



**MINUTES
REGULAR BOARD MEETING
OF THE SANTA FE IRRIGATION DISTRICT
BOARD OF DIRECTORS**

April 19, 2018
Santa Fe Irrigation District
5920 Linea del Cielo
Rancho Santa Fe, CA 92067

ROLL CALL - CALL MEETING TO ORDER

President Hogan called the meeting to order at 8:31 a.m.

BOARD MEMBERS PRESENT: President Michael Hogan, Vice President Kenneth Dunford, Director Marlene King, and Director Andy Menshek were present.

BOARD MEMBER ABSENT: Director David Petree

STAFF AND OTHERS PRESENT: General Manager Michael J. Bardin, Executive Assistant Kim Johnson, Administrative Services Manager Jeanne Deaver, Operations Manager Cor Shaffer, Management Analyst Jessica Parks, Associate Civil Engineer Marissa Potter, Senior Utility Worker Jon Frost, Mechanic I Aaron Huff, General Counsel Paula de Sousa Mills, and members of the public were present. Also present was Pierce Rossum, Carollo Engineers.

PLEDGE OF ALLEGIANCE

Vice President Dunford led the Pledge of Allegiance.

ITEMS TO BE ADDED TO THE AGENDA - None

ORAL COMMUNICATIONS - None

PRESENTATIONS AND AWARDS

1. Employee Recognition:
 - a. Jon Frost, 5 year Service Award
 - b. Aaron Huff, 5 year Service Award

General Manager Bardin introduced Mr. Frost and Mr. Huff and provided brief comments on their service with the District. The Board congratulated Mr. Frost and Mr. Huff and thanked them for their service.

ACTION AGENDA

CONSENT ITEMS

2. Approval of Minutes:
 - a. March 15, 2018 Regular Board Meeting
 - b. March 29, 2018 Special Board Meeting
3. Receive and File Monthly Finance Reports
 - a. Budget Performance
 - b. Disbursements
 - c. Monthly Investment Transaction Report
4. Quarterly Treasurer's Investment Report
5. Quarterly Board Expenses Report
6. Receive and File Updated OPEB Actuarial Valuation Report
7. Receive and File SFID AMMP Asset Valuation Update
8. Waive Full Reading and Adopt Resolution No. 18-02, Quitclaiming the District's Rights to Easements on Assessor Parcel Numbers 268-151-31, 268-151-33, and 268-151-34

Vice President Dunford requested to consider Items 4, 6, and 7 separately from the Consent Calendar. Upon a motion by Director Menshek and second by Director King, the Board voted 4-0 to adopt the Consent Calendar. (Petree absent)

4. Quarterly Treasurer's Investment Report

Vice President Dunford asked why the District has very little in securities yet higher amounts in LAIF. ASM Deaver responded that the District is moving into large capital dollar projects and desired to retain liquidity with the available cash. She added that the District's former Investment Advisor did not retain the District when the company was acquired because of the low threshold of investments and a replacement advisor has not been selected; however, she believes it may now be time to consider acquiring investment advisory services.

6. Receive and File Updated OPEB Actuarial Valuation Report

Vice President Dunford asked the District's options regarding funding OPEB. ASM Deaver replied that the District could choose not to make the annual contributions; however it would have a negative effect on the Comprehensive Annual Financial Report. She added that the District could continue to make the annual contributions plus an additional amount to the trust, earning interest, until the 100% funding is achieved, which reduces the District's unfunded liability.

7. Receive and File SFID AMMP Asset Valuation Update

Vice President Dunford commented that this report should cause further analysis during the cost of service study for financing for District projects because of the increased values and the need

for increased annual contribution requirements if PAYGO financing is continued for capital projects.

Upon a motion by Vice President Dunford and second by Director King, the Board voted 4-0 to approve items 4, 6, and 7. (Petree absent)

ACTION AND DISCUSSION ITEMS

9. Authorize the General Manager to Execute a Professional Services Agreement for the District's 2018 Water Cost of Service and Rate Study

ASM Deaver presented the item and responded to questions from the Board.

Director King thanked the General Manager for including the Administrative and Finance Committee members on the selection panel. She discussed the proposals received and her specific evaluation criteria.

Upon a motion by Director Menshek and second by Director King, the Board voted 4-0 to authorize the General Manager to execute a Professional Services Agreement with Carollo Engineers. (Petree absent)

10. Review Draft FY19 Budget Summary and Schedule a Public Hearing to Consider the Adoption of the FY19 District Budget

GM Bardin introduced the item and ASM Deaver gave a PowerPoint presentation providing a high level overview of the FY19 budget summary and responded to questions from the Board.

After discussion, a motion was made by Director King and seconded by Director Menshek to schedule a Public Hearing for the June 21, 2018 Board meeting to consider adoption of the FY18 District Budget. The Board voted 4-0. (Petree absent)

11. Consider Revisions to the Special Board Meeting Workshop Schedule

GM Bardin presented the item, noting the proposal to cancel the special meeting scheduled in July and add special meetings in August, September, and October.

Upon a motion by President Hogan and second by Vice President Dunford, the Board voted 4-0 to approve the revised special Board meeting workshop schedule. (Petree absent)

12. 2018 Legislative Update

GM Bardin provided an update on legislative actions related to water and responded to questions from the Board.

This item was for the Board's information only. No action was requested or required of the Board.

13. Report on Metropolitan Water District Actions related to the California Water Fix

GM Bardin presented the report and responded to questions from the Board.

President Hogan provided additional comments associated with the recent MWD Board actions on the California Water Fix projects, noting the delegates from San Diego County Water Authority and the City of Los Angeles opposed the action.

This item was for the Board's information only. There was no action requested or required of the Board.

DIRECTORS' COMMENTS

14. Directors' Comments - None

15. Directors' Reports on Conferences, Activities, and Events

Director Menshek reported he attended the Solana East Community Group meeting on April 6th and he encouraged their participation in the upcoming cost of service study process.

REPORTS

16. Operations Reports

- a. R.E. Badger Filtration Plant Report
- b. Water Resources Report

These reports were for the Board's information only. No action was requested or required of the Board.

17. San Diego County Water Authority Board Meeting Report – President Hogan

In addition to the written report included with the agenda materials, President Hogan reported that on April 26, the SDCWA is holding a Special Meeting to discuss the future of SDCWA and issues impacting their long term strategies regarding water.

18. Committee Reports

- a. Executive Committee
- b. Administrative and Finance Committee
- c. Water Resources Committee

The reports were included in the agenda materials.

19. General Manager's Report – GM Bardin reported on the following:

- The District is receiving the District Transparency Certificate of Excellence Award and Chris Palmer, California Special Districts Association, will attend the May regular Board meeting to present the award.
- The District is hosting the dedication of the recently completed San Dieguito Pump Station and the centennial celebration of San Dieguito Dam on May 30, 2018. Invitations will be sent the first part of May and he hopes the Board can attend.
- The next special Board meeting is scheduled for April 25, 2018.

20. General Counsel's Comments - GC de Sousa Mills reported on the following:

- SB998 – Introduced by Senator Dodd to impose additional requirements on termination of residential water service. Senator Dodd, it appears, introduced this legislation because of delays by the State Water Board and Board of Equalization in completing a plan for funding and implementation of a Low-Income Water Rate Assistance Program--a plan was required by AB 401 (adopted in 2015 and authored by Senator Dodd when he was in the Assembly). Both SB 998 and AB 401 further the policy established in 2012 by the adoption of AB 685 declaring a human right to water.
- AB882 was introduced that precludes a public agency from contracting with an internet service provider unless the provider complies with Net Neutrality.
- Andre Monette from BB&K attended a hearing of the House Committee on Natural Resources on whether to divert dollars from the U. S. Bureau of Reclamation and return the funding to the States.

INFORMATION ITEMS

21. District Transparency Certificate of Excellence Award, Letter from Special District Leadership Foundation, dated March 26, 2018

This item was for the Board's information only. No action was requested or required of the Board.

CLOSED SESSION

At any time during the Regular Session, the Board may adjourn to Closed Session to consider litigation, or discuss with Legal Counsel matters within the Attorney/Client Privilege, subject to the appropriate disclosures. Discussion of litigation is within the Attorney/Client Privilege and may be held in Closed Session. (Pursuant to Government Code Section 54956.9)

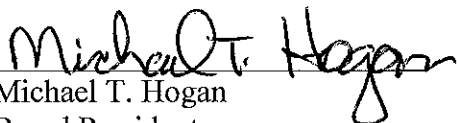
22. Conference with Legal Counsel - Conference with Labor Negotiators
 Pursuant to Government Code section 54957.6
 Agency designated representative: General Manager
 Represented Employees: Santa Fe Irrigation District Employee Association

President Hogan adjourned into Closed Session at 10:32 a.m.

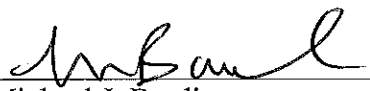
President Hogan reconvened into Open Session at 11:20 a.m. and reported no reportable actions were taken in Closed Session.

ADJOURNMENT

President Hogan adjourned the meeting at 11:21 a.m.



Michael T. Hogan
Board President



Michael J. Bardin
Board Secretary/Treasurer