



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Wednesday, July 3, 2019 – 5 p.m.**  
**7811 University Avenue, La Mesa, CA 91942-0427**

1. President McMillan called the regular board meeting to order at 5:08 p.m. The roll call showed a quorum of the board present: Directors McMillan, Gracyk, Verbeke, Scalzitti and Hedberg.

Staff present: Lugo, Olney, Miller, Tomasulo, Janzen, Lundy, Pope, Doubrava, Ross, Annett, Malkin, Schipper and Uhrhammer. General Counsel Elizabeth W. Hull was also present.

Others present: Customers John L. Wood, Jose Sanchez and Gabriela Trevizo.

2. Vice President 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 unanimously.

Motion: Hedberg  
Second: Verbeke

4. President McMillan provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. Customer John L. Wood mentioned there was some cast-iron pipe removed in Lemon Grove. General Manager Carlos V. Lugo requested Director of Engineering James A. Tomasulo meet with Mr. Wood. Mr. Lugo explained small segments of cast-iron in the city of Lemon Grove are being removed.

**DISCUSSION**

5. President McMillan reported that the board enjoyed dinner on June 26, 2019, with Metropolitan Water District of Southern California Board Chairwoman Gray, General Manager Jeff Kightlinger and Meena Westford.

6. President McMillan, Vice President Gracyk and Director Scalzitti provided written reports. In addition, Vice President Gracyk reported he received a thank you letter regarding the district's support of Assembly Bill 1588 and requested Legislative Roundtable be added to the next agenda as an attendance consideration. Directors Scalzitti and Hedberg provided an oral summary of the June 27, 2019, San Diego County Water Authority regular board meeting stating the budget, rates and the employee memorandum of understanding was approved. A fiscal sustainability task force was recommissioned and recruitment for a general manager continues.

**CONSENT AGENDA**

7. The motion to approve the consent agenda carried unanimously. There were no public comments.

Motion: Scalzitti  
Second: Hedberg

- a) Memorandum dated July 3, 2019, from the Secretary of the Board Sandra L. Janzen submitting expense and per diem claims was approved.
- b) The board approved the following sets of minutes:
  - i. June 17, 2019, special Finance and Administration Committee meeting
  - ii. June 19, 2019, regular board meeting
  - iii. June 26, 2019, Committee of the Board meeting
- c) The following operating account checks submitted for ratification were approved:
  - i. List dated June 19, 2019
  - ii. List dated June 26, 2019
- d) The board adopted Resolution 19-40 declaring construction complete and authorized filing a notice of completion for Jackson Ridge Parkway phase II project RMB18029
- e) The board approved the following attendance considerations:
  - i. Regional Water Conveyance Discussion  
June 17, 2019 at 2 p.m.  
Helix Water District Administration Office

- ii. East County Advanced Water Purification Briefings  
June 24, 2019 at 4 p.m. and June 27, 2019 at 8 a.m.  
Helix Water District Administration Office and Janet's Cafe in El Cajon
- iii. Southern California Water Coalition  
San Diego County's Water Resilience Portfolio:  
Multi-Benefit Solutions for the Southwest  
July 19, 2019 at 12 p.m.  
City of Carlsbad Faraday Center

**ACTION ITEMS**

8. The board approved the interim funding agreement for the East County Advanced Water Purification program. There were no public comments. The motion carried 4:1.

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

Director of Water Quality/System Operations Brian M. Olney provided the board report and addressed all questions regarding financial risk, regional benefit and the project's consultant. President McMillan reported he has shared his concerns regarding the East County Advanced Water Purification program with staff and the board.

9. The board approved the term sheet addendum for the East County Advanced Water Purification program. There were no public comments. The motion carried 4:1.

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

Director of Water Quality/System Operations Brian M. Olney provided the board report and addressed all questions with the assistance of General Manager Carlos V. Lugo regarding a diversified water portfolio, the details of a water credit for investing in a local project and the terms for all agencies involved. Directors Scalzitti and Hedberg thanked Mr. Olney, Mr. Lugo and System Operations Manager Michelle P. Berens for their dedication to the negotiation process.

10. The board adopted Resolution 19-41 adopting a modification to the policies and procedures manual Section 9.1 related to guidelines for payment of per diems and expenses. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Hedberg

11. The board cast its ballot for Michael Mack of Rainbow Municipal Water District for the California Special Districts Association Board of Directors 2019 election. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Hedberg

12. The board adopted Resolution 19-37 declaring as surplus the .88-acre lot in the city of Lemon Grove, county of San Diego, state of California, assessor parcel number 479-240-03; approved the purchase and sale agreement with Jose G. Sanchez and Alberto Griego; and authorized the general manager to execute all documents necessary to open escrow and close the transaction. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Hedberg

Senior Right of Way Agent/Environmental Analyst Debra S. Lundy provided a PowerPoint presentation and addressed all questions with the assistance of General Counsel Elizabeth W. Hull regarding government clearances and the purchase agreement. Mr. Sanchez attended the meeting. Mr. Sanchez had nothing additional to add.

13. The board adopted Resolution 19-39 declaring construction complete and authorized filing a notice of completion for pipeline project Rogers Road, North Rogers Road, South Tropico Drive, Helix Canyon Drive, Tangor Way and Glen Drive CIP19008. There were no public comments. The motion carried unanimously.

Motion: Verbeke  
Second: Scalzitti

Engineering Manager Timothy J. Ross provided a PowerPoint presentation.

14. The board adopted Resolution 19-38 declaring construction complete and authorized filing a notice of completion for valve vault retrofit at Grossmont Reservoir project CIP19018. There were no public comments. The motion carried unanimously.

Motion: Gracyk  
Second: Verbeke

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and addressed all questions regarding vault maintenance and inspections with the assistance of Director of Water Quality/System Operations Brian M. Olney.

15. The board waived the formal competitive bidding requirements set forth in Section 3.1-6(C) of the policies and procedures manual, and authorized the general manager to obtain a minimum of three quotes and award and execute a contract with a general contractor to remove and replace approximately 50 feet of 6-inch PVC and vitrified clay sewer pipe at the R.M. Levy Water Treatment Plant project CIP19028. There were no public comments. The motion carried unanimously.

Motion: Gracyk  
Second: Scalzitti

Engineering Manager Milica K. Schipper provided a PowerPoint presentation with video and addressed all questions regarding the pipe's location, the funding and project work with the assistance of General Manager Carlos V. Lugo, Director of Engineering James A. Tomasulo and Director of Water Quality/System Operations Brian M. Olney.

16. The board appropriated funds in the amount of \$120,000 from schedule 64, item 7 of the fiscal year 2019-20 capital budget for the design and survey of pipeline project CIP20001. There were no public or board comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Verbeke

17. The board appropriated funds in the amount of \$100,000 from schedule 64, item 2 of the fiscal year 2019-20 capital budget for the design of pipeline project CIP19002. There were no public or board comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Verbeke

18. The board appropriated funds in the amount of \$120,000 from schedule 64, item 9 of the fiscal year 2019-20 capital budget for the design and survey of pipeline project CIP20003. There were no public or board comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Verbeke

19. The board appropriated funds in the amount of \$100,000 from schedule 64, item 1 of the fiscal year 2019-20 capital budget for the design of pipeline project CIP19001. There were no public or board comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Verbeke

20. The board appropriated funds in the amount of \$420,000 from schedule 64, item 10 of the fiscal year 2019-20 capital budget for district crews to replace 45 valves in accordance with the district's capital improvement program master plan. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Gracyk

Field Operations Manager Oliver K. Malkin answered all questions regarding the location of the 45 valves.

#### DISCUSSION

21. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on July 10, 17 and 24, 2019. Mr. Lugo detailed the San Diego County Water Authority's violation notification plans, the Lake Jennings night fishing schedule and the July 25, 2019 Water Chat in the boardroom. There were no public comments.
22. General Counsel Elizabeth W. Hull had nothing additional to report.

#### ADJOURNMENT

23. President McMillan adjourned the meeting at 6:03 p.m.

  
Daniel H. McMillan, President

ATTEST:

  
Sandra L. Janzen, Secretary of the Board