

**SOUTH BAY IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING**

May 21, 2012

The Board of Directors of South Bay Irrigation District held a regular meeting on Monday, May 21, 2012, at the Sweetwater Authority Administrative Office, 505 Garrett Avenue, Chula Vista, California. President Preciado called the meeting to order at 4:05 p.m.

• **ROLL CALL**

Directors Present: Bud Pocklington, Jose Preciado, Maria Rubalcaba, Terry Thomas, and Margaret Welsh

Directors Absent: None

Others Present: General Manager Smyth, Legal Counsel Miller, Treasurer Stevenson, and Board Secretary Gonzalez.

• **PLEDGE OF ALLEGIANCE TO THE FLAG**

Director Welsh conducted the pledge of allegiance to the flag.

• **OPPORTUNITY FOR PUBLIC COMMENT (Government Code Section 54954.3)**

There were no members of the public present.

• **PRESIDENT'S PRESENTATION**

There was none.

ACTION CALENDAR ITEMS

1. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were none.

2. APPROVAL OF MINUTES

Director Welsh made a motion, seconded by Director Thomas, that the Board approve the minutes of the April 16, 2012 meeting. The motion carried.

3. APPROVAL OF DEMANDS AND WARRANTS

Director Welsh made a motion, seconded by Director Thomas, that the Board approve Warrants 11095 through 11100. The motion carried.

4. REVIEW OF BUDGET FOR FISCAL YEAR 2012-13

General Manager Smyth referred to the budget format and said that it has been changed from years past to a more simplified format. He stated that this draft budget is being presented as an information item today and that staff would like to receive the Board's comments and questions, and then the final version of the budget would be presented at next month's meeting. Mr. Smyth referred to the far right column, which is

the proposed Fiscal Year 2012-13 Budget and noted that it is itemized; he then referenced the other columns, Fiscal Year 2011-12 and the two previous years for comparison purposes. He stated that in order to balance the budget, \$27,860 must be transferred out of the reserves to meet this budget. Mr. Smyth said that a question was asked if there are any other sources of revenue besides interest earned. He explained that South Bay Irrigation District does not own property nor sells water, so there are no other sources of income. Mr. Smyth stated that this would be a good opportunity to express the necessity of South Bay Irrigation District and he asked Legal Counsel Miller to provide a brief synopsis. Ms. Miller stated that from both legal and practical standpoints, South Bay is the actual member agency of the San Diego County Water Authority, and because it is the member agency, that is how the relationship between the County Water Authority and Sweetwater Authority was formed. Ms. Miller provided a handout that explains the history of why and how South Bay came into existence and why it is the member agency of the County Water Authority, and that only through South Bay, it is the only way to generate water into Sweetwater Authority. President Preciado asked about the number of meetings required for South Bay. Ms. Miller replied that irrigation district law establishes a monthly meeting for all irrigation districts, however, if there are no action items; nothing for the agenda; or if there are cases where a quorum cannot be reached, then it would be appropriate not to hold a meeting. However, with the issue of LAFCO and the dissolution of special districts, there may be concerns if the Board does not meet a sufficient number of times. There is the irrigation district law requirement for monthly meetings that can be reduced, but not so much that it is not functioning as a special district. President Preciado encouraged the Board members to meet with staff with any further questions related to the budget.

5. APPROVAL OF DIRECTORS' ATTENDANCE AT MEETINGS AND FUTURE AGENDA ITEMS

There were none.

6. OLD BUSINESS

Further Review of Board Policies 201 and 203

Director Preciado made a motion, seconded by Director Welsh, that the Board approve the revisions to Board Policy 201 – Board Meetings, as presented. The motion carried.

Director Preciado made a motion, seconded by Director Pocklington, that the Board approve the revisions to Board Policy 203 – Board Meeting Conduct, as presented. The motion carried.

7. NEW BUSINESS

A. Selection of Auditing Services

Director Pocklington made a motion, seconded by Director Thomas, that the Board award a contract in the amounts of \$2,500 for fiscal year ending June 30, 2012; \$2,600 for fiscal year ending June 30, 2013; and \$2,700 for fiscal year ending June 30, 2014 to White Nelson Diehl Evans LLP to audit South Bay Irrigation District's financial statements. The motion carried.

- B. Call for Nominations – Local Agency Formation Commission and Special Districts Advisory Committee. Director Pocklington expressed interest in running for reelection for his current LAFCO position; and Director Thomas expressed interest in running for one of the eight LAFCO Special District Advisory Committee member positions.

Director Preciado made a motion, seconded by Director Welsh, that the Board approve the nominations of Director Pocklington for the position of LAFCO regular district member for a four-year term, and Director Thomas for the position of LAFCO Special Districts Advisory Committee member for a four-year term. The motion carried.

- C. Review of Board Policies (Nos. 204 through 207)

Policy 204 – Board Actions & Decisions

Director Thomas referred to the last sentence of the first paragraph and stated that she would like to recommend inserting the words “the selection of” in front of the words “this position.” This would clarify that it is referring to the employment of the General Manager and not all employment decisions. President Preciado responded that one of the difficulties in what Director Thomas is proposing is South Bay does not have any assets or resources; it is in a unique situation where the selection of the General Manager is made by the Sweetwater Authority Board and South Bay is privileged to say that it has discretion over the General Manager in terms of selecting, evaluating, or reviewing the General Manager. He believes the language as it is brings conformity and correctness to the policy, and the proposed changes may be overstepping what South Bay Irrigation does. Director Welsh asked why he would leave it as is. President Preciado replied that “employment decisions” covers everything broadly. Director Pocklington stated that he does not believe this needs to be complicated by making any changes; the General Manager of Sweetwater Authority is the General Manager of South Bay and so it should remain as is.

After further discussion, President Preciado deferred Policy 204 for further review and clarification by staff and legal counsel and asked that it be brought back to the next Board meeting.

Policies 205 through 207

Director Welsh made a motion, seconded by Director Pocklington, that the Board approve the revisions to Board Policy 205 – Minutes of Board Meetings, as presented. The motion carried.

Director Thomas made a motion, seconded by Director Pocklington, that the Board approve the revisions to Board Policy 206 – Rules of Order for Board & Committee Meetings, as presented. The motion carried.

Director Welsh made a motion, seconded by Director Thomas, that the Board approve the revisions to Board Policy 207 – Mailed Notice of Meetings, as presented. The motion carried.

REPORTS & INFORMATION**8. REPORT OF TREASURER**

The Investment Portfolio, Treasurer's Report, and Budget Report for the month of April 2012 were noted and filed.

9. REPORTS BY DIRECTORS ON EVENTS ATTENDED – There were none.**10. REPORT OF LAFCO SPECIAL DISTRICTS REGULAR MEMBER**

Director Pocklington reported on the meeting of May 7th and stated that the Commission approved its FY 2012-13 Budget and there was also a legislative update.

11. REPORT OF SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

Director Pocklington reported on the agenda items of the May 24 Board meeting. He stated that CWA is proposing close to a 10 percent increase and that this will be the major topic of discussion at the meeting, and a public hearing has been scheduled for June 27th. There will also be an update on the Carlsbad Desal Plant.

12. REPORT OF MANAGEMENT

There was none.

13. DIRECTORS' COMMENTS

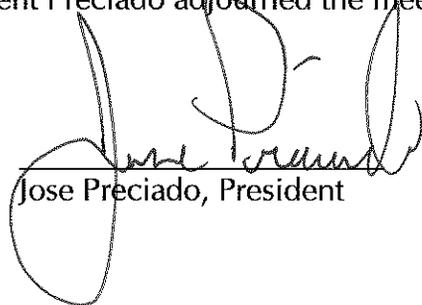
Director Thomas referenced a recent political cartoon about water rates. She stated that it is a challenge raising water rates, and efforts are needed to show the relationship to needed infrastructure and the tightening of the belt as much as possible so that more people are amenable to the cost increases.

14. CLOSED SESSION

There was none.

15. ADJOURNMENT

With no further business before the Board, President Preciado adjourned the meeting at 5:09 p.m.



Jose Preciado, President

Attest:



Janet Gonzalez, Board Secretary