

**HELIX WATER DISTRICT**

*Setting standards of excellence in public service*

**MINUTES**

**DROUGHT ACTION PLAN**

**FIVE YEAR PROJECTION WORKSHOP**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Wednesday, May 13, 2015 – 4 p.m.**

**7811 University Avenue, La Mesa, CA 91942-0427**

1. President Verbeke called the meeting to order at 4:09 p.m. The roll call showed Directors Verbeke, Muse, Hedberg, Linden and Scalzitti present.

Staff present: Lugo, Tomasulo, Umphres, Stoia, Hayman, Janzen, Curtis, Bryant, Ross, Schipper, Lawler, Lyford, Andrews, Salois, Uhrhammer and Annett. General Counsel Elizabeth Hull and Kelly Salt were also present.

Others present: Raftelis Financial Consultants Inc. Manager Habib Isaac, UT-San Diego Reporter Karen Pearlman, East County Magazine Reporter Janis Russell, Customers: Autumn Heath, Rosita Cruz, Bill and Ellen Phillips, Elizabeth Pit, JoAnn Knox, Rob Epstein, Chuck Little, Joe and Cece Mat, Gordon and Loraine Place, Colleen Olsen, Dale Klabunde, Marty Ornish, Barry and Linda Rosenblatt, Kelly Sharp, Ralph Allen, Shannon Varley, Donna Andrisani, Duane Palm, Larry Nichols, Harry Allen, Wade and Karen Stone, Al Peterson, Cheryl Reigner, Nan and Sid Hullay, R. Mardin, Derck Bardin, Alice Keyer, Tom Brady, David Smyle, Barry Rosenblatt, Rick Sparhawk and Sandia Tuttle.

2. Agenda approved:

Motion: Linden  
Second: Hedberg  
Vote: 5 ayes

3. President Verbeke provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. Mr. David Smyle stated the memorandum of understandings between the employee groups and Helix Water District should have been negotiated by an independent facilitator. Mr. Smyle detailed his understanding of the MOUs and stated the board was elected by the ratepayers and should represent the customer's desires during negotiations.

General Manager Carlos Lugo invited members of the public to schedule an appointment with him and staff to discuss any details regarding MOU negotiations.

4. The board reviewed the draft drought action plan and provided staff guidance to develop a final plan and resolution for approval at the May 20, 2015, regular board meeting. Following public comments and board discussion, board consensus was reached. The board directed staff to move forward with increased outreach and education; increased restrictions limiting watering days to no more than two days per week through February 2016; to increase enforcement including fines of \$100 for a first violation, \$200 for a second violation and \$500 for each additional violation within one year; and a 10 percent drought penalty on water use in tier 3 (31 units and above).

The following customers requested that no penalties be placed on tier 3 water users: Rick Sparhawk, Barry Rosenblatt, Gordon Place, Marty Ornish, Sandia Tuttle, Ralph Allen, Larry Nichols, Cheryl Reigner and Derck Bardin.

Director of Administrative Services Lisa Stoia, General Manager Carlos Lugo and District Counsel Kelly Salt addressed questions following public comments regarding the San Juan Capistrano litigation, the district's growth rate of .01 percent over the past five years, the state's mandate and comparison of current water usage to consumption in 2013, the loss in revenue to be paid through reserves and delayed projects to offset the cost to Helix Water District customers. The inconsistencies of meters or lack of meters used at multi-family properties was clarified. Ms. Salt detailed the legality of tiered rate structures and clarified that a tax excludes a fine or penalty used to bring customers into immediate compliance to meet June 1 state mandated reductions.

The board and staff shared customer's frustrations that past conservation efforts were not recognized by the state despite letters, meetings, and efforts on behalf of our Helix Water customers.

Staff will provide a final drought action plan for approval at the May 20, 2015, board meeting based on the direction provided during the workshop.

President Verbeke adjourned the meeting for a break at 6:58 p.m.

President Verbeke reconvened the meeting at 7:15 p.m.

5. The board conducted a five year projection workshop. Following a PowerPoint presentation by Finance Manager Jennifer Bryant, board consensus directed staff to move forward with the five year projections using baseline assumptions and utilization of district reserves and a portion of the fiscal year 2015-16 capital program, and all adjustments as presented in Scenario 2.

The board requested the \$1 million El Capitan settlement reserve fund be applied or designated to an asset. Raftelis Financial Consultants Inc. Manager Habib

Isaac detailed the redistribution of the current tiers to match what is being used today.

Staff will present the preliminary budget for approval at the June 2, 2015, board workshop.

President Verbeke adjourned the meeting at 8:06 p.m.

ATTEST:

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Sandra L. Janzen, Board Secretary

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DeAna R. Verbeke, President