



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

A special 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, November 16, 2023 at 5:30 p.m.

The District's General Manager, Mr. Joe D. Basulto proceeded with the roll call of the attending Board members. Present from the beginning of the meeting was, Director David Angelo, Director Victor Caballero, Vice President Raymond Rodriguez, President Pete Ramirez and Mr. Jim Ciampa, Legal Counsel for the District. Director David Gonzales arrived late to special board meeting at 5:45 p.m.

Vice President Raymond Rodriguez led everyone in the Pledge of Allegiance.

Director David Angelo gave the invocation.

President Pete Ramirez proceeded to the next item on the Agenda, Public Comments. No public comments at the time.

President Pete Ramirez proceeded to the adoption of the Agenda. Director David Angelo made the motion to adopt and Vice President Raymond Rodriguez seconded the motion. The General Manager announced that the motion passed by roll-call vote, 4 – 0.

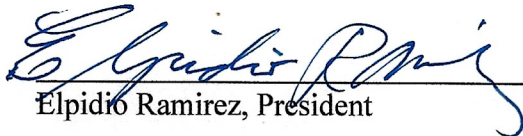
President Pete Ramirez proceeded to the next item on the Agenda, Action/ Discussion Items. The General Manager Joe Basulto moved to discuss Item A. Consider Board Approval of 2023 Water Master Plan Historical Data (2011-2020); Presentation by Civiltec Engineering. The presentation was done by Greta Ochoa. Ms. Ochoa gave an overview on when the District was formed back in 1926 as well as an overview on infrastructure lines, meters, reservoir and wells. The line usage within the District is mostly residential vs. industrial water line usage. The District currently has 5 active wells and 5,000 active meter services at the moment with the District currently doing the Meter Replacement Program. The Master Plan is basically the District's backup to try to get grant funding and provide the backup to improve the infrastructure. Pico Water District Management and Civil Tech came up with a list of improvement programs that consist of Improving water supply, pipeline improvements, system and operation improvements. Civil Tech created a CIP specifically for pipelines. The priorities are based on pipe rate frequency, fire flow efficiency, and potential fire flow issues due to the size of the pipe. Ms. Ochoa spoke about the capital improvement project to due with the rehab on well #4 and the transition main from well to site for PFAS treatment. Lastly, she mentioned the list of projects the District would like to

complete within the next five years. Civil Tech was able to include an annual inflation rate of three percent and the breakdown was included in the presentation. Discussion was held with board of directors and General Manager. Director David Gonzales made the motion to table item until next board meeting, December 6, 2023 and Director David Angelo seconded the motion. The General Manager announced that the motion passed by roll-call vote, 5 – 0. The General Manger proceeded to the next item, item B. Consider Board Approval of Proposed Financial Plan; Presentation by Water Resources Economics. Sanjay Gaur from Water Resources Economics was the speaker for the presentation. Mr. Gaur began with the rate study overview, starting with policy, rate structure, looking at reserve levels, and maintaining current rate structure. Secondly is the financial plan, it is about how much revenue needs to be collected on an annual basis, the reserve target and coverage ratio. Coverage ratio, debt is issued, when debt is issued, there is an obligation to meet a coverage ratio. If that coverage ratio is not met, then there is a technical default in a credit rating of agency of deteriorating. In order to issue good debt there needs to be how much revenue is needed, cost of service which is allocating and rate design. Mr. Gaur briefly spoke about Prop 218 and meeting those requirements. He also briefly spoke about the different rate structures and having a minimum and maximum reserve. He talked about the depletion of reserves by 2026 and how to increase revenues. Mr. Gaur also presented a second similar scenario for moving the district forward for the future. Director David Gonzales made the motion to adopt scenario 1 for thirty-five percent fiscal year 2024, twenty percent for fiscal year 2025, twelve percent for fiscal year 2026-2028 and Vice President Raymond Rodriguez seconded the motion. The General Manager announced that the motion passed by roll-call vote, 4 – 1.

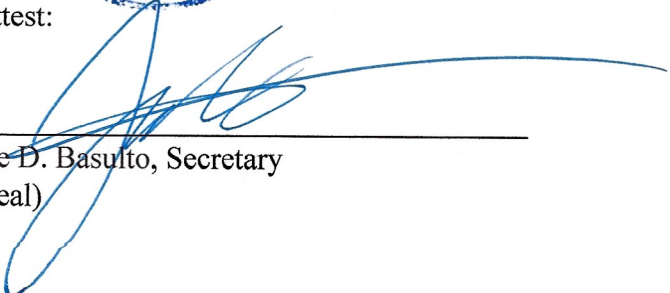
President Pete Ramirez proceeded to the next item on the Agenda, Board Member Comments. Vice President Raymond Rodriguez stated he believed the board of directors made the right decision for the motion to pass scenario 1 for the Proposed Financial Plan and commended them. Director Victor Caballero and Director David Angelo both stated that they agree with Vice President Raymond Rodriguez and how they believe the board made the right financial decision for the District's future.

There being no further business to come before the Board, the Board meeting adjourned at 6:55 p.m. Next Meeting to be held on December 6, 2023 at 5:30pm.



  
Elpidio Ramirez, President

Attest:

  
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Joe D. Basulto, Secretary  
(Seal)