

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
November 27, 2018**

- 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, November 27, 2018 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 Norton, Leap and Dutra were present. Also in attendance were General Manager Robert Johnson, Management Consultant Morris, Board Secretary Louise Coombes, Staff Ester Girón. Counsel Bob Bosso was absent as he was attending a conference.
- III. PLEDGE OF ALLEGIANCE.** Louise Coombes 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 October 23, 2018 Board Meeting were presented for review and approval; there were no corrections or comments. Director Leap moved for approval of the minutes and Director Norton seconded. Minutes were unanimously approved with all Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** Director Leap mentioned that he and GM Johnson recently attended the San Benito County Water District Groundwater Sustainability Agency (GSA) Workshop, where they are in the process of developing the Groundwater Sustainability Plan (GSP) for North San Benito County. Much of what was discussed was information already presented and discussed at previous Aromas Water District Board of Directors meetings. There will be additional opportunities to comment and contribute to the final product.

Attorney's Report. Counsel Bosso was absent, so there was no Attorney's Report presented.

B. Manager's Report

OPERATIONS

No new meters have been installed this month so the total number of meters remains at 957.

Production & Well Levels

GM Johnson reported total production, in October 2018, was almost 10 million gallons for the month; the daily average at approximately 324,000 gallons. Our 2018 production, so far, is greater than 2017.

Pleasant Acres Well was not in operation for one week due to an electrical fault that damaged a safety busbar; PG&E had to be involved to turn off the power so the electrician could make the repair.

Reporting on the well levels shows that Carpenteria Well is up three feet, San Juan Well and Marshall Well are both down two feet and Aimee Meadows Well is up one foot.

Incidents

There were no incidents to report this month.

Staff & Board Recognition

GM Johnson wanted to make sure that the Board knew that AC Giron and ASO Coombes continue to go above and beyond to perform three jobs between the two of them to keep everything running smoothly in the office in the continuing absence of a Customer Services Representative.

GM Johnson also wanted to give credit to CO DeAlba who is working very hard alone since Operator Zelmar has been out on leave since October and not anticipated to return until January. In light of this, GM Johnson has hired a part-time temporary Operator, Jesse Sanchez, who started on November 26, 2018, for around three hours a day plus relieving CO DeAlba from 100% on-call availability. Operator Sanchez was an Intern at the District and therefore has a basic familiarity with the system.

GM Johnson attended the San Benito Board of Supervisors meeting on November 20, 2018, at which the rebuilding of several bridges in the county was discussed. The Board Chair, Anthony Bothelo indicated that he supports Aromas Water Districts' preference that the Rocks Road bridge not be altered, thereby avoiding additional costs to the District. Despite this, the Board of Supervisors voted to accept and go ahead with all the projects discussed. GM Johnson reported that he endorsed the sentiment of Supervisor Bothelo requesting that the County, at least, work in collaboration with the District regarding the Rocks Road project.

Projects

The new bathroom in the Districts' apartment is completed other than a shower curtain. The remaining budget allows for the addition of fitting out the entry way as a mud room with a deep sink and commercial faucet, plus hanging space for wet weather gear.

Two tablets have now been purchased and set up for two Board members (Norton and Leap) on which they can receive District email and view the Board Packet electronically during the meeting to save paper.

- C. **Correspondence.** In response to Director Nortons' inquiry, GM Johnson summarized the correspondence from PG&E regarding the rolling blackouts; where District staff must contact PG&E *during* a blackout to request exemption; the number is not in service at other times.

IX. ACTION ITEMS

- A. **Presentation of Audited Financial Statements - Fiscal Year 2017-2018.** Jonathan Abadesco from Fedak & Brown presented a summary of the Financial Audit Results. He reported that the District's Financial statements are in accordance with Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and, in Fedak & Brown's opinion, in all material respects, fairly present the financial position of the District as of June 30, 2018. Mr Abadesco went on to commend the District staff and Board on their cooperation and efficient management practices throughout the process; a sentiment was echoed by Director Norton.

Highlights of the report show that due to sound fiscal management, although the Operating Revenues had increased to almost \$176,000, the Operating Expenses had only increased by almost \$102,000 which is a good ratio. The District's Net position had decreased by 2.02% which indicates that although we are in a better position than 2017, there is still justification for a rate increase at the beginning of the next Fiscal Year.

Director Norton moved to approve the draft Audited Financial Report as presented with some minor rewording to be provided by GM Johnson. The motion was seconded by Director Leap. The Audited Financial Report was unanimously accepted with all Directors present.

- B. **Consider receiving: 1) an informational presentation from XiO Systems, and 2) an updated proposal regarding the purchase of XiO Systems hardware for Aromas Water District sites, in the amount of \$13,139.00, and providing direction to Staff.** John Peairs from XiO attended the meeting to present XiO technology and answer any questions from the Board.

Director Norton commented that switching to the XiO devices gradually is good to see how it works on a small scale first; hopefully making a significant positive impact for the Operations Team. This sentiment was echoed by President Smith, who was cautious about the District using a relatively unknown company until Mr Peairs mentioned some of their other current clients.

Vice President Holman moved to approve the updated proposal as presented, and seconded by Director Leap. The updated proposal was unanimously accepted with all Directors present.

C. Consider receiving an update on the possible annexation of one parcel in the Rancho Larios area into the Aromas Water District boundary.

GM Johnson reported that in October, PVWMA granted the District's request for an exception to the non-exportation clause. The next step is to file an application to San Benito County LAFCO who sent a list of the many requirements of this application. GM Johnson, Consultant Morris and the requestor, will prepare the various items, including a Resolution to include this parcel within our boundary for Board Approval at the December meeting. It is likely to take a couple of months to be included on the LAFCO agenda.

Vice President Holman moved to receive the report and move forward with the Resolution in December. The motion was seconded by Director Leap. The Report was unanimously accepted with all Directors present.

D. Consider receiving a report regarding the possible annexation of parcels along Cole Road, and providing direction to Staff.

Three requests have been received by the District to annex parcels already within the Districts' sphere of influence. GM Johnson outlined the parcel map, including a fourth parcel which has already been receiving Aromas Water District water through an historic arrangement, which would sunset, if the parcel is ever annexed. LAFCO would be the ultimate decision maker as to whether all four parcels are annexed.

Vice President Holman moved to pursue the annexation for the four parcels on Cole Road. The motion was seconded by Director Norton. The Report was unanimously accepted with all Directors present.

E. Financial Reports for the month of October 2018. Including the Oakridge and Orchard Acres Assessment Districts, the total revenue for October was \$122,113.50; Total expenditures were \$85,154.96 between October 17, 2018 and November 16, 2018.

On the **Balance Sheet**, *Total Assets* are \$11,661,862.46, of which *Total Current Assets* are \$4,318,039.54, and *Total Fixed Assets* are \$7,166,971.12. In *Liabilities*, the City National Bank principal is in *Current Liabilities*; the loan is in two sections the first of which ends in 2021 and the other 2029.

In the **P&L Report** GM Johnson reported *Water Revenue* for September was \$116,612.65 as compared to the Budgeted \$100,000.00. In the *Power* section the Lower Oakridge Booster there is a lump sum payment to catch up from when the meter was originally purchased, and a billing error on PG&E's part.

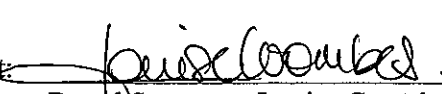
In the **Monthly Expenditures** the check for Iflow covers 12 new brass Kamstrup meters as the plastic meters seem to be problematic.

Director Dutra moved to adopt the Financial Reports as presented; and seconded by Director Leap. The Financial Reports were unanimously accepted with all Directors present.

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on **Wednesday**, December 19, 2018.

XI. ADJOURNMENT. President Smith adjourned the meeting at 8:47 pm until **Wednesday**, December 19, 2018.

Read and approved by 
President, Richard Smith

Attest: 
Board Secretary, Louise Coombes

Date: 12/19/18

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