



Setting Standards of Excellence in Public Service

**MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Preliminary Budget Workshop
Tuesday, June 13, 2017 – 6 p.m.
7811 University Avenue, La Mesa, CA 91942-0427**

1. President Scalzitti called the special board meeting to order at 6:02 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan, Verbeke and Gracyk.

Staff present: Lugo, Stoia, Olney, Tomasulo, Miller, Bryant, Janzen, Ross, Curtis, Gustafson, Solano, Blake, Annett, Fox, Lunde, Herrera, Andrews and Garuba. General Counsel Elizabeth W. Hull was also present.

Others present: Customer Gordon Place.

2. Director Gracyk gave the invocation and led the Pledge of Allegiance.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The agenda was approved unanimously.

Motion: Hedberg
Second: Verbeke

Director McMillan requested that director comments be added to all agendas. Director McMillan also requested a discussion regarding a customer advisory committee be added to a future agenda. President Scalzitti directed staff to add these discussion items to the next regular board meeting for further discussion.

4. President Scalzitti provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. Customer Gordon Place requested a customer advisory committee be formed to include a customer representative from each of the district's five divisions.
5. The board adopted the fiscal year 2017-18 preliminary operating budget in the amount of \$71,564,500 and the preliminary capital budget in the amount of \$16,713,000. The motion carried 4:1.

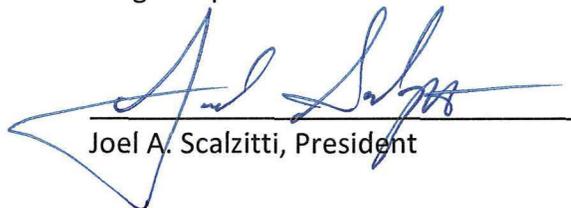
Motion: Hedberg
Second: Verbeke
Ayes: Scalzitti, Hedberg, Verbeke, Gracyk
Noes: McMillan

Vice President Hedberg requested a review of the CalPERS unfunded liability be placed on a future board meeting agenda. Director Gracyk requested continued updates regarding the East County Advanced Water Purification Project. Director Gracyk also thanked staff and especially the engineering department for the budget presentation. President Scalzitti, Vice President Hedberg, Director McMillan and Director Verbeke complimented staff for the detailed budget process and document. General Manager Carlos V. Lugo thanked the board members for their participation and collaboration with staff to develop the budget.

President Scalzitti recognized Customer Gordon Place. Mr. Place asked the board to look for options so that the ratepayers are not responsible for paying the CalPERS unfunded liability. Mr. Place also suggested the employees receive Kaiser Permanente Insurance and pay for the difference to participate in another medical insurance plan. Mr. Place also congratulated staff for development of an easy to understand budget.

ADJOURNMENT

6. President Scalzitti adjourned the meeting at 7 p.m.


Joel A. Scalzitti, President

ATTEST:


Sandra L. Janzen, Board Secretary