

**RANCHO SANTA FE
COMMUNITY SERVICES DISTRICT**

MINUTES

BOARD OF DIRECTORS REGULAR MEETING

Monday, May 16, 2016, 1:30 P.M.

Santa Fe Irrigation District Board Room

5920 Linea Del Cielo, Rancho Santa Fe, CA 92091

PRESENT

Laurel Lemarié
John Tanner
Deborah Plummer
Bill Hinchy
Doug Moul

ABSENT

GUESTS

Arnold Keene, RSFA

STAFF

Chuck Duffy, GM
Paula Melendrez

The regular meeting of the Board of Directors of the Rancho Santa Fe Community Services District was called to order by Board President Laurel Lemarié.

1. Call Meeting to Order and Roll Call.

2. Public Comment – None.

ACTION ITEMS

3. Report from the RSF Association on Landscape Work.

Arnold Keene from the RSF Association reported that the removal of nearly 20 trees has been completed. He also reported that the red gum eucalyptus trees look bad right now due to the high activity of the lerp psyllid. The trees will improve as the weather changes.

4. Minutes of the April 11, 2016 Regular Meeting.

ACTION: Director Hinchy moved to approve the minutes as submitted. Director Plummer seconded. Motion carried 5-0.

5. March 2016 Dudek Invoices for Payment.

ACTION: Director Tanner moved to approve the invoices as submitted. Director Hinchy seconded. Motion carried 5-0.

6. Consideration of Amendment to Board Meeting and Procedures Policy.

ACTION: Director Lemarié moved to approve the amendment to the policy. Director Moul seconded. Motion carried 5-0.

7. Consideration of Fiscal Year 2014-2015 Comprehensive Annual Financial Report and Draft Audit.

The General Manager reported that the draft audit showed the district to be in sound financial condition.

ACTION: Director Moul moved to approve the Financial Report and Draft Audit. Director Lemarié seconded. Motion carried 5-0.

- 8. Consideration of Draft Fiscal Year 2016/17 Sewer, Landscape, and Security Services District Budgets, Potential Rate Increase, and Related Enacting Ordinance No. 2016-01.** General Chuck Duffy provided a review of the draft budgets, and responded to questions from the Board. Mr. Duffy also explained that the net gain from operations to fund the sewer reserves for capital projects is expected to be \$85,000, while capital replacement projects totaling \$670,000 for FY 2016/17 will offset this gain. To rectify this issue and ensure a healthy financial state for the District, the General Manager recommended increasing the annual sewer service charge from \$800 per EDU to \$950 per EDU for the coming fiscal year. This increase should maintain the current level of reserves for the next 3-5 years. The budget will be brought back to the Board at the July meeting for final approval.

ACTION: Director Tanner moved to:

1. Direct staff to follow the process outlined in Prop 218 and provide mailed notice to ratepayers.
2. Schedule a public hearing for our July Regular Meeting.
3. Waive the first reading of the rate increase ordinance.
4. Approve Ordinance 2016-01 increasing the annual sewer service charge to \$950. A second reading of the ordinance will be required at the July board meeting for final approval.
5. Direct staff to publish the ordinance in a newspaper of general circulation within the District at least 5 days prior to the July board meeting, and to post a certified copy of the ordinance in the District office.

Director Hinchy seconded. Motion carried 3-2, with Directors Plummer and Lemarié opposed.

- 9. Consideration of Agreement A-2016-01 for Reimbursement of the Via De Fortuna Sewer Main Extension (Bauce).**

ACTION: Director Plummer moved to approve the agreement as presented. Director Tanner seconded. Motion carried 5-0.

- 10. Consideration of Ordinance No. 2016-02 for the Via De Fortuna (Bauce) Sewer Reimbursement Agreement (first reading).**

ACTION: Director Tanner moved to:

1. Waive the first reading of the reimbursement ordinance.
2. Approve the ordinance. A second reading of the ordinance will be required at the July board meeting for final approval.
3. Direct staff to publish the ordinance in a newspaper of general circulation within the District at least 5 days prior to the next board meeting, and to post a certified copy of the ordinance in the District's offices.

- 11. Consideration of LAFCO 2015-2016 Run-Off Special Districts Election.**

ACTION: Director Plummer moved to cast a vote for Judy Hanson for the Alternate Special District Member. Director Tanner seconded. Motion carried 5-0.

- 12. Santa Fe Valley Development Project and Community Facilities District No. 1.**

- a. Santa Fe Valley Project Update – Noted and filed.
- b. CFD Fund Balances – Noted and filed.

- 13. District Engineer's Report.**

- a. Treatment Plant, Pump Station, and Sewer System Operations Report – Noted and filed.
- b. Collections Crew – Operations Log – Noted and filed.

14. General Manager’s Report.

- a. Update on recycled water – General Manager Chuck Duffy provided an update on the recycled water project.

15. Monthly Flow Reports – Noted and filed.

16. Monthly Financial Reports.

- a. Account Balances– Noted and filed.
- b. 2015-2016 Revenue & Expenditure Report – Noted and filed.
- c. LAIF Monthly Update – Noted and filed.

17. Upcoming Seminars – None.

CONSIDERATION OF CORRESPONDENCE

An informational package containing copies of all pertinent correspondence to and from the District for the month of March 2016 was given to each Director along with the Agenda.

Adjournment.

President Lemarié adjourned the May 16, 2016 Regular Meeting of the Rancho Santa Fe Community Services District Board of Directors at 2:35 p.m.

PREPARED BY:

APPROVED:

Chuck Duffy, General Manager

Laurel Lemarié, President

Approved: July 11, 2016