



Setting Standards of Excellence in Public Service

MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, April 15, 2020 – 4 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President Gracyk called the special board meeting to order at 4:12 p.m. and turned the meeting over to Board Secretary Sandra L. Janzen to verify all board members, staff and members of the public could hear one another and that everyone could identify the board members by voice recognition or video image via electronic conferencing software.

The roll call showed a quorum of the board present. Directors Gracyk, Verbeke, Hedberg, Scalzitti and McMillan were present.

Staff present: Lugo, Bryant, Tomasulo, Olney, Miller, Janzen, Pope, Ross, Schipper, Chambers, Curtis and Dambrose. General Counsel Elizabeth W. Hull was also present.

Others present: San Diego Union-Tribune Reporter Karen Pearlman.

2. Director 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 but clarified the motion for Item 7 should also include the temporary suspension of late payment charges as outlined in Section 2.12-2(D) of the district's policies and procedures manual. There were no public comments. The motion to approve the agenda carried unanimously by roll call vote.

Motion: Hedberg
Second: Scalzitti

4. President Gracyk 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.

CONSENT AGENDA

5. The motion to approve the consent agenda carried unanimously by roll call vote. There were no public comments.

Motion: Hedberg

Second: Scalzitti

Director Hedberg verified that the checks submitted for ratification to Amazon were for additional equipment enabling employees to work from home.

- a) Memorandum dated April 15, 2020, 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. April 1, 2020, regular board meeting
 - ii. April 8, 2020, Engineering and Operations Committee meeting
- c) The operating account checks submitted for ratification were approved:
 - i. Checks dated April 3, 2020
 - ii. Checks dated April 10, 2020
- d) The board adopted the following resolutions:
 - i. Resolution 20-11 declaring construction complete and authorized filing a notice of completion for Mount Miguel High School project RMB18067
 - ii. Resolution 20-18 declaring construction complete and authorized filing a notice of completion for Bostonia Estates project RMB18044
 - iii. Resolution 20-19 confirming Declaration of Emergency in response to COVID-19 pandemic
- e) The board approved the following attendance consideration:
 - i. Leveraging FEMA and Other Federal Grant Funding Opportunities for COVID-19 Response
April 7, 2020 at 10 a.m.
Live Webcast

ACTION ITEMS

6. The board appropriated funds in the amount of \$50,000 from the fiscal year 2019-20 capital budget for the design of Grossmont Reservoir Overflow Improvements CIP20017. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Verbeke

Second: Scalzitti

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo regarding current standards, regulations and the completed evaluations of all district storm drains.

7. The board authorized General Manager Carlos V. Lugo to continue the temporary suspension of late payment charges as outlined in Section 2.12-2(D), Delinquent Accounts, as well as certain provisions of Section 2.5, Turn Off for Nonpayment of the district's policies and procedures manual consistent with Governor Newsom's Executive Order N-42-20. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Hedberg

Second: McMillian

Director of Administrative Services Jennifer C. Bryant and General Counsel Elizabeth W. Hull answered all questions regarding Item 7 being brought back to the board for further action once Governor Newsom's executive order is no longer in place. The board was reminded by General Manager Carlos V. Lugo that the late fees can be reinstated by the board at any time. Director Scalzitti requested that staff communicate with customers, prior to reinstatement of late fees, to provide an opportunity for customers to pay their water bills prior to receiving late fee charges.

8. The board received a PowerPoint presentation by Director of Administrative Services Jennifer C. Bryant regarding the potential financial impacts to the district as a result of the postponement of the 2020 Proposition 218 notice. There were no public comments.

Through general consensus, the board directed staff to align the budget and rate setting timelines, with a rate increase delayed until July 1, 2020, while focusing on Scenario 2 to set rates for fiscal year 2021-22 through fiscal year 2024-25. All board members expressed appreciation for the financial discussion and agreed unanimously to use local rainfall and the rate stabilization fund to keep future rate increases low.

9. The board received a PowerPoint presentation by Director of Administrative Services Jennifer C. Bryant and provided the following direction to staff regarding the draft budget guidelines and principles for developing the fiscal year 2020-21 budget: continue to control costs; use local runoff to minimize water purchases; reduce capital improvement plan by \$2.5 million; delay the board's original direction to make a \$750,000 payment toward the CalPERS unfunded liability and utilize \$1 million from the rate stabilization fund. There were no public comments. Director McMillan suggested staff look into funding long-term liabilities through the low interest rate loans that are currently available. General Manager Carlos V. Lugo reminded the board that the district can fund all programs benefiting from little overtime, no current water breaks and good rainfall.

President Gracyk adjourned the meeting for a brief break at 6:11 p.m. and reconvened the meeting at 6:19 p.m.

DISCUSSION

10. President Gracyk reported attending the April 8, 2020 Engineering and Operations Committee meeting and received updates from Human Resources Manager Anne D. Solano, Director of Engineering James A. Tomasulo and Director of Operations Kevin D. Miller, with all departments doing well. President Gracyk reported that he continues to stay in daily contact with General Manager Carlos V. Lugo and extended his gratitude to the employees working from home, the field and office during the pandemic.

Board Secretary Sandra L. Janzen provided in the board package a report that the district received a compliment from Customer David Fielding thanking Valve Maintenance Technician III Roberto A. Mineo for his professionalism, kindness and the wealth of information he provided while assisting Mr. Fielding.

11. President Gracyk, Directors Scalzitti, Hedberg and McMillan provided written reports. Vice President Verbeke reported attending the April 8, 2020 Engineering and Operations Committee meeting, the March 19, 2020 Association of California Water Agencies Region 10 board meeting and the April 15, 2020 East County Economic and Development Council meeting.

Director Hedberg reported attending the April 7, 2020 Best Best & Krieger webinar, Leveraging FEMA and Other Federal Grant Funding Opportunities for COVID-19 Response; shared her video conference screen displaying the district's website page focused on COVID-19 and shared that the San Diego Chapter, California Special Districts Association, Executive Board canceled the May dinner meeting and set up a CSDA virtual meeting on May 21, 2020 at 5 p.m.

Director McMillan reported the district is financially solvent and reported that the Parks, Land, Lakes and Garden Committee has been working with staff to develop badges for added enforcement of the rules at Lake Jennings. General Manager Carlos V. Lugo reported that badge options will be provided to the board at a future meeting.

Director Scalzitti provided the board with a letter to San Diego County Water Authority Chair Jim Madaffer and the SDCWA Board of Directors. The letter requests that the SDCWA board take action, to freeze water rates for one year due to the pandemic, allowing water suppliers to support regional customers. Discussion ensued. The board agreed that the district's SDCWA representatives, Directors Scalzitti and Hedberg, should sign the letter in time for the SDCWA board meeting. District Counsel Elizabeth W. Hull advised the board to take action regarding the letter at a future board meeting to determine if the letter should also be signed by the district's full board to be distributed regionally. General Manager Carlos V. Lugo confirmed the letter is to be finalized, signed by Directors Scalzitti and Hedberg and provided to the San Diego County Water Authority Clerk of the Board for distribution. A formal letter from the board to be considered at a future board meeting. There were no public comments.

12. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on April 22 and 29, 2020 to be held via video conference. General Manager Carlos V. Lugo reported the COVID-19 Response Team is meeting weekly to work through policy issues and that all communication has been well received by the employees. Mr. Lugo reported 30 to 40 percent of the employees are working in the offices on rotating shifts; customer service calls are slowing down; COVID-19 Response Team is making plans for the next 30 days; monitoring what other agencies are doing; and leveraging the expertise of Best Best & Krieger for clarification as new federal and state requirements change. Mr. Lugo reported that capital improvement projects continue and the district encourages contractors to wear masks. Mr. Lugo also reported a shutoff was scheduled for April 16, 2020, to keep a deteriorating slope from damaging a pipeline. Mr. Lugo reported all customers have been notified and will be supplied with water during the shutdown. There were no public comments.
13. General Counsel Elizabeth W. Hull reported she is working closely with staff and continues to monitor FEMA changes and therefore brought Resolution 20-19 confirming Declaration of Emergency in response to COVID-19 pandemic for approval by the board. Ms. Hull reported the resolution will assist the district as they seek reimbursement for COVID-19 expenditures. Ms. Hull also reported that Best Best & Krieger is watching two housing bills expected from Senator Scott Wiener once the legislature returns from the stay at home order.

REPORTS

14. Reports for the Month of March 2020 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

Director of Water Quality/System Operations Brian M. Olney reported 20 to 25 acre-feet of runoff per day into Lake Cuyamaca with over 120 acre-feet per day flowing through the diverting dam. Mr. Olney reported the City of San Diego is drawing water from San Vicente Reservoir. Director of Administrative Services Jennifer C. Bryant clarified that there is a two month delay in water use and revenue received from billing. There were no public comments.

ADJOURNMENT

15. President Gracyk adjourned the meeting at 7:05 p.m.



Mark Gracyk, President

ATTEST:



Sandra L. Janzen, Secretary of the Board