



Setting Standards of Excellence in Public Service

**MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 15, 2019 – 5 p.m.
7811 University Avenue, La Mesa, CA 91942-0427**

1. President McMillan called the regular board meeting to order at 5:01 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, Pope, Masterson, Ross, Doubrava, Annett, Malkin and Garuba. General Counsel Elizabeth W. Hull was also present.

Others present: Customers John L. Wood and Larry Nichols. Lemon Grove City Councilman Matt Mendoza.

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: Scalzitti
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 John L. Wood thanked the board and district personnel for the considerate communication he received.

DISCUSSION

5. President McMillan reported attending the Association of California Water Agencies Spring Conference in Monterey May 6-9, 2019. President McMillan shared the ACWA Joint Powers Insurance Authority conference packet stating ACWA JPIA is keeping costs

down for another year and reported the district received the second highest refund check from the Joint Powers Insurance Authority. President McMillan reported that diversified boards are successful; attended the Pensions Under Attack session and followed his oral report with distribution of hats to Directors Hedberg, Scalzitti and Verbeke. President McMillan also reported he is unable to attend the May 22, 2019, Committee of the Board meeting to be chaired by Vice President Gracyk.

a) Secretary of the Board Sandra L. Janzen reported the district received positive feedback regarding the excellent customer service performed by valve maintenance technicians Charles G. Marshburn, Marcus A. Roberti, Jesus A. Gonzalez and Geoffrey M. Menta. President McMillan also shared that Ms. McMillan appreciated Meter Reader I Samuel C. Pacheco's courteous alert regarding increased water consumption.

6. President McMillan and Vice President Gracyk provided written reports. In addition, Directors McMillan, Gracyk, Verbeke and Hedberg provided oral reports highlighting the luncheon and breakfast speakers at the Association of California Water Agencies Spring Conference. Discussion ensued regarding changes, challenges and opportunities a new governor provides. General Manager Lugo shared that the California Senate rejected Governor Gavin Newsom's proposed 95-cent tax on most residential water bills. Director Hedberg asked staff to collaborate with ACWA's outreach and education efforts.

Director Verbeke also provided an update regarding events at the Water Conservation Garden such as Once in a Blue Moon stargazing on May 17, 2019 from 7:30 to 9 p.m.; Water Agency Customer Appreciation Day May 18, 2019, from 9 a.m. to noon; and Nature Therapy May 26, 2019, from 1 to 2:30 p.m.

CONSENT AGENDA

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

Motion: Verbeke

Second: Hedberg

a) Memorandum dated May 15, 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. May 1, 2019, Special Board Meeting, Budget Workshop Day 1

ii. May 2, 2019, Special Board Meeting, Budget Workshop Day 2

- iii. May 3, 2019, Special Joint Meeting with the Lake Cuyamaca Recreation and Park District Board of Directors
- c) The following operating account checks submitted for ratification were approved:
- i. List dated May 1, 2019
 - ii. List dated May 8, 2019

Director Hedberg verified that one check is often issued covering multiple invoices from the same vendor.

- d) The board adopted the following resolutions:
- i. Resolution 19-21 supporting the American Public Works Association by proclaiming the week of May 19-25, 2019, as National Public Works Week
 - ii. Resolution 19-26 declaring construction complete and authorized filing a notice of completion for the Hilltop Condos at Cascio Court project RMB18030

Vice President Gracyk questioned when the capacity fees for the Hilltop Condos at Cascio Court were paid. Engineering Manager Timothy J. Ross reported the fees were likely paid in the current fiscal year.

- e) The board approved the following attendance consideration:
- i. SDG&E's Energy Showcase Award Breakfast
April 30, 2019, 8-11 a.m.
San Diego Convention Center

ACTION ITEM

8. The board appropriated funds in the amount of \$15,000 from schedule 76 of fiscal year 2018-19 budget for the purchase of one breaker attachment. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Gracyk

Facilities Manager Joseph J. Garuba answered all budget questions regarding the attachment.

REPORTS

9. The board received the following reports for the month of April 2019:

- a) Financial
- b) Rainfall, Use and Storage
- c) System Demand
- d) Monthly Demand
- e) Conservation Status
- f) State Water Resources Control Board

Director of Water Quality and System Operations Brian M. Olney detailed reports b, c and d. There were no public comments.

DISCUSSION

10. The board reviewed the five-year water rate projection scenarios and provided guidance to staff for updating the fiscal year 2019-20 water rates using scenario 2. President McMillan opened public comments recognizing Customer Larry Nichols. Mr. Nichols suggested the board review employee compensation and benefits, paid time off conversion to pay, the merit increase practice and hold the budget to zero. Mr. Nichols also suggested the board consider rebating customers during fiscal years ending in a surplus and continue to pay down the CalPERS unfunded liability.

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation detailing each of the five-year water rate scenarios. Discussion ensued.

11. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on May 16, May 22 and June 5, 2019. There were no public comments.

12. General Counsel Elizabeth W. Hull provided a handout regarding a free webinar sponsored by Best Best & Krieger June 18, 2019, from 10-11 a.m. regarding social media regulations. Secretary of the Board Sandra L. Janzen reported the registration information would be resent to the board.

ADJOURN TO CLOSED SESSION

13. President McMillan adjourned open session at 7:15 p.m. to conduct closed session.

CLOSED SESSION

A. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8

Property: Real Estate Related to Conveyance System, Capacity Rights and Operation of the Proposed East County Advanced Water Purification Program

Agency Negotiator: Helix Water District

Negotiating Party: Padre Dam Municipal Water District

Under Negotiation: Price and Terms for Proposed Conveyance of Property

B. 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

Employee Organizations:

Helix Water District Employees' Association

Helix Water District Middle Management Employees' Association

Unrepresented Employees

RECONVENE

14. President McMillan adjourned closed session and reconvened open session at 8:05 p.m. There was no reportable action taken.

ADJOURNMENT

15. President McMillan adjourned the meeting at 8:05 p.m.



Daniel H. McMillan, President

ATTEST:



Sandra L. Janzen, Secretary of the Board