



Setting Standards of Excellence in Public Service

**MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, January 20, 2021 – 4 p.m.
7811 University Avenue, La Mesa, CA 91942-0427
Virtual Meeting**

1. President Scalzitti 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 Scalzitti, Hedberg, McMillan, Gracyk and Verbeke were present.

Staff present: Lugo, Tomasulo, Olney, Bryant, Miller, Ross, Janzen, Pope, Aytes, Curtis, Lundy, Uhrhammer, Dambrose and Solano. General Counsel Elizabeth W. Hull and Lutfi Kharuf of Best Best & Krieger were also present.

Others present: IB Consulting Managing Partners Habib Isaac and Andrea Boehling and CV Strategies Vice President Tara Bravo were present.

2. Vice President Hedberg provided the invocation with a moment of silence for victims of COVID-19. Vice President Hedberg also recognized the passing of former Imperial Irrigation District General Manager Kevin Kelly, read parts of President Joe Biden's inaugural address and led the Pledge of Allegiance.
3. General Manager Carlos V. Lugo reported that a second special board meeting was added to the calendar 24 hours prior to the January 20, 2021 board meeting to conference with real property negotiators during closed session. There were no public comments. The motion to approve the agenda carried unanimously by roll call vote.

Motion: Verbeke
Second: Hedberg

4. President Scalzitti 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: McMillan

Second: Verbeke

- a) Memorandum dated January 20, 2021, 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. January 6, 2021, special board meeting
 - ii. January 7, 2021, Parks, Land, Lakes and Garden Committee meeting
- c) The operating account checks submitted for ratification were approved:
 - i. Checks dated January 1, 2021
 - ii. Checks dated January 8, 2021
 - iii. Checks dated January 15, 2021
- d) Attendance Considerations
The board adopted the following attendance considerations:
 - i. California Special Districts Association
Top 10 Prevailing Wage Tips for Agencies
January 12, 2021 at 10 a.m.
Webinar
 - ii. CalDesal
Passport to Desal Virtual Annual Conference
February 10-11, 2021

ACTION ITEMS

6. The board received an update regarding the fiscal year 2021-22 budget, cost of service study and rate setting process and provided guidance regarding the timing of the related Proposition 218 rate notice. There were no public comments.

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and welcomed IB Consulting Managing Partners Habib Isaac and Andrea Boehling, CV Strategies Vice President Tara Bravo and General Counsel Lutfi Kharuf of Best Best & Krieger. Discussion ensued.

The board provided general consensus for staff to move forward with a proposed rate increase for July 1, 2021, in alignment with the timing of the district's budget; to move forward with the proposed tiers; to begin the Helix Helps Rate Assistance Program with a third party administrator designating up to \$500,000 in non-rate revenue (such as land sales). The board generally agreed to utilize \$4 million from the rate stabilization fund and to remove \$2.3 million of CalPERS repayments to smooth rates, yet requested additional information regarding the proposal to reduce the capital budget by \$2 million. Board members cautioned staff to keep rates as low as possible while maintaining infrastructure and excellent service for district's customers. The board requested slide 27 be updated to reflect current fixed and variable rate structure percentages.

7. The board adopted Resolution 21-05 appointing Director Daniel H. McMillan as the new Helix Water District representative to the San Diego County Water Authority and Resolution 21-06 confirming proxy authorization. There were no public comments. The motion to adopt both resolutions carried unanimously by roll call vote.

Motion: Hedberg
Second: Verbeke

President Scalzitti appointed Director McMillan to fulfill the remainder of Vice President Hedberg's SDCWA Board of Directors term through 2025 and authorized Board Secretary Sandra L. Janzen to provide certified copies of the board approved resolutions to the SDCWA. Ms. Janzen reported that Director McMillan's term will begin as soon as he takes the oath of office at the SDCWA. Vice President Hedberg reported her time on the SDCWA board was an honor.

INFORMATION ITEM

8. General Manager Carlos V. Lugo requested the informational report regarding water bill collections during the pandemic be pulled from the agenda in the interest of time. District Counsel and the full board agreed to remove the item.

President Scalzitti recessed the meeting for a break at 6:46 p.m. and reconvened the meeting at 6:58 p.m.

DISCUSSION

9. President Scalzitti reported completing the required California Sexual Harassment, Discrimination, Retaliation and Abusive Conduct Prevention training on January 14, 2021

provided by 34th Street Consulting, Gerry Preciado with Vice President Hedberg and the January 20, 2021 California Special District's Association's Ethics Training with Director Gracyk. President Scalzitti requested the removal of agenda item 9. b) in the interest of time. The board and general counsel agreed.

Board Secretary Sandra L. Janzen reported a customer compliment was received regarding the outstanding service and communication provided by Utility Crew Supervisors Slade L. Livermore and Ryan S. Smith; Utility Crew Members Daniel De La Rosa, Eric D. Hughes, Garrett T. Hurst, Peter J. Spangler; and Equipment Operators Taidgh D. Horan and James E. Conder.

10. Vice President Hedberg, Director McMillan, Director Gracyk and Director Verbeke provided written reports. Vice President Hedberg and Director McMillan reported attending the January 13, 2021 Finance and Administration Committee meeting. Vice President Hedberg shared that the details regarding pushing capital improvement projects to later years will be shared with the full board along with information regarding temporary meters used by cities within the district's service area and the County of San Diego. Director McMillan concurred.

Directors Gracyk and Verbeke reported attending the January 13, 2021 Engineering and Operations Committee meeting. Director Gracyk reported fleet vehicle deliveries have been delayed due to COVID-19 complications and Director Verbeke shared that multiple district projects were detailed during the meeting and are on track. Director Verbeke also reported attending the January 12, 2021 Association of California Water Agencies Finance Committee meeting and the January 14, 2021 San Diego River Conservancy meeting sharing details regarding a contract to clean up palm trees within canyons. There were no public comments.

11. General Manager Carlos V. Lugo detailed the upcoming agenda items for the board meetings scheduled on January 27, February 3, 17 and 24, 2021. Mr. Lugo also mentioned the February 10, 2021 Water Quality and Resources Committee's new members may update the committee name. Mr. Lugo reported district staff continue to work from home due to enhanced OSHA regulations and the continued increase in positive cases and exposures to COVID-19. Mr. Lugo reported general managers are working regionally to share resources as needed. Mr. Lugo reported the SDCWA Member Agency Manager presentations will be forwarded to the board. There were no public comments.
12. General Counsel Elizabeth W. Hull reported emailing two legal alerts in the interest of time rather than discussing them during the meeting. There were no public comments.

RECESS TO CLOSED SESSION

13. General Counsel Elizabeth W. Hull introduced the items to be discussed in closed session. There were no public comments prior to President Scalzitti's recess of open session at 7:15 p.m.

CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Government Code Section 54956.8

Property: Windsor Hills Tank Vacant Lot, Summit Drive, La Mesa, CA
(APN: 470-680-16)

Agency Negotiators: General Manager Carlos V. Lugo, Director of Engineering
James A. Tomasulo, Engineering Manager Milica K.
Schipper, Senior Right of Way Agent/Environmental Analyst
Debra S. Lundy

Negotiating Parties: Mary Friend


Under Negotiation: Price and Terms of Agreement

ADJOURNMENT OF CLOSED SESSION/RECONVENE OPEN SESSION

14. President Scalzitti adjourned closed session and reconvened open session at 7:36 p.m. There was no reportable action. There were no public comments.

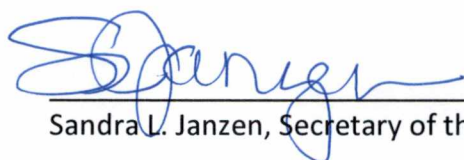
ADJOURNMENT

15. President Scalzitti adjourned the special board meeting at 7:37 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Secretary of the Board