



Setting Standards of Excellence in Public Service

**MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 27, 2020 – 4 p.m.
7811 University Avenue, La Mesa, CA 91942-0427
Virtual Meeting**

1. President Gracyk called the special board meeting to order at 4:08 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.

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

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

Others present: Padre Dam Municipal Water District Chief Executive Officer/General Manager Allen Carlisle and Best Best and Krieger Attorney Nicholas Norvell. Several unidentified customers joined the electronic conference.

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

Motion: Verbeke
Second: McMillan

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.

ADJOURNMENT

5. President Gracyk adjourned the meeting to closed session at 4:14 p.m. Thirteen participants were placed in a virtual waiting room.

CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: Real Estate Related to Conveyance System and Capacity Rights of the Proposed East County Advanced Water Purification Program

Agency Negotiators: Helix Water District General Manager Carlos V. Lugo
Director of Administrative Services Jennifer C. Bryant
Director of Water Quality/System Operations Brian M. Olney

System Operations Manager Michelle P. Berens
Engineering Manager Timothy J. Ross
Negotiating Parties: Padre Dam Municipal Water District CEO/General Manager Allen Carlisle

East County Advanced Water Purification Joint Powers Authority Appointed Administrator Allen Carlisle
Under Negotiation: Price and Terms for Proposed Conveyance of Property

RECONVENE

6. President Gracyk adjourned closed session and reconvened open session at 5:01 p.m. All participants were released from the virtual waiting room. No reportable action was taken during closed session. There were no public comments.

ACTION ITEM

7. The board approved the East County Water Purification Product Water Purchase Agreement with the East County Advanced Water Purification Joint Powers Authority in substantial final form and authorized General Manager Carlos V. Lugo to finalize and execute the agreement with no substantive changes. There were no public comments. The motion carried 4:1 by roll call vote.

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

The board approved the East County Advanced Water Purification Sub-Agreement for treatment and delivery of potable water with Padre Dam Municipal Water District in substantial final form and authorized General Manager Carlos V. Lugo to finalize and execute the agreement with no substantive changes. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Hedberg
Second: Scalzitti

General Manager Carlos V. Lugo introduced the item. Director of Water Quality/System Operations Brian M. Olney provided a PowerPoint presentation and answered all questions regarding total project costs of \$681 million, take or pay performance requirements, protections of the force majeure and future dispute resolution. Director McMillan expressed his sensitivity to the unknown expenditures for district customers caused by a regional focus, potential dispute resolution and an expected increase in San Diego County Water Authority rates due to agency roll offs.

President Gracyk, Vice President Verbeke, Directors Scalzitti and Hedberg expressed gratitude to the district team working through the details of this project, including District Counsel Elizabeth W. Hull and the board. All team members General Manager Carlos V. Lugo, Director of Water Quality/System Operations Brian M. Olney, Director of Administrative Services Jennifer C. Bryant, Engineering Manager Timothy J. Ross, System Operations Manager Michelle P. Berens and District Counsel Elizabeth W. Hull congratulated the board and one another for the dedicated perseverance, talent and cooperation needed to develop the project. Mr. Lugo reminded the board that this is the beginning of a long relationship to execute these agreements with qualified people on staff. President Gracyk and Director Scalzitti recognized the collaborative efforts of Padre Dam Municipal Water District, San Diego County Sanitation District and the City of El Cajon.

President Gracyk adjourned the meeting at 6:15 p.m. for a break. President Gracyk reconvened the meeting at 6:25 p.m. with the full board in attendance.

DISCUSSION ITEM

8. The board discussed the San Diego County Water Authority's proposed calendar year 2021 rates and charges. General Manager Carlos V. Lugo reported the discussion item was added to the agenda at the request of Director McMillan. Director Hedberg reported that she also requested the item be placed on the agenda. Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation. There were no public comments. Board discussion ensued.

General consensus was shared regarding SDCWA's ability to mitigate a 20 percent increase down to a 6.3 percent untreated rate increase resulting in a melded rate

increase to the district of nearly 5 percent. Director Hedberg reminded the board that staff initially budgeted for a 5 percent increase from San Diego County Water Authority. Director McMillan encouraged the district representatives to vote no on a rate increase at the SDCWA Board of Directors meeting and to request that their staff look to cutting costs and restructuring the agency for a balanced budget. President Gracyk suggested SDCWA District Representatives Scalzitti and Hedberg vote unitedly. The board thanked General Manager Carlos V. Lugo and Director of Administrative Services Jennifer C. Bryant for providing the analysis of the SDCWA's board report and cost of service study. Director Hedberg requested additional information regarding Metropolitan Water District of Southern California's reported 9 percent rate increase.

ADJOURNMENT

9. President Gracyk adjourned the special board meeting at 7:29 p.m.



Mark Gracyk, President

ATTEST:



Sandra L. Janzen, Secretary of the Board