

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

MINUTES

**MONDAY, FEBRUARY 26, 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 with attendance 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 Legal Counsel
Jack Bebee, Acting General Manager
David Shank, Assistant General Manager/Chief Financial Officer
Jason Cavender, System Operations Manager
Lisa Chaffin, Human Resources Manager
David Deem, Chief Plant Operator
Noelle Denke, Public Affairs Specialist
Jeff Marchand, Engineering Supervisor
Kelly Laughlin, Administrative Office Specialist
Matt Lian, Systems Operator I
Owni Toma, Environmental Compliance Tech

Also present were others, including, but not limited to: Tracy West, Jessica Heath, Marianne Hebner, Lita Tabish, Donna Gebhart, and Paul Melzer, Zach Kantor-Anaya, and David Myers of The Wildlands Conservancy.

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: Director Davies moved to approve the agenda as submitted; Vice-President McDougal seconded. Motion carried; 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.

Tracy West stepped to the podium concerning the meter exchanges occurring in San Diego and questioned if Fallbrook was following the same procedure. Acting General Manager Bebee explained that the meters are still the same meters we have always used with only a different transmitter and the problems with the city of San Diego is related to implementation. Mr. West also discussed the purpose of the per diem. President Gebhart gave an explanation of the per diems.

A. EMPLOYEE OF THE QUARTER FOR FEBRUARY 2018 1. Matt Lian

The Board commended Matt Lian for being chosen as the Employee of the Quarter for February 2018 by Todd Jester, the previous Employee of the Quarter. Mrs. Denke took a photograph of President Gebhart and Acting General Manager Bebee congratulating Mr. Lian.

II. **CONSENT CALENDAR**----- (ITEMS B-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.

B. APPROVAL OF MINUTES

1. Regular Board Meeting of January 22, 2018

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

C. CONSIDER EXCUSING DIRECTOR'S ABSENCE FROM A PREPAID MEETING

Recommendation: That the Board excuse Director DeMeo' absence from the Council of Water Utilities meeting on January 16, 2018, and not require Director DeMeo to reimburse the District the \$40 reservation fee paid on her behalf.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

III. **INFORMATION**-----**(ITEMS D-F)**

President Gebhart announced that Item F would be considered prior to Items D and E.

D. WATER RECLAMATION PLANT OPERATIONS EFFICIENCY REPORT

Presented by: David Deem, Chief Plant Operator and Owni Toma, Environmental Compliance Tech

Mr. David Deem and Mr. Owni Toma gave a presentation titled "Fallbrook Water Reclamation Plant Operations Efficiency" which explained the improvement in efficiency due to the upgrades and improvements that have been made to the Water Reclamation Plant over the past couple years. The upgrades have resulted in a reduction of call-out overtime, a decrease in the amount of potable water that was required, and a growth in the recycle water network.

Mr. West asked questions regarding why more people (residential and commercial) are not using recycled water. Acting General Manager Bebee explained that it is not cost effective to have residential users use recycled water due to state requirements. Vice-President McDougal explained that the state does not allow recycled water on residential property at this time. Acting General Manager Bebee invited Mr. West to come in and speak with him regarding all the opportunities for Recycled Water.

E. REVIEW OF PIPELINE AND VALVE REPLACEMENT NEEDS AND CAPITAL IMPROVEMENT CHARGE

Presented by: Jack Bebee, Acting General Manager

Acting General Manager Bebee gave a review of the capital improvement charge. This is in compliance with the Administrative Code to review the capital improvement charge progress every five years. Acting General Manager Bebee stated that the budget for the overall capital improvement projects has been updated. Additional funds are still being used to pay for the capital improvements. All projects are still on track.

F. PRESENTATION OF THE PROPOSAL RECEIVED FROM THE WILDLANDS CONSERVANCY ON THE PRESERVATION OF THE SANTA MARGARITA PROPERTY

Presented by: Jack Bebee, Acting General Manager

Acting General Manager Bebee gave an update on the preservation of the Santa Margarita property. In September 2017, a request went out looking for proposals for the preservation of the property. One proposal was received from The Wildlands Conservancy. The Wildlands Conservancy's plan is to use the funds from Proposition 68 to purchase the property.

Mr. David Myers, of The Wildlands Conservancy, explained their overall plan for the Santa Margarita property includes how they plan to manage the property and the planned usage of the property. They have been working with the Fallbrook Trails Council to increase the knowledge and use of the Santa Margarita River trails. The goal is to attract more visitors through enhancement of the facilities. Mr. Myers gave an in-depth description of the benefits The Wildlands Conservancy will have on the property, the trails, and Fallbrook. Mr. Meyers presented a fiscal plan of how The Wildlands Conservancy will pay for the property.

Ms. Jessica Heath stepped to the podium to explain her love of the trails. She explained all the benefits that she has experienced from riding the trails, as well as the benefits the trails has on the community.

Ms. Marianne Hebner, from Udder Feed, explained that a large percentage of the clientele are riders of the Santa Margarita trails. She stated that she feels that this has already become a destination for riders and asked the Board to make the purchase happen to ensure the long-term use of the trails.

Ms. Lita Tabish came to the podium and explained her love for Fallbrook. She stated the she feels that The Wildlands Conservancy is a good fit for the Santa Margarita trails and Fallbrook as a whole. Her one concern was the Cal Trout Bridge and what that would mean for the trails.

Mrs. Donna Gebhart stepped to the podium to thank the Board, the town, and The Wildlands Conservancy for their work and belief in the Santa Margarita Valley. Mrs. Gebhart explained that the Trails Council is working with The Wildlands Conservancy to find an accurate count of the number of riders using the trails. Mrs. Gebhart stated that the economic impact from horse owners on the town of Fallbrook was important. She explained the concerns she had regarding the Cal Trout Bridge and their work with the government and federal funding. She requested that the Board consider whatever language needs to be put into a Purchase and Sale Agreement to indicate the Valley's recreational aspects not be impacted because of future projects.

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

G. CONSIDER AUTHORIZING AWARD OF THE OLD STAGE PIPELINE REPLACEMENT PROJECT TO SRK ENGINEERING

Recommendation: That the Board authorize award of the Old Stage Pipeline Replacement Project the apparent lowest responsible bidder of SRK Engineering, Inc. at an amount of \$523,420.

Acting General Manager Bebee explained that this is a high priority target due to many leaks occurring. This was sent out for bid and the lowest responsive bidder was SRK Engineering. Legal requirements and personnel qualifications were reviewed and met. Acting General Manager Bebee explained that it is not cost effective to have our internal crews complete these projects.

MOTION: Director Davies moved to approve staff's recommendation; Director Wolk seconded. Motion carried; **VOTE:**

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

H. CONSIDER REQUEST FOR SEWER ANNEXATION

Recommendation: That the Board provide direction and authorize staff to move forward with preparing materials for consideration by the Board and subsequent submission to LAFCO for annexation of the development to LAFCO. The property owner is responsible for annexation and capacity fees and filing fees to both the District and LAFCO.

Acting General Manager Bebee explained that a small lot is requesting to be added to our sewer line due to a failed septic on their property. They will be responsible for all fees. There are still some administrative steps to move forward for a public hearing for the annexation, this is just to approve the staff to move forward with the administrative steps.

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

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

I. CONSIDER AWARD OF AS-NEEDED PAVING CONTRACTORS

Recommendation: That the Board authorize an asphalt paving contract not-to-exceed a total of \$328,400 based on the unit costs bid to Joe's Paving Company as the primary contractor with Kirk Paving, Inc. being the secondary contractor using their unit costs bid (The total combined amount by both Contractors will not exceed \$328,400). That the Board authorize a concrete Paving contract not-to-exceed \$164,800 to Hardy and Harper, Inc. based on the unit costs in their bid. By utilizing this approach, the District will be able to minimize impacts due to pipeline repair and construction.

Acting General Manager Bebee explained that this is to set up unit costs for paving in order to speed up the process for paving the roads after work is done. This is to create an as-needed contractor rather than having to wait for multiple jobs to accumulate to reach a target goal for a contractor to come do the work.

MOTION: Director Davies moved to approve staff's recommendation; Director DeMeo seconded. Motion carried; VOTE:

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

J. CONSIDER LETTERS OF OPPOSITION TO SB 623

Recommendation: That the Board adopt a position of opposition to Senate Bill 623, unless it is amended, and authorize staff to submit the following letters to legislators on behalf of the Board and District.

Acting General Manager Bebee explained that ACWA is asking all participating member agencies to send letters of opposition of the new Senate Bill 623 to state legislators. The purpose of this bill is to add a water tax that the District would have to collect and send up to the state to help communities with compliance issues. The way this money will be used is not yet clear. The concern is if this is the most efficient way to address the issue. Mrs. de Sousa Mills explained that this has been changed and is now a budget trailer bill. Director Wolk stated that he would like more forceful letters sent over stating our opposition. Acting General Manager Bebee explained that ACWA

is also asking for a financial donation to help the cause of this measure if the Board would like to participate in that campaign.

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

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

V. ORAL/Written Reports------(ITEMS 1-8)

1. General Legal Counsel
 - Mrs. de Sousa Mills gave an update and some background on SB 998, which is a bill confirming that everyone has the right to water and stop predatory water termination. This bill is set to allow for a lengthier period of time for the impoverished to make payments before their water is terminated.
2. SDCWA Representative
3. Acting General Manager / Assistant General Manager/District Engineer
 - a. Engineering Report Summary
 - b. Annual Production; Total Potable Production
 - c. Ag and M&I Sales; Recycled Water Production & Sales
 - d. 12-Month Running Water Sales
 - e. Meter Exchange; Backflow Testing
 - f. Sewer Overflow/Spills
4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report
 - b. Budget Status Report
 - c. Warrant List
 - d. Finance Projects Schedule
 - Assistant General Manager/Chief Financial Officer Shank gave an overview of the work on the Treasurer's Report and how the revised format will show all of the funds.
 - In addition, Mr. Shank is working on a new Budget Status Report which will give a high-level summary of the budget activities.
 - Finally, Mr. Shank stated that the District is making progress with digital time entry using Timeclocks Plus.

5. Public Affairs Specialist
 - Public Affairs Specialist Denke explained that there are two WaterSmart workshops coming up to give customers more knowledge on the program.
 - Mrs. Denke is also working on the District's involvement with four community events in Fallbrook.
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments / Reports on Meetings Attended
 - Director DeMeo gave a report regarding the CSDA dinner she attended on February 15, 2018.
 - Director DeMeo gave her report of the MWD Tour of the Colorado River she attended on January 19th and 20th.
 - Director Davies brought up the idea of having video cameras in the Boardroom to record meetings.
 - Director Davies inquired about the idea of using social media to reach the public.
8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 5:52 p.m. following an oral announcement of Closed Session Items VI.(1), VI.(2), and VI.(3) by President Gebhart.

VI. CLOSED SESSION

1. CONFERENCE TO PROVIDE DIRECTION TO REAL PROPERTY NEGOTIATORS PER GC § 54956.8

PROPERTY: SANTA MARGARITA RIVER PROPERTY (ABOUT 1,380 ACRES OF WILD WATERSHED LAND NORTH OF FALLBROOK AROUND THE SANTA MARGARITA RIVER PRESERVE)

AGENCY NEGOTIATORS: JACK BEBEE, ACTING GENERAL MANAGER

NEGOTIATING PARTIES: THE WILDLIFE CONSERVANCY

UNDER NEGOTIATION: DISCUSSION OF ESSENTIAL TERMS NECESSARY AS A CONDITION PRECEDENT TO DETERMINATION OF PRICE AND TERMS OF PAYMENT

2. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6:

AGENCY DESIGNATED NEGOTIATORS: BOARD OF DIRECTORS

UNREPRESENTED EMPLOYEE: ACTING GENERAL MANAGER

3. PUBLIC EMPLOYEE APPOINTMENT PER GC § 54957:

TITLE: GENERAL MANAGER (UPDATE ON AND DISCUSSION REGARDING
GENERAL MANAGER RECRUITMENT)

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:40 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 6:41 p.m.



President, Board of Directors

ATTEST:



Acting Secretary, Board of Directors