


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

MINUTES

**MONDAY, APRIL 26, 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

President DeMeo requested Vice President Baxter lead the meeting. Vice President Baxter called the April Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m.

Vice President Baxter 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.

Vice President Baxter 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.

Vice President Baxter noted, for the record, there were no written public comments for any agenda items submitted prior to the submission deadline.

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

Absent: Charley Wolk, Member
None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paul de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Steve Stone, Field Services Manager
Owni Toma, Chief Plant Operator
Jodi Brown, Management Analyst
Lauren Eckert, Executive Assistant/Board Secretary
Mavis Canpinar, Customer Service

Also present were others, including, but not limited to: Cynthia Young, Barry Willis and Joe Naiman

PLEDGE OF ALLEGIANCE

Vice President Baxter led the Pledge of Allegiance.

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 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 all votes would be done by roll call.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda as presented;
Director Wolk 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 stated, as permitted under the Brown Act, the Board would hear public comments on items within the subject matter jurisdiction of the District that were not on the agenda.

Vice President Baxter 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. Vice President Baxter then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for non-agenda items had been received via mail, email, or deposit.

Barry Willis, a special district representative of San Diego LAFCO, raised his hand via Zoom to speak during public comment where he requested approval to contact staff to obtain their opinions on upcoming matters. He is in the process of getting feedback from all 58 of the special districts within the County.

There were no public comments on agenda item A.

- A. YEARS OF SERVICE
 - 1. Ken Hubbard – 15 years

The Board recognized Ken Hubbard for his 15 years of service to the District.

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.

There were no public comments on Consent Calendar agenda items.

- B. CONSIDER APPROVAL OF MINUTES
 - 1. March 22, 2021 Regular Board Meeting

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

- C. CONSIDER NOTICE OF COMPLETION FOR THE 2.8 MG TANK RECOATING PROJECT (3147)

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

- D. CONSIDER NOTICE OF COMPLETION FOR THE SEWER MAINLINE RELINING PROJECT (3155)

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

MOTION: Director Endter 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. ACTION / DISCUSSION CALENDAR -----(ITEMS E – J)

- E. CONSIDER LEGAL DAMAGES AND INTEREST PAYMENT RECEIVED FROM THE SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

Recommendation: That the Board direct staff to use the funds to reduce the SMCUP loan by the amount of \$909,412.67 thereby reducing the long-term water costs paid by District rate payers.

There were no public comments on agenda item E.

Director Wolk reported the FP&I Committee wanted to offer the rate payers a rate reduction, however, that would only postpone a future rate increase. Director Wolk noted that adding the funds to reserves would only be beneficial if what we are getting back from the investments was greater than what we are paying on the loan. The Committee then determined the best value for the rate payers was to use the funds to reduce the SMCUP loan amount. The Committee also wanted staff to issue a press release advising the rate payers there would be a \$275,000 savings over the term of the loan.

Director McDougal concurred, noting that putting the funds into reserves didn't save any additional money, and reducing the loan amount was the best choice.

MOTION: Director Wolk moved to authorize staff to use the funds to reduce the SMCUP loan by the amount of \$909,412.67, thereby reducing the long-term water costs paid by the District rate payers; Director McDougal seconded. Motion passed; VOTE:

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

F. CONSIDER OUT OF AGENCY SERVICE REQUEST

Recommendation: *That the Board authorize staff to complete the Out of Agency Service Agreement to be recorded at the County Recorder's Office and provide a water service per standard procedures.*

There were no public comments on agenda item F.

General Manager Bebee reported there are times when certain parcels are better served by one District or the other. In this case, the property sits adjacent to FPUD water lines, while Rainbow Municipal Water District's water lines are farther away. The request to approve the Out of Agency Service Agreement would authorize FPUD to provide water service to this parcel; however, there are clauses, and if service area boundaries change, then water service could be switched from FPUD back to RMWD.

MOTION: Director Wolk moved to authorize staff to complete the Out of Agency Service Agreement to be recorded at the County Recorder's Office and provide a water service per standard procedures. Director McDougal seconded. Motion passed; VOTE:

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

G. CONSIDER REQUEST FOR APPROVAL TO CHANGE PUBLIC AFFAIRS SPECIALIST POSITION TO FULL-TIME STATUS

Recommendation: *Staff recommends the Board approve the proposed change.*

Joe Naiman raised his hand via Zoom to speak during public comment for agenda item G. He complimented Public Affairs Specialist Denke, saying he has

enjoyed working with her the last 18 years and looks forward to working with her in the future.

General Manager Bebee reported the additional staffing hours are needed due to additional SMCUP outreach efforts.

Director McDougal informed the Board that the Personnel Committee reviewed the current job description, and determined additional staffing hours were needed in order to provide outreach regarding detachment, SMCUP and the 100-year anniversary.

Director Wolk asked if there would be a difference in fringe benefits due to the change from part-time status to full-time status. AGM/CFO Shank indicated that CalPERS and FICA employer contributions would be associated with additional hours, and there would be no healthcare changes.

MOTION: Director McDougal moved to approve the proposed change of the Public Affairs Specialist position to full-time status; Director Endter seconded. Motion passed; VOTE:

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

H. CONSIDER PROPOSED REORGANIZATION AND ASSOCIATED JOB CLASSIFICATION CHANGES

Recommendation: That the Board approve the reorganization and the associated job description changes/updates, the salary range for the SCADA, Electrical & Maintenance Supervisor job classification, and the increase in total staffing from 67 to 69 positions.

There were no public comments on agenda item H.

General Manager Bebee reported these are labor changes associated with the SMCUP.

Director McDougal informed the Board that the Personnel Committee reviewed the proposed changes, and determined that SMCUP warrants the need for additional staff.

MOTION: Director McDougal moved to approve the reorganization and the associated job description changes/updates, the salary range for the SCADA, Electrical & Maintenance Supervisor job classification, and

the increase in total staffing from 67 to 69 positions; Director Endter seconded. Motion passed; VOTE:

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

I. CONSIDER AWARD OF ROSS LAKE PRV PROJECT

Recommendation: That the Board authorize award of the Ross Lake PRV Project to the lowest responsible bidder, Genesis Construction, in the amount of \$51,444.

There were no public comments on agenda item I.

Director Wolk voiced concern about the bid amounts having a large variance between low bidders and high bidders. General Manager Bebee responded references were verified, and that this is not unusual for smaller pipeline projects, as some companies manage with a smaller profit margin.

MOTION: Director McDougal moved to authorize award of the Ross Lake PRV Project to the lowest responsible bidder, Genesis Construction, in the amount of \$51,444.; Director Wolk seconded. Motion passed; VOTE:

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

J. CONSIDER REQUEST FOR APPROVAL TO PURCHASE ONE 2020 CHEVROLET SILVERADO 5500

Recommendation: That the Board approve the purchase of one 2020 Chevrolet Silverado 5500 with Scelzi Utility Body from Paradise Chevrolet Cadillac.

There were no public comments on agenda item J.

MOTION: Director Endter moved to approve the purchase of one 2020 Chevrolet Silverado 5500 with Scelzi Utility Body from Paradise Chevrolet Cadillac.; Director Wolk 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 updates on video conferencing, which included updates to AB 703, AB 361 and AB 339.
2. SDCWA Representative Report
 - General Manager Bebee reported he sent the Board an email regarding an item on the SDCWA agenda from last week. He thought it was worth having a discussion to remind the Board he acts as FPUD's representative to the SDCWA. General Manager Bebee went on to note there were ethical issues that came up associated with Oceanside's appointment of their alternate to SDCWA and essentially using ratepayers funds to lobby against one of the other SDCWA Board members because they did not support Regional Conveyance project. He also noted a lengthy discussion by the former Chair tying everything to Metropolitan including our proposed detachment from SDCWA and that somehow our Board was talked into it by MWD. General Manager Bebee reported for the minutes to make sure the FPUD Board is fully supportive of his concerns expressed over these issues and his continued concern.
 - Director McDougal made note that the Water Authority now knows they are being watched more closely.
3. General Manager
 - a. Engineering and Operations Report
 - General Manager Bebee provided an overview of the written report included in the packet.
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 provided an overview of the written reports included in the packet. He also reported the customer service lobby would reopen May 3, 2021, with lobby hours from 8:00 a.m. – 4:30 p.m.
 - Director Wolk asked staff to reevaluate the methodology for recycled water sales.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke reported a ribbon cutting ceremony will be held in September for the SMCUP at the wastewater treatment plant. She also announced she is working on coordinating a schedule for a Fallbrook High School summer internship, and she provided an update on the 100-year anniversary event taking place in the summer of 2022.
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended

- President DeMeo reported the COWU meeting she attended was very educational.
- Vice President Baxter attended the COWU meeting, giving a brief overview of some of the items addressed.
- Director Wolk also attended the COWU meeting, expressing his confidence in MWD's water reliability.
- Director McDougal commented on the performance of two District employees, Christian Hernandez and Hugo Santillan, who were professional and courteous while performing work on his property.
- Director Wolk asked staff to consider sharing the rate agency letters in the General Manager's SDCWA representative report with editors and news media outlets throughout the County.

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.

There were no public comments on any Closed Session agenda items.

The Board of Directors adjourned to Closed Session at 5:28 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items V.1 through V.3.

V. CLOSED SESSION -----(ITEMS 1–3)

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 – ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2):

One (1) Potential Case.

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:00 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action in Closed Session.

VI. ADJOURNMENT OF MEETING

There being no further business to discuss, the April Regular Meeting of the Fallbrook Public Utility District was adjourned at 6:02 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors