



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

October 18, 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 8:32 a.m.

President Hogan requested to consider Item 7 after the Closed Session Item 17.

**BOARD MEMBERS PRESENT:** President Michael Hogan, Vice President Kenneth Dunford and Directors Marlene King, Andy Menshek, and David Petree were present.

**STAFF AND OTHERS PRESENT:** General Manager Michael J. Bardin, Executive Assistant Kim Johnson, Administrative Services Manager Seth Gates, Operations Manager Cor Shaffer, Associate Civil Engineer Marissa Potter, General Counsel Paula de Sousa Mills, Best Best & Krieger, and members of the public were present.

**PLEDGE OF ALLEGIANCE**

President Hogan led the Pledge of Allegiance.

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

**ORAL COMMUNICATIONS**

Al Evans thanked District staff for years of support and thanked Chris Bozir and Jeff Nightingale for going out of their way to help during a recent difficult potable water leak. He noted their extra effort is indicative of how SFID functions. He commented on the proposed water rates, noting that he supports the tiered rate structure, that legal counsel states it is legal, and that other public utilities use tiered rates. He also suggested the Rancho Santa Fe Association work with the District to get recycled water to their service area because he believes it is a benefit during water shortage cutbacks.

**PRESENTATIONS AND AWARDS - None**  
**ACTION AGENDA**  
**CONSENT ITEMS**

1. Approval of Minutes – September 20, 2018 Regular Board Meeting
2. Receive and File Monthly Finance Reports
  - a. Budget Performance
  - b. Disbursements
  - c. Monthly Investment Transaction Report
3. Quarterly Treasurer’s Investment Report
4. Quarterly Board Expenses Report

Upon a motion by Director Menshek and second by Vice President Dunford, the Board voted unanimously to adopt the Consent Calendar.

**ACTION AND DISCUSSION ITEMS**

5. Review and Discuss District Development Activities

Director Menshek recused himself because of potential conflict of interest with his personal residence located near the proposed Del Mar project. Director Menshek left the dais.

President Hogan invited public comment prior to Board consideration of the item.

Leesa Heebner, City of Solana Beach Councilmember, reported that the Council unanimously adopted a resolution opposing the Del Mar development at their recent meeting, citing the negative impacts including a reduction in available water and increase in water rates. She referenced a 1994 agreement between the City of Del Mar and SFID which provides water to one of the parcels in the proposed development and urged the Board to terminate service if the terms of the agreement change.

Brian Feingold commented on the 1994 agreement referenced by Ms. Heebner, stating terms of the agreement are related to number of residential units to be served. He commented that the developer should be required to provide water to the property without impacts to current customers.

Valerie Paul, Candidate for Solana Beach City Council, agreed with comments made by Ms. Heebner, and commented that Board President Hogan had recently spoke to the Solana East Community Group, reporting that SFID only reviews projects after submittal to the responsible agency and she urged the Board to proactively review the proposed Del Mar project before it impacts the City of Solana Beach residents.

Andy Menshek commented on declining water supplies, the District’s obligation to ensure adequate water supplies are available to current customers and that prudent planning is critical. He requested the Board keep current customers their priority.

GM Bardin introduced the item and discussed the District's review process. He noted the Del Mar resort project developer recently requested the previously submitted water availability form to be withdrawn. GM Bardin commented on the 1994 interagency agreement referenced by the public speakers noting that the agreement provides for termination in the event certain terms are changed.

GC de Sousa Mills commented that Local Agency Formation Commission (LAFCO) actions can be cumbersome and lengthy, and there are occasions that out of agency service agreements make sense.

President Hogan urged caution in Board decisions because of future State Water Use Efficiency Standards and related baseline water allotments.

The Board directed staff and General Counsel to provide an overview of out of area service agreements at a future Board meeting.

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

Director Menshek resumed his seat at the dais.

6. Actions Related to the Construction of the Automated Metering Program Phase 4 Project J-1900
  - a. Award a Construction Contract for the Automated Metering Program Phase 4 Project J-1900 to Aqua Metric in the amount of \$865,308.44; and
  - b. Adopt Resolution 18-11, Finding the Automated Metering Program Phase 4 Project Categorically Exempt under the California Environmental Quality Act and Approving the Project; and
  - c. Authorize the General Manager to Execute a \$71,050.95 Purchase Order with Armorcast Products Company for new meter box lids to accommodate the Automated Metering Program Phase 4 Project J-1900

GM Bardin introduced ACE Potter and Ms. Potter utilized a PowerPoint presentation to provide an overview of the project for the Board.

After discussion, a motion was made by Director King and seconded by Director Menshek to approve actions 6a-6c. Motion passed unanimously.

7. Adopt Resolution No. 18-12, Establishing Wage and Benefit Levels for Management Employees

*Item taken out of order. Please see Minutes on Page 5.*

## **DIRECTORS' COMMENTS**

8. Directors' Comments

Director Petree stated he wanted to go on the record that he appreciates all of the comments and analysis from the Rancho Santa Fe Association.

Vice President Dunford commented that outreach is needed to all customers to clear up the misconceptions of the proposed tiered rates and that the goal is to keep the District financially stable with or without Lake Hodges water. He complimented the Board for remaining civil during this difficult time, that they have done a great job, and actions have been taken to move the District forward.

Director King did not know if the City of Solana Beach Council was aware of our policy not to share or concede time because at the last Board meeting, the Rancho Santa Fe Association members thought the workshop policy of time sharing was in effect. She also expressed concern regarding the District's Commercial Agricultural program and felt that the customers chose to participate in the program with expectation to get a return on investment that might not be realized with the District proposing to discontinue the ag rate.

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

Director Menshek reported his attendance at the October 16<sup>th</sup> Council of Water Utilities meeting, at which the NOAA presented on weather patterns.

Vice President Dunford reported he attended the funeral of Chuck Badger, Sr., on September 30<sup>th</sup>.

## REPORTS

10. 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.

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

In addition to the written report included with the agenda materials, President Hogan reported on the following:

- New SDCWA Chair is Jim Madaffer, Vice Chair is Gary Croucher, and Secretary is Christy Guerin.
- MWD recently elected Gloria Gray, West Basin MWD, as new Chair.
- He hosted a Bay Delta tour in late September.
- Camp Pendleton Desal Program needs a full Environmental Impact Report at a cost estimated to be \$700 million, so the project will be revisited in the future.

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

The reports were included in the agenda materials.

13. General Manager's Report – GM Bardin reported on the following:
  - Cor Shaffer, Operations Manager, will retire at the end of the year (2018).
  - The Fall ACWA Conference is being held in San Diego at the end of November and interested Board members can contact staff to make arrangements for their attendance.
14. General Counsel's Comments - General Counsel de Sousa Mills reported on the following:
  - The Governor signed SB998 which further restricts water providers to terminate water service for non payment and also limits the amount of reconnection fees to low income customers. This is problematic because Proposition 218 prohibits one customer class from subsidizing another, so it is unclear who will pay the difference in reconnection fees. SB998 becomes law on January 1 2019, but the new requirements do not go into effect, as to SFID, until February 2020.

#### **INFORMATION ITEMS - None**

#### **CLOSED SESSION**

15. Conference with Legal Counsel- Anticipated Litigation  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9  
Two potential cases
16. Public Employee Appointment  
(Pursuant To Government Code Section 54957)  
Title: General Manager, Interim General Manager
17. Conference with Labor Negotiators  
(Pursuant To Government Code Section 54957.6)  
Agency Designated Representatives: Board of Directors  
Unrepresented Employee: General Manager, Interim General Manager
18. Conference with Labor Negotiators Pursuant To Government Code Section 54957.6  
Agency designated representatives: General Manager  
Unrepresented Employees: Administrative Services Manager, Engineering Services Manager, Operations Manager

***President Hogan adjourned into Closed Session at 9:50 a.m.***

*President Hogan reconvened into Open Session at 11:11 a.m. and reported that a motion was made by Vice President Dunford, seconded by Director King, with unanimous support to make interim appointment of Bill Hunter for General Manager Position pending successful negotiations to serve as Interim General Manager upon the departure of Mr. Bardin.*

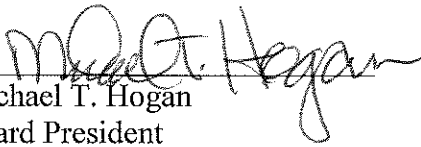
7. Adopt Resolution No. 18-12, Establishing Wage and Benefit Levels for Management Employees


GM Bardin presented the item. Upon a motion by Director Menshek and second by Vice President Dunford, the Board unanimously adopted Resolution No. 18-12. Roll call was taken as follows:

Ayes: Dunford, King, Menshek, Petree, and Hogan  
Noes: None  
Abstain: None  
Absent: None

**ADJOURNMENT**

President Hogan adjourned the meeting at 11:14 a.m.

  
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Michael T. Hogan  
Board President

  
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Michael J. Bardin  
Board Secretary/Treasurer