



Setting Standards of Excellence in Public Service

**MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, June 5, 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, Pope, Masterson, Lunde, Lundy, Annett, Malkin, Andrews, Solano, Blake and Garuba. General Counsel Elizabeth W. Hull and Bruce Beach were also present.

Others present: Customer John L. Wood. San Diego Union-Tribune Reporter Karen Pearlman was also present.

2. Director Scalzitti 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: 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. Customer John L. Wood alerted the board that district staff notified customers of a scheduled shutoff and efficiently restored water sooner than expected. Mr. Wood thanked the board and staff for their efficient customer service.

DISCUSSION

5. President McMillan reported completing Ethics AB 1234 Compliance Training through the California Special Districts Association on June 6, 2019. President McMillan shared that he experienced a water leak and finds leak detection technology beneficial.
 - a) President McMillan reported that the district received the certificate of achievement for excellence in financial reporting for Helix Water District's comprehensive annual financial report submitted for the fiscal year ended June 30, 2018. President McMillan thanked staff for their work.
6. President McMillan, Vice President Gracyk, Directors Verbeke, Scalzitti and Hedberg provided written reports. In addition, Vice President Gracyk reported awarding Saint John of the Cross Catholic School, located in Lemon Grove, with a \$250 educational mini-grant from the district for its fifth grade science program on May 28, 2019.

Director Verbeke reported she attended via teleconference the Association of California Water Agencies Audit Committee on May 28, 2019 and the Friends of the Water Conservation Garden meeting. Director Verbeke reported the Water Conservation Garden Executive Director's fundraising efforts are going well and construction of the classroom is underway. Director Verbeke also attended the ACWA Board meeting in Sacramento on May 31, 2019 regarding groundwater, water flow and farmers. Director Verbeke was named chair of the Nominating Committee during the May 31, 2019 meeting.

Directors Scalzitti and Hedberg provided an oral summary of the San Diego County Water Authority Board of Directors meeting on May 23, 2019. Discussion ensued regarding budget, conveyance, a feasibility study, agencies exploring leaving the SDCWA and current legislation.

CONSENT AGENDA

7. The motion to approve the consent agenda carried 4:0. President McMillan recused himself from the vote as item d was within the 500 foot buffer zone of his residence. There were no public comments.

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

- a) Memorandum dated June 5, 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 15, 2019, Regular Board Meeting
 - ii. May 16, 2019, Parks, Land, Lakes and Garden Committee Meeting
 - iii. May 22, 2019, Committee of the Board Meeting
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated May 15, 2019
 - ii. List dated May 29, 2019
- d) The board adopted Resolution 19-24 declaring construction complete and authorized filing a notice of completion for Topper Lane project RMB18040.

ACTION ITEMS

8. The board adopted the following resolutions:

Resolution 19-27 appointing Kathleen Coates Hedberg as the district’s representative on the Board of Directors of the San Diego County Water Authority for a term from July 15, 2019 to July 15, 2025; and

Resolution 19-28 appointing Joel A. Scalzitti as the district’s representative on the Board of Directors of the San Diego County Water Authority for a term from August 18, 2019 to August 19, 2025; and

Resolution 19-29 confirming Joel A. Scalzitti and Kathleen Coates Hedberg as its Helix Water District representatives to the San Diego County Water Authority, each to vote in the absence of the other.

There were no public comments. The motion carried unanimously.

Motion: Verbeke
Second: McMillan

President McMillan presented this item and answered all questions with the assistance of General Counsel Elizabeth W. Hull and General Manager Carlos V. Lugo. Vice President Gracyk requested the minutes reflect he is uncomfortable with the six-year term referenced in the resolutions. President McMillan requested a rotation of these positions be considered during the district’s annual committee appointments.

Discussion ensued regarding a change to the district’s policies and procedures manual to allow the representatives to supplement the difference in per diem pay from the San

Diego County Water Authority with district per diem pay. District Counsel Elizabeth W. Hull clarified that a partial per diem payment from the district would count toward the ten meeting per month maximum. President McMillan directed staff to bring the policies and procedures manual change as discussed, back for approval at a future board meeting.

9. The board approved a statement of work for upgrading the district’s customer information and billing system per the 2014 agreement with N. Harris Computer Corporation; and appropriated funds in the amount of \$157,500 from schedule 84, item 2, of the fiscal year 2018-19 capital budget. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Hedberg

Enterprise Applications Manager Quince S. Lunde provided a PowerPoint presentation and answered all questions. Vice President Gracyk confirmed no additional personnel would be hired for the project.

10. The board adopted the fiscal year 2019-20 operating budget in the amount of \$79,245,600 and the PayGo capital budget in the amount of \$11,562,000. There were no public comments. The motion carried unanimously.

Motion: Verbeke
Second: Hedberg

Director of Administrative Services Jennifer C. Bryant provided a PowerPoint presentation and answered all questions regarding San Diego County Water Authority’s budget process and rates. President McMillan reported that approval of the budget provides staff with rate guidance. President McMillan stated for the minutes that the district should use more local water; that the district has water; customers should be encourage to purchase water; and that the district needs to communicate with the customers the board’s stewardship and good governance. Vice President Gracyk, Director Verbeke and Director Scalzitti thanked staff for their work and input to develop the budget.

DISCUSSION

11. General Manager Carlos V. Lugo detailed the upcoming agenda items for the meetings scheduled on June 17, June 19, June 26, July 3 and July 10, 2019. President McMillan requested the July 4, 2019, Parks, Land, Lakes and Garden Committee be rescheduled. Mr. Lugo reported that talking points from the San Diego County Water Authority had been distributed to the board; that he is meeting with the city managers in the district’s

service area; and that the district was using Twin Oaks Valley Water Treatment Plant water while scrubber maintenance at the district's treatment plant was performed. There were no public comments.

12. General Counsel Elizabeth W. Hull reported she is unavailable for the June 19, 2019 regular board meeting.

ADJOURN TO CLOSED SESSION

13. President McMillan adjourned open session at 6:24 p.m. to conduct closed session.

CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Initiation of Litigation Pursuant to Paragraph (4) Subdivision (d) of Government Code Section 54956.9

Name of Case: Helix Water District v. Jose G. Sanchez

Case Number: 37-2-10-00014938-CU-OR-CTL

B. 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 Parties: Padre Dam Municipal Water District

Under Negotiation: Price and Terms for Proposed Conveyance of Property

C. 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

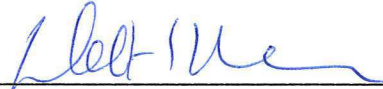
Unrepresented Employees

RECONVENE

14. President McMillan adjourned closed session and reconvened open session at 7:35 p.m. There was no reportable action taken.

ADJOURNMENT

15. President McMillan adjourned the meeting at 7:35 p.m.



Daniel H. McMillan, President

ATTEST:



Sandra L. Janzen, Secretary of the Board