



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

June 27, 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 was Pierce Rossum, Carollo Engineers.

PLEDGE OF ALLEGIANCE

President Hogan led the Pledge of Allegiance.

ITEMS TO BE ADDED TO THE AGENDA - None

ORAL COMMUNICATIONS

Rory Kendall expressed concern with a proposed Harmony Grove development, noting it is outside of the District service area; however, asked what is being done to represent Rancho Santa Fe interests with this development in light of proposed water use standards.

DISCUSSION

1. Board Workshop: Financial Planning, Cost of Service, and Rate Setting

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

The Board discussed the basis for fixed charges, use of the Rate Stabilization Fund, continuing to pass through wholesale charges, and the importance of maximizing local water supplies.

President Hogan invited public comment.

Greg Gruzdowich asked if the Rate Consultant contracted by the Rancho Santa Fe Association could contact the District. GM Bardin replied yes, the District, not Carollo directly.

Rankin Van Anda commented the zip code data previously used by the District illustrates that the Rancho Santa Fe customers have achieved approximately 30% conservation while the Solana Beach customers have not reduced their water use

President Hogan called for a brief recess at 10:49 a.m.

President Hogan reconvened the meeting at 10:56 a.m.

ASM Gates gave a PowerPoint presentation on historical local water availability, the timeline needed for issuing capital debt, and related Board policies. He and GM Bardin responded to questions from the Board.

The Board discussed use of the rate model to perform sensitivity analysis of various capital financing scenarios, the timing of debt financing, and potential water rate tiers.

A majority of the Board suggested using a 5-7 year rolling average of local water availability rather than year-to-year assumptions in developing a rate structure.

There was no action taken by the Board.

2. Directors' Comments – None

INFORMATION ITEM

3. Special Board Meeting Schedule

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

CLOSED SESSION

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

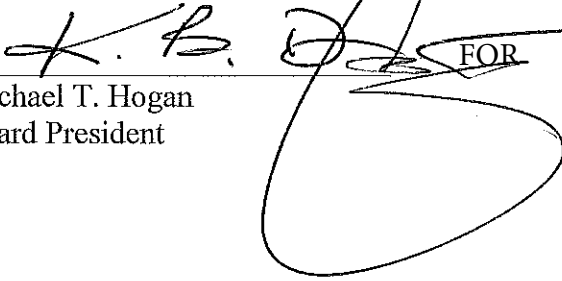
President Hogan adjourned into Closed Session at 11:38 a.m.

President Hogan reconvened into Open Session at 12:25 p.m. and reported no reportable actions were taken in Closed Session.

President Hogan announced the appointment of Vice President Dunford and Director King to an Ad Hoc Committee to review proposals received in response to the Request for Proposals being issued for Executive Recruitment Firms.

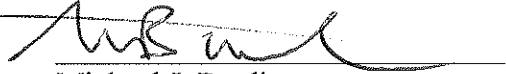
ADJOURNMENT

President Hogan adjourned the meeting at 12:27 p.m.

A large, stylized handwritten signature in black ink, appearing to be 'M. T. Hogan', written over a horizontal line. The signature is highly cursive and loops around.

Michael T. Hogan
Board President

FOR

A handwritten signature in black ink, appearing to be 'M. J. Bardin', written over a horizontal line. The signature is cursive and flows to the right.

Michael J. Bardin
Board Secretary/Treasurer

