



REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

TUESDAY, September 25, 2018
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
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- 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 August 28, 2018 Regular Board Meeting p.3-6
- 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 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.7-10
 - D. CORRESPONDENCE p.11-12
- IX. **ACTION ITEMS:**
 - A. **Consider receiving a report regarding the possible annexation of one parcel in the Rancho Larios area, and providing direction to Staff.** p.13-14
Staff will present a report acknowledging a request to annex one parcel in the Rancho Larios area to provide municipal water only for Board discussion and action.
 - B. **Consider receiving an update on the development of a Board member Training Plan, and providing direction to Staff.** p.15-16
Staff will present an update on the Board member Training Plan for Board discussion and action.
 - C. **Consider receiving a report regarding the purchase of XiO Systems hardware for two sites, in the amount of \$19,406.67, and providing direction to Staff.** p.17-31
Staff will present a report and quote for XiO System equipment to augment our system to facilitate remote surveillance and control of facilities.
 - D. **Financial Reports for the Month of August 2018** p.32-37
Oakridge & Orchard Acres Assessment Districts are now included in the financial reports. Therefore, the reports show a Total Revenue of \$132,340.01; Total expenditures were \$137,243.96 between August 21, 2018 and September 19, 2018. These financials and monthly expenditures will be presented for discussion and approval.
- X. **FUTURE MEETINGS & AGENDA ITEMS** Next meeting ó Tuesday, October 23, 2018
- XI. **ADJOURNMENT**

Next Res. # 2018-06

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
August 28, 2018**

- I. CALL TO ORDER.** The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Smith on Tuesday, August 28, 2018 at 7:02 p.m. at the District office located at 388 Blohm Ave, Aromas, California.
- II. ROLL CALL.** President Smith, Vice President Holman and Directors Norton, Leap and Dutra were present. Also in attendance were General Manager Robert Johnson, Counsel Bob Bosso, Board Secretary Louise Coombes, Management Consultant Vicki Morris and staff Ester Gir6n.
- III. PLEDGE OF ALLEGIANCE.** Director Leap led the pledge of allegiance.
- IV. STATEMENTS OF DISQUALIFICATION.** There were no disqualification statements.
- V. ADDITIONS AND DELETIONS.** There were no additions or deletions to the Agenda.
- VI. MINUTES.** The minutes of the July 24, 2018 Board Meeting were presented for review and approval; there was one minor correction requested in the Attorney's Report by Counsel Bosso; there were no other comments. Director Holman moved for approval of the minutes with the correction and Director Norton seconded. Minutes were unanimously approved with all Directors present.
- VII. ORAL COMMUNICATION.** There were no public comments.

VIII. REPORTS/PRESENTATIONS

- A. Director's Reports.** Director Norton mentioned that he recently came in to meet the Auditors during their Interim Testing in August, which went well. Secondly, he also reported that he recently attended a California Special Districts Association (CSDA) webinar on advocating and legislation which was free and took less than an hour to complete. Tertiary, he met with President Smith and GM Johnson as the Ad-Hoc Committee for formulating the Board of Director's Training Plan which is detailed in Action Item B.

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

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

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

OPERATIONS

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

Production & Well Levels

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

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

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

INCIDENTS

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

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

ADMINISTRATION

Staff & Board Recognition

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

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

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

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

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

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

Operations

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

Drought & Conservation

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

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

conservative in water use. GM Johnson pointed out that at three local community events we provide our conservation leaflets as well as access to our demonstration garden.

Projects

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

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

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

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

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

IX. ACTION ITEMS

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

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

AYES: Dutra, Holman, Norton, Leap, Smith

ABSENT: None

NOES: None

ABSTENTION: None

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

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

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

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

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

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

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

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

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

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

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

- X. **FUTURE MEETINGS & AGENDA ITEMS.** The next meeting will be on Tuesday, September 25, 2018.
- XI. **ADJOURNMENT.** Vice President Smith adjourned the meeting at 8:45pm until Tuesday, September 25, 2018.

Read and approved by: _____
President, Richard Smith

Attest: _____
Board Secretary, Louise Coombes

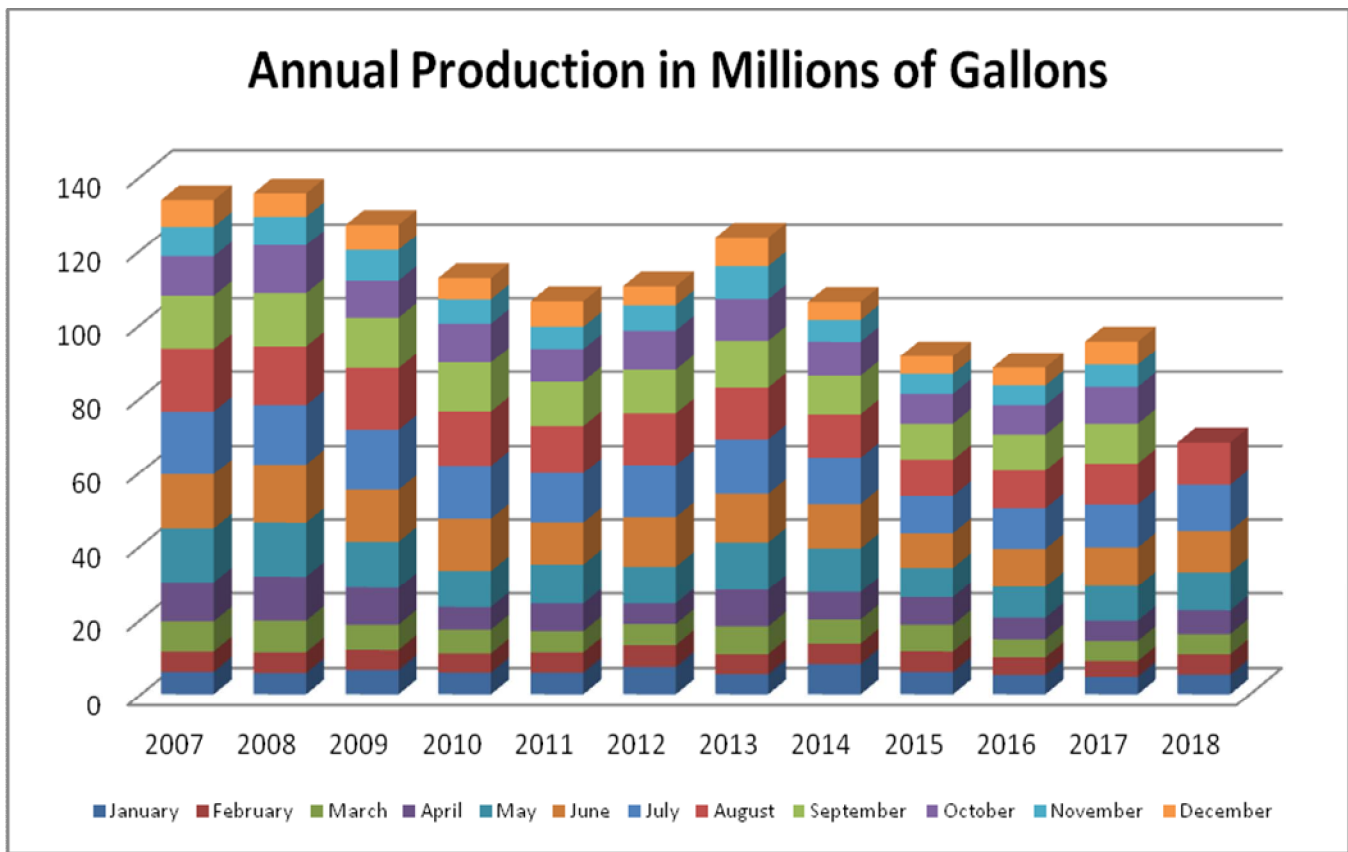
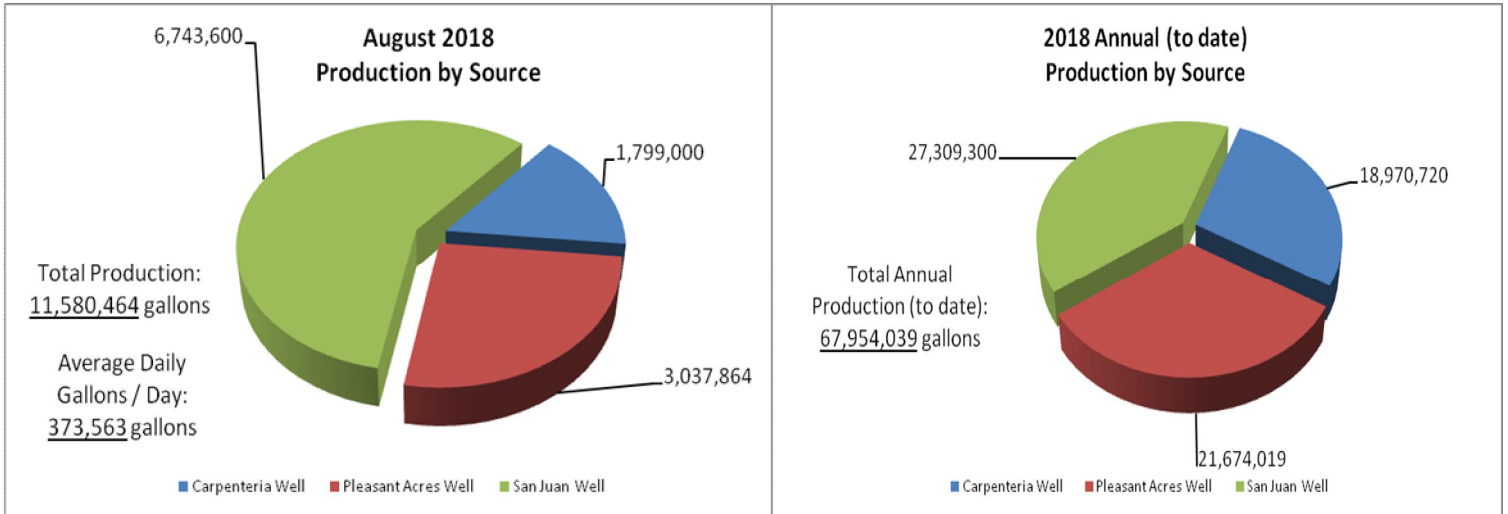
Date: _____

Date: _____

General Manager's Report August 2018



PRODUCTION REPORT



Totals	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Million Gal	133.6	135.38	126.9	112.37	106.15	110.17	123.42	105.97	91.27	88.152	95.304	67.954
Acre Ft	410.0	415.4	389.4	344.8	325.7	338.05	378.7	325.16	280.05	270.49	292.43	208.51

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.
- San Juan well was operational the entire month; while Carpenteria and Pleasant Acres wells were down two days and one day respectively.
- Water Treatment Plant; the finished water is non-detect for both iron and manganese.
- Distribution testing for total Coliform; all samples negative.
- All Coliform, Mn and Fe, and monthly DWR reports were filed on time.
- WTP filters are being backwashed approximately every 5-7+/- days.
- 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
- Summer maintenance tasks are being performed as time allows (e.g. mowing solar field)

INCIDENTS:

- None during this reporting period

ADMINISTRATIVE REPORT

STAFF & BOARD RECOGNITION:

- Customer Service Representative (CSR) Varela continues to learn the District's procedures and workflow and has been doing well with customers.
- Administrative Services Officer (ASO) Coombes and Account Clerk (AC) Girõn continue to go above and beyond the call, keeping things running smoothly, while training CSR Sandra and preparing reports for the Auditors.
- ASO Coombes and AC Girõn worked with Andy Beck from Fedak and Brown LLC in mid-September to complete the annual District Audit.
- When time has allowed, Operator Zelmar has been working on a tool to compare pumping and power costs. This tool will be helpful for managing and budgeting pumping costs.
- Operators DeAlba and Zelmar have been investigating a number of leak questions/concerns from customers related to their respective July/August bills (leaks versus increased water usage).
- GM Johnson held a staff meeting to review expectations of the month/year, as well as a review of the introduction to the Seven Habits training and Habit 1. This will be followed by two subsequent abbreviated staff meetings to review Habits 2 and 3; this was done to: 1) provide Sandra a foundation of the concepts and training before we move forward in October with Habit 4 at the October staff meeting, and 2) provide an opportunity for staff to present the concepts from each of the habits we have studied previously.
- GM Johnson received water sampling information from Monterey County Resource Management Agency, Code Enforcement, regarding an issue related to the San Juan Water Treatment Plant. An extension of 120 days was granted to perform the sampling.

CONSERVATION UPDATE:

August 2018 usage figures indicate that customers have ramped back their water usage a bit from July.

Repeated from last month: July 2018 was deemed the hottest July on record, with all time record heat in a number of California locations. While some extreme temperatures receded, temperatures tended to not cool off during the evenings, and the past three or four weeks have had heat waves that have broken a number of daily records. Interestingly, Death Valley recorded the warmest single month officially recorded anywhere on Earth.

PROJECTS:

1. AWD Marshall Yard progress

GM Johnson has been working with San Benito County Resource Management Agency Planning staff to merge the two District parcels at the end of Marshall Lane. It turns out a Lot Line Adjustment (LLA) is the accepted methodology; research continues to occur to support the LLA effort.

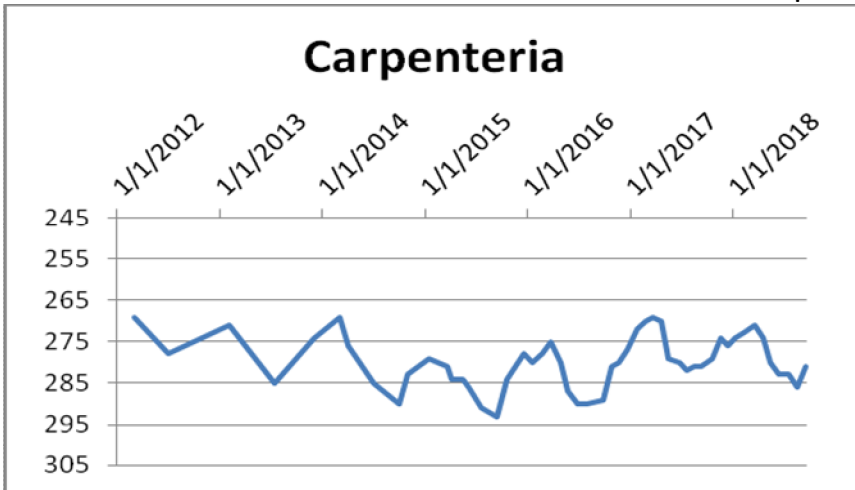
Secondly, there are two CONEX containers at the AWD Marshall Yard belonging to the Aromas Tri-County Fire Prevention District (FPD); one that the FPD uses, and the other is utilized by the AWD. These containers have been repositioned for: 1) ease of access for the FPD, and 2) to allow for work to occur near the existing shop building.

Lastly, the Porta-Potty at the yard has been removed as of this week. It was starting to be used by homeless individuals, thus causing the yard to become a possible gathering place for area homeless.

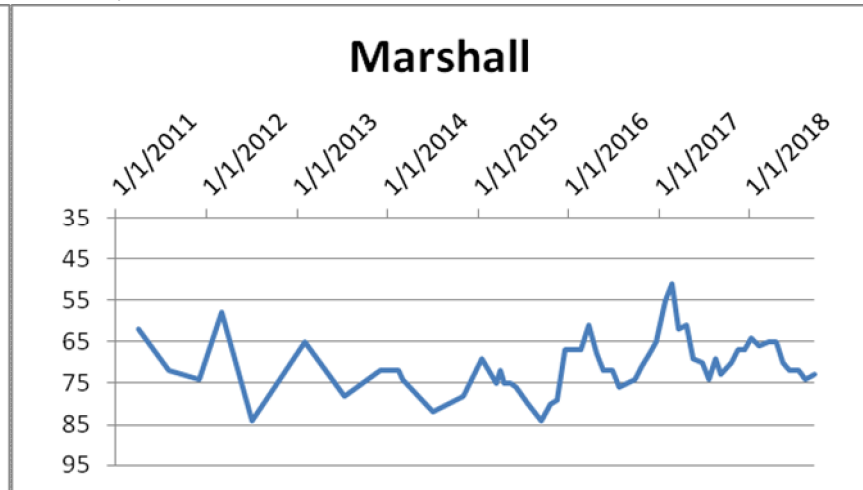
Robert Johnson
General Manager
September 20, 2018

Well Water Level Monitoring Depth to Water Measurements

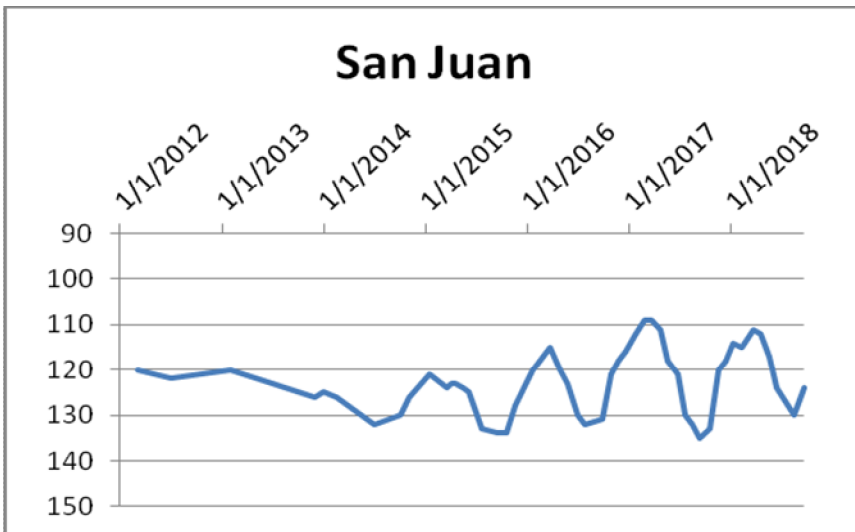
Date: September 18, 2018



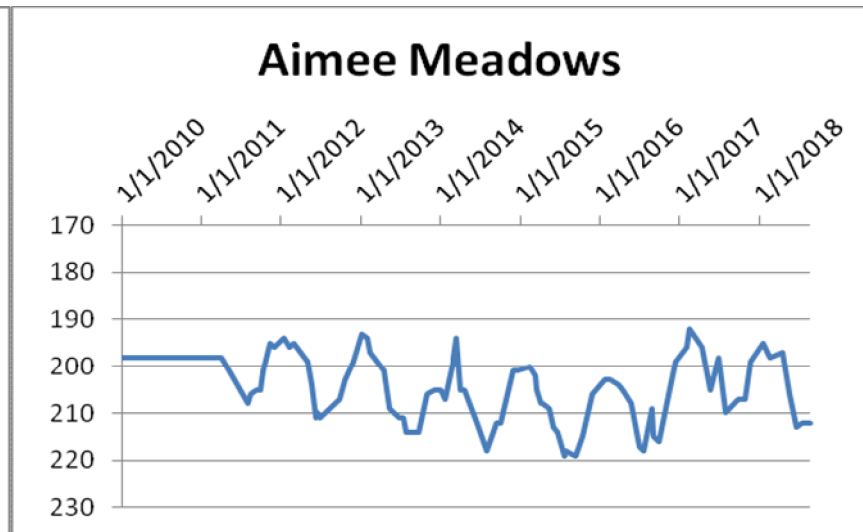
Carpenteria Well (production): Previous Read = 286 feet ; Current Read = 281 feet



Marshall Well (monitoring): Previous Read = 74 feet ; Current Read = 73 feet



San Juan Well (production): Previous Read = 130 feet ; Current Read = 124 feet



Aimee Meadows Well (monitoring): 7/17/2018 = 212 feet ; 8/20/2018 = 212 feet

CORRESPONDENCE LIST: 8/21/2018 - 9/18/2018

DATE	TYPE	TO	FROM	SUBJECT
8/17/18	E	R. Johnson, AWD	D. Smith, Tesco Controls	PLC Programming Files Request & Response
8/17/18	E	R. Johnson, AWD	C Lynch, CalFire	Max occupancy of AWD Conference Room
8/21/18	E	AWD	ACWA	Contact Legislators to oppose SB 845
8/22/18	E	R. Johnson, AWD	D. Smith, Tesco Controls	PLC Programming Files Request
8/28/18	M	L Coombes, AWD	L Johnson, IRS	Acceptance of Application to File 941 Electronically
8/29/18	E	L Coombes, AWD	D Zarate, NBS	Request & response for Assessment District fund balances for annual report
8/29/18	E	R Johnson, AWD	R Bosso, Law Offices of Robert Bosso	SB 845 salient points
8/30/18	M	N Salvucci, MGE Underground	R Johnson, AWD	Damage to Aromas Water District main at Garden Av
8/30/18	E	R Johnson, AWD	R Felsing, San Benito Cty	The process of merging adjacent parcels
9/1/18	E	AWD	BARFleets	Reminder for Gov't Fleet Smog Check (due Dec '18)
9/8/2018	E	SWRCB	R. Johnson, AWD	Monthly Fe & Mn Field Test Results
9/5/18	E	AWD	ACWA	Available toolkit for supporting and education about Proposition 3
9/7/18	E	R Johnson, AWD	R Montano, Monterey Cty	San Juan Rd / Carneros Creek water discharge analysis requirements
9/10/18	E	V Silva-Gil, CalPERS	L Coombes, AWD	Submission of application to the State for Error Modification of Sect. 218 Agreement. (Res 2018-05)
9/10/18	E	SWRCB	R. Johnson, AWD	Quarterly Report for Disinfectant Residuals Compliance
9/10/18	M	Valero Marketing & Supply	R. Johnson, AWD	Changing account contact details
9/10/18	E	SWRCB	R. Johnson, AWD	Monthly Summary of Coliform Monitoring
9/10/18	M	R Johnson, AWD	N Smith, Noland, Hamerly, Etienne & Hoss	Public Records Request: APN 011-150-143 (348 Seely Ave, Aromas)
9/12/18	M	R Bosso, Law Offices of Robert Bosso	R. Johnson, AWD	Consent to furnish information to Auditors for any information regarding litigation, claims, and assessments.
9/12/18	E	R. Johnson, AWD	C Rose, The Hartford	Notification of check issuance to AWD on behalf of Sprenkel Inc.

CORRESPONDENCE LIST: 8/21/2018 - 9/18/2018

DATE	TYPE	TO	FROM	SUBJECT
9/17/18	E	R. Johnson, AWD	J Peairs, XiO Water Systems	Proposal with payment option
9/17/18	E	N Smith, Noland, Hamerly, Etienne & Hoss	R. Johnson, AWD	Response to Public Records Request
9/18/18	E	R. Johnson, AWD	A Correale, USDA	Explanation of cancelled unused funds for Oakridge/USDA loan.
9/19/18	E	R. Johnson, AWD	P Eilert, 9 Rocks Road, SJB	Email with attached letter.
9/18/18	E	R. Johnson, AWD	P Eilert, 9 Rocks Road, SJB	Letter requesting next steps to receive future annexation/connection with Aromas Water.
9/19/18	E	P Eilert, 9 Rocks Road, SJB	R. Johnson, AWD	Response to letter with next step for potential annexation/connection

Staff Report



To: Board of Directors

Re: Item IX.A ó Consider receiving a report regarding the possible annexation of one parcel in the Rancho Larios area, and providing direction to Staff

Date: September 19, 2018

Summary / Discussion

A request for water service has been made by Mr. Patrick Eilert, who lives within the Rancho Larios subdivision, though his parcel is not a part of the Rancho Larios development. Due to this unique situation, his parcel was not included in the agreement to deliver water to the Rancho Larios development. He has a well on his property, which, through the use of tanks has been sufficient for his needs. Recently, though the well's yield has not been sufficient, so for health and safety reasons, Mr. Eilert is looking to be served by the Aromas Water District (District) (see letter attached to this report).

Mr. Eilert has researched the drilling of a new well, though there are no guarantees that a new test hole will produce the water needed, given the groundwater conditions in the area.

Mr. Eilert's parcel is currently within the District's sphere of influence, though he is not annexed into the District; the Rancho Larios development that surrounds his property is annexed into the District.

Since Mr. Eilert's parcel is not annexed into the District, this action could initiate the annexation process for Mr. Eilert and the parcel. If the Board of Directors (BOD) approves of this request moving forward, then the process would involve going to the Pajaro Valley Water Management Agency (PVWMA) BOD, and the Local Area Foundation Commission (LAFCO) for specific actions and tasks to be completed. The entire process will culminate back at this body for final approval.

Staff Recommendation

Receive the report and direct staff to go through the annexation process with PVWMA and LAFCO, keeping the BOD apprised of the progress.

Submitted by:

Robert Johnson
General Manager

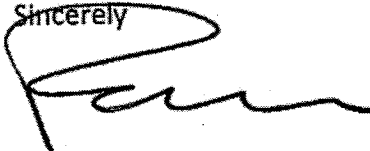
September 18, 2018

Aromas Water District
Rob Johnson
P.O. Box 388
Aromas, CA 95004

Dear Rob,

I am writing you in regards to what steps are needed in accessing the water that is provided by your District to the Rancho Larios development. I am located in the middle of the development. My address is 9 Rocks Road with your utilities running along the side of my property and the main road. My current source for water is a well and since my purchase of the property in December of 2000 I did not experience any water issues at least as far as volume. I believe we were getting around three gallons per minute but did have to install two 2500 gallon tanks for safety concerns. Unfortunately, that has since declined to less than one gallon per minute and is now posing a real health and safety concern for my family. I have been advised by two different drilling companies that this area is limited on local ground water and drilling would not be guaranteed but only an attempt to locate a water source. I am very hopeful you can work with me in whatever measures are needed to include my water needs with the other 138 homes that surround me. I look forward to hearing from you.

Sincerely



Patrick Eilert
9 Rocks Road
San Juan Bautista, CA 95045
(831) 623-1100 home
(408) 425-5299 cell

Staff Report



To: Board of Directors

Re: Item IX.B ó Consider receiving an update on the development of a Board member Training Plan, and providing direction to Staff

Date: September 17, 2018

Summary / Discussion

As mentioned at the last couple of Board meetings, the Aromas Water District (District) Strategic Plan (Plan) identified a specific section for the Board of Directors (BOD). This section has two goals, with one of them being, “Maintain and Enhance District Board of Directors culture.” This was to be accomplished by: 1) developing new Board of Director training materials, 2) keeping Board members current on required trainings, 3) evaluating new opportunities for Board member professional development (in the area of being a Board member) and 4) attending these new training opportunities.

The District General Manager was also included in the training scenario, to facilitate the development of an “Ethic of Excellence” at the District, all the way from the directors to both the field and office staff. The establishment of this type of “Consistent Learning Culture” will increase the effectiveness and efficiency of the District, in both the short and long-term.

The BOD established an Ad-Hoc Training Committee to review options, alternatives, and develop a plan to be implemented. An initial DRAFT of the Training Plan was presented at the last Board meeting for comment and action. As of the date of this report, no comments have been received.

The Committee met on September 13 to work on an order of viewing of the selected webinars to begin implementing the training plan. The listing of the high-priority webinars is attached, with the Committee-chosen hierarchy for presentation to the BOD.

Staff Recommendation

Receive the update report, schedule a training session, and provide direction to Staff.

Submitted by:

Robert Johnson
General Manager

Board Member Training Plan				Viewing Order
Webinars	SDRMA	Priority	(proposed)	
Ask the Experts: Energy Project Financing		H		
Ask the Experts: Financing Mission Critical Infrastructure		H	5a	
Brown Act Principles, Traps and Avoiding Violation	x	H		
Conflicts of Interest / When one must or should step aside	x	H		
General Manager Evaluations	x	H		
Good Governance	x	H	6	
Intro to Special Districts Finances for New Board Members	x	H	3	
Must have Communication Protocols for Board Members/Staff	x	H	4	
New Tools to Pay for Infrastructure - Enhanced Infrastructure FD		H	5b	
Required Ethics Compliance Training - AB 1234	x	H	R	
Required Sexual Harassment Prevention Training for Special Districts	x	H	R	
Rules of Order Made Easy		H		
Strategic Planning for Special Districts		H		
The Great Board Chair		H		
Understanding Board Member and District Liability Issues	x	H		
What Every Board Member Should Know	x	H	2	
Who Does What? Best Practices in Board/Staff Relations		H	1	
A How-To-Do-It for Special Districts with Revenue Needs		M		
Accessing Legislative & Outreach Information (WN)		M		
Grassroots Advocacy and Public Outreach		M		
What's Public Engagement and Why Do It?		M		

R = Required Course

Staff Report



To: Board of Directors

Re: Item IX.C ó Consider receiving a report regarding the purchase of XiO Systems hardware for two sites, in the amount of \$19,406.67, and providing direction to Staff

Date: September 18, 2018

Summary / Discussion

The Aromas Water District (District) utilizes a system control architecture called SCADA (Supervisory Control And Data Acquisition) that uses computers, networked data communications and graphical user interfaces for managing the District's water system. An operator can control the whole water system through the use of the SCADA system. The whole system that is on SCADA, that is; currently the Rancho Larios Tank is not SCADA-equipped, so the operators are "blind" to issues that may arise at that site.

The District has been using TESCO as a SCADA contractor, to help with the software programming, and the hardware maintenance and use. There have been issues getting TESCO to perform requested tasks, some going back over 13 months or so with no resolution at this time. These issues have been brought before the Board of Directors (BOD) on a few occasions; the last being a discussion at the June BOD meeting, that came about regarding TESCO sending correspondence concerning their desire to implement a service contract with the District. The gist of that discussion was the District was reviewing other options, and XiO Systems was one of those options.

The initial XiO Systems proposal (May 2018) was for \$110,625 (for all the XiO hardware and programming). There would be additional costs related to shipping, installation, and monthly "cloud-based" charges. The cloud-based charges came to \$795 per month, which seemed to be an initial concern for the BOD. Also, another concern is the proprietary nature of the system; that could lead to issues if the company folded, or chose to raise their prices to unacceptable levels.

This proposal takes a couple pieces out of the original proposal to take care of more immediate District needs; 1) outfitting Rancho Larios tank with level monitoring equipment, and 2) augmenting Pleasant Acres well with equipment that will eliminate the need for TESCO services requested numerous times over the last 13 months. The cost is \$19,406.67 for hardware and programming, though the additional cloud-based costs mentioned above are still necessary, though to a lesser degree (\$117 per month). This proposal is configured to be paid over a three-year period, with a monthly payment of \$375.25, after a down payment of \$5,897.67.

This proposal allows the District to take advantage of XiO Systems unique approach to system control, and solve two pressing issues, with nominal capital commitment.

Staff Recommendation

Receive the report, authorize the General Manager to accept the XiO proposal and move forward with outfitting the proposed two sites.

Submitted by:

Robert Johnson
General Manager



We Know Water

A Proposal for an XiO Cloud SCADA® Water Control System for Aromas Water District Water System

Version 2.0
September 17, 2018

Proposed System

XiO, Inc. (XiO) is pleased to supply this proposal to provide a monitoring and control system for Aromas Water District Water System.

The purpose of this proposed system is to:

- Provide a secure website where all water operations may be viewed, and up-to-the-minute equipment status clearly displayed.
- Provide a secure method for authorized operators to put pumps online or offline and modify setpoints.
- Provide an advanced alarm system that will notify personnel via text or e-mail when user-defined events occur (e.g. low system pressure, pump fails to start, etc.).

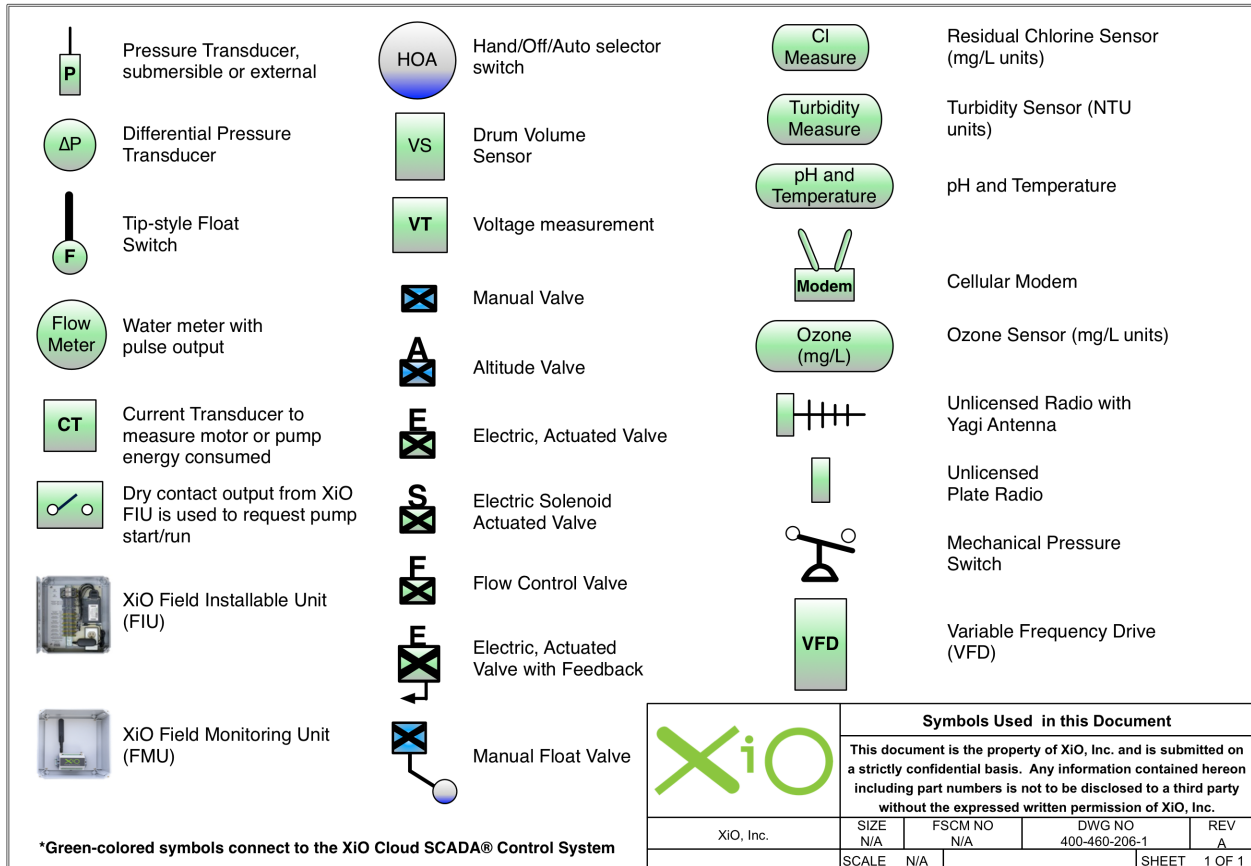
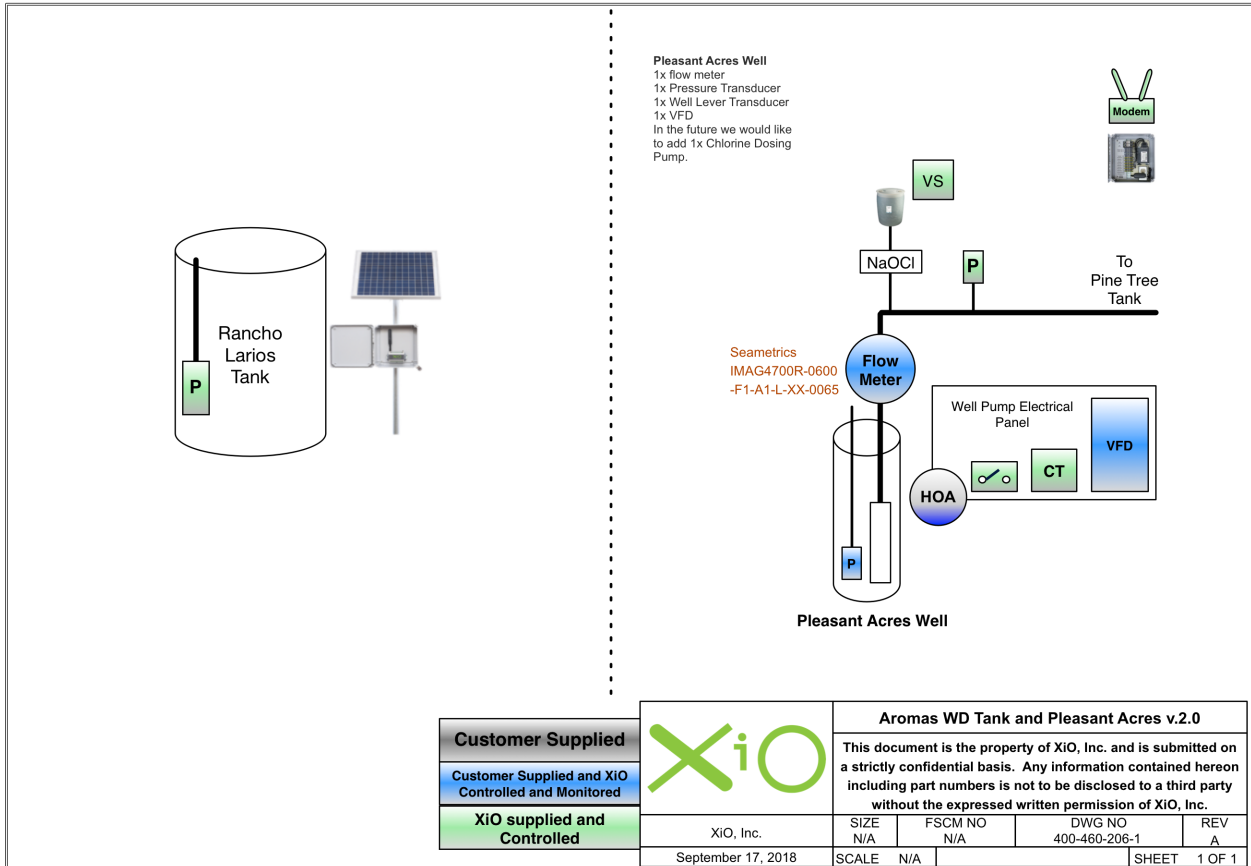
Pleasant Acres Well Site

- Monitor and control the Pleasant Acres Well Pump based on a user defined system pressure.
- Monitor and report the electrical energy used by the Pleasant Acres Well Pump.
- Monitor and report the aquifer level utilizing an existing sensor powered by 24 VDC from the FIU.
- Monitor and report system pressure utilizing an XiO-supplied system pressure transducer.
- Monitor and report flow rate and total flow utilizing the existing meter. This requires that the meter be equipped with a pulse output.
- Monitor and report the NaOCl drum level utilizing an XiO-supplied chemical drum volume sensor.
- Monitor and control the Variable Frequency Drive (VFD) based on a user defined flow rate.

Rancho Larios Tank Site

- Monitor and report the level of the Rancho Larios Tank at ten minute intervals utilizing an XiO-supplied Field Monitoring Unit and a submersible water level management sensor.

System Diagrams



Description of the System

The proposed system consists of two sites, with one well and one tank for drinking water storage. The well will operate based on a user defined system pressure. The tank will report level at ten minute intervals with a solar powered Field Monitoring Unit.

An XiO-supplied cellular modem at each site will communicate directly to the XiO Cloud Servers, enabling seamless access for the users through their established web page.

Alarms

The XiO system can alarm on any value that is monitored via an email or SMS text notification to a list of authorized operators. Examples of these alarm conditions are:

- No communication with the site
- Pump fails to start
- High / Low Tank Level

Verizon Modem

The XiO Cloud SCADA control system requires a minimum of one connection to the Internet. XiO supplies a rugged NEMA4X enclosure with a Verizon modem that connects to the Verizon network. Like all parts of the XiO control system, the modem is shipped to site ready for an electrician to mount, apply 120VAC and power up. The system automatically connects to the Internet and XiO is informed of the event and can assist in system start-up.

Report Generator

Included at no additional cost is a comprehensive report generation system that can produce monthly reports downloadable in Excel format containing required fields, employing any data collected such as pressure levels, pump hours, water pumped, electricity used, cost to pump water—all listed by month, day, hour, minute. The data is organized and can be viewed by any authorized operator on the secure XiO website.

Cloud Based Management

The XiO system will be monitored and managed through an account on XiO's secure cloud servers. The password protected account will provide managers with the following:

- System Overview - Process diagram showing the current state of the system (i.e. tank levels, status of pumps, etc.).
- Levels - Line graphs showing the levels of all monitored parameters.
- Reports - Downloadable reports showing water pumped (gallons), energy used by pumps (kWh), efficiency of pumps (kWh/1000gallons), and pump runtime (hours).
- Alarms - View of all alarms that have been triggered.
- Schedule - Page allowing the user to adjust the set points that affect when the pumps will run.

Features to be Delivered

Qty	Item	Description
1	Field Monitoring Unit with Solar Power Package	<p>Field Monitoring Unit provides near real-time views of up to four monitored inputs. Includes complete solar kit for the FMU. Perfect for remote sites without AC Power.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • FMU housed in a NEMA-4X enclosure • Cellular Modem to provide secure access to the XiO Cloud SCADA® servers • 30W Solar Panel • Solar Panel Mounting Bracket and Hardware • 18Ah Replaceable Battery with NEMA-4X Enclosure
1	Tank Monitoring with Submersible Pressure Sensor	<p>Tank Monitoring provides up-to-the-minute views of an additional tank level. Provides the XiO Cloud SCADA® system with the ability to adjust well operation based on tank levels. Alarms notify users of a high and low levels.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • Submersible Water Level Management Sensor with 50 feet of water-tight, connectorized, low-loss, shielded cable for easy installation.
1	Well Controller without Submersible Water Level Sensor	<p>Well Controller provides up-to-the-minute views of well operation. Monitors well pump. Provides reports on electrical energy used by well pump, water production reports and pump efficiency reports. Advanced correlation alarms notify users of low flows and pump failures. Historical pump runtimes are included in the package. Provides flow rates and total flow from the well.</p> <p>*water production reports and flow require a water meter to be connected.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • One FIU • RMS electrical current sensor with 10 feet of shielded 600V cable, approved for use inside electrical enclosures. • Inputs to monitor a water meter

Qty	Item	Description
1	Chemical Drum Volume Monitoring	<p>Monitors chemical drum level. Provides the XiO Cloud SCADA® system with the ability to monitor drum level and allows users to receive alarms indicating a low drum level. This is a crucial feature in water treatment facilities, ensures operators are always aware of the chemical drum level.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • Drum level sensor with 20 feet of water-tight, connectorized, low-loss, shielded cable for easy installation.
1	System Pressure Monitoring	<p>Monitors system pressure. Provides the XiO Cloud SCADA® system with the ability to monitor system pressure and notifies users of low pressure.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • Pressure Sensor with 20 feet of water-tight, connectorized, low-loss, shielded cable for easy installation.
1	Remote VFD Management	<p>Remote VFD Management provides up-to-the-minute monitoring and control of VFD settings.</p> <p>Pricing includes:</p> <ul style="list-style-type: none"> • Galvanic Signal Isolation Module to Isolate 4-20mA signal which calls for pump speed.
1	Cloud-Link Cellular Modem Package	<p>Provides secure access to the XiO Cloud SCADA® servers. Housed in a NEMA-4X enclosure.</p>

System Installation

XiO does not act as a contractor and does not install the equipment. XiO recommends that the Proposed Control System be installed by a licensed electrician and a water operator. The XiO hardware requires a single 120VAC circuit, fused at 15 amps or less. An individual Field Installable Unit (FIU) draws 3.7 watts, while the supplied cellular modem draws 6 watts. A solid earth ground must be provided, as required by code, but no special precautions need be taken. All connections are clearly marked with UL-recognized label materials. All enclosures are non-metallic rated NEMA4X, and XiO recommends employing water tight conduit especially in near-marine environments.

The customer is responsible for providing a suitable mounting location for the FIU(s) and other XiO-supplied hardware. There are several considerations when selecting a suitable mounting location for the FIU, Uninterruptible Power Supply (UPS) or other XiO supplied hardware:

Temperature- As with all electronics, extreme temperatures, especially heat, can affect the proper operation of the XiO Control System. It is important to consider sources of heat when selecting a suitable mounting location for the FIU.

- Keep the FIU out of direct sunlight
- Do not mount the FIU on a South-facing wall or panel
- Consider constructing a cover to provide shade for the FIU
- Avoid mounting the FIU on a surface that may become hot such as an outdoor metal panel.
- Be sure the Soft-I/O Module is properly seated in its bracket

Environment- Components of the XiO Cloud SCADA® Control System are housed in NEMA-4X enclosures that protect them from many environmental conditions such as rain, solid objects, dust, and some corrosive agents.

- Take additional steps to avoid harsh environmental conditions if possible
- This includes potentially dangerous gasses produced by wastewater
- Be sure to provide a water-tight seal on any enclosure penetrations

Delivery

The preconfigured system will be shipped from XiO **4-6** weeks after receipt of a purchase order.

Quoted Price

The total cost of the system will be **\$19,406.67** (not including tax or actual UPS ground shipping costs). This price includes all XiO-supplied hardware as listed above. The customer has elected to pay via the XiO Payment Plan, which has the following terms:

- A down payment of **\$5,897.67**, due within 60 days of invoicing.
- Recurring monthly payment of **\$375.25**, for a period of 36 months. The first month’s payment is due within 60 days of invoicing.
- Recurring monthly cloud service fee of **\$115.00**, to begin six months after invoicing.
- Sales tax is due within 60 days of invoicing.
- The undersigned agrees to the specifications of the payment method listed above.

Initial:_____

Recurring Monthly Service Fees

The cloud service fee is \$39/month per Controller (if applicable) and includes all programming, ongoing support, alarms, report generation, unlimited access to the secure website and an extended warranty on the FIU control module--Soft-I/O®--as long as the Cloud service fee is kept current. The warranty referenced in this paragraph is attached to this document. This paragraph specifically modifies the warranty in the favor of the customer. The cloud secure cellular access charge, including Internet, is \$35/month per modem (if applicable). The fee of \$41/month per Field Monitoring Unit (if applicable) includes secure cellular cloud access as well as all programming, ongoing support, alarms, report generation, and unlimited access to the secure website.

Item	Monthly Fee/Unit	Qty	Subtotal
Controller (FIU)	\$39	1	\$39
Cellular Modem with internet	\$35	1	\$35
Field Monitoring Unit (FMU)	\$41	1	\$41
Total Monthly Fees			\$115

Payment of Recurring Monthly Service Fees

When the system has been installed, the customer will receive notice regarding payment for the recurring service fees. A check will be required for the first 90 days of service. Subsequent payments will be made through an automatic payment process.

Terms

This proposal is valid until September 29, 2018. XiO will invoice upon shipment, and payment is due 60 days from invoice date.

Terms and Conditions of Sale

The following Terms & Conditions of Sale are included in this proposal.

Hardware Acceptance:

Print Name _____

Signature _____

Email _____

Hardware Bill To:

Hardware Ship To:

Cloud Fees Acceptance:

Print Name _____

Signature _____

Email _____

Cloud Fees Bill To:

Terms and Conditions

The following Terms and Conditions are incorporated in and are a part of the Purchase Agreement. Where the Product in question is a software product, it is understood that Customer receives only a license to use such product on the terms stated herein. XiO, Inc. ("XiO") retains title to said product.

1. Price; Payment Terms

- A. Prices for all products (hardware and software) will be the price agreed upon in XiO's acknowledgment of Customer's order or at the time of online order placement.
- B. XiO shall provide written acknowledgment of all non-online orders showing price, anticipated delivery date and payment terms. For online orders, Customer is provided with these Terms and Conditions, price, anticipated delivery date and payment terms. As a result, no written acknowledgment is provided for online orders.
- C. Prices are exclusive of all federal, state, municipal or other government, excise, sales, use, occupational, or like taxes or duties now in force or enacted in the future. Any such tax, fee, or charge of any nature whatsoever imposed by any governmental authority on, or measured by, the transaction (including the shipment of goods) between XiO and Customer shall be paid by Customer in addition to the prices quoted or invoiced. In the event XiO is required to pay any such tax, fee, or charge at the time of sale or thereafter, Customer shall reimburse XiO therefore.
- D. Payments shall be made by Customer in accordance with payment terms stated by XiO in written acknowledgment of order, or in an online description for online orders. Amounts not timely paid shall bear interest at the rate of 1-1/2% for each month or portion thereof that payment is late.

2. Delivery

- A. Delivery will be F.O.B. XiO's plant and shall occur on the date of turnover to a common carrier unless, at Customer's option, Product is picked up at the F.O.B. point by Customer.
- B. Title and risk of loss for Products shall pass to Customer on delivery F.O.B. XiO's plant. Customer shall then be responsible for and bear the entire risk of loss or damage to Products. Unless otherwise instructed, by Customer, XiO shall insure each product during shipment for Customer's account and will add the cost of such insurance to Customer's invoice.
- C. Shipment will be scheduled to be made on the date specified on Customer's written purchase order or on the date agreed upon by both parties and specified on the written acknowledgment of XiO, whichever is later, or--in the case of online orders-- based upon the online-stated scheduled date. This date is the scheduled shipment date. XiO reserves the right to extend this date by not more than sixty (60) days upon notification of Customer. If shipment is delayed by XiO more than sixty (60) days, Customer may terminate this Agreement and receive a refund of all money paid hereunder.

3. Change Orders

Any written request from Customer for a change in the order acknowledged by XiO may subject Customer to a price change reflecting XiO's increased or decreased direct costs or an extension of the scheduled shipment date, or both, depending on the change requested. Written acknowledgment by XiO of a change order will specify and confirm any price or delivery impact.

4. Shipment

In the absence of specific shipping instructions from Customer, XiO will ship by the method it deems most advantageous to both parties. Transportation charges may be prepaid and will be subsequently invoiced to Customer. Unless otherwise specified, products shall be shipped in XiO's standard commercial packaging. When special packaging is requested or, in the opinion of XiO, required under the circumstances, the cost of the same will be separately invoiced. If Customer specifies the shipment method on the purchase order, and XiO uses a different method, then XiO shall be liable for the difference, if any, between the cost of freight incurred and the cost of freight which would have been incurred had XiO complied with Customer' shipping instructions.

5. Cancellations

XiO shall have the right to cancel the order and recover possession of and title to a product (if such have passed to Customer) under any of the following circumstances: Customer fails to perform its obligations under any of the material Terms and Conditions hereunder; or Customer's delay directly causes material delay to XiO's performance; or any bankruptcy, arrangement or insolvency proceedings are commenced by or against Customer; or in the event of the appointment of any assignee for the benefit of creditors or of a receiver of Customer or its properties. No such termination shall prejudice any of the rights of XiO arising prior to such termination or shall limit in any way other remedies available to XiO. Customer shall have no right to cancel the purchase of any product after shipment from XiO. Orders for standard products that are canceled within fifteen (15) days prior to the scheduled shipment date from XiO shall be subject to a cancellation charge equal to twenty percent (20%) of the total purchase price. Orders for custom products are not cancelable after order acknowledgment.

6. Warranty

Hardware products and software media are warranted against defects in materials and workmanship for a period of one year from the date of shipment. During the warranty period, XiO will, at its option, either repair or replace (but not install) product or software media which proves to be defective. The Product or media must be returned to XiO for warranty service or repair. Customer shall prepay shipping charges to XiO and XiO shall ship to Customer in accordance with Section 4 of this Agreement, except that shipment by surface transportation to Customer, within the U.S. only, shall be at XiO's expense. XiO warrants that software products will conform to published specifications and will operate properly for one year from the date of shipment. XiO will correct material defects in software products during the warranty period by issuing converted versions of software products.

7. Limitations and Disclaimers of Warranties

Certain products are factory sealed and carry a label stating "warranty void if this seal is broken". In such a case, the foregoing warranty shall not apply if the product seal has been broken or the enclosure has been opened. The foregoing warranties shall not apply to defects resulting from improper connection, improper interfacing, misuse, or operation outside the specified environment.

THE FOREGOING WARRANTIES ARE IN LIEU OF ANY OTHER WARRANTY, EXPRESSED OR IMPLIED. XIO SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

8. Waiver of Certain Damages and Limit of Liability

XIO WILL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, OR ON ANY THEORY OF LIABILITY, NOR WILL XIO BE LIABLE FOR LOSS, DAMAGE OR EXPENSE WHICH DIRECTLY OR INDIRECTLY ARISES FROM CUSTOMER' USE OF OR INABILITY TO USE PRODUCT EITHER SEPARATELY OR IN COMBINATION WITH OTHER EQUIPMENT [EXCEPT FOR DAMAGE TO PERSON OR TANGIBLE PROPERTY], OR FOR COMMERCIAL LOSS OF ANY KIND, OR FOR PROCUREMENT OF SUBSTITUTE GOODS, WHETHER OR NOT XIO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE OR LOSS. IN NO EVENT SHALL XIO'S LIABILITY ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNT PAID TO XIO BY CUSTOMER FOR THE PURCHASE OF THE PRODUCT GIVING RISE TO SUCH LIABILITY. THIS LIMITATION IS INTENDED TO LIMIT THE LIABILITY OF XIO AND SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

9. Security Interest

Customer hereby grants to XiO a security interest in each product, to secure payment of the purchase price. XiO shall have the rights of a secured party under the Uniform Commercial Code in effect in the state where the premises at which the product is installed are located, including the right to retake possession of, or inhibit the use of product on any default by Customer. XiO's security interest shall expire upon the payment to XiO of the full purchase price. Customer agrees to execute such other documents as XiO shall reasonably require to perfect XiO's security interest.

10. Patent and Copyright Indemnity

- A. XiO will defend at its expense any action brought against Customer to the extent based upon the claim that a product constitutes direct infringement of any duly issued United States patent or copyright and shall pay any settlements or judgments to the extent based thereon, provided XiO shall have sole control of any such action or settlement negotiations, provided further that Customer notifies XiO promptly in writing of such claim, suit or proceeding and, at XiO's expense (except the value of time of Customer' employees), gives XiO adequate information and uses its best efforts to settle and/or defend any such claim, suit or proceeding.

- B. If a product becomes, or in the opinion of XiO may become, subject to any claim of infringement for any United States patent or copyright, XiO may, at its option: (i) procure for Customer the right to use or sell the product; (ii) replace or modify the product, or part thereof; or (iii) remove the product, or part thereof, and refund the aggregate payments paid therefor to XiO less a reasonable sum for use and damage. XiO shall not be liable for any costs or expenses incurred without its prior written authorization.
- C. XiO assumes no liability for (i) infringement of patent or copyright claims resulting from completed products of Customer into which a product is incorporated; (ii) any assembly, circuit, combination, method or process of Customer in which any product may be used; (iii) any compliance with Customer' specifications; or (iv) the modification of a product, or any part thereof, unless such modification was made by XiO or with the written approval of XiO.
- D. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF XIO, AND THE EXCLUSIVE REMEDY OF CUSTOMER, FOR PATENT, COPYRIGHT AND OTHER INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT OR CLAIMS OF INFRINGEMENT.

11. Substitutions and Modifications

XiO reserves the right to make substitutions and modifications in the specifications of products designed by XiO providing that such substitutions or modifications will not materially negatively affect performance in the intended application, and that upon written request, XiO will provide a brief explanation of the change.

12. Entire Agreement

The Purchase Agreement and Terms and Conditions as set forth herein shall govern and constitute the entire agreement between XiO and Customer. XiO shall not be bound by any terms of Customer' order which are inconsistent with or additional to the Terms and Conditions herein set forth.

13. Software Products Restriction

Products delivered to Customer pursuant to these Terms and Conditions may embody and include certain software programs in object code (machine-readable but not human-readable form). In some cases, the only product delivered will be a software product. The software may be contained on disk drives or CD's, erasable programmable read-only memories (EPROMS), non-volatile random access memories (NVRAM), electrically erasable programmable read-only memories (EEPROMS or flash memory), programmable array logic devices (PALS or FPGAS), disk cartridges, may be embodied in Application Specific Integrated Circuits (ASIC's) or in other electronic or mechanical forms. Such software constitutes either the copyrighted property of XiO or the proprietary trade secret information of XiO, or both, and shall be held in confidence by Customer. XiO retains title to the software (excluding media on which recorded) and all intellectual property rights, and no title to software or intellectual property rights is transferred to Customer. Unless Customer is granted greater rights by written amendment to these Terms and Conditions executed by XiO, Customer is hereby granted a personal, non-transferable, non-exclusive perpetual license to use only the number of copies of the software which are provided by

XiO, and to use such copies only on (i) the hardware on which it is originally mounted by XiO, or (ii) on a single hardware product identified by Customer in its purchase order and confirmed by XiO in its order acknowledgment. Without XiO's prior written consent, Customer may not copy the software for any purpose, nor may Customer remove the software or attempt to execute the software on any hardware other than the authorized hardware. Customer shall not, whether through use of disassemblers or any other means whatsoever (including but not limited to manual, mechanical or electrical means), reverse engineer, decompile, disassemble or derive source code from the software, or attempt to or permit any third party to do any of the foregoing, including causing the software to be destroyed or disabled. Any attempt to do any of these things shall be material breach of these Terms and Conditions which shall immediately entitle XiO to exercise any remedies set forth herein, as well as any remedy that may exist at law or in equity. The provisions of this Section 13 shall survive this Agreement in perpetuity.

14. Conditions of Operation

THE PRODUCTS PROVIDED BY XIO ARE INTENDED TO BE USED ONLY WHEN SUPPLEMENTAL PROTECTION IS PROVIDED TO PREVENT DAMAGE TO CUSTOMER' PROPERTY OR INJURY TO PERSONNEL. BECAUSE OF THE HIGH COMPLEXITY OF A COMPUTER-CONTROLLED MACHINE CONTROL OR INPUT/OUTPUT SYSTEM, UNINTENDED MOTION AND ACTIONS CAN OCCUR. CUSTOMER ACCEPTS ALL RESPONSIBILITY FOR INTEGRATING XIO PRODUCTS INTO MECHANISMS OR PROCESSES. LIMIT SWITCHES MUST BE A PART OF A MACHINE CONTROL OR INPUT/OUTPUT SYSTEM. OPERATOR GUARDS AND OTHER PROTECTION FOR OPERATORS MUST UNILATERALLY ACT TO PROTECT PERSONNEL AND PROPERTY. CUSTOMER ACCEPTS ALL RESPONSIBILITY FOR INSURING THAT MECHANISMS OR PROCESSES OF WHICH XIO PRODUCTS ARE A PART COMPLY WITH APPLICABLE SAFETY AND HEALTH STANDARDS, MUNICIPAL CODES, AND ANY SIMILAR REQUIREMENTS.

Aromas Water District
Balance Sheet Prev Year Comparison
As of August 31, 2018

	Aug 31, 18	Aug 31, 17
ASSETS		
Current Assets		
Checking/Savings		
UB Checking	161,224.31	63,384.18
UB Bk Money Market xxxx7853	117,651.82	132,215.59
LAIF-State of Ca xx-05	797,706.43	785,309.39
Petty Cash	100.00	100.00
Assessment District Banks		
OAWA Union Bank Checking 7741	21,152.20	21,282.54
OAWA Union Bank 101 Redemption	22,353.09	22,776.87
OAWA Union Bank 102 Reserve	35,730.24	35,549.40
Oakridge Union Checking 5587	390,016.92	373,804.39
CFD Union Bank CFD98-1	0.00	10,361.54
CFD 02 Provident T Fund Reserve	0.00	-59.62
CFD 05 Provident T Fund Redempt	0.00	80,000.00
Total Assessment District Banks	469,252.45	543,715.12
Total Checking/Savings	1,545,935.01	1,524,724.28
Accounts Receivable		
1200 · Accounts Receivable - Other	1,980.00	0.00
Total Accounts Receivable	1,980.00	0.00
Other Current Assets		
1292 · Accounts Rec - USDA Loan	2,329,859.60	2,329,859.60
1291 · Accounts Rec - Orchard Acres	339,708.47	339,708.47
Prepaid Insurance	13,322.86	10,116.87
128 · Inventory	22,913.50	23,913.50
1200.1 · Accounts Receivable--UBMax	168,598.40	144,321.04
1201.9 · Less Allowance for doubtful A...	-500.00	-500.00
Total Other Current Assets	2,873,902.83	2,847,419.48
Total Current Assets	4,421,817.84	4,372,143.76
Fixed Assets		
1900 · Water System	11,722,862.10	11,622,524.68
1915 · Office Building & Improvements	387,260.80	387,260.80
1970 · Office Equipment & Fixtures	102,915.30	93,467.05
1980 · District Vehicles	117,577.39	75,349.31
1990 · Land and Easements	330,195.78	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	-5,463,694.00	-5,020,460.75
Total Fixed Assets	7,198,117.37	7,489,336.87
Other Assets		
Deferred Outflow of Resources	174,771.00	174,771.00
Deposits		
ACWA Deposit	2,080.80	2,080.80
Total Deposits	2,080.80	2,080.80
Total Other Assets	176,851.80	176,851.80
TOTAL ASSETS	11,796,787.01	12,038,332.43

Aromas Water District
Balance Sheet Prev Year Comparison

As of August 31, 2018

	Aug 31, 18	Aug 31, 17
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 - Accounts Payable	8,506.64	27,158.97
Total Accounts Payable	8,506.64	27,158.97
Credit Cards		
First Bankcard - E Giron #86	657.83	0.00
First Bankcard - R. Johnson #31	-327.61	0.00
ACE Hardware	39.85	39.85
First Bankcard - L Coombes #92	618.88	223.47
First Bankcard -- T. Zelmar #67	7.19	1,059.78
Valero - Fuel	1,534.28	276.97
First Bankcard -- D DeAlba #35	0.00	-629.16
First Bankcard -- #24 (VM)	0.00	152.97
Total Credit Cards	2,530.42	1,123.88
Other Current Liabilities		
2100 - Payroll Liabilities	103.89	4,654.82
City National Bank - Current	111,781.03	105,477.00
Deferred Inflows- Actuarial	17,463.00	17,463.00
CUSTOMER DEPOSITS		
Connection Deposits Payable	4,000.00	4,000.00
Hydrant Meter Deposit	1,600.00	150.00
Total CUSTOMER DEPOSITS	5,600.00	4,150.00
Accrued Vacation Payable	19,106.97	22,769.14
Interest Payable	52,480.90	52,480.90
PVWMA Payable	27,729.35	21,896.75
Total Other Current Liabilities	234,265.14	228,891.61
Total Current Liabilities	245,302.20	257,174.46
Long Term Liabilities		
2590 - Unearned Revenue - CFD 98-1	5,545.71	13,436.52
2393 - Long-term Debt - CFD 98-1	0.00	80,000.00
2392 - Long-term Debt - USDA	2,662,000.00	2,693,000.00
2391 - Long-term Debt - Orchard Acres	410,000.00	420,000.00
GASB 68 Pension Liability	501,054.00	501,054.00
City National Bank	1,097,386.26	1,212,273.51
Total Long Term Liabilities	4,675,985.97	4,919,764.03
Total Liabilities	4,921,288.17	5,176,938.49
Equity		
Investment in Capital Assets	6,420,006.53	6,420,006.53
Unrestricted Net Assets	2,999,546.04	3,019,748.84
Allocation of Net Assets	-2,637,407.62	-2,637,407.62
Net Income	93,353.89	59,046.19
Total Equity	6,875,498.84	6,861,393.94
TOTAL LIABILITIES & EQUITY	11,796,787.01	12,038,332.43

Aromas Water District
Profit & Loss Budget Performance

August 2018

	Aug 18	Budget	Jul - Aug 18	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
303 · Water Revenue	128,474.99	115,000.00	279,773.18	230,000.00	1,092,000.00
307 · Bulk Water	2,532.36	500.00	3,701.41	1,000.00	6,000.00
302 · Connection	0.00	0.00	0.00	0.00	13,300.00
301 · Taxes Rcvd					
3090 · Oakridge / OAWA Assess...	0.00		0.00		160,140.73
301 · Taxes Rcvd - Other	0.00	1,500.00	0.00	1,500.00	66,000.00
Total 301 · Taxes Rcvd	0.00	1,500.00	0.00	1,500.00	226,140.73
304 · Other Office Income & Reimbu...	0.00	500.00	0.00	500.00	3,000.00
306 · Interest	1,332.66	800.00	2,679.00	1,550.00	12,000.00
312 · Grant Revenue	0.00	750.00	625.00	750.00	2,600.00
Total Income	132,340.01	119,050.00	286,778.59	235,300.00	1,355,040.73
Gross Profit	132,340.01	119,050.00	286,778.59	235,300.00	1,355,040.73
Expense					
Operations					
403 · Fuel	1,019.39	830.00	1,980.80	1,660.00	10,000.00
404 · Truck Maint	913.28	0.00	1,715.91	1,000.00	5,000.00
431 · System Repair & Maint	7,433.62	5,000.00	11,055.54	10,000.00	60,000.00
463 · Water Analysis	214.00	500.00	1,646.00	1,000.00	6,000.00
464 · Water Treatment	2,094.40	790.00	3,091.73	1,580.00	9,500.00
468 · Tools	0.00	800.00	172.53	1,300.00	7,500.00
470 · Public Outreach / Annexation	-60.00	330.00	-60.00	660.00	4,000.00
Total Operations	11,614.69	8,250.00	19,602.51	17,200.00	102,000.00
Power					
449.75 · 388 Blohm, # C	19.38	16.00	31.03	32.00	200.00
449.5 · 388 Blohm, A & B Office	120.02	130.00	187.89	260.00	1,600.00
461.5 · RLS Tank Booster	10.51	11.00	16.43	22.00	125.00
447 · Leo Ln Booster	39.38	35.00	59.36	69.00	400.00
448 · Aimee Mdws Well	9.86	11.00	15.11	22.00	125.00
451 · Marshall Corp Yard	37.19	42.00	54.23	84.00	500.00
452 · Rea Booster @ Seely	39.01	34.00	59.74	67.00	400.00
454 · Carr Booster	585.45	390.00	892.54	780.00	4,500.00
458 · Pleasant Acres Well	1,856.56	1,200.00	2,931.06	2,300.00	12,000.00
459 · Seely Booster @ Carpenteria	19.06	30.00	30.91	60.00	300.00
460 · San Juan Well	5,310.72	3,750.00	7,868.35	7,500.00	45,000.00
461 · Cole Tank	12.69	15.00	19.44	30.00	175.00
462 · Rea Tank	12.62	15.00	19.33	30.00	175.00
465 · Lwr Oakridge Boost	103.49	85.00	129.08	170.00	1,000.00
465.5 · Upper Oakridge Booster	0.00	50.00	150.00	100.00	600.00
466 · Pine Tree Tank	12.88	12.50	19.66	25.00	150.00
Total Power	8,188.82	5,826.50	12,484.16	11,551.00	67,250.00
Payroll					
Gross	36,102.21	33,700.00	68,153.95	67,400.00	405,740.00
Comp FICA	2,238.33	2,096.00	4,225.54	4,192.00	25,156.00
Comp MCARE	523.52	490.00	988.26	980.00	5,883.00
Comp SUI	72.14	195.00	103.89	385.00	2,335.00
Total Payroll	38,936.20	36,481.00	73,471.64	72,957.00	439,114.00
Employee / Labor Costs					
407 · Outside Services	638.30	500.00	1,085.25	1,000.00	6,000.00
408 · Uniform Allowance	311.08	0.00	415.38	0.00	1,500.00
409 · Workers Comp	935.55	1,058.00	1,871.15	2,116.00	12,702.00
410 · Health Ins	6,914.12	5,852.00	12,764.43	11,704.00	70,224.00
474 · Education	120.00	500.00	558.99	1,000.00	6,000.00
477 · Retirement	6,128.16	6,159.00	12,095.75	12,318.00	73,914.00
Total Employee / Labor Costs	15,047.21	14,069.00	28,790.95	28,138.00	170,340.00

Aromas Water District
Profit & Loss Budget Performance

August 2018

	Aug 18	Budget	Jul - Aug 18	YTD Budget	Annual Budget
Office					
440 · Misc Exp	100.00	330.00	375.00	660.00	4,000.00
444 · Postage	254.68	280.00	527.12	560.00	4,000.00
445 · Office Supplies	137.97	330.00	337.98	660.00	4,000.00
446 · Office Eqpmt and Maint	181.25	780.00	325.24	1,560.00	10,000.00
Total Office	673.90	1,720.00	1,565.34	3,440.00	22,000.00
Communications					
455 · Phone, Off	341.44	290.00	667.58	580.00	3,500.00
456 · Telemetry	299.99	300.00	599.98	600.00	3,600.00
457 · Answ Serv/Cellular Phone	260.67	300.00	494.88	600.00	3,600.00
Total Communications	902.10	890.00	1,762.44	1,780.00	10,700.00
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	2,215.68
4591 · Admin Fee (Bond Admin N...	0.00	0.00	840.33	0.00	8,423.16
4590 · Bond Interest Exp - Assess...	0.00	0.00	0.00	0.00	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	0.00	0.00	36,820.00
467.5 · Amortization Exp	0.00	0.00	0.00	0.00	1,500.00
467 - Depreciation Reserve	22,000.00	22,000.00	44,000.00	44,000.00	266,352.00
405 · Election	0.00	0.00	0.00	0.00	5,200.00
406 · Liability Ins	1,502.24	1,600.00	3,004.48	3,200.00	20,000.00
420 · Legal Fees	1,300.00	1,300.00	2,600.00	2,600.00	16,000.00
422 · Bank Charges	164.46	80.00	362.99	160.00	1,000.00
423 · Litigation Contingency	0.00	0.00	0.00	0.00	10,000.00
425 · Audit	2,100.00	0.00	4,311.00	2,500.00	11,625.00
471 · Bad Debts	0.00	0.00	0.00	0.00	500.00
473 · Memberships	197.91	0.00	628.86	1,700.00	16,000.00
Total Administrative & General	27,264.61	24,980.00	55,747.66	54,160.00	548,080.61
Total Expense	102,627.53	92,216.50	193,424.70	189,226.00	1,359,484.61
Net Ordinary Income	29,712.48	26,833.50	93,353.89	46,074.00	-4,443.88
Net Income	29,712.48	26,833.50	93,353.89	46,074.00	-4,443.88

Aromas Water District
Monthly Expenditures
 August 21 through September 19, 2018

Date	Num	Name	Amount
UB Checking			
08/29/2018	16850	Salinas Valley Ford Trucks	-42,228.08
08/29/2018	E-pay	Employment Development Dept	-843.80
08/29/2018	E-pay	United States Treasury (EFTPS)	-4,514.08
08/29/2018	16853	ACWA JPIA, Emp. Ben. Prog.	-6,914.12
08/29/2018	16854	ADT Security Services, Inc.	-370.98
08/29/2018	16855	Aromas Water District (Petty Cash)	-100.00
08/29/2018	16856	CALNET3	-299.99
08/29/2018	16857	County of Monterey	-30.00
08/29/2018	16858	CSSC	-102.70
08/29/2018	16859	David DeAlba	-21.80
08/29/2018	16860	Fastenal Company	-13.90
08/29/2018	16861	Gilroy Chevrolet Cadillac Inc	-879.09
08/29/2018	16862	Green Rubber Kennedy	-20.23
08/29/2018	16863	Mid Valley Supply	-1,595.73
08/29/2018	16864	Monterey Bay Analytical Services Inc	-214.00
08/29/2018	16865	Monterey Bay Water Works Assoc	-120.00
08/29/2018	16866	R & B Company	-587.37
08/29/2018	16867	Rob Johnson	-50.00
08/29/2018	16868	Trevor J. Zelmar	-92.66
08/29/2018	16869	United Way serving San Benito County	-38.00
08/29/2018	16870	Verizon Wireless	-107.97
08/29/2018	16871	West Valley Construction	-10,500.00
08/29/2018	NSF	Bill Adjustment Report	-135.47
08/30/2018	EFT	QuickBooks Payroll Service	-7,018.47
08/31/2018	DD1258	Morris (P), Vicki	0.00
08/31/2018	DD1259	Coombes (P), Louise P	0.00
08/31/2018	16851	DeAlba (P), David	-3,023.45
08/31/2018	DD1260	Giron (P), Ester	0.00
08/31/2018	DD1261	Johnson (P), Robert L	0.00
08/31/2018	DD1262	Varela (P), Sandra	0.00
08/31/2018	16852	Zelmar (P), Trevor J	-2,249.75
08/31/2018	ACH	CalPERS	-1,035.07
08/31/2018	ACH	CalPERS	-2,442.53
08/31/2018	Paid Online	P G & E	-6,007.91
08/31/2018	EFT	Bank Service Fees	-159.76
09/05/2018	ACH	CalPERS	-700.00
09/05/2018	EFT	CalPERS	-3,495.42
09/06/2018	Paid Online	P G & E	-103.49
09/07/2018	NSF	Bill Adjustment Report	-150.00
09/07/2018	Paid Online	A T & T U-verse	-69.25
09/07/2018	Paid Online	First Bankcard	-1,326.77
09/07/2018	Pain Online	P G & E	-2,077.42
09/07/2018	Paid by Pho	Valero	-1,044.23
09/10/2018	16872	USPO	-50.00
09/10/2018	16873	ACWA JPIA, Emp. Ben. Prog.	-6,914.12
09/10/2018	16874	Batteries Plus Bulbs	-101.95
09/10/2018	16875	CALNET3	-272.19
09/10/2018	16876	Monterey Bay Analytical Services Inc	-125.00
09/10/2018	16877	Recology San Benito County	-34.66
09/10/2018	16878	Simone LaJeunesse	-133.35

09/19/18

Aromas Water District
Monthly Expenditures
 August 21 through September 19, 2018

Date	Num	Name	Amount
09/10/2018	16879	Streamline	-100.00
09/10/2018	16880	USPO	-204.68
09/10/2018	16881	Xerox Corp	-12.11
09/12/2018	E-pay	Employment Development Dept	-677.27
09/12/2018	E-pay	United States Treasury (EFTPS)	-3,865.46
09/13/2018	EFT	QuickBooks Payroll Service	-7,912.99
09/14/2018	DD1266	Coombes (P), Louise P	0.00
09/14/2018	16884	DeAlba (P), David	-2,657.87
09/14/2018	DD1267	Giron (P), Ester	0.00
09/14/2018	DD1268	Johnson (P), Robert L	0.00
09/14/2018	DD1269	Varela (P), Sandra	0.00
09/14/2018	DD1270	Zelmar (P), Trevor J	0.00
09/14/2018	16882	Dutra (P), Marcus	-214.67
09/14/2018	16883	Holman (P), Wayne R	-214.68
09/14/2018	DD1263	Leap (P), James E	0.00
09/14/2018	DD1264	Norton (P), K W	0.00
09/14/2018	DD1265	Smith (P), Richard	0.00
09/14/2018	ACH	CalPERS	-836.44
09/14/2018	ACH	CalPERS	-2,210.59
09/19/2018	16885	ACE Hardware Prunedale	-174.06
09/19/2018	16886	D & G Sanitation	-80.81
09/19/2018	16887	Fastenal Company	-15.50
09/19/2018	16888	Fedak & Brown LLP	-2,100.00
09/19/2018	16889	Green Rubber Kennedy	-73.10
09/19/2018	16890	Master Meter Systems	-1,500.00
09/19/2018	16891	Mid Valley Supply	-498.67
09/19/2018	16892	Robert E. Bosso	-1,300.00
09/19/2018	16893	Spec. Districts Risk Management Auth	-760.30
09/19/2018	16894	State Water Resources Control Board	-60.00
09/19/2018	16895	West Valley Construction	-3,460.00
Total UB Checking			-137,243.96
TOTAL			<u>-137,243.96</u>