



Setting Standards of Excellence in Public Service

MINUTES

REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday, November 15, 2017 – 6 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

1. President Scalzitti called the regular board meeting to order at 6 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan and Gracyk. Director Verbeke was absent (attending the National Water Resources Association Conference on behalf of the district).

Staff present: Lugo, Olney, Tomasulo, Miller, Bryant, Janzen, Lundy, Lawler, Berens, Haley, Fox, Kleber, Doubrava, and Annett. Consultant Nathan Homer and General Counsel Elizabeth W. Hull were also present.

Others present: City of San Diego Public Utilities National Resources Manager Niki McGinnis, San Diego River Conservancy Executive Director Julia Richards, Sprint Account Manager Brian Elswick and Sophia Scalzitti. No customers were present.

2. Director McMillan led the Pledge of Allegiance. No invocation was provided.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The motion carried 4:0.

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

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. There were no comments.

5. The consent agenda was approved 4:0.

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

- a) Memorandum dated November 15, 2017, from the board secretary submitting expense and per diem claims was approved.
- b) The board approved the minutes of the regular board meeting of November 1, 2017 and the minutes of the Water Quality and Resources Committee meeting of November 8, 2017.
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated October 31, 2017
 - ii. List dated November 7, 2017

Vice President Hedberg confirmed check number 182490 in the amount of \$4,500 covered the annual permit, training and certification of employees required to work in the Metropolitan Transit System right of ways.

- d) The board approved the following attendance considerations:
 - i. San Diego County Water Authority Engineering and Operations Tour
November 9, 2017 from 10:30 a.m. - 12:30 p.m.
SDCWA Kearny Mesa Office
Requested by Director McMillan
 - ii. Holding Power: Energy Storage and Our Cleantech Future
November 30, 2017 from 8 - 10:30 a.m.
Duane J. Roth Auditorium, La Jolla
Requested by Director McMillan
- e) The board received the reports for the month of October 2017:
 - i. Treasurer's report
 - ii. Budget Summary
 - iii. Rainfall, Use and Storage report
 - iv. System Demand report
 - v. Monthly Demand report
 - vi. Conservation Status report
 - vii. State Water Resources Control Board report

ACTION ITEMS

- 6. The board adopted Resolution 17-70 authorizing General Manager Carlos V. Lugo to execute the purchase and sale agreement for the sale of approximately 37.08 acres of surplus property in the El Monte Valley, county of San Diego, state of California, portions of assessor parcel numbers 391-060-29, 391-061-01, 390-040-51 and 392-130-42. There

were no public comments. The motion carried 4:0.

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

Senior Right of Way Agent/Environmental Analyst Debra S. Lundy provided a PowerPoint presentation and introduced City of San Diego Public Utilities National Resources Manager Niki McGinnis and San Diego River Conservancy Executive Director Julia Richards. General Manager Carlos V. Lugo detailed for Director Gracyk the board's criteria to surplus property; reviewed the prior \$9 million sale of El Monte Valley land and explained that the three remnant parcels were already declared surplus to the needs of the district. Ms. Lundy detailed the city of San Diego agreed to the San Diego River Conservancy's purchase of the land with grant funds in the amount of \$975,000 to be immediately conveyed to the city for recreational and open space uses. Director McMillan requested Mr. Lugo remain in communication with district land lease holders regarding an interest in the purchase of other district land.

7. The board considered changes to the policies and procedures manual and set December 20, 2017, at 6 p.m. as the date and time of the public hearing to consider changes in fees and charges. There were no public comments. The motion carried 4:0.

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

Board Secretary Sandra L. Janzen provided a PowerPoint presentation and addressed all questions alongwith General Manager Carlos V. Lugo, Director of Administrative Services Jennifer C. Bryant, Director of Water Quality and System Operations Brian M, Olney, Director of Engineering James A. Tomasulo, Customer Service Manager Brian D. Lawler, Reservoir Recreation Ranger Kira M. Haley and Human Resources Manager Susan S. Fox. Vice President Hedberg requested "BPA" be changed to backflow prevention assembly in Section 5.3-2 or BPA be included in the definitions, and that "water well" be added to Section 5.3-3 item 6. The board also directed staff to provide historical information regarding jury duty at a future Committee of the Board meeting for additional review.

8. The board approved and signed the first amendment to the Cuyamaca Water Storage and Recreational Area Lease Agreement. There were no public comments. The motion carried 4:0.

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

Director of Water Quality and System Operations Brian M. Olney reported the first amendment to the agreement will extend the term of the existing lease to December 18, 2018, with no other changes. Mr. Olney also explained that the district will continue to assist as the Lake Cuyamaca Recreation and Park District work through the terms of a new agreement with the city of San Diego.

9. The board authorized General Manager Carlos V. Lugo to enter into a first amendment to the memorandum of understanding with Padre Dam Municipal Water District to participate in and fund \$500,000 towards second term work related to the East County Advanced Water Purification Program. There were no public comments. The motion carried 4:0.

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

Director McMillan requested the Finance and Administration Committee review the financial assumptions associated with the East County Advanced Water Purification Program. Director Gracyk clarified that the district will maintain influence regarding local public outreach.

10. The board adopted Resolution 17-66 authorizing investment of monies in the Local Agency Investment Fund; Resolution 17-67 modifying the designees who may settle trades, deliver securities and wire funds for the custody account in Union Bank; Resolution 17-68 authorizing the establishment and maintenance of accounts with Multi-Bank Securities Inc. and authorizing signers on behalf of the district. Board Secretary Sandra L. Janzen presented the resolutions that add Finance Manager/Deputy Treasurer Joy M. Kleber as a designee. Director of Administrative Services Jennifer C. Bryant introduced Ms. Kleber to the board of directors. There were no public comments. The motion to adopt all three resolutions carried 4:0.

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

Absent: Verbeke

11. The board adopted Resolution 17-69 updating the district records retention schedule. Board Secretary Sandra L. Janzen provided a PowerPoint presentation and answered all questions. Director Gracyk verified that the district fulfills all public records requests within 14 day, as required by law and that the next board review of the records retention schedule is scheduled for November 2022 per the district's policies and procedures manual. There were no public comments. The motion carried 4:0.

Motion: Hedberg

Second: Gracyk

Ayes: Scalzitti, Hedberg, McMillan, Gracyk

Absent: Verbeke

DISCUSSION

12. President Scalzitti reminded the board that the San Diego County Water Authority will not conduct a November meeting and reported he attended the official groundbreaking ceremony of the Center for Water Studies at Cuyamaca College on November 9, 2017 at 9:30 a.m.

Board Secretary Sandra L. Janzen reported that the district received a compliment regarding Customer Service Specialist Jerry Andrade.

13. Directors Scalzitti, Hedberg, McMillan and Gracyk provided written reports. Vice President Hedberg reported that she attended the San Diego County Water Authority's Engineering and Operations Inspection Tour on November 9, 2017. Vice President Hedberg also provided the November 8, 2017 Water Quality and Resources Committee meeting report, stating the committee reviewed the Lake Jennings budget and fees, lead testing in schools and reported the master plan for Lake Jennings will be reviewed by the full board at a future Committee of the Board meeting.

Director McMillan provided the Water Conservation Garden report at the request of Director Verbeke. Director McMillan stated the November 4, 2017 Autumn Festival and Plant Sale at the Garden was successful with the following stats: \$120 design consultations; \$217 beer; \$755 memberships; \$485 plant sales; \$861 succulent cuttings and arrangements; \$285 food trucks; \$385 bake sale; \$1,677 percentage of vendor sales/booths; \$1,000 sponsorship with 426 attendees. Director McMillan reported attending the November 15, 2017 East County Economic Development Council meeting and stated the Navy provides economic benefits to the community. Director McMillan also reported attending the San Diego County Water Authority's Engineering and

Operations Inspection Tour on November 9, 2017 and received positive feedback regarding district staff.

Director Gracyk reported that he attended the Garden event; the La Mesa Environmental Sustainability Commission with the Climate Action Plan Council Subcommittee joint special meeting on November 13, 2017 and requested the Climate Action Plan be provided to the board. Director Gracyk also received positive feedback regarding district staff during the San Diego County Water Authority's Engineering and Operations Inspection Tour on November 9, 2017.

14. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on December 5, December 6, December 20 and December 27, 2017. Mr. Lugo reminded the board that the November 22, 2017 Committee of the Board meeting was cancelled during the discussion of agenda item 12. Mr. Lugo also provided information regarding the San Diego County Water Authority Member Agency General Managers meeting and forwarded all PowerPoint presentations to the board. Mr. Lugo wishes the board and staff a happy Thanksgiving holiday.
15. General Counsel Elizabeth W. Hull reported Assembly Bill 746 mandates that lead testing be completed in schools by 2019. Ms. Hull stated the district completed the testing voluntarily in anticipation of this state law. Ms. Hull also wished the board a happy Thanksgiving. There were no questions or comments.

ADJOURNMENT

16. President Scalzitti adjourned the meeting at 7:50 p.m. after thanking his daughter for her attendance.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Board Secretary