



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING

MINUTES

MONDAY, APRIL 27, 2020  
4:00 P.M.

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

*If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.*

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Endter called the April Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m.

General Counsel de Sousa announced, for the record, that this meeting was conducted by teleconference using the call-in and web link on the agenda, pursuant to the Brown Act waivers to certain provisions under the Governor's Executive Order in response to the COVID-19 State of Emergency.

General Counsel de Sousa also announced the agenda provided notice that members of the public were encouraged to participate in the Board meeting via teleconference using the call-in and web link information, and that members of the public could have also emailed public comments and comments on agenda items in advance of the meeting by mailing them to the District, dropping them in the District's payment drop box, or emailing them to the Board Secretary. Any such written comments would be read on to the record at the appropriate portion of the meeting – up to a limit of three (3) minutes per comment. These instructions supersede the District's normal public comment procedures.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager  
Paul de Sousa, General Counsel  
Dave Shank, Assistant General Manager/CFO  
Mavis Canpinar, Customer Service Specialist  
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Lani Lutar

PLEDGE OF ALLEGIANCE

President Endter led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

General Counsel de Sousa announced all votes would need to be done via a roll call vote.

**MOTION:** Director Wolk moved to approve the agenda as presented; Vice-President DeMeo seconded. Motion passed; **VOTE:**

**AYES:** Directors Baxter, DeMeo, Endter, McDougal, and Wolk

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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.*

There were no public comments.

A. YEARS OF SERVICE

1. Mavis Canpinar – 5 years

General Manager Bebee recognized Mavis Canpinar for her five years of service to the District.

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

*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.*

**B. APPROVAL OF MINUTES**

1. March 23, 2020 Regular Board Meeting

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

**MOTION:** Director McDougal moved to approve the Consent Calendar as presented; Director Wolk seconded. Motion passed; **VOTE:**

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

**III. INFORMATION-----**(ITEM C)****

**C. INVENTORY ITEMS PURCHASED FOR VALVE AND PIPELINE REPLACEMENT PROGRAM**

*Presented by: Kevin Collins, Purchasing/Warehouse Supervisor*

General Manager Bebee provided an update of the inventory items that were approved for purchasing for the Valve and Pipeline Replacement Program at the March Regular Board Meeting.

**IV. ACTION / DISCUSSION CALENDAR ----- **(ITEMS D – F)****

**D. CONSIDER UPDATES TO PERSONNEL SECTIONS OF THE ADMINISTRATIVE CODE**

*Recommendation: That the Board adopt Resolution 4993, repealing Administrative Code Sections 4-13 and replacing with the attached Section 4.*

Vice President DeMeo announced Staff performed a deep dive review into the current Administrative Code and found that the Personnel Regulations sections of the Administrative Code needed to be updated. In summary, Articles 4 through 13 would be consolidated into a revised Article 4, and the Personnel Regulations would be moved to a separate document, outside of the Administrative Code. By separating the Personnel

Regulations from the Admin Code, the Personnel Committee would be able to approve changes to the Personnel Regulations, instead of requiring the Board approve each time a change is made.

Director Wolk asked if Articles 5 through 13, which were noted to be reserved for future use, would become the Personnel Regulations in the future. General Manager Bebee responded that existing sections will most likely be moved forward in the future.

General Manager Bebee explained the Personnel Regulations will become a separate document, which will not be part of the Admin Code. He went on to explain that any changes to the Personnel Regulations would now be reviewed by the Personnel Committee and could be brought to the full Board if the Personnel Committee felt it was necessary.

Director Wolk noted on the third paragraph of page 22 of the agenda packet, there was a typographical error and should read "General Manager shall *employ* such personnel," instead of "General Manager shall *employee* such personnel." Director Wolk also suggested the Memoranda of Understanding, the proposed section 4.2, be generally referenced instead of referencing specific Memoranda of Understanding.

MOTION: Director McDougal moved to approve Resolution 4993, repealing Administrative Code Articles 4-13 and replacing with revised Article 4, as presented, with a modification to Section 4.1 to correct a typographical error, and modification to Section 4.2, to make a general reference to the current Memoranda of Understanding; Director Baxter seconded.

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

- E. CONSIDER ADOPTION OF RESOLUTION 4994 TO DESIGNATE AGENTS FOR PURPOSES OF OBTAINING STATE AND/OR FEDERAL FINANCIAL DISASTER ASSISTANCE THROUGH THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CALOES FORM 130) AND CONSIDER ADOPTION OF RESOLUTION 4995 CONFIRMING THE EXISTENCE OF A STATE OF EMERGENCY IN RESPONSE TO COVID-19 PANDEMIC

Recommendation: The Board:

1. *Adopt the attached Resolution 4994, designating the General Manager and Assistant General Manager to serve as the District's agents to secure potential disaster relief funding from the state and/or federal government, administered through the Governor's Office of Emergency Services and/or FEMA in a timely manner, if funds become available and*

2. *Adopt the attached Resolution 4995, confirming the existence of a state of emergency in response to the COVID-19 Pandemic.*

General Manager Bebee announced there is a time period to submit for potential claims to FEMA. The District has not incurred a significant amount of costs, as of yet, due to the COVID-19 pandemic. Operations have continued. This Resolution is a proactive approach in case there is a District need for future disaster relief funding. General Manager Bebee used an example if there is a State order that makes the District unable to collect customer fees, or if there were a number of employees with the illness, and the District had a need for temporary employees.

General Manager Bebee announced that Resolution 4995, the District confirming a state of emergency, is mostly to support modifications in staff work schedules. These staffing changes and modifications were necessary to comply with the Governor's order, however, they were outside of what is outlined in the MOU.

General Manager Bebee reiterated that the District is not currently planning to submit any reimbursement requests to FEMA.

Director Wolk suggested the adoption of each Resolution should be done in a separate vote.

Director McDougal stated he thought both of these Resolutions were prudent to move forward with adoption.

MOTION: Director Wolk moved to adopt Resolution 4994, designating the General Manager and Assistant General Manager to serve as the District's agents to secure potential disaster relief funding from the state and/or federal government, administered through the Governor's Office of Emergency Services and/or FEMA in a timely manner, if funds become available; Director McDougal seconded. Motion carried; VOTE:

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

MOTION: Director Wolk moved to adopt Resolution 4995, confirming the existence of a state of emergency in response to the COVID-19 Pandemic; Vice President DeMeo seconded. Motion carried; VOTE:

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

F. CONSIDER CONTINUED NEED FOR UTILIZATION OF LONG-TERM RESERVES CURRENTLY HELD IN LAIF TO BRIDGE FUND THE SANTA MARGARITA CONJUNCTIVE USE PROJECT (SMCUP)

*Recommendation:* The Board approve the use of the Long-term Reserves (LAIF) to fund the SMCUP expenditures.

Director Wolk summarized that the State has not paid the District in a timely manner, and the District still has to pay the Contractor for the SMCUP project. Therefore, it seems appropriate to use the funds the State has already paid the District to pay the Contractor, until we get another payment from the State.

Director Wolk announced that the FP&I Committee felt the District President and General Manager should meet face-to-face with Senator Brian Jones and Assemblywoman Marie Waldron, with strong, diplomatic words, that something needs to be done about the reimbursement process.

General Manager Bebee reported it may be a bit before a face-to-face meeting can take place, but an initial phone call will be set up. The Contractor will also provide a letter stating they cannot continue to receive payments every 90 days.

Director Wolk explained the COVID-19 pandemic should not be used as a deterrent for a face-to-face meeting, as participants can meet in a large room where they can be spaced out.

MOTION: Director Wolk moved to approve the use of the Long-term Reserves (LAIF) to fund the SMCUP expenditures; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, McDougal and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

V. **ORAL/WRITTEN REPORTS**-----**(ITEMS 1-8)**

1. General Counsel

- General Counsel de Sousa announced they are continuing to work with agency clients on the State payment issues and making Congress understand that local public agencies also have needs. She did note that the Assembly and Senate are in extended recess at the current time.

2. SDCWA Representative Report

- General Manager Bebee reported one of the items that is important to the District, as we work on the budget, is the SDCWA rates, which is in

flux right now. SDCWA has made a push to MWD to keep rates down, and a number of member agencies have made the push to the SDCWA to keep rates down. SDCWA has rate pressure outside their ability to modify because of external supply contracts. Therefore, a zero percent increase is probably not possible. There may be some things they can mitigate, including the infrastructure access charge, which is a fixed fee that the District passes through. This charge went up 21% last year and is planned to go up an additional 21% next year.

- Director McDougal announced he saw a letter from SDCWA Chair Madaffer and suggested the SDCWA could drop their lawsuit to save money. General Manager Bebee said he could make that suggestion.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee announced we are going to be working on meters to get back up to speed. Valve replacements will also start being planned for a month out, first in higher traffic areas. There will also be outreach planned for customers affected by those replacements.
- General Manager Bebee announced there is a State program for batteries, and the District has been looking at potentially putting batteries in the water reclamation plant site for a while, but economically it did not make sense to purchase, own, and operate the batteries. Currently, there is a State program that will subsidize the battery installation. The District was approached by Sun Power regarding this program, and a letter of intent was submitted, to put funding into the program. If we do get selected for the program, there would be agreements that would come back to the Board. Essentially, the District would not have to pay anything. Sun Power would pay, install, own, and operate the batteries, and we would just be able to recognize the energy savings.
  - Director Wolk asked if the rolling total number of broken valves, outlined on page 75, is the total number of the valves we find, or the total that we know about, as we discover them through valve exercising. General Manager Bebee confirmed it is the number of valves that don't work that we know about it, not all of the broken valves that exist. The goal is to begin to drive down the number of broken valves. Director Wolk suggested Public Affairs Specialist Denke work on a way to get this information out to the ratepayers.
  - Director Baxter asked if there would ever be a transfer of ownership from Sun Power to the District, in regards to the battery program. General Manager Bebee stated there is a buyout clause, if we were to decide we want to take ownership ourselves.

4. Assistant General Manager/Chief Financial Officer

a. Financial Summary Report

- b. Treasurer's Report
  - c. Budget Status Report
  - d. Warrant List
    - Assistant General Manager/CFO Shank reported the FP&I Committee met to discuss the preliminary budget draft. There will be another round of reviews in May, and it will be brought to the Board in June. Sewer billing methodology is also being evaluated, in terms of how it is performing.
    - Assistant General Manager/CFO Shank gave a brief overview of written reports included in the agenda packet.
      - Assistant General Manager/CFO Shank explained we modified how the Financial Summary Report is being reported due to the State reimbursement issue. General Manager Bebee explained the reason we did that is because the delays in State reimbursement made it look like there was a large drop in revenues that did not actually exist.
        - President Endter asked if the reimbursed funds from the State will go back into the liquidity fund of LAIF, once received. Director Wolk stated it would be put back where it came from, which is LAIF.
        - Director Wolk asked how much was held in LAIF before the District pulled the \$4.2M. AGM/CFO Shank responded that there were no funds in LAIF, as they were pulled out the prior month.
        - Director Wolk asked when the County Pool account was being closed. AGM/CFO Shank stated he submitted the appropriate documents, but has not yet received a response from the County.
5. Public Affairs Specialist
  6. Notice of Approval of Per Diem for Meetings Attended
  7. Director Comments/Reports on Meetings Attended
  8. Miscellaneous

#### ADJOURN TO CLOSED SESSION

General Counsel de Sousa announced that members of the public were welcome to continue to stay on the teleconference line while the Board was in Closed session, however they would only hear silence. Following Closed Session and prior to adjournment, an oral announcement of reportable action, should there be any, would be made to the public on the teleconference line.

The Board of Directors adjourned to Closed Session at 5:03 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 through VI.4.



**VI. CLOSED SESSION------(ITEMS 1-4)**

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

*Discuss Performance Evaluation of General Manager*

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

*Discuss Performance Evaluation of General Counsel*

3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1):

Name of Case: *Otay Water District v. Fallbrook Public Utility District, San Diego Co. Sup. Ct. No. 37-2020-00004572-CU-MC-CTL*

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2)

*One (1) Potential Case*

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 5:34 p.m.

REPORT FROM CLOSED SESSION (As Necessary)

General Counsel de Sousa announced there was no reportable action taken in Closed Session.

**VII. ADJOURNMENT OF MEETING**

There being no further business to discuss, Director Wolk moved to adjourn the April Regular Meeting of the Fallbrook Public Utility District at 5:35 p.m.; Director McDougal seconded. The motion passed unanimously, with all Directors voting aye following a roll call vote.

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

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors