

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

MINUTES

MONDAY, OCTOBER 23, 2017
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 regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Milt Davies, Member (*arrived at 4:05 p.m.*)
Jennifer DeMeo, Member
Al Gebhart, Member/Vice-President
Don McDougal, Member
Charley Wolk, Member/President

Absent: None

District Staff

Present: Paula de Sousa Mills, General Legal Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Jason Cavender, System Operations Manager
Mick Cothran, Drought Management Coordinator
Noelle Denke, Public Affairs Specialist
Jeff Marchand, Engineering Supervisor
Mary Lou West, Secretary

Also present were others, including, but not limited to: Steven and Kimberley Taylor, Helene Brazier, Archie and Patricia McPhee, and Meena Westford of the Metropolitan Water District of Southern California.

PLEDGE OF ALLEGIANCE

President Wolk led the Pledge of Allegiance.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

There were no additions to the agenda.

APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda as submitted; Director DeMeo seconded. Motion carried; 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.

Mr. Stephen Taylor, who identified himself as a resident of De Luz Heights, stepped to the podium to discuss his request to downsize his water meter from two inches to one and one-half inches. Mr. Taylor represented that District staff initially told him his new meter would be installed within one week and was subsequently told it may take four to six weeks. Mr. Taylor expressed concern that he is continuing to pay for a larger meter that he requested to be downsized six weeks ago. Mr. Taylor requested he be charged for a one and one-half inch meter pending processing.

Mr. Bebee stated he would work with Mr. Taylor to address the issue and suggested changing the District's policy concerning charges and requests to downsize meters and make billing change occur upon the request for a meter downsize.

Director Davies arrived at 4:05 p.m.

II. CONSENT CALENDAR----- (ITEMS A—C)

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.

A. APPROVAL OF MINUTES

1. Regular Board Meeting of September 25, 2017
2. Special Board Meeting of October 17, 2017

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

B. CLAIM FOR PROPERTY DAMAGE

Recommendation: That the Board deny the Claim for Property Damage by Mrs. Hansen for her driveway and forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution.

C. COMPLETION OF "OF COUNSEL" SERVICES

Recommendation: That the Board discharge the services of Of Counsel to the District, pursuant to Section 6 of the Contract for "Of Counsel" Legal Services by and between the Fallbrook Public Utility District and Robert H. James, effective on October 31, 2017, and that written notice of discharge be provided.

MOTION: Director McDougal moved to approve the Consent Calendar as submitted; Director DeMeo seconded. Motion carried; **VOTE:**

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

III. INFORMATION------(ITEM D)

D. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) ISSUES UPDATE

- UPDATE ON CALIFORNIA WATER FIX AND MWD BAY DELTA ACTIONS
- MWD FINANCIAL PLANNING PRACTICES
- MWD'S LOCAL RESOURCES PROGRAM

Presented by: Meena Westford, Special Projects Manager of the Metropolitan Water District of Southern California

Meena Westford, Special Projects Manager of the Metropolitan Water District of Southern California (MWD), stepped to the podium and stated she would be providing an update on MWD issues.

Ms. Westford presented a slide show and began with an overview of MWD's Integrated Resources Plan, which is a plan to provide water supplies under a wide range of potential future conditions and risks.

Following, Ms. Westford discussed the Local Resources Program for water recycling, groundwater recovery, and incentives paid for water produced. Ms. Westford also discussed the California WaterFix program and MWD Bay-Delta actions.

Ms. Westford concluded with a brief question and answer period and offered to provide a presentation on the California WaterFix program to the Board of Directors at a future meeting.

IV. ACTION / DISCUSSION CALENDAR -----(ITEMS E—L)

E. AWARD OF HARRIS PUMP STATION ELECTRICAL IMPROVEMENTS

Recommendation: That the Board authorize award of the Harris Pump Station Electrical Improvements project to the lowest responsible bidder of California Building Evaluation and Construction, Inc. at an amount of \$392,750.

Mr. Bebee stated the electrical gear at the Harris Pump Station is reaching the end of its useful life and replacement parts are not available. Mr. Bebee further stated variable speed drives would be added to the pump station to increase energy efficiency. The recommendation is to award the project to California Building Evaluation and Construction, Inc. in the amount of \$392,750.

MOTION: Vice-President Gebhart moved to approve staff's recommendation; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

F. MEMORANDUM OF UNDERSTANDING FOR SHARED FACILITY USE WITH NORTH COUNTY FIRE PROTECTION DISTRICT

Recommendation: That the Board authorize the Acting General Manager to execute the "Memorandum of Understanding (MOU) for Shared Facility Use" between Fallbrook Public Utility District and North County Fire Protection District to develop the District boardroom into an Emergency Operations Center to better coordinate emergency response between the agencies.

Mr. Bebee indicated the District has been working with the North County Fire Protection District (NCFPD) to make the boardroom a shared Emergency Operation Center. This document would give the two parties a framework regarding the joint sharing of the cost as well as some training. Mr. Bebee stated the recommendation is for the Board to authorize the Acting General Manager to execute the "Memorandum of Understanding for Shared Facility Use" between the District and NCFPD.

MOTION: Director McDougal moved to approve staff's recommendation; Vice-President Gebhart seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

G. CONSIDERATION OF COMPENSATION FOR ACTING GENERAL MANAGER
(INCLUDING APPROVAL OF AMENDED SALARY SCHEDULE)

Recommendation of the Board President Based on Completion of Negotiations: That the Board authorize a temporary 10% increase in compensation to the Assistant General Manager, effective September 11, 2017, for additional service as the Acting General Manager of the District, and approve an amended Salary Schedule. That the Board further direct the General Counsel and District Human Resources Manager to draft a letter agreement for execution by the Board President and the Acting General Manager memorializing the increase in compensation other legally required provisions.

President Wolk specified he was authorized to be the negotiator regarding a change in Mr. Bebee's compensation for serving as Acting General Manager. An agreement was reached providing for a temporary 10% increase to Mr. Bebee's current salary while he also covers the role of Acting General Manager in addition to Assistant General Manager. President Wolk clarified the agreement is retroactive to the time Mr. Bebee assumed the duties of the General Manager and the temporary pay increase will terminate when a new General Manager is appointed.

MOTION: Director McDougal moved to approve staff's recommendation; Director DeMeo seconded.

Director Davies requested the job title "Assistant General Manager" be revised to "Assistant General Manager/District Engineer."

MOTION: Director McDougal stated he is amending his original motion to add revising the job title of Assistant General Manager to Assistant General Manager/District Engineer; Director DeMeo seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

H. MODIFICATIONS TO DIRECTOR PER DIEM (ADMINISTRATIVE CODE
SECTIONS 2.12 AND 12.1.1)
ORDINANCE NO. 341

RESOLUTION NO. 4917

Recommendation: The Personnel Committee recommends the following: (1) The Board adopt Ordinance No. 341 decreasing the amount of the per diem compensation. The recommended amount is \$100 per day, and (2) The Board adopt Resolution No. 4917 to make changes to the District's Administrative Code regarding meetings and other events eligible for compensation and reimbursement.

Director Davies reported the Personnel Committee met to review the per diem compensation rate for Directors and is recommending the rate be reduced to \$100 per day. Director DeMeo expressed her support of reducing the rate to \$100 per day.

Mr. Bebee noted the item includes clarifying meetings subject to per diem compensation and suggested the Board consider including meetings between the Board President and the General Manager.

MOTION: Director Davies moved to adopt Ordinance No. 341 decreasing the amount of per diem compensation to \$100 per day; Director McDougal seconded. Motion carried; VOTE:

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

MOTION: Director McDougal moved to adopt Resolution No. 4917, to include adding two meetings per month between the Board President and the General Manager to the list of approved meetings that do not require advance approval; Vice-President Gebhart seconded. Motion carried; VOTE:

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

I. POTENTIAL FUNDING FOR LOCAL SUPPLY DEVELOPMENT

Recommendation: This item is for discussion only. No action is required.

Mr. Shank explained the District is moving forward with the application process to secure funding from the Metropolitan Water District of Southern California's Local Resource Program through the San Diego County Water Authority (SDCWA).

Mr. Bebee added that the application must be completed before the start of construction of the Santa Margarita Conjunctive Use Project. In response to Director McDougal, Mr. Bebee stated the application must be processed through the SDCWA.

J. UPDATES TO “REGULATIONS FOR USE OF THE SANTA MARGARITA RIVER PROPERTY OWNED BY THE DISTRICT”
ORDINANCE NO. 340

Recommendation: That the Board adopt Ordinance No. 340 revising the “Regulations for Use of the Santa Margarita River Property Owned by the District” to add a new subsection to prohibit operating drones within the Santa Margarita River Property.

Mr. Bebee explained Director Davies requested the ordinance that governs the “Regulations for Use of the Santa Margarita River Property Owned by the District” be revised to add a new subsection to prohibit operating drones within the property.

Mr. Bebee noted that drones are allowed on the property for public safety or with the District’s approval.

MOTION: Director Davies moved to adopt Ordinance No. 340 modifying the “Regulations for Use of the Santa Margarita River Property Owned by the District”; Director McDougal seconded. Motion carried; VOTE:

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

K. WATER MANAGEMENT AT HEYNEMAN PARK

Recommendation: Approve the development of a policy for users with a community benefit discount based on their usage and an established water budget for the property.

Mr. Bebee reported that staff performed an audit of water usage at Heyneman Park and found a leak in the irrigation system that was subsequently repaired. As a result, the community water usage program was reviewed and staff is recommending developing a policy to establish water budgets for community groups.

Discussion ensued, and the Board clarified Mr. Bebee would be developing a policy for consideration by the Board and brought back to the Board for approval prior to implementation.

MOTION: Director Davies moved to approve staff’s recommendation; Vice-President Gebhart seconded. Motion carried; VOTE:

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

L. POTENTIAL NOMINATION TO THE SAN DIEGO CHAPTER OF THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD

Recommendation: Staff supports the Board's direction.

Mr. Bebee announced the San Diego Chapter of the California Special Districts Association is recruiting nominations for two positions on their Board.

President Wolk noted the nomination form is in the Board packet and is due next week.

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

1. General Legal Counsel

- Mrs. de Sousa Mills provided an update on legislation affecting water districts. Mrs. de Sousa Mills reported that SB 5 would be on the June 2018 ballot. SB 5 is a \$4 billion bond for water and park projects, and \$10 million is earmarked for the Santa Margarita River.

2. SDCWA Representative

- Mr. Bebee pointed out that Dr. Brady's report included a letter from Eastern Municipal Water District supporting a cooperative approach between MWD and SDCWA.
- Director Davies requested that Dr. Brady provide an executive summary of topics impacting the District. Mr. Bebee stated he would ask Dr. Brady to include key issues for the District in his reports.

3. Acting General Manager

- Mr. Bebee reported a draft letter from the Department of Navy was received that approved the settlement for the Santa Margarita River Conjunctive Use Project. Additionally, SRF funding is expected once the water rights issues are resolved.
- Mr. Bebee reported staff is working on the presentation for the November 15, 2017 meeting on rates that will be reviewed by the Fiscal Policy & Insurance Committee on November 13.
- Mr. Bebee reported the next Village News ad would identify water sources and costs to ratepayers.

4. Assistant General Manager/Chief Financial Officer

- Mr. Shank noted the Fiscal Policy & Insurance Committee provided direction on enhancing the budget status report moving forward. The goal is to have the new format for the Board in January.

- Mr. Shank reported the audit would be reviewed by the Fiscal Policy & Insurance Committee on November 13 and submitted to the Board on November 15.
5. Public Affairs Specialist
 - Mrs. Denke provided an update concerning the Prop 218 Notice sent to ratepayers and recent presentations made at local schools.
 6. Notice of Approval of Per Diem for Meetings Attended
 7. Director Comments/Reports on Meetings Attended
 - President Wolk suggested projects be removed from the Engineering Report when completed.
 - President Wolk inquired on the status of the bid that was returned to staff for reprocessing for purchase of a truck with an aluminum body instead of a steel body.
 8. Log of Board Requests

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 5:25 p.m. following an oral announcement of Closed Session Item VI., 1. by Mrs. de Sousa Mills.

VI. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GC § 54956.8:

PROPERTY: 1492 NORTH STAGECOACH LANE, FALLBROOK, CA
AGENCY NEGOTIATORS: JACK BEBEE, JEFF MARCHAND
NEGOTIATING PARTIES: BRUCE E. SCHWANDT, TRACEY L. SCHWANDT
UNDER NEGOTIATION: TERMS

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:05 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 Wolk adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 6:07 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors