

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

MINUTES

**MONDAY, FEBRUARY 27, 2017
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 Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:05 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Milt Davies, Member
Don McDougal, Member
Charley Wolk, Member / President

Absent: Jennifer DeMeo, Member
Al Gebhart, Member / Vice-President

District Staff

Present: Paula de Sousa Mills, General Legal Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou Boultinghouse, Secretary
Jason Cavender, System Operations Manager
Jamison Davis, Utility Worker II
Noelle Denke, Public Affairs Specialist
Kyle Drake, Collection Supervisor

Also present were others, including, but not limited to: Donna Gebhart.

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

President Wolk removed Item K from the agenda for review by the Personnel Committee prior to consideration by the full Board.

APPROVAL OF AGENDA

MOTION: Director Davies moved to approve the agenda as revised, with the removal of Item K; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Davies, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Directors DeMeo and Gebhart

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 members of the public who wished to speak during Public Comment concerning items not listed on the agenda.

A. EMPLOYEE OF THE QUARTER FOR FEBRUARY 2017

1. Jamison Davis

The Board commended Jamison Davis for being chosen as the Employee of the Quarter for February 2017 by Todd Jester, the previous Employee of the Quarter. Mrs. Denke took a photograph of President Wolk congratulating Mr. Davis.

II. **CONSENT CALENDAR**----- (ITEMS B – F)

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.

B. APPROVAL OF MINUTES

1. Regular Board Meeting of January 23, 2017
2. Special Board Meeting of January 30, 2017

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

- C. CONCURRENCE IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY AND ADOPTION OF RESOLUTION NOS. 4903, 4904, 4905, AND 4906

Recommendation: The Board adopt Resolution Nos. 4903, 4904, 4905, and 4906 concurring in the nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority of Fred Adjarian of El Toro Water District, Paul E. Dorey of Vista Irrigation District ("VID"), Melody McDonald of San Bernardino Valley Water Conservation District, and Kathleen J. Tiegs of Cucamonga Valley Water District.

- D. ADOPT RESOLUTION NO. 4907 AMENDING ARTICLE 2, BOARD OF DIRECTORS, ORGANIZATION OF, OF THE ADMINISTRATIVE CODE

Recommendation: The Board adopt Resolution No. 4907 amending Article 2, Board of Directors, Organization of, of the Administrative Code with the proposed revisions.

- E. ADOPT RESOLUTION NO. 4908 AMENDING ARTICLE 3, CONFLICT OF INTEREST CODE, OF THE ADMINISTRATIVE CODE

Recommendation: The Board adopt Resolution No. 4908 amending Article 3, Conflict of Interest Code, of the Administrative Code with the proposed revisions.

- F. ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: The Board approve in advance Directors' attendance to "Geomorphologic & Ecological Fundamentals of River & Stream Restoration," August 7-11, 2017, at Sagehen Creek Field Station near Lake Tahoe, California.

MOTION: Director McDougal moved to approve the Consent Calendar as presented; Director Davies seconded. Motion carried; VOTE:

AYES: Directors Davies, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Directors DeMeo and Gebhart

III. INFORMATION----- (ITEMS G – I)

- G. LANDSCAPE MAINTENANCE DISTRICT, COUNTY OF SAN DIEGO PARKS & RECREATION DEPARTMENT UPDATE

Dr. Brady distributed a flyer announcing the March 17, 2017 Informational Workshop that will be held in the boardroom at 2 p.m. by the County of San Diego Parks and Recreation Department to determine the public's interest in establishing a

Landscape Maintenance District in the Fallbrook area. Dr. Brady reported District staff has been notifying stakeholders within the Fallbrook community of the Workshop to encourage attendance. A conference call has been scheduled with the Director of Parks and Recreation for Monday, March 6 to discuss the Workshop.

H. SANTA MARGARITA WATER SUPPLY PROJECT UPDATE

Presented by: Jack Bebee, Assistant General Manager

Mr. Bebee presented a slide show with an overview of the Santa Margarita Conjunctive Use Project ("CUP"). The CUP will divert water from the Santa Margarita River and recharge the water into the ground at facilities located on Camp Pendleton. Camp Pendleton will pump and deliver the water from its facilities to the District at the boundary. The District's facilities will include a treatment plant at the point of delivery and piping for transmission of the water into the District's distribution system. Mr. Bebee presented a matrix that illustrated anticipated water deliveries during "extreme drought" to "very wet" conditions and pointed out the CUP would also provide a transmission route for the delivery of water to Camp Pendleton during dry years. Mr. Bebee provided an update of the environmental work, application for state funding, agreement with Camp Pendleton, final design of the project, construction award, and timeline, and he noted finalization of the agreement with Camp Pendleton may take longer due to the federal approval process. A slide provided the CUP's cost estimates at \$45 million for the District and \$54 million for Camp Pendleton. Mr. Bebee concluded with a slide that reviewed tasks scheduled with initiation of construction for the District's facilities anticipated beginning in early 2018.

President Wolk invited Mrs. Donna Gebhart to provide public comments. Mrs. Gebhart provided an update on the condition of the Santa Margarita River trails following recent storm events.

I. UPDATE ON POTENTIAL SUPPLEMENTAL WATER SUPPLY (CADIZ PROJECT)

Dr. Brady presented a slide show with an overview of the Cadiz Valley Water Conservation, Recovery and Storage Project ("Project") located east of Twentynine Palms. The Project will intercept groundwater that migrates from the watershed to dry lake beds and eventually evaporates into the atmosphere. The Project will conserve water that would be lost to evaporation into the atmosphere, capture up to 50,000 acre feet of water per year that will be sold, and provide a facility for the storage of water. A 43-mile pipeline will connect the Project to the Metropolitan Water District of Southern California's (MWD) Colorado River Aqueduct for wheeling to Southern California agencies. Dr. Brady noted the Santa Margarita Municipal Water District has entered into an agreement with Cadiz for a one-tenth share and other agencies have also shown interest. The slide show concluded with a matrix comparing water costs of the Project, the San Diego County Water Authority, the CUP, and Lake Skinner.

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS J – K)

J. TRANSFER OF \$500,000 TO PARS FOR FY 17-18 LUMP SUM ANNUAL EMPLOYER PORTION OF CALPERS UNFUNDED LIABILITY

Recommendation: The Board authorize staff to move \$500,000 to PARS to prefund the FY 17-18 lump sum portion of the CalPERS Unfunded Liability.

Dr. Brady reported the Fiscal Policy & Insurance Committee met to review the 2017-18 Annual CalPERS Valuation Report that summarizes the actual Employer Normal Cost Rate and Unfunded Liability. The report indicated the annual lump payment for 2017-18 would be \$593,281; but if paid before August 1, 2017, the payment is reduced by 3.5% to \$572,516.

MOTION: Director McDougal moved to approve staff's recommendation; Director Davies seconded. Motion carried; **VOTE:**

AYES: Directors Davies, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Directors DeMeo and Gebhart

Item K was removed by President Wolk prior to the Approval of the Agenda.

V. ORAL / WRITTEN REPORTS ----- (ITEMS 1– 7)

1. General Legal Counsel

- Mrs. de Sousa Mills provided an overview of bills affecting special districts.
- Mrs. de Sousa Mills attended the California Special Districts Association San Diego Chapter dinner meeting on February 16, 2017, where Scott Barnett of the Little Hoover Commission provided a presentation on special districts.

2. SDCWA Representative/General Manager

- Dr. Brady reported that AB 1323, introduced by Assembly Member Weber, would require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate no later than February 1, 2018. The legislation would provide the opportunity for others to participate in making recommendations concerning water use targets.
- Dr. Brady reported that AB 1667, introduced by Assembly Member Friedman, would require urban water suppliers to install dedicated landscape water meters on all municipal and industrial service connections before January 1, 2025.

- Dr. Brady inquired if there was interest by board members in nomination to the California Special Districts Association. No members of the Board of Directors expressed interest in nomination.
3. Administrative Services Manager/Treasurer
 4. Assistant General Manager
 5. Public Affairs Specialist
 6. Director Comments/Reports on Meetings Attended
- Director McDougal thanked staff for assisting a ratepayer who lives in the Sandia Creek area.

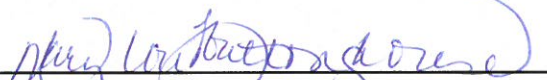
VI. ADJOURNMENT OF MEETING

There being no further business to discuss, President Wolk adjourned the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District at 5:59 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors