

Minutes of the Regular Meeting of the Aromas Water District Board of Directors November 24, 2020

- I. **CALL TO ORDER.** The regular meeting of the Aromas Water District Board of Directors was called to order by President Holman on Tuesday, November 24, 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 Director-Elect 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 October 27, 2020 Board Meeting were presented for review and approval; Vice President Leap noted that there were a couple of words missing from one sentence. Vice President Leap moved for approval of the amended minutes seconded by Director Smith. Minutes were unanimously approved, by roll-call vote, with all Directors present.
- VII. **ORAL COMMUNICATION.** Director-Elect Morris expressed recognition and thanks to Director Norton, at his last meeting, for the eight years of service to the District and Community in which he has been a supportive, astute and forward-thinking Director with many other great qualities of which District has had the privilege of benefitting.

VIII. REPORTS/PRESENTATIONS

- A. **Director's Reports.** There were no Director's reports.
- B. **Attorney's Report.** Counsel Bosso mentioned that legislation is generally changing to accommodate the COVID-19 requirements. In particular, the California Family Rights Act (CFRA). GM Johnson interjected that the California Family Rights Act has changed limits from fifty to five or more staff members, which will be reflected in the new Employee Handbook. This will be presented to the Board in January 2021.
- C. **Manager's Report**

OPERATIONS

Production & Well Levels

GM Johnson reported total production in October 2020 was 11,010,479 gallons, with a daily average of 355,177 gallons per day; bringing the annual total to date of 95,218,343 gallons with, as usual, the majority coming from San Juan Well. The stacked graph demonstrates that current level is higher than the annual total for 2016, however, the Operations Team are noticing that usage demand has slowed down and is likely to decrease as the winter progresses.

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

Reporting on operational well levels, all are currently recharging nicely; Carpentaria Well is unchanged from the last month; San Juan Well was up four feet. Observational well levels; Marshall Well was down two feet; and Aimee Meadows Well was up one foot.

President Holman asked how Carpentaria Well was now performing [after the rehabilitation]. GM Johnson responded that the Operations Team have reported that the well is performing great with a consistent 300 gpm.

MAINTENANCE

Incidents

On November 12, 2020, a leak was found by a customer on Pleasant Acres Lane. The repair was addressed as quickly as possible with only one Operator available that week. West Valley was called in to assist with the excavation around a tricky tree root system. The four customers that were affected were later informed that water testing for Coliform and E. Coli proved negative.

ADMINISTRATIVE

Staff & Board Recognition

ASO Coombes has been working hard on the District mapping with some regular remote training assistance.

AC Girõn completed the annual financial audit but we are still awaiting the Audit Report.

GM Johnson filed the Bravo annexation application after the rework. This request has now been accepted and will be presented to the LAFCo Board on January 14, 2021.

GM Johnson reported that he completed and submitted the grant application for “Community Power Resiliency Allocation to Special Districts Program” on time. GM Johnson will call them to establish a timeline on response.

Conservation & Rainfall

October 1, 2020 marks the beginning of the new rainfall year. Since there has been 0.16” of precipitation. It still looks likely to be a La Niña winter, and therefore less recharge and more pumping.

Projects

Response to COVID-19 Virus

The District continues to monitor the ever-changing COVID-19 situation.

Ad-Hoc Personnel Committee Meeting

GM Johnson reported that good progress was being made with ASO Coombes reformatting the document to match the appearance of the Director’s Handbook, ready for the next Ad-Hoc Personnel Committee review and presentation to the Board in January.

Technology Upgrade - SCADA

GM Johnson reported on some technical issues with using both the XiO and Tesco systems that has resulted in not enough power being produced by the solar panels in the shorter winter days, so temporary measures have been implemented until the Tesco system can be entirely removed.

Orchard Hill Road Proposed Annexation

GM Johnson attempted to contact the Orchard Hill Group to ascertain which residents are interested in annexation, but has not yet had a response.

Correspondence: GM Johnson pointed out the PV Water Ad Hoc Fund Committee meeting experienced technical issues and so is delayed.

President Holman questioned whether Mr. Dean of Seely Ave is annexed and GM Johnson confirmed in the negative as our infrastructure does not currently reach this far.

Vice President Leap queried whether GM Johnson is on two committees for PVWMA; Funding and Sustainable Groundwater. GM Johnson confirmed this, as well as recently being added to CSDA Professional Development and Fiscal Committees.

Director Norton asked whether all the correspondence with Mr. Freitas indicated that he was not happy with the recent change in engineering. GM Johnson responded that during conversations with Mr. Freitas, he was reminded that he had agreed to being a part of the MNS team.

GM Johnson drew the attention of the Board to the CalTrans correspondence which indicates the next phase of project development on San Juan Road off ramp; they requested maps for the facilities that we have.

GM Johnson noted a recent survey from the State Board which was recently completed.

IX. ACTION ITEMS

A. Consider receiving a report regarding the affect of the Governor’s Executive Order N-42-20 on the Aromas Water District’s finances.

GM Johnson presented a summary of the timeline and actions taken as a result of this Executive Order. Late fees are cumulatively approximately \$4,000. A further \$2,500 has been spent on personal protective equipment, which was not included in the previous budget. The Executive Committee implemented a series

of actions, including closing the office to the public, remote methods of payment and splitting office days to social distance staff. The latter has actually increased the level of customer service.

Fiscal measures meant no shut-offs and late fees would be charged at a later date. There has been a noticeable increase in customers not paying on time or at all. When called, the customers are under the impression that the Governor's Order means they do not have to pay their bill. Customers will not be shut-off, but still have to pay their bills, including late fees.

GM Johnson noted that, through the CSDA forum, other Districts are handling things similarly; deferring delinquency processes and late fees, although many have already begun applying late fees again. Most were finding that deferral had affected their bottom line.

Interestingly, up to today, not one customer had indicated that due to hardships caused by COVID-19, they could not pay their bill. GM Johnson had the first phone call with this as a reason for non-payment this morning. There are approximately 62 delinquent accounts at present, many of which are chronic non-payment accounts.

GM Johnson indicated that the normal (pre-COVID-19) District policy was that if a customer setup and adhered to a payment plan, no late fees would be applied. He recommended to the Board that this policy be reinstated in January 2021, reminding customers that the late fees were deferred as opposed to forgiven.

President Holman stated that his preference was to reinstate late fees immediately. Director Norton commented that considering no customers, until this morning, had expressed difficulty paying because of COVID-19, then reinstatement of the fees should begin on payment plan and after the holidays. Having said that, he feels that if anyone is experiencing hardship due to COVID, but is not mentioning this to us, he feels that applying a punitive late fee is not helping. Payment plans are a more community sensitive policy and to wait until the New Year. President Holman is not against waiting, however, prefers that the District is not being taken advantage of. Vice President Leap was sensitive to the additional administrative workload involved in reinstating late fees. GM Johnson indicated that it is not a problem administratively; there are 62 folks to whom he would write to inform them that late fees will be reinstated.

GM Johnson reiterated that he feels many customers have misinterpreted the Executive Order; the facts need to be made clear, payment plans offered and report progress to the Board in December. Including, as Director Dutra suggested a copy of the Executive Order, to which Director Smith agreed. GM Johnson indicated that each customer needs to understand the magnitude of the late fees owed.

Direction to Staff is to reach out to each customer with the facts and figures, clear up confusion regarding their obligation and suggest a payment plan. Counsel Bosso suggested offering an incentive in the form of a waiver of the late fees if people sign up for the payment plan by January 1, 2021 and adhere to it. Late fees would be reinstated if they do not stick to the payment plan. Vice President Leap and President Holman agreed.

No motion was necessary. The report was received, and GM Johnson has direction to proceed.

B. Consider receiving a report regarding the possible provision of a fire suppression connection from the Aromas Water District system to the Red Barn.

GM Johnson provided an update since the October meeting. The Red Barn owners have requested a connection with a minimum 815GPM flow rate. Our engineers, MNS, indicated that, in a worst-case scenario, there would not be enough residual pressure with the flow requested. The consultant for the Red Barn consultant requested that the model be rerun with Ballantree boosters on, but even so the outcome was the same.

Their request for a hydrant flow rate and pressure test was recently performed. Within five minutes the Oakridge line was dramatically losing pressure to the point of potential negative pressure in those homes. This is an undesirable situation as many of those homes do not have backflow devices installed, resulting in potential contamination of the District's system. GM Johnson indicated that system upgrades, such as the capital project planned replacement of the Ballantree Tank next year, could completely change the situation.

Director Norton strongly indicated that losing pressure on the Oakridge line is entirely unacceptable. It needs to be clear that any connection provided to the Red Barn would not adversely affect any of the rest of our

system, otherwise the six-inch line cannot be provided. President Holman agreed and feels the onus is on the Red Barn consultant to come up with alternatives. Should an upgrade of our system be required, who should bear the cost?

Mr. Sepulvado, the Red Barn's Fire Protection Consultant, was given the opportunity to speak to the Board. He clarified that the six-inch connection is, in fact, a six-inch tap to a four-inch line requirement for their system. He insisted that the District has provided the same service to a commercial business across the street. He pointed out that he has done more calculations and provided more information to the District than he has ever had to do before in California. He feels that he has worked hard to provide us with information that, as a public utility, we should already have available.

Director Holman observed that the business across the street is a small building behind the service station, so there is really no comparison. Director Dutra mentioned that this building was built around 5-7 years ago and possibly did not go through this engineering process.

Director Dutra expressed that he cannot see how the few minutes that the fire suppressant system would run, on just a few sprinklers would strain our system and cause such a problem with Oakridge, especially considering this would be a rare emergency event as opposed to the regular irrigation of an orchard. He expressed an interest in seeing the Engineering report. Director Norton reiterated his concern that Oakridge could be at risk. If our engineers are insistent that our water pressure drops too low if that line is activated, he prefers not to go forward unless further information to the contrary becomes available.

Vice President Leap suggested that a letter or statement be obtained from the engineers to clearly state pertinent information regarding the flow rates and demand and that demonstrates the impact to our system and customers to enable a decision to be made. Director Norton expressed concern that the engineering report was clear in indicating that this will not work for our system, unless there is some data missing or some way to work around the situation, otherwise there is too much liability of contradicting our engineer's advice.

GM Johnson presented various options for next steps. The Board indicated that GM Johnson should continue to gather data and do further research so that the Board can make a more informed decision at a later meeting.

No motion was necessary. The report was received and GM Johnson has direction to proceed.

C. Financial Reports for the Month of October 2020

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,099,865.87, of which *Total Current Assets* are \$4,534,265.63, and *Total Fixed Assets* are \$6,427,231.24. In *Liabilities*, the *Total Current Liabilities* are \$199,342.02 and *Long-Term Liabilities* are \$4,260,236.84.

In the **P&L Report**, *Water Revenue* for October was \$142,105.94. Total **Expenditures** were \$157,397.45 between October 21 and November 17, 2020.

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

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, December 22, 2020.

XI. ADJOURNMENT. President Holman adjourned the meeting at 8:55pm until Tuesday, December 22, 2020.

Read and approved by: _____
President, Wayne Holman

Attest: _____
Board Secretary, Louise Coombes

Date: _____

Date: _____