

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

MINUTES

**MONDAY, OCTOBER 28, 2019
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 McDougal called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Paula de Sousa, General Counsel
Jack Bebee, General Manager
Dave Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Aaron Cook, Senior Engineer
Mick Cothran, Engineering Technician
Todd Golem, Utility Technician
Matt Perez, Utility Worker
Colter Shannon, Utility Worker
Steve Stone, Field Services Manager
Toby Stoneburner, Utility Technician
Owni Toma, Chief Plant Operator
Bryan Wagner, Utility Worker
Austin Wendt, Utility Worker
Mary Lou West, Secretary

Also present were others, including, but not limited to: Eden Bezzant, Kent Bowen and Beverly Bowen, and Matthew A. Thurmer for Dennis Recker and Barbara Recker.

PLEDGE OF ALLEGIANCE

President McDougal led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

President McDougal announced Item G would be removed from the Consent Calendar for discussion by the Board.

MOTION: Vice-President DeMeo moved to approve the agenda as revised, with the removal of Item G from the Consent Calendar; Director Endter seconded. Motion passed; 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.

Eden Bezzant stepped to the podium and stated that trucks from the District's construction project were potentially damaging their private road and causing excessive dust in the neighborhood. General Manager Bebee to speak with the contractor relative to Ms. Bezzant's concerns.

Beverly Bowen stepped to the podium and stated that contractors working on cell phone towers at Rattlesnake Reservoir have continually parked a scissor lift in front of her property. The contractors have also worked through the night playing loud music while working disrupting the peace. Staff to provide Ms. Bowen with a contact name and number to report future occurrences.

A. MANAGER'S AWARDS

1. Todd Golem
2. Christian Hernandez
3. Jamison Davis

4. Sky Peterson
5. Bryan Wagner

The Board recognized Todd Golem, Christian Hernandez, Jamison Davis, Sky Peterson, and Bryan Wagner for receiving Manager's Awards for their tireless efforts while repairing a main line break on Santa Margarita Drive.

- B. COMMENDATION OF EMPLOYEES WHO WENT TO PARADISE IRRIGATION DISTRICT
1. Austin Wendt
 2. Colter Shannon
 3. Matt Perez
 4. Toby Stoneburner

The Board commended Austin Wendt, Colter Shannon, Matt Perez, and Toby Stoneburner for helping with disaster recovery in Paradise, California following the November 2018 fire.

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

- C. CONSIDER APPROVAL OF MINUTES
1. September 23, 2019 Regular Meeting

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

- D. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: *That the Board authorize and approve in advance Directors' attendance to Essential Communications for Every Special District, 9:30 a.m. to 1:00 p.m., October 30, 2019, Padre Dam Municipal Water District, 9300 Fanita Parkway, Santee, CA 92072.*

- E. CONSIDER ADOPTING RESOLUTION NO. 4982 AMENDING ARTICLE 2 OF THE ADMINISTRATIVE CODE TO UPDATE THE GIFT LIMIT FROM \$470 TO \$500

Recommendation: *That the Board adopt Resolution No. 4982 amending Article 2 of the Administrative Code to update the gift limit in sections 2.18 and 2.18.3 from \$470 to \$500.*

F. CONSIDER NOTICE OF COMPLETION – SANDIA-BUCKNELL TANK
REPAINTING AND RECOATING

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

Item G was removed from the Consent Calendar for discussion.

MOTION: Director Endter moved to approve the Consent Calendar as revised, with removal of Item G for discussion; Vice President DeMeo seconded. Motion passed; VOTE:

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

G. CONSIDER CLAIM FOR INUNDATION OF WATER ONTO REAL PROPERTY

Recommendation: The claim will exceed the District retrospective allocation point of \$10,000 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.

Matthew A. Thurmer stepped to the podium and stated he represented claimants Dennis Recker and Barbara Recker. Mr. Thurmer requested the Board hire experts to assess the damage to the Recker's property, rather than referring the claim to the District's insurance carrier (ACWA/JPIA), as he believed the damage may be under the \$10,000 threshold. General Counsel de Sousa explained if ACWA/JPIA picks up the claim, the hiring of experts would be coordinated through their counsel and acting outside of this process would not be appropriate.

MOTION: Director Endter moved to reject the claim and forward the claim to ACWA/JPIA for resolution; Director Baxter seconded. Motion passed; VOTE:

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

III. **INFORMATION**----- (ITEMS H–J)

H. CONSERVATION DEMONSTRATION GARDEN

Engineering Technician Cothran explained the District submitted two \$10,000 proposals for conservation program funds made available by Metropolitan Water District of Southern California. The first proposal being a Plant Voucher Program, which delivers plants to customers, and the second being a program funding request for the FPU Water Conservation and Sustainability Garden. The timeline for completion on the Conservation Demonstration Garden is December/January.

I. PROCESS FOR SETTING CY 2020 RATES AND CHARGES

Assistant General Manager/CFO Shank announced it is time to start the process for setting CY 2020 rates and charges. A cost of service consultant came in and conducted a detailed analysis of the District's costs and allocated the costs and services to come up with a five-year plan. This will be year three of that five-year plan. Staff is in the process of updating the rate model.

J. SCADA OVERVIEW

A presentation was shown which provided a brief overview and key elements of the SCADA monitoring system. It was explained that the SCADA system, including both hardware and software elements, can handle most of the key functions without requiring a lot of human interaction. SCADA provides real-time information, as well as remote access.

IV. **ACTION / DISCUSSION CALENDAR** -----(ITEMS K-N)

K. CONSIDER REQUEST TO EXERCISE SECOND YEAR OPTION – PAVING CONTRACT

Recommendation: That the Board approve exercising the 2nd year renewal of the annual paving contract with Kirk Paving in the amount of \$208,379.38 with the expectation that a new paving contract will be bid and awarded by July 2020.

General Manager Bebee explained this went through Engineering & Operations, and this contract is to get us through the fiscal year. The renewal amount has been set at what is the remaining budget for paving.

MOTION: Director Baxter moved to approve exercising the 2nd year renewal of the annual paving contract with Kirk Paving in the amount of \$208,379.38 with the expectation that a new paving contract will be bid and awarded by July 2020; Vice-President DeMeo seconded. Motion passed; VOTE:

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

L. CONSIDER AWARD OF SEWER MANHOLE REHABILITATION AND RELINING PROJECT

Recommendation: *That the Board authorize award of the Sewer Manhole Rehabilitation & Relining Project to the lowest responsible bidder, Sancon Technologies, Inc., for \$78,787.*

Senior Engineer Cook explained this project includes relining 22 manholes and one wet well. Sancon Technologies' bid came in lower than the budgeted cost of \$145,000. This project is expected to be completed in a matter of weeks. We have previously worked with Sancon Technologies, and their work has been acceptable.

MOTION: Director Wolk moved to approve the award of the Sewer Manhole Rehabilitation & Relining Project to the lowest responsible bidder, Sancon Technologies, Inc., for \$78,787; Director Endter seconded. Motion passed; VOTE:

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

M. CONSIDER BLOWER MAINTENANCE SERVICE PLAN

Recommendation: *That the Board approve the procurement of the Neuros Maintenance Service Plan as the asset management method for the six NX100-C070 turbo blowers.*

Chief Plant Operator Toma explained there are six blowers at the plant that were installed in 2014 as part of a major update. The warranty on the blowers expired this month. Since installation, the warranty has covered seven core failures, which is valued at \$59,000 per core. The cost of the maintenance plan is \$67,000 per year for the next five years, which will cover all six blowers at the cost of one failing each year. The retail value is around \$98,000 per year. This plan has been heavily discounted by Neuros with a five-year commitment. This plan also cover upgrading components over time.

MOTION: Director Endter moved to approve the procurement of the Neuros Maintenance Service Plan as the asset management method of the six NX100-C070; Director Baxter seconded. Motion passed; VOTE:

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

N. CONSIDER SPECIAL COUNSEL FOR ON-GOING ADMINISTRATION OF SANTA MARGARITA WATER RIGHTS

Recommendation: That the Board authorize staff to execute the attached agreement with Spaletta Law to provide as-need legal support for the District's Santa Margarita River Water Rights.

General Manager Bebee explained there were a number of firms interviewed, and it was determined that Spaletta Law was the best fit. Spaletta Law is a smaller firm that requires no retainer and provides as needed work.

MOTION: Director Endter moved to authorize staff to execute the proposed agreement with Spaletta Law to provide as-needed legal support for the District's Santa Margarita River Water Rights; Vice President DeMeo seconded. Motion passed; 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 provided an update on AB 1184, which requires local agencies to retain emails for two years.
 - BBK is working with the team to ensure policies are up to date for when SB 998 goes into effect on February 1, 2020.
 - BBK is in the process of revising the way legal alerts for Public Policy and Ethics groups are received. They will no longer be charging a subscription fee to the District.
2. SDCWA Representative Report
 - General Manager Bebee announced the final candidates for general manager will be interviewed by the SDCWA Board, and a determination is expected in mid-November or early December.
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
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended

- President McDougal provided notification to the Board that he approved Directors' attendance to a meeting with Supervisor Desmond on Tuesday, October 22, 2019, at the Vista Courthouse to discuss the potential community benefit program and detachment.
7. Director Comments/Reports on Meetings Attended
 - Director Baxter reported he completed the second half of his tour of the District's facilities.
 - Vice-President DeMeo reported she attended the CSDA Conference.
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 5:45 p.m. following an oral announcement of Closed Session Item VI.1 by President McDougal.

VI. CLOSED SESSION

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

Two (2) Potential Cases

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:29 p.m.

REPORT FROM CLOSED SESSION

The Board took no reportable action in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President McDougal adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 6:30 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors