

HELIX WATER DISTRICT
Setting standards of excellence in public service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, July 20, 2016 – 2 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. Chairman Muse called the regular board meeting to order at 2 p.m. The roll call showed a quorum of the board present: Directors Muse, Hedberg, Linden and Scalzitti. President Verbeke was absent.

Staff present: Lugo, Tomasulo, Umphres, Stoia, Hayman, Janzen, Ziernicki, Lyford, Ross, Miller, Schipper, Olney, Dillman, Bryant, Masterson, Curtis, Uhrhammer and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: No others were present.

2. Director Linden 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 4:0.

Motion: Linden
Second: Scalzitti
Ayes: Muse, Hedberg, Linden, Scalzitti
Absent: Verbeke

4. Chairman Muse provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. There was no one to be heard.

5. The consent agenda was approved 4:0.

Motion: Scalzitti
Second: Linden
Ayes: Muse, Hedberg, Linden, Scalzitti
Absent: Verbeke

- a) Memorandum dated July 20, 2016, from the board secretary submitting expense and per diem claims was approved.
- b) The board approved the minutes of the regular board meeting of July 6, 2016.

- c) The following operating account checks submitted for ratification were approved.

- i. list dated July 5, 2016
- ii. list dated July 12, 2016

- d) Resolution.

The board adopted Resolution 16-31 awarding the pipeline project Broadway, Dennis Lane, Golden Avenue, Grove Street, Lemon Grove Avenue and Mount Vernon Street, Work Order 3510 to the lowest responsible bidder SC Valley Engineering Inc. of El Cajon, California, in the amount of \$2,223,166; and appropriated funds in the amount of \$2,736,000 from schedule 64, item 3, of the fiscal year 2016-17 capital budget for the construction of the project.

- e) The board approved the following attendance consideration.

California Special Districts Association
Annual Conference and Exhibitor Showcase
October 10-13, 2016
Sheraton San Diego Hotel and Marina

ACTION ITEMS

- 6. The board conducted a public hearing regarding the state mandated public health goals report on water quality. Chairman Muse opened and closed the public hearing at 2:10 p.m. There was no one to be heard. Senior Chemist Cindy A. Ziernicki provided a PowerPoint presentation and answered all questions. No public comments regarding the report were received by the district, prior to the meeting.
- 7. The board waived two immaterial deviations of the apparent low bid; adopted Resolution 16-32 awarding the contract for construction of the Fletcher Hills 2 pump station replacement project, Work Order 4214 to the lowest responsible bidder submitting a responsive bid, Pyramid Building and Engineering Inc. of Hesperia, California, in the amount of \$1,628,250; and appropriated funds in the amount of \$2,352,000 from schedule 64, item 12, of the capital budget for the construction of the project. The motion passed 4:0.

Motion: Hedberg
Second: Linden
Ayes: Muse, Hedberg, Linden, Scalzitti
Absent: Verbeke

Director Hedberg confirmed Pyramid Building and Engineering Inc. was comfortable with the bid and that staff had checked the contractor's references. General Manager Carlos V. Lugo and Engineering Manager Milica K. Schipper reviewed for the board the steps to qualify a bidder before board action is requested.

8. The board authorized the general manager to execute an amendment to the existing professional services agreement between Helix Water District and Carollo Engineers Inc. to extend the contract term for 18 months and authorize an additional contract amount not to exceed \$73,000 from schedule 64, item 12 of the fiscal year 2016-17 capital budget to perform construction support services for the Fletcher Hills 2 pump station replacement, Work Order 4214. The motion passed 4:0.

Motion: Linden
Second: Hedberg
Ayes: Muse, Hedberg, Linden, Scalzitti
Absent: Verbeke

Director of Engineering James A. Tomasulo introduced Associate Engineer Sam L. Dillman to the board of directors. Mr. Lugo stated staff will bring a contract amendment to the board for a construction management engineer in August.

9. The board received the reports for the month of June and the quarterly reports:
 - i. Claims report
 - ii. Quarterly Deferred Compensation report
 - iii. Treasurer's report
 - iv. Budget summary
 - v. Quarterly Lake Jennings Financial report
 - vi. Rainfall, Use and Storage report
 - vii. System Demand report
 - viii. Monthly Demand report
 - ix. Conservation Status report
 - x. Quarterly Capital Improvement Program report

Director Scalzitti pointed out an error in the Claims report. Director of Operations Tristan A. Hayman provided a corrected report at the end of the meeting.

Director of Administrative Services Lisa L. Stoia provided a PowerPoint presentation regarding the Treasurer's report comparing fiscal year 2015-16 mid-year status to the end of year status. Ms. Stoia answered questions regarding the \$6 million revenue shortfall due to state conservation mandates; reduced capital and operating expenditures of \$5.1 million and a \$900,000 deficit to be covered by

reserves. Director Hedberg, stated she may want to discuss this with staff at a later time.

Director Scalzitti reported the quarterly Lake Jennings Financial report ended fiscal year 2015-16 with a shortfall of \$10,000 compared to the \$200,000 shortfall from prior years. System Operations Manager Brian M Olney stated the finances are improving and reported that staff is busy with projects. He also reported the public hearing for the tee-pee and kayak fees is scheduled for August 17 and a reveal date for the new amenities at the lake and campground is being planned.

Director of Engineering James A. Tomasulo referred to the quarterly capital improvement program report and detailed the \$2.5 million of deferred projects. Director Linden mentioned the board may want to look at a bond to fund projects at a low interest rate before experiencing infrastructure failures due to deferred projects. Mr. Lugo stated the district would need to evaluate and package the projects into a large enough option to necessitate a bond Ms. Stoia detailed the negative and positive reasons regarding an option for a bond.

INFORMATION

10. The board received an update regarding Helix Water District's Drought Action Plan for June 2016. Director Hedberg clarified that customers should report after hour commercial leaks to the district to take care of the problem at the valve and clarified that the Fletcher Hills Library contacted the district to participate in their annual ice cream social. Director Linden clarified water lost due to vandalism at commercial properties remained the customer's responsibility and stated the importance of police involvement in these situations. He also suggested evaluation of the conservation budget. Ms. Stoia stated the importance of continuing some amount of conservation messaging, due to the pressure the State Water Resources Control Board is receiving from environmental agencies to continue to conserve. Senior Public Affairs Representative Michelle M. Curtis stated the communication outreach is accomplished at a low cost by district employees

DISCUSSION

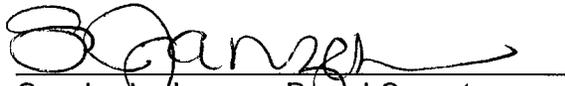
11. Chairman Muse had nothing additional to report.
12. No written reports were provided. Director Scalzitti reported he attended the July 19, 2016 Council of Water Utilities meeting in the city of Poway and found the speaker General Manager Jeffrey Kightlinger of Metropolitan Water District interesting. Discussion ensued. Director Linden stated the purchase of the Delta islands by MWD, was controversial and did not support the position of the San Diego County Water Authority.

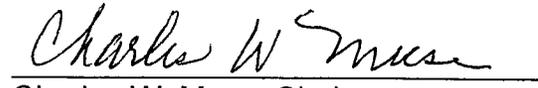
13. General Manager Carlos V. Lugo detailed future board agenda items for the August 3, August 17 and August 24, 2016 meetings. Mr. Lugo received board consensus to cancel the July 27, 2016 Committee of the Board meeting due to a lack of agenda items.
14. General Counsel Elizabeth W. Hull had nothing additional to report.

ADJOURNMENT

Chairman Muse adjourned the meeting at 3:03 p.m.

ATTEST:


Sandra L. Janzen, Board Secretary


Charles W. Muse, Chairman