



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

March 21, 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\*

*\*Director Petree arrived at 8:34 a.m.*

**STAFF AND OTHERS PRESENT:** General Manager Albert Lau, Executive Assistant Kim Johnson, Administrative Services Manager Seth Gates, Chief Treatment Operator Elijah Standing Warrior, Associate Civil Engineer Marissa Potter, Senior Accountant Melissa Casarez, General Counsel Paula de Sousa Mills and Special Counsel Lutfi Kharuf, Best Best & Krieger, and members of the public were present.

**PLEDGE OF ALLEGIANCE**

President Hogan led the Pledge of Allegiance.

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

President Hogan noted that Closed Session, items 15 and 16, would be taken prior to consideration of Item 7.

**ORAL COMMUNICATIONS - None**

## PRESENTATIONS AND AWARDS - None

### ACTION AGENDA

#### CONSENT ITEMS

1. Approval of Minutes -- February 21, 2019 Regular Board Meeting
2. Receive and File Monthly Finance Reports
  - a. Budget Performance
  - b. Disbursements
  - c. Monthly Investment Transaction Report
3. Authorize the General Manager to Execute a \$30,000 Reimbursement Agreement with the City of Solana Beach for the Glencrest Drive Pipeline Replacement (J-1800) Project
4. Cast District Vote for the 2019 LAFCO Special District Regular and Alternate Member Election
5. Waive Full Reading and Adopt Resolution No. 19-04, Authorizing Albert C. Lau as Banking Contract Officer for the District

Upon a motion by Director Menshek and second by Vice President Dunford, the Board voted 4-0 to adopt the Consent Calendar. (Petree absent)

*\*Director Petree arrived at 8:34 a.m.*

#### ACTION AND DISCUSSION ITEMS

6. Consider Appeal of Water Bill by Mr. Robert Kyle

Prior to consideration of the item, President Hogan noted that before proceeding, the District's General Counsel will provide a brief overview of the procedures in the Administrative Code regarding this appeal.

GC de Sousa Mills reported that Article 13 of the District's Administrative Code permits a customer to initiate a complaint or request an investigation concerning services or charges shown on a bill within five days of receipt of the bill. If the customer is dissatisfied with the decision of the District's Administrative Services Manager about a disputed bill, the customer may appeal the decision to the District's Board of Directors. In this item being considered, a District customer has appealed the decision of the Administrative Services Manager to the Board of Directors regarding a disputed bill.

She continued that after receiving presentations and hearing public comment, the Board may deliberate and decide whether to approve, deny, or modify the Appellant's request to reduce the amount of the disputed bill.

President Hogan noted the appeal will proceed as follows:

- District staff will first present a staff report.
- Mr. Kyle will then have three minutes to present the reasons for his appeal and any evidence not previously submitted.
- Members of the Board may then ask questions of either District staff or Mr. Kyle.

- Members of the public will then have an opportunity to comment on the appeal.

ASM Gates presented the item and responded to questions from the Board.

Robert Kyle addressed the Board, presenting his appeal and answered questions from the Board.

President Hogan invited public comment.

Rory Kendall commented that he thought the obvious choice for first location of automated meter installation would be Rancho Santa Fe, and placed the blame on the District, noting length of time it takes to receive his water bill via mail.

After additional discussion, a motion was made by Director King, seconded by President Hogan, to treat this leak event as Mr. Kyle's first leak, and offered the courtesy one time leak credit offered by the District if Mr. Kyle agreed to remit the leak credit he had already received back to the District.

After further discussion, Director King made a substitute motion to calculate the leak credit using the actual water cost, rather than using current Tier 1 rates, if it was determined that wholesale treated water was sourced. President Hogan agreed with the substitute motion. The Board voted 4-1 to approve Staff providing a leak credit in an amount to be calculated in the method described in the motion. (Menshek voting no).

***ITEM TAKEN OUT OF ORDER***

***President Hogan adjourned into Closed Session at 9:39 a.m.***

**CLOSED SESSION**

15. 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
16. 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

***President Hogan reconvened into Open Session at 10:08 a.m. and reported no reportable actions were taken in Closed Session.***

7. Approval of Budget Amendment for Legal Services

Upon a motion by Vice President Dunford and second by Director Menshek, the Board voted unanimously to approve the budget amendment for Legal Services.

**DIRECTORS' COMMENTS**

8. Directors' Comments

Vice President Dunford reported that there is a diorama of Lake Hodges and surrounding area on display now at the Rancho Santa Fe Historical Society and encouraged everyone to stop in to view it.

Director King recognized ACE Potter for her recent efforts which directly led to a District savings of over \$30,000 from her diligence in coordinating with several governmental agencies to determine that a costly and lengthy environmental review process would not be necessary on a capital project.

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

**REPORTS**

10. 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.

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

The written report was included with the agenda materials.

12. Committee Reports

The Committee Reports were included with the agenda materials.

13. General Manager's Report – GM Lau commented he is happy and honored to serve as the District's General Manager, he is interested in operational efficiency and increasing innovation where possible. He looks forward to working with the Board.

14. General Counsel's Comments - GC de Sousa Mills reported that the Fair Political Practices Commission is updating their regulations with revised materiality standards.

**INFORMATION ITEMS – None**

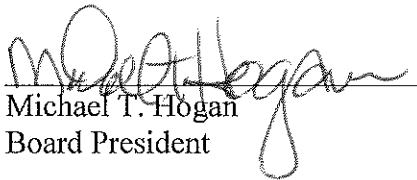
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*Item taken out of order. Please see minutes on page 3.*

**ADJOURNMENT**

President Hogan adjourned the meeting at 10:13 a.m.

  
Michael T. Hogan  
Board President

  
Albert C. Lau  
Board Secretary/Treasurer

