



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

MINUTES

**MONDAY, JUNE 27, 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

President Baxter called the June Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:03 p.m. 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, 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 President Baxter 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, President Baxter 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, President Baxter would then call on each Director to see if there were questions for staff regarding their presentation. After the round of questions, President Baxter would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President Baxter would call on each Director to see if there were any comments. General Counsel de Sousa announced, since there were Directors participating remotely, all votes would be done by roll call.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: Jennifer DeMeo, Member

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Carl Quiram, Operations Manager
Mavis Canpinar, Customer Service Specialist
Isabel Casteran, Safety and Risk Officer
Mick Cothran, Engineering Technician II
Kyle Drake, Collections Supervisor
Kevin Stamper, Utility Worker II,
Matt Lian, Utility Worker II
Jorge Ibarra, Utility Worker I
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Jacqueline Howells, Chuck Bliss, Linda Bliss, Mike Stanicek, Jacquy Stanicek, Kathy Veraldi, Joe Veraldi, and Ardis Duhachek

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

Recommendation:

1. *That the FPU D 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 FPU D 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: Vice President Wolk 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 Baxter, Endter, McDougal and Wolk
NOES: None
ABSTAIN: None
ABSENT: Director DeMeo

PLEDGE OF ALLEGIANCE

President Baxter led the Pledge of Allegiance

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director Wolk moved to approve the agenda, with moving Item N to the next agenda item for discussion; Director McDougal seconded. Motion carried; VOTE:

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

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 for non-agenda items.

- B. H.R. LABOUNTY SAFETY AWARDS RECIPIENT
 - 1. Kyle Drake

There were no public comments on agenda item B.

Safety and Risk Officer Casteran presented a slideshow outlining Collections Supervisor Drake's solution to a safety concern that earned him an H.R. LaBounty Safety Award from ACWA JPIA.

- C. NEW EMPLOYEE ANNOUNCEMENT
 - 1. Jorge Ibarra, Utility Worker I

There were no public comments on agenda item C.

The Board welcomed Jorge Ibarra as the new Utility Worker I.

II. CONSENT CALENDAR----- (ITEMS D-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.

- D. CONSIDER APPROVAL OF MINUTES
 - 1. May 23, 2022 Regular Board Meeting

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

- E. CONSIDER ADOPTION OF RESOLUTION NO. 5030 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

Recommendation: That the Board adopt Resolution No. 5030 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2022-23 by the San Diego County Treasurer-Tax Collector.

- F. CONSIDER ADOPTION OF ORDINANCE NO. 352 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2022-23

Recommendation: The Board adopt Ordinance No. 352 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

- G. CONSIDER NOTICE OF COMPLETION FOR SEWER MAINLINE RELINING

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

H. CONSIDER ADVANCED APPROVED TO ATTEND MEETINGS

Recommendation: That the Board authorize and approve, in advance, Directors' attendance to the California Special Districts Association (CSDA) Annual Conference, scheduled for August 22-25, 2022 in Palm Desert, California.

I. CONSIDER APPROVAL OF THE AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2022) FOR ALL DISTRICT EMPLOYEES, EXCEPT THE GENERAL MANAGER, BY ADOPTION OF RESOLUTION NO. 5033

Recommendation: That the Board adopt Resolution No. 5031 adopting the amended salary schedule (effective July 1, 2022) for all District employees, except the General Manager

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

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

III. INFORMATION----- (ITEMS J-K)

J. RECOGNITION FROM THE BOARD FOR STAFF PLANNING AND STAFFING THE DISTRICT'S 100TH YEAR ANNIVERSARY EVENT

There were no public comments on agenda item J.

The Board recognized District staff involved in planning at staffing the District's 100th year anniversary event.

Director Endter recognized Public Affairs Specialist Denke for her extensive involvement in the planning of this event.

K. ADDITIONAL LEGAL DAMAGES AND INTEREST PAYMENT RECEIVED FROM THE SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

There were no public comments on agenda item K.

AGM/CFO Shank provided an update on the additional legal damages and interest payment received from the San Diego County Water Authority. He

announced this payment will be used to reduce the loan amount for the Santa Margarita Conjunctive Use Project.

IV. PROPOSED FISCAL YEAR 2022–23 BUDGET----- (ITEM L)

L. REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 5032 ADOPTING THE DISTRICT FISCAL YEAR 2022–23 RECOMMENDED ANNUAL BUDGET AND ADOPTION OF RESOLUTION NO. 5033 AMENDING ARTICLE 12 OF THE ADMINISTRATIVE CODE

Recommendation: That the Board adopt Resolution No. 5032 adopting the final budget for Fiscal Year 2022–23 and adopt Resolution No. 5033 amending the Administrative Code to reflect the new RTS charge.

There were no public comments on agenda item L.

AGM/CFO Shank presented a slideshow providing an overview of the proposed fiscal year 2022-23 recommended annual budget, including the operating budget detail, capital budget summary, and projected fund balances.

Vice President Wolk asked if the CalPERS unfunded liability payment would ever go away. AGM/CFO Shank responded that it was an amortized payment that does have a projected end date.

President Baxter noted the biggest portion of the budget was always in the cost of water, which was purchased. He explained the importance of detaching from the San Diego County Water Authority and attaching to Eastern Municipal Water District, saving ratepayers money.

Vice President Wolk suggested revisiting whether or not we can combine some of the fixed charges on customer bills.

MOTION: Director McDougal moved to adopt Resolution No. 5032 adopting the final budget for Fiscal Year 2022-23 and adopt Resolution No. 5033 amending the Administrative Code to reflect the new RTS charge; Vice President Wolk seconded. Motion carried; VOTE:

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

V. ACTION / DISCUSSION CALENDAR ----- (ITEMS M–R)

M. CONSIDER AMENDMENT OF ADMINISTRATIVE CODE SECTION 5 –
PURCHASING PROCEDURES

Recommendation: The Board adopt Resolution No. 5034, amending Article 5 of the FPUD Administrative Code with the changes noted above.

There were no public comments on agenda item M.

General Manager Bebee announced this item will need an ordinance on the July Board meeting agenda. He explained this has gone through the FP&I Committee. The proposed changes to Article 5 of the Administrative Code were to update the purchasing procedure dollar amounts to align with the recent UPCCAA adjustments.

MOTION: Director Endter moved to amend Article 5 of the FPUD Administrative Code with the changes noted to the purchasing procedures; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

N. CONSIDER AWARD OF ALTURAS PROPERTY SECURITY FENCE
PROJECT – 29:30

Recommendation: That the Board award the contract to Red Hawk Fence in the amount of \$97,780.32 to remove the existing fence and install a new security fence.

Engineering Technician Cothran presented a slideshow on the perimeter fence replacement project at the Santa Margarita Groundwater Treatment Plant on Alturas Road.

Ms. Jacquy Stanicek stepped to the podium to suggest the new fence be placed downslope, which would alleviate having to have a temporary fence placed, as well as lessen the visual impact of the fence.

Ms. Ardis Duhachek stepped to the podium and asked who would maintain the fence once it is in place. General Manager Bebee responded that the District will maintain the fence line going forward.

Ms. Linda Bliss stepped to the podium to ask when the road would be resurfaced. General Manager Bebee explained there was a lot of coordination with the County, as the roads are owned by them. He reported Engineering Manager Cook will check in with the County to see when they were planning on resurfacing this road.

MOTION: Vice President Wolk moved to award the contract to Red Hawk Fence in the amount of \$97,780.32 to remove the existing fence and install a new security fence of the Alturas property; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

O. CONSIDER 2022 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS ELECTION, (SEAT B), SOUTHERN NETWORK

Recommendation: That the Board select one candidate from the slate of candidates in the 2022 California Special Districts Association Board of Directors Election, (Seat B), Southern Network for the 2023-2025 term and authorize the District Secretary to cast its vote by electronic ballot.

There were no public comments on agenda item O.

General Manager Bebee reported there were three candidates running in the CSDA Board of Directors Seat B election for the Southern Network, including Director Endter.

MOTION: Director McDougal moved to select Ken Endter for the 2022 California Special Districts Association Board of Directors Election (Seat B) and authorized the District Secretary to cast its vote by electronic ballot; Vice President Wolk seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

P. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: That the Board authorize continued emergency action to replace failed pipelines and restore essential service to customers. Also that the Board approve a change order in the amount of \$478,863.48 with SRK Engineering for the installation of the Ivy St. and Alvarado St. Pipelines.

There were no public comments on agenda item P.

Engineering Manager Cook reported this was a continuation of the emergency action that has been in place for two months to expedite returning regular service to some customers. He reported SRK Engineering had completed work on Ivy Street and Alvarado Street, and they were currently working on Minnesota Street. Engineering Manager Cook noted the recommendation was to approve continuation of the authorization to finish up the Minnesota Street pipeline replacement, as well as to approve the change order in the amount of \$478,863.48 for work done on Ivy Street and Alvarado Street.

Vice President Wolk requested clarification on the amount of \$478,863.48 included in the change order, noting the revised estimated installation cost of these repairs showed \$600,000, and that the 2021/22 budget included \$3,488,000 for pipeline replacements. Engineering Manager Cook reported the \$2,900,000 was the projected year end spend for all pipeline projects for the entire year, including these emergency pipeline replacement costs. He explained we were not spending the entire pipeline replacement budget of \$3,480,000. We were expected to end the year at \$2,900,000 total spend, including these emergency pipeline replacement costs.

Director Endter suggested having two separate action items, which would solve confusion related to the money being spent on this project. General Manager Bebee reported this was within the authorized expenditure.

MOTION: Director McDougal moved to approve a change order in the amount of \$478,863.48 with SRK Engineering for the installation of the Ivy Street and Alvarado Street pipelines, noting the amount being approved fits within the annual allocation for the capital improvement project for those pipelines; Director Endter seconded. Motion carried; VOTE:

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

MOTION: Director McDougal moved to continue the emergency action to replace failed pipelines and restore essential service to customers; Director Endter seconded. Motion carried; VOTE:

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

Q. CONSIDER DISCUSSION OF LETTER SENT BY SAN DIEGO COUNTY WATER AUTHORITY GENERAL COUNSEL TO THE BAY DELTA WATERMASTER ON MAY 31, 2022

Recommendation: *Staff supports Board direction.*

There were no public comments on agenda item Q.

General Manager Bebee provided an overview of the correspondence between the Bay Delta Watermaster and the Mark Hattam, General Counsel of the San Diego County Water Authority. He noted the FPUD Board was copied on the letter Mr. Hattam sent to the Bay Delta Watermaster, which elicits a discussion on whether or not the Board would like to respond.

President Baxter thought the FPUD Board had a responsibility to respond to this letter, as they were copied on the original correspondence from Mr. Hattam to the Bay Delta Watermaster. He volunteered to work with General Counsel de Sousa to draft a response letter. President Baxter also thought it was important for the Board to support staff and General Manager Bebee.

Director Endter suggested the Board develop a response letter that includes firm support of staff and does not include negative comments.

Vice President Wolk advised the letter be firm and make an effort to cut off further correspondence from Mr. Hattam, as the time used to write these letters was time ratepayers were paying for. Vice President Wolk explained he did not want diplomacy to override firmness.

General Counsel de Sousa noted President Baxter could take the lead in drafting the response and that she would review the letter.

MOTION: Director Endter moved to prepare a letter, from the Board President, in response to the May 31, 2022 letter to Michael George, Bay Delta Watermaster from Mark Hattam, General Counsel of the SDCWA, on which the FPUD Board was copied; Director McDougal seconded. Motion carried; VOTE:

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

R. CONSIDER FEDERAL ADVOCACY SERVICES

Recommendation: *That the Board consider engaging federal advocacy services for an initial one-year period to help try and secure grant funding to reduce District ratepayer funding needs for key projects.*

There were no public comments on agenda item R.

General Manager Bebee reported this item had gone through the E&O Committee. He gave a general overview of the benefit this service would be to the District, explaining the District had a number of good opportunities to receive federal grant money. He recommended an initial one-year period, at a cost of \$90,000.

President Baxter asked what kind of return was to be expected on a \$90,000 investment. General Manager Bebee noted usually when an advocacy service is engaged, it would be to go after millions of dollars to make it worth the investment. He then deferred to Jacqueline Howells of Howells Government Relations for greater explanation.

Ms. Howells explained the services her company provides in greater detail, including the importance of having a lobbyist who had established relationships with federal decision makers.

MOTION: Director Endter moved to approve engaging in federal advocacy services for an initial one-year period, at a cost of \$90,000 per year, to help try and secure grant funding to reduce District ratepayer funding needs for key projects; Director McDougal seconded. Motion carried; VOTE:

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

VI. ORAL/WRITTEN REPORTS------(ITEMS 1-8)

There were no public comments on oral/written report items.

1. General Counsel
2. SDCWA Representative Report
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 provided an overview of the written reports included in the agenda packet, noting the Budget Status Report is now in the new format.
5. Public Affairs Specialist

- Public Affairs Specialist Denke reported she has been focusing on social media outreach.
- 6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of Approval for Directors' Attendance to help set up at 100th Anniversary Event on June 2, and June 3, 2022.
 - President Baxter provided notification to the Board that he approved Directors' attendance for the 100th Anniversary Event set up on June 2nd and June 3rd, 2022.
- 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 5:58 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VII.1–4.

VII. CLOSED SESSION -----(ITEMS 1–4)

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

One (1) Potential Case

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION (D) OF SECTION 54956.9:

One (1) potential case

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

Discuss Performance Evaluation of General Manager

4. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Agency Designated Representative: Board President Baxter

Unrepresented Employee: General Manager

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 7:08 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action taken during Closed Session.

VIII. ADJOURNMENT OF MEETING

There being no further business to discuss, the June Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 7:08 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors