

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

MINUTES

MONDAY, JULY 23, 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 4:01 p.m. A quorum was established, and attendance was as follows:

Board of Directors

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

Absent: None

District Staff

Present: Paula de Sousa Mills, General Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Jason Cavender, System Operations Manager
Audrey Cerame, Laboratory Technician
Lisa Chaffin, Human Resources Manager
Noelle Denke, Public Affairs Specialist
Todd Lange, System Service/Shop Supervisor
Jeff Marchand, Engineering Supervisor
Eddie Taylor, Utility Technician
Mary Lou West, Secretary

Also present were others, including, but not limited to: Michael Corona, Archie and Patricia McPhee, Franz Schauer, and Paul Waters.

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 Davies, DeMeo, 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.

Michael Corona stepped to the podium and requested the Board defer payment of the \$1,400 balance on his account until August. Mr. Corona explained the recent heat event damaged trees in his 20-acre grove causing a financial hardship; however, he is expecting payment on receivables that will provide the funds to pay the past due balance in August. Discussion ensued concerning the current policy for payment plans, Mr. Corona's delinquent account balance, and the authority of the General Manager to make payment arrangements. Acting General Manager Bebee stated he would work with Mr. Corona on establishing a payment plan.

Paul Waters of Senator Joel Anderson's office stepped to the podium to extend an invitation to a free Grant Writing Workshop that will be held on Wednesday, August 1, 2018, from 10 a.m. to 12 p.m., in collaboration with Mayor Steve Vaus of the City of Poway and California Consulting. Mr. Waters distributed a flyer on the Workshop and remarked that ways to secure state, federal, and private funding would be discussed.

A. EMPLOYEE OF THE QUARTER FOR AUGUST 2018
1. Eddie Taylor

Eddie Taylor was commended for being chosen Employee of the Quarter for August 2018.

II. CONSENT CALENDAR-----(ITEMS B – 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.

- B. CONSIDER APPROVAL OF MINUTES
1. May 29, 2018 Regular Board Meeting
 2. June 19, 2018 Special Board Meeting

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

C. CONSIDER ADVANCE APPROVAL TO ATTEND MEETINGS

Recommendation: The Board authorize and approve in advance Directors' attendance to the 2018 CSDA Annual Conference & Exhibitor Showcase, September 24-27, 2018, at the Renaissance Indian Wells Resort & Spa in Indian Wells, California.

D. CONSIDER RATIFICATION OF THE DISTRICT'S FISCAL YEAR 2018-19 ADOPTED ANNUAL BUDGET

Recommendation: That the Board ratify the Budget.

MOTION: Vice-President McDougal moved to approve the Consent Calendar as presented; Director Davies seconded. Motion passed; VOTE:

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

III. INFORMATION-----(ITEM E)****

E. INTRODUCTION OF NEW HIRE AUDREY CERAME, LABORATORY TECHNICIAN

Introduction by: Jack Bebee, Acting General Manager

Acting General Manager Bebee introduced Audrey Cerame as the new Laboratory Technician. Mrs. Cerame graduated from the University of California Riverside with a Bachelor of Science degree in biology and has been working in the wastewater field for the past three and one-half years.

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS F – N)

F. CONSIDER AMI METER SERVICE REPLACEMENT PROGRAM

Recommendation: That the Board approve the purchase of Badger meters from National Meter and Automation in an amount of \$287,920.48, including sales tax, and the purchase of 100W ERTs and AMI collectors and repeaters from Inland Water Works Supply Co. in an amount of \$204,704.19, including sales tax, to replace existing drive-by radio read meters that have reached the end of their useful life with fixed network AMI meters that will provide additional real time water usage monitoring tools for the District customers.

Acting General Manager Bebee reported the District implemented a 5-year program to replace drive-by radio read meters with Advanced Metering Infrastructure (AMI) meters. The program began in July 2015 and approximately one-half of the radio read meters have been replaced with AMI meters. The request is to purchase AMI meters and components for FY 2018-19 meter replacements.

MOTION: Director Wolk moved to approve the purchase of Badger meters from National Meter and Automation in an amount of \$287,920.48, including sales tax, and the purchase of 100W ERTs and AMI collectors and repeaters from Inland Water Works Supply Co. in an amount of \$204,704.19, including sales tax; Director Davies seconded. Motion passed; **VOTE:**

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

G. CONSIDER AWARD OF SEWER MAINLINE AND MANHOLE RELINING FISCAL YEAR 2018-19 (JOB 3089)

Recommendation: That the Board authorize award of the Sewer Mainline and Manhole Relining FY19 project to the lowest responsible bidder of Insituform Technologies, LLC at an amount of \$259,541.60 to extend the life of the District sewer infrastructure.

Acting General Manager Bebee reported the request is to award a contract to Insituform Technologies, LLC in an amount of \$259,541.60 for the relining of 1,724 linear feet of sewer system pipeline and rehabilitation of 12 manholes. Mr. Bebee emphasized that only two bids were received due to the specialty nature of the work.

MOTION: Director Davies moved to authorize award of the Sewer Mainline and Manhole Relining FY 2018-19 project to Insituform Technologies, LLC, the lowest responsible bidder, at an amount of \$259,541.60; Vice-President McDougal seconded. Motion passed; **VOTE:**

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

H. UPDATE ON THE SANTA MARGARITA CONJUNCTIVE USE PROJECT AND CONSIDER AWARD OF CONSTRUCTION MANAGEMENT SERVICES

Recommendation: That the Board authorize award of a Construction Management Services Contract for the Santa Margarita Conjunctive Use Project to Terrapin Group as an hourly rate not to exceed professional services contract for \$1,853,740, per the scope and fee, to provide construction oversight for the District.

Acting General Manager Bebee provided an update on the project. A Request for Proposals was issued for construction management services, and a team conducted interviews of the four responsive firms. The team recommended Terrapin Group for construction management of the project.

Discussion ensued concerning the start date of the construction phase of the District's project and the status of Camp Pendleton's project. Mr. Bebee stated construction of the District's project is expected to begin during the first-half of 2019. Camp Pendleton has almost completed their pipeline, which ends at the District's boundary. Mr. Bebee said he would provide the Board with a status report of both projects and utilization of the construction manager service in 90 days.

MOTION: Director Davies moved to authorize award of a Construction Management Services Contract for the Santa Margarita Conjunctive Use Project to Terrapin Group, at an hourly rate not-to-exceed professional services contract for \$1,853,740, per the scope and fee, to provide construction oversight for the District (staff will provide a progress report to the Board in 90 days); Director DeMeo seconded. Motion passed; VOTE:

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

I. CONSIDER PROPOSED REORGANIZATION AND ASSOCIATED JOB CLASSIFICATION CHANGES AND ADOPTION OF RESOLUTION NO. 4938

Recommendation: It is recommended that the Board approve the reorganization and the associated changes to the job titles, job descriptions and salary ranges for the Lead System Operator and System Operations Manager job classifications and revisions per the organizational chart to reduce staffing by one position which will save the District approximately \$92,000 per year.

Acting General Manager Bebee reported the Personnel Committee has reviewed the proposed reorganization. The proposal deletes the vacant Assistant General Manager/District Engineer position, creates a Senior Engineer position, and eliminates the Engineering Supervisor position upon the incumbent's retirement. The proposal also reclassifies the Lead System Operator to System Operations Supervisor and the System Operations Manager to Operations Manager. The changes affect the responsibilities, reporting structure, salary ranges for those positions, and approximately \$92,000 per year will be saved due to a reduction in workforce by one position.

Vice-President McDougal reiterated the Personnel Committee worked with staff on the proposal and is making the recommendation to the Board.

MOTION: Vice-President McDougal moved to approve the reorganization and the associated changes to the job titles, job descriptions and salary ranges for the Lead System Operator and System Operations Manager job classifications and revisions per the organizational chart and adopt Resolution No. 4938; Director Wolk seconded. Motion passed; **VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

J. CONSIDER APPROVAL OF A COMMUNICATION SITE LICENSE AGREEMENT BETWEEN FALLBROOK PUBLIC UTILITY DISTRICT AND CINGULAR WIRELESS PCS, LLC

Recommendation: That the Board authorize the Acting General Manager to execute the Communication Site License Agreement between Fallbrook Public Utility District and Cingular Wireless PCS, LLC.

Acting General Manager Bebee reported that staff has been working with Cingular Wireless PCS, LLC to install a wireless facility at Bucknell Reservoir to improve the signal in the De Luz area. Currently, wireless site leases generate approximately \$175,000 in revenue annually for the District and this lease will increase that amount by \$30,000. General Counsel has reviewed and approved the contract and the lessee will be responsible for all permitting and other aspects of the project.

MOTION: Director Davies moved to authorize the Acting General Manager to execute the Communication Site License Agreement between Fallbrook Public Utility District and Cingular Wireless PCS, LLC; Director Wolk seconded. Motion passed; **VOTE:**

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

NOES: None

ABSTAIN: None
ABSENT: None

K. CONSIDER CONSTRUCTION SERVICES FOR ROOF REPAIR AND REPLACEMENT AT THE WASTEWATER RECLAMATION PLANT

Recommendation: That the Board authorize award of Construction Services for Roof Repair and Replacement at the Wastewater Reclamation Plant to TWM Roofing, Inc. for an amount of \$69,759 to resolve existing roof leaks and prevent water damage.

Acting General Manager Bebee reported that the roof at the Wastewater Reclamation Plant is over 30 years old, has significant leaks, and is need of repairs. A Request for Proposals was issued and sent to seven roofing vendors around San Diego County. Three bids were received, and the recommendation is to award the project to TWM Roofing, Inc. in an amount of \$69,759.

MOTION: Vice-President McDougal moved to approve authorize award of Construction Services for Roof Repair and Replacement at the Wastewater Reclamation Plant to TWM Roofing, Inc. for an amount of \$69,759; Director Davies seconded. Motion passed; VOTE:

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

L. CONSIDER ONE-YEAR EXTENSION OF THE MEMORANDUMS OF UNDERSTANDING AND ADOPTION OF RESOLUTION NO. 4939

Recommendation: That the Board President sign each of the Memorandums of Understanding extension agreements, which provides for a year extension of existing MOUs with no cost of living increase.

Acting General Manager Bebee reported the Board previously voted to approve a one-year extension of the Memorandums of Understanding with both the employee group and the management group with no cost of living increase. The action requested is for the Board President to sign both one-year extensions.

MOTION: Director Davies moved to approve that the Board President sign each of the Memorandums of Understanding extension agreements, which provides for a year extension of existing MOUs with no cost of living increase; Vice-President McDougal seconded. Motion passed; VOTE:

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

ABSTAIN: None
ABSENT: None

M. CONSIDER AMENDMENT OF ARTICLE 27, INVESTMENT POLICY, AND ADOPTION OF RESOLUTION NO. 4940

Recommendation: That the Board adopt Resolution No. 4940 amending Article 27 of the Administrative Code to update the Treasurer's Report format and ensure all legal reporting requirements are met.

Assistant General Manager/Chief Financial Officer Shank reported that after meeting with staff and the District's financial consultant a number of times, the Fiscal Policy & Insurance Committee developed a new format for the Treasurer's Report to ensure all legal reporting requirements are met. As a result, Article 27 of the Administrative Code requires amending to make it consistent with the new format and legal reporting requirements.

MOTION: Director Wolk moved to approve adopt Resolution No. 4940 amending Article 27 of the Administrative Code to update the Treasurer's Report format and ensure all legal reporting requirements are met; Director DeMeo seconded. Motion passed; VOTE:

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

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

1. General Counsel
 - General Counsel de Sousa Mills provided the Board with an update of legislation affecting water districts.
2. SDCWA Representative Report
 - Acting General Manager Bebee/SDCWA Representative provided an overview of the written report included in the board packet.
3. Acting General Manager and Assistant General Manager/District Engineer
 - a. Engineering and Operations Report
 - Acting General Manager Bebee provided an overview of the written reports included in the board packet. Mr. Bebee stated a year-end summary of the metrics range for engineering and operations and supervisors' roles would be provided to the Board at the next regular meeting.

- A meeting was held with the Metropolitan Water District of Southern California (MWD) relative to LRP funding for the Santa Margarita Conjunctive Use Project (SMRCUP). MWD is putting together a framework of an agreement for the LRP funding as part of the SMRCUP.
 - General Counsel is working with staff on an agreement with Valley Center Municipal Water District for Vector truck services provided by the District.
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
 - Assistant General Manager/Chief Financial Officer Shank provided an overview of the written reports included in the board packet.
 5. Public Affairs Specialist
 - Public Affairs Specialist Denke provided an overview of public outreach efforts and upcoming events.
 6. Notice of Approval of Per Diem for Meetings Attended
 7. Director Comments/Reports on Meetings Attended
 - Director DeMeo reported she attended the Council of Water Utilities meeting on Tuesday, July 17.
 - Director Wolk requested the board packet be provided a week in advance of the board meeting and not on the Thursday or Friday before the meeting.
 - Director McDougal provided an update on the activities of the Community Benefit Committee, as follows:
 - Informational meetings are scheduled in September for businesses and the public.
 - An organizational meeting will be held in early September to choose a lead for the project. Keene Simonds, executive officer of San Diego LAFCO, will be at the meeting. Vice-President McDougal and Acting General Manager Bebee pointed out that the District would not be leading the efforts of the Community Benefit Committee.
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 5:11 p.m. following an oral announcement by President Gebhart of Closed Session Item VI. 1.

VI. CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 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 6:27 p.m.

REPORT FROM CLOSED SESSION

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 6:28 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors