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MINUTES

**COMMITTEE OF THE BOARD/REGULAR MEETING OF THE BOARD OF DIRECTORS
AND CLOSED SESSION MEETING**

Wednesday, June 28, 2017 – 3 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

1. President Scalzitti called the Committee of the Board and the Closed Session meeting to order at 3 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan, Verbeke and Gracyk were present.

Staff present: Lugo, Tomasulo, Olney, Stoia, Miller, Janzen, Salois, Lundy, Bryant, Annett, Lyford, Schipper, Curtis, Jones, Lawler, Andrews, Doubrava, Garuba, Berens, Gustafson and Watt. General Counsel Elizabeth W. Hull and Bruce Beach were also present.

At 3 p.m. the boardroom was filled with Helix Water District employees, retirees and family of Senior Engineering Technician Gregory A. Jones in honor of his 15-year service award.

Others present: Lessees Joan Embery and Duane Pillsbury. Chief Executive Officer/General Manager Allen Carlisle, Director of Engineering Al Lau and Engineer Seval Sen of Padre Dam Municipal Water District, Principal Ken Weinberg of Ken Weinberg Water Resources Consulting, LLC and Vice President Patrick Huston of Kennedy Jenks.

2. Director McMillan led the Pledge of Allegiance. Director McMillan did not provide an invocation.
3. There were no additions or deletions to the agenda. The agenda was approved unanimously.

Motion: Hedberg
Second: Verbeke

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. No one requested to be heard.

DISCUSSION

5. Senior Engineering Technician Gregory A. Jones received an award for 15 years of service with the district. He was joined by family, retirees and employees. Engineering Manager Milica K. Schipper introduced Mr. Jones; General Manager Carlos V. Lugo provided background information; President Scalzitti presented a framed certificate. Mr. Jones introduced his family and thanked his mother, father and wife for their support. He also thanked his co-workers and the board of directors for their encouragement, balanced with professionalism and fun, to best serve the customers.

President Scalzitti adjourned the meeting at 3:15 p.m. for service award photographs.

President Scalzitti reconvened the meeting at 3:24 p.m.

6. The board received a PowerPoint presentation by Chief Executive Officer/General Manager Allen Carlisle, Director of Engineering Al Lau and Engineer Seval Sen of Padre Dam Municipal Water District and Principal Ken Weinberg of Ken Weinberg Water Resources Consulting, LLC regarding the status of the East County Advanced Water Purification program. There were no public comments.

President Scalzitti encourage Padre Dam Municipal Water District representatives to have loan replacement programs and other incentive applications ready for submittal. Director McMillan stated the deployment of the program must provide the best water rate for East County customers. Vice President Hedberg clarified that the tracer study is needed to verify the findings of the Lake Jennings model. Director Gracyk clarified that the Department of Drinking Water's conceptual approval of the treatment plant may change with new regulations. Directors Verbeke and McMillan discussed the challenges related to treating pure water while also maintaining Lake Jennings' fish habitat. President Scalzitti thanked Padre Dam Municipal Water District staff for the presentation and asked that information continue to be shared with the Helix Water District Board of Directors.

Director Gracyk left the boardroom at 4:40 p.m. A quorum of the board remained.

President Scalzitti adjourned the meeting for a break at 4:41 p.m.

President Scalzitti reconvened the meeting at 4:50 p.m. All board members were present.

7. The board received and discussed an overview of the district's leases. Senior Right of Way Agent/Environmental Analyst Debra S. Lundy provided a PowerPoint presentation of district leases within the El Monte Valley. Best Best and Krieger Partner Bruce Beach was also available to answer questions.

President Scalzitti recognized Joan Embery. Ms. Embery stated support for the continued lease of the Embery/Pillsbury Lakeside Saddle and Driving Club and provided a binder with

photos and information regarding the club. Staff will bring an action item to the board to potentially continue the lease at market value while also evaluating other options for the land. Lessee Duane Pillsbury also stated the club has paid over a quarter of a million dollars to Helix Water District, has provided equestrian access to the river water bottom, maintains nearly 200 members and serves the community. Mr. Pillsbury expressed an interest in working with the district to continue the lease.

General Manager Carlos V. Lugo clarified that the board would like all leases to come before the board when it is time for renewal and verified the board's desire to continue the leases at market value while maintaining options to exit the lease should a project that benefits the ratepayers arise.

8. President Scalzitti opened directors' comments. Director McMillan stated he informally conducted a survey at Harry Griffen Park and would provide the information to Director Gracyk as the district's representative on the Harry Griffen Park Steering Committee. Director Verbeke reported attendance at the Water Conservation Garden Governance Committee on June 28, 2017, and discussed a funding schedule proposal to go before the Water Conservation Garden Joint Powers Authority Board of Directors. Director McMillan verified a special board meeting of the Helix Water District Board of Directors to discuss the points to be included in a letter to the Water Conservation Garden was scheduled at 3 p.m. on July 14, 2017. Vice President Hedberg reported she will not be available to attend said meeting, but will meet with General Manager Lugo.

President Scalzitti adjourned into Closed Session at 5:44 p.m.

From Closed Session Agenda:

CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: APN: 392-060-29 (por); 391-061-01 (por); 390-040-51 (por); and 392-130-42 (por).

Agency Negotiators: General Manager Carlos V. Lugo, Director of Engineering James A. Tomasulo, Senior Right of Way Agent/Environmental Analyst Debra S. Lundy, General Counsel Elizabeth W. Hull and Bruce Beach

Buyer Negotiators: City of San Diego and Executive Officer Julia Richards, San Diego River Conservancy

Under Negotiation: Price and Terms of Payment

Best Best and Krieger Principal Bruce Beach and Elizabeth W. Hull attended closed session with General Manager Lugo, Director of Engineering Tomasulo, Senior Right of Way Agent and Environmental Analyst Lundy and all board members.


President Scalzitti adjourned closed session and reconvened open session at 6:15 p.m. There was no reportable action.

9. President Scalzitti adjourned the meeting at 6:16 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Board Secretary