



Setting Standards of Excellence in Public Service

**MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, January 5, 2022 – 3 p.m.
7811 University Avenue, La Mesa, CA 91942-0427
Virtual Meeting**

OPEN MEETING

1. President Scalzitti called the January 5, 2022, regular board meeting to order at 3:02 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, Olney, Bryant, Miller, Ross, Janzen, Solano, Valdez, Pope, Curtis, Doubrava, Malkin, Annett and Uhrhammer. General Counsel Elizabeth W. Hull of Best Best & Krieger was also present.

Others present: Land Advisor Erin McKinley of Collier International and Brownstein Hyatt Farber Schreck Policy Assistant Victoria Barba were present.

2. Vice President Hedberg provided the invocation and led the Pledge of Allegiance.
3. General Manager Carlos V. Lugo reported that there were no additions or deletions to the agenda but requested information item 15 be placed immediately following item 8 to accommodate Land Advisor Erin McKinley of Colliers International. There were no public comments. The motion to approve the agenda with said modification carried unanimously by roll call vote.

Motion: Hedberg
Second: Gracyk

4. The board found as a result of the increase in COVID-19 cases during the last 45 days that it would be vital to continue to allow for hybrid meetings to ensure community involvement in the board meetings while minimizing the risk to the board, staff and public. Board Secretary Sandra L. Janzen reported that due to the holiday meeting schedule, the board was unable to reaffirm Assembly Bill 361 within 30 days of the last

Assembly Bill 361 order, and therefore the board reaffirmed the minute order approving virtual and/or hybrid remote and in-person public meetings as needed pursuant to the assembly bill. There were no board or public comments. The motion to reaffirm AB 361 carried unanimously by roll call vote.

Motion: Hedberg
Second: Verbeke

ELECTION OF OFFICERS

5. The board elected officers to serve a one-year term per Section 9.1-3 of the policies and procedures manual and adopted Resolution 22-01 appointing the president and vice president. There were no public comments. The motion to appoint Director Kathleen Coates Hedberg president and Director DeAna R. Verbeke vice president carried unanimously by roll call vote.

Motion: Scalzitti
Second: Gracyk

President Scalzitti turned the meeting over to General Manager Carlos V. Lugo to call for nominations for president. Mr. Lugo accepted Director McMillan's nomination of Director Hedberg for president. There were no other nominations. The nomination was supported unanimously by the board.

Mr. Lugo turned the meeting over to President Hedberg to call for nominations for vice president. President Hedberg accepted Director McMillan's nomination of Director Verbeke for vice president. There were no other nominations. The nomination was supported unanimously by the board.

Mr. Lugo presented past President Scalzitti with an engraved gavel in honor of his dedicated leadership and service. Director Scalzitti reported it had been an honor to serve as president and that he looks forward to continued teamwork.

PUBLIC COMMENTS

6. President Hedberg 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

7. The motion to approve the consent agenda with the exception of item 7 d) carried unanimously by roll call vote. There were no public comments.

Motion: Verbeke
Second: Scalzitti

- a) Memorandum dated January 5, 2022, from 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. November 10, 2021, special Water Quality & Resources Committee
 - ii. November 17, 2021, regular board meeting
 - iii. December 20, 2021, special Parks, Land, Lakes & Garden Committee
- c) The operating account checks submitted for ratification were approved:
 - i. Checks dated November 19, 2021
 - ii. Checks dated December 3, 2021
 - iii. Checks dated December 10, 2021
 - iv. Checks dated December 17, 2021
 - v. Checks dated December 24, 2021

The motion to approve consent agenda item 7 d) carried 4:1 by roll call vote. There were no public comments. Board discussion ensued regarding the benefits versus needs of multiple board members receiving a per diem to attend the same meetings.

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

- d) The board approved attendance at the La Mesa Environmental Sustainability Commission meeting via teleconference for a non-appointed representative: November 15, 2021, at 6 p.m.

ACTION ITEMS

- 8. The board conducted a public hearing to receive comments on miscellaneous fees and charges proposed for 2022 in the policies and procedures manual; adopted Resolution 22-02 approving and authorizing adoption of the policies and procedures manual, effective January 1, 2022; and adopted Ordinance 22-01 amending the policies and procedures manual to prohibit water theft and established administrative penalties for the theft of water. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti
Second: Gracyk

President Hedberg opened the public hearing at 3:25 p.m. There were no public comments. President Hedberg closed the public hearing at 3:26 p.m. Director of Administrative Services Jennifer C. Bryant and General Manager Carlos V. Lugo answered all questions. Director Gracyk commended staff for the detailed written summary assisting the board's review of all changes to the manual.

9. The board adopted Resolution 22-03 authorizing and appointing General Manager Carlos V. Lugo and Director of Engineering Timothy J. Ross as the district's agents to accept and consent to deeds or grants of real property, effective January 5, 2022. There were no public or board comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti
Second: McMillan

10. The board adopted Resolutions 22-06 and 22-07 modifying the authorized signers on the district's bank accounts. There were no board or public comments. The motion carried unanimously by roll call vote.

Motion: McMillan
Second: Scalzitti

11. The board authorized staff to submit an application to the U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loan program for the amount of \$15,827,000 and remit the required \$100,000 loan application fee. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti
Second: McMillan

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation. All board members reported confidence in staff, excitement over the low interest rate and the flexibility of the program. Director Gracyk highlighted the positive future public relations opportunity.

12. The board adopted Resolution 22-04 declaring construction complete and authorized filing a notice of completion for pipeline project CIP19001. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti
Second: Gracyk

Director Gracyk commended Engineering Manager Luis Valdez for the excellent PowerPoint presentation.

13. The board adopted Resolution 22-05 declaring construction complete, authorized filing a notice of completion for the Lake Cuyamaca outlet channel improvements project CIP22006 and appropriated additional funds in the amount of \$27,000 from the capital improvement budget for project completion. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Scalzitti

Second: Gracyk

Engineering Manager Luis Valdez provided a PowerPoint presentation. Director Scalzitti thanked the engineering team for their work in keeping the district's infrastructure safe and in repair.

14. The board received an update on the Aqueduct 1 emergency repair project OPS22051 and determined by at least a four-fifths vote the need to continue with emergency work. There were no public comments. The motion carried unanimously by roll call vote.

Motion: Gracyk

Second: Scalzitti

Director of Engineering Timothy J. Ross provided a PowerPoint presentation and clarified with Director Gracyk that the Pipeline Inspection and Condition Analysis Corporation would be providing the final report in two weeks.

INFORMATION ITEMS

15. The board received the marketing plan for the High Street surplus property prepared by Colliers International. There were no public comments.

Director of Engineering Timothy J. Ross introduced Colliers International Land Advisor Erin McKinley who provided a PowerPoint presentation and answered all questions with the assistance of Parks, Land, Lakes and Garden Committee Chair McMillan and Vice Chair Scalzitti regarding marketing of the property, terms of escrow, zoning options and buyer qualifications. Director Gracyk confirmed the agreed commission was 4.5%.

16. The board received an update on the resumption of shutoffs from Director of Administrative Services Jennifer C. Bryant. Following a PowerPoint presentation, discussion ensued regarding 82% of those qualifying to receive shutoff notices were residential customers. Additional payment arrangements were made by customers following the distribution of 1,058 letters. Director McMillan highlighted that the shutoff notices will serve as an opportunity for additional payment plans to be set up and commended the customer service team and General Manager Carlos V. Lugo for their compassion and flexibility while assisting customers. President Hedberg requested the Finance and Administration Committee receive an email with a breakdown of all numbers to better understand the impact of the resumption of shutoffs. Director Scalzitti confirmed the board will be kept up to date regarding the shutoff process.

REPORTS

17. The board received the reports for the month of November 2021 with the addition of current rainfall data shared by Assistant General Manager Brian M. Olney. Board discussion ensued. There were no public comments.
 - a) Financial
 - b) Rainfall, Use and Storage
 - c) System Demand
 - d) Monthly Demand
 - e) Conservation Status

DISCUSSION ITEMS

18. President Hedberg and Vice President Verbeke reported it would be an honor to serve the board in their newly elected responsibilities. President Hedberg reported she would be reaching out to individual board members to determine committee appointments by January 19, 2022 and set the legislative recess for the month of December 2022.

Board Secretary Sandra L. Janzen provided positive customers' comments regarding Valve Maintenance Technician Michael T. Pepin, Water Conservation Representative Thomas W. Speer, Utility Crew Supervisor Ryan S. Smith, Equipment Operator Eric D. Hughes and Utility Crew Members Peter J. Spangler and Mark A. Vasquez. There were no board or public comments.

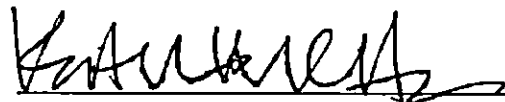
19. President Hedberg, Vice President Verbeke, and Directors McMillan, Gracyk and Scalzitti provided written reports and oral summaries of meetings attended during the legislative recess. In addition, Directors McMillan and Scalzitti reported that the San Diego County Water Authority Board of Directors would be meeting with a facilitator on January 27, 2022, to focus on collaboration. Vice President Verbeke reported that she would be attending the January 6, 2022, Association of California Water Agencies Region 10 meeting to select a new chair and the February 9, 2022, ACWA board meeting. Vice

President Verbeke also reported she would be attending the Friends of the Water Conservation Garden retreat. Director Scalzitti congratulated both President Hedberg and Vice President Verbeke on their board appointments and reported he looks forward to a successful year. There were no public comments.

20. General Manager Carlos V. Lugo reminded the board of the January 12, 2022, Engineering and Operations Committee meeting at 4 p.m. and reviewed the agenda items for the January 19, 2022, regular board meeting and the January 26, 2022, Committee of the Board meeting. Mr. Lugo also referred to an email regarding district employee COVID cases triggering testing requirements, and recognized Director Gracyk for five years of service and Director Scalzitti for nine years of district service. There were no public comments.
21. General Counsel Elizabeth W. Hull reported a favorable ruling for the district was received regarding the Kessner litigation. Ms. Hull stated a special meeting may need to be scheduled to review the court decision with the board.

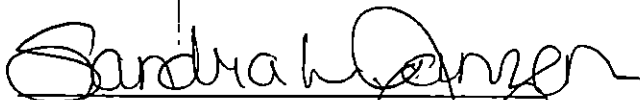
ADJOURNMENT

22. President Hedberg adjourned the regular board meeting at 5:25 p.m.



Kathleen Coates Hedberg, President

ATTEST:



Sandra L. Janzen, Secretary of the Board