

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

MINUTES

MONDAY, MAY 20, 2019
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 McDougal 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, and attendance was as follows:

Board of Directors

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

Absent: None

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel
Jack Bebee, General Manager
Devin Casteel, System Operations Supervisor
Jason Cavender, Operations Manager
Audrey Cerame, Laboratory Technician
Aaron Cook, Senior Engineer
Mick Cothran, Engineering Technician
Noelle Denke, Public Affairs Specialist
Steve Stone, Field Services Manager
Mary Lou West, Secretary

Also present were others, including, but not limited to: Bob Anderson, Paul Boughman, Sheri Cully, Milt Davies, Bert Hayden, Nora Hernandez, Martha Lennihan, Keith Lewinger, Evelyn McEwan, Larry McKinney, Courtney Provo, Eric Scherch, Dave Spencer, and Gordon Tinker.

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

MOTION: Director Wolk moved to approve the agenda as presented; Director Endter seconded. Motion passed; VOTE:

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

President McDougal announced that Items H and I would be moved to the front of the agenda.

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.

A. EMPLOYEE OF THE QUARTER 1. Audrey Cerame

Audrey Cerame was commended for being selected the May 2019 Employee of the Quarter.

President McDougal announced that Item H would be considered next.

H. FINAL COURT APPROVAL OF SANTA MARGARITA CONJUNCTIVE USE SETTLEMENT AND COMMENDATION OF SPECIAL LEGAL COUNSEL; RESOLUTION NO. 4966

General Manager Bebee reported the settlement agreement ending the 60-plus years of litigation with the United States of America was signed by the federal court judge. The following persons were recognized for their efforts in ending the litigation and securing a permanent, local water source for the community: Bob Anderson, retired board member; Milt Davies, retired board member; Bert Hayden, retired board member;

Keith Lewinger, retired general manager; and Gordon Tinker, retired general manager; Paul Baughman, legal counsel for Camp Pendleton; Martha Lennihan, special legal counsel; and Larry McKinney, former Camp Pendleton staff.

Martha Lennihan was presented with a plaque and a resolution commemorating her 23 years of service as special legal counsel to the District and for her tireless efforts leading to the finalization of the settlement agreement and securing permanent water rights on the Santa Margarita River.

MOTION: Director Wolk moved to adopt Resolution No. 4966; Director DeMeo seconded. Motion passed; VOTE:

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

President McDougal announced that Item I would be considered next.

I. CONSIDER THE FALLBROOK COMMUNITY GARDEN AS A COMMUNITY SERVICE WATER USER

Recommendation: Staff supports the Board's direction. If approved, staff will provide an update on water usage at the end of each fiscal year.

Sheri Cully, ESL Instructor at Palomar College, stepped to the podium and requested the District's support for the Fallbrook Community Garden where her students volunteer their time raising organic vegetables and maintaining the garden.

Courtney Provo, District Manager of Mission Resource Conservation District (MRCD), stepped to the podium and stated that MRCD owns the Fallbrook Community Garden and is requesting an allocation of community benefit water to help the local residents of Fallbrook.

General Manager Bebee clarified that the request is for the allocation of up to 2-acre feet of community benefit water per year.

MOTION: Director Gebhart moved to approve allocation of up to 2-acre feet per year of community benefit water for the Fallbrook Community Garden, donation of a shed, and renewal of the lease with Mission Resource Conservation District. (The lease will be brought back to the Board for final approval.); Director Endter seconded. Motion passed; VOTE:

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

ABSTAIN: None
ABSENT: None

President McDougal announced that Item E was pulled from the Consent Calendar and would be considered next.

E. CONSIDER MS. MCEWAN CLAIM FOR COST DUE TO HIGH WATER PRESSURE

Recommendation: That the Board denies the Claim and forward to ACWA JPIA for resolution.

Evelyn McEwan stepped to the podium and requested a credit in the amount of \$289.83 for the cost of water that was lost due to a leak. Mrs. McEwan alleged the leak was caused by excessive pressure in the District's system damaging her valves and causing the leak.

General Manager Bebee reported the leak occurred on the customer's side of the meter, and staff determined there were no pressure spikes in the District's system during that time. The Board offered Mrs. McEwan half the cost claimed, which she accepted.

MOTION: Director Gebhart moved to credit Mrs. McEwan's account for one-half of the cost of water claimed; Director Endter seconded. Motion passed; VOTE:

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

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

B. CONSIDER APPROVAL OF MINUTES

1. April 22, 2019 Regular Board Meeting
2. April 23, 2019 Special Board Meeting and Facilities Tour
3. May 15, 2019 Special Board Meeting

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

C. CONSIDER ADOPTION OF 2019-20 APPROPRIATION GROWTH RATE;
RESOLUTION NO. 4967

Recommendation: That the Board adopt Resolution No. 4967 setting the tax appropriation limit for 2019-20 at \$3,184,351, which includes the Fallbrook and De Luz service areas and Improvement District "S".

D. CONSIDER AMENDMENT OF ADMINISTRATIVE CODE ARTICLE 14,
DISTRICT PROCUREMENT PROCEDURES, WITH PROPOSED CHANGES TO
SECTION 14.4; RESOLUTION NO. 4968

Recommendation: That the Board adopt Resolution No. 4968 amending Administrative Code Article 14, District Procurement Procedures, with the proposed changes to Section 14.4 due to recent staff changes.

Item E was pulled from the Consent Calendar for discussion by President McDougal.

F. CONSIDER MS. HERNANDEZ CLAIM FOR REPAIR TO PROPERTY DUE TO
MOLD

Recommendation: That the Board denies the Claim and forward to ACWA JPIA for resolution.

MOTION: Director Wolk moved to approve the Consent Calendar as revised with the exclusion of Item E; Director Endter seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION----- (ITEM G)

G. ON-LINE CUSTOMER SATISFACTION SURVEY

Presented by: Noelle Denke, Public Affairs Specialist

Public Affairs Specialist Denke demonstrated a proposed on-line customer satisfaction survey, and the Board suggested using a numeric rating system of 1 through 5 instead of the rating system proposed.

President McDougal received a late speaker slip from Norma Hernandez who stepped to the podium and requested her Claim, Item F on the Consent Calendar, be paid by the District.

General Manager Bebee stated the Claim filed by Mrs. Hernandez was substantial, and due to the amount, should be sent to ACWA JPIA for resolution. Mrs. Hernandez was instructed to contact Larry Ragsdale, the District's Safety & Risk Officer, to follow up on the status of her Claim.

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS H—K)

- J. CONSIDER AMENDMENT OF ADMINISTRATIVE CODE ARTICLE 11, PERSONNEL REGULATIONS, WITH PROPOSED CHANGES TO EXISTING VACANT POSITIONS TO IMPROVE DISTRICT OPERATIONS; RESOLUTION NO. 4969

Recommendation: That the Board adopt Resolution No. 4969 amending Administrative Code Article 11, Personnel Regulations, with the proposed changes to the organizational chart and position descriptions to improve the efficiency of the overall operation of the District.

President McDougal reported the Personnel Committee reviewed the proposed amendments to Article 11 and has recommended the changes as proposed.

General Manager Bebee reported the proposal would reclassify two vacant positions: (1) Engineering Technician to Management Analyst and (2) Equipment Technician to Instrumentation, Electrical and Controls Technician. Additionally, the proposal would reclassify the current Instrumentation and Controls Specialist to Senior Instrumentation and Controls Specialist. The proposed changes would decrease the need for contracted services and save the District \$25,672 per year.

MOTION: Director Endter moved to adopt Resolution No. 4969 amending Administrative Code Article 11, Personnel Regulations, with the proposed changes to the organizational chart and position descriptions; Director Wolk seconded. Motion passed; VOTE:

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

- K. CONSIDER DEVELOPMENT OF PIPELINE AND VALVE REPLACEMENT PROGRAM

Recommendation: That the Board either (1) request staff make updates internally to perform a higher level assessment of replacement needs or (2) enter into a professional services contract with HDR for a not to exceed amount of \$151,175 to develop a detailed predictive model to optimize capital cost expenditures for water and sewer infrastructure replacement needs.

General Manager Bebee stated two alternatives would be presented for the pipeline and valve replacement program.

Senior Engineer Cook provided a history of the District's pipeline replacement program and an overview of option one to manage the program by staff. The program would prioritize pipeline segments with the highest business risk estimate and with the most broken valves and angle stops and take into account field conditions and construction costs and coordinate valve replacements with pipeline replacements.

Dave Spencer and Eric Scherch of HDR provided an overview of their services to develop a detailed predictive model for a pipeline replacement program. The model would assist the District in evolving from an age based approach towards a performance and condition based approach. The expected results would identify decreased investment needs, prioritize investments, and would align with industry best practices, field conditions, and staff institutional knowledge. Although the model would be developed by HDR, it would be managed by District staff.

Lengthy discussion followed with Directors Endter, Gebhart, McDougal, and Wolk suggesting that HDR present quantifiable evidence to support their claim that the predictive model will expand and enhance the pipeline and valve replacement program and provide cost-savings to the District in the long term.

MOTION: Director Gebhart moved to enter into a professional services contract with HDR for a not to exceed amount of \$151,175 to develop a detailed predictive model to optimize capital cost expenditures for water and sewer infrastructure replacement needs; Director DeMeo seconded. Motion failed; VOTE:

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

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

1. General Counsel
 - General Counsel de Sousa Mills provided an update of legislation affecting special districts.
2. SDCWA Representative Report
 - General Manager/SDCWA Representative Bebee reported that next year's rates and charges will increase by 5 percent and the infrastructure access charge will increase by 22 percent. The increase in the infrastructure access charge cannot be passed through since it is above what was identified in the Prop 218 process.
3. General Manager

- General Manager Bebee provided an update on the status of SRF funding expected from the state for the Santa Margarita River Conjunctive Use Project.
- a. Engineering and Operations Report
- 4. Assistant General Manager/Chief Financial Officer
 - a. Treasurer's Report (*Supplemental Materials*)
 - b. Budget Status Report (*Supplemental Materials*)
 - c. Warrant List
- 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
 - Vice-President DeMeo announced she attended Toastmasters and the ACWA JPIA Board of Directors meeting as the District's newly-appointed representative.
- 8. Miscellaneous

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to Closed Session at 6:07 p.m. following an oral announcement by General Counsel de Sousa Mills of Closed Session Items VI. 1 and 2.

VI. CLOSED SESSION ----- (ITEMS 1—2)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Manager

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GOVERNMENT CODE SECTION 54957:

Discuss Performance Evaluation of General Counsel

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 7:10 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 McDougal adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 7:11 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors