

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

MINUTES

MONDAY, JUNE 17, 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 4:00 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Nicholaus Norvell, General Counsel
Jack Bebee, General Manager
David Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Lisa Chaffin, Human Resources Manager
Aaron Cook, Senior Engineer
Mick Cothran, Engineering Technician
Owni Toma, Chief Plant Operator
Mary Lou West, Secretary

Also present were others, including, but not limited to: Kirk Dulin, Courtney Provo of Mission Resource Conservation District, and Erin Wilkins.

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

Director Wolk requested that Item B be removed from the Consent Calendar for discussion.

MOTION: Director Endter moved to approve the agenda as revised, with Item B removed from the Consent Calendar; Vice-President DeMeo seconded. Motion passed; **VOTE:**

AYES: Directors DeMeo, Endter, Gebhart, 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.

Erin Wilkins stepped to the podium to request that the Board consider waiving the \$5,000 fee for an Additional Dwelling Unit (ADU) that she plans to build on her property. Ms. Wilkins stated the San Diego County Board of Supervisors has initiated a plan that encourages homeowners to add ADUs on large lots by waiving or reducing the associated fees. Ms. Wilkins requested the Board place the question of a trial waiver period on the next Board meeting agenda.

President McDougal directed staff to schedule an Engineering & Operations Committee meeting to discuss Ms. Wilkins' request. The Committee to return to the Board with its findings at the next regular meeting.

II. CONSENT CALENDAR-----(ITEMS A-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.

- A. CONSIDER APPROVAL OF MINUTES
 - 1. May 20, 2019 Regular Board Meeting

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

Item B, Consider Authorization of Notice of Completion – Job No. 3089, Collections Pipe Manhole Relining and Repair FY 2018-19, was removed from the Consent Calendar for discussion at the request of Director Wolk.

C. CONSIDER ADOPTION OF RESOLUTION NO. 4972 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

Recommendation: That the Board adopt Resolution No. 4972 placing fixed charge special assessments to add delinquent and unpaid charges on annual tax roll for 2019-20 by the San Diego County Treasurer-Tax Collector.

D. CONSIDER ADOPTION OF ORDINANCE NO. 344 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2019-20

Recommendation: The Board adopt Ordinance No. 344 as prepared and authorize the Secretary of the Board of Directors to send a certified copy to the Board of Supervisors of the County of San Diego and Auditor and Controller of the County of San Diego.

MOTION: Director Wolk moved to approve the Consent Calendar as revised, with the exclusion of Item B, and adopt Resolution No. 4972 and Ordinance No. 344; Vice-President DeMeo seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

B. CONSIDER AUTHORIZATION OF NOTICE OF COMPLETION – JOB NO. 3089, COLLECTIONS PIPE MANHOLE RELINING AND REPAIR FY 2018-19

Recommendation: That the Board authorize staff to record the Notice of Completion, as shown in the staff memorandum, with the San Diego County Recorder.

Director Wolk asked why the final contract amount was less than the original amount. General Manager Bebee stated the Sewer Lateral Lining scope of work was removed from the contract reducing the final amount from \$259,541.60 to \$169,158.36.

MOTION: Director Wolk moved to authorize staff to record the Notice of Completion, as shown in the staff memorandum, with the San Diego County Recorder; Director Endter seconded. Motion passed; VOTE:

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

III. PROPOSED FISCAL YEAR 2019-20 BUDGET -----(ITEM E)

E. REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 4970 ADOPTING THE DISTRICT FISCAL YEAR 2019-20 RECOMMENDED ANNUAL BUDGET AND ADOPTION OF RESOLUTION NO. 4971 AMENDING ARTICLE 21 OF THE ADMINISTRATIVE CODE

Recommendation: That the Board adopt Resolution No. 4970 adopting the final budget for fiscal year 2019-20 and adopt Resolution No. 4971 amending Article 21 of the Administrative Code to reflect the new RTS charge.

Assistant General Manager/CFO Shank, Operations Manager Cavender, and Senior Engineer Cook provided a slide show presentation with an overview of the summary of sources and uses of funds, the operating budget detail, capital budget summary, projected fund balances, and next steps in relation to the fiscal year 2019-20 budget.

MOTION: Vice-President DeMeo moved to adopt Resolution No. 4970 adopting the final budget for fiscal year 2019-20 and adopt Resolution No. 4971 amending Article 21 of the Administrative Code to reflect the new RTS charge; Director Wolk seconded. Motion passed; VOTE:

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

IV. ACTION / DISCUSSION CALENDAR -----(ITEMS F-H)

F. CONSIDER RENEWAL OF LAND LEASE TO MISSION RESOURCE CONSERVATION DISTRICT FOR THE FALLBROOK COMMUNITY GARDEN

Recommendation: That the Board authorize the General Manager to execute the lease agreement with Mission Resource Conservation District as proposed.

President McDougal stated the Board approved renewing the lease with Mission Resource Conservation District at the June 17, 2019 regular meeting and the current request is to approve the lease agreement.

MOTION: Director Gebhart moved to authorize the General Manager to execute the lease agreement with Mission Resource Conservation District as proposed; Director Endter seconded. Motion passed; VOTE:

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

G. CONSIDER APPROVAL OF INTER FUND TRANSFER POLICY

Recommendation: *That the Board approve the Inter Fund Transfer Policy as proposed.*

President McDougal stated the Fiscal Policy & Insurance Committee met on May 23, 2019, to finalize the language of the Inter Fund Transfer Policy and has recommended approval.

MOTION: Director Endter moved to approve the Inter Fund Transfer Policy as proposed; Director Wolk seconded. Motion passed; VOTE:

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

H. CONSIDER APPROVAL OF MEMORANDA OF UNDERSTANDING (MOUS) WITH FPUDEA AND FMEA (EFFECTIVE JULY 1, 2019-JUNE 30, 2022); AND APPROVAL OF AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2019) FOR ALL DISTRICT EMPLOYEES EXCEPT THE GENERAL MANAGER BY ADOPTION OF RESOLUTION NO. 4973

Recommendation: *That the Board adopt Resolution No. 4973 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2019-June 30, 2022, and adoption of an amended salary schedule (effective July 1, 2019) for all District employees, except the General Manager.*

President McDougal stated the material modifications to the Fallbrook Public Utility District Employees' Association (FPUDEA) and the Fallbrook Public Utility District Management Employees' Association (FMEA) Memoranda of Understanding (MOUs) were included in the staff memo. Both MOUs commence on July 1, 2019, and end on June 30, 2022. The employee groups approved the MOUs as proposed, and the Personnel Committee has recommended approval.

General Counsel Norvell read aloud the following statement:

“Under the Brown Act, a local agency must provide a verbal summary of a proposed action on the salary, salary schedules, or compensation in the form of fringe benefits for local agency executives. The item before the Board includes proposed changes to the District’s salary schedule and benefits for various District positions, including positions that are considered agency executives. Those include the Assistant General Manager, Chief Plant Operator, Field Services Manager, Human Resources Manager, Operations Manager, and Senior Engineer. As further detailed in the staff report, the proposed changes include cost of living adjustments of 2%, 2.5%, and 3% for the next three fiscal years, an increase in the amount of deferred compensation match by .5% to the District’s 401(a) plan if the employee contributes the same amount to his or her individual plan, long-term disability change from a pre-tax benefit to a post-tax benefit and the employees’ salaries are grossed out to off-set the change, reimbursement for 50% of unused sick leave upon termination with specific caps on the number of hours subject to reimbursement, and the pay range for the Operations Manager will be increased by 3% starting in the 2019 fiscal year.”

MOTION: Director Gebhart moved to adopt Resolution No. 4973 approving the Memoranda of Understanding (MOUs) with FPUDEA and FMEA for July 1, 2019–June 30, 2022, and adoption of an amended salary schedule (effective July 1, 2019) for all District employees, except the General Manager; Director Endter seconded. Motion passed; VOTE:

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

V. ORAL/WRITTEN REPORTS------(ITEMS 1–8)

1. General Counsel

- General Counsel Norvell provided an overview of litigation that involved the Turlock Irrigation District (TID). A property owner planted approximately 160 trees over an easement owned by TID. The TID requested that the property owner remove the trees in order to provide access to its pipeline. The property owner refused, and the TID sought to terminate the property owner’s water service. The court upheld the TID’s right to adopt reasonable rules regarding water service, including the ability to protect easements and pipelines. The court also upheld the District’s use of water termination in those circumstances.

2. SDCWA Representative Report

- General Manager/SDCWA Representative Bebee reported the SDCWA would be approving its budget at the end of the month.

- Discussion continues on the proposed Colorado River conveyance pipeline and potential alternatives.
- 3. General Manager
 - a. Engineering and Operations Report
- 4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
 - Assistant General Manager/CFO Shank reported the Treasurer's Report and the Budget Status Report were not included in the packet due to the early Board meeting date.
 - The Pay Near Me option for customers to pay their bills at remote locations has resulted in reduced staff time spent on processing payments.
 - Staff has been working towards automating lock out calls and shut down notifications through WaterSmart software.
- 5. Public Affairs Specialist
- 6. Notice of Approval of Per Diem for Meetings Attended
- 7. Director Comments/Reports on Meetings Attended
 - Vice-President DeMeo reported attending the San Diego Chapter of CSDA quarterly dinner meeting on May 16, 2019.
- 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 Items VI. (1) and (2) by President McDougal. General Counsel Norvell identified President McDougal as the District's negotiator for Item VI. (2).

VI. CLOSED SESSION -----(ITEMS 1-2)

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

One (1) Potential Case

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Unrepresented Employee: General Manager

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:24 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 McDougal adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 6:25 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors