

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

MINUTES

**MONDAY, MARCH 26, 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 and public hearing of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m. A quorum was established with attendance 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: Arlene Prater, General Legal Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Jason Cavender, System Operations Manager
Mavis Canpinar, Customer Service Representative II
Mickey Case, Information Systems Technician
Paula Clark, Accounting Supervisor
Mick Cothran, Drought Management Coordinator
Soleil Develle, Engineering Technician III
Kyle Drake, Collection Supervisor
Jason Jared, Customer Service Representative II
Kelly Laughlin, Administrative Office Specialist
Larry Ragsdale, Safety & Risk Administrator
Faye Robinson, Customer Service Specialist
Steve Stone, Construction/Maintenance Supervisor

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

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 submitted; Director DeMeo seconded. Motion carried; 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.

No members of the public requested to speak during Public Comment.

A. MANAGER'S AWARDS

1. Mickey Case
2. Jeff Marchand
3. Paula Clark
4. Mick Cothran
5. Soleil Develle
6. Faye Robinson
7. Mavis Canpinar
8. Jason Jared
9. Noelle Denke
10. Kelly Laughlin

Mr. Bebee commended Mickey Case, Jeff Marchand, Paula Clark, Mick Cothran, Soleil Develle, Faye Robinson, Mavis Canpinar, Jason Jared, Noelle Denke, and Kelly Laughlin for their hard work and dedication during the new rate/bill implementation process. Each recipient received a certificate and a \$25 check.

II. CONSENT CALENDAR----- (ITEMS B-F)

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. APPROVAL OF MINUTES

1. Regular Board Meeting of February 26, 2018
2. Special Board Meeting of March 13, 2018
3. Special Board Meeting of March 19, 2018

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

C. ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: The Board approve in advance Directors' attendance to "Special Districts Legislative Days" May 22-23, 2018, at the Sacramento Convention Center in Sacramento, CA.

D. CONSIDER AUTHORIZING STAFF TO FILE THE NOTICE OF COMPLETION FOR THE DONNIL PUMP STATION EMERGENCY GENERATOR PROJECT WITH THE COUNTY OF SAN DIEGO, ASSESSOR/RECORDER/COUNTY CLERK

Recommendation: That the Board authorize staff to file the Notice of Completion with the County Of San Diego, Assessor/Recorder/County Clerk.

F. CONSIDER RECLASSIFICATION OF DROUGHT MANAGEMENT COORDINATOR POSITION TO ENGINEERING TECHNICIAN I; RESOLUTION NO. 4927

Recommendation: That the Board approve the reclassification of the Drought Management Coordinator position to Engineering Technician I and adopting Resolution No. 4927.

President Wolk requested that Item E be pulled from the Consent Calendar for discussion.

MOTION: Vice-President McDougal moved to approve the Consent Calendar as revised, to exclude approval of Item E, and adopt Resolution No. 4927; Director Wolk seconded. Motion carried; **VOTE:**

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

NOES: None
ABSTAIN: None
ABSENT: None

E. CONSIDER LABORATORY TECHNICIAN I/II JOB DESCRIPTION REVISIONS;
RESOLUTION NO. 4926

Recommendation: Staff recommends approving the proposed changes to the Laboratory Technician I/II job description to more accurately reflect the current duties and responsibilities of the position and adopt Resolution No. 4926.

Director Wolk expressed his concerns with the language of the proposed revisions to the job description and requested changes be made for clearer understanding of the duties required of each class.

Brief discussion followed, and the Board directed staff to work with the Personnel Committee on clarifying the language in the proposed changes to the Laboratory Technician I/II job description and bring the revised proposed job description to the full Board for consideration at the next regular board meeting.

III. **INFORMATION**----- (ITEMS G – J)

G. DISTRICT AGRICULTURAL WATER PROGRAMS

Presented by: Mick Cothran, Drought Coordinator

Mr. Cothran provided an overview of the District's agricultural water programs, which includes the Transitional Special Agricultural Water Rate (TSAWR) program and the Commercial Agricultural water program. Mr. Cothran noted the District and the San Diego County Water Authority (SDCWA) jointly administers the TSAWR program, while the District solely administers the Commercial Agricultural water program. Each program requires a completed certification form and a signed "bill of sale," or other similar document, be kept on file for review during periodic audits.

Director Wolk pointed out that "tax return" is on the list of acceptable documents and requested that "tax return" be removed from the list. Brief discussion followed, and Mr. Bebee stated "tax return" would be removed from the list of acceptable documents, however, a tax return would be accepted if requested by the customer.

Director Wolk requested the revised list of acceptable documents be included in the April packet.

H. ACWA JPIA REFUND CHECK

Presented by: Larry Ragsdale, Safety and Risk Administrator

Mr. Ragsdale reported that the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) presented the District with a refund check in the amount of \$74,761.62. Mr. Ragsdale stated the refund was the result of an overall improvement in the District's performance relative to insurance claims.

I. ENGINEERING AND OPERATIONS PERFORMANCE METRICS

Presented by: Jason Cavender, System Operations Manager; Steve Stone, Construction/Maintenance Supervisor; Todd Lange, System Service/Shop Supervisor; and Kyle Drake, Collection Supervisor

Staff presented a slide show with an overview of the District's Key Performing Indicators (KPI) for engineering and operations. Talking points included capital improvement projects and goals and challenges for the System Operations, Collections, Construction/Maintenance, and System Services departments.

Discussion included the amount of valves that require replacement and the costs associated with those replacements. The Board suggested displaying a corroded valve in the courtyard to demonstrate the importance of maintaining the District's critical infrastructure. Mr. Bebee provided an overview of the KPI graphs and charts that illustrate the status of performance for engineering and operations and stated they would be in the monthly reports to the Board and will replace what had been provided for engineering and operations reports.

J. OPERATION AND MAINTENANCE OF THE SANTA MARGARITA RIVER PROPERTY

Presented by: Jason Cavender, System Operations Manager

Mr. Cavender provided an update on the operation and maintenance of the Santa Margarita River property. He reported that several "no parking" signs are down. The County of San Diego has been notified, and County staff has represented the signs will be replaced.

Mr. Cavender further reported that he met with North County Fire Prevention District (NCFPD) and CalFire to get recommendations relative to developing a fire, rescue, and first aid emergency response plan. Both, NCFPD and CalFire, were provided with an updated map showing all access points and road conditions. As a result, they recommended that four primary access points be maintained at (1) west Sandia Creek, (2) east Willow Glen, (3) the District's south pipeline easement leading to the main trail, and (4) the District's north pipeline easement. They further recommended that the District and Fallbrook Trails Council work together to develop procedures for closing the parking lot during hazardous weather, such as heavy rains and Santa Ana events.

Mr. Cavender stated he and Mr. Marchand would perform another site visit to gather more information, locate additional trails, and finalize the map.

IV. PUBLIC HEARING -----(ITEM K)

K. PUBLIC HEARING ON REQUEST FOR ANNEXATION TO DISTRICT SEWER SERVICE AREA

Recommendation: That the Board open a public hearing to allow the public an opportunity to address the Board concerning the consideration of expansion of latent sewer powers proposed annexation into the District Sewer Service Area, and, upon hearing all such oral protests and receiving written protests, close the public hearing.

At 5:11 p.m., President Gebhart announced the public hearing to provide the public an opportunity to address the Board concerning consideration of expansion of latent sewer powers proposed annexation into the District Sewer Service Area was opened.

At 5:12 p.m., President Gebhart announced that no oral protests were made, or written protests received, to the request for expansion of latent sewer powers proposed annexation into the District Sewer Service Area, and closed the public hearing.

V. ACTION / DISCUSSION CALENDAR -----(ITEMS L–O)

L. CONSIDER REQUEST FOR EXPANSION OF LATENT SEWER POWERS FOR ANNEXATION TO DISTRICT SEWER SERVICE AREA AND MAKE CERTAIN FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; RESOLUTION NO. 4925

Recommendation: That the Board adopt Resolution No. 4925 requesting LAFCO to take proceedings for the expansion of latent sewer powers for annexation of the parcel to the District Sewer Service Area and making findings under the California Environmental Quality Act, and authorize staff to move forward with preparing materials for submission to LAFCO. The property owner shall responsible for all filing, annexation and capacity fees to LAFCO and the District, as required.

MOTION: Director Davies moved to adopt Resolution No. 4925 requesting LAFCO to take proceedings for the expansion of latent sewer powers for annexation of the parcel to the District Sewer Service Area and making findings under the California Environmental Quality Act, and authorize staff to move forward with preparing materials for submission to LAFCO. The property owner shall responsible for all filing, annexation and capacity fees to LAFCO and the District, as required; Vice President McDougal seconded. Motion carried; VOTE:

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

M. SELECTION OF THE RECOMMENDED PROFESSIONAL AUDITING FIRM

Recommendation: That the Board authorize staff to enter into a professional services agreement with WNDE for a five-year term at a not-to-exceed cost of \$170,000. The five-year contract term begins with fiscal year 2017-18. While the contract is for five years, it can be terminated at any time.

Mr. Shank reported that a Request for Proposals to Provide Professional Auditing Services was issued on December 21, 2017; and on February 26, 2018, the District received 12 responsive proposals. All of the proposals were evaluated, and on March 14, 2018, the Fiscal Policy & Insurance Committee interviewed the top three firms. Consequently, the Fiscal Policy & Insurance Committee is recommending the selection of White Nelson Diehl Evans LLP (WNDE). Mr. Shank pointed out the contract is for a five-year term that begins with fiscal year 2017-18, but can be terminated at any time.

President Gebhart and Director Wolk made comments in support of the selection.

MOTION: Director Davies moved to authorize staff to enter into a professional services agreement with WNDE for a five-year term at a not-to-exceed cost of \$170,000. The five-year contract term begins with fiscal year 2017-18. While the contract is for five years, it can be terminated at any time; Vice-President McDougal seconded. Motion carried; VOTE:

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

N. CONSIDER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT A

Recommendation: Staff supports the Board's direction.

President Gebhart asked if any Board Member was interested in being nominated to Seat A on the California Special Districts Association (CSDA) Board of Directors. No Board Member expressed interest in nomination.

O. CONSIDER DONATION OF SUPPLIES TO COMMUNITY GROUPS

Recommendation: Staff supports the Board's direction.

Mr. Bebee stated that periodically the District receives requests from community organizations for the donation of money or supplies. The past practice has been to inform community organizations that as a public entity, the District cannot make a cash donation but can donate supplies. Staff is seeking the Board's direction on requests from community organizations for money or supplies.

MOTION: Vice-President McDougal moved to donate supplies to community groups; Director Davies seconded.

Brief discussion ensued. The overall consensus was the District should not donate money or supplies unless approved in advance by the Board.

MOTION: Vice-President McDougal moved to adopt a policy prohibiting the donation of public funds, or FPUD products, items, or supplies specifically purchased for donation, to any organization without advance approval by the Board; Director Davies seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

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

1. General Legal Counsel
2. SDCWA Representative
3. Acting General Manager / Assistant General Manager/District Engineer
 - a. Engineering Report Summary
 - b. Annual Production; Total Potable Production
 - c. Ag and M&I Sales; Recycled Water Production & Sales
 - d. 12-Month Running Water Sales
 - e. Meter Exchange; Backflow Testing
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
 - Mr. Shank provided an overview of the projects he is currently working on. He noted the modified chart of accounts should be completed by the end of April, the automated timesheet program is moving forward, a new auditor has been selected and will be here in June, and the final draft budget will be presented to the Fiscal Policy & Insurance Committee at the end of April.
 - In response to Director Wolk's comments, Mr. Shank stated PFM is revising the investment reporting format to make it more concise, which will be brought to the Board next month.

5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments / Reports on Meetings Attended
8. Miscellaneous

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President Gebhart adjourned the regular meeting and public hearing of the Board of Directors of the Fallbrook Public Utility District at 5:32 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors