

**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING AND
PUBLIC COMMENT AND INFORMATION MEETING**

MINUTES

**WEDNESDAY, NOVEMBER 15, 2017
6:00 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 Board Meeting and Public Comment and Information Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 6:03 p.m. A quorum was established and attendance was as follows:

Board of Directors

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

Absent: None

District Staff

Present: Lutfi Kharuf, General Legal Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager / Chief Financial Officer
Mavis Canpinar, Customer Service Representative I
Jason Cavender, System Operations Manager
Mick Cothran, Drought Management Coordinator
Noelle Denke, Public Affairs Specialist
Kelly Laughlin, Administrative Office Specialist
Jeff Marchand, Engineering Supervisor
Mary Lou West, Secretary

Also present were others including, but not limited to, the following: Charles Bertolino, Debbie McCain, Gary Hesser, Al Erikson, Michael Summers, Michael McGuire, Alan Geraci, Dan Coxe, Ryan Promack, Mary Cicernelle, David Promack, John Merkel, Janet Kennington, Jimmy Aivaliotis, Larry Sinagub, Connor DeCuir, Jeanne Meadow, Roger Milner, Dale Kaye, Bruce Helbert, Nick Stamos, Jill Pettigrew, Robert Landes, Barbara

Jarnes, Jason Burgess, Belinda Maxwell, Pat Bennie, and Sanjay Gaur, Vice-President of Raffelis Financial Consultants, Inc.

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

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

PUBLIC COMMENT

President Wolk invited comments from members of the public on items not identified in the agenda and within the subject matter jurisdiction of the Board.

There were no comments from members of the public.

II. OPEN SESSION -----(ITEM A)

A. ACCEPTANCE OF AUDIT FOR FISCAL YEAR 2016-17

Recommendation: That the Board accept the audited financial statements for FY 2016-17 as recommended by the Fiscal Policy & Insurance Committee.

Mr. Shank reported that Macias Gini & O'Connell, LLP, an independent accounting firm, completed the audit for fiscal year 2016-17. Mr. Shank provided an overview of highlights from the report noting the operating loss grew slightly from \$1.8 million to \$2.6 million and cash and investments decreased from \$15.9 million to \$14.1 million. Mr. Shank added the Fiscal Policy & Insurance Committee met with the auditors several times and has reviewed the report and is recommending acceptance of the audit for fiscal year 2016-17.

MOTION: Vice-President Gebhart moved to approve staff's recommendation to accept the audited financial statements for FY 2016-17 as recommended by the Fiscal Policy & Insurance Committee; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None
ABSTAIN: None
ABSENT: None

III. PUBLIC COMMENT AND INFORMATION------(ITEM B)

B. PUBLIC WORKSHOP ON PROPOSED WATER, SEWER & RECYCLED WATER RATES

President Wolk announced that staff would provide a presentation of the rationale behind the water, sewer, and recycled water rates as proposed followed by a presentation by Raftelis Financial Consultants, Inc., with an overview of the fiscal analysis developed to ensure compliance with the requirements of Proposition 218. Following the presentations, members of the public will have the opportunity to provide comments. President Wolk emphasized that all comments from members of the public are encouraged.

Acting General Manager Jack Bebee provided a slide show presentation titled, "Rate Study—What is Driving Rate Increases." Following Mr. Bebee's presentation, Sanjay Gaur, Vice President of Raftelis Financial Consultants, Inc., provided a slide show presentation of an overview of the rate setting process, financial plan development, and proposed rates.

Following the presentations, President Wolk invited members of the public to the podium to present their comments.

The following members of the public stepped to the podium and provided comments on the proposed water, sewer, and recycled water rates: Charles Bertolino, Debbie McCain, Gary Hesser, Michael Summers, Michael McGuire, Alan Geraci, Dan Coxe, Ryan Promack, Mary Cicernelle, David Promack, John Merkel, Jimmy Aivaliotis, Larry Sinagub, Connor DeCuir, Jeanne Meadow, Roger Milner, Dale Kaye, Bruce Helbert, Nick Stamos, Jill Pettigrew, Robert Landes, Jason Burgess, Belinda Maxwell, and Pat Bennie.

IV. ADJOURNMENT OF MEETING

There being no further business to discuss, President Wolk adjourned the Special Board Meeting and Public Comment and Information Meeting of the Board of Directors of the Fallbrook Public Utility District at 8:11 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors