



**PICO WATER DISTRICT
FINANCE STANDING COMMITTEE MEETING**

4843 S. Church Street
Pico Rivera, California, 90660

10:00 AM Tuesday, November 23, 2021

AGENDA

Pursuant to the provisions of Government Code Section 54953(e), as amended by AB 361, 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.

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=dGNxcXh3YitEe2NlVVdrUzVvNm4rZz09>

Phone +1 669 900 6833

Meeting ID: 952 177 9948

Passcode: 421745

1. Roll Call of Committee Members: Victor Caballero – Chair
Pete Ramirez – Vice Chair
David Gonzales – Alternate
2. 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 *9 on their phone if participating by teleconference.*

3. Discussion Items.
 - A. Discuss 2021 Salary Survey.
 - B. Discuss Consumer Price Index Cost of Living Adjustment 2022 Proposed Increase.
 - C. Discuss Proposed Salary Adjustments.
 - D. Consider Draft 2022 Operations and Capital Improvement Projects Budget
4. Time Reserved for Director's Comments.
5. Adjournment.

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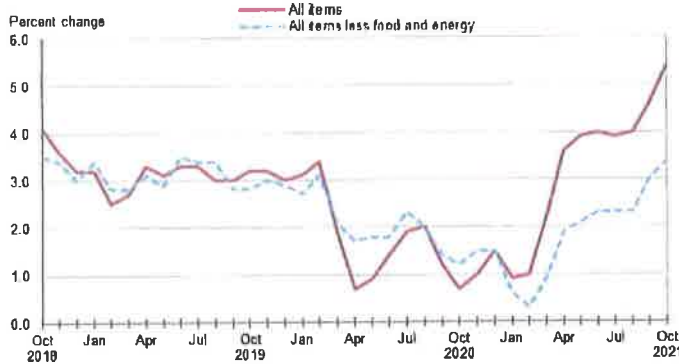
Consumer Price Index, Los Angeles area — October 2021

Area prices were up 0.9 percent over the past month, up 5.4 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.9 percent in October, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Chris Rosenlund noted that the October increase was influenced by higher prices for shelter as well as electricity. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 5.4 percent. (See [chart 1](#) and [table A.](#)) Food prices rose 5.7 percent. Energy prices jumped 30.0 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 3.4 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, October 2018–October 2021



Source: U.S. Bureau of Labor Statistics

[View Chart Data](#)

News Release Information

21-1996-SAN
Wednesday, November 10, 2021

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Food

Food prices increased 1.5 percent for the month of October. (See [table 1.](#)) Prices for food at home increased 1.1 percent, mainly due to higher prices for meats, poultry, fish, and eggs (2.9 percent). Prices for food away from home advanced 1.9 percent for the same period.

Over the year, food prices rose 5.7 percent. Prices for food at home increased 5.5 percent. Increases across food at home expenditure categories ranged from 3.1 percent for cereals and bakery products to 9.9 percent for meats, poultry, fish, and eggs. Prices for food away from home increased 5.9 percent since a year ago.

Energy

The energy index rose 3.8 percent over the month. The increase was mainly due to higher prices for electricity (7.6 percent). Prices for natural gas service rose 5.5 percent, and prices for gasoline increased 1.9 percent for the same period.

Energy prices jumped 30.0 percent over the year, largely due to higher prices for gasoline (39.5 percent). Prices paid for natural gas service jumped 21.5 percent, and prices for electricity moved up 15.3 percent during the past year.

All items less food and energy

The index for all items less food and energy increased 0.6 percent in October. Higher prices for used cars and trucks (2.3 percent), other goods and services (1.8 percent), education and communication (0.8 percent), medical care (0.6 percent), and shelter (0.4 percent) were partially offset by lower prices for recreation and household furnishings and operations (both down -0.8 percent).

Over the year, the index for all items less food and energy increased 3.4 percent. Components contributing to the increase included new and used motor vehicles (16.2 percent), recreation (9.2 percent), and shelter (2.2 percent).

Table A. Los Angeles-Long Beach-Anaheim, CA, CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2017		2018		2019		2020		2021	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.9	2.1	0.8	3.5	0.7	3.2	0.6	3.1	0.2	0.9
February	0.6	2.7	0.7	3.0	0.1	2.5	0.3	3.4	0.4	1.0
March	0.3	2.7	0.4	3.0	0.8	2.7	-0.7	1.0	0.5	2.2
April	0.2	2.7	0.4	4.0	1.0	3.3	-0.3	0.7	1.1	3.6
May	0.3	2.5	0.4	4.1	0.2	3.1	0.4	0.9	0.6	3.8
June	-0.2	2.2	-0.2	4.0	0.0	3.3	0.5	1.4	0.8	4.0
July	0.3	2.5	0.2	3.0	0.1	3.3	0.0	1.0	0.8	3.9
August	0.3	2.8	0.2	3.0	0.0	3.0	0.1	2.0	0.2	4.0
September	0.4	3.1	0.5	3.0	0.5	3.0	-0.3	1.2	0.3	4.6
October	0.4	3.1	0.5	4.1	0.7	3.2	0.2	0.7	0.9	5.4
November	0.1	3.0	-0.3	3.6	-0.3	3.2	0.1	1.0		
December	0.0	3.0	-0.3	3.2	-0.6	3.0	-0.2	1.5		

The November 2021 Consumer Price Index for the Los Angeles area is scheduled to be released on December 10, 2021.

Coronavirus (COVID-19) Pandemic Impact on October 2021 Consumer Price Index Data

Data collection by personal visit for the Consumer Price Index (CPI) program has been suspended almost entirely since March 16, 2020. When possible, data normally collected by personal visit were collected either online or by phone. Additionally, data collection in October was affected by the temporary closing or limited operations of certain types of establishments. These factors resulted in an increase in the number of prices considered temporarily unavailable and imputed.



PICO WATER DISTRICT *PROPOSED*

2022 BUDGET

Mark J. Grajeda
Secretary/General Manager

PICO WATER DISTRICT 2022 PROPOSED BUDGET

	Y-T-D AS OF 10/31/21 RECORDED	2021 APPROVED BUDGET	2022 PROPOSED BUDGET
OPERATING REVENUES			
WS 1 - Potable Water Charges	\$ 1,830,573	\$ 2,027,570	\$ 2,213,695
WS 2 - Recycled Water Charges	94,763	80,000	44,000
MS 1 - Meter Charges	1,156,418	1,255,620	1,330,224
MS 2 - MULTI UNIT CHARGE	18,917	113,000	0
MS 3 - Fire Protection Charges	62,619	54,000	57,200
Infrastructure Surcharge [RESTRICTED]	346,717	410,000	409,450
Water Other-Hydrant Surchg/Setup	630	500	500
Application Charges	5,275	5,000	5,000
Reconnection Charges	480	2,000	2,000
NSF Check Charges	585	525	525
Late Fee Charges	22,068	10,000	30,000
Damage/Lock Charges	-	200	200
Testing-Mtr/Flow/Sample Charges	1,000	1,250	1,250
Backflow Program	27,904	22,000	23,300
Water Rights Income	108,000	90,000	45,000
TOTAL OPERATING REVENUES	\$ 3,675,949	\$ 4,071,665	\$ 4,162,344
OPERATING EXPENSE			
Source of Supply	\$ 923,157	\$ 1,158,584	1,227,000
Pumping	405,948	487,500	463,700
Water Treatment	104,355	129,550	110,900
Transmission & Distribution	157,436	181,600	199,500
Customer Accounts	126,750	227,500	192,000
General & Administrative	\$ 1,050,961	1,330,450	1,342,060
TOTAL OPERATING EXPENSE	\$ 2,768,607	\$ 3,515,184	\$ 3,535,160
OPERATING INCOME (LOSS)	\$ 907,342	\$ 556,481	\$ 627,184
NON-OPERATING INCOME			
Interest - LAIF & Infrastructure Acct	\$ 4,563	\$ 55,000	30,000
Investment Income	4,114	9,000	5,000
Realized Gains/Loss	-		
Gain/Loss Sale of Assets	28,295		
Grant Revenue Federal	20,092		
Other Income	15,800	2,000	5,000
House Rental Income	16,800	20,400	20,400
TOTAL NON-OPERATING INCOME	\$ 89,663	\$ 86,400	\$ 60,400
NON-OPERATING EXPENSE			
Interest	\$ 183,910	246,052	240,254
Annual Fee Expense - IBank Loan	14,977	20,075	19,601
Other Non-Op Expense	-	100	0
Rental House Expense	-	1,000	2,500
TOTAL NON-OPERATING EXPENSE	\$ 198,887	\$ 267,227	\$ 262,355
NET INCOME (LOSS) Before Contributed Capital	\$ 798,119	\$ 375,654	\$ 425,229
Contributed Capital	466,568		
Depreciation	(418,242)	(525,000)	(540,000)
NET INCOME/LOSS	\$ 846,445	(149,346)	(114,771)
CAPITAL IMPROVEMENTS	1,269,723	2,362,250	950,000
	\$ (423,278)	\$ (2,511,596)	\$ (1,064,771)

**PICO WATER DISTRICT 2022 PROPOSED BUDGET
OPERATING EXPENSE DETAIL**

	<u>Y-T-D AS OF 10/31/21 RECORDED</u>	<u>2021 BUDGET</u>	<u>2022 PROPOSED BUDGET</u>
SOURCE OF SUPPLY			
Salaries & Wages	\$ 54,747	\$ 75,000	\$ 75,000
Recycled Water	38,758	48,000	52,000
Ground Water Replenishment	829,652	1,035,584	1,100,000
TOTAL SOURCE OF SUPPLY	<u>\$ 923,157</u>	<u>\$ 1,158,584</u>	<u>\$ 1,227,000</u>
PUMPING EXPENSE			
Salaries & Wages	\$ 139,877	\$ 180,000	\$ 196,000
Maintenance	60,569	34,500	37,400
Fuel or Power	205,502	273,000	230,300
TOTAL PUMPING EXPENSE	<u>\$ 405,948</u>	<u>\$ 487,500</u>	<u>\$ 463,700</u>
WATER TREATMENT			
Salaries & Wages	\$ 4,194	\$ 5,550	\$ 5,900
Maintenance	29,985	44,000	35,000
Water Treatment Regulations	70,176	80,000	70,000
TOTAL WATER TREATMENT	<u>\$ 104,355</u>	<u>\$ 129,550</u>	<u>\$ 110,900</u>
TRANSMISSION & DISTRIBUTION			
Salaries & Wages	\$ 85,516	\$ 92,000	\$ 119,800
Maintenance	56,604	72,200	58,700
Vehicle Maintenance	15,316	17,400	21,000
TOTAL TRANSMISSION & DISTRBN	<u>\$ 157,436</u>	<u>\$ 181,600</u>	<u>\$ 199,500</u>
CUSTOMER ACCOUNTS			
Meter Reading Labor	\$ 16,263	\$ 26,500	\$ 23,000
Svc Calls, T/On's, Field Ofc, Cust Service, Billing&Collections Ofc	64,086	139,000	120,000
Supplies	46,401	62,000	49,000
TOTAL CUSTOMER ACCOUNTS	<u>\$ 126,750</u>	<u>\$ 227,500</u>	<u>\$ 192,000</u>

**PICO WATER DISTRICT 2022 PROPOSED BUDGET
OPERATING EXPENSE DETAIL**

	Y-T-D AS OF 10/31/21 RECORDED	2021 BUDGET	2022 PROPOSED BUDGET
GENERAL & ADMINISTRATIVE			
Salaries	\$ 142,612	240,000	210,000
Directors Compensation	22,650	33,000	30,000
Travel & Meetings-Board	145	15,000	15,000
Travel & Meetings-Staff	200	2,500	2,500
Board Room Expenses	2,517	1,000	5,000
Office Supplies	7,090	12,000	8,000
Office Utilities	18,168	23,000	22,000
Professional Services			
Accounting	46,513	46,000	40,000
Computer	3,027	4,500	5,000
Engineering	1,200	4,500	4,000
Legal	32,459	50,000	45,000
Miscellaneous	27,655	1,500	1,500
PWAG - Emergency Services Coordinator	9,638	10,000	12,000
Tyler Technologies Licensing and Support	13,234	13,250	13,000
Nobel Systems - GIS Program	14,890	18,000	19,000
Insurance	246,846	315,000	301,250
Payroll Taxes	49,049	68,000	68,000
Pension	120,991	140,000	167,000
OPEB Expense	67,500	90,000	90,000
Maintenance	16,664	23,500	23,200
Dues & Subscriptions	19,802	15,000	18,000
Noticing	3,435	7,000	7,000
Education Expense	600	1,500	1,500
Conservation Expense	16,008	25,000	25,000
Grant Program		0	0
Other Operating Expenses	-	1,200	0
CBMWD Retail Meter Charge	-	0	0
Election Expense	57,211	0	62,000
COVID-19 - Salaries	4,819	30,000	5,000
Vacation/Holiday/Other Payroll	106,038	140,000	142,110
TOTAL GENERAL & ADMINISTRATIVE	\$ 1,050,961	\$ 1,330,450	1,342,060

2022 DRAFT CAPITAL IMPROVEMENT PROJECTS (CIP)

I	Buildings	1 No major plans.	\$	-
			Sub-total	\$
II	Office Equipment Purchase			
		1 Upgrade office and Boardroom AC	\$	50,000.00
		2 Upgrade Boardroom doors	\$	20,000.00
			Sub-total	\$ 70,000.00
III	Field Equipment Purchase			
		1 Purchase three (3) new field lpads	\$	2,500.00
			Sub-total	\$ 2,500.00
IV	Replacement Programs			
	A. Hydrants			
		Replace five (5) four-inch blow off hydrants with newer four-		
		1 inch blow-offs	\$	25,000.00
			Sub-total	\$ 25,000.00
	B. Meters -			
		At this time we are not setting aside CIP funds and looking for		
		1 other sources of funding	\$	-
			Sub-total	\$ -
	C. Service Lines			
		1 Replace ten (10) services on 7400 Lindell & 7500 Serapis	\$	20,000.00
			Sub-total	\$ 20,000.00
	B. Main Lines			
		Install new eight-inch line connecting new eight-inch mainline		
		on the north side of Beverly Road to existing six-inch mainline on		
		1 the south side of Beverly Road east of Rosemead Blvd.	\$	55,000.00
		Install new eight-inch line connecting existing twelve-inch		
		mainline on the north side of Beverly Road to existing four-inch		
		mainline on the south side of Beverly Road west of Rosemead		
		Bld to provide service to the Pico Plaza.	\$	55,000.00
			Sub-total	\$ 110,000.00
	C. Valves			
		1 Repairs	\$	-
			Sub-total	\$ -
V	Consulting Services			
		1 None	\$	-
			Sub-total	\$ -
VI	Work at Wells & Equipment Upgrade			
		1 Consider installation of new VFD at well 4	\$	35,000.00
		Consider Maintenance work on the Reservoir - access door and		
		2 overflow pipe	\$	35,000.00
		Consider upgrading north fence of reservoir site and landscape		
		3 work	\$	30,000.00
		4 Consider raising the block wall fence height at well 11	\$	25,000.00
			Sub-total	\$ 125,000.00
VII	Future Planned Work			
		1 None	\$	-
			Sub-total	\$ 352,500.00

Grand Total