



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

MINUTES

**MONDAY, JULY 24, 2023
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 Wolk called the July Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Charley Wolk, Member/President
Jennifer DeMeo, Member/Vice President (*arrived at 4:19 p.m.*)
Dave Baxter, Member
Ken Endter, Member
Don McDougal, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Isabel Casteran, Safety and Risk Officer
Lauren Eckert, Executive Assistant/Board Secretary
Noelle Denke, Public Information Officer
Carl Quiram, Operations Manager
Devin Casteel, Systems Operations Supervisor
Steve Stone, Field Services Manager
Jodi Brown, Management Analyst
Kayla Ochoa, Environmental Compliance Technician
Justin Cameron, Water/Wastewater Operator II
Aaron Cook, Engineering Manager
Donald Parker, Construction Supervisor
Eddie Rodriguez, System Services Supervisor

Matt Perez, Utility Worker I
Austin Wendt, Crew Leader
Bryan Wagner, Crew Leader
Wyatt Ware, Utility Worker I
Hugo Santillan, Utility Worker II
Jesse Perez, Chief Plant Operator
Steve Wuerth, SCADA, Electrical & Maintenance Supervisor
Jamison Davis, Utility Worker II
Kevin Stamper, Utility Worker II
Colter Shannon, Utility Worker II
Josh Couveau, Crew Leader
Martin Serrano, Utility Worker I

Also present were others, including, but not limited to: Mark Mervich, Stephani Baxter, Leticia Maldonado/Stamos, and Jacqueline Howells

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

APPROVAL OF AGENDA

MOTION: Director Baxter moved to approve the agenda, as presented; Director Endter seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

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 on non-agenda items.

- A. EMPLOYEE PROMOTION ANNOUNCEMENT
1. Justin Cameron, Water/Wastewater Operator II

There were no public comments on agenda item A.

The Board congratulated Justin Cameron on his promotion to Water/Wastewater Operator II.

- B. NEW EMPLOYEE ANNOUNCEMENT

1. Kayla Ochoa, Environmental Compliance Technician

There were no public comments on agenda item B.

The Board welcomed Kayla Ochoa as the new Environmental Compliance Technician.

II. CONSENT CALENDAR-----(ITEMS C–D)****

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. June 26, 2023 Regular Board Meeting

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

D. CONSIDER RESCHEDULING AUGUST 2023 REGULAR BOARD MEETING

Recommendation: That the Board approve rescheduling the August 2023 regular meeting of the Board of Directors from Monday, August 28 to Monday, August 21.

There were no public comments on Consent Calendar Items

MOTION: Director Endter moved to approve the Consent Calendar, as presented; Director Baxter seconded. Motion carried; **VOTE:**

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

III. INFORMATION-----(ITEMS E–F)****

E. CONSTRUCTION REPORT FOR FY22-23

Presented by: Steve Stone, Field Service Manager

Field Service Manager Stone presented a slideshow highlighting the achievements of the Construction Department during fiscal year 2022-2023.

General Manager Bebee commended the Construction Department for meeting their 100 valve replacement goal, despite the challenges early on in the year. He also reiterated how tough and physically demanding these positions were.

F. SANTA MARGARITA GROUNDWATER TREATMENT PLANT UPDATE

Presented by: Devin Casteel, System Operations Supervisor

System Operations Supervisor Casteel presented a slideshow on the fiscal year 2022-2023 operations of the Santa Margarita Groundwater Treatment Plant.

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

G. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

Recommendation: That the Board continue emergency action to replace the failed pipelines.

There were no public comments on agenda item G.

General Manager Bebee reported this is a continuation of the emergency declaration that appears on the agenda each month until the emergency action is complete.

MOTION: Director Endter moved to continue emergency action to replace the failed pipelines; Director DeMeo seconded. Motion carried; VOTE:

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

H. CONSIDER CONTINUATION OF FEDERAL ADVOCACY SERVICES

Recommendation: That the Board authorize the continued engagement of external federal advocacy services for an additional one-year period to help try and secure federal funding to reduce District ratepayer funding needs for key projects.

There were no public comments on agenda item H.

General Manager Bebee reported last year the Board authorized engagement of Howells Government Relations, and this is a request to extend this contract for another year. He announced Howells Government Relations is assisting in seeking federal funding for the District. They were able to get us money written in the Senate and House bills going forward, which still need to be approved and authorized, but this is a positive outcome after only one year.

MOTION: Director Endter moved to authorize the continued engagement of external federal advocacy services for an additional one-year period to help try and secure federal funding to reduce District ratepayer funding needs for key projects; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

I. CONSIDER AWARD OF SEWER MAIN RELINING PROJECT – FY 24
(JOB #3197)

Recommendation: That the Board authorize award the Sewer Main Relining Project to the lowest responsible bidder, Nu-Line Technologies, LLC in the amount of \$152,852.

There were no public comments on agenda item I.

Engineering Manager Cook provided an overview of the sewer relining project for fiscal year 2024. He reported Nu-Line Technologies has not done work for the District in the past, but they have extensive experience.

MOTION: Director Endter moved to award the Sewer Main Relining Project to the lowest responsible bidder, Nu-Line Technologies, LLC, in the amount of \$152,852; Director DeMeo seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER SAN DIEGO LOCAL AGENCY FORMATION COMMISSION (LAFCO) INDEMNIFICATION & HOLD HARMLESS TERM AND CONDITION REQUIREMENT AND AUTHORIZATION TO ENTER INTO INDEMNIFICATION & HOLD HARMLESS AGREEMENT/ PROVIDE INITIAL DEFENSE DEPOSIT

Recommendation: That the Board Authorize the General Manager to Execute LAFCO Indemnification & Hold Harmless Agreement and provide the initial defense deposit to LAFCO in an amount up to \$200,000 if needed/when requested by LAFCO.

There were no public comments on agenda item J.

General Manager Bebee provided an update on the detachment process, explaining LAFCO had approved moving forward with the detachment. The FPUD Board also approved expediting the election process. With that, the Water Authority has the potential to file CEQA litigation against LAFCO. Because of this, the District needs to have an agreement ready with LAFCO to help pay for the litigation should the Water Authority move forward with that.

General Counsel de Sousa further explained this was a condition of LAFCO's approve – that the two districts indemnify LAFCO for any of these costs. We need to meet this condition within 30 days of LAFCO's approval. She went on to report agreement will be a three party agreement between RMWD, FPUD, and LAFCO, with the agencies sharing in the litigation cost and initial litigation deposit. This item is for the Board to authorize the full amount of the deposit, just in case RMWD decided to pull out.

Director Baxter asked if Rainbow was in full agreement of this agreement. General Manager Bebee suspected they were and that their Board meeting was being held the day after ours. He explained this is for the full deposit amount just for the chance that Rainbow did not approve this, we would still be able to move forward. Director Baxter asked what happens to the funds if LAFCO did not end up needed to use them. General Counsel de Sousa responded they would be returned to the District – she would look into the timing, but usually within 30 days.

Leticia Maldonado/Stamos stepped to the podium to commend the FPUD staff on all the work and information shared with the public regarding detachment. She attended the second LAFCO meeting in person, as she felt compelled to the speak on behalf of the regular ratepayer. The Board thanked Ms. Maldonado/Stamos for her comments and for her attendance at the LAFCO meeting.

MOTION: Director Baxter moved to authorize the General Manager to Execute LAFCO Indemnification & Hold Harmless Agreement and provide the initial defense deposit to LAFCO in an amount up to \$200,000 if needed/when requested by LAFCO; Director Endter seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

K. CONSIDER ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD BALLOT

Recommendation: That the Board select the Nominating Committee's Recommended Slate or select candidates from the Individual Board

Candidate Nominations and authorize the Board President to cast its vote in the Association of California Water Agencies Region 10 Board Election for the 2024-2025 term.

There were no public comments on agenda item K.

General Manager Bebee provided an overview of this item, including the ACWA Nominating Committee has already provided their recommended slate of candidates.

MOTION: Director Endter moved to select the Nominating Committee's Recommended Slate of candidates, including Dana Frieauf, Charles T. Gibson, Marice H. DePasquale, George Murdoch, Deborah Neev, Jose Martinez, and Jennifer DeMeo; Director Baxter seconded. Motion carried; VOTE:

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

L. CONSIDER AMENDED EMPLOYMENT AGREEMENT BETWEEN FALLBROOK PUBLIC UTILITY DISTRICT AND JACK BEBEE (2023)

Recommendation: *That the Amended Employment Agreement between Fallbrook and General Manager Jack Bebee be approved effective July 24, 2023.*

There were no public comments on agenda item L.

General Counsel de Sousa made an announced, pursuant to the Brown Act to explain the changes to compensation or benefits for any agency executive has to be listed and stated on the record before consideration and action by the Board. Before the Board was approval of the Amended Employment Agreement between Fallbrook and General Manager Jack Bebee based on the conclusion of successful negotiations. She announced the two changes to the proposed amended agreement are to increase the General Manager's annual compensation by 7.5%, from \$241,555 to \$259,672, retroactive to July 1, 2023 and to remove the General Manager's ability to cash out accrued executive leave upon voluntary termination or retirement, or contribute any portion of their executive leave balance to a Health Reimbursement Account upon retirement. The redline with the changes was provided in the agenda packet.

President Wolk commended General Manager Bebee on the job that he does.

MOTION: Director Endter moved to amend the Employment Agreement between Fallbrook and General Manager Jack Bebee, effective July 24, 2023, with increased compensation retroactive to July 1, 2023; Director Baxter 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)

There were no public comments on oral/written reports.

1. General Counsel
2. SDCWA Representative Report
 - General Manager Bebee provided an overview of the written report included in the packet.
3. General Manager
 - a. Engineering and Operations Report
 - b. Federal Funding Update
 - General Manager Bebee announced next month we will present a year-end summary.
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Warrant List
 - AGM/CFO Shank reported the District received the GFOA Award again this year.
 - AGM/CFO Shank provided an overview of the written reports included in the packet.
5. Public Information Officer
 - Public Information Officer Denke reported on the Water Wise Workshop, and there was a lot of positive feedback.
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
 - Director Endter reported on his attendance at the Rancho Santa Fe Water District's 100 year anniversary event.
 - Director DeMeo reported on her attendance at the ACWA Region 10 event.
8. Miscellaneous

ADJOURN TO CLOSED SESSION

General Counsel de Sousa announced the Board would be going into Closed Session to discuss item VI.1. She announced members of the public participating via web conference were welcome to continue to stay on the line while the Board is in closed

session, however, they will only hear silence. Following closed session, and prior to adjournment of the meeting, an oral announcement of reportable action by the Board in closed session would be made, if any. The oral announcement of any reportable action would be heard on the teleconference line. Thereafter this meeting would adjourn.

The Board of Directors adjourned to Closed Session at 4:50 p.m.

VI. CLOSED SESSION ----- (ITEM 1)

1. 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 came out of Closed Session and reconvened to Open Session at 5:15 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

There was no reportable action taken in Closed Session.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President Wolk adjourned the July regular meeting of the Board of Directors of the Fallbrook Public Utility District at 5:15 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors