



**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING**

MINUTES

**MONDAY, MAY 23, 2022
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

Vice President Wolk called the May Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. Vice President Wolk deferred to General Counsel de Sousa to make the following statements on the record regarding the proceedings for this meeting:

General Counsel de Sousa announced, for the record that, this meeting was being conducted by web and teleconference pursuant to Government Code Section 54953(e)(1)(A), which waives certain teleconferencing requirements in certain circumstances, including the current state of emergency declared by Governor Newsom, in order to promote social distancing during the evolving COVID-19 pandemic. She noted the first item on the agenda pertained to Board action to make the required findings pursuant to Government Code Section 54953(e).

General Counsel de Sousa also announced the agenda provided notice that members of the public may participate in this meeting by attending in person, and that members of the public who did not wish to attend in person were encouraged to participate in the Board meeting electronically using the call-in and weblink information included on the agenda. Additionally, the agenda provided notice to members of the public on how they may submit comments in advance of the meeting to be read at the appropriate portion of the meeting (up to a limit of 3 minutes per comment). There were no written public comments submitted in advance of the meeting, for general public comment or for any agenda items submitted prior to the submission deadline.

General Counsel de Sousa announced that Vice President Wolk would ask the Board Secretary if there were any members of the public who wished to make comments on the item either in person or through Zoom webinar or Zoom teleconference. After public comments, Vice President Wolk would then call on staff to make a presentation for the item on the agenda. After the presentation was made, to avoid everyone speaking at once, Vice President Wolk would then call on each Director to see if there were questions for staff regarding their presentation. After the round of questions, Vice President Wolk would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, Vice President Wolk would call on each Director to see if there were any comments. General Counsel de Sousa announced, if there were any Directors participating remotely, which there were not, all votes would have had to be done by roll call. Because no Directors were participating remotely, there was no need to have votes done by roll call.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: Dave Baxter, Member/President

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Devin Casteel, Systems Operations Supervisor
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Jodi Brown, Management Analyst
Carl Quiram, Operations Manager
Mavis Canpinar, Customer Service Specialist
Veronica Tamzil, Senior Accountant
Annalece Bokma, Accounting Technician II
Isabel Casteran, Safety and Risk Officer
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Ross Pike, Eric Helgeson, Alex Handlers, and Princess VanKnap

- A. CONSIDER FINDINGS TO CONTINUE HOLDING REMOTE/ TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361

Recommendation:

1. *That the FPUD Board of Directors make the following findings by majority vote:*
 - a. *The Governor-declared COVID-19 State of Emergency remains in effect and the Board of Directors has reconsidered the circumstances of the COVID-19 State of Emergency; and*
 - b. *State or local officials continue to impose or recommend measures to promote social distancing.*
2. *That the FPUD Board of Directors determine that, for the next thirty (30) days, the meetings of the Board and committees shall be held pursuant to the provisions of Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section.*

MOTION: Director McDougal moved to find that the Governor-declared COVID-19 State of Emergency remains in effect and the Board of Directors has reconsidered the circumstances of the COVID-19 State of Emergency; and State or local officials continue to impose or recommend measures to promote social distancing and that meetings of the Board of Directors and Committees shall be held pursuant to provisions of the Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section; Director Endter seconded. Motion passed; VOTE:

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

PLEDGE OF ALLEGIANCE

Vice President Wolk 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 DeMeo, Endter, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: Director Baxter

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.

B. EMPLOYEE OF THE QUARTER FOR MAY 2022

1. Donald Parker

There were no public comments on agenda item B.

The Board recognized Donald Parker for being chosen as the Employee of the Quarter for May 2022.

C. YEARS OF SERVICE

1. Jason Jared – 5 years

2. Christian Hernandez – 5 years

There were no public comments on agenda item C.

The Board recognized Jason Jared and Christian Hernandez for their five years of service to the District.

D. NEW EMPLOYEE ANNOUNCEMENT

1. Jorge Lopez, Instrumentation, Electrical & Controls Technician I

There were no public comments on agenda item D.

The Board welcomed Jorge Lopez as the new Instrumentation, Electrical & Controls Technician I.

E. INTRODUCTION OF NEW OPERATIONS MANAGER

1. Carl Quiram

There were no public comments on agenda item E.

The Board was introduced to Operations Manager Carl Quiram.

F. JPIA PROFESSIONAL DEVELOPMENT PROGRAM COMPLETION

1. Chad Wodarczyk

There were no public comments on agenda item F.

The Board recognized Chad Wodarczyk for his completion of the JPIA Professional Development Program.

II. **CONSENT CALENDAR**----- (ITEMS G – J)

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.

There were no public comments on Consent Calendar items.

G. CONSIDER APPROVAL OF MINUTES

1. April 25, 2022 Regular Board Meeting

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

H. CONSIDER ADOPTION OF 2022-23 APPROPRIATION GROWTH RATE;
RESOLUTION NO. 5027

Recommendation: That the Board adopt attached Resolution No. 5027 setting the tax appropriation limit for 2022-23 at \$3,748,770, which includes the Fallbrook and DeLuz service areas and Improvement District "S".

I. CONSIDER ADVANCE APPROVAL (LAFCO PROTEST HEARING)

Recommendation: That the Board authorize and approve, in advance, Directors' attendance to the Protest Hearing, noticed by SDLAFCO, scheduled for May 31, 2022 at the FPUD District office.

J. CONSIDER NOTICE OF COMPLETION – SANTA MARGARITA CONJUNCTIVE USE PROJECT

Recommendation: That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.

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

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

III. INFORMATION -----(ITEMS K – M)

K. RATE STUDY UPDATE

Presented by: Dave Shank, Assistant General Manager/CFO

There were no public comments on agenda item K.

Erik Helgeson of Bartle Wells presented a slideshow to provide an update on the ongoing rate study, including the key policy issues, an overview of the rate study process, rate structure considerations, fund reserve policies, recommendations from the FP&I Committee, and the remaining project schedule.

Director McDougal confirmed we could eliminate the monthly wastewater charges and put them on the tax roll instead. General Manager Bebee stated this would become a simpler process if we moved towards a fixed charge for single family users.

Director DeMeo asked what the timeline would be if we moved towards a fixed rate and moved to the tax roll. General Manager Bebee explained this would be a timeline that the Board would come up with, and would be what the Board would be comfortable with.

Vice President Wolk reported the preliminary rate options would be a challenge because of the wide range of impact. He reported the FP&I Committee requested more information, including how many accounts were in each of the various categories.

L. REVIEW PRELIMINARY DRAFT FISCAL YEAR 2022-23 OPERATING AND CAPITAL BUDGET

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

There were no public comments on agenda item L.

AGM/CFO Shank presented a slideshow reviewing the preliminary draft fiscal year 2022-23 operating budget, including details related to the cost of water, administrative services, water, wastewater, and recycled water service, the community benefit program, employee benefits, benefit allocation, and debt service.

Director McDougal confirmed the budget presentation was assuming there was no impact with detachment. AGM/CFO Shank confirmed this and also noted there was \$539,039 included for the Community Benefit Program.

Director McDougal asked for clarification why the employer's share for 401 and 457 increased by 75.5%. General Manager Bebee answered that this was due to the proposed District matching in the MOU. Vice President Wolk asked if there was an indication of when the District would have to stop paying the UAL. AGM/CFO Shank this was amortized, and he believed the amortization schedule was 30 years.

Engineering Manager Cook presented a slideshow reviewing the capital budget.

AGM/CFO Shank outlined the upcoming schedule for the budget adoption and the rate study process. He requested any comments related to the budget in advance of the June 15, 2022 FP&I Committee meeting.

M. EMPLOYEE SATISFACTION SURVEY RESULTS

Presented by: *Lisa Chaffin, Human Resources Manager*

There were no public comments on agenda item M.

The Board reviewed the results from the annual employee satisfaction survey. General Manager Bebee reported he will be meeting with each department to see where communication can be improved.

Director DeMeo reported the Personnel Committee did discuss ideas for how to increase participation.

Vice President Wolk thought it would be helpful to distinguish the difference between management and supervisors when it comes to communication.

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS N – T)

N. CONSIDER REAPPOINTING THE GENERAL MANAGER TO SERVE AS THE DISTRICT'S REPRESENTATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY BOARD OF DIRECTORS, AND ADOPTING RESOLUTION NO. 5028

Recommendation: *That the Board adopts Resolution No. 5028 reappointing General Manager Jack Bebee to serve as the District's representative on the SDCWA Board of Directors.*

There were no public comments on agenda item N.

MOTION: Director McDougal moved to adopt Resolution No. 5028 reappointing General Manger Jack Bebee to serve as the District's representative on the SDCWA Board of Directors; Director Endter seconded. Motion carried; VOTE:

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

O. CONSIDER SMRCUP CHANGE ORDER

Recommendation: *That the Board approve of the change order for Filanc-Alberici to complete all additional work at a cost of \$758,582, and to approve the professional services agreement amendment for Terrapin Group to complete all Construction Management services.*

There were no public comments on agenda item O.

Engineering Manager Cook reported this was the final change order to close out all construction costs on the Santa Margarita Conjunctive Use Project. He noted a portion of this is for the GAC facilities, which were added half way through the project. Engineering Manager Cook also reported the second half of this was to extend the professional services agreement to complete all construction management services, at a cost of \$95,015.

Engineering Manager Cook noted there was a change order contingency in the SRF loan of \$3.4M, and only just over \$1M would be used. He also reported

the funds received as part of a settlement between MWD and SDCWA were being used to offset the cost of the loan. The total balance of the SRF loan was just over \$64M.

MOTION: Director McDougal moved to approve the change order for Filanc-Alberici to complete all additional work at a cost of \$758,582, and to approve the professional services agreement amendment for Terrapin Group to complete all construction management services at a cost of \$95,015; Director Endter seconded. Motion carried; VOTE:

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

P. CONSIDER UPDATE ON THE EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: *That the Board determine there is a need to continue the emergency action to replace failed pipelines and restore essential service to customers.*

There were no public comments on agenda item P.

General Manager Bebee provided an update to the emergency declaration for failed pipeline replacements. He explained this item will go to the Board each month to ratify the emergency declaration, until the work was completed. Vice President Wolk confirmed with General Manager Bebee there was sufficient authorization under the existing capital budget and in the PAYGO budget for this emergency project.

MOTION: Director McDougal moved to determine there was a need to continue the emergency action to replace failed pipelines and restore essential service to customers; Director DeMeo seconded. Motion carried; VOTE:

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

Q. CONSIDER DECLARING A “WATER SHORTAGE RESPONSE LEVEL 2 – WATER SHORTAGE WATCH”

Recommendation: *That the Board declare of a “Water Shortage Response Level 2 – Water Shortage Watch”. Upon declaration, public announcement would be made on all FPUD water bills, physical posting in the District lobby, on the District website and social media outlets, and by publication in the Village News. Given*

the voluntary nature of the state's order to reduce water use by 20 percent, and the District's expanding educational approach to promoting water conservation, it is not recommended that drought rates would be implemented.

There were no public comments on agenda item Q.

General Manager Bebee reported the State Board planned to take action tomorrow on the new emergency regulations put in place. He provided a summary of the District's level 2 water shortage response, noting there would be outreach to customers on water conservation, but that the District was not recommending to implement drought rates. He also reported there would be additional outreach to those customers who have nonfunctional turf, which had a specific set of requirements.

MOTION: Director McDougal moved to declare a "Water Shortage Response Level 2 – Water Shortage Watch." Upon declaration, public announcement would be made on all FPUD water bills, physical posting in the District lobby, on the District website and social media outlets, and by publication in the Village News; Director DeMeo seconded. Motion carried; VOTE:

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

R. CONSIDER APPROVAL OF MEMORANDA OF UNDERSTANDING (MOUS) WITH FPUDEA AND FMEA (EFFECTIVE JULY 1, 2022-JUNE 30, 2027) BY ADOPTION OF RESOLUTION NO. 5029

Recommendation: That the Board adopt Resolution No. 5029 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2022-June 30, 2027.

Mavis Canpinar stepped to the podium to thank General Manager Bebee and Human Resources Manager Chaffin for making the negotiation process smooth. She also thanked the Board for their consideration for this MOU.

General Manager Bebee reported several negotiation meetings took place to come up with the MOUs that were presented to the Board. He noted these MOUs have been presented to the Personnel Committee as well before coming to the Board. General Manager Bebee also reported Human Resources Manager Chaffin updated a few of the provisions including the grievance procedures.

Director McDougal announced these negotiations were a very smooth process and thanked everyone who participated and was involved in the process.

MOTION: Director McDougal moved to adopt Resolution No. 5028 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2022–June 30, 2027; Director DeMeo seconded. Motion carried; VOTE:

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

S. CONSIDER INTERNSHIP PROGRAM

Recommendation: That the Board approve the addition of a second intern to the program.

There were no public comments on agenda item D.

General Manager Bebee explained the idea was to give the District the opportunity to add an additional intern, to have one high school intern and one college intern. This would also possibly give the high school intern the opportunity to transition into a college intern position. This position was expected to be a part-time position.

MOTION: Director Endter moved to approve the addition of a second intern to the program; Director DeMeo seconded. Motion carried; VOTE:

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

T. CONSIDER REQUEST FOR APPROVAL TO AWARD ONE-TIME PAVING PROJECT TO ASPHALT & CONCRETE ENTERPRISES, INC.

Recommendation: The Board approve a one-time paving project to Asphalt & Concrete Enterprises, Inc. for \$52,800.00.

There were no public comments on agenda item T.

General Manager Bebee explained this is a contract to complete the asphalt paving, reporting this was budgeted, and there were planned funds to pay for it.

MOTION: Director DeMeo moved to approve a one-time paving project to Asphalt & concrete Enterprises, Inc. for \$52,800; Director Endter seconded. Motion carried; VOTE:

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

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

1. General Counsel
 - General Counsel de Sousa provided an update on the legislation related to the Brown Act and the teleconferencing requirements, as well as legislation regarding unruly Board meeting attendees.
2. SDCWA Representative Report
 - General Manager Bebee provided an overview of the written report included in the packet.
3. General Manager
 - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - AGM/CFO Shank directed attention to page 316 of the packet, which was the budget status report. He explained there was a new type of meter installed, and the software associated with that type of meter was interpreting data in an incorrect manner. He went on to report new procedures have been implemented to fix this issue and prevent it from occurring again. He also noted this only affected one recycled meter account.
 - AGM/CFO Shank announced there were changes to the Budget Status Report, which will be shown next month, to reflect the CUP at the service level to provide more detail to see where capital expenditures are budgeted, as well as what has already been spent, and the amount that was remaining.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke provided an update to the 100th anniversary event. She also reported on her attendance at the Fallbrook Chamber luncheon and noted the District is the oldest member of the Chamber.
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 the Board would be going into Closed Session and that members of the public participating via web or teleconference were welcome to continue to stay on the 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.

There were no public comments on Closed Session items.

The Board of Directors adjourned to Closed Session at 5:55 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1-2.

VI. CLOSED SESSION -----(ITEMS 1-2)

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

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 6:17 p.m.

REPORT FROM CLOSED SESSION

There was no reportable action taken during Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the May Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 6:17 p.m.



President, Board of Directors

ATTEST:


Secretary, Board of Directors