



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

June 20, 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.

BOARD MEMBER ABSENT: Director David Petree*
**Director Petree arrived at 8:37 a.m.*

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, Buildings and Grounds Worker Pablo Banuelos, General Counsel Paula de Sousa Mills and Associate William Shepherd, Best Best & Krieger, Ken Pun, The Pun Group, and members of the public were present.

PLEDGE OF ALLEGIANCE

Director King led the Pledge of Allegiance.

ITEMS TO BE ADDED TO THE AGENDA – None

ORAL COMMUNICATIONS

Barry Willis, San Diego LAFCO Commissioner, introduced himself to the Board and reported he was recently elected to the LAFCO Board as a Commissioner representing Special Districts. He encouraged the Board and staff to contact him with any comments or concerns with which he could assist.

Rory Kendall, Rancho Santa Fe resident, expressed his discontent with the Board reaction he received last month when he provided public comment on his exceptionally low water usage. He expressed his further displeasure at the allocation method employed by the Board during the Governor mandated water usage reduction in 2015. Mr. Kendall commented he feels the Board should discontinue medical benefits and per diem payments.

**Director Petree arrived at 8:37 a.m.*

PRESENTATIONS AND AWARDS

1. Employee Recognition
 - a. Ken Buckley, 20 years of service to the District
 - b. Pablo Banuelos, 15 years of service to the District

GM Lau noted Mr. Buckley had just finished his shift at the Plant and was unable to attend. He then introduced Mr. Banuelos and provided brief comments about his service to the District. The Board congratulated Mr. Banuelos and thanked him for his service.

ACTION AGENDA CONSENT ITEMS

2. Approval of Minutes - May 16, 2019 Regular Board Meeting
3. Receive and File Monthly Finance Reports
 - a. Budget Performance
 - b. Disbursements
 - c. Monthly Investment Transaction Report
4. Waive Full Reading and Adopt Resolution No. 19-06, Honoring The San Diego County Water Authority For Foundational And Far-Reaching Contributions To The Region's Economy And Quality Of Life Since Its Formation In 1944
5. Authorize the General Manager to Execute Purchase Contract for Chlorine with JCI Jones for the R. E. Badger Filtration Plant
6. Authorize the General Manager to Execute Sole Source Procurement Agreement for a Centrifuge for the Mechanical Dewatering Improvements, Project J-1752
7. Authorize the General Manager to Execute Sole Source Procurement Agreement for Aluminum Chlorohydrate Coagulant for the R. E. Badger Filtration Plant
8. Notice of Completion for the Automated Metering Infrastructure Program Phase 4, Project J-1900
9. Authorize the General Manager to Execute Purchase Contract for Vacuum Excavator
10. Authorize the General Manager to Execute a Professional Services Agreement for Independent Financial Auditing Services

President Hogan requested to consider Items 8 and 10 separately from the Consent Calendar.

Upon a motion by Vice President Dunford and second by Director Menshek, the Board voted unanimously to adopt the Consent Calendar as amended.

8. Notice of Completion for the Automated Metering Infrastructure Program Phase 4, Project J-1900

President Hogan noted he had removed the item from the Consent Calendar so he could acknowledge staff for their efforts to complete this Project within the time scheduled and under budget. He congratulated ESM Hunter and staff.

Director King commented that staff discussed the project cost savings during a recent Water Resources Committee meeting, crediting District Operations and Maintenance staff for handling the more difficult meter installations, thereby facilitated timely project completion saving contract funds.

Director Menshek concurred with the prior comments, noting that other agencies had disastrous results in their automated metering programs, and felt the District has a fantastic program, including the online portal where customers may monitor their water use and set alerts to help detect leaks more quickly.

Upon a motion by President Hogan and second by Vice President Dunford, the Board unanimously approved to file the Notice of Completion for the Automated Metering Infrastructure Program Phase 4.

10. Authorize the General Manager to Execute a Professional Services Agreement for Independent Financial Auditing Services

GM Lau presented the item, describing the selection process, which was recently completed and he introduced, Ken Pun of the Pun Group, the most qualified firm. Mr. Pun introduced himself and the firm, and thanked the Board for the opportunity to provide auditing services.

Upon a motion by Director King and second by Director Petree, the Board unanimously approved authorizing the General Manager to execute a Professional Services Agreement with the Pun Group for Independent Financial Auditing Services.

ACTION AND DISCUSSION ITEMS

11. Adoption of the District Fiscal Year 2020 Budget

ASM Gates presented the item, utilizing a PowerPoint to provide an overview of the recommended FY20 District budget, and he and GM Lau responded to questions from the Board.

The Board discussed potential impacts from lower levels in Lake Hodges and pending State Water Use Efficiency Standards, and District actions to minimize risks from each.

After discussion, a motion was made by Director Menshek and seconded by Vice President Dunford to adopt the District Fiscal Year 2020 Budget as presented. Motion passed 4-1 (King voting no).

12. Adopt Resolution No. 19-07, Adopting 2019/2020 Salary Schedule

ASM Gates presented the item, noting it is an administrative action required by CalPERS at the expiration of each salary schedule. GC de Sousa Mills clarified that while the salary schedule reflects the July 1, 2019 salary adjustment resulting from implementation of the adopted Memorandum of Understanding with the District's Employees' Association, it also includes Management salaries.

After discussion, a motion was made by President Hogan and seconded by Director Menshek to adopt Resolution No. 19-07, Adopting 2019/2020 Salary Schedule. Roll call vote was taken as follows:

Ayes:	Dunford, Menshek, and Hogan
Noes:	King, Petree
Abstain:	None
Absent:	None

Motion passed 3-2.

13. Consider Canceling the July 18, 2019 Regular Board of Directors Meeting

President Hogan presented the item, noting there are no time sensitive items requiring Board consideration and that there is a Special Board Workshop scheduled for July 31, 2019, if any items surface prior to the regular August meeting.

Upon a motion by Director Menshek and second by Vice President Dunford, the Board unanimously approved canceling the July 18, 2019 Regular Board of Directors meeting.

DIRECTORS' COMMENTS

14. Directors' Comments

Director Menshek asked if the District has a LAFCO Municipal Service Review planned and suggested one be performed considering the number of Out of Service Agreements that the District has in place. GM Lau agreed, noting if it is not set for FY20, then would be in FY21.

Director King commented on Mr. Kendall's public comments, agreeing with him that he should have been granted a variance during the 2015 Allocations based on his already low water use, that she regretted supporting the allocation program because of its regressive structure, and that she was pleased he was direct with his comments on what she deemed to be a "lousy policy."

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:

- Legislation has been introduced to limit ocean discharges for wastewater treatment plants; to reduce by 50% by 2035 and by 100% by 2050. He noted this could have an impact by adding pressure to water districts to develop reclaimed water supplies.
- SB1, authored by Senator Atkins along with Senators Portantino and Stern, provides that any federal environmental or worker safety standard is frozen at 2017 levels, under California law, even if the federal government rolls it back. This is termed the “Anti Trump” bill because during the past 26 months, more than 34 different key clean air, clean water and endangered species standards have been weakened or eliminated at the federal level. ACWA along with other State agencies and agricultural and farming supporters oppose the bill.
- Otay Water District with the SDCWA have co-authored an Assembly Bill which adds a new water operator classification/certification allowing reciprocity for military personnel water operator certification.

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 Statewide, regional, and local water supplies and the impacts of a wet and cold Spring season.

20. General Counsel's Comments

GC de Sousa Mills reported on a recent decision from the California Court of Appeal on the Howard Jarvis Taxpayers Association vs. Amador Water Agency regarding a referendum challenging the Water Agency's adoption of new water service rates. The Court of Appeal concluded that resolutions adopting new water rates are not subject to referendum. General

Counsel does not yet know if the decision will be appealed. She noted that interestingly, the same Court of Appeal ruled in another case that resolutions adopting new rates were subject to referendum—this later case is now up on appeal to the California Supreme Court.

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

***President Hogan adjourned into Closed Session at 9:52 a.m.
President Hogan reconvened into Open Session at 10:18 and reported no reportable actions
were taken in Closed Session.***

ADJOURNMENT

President Hogan adjourned the meeting at 10:19 a.m.



Michael T. Hogan
Board President



Albert C. Lau
Board Secretary/Treasurer