



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**Wednesday, July 18, 2018 – 5 p.m.**  
**7811 University Avenue, La Mesa, CA 91942-0427**

1. Chair McMillan called the special board meeting to order at 5:01 p.m. The roll call showed a quorum of the board present: Directors McMillan, Scalzitti and Gracyk. Directors Hedberg and Verbeke were absent.

Staff present: Lugo, Olney, Tomasulo, Bryant, Miller, Janzen, Kleber, Emery, Garuba, Lyford, Curtis, Malkin, Fockler, Pearce and Annett.  
General Counsel Elizabeth W. Hull was also present.

Others present: Customer John L. Wood.

2. Director Gracyk 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 3:0.

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

4. Chair McMillan 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 requests to be heard.

5. The consent agenda was approved 3:0 with the exception of the check registers, item 5. c).

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

- a) Memorandum dated July 18, 2018, from the board secretary submitting expense and per diem claims was approved.
- b) The board approved the following sets of minutes:
  - i. June 18, 2018, Finance and Administration Special Committee Meeting
  - ii. June 20, 2018, Regular Board Meeting
  - iii. June 27, 2018, Committee of the Board Regular Meeting
- c) The following operating account checks submitted for ratification were approved:
  - i. List dated June 19, 2018
  - ii. List dated June 26, 2018
  - iii. List dated June 29, 2018
  - iv. List dated July 3, 2018
  - v. List dated July 11, 2018
- d) The board approved the following attendance considerations:
  - i. Twin Oaks Valley Water Treatment Plant Tour and Battery Discussion  
Hosted by San Diego County Water Authority  
June 12, 2018 at 10:30 a.m.  
San Marcos, California  
Requested by Director Gracyk
  - ii. Understanding Public Pensions  
San Diego Taxpayers Educational Foundation  
July 9-August 3, 2018  
Online Course/Point Loma Nazarene University  
Requested by Vice President McMillan
- e) The board recognized SCADA/Instrumentation/Electrical Technicians Jeremy D. Boone, David D. Reagan and Kyle B. James as recipients of the Association of California Water Agencies Joint Powers Insurance Authority safety awards for their improvements at the Lake Jennings dock. The board also recognized safety recipients Water Treatment Plant Manager Larry W. Lyford, Engineering Manager Milica K. Schipper and System Operations Manager Michelle P. Berens for safety modifications to the R.M. Levy Water Treatment Plant sedimentation basin guardrails.

Following board discussion regarding the new format of the check registers dated July 3, 2018 and July 11, 2018, the motion to approve item 5. c) carried 3:0.

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

**ACTION ITEMS**

6. The board cast its ballot for Jo MacKenzie of Vista Irrigation District Board of Directors for the California Special Districts Association Board of Directors 2018 election. There were no public comments. The motion carried 3:0.

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

7. The board adopted Resolution 18-29 opposing (unless amended) a tax on drinking water. There were no public comments. The motion carried 3:0.

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

8. The board adopted Resolution 18-30 opposing Senate Bill 998: Water Shut-Offs. There were no public comments. The motion carried 3:0.

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

9. The board adopted Resolution 18-27 declaring construction complete and authorized filing a notice of completion for pipeline realignment/replacement project at Fuerte Drive and Alzeda Drive, Work Order 4918. There were no public comments. The motion carried 3:0.

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

---

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions. Director Scalzitti and Chair McMillan agreed the district's name should be removed from all signage for the project. General Manager Carlos V. Lugo detailed customer outreach efforts and thanked all residents in the area for their patience during the project.

10. The board authorized staff to call for bids and set August 16, 2018 at 10 a.m. as the date and time of the bid opening for Project CIP19005; determined the project is exempt under the California Environmental Quality Act; and approved the project. There were no public comments. The motion carried 3:0.

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

Engineering Manager Milica K. Schipper provided a PowerPoint presentation. There were no board comments.

11. The board appropriated funds in the amount of \$30,000 from schedule 64, item 12 of the fiscal year 2018-19 capital budget for the design of Aldwych A and Windsor Hills tanks rehabilitation, Project CIP19012. There were no public comments. The motion carried 3:0.

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

Cathodic Protection Technician Eric L. Fockler provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo and Director of Engineering James A. Tomasulo. Director Gracyk requested the Engineering and Operations Committee receive updates regarding the tank maintenance program.

12. The board appropriated funds in the amount of \$35,000 from schedule 64, item 22 of the fiscal year 2018-19 capital budget for the phase 2 completion of the installation of security cameras for the R.M. Levy Water Treatment Plant, Project CIP19022. There were no public comments. The motion carried 3:0.

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

Absent: Hedberg, Verbeke

Water Treatment Plant Manager Larry W. Lyford provided a PowerPoint presentation and answered all questions regarding the closed system security, staff training, redundancy, power backups, camera zoom and tilt capabilities, cost and installation.

13. The board appropriated funds in the amount of \$35,000 from schedule 64, item 25 of the fiscal year 2018-19 capital budget for the repairs to the chlorine scrubber for the R.M. Levy Water Treatment Plant, Project CIP19025. There were no public comments. The motion carried 3:0.

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

Water Treatment Plant Manager Larry W. Lyford provided a PowerPoint presentation and answered all questions regarding plate deterioration, materials and monthly testing.

14. The board appropriated funds in the amount of \$57,000 from schedule 64, item 24 of the fiscal year 2018-19 capital budget and approved the purchase of nine Chemtrac PC 3400 online particle counters for the R.M. Levy Water Treatment Plant, Project CIP19024. There were no public comments. The motion carried 3:0.

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

Water Treatment Plant Manager Larry W. Lyford provided a PowerPoint presentation and answered all questions regarding the pilot study, the number and location of the counters, calibration and operational details.

15. The board appropriated funds in the amount of \$875,000 from schedule 64, item 15, of the fiscal year 2018-19 capital budget to fund the small valve replacement program in accordance with the district's capital improvement program master plan, Project CIP19015 per the recommendation of the Engineering and Operations Committee. There were no public comments. The motion carried 3:0.

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

Absent: Hedberg, Verbeke

Field Operations Manager Oliver K. Malkin provided a PowerPoint presentation. There were no board questions.

16. The board appropriated funds in the amount of \$448,500 from schedule 76, items 1-7, of the fiscal year 2018-19 budget for the purchase of replacement vehicles and equipment per the recommendation of the Engineering and Operations Committee. There were no public comments. The motion carried 3:0.

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

Facilities Manager Joseph J. Garuba provided a PowerPoint presentation, reported staff will present the surplus vehicles report during the September regular board meeting and answered all questions regarding the need for three 1,200-gallon water trucks and provided dump truck transmission details.

17. The board authorized General Manager Carlos V. Lugo to execute an amendment to the agreement for independent financial audit services with Vavrinek, Trine, Day & Company, LLP for fiscal years 2018-19 and 2019-20 for \$27,371 each year per the recommendation of the Finance and Administration Committee. There were no public comments. The motion carried 3:0.

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

Finance Manager Joy M. Kleber confirmed the proposed contract amount matches the current contract.

## **REPORTS**

18. Director of Administrative Services Jennifer C. Bryant and Director of Water Quality/System Operations Brian M. Olney detailed the following reports for the month of June 2018 and the quarterly reports:
- a) Quarterly Deferred Compensation
  - b) Treasurer

- c) Budget Summary
- d) Claims
- e) Quarterly Financials Report for Lake Jennings
- f) Rainfall, Use and Storage
- g) System Demand
- h) Monthly Demand
- i) Conservation Status
- j) State Water Resources Control Board
- k) Quarterly Capital Improvement Program

There were no public comments. Board discussion ensued regarding the sale and purchase of water and the specific reason for schedule 234 being over budget. Director Scalzitti expressed interest in revenue specific to kayak rentals. Director Gracyk requested cumulative conservation data regarding regional water agencies.

## **DISCUSSION**

19. Chair McMillan reported that President Hedberg was on vacation and that the district treated 30,205 acre-feet of water while selling 28,932 acre-feet of water in fiscal year 2017-18. Chair McMillan concluded this generated \$82,851,132 in revenue with a 4.38 percent water loss.
20. Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk provided written reports. In addition, Director Scalzitti reported he attended the July 9 and 10, 2018 Metropolitan Water District of Southern California board and committee meetings with hopes that the San Diego County Water Authority representatives would support the consensus of the SDCWA's board of directors. General Manager Carlos V. Lugo reported he would discuss an agenda item regarding this topic with the board president. Director Scalzitti and Director Gracyk reported attending the July 17, 2018 Council of Water Utilities meeting and requested the district's Power Your Drive event take place after August 13, 2018, at 4 p.m. Director Gracyk also reported attending the July 16, 2018, City of La Mesa Environmental Sustainability Commission meeting and stated he will be initiating a Harry Griffin Park meeting. There were no public comments.
21. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled July 25, August 1, 8, and 15 2018. Mr. Lugo reported the proposed utility tax did not pass in the city of Lemon Grove and that he will be out of the office July 19 – 23, 2018. There were no public comments.
22. General Counsel Elizabeth W. Hull provided two memorandums dated June 28 and 29, 2018, entitled What Public Employers Need to Know Now in Wake of Janus Decision and

Colorado Cake Bias Case Holds Lessons for Public Agencies. There were no questions or comments.

**ADJOURNMENT**

23. Chair McMillan adjourned the meeting at 7:25 p.m.



Daniel H. McMillan, Chair

**ATTEST:**



Sandra L. Janzen, Secretary of the Board