



*Setting Standards of Excellence in Public Service*

**MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Wednesday, December 6, 2017 – 6 p.m.  
7811 University Avenue, La Mesa, CA 91942-0427**

1. President Scalzitti called the regular 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, Olney, Tomasulo, Miller, Bryant, Janzen, Schipper, Lundy, Kleber, Doubrava, Annett, Curtis and Ross. General Counsel Elizabeth W. Hull was also present.

Others present: Otay Water District Board Member Mark Robak. No customers were present.

2. Director Gracyk provided 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 motion carried unanimously.

Motion: Verbeke  
Second: Hedberg

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. There were no comments.

5. The consent agenda was approved unanimously.

Motion: Hedberg  
Second: Gracyk

- a) Memorandum dated December 6, 2017, from the board secretary submitting expense and per diem claims was approved.

- b) The board approved the minutes of the regular board meeting of November 15, 2017.
- c) The following operating account checks submitted for ratification were approved:
  - i. List dated November 21, 2017
  - ii. List dated November 28, 2017
- d) The board approved the following attendance considerations:
  - i. Building the Future Groundbreaking  
November 9, 2017 at 9:30 a.m.  
Cuyamaca College, El Cajon  
Requested by President Scalzitti
  - ii. Colorado River Water Users Association  
Annual Conference  
December 13 - 15, 2017  
Las Vegas, Nevada  
Requested by Director McMillan

#### **ACTION ITEM**

- 6. The board elected officers to serve a one-year term per Section 9.1-3 of the policies and procedures manual and adopted Resolution 17-72 appointing Director Hedberg president, Director McMillan vice president; Sandra L. Janzen secretary, Carlos V. Lugo assistant board secretary and Lorri S. Annett assistant board secretary. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Gracyk

President Scalzitti turned the meeting over to General Manager Carlos V. Lugo to conduct the election of the board president. Director Verbeke nominated Director Hedberg for president. The board unanimously elected President Hedberg through a roll call vote.

Mr. Lugo turned the meeting over to President Hedberg to call for nominations for vice president. Director Verbeke nominated Director Scalzitti. Director Scalzitti declined the nomination. President Hedberg called for additional nominations. Director Gracyk nominated Director McMillan for vice president. The board unanimously elected Vice President McMillan through a roll call vote. President Hedberg called for a motion to adopt Resolution 17-72 as stated above.

**PRESENTATION**

7. Director Joel A. Scalzitti received an award for five years of service with the district. General Manager Carlos V. Lugo introduced Director Scalzitti and provided background information; President Hedberg presented a framed certificate.

President Hedberg adjourned the meeting at 6:18 p.m. for service award photographs.  
President Hedberg reconvened the meeting at 6:20 p.m.

**ACTION ITEMS**

8. The board approved and authorized General Manager Carlos V. Lugo to sign the treated water use agreement between San Diego County Water Authority and Helix Water District. There were no public comments. The motion carried unanimously.

Motion: Gracyk  
Second: Scalzitti

Director of Water Quality and System Operations Brian M. Olney and General Counsel Elizabeth W. Hull answered all questions regarding control of operations, water quality and treated water rates.

9. The board appropriated funds in the amount of \$60,000 from schedule 64, item 4 of the fiscal year 2017-18 capital budget for the completion of design, acquisition of additional easements and production of environmental documents required by California Environmental Quality Act for pipeline project Rogers Road, North Rogers Road, easement between Showplace Drive and Rodgers Road, South Tropico Drive, Helix Canyon Drive, Tangor Way and Glen Drive, Work Order 4241. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Gracyk

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo and District Counsel Elizabeth W. Hull regarding the requirements of the California Environmental Quality Act, the 24 easements obtained, the three additional easements needed and additional costs associated with the project.

10. The board authorized General Manager Carlos V. Lugo to execute an agreement for professional services between Helix Water District and Helix Environmental Planning Inc., not to exceed \$100,000 for environmental consulting services on an as-needed basis.

There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Verbeke

Senior Right of Way Agent/Environmental Analyst Debra S. Lundy provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo and District Counsel Elizabeth W. Hull regarding the one-year term of the contract and the professional service agreement process with a focus on qualifications.

11. The board adopted Resolution 17-71 authorizing the grant of an access easement over district property in the city of La Mesa, county of San Diego, state of California, assessor parcel number 499-010-04 to High Street 34, LP. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: McMillan

Director Scalzitti and Director Gracyk discussed the outlined process to complete the easements for High Street access within a year including monthly progress conference calls to review the status and discuss future goals.

12. The board adopted Resolution 17-73 awarding construction of the pipeline project Jamacha Road, Vista Del Valle Boulevard and Flume Right of Way, Work Order 4459, to the lowest responsible bidder submitting a responsive bid, Orion Construction Corporation of Vista, California, in the amount of \$2,936,295 and appropriated funds in the amount of \$3,624,000 from schedule 64, item 3, of the fiscal year 2017-18 capital budget for construction of the project. There were no public comments. The motion carried unanimously.

Motion: Scalzitti  
Second: Gracyk

Vice President McMillan reported there may be customer sensitivity to construction in this area.

## **DISCUSSION**

13. President Hedberg reported attendance at the Association of California Water Agencies fall conference and exhibition, November 28-December 1, 2017, in Anaheim. Discussion ensued regarding the presentations, town hall meetings and Joint Powers Insurance Authority board meeting.

Board Secretary Sandra L. Janzen reported that the district received customer compliments regarding Valve Maintenance Technician III Lonny B. Dill, Senior Meter Maintenance Technician Miguel Moreno, Utility Crew Supervisor Slade L. Livermore, Utility Crew Member III Miguel Pilar, Junior, Utility Crew Member I Jeremy Pendray, Water Treatment Plant Manager Larry W. Lyford and Public Affairs Education Assistant Francine C. Thompson.

14. Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk provided written reports. Vice President McMillan reported that he attended Holding Power: Energy Storage and Our Cleantech Future sponsored by Cleantech San Diego on November 30, 2017 and requested staff complete additional research regarding the use of clean energy during San Diego Gas and Electric's peak billing hours. Vice President McMillan also requested the board consider the following two discussion items during a board retreat: residential development near Lake Jennings to fund Lake Jennings' recreational and campground improvements and a rain discount for ratepayers. Vice President McMillan suggested funds from the recent sale of surplus land be placed in an account with the \$8 million dollars from the sale of El Monte land to accrue interest separate from other district funds.

Director Gracyk also reported attending the Association of California Water Agencies fall conference and exhibition and thanked staff for serving at the Lemon Grove Community Bonfire on December 1, 2017. Director Gracyk thanked Director Scalzitti for his leadership and mentorship.

Director Verbeke provided the Water Conservation Garden report inviting the board to the Gardens Aglow event December 7, 8, 9, 14, 15 and 16, 2017. Director Verbeke reported that the Water Conservation Garden Joint Powers Authority will elect new officers January 12, 2018, at 9 a.m. Director Verbeke also provided the Finance and Administration Committee report. The committee discussed the following items on December 5, 2017: the Comprehensive Annual Financial Report, October financials, the East County Advanced Water Purification project and the committee received a public affairs update including legislative proposals.


15. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on December 20, December 27, 2017 and January 3, 10 and 17, 2018. The board agreed to cancel the December 27, 2017 Committee of the Board meeting. Mr. Lugo also provided information regarding the retail general managers' meeting stating currently there is little interest in a local resources program, but applications will be discussed in closed session at the San Diego County Water Authority meeting. The general managers are recommending extension of the Quantification Settlement Agreement and SDCWA Board Chair Mark Muir provided an update regarding the legal

case between San Diego County Water Authority and the Metropolitan Water District of Southern California. The general managers group requested continued and early communication. Mr. Lugo reported staff will remain on alert with the potential power outages due to high winds and stated during the successful treatment plant shutdown a breaker was installed and maintenance completed. President Hedberg stated she and Mr. Lugo will work on details for a board retreat in January.

16. General Counsel Elizabeth W. Hull had nothing further to report.


**ADJOURNMENT**

17. President Hedberg adjourned the meeting at 7:49 p.m.



Kathleen Coates Hedberg, President

**ATTEST:**



Sandra L. Janzen, Board Secretary