



SPECIAL MEETING OF THE BOARD OF DIRECTORS
AGENDA

TUESDAY, OCTOBER 27, 2026, 6:30 PM

*The Aromas Water District Board of Directors meetings are held at the District office.
Staff and the public may attend the meeting remotely or in person. Public participation is
encouraged – remote participation instructions are on the following page.*

President- Seth Capron
Vice President- Timothy Powers
Director- Wayne Norton
Director- Vicki Morris
Director- Wayne Holman
General Manager- Robert Johnson

I. CALL TO ORDER

II. ROLL CALL OF THE DIRECTORS

President Seth Capron, Vice-President Timothy Powers, and Directors Wayne Holman, Vicki Morris, and Wayne Norton.

III. PLEDGE OF ALLEGIANCE

IV. ADDITIONS AND DELETIONS

V. PUBLIC COMMENT FOR CLOSED SESSION

Anyone wishing to address the Board on CLOSED SESSION items may do so. Please limit your comment to three (3) minutes.

VI. ADJOURN TO CLOSED SESSION

A) Conference with Real Property Negotiators (Cal. Government Code § 54956.8):

- Property: APN #011-090-014-000
- Agency Negotiator: Robert Johnson, General Manager
- Negotiating Party: South Valley Internet
- Under Negotiation: Price and Terms of Payment

B) Conference with Real Property Negotiators (Cal. Government Code § 54956.8):

- Property: APN #011-390-011-000
- Agency Negotiator: Robert Johnson, General Manager
- Negotiating Party: Driscoll Family Farms
- Under Negotiation: Price and Terms of Payment

C) Conference with Legal Counsel – Anticipated Litigation (§ 54956.9)

- Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case

VII. RETURN TO OPEN SESSION

The Board will reconvene Open Session no earlier than 7:00pm.

VIII. REPORT OUT FROM SEPTEMBER 22, 2026 AND OCTOBER 27, 2026 CLOSED SESSION

IX. PUBLIC COMMENT

Anyone wishing to address the Board on informational items, staff reports or matters not listed on the agenda may do so. Please limit your comment to three (3) minutes. The public may comment on listed Action and Public Hearing items at the time they are considered by the Board.

X. MINUTES

Review and approve the Minutes of the September 22, 2026, Regular Board Meeting.

p. 4-7

XI. REPORTS

- A. DIRECTORS' REPORTS
- B. ATTORNEY'S REPORT
- C. MANAGER'S REPORT
- D. CORRESPONDENCE

p. 8-11

p. 12

XII. ACTION ITEMS

- A. Receive update on the Marshall Well Replacement Project** p. 13
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote
- B. Receive update on the Operations Shop Construction Project** p. 14
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote
- C. Consider and Approve License Agreement with LCB Communications, LLC, for Placement of Telecommunications Equipment** p. 15-31
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote
- D. Consider and Approve Resolution #2026-08, Adopting the Standardized Emergency Mutual Aid and Water Supply Agreement Template** p. 32-42
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote
- E. Receive Progress Report on Classification/Compensation Study and Update of the Employee Handbook** p. 43
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote
- F. Review and Set Board Meeting Dates for the remainder of Calendar Year 2026** p. 44
(CEQA: Exempt from CEQA under Section 15378)
Clarifying Questions
Public Comment
Motion/Second
Discussion
Vote

G. Receive Financial Reports for the Month of September 2026 and Approve Expenditures

p. 45-50

(CEQA: Exempt from CEQA under Section 15378)

Clarifying Questions

Public Comment

Motion/Second

Discussion

Vote

XIII. FUTURE MEETINGS & AGENDA ITEMS – TBD

XIV. ADJOURNMENT

Meeting Attendance Instructions

The public may participate in the District's Board meeting either in person, or by teleconference / web conference via the instructions provided below.

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

www.aromaswaterdistrict.org

For those who choose to attend this meeting via Zoom will be muted by default. To join the meeting from a computer, tablet, or smartphone via the Zoom app (free at <http://www.zoom.us>),

[click on this text.](#)

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

Call (669) 900.9128 and enter the Webinar ID: 84420038027

If you would like to speak during the public comment portion of the meeting:

1. **Online** – raise your hand to submit verbal comments.
2. **Phone** – press *9 to raise your hand, *6 to send a request to be unmuted to submit verbal comments.

Zoom attendance for the public is not available during Closed Session

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting, in the Administrative Offices of the District, and posted on the District's website at www.aromaswaterdistrict.org. All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

Any public record distributed to the Board less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the District office. Public records distributed during the meeting, if prepared by the District, will be available for public inspection at the meeting. If the public record is prepared by a third party and distributed at the meeting, it will be made available for public inspection following the meeting at the District office.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-726-3155. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

**Minutes of the Regular Meeting of the
Aromas Water District Board of Directors
September 22, 2026**

- I. **CALL TO ORDER.** The Regular meeting of the Aromas Water District Board of Directors was called to order by President Capron on Tuesday, September 22, 2026, at 7:00 p.m. Attendees were present in the Aromas Water District Board Room and on Zoom.
- II. **ROLL CALL.** President Capron, Vice-President Powers, Directors Morris, Holman and Norton were present in the Aromas Water District Board Room along with General Manager Johnson; Counsel Quinn attended via Zoom.
- III. **PLEDGE OF ALLEGIANCE.** Director Norton led the pledge of allegiance.
- IV. **ADDITIONS AND DELETIONS.** None.
- V. **PUBLIC COMMENT.** No public comment.
- VI. **REPORT OUT FOR THE AUGUST 31, 2026 CLOSED SESSION.** For the August 31 Closed Session, there was no reportable action related to the three topics; 1) Real Property Negotiations with LCB/SVI, 2) Real Property Negotiations with Driscoll Family Farms, and 3) One case of Potential Litigation.
- VII. **MINUTES.** The minutes of the August 31, 2026, SPECIAL Board Meeting were presented for review and approval. Vice-President Powers made a motion to approve the minutes; Director Norton seconded, and Director Holman abstained. Minutes were approved.

VIII. REPORTS

A. Director's Report. Director Norton reported that he attended the San Benito County Business Council meeting where Assemblymember Rivas was the speaker. Director Holman made a comment regarding staying with the adopted Board meeting schedule. Last month's meeting was moved, and he was the only director who could not attend; hence he felt he missed out on important information.

B. Attorney's Report. There was no Attorney's Report presented.

C. Manager's Report:

OPERATIONS & MAINTENANCE

Production & Well Levels

Total production in August 2026 was 10,572,364 gallons; roughly 2% higher than July's production, though it was 10% below August's average production. The average daily production was 341,044 gallons.

The District has 978 total connected meters.

Carpenteria well operated the entire month, while Pleasant Acres well was operated for 19 days. San Juan well came back online and was operated for 12 days. All water testing reports were filed on time.

Operational well levels: Carpenteria well water level decreased by one foot, while San Juan well saw a decrease of five feet, in comparison to the previous month's reading. **Observational wells:** The Marshall well and the Aimee Meadows well levels both increased two feet from last month.

INCIDENTS

No incidents during this period.

ADMINISTRATIVE

Staff & Board Recognition

GM Johnson reported on the following staff activities: 1) Management Analyst (MA) Girōn continues to take on additional tasks and has been performing them well. She is also scheduled to go to the Board Secretary Training in Santa Barbara in early November, 2) Chief Operator DeAlba and Operator Smith have put San Juan well back online (see production graphs). The well seems to be working fine, 3) GM Johnson worked with Counsel Quinn on annexation policy changes, the LCB/SVI License Agreement, and the Driscoll Easement, and 4) GM Johnson assisted Monterey County Planning with review of plans for a water project.

Conservation & Rainfall

The beginning of the new rainfall year was on October 1, 2025. Since then, 20.32 inches of precipitation has been recorded by the rain gauge at Chittenden Pass, with 0.04 inches of precipitation falling (to date) this month.

PROJECTS

Status of the Marshall Well Replacement and Operations Shop Construction Projects

An update was provided at the meeting for each project.

Annexation of Driscoll properties into the Aromas Water District boundary

As part of the agreement with Driscoll Berries, the District has agreed to apply to Monterey County LAFCo (MCLAFCo) for an annexation of three small properties into the District boundary.

Development of Tabletop Training Exercise (TTX)

As per the General Manager's Performance Evaluation, a tabletop training exercise has been developed for staff training in September.

Policy Update/Addition Project

Staff and Counsel developed a triage plan to address the various policy updates and additions that were identified at a special meeting earlier this year. The resulting project will be developed in three categories; 1) Board Policy Manual (Board Behaviors), 2) Employee-related Policies, and 3) District Policies (Can/Will Serve, Debt Collection, Leak Credit, etc.)

Classification and Compensation Study

Staff was directed to develop an updated Classification and Compensation study. Initial research has been performed, and the desk audit has commenced.

Employee Handbook Updates and possible policy changes

Staff has gone through the Employee Handbook (EH) and identified outdated policies as well as provided some requested changes. GM Johnson sent the EH to ACWA-JPIA for review and feedback. That feedback has been returned. At the July Board meeting, an Ad-Hoc Committee was established to assist with the development of an updated EH. The committee has met once and will meet again in October.

D. Correspondence

GM Johnson went through the monthly correspondence list and provided information on specific items.

IX. ACTION ITEMS

A. Adopt Resolution #2026-04, Appreciation for David DeAlba's 20 Years of Service to the Aromas Water District

The resolution was presented to Mr. DeAlba at the meeting. A motion to adopt the resolution was made by Director Morris and seconded by President Capron. The resolution was adopted by a unanimous roll call vote. Members of the public commented on Mr. DeAlba, and his 20 years of service.

B. Adopt Resolution #2026-05, Appreciation for Ester Gir6n's 10 Years of Service to the Aromas Water District

The resolution was presented to Ms. Gir6n at the meeting. A motion to adopt the resolution was made by Director Norton and seconded by Director Morris. The resolution was adopted by a unanimous roll call vote. Members of the public commented on Ms. Gir6n, and her 10 years of service.

C. Receive updates on the Marshall Well Replacement and Operations Shop Construction Projects

Staff presented status reports for both projects. Follow-up questions about the projects were discussed. The updates were received by consensus.

D. Consider and Approve Resolution #2026-06, Adopting the Annexation and Water Service Policy

Staff presented the revised Annexation and Water Service Policy. After some discussion and questions from the Board, a motion was made by Vice-President Powers and seconded by Director Holman. The motion, policy and resolution were adopted by a unanimous roll call vote.

E. Consider and Approve Resolution #2026-07, Adopting the Identity Theft Prevention Program

Staff presented the most recent version of the Identity Theft Prevention Program (Program). Board members discussed the Program's merits and thought that in the next version, some mention of AI protections should be added, as well as procedures for lock-changing and password-changing to augment the current program. Director Morris made a motion to adopt the current Program, with Vice-President Powers seconding. The motion carried and the resolution was adopted by a unanimous roll call vote.

F. Biennial Review of the Current Certified Conflict of Interest Code

Staff presented the current Certified Conflict of Interest Code. After discussion, Vice-President Powers moved to approved the current Certified Conflict of Interest Code, with Director Holman seconding.

G. Receive Financial Reports for the Month of August 2026 and Approve Expenditures

Total Assets / Liabilities & Equity are \$15,951,657.83. In the P&L Report, Revenue for August was \$241,065.15. Total Expenditures were \$107,350.10 between August 25, 2026, and September 16, 2026.

Vice-President Powers moved to accept the Financial Reports which was seconded by President Capron. The Financial reports were unanimously approved.

X. FUTURE MEETINGS & AGENDA ITEMS

The next Board meeting date will be October 27, 2026, at the Aromas Water District Board Room. Closed Session will be held. Possible discussion items are; 1) SB 552 discussion, 2) Project Tracker item, 3) Progress on staff's requested Employee Handbook modifications and Classification/Compensation Study, and 4) Setting of Board Meeting Dates through remainder of 2026.

XI. ADJOURN TO CLOSED SESSION

President Capron adjourned the meeting to move to Closed Session at 8:05 pm. Closed Session consisted of three items; 1) Real Property Negotiations with LCB/SVI, 2) Real Property Negotiations with Driscoll Family Farms, and 3) One case of Potential Litigation.

Director Norton recused himself for Item #1, after which he returned for the remainder of the Closed Session.

XII. RETURN TO OPEN SESSION

President Capron adjourned Closed Session to go back to Open Session at 8:48 pm.

XIII. ADJOURNMENT

President Capron adjourned the meeting at 8:50 pm.

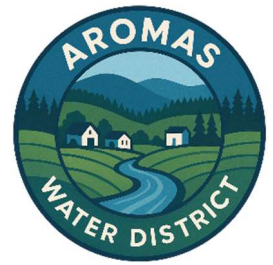
Read and approved by: _____
President, Seth Capron

Attest: _____
Board Secretary, Robert Johnson

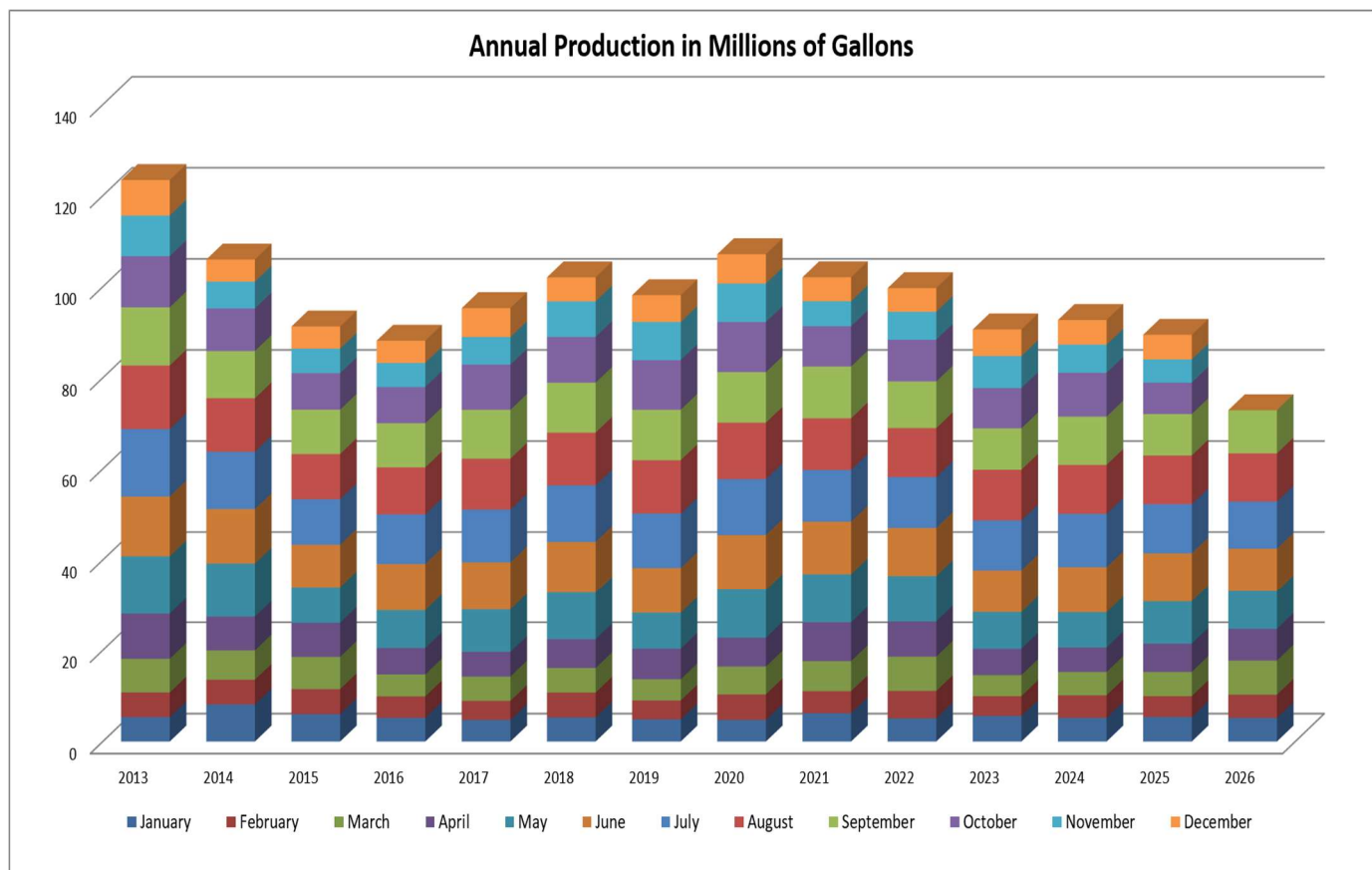
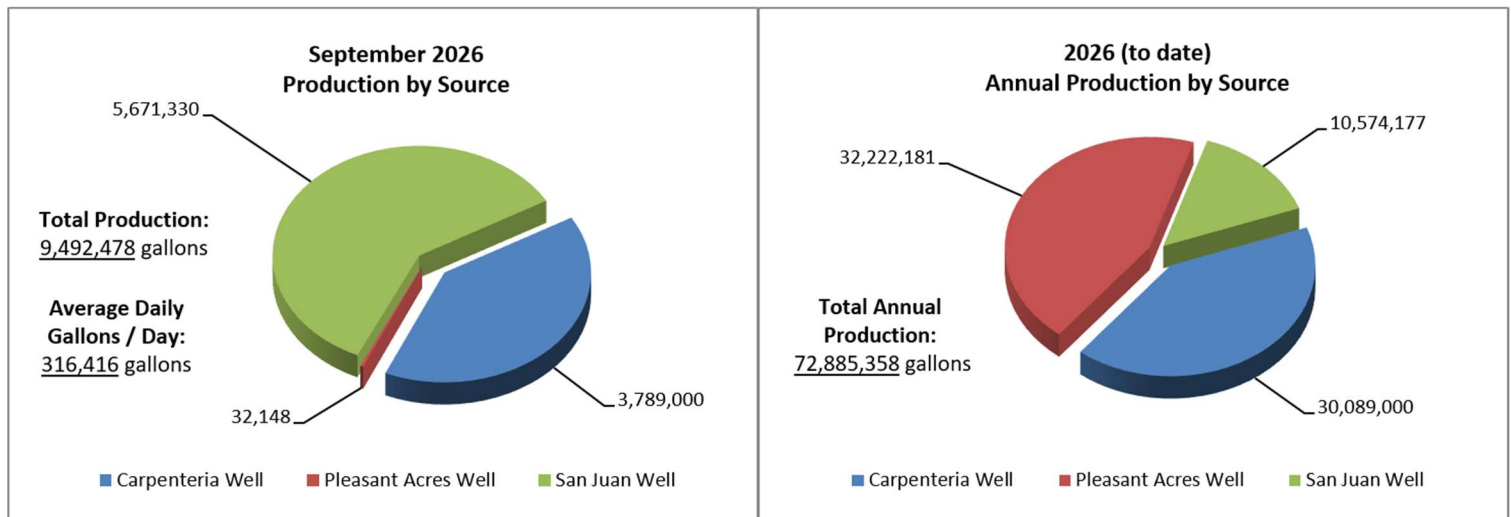
Date: _____

Date: _____

General Manager's Report September 2026



PRODUCTION REPORT



Totals	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Million Gal	91.27	88.152	95.304	102.07	98.141	107.1	102.07	99.69	90.62	92.69	89.44	72.885
Acre Ft	280.05	270.49	292.43	313.18	301.13	328.8	313.19	305.89	278.06	284.41	274.44	223.64

OPERATIONS AND MAINTENANCE REPORT

OPERATIONS:

- There are 979 meters installed.
- Carpenteria well and San Juan well operated the entire month. Pleasant Acres well operated for four days to troubleshoot the flow meter.
- Water Treatment Plant: finished water was free of both iron and manganese this month.
- Distribution testing for total Coliform; all samples were negative.
- All monthly DWR reports on Coliform, and Fe / Mn were filed.
- WTP filters are backwashed when necessary.
- Monthly Generator in-house 15-minute testing under load.
- Monthly well-level monitoring (see chart following this report in Board Packet).

MAINTENANCE:

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

INCIDENTS:

- The leak at Rose Avenue and Scott Lane (occurred earlier this year) started leaking again on October 19. It was fixed on October 20, with two customers affected for a couple of hours.

ADMINISTRATIVE REPORT

STAFF and BOARD RECOGNITION:

- Management Analyst (MA) Girón continues to take on additional tasks and perform them well. She is also scheduled to go to the Board Secretary Training in Santa Barbara in early November.
- Chief Operator (CO) DeAlba and Operator Smith have started preparing the system for winter. They are also swapping out the remaining 75 or so meters to eliminate outdated (and unsupported) meter reading hardware and software.
- GM Johnson worked with Counsel Quinn on the LCB/SVI License Agreement, the Driscoll Easement, and the CEQA challenge to the well project.
- GM Johnson and CO DeAlba finished their review of the 75% complete plans for the Marshall Replacement well Water Treatment Plant and have provided their comments to the consultants

CONSERVATION UPDATE:

September 2026 water production figures indicated a decrease when compared to August water production: a decrease of 1,079,886 gallons, or roughly 10%.

October 1, 2026, marked the start of a new water year. As of the date of this report (Oct 19), the rain gauge at Chittenden Pass has recorded 0.00 inches of precipitation for this water year, with 0.00 inches falling so far this month. As a reminder, last year's precipitation total (October 2025 to September 2026) was 20.32 inches.

PROJECTS:

1. Marshall Well Replacement and Operations Shop Construction Projects

An update will be provided at the tonight's meeting.

2. Annexation of Driscoll properties into the Aromas Water District boundary

The District has agreed to give its best effort to helping Driscoll apply to Monterey County LAFCo (MCLAFCo) for an annexation of three small areas into the District boundary. Discussions with MCLAFCo have occurred over the last year or so, and during that time some of their employees have retired, so the application has not been completed.

3. Development of Tabletop Training Exercise (TTX)

As per the General Manager's 2025-2026 goals, a tabletop training exercise was to be developed for staff training. This exercise is being rescheduled.

4. Status of agreement with South Valley Internet (LCB/SVI) about use of District property

Staff and LCB/SVI have completed a DRAFT Final version of the agreement to use a portion of our maintenance yard for their Fiber-Optic infrastructure. This item will be before the Board in Closed and Open Sessions at tonight's meeting.

5. Policy Update/Addition Project

Staff and Counsel have been conferring about the policy updates and additions that were identified at a special meeting in January of this year. The resulting project will be developed in three categories; 1) Board Policy Manual (Board Behaviors), 2) Employee-related Policies, and 3) District Policies (Can/Will Serve, Debt Collection, Leak Credit, etc.)

6. Classification and Compensation Study

Staff was directed to develop an updated Classification and Compensation study. Initial research has been performed, and the desk audit has been completed. A Progress Report will be presented at tonight's meeting.

7. Employee Handbook Updates and possible policy changes

Staff has gone through the Employee Handbook (EH) and identified outdated policies as well as provided some additions as requested changes. GM Johnson sent the EH to ACWA-JPIA for review and feedback. That feedback has been returned and incorporated. A Progress Report will be presented at tonight's meeting.

Robert Johnson
General Manager
October 21, 2026

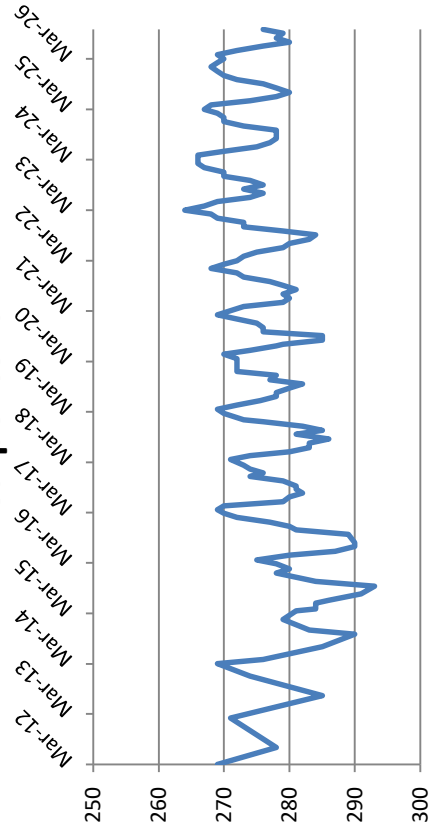
Well Water Level Monitoring

Depth to Water Measurements

Date: October 19, 2026

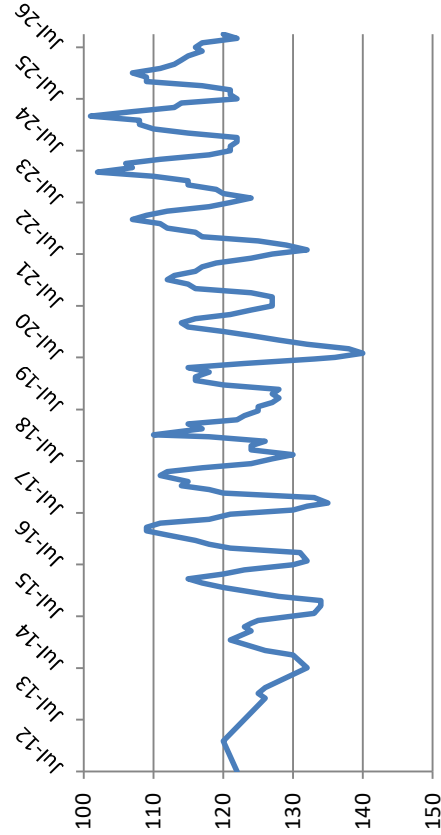


Carpenteria



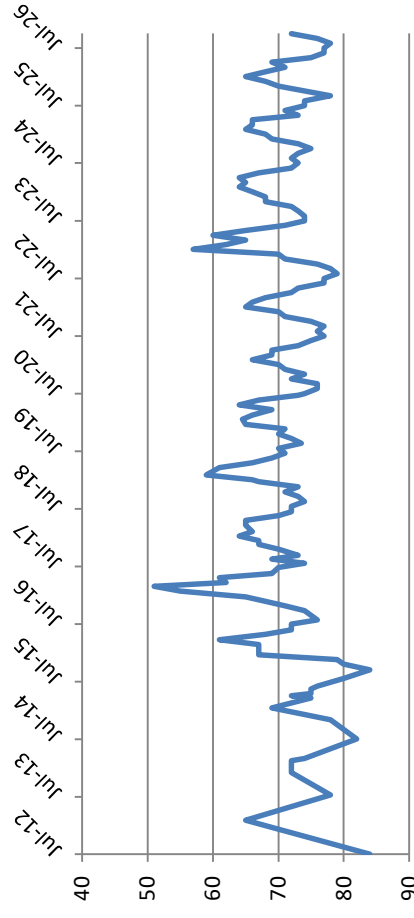
Carpenteria Well (production): Previous Read = 279 feet; Current Read = 276 feet

San Juan



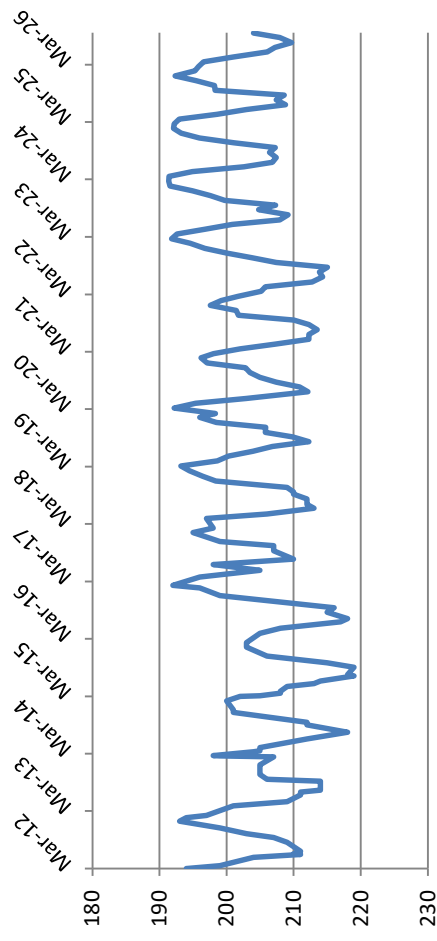
San Juan Well (production): Previous Read = 122 feet; Current Read = 120 feet

Marshall



Marshall Well (monitoring): Previous Read = 76 feet; Current Read = 72 feet

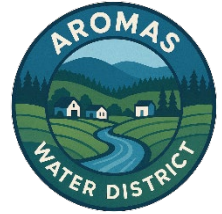
Aimee Meadows



Aimee Meadows (monitoring): Previous Read = 208 feet; Current Read = 204 feet

CORRESPONDENCE LIST: 09/16/2026 – 10/16/2026

DATE	TYPE	TO	FROM	SUBJECT
09/18/26	E	R. Johnson, AWD	O. Vargas, SBC BID	Building Permit – 3880 Anzar Road
09/28/26	L	SBC BID	R. Johnson, AWD	Can and Will Serve Letter
10/09/26	E	SWRCB, DDW	E. Gir6n, AWD	CA3510004-AWD-2026-Sep-WTP
10/09/26	E	SWRCB, DDW	E. Gir6n, AWD	CA3510004-AWD-2026-October-TCR
10/09/26	E	R. Johnson, AWD	M. Jarvis, PG&E	Marshall Lane E/O Aromas 117903558
10/16/26	E	R. Johnson, AWD	D. Elliott, DJE Architects	Project (Ops Shop) Update



Staff Report

To: Board of Directors
Re: Item IX.A – Receive update on the Marshall Well Replacement Project
Date: October 23, 2026

Summary / Discussion

This is an update on the Marshall Well Replacement Project, and progress made during September and early October.

Marshall Well Replacement Project

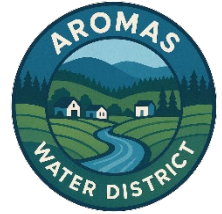
- Staff and Counsel continue to work on property acquisition.
- Staff and Counsel working on options for response to CEQA challenge of the MND.
- Environmental consultants have provided cost estimates for each CEQA challenge response option
- Well Pump Station Contract Documents – Staff is working with LSCE to finalize the bid documents.

Staff Recommendation

Staff recommends that the Board receive this update.

Submitted by:

Robert Johnson
General Manager



Staff Report

To: Board of Directors
Re: Item XII.B – Receive update on the Operations Shop Construction Project
Date: October 23, 2026

Summary / Discussion

This is an update on the Operations Shop Construction Project, and progress made during September and early October.

Operations Shop Construction Project

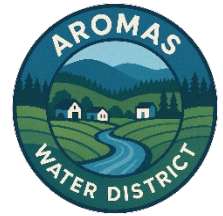
- Soils Report is completed and incorporated into the bid package for the project.
- Architect is providing updated information to current bidders
- PG&E application – staff has received initial construction drawings (within the proposed PG&E timeframe).

Staff Recommendation

Staff recommends that the Board receive this update.

Submitted by:

Robert Johnson
General Manager



Staff Report

To: Board of Directors
Re: Item XII.C – Consider and Approve License Agreement with LCB Communications, LLC, for Placement of Telecommunications Equipment
Date: October 23, 2026

Summary / Discussion

District Counsel and staff has negotiated an agreement allowing LCB Communications, LLC (LCB), to place fiber-optic equipment, anchored by a fiber distribution hub cabinet, on a small, mutually agreed upon portion of the District's Marshall Yard. The hub will serve as a node in LCB's expanding fiber network in the Aromas area. In lieu of paying rent, LCB will deliver broadband service of up to 2.5 Gbps per location to as many as seven District facilities: the District Office, the Pine Tree, Rea, Carr, and Cole tank sites, and two additional sites to be designated.

Benefits to the District include:

- **High-speed connectivity at no cash cost.** The District receives fiber broadband valued at \$6,636 per year.
- **Stronger operations at remote sites.** High-capacity links at tank sites strengthen the backbone of our XiO telemetry, remote monitoring, and site security, supporting faster response and better system visibility.
- **Productive use of District land.** The cabinet occupies a minimal footprint, and demands no ongoing District staff time or maintenance.
- **Community benefit.** The Agreement expands broadband infrastructure in Aromas, a public purpose formally recognized in the Agreement's findings.
- **Risk transferred to the Licensee.** LCB provides full defense and indemnity; \$2 million general liability coverage naming the District as primary additional insured; auto and workers' compensation coverage; and a waiver of subrogation. The District approves all site and construction plans, holds stop-work authority, may require relocation for operational needs, and is assured removal and restoration at Licensee expense on termination.

Staff and Counsel have worked well with LCB staff and look forward to this partnership that strengthens District's operations and beneficially serves the Aromas community.

Staff Recommendation

Approve License Agreement with LCB Communications, LLC, for Placement of Telecommunications Equipment and Authorize the General Manager to execute the Agreement

Submitted by:

Robert Johnson
General Manager



LICENSE AGREEMENT FOR PLACEMENT OF TELECOMMUNICATIONS EQUIPMENT

This License Agreement (“**Agreement**”) is made and entered into as of October __, 2026 (“**Effective Date**”) by and between Aromas Water District, a California County Water District (“**District**” or “**Licensor**”), and LCB Communications, LLC, with affiliated service provider South Valley Internet, Inc. (collectively, “**Licensee**”) on the following recitals.

Recitals

A. Licensor is the owner of that certain real property, commonly known as “**Marshall Yard**,” Aromas, CA 95004, designated as San Benito County Assessor’s Parcel Number 011-090-014-000, as shown on Exhibit A attached hereto and incorporated herein by reference (“**Property**”).

B. Licensee desires to utilize the Property for the installation and operation of certain telecommunications equipment, as set forth in Exhibit B (“**Equipment**”).

C. Commencing on the Effective Date, the parties desire to allow Licensee to use the Property for its Telecommunications Equipment and other related purposes for the five (5) year Term set forth in this Agreement.

D. Commencing on the Effective Date, Licensee desires to provide internet service to the District at up to seven (7) of the District’s facilities set forth in Exhibit C (“**Facilities**”).

E. Licensee desires to obtain from Licensor a license to enter upon and use the Property and Licensor desires to grant Licensee such license pursuant to the terms and conditions of this Agreement.

F. The District has determined that granting this License serves a public purpose of the District by expanding broadband and internet connectivity to District Facilities and the surrounding community, that any private benefit to Licensee is incidental to that public purpose, that the District retains sufficient control over the Property and the licensed activities, and that the consideration to the District under this Agreement, including the Service provided to the Facilities, is fair and adequate and is not merely nominal.

NOW, THEREFORE, in consideration of the mutual promises and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor and Licensee agree as follows:

1. Purpose.

The purpose of this Agreement is to grant Licensee a revocable, non-exclusive license to install, operate, and maintain telecommunications equipment on District Property for the provision of broadband and telecommunications Services, for the term and subject to the terms and conditions set forth in this Agreement, including the termination provisions of Section 15. This Agreement is binding on both parties and in accordance with its terms. This Agreement is a license only and does



not create a lease, easement, or other property interest for the Licensee, and may not be recorded. Notwithstanding the non-exclusive nature of this license, during the Term of this Agreement, District shall not grant any license, permit, or any right to a third party Competitor to install, operate, or maintain equipment on the Property for the provision of broadband internet access, telecommunications, or other data or voice services to end in direct Competition with Licensee's Services, whether delivered by fiber optic, coaxial, copper or other physical cable, or by fixed wireless or other over the air means using unlicensed or lightly licensed spectrum; provided, however, that nothing in this Agreement shall restrict the District from exercising any of its governmental or proprietary powers over the Property, and this restriction shall not limit the District's rights under Section 16. This restriction shall not apply to wireless communications facilities of a commercial, mobile radio service (i.e. cellular) carrier operating on a licensed spectrum, or to any other use of the Property that does not provide services in Competition with Licensee.

2. Definitions

- a. **Property** – Property means the District property described in Exhibit A.
- b. **Equipment** – All fiber optic cables, wireless infrastructure, equipment, cabinets, power supplies and related apparatus installed by Licensee on the Property for the provision of broadband and telecommunication services, as set forth in Exhibit B.
- c. **Competitor** – Means any person or entity providing broadband internet access, telecommunications, or data or voice services to end users using fiber optic, coaxial, copper or fixed wireless means, but excludes commercial mobile radio service providers offering mobile telecommunications services across multiple licenses frequencies and tower networks.
- d. **Competition** – Means the provision of broadband internet access, telecommunications, or data or voice services to end users on the Property or in proximity to the Property in a manner that materially interferes with or reduces demand for Licensee's services.
- e. **Business Day** – Means any day other than a Saturday, Sunday or a day on which the District's officers or Licensee's offices are closed, including Federal or California State holidays.
- f. **Force Majeure** – Means any event or circumstance beyond the reasonable control of the party claiming excuse that prevents, hinders, or delays that party's performance of its obligations under this Agreement, including but not limited to: (i) acts of God, earthquakes, floods, fires, storms, or other natural disasters; (ii) epidemics, pandemics, or quarantine restrictions; (iii) war, armed conflict, terrorism, riots, civil unrest, or insurrection; (iv) strikes, lockouts, or other labor disputes (other than those involving the affected party's own employees or contractors); (v) actions, orders, embargoes, sanctions, or regulations of any governmental authority; (vi) power outages or failures of electrical service or other utilities, including failures by PG&E or other utility providers; (vii) failures or disruptions of third-party telecommunications networks, facilities, or infrastructure; (viii) cyberattacks, denial-of-service attacks, or similar malicious acts; and (ix) any other event of a similar nature beyond the reasonable control of the affected party. Notwithstanding the foregoing, in no event shall Force Majeure excuse Licensee's obligation to pay the License Fee or any other amounts due to District under this Agreement. A party claiming Force Majeure shall provide written notice to the other party within three (3)



Business Days of the occurrence of the Force Majeure event, describing in reasonable detail the event, its expected duration, the specific obligations affected, and the steps being taken to mitigate its effects. The affected party shall use its best efforts to mitigate the effects of the Force Majeure event and to resume full performance as promptly as possible. If a Force Majeure event affecting Licensee's performance continues for more than sixty (60) consecutive days, District may, at its sole option, terminate this Agreement upon ten (10) days' written notice to Licensee without liability to District. District's exercise of any right under this Agreement, including but not limited to its right to revoke this license, shall not be subject to or limited by any claim of Force Majeure by Licensee.

g. **Service** – Means the broadband internet connectivity up to 2.5 Gbps per location and related network services provided by Licensee through the Equipment installed on the Property, including the transmission of data over Licensee's fiber optic network and all associated equipment, facilities, maintenance, monitoring, and support necessary to provide internet access to up to seven (7) Facilities identified in Exhibit C, subject to the terms and conditions of this Agreement.

3. Licensed Area.

The District grants Licensee permission to place Equipment on the Property, at a location mutually agreed upon by the parties so as not to interfere with District operations or infrastructure, as set forth in Exhibit A. The precise location, footprint, and routing of any conduits or pads shall be shown on a site plan approved in writing by District prior to any work. Prior to installation of the Equipment, District may require reasonable changes to the site plan to avoid interference with District operations or infrastructure. Once the Equipment has been installed on the Property, District shall not require relocation except where, in the District's reasonable discretion, relocation is necessary to address (i) a genuine emergency or (ii) the District's water, utility, or other governmental or operational needs, in each case upon reasonable written notice. For any relocation of Equipment requested by District after installation, the parties shall meet and confer in good faith to agree to the relocation, timing, and the allocation of costs before any work is required.

4. Construction and Right-of-Way Work.

Licensee shall be solely responsible for obtaining all required permits and permissions to bore or trench along Marshall Road, and for all construction, installation, restoration, and inspection costs. Licensee shall be solely responsible for and shall obtain and keep current all required permits and permissions for any work within public or private rights-of-way. The District reserves the right to review and approve all construction plans, methods, and timelines to avoid interference with District operations. No work shall commence until District has approved construction plans, methods, traffic control, and schedules in writing. District may inspect work at any time and may issue a stop-work directive to address safety, operational, or specification noncompliance; Licensee shall immediately comply. If any portion of the work constitutes a "public work" within the meaning of California Labor Code section 1720 et seq., Licensee shall pay, and shall require its contractors and subcontractors to pay, not less than the applicable general prevailing rates of per diem wages, shall comply with all applicable requirements of



Labor Code sections 1720 through 1861 (including registration and monitoring requirements), and shall defend, indemnify, and hold the District harmless from and against any wages, penalties, fees, costs, or other liability arising from any failure to do so. The District makes no representation or warranty as to whether the work is or is not a “public work,” and Licensee assumes all risk of any such determination.

5. Utilities and Power.

a. Temporary Connection. On a temporary basis not to exceed Thirty-six (36) months from the Effective Date (the “**Temporary Power Period**”), Licensee may connect its Equipment to District’s electrical power solely to facilitate installation, testing, and initial operation. During the Temporary Power Period, Licensee shall install metering devices reasonably acceptable to District to monitor usage and shall reimburse District monthly for all incremental power costs attributable to Licensee’s usage within thirty (30) days of invoice. All interim electrical work shall be performed by a licensed electrician and in compliance with District standards. Licensee shall bear the cost of all electricity consumed by Licensees’ equipment at the property. Licensee will provide meter and will monitor utilization.

b. Dedicated Meter. Licensee shall, at its sole cost and expense, apply for, obtain, and place in service a separate utility meter and service drop from the serving utility to exclusively serve the Equipment prior to the end of the Temporary Power Period. Licensee shall not be required to initiate the application for the dedicated meter and service with the serving utility until the nineteenth (19th) month following the Effective Date. Provided Licensee initiates the application by that time and thereafter diligently pursues the dedicated service in good faith, Licensee shall not be in breach of this Agreement if the dedicated meter is not placed in service by the end of the Temporary Power Period due to delays caused by the serving utility, and the District shall extend the Temporary Power Period for an additional period it deems reasonably necessary for the serving utility to complete and energize the dedicated service. The dedicated service shall be separately billed by the serving utility directly to Licensee, and no further connection to District’s electrical service shall be permitted after the earlier of commissioning of the dedicated meter or expiration of the Temporary Power Period as it may be extended under this section.

c. Engineering and Utility Application Costs; Cost-Sharing Discussion. Promptly after the Effective Date, the parties shall in good faith discuss potential cost-sharing arrangements, if any, related to third-party electrical engineering and utility application fees necessary for the new meter and service. Absent a mutually executed written cost-sharing agreement, Licensee shall bear all such costs.

d. No Continued Use of District Power. Upon the earlier of commissioning of the dedicated meter, or upon expiration of the Temporary Power Period (as it may be extended under Section 5. b. Licensee shall promptly transition off and cease use of District’s electrical service. Licensee’s continued use of District’s electrical service after such time, other than a brief and reasonable transition period to complete cutover, is unauthorized and shall constitute material breach of this Agreement.



e. No Material Electrical Load on District Systems. Licensee shall not connect any load that could impair or interfere with District operations, and any interim connection shall comply with District's electrical standards and be installed by a licensed electrician approved by District.

6. Maintenance.

During the Term of the Agreement, Licensee shall, at its expense, keep and maintain its Equipment and the Licensed Area in a clean, safe and good condition, and shall promptly repair any damage to the Property caused by Licensee's activities or Equipment. Such repairs shall restore the Licensed Area to a condition reasonable satisfactory to the District. Licensee shall not be responsible for maintenance, repair or conditions of the Property arising from causes other than 'Licensee's own activities or Equipment, including normal wear and tear of the Property or the acts or omissions of the District or third parties.

7. Services Provided to District; Service Fee.

Licensee shall provide Service to District Facilities passed by Licensee's fiber network, consisting of up to seven (7) Facilities identified in Exhibit C, at a Service Fee of five hundred fifty-three dollars (\$553.00) per month. Except as expressly provided in Section 7.b below, Licensee makes no representation, warranty, or guarantee regarding Service availability, uptime, speed, or performance, and the District shall not be entitled to any outage credit, refund, offset, or other remedy in the event of any interruption, degradation, or failure of the Service. Licensee shall have no liability for any interruption, degradation, or failure of the Service caused in whole or in part by the District, its employees, agents, contractors, or equipment, or by any disruption of electrical service or other utilities supplied to the Property. The parties may memorialize service activation dates, technical specifications, and other operational details in a separate service schedule consistent with this Section.

8. Fees.

a. License Fee.

Licensee shall pay the District a License Fee of \$553.00 per month due monthly in advance on the first day of each month. As long as Licensee is providing the Service described in Section 6, above, the monthly License Fee of \$553.00 and the monthly Service Fee of \$553.00 shall offset one another in full, such that no payment shall be due from either party to the other. In any month in which Licensee does not provide the Service as set forth in Section 7., the License Fee shall be due and payable by Licensee, and any late amounts shall bear interest no greater than the maximum rate allowed by law. The parties acknowledge that the mutual License Fee and Service Fee, together with the Service provided to the Facilities and Licensee's other obligations under this Agreement, constitute fair and adequate consideration for the rights granted and are not merely nominal.



b. Licensee shall pay all taxes, assessments, and charges arising from its Equipment or use; no setoff or deduction is permitted except for the offset of the License Fee and Service Fee expressly provided in Section 8(a).

9. Ownership of Equipment.

All equipment installed by Licensee shall remain the sole property of Licensee and may not create any lien, encumbrance, or security interest against the Property.

10. Access.

The District shall provide Licensee reasonable access to the Licensed Area for installation, maintenance, repair, and emergency response. The District reserves the right to supervise or impose conditions on access to District property by the Licensee or Licensee's contractors to ensure operational and security concerns are addressed.

11. Hazardous Materials.

Hazardous materials are prohibited. Licensee shall immediately notify District of any release or threatened release and shall investigate and remediate any hazardous materials introduced by Licensee in compliance with applicable laws, at its sole cost.

12. Indemnity.

To the extent permitted by law, Licensee shall indemnify, hold harmless, and defend District, its directors, officers, employees, and authorized volunteers (collectively, "**Indemnified Parties**"), from and against any and all liability, loss, damage, expense and costs (including without limitation reasonable costs and fees of litigation), of every kind or nature to the extent arising out of or relating to Licensee's use of the Property, Licensee's performance of or failure to perform its obligations under this Agreement, including claims for (i) bodily injury, death, or property damage or (ii) violation of laws or permits, except to the extent such loss, damage, or liability is caused by the sole negligence or willful misconduct of the Indemnified Parties. Licensee's duty to defend arises immediately upon written tender by District, with counsel reasonably acceptable to District; provided that, to the extent it is finally determined that a given claim was caused by the sole negligence or willful misconduct of the Indemnified Parties, District shall reimburse Licensee for the reasonable defense costs incurred as to that claim. Licensee's indemnification obligations shall survive expiration or termination of this Agreement as to liabilities arising from activities occurring during the Term of the License, but only for the period during which a claim relating to such liabilities may be brought under the applicable statute of limitations, after which such obligations shall expire.

13. Insurance.

Licensee shall, at its sole cost and expense, maintain during the Term insurance as set forth in Exhibit D.



14. Dispute Resolution.

In the event of any claim, controversy, or dispute arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof (“**Dispute**”), the parties shall promptly meet and confer in good faith to attempt to resolve the Dispute. Such conference shall occur within fifteen (15) Business Days after written notice of the Dispute is delivered by one party to the other, unless the parties agree in writing to a different schedule. If the parties are unable to resolve the Dispute through good faith negotiations within thirty (30) days after the initial meet-and-confer, the parties shall participate in non-binding mediation before a mutually agreed mediator in San Benito County, California. The parties shall share the mediator’s fees and expenses equally and otherwise bear their own costs and attorneys’ fees for the mediation. Nothing herein precludes either party from seeking immediate temporary restraining orders or injunctive relief to address imminent harm to persons, property, or essential District operations or Licensee’s Equipment or operations.

15. Term and Termination.

This Agreement shall remain in effect for an initial term of five (5) years (“**Initial Term**”), commencing on the Effective Date, unless terminated earlier in accordance with this Section. The Initial Term, together with any Renewal Terms exercised under Section 13(a), is referred to as the “Term.”

a. **Renewal Options.** Licensee shall have the option to renew this Agreement for up to two (2) additional consecutive terms of five (5) years each (each, a “**Renewal Term**”), on the same terms and conditions set forth in this Agreement except as to the fees adjusted under this Section, subject to the District’s prior written consent, which the District shall not unreasonably withhold. Licensee shall request each Renewal Term by delivering written notice to the District no less than ninety (90) days before the expiration of the then-current Term. Upon Licensee’s timely exercise, the Agreement shall continue for the applicable Renewal Term without further action by either party. Following the expiration of the final Renewal Term, the parties shall meet and confer in good faith to negotiate the terms of any further extension.

At the commencement of each Renewal Term, the monthly License Fee and the monthly Service Fee shall each be adjusted by the same percentage, equal to the cumulative percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward area published by the U.S. Bureau of Labor Statistics over the preceding Term, so that the License Fee and Service Fee remain equal to one another and continue to offset in full under Section 6. Licensee shall continue to provide Service to the Facilities at then-current standard Service levels, which the parties anticipate will increase over time as Licensee’s network capabilities improve.

b. **No Termination for Convenience.** Neither party may terminate this Agreement for convenience or without cause during the Term. The parties acknowledge that Licensee is making a substantial capital investment in reliance on the Term, including the Renewal Terms available to Licensee, and that the certainty of the Term is a material inducement to Licensee entering into this Agreement.



c. Termination for Cause. Either party may terminate this Agreement for cause if the other party materially breaches this Agreement and fails to cure such breach within sixty (60) days after written notice describing the breach in reasonable detail; provided that, if the breach is of a nature that cannot reasonably be cured within sixty (60) days, the breaching party shall not be in default so long as it commences cure within that period and thereafter diligently pursues the cure to completion. Termination for cause shall not limit any other remedies available to the terminating party.

d. Effect of Termination; Removal and Restoration. Upon expiration or earlier termination of this Agreement, Licensee shall have up to twelve (12) months to remove its Equipment and restore the affected area of the Property to substantially its condition prior to Licensee's activities, reasonable wear and tear and the District's own changes excepted, to the reasonable satisfaction of the District. The District may grant Licensee an extension of time to remove its equipment and restore the affected area provided Licensee is making good faith, diligent efforts to remove the equipment. If Licensee does not complete removal and restoration within that period, the District may remove the Equipment and restore the Property at Licensee's reasonable expense.

16. Non-Exclusive Use.

The District reserves the right to use the Property for any District purpose and to grant licenses, easements, permits, or other rights to third parties for use of the Property, provided that such use does not materially interfere with Licensee's use of the Property or operations, and except as provided in Section 1 with respect to restrictions on competing telecommunications providers.

17. Compliance with Laws.

Licensee shall comply with all applicable laws and governmental regulations while using the Property. Licensee shall obtain, maintain, and comply with all permits, approvals, utility tariffs, and governmental requirements applicable to the Equipment and its operations.

18. Governing Law.

This Agreement shall be governed by the laws of the State of California. Venue shall be in San Benito County.

19. Notices.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered or sent by United States certified mail, postage prepaid, return receipt requested, or by electronic mail, addressed to the addresses set forth in the signature block below, or to such other address(es) as either party may from time-to-time designate by notice to the other given in accordance with this Section. Notice shall be deemed effective on the date personally served or sent by electronic mail or, if mailed, three (3) Business Days from the date such notice is deposited in the United States mail.

20. Binding Effect; Assignment.

This Agreement shall bind and benefit Licensee and District and their respective successors in interest and permitted assigns. Any assignment or transfer, of this Agreement, shall be subject to



the District's prior written consent, which shall not be unreasonably withheld, provided the proposed assignee assumes all obligations under this Agreement in writing, and is bound by the same terms.

21. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The signature page of each counterpart may be detached from such counterpart and attached to a single document which shall for all purposes be treated as an original. To facilitate execution and delivery of this Agreement, the parties may execute and exchange by facsimile or electronic image (i.e., as a ".pdf" file) counterparts of the signature pages and/or sign by electronic means (i.e., with DocuSign).

22. Entire Agreement.

This Agreement constitutes the entire understanding between the parties. This Agreement may be amended only by a written instrument executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Aromas Water District

By: _____

Name:

Title:

Date:

LCB Communications, LLC

By: _____

Name: Elise Brentnall

Title: Managing Partner

Date:

South Valley Internet, Inc.

By: _____

Name: Robert Brentnall

Title: Chief Executive Officer

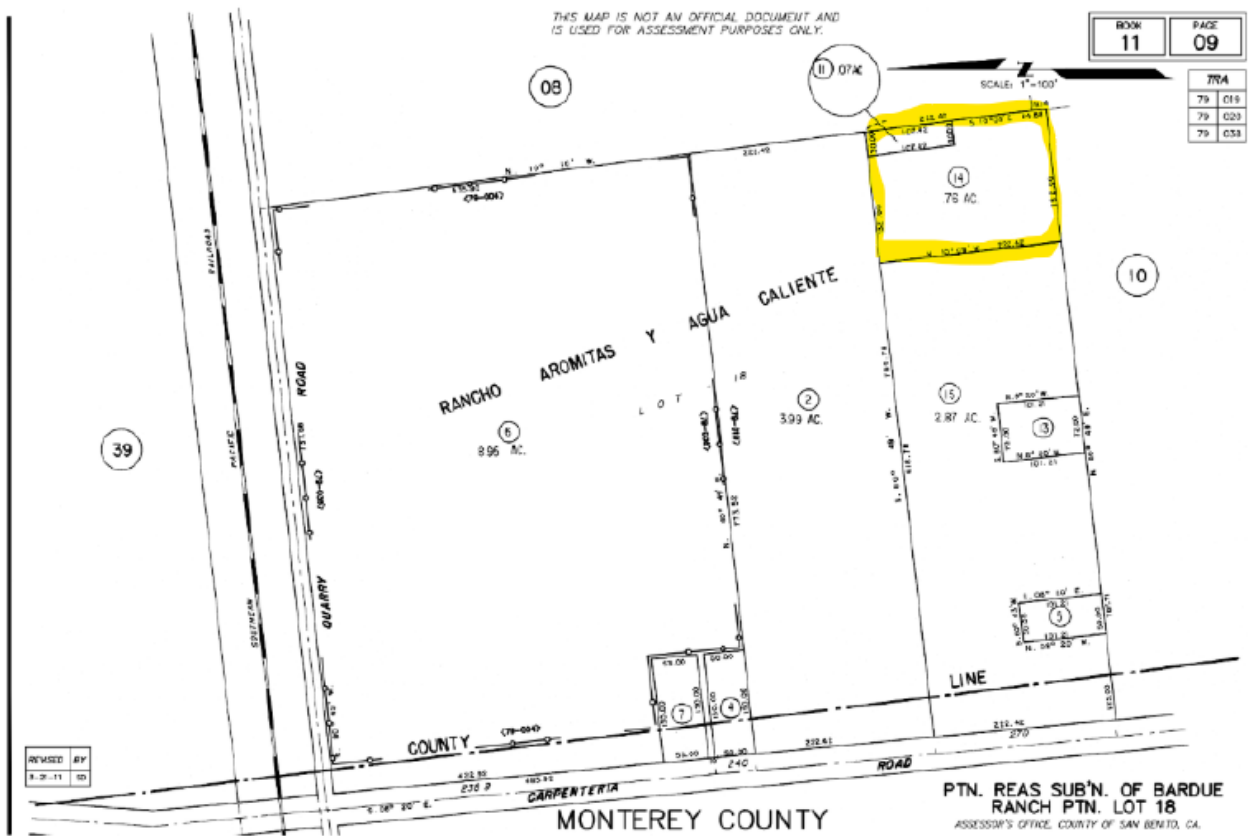
Date:



EXHIBIT A

Property and License Area

Parcel Map:



Site Map:



EXHIBIT B

Equipment

Image:





Cut Sheet:

Clearfield FDH Cabinet – Cut Sheet
Model: R-D-A4-288-C1E-1000-B100F

General

- Type: Fiber Distribution Hub (FDH) – Passive
- Application: FTTH / PON
- Power: None required

Capacity

- Distribution Ports: 288
- Feeder Ports: 24
- Splitter Capacity: 72
- Connector Type: SC/APC

Physical

- 35.1” H × 18.5” W × 17” D
- Aluminum construction
- Bottom cable entry
- Pad / pole / vault mount

Compliance

- Telcordia GR-3125
- GR-326 / GR-20 / GR-409

Notes for City

- Passive cabinet (no electrical load)
- Installed in ROW / utility easement
- Compatible with underground conduit systems
- Designed for OSP deployment

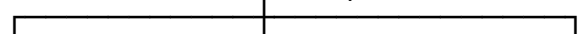


SINGLE LINE DIAGRAM (TAILORED TO A4 CONFIG)

BACKBONE / FEEDER FIBER



[FDH CABINET – A4 / 288 PORT]
(24 FEEDER → 288 DIST)



Splitter
(1x32)



Splitter
(1x32)



Splitter
(1x32)



Distribution → Handholes → Drops → ONTs
(Homes)

INTERNAL CABINET LAYOUT
(A4 CONFIG)

Rear (Feeder Side – Locked)

- 24 feeder fibers enter
- Splice trays (12 per tray)
- Slack storage

Middle Section

- Splitter modules (1x32 typical)
- Fiber routing channels

Front (Access Side)

- 288 SC/APC ports
- Clearview cassettes

Customer distribution jumpers



EXHIBIT C Facilities

Facilities to receive service are (coordinates to be provided):

- 1) Office at 388 Blohm Avenue
- 2) Pine Tree Tank, off of Carpenteria Road
- 3) Rea Tank, off Rea of Avenue
- 4) Carr Tank, off of Carr Avenue
- 5) Cole Tank, off of Cole Road
- 6) Site A – to be determined
- 7) Site B – site to be determined



EXHIBIT D

Insurance

Licensee shall procure and maintain for the duration of the use of the Property, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the use of the Property and the activities of the Licensee, guests, agents, representatives, employees or subcontractors. Licensee shall provide and maintain the following commercial general liability, automobile liability, and workers' compensation insurance:

Coverage - Coverage shall be at least as broad as the following:

1. **General Liability** – Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including property damage, bodily injury and personal & advertising injury with limits of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If Commercial General Liability Insurance or other form with a general aggregate limit, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 25 03, or ISO CG 25 04, or insurer's equivalent endorsement provided to District) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability** – Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.
3. **Workers' Compensation Insurance** – The Licensee shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

Waiver of Subrogation: Licensee hereby grants to the District a waiver of any right of subrogation that any insurer of Licensee may acquire against the District, its directors, officers, employees, and authorized volunteers for losses paid under such insurance. Licensee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation from the insurer.

If Licensee maintains broader coverage and/or higher limits than the minimums shown above, Licensors requires and shall be entitled to the broader coverage and/or higher limits maintained by the Licensee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Licensors.



Required Provisions - The Commercial General Liability policy is to contain, or be endorsed to contain, the following provisions:

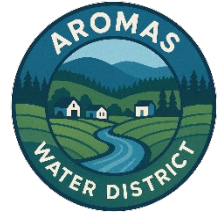
1. **Additional Insured Status:** Licensor, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 12), as respects: liability arising out of the use of the Property, work or activities performed by or on behalf of the Licensee including materials, parts, or equipment furnished in connection with such work or operations, and automobiles owned, leased, hired or borrowed by Licensee. The coverage shall contain no special limitations on the scope of protection afforded to Licensor, its directors, officers, employees, and authorized volunteers.
2. **Primary Coverage:** For any claims related to use of the Property, Licensee's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to Licensor, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by Licensor, its directors, officers, employees, and authorized volunteers; shall be excess of Licensee's insurance and shall not contribute with it.

Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except after thirty (30) days' prior notice has been provided to the District.

Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or as otherwise approved by Licensor.

The Licensee agrees and they will comply with such provisions before commencing use of the Property and any installation or activities. All of the insurance shall be provided on policy forms and through companies satisfactory to Licensor. Licensor reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Verification of Coverage – Licensee shall furnish Licensor with certificates and amendatory endorsements effecting coverage required by the above provisions. All certificates and endorsements are to be received and approved by Licensor *at least five days* before the Licensee use of the Property commences.



Staff Report

To: Board of Directors
Re: Item XII.D – Consider and Approve Resolution #2026-08, Adopting the Standardized Emergency Mutual Aid and Water Supply Agreement Template
Date: October 23, 2026

Summary / Discussion

Senate Bill 552 (2021) established statutory mandates, designed to improve drought resilience and emergency water shortage preparedness for small water suppliers, state small water systems, and rural communities serving less than 3,000 connections.

The Aromas Water District (District) has had a few requests for arrangements to provide water to other entities in the case of an emergency in case their systems fail. These types of requests can present legal, operational, and financial risks to the District if clear terms are not established prior to an emergency situation.

In response to these types of requests, Counsel and staff have developed a Standardized Emergency Mutual Aid and Water Supply Template (Template) for the purpose of establishing a legally sound, operationally protective and cost-neutral framework agreement document that can be used in emergency situations. This Template ensures the District can voluntarily provide emergency drinking water to neighboring systems under SB552, and at the same time provide operational discretion, cost reimbursement and indemnification protection for the District and its customers.

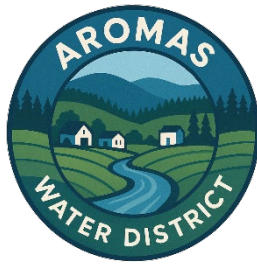
The proposed Template was modeled after California Water/Wastewater Agency Response Network (CalWARN) standards (the District is a member of CalWARN), adapted to the District's operations.

Staff Recommendation

Approve Resolution #2026-08, Adopting the Standardized Emergency Mutual Aid and Water Supply Agreement Template

Submitted by:

Robert Johnson
General Manager



RESOLUTION 2026-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AROMAS WATER DISTRICT ADOPTING A STANDARDIZED EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT TEMPLATE FOR SMALL WATER SYSTEMS PURSUANT TO SENATE BILL 552

WHEREAS, California Senate Bill 552 (Hertzberg, 2021; codified in California Water Code § 10609.50 et seq.) establishes proactive drought resilience and emergency water shortage preparedness standards for small water suppliers, state small water systems, and rural communities throughout California; and

WHEREAS, small water suppliers, mutual water companies, and state small water systems serving vulnerable rural areas may experience acute water shortages, well failures, or water quality contamination during severe drought or disaster events; and

WHEREAS, the Aromas Water District (District) is a California special district organized under the County Water District Law (Water Code § 30000 et seq.), operating a public municipal water distribution system with storage, production, and technical capabilities; and

WHEREAS, the District is occasionally requested by neighboring small water systems experiencing catastrophic supply failures to provide temporary emergency drinking water, intertie deliveries, or operational support; and

WHEREAS, the District desires to establish a clear, standardized, and legally robust Mutual Aid and Water Supply Agreement framework prior to emergency events, ensuring seamless regional response while fully safeguarding District rate-payers, system reserves, and operational integrity; and

WHEREAS, the proposed Standardized Agreement ensures that any assistance provided by District remains entirely voluntary, at the sole discretion of the District's Authorized Official, and fully reimbursable by the requesting entity for all direct and indirect operational costs; and

WHEREAS, the Board of Directors has reviewed the proposed agreement template and Staff Report and determined that adopting this framework is in the best interest of the District, its rate-payers, and regional public health and safety.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Aromas Water District as follows:

Section 1. Recitals Approved. The above recitals are true and correct and are hereby incorporated into and made an operative part of this Resolution.

Section 2. Adoption of Agreement Template. The Board of Directors hereby approves and adopts the Standardized Emergency Mutual Aid and Water Supply Agreement template, in substantially the form presented to the Board, as the official District framework for voluntary emergency water provision under Senate Bill 552.

Section 3. Delegation of Authority. The Board of Directors hereby delegates authority to the General Manager, or their designated representative, to negotiate, finalize, and execute individual Mutual Aid and Water Supply Agreements with qualifying small water systems, state small water systems, or mutual water companies, subject to legal review by District Legal Counsel.

Section 4. Operational Discretion and Rate-Payer Protection. The General Manager shall ensure that all executed agreements strictly maintain the District's unilateral right to evaluate resource availability, decline requests, or immediately curtail or terminate emergency water deliveries whenever necessary to protect the District's storage levels, system pressure, fire protection capacity, and/or customer supplies.

Section 5. Full Cost Recovery. All emergency water supply, intertie connection setup, labor, equipment usage, and administrative support provided under executed agreements shall be billed to and fully reimbursed by the requesting entity at adopted District emergency rates and actual incurred costs, ensuring absolute cost neutrality for AWD rate-payers.

Section 6. Environmental Determination (CEQA). The Board finds that adoption of this administrative mutual aid framework is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15269 (Emergency Projects) and Section 15301 (Existing Facilities).

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board of Directors.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Aromas Water District, duly held on the **27th** day of **October 2026**, upon motion of Director _____, seconded by Director _____, and carried by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

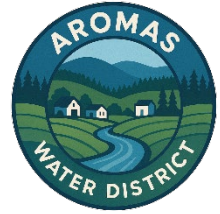
APPROVE:

ATTEST:

Seth Capron, Board President

Robert Johnson, Board Secretary

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT



THIS EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT (Agreement) is made and entered into as of this ____ day of _____, 20__ (Effective Date), by and between the **AROMAS WATER DISTRICT**, a California special district organized and existing under the County Water District Law (California Water Code § 30000 et seq.) (District), and _____, a California public water system / mutual water company / special district (Requesting Entity). The District and Requesting Entity are individually referred to as a "Party" and collectively as the "Parties."

ARTICLE I. RECITALS AND PURPOSE

WHEREAS, California Senate Bill 552 (Hertzberg, 2021; California Water Code § 10609.50 et seq.) establishes drought and water shortage planning and coordination requirements for small water suppliers, state small water systems, and rural communities across California, and encourages interties and mutual aid as drought-resiliency measures;

WHEREAS, small water systems may experience sudden, catastrophic, or acute water shortages caused by extended drought, aquifer depletion, power failures, equipment breakdowns, wildland fires, earthquakes, or water quality contamination;

WHEREAS, the District operates a drinking water distribution system and possesses technical, operational, and water supply capabilities that may, under appropriate conditions and within the District's sole operational discretion, be made temporarily available to assist nearby water systems during an Emergency Event;

WHEREAS, the Parties desire to set forth clear legal procedures, financial terms, operational boundaries, and liability protections governing the voluntary provision of emergency water supply, temporary intertie operation, bulk water hauling, or technical assistance; and

WHEREAS, the District is a limited-powers entity that may exercise only those powers expressly granted or necessarily implied under the County Water District Law, and may sell water for any useful purpose and dispose of surplus water to municipalities, public agencies, or consumers located outside the District pursuant to Water Code section 31023, and the District enters into this Agreement in the exercise of that authority and only to the extent it determines it has water surplus to the needs of its own customers.

ARTICLE II. DEFINITIONS

Authorized Official: The General Manager, Board President, or designated emergency response representative of a Party who possesses full legal authority to request, evaluate, offer, decline, or terminate emergency assistance under this Agreement.

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

Emergency Event: An unforeseen or acute situation; including drought shortage, well failure, contamination, disaster, power loss, or physical infrastructure failure, that causes or threatens an immediate loss of essential drinking water supply required to protect public health and safety.

Period of Assistance: The exact timeframe commencing when the District begins delivering emergency water or assistance to the Requesting Entity and terminating when assistance is formally concluded or withdrawn.

Point of Delivery: The physical connection point, emergency intertie meter, or bulk loading station where emergency water passes from the District's operational control to the Requesting Entity's control.

Requesting Entity: The water system or entity seeking emergency water supply, equipment, or assistance under this Agreement.

ARTICLE III. DISCRETION & VOLUNTARY NATURE OF ASSISTANCE

3.1 Absolute Discretion of District. Execution of this Agreement shall NOT create any mandatory duty, legal obligation, or guarantee for the District to supply water, deploy personnel, or provide equipment upon receiving a request. The District's Authorized Official retains sole, absolute, and unreviewable discretion to determine whether water resources, system capacity, or operational conditions permit responding to a request.

3.2 Priority of District Rate-Payers and Customers. The District's primary duty and legal obligation is to maintain uninterrupted, safe, and reliable water supply, system pressure, and fire protection capacity for its own customers and rate-payers. No emergency assistance shall be provided if the District's Authorized Official determines that doing so would compromise the District's operational integrity, regulatory compliance, or water reserves.

3.3 Unilateral Right to Withdraw or Curtail. The District reserves the unrestricted right to curtail, reduce, suspend, or immediately terminate the delivery of emergency water or assistance at any time during a Period of Assistance, without penalty or liability, if the District's operational conditions, water supply availability, customer needs, or nonpayment by the Requesting Entity require or warrant such action.

3.4 Surplus Determination; Condition to Assistance. Notwithstanding any other provision of this Agreement, the District shall have no obligation to provide, and shall provide, emergency water or assistance only if and to the extent the District's Authorized Official (or the District's Board of Directors) first determines that the District has water surplus to the present and reasonably anticipated needs of its own customers and that providing the assistance is in the best interests of the District. Any delivery of water under this Agreement constitutes a disposal of surplus water to a consumer outside the District pursuant to Water Code section 31023.

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

ARTICLE IV. REQUEST & ACTIVATION PROCEDURES

4.1 Emergency Request Protocol. When an Emergency Event occurs, the Requesting Entity's Authorized Official may submit an emergency request to the District's Authorized Official orally or in writing. Oral requests must be confirmed in writing within twenty-four (24) hours.

4.2 Mandatory Request Information. Every request for assistance shall explicitly state:

- Nature and cause of the Emergency Event;
- Estimated volume of water required (gallons per day or Acre-Feet) and requested flow rate (GPM);
- Requested delivery mechanism (temporary intertie, permanent emergency intertie, bulk water hauling station);
- Anticipated duration of assistance;
- Contact information for Requesting Entity's incident commander and technical leads.

4.3 Evaluation and Response Notification. The District's Authorized Official shall evaluate the request against current District storage levels, production capacity, and system constraints, and notify the Requesting Entity as soon as practicable whether the District can fulfill the request in whole or in part.

ARTICLE V. FINANCIAL TERMS, RATES & REIMBURSEMENT

5.1 Obligation to Reimburse Actual Costs. The Requesting Entity agrees to fully reimburse the District for all direct and indirect costs incurred by the District during the Period of Assistance, including a reasonable allocation of the District's administrative and general overhead, so that the provision of assistance is self-supporting and imposes no net cost on the District or its customers. Reimbursable expenses shall include:

Cost Category	Calculation Basis	Description & Standard
Volumetric Water Rate	Per Hundred Cubic Feet (CCF) or Thousand Gallons	District adopted wholesale/emergency bulk water tariff rate + energy/pumping surcharges.
Labor & Personnel	Actual Hourly Rate + Benefits + Overtime	Direct labor costs for District operators, engineers, and administrative oversight.
Equipment & Facilities	Standard FEMA / Cal OES Equipment Rates	Use of pumps, generators, meters, service vehicles, and intertie equipment.
Materials & Third-Party	Direct Cost + 10% Administrative Fee	Chemicals, fittings, water testing fees, or specialized contract services.

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

5.2 Invoicing and Payment Terms. The District shall submit an itemized invoice to the Requesting Entity within forty-five (45) days following the conclusion of the Period of Assistance (or monthly for extended operations). Payment shall be due in full within thirty (30) days of invoice receipt. Any amount not paid when due shall bear interest at the maximum rate permitted by law from the due date until paid. As a condition of initiating or continuing assistance, the District may require the Requesting Entity to post a deposit, prepayment, or other reasonable assurance of payment, and any nonpayment shall be grounds for curtailment under Section 3.3 and termination under Article IX.

5.3 Prohibition on Commercial Resale. Water provided under this Agreement is supplied strictly for domestic, sanitation, and essential human health and safety purposes. Pursuant to CPUC General Order 96-B rules, consistent with Water Code section 31023 and applicable California law, the Requesting Entity is expressly prohibited from reselling water obtained under this Agreement for commercial or industrial profit.

ARTICLE VI. WATER QUALITY & USE RESTRICTIONS

6.1 Water Quality at Point of Delivery. Water supplied by the District at the Point of Delivery shall comply with applicable California Division of Drinking Water (DDW) primary potable drinking water standards.

6.2 Transfer of Responsibility Past Point of Delivery. Once water passes the Point of Delivery or meter, the Requesting Entity assumes full, exclusive responsibility for maintaining water quality, disinfection residuals, testing, storage, and safe distribution within its own service network.

6.3 End-Use Priority (Human Health & Safety). Water delivered under this Agreement shall be prioritized for essential indoor human health and safety needs (consistent with California's 55 gallons per capita per day indoor human health standard). Requesting Entity shall institute outdoor irrigation bans and mandatory conservation during emergency delivery periods.

6.4 No Warranty Beyond Point of Delivery. Except for the water-quality standard set forth in Section 6.1 as measured at the Point of Delivery, the District makes no representation or warranty of any kind, express or implied, concerning the water or assistance supplied under this Agreement, including any warranty of quality, quantity, pressure, continuity of supply, or fitness for a particular purpose, and all such warranties are expressly disclaimed. The District shall have no liability for water quality, contamination, disinfection residual, pressure, interruption, or loss of service occurring past the Point of Delivery.

ARTICLE VII. INCIDENT COMMAND & PERSONNEL

7.1 Command Structure. Emergency response operations under this Agreement shall align with the Standardized Emergency Management System (SEMS) and National Incident Management System (NIMS).

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

7.2 Employer Status and Supervision. District personnel responding to a request shall at all times remain employees of the District, under the District's direct administrative and supervisory authority, and entitled to all District worker's compensation, benefits, and salary protections.

ARTICLE VIII. INDEMNIFICATION & LIABILITY PROTECTIONS

8.1 Requesting Entity Indemnification. To the fullest extent permitted by law, the Requesting Entity shall defend (with counsel reasonably acceptable to the District), indemnify, save, and hold harmless the District, its directors, officers, employees, agents, and representatives from and against any and all claims, demands, losses, costs, expenses (including reasonable attorney's fees and costs of suit), suits, liabilities, or damages of any kind or nature, including any arising in part from the District's own passive or vicariously negligence but excluding those arising from the District's sole active negligence or willful misconduct, arising directly or indirectly out of:

- The provision, delay, reduction, curtailment, or termination of emergency water supply under this Agreement;
- Water quality degradation, contamination, or pressure issues occurring past the Point of Delivery;
- Damage to property, personal injury, or loss of service experienced by end-users or third parties within Requesting Entity's service area.

8.2 Protection of Non-Responding Parties. Consistent with WARN and CalWARN standards, this Agreement limits liability to the participating Parties and protects non-responding agencies from third-party claims.

8.3 Allocation of Liability Among Public Entities. To the extent the Parties are public entities, and pursuant to Government Code sections 895.4 and 895.6 and notwithstanding Government Code section 895.2, each Party shall be solely responsible for, and shall indemnify and hold harmless the other Party from, any liability for injury or damage caused by that Party's own negligent or wrongful act or omission in the performance of this Agreement. The Parties expressly agree that this allocation supersedes and displaces the joint and several liability and the pro rata contribution that would otherwise apply under Government Code sections 895.2 and 895.6. This Section 8.3 does not limit the Requesting Entity's indemnification obligations under Section 8.1.

8.4 Reservation of Immunities. Nothing in this Agreement waives, and the District expressly reserves, all privileges, immunities, and defenses available to it under applicable law. The Parties acknowledge that the District's decisions whether to provide, decline, condition, curtail, suspend, or terminate assistance under this Agreement are discretionary functions.

8.5 Insurance. Prior to any delivery of water or assistance, and throughout any Period of Assistance, the Requesting Entity shall maintain commercial general liability insurance (and, where applicable, automobile liability and pollution/environmental liability coverage) in amounts not less than those reasonably required by the District, shall name the District and its directors, officers, employees, and agents as additional insureds on a primary and non-contributory basis, shall include a waiver of subrogation in favor of the District, and shall deliver certificates of insurance and endorsements evidencing such coverage before assistance begins. Participation in

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

a qualifying joint powers authority or pooled self-insurance program satisfies this Section 8.5 if it provides coverage substantially equivalent to the foregoing.

ARTICLE IX. TERM, TERMINATION & GENERAL PROVISIONS

9.1 Term. This Agreement shall become effective on the Effective Date and remain in effect for a term of three (3) years, automatically renewing for additional one-year terms unless terminated by either Party. Each Party's execution and any renewal shall be subject to that Party's governing board authorization and contracting policies.

9.2 Termination for Convenience. Either Party may terminate this Agreement without cause upon thirty (30) days' written notice to the other Party, provided that any active Period of Assistance or financial reimbursement obligation shall survive termination.

9.3 Termination for Cause. The District may terminate this Agreement, or suspend performance, immediately upon written notice to the Requesting Entity if the Requesting Entity fails to pay any amount when due, breaches any material term of this Agreement, or fails to obtain or maintain the insurance required by Section 8.5.

9.4 Survival. The obligations of the Requesting Entity under Article V (Financial Terms) and Article VIII (Indemnification & Liability Protections), and Sections 6.2 and 6.4, shall survive the expiration or termination of this Agreement.

9.5 Governing Law & Venue. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California. Venue for any dispute shall lie in Monterey County or San Benito County, California. The prevailing Party in any action to enforce or interpret this Agreement shall be entitled to recover its reasonable attorney's fees and costs. Nothing in this Agreement waives, and any claim against the District remains subject to, the claim-presentation requirements of the Government Claims Act (Government Code § 810 et seq.).

9.6 Notices. All notices under this Agreement shall be in writing and delivered personally, by overnight courier, or by certified mail (and, for emergency requests under Article IV, may additionally be given by electronic mail or telephone, confirmed in writing) to the Authorized Official of each Party at the address designated in writing by that Party.

9.7 Force Majeure. Neither Party shall be liable for any failure or delay in performance (other than a payment obligation) caused by events beyond its reasonable control, including drought, earthquake, fire, flood, power failure, equipment failure, acts of God, or governmental action; this Section does not limit the District's rights under Sections 3.1 through 3.4.

9.8 Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the other Party, and any attempted assignment without such consent is void.

EMERGENCY MUTUAL AID AND WATER SUPPLY AGREEMENT WITH THE AROMAS WATER DISTRICT

9.9 Authority. Each Party represents and warrants that the execution and delivery of this Agreement has been duly authorized by its governing board and that the person signing on its behalf has full authority to bind that Party.

9.10 Regulatory Approvals. The Requesting Entity shall be responsible, at its sole cost, for obtaining any permit or approval required from the State Water Resources Control Board, Division of Drinking Water, or other agency for any emergency or permanent intertie or connection used in connection with assistance under this Agreement.

9.11 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior understandings; may be amended only by a writing signed by both Parties; is binding solely upon the Parties and confers no rights on any third party.

9.12 Severability. If any provision is held unenforceable, the remaining provisions shall continue in full force and effect.

9.13 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original.

IN WITNESS WHEREOF — EXECUTION AND SIGNATURES

AROMAS WATER DISTRICT (DISTRICT)

[REQUESTING ENTITY NAME]

By: _____

By: _____

Name: _____

Name: _____

Title: General Manager / Board President

Title: Board President / General Manager



Staff Report

To: Board of Directors
Re: Item XII.E – Receive Progress Report on the Classification and Compensation Study and Update of the Employee Handbook
Date: October 20, 2026

Summary / Discussion

The Board directed the General Manager to conduct a Classification and Compensation Study (Study) in-house for the Aromas Water District's (District) six budgeted positions. To perform the comparative exercise, five regional entities have been selected to be used for this Study; Castroville Community Services District, Central Water District, Pajaro/Sunny Mesa Community Services District, Sunnyslope County Water District, and San Benito County Water District. Data requests have been sent to these comparator entities. As of the date of this report, no comparator responses have been received.

A methodology has been developed to fairly compare the data sets that defines; 1) how the positions are to be matched, and 2) how the market rate is calculated (the median of comparator values). It deliberately leaves open several policy choices that belong to the Board: 1) where the District intends to pay relative to that market, 2) how close to market is close enough, 3) and what happens when a position is above or below market. Adopting these choices before the data is seen ensures the results are measured against standards that were set in advance and could not have been influenced by the outcome. These items will be discussed at the next Ad-Hoc Committee meeting, which has yet to be scheduled.

More information on the progress of the Study, as well as the Employee Handbook (EH) revision, will be presented at the meeting.

General Manager Disclosure

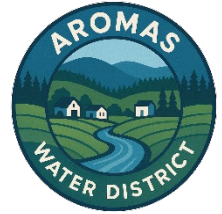
The General Manager is preparing the Study, and the findings from the Study will determine the salary range for every District classification, including the General Manager's. To avoid any appearance that the method was shaped to benefit the author, the Study will present the data, options and their trade-offs without a recommendation. Any recommendation on the General Manager's own salary range will be developed separately by either the Board President, or by the Ad-hoc Committee tasked with this effort.

Staff Recommendation

Receive the Progress Report on the Classification and Compensation Study and the status of updating the Employee Handbook

Submitted by:

Robert Johnson
General Manager



Staff Report

To: Board of Directors
Re: Item XII.F – Review and Set Board Meeting Dates for Remainder of Calendar Year 2026
Date: October 20, 2026

Summary / Discussion

The Aromas Water District (District) meets regularly on the fourth Tuesday of each month. There are occurrences where the District needs to change the Board meeting date, add an additional meeting, or even cancel a Board meeting.

This is an important matter as the end of each calendar year approaches. The holidays in November and December can be challenging to schedule around. In the past, this has been handled by a Board discussion at the end of the October meeting.

In an abundance of caution, and to allow the public to provide input if they wish, this year the District is setting the November and December dates via an Action Item. Currently, those meetings are scheduled on the regularly scheduled fourth Tuesdays; November 24, and December 22, at the regular starting time of 7:00pm.

The resulting dates and times for the November and December Board meetings will be set at this meeting, and if there are any changes, these changes will be posted by the end of October.

Staff Recommendation

Set Board Meeting Dates for the remainder of Calendar Year 2026

Submitted by:

Robert Johnson
General Manager

Aromas Water District
Balance Sheet Prev Year Comparison
As of September 30, 2026

	Sep 30, 26	Sep 30, 25
ASSETS		
Current Assets		
Checking/Savings		
1715 · US Bank Checking 1715	239,673.39	290,336.69
1842 · US Bank Money Market 1842	52,938.04	109,835.26
7005 · LAIF-State of CA 7005	7,149,249.95	7,000,538.39
Assessment District Banks		
2102 · OAWA US Bank Reserve x2102	36,422.31	37,240.34
2101 · OAWA US Bank Redemption x2...	2,221.46	2,603.36
0664 · OAWA US Bank Checking x0664	16,032.55	10,547.60
0701 · Oakridge US BANK Checking x0...	344,956.14	346,276.37
Total Assessment District Banks	399,632.46	396,667.67
Petty Cash	100.00	100.00
Total Checking/Savings	7,841,593.84	7,797,478.01
Accounts Receivable		
1200 · Accounts Rec - Spec Proj/Taxes	34,343.90	40,939.29
Total Accounts Receivable	34,343.90	40,939.29
Other Current Assets		
1292 · Accounts Rec - USDA Loan	1,882,321.73	1,882,321.73
1291 · Accounts Rec - Orchard Acres	226,239.42	226,239.42
Prepaid Insurance	19,600.88	16,670.93
128 · Inventory	107,687.57	113,090.51
1200.1 · Accounts Receivable - El Dorado	265,843.53	262,535.32
1201.9 · Less Allowance for Doubtful Acc	-500.00	-500.00
Total Other Current Assets	2,501,193.13	2,500,357.91
Total Current Assets	10,377,130.87	10,338,775.21
Fixed Assets		
1900 · Water System	12,887,022.48	12,613,608.07
1910 · Construction in Progress	828,006.64	590,617.17
1915 · Office Building & Improvements	443,291.33	440,291.33
1970 · Office Equipment & Fixtures	111,485.65	103,472.05
1980 · District Vehicles	246,989.85	246,989.85
1990 · Land and Easements	332,195.78	332,195.78
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	-9,332,100.75	-8,894,048.75
Total Fixed Assets	5,517,890.98	5,434,125.50
Other Assets		
Deferred Outflow of Resources	275,004.00	275,004.00
Total Other Assets	275,004.00	275,004.00
TOTAL ASSETS	16,170,025.85	16,047,904.71

Aromas Water District
Balance Sheet Prev Year Comparison
As of September 30, 2026

	Sep 30, 26	Sep 30, 25
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	70,493.65	73,045.31
Total Accounts Payable	70,493.65	73,045.31
Credit Cards		
FNBO - D DeAlba x2486	-69.06	863.99
FNBO - E Giron x1086	-174.94	1,230.24
FNBO - R Johnson x8178	1,686.69	880.79
FNBO - S Smith x0239	1,326.99	291.94
Total Credit Cards	2,769.68	3,266.96
Other Current Liabilities		
2020 · Accrued Sick Payable	4,048.50	5,332.09
2024 · Accrued Vacation Payable	40,714.42	39,813.70
Current Portion City National	98,592.86	97,635.64
Current Portion Truist	86,860.00	84,287.00
2100 · Payroll Liabilities	-349.30	65.24
Deferred Inflows- Actuarial	28,271.00	28,271.00
CUSTOMER DEPOSITS		
Connection Deposits Payable	4,000.00	4,000.00
Hydrant Meter Deposit	20,000.00	20,000.00
Total CUSTOMER DEPOSITS	24,000.00	24,000.00
Interest Payable	106,148.91	107,495.74
PVWMA Payable	12,580.54	9,346.58
Total Other Current Liabilities	400,866.93	396,246.99
Total Current Liabilities	474,130.26	472,559.26
Long Term Liabilities		
Truist Bank	4,898,742.00	5,071,165.00
2392 · Long-term Debt - USDA (Oakrdge)	2,231,819.90	2,274,939.90
2391 · Long-term Debt - Orchard Acres	260,000.00	270,000.00
GASB 68 Pension Liability	697,039.00	697,039.00
City National Bank	320,505.04	414,375.48
Total Long Term Liabilities	8,408,105.94	8,727,519.38
Total Liabilities	8,882,236.20	9,200,078.64
Equity		
Investment in Capital Assets	6,420,006.53	6,420,006.53
Unrestricted Net Assets	811,498.96	393,135.33
Net Income	56,284.16	34,684.21
Total Equity	7,287,789.65	6,847,826.07
TOTAL LIABILITIES & EQUITY	16,170,025.85	16,047,904.71

Aromas Water District Profit & Loss Budget Performance

September 2026

	Sep 26	Budget	Jul - Sep 26	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
303 · Water Revenue	228,177.77	200,000.00	631,213.51	600,000.00	1,900,000.00
307 · Bulk Water	1,635.77	1,135.00	4,381.45	3,405.00	13,620.00
302 · Connection	0.00	0.00	17,140.00	17,140.00	51,420.00
301 · Taxes Rcvd - AWD					
3090 · Oakridge / OAWA Assessments	0.00	0.00	0.00	0.00	180,000.00
301 · Taxes Rcvd - AWD - Other	0.00	0.00	0.00	0.00	97,000.00
Total 301 · Taxes Rcvd - AWD	0.00	0.00	0.00	0.00	277,000.00
304 · Other Office Income & Reimburse	0.00	0.00	289.42	60.00	1,750.00
306 · Interest	23,747.03	25,000.00	71,241.19	75,000.00	200,000.00
312 · Grant Revenue	0.00	0.00	0.00	0.00	1,000.00
Total Income	253,560.57	226,135.00	724,265.57	695,605.00	2,444,790.00
Gross Profit	253,560.57	226,135.00	724,265.57	695,605.00	2,444,790.00
Expense					
Operations					
403 · Fuel	2,316.49	2,500.00	6,472.53	6,000.00	26,500.00
404 · Truck Maint	1,204.93	1,500.00	5,316.02	6,000.00	13,000.00
431 · System Repair & Maint	5,404.77	8,750.00	22,797.31	46,250.00	225,000.00
463 · Water Analysis	901.00	1,000.00	4,027.00	2,500.00	8,500.00
464 · Water Treatment	4,430.31	5,000.00	11,757.37	12,000.00	32,000.00
468 · Tools	0.00	0.00	0.00	0.00	8,000.00
470 · Public Outreach / Annexation	603.48	1,000.00	1,876.44	3,500.00	27,000.00
Total Operations	14,860.98	19,750.00	52,246.67	76,250.00	340,000.00
Power					
465 - Lwr Oakridge Boost	198.70	200.00	432.33	500.00	1,700.00
465.5 - Upper Oakridge Booster	150.00	150.00	150.00	150.00	650.00
447 · Leo Ln Booster	121.69	50.00	286.80	170.00	880.00
448 · Aimee Mdws Well	10.51	5.00	25.30	20.00	80.00
449.5 · 388 Blohm, A & B Office	34.88	100.00	172.02	300.00	1,200.00
449.75 · 388 Blohm, # C	144.21	200.00	437.68	500.00	2,200.00
451 · Marshall Corp Yard	104.65	250.00	254.39	650.00	2,600.00
452 · Rea Booster @ Seely	95.81	100.00	228.12	250.00	880.00
454 · Carr Booster	1,124.73	500.00	2,675.76	2,000.00	8,900.00
458 · Pleasant Acres Well	1,512.52	100.00	10,117.63	400.00	1,300.00
459 · Seely Booster @ Carpenteria	1,040.36	250.00	5,694.04	6,500.00	12,000.00
460 · San Juan Well	8,329.93	10,000.00	12,267.48	16,000.00	76,000.00
461 · Cole Tank	16.52	10.00	39.79	30.00	120.00
461.5 · RLS Tank Booster	9.86	10.00	25.63	30.00	120.00
462 · Rea Tank	17.65	10.00	42.42	30.00	130.00
466 · Pine Tree Tank	17.23	10.00	36.89	40.00	130.00
Total Power	12,929.25	11,945.00	32,886.28	27,570.00	108,890.00
Payroll					
Comp FICA	2,540.78	2,500.00	6,887.27	6,500.00	33,665.00
Comp MCARE	594.23	600.00	1,610.74	1,800.00	7,873.00
Comp SUI	18.05	20.00	47.84	160.00	2,188.00
Gross	40,980.37	42,000.00	115,294.00	126,000.00	542,978.00
Total Payroll	44,133.43	45,120.00	123,839.85	134,460.00	586,704.00
Employee / Labor Costs					
407 · Outside Services	397.21	500.00	1,835.94	1,500.00	32,000.00
408 · Uniform Allowance	0.00	0.00	346.08	600.00	4,200.00
409 · Workers Comp	1,393.20	1,500.00	3,304.26	3,500.00	16,711.00
410 · Health Ins	10,025.03	8,730.00	30,075.09	26,181.00	104,751.00
474 · Education	1,090.00	800.00	1,090.00	2,000.00	8,000.00
477 · Retirement	4,107.48	5,000.00	97,926.98	100,000.00	141,809.00
Total Employee / Labor Costs	17,012.92	16,530.00	134,578.35	133,781.00	307,471.00
Office					
440 · Misc Exp	1,714.05	1,500.00	1,714.05	1,800.00	7,000.00
444 · Postage	366.16	400.00	1,737.51	1,400.00	5,700.00
445 · Office Supplies	296.84	300.00	1,503.91	1,200.00	5,600.00
446 · Office Eqpmt and Maint	3,514.49	4,000.00	4,691.92	5,000.00	12,000.00
Total Office	5,891.54	6,200.00	9,647.39	9,400.00	30,300.00

Aromas Water District Profit & Loss Budget Performance

September 2026

	Sep 26	Budget	Jul - Sep 26	YTD Budget	Annual Budget
Communications					
455 · Phone, Off	239.90	1,100.00	717.37	2,100.00	8,700.00
456 · Telemetry	0.00	0.00	0.00	0.00	23,000.00
457 · Answ Serv/Cellular Phone	302.76	400.00	804.43	1,100.00	5,500.00
Total Communications	542.66	1,500.00	1,521.80	3,200.00	37,200.00
Administrative & General					
467 · Depreciation Reserve	49,800.00	49,800.00	149,400.00	149,400.00	597,325.00
405 · Election	0.00	1,000.00	0.00	2,000.00	7,000.00
406 · Liability Ins	3,293.26	2,900.00	9,879.81	8,700.00	35,000.00
417 · Capital Loan Interest	0.00	0.00	76,828.16	78,000.00	170,000.00
420 · Legal Fees	1,800.00	1,800.00	5,400.00	5,400.00	26,000.00
422 · Bank Charges	316.54	225.00	1,104.93	675.00	2,700.00
423 · Litigation Contingency	3,687.00	2,000.00	10,633.50	6,000.00	20,000.00
425 · Audit	0.00	0.00	0.00	0.00	16,000.00
4590 · Bond Interest Exp - Assess Dist	47,378.80	47,378.80	55,573.80	55,573.80	120,000.00
4591 · Admin Fee (Bond Admin NBS)	1,123.17	1,050.00	1,123.17	1,050.00	5,200.00
471 · Bad Debts	0.00	0.00	0.00	0.00	1,000.00
473 · Memberships	2,637.99	3,000.00	3,317.70	3,800.00	34,000.00
Total Administrative & General	110,036.76	109,153.80	313,261.07	310,598.80	1,034,225.00
Total Expense	205,407.54	210,198.80	667,981.41	695,259.80	2,444,790.00
Net Ordinary Income	48,153.03	15,936.20	56,284.16	345.20	0.00
Net Income	48,153.03	15,936.20	56,284.16	345.20	0.00

Aromas Water District
Monthly Expenditures
 September 16 through October 20, 2026

Date	Num	Name	Amount
1715 · US Bank Checking 1715			
09/17/2026	EFT	QuickBooks Payroll Service	-7,474.57
09/17/2026	EFT	CalPERS	-420.00
09/18/2026	DD2438	Bowman (P), Naomi	0.00
09/18/2026	20754	DeAlba (P), David	-3,922.47
09/18/2026	DD2439	Giron (P), Ester	0.00
09/18/2026	DD2440	Hill (P), Travis S	0.00
09/18/2026	DD2441	Johnson (P), Robert L	0.00
09/18/2026	20755	Smith (P), Shaun	-2,196.18
09/18/2026	EFT	CalPERS	-1,244.06
09/18/2026	EFT	CalPERS	-3,499.57
09/18/2026	E-pay	Employment Development Dept	-961.61
09/18/2026	E-pay	United States Treasury (EFTPS)	-4,771.42
09/18/2026	EFT	Sabre Backflow, Inc.	-232.24
09/18/2026	NSF	Bill Adjustment Report	-402.82
09/18/2026	NSF	Bill Adjustment Report	-222.35
09/21/2026	EFT	PG&E	-198.70
09/21/2026	EFT	PG&E	-1,529.75
09/21/2026	EFT	Spectrum - Charter Communications	-110.00
10/01/2026	EFT	QuickBooks Payroll Service	-8,501.61
10/01/2026	20706	VOID	0.00
10/02/2026	DD2442	Bowman (P), Naomi	0.00
10/02/2026	20756	DeAlba (P), David	-3,879.08
10/02/2026	DD2443	Giron (P), Ester	0.00
10/02/2026	DD2444	Hill (P), Travis S	0.00
10/02/2026	DD2445	Johnson (P), Robert L	0.00
10/02/2026	20757	Smith (P), Shaun	-2,109.79
10/02/2026	DD2446	Capron (P), Seth	0.00
10/02/2026	20758	Holman (P), Wayne R	-256.76
10/02/2026	DD2447	Morris (C), Vicki	0.00
10/02/2026	DD2448	Norton (P), K W	0.00
10/02/2026	DD2449	Powers (P), Timothy W	0.00
10/02/2026	EFT	CalPERS	-1,231.11
10/02/2026	EFT	CalPERS	-3,497.48
10/02/2026	E-pay	Employment Development Dept	-958.86
10/02/2026	E-pay	United States Treasury (EFTPS)	-4,914.40
10/02/2026	20759	USPO	-329.16
10/02/2026	EFT	PG&E	-139.34
10/02/2026	EFT	PG&E	-9,471.18
10/02/2026	EFT	PG&E	-10.51
10/02/2026	EFT	PG&E	-104.65
10/02/2026	EFT	PG&E	-95.81
10/05/2026	EFT	PG&E	-9.86
10/05/2026	EFT	Verizon Wireless	-130.54
10/08/2026	EFT	PG&E	-144.21
10/08/2026	EFT	First Bankcard	-1,490.82
10/09/2026	EFT	PG&E	-1,040.36
10/09/2026	EFT	PG&E	-34.88
10/14/2026	EFT	Core & Main	-413.72
10/14/2026	EFT	Recology San Benito County	0.00
10/15/2026	EFT	QuickBooks Payroll Service	-7,474.59
10/15/2026	EFT	Intuit	-114.20
10/16/2026	20760	DeAlba (P), David	-3,879.08
10/16/2026	DD2451	Giron (P), Ester	0.00
10/16/2026	DD2452	Hill (P), Travis S	0.00

10/23/26

Aromas Water District
Monthly Expenditures
 September 16 through October 20, 2026

Date	Num	Name	Amount
10/16/2026	DD2453	Johnson (P), Robert L	0.00
10/16/2026	20761	Smith (P), Shaun	-2,102.65
10/16/2026	DD2450	Bowman (P), Naomi	0.00
10/16/2026	E-pay	United States Treasury (EFTPS)	-2,886.24
10/16/2026	E-pay	Employment Development Dept	-939.26
10/16/2026	E-pay	United States Treasury (EFTPS)	-4,693.72
10/16/2026	E-pay	Employment Development Dept	-63.18
10/16/2026	20707	CalPERS	-1,230.94
10/16/2026	20708	CalPERS	-3,497.48
10/16/2026	20762	Ace Hardware East Lake	-49.54
10/16/2026	20763	Ace Hardware Prunedale	-164.94
10/16/2026	20764	Ace Hardware Watsonville	-149.18
10/16/2026	20765	ACWA	-9,210.00
10/16/2026	20766	ACWA JPIA	-10,025.03
10/16/2026	20767	CALNET3	-129.90
10/16/2026	20768	CivicPlus	-428.20
10/16/2026	20769	Creative Technologies Inc.	-2,995.00
10/16/2026	20770	Ferguson Waterworks #1423	-98.62
10/16/2026	20771	Linde Gas & Equipment Inc.	-62.81
10/16/2026	20772	Luhdorff & Scalmanini Consulting Engineer	-1,022.50
10/16/2026	20773	Mid Valley Supply	-2,953.54
10/16/2026	20774	Monterey Bay Analytical Services Inc	-901.00
10/16/2026	20775	Monterey Bay Solutions, LLC	-225.00
10/16/2026	20776	Noland Hamerly Etienne and Hoss	-5,487.00
10/16/2026	20777	Old Firehouse Market	-1,912.75
10/16/2026	20778	Pace Supply	-2,870.17
10/16/2026	20779	Pajaro Valley Water Management Agency	-32,247.20
10/16/2026	20780	Peter Mu	-150.00
10/16/2026	20781	Randazzo Enterprises	-21,640.00
10/16/2026	20782	Rob Johnson	-50.00
10/16/2026	20783	Shaun Smith	-124.64
10/16/2026	20784	Solar Technologies	-5,719.24
10/16/2026	20785	USA BlueBook	-1,405.20
Total 1715 · US Bank Checking 1715			-192,852.67
TOTAL			-192,852.67