

HELIX WATER DISTRICT

Setting standards of excellence in public service

MINUTES

REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday, March 1, 2017 – 6 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

1. President Scalzitti called the regular board meeting to order at 6:15 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan, Verbeke and Gracyk. Vice President Hedberg attended the meeting via teleconference from Best Best & Krieger, LLP offices (2000 Pennsylvania Ave. N.W., Suite 5300, Washington, D.C. 20006). Board Secretary Sandra L. Janzen verified that all board members were able to hear Vice President Hedberg and that Vice President Hedberg was able to hear the proceedings. Ms. Janzen also verified that no board member doubted that Vice President Hedberg was the party participating by teleconference. There were no members of the public at the Washington, D.C. location wishing to be heard.

Staff present: Lugo, Tomasulo, Stoia, Olney, Miller, Janzen, Bryant, Schipper, Ross, Emery, Uhrhammer, Fox and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers John L. Wood, Larry Nichols, Wayne Lutge, Alex Lutge and East County Magazine Reporter Jonathon Goetz were present.

2. Director 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 unanimously.

Motion: Verbeke

Second: Gracyk

4. President Scalzitti 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 requests to address the board.
5. The consent agenda was approved unanimously.

Motion: Verbeke

Second: McMillan

- a) Memorandum dated March 1, 2017, from the board secretary submitting expense and per diem claims was approved.
- b) The board approved the minutes of the regular board meeting of February 15, 2017 and the Committee of the Board meeting of February 22, 2017.
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated February 14, 2017
 - ii. List dated February 21, 2017

Director McMillan requested and received specific information regarding bait and tackle restocking at Lake Jennings; check number 179636 to PICA was verified as Aqueduct 2 project payments; check number 179681 in the amount of \$500 was paid to Metropolitan Water District to renew annual membership with the National Water Resources Association Municipal Caucus.

- d) The board approved the following attendance considerations:
 - i. Meeting with Assemblywoman Shirley Weber
Governor's Executive Order and Corresponding Water Regulations
February 10, 2017, 12:15 p.m. – 12:45 p.m.
1350 Front Street, Suite 6046
San Diego, California
 - ii. Lake Jennings Kids' Day
Request for Mileage Only
February 11, 2017, 6 a.m. – 2 p.m.
9535 Harritt Road
Lakeside, California
- e) The board adopted the following resolution:
 - i. The board adopted Resolution 17-13 concurring in nomination of Melody Henriques-McDonald of San Bernardino Valley Water Conservation District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority.

ACTION ITEMS

- 6. The board adopted Resolution 17-14 authorizing changes to Section 9.1-3, Section 9.1-14(A) and Section 9.1-14(B) of the policies and procedures manual, effective March 1, 2017. The motion carried unanimously with a correction to

Section 9.1-14(B) for the board subcommittee meetings to be removed from the California Special Districts Association and be included as Helix Water District Board of Directors - subcommittee meetings.

Motion: McMillan
Second: Verbeke

President Scalzitti opened public comments recognizing Customer Larry Nichols. Mr. Nichols stated the timing of increasing the meetings that receive per diems and asking for a financial incentive to waive district insurance was not recommended while also asking staff to lower rates. East County Magazine Reporter Jonathon Goetz was also recognized. He asked why Helix Water District per diems are \$200 while other agencies are paid \$137 per meeting; and asked what value chamber of commerce breakfasts offer constituents at \$2000 per meeting when five directors attend. President Scalzitti reminded Mr. Goetz that the board could not enter into a back and forth dialogue during public comments but that General Manager Carlos V. Lugo would contact him the next day to address his questions.

All five board members stated the importance of networking on behalf of their constituents and support for the Resolution 17-14. It was pointed out that board members may attend multiple meetings in a day and receive only one per diem (plus any board approved expenses).

7. The board rejected all bids submitted for construction of the pipeline replacement project at Dennstedt, Murray, El Monte, W. Main, alleys, Grape, Renette and easement, Work Order 3615.2 and authorized staff to rebid the project under a new work order number. The motion carried unanimously.

Motion: Verbeke
Second: Scalzitti

Director of Engineering James A. Tomasulo presented the board report. Director Gracyk verified with general counsel that there were no legal ramifications to rejecting all bids.

8. The board adopted Resolution 17-15 waiving Section 3.1-7, Formal Competitive Bidding, of the district's 2017 policies and procedures manual and authorized the general manager to solicit a minimum of three bids from general contractors to repair the damaged 36-inch concrete cylinder Aqueduct 2 Pipeline, Work Order 4915. The motion carried unanimously.

Motion: Verbeke
Second: Gracyk

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and answered all questions. Director Gracyk clarified that due to the urgent nature of the project, that a reasonable timeframe for the project will be established through evaluation of the scope of the required repairs. Director Verbeke expressed gratitude that the district had the ability to reprioritize projects based on the scope and urgency of the Aqueduct 2 pipeline project.

9. The board approved the mid-year adjustments to the fiscal year 2016-17 capital improvement project budget schedules 64, 76 and 84. The motion carried unanimously.

Motion: Verbeke
Second: McMillan

Director of Engineering James A. Tomasulo provided a PowerPoint presentation. Director McMillan clarified that schedule 64 item 13 in the amount of \$10,000 was for the design and preliminary planning of the project. Director Gracyk and Director McMillan verified that the manufacturer of circuit breakers for replacement at the treatment plant had stopped making parts, but had begun manufacturing again and schedule 64 item 24 covered the replacement, refurbishing and purchase of spare circuits that would be ordered upon board approval.

DISCUSSION

10. President Scalzitti provided a written reported regarding attendance at the 5th Annual CalDesal Conference on February 2-3, 2017; the East County Networking Breakfast: Advanced Water Purification Update on February 8, 2017; the grand opening event of the Flume Trail on February 16, 2017 and the Council of Water Utilities on February 21, 2017. President Scalzitti also provided a verbal reported that he attended the San Diego Chapter of the California Special Districts Association's quarterly dinner meeting on February 16, 2017 and heard speaker Scott Barnett of the Little Hoover Commission.
11. Director McMillan provided written reports for attendance at three new board member orientation sessions with human resources and the board secretary on February 2, 2017; the general manager and finance and administration team on February 3, 2017; and general counsel on February 9, 2017. Director McMillan also provided written reports regarding attendance at the East County Networking Breakfast: Advanced Water Purification Update on February 8, 2017 and the San Diego Chapter of California Special Districts Association quarterly dinner meeting on February 16, 2017. Director McMillan provided a verbal report regarding the Council of Water Utilities meeting on February 21, 2017 regarding Delta water conveyance and reported that he participated in a webinar regarding advanced metering infrastructure.

Director Verbeke provided a written report regarding attendance at the Urban Water Institute's Spring Water Conference on February 8 through February 10, 2017 and invited the board of directors to a number of Water Conservation Garden activities with a list to be provided in the near future. Director Verbeke also made positive comments regarding the envelope snipe inviting customers to the next Water Talks at the treatment plant on April 29, 2017.

Director Gracyk provided written reports for attendance at the 5th Annual CalDesal Conference on February 2-3, 2017; the East County Networking Breakfast: Advanced Water Purification Update on February 8, 2017; the San Diego Chapter of California Special Districts Association quarterly dinner meeting on February 16, 2017; the grand opening event of the Flume Trail on February 16, 2017; attended the Lemon Grove City Council meeting on February 21, 2017; the La Mesa City Council meeting on February 22, 2017 and Director Gracyk encouraged collaboration with the Parks and Recreation Commission and reported attendance at the San Diego County Water Authority Farm Bureau's Tour of Farms on February 25, 2017. Director Gracyk reminded the board of directors that he met with Assemblywoman Shirley Weber on February 10, 2017 and enjoyed the turnout for Lake Jennings Kids' Day on February 11, 2017.

Vice President Hedberg provided a verbal report that she attended the California Special Districts Association's quarterly dinner on February 16, 2017 and heard speaker Scott Barnett of the Little Hoover Commission. Vice President Hedberg suggested the board stay informed regarding Mr. Barnett's work.

- a) President Scalzitti and Vice President Hedberg provided the San Diego County Water Authority Report verbally stating a new public outreach campaign was underway with a positive factual base. The campaign will reach public officials with information regarding how the Metropolitan Water District Board of Directors spends funds.
12. General Manager Carlos V. Lugo reviewed the agenda items planned for the meetings on March 6, March 8, March 15 and March 22, 2017. Mr. Lugo received board consensus that a board retreat/team building workshop was desired on the morning of Saturday, April 1, 2017 at Lake Jennings. Mr. Lugo stated he will check Consultant Michele Tamayo's availability on April 1, 2017. President Scalzitti suggested the April 5, 2017 meeting be cancelled due to his and Director Verbeke's vacation schedules. Mr. Lugo stated the meeting may be needed due to critical issues.

Mr. Lugo requested Director of Water Quality/System Operations Brian M. Olney provide an update regarding lead testing in schools. Mr. Olney reported letters have been received from the Cajon Valley School District (17); Lakeside School District (1); Grossmont School District (8); Santee School District (1) and staff is awaiting a letter from the Lemon Grove School District (4). Mr. Olney reported

that staff has confirmed the La Mesa-Spring Valley School District will conduct their own lead testing and the school district is providing bottled water to all students. Channel 7 News ran a story; customers have called with questions and Helix Water District's public affairs department is following up with the news reporter. Information will be posted on the social media site Nextdoor and has been placed on the district website. Directors McMillan, Gracyk and Hedberg expressed concern that the school district was not utilizing Helix Water District's resources and expertise. General Manager Carlos V. Lugo and Mr. Olney also informed the board of a potential regional approach to move water and limit spillover. The district will ensure the proper blend, treatment and water quality.

Mr. Lugo referred to an email forwarded to the board of directors from San Diego County Water Authority General Manager Maureen Stapleton regarding SDCWA's policy recommendation for disbursement of potential proceeds resulting from Metropolitan Water District rate litigation. Both Mr. Lugo and General Counsel Elizabeth W. Hull stated litigation may continue.

13. General Counsel Elizabeth W. Hull had nothing additional to report.

ADJOURNMENT

14. President Scalzitti adjourned the meeting at 8:05 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Board Secretary