



Setting Standards of Excellence in Public Service

**MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 2, 2018 – 4 p.m.
7811 University Avenue, La Mesa, CA 91942-0427**

1. President Hedberg called the special board meeting to order at 4:02 p.m. The roll call showed a quorum of the board present: Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk.

Staff present: Lugo, Bryant, Olney, Tomasulo, Miller, Janzen, Haley, Lyford, Berens, Kleber, Palechek, Schipper, Ross, Herrera, Masterson, Doubrava, Lunde, Fox, Annett, Andrews, Malkin, Pearce, Emery and Garuba. District Counsel Elizabeth W. Hull was also present.

Others present: Customer Gordon Place, East County Magazine Reporter Jonathan Goetz and city of Lemon Grove Councilmember Matt Mendoza.

2. Director Scalzitti 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 to approve the agenda carried unanimously.

Motion: Verbeke
Second: Gracyk

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.

5. The consent agenda was approved unanimously.

Motion: Scalzitti
Second: Verbeke

- a) Memorandum Dated May 2, 2018; from Board Secretary Sandra L. Janzen submitting expense and per diem claims was approved.

- b) The board approved the following sets of minutes:
 - i. April 18, 2018, Regular Board Meeting
 - ii. April 25, 2018, Committee of the Board Meeting

- c) The following operating account checks submitted for ratification were approved:
 - i. List dated April 17, 2018
 - ii. List dated April 24, 2018

- d) The board authorized General Manager Carlos V. Lugo to execute on behalf of the district the settlement agreement with CP TEST & VALVE PRODUCTS, INC, a New Jersey corporation, regarding alleged trademark violations for the use of CP and CP TEST terms on cathode test stations.

DISCUSSION

6. The board received the staff presentation of the draft budget schedules and provided direction regarding the development of the fiscal year 2018-19 operating and capital budgets. President Hedberg opened public comments prior to staff presentations. Customer Gordon Place requested the board consider the customers' fixed incomes as they evaluate the budget and look to minimize the cost of employee salaries and benefits.

General Manager Carlos V. Lugo introduced the item followed by PowerPoint presentations from Director of Administrative Services Jennifer C. Bryant, Director of Water Quality and System Operations Brian M. Olney, Director of Operations Kevin D. Miller, Director of Engineering James A. Tomasulo and the district's leadership team.

Ms. Bryant reported that the operating budget includes no new programs or additional staff and that due to the new Tyler/Munis software and as a best practice, \$9.3 million of labor and benefit costs have been reallocated across 32 budget schedules instead of keeping these costs solely in administrative services. Ms. Bryant also reviewed the next steps for the fiscal year 2018-19 draft budget including a calendar.

General Manager Lugo reported that energy management practices would be reviewed at a future Water Quality and Resources Committee meeting followed by the full board. Director Gracyk requested that campground fees be reviewed at a future Water Quality and Resources Committee meeting. Director Gracyk also requested talking points regarding the costs of new regulations for board members to discuss with representatives at the federal, state and local levels.

President Hedberg adjourned the meeting at 5:51 p.m. for a brief break.
President Hedberg reconvened the meeting at 5:56 p.m.

Director Gracyk requested staff provide information regarding additional membership to Cleantech for schedule 447.

President Hedberg adjourned the meeting at 6:49 p.m. for a dinner break.
President Hedberg reconvened the meeting at 7:16 p.m.

Director Gracyk requested staff evaluate moving ergonomic evaluations to the safety schedules and requested employee relations events be discussed at a future committee meeting in regards to use of the Association of California Water Agencies Joint Powers Insurance Authority returned funds.

Director Gracyk requested the board discuss the vacant lot on Lakeshore Drive in further detail during the annual easement presentation. Director Gracyk also suggested staff investigate the utilization of interns at Lake Jennings.

President Hedberg and Vice President McMillan requested information be provided regarding the schedule formally known as 475 covering paid time off, holidays and other paid leave. Director of Administrative Services Jennifer C. Bryant reported she would estimate these costs for the board's reference.

President Hedberg adjourned the meeting at 8:35 p.m. for a brief break.
President Hedberg reconvened the meeting at 8:41 p.m.

7. President Hedberg reported attending the Water Conservation Garden Spring Garden and Butterfly Festival on April 28, 2018.
8. Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk provided written reports.
9. General Manager Lugo reminded the board of the May 16, 2018, five-year projection workshop at 5 p.m. per board consensus.
10. General Counsel Elizabeth W. Hull had nothing further to report.

ADJOURNMENT

11. President Hedberg adjourned the meeting at 9:29 p.m.



Kathleen Coates Hedberg, President

ATTEST:



Sandra L. Janzen, Secretary