



*Setting Standards of Excellence in Public Service*

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**Wednesday, February 13, 2019 – 4 p.m.**  
**7811 University Avenue, La Mesa, CA 91942-0427**

1. President McMillan called the special board meeting to order at 4:05 p.m. The roll call showed a quorum of the board present: Directors McMillan, Gracyk, Verbeke, Scalzitti and Hedberg.

Staff present: Lugo, Bryant, Olney, Miller, Janzen, Solano, Lundy, Ross, Pope, Uhrhammer and Annett. General Counsel Elizabeth W. Hull was also present.

Others present: Customer Larry Nichols, San Diego Union-Tribune Reporter Karen Pearlman, President of Reward Strategy Group Inc. Allan Crecelius and Senior Principal Consultant of Reward Strategy Group Inc. Gina Calderon were present.

2. Director 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: Scalzitti

4. President McMillan 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.

**ADJOURN TO CLOSED SESSION**

5. President McMillan adjourned the meeting to closed session at 4:08 p.m.

**CLOSED SESSION**

**A. CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to Government Code Section 54957.6

Agency Designated Representatives:

General Manager Carlos V. Lugo

Director of Administrative Services Jennifer C. Bryant

Human Resources Manager Anne D. Solano

Allan Crecelius, President, Reward Strategy Group Inc.

Gina Calderon, Senior Principal Consultant, Reward Strategy Group Inc.

Employee Organizations:

Helix Water District Employees' Association

Helix Water District Middle Management Employees' Association

**B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957

Title: General Manager

**ADJOURN CLOSED SESSION/RECONVENE OPEN SESSION**

President McMillan adjourned closed session at 5:13 p.m. and reconvened open session stating no reportable action was taken during closed session.

Director Hedberg left the meeting at 5:10 p.m. A quorum of the board remained. Director Hedberg returned to the meeting at 5:15 p.m.

**DISCUSSION**

6. President McMillan reported attending the CalDesal Annual Conference February 7 - 8, 2019, stating the cost and regulations associated with desalination. President McMillan also encouraged the board to attend the February 14, 2019, Cleantech San Diego meeting with representatives from California Sustainable Energy Entrepreneur Development and Rocket Fund regarding early-stage clean energy businesses.
  - a) Secretary of the Board Sandra L. Janzen reported the district received a customer compliment regarding the entire customer service team and the district for providing staff to answer questions instead of routing customer phone calls through an automated phone system.

7. President McMillan, Vice President Gracyk, Directors Verbeke, Scalzitti and Hedberg provided written reports. In addition, Vice President Gracyk reported attending the Water Talks on Saturday, February 2, 2019, at the administration office and thanked staff on behalf of district customers.

Director Verbeke reported attending the Association of California Water Agencies Region 10 board meeting on Friday, February 8, 2019 where a nominating committee was selected, work plan developed and an event planned for disadvantaged communities to include state and federal representatives.

Director Scalzitti reported attending the CalDesal Annual Conference and Salton Sea tour February 6 - 7, 2019. Director Scalzitti reported various options for the Salton Sea are being researched and stated \$9 million was paid to the San Diego County Water Authority by Poseidon's Carlsbad Desalination Plant due to shutdown penalties.

Both Director Scalzitti and Director Hedberg attended the January 31, 2019, Advanced Water Purification Joint Ad Hoc Committee meeting and reported all parties are engaged with interest in the governance and financial projections. Director Hedberg reported that some customers have not understood that the district is a non-profit special district, until they attended the February 2, 2019, Water Talks. General Manager Carlos V. Lugo clarified that outreach will focus on this message.

### **CONSENT AGENDA**

8. The motion to approve the consent agenda carried unanimously. There were no public comments.

Motion: Hedberg  
Second: Scalzitti

- a) Memorandum dated February 13, 2019, from the Secretary of the Board Sandra L. Janzen submitting expense and per diem claims was approved.
- b) The board approved the following sets of minutes:
  - i. January 9, 2019, Engineering and Operations Committee meeting
  - ii. January 16, 2019, special board meeting
  - iii. January 23, 2019, Committee of the Board meeting
  - iv. January 23, 2019, special board meeting

- c) The following operating account checks submitted for ratification were approved:
  - i. List dated January 16, 2019
  - ii. List dated January 23, 2019
  - iii. List dated January 30, 2019
  - iv. List dated February 6, 2019
  
- d) The board adopted the following resolutions:
  - i. Resolution 19-05 authorizing investment of monies in the Local Agency Investment Fund
  
  - ii. Resolution 19-06 modifying the designees who may settle trades, deliver securities and wire funds for the custody account in Union Bank
  
  - iii. Resolution 19-07 authorizing the establishment and maintenance of accounts with Multi-Bank Securities Inc. and authorized signers on behalf of the district

Finance Manager Amy L. Pope was introduced to the board by Director of Administrative Services Jennifer C. Bryant at General Manager Carlos V. Lugo’s request.

- e) The board approved the following attendance consideration:
  - i. Meeting with the employee compensation study consultant  
January 22, 2019 at 10 a.m.  
Helix Water District Administration Office
  
- f) The board approved the midyear adjustments to the fiscal year 2018-19 capital improvement program budget schedule 64.

**ACTION ITEMS**

- 9. The board conducted a public hearing and adopted Ordinance 19-01 increasing directors’ compensation from \$200 to \$225 for each day’s service rendered. President McMillan opened the public hearing at 5:41 p.m. Customer Larry Nichols stated his support of the proposed increase. President McMillan closed the public hearing at 5:42 p.m. The motion carried 3:2.

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

President McMillan reported that Ordinance 19-01 will not take effect until April 15, 2019, 60 days from the date of passage.

10. The board adopted Resolution 19-08 establishing the Helix Water District Parks, Land, Lakes and Garden Committee to meet the first Thursday of each month at 10 a.m. while maintaining three standing committees to meet on the second Wednesday of each month on a rotating basis at the following times: Engineering and Operations 4 p.m.; Finance and Administration 9 a.m.; Water Quality and Resources 9 a.m. There were no public comments. The motion carried unanimously.

Motion: Scalzitti

Second: Gracyk

The board directed staff to add an item to the regular board meeting agendas under the president's report asking board members if they would like anything added to a committee agenda for discussion. General Counsel Elizabeth W. Hull provided guidance to not provide written comments directly to committee members outside of a regular board meeting.

11. The board authorized staff to call for bids and set March 19, 2019, at 10 a.m. as the date and time of the bid opening for the pipeline project Broadway, Main, Pepper and Flume CIP19006; determined the project is exempt under the California Environmental Quality Act; and approved the project. There were no public comments. The motion carried unanimously.

Motion: Scalzitti

Second: Hedberg

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and verified the project location at the request of Director Scalzitti.

12. The board reviewed and discussed options for reducing the district's current CalPERS unfunded liability and authorized staff to make a one-time \$5 million lump sum advanced payment from the El Monte Reserves to reduce the district's CalPERS unfunded liability with the intention to repay the reserves in future years. There were no public comments. The motion carried unanimously.

Motion: Scalzitti

Second: Hedberg

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and answered all questions regarding options to reduce the unfunded

liability, flexibility regarding repayment of the El Monte reserve fund and funding options for future capital improvement plans.

- 13. The board authorized General Manager Carlos V. Lugo to execute a lease agreement with Heartland Communications Facility Authority for installation of emergency radio communications equipment at Calavo tank site located at 4402 Ad Astra Way, La Mesa, California. There were no public comments. The motion carried unanimously.

Motion: Hedberg  
Second: Verbeke

Director of Water Quality/System Operations Brian M. Olney and General Counsel Elizabeth W. Hull answered all questions regarding the two year rolling term with a 30 day notice for termination with cause. Vice President Gracyk requested a written public outreach plan communicating the benefits of said lease to the district’s customers be submitted to the Engineering and Operations Committee for review.

**DISCUSSION**

- 14. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on February 14 and 20, 2019, March 6 and 7, 2019. Mr. Lugo reported that the February 27, 2019, Committee of the Board meeting will be cancelled due to the lack of a quorum. Mr. Lugo reported the Advanced Water Purification Joint Ad Hoc Committee will meet March 18, 2019, at 1:30 p.m. and that the Lake Cuyamaca tour is confirmed for May 3, 2019 from 10 a.m. – 2 p.m. There were no public comments.

- 15. General Counsel Elizabeth W. Hull had nothing additional to report.

**ADJOURNMENT**

- 16. President McMillan adjourned the meeting at 7:11 p.m.

  
Daniel H. McMillan, President

**ATTEST:**

  
Sandra L. Janzen, Secretary of the Board