

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

August 17, 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 8:30 a.m.

**BOARD MEMBERS PRESENT:** President Michael Hogan, Directors Sandra Johnson, and Andy Menshek. Vice President Dana Frieauf and Director Ron Magnaghi were absent.

**STAFF AND OTHERS PRESENT:** General Manager Albert Lau, Board Secretary Celina McDowell, Director of Administrative Services Seth Gates, Director of Distribution System Chris Bozir, Director of Engineering Services Marissa Potter, Director of Water Treatment Plant Tim Bailey, Public Communications Officer Teresa Penunuri, General Counsel Paula de Sousa, Best Best & Krieger, and a member from the public were present.

**PLEDGE OF ALLEGIANCE**

President Hogan led the Pledge of Allegiance.

**ORAL COMMUNICATIONS - None**

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

**PRESENTATIONS AND AWARDS - None**

**ACTION AGENDA**

**CONSENT ITEMS**

1. Approval of Minutes

- a. July 20, 2023 Regular Board Meeting
2. Receive and File Monthly Finance Reports
  - a. Budget Graphs
  - b. Disbursements
  - c. Monthly Investment Transaction Report
3. Consider an Amendment to the Professional Services Agreement with Ardurra Group, Inc. for J-2354 Filter Washwater Header and Associated Piping Project
4. Consider Executing a Purchase Contract for Stake Bed Truck
5. Consider Executing a Purchase Contract for Construction Crew Truck Equipped with Contractor Bed

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6. Consider Executing a Purchase Contract with Wagner Plate Works for the Replacement of the Existing Aqueous Ammonia Tank
7. Consider Executing a Purchase Contract for a New 2022 Chevrolet Silverado 5500 Maintenance Vehicle from Future Chevrolet
8. Consider Executing a Purchase Contract with R+B Automation for the Purchase and Installation of Three (3) Motorized Actuators
9. Consider Executing Purchase Contracts with Qualified Bidders for the Procurement of Water Treatment Chemicals

Upon a motion by Director Menshek and seconded by Director Johnson, the Board voted unanimously to approve Consent Items Nos. 1-9. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

#### **ACTION AND DISCUSSION ITEMS**

10. Cast District Vote for Association of California Water Agencies (ACWA) 2024-2025 Term Elections

GM Lau introduced the item and informed the Board of the recommended revision on the Nominating Committee's recommended slate to replace Ms. Jennifer DeMeo of Fallbrook Public Utility District with Ms. Alexandra (Ally) Berenter of City of San Diego.

Upon a motion by President Hogan and seconded by Director Johnson, the Board voted unanimously to approve staff recommendations on the ACWA 2024-2025 Term Elections. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

#### 11. Review and Discuss Out of Service Area Agreements

GM Lau introduced the item and DDS Bozir utilized a PowerPoint presentation and responded to questions from the Board.

Director Menshek commented on the agreement with the City of San Diego for the San Dieguito River Basin and suggested that we should find out what the total impact is to the District and do our diligence prior to terminating or having further discussions on this agreement before a decision can be made.

The Board concurred with staff's recommendations and commended on the effort in researching and identifying the status of these agreements.

Upon a motion by Director Menshek and seconded by Director Johnson, the Board voted unanimously to approve staff recommendations on developing an updated agreement with General Counsel and for General Counsel to coordinate directly with the City of San Diego City Attorney. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

#### 12. Acquisition of Upgraded VxRail and IDPA Solutions

DAS Gates introduced the item and provided the Board with an overview of the District's IDPA and VxRail solutions and the need for an upgrade.

Upon a motion by Director Menshek and seconded by Director Johnson, the Board voted unanimously to approve staff recommendation authorizing the acquisition of upgraded VxRail and IDPA solutions. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

### 13. Investment Policy Update

GM Lau introduced the item and mentioned that an update was provided to the Board last month regarding moving the District's investment from Local Agency Investment Fund (LAIF) to California Asset Management Program (CAMP), earning an additional \$1M per year.

DAS Gates provided a quick update and informed the Board that CAMP is currently at 5.5% and received about \$250,000 in interest earnings this month.

Director Johnson expressed her appreciation for having all requested items reflected on the updated version of the policy.

Upon a motion by President Hogan and seconded by Director Johnson, the Board voted unanimously to approve staff recommendations on the updates on the Investment Policy. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

### 14. Consider Amending Employment Agreement between Santa Fe Irrigation District and General Manager Albert Lau Regarding Compensation and Vacation Leave

Under the provisions of the Brown Act, GC De Sousa made an announcement prior to the Board considering the item and stated the nature of the change. GC De Sousa stated that under consideration by the Board based on successful negotiations between the Board and the General Manager.

Upon a motion by Director Menshek and seconded by Director Johnson, the Board voted unanimously to approve Board President's recommendations on amending the General Manager's employment agreement. Roll call vote was taken as follows:

Ayes: Johnson, Menshek, and Hogan  
Notes: None  
Abstain: None  
Absent: Friehauf and Magnaghi

## REPORTS

### 15. Operations Reports

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

## 16. Board Reports

### a. San Diego County Water Authority (SDCWA) Board Meeting Report

President Hogan reported that the Board approved the initiating of litigation against San Diego Local Agency Formation Commission (LAFCO) during the Closed Session meeting on August 10, 2023, regarding the Fallbrook Water District/Rainbow Municipal Water District's separation from SDCWA.

President Hogan mentioned that the City of San Diego is in support of AB 399, the Water Ratepayers Protections Act of 2023.

President Hogan also reported that SDCWA has various questions regarding Metropolitan Water District's (MWD) policy regarding potential de-annexations within their territory. Chair Ortega has established a workgroup to review and discuss the need for policies related to de-annexations for MWD.

### b. Other Meetings/Conferences

President Hogan attended the Southern California Water Coalition Quarterly Luncheon meeting on July 28, 2023 in Carlsbad entitled "Watershed Moments: Insights into Colorado River Water Management".

He also attended the Twin Oaks Treatment Plant Tour sponsored by SDCWA for Board members on August 11, 2023.

## **DIRECTORS' COMMENTS**

### 17. Directors' Comments

Director Johnson reported that she noticed water coming through the asphalt in front of her house one Saturday morning and called the emergency line which was responded by Jeff Nightingale who was on call. She commended and shared her appreciation to Jeff Nightingale, Dylan Stankavich, and Cesar Guzman's communicativeness, pleasantness, responsiveness, quality of work and for working hard all day. She felt that they did a great job and deserved the appreciation and thanked DDS Bozir and his team.

Director Johnson also addressed a question to GM Lau regarding additional requirements from the Fire Department on fire hydrants on private properties and requested to have an update on the implementation and the new law at the Board meeting.

GM Lau provided a background to the Board that Rancho Santa Fe is designated as wildfire area. Estate homesteads are being redeveloped are classified by the Fire Department as commercial due to the size of the redeveloped homes. This item is on the future Board agenda items list and an update to the Board, and the District's Administrative Code may need to be adjusted to address this trend.

Director Menshek reminded everyone on the potential impact of the hurricane that is coming up and feel comfortable that our district is prepared.

President Hogan mentioned that he read an article that former Director Petree's company is in the process of developing a retirement community across from The Vegetable Shop which is in the Olivenhain Municipal Water District's area.

Both President Hogan and Director Johnson are planning to attend the San Dieguito Valley Groundwater Project Community Meeting on September 7, 2023 at 5:30 p.m. which will be held at the Solana Santa Fe Elementary School.

18. Future Agenda Items – None

19. General Manager's Report

GM Lau informed the Board that Padre Dam Municipal Water District's former Director August Caires funeral service schedule on September 9, 2023, and flowers were sent to the family of behalf of the District.

GM Lau notified the Board that he will be attending the CSDA Conference on the week of August 28, 2023, and will miss the Special Board meeting on August 28, 2023, to discuss the AMI Portal Update and DAS Gates will present the item on his behalf.

GM Lau reminded the Board regarding the Employee Recognition Picnic which will be held next Saturday, August 26, 2023.

GM Lau reported that the traveling bridge of the primary coagulation sedimentation tank went off the rail last week and staff was able to mitigate it quickly without interruption in our water production. However, we are looking into initiating an emergency repair and long-term repair and will report back in the future to the Water Resources Committee and the Board.

Director of Administrative Services Gates reported to the Board that checks that were dropped off in the mailbox in front of the post office were stolen and instituted safety precautions for the future and will be dropping off checks inside the post office instead of the drop box. DAS Gates is working with U.S. Bank and informed the Board that this incident is covered with ACWA JPIA.

GM Lau mentioned that PCO Penunuri sent the Board members the AMI Portal Survey to be completed by the end of business day today.

20. General Counsel's Comments

GC De Sousa reported she will be out of town and GC Nick Norvell will be attending the Special Board meeting on August 28, 2023, virtually on her behalf.

GC De Sousa also reported that agencies need start thinking about regulations and statutes on the use of Artificial Intelligence (AI). AB 331 is a two-year bill and it would require for any deployer which would also include public agencies that uses AI assessment tools to do an impact assessment to confirm compliance with the bill and analyze potential adverse impacts to people's rights to the extent that an agency or a company uses AI in the employment context.

**INFORMATION ITEMS - None**

**CLOSED SESSION**

21. Public Employee Performance Evaluation

Pursuant to Government Code Section 54957  
General Manager

22. Conference With Labor Negotiators Pursuant To Government Code Section 54957.6

Agency designated representatives: Board of Directors  
Unrepresented Employee: General Manager

23. Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)  
(1) potential case

24. Conference with Legal Counsel

Existing Litigation pursuant to Government Code Section 54956.9 (d)(1)

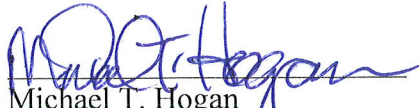
Name of Case: *Santa Fe Irrigation District v. All Persons Interested in the Matter of the Proceedings for Resolution No. 23-07, A Resolution of the Board of Directors of the Santa Fe Irrigation District Modifying the District's Rates for Potable and Recycled Water Service Charges*, Superior Court of California, County of San Diego, Case No. 37-2023-00015115-CU-MC-NC

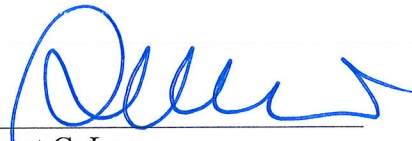
***President Hogan reported that Item No. 21 is a placeholder and there is no need to be discussed. President Hogan adjourned the meeting into Closed Session at 9:59 a.m.***

*President Hogan reconvened the meeting into Open Session at 10:46 a.m. and there was no reportable action taken in Closed Session.*

**ADJOURNMENT**

President Hogan adjourned the meeting at 10:46 a.m.

  
Michael T. Hogan  
Board President

  
Albert C. Lau  
Board Secretary/Treasurer