

"We are advancing a life-giving cause—one where water is a vital source of wellbeing for ALL people—physically, relationally, and environmentally—today and for generations to come."



"We Bring Life to Everything You Love"

KIND – HUMBLE, COURAGEOUS, PUT OTHERS FIRST

STRONG – RELIABLE, PERSEVERE, SEE IT THROUGH

CONNECT – JOYFUL, CAUSE OTHERS TO FEEL LIKE THEY BELONG



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

4843 S. Church Street
Pico Rivera, California, 90660

5:30 PM Wednesday, September 02, 2026

AGENDA

Any member of the public may attend this meeting in person or by accessing the Zoom link below. 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.

Join Zoom Meeting

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

Join by Telephone: +1 669 900 6833

Meeting ID: 952 177 9948 Passcode: 421745

1. **ROLL CALL.**
2. **PLEDGE OF ALLEGIENCE.**
3. **INVOCATION.**

4. 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.*

5. ADOPTION OF AGENDA.

6. APPROVAL OF CONSENT CALENDAR.

(All matters on the Consent Calendar are to be approved on one motion, unless a Board Member requests a separate action on a specific item).

- A. Consider approval of August 19, 2026, Regular Board Meeting Minutes.
- B. Consider the accounts now due and payable, and receive and file bills approved by General Manager July 2026
- C. Consider the July 2026 Financial Statement

7. ACTION/DISCUSSION ITEMS.

- A. Consider Board Approval of SCADA System Upgrade; – *Recommended Action: Board Discussion / Approve*

8. REPORTS.

- A. General Manager.
- B. Legal Counsel.

9. INFORMATIONAL ITEMS

None at This Time

10. DIRECTOR’S REQUEST OF FUTURE AGENDA ITEMS.

11. BOARD MEMBER COMMENTS.

- A. Report on Meetings Attended/Comments.

12. CLOSED SESSION.

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)]: *Pico Water District v. City of Pico Rivera*, Los Angeles County Superior Court Case No. 22NWCV00967.
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)]: *City of Pico Rivera v. Pico Water District*, Los Angeles County Superior Court Case No. 24NWCP00165.
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)]: *Manuel Hernandez v. Pico Water District*
- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)]: *Bellflower-Somerset Mutual Water Company, et al. v. State Water Resources Control Board, Sacramento County Superior Court Case No. 25WM000238*

13. CLOSED SESSION REPORT.

14. ADJOURNMENT.

AGENDA POSTED ON: August 27, 2026

Next regularly scheduled meeting: September 16, 2026

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.

CONSENT CALENDAR ITEMS

6. APPROVAL OF CONSENT CALENDAR.

(All matters on the Consent Calendar are to be approved on one motion, unless a Board Member requests a separate action on a specific item).

- A. Consider approval of August 19, 2026, Regular Board Meeting Minutes.
- B. Consider the accounts now due and payable, and receive and file bills approved by General Manager July 2026
- C. Consider the July 2026 Financial Statement

PICO WATER DISTRICT

MINUTES of BOARD MEETING 08/19/2026



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, August 19, 2026, at 5:32 p.m.

President Raymond Rodriguez led a moment of silence in recognition of the recent family losses experienced by Director David Gonzales, Chief Administrative Officer Tomas Rivera, and Senior Water Distribution Operator Eric Alvarez. The Board expressed its sincere condolences to them and their families during this difficult time.

The District's General Manager, Joe D. Basulto proceeded with the roll call of the attending Board members. Present from the beginning of the meeting were Director David Angelo, Director David Gonzales, Director Victor Caballero, Vice President Pete Ramirez, President Raymond Rodriguez, and Jim Ciampa, Legal Counsel for the District.

Director David Gonzales led everyone in the Pledge of Allegiance and Director David Angelo gave the invocation.

President Raymond Rodriguez proceeded to the next item on the Agenda, Public Comments. There were none.

President Raymond Rodriguez proceeded to the adoption of the Agenda. Vice President Pete Ramirez made the motion to adopt the agenda as presented and Director David Gonzales seconded the motion. The General Manager announced the motion passed by roll-call vote, 5-0.

President Raymond Rodriguez proceeded to the next item on the Agenda, Approval of Consent Calendar, consisting of the August 5, 2026 Regular Board Meeting minutes and approval of Board attendance at the August 25, 2026 Pico Rivera Chamber of Commerce event on digital marketing. Vice President Pete Ramirez made the motion to adopt the Consent Calendar as presented and Director Victor Caballero seconded the motion. The General Manager announced the motion passed by roll-call vote, 5-0.

President Raymond Rodriguez proceeded to the next item on the Agenda, Action/Discussion Items. Action Item 7A. Discussion Item: Presentation by Carmel Band of Rumsen Indians, Chairman Michael Rodriguez. Chairman Rodriguez provided an overview of the Band's history, cultural heritage, and presence throughout Southern California, including its office in Pico Rivera and community ties throughout San Bernardino, Riverside, and Orange Counties. He discussed his interest in water resources and the importance of water to all communities, as well

as the Band's efforts to obtain grant funding for a proposed wetlands project involving approximately five acres of land. Chairman Rodriguez also expressed interest in developing a partnership with the District to explore opportunities related to grants, infrastructure, employment development, environmental stewardship, and other community projects. The Board and Chairman Rodriguez engaged in a question-and-answer discussion and agreed to schedule a future meeting to further explore potential areas of collaboration and mutual support.

President Raymond Rodriguez proceeded to the next item on the Agenda, Consider Board Approval of IRS Increase of Standard Mileage Rate for Business use from July 1st to December 31, 2026 from 72.5 cents per mile to 76 cents per mile. Vice President Pete Ramirez made the motion to adopt the increased mileage rate and Director David Gonzales seconded the motion. The General Manager announced the motion passed by roll-call vote, 5-0.

President Raymond Rodriguez proceeded to the next item on the Agenda, Consider Board Adoption of Resolution 256 requesting the Board of Supervisors to appoint person(s) nominated to the Pico Water District Board of Directors. Mr. Ciampa explained the applicable law changed in 2024 and reviewed the procedures for candidates who filed late, as well as the process for appointment in lieu of election when the number of persons filing does not exceed the number of offices to be filled. The November 3, 2026 General Election includes three director positions for which the Los Angeles County elections official may determine that the number of persons filing does not exceed the number of offices to be filled. When the statutory conditions are met and no qualifying petition requires an election, applicable law provides for appointment in lieu of election. Resolution No. 256 requests the appointment of Raymond Rodriguez, David Angelo, and Victor Caballero to the offices identified in the County certification and finds the nominee are qualified persons to serve in those positions, for which no other nominees filed. Vice President Pete Ramirez made the motion to adopt Resolution 256 in the form presented and Director David Gonzales seconded the motion. The General Manager announced the motion passed by roll-call vote, 5-0.

President Raymond Rodriguez proceeded to the next item on the Agenda, General Manager's Report. The General Manager shared the August leadership quote, "Leadership isn't measured by the problems you inherit, but by the culture you create," which was created by Office Manager Sondra Tututi. The General Manager also reported that Staff Development Day was scheduled for Tuesday, August 25, 2026. Field staff have completed meter reading for the upcoming billing cycle. An update was also provided on Well # 5, which is currently treating PFAS. All three District wells are online and actively treating PFAS.

President Raymond Rodriguez proceeded to the next item on the Agenda, Legal Counsel Report. Legal Counsel Jim Ciampa introduced Gene Wu of Lagerlof, who will be assisting with the City litigation. Mr. Ciampa advised the Board that a closed session would be held regarding three matters.

President Raymond Rodriguez proceeded to the next item on the Agenda, Informational Items. The General Manager provided a brief overview of the informational items included in the agenda. He reviewed the Water Level Report and current State Reservoir Conditions. The Director of Operations, Matt Tryon, reviewed the Field Operations Monthly Activity Report and the monthly Groundwater Well Production Report.

President Raymond Rodriguez proceeded to the next item on the Agenda, Director's Request for Future Items. There were none at this time.

President Raymond Rodriguez proceeded to the next item on the Agenda, Board Member Comments. Vice President Pete Ramirez briefly commented on the recent Central Basin Municipal Water District board meeting that he attended.

At approximately 6:23p.m., the Board adjourned to Closed Session to discuss listed items of current and potential litigation. The Board returned from Closed Session at approximately 6:53 p.m. Legal Counsel reported that Closed Session was held under Item 12A, Conference with Legal Counsel – Existing Litigation, pursuant to Government Code Section 54956.9(d)(1) on the following cases: Pico Water District v. City of Pico Rivera, Los Angeles County Superior Court Case No. 22NWCV00967; City of Pico Rivera v. Pico Water District, Los Angeles County Superior Court Case No. 24NWCP00165; and Bellflower-Somerset Mutual Water Company, et al. v. State Water Resources Control Board, Sacramento County Superior Court Case No. 25WM000238. Legal Counsel reported that the Board received an update regarding the current status of those cases and no reportable action was taken. Legal Counsel further reported that Closed Session was not held on Item 12C.

There being no further business to come before the Board, at 6:54p.m., President Raymond Rodriguez adjourned the meeting in memory of the family members recently lost by Director David Gonzales, Chief Administrative Officer Tomas Rivera, and Senior Water Distribution Operator Eric Alvarez. The next Regular Meeting will be held on September 02, 2026 at 5:30 p.m.

Raymond Rodriguez, President

Attest:

Joe D. Basulto, Secretary
(Seal)

PICO WATER DISTRICT

**Consider the accounts now due
and payable, and receive and file
bills approved
by General Manager**

JULY 2026



Pico Water District, CA

Check Report

By Check Number

Date Range: 07/01/2026 - 07/31/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-ACCOUNTS PAYABLE						
1378	AKM CONSULTING ENGINEERS, INC.	07/07/2026	Regular	0.00	2,297.00	65140
1235	U.S. BANK	07/07/2026	Regular	0.00	314,266.22	65141
1250	WATER REPLENISHMENT DISTRICT OF	07/07/2026	Regular	0.00	85,964.90	65142
1008	ACWA/JPIA	07/14/2026	Regular	0.00	34,133.57	65143
1007	ACWA-JOINT POWERS INSURANCE AUTHORITY	07/14/2026	Regular	0.00	6,369.02	65144
1415	APPLIED TECHNOLOGY GROUP, INC.	07/14/2026	Regular	0.00	30.00	65145
1047	CENTRAL BASIN WATER ASSOCIATION	07/14/2026	Regular	0.00	1,970.72	65146
1053	CINTAS #053	07/14/2026	Regular	0.00	282.58	65147
1054	CINTAS 0168 - ORANGE CA FAS	07/14/2026	Regular	0.00	802.36	65148
1065	CREATIVE SIGNS & GRAPHICS	07/14/2026	Regular	0.00	330.75	65149
1069	CV STRATEGIES	07/14/2026	Regular	0.00	42,614.96	65150
1003	DELCO SERVICE, INC	07/14/2026	Regular	0.00	31,213.08	65151
1311	DOTY BROS EQUIPMENT CO.	07/14/2026	Regular	0.00	19,159.88	65152
1105	HARRINGTON INDUSTRIAL PLASTICS LLC	07/14/2026	Regular	0.00	1,969.67	65153
1372	HUNTER ELECTRIC SERVICE, INC.	07/14/2026	Regular	0.00	11,273.08	65154
1117	INFOSEND	07/14/2026	Regular	0.00	424.67	65155
1123	J DE SIGIO CONSTRUCTION INC	07/14/2026	Regular	0.00	45,249.51	65156
1466	MATIAS CLINTON SECCOMBE	07/14/2026	Regular	0.00	134.00	65157
1153	NASA SERVICES	07/14/2026	Regular	0.00	300.40	65158
1163	PAC COMM TECHNOLOGIES, INC.	07/14/2026	Regular	0.00	935.00	65159
1183	QUILL CORPORATION	07/14/2026	Regular	0.00	801.51	65160
1351	RC FOSTER CORPORATION	07/14/2026	Regular	0.00	99,334.16	65161
1209	SOUTHERN CALIFORNIA GAS COMPANY	07/14/2026	Regular	0.00	31.13	65162
1215	STETSON ENGINEERS, INC.	07/14/2026	Regular	0.00	154.50	65163
1228	THE JANKOVICH COMPANY	07/14/2026	Regular	0.00	1,732.31	65164
1421	T-MOBILE	07/14/2026	Regular	0.00	310.52	65165
1249	VOTACALL, INC.	07/14/2026	Regular	0.00	397.27	65166
1251	WATERLINE TECHNOLOGIES, INC	07/14/2026	Regular	0.00	5,670.00	65167
1252	WECK LABORATORIES, INC.	07/14/2026	Regular	0.00	6,935.00	65168
1254	WEST WHITTIER PAINT CO.	07/14/2026	Regular	0.00	429.78	65169
1017	AT & T	07/29/2026	Regular	0.00	119.00	65170
1454	BREAKING THE CHAIN CONSULTING	07/29/2026	Regular	0.00	3,500.00	65171
1046	CENTRAL BASIN MUNICIPAL WATER DISTRICT	07/29/2026	Regular	0.00	3,376.91	65172
1053	CINTAS #053	07/29/2026	Regular	0.00	747.98	65173
1063	COUNTY OF LOS ANGELES	07/29/2026	Regular	0.00	1,854.86	65174
1369	EIDE BAILLY LLP	07/29/2026	Regular	0.00	10,211.50	65175
1461	EVERON, LLC	07/29/2026	Regular	0.00	875.36	65176
1111	HOME DEPOT CREDIT SERVICE	07/29/2026	Regular	0.00	1,187.93	65177
1117	INFOSEND	07/29/2026	Regular	0.00	1,969.95	65178
1135	LAGERLOF, LLP	07/29/2026	Regular	0.00	7,455.50	65179
1455	MATHEW ROSTRO	07/29/2026	Regular	0.00	199.32	65180
1422	MATTHEW TRYON	07/29/2026	Regular	0.00	169.68	65181
1155	NOBEL SYSTEMS	07/29/2026	Regular	0.00	16,200.00	65182
1163	PAC COMM TECHNOLOGIES, INC.	07/29/2026	Regular	0.00	9,761.51	65183
1368	PUBLIC WATER AGENCIES GROUP	07/29/2026	Regular	0.00	2,282.00	65184
1370	QUADIENT FINANCE USA, INC.	07/29/2026	Regular	0.00	1,487.68	65185
1142	QUADIENT LEASING USA	07/29/2026	Regular	0.00	183.53	65186
1215	STETSON ENGINEERS, INC.	07/29/2026	Regular	0.00	2,444.00	65187
1256	WESTERN WATER WORKS	07/29/2026	Regular	0.00	4,508.69	65188
1452	XEROX BUSINESS SOLUTIONS	07/29/2026	Regular	0.00	500.87	65189
1477	BASE HILL, INC	07/30/2026	Regular	0.00	540.00	65190
1051	CHEVROLET OF MONTEBELLO	07/30/2026	Regular	0.00	84.76	65191
1053	CINTAS #053	07/30/2026	Regular	0.00	282.58	65192
1003	DELCO SERVICE, INC	07/30/2026	Regular	0.00	1,187.50	65193

Check Report

Date Range: 07/01/2026 - 07/31/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1088	FERGUSON WATERWORKS #1083	07/30/2026	Regular	0.00	10,161.40	65194
1105	HARRINGTON INDUSTRIAL PLASTICS LLC	07/30/2026	Regular	0.00	797.50	65195
1113	HUMBERTO CRUZ MASONRY	07/30/2026	Regular	0.00	1,400.00	65196
1117	INFOSEND	07/30/2026	Regular	0.00	441.48	65197
1128	JOE BASULTO	07/30/2026	Regular	0.00	1,048.40	65198
1163	PAC COMM TECHNOLOGIES, INC.	07/30/2026	Regular	0.00	2,443.19	65199
1410	PATRIOT LOCK & SECURITY	07/30/2026	Regular	0.00	1,568.54	65200
1194	S & J SUPPLY CO., INC.	07/30/2026	Regular	0.00	11,899.98	65201
1228	THE JANKOVICH COMPANY	07/30/2026	Regular	0.00	1,769.46	65202
1240	USA BLUEBOOK	07/30/2026	Regular	0.00	1,914.87	65203
1256	WESTERN WATER WORKS	07/30/2026	Regular	0.00	5,357.03	65204
1259	WHITTIER FERTILIZER	07/30/2026	Regular	0.00	76.42	65205
1467	FIVE STAR BANK	07/25/2026	Bank Draft	0.00	12,408.14	DFT0000521
1433	SOUTHWEST ANSWERING SERVICE	07/24/2026	Bank Draft	0.00	893.80	DFT0000522
1080	EDISON COMPANY	07/21/2026	Bank Draft	0.00	15,934.43	DFT0000523
1080	EDISON COMPANY	07/21/2026	Bank Draft	0.00	15.65	DFT0000524
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	4,680.10	DFT0000525
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	154.87	DFT0000526
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	9,819.19	DFT0000527
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	57.81	DFT0000528
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	3,006.54	DFT0000529
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	2,225.26	DFT0000530
1080	EDISON COMPANY	07/06/2026	Bank Draft	0.00	137.43	DFT0000531
1080	EDISON COMPANY	07/08/2026	Bank Draft	0.00	138.03	DFT0000532
1080	EDISON COMPANY	07/08/2026	Bank Draft	0.00	99.49	DFT0000533

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	115	66	0.00	825,526.93
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	13	13	0.00	49,570.74
EFT's	0	0	0.00	0.00
	128	79	0.00	875,097.67

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	115	66	0.00	825,526.93
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	13	13	0.00	49,570.74
EFT's	0	0	0.00	0.00
	128	79	0.00	875,097.67

Fund Summary

Fund	Name	Period	Amount
10	General Operating	7/2026	875,097.67
			875,097.67

PICO WATER DISTRICT

JULY 2026

FINANCIAL STATEMENT



Pico Water District

Statement of Net Position (Unaudited)

As of July 31, 2026

Assets		
Current Assets		
Cash and Investments		
1	Cash in Bank	\$ 1,396,645
2	CLASS Investment	4,115,661
3	LAIF Investment	117,861
4	Cambridge Investment	115
5	Total Cash and Investments	<u>5,630,281</u>
Cash and Investments - Restricted		
6	Restricted Cash - Infrastructure Acct [IBank]	10,789
8	Total Cash and Investments - Restricted	<u>10,789</u>
Other Current Assets		
9		
10	Accounts Receivable - Customers, Net	1,243,208
11	Accounts Receivable - Other	212,335
12	Inventory - Materials and Supplies	316,797
13	Prepaid Expenses	4,523
14	Total Other Current Assets	<u>1,776,863</u>
15	Utility Plant	34,444,493
16	Less: Accumulated Depreciation	<u>(13,238,151)</u>
17	Fixed Assets	<u>21,206,342</u>
18	Total Assets	<u>28,624,275</u>
Deferred Outflows of Resources (DOR)		
19		
20	DOR - Pension	411,724
21	DOR - Other Post-employment Benefits	171,535
22	Total Deferred Outflows of Resources	<u>583,259</u>
Liabilities		
Current Liabilities		
23		
24		
25	Accounts Payable and Accrued Expenses	585,802
26	Accrued Interest	88,922
27	Refundable Deposits	614,189
28	Retention Payable	9,763
29	Total Current Liabilities	<u>1,298,674</u>
Long-Term Liabilities		
30		
31	Note Payable - IBank	5,840,998
32	Net Pension Liability	1,093,431
33	Net Other Post-employment Benefits Liability	620,455
34	Total Long-Term Liabilities	<u>7,554,884</u>
35	Total Liabilities	<u>8,853,559</u>
Deferred Inflows of Resources (DIR)		
36		
37	DIR - Pension	102,124
38	DIR - Other Post-employment Benefits	449,379
39	Total Deferred Inflows of Resources	<u>551,503</u>
40	Total Net Position	<u><u>\$ 19,802,472</u></u>

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Pico Water District

Budget to Actual (Unaudited)

For the Period July 1, 2026 through July 31, 2026

	July 2027	YTD 2027	Budget 2027	YTD Budget 8%
1 Operating Revenue				
2 Water Sales				
3 Potable Water	\$ 323,133	\$ 323,133	\$ 3,726,100	9%
4 Recycled	7,104	7,104	73,700	10%
5 Meters	273,011	273,011	3,265,200	8%
6 Multi Unit	321	321	1,900	17%
7 Total Water Sales	603,570	603,570	7,066,900	9%
8 Water Services				
9 Fire Protection	15,393	15,393	192,800	8%
10 Infrastructure Surcharge	47,566	47,566	557,300	9%
11 Capacity	-	-	-	N/A
12 Other	8,565	8,565	113,600	8%
13 Total Water Services	71,524	71,524	863,700	8%
14 Total Operating Revenue	675,094	675,094	7,930,600	9%
15 Operating Expenses				
16 Source of Supply	126,252	126,252	1,364,566	9%
17 Pumping	39,387	39,387	1,049,156	4%
18 Water Treatment	2,696	2,696	248,526	1%
19 Transmission and Distribution	36,994	36,994	579,890	6%
20 Customer Service	27,807	27,807	515,587	5%
21 General and Administrative	363,355	363,355	2,470,200	15%
22 Total Operating Expenses	596,491	596,491	6,227,925	10%
23 Operating Income (Loss)	78,603	78,603	1,702,675	5%
24 Non-Operating Revenue				
25 Investment Income	13,973	13,973	44,600	31%
26 Rental Income	2,263	2,263	27,200	8%
27 Other Income	-	-	-	N/A
28 Total Non-Operating Revenue	16,236	16,236	71,800	23%
29 Non-Operating Expenses				
30 Loan Principal	189,321	189,321	189,300	100%
31 Interest Expense	107,422	107,422	211,400	51%
32 Annual Loan Fee Expense	17,523	17,523	17,500	100%
33 Rental Expenses	-	-	250	0%
34 Total Non-Operating Expenses	314,266	314,266	418,450	75%
35 Net Income / (Loss) Before Capital	(219,427)	(219,427)	1,356,025	0%
36 Capital Improvement Projects (District Funded)	(541)	(541)	(1,298,000)	0%
37 Net Income / (Loss)	\$ (219,968)	\$ (219,968)	\$ 58,025	

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Pico Water District

Operating Expense Detail (Unaudited)

For the Period July 1, 2026 through July 31, 2026

	July 2027	YTD 2027	Budget 2027	YTD Budget 8%
1 Operating Expenses				
2 Source of Supply				
3 Salaries and Wages	\$ 4,929	\$ 4,929	\$ 125,066	4%
4 Recycled Water	3,569	3,569	39,600	9%
5 Ground Water Replenishment	117,754	117,754	1,199,900	10%
6 Total Source of Supply	126,252	126,252	1,364,566	9%
7 Pumping				
8 Salaries and Wages	27,188	27,188	479,656	6%
9 Maintenance	9,626	9,626	93,200	10%
10 Power	2,573	2,573	476,300	1%
11 Total Pumping	39,387	39,387	1,049,156	4%
12 Water Treatment				
13 Salaries and Wages	599	599	6,626	9%
14 Maintenance	-	-	136,900	0%
15 Water Treatment Regulations	2,097	2,097	105,000	2%
16 Total Water Treatment	2,696	2,696	248,526	1%
17 Transmission and Distribution				
18 Salaries and Wages	9,992	9,992	279,490	4%
19 Maintenance	25,147	25,147	254,400	10%
20 Vehicle Maintenance and Fuel	1,854	1,854	46,000	4%
21 Total Transmission and Distribution	36,994	36,994	579,890	6%
22 Customer Accounts				
23 Meter Reading Labor	3,091	3,091	75,787	4%
24 Billing/Customer Service Salaries and Wages	14,561	14,561	333,200	4%
25 Supplies	10,155	10,155	106,600	10%
26 Total Customer Accounts	27,807	27,807	515,587	5%
27 General and Administrative				
28 Salaries	29,375	29,375	491,500	6%
29 Vacation/Holiday/Other Payroll	3,779	3,779	39,400	10%
30 Payroll Taxes	7,441	7,441	171,900	4%
31 Pension	120,661	120,661	363,100	33%
32 Director Compensation	2,738	2,738	45,000	6%
33 Travel and Meetings (Board)	-	-	10,000	0%
34 Travel and Meetings (Staff)	2,752	2,752	25,000	11%
35 Board Room Expenses	-	-	10,000	0%
36 Office Supplies	17,102	17,102	33,500	51%
37 Office Utilities	1,124	1,124	34,900	3%
38 Professional Services				
39 Accounting	-	-	175,000	0%
40 Computer	1,152	1,152	20,000	6%
41 Engineering	-	-	5,200	0%
42 Legal	1,200	1,200	80,000	2%
43 PWAG - Emergency Services Coordinator	2,312	2,312	24,200	10%
44 Tyler Technologies Licensing and Support	10,202	10,202	32,600	31%
45 Nobel Systems - GIS Program	29,875	29,875	26,800	111%
46 Insurance	105,848	105,848	609,600	17%
47 Maintenance	2,617	2,617	18,600	14%
48 Dues and Subscriptions	19,482	19,482	30,300	64%
49 Noticing	-	-	37,700	0%
50 Education Expense	3,840	3,840	53,200	7%
51 Conservation Expense	-	-	70,000	0%
52 Miscellaneous	1,855	1,855	2,700	69%
53 Bad Debt Expense	-	-	-	N/A
53 Total General and Administrative	363,355	363,355	2,470,200	15%
55 Total Operating Expenses	\$ 596,491	\$ 596,491	\$ 6,227,925	10%



Pico Water District

Capital Improvement Projects (Unaudited)

For the Period July 1, 2026 through July 31, 2026

	July 2027	YTD 2027	Budget 2027	Remaining Under / (Over) Budget
1 Field Equipment Purchase				
2 Utility Truck - New	\$ -	\$ -	\$ 130,000	\$ 130,000
3 Total Field Equipment Purchase	-	-	130,000	130,000
4 Replacement Programs				
5 Meters	541	541	350,000	349,459
6 Total Replacement Programs	541	541	350,000	349,459
7 Wells and Equipment Upgrade				
8 Reservoir Boosters Variable Speed Drive	-	-	100,000	100,000
9 SCADA Upgrade	-	-	100,000	100,000
10 Total Wells and Equipment Upgrade	-	-	200,000	200,000
11 PFAS Remediation Treatment Plants				
12 PFAS Vessel Media Replacement	-	-	618,000	618,000
13 Net PFAS Remediation Treatment Plants	-	-	618,000	618,000
14 Total Capital Improvement Projects	\$ 541	\$ 541	\$ 1,298,000	\$ 1,297,459

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Pico Water District

Cash and Investments (Unaudited)

As of July 31, 2026

Investment Account	Investment Type	Cost	Market Value	% Yield	% Allocation	Maturity Date
Unrestricted						
UB Business Acct	Bank	\$ 360,948	\$ 360,948	N/A	6.40%	N/A
General Checking Acct	Bank	71,305	71,305	N/A	1.26%	N/A
Payroll Checking Acct	Bank	80,516	80,516	N/A	1.43%	N/A
Five Star Money Market	Bank	278,189	278,189	N/A	4.93%	N/A
Five Star Money Market - Capacity	Bank	604,498	604,498	N/A	10.72%	N/A
Capacity Charge	Bank	188	188	N/A	0.00%	N/A
Cash Register Fund	Bank	1,000	1,000	N/A	0.02%	N/A
California Cooperative Liquid Assets Securities System (CLASS)	JPA Investment Pool	4,115,859	4,115,874	3.727%	72.96%	N/A
Local Agency Investment Fund (LAIF) Investment	Pooled Money Investment Account	117,993	117,860	3.840%	2.09%	N/A
Cambridge Investment	Investment	115	115	N/A	0.00%	N/A
Total Unrestricted		5,630,611	5,630,493		99.81%	
Restricted						
Infrastructure Acct [IBank]	Bank	10,789	10,789	N/A	0.19%	N/A
Total Restricted		10,789	10,789		0.19%	
Total District Cash and Investments		\$ 5,641,400	\$ 5,641,282		100.00%	

The investments listed in the above report are in full compliance with the District's investment policy and with the requirements of California Government Code 53646. The District is able to meet its cash flow requirements for the next six months.

Joe D. Basulto, General Manager

PICO WATER DISTRICT

CONSENT CALENDAR

END

ACTION / DISCUSSION ITEMS

7. ACTION/DISCUSSION ITEMS.

- A. Consider Board Approval of SCADA System Upgrade; – Recommended
Action: Board Discussion / Approve

PICO WATER DISTRICT

ACTION / DISCUSSION

ITEM - 7A

**Consider Board Approval of
SCADA System Upgrade**

STAFF REPORT

To: Honorable Board of Directors

From: Joe D. Basulto, General Manager

Meeting Date: September 02, 2026

Subject: 7A – Consider Board Approval of SCADA System Upgrade;

Recommendation:

1. Determine that a sole-source award to SOFFA Electric is in the best interest of Pico Water District based on the specialized nature of the SCADA migration, the need to preserve existing functionality, system compatibility, continuity of operations, and single-firm responsibility.
2. Approve SOFFA Electric's proposal for replacement and upgrade of the District's SCADA system in a not-to-exceed amount of \$149,284.00, including sales tax.
3. Authorize the General Manager to execute the agreement and related documents, subject to approval as to form by District Counsel; approve non-material administrative changes that do not increase the authorized amount or materially alter the scope; and process any necessary budget transfer or amendment.

Fiscal Impact:

The total one-time project cost is \$149,284.00, including sales tax. Costs outside the approved scope or amount would require separate authorization in accordance with District policy. This Project was included in our approved Capital Improvement Projects for Fiscal Year 2027

Executive Summary:

The District's current SCADA system uses Tesco Controls software that has not been updated since 2016. In addition, system components and hardware installed as early as 2007 have reached the end of their useful life, and compatible replacement parts are no longer available. These conditions increase the risk of equipment failure, prolonged downtime, and loss of reliable system monitoring and alarm capability. Pico Water District is therefore preparing to replace and upgrade its existing Supervisory Control and Data Acquisition (SCADA) system. SOFFA Electric's proposal includes one new server; Ignition SCADA platform software with unlimited tags, historian functionality, and one configuration/runtime license; redevelopment of the

District's existing screens and tag database; alarm notification functionality; startup and commissioning; an Operations and Maintenance (O&M) Manual; and required training.

The new system will be configured to maintain the existing system's core operational functionality while migrating approximately 2,060 total internal and external tags, including approximately 1,800 external tags. Alarm notification functions currently performed through Win-911 will be recreated within the Ignition platform. The anticipated project duration is 10 to 12 weeks following submittal approval.

Staff recommends a sole-source award because this is an integrated migration of an active operational control system, not a standard equipment purchase. Assigning the complete scope to one responsible systems integrator will provide clear accountability for hardware, software, configuration, tag migration, alarming, commissioning, documentation, and training.

Background:

The District's SCADA system is used to monitor system conditions, review equipment status and operating trends, and communicate alarms to District personnel. The current system operates on Tesco Controls software that has not been updated since 2016. Certain components and hardware installed as early as 2007 have reached the end of their useful life, and compatible replacement parts are no longer available. Continued reliance on the existing system creates an increasing risk of component failure, extended downtime, reduced supportability, and disruption to the District's ability to monitor and control its water system. The existing system also contains established screens, tag configurations, and alarm functions that must be carried forward during replacement.

The project requires coordinated engineering, programming, database development, testing, controlled startup and commissioning, documentation, and staff training. SOFFA Electric has submitted an integrated proposal structured around the District's existing SCADA functionality and providing one point of responsibility for the complete migration.

Proposed Scope of Work:

- Provide engineering coordination throughout the project.
- Purchase and furnish one new SCADA server.
- Purchase and configure the Ignition SCADA platform with unlimited tags, historian functionality, and one configuration/runtime license.
- Develop operator screens based on the District's existing SCADA screens to maintain the same core functionality.
- Develop the tag database for approximately 1,800 external tags and approximately 2,060 total internal and external tags.
- Develop alarm notification functions within Ignition based on the existing SCADA system and the functions currently provided through Win-911.
- Perform startup and commissioning; provide an O&M Manual; and provide required staff training.
- Complete the project within approximately 10 to 12 weeks following submittal approval.

Sole-Source Justification:

1. Continuity and compatibility. The migration must preserve the District's screens, operating functions, tag relationships, historical information, and alarm notifications. A coordinated approach reduces the risk of missing tags, inconsistent alarms, or gaps in operator functionality.
2. Integrated responsibility. The proposal places the server, licensing, screen development, tag database, alarming, commissioning, documentation, and training under one systems integrator, reducing interface gaps and providing one party responsible for successful performance.
3. Specialized services. SCADA replacement requires systems integration, programming, database configuration, alarm development, testing, and controlled commissioning within an operating water system.
4. Reduced duplication and delay. A new competitive process would require prospective integrators to independently review and validate the existing system before finalizing an approach, price, and schedule. Proceeding with the defined SOFFA Electric scope avoids duplicative discovery and supports timely implementation.
5. Best interest. The proposal consolidates the critical project elements under one firm, provides a defined total cost, and establishes an anticipated 10-to-12-week implementation period after submittal approval.

Implementation and Acceptance:

Before final acceptance, staff will require successful testing of the screens, tag database, historian, and alarm notifications; completed startup and commissioning; delivery of applicable licenses, configuration files, administrative credentials, backups, and the O&M Manual; and completion of staff training. The final agreement should also address warranty, support, secure remote access, and system recovery requirements.

Conclusion:

The District's existing Tesco Controls SCADA system has not received a software update since 2016, and hardware installed as early as 2007 has reached the end of its useful life without compatible replacement components. Replacement is necessary to improve system reliability, supportability, and continuity of operations. SOFFA Electric has provided an integrated scope covering engineering coordination, hardware, software, system development, commissioning, documentation, and training for a total cost of \$149,284.00, including sales tax.

Staff recommends that the Board approve the sole-source award and authorize the General Manager to execute the necessary agreement and related documents.

Attachment:

SOFFA Electric Scope of Work and Cost Proposal



Pico Water District

NOTICE

This document contains information that is confidential and proprietary property of SOFFA ELECTRIC, INC and has been provided for the sole purpose of evaluation. Recipient agrees that this document may not be copied, published, disclosed or used for any other purpose without the express written consent of SOFFA ELECTRIC, INC.

SOFFA ELECTRIC
www soffaelectric.com

To: **Pico Water District**
 Attention: **Matt Tryon**
 Project Name: **SCADA System Upgrade**

Date: 8/19/2026
 Estimate No.: **E-3958**

Thank you for this valued business opportunity. SOFFA ELECTRIC, INC. (SOFFA), MBE/WBE, UL508A/UL698A Certified System Integrator is pleased to propose the following scope of work for the project referenced above.

Scope of Work

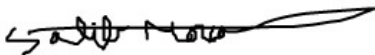
A. Engineering Services & Software	
Item	Description
Lot	• Engineering Coordination • Scada Software upgrade including: - Purchasing new server hardware (Qty of one) - Purchasing new Scada software (with unlimited tags) including historian (Ignition Scada platform software with one configuration/ Runtime license) - Soffa will develop Screens based on existing Scada to carry on same functionality with the existing system. And create tag database to cover 1800 external tags (total of 2060 tags, internal & external) - Soffa will develop alarm notification (as its part of Ignition Scada platform software) based on existing Scada to carry on same functionality with the existing Win911. • Start-up and Commissioning • O&M Manual • Required Trainings Project duration 10 – 12 weeks after submittal approval
Total Items cost including sales taxes: \$149,284.00	

F. Exceptions/Clarifications

- Any extra work beyond the approved scope of work will incur additional expenses based on time and materials used.
- MSB, MCC, VFD's, FSCP, UPS System, 480V Electric Power Service, Switchboard, Load center, Power Monitoring, Junction boxes, vaults, trenching, demolitions, pipe spools, pneumatic tubing, connectors and fittings, any conduit, wire, any cables and any electrical hardware and supports, unless otherwise noted.
- Any pre-packaged instruments (VCP), Purging, Piping, system and its control hardware other than listed above.
- Factory calibration of instruments will take precedence over field calibrations.
- Provision/Installation of any Fiber Optic Systems, Demolition, Mechanical Devices, Concrete Pads, Pipes, Motor Operation Valves, Solenoid Valves, Butterfly type Flow Control Valves, Current-to-Pressure Transducers, Limit Switches, Temperature Switches and its control hardware, Sunshields, stanchions, valves, and mounting items not included unless noted above.
- Unless otherwise noted above by the Scope of Work, quote is to furnish only and does not include installation labor, termination, construction work, site improvements, trade labor, contractor services and/or startup and testing services.
- Flow Meter Spools Excluded.
- SOFFA will only be responsible for calibrating SOFFA provided instrumentation and will not be held responsible for instrument calibrations for instrumentation provided by others.
- Instrumentation will be provided loose if not installed in an SOFFA provided panel.
- Electrical Power Studies, Seismic Calculation, NETA Testing and Insulation Testing are not included unless noted above.
- SOFFA is not responsible for verifying the accuracy of instrument installation, sizing type, proper electric circuits, correct number of control wires with their conduits.
- Existing instrument calibrations are not included.
- I&C Submittals to be provided **approximately 8-10 weeks** after receipt of purchase order or written notice of intent.
- I&C Delivery to be scheduled for **approximately 14-16 weeks** minimum after submittal approval and written notice of release.
- If bonding is required, please add **1.2944%** to the total purchase amount.
- This offer is good only for 90 days (till 9/28)

For any questions related to this proposal, please email Sales@SOFFAELECTRIC.com.

Sincerely,



Salib Mansour, PE
Vice President

Email: Salib.Mansour@SOFFAELECTRIC.com

GENERAL TERMS & CONDITIONS

1. **Work.** SOFFA Electric Inc. shall execute and provide all labor, supervision, materials, and apparatus required to pursue and complete the Work described above. SOFFA shall perform the work in a professional and competent manner. Unless otherwise specified, work must be completed during normal business hours (Monday through Thursday, 7 a.m. to 4 p.m.) and pricing does not include overtime, shift, or off-hours work. Work performed outside of normal business hours is compensated for at overtime rates. This includes any time worked in excess of 8 hours but less than 12 hours during the week, and the first 8 hours worked on Saturday. Work performed outside of normal business hours in excess of 12 hours, in excess of 8 hours on Saturday, and on Sundays and holidays are compensated at double time rates.
2. **Non-Solicitation.** To the fullest extent permitted by law, during the term of the Project and for a period of 18 months thereafter, both parties agree not to, directly or indirectly, solicit, recruit or employ any employee of either party without the prior written consent of the other.
3. **Progress Payments.** Prior to each Monthly Billing date, SOFFA is required to provide Owner/Contractor with a progress payment application that outlines the value of the Work installed, also known as "Completed Work." Within 30 days of receiving this application, Owner/Contractor must make a progress payment to SOFFA that is equivalent to the value of the Completed Work as of the corresponding Monthly Billing date. As part of the Progress Payments a 5% "Project Initialization" charge will be billed upon receipt of a signed Purchase Order. When required, Retention of 5% will be billed at the point of substantial completion of SOFFA's portion of the work.
4. **Final Payment.** A final payment, consisting of the unpaid balance of the Price, shall be made within 30 days after the last of the following to occur: (a) completion of the Work by the SOFFA, (b) furnishing of evidence satisfactory to Owner / Contractor that there are no claims, obligations, liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred in connection with the Work, (c) delivery general release, in a form satisfactory to the Owner / Contractor, executed by SOFFA in favor of Owner / Contractor and Owner.
5. **Payment Terms.** Interest and late charges shall accrue at 1.5% per month on any unpaid balances.
6. **Change Orders.** Owner / Contractor may from time to time, by written order ("Change Order") to SOFFA, make changes in the Work. SOFFA shall thereby perform the changed Work in accordance with the terms of the Change Order. The Contract Price shall be adjusted by the net amount of any direct savings or direct cost attributable to the Change Order.
7. **Storage of Materials on Site.** Materials stored on site or in third party storage to be installed by others are considered delivered to the site owner's care and custody.
8. **Proposal.** This proposal and pricing are good for 30 days from the date of this proposal unless specified otherwise above. The proposal shall be incorporated into any contract or purchase order issued, whether or not this is expressly stated. Before beginning the task outlined here, the proposal must be accepted. Acceptance of this proposal is indicated by a notice to proceed or purchase order. Total price does not include applicable sales tax, tariffs, or shipping charges, unless otherwise noted. Lead times listed are estimates only. Fieldwork not included in the quotation will be subject to the rates and terms specified on the SOFFA Service Rate Schedule. Any exceptions must be stated and accepted in writing. Standby time is defined as the time during which the technician is available to work but is not working due to circumstances outside of the control of SOFFA, including weather conditions or by Client direction. Standby time will be billed at rates specified on the SOFFA Service Rate Schedule (including overtime if work is required outside normal business hours or the Field Technician's daily work hours).
9. **Documents.** The proposal is based on the documents listed. We cannot agree to be bound by the terms of any document not furnished to us prior to bid. Costs associated with documents that are not listed or not provided prior to the date above are not included in the price above.
10. **Limits of Liability.** In no event, regardless of cause, shall SOFFA assume responsibility for or be liable (a) under any penalty clause of for penalties of any description, (b) for indemnification of client or others for costs, damages, or expenses arising out of or related to the goods or services provided under the contract or for certification unless otherwise specifically provided herein, or (c) for any loss of profits, loss of use, business interruption, loss of data, or indirect, incidental, special, or consequential damages of any kind in connection with or arising out of the furnishing, performance, or use of the goods or services provided to client, including related documentation, or arising from delay in delivery or furnishing of any services or products, whether alleged as a breach of contract, or tortious conduct, including negligence, or otherwise, even if SOFFA has been advised of the possibility of such damages. Furthermore, SOFFA's liability arising out of or related to the contract, including for direct damages, shall not exceed the purchase price stated in the attached proposal. This limitation of liability is cumulative, with all payments for claims or damages in connection with the contract being aggregated to determine satisfaction of the limit, such that the existence of one or more claims will not enlarge the limit. In addition, this limitation of liability will apply regardless of the form of action, whether in contract or tort, including negligence.
11. **Liquidated Damages.** SOFFA shall not be responsible for any failure to perform, or delay in performance of, its obligations resulting from acts of God, failure of its suppliers to ship or deliver on time, or other circumstances beyond SOFFA's reasonable control, including, but not limited to, sourcing, shipment or delivery issues caused by, related to, or resulting from COVID-19 or other similar national or global health situations. Under no circumstances is SOFFA liable for any penalties related to or identified as liquidated damages for failure to meet a delivery schedule regardless of the cause.

12. **Material Pricing /Delivery Delays.** If, during the performance of this contract, material pricing significantly increases, through no fault of SOFFA, the proposal price shall be equitably adjusted by an amount reasonably necessary to cover any such significant price increases. As used herein, a significant price increase shall mean any increase in price exceeding 3% as experienced by SOFFA from the date of the contract signing. Such price increases shall be documented through quotes, invoices, or receipts.

Where the delivery of material is delayed, through no fault of subcontractor, due to shortages or unavailability of materials, SOFFA shall not be liable for any additional costs or damages associated with such delay(s).

The parties understand and agree that (i) there are current issues with the manufacture and supply of various materials and equipment (all, collectively, "Goods"), which issues generally are referred to as "supply chain disruption" ("Disruption"), (ii) the Disruption arises from a variety of global, national, and local factors, all of which are beyond the control of SOFFA Systems, and (iii) the Disruption has impacted suppliers ability to provide goods by certain dates, in the quantities ordered, and/or for the specified price.

13. **Accelerated/ Decelerated /Termination of Project Execution**

FAST TRACK:

Client acknowledges that if Client requires a Systems Integrator (as defined below) to perform on an accelerated schedule (i.e. pace faster than the Systems Integrator's normal business procedure as dictated by the Systems Integrator's standard business practices), the risk of errors in the design and development of hardware and software increases as do certain costs such as but not limited to, express shipping of incoming purchases to the Systems Integrator, charges for expedited manufacture, development and/or delivery of hardware and/or software to the Systems Integrator and, express shipping to Client by the Systems Integrator. Client agrees that upon Client's request to the Systems Integrator to perform on an accelerated basis, Client will compensate the Systems Integrator (at Systems Integrator's then prevailing rates) for the additional costs incurred and work required as a result of the accelerated pace of project execution.

SLOW TRACK:

A decelerated pace of project execution also causes additional work and costs. If Client decelerates the pace of project execution, Client shall bear the additional costs and expenses associated with such deceleration including but not limited to paying the Systems Integrator for "spin-up" time (inefficiency caused by starting and stopping) at the System Integrator's then prevailing rates. As used herein, "System Integrator" refers to any person or entity responsible for integrating software, hardware or other materials or equipment provided by SOFFA into Client's computer network or other system(s).

TERMINATION:

Cancellations or stop-work requests by Client on any order or part thereof, must be made in writing. Notwithstanding any such request, Client agrees to pay SOFFA's standard contract labor rate for all labor incurred, and SOFFA's net material costs for all materials purchased for that order, including any restocking charges incurred.

If Client fails to comply with its obligations hereunder (including without limitation the full and timely payment to SOFFA), SOFFA may provide written notice of such default to Client and suspend further performance until such default is cured by Client. When such default is cured by Client, the amount to be paid for the Project will be equitably increased to account for SOFFA's damages arising from such suspension (including without limitation demobilization and remobilization expenses and increased costs of performance) and the time for SOFFA to complete the Project will be equitably extended to account for such suspension. If Client fails to cure such default within 30 days of its receipt of such notice from SOFFA, SOFFA may terminate its agreement with Client by providing written notice thereof and recover from Client payment for all portions of the Project performed (in whole or in part) through the date of such termination, SOFFA's demobilization expenses and other reasonable termination costs, the amount of expected overhead and profit SOFFA would have earned on the cancelled portions of the Project if not for Client's default, and any collection costs incurred by SOFFA in obtaining payment due from Client.

14. **Warranty.** SOFFA warrants all equipment manufactured by SOFFA to be free from defects in material and workmanship under normal use and service for a period of twelve (12) months OR as defined in the contract from date of shipment. All parts or products not manufactured by SOFFA will be covered only by the express warranty, if any, of the manufacturer. SOFFA's above- described limited warranty does not extend to damage or wear caused by misuse, negligence, accident, corrosion, modification by Client, faulty installation, loss of product, or tampering in a manner to impair normal operation of the equipment. SOFFA reserves the ultimate right to determine implicitly or explicitly what is or is not covered by the warranty.
15. **Ownership of Software.** Title to the application software provided to the Client by SOFFA under the Contract remains with the Client. SOFFA is granted a personal, paid-up, perpetual, nonexclusive, non-assignable, and non-transferable license to access and use said application software solely for maintenance and support purposes. The Client retains all rights to use the software in the application for which it was designed, in conjunction with the specified equipment. Security/Password Maintenance becomes the sole responsibility of SOFFA upon acceptance of the Certificate of Proper Operation (COPQ).

16. **Intellectual Property.** Client shall retain all rights, title, and interest in all Intellectual Property (as defined herein) used, made, or arising in connection with the Contract or otherwise provided or communicated to Client by or on behalf of SOFFA. SOFFA may use any drawings or specifications prepared for confirming the quality of design and manufacturing of the products set forth in the attached proposal; SOFFA shall not photocopy, duplicate, or reproduce any drawings, specifications, or software supplied by Client. SOFFA may only make copies of and use such software for internal purposes, and not for rendering services or selling products to third parties. SOFFA shall not sell, license, sublicense, assign, or otherwise transfer any Intellectual Property or any interest therein without Client's permission. 'Intellectual Property' means any and all software, specifications, designs, processes, techniques, concepts, improvements, discoveries, ideas, and inventions, whether patentable, and all related patents, copyrights, trade secrets, and other intellectual property rights.
17. **Returns.** All products and services described herein are sufficiently unique to prohibit any return for full or partial credit, other than under a warranty, unless specifically stated otherwise in the attached proposal. SOFFA is not responsible for loss of or damage to products returned to it, unless notified in advance of the return and the Purchaser is given a Return Authorization Number which is prominently placed upon the shipping documents and packing container.
18. **Dispute Resolution / Governing Law / Attorney Fees.** It is agreed that any dispute arising under the Contract, including without limitation disputes relating to interpretation of the Contract terms or the performance, negligent performance or non- performance of the Contract or any part thereof, will be determined by submission to binding arbitration in accordance with the California Arbitration Act (California Code of Civil Procedure ["CCP"] sections 1280 – 1294.2) or any successor statute then in effect. Any such arbitration shall be held and conducted in Los Angeles, California, before one (1) neutral arbitrator who shall be selected by mutual agreement of the parties; provided, however, if agreement is not reached on the selection of an arbitrator within fifteen (15) days of a party's written demand for arbitration, then such arbitrator shall be appointed by the presiding judge of the Superior Court of California County of Los Angeles in accordance with CCP section 1281.6. The discovery provisions of CCP section 1283.05 shall apply in the arbitration proceedings. The arbitrator's decision shall be based on California law. The arbitrator's decision may include monetary and/or equitable relief. The cost and fees of the arbitrator shall be borne by the non-prevailing party. In addition, the prevailing party shall be awarded reasonable attorney fees, witness costs and expenses, and other costs and expenses incurred in connection with the arbitration. ALL PARTIES TO THE CONTRACT, BY ENTERING INTO IT, ARE GIVING UP THEIR CONSTITUTIONAL RIGHT TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW BEFORE A JURY, AND INSTEAD ARE ACCEPTING THE USE OF ARBITRATION AS THEIR EXCLUSIVE REMEDY.

If any proceeding or lawsuit is brought by either party hereto against the other relating to any dispute arising out of or relating to the Contract or the subject matter thereof, the prevailing party in such proceeding or lawsuit shall be entitled to receive, in addition to any other relief that may be awarded, its costs of suit, expert witness fees and reasonable attorneys' fees of outside counsel, including costs and fees on any appeal.

Insurance. SOFFA carries the following insurance.

Workmen's Compensation	\$1,000,000 (state-required level)
General Liability Each Occurrence	\$1,000,000
Personal & Adv injury	\$1,000,000
Products Aggregate	\$1,000,000
General Aggregate	\$2,000,000
Automobile	\$1,000,000
Excess Liability	\$4,000,000
Professional Liability Each Occurrence	\$1,000,000
Aggregate	\$3,000,000

PICO WATER DISTRICT

ACTION / DISCUSSION

END

AGENDA END