



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING

MINUTES

MONDAY, JANUARY 22, 2024  
4:00 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT  
990 E. MISSION RD., FALLBROOK, CA 92028  
PHONE: (760) 728-1125

---

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President DeMeo called the January Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Jennifer DeMeo, Member/President  
Don McDougal, Member/Vice President  
Dave Baxter, Member  
Ken Endter, Member

Absent: Charley Wolk, Member

General Counsel/District Staff

Present: Jack Bebee, General Manager  
Dave Shank, Assistant General Manager/CFO  
Paula de Sousa, General Counsel  
Jodi Brown, Management Analyst  
Aaron Cook, Engineering Manager  
Mick Cothran, Engineering Technician  
Noelle Denke, Public Information Officer  
Todd Jester, GIS Coordinator  
Jose Lucca, Utility Worker I  
Colter Shannon, Utility Worker II.  
Steve Stone, Field Services Manager  
Veronica Tamzil, Supervising Accountant  
Albert Tapia, Utility Worker I  
Bryan Wagner, Crew Leader  
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Lila Hargrove, Elana Sterling, Rosie Redmond, Leticia Maldonado/Stamos, Joe Naiman, Daniella Hernandez, Roy Moosa, Jeff Marchand, Charles Hopkins, Jacqueline Howells, Steven Gortler, Kirk Kimmelshue, Bryan Hanewinckel, and Mick Palculich

#### PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

#### ADDITIONS TO AGENDA PER GC § 54954.2(b)

#### APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda, as presented; Director Endter seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal

NOES: None

ABSTAIN: None

ABSENT: Director Wolk

#### PUBLIC COMMENT

*Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.*

Charles Hopkins stepped to the podium to address the Board about a past due balance he inherited from the previous owner of the property he purchased in August 2023. General Manager Bebee explained the policy the District has in place for past due balances, noting that local real estate agents should be checking on any balances due before the property closes escrow. This item will be added to the February 26, 2024 Board meeting agenda for further discussion.

There were no public comments for agenda items A – D.

- A. 2023 EMPLOYEE OF THE YEAR; RESOLUTION NO 5067
  - 1. Bryan Wagner

The Board adopted Resolution No. 5067, recognizing Bryan Wagner as the 2023 Employee of the Year. The Board presented Crew Leader Wagner with a plaque to commemorate this award.

- B. YEARS OF SERVICE

1. Todd Jester – 20 years

The Board recognized Todd Jester for his 20 years of service to the District.

C. NEW EMPLOYEE ANNOUNCEMENT

1. Albert Tapia, Utility Worker I

The Board welcomed Albert Tapia as the new Utility Worker I.

D. NEW CERTIFICATIONS

1. Jose Lucca, Distribution Operator I
2. Colter Shannon, Class A Driver's License

The Board recognized Jose Lucca for receiving his Distribution Operator Grade I certification and Colter Shannon for receiving his Class A Driver's License.

II. **CONSENT CALENDAR**-----**(ITEM E)**

*All items appearing on the Consent Calendar may be disposed of by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors or the public requests removal prior to a vote on a motion to approve the items. Such items shall be considered separately for action by the Board.*

E. CONSIDER APPROVAL OF MINUTES

1. December 4, 2023 Combined Nov./Dec. Regular Board Meeting
2. December 13, 2023 Special Board Meeting
3. January 4, 2024 Special Board Meeting

*Recommendation: The Board approve the minutes of the aforementioned meetings of the Board of Directors of the Fallbrook Public Utility District.*

There were no public comments for Consent Calendar items.

MOTION: Director McDougal moved to approve the Consent Calendar as presented; Director Endter seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal

NOES: None

ABSTAIN: None

ABSENT: Director Wolk

III. **INFORMATION**-----**(ITEMS F-H)**

F. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

*Presented by: Noelle Denke, Public Information Officer*

There were no public comments on agenda item F.

The fourteen fourth grade “Be Water Smart” calendar contest winners were recognized and presented with awards and prizes for their creative artwork used in the publication of the 2024 “Be Water Smart” calendar.

G. STATE LOBBYING UPDATE

*Presented by: Kirk Kimmelshue, Fernandez Jensen Kimmelshue Government Affairs*

There were no public comments on agenda item G.

Kirk Kimmelshue of Fernandez Jensen Kimmelshue Government Affairs provided an update on State lobbying efforts. This update included a recap of AB 399, future outreach goals, and upcoming leadership changes in Sacramento.

Vice President McDougal thanked Mr. Kimmelshue on his efforts on bypassing AB 399. Director Baxter thanked Mr. Kimmelshue as well.

H. MID-YEAR OPERATING BUDGET UPDATE

*Presented by: David Shank, Assistant General Manager/CFO*

There were no public comments on agenda item H.

Assistant General Manager/CFO Shank presented a slide show that provided an overview and update of the mid-year budget. General Manager Bebee added there were some costs associated with detachment, including lobbying efforts that weren’t fully budgeted for, which will require an adjustment for this year.

**IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS I-L)**

I. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

*Recommendation: The recommended action is for the Board to continue the emergency action to replace the failed pipelines.*

There were no public comments on agenda item I.

General Manager Bebee reported we are getting closer to closing out this emergency declaration.

MOTION: Director Baxter moved to continue the emergency action to replace the failed pipelines; Director McDougal seconded. Motion carried;  
VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal

NOES: None

ABSTAIN: None

ABSENT: Director Wolk

J. CONSIDER ANNUAL REVIEW OF DIRECTORS' PER DIEM COMPENSATION

Recommendation: Staff supports Board decision.

There were no public comments on agenda item J.

General Manager Bebee announced the current per diem was \$127.63. He reported the Board has the option to increase this per diem by 5% during a future noticed Public Hearing.

Director Endter reiterated this was per day not per meeting and announced sometimes there are multiple meetings per day.

MOTION: Director McDougal moved to begin the process of increasing Director per diem compensation by 5%, which will require a noticed Public Hearing in February; Director DeMeo seconded. Motion carried;  
VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal

NOES: None

ABSTAIN: None

ABSENT: Director Wolk

K. CONSIDER RECOMMENDATIONS BY THE COMMUNITY BENEFIT PROGRAM COMMITTEE

Recommendation: That the Board approve the Projects as recommended by the Committee. That the Board direct the Committee to finalize contract terms for each of these Projects using the Contract template and authorize the General Manager to execute these contracts.

Mick Palculich from the Fallbrook Gem and Mineral Society stepped to the podium to inquire why there was an arbitrary scoring cutoff point when there was enough money to fund all project submitted. He also requested reevaluation of the Fallbrook Gem and Mineral Society's application for funding.

General Manager Bebee reported the FPUD Board selected the Community Benefit Program Committee to do the project selection and then allocate the funds. He announced the Committee then goes through a process it has set for selecting projects. General Manager Bebee stated there will be language added to the contract for any money used for property improvement, in the case of a property sale during the useful life of the improvement.

Bryan Hanewinckel from the Fallbrook Sports Park stepped to the podium to clarify the Sports Park leases its property through the County and noted his concern in the case of the County terminating its lease. General Manager Bebee responded that if that were to happen, there would be an opportunity to address the Board to work out how the grant funds would be repaid.

Lila Hargrove from the Community Benefit Program Committee reported these funds come from taxpayer dollars, and the concern was not if projects could be funded, but if they should be funded.

Vice President McDougal congratulated the Committee on a phenomenal job. He also stated he had some questions and concerns about how this process was handled. General Manager Bebee noted it may be good to set up a meeting between Vice President McDougal and the Committee Chair or add an item on the Community Benefit Program Committee agenda so the entire Committee could hear his concerns. Vice President McDougal suggested he and Director Endter attend the next Community Benefit Program Committee meeting and have a back-and-forth discussion.

Vice President McDougal asked if there was a process where the Fallbrook Gem and Mineral Society could have their application reconsidered. General Manager Bebee announced this would be up to the Community Benefit Program Committee.

**MOTION:** Director McDougal moved to approve the projects as recommended by the Community Benefit Program Committee, in the total amount of \$265,575, and directed the Committee to finalize contract terms for each of the projects using the contract template and authorized the General Manager to execute these contracts; Director Baxter seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal  
NOES: None  
ABSTAIN: None  
ABSENT: Director Wolk

L. CONSIDER ISSUANCE OF WATER REVENUE BONDS

*Recommendation: That the Board Approve the Resolution authorizing the issuance of the 2024 Water Revenue Bonds; approve the form of the Financing Documents; and authorize staff to finalize and execute the Financing Documents.*

There were no public comments on agenda item L.

AGM/CFO Shank presented a slideshow to provide a background for the consideration of issuance of water revenue bonds. He noted by issuing water revenue bonds, this would relieve current ratepayers from having to pay the full impact of detachment.

Daniella Hernandez from BB&K provided a description and overview of the documents before the Board for approval. These documents included the resolution authorizing the public sale and issuance of the 2024 Water Revenue Bonds, Draft Indenture of Trust, Continuing Disclosure Certificate, and the Bond Purchase Agreement.

Steven Gortler of Wulff, Hansen, and Co. provided an update on current market conditions and the proposed schedule going forward for the issuance of bonds.

Director Endter asked at what bond rating would bond insurance make economic sense. Mr. Gortler responded that it was a bit unclear, but when a rating falls below the AA category, it generally would make sense to purchase insurance for some of the bonds but not others. He noted they would work with an underwriter to determine which bonds in particular would be worth insuring.

Director Baxter noted this item went through the FP&I Committee and was discussed in depth.

MOTION: Director McDougal moved to approve Resolution No. 5068, authorizing the issuance of the 2024 Water Revenue Bonds, in the amount not to exceed \$12,000,000; approve the form of the Financing Documents; and authorize staff to finalize and execute the Financing Documents; Director Baxter seconded. Motion carried;  
VOTE:

AYES: Directors Baxter, DeMeo, Endter, and McDougal  
NOES: None  
ABSTAIN: None  
ABSENT: Director Wolk

**V. ORAL/WRITTEN REPORTS----- (ITEMS 1-7)**

1. General Counsel
2. General Manager
  - a. EMWD/MWD Updates
    - General Manager Bebee provided a brief update on EMWD.
  - b. Engineering and Operations Report
  - c. Federal Funding Update
    - General Manager Bebee announced there would be a federal funding update in March.
3. Assistant General Manager/Chief Financial Officer
  - a. Financial Summary Report
  - b. Treasurer's Report
  - c. Budget Status Report
  - d. Warrant List
    - AGM/CFO Shank provided an overview of the written reports included in the packet.
4. Public Information Officer
5. Notice of Approval of Per Diem for Meetings Attended
6. Director Comments/Reports on Meetings Attended
  - President DeMeo reported on her attendance at today's ACWA Region 10 Board meeting as well as the ACWA Conference in November 2023.
7. Miscellaneous

**VI. ADJOURNMENT OF MEETING**

There being no further business to discuss, the January Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 5:57 p.m.

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:  
  
\_\_\_\_\_  
Secretary, Board of Directors