



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

May 29, 2018  
Santa Fe Irrigation District  
5920 Linea del Cielo  
Rancho Santa Fe, CA 92067

**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, and Directors Marlene King, Andy Menshek, and David Petree were present.

**STAFF AND MEMBERS OF THE PUBLIC PRESENT:** General Manager Michael J. Bardin, Executive Assistant Kim Johnson, Administrative Services Manager Seth Gates, Engineering Services Manager Bill Hunter, Operations Manager Cor Shaffer, Management Analyst Jessica Parks, General Counsel Paula de Sousa Mills, Best, Best & Krieger, and members of the public were present. Also present were Pierce Rossum, Carollo Engineers, Paul Pender and Lora Carpenter, Fieldman Rolapp and Associates, and members of the public.

**PLEDGE OF ALLEGIANCE**

Director Petree led the Pledge of Allegiance.

**ITEMS TO BE ADDED TO THE AGENDA** - None

**ORAL COMMUNICATIONS**

Prior to opening the meeting for public comment, President Hogan referred to the recently adopted Board policy regarding public comment and presentations during special Board workshops on cost of service and water rate setting.

**DISCUSSION**

GM Bardin introduced Seth Gates, the new District Administrative Services Manager. The Board welcomed Mr. Gates.

1. Board of Directors' Planning Workshop

A. Review of CalPERS Unfunded Actuarial Liability Funding Strategies

GM Bardin introduced the item and Paul Pender, Fieldman Rolapp and Associates, gave a PowerPoint presentation and responded to questions from the Board.

The Board discussed the CalPERS assumptions used, the options presented by Mr. Pender, and requested to see the potential rate impacts associated with each funding strategy option.

President Hogan offered the opportunity for public comment.

Greg Gruzdownich commented that pensions have bankrupted agencies and suggested the District consider the option of contracting with a private firm for employees to avoid the CalPERS benefit requirement.

B. Discussion of Alternative Water Rate Structures

GM Bardin introduced the item and Pierce Rossum, Carollo Engineers, gave a PowerPoint presentation and responded to questions from the Board.

The Board discussed revenue sources, cost of service requirements, fixed versus variable costs, and rate structure assumptions and considerations.

After discussion, the Board agreed to evaluate the following rate structures:

- Uniform Rate
- Inclining Tiers
- Meter Based Tiers

***Director Petree left the meeting at 10:39 a.m.***

President Hogan offered the opportunity for public comment.

Dave Ferguson, Solana Beach resident, commented that it is an "eye opener" to pay over \$6.00 per unit of water with the increased fixed charges and that Solana Beach customers use over 50% less than the average use in Rancho Santa Fe. He also suggested that the District consider consolidation with neighboring districts to achieve cost savings.

Greg Gruzdownich commented that the District's consultant, Carollo, is doing a great job in educating the Board and public. He asked what the percentage the fixed charges should be in total revenue and commented he does not agree with an inclining tier structure. He also expressed concern with the State's proposed indoor 55 gals per person per day standard and impacts to SFID's financial stability.



Rick Sapp asked what weight may be placed on socio-economic status in the cost of service study.

GC de Sousa Mills commented that cost of service can only be actual costs. She added that the State is seeking to develop a low income program; however, such a program would be difficult under Proposition 218 requirements.

Director Menshek commented that he had served on the San Diego Local Agency Formation Commission (LAFCO) and was a proponent of agency consolidations; however, it is mostly determined by the willingness of elected officials to achieve consolidation and even then, actions can be over turned over by the electorate. He added that he believes a State requirement of 55 gallons per person per day will drive consolidation efforts.

2. Review and Discuss Revised Board of Directors' Planning Workshop Agenda Items


President Hogan noted that while the dates for future workshops are firm, the meeting agenda topics are evolving as a result of ongoing work on the cost of service study.


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

3. Directors' Comments - None

**ADJOURNMENT**

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

  
\_\_\_\_\_  
Michael T. Hogan  
Board President

  
\_\_\_\_\_  
Michael J. Bardin  
Board Secretary/Treasurer