

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

A Rescheduled 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 Thursday, December 2, 2021 at 6:02 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. Director Raymond Rodriguez, Director E.A. Pete Ramirez, Director Robert Martinez and Vice President Caballero participated telephonically, in adherence to social distancing. Mr. Jim Ciampa, Legal Counsel for the District participated electronically.

President Gonzales led everyone in the Pledge of Allegiance.

Mr. 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. Director Rodriguez made the motion to approve the agenda and President Gonzales 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. Vice President Caballero 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, consider the Proposed 2022 Operating Budget, Organizational Chart and Capital Improvement Budgets. The General Manager informed the Board that the Engineering and Administrative Standing Committees met and made recommendations that the Capital Improvement Budget, and the Salary Survey presented to them be approved. The Finance Committee met and was provided a revised proposed capital improvement projects schedule that included PFAS Removal Treatment that currently is not covered under the Water Replenishment District's (WRD) PFAS Remediation Program. At this meeting they also recommended a 5% COLA increase for all employees and additional percentage increases to staff positions in an attempt to bring them inline with the salary survey the District participated in. In an effort to compare the District's salary schedule to the salary survey, staff used San Gabriel County Water District as a baseline as it is the agency that most closely mirrored the District. He further reviewed revenues and expenses, stating that revenues were based on a 5% decrease in sales due to the current drought condition that exists. Additionally, he described the need to replace a service truck, the ability to perform work on the reservoir this year and additional work required for PFAS treatment. After a discussion regarding the Salary Survey Director Ramirez made a motion to table approval of the 2022 Budget until the next Regular Board

Meeting, the motion was seconded by Director Martinez. The General Manager announced that the motion passed by roll call vote 4 – 0 – 1, with President Gonzales abstaining.

President Gonzales proceeded to the next item on the Agenda, consider Proposals for Professional Auditing Services related to the District's Annual Financial Audit. The General Manager informed the Board that we have been utilizing Clifton, Larson, Allen to perform the District's annual audits for the last 5 years. In an effort to rotate auditing services every 5 years staff solicited Auditing Service Proposals from four auditing firms for 2021, 2022, 2023 fiscal years with an option for an additional two years. Two firms, Davis Farr LLP and Gruber & Lopez Associates, returned proposals. Both firms are very experienced and do very good work. Staff recommends that the Board approve the proposal from Gruber & Lopez and authorize the General Manager to execute all documents related to the proposal. After a brief discussion Director Martinez made the motion to accept the proposal from Gruber & Lopez for the three-year audit period at a cost of \$18,500/year with a two-year option also at \$18,500/year subject to the General Manager and Legal Counsel confirming that the not-to-exceed price would remain at \$18,500/year for the full term of the contract including the option years. President Gonzales 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 Work Proposal by Tesco Controls to Upgrade the Supervisor Control and Data Acquisition (SCADA) System at Wells 5A, 8 and 11. The General Manager informed the Board that this work is required due to the PFAS Treatment facilities being built at Well 5A, Well 8 and Well 11. Upgrading the system will allow the District to have more input and outputs for monitoring the wells and new treatment vessels. Tesco has been handling the District's SCADA systems needs for a number of years and it would not be cost effective to bid this work out and acclimate a new SCADA system provider. Director Ramirez made the motion to approve the proposal from Tesco Controls for a total cost of \$113,855 and Director Martinez 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, General Manager Report. The General Manager stated that staff is hoping to present the proposals for the on-site work for the PFAS treatment facilities at the next Board meeting; staff will resubmit the 2022 Operations Budget, COLA and Salary Survey increases and the Capital Improvement Budgets at the next meeting; and officer elections for 2022. A brief discussion regarding reserves and capital improvements was held.

President Gonzales proceeded to the next item on the Agenda, Legal Counsel Comments. Legal Counsel stated that he has looked at some of the summaries regarding the Federal Infrastructure Bill and there are some monies that have been put out there - \$10 Billion for PFAS issues and another \$10 Billion for water related issues; there was some uncertainty regarding the COVID arrearages program and tax implications, the IRS has determined that the money provided is in conjunction with a national emergency water agencies are not required to 1099 customers who will benefit from the arrearage payment.

President Gonzales proceeded to the next item on the Agenda, Director's Request of Future Agenda Items. There were none.

President Gonzales proceeded to the next item on the Agenda, Board Member Comments. Director Rodriguez inquired if anyone was able to attend any of the ACWA Fall Conference. Director Ramirez that he had and the expected drought does not look good.

There being no further business to come before the Board, the Board meeting adjourned at 6:55 p.m.



David R. Gonzales, President

Attest:



Mark J. Grajeda, Secretary

(Seal)

