



Setting Standards of Excellence in Public Service

MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, October 17, 2018 – 5 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President Hedberg called the regular board meeting to order at 5 p.m. The roll call showed a quorum of the board present: Directors Hedberg, McMillan, Scalzitti and Gracyk. Director Verbeke was absent.

Staff present: Lugo, Bryant, Tomasulo, Miller, Olney, Berens, Lundy, Janzen, Schipper, Garuba, Masterson, Lemke, Herrera and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customer John L. Wood and Vavrinek, Trine, Day and Co. LLP Partner Phil White.

2. Director Scalzitti led the Pledge of Allegiance. No invocation was provided.
3. President Hedberg confirmed there were no additions or deletions to the agenda. There were no public comments. The motion to approve the agenda carried 4:0.

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

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 requests to be heard.

5. The motion to approve the consent agenda carried 4:0. There were no public comments.

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

- a) Memorandum dated October 17, 2018, from the secretary of the board submitting expense and per diem claims was approved.
- b) The board approved the following sets of minutes:
 - i. October 1, 2018, Special Finance and Administration Committee Meeting
 - ii. October 3, 2018, Regular Board Meeting
 - iii. October 10, 2018, Engineering and Operations Committee Meeting
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated October 3, 2018
 - ii. List dated October 10, 2018

President Hedberg and Director Gracyk requested an overview of the check run dated October 3, 2018, specifically of the vendor name ZZZZZ_Cayenta Refunds. Director of Administrative Services Jennifer C. Bryant explained customer refunds of overpayment or deposit returns are now identified by an invoice number allowing customers to maintain confidentiality. This led to a brief discussion regarding the deposit policy required for properties with a poor payment history.

- d) The board adopted Resolution 18-42 authorizing the quitclaim of an easement over a portion of assessor parcel numbers 478-180-42, 478-180-43 and 478-180-44, in the city of Lemon Grove, county of San Diego, state of California
- e) Attendance Considerations
The board approved the following attendance considerations:
 - i. Understanding California's Water Efficiency Legislation
 - Webinar October 9, 2018, 10 a.m. - 11:30 a.m.
 - Workshop October 26, 2018, 11 a.m. - 1:30 p.m.
Metropolitan Water District of Southern California
Los Angeles

PRESENTATION

- 6. The board received the audited annual financial statements and independent auditor's report for the fiscal year ended June 30, 2018, with comparative information for 2017. Director of Administrative Services Jennifer C. Bryant introduced Vavrinek, Trine, Day and Co. LLP Partner Phil White and the district's Senior Accountant Robert A. Masterson. Mr.

White presented a clean audit. There were no difficulties in performing the audit and no disagreements with management. Vice President McMillan reported that the Finance and Administration Committee met with the auditor on October 1, 2018, reviewed the audited financials and appreciated the sensitivity of net pension liability and of the net Other Post-Employment Benefits tables. Discussion ensued. President Hedberg verified the auditing team was at the administration office for two weeks of field work and continued to work on the audit from their business offices. Director Scalzitti thanked Mr. White for his interactive presentation. There were no public comments.

ACTION ITEMS

7. The board appropriated funds in the amount of \$165,000 from schedule 84, item 3 of the fiscal year 2018-19 capital budget for the replacement of legacy storage infrastructure at the administration office and operations center, project CIP19103. There were no public comments. The motion carried 4:0.

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

Enterprise Architecture Manager Michael A. Herrera provided a PowerPoint presentation comparing the proposed Hitachi VSP G350 with the legacy Hitachi HUS 130 and answered all questions surrounding district policy and security. General Manager Carlos V. Lugo reminded the board that in the event of a crisis, an emergency closed session board meeting would take place.

8. The board adopted Resolution 18-43 authorizing a sole source purchase of the emergency generator equipment for the Helix 2 Pump Station motor control center replacement project CIP19014; authorized staff to call for bids and set Tuesday, November 20, 2018, at 10 a.m. as the bid opening date and time; determined the project exempt under CEQA and approved the project. There were no public comments. The motion carried 4:0.

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

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions regarding emergency backup and the minimal potential impact of the project on the maintenance contract with the assistance of Director of Water

Quality/System Operations Brian M. Olney.

9. The board declared vehicles surplus to the needs of the district and authorized disposal of six vehicles, which are scheduled to be replaced per schedule 76, items 1-6 of the fiscal year 2018-19 budget. There were no public comments. The motion carried 4:0.

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

Facilities Manager Joe Garuba, presented this item and answered all questions regarding the order for replacing the specific surplus vehicles and confirmed the water truck tank would be removed and repurposed.

REPORTS

10. Reports for the month of September 2018 and the quarterly reports:

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

Director of Administrative Services Jennifer C. Bryant detailed the financial reports for the month of September. President Hedberg requested System Operations Manager Michelle P. Berens detail the remainder of the reports. President Hedberg and Vice President McMillan requested that the Lake Jennings recreation and campground statement of revenue and expenses include tipi information and footnote any large expenditures at the bottom of the report. There were no public comments.

11. President Hedberg, Vice President McMillan, Directors Scalzitti, Verbeke and Gracyk provided written reports. In addition, President Hedberg, Vice President McMillan, Director Scalzitti and Director Gracyk reported attending the October 16, 2018, Council of Water Utilities meeting regarding climate. Director Gracyk also requested a special board meeting to hear representatives from the La Mesa Environmental Sustainability

Commission and the Friends of Lake Jennings. The special board meeting was scheduled on November 14, 2018, at 4 p.m. The November standing committee was moved to November 13, 2018, at 9 a.m. at the treatment plant and the November 21, 2018, regular board meeting was cancelled due to the board's holiday preparations. Vice President McMillan reported attending the October 10, 2018, Cleantech breakfast meeting regarding direct access and clean electricity.

12. President Hedberg congratulated Best Best and Krieger on their 25-year anniversary celebration and thanked district Counsel Elizabeth W. Hull for remaining flexible, efficient and keeping costs down by using a shared space for her office.

Secretary of the Board Sandra L. Janzen reported that the district received a customer comment regarding the professional service received from Valve Maintenance Technician Marcus A. Roberti and Administrative Assistant Rita A. Mooney.

13. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on November 7, 14 and confirmed the cancellation of the November 21, 2018, board meeting. There were no public comments.
14. General Counsel Elizabeth W. Hull thanked the board for attending the law firm's 25-year anniversary celebration. There were no public comments.

ADJOURNMENT

15. President Hedberg adjourned the meeting at 6:47 p.m.


Kathleen Coates Hedberg, President

ATTEST:


Sandra L. Janzen, Secretary of the Board