

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
September 22, 2020**

- I. **CALL TO ORDER.** The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Holman on Tuesday, September 22, 2020 at 7:00 p.m. online via Zoom.
- II. **ROLL CALL.** President Holman, Vice President Leap and Directors Dutra, Norton and Smith were present. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso, Board Secretary Louise Coombes and Management Consultant Vicki Morris.
- III. **PLEDGE OF ALLEGIANCE.** President Holman 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 August 25, 2020 Board Meeting were presented for review and approval; Director Dutra moved for approval of the minutes seconded by Director Smith. Minutes were unanimously approved, by roll-call vote, with all Directors present.
- VII. **ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. **Director's Reports.** There were no Director's reports.
- B. **Attorney's Report.** Counsel Bosso mentioned a potential amendment to the Homestead Exemption Bill which may come into effect in the new year, raising the protected home equity to \$600,000 and therefore inaccessible to creditors. If a customer invoked Chapter 7 bankruptcy, that may include an elimination of all debt including any owed to the District.
- C. **Manager's Report**

OPERATIONS

Production & Well Levels

GM Johnson reported total production in August 2020 was 12,358,778 gallons, with a daily average of 398,670 gallons per day; the majority was produced by San Juan Well.

There are 965 connected meters. All water testing continues to be both, filed on time and represent satisfactory results. In August, the finished water from the treatment plant showed no trace of iron and manganese.

Reporting operational well levels; Carpenteria Well was unchanged from August at 285 feet; San Juan Well was up 2 feet. Observational well levels: Marshall Well was also unchanged from August at 76 feet; and Aimee Meadows Well was up 4 feet.

MAINTENANCE

Incidents

No incidents were reported at the time of writing the Manager's Report, however, between then and this meeting, two separate individuals were caught helping themselves to water from District hydrants. One did come into the office to complete the required paperwork and pay a deposit. The other has not, however, the water buffalo containing the water is still sitting at the Red Barn unused. GM Johnson plans to contact him to complete the paperwork before more work continues in October. Credit goes out to our vigilant Operations Team for noticing these incidents.

ADMINISTRATIVE

Staff & Board Recognition

The late fees not being collected from the customers continues to be monitored and has grown. In July it was approximately \$1300 but in August \$3300, however, this is a cumulative figure rather than a monthly loss.

AC Girõn handled the majority of the Audit process single handedly this year, with only a few reports from ASO Coombes. The Audit Report is due late October from Fedak & Brown, then a presentation to the Board will be forthcoming thereafter.

GM Johnson has received several requests from local Fire Departments regarding ISO testing of fire hydrants and provision of water system information. A report was last provided to the Fire Department in 2002, so based on a database developed by ASO Coombes, GM Johnson and CO DeAlba will compose an updated report.

In consideration of previous experience and knowledge, GM Johnson has recently been appointed to two committees for PVWMA; one is the Sustainable Groundwater Committee to work on a GSP, the other is an Ad-Hoc Project Funding Committee. GM Johnson will provide more information to the Board at a later date.

Conservation & Rainfall

Since October 1, 2019, the total remains at 16.72" of rainfall recorded so far September, and the water year ends at the end of this month.

Projects

Ad-Hoc Personnel Committee Meeting

GM Johnson reported that good progress is being made on the Employee handbook. Further meetings are planned in the near future.

Technology Upgrade - SCADA

GM Johnson reported that communication with Carr Tank has always been difficult, however, using the greater functionality of the XiO technology has enabled a cellular modem to be installed to resolve this problem. Carr booster is now online. Remaining installations are the Oakridge Booster, Carpenteria Well, Rea Tank (Rea and Seely Boosters) and finally San Juan Well.

Orchard Hill Road Proposed Annexation

Mr. Bennet was very impressed with the technical knowledge of the District staff in setting up a temporary meter to augment the existing water supply. The District is still waiting for a definitive list of those who wish to be included in the annexation process. Director Norton asked about the deadline for this list, to which GM Johnson replied that as the season for fire risk diminishes, the need to complete this list will increase, so aiming for November.

Director Smith and Vice President Leap recently visited the site; VP Leap mentioned they had noticed not only the temporary connection, but a second service line lying above ground.

- D. Correspondence:** GM Johnson noted the correspondence regarding the delay in cleaning the solar panels, especially removing the recent ashfall. A letter from the fire suppression consultant for the Red Barn will require engineering expertise. After the recent presentation by GM Johnson to the PVWMA regarding the Bravo annexation, the agreement arrived. Also, part of the annexation process was a new checklist from San Benito County reducing the number of required items from ten to seven.

Although a confirmation of the Election Service Agreement had been received from the County of Monterey, only 2 candidates applied for the two available seats, so no election is necessary. President Holman will continue in his seat and Director Norton will continue until December. GM Johnson congratulated upcoming Board Director Morris.

IX. CONSENT CALENDAR

- A. Resolution 2020-08 Initiating Proceedings for the Bravo (APN: 011-260-005) Annexation to the Aromas Water District**
- B. Resolution 2020-09 Recognition of "Water Professionals Appreciation Week" October 3 to 11, 2020**
Director Norton moved to approve the Consent Calendar items. The motion was seconded by Vice President Leap. The motion was unanimously approved by roll-call vote with all Directors present.

X. ACTION ITEMS

A. Consider Approving a Master Services Agreement with MNS Engineers, Inc., for general engineering service.

GM Johnson presented the need for an engineering service for a number of upcoming projects and proposed a Master Services Agreement with MNS Engineers, Inc., in order to facilitate efficient solutions to those projects. MNS have numerous team members with considerable experience of such projects, and Mike Freitas has been added to the team as an institutional knowledge consultant since he has carried out many engineering projects for the District in the past.

President Holman enquired about the locale of MNS; GM Johnson explained that the main contact, Paul Greenway, lives locally (Royal Oaks) and recognizes the depth of historical knowledge from Mr. Freitas. Comparison of cost is laid out in Exhibit B of the agreement. Director Dutra wanted to know if bids had been received on all the projects. Director Norton and President Holman queried why we are not using the engineer we have always used. GM Johnson explained that he wants to move the District forward, prefers the stability of a team of engineers into the future as opposed to one person; has worked extensively with MNS, and Paul Greenway in particular. Director Norton expressed concern over the lack of reasons to change other than personal preference. GM Johnson explained that he has worked with Mr. Greenway on a number of projects, both emergency and non-emergency situations. Director Smith endorsed that a new GM has a right to choose a new team. This sentiment was echoed by Vice President Leap, likening it to the situation where Management Consultant Morris was on hand to assist GM Johnson. Director Dutra was concerned about the additional cost of having Mr. Freitas be a part of the team, however, GM Johnson explained that this would only be on a consultancy basis as needed.

Mr. Greenway was invited to comment; he has served in an engineering capacity in many projects surrounding Aromas, has lived locally for 20+ years and works with other local and city water systems and departments. There are around 150 talented staff at MNS with good solid management. Mr. Greenway has already spoken with Mr. Freitas who is happy to be part of the team and share knowledge.

Director Smith moved to approve the Master Service Agreement with MNS Engineers, Inc. The motion was seconded by Vice President Leap. With all Directors present, the motion was passed by roll-call vote as follows:

AYES: Norton, Holman, Leap, Smith NOES: Dutra

B. Resolution 2020-10 Certifying a Categorical Exemption for the Bravo Annexation into the AWD boundary.

GM Johnson presented the current status of this annexation, which the District Board approved in July 2020. The PVWMA Board approved the exemption from Ordinances 98-01 and 98-02 in August on the basis of health and safety. A determination of sufficient environmental documentation in the form of a Categorical Exemption has been made; there is no significant effect on the environment, indeed there is a local benefit in the reduction of localized pumping. There is no financial impact to certifying this annexation into the Aromas Water District boundary.

Vice President Leap moved to approve Resolution 2020-10, Finding that a Project is Categorically Exempt Under the California Environmental Quality Act. The motion was seconded by Director Smith. The motion was unanimously approved by roll-call vote with all Directors present.

C. Financial Reports for the Month of August 2020

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,196,022.56, of which *Total Current Assets* are \$4,641,411.64, and *Total Fixed Assets* are \$6,416,241.92. In *Liabilities*, the *Total Current Liabilities* are \$288,512.43 and *Long-Term Liabilities* are \$4,548,749.27.

In the **P&L Report**, *Water Revenue* for August was \$139,434.40. The total revenue for August was \$143,668.42. Total expenditures were \$86,006.13 between August 19 and September 15, 2020.

Director Smith moved to approve the Financial Reports as presented; seconded by Vice President Leap. The Financial Reports were unanimously approved by roll-call vote with all Directors present.

XIV. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday October 27, 2020.

- Ethics Training is due; potential for holding the session prior to the October meeting.

XV. ADJOURNMENT. President Holman adjourned the meeting at 8:36pm until Tuesday, October 27, 2020.

Read and approved by:

Wayne Holman
President, Wayne Holman

Attest:

Louise Coombes
Board Secretary, Louise Coombes

Date: 23 Oct 2020

Date: Oct 23, 2020