

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

MINUTES

**MONDAY, AUGUST 27, 2018
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 Gebhart called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

District Staff

Present: Paula de Sousa Mills, General Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Devin Casteel, System Operations Supervisor
Jason Cavender, Operations Manager
Lisa Chaffin, Human Resources Manager
Aaron Cook, Senior Engineer
Mick Cothran, Engineering Tech I
Noelle Denke, Public Affairs Specialist
Kyle Drake, Collection Supervisor
Jeff Evans, Utility Technician
Jeff Marchand, Engineering Supervisor
Owni Toma, Acting Chief Plant Operator
Mary Lou West, Secretary

Also present were others, including, but not limited to: Archie and Patricia McPhee, and Kate Calhoun.

PLEDGE OF ALLEGIANCE

President Gebhart led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

MOTION: Vice-President McDougal moved to approve the agenda as presented; Director Wolk seconded. Motion passed; VOTE:

AYES: Directors Davies, DeMeo, 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.

Patricia McPhee stepped to the podium and inquired about the Santa Margarita Property during the DeLuz fires. Mrs. McPhee asked who closed the gates to the property. President Gebhart explained that there is security at the Santa Margarita Property and law enforcement requested the gates be locked.

Mr. Wang stepped to the podium and requested an explanation for the fixed charges on his bill. President Gebhart suggested that Mr. Wang come in and have a meeting with Mr. Bebee for an in-depth explanation.

Mr. Nelson stepped to the podium to discuss the Santa Margarita Conjunctive Use Project and the benefit that it will have for the community. Mr. Bebee explained that the project is expected to mitigate long-term rate increases. President Gebhart suggested Mr. Nelson come in and have a meeting with Mr. Shank.

- A. EMPLOYEE OF THE QUARTER FOR AUGUST 2018
1. Eddie Taylor, Utility Technician

This was discussed at the July board meeting.

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. CONSIDER APPROVING MINUTES

1. July 23, 2018 Special Board Meeting
2. July 23, 2018 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.

C. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: That the Board authorize Advance Approval for Directors' attendance to the following meetings or events: Metropolitan Water District of Southern California Tours (inspection trips) hosted by the San Diego County Water Authority delegation: (1) State Water Project/Bay-Delta, Sept. 28-29, 2018; (2) Colorado River Aqueduct System, Oct. 27-28, 2018; (3) Colorado River Aqueduct System, Jan. 18-19, 2019; (4) State Water Project/Bay-Delta, Mar. 16-17, 2019; (5) Colorado River Aqueduct System, Apr. 12-13, 2019; (6) Hoover Dam & Colorado River Aqueduct System, Jun. 7-8, 2019; and the Coastal Conservancy of the State of California Board of Directors Meeting on September 6, 2018, at 10 a.m. located at the Wharfinger Building--Bay Room, #1 Marina Way, Eureka, California.

D. CONSIDER LETTERS OF OPPOSITION TO SENATE BILL 998

Recommendation: That the Board adopt a position of opposition to Senate Bill 998 and authorize staff to submit the proposed letters to legislators on behalf of the Board and District.

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

AYES: Directors Davies, DeMeo, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION----- (ITEMS E—I)

E. INTRODUCTION OF AARON COOK, NEW SENIOR ENGINEER

Introduction by: Jack Bebee, Acting General Manager

Acting General Manager Bebee introduced Aaron Cook as the new Senior Engineer. Mr. Cook studied civil engineering at Brigham Young University.

F. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS

Presented by: Jeff Marchand, Engineering Supervisor; Jason Cavender, Operations Manager; Devin Casteel, System Operations Supervisor ; Owni Toma, Acting Chief Plant Operator ; Kyle Drake, Collection Supervisor; and Jeff Evans, Utility Technician

Staff presented a slide show with an overview of the District's Key Performing Indicators (KPI) for engineering and operations.

G. STATUS REPORT OF PARCELS WITH DEFERRED WATER AVAILABILITY / STANDBY CHARGES

H. UPDATE ON THE REQUEST FOR PROPOSAL FOR PROFESSIONAL LABOR NEGOTIATIONS SERVICES

I. PRESENTATION BY THE DISTRICT'S FIRST STUDENT INTERN: KATE CALHOUN OF FALLBROOK UNION HIGH SCHOOL

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS J—S)

J. CONSIDER APPROVING CHANGE ORDER NO. 1 FOR THE 395 24-INCH PIPELINE REPLACEMENT PROJECT

Recommendation: That the Board approve Change Order No. 1 for the 395 Pipeline Replacement Project in the amount of \$81,019.98, which will increase the total contract amount for Weka, Inc. to \$541,746.98.

MOTION: Vice-President McDougal moved to approve Change Order No. 1 for the 395 Pipeline Replacement Project in the amount of \$81,019.98, which will increase the total contract amount for Weka, Inc. to \$541,746.98; Director Davies seconded. Motion passed; VOTE:

AYES: Directors Davies, DeMeo, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

K. CONSIDER AUTHORIZING NOTICE OF COMPLETION FOR THE 395 24-INCH PIPELINE REPLACEMENT PROJECT

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

MOTION: Director Davies moved to authorize staff to file the Notice of Completion with the San Diego County Recorder; Vice-President McDougal seconded. Motion passed; VOTE:

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

L. CONSIDER EXPANDING THE SANTA MARGARITA RIVER TRAILHEAD PARKING LOT

Recommendation: *Staff supports Board direction.*

MOTION: Vice-President McDougal moved to direct staff to complete request from The Wildlands Conservancy for the District to do some grading on the existing parking lot to help expand the available parking at the trailhead; Director Davies seconded. Motion passed; VOTE:

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

M. CONSIDER CUSTOMERS' REQUEST TO RESOLVE ONGOING PRIVATE LATERAL SPILL

Recommendation: *Staff supports Board direction, but if the Board directs staff to make the repair, staff would recommend that the District work through the County of San Diego so all costs are recovered.*

Issue has been resolved, no action or vote is required for this item.

N. CONSIDER PUBLICATION OF ANNUAL FINANCIAL STATEMENT

Recommendation: *That the Board approve the draft financial statement developed by staff, and reviewed by the Fiscal Policy & Insurance Committee, for publication in the Village News in accordance with Section 6066 of the Government Code.*

MOTION: Vice-President McDougal moved to approve the draft financial statement developed by staff, and reviewed by the Fiscal Policy & Insurance Committee, for publication in the Village News in accordance with Section 6066 of the Government Code; Director DeMeo seconded. Motion passed; VOTE:

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

O. CONSIDER RESOLUTION NO. 4941 ADOPTING AN AMENDED CONFLICT OF INTEREST CODE

Recommendation: That the Board adopt Resolution No. 4941 adopting the Amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

MOTION: Vice-President McDougal moved to adopt Resolution No. 4941 adopting the Amended Conflict of Interest Code pursuant to the Political Reform Act of 1974; Director Wolk seconded. Motion passed; VOTE:

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

P. CONSIDER ACCOUNTING AND CUSTOMER SERVICE STAFFING; RESOLUTION NO. 4942

Recommendation: That the Board approve the proposed staffing changes, including the Senior Accountant job description and salary range, the updated Accounting/Customer Service Assistant job title and job description, and the related changes to the org. chart and salary table.

MOTION: Vice-President McDougal moved approve the proposed staffing changes, including the Senior Accountant job description and salary range, the updated Accounting/Customer Service Assistant job title and job description, and the related changes to the org. chart and salary table; Director Davies seconded. Motion passed; VOTE:

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

- Q. CONSIDER ADOPTING RESOLUTION NO. 4943 AMENDING ADMINISTRATIVE CODE, ARTICLE 2—"BOARD OF DIRECTORS, ORGANIZATION OF"

Recommendation: That the Board of Directors adopt Resolution No. 4943 amending Article 2 of the Administrative Code with the proposed revisions.

MOTION: Vice-President McDougal moved to adopt Resolution No. 4943 amending Article 2 of the Administrative Code with the proposed revisions; Director Wolk seconded.

Discussion occurred regarding requiring orientation for all Board Directors, including re-elected members.

MOTION: Vice-President McDougal amended his motion to add language that the District encourages all directors, including re-elected directors, to attend on-going educational training; Director Wolk seconded. Motion passed; VOTE:

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

- R. CONSIDER ADOPTING RESOLUTION NO. 4944 AMENDING ADMINISTRATIVE CODE, ARTICLE 12—"EXPENSES INCURRED ON DISTRICT BUSINESS" THE ADMINISTRATIVE CODE

Recommendation: That the Board of Directors adopt Resolution No. 4944 amending Article 12 of the Administrative Code with the proposed revisions.

MOTION: Vice-President McDougal moved to adopt Resolution No. 4944 amending Article 12 of the Administrative Code with the proposed revisions; Director DeMeo seconded. Motion passed; VOTE:

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

- S. CONSIDER APPROVING THE GENERAL MANAGER CONTRACT AND APPOINTING THE GENERAL MANAGER

Recommendation: That the Board approve the contract for the General Manager, and applicable salary schedule, and appoint Jack Bebee as the District's General Manager.

President Gebhart gave the following oral announcement required by Government Code section 54953(c)(3), regarding Item S (GM Employment Agreement):

The proposed General Manager Employment Agreement before the Board for consideration would set compensation in the amount of \$220,147.00 per year and will be \$1,800 less per year when Mr. Bebee serves as the District's representative to the San Diego County Water Authority.

- The proposed Employment Agreement also provides for the following benefits:
 - Retirement Benefits, Health and other District provided Insurance, Social Security, Vehicle Allowance, Cell Phone Reimbursement, and bereavement leave as is provided for other District employees
 - Deferred Compensation Plan contribution of a match of up to 2.5%
 - Sick Leave accrual consistent with the accrual of other District employees, except with a cap of 1000 hours. Accrued sick leave may not be used to pay for retiree health benefits through a Health Retirement Account
 - Vacation leave consistent with the leave provided for other District employees, however with no ability to sell back vacation annually as do other management employees
 - Under the proposed Employment Agreement the General Manager will not be eligible for a longevity or a retirement bonus and will not be entitled to executive leave.

MOTION: Director Davies moved to approve the contract for the General Manager, and applicable salary schedule, and appoint Jack Bebee as the District's General Manager; Director Wolk seconded. Motion passed; VOTE:

AYES: Directors Davies, DeMeo, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: None

V. ORAL/Written Reports------(ITEMS 1-8)

1. General Counsel
2. SDCWA Representative Report
3. Acting General Manager and Assistant General Manager/District Engineer
 - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 6:45 p.m. following an oral announcement by President Gebhart of Closed Session Item VI. 1.

VI. CLOSED SESSION

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GC § 54957:

TITLE: ACTING GENERAL MANAGER / GENERAL MANAGER

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 7:03 p.m.

REPORT FROM CLOSED SESSION

There was no reportable action taken in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President Gebhart adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 7:04 p.m.



President, Board of Directors

ATTEST:



Acting Secretary, Board of Directors