

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
October 22, 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, October 22, 2019 at 7:01 p.m. at the District office located at 388 Blohm Ave, Aromas, California.
- II. ROLL CALL.** President Smith, Vice President Holman and Directors Dutra, Leap and Norton were present. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso 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 September 24, 2019 Board Meeting were presented for review and approval; there were no corrections or comments from the Board, however, Counsel Bosso made one slight correction to the Attorney's report. Director Leap commented that he specifically found the minutes regarding the Financial Reports from September very useful. Director Norton moved for approval of the minutes and Vice President Holman seconded. Minutes were unanimously approved by all Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

A. Director's Reports. None.

B. Attorney's Report. Counsel Bosso reported that he is waiting on the results of a number of cases, but nothing new to report at this time.

C. Manager's Report

OPERATIONS

No new connections were established in September, so the total number of connections remains at 963. It is expected that the Eilert property will be connected within the next two weeks. A few meters are currently being replaced as it was recently noticed that they are not functioning correctly.

All water testing continues to be both, filed on time and represent satisfactory results. The finished water from the treatment plant showed no trace of iron and manganese indicating the treatment plant is working correctly.

Production & Well Levels

GM Johnson reported total production, in September 2019 was reducing compared with August at just under 11 million gallons, with a daily average of 369,438 gallons. This calendar year to date, total production is 72,983,974 gallons, with system wide production loss remaining below five percent. Carpenteria and San Juan Wells operated the entire month; Pleasant Acres Well was only utilized for eleven days.

Reporting Operational well levels; Carpenteria Well was up five feet and San Juan Well was up one foot. Observation well levels; Marshall Well is up two feet and Aimee Meadows Well is up four feet.

MAINTENANCE

Incidents

None at the time the Manager's Report was written.

ADMINISTRATIVE

Staff & Board Recognition

CO DeAlba & Op Smith completed the second portion of the XiO installation to include Pleasant Acres Well and Pine Tree Tank. All XiO connected facilities are now able to be controlled from the website which can be accessed from anywhere using the District's login.

The first half of the tri-annual Sanitary Survey was conducted by two engineers from the SWRCB (State Water Resources Control Board) after diligent preparation by the Operations Team. The Survey will continue, and be completed, on November 1, 2019. At the last inspection (2016), the State Engineer instructed the District to alter the intake on two tanks. The alterations were made as instructed, but at this new inspection, the alterations were questioned by an Inspecting Engineer. The engineers at SWRCB will discuss and advise the District as to the correct course of action.

CO DeAlba continues to work with our electrician to establish back-up power to Carr and Oakridge Boosters in the event of power loss, planned or otherwise, at those sites.

Conservation & Rainfall

A new rain year began on October 1, 2019. Zero precipitation has been recorded since then.

Projects

Annexation Update for Cole Road

Provided there is no contesting of the application, it should be included on the LAFCo Agenda on November 20, 2019.

PG&E - Move Terminus Power Pole at Marshall Yard

GM Johnson has been working with a PG&E Engineer who indicated that to move this pole would cost approximately \$30,000, plus the expense of the electrician needed to reconnect the newly located power supply. However, if the meter size is increased, the cost could be halved. Considering the possible future plans to extensively remodel the Marshall Yard site with a new well, this may be a good overall solution. For the time being, this project is on hold.

PG&E - Install new power meter at Upper Oakridge Booster Station

The agreement with Mr Scrodin for the power meter that is shared at the Upper Oakridge booster station may come into question at some point in the near future, as Mr Scrodin's property is for sale and the agreement is revocable. This meter is currently located at the house with a 400-foot long run between the meter and the booster, so to separate the supply and locate a new meter for the booster requires a trench to be dug in a new easement, then have PG&E lay the cable and finally an electrician to reconnect the power to the booster. Currently there are no funds available for this construction. In addition, there is a question as to whom the property, where we would need the easement, belongs.

Technology Upgrade for the Office

Expedited by the recent demise of the Customer Services PC, GM Johnson has now ordered the new office technology originally slated for the end of the calendar year.

Technology Upgrade for SCADA

Originally, Phase III of the XiO installation involved Carr Booster and Carr Tank at an approximate cost of \$15,000 of the \$30,000 in this fiscal years' budget. However, the necessary inclusion of Cole Tank and an antenna on the top of the Oakridge Tank will maximize the effectiveness of additional installations. GM Johnson outlined to the Board the increasing urgency to complete the full XiO installation due to his recent discovery that after the end of this calendar year TESCO will no longer support the District's SCADA system.

President Smith suggested that it may be prudent to include a contingency fund in the next budget to facilitate unforeseen construction expenses or repairs; GM Johnson suggested "Special Projects".

- D. **Correspondence:** GM Johnson drew the Board's attention to the various ongoing discussions with AT&T; PG&E and the County of San Benito regarding the Cole Road annexation and Rocks Road bridge. Director Norton inquired as to whether there is a date for the Rocks Road repair. GM Johnson checked the correspondence from the County of San Benito which indicates March/April 2022. Carr Road bridge has been added to the first batch of Measure G projects as a higher priority.

IX. ACTION ITEMS

A. **Consider receiving the updated Aromas Water District Organizational Chart**

GM Johnson presented an updated version of the Organization Chart.

President Smith obtained a favorable consensus from the Board to receive the new Organization Chart as presented. GM Johnson is to sign the new chart for inclusion on the District website and in Board/Employee handbooks.

B. **Consider receiving a report regarding the proposed rehabilitation strategy for the Carpenteria Well**

GM Johnson presented a report detailing the testing for specific types of iron bacteria affecting the Carpenteria Well to facilitate a more targeted approach to restoring its full production capacity. As per action at the last Board meeting, Martin Feeney has been retained as a Consultant Hydrogeologist who provided kits to test for specific bacteria; the results demonstrated the presence of minor levels of iron reducing bacteria, which is good news as only mechanical treatment as opposed to chemical treatment may be needed; Mr Feeney is working on the specifics of this treatment.

Mr Feeney is also researching suitable contractors capable of performing the type of treatment necessary, with the intention that bids can be presented to the Board at November's meeting. Director Norton suggested that it would also be useful to have references from customers of the top choices of contractors.

C. **Consider establishing an Ad-Hoc Personnel Committee to provide support while developing an updated 'Board of Directors' Policy Manual' and an updated 'Aromas Water District Employee Handbook'**

GM Johnson outlined that policies and procedures are critical to an organization's focus, with a mission statement providing overall direction, and policies and procedures keeping activity on track. Currently there is no Board Policy manual and the Employee Handbook is in need of updating.

To initiate the Board Policy Manual, ASO Coombes has amalgamated several examples, including the sample manual from the CSDA. GM Johnson outlined that he has been working on the Employee handbook to bring it up to date and make sure some of the policies within it are not to the District's detriment, and to bring it into line with the current working environment.

There are consultants who can do this task, however, not only are they expensive, but they do not possess the intimate knowledge of the District, imperative to the accurate reflection of its practices. The goal is to have both of these documents completed by the end of this Fiscal Year; June 2020, by having one to two meetings a month.

President Smith formed an Ad-Hoc Personnel Committee; Director Leap and President Smith both volunteered to participate on the committee, with Counsel Bosso volunteering to review the drafts as needed.

D. Financial Reports for the Month of September 2019

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,366,293.27, of which *Total Current Assets* are \$4,438,703.28, and *Total Fixed Assets* are \$6,738,309.19. In *Liabilities*, the *Total Current Liabilities* are \$358,610.12 and *Long Term Liabilities* are \$4,742,635.22.

GM Johnson pointed out that the new rates with the new tier structure go into effect at the beginning of October 2019. Also, the District's Accountant has recently introduced a breakdown of the current portion of various loans which shows on the Balance Sheet under Other Current Liabilities.

The total revenue for September was \$119,901.76. Total expenditures were \$126,854.27 between September 19 and October 15, 2019.

In the **P&L Report**, *Water Revenue* for September was \$116,868.93; a little over the budgeted \$115,000.00.

GM Johnson drew the Board's attention to how close the amount for the expense account for System Maintenance and Repair came to the budget; this was due to a number of parts that had been purchased to facilitate the replacement of defective meters.

Power bills continue to be complicated due to prolonged recalculations on PG&E's part, credits for the overcharged accounts and true-ups. AC Girōn continues to do an admirable job of keeping up with these convolutions. GM Johnson drew the Board's attention to the year-to-date budget for San Juan Well in particular which was set at \$12,500 which has already been exceeded by \$680. Part of this should have been applied to the True-Up in June, but until PG&E have correctly calculated the credits, we cannot accurately apply the amounts in the accounting. In addition the new Monterey Bay Community Power further confuses the issue.

In the **Monthly Expenditures**, GM Johnson drew the Board's attention to the large PG&E expense which should even out as the fiscal year progresses.

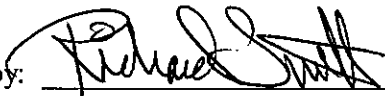
Vice President Holman moved to accept the Financial Reports as presented; seconded by Director Norton. The Financial Reports were unanimously approved with all Directors present.

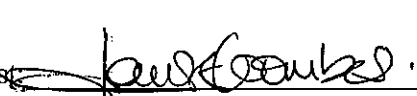
X. FUTURE MEETINGS & AGENDA ITEMS

Director Norton proposed to add a discussion item to a future meeting regarding the ownership and maintenance of the Aromas Community Park.

The next meeting will be on Tuesday, November 26, 2019 at 7:00pm at the District Office; 388 Blohm Ave.

XI. ADJOURNMENT. President Smith adjourned the meeting at 8:08pm until Tuesday, November 26, 2019.

Read and approved by: 
President, Richard Smith

Attest: 
Board Secretary, Louise Coombes

Date: 11/26/19

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