

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

MINUTES

FRIDAY, JULY 14, 2017
1:00 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 special meeting of the Board of Directors of the Fallbrook Public Utility District to order at 1:00 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Charley Wolk, Member / President
Al Gebhart, Member / Vice-President
Milt Davies, Member
Jennifer DeMeo, Member
Don McDougal, Member (*arrived at 1:01 p.m.*)

Absent: None

District Staff

Present: Paula de Sousa Mills, General Legal Counsel
Stephen V. Lopardo, Special Legal Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou West, Secretary

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

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

APPROVAL OF AGENDA

MOTION: Vice-President Gebhart moved to approve the agenda as submitted; Director Davies seconded. Motion carried; **VOTE:**

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

PUBLIC COMMENT

There were no comments from members of the public.

II. ACTION / DISCUSSION

A. SANTA MARGARITA PROPERTY – TERMINATION OF PURCHASE AND SALE AGREEMENT

Recommendation: That the Board vote to terminate the Purchase and Sale Agreement for the 1,384 acre Santa Margarita River Property with Western Rivers Conservancy (WRC), and return escrowed funds to WRC.

Dr. Brady stated that Stephen V. Lopardo, Special Legal Counsel, would provide details concerning the proposed termination of the Purchase and Sale Agreement for the Santa Margarita River property with Western Rivers Conservancy (WRC).

Mr. Lopardo reported that pursuant to the terms of the contract, the close of escrow was to be done by June 30, 2017. Prior to June 30, 2017, WRC requested an extension of time, which was subsequently rejected by the Board of Directors at the June 26, 2017 regular board meeting. As a result, WRC has requested a refund of their \$100,000 deposit funds held in escrow. Mr. Lopardo recommended the Board of Directors take formal action to (1) cancel the contract, (2) return the \$100,000 deposit to the buyer, and (3) reject the proposed long-term steward agreement submitted by WRC. In addition, the action should include authorization to send the letter that was attached to the staff memo and included in the board packet.

MOTION: Director Davies moved to authorize the general manager, together with District's legal counsel, to send a letter consistent with the letter dated July 14, 2017, included in the board packet, that states the Fallbrook Public Utility District rejects Western Rivers Conservancy's proposed long-term steward agreement, cancels the contract, and authorizes the cancellation of escrow and the return of the buyer's deposit; Vice-President Gebhart seconded. Motion carried; VOTE:

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

ADJOURN TO CLOSED SESSION

Following the announcement of Closed Session Items 1 and 2, the Board adjourned to Closed Session at 1:08 pm.

III. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GC § 54956.8

Property: Santa Margarita River Property (about 1,380 acres of wild watershed land north of Fallbrook around the Santa Margarita River Preserve)

Agency Negotiators: Brian J. Brady, Jack Bebee, and Paula de Sousa Mills

Under Negotiation: Price and terms of payment

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GC § 54957

Title: General Manager

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 2:59 p.m.

REPORT FROM CLOSED SESSION (As Necessary)

There was no reportable action taken in Closed Session.

IV. ADJOURNMENT OF MEETING

There being no further business to discuss, President Wolk declared the special meeting of the Board of Directors of the Fallbrook Public Utility District adjourned at 3:00 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors