that Counsel Bosso peruse the contract and report any issues. Director Holman moved and Director Leap seconded the motion to accept the XiO proposal as presented. The proposal was unanimously accepted with all Directors present.

D. Financial Reports for the month of August 2018. Total revenue for August was \$132,340.01; Total expenditures were \$137,243.96 between August 21, 2018 and September 19, 2018.

On the **Balance Sheet**, *Total Assets* are \$11,796,787.01, of which the total cash assets are \$1,545,935.01 divided between the District's current assets of \$1,076,682.56, and the Assessment Districts' assets of \$469,252.45. The CFD accounts show zero as that Bond is now closed out.

In **Fixed Assets**, the District Vehicles figure is higher than usual because of the new truck purchase.

In **Liabilities**, GM Johnson drew the Board's attention to the *City National Bank - Current* which is the loan paid twice a year.

In the **P&L Report** GM Johnson reported *Total Revenue* for August was \$132,340.01 as compared to the YTD Budget column of \$119,050 which is 22% over budget. Comparing the Jul-Aug 18 column to the YTD Budget shows we are over budget by \$51,478.59 and next month is likely to be even bigger due to high bulk water sales.

In *Grant Revenue*, some has been paid back for the Leadership Summit previously attended by GM Johnson and next month ASO Coombes attends the Board Secretary Training which is also covered by a grant. *System maintenance* currently contains a number of unique items this month; the Rose Ave installations, location and repair of a faulty valve, plus the annual software maintenance agreement from Master Meter. One of the Operations trucks had a milestone 50,000 mile service, plus some issues with the gear linkage as well as a recall for the airbag. Payroll is a little higher as additional hours have been worked by staff in preparation and attendance for the annual audit.

Comparing the YTD Budget and Jul-Aug 2018 columns on the bottom line, the *District Net Income* is positive by \$47,279.89.

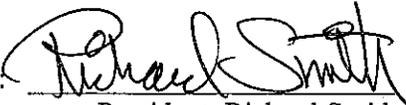
In the **Monthly Expenditures** GM Johnson drew the Board's attention to the purchase of the new truck. The original sticker price was \$49,000, and with the addition of the Rhino lining and the Tommy Lift-Gate the final price was \$42,228.08.

Director Dutra moved to adopt the Financial Reports as presented; the motion was seconded by Director Leap. The Financial Reports were unanimously accepted with all Directors present.

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, October 23, 2018.

Director Norton requested an Action Item to explore the possibility for the Board to be issued with electronic devices in order to receive District emails and read the Agenda-Board Packet to avoid the use of paper, thereby reducing work for the office staff.

XI. ADJOURNMENT. President Smith adjourned the meeting at 8:42pm until Tuesday, October 23, 2018.

Read and approved by: 
President, Richard Smith

Attest: 
Board Secretary, Louise Coombes

Date: 10/23/18

Date: 10/26/18