

HELIX WATER DISTRICT

Setting standards of excellence in public service

MINUTES

REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday November 18, 2015 – 2 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

1. President Verbeke called the meeting to order at 2 p.m. The roll call showed Directors Verbeke, Muse, Hedberg, Linden and Scalzitti present.

Staff present: Lugo, Umphres, Tomasulo, Stoia, Hayman, Bryant, Janzen, Olney, Curtis, Uhrhammer, Lyford, Schipper, Doubrava, Ross, LaFalce, Gustafson, Geitz, Miller and Annett. General Counsel Elizabeth W. Hull and Mary Beth Coburn were also present.

At 3:07 p.m. the boardroom was filled with Helix Water District employees and retirees, along with the family and friends of Michael V. Salvati in honor of his 30 year service award.

Others present: Customers Susan Nichols, Larry Nichols, Luis Tejeda, Curt Crook and San Diego Union-Tribune Reporter Karen Pearlman. Aaron Maggy representing Senator Joel Anderson's office was also present.

2. Director Hedberg 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 unanimously.

Motion:	Linden
Second:	Scalzitti
Vote:	5 ayes

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. Mr. Aaron Maggy representing Senator Joel Anderson's office invited the board of directors, family and friends to a holiday legislative open house at Toyota of El Cajon on Thursday, December 10, 2015, from 6 p.m. to 8 p.m. Customer Luis Tejeda requested his claim against the district be placed on a future board agenda for further discussion. Mr. Tejeda stated he was unaware that his claim was on the November 4, 2015, regular board meeting agenda. Director Scalzitti stated he had asked staff during the November 4, 2015 meeting if they had communicated with Mr. Tejeda. General Manager Carlos V. Lugo stated that Mr. Tejeda had been notified of the procedure and the issue was now with the contractor.

Director Scalzitti stated he would like more information regarding the policies and procedures for a claim to be provided after the board meeting.

5. The consent agenda was approved unanimously.

Motion:	Linden
Second:	Muse
Vote:	5 ayes

- a) The following operating account checks submitted for ratification were approved:
 - i. list dated November 3, 2015
 - ii. list dated November 10, 2015
- b) Memorandum dated November 18, 2015, from the board secretary submitting expense and per diem claims was approved.
- c) The board approved the minutes of the regular board meeting of November 4, 2015.
- d) The board adopted the following attendance consideration:
 - i. Association of California Water Agencies
Special Webinar Briefing: Proposition 218 Issues
November 10, 2015 at 10:30 a.m. - 12 p.m. or 2 p.m. - 3:30 p.m.
- e) The board received and approved the reports for the month of October 2015:
 - 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
- f) The board adopted the following resolutions:
 - i. 15-71 authorizing execution of the quitclaim of four aligned easements in the city of El Cajon, county of San Diego, state of California, assessor parcel numbers 400-140-06, 07, 31, 44 and 46; 400-141-15 and 16; and 400-160-01, 02, 09, 10 and 11
 - ii. 15-72 declaring construction complete and authorize filing a notice of completion for the Lowell Place Project, Work Order 3940

6. Board decorum was discussed. President Verbeke opened the discussion stating the item was placed on the agenda at the request of customer Susan Nichols. President Verbeke reviewed the transcription of the meeting and stated emotions ran high from both the public and the board of directors; she reviewed the policies and procedures manual; reviewed the meeting with the general manager and agreed that staff can ensure better seating and shorter presentations. President Verbeke asked the board to commit to follow the decorum standards as agreed to earlier in the year during a board workshop. Director Scalzitti stated he hoped for apologies and expressed that he felt efforts made by the public to protest a rate increase were discounted. Director Hedberg agreed that staff presentations were too long, more chairs were needed, and better conditions should have been provided. Director Hedberg referred to the transcription of the public hearing and stated that all protests were valid and requested Vice President Muse explain his comments made during the public hearing. Vice President Muse stated he had nothing to add to the minutes from the hearing.

7. The board corrected the time set for the public hearing to consider increases to certain fees and charges of the district from December 9, 2015 at 2 p.m. to December 9, 2015 at 5 p.m. due to a boardroom scheduling conflict. The board agreed to have the meeting begin at 4 p.m. with a time certain public hearing at 5 p.m. The motion passed unanimously.

Motion: Scalzitti
Second: Linden
Vote: 5 ayes

8. The board authorized the general manager to obtain three quotes, award and execute a contract with a general contractor to repair the failed 36-inch concert cylinder pipeline located near the Slaughterhouse Canyon connection number 2, Work Order 4691. The motion passed unanimously.

Motion: Scalzitti
Second: Hedberg
Vote: 5 ayes

Director of Operations Tristan D. Hayman and Director of Engineering James A. Tomasulo provided a PowerPoint presentation and videos of the pipeline. The board remained engaged in the discussion and General Manager Carlos V. Lugo stated he would keep the board informed regarding this project.

9. The board authorized the general manager to execute two amendments to the agreement for professional services between Helix Water District and Raffetis Financial Consultants, Inc. for the district's cost of service study. The motion to authorize the general manager to execute the first amendment passed 3:2.

Motion: Muse
Second: Linden
Vote: Ayes: Verbeke, Muse, Linden Noes: Scalzitti, Hedberg

The motion to authorize the general manager to execute the second amendment passed 4:1.

Motion: Muse
Second: Linden

Vote: Ayes: Verbeke, Muse, Linden, Hedberg Noes: Scalzitti

Assistant Director of Administrative Services Jennifer C. Bryant and Director of Administrative Services Lisa L. Stoia provided a PowerPoint presentation with an overview of the August 20, 2014 agreement, and the first and second amendments. Director Scalzitti asked questions regarding the process and timing of authorizing additional charges. General Manager Carlos V. Lugo and District Counsel Elizabeth W. Hull stated the authorization remains within the general manager's signing authority, yet the policies and procedures manual remains silent on this topic, therefore counsel and General Manager Lugo felt it was best to bring the amendments to the board of directors for approval. General Manager Lugo stated staff reviewed the costs and determined all charges are legitimate; staff agreed to bring these types of amendments to the board sooner; and committed to bring language regarding professional services agreements for the policies and procedures manual to a future board meeting for board consideration.

President Verbeke adjourned the meeting at 3:02 p.m. to prepare for the service award.

President Verbeke reconvened the meeting at 3:07 p.m.

10. Plant Operator III Michael V. Salvati received a service award for 30 years of service with the district. He was joined by retirees, co-workers, family and friends. Plant Operations Supervisor Michelle P. Berens introduced Mr. Salvati; General Manager Carlos V. Lugo provided background information; and Director Scalzitti presented a framed certificate. Mr. Salvati thanked the board and his co-workers for their support.

President Verbeke adjourned the meeting at 3:27 p.m. for service award photographs. President Verbeke reconvened the meeting at 3:39 p.m.

INFORMATION:

- A. The board received a PowerPoint presentation regarding long form contract specifications from Best Best & Krieger Partner Mary Beth Coburn. General Manager Lugo stated staff will receive training regarding the new contract on December 17, 2015. In answer to board questions, Ms. Coburn stated the contract provides clear dates and cutoffs; will increase the quality of the contractors bidding on projects; will keep the allowable mark-up for contractor's overhead and profit at 15 percent and 5 percent on subcontractor's work; will place the responsibility of dealing with the new laws regarding survey monuments

under the contractor's responsibility; and the new contract has been fully integrated with the Water Agencies Standards.

- B. The board received an overview of the new district website www.hwd.com. All comments were positive. General Manager Lugo stated the website has been incorporated into a 12-month communication and outreach plan that will be shared with the board of directors during a future Committee of the Board meeting.
- C. The board received an update on the district's drought action plan for October 2015. Helix Water District's cumulative total for decreased water production was 27 percent. Monthly decreased water production totaled 22 percent. As a region the cumulative total for October was 26 percent. Staff recognized the challenge of balancing drought messaging with preparation for a strong El Niño storm system in the district's communication and public outreach plan. No district water waste fines have been issued. General Manager Lugo stated the state has issued fines totaling \$60,000. Discussion continued regarding rain barrels, rebates and internal revenue reporting requirements.
- D. The board received an update regarding district preparations for El Niño. Director of Operations Tristan D. Hayman discussed maintenance of the storm water conveyance system, weed abatement, tree assessments, roof inspections stockpile flood prevention products and the ongoing monitoring and inspection that will be completed following storm events.

DISCUSSION:

- A. President Verbeke mentioned the 10 a.m. December 14, 2015, Carlsbad Desalination Plant dedication event. All boardmembers stated they will attend and requested that staff RSVP and coordinate transportation for them. President Verbeke stated this event was by invitation only, but people that are interested in touring the facility, can make arrangements to do so on the following dates: January 13, 14, 20 and 21 by contacting the plant's public affairs supervisor. President Verbeke also reported that Executive Director of the Water Conservation Garden resigned to accept a position with the Friends of Balboa Park as stated during the last regular board meeting. Once again the board of directors each commented on the great work Mr. Bolthouse has accomplished at the Garden. President Verbeke reported that the district received a compliment regarding the excellent customer service provided by Water Conservation Specialist Michelle M. Curtis and Senior Chemist Cindy A. Ziernicki.
- B. President Verbeke and Director Linden provided written reports. Director Scalzitti stated he had met with Lake Jennings staff on October 17, 2015. He reported that the Trout Opener will take place November 21, 2015; October occupancy is holding with last year's totals; and he presented the Lake Jennings draft website. General Manager Lugo requested the board provide him with any feedback regarding the website. Director Linden was provided with details regarding the reservation system not allowing campers that have been involved in negative

incidents to return to the campground. Vice President Muse stated he attended the San Diego River Conservancy meeting and that the conservancy is prepared to move forward with a trail near a district pump station. Director Scalzitti and Director Linden stated they attended the Council of Water Utilities meeting and were impressed by the fifth and sixth grade storm water presentations. Director Hedberg reminded the board of directors to attend the California Special Districts Association dinner on November 19, 2015, to hear Director Scalzitti speak. She also mentioned the video contest and requested the information be added to the district's website.

- C. General Manager Carlos V. Lugo recognized the work being done by staff on the Cayenta software transition. He stated he would follow up with the board during a future meeting. He stated he would not be available for the CSDA meeting due to a safety briefing at the operations center. General Manager Lugo reported he would forward the PowerPoint presentations from the San Diego County Water Authority's General Managers' meeting which covered the following topics: the search for new legal counsel, long term financing, Proposition 1 funding and the desalination plant.
- D. General Counsel Elizabeth W. Hull had nothing additional to report.
- E. Board Secretary Sandra L. Janzen highlighted the action items to be covered at the December 9, 2015, 4 p.m. regular board meeting including a 5 p.m. time certain public hearing in regards to the policies and procedures manual. Ms. Janzen stated this will be the only December board meeting due to the board's conference schedules.

President Verbeke adjourned the meeting at 4:52 p.m.

ATTEST:

Sandra L. Janzen, Board Secretary

DeAna R. Verbeke, President