



*Setting Standards of Excellence in Public Service*

**MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Wednesday, July 15, 2020 – 5 p.m.  
7811 University Avenue, La Mesa, CA 91942-0427  
Virtual Meeting**

**OPEN MEETING**

1. President Gracyk called the regular board meeting to order at 5:02 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, Ziernicki, Pope, Lyford, Malkin, Schipper, Ross, Garuba, Andrews, Lunde, Uhrhammer and Curtis. General Counsel Elizabeth W. Hull was present.

Others present:

Retired Meter Services Field Representative Robert P. Jacquot, San Diego Union-Tribune Reporter Karen Pearlman and several unidentified customers joined the electronic conference. Public comments were read into the record from "Gordon" and Customer Thomas Klimek.

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

Motion: Verbeke  
Second: Hedberg

4. General Manager Carlos V. Lugo, President Mark Gracyk and the entire board recognized retired Meter Services Field Representative Robert P. Jacquot for 33 years of dedicated service to the district and congratulated him for a successful career. Mr. Lugo reported Mr. Jacquot has received letters of gratitude for his compassionate and respectful nature. Mr. Lugo thanked Mr. Jacquot's family for supporting Robert and the district throughout his career, and mentioned Mr. Jacquot's record of accuracy. Mr. Jacquot thanked the board for the benefits they provide to district employees and thanked Mr. Lugo for his sense of humor.

#### **PUBLIC COMMENTS**

5. 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**

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

Motion: Verbeke

Second: Scalzitti

- a) Memorandum dated July 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. July 1, 2020, special board meeting
  - ii. July 2, 2020, Parks, Land, Lakes and Garden Committee meeting
  - iii. July 8, 2020, Engineering and Operations Committee meeting
- c) The operating account checks submitted for ratification were approved:
  - i. Checks Dated July 3, 2020
  - ii. Checks Dated July 8, 2020
- d) The board adopted Resolution 20-25 declaring construction complete and authorized filing a notice of completion for the Costco Gas Station project RMB18115.

**ACTION ITEMS**

7. The board declared the water quality laboratory's Thermo 1310 gas chromatograph surplus and authorized disposal in the best interest of the district. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Hedberg  
Second: Verbeke

Senior Chemist/Lab Compliance Administrator Cindy A. Ziernicki answered all questions regarding the original \$35,000 purchase price, purchase by a local lab for \$5,000, regulatory and certification requirements, quarterly analysis of 12 samples and maintenance costs of approximately \$14,000 annually. Director Hedberg shared a desire to discuss the new regulations with Ms. Ziernicki in the future.

8. The board adopted Resolution 20-26 declaring construction complete and authorized filing a notice of completion for the R.M. Levy Water Treatment Plant HVAC replacement project CIP19023. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti  
Second: Hedberg

Assistant Director of Engineering Timothy J. Ross provided a PowerPoint presentation and answered all questions regarding the equipment's efficiency and effective maintenance of safe temperatures for the lab equipment.

9. The board adopted Resolution 20-27 declaring construction complete and authorized filing a notice of completion for the administration office landscape improvements project CIP20010. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Gracyk  
Second: Verbeke

Assistant Director of Engineering Timothy J. Ross and Senior Public Affairs Representative Michelle M. Curtis provided a PowerPoint presentation and video. All board members expressed they are pleased with the project and the outreach, the inspiration provided for district customers, benefit to the Water Conservation Garden and the added beauty for the residents of La Mesa.

10. The board authorized staff to call for bids and set August 24, 2020 at 10 a.m. as the date and time of the virtual bid opening for pipeline project CIP19001; determined the project

exempt under the California Environmental Quality Act and approved the project. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Hedberg  
Second: McMillan

Engineering Manager Milica K. Schipper provided a PowerPoint presentation. Director Scalzitti confirmed the vintage pipe currently runs through steep terrain in private easements. There were no additional questions.

11. 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 CIP21001. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Verbeke  
Second: Hedberg

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions regarding the replacement of 5,400 feet of 6-inch AC pipe from 1952 and 12-inch cast-iron pipe from the 1950s.

President Gracyk adjourned the meeting for a recess at 6:17 p.m. and reconvened the meeting at 6:29 p.m. The full board returned from recess.

12. The board appropriated funds in the amount of \$659,000 from the fiscal year 2020-21 capital budget for the purchase of new and replacement vehicles and equipment, declared vehicles surplus to the needs of the district and authorized disposal of four Ford Ranger vehicles. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti  
Second: Hedberg

Facilities Manager Joseph J. Garuba provided a PowerPoint presentation. Discussion ensued regarding staff analysis of the improved safety, regulatory compliance and increased efficiency and flexibility the purchase of a truck mounted hydro excavator provides.

13. The board authorized the district to continue under the terms of the current biller agreement with Invoice Cloud Inc. for two years with another two-year renewal option. There were no public comments. The motion carried unanimously by roll call vote.

Motion: McMillan  
Second: Verbeke

Customer Service Manager Sonya M. Andrews and Enterprise Applications Manager Quince S. Lunde provided a PowerPoint presentation and answered all questions regarding the terms of the new contract with pricing remaining the same and continued enhancements of the software at no additional cost.

14. The board authorized Board President Mark Gracyk to execute a sixth amendment to the employment agreement between Helix Water District and Carlos V. Lugo, substantially in the form presented by General Counsel Elizabeth W. Hull.

Two public comments, provided via email, was read into the record by Board Secretary Sandra L. Janzen. Mr. Thomas Klimek from Lemon Grove emailed, “No pay raise. He can’t survive on \$250,000 per year?”

An emailer by the name of Gordon wrote: “I was told I could have comments read as public comment and would like the following read ahead of item 14: I shared concerns about GM raise agenda item with Kathleen Hedberg and she provided the following response from Kathleen Hedberg: *Thank you for your email. As you know I am currently the President of GMIA and also on the Board of Directors for Helix Water District. Since 2016 when we got new Board Members on the Board the momentum has changed and the Water District is listening to the Board for direction and the people. The General Manager, Carlos Lugo has done a great job in working with the Board and making in-house changes to curb the budget. In fact during this COVID crisis, we are having a zero percent increase in water rates this year, and we will not make any adjustments till July of next year. And in order to do that the District had a 0.4% increase in the budget. Our General Manager, pay scale that you are seeing is a new contract to keep him for another 3 years. Carlos has worked for Helix and can easily retire and we do not want that. We want him to stay as he is doing such a great job. The employees respect him and really like working for him and so does the board. The whole morale has changed from before.* In addition comments were posted on the East County Magazine website regarding this topic - From Tom: *Gosh! I don't see how he can get by on only two hundred and fifty thousand dollars per year. With very little notice I am sure there will be more comments coming on the ECM website. So here are my concerns and follow-up questions for the board to consider? Why now? Is the position contract running out soon? It just seems like poor timing with the current pandemic. Also appreciate the zero rate increase but does this mean no rate increase next year or the year after that ....that is when the salary increases happen? Can the board make that promise? Here is my biggest concern...this is a 3 year extension. How old is the GM? As stated above by Kathleen the GM can easily retire anytime, what is his years of service and pension projection amount? This really looks like pension spiking. Nice sound bite...he is great and we need him for 3 years but please tell me the rate payers will not be paying this salary spike through a pension system after he retires for the next 30 or 40 years bases on his assumed age. This item seems neatly tucked away as item 14 on a very long agenda. Has the board adequately considered and shared the impacts and retirement costs with the rate payers before approving this item. Respectfully Gordon”.*

Board discussion ensued. Mr. Lugo shared that he has been with the district for 29 years and will be turning 57 years old soon. All board members agreed that the item has been reviewed in closed session; a 5 percent increase is reasonable and comparable to other agencies; Mr. Lugo does an excellent job and the board does not want to lose him during these challenging times. The board also reported that Mr. Lugo has accomplished a great number of projects that benefit the customers and they want to continue this positive working relationship. The motion carried unanimously by roll call vote.

Motion: Gracyk  
Second: Verbeke

### **INFORMATION**

15. The board received information on water bill collections during the pandemic from Director of Administrative Services Jennifer C. Bryant. Ms. Bryant provided a PowerPoint presentation and answered all questions with the assistance of Customer Service Manager Sonya M. Andrews regarding the payment history of apartments and duplexes and the continued customer communication and outreach during the pandemic.

### **DISCUSSION**

16. 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 gratitude to the board for conducting 14 board and six committee videoconference meetings since March 18, 2020 due to the governor's stay at home order. President Gracyk reported attending the July 8, 2020, Engineering and Operations Committee meeting at 4 p.m. to review several of the items presented during the July 15, 2020 regular board meeting.

Secretary of the Board Sandra L. Janzen reported that the district received a compliment from Property Manager Charlie Mann regarding Customer Service Representative Cristina M. Soto and Meter Reader Carlos D. Cruz for the excellent procedures taken to notify the district's customers that may be experiencing a leak.

17. President Gracyk, Vice President Verbeke and Director McMillan provided written reports. Vice President Verbeke reported attending the July 8, 2020, Engineering and Operations Committee meeting at 4 p.m. and stated the minutes from the meeting were included in the July 15, 2020, regular board meeting materials. Vice President Verbeke also reported attending a COVID-19 style ribbon cutting for the completion of the administration office's landscaping project with President Gracyk on July 9, 2020. Vice President Verbeke also attended the East County Economic Development Council meeting July 15, 2020, to discuss the effect of the pandemic on business with some 300 small businesses being helped through loan opportunities.

Director McMillan reported attending the Parks, Land, Lakes and Garden Committee meeting on July 2, 2020 and touring the Lake Jennings boat dock construction with Director Scalzitti on July 8, 2020 at 9 a.m. Director McMillan reported there will be a boat dock ribbon cutting event scheduled for the full board. Director McMillan also reported attending the P3 Water Summit virtual conference July 8-10, 2020 and expressed that the San Diego County Water Authority was a large supporter of the event.

Director Hedberg detailed her prep work as a moderator for a session regarding customer surveys to be shared during the Association of California Water Agencies virtual conference held July 29-30, 2020. Director Hedberg thanked Senior Public Affairs Representative Michael J. Uhrhammer for his help recording the event. Director Hedberg shared that the sessions will provide virtual question and answers opportunities at the end of each pre-recorded meeting.

Director Scalzitti also detailed the Parks, Land, Lakes and Garden Committee meeting on July 2, 2020 and touring the Lake Jennings boat dock construction with Director McMillan on July 8, 2020 at 9 a.m. Discussion ensued regarding \$86 million in funding for the East County Advanced Water Purification Program from the Metropolitan Water District of Southern California's Local Resources Program. General Manager Carlos V. Lugo was requested to forward recent emails regarding litigation between the San Diego County Water Authority and MWD, any reaction emails to litigation, and the San Diego County Local Formation Commission Rainbow Metropolitan Water District and Fallbrook Public Utility District reorganization proposals discussed during the LAFCO Ad Hoc Advisory Committee meeting July 6, 2020. General Counsel Elizabeth W. Hull reported she would review said items. There were no public comments.

18. General Manager Carlos V. Lugo detailed the upcoming agenda items for the Committee of the Board meeting scheduled on July 22, 2020, the legislative recess from August 1 to September 7, 2020, and a Lake Jennings boat dock event in early September. Discussion ensued regarding litigation between the SDCWA and MWD, reaction emails to litigation, and the San Diego County Local Formation Commission Rainbow Metropolitan Water District and Fallbrook Public Utility District reorganization applications. Mr. Lugo reported that LAFCO is hiring consultants to evaluate the financial impacts, potential exit fees and California Environmental Quality Act restrictions involved with a reorganization of the SDCWA member agencies. Mr. Lugo clarified that the district will not be submitting a position letter. Mr. Lugo also reminded the board they are welcome to participate in a virtual Water Chat presented by the district on July 21, 2020 at 5:30 p.m. There were no public comments.
19. General Counsel Elizabeth W. Hull had nothing additional to report. There were no public comments.

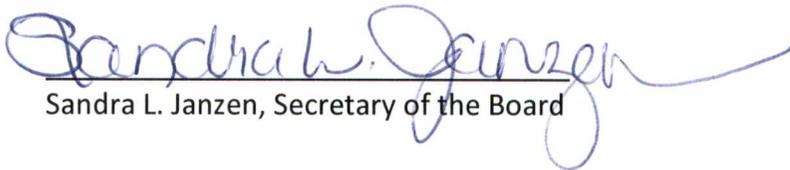
**ADJOURNMENT**

20. President Gracyk adjourned the regular board meeting at 8:05 p.m.



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Mark Gracyk, President

**ATTEST:**



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Sandra L. Janzen, Secretary of the Board