



**SPECIAL MEETING OF THE BOARD OF DIRECTORS
PICO WATER DISTRICT**

4843 S. Church Street
Pico Rivera, California, 90660

6:00 PM Wednesday, September 21, 2021

AGENDA

Pursuant to the provisions of Executive Order N-25-20 Issued by Governor Gavin Newsom on March 12, 2020, any Board member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Zoom link below to join by webcam or teleconference without otherwise complying with the Brown Act's teleconference requirements.

Any member of the public wishing to make any comments to the Board may do so through that Zoom link. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. Members of the public wishing to make a comment are asked to state their name for the record and will be provided three (3) minutes to comment, the Board secretary will alert those commenting when they only have 30 seconds remaining. All members of the public will be disconnected from the Zoom link immediately before the Board of Directors adjourns into Closed Session.

<https://us06web.zoom.us/j/9521779948?pwd=dGNxcXh3YitEc2NlVVdrUzVvNm4rZz09>

Join by Telephone: +1 669 900 6833

Meeting ID: 952 177 9948 Passcode: **421745**

- 1. CALL TO ORDER.**

- 2. ROLL CALL.**

3. PLEDGE OF ALLEGIENCE.

4. INVOCATION.

5. ADOPTION OF AGENDA.

6. TIME RESERVED FOR PUBLIC COMMENTS.

*Members of the public shall be allowed three minutes to address the Board on any matter on the agenda and/or within the jurisdiction of the District, which is not on the Agenda. All comments should be addressed to the presiding officer of the meeting. Additional public comments shall be allowed when a listed agenda item is being considered, but such comments made at that time must be confined to the subject that is being discussed at the time such comments are made. Members of the public are asked to state their name for the record. Due to all Board Meetings being run as Zoom Meetings all participants will be placed on mute at the start of the meeting and when the meeting is open for public comment the participant will be asked to raise their hand through the button on the video conference screen if participating by video conference or by pressing *6 on their phone if participating by teleconference.*

7. ACTION/DISCUSSION ITEM.

- A. Consider Approving the Agreement between the Pico Water District and the Water Replenishment District for Grant Funding provided under the Water Replenishment District's PFAS Remediation Program. *Recommended Action – that the Board approve and sign the agreement.*

- B. Consider Approving Resolution No. 217-R a Resolution Confirming the District's Financial Capability in Connection with the Water Replenishment District's PFAS Remediation Program Requirements. *Recommended Action – that the Board approve Resolution No. 217-R.*

8. BOARD MEMBER COMMENTS.

- A. Report on Meetings Attended/Comments.

9. PUBLIC COMMENT ON CLOSED SESSION.

10. CLOSED SESSION.

- A. Conference with legal counsel – pending litigation under Government Code Section 54956.9(d)(2) and (e)(3) – Consideration of Claim of George Campos III, dated August 18, 2021.

11. CLOSED SESSION REPORT.

12. ACTION/DISCUSSION ITEM.

- A. Action on Claim of George Campos III, dated August 18, 2021.

13. ADJOURNMENT.

AGENDA POSTED ON: September 21, 2021

Next regularly scheduled meeting: October 6, 2021

NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Board meeting, please contact the District office at (562) 692-3756 at least 48 hours prior to a Board meeting to inform the District of your needs and to determine if accommodation is feasible.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the District office, located at 4843 S. Church Street, Pico Rivera, California.

**ACTION/DISCUSSION
ITEMS**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
PICO WATER DISTRICT
4843 S. Church Street
Pico Rivera, California, 90660**

6:00 P.M. Wednesday, September 21, 2021

AGENDA

7. ACTION/DISCUSSION ITEM.

- A. Consider Approving the Agreement between the Pico Water District and the Water Replenishment District for Grant Funding provided under the Water Replenishment District's PFAS Remediation Program. *Recommended Action* – that the Board approve and sign the agreement.

STAFF REPORT

To: Honorable Board of Directors

From: Mark Grajeda, General Manager

Meeting Date: September 22, 2021

Subject: Action Item 7A – Consider Approving the Agreement between the Pico Water District and the Water Replenishment District for Grant Funding provided under the Water Replenishment District’s PFAS Remediation Program

RECOMMENDATION

That the Board approve and sign the agreement with the Water Replenishment District to provide the District \$4,246,700 in grant funding provided under the Water Replenishment District’s PFAS Remediation Program.

FISCAL IMPACT

The District will not be directly impacted by this grant however, the Water Replenishment District will be increasing the replenishment assessment (RA) to recover funds spent on their PFAS Remediation Program and the District will be impacted as the RA goes up.

Summary

The District has now worked with the Water Replenishment District since April of 2020 on their PFAS Remediation Program, we submitted our application for funding in October 2020 and we received the first draft of the PFAS Remediation Agreement on February 1, 2021. The District along with other applicants seeking grant funding from WRD submitted our response to the draft agreement in mid-February of this year. Since February the District has worked diligently with WRD to work out the terms of the agreement that would be amenable to both agencies, as well as to continue to work on the design of the new treatment systems. District staff and general counsel now feel we have worked out all terms between our two respective agencies and recommend that the District’s Board of Directors approve the agreement.

WRD PFAS REMEDIATION PROGRAM PARTICIPATION AGREEMENT
PICO WATER DISTRICT

This PFAS REMEDIATION PROGRAM PARTICIPATION AGREEMENT (the “Agreement”) is made and entered into this 23rd day of September, 2021, (“Effective Date”) by and between the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a California Special District organized and existing pursuant to the Water Replenishment District Act, California Water Code Section 60000 et. seq. (“WRD”), and Pico Water District, a county water district formed under Division 12 of the California Water Code (“Pumper”¹). WRD and the Pumper are each a “Party” and collectively “Parties” to this Agreement.

A. WRD manages the West Coast and Central Groundwater Basins (“Basins”) in Los Angeles County in order to support a variety of beneficial uses. Much of the potable water supply currently used within WRD’s 420-square mile service area (“district”) is pumped groundwater. The Water Replenishment District Act (“WRD Act”) in the California Water Code authorizes WRD in Section 60220 et. seq. to take actions for the purpose of protecting and preserving the groundwater supplies within the district for beneficial use, a district may take any action, within the district, including but not limited to, capital expenditures to protect and preserve groundwater supplies.

B. A group of man-made substances known as per- and polyfluoroalkyl substances (“PFAS”), which include perfluorooctanoic acid (“PFOA”), perfluorooctane sulfonate (“PFOS”), and perfluorobutane sulfonic acid (“PFBS”), have been used in numerous consumer and industrial products since the 1940s.

C. Pumpers are governmental agencies (or a regulated public utility or mutual water company) that operate public water systems for the purpose of delivering potable water. They obtain water supply by pumping groundwater from Water Producing Facilities within the Basins.

D. The State of California, specifically the State Water Resources Control Board (“SWRCB”) Division of Drinking Water (“DDW”), has established Response Levels (“RL”) of 10 parts per trillion (“ppt”) for PFOA, 40 ppt for PFOS, and 5,000 ppt for PFBS. Assembly Bill 756, codified at Health and Safety Code Section 116378, and effective January 1, 2020, requires that community water systems, including Pumpers, either notify their customers of PFAS detections exceeding RLs or remove from service drinking water sources with PFAS exceeding

¹ “Pumper” means a listed public agency (and any regulated public utility) identified herein, and groundwater pumper, that extracts groundwater from the Basin(s) via “Water Producing Facilities” (as that term is defined in Section 60018 of the California Water Code), and who are adversely impacted by PFAS in one or more Water Producing Facility/Facilities they own or operate.

RLs.² On August 27, 2020, the SWRCB issued orders (General Order 2020-003-DDW) to many water producers, including the Pumpers, requiring that the producers test the water they provide for PFAS.

E. In July 2021, the State of California Office of Environmental Health Hazard Assessment established Public Health Goals (“PHGs”) of 0.007 ppt for PFOA and 1 ppt for PFOS. PHGs are the first step in the regulatory process leading to DDW setting enforceable Maximum Contaminant Levels (“MCLs”).

F. PFAS compounds create a unique groundwater contamination issue that impacts many Pumpers. Without any action, PFAS impacted groundwater may migrate, affecting other Water Producing Facilities and larger portions of the Basins.

G. The Parties desire that the Basins continue to provide a groundwater supply of suitable quality to allow for the continuation of all existing and potential beneficial uses, and that complies with all State and Federal standards and relevant advisory levels. Quick and effective actions by WRD, in concert with Pumpers, are needed to remove, treat and control PFAS down to established regulatory limits while also removing them to prevent their contamination of other portions of the Basins.

H. The Parties recognize the necessity and commit to a high level of coordination to expeditiously design, construct, and operate PFAS treatment systems (“Treatment Systems”) to remove PFAS from the Basins where PFAS is detected in Water Producing Facilities.

I. Treatment of water containing PFAS helps mitigate the spread of contamination in the Basins and provides for the use of groundwater which serves as the most reliable and cost-efficient source of water, further decreasing our dependence on water imported from Northern California and the Colorado River.

J. As a result of DDW issuing RLs for PFOA, PFOS, and PFBS, potential issuance of new RLs for other PFAS, and anticipated State or Federal MCLs for PFAS, Pumpers have lost, or are anticipated to lose upon finalization of the MCLs for one or more PFAS, pumping capacity in one or more Water Producing Facilities due to the presence of PFAS. Given the magnitude of the PFAS problem within the Basins, and WRD’s desire to improve and protect the quality of the groundwater supplies within the district so that groundwater from the Basins may be beneficially used, WRD has developed, and is implementing through this Agreement and other actions, a new program that will allow WRD to assist Pumpers in treating groundwater containing PFAS by funding, contracting, and cooperating with Pumpers to develop and construct wellhead Treatment Systems such that water quality within the WRD service area will be improved (“Program”), and such that Pumpers can continue to beneficially use groundwater from the Basins after the treatment for drinking water purposes.

² DDW’s February 2020 guidance directs community water systems to test for PFAS using EPA Method 537.1 and notes that DDW defines PFAS “as those analytes included in EPA Method 537.1.”
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K. WRD has the authority under California Water Code Section 60224 “for the purpose of protecting and preserving the groundwater supplies within the district for beneficial uses, a district may take any action, within the district, including, but not limited to, capital expenditures and legal action, which in the discretion of the board is necessary or desirable to accomplish any of the following: (a) Prevent contaminants from entering the groundwater supplies of the district, whether or not the treat is immediate; (b) Remove contaminants from the groundwater supplies of the district; (c) Determine the existence, extent, and location of contaminants in, or which may enter, the groundwater supplies of the district; (d) Determine Persons, whether natural persons or public entities, responsible for those contaminants; (e) Perform or obtain engineering, hydrologic, and scientific studies for any of the foregoing purposes.” WRD hereby takes the actions contemplated in this Agreement pursuant to the authority conferred by the referenced section and its powers as provided by the WRD Act.

L. WRD has determined that certain portions of the Basins in the vicinity of Pumpers’ Water Producing Facilities are polluted by PFAS, and that entering into this Agreement with Pumpers will encourage beneficial use of groundwater polluted by PFAS that would otherwise not be used while improving the quality of water supplies within the district.

M. WRD and the Pumper mutually desire to enter into this Agreement pursuant to the WRD Act to document the Program responsibilities of the Parties in the construction and operation of PFAS Treatment Systems, systems that the Parties will use to treat or remove PFAS, thereby improving the quality of groundwater supplies within the district.

N. This Program Agreement sets forth the terms and general requirements for participation in the WRD PFAS Remediation Program and the terms and basis for the Program.

The Parties therefore agree as follows:

1. The Recitals above are deemed true and correct and are hereby incorporated in this Agreement as though fully set forth herein. The Parties agree that the actions that will be taken pursuant to this Agreement are reasonable and necessary to accomplish the goas and objectives of the WRD Act.

2. PURPOSE.

2.1 Facilitation of Basins-Wide Treatment. WRD and the Pumper intend to facilitate treatment of the Basins groundwater which has been impacted by the detection of PFAS. WRD will coordinate and fund planning and treatment efforts pursuant to the terms of this Agreement.

2.2 PFAS Compounds and Reopener. The Parties recognize the necessity of and commit to a high level of coordination to expeditiously design, construct and operate PFAS Treatment Systems to remove PFAS from the Basins where PFAS is detected in a Pumper's (existing or anticipated) Water Producing Facilities that exceed an applicable RL or MCL. The Parties acknowledge that additional compounds within the PFAS family may become regulated during the term of this Agreement.

3. PROGRAM.

3.1 Participation Options.

WRD through this Program awards participant Pumpers the option of participating in one of two program options, as designated in the Specific Project Details attached hereto as Exhibit A:

1. Funding Support Program: WRD to provide funding only based upon agreed upon project either in an agreed upon lump sum at project completion and close out or through the issuance of progress payments in accordance with an agreed upon capital expenditure timeline. Pumper shall be reimbursed for pre-approved treatment system design and construction ("Pumper-Built").
2. Turnkey Program: WRD to provide planning, design, building and management of the construction of treatment systems through project completion. WRD shall fund all costs up to the support limit the Pumper is awarded through the Program. The Pumper is responsible to pay any and all costs for the project that exceed the amount awarded through the Program ("WRD-Built").

3.2 Program Funding:

Program funding for either of the two program options identified above shall be governed by the funding limit calculation described below and the provisions set forth in Exhibit A. In the event that the specifics contained in Exhibit A are inconsistent with the provisions of this Agreement, the specifics in Exhibit A shall control:

1. Funding shall be based on the most recent three water year average of pumping (July 1 to June 30) ("Water Year") from the affected well site as reported to Watermaster. In the event that the subject well has been shut down due to PFAS, the funding shall be based on a two-year average of pumping reported to Watermaster from the affected well site, utilizing the most recent two years of operation. For any new well that

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does not have a full Water Year of historical production, WRD and the Pumper who owns the new well shall meet and confer to determine the appropriate level of production for such well to be considered in determining funding to be provided under this Agreement.

2. Funding shall be based on the following formula:
Pumping average (as reported to Watermaster) x \$1,000 per acre foot = Funding Amount. At the sole discretion of WRD, the funding amount may be increased if additional funding is available as detailed in Exhibit A or decreased.
3. All funding under this Program shall be subject to a five million dollar (\$5,000,000) limit per Pumper.
4. Pumpers shall be responsible for any and all operations and maintenance costs and any costs not specifically provided for in the Program. This Program is the Capital Support for PFAS treatment systems only.

3.3 Conditions for Funding Applicable to both Program Options:

1. Provision of licensed engineers condition assessment as to the condition of the well, and associated distribution system and viability for operation through the requirements of this Program. A condition assessment will be completed prior to the completion of system design.
2. Requirements as set forth in this Agreement and the specific requirements of the Program option selected.
3. The governing body of the Pumper shall adopt a Financial Capability Resolution (“Resolution”) that certifies that the Pumper has adequate financial reserves and ability to cover any and all costs in excess of the WRD funding identified in Section 3.2 of this Agreement. A template for the Resolution shall be provided to the Pumper from WRD. The adopted Resolution shall be a stand-alone resolution with language that may not be altered from the language provided in the template. No reimbursements shall be made to the Pumper until the adopted Resolution is submitted to WRD.
4. Pumper shall submit to WRD a completed PFAS Funding Application that is signed and dated prior to executing this Agreement. WRD shall utilize the completed Application to initiate the review process. Pumper shall ensure that their Application contains accurate and complete information in order to avoid delays in processing their funding request.

4. TURNKEY PROGRAM (“WRD-BUILT”).

4.1 Funding. WRD shall fund the reasonable cost to design and construct the Treatment System subject to program funding limitations in Section 3.2, except for costs as described in Section 4.3. WRD, at 30% design, will evaluate cost and project viability in conjunction with Pumper’s ability to cover costs in excess of program funding. Pumper shall demonstrate the ability to fund all costs in excess of program funding identified in Section 3.2.

4.2 CEQA/NEPA. In connection with the proposed Treatment System for Impacted Wells, the Parties agree that the Pumper shall act as lead agency for CEQA/NEPA compliance. All aspects of CEQA/NEPA compliance shall be borne by the Pumper.

4.3 Property Acquisition, Entitlements.

A. Land and Rights of Way. Each Pumper shall secure at its expense any land and/or right of way necessary to construct the Treatment System.

B. Entitlements. Each Pumper shall obtain at its expense all land use entitlements and permitting necessary to construct the Treatment System.

C. Property Conditions for WRD-Built Treatment System. If a Pumper chooses a WRD-Built Treatment System, then WRD will have no obligation to design or construct the Treatment System until a Pumper has demonstrated it has obtained lands and land use entitlements sufficient to permit construction of the Treatment System.

4.4 WRD-Built Facilities. The provisions of this Section 4.4 apply to PFAS treatment facilities that a Pumper elects to have WRD design and build.

A. Design. WRD will consult with and seek input from the Pumper on the design and construction of the Treatment System. Pumper shall support and assist WRD in hiring design consultants and designing the Treatment System, but WRD will have the reasonable authority and discretion in determining the Treatment System final design. If the Pumper desires to construct additions or enhancements to the Treatment System beyond what WRD determines as appropriate for this Program, Pumper shall be responsible for any and all costs for this portion of the project. The level of treatment selected by WRD must allow the Pumper to treat regulated PFAS to comply with RLs or MCLs, unless special circumstances dictate an alternative approach.

B. Property Rights. A Pumper shall provide WRD with temporary property rights over any site necessary for construction, staging, and laydown for the Treatment System Project. These temporary property rights will be in the form of a license or temporary construction easement, or other property right sufficient to provide for WRD’s control of the site during construction.

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C. Advertising and Award of Construction Contracts. WRD shall advertise, where required by the WRD Act, and award construction contracts for construction of the Treatment System. A Pumper shall support and assist WRD in these efforts and shall expeditiously provide any documents necessary for procurement and construction at no cost to WRD.

D. Administration and Inspection. WRD will administer the necessary contracts to construct the Treatment System, including reviewing and responding to contractor requests for information or requests for clarification, reviewing and approving shop drawings, and filing a Notice of Completion. WRD shall provide all construction and inspection for the Treatment System.

E. Transfer of Treatment System. Upon filing the Notice of Completion for the Treatment System, WRD will transfer the constructed and operating Treatment System to the Pumper with an appropriate legal instrument and a quitclaim of any property rights obtained under Section 4.4. WRD shall provide the Pumper with copies of all applicable O&M manuals and record drawings for the Treatment System in WRD's possession. WRD shall also transfer to the Pumper any manufacturer's warranties on equipment included in the Treatment System.

F. Upon the Pumper's receipt of the legal instrument and quitclaim of property rights, Pumper shall be solely responsible for ensuring the proper operation, maintenance, and repair of the Treatment System.

G. Warranty, Post-Construction Remedies. WRD will assist with any construction defect claims not attributable to the negligence or willful misconduct of Pumper for one year after the date of filing of the Treatment System Notice of Completion. The Parties will also, to the extent they deem prudent, jointly pursue any statutory construction defect remedies against third-party designers and contractors.

H. DDW Permit Assistance. WRD will support and assist the Pumper with technical information in modifying the Pumper's DDW operating permit to account for and authorize the new Treatment System as part of the Pumper's public water system. Pumper will be solely responsible for any and all DDW permit compliance.

5. FUNDING SUPPORT PROGRAM (“PUMPER-BUILT”).

The provisions of this Section 5 apply to PFAS treatment facilities that a Pumper elects to design and build with program funding identified in Section 3.

5.1 As a requirement of funding under the Funding Support Program, the Pumper must have a designated licensed professional engineer responsible for all project management and program oversight (aside from any design engineer retained for this Project).

5.2 WRD Acceptance of Design. The Pumper shall hire their own licensed engineers, designers, consultants, contractors and prepare and submit to WRD for acceptance of a condition assessment and conceptual design with all applicable analysis and basis for the Treatment System. WRD shall review and provide acceptance of Program compliant designs in writing within 30 days. All designs to the extent possible should be scalable in a manner to address compliance with future requirements. Once conceptual design for a Pumper’s proposed Treatment System is approved by WRD, the Pumper will coordinate with WRD in the planning and final design of the Treatment System. The Pumper shall then prepare and submit the final design to WRD for approval. WRD shall participate in the Pumper’s project meetings as necessary to obtain WRD’s final approval of the Treatment System in an expeditious manner so as not to delay the Pumper’s design and construction of the Treatment System. WRD shall review and approve the final design, if deemed reasonable and effective, in writing, within 30 days. WRD shall have the right to place reasonable conditions on the final design approval.

5.3 Construction. Upon WRD’s approval for the final design, the Pumper shall advertise, award, and ensure timely completion of all necessary contracts to construct the Treatment System in accordance with all applicable laws and procurement regulations. The Pumper shall notify WRD upon the award of the construction contract and upon recording the Notice of Completion. Pumper shall hire a construction manager for the Project and said construction manager shall share information and reports with WRD upon request. If Pumper has a certified construction manager on staff, Pumper may utilize said staff member after providing WRD with proof of certification.

5.4 Pumper shall contract directly with all entities required to build their own system. WRD will not provide any assistance other than the funding identified in Section 3. Usage of the funding shall be limited to capital costs only. Any funds used for non-capital costs shall be refunded to WRD and shall be subject to cost recovery actions by WRD with the Pumper responsible for any and all costs borne by WRD in such action.

5.5 Funding. WRD shall provide funding in the form of reimbursement to Pumpers at either completion of the project or in the form of monthly reimbursements. If the Pumper desires monthly reimbursements, the Pumper must submit billings to WRD each month for eligible expenses with backup documentation. Review and payment of the submission shall be conditioned on the receipt of documentation to the satisfaction of WRD evidencing the work

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completed and payment by the Pumper to the vendor for the reimbursement sought. WRD shall withhold a five percent (5%) retention on each payment made and shall release said retention within 60 days of completion of construction and demonstration of successful operations and compliance and satisfaction of any and all WRD requests and compliance with the terms of this Agreement and the terms of any other program documents. Project retention shall not apply when the Pumper has selected one lump sum reimbursement at completion of the project

6. PROGRAM OPERATIONS & MAINTENANCE OBLIGATIONS.

6.1 20-Year Term. Each Pumper shall operate, maintain, and repair a Treatment System, and any related Impacted Well, for the earlier of:

- A. 20 years following the filing of the Notice of Completion; or
- B. Until water produced from the Impacted Wells meets RLs or MCLs for PFAS.

6.2 Operating Standards.

A. WRD recognizes in the normal course of operating a water system, the Treatment System and Impacted Wells may need to be turned off for routine maintenance, seasonal demands, emergencies, accommodating in-lieu imported water deliveries, and major repairs. Each Pumper agrees to operate the Treatment System in a manner consistent with industry standards and take actions in the same manner as a reasonably prudent water system operator, with the understanding that the Treatment System funded by WRD is intended to be regularly used for daily treatment of groundwater as long as PFAS exceeds an RL or MCL in the Basins in the vicinity of the well. The Parties understand and agree that Treatment Systems constructed or funded by WRD are not intended to be used as “stand by” Treatment Systems.

B. All Treatment Systems constructed or funded by WRD must operate and produce the pumping volumes as identified in Item 4 in Exhibit A, “Annual Pumping Requirement”. For the purposes of determining compliance with the Annual Pumping Requirement, a rolling average of the most recent three full water years since initiation of PFAS treatment shall be used.

C. By August 31 of each year, Pumper shall file an annual report with WRD on compliance and operations of the Treatment System, including the amounts of water produced and treated, and quantity of PFAS removed from the water produced in the prior Water Year.

D. If a Treatment System does not produce the Annual Pumping Requirement, as identified in Exhibit A, Pumper must make a presentation to the WRD Budget

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Advisory Committee (BAC) and Technical Advisory Committee (TAC) explaining the circumstances that have led to the failure to produce the Annual Pumping Requirement and describing a plan to reach compliance in the shortest time frame possible, or to adjust the Annual Pumping Requirement and the terms of this Agreement based on applicable circumstances.

E. If the Pumper is unable to achieve the requisite pumping required (under production)(subject to any actions and adjustments made pursuant to section 6.2 (D), the Pumper shall reimburse WRD for its funding pursuant to the terms of this agreement within 2 years as of the date the pumping default first occurred.

6.3 Compliance, Permits, Testing, Reporting. Each Pumper shall obtain and comply with any and all regulatory permits, permissions, or approvals necessary to operate and maintain the Treatment System. Pumper shall operate and maintain the Treatment System in accordance with state and federal regulatory requirements, prevailing industry standards, required maintenance practices, and equipment manufacturer recommendations and requirements. Pumper shall perform required water quality testing and reporting to verify the successful operation of the Treatment System to comply with regulatory requirements. A failure to maintain compliance shall result in a default of the operations requirements outlined in this section. Pumper shall also provide operational reporting as requested by WRD. Annually, within 45 days of the close of the fiscal year, Pumper shall provide the quantity of water pumped, treated, and served and the levels of PFAS removed and entering the product water stream. Product water quality shall meet all regulatory and permitting requirements.

7. FINANCIAL.

7.1 Capital Costs—Payment and Reimbursement.

A. Prior Cost Reimbursement for Qualifying Work Completed Prior to Funding. WRD will pay as up-front costs all planning, design, construction, and start-up costs as described above, except for the costs for property rights, land use entitlements, additions, permits, Pumper staff time, other project enhancements, or as otherwise described in this Agreement up to the identified funding level. All requests for payment of up-front costs shall be deducted from the funding amount identified in Section 3.2. Pumper shall be responsible for any and all costs and fees in excess of the identified funding amount in Section 3.2.

B. Pumper-Built Facilities—Reimbursement. WRD shall reimburse the Pumper for reasonable professional services as determined by WRD in its sole discretion for the planning, design, construction, and start-up of Treatment System on the agreed upon payment basis. WRD shall pay reimbursements subject to retention to the Pumper within 30 days of receiving adequate documentation from the Pumper in compliance with Section 5.5. Pumper shall maintain all records, backup, and project information until project completion and close out, pursuant to the terms of this Agreement.

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- (1) Authorized expenses include, but may not be limited to:
 - (1) Planning costs, design costs, construction costs inclusive of start-up and commissioning.
- (2) Unauthorized expenses not eligible for reimbursement shall include:
 - (1) The Pumper's staff time; (2) direct or indirect overhead type expenses for staff; and (3) costs not primarily attributable to Treatment System design and construction, and (4) any and all costs related to O&M or existing systems, deferred maintenance, or existing site conditions.

C. Submission Requirements. All reimbursement submissions shall be in the manner identified and requested by WRD, with all backup and documentation requested and specified by WRD.

7.2 Grants.

A. WRD Sought. WRD may seek federal, state, or other grant funding to offset costs of the PFAS program contemplated by this Agreement. Each Pumper shall support and assist WRD, as requested by WRD, to obtain any grants that may be used by WRD to fund construction. Grant funds received by WRD will be used to fund WRD's costs of planning, design, and construction of Treatment Systems, unless otherwise required by the terms of that grant. Pumper agrees to comply with any and all conditions imposed by any funding sources secured by WRD, including but not limited to Federal and WIFIA.

B. Pumper Support to WRD-Sought Grants. Each Pumper shall support and assist WRD in preparing any annual reports or documents necessary for WRD to comply with grants received for the PFAS Program. Subject to the requirements of this Section, no provisions in this Agreement will prevent a Pumper from applying for grants or loans, from any source.

C. Pumper-Sought Funding. All Pumpers are encouraged to seek third-party funding for Treatment System-related expenses. Any outside development and design type grants or funding initiated and received by a Pumper will be utilized to offset WRD's PFAS design or construction costs for the Pumper. If a Pumper receives any grants or other third-party funding (other than a loan which the Pumper is obligated to repay) that Pumper shall share those proceeds with WRD in proportion to the percentage funded by WRD if allowed by the grant or other third-party non-loan funding instrument.

7.3 Records Retention, Audit. The Parties shall keep and maintain all records, accounts and reports relating to this Agreement for a period of at least ten years after the date of a final judgment or final settlement resolving any and all litigation related to PFAS cost recovery

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initiated per Agreement. The Parties will have access to these records at any time during normal business hours upon 10 calendar days' notice. At its cost, any Party may audit the books, records and accounts of the Party relating to its performance of this Agreement, and the audited Party shall provide reasonable cooperation to the auditing Party in this regard.

8. RISK ALLOCATION.

8.1 Insurance.

A. Construction Activities. In the hiring of consultants and contractors to design, and build the Treatment System, the hiring or contracting Party will have the other Party (WRD, if Pumper-Built, or the designing/building Pumper, if WRD-Built) included as an additional indemnitee and additional insured on the same basis and with the same limits in all contracts. The hiring Party will use the higher of the two Parties' standard limits for the purpose of coverage requirements. For example, in connection with a WRD-Built Treatment System, WRD shall have Pumper named as an additional indemnitee and an additional insured in all consulting and construction contracts related to the Pumper's Treatment System. In connection with a Pumper-Built Treatment System, Pumper shall have WRD named as an additional indemnitee and an additional insured in all consulting and construction contracts. The hiring or contracting Party shall provide the other Party with proof of insurance, including additional insured endorsements.

B. Parties' Coverage. Each Pumper shall take out and maintain in effect at all times during the term of this Agreement comprehensive general liability insurance in an amount not less than \$2 million per occurrence, for bodily injury, death and property damage associated with the operation and maintenance of the Treatment Facilities and Impacted Wells, naming WRD as an additional insured under such policy. An endorsement evidencing this insurance coverage shall be furnished to WRD prior to WRD or Pumper commencing construction on a Treatment System. The cost of insurance shall not be a reimbursable cost of the project.

8.2 Indemnity.

A. By Pumper:

(1) Each Pumper shall defend, indemnify and hold WRD harmless from and against any and all actions, suits, claims, demands, judgments, attorney's fees, costs, damages to person or property, losses, penalties, obligations, expenses or liabilities (collectively, "Claims") that may be asserted or claimed by any third party arising out of the negligent or reckless performance or implementation of this Agreement by Pumper except for Claims arising out of or relating to the design or construction of a Treatment System where WRD designed or constructed the Treatment System.

(2) Pumper shall indemnify, defend, and hold WRD harmless from any liability, or regulatory enforcement attributable, in whole or in part, to Pumper's failure to properly operate and maintain the Treatment System and Impacted Wells.

B. By WRD:

(1) WRD shall defend, indemnify, and hold each Pumper harmless from and against any and all Claims that may be asserted or claimed by any third party arising out of the negligence or reckless performance or implementation of this Agreement by WRD.

8.3 Release and Hold Harmless.

A. Pumpers' Release of WRD.

(1) Pumper hereby releases WRD, its officers, directors, employees, agents, and representatives, from any and all liability, known or unknown, arising out of, or otherwise attributable to the discovery and/or presence of PFAS in source water from the Basins, Pumpers' Water Producing Facilities, and Pumpers' potable or non-potable water system, before during or after treatment. Such release shall include, but is not limited to, claims or litigation initiated by third parties against a Pumper or WRD, and any other legal, administrative, or regulatory actions associated with WRD's performance of its obligations under this Agreement.

B. No Admission of Liability. Nothing contained herein shall be deemed an admission of liability by any Party to this Agreement.

8.4 Legal Cost Recovery Efforts.

A. WRD anticipates commencing litigation against responsible parties, including chemical manufacturers of PFAS, in order to recover costs from persons responsible for placing PFAS into the stream of commerce and/or the environment where it could make its way into the Basins ("Damages"). The Pumper shall support coordinate assist and comply with all reasonable WRD requests regarding WRD's cost recovery litigation related to pursuit of Damages associated with PFAS.

B. WRD will request each Pumper that has sustained Damages to determine if it intends to jointly retain counsel with WRD in litigation to recover Damages. Pumpers who join as co-plaintiffs are "Participating Pumpers" in WRD's cost recovery efforts.

C. Should the WRD Board move forward with PFAS litigation, any Participating Pumpers will enter into an appropriate joint prosecution/common interest agreement for Shared Litigation Counsel and establish confidentiality and privilege concerning communications and work product of the Steering Committee and Executive Committee.

D. Participating Pumpers can decide at any time to discontinue participation in the litigation initiated by WRD, but agree, if applicable, to pay to Shared Litigation Counsel, in accordance with any retainer agreement negotiated with Shared Litigation Counsel, for the withdrawing Pumpers share of Shared Litigation Counsel's reasonable attorneys' fees and cost incurred prior to the date of withdrawal (if any). Further, per the terms of any retainer agreement with Shared Litigation Counsel, the Participating Pumpers agree to maintain as confidential, and where applicable, to return, any communications and work product obtained via the litigation.

E. WRD is evaluating the option of joining with Pumpers impacted by PFAS as co-plaintiffs with Shared Litigation Counsel, potentially on a contingency basis. However, if a Pumper decides to pursue or initiate separate PFAS litigation ("Separate Litigation"), Pumper shall notify WRD of such intent thirty (30) days prior to formally filing the Separate Litigation. Pumper shall notify WRD of such intent thirty (30) days prior to formally filing the Separate Litigation. Pumper in the Separate Litigation must comply with the following:

(1) The Pumper shall give WRD the opportunity to review and comment on Separate Litigation documents (e.g., pleadings) prior to any Separate Litigation filing.

(2) No PFAS related cost incurred by WRD, or likely to be incurred by WRD, and related to the Pumpers treatment system(s) (construction and/or O&M), will be asserted in a Pumper's Separate Litigation.

(3) In order to prevent duplicative claims for the same damages in separate lawsuits, assertion of which WRD's consent shall constitute a violation of this Agreement, WRD must approve any PFAS related cost a Pumper is seeking to recover prior to its assertion in Separate Litigation. However, WRD shall not unreasonably withhold such approval, and shall consult in good faith with counsel for a Pumper that wishes to initiate Separate Litigation in order to seek ways to accommodate the interests of both Parties, prior to disapproving any cost.

(4) A Pumper shall closely coordinate its separate legal action with WRD, and, where requested in good faith by WRD, support the positions taken by WRD related to PFAS in court and in political, community and business forums.

(5) A Pumper shall not assert claims against WRD in any litigation related to PFAS, or otherwise knowingly take positions that could result in WRD or other Pumpers incurring liability related to PFAS as a result of the position asserted by the Pumper in the Separate Litigation.

9. EXPIRATION AND TERMINATION.

This Agreement expires 20 years from the Effective Date. A Pumper may terminate this Agreement upon providing 90 days written notice to WRD. However, if a Pumper terminates this Agreement prior to the 20-year date of expiration, the Pumper shall reimburse WRD for all of WRD's unrecovered costs in constructing the Treatment System using the methodology described in footnote 3,³ plus any other reasonable expenses incurred by WRD as a result of the early termination.

10. NOTICE.

Any notice, instrument, payment, or document required to be given or delivered under this Agreement shall be given or delivered by personal delivery or by depositing the same in a United States Mail depository, first class postage prepaid, and addressed the appropriate Party. Notice under this Agreement may also be provided to such other address as any Party may direct in writing to the other. Service of any instrument or document given by mail will be deemed complete upon receipt if delivered personally, or forty-eight (48) hours after deposit of such instrument or document in a United States mail depository, first class postage prepaid, and addressed as set forth above.

11. MISCELLANEOUS.

11.1 Further Assurances. The Parties shall execute and deliver any documents and cooperate in performing any acts necessary to further the intent of this Agreement.

11.2 Time is of the Essence. Time is of the essence in performing all obligations under this Agreement.

11.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which is an original. All signatures taken together will be considered as one and the same agreement.

11.4 Force Majeure. Upon written notice by a Party, the respective duties and obligations of the Parties will be suspended for the time period that performance by the Party is prevented or substantially impeded by workforce strikes; riots; fire; flood; federal, state and county regulatory action; pandemics; war; or terrorism.

11.5 Dispute Resolution. Any dispute arising from or relating to this Agreement shall be submitted to final binding arbitration before an arbitrator who is a member of the National

³ The reimbursement shall be based on the following formula: [Annual Pumping Requirement (subject to any adjustment pursuant to Section 6.2) x 20-year Term) – total water produced by Pumper pursuant to the terms of this Agreement] x \$1000.00 per acre foot (or the final funding amount per acre foot as specified in Exhibit A)
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Academy of Arbitrators. The Parties will obtain a list of five names of potential arbitrators from the National Academy of Arbitrators, or the American Arbitration Association, and will take turns striking the names of arbitrators until one arbitrator remains, who shall preside over the arbitration. The arbitrator will have no power to rewrite any of the terms of this Agreement. The Parties shall split the cost of the arbitrator's fee and any court reporter required by the arbitrator or if both Parties agree to having the proceedings taken down by a court reporter. The prevailing Party in any action arising from or relating to this Agreement shall be entitled to recover its reasonable attorneys' fees, expert witness fees and arbitration fees and costs in addition to any other relief and recovery ordered by the arbitrator or other tribunal hearing any matter related to this Agreement.

11.6 Successors and Assigns. All of the terms, conditions, and provisions of this Agreement inure to the benefit of and will be binding upon WRD, the Pumper, and their respective successors and assigns.

11.7 No Implied Waivers. If any term, condition, or provision of this Agreement is breached by either Party and thereafter waived by the other Party, that waiver will be limited to the specific breach so waived, and will not be deemed either to be a continual waiver or to waive any other breach under this Agreement.

11.8 No Obligation to Third Parties. The approval, execution, and performance of this Agreement does not confer any rights upon any person or entity other than WRD and the Pumpers. There are no third-party beneficiaries to this Agreement. Each Pumper's obligations under this Agreement are to WRD only, unless otherwise specifically stated herein (e.g., requirement to release or provide notice to other Pumpers).

11.9 Nature of Relationship. This Agreement does not create, and will not be construed or deemed to create any agency, partnership, joint venture, landlord-tenant, or other relationship between WRD and any Pumper except as specified in this Agreement.

11.10 Integration, Construction and Amendment. This Agreement represents the entire understanding of WRD and each Pumper as to the design and construction of PFAS treatment facilities for the Impacted Wells. No prior oral or written understanding will be of any force or effect with respect to those matters covered by this Agreement. This Agreement will be construed as if drafted by both WRD and each Pumper.

11.11 Modification, Variance and Most Favored Nation Provisions. Unless specifically authorized herein, this Agreement may not be modified, altered, or amended unless in writing signed by authorized representatives of both WRD and all Pumpers, except that WRD and any individual Pumper may enter into a Pumper-specific "Variance" that will be applicable only with respect to WRD and that specific Pumper. Except for where site-specific circumstances require unique considerations, WRD shall interpret and administer this Agreement in a similar manner with each Pumper. At least 30 days prior to approving any proposed Variance, WRD will provide written notice of the proposed Variance to the other Pumpers and provide each with an

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opportunity to opt into the same terms of that Variance. Upon approval of any Variance, WRD shall provide a fully executed version of the Variance to each Pumper that has opted in under the Variance.

11.12 Severability. Each provision of this Agreement is severable from the whole. If any provision of this Agreement is found contrary to law, the remainder of this Agreement will continue in full force.

11.13 Authority.

A. Pumper hereby agrees that funding provided by WRD per this Agreement is in furtherance of WRD's purpose of treating/purifying water in the Basins to facilitate beneficial use of locally produced groundwater in order to increase production of groundwater containing PFAS from the Basins—to levels typical prior to setting of RLs for PFAS, and that Pumper's production of water from the Basins is in lieu of Pumper taking water from an alternative non-tributary source, thereby furthering WRD's efforts to remove or eliminate PFAS contaminants from the Basins.

B. By entering into this Agreement, each Party represents that it, and to the best of its understanding the other Parties to this Agreement, have proper legal authority to enter into this Agreement and to fund the work described herein. Each person executing this Agreement on behalf of a Party warrants that they are: (1) duly authorized to execute and deliver this Agreement on behalf of that Party, (2) by executing this Agreement, that Party is formally bound to the provisions of this Agreement, and (3) entering into this Agreement does not violate any provision of any other Agreement to which that Party is bound. No individual signing this Agreement shall have individual liability under this Agreement. As a condition of entering this Agreement, all Parties expressly waive any future challenge to the legal authority of the other Parties to enter into this Agreement, or to the authority of any other Party to fund the programs described in this Agreement.

11.14 Construction and Amendment. The terms of this Agreement will be construed in accordance with the plain meaning of the language used and will not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The headings of sections and paragraphs of this Agreement are for convenience or reference only and will not be construed to limit or extend the meaning of the terms, covenants, and conditions of this Agreement. This Agreement may only be amended by the mutual consent of the Parties by an instrument in writing.

11.15 No Admissions. Nothing in this Agreement may be deemed an admission.

11.16 Effective Date and Binding Effect. The date WRD executes this Agreement shall be the Effective Date of this Agreement. Each Party executing the Agreement thereafter shall be bound by, and benefit from, the terms of this Agreement on the date that Party executes the

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Agreement, notwithstanding that other Parties have not yet executed the Agreement. No Party shall be bound by this Agreement until such Party has executed this Agreement, nor shall any Party that has executed this Agreement owe any contractual duty to any Party that has not yet executed this Agreement until such other Party executes this Agreement. The timelines referenced in Section 6.1 of this Agreement shall begin to run on the date a Pumper executes this Agreement if such date is after the Effective Date.

11.17 Electronic Signatures. Any Party may execute this Agreement using an “electronic signature,” as that term is defined in California Civil Code Section 1633.2, or a “digital signature,” as defined by California Government Code Section 16.5. An electronic or digital signature will have full legal effect and enforceability. Nothing in this Agreement requires any Party to use or accept the submission of any subsequent or related document containing an electronic or digital signature where written notice is otherwise required by this Agreement.

IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be executed the day and year first written above.

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Signature
John D.S. Allen

Print Name
President, Board of Directors

Title

Signature
Willard H. Murray, Jr.

Print Name
Secretary, Board of Directors

Title

PICO WATER DISTRICT (“PUMPER”)

Signature
David R. Gonzales

Print Name
President, Board of Directors

Title

**Approved As To Form
LEAL TREJO APC**

Attorneys for the Water Replenishment
District of Southern California

EXHIBIT A
SPECIFIC PROJECT DETAILS

1. PROJECT DELIVERY METHOD

Pumper has elected to participate in the Funding Support Program.

2. PROJECT DESCRIPTION

The "Project" shall consist of the construction and operation of three separate ion-exchange treatment systems for the removal of PFAS from the Pumper's Wells 5A, 8, and 11. Construction for Well 11 is anticipated to be initiated on or before February 1, 2022 and system startup is expected to commence by or before June 1, 2022. The Pumper has provided further details regarding the Project in the Engineering Report, attached hereto as Exhibit B to this Agreement.

3. FUNDING AMOUNT

Based on the required submissions under the Program, WRD has authorized funding to the Pumper in the amount not to exceed four million two hundred forty-six thousand seven hundred dollars (\$4,246,700), based on the Cost Estimates provided by the Pumper and attached hereto as Exhibit C to this Agreement (subject to such additional amount as may be approved by the WRD Board of Directors, but not to exceed the Reasonably Expected Maximum Principal Cost set forth below). This funding amount equates to approximately \$1,536 per acre feet of the annual pumping requirement, as discussed in Item 4 below, plus any additional amounts approved by the WRD Board of Directors. Based on the costs shown in Exhibit C, the "Reasonably Expected Maximum Principal Cost" of the Project has been determined to be four million seven hundred thousand eight hundred ninety-three dollars (\$4,700,893), which excludes the contingency costs.

4. ANNUAL PUMPING REQUIREMENT

Based on the required submissions under the Program, the Annual Pumping Requirement in accordance with Section 6 of this Agreement shall be 2,765 acre feet per year (requisite pumping amount) of the entire distribution system, subject to any adjustments approved pursuant to Section 6.2(D) of the Agreement. For the purposes of determining compliance with the Annual Pumping Requirement, a rolling average of the most recent three full years since initiation of PFAS treatment shall be used.

5. REIMBURSEMENT

In accordance with the Funding Support Program, Pumper has selected funding in the form of monthly reimbursements. Monthly reimbursements shall be equivalent to the proportion or percentage of Funding Amount to the Reasonably Expected Maximum Principal Cost, as shown by the formula below, except for those costs attributable to the purchase of the new treatment vessels and ion exchange resin, those costs shall be fully reimbursed when submitted. The percentage is calculated to be 90%. The 5% retention shall not be applied.

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Monthly Reimbursement = Progress Payment Requested x (WRD Funding Amount / Reasonably Expected Maximum Principal Cost)

6. OTHER

WRD acknowledges that with respect to the requirements of Section 5.2 of this Agreement, Pumper has prepared and submitted plans to WRD for the Treatment System. In satisfaction of other PFAS Remediation Program requirements not discussed above, Pumper shall provide a signed verification letter acknowledging compliance with the intent of these requirements. The letter must be in a form acceptable to WRD prior to receiving any funding under this Agreement.

With respect to the requirement of Section 7.2(A) concerning compliance with grant requirements, WRD acknowledges that Pumper has already entered into contracts for equipment to be included in the Treatment System and thus Section 7.2(A) shall not apply with respect to any such contract that predates this Agreement.

7. COST RECOVERY EFFORTS

The parties acknowledge and understand that they each have engaged SL Environmental Law Group (“PFAS Counsel”) to pursue litigation to recover costs related to PFAS contamination, remediation and treatment. Parties acknowledge that Pumper has already commenced its action in such litigation to seek recovery of damages for such costs. Pumper and WRD shall work cooperatively and in collaboration with PFAS Counsel to maximize the recovery of any such costs and prevent the duplication of damages in any litigation the parties pursue against the defendants in such litigation.

**EXHIBIT B
ENGINEERING REPORT
(PROVIDED BY PUMPER)**

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EXHIBIT C
ENGINEER'S COST ESTIMATE
(PROVIDED BY PUMPER)

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**SPECIAL MEETING OF THE BOARD OF DIRECTORS
PICO WATER DISTRICT
4843 S. Church Street
Pico Rivera, California, 90660**

6:00 PM Wednesday, September 21, 2021

AGENDA

7. ACTION/DISCUSSION ITEM.

- B. Consider Approving Resolution No. 217-R a Resolution Confirming the District's Financial Capability in Connection with the Water Replenishment District's PFAS Remediation Program Requirements. *Recommended Action – that the Board approve Resolution No. 217-R.*

STAFF REPORT

To: Honorable Board of Directors

From: Mark Grajeda, General Manager

Meeting Date: September 22, 2021

Subject: Action Item 7B – Consider Approving Resolution No. 217-R a Resolution Confirming the District’s Financial Capability in Connection with the Water Replenishment District’s PFAS Remediation Program Requirements

RECOMMENDATION

That the Board approve Resolution No. 217-R a resolution confirming the District’s financial capability in connection with the Water Replenishment District’s PFAS Remediation Program requirements.

FISCAL IMPACT

Impact to the District could be between \$600,000 to \$800,000.

Summary

As part of the Water Replenishment District’s PFAS Remediation Program requirements, the District is required to pass a resolution stating that the District has the financial capability to complete all work needed for the new PFAS treatment systems which will not be covered by WRD’s PFAS funding program. The attached resolution calls out requirements in the agreement that WRD wishes to make sure that any agency requesting PFAS funding will abide by and has the financial capacity to complete the work, the District does have the financial capacity to complete all work needed for this project. Therefore, District staff recommends that the Board approve resolution 217-R.

RESOLUTION NO. 217-R

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE PICO WATER DISTRICT CONFIRMING FINANCIAL CAPABILITY
IN CONNECTION WITH THE PFAS REMEDIATION PROGRAM
ESTABLISHED BY THE WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA**

WHEREAS, Pico Water District ("Pumper") desires to finance the costs of designing and constructing and/or reconstructing their Water Producing Facilities, including certain drinking water wells, treatment facilities, pipelines, and other infrastructure ("Project") for the removal of per- and polyfluoroalkyl substances ("PFAS") in drinking water wells that have concentrations above their respective Response Levels or Maximum Contaminant Levels; and

WHEREAS, the Pumper intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the Water Replenishment District of Southern California ("WRD"); and

WHEREAS, the Pumper and WRD have executed a PFAS Remediation Program Participation Agreement ("Agreement") that specifies the details of the Project and Project Funds to be utilized for capital costs associated with the Project; and

WHEREAS, the Pumper shall submit all documents requested by WRD and per the Agreement before WRD can release any Project Funds to the Pumper; and

WHEREAS, WRD shall review the required documents submitted by the Pumper and upon approval, reimburse the Pumper for their Project expenditures in accordance with the Agreement.

NOW, THEREFORE, THE PUMPER DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

1. The total Project Cost is estimated to be Four Million Seven Hundred Thousand Eight Hundred Ninety-Three Dollars (\$4,700,893), which excludes contingency costs, and the Project Funds to be provided by WRD shall not exceed Four Million Two Hundred Forty-Six Thousand Seven Hundred Dollars (\$4,246,700).

2. The Pumper hereby certifies that it has adequate financial reserves and the ability to cover any and all Project expenditures in excess of the Project Funds to ensure proper planning, management, and completion of the Project as described in the Agreement.

3. The Pumper hereby states its intention to pay all Project expenditures prior to the issuance of any reimbursement request to WRD for Project Funds.

4. The Pumper designates Mark J. Grajeda, General Manager, as the authorized representative that will carry out the Pumper's responsibilities under the Agreement, including providing certifications, assurances, and commitments that may be required from the Pumper under

WRD's PFAS Remediation Program and compliance with all applicable state and federal laws.

5. The Pumper agrees to comply with all terms and requirements specified in the Program Agreement and all associated funding documents.

6. This resolution is being adopted no later than 60 days after the date on which the Pumper will expend moneys for Project expenditures that qualify for reimbursement with Project Funds.

7. This resolution is adopted as official intent of the Pumper to comply with all state, federal, and any other regulations relating to any Project Funds received from WRD.

8. To the best of our knowledge, this Pumper is not aware of the previous adoption of official intents by the Pumper that have been made as a matter of course for the purpose of reimbursing Project expenditures.

9. All the recitals in this Resolution are true and correct and this Pumper so finds, determines, and represents.

ADOPTED, SIGNED AND APPROVED by the Board of Directors of Pico Water District at a duly noticed, open and public meeting held on September 22, 2021.

Ayes:

Nays:

Abstains:

Absent:

David R. Gonzales, President

ATTEST:

Mark J. Grajeda, Board Secretary

CLOSED SESSION ITEMS

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
PICO WATER DISTRICT
4843 S. Church Street
Pico Rivera, California, 90660**

6:00 P.M. Wednesday, September 21, 2021

AGENDA

10. CLOSED SESSION.

- A. Conference with legal counsel – pending litigation under Government Code Section 54956.9(d)(2) and (e)(3) – Consideration of Claim of George Campos III, dated August 18, 2021.

**ACTION/DISCUSSION
ITEMS**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
PICO WATER DISTRICT
4843 S. Church Street
Pico Rivera, California, 90660**

6:00 P.M. Wednesday, September 21, 2021

AGENDA

12. ACTION/DISCUSSION ITEM.

- A. Action on Claim of George Campos III, dated August 18, 2021.

STAFF REPORT

To: Honorable Board of Directors
From: Mark Grajeda, General Manager
Meeting Date: September 22, 2021
Subject: Action/Discussion Item 12A. – Action on Claim of George Campos III, dated August 18, 2021

RECOMMENED MOTION

That the Board take action to reject the claim by Mr. George Campos III.

FISCAL IMPACT

Total costs projected to be less than \$1,000.

SUMMARY

At the regularly scheduled Board Meeting held on September 1, 2021, the Board was made aware of an incident that occurred on August 18th, between a District vehicle and a parked car. The Board discussed this issue in closed session and was informed that the owner of the vehicle involved had filed a claim with the District. District staff forwarded the claim to the District's insurance carrier the Joint Powers Insurance Authority (JPIA) for review and direction. District staff has been informed by JPIA to reject the claim as they have reviewed all costs submitted and provided the claimant with a counter offer which follows how much the District should pay.