



*Setting Standards of Excellence in Public Service*

**MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
Wednesday, July 1, 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 4:02 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, Janzen, Pope, Lyford, Malkin, Schipper, Pearce, Ross and Curtis. General Counsel Elizabeth W. Hull was present and was joined by Legal Counsel Whitney Blackhurst during the closed session.

Others present: Project Manager/Estimator Buzz Birney of Cass Arrieta and several unidentified customers joined the electronic conference.

2. Director Scalzitti 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: 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: Scalzitti  
Second: Verbeke

- a) Memorandum dated July 1, 2020, from the Secretary of the Board Sandra L. Janzen submitting expense and per diem claims was approved.
- b) The board approved the June 17, 2020 special board meeting minutes.
- c) The operating account checks submitted for ratification were approved:
  - i. Checks dated June 19, 2020
  - ii. Checks dated June 26, 2020
- d) The board approved the following attendance considerations:
  - i. Special Districts Funding Virtual Summit  
Sponsored by Government Technology  
June 23, 2020 at 10 a.m.  
Webinar
  - ii. P3 Water Virtual Summit  
July 8-10, 2020
  - iii. Southern California Water Conference - Potentially Conducted Virtually  
August 14, 2020 from 9 a.m. to 1 p.m.  
DoubleTree Hotel by Hilton, Ontario, California

**ACTION ITEMS**

6. The board adopted Resolution 20-23 awarding construction of pipeline project Broadway, Second, Grape, Third, CIP20001, to the lowest responsible bidder submitting a responsive bid, Cass Construction Inc. doing business as Cass Arrieta, of El Cajon, California, in the amount of \$2,797,195; appropriated funds in the amount of \$3,260,000 from the fiscal year 2020-21 capital budget. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti  
Second: Hedberg

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo and General Counsel Elizabeth W. Hull regarding the protest and protest withdrawal process and construction protocols observed during the pandemic. Mr. Tomasulo thanked Board Secretary Sandra L. Janzen and her team for the professionalism of the district's first virtual bid opening. Director Scalzitti verified that the district will replace approximately 15,000 feet of cast-iron pipe per year for the next seven to eight years. Project Manager/Estimator Buzz Birney of Cass Arrieta reported his company is a member of the Associated General Contractors and follows COVID-19 guidelines.

7. The board authorized General Manager Carlos V. Lugo to execute a professional services agreement with Psomas in the amount of \$47,080 and appropriated funds in the amount of \$50,000 from the fiscal year 2020-21 capital budget for the real estate development feasibility study, CIP21007. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti  
Second: McMillan

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo regarding the Parks, Land, Lakes and Garden Committee recommendations, terms and benefits of a feasibility study. PLLG Committee Chair McMillan and Co-Chair Scalzitti commended staff for working with them to ensure execution of an easement with the Navy and expressed confidence that the feasibility study will document that the land has more value than indicated in initial appraisals. Director McMillan also stressed the potential for increased capacity fee collection and future water sales. President Gracyk shared that there could be benefits to the City of La Mesa if the zoning is changed at a later date by a potential developer. Mr. Tomasulo reported he would have Board Secretary Sandra L. Janzen send an email to the board regarding how long the study is expected to take.

8. The board appropriated funds in the amount of \$120,000 from the fiscal year 2020-21 capital budget for the design and survey for pipeline project CIP21003. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti  
Second: Hedberg

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo regarding plans for construction to begin in fiscal year 2022-23.

9. The board appropriated funds in the amount of \$450,000 from the fiscal year 2020-21 capital budget for the small valve replacement program CIP21004 in accordance with the

district's capital improvement program master plan. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Verbeke  
Second: Scalzitti

Field Operations Manager Oliver K. Malkin presented the item. There were no additional questions.

10. The board appropriated funds in the amount of \$696,000 from the fiscal year 2020-21 capital budget and authorized the sole source purchase of actuators for the individual filter backwash valves at the R.M. Levy Water Treatment Plant, CIP21201. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Hedberg  
Second: Verbeke

Water Treatment Plant Manager Larry W. Lyford provided a PowerPoint presentation and answered all questions regarding the majority of work being completed by district staff, the 14 weeks expected to receive the actuators and the expectation that the equipment upgrades, replacement and refurbishments will take a year to complete.

11. The board authorized General Manager Carlos V. Lugo to execute a second amendment to the agreement for professional services with the district's financial auditor Eide Bailly, LLP for a three-year term. There were no public comments. The motion carried unanimously by roll call vote.

Motion: McMillan  
Second: Verbeke

Finance Manager Amy L. Pope provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo, General Counsel Elizabeth W. Hull and Director of Administrative Services Jennifer C. Bryant regarding district policy, the term options of the amendment and the challenges of changing auditors during a pandemic.

## **DISCUSSION**

12. President Gracyk reported that he continues to meet daily with General Manager Carlos V. Lugo regarding the pandemic and board meeting topics. President Gracyk expressed his gratitude to Mr. Lugo for his availability and efforts.

Secretary of the Board Sandra L. Janzen reported that the district received compliments from customers regarding Valve Maintenance Technician II Morgan K. Blake, Utility Crew

Member I Jose R. Ramirez and Customer Service Specialist Jerry Andrade for their prompt, professional, patient and kind service.

13. President Gracyk, Director Hedberg and Director McMillan provided written reports. Director McMillan recognized Directors Scalzitti and Hedberg for their push at the June 25, 2020, San Diego County Water Authority Board of Directors meeting to keep rates low by cutting costs and detailed the cost of electricity to run a desalination plant.

Director Hedberg detailed the June 25, 2020, San Diego County Water Authority Board of Directors meeting setting water rate increases that may be readdressed if Metropolitan Water District of Southern California adjusts their rate increase. Director Hedberg detailed debt management activities and shared that the SDCWA board approved a Local Resources Program agreement with MWD for the East County Advanced Water Purification Program.

Director Scalzitti also detailed the June 25, 2020, SDCWA Board of Directors meeting reviewing the mid-year budget update, agreement for wheeling of certain local water supplies to the Padre Dam Municipal Water District, the monthly treasurer's report, insurance purchases, adopted positions on various state bills and approval of a resolution supporting the Yuima Municipal Water District's proposed Rancho Corrido annexation. There were no public comments.

14. General Manager Carlos V. Lugo detailed the upcoming agenda items for the board meetings scheduled on July 2, 8, 15 and 22, 2020, the legislative recess from August 1 to September 7, 2020, with the first regular board meeting falling on September 16, 2020. Mr. Lugo reported the COVID-19 Response Team continues to meet weekly and reported that 100 percent of the staff working at the treatment plant and the operations center are on site, while 50 percent of the administration office staff continues to telecommute. Temperatures are taken daily and masks are worn at all three facilities. There were no public comments.
15. General Counsel Elizabeth W. Hull had nothing to report. There were no public comments.

#### **ADJOURNMENT**

16. President Gracyk adjourned for a break at 5:59 p.m. and reconvened in closed session at 6:12 p.m.

#### **CLOSED SESSION**

- A. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
Pursuant to Government Code Section 54956.8

Property: 105.44 acres of Real Property Located in Unincorporated Lakeside,  
San Diego County, with Assessor's Parcel Numbers:  
392-050-47; 392-060-43; & 392-130-47  
Agency Negotiator: General Manager Carlos V. Lugo  
Negotiating Parties: San Diego River Conservancy  
Under Negotiation: Terms and Price

**B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code  
Section 54956.9

Number of cases: 1

**C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957

Title: General Manager

**D. CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to Government Code Section 54957.6

Agency Designated Representatives:

President Mark Gracyk

District Counsel Elizabeth W. Hull

Unrepresented Employee:

General Manager Carlos V. Lugo

**RECONVENE**

17. President Gracyk adjourned closed session at 7:45 p.m. stating there was no reportable action.

**ADJOURNMENT**

18. President Gracyk adjourned the special board meeting at 7:45 p.m.



Mark Gracyk, President

**ATTEST:**



Sandra L. Janzen, Secretary of the Board