



**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
COMBINED NOVEMBER/DECEMBER REGULAR BOARD MEETING**

MINUTES

**MONDAY, DECEMBER 13, 2021
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

Vice President Baxter called the combined November/December Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. Vice President Baxter 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, pursuant to the state of emergency declared by Governor Newsom, and in order to promote social distancing during the evolving COVID-19 pandemic, 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. 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 do 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. Members of the public participating remotely may provide general public comments and comments on agenda items in real time by requesting to speak using the "Raise Hand" function on Zoom or, if they were participating by phone, by pressing *9 to raise their hand. In addition 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).

General Counsel de Sousa noted there was a request to speak submitted electronically in advance of the meeting, which was believed to be either for general public comment or agenda item M, prior to the submission deadline. She announced when we

get to the general public comment item, we would inquire whether this speaker wanted to speak then or for agenda item M.

General Counsel de Sousa announced that Vice President Baxter would ask the Board Secretary if there were any members of the public who had submitted written comments in advance of the meeting, or who wished to make comments on the item either in person or through Zoom webinar or Zoom teleconference. After public comments, Vice President Baxter would then call on staff to make a presentation for the next item on the agenda. After the presentation was made, to avoid everyone speaking at once, Vice President Baxter would then call on each Director to see if there were questions for staff regarding their presentation. After the round of questions, Vice President Baxter would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, Vice President Baxter 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, all votes would be done by roll call.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Jennifer DeMeo, Member/President
Dave Baxter, Member/Vice President
Ken Endter, 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
Devin Casteel, Systems Services Supervisor
Lisa Chaffin, Human Resources Manager
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Mateo Morgan, System Operator
Steve Stone, Field Services Manager
Owni Toma, Chief Plant Operator
Steve Wuerth, SCADA/Electrical/Maintenance Supervisor
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: David Forman, Tom Frew, Leticia Maldonado-Stamos, Judi Nurse, Alyssa Thompson

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.*

There were no public comments on agenda item A.

MOTION: Director Endter 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 distance 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 Wolk seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

PLEDGE OF ALLEGIANCE

Vice President Baxter led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director Endter moved to approve the agenda as presented; Director McDougal 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.

Vice President Baxter asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written in person public comment speaker slips for non-agenda items had been received in person, via mail, email, or deposit. Vice President Baxter then requested that members of the public, who wished to speak on non-agenda items, raise their hand via Zoom Webinar by clicking on the "Raise Hand" button and via phone by pressing star nine.

There were no public comments on non-agenda items.

There were no public comments on agenda item B.

B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS

1. President

2. Vice-President

Vice President Baxter turned the meeting over to General Manager Bebee for the election of officers to the Board of Directors.

MOTION: Director Endter moved to nominate Director Baxter as President and Director Wolk and Vice President; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

There were no public comments on agenda item C.

C. APPOINTMENTS TO BOARD STANDING COMMITTEES

1. Fiscal Policy & Insurance

2. Personnel

3. Engineering & Operations

President Baxter made the following appointments to Board Standing Committees:

1. Fiscal Policy & Insurance: *Directors Wolk and Baxter*
2. Personnel: *Directors DeMeo and Baxter*
3. Engineering & Operations: *Directors McDougal and Endter*

There were no public comments on agenda item D.

D. NEW EMPLOYEE ANNOUNCEMENTS

1. Steve Wuerth, SCADA/Electrical/Maintenance Supervisor
2. Gilbert Bowman, System Operator II

The Board welcomed Steve Wuerth as the new SCADA/Electrical/Maintenance Supervisor and Gilbert Bowman as the new System Operator II.

There were no public comments on agenda item E.

E. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2021

1. Bryan Wagner

The Board recognized Bryan Wagner as Employee of the Quarter for November 2021.

There were no public comments on agenda item F.

F. MANAGER'S AWARD

1. Aaron Cook
2. Alex Dagondon
2. Devin Casteel
3. Jake Robinson
4. Mateo Morgan
5. Matt Lian

The Board recognized Aaron Cook, Alex Dagondon, Devin Casteel, Jake Robinson, Mateo Morgan, and Matt Lian for receiving Manager's Awards.

II. **CONSENT CALENDAR**-----**(ITEMS G-I)**

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 APPROVING MINUTES
1. October 25, 2021 Regular Board Meeting

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

- H. CONSIDER 2022 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

Recommendation: The Board establish the 2022 Board of Directors' regular meeting schedule, to include combining the November and December regular Board meetings to Monday, December 5, 2022, at 4 p.m.

- I. CONSIDER SILVERTHORN RANCH LEASE EXTENSION

Recommendation: That the Board authorize the General Manager to extend the land lease on a year-to-year basis.

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

AYES: Directors Baxter, Endter, McDougal and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

III. ACTION / DISCUSSION CALENDAR ----- (ITEMS J-O)

- J. CONSIDER APPROVING THE DRAFT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FY ENDING JUNE 30, 2021

Recommendation: The Committee recommends that the Board approve the ACFR for Fiscal Year Ending June 30, 2021.

There were no public comments on agenda item J.

David Forman of CliftonLarsonAllen, LLP presented a slideshow which outlined the audit process and what was detailed in the draft Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2021.

Vice President Wolk stated that this document was so thorough and comprehensive, and he directed staff to direct ratepayers to the appropriate

section of the ACFR if they had questions on how District money was being spent. Vice President Wolk thanked staff and Mr. Forman for the effort they put into this document.

MOTION: Director McDougal moved to approve the ACFR for fiscal year ending June 30, 2021; Vice President Wolk seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

K. CONSIDER ADOPTING RESOLUTION NO. 5020 APPROVING THE INCREASED RATES FOR WATER AND RECYCLED WATER SERVICE CHARGES AND RATES FOR WASTEWATER SERVICE CHARGES AND TAKING OTHER RELATED ACTIONS

Recommendation: The Board adopt Resolution No. 5020 adopting calendar year 2022 rates and charges for water, recycled water and wastewater services.

There were no public comments on agenda item K.

Assistant General Manager/CFO, Dave Shank presented a slideshow summarizing the process of the rate study that occurred in the past and provided an overview of the proposed increases to rates and charges for water, recycled water, and wastewater for CY 2022. AGM/CFO Shank announced 2022 was the last year of the financial plan, and the Prop 218 process would need to be done in 2022.

AGM/CFO Shank reported the financial plan allowed for an annual increase of 8% for water and 4.5% for wastewater, and the Board committed to reviewing what the actual rate increase would be each year. The Board-adopted increase percentage has been able to provide rate relief to ratepayers. Based on the calendar year 2022 recommendation from the FP&I Committee, there was an average annual savings of 1.4%, and when compared to the five year plan, they were able to shave off 10% of the anticipated increase under the financial plan.

Vice President Wolk announced the FP&I Committee did not feel the need to go with what had been approved by the Prop 218 for two reasons – one being that the Committee felt more optimistic, and the second being they were counting on the detachment.

MOTION: Director Endter moved to adopt Resolution No. 5020 adopting calendar year 2022 rates and charges for water, recycled water and

wastewater services; Vice President Wolk seconded. Motion passed; VOTE:

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

L. CONSIDER APPROVAL OF A TEMPORARY EMPLOYMENT AGREEMENT FOR THE POSITION OF OPERATIONS MANAGER

Recommendation: That the Board approve Resolution 5021 and the temporary employment agreement with Jason Cavender.

There were no public comments on agenda item L.

General Manager Bebee announced Mr. Cavender retired from the District on November 12, 2021, as Operations Manager, and the position had been open and unfilled. He explained the need to have a contract in place, in case anything were to come up, and Mr. Cavender's expertise was needed. General Manager Bebee did not anticipate this need to be more than his authority threshold.

MOTION: Director Endter moved to approve Resolution 5021 and the temporary employment agreement with Jason Cavender; Director DeMeo seconded. Motion passed; VOTE:

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

M. CONSIDERATION AND DIRECTION TO STAFF REGARDING IMPLEMENTATION OF THE REDISTRICTING PROCESS BASED ON 2020 U.S. CENSUS DATA

Recommendation: It is recommended that the Board take action to direct District staff to perform the work with support from BB&K necessary for the redistricting process based on the release of the 2020 U.S. Census data.

Leticia Maldonado-Stamos expressed her concern regarding the amount of information available on the District website regarding each division, as well as the level of difficulty of obtaining such information. She believed the public needed to be more involved in the redistricting process.

General Manager Bebee stated the previous change from at-large to divisions was part of a settlement and not done under a standard redistricting process, which would be a reason why the information Ms. Maldonado-Stamos requested was not readily available. He reported now that we have the 2020 U.S. Census data, the redistricting will be done in a very transparent way with public participation.

General Counsel de Sousa noted there would be at least two public hearings, which the second public hearing would be where the new maps would be adopted. She announced the deadline for the new map adoption was April 17, 2022. The District's obligation was to make sure each division has roughly the same population, however, some variation was allowed based on factors such as topography. General Counsel de Sousa also reported there was an obligation to create a minority division, if possible.

General Manager Bebee reviewed the various options for the redistricting process, as well as the level of support the District would need from BB&K.

Vice President Wolk asked the cost of the consultant if the District outsources the redistricting process and then confirmed the Board could come back and reevaluate the amount of support necessary from BB&K.

MOTION: Director Endter moved to direct District staff to perform the work with support from BB&K necessary for the redistricting process based on the release of the 2020 U.S. Census data; Vice President Wolk seconded. Motion passed; **VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

N. CONSIDER REQUEST FOR APPROVAL OF BARTLE WELLS ASSOCIATES TO PROVIDE CONSULTING SERVICES

Recommendation: The Board approve Bartle Wells Associates to provide consulting services to the District for the not-to-exceed amount of \$139,770.

There were no public comments on agenda item N.

AGM/CFO Shank reported the FP&I Committee's unanimous recommendation was to recommend approval of Bartle Wells Associates to provide rate consulting services.

Vice President Wolk confirmed this would also take care of the Prop 218 process.

MOTION: Vice President Wolk moved to approve the Bartle Wells Associates to provide consulting services to the District for the not-to-exceed amount of \$139,770; Director McDougal seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

O. CONSIDER AWARD OF THE SEWER MAIN RELINING PROJECT – FY 22 (JOB #3179)

Recommendation: That the Board authorize award of the Sewer Main Relining Project to the lowest responsible bidder, NorCal Pipeline, for \$90,628.

There were no public comments on agenda item O.

Engineering Manager Cook provided an overview of the Sewer Main Relining Project for fiscal year 2022.

Director Endter suggested the District produce a video showing the cost savings of relining sewer mains instead of replacing.

MOTION: Director DeMeo moved to authorize award of the Sewer Main Relining Project to the lowest responsible bidder, NorCal Pipeline, for \$90,628; Director Endter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

IV. ORAL/Written Reports-----**(ITEMS 1–8)**

1. General Counsel

- General Counsel de Sousa provided the Board with an update on the Kessner litigation, as well as an update to new mask requirements related to the COVID-19 pandemic.

2. SDCWA Representative Report

- General Manager Bebee provided an overview of the written reports included in the packet.

3. General Manager
 - a. Engineering and Operations Report
 - General Manager Bebee provided an overview of the written reports included in the packet.
 - Vice President Wolk requested staff report to the Board why they were behind on some of the KPIs relative to the CIP. General Manager Bebee reported there would be a CIP update at the January Board meeting.
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - e. Annual Disclosure of Reimbursements Over \$100
 - AGM/CFO Shank provided an overview of the written reports included in the packet.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke provided an update on the drought-tolerant plant giveaway, as well as an overview of community events in which the District has participated.
6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of Approval for Directors' attendance at the SMRCUP Ribbon Cutting event on November 9, 2021.
 - Notification of Approval for Directors' attendance at the Town Hall Meeting at the District office on November 17, 2021.
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 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.

There were no public comments on Closed Session Items.

The Board of Directors adjourned to Closed Session at 6:02 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Item V.1. General Counsel de Sousa noted the Board did not need to meet regarding Closed Session Item V.2.

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

1. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6:

Agency Designated Negotiators: Jack Bebee, General Manager; Lisa Chaffin, Human Resources Manager

Employee Organizations: Fallbrook Public Utility District Employees' Association; Fallbrook Management Employees' Association

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

One (1) Potential Case

Director McDougal left the Closed Session at 6:30 p.m.

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 7:07 p.m.

REPORT FROM CLOSED SESSION (As Necessary)

There was no reportable action taken in Closed Session.

VI. ADJOURNMENT OF MEETING

There being no further business to discuss, the combined November/December Regular Meeting of the Fallbrook Public Utility District was adjourned at 7:07 p.m.



President, Board of Directors

ATTEST:


Secretary, Board of Directors