



*Setting Standards of Excellence in Public Service*

**MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Wednesday, August 1, 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, Verbeke and Gracyk. Director Scalzitti was absent.

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

Others present: Customers John L. Wood and Gordon Place.

2. Director Verbeke led the Pledge of Allegiance in Director Scalzitti's absence. 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 4:0.

Motion: Verbeke

Second: Gracyk

Ayes: Hedberg, McMillan, Verbeke, Gracyk

Absent: Scalzitti

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. Customer Gordon Place stated he would like to attend a meeting with the full board to discuss relief for tier three ratepayers. General Manager Carlos V. Lugo and Director Verbeke suggested Mr. Place attend a Finance and Administration Committee meeting.

5. The motion to approve the consent agenda with a correction to match the per diem claims board report with expense claim item f carried 4:0. There were no public comments.

Motion: Verbeke  
Second: Gracyk  
Ayes: Hedberg, McMillan, Verbeke, Gracyk  
Absent: Scalzitti

- a) Memorandum dated August 1, 2018, from the board secretary submitting expense and per diem claims was approved.
  
- b) The board approved the following sets of minutes:
  - i. July 11, 2018, Engineering and Operations Committee
  - ii. July 18, 2018, Special Board Meeting
  - iii. July 25, 2018, Committee of the Board Meeting
  
- c) The following operating account checks submitted for ratification were approved:
  - i. List Dated July 17, 2018
  - ii. List Dated July 19, 2018
  - iii. List Dated July 25, 2018

President Hedberg reported support for the new check run reports.

- d) The board approved the following attendance consideration:
  - i. Taking on a Global Role: Working in Collaboration to Address Climate Change in California - Sponsored by Public Policy Exchange  
August 7, 2018  
Viceroy L'Ermitage Hotel, Beverly Hills  
Requested by Director Gracyk

**ACTION ITEMS**

- 6. The board received the status of strategic work plan objective 3.7b and authorized rescission of the notice of intent to withdraw from the Association of California Water Agencies Joint Powers Insurance Authority liability, property and workers' compensation coverage programs at the recommendation of the Finance and Administration Committee. There were no public comments. The motion carried 4:0.

Motion: Verbeke  
Second: McMillan  
Ayes: Hedberg, McMillan, Verbeke, Gracyk  
Absent: Scalzitti

Safety/Risk Administrator Susen Doubrava answered all questions regarding the Special District Risk Management Authority, the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority and suggested staff perform an evaluation of insurance premiums every three to five years. The board agreed with said suggestion.

7. The board adopted Resolution 18-31 adjusting the schedule of rates for the fiscal year 2018-19 water service fees and amended Section 2.12-2(B) of the Helix Water District Policies and Procedures Manual. Customer Gordon Place stated the cost of service study does not account for the criteria he would consider such as large lot size, terrain, temperature and swimming pool ownership. Mr. Place also stated the Proposition 218 notice has been misleading. Director Verbeke invited Mr. Place to a Finance and Administration Committee meeting to discuss his specific criteria for setting rates. The motion carried 3:1.

Motion: Verbeke  
Second: Gracyk  
Ayes: Hedberg, Verbeke, Gracyk  
Noes: McMillan  
Absent: Scalzitti

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and answered all questions regarding the cost of service study, the costs to provide water to the three tiers, the average usage of each tier, the bimonthly bill increase of \$5.18 every two months for the average single-family residential customer and detailed the San Diego County Water Authority rate comparison PowerPoint slide.

Vice President McMillan provided the board, staff and customers with a handout detailing his proposal to eliminate a rate increase while covering the expenditures included in the board approved budget for fiscal year 2018-19. Vice President McMillan recommended staff communicate to district customers that the board has planned well, the district has sufficient water, yet customers are encouraged not to waste water. Vice President McMillan also requested that staff highlight the impact of the San Diego County Water Authority's charges to district customers.

President Hedberg requested the board review the rate notification and provide comments back to General Manager Carlos V. Lugo prior to staff's bill insert deadline. President Hedberg requested that staff include the impact of the rate increase on tier three ratepayers in response to Mr. Place's public comments.

Director Verbeke thanked Vice President McMillan for his analysis, but reported the risk to the customers is too great if his calculations are wrong. Directors Verbeke, Gracyk and President Hedberg thanked staff and the board for the collaborative efforts taken to set rates.

8. The board appropriated funds in the amount of \$30,000 from schedule 64, item 1 of the fiscal year 2018-19 capital budget for the preliminary design and survey for pipeline project CIP19001. There were no public comments. The motion carried 4:0.

Motion: Verbeke  
Second: McMillan  
Ayes: Hedberg, McMillan, Verbeke, Gracyk  
Absent: Scalzitti

Director of Engineering James A. Tomasulo provided a PowerPoint presentation. There were no board comments.

9. The board appropriated funds in the amount of \$100,000 from schedule 64, item 20 of the fiscal year 2018-19 capital budget for the preliminary design for Lake Jennings improvement projects CIP19020 as discussed at the board retreat, a Committee of the Board meeting and various quarterly committee meetings. There were no public comments. The motion carried 4:0.

Motion: Gracyk  
Second: McMillan  
Ayes: Hedberg, McMillan, Verbeke, Gracyk  
Absent: Scalzitti

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions regarding three improvement projects and the specific role of a consultant in regards to the lake venue/event center permitting requirements. Director Gracyk confirmed a draft request for proposals should be complete by the end of August. Vice President McMillan reported the new signage at the lake has been installed.

## **DISCUSSION**

10. President Hedberg reported she has returned from vacation.

Board Secretary Sandra L. Janzen reported Director of Engineering James A. Tomasulo and Associated Engineer Sam L. Dillman received a compliment from Curator/Education Director Pandora Paul Sordon of the San Diego Automotive Museum for outstanding customer service.

11. Directors Hedberg, Scalzitti, Verbeke and Gracyk provided written reports. In addition, Director Verbeke reported the Friends of the Garden conducted a board meeting and discussed \$155,000 in grant funds from various sources, with another \$65,000 in grant funds currently in the application process. Corporate sponsors have been secured and new offices have been installed. Director Verbeke also reported construction of a large classroom will begin this year with all furnishings and an exhibit to be donated. The Water Conservation Garden Executive Director Elyssa Robertson has announced her retirement with plans to wrap up multiple projects before leaving in October. The focus of a new executive director will be revenue generation. Director Verbeke also reported the Association of California Water Agencies Region 10 Board of Directors continue to plan the Region 10 event: Barriers to Water Innovation, with Director of Water Quality/System Operations Brian M. Olney serving as one of the panelists.

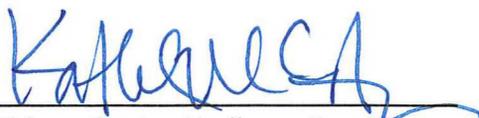
Vice President McMillan requested the board and staff ask for raw data when letters from the Metropolitan Water District of Southern California and the San Diego County Water Authority are distributed. A brief discussion regarding the regional costs associated with desalination ensued.

President Hedberg presented the July 26, 2018, regular board meeting minutes of the San Diego County Water Authority. President Hedberg also mentioned an email received from a thankful scholarship recipient that was forwarded to the full board. There were no public comments.

12. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled August 8, 15 and 22, September 5 and 12, 2018. Mr. Lugo reported that Jennifer C. Bryant will serve as the acting general manager during Mr. Lugo's August 9-14, 2018 vacation. There were no public comments.
13. General Counsel Elizabeth W. Hull reported she will be on vacation during the August 15, 2018, regular board meeting. Best Best and Krieger Associate Nicholas W. Norvell will serve as district counsel in her absence. Ms. Hull also provided a brief update regarding litigation between the San Diego County Water Authority and the Metropolitan Water District of Southern California. There were no public comments.

#### **ADJOURNMENT**

14. President Hedberg adjourned the meeting at 8:15 p.m.

  
Kathleen Coates Hedberg, President

ATTEST:



Sandra L. Janzen, Secretary of the Board