



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING / PUBLIC HEARING

MINUTES

MONDAY, FEBRUARY 26, 2024
4:00 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President DeMeo called the February 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: Jennifer DeMeo, Member/President
Don McDougal, Member/Vice President
Dave Baxter, Member
Ken Endter, Member
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paul de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jodi Brown, Management Analyst
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Kyle Drake, Collections Supervisor
Donald Parker, Construction Supervisor
Jesse Perez, Chief Plant Operator
Carl Quiram, Operations Manager
Eddie Rodriguez, System Services Supervisor
Steve Stone, Field Services Manager
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Mark Mervich and Charles Hopkins

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

MOTION: Director Baxter moved to approve the agenda, as presented; Director Endter seconded. Motion carried; VOTE:

AYES: Directors Baxter, DeMeo, Endter, 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.

A. EMPLOYEE OF THE QUARTER FEBRUARY 2024

1. Josh Hargrove

There were no public comments on item A.

The Board recognized and congratulated Josh Hargrove for being chosen as the Employee of the Quarter for February 2024.

B. NEW EMPLOYEE ANNOUNCEMENT

1. Brian West, Systems Technician

There were no public comments on item B.

The Board welcomed Brian West as the new Systems Technician.

II. CONSENT CALENDAR----- (ITEMS C–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.

- C. CONSIDER APPROVAL OF MINUTES
1. January 22, 2024 Regular Board Meeting

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

- D. CONSIDER AGREEMENT FOR OUT OF AGENCY SERVICE REQUEST FOR FOUR PARCELS IN RMWD. PARCELS: 124-201-65, 124-201-68, 124-201-69, 124-201-70

Recommendation: *That the Board approve the Agreement for Out of Agency Service for four parcels, to be signed by the property owners and both District General Managers. This issue has been discussed by staff at both agencies, and both agree that it is more practical for FPUD to serve these parcels.*

- E. CONSIDER NOTICE OF COMPLETION FOR CAMP PENDLETON POND 4 LEVEE REPAIR

Recommendation: *That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.*

- F. CONSIDER RESOLUTION NO. 5069, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, RATIFYING THE APPROVAL OF THE ISSUANCE OF BONDS OF FALLBROOK PUBLIC UTILITY DISTRICT AT THE JANUARY 22, 2024 BOARD MEETING

Recommendation: *That the Board approve Resolution No. 5069, Ratifying the Approval of the Issuance of Bonds of Fallbrook Public Utility District at the January 22, 2024 Board Meeting.*

Mark Mervich stepped to the podium to report he could not tell where there four parcels for Item D were located, as there were no street names listed. General Manager Bebee responded that they were on the east side of our service area and offered to send Mr. Mervich a map with street names listed. Mr. Mervich stated that was not necessary.

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

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

III. INFORMATION------(ITEMS G-I)

G. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS

Presented by: *Aaron Cook, Engineering Manager*
Carl Quiram, Operations Manager

There were no public comments on item G.

Staff presented a slideshow summarizing the key performance indicators for engineering, wastewater operations, water operations, meter services, wastewater collections, construction/maintenance, and customer service.

Director Baxter asked if there was anything staff needed from the Board to complete more preventative maintenance. Chief Plant Operator Perez stated the most difficult challenge is getting parts from vendors with extended wait times.

Director Wolk asked what caused October to be more productive as it related to meter testing. System Services Supervisor Rodriguez announced there were two employees working on the testing that month.

General Manager Bebee commended Chief Plant Operator Perez and Collections Supervisor Drake on their work during the last storm event, as they were able to manage through these quite well.

H. STRATEGIC PLAN UPDATE

Presented by: *Jack Bebee, General Manager*

There were no public comments on item H.

General Manager Bebee presented a slideshow to update the Board on the current and future Strategic Plan of the District. He reported on the working relationships the District has with other surrounding agencies.

Vice President McDougal thought it might be a good opportunity to form a working group with representatives from the surrounding Districts in the area.

General Manager Bebee outlined various options to continue the strategic planning, including initiating a facilitated strategic planning process, further explore partnerships with other local nearby agencies, and even bringing in an outside consultant to have a fresh look.

Director Baxter agreed and thought it would be beneficial to bring in an outside consultant as well, as General Manager Bebee had mentioned. General Manager Bebee stated he could reach out to the other agencies.

Director Endter asked if there were any specific things partnerships could improve. General Manager Bebee responded that sharing services to do more with less would be beneficial. This includes equipment and staff cost savings.

Director Wolk thought it would be more beneficial to decide the direction the FPUD Board wants to go before exploring potential regional and community partnerships.

I. ANNUAL BUDGET DEVELOPMENT SCHEDULE

Presented by: Dave Shank, Assistant General Manager/CFO

There were no public comments on item I.

AGM/CFO Shank presented a slideshow reviewing the upcoming schedule for the development of the 2024/2025 fiscal year budget.

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

J. CONSIDER CUSTOMER REQUEST FOR BILL ADJUSTMENT – 494 BEAVER CREEK LN

Recommendation: Staff will support Board direction on this item.

Charles Hopkins stepped to the podium to summarize the issue of the past due balance he inherited from the previous owner of the property at 494 Beaver Creek Lane.

Director Endter asked if the water usage improved the value of the property. Mr. Hopkins reported the property has a great number of trees and grass, and it certainly created a very lush environment. Director Endter suggested that, since the water usage benefited the property, the District should reduce the amount owed by fifty percent.

General Counsel de Sousa made clear for the record that any waiver of fees would come from unrestricted revenue to offset water bills.

Vice President McDougal thought the District's policy should change, and suggested we put heavier pressure on escrow companies to check on past due balances. He thought it was unfair to put the burden on the new homeowner.

Director Wolk confirmed Mr. Hopkins owned the property.

Director Baxter reiterated that the District is not alerted of change in property ownership, which is why letters have proactively gone out to relators and title companies to check on past due balances before closing.

General Manager Bebee announced staff had previously looked into other options for collecting past due balances and reported the District's policy is consistent with most other District's.

Director Wolk discussed directing staff to initiate a lawsuit against the real estate agent and broker to recover the \$1,115.28. General Counsel de Sousa announced this was not on the February 26, 2024 agenda, but it could be brought forth at the March meeting as a Closed Session item.

MOTION: Director McDougal moved to waive the past due balance of \$1,115.28, inherited by the new homeowner at 494 Beaver Creek Lane; Director Baxter seconded. Motion carried; **VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

K. CONSIDER APPROVAL OF REGIONAL CROPSWAP MEMORANDUM OF UNDERSTANDING

Recommendation: That the Board authorize the General Manager to execute the attached Memorandum of Understanding for Regional CropSWAP Program with non-substantive changes.

There were no public comments on item K.

General Manager Bebee provided a brief overview of the CropSWAP program and reported this item was to put forward the Memorandum of Understanding with the partner agencies.

Director Wolk asked for clarification on the six month process time if one of the partner agencies decided to terminate its partnership. General Manager Bebee responded that this is in place should there be any applications for the program in queue. This allows for an orderly unwinding.

MOTION: Director Wolk moved to authorize the General Manager to execute the Memorandum of Understanding for the Regional CropSWAP program with non-substantive changes; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

L. CONSIDER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT A

Recommendation: Staff supports the Board's direction.

Mark Mervich stepped to the podium to report that every incumbent is running for reelection.

The Board took no action.

M. CONSIDER BID AWARD FOR EV EQUIPMENT UNDER SDG&E GRANT PROCESS

Recommendation: Staff recommends that the Board of Directors award the construction project to the lowest responsive bidder Amtek Construction in the amount of \$287,110 in accordance with SDG&E grant process.

Mark Mervich stepped to the podium to report that the memo included in the packet did not provide detail of what the \$287,110 gets the District.

Operations Manager Quiram announced that this was part of the SDG&E Power Your Drive grant, which reimburses the District eighty percent of the cost for electric vehicle charging equipment.

President DeMeo announced the Board had previously approved this SDG&E grant program.

Charles Hopkins stepped to the podium to ask where the electric vehicle charging stations would be located. Operations Manager Quiram announced they would be at the District's main office building and only accessible by staff. General Manager Bebee reiterated these chargers were specifically for the District's fleet.

Vice President McDougal reported this was discussed at E&O, and since we have electric vehicles, this was necessary. He stated it's important to note that we are being reimbursed by SDG&E for eighty percent of the cost.

MOTION: Director McDougal moved to award the construction project for EV equipment to the lowest responsive bidder Amtek Construction in the amount of \$287,110 in accordance with the SDG&E grant process; Director Wolk seconded. Motion carried; VOTE:

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

N. CONSIDER AWARD OF ROSS LAKE PIPELINE REPLACEMENT PROJECT (JOB 3200)

Recommendation: That the Board award the Ross Lake Pipeline Replacement Project to the lowest responsible bidder, Kay Construction Company, Inc. for \$902,348.

There were no public comments on item N.

Director Endter announced this was discussed during E&O. He reported with the amount of leaks and problems, along with the age of the system, it was reasonable to proceed with this project.

MOTION: Director McDougal moved award the Ross Lake Pipeline Replacement Project to the lowest responsible bidder, Kay Construction Company, Inc., for \$902,348; Director Endter seconded. Motion carried; VOTE:

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

O. CONSIDER UPDATE OF EMERGENCY DECLARATON FOR PIPELINE REPLACEMENT

Recommendation: The recommended action is for the Board to continue the emergency action to replace the failed pipelines.

There were no public comments on item O.

General Manager Bebee announced this will be the last month of declaring an emergency for pipeline replacement.

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

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

P. CONSIDER PROFESSIONAL SERVICES AGREEMENT FOR DE LUZ PUMP STATION DESIGN AND HYDRAULIC MODELING

Recommendation: That the Board authorize a professional services agreement with Ardurra for a value not to exceed \$82,000 for hydraulic modeling and design services for the De Luz Pump Station.

Mark Mervich stepped to the podium announcing that he did not see anything in the agenda packet that said what we were doing in De Luz that would require designing.

General Manager Bebee provided background, explaining this was necessary to feed the entire District from the Santa Margarita project and Red Mountain. He also reported this was basically replacing an existing pump station that had burned down during the Rice Fire. This part was to make sure that we design this pump station for a full range of conditions and demands. He added that this was to ensure that the entire District can operate independently from imported water, as right now De Luz can only be serviced by an aqueduct carrying imported water.

MOTION: Director McDougal moved to authorize a professional services agreement with Ardurra for a value not to exceed \$82,000 for hydraulic modeling and design services for the De Luz Pump Station; Director Endter seconded. Motion carried; VOTE:

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

V. **PUBLIC HEARING** ----- (ITEM Q)

P. POTENTIAL INCREASE IN COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATIVE CODE SECTION 2.12); ORDINANCE NO. 357

Recommendation: Hold the public hearing and consider adoption of Ordinance No. 357, to increase Board compensation from \$127.63 to \$134.00 for each day's service to the District and to update Section 2.12 of the District's Administrative Code to reflect the updated amount.

General Counsel de Sousa announced this was an annual item and summarized the process for considering an increase in Board compensation. She announced that, after following the necessary public notification procedures, the District's Governing Board would be holding a public hearing to receive public comments prior to its consideration of Ordinance No. 357, related to increasing Board compensation from \$127.63 to \$134.00 per meeting.

At 5:41 p.m., President DeMeo opened the Public Hearing to receive public comments on agenda item Q.

Hearing no public comments, President DeMeo closed the Public Hearing at 5:42 p.m.

Director Endter reiterated that this was for each day of service and not per meeting. Director Baxter also reported the District does try to schedule as many meetings per day as possible.

General Counsel de Sousa reported the change in compensation would take effect April 29, 2024, which is one year from last year's increase and at least 60 days from today's date.

MOTION: Director Endter moved to adopt Ordinance No. 357, increasing Board compensation from \$127.63 to \$134.00 for each day's service to the District and to update Section 2.12 of the District's Administrative Code to reflect the updated amount; Director McDougal seconded. Motion carried; VOTE:

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

VI. ORAL/WRITTEN REPORTS------(ITEMS 1-7)

1. General Counsel
2. General Manager
 - a. EMWD/MWD Update
 - b. Engineering and Operations Report
 - c. Federal Funding Update

- General Manager Bebee reported we are working to finalize the last of the transition pieces with Metropolitan.
- 3. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - AGM/CFO Shank presented a bill comparison from EMWD versus SDCWA, highlighting the EMWD bill was 74% less.
 - Director McDougal credited the Board and staff on the hard work and effort put forth to get this detachment done.
 - AGM/CFO Shank reported FP&I was working on a plan to lay out funding of the final detachment payment at the end of March. This will be coming back to the Board in March with a budget amendment and a change in appropriations to reflect that payment.
 - AGM/CFO Shank also provided an update on issuance of water revenue bonds, announcing the bonds were being sold on February 27th.
- 4. Public Information Officer
 - Public Information Officer Denke reported she is working on creating a video for social media on how to check for a leak in both English and Spanish.
- 5. Notice of Approval of Per Diem for Meetings Attended
- 6. Director Comments/Reports on Meetings Attended
- 7. Miscellaneous

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, the February Regular Meeting of the Board of Directors of the Fallbrook Public Utility District was adjourned at 5:56 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors