

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

MINUTES

**TUESDAY, MAY 29, 2018
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 Gebhart called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:02 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: Milt Davies, Member

District Staff

Present: Paula de Sousa Mills, General Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Antonio Campos, Plant Maintenance Worker
Jason Cavender, System Operations Manager
Lisa Chaffin, Human Resources Manager
Kevin Collins, Purchasing/Warehouse Supervisor
Noelle Denke, Public Affairs Specialist
Debra Potter, Warehouse/Purchasing Specialist
Larry Ragsdale, Safety & Risk Administrator
Owni Toma, Environmental Compliance Tech
Mary Lou West, Secretary

Also present were others, including, but not limited to: Dan and Roxann Clouse, Laura Cherevchenko, Marta Donovan, Jean Dooley, Kirk Dulin, Jackie Heyneman, Jennifer Jeffries, Roy Moosa, Jerri Patchett, Catherine Robinson, and Will Shakespeare.

PLEDGE OF ALLEGIANCE

President Gebhart led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

MOTION: Vice-President McDougal moved to approve the agenda as presented; Director DeMeo seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director Davies

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.

Laura Cherevchenko of Fallbrook Pop Warner stepped to the podium and requested the District donate five-gallon water jugs to the league.

Acting General Manager Bebee gave an overview of a recently adopted Board policy with respect to donations by the District to community groups. Mr. Bebee emphasized the policy prohibits donations unless a specific request is made and approved by the Board in advance since donations would be funded through water and wastewater rates.

President Gebhart stated requests for specific donations must be in writing and placed on the agenda for formal consideration by the Board. Details of the items requested, such as the type, number of items, cost per item, and grand total, should be included in the request.

Vice-President McDougal remarked that in the past items purchased by the District for District purposes, in excess of what the District needed and could use, were donated to community groups; however, making a specific donation to a single community group would set a precedent for specific donations to other community groups, which falls outside the restrictions for use of public funds.

- A. EMPLOYEE OF THE QUARTER
 - 1. Antonio Campos

Antonio Campos was commended for being chosen Employee of the Quarter for May 2018 by Matthew Lian, Employee of the Quarter for February 2018.

B. MANAGER'S AWARD
1. Debra Potter

Acting General Manager Bebee stated Debra Potter was presented with a Manager's Award for her hard work and efforts that were instrumental to the success of the warehouse operations after a recent retirement and during the expansion of the department into a larger operational role in the District.

Director Wolk requested that Items E, F, G, and H be pulled from the Consent Calendar for discussion.

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. Regular Board Meeting of April 23, 2018

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

D. CONSIDER 2018-19 APPROPRIATION GROWTH RATE AND ADOPT RESOLUTION NO. 4932

Recommendation: That the Board adopt Resolution No. 4932 setting the tax appropriation limit for 2018-19 at \$3,048,685, which includes the Fallbrook and De Luz service areas and Improvement District "S".

MOTION: Vice-President McDougal moved to approve the Consent Calendar as revised with the exclusion of Items E, F, G, and H; Director Wolk seconded. Motion passed; VOTE:

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

President Gebhart announced that Item K would follow the Consent Calendar.

K. CONSIDER FUNDING NEEDS FOR PUBLIC PROGRAMS IN THE COMMUNITY OF FALLBROOK (ITEM REQUESTED BY FALLBROOK CHAMBER OF COMMERCE AND OTHER LOCAL COMMUNITY GROUPS)

Presented by: Lila MacDonald, Executive Director of Fallbrook Chamber of Commerce

Lila MacDonald of the Fallbrook Chamber of Commerce stepped to the podium and stated she represented a group of community organizations that are concerned with the need for a permanent funding source to develop and maintain public programs in the community, and those organizations and some of their programs are as follows:

1. Fallbrook Chamber of Commerce: Gateways, Wayfinding Signage, Military Welcome Home Flag, Lighting and Safety
2. Fallbrook Village Association: Library Plaza, Heyneman Park, Pico Promenade, Railroad Heritage Park
3. Fallbrook Beautification Alliance: South Mission Medians, Anti-Graffiti Removal, Downtown Flowerpots, Military Welcome Home Flag
4. Fallbrook Land Conservancy: Los Jilgueros and Monserate Mountain Preserves
5. Save Our Forests: Community Tree Planting and Maintenance
6. Fallbrook Live Oak Coalition: Live Oak Park and Dog Park
7. Fallbrook Trails Committee: Santa Margarita Trails and Preserve
8. Fallbrook Sports Park Association: Ingold Sports Park
9. Community Service District 81 (CSA-81): Community Parks and Facilities
10. Fallbrook Historical Society: Fallbrook Historical Museum

Mrs. MacDonald reported the County of San Diego has supported capital improvement projects in the community, but has not maintained those projects resulting in local non-profits shouldering those responsibilities. Mrs. MacDonald requested the District assist in developing a method to create a permanent funding mechanism to maintain community projects and programs in a manner that attracts visitors, enhances property values, and makes the community a better place to live.

President Gebhart asked, "why FPUD and not the County"? Mrs. MacDonald remarked that having control stay locally, and not at the county level, is preferable. President Gebhart asked if citizens were behind the proposal, and Mrs. MacDonald responded that would be their next step to develop support.

Roy Moosa of the Fallbrook Community Planning Group and the Fallbrook Village Association stepped to the podium and talked about the low level of support by the County of San Diego for maintenance of local projects. Mr. Moosa requested the District assist groups in finding a mechanism to fund maintenance of local projects.

Jackie Heyneman stepped to the podium on behalf of Save Our Forests and the Fallbrook Land Conservancy and stated they have been working since the early 1970s to

preserve and maintain trees and create green space within the Fallbrook community; however, it has become increasingly difficult to find volunteers to assume those duties. Mrs. Heyneman requested the District assist local organizations in finding a permanent funding source to develop and maintain local projects.

Jean Dooley stepped to the podium and stated she has been helping the Fallbrook Beautification Alliance, Save Our Forests, and the Fallbrook Land Conservancy for the past 15 years to make and keep Fallbrook a beautiful place to live in. Mrs. Dooley further stated she and her husband pick up trash along Pico Promenade and care for planted areas in town. Mrs. Dooley expressed support of the District expanding powers to create a maintenance district.

Kirk Dulin stepped to the podium and expressed concern with the proposal citing recent and anticipated future rate increases. Mr. Dulin talked about a previous proposal by the District to expand latent powers and the cost, limitations, and impact that proposal would have had on ratepayers. Mr. Dulin remarked the process would have been very expensive and questioned if the District could have legally spent ratepayer money on that proposal. Mr. Dulin suggested adding a line to ratepayers' bills for funding local projects and recommended the Board not move forward with the proposal.

Jennifer Jeffries stepped to the podium and expressed support of the consideration citing the following: (1) logical—to control local money and find ways to have a sustainable, predictable revenue stream, (2) responsible—to preserve the many legacy assets in the community, and (3) communitarian principle—to support a common goal that would benefit the entire community. She encouraged the Board to consider the proposal.

Jerri Patchett stepped to the podium, introduced herself as president of the Fallbrook Beautification Alliance, and requested the Board consider the proposal presented. Mrs. Patchett talked about the projects developed and maintained by the Fallbrook Beautification Alliance and described how those projects enhance the community, enrich the daily lives of Fallbrook residents, and support local property values. Mrs. Patchett stated that without a permanent funding source, programs to enhance the community would disappear.

Will Shakespeare of Fallbrook Land Conservancy stepped to the podium and stated that volunteerism has decreased through the years while maintenance demands have increased. Mr. Shakespeare requested the Board vote in favor of the proposal.

MOTION: Director DeMeo moved to form an ad hoc committee of the Board to be established to work with staff to evaluate the public interest and potential for the District to assist with the formation of a community benefit district; Vice-President McDougal seconded.

Vice-President McDougal remarked the District should explore a pass-through to residents that would go into a fund and be managed by the community rather than the

county. He stated the cost through the county would be considerable and responsibility would be assigned to the parks and recreation department that would retain 25% of funding for administrative costs. The ad hoc committee would investigate the feasibility of a community benefit district.

Acting General Manager Bebee stated restrictions to what projects could be funded through the expansion of latent powers would have to be determined and the District would be prohibited from providing services outside of its boundaries. The ad hoc committee would assist with evaluating the process, examining limitations, and exploring funding options.

Director Wolk stated he was in favor of the proposal, but ultimately the proposal would require the District to activate its latent powers and was concerned about the cost.

General Counsel de Sousa Mills explained that every five years LAFCO must conduct a Municipal Service Review in order to update or affirm existing spheres of influence. She suggested the cost previously quoted by LAFCO was to activate latent powers prior to the Municipal Service Review cycle.

AMENDED

MOTION: Director DeMeo moved to form an ad hoc committee to study a community benefit program and to direct staff to investigate the LAFCO process and bring back the requirements and costs to the Board; Vice-President McDougal seconded.

AYES: Directors DeMeo, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director Davies

President Gebhart appointed Vice-President McDougal as chair of the ad hoc committee and authorized Vice-President McDougal to appoint another board member to serve on the ad hoc committee.

President Gebhart announced that Items E, F, G, and H, which were pulled from the Consent Calendar, would be considered next.

E. CONSIDER CLAIM FOR PROPERTY DAMAGE FILED BY DAVID ENLOW

Recommendation: That the Board deny the Claim for property damage and forward the Claim to ACWA/JPIA for resolution.

Director Wolk asked about potential pressure spikes in the system.

Acting General Manager Bebee explained that SCADA records are reviewed when customers claim pressure spikes in the system damage their property. The SCADA records were reviewed and no evidence was found to demonstrate a pressure spike had occurred. Moreover, most of the system is gravity fed decreasing the likelihood of drastic fluctuations in pressure.

Vice-President McDougal remarked that a functioning pressure regulator installed on the customer's side of the meter would mitigate a spike in pressure.

MOTION: Director Wolk moved to deny the Claim for property damage filed by David Enlow and forward the Claim to ACWA/JPIA for resolution; Vice President McDougal seconded. Motion passed; VOTE:

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

F. CONSIDER CLAIM FOR PROPERTY DAMAGE FILED BY SANDRA KINSLER

Recommendation: That the Board deny the Claim for property damage and forward the Claim to ACWA/JPIA for resolution.

Director Wolk asked about the date of the original Claim, which was filed in June 2017, and the additional request for compensation by Mrs. Kinsler.

Acting General Manager Bebee explained the leak occurred in June 2017. Mrs. Kinsler received a monetary settlement from ACWA/JPIA, but is now requesting additional compensation for time and other items. The request is to deny the Claim for property damage and forward the Claim to ACWA/JPIA for resolution.

MOTION: Vice-President McDougal moved to deny the Claim for property damage filed by Sandra Kinsler and forward the Claim to ACWA/JPIA for resolution; Director Wolk seconded. Motion passed; VOTE:

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

G. CONSIDER SAFETY AND RISK ADMINISTRATOR TITLE AND JOB DESCRIPTION REVISIONS AND ADOPT RESOLUTION NO. 4928

Recommendation: That the Board approve the Safety and Risk Administrator job title change to Safety and Risk Officer and the proposed changes to the job description and adopt Resolution No. 4928.

Following brief discussion concerning changes made to the job description, Vice-President McDougal stated the Personnel Committee reviewed the proposed changes and is recommending approval.

MOTION: Director DeMeo moved to approve the Safety and Risk Administrator job title change to Safety and Risk Officer and the proposed changes to the job description and adopt Resolution No. 4928; Director Wolk seconded. Motion passed; VOTE:

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

H. CONSIDER CREATION OF SENIOR ENGINEER POSITION AND ADOPT RESOLUTION NO. 4933

Recommendation: That the Board approve the Senior Engineer job description and the salary range established for the position and adopt Resolution No. 4933.

Director Wolk stated he was not comfortable with the Senior Engineer position placed on the Consent Calendar due to the salary range.

Acting General Manager Bebee explained that at the last meeting, the Board directed staff to move forward with the position and meet with the Personnel Committee to determine a salary range. The Personnel Committee met and recommended the proposal.

Discussion ensued relative to the level of experience required. Vice-President McDougal stated the Personnel Committee found justification to create an Engineering Manager position; however, the committee determined it was more cost-effective to create an Senior Engineer position.

MOTION: Vice-President McDougal moved to approve the Senior Engineer job description and the salary range established for the position and adopt Resolution No. 4933; Director DeMeo seconded. Motion passed; VOTE:

AYES: Directors DeMeo, Gebhart, McDougal, and Wolk

NOES: None
ABSTAIN: None
ABSENT: Director Davies

III. INFORMATION------(ITEMS I–J)

I. KEVIN COLLINS, PURCHASING/WAREHOUSE SUPERVISOR

Introduction by: Jack Bebee, Acting General Manager

Acting General Manager Bebee introduced Kevin Collins as the new Purchasing/Warehouse Supervisor. Mr. Collins is leading efforts in procurement centralization and is assisting with the construction management selection for the Santa Margarita River Conjunctive Use Project. Mr. Collins has worked in all aspects of warehousing, inventory control, and procurement. Recently, he was at North County Transit District in Oceanside.

J. PRESENTATION OF DRAFT ANNUAL DISTRICT BUDGET

Presented by: David Shank, Assistant General Manager/Chief Financial Officer

Acting General Manager/Chief Financial Officer Shank presented an overview of the fiscal year 2018-19 Annual Recommended Budget document. Mr. Shank discussed the transmittal letter and budget in brief, introduction, fund structure and financial policies, financial summaries, sources of funds and revenues, operating budget, and capital budget. Mr. Shank stated the District's goal is to earn and be presented with the Distinguished Budget Presentation Award by the Government Finance Officers Association.

IV. ACTION / DISCUSSION CALENDAR------(ITEMS L–M)

L. CONSIDER APPROVING CHANGE ORDER NO. 4 FOR THE FPUD 8 MG RESERVOIR PAINTING PROJECT

Recommendation: That the Board approve Change Order No. 4 for the 8 MG Reservoir Painting Project in the amount of \$19,843.88 to install a new cathodic protection system and increase the total contract amount for AMP United for this project to \$863,765.88.

Acting General Manager Bebee stated that although the individual change order amount is less than the general manager's approval limit, board approval is required since the total additional contract amount, including previous change orders, is over the limit. The request is for a change to the contract to add a new cathodic protection system in the amount of \$19,843.88 increasing the contract total to \$863,765.88.

MOTION: Director Wolk moved to approve Change Order No. 4 for the 8 MG Reservoir Painting Project in the amount of \$19,843.88 to install a new cathodic protection system and increase the total contract amount for AMP United for this project to \$863,765.88; Director DeMeo seconded. Motion passed; VOTE:

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

M. CONSIDER SECURITY FENCING AT THE DISTRICT OFFICE

Recommendation: That the Board approve Option 1 to ensure the office and yard facilities are properly secured. Pending input from the Board the additional fencing under Option 2 could be included in a later phase of fencing in the following Fiscal Year (Fiscal Year 2019/2020).

System Operations Manager Cavender provided an overview of the current condition of the fencing at the District Office and presented proposed options to upgrade the fencing that would incorporate recommendations made by Homeland Security in recent vulnerability assessments of the water reclamation plant and the UV plant.

There was limited discussion. Staff identified it would move forward with Option 1 and it was determined no motion for Board action was necessary.

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

1. General Counsel
 - General Counsel de Sousa Mills provided an update of legislation affecting water districts.
2. SDCWA Representative Report
 - Acting General Manager Bebee reported Ken Weinberg, retired water planning director of the San Diego County Water Authority, would be providing a presentation of the California WaterFix project at the June 19th special board meeting.
3. Acting General Manager and Assistant General Manager/District Engineer
 - a. Engineering and Operations Report
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
 - Acting General Manager/Chief Financial Officer Shank provided an overview of the reports included in the board packet.
5. Public Affairs Specialist

6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
 - Director DeMeo reported she attended the May 15, 2018 COWU meeting and the May 17, 2018 San Diego Chapter CSDA dinner meeting.
8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 5:57 p.m. following an oral announcement by President Gebhart of Closed Session Items VI. 1, 2, and 3.

VI. CLOSED SESSION -----(ITEMS 1-3)

1. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6:

Agency Designated Negotiators: Jack Bebee, Acting General Manager; Lisa Chaffin, Human Resources Manager

Employee Organization: Fallbrook Public Utility District Employees' Association; Fallbrook Management Employees' Association

2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (D)(1)

Name Of Case: Paula Clark v. Fallbrook Public Utility District et al. (Case No. 37-2018-00024322-CU-0E-CM)

3. CONFERENCE WITH LABOR NEGOTIATORS PER GOVERNMENT CODE SECTION 54957.6:

Agency Designated Negotiators: Board Of Directors

Unrepresented Employee: Acting General Manager

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 7:21 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 Gebhart adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 7:22 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors