



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Wednesday, March 21, 2018 – 6 p.m.**  
**7811 University Avenue, La Mesa, CA 91942-0427**

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

Staff present: Lugo, Miller, Bryant, Olney, Janzen, Kleber, Schipper, Doubrava, Kading, Lundy and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers John L. Wood, Thom Rosenberger and Councilmember Matt Mendoza of the city of Lemon Grove were present.

2. Director Gracyk provided 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 motion to approve the agenda carried 4:0.

Motion: Gracyk  
Second: Verbeke  
Absent: Scalzitti

4. President Hedberg 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 public comments. President Hedberg welcomed Councilmember Matt Mendoza of the city of Lemon Grove.

5. The consent agenda was approved 4:0.

Motion: Verbeke  
Second: Gracyk  
Absent: Scalzitti

- a) Memorandum dated March 21, 2018, from the board secretary submitting expense and per diem claims was approved.

- b) The board approved the following sets of minutes:
  - i. March 7, 2018, Special Board Meeting
  - ii. March 7, 2018, Regular Board Meeting
  - iii. March 10, 2018, Special Board Meeting/Workshop
  - iv. March 12, 2018, Special Finance and Administration Committee Meeting
  
- c) The following operating account checks submitted for ratification were approved:
  - i. List Dated March 6, 2018
  - ii. List Dated March 13, 2018
  
- d) Resolutions  
The board adopted the following resolutions:
  - i. Resolution 18-07 declaring construction complete and authorized filing a notice of completion for Everly Subdivision project, Work Order 4226
  - ii. Resolution 18-12 declaring construction complete and authorized filing a notice of completion for Montgomery Middle School, Work Order 4246
  - iii. Resolution 18-08 authorizing the quitclaim of two easements in the city of El Cajon, county of San Diego, state of California, assessor parcel numbers 493-320-20, 493-320-36 and 493-330-27
  - iv. Resolution 18-09 authorizing the quitclaim of an easement in the city of El Cajon, county of San Diego, state of California, assessor parcel number 503-173-22

**ACTION ITEMS**

- 6. The board adopted Resolution 18-10 awarding construction of Lake Cuyamaca dam and Chet Harritt dam pavement improvements project, Work Order 4932, to the lowest responsible bidder submitting a responsive bid, Asphalt & Concrete Enterprises Inc. of Santee, California, in the amount of \$268,542 and appropriated funds in the amount of \$420,000 from schedule 64, item 19, of the fiscal year 2017-18 capital budget for construction of the project. There were no public comments. The motion carried 4:0.

Motion: Verbeke  
Second: Gracyk  
Absent: Scalzitti

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo regarding the large price range of the bids received and the costs associated with the location of Lake Cuyamaca dam.

7. The board accepted the bid withdrawal by apparent low bidder Capriati Construction Corporation. The board also adopted Resolution 18-11 awarding construction of the pipeline project Rogers Road, North Rogers Road, South Tropico Drive, Helix Canyon Drive, Tangor Way and Glen Drive, Work Order 4241 to the lowest responsible bidder submitting a responsive bid, S.C. Valley Engineering Inc. of El Cajon, California, in the amount of \$2,396,200. The board appropriated funds for \$2,914,000 from schedule 64, item 4, of the fiscal year 2017-18 capital budget for construction of the project. There were no public comments. The motion carried 4:0.

Motion: Verbeke  
Second: Gracyk  
Absent: Scalzitti

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions with the assistance of General Counsel Elizabeth W. Hull and General Manager Lugo. Director Gracyk clarified that general counsel reviewed and recommended acceptance of the bid withdrawal. Board member discussion ensued regarding contracts, per diem pay and overhead.

8. The board authorized staff to submit a notice of intent to withdraw from the Association of California Water Agencies Joint Powers Insurance Authority based on the status of fiscal year 2017-18 strategic work plan objective 3.7b, "Research Coverage and Premium Options for the District's General Liability, Property and Workers' Compensation Insurance." There were no public comments. The motion carried 4:0.

Motion: McMillan  
Second: Verbeke  
Absent: Scalzitti

Safety/Risk Administrator Susen Doubrava and Management Analyst Jessica M. Kading answered all questions with the assistance of General Manager Lugo. Director McMillan reiterated that providing a twelve-month written notice to ACWA/JPIA was a common practice and an important part of the board's due diligence for the ratepayers. Director Gracyk verified the district would not experience a lapse in insurance coverage. Director Verbeke reported the Finance and Administration Committee had reviewed the process in-depth and supports staff's recommendation to proceed in the interest of the ratepayers.

## **REPORTS**

9. The reports for the month of February were presented by Director of Administrative Services Jennifer C. Bryant and Director of Water Quality/System Operations Brian M. Olney:
- a) Treasurer's report
  - b) Budget Summary
  - c) Rainfall, Use and Storage report
  - d) System Demand report
  - e) Monthly Demand report
  - f) Conservation Status report
  - g) State Water Resources Control Board report

General discussion ensued following each report. Vice President McMillan reported district finances are strong and proposed with President Hedberg additional investment options. There were no public comments.

## **DISCUSSION**

10. President Hedberg reported that the board retreat on Saturday, March 10, 2018, at the Lake Jennings Campground was productive and that the board is looking forward to working on the action items discussed. President Hedberg thanked Board Secretary Sandra L. Janzen and Facilitator John Gavares for making the retreat a success. President Hedberg reported that she and Vice President McMillan attended the Investment and Financial Management Symposium on March 16, 2018, at the Crowne Plaza Hotel. President Hedberg requested that the investment information provided during County of San Diego Treasurer-Tax Collector Dan McAllister's presentation be reviewed at a future Finance and Administration Committee meeting.
11. Directors McMillan, Verbeke and Gracyk provided written reports. In addition, President Hedberg reported that the San Diego County Water Authority East County Coalition meets before the SDCWA board of directors meetings to review the board package and ask questions of a staff member. President Hedberg reported Metropolitan Water District of Southern California is proposing a 3 percent rate increase for future projects and shared that the SDCWA utilized local water during the 54-day shutdown of the Claude "Bud" Lewis Carlsbad Desalination Plant at a cost benefit to the SDCWA. Discussion ensued. President Hedberg also reported that the SDCWA sent a letter to the Metropolitan Water District of Southern California regarding submittals to the subsidy program for two local resources projects. Vice President McMillan reported that San Diego County Water Authority's General Counsel Mark J. Hattam wrote the letter.

Vice President McMillan reported the Harry Griffin Park meeting is scheduled for May 1, 2018; that contact Steve Wesley will answer all of his CalPERS questions and that he attended the Association of California Water Agencies Legislative Symposium with Director Gracyk on March 14, 2018, in Sacramento and spoke with Assemblyman Randy Voepel regarding the proposed water tax.

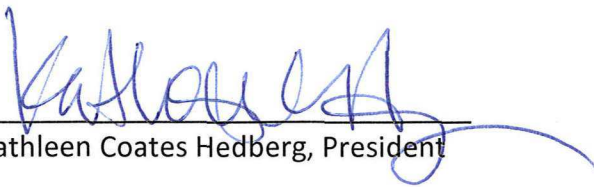
Director Verbeke reported that the Finance and Administration Committee met at 10 a.m. on March 12, 2018 and received various department updates regarding the Tyler/Munis software and upcoming public affairs events. The Water Conservation Garden Tomatomania event was successful; 40 people attended the Expert Forum, there have been six new memberships and the Home Garden Tour is coming up. Director Verbeke also reported that Supervisor Dianne Jacob used \$100,000 of her discretionary funds for Lake Cuyamaca Recreation and Park District upgrades.

Director Gracyk thanked Board Secretary Sandra L. Janzen and General Counsel Elizabeth W. Hull for their contributions at the board retreat and looks forward to General Manager Carlos V. Lugo's action step follow-up as a result of the special meeting. Director Gracyk reported attending the Association of California Water Agencies Legislative Symposium with Vice President McMillan and shared that he met with Assemblywoman Shirley Weber who was interested in both Senate Bill 623 and Assembly Bill 2050. There were no public comments.

12. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on March 28, March 29, April 4, April 11 and April 18, 2018. General Manager Lugo also reported that the Lake Jennings Carnival and Helix Helps events are scheduled for Saturday, March 24, 2018 and provided a report regarding the city of La Mesa Environmental Sustainability Commission meeting conducted on March 19, 2018. Director Gracyk thanked Facilities Manager Joseph J. Garuba for attending said meeting. General Manager Lugo reported that he was available to address any questions regarding the San Diego County Water Authority PowerPoint presentations he forwarded to the board. Vice President McMillan verified the compensation study request for proposal process and requested the March 29, 2018 10 a.m. Special Water Quality and Resources Committee meeting take place at Lake Jennings. General Manager Lugo reported the meeting has been moved to the treatment plant. There were no public comments.
13. General Counsel Elizabeth W. Hull reported Kelly Salt will attend the April 18, 2018, regular board meeting at 6 p.m. There were no questions or comments.

#### **ADJOURNMENT**

14. President Hedberg adjourned the meeting at 7:35 p.m.



Kathleen Coates Hedberg, President

**ATTEST:**



Sandra L. Janzen, Board Secretary