



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

MINUTES

**MONDAY, JULY 27, 2020
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 Endter called the July Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m.

President Endter 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.

President Endter 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. These instructions supersede the District's normal public comment procedures.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Ken Endter, Member/President
Jennifer DeMeo, Member/Vice-President
Dave Baxter, 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
Jason Cavender, Operations Manager
Aaron Cook, Senior Engineer
Noelle Denke, Public Affairs Specialist
Steve Stone, Field Services Manager
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: There were no others present.

PLEDGE OF ALLEGIANCE

President Endter led the Pledge of Allegiance.

APPROVAL OF AGENDA

President Endter announced that he would call on staff to make a presentation of each agenda item. After the presentation was made, to avoid everyone speaking at once, President Endter reported he would then call on each Director to see if there were questions for staff regarding their presentation. President Endter stated after the round of questions, he would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President Endter would call on each Director to see if there were any comments. He announced all votes would be done by roll call.

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.

A. EMPLOYEE ANNOUNCEMENTS

1. Ken Hubbard, Warehouse/Purchasing Specialist

General Manager Bebee announced Ken Hubbard was recently promoted to Warehouse/Purchase Specialist. General Manager Bebee recognized Mr. Hubbard received his Purchasing Management Certificate to ensure he was qualified for the position. Once the position was opened, Mr. Hubbard was prepared and qualified and was able to be promoted.

B. MANAGER'S AWARD

1. Faye Robinson

General Manager Bebee and the Board commended Customer Service Specialist, Faye Robinson, on her outstanding Customer Service to the public.

Director Wolk asked if there was a District employee newsletter. General Manager Bebee responded that the District does not. Director Wolk thought an employee newsletter would be a good way to announce these employee recognition items to the entire employee base and not just the Board. General Manager Bebee agreed it would be a good idea to reintroduce an employee newsletter.

II. CONSENT CALENDAR-----(ITEM C)****

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.

C. CONSIDER APPROVAL OF MINUTES

1. June 2, 2020 Special Board Meeting
2. June 3, 2020 Special Board Meeting
3. June 22, 2020 Regular Board Meeting
4. July 9, 2020 Special Board Meeting

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

MOTION: Director Wolk moved to approve the Consent Calendar, as presented; Vice-President DeMeo seconded. Motion passed;
VOTE:

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

NOES: None

ABSTAIN: None

III. INFORMATION----- **(ITEMS D – F)**

D. ENGINEERING & OPERATIONS KEY PERFORMANCE INDICATORS PRESENTATION

Presented by: Aaron Cook, Senior Engineer

Engineering and Operations staff presented a slide show and a discussion of the key performance indicators on capital improvement projects, wastewater and collection operations, system services and system operations.

E. PUBLISH THE DISTRICT'S FISCAL YEAR 2020-21 ADOPTED ANNUAL BUDGET

Presented by: Dave Shank, Assistant General Manager/CFO

Assistant General Manager/CFO Shank reported that the District's adopted Fiscal Year 2020-2021 will be published on the District's website. AGM/CFO Shank stated hard copies of the Budget were available to the Directors, should they request one.

F. REVIEW OF CUSTOMER SERVICE SURVEY

Presented by: Noelle Denke, Public Affairs Specialist

Public Affairs Specialist Denke gave a brief overview of results from the Customer Service Surveys that have been received, which have been overall positive.

General Manager Bebee stated this survey has been up for about a year.

IV. **ACTION / DISCUSSION CALENDAR** -----(ITEMS G-K)

G. OVERLAND TRAIL LIFT STATION REHABILITATION PROJECT CHANGE ORDER

Recommendation: That the Board:

1. Approve of Change Order 1 for \$13,182.48 – see attached exhibit
2. Approve of Change Order 2 for \$40,845.87 – see attached exhibit
3. Authorize the General Manager with approval authority to issue additional contract amendments as needed up to 10% of the total contract value for the Overland Trail Lift Station Rehabilitation Project.

Director Baxter reported that this change order was first reviewed by the Engineering and Operations Committee. Director Baxter asked if there were any other anticipated change orders. Senior Engineer Cook responded that the bulk of the change orders were due to unforeseen conditions. Senior Engineer Cook noted that one remaining component that the District could possibly encounter would be due to the expansion of the wet well. The expansion of the wet well is to increase the capacity of the lift station, which would require excavation around the existing

wet well. This has a potential for unforeseen issues that may come up once that area is opened. Senior Engineer Cook did not expect that would exceed a total of 4% of the bid price of the project.

Director Wolk was concerned with body language for approving the 10% of the total contract value of the project, as this was \$250,000. President Endter announced that this was discussed with the Engineering and Operations Committee, and they were originally going to change it to a 5% authority, but after speaking with Senior Engineer Cook, the full 10% would not be used anyway. Senior Engineer Cook gave an estimate of 4% for changes.

General Manager Bebee stated the Administrative Code states upon award of a contract, the Board may authorize the General Manager to execute up to 10% and confirmed that this authorization does not mean the contractor has the authority to conduct the full amount of changes.

Director Wolk reiterated his concern was with the body language, as the General Manager only has the authority to spend \$45,000, and 10% change would be \$250,000. General Manager Bebee stated the Board could look at revising the Administrative Code to allow 5% authority.

Vice-President DeMeo asked if the 10% language that is outlined was only for change orders of this specific project, or if it is a blanket approval authority limit for all projects. General Manager Bebee explained the way it is written, when a project goes forward to the Board, to go over the \$45,000 authority limit, it would have to go back to the Board for each project. Going forward, when other similar projects are brought forward, the 5-10% approval authority will be established at the beginning of the project.

Director Wolk announced if the 10% approval authority is approved, there would be no reason to approve the first two change orders noted on the agenda.

MOTION: Director Baxter moved to authorize the General Manager, with approval authority, to issue additional contract amendments as needed up to 10% of the total contract value for the Overland Trail Lift Station Rehabilitation Project; Director McDougal seconded. Motion passed; VOTE:

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

H. CONSIDER AMI METER SERVICE REPLACEMENT PROGRAM

Recommendation: *That the Board approve the purchase of Badger meters (National Meter and Automation Inc.), per attached for \$320,785 and Inland Water Works Supply Co. for 100W ERTs and Antennas per attached for \$173,730.50 for a total of \$532,088.90 (including sales tax) in order to replace existing drive-by radio read meters that have reached the end of their useful life with fixed network AMI meters that will provide additional real time water usage monitoring tools for the District customers.*

Director Wolk asked if the existing meters were able to operate with the new radio transmitters. General Manager Bebee responded that the meters are being replaced at the same time as the transmitters since the meters were last replaced 15 years ago, so they have reached the end of their useful life. The electronics are changing from the existing type that need to be read by driving by to the type that can be read from the tower.

Vice-President DeMeo asked what the life expectancy is for the new meters. General Manager Bebee responded that AWWA standards state that 15-20 years is the expected range of life expectancy for meters. Therefore, this process will need to start over again in about ten years.

MOTION: Vice-President DeMeo moved to approve the purchase of Badger meters from National Meter and Automation Inc., for \$320,785 and 100W ERTs and Antennas from Inland Water Works Supply Co. for \$173,730.50 for a total of \$532,088.90, including sales tax, in order to replace existing drive-by radio read meters that have reached the end of their useful life with fixed network AMI meters that will provide additional real time water usage monitoring tools for District customers; Director Baxter seconded. Motion passed; VOTE:

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

I. CONSIDER BACKFLOW DEVICE REPLACEMENT PROGRAM

Recommendation: *The Board approve the purchase of (40) ¾" (140) 1" (60) 1 ½" and (20) 2" backflow devices per attached for \$109,892.93 (including sales tax).*

Director Baxter announced the Engineering and Operations Committee reviewed this item, and there is no budgetary impact, as this is a reallocation of funds.

MOTION: Director Baxter moved to approve the purchase of 40 ¾", 140 1", 60 ½", and 20 2" backflow devices for \$109,892.93, including sales tax; Director McDougal seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

J. CONSIDER ADDITIONAL SITE IMPROVEMENTS AT MARTIN TANK SITE TO ADDRESS RESIDENTS' CONCERNS

Recommendation: That the Board authorize staff to expend up to \$45,000 for additional landscaping improvements to address residents' concerns about the visual impacts of the new Martin Tank constructed as part of the SMRCUP project.

President Endter questioned the increase for spending limits up to \$45,000 compared to the \$20,000 that was discussed at the July Regular Board Meeting. General Manager Bebee stated that his understanding from the discussion at the July Regular Board Meeting resulted in a type of landscaping approach rather than a set amount. General Manager Bebee noted that staff put a lot of work into the proposed landscaping plan, and the resulting dollar amount was determined by the specific landscaping plan.

General Manager Bebee did note that if the original residents had come forward asking if the District was willing to put in the landscaping from the start, the District would have included the plan in the project from the start.

President Endter asked if a color was chosen for painting the tank. General Manager Bebee reported that the contractor has painted large patches of two colors on the tank, as a sample and is working with the homeowners on having them select which color they want to select to move forward.

Director McDougal requested the type of Ficus tree specified in the Board packet be verified, as he thought it was decided to use Ficus Benjamina trees.

President Endter confirmed if the price of the landscaping exceeds \$45,000, the Board would have to approve any overages.

Director Wolk questioned the irrigation plan and the 40 feet of drip lines around each tree, as this would create a maintenance nightmare maintaining 40 feet of drip hose around each tree.

Director Wolk reiterated working on getting the State to accept the \$45,000 landscaping plan as part of the SMRCUP project.

MOTION: Director Baxter moved to authorize staff to expect up to \$45,000 for additional landscaping improvements to address residents' concerns about the visual impacts of the new Martin Tank constructed as part of the SMRCUP project; Director Wolk seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

K. CONSIDER LETTER OF SUPPORT FOR FALLBROOK BEAUTIFICATION ALLIANCE GRANT APPLICATION

Recommendation: Staff supports the Board's decision.

President Endter explained the Fallbrook Beautification Alliance needed two letters of support to move forward with a grant application.

MOTION: Director Wolk moved to approve a letter of support for Fallbrook Beautification Alliance's grant application be sent from the Board President; Director McDougal seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

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

1. General Counsel

- General Counsel de Sousa announced that legislature is back in session.
- General Counsel de Sousa reported that the FPPC recently revised a regulation that deals with how Board members recuse themselves from participating in items for which they have a financial interest. This went into effect on July 24, 2020. General Counsel de Sousa provided an overview of the new regulations.

2. SDCWA Representative Report

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

3. General Manager

a. Engineering and Operations Report

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

- General Manager Bebee commended staff for keeping the District productive during the pandemic.
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - Assistant General Manager/CFO Shank provided an overview of the Treasurer's Report, included in the Board packet.
 - Assistant General Manager/CFO Shank reported the District received \$2.6M from the State, but sent out \$2.7M.
 5. Public Affairs Specialist
 - Public Affairs Specialist Denke reported she is working on a Village News ad regarding budget adoption and producing videos and social media posts.
 6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of Approval for Director's attendance for a meeting with a Customer regarding concerns about the new Martin Water Tank on Wednesday, June 17, 2020.
 - Notification of Approval for Director's attendance for AB1825 – Sexual Harassment: training and education on Wednesday, June 24, 2020.
 - Notification of Approval for Director's attendance for a tour of landscape materials with District Staff and Gum Tree Residents on Wednesday, July 8, 2020.
 - Notification of Approval for Director's attendance for a Community Garden Revitalization photo shoot on Wednesday, July 8, 2020.
 - President Endter provided notice to the Board that he approved Directors' attendance for a meeting with a Customer regarding concerns about the new Martin Water Tank on Wednesday, June 17, 2020, AB1825 – Sexual Harassment: training and education on Wednesday, June 24, 2020, a tour of landscape materials with District Staff and Gum Tree Residents on Wednesday, July 8, 2020, and a Community Garden Revitalization photo shoot on Wednesday, July 8, 2020.
 7. Director Comments/Reports on Meetings Attended
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

President Endter 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.

The Board of Directors adjourned to Closed Session at 5:22 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 through VI.3.

VI. CLOSED SESSION -----(ITEMS 1-3)

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1):

Name of Case: Shane Lingle and Elizabeth Lingle v. Fallbrook Public Utilities Department, and Does 1 to 20 (37-2020-00020941-CU-EI-NC)

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Unrepresented Employee: General Manager

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

Discuss Performance Evaluation of General Manager

RECONVENE TO OPEN SESSION

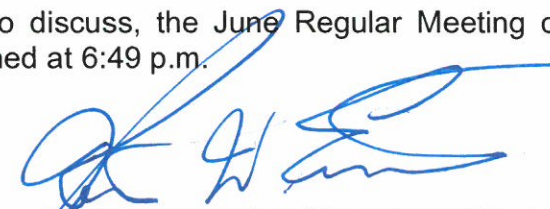
The Board returned from Closed Session and reconvened to Open Session at 6:49 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action taken in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the June Regular Meeting of the Fallbrook Public Utility District was adjourned at 6:49 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors