



Setting Standards of Excellence in Public Service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, April 17, 2019 – 5 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President McMillan called the regular board meeting to order at 5 p.m. The roll call showed a quorum of the board present: Directors McMillan, Gracyk, Verbeke, Scalzitti and Hedberg.

Staff present: Lugo, Bryant, Olney, Tomasulo, Miller, Janzen, Ross, Pope, Andrews, Lundy, Solano, Doubrava, Annett, Curtis and Masterson. General Counsel Elizabeth W. Hull was also present.

Others present: Customers Gordon Place, Tom Brady and Larry Nichols. Potential Customers Jennifer and Tim Yates. East County Magazine Reporter Allan Acevedo.

2. Vice President Gracyk 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: Hedberg
Second: Gracyk

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. Customer Larry Nichols was present to answer any questions regarding his letter to the board of directors and key staff dated April 12, 2019, regarding input related to the compensation and benefits survey conducted by Reward Strategy Group and presented during a public workshop on March 27, 2019. Mr. Nichols addressed the board asking they review the district's health benefits and the paid time off sell back policy. President McMillan encouraged board members to contact Mr. Nichols with any questions regarding his statements and letter. Customer Gordon Place requested a customer committee be formed, agreed with Mr.

Nichols comments regarding paid time off and suggested employee health benefits be modified.

DISCUSSION

5. President McMillan provided positive feedback regarding the Presidents and General Managers meeting conducted on April 5, 2019, at the district’s operations center. The group complimented the facilities and discussed the possibility of sharing equipment. President McMillan reported the presidents and general managers plan to meet again in six months. President McMillan also reported that Vice President Gracyk is interested in attending the P3 Water Summit on April 23-24, 2019, in San Diego.

a) Secretary of the Board Sandra L. Janzen reported that Customer Kathleen Algeri provided positive feedback regarding the excellent customer service received from Valve Maintenance Technician III Michael T. Pepin during an afterhours call.

6. President McMillan, Vice President Gracyk, Director Verbeke, Director Scalzitti and Director Hedberg provided written reports. In addition, Directors Hedberg, Scalzitti and McMillan provided an oral San Diego County Water Authority report mentioning a pipeline feasibility study and plans to increase storage in Lake Mead.

Director Verbeke reported attending (via teleconference) a Strategic Planning Committee meeting of the Association of California Water Agencies. The committee is expected to have a five-year strategic plan in place by the end of the year.

Vice President Gracyk reported attending the April 10, 2019 Engineering and Operations Committee meeting with Director Verbeke and La Mesa’s Environmental Sustainability Commission meeting on April 15, 2019. Vice President Gracyk reported that the EDCO Disposal Corporation plans to increase fees due to environmental requirements. Vice President Gracyk also shared Earth Day activities will take place throughout San Diego on April 27, 2019.

CONSENT AGENDA

7. The motion to approve the consent agenda with the exception of the April 3, 2019 minutes carried unanimously. Director Hedberg abstained from approval of said minutes as she was not present at the April 3, 2019, regular board meeting. There were no public comments.

Motion: Scalzitti
Second: Verbeke

- a) Memorandum dated April 17, 2019, from the Secretary of the Board Sandra L. Janzen submitting expense and per diem claims was approved.
- b) The board approved the following set of minutes:
 - i. April 2, 2019, special board meeting
 - ii. April 3, 2019, regular board meeting
 - iii. April 4, 2019, Parks, Land, Lakes and Garden Committee meeting
 - iv. April 10, 2019, Engineering and Operations Committee meeting
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated April 3, 2019
 - ii. List dated April 10, 2019

Director Hedberg clarified that check 10878 was to Psomas for a capital improvement project at the treatment plant. Vice President Gracyk clarified that check 10719/invoice 19-03153 for \$631 was to assist the district with a small claim due to a flooded yard.
- d) The board adopted Resolution 19-16 declaring construction complete and authorized filing a notice of completion for StorQuest Self Storage project RMB18039.
- e) The board approved the following attendance consideration:
 - i. Board Presidents and General Managers Regional Meeting
April 5, 2019, at 1 p.m.
Helix Water District Operations Center

ACTION ITEMS

8. The board considered a customer request to waive capacity fees for the subject property located at Shadow Hill Drive, La Mesa, assessor parcel number 475-562-07. Jennifer and Tim Yates provided a written outline of their concerns and Ms. Yates addressed the board. There were no additional public comments. Board discussion ensued. The motion to approve staff's recommendation to apply the requirements for capacity fee collection per Sections 2.12, 2.14 and 2.16 of the district's policies and procedures manual and deny the request for the district to waive said fees carried 3:2.

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

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and answered all questions regarding district policy.

9. The board adopted Resolution 19-25 declaring as surplus the .36-acre lot at 13437 Lakeshore Drive, county of San Diego, state of California, assessor parcel number 395-080-42. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Gracyk

Senior Right of Way Agent/Environmental Analyst Debra S. Lundy provided a PowerPoint presentation, answered all questions and assured the board staff will notify the surrounding property owners. Director of Engineering James A. Tomasulo also reported he will provide the board with the depth of the pipe located in the easement.

10. The board provided direction to staff regarding the draft budget guidelines and principles for developing the fiscal year 2019-20 preliminary budget. There were no public comments. The motion carried unanimously guiding staff to prepare the budget with a prepayment to CalPERS unfunded liability in the amount of \$750,000; provide capacity fee estimates to be used in the budget; provide the five-year projection scenarios with the rate stabilization reserve fund replenishment numbers at both 4 and 5 percent; and look at a 0 percent rate increase from Helix Water District only passing through potential rate increases from other agencies to customers.

Motion: Scalzitti
Second: Verbeke

Director of Administrative Services Jennifer C. Bryant, Finance Manager Amy L. Pope and Senior Accountant Robert A. Masterson provided a PowerPoint presentation and answered all questions with the assistance of General Manager Carlos V. Lugo and Director of Water Quality/System Operations Brian M. Olney.

INFORMATION

11. The board received information regarding Senate Bill 998, which provides additional procedural protections to residential water customers before the discontinuation of water service for nonpayment. There were no public comments. Customer Service Manager Sonya M. Andrews and Senior Public Affairs Representative Michelle M. Curtis provided a PowerPoint presentation and answered all questions regarding the current shutoff policy using Call-Em-All and the broken lock penalty. Director Hedberg reported the presentation was received by the Finance and Administration Committee on March 13, 2019. Director Hedberg and Director Verbeke reported they will contact the

Association of California Water Agencies for assistance with SB 998 guidelines. Outreach efforts were discussed.

Director Hedberg left the meeting at 7:04 p.m. and returned to the boardroom at 7:07 p.m. A quorum of the board remained.

REPORTS

12. The board received the reports for the month of March 2019 and the quarterly reports:
- a) Financial
 - b) Claims
 - b) Rainfall, Use and Storage
 - c) System Demand
 - d) Monthly Demand
 - e) Conservation Status
 - f) State Water Resources Control Board
 - h) Capital Improvement Program

There were no public or board comments.

DISCUSSION

13. The board discussed the annual Harry Griffen Regional Park Joint Powers Authority meeting scheduled for April 30, 2019, at 2 p.m. There were no public comments. President McMillan provided draft letters, a tentative agenda, a letter from City of La Mesa Assistant City Manager Gregory P. Humora, survey results and financial information. The board encouraged staff to draft a letter for the Harry Griffen Regional Joint Power Authority Board of Directors for Helix Water District board approval via email communication. Improved signage, shade, a bridge, dog park improvements and dust control were discussed.

Director Scalzitti left the meeting at 7:53 p.m. A quorum of the board remained.

14. General Manager Carlos V. Lugo detailed the upcoming agenda item for the meeting scheduled on April 18, 2019 and requested Secretary of the Board Sandra L. Janzen provide an email to the board reviewing future meetings items. There were no public comments.
15. General Counsel Elizabeth W. Hull had nothing additional to report. Director Gracyk requested information regarding a closed session item to be scheduled at a later date.

ADJOURNMENT

16. President McMillan adjourned the meeting at 7:56 p.m.



Daniel H. McMillan, President

ATTEST:



Sandra L. Janzen, Secretary of the Board