



Setting Standards of Excellence in Public Service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, April 4, 2018 – 6 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

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

Staff present: Lugo, Bryant, Olney, Tomasulo, Miller, Janzen, Kleber, Masterson, Doubrava, Lyford, Malkin, Garuba, Andrews and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customers Larry Nichols and Gordon Place were present.
2. Director Scalzitti led the Pledge of Allegiance. No invocation was provided.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The motion to approve the agenda carried unanimously.

Motion: Gracyk
Second: Verbeke
4. President Hedberg provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. President Hedberg recognized Customer Gordon Place. Mr. Place suggested the board limit attendance at conferences to one board member who then shares the information learned with the full board. Mr. Place also suggested the board not approve their own attendance considerations, but rather look to staff to suggest important events with the attending board member explaining the benefits of said attendance to the district's customers.
5. The consent agenda was approved unanimously with an addition to the minutes of the special Water Quality and Resources Committee meeting to include: discussion regarding Lake Jennings signage, outreach, upgrades, mixers and insurance costs. Vice President McMillan reported these items would be brought to the full board for discussion at a future meeting.

Motion: Gracyk
Second: Verbeke

- a) Memorandum dated April 4, 2018, from the board secretary submitting expense and per diem claims was approved.
- b) The board approved the following sets of minutes:
 - i. March 21, 2018, Regular Board Meeting
 - ii. March 28, 2018, Committee of the Board Meeting
 - iii. March 28, 2018, Special Board Meeting
 - iv. March 29, 2018, Special Water Quality and Resources Committee Meeting with minor additions at the request of Vice President McMillan.
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated March 20, 2018
 - ii. List dated March 27, 2018

Director Gracyk requested staff provide additional information regarding check 183825 at a future date.

- d) Resolution
The board adopted the following resolution:
 - i. Resolution 18-13 concurring in the nomination of Incumbent Jo MacKenzie of the Vista Irrigation District to the California Special Districts Association Board of Directors

DISCUSSION

- 6. The board received an update regarding a potential meeting between the Helix Water District Board of Directors and the Padre Dam Municipal Water District Board of Directors to discuss the East County Advanced Water Purification Project. There were no public comments.

General Manager Carlos V. Lugo reported that Padre Dam Municipal Water District is open to a meeting at the appropriate time once project details are available. PDMWD's Ad Hoc committee continues to communicate with Helix Water District staff. General Manager Lugo reported he would follow up with PDMWD regarding a timeframe for a future meeting.

- 7. The board provided direction to staff regarding the draft budget guidelines and principles for developing the fiscal year 2018-19 preliminary budget. President Hedberg opened

public comments by recognizing Customer Larry Nichols. Mr. Nichols proposed no rate increase, suggested further evaluation of capacity fees and use of the general fund, or the El Monte land sale money to replenish the rate stabilization fund. Mr. Nichols also suggested the board evaluate the changes made by the city of San Diego to head off the CalPERS unfunded liability with an additional tier structure for new employees and suggested the district offer a 401K for new employees with the district providing matching funds up to a predetermined amount. President Hedberg recognized Customer Gordon Place. Mr. Place echoed Mr. Nichols' comments and suggested employees pay the additional health insurance cost over the Kaiser medical plan premium. Mr. Place also suggested the employees contribute to 401K plans.

General Manager Carlos V. Lugo and Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and answered all questions with the assistance of Director of Water Quality/System Operations Brian M. Olney. Finance Manager Joy M. Kleber and Senior Accountant Robert A. Masterson were also available. Discussion ensued.

The board provided staff with the following budget guidelines:

- Staff to plan for a \$750,000 prepayment for fiscal year 2018-19 to reduce the unfunded CalPERS liability and provide the board with scenarios based on a prepayment of \$1 million and \$10 million.
- Keep the capacity fee reserve at \$400,000.
- Before providing guidance regarding the rate stabilization reserve fund, President Hedberg, Director Scalzitti and Director Gracyk agreed to eliminate scenario 4 as an option due to the suggested utilization of \$1 million from funds received through the \$8 million sale of El Monte land.
- The board agreed to reduce the local water supply to zero by year five in the five year projection.
- The board reported they do not want to refill the rate stabilization fund by 50 percent during fiscal year 2018-19 and 50 percent in fiscal year 2019-20.
- The board requested an additional scenario detailing refilling the rate stabilization fund with excess budget funds at the end of each fiscal year.

Director Gracyk left the boardroom at 8:03 p.m. and returned at 8:08 p.m.

8. President Hedberg established a Helix Water District Ad Hoc Committee for the East County Advanced Water Purification project and appointed herself and Director Scalzitti to service on the committee. President Hedberg also reported she will dial in to the State Water Resources Control Board meeting on April 5, 2018; the San Diego County Water Authority board meeting's date has been to April 12, 2018, to accommodate the chair; the California Special Districts Association received seven videos with one submitted from Helix High School.

9. Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk provided written reports. In addition, Vice President McMillan requested a change of date for the June 13 Finance and Administration Committee meeting. General Manager Lugo suggested Board Secretary Sandra L. Janzen coordinate a new meeting date. Vice President McMillan mentioned several newspaper articles related to water.

Director Verbeke attended the Association of California Water Agencies Board of Directors meeting and reported that she will serve on the recruitment committee. She also provided the executive director's report to the ACWA board of directors, as well as information regarding upcoming California Water Commission meetings.

Director Gracyk reported attending the WaterReuse California conference in Monterey March 25 - 27, 2018, stating Padre Dam Municipal Water District received an award for their public outreach related to the East County Advanced Water Purification project. There were no public comments.

10. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on April 11, 18, 25, May 2 and 18, 2018. General Manager Lugo also reported that he would provide updates regarding the San Diego County Water Authority General Managers' meeting and the Metropolitan Water District General Managers' meeting during his one-on-one sessions with board members. There were no public comments.
11. General Counsel Elizabeth W. Hull encouraged the board to attend The Bill is Due presented by Best Best and Krieger on April 24, 2018, at the Richard Nixon Presidential Library and Museum in Yorba Linda. Ms. Hull reported BBK would present information regarding joint powers authorities at a future meeting. The board set May 30, 2018 at 3 p.m. as the date and time for the JPA informational presentation. There were no questions or comments.

ADJOURNMENT

12. President Hedberg adjourned the meeting at 8:30 p.m.


Kathleen Coates Hedberg, President

ATTEST:


Sandra L. Janzen, Board Secretary