AGENDA

ADMINISTRATIVE AND FINANCE COMMITTEE MEETING
Santa Fe Irrigation District

Tuesday, August 11, 2020
8:30 a.m.

Held at Santa Fe Irrigation District
5920 Linea del Cielo, Rancho Santa Fe, California 92067

Due to the COVID-19 State of Emergency and pursuant waivers to certain Brown Act provisions under the Governor’s Executive Orders, meetings of the Board and Board Committees will be conducted via Zoom Meeting (webinar/teleconference) and there will be no physical location from which members of the public may participate. Instead, the public may listen to the meeting proceedings and provide public comment and comments on specific agenda items by following these instructions:

Please click the link below to join the webinar:

https://us02web.zoom.us/j/86134566098?pwd=MkRNRW1wWUFabEN1MHAzM1FvNGNtdz09

Passcode: 902133

Or iPhone one-tap:

US: +16699009128,,86134566098#,,,,0#,,902133# or
   +12532158782,,86134566098#,,,,0#,,902133#
Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)

Webinar ID: 861 3456 6098

Passcode: 902133

International numbers available: https://us02web.zoom.us/u/kdIiFybEp
**Instructions for Making Public Comment:** Members of the public who wish to address the Board of Directors under public comment or on specific agenda items may do so in one of the following ways:

- You can send written comments to the Board Secretary for receipt **no later than 7:30 am on August 11, 2020** to be read during the appropriate portion of the meeting. Written comments must be limited to 300 words/ have a reading limit of 3 minutes for each comment and emailed to kjohnson@sfidwater.org, mailed to the attention of Kim Johnson, Board Secretary, SFID, P. O. Box 409, Rancho Santa Fe, CA 92067, or physically deposited in the District’s payment drop box located in the public parking lot at the District’s Administrative Office at or mail to 5920 Linea del Cielo, Rancho Santa Fe, California 92067.

- On Zoom via phone, you can also raise your hand by pressing *9 when to notify the moderator that you wish to speak during the current item.

These public comment procedures supersede the District’s standard public comment policies and procedures to the contrary.

**CALL MEETING TO ORDER**

**ORAL COMMUNICATIONS**

*Opportunity for members of the public to address the Committee (Government Code Section 54954.3)* Individuals may address the Committee regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Committee, at any time. Comments and inquiries pertaining to items listed on the agenda will be received during the deliberation of the agenda item. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each. Members of the public desiring to address the Committee are asked to complete a speaker’s card, available at the table near the entrance and present it to the Board Secretary prior to the start of the meeting.

**ACTION AND DISCUSSION ITEMS**

1. Appointment of Committee Chair (page 4)
2. Approval of March 10, 2020 Minutes (pages 5-6)
3. Directors' and General Manager’s Expense/Reimbursement (pages 7-9)
5. Automated Metering Program (pages 11-16)

**REPORTS**

6. Administrative Services Report (verbal)
   - COVID-19 Financial Update
7. Public Communications and Outreach Report (verbal)
8. General Manager’s Report (verbal)
9. Committee Members’ Comments (verbal)
INFORMATION ITEMS - None

ADJOURN

Next Scheduled Administrative and Finance Committee meeting: **Tuesday, September 8, 2020 @ 8:30 a.m.**

*Assistance for the disabled:* If you are disabled in any way and need accommodation to participate in the meeting, please call the Board Secretary at (858) 756-2424 for assistance at least three (3) working days prior to the meeting so the necessary arrangements can be made.
DATE: August 11, 2020

TO: Administrative and Finance Committee

FROM: General Manager

SUBJECT: Appointment of Committee Chair

RECOMMENDATION:

It is the Staff recommendation that the Administrative and Finance Committee:

1. Consider the appointment of a Committee Chair; and

2. Take other action as appropriate.

DISCUSSION:

As a result of changes in this committee’s membership it is appropriate to consider the selection of a new Chairperson. There is no formal process for this selection. Committee members may select and vote on a Chairperson.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

Prepared by: Kim Johnson, Executive Assistant
Approved by: Albert C. Lau, P. E., General Manager
PRESENT: Chairman Kenneth Dunford, Director David Petree, General Manager Albert Lau, Executive Assistant Kim Johnson, and Administrative Services Manager Seth Gates were present.

CALL MEETING TO ORDER

Chairman Dunford called the meeting to order at 8:34 a.m.

ORAL COMMUNICATIONS

None

ACTION AND DISCUSSION ITEMS

1. APPROVAL OF NOVEMBER 12, 2019 MINUTES

The Committee approved the minutes as presented.

2. DIRECTORS’ AND GENERAL MANAGER’S EXPENSE/REIMBURSEMENT

The Committee reviewed and approved the reports as submitted.

3. MONTHLY INVESTMENT TRANSACTION REPORT

The Committee reviewed and approved the report as submitted.

4. REVIEW AND DISCUSS PROPOSED UPDATES TO SANTA FE IRRIGATION DISTRICT RESERVE POLICY AND RESERVE LEVELS

ASM Gates presented the item, noting that staff committed to bring a comprehensive discussion on District reserves during the cost-of-service process for review and potential modification(s), including establishment of a reserve account for varying levels of local water. The Committee discussed reserve funds, fund designation, and current policy level requirements.
After an extensive discussion, the Committee directed staff to move the item forward for full Board consideration at a future meeting.

REPORTS

5. ADMINISTRATIVE SERVICES REPORT – No report

6. GENERAL MANAGER’S REPORT

GM Lau reported the District is working on a pandemic response plan in response to the coronavirus outbreak.

7. COMMITTEE MEMBERS’ COMMENTS - None

ADJOURN

Chairman Dunford adjourned the meeting at 11:33 a.m.

Kenneth Dunford, Chairman
Santa Fe Irrigation District  
Board of Directors Expenses  
Paid During the Month of July 2020

<table>
<thead>
<tr>
<th></th>
<th>Per Diem Payments</th>
<th>Mileage &amp; Parking</th>
<th>Travel &amp; Meetings</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Creede</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Hogan</td>
<td>300.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>King</td>
<td>0.00</td>
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<tr>
<td>Menshek</td>
<td>300.00</td>
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<tr>
<td>Petree</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>For July 1st to Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid During the Month</td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Hogan</td>
<td>1</td>
</tr>
<tr>
<td>King</td>
<td>0</td>
</tr>
<tr>
<td>Menshek</td>
<td>1</td>
</tr>
<tr>
<td>Petree</td>
<td>0</td>
</tr>
</tbody>
</table>

$ 600.00 $ 0.00 $ 0.00 $ 600.00 $ 600.00

* Compensated days of service may represent multiple meetings per day.
We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.

<table>
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<tr>
<th>POST DATE</th>
<th>TRAN DATE</th>
<th>TRANSACTION DESCRIPTION</th>
<th>REFERENCE NUMBER</th>
<th>MCC</th>
<th>AMOUNT</th>
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<td>03-04</td>
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<td>5614</td>
<td>5.98</td>
</tr>
<tr>
<td>03-16</td>
<td>03-13</td>
<td>SWAMIS CAFE ENCINITAS CA</td>
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<td>5612</td>
<td>40.00</td>
</tr>
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</table>

**NEW ACCOUNT ACTIVITY**

**ACCOUNT NUMBER**

**ACCOUNT SUMMARY**

- PREVIOUS BALANCE: $0.00
- PURCHASES & OTHER CHARGES: $45.98
- CASH ADVANCES: $0.00
- CASH ADVANCE FEE: $0.00
- CREDITS: $0.00
- AMOUNT DUE: $0.00
- DO NOT REMIT
- TOTAL ACTIVITY: $45.98

**CUSTOMER SERVICE CALL**
800-344-5696

**SEND BILLING INQUIRIES TO:**
C/O U.S. BANCORP SERVICE CENTER, INC
U.S. BANK NATIONAL ASSOCIATION
P.O. BOX 6335
FARGO, ND 58125-6335

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**ADMIN & FINANCE COMMITTEE**
August 11, 2020
Investment Transaction Report for July 2020

The following is a list of the month’s investment activity

<table>
<thead>
<tr>
<th>Security/Investment Pool</th>
<th>Settlement Date</th>
<th>Activity</th>
<th>Yield to Maturity</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAIF</td>
<td>7/6/2020</td>
<td>($800,000)</td>
<td></td>
<td></td>
<td>($800,000)</td>
</tr>
<tr>
<td>Net Activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($800,000)</td>
</tr>
</tbody>
</table>

Investment Funds*

<table>
<thead>
<tr>
<th>Fund</th>
<th>As of 6/30/20</th>
<th>As of 07/31/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>25,938,628</td>
<td>25,228,397</td>
</tr>
<tr>
<td>San Diego County Treasurer’s Pool **</td>
<td>4,461,388</td>
<td>4,461,388</td>
</tr>
<tr>
<td>California Asset Management Program (CAMP)</td>
<td>709,083</td>
<td>709,306</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$31,109,099</strong></td>
<td><strong>$30,399,091</strong></td>
</tr>
</tbody>
</table>

Distribution of Investments as of July 31, 2020

- LAIF 83.0%
- SD County Pool 14.7%
- CAMP 2.3%

*May include accrued interest not available currently for withdrawal
** Not available at time of publication
DATE: August 11, 2020
TO: Administrative & Finance Committee
FROM: General Manager

SUBJECT: Briefing on District’s Automated Metering Program

RECOMMENDATION:

It is the Staff recommendation that the Administrative and Finance Committee:

1. Receive the briefing on the District’s Automated Metering Program; and
2. Discuss and take other action as appropriate.

DISCUSSION:

The District’s Automated Meter Infrastructure (AMI) program is one of the most significant capital improvement programs due to the outward-facing and customer oriented nature of the project. Additionally, the detailed consumption information generated through the AMI program will potentially enable the District to leverage the additional insight during future cost-of-service, compliance with AB1668 / SB606 requirements, allow customers to dynamically monitor their water use, and better report water loss, among others. Based on the importance of this program, District Staff want to engage the Administrative & Finance Committee on various topics related to the AMI program that are within the purview of the Committee, such as outreach and customer service. Staff forsees future agenda item(s) to include customer utilization of the online water use portal and enhancements & future data utilization, among others. In anticipation of these future items, District Staff is providing the Committee an overview of the program to-date and future milestones.

BACKGROUND:

In April 2015 the District completed a detailed AMI Program Development Report (Report) that evaluated multiple automated metering approaches and equipment manufacturers to replace the District’s approximately 7,500 local read meters (6,500 potable and 1,000 fire line) and replacing all meter lids to accommodate the radio transmitters. The Report recommended that a single manufacturer be selected to complete the full AMI program to ensure consistency in customer service, distribution repair and maintenance, and due the difficulty in meshing a full network of varied equipment, among others. The District Board of Directors approved the sole source implementation of the District’s AMI program on June 16, 2016, with a sole source purchase and installation utilizing Sensus equipment. Aqua Metric is the authorized vendor for Sensus equipment in the area and is responsible for primary installation of meters and other equipment.

Phase One & Two

Phase 1 and 2 of the AMI program were awarded by the District at the June 16, 2016 Board Meeting. The Phase 1 component of the project began shortly after and included the installation of two antennae tower base stations, 422 automated meters and transmitters, and the software required to collect and analyze the meter data for billing and distribution analysis.
The location and number of towers to be installed is based on a signal propagation study completed for the District based on elevation and location of customer connections & where the location of towers would need to be to accommodate proper communication.

One tower was installed at the District’s Larrick Reservoir site, while the second was installed at Olivenhain Municipal Water District’s (OMWD) 520 base elevation antennae site. At the June 16, 2016 Board Meeting, the Board approved a Joint Use Advanced Metering Infrastructure Agreement with OMWD that established terms and conditions for the District and OMWD to jointly use AMI sites within each other’s service areas. This agreement is structured to enable the OMWD and SFID General Manager to add or delete sites from the agreement as agreed to in writing by both parties. These two sites alone are estimated to be able to serve approximately 4,800 of the District’s AMI meters.

Phase 2 of the project, completed in July 2017, included an additional 840 meters, for a total of 1,262 meters transitioned to AMI during the initial project roll-out. Additionally, Phase 2 included the implementation of the District’s customer portal software. Total cost for Phase 1 & 2 was approximately $1.1 million as compared to the budget of $1.2 million.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
<th>Program Budget</th>
<th>Actual / Estimate</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1&amp;2</td>
<td>$1,195,000</td>
<td>$1,067,000</td>
<td>$128,000</td>
</tr>
</tbody>
</table>

**Phase Three**

Phase 3 of the project, completed in May 2018, included an additional 1,196 meters transitioned to AMI, for a total of 2,458 meters in Phases 1 – 3. The Phase 3 project also included construction of an antennae base station at OMWD’s Ann Peay Reservoir site located within the OMWD service area. The map below show’s the three phases (blue is phase 1, red is phase 2, and green is phase 3) and the three antennae sites – one within District boundaries and two within OMWD boundaries.

Total cost for Phase 3 was approximately $800,000 as compared to the original estimate of $1.0 million.
**Phase Four**

Phase 4, completed in June 2019, included replacement of approximately 1,648 additional meters. Following completion of Phase 4, approximately 4,106 meters, or 55% of the total number of District meters had been replaced. Total cost for Phase 4 was approximately $950,000 as compared to the original estimate of $1.2 million.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
<th>Program Budget</th>
<th>Actual / Estimate</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 4</td>
<td>$1,150,000</td>
<td>$947,000</td>
<td>$203,000</td>
</tr>
</tbody>
</table>

**Phase Five**

Phase 5 of the project was begun in January 2020, with 2,146 additional meters to be transitioned and the installation of one new antennae base station to accommodate additional coverage in the Solana Beach area for Phase 6. However, due to the COVID-19 pandemic, meter installation was temporarily halted in March based on the emergency declared by the District. Additionally, discussions with the City of Solana Beach in regards to placement of the new antennae base station (proposed on the City of Solana Beach fire station) were delayed. The antennae installation is now anticipated to occur in Phase 6.

Meter installation for Phase 5 was subsequently resumed in May and will be completed in August 2020. Following completion of Phase 5, approximately 6,252 meters, or 83% of the total number of District meters will have been replaced. The remaining 1,287 meters are scheduled to be replaced in FY21 in Phase 6 of the program.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
<th>Program Budget</th>
<th>Actual / Estimate</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 5</td>
<td>$1,000,000</td>
<td>$826,000</td>
<td>$174,000</td>
</tr>
</tbody>
</table>
The projected total cost for Phase 5 is approximately $1.2 million as compared to the original estimate of $1.5 million.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
<th>Program Budget</th>
<th>Actual / Estimate</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 5 *</td>
<td>$1,525,000</td>
<td>$1,225,000</td>
<td>$(300,000)</td>
</tr>
</tbody>
</table>

* Estimate

Phase Six

Phase 6, the final phase of the AMI project, is anticipated to begin in the fall of 2020, with construction and installation beginning in early 2021. This phase encompasses the final 1,329 meters to be transitioned.
Phase 6 of the AMI program is anticipated to cost $1.0 million, which reflects the FY21 Capital Improvement Program Budget.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
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<th>Actual / Estimate</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Phase 6 *</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$-</td>
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</tbody>
</table>

CONCLUSION:

The total cost of the AMI program is estimated to be approximately $800,000 below the original program budget, totaling $5.1 million as shown in the following table.

<table>
<thead>
<tr>
<th>AMI Phase #</th>
<th>Program Budget</th>
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<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1&amp;2</td>
<td>$1,195,000</td>
<td>$1,067,000</td>
<td>$(128,000)</td>
</tr>
<tr>
<td>Phase 3</td>
<td>$1,000,000</td>
<td>$826,000</td>
<td>$(174,000)</td>
</tr>
<tr>
<td>Phase 4</td>
<td>$1,150,000</td>
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<td>$(203,000)</td>
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<td>$(300,000)</td>
</tr>
<tr>
<td>Phase 6 *</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$-</td>
</tr>
</tbody>
</table>

Total $5,870,000 $5,065,000 $(805,000)

* Estimate

Staff is requesting input on what future topics would be of the most value to and in the purview of the Committee including outreach / engagement and customer portal / District information enhancements, among others.
FISCAL IMPACT:

There is no fiscal impact resulting from the review of this item.

Prepared by: Seth Gates, Administrative Services Manager
Approved by: Albert C. Lau, General Manager