

## **HELIX WATER DISTRICT**

*Setting standards of excellence in public service*

### **MINUTES**

#### **SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Wednesday, March 8, 2017 – 6 p.m.**

**7811 University Avenue, La Mesa, CA 91942-0427**

1. President Scalzitti called the special board meeting to order at 6 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan, Verbeke and Gracyk.

Staff present: Lugo, Stoia, Tomasulo, Olney, Miller, Bryant, Janzen, Garuba, Salois, Solano, Doubrava, Andrade, Andrews, Powell, Curtis, Rosenboom, MacMaster, Lawler, Uhrhammer, Emery, Rutan, Schipper, Baig, Marshburn, Wilson, P. Sample, Kading, Pearce, Ross, Sebastian, Roberti and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers Chuck Muse, John Wood, Larry Nichols, Thom Rosenberger, Steve Welch, Mike Watt, Jim Marshall, Paula Friga, Donald Friga, Curt Crook and Tom Brady.

2. Director Gracyk 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 unanimously.

Motion: Verbeke  
Second: McMillan

Director McMillan requested agenda item 5 be changed to an action item instead of a discussion item. District Counsel Elizabeth W. Hull stated the agenda was posted per the board direction received during the March 1, 2017, regular board meeting.

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. Customer Mike Watt stated support for keeping the water rate the same rather than undergoing an out of cycle rate change. Mr. Watt also stated there is a conflict in requesting a rate reduction while increasing the opportunities for per diems and approving a higher meal allowance.

**DISCUSSION ITEM**

5. The board considered the PowerPoint presentation and information provided by General Manager Carlos V. Lugo, Director of Administrative Services Lisa L. Stoia and Assistant Director of Administrative Services Jennifer C. Bryant regarding the district's current rates, fiscal year 2016-17 budget, rate setting process and analysis regarding the board's request to review the possibility for an out of cycle rate change.

President Scalzitti opened public comments and recognized Customer Curt Crook. Mr. Crook stated the drought is over; that the annual salaries over \$200,000 were disgraceful and that water rates should be cut for customers with an average salary of \$39,000. President Scalzitti recognized Customer Larry Nichols. Mr. Nichols suggested the district drop below 60 days of operating cash, account for capacity fees, consider rate restrictions moving forward, stated the rate stabilization fund is not restricted, referred to slide 19 in reference to employee cuts; stated a 5 percent rate reduction could be reached and asked staff to show a graph for customers using 50 units and 80 units, similar to the graph showing average consumption of 18 units.

President Scalzitti opened board discussion.

Director McMillan requested: staff provide a chart showing the history of rainfall; the district renew membership with the California Special Districts Association; requested a detailed accounting of the \$300,000 in operational savings; requested the cost of service rate model; requested establishment of a citizens committee with a meeting time of 6 p.m. and expressed a desire to serve on said committee; requested the board consider a 5 percent rate reduction with long-term cuts at the next regular board meeting; requested the board evaluate Section 8.1-6(c)2 of the policies and procedures manual regarding employee classifications A-K and merit increases.

Director Gracyk requested that staff present scenarios at a future board meeting that do not include rate increases and detail what that means in terms of fleet replacement, capital projects and employee layoffs. General Manager Carlos V. Lugo stated this level of detail will take additional budget workshops for the board of directors. Director Verbeke agreed to the benefits of the board evaluating what would happen to the district with a 5 percent reduction, 2 percent reduction and 0 percent increase to better understand the budgeting process.

At 7:52 p.m. Director Verbeke left the boardroom. A quorum remained. At 7:54 p.m. Director Verbeke returned to the boardroom.

At 8:04 p.m. Director Gracyk left the boardroom. A quorum remained. At 8:07 p.m. Director Gracyk returned to the boardroom.

All directors and staff expressed a desire to lower rates during the discussion. All directors participated in the discussion and asked clarifying questions.

President Scalzitti received general board consensus not to rush into a rate reduction by April 1, 2017, but to focus on a methodical, stable process through additional workshops while creating clear expectations for staff so as not to create additional work with the board focusing on establishing a new board structure to enhance teamwork.

**ADJOURNMENT**

6. President Scalzitti adjourned the meeting at 8:13 p.m.



Joel A. Scalzitti, President

**ATTEST:**



Sandra L. Janzen, Board Secretary