

HELIX WATER DISTRICT

Setting standards of excellence in public service

MINUTES

REGULAR MEETING OF THE BOARD OF DIRECTORS

Wednesday, October 5, 2016 – 2 p.m.

7811 University Avenue, La Mesa, CA 91942-0427

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

Staff present: Lugo, Tomasulo, Hayman, Stoia, Janzen, Olney, Bryant, Lawler, Ross, Curtis, Masterson, Salois, Uhrhammer and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers Mark Gracyk, John L. Wood and Dan McMillan were present. Auditor Phil White from Vavrinek, Trine, Day & Company, LLP was also present.

2. Vice President Muse 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. President Verbeke stated the service award was not a time certain item. The agenda was approved 4:0.

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

A subsequent attendance was taken at 2:02 p.m. A quorum of the board was present to continue the meeting: Verbeke, Muse, Hedberg, Linden and Scalzitti.

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. President Verbeke recognized Customer John L. Wood. Mr. Wood stated he hoped the patch work in Lemon Grove was not the final pavement repair.
5. The consent agenda was approved unanimously.

Motion: Linden
Second: Hedberg

- a) Memorandum dated October 5, 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 September 21, 2016 and the Committee of the Board meeting of September 28, 2016.
- c) The following operating account checks submitted for ratification were approved:
 - i. list dated September 20, 2016
 - ii. list dated September 27, 2016
- d) Resolutions
The board adopted the following resolutions:
 - i. Resolution 16-36 authoring the quitclaim of four aligned easements in the county of San Diego, state of California, Assessor Parcel Numbers 578-143-06, 34 and 61-63
 - ii. Resolution 16-37 authorizing the quitclaim of a portion of one aligned easement in the county of San Diego, state of California, Assessor Parcel Numbers 498-011-05, 498-013-05 and 498-013-06

INFORMATION

6. The board received the audited annual financial statements and independent auditor's report for the fiscal year ended June 30, 2016, with comparative information for 2015. Director Linden provided the board of directors with the Audit Committee's report. The committee met with the district's independent auditor on September 23, 2016, and received a clean opinion. The financial statements as prepared by district staff, accurately reflected the financial position of the district and complied with all current accounting rules and regulations. The auditor reviewed the Statement on Auditing Standards Number 114 confirming that the auditor encountered no difficulties during the audit process, had no disagreements with management and had no other audit findings, issues or matters to report. Director Linden also reported there were no material weaknesses in internal controls.

Assistant Director of Administrative Services Jennifer C. Bryant introduced Auditor Phil White of Vavrinek, Trine, Day & Company, LLP. Mr. White confirmed the Audit Committee report and walked the board of directors through the audit documents highlighting pages 28, 32 (note 9) and page 35. Director Scalzitti confirmed this was the second year Government Accounting Standard Board Number 72 was applicable. Mr. White stated GASB 79 regarding post-employment benefits is expected to apply in a few years. Director Hedberg

confirmed there were no significant concerns of deficiencies with the new billing system and that all policies were in place. President Verbeke thanked the auditor and staff for their excellent work. The audit report was received.

ACTION ITEMS

7. The board adopted Resolution 16-38 amending the Helix Water District Conflict of Interest Code pursuant to the Public Reform Act of 1974. The motion carried unanimously.

Motion: Linden
Second: Muse

Director Hedberg confirmed staff was trained and aware of the changes to the Helix Water District Conflict of Interest Code and that district counsel had reviewed the code.

8. The board authorized General Manager Carlos V. Lugo to execute a memorandum of understanding with the San Diego Metropolitan Transit System regarding the Hill Street slope repair project, Work Order 4545. Engineering Manager Timothy J. Ross provided a PowerPoint presentation. The motion carried unanimously.

Motion: Scalzitti
Second: Hedberg

President Verbeke clarified the length of the project is approximately 1,700 linear feet. Director Hedberg clarified the MOU protects the district's existing in-place 10-inch asbestos cement main; SDMTS will be responsible for any damage to district facilities resulting from construction; SDMTS will reimburse the cost of abandoning and relocating nine water meters; SDMTS will reimburse the district the cost of abandoning and relocating three fire hydrants and acquire all necessary easements for the district facility relocations. Director Hedberg also clarified that SDMTS will maintain temporary pavement, make the final pavement repairs and that both parties will mutually indemnify each other. Director Linden reported the waterlines were installed in the 1940's.

9. Board member Kathleen M. Hedberg received an award for 10 years of district service. General Manager Carlos V. Lugo introduced Director Hedberg and provided background information; President Verbeke presented a framed certificate, cup and district ring.

President Verbeke adjourned the meeting at 2:42 p.m. for service award photographs.

President Verbeke reconvened the meeting at 2:44 p.m.

DISCUSSION

10. President Verbeke reviewed the districts safety newsletter and thanked all employees for their focus on safety.
11. No written reports were provided. Director Hedberg stated that she attended the Association of California Water Agencies 2016 Regulatory Summit in Sacramento and shared information regarding changes businesses are making to accommodate the solar energy duck curve. President Verbeke mentioned the duck curve has been reviewed during meetings at the San Diego County Water Agency.
12. General Manager Carlos V. Lugo detailed future board agenda items for the October 19, October 26, November 2 and November 16, 2016 meetings. The board agreed to conduct the tipi and kayak reveal event on November 10, 2016 at 11 a.m.
13. General Counsel Elizabeth W. Hull reviewed the memorandum regarding how public officials properly disclose and recuse themselves under the Political Reform Act and Government Code Section 1090.

Director Hedberg recused herself from closed session.

President Verbeke requested District Counsel Elizabeth W. Hull adjourn the meeting into closed session at 2:56 p.m.

CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)

Number of Potential Cases: 1

District Counsel Elizabeth W. Hull adjourned closed session at 3:36 p.m.

ADJOURNMENT

President Verbeke stated there was no reportable action and adjourned the meeting at 3:37 p.m.

ATTEST:


Sandra L. Janzen, Board Secretary


DeAna R. Verbeke, President