

**Minutes of the Special Meeting of
the Board of Directors of the Aromas Water District
December 19, 2018**

- I. CALL TO ORDER.** The special meeting of the Board of Directors of the Aromas Water District was called to order by President Smith on Wednesday, December 19, 2018 at 6:59 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, Counsel Bob Bosso and Board Secretary Louise Coombes.
- III. PLEDGE OF ALLEGIANCE.** Director Holman led the pledge of allegiance.
- IV. OATH OF OFFICE.** Certificates of Appointment in Lieu of Oath of Office from Monterey or San Benito County had not yet arrived, so item tabled until next meeting.
- V. STATEMENTS OF DISQUALIFICATION.** There were no disqualification statements.
- VI. ADDITIONS AND DELETIONS.** There were no additions or deletions to the Agenda.
- VII. MINUTES.** The minutes of the November 27, 2018 Board Meeting were presented for review and approval; there were no corrections or comments. Director Dutra moved for approval of the minutes and Director Norton seconded. Minutes were unanimously approved with all Directors present.
- VIII. ORAL COMMUNICATION.** There were no public comments.
- IX. REPORTS/PRESENTATIONS**

A. Director's Reports. There were no Directors' Reports.

B. Attorney's Report. Counsel Bosso reported on the new CA Conservation requirements that continue to require cutbacks on the gallon/person ratio each year; these requirements have not yet been finalized. Counsel Bosso also mentioned he is following the new Termination [of Service] Rules, currently under development and due to take effect in 2020; these may not affect the District as connections number less than 3,000. The two Proposition 218 cases appear to have stalled and not yet entered oral argument. Any tiered rates will need to be justified during development of new rate studies.

C. Manager's Report

OPERATIONS

No new meters have been installed this month 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 negative results.

Production & Well Levels

GM Johnson reported total production, in November 2018, is a little lower than previous months at almost 7.8 million gallons; the daily average at approximately 259,888 gallons. Pleasant Acres Well was non-operational for a week, though the demand was met with Carpenteria and San Juan Wells. Overall production this year is marginally higher than 2017.

Reporting on the well levels shows that Carpenteria Well is up nine feet, San Juan Well is up six feet, Marshall Well is up four feet and Aimee Meadows Well is up eleven feet.

Incidents

There were no incidents to report this month.

Staff & Board Recognition

GM Johnson wanted to continue to let the Board know that AC Giron and ASO Coombes 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 is still out on leave. Operator Sanchez continues to work two to three hours of each working day to assist CO DeAlba.

GM Johnson and CO DeAlba discussed a plan for infrastructure maintenance in advance of the impending Budget Review. It is possible that this plan is more likely to affect the Capital Expense Budget as the longevity of the infrastructure is increased by such activity.

GM Johnson recently met with two Pajaro Sunny Mesa Board members who were interested in an information exchange on Operational and Administrative activities.

Conservation & Rainfall

According to the rain gauge at Chittenden, since the beginning of the rain year, October 1, 2018, 6.48" has been recorded including the reading for today.

Projects

District Apartment Renovations. The new bathroom in the Districts' apartment is completed, now that hot water has been plumbed to the shower. A commercial faucet and utility sink is now installed in the mud room. Still to come is the sheetrock installation into the closet.

Technology for Board Member Use. Director Leap mentioned that he was recently in conversation with the Districts' Auditor who made a point that all Board Members should now be using tablets for email and Board Packets.

Budget Review. President Smith appointed an Ad-Hoc Committee to review the budget and determine if any revision is necessary; Committee Members include President Smith and Director Leap. A review meeting is planned for January for any revision to take place in February.

- D. Correspondence.** GM Johnson mentioned that SMOG testing for two District vehicles required this year has now been completed and submitted to the Government BARFleets program.

IX. ACTION ITEMS

- A. Consider receiving an update on the annexation of one parcel in the Rancho Larios area into the Aromas Water District boundary.** In preparation for the application to LAFCO, one of the ten or so items that need to be completed, specifically Resolution 2018-06, was reviewed and passed via a roll-call vote with all Directors present, after Vice President Holman moved to adopt the Resolution as presented; a motion seconded by Director Dutra.
- B. Consider receiving an update on the possible annexation of parcels along Cole Road.** GM Johnson summarized the three parcels that are within the District's sphere of influence but not yet annexed; any costs need to be identified and borne by the three requestors. One of the requestors, Mr Capron, is attempting to contact the owner of a fourth parcel, who currently receives water through an old agreement; if the parcel is annexed, the current agreement will sunset. GM Johnson is also attempting to contact this owner to discuss if they would like to join in the annexation process. This may be a mandatory situation in order to avoid another isolated parcel within the Districts' sphere.
- Director Norton moved to receive the update and move forward with the annexation process. The motion was seconded by Director Leap. The Report was unanimously accepted with all Directors present.
- C. Financial Reports for the month of November 2018.** Including the Oakridge and Orchard Acres Assessment Districts, the total revenue for November was \$94,455.05; Total expenditures were \$63,444.91 between November 17, 2018 and December 12, 2018.

On the **Balance Sheet**, *Total Assets* are \$11,611,589.36, of which *Total Current Assets* are \$4,285,655.27, and *Total Fixed Assets* are \$7,136,653.29. In *Liabilities*, the *Total Liabilities* are almost \$4.9 million. GM Johnson noted a high credit card charge for this month as a new laptop was purchased for the conference room. There are still two historical connection deposits, a practice the District no longer performs; GM Johnson is researching and composing letters to those property owners to inquire if they wish to proceed with the connections or have the deposit returned, however, the Ordinance #72 states that the District may keep the funds.

In the **P&L Report** GM Johnson reported *Water Revenue* for November was \$92,331.84 as compared to the Budgeted \$80,000.00. *Operation expenses* are well below budget and *Power expenses*, the Lower Oakridge Booster shows a lump sum payment to catch up from when the meter was originally purchased, due to a PG&E billing error. This may be moving to another category as the charge is related to payment for a meter rather than power consumption.

In the **Monthly Expenditures** Director Dutra enquired about the two checks for Maravilla Plumbing; GM Johnson explained one is the completion of the bathroom in the apartment, including tiling; the other is the installation of hot water to the apartment.

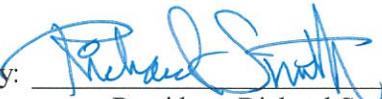
GM Johnson indicated the XiO Inc expense is for the Rancho Larios equipment down payment as presented at the last meeting.

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

- D. **Election of Officers for the 2019 Calendar Year.** Vice President Holman nominated President Smith to continue as President for 2019 and President Smith was in agreement; this nomination was unanimously accepted with all Directors present. Director Norton nominated Vice President Holman to continue as Vice President for 2018 and Vice President Holman accepted; this nomination was unanimously accepted with all Directors present.

X. **FUTURE MEETINGS & AGENDA ITEMS.** The next meeting will be on Tuesday, January 22, 2019.

XI. **ADJOURNMENT.** President Smith adjourned the meeting at 8:04 pm until Tuesday, January 22, 2019.

Read and approved by: 
President, Richard Smith

Date: 1/22/19

Attest: 
Board Secretary, Louise Coombes

Date: 1/22/2018

