

HELIX WATER DISTRICT

Setting standards of excellence in public service

MINUTES

REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday, February 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, Scalzitti and Linden present. Director Hedberg arrived at 2:03 p.m.

Staff present: Lugo, Stoia, Hayman, Tomasulo, Umphres, Janzen, Lunde, Bryant, Olney, Emery, Jenkins, Herrera, Fox, Ross, Schipper, Anub, Miller, Salois, Masterson, Sullivan, Curtis, Uhrhammer and Annett. General Counsel Elizabeth Hull and Kelly Salt were also present.

Others present: Customer Gordon Place; East County Magazine Contributing Reporter Kristin Kjaero; Raftelis Financial Consultants, Inc. Manager Habib Isaac and Triton Technology Solutions Designer Gus Allman.

- 2. Director Linden gave the invocation and led the Pledge of Allegiance.
- 3. General Manager Carlos Lugo reported there were no additions or deletions to the agenda. Director Hedberg requested item 10 be continued to a later date and time. The agenda was approved as posted 4:1.

	Motion:	Linden
	Second:	Muse
Vote:	Ayes: Verbeke, Muse, Linden, Scalzitti	Noes: 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 were no requests to be heard.

- 5. The consent agenda was approved unanimously.

Motion:	Scalzitti
Second:	Linden
Vote:	5 ayes

- a) The following operating account checks submitted for ratification were approved:

- i. list dated February 3, 2015

- ii. list dated February 10, 2015
 - b) Memorandum dated February 18, 2015, from the board secretary submitting expense and per diem claims was approved.
 - c) Minutes of the regular board meeting of February 4, 2015, and minutes of the Lake Jennings Committee/special board meeting of February 11, 2015, were approved.
 - d) The board received the reports for the month of January 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
 - e) The board adopted the following resolution:
 - i. 15-12 declaring construction complete and authorizing filing a notice of completion for Calle Las Palmas, Work Order 4146.
6. The board authorized staff to call for bids for the administration office window blinds replacement project, Work Order 4473, and set Thursday, March 19, 2015, at 10 a.m. as the bid opening date and time. The motion passed unanimously.

Motion: Linden
Second: Hedberg
Vote: 5 ayes

7. The board authorized the general manager to execute a superseding addendum to the existing Noble Americas Energy Solutions energy contract that modified the price and extended the term of the contract two years and executed an addendum to include fixed pricing for Resource Adequacy and Renewable Portfolio Standard charges. General Manager Carlos Lugo commended System Operations Manager Brian Olney and System Operations Supervisor Kevin Miller for negotiating an agreement saving the district \$80,000 and providing pumping flexibility. Director Hedberg requested an overview of the district's energy needs. Director Linden requested clarification regarding the details of the addendum. The motion passed unanimously.

Motion: Linden
Second: Hedberg
Vote: 5 ayes

8. The board authorized the general manager to amend the agreement with Cayenta for Change Order 3 in the amount of \$12,240 for additional Cognos bill print development services, to amend the agreement with Cayenta for Change Order 4 in an amount up to \$26,000 for additional Cognos report development services, and the board receive and file this project status update for the Cayenta Utilities, XC2 backflow and KeyMark/OnBase software implementation projects. Director Hedberg and Director Scalzitti asked clarifying questions. The motion passed unanimously.

Motion:	Linden
Second:	Scalzitti
Vote:	5 ayes

9. The board received information and provided feedback regarding the design concept of the boardroom audio/visual improvements projects, Work Order 4529. Monitor size and quality was discussed, power at the Dais and details regarding display of the roll call vote. Director Hedberg requested video streaming of the board meetings. Design Consultant Gus Allman from Triton Technology Solutions addressed all suggestions.

President Verbeke adjourned the meeting at 3:25 p.m. for a brief break.

President Verbeke reconvened the meeting at 3:34 p.m.

10. The board conducted a water rate structure cost of service workshop facilitated by Raftelis Financial Consultants, Inc. Manager Habib Isaac provided the board with an overview of the process used to identify the rate structure, and reviewed results of the pricing objectives, the financial plan, and provided his recommended rate design approach, cost of service and example rates. Directors Linden, Hedberg and Scalzitti asked clarifying questions during the workshop. Director Linden complimented Mr. Isaac. President Verbeke thanked staff for their work. Director Hedberg requested an evening presentation of the rate structure. President Verbeke recognized Customer Gordon Place. Mr. Place stated he had no questions at this time and that the rate model was easy to understand. General Manager Carlos Lugo stated he would be happy to meet with Mr. Place if he had questions as well as East County Magazine Contributing Reporter Kristin Kjaero. Ms. Kjaero stated her appreciation for a copy of the PowerPoint presentation and suggested it be made available on the website. Director of Administrative Services Lisa Stoia explained the preliminary presentation may create more questions than answers since the proposed rates are only examples and have not been approved. Once the board has worked through the rate structure model and made some decisions regarding percentages, the information will be valuable to the public and placed on the website.

Discussion:

- A. President Verbeke had no additional items to report.

- B. Vice President Muse provided a written report. Director Hedberg recommended the board of directors look at the Equinox Report and questioned a letter sent to customers regarding fire flow capacity water meters. Ms. Stoia addressed Director Hedberg's comments.
- C. General Manager Carlos V. Lugo notified the board that staff is working closely with the San Diego County Water Authority in preparation for potential 2015 water supply allocations. Mr. Lugo also reported that the Carlsbad Desalination Plant is 78 percent complete.
- D. General Counsel Elizabeth Hull had no additional items to report.
- E. Board Secretary Sandra L. Janzen reviewed future agenda items: February 23, 2015, the board will have a special workshop at 9 a.m.; engineering will present the master plan during the 2 p.m. March 4 meeting; and March 11 the Lake Jennings Committee is scheduled to meet at 5:30 p.m. to continue the ongoing discussion regarding activities, marketing and performance trends.

President Verbeke adjourned the meeting to closed session at 5:35 p.m.

Closed Session:

- A. **CONFERENCE WITH LABOR NEGOTIATORS**
Government Code §54957.6
Agency Designated Representatives: Carlos Lugo and Lisa Stoia
Employee Organizations: Employees' Association
Middle Management Employees' Association
- B. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Government Code §54957
Title: General Manager

President Verbeke reconvened and closed open session at 6:30 p.m. There was no reportable action taken during closed session.

ATTEST:

Sandra L. Janzen, Board Secretary

DeAna R. Verbeke, President

