

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

MINUTES

MONDAY, MARCH 25, 2019
4:00 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 EAST MISSION ROAD FALLBROOK, CA 92028
PHONE: (760) 728-1125

I. PRELIMINARY FUNCTIONS

CALL TO ORDER

President McDougal called the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. The following statement was read aloud into the record by President McDougal:

"Prior to roll call, I would like to make clear for the record of this meeting, and it should be reflected in the minutes, that at least a portion of this meeting of the Fallbrook Public Utility District is being conducted pursuant to California Government Code Section 54953, in that Director Gebhart is participating by teleconference from 20489 Wildwood West Drive, Penn Valley, CA 95946.

Director Gebhart is participating by speaker phone. In accordance with the Ralph M. Brown Act, the teleconference location was identified in the notice and agenda for this meeting."

ROLL CALL / ESTABLISH A QUORUM

President McDougal conducted attendance by roll call. President McDougal, Vice-President DeMeo, Director Endter, and Director Wolk were present at the meeting, and Director Gebhart was present by speakerphone at the teleconference location identified on the notice and agenda.

The members of the Board of Directors who were present acknowledged they were able to hear Director Gebhart clearly, and no member expressed doubt that Director Gebhart was the party participating by teleconference.

Board of Directors

Present: Jennifer DeMeo, Member/Vice-President
Ken Endter, Member
Al Gebhart, Member (*via teleconference*)
Don McDougal, Member/President
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel (*arrived at 4:02 p.m.*)
Jack Bebee, General Manager
David Shank, Assistant General Manager/CFO
Devin Casteel, System Operations Supervisor
Jason Cavender, Operations Manager
Aaron Cook, Senior Engineer
Mick Cothran, Engineering Technician
Noelle Denke, Public Affairs Specialist
Mary Lou West, Secretary

Also present were others, including, but not limited to: Lance Andersen, Mission Resource Conservation District; Carol Johnson; Barry Willis, Alpine Fire Protection District.

PLEDGE OF ALLEGIANCE

President McDougal led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

President McDougal announced that Item F was removed from the agenda because the ACWA JPIA representative was unable to attend the meeting.

MOTION: Director Endter moved to approve the agenda as revised removing Item F; Director Wolk seconded. Motion passed; **ROLL CALL VOTE:**

AYES: Directors DeMeo, Endter, 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.

There were no public comments.

President McDougal announced that Item D would be considered next.

D. CONSIDER CLAIM BY CAROL JOHNSON FOR MATERIAL EXPENSE

Recommendation: The Board deny the Claim for material expense in the amount of \$397.46 by Carol Johnson and forward the Claim to ACWA JPIA for resolution.

Carol Johnson stepped to the podium and reported that due to recent heavy rains, she and her husband diverted water away from two sewer manholes by digging a drainage ditch and lining it with rocks to avoid flooding in their yard. The Johnsons paid for labor and materials and are requesting reimbursement for material expenses in the amount of \$397.46.

MOTION: Director Wolk moved to deny the Claim for material expense in the amount of \$397.46 by Carol Johnson and forward the Claim to ACWA JPIA for resolution; Director Endter seconded.

Discussion ensued, and Vice-President DeMeo stated she felt the District should pay the Claim filed by Mrs. Johnson. President McDougal opined that because the Johnsons diverted water away from the sewer manholes and have requested reimbursement of material expenses only, the District should pay the Claim.

AMENDED

MOTION: Director Wolk amended his motion to approve the Claim for material expense in the amount of \$397.46 by Carol Johnson with the understanding that the District is not responsible for maintenance of the swale constructed by the Johnsons and did not cause the drainage problems on the Johnson's property; Director Endter seconded. Motion passed; ROLL CALL VOTE:

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

President McDougal announced that Item J would be considered next.

J. CONSIDER SAN DIEGO LOCAL AGENCY FORMATION COMMISSION
SPECIAL DISTRICTS BALLOT FOR REGULAR AND ALTERNATE MEMBERS

Recommendation: The Board consider the candidates for one regular and two alternate special districts members to serve on the San Diego Local Agency Formation Commission and authorize the Board President to cast the District's vote.

After distributing copies of his resume, Baron T. Willis, a member of the Alpine Fire Protection District Board of Directors, stepped to the podium and stated he was a

candidate for the Regular LAFCO Special District Member seat in the 2018 Special Districts Election. Mr. Willis requested the Board cast its vote for him.

Director Wolk noted there is only one vote for an alternate, not two. Discussion ensued concerning the slate of candidates and the recommendations made by the Nominating Committee.

MOTION: Vice-President DeMeo moved that the Board cast its vote for (1) Edmund K. Sprague of Olivenhain Municipal Water District as Regular LAFCO Special District Member and (2) Erin Lump of Rincon del Diablo Municipal Water District as Alternate LAFCO Special District Member; Director Endter seconded. Motion passed; ROLL CALL VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

A. YEARS OF SERVICE

1. David Stagg – 30 Years
2. Steve Stone – 25 Years

David Stagg and Steve Stone were recognized for their years of service to the District.

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

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. January 28, 2019 Regular Board Meeting
2. February 13, 2019 Special Board Meeting
3. March 18, 2019 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: *That the Board authorize and approve in advance Directors' attendance to the California Special Districts Association's 2019 Special District Leadership Academy Conference, April 7–April 10, 2019, in San Diego, California.*

E. CONSIDER LETTER OF SUPPORT FOR SB 669 (CABALLERO)—SAFE DRINKING WATER TRUST

Recommendation: The Board authorize a letter of support for SB 669 (Caballero)—Safe Drinking Water Trust and direct staff to distribute the letter of support to the District's legislators, the Senate Environmental Quality Committee Members, the Committee's Chief Consultant, and the author of the Bill.

President McDougal noted that Item D was considered separately earlier in the meeting, and Items B, C, and E remained on the Consent Calendar.

MOTION: Director Endter moved to approve the Consent Calendar as revised including exclusion of Item D; Vice-President DeMeo seconded. Motion passed; ROLL CALL VOTE:

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

III. INFORMATION------(ITEMS F – I)

F. PRESENTATION OF CHECK BY THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)

Presented by: David Drake, ACWA JPIA Executive Committee

President McDougal announced that Mr. Drake was unable to attend today's meeting. This item was postponed until the April 22, 2019 regular board meeting.

G. REGIONAL CONSERVATION PROGRAMS

Presented by: Lance Andersen, Mission Resource Conservation District

Lance Andersen stepped to the podium and provided an overview of the Regional Conservation Partnership Program (RCPP), which is a partnership of 10 agencies that includes the Fallbrook Public Utility District.

H. FISCAL YEAR 2018-19 CAPITAL BUDGET UPDATE

Presented by: Aaron Cook, Senior Engineer

General Manager Bebee provided a brief update on the FY 2018-19 Capital Budget. Mr. Bebee stated staff will be working with the Engineering & Operations Committee on best practices for scheduling and prioritizing capital projects and projecting capital expenses for the next fiscal year.

I. NAVAL WEAPONS STATIONS DELIVERIES

Presented by: David Shank, Assistant General Manager/CFO

Assistant General Manager/CFO Shank provided an overview the Naval Weapons Station water deliveries and related billing by the San Diego County Water Authority.

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

Item J was considered earlier in the meeting.

K. CONSIDER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT B; Draft Resolution No. 4964

Recommendation: Staff supports the Board's direction.

The Board did not nominate a candidate in response to the California Special Districts Association Board of Directors Call for Nominations (Seat B) for the 2020-2022 term.

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

1. General Counsel
 - General Counsel de Sousa Mills provided an update on legislation affecting special districts.
 - AB 1486 (Ting) would require public agencies to go through a surplus property process, which would be applicable to leased property, and would require a first refusal to schools, parks, and housing developers.
2. SDCWA Representative Report
 - On Friday, general managers will discuss a proposed study for alternative conveyance to build a pipeline from the Colorado River to San Diego County.
 - The SDCWA is developing an outreach campaign on the importance of agriculture to the San Diego County region.
3. General Manager
 - a. Engineering and Operations Report
 - The State Water Resources Control Board (SWRCB) has represented it will take three to four weeks to process the District's funding application for the Santa Margarita Conjunctive Use Project. However, the SWRCB has implemented a new accounting system resulting in significant payment delays.
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List

- There will be some changes to the Treasurer's Report next month because of approved fund transfers to address liquidity concerns and to move the pension offset fund to PARS.
 - The Budget Status Report was revised to include recent journal entries and was distributed under separate cover.
5. Public Affairs Specialist
 - Public Affairs Specialist Denke provided an update on recent outreach efforts to the community.
 6. Notice of Approval of Per Diem for Meetings Attended
 7. Director Comments/Reports on Meetings Attended
 - Director Endter reported he attended the San Diego County Water Authority Citizens Water Academy and the monthly Council of Water Utilities meeting.
 - Director Wolk provided an update on the activities of the Engineering & Operations Committee, including the potential implementation of an enterprise asset management platform and improvements to the capital budget tracking and planning process.
 - Vice-President DeMeo reported she attended the monthly Council of Water Utilities meeting and Toastmasters.
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 5:27 p.m. following an oral announcement by President McDougal of Closed Session Item VI. 1.

VI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2)
 - ONE (1) POTENTIAL CASE

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:21 p.m.

REPORT FROM CLOSED SESSION (*As Necessary*)

President McDougal appointed an ad hoc committee, the members of which are President McDougal and Director Wolk, to further evaluate issues related to the Closed Session item on anticipated litigation as set out in the agenda.

VII. ADJOURNMENT OF MEETING

There being no further business to discuss, President McDougal adjourned the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District at 6:25 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors