

Minutes of the Regular Meeting of the Board of Directors of the Aromas Water District August 28, 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, August 28, 2018 at 7:02 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, Board Secretary Louise Coombes, Management Consultant Vicki Morris and staff Ester Gir6n.
- III. PLEDGE OF ALLEGIANCE.** Director Leap 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 July 24, 2018 Board Meeting were presented for review and approval; there was one minor correction requested in the Attorney's Report by Counsel Bosso; there were no other comments. Director Holman moved for approval of the minutes with the correction 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 Norton mentioned that he recently came in to meet the Auditors during their Interim Testing in August, which went well. Secondly, he also reported that he recently attended a California Special Districts Association (CSDA) webinar on advocating and legislation which was free and took less than an hour to complete. Tertiary, he met with President Smith and GM Johnson as the Ad-Hoc Committee for formulating the Board of Director's Training Plan which is detailed in Action Item B.

President Smith presented a report that resulted from a meeting of the Executive Committee on August 24, 2018. The report outlined instances of inappropriate behavior by one of the Board Members. The report reminded the Board that their role is primarily to decide policy issues and not to direct employees. It was noted that the upcoming training will help to define the appropriate roles of Board Members and Staff to ensure continued District success.

- B. Attorney's Report.** Counsel Bosso reported that the SB845 is tied to a companion bill which requires a two-thirds vote from both houses and has therefore a slim chance of passing, although if it does, the impact on staff time could be considerable in tracking voluntary contributions. Director Norton mentioned a Superior Court decision that, as they are not tax agencies, Special Districts cannot receive funding for State mandates. Counsel Bosso will continue to monitor the bill's progress.

- C. Manager's Report.** GM Johnson commented on the Production Report;

OPERATIONS

GM Johnson reported that two new meters have now been installed at the end of Rose Ave, bringing the total number of meters to 957.

Production & Well Levels

GM Johnson reported total production, in July 2018, was up at nearly 12.5 million gallons for the month with all wells fully operational.

Carpenteria Well is being run a little less because air is evident during pumping, indicating that the water level is not recovering fast enough to keep up with drawdown. This may mean that the perforations might be slightly clogged due to iron bacteria. A help to the situation is a speed control connected to the variable frequency device (VFD) which was recently installed.

Carpenteria and San Juan Wells are each down around three feet. Marshall Well is down two feet and Aimee Meadows' current level remains unchanged.

INCIDENTS

GM Johnson reported an incident on August 18, 2018 where MGE Underground (MGE) have been replacing telephone poles in the local area. MGE damaged a 4" main line on Garden Ave. Coincidentally, AC Gir6n was downtown and was able to quickly contact GM Johnson and Operator Zelmar. West Valley Construction was quickly mobilized to assist Operator Zelmar in the repair. Only thirteen customers were affected. Service was restored to all affected customers within four hours. An incident report will be sent to MGE Underground, including the bulk cost of lost water of around 35,240 gallons, construction and staff time costs.

Post the incident, a customer who lost pressure, called into the office to express praise for AC Gir6n, saying that she kept customers informed, patiently explained what was occurring and when service would be restored. Interestingly, this customer works for another water district and so understands the nature of such incidents.

ADMINISTRATION

Staff & Board Recognition

GM Johnson informed that Board that the new Customer Service Representative (CSR), Sandra Varela joined the District on August 6, 2018. She is doing well and has a nice manner with the customers and GM Johnson is looking forward to her growing as part of the AWD team.

ASO Coombes and AC Gir6n continue to handle the tasks of the Accounts role during the CSR training period.

Operator Zelmar has been investigating a number of leak questions from customers, but considering it was the hottest July ever recorded, customers are perhaps not realizing how much water they used.

GM Johnson recently met with the Monterey County Resource Management Agency Code Enforcement after the District received a letter (included in July's Correspondence) detailing an impending fine. Attending the meeting initially averted the fine. The issue is water ending up in the street after flushing from the San Juan treatment plant; this is due to a culvert being destroyed by a nearby property owner, some years ago. At the meeting with the Code Enforcement officers it seems there is concern about sources of land drainage into Elkhorn Slough. The officer in charge of stormwater suggested the District sample the discharge water. GM Johnson requested an extension post receipt of a list of water constituents for which samples should be tested; this list is yet to be received by the District.

Director Dutra enquired who is responsible for reconstructing the culvert; GM Johnson stated that it is a county culvert destroyed by the landowner; whose responsibility it is to reinstate that culvert has been the ongoing issue. The Agricultural Commissioner Representative viewed the site some months ago and suggested she was going to take action against the land owner. GM Johnson will keep the Board apprised of further developments.

GM Johnson was pleased to report that the entire staff and many Board members were helpful in preparation for Aromas Day.

Operations

The newly purchased truck is being delivered to the District August 29, 2018. It has newly installed Rhino lining in the truck bed and a "Tommy Gate" lift tail gate mechanism to protect the District's Operations team from having to lift heavy items.

Drought & Conservation

GM Johnson reported that July was the hottest ever on record. No change in the rain gauge measurement since the last reading in May 2018; still at 13".

Director Leap enquired whether there is any possibility of education for customers on minimizing water use. Director Norton suggested implementing social media to encourage customers to conserve in hot weather. Vice President Holman pointed out the two-edged sword of the District needing revenue from water sales to avoid having to further increase rates to maintain the system. Consultant Morris reminded the Board that the twenty-percent decrease in water use requested by the Governor has been achieved; when this was a request from the state it was taken more seriously. President Smith suggested that if rainfall levels are very low again this winter, the District should be more proactive about a message of conservation. Vice President Holman

pointed out how much new construction is happening all around the area, yet our community continues to be conservative in water use. GM Johnson pointed out that at three local community events we provide our conservation leaflets as well as access to our demonstration garden.

Projects

GM Johnson reported that he is working with San Benito County to progress through the process to perform a lot line adjustment at the Marshall Yard. Currently the action is with the District to find deeds for the Marshall Yard property.

- D. Correspondence.** GM Johnson drew the Board's attention to the letter regarding lead sampling for the school. The samples are in for testing but the results have not been received by the District yet.

Vice President Holman enquired about the two letters received from customers requesting adjustments for leaks. GM Johnson explained that we would be responding back as these letters were only just received.

Director Norton enquired about the Cal Water Mendocino complex and Emergency Request emails. GM Johnson explained this was a blanket request rather than specifically to the District. Consultant Morris explained that the District is a member of Water Agency Response Network (WARN), so such requests go to all members. Indeed we could request help in an emergency, should the need ever arise.

President Smith enquired about the Uranium test for Pleasant Acres Well. GM Johnson explained it is an annual test where should gross alpha be above a certain level, then further testing is required; the final results have not yet been received.

IX. ACTION ITEMS

- A. Consider adopting Resolution 2018-05 to file an application with the State to amend the original Section 218 Agreement to include Social Security coverage for part-time staff.**

GM Johnson presented a report outlining Step Four in the process of amending the original Section 218 Agreement; to apply to the State to extend the Social Security coverage to part-time staff who provided a majority vote in favor. Vice President Holman moved to adopt the Resolution 2018-05; the motion was seconded by Director Norton. Resolution 2018-05 was adopted with the following vote:

AYES: Dutra, Holman, Norton, Leap, Smith

ABSENT: None

NOES: None

ABSTENTION: None

- B. Consider receiving an update on the development of a Board member Training Plan, and providing direction to Staff.**

GM Johnson presented the latest version of the Board of Directors' Training Plan which will utilize as many free or low cost resources as are available. President Smith, Director Norton and GM Johnson met earlier in August and developed the first phase including a Matrix for existing achievements. The Ad-Hoc Committee is to continue to regularly meet in order to identify training workshops and scheduling. As many training workshop sessions as practicable should be taken ahead of the regular Board Meeting once a quarter, as a Team, with collective credit gained where possible. In order to remain compliant with the Brown Act, these workshops should be announced to, and could potentially be attended by the public. The Board received the update and directed the Committee to meet again at the next mutually convenient date.

- C. Consider rescheduling December 2018 Regular Board of Directors Meeting**

After some discussion, the regular meeting date is changed to Wednesday December 19, 2018. A motion to accept this date was made by Director Norton and seconded by Director Leap; the December meeting date was unanimously accepted with all Directors present.

- D. Financial Reports for the month of July 2018.** Total revenue for July was \$155,163.08; Total expenditures were \$67,315.42 between July 18, 2018 and August 20, 2018. GM Johnson reminded the Board that the figures vary considerably from last month as the District's Accountant has still been working on the figures for including the Assessment Districts.

The District's cash assets are a collective of the Current Assets shown above the Assessment Districts on the Balance Sheet.

From Accounts Receivable to Total Current Assets are the District's Receivables. In particular the 1200.1 shows Water Revenue. Total assets are \$11,741,094.22 which includes the two Assessment Districts, the

Water System and the Receivables.

In Liabilities, GM Johnson drew the Board's attention to the large amount of Hydrant Meter Deposit funds due to the currently high level of bulk water sales that is set to continue into the following month.

In the P&L Report GM Johnson mentioned that because of the hottest July ever recorded in California the water revenue is at a high of \$152,022.69 as compared to the YTD Budget column of \$115,000; this only reflects the first month of the fiscal year. Generally the District is under budget in Operations, Power and Payroll.

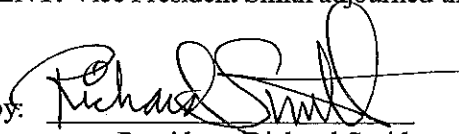
In the monthly expenditures GM Johnson drew the Board's attention to the Fedak & Brown expense of \$2,211.00 as they have begun work on the audit for FY 2017-18. Also, there is a lot of annual sampling that takes place in July by Monterey Bay Analytical Services Inc., so their expense is much higher than the regular monthly amount.

Director Holman moved to adopt the Financial Reports as presented; the motion was 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 Tuesday, September 25, 2018.

XI. ADJOURNMENT. Vice President Smith adjourned the meeting at 8:45pm until Tuesday, September 25, 2018.

Read and approved by:


President, Richard Smith

Date:

9/25/18

Attest:


Board Secretary, Louise Coombes

Date:

9/25/2018