

**Minutes of the Regular Meeting of
the Aromas Water District Board of Directors
January 26, 2021**

- I. **CALL TO ORDER.** The regular meeting of the Aromas Water District Board of Directors was called to order by President Leap on Tuesday, January 26, 2021 at 7:00 p.m. online via Zoom.
- II **ROLL CALL.** President Leap, Vice President Morris and Directors Dutra, Holman and Smith were present. Also in attendance were General Manager Johnson, Counsel Bosso and Board Secretary Coombes.
- III. **PLEDGE OF ALLEGIANCE.** President Leap 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 December 22, 2020 Board Meeting were presented for review and approval. Director Holman moved for approval of the minutes seconded by Director Smith. Minutes were approved by roll-call vote with all Directors present.
- VII. **ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

A. Director's Report(s). None

B. Attorney's Report. Counsel Bosso invited questions further to his memo regarding ADUs. There were none. There are no cases currently in the courts that affect water districts.

C. Manager's Report

OPERATIONS

Production & Well Levels

GM Johnson reported total production in December 2020 was 6,437,367 gallons, with a daily average of 270,657 gallons per day; bringing the annual total to date of 107,106,505 gallons. As usual, the majority of this month's pumping came from San Juan Well, however, Carpenteria Well was also in use for 30 days. The stacked graph demonstrates that the annual total for 2020 was similar to the pre-drought annual total for 2014.

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

Reporting on operational well levels, all are currently recharging nicely; Carpenteria Well is up three feet; San Juan Well is up four feet. Observational well levels; Marshall Well is up one foot; and Aimee Meadows Well is up six feet.

MAINTENANCE

Incidents

No incidents.

ADMINISTRATIVE

Staff & Board Recognition

CSR Bowman, WUSp Giron and GM Johnson are refining the effectiveness of the billing process during the time that the office is closed to the public.

ASO Coombes continues to work on the District mapping and will soon be tying in data from the billing software to be able to visualize the pressure zones.

WUSp Giron and GM Johnson attended the preliminary Audited Financial presentation meeting earlier today with Mr. Chris Brown from Fedak & Brown. A presentation will be made to the Board later in this meeting.

GM Johnson attended the online LAFCo Board meeting on January 14, 2021 where the Bravo annexation was approved so the connection will be scheduled in the near future.

GM Johnson applied for the "Community Power Resiliency Allocation to Special Districts Program" last month and has since called/emailed for an indication of the timeline, but no further information is yet available.

GM Johnson has been working on a COVID Prevention Plan which he is planning to present to the Board in February.

Conservation & Rainfall

Since the beginning of the new rainfall year on October 1, 2020, and up to January 23, 2021 there has been a total of 0.64" bringing the total to 2.68" so far. Although it still looks to be a dry winter overall, heavy rain is predicted over the next few days.

Projects

Response to COVID-19 Virus

GM Johnson is still working on keeping up with the ever-changing situation and the COVID-19 Prevention Plan.

Ad-Hoc Personnel Committee Meeting

The Employee Handbook will be presented at the February Board meeting.

Technology Upgrade - SCADA

The installations are ongoing and should be complete within the next month. Once complete, the web-based interface will be updated so that GM Johnson can provide a live demonstration to the Board.

Orchard Hill Road Proposed Annexation

Nothing new to report on this project other than GM Johnson sends them a daily update on Cole Tank levels as their tank can only be filled once the Cole Tank reaches a certain level. Potentially a booster may be needed until the permanent solution is developed.

Red Barn Fire Suppression System

Director Dutra enquired as to the progress of this project; GM Johnson explained that MPE will be performing the connection in the near future at the direction of the Red Barn owner.

Correspondence: GM Johnson indicated another request for annexation and connection on Cole Road and will be presented later in this meeting. With regard to the damaged fire hydrant, contact was made with the SWRCB and ASO Coombes has requested the Collision Report for the insurance claim.

IX. ACTION ITEMS

A. Presentation of Audited Financial Statements for FY 2019-20

Chris Brown, of Fedak & Brown, presented the Audited Financial Statements for FY 2019-20. Mr. Brown was happy to report an unmodified, clean opinion in that no material weaknesses were identified and, in their opinion, the financial statements present fairly, in all material respects, as the financial position of the Aromas Water District as of June 30, 2020. Mr. Brown congratulated the District on achieving this status.

He went on to present details regarding the condensed statements of net position, condensed statements of revenues, expenses and total net position. Director Smith questioned whether it was usual to observe that the net position has reduced two years in a row. Mr. Brown commented that if the operations are out of line with budgeting, over a few years the net position should be reviewed. The District Board may prefer to keep operations running lean, however, the District does show positive cash flow for the last two years. Depending on how the District Board want to consider future funding of Capital Projects, altering the Depreciation reserve and making this a more prominent part of future rate studies, as well as deciding how to implement rate changes, balanced with expense review may be future considerations of the Board. Vice President Morris congratulated the staff on achieving a clean report whilst facilitating the Audit remotely. President Leap extended special thanks toward WUSp Giron for her hard work.

A motion was made by Director Smith to approve the Audited Financial Statements as presented and seconded by Vice President Morris; there was no further discussion. The Audited Financial Statements were unanimously approved by roll-call vote with all Directors present.

B. Consider receiving a report regarding the possible annexation of one parcel located on Cole Road, and potentially adopting Resolution 2021-01 to initiate the annexation process

GM Johnson presented a request from Mr. Martinez on Cole Road to be annexed in order to be connected to the Aromas Water District; the parcel is already within the District's sphere of influence. The request is due to a drastic reduction in production of his private well and has become a health and safety issue.

A motion was made by Director Holman to receive the report as presented and adopt Resolution 2021-01, seconded by Director Dutra. There was no further discussion. The report was unanimously adopted by roll-call vote with all Directors present.

C. Consider receiving a report regarding an update on the Rocks Road Bridge project in San Benito County

GM Johnson presented a historical synopsis; since 2012 widening Rocks Road and the Bridge potentially affects the water main serving Rancho Larios. Prior to the current development of the project, the plan was to adjust the bridge alignment to avoid relocating the water line and thus avoid District expenditure. However, recently a different project engineer from NV5 contacted the District and indicated that the project was imminent and the plan was to return to the original design layout, but Federal funding makes no allowance for the cost of utility relocation. To mitigate this, the new engineer has offered to adjust the abutment design to create access to the main line. Communication has been an issue despite directive from the San Benito County Board of Supervisors to keep the District informed. Records of previous agreement or correspondence have yet to be found. In discussion, all Directors agreed that leaving the line in situ is the best option. Director Smith enquired, and Counsel Bosso confirmed, that the County engineers are liable if they damage the line provided the line has been suitably marked via 811/USA. President Leap appreciated the clear description and visualization of the situation.

A motion was made by Director Dutra, and seconded by Vice President Morris, to receive the report as presented and directive to leave the water line where it is and have the engineering firm redesign the bridge abutment around the line. Vice President Morris suggested that the relationship be developed further with the engineers with oversight and representation from Supervisor Kosmicki for the similar future project of Carr Avenue bridge repair. President Leap offered to be party to communication with Supervisor Kosmicki. The report was unanimously received by roll-call vote with all Directors present.

D. Financial Reports for the Month of December 2020

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,083,546.64, of which *Total Current Assets* are \$4,605,807.66, and *Total Fixed Assets* are \$6,3336,799.98. In *Liabilities*, the *Total Current Liabilities* are \$201,748.62 and *Long-Term Liabilities* are \$4,292,714.89.

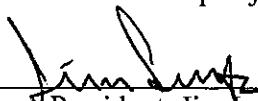
In the **P&L Report**, *Water Revenue* for December was \$146,267.28. Director Morris suggested a review of the amount of \$465.79 shown as interest for July-Dec 2020 may be incorrect for the six-month period considering December's interest alone is close to that amount. GM Johnson mentioned the revamp of the District's demonstration garden; the costs for which would be expensed to Public Outreach rather than Miscellaneous Expenditure. Total **Expenditures** were \$120,467.85 between December 18, 2020 and January 20, 2021.

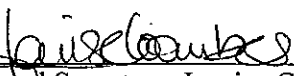
Director Holman moved to approve the Financial Reports as presented; seconded by Director Smith. The Financial Reports were unanimously approved by roll-call vote with all Directors present.

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, February 23, 2021.

Topics for the next meeting include the revised Employee Handbook and the newly developed, State required COVID-19 Prevention Plan.

XI. ADJOURNMENT. President Leap adjourned the meeting at 8:27pm until Tuesday, February 23, 2021.

Read and approved by: 
President, Jim Leap

Attest: 
Board Secretary, Louise Coombes

Date: 3-18-21

Date: 24 February 2021

