



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

MINUTES

**MONDAY, JULY 25, 2022
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 Baxter called the July Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. President Baxter deferred to General Counsel de Sousa to make the following statements on the record regarding the proceedings for this meeting:

General Counsel de Sousa announced, for the record that, this meeting was being conducted by web and teleconference pursuant to Government Code Section 54953(e)(1)(A), which waives certain teleconferencing requirements in certain circumstances, including the current state of emergency declared by Governor Newsom, in order to promote social distancing during the evolving COVID-19 pandemic. She noted the first item on the agenda pertained to Board action to make the required findings pursuant to Government Code Section 54953(e).

General Counsel de Sousa also announced the agenda provided notice that members of the public may participate in this meeting by attending in person, and that members of the public who did not wish to attend in person were encouraged to participate in the Board meeting electronically using the call-in and weblink information included on the agenda. Additionally, the agenda provided notice to members of the public on how they may submit comments in advance of the meeting to be read at the appropriate portion of the meeting (up to a limit of 3 minutes per comment). There were no written public comments submitted in advance of the meeting, for general public comment or for any agenda items submitted prior to the submission deadline.

General Counsel de Sousa announced that President Baxter would ask the Board Secretary if there were any members of the public who wished to make comments on the item either in person or through Zoom webinar or Zoom teleconference. After public comments, President Baxter would then call on staff to make a presentation for the item on the agenda. After the presentation was made, to avoid everyone speaking at once, President Baxter would then call on each Director to see if there were questions for staff regarding their presentation. After the round of questions, President Baxter would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President Baxter would call on each Director to see if there were any comments. General Counsel de Sousa announced, since there were no Directors participating remotely, votes would not need to be done by roll call.

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Dave Shank, Assistant General Manager/CFO
Paula de Sousa, General Counsel
Aaron Cook, Engineering Manager
Josh Couveau, Utility Technician
Jamison Davis, Utility Worker II
Noelle Denke, Public Affairs Specialist
Mateo Morgan, Systems Operator II
Carl Quiram, Operations Manager
Martin Serrano, Utility Worker I
Steve Stone, Field Services Manager
Bryan Wagner, Crew Leader
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Jacqueline Howells, Craig Balben, Ross Pike, Stephani Baxter, and Leticia Stamos

- A. CONSIDER FINDINGS TO CONTINUE HOLDING REMOTE/TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361

Recommendation:

1. *That the FPUD Board of Directors make the following findings by majority vote:*
 - a. *The Governor-declared COVID-19 State of Emergency remains in effect and the Board of Directors has reconsidered the circumstances of the COVID-19 State of Emergency; and*
 - b. *State or local officials continue to impose or recommend measures to promote social distancing.*
2. *That the FPUD Board of Directors determine that, for the next thirty (30) days, the meetings of the Board and committees shall be held pursuant to the provisions of Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section.*

MOTION: Director McDougal moved to find that the Governor-declared COVID-19 State of Emergency remains in effect and the Board of Directors has reconsidered the circumstances of the COVID-19 State of Emergency; and State or local officials continue to impose or recommend measures to promote social distancing and that meetings of the Board of Directors and Committees shall be held pursuant to provisions of the Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section; Director Endter seconded. Motion passed; VOTE:

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

PLEDGE OF ALLEGIANCE

President Baxter led the Pledge of Allegiance

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda, as presented; Director DeMeo seconded. Motion carried; 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.

There were no public comments for non-agenda items.

B. YEARS OF SERVICE

1. Josh Couveau – 15 years
2. Mateo Morgan – 15 years

There were no public comments for agenda item B.

The Board recognized Josh Couveau and Mateo Morgan for their 15 years of service to the District.

- C. CERTIFICATIONS
 - 1. Jamison Davis – Distribution Operator Grade II
 - 2. Colter Shannon – Distribution Operator Grade II

There were no public comments for agenda item C.

The Board recognized Jamison Davis and Colter Shannon for receiving their Distribution Operator Grade II certifications.

- D. NEW EMPLOYEE ANNOUNCEMENT
 - 1. Martin Serrano, Utility Worker I

There were no public comments for agenda item D.

The Board welcomed Martin Serrano as the new Utility Worker I.

- E. EMPLOYEE PROMOTION ANNOUNCEMENT
 - 1. Bryan Wagner, Crew Leader

There were no public comments for agenda item E.

The Board recognized Bran Wagner on his promotion to Crew Leader.

II. CONSENT CALENDAR-----(ITEMS F–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.

There were no public comments for Consent Calendar items.

- F. CONSIDER APPROVAL OF MINUTES
 - 1. June 27, 2022 Regular Board Meeting

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

- G. CONSIDER AUTHORIZATION TO FILE NOTICES OF COMPLETION FOR TWO PAVING PROJECTS

Recommendation: The Board authorize staff the file the attached Notices of Completion with the San Diego County Recorder

- H. CONSIDER NOTICE OF COMPLETION – RECYCLED AIRVAC AND DRAIN REPLACEMENT PROJECT

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

I. CONSIDER NOTICE OF COMPLETION – GREEN CANYON FORCE MAIN REPLACEMENT PROJECT

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

Vice President Wolk requested to pull agenda items H and I from the Consent Calendar for discussion. He questioned why the staff report for agenda item G noted that the project was inspected by staff and met District standards, but items H and I did not. Engineering Manager Cook explained this language typically had not been included in past staff memos, but could be added going forward. Vice President Wolk noted this would make the record and minutes more consistent.

MOTION: Director Wolk moved to approve items H and I, authorizing staff to file Notices of Completion with the San Diego County Recorder for the Recycled Airvac and Drain Replacement project and the Green Canyon Force Main Replacement project, with the request that language be added to future Board memos confirming completed projects had been inspected and met District standards; Director McDougal seconded. Motion carried; VOTE:

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

J. CONSIDER ADOPTING ORDINANCE NO. 353 – UPDATING ARTICLE 5 OF THE ADMINISTRATIVE CODE

Recommendation: The Board adopt Ordinance No. 353, amending Article 5 of the FPUD Administrative Code with the changes noted.

MOTION: Director Endter moved to approve the Consent Calendar, pulling out items H and I for discussion; Director McDougal seconded. Motion carried; VOTE:

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

III. **INFORMATION**----- (ITEMS K-L)

K. UPDATE ON WATER DISCONNECTIONS AND DELINQUENCIES

Presented by: *Dave Shank, Assistant General Manager/CFO*

There were no public comments on agenda item K.

AGM/CFO Shank provided an update on the current past due accounts, including the current balance of past due accounts. He also outlined various assistance options available to customers with past due balances.

Director Endter asked if the new bill the Governor passed for bill assistance would help these customers with past due accounts. General Counsel de Sousa explained she would have to look into this more, but reported there was quite a bit of money left over from the water arrearages program that may be reallocated and could create a new period for which reimbursements could be done. AGM/CFO Shank explained the problem in the past was the time it took to get the funds disbursed; as it took up to a year to receive.

Director Wolk asked if any of the 83 disconnections listed were residential. AGM/CFO Shank stated they were all residential.

L. RATE STUDY UPDATE

Presented by: *Dave Shank, Assistant General Manager/CFO*

There were no public comments on agenda item L.

AGM/CFO Shank provided an update on the ongoing rate study, reporting there will be a special Board meeting in August for a more in-depth update from the rate consultant Bartle Wells, as well as to engage public participation.

Director McDougal asked if there had been public interest in any of the Fiscal Policy and Insurance Committees. AGM/CFO Shank explained there had been a few members of the public calling into the Committee meetings, but did not have any real engagement.

Vice President Wolk explained the Committee's biggest discussion had been regarding wastewater and how to incorporate this variability properly.

IV. **ACTION / DISCUSSION CALENDAR** -----(ITEMS M-P)

M. CONSIDER GREEN CANYON FORCE MAIN CHANGE ORDER

Recommendation: *That the Board approve the pending change order request for work performed by Blue Pacific Engineering and Construction for the Green Canyon Force Main Replacement Project, in the amount of \$59,907.22.*

There were no public comments for agenda item M.

Engineering Manager Cook provided an overview of this project and the pending change order request. He noted unforeseen conditions were encountered during this project, including excessively thick existing pavement. He also reported length was added to the pipe replacement to ensure the entire portion that needed to be replaced was completed.

Director Endter asked if the eight inch pipe was on our schematics. Engineering Manager Cook announced it should have been, but it was not and that it had since been added to the schematic maps.

Vice President Wolk confirmed the capital budget of \$731,000 was for Fiscal Year 2022-2023.

MOTION: Director McDougal moved to approve the pending change order request for work performed by Blue Pacific Engineering and Construction for the Green Force Main Replacement Project, in the amount of \$59,907.22; Director Endter seconded. Motion carried;
VOTE:

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

N. CONSIDER RECYCLED AIRVAC & DRAIN REPLACEMENT PROJECT
CHANGE ORDER

Recommendation: That the Board approve the pending change order request for work performed by CHI Construction for the Recycled Airvac & Drain Replacement Project, in the amount of \$68,904.71.

There were no public comments for agenda item N.

Engineering Manager Cook provided an overview of this project and the pending change order request, which was related to a significant amount of groundwater at two locations that required more work than what was initially bid.

Vice President Wolk questioned how the \$180,000 project cost was covered by the water capital budget of \$114,000. Engineering Manager Cook explained the change order cost was covered by the \$114,000 budget and that this project had spanned multiple fiscal years. The original scope of this project was covered by the previous fiscal year budget, and this change order was covered by the current fiscal year budget.

Vice President Wolk requested the Fiscal Policy and Insurance Committee look at a way to simplify the way these projects were listed to be able to easily identify and understand them within the budget.

MOTION: Director Endter moved to approve the pending change order request for work performed by CHI Construction for the Recycled Airvac & Drain Replacement Project, in the amount of \$68,904.71; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

O. CONSIDER WATER SUPPLY RELIABILITY PROJECT AMENDMENT

Recommendation: That the Board approve a professional services amendment for work performed by Hazen and Sawyer for the Water Supply Reliability Project, in the amount of \$53,295.

There were no public comments for agenda item O.

Engineering Manager Cook explained this was discussed with the Engineering and Operations Committee. He detailed the Water Supply Reliability Project and explained this amendment was intended to cover the time the design consultant had been assisting us during pilot operations. He explained the piloting was being performed by our own staff, resulting in the need for additional help and services from our consultant. Engineering Manager Cook reported this project was covered 50% by grant funds and 50% by FPUD, which the District had already met its 50% contribution.

Director DeMeo asked if there would be a delay in receiving the grant funding. Engineering Manager Cook explained the District covered the entire cost upfront and would be reimbursed at a later date.

Vice President Wolk was concerned with the way this project was budgeted and the way the budget was shown, noting that between the time where the District has to pay this bill and the time the grant money is received, the money would not be in the correct place.

AGM/CFO Shank explained the appropriations were controlled at the aggregate level, and the District has not come close to expending the total appropriations. He reported there could be an adjustment to reduce CIP in one of the enterprises and increase CIP in the recycled enterprise. AGM/CFO Shank reported the budgets would be adjusted and the overall appropriations level would still be maintained.

MOTION: Director McDougal moved to approve a professional services amendment for work performed by Hazen and Sawyer for the Water Supply Reliability Project, in the amount of \$53,295; Director DeMeo seconded. Motion carried; VOTE:

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

P. CONSIDER AMENDED EMPLOYMENT AGREEMENT BETWEEN FALLBROOK PUBLIC UTILITY DISTRICT AND JACK BEBEE

Recommendation: That the Amended Employment Agreement between Fallbrook and General Manager Jack Bebee be approved effective July 25, 2022.

There were no public comments for agenda item P.

General Counsel de Sousa reported under the Brown Act, the Board was required to orally summarize a recommended change in the salary or benefits of a District executive, in this instance, the General Manager, before taking final action. She provided the necessary summary of changes and noted this item was for the Board to consider amendments to the General Manager's employment agreement, in the form of adoption of an Amended Employment Agreement which would increase the General Manager's annual compensation by 5%, from \$230,053.00 to \$241,555, retroactive to July 1, 2022, increase the District's matching contribution to the General Manager's 401(a) plan from 4.8% to 7%; and increase the General Manager's vehicle allowance from \$604.17 per month to \$750 per month, retroactive to July 1, 2022.

MOTION: Director Wolk moved to approve the Amended Employment Agreement between Fallbrook Public Utility District and General Manager Jack Bebee, effective July 25, 2022; Director DeMeo 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

- General Counsel de Sousa provided an update on SB 998 and reviewed the newly-introduced SB 222.

2. SDCWA Representative Report
3. General Manager
 - a. Engineering and Operations Report

Director DeMeo departed the meeting at 4:46 p.m.

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 provided an overview of the written reports included in the packet.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke reported she was continuing to push drought and conservation outreach on social media.
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

VI. ADJOURNMENT OF MEETING

There being no further business to discuss, the July Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 4:59 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors