

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PICO WATER DISTRICT

A Regular meeting of the Board of Directors of the Pico Water District was held in the District's Boardroom located at 4843 South Church Street, Pico Rivera, California, on Wednesday, July 7, 2021 at 6:01 p.m.

The District's Secretary/General Manager, Mr. Mark J. Grajeda proceeded with the roll call of the attending Board members. Present from the beginning of the meeting were President David R. Gonzales, while Director Raymond Rodriguez, Director Pete Ramirez, Director Robert Martinez, and Vice President Victor Caballero participated telephonically, in adherence to social distancing. Mr. Jim Ciampa, Legal Counsel for the District participated electronically.

President Gonzales presided over the meeting and Vice President Caballero led everyone in the Pledge of Allegiance.

Mr. Jim Ciampa gave the invocation.

President Gonzales proceeded to the next item on the Agenda, Public Comments. There were none.

President Gonzales proceeded to the adoption of the Agenda. Vice President Caballero made the motion to approve the agenda and President Gonzales seconded the motion. The General Manager announced the motion passed by a vote of 4 – 0 – 0 with Director Ramirez unable to vote due to his microphone being muted.

President Gonzales proceeded to the approval of the Consent Calendar. Director Ramirez made the motion to approve the Consent Calendar and President Gonzales seconded the motion. The General Manager announced the motion passed by roll-call vote, 5 – 0.

President Gonzales proceeded to the next item on the Agenda, consider the 2020 Audit Report completed by the auditing firm Clifton Larson Allen ("CLA"). Ms. Daphne Liu, CPA reviewed CLA's audit procedure, the Independent Auditor's Report and Opinion, and the Management's Discussion and Analysis which provides narrative explanation of the District's financial position. Ms. Renee Graves then presented a review of the Financial Statements to the Board. She also informed the Board of the new accounting standard that no longer capitalizes note interest to projects utilizing loan proceeds and now expenses that interest in the year it is realized. Ms. Liu then reviewed the Internal Control Letter which is for financial reporting purposes and relies on those controls used by the District to prepare its financial data and is reviewed by CLA via testing samples and no deficiencies were noted. She also reviewed the Governance Letter that is submitted to the Governing Board with any findings or issues. Director Rodriguez made the motion to approve and receive the District's 2020 Financial Audit performed by CLA and Director Ramirez seconded the motion. The General Manager announced the motion passed by roll-call vote 5 – 0.

President Gonzales proceeded to the next item on the Agenda, consider review and approval of Resolution 215-R Pico Water District's Conflict of Interest and Disclosure Code "Appendix A". The General Manager explained to the Board that the District is required to submit Conflict of Interest Statements each year. The Code is required to be reviewed every two years and revised if necessary. The Administrative Committee met and reviewed the Code and no changes were recommended. Vice President Caballero made the motion to approve Resolution 215-R Conflict of Interest and Disclosure Code "Appendix A" and Director Ramirez seconded the motion. The General Manager announced that the motion passed by roll-call vote 5 – 0.

President Gonzales proceeded to the next item on the Agenda, consider Bartle Wells Associates Capacity Charge Study. The General Manager explained to the Board that this item was discussed previously last year along with the rate increase previously adopted by the Board. Currently the District only charges for the cost of installation for water services along with a 15% administrative fee that is to cover office costs, administrative building and any incidentals not broken out in the cost to the developer. Erik Helgeson with Bartle Wells Associates presented to the Board the purpose of the capacity charge, its uses, requirements for processing those funds and how the costs were calculated. Legal Counsel reviewed statutory requirements, statutory caps, and notices required to proceed in approving the capacity charge proposal. After some discussion Director Martinez made the motion to approve the recommendation of Bartle Wells Associates as presented on Slide #5 and Director Ramirez seconded the motion. The General Manager announced the motion passed by roll-call vote 5 – 0.

President Gonzales proceeded to the next item on the Agenda, General Manager's report. The General Manager informed the Board that staff is working on getting Well 4 operational again and hopes to have the well back online in the next few days; Both Well 4 and Well 10 have tested below the response levels for PFAS chemicals; AKM is finishing their technical report on PFAS Treatment for the Division of Drinking Water and should be ready for staff review shortly; side stream testing at Well 11 for PFAS removal should be completed by the middle of next month and those tests have been going well; the RFP for onsite work for the treatment facilities should be completed shortly; we still are optimistic to have treatment for Well 11 running by the end of the year although we have been experiencing equipment and product delays as has other construction projects in the industry.

President Gonzales proceeded to the next item on the Agenda, Legal Counsel report. There was none.


President Gonzales proceeded to the next item on the Agenda, Director's request for future agenda items. President Gonzales inquired if it would be possible to get an update from ACE on the Durfee Grade Separation project.

President Gonzales proceeded to the next item on the Agenda, Board Member Comments. Director Ramirez reported that the construction at Beverly Blvd. and Rosemead Blvd. is a mess.

There being no further business to come before the Board, the Board meeting adjourned at 7:05 p.m.


David R. Gonzales, President

Attest:


Mark J. Grajeda, Secretary

(Seal)

