



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

January 19, 2023
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 10:35 a.m.

BOARD MEMBERS PRESENT: President Michael Hogan, Vice President Dana Frieauf, Directors Sandra Johnson, Ron Magnaghi, and Andy Menshek* (remotely), were present.

**Director Menshek left the meeting at 11:30 a.m.*

STAFF AND OTHERS PRESENT: General Manager Albert Lau, Board Secretary Celina McDowell, Administrative Services Manager Seth Gates, Distribution System Manager Chris Bozir, Engineering Services Manager Marissa Potter, Water Treatment Plant Manager Tim Bailey, Public Communications Officer Teresa Penunuri, Water Conservation Technician Justin Harrod, General Counsel Paula de Sousa and Special Counsel Lutfi Kharuf, Best Best & Krieger, and members of the public were present. Also present was Habib Isaac, IB Consultants.

PLEDGE OF ALLEGIANCE

Director Magnaghi led the Pledge of Allegiance.

ORAL COMMUNICATIONS

There were no written comments received nor requests from the public to speak on items not on the agenda.

CLOSED SESSION

1. Conference with Legal Counsel-Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2)
One (1) potential case

President Hogan adjourned the meeting into Closed Session at 10:36 a.m.

President Hogan reconvened the meeting into Open Session at 11:04 a.m. and reported no reportable actions were taken in Closed Session.

ACTION AND DISCUSSION ITEMS

2. Review and Discuss Cost-of-Service Report and Proposition 218 Notice

President Hogan asked if public comment had been received or if anyone present wished to address the Board. Board Secretary McDowell read an email received from Marlene King regarding the Proposition 218 Notice. President Hogan asked staff to address Ms. King's comments as part of staff's presentation.

GM Lau introduced the item and ASM Gates reminded the Board that the issuance/ mailing of the Proposition 218 notice starts the official rate adoption process. Once the Proposition 218 notice is mailed, property owners and customers of record will have at least 45 days to review the cost of service analysis, ask questions, provide comments, and send written protests relating to the proposed water rate structure and rate increases (including proposed water and recycled water rate increases, pass through authorization, changes to the rate structure, and conservation surcharges) set out in the Proposition 218 notice. The Proposition 218 notice is tentatively scheduled to be mailed out on February 10, 2023 and the public hearing is tentatively scheduled for March 28, 2023. Mr. Isaac utilized a PowerPoint presentation on the proposed near final cost of service study setting out the basis for the proposed increases in and adjustments to the rates of its water service charges (including proposed water and recycled water rate increases, water and recycled water rate increases, pass through authorization, changes to the rate structure, and conservation surcharges), identified in the Proposition 218 notice. ASM Gates and Mr. Isaac responded to questions from the Board.

In response to the public comment, SC Kharuf clarified that the District is not required to provide a coupon/protest form under Proposition 218. He addressed that Proposition 218 requirements are to provide the date, time and location of the public hearing, information relating to the reason for the rate increases, the basis for calculating the rates, and the rates themselves. The Board asked that the Proposition protest coupon be revised to make clear that providing an explanation about the nature of protest for the coupon is optional.

GC de Sousa also reiterated that the Proposition 218 notice also includes a paragraph explaining all the required components of a valid Proposition 218 protest and clarifying that customers are not required to use the provided coupon/protest form.

GM Lau mentioned that a bill calculator will be posted on the District's website once the Proposition 218 notices are mailed out. Also, community meetings will be held in Rancho Santa Fe, Solana Beach, and Fairbanks Ranch.

President Hogan requested that staff provide the Board with the public hearing dates and locations once identified.

The Board directed staff to proceed as outlined on the presentation material with the notification process and public hearing in compliance with applicable law.

ADJOURNMENT

President Hogan adjourned the meeting at 12:19 p.m.

DocuSigned by:

Michael Hogan

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Michael T. Hogan
Board President

DocuSigned by:

Albert C. Lau

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Albert C. Lau
Board Secretary/Treasurer