

REVISED

SWEETWATER AUTHORITY GOVERNING BOARD MINUTES OF THE REGULAR MEETING

April 24, 2019

The Governing Board of Sweetwater Authority held a Regular meeting on Wednesday, April 24, 2019, at the Sweetwater Authority Administrative Office, 505 Garrett Avenue, Chula Vista, California. Chair Castaneda called the meeting to order at 6:00 p.m.

- **Roll Call**

Directors Present: *Josie Calderon-Scott (6:04 p.m.) , Steve Castaneda, José F. Cerda, Hector Martinez, Jose Preciado

Directors Absent: Jerry Cano and Alejandra Sotelo-Solis

Management, General Manager Tish Berge, Assistant General Manager
Staff, and Others Jennifer Sabine, Legal Counsel Paula de Sousa Mills, and
Present: Board Secretary Ligia Perez. Staff Members: Administrative
Assistant Michael Garcia and Director of Finance Rich
Stevenson. Others present: Jennifer Pillsbury and Jan Tubiolo
of The Water Conservation Garden, and Mike Sampsel.

- **Pledge of Allegiance to the Flag**

- **Opportunity for Public Comment** (Government Code Section 54954.3)

Mike Sampsel commented on the future of the Citizen's Advisory Committee.

- **Chair's Presentation**

- A. "The Water Conservation Garden Updates," presented by Jennifer Pillsbury, Executive Director/CEO, The Water Conservation Garden
- B. CAPIO's EPIC Award for Excellence in Public Information and Communications
- C. Comments from the Public Regarding Agency Staff and Agency Recognition in the Press

ACTION CALENDAR AGENDA

1. Items to be Added, Withdrawn, or Reordered on the Agenda
There were none.
2. Approval of Minutes - Regular Meeting of April 10, 2019

Director Preciado made a motion, seconded by Director Calderon-Scott, that the Governing Board approve the minutes of the April 10, 2019 Regular meeting. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

Consent Calendar Items

Director Preciado made a motion, seconded by Director Martinez that the Governing Board approve consent items 3 through 6, and 8. Director Calderon-Scott pulled item 7 for discussion. Director Castaneda recused himself from consideration of warrant numbers 150926 and 150956 due to his contract with Sempra Energy, parent company of SDG&E, which Director Castaneda disclosed on the record. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

3. Approval of Demands and Warrants – Check numbers 150888 through 150997 and electronic fund transfers 27142 through 27578
4. Consideration to Approve Four Adjoining Easement Quitclaims – Creekside Pointe, 910-948 Third Avenue, Chula Vista (Operations Committee Meeting of 4/17/19, Item 4. A.)
Recommendation: Approve the quitclaim request, with the owner paying all costs associated with processing the quitclaim.
5. Consideration to Award a Contract for Ferrous Chloride Bulk Chemical Storage Tank Replacement (Operations Committee Meeting of 4/17/19, Item 4. D.)
Recommendation: Declare the bid from Core-Rosion Products non-responsive; award a contract in the amount of \$92,933 to Belco Manufacturing Company, Belton, TX; and approve a transfer of \$23,663 from the FY 2018-19 Operating Expense Perdue Plant Materials and Supplies Maintenance Budget to the FY 2018-19 Capital Investment Budget.
6. Consider Request for a Second Adjustment to Customer Water Bill (Finance and Personnel Committee Meeting of 4/17/19, Item 4. A.)
Recommendation: Deny the request for a second adjustment and grant an extended payment plan.
8. Consideration to Approve Proposed Amendments to Conflict of Interest Code and Adopt Resolution 19-10
Recommendation: Approve the proposed amendments and adopt Resolution 19-10.

RESOLUTION NO. 19-10

**RESOLUTION OF THE GOVERNING BOARD
OF SWEETWATER AUTHORITY ADOPTING AN AMENDED
CONFLICT OF INTEREST CODE PURSUANT TO
THE POLITICAL REFORM ACT OF 1974**

was passed and adopted by the following vote to wit:

Ayes:	Directors Calderon-Scott, Castaneda, Cerda, Martinez, and Preciado
Noes:	None
Absent:	Directors Cano and Sotelo-Solis
Abstain:	None

Items Pulled from Consent Calendar for Discussion

7. Review of Board Policies and Procedures – Policies 601 through 608 (Finance and Personnel Committee Meeting of 4/17/19, Item 4. E.)
Recommendation: Approve the recommended changes as presented and add language to Policy 607 regarding convening a work group.

Director Preciado made a motion, seconded by Chair Castaneda, that the Governing Board approve the recommended changes as presented. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

Action and Discussion Items

9. Draft FY 2019-20 Five-year Financial Fiscal Plan for Review and Comments (Finance and Personnel Committee Meeting of 4/17/19, Item 4. C.)
Recommendation: Provide comments to staff to incorporate in the Draft FY 2019-20 Five-year Financial Plan for completion of the Draft FY 2019-20 Budget.

The Governing Board provided comments.

(Note: Director Martinez left the meeting at 7:00 p.m. and reentered the meeting at 7:02 p.m.)

(Note: Director Martinez left the meeting at 7:12 p.m. and reentered the meeting at 7:13 p.m.)

10. Discussion and Possible Direction on Water Rate and Rate Stabilization Review

Director Martinez made a motion, seconded by Chair Castaneda, that the Governing Board direct staff and Legal Counsel to explore the feasibility of not funding, or funding at a reduced rate, the Rate Stabilization Reserve as adopted at the 2018 Proposition 218 Public Hearing, and bring back a review of the 2018 Five-year Water Rate Study based on current conditions and trends in association with the FY 2019-20 Budget. The motion carried with Director Cerda opposing, and Directors Cano and Sotelo-Solis absent.

11. Consideration to Award a Contract – Vehicle Replacement Program – Light Duty Trucks, Sport Utility Vehicle, and Ten-yard Dump Truck (Operations Committee Meeting of 4/17/19, Item 4. B.)

Recommendation: Reject all bids and direct staff to procure the services of a consultant to perform an analysis of staff's methodology to evaluate and recommend vehicles for replacement that is data driven, and states source documents and industry standards.

Mike Sampsel commented on the Authority's vehicle maintenance program.

(Note: Director Cerda left the meeting at 8:08 p.m. and reentered the meeting at 8:10 p.m.)

Director Martinez made a motion, seconded by Director Calderon-Scott, that the Governing Board reject all bids and direct staff to procure the services of a consultant to perform an analysis of staff's methodology to evaluate and recommend vehicles for replacement that is data driven, and states source documents and industry standards. The motion carried with Director Cerda opposing, and Directors Cano and Sotelo-Solis absent.

12. Consideration to Award a Contract for Construction of the 36-inch Transmission Main Replacement Project (Operations Committee Meeting of 4/17/19, Item 4. C.)
Recommendation: Award a contract in the amount of \$14,083,108 to CCL Contracting, Inc., Escondido, CA.

Director Preciado made a motion, seconded by Director Martinez, that the Governing Board award a contract in the amount of \$14,083,108 to CCL Contracting, Inc., Escondido, CA, for the construction of the 36-inch Transmission Main Replacement Project. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

13. Draft FY 2019-20 Strategic Plan Work Plan (Information Item) (Operations Committee Meeting of 4/17/19, Item 4. E. and Finance and Personnel Committee Meeting of 4/17/19, Item 4. D.)
Recommendation: Provide feedback and direct staff to bring back the draft Work Plan with Board input at the May 22 Board meeting.

The Governing Board provided feedback.

(Note: Director Martinez left the meeting at 8:14 p.m. and reentered the meeting at 8:16 p.m.)

14. Old Business

Consider Request to Appeal Board Decision on One-time Adjustment to Customer Water Bill

Director Preciado made a motion, seconded by Director Martinez, that the Governing Board consent to appeal the Board's decision on February 27, 2019, and grant the one-time adjustment to Soapy Joe's Bonita, Inc.'s account in the amount of \$10,806.60. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

15. Consideration of TEDxChulaVista Sponsorship

Director Preciado made a motion, seconded by Director Cerda, that the Governing Board sponsor the TEDxChulaVista event in an amount not to exceed \$3,000. The motion failed, with Directors Calderon-Scott and Martinez opposing, and Directors Cano and Sotelo-Solis absent.

16. Approval of Directors' Attendance at Meetings and Future Agenda Items

- A. Per diem approval for Directors who wish to attend the Annual Developers Forum – May 9, 2019.

Director Preciado made a motion, seconded by Chair Castaneda, that the Governing Board approve the per diem for Directors who wish to attend the Annual Developers Forum – May 9, 2019. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

- B. Per diem approval for Director Castaneda's Participation in the Albondigas Luncheon panel on Water Issues in South Bay – May 17, 2019

Director Preciado made a motion, seconded by Director Martinez, that the Governing Board approve the per diem for Director Castaneda's participation in the Albondigas Luncheon panel on Water Issues in South Bay – May 17, 2019. The motion carried unanimously, with Directors Cano and Sotelo-Solis absent.

- C. WESTCAS 2019 Annual Conference, San Diego – June 26-28, 2019 (Note: Early registration deadline is June 5) Directors who wish to attend this event will contact the Secretary

REPORTS AND INFORMATIONAL ITEMS

17. Overview of Financial Policies – Part 2 of 3, Budget Policy (Information Item) (Finance and Personnel Committee Meeting of 4/17/19, Item 4. B.)

Chair Castaneda deferred this item to the May 8 Board meeting.

18. Community Outreach for Spring/Summer 2019

After general discussion, Chair Castaneda directed staff bring back this item to the May 8 Board meeting for discussion.

(Note: Director Preciado left the meeting at 8:42 p.m. and reentered the meeting at 8:44 p.m.)

19. Quarterly Report of One-time Water Bill Adjustments for January through March 2019

20. Quarterly Report of Directors' Expenses – Third Quarter FY 2018-19

21. March 2019 Financial Reports

22. Management Report

A. Report of Assistant General Manager

- Quarterly Performance Measurement Report (January 1 – March 31, 2019)

Assistant General Manager Sabine reported that the Quarterly Performance Management Report and the monthly Dashboard is available for review in the agenda packet.

B. Report of General Manager

General Manager Berge reported on the Desalination facility updates happening for the HydroStation; Department of Drinking Water's approval for the Authority's use of an innovative pipeline flushing program; and the kick-off of the Communication Master Plan and that the Consultant and Secretary will be contacting Board members to set-up Stakeholder Interviews.

23. Report of the South Bay Irrigation District Representative and the City of National City Representative to the San Diego County Water Authority

Director Preciado reported on Metropolitan Water District's support on investments in local water resource program and the source of its funding; the future of the Colorado River water transfer; the proposed \$4 million study of a conveyance from the Colorado River; the initiation of the process to hire its General Manager; the two-year budgeting plan; and the proposed five percent rate increase for raw water.

24. Reports by Directors on Events Attended

A. WELL Annual Conference – March 28-29, 2019

Director Castaneda provided a report.

B. California Special Districts Association 2019 Special District Leadership Academy – April 7-10, 2019

Directors Calderon-Scott and Martinez provided a report.

25. Directors' Comments

Director Preciado commented that he was disappointed in the outcome of a particular agenda item.

Director Martinez expressed appreciation for the diversity of opinions of the Board and thanked staff for their work.

Director Cerda thanked Assistant General Manager Sabine for her action regarding water quality complaints in National City.

CLOSED SESSION

At 9:08 p.m., the Board convened to meet in closed session with legal counsel for:

A. Public Employee Performance Evaluation pursuant to Government Code Section 54954.5:

Title: General Manager

B. Conference with Legal Counsel – Significant Exposure to Litigation pursuant to Government Code Section 54956.9 (d)(2): Two Cases

There was no need for a closed session on item:

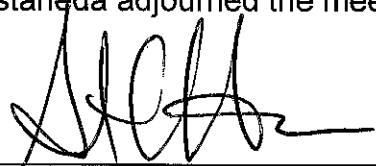
C. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 (d)(1):

United States, et al. ex rel John Hendrix v. J-M Manufacturing Company Inc., and Formosa Plastics Corporation, U.S.A., Case No. ED CV06-00055-GW

There were no minutes taken, and the session was not audio-recorded. At 10:04 p.m., Chair Castaneda declared the meeting to be in open session. No reportable action was taken by the Governing Board.

26. Adjournment

With no further business before the Board, Chair Castaneda adjourned the meeting at 10:05 p.m.



Steve Castaneda, Chair

Attest:



Ligia Perez, Board Secretary