

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
May 30, 2019**

- 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, May 30, 2019 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 Leap and Dutra were present. Director Norton was absent. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso, Management Consultant Morris and Board Secretary Louise Coombes.
- III. PLEDGE OF ALLEGIANCE.** Director Leap 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 April 23, 2019 Board Meeting were presented for review and approval; there were no corrections or comments. Director Dutra moved for approval of the minutes and Director Leap seconded. Minutes were unanimously approved with Director Norton absent.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** Director Leap mentioned that, along with GM Johnson and President Smith, he attended the ACWA Conference in Monterey. Aromas Water District sponsored a water station in the Exhibit Hall to commemorate our 60th Anniversary.
- B. Attorney's Report.** Counsel Bosso reported that he too attended the ACWA Conference; he noted that several water agencies are receiving increasing demand for "Cannibis Water", especially in Southern and Central California.

He also noted that at a presentation to the Legal Affairs Committee, there are a couple of lawsuits being filed against water agencies arising from the recent fires. Claims of inverse condemnation on the grounds that pumps either burned or failed and therefore there was no water to put out the fires. ACWA JPIA are making efforts to work on members' behalf to mitigate such claims.

The ADU legislation and Water Tax Bill are progressing once again and Counsel Bosso is monitoring cases.

C. Manager's Report

OPERATIONS

No additional meters were installed in April so the total number of meters remains at 957 on 902 parcels. All water testing continues to be both, filed on time and represent satisfactory results.

Production & Well Levels

GM Johnson reported total production, in April 2019 is 6,705,095 gallons; the daily average at 223,503 gallons, the trend shows an increase as the summer progresses despite the late rain in May. Carpenteria Well was run the entire month; Pleasant Acres Well was run for three days in April and San Juan Well was only used for two days of April. This calendar year to date, total production is 20,327,155 gallons.

Reporting well levels; Carpenteria Well is down three feet, San Juan Well is down one foot, Marshall Well is down three feet and Aimee Meadows Well is down one foot.

MAINTENANCE

GM Johnson drew the Board's attention to the recent replacement of two uninterruptable power supplies at Carr Booster and Rea Tank.

GM Johnson explained that recently the Operations team were unable to access the Ballantree tanks due to brush overgrowth. A Kubota "mule" was rented to ensure access with the necessary tools to clear paths and expedite reconnaissance of the Cole line which had not occurred in two years.

Incidents

There were no incidents to report this month.

ADMINISTRATIVE

Staff & Board Recognition

ASO Coombes recently submitted the DRINC report and is now working on both the Consumer Confidence Report and the upcoming Proposition 218 Notice as a result of the Rate Study actions made by the Board at this meeting.

AC Girōn is preparing for the Financial Audit with input from ASO Coombes. The Auditors will be at the District on June 6-7 for Interim Testing, and the Final Field Audit in early September.

Interviews for the new Water Systems Operator were held on May 15. The candidate chosen was the District's current paid Intern, Shaun Smith, who is eager to learn and readily accepted the position. Starting as a full-time employee on June 3, 2019, WSO Smith has already been taking over some of the On-Call duties, giving CO DeAlba some free time and they are already developing a good synergistic working relationship.

Conservation & Rainfall

According to the rain gauge at Chittenden, since the beginning of the rain year, October 1, 2018 to date, a total of 25.44" has been recorded, including the reading for today, with almost 2.28" falling in May.

Projects

Annexations Update

The Cole Road annexation is moving forward as pieces of the application are being completed. The Eilert application was submitted May 2, 2019 and there is likely a two-month wait before it becomes an item on the LAFCo Agenda.

60th Anniversary Celebration

GM Johnson reported that he wrote a number of letters to local Legislators and Supervisors to obtain Resolutions to recognize the 60th year of the District's operation.

The District has received a Resolution from Senator Monning's office. Anthony Bothelo will attend the Board Meeting on July 23, 2019 to present the District with the Resolution from the San Benito County Supervisors. Assembly Members Stone and Caballero are working on a joint Resolution from the State Assembly. On July 9, 2019, GM Johnson goes before the Monterey County Board of Supervisors to be presented with their Resolution.

- D. Correspondence.** GM Johnson drew the Board's attention to the timely submission of the Annual DRINC report. Director Dutra inquired about the email from NBS Requesting the 2019-20 Annual Tax Roll Levy for Oakridge and GM Johnson explained that the result of this email would be presented in a Resolution at the next Board Meeting.

Director Leap inquired if there was any further news regarding the San Benito County planning meeting last month and GM Johnson has not heard back from them yet, but will follow up.

IX. ACTION ITEMS

A. Consider receiving the Draft Water Rate and Capacity Charge Study.

Tom Pavletic from MFS presented the final draft of the Rate Study based on the Board's decision in the previous meeting. Essentially the tiered rates move down with a smaller increase in this first year, beginning October 1, 2019 and larger increases in the subsequent four years to meet the Fiscal needs of the District per the Reserve Fund Policy.

Director Leap moved to receive the Draft Water Rate and Capacity Charge Study as presented and release the Proposition 218 to all customers declaring the date, time and venue of the public hearing with a 45-day voting period before the ballot count at the Board Meeting on July 23, 2019. The motion was seconded by Vice President Holman. The Study was unanimously received by all Directors with Director Norton absent.

B. Consider adopting the proposed Capital Budget of \$219,074 for Fiscal Year 2019-2020.

GM Johnson explained that the previous year's Capital Budget of approximately \$153,000 had an omission of the payments to the Solar and Capital Improvement Loan, which almost double the budget amount. This budget includes funds for water meters; continuing the renovation of Operations HQ; continuing implementation of XiO SCADA and implementation of the District Office solar power.

Director Dutra inquired as to whether there is any Capital Budget for the Operations Shop. GM Johnson explained that a new shop is included in the Rate Study, though not until FY 2021-22. GM Johnson also mentioned that the Board has the power to move the Capital Budget figures, so it is up to the Board when the shop will be built.

Director Leap moved to adopt the proposed Capital Budget for FY 2019-20 as presented. The motion was seconded by Vice President Holman. There was no discussion. The proposed Capital Budget was unanimously approved with Director Norton absent.

C. Consider adopting the proposed Expense Budget of \$1,539,020 for Fiscal Year 2019-2020

GM Johnson explained that this Expense Budget was formulated based on the 2018-2019 Fiscal Year's estimated water use, with the exception of the Bulk water, which was halved due to its unpredictability. In addition, the Budget is based on the new figures proposed in the Rate Study which would need to be revised should the public vote against the rate increase. GM Johnson drew the Board's attention to the additional cost under Communications related to the new XiO telemetry. The Budget also provides for new office technology, allowing the office staff to be more effective.

Director Leap moved to adopt the proposed Expense Budget for FY 2019-20 as presented. The motion was seconded by Vice President Holman. There was no discussion. The proposed Expense Budget was unanimously approved with Director Norton absent.

D. Financial Reports for the Month of April 2019

The total revenue for April was \$167,085.15 Total expenditures were \$150,711.08 between April 17 and May 20, 2019.

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,645,825.03, of which *Total Current Assets* are \$4,429,416.08, and *Total Fixed Assets* are \$7,027,128.15. In *Liabilities*, the *Total Current Liabilities* are \$323,329.66, *Long Term Liabilities* are \$4,582,382.94.

In the **P&L Report**, *Water Revenue* for April was \$74,660.01 as compared to the budgeted \$85,000.00, however, the fiscal year to date columns show that revenue is approximately \$58,000 higher than budgeted at this point.

In the **Monthly Expenditures**. Director Dutra enquired whether the recent tank cleaning revealed any necessary repairs, and GM Johnson reassured the Board that the tanks were in good repair. A report will be presented at the next Board Meeting.

Vice President Holman moved to adopt the Financial Reports as presented; seconded by Director Leap. The Financial Reports were unanimously accepted with Director Norton absent.

X. **FUTURE MEETINGS & AGENDA ITEMS.** The next meeting will be on Tuesday, June 25, 2019 at 7:00pm. Agenda items will include the Tank Cleaning Report and the Tax Levy Resolutions.

XI. **ADJOURN TO CLOSED SESSION.** At 8:30pm. The Board adjourned to Closed Session to conduct the GM Performance Evaluation as permitted by Government Code § 54956.9

XII. **RETURN TO OPEN SESSION.** At 8:45pm President Smith reported that the General Manager had been evaluated.

XIII. **ADJOURNMENT.** President Smith adjourned the meeting at 8:47pm until Tuesday, June 25, 2019.

Read and approved by: Richard Smith
President, Richard Smith

Attest: Louise Coombes
Board Secretary, Louise Coombes

Date: 6/25/19

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