

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
January 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, January 22, 2019 at 7.00 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, Board Secretary Louise Coombes and Staff Ester Girōn.
- III. PLEDGE OF ALLEGIANCE.** Director Dutra led the pledge of allegiance.
- IV. OATH OF OFFICE.** The Oath of Office was conducted by Council Bob Bosso. Certificates of Appointment in Lieu of Oath of Office from Monterey County were signed by President Smith, Directors Leap and Dutra to be kept on record.
- 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 December 19, 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.
- 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 indicated that all cases likely to affect the District's operations are currently pending. He mentioned a case in the appellate court in Stockton that is potentially to go to the Supreme Court to resolve the conflict regarding well drilling permits being ministerial as opposed to discretionary and possibly need CEQA approval. If CEQA approval is required, this could make well permits very expensive due to the necessity of environmental documentation not currently required.

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 December 2018 is, again, lower than previous months at just under 5.3 million gallons; the daily average at approximately 170,534 gallons. Pleasant Acres Well only operated nine days; demand was comfortably met with Carpenteria and San Juan Wells. Carpenteria Well produced a large proportion of the total production and President Smith commented that this was good because the power bill for December was only around \$20 due to the solar field energy production. Overall production this year remains marginally higher than 2017.

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

Incidents

There were no incidents to report this month.

ADMINISTRATIVE

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

Efforts to recruit a new Customer Services Representative have begun again. The deadline for applications for the position closes on Friday, January 25th; currently there are 15 applicants. Interviews are planned for the first week in February, with the anticipated start date at the beginning of March.

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 assist CO DeAlba when available.

GM Johnson and CO DeAlba recently discussed elevating routine facility maintenance tasks to an annual planning level with associated budgets.

GM Johnson and CO DeAlba met with Kamstrup to discuss equipment issues with the automatic reading of the currently installed meters taking too long.

GM Johnson also met with a representative from San Benito Resource Management Agency (RMA) to discuss the Rocks Road Bridge project. It came to light that the plans at the District office were considerably out of date (2014) and only 65% complete, whereas the plans at the RMA were 90% complete, and dated 2016, demonstrating a lack of communication. The result of the meeting was that GM Johnson requested more information from the RMA before continuing discussion, however, the discussion did allude to the fact that the RMA are not planning to hang the water main from the bridge, but instead to construct the bridge around the current location of the 10" water main, locating the piers to avoid damaging or compromising the water main after it has been accurately located. It is likely that work could occur around May 2021.

Conservation & Rainfall

According to the rain gauge at Chittenden, since the beginning of the rain year, October 1, 2018, 10.84" has been recorded including the reading for today, with 4.04" falling in January.

Projects

Annexation on Cole Road. Mr & Mrs Naranjo recently visited the District office and are willing to be included in the annexation process. Potentially, we can be on the February agenda with PVWMA to move forward.

Rate Study Request for Proposal. GM Johnson reported that he recently released the Request for Proposal for a new rate study; the closing date is February 7th. It was also posted on the California Special Districts Association (CSDA) website, as well as being sent to five specific firms.

Fencing at Marshall Yard. This was not listed in the Manager's Report, however, 6.5ft cyclone fencing, plus 3-strand barbed wire has been installed at the Marshall Yard site, which was part of the Strategic Plan. Specifically, the back fence has been completed and a fence either side of a new front gate are also currently under construction. This attaches to the existing fencing on the adjacent property forming a good security barrier.

Solar for the District Office. GM Johnson recently met with representatives from APAL and Mynt. A quotation proposal should be forthcoming from the Mynt representative for solar installation for the Office Units A, B and C, plus one electric vehicle charger for public use.

- D. Correspondence.** GM Johnson expressed his appreciation for tiered rate language received from our Attorney, Bob Bosso, which assisted with composing the Request for Proposal for the Rate Study.

In addition, GM Johnson mentioned the last item of correspondence indicating that a payment plan for the XiO equipment has been established over a period during which the equipment will be installed.

X. ACTION ITEMS

A. Consider receiving an update on the annexation of one parcel in the Rancho Larios area into the Aromas Water District boundary. The application to LAFCO is currently in progress. The PVWMA have now reviewed and approved the request for water, providing a formal Agreement to authorize the District to extend service to the Eilert parcel. This Agreement is to be reviewed and approved by the Board before the annexation moves forward. A motion to receive the update was made by Director Leap, and seconded by Director Norton. The receipt of the update was unanimously accepted with all Directors present. A motion to Authorize the District Board President to sign the Agreement was made by Director Leap, and seconded by Vice President Holman. The motion was unanimously accepted with all Directors present.

B. Consider adoption of a proposed Expense Budget Revision. GM Johnson summarized that the revised Expense Budget is presented for approval after revision by himself and the Ad-Hoc Committee appointed at the December meeting. It is the mid-year review of the Expense Budget which includes distribution of approximately \$71,000 of additional revenue from the original Budget set at the beginning of the Fiscal Year; \$62,000 of which has been redirected to the Reserves.

Vice President Holman moved to adopt the expense budget revision. The motion was seconded by Director Leap. Director Norton commented that he was satisfied to see that money is being directed into the Capital Reserves which concurs with advice from the Auditors. Director Leap agreed, adding that the need for a new Rate Study is timely. The revised Expense Budget was unanimously adopted with all Directors present.

C. Financial Reports for the month of December 2018. Including the Oakridge and Orchard Acres Assessment Districts, the total revenue for December was \$213,158.79, which includes the tax income from both counties for the Assessment Districts; Total expenditures were \$103,555.62 between December 13, 2018 and January 16, 2019.

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,720,287.48, of which *Total Current Assets* are \$4,414,622.93, and *Total Fixed Assets* are \$7,116,383.75. In *Liabilities*, the *Total Liabilities* are almost \$4.9 million, including the solar loan which will be paid off in 2021.

In the **P&L Report**, *Water Revenue* for December was \$75,817.79 as compared to the budgeted \$70,000.00. *Power* expenses, still shows a lump sum payment for the Lower Oakridge Booster to catch up from when the meter was originally installed for Oakridge; this will no longer be present on the budget for FY 2019/2020. *Payroll* is under budget due to staffing vacancies. Based on the newly adopted Expense Budget revision, the *Annual Budget* figures will change for the next meeting.

In the **Monthly Expenditures**. GM Johnson pointed out the cost of CO DeAlba's accreditation licensure, as well as a couple of payments to individuals for finalizing their accounts. Director Leap enquired whether the PVWMA payment for their augmentation fee is quarterly, which GM Johnson confirmed, therefore around \$80-90,000 per year.

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

XI. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, February 26, 2019.

XII. ADJOURN TO CLOSED SESSION. At 8:01pm the Board adjourned to a closed session to discuss personnel matters as permitted by Govt. Code § 54956.9.

XIII. RETURN TO OPEN SESSION. President Smith announced that the General Manager was given direction.

XIV. ADJOURNMENT. President Smith adjourned the meeting at 8:30 pm until Tuesday, February 26, 2019.

Read and approved by: Richard Smith
President, Richard Smith

Attest: Louise Coombes
Board Secretary, Louise Coombes

Date: 2/26/19

Date: 2/26/2019

