

HELIX WATER DISTRICT

Setting standards of excellence in public service

MINUTES

ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday, October 7, 2015 – 5 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

1. President Verbeke called the meeting to order at 5 p.m. The roll call showed Directors Verbeke, Muse, Hedberg, Linden and Scalzitti present.

Staff present: Lugo, Stoia, Tomasulo, Umphres, Hayman, Bryant, Janzen, Masterson, Salois, Uhrhammer, Lawler, Annett, Okewole, Covarrubias and Bonnin. General Counsel Kelly Salt was also present.

Others present: Customers J. Harris, David Youngblood, Ivan Golakoff, Scott Simerson, A. Michael Scioli, W.J. Holmes, A.C. Doya, Ellen Phillips, Bill Phillips, Pat Harris, Maureen Fischbeck, Frank Sherr, Jim Legler, Deana Legler, Bo Zhou, Mary Jean Holme, Shawn Chambers, Ernie Pooler, Russell Himmer, Anna Marie Linder, Barbara Lamb, Tom Kenny, Radu Alexandra, Erik Collins, Chuck Miller, Laurie Miller, Harvey Hanenburg, Mary Russo, Paul Russo, Mike Qualls, Steve Denny, Janis Russell, Joel Dery, Judy Mourao, Joseph Mourao, Joseph Correia, Curt Crook, Gordon Place, Sylvia Sullivan, D. McMillan, Susan Nichols, John Wood, Linda Jandrew, Bob Cederdahl, Mike Valley, Larry Nichols, Mark Schuppert, Mary Jane Bailey, Thomas Rosenberger, Paul Metich, Mary Metich, Mardona Metsch, Dale Swan, Mercedes Scalzitti, Paul Martin, Emily Martin, Charles Little, Rosario Wilke, Cynthia McNichols, Dick Malsbary, Mary Laurino, Doug Mihoky, Llona Hoffman, Bill Hoffman, Laura Scinto, Bob Scinto, Cyndi Denny, Jason Parr, Robert Brown, P.A. Smith, Charles Lamb, Doug Tyler, Stephanie Payan, Nelson Melchior, Scott Anderson, Stacey Anderson, Frank Cooll, Denise Stefanson, Lorey Baldwin, Sandy Polster, David Polster, Mike Salisbury, Tarbell Martin, Cheryl Youngblood, Peter Tollerton, Brad Boswell, Theresa Bennett, Colette Dupont, Mark Richards, Diane Richards, Mary Dressel, Tom Dressel, Melanie Estes, Cameron Rains, Barbara Heiner, Susan Warner, Steven Kane, John Warwick, Glen Kvendru, Dan Prije, John Crosby, Lou Sunbury, Robert Sunbury, John Parker, Cleo Thompson, Larry Fine, Paul Combs, Kate Little, Joel Eikam, Susan Creveling, Elayne Summers, Mitch Summers, Stan Bacinett, Jim Patriquin, Andy Patriquin, Rick Bartlette, Brent Rushall, Sandra Franco, Robert Capita, Gerald Wilke, Dadmare Miller,

Carolyn Kaisen, Victor LaFave, Raymond Whitwer, Kandy Bartlette, Peter Deluke, Stephen Saltzman, Mark Gracyk, Christopher Kish, Paula Friga, William McNichol, Yvonne Trottier, Bob Annett, Edward Suhay, Don Mathiasen, James Marshall, Tom Odierno, Edward Cherlin, Sue Cherlin, Alicia Bianchi, Coleen Geraghty, Paul Brown, Zach Dominico, James Caffrey, Hana Merk, Barbara Fischbeck, Constance Kaminsky, Lee Stewart, Hugh Williams, Greg Reynolds, Jeff Clemetson, Leslie Day, Marty Ornish, Octavia Parker, Alethea Rausch, Derek Bardin and Steven Ornish, Utility Consumers' Action Network Executive Director Don Kelly, San Diego Union-Tribune Reporter Karen Pearlman, representatives from the La Mesa Courier, East County Magazine and television news channels 5, 8 and 9, and Raffelis Financial Consultants Inc. Habib Isaac was also present.

2. Director Linden led the Pledge of Allegiance.
3. 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. John Elwood encouraged customers to submit a protest letter during the public hearing regarding a proposed rate increase. Mr. Gordon Place stated opposition to a 10 percent penalty he received on his water bill.
5. The board received the final Helix Water District Comprehensive Water Cost of Service and Rate Study prepared by Raffelis Financial Consultants Inc.; conducted a public hearing regarding the proposed rates for water service fees for fiscal year 2015-16 through fiscal year 2019-20 in accordance with Proposition 218 and adopted Resolution 15-67 adopting increases to the rates for water service fees for fiscal year 2015-16 through fiscal year 2019-20. The motion passed 3:2.

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

General Manager Carlos V. Lugo and Director of Administrative Services Lisa L. Stoia provided opening comments. President Verbeke opened the public hearing following PowerPoint presentations by Assistant Director of Administrative Services Jennifer C. Bryant and Consultant Habib Isaac. The following people addressed the board of directors and spoke in opposition to the proposed rate increase: Bob Cederdahl, Larry Nichols, Curt Crook, Mark Schuppert, Chuck

Miller, Gordon Place, Mary Jane Bailey, Dan McMillan, Dick Malsbary, Cyndi Denny, Anna Marie Linder, Stan Bacinett, Bob Annett, Yvonne Trottier, Peter DeLuke, Ray Whitwer, Cynthia McNichols, Luis Tejeda, Don Mathiasen, Robert Capita, Sandra Franco, Thomas Oakes, Lidia Chang, Tom Brady, Billy Jenkins, Don Kelly, Marty Ornish, Zach Domenico, Tom Odierno, James Marshall and Kathleen Rains.

On multiple occasions, General Counsel Kelly Salt and General Manager Carlos V. Lugo reviewed the public hearing process in order to calm the public hearing participants. President Verbeke provided additional time for the participants to submit a protest letter before closing the public hearing at 8:12 p.m.

Director of Administrative Services Lisa L. Stoia provided clarification to statements made by customers during the public hearing. Employees pay 32 percent of their retirement benefit; employees do not retire at the age of 50; Raftelis Financial Consultants Inc. was hired through a competitive bid process. Ms. Stoia invited customers to contact staff with any questions and to meet with staff for details regarding the rate setting process.

Board Secretary Sandra L. Janzen announced that 557 valid protest letters were submitted prior to the close of the public hearing. President Verbeke announced that a majority protest does not exist and opened board comments to consider the proposed resolution to adopt the increases to the district's water services fees.

Director Scalzitti made a motion to adopt a resolution authorizing a two year rate increase. Director Hedberg seconded the motion. The motion failed. Ayes: Scalzitti, Hedberg. Noes: Verbeke, Muse, Linden.

Prior to Director Scalzitti calling for the question, President Verbeke suggested a three year proposal. There was no consensus. Director Hedberg thanked the customers for attending the meeting. Director Hedberg apologized that there was not enough seating for everyone and stated that she had told staff a large number of customers would be attending. She stated her support for a two year rate increase and support of the tiered rates. Director Scalzitti stated a five year proposal was too long due the uncertainty of the drought and state mandates. Director Linden stated the rates will be revisited every year and stated the customers are asking us to save money. Ms. Stoia stated the Proposition 218 notice costs \$30,000 and another \$100,000 in staff resources.

Vice President Muse read an excerpt from a book entitled "The Perfect Board." The author states once a vote is taken all members of the board should stand together and support the majority vote. District Counsel reviewed the rules of board meeting conduct with the customers.

6. The board nominated Helix Water District Board Member Joel Scalzitti to the San Diego Local Agency Formation Commission's Special Districts Advisory Committee as an alternate commissioner. The motion passed unanimously.

Motion:	Hedberg
Second:	Linden
Vote:	5 ayes

President Verbeke adjourned the meeting at 8:43 p.m.

ATTEST:

Sandra L. Janzen, Board Secretary

DeAna R. Verbeke, President