



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

April 18, 2019  
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, Vice President Kenneth Dunford and Directors Marlene King and Andy Menshek were present.

**BOARD MEMBER ABSENT:** Director David Petree

**STAFF AND OTHERS PRESENT:** General Manager Albert Lau, Executive Assistant Kim Johnson, Administrative Services Manager Seth Gates, Engineering Services Manager Bill Hunter, Associate Civil Engineer Marissa Potter, General Counsel Paula de Sousa Mills, and members of the public were present. Also present were San Dieguito Water District General Manager Bill O'Donnell, San Elijo Joint Powers Authority General Manager Mike Thornton, City of Encinitas Public Works Director Carl Quiram, Scott Goldman, Woodard and Curran, and Shane Trussell, Trussell and Associates.

**PLEDGE OF ALLEGIANCE**

President Hogan led the Pledge of Allegiance.

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

**ORAL COMMUNICATIONS**

Christy Whalen, Rancho Santa Fe Association Manager, congratulated the District on the hiring of the new General Manager and reported she and GM Lau had recently met and had a productive and cordial meeting. She also referenced a letter delivered to the District and Board requesting that the RSFA Rate

Consultant be afforded the opportunity to meet with the District Rate Consultant, preferably prior to the next Board workshop scheduled for April 30, 2019.

**PRESENTATIONS AND AWARDS - None**

**ACTION AGENDA  
CONSENT ITEMS**

1. Approval of Minutes
  - a. March 21, 2019 Regular Board Meeting
  - b. March 21, 2019 Special 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
5. Authorize the General Manager to Execute an Amendment to the Professional Services Contract with Carollo for 2018 Cost of Service Study & Associated FY 2019 Budget Amendment
6. Approve an Encroachment Permit across a District water main within a public utility easement on APN 268-070-12 in Rancho Santa Fe
7. Authorize the General Manager to Execute a Memorandum of Understanding Allowing San Dieguito Water District to Serve Water to a San Elijo Lagoon Restoration Project partially located within SFID's Service Area
8. Waive Full Reading and Adopt Resolution No. 19-05, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act
9. Authorize the General Manager to Execute Purchase Contract for Case Backhoe Loader Tractor and Fleet Vehicles
10. Authorize the General Manager to Execute Amendment No. 8 to the Professional Services Agreement with Kleinfelder, Inc. for Separation of the Design Package for Joint Facilities Improvements

President Hogan reported that Directors Dunford and King requested to pull Item 5 from the Consent Calendar and staff requested to pull Item 10 from the Consent Calendar.

Upon a motion by Director Menshek and second by Director King, the Board voted unanimously to adopt the Consent Calendar, as amended. (Petree absent)

5. Authorize the General Manager to Execute an Amendment to the Professional Services Contract with Carollo for 2018 Cost of Service Study & Associated FY 2019 Budget Amendment

President Hogan offered the opportunity for public comment.

Dana Frieauff, Solana Beach resident, commented that she hopes the District works with the RSFA and Solana Beach on rates and is skeptical that a uniform rate would be equitable,

especially for Solana Beach residents, and that those residents are closely watching the process. She noted that she recently retired from the San Diego County Water Authority.

Director King asked for clarification on items proposed in the Carollo scope of work related to a potential stakeholder meeting, and the trigger for the optional tasks. ASM Gates responded that the stakeholder meeting would be if Carollo met with the RSFA Rate Consultant, and the optional tasks would be triggered in the event if work is required beyond the Board directed study revisions.

Vice President Dunford asked if the District has an AWWA M1 Manual for reference. ASM Gates replied yes.

After discussion, a motion was made by Director Menshek and seconded by Director King to authorize the General Manager to execute the second amendment to the professional services agreement with Carollo Engineers, Inc. in an amount not to exceed \$86,720, and amend the existing FY19 Administrative Services budget for Consultant Services by an amount of \$35,000, increasing the total budget to \$163,000. Motion passed unanimously. (Petree absent)

10. Authorize the General Manager to Execute Amendment No. 8 to the Professional Services Agreement with Kleinfelder, Inc. for Separation of the Design Package for Joint Facilities Improvements

GM Lau introduced the item and ESM Hunter reported that the District had just been notified that the grant application submitted for a portion of the Joint Facilities seismic upgrade projects has been forwarded by the California Office of Emergency Services to FEMA. ESM Hunter utilized a PowerPoint presentation to provide an overview of the project. After additional discussion, a motion was made by Vice President Dunford, seconded by Director King, to authorize the General Manager to Execute Amendment No. 8 to the Professional Services Agreement with Kleinfelder, Inc. Motion passed unanimously. (Petree absent)

## **ACTION AND DISCUSSION ITEMS**

11. Receive and File Recycled Water Expansion Plan

ESM Hunter introduced the item and introduced Scott Goldman, Woodard and Curran, who utilized a PowerPoint presentation to provide an overview of the Plan.

Mike Thornton, SEJPA GM, addressed the Board commenting he sees value in the proposed two step approach and participating of multiple agencies maximizes grant funding potential. He added that the phasing of the project allows for technology and regulations to evolve as well.

After a lengthy discussion, a motion was made by Director Menshek and seconded by Vice President Dunford to receive and file the Recycled Water Expansion Plan. Motion passed unanimously. (Petree absent)

12. Review Draft FY20 Budget Summaries and Discuss Scheduling a Public Hearing to Consider the Adoption of the FY20 District Budget

ASM Gates gave a PowerPoint presentation providing a high level overview of the FY20 budget summary and responded to questions from the Board. ASM Gates noted that the final debt service payment was not included in the budget because the reserves held by the Trustee would cover the remaining required payment; however, it was noted that the absence of the anticipated rate increase and Board adoption of a Pass Through policy equates to approximately \$1 million.

The Board also discussed the rationale for holding annual public hearings prior to District budget adoption because it is not legally required. GC de Sousa Mills reminded the Board that a public hearing is not required for transparency of proposed Board actions nor to provide the opportunity for public comment as the members of the public have the opportunity at every Board meeting to comment on items within District jurisdiction. GC de Sousa Mills also commented that of the public agencies she represents, none of them have a public hearing for budget consideration and adoption.

After discussion, a motion was made by President Hogan and seconded by Director Menshek to not schedule a Public Hearing for the June 20, 2019 Board meeting to consider adoption of the FY20 District Budget. Motion passed 3-1. (Director King voting no, Director Petree absent)

13. Review and Discuss Request from City of Solana Beach for a Neighborhood Pocket Park on Glenmont Avenue

GM Lau presented the item and responded to questions from the Board. The Board generally supported the park as long the District retained ownership of the property and the park development could be legally and safely done without impact to District operations.

After discussion, the Board directed staff to engage with the City of Solana Beach to determine feasibility of the proposed neighborhood pocket park.

## **DIRECTORS' COMMENTS**

14. Directors' Comments

Director King wanted to publically acknowledge that when Bill Hunter assumed the responsibility of Interim General Manager there were no "hiccups" and when observing Mr. Hunter in the new role and his interactions with employees, the transition was seamless. She noted the employees seemed appreciative of his openness and she wanted this known. Director Menshek and President Hogan both thanked Director King for publically commenting on this. GM Lau shared his appreciation to Mr. Hunter and ASM Gates and others for their help during his transition.

15. Directors' Reports on Conferences, Activities, and Events - None

## REPORTS

16. 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.

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

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

- At the recent Special SDCWA Board meeting they discussed pursuing storage in Lake Mead; and
- The SDCWA Board is discussing a regional conveyance system study, potentially bypassing MWD altogether; and
- The Delta Fix process has slowed considerably since the Governor's announcement that he would support a single tunnel project.

18. Committee Reports

The Committee Reports were included with the agenda materials.

19. General Manager's Report – GM Lau utilized a PowerPoint presentation to report on regional water supply conditions and pending Lake Hodges Dam improvements and allowable water surface elevation impacts.

20. General Counsel's Comments - GC de Sousa Mills reported on the following:

- A new bill, AB1212, focuses on public employees' retirement fund management. If adopted it would express the preference of such retirement boards to invest funds in California infrastructure projects, and would require state agencies responsible for infrastructure projects to produce a list of priority infrastructure projects for consideration by the retirement boards.
- The Court of Appeal has broadened the scope in which contract work performed by utility districts is subject to the payment of prevailing wages—a departure from the long standing interpretation of what constitutes public works for purposes of the prevailing wage laws. Fortunately the California Supreme Court has granted review of the case—we hope that the Supreme Court will stand by the long standing interpretation and not the recent Court of Appeal decision.

## INFORMATION ITEMS – None

**CLOSED SESSION**

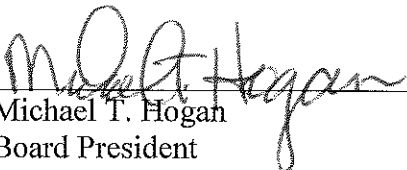
- 21. Conference with Legal Counsel- Existing Litigation  
Pursuant to Government Code Section 54956.9 (d)(1)  
Rancho Santa Fe Association v Santa Fe Irrigation District  
Case No. 37-2018-00064214-CU-MC-NC
  
- 22. Conference with Legal Counsel- Anticipated Litigation  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of  
Government Code Section 54956.9  
One potential case
  
- 23. Public Employee Performance Evaluation  
Pursuant To Government Code Section 54957  
Title: General Manager


*President Hogan adjourned into Closed Session at 11:13 a.m.*

*President Hogan reconvened into Open Session at 12:11 p.m. and reported no reportable actions were taken in Closed Session.*

**ADJOURNMENT**

President Hogan adjourned the meeting at 12:11 p.m.

  
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Michael T. Hogan  
Board President

  
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Albert C. Lau  
Board Secretary/Treasurer