



*Setting Standards of Excellence in Public Service*

**MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Wednesday, August 7, 2019 – 5 p.m.  
7811 University Avenue, La Mesa, CA 91942-0427**

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

Staff present: Lugo, Bryant, Miller, Olney, Janzen, Ziernicki, Schipper, Ross, Malkin, Pope, Uhrhammer, Dambrose and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customer John L. Wood and San Diego Union-Tribune Reporter Karen Pearlman. Lake Cuyamaca Recreation and Park District General Manager Race H. Paddock, San Diego County Water Authority Director of Administrative Services Jason Foster and SDCWA Public Affairs Supervisor Teresa Penunuri were also present.

2. Director Hedberg 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: Verbeke  
Second: Scalzitti  
Ayes: McMillan, Verbeke, Scalzitti, Hedberg  
Absent: Gracyk

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. Lake Cuyamaca Recreation and Park District General Manager Race H. Paddock thanked district crews for their excellent support during an emergency in El Cajon. Mr. Paddock also responded to President McMillan's request for information regarding lake operations reporting the

heat wave has created an algae bloom and staff is preparing for the September 28, 2019, Kid's Fishing Derby from 6 a.m. to 3 p.m.

### **PRESENTATION**

5. President McMillan introduced San Diego County Water Authority's Director of Administrative Services Jason Foster to provide a PowerPoint presentation entitled 75 Years – Member Agency Engagement. Mr. Foster and SDCWA Public Affairs Supervisor Teresa Penunuri also provided an anniversary coin to each board member and posed for photographs. President McMillan presented Mr. Foster and Ms. Penunuri with a district water bottle with a shared goal of enhanced two-way communication, collaborative events and customer outreach support. Directors McMillan, Verbeke and Hedberg thanked SDCWA for their presentations, newsletters, spotlight on regional agencies and collaboration. There were no public comments.

### **DISCUSSION**

6. President McMillan reported attending the San Diego County Water Authority Board Meeting and recognized Director Scalzitti for his leadership during the meeting as one of the district representatives. President McMillan also reported meeting with finance staff on August 5, 2019, to review water rates, the upcoming cost of service study and the finalized budget. There were no public comments.
7. President McMillan, Vice President Gracyk, Directors Verbeke, Scalzitti and Hedberg provided written reports. In addition, Director Verbeke reported attending the Association of California Water Agencies' Region 10 meeting on July 30, 2019 and provided the board with the panelists' PowerPoint presentations.

Director Scalzitti provided the July 25, 2019, San Diego County Water Authority Board of Directors meeting summary, reporting that the board authorized the general manager to award a contract with J.F. Shea Construction Inc. in the amount of \$9,731,000 for the San Diego 28 flow control facility project. Director Scalzitti reported that the board adopted an update to SDCWA's 2018 Bay-Delta position statement and policy principle to support Governor Newsom's portfolio approach to meet California's water needs, including a single-tunnel Bay-Delta project. Director Scalzitti also reported the Lakeside Chamber of Commerce has requested district participation in the Touch-A-Truck event.

Director Hedberg requested updates be provided to the board regarding a potential pipeline 4 leak and referenced the emails shared by General Manager Carlos V. Lugo regarding potential de-annexations from SDCWA. Director Hedberg reported she is working with staff regarding the smart leak detector rebate program flier. There were no public comments.

8. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on August 14, 21, 28, September 4, 5, 18 and 27, 2019. Mr. Lugo detailed the district's public outreach calendar, the State Water Resources Control Board water conservation report and referred to San Diego County Water Authority Interim General Manager Sandy Kerl's email regarding Fallbrook Public Utility District and Rainbow Municipal Water District.
9. General Counsel Elizabeth W. Hull provided legal alerts regarding complying with America's Water Infrastructure Act requirements and a California Appellate Court decision that may allow an irrigation district to refuse water deliver to rule violators.

### **CONSENT AGENDA**

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

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

- a) Memorandum dated August 7, 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. July 17, 2019, regular board meeting
  - ii. July 24, 2019, Committee of the Board meeting
- c) The following operating account checks submitted for ratification were approved:
  - i. List dated July 17, 2019
  - ii. List dated July 24, 2019
  - iii. List dated July 31, 2019

### **ACTION ITEMS**

11. The board conducted a public hearing regarding the state mandated public health goals report and approved said report following receipt and response to any written or oral public comments. President McMillan opened the public hearing at 5:20 p.m. There were no written or oral public comments. President McMillan closed the public hearing at 5:20 p.m. The motion to approve the report carried 4:0.

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

12. The board authorized General Manager Carlos V. Lugo to execute a two-year extension to the current contract for as-needed traffic control and flagging services with Hudson Safe-T-Lite Rentals. There were no public comments. The motion carried 4:0.

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

Field Operations Manager Oliver K. Malkin addressed all questions regarding the contract terms, responsiveness of the contractor, detour route plans and permits.

13. The board adopted Resolution 19-44 awarding construction of R.M. Levy Water Treatment Plant 6-inch sewer pipeline project, CIP19028, to the lowest responsible bidder submitting a responsive bid, Cass Arrieta of El Cajon, California, in the amount of \$116,510 and appropriated funds in the amount of \$170,000 from schedule 64, item 22, of the fiscal year 2019-20 capital budget. There were no public comments. The motion carried 4:0.

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

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions regarding the construction timeline.

14. The board adopted Resolution 19-43 awarding design and construction of the Lake Jennings boat dock replacement CIP20007, to the most qualified design-build entity, Bellingham Marine Industries Inc. of Dixon, California, in the amount of \$531,124; and appropriated funds in the amount of \$600,000 from schedule 64, item 18, of the fiscal year 2019-20 capital budget. There were no public comments. The motion carried 4:0.

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

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and answered all questions regarding the construction impact on events for two to three weeks and funding sources.

Vice President Gracyk joined the meeting at 5:58 p.m.

15. The board authorized President Daniel H. McMillan to cast a vote for Mitch Thompson of Otay Water District on behalf of the district for the San Diego County Consolidated Redevelopment Oversight Board election ballot. President McMillan signed the vote certification. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Hedberg

16. The board received the updated fiscal year 2019-20 operating budget in the amount of \$79,531,100 and PayGo capital budget in the amount of \$11,276,500. There were no public comments.

Finance Manager Amy L. Pope detailed the adjustments provided on page 126 of the board package. President McMillan reported that he and Director Hedberg met with finance staff and agreed the recommended adjustments are reasonable with a minor decrease in the capital improvement program.

17. The board adopt Resolution 19-42 adjusting the schedule of rates for the fiscal year 2019-20 water service fees and amended Section 2.12-2(B) of the Helix Water District policies and procedures manual. There were no public comments. The motion carried 4:1.

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

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and answered all questions regarding the district's reserve guidelines and plans to include said guidelines in the upcoming cost of service study. The board approved staff's recommendation to fill the rate stabilization reserve fund in fiscal year 2019-20 with \$1,800,000 (6 percent and then declining to 5 percent by year five) allowing future year flexibility and building the reserve fund in wet years.

**ADJOURNMENT**

18. President McMillan adjourned the meeting at 6:29 p.m.



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Daniel H. McMillan, President

**ATTEST:**



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Sandra L. Janzen, Secretary of the Board