



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

MINUTES

MONDAY, DECEMBER 7, 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 combined November/December Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:09 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  
Paula de Sousa, General Counsel  
Dave Shank, Assistant General Manager/CFO  
Jason Cavender, Operations Manager  
Kevin Collins, Purchasing/Warehouse Supervisor  
Aaron Cook, Engineering Manager  
Noelle Denke, Public Affairs Specialist  
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: David Forman and Risa Baron

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. SEATING OF DIRECTORS
1. Dave Baxter, Division No. 1
  2. Jennifer DeMeo, Division No. 3
  3. Don McDougal, Division No. 4

General Manager Bebee announced that Directors Baxter, DeMeo, and McDougal were elected to Divisions 1, 3, and 4, respectively.

- B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS
1. President

2. Vice-President

President Endter turned the meeting over to General Manager Bebee for the election of officers to the Board of Directors.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

C. APPOINTMENTS TO BOARD STANDING COMMITTEES

1. Fiscal Policy & Insurance

2. Personnel

3. Engineering & Operations

Because of audio issues newly-elected President DeMeo experienced during the meeting, Director Endter continued to preside over the remainder of the meeting.

MOTION: President Endter moved to defer the appointments to the Board Standing Committees until the January Regular Board Meeting; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

D. NEW EMPLOYEE ANNOUNCEMENTS

1. Matt Bench, Utility Worker

General Manager Bebee introduced Matt Bench as the new Utility Worker.

E. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2020

1. Lauren Eckert

General Manager Bebee commended Lauren Eckert for being chosen as Employee of the Quarter for November 2020.

F. MANAGER'S AWARD

1. Christian Hernandez

General Manager Bebee commended Christian Hernandez for receiving a Manager's Award based on multiple instances of positive feedback received from others.

**II. CONSENT CALENDAR----- (ITEMS G–J)**

*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 APPROVING MINUTES**

1. October 26, 2020 Regular Board Meeting
2. November 10, 2020 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 2020 BOARD OF DIRECTORS REGULAR MEETING SCHEDULE**

*Recommendation: The Board establish the 2021 Board of Directors' regular meeting schedule, to include combining the November and December regular Board meetings to Monday, December 6, 2021, at 4 p.m.*

**I. CONSIDER CLAIM FOR REIMBURSEMENT**

*Recommendation: The claim will exceed the District retrospective allocation point of \$25,000 per occurrence; therefore, it is beyond the District settlement authority and needs to be forwarded to JPIA as required. Staff recommends rejection of the claim, and to forward claim to ACWA/JPIA for resolution.*

**J. CONSIDER APPROVAL OF EASEMENT FOR SDG&E SERVICES TO SMRCUP FACILITIES**

*Recommendation: The Engineering & Operations Committee recommends that the Board approve the two easements for SDG&E facilities.*

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

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

**III. INFORMATION------(ITEM K)**

**K. ELECTRIC UTILITY COST REDUCTION EFFORTS**

Purchasing/Warehouse Supervisor Collins provided the Board with a brief update of the electric utility cost reduction efforts.

**IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS L-T)**

**L. CONSIDER APPROVING THE DRAFT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FY ENDING JUNE 30, 2020**

*Recommendation: The Committee recommends that the Board approve the Draft CAFR for Fiscal Year Ending June 30, 2020.*

David Forman of CliftonLarsonAllen, LLP presented a slideshow which outlined the audit process and what was detailed in the draft Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2020.

**MOTION:** Director Endter moved to approve the Draft Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2020; Director McDougal seconded. Motion carried; **VOTE:**

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**M. CONSIDER ADOPTING RESOLUTION NO. 5002 APPROVING THE INCREASED RATES FOR WATER AND RECYCLED WATER SERVICE CHARGES AND RATES FOR WASTEWATER SERVICE CHARGES AND TAKING OTHER RELATED ACTIONS**

*Recommendation: The Board adopt Resolution No. 5002 adopting calendar year 2021 rates and charges for water, recycled water and wastewater services.*

Assistant General Manager/CFO Shank summarized the process of the rate study that occurred in the past and provided an overview of the proposed increases to rates and charges for water, recycled water, and wastewater for CY 2021.

Vice-President Baxter confirmed the presentation from AGM/CFO Shank did not take into account any change that may occur via detachment or an additional potential increase of supply in regards to the conjunctive use program.

Vice-President Baxter asked what measures were being taken for mid-2021 and beyond to ensure CIP spend stayed within a limit that would be manageable by the budget. General Manager Bebee responded that our CIP expend was largely driven by us, the PAYGO part of the CIP was based on targets the District sets for itself and had the option to back down, as needed.

General Manager Bebee made note that Engineering Manager Cook would be giving a CIP update at the January Regular Board Meeting.

MOTION: Director McDougal moved to adopt Resolution No. 5002 adopting calendar year 2021 rates and charges for water, recycled water and wastewater services; Director Wolk seconded. Motion carried; VOTE:

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

N. CONSIDER AWARD OF SEWER MAIN RELINING PROJECT (JOB #3155)

*Recommendation: The Engineering & Operations Committee recommends that the Board authorizes award of the Sewer Main Relining Project to the lowest responsible bidder, Insituform Technologies, for \$106,961.*

General Manager Bebee reported this was a planned sewer relining project and was within budget.

Vice-President Baxter announced Insituform Technologies had done successful work for the District in the past, and the bid amount came in \$33,000 under budget.

MOTION: Director Endter moved to authorize award of the Sewer Main Relining Project to the lowest responsible bidder, Insituform Technologies, for \$106,961; Vice-President Baxter seconded. Motion carried; VOTE:

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

O. CONSIDER AWARD OF SMRCUP GAC TREATMENT SYSTEM EQUIPMENT PROCUREMENT

*Recommendation: That the Committee recommend to the Board authorization to award the SMRCUP GAC Treatment System Equipment Procurement to Calgon Carbon, the lowest responsive, responsible bidder for \$1,260,493.*

Engineering Manager Cook presented a slideshow that provided an overview of both agenda items O and P.

Engineering Manager Cook reported that we could exceed the contingency amount in the SRF loan, and there were a few options on how to approach that. We could approach the State Department of Water Resources and request an expansion of the loan limits, which would be a lengthy process. Another option would be to consider a portion of the Conjunctive Use Project that would replace existing pipelines, particularly along Palomino Road. We could pay for that pipeline replacement with our capital pipeline and replacement PAYGO funds, which would most likely adequately cover the additional costs. A third option would be to pursue an additional loan to cover the cost.

General Manager Bebee explained there was no downside in pursuing an amendment with the state revolving fund, even if it does take a while. If that did not move forward, we could adjust the PAYGO CIP schedule to deal with that overage. This will continue to move through E&O.

Engineering Manager Cook stated the third part, which was the installation, included a structural component, mechanical component, and an electrical component, and one thing to be considered was pulling out the electrical and controls component to keep the same electrical contractor. This would allow us to bid out the structural and mechanical components, potentially procuring another general contractor to yield a better deal.

MOTION: Vice-President Baxter moved to approve authorization to award the SMRCUP GAC Treatment System Equipment Procurement to Calgon Carbon, the lowest responsive, responsible bidder for \$1,260,493; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

P. CONSIDER GAC TREATMENT SYSTEM YARD PIPE CHANGE ORDER  
*Recommendation: The Engineering & Operations Committee recommends that the Board approves the change order for the installation of SMRCUP GAC Treatment System Yard Piping.*

MOTION: Vice-President Baxter moved approve the change order for the installation of SMRCUP GAC Treatment System Yard Piping; Director Wolk seconded. Motion carried; VOTE:

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

Q. CONSIDER REQUEST TO AWARD FENCING UPGRADES TO RED HAWK SERVICES, INC.

*Recommendation: The recommended action is that the FPUD Board of Directors approves award for fencing upgrades to Red Hawk Services, Inc. in the amount of \$91,085.56.*

General Manager Bebee explained this project was to secure areas of the District's administrative building and equipment yard. He noted that this project was within the budget.

MOTION: Director Wolk moved to approve award for fencing upgrades to Red Hawk Services, Inc. in the amount of \$91,085.56; President DeMeo seconded. Motion carried; VOTE:

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

R. CONSIDER THE TRANSITIONAL SPECIAL AGRICULTURAL WATER RATE (TSAWR) PROGRAM BECOMES THE PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR) PROGRAM, WITH ELIGIBILITY CHANGES AND DISTRICT ADMINISTRATIVE CODE UPDATES (*supplemental materials to be posted prior to Board meeting*)

General Manager Bebee stated this item went through the Engineering and Operations Committee, and he provided the Board with a brief explanation of the new PSAWR Program. He explained the main changes were that there was no longer a minimum acreage necessary, and instead, applicants would need to be enrolled in one of four agricultural programs. An overall list of those enrolled will be maintained by the SDCWA. General Manager Bebee reported the District would initiate outreach, beginning with informing existing TSAWR customers if they are not on one of the four lists maintained by the SDCWA. These customers would have until July 1, 2021 to get on one of the lists. Next, the District would inform those customers who have the option to opt into the PSAWR program.



General Manager Bebee noted the staff recommendation was to adopt Resolution No. 5003, amending Administrative Code Articles 19 and 26.

MOTION: Director Wolk moved to adopt Resolution No. 5003, amending Administrative Code Articles 19 and 26, as proposed; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

S. CONSIDER AD-HOC COMMITTEE FOR 100 YEAR ANNIVERSARY PUBLIC RELATIONS PLAN

Recommendation: *That the Board authorize formation of the proposed ad-hoc Board Committee.*

General Manager Bebee reported the Board memo included in the agenda packet proposed appointing Directors Baxter and McDougal to the ad-hoc Board Committee for the 100 year anniversary plan.

MOTION: Director McDougal moved to authorize formation of the proposed ad-hoc Board Committee for the 100 year anniversary plan; President Baxter seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

T. CONSIDER PLANT OPERATOR II POSITION SALARY ADJUSTMENT

Recommendation: *Personnel Committee recommends that the Board approve the proposed salary adjustment.*

General Manager Bebee reported the Plant Operator II position had been vacant and open for a while, with one applicant declining the District's offer due to salary. Therefore, a five percent adjustment in salary and a certification requirement adjustment were proposed. General Manager Bebee reported Personnel Committee reviewed this item.

Director Wolk suggested HR take a look at a more aggressive approach with existing employees to encourage them to get the necessary certifications, in

order to promote from within. General Manager Bebee stated this was something they were pursuing. He explained the Plant Operator II position was unique in that the position required certifications that were unable to be obtained without working at an existing wastewater plant for one year.

MOTION: Director Wolk moved to approve the proposed salary adjustment for the Plant Operator II position; Director McDougal 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
  - General Counsel de Sousa reported that the FPPC revised the gift limit for the 2021-2022 year to \$520 per year.
2. SDCWA Representative Report
3. General Manager
  - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
  - a. Financial Summary Report
  - b. Treasurer's Report
  - c. Budget Status Report
  - d. Warrant List
    - AGM/CFO Shank explained the written reports were included in the Board packet.
5. Public Affairs Specialist
  - Public Affairs Specialist Denke reported the District participated in the drive by Fallbrook Parade. She also stated the District had received positive feedback, which was included in the Board packet. PAS Denke announced she was working on a modified version of the calendar contest.
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

**ADJOURN TO CLOSED SESSION**

Director 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 5:44 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items VI.1 and VI.2.

**VI. CLOSED SESSION------(ITEMS 1-2)**

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):

*Two (2) Potential Cases (Claims filed by Victor and Terri Popa and Paul W. and Gail H. Leehey)*

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

*One (1) Potential Case*

**RECONVENE TO OPEN SESSION**

The Board returned from Closed Session and reconvened to Open Session at 5:57 p.m.

**REPORT FROM CLOSED SESSION**

On a Motion by Director McDougal, seconded by Director Wolk, the Board unanimously (with all Directors present) voted to reject the claim filed by Paul W. and Gail H. Leehey.

On a Motion by Director Wolk, seconded by President DeMeo, the Board unanimously (with all Directors present) voted to reject the claim filed by Victor and Terri Popa.

**VII. ADJOURNMENT OF MEETING**

There being no further business to discuss, the combined November/December Regular Meeting of the Fallbrook Public Utility District was adjourned at 5:58 p.m.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors