



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**PROPOSITION 218 PUBLIC HEARING**  
**Wednesday, April 28, 2021 – 5 p.m.**  
**7811 University Avenue, La Mesa, CA 91942-0427**  
**Virtual Meeting**

**OPEN MEETING**

1. President Scalzitti called the special board meeting to order at 5:02 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, Bryant, Tomasulo, Olney, Ross, Janzen, Malkin, Pope, Solano, Doubrava, Curtis, Uhrhammer, Dambrose, Schipper, Andrews and Chambers. 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, Vice President of CV Strategies Tara Bravo were present with customers Linda Regalado, Jose Hernandez, Lory Walker, Jo Moreland, Harry and Janet Zanville, Diane Demet, Jim Marshall, Jean Guillaume Lonjaret, Mary Kay Sherwin, Paula Friga, Doris, CA Eggerts, Phillip, B. Wilkins, Rodrigo Mayorga, Reverend S. Davis, S. Davis, Claudette Reynolds, Radu Alexandru, Stephanie and an unidentified phone participant.

2. 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: Hedberg  
Second: Verbeke

**PUBLIC COMMENTS**

3. 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.

**PROPOSITION 218 PUBLIC HEARING & ACTION ITEM**

4. Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation. District Counsel Lutfi Kharuf reviewed the requirements to conduct the public hearing, referencing Article XIII (D)(6) of the California Constitution, commonly known as Proposition 218.

President Scalzitti opened the public hearing at 5:38 p.m. Vice President of CV Strategies Tara Bravo recognized the following customers opposed to a rate adjustment of the tiers, the timing of the adjustment given the pandemic and/or in search of a solution for rising costs: Jean Guillaume Lonjaret, Diane Demet, Reverend Davis, Harry and Janet Zanville, Radu Alexandru, Stephanie, Rodrigo Mayorga, Paula Friga and Jim Marshall. Several customers thanked Director of Administrative Services Jennifer C. Bryant for the excellent presentation and the availability of staff over the years to address questions. Mr. Marshall encouraged public education to explain why costs continue to increase when customers conserve water.

President Scalzitti instructed staff to retrieve any protest letters from the administration office drop box. Board Secretary Sandra L. Janzen reported she received two additional protest letters during the public hearing.

General Manager Carlos V. Lugo thanked the public for their participation in the hearing and ensured all questions were answered regarding fixed costs, the desire for a senior discount, timing of the increase with a pandemic, the availability of federal and state grants, regional customer advocacy to keep rates down, serving on a regional financial strategic workgroup, water supply reliability, impacts of imported water supply and unfunded pension liability of \$43 million. IB Consulting Managing Partner Habib Isaac, District Counsel Lutfi Kharuf, Director of Water Quality/System Operations Brian M. Olney, Director of Administrative Services Jennifer C. Bryant and Mr. Lugo answered all questions and invited customers to meet with staff regarding any concerns.

President Scalzitti closed the public hearing at 6:22 p.m. and opened board comments. All board members thanked the public for their participation, comments and questions. Vice President Hedberg highlighted her understanding of the customer concerns, the efforts of the board and staff to keep costs down and the Helix Helps Assistance program. Director McMillan shared that the board kept costs down during the pandemic

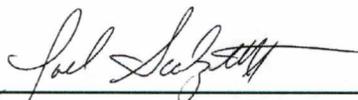
by freezing rates, used the rate stabilization fund to smooth the rate adjustment and kept the rate adjustment to two years. Director McMillan reported that customers are encouraged to keep their bills low through conservation as they control the variable portion of their water bills. Directors Gracyk and Verbeke reported reading all of the protest letters. Director Gracyk reported his division of the district is the most economically challenged and that he will vote in the best interests of the people that elected him. Director Verbeke reported that the rates that are being proposed are the best we can do at this time and still keep safe, reliable water flowing. President Scalzitti reported that rates were not increased last year and all parties did the best they could do in the interest of the customers. President Scalzitti reminded the board of the extensive work completed during the budget process to cut \$5 million in expenditures, the implementation of the Helix Helps Assistance program for customers in need of financial assistance, the cost of service study and keeping the four to five year rate setting process to two years. President Scalzitti commended the board for seeking the information they needed, reviewing the numbers with staff and gave special recognition to Director Gracyk for his due diligence throughout the process.

President Scalzitti closed board comments and requested the tabulation of the protest letters. Board Secretary Sandra L. Janzen reported that a majority of owners of the district's identified parcels is 28,804. Written protests were submitted by 147 verified customers. Ms. Janzen reported that a majority of protests did not exist and that the board may consider the adoption of Resolution 21-26. There were no public comments. The motion to adopt Resolution 21-26 increasing rates for water service for fiscal years 2021-22 and 2022-23 carried 4:1 by roll call vote.

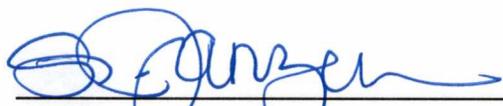
Motion: Hedberg  
Second: Verbeke  
Ayes: Scalzitti, Hedberg, McMillan, Verbeke  
Noes: Gracyk

#### **ADJOURNMENT**

5. President Scalzitti adjourned the special board meeting at 6:43 p.m.

  
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Joel A. Scalzitti, President

**ATTEST:**

  
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Sandra L. Janzen, Secretary of the Board