

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, September 1, 2021 at 6:03 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 Pete Ramirez, Director Robert Martinez, and Vice President Victor Caballero participated telephonically, and Director Raymond Rodriguez participated electronically, in adherence to social distancing. Mr. Jim Ciampa, Legal Counsel for the District participated electronically. Water Replenishment District Board of Directors members Robert Katherman, Vera Robles DeWitt and General Manager, Stephan Tucker also attended the meeting electronically.

Director DeWitt led everyone in the Pledge of Allegiance.

Director Rodriguez 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. Director Ramirez made the motion to approve the agenda and Director Martinez seconded the motion. The General Manager announced the motion passed by a roll-call vote, 5 – 0.

President Gonzales proceeded to the approval of the Consent Calendar. Director Rodriguez made the motion to approve the Consent Calendar 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, Action/Discussion Items. Discuss Conditions for the Water Replenishment District (WRD) PFAS Remediation Agreement (Agreement). The General Manager reviewed the District's Staff Report with the Board informing them that there had been a few iterations of the WRD Agreement going back and forth between the District and WRD. He informed the Board that WRD had received all documents and contracts the District has entered into along with the technical report provided to the Division of Drinking Water in an effort to act swiftly in order to get 2 treatment facilities on-line by the end of the year. The General Manager further stated that WRD staff informed him that their Board took action regarding funding, to only fund based on how much water the water agency pumped annually and no more. However, on August 27, 2021 after contacting WRD Director DeWitt the General Manager was told that this was not seem the case. The General Manager stated that he informed Director DeWitt of the District's meeting to discuss this issue and invited her to comment and briefly address the Board. General Manager Tucker addressed the Board and stated that the current design on the PFAS Program was based on the amount of money WRD could afford to spend out

of its bonds and reserves, and the amount of money the pumping community approved for a PFAS surcharge for the replenishment assessment (RA) which allowed WRD to spend \$34M on the program for the 13 pumpers that had PFAS issues. Two parameters were placed on the program, pumpers would receive \$1000 per acre foot pumped over a 3-year average with a max amount of \$5M. Beyond that there is an appeal process to the WRD Board, the Budget Advisory Committee (BAC), Technical Advisory Committee (TAC) from the Central and West Basins as they were the approving body of the RA. WRD is currently looking for other funding possibilities from the State and/or Federal governments which they could put in the pot to increase the amount per acre foot they would pay. Lastly, they could go to the pumping community ask them to add to the surcharge that would allow WRD to borrow more funds which would increase the amount of money they could pay per acre-foot. Based on the funding that WRD has secured, the program allows for \$1000/acre-foot or a maximum of \$5M on appeal to the Budget and Technical Advisory Committees (TAC). Mr. Tucker further stated that he believes the appeal process can start at any time for the District as WRD has the cost breakdowns and their engineers have verified them and WRD has all the data they would need to go forward with an appeal. A discussion ensued regarding inclusion of the appeal process into the Agreement along with a caveat, should there be drought conditions placed upon the District that they would not be held in default of their pumping numbers should they not be reached. Director Katherman added that he is aware that time is of the essence as the District does not have a backup source of water and further stated that the Board is planning to consider the matter both at a Capital Improvement Committee Meeting and at a TAC Meeting scheduled for September 15, 2021.

President Gonzales proceeded to the next item on the Agenda, General Manager's report. The General Manager informed the Board that all pipeline projects are complete; Riverside Construction has completed all new pipeline work in Durfee Avenue except for that work taking place under the railroad tracks; regarding wells 4, 5A, and 8 – well 4 has been offline in order for repairs to be made, well 5A we are holding off on upgrading the capacity of the pump, motor and drive at this time and will reassess once the treatment plant is in place, Well 8 was taken down for rehabilitation in anticipation of the treatment vessels being installed, once General Pump has completed their work well 8 will be put back on line. Monday, September 6, 2021, is a holiday and District offices will be closed.

President Gonzales proceeded to the next item on the Agenda, Legal Counsel report. Regarding the Infrastructure Bill, there is \$10B in funding for PFAS funding including \$1B for wastewater utilities and \$4B for drinking water utilities and that is nationwide. The State Water Board's Arrearages program for COVID 19 relief is beginning to take off. There is \$985M in funding that will be dedicated to water utilities for payment of customer's past due bills.

President Gonzales proceeded to the next item on the Agenda, Director's request for future agenda items. There were none.

President Gonzales proceeded to the next item on the Agenda, Board Member Comments. Director Martinez complimented everyone on the WRD PFAS discussion. Director Rodriguez stated that he is walking away from this discussion feeling much better based on the clarity that was added.

The Board retreated to closed session at 6:53 p.m.

The Board reconvened at 6:59 p.m.

Legal Counsel announced that pursuant to Government Code Section 54956.9 subdivision (d) (2), conference with Legal Counsel on anticipated litigation, the Board was briefed on the facts and circumstances of that case and no reportable action was taken.

There being no further business to come before the Board, the Board meeting adjourned at 7:00 p.m.



David R. Gonzales, President

Attest:



Mark J. Grajeda, Secretary

(Seal)

