

**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
June 23, 2020**

- I. **CALL TO ORDER.** The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Holman on Tuesday, June 23, 2020 at 7:00 p.m. via Zoom online.
- II. **ROLL CALL.** President Holman, Vice President Leap and Directors Dutra, Norton and Smith were present. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso, Board Secretary Louise Coombes and Management Consultant Vicki Morris.
- III. **PLEDGE OF ALLEGIANCE.** President Holman led the pledge of allegiance.
- IV. **REPORT FROM CLOSED SESSION.** The GM Evaluation took place and direction was given.
- V. **STATEMENTS OF DISQUALIFICATION.** There were no disqualification statements.
- VI. **ADDITIONS AND DELETIONS.** There were no additions to, or deletions from, the Agenda.
- VII. **MINUTES.** The minutes of the May 26, 2020 Board Meeting were presented for review and approval; Director Smith moved for approval of the minutes seconded by Vice President Leap. Minutes were unanimously approved, by roll-call vote, with all Directors present.
- VIII. **ORAL COMMUNICATION.** There were no public comments.
- IX. **REPORTS/PRESENTATIONS**

A. **Director's Reports.** There were no Director's reports.

B. **Attorney's Report.** Counsel Bosso attended a recent CSDA seminar regarding Prevailing Wage. From July 1, a number of new categories are included; should the District hire certain contractors. This requires the District to have a DIR number (already obtained). He clarified that each contractor should have a DIR number of their own and they should file certified payroll reports, copied to the District; it is not up to the District to police this, simply to report it.

C. **Manager's Report**

OPERATIONS

Production & Well Levels

GM Johnson reported total production in May 2020 was 10,617,395 gallons, with a daily average of 342,497 gallons per day.

All water testing continues to be both, filed on time and represent satisfactory results. In May, the finished water from the treatment plant showed no trace of iron and manganese.

Reporting operational well levels; Carpenteria Well was shut off June 8, 2020 for rehabilitation; the last reading before that showed the level was down four feet; San Juan Well was down ten feet. Observational well levels: Marshall Well was down six feet; and Aimee Meadows Well was down seven feet.

MAINTENANCE

Incidents

No incidents at the time of writing the General Manager's report.

ADMINISTRATIVE

Staff & Board Recognition

CSR Bowman and AC Girõn continue to work through the Billing process to incorporate changes due to the Governor's executive order regarding late or lack of payment and no shut-off. The amount not being collected continues to be monitored.

GM Johnson mentioned he is working on a strategy to reopen when restrictions lift, including safety for staff, particularly CSR Bowman who needs the most protection due to proximity to visiting customers. Application for financial aid from the state has been requested to install a counter with screen protection.

ASO Coombes has distributed the Water Quality Report ahead of the 2020 deadline.

AC Girōn has been preparing for the end of the fiscal year.

CO DeAlba and Op Smith continue to replace broken or under-reporting meters as deliveries from the manufacturer have been made.

Conservation & Rainfall

Since October 1, 2019, a total of 16.72" of rainfall has been recorded up to June 17, with no rain falling in June so far.

Projects

Ad-Hoc Personnel Committee Meeting

GM Johnson reported that this committee will be meeting near the end of June to review and amend the employee handbook.

Technology Upgrade - SCADA

GM Johnson reported that this project is still on hold until he can get in contact with the Electrician post the COVID delay.

- D. Correspondence:** GM Johnson pointed out the letter sent to local legislators that indicated financial aid is needed by Special Districts as they had been omitted from financial aid plans from the State and Federal sources. There were no questions or discussion from Directors.

X. ACTION ITEMS

A. Carpenteria Well Rehabilitation Project

All has gone well until the zone pumping part of the project. Delays were compounded by health issues, however, work resumes June 29, 2020. In the meantime, the pump, motor and column were evaluated. The column and motor were deemed to be in good condition, however the pump was last replaced in 2014 and has a life expectancy of 7-9 years. The current pump could be close to the end of its "normal" life and it would make sense to replace it whilst the well components are above ground. Staff will also replace the inline check valve at \$1200.

A considerable amount of sediment was present in the gravel pack but was bailed out after the pressure jetting. The perforations in the column were much cleaner than expected, which resulted in a considerable reduction in the time required to jet the well. Management Consultant Morris enquired about the possibility of the sediments' rapid return; GM Johnson will check with Hydrogeologist Feeny as to the likelihood and anticipated frequency for rehabilitation. Director Norton enquired whether the iron bacteria played a significant role and GM Johnson reported this was actually minimal and not clogging the perforations as initially suspected.

Vice President Leap moved to receive Carpenteria Well Rehabilitation Project Report as presented; seconded by Director Smith. The Report was unanimously adopted by roll-call vote with all Directors present. Further discussion was based on the frequency and cost of this exercise; Director Smith suggested that approximately \$10,000 per year be included in the budget for future cleaning.

B. Proposed Purchase of Solar Panel Array at Carpenteria Well Site

GM Johnson presented a proposal to purchase the solar panel array at the Carpenteria Well site. When the array was initially purchased in Feb 2015, the District was not eligible for Federal solar tax credits, so Solar Technologies and Technology Credit Corporation (TCC) monetized the Federal subsidy through a power purchase agreement (PPA) for \$338,670 with TCC retaining title and the District purchasing a fixed amount of future energy worth approximately \$276,837. Now five years has passed, the proposal offers the District the opportunity to purchase the system at fair market price of \$193,459, receive the Title and terminate the PPA. The energy production to date is valued at \$196,170 which is \$2,711 greater than the purchase price, resulting in a credit to the District, not including June which may add approximately \$100 to the credit.

President Holman raised the question of future maintenance. GM Johnson reported this would be our responsibility, however, there is one more cleaning due to the District which will be performed in July, post the Carpenteria Well rehabilitation. Director Smith suggested that the panels are likely to have a 20

year warranty (Counsel Bosso believes 25 years) but the inverters may have a shorter warranty (10-12 years) according to Director Dutra, who raised the question of not purchasing the array, and not having the responsibility of maintenance – GM Johnson suggested there may be a further opportunity to purchase in 2025, but the District would miss out on the energy credits gained over this period. Director Smith pointed out that the solar panels would pay for 100% of the power required by Carpenteria Well. President Holman would like to be sure of certain facts but can see no disadvantage to owning it other than having to clean it. Director Leap pointed out that we are offsetting \$40,000 per year of energy cost, so it makes sense to own the array. Both President Holman and Vice President Leap would like to know if owning the system increases this saving further. Unfortunately, Counsel Bosso does not believe the District can sell energy off-site, however, GM Johnson, referring to a previous situation, cited it may be possible to sell the power to another entity, for example Monterey Community Power. Director Norton expressed disappointment that the technology is not yet available where any excess power could be diverted for use at the office.

Director Norton moved to receive the report as presented and move ahead with the purchase; seconded by Vice President Leap. There was no further discussion and the Purchase of the Solar Array was approved by roll-call vote, with all Directors present.

C. Financial Reports for the Month of May 2020

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,069,305.21, of which *Total Current Assets* are \$4,456,076.42, and *Total Fixed Assets* are \$6,474,859.79. In *Liabilities*, the *Total Current Liabilities* are \$256,788.15 and *Long-Term Liabilities* are \$4,253,106.20.

In the **P&L Report**, *Water Revenue* for May was \$115,713.22. The total revenue for May was \$116,816.90. Total expenditures were \$84,420.25 between May 20 and June 16, 2020.

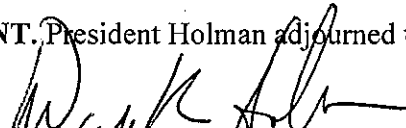
Director Dutra moved to approve the Financial Reports as presented; seconded by Director Smith. The Financial Reports were unanimously approved by roll-call vote with all Directors present.

XIV. FUTURE MEETINGS & AGENDA ITEMS. The next meeting will be on Tuesday July 28, 2020.

- Report of late fee payments not being collected.
- Strategy to open up the office at some point.
- Update on Oakridge delinquency payments – GM Johnson will email an update before the next Board meeting.


XV. ADJOURNMENT. President Holman adjourned the meeting at 8:15pm until Tuesday, July 28, 2020.

Read and approved by:



President, Wayne Holman

Attest:



Board Secretary, Louise Coombes

Date: 29 July 2020

Date: 7/29/2020

