

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

MINUTES

MONDAY, OCTOBER 24, 2016
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 Davies called the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Bob Anderson, Member
Milt Davies, Member / President
Al Gebhart, Member
Don McDougal, Member
Charley Wolk, Member / Vice-President

Absent: None

District Staff

Present: Paula de Sousa Mills, General Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou Boultinghouse, Secretary
Jason Cavender, System Operations Manager
Noelle Denke, Public Affairs Specialist
Kyle Drake, Collection Supervisor
Marcie Eilers, Administrative Services Manager / Treasurer
Larry Ragsdale, Safety & Risk Administrator

Also present were others, including, but not limited to: Helene Brazier, Jennifer DeMeo, Donna Gebhart, Jake Kruger, Sherri Lenfers, Marilee Lowe, Patricia McPhee, Jerri Patchett, Jan Scott, and Midge Thomas.

PLEDGE OF ALLEGIANCE

President Davies led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

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

AYES: Directors Anderson, Davies, Gebhart, 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.

Donna Gebhart stepped to the podium on behalf of the Fallbrook Trails Council (FTC) to provide an update on the Santa Margarita River property following recent discussions with Western Rivers Conservancy, The Wildlands Conservancy, Camp Pendleton, and the District. Mrs. Gebhart mentioned the FTC is currently working on language for the trail easements; moreover, the integrated resource management plan that is being prepared by The Wildlands Conservancy will be presented by Western Rivers Conservancy to prospective funding agencies and will include the trails system, a baseline map, and environmental restrictions. Mrs. Gebhart remarked that The Wildlands Conservancy asked the FTC if they were willing to own the easements in the name of the Live Oak Park Coalition, be part of the management plan, and take care of the trails. Mrs. Gebhart concluded with discussion of establishing three refuge areas for use in the event of a fire or other emergency.

A. MANAGER'S AWARD

1. Todd Lange
2. Todd Jester
3. Josh Hargrove
4. Jose Mendoza
5. Todd Golem

The Board recognized the Manager's Award recipients for their outstanding customer service. The recipients were unable to attend due to an emergency repair of a mainline break.

II. CONSENT CALENDAR----- (ITEMS B – D)

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. Regular Board Meeting of September 26, 2016

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

C. NOTICE OF COMPLETION FOR DAILY PUMP STATION IMPROVEMENTS

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

D. RESOLUTION NO. 4892 ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

Recommendation: It is recommended that the District adopt Resolution No. 4892 adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

MOTION: Director McDougal moved to approve the Consent Calendar as presented, to include adoption of Resolution No. 4892; Director Anderson seconded. Motion carried; **VOTE:**

AYES: Directors Anderson, Davies, Gebhart, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: None

III. INFORMATION----- (ITEMS E – F)

E. FALLBROOK BEAUTIFICATION ALLIANCE

Presented by: Jerri Patchett

Mrs. Jerri Patchett on behalf of the Fallbrook Beautification Alliance presented the District with an engraved plaque made of avocado wood as a token of appreciation for the District's continued support of keeping Fallbrook beautiful.

F. SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO):
DISTRICT LATENT POWERS ACTIVATION, EXPANSION, AND/OR
DIVESTITURE

Dr. Brady reported that the County of San Diego, Parks and Recreation Department workshop that was to be held during the month of October has not been scheduled, but is expected to be scheduled in the near future.

IV. ACTION CALENDAR ----- (ITEMS G – J)

G. REQUEST FOR FALLBROOK PUBLIC UTILITY DISTRICT TO INSTALL
STREET LIGHTS ADJACENT TO THE WASTEWATER TREATMENT PLANT
ON ALTURAS ROAD (JAN SCOTT)

Recommendation: Staff supports the Board's direction.

Mrs. Jan Scott stepped to the podium and stated she lives in the neighborhood adjacent to Alturas Road and the solar field by the Wastewater Treatment Plant. Mrs. Scott asserted that Alturas Road is not well lit at night and there are four areas that require lighting and two are located near the District's property. Mrs. Scott explained that the Department of Public Works would charge \$5,000 per light plus a \$15 per year maintenance fee and San Diego Gas & Electric (SDG&E) would charge a \$16 per month fee for dusk-to-dawn lights that SDG&E would install at no charge. Mrs. Scott requested that the District consider installing lights on two poles adjacent to District property.

Dr. Brady remarked the dusk-to-dawn option was the most cost-effective choice, would provide security along Alturas Road, and would benefit the District and area residents. Dr. Brady stated he would work with SDG&E for installation of two dusk-to-dawn lights and the District would be charged an extra \$32 per month for the lights.

MOTION: Director Wolk moved to direct staff to install two lights at the District's property at the Wastewater Treatment Plant; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Anderson, Davies, Gebhart, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: None

H. 2016 UPDATE TO THE LOCAL CALIFORNIA ENVIRONMENTAL QUALITY
ACT GUIDELINES AND REPEAL OF ARTICLE 33 OF THE ADMINISTRATIVE
CODE; RESOLUTION NO. 4893

Recommendation: The Board adopt Resolution No. 4893 approving the 2016 Update to the Local California Environmental Quality Act (CEQA) Guidelines and to repeal Article 33 of the Administrative Code.

Mr. Bebee reported that the CEQA provisions that were adopted eight years ago and made a part of the Administrative Code require updating. Additionally, General Counsel has recommended the CEQA Guidelines be a standalone document and that Article 33 be repealed and removed from the Administrative Code.

Mrs. de Sousa Mills explained the documents presented were prepared by Best Best & Krieger that performs an annual review of the CEQA Guidelines at the beginning of each year, which is when new laws take effect. As part of the review, the CEQA Guidelines are updated to conform to the new laws and regulations.

Discussion ensued concerning the nature of the update. Mrs. de Sousa Mills clarified the Guidelines act as a "how-to" guide to comply with CEQA laws, and Mr. Bebee added the regulations can be difficult to interpret.

MOTION: Director Gebhart moved to approve staff's recommendation and adopt Resolution No. 4893; Director McDougal seconded. Motion carried;
VOTE:

AYES: Directors Anderson, Davies, Gebhart, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: None

I. 30-INCH GATE VALVE FOR FISCAL YEAR 2016-17

Recommendation: That the Board award the bid to HD Supply in the total amount of \$26,321.65 inclusive of taxes and FOB Fallbrook in order to ensure reliable operation of the water distribution system.

Mr. Bebee reported the request is for an isolation valve as part of the Sachse-De Luz Interconnect Project that will provide better isolation if disruptions occur and will improve the ability to move water during aqueduct shutdowns. The lowest responsive bidder was HD Supply, and staff is recommending the award to them.

MOTION: Director Gebhart moved to approve staff's recommendation; Director Anderson seconded. Motion carried; VOTE:

AYES: Directors Anderson, Davies, Gebhart, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: None

J. DISTRICT YARD PAVING AWARD

Recommendation: That the Board authorize award of District Yard Paving Project to the apparent lowest responsible bidder of Eagle Paving Company at an amount of \$148,795 if they are able to meet all District requirements.

Mr. Bebee reported that the surface of the yard has deteriorated and turned into a combination of asphalt and dirt that becomes problematic when it rains. In preparation for the project, which has been deferred many times, all equipment and materials have been removed from the yard. A Request for Proposals was issued and eight responses were received. Eagle Paving Company was the apparent low bidder at \$148,795, and staff is recommending award to Eagle Paving.

Director Wolk asked if Eagle Paving was a local company.

Director Gebhart remarked the administrative manual provides for award to a local company if the bid is not 5 percent more than the lowest bid. Discussion ensued, and it was noted that the difference between the bids submitted by local companies and the lowest bid was greater than 5 percent for this project.

Discussion ensued relative to awards to local companies, and the Board directed staff to review the policy and report back with its findings.

MOTION: Director McDougal moved to approve staff's recommendation; Director Wolk seconded. Motion carried; VOTE:

AYES: Directors Anderson, Davies, Gebhart, McDougal, and Wolk
NOES: None
ABSTAIN: None
ABSENT: None

V. **ORAL / WRITTEN REPORTS**----- (ITEMS 1 – 6)

1. General Legal Counsel

- Mrs. de Sousa Mills provided an update concerning the actions of the State Water Resources Control Board (SWRCB) in furtherance of the Governor's Executive Order of April 1, 2016. The SWRCB is holding a series of hearings in order to put into place a final framework on permanent targets for water use in the State of California, which is expected to be issued by January 10, 2017. The SWRCB has determined the need for legislative authority to make some restrictions permanent, such as establishing new permanent targets for water use, strengthening the Urban Water Shortage Contingency Plan, and updating agricultural water management plan requirements.

2. SDCWA Representative / General Manager

- Dr. Brady reported ACWA has been very active supplying comments on the draft framework proposed by the SWRCB. Additionally, the SWRCB is pushing to increase the 3-year stress test to a 5-year stress test.

3. Administrative Services Manager / Treasurer

- Mrs. Eilers reported two billing cycles have been done in Springbrook and they have gone well. Due to Springbrook, three items have changed relative to billing: (1) yearly and monthly consumption comparison data is included on bills, (2) account numbers are now assigned to individual customers and not to an address, and (3) meters are identified by serial number and meter numbers are no longer manually assigned by engineering.

4. Assistant General Manager

- Mr. Bebee reported funding options for the Santa Margarita Conjunctive Use Project are being reviewed and the application for the SRF loan has been submitted to the State. A response from the State is expected in approximately one month, which will be helpful for long term financial planning.
- Camp Pendleton has expressed interest in working with the District on operation of their existing water treatment plant. As more information becomes available, staff will report to the Board with its findings.

5. Public Affairs Specialist

- An RFP was issued for the website redesign and the deadline to submit a bid has passed. Six bids were received and the team, which includes Jack, Ace, and Mickey, is in the process of reviewing them.
- The calendar contest is underway. Mrs. Denke has been giving presentations in 4th grade classrooms and the contest deadline is October 31. The contest winners will be recognized at the December board meeting.
- President Davies requested a campaign on "No wipes in the pipes," and Mrs. Denke wrote a piece on the issue and included it in the Village News ad/mini-newsletter that ran in the October 27 issue.

6. Director Comments/Reports on Meetings Attended

- Director Anderson reported he attended the California Special District's Association (CSDA) Conference and Module 1 of the Special District Leadership Academy.

- President Davies authorized Director Anderson's attendance to the Special District Leadership Academy module that was not included in the CSDA conference registration fee.
- Director Gebhart reported the Fiscal Policy & Insurance Committee recommended entering into a contract with PARS for assistance with CalPERS obligations. The program will provide flexibility, liquidity, and interest revenue.

At 5:00 p.m., President Davies announced the Board would take a five-minute break prior to adjourning to Closed Session.

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 5:05 p.m.

VI. CLOSED SESSION

1. PUBLIC EMPLOYEE APPOINTMENT PER GC § 54957

Title: General Manager

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened into Open Session at 5:44 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

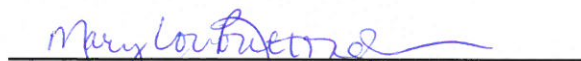
The Board took no reportable action in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President Davies adjourned the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District at 5:45 p.m.


President, Board of Directors

ATTEST:


Secretary, Board of Directors