



Setting Standards of Excellence in Public Service

**MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, October 16, 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, Gracyk, Verbeke, Scalzitti and Hedberg.

Staff present: Lugo, Olney, Tomasulo, Bryant, Miller, Janzen, Ross, MacMaster, Masterson, Pope and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customer John L. Wood. Partner Phil White of Eide Bailly LLP was also present.

2. President McMillan 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: Gracyk
Second: Hedberg

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. There were no public comments.

DISCUSSION

5. President McMillan confirmed that he would serve as district delegate during the Association of California Water Agencies general session and cast the district's vote for current Vice President Steven LaMar for ACWA President and current Region 5 Vice Chair Sarah Palmer for ACWA Vice President. The board provided general consensus. Director Verbeke reported there may be a nomination from the floor during the general session.

President McMillan reported attending the October 14, 2019 Presidents and General Managers Regional Meeting hosted by Otay Water District, the October 16, 2019 East County Economic Development Council meeting and the October 12, 2019 district family picnic at Lake Jennings highlighting multiple details from each topic. Discussion ensued regarding de-annexation, water revenues, the structure of future presidents and general managers meetings and the success of the district picnic. There were no public comments.

6. President McMillan, Vice President Gracyk and Directors Verbeke, Scalzitti and Hedberg provided written reports. In addition, all board members provided accolades in reference to the district family picnic with special thanks provided to General Manager Carlos V. Lugo and Human Resources Manager Anne D. Solano. Directors McMillan, Verbeke, Scalzitti and Hedberg each reported attending the October 15, 2019 Council of Water Utilities meeting and expressed appreciation of the new location, chairperson and interesting speakers.

Vice President Gracyk reported attending the October 16, 2019 news conference regarding Assembly Bill 1588 (Gloria/Gray), ensuring military veterans transitioning into civilian water and wastewater operator occupations, receive credit for their experience and education during their military service. The bill was signed into law October 13, 2019 by Governor Newsom. Vice President Gracyk thanked the board for their support of AB 1588. Vice President Gracyk also reported attending the 35th Annual Environmental Training Symposium on October 2, 2019 and the October 9, 2019 Engineering and Operations Committee meeting providing highlights of each meeting with special thanks to Engineering Manager Timothy J. Ross for a capacity fee spreadsheet.

In addition to Director Verbeke's other reports, she detailed the October 9, 2019 and upcoming October 25, 2019 Association of California Water Agencies Steering Committee meetings in Sacramento to develop a strategic plan and core values.

Director Scalzitti reported the Parks, Land, Lakes and Garden Committee determined the desire to discuss the Lake Jennings venue and uniform options at a future Committee of the Board meeting. Director Scalzitti detailed LAFCO's October 11, 2019 Special, Special Districts Advisory Committee meeting.

Director Hedberg mentioned the Council of Water Utilities will meet in November in addition to her other reports. There were no public comments.

7. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on October 23, November 6, 7, 15 and 20, 2019. The Water Quality and Resources Committee meeting was rescheduled from November 13, 2019 at 9 a.m. to

November 15, 2019 at 10 a.m. Mr. Lugo reported Water Talks will take place at the operations center on October 26, 2019. Mr. Lugo also detailed the San Diego County Water Authority Member Agency Manager meeting agenda, provided PowerPoint presentations and letters via email regarding potential de-annexation of agencies from the SDCWA. Discussion ensued. There were no public comments.

8. General Counsel Elizabeth W. Hull provided a written report entitled Surplus Land Act Requirements Expand for Local Agencies and mentioned vetoed legislation requiring longer email retention requirements. There were no board or public comments.

CONSENT AGENDA

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

Motion: Scalzitti
Second: Verbeke

- a) Memorandum dated October 16, 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. September 27, 2019, Special Finance and Administration Committee
 - ii. October 2, 2019, Regular Board Meeting
 - iii. October 9, 2019, Special Parks, Land, Lakes and Garden Committee
 - iv. October 9, 2019, Engineering and Operations Committee
- c) The following operating account checks submitted for ratification were approved:
 - i. Checks dated October 4, 2019
 - ii. Checks dated October 11, 2019
- d) The board approved the following attendance consideration:
 - i. San Diego East County Chamber of Commerce
Government Affairs & Infrastructure & Land Use Meeting
October - December 2019 - 1st Tuesday of Each Month
201 S. Magnolia Avenue, El Cajon

PRESENTATION

10. The board received the audited annual financial statements and independent auditor's

report for the fiscal year ended June 30, 2019, with comparative information for 2018. Director of Administrative Services Jennifer C. Bryant introduced Partner Phil White of Eide Bailly LLP and Finance Manager Amy L. Pope. Mr. White reviewed the financial statements, addressed all questions and reported the audit was clean. Ms. Bryant directed the board to the new department groupings and allocations. Finance and Administration Committee Chair McMillan and Vice Chair Hedberg thanked Mr. White for his professional service and recommended the board receive the report. There were no public comments.

ACTION ITEMS

11. The board authorized General Manager Carlos V. Lugo to execute a professional services agreement with Infrastructure Engineering Corporation in the amount of \$169,126 and appropriated funds in the amount of \$260,000 from schedule 64, item 13 of the fiscal year 2019-20 capital budget for the design and construction management services of Tunnel Hill facilities rehabilitation project CIP19013. There were no public comments. The motion carried unanimously.

Motion: Verbeke
Second: Gracyk

General Manager Carlos V. Lugo introduced Associate Engineer Jeffrey J. MacMaster. Mr. MacMaster provided a PowerPoint presentation and answered all questions regarding the joint proposals, public outreach and the exact location of the project.

12. The board adopted Resolution 19-49 declaring construction complete and authorized filing a notice of completion for Helix 2 Pump Station motor control center replacement project CIP19014. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Hedberg

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and answered all questions with the assistance of Director of Water Quality/System Operations Brian M. Olney regarding fuel, compatible spare parts and the timing of scheduled testing. Engineering and Operations Committee Chair Gracyk and Vice Chair Verbeke reviewed the notice of completion during their committee meeting and reported their support of Resolution 19-49. Director Hedberg, spoke as a former member of the Engineering and Operations Committee in support of the district's emergency preparedness.

13. The board voted for the entire slate of nominees for the San Diego East County Chamber of Commerce board members to serve during the 2020-2022 term. The slate included:

Bryan Shull, David Moran, Tom Tamar, Lauren Morrow, Megan Collins, Renae Arabo, Rachel Murany, Joseph Britton, Carl Ball and Marcel Becker. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Hedberg

REPORTS

14. The board received the following reports for the month of September 2019 and quarterly reports:

- a) Financial
- b) Claims
- c) Rainfall, Use and Storage
- d) System Demand
- e) Monthly Demand
- f) Conservation Status
- g) State Water Resources Control Board
- h) Capital Improvement Program

Finance Manager Amy L. Pope and Senior Accountant Robert A. Masterson detailed the new financial reports stating the information was approved and recommended by the Finance and Administration Committee prior to coming to the full board. President McMillan suggested a weighted average yield be included as part of future investment reporting. Vice President Gracyk requested the Finance and Administration Committee develop designated options for the interest earned from surplus land sale funds. There were no public comments.

Director Hedberg left the meeting at 7:01 p.m. and returned at 7:05 p.m. A quorum of the board remained.

ADJOURNMENT

15. President McMillan adjourned the meeting at 7:09 p.m.



Daniel H. McMillan, President

ATTEST:



Sandra L. Janzen, Secretary of the Board