



SPECIAL MEETING OF THE BOARD OF DIRECTORS

President- James Leap
 Vice President- Richard Smith
 Director- Marcus Dutra
 Director- Wayne Holman
 Director- Wayne Norton
 General Manager- Vicki Morris
 Asst General Manager- Mark Dias

AGENDA Wednesday, December 21, 2016 7:00 PM

Meeting held at
 District Office:
 388 Blohm Ave.,
 Aromas CA 95004

- I. **CALL TO ORDER:**
- II. **ROLL CALL OF DIRECTORS:** Pres. James Leap, V. Pres. Richard Smith, Wayne Holman, Marcus Dutra and Wayne Norton
- III. **PLEDGE OF ALLEGIANCE**
- IV. **STATEMENTS OF DISQUALIFICATION**
- V. **ADDITIONS AND DELETIONS**
- VI. **MINUTES:** Motion to approve the Minutes of November 22, 2016 Regular Board Meeting p.3-5
- VII. **ORAL COMMUNICATION:** *Anyone wishing to address the Board on informational items, staff reports or matters not listed on the agenda may do so during Oral Communications. Please limit your comment to three minutes. The public may comment on listed Action and Public Hearing items at the time they are considered by the Board.*
- VIII. **PRESENTATIONS:**
 - A. **DIRECTORS' REPORT**
 - B. **ATTORNEY'S REPORT**
 - C. **MANAGER'S REPORT** p.6-8
 - D. **GROUNDWATER SUSTAINABILITY PLANNING** p.9-11
 - E. **CORRESPONDENCE** p.12-15
- IX. **ACTION ITEMS:**
 - A. **Financial Reports for the Month of November 2016:** Revenue for November is \$70,653.50; expenditures between November 17 and December 9, 2016 total \$47,197.55. These financials and monthly expenditures will be presented for discussion and approval. p.16-20
 - B. **Election of Officers for 2017:** Board to nominate and elect a President and Vice President to take office in January 2017. p.21
- X. **FUTURE MEETINGS & AGENDA ITEMS:** Next meeting- January 24, 2017
- XI. **ADJOURNMENT**

Next Res. # 2017-01

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.

**Minutes of the Regular Meeting of
the Board of Directors of the
Aromas Water District
November 22, 2016**

I. CALL TO ORDER:

The regular meeting of the Board of Directors of the Aromas Water District was called to order by President Leap on Tuesday, November 22, 2016 at 7:00 p.m. at the District office located at 388 Blohm Ave, Aromas, California.

II. ROLL CALL:

President Leap, Vice-President Smith, and Directors Holman, Dutra and Norton were all present. Also in attendance were General Counsel Bob Bosso, General Manager Vicki Morris and Asst. General Manager/Board Secretary Mark Dias.

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 or deletions.

VI. MINUTES: The minutes of the October 25, 2016 Regular Meeting were presented for acceptance and approval. There were no comments or corrections. Director Holman moved to approve and the motion was seconded by Vice Pres. Smith. The minutes were approved unanimously with Directors Dutra and Norton abstaining.

VII. ORAL COMMUNICATION: There were no comments.

VIII. PRESENTATIONS

A. Director's Reports

Director Norton reported that he had requested and received a briefing from District staff regarding SGMA groundwater planning efforts. President Leap said that during his visits to the office that staff seemed positive and motivated.

B. Attorney's Report

Counsel Bosso briefly reported that pending court rulings were dragging on regarding various Proposition 218 cases involving water district conservation rates. He also reported there were newer cases involving whether the public has a right to bring referenda (vs. initiatives) to challenge rate increases.

C. Manager's Report: See detailed report in agenda packet. Highlights include:

Production:

- GM Morris handed out monthly monitoring well level graphs. Water levels were continuing to recover from summer lows. Production (pumping) figures showed typical reduction for the fall months. The corresponding drop in revenue was consistent with budgeted figures. President Leap asked about annual, mandated conservation reporting. GM Morris responded those were due in December and that it appeared we were still meeting the mandated 20% reduction as compared

the 2013 baseline year. The area was still receiving more than average rainfall for this time of year.

Operations:

All critical activities were being completed and operations were going well despite one operator being on light duty.

Maintenance:

Weed control had started with mowing and spraying near fire hydrants and fence lines. Sheep were still under consideration for weed control in the solar panel yard.

Staff & Board Recognitions

- GM Morris noted AGM Dias had attended a two-day District Secretary training and was now the Secretary to the Board.
- GM Morris reported she had investigated the actual amount of funds lost due to the sudden closure of the District's payroll company (Pinnacle Payroll Solutions). The amount lost appears to be less than initial estimates. While Pinnacle did not make the tax payments, apparently they also did not withdrawal tax funds from District accounts. The final amount lost is still being determined. The District is assessing options for a new payroll company and in the interim is completing payroll in-house at least until the end of the year.

Projects

- Marshall Shop Building. Salinas Steel Builders had been asked to work on assembling information regarding site constraints such as easements, building/zoning setbacks, and septic locations. AGM Dias had met onsite with Tri-County Fire who initially indicated the main driveway would need to be paved adding significant project costs. Different access grades and options would be proposed. Fire Department was reviewing their codes.
- Water main relocation at Rocks Road Bridge (near Rancho Larios). GM Morris reported that nothing more had been heard from San Benito County staff since the October meeting. She noted that the pipeline had not actually been accepted by the District until 2002 meaning that it was under their ownership for a number of years.

D. Sustainable Groundwater Planning Report:

AGM Dias presented the third of a series of monthly updates. The agenda packet included a written staff report. AGM Dias also gave a PowerPoint presentation. A printed version was distributed to the Board and made available to the public. The presentation highlighted that: AWD staff has made progress assessing options with enough questions answered to develop a list of options. New landuse and mapping data allowed staff to analyze the size of the problem. Because of our local complexity, some GSA formation questions will not be fully answered before a decision is needed. Seven initial options were presented. Monterey and San Benito's County's participation level will impact which options are viable or not. PVWMA's submittal of an "alternative plan" appears to be pivotal since it may render the need to form a GSA moot. Staff would be meeting with County water district staff the week of

December 12. A list of pros/cons and cost estimates for the options were still under development. A Special Board workshop was recommended to discuss the options in detail. The Board discussed and selected Wednesday December 21st at 5 PM for the workshop.

- E. Correspondence:** The monthly correspondence list was reviewed. Director Holman asked about the use permit item. GM Morris replied it was an application to build a home on a vacant lot. Directors asked questions about the follow up on the Oak Ridge tank corrosion issue discussed last month. GM Morris responded she had discussed it with the District Engineer and the particulars of the construction contract were under review with the contractor. This contractor had been used for other tanks. Follow up was ongoing.

IX. ACTION ITEMS

- A. Financials:** Revenue and expenses for October reporting period were \$83,553.58 and \$124,802.82 respectively. Total assets are \$9.02 million. Total liabilities were similar to last year at \$1.92 million making a net equity of \$7.05 million. The expenditures from October 20 to November 16, 2016 totaled \$71,777.95. GM Morris noted that the expenditures were lower than the budgeted amounts in almost all major categories. The operations budget included non-routine costs for cleaning of all tanks, two large valves, two solar panels and SCADA programming. Net expenses were lower than budgeted for this point in the fiscal year. A mid-year budget adjustment would likely be presented in January. President Leap had previously reviewed the expenditures. He noted that separate entries to U.S. Treasury were now appearing instead of being included in a generic "payroll" entry as was previously the case. The pros and cons of contracting with a payroll company or doing payroll in-house were discussed.

Director Dutra moved to accept the financials as presented and Director Norton seconded. The financials were accepted unanimously with all directors present.

X. FUTURE MEETINGS & AGENDA ITEMS:

The Board discussed options to hold a ground water sustainability workshop and to also reschedule the regular December meeting. It was agreed both meetings would be held Wednesday, December 21, with the workshop starting at 5PM and the regular Board meeting at 7 PM.

- XI. ADJOURNMENT** - Pres. Leap adjourned the meeting at 8:31PM until December 21, 2016.

Read and approved by:

Board President, Jim Leap

Attest: _____
District Secretary, Mark Dias

Date: December 21, 2016

Aromas Water District General Manager's Report November 2016

PRODUCTION

Source	Production in Gallons	Average Daily Gal/Day	Days in Service
San Juan Well	1,894,710	70,174	27
Pleasant Acres Well	161,000	17,889	9
Carpenteria Well	3,244,000	140,194	30
Total Production	5,299,710	176,657	

ANNUAL PRODUCTION IN MILLIONS/GALLONS:

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January	5.52	5.84	5.99	5.68	6.49	5.83	5.77	7.33	5.34	8.11	5.99	5.195
February	4.81	6.12	5.46	5.55	5.38	5.09	5.43	5.81	5.40	5.42	5.48	4.687
March	5.66	5.10	7.99	8.40	6.72	6.34	5.61	5.62	7.37	6.43	7.06	4.797
April	6.93	5.34	10.58	11.95	9.97	6.07	7.46	5.55	9.93	7.42	7.49	5.801
May	11.01	11.56	14.57	14.58	12.42	9.77	10.58	9.94	12.74	11.81	7.93	8.332
June	14.60	16.34	14.71	15.77	14.04	14.13	11.32	13.4	13.14	11.99	9.37	10.286
July	15.98	18.07	16.91	16.02	16.31	14.35	13.41	14.1	14.82	12.59	10.01	10.915
August	16.28	16.61	17.13	16.04	16.68	14.67	12.76	14.0	13.96	11.73	9.93	10.295
September	13.68	14.78	14.27	14.34	13.71	13.28	12.02	11.8	12.79	10.39	9.74	9.701
October	12.35	12.48	10.69	12.99	9.98	10.54	8.90	10.69	11.22	9.34	8.02	7.970
November	9.74	8.41	8.06	7.71	8.36	6.62	6.01	6.83	8.91	5.88	5.37	5.299
December	6.70	6.74	7.20	6.35	6.84	5.68	6.88	5.10	7.81	4.86	4.88	
Totals MG	123.2	127.42	133.6	135.38	126.9	112.37	106.15	110.17	123.42	105.97	91.27	83.279
Total AcFt	378	391.1	410.0	415.4	389.4	344.8	325.7	338.05	378.7	325.16	280.05	255.53

OPERATIONS:

- There are 953 total meters, on 898 parcels
- Loss Production system wide has maintained below 6% for over eighteen+ months
- Carpenteria Well, San Juan Well and Pleasant Acres Well are operational
- Water Treatment Plant- Removing Mn & Fe, Lab results show-Mn not detected in finished water
- Distribution testing for total Coliform- all samples Negative
- All Coliform, iron and manganese & monthly DWR reports were filed timely
- Backwashing WTP filters approximately every 5-7 +/- days, or 1.5 mg
- Monthly Generator 15 minute testing under load
- GM Morris & AGM Dias met with our Sanitary Engineer, S. Kler of DWR on 12/1/16 for the tri-annual System Inspection. The full report will be shared when issued by the DWR.

MAINTENANCE:

- Preventative maintenance as needed, minimal flushing as needed
- Graffiti removal whenever it occurs, installation of security cameras
- Chlorine chemical pump maintenance & analyzer maintenance at all wells
- AWD continues to offer mulch to the community, located at our Carpenteria site, Cal-Fire also is using our site to provide sand for filling sandbags if needed, by community
- Replacing solar panels on Carr Tank, troubleshooting pressure transducer at OakRidge Tank.
- Ballantree booster 'pump saver' replacement
- Replacing oil and fuel filters on Carpenteria generator

STAFF & BOARD RECOGNITION:

Chief Operator, David DeAlba passed his Backflow Certification (re-testing is due every 3 years) on 12/10/16.

AGM Dias attended District Secretary training in Monterey sponsored by CSDA on 11/15 &16.

Pres. Leap, VP Smith, GM Morris & AGM Dias hosted a meeting with PVWMA, SBCWD & MCWRA regarding SGMA on 12/14.

Pres. Leap and AGM Dias attended a tour on 12/15 of the Watsonville Wastewater Treatment plant and Coastal Distribution system of recycled water.

SAFETY MEETINGS: 12/12 Safe Winter Driving

The Emergency Response Notification data and the Emergency Response Plan have been updated.

Accounting Clerk Coombes attended a webinar on Cybercrime & Security on 12/14

GM Morris attended a webinar on 12/15 on required lead testing in California K-12 schools.

DROUGHT & CONSERVATION UPDATE:

Governor Brown declared California in a Drought State of Emergency on Jan. 17th 2014; this status has been extended through the end of January 2017. AWD customers are commended for making significant strides in water conservation.

Water production for calendar year 2016 has continued to reflect excellent water conservation. The Annual Water Conservation Report to the State was filed on 12/7/16, with a voluntary reduction in use of 29% over the same period in 2013.

The beginning rains in water year (10/1/16-9/30/17) are off to an excellent start, recording 8.24 inches recorded at Chittenden Pass through 12/14/16, with more on the way.

PROJECTS:

1. The construction of a 30' x 50' steel shop building at the Marshall site: GM Morris has discussed the building permitting requirements with San Benito County Planning Dept; Tri-County Fire Department will not require fire sprinklers, but did recommend the driveway be paved for truck access and turning radii. Staff met with several building contractors; the cost estimates are climbing. AGM Dias is researching another option, the possibility of enlarging the footprint of the Blohm Avenue garage from 24' x 16' to a 30' x 20' for a new steel building. This would be adequate for secure parking of two trucks and a full width work bench. More research is needed with Monterey County Planning and Environmental Health on the viability.

2. Ad Hoc GSA committee of Directors Leap and Smith continue to meet and discuss the need to form a GSA in the portion of our District that is located in the Pajaro Valley 3-02 PUMA, outside of PVWMA's GSA. VP Smith attended the Salinas Groundwater Collaboration meeting on 12/2. AGM Dias continues discussions with PVWMA and DWR. A meeting was held on 12/14 with representatives from SBCWD, PVWMA, MCWRA and AWD to discuss the options and requirements to meet the GSA formation deadline and SGMA compliance.

3. Rocks Road Bridge watermain relocation;

In 2011, San Benito County Public Works received partial funding from CalTrans to replace the one lane bridge with a two lane bridge over Pinacate Creek on Rocks Road. AWD has a 10" transmission main that will require temporary re-routing during construction followed by permanent relocation to accommodate the new wider bridge. The project has been on hold for many years and recently resurrected. On 10/19/16, AWD staff met with the SBC representatives to discuss. To date there has been no additional follow up by San Benito County staff.

Vicki Morris
General Manager
December 15, 2016

Staff Report

TO: Board of Directors
FROM: Mark Dias, AGM
RE: **Update #4-** Sustainable Groundwater Management Act (SGMA) Planning
DATE: December 21, 2016

Note: Supplemental material (PowerPoint presentation) to be provided at the Dec 21 Board meeting.

SUMMARY

At the November AWD Board meeting, staff presented seven draft options for GSA formation. In December staff continued to make progress assessing these options. Additional information was gathered from State agencies and productive meetings were held with managers for PVWMA and the water agencies for both Monterey and San Benito counties. As a result, November's list of options can be reduced from seven to three. Pros and cons for each option were developed. Despite this progress our local setting remains complex and all three scenarios are impacted by grey areas of the law or hinge on future decisions by State agencies. Therefore staff's analysis is based on the best information available at this time.

New information includes: (1) District staff and all the other three water agencies agree that PVWMA's pending submittal of their Alternative plan appears to be pivotal and could eliminate the need for AWD and the Counties to form any type of GSA. Therefore support of PVWMA's alternative effort (Option A) is recommended. If PVWMA's Alternative plan is denied by the State, the District would still have 180 days to form a GSA even if this is past the June 30, 2017 deadline. (2) The option to form a GSA to manage lands within our Sphere of Influence (Sphere) is complicated by questions surrounding whether agencies have adequate legal authorities needed to manage water use and collect fees in their Spheres. So this option is not recommended at this time. This eliminates one of the seven draft options. (3) It appears unlikely that either of the County water districts are prepared to immediately form GSAs to cover either the "islands" or our Sphere. Instead it more likely they may await the results of State decisions regarding PVWMA's Alternative plan and wait for State enforcement policies to evolve for fringe areas such as ours. This effectively freezes two of the seven options. (4) District staff and all the other three water agencies agree that formation of a Joint Powers Authority (JPA) is legally unnecessary and overly burdensome. This eliminates the JPA option.

ANALYSIS OF SEVEN OPTIONS

The November staff report presented seven draft options (Options A through E). The section below analyzes each Option in order.

OPTION A: PVWMA's Alternative Plan

In December significant new information was received about how Alternative Plans are processed and how approval would significantly streamline the sustainability issue for all the local water agencies.

- **Description.** AWD would take no action while PVWMA submits their alternative plan. AWD waits for up to two years for the State to either approve or deny the alternative plan. If approved then no further action would be needed by AWD. If denied we would (re)consider our viable options at that time.
- **Background.** SGMA law allows for a process where if any agency (i.e., PVWMA) believes an "alternative plan" satisfies the same objectives as a Groundwater Sustainability Plan

(GSP), that agency can submit their plan to the State for approval. PVWMA's Board authorized staff to submit their most recent Basin Management Plan as an alternative plan. *It is important to note that PVWMA's plan (supported by sophisticated groundwater modeling) covers the **entire basin** including the PUMA area.*

- **Analysis**
 - **Possible State approval of Alternative plan.** If accepted by the State, the need for AWD to form a GSA would be moot. Similarly the need for Monterey and San Benito counties to form GSAs to cover our Sphere and/or the Islands also appears to be moot. Therefore all three water agencies will be following this process closely.
 - **Possible State denial of Alternative plan.** If denied by the State, AWD would want to reconsider forming a GSA at that time. There would be a 180-day window to form a GSA before State intervention could be triggered.
 - **Timeline.** Jan 1, 2017 is the deadline for PVWMA to submit their Alternative plan. **The State's review time could range from 6 months to 2 years.** During this time we would await State DWR approval/denial. The June 30, 2017 deadline for GSA formation deadline will not apply during this State review period.
 - **Pros/Cons.** There would be several significant benefits -- notably that AWD and the Counties would not need to form GSAs or be involved in groundwater management. Our existing augmentation fees would continue. During the waiting period we could track the evolution of state enforcement policies and priorities. There does not appear to be any cons at this time. If the alternative plan is denied, there does not appear to be any penalties and AWD still would have 6 months to complete the GSA formation process. Six months would be a realistic timeframe to form a GSA.
- **Support of PVWMA's efforts.** Because of these significant benefits staff is recommending supporting PVWMA's alternative plan. Initially this could be a letter of support included in the application package. There will also be a public comment period and AWD could offer additional support at that time.

OPTION B: "Do Nothing"

- **Description.** In this alternative AWD would: (1) take no action and not form a GSA; (2) continue to report pumping to PVWMA and pay augmentation fees; (3) react to State/County intervention (enforcement) actions.
- **Analysis.** Because PVWMA will be submitting their Alternative plan regardless of AWD's actions, this "Do Nothing" option is essentially frozen for six months up to two years. If PVWMA's alternative plan is denied, this option may be reconsidered at that time.

OPTIONS C1 and C2

- **Description.** Under Option C1, AWD would form a GSA to only cover our annexed area. Under Option C2 we would form a GSA to cover both our annexed area and the Sphere of Influence. This would be a stand-alone effort (i.e., the islands and our Sphere would be unaddressed and left to State intervention).
- **Background.** Unless covered by an alternative plan (Option A), the "critically overdrafted" Pajaro groundwater basin must be covered by a GSA by June 30, 2017 or the basin may be placed in a "probationary" status. This would be expected to trigger intervention by the State Water Resources Control Board (SWRCB) including state fees. PVWMA is already the exclusive GSA for the portions of their groundwater basin within their boundaries. Because their boundaries do not include the *entire* groundwater basin it leaves a Potentially Unmanaged Area (PUMA - See Exhibit A). The PUMA is ~9% of the Pajaro basin. Having a PUMA within the critically over-drafted Pajaro basin may cause the State Board to place the entire Pajaro basin into a "probationary" status and trigger State intervention. This is a

key reason why AWD was encouraged to form a GSA. Our area, including our Sphere of Influence, covers 75% of the PUMA.

- **Analysis.** PVWMA will be submitting their Alternative plan (See Option A) regardless of AWD's actions. Therefore the formation of a District GSA will ideally be preempted by the approval of PVWMA's alternative plan. This may take from six months up to two years. If PVWMA's alternative plan is denied, the C1 Option would be reconsidered at that time.

Regarding Option C2 (forming a GSA to manage lands within our Sphere), is complicated by legal questions regarding whether agencies have the needed legal authority to manage water use and collect fees in their Spheres. So Option C2 is not recommended.

OPTIONS D1 and D2

- **Description.** Under Option D1, AWD would form a GSA to cover just our annexed area. Both Counties would form GSAs to cover the Islands and our Sphere of Influence. Under Option D2 we would form a GSA to cover both our annexed area and the Sphere of Influence. Both Counties would form GSAs to cover the Islands. County involvement would have the benefit of covering the entire PUMA leaving no "white spaces."
- **Analysis.** PVWMA will be submitting their Alternative plan (See Option A) regardless of AWD's actions. Therefore the formation of GSAs will ideally be preempted by the approval of the alternative plan. This may take from six months up to two years. If PVWMA's alternative plan is denied, the D1 Option would be reconsidered at that time.

Regarding Option D2 (forming a GSA to manage lands within our Sphere), is complicated by questions surrounding whether agencies have the needed legal authority to manage water use and collect fees in their Spheres. So Option D2 is not recommended.

OPTION E- Formation of Joint Powers Authority (JPA)

- **Description.** Four water agencies (AWD, PVWMA, Monterey County and San Benito County) could form a new legal entity to regulate water as a GSA. The entire basin and PUMA would be covered.
- **Analysis.** The staff of all four water agencies concur that that the formation of a JPA: (1) is legally unnecessary (there are other less expensive and more direct options); and (2) is overly burdensome to establish a new legal entity with a new board and staff. Therefore Option E is not recommended for further consideration.

Ongoing Cooperation with PVWMA and Counties. On December 14 District staff held a productive meeting with PVWMA staff/counsel and representatives of San Benito County Water District and Monterey County Water Resources Agency. All agencies were aligned in regards to supporting PVWMA's Alternative plan. AWD and PVWMA will continue to jointly analyze the options and answers to challenges as they arise. PVWMA previously provided the District with very useful mapping/parcel data for the PUMA area. Staff continues to analyze which parcels might need regulation if a future GSA was needed.

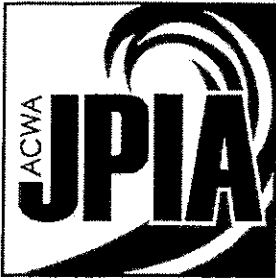
Time Tracking. Per the Board's request, staff has tracked the time spent on SGMA efforts. Since Sept 1st, AGM Dias has spent 102 hrs. This does not include significant time by the GM.

UPCOMING STEPS

- Consider ways to support PVWMA's alternative plan and await State review of same.

CORRESPONDENCE LIST 11/17/2016 -12/15/2016

DATE:	TYPE	TO:	FROM:	SUBJECT:
11/17/16	E	Cal Occupational Emp	V. Morris, AWD	Submittal of Occupational Employment Report/Statistics
11/18/16	E	AWD	S. Kler, SWRCB	Approval of Lead/copper sample invalidation
11/21/16	E	SWRCB, Drinking Water Program	V. Morris, AWD	Monthly TCR, RAWB &MRDL Report results for Nov 2016
11/29/16	E	Mont. Pen. Engineers	V. Morris, AWD	Oak Ridge Tank warranty
11/30/16	E	AWD	United Way	United Way 2016-17 staff pledges
11/30/16	E	SWRCB, Drinking Water Program	V. Morris, AWD	Water Treatment Plant Nov. 2016
11/30/16	M	AWWA	V. Morris, AWD	Confirmation of membership renewal
12/01/16	E	AWD	Cal BAR	Receipt of annual smog reports
12/02/16	E	S. Kler, SWRCB	V. Morris, AWD	Transmittal of tank cleaning reports
12/05/16	E	E.R. Bacon	V. Morris, AWD	Replacement of generator fuel filters
12/05/16	E	SWRCB, Drinking Water Program	V. Morris, AWD	Transmittal of quarterly disinfectant residuals compliance
12/06/16	M	AWD	ACWA JPIA	Award of President's Special Recognition
12/07/16	E	AWD	SWRCB	Receipt of water conservation report
12/07/16	E	PG&E	V. Morris, AWD	Meter photos at Oak Ridge booster
12/08/16	M	AWD	SDRMA	Annual Report and services offered
12/08/16	E	Jesse Sanchez	V. Morris, AWD	On-call operator agreement
12/09/16	E	AWD	NBS financial	Annual disclosure report for Facilities District 98-1
12/13/16	E	S. Kler, SWRCB	M. Dias, AWD	Transmittal of updated Emergency Notification contact list



YOUR BEST PROTECTION

December 6, 2016

ACWA JPIA

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President

E.G. "Jerry" Gladbach

Vice President

Tom Cuquet

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

Brent Hastey

David T. Hodgins

W.D. "Bill" Knutson

Melody A. McDonald

Charles W. Muse

J. Bruce Rupp

Vicki Morris
Aromas Water District
P.O. Box 388
Aromas, CA 95004-0388

Dear Vicki:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Aromas Water District with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2017.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Aromas Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2012 - 09/30/2015
announced at the Board of Directors' Meeting in Anaheim.*


E. G. "Jerry" Gladbach, President



November 28, 2016

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Aromas Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2012 - 03/31/2015
announced at the Board of Directors' Meeting in Anaheim.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



November 28, 2016

Aromas Water District
Balance Sheet Prev Year Comparison
As of November 30, 2016

	Nov 30, 16	Nov 30, 15
ASSETS		
Current Assets		
Checking/Savings		
UB Checking	69,915.86	48,070.78
Petty Cash	100.00	100.00
UB Bk Money Market xxxx7853	163,040.80	135,511.38
LAIF-State of Ca xx-05	780,117.73	775,898.60
Total Checking/Savings	1,013,174.39	959,580.76
Accounts Receivable		
1200 · Accounts Receivable - Other	0.00	10,029.32
Total Accounts Receivable	0.00	10,029.32
Other Current Assets		
Prepaid Insurance	17,705.32	16,748.25
128 · Inventory	21,549.46	25,665.96
1200.1 · Accounts Receivable--UBMax	83,680.08	81,789.19
1201.9 · Less Allowance for doubtful ...	-500.00	-500.00
Total Other Current Assets	122,434.86	123,703.40
Total Current Assets	1,135,609.25	1,093,313.48
Fixed Assets		
1900 · Water System	11,507,670.75	11,151,384.52
1915 · Office Building & Improvements	387,260.80	387,260.80
1970 · Office Equipment & Fixtures	93,467.05	93,467.05
1980 · District Vehicles	75,349.31	74,492.43
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	-4,563,797.75	-4,161,374.75
Accumulated Depreciation-Summ	-24,005.00	0.00
Total Fixed Assets	7,807,140.94	7,876,425.83
Other Assets		
Deferred Outflow of Resources	21,836.00	21,836.00
LoanBrokerageFees	15,000.00	53,000.00
Accumulated Amortiz-loan fees	-1,625.00	-38,125.00
Deposits		
ACWA Deposit	2,080.80	2,080.80
Total Deposits	2,080.80	2,080.80
Total Other Assets	37,291.80	38,791.80
TOTAL ASSETS	8,980,041.99	9,008,531.11

Aromas Water District
Balance Sheet Prev Year Comparison
As of November 30, 2016

	Nov 30, 16	Nov 30, 15
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 - Accounts Payable	5,145.25	10,810.09
Total Accounts Payable	5,145.25	10,810.09
Credit Cards		
First Bankcard - Louise Coombes	187.59	358.27
First Bankcard -- Trevor Zelmar	48.00	125.73
Valero - Fuel	271.59	191.53
First Bankcard -- David DeAlba	1,228.68	163.66
First Bankcard -- Vicki Morris	0.99	38.11
Total Credit Cards	1,736.85	877.30
Other Current Liabilities		
2100 - Payroll Liabilities	-9,871.65	0.00
City National Bank - Current Po	105,477.00	0.00
Deferred Inflows- Actuarial	71,476.00	71,476.00
CUSTOMER DEPOSITS		
Connection Deposits Payable	4,000.00	4,000.00
Hydrant Meter Deposit	150.00	600.00
Total CUSTOMER DEPOSITS	4,150.00	4,600.00
Accrued Vacation Payable	17,011.82	17,274.27
Interest Payable	0.00	-0.02
Payroll Taxes Payable		
State Payroll Taxes Payable		
Payroll-SWHCA	125.85	0.00
Total State Payroll Taxes Payable	125.85	0.00
Total Payroll Taxes Payable	125.85	0.00
PVWMA Payable	15,251.49	15,166.09
Total Other Current Liabilities	203,620.51	108,516.34
Total Current Liabilities	210,502.61	120,203.73
Long Term Liabilities		
GASB 68 Pension Liability	436,144.00	436,144.00
City National Bank	1,265,394.67	1,474,829.12
Total Long Term Liabilities	1,701,538.67	1,910,973.12
Total Liabilities	1,912,041.28	2,031,176.85
Equity		
Investment in Capital Assets	3,945,714.00	6,346,397.53
Unrestricted Net Assets	3,057,805.32	558,909.25
Net Income	64,481.39	72,047.48
Total Equity	7,068,000.71	6,977,354.26
TOTAL LIABILITIES & EQUITY	8,980,041.99	9,008,531.11

Aromas Water District Profit & Loss Budget Performance

November 2016

	Nov 16	Budget	Jul - Nov 16	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
303 - Water Revenue	70,115.87	65,000.00	453,666.60	420,000.00	900,000.00
307 - Bulk Water	102.40	400.00	469.09	2,400.00	5,000.00
302 - Connection	0.00	0.00	0.00	12,790.00	25,580.00
301 - Taxes Rcvd	0.00	0.00	209.50	0.00	62,000.00
304 - Misc Income	8.25	420.00	8.25	2,100.00	5,000.00
306 - Interest	426.98	290.00	2,097.55	1,450.00	3,500.00
312 - Grant Revenue	0.00	0.00	1,000.00	0.00	2,000.00
Total Income	70,653.50	66,110.00	457,450.99	438,740.00	1,003,080.00
Gross Profit	70,653.50	66,110.00	457,450.99	438,740.00	1,003,080.00
Expense					
Operations					
403 - Fuel	581.19	670.00	2,726.81	3,310.00	8,000.00
404 - Truck Maint	898.00	150.00	1,083.22	1,950.00	5,000.00
431 - System Repair & Maint	1,812.98	5,000.00	26,026.50	23,000.00	58,000.00
463 - Water Analysis	154.00	500.00	2,460.00	2,100.00	6,000.00
464 - Water Treatment	0.00	500.00	3,672.13	3,300.00	7,500.00
468 - Tools	46.68	300.00	1,919.78	1,500.00	4,000.00
470 - Annexation/EIR/Planning	0.00	0.00	1,775.00	1,250.00	5,000.00
Total Operations	3,492.85	7,120.00	39,663.44	36,410.00	93,500.00
Power					
449.75 - 388 Blohm, # C	16.12	10.00	69.43	50.00	120.00
449.5 - 388 Blohm, A & B Office	121.99	125.00	554.33	625.00	1,500.00
461.5 - RLS Tank Booster	9.86	12.00	45.33	60.00	150.00
447 - Leo Ln Booster	29.63	14.00	169.81	70.00	175.00
448 - Aimee Mdws Well	9.86	11.00	45.73	53.00	130.00
451 - Marshall Corp Yard	24.49	40.00	121.70	180.00	550.00
452 - Rea Booster @ Seely	36.61	80.00	171.93	400.00	1,000.00
454 - Carr Booster	312.98	400.00	2,096.66	1,800.00	4,500.00
458 - Pleasant Acres Well	429.11	205.00	2,038.04	945.00	2,500.00
459 - Seely Booster @ Carpent...	-31.03	42.00	-121.27	206.00	500.00
460 - San Juan Well	2,501.99	3,000.00	17,999.86	18,500.00	40,000.00
461 - Cole Tank	12.06	12.00	56.32	60.00	150.00
462 - Rea Tank	12.31	12.00	57.61	60.00	150.00
466 - Pine Tree Tank	12.12	12.00	56.60	60.00	150.00
Total Power	3,498.10	3,975.00	23,362.08	23,069.00	51,575.00
Payroll					
Gross	34,759.78	33,500.00	149,365.21	154,500.00	390,000.00
Comp FICA	2,151.52	2,000.00	9,457.96	10,000.00	24,000.00
Comp MCARE	503.16	458.00	2,211.91	2,290.00	5,500.00
Comp SUI	79.55	332.00	327.97	1,660.00	4,000.00
Total Payroll	37,494.01	36,290.00	161,363.05	168,450.00	423,500.00
Employee Costs					
407 - Outside Services	725.00	500.00	2,277.70	2,500.00	6,000.00
408 - Uniform Allowance	8.90	170.00	167.03	490.00	1,000.00
409 - Workers Comp	604.00	700.00	3,299.35	3,600.00	9,500.00
410 - Health Ins	5,940.87	6,000.00	27,049.50	28,200.00	80,000.00
474 - Education	0.00	500.00	1,113.03	2,500.00	6,000.00
477 - Retirement	5,413.85	5,300.00	27,071.92	25,300.00	62,500.00
Total Employee Costs	12,692.62	13,170.00	60,978.53	62,590.00	165,000.00
Office					
440 - Misc Exp	249.67	250.00	1,534.62	1,250.00	3,000.00
444 - Postage	262.65	400.00	1,338.27	1,800.00	4,700.00
445 - Office Supplies	311.39	200.00	1,443.47	1,600.00	4,500.00
446 - Office Eqpmnt and Maint	23.26	400.00	1,085.23	2,000.00	5,000.00
Total Office	846.97	1,250.00	5,401.59	6,650.00	17,200.00

12/16/16

Accrual Basis

Aromas Water District
Profit & Loss Budget Performance

November 2016

	Nov 16	Budget	Jul - Nov 16	YTD Budget	Annual Budget
Communications					
455 - Phone, Off	320.49	280.00	1,544.54	1,400.00	3,400.00
456 - Telemetry	299.44	295.00	1,505.60	1,475.00	3,600.00
457 - Answ Serv/Cellular Phone	302.59	260.00	1,424.30	1,270.00	3,200.00
Total Communications	922.52	835.00	4,474.44	4,145.00	10,200.00
Administrative & General					
417 - Capital Loan Interest	0.00	0.00	15,662.86	20,700.00	41,400.00
467 - Depreciation	10,500.00	10,500.00	52,500.00	52,500.00	125,000.00
405 - Election	0.00	3,000.00	0.00	3,000.00	6,000.00
406 - Liability Ins	1,539.08	1,500.00	7,718.65	7,500.00	18,000.00
420 - Legal Fees	1,250.00	1,300.00	6,250.00	6,500.00	15,600.00
422 - Bank Charges	241.91	125.00	550.58	625.00	1,500.00
423 - Litigation Contingency	0.00	0.00	0.00	10,000.00	10,000.00
425 - Audit	0.00	0.00	5,000.00	8,000.00	9,000.00
471 - Bad Debts	0.00	20.00	938.98	100.00	500.00
473 - Memberships	2,556.00	250.00	9,105.40	8,250.00	15,000.00
Total Administrative & General	16,086.99	16,695.00	97,726.47	117,175.00	242,000.00
Total Expense	75,034.06	79,335.00	392,969.60	418,489.00	1,002,975.00
Net Ordinary Income	-4,380.56	-13,225.00	64,481.39	20,251.00	105.00
Other Income/Expense					
Other Income					
309 - Contributed Capital Assets	0.00	0.00	0.00	-55.85	0.00
Total Other Income	0.00	0.00	0.00	-55.85	0.00
Net Other Income	0.00	0.00	0.00	-55.85	0.00
Net Income	-4,380.56	-13,225.00	64,481.39	20,195.15	105.00

12/16/16

Aromas Water District
Monthly Expenditures
 November 17 through December 9, 2016

Date	Num	Name	Amount
UB Checking			
11/18/2016	15912	San Benito County Recorder	-15.00
11/21/2016	15913	ACE Hardware Prunedale	-23.66
11/21/2016	15914	ADT Security Services, Inc.	-362.61
11/21/2016	15915	Armanino LLP	-5,000.00
11/21/2016	15916	First Bankcard	-548.40
11/21/2016	15917	Oppidea, LLC	-475.00
11/21/2016	15918	R & B Company	-32.08
11/21/2016	15919	San Benito County Assessor	-4.34
11/21/2016	15920	State Water Resources Control Board	-60.00
11/21/2016	15921	Valero	-488.89
11/23/2016	15922	P G & E	-3,529.13
11/28/2016	E-pay	Employment Development Dept	-552.42
11/28/2016	E-pay	United States Treasury (EFTPS)	-4,390.22
11/28/2016	E-pay	Employment Development Dept	-667.36
11/28/2016	E-pay	Employment Development Dept	-125.85
11/28/2016	EFT	CalPERS	-2,520.26
11/28/2016	EFT	CalPERS	-2,081.92
11/30/2016	15923	Cain, Maureen G	-55.95
11/30/2016	15924	Coombes (P), Louise P	-162.53
11/30/2016	15925	DeAlba (P), David	-2,692.84
11/30/2016	15926	Dias (P), Mark R	-2,033.10
11/30/2016	15927	Giron (P), Ester	-710.68
11/30/2016	15928	Goodman (P), Laurie D	-256.06
11/30/2016	15929	Morris (P), Vicki	-3,061.31
11/30/2016	15930	Zelmar (P), Trevor J	-1,436.51
11/30/2016	15931	A T & T U-verse	-60.00
11/30/2016	15932	California Special Districts Assoc	-2,496.00
11/30/2016	15933	CSSC	-79.00
11/30/2016	15934	David DeAlba	-43.20
11/30/2016	15935	Louise Coombes	-100.00
11/30/2016	15936	Mark Dias	-50.00
11/30/2016	15937	Monterey Bay Analytical Services Inc	-154.00
11/30/2016	15938	Old Firehouse Market	-120.00
11/30/2016	15939	San Benito County Mosq Abatement Prog	-30.87
11/30/2016	15940	United Way serving San Benito County	-58.00
11/30/2016	15941	Verizon Wireless	-173.59
11/30/2016	15948	USPO	-254.16
11/30/2016	15951	USPO	-8.49
11/30/2016	EFT	Bank Service Fees	-135.00
12/05/2016	15942	CALNET3	-559.93
12/05/2016	15943	D & G Sanitation	-80.63
12/05/2016	15944	Davis Auto Parts	-53.45
12/05/2016	15945	Green Rubber Kennedy	-85.08
12/05/2016	15946	HD Supply Waterworks, LTD.	-2,850.83
12/05/2016	15947	Oppidea, LLC	-250.00
12/05/2016	15949	Xerox Corp	-20.42
12/09/2016	15950	Robert E. Bosso	-1,250.00
12/09/2016	15952	ACWA JPIA, Emp. Ben. Prog.	-6,596.92
12/09/2016	15953	Recology San Benito County	-34.66
12/09/2016	15954	USA BlueBook	-367.20
Total UB Checking			-47,197.55
TOTAL			-47,197.55

AROMAS WATER DISTRICT

Staff Report

To: Board of Directors

Re: Item IX B. Annual Election of Board Officers

Date: December 21, 2016

Background and Discussion:

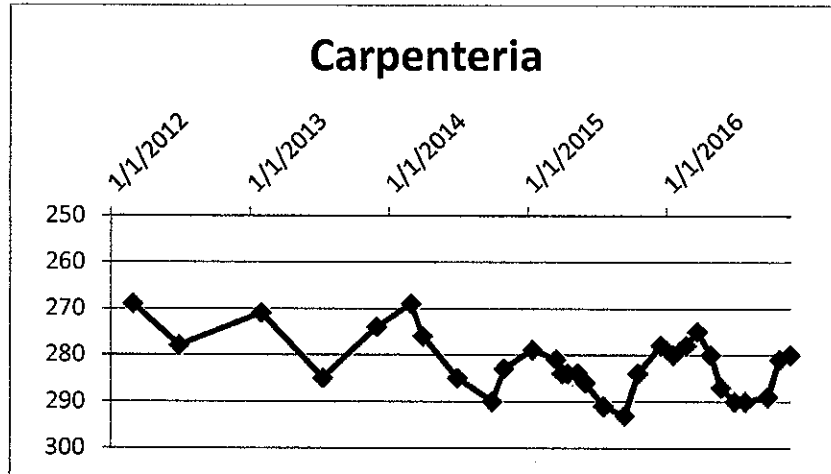
Annually, the President and Vice President of the Board of Directors are elected by their fellow board members to serve for one or more yearly terms. Jim Leap and Richard Smith have been the Board President and Vice President, respectively, for this calendar year 2016.

Recommendation:

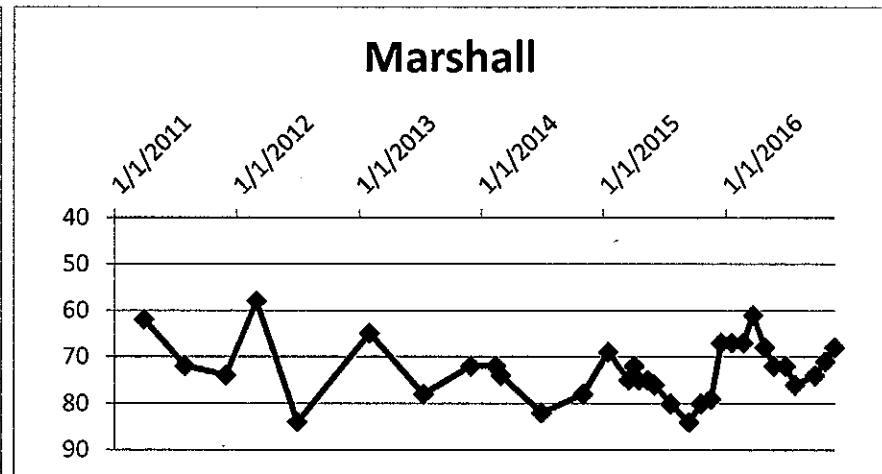
Board to nominate and vote for President and Vice President for the 2017 calendar year.

Vicki Morris – General Manager
Phone (831) 726-5071
Email- aromaswd@aol.com

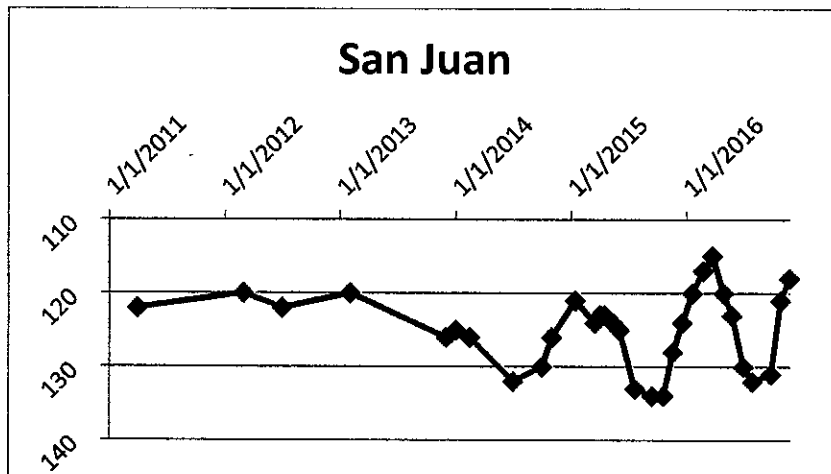
Well Depth Charts - As Of November 21 2016



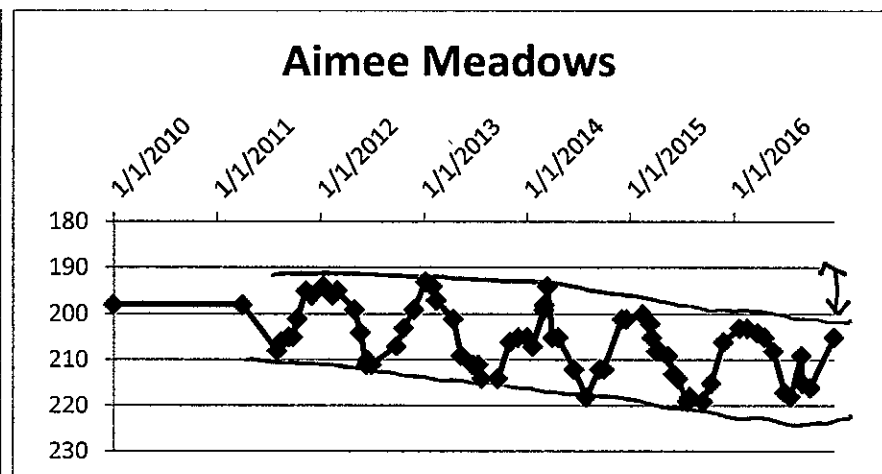
Carpenteria Well: Previous Read = 281 feet ; New Read = 280 feet



Marshall Well: Previous Read = 71 feet ; New Read = 68 feet



San Juan Well: Previous Read = 121 feet ; New Read = 118 feet



Aimee Meadows Well: Previous Read on 9/27/16 = 216 feet

AS PRESENTED TO BOD 12/21/16
-M.J./m



SGMA* Planning Update #4

*Sustainable Groundwater Management Act

Aromas Water District

Board of Directors Meeting

December 21, 2016

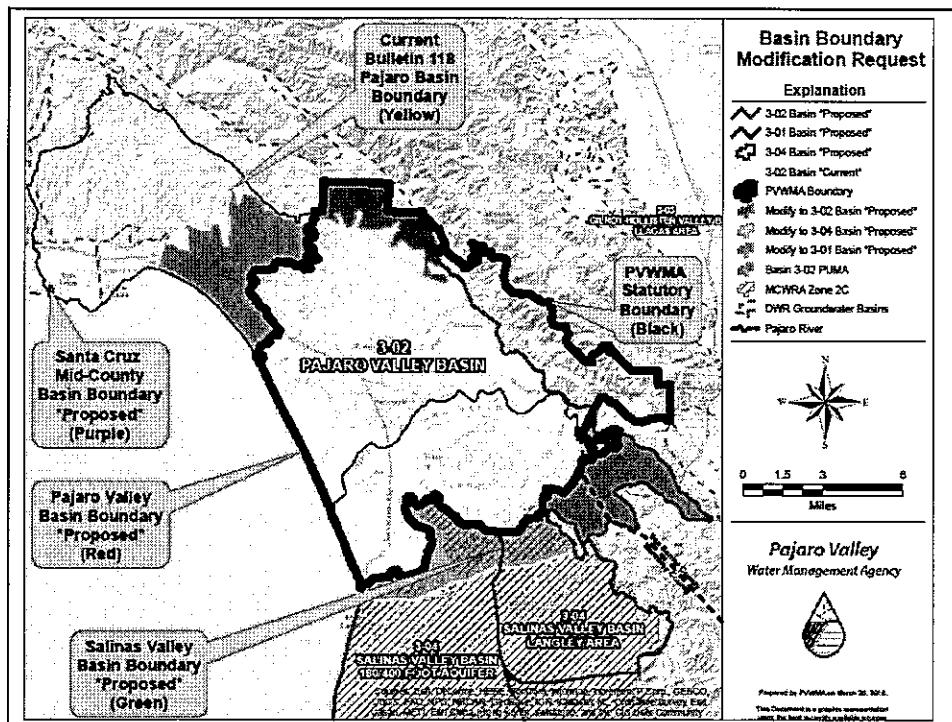
SUMMARY - UPDATE #4

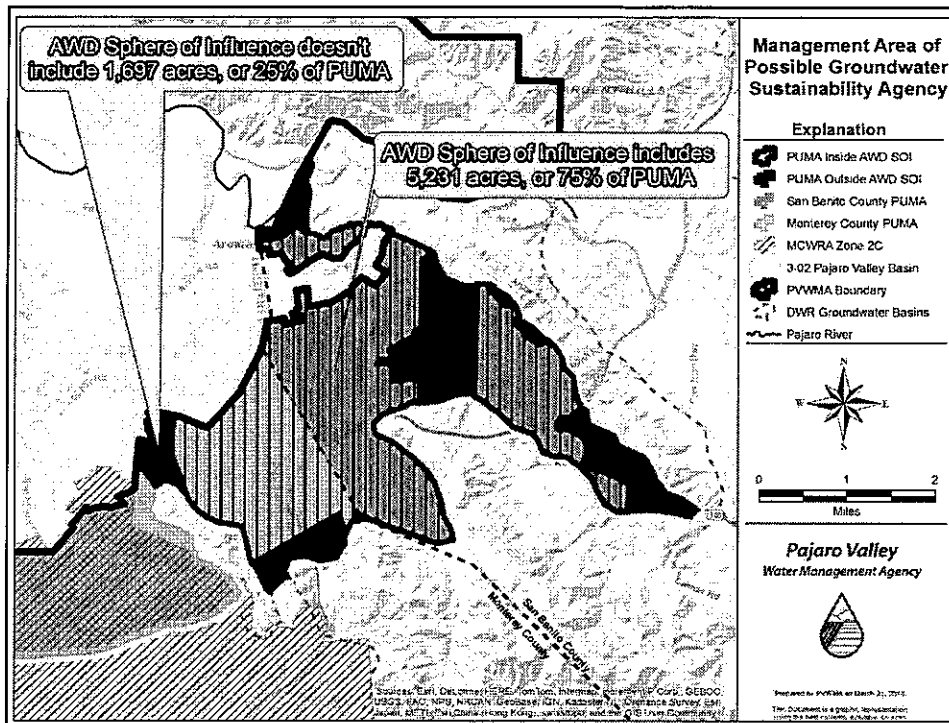
- At the November AWD Board meeting, staff first presented seven draft Options regarding GSA formation.
- In December staff researched the pros/cons of each of the seven options and hosted a meeting with all three neighboring water agencies
- As a result, 4 of the 7 options can be eliminated at this time
- Of the remaining 3 options, Option A (PVWMA's submittal of their "Alternative plan") appears to be pivotal. State approval could eliminate the need for AWD and the counties to form GSAs to cover the PUMA
- If the State denies the Alternative plan, AWD would still have 180 days to reevaluate the options and consider forming a GSA. This is a realistic timeframe.

SUMMARY (Cont'd)

■ THIS PRESENTATION:

- Reviews and analyzes each the seven draft Options
- Explains why 4 of the 7 draft options are no longer recommended at this time
- Describes the benefits of Option A (PVWMA's Alternative plan) and explains why AWD may wish to support PVWMA
- Explains how AWD would still be able to form a GSA if the State denies PVWMA's Alternative plan





SEVEN DRAFT OPTIONS:

- In November staff introduced seven draft options (below)
- In December staff researched the pros/cons of each of the seven options and hosted a meeting with all three neighboring water agencies to discuss
- The next several slides explain each Option
- Option A has several positive benefits
- If Option A is denied, then other options can still be revisited at a future date

TITLE	OPTION A PVWMA's Alternative Plan	OPTION B Do Nothing	OPTION C1 GSA for annexed area only	OPTION C2 GSA for annexed area and Sphere	OPTION D1 Three GSAs for PUMA (w/ District GSA for annexed area)	OPTION D2 Three GSAs for PUMA (w/ District GSA for annexed area and Sphere)	OPTION E JPA for PUMA
Description	(1) AWD takes no action, (2) Wait for State's approval of PVWMA's GMP as equivalent to GSP	(1) AWD takes no action, (2) Continue to report pumping to PVWMA, (3) Resist to County or State involvement efforts	(1) Form GSA for annexed area only, (2) No MOUs, (3) Await possible State intervention for islands and SOI	(1) Form GSA for annexed area and Sphere of Influence, (2) No MOUs, (3) Await State possible intervention for islands	(1) AWD forms GSA for annexed area, (2) Counties form GSAs for Sphere and Islands, (3) All sign MOAs with PVWMA	(1) AWD forms GSA for annexed area and Sphere, (2) Counties form GSAs for Sphere and Islands, (3) All sign MOAs with PVWMA	Four agencies form new JPA (AWD, PVWMA and both Counties) to serve entire PUMA

OPTION A: PVWMA's Alternative Plan

■ DESCRIPTION:

1. AWD takes no action at this time
2. PVWMA submits their alternative plan to State
3. AWD waits for up to two years for the State to either approve or deny the alternative plan
4. If approved, no further action would be needed by AWD
5. If denied we would (re)consider our viable options at that time.

OPTION A: (Cont'd)

■ BACKGROUND and ANALYSIS:

- If an agency (i.e., PVWMA) believes an "alternative plan" satisfies the same objectives as a Groundwater Sustainability Plan, the agency can submit that plan to the State for approval
- PVWMA's Board is authorizing staff to submit such a plan
- The BMP covers the basin and the PUMA
- The BMP is supported by: (1) highly sophisticated groundwater modeling; (2) established and stable funding (3) it is already actively being implemented with major infrastructure in place

