

**ORDINANCE NO. 354**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT  
AMENDING THE ADMINISTRATIVE CODE  
TO ADD ARTICLE 23, COMMUNITY BENEFIT PROGRAM**

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**WHEREAS**, in November 2019, the Fallbrook Public Utility District (“District”) filed a proposal with San Diego Local Agency Formation Commission (“San Diego LAFCO”) requesting the creation of a community benefit program by requesting activation of three new service functions allowed under the Public Utility District principal act involving parks and recreation, street lighting, and roads and streets; and

**WHEREAS**, at the August 1, 2022 San Diego LAFCO meeting, San Diego LAFCO completed the protest hearing process and noted that, except for some remaining ministerial actions which are preconditions to LAFCO filing a certificate of completion establishing the effective date for the activation of the three latent powers, the District cleared all substantive thresholds for the activation; and

**WHEREAS**, in order to prepare for the District’s activation of the three new service functions involving parks and recreation, street lighting, and roads and streets as approved by LAFCO, the District desires to add Article 23, entitled “Community Benefit Program,” to the District’s Administrative Code, which will define the rules and regulations that govern the District’s functions of parks and recreation, street lighting, and roads and streets and provide for Community Benefit Program administration; and

**WHEREAS**, the District Board of Directors now wishes to enact an ordinance formally adding Article 23 to the District’s Administrative Code to become effective upon the date established for activation as set out in LAFCO’s certificate of completion.

**BE IT ENACTED BY** the Board of Directors of Fallbrook Public Utility District as follows:

**SECTION I.** The Board of Directors of the District hereby approves the addition of Article 23 to the Administrative Code, as set forth in Exhibit A and incorporated herein. The remaining provisions of the Administrative Code are unaffected and reconfirmed hereby.

**SECTION II.** Future changes to Article 23 of the Administrative Code may be accomplished by the Board of Directors of the District by resolution or ordinance pursuant to Section 1.3 of the Administrative Code.

**SECTION III.** If any clause or provision of this Ordinance is found to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Ordinance shall nonetheless continue in full force and effect.

**SECTION IV.** This Ordinance shall be posted at three public places in the District and shall be published pursuant to Section 6061 of the Government Code in the Fallbrook Village News, a newspaper of general circulation, printed, published and circulated in said District. This Ordinance shall take effect 30 days after its passage.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 22<sup>nd</sup> day of August, 2022, by the following roll call vote:

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



\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

**EXHIBIT "A"**

## **Article 23**

## **Community Benefit Program**

### Sec. 23.1 Purpose.

The purpose of this Section is to define the rules and regulations that govern the District's functions of parks and recreation, street lighting and roads and streets, as activated by the San Diego Local Agency Formation Commission in 2022 as defined in Section 1.2 below. Administration of these functions are combined under the District's Community Benefit Program. The goal of this program is to promote, coordinate and oversee community projects in the District's service area that benefit the District's residents.

### Sec. 23.2 Definition of Services Provided

The District may provide services of parks and recreation, street lighting and roads and streets as defined in more detail below:

#### Parks and Recreation Function:

Public parks, public playgrounds, public recreation buildings, buildings to be used for public purposes (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

#### Street Lighting Function:

Street lighting systems (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

#### Roads and Streets Function:

Works to provide for the drainage of roads, streets, and public places, including, but not limited to, curbs, gutters, sidewalks, and pavement of streets (to supplement existing service powers exercised by the County of San Diego and County Service Area (CSA) No. 81 as well as volunteer activities by non-profit organizations).

### Sec. 23.3 Source of Funds

The District shall allocate \$546,000 of unrestricted property tax revenue each fiscal year, as part of the District's budget adoption process, to the Community Benefit Program.

### Sec 23.4 Procurement of Services

All services and projects procured under the Community Benefit Program must comply with the District's procurement procedures set forth in Article 5 of the District's Administrative Code. Any use of funds to provide services and projects must

meet the limitations of Section 1.2 above, and benefit public spaces. Any District Community Benefit Program funds shall be used to benefit public spaces and shall not be used to benefit any specific organization(s).

Sec 23.5                    Program Administration

The Community Benefit Program will be administered by the Community Benefit Program Committee (Committee). The members of the Committee shall be appointed by the District Board of Directors. Committee meetings will be noticed pursuant to the Ralph M. Brown Act, Government Code section 54950 et seq., as it may be amended from time to time. Meetings of the Committee shall be conducted similar to meetings of Board Standing Committees.

Sec 23.5.1            Committee Member Selection Criteria:

1. All Committee Members shall serve in a voluntary capacity and shall receive no compensation.
2. Committee Members shall be solicited by posting an application to be a Committee member on the District website and advertised in the local newspaper. The Committee Members will be selected by the District's Board of Directors.
3. Committee Members must either reside within the FPUD service area, or be a FPUD ratepayer, in order to be eligible to serve on the Committee.
4. The Committee shall consist of seven (7) members and will include representatives from nonprofits, residents and business owners.
5. Committee Members shall serve staggered three (3) year terms with staggered terms to start the process. There shall be a three term limit (total of nine years), with a one-year break after serving three consecutive terms. The one-year break may be waived by majority vote of the FPUD Board.

Sec 23.5.2            Committee Guidelines:

1. The Committee shall meet no less than once a quarter on a set date and time as established by the District.
2. The Committee Chair shall be elected by the Committee Members for a one-year term and shall conduct the meetings. A Vice Chair and Secretary shall be elected for one-year terms. The Vice Chair shall act in the absence of the Chair. The Secretary shall take minutes for the Committee.
3. If a Committee Member serves on the Board of Directors of an organization whose project is under consideration, the Committee member must recuse themselves and leave the room during discussion of the project.
4. Committee Members shall be required to Statements of Economic Interests (FPPC Form 700) and otherwise comply with applicable provisions of the Districts Conflict of Interest Code and applicable provisions of the Political Reform Act.
5. If services or projects under consideration by the Committee involves an organization on which a Committee Member serves on the Board of Directors, the Committee member must recuse themselves from participating in any way in the

making of the decision regarding the services or projects and must leave the room during discussion of the services or projects.

6. The Committee will recommend which community projects should be funded for approval by the District Board of Directors.

Sec 23.5.3 Project Selection Process for Services and Projects Funded by the Community Benefit Program

1. The intent of the Community Benefit Program is that the Committee will be responsible for determining the criteria for the selection of services and projects, making recommendations for services and projects to the Board for approval, and overseeing and administering the selected projects/services with limited support from the District staff.
2. The Committee shall provide regular reports to the Board on the progress of the selected/awarded services and projects and on the expenditure of allocated funds.
3. The Committee shall develop criteria and process for requesting or soliciting, and for selecting and awarding services and projects for presentation to the Board for the Board's approval.
4. Priorities on allocation of funding should include determining the broadest community benefit as determined by the Committee. It is the intent that 50% of the funds allocated to the Community Benefit Program be allocated for maintenance and 50% for capital projects. Funds for larger capital projects can be accumulated over fiscal years. The Committee may determine to fully fund or partially fund services and projects it recommends selecting/awarding.