



Setting Standards of Excellence in Public Service

**MINUTES
COMMITTEE OF THE BOARD
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, January 27, 2021 – 3 p.m.
7811 University Avenue, La Mesa, CA 91942-0427**

1. President Scalzitti called the January 27, 2021, Committee of the Board meeting to order at 3:03 p.m. and turned the meeting over to Board Secretary Sandra L. Janzen to verify that the board, 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, Olney, Bryant, Miller, Tomasulo, Ross, Janzen, Pope, Doubrava, Malkin, Lyford, Solano, Lundy, Chambers, Curtis, Dambrose, Uhrhammer and Garuba. General Counsel Elizabeth W. Hull was present.

Others present: General Manager Carlos V. Lugo was joined by family, friends, employees and retirees in celebration of his 30-year service award.

2. Director McMillan led the Pledge of Allegiance. No invocation was provided.
3. General Manager Carlos V. Lugo reported that item 8 was to be removed from the agenda. Mr. Lugo also reported a special board meeting was scheduled immediately following the Committee of the Board meeting to consider a sales agreement for a district lot in La Mesa. 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.

SERVICE AWARD

5. General Manager Carlos V. Lugo received his service award for 30 years of district service. President Scalzitti introduced Mr. Lugo. Director Verbeke shared Mr. Lugo's background with the district and presented the service award during a PowerPoint tribute. Mr. Lugo thanked his wife, daughters, family, employees, retirees and the board for the encouragement, support and making the district a special place to work through dedication and each employee's pride in the work they produce. Each board member thanked Mr. Lugo for his integrity, dedication, leadership and resilience. There were no public comments.

DISCUSSION

6. The board provided the following direction to staff regarding the budget and rate setting guidelines and principles for the fiscal year 2021-22 budget: utilize \$4 million from the rate stabilization reserve and reduce the district's capital PayGo funding by \$2 million to offset a rate increase; and stop the CalPERS prepayments at this time.

The board requested additional information regarding the following topics be detailed during a future board meeting: January shutoffs, the rate assistance program, alternatives to delaying capital improvements, CalPERS modeling with options to prepay the unfunded liability in future years, examples of the Proposition 218 notice and details regarding the use of other reserves to offset rates.

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation. There were no public comments.

7. President Scalzitti opened the discussion for any additional board comments reporting he would attend the January 28, 2021 San Diego County Water Authority Board Meeting and reminded the board that the February 3, 2021 special board meeting starts at 1 p.m. Director Verbeke reported attending the Water Conservation Garden Joint Powers Authority meeting on January 22, 2021 and was elected to serve as president with Mark Robak serving as vice president. Director Gracyk reported attending the January 25, 2021 La Mesa Environmental Sustainability Commission with discussion regarding the city declaring a climate emergency. Director McMillan reported that the Tax Payers Association will be hosting a one-day seminar and encouraged all to attend. Director McMillan also reported attending the East County SDCWA meeting with SDCWA General Manager Sandy Kerl and recommended the SDCWA review the two-year budget each year and evaluate the investment portfolio. There were no public comments.

INFORMATION ITEM

8. The informational item regarding temporary meters used by the county and cities within the district's jurisdiction was pulled from the agenda.

REPORTS

9. The board received the reports for the month of December 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 highlighted that the ground is saturated but no runoff has been received to date. Lake Cuyamaca experienced snow but the water remains at 600 acre-feet of water. Three hundred additional acre-feet are needed before water can be drafted from the lake. Mr. Olney reported the operating plan is on target with the existing storage. The Lake Jennings campground booked 70 reservations within seven hours of the statewide stay at home order being lifted by Governor Newsom. Vice President Hedberg congratulated Mr. Olney for Lake Jennings winning a multitude of Best in East County awards.

ADJOURNMENT

10. President Scalzitti adjourned the Committee of the Board meeting at 4:55 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Secretary of the Board