



**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
COMBINED NOVEMBER/DECEMBER REGULAR BOARD MEETING**

MINUTES

MONDAY, DECEMBER 4, 2023
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 Wolk called the Combined November/December Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Dave Shank, Assistant General Manager/CFO
Paula de Sousa, General Counsel
Jodi Brown, Management Analyst
Isabel Casteran, Safety and Risk Officer
Aaron Cook, Engineering Manager
Mick Cothran, Engineering Technician
Gregory McAnally, Utility Worker I
Carl Quiram, Operations Manager
Christi Ray, Accounting Technician
Steve Stone, Field Services Manager
Veronica Tamzil, Supervising Accountant
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Daphnie Munoz, Jacqueline Howells, Joe Naiman, and Jason Martin

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director Endter moved to approve the agenda, as presented; Director McDougal seconded. Motion carried; 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.

There were no public comments for non-agenda items.

There were no public comments on agenda items A – F.

- A. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS
1. President
 2. Vice-President

President Wolk turned the meeting over to General Manager Bebee for the election of officers to the Board of Directors. General Manager Bebee asked for a motion.

MOTION: Director Endter moved to nominate Director DeMeo as President and Director McDougal as Vice President; Director McDougal Baxter. Motion carried; VOTE:

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

ABSTAIN: None
ABSENT: None

Newly-elected President DeMeo presided over the remainder of the meeting.

B. APPOINTMENTS TO BOARD STANDING COMMITTEES

1. Fiscal Policy & Insurance
2. Personnel
3. Engineering & Operations

President DeMeo made no changes to the standing committees.

C. YEARS OF SERVICE

1. Veronica Tamzil – 5 years

The Board recognized Veronica Tamzil for her 5 years of service to the District.

D. NEW CERTIFICATIONS

1. Kayla Ochoa – Environmental Compliance Inspector, Grade I

The Board recognized Kayla Ochoa for receiving her Environmental Compliance Inspector, Grade I certification.

E. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2023

1. Jodi Brown

The Board recognized Jodi Brown as the Employee of the Quarter for November 2023.

F. NEW EMPLOYEE ANNOUNCEMENT

1. Gregory McAnally, Utility Worker 1

The Board welcomed Gregory McAnally as the new Utility Worker I.

II. **CONSENT CALENDAR**-----**(ITEMS G-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.

- G. CONSIDER APPROVAL OF MINUTES
 - 1. October 23, 2023 Regular Board Meeting
 - 2. November 15, 2023 Special Board Meeting

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

- H. CONSIDER 2024 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE

Recommendation: The Board establish the 2024 Board of Directors' regular meeting schedule, to include combining the November and December regular Board meetings to Monday, December 2, 2024, at 4 p.m.

- I. CONSIDER NOTICE OF COMPLETION FOR FENCING AT 2.8 MG TANK

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

There were no public comments on Consent Calendar items.

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

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

III. INFORMATION----- (ITEM J)

- J. CROPSWAP PRESENTATION

Presented by: Justin Haessly, Water Use Efficiency & Grants Manager,
Rancho California Water District

Jason Martin, Director of Administration of Rancho California Water District presented a slideshow to provide an overview on the CropSWAP program.

Director McDougal asked what our participation would be. General Manager Bebee reported it would cost about \$25,000 to start for the administrative component of the grant and then a percentage of the total amount of the grant funds that an individual receives would be part of that administrative component as well.

Director Wolk asked if this was based on acre foot or acre feet saved and if there would be audits. Mr. Martin responded that the incentive amount is entirely based on acre foot per acre saved. He summarized their inspection process and reported they do not plan on conducting audits year after year after the final audit and inspection.

Director Baxter asked if there are programs to help fund ag growth where vacant land exists. Mr. Martin was not aware of any.

General Manager Bebee reported part of the MOU will also include all agencies going out to pursue additional grants together.

IV. ACTION / DISCUSSION CALENDAR -----(ITEMS K-P)

K. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: The recommended action is for the Board to continue the emergency action to replace the failed pipelines.

General Manager Bebee reported there was recently another break that may need to be addressed under this emergency declaration.

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

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

L. CONSIDER APPROVING DISTRICT'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR FISCAL YEAR 2022-23

Recommendation: The Committee recommends that the Board approve the ACFR for Fiscal Year Ending June 30, 2023.

Daphnie Munoz from CliftonLarsonAllen, LLP presented a slideshow which outlined the audit process and what was detailed in the draft Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2023.

MOTION: Director McDougal moved to approve the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2023-23; Director Baxter seconded. Motion carried; VOTE:

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

M. CONSIDER ELECTRIC VEHICLE SUPPLY EQUIPMENT GRANT FROM SDG&E AGREEMENT

Recommendation: That the Board accept the SDG&E Power Your Drive for Fleets Grant agreement so that the design can be finalized and put out to bid.

General Manager Bebee provided an overview of this project, reporting this went through the E&O Committee. He summarized the State bill about electric vehicles and the requirements, noting Operations Manager Quiram had found a grant from SDG&E, which gets about 80% of the charge infrastructure paid.

Director Baxter asked if there are significant penalties if we ever chose to exit this program. Operations Manager Quiram noted the only requirement was to maintain system for ten years. He did not believe there were any direct penalties.

Director McDougal stated this was reviewed with the E&O Committee, and he believed this this approach is the way to go. It shows we are active in this program.

MOTION: Director Endter moved to accept the SDG&E Power Your Drive for Fleets Grant agreement so that the design can be finalized and put out to bid; Director Wolk seconded. Motion carried; VOTE:

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

N. CONSIDER APPROVAL FOR SCADA SUPPORT SERVICES TO ARCADIS

Recommendation: That the Board approve a contract with Arcadis in the not-to-exceed amount of \$125,000 year one, and \$100,000 years two and three.

General Manager Bebee provided an overview of this project. He explained we are trying to keep as much in-house as we can, but there are certain skill sets that are too expensive to keep in-house.

Director Wolk asked if there was a minimum amount we are required to pay. General Manager Bebee reported there was no guaranteed hours or minimum required to be met.

MOTION: Director McDougal moved to approve a contract with Arcadis in the not-to-exceed amount of \$125,000 for year one and \$100,000 for years two and three; Director Endter seconded. Motion carried;
VOTE:

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

O. CONSIDER ADOPTING RESOLUTION NO. 5064 APPROVING THE INCREASED RATES FOR WATER AND RECYCLED WATER SERVICE CHARGES, AND RATES FOR WASTEWATER SERVICE CHARGES AND TAKING OTHER RELATED ACTIONS

Recommendation: *That the Board adopt Resolution No. 5064 adopting calendar year 2024 rates and charges for water, recycled water and wastewater services.*

General Counsel de Sousa provided a brief overview of the status of detachment including the settlement agreement with SDCWA and outstanding LAFCO items necessary to complete the detachment process.

Assistant General Manager/CFO Shank presented a slideshow on the proposed 2024 rates and charges for water, recycled water and wastewater services.

Director McDougal inquired about the difference between ag and commercial ag rates. General Manager Bebee explained that we will be moving towards one ag rate, but that the standard ag rate was for residential customers with agriculture on their property.

MOTION: Director McDougal moved to adopt Resolution No. 5064 adopting calendar year 2024 rates and charges for water, recycled water and wastewater services; Director Endter seconded. Motion carried;
VOTE:

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

P. CONSIDER AWARD OF VIA ARROYO PIPELINE REPLACEMENT

Recommendation: That the Board award of the Via Arroyo Pipeline Replacement Project to the lowest responsible bidder, CCL Contracting, Inc. for \$2,635,000.

General Manager Bebee provided an overview of this project.

MOTION: Director McDougal moved to award the Via Arroyo Pipeline Replacement Project to the lowest responsible bidder, CCL Contracting, Inc. for \$2,635,000; Director Wolk seconded. Motion carried; VOTE:

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

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

1. General Counsel
2. General Manager
 - a. Engineering and Operations Report
 - b. Federal Funding Update
 - General Manager Bebee announced we will have a federal funding update next month.
3. 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.
4. Public Information Officer
 - General Manager Bebee reported we are working on a full page ad with Rainbow in the Village News.
5. Notice of Approval of Per Diem for Meetings Attended
6. Director Comments/Reports on Meetings Attended

- President DeMeo reported on her attendance at the ACWA Conference.
- Director Endter reported on his attendance at the San Diego Chapter CSDA Quarterly Meeting.
- Director McDougal commented on the accomplishments of the Board over the last several years. He requested the Board have a long-range planning meeting at the beginning of 2024.

7. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 5:29 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 and 2.

VI. CLOSED SESSION------(ITEMS 1–2)

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

NAME OF CASE: *San Diego County Water Authority v. San Diego Local Agency Formation Commission, Fallbrook Public Utility District, et al. (37-2023-000036018-CU-TT-CTL)*

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(4):

One (1) potential case

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 5:50 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

General Counsel de Sousa announced, on the record, that on Motion of Director Wolk; seconded by Director Baxter, and a vote of 5-0, the Board took the following action:

In a gesture of good faith in moving forward with the Settlement Agreement by and between the Fallbrook Public Utility District, the San Diego County Water District, and the San Diego Local Agency Formation Commission, the Board rescinded its August 31, 2023 direction to the General Manager to “secure outside special counsel to initiate

litigation against the San Diego County Water Authority and bring a legal services agreement to a future Board meeting for approval by the Board in open session.”

Rescission of this prior Board action is one of the requirements of the Settlement Agreement, which while still not fully executed, was signed by General Manager Bebee earlier today, and which I signed as well, approving it as to form. The Settlement Agreement was also approved by LAFCO this morning, and which LAFCO representatives executed this afternoon. On November 16, 2023, the San Diego County Water Authority’s Board of Directors, as noted its report out of closed session on that day, took action to direct its General Counsel and General Manager to finalize and execute the Settlement Agreement with Fallbrook PUD in material conformity with documents reviewed in its closed session of that date. The document Mr. Bebee and I signed was the version transmitted by San Diego County Water Authority special counsel this morning, and is in a form that is in materially conformity with the draft settlement agreement version of November 16, 2023.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the Combined November/December Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 5:52 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors