

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

**MINUTES**

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

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

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**I. PRELIMINARY FUNCTIONS**

**CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM**

President McDougal called the Regular Meeting/Public Hearing 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: Ken Endter, Member  
Al Gebhart, Member  
Don McDougal, Member/President  
Charley Wolk, Member

Absent: Jennifer DeMeo, Member/Vice-President

General Counsel/District Staff

Present: Paula de Sousa Mills, General Counsel  
Jack Bebee, General Manager  
David Shank, Assistant General Manager/CFO  
Mavis Canpinar, Customer Service Specialist  
Devin Casteel, System Operations Supervisor  
Jason Cavender, Operations Manager  
Aaron Cook, Senior Engineer  
Kyle Drake, Collection Supervisor  
Noelle Denke, Public Affairs Specialist  
Joshua Hargrove, Utility Worker  
Todd Lange, System Service/Shop Supervisor  
Faye Robinson, Customer Service Specialist  
Steve Stone, Construction/Maintenance Supervisor  
Owni Toma, Chief Plant Operator  
Mary Lou West, Secretary

Also present were others, including, but not limited to: There were no others present.

## 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 Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

## 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 FEBRUARY 2019

#### 1. Joshua Hargrove

Joshua Hargrove was commended for being selected the February 2019 Employee of the Quarter.

### II. **CONSENT CALENDAR**-----**(ITEM B)**

*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. December 13, 2018 Special Board Meeting

#### 2. February 4, 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.*

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

AYES: Directors Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

**III. INFORMATION----- (ITEMS C – F)**

**C. CUSTOMER SERVICE ENHANCEMENTS**

Customer Service Specialists Mavis Canpinar and Faye Robinson presented a slide show of recent changes that have enhanced payment options, access to WaterSmart software, and customer communication.

**D. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS**

Staff presented a slide show of the fiscal mid-year summary for the engineering, system operations, collection, construction/maintenance, and system service departments.

**E. GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTRICT BUDGET AWARDS**

Assistant General Manager/CFO Shank announced the District was awarded the Government Finance Officers Association Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers Excellence Award for fiscal year 2018-19.

**F. FISCAL YEAR 2019-2020 BUDGET PREPARATION SCHEDULE**

Assistant General Manager/CFO Shank provided an overview of the budget development schedule for fiscal year 2019-20.

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

**G. CONSIDER GRANT FUNDING FOR WATER CONSERVATION PROGRAMS**

*Recommendation: That the Board approve the MOU established between FPUD and CWA to fund FPUD's "Drought Tolerant Plant Voucher Pilot Program" and the "FPUD Water Conservation and Sustainability Garden." If approved, staff will provide an update on the programs prior to implementation after funding is secured.*

MOTION: Director Endter moved to approve the MOU established between FPUD and CWA to fund FPUD's "Drought Tolerant Plant Voucher Pilot Program" and the "FPUD Water Conservation and Sustainability Garden," and staff to provide an update on the programs prior to implementation after funding is secured; Director Wolk seconded. Motion passed; VOTE:

AYES: Directors Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

H. CONSIDER SANTA MARGARITA RIVER CONJUNCTIVE USE PROJECT (SMRCUP) FACILITIES CONTRACTOR PREQUALIFICATION AND BID SOLICITATION

*Recommendation:* That the Board authorize staff to solicit bids from the pre-qualified Contractors for the Santa Margarita River Conjunctive Use Project Facilities. Also, that the board authorize the bid and construction phases of the IEC contract in order to continue progress towards construction of the SMRCUP project and develop our own local water supply.

MOTION: Director Gebhart moved to authorize staff to solicit bids from the pre-qualified Contractors for the Santa Margarita River Conjunctive Use Project Facilities and authorize the bid and construction phases of the IEC contract; Director Endter seconded. Motion passed; VOTE:

AYES: Directors Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

I. CONSIDER AWARD OF DE LUZ ROAD PIPELINE REPLACEMENT PROJECT

*Recommendation:* That the Board reject the bid submitted by Direct Project, Inc. as non-responsive and authorize award of the De Luz Road Pipeline Replacement Project to the apparent lowest responsive and responsible bidder, EJ Meyer Company at an amount of \$888,888, if they are able to meet all District requirements.

MOTION: Director Endter moved to reject the bid submitted by Direct Project, Inc. as non-responsive and authorize award of the De Luz Road Pipeline Replacement Project to the apparent lowest responsive and responsible bidder, EJ Meyer Company, at an amount of \$888,888 if they are able to meet all District requirements. Approval is subject to staff identifying the budget adjustment for the \$480,888 difference between the amount

budgeted and the award amount or alternatively request the Board allocate those funds; Director Gebhart seconded. Motion passed; VOTE:

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

J. CONSIDER COMPLETION OF PLANNED FUND TRANSFERS; RESOLUTION NO. 4960

*Recommendation:* That the Board authorize staff to make the transfers and adopt Resolution No. 4960.

Discussion ensued relative to the wording of the motion. For clarification, General Counsel de Sousa Mills read aloud the motion as follows:

- (1) Add Item 5 to the list of budget categories to read:
  - “5. Established Liquidity Fund level.”
- (2) Add the following sentence to be the last sentence of Section 15.1.1:
  - “As part of the annual budget process, the Board will review and approve the District’s liquidity requirements.”

There were no objections to the motion as read.

MOTION: Director Gebhart moved to adopt Resolution No. 4960 amending Article 15 of the Administrative Code with the proposed revisions and to add Item 5 to the list of budget categories, “5. Established Liquidity Fund Level,” and a last sentence to Section 15.1.1, “As part of the annual budget process, the Board will review and approve the District’s liquidity requirements”; Director Endter seconded. Motion passed; VOTE:

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

K. CONSIDER AMENDING ARTICLE 27, INVESTMENT POLICY, OF THE ADMINISTRATIVE CODE; RESOLUTION NO. 4957

Recommendation: That the Board adopt Resolution No. 4957 approving the proposed changes to Article 27 of the Administrative Code.

Assistant General Manager/CFO Shank reported that each year the state reviews permitted investments for public agencies and updates the code accordingly. PFM reviewed the recent changes made by the state and recommended they be incorporated into Article 27 of the Administrative Code.

MOTION: Director Wolk moved to adopt Resolution No. 4957 amending Article 27 of the Administrative Code with the proposed changes; Director Gebhart seconded. Motion passed; VOTE:

AYES: Directors Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

L. CONCURRENCE IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY; RESOLUTION NO. 4958 AND RESOLUTION NO. 4961

Recommendation: The Board adopt Resolution No. 4958 concurring in nomination of Paul E. Dorey of Vista Irrigation District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority. The Board also adopt Resolution No. 4961 concurring in nomination of Brent Hastey of Yuba Water Agency to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority.

MOTION: Director Gebhart moved to adopt Resolution No. 4958 concurring in nomination of Paul E. Dorey of Vista Irrigation District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority and Resolution No. 4961 concurring in nomination of Brent Hastey of Yuba Water Agency to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority; Director Endter seconded. Motion passed; VOTE:

AYES: Directors Endter, Gebhart, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director DeMeo

M. CONSIDER CONCURRENCE IN NOMINATION TO CALIFORNIA WATER INSURANCE FUND BOARD OF THE ASSOCIATION OF CALIFORNIA WATER

AGENCIES JOINT POWERS INSURANCE AUTHORITY; RESOLUTION NO. 4959

*Recommendation:* The Board adopt Resolution No. 4959 concurring in the nomination of Andrew Morris of the Santa Rosa Regional Resources Authority to the California Water Insurance Fund Board of the Association of California Water Agencies Joint Powers Insurance Authority.

MOTION: Director Gebhart moved to adopt Resolution No. 4959 concurring in the nomination of Andrew Morris of the Santa Rosa Regional Resources Authority to the California Water Insurance Fund Board of the Association of California Water Agencies Joint Powers Insurance Authority; Director Wolk seconded. Motion passed; VOTE:

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

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

At 6:09 p.m., President McDougal opened the Public Hearing to receive public comments. Hearing none, President McDougal closed the Public Hearing at 6:10 p.m.

**N. POTENTIAL INCREASE IN COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATIVE CODE SECTION 2.12); ORDINANCE NO. 343**

*Recommendation:* Hold the public hearing and consider adoption of Ordinance No. 343, to increase Board compensation from \$100 to \$105 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.

MOTION: Director Gebhart moved to adopt Ordinance No. 343 to increase Board compensation from \$100 to \$105 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 Endter seconded. Motion passed; ROLL CALL VOTE:

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

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

1. General Counsel
  - General Counsel de Sousa Mills provided an update on legislation affecting special districts.
2. SDCWA Representative Report
  - Maureen Stapleton, the general manager of the SDCWA, has announced her retirement.
  - It is not anticipated that the MWD litigation will be settled in the near future.
3. General Manager
  - a. Engineering and Operations Report
    - General Manager Bebee provided an overview of recent storm damage and response by District crews.
4. Assistant General Manager/Chief Financial Officer
  - a. Treasurer's Report
  - b. Budget Status Report
    - Assistant General Manager/CFO Shank pointed out a footnote was added to the Budget Status Table to identify funds from the sale of the Santa Margarita property.
  - c. Warrant List
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
8. Miscellaneous

**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 6:33 p.m.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors