



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

MINUTES

MONDAY, FEBRUARY 22, 2021
4:00 P.M.

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

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President DeMeo called the February Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m.

President DeMeo announced, for the record, that this meeting was conducted by teleconference using the call-in and web link on the agenda, pursuant to the Brown Act waivers to certain provisions under the Governor's Executive Order in response to the COVID-19 State of Emergency.

President DeMeo also announced the agenda provided notice that members of the public were encouraged to participate in the Board meeting via teleconference using the call-in and web link information, and that members of the public could have also emailed public comments and comments on agenda items in advance of the meeting by mailing them to the District, dropping them in the District's payment drop box, or emailing them to the Board Secretary. Any such written comments would be read on to the record at the appropriate portion of the meeting – up to a limit of three (3) minutes per comment.

A quorum was established, and attendance was as follows:

Board of Directors

Present: Jennifer DeMeo, President
Dave Baxter, Member/Vice President
Ken Endter, Member
Don McDougal, Member (*arrived at 4:09 p.m.*)
Charley Wolk, Member

Absent: None

General Counsel/District Staff

Present: Jack Bebee, General Manager
Paul de Sousa, General Counsel
Dave Shank, Assistant General Manager/CFO
Jason Cavender, Operations Manager
Aaron Cook, Engineering Manager
Noelle Denke, Public Affairs Specialist
Steve Stone, Field Services Manager
Lauren Eckert, Executive Assistant/Board Secretary

Also present were others, including, but not limited to: Craig Balben, Roy Moosa, Ken Hennell, Guillermo Acevedo, Vince Ross, and Doug Smith

PLEDGE OF ALLEGIANCE

President DeMeo led the Pledge of Allegiance.

President DeMeo announced that she would ask the Board Secretary if there were any members of the public who had submitted written comments in advance of the meeting or who wished to make comments on the item through Zoom webinar or Zoom teleconference. After public comments, President DeMeo announced she would then call on staff to make a presentation for the next item on the agenda. After the presentation was made, to avoid everyone speaking at once, President DeMeo reported she would then call on each Director to see if there were questions for staff regarding their presentation. President DeMeo stated after the round of questions, she would then ask for a motion and request that each Director identify themselves when making a motion or seconding a motion. Next, President DeMeo would call on each Director to see if there were any comments. She announced all votes would be done by roll call.

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

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

AYES: Directors Baxter, DeMeo, Endter, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director McDougal

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.

President DeMeo stated, as permitted under the Brown Act, the Board would hear public comments on items within the subject matter jurisdiction of the District that were not on the agenda.

General Counsel de Sousa requested that members of the public, who wished to speak on non-agenda items, raise their hand via Zoom Webinar by clicking on the 'Raise Hand" button and via phone by pressing star nine. President DeMeo then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for non-agenda items had been received via mail, email, or deposit.

There were no public comments.

A. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK AND 4TH GRADE TEACHER

The "Be Water Smart" calendar contest winners and their 4th grade teacher were recognized and commended for their creative artwork used in the publication of the 2021/2022 "Be Water Smart" calendar.

B. EMPLOYEE OF THE QUARTER FEBRUARY 2021
1. Christian Hernandez

The Board recognized Christian Hernandez for being selected as the Employee of the Quarter for February 2021.

C. MANAGER'S AWARD
1. Mickey Case

The Board recognized Mickey Case for receiving a Manager's Award.

D. EMPLOYEE ANNOUNCEMENTS
1. Jacob Hyink

The Board recognized Jacob Hyink for his promotion to Plant Operator I.

President DeMeo requested that members of the public, who would like to speak on the Consent Calendar items E through H, raise their hand via Zoom Webinar by clicking on the 'Raise Hand" button and via phone by pressing star nine. President DeMeo then asked the Board Secretary if there were any members of the public who would have liked to be heard, or if any written public comments for Consent Calendar items had been received via mail, email, or deposit.

There were no public comments on Consent Calendar agenda items E through H.

II. CONSENT CALENDAR----- (ITEMS E – H)

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.

- E. CONSIDER APPROVAL OF MINUTES
1. January 25, 2021 Regular Board Meeting

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

- F. CONSIDER CLAIM FOR INUNDATION OF WATER ONTO REAL PROPERTY

Recommendation: *The aggregate cost of the claims related to the incident will exceed the District retrospective allocation point of \$25,000. Staff recommends rejection of this claim, and any and all claims resulting from this incident, and to forward all claims for this incident to ACWA/JPIA for resolution.*

- G. CONSIDER EASEMENT QUITCLAIM FOR 420 WEST DOUGHERTY STREET

Recommendation: *That the Board authorize to quitclaim the easement recorded as Document No. 2008-0306324.*

- H. CONSIDER LETTER OF SUPPORT FOR HR 535/S.91 (SPECIAL DISTRICTS PROVIDE ESSENTIAL SERVICES ACT) & AB 361 (RIVAS) – REMOTE MEETINGS DURING DECLARED EMERGENCIES.

Recommendation: *The Board authorize letters supporting HR 535/S.91 (Special Districts Provide Essential Services Act) & AB 361 (Rivas) – Remote Meetings During Declared Emergencies and direct staff to distribute the letter of support to the District's legislators.*

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

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

III. INFORMATION----- (ITEMS I – J)

- I. ENGINEERING AND OPERATIONS KEY PERFORMANCE INDICATORS

Presented by: Aaron Cook, Engineering Manager

There were no public comments received on agenda item I.

Staff presented a slideshow summarizing the key performance indicators for the engineering, system operations, collection, construction/maintenance, and system service departments.

General Manager Bebee credited the Field Staff's ability to adapt throughout the past year with new restrictions, etc.

J. RECYCLED WATER PROGRAM UPDATE

Presented by: Jack Bebee, General Manager

General Manager Bebee presented a slideshow on the update of the Recycled Water Program.

President DeMeo stated this project seemed like a feasible project in the long-run. General Manager Bebee responded that we did not necessarily need the water from a reliability perspective, but it made sense from a cost perspective.

Vice President Baxter asked if cannabis cultivation as an alternative way of using recycled water was something to discuss at the present time. General Manager Bebee responded that if someone was going to locate a recycled water facility, it would be beneficial to have some language requiring them to use recycled water, as the District has recycled water supplies available.

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

K. CONSIDER THE FALLBROOK VILLAGE ASSOCIATION AS A
COMMUNITY SERVICE WATER USER (VINCE ROSS SQUARE)

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

Director McDougal stated, for the record, he was a member of the Village Association for a number of years and was involved in some of the water programs, but was no longer with the Village Association.

Roy Moosa raised his hand to speak during the Zoom webinar and stated the Village Association has been dedicated to revitalizing Fallbrook for a long time. Mr. Moosa provided a brief description of several efforts the Village Association had done in this revitalization and providing Fallbrook residents with public use space.

General Manager Bebee reported the District received a request from the Village Association to consider their water use as a community benefit. He explained the District had to use non-rate revenue to offset the cost and that only water usage could be deferred to the District; fixed costs were still charged. General Manager Bebee outlined the process the District uses for coming up with the allocation of water use and stated it was estimated at one-half acre feet of water per year.

Vice President Baxter stated the Fallbrook Village Association was highly valued in the Fallbrook community.

MOTION: Director Endter moved to approve an allotment of up to one-half acre feet of water per year, to be utilized as a community benefit for no charge, for the Fallbrook Village Association's Vince Ross Square; Director Wolk seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

L. CONSIDER AUTHORIZATION FOR ADDITIONAL DEPOSIT TO SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

Recommendation: That the Board authorize the General Manager to provide an additional deposit to SDLAFCO of \$50,000.

General Manager Bebee explained the application to LAFCO for switching water providers from San Diego County Water Authority to Eastern Municipal Water District was in process. He went on to report that the LAFCO Executive Officer had brought on a consultant to look at three topics, including water supply reliability, financial impact of the District's departure, and the need for any potential departure cost for leaving the SDCWA. General Manager Bebee explained the way the LAFCO process works, was the efforts were funded by the applicants, FPUD and RMWD. The LAFCO Executive Officer requested an additional deposit of \$50,000 to cover the cost of the consultant. General Manager Bebee confirmed that LAFCO thought this additional deposit would cover the cost for the remainder of the application processing, and they would not need an additional deposit.

MOTION: Director McDougal moved to authorize the General Manager to provide an additional deposit to SDLAFCO of \$50,000 to move forward on processing the District's application to detach from the San Diego County Water Authority and annex into Eastern Municipal Water District; Director Wolk seconded. Motion passed; VOTE:

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

NOES: None

ABSTAIN: None
ABSENT: None

M. CONSIDER SMRCUP GAC INSTALLATION CHANGE ORDER

Recommendation: That the Board approve the change order for Filanc-Alberici to complete the additional work at a cost of \$3,389,801.

Engineering Manager Cook stated this issue had been discussed several times in the past, and this was the change order to have the current contractor install the GAC treatment vessels, as negotiations had now been finalized. Engineering Manager Cook did note there was a potential the District would need to cover additional overhead costs if the installation was delayed or went longer than anticipated.

Director McDougal asked if this additional GAC treatment was something that was required by regulatory groups. General Manager Bebee responded that, at the time of design, some of the constituents had significant uncertainty on how they would be regulated, but as the project began construction it became clearer and made sense to move forward with these facilities and not wait and see where the levels for PFAS would be set. The approach on PFAS has forced everyone to move forward with treatment facilities at the same time the formal rule-making process goes forward.

MOTION: Director McDougal moved to approve a change order for Filanc-Alberici to complete the additional work on the SMRCUP GAC installation, at a cost of \$3,389,801; Vice President Baxter seconded. Motion passed; VOTE:

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

N. CONSIDER ADOPTION OF RESOLUTION NO. 5006, UPDATING THE ADMINISTRATIVE CODE TABLE OF CONTENTS, RENUMBERING OF EXISTING ARTICLES TO CREATE A SEQUENTIAL ORDER, AND UPDATING INTERNAL SECTION CROSS-REFERENCES AS NECESSARY

Recommendation: That the Board adopt Resolution No. 5006, amending the Administrative Code Table of Contents, and renumbering Administrative Code Articles to create a sequential order, and update internal section cross-references as necessary.

General Manager Bebee reported these Administrative Code changes essentially cleaned up unused sections of the Administrative Code and renumbered articles.

MOTION: Director Wolk moved to adopt Resolution No. 5006, amending the Administrative Code Table of Contents, and renumbering Administrative Code Articles to create a sequential order, and update internal section cross-references as necessary; Director Endter seconded. Motion passed; VOTE:

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

O. CONSIDER REQUEST FOR APPROVAL TO PURCHASE ONE BOOM TRUCK CRANE

Recommendation: The Board approve the purchase of one boom truck crane from Velocity Truck Centers in the amount of \$314,627.03.

Director Endter reported this would allow the District to drive the crane to job sites easier and without having to block the entire roadway.

General Manager Bebee stated this was part of the valve replacement program. He did report this was over the budgeted amount for the crane, but still kept the overall fleet budget under budget due to savings on other fleet items.

Director Wolk asked what kind of truck the crane was going to be attached. Field Services Manager Stone stated it would be a flatbed freightliner truck with a crane attached to the back of it.

MOTION: Director Endter moved to approve the purchase of one boom truck crane from Velocity Truck Centers in the amount of \$314,627.03; Director Wolk seconded. Motion passed; VOTE:

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

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

At 5:31 p.m., President DeMeo opened the Public Hearing to receive public comments and deferred to General Counsel de Sousa for an oral announcement of agenda item P.

General Counsel de Sousa announced each year the Board reviews its compensation and outlined the process for increasing Directors' compensation.

General Counsel de Sousa requested that members of the public, who wished to speak during the Public Hearing, raise their hand via Zoom Webinar by clicking on the 'Raise Hand' button and via phone by pressing star nine.

Hearing no public comments, President DeMeo closed the Public Hearing at 5:36 p.m.

P. POTENTIAL INCREASE IN COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATIVE CODE SECTION 2.12); ORDINANCE NO. 349

Recommendation: Hold the public hearing and consider adoption of Ordinance No. 349, to increase Board compensation from \$110.25 to \$115.76 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 Endter moved to adopt Ordinance No. 349, to increase Board compensation from \$110.25 to \$115.76 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 McDougal seconded. Motion carried; VOTE:

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

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

1. General Counsel

- General Counsel de Sousa noted the Zoom platform allows more ease for public comments. She also provided an overview of AB 361, and how it would relate to remote meetings moving forward.
- General Counsel de Sousa reported there was a new bill being introduced which would lower the statute of limitations for challenges on water rate increases. There was an ACWA legal alert that would be distributed to Board members.

2. SDCWA Representative Report

- General Manager Bebee provided an overview of the written report included in the agenda packet.

3. General Manager

a. Engineering and Operations Report

- General Manager Bebee reported the District's discharge permit was renewed, and this year there were costly requirements that the party's were concerned about. The District appealed, which was denied by the

- Regional Board. The District also appealed with the State Board, with which the District was able to get a hearing.
4. Assistant General Manager/Chief Financial Officer
 - a. Financial Summary Report
 - b. Treasurer's Report
 - c. Budget Status Report
 - d. Warrant List
 - AGM/CFO Shank provided an overview of the written reports included in the agenda packet.
 5. Public Affairs Specialist
 - Public Affairs Specialist Denke noted she added the FPUD 100 year anniversary to the calendar that was presented earlier in the meeting.
 6. Notice of Approval of Per Diem for Meetings Attended
 7. Director Comments/Reports on Meetings Attended
 - Director McDougal commended Filanc, the Project Manager, and FPUD staff for keeping the neighbors informed and minimizing shut downs on Palomino Road.
 8. Miscellaneous

ADJOURN TO CLOSED SESSION

President DeMeo announced that members of the public were welcome to continue to stay on the teleconference line while the Board was in Closed Session, however they would only hear silence. Following Closed Session and prior to adjournment, an oral announcement of reportable action, should there be any, would be made to the public on the teleconference line. President DeMeo requested that members of the public, who wished to speak on any Closed Session agenda items, raise their hand via Zoom Webinar by clicking on the 'Raise Hand' button and via phone by pressing star nine.

There were no public comments on Consent Calendar agenda items E through H.

The Board of Directors adjourned to Closed Session at 5:57 p.m. following an oral announcement by General Counsel de Sousa of Closed Session Items V.1 and V.2.

VII. CLOSED SESSION------(ITEMS 1-2)

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):
One (1) Potential Case (Claim filed by George Acquavella)
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1):

*Name of Case: Todd Lange v. Fallbrook Public Utility District, San Diego
Co. Sup. Ct. (North County) Case No 37-2020-00046705-CU-PT-NC*

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:09 p.m.

REPORT FROM CLOSED SESSION (*As necessary*)

The Board met in Closed Session for both Closed Session items listed on the agenda. With regard to Closed Session Agenda Item 1 (Claim filed by George Acquavella), on Motion of Director Wolk, Seconded by Director McDougal, the Board unanimously voted to deny the claim filed by George Acquavella dated January 20, 2021, for lack of merit

VIII. ADJOURNMENT OF MEETING

There being no further business to discuss, the February Regular Meeting of the Fallbrook Public Utility District was adjourned at 6:10 p.m.



President, Board of Directors

ATTEST:



Secretary, Board of Directors