



SANTA FE IRRIGATION DISTRICT BOARD OF DIRECTORS SPECIAL MEETING

Santa Fe Irrigation District Board Room
5920 Linea del Cielo, Rancho Santa Fe, California 92067

TUESDAY, APRIL 30, 2019

3:00 p.m.*

Please note time

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE –Director Menshek

ITEMS TO BE ADDED TO THE AGENDA

(Government Code Section 54956.5)

ORAL COMMUNICATIONS

Opportunity for members of the public to address the Board (Government Code Section 54954.3)

Public Comment Procedures for Board Workshop Agenda Items on Cost of Service and Water Rates

- *The time limit for individual speakers is three (3) minutes.*
- *If two individuals yield their time to a third individual, the third individual may speak for up to ten (10) minutes. Individuals may yield their time to another speaker by submitting a speaker card identifying the person speaking on their behalf. No other yielding of time may occur.*
- *A person desiring to make an organized group presentation may utilize written materials if he or she submits the materials to the District Clerk by e-mail or USB drive at least 24 hours prior to the date and time of the meeting and will be permitted up to twenty (20) minutes for their presentation.*
- *The Board may receive additional comments from individuals or organized groups following the presentation by staff. Individuals are asked to observe a time limit of two (2) minutes, and organized groups are limited to six (6) minutes. Members of the public are asked to submit an additional speaker's card indicating a desire to speak or yielding time to an organized group for such additional comments.*
- *The Board Chair may, in his or her absolute discretion, extend or shorten the times described above or otherwise adjust the above procedures to accommodate numerous speakers. A decision of the Chair to do so in one instance shall not be deemed a waiver of these procedures as to any other instance or matter.*

ACTION AND DISCUSSION ITEMS

The following items on the Action Agenda call for discussion and action by the Board of Directors. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

1. Board Workshop: Discussion of Cost of Service Recommendations and Related Items
 - a. Review and Discuss Alternative Cost Allocation Strategies (page 3)

DIRECTORS' COMMENTS

Director's comments are comments by Directors concerning District business, which may be of interest to the Board. They are placed on the Agenda to enable the individual Board members to convey information to the Board and the public. No action is to be taken on comments made by the Board members.

2. Directors' Comments

INFORMATION ITEM – None

CLOSED SESSION

At any time during the Regular Session, the Board may adjourn to Closed Session to consider litigation, or discuss with Legal Counsel matters within the Attorney/Client Privilege, subject to the appropriate disclosures. Discussion of litigation is within the Attorney/Client Privilege and may be held in Closed Session. (Pursuant to Government Code Section 54956.9)

3. 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
4. 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

ADJOURNMENT

Any writings or documents provided to a majority of the Board of Directors for any item on this agenda will be made available for public inspection in the District Office located at 5920 Linea del Cielo, Rancho Santa Fe, CA during normal business hours.

Assistance for the disabled: If you are disabled in any way and need accommodation to participate in the Board 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: April 30, 2019

TO: Board of Directors

FROM: General Manager

SUBJECT: Review and Discuss Alternative Cost Allocation Strategies

RECOMMENDATION:

It is the Staff recommendation that the Board of Directors:

1. Consider cost allocation options presentation by Carollo Engineers, Inc. (Carollo); and
2. Direct Staff to move forward with Carollo in forming future rate structure options for Board review based on the chosen cost allocation option; and
3. Discuss and take other action as appropriate.

BACKGROUND:

At the March 21, 2019 Board of Directors special meeting, the Board directed Staff to work with Carollo on proposing potential revisions to their independent cost of service relating to a number of areas. These areas included local water supply, different tier structure(s) for variable water rates, and further discussion of peaking and cost allocation, among others. Based on this direction, Carollo will present information on different cost allocation between the three main categories of customer rates: *base*, *peak*, and *capacity* charges, as defined in the cost-of-service presented to the Board. Both operational and capital costs would be allocated in accordance with Proposition 218 and the American Water Works Association M1 manual, to each of these individual cost allocation segments based on three different approaches. This cost allocation structure will form the basis for upcoming presentations by Carollo and Staff on the other areas of interest relating to cost of service.

COMMITTEE ACTION:

This item was not reviewed at the Committee level.

FISCAL IMPACT:

There is no fiscal impact as a result of reviewing this item.

Prepared by: Seth M. Gates, Administrative Services Manager

Approved by: Albert C. Lau, P. E., General Manager