



Setting Standards of Excellence in Public Service

**MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Wednesday, February 17, 2021 – 4 p.m.
7811 University Avenue, La Mesa, CA 91942-0427
Virtual Meeting**

OPEN MEETING

1. President Scalzitti called a special board meeting to order at 4 p.m. The meeting was turned 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, Olney, Bryant, Miller, Tomasulo, Ross, Janzen, Schipper, Pope, Doubrava, Malkin, Roff, Solano, Lundy, Curtis, Dambrose, and Uhrhammer. General Counsel Elizabeth W. Hull, Whitney Blackhurst and Lutfi Kharuf of Best Best & Krieger were also present.

Others present: Customer Kyra Greene, IB Consulting Managing Partners Habib Isaac and Andrea Boehling, Vice President of CV Strategies Tara Bravo, San Diego County Water Authority Principal Public Affairs Representative Risa Brown and San Diego Union-Tribune Reporter Karen Pearlman were present.

2. President 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 comments. The motion to approve the agenda carried unanimously by roll call vote.

Motion: Verbeke
Second: Hedberg

PUBLIC COMMENTS

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.

RECESS

5. General Counsel Elizabeth W. Hull introduced the closed session item. There were no public comments. President Scalzitti recessed open session to conduct a closed session at 4:07 p.m.

CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph 4 of subdivision (d) of Section 54956.9: 1 case

ADJOURN CLOSED SESSION

6. President Scalzitti adjourned closed session and reconvened open session at 4:37 p.m. General Counsel Elizabeth W. Hull reported that the board provided direction to general counsel to file litigation against Sky Terrace LP. There were no public comments.

CONSENT AGENDA

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

Motion: Hedberg

Second: Verbeke

- a) Memorandum dated February 17, 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 27, 2021, special board meeting
 - ii. January 27, 2021, Committee of the Board meeting
 - iii. February 3, 2021, special board meeting
 - iv. February 9, 2021, special Finance and Administration Committee meeting
 - v. February 10, 2021, special board meeting

- c) The operating account checks submitted for ratification were approved:
 - i. Checks dated February 5, 2021
 - ii. Checks dated February 12, 2021

- d) Resolutions
The board adopted the following resolutions:
 - i. 21-09 concurring in nomination to Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority David A. Drake of Rincon del Diablo Municipal Water District

 - ii. 21-10 concurring in nomination to Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority Randall James Reed of Cucamonga Valley Water District

ACTION ITEMS

- 8. The board adopted Resolution 21-12 authorizing the sale of a 5,625-square-foot lot in the city of La Mesa; approved the purchase and sale agreement with Ms. Mary K. Friend; and authorized General Manager Carlos V. Lugo to execute all documents necessary to close the transaction. There were no board or public comments. The motion to adopt the resolution, approve the sales agreement and close the transaction carried unanimously by roll call vote.

Motion: Hedberg
Second: Verbeke

Director of Engineering James A. Tomasulo provided a PowerPoint presentation.

- 9. The board approved the midyear adjustments to the fiscal year 2020-21 capital improvement program budget. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Verbeke
Second: Hedberg

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions regarding projects requiring additional funding. Mr. Tomasulo confirmed the projects were accounted for during the board's last budget discussion. Director Gracyk verified that financial details are presented to the board during approval of all notices of completion.

10. The board reviewed the five-year water rate projection scenarios and provided guidance to staff for updating the fiscal year 2021-22 water rates. There were no public comments. The motion to set a two-year rate increase using the details presented in scenario two and allowing for the pass through of San Diego County Water Authority rate increases for up to five years with a July 1 rate increase carried 4:1 by roll call vote.

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

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation. Scenario two included the use of \$5 million from the rate stabilization reserve fund; \$2 million from capital improvements; \$3 million from planned CalPERS prepayments. Ms. Bryant confirmed scenario two adheres to most rate setting principles and leaves \$1 million in the RSRF and refills at the end of the fiscal year. All questions were answered by Ms. Bryant with the assistance of General Manager Carlos V. Lugo, General Counsel Lutfi Kharuf and Consultant Tara Bravo regarding the three scenarios, proposed rates for the bimonthly water bills, outreach and details regarding the Helix Helps Rate Assistance program. IB Consulting Managing Partner Habib Isaac and Mr. Kharuf clarified timing of the Proposition 218 notice, best practices and the cost of service study. Discussion ensued. Director McMillan expressed gratitude to Ms. Bryant and the team of consultants for presenting an acceptable rate, given the board was leaning toward no rate increase. Director McMillan also pointed out that staff has made budget cuts. General Manager Carlos V. Lugo reported staff would continue to work with the consultants to adjust and move forward with a smooth process. President Scalzitti also thanked staff for their dedicated work.

11. The board adopted Resolution 21-11 rescinding Resolution 19-01 and reestablishing the regular meeting dates and time of the Helix Water District Board of Directors, effective March 17, 2021. There were no public comments. The motion directing staff to change the proposed meeting time in the resolution from 2 to 3 p.m. carried 4:1 by roll call vote.

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

General Manager Carlos V. Lugo introduced the item with President Scalzitti. President Scalzitti proposed 2 p.m. as the new regular meeting time. Discussion ensued. Director Gracyk stated for the records that he is strongly opposed to changing the meeting time, as it will not serve the public. All directors stressed the importance of holding budget related meetings and workshops at 5 p.m. Following board discussion a majority of the

board members agreed on a 3 p.m. start time.

REPORTS

12. The board received the reports for the month of January 2021:

- a) Financial
- b) Rainfall, Use and Storage
- c) System Demand
- d) Monthly Demand
- e) Conservation Status

There were no public comments. Discussion ensued regarding the warm temperatures in January resulting in higher water usage. Director of Water Quality/System Operations Brian M. Olney reported rainfall totals remain low.

DISCUSSION

13. President Scalzitti reported that the purchase of El Monte land was approved by the San Diego County Board of Supervisors. President Scalzitti also reported he would be attending an Advanced Water Purification Joint Powers Authority meeting and the upcoming San Diego County Water Authority Board of Directors meeting.

Secretary of the Board Sandra L. Janzen reported that the district received a customer compliment for the outstanding service provided by Valve Maintenance Technician Bryan K. Watte.

14. President Scalzitti, Director McMillan, Director Gracyk and Director Verbeke provided written reports. Director McMillan reported that he was interviewed by the East County Magazine regarding the board's regular meeting time. Director McMillan reported that he wanted to tell the media that the board receives appreciative compliments from customers regarding the district's employees on a weekly basis. Vice President Hedberg and Director Verbeke reported attending the February 17 and 18, 2021 Urban Water Institute Spring 2021 virtual conference. Director Verbeke also reported attending the East County Economic Development Council and Vice President Hedberg made a request to be added to the notification lists for said meetings as the district's alternate representative. There were no public comments.

15. General Manager Carlos V. Lugo detailed the upcoming agenda items for the board meetings scheduled on February 24 and March 3, 2021. Mr. Lugo also mentioned the February 23, 2021 special Water Quality and Resources Committee meeting and reminded the board to return the performance evaluations for the general manager to the board secretary on Monday, February 22, 2021. Mr. Lugo shared that the

Metropolitan Water District of Southern California has issued a \$44 million check to the San Diego County Water Authority. President Scalzitti requested a meeting for himself and Director McMillan with General Manager Lugo to discuss the funds prior to the next San Diego County Water Authority board meeting. Mr. Lugo reported he would forward the Member Agency Managers meeting presentations to the board. Vice President Hedberg suggested that staff continue to stay informed regarding COVID-19 funding relief options at both the state and federal level. There were no public comments.

16. General Counsel Elizabeth W. Hull had nothing additional to report. There were no public comments.

ADJOURNMENT

17. President Scalzitti adjourned the special board meeting at 6:54 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Secretary of the Board