



Setting Standards of Excellence in Public Service

**MINUTES
BOARD WORKSHOP
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Saturday, August 7, 2021 – 9 a.m.
Lake Jennings Recreation Building, 9535 Harritt Road, Lakeside, CA 92040**

OPEN MEETING

1. President Scalzitti called the special board meeting to order at 9:11 a.m. to conduct a board workshop. Directors Scalzitti, Hedberg, McMillan, Gracyk and Verbeke were present.

Staff present: General Manager Carlos V. Lugo and General Counsel Elizabeth W. Hull were present.

Others present: There were no members of the public in attendance.

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.

Motion: Verbeke

Second: Hedberg

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.

DISCUSSION

4. President Scalzitti opened the board workshop by welcoming everyone to the meeting and reviewed the goals for the discussion. General Manager Carlos V. Lugo requested the board list their accomplishments. The list of accomplishments included quarterly committee meetings; the trust built through one-on-one meetings with the general manager; the successful negotiation of the memorandums of understanding with the employee groups; land sales; and the successful stabilization and enhancement of Lake Jennings with a positive cash flow, vision and development as a community asset.

Discussion continued to include the following accomplishments: the district's COVID-19 proactive response, stopping shutoffs, freezing rates and utilizing Home Start Inc. Rates remain in the lower third regionally with a positive public perception; the Proposition 218 process went well with the hiring of a consultant; the East County Advanced Water Purification project will provide customers with a new reliable local water source while protecting district customers; 10-year capital improvement projects remain consistent; General Manager Carlos V. Lugo's focus on staff development and succession planning has been successful; and the district is raising its profile and public perception.

Following the discussion of the board's accomplishments, the workshop topics covered included outreach, advocacy and collaboration; land sales, reserves and setting priorities; the ECAWP project; board dynamics; benefits and pensions; and leadership succession planning.

Outreach/Advocacy/Collaboration:

The board requested staff develop a district message regarding the conservation of water with a focus on wise water usage while encouraging customers to participate in rebate programs. The board would like to see a messaging campaign including classes similar to Water Talks with a focus on efficient water usage. The board discussed concentrating media outreach on Lake Jennings. The board mentioned advocacy to save the Colorado River and the expansion of the Claude "Bud" Lewis Carlsbad Desalination Plant in collaboration with Arizona and the San Diego County Water Authority. In 2022, the board would like to host a regional board event.

Land Sales, Reserves and Setting Priorities:

The board discussed the current land sale reserves with additional land expected to sell for \$2 million to \$4 million in 2024. The board agreed land sale funds should be accounted for as a separate line item in the budget. The board would like to plan future workshops in order to set the priorities for spending the reserves while keeping in mind the impact Lake Jennings improvements may have on the fund.

East County Advanced Water Purification Project:

The board shared the need for more frequent updates regarding the ECAWP project and requested a future workshop to cover project timing, outreach and costs.

Board Dynamics:

The board determined no changes are needed to the current policy for the annual election of board officers. Zoom meetings will continue for easier public participation in meetings even after the executive order allowing virtual meetings is rescinded and all California Brown Act requirements are back in place. The timing of the board meetings will remain flexible based on the needs of the board, public and items on the agenda. If a time change from 3 p.m. is necessary, the board president should be consulted.

Benefits/Pensions:

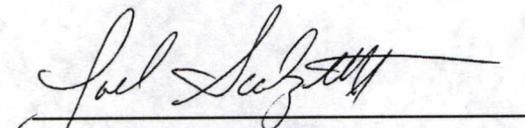
The board discussed the 401 contributions for the CalPERS Classic and PEPRA employees. Staff was asked to review the possibility of pension obligation bonds.

Leadership and Succession Planning:

The board discussed organizational and succession issues in general terms.

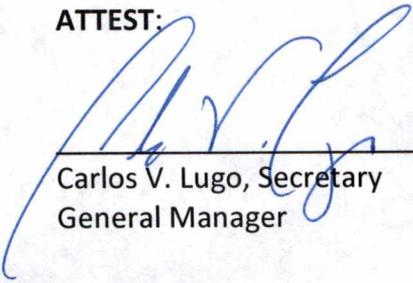
ADJOURNMENT

5. President Scalzitti adjourned the special board meeting at 12:28 p.m.



Joel A. Scalzitti, President

ATTEST:



Carlos V. Lugo, Secretary
General Manager