

REGULAR MEETING OF THE BOARD OF DIRECTORS AGENDA

TUESDAY, May 24, 2022, 7:00 PM

Notice of HYBRID Meeting

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

The Aromas Water District Board of Directors meeting will be conducted in a hybrid setting. Directors, staff and public may attend the meeting remotely or in person. Public participation is encouraged – participation instructions are on the following page.

- I. **CALL TO ORDER**
- II. **ROLL CALL OF DIRECTORS:** President Jim Leap, Vice President Vicki Morris, Directors Marcus Dutra, Richard Smith and Wayne Holman.
- III. **PLEDGE OF ALLEGIANCE**
- IV. **STATEMENTS OF DISQUALIFICATION**
- V. **ADDITIONS AND DELETIONS**
- VI. **MINUTES:** Review the Minutes of the April 26, 2022, Regular Board Meeting for Board approval. 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. 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
- IX. **CONSENT CALENDAR:**
 - A. Consider adopting Resolution #2022-11, extending the need for hybrid meetings, as presented in AB 361 p.11-12
 - B. Consider adopting Resolution #2022-12, Levying of Assessment Tax for Orchard Acres p.13-14
 - C. Consider adopting Resolution #2022-13, Levying of Assessment Tax for Oakridge/Via Del Sol p.15-16
- X. **ACTION ITEMS:**
 - A. Consider adopting the Proposed Expense Budget of \$1,936,250 for Fiscal Year 2022-2023 p.17-20
Staff will present the Proposed Expense Budget for the 2022-2023 fiscal year for discussion and Board action.
 - B. Consider adopting the Proposed Capital Budget of \$453,351 for Fiscal Year 2022-2023 p.21-22
Staff will present the Proposed Capital Budget for the 2022-2023 fiscal year for discussion and Board action.
 - C. Consider approving a contract with Fedak & Brown, LLP for Financial Audit Services for the Aromas Water District, and providing direction to staff p.23-29
Staff will present the Fedak & Brown proposal for financial audit services for discussion and Board action.
 - D. Financial Reports for the Month of April 2022 p.30-35
Including both Assessment Districts, the financial reports show a Total revenue of \$188,920.39; Total expenditures were \$193,117.05 between April 20, 2022, and May 17, 2022. These financials and monthly expenditures will be presented for discussion and approval.
- XI. **FUTURE MEETINGS & AGENDA ITEMS** – Next meeting – June 28, 2022
- XII. **ADJOURNMENT**

Next Res. # 2022-14

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.



Hybrid Meeting Attendance Instructions

The public may participate in the District's Board meeting either in person, or by teleconference / web conference via the instructions provided below. In person attendees will be subject to current mask and distancing protocols.

The meeting materials will be available for download from the District's website at:

www.aromaswaterdistrict.org

For those who choose to attend this meeting via Zoom will be muted by default. To join the meeting from a computer, tablet, or smartphone via the Zoom app (free at <http://www.zoom.us>), click the link on the meeting date and time: <https://us02web.zoom.us/j/81644936052>

If you do not have speakers or a microphone on your computer, you can dial in for audio.

Call **(669) 900.9128** and enter the Webinar ID: 81644936052

If you would like to speak during the public comment portion of the meeting, you have the following options:

1. **Online** – raise your hand or use the Q&A panel to submit written comments.
2. **Phone** – press *9 to raise your hand, *6 to send a request to be unmuted to submit verbal comments.

The meeting officially will start at 7:00pm, though remote access will be open 15 minutes before the start of the meeting.

Public engagement is important to the District, and hybrid meeting protocols are an evolving process. We appreciate everyone's understanding as we work through this together

**Minutes of the Regular Meeting of
the Aromas Water District Board of Directors
April 26, 2022**

- I. CALL TO ORDER.** The regular meeting of the Aromas Water District Board of Directors was called to order by President Leap on Tuesday, April 26, 2022, at 7:00 p.m. in a hybrid setting; attendees were present both in the Board Room and online via Zoom.
- II ROLL CALL.** President Leap, Vice President Morris and Directors Dutra, Holman and Smith were present. Also present was General Manager Johnson and Board Secretary Coombes; Counsel Bosso attended via Zoom.
- III. PLEDGE OF ALLEGIANCE.** President Leap led the pledge of allegiance.
- IV. STATEMENTS OF DISQUALIFICATION.** There were no disqualification statements.
- V. ADDITIONS AND DELETIONS.** There were no additions to, or deletions from, the Agenda.
- VI. MINUTES.** The minutes of the March 22, 2022, Board Meeting were presented for review and approval. Vice President Morris moved for approval of the minutes as presented; Director Dutra seconded. Minutes were unanimously approved with all Directors present.
- VII. REPORT OUT FROM CLOSED SESSION, March 22, 2022.** The General Manager was evaluated and there was no further direction.
- VIII ORAL COMMUNICATION.** There were no public comments.
- IX. REPORTS/PRESENTATIONS**

A. Director's Report(s). There were no Director's reports.

B. Attorney's Report. Counsel Bosso mentioned that AB361, regarding teleconferencing during an emergency situation, has a provision to extend the ability to do teleconferencing until January 2024. It has been substantially changed, including provisions for a Board Member attending from outside the area.

SB1157 Hertzberg, passed in 2018, regarding guidelines the indoor water use being restricted to 55 gallons per capita daily up to January 1, 2025, reducing to 52.5 gallons thereafter. In January 2030 this further reduces to 50 gallons or a standard recommended by the department and the Board as the standard for indoor residential water use. The new Hertzberg bill is in the Senate again and reduces those numbers to 47 between January 2025 to 2030, then 42 from January 2030. No provision for outdoor water use appears to have been stipulated. The Department of Water Resources has been invited to review these numbers and make recommendations.

Public Agencies are exempt from new requirements passed in March 2022 specifying conservation measures that prohibits permits for new wells prior to contacting any regional agency to determine that there will be no impact on groundwater by drilling a new well.

Vice President Morris asked Counsel Bosso whether redistricting will affect Aromas Water for future Board seat elections. Counsel Bosso indicated that as long as the demographics of the local community is well mixed and does not have pockets of minorities, then there are no grounds for a lawsuit for underrepresentation.

C. Manager's Report

OPERATIONS & MAINTENANCE

Production & Well Levels

GM Johnson reported total production in March 2022 was 7,508,200 gallons, with a daily average of 242,200 gallons. March's production was 20% higher than February's. Again, both Carpenteria Well and San Juan Well ran the entire month; however, Pleasant Acres was not used at all.

December 2021 and January 2022's pumping was about 10-15% below normal. In February this increased to 18% above normal and March was up 20% over February's pumping total, which is around 2% higher than the average in March.

All water testing continues to be both filed on time and represent satisfactory results. The total number of connected meters increased to 971 with the recent installation at 0 Pine Tree.

Operational well levels; both Carpenteria Well and San Juan Well are down one foot. Observational wells; Marshall Well is down four feet and Aimee Meadows is down six feet.

INCIDENTS

The installation of a 1-inch meter at 0 Pine Tree proved to be challenging as the locating the main line was difficult due to culverts and large chunks of debris under the asphalt. Several days of manual digging and debris removal ensued, however, eventually West Valley was called in to help as the road asphalt needed cutting almost the full width. The use of West Valley's vacuum truck greatly sped up the process. The main was eventually located 46' down from the road level with a culvert running parallel right above it. It was then discovered that two steel saddles in place on the line were badly corroded and needed to be replaced before the actual new connection could be made. New coordinates will help to make maps more definitive for future operations. Director Dutra asked if we have a handheld scanner for locating water lines, but unfortunately the display is broken, so a new one is likely to be in next fiscal year's capital budget.

ADMINISTRATIVE

Staff & Board Recognition

WUSp Girõn and Operator Smith continue with the Valve Marking and Exercising Program to establish the location and functionality of our water main and lateral valves as well as provide confirmation of mapped data.

ASO Coombes and WUSp Girõn completed the application to LAFCo for the Cole and Rocks Road annexation and is now with GM Johnson for review, and recalculation of the system capacity.

At the beginning of the month, ASO Coombes electronically sent the Consumer Confidence Report for 2021 out to the customer base who have current emails. The remainder will be sent a hard copy once they are received from the printing company.

Operator Smith, XiO and the electrician are working to get the backwash working at San Juan Well. Replacement of the old SCADA with XiO is now complete. This means the CalNet lines and their associated expense will soon be phased out.

GM Johnson and Vice President Morris met with NHA, the Municipal Advisors again resulting in two Action Items later in this meeting.

Conservation & Rainfall

Since the start of the rainfall year on October 1, 2021, a total of 16.08 inches of precipitation have been recorded by the rain gauge at Chittenden pass, with a further 0.72 inches falling in April so far. This is approximately a 70% increase from the previous rain year total of just 9.48 inches.

PROJECTS

Response to COVID-19 Virus

The plexiglass screen between CSR Bowman and WUSp Girõn has now been removed and staff are no longer required to take a daily temperature measurement.

Visitors to the office are still required to wear masks to enter the office as staff are not in a position to evaluate the vaccination status of each visitor.

Orchard Hill Road proposed annexation progress

No further news since the completion of the Technical memorandum.

Cole Road & Rocks Road Annexation Project

The application packet for LAFCo is complete and under review.

New Water Source – Marshall Well Project

GM Johnson will present an update in Action Item XI.A later in this meeting.

Correspondence: GM Johnson called the Board's attention to the correspondence with the Monterey District Engineer for SWRCB regarding the 1,000 connection threshold and what this may entail at the District as annexations and potential connections increase. However, it appears that 10,000 connections is the level at which changes in testing occur.

GM Johnson also mentioned the formaldehyde testing recently performed at the Monterey RV Park. In essence; their testing showed positive for formaldehyde and they wanted to check the District's supply. Tests were performed and proved to have a barely detectable amount in the fire hydrant water. GM Johnson suspects a

potential backflow issue on their site. He has also contacted the SWRCB to get advice and a plan to resolve this issue. Formaldehyde is a disinfection by-product of RV wastewater however it is not yet understood how any cross contamination may have been possible.

Vice President Morris enquired about the correspondence with the office of Assembly Member Rivas; GM Johnson explained that he has been seeking State funds for the District's capital projects and the new well project in particular, however, there has been no indication of any potential funding possibilities yet.

X. CONSENT CALENDAR

- A. Consider adopting Resolution 2022-06 authorizing the continuation of hybrid/remote teleconferencing meetings pursuant to AB 361**
- B. Consider adopting Resolution 2022-07 May is Water Awareness Month**

Director Smith moved to adopt both Resolution 2022-06 and 2022-07 as presented; seconded by Vice President Morris. With all Directors present, the consent calendar was unanimously adopted by roll call vote.

XI ACTION ITEMS

- A. Consider adopting Resolution 2022-08, ordering an election for three seats on the Aromas Water District Board of Directors on November 8, 2022**

Director Smith moved to adopt Resolution 2022-08 as presented; seconded by Vice President Morris. With all Directors present, Resolution 2022-08 was unanimously adopted by roll call vote.

- B. Consider adopting Resolution 2022-09, establishing a District Debt Management Policy**

This policy is mandatory for the Well Project loan approval. Once adopted, this policy will be included in the Board of Director's Handbook.

Vice President Morris moved to adopt Resolution 2022-09 as presented; seconded by Director Smith. With all Directors present, Resolution 2022-09 was unanimously adopted by roll call vote.

- C. Consider adopting Resolution 2022-10, authorizing the borrowing of funds in a principal amount not to exceed \$5,759,500 to finance the Marshall Well Project and approving related documents and actions**

Director Holman moved to adopt Resolution 2022-10 as presented; seconded by Director Smith. With all Directors present, Resolution 2022-10 was unanimously adopted by roll call vote.

- D. Financial Reports for the Month of March 2022**

Total Assets / Liabilities & Equity are \$10,850,730.77, of which Total Current Assets are \$4,812,462.26, and Total Fixed Assets are \$5,889,148.51. In Liabilities, the Total Current Liabilities are \$255,947.13 and Total Liabilities are \$4,417,545.81.

In the P&L Report, Water Revenue for March was \$103,519.80. Total Expenditures were \$122,504.94 between March 16 to April 19, 2022.

On the graphical representation of the Financials, when compared to the current budget there is a +0.7% above budget and -3.2% difference from YTD Expenditures and therefore below budget since the beginning of the year, inflation has made an impact.

Vice President Morris moved to adopt the Financial Reports as presented; seconded by Director Holman. The financial reports were unanimously adopted with all Directors present.

XII. FUTURE MEETINGS & AGENDA ITEMS. The next meeting date will be on Tuesday, May 24, 2022 and will be the same hybrid format as this meeting. Topics should include the Expense and Capital Budgets and further information on the completion on the loan.

XIII. ADJOURNMENT. President Leap adjourned the meeting at 8:28pm until Tuesday, May 24, 2022.

Read and approved by: _____
President, Jim Leap

Attest: _____
Board Secretary, Louise Coombes

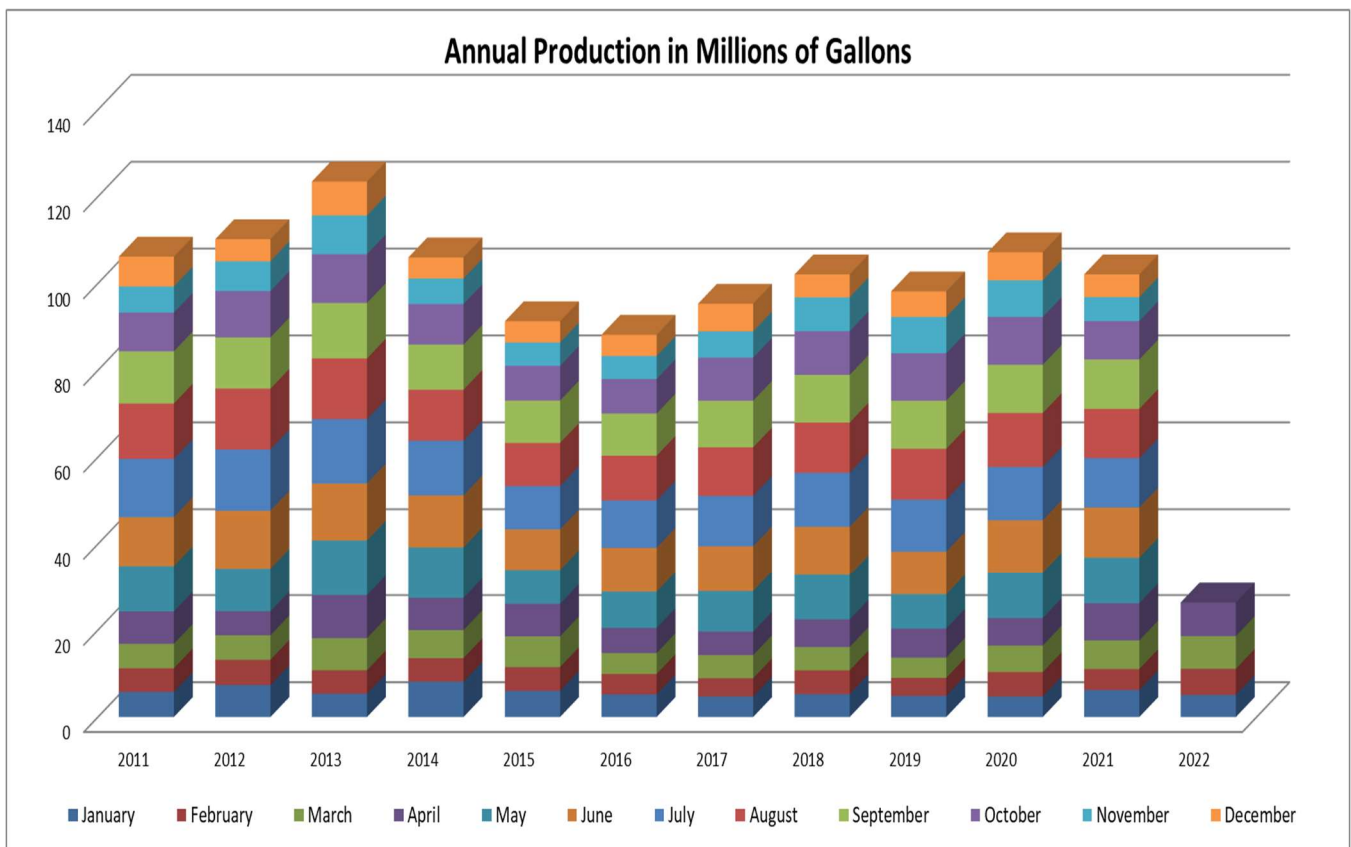
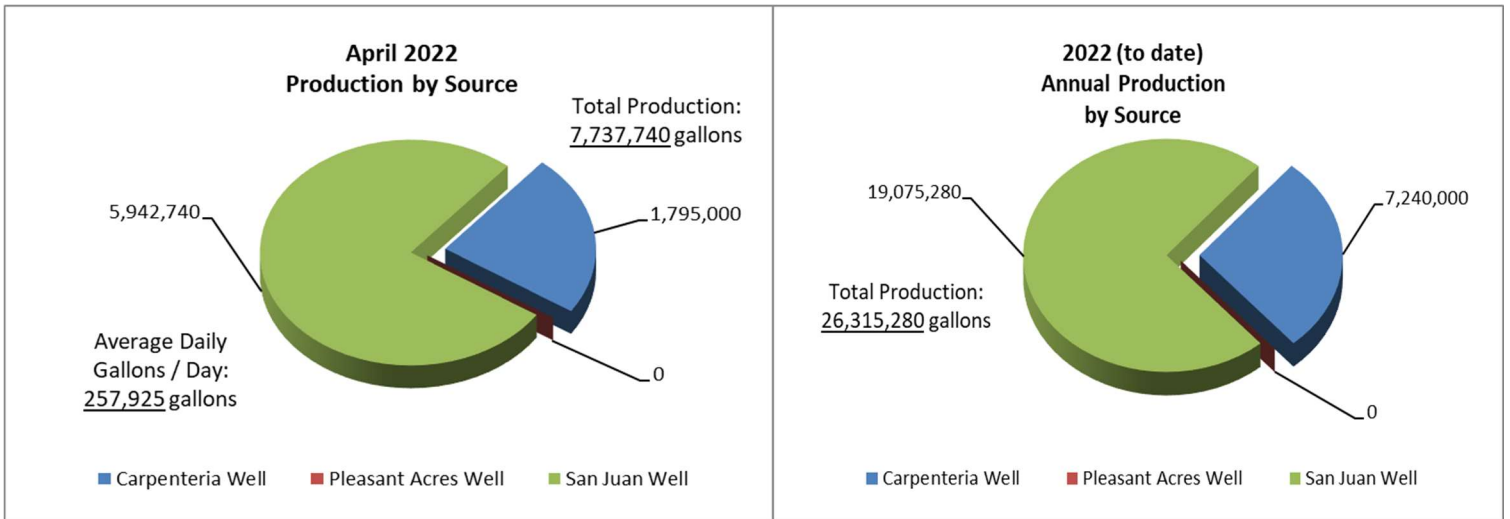
Date: _____

Date: _____

General Manager's Report April 2022



PRODUCTION REPORT



Totals	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Million Gal	106.15	110.17	123.42	105.97	91.27	88.152	95.304	102.07	98.141	107.1	102.07	26.32
Acre Ft	325.7	338.05	378.7	325.16	280.05	270.49	292.43	313.18	301.13	328.8	313.19	80.76

OPERATIONS AND MAINTENANCE REPORT

OPERATIONS:

- There are 971 total meters installed.
- Both Carpentaria and San Juan wells were operated the entire month, while Pleasant Acres well was not used at all.
- Water Treatment Plant: finished water was free of both iron and manganese this month.
- Distribution testing for total Coliform; all samples were negative.
- All monthly DWR reports on Coliform, and Fe / Mn were filed on time.
- WTP filters are being backwashed when necessary.
- Monthly Generator in-house 15-minute testing under load.
- Monthly well-level monitoring (see chart following this report in Board Packet).

MAINTENANCE:

- Preventative maintenance and flushing were performed, as needed.
- Chlorine chemical pump maintenance and analyzer maintenance at all wells was performed.
- Additional maintenance tasks are being performed as time allows.

INCIDENTS:

- No incidents at the time of the writing of this report.

ADMINISTRATIVE REPORT

STAFF & BOARD RECOGNITION:

- WUSp Girõn and Operator Smith continue working on the Valve Marking and Exercising Program. This program will establish clear markings for system valves, as well as exercise all the system valves. This is an on-going effort that is being done when there is time available.
- ASO Coombes and WUSp Girõn have completed the LAFCo application for the Cole Road/Rocks Road Annexation. The application is being reviewed and will be submitted after review.
- ASO Coombes released the Consumer Confidence Report (CCR) on April 1st digitally to approximately two-thirds of our customers (those of which we have email addresses). She is working through challenges getting the hard copy through the printing process.
- CO DeAlba has been working on several system issues to prepare for increased summer usage.
- CO DeAlba and Operator Smith attended Operator Training put on by MBWWA. It is important to attend these training opportunities so the operators can network and share experiences and challenges with other local operators and leaders in the industry.
- Operator Smith and GM Johnson are working with Agee Electricians, XiO and California SCADA Solutions to solve performing a backwash at the water treatment plant. This a specialized action, not originally scoped with the XiO System, so when incorporated into the entire system, the foundational XiO System installation will be completed.
- GM Johnson met with Board VP Morris and Board member Smith to review the Expense and Capital Budgets before being presented for Board approval at tonight's meeting. There was good back and forth discussion on both budgets, resulting in a much better budgetary representation.

CONSERVATION UPDATE:

April 2022 usage figures are showing a small increase (229,540 gallons) over the March 2022 usage figures.

October 1, 2021, marked the start of a new water year. As of the date of this report (May 19), the rain gauge at Chittenden Pass has recorded 16.32 inches of precipitation, with zero inches falling this month. That is roughly a 72% increase (to date) over the precipitation received last year (9.48 inches).

PROJECTS:

1. Response to COVID-19 virus

Staff has been staying current on the ever-changing COVID-19 situation. There have been recent changes in a couple of areas: 1) The mask mandate has been lifted for vaccinated people; however, staff cannot evaluate the vaccination status of those who enter the office, therefore, masks are required for customers to enter, 2) the plexiglass screen in front of the WUSp was removed, and 3) staff has stopped recording body temperature upon entry to the office.

2. Technology upgrade – SCADA (delayed due to COVID-19 pandemic)

Major component installations are complete – staff, electricians and XiO personnel are working to complete the control of the backwash unit and the Ballantree communications issues. Both issues are outside of the original XiO scope to replace the failing TESCO SCADA system.

3. Orchard Hill Road proposed annexation progress

MNS Engineers completed the FINAL Technical Memorandum (TM), and it was released to the main spokespeople of the group. The group has attempted to incorporate additional parcels into the request, to see if that will help bring the costs down. The consultants are currently working on the questions most recently received.

4. Progress on the Cole Road Outreach / Annexation Project

Staff has completed the work on the LAFCo application. The Categorical Exemption was filed, and the survey work is complete. There was a small discrepancy in the parcels included in the annexation, and the exhibit for the resolution has been updated. There was a small change in acreage. The application should be turned in by the end of May.

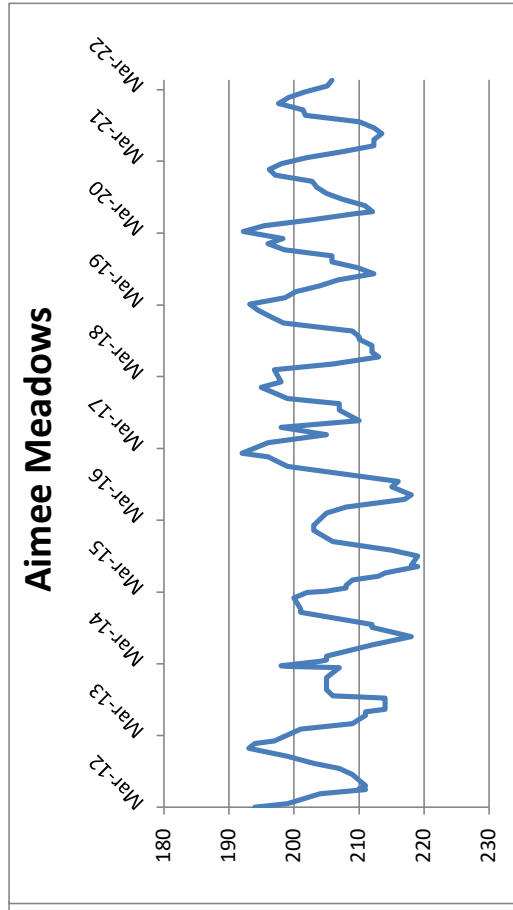
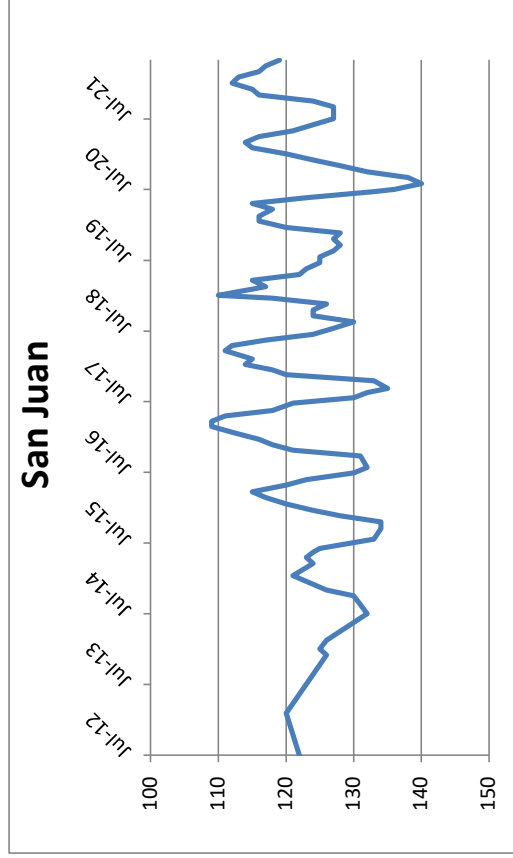
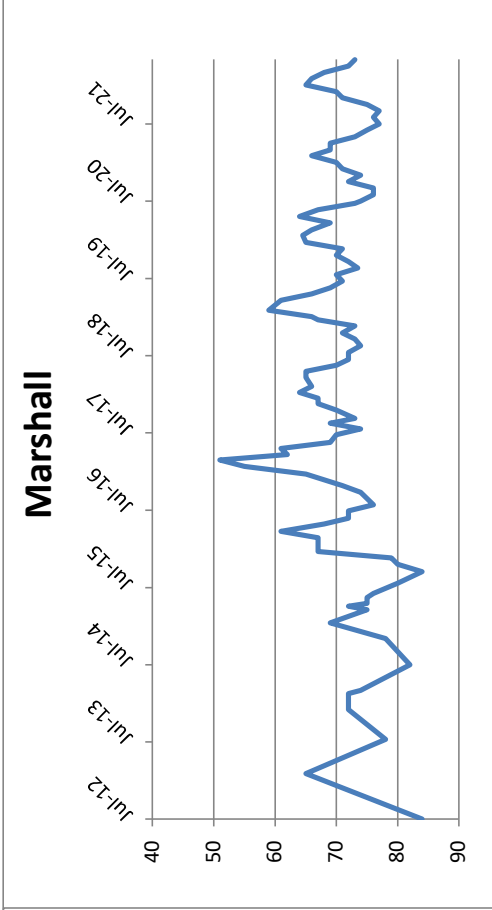
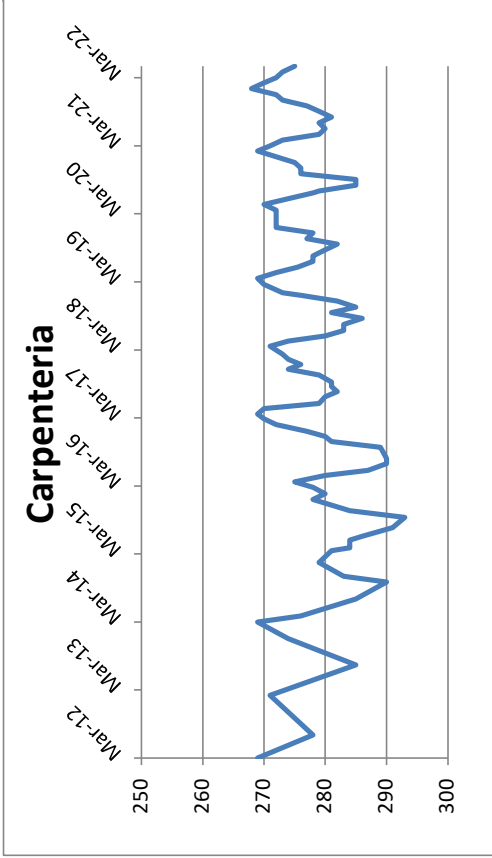
5. Progress on Finding a New Water Source Project

The Project is moving forward on the following fronts: 1) the District has received the loan to pay for the Project, 2) the site map has been developed, 3) the geotechnical borings were completed, and 4) the well permit is almost completed. Barring unforeseen consequences, we should be drilling the test well by the end of June.

Robert Johnson
General Manager
May 19, 2022

Well Water Level Monitoring Depth to Water Measurements

Date: May 12, 2022



CORRESPONDENCE LIST: 4/20/2022 – 5/18/2022

DATE	TYPE	TO	FROM	SUBJECT
4/20/22	E	L Coombes, AWD	D Zarate, NBS	AD 2013-1 (Oakridge-VDS) 2 nd Installment 4/10/22 Delinquency Report
4/20/22	E	AWD	Philip Messina	Fire Sprinkler Requirement for Pavilion Project at Aromas Community Park
4/25/22	M	AWD	San Benito County Resource Agency	Notice of Preparation of an Environmental Impact Report for the Betabel Commercial Development Conditional Use Permit
4/25/22	E	R Johnson, AWD	D Schrantz	Water Supply Question for Aromas Water District [& Response]
4/28/22	E	L Coombes, AWD	DDW Administrator	EAR DRINC Report Submittal Received
5/3/22	E	R Johnson, AWD	R Meyers, Cole Rd	Cole Road Annexation Effort [& Response]
5/6/22	E	L Coombes, AWD	FPPC Legal Division	Biennial Review of Conflict of Interest Code
5/10/22	E	SWRCB	E Girõn, AWD	Monthly Summary of Coliform Monitoring
5/10/22	E	SWRCB	E Girõn, AWD	Monthly Fe & Mn Field Test Results
5/13/22	E	AWD	J Mendoza, 18890 Rea Ave	Requesting “Can and Will Serve” Letter
5/13/22	E	R Johnson, AWD	J Navarro, Union Bank	Large Incoming Wire
5/16/22	E	R Johnson, D DeAlba AWD	A Traube, Allterra Solar	Allterra Solar Permit Issued [& Response]
5/16/22	E	J Navarro, Union Bank	R Johnson, AWD	Large Incoming Wire
5/16/22		J Mendoza, 18890 Rea Ave	R Johnson, AWD	[Response to] Requesting “Can and Will Serve” Letter
5/18/22	E	L Coombes, AWD	DDW Administrator	EAR DRINC Report Submittal Approved



RESOLUTION 2022-11

RESOLUTION AUTHORIZING THE CONTINUATION OF HYBRID/REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

WHEREAS, the Aromas Water District (District) Board of Directors (BOD) is committed to preserving public access and participation in BOD's meetings; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic; and

WHEREAS, the proclaimed state of emergency remains in effect; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 that provides that a legislative body subject to the Brown Act may continue to meet without fully complying with the teleconferencing rules in the Brown Act providing the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees, and further requires that certain findings be made by the legislative body every thirty (30) days; and

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the BOD deems it necessary to find a requirement to meet in person for meetings of the District could present imminent risks to the health and safety of attendees, and thus, intends to invoke the provisions of AB 361 related to teleconferencing; and

WHEREAS, the BOD has considered all information related to this matter, as presented at the public meetings of the BOD, including but not limited to the current circumstances related to the state of emergency, which continues to remain active; and

WHEREAS, the BOD further finds that the state of emergency continues to directly impact the ability of the members to meet safely in person.

(continued on next page)

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

- 1. The BOD finds that the facts set forth in the recitals to the Resolution are true and correct.**
- 2. The above findings and this resolution apply to all meeting of the Aromas Water District subject to the Brown Act for the period of May 27, 2022, to June 28, 2022.**
- 3. As long as the State Emergency remains in effect or until directed otherwise by the BOD, staff shall present to the BOD at every meeting necessary, an item to continue the findings required by AB 361.**
- 4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of thirty (30) days from adoption of the Resolution or such time the BOD adopts a subsequent Resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the BOD may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953; and**
- 5. The General Manager and District Counsel are directed to take such other necessary actions to implement the intent and purposes of the Resolution.**

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 24th day of MAY 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVE:

ATTEST:

James Leap, Board President

Board Secretary, Louise Coombes



RESOLUTION 2022-12

Orchard Acres Assessment District

RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS AND PROPERTY RELATED FEES AND CHARGES

WHEREAS, the Aromas Water District (“Public Agency”) requests that the San Benito County Auditor-Controller enter those general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A” on the tax roll for collection and distribution by the San Benito County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2022-23.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Public Agency hereby certifies that it has, without limitation complied with all legal procedures and requirements necessary for the levying and imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A”, regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The Public Agency further certifies that, except for the sole negligence or misconduct of the County of San Benito, its officers, employees, and agents, with regards to the handling of the CD or electronic file identified as Exhibit “A”, the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost, and risk, each and every action, suit, or other proceeding brought against the County of San Benito, its officers, employees, and agents for every claim, demand, or challenge to the levying or imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A” and that it shall pay or satisfy any judgment rendered against the County of San Benito, its officers, employees, and agents on every such action, suit, or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs, and administrative expenses of the County of San Benito to correct the tax rolls.

PASSED AND ADOPTED this 24th day of **May 2022**, upon motion of **Director** _____ seconded by **Director** _____ and carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest Board President: _____

District Secretary _____ **Date:** **May 24, 2022**

EXHIBIT “A”

TO

**RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH
RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES,
ASSESSMENTS AND PROPERTY RELATED FEES AND CHARGES**

FISCAL YEAR 2022-23

GENERAL TAXES:

SPECIAL TAXES:

ASSESSMENTS: \$37,904

PROPERTY-RELATED FEES AND CHARGES:



RESOLUTION 2022-13

Oak Ridge/Via Del Sol Project Assessment District 2013-1

RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS AND PROPERTY RELATED FEES AND CHARGES

WHEREAS, the Aromas Water District (“Public Agency”) requests that the Monterey County Auditor-Controller enter those general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A” on the tax roll for collection and distribution by the Monterey County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2022-23.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Public Agency hereby certifies that it has, without limitation complied with all legal procedures and requirements necessary for the levying and imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A”, regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.
2. The Public Agency further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees, and agents, with regards to the handling of the CD or electronic file identified as Exhibit “A”, the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost, and risk, each and every action, suit, or other proceeding brought against the County of Monterey, its officers, employees, and agents for every claim, demand, or challenge to the levying or imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A” and that it shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees, and agents on every such action, suit, or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs, and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED this 24th day of **May, 2022**, upon motion of **Director** _____ seconded by **Director** _____ and carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest Board President: _____

District Secretary _____ **Date: May 24, 2022**

EXHIBIT “A”

TO

**RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO
THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS AND
PROPERTY RELATED FEES AND CHARGES**

FISCAL YEAR 2022-23

GENERAL TAXES:

SPECIAL TAXES:

ASSESSMENTS: **\$140,508.64**

PROPERTY-RELATED FEES AND CHARGES:

Staff Report



To: Board of Directors

Re: Item X.A – Consider adopting the Proposed Expense Budget of \$1,936,250 for Fiscal Year 2022-2023

Date: May 18, 2022

Summary / Discussion

The Proposed Expense Budget is adopted annually by the Board of Directors as the financial guide for District expenses, including all annually recurring income and expenses. At this Board meeting the Proposed Capital Budget is also being presented.

The Proposed Expense Budget worksheet includes the approved revenues and expenses for Fiscal Year (FY) 2019-20, the approved FY 2020-21 Budget, as well as the current actual expenses for the first nine months of FY 2021-22 and the approved FY 2021-22 Budget.

The total revenue projection for FY 2022-23 is estimated to be \$1,936,250, which includes water revenue, five (estimated) new connection charges, property taxes and miscellaneous interest and grants. The water use is projected to be comparable to this year, so assuming the same water use, the increase in budgeted revenue is coming from the 6% increase presented in the most recent Rate Study approved and adopted May 2019.

Percentage differences between the expenses from the FY 2021-22 Budget and the FY 2022-23 Proposed Budget are estimated for each line item; and presented in the column to the right of the budget table. An important line to identify is the depreciation reserve, which reserves monies for system repairs and replacement. The proposed increase for staff salaries is 5.2%, to match the Consumer Price Index (CPI) figure of 5.2%; the General Manager's salary is proposed to be increased by 4%, which is below the CPI.

Staff Recommendation

Adopt the Proposed Expense Budget of \$1,936,250 for Fiscal Year 2022-2023.

Submitted by:

Robert Johnson
General Manager

Aromas Water District
Expense Budget
FY 2022-2023
PROPOSED

AROMAS WATER DISTRICT EXPENSE BUDGETS	APPROVED 2019 - 2020 BUDGET	APPROVED 2020 - 2021 BUDGET	FY 2021-22 THROUGH 03.31.2022	APPROVED 2021 - 2022 BUDGET	2022 - 2023 BUDGET Worksheet	Percent Change from FY22 to FY23
	APPROVED	APPROVED	Actual	APPROVED	PROPOSED	
REVENUE						
303 · Water Revenue	1,207,500	1,344,000	1,023,001	1,495,000	1,584,700	6%
307 · Bulk Water	7,000	7,000	10,434	8,000	9,000	13%
302 · Connection	41,820	27,880	43,920	30,800	80,850	163%
301 · Taxes Received	66,000	66,000	48,103	76,000	76,000	0%
Oakridge/OAWA	194,200	194,200	102,839	195,000	178,400	-9%
304 · Other Office Income	500	500	-	1,500	1,500	0%
306 · Interest	20,000	20,000	1,945	4,800	4,800	0%
312 · Grant Revenue	2,000	2,000	1,000	1,500	1,000	-33%
Total Revenue	\$ 1,539,020	\$ 1,661,580	\$ 1,231,242	\$ 1,812,600	\$ 1,936,250	7%
EXPENSES						
Administrative & General						
4593 - Bond Issue Cost	-	-	-	-	-	
4592 - Professional Fees	-	-	-	-	-	
4591 - Bond Admin Fee	5,000	5,200	2,854	5,200	5,200	0%
4590 - Bond Interest Asses.	128,000	128,000	120,580	128,000	128,000	0%
Int Pymnts/Loans - CapProj	-	-	-	-	-	
467 - Depreciation/Reserve	443,770	498,053	481,527	642,036	564,200	-12%
405 · Election	-	1,000	-	-	5,000	
406 · Liability Ins	20,000	20,000	15,280	20,000	20,000	0%
417 · Capital Interest Payment	35,000	30,000	12,958	26,000	149,700	* 476%
420 · Legal Fees	16,000	16,000	12,600	17,000	17,000	0%
423 · Litigation Contingency	10,000	10,000	-	10,000	10,000	0%
422 · Bank Charges	1,900	1,900	1,126	1,900	2,000	5%
425 · Audit	12,500	12,500	8,825	13,125	13,200	* 1%
471 · Bad Debts	500	500	-	500	500	0%
473 · Memberships	17,000	20,000	21,984	20,000	22,000	10%
Total Administrative & General	689,670	743,153	677,734	883,761	936,800	6%
Communications						
455 · Phone, Off	4,000	4,000	4,317	4,200	5,000	19%
456 · Telemetry	3,600	6,500	6,897	8,124	7,500	* -8%
457 · Answ Serv/Cell Phone	3,600	3,600	3,063	4,000	4,200	5%
Total Communications	11,200	14,100	14,277	16,324	16,700	2%
Payroll						
COVID Sick Supplemental			303			
Gross	406,233	409,308	279,349	424,969	444,958	5%
Comp FICA	25,156	25,377	16,238	26,348	27,587	5%
Comp MCARE	5,890	5,935	4,077	6,162	6,452	5%
Comp SUI & SDI	2,335	2,188	1,107	2,188	2,188	0%
Total Payroll	439,614	442,808	300,771	459,667	481,185	5%
Employee Costs						
407 · Outside Services	6,000	6,000	5,400	6,000	7,000	17%
408 · Uniform Allowance	3,000	3,000	1,146	4,000	4,000	0%
409 · Workers Comp	12,306	12,288	4,259	12,691	13,306	5%
410 · Health Ins	70,842	72,287	59,701	71,387	71,387	0%
474 · Education	7,500	7,500	4,900	7,500	8,000	7%
477 · Retirement Contrib	73,874	85,693	79,313	86,446	104,015	20%
Total Employee Costs	173,522	186,768	154,719	188,023	207,708	10%

Aromas Water District
Expense Budget
FY 2022-2023
PROPOSED

	APPROVED 2019 - 2020 BUDGET	APPROVED 2020 - 2021 BUDGET	FY 2021-22 THROUGH 02.28.2022	2021 - 2022 BUDGET ADOPTED	2022 - 2023 BUDGET Worksheet	
	APPROVED	APPROVED	Actual	APPROVED	PROPOSED	
Office						
440 · Misc Exp	4,000	4,000	2,692	4,000	4,400	10%
444 · Postage	4,000	4,000	2,940	4,000	4,400	10%
445 · Office Supplies	4,000	4,000	2,548	4,000	4,400	10%
446 · Office Eqpmt Maint	20,000	15,000	6,528	15,000	16,500	10%
Total Office	32,000	27,000	14,708	27,000	29,700	10%
Operations						
403 · Fuel	14,500	14,500	10,747	15,000	16,500	10%
404 · Truck Maint	6,000	7,000	5,836	7,500	8,250	10%
431 · System Repair & Maint	65,000	70,000	61,853	70,000	77,000	10%
463 · Water Analysis	6,000	6,000	3,545	6,500	7,150	10%
464 · Water Treatment	13,000	20,000	17,795	20,000	22,000	10%
468 · Tools	7,000	7,500	3,891	7,500	8,250	10%
470 · PI / Annex / Conserv	2,500	3,500	3,605	3,000	33,000	10%
Total Operations	114,000	128,500	107,272	156,500	172,150	10%
Power						
449.75 388 Blohm #C	400	400	272	400	440	10%
449.5-388 Blohm A & B	1,700	1,700	1,112	1,700	1,870	10%
447 · Leo Ln Booster	400	450	555	600	660	10%
448 · Aimee Mdws Well	150	150	85	150	165	10%
451 · Marshall Corp Yard	500	500	336	500	550	10%
452 · Rea Booster @ Seely	450	500	512	625	688	10%
454 · Carr Booster	5,000	5,500	4,600	6,900	7,590	10%
458 · Pleasant Acres Well	13,000	13,000	934	4,000	2,000	-50%
459 · Seely Pump & Carpenteria	500	500	5,250	500	5,500	1000%
460 · San Juan Well	49,000	51,000	46,320	63,000	69,300	10%
461.5 RLS Tank	150	150	86	150	165	10%
461 · Cole Tank	200	200	130	200	220	10%
462 · Rea Tank	200	200	132	200	220	10%
465 · Lwr Oakridge Bstr	1,000	1,500	902	1,500	1,650	10%
465.5 · Upr Oakridge Bstr	700	700	450	700	770	10%
466 · Pine Tree Tank	200	200	125	200	220	10%
Total Power	73,550	76,650	61,801	81,325	92,008	13%
TOTAL EXP	1,533,555	1,618,978	1,331,282	1,812,600	1,936,250	7%
NET INCOME	5,465	(0)	(100,040)	(0)	(0)	
Add back in Depreciation/Reserve	443,770	498,053	481,527	642,036		
Net incl. Depreciation	449,235	498,053	381,487	642,036		

Aromas Water District
 PROPOSED Expense Budget
 FY 2022 - 2023
 Payroll Portion

JobTitle	Yrs w/ AWD	Hrs p/yr	Hourly	Annual	% of increase	Hourly 2022-2023	PROPOSED 2022-2023						Workers Comp
			2021- 2022	2021-2022			FICA	MCare	SDI 1.0% SUI 2.9%	Health	CaIPERS	Comp	
General Mgr - R Johnson	5	2080	Values	\$ 158,321	4.0%		6.20%	1.45%	SDI 1.0% SUI 2.9% <\$7000	2,387	2,387	17,898	3,244
Admin Services Officer	7	1248	\$ 26.39	\$ 32,935	5.2%	27.76	2,148	502	273	0	2,588	197	1.97 W/C rate
Water Utility Specialist	6	1664	\$ 24.48	\$ 40,735	5.2%	25.75	2,657	621	273	0	3,201	244	0.57 W/C rate
CSR	3	1248	\$ 17.04	\$ 21,266	5.2%	17.93	1,387	324	273	0	1,671	128	0.57 W/C rate
Supervisor o/call & OT	16	2080 220	\$ 45.89 \$ 45.89	\$ 95,451 \$ 10,096	5.2% 5.2%	48.28 48.28	6,226 658	1,456 154	273	33,364	10,915 1,154	5,673 600	5.65 W/C rate
Operator I o/call & OT	3	2080 220	\$ 22.06 \$ 22.06	\$ 45,885 \$ 4,853	5.2% 5.2%	23.21 23.21	2,993 317	700 74	273	12,710	3,606 381	2,727 288	5.65 W/C rate
Directors (5) +CaIPERS addl unfunded liab Interns	40	72	\$ 262.00	\$ 15,720	\$5.00	267.00	993	232	550	0	0	0	0.65 W/C rateDir
					\$		\$27,587	\$6,452	\$2,188	\$71,387	\$104,015	\$13,306	
						ee contrib	4.20%	1.45%	1.20%	20% co-py	7.00%		

Staff Report



To: Board of Directors

Re: Item X.B – Consider adopting the Proposed Capital Budget of \$453,351 for Fiscal Year 2022-2023

Date: May 18, 2022

Summary / Discussion

The Proposed Capital Budget is adopted annually by the Board of Directors as the financial guide for the District’s capital expenses; documenting the Capital Projects and Capital purchases District staff proposes to complete this fiscal year. The Proposed Capital Budget worksheet includes the proposed capital expenses for Fiscal Year (FY) 2022-23, and how those Capital Projects line up with the District’s Strategic Plan Categories and Goals.

The Proposed FY 2022-2023 Capital Projects Budget breaks out with the following expenditures:

- Principal payments of the two loans the District have (the 2015 Loan and the 2022 Loan) - \$311,351
- Purchase of Radio-read ultrasonic water meters - \$35,000
- Installation of transfer switches at Carr and Oakridge Booster Stations - \$12,000
 - Approved for FY 2021-22 budget, though supply-chain issues have pushed the expenditures into the FY 2022-23 budget)
- Install alternative energy (solar power) at the District’s office facility - \$41,000
 - Approved for FY 2021-22 budget, though supply-chain issues have pushed the expenditures into the FY 2022-23 budget)
- Purchase of an underground pipe locator - \$9,000
- Purchase of a “Jumping-Jack” vibrating plate for compaction at repair sites - \$5,000
- Initiation of the development of a Water System Capital Improvement Plan - \$40,000

Two planned expenditures from the current fiscal year will not be implemented in time to be booked into the current fiscal year; therefore, they have been moved forward into the FY 2022-23 Capital Budget proposal. Both expenditures are identified by sub-bullets in the above list.

A new item proposed is the development of a Water System Capital Improvement Plan (CIP). The CIP provides the means to maintain sustainability, improve system redundancy, increase drought resiliency, as well as a strategy for replacement scenarios and beneficial water system augmentations. Developing a CIP is a proactive action, versus being reactive to issues when they arise. An important reason to develop and maintain a CIP is the memorialization of institutional knowledge related to projects and or plans that can be lost over time.

Staff Recommendation

Adopt the Proposed Capital Budget of \$453,351 for Fiscal Year 2022-2023.

Submitted by:

Robert Johnson
General Manager

AWD Capital Budget
FY 2022 - 2023
PROPOSED



AWD Capital Budget for FY 2022 - 2023		
#	Strategic Plan Category / Goal	Estimated Cost (\$)
1	Finance	
2	Maintain a balanced annual Expense Budget	
3	Enhance Financial Health with additional funding opportunities	on-going
4	Execute and implement Rate Study - FY 2019 - 2024 (in FY 2018-19)	completed
5	Principal Payments: 2015 Loan Refinance + MWP	311,351
6	Environmental and Resource Stewardship	
7	Maintain, enhance and increase understanding of District's water resources	
8	Encourage infill of existing infrastructure	
9	Research and evaluate opportunities for developing new water sources	
10	Maintain local independent jurisdictional control	
11		
12	Community and Communication	
13	Achieve District of Distinction by 2021	submitted
14	Achieve Special District Administrator (GM) by 2021 August 2021	completed
15	Develop a social media presence strategy	
16	Participate in appropriate community events	on-going
17	Investigate and secure new water source MWP	multi-year
18	Facilities and Infrastructure	
19	Purchase RR meters annually (2018 - up to 10% of system)	35,000
20	Remodel Operations Headquarters (apartment)	
21	Design and implement the District Facility Alternative Energy Project	41,000
22	Investigate security options for Marshall Shop area	completed
23	Add baserock to and around Carr Tank driveway	
24	Install transfer switches at Carr and Oakridge Booster Stations	12,000
25	Interim backup power solution - portable generator	
26	Incorporate AWD infrastructure into Rocks Road Bridge Project (SBC)	Unknown
27	Incorporate AWD infrastructure into Carr Avenue Bridge Project (SBC)	Unknown
28	Design and implement the School Road Tank Replacement Project	
29	Upgrade District Storage Shed	
30	Design and implement the Marshall Facility Improvement Project	
31	Security Fencing, new well, WTP, Maintenance Shop, Solar power - or other configuration	
32	Design and implement Ballantree Tank Replacement Project	
33	Develop, design and implement Water Main Looping Program	
34	Design and implement Pleasant Acres Mainline Replacement Project	
35	Locator Jumping Jack	14,000
36	District Operations, Personnel and Management	
37	Maintain and improve delivered water quality to meet and exceed current standards	
38	Maintain and enhance District Customer Service	
39	Maintain and enhance District Technology	on-going
40	Develop District Technology Utilization Plan	
41	Maintain and enhance District's preparedness for emergencies	
42	Maintain and enhance District employee training opportunities	on-going
43	Maintain and improve District policies for operations and office personnel	
44	Continue to utilize internships to facilitate learning opportunities	
45	Start development of Capital Facilities Master Plan multi-year process	40,000
46	Board of Directors	
47	Maintain and enhance District Board of Directors culture	on-going
48	Provide clear guidance to management	
		\$453,351

Staff Report



To: Board of Directors

Re: Item X.C – Consider approving a contract with Fedak & Brown, LLP for Financial Audit Services for the Aromas Water District, and providing direction to staff

Date: May 19, 2022

Summary / Discussion

The Board of Directors (Board) is charged with the fiduciary responsibility to oversee and protect the assets of the District. The District has used Fedak & Brown’s financial auditing services since 2017 to perform the legally required annual auditing of the District’s financial practices and have worked well with staff and the Board over the years.

Attached to this staff report is the Fedak & Brown, LLP proposal for financial audit services for the District. The proposal covers auditing services for fiscal years 2021-2022 through 2023-2024, with two additional optional fiscal years: 2024-2025 and 2025-2026. The proposal compensation numbers are “not-to-exceed” figures, based on their current understanding of the District’s requirement. The fiscal years and related proposed costs are as follows:

Fiscal Year	Proposed Annual Fee (\$)	
2021-2022	\$ 12,900	
2022-2023	\$ 13,170	
2023-2024	\$ 13,440	
2024-2025	\$ 13,710	optional
2025-2026	\$ 14,170	optional

There are additional services not included in this proposal that would be billed at the District’s discounted rate based on the level of accounting experience needed. There would be a separate contract for those services developed and executed, if desired by the District.

Staff Recommendation

Approve the proposal from Fedak & Brown for Financial Audit Services for the Aromas Water District.

Submitted by:

Robert Johnson
General Manager

Cost Proposal for Financial Audit Services

Aromas Water District

Prepared by:

Fedak & Brown LLP

Certified Public Accountants
Riverside, California & Cypress, California
(657) 214-2307



Contact Person:

Christopher J. Brown, CPA, CGMA, Partner
chris@fedakbrownllp.com



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

March 8, 2022

Mr. Robert Johnson, General Manager
Aromas Water District
388 Blohm Avenue
P.O. Box 388
Aromas, California 95004

Re: Proposal for Financial Audit Services

Dear Mr. Johnson:

Based on our understanding of the Aromas Water District (District) requirements, our fee for audit services and out-of-pocket expenses at our discounted rates for the fiscal year ending June 30, 2022, will be **\$12,900**. This fee is based on our understanding of the District’s audit requirements.

Assuming there is no substantial change in the District’s activities and operations, our all-inclusive fee for audit services and out-of-pocket expenses for the fiscal years ending June 30, 2023 through 2024, and optional years 2025 and 2026 will be **\$13,170, \$13,440, \$13,710 and \$14,010**, respectively.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

In addition, we have provided our proposed fee to prepare the District’s annual State Controller’s Report.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the District.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

March 8, 2022

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2022 through 2024, and optional fiscal years 2025 and 2026, the audit of the District will require approximately 125 audit hours. These hours, by major area, are summarized as follows:

Audit Steps	Partner	Mgr/Sup	Staff	Total
Planning	4	4	5	13
Controls Testwork	4	6	25	35
Substantive Testwork	4	10	35	49
Reporting	8	10	10	28
	20	30	75	125

As shown above, we expect approximately 40% of engagement hours to come from the Partners and Managers assigned to the engagements.

Working on the premise that we will be provided with all the documents listed per our audit requirements (will be provided prior to commencement of fieldwork), we expect to perform the audit of the District at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2022 through 2024, and optional years 2025 and 2026, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for a minimum of seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Pages 3 through 4 of this cost proposal.

We want the Board to understand that we will provide **any** assistance and answer **any** questions that the District's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Aromas Water District					
Engagement Fees By Fiscal Year	Audit Service Fees*	Not-to-Exceed Estimate of Out of Pocket Costs**	Total Audit Fee	Additional Items	Total Engagement
Fiscal Year 2022	\$ 12,400	500	12,900	625	13,525
Fiscal Year 2023	12,670	500	13,170	625	13,795
Fiscal Year 2024	12,940	500	13,440	625	14,065
Total Three Year Contract Price	\$ 38,010	1,500	39,510	1,875	41,385
Optional Years					
Fiscal Year 2025	\$ 13,210	500	13,710	625	14,335
Fiscal Year 2026	\$ 13,510	500	14,010	625	14,635

* Professional audit services fees – labor only.

** Estimate of out-of-pocket costs consist of: travel, mileage, postage and printing costs. Out-of-pocket costs may not be fully utilized.

Exhibit III – Schedule of Fees by Hours, continued

Aromas Water District Fiscal Year 2022

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2022 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 140	\$ 2,800
Manager/Supervisor	30	120	3,600
Staff	75	80	6,000
Total Financial Statement Audit for 2022	125		12,400
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			500
Total Maximum for 2022			12,900
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	\$ 125	625
Total Maximum with Additional Items for 2022	130		\$ 13,525

Aromas Water District Fiscal Year 2023

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2023 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 143	\$ 2,860
Manager/Supervisor	30	122	3,660
Staff	75	82	6,150
Total Financial Statement Audit for 2023	125		12,670
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			500
Total Maximum for 2023			13,170
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2023	130		\$ 13,795

Aromas Water District Fiscal Year 2024

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2024 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 146	\$ 2,920
Manager/Supervisor	30	124	3,720
Staff	75	84	6,300
Total Financial Statement Audit for 2024	125		12,940
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			500
Total Maximum for 2024			13,440
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2024	130		\$ 14,065

Exhibit III – Schedule of Fees by Hours, continued

Aromas Water District OPTIONAL YEAR 1 - Fiscal Year 2025		
---	--	--

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2025 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 149	\$ 2,980
Manager/Supervisor	30	126	3,780
Staff	75	86	6,450
Total Financial Statement Audit for 2025	125		13,210
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			500
Total Maximum for 2025			13,710
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2025	130		\$ 14,335

Aromas Water District OPTIONAL YEAR 2 - Fiscal Year 2026		
---	--	--

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2026 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 152	\$ 3,040
Manager/Supervisor	30	129	3,870
Staff	75	88	6,600
Total Financial Statement Audit for 2026	125		13,510
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			500
Total Maximum for 2026			14,010
Additional Items Asked to be Priced by the District			
Preparation of the District's Annual State Controller's Report	5	125	625
Total Maximum with Additional Items for 2026	130		\$ 14,635

Aromas Water District
Balance Sheet Prev Year Comparison

As of April 30, 2022

	Apr 30, 22	Apr 30, 21
ASSETS		
Current Assets		
Checking/Savings		
UB Checking	53,452.36	123,875.50
UB Bk Money Market xxxx7853	1,018,955.00	680,631.42
LAIF-State of Ca xx-05	838,044.67	835,574.64
Petty Cash	100.00	100.00
Assessment District Banks		
OAWA US Bank 102 Reserve	38,204.86	0.00
OAWA Union Bank Checking 7741	36,128.62	45,800.85
OAWA Union Bank 101 Redemption	0.00	0.14
OAWA Union Bank 102 Reserve	0.00	35,558.32
Oakridge Union Checking 5587	378,053.36	359,355.49
Total Assessment District Banks	452,386.84	440,714.80
Total Checking/Savings	2,362,938.87	2,080,896.36
Other Current Assets		
ACWA Deposit	0.00	2,080.80
1292 · Accounts Rec - USDA Loan	2,040,446.37	2,095,834.27
1291 · Accounts Rec - Orchard Acres	289,594.03	311,692.98
Prepaid Insurance	7,867.44	8,596.54
128 · Inventory	63,177.31	49,921.56
1200.1 · Accounts Receivable--UBMax	127,935.66	140,547.32
1201.9 · Less Allowance for doubtful Acc	-500.00	-500.00
Total Other Current Assets	2,528,520.81	2,608,173.47
Total Current Assets	4,891,459.68	4,689,069.83
Fixed Assets		
1900 · Water System	12,222,414.49	12,011,946.47
1910 · Construction in Progress	39,748.34	0.00
1915 · Office Building & Improvements	398,261.43	398,261.43
1970 · Office Equipment & Fixtures	93,467.05	93,467.05
1980 · District Vehicles	117,577.39	117,577.39
1990 · Land and Easements	331,195.78	331,195.78
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	-7,356,471.75	-6,766,204.75
Total Fixed Assets	5,847,192.73	6,187,243.37
Other Assets		
Deferred Outflow of Resources	149,120.00	140,939.00
Total Other Assets	149,120.00	140,939.00
TOTAL ASSETS	10,887,772.41	11,017,252.20

Aromas Water District
Balance Sheet Prev Year Comparison

As of April 30, 2022

	Apr 30, 22	Apr 30, 21
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	93,138.58	19,683.22
Total Accounts Payable	93,138.58	19,683.22
Credit Cards		
First Bankcard - S Smith #0239	1,321.40	133.32
First Bankcard - E Giron #1086	72.98	112.03
First Bankcard -R.Johnson #9031	531.89	415.48
First Bankcard-L Coombes #3294	951.89	31.20
First Bankcard - D DeAlba #2486	273.82	431.82
Valero Fleet	150.00	225.28
Total Credit Cards	3,301.98	1,349.13
Other Current Liabilities		
Accrued Sick Payable	3,177.04	0.00
Accrued Wages Payable	19,565.97	0.00
Current Portion City National	30,118.93	59,661.05
2100 · Payroll Liabilities	106.47	92.31
Deferred Inflows- Actuarial	4,337.00	10,090.00
CUSTOMER DEPOSITS		
Water Customer	0.00	500.00
Connection Deposits Payable	6,000.00	2,000.00
Hydrant Meter Deposit	4,300.00	0.00
Total CUSTOMER DEPOSITS	10,300.00	2,500.00
Accrued Vacation Payable	34,129.54	27,815.70
Interest Payable	44,306.83	20,153.44
PVWMA Payable	12,608.14	12,206.59
Total Other Current Liabilities	158,649.92	132,519.09
Total Current Liabilities	255,090.48	153,551.44
Long Term Liabilities		
2392 · Long-term Debt - USDA (Oakrdge)	2,432,999.90	2,469,999.90
2391 · Long-term Debt - Orchard Acres	370,000.00	380,000.00
GASB 68 Pension Liability	608,060.00	577,103.00
City National Bank	750,538.78	865,611.94
Total Long Term Liabilities	4,161,598.68	4,292,714.84
Total Liabilities	4,416,689.16	4,446,266.28
Equity		
Investment in Capital Assets	6,420,006.53	6,420,006.53
Unrestricted Net Assets	2,751,025.55	2,687,889.75
Allocation of Net Assets	-2,637,574.59	-2,637,574.59
Net Income	-62,374.24	100,664.23
Total Equity	6,471,083.25	6,570,985.92
TOTAL LIABILITIES & EQUITY	10,887,772.41	11,017,252.20

Aromas Water District
Profit & Loss Budget Performance

April 2022

	Apr 22	Budget	Jul '21 - Apr 22	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
303 · Water Revenue	105,042.24	130,000.00	1,128,334.97	1,186,500.00	1,495,000.00
307 · Bulk Water	1,971.19	660.00	12,405.09	6,600.00	8,000.00
302 · Connection	0.00	0.00	43,920.00	14,460.00	30,800.00
301 · Taxes Rcvd - AWD					
3090 · Oakridge / OAWA Assess...	67,162.81	70,000.00	170,001.74	167,000.00	195,000.00
301 · Taxes Rcvd - AWD - Other	14,336.40	34,000.00	62,439.38	76,000.00	76,000.00
Total 301 · Taxes Rcvd - AWD	81,499.21	104,000.00	232,441.12	243,000.00	271,000.00
304 · Other Office Income & Reimbu...	0.00	125.00	37.29	1,250.00	1,500.00
306 · Interest	407.75	400.00	2,400.21	4,000.00	4,800.00
312 · Grant Revenue	0.00	0.00	1,000.00	1,500.00	1,500.00
Total Income	188,920.39	235,185.00	1,420,538.68	1,457,310.00	1,812,600.00
Gross Profit	188,920.39	235,185.00	1,420,538.68	1,457,310.00	1,812,600.00
Expense					
Operations					
403 · Fuel	1,895.33	1,250.00	12,642.03	12,500.00	15,000.00
404 · Truck Maint	243.14	625.00	6,078.99	6,250.00	7,500.00
431 · System Repair & Maint	9,538.36	5,830.00	78,315.42	58,300.00	70,000.00
463 · Water Analysis	520.00	540.00	4,065.00	5,400.00	6,500.00
464 · Water Treatment	1,334.12	1,500.00	19,129.57	15,200.00	20,000.00
468 · Tools	500.00	625.00	4,391.16	6,250.00	7,500.00
470 · Public Outreach / Annexation	4,552.00	400.00	8,156.67	4,000.00	30,000.00
Total Operations	18,582.95	10,770.00	132,778.84	107,900.00	156,500.00
Power					
449.75 · 388 Blohm, # C	-57.91	33.00	213.94	330.00	400.00
449.5 · 388 Blohm, A & B Office	127.58	150.00	1,239.84	1,510.00	1,700.00
461.5 · RLS Tank Booster	9.86	12.50	96.25	125.00	150.00
447 · Leo Ln Booster	61.99	50.00	617.31	500.00	600.00
448 · Aimee Mdws Well	10.51	12.50	95.47	125.00	150.00
451 · Marshall Corp Yard	37.63	41.00	374.05	410.00	500.00
452 · Rea Booster @ Seely	66.29	52.00	578.15	520.00	625.00
454 · Carr Booster	609.12	575.00	5,209.23	5,750.00	6,900.00
458 · Pleasant Acres Well	0.00	330.00	1,041.64	3,300.00	4,000.00
459 · Seely Booster @ Carpenteria	19.99	41.00	5,265.97	410.00	500.00
460 · San Juan Well	5,916.20	4,500.00	52,234.08	50,500.00	63,000.00
461 · Cole Tank	9.76	16.00	140.10	160.00	200.00
462 · Rea Tank	10.53	16.00	142.62	160.00	200.00
465 · Lwr Oakridge Boost	103.07	125.00	1,004.52	1,250.00	1,500.00
465.5 · Upper Oakridge Booster	0.00	0.00	450.00	525.00	700.00
466 · Pine Tree Tank	0.00	16.00	138.05	160.00	200.00
Total Power	6,924.62	5,970.00	68,841.22	65,735.00	81,325.00
Payroll					
Covid Sick Supp.	0.00		302.96		
Gross	33,960.94	35,414.00	313,307.65	354,140.00	424,969.00
Comp FICA	2,099.09	2,195.00	18,336.68	21,950.00	26,348.00
Comp MCARE	494.67	513.50	4,571.29	5,135.00	6,162.00
Comp SUI	52.44	182.00	1,159.72	1,820.00	2,188.00
Total Payroll	36,607.14	38,304.50	337,678.30	383,045.00	459,667.00
Employee / Labor Costs					
407 · Outside Services	53.66	500.00	5,471.29	5,000.00	6,000.00
408 · Uniform Allowance	0.00	330.00	1,321.22	3,300.00	4,000.00
409 · Workers Comp	408.34	1,057.00	4,667.74	10,570.00	12,691.00
410 · Health Ins	5,803.08	5,948.00	65,504.16	59,480.00	71,387.00
474 · Education	0.00	625.00	4,898.53	6,250.00	7,500.00
477 · Retirement	2,949.91	2,433.00	82,263.38	81,580.00	86,446.00
Total Employee / Labor Costs	9,214.99	10,893.00	164,126.32	166,180.00	188,024.00
Office					

Aromas Water District
Profit & Loss Budget Performance

April 2022

	Apr 22	Budget	Jul '21 - Apr 22	YTD Budget	Annual Budget
440 · Misc Exp	318.57	330.00	3,460.77	3,300.00	4,000.00
444 · Postage	252.91	330.00	3,191.73	3,300.00	4,000.00
445 · Office Supplies	589.84	330.00	3,181.48	3,300.00	4,000.00
446 · Office Eqpmt and Maint	240.99	150.00	6,768.84	4,610.00	15,000.00
Total Office	1,402.31	1,140.00	16,602.82	14,510.00	27,000.00
Communications					
455 · Phone, Off	494.14	350.00	4,811.32	3,500.00	4,200.00
456 · Telemetry	780.75	677.00	7,677.32	6,770.00	8,124.00
457 · Answ Serv/Cellular Phone	417.13	330.00	3,479.66	3,300.00	4,000.00
Total Communications	1,692.02	1,357.00	15,968.30	13,570.00	16,324.00
Administrative & General					
4591 · Admin Fee (Bond Admin N...	0.00	0.00	2,853.52	3,900.00	5,200.00
4590 · Bond Interest Exp - Assess...	0.00	0.00	120,579.78	128,000.00	128,000.00
417 · Capital Loan Interest	12,325.35	0.00	25,283.11	13,000.00	26,000.00
467 · Depreciation Reserve	53,503.00	53,503.00	535,030.00	535,030.00	642,035.00
406 · Liability Ins	1,702.06	1,660.00	16,962.38	16,600.00	20,000.00
420 · Legal Fees	1,400.00	1,400.00	14,000.00	14,000.00	17,000.00
422 · Bank Charges	133.60	158.00	1,259.53	1,580.00	1,900.00
423 · Litigation Contingency	0.00	830.00	0.00	8,300.00	10,000.00
425 · Audit	0.00	1,093.00	8,825.00	10,930.00	13,125.00
471 · Bad Debts	0.00	40.00	0.00	400.00	500.00
473 · Memberships	0.00	60.00	22,123.80	19,970.00	20,000.00
Total Administrative & General	69,064.01	58,744.00	746,917.12	751,710.00	883,760.00
Total Expense	143,488.04	127,178.50	1,482,912.92	1,502,650.00	1,812,600.00
Net Ordinary Income	45,432.35	108,006.50	-62,374.24	-45,340.00	0.00
Net Income	45,432.35	108,006.50	-62,374.24	-45,340.00	0.00

05/18/22

Aromas Water District
Monthly Expenditures
 April 20 through May 17, 2022

Date	Num	Name	Amount
UB Checking			
04/20/2022	E-pay	Employment Development Dept	-746.46
04/20/2022	E-pay	United States Treasury (EFTPS)	-4,271.14
04/21/2022		QuickBooks Payroll Service	-7,020.84
04/22/2022	DD1795	Bowman (P), Naomi	0.00
04/22/2022	DD1796	Coombes (P), Louise P	0.00
04/22/2022	18696	DeAlba (P), David	-3,112.28
04/22/2022	DD1797	Giron (P), Ester	0.00
04/22/2022	DD1798	Johnson (P), Robert L	0.00
04/22/2022	18697	Smith (P), Shaun	-1,405.27
04/22/2022	18698	Dutra (P), Marcus	-234.50
04/22/2022	18699	Holman (P), Wayne R	-234.50
04/22/2022	DD1799	Leap (P), James E	0.00
04/22/2022	DD1800	Morris (P), Vicki	0.00
04/22/2022	DD1801	Smith (P), Richard	0.00
04/22/2022	EFT	CalPERS	-2,525.62
04/22/2022	EFT	CalPERS	-825.68
04/22/2022	Pd Online	Monterey Bay Solutions, LLC	-225.00
04/25/2022	EFT	Bank Service Fees	-130.36
04/26/2022	Pd Online	P G & E	-6,947.23
04/29/2022	18700	ACE Hardware Prunedale	-257.45
04/29/2022	18701	CALNET3	-306.75
04/29/2022	18702	Central Electric	-37.31
04/29/2022	18703	Charter Communications - Spectrum	-74.07
04/29/2022	18704	CSSC	-45.01
04/29/2022	18705	Grainger Inc	-343.64
04/29/2022	18706	Iflow Energy Solutions Inc.	-14,342.52
04/29/2022	18707	Maverick Welding	-235.98
04/29/2022	18708	Mid Valley Supply	-1,334.12
04/29/2022	18709	Monterey Bay Analytical Services Inc	-520.00
04/29/2022	18710	Monterey Bay Solutions, LLC	-225.00
04/29/2022	18711	Pajaro Valley Lock Shop	-759.86
04/29/2022	18712	Recology San Benito County	-58.08
04/29/2022	18713	Rob Johnson	-50.00
04/29/2022	18714	Robert E. Bosso	-1,400.00
04/29/2022	18715	San Benito Engineering & Surveying, Inc	-4,500.00
04/29/2022	18716	Security Shoring & Steel Plates Inc	-426.08
04/29/2022	18717	Streamline	-100.00
04/29/2022	18718	United Way serving San Benito County	-32.00
04/29/2022	18719	USA BlueBook	-524.95
04/29/2022	18720	Xerox Corp	-22.35
04/29/2022	18721	XIO, INC.	-474.00
05/02/2022	18722	City National Bank	-55,118.67
05/02/2022	NSF	Bill Adjustment Report	-70.60
05/02/2022	Pd Online	Valero Fleet	-197.78
05/04/2022	E-pay	Employment Development Dept	-698.88
05/04/2022	E-pay	United States Treasury (EFTPS)	-3,973.80
05/05/2022	EFT	QuickBooks Payroll Service	-6,307.92
05/06/2022	DD1802	Bowman (P), Naomi	0.00

05/18/22

Aromas Water District
Monthly Expenditures
 April 20 through May 17, 2022

Date	Num	Name	Amount
05/06/2022	DD1803	Coombes (P), Louise P	0.00
05/06/2022	18723	DeAlba (P), David	-2,823.12
05/06/2022	DD1804	Giron (P), Ester	0.00
05/06/2022	DD1805	Johnson (P), Robert L	0.00
05/06/2022	18724	Smith (P), Shaun	-1,486.69
05/06/2022	EFT	CalPERS	-2,529.41
05/06/2022	EFT	CalPERS	-843.17
05/06/2022	18726	USPO	-116.00
05/06/2022	18725	USPO	-233.16
05/09/2022	Bill Adjust	Bill Adjustment Report	-114.52
05/10/2022	Pd Online	First Bankcard	-6,951.88
05/13/2022	Pd Online	P G & E	-137.44
05/13/2022	18727	ACE Hardware Prunedale	-230.05
05/13/2022	18728	ACWA JPIA, Emp. Ben. Prog.	-5,651.16
05/13/2022	18729	Agee Electric, Inc.	-9,756.74
05/13/2022	18730	Armer Grading & Paving	-2,250.00
05/13/2022	18731	C & N Tractors	-203.31
05/13/2022	18732	CALNET3	-420.07
05/13/2022	18733	David DeAlba	-203.12
05/13/2022	18734	Ferguson Waterworks	-40.31
05/13/2022	18735	Linde Gas & Equipment Inc.	-13.78
05/13/2022	18736	Monterey Bay Solutions, LLC	-225.00
05/13/2022	18737	Old Firehouse Market	-1,262.73
05/13/2022	18738	Osuna Auto Electric	-51.68
05/13/2022	18739	R & B Company	-4,419.66
05/13/2022	18740	Recology San Benito County	-58.08
05/13/2022	18741	Shaun Smith	-48.56
05/13/2022	18742	Streamline	-100.00
05/13/2022	18743	XIO, INC.	-18,925.99
05/17/2022	18744	CSSC	-107.00
05/17/2022	18745	Ferguson Enterprise#3325 DBA POLLARDW...	-61.11
05/17/2022	18746	Mid Valley Supply	-2,096.47
05/17/2022	18747	MNS Engineers Inc.	-6,739.63
05/17/2022	18748	Monterey Bay Water Works Assoc	-80.00
05/17/2022	18749	R & B Company	-72.15
05/17/2022	18750	Robert E. Bosso	-1,400.00
05/17/2022	18751	USA BlueBook	-3,349.36
Total UB Checking			-193,117.05
TOTAL			-193,117.05