



SANTA FE IRRIGATION DISTRICT BOARD OF DIRECTORS SPECIAL MEETING

Santa Fe Irrigation District Board Room
5920 Linea del Cielo, Rancho Santa Fe, California 92067

**WEDNESDAY, JUNE 27, 2018
8:30 a.m.**

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE –President Hogan

ITEMS TO BE ADDED TO THE AGENDA

(Government Code Section 54956.5)

ORAL COMMUNICATIONS

Opportunity for members of the public to address the Board (Government Code Section 54954.3)

Public Comment Procedures for Board Workshop Agenda Items on Cost of Service and Water Rates

- *The time limit for individual speakers is three (3) minutes.*
- *If two individuals yield their time to a third individual, the third individual may speak for up to ten (10) minutes. Individuals may yield their time to another speaker by submitting a speaker card identifying the person speaking on their behalf. No other yielding of time may occur.*
- *A person desiring to make an organized group presentation may utilize written materials if he or she submits the materials to the District Clerk by e-mail or USB drive at least 24 hours prior to the date and time of the meeting and will be permitted up to twenty (20) minutes for their presentation.*
- *The Board may receive additional comments from individuals or organized groups following the presentation by staff. Individuals are asked to observe a time limit of two (2) minutes, and organized groups are limited to six (6) minutes. Members of the public are asked to submit an additional speaker's card indicating a desire to speak or yielding time to an organized group for such additional comments.*
- *The Board Chair may, in his or her absolute discretion, extend or shorten the times described above or otherwise adjust the above procedures to accommodate numerous speakers. A decision of the Chair to do so in one instance shall not be deemed a waiver of these procedures as to any other instance or matter.*

DISCUSSION

1. Board Workshop: Financial Planning, Cost of Service, and Rate Setting (pages 3-4)

DIRECTORS' COMMENTS

Director's comments are comments by Directors concerning District business, which may be of interest to the Board. They are placed on the Agenda to enable the individual Board members to convey information to the Board and the public. No action is to be taken on comments made by the Board members.

2. Directors' Comments

INFORMATION ITEM

3. Special Board Meeting Schedule (page 5)

CLOSED SESSION

4. Public Employee Appointment
(Pursuant To Government Code Section 54957)
Title: General Manager

ADJOURNMENT

Assistance for the disabled: If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Board Secretary at (858) 756-2424 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.

DATE: June 27, 2018
TO: Board of Directors
FROM: General Manager
SUBJECT: **Agenda Item #1: Board Workshop: Financial Planning, Cost of Service and Rate Setting**

BACKGROUND:

This workshop will be held as a Special Meeting of the Board of Directors. This workshop is the fifth in a series of Special Meetings that started in 2018 and are calendared through the fall (October 2018).

The public will have the opportunity to provide comment and address the Board. At the time this agenda was published, no requests for group presentations had been received by the District. Please note, members of the public may attend the Board meeting and provide group comments orally. In addition, members of the public may submit to the District a formal group presentation (such as a PowerPoint Presentation) anytime up to 24 hours prior to the scheduled start of the Special Meeting.

DISCUSSION:

This financial planning workshop has been convened for the purpose of continuing discussion and consideration of topics related to the Cost of Service study currently underway and the rate setting process in general. At today's meeting, staff and the independent rate consultant, Carollo Engineers (Carollo), will be presenting additional background information for Board consideration that is foundational to the rate setting process.

Specifically, today's workshop will be focusing on the following elements:

1. Service area water demand usage characteristics.
2. Rate Structure(s) and Fixed vs. Volumetric Charges.
3. Key financial model inputs (Local water, O&M, Energy, etc).
4. Capital Improvement Program and Debt Financing.

As noted above, this workshop is the fifth of this calendar year. Previous workshops have focused on the following topics:

- March 1, 2018 - District Strategic Business Plan
- March 29, 2018 - Strategic Financial Planning
 - Reserve Funds Policy
 - Funding Strategies for CIP and Long-term Financial Obligations

- April 25, 2018 - Water Rates/Rate Setting Overview
 - Rate Setting Objectives/Goals
 - COSS Overview/Legal/Procedural
 - Alternative Water Rate Structure Development
 - Rate Setting Policies (Pass Through, Demand Reduction)

- May 29, 2018
 - CalPERS UAL Funding Strategies
 - Alternative Water Rate Structures

COMMITTEE ACTION:

This item was not considered at the Committee level.

FISCAL IMPACT:

There is no direct fiscal impact associated with this agenda item.

Prepared by: Michael J. Bardin, General Manager

SPECIAL BOARD MEETING SCHEDULE REVISED 05/29/18

DATE	TIME	TOPIC
Thursday, March 1, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Review Draft 2018 Strategic Business Plan • Review District Mission and Vision Statements • Update Strategic Goals
Thursday, March 29, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Strategic Financial Planning w/Consultant <ul style="list-style-type: none"> ○ Reserve Funds Policy ○ CIP Funding Strategies ○ Long-term Financial Obligations
Wednesday, April 25, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Water Rates w/Consultant <ul style="list-style-type: none"> ○ Rate Setting Objectives/Goals ○ COSS Overview/Legal/Procedural ○ Alt. Water Structure Development ○ Rate Setting Policies (Pass Through, Demand Reduction)
Tuesday, May 29, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Alternative Rate Structures Review • CalPERS UAL Funding Strategies
Wednesday, June 27, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Discussion on Alternative Rate Structures • Discussion of Sources/Uses for Capital Outlook in COSS
Thursday, August 30, 2018	8:30 a.m. – Noon	<ul style="list-style-type: none"> • Discussion on Rate Structure and Customer Impacts • Discussion on COSS Framework • Strategic Business Plan Review
Wednesday, September 26, 2018	8:30 a.m. – Noon	TENTATIVE
Wednesday, October 24, 2018	8:30 a.m. – Noon	TENTATIVE