

Minutes of the Training Workshop & Regular Meeting of the Board of Directors of the Aromas Water District October 23, 2018

Workshop

- I. **CALL TO ORDER.** The workshop of the Board of Directors of the Aromas Water District was called to order by President Smith on Tuesday, October 23, 2018 at 5.03 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 and Counsel Bob Bosso.
- III. **PLEDGE OF ALLEGIANCE.** Director Dutra led the pledge of allegiance.
- IV. **WORKSHOP.** Board of Directors' Training Session, titled; "Who Does What? Best Practices in Board/Staff Relations".

Return to Regular Session

- 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, October 23, 2018 at 7:14 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, Counsel Bob Bosso, and Acting Board Secretary Ester Girõn.
- III. **STATEMENTS OF DISQUALIFICATION.** There were no disqualification statements.
- IV. **ADDITIONS AND DELETIONS.** There were no additions or deletions to the Agenda.
- V. **MINUTES.** The minutes of the September 25, 2018 Board Meeting were presented for review and approval; there no corrections or comments. Director Norton moved for approval of the minutes and Director Leap seconded. Minutes were unanimously approved with all Directors present.
- VI. **ORAL COMMUNICATION.** There were no public comments.
- VII. **REPORTS/PRESENTATIONS**

- A. **Director's Reports.** Director Leap commented on the water situation on Cole Road. He visited the site with GM Johnson and CO DeAlba and found it very educational. There is likely to be a future annexation application encompassing several parcels on Cole Road where wells are failing.

Director Norton attended a San Benito County Planning Commission meeting; two parcels along Highway 101 are in the process of being re-zoned for commercial use and are within our Sphere of Influence. The question for the future is whether we will have problems supplying their water demand, particularly with the probability of additional housing being built.

- B. **Attorney's Report.** Counsel Bosso reported that the SB998, to alter the current legislation on terminating service due to non-payment, was signed by the Governor. This will take effect in February 2020, Counsel Bosso mentioned that there may be regional amendments and legislation to clarify certain parameters. There will also need to be shut off procedures written in a variety of languages.

Counsel Bosso mentioned that new legislation for the Public Records Act recently passed. In essence, if the District wins an action against the requestor, the District can only claim attorney fees if the request is deemed "frivolous", which is hard to apply, so it's a one way statute.

The two tiered rate cases (Goleta & Great Oaks) are still not resolved or moving forward.

C. Manager's Report

OPERATIONS

GM Johnson reported that no new meters have been installed so the total number of meters remains at 957.

Operator Zelmar sampled for lead at the Aromas School. The results show good news in that lead levels are well below maximum contaminant level.

Production & Well Levels

GM Johnson reported total production, in September 2018, was almost 11 million gallons for the month; the daily average at approximately 366,000 gallons. This brings the annual total to almost 79 million gallons.

Reporting on the well levels shows that at San Juan Well there was no change since last month; Aimee Well was up three feet and Marshall Well is up two feet. For Carpenteria Well the graph may have an error, but the depth reading is correct so the level is down four feet.

Incidents

The storage tanks on School Road were defaced with graffiti and toilet paper. A report with pictures was filed with the local Sheriff in case of further occurrences.

Staff & Board Recognition

GM Johnson, once again, pointed out that AC Giron and ASO Coombes are going above and beyond to keep everything running smoothly in the office. However, GM Johnson reported that unfortunately, due to family issues, CSR Varela has left the District.

GM Johnson recently represented the District at the 39th Annual Tri-County Aromas Fire Prevention District open house.

Projects

In the near future is the renovation of the District Apartment C bathroom; discussions with, and bids from, a plumber and drywall installer have taken place. In the budget is \$15,000, half of which is between plumbing and drywall installation; painting and floor installation may be undertaken by staff.

With regard to technology for Board Member use; GM Johnson asked for Board preferences of different options to avoid use of paper Board packets and provide a device specifically for District emails. The Board were divided on this issue; some prefer paper, some prefer a Tablet. It resulted in the discretion of the GM to purchase appropriate technology for the use of the Board.

GM Johnson reported that with regard to Marshall Yard, himself and the staff at the San Benito Management Resource Agency had a conference call in which it was confirmed that there is a streamlined process with the lot line adjustment process with local governmental agencies. GM Johnson read into the record an email from the San Benito Planning Department outlining the expedited process for the lot line adjustment. Since it arrived today, it will be in next months' Correspondence.

- D. Correspondence.** GM Johnson summarized the correspondence between the District and TESCO where they have proposed a costly solution for the District. This segways neatly into the Action Item B on this month's agenda.

Director Holman enquired about the letter from the Department of Justice. GM Johnson explained it is in reference to the demise of the Pinnacles Payroll company in October 2016.

Director Norton enquired about the wharf hydrant removal on Marcus St. GM Johnson explained that the wharf hydrant is being encroached upon by an old tree so the hydrant needs to be removed.

IX. ACTION ITEMS

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

GM Johnson recently attended the PVWMA Board Meeting to clarify the situation with the sole parcel in Rancho Larios. Mr Eilert also attended and spoke and is very appreciative for all the effort the District is

making on his behalf. The PVWMA Board waived the non-exportation clause in this unique case. GM Johnson is planning to work to include Mr Eilert's parcel with the entire Rancho Larios group. GM Johnson has already begun communication for the next phase in approaching San Benito LAFCO to establish a change to the Districts' borders, any environmental impact or the requirement for any encroachment permits.

After some Board discussion, Director Norton moved and Director Leap seconded a motion to approve the next phase and approach San Benito LAFCO at the earliest opportunity. The motion was unanimously accepted with all Directors present.

B. Consider receiving a report regarding the purchase of XiO Systems hardware for Aromas Water District sites, in the amount of \$9,948.19, and providing direction to staff.

GM Johnson indicated that this action item is an update to the last meeting where approval was already given to purchase the installation of monitoring equipment at Rancho Larios Tank and Pleasant Acres Well (PAW). Closer scrutiny of the original proposal revealed a configuration error; PAW was incorrectly configured to be triggered on pressure rather than being run from the Pine Tree Tank. This means Pine Tree Tank needs a pressure transducer and a PLC not previously included. GM Johnson split the proposal so that Pleasant Acres Well and Pine Tree tank will be a new proposal which XiO is planning on presenting to the Board in November. The \$9,948.19 is for Rancho Larios Tank in order to rectify the lack of monitoring at that site. No motion was necessary as the Action Item was approved in the September meeting.

C. Financial Reports for the month of September 2018. Total revenue for September was \$120,704.83; Total expenditures were \$190,953.60 between September 20, 2018 and October 16, 2018.

On the **Balance Sheet**, *Total Assets* are \$11,828,164.83, of which the total cash assets are \$1,601,479.61 divided between the Aromas Water District's current assets of \$1,137,760.49, and the Assessment Districts' assets of \$464,363.64.

In the **P&L Report** GM Johnson reported *Total Revenue* for September was \$113,183.58 as compared to the Budgeted \$110,000.00. Largely due to the PG&E hydro-pressure testing, bulk water sales are up to \$5,663.77 so far, and are likely to continue into next month. Comparing the Jul-Sep 18 column to the YTD Budget shows water revenue alone is over budget by \$52,859.19.

System maintenance is showing as a negative number this month as the District has received reimbursements for a number of items including the Garden Ave line break and gutter repair at San Juan Well.

Director Dutra enquired about the current status of the oldest truck. GM Johnson explained that there are a number of options; keep the truck as a spare and utilizing it for meter reading to reduce fuel consumption as there is no longer heavy equipment on this truck. GM Johnson is investigating the costs involved in keeping it in the fleet.

In the **Monthly Expenditures** After Director Dutra enquired about the City National Bank payment of \$73,491.07; GM Johnson explained this occurs twice a year and is largely to pay off the solar field installation at Carpenteria, as well as Capital Projects such as Carr Tank, Rea Tank etc. The solar portion of the loan will be paid off in 2021; with the remainder in 2029.

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

X. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday, November 27, 2018.

XI. ADJOURNMENT. President Smith adjourned the meeting at 8:27pm until Tuesday, November 27, 2018 at which Counsel Bosso will not be present due to his attendance at a conference, although he will be available by phone if needed.

Read and approved by: Richard Smith
President, Richard Smith

Date: 11/27/18

Attest: Louise Coombes
Board Secretary, Louise Coombes

Date: 11/27/2018

