

HELIX WATER DISTRICT
Setting standards of excellence in public service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, June 15, 2016 – 2 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President Verbeke called the regular board meeting to order at 2 p.m. The roll call showed a quorum of the board present: Directors Verbeke, Muse, Linden and Scalzitti. Director Hedberg was absent. Director Hedberg joined the meeting at 2:39 p.m.

Staff present: Lugo, Hayman, Tomasulo, Umphres, Stoia, Bryant, Janzen, Salois, Uhrhammer, Curtis, Ross, Ziernicki, Miller, Lawler, Olney, Garuba, Emery, Masterson, Geitz and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers Tim and Leslie Lucas were present. Reporter Karen Pearlman San Diego Union-Tribune was also present.

2. President Verbeke gave the invocation and led the Pledge of Allegiance.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The agenda was approved 4:0.

Motion: Linden
Second: Scalzitti
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

4. President Verbeke provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. There was no one to be heard.

5. The consent agenda was approved 4:0.

Motion: Linden
Second: Muse
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

- a) Memorandum dated June 15, 2016, from the board secretary submitting expense and per diem claims was approved.

- b) The board approved the minutes of the special board meeting of May 31, 2016 and the minutes of the regular board meeting of June 1, 2016.
- c) The following operating account checks submitted for ratification were approved:
 - i. list dated May 31, 2016
 - ii. list dated June 7, 2016
- d) Resolutions:

The board adopted Resolution 16-19 amending the Helix Water District's policies and procedures manual Section 8.1-10(A) in accordance with the CalPERS actuarial valuation dated October 2015.

The board adopted Resolution 16-22 authorizing the quitclaim of one aligned easement in the city of La Mesa, county of San Diego, state of California, assessor parcel numbers 502-100-55, 56, 57 and 58.

The board adopted Resolution 16-25 declaring construction complete and authorized filing a notice of completion for Fairfield Luxury Apartments, Work Order 4145.

The board adopted Resolution 16-26 authorizing the quitclaim of one aligned easement in the county of San Diego, state of California, assessor parcel numbers 483-101-28 and 35.
- e) The board received the reports for the month of May 2016:
 - i. Claims report
 - ii. Treasurer's report
 - iii. Budget Summary
 - iv. Rainfall, Use and Storage report
 - v. System Demand report
 - vi. Conservation Status report
 - vii. Monthly Demand report

ACTION ITEMS

- 6. The board set July 20, 2016 at 2:05 p.m. as the date and time for a public hearing regarding the state mandated public health goals report. The motion carried 4:0.

Motion: Scalzitti
Second: Linden
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

7. The board authorized the general manager to execute a contract with Prizm Janitorial Services Inc. for janitorial services effective July 1, 2016. The motion carried 4:0.

Motion: Muse
Second: Scalzitti
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

Director Scalzitti congratulated the treatment plant staff for the cleanliness of the facility.

8. The board authorized the general manager to execute Change Order 2, amending the existing as-needed asphaltic concrete repair services contract, Work Order 3270, with ABC Construction Company Inc. Director Scalzitti requested clarification as to why the contracts for asphaltic concrete repair services and concrete repair services, which were separated in 2014, were now being combined again. Field Operations Manager Kevin D. Miller explained when the contracts were separated, the decision was based on reducing costs. The district has since learned two contracts have reduced workload efficiency.

Motion: Scalzitti
Second: Linden
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

9. The board adopted Resolution 16-27 declaring construction complete and authorized filing a notice of completion for the El Monte electrical shed removal project, Work Order 4727. The motion carried 4:0.

Motion: Linden
Second: Muse
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

10. The board adopted Resolution 16-23 amending the policies and procedures manual Section 4.9, drought response policy and procedure. The motion carried 4:0.

Motion: Linden
Second: Muse
Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

Director Scalzitti requested clarification regarding the changes to the district's drought response policy and procedures to incorporate the state's permanent water efficiency measures and follow the state mandates. President Verbeke helped clarify stating the bulk of the water restrictions have become permanent.

11. The board adopted Resolution 16-24 rescinding Resolution 14-31 and declaring a Drought Response Level 1 Drought Watch Condition within the district. The motion carried 4:0.

Motion: Linden

Second: Muse

Ayes: Verbeke, Muse, Linden and Scalzitti Absent: Hedberg

General Manager Carlos V. Lugo stated the State Water Resources Control Board adopted the self-certification methodology and the San Diego County Water Authority and member agencies have agreed to certify supply and demand as a region. President Verbeke stated the least expensive water is that which has been conserved. Senior Public Affairs Representative Michelle M. Curtis stated the recommendation will allow customers to address the stress trees experience during the hotter months, while the agencies wait for the state to process the self-certification packets. The district has experienced a 21 percent cumulative conservation savings well above the required 12 percent.

INFORMATION

12. The board received an update on the district's drought action plan for May 2016. Senior Public Affairs Representative Michelle M. Curtis reported the cumulative conservation percentage for May of 21 percent is expected to continue as customers have embraced conservation as a way of life and changed their yards to drought tolerant landscapes. Water Waste Reports have reduced but General Manager Carlos V. Lugo stressed neighbors are still informing him of abuses. Director Linden asked how many customers walk into the administration office to pay their bills. Mr. Lugo stated 80 to 100 customers per day take care of their water bills in person.

Director Hedberg joined the meeting at 2:39 p.m.

13. The board received an update on the disposition of district surplus property for fiscal year 2015-16. Director Hedberg confirmed the listings of the surplus vehicles stated they were government vehicles.

DISCUSSION

14. President Verbeke reported Sunday, July 31, 2016 will be Ratepayer Day at the Water Conservation Garden and that Helix Water District representatives will host an informational table.

15. No written reports were provided by the board of directors. Director Scalzitti stated he recently attended the Lakeside Chamber of Commerce meeting and provided an update regarding Lake Jennings campground progress.
16. General Manager Carlos V. Lugo reported attendance at the San Diego County Water Authority's Member Agencies General Managers' meeting. Topics reviewed: a county feasibility study regarding storm water capture; the State Water Resources Control Board's amended conservation regulations and continued messaging efforts; the "Live Water Smart" message to be launched regionally in July; evaluation of long-term water use efficiency regulations; SWRCB's increased fees and push back through the Association of California Water Agencies. Vice President Muse requested Best Best and Krieger's Director of Governmental Affairs Syrus Devers provide assistance regarding the increased fees.

Mr. Lugo also detailed future board agenda items for the June 22, July 6 and July 20, 2016 meetings. Mr. Lugo requested the board of directors provide direction regarding a topic for the July 27 Committee of the Board meeting.

17. General Counsel Elizabeth W. Hull had nothing to report.

President Verbeke adjourned the meeting to closed session at 2:51 p.m.

CLOSED SESSION

- A. **CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4)
Number of Potential Cases: 1

Murray Energy et al. v. U.S. Environmental Protection Agency 6th Circuit Court of Appeals Case Nos. 15-3751, et al.

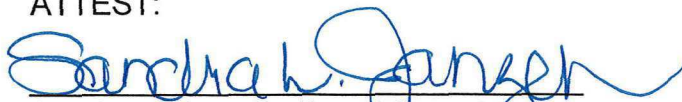
President Verbeke adjourned closed session at 3:15 p.m. and reconvened open session.

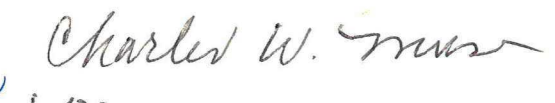
The board authorized the district to join the above referenced litigation.

ADJOURNMENT

President Verbeke adjourned the meeting at 3:16 p.m.

ATTEST:


Sandra L. Janzen, Board Secretary


DeAna R. Verbeke, President