



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

MINUTES

**MONDAY, JUNE 26, 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 June Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:03 p.m. President Wolk 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 that the agenda provided notice to members of the public on how they may participate in this meeting – either in person, or by using the call-in and weblink information included on the agenda. In addition 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).

A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: Dave Baxter, Member

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paula de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Noelle Denke, Public Information Officer
Soleil Develle, Engineering Technician
Carl Quiram, Operations Manager
Steve Stone, Field Services Manager

Wyatt Ware, Utility Worker I
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Jacqueline Howells and Mark Mervich

PLEDGE OF ALLEGIANCE

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

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.

A. NEW EMPLOYEE ANNOUNCEMENT 1. Wyatt Ware, Utility Worker I

The Board welcomed Wyatt Ware as the new Utility Worker I.

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

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. CONSIDER APPROVAL OF MINUTES 1. May 16, 2023 Special Board Meeting 2. May 22, 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.

- C. CONSIDER ADOPTION OF RESOLUTION NO. 5049 PLACING FIXED CHARGE SPECIAL ASSESSMENTS TO ADD DELINQUENT AND UNPAID CHARGES ON THE TAX ROLL

Recommendation: That the Board adopt Resolution No. 5049 placing fixed charge special assessments to add delinquent and unpaid charges on the annual tax roll for 2023-24 by the San Diego County Treasurer-Tax Collector.

- D. CONSIDER ADOPTION OF ORDINANCE NO. 356 FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR 2023-24

Recommendation: The Board adopt Ordinance No. 356 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.

Mark Mervich stepped to the podium to inquire about Ordinance No. 356. President Wolk pulled Item D from the Consent Calendar for consideration. Mr. Mervich then inquired how often the standby availability charges are assessed for each property. AGM/CFO Shank explained the standby availability charge is charged on an annual basis and is part of the property tax bill. General Manager Bebee also noted the fee does not change each year. Mr. Mervich also reported there is no verbiage in the ordinance that explains what Ordinance No. 352 is and why it is being repealed. General Counsel de Sousa announced the Board could amend Ordinance No. 356 to add language to expressly repeal the previous year's Ordinance No. 352.

MOTION: Director Endter moved to adopt Ordinance No. 356, fixing water standby or availability charges for 2023-24, and amend the ordinance to include adding language to expressly repeal Ordinance No. 352; Director DeMeo seconded. Motion passed; VOTE:

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

- E. CONSIDER ADVANCED APPROVED TO ATTEND MEETINGS

Recommendation: That the Board authorize and approve, in advance, Directors' attendance to the ACWA Region 10 Program and Pure Water Oceanside Tour, scheduled for June 29th in Oceanside, California.

- F. CONSIDER RECOGNITION OF SANTA FE IRRIGATION DISTRICT ON ITS 100 YEAR ANNIVERSARY

Recommendation: The Board adopt Resolution 5050, congratulating Santa Fe Irrigation District on its 100th anniversary.

- G. CONSIDER APPROVAL OF THE AMENDED SALARY SCHEDULE (EFFECTIVE JULY 1, 2023) FOR ALL DISTRICT EMPLOYEES, EXCEPT THE GENERAL MANAGER, BY ADOPTION OF RESOLUTION NO. 5051

Recommendation: That the Board adopt Resolution No. 5051 adopting the amended salary schedule (effective July 1, 2023) for all District employees, except the General Manager.

- H. CONSIDER CERTIFYING THE SEWER SYSTEM MANAGEMENT PLAN

Recommendation: That the Board adopt Resolution No. 5054, certifying the 5-year review of the District's Sewer System Management Plan.

MOTION: Director Endter moved to approve the Consent Calendar, with the exclusion of Item D; Director DeMeo seconded. Motion passed;
VOTE:

AYES: Directors DeMeo, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director Baxter

III. PROPOSED FISCAL YEAR 2023–24 BUDGET----- (ITEM I)

- I. REVIEW OF PROPOSED BUDGET AND CONSIDER ADOPTION OF RESOLUTION NO. 5052 ADOPTING THE DISTRICT FISCAL YEAR 2023–24 RECOMMENDED ANNUAL

Recommendation: That the Board adopt Resolution No. 5052 adopting the final budget for Fiscal Year 2023–24.

AGM/CFO Shank presented a slideshow providing an overview of the proposed fiscal year 2023-24 recommended annual budget, including the goals and objectives, fund balance changes, operating budget detail and capital budget summary.

President Wolk suggested we call out the some of the capital jobs in the budget. General Manager Bebee reported we will ensure this is done and that it was mainly pipeline replacements.

Director Endter pointed out that it was important to know and realize there would be changes to the budget related to the finalization of the San Diego County Water Authority charges.

MOTION: Director Endter moved to adopt Resolution No. 5052 adopting the final budget for Fiscal Year 2023-24; Director McDougal seconded. Motion carried; VOTE:

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

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

J. CONSIDER UPDATE OF EMERGENCY DECLARATION FOR PIPELINE REPLACEMENTS

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

General Manager Bebee reported this item will continue to come to the Board for the next several months until the work is completed and is a continuation from last month.

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

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

K. CONSIDER 2023 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS ELECTION, (SEAT C), SOUTHERN NETWORK

Recommendation: That the Board select one candidate from the slate of candidates in the 2023 California Special Districts Association Board of Directors Election, (Seat C), Southern Network for the 2024-2026 term and authorize the District General Manager to cast its vote by electronic ballot.

General Manager Bebee presented the list of candidates running in the CSDA Board of Directors election for Seat C in the Southern Network for the 2024-2026 term. Vice President DeMeo reported Arlene Schaefer has been the incumbent for a while. President Wolk reported Ms. Schaefer's candidate information was quite professional.

MOTION: Director DeMeo moved to endorse Arlene Schaefer for the 2023 California Special Districts Association Board of Directors Election, (Seat C), Southern Network for the 2024-2026 term and authorize the District General Manager to cast its vote by electronic ballot; Director Endter seconded. Motion carried; VOTE:

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

L. CONSIDER TRANSFERING A PORTION OF THE DISTRICT'S ANNUAL APPROPRIATIONS FOR PAYGO CAPITAL IMPROVEMENTS TO ADMINISTRATION, OPERATIONS AND MAINTENANCE

Recommendation: That the Board adopt Resolution No. 5053 amending the District's annual appropriations.

AGM/CFO explained we are looking at increasing/transferring funds from CIP and moving them into the operating side to ensure we do not overspend our appropriations. Some of the drivers include not executing on the CIP side, so we have seen a lot more labor on the operating side. He also reported we have seen an increase in insurance as well. This will give us flexibility to land the year end under our appropriations.

MOTION: Director McDougal moved to adopt Resolution No. 5053 amending the District's annual appropriations; Director Endter seconded. Motion carried; VOTE:

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

M. CONSIDER POSITION ON ASSEMBLY BILL 399 (AB 399)

Recommendation: As the proposed legislation would further dilute any ability of our District's Board and ratepayers to make their own water supply decisions and the bill would essentially cede that authority to the City of San Diego and the

remainder of the county and effective prevent the detachment of our agency from SDCWA after four years of effort and substantial expenditures as part of the LAFCO process, it is recommended the Board oppose AB 399 and authorize the General Manager to initiate any necessary measures to prevent the bill from being enacted.

General Manager Bebee provided an overview for Assembly Bill 399 and how it relates to the District and the detachment process. He requested the Board take an oppose position on this bill and authorize him to engage resources to prevent the bill from being enacted.

MOTION: Director Endter moved to oppose AB 399 and authorized the General Manager to initiate any necessary measures to prevent the bill from being enacted; Director McDougal seconded. Motion carried; VOTE:

AYES: Directors Baxter, Endter, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director Baxter

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

1. General Counsel
2. SDCWA Representative Report
 - General Manager Bebee provided an overview of the written reports included in the packet.
3. General Manager
 - a. Engineering and Operations Report
 - b. Federal Funding Efforts Report
 - Jacqueline Howells provided an update on the District's federal funding efforts.
 - General Manager Bebee reported Rancho California did submit a grant request that included our area to expand the CropSWAP program.
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. He also noted there would be no Financial Summary or Budget Status Report next month, as they are working on closing the year.
5. Public Information Officer

- Public Information Officer Denke announced President Wolk has received the CSDA Director of the Year award, which will be presented at the Annual Conference in Monterey, CA in August. She read the submission that was sent to CSDA.
6. Notice of Approval of Per Diem for Meetings Attended
 - Notification of approval for Directors' attendance to LAFCO Special Meeting on June 14, 2023 in San Diego, CA.
 - Notification of approval for Directors' attendance to Santa Fe Irrigation District's Century of Service event on June 21, 2023 in Rancho Santa Fe, CA.
 - Director Endter provided a report on his attendance to the CSDA Quarterly Meeting and Santa Fe Irrigation District's 100th anniversary event.
 - Vice President DeMeo provided an overview of the written Directors' reports included in the packet.
 7. Director Comments/Reports on Meetings Attended
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

General Counsel de Sousa announced the Board would be going into Closed Session to discuss items VI.1 and 2. 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 5:41 p.m.

VI. CLOSED SESSION -----(ITEMS 1–2)

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

One (1) Potential Case

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6

Agency Designated Representative: Board President Wolk

Unrepresented Employee: General Manager

RECONVENE TO OPEN SESSION

The Board came out of Closed Session and reconvened to Open Session at 6:35 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, the June Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 6:36 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors