



REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

TUESDAY, April 23, 2019

7:00 PM

President- Richard Smith
Vice President-Wayne Holman
Director- Marcus Dutra
Director- Wayne Norton
Director- James Leap
General Manager- Robert Johnson
Board Secretary-Louise Coombes

- I. **CALL TO ORDER**
- II. **ROLL CALL OF DIRECTORS:** President Richard Smith, Vice President Wayne Holman, Directors, Marcus Dutra, Wayne Norton and James Leap.
- III. **PLEDGE OF ALLEGIANCE**
- IV. **STATEMENTS OF DISQUALIFICATION**
- V. **ADDITIONS AND DELETIONS**
- VI. **MINUTES:** Motion to approve the Minutes of the March 26, 2019 Regular Board Meeting p.3-5
- VII. **ORAL COMMUNICATION:** *Anyone wishing to address the Board on informational items, staff reports or matters not listed on the agenda may do so during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on listed Action and Public Hearing items at the time they are considered by the Board.*
- VIII. **PRESENTATIONS & REPORTS**
 - A. DIRECTORS' REPORTS
 - B. ATTORNEY'S REPORT
 - C. MANAGER'S REPORT p.6-9
 - D. CORRESPONDENCE p.10-11
- IX. **ACTION ITEMS:**
 - A. **Consider receiving an update on the Water Rates and Capacity Charges Study, and providing direction to Staff** p.12

Mr. Thomas Pavletic (Municipal Financial Services) will present an update on the Water Rates and Capacity Charges Study project for discussion and Board direction.
 - B. **Consider receiving an update on the Cole Road Annexation into the Aromas Water District boundary; adopting Resolution 2019-3; adopting Resolution 2019-4 certifying a Categorical Exemption for the Cole Road Annexation; approving the agreement with PVMWA, and providing direction to Staff** p.13-17

Staff will present the respective documents for discussion and Board action.
 - C. **Consider adopting Resolution 2019-05, recognizing May as Water Awareness Month, and providing direction to Staff** p.18-19

Staff will present Resolution 2019-05, recognizing May as Water Awareness Month for Board discussion and action.
 - D. **Financial Reports for the Month of March 2019** p.20-25

Oakridge and Orchard Acres Assessment Districts are now included in the financial reports. Therefore, the reports show a Total Revenue of \$64,628.53; Total expenditures were \$77,697.52 between March 21, 2019 and April 17, 2019. These financials and monthly expenditures will be presented for discussion and approval.
 - E. **Adjourn to Closed Session as permitted by Govt. Code Sec. 54956.9**

The Board will adjourn to a closed session to discuss personnel matters
 - F. **Return to Open Session**

Statement of any reportable action from Closed Session
- X. **FUTURE MEETINGS & AGENDA ITEMS** Next meeting ó TBD
- XI. **ADJOURNMENT**

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of the board. Such records shall be available at the District office located at 388 Blohm Avenue, Aromas, CA.

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**Minutes of the Regular Meeting of
the Board of Directors of the Aromas Water District
March 26, 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, March 26, 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, Board Secretary Louise Coombes as well as Staff Ester Girõn and Naomi Bowman. Counsel Bob Bosso was absent.
- 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 February 26, 2019 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.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** President Smith, Director Leap and GM Johnson recently met with SBC Supervisor Anthony Bothelo and discussed the projects at the designated nodes on Highway 101. Supervisor Bothelo explained the current status of the nodes, especially those which will directly affect the Aromas Water District, and where the District's water mains are located in relation to the proposed projects. Director Norton, who has attended some of the San Benito County meetings, explained that there are no plans submitted for the Highway nodes. Currently, the County is proposing changing the zoning to match the general plan adopted some years ago.
- B. Attorney's Report.** In Counsel Bosso's absence, he sent an email with recent information on current cases. the State Supreme Court declined to hear the Glendale case, regarding the tiered rates, which means that the original court ruling still applies.

There is potential new legislation that may require even short term staff to be covered by PERS as a result of the Cargill case which held that the Metropolitan Water District had to provide PERS to anyone who worked for the District other than a very temporary person.

C. Manager's Report

OPERATIONS

No additional meters have been installed in February 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 February 2019 is just over 4.1 million gallons; the daily average at 147,378 gallons. Carpentaria Well pumped almost two thirds of the total production, thereby using the solar field for power, ensuring the power bill for February remains low. To date this calendar year, total production is 8.982 million gallons.

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

Incidents

There were no incidents to report this month.

ADMINISTRATIVE

Staff & Board Recognition

GM Johnson welcomed the new Customer Services Representative, Naomi Bowman, who attended the Board meeting. CSR Bowman is learning quickly and engaging well with the customers during her training.

GM Johnson continues to remind the Board that AC Giron and ASO Coombes are keeping everything running smoothly whilst CSR Bowman is being trained.

GM Johnson gave credit to CO DeAlba who is working very hard to keep the system running smoothly. Operator Sanchez is currently unavailable due to studying for advanced Water Operator qualifications. In the mean time the District has hired a part-time intern, Shaun Smith, for three days per week, who has been doing a good job. He is also working at the Santa Clara Water District on a part-time internship which ends around mid April, at which point he could work at the Aromas Water District five days per week.

GM Johnson held a staff meeting on February 6, 2019, to welcome the new employees and discuss plans for celebrating the District's 60th Anniversary.

Conservation & Rainfall

According to the rain gauge at Chittenden, since the beginning of the rain year, October 1, 2018, 22.56" has been recorded including the reading for today, with 3.2" falling in March.

Projects

Annexation on Cole Road

Continues to move forward; an agreement similar to the Eilert agreement from PVWMA which will be presented to the Board in April's packet. Once this is approved, the application for LAFCO can be recorded with the County Clerk; then it can be included on a future LAFCO Agenda.

Rate Study Request for Proposal

GM Johnson reported that a considerable amount of data was sent to Mr Paveltic earlier in March. GM Johnson will soon contact Mr Paveltic for an update.

60th Anniversary Celebration

GM Johnson mentioned that there is already a banner outside the front of the office to begin the celebrations. GM Johnson indicated there is likely to be a celebration at the Board meeting in July 2019 as this is the month the District became incorporated in 1959.

- D. Correspondence.** GM Johnson indicated the progression of the correspondence regarding both the rate study and the tank cleaning proposals.

IX. ACTION ITEMS

A. Consider adopting the updated Resolution 2019-02 for the Identity Theft Prevention Program

This Resolution brings current the practices in place for The Identity Theft Prevention Program, (aka the Red Flag Rule). A redlined version was supplied to the Board to show the recent amendments, which are an ongoing review process as practices at the District change.

Director Norton moved to adopt the revision to the Identity Theft Prevention Program detailed in Resolution 2019-02. The motion was seconded by Vice President Holman. There was no discussion. The Resolution 2019-02 to update the Identity Theft Prevention Program was unanimously adopted with all Directors present.

B. Consider Adoption of a District Legislative Advocacy Policy.

GM Johnson summarized the goals, and need, for a Legislative Advocacy Policy for the Board, especially on issues directly related to, or may have an impact on, the District. Legislative involvement is becoming critical with the increasing complexity of water related legislation that the District may want to support, or oppose.

Vice President Holman questioned the impact our small District would have at the State level. Director Norton indicated that our voice would be added to others. At a recent event, Director Norton met Senator Monning and discussed the impact of the water tax senate bills on small Districts such as ours. It is possible that a member of his staff may be willing to come to the District to explain the Bill in greater detail, should the Ad-Hoc Committee so desire. President Smith supports becoming more educated and being more aware of the direction of influential legislation.

Director Norton moved to adopt the District Legislative Advocacy Policy with the modification of "Standing Committee" to "Ad-Hoc Committee". The motion was seconded by Director Leap. The adoption of the District Legislative Advocacy Policy was unanimously adopted with all Directors present.

President Smith appointed the Ad Hoc Committee, consisting of GM Johnson, Directors Norton and Leap.

C. Consider Approving the Water Tank Cleaning recommendation

GM Johnson provided a tabulated comparison of the five proposals received for cleaning and inspection of six of the Districts water storage tanks, performed on a triennial cycle. Potable Divers Inc satisfactorily performed the previous cleaning and inspection three years ago.

Director Holman moved to engage Potable Divers Inc to perform the tank cleaning and inspection. The motion was seconded by Director Norton. There was no discussion. The engagement of Potable Divers was unanimously approved with all Directors present.

D. Financial Reports for the Month of February 2019

The total revenue for December was \$66,050.20; Total expenditures were \$72,048.98 between February 21 and March 20, 2019.

On the **Balance Sheet**, *Total Assets / Liabilities & Equity* are \$11,656,093.75, of which *Total Current Assets* are \$4,399,173.16, and *Total Fixed Assets* are \$7,067,639.79. In *Liabilities*, the *Total Current Liabilities* are \$224,223.11, *Long Term Liabilities* are \$4,862,902.12.

In the **P&L Report**, *Water Revenue* for February was \$64,020.30 as compared to the budgeted \$65,000.00. One connection is expected before the end of the Fiscal Year, with four more in the following Fiscal Year.

In the **Monthly Expenditures**. Director Dutra enquired whether the amount for J A Fencing was the total. GM Johnson clarified that this is the second payment, so the total cost was just over \$10,000.

Director Dutra moved to adopt the Financial Reports as presented; 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, April 23, 2019.

XI. ADJOURNMENT. President Smith adjourned the meeting at 7:55pm until Tuesday, April 23, 2019.

Read and approved by: _____
President, Richard Smith

Attest: _____
Board Secretary, Louise Coombes

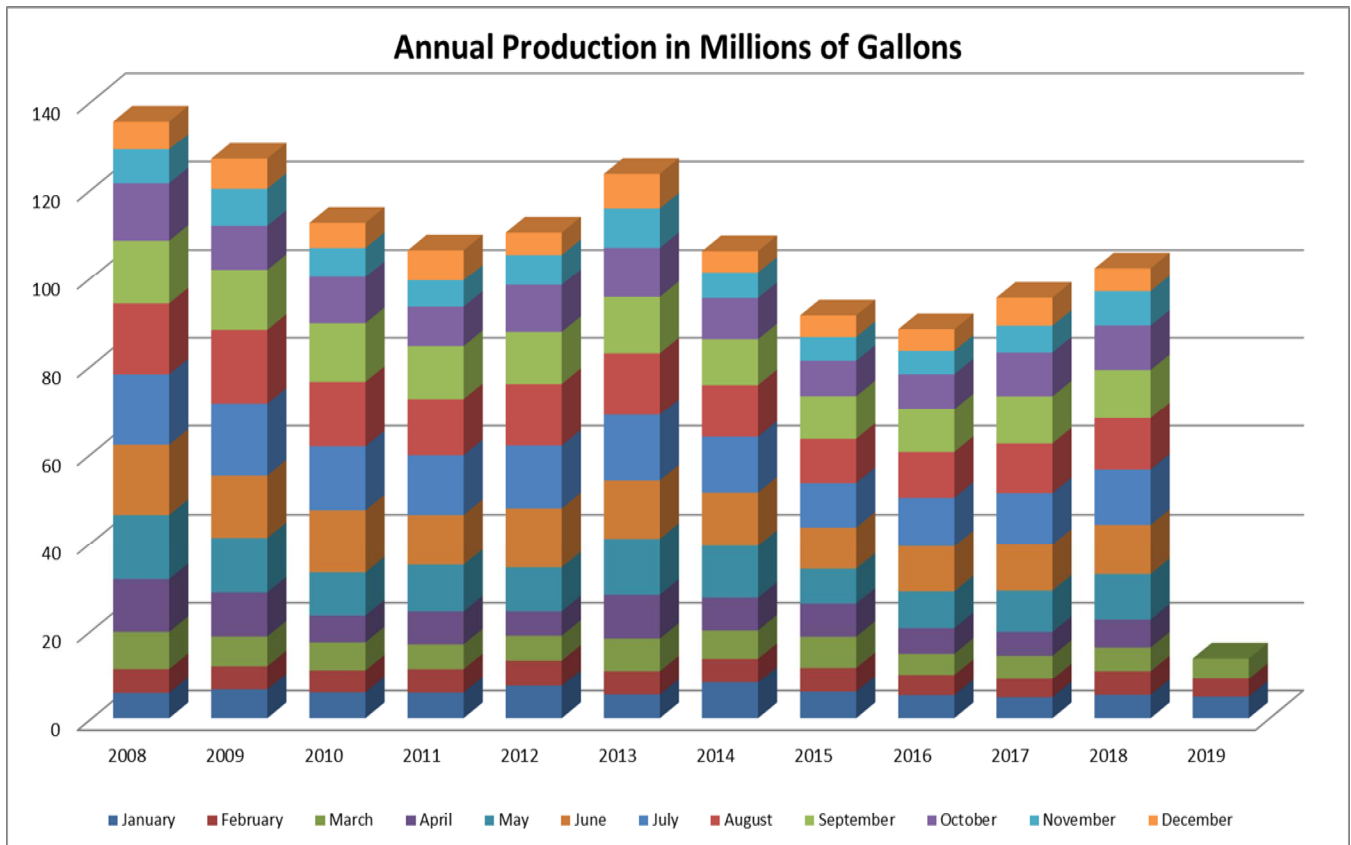
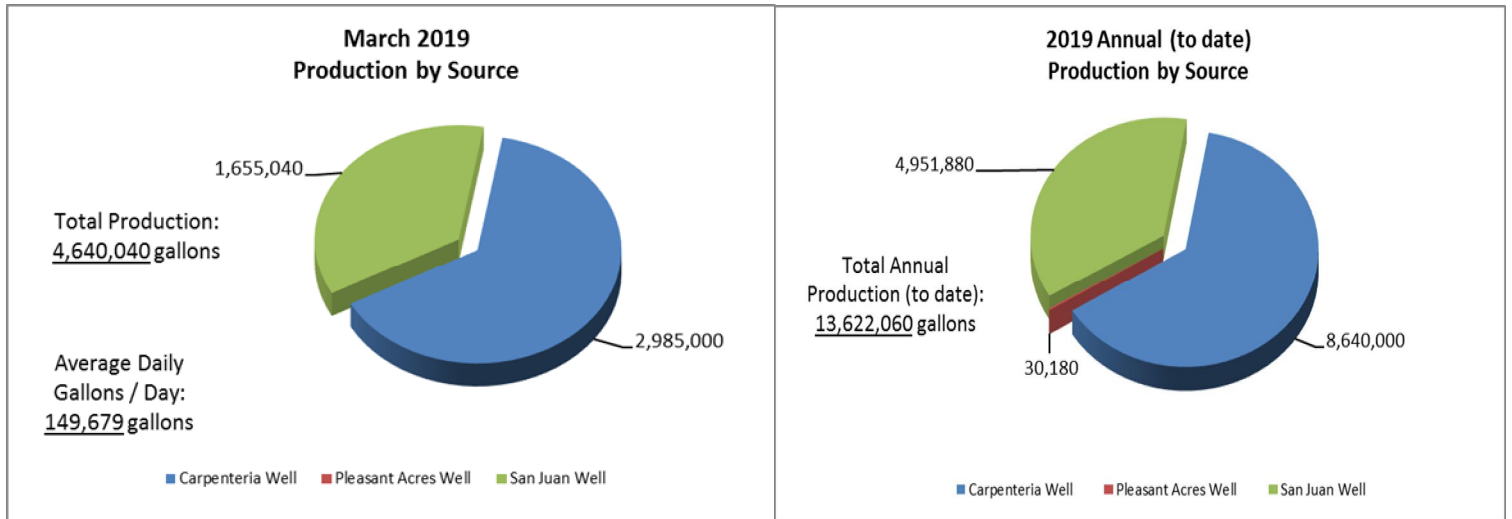
Date: _____

Date: _____

General Manager's Report March 2019



PRODUCTION REPORT



Totals	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Million Gal	135.38	126.9	112.37	106.15	110.17	123.42	105.97	91.27	88.152	95.304	102.07	13.622
Acre Ft	415.4	389.4	344.8	325.7	338.05	378.7	325.16	280.05	270.49	292.43	313.18	41.797

OPERATIONS AND MAINTENANCE REPORT

OPERATIONS:

- There are 957 total meters, on 902 parcels.
- Loss Production system wide has been maintained at below 5% for over 18+ months.
- Carpentaria well was operational the entire month, San Juan was not utilized for three days; while Pleasant Acres well was not utilized this month.
- Water Treatment Plant; finished water was non-detect for both iron and manganese this month.
- Distribution testing for total Coliform; all samples negative.
- All monthly DWR reports on Coliform, and Mn / Fe were filed on time.
- WTP filters are being backwashed when necessary (less in the winter time).
- Monthly Generator in-house 15-minute testing under load.
- Monthly well-level monitoring (see attached chart).

MAINTENANCE:

- Preventative maintenance and flushing were performed, as needed
- Graffiti removal whenever it occurs
- Chlorine chemical pump maintenance and analyzer maintenance at all wells, as time allows
- Maintenance tasks are being performed as time allows

INCIDENTS:

- None during this reporting period

ADMINISTRATIVE REPORT

STAFF & BOARD RECOGNITION:

- Administrative Services Officer (ASO) Coombes, Account Clerk (AC) Girōn and Customer Service Representative (CSR) Bowman are keeping the office running smoothly whilst training continues. CSR Bowman will have been on the job for two months at the Board meeting date.
- Chief Operator (CO) DeAlba has been keeping the District's infrastructure functioning, while providing increased training opportunities for Part-time Temporary Operator Smith.
- GM Johnson released a Water System Operator recruitment flyer on April 8, 2019. The application period closes at noon on April 26, 2019.
- GM Johnson met with a Managed Information Technology consultant to explore options for enhancing the District's technology utilization.
- GM Johnson continues to participate in an online study group for the CSDA Special District Administrator (SDA) test. As a reminder, if the GM has an SDA certification, that provides additional steps towards the higher levels of the CSDA's District of Distinction awards.
- GM Johnson met with San Benito County Planning (SBCPlanning) representatives, consultants and the San Benito County Water Agency General Manager to discuss SBCPlanning's concerns raised from public meetings regarding water.
- GM Johnson observed the water tank cleaning operations on April 15.

CONSERVATION UPDATE:

January 2019 usage figures are indicative of the reduced water use due to winter rainfall.

October 1, 2018 marked the start of a new water year. As of the date of this report, the rain gauge at Chittenden Pass has recorded 23.16 inches of precipitation this water year, with 0.44 inches falling so far in the month of April.

PROJECTS:

1. Capron et al Annexation – Cole Road area

This project continues to move forward. The District Board of Directors will take action on the next steps for this project at this meeting.

2. Aromas Water District Rate Study

The District Board of Directors will be given an update at this Board meeting.

3. Planning Efforts for the 60th Anniversary of Aromas Water District

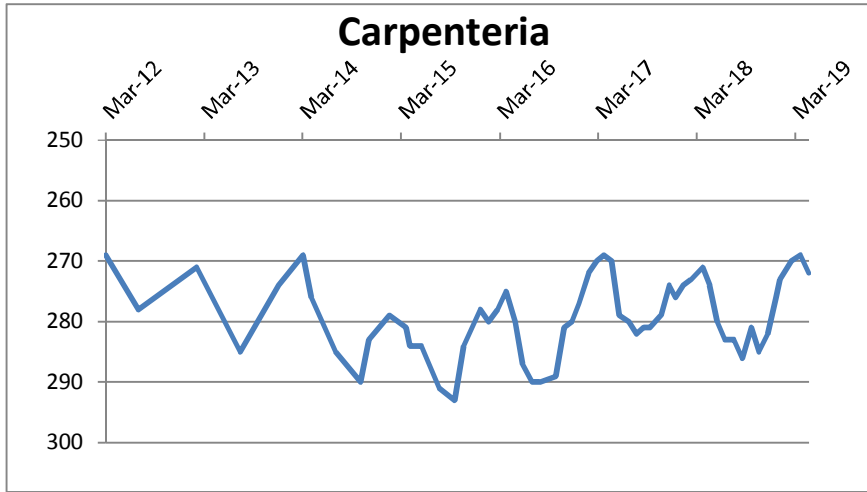
Planning efforts for the Aromas Water District 60th Anniversary celebration continue, and staff is working to develop an event worthy of the District's history. Letters to Legislators are being written and will be sent out soon. The actual celebration is tentatively scheduled for the July 2019 Board of Directors meeting.

4. Meter installation on Chateau Road

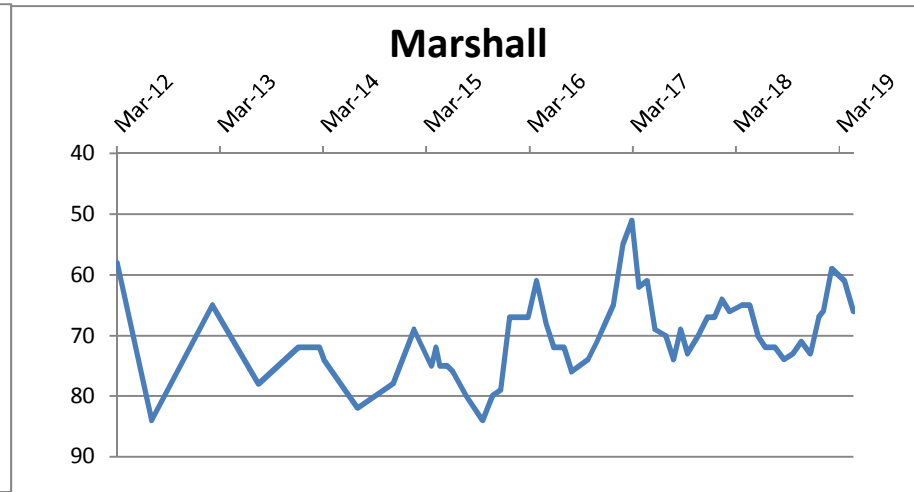
A new meter was installed along Chateau Road for a new connection. The new customer will be connecting his service line in the near future.

Robert Johnson
General Manager
April 17, 2019

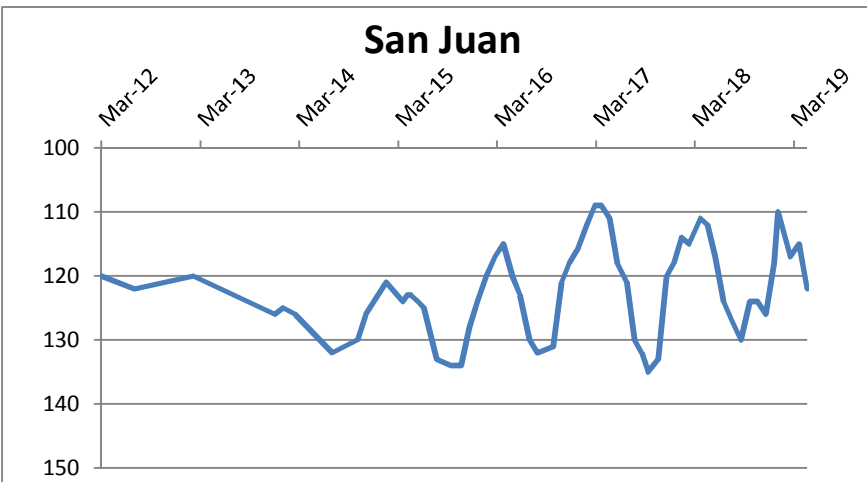
Well Water Level Monitoring
 Depth to Water Measurements
 Date: April 17, 2019



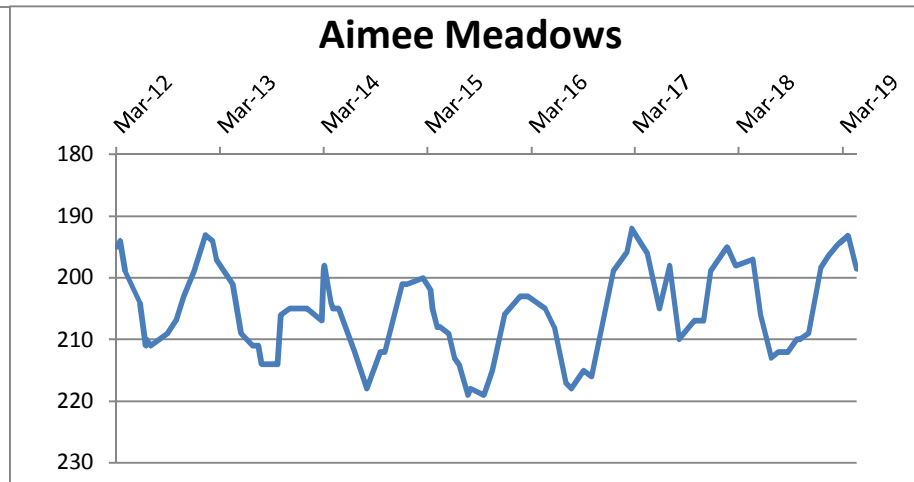
Carpenteria Well (production): Previous Read = 269 feet ; Current Read = 272 feet



Marshall Well (monitoring): Previous Read = 61 feet ; Current Read = 66 feet



San Juan Well (production): Previous Read = 115 feet ; Current Read = 122 feet



Aimee Meadows (monitoring): Previous Read = 193 feet ; Current Read = 199 feet

CORRESPONDENCE LIST: 3/20/2019 - 4/17/2019

DATE	TYPE	TO	FROM	SUBJECT
<i>Late Entries</i>				
3/15/19	M	AWD	CalPERS Legal Office	Request for Public Comment Re: Designation of Board Decision in the Tracy C Fuller Matter as Precedential
3/15/19	E	R Johnson, AWD	S Moses, Rubicon Applied Divers	Requesting update on tank cleaning bid award
3/18/19	M	R Johnson, AWD	D Sedwick, Cal Rural Water Assoc	Annual Meeting Notice
<i>Current Entries</i>				
3/25/19	E	S Moses, Rubicon Applied Divers	R Johnson, AWD	Response re: Requesting update on tank cleaning bid award
3/26/19	E	R Johnson, AWD	N McCormick, CSDA	CSDA News: Legislature to Consider Good and Bad Tax Measures Impacting Special Districts
3/26/19	E	R Johnson, AWD	ACWA	Sponsorships due for Spring Conference & Exhib
3/27/19	E	AWD	L Johnson, ACWA JPIA	Notification of AWD Receiving RSF Refund Check
April '19	M	AWD	CSDA	Take Action Brief
4/1/19	M	P. Bowers, LiquiVision Tech Diving Svcs	R Johnson, AWD	Rejection of Proposal for 2019 Tank Cleaning
4/1/19	M	G. Lakey, Midco Diving and Marine Svcs, Inc	R Johnson, AWD	Rejection of Proposal for 2019 Tank Cleaning
4/1/19	M	L Lester, Inland Potable Services, Inc	R Johnson, AWD	Rejection of Proposal for 2019 Tank Cleaning
4/1/19	M	S Moses, Rubicon Applied Divers	R Johnson, AWD	Rejection of Proposal for 2019 Tank Cleaning
4/1/19	M	D Harvey, Potable Divers, Inc	R Johnson, AWD	Award of Proposal for 2019 Tank Cleaning
4/1/19	M	M Sahi, 65 Pine Tree, Aromas, CA	R Johnson, AWD	Water Meter Calibration Results - requested by customer
4/2/19	E	R Johnson, AWD	D Holland, MBAS	Results of Monthly Coliform and Chlorine Residual Testing
4/4/19	E	R Johnson, AWD	L Lester, Inland Potable Services, Inc	Request to review other bids for tank cleaning.
4/5/19	E	SWRCB	R Johnson, AWD	Monthly Fe & Mn Field Test Results
4/5/19	E	SWRCB	R Johnson, AWD	Monthly Summary of Coliform Monitoring
4/5/19	E	L Coombes, AWD	D Kyburz, ACWA JPIA	Confirmation of upgrade to full replacement cost for AWD Vehicles

CORRESPONDENCE LIST: 3/20/2019 - 4/17/2019

DATE	TYPE	TO	FROM	SUBJECT
4/5/19	M	AWD	M Zeeb, Monterey Cty Auditor-Controller	Request for Assessment Bond Data Files with attached Pro-Forma Resolution
4/7/19	E	R Johnson, AWD	T Pavletic, Municipal Financial Services	Request for a variety of data required for analysis to produce the 2019 Rate Study.
4/8/19	E	R Johnson, AWD	R James, AICP	SBC Request for Conference Call re: 101 Nodes
4/8/19	E	AWD	D Orlauski, Voya/CalPERS	CalPERS Roth Option for Employees
4/8/19	E	AWD	P Riso, MCWD	CSDA Legislative Calls to Action Update
4/10/19	M	L Duarte, 2520 Chittenden Rd, Aromas	R Johnson, AWD	Leak Credit for 2520 Chittenden Rd, Aromas
4/11/19	E	J Sweigert, S Kler, SWRCB	R Johnson, AWD	Notification of update of WQENP
4/12/19	E	S Novack, SBCWD	R Johnson, AWD	Recognition of May as Water Awareness Month
4/12/19	E	R Johnson, AWD	S Novack, SBCWD	Response to Recognition of May as Water Awareness Month
4/12/19	E	G Normart, Utility Cost Management LLC	R Johnson, AWD	Supply of sample bills for PG&E Bill Analysis
4/16/19	E	A Beck, Fedak & Brown	R Johnson, AWD	Request and response for dates for FY2018/19 Audit Interim Testing

Staff Report



To: Board of Directors

Re: Item IX.A ó Consider receiving an update on the Water Rates and Capacity Charges Study, and providing direction to Staff

Date: April 15, 2019

Summary / Discussion

The Aromas Water District (District) last performed a Water Rates and Capacity Charges Study (Rate Study) in 2014. The results of that effort provided an annual increase in District rates of roughly five-percent per year (the range is 3% to 6.7%). The financial review (audit) of the last fiscal year indicated that the District is still in a negative ñnet positionñ, meaning existing revenues are not adequate to meet capital reserve requirements as well as fund necessary capital improvement projects identified in the 2018 Strategic Plan.

The Board of Directors (BOD) hired Municipal Financial Services (MFS) to perform a Rate Study for the coming five years. MFS performed the previous five-year Rate Study for the District, so they are familiar with the District and District finances, which should add efficiency to the project.

Mr. Tom Pavletic from MFS will present preliminary findings from his analyses and provide the BOD with alternatives on moving forward with the Rate Study. Once direction is provided, MFS can continue working on the Rate Study, in preparation for the May BOD meeting, which will be the public hearing regarding the District's rates. The date of that meeting needs to move from the regular Tuesday meeting time due to a scheduling conflict.

Staff Recommendation

Staff recommend the BOD: 1) Receive the update and 2) provide direction on moving forward with the Rate Study.

Submitted by:

Robert Johnson
General Manager

Staff Report



To: Board of Directors

Re: Item IX.B ó Consider receiving an update on the Cole Road Annexation into the Aromas Water District boundary; adopting Resolution 2019-3; adopting Resolution 2019-4 certifying a Categorical Exemption for the Cole Road Annexation; approving the agreement with PVMWA, and providing direction to Staff

Date: April 12, 2019

Summary / Discussion

A request for water service has been made by four property owners; Mr. and Mrs. D. Naranjo, Mr. and Mrs. B. Ford, Ms. J. Rekedal and Mr. S. Capron, and Ms. L. Mello and Mr. G. Skogen, the owners of APN 011-016-031, 011-016-032, 011-016-033 and 011-016-034 respectively All four properties are contiguous with the Aromas Water District (District) existing boundaries and within the District's Sphere of Influence. Each parcel is developed with a single-family residence and a well; however, the respective wells' yields have diminished and therefore, for health and safety reasons, the owners are looking to be served by the District.

The District Board of Directors (BOD) approved the initiation of the annexation process at the November 2018 meeting. One application requirement is a Resolution of Application from the requesting entity, the District. Attached to this report is AWD Resolution 2019-03, to be adopted; after which, it will become a part of the documentation that makes up the completed application packet to the Local Area Formation Committee (LAFCo).

Another piece of documentation for the LAFCo application is the appropriate environmental documentation. For this project staff has determined that a Categorical Exemption (CE) under the California Environmental Quality Act (CEQA) is the appropriate level of environmental documentation. Basically, a CE is a project that has been determined to not have a significant effect on the environment. Since the District would be providing water to these parcels from the same basin they pump from already, there is not a significant effect on the environment when the District delivers the water.

The Pajaro Valley Water Management Agency (PVWMA) BOD met on February 20, 2019 and approved the request for an exemption from Ordinances 98-01 and 98-02, allowing water to be exported out of the Pajaro Basin for health and safety reasons. Included in this report is their Exportation Exemption Agreement to be accepted by the BOD and signed.

The last step in the process will be the submittal of the LAFCo application. This application has about 10 important items that need to be completed for the application to be considered. Staff is working on the specific actions and tasks that need to be completed. Once this completed application gets to LAFCo, there is a minimum two-month wait before the item will make it on their agenda.

Staff Recommendation

Receive the update report, Adopt Resolutions #2019-03 and 2019-04 and accept the PVWMA Exportation Exemption Agreement.

Submitted by: Robert Johnson, General Manager



RESOLUTION 2019-03

**RESOLUTION OF APPLICATION OF THE AROMAS WATER DISTRICT
INITIATING PROCEEDINGS FOR THE NARANJO, FORD, CAPRON AND
REKEDAL, AND MELLO AND SKOGEN PROPERTIES
(APNs: 011-016-031, 011-016-032, 011-016-033 & 011-016-034)
ANNEXATION TO THE AROMAS WATER DISTRICT**

WHEREAS, the Aromas Water District (DISTRICT) desires to initiate a proceeding for the adjustment of boundaries specified herein.

NOW, THEREFORE BE IT RESOLVED, the Aromas Water District Board of Directors hereby resolves and order as follows:

1. This proposal is made, and it is requested that proceedings be taken, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with section 56000 of the California Government Code.

2. This proposal is an annexation to the DISTRICT

3. A map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein.

4. It is desired that the proposal be subject to the following terms and conditions: *DISTRICT water will be utilized for municipal uses only.*

5. The reasons for the proposal are to: *Health and Safety Issues related to the lack of available well water and the need to annex into the DISTRICT to receive DISTRICT water.*

6. The proposal is consistent with the Sphere of Influence of the DISTRICT.

7. Consent is hereby given to the waiver of conducting authority proceedings.

PASSED AND ADOPTED by the Board of Directors of the Aromas Water District, Aromas, Monterey and San Benito Counties, California, at a Regular meeting duly held on this 23rd day of APRIL by the following vote:

AYES:

NOES:

ABSENT:

APPROVE:

ATTEST:

Richard Smith, Board President

Board Secretary, Louise Coombes



RESOLUTION 2019-04

A RESOLUTION OF

**THE BOARD OF DIRECTORS OF THE AROMAS WATER DISTRICT
FINDING THAT A PROJECT IS CATEGORICALLY EXEMPT
UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Aromas Water District has made the following findings:

WHEREAS, the requested annexation for service by Naranjo, Ford, Capron and Rekedal and Mello and Skogen, owners of APN 011-016-031, 011-016-032, 011-016-033 and 011-016-034 (San Benito County) respectively and

WHEREAS, the California Environmental Quality Act provides a Categorical Exemption for annexations of single-family dwellings for provision of utilities pursuant to Sections 15303(d) and 15319 of the California Code of Regulations Guidelines for Implementation of the California Environmental Quality Act.

NOW THEREFORE, BE IT RESOLVED, the Aromas Water District Board of Directors hereby resolves, and order as follows:

that the annexations of San Benito Parcels with APN Nos. 011-016-031, 011-016-032, 011-016-033 and 011-016-034 to the Aromas Water District is Categorically Exempt under Sections 15303(d) and 15319 of the California Code of Regulations from the requirements of the California Environmental Quality Act.

PASSED AND ADOPTED by the Aromas Water District Board of Directors, Aromas, Monterey and San Benito Counties, California, at a Regular meeting duly held on this 23rd day of APRIL by the following vote:

AYES:

NOES:

ABSENT:

APPROVE:

ATTEST:

Richard Smith, Board President

Board Secretary, Louise Coombes

CATEGORICAL EXEMPTION

Notice of Exemption

Appendix

TO: County Clerk
County of San Benito
440 Fifth Street
Hollister, CA 95023

Project Title: Annexation of four residential properties APN 011-016-031, 011-016-032, 011-016-033, & 011-016-034, into the Aromas Water District (AWD)

Project Location: 1975 Cole Road, 1879 Cole Road, 1811 Cole Road and 1600 Cole Road, San Benito County, four existing residential parcels located contiguous to the existing AWD boundary.

Project Location City & County: San Benito County

Description of Nature, Purpose, and Beneficiaries of Project: The purpose of the proposed action is to annex these existing residential parcels into existing Sphere of Influence of the Aromas Water District to provide residential potable water service to the property owners: Naranjo, Capron & Rekedal, Mello & Skogen and Ford.

Name of Public Agency Approving Project: San Benito County Local Agency Formation Commission (LAFCo)

Name of Person or Agency Carrying Out Project: Aromas Water District

Exempt Status: (Check One)

Ministerial (Sec21080(b)(1); 15268);
Declared Emergency
Emergency Project

Categorical Exemption: Sections 15303(d), and 15319
Statutory Exemptions: State code number
Other: The activity is not a project subject to CEQA

Reason Why Project is Exempt: This project is de minimis in nature. This provides municipal potable water to these four existing residences, experiencing poor water quality and inadequate water quantity.

Lead Agency Contact Person: Robert Johnson, General Manager, Aromas Water District
(831) 726-5071

Signature: _____ Date: _____



RESOLUTION 2019-05

RESOLUTION DECLARING MAY 2019 WATER AWARENESS MONTH

WHEREAS, California's arid and semiarid climate, its ambitious and evolving economy, and its continually growing population have combined to challenging water quantity situations the norm; and

WHEREAS, the health, welfare and quality of life for our community depends on a reliable, high quality water supply; and

WHEREAS, the need to develop a diverse water supply portfolio that includes a balanced combination of conservation, water reuse and new supplies to ensure reliability is critical to our region's future; and

WHEREAS, municipal agencies and governments continue to seek cost-effective and efficient systems to obtain and deliver water to meet the needs of residents, agriculture and the economy; and,

WHEREAS, the state, county, cities and concerned citizens make strong efforts to foster wise decisions concerning water issues and water use; and,

WHEREAS, home water use, and wastewater production can be significantly reduced by finding and repairing leaks, replacing inefficient toilets, washing machines, water softeners, and adopting personal water conserving practices; and

WHEREAS, the fact that California will experience periodic droughts and water conservation is critical not only during drought periods, **but at all times**; and

WHEREAS, landscape irrigation makes up over half of home water use - a percentage that can be significantly reduced by adjusting and monitoring irrigation systems and adopting water efficient landscaping and gardening practices; and

WHEREAS, the Aromas Water District, along with local governments and water agencies are working to provide residents with cost-effective means to reduce water use and the degradation of our water supply from water softener salts; and

WHEREAS, during May 2019, the Aromas Water District is inviting everyone to find out ways to save water both at work and at home;

NOW, THEREFORE, the Aromas Water District does proclaim May 2019 as Water Awareness Month and urges all citizens, businesses, industries, institutions and public agencies to review their water use and water systems for water use efficiency and to contact their water supplier for water saving ideas and assistance.

PASSED AND ADOPTED by the Board of Directors of the Aromas Water District, Aromas, Monterey and San Benito Counties, California, at a Regular meeting duly held on this 23rd day of APRIL by the following vote:

AYES:

NOES:

ABSENT:

APPROVE:

ATTEST:

Richard Smith, Board President

Board Secretary, Louise Coombes

Aromas Water District
Balance Sheet Prev Year Comparison

As of March 31, 2019

	Mar 31, 19	Mar 31, 18
ASSETS		
Current Assets		
Checking/Savings		
UB Checking	209,007.61	160,589.28
UB Bk Money Market xxxx7853	210,145.20	105,043.95
LAIF-State of Ca xx-05	809,065.58	791,336.27
Petty Cash	100.00	100.00
Assessment District Banks		
OAWA Union Bank Checking 7741	24,669.44	39,290.54
OAWA Union Bank 101 Redemption	17.16	-2,540.35
OAWA Union Bank 102 Reserve	35,631.32	35,381.62
Oakridge Union Checking 5587	327,052.71	373,804.39
CFD Union Bank CFD98-1	0.00	10,361.54
CFD 02 Provident T Fund Reserve	0.00	-59.62
Total Assessment District Banks	387,370.63	456,238.12
Total Checking/Savings	1,615,689.02	1,513,307.62
Accounts Receivable		
1200 · Accounts Rec - Special Projects	0.00	4,500.00
Total Accounts Receivable	0.00	4,500.00
Other Current Assets		
1292 · Accounts Rec - USDA Loan	2,272,916.60	2,329,859.60
1291 · Accounts Rec - Orchard Acres	335,320.03	339,708.47
Prepaid Insurance	10,619.33	10,064.56
128 · Inventory	22,913.50	22,913.50
1200.1 · Accounts Receivable--UBMax	81,893.07	75,564.60
1201.9 · Less Allowance for doubtful Acc	-500.00	-500.00
Total Other Current Assets	2,723,162.53	2,777,610.73
Total Current Assets	4,338,851.55	4,295,418.35
Fixed Assets		
1900 · Water System	11,769,010.25	11,659,214.44
1915 · Office Building & Improvements	398,261.43	387,260.80
1970 · Office Equipment & Fixtures	93,467.05	93,467.05
1980 · District Vehicles	117,577.39	75,349.31
1990 · Land and Easements	340,644.03	330,195.78
1995 · Idle Assets	43,400.00	43,400.00
1998 · Less Accum Depr Idle Assets	-42,400.00	-42,400.00
1999 · Less Accumuated Depreciation	-5,668,372.00	-5,139,460.75
Total Fixed Assets	7,051,588.15	7,407,026.63
Other Assets		
Deferred Outflow of Resources	187,200.00	174,771.00
Deposits		
ACWA Deposit	2,080.80	2,080.80
Total Deposits	2,080.80	2,080.80
Total Other Assets	189,280.80	176,851.80
TOTAL ASSETS	11,579,720.50	11,879,296.78

Aromas Water District
Balance Sheet Prev Year Comparison

As of March 31, 2019

	Mar 31, 19	Mar 31, 18
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 - Accounts Payable	38,281.43	30,988.67
Total Accounts Payable	38,281.43	30,988.67
Credit Cards		
First Bankcard - E Giron #86	75.00	0.00
First Bankcard - R. Johnson #31	-1,002.69	1,232.60
ACE Hardware	0.00	39.85
First Bankcard - L Coombes #92	0.00	689.24
First Bankcard -- T. Zelmar #67	19.98	105.97
Valero - Fuel	420.63	383.34
First Bankcard -- D DeAlba #35	1,478.62	276.30
Total Credit Cards	991.54	2,727.30
Other Current Liabilities		
2100 - Payroll Liabilities	2,231.96	4,338.15
City National Bank - Current	111,781.03	105,477.00
Deferred Inflows- Actuarial	7,709.00	17,463.00
CUSTOMER DEPOSITS		
Connection Deposits Payable	4,000.00	4,000.00
Hydrant Meter Deposit	150.00	150.00
Total CUSTOMER DEPOSITS	4,150.00	4,150.00
Accrued Vacation Payable	19,106.97	22,769.14
Interest Payable	52,477.96	52,480.90
Payroll Taxes Payable		
State Payroll Taxes Payable		
Payroll-SDI	4.36	0.00
Payroll-SUI	-112.14	0.00
Total State Payroll Taxes Payable	-107.78	0.00
Total Payroll Taxes Payable	-107.78	0.00
PVWMA Payable	6,930.14	6,553.87
Total Other Current Liabilities	204,279.28	213,232.06
Total Current Liabilities	243,552.25	246,948.03
Long Term Liabilities		
2590 - Unearned Revenue - CFD 98-1	5,545.71	13,436.52
2392 - Long-term Debt - USDA (Oakrdge)	2,629,000.00	2,693,000.00
2391 - Long-term Debt - Orchard Acres	400,000.00	420,000.00
GASB 68 Pension Liability	562,232.00	501,054.00
City National Bank	1,041,901.30	1,158,375.84
Total Long Term Liabilities	4,638,679.01	4,785,866.36
Total Liabilities	4,882,231.26	5,032,814.39
Equity		
Investment in Capital Assets	6,420,006.53	6,420,006.53
Unrestricted Net Assets	2,876,965.76	3,019,748.84
Allocation of Net Assets	-2,637,574.59	-2,637,407.62
Net Income	38,091.54	44,134.64
Total Equity	6,697,489.24	6,846,482.39
TOTAL LIABILITIES & EQUITY	11,579,720.50	11,879,296.78

Aromas Water District
Profit & Loss Budget Performance

March 2019

	Mar 19	Budget	Jul '18 - Mar 19	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
303 · Water Revenue	62,606.29	70,000.00	873,474.16	826,000.00	1,150,000.00
307 · Bulk Water	291.01	500.00	14,444.15	13,400.00	15,000.00
302 · Connection	0.00	0.00	0.00	0.00	13,300.00
301 · Taxes Rcvd - AWD					
3090 · Oakridge / OAWA Assess...	0.00	0.00	100,116.67	115,000.00	160,140.73
301 · Taxes Rcvd - AWD - Other	0.00	0.00	39,005.26	40,100.00	66,000.00
Total 301 · Taxes Rcvd - AWD	0.00	0.00	139,121.93	155,100.00	226,140.73
304 · Other Office Income & Reimbu...	3.00	0.00	415.13	410.00	2,000.00
306 · Interest	1,728.23	1,600.00	14,650.84	11,900.00	17,000.00
312 · Grant Revenue	0.00	0.00	2,150.00	2,500.00	2,600.00
Total Income	64,628.53	72,100.00	1,044,256.21	1,009,310.00	1,426,040.73
Gross Profit	64,628.53	72,100.00	1,044,256.21	1,009,310.00	1,426,040.73
Expense					
Operations					
403 · Fuel	731.53	1,000.00	8,034.49	8,500.00	12,000.00
404 · Truck Maint	0.00	300.00	3,806.49	4,000.00	5,000.00
431 · System Repair & Maint	2,044.00	5,000.00	31,734.04	45,000.00	60,000.00
463 · Water Analysis	154.00	500.00	3,580.00	4,500.00	6,000.00
464 · Water Treatment	821.18	792.00	10,395.59	9,624.00	12,000.00
468 · Tools	916.97	800.00	2,818.20	5,700.00	7,500.00
470 · Public Outreach / Annexation	0.00	340.00	142.56	2,980.00	4,000.00
Total Operations	4,667.68	8,732.00	60,511.37	80,304.00	106,500.00
Power					
449.75 · 388 Blohm, # C	22.97	17.00	139.81	151.00	200.00
449.5 · 388 Blohm, A & B Office	137.97	130.00	1,207.04	1,210.00	1,600.00
461.5 · RLS Tank Booster	9.53	10.00	86.41	94.00	125.00
447 · Leo Ln Booster	35.75	32.00	311.39	303.00	400.00
448 · Aimee Mdws Well	10.51	10.00	85.76	94.00	125.00
451 · Marshall Corp Yard	32.42	42.00	287.34	374.00	500.00
452 · Rea Booster @ Seely	132.36	33.00	437.05	301.00	400.00
454 · Carr Booster	336.82	360.00	3,854.03	3,380.00	4,500.00
458 · Pleasant Acres Well	49.78	800.00	8,611.80	9,600.00	12,000.00
459 · Seely Booster @ Carpenteria	21.03	20.00	172.19	240.00	300.00
460 · San Juan Well	2,058.57	3,750.00	30,587.44	34,250.00	45,000.00
461 · Cole Tank	19.53	14.00	115.65	133.00	175.00
462 · Rea Tank	13.22	14.00	108.59	133.00	175.00
465 · Lwr Oakridge Boost	62.47	80.00	4,786.93	4,760.00	5,000.00
465.5 · Upper Oakridge Booster	150.00	50.00	600.00	450.00	600.00
466 · Pine Tree Tank	13.37	12.50	109.83	112.50	150.00
Total Power	3,106.30	5,374.50	51,501.26	55,585.50	71,250.00
Payroll					
Gross	31,927.60	33,890.00	291,690.91	304,060.00	405,740.00
Comp FICA	1,939.83	2,096.00	17,236.06	18,864.00	25,156.00
Comp MCARE	453.63	490.00	4,220.24	4,410.00	5,883.00
Comp SUI	369.38	195.00	1,887.99	1,750.00	2,335.00
Total Payroll	34,690.44	36,671.00	315,035.20	329,084.00	439,114.00
Employee / Labor Costs					
407 · Outside Services	507.21	500.00	4,358.73	4,500.00	6,000.00
408 · Uniform Allowance	277.83	650.00	964.11	1,150.00	2,000.00
409 · Workers Comp	935.55	1,059.00	9,180.30	9,525.00	12,702.00
410 · Health Ins	6,046.55	5,852.00	53,259.05	52,668.00	70,224.00
474 · Education	0.00	500.00	1,709.70	4,500.00	6,000.00
477 · Retirement	5,816.11	6,160.00	53,175.49	55,434.00	73,914.00
Total Employee / Labor Costs	13,583.25	14,721.00	122,647.38	127,777.00	170,840.00

Aromas Water District
Profit & Loss Budget Performance

March 2019

	Mar 19	Budget	Jul '18 - Mar 19	YTD Budget	Annual Budget
Office					
440 · Misc Exp	341.22	340.00	2,356.45	2,980.00	4,000.00
444 · Postage	281.16	280.00	2,398.19	2,520.00	4,000.00
445 · Office Supplies	376.21	340.00	2,039.28	2,980.00	4,000.00
446 · Office Eqpmt and Maint	2,008.08	1,200.00	6,863.23	7,660.00	10,000.00
Total Office	3,006.67	2,160.00	13,657.15	16,140.00	22,000.00
Communications					
455 · Phone, Off	345.79	390.00	3,042.91	2,800.00	4,000.00
456 · Telemetry	299.15	300.00	2,694.03	2,700.00	3,600.00
457 · Answ Serv/Cellular Phone	274.23	300.00	2,202.81	2,700.00	3,600.00
Total Communications	919.17	990.00	7,939.75	8,200.00	11,200.00
Administrative & General					
4593 · Bond Issue Cost	0.00	0.00	0.00	0.00	11,875.00
4592 · Professional Fees	0.00	0.00	0.00	0.00	2,215.80
4591 · Admin Fee (Bond Admin N...	866.85	840.00	3,440.94	2,520.00	8,423.16
4590 · Bond Interest Exp - Assess...	64,135.19	56,588.42	131,839.71	137,176.42	137,176.42
Int Pymts LoansCapital Projects	0.00	0.00	0.00	0.00	3,393.35
417 · Capital Loan Interest	0.00	0.00	18,006.11	18,410.00	36,820.00
467.5 · Amortization Exp	0.00	0.00	0.00	0.00	1,500.00
467 - Depreciation Reserve	32,000.00	32,000.00	228,000.00	228,000.00	327,608.00
405 · Election	400.00	400.00	400.00	400.00	1,000.00
406 · Liability Ins	1,556.24	1,700.00	12,667.11	14,900.00	20,000.00
420 · Legal Fees	1,300.00	1,340.00	11,700.00	11,980.00	16,000.00
422 · Bank Charges	166.92	85.00	1,450.36	745.00	1,000.00
423 · Litigation Contingency	0.00	0.00	0.00	5,000.00	10,000.00
425 · Audit	1,050.00	1,200.00	11,186.00	9,200.00	11,625.00
471 · Bad Debts	0.00	0.00	15.00	15.00	500.00
473 · Memberships	0.00	0.00	16,167.33	16,000.00	16,000.00
Total Administrative & General	101,475.20	94,153.42	434,872.56	444,346.42	605,136.73
Total Expense	161,448.71	162,801.92	1,006,164.67	1,061,436.92	1,426,040.73
Net Ordinary Income	-96,820.18	-90,701.92	38,091.54	-52,126.92	0.00
Net Income	-96,820.18	-90,701.92	38,091.54	-52,126.92	0.00

Aromas Water District
Monthly Expenditures
 March 21 through April 17, 2019

Date	Num	Name	Amount
UB Checking			
03/25/2019	EFT	Union Bank of California	-15.00
03/27/2019	E-pay	United States Treasury (EFTPS)	-3,915.56
03/27/2019	E-pay	Employment Development Dept	-615.98
03/27/2019	EFT	CalPERS	-925.19
03/28/2019	EFT	QuickBooks Payroll Service	-6,122.28
03/29/2019	DD1350	Bowman (P), Naomi	0.00
03/29/2019	DD1351	Coombes (P), Louise P	0.00
03/29/2019	17149	DeAlba (P), David	-2,721.97
03/29/2019	DD1352	Giron (P), Ester	0.00
03/29/2019	DD1353	Johnson (P), Robert L	0.00
03/29/2019	17150	Smith (P), Shaun	-626.09
03/29/2019	17151	Zelmar (P), Trevor J	-529.32
03/29/2019	DD1349	Morris (P), Vicki	0.00
03/29/2019	EFT	CalPERS	-2,134.37
03/29/2019	EFT	Bank Service Fees	-161.92
03/31/2019	17152	Dan Scrodin	-150.00
03/31/2019	17161	David DeAlba	-23.20
03/31/2019	17165	Rob Johnson	-50.00
03/31/2019	17173	USPO	-203.56
03/31/2019	17188	Robert E. Bosso	-1,300.00
04/03/2019	17153	David DeAlba	-32.00
04/03/2019	17154	ACWA JPIA	-236.00
04/03/2019	17155	ACWA JPIA, Emp. Ben. Prog.	-6,046.55
04/03/2019	17156	Aromas Hills Artisans	-55.00
04/03/2019	17157	Aromas Water District (Petty Cash)	-295.00
04/03/2019	17158	CALNET3	-575.73
04/03/2019	17159	Comfort Control	-311.85
04/03/2019	17160	CSSC	-90.85
04/03/2019	17162	ESRI Inc	-400.00
04/03/2019	17163	Fastenal Company	-280.90
04/03/2019	17164	Mid Valley Supply	-821.18
04/03/2019	17166	Streamline	-100.00
04/03/2019	17167	United Way serving San Benito County	-38.00
04/03/2019	17168	USA BlueBook	-344.47
04/03/2019	17169	XIO, INC.	-954.78
04/03/2019	17171	San Benito County Clerk	-50.00
04/03/2019	Paid Online	A T & T U-verse	-69.25
04/03/2019	NSF	Bill Adjustment Report	-127.64
04/03/2019	17170	San Benito County Assessor	0.00
04/04/2019	Paid Online	P G & E	-2,956.30
04/04/2019	Paid Online	First Bankcard	-2,905.87
04/04/2019	Paid Online	Verizon Wireless	-84.68
04/05/2019	17172	USPO	-55.00
04/12/2019	E-pay	Employment Development Dept	-1,528.54
04/12/2019	E-pay	Employment Development Dept	-653.58
04/12/2019	E-pay	United States Treasury (EFTPS)	-4,116.26
04/12/2019	EFT	CalPERS	-3,495.42
04/15/2019	EFT	QuickBooks Payroll Service	-6,423.81
04/16/2019	DD1357	Bowman (P), Naomi	0.00
04/16/2019	DD1358	Coombes (P), Louise P	0.00
04/16/2019	17176	DeAlba (P), David	-2,827.01

04/17/19

Aromas Water District
Monthly Expenditures
March 21 through April 17, 2019

Date	Num	Name	Amount
04/16/2019	DD1359	Giron (P), Ester	0.00
04/16/2019	DD1360	Johnson (P), Robert L	0.00
04/16/2019	17177	Smith (P), Shaun	-990.18
04/16/2019	17174	Dutra (P), Marcus	-214.67
04/16/2019	17175	Holman (P), Wayne R	-214.67
04/16/2019	DD1354	Leap (P), James E	0.00
04/16/2019	DD1355	Norton (P), K W	0.00
04/16/2019	DD1356	Smith (P), Richard	0.00
04/16/2019	EFT	CalPERS	-971.69
04/16/2019	EFT	CalPERS	-1,976.98
04/16/2019	17178	Charles Sedgwick	-3.11
04/16/2019	17179	Fastenal Company	-174.16
04/16/2019	17180	Fedak & Brown LLP	-1,050.00
04/16/2019	17181	Grainger Inc	-429.35
04/16/2019	17182	Kamstrup Water Metering, LLC	-483.10
04/16/2019	17183	Monterey Bay Analytical Services Inc	-332.00
04/16/2019	17184	Pajaro Valley Lock Shop	-10.78
04/16/2019	17185	PVWMA	-10,113.18
04/16/2019	17186	R & B Company	-1,685.96
04/16/2019	17187	Recology San Benito County	-51.00
04/16/2019	17189	USA BlueBook	-127.29
04/16/2019	17190	West Valley Construction	-3,480.00
04/16/2019	17191	Xerox Corp	-19.29
Total UB Checking			-77,697.52
TOTAL			<u>-77,697.52</u>

ADDENDUM

**Board of Directors Meeting Agenda April 23, 2019
Additional material for Action Item IX-B - Cole Road Annexation**

AGREEMENT AUTHORIZING AROMAS WATER DISTRICT TO ANNEX AND EXTEND SERVICE TO APNS 011-160-033, 011-160-034, 011-160-032, AND 011-160-031 (CAPRON/REKEDAL, SKOGEN/MELLO, FORD AND NARANJO PROPERTIES)

This AGREEMENT AUTHORIZING AROMAS WATER DISTRICT TO ANNEX AND EXTEND SERVICE TO APNS 011-160-033, 011-160-034, 011-160-032, AND 011-160-031 (CAPRON/REKEDAL, SKOGEN/MELLO, FORD AND NARANJO PROPERTIES¹ (the “Agreement”) is made and entered into on the date it has been executed by all parties hereto (the “Effective Date”) by and between the AROMAS WATER DISTRICT (“Aromas”), a special district organized and existing under the County Water District Law (Water Code §30000, et seq.) and Pajaro Valley Water Management Agency (“PV Water”), a public agency organized and existing under the Pajaro Valley Water Management Agency Act (the “Act”) (Water Code Appendix, Chapter 124), who agree as follows:

RECITALS

- A. PV Water was formed in 1984 by a special act of the California Legislature with the express purpose of and authority for management of the groundwater resources of the Pajaro Valley to reduce long-term overdraft and ultimately balance the groundwater basin.
- B. Pursuant to the Act, Section 516, PV Water has “prevailing authority over any special district within the boundaries of the agency which exercises any of the powers enumerated in” the Act.
- C. The Sustainable Groundwater Management Act (“SGMA”) (Cal. Water Code § 10270, et seq.), enacted by the California Legislature in 2014, provides for sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and feasible assistance necessary to manage groundwater.
- D. Section 10723(c)(1)(L) establishes PV Water as the exclusive local agency within its statutory boundaries to comply with the requirements of SGMA.
- E. By Resolution No. 2015-25, adopted on August 19, 2015, PV Water elected to become a Groundwater Sustainability Agency under SGMA for that portion of the Pajaro Valley Groundwater Basin underlying its statutory boundaries.
- F. While Aromas is mostly within the jurisdictional boundaries of PV Water, a portion of its territory is located outside of PV Water boundaries and outside of the California Department of Water Resources definition of the Pajaro Valley Sub-basin 3-002.01.

¹ Hereinafter the “Cole Road Parcels”.

- G. In 1998, the Board of Directors of PV Water adopted Ordinance 98-1, which prohibits water extracted or otherwise produced within the jurisdictional boundaries of PV Water from being exported, except for uses or contractual commitments that pre-dated the ordinance. Under the terms of Ordinance 98-1, the export prohibition may be waived by the Board of Directors if the waiver is consistent with the PV Water’s adopted Basin Management Plan
- H. Also in 1998, Ordinance 98-2 was adopted by voter initiative, which mandates that PV Water prohibit all new exports of water outside the boundaries of PV Water.
- I. In 2003 the parties entered into the AGREEMENT FOR PERMITTING OF NEW WELL (“2003 Agreement”), pursuant to which PV Water authorized Aromas to construct a new well outside of but immediately adjacent to PV Water’s boundary (the “San Juan Road Well”) to alleviate a well capacity shortfall caused by the failure of an existing well operated by Aromas within PV Water’s boundary. Under the 2003 Agreement the parties agreed that the San Juan Road Well would be “subject to the export prohibitions of Ordinance 98-1” for any new distribution of water outside PV Water’s boundary and that the San Juan Road well would likewise be subject to any then-existing or future PV Water ordinances and resolutions as though the San Juan Road Well were located within the PV Water boundaries.
- J. In late 2018, Aromas brought to PV Water’s attention the circumstances confronted by the residents of the Cole Road Parcels that currently obtain water from on-site wells, and currently are neither located within the jurisdictional boundaries of Aromas, or within PV Water’s jurisdictional boundaries or Pajaro Valley Sub-basin 3-002.01. Owing to the poor quality and quantity of well production, the owners of the Cole Road Parcels have sought to annex into and obtain water service from Aromas.
- K. The purpose of this Agreement is to permit an exception to the 2003 Agreement to enable Aromas to annex and provide water service to the Cole Road Parcels under the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. PV Water authorizes Aromas to extend water service to the Cole Road Parcels under the terms and conditions set forth below and such further conditions as may be agreed to between PV Water and Aromas to carry out the terms of this Agreement.
2. The authorization provided herein shall be deemed an emergency waiver to the export prohibitions of Ordinances 98-1 and 98-2. Except for the Cole Road Parcels, Aromas will not establish new water service outside of PV Water’s boundary without the prior express written consent of PV Water, which shall be in PV Water’s sole discretion. This authority is limited to

existing parcels of record as of the date of this Agreement and shall not extend to any further divisions of existing parcels or new parcels created by any other means.

3. As between Aromas and PV Water, Aromas shall be solely responsible for obtaining any and all necessary permits or other regulatory approvals from any agency with jurisdiction over such matters in order to construct the necessary water service extension to the Cole Road Parcels, and shall be deemed "Lead Agency" for purposes of complying with the California Environmental Quality Act. PV Water agrees to reasonably cooperate with Aromas in seeking any such regulatory approvals.

4. Aromas agrees to indemnify, defend and hold PV Water harmless, its officers, agents, employees and attorneys, against any and all claims, demands, losses, costs or liability of any kind which PV Water, its officers, employees, agents or attorneys may incur arising from or related to this Agreement, or any activities of Aromas pursuant thereto.

5. To the extent it is inconsistent therewith, the terms of this Agreement shall be deemed to have amended the 2003 Agreement. Except as so amended, the 2003 Agreement shall remain in full force and effect.

6. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors in interest and assigns.

7. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

8. Notices under this Agreement shall be in writing and shall be delivered as follows:

If to PV Water:

General Manager
Pajaro Valley Water Management Agency
36 Brennan Street
Watsonville, CA 95076

If to Aromas:

District Manager
Aromas Water District
P.O. Box 388
Aromas, CA 95004

9. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below:

AROMAS WATER DISTRICT

Dated: _____

By: _____
President, Board of Directors

Approved as to form:


Robert E. Bosso

PAJARO VALLEY WATER
MANAGEMENT AGENCY

Dated: March 7, 2019

By: Amy R. Newell
Chair, Board of Directors

Approved as to form:



General Counsel