



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Wednesday, October 3, 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, Tomasulo, Miller, Olney, Bryant, Janzen and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customer John L. Wood.

2. President Hedberg 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 to approve the agenda carried unanimously.

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. There were no requests to be heard.
5. The motion to approve the consent agenda carried 4:0. There were no public comments.

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

- a) Memorandum dated October 3, 2018, from the secretary of the board submitting expense and per diem claims was approved.

- b) The board approved the following sets of minutes:
  - i. September 19, 2018, regular board meeting
  - ii. September 26, 2018, Committee of the Board meeting
  
- c) The following operating account checks submitted for ratification were approved:
  - i. List dated September 19, 2018
  - ii. List dated September 26, 2018
  
- d) The board adopted the following resolutions:
  - i. Resolution 18-40 modifying the designees who may settle trades, deliver securities and wire funds for the custody account in Union Bank, effective immediately  
  
Director Gracyk clarified that a designee was removed from the custody account in Union Bank.
  - ii. Resolution 18-41 amending the Helix Water District Conflict of Interest Code pursuant to the Political Reform Act of 1974

**ACTION ITEMS**

- 6. The board adopted Resolution 18-39 proclaiming the week of October 6-14, 2018, as Water Professionals Appreciation Week. There were no public comments. The motion carried 4:0.

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

- 7. The board voted for the following candidates to serve as board members during the San Diego East County Chamber of Commerce 2019-21 term: Chris Wiley, Aileen Gratton, Kevin Kennedy, Phil Ortiz, John Dadian, Tobias Haglund, Nathan Cornett, Alex Rohrke and Jo Marie Diamond. There were no public comments. The motion carried 4:0

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

8. The board rejected all bids submitted for the valve vault retrofit at Grossmont Reservoir project CIP19018 and authorized staff to rebid the project. There were no public comments. The motion carried 4:0.

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

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo regarding the bid discrepancy submitted by the apparent lowest bidder. President Hedberg clarified that rebidding the project will ensure the district maintains a fair and equitable bidding process. Vice President McMillan and Director Gracyk verified that there will be a minor time delay to the start of the project.

9. President Hedberg, Vice President McMillan, Directors Scalzitti, Verbeke and Gracyk provided written reports. In addition, Vice President McMillan reported attending the California Special Districts Association's annual conference September 24-26, 2018, in Indian Wells and shared information from the prevailing wage session and San Diego County Water Authority's presentation regarding the cost of desalinated water. Director Verbeke announced selections have been confirmed for executive directors for the Association of California Water Agencies and the Water Conservation Garden. Director Verbeke also reminded the board of ACWA Executive Director Timothy Quinn's retirement dinner on November 29, 2018, as part of ACWA's annual conference events. Directors Hedberg, McMillan and Verbeke reported they will attend the ACWA Region 10 event in Mission Viejo on October 18, 2018.

Director Verbeke acknowledged Senior Public Affairs Representative Michelle M. Curtis' outstanding public outreach during the October 2, 2018, East County Economic Development Council Manufacturing Expo. Director Verbeke reported the Finance and Administration Committee conducted a special meeting on October 1, 2018, to meet with the auditor. Director Verbeke stated the audit report is clean and will be provided to the full board during the October 17, 2018, regular board meeting. Vice President McMillan stated the audit report was well done and informative. Director Gracyk reported attending the CSDA annual conference September 24-26, 2018, including the Salton Sea Authority Tour. Director Gracyk detailed the social media presentation and stated he would like to share a sustainability handout at a future standing committee meeting.

10. President Hedberg reported that the San Diego County Water Authority Board of Directors voted not to move forward with a desalination plant at Camp Pendleton. Discussion ensued. President Hedberg also reported attending the Advanced Water Purification Joint Ad Hoc Committee meeting at Padre Dam Municipal Water District on October 2, 2018, stating the project is moving forward with a full scale approach and that financial terms are expected to be shared in January. Mr. Lugo reported that he is scheduled to meet with San Diego County Water Authority's Executive Director Maureen Stapleton to discuss a regional approach to the project. Discussion ensued.
11. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on October 10 and 17, 2018, and received board consensus to change the October 17, 2018, board meeting from 6 p.m. to 5 p.m. Mr. Lugo also reported the October 24, 2018, Committee of the Board meeting may be cancelled due to executive staff conferences. There were no public comments.
12. General Counsel Elizabeth W. Hull provided handouts entitled *CalPERS Employers Dodge a Bullet* and *New Restrictions on Residential Water Service Discontinuation in California*. Discussion ensued. General Manager Carlos V. Lugo reported staff will work regionally with other agencies and legal counsel to determine the best implementation of Senate Bill 998's mandates going into effect February 1, 2020, and will provide board updates. There were no public comments.

Director Scalzitti arrived at 6:48 p.m. A quorum of the board remained.

**ADJOURNMENT**

13. President Hedberg adjourned the meeting at 6:49 p.m.

  
Kathleen Coates Hedberg, President

**ATTEST:**

  
Sandra L. Janzen, Secretary of the Board