



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING

AGENDA

MONDAY, OCTOBER 23, 2017  
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) 728-1125, ext. 1130 for assistance so the necessary arrangements can be made.*

*Writings that are public records and are distributed during a public meeting are available for public inspection at the meeting if prepared by the local agency or a member of its legislative body or after the meeting if prepared by some other person.*

**I. PRELIMINARY FUNCTIONS**

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF 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.*

**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.*

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*

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.*

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.*

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 an approximate 10% increase in compensation to the Assistant General Manager, effective September 11, 2017, for 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.

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. During discussion, one committee member suggested a \$125 per diem 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.

I. POTENTIAL FUNDING FOR LOCAL SUPPLY DEVELOPMENT

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

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.

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.

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

Recommendation: Staff supports the Board's direction.

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

1. General Legal Counsel
2. SDCWA Representative
3. Acting General Manager
4. Assistant General Manager/Chief Financial Officer
5. Public Affairs Specialist
6. Notice of Approval of Per Diem for Meetings Attended
7. Director Comments/Reports on Meetings Attended
8. Log of Board Requests

ADJOURN TO CLOSED SESSION

**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

REPORT FROM CLOSED SESSION (*As Necessary*)

**VII. ADJOURNMENT OF MEETING**

\* \* \* \* \*

**DECLARATION OF POSTING**

I, Mary Lou West, Secretary of the Board of Directors of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2(a).

I, Mary Lou West, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

10-18-17  
Dated / Fallbrook, CA

Mary Lou West  
Secretary, Board of Directors



**M E M O**

**TO:** Board of Directors  
**FROM:** Mary Lou West, Secretary *mlw*  
**DATE:** October 23, 2017  
**SUBJECT:** Approval of Minutes

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**Recommendation**

The Board approve the minutes of the following board meetings of the Board of Directors of the Fallbrook Public Utility District:

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

Minutes of the September 25, 2017 Regular Board  
Meeting

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

**MINUTES**

**MONDAY, SEPTEMBER 25, 2017  
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**

President Wolk called the Regular Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:00 p.m. President Wolk read the following statement into the record:

*"Prior to roll call, I would like to make clear for the record of this meeting, and it should be reflected in the minutes, that at least a portion of this meeting of the Fallbrook Public Utility District is being conducted pursuant to California Government Code Section 54953, in that Director Davies is participating by teleconference from the Cedar City Public Library, West Meeting Room, 303 N. 100 E., Cedar City, Utah 84721. Director Davies is participating by speakerphone. In accordance with the Ralph M. Brown Act, the teleconference location was identified in the notice and agenda for this meeting."*

**ROLL CALL / ESTABLISH A QUORUM**

President Wolk conducted attendance by roll call. Directors DeMeo, Gebhart, McDougal, and Wolk were present at the meeting, and Director Davies was present by speakerphone at the teleconference location identified on the notice and agenda.

The members of the Board of Directors acknowledged they were able to hear Director Davies clearly and no member expressed doubt that Director Davies was the party participating by teleconference.

**Board of Directors**

**Present:** Milt Davies, Member (*via teleconference*)  
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, Assistant General Manager / Acting General Manager  
Mick Cothran, Drought Management Coordinator  
Noelle Denke, Public Affairs Specialist  
Jeff Marchand, Engineering Supervisor  
David Shank, Assistant General Manager / Chief Financial Officer  
Mary Lou West, Secretary

Also present were others, including, but not limited to: Helene Brazier; Dan Coxe; Donna Gebhart; Zachary Kantor-Anaya of The Wildlands Conservancy; Archie and Patricia McPhee; and Maureen Stapleton, General Manager of the San Diego County Water Authority.

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 presented; Director DeMeo seconded. Motion carried; ROLL CALL 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.*

There were no members of the public who wished to speak during Public Comment concerning items not listed on the agenda.

II. **CONSENT CALENDAR**-----**(ITEM A)**

*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 August 28, 2017

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

MOTION: Director McDougal moved to approve the Consent Calendar as presented; Director Gebhart seconded. Motion carried; ROLL CALL VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

III. **INFORMATION** -----(ITEMS B-C)

B. INTRODUCTION OF NEW ASSISTANT GENERAL MANAGER / CHIEF FINANCIAL OFFICER

*Presented by: Jack Bebee, Acting General Manager*

Mr. Bebee introduced Assistant General Manager / Chief Financial Officer David Shank to the Board of Directors. Mr. Bebee invited the Directors to schedule a time to meet with Mr. Shank through the board secretary.

C. SAN DIEGO COUNTY WATER AUTHORITY ISSUES UPDATE

- END TO THE MULTI-YEAR DROUGHT
- MWD RATE CASE
- FINANCIAL PRACTICES OF MWD AND THE RISK TO SOUTHERN CALIFORNIA RATEPAYERS

*Presented by: Maureen A. Stapleton, General Manager of the San Diego County Water Authority*

President Wolk welcomed San Diego County Water Authority (CWA) General Manager Maureen A. Stapleton and invited her to the podium.

Mrs. Stapleton stepped to the podium and stated she would provide an update on three issues of importance to the San Diego County Water Authority. Mrs. Stapleton's slide show presentation provided an overview of (1) the end to the multi-year drought, (2) the status of the CWA litigation with the Metropolitan Water District of

Southern California (MWD), and (3) the financial practices of MWD affecting the CWA and its member agencies.

Following the presentation, Mrs. Stapleton requested the Board consider adopting a resolution, or writing a letter, in support of the continuing efforts of the CWA to protect ratepayers from MWD activities and its financial practices.

President Wolk thanked Mrs. Stapleton for the presentation, and Mrs. Stapleton offered to provide sample resolutions for Board consideration.

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

**D. CLAIM FOR PROPERTY DAMAGE AND LOSS**

*Recommendation: That the Board deny the Claim for property damages and loss by Mr. Fenton for water loss and repairs to his grove road and irrigation equipment, and that staff forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution.*

Mr. Bebee reported that Mr. Fenton claimed weekly maintenance at a nearby pressure-reducing station caused a surge in water pressure that broke his 2-inch main and resulted in water loss and damage to his irrigation equipment and grove road. Upon inspection, staff determined that Mr. Fenton's pressure regulator located on his side of the meter was not functioning likely causing the damages claimed.

**MOTION:** Director McDougal moved to deny the Claim for property damages and loss by Mr. Fenton for water loss and repairs to his grove road and irrigation equipment and for staff to forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution; Director DeMeo seconded. Motion carried; ROLL CALL VOTE:

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

**E. SANTA MARGARITA PROPERTY REQUEST FOR PROPOSALS FOR SALE, TRANSFER OR OTHER ARRANGEMENT**

*Recommendation: That the Board affirm the recommendation from the Water Resources Committee to issue the Notice to Potential Interested Parties for Sale, Transfer or Other Arrangement for the Santa Margarita River property.*



At the invitation of President Wolk, Donna Gebhart stepped to the podium on behalf of The Fallbrook Trails Council. Mrs. Gebhart provided the following update on the Santa Margarita River property:

- The Santa Margarita River property was included in SB 5 for \$10 million.
- The Fallbrook Trails Council consulted Attorney Wayne Brechtel relative to a trails easement. Mr. Brechtel advised a management plan would be required and should be attached to the trails easement.
- The Wildlands Conservancy has been working on the integration of the easement and management plan, and they would like to present an update of their efforts to the Board of Directors at a future Board meeting.

Mr. Bebee reported the Water Resources Committee (WRC) is recommending a Request for Proposals (RFP) be issued for the sale, transfer, or other arrangement for the Santa Margarita River property; and if the recommendation is approved by the Board, the RFP will be advertised and proposers will have until January 15, 2018, to respond. Following the deadline, the WRC will review the proposals and evaluate options moving forward.

President Wolk noted the intent of the Water Resources Committee was to explore all options for the Santa Margarita River property, including the goals of the District and the community for the trails.

Vice-President Gebhart pointed out the RFP includes conditions for the trails.

Mrs. de Sousa Mills reiterated the RFP provides the Board of Directors the broadest ability to determine what opportunities are available to the District before it makes a decision to declare the property surplus. If the Board moves forward with a purchase and sale, the District would have to go through the surplus property process, as disclosed in the RFP.

MOTION: Director McDougal moved to approve the recommendation of the Water Resources Committee to issue the Notice to Potential Interested Parties for Sale, Transfer or Other Arrangement for the Santa Margarita River property; Director Gebhart seconded. Motion carried; ROLL CALL VOTE:

AYES: Directors DeMeo, Gebhart, McDougal, and Wolk

NOES: Director Davies

ABSTAIN: None

ABSENT: None

F. RECOMMENDATION FROM THE FISCAL POLICY & INSURANCE  
COMMITTEE ON THE ON-TIME PAYMENT DISCOUNT

*Recommendation: That the Board affirm the recommendation from the Fiscal Policy & Insurance Committee to remove the on-time discount to maintain long-term rate stability based on the results of the rate study.*

Vice-President Gebhart reported that while working with Raftelis on developing the rate study and financial plan for the District, the Fiscal Policy & Insurance Committee determined the on-time discount should be discontinued to maintain long-term rate stability moving forward.

President Wolk pointed out the change would stop the discount for on-time payments.

Vice-President Gebhart explained that providing a \$5 discount for paying on time costs the District approximately \$300,000 to \$400,000 per year. The additional capital will contribute to rate stabilization and replacing aging infrastructure.

President Wolk noted that public outreach efforts are currently taking place, and are ongoing, to notify customers of the proposed changes and the dates of workshops, meetings, and the public hearing relative to the new rate structure.

MOTION: Vice-President Gebhart moved to affirm the recommendation of the Fiscal Policy & Insurance Committee to remove the on-time discount effective January 1, 2018, subject to board-approval of the new rate structure; Director McDougal seconded. Motion carried; ROLL CALL VOTE:

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

G. BALLOT FOR ACWA REGION 10 BOARD ELECTION FOR THE 2018-2019 TERM

*Recommendation: That the Board direct and authorize the Acting General Manager to cast its vote electronically for the slate recommended by the Region 10 Nominating Committee. Since all Nominees are included in the Committee's recommended slate, choosing to cast individual nominations would only be if the District did not want to vote for someone in the recommended slate.*

Mr. Bebee noted the two options for casting the District's vote in the ACWA Region 10 Board Election for the 2018-19 term: (1) the slate recommended by the Region 10 Nominating Committee or (2) for specific individuals, which would just exclude some individuals in the slate.

MOTION: Director Davies moved to direct and authorize the Acting General Manager to cast the Board's vote electronically for the slate recommended by the Region 10 Nominating Committee; Director McDougal seconded. Motion carried; ROLL CALL VOTE:

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

#### H. RECRUITMENT FOR NEW DISTRICT GENERAL MANAGER

*Recommendation:* That the Board authorize the Human Resources Manager to secure services of an outside service to assist the Board with hiring a new District General Manager at not-to-exceed \$30,000 or authorize the Human Resources Manager to directly advertise the position and coordinate screening of applications with the Board due to the retirement of the General Manager on January 12, 2018.

President Wolk reiterated that due to the approaching retirement of the General Manager, the Board must choose to either secure the services of an executive recruitment firm or use the Human Resources Manager to recruit candidates for the position. President Wolk suggested the Board President be involved in the process and work with either the recruiting firm or the Human Resources Manager to provide fairness and protect staff.

MOTION: Director McDougal moved the Human Resources Manager evaluate the options available for recruitment of a General Manager and return to the Board with the findings. The motion failed for lack of a second.

Director Davies expressed support of securing the services of an executive recruitment firm.

MOTION: Director Davies moved to secure the services of an executive recruitment firm not to exceed \$30,000, preferably Bob Murray & Associates; Vice-President Gebhart seconded.

Director McDougal expressed a preference for the Board taking 60-to-90 days internally to evaluate other options before spending \$30,000 on an executive recruitment firm. Brief discussion ensued, and Director McDougal suggested the matter be tabled for discussion in Closed Session.

Mrs. de Sousa Mills stated the matter could be discussed in Closed Session but was not listed on the agenda, which would prevent discussion in Closed Session today.

Vice-President Gebhart suggested postponing the item to a Special Board Meeting for discussion in Closed Session.

Director Davies withdrew his motion, and Vice-President Gebhart withdrew his second. The Board directed staff to schedule a Special Board Meeting for the General Manager recruitment process.

President Wolk announced he received a Request to Speak from Dan Coxe after the time specified on the agenda for Public Comment and invited Mr. Coxe to the podium.

Mr. Coxe stepped to the podium and identified himself as a grove owner in De Luz Heights. Mr. Coxe stated he received a letter concerning the proposed rate increases, but the letter did not provide a notice of a public hearing. Mr. Coxe asked if a public hearing was scheduled.

Mr. Bebee explained the District held two informational meetings to provide the public an opportunity to ask questions about the proposed rate increases and added the Prop 218 notice, which will be mailed next week, includes the hearing date.

Mr. Coxe asked about the process to challenge the rate increases.

Mrs. de Sousa Mills stated the process and requirements for protesting are set forth in the Prop 218 *Notice of Public Hearing*, and protests must in writing.

**V. ORAL / WRITTEN REPORTS----- (ITEMS 1-7)**

1. General Legal Counsel

- Mrs. de Sousa Mills provided an update of legislation affecting water districts.

2. SDCWA Representative

- President Wolk noted the SDCWA Representative's report is included in the board packet.

3. Acting General Manager

- Working with the Assistant General Manager / Chief Financial Officer on making improvements to the financial reports and providing detailed analysis of reports to the Board.
- A report that summarizes key priorities of the Acting General Manager during the interim period was included in the board packet.

- Over the weekend, a leak occurred on Old Stage that resulted in road closures and approximately 50 people without water. Projects will be reprioritized to replace the line.
- The next Village News ad will focus on infrastructure projects.
- The audit of Jackie Heyneman Park's water usage is underway, and there has been discussion of imposing water budgets on community benefit entities that receive discounted water.

4. Public Affairs Specialist

- Wrote and mailed targeted letters to specific rate groups, informing them of the upcoming rate changes.
- Organized and did outreach for two public meetings in September on rate changes.
- Coordinated training for staff with Jim Turner of WaterSmart, having him fly down from San Francisco, to show how the AMI integration will benefit customers.
- Wrote ad/mini newsletter for The Village News on water, sewer and capital improvement projects.
- Wrote press release on rate changes.
- President Wolk commended Mrs. Denke for her article that appeared on the front page of the Village News "above the fold."

5. Notice of Approval of Per Diem for Meetings Attended

6. Director Comments/Reports on Meetings Attended

- Director DeMeo reported attending the Council of Water Utilities meeting and a two-day State Water Project / Bay-Delta Inspection Tour sponsored by the MWD and hosted by the SDCWA.

7. Log of Board Requests

ADJOURN TO CLOSED SESSION

MOTION: Director McDougal moved to adjourn to Closed Session for Items VI. 1., 2., and 3., all as stated on the agenda; Director DeMeo seconded. Motion carried; ROLL CALL VOTE:

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

Following Director McDougal's reading aloud of Closed Session Items VI., 1., 2., and 3., the Board adjourned to Closed Session at 5:32 p.m.

**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
2. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):  
ONE (1) POTENTIAL CLAIM: EDWARD N. LUEKING/FALLBROOK CAR WASH, LLC
3. CONFERENCE WITH LABOR NEGOTIATORS PER GC § 54957.6:  
AGENCY DESIGNATED NEGOTIATORS: BOARD OF DIRECTORS  
UNREPRESENTED EMPLOYEE: ACTING GENERAL MANAGER

**RECONVENE TO OPEN SESSION**

The Board returned from Closed Session and reconvened to Open Session at 6:12 p.m.

**REPORT FROM CLOSED SESSION (*As Necessary*)**

As to Closed Session Agenda Item VI., 2., by Motion of Vice-President Gebhart, Seconded by Director McDougal, the Board unanimously rejected the Claim submitted by Edward N. Lueking / Fallbrook Car Wash.

**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 6:13 p.m.

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors



Minutes of the October 17, 2017 Special Board  
Meeting

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

**MINUTES**

**TUESDAY, OCTOBER 17, 2017  
1:30 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 Wolk called the Special Meeting of the Board of Directors of the Fallbrook Public Utility District to order at 1:30 p.m. A quorum was established with attendance as follows:

**Board of Directors**

**Present:** Charley Wolk, Member / President  
Al Gebhart, Member / Vice-President  
Milt Davies, Member  
Jennifer DeMeo, Member  
Don McDougal, Member

**Absent:** None

**District Staff**

**Present:** Paula de Sousa Mills, General Legal Counsel  
Ace Rule, Human Resources Manager

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

**PLEDGE OF ALLEGIANCE**

President Wolk led the Pledge of Allegiance.

**APPROVAL OF AGENDA**

There were no changes made to the agenda.

**PUBLIC COMMENT**

There were no comments from members of the public.

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 1:32 p.m. for discussion of Closed Session Items 1 and 2, following an oral announcement of both items.

**II. CLOSED SESSION**

1. PUBLIC EMPLOYEE APPOINTMENT PER GC § 54957:

TITLE: GENERAL MANAGER (RECRUITMENT OF GENERAL MANAGER DUE TO RETIREMENT OF THE GENERAL MANAGER ON JANUARY 12, 2018)

2. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2):

ONE POTENTIAL CASE

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 2:43 p.m.

REPORT FROM CLOSED SESSION

There was no reportable action taken in Closed Session.

**III. ADJOURNMENT OF MEETING**

There being no further business to discuss, President Wolk adjourned the Special Meeting of the Board of Directors of the Fallbrook Public Utility District at 2.44 p.m.


\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

**M E M O**

**TO:** Board of Directors  
**FROM:** Larry Ragsdale, Safety & Risk Administrator  
**DATE:** October 10, 2017  
**SUBJECT:** Claim for Property Damage



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Purpose

To review the Claim for property damage filed by Betty Hansen.

Summary

On September 7, 2017, Mrs. Hansen filed a Claim alleging for damages to the asphalt driveway at [REDACTED] Mrs. Hansen attributes the damages to main line leak on August 20, 2017

Mr. Lang the system services supervisor and Mr. Stone the construction/maintenance supervisor determined that the damages to the driveway existed prior to the District staff making repairs on Rock Mountain Dr.

Recommended Action

That the Board deny the Claim for property damages by Mrs. Hansen for to her driveway, and forward the Claim to the Association of California Water Agencies Joint Powers Insurance Authority for resolution.

# Claim Form

(A claim shall be presented by the claimant or by a person acting on his behalf.)

## NAME OF DISTRICT:

1

Claimant name, address (mailing address if different), phone number, social security number, e-mail address, and date of birth.

Effective January 1, 2010, the Medicare Secondary Payer Act (Federal Law) requires the District/Agency to report all claims involving payments for bodily injury and/or medical treatments to Medicare. As such, if you are seeking medical damages, we **MUST** have both your Social Security Number and your date of birth.

Name: *Betty Hansen*

Phone Number: [REDACTED]

Address: [REDACTED]

Social Security No.:

Date of Birth: [REDACTED]

E-mail:

2

List name, address, and phone number of any witnesses.

Name:

Address:

Phone Number: ( )

3

List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.

Date: *Don't know* Time:

Place: [REDACTED]

Tell What Happened (give complete information):

*Fallbrook, Ca 92028*

**NOTE: Attach any photographs you may have regarding this claim.**

4

Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.

*Main water line on road broke. Water went down my driveway into the garage, also large erosion on hillside. There 2 holes been fixed driveway has large crack that were not there before. Had driveway records 4/20/17 - enclosed bill.*

5

Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.

6

The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Date: *9/5/17*

Time: *8:30 AM*

Signature:

*Betty Hansen*

**ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT!**

A personal note ...

Dear Larry,

8-29-17

Inclosed is a copy of my  
receipt from the paving company.

I also give you permission  
for my son, Mike Hansen, to  
receive E-Reds (on my behalf) from  
you.

If you need more please  
Call me at [REDACTED]

Thank you  
Betty Hansen



ACE  
 STRIPING  
 & SEALING INC.  
 CA Lic.#777595

P.O. Box 2713, Fallbrook, CA 92088  
 (619) 454-7056 • Fax (760) 723-4834

# Invoice

Date	Invoice No.
4/20/2017	7268

**Bill To**

Hanson, Betty  
 [REDACTED]  
 Fallbrook, CA 92028

**PAID**

**Job Site**

Betty Hanson  
 [REDACTED]  
 Fallbrook, CA

Job No.	Terms	Attn:
	Paid	

Quantity	Description
	Asphalt Seal Coating: A. Apply (2) Coats of Industrial Asphalt Sealer to driveway, first coat applied to cracks second coat to entire driveway.
<b>TOTAL DUE</b>	
\$750.00	

FALLBROOK PUBLIC UTILITY DISTRICT

P.O. Box 2290  
990 East Mission Road  
Fallbrook, California 92088-2290

**CLAIM ACCEPT/DENY FORM**

r

Claimant Name: Betty Hansen

Company: Personal property

Claim ID: 17-316

Date Claim Received: 9/7/2017

Claim request:  Accept  Deny

Date: \_\_\_\_\_

  
Assistant General Manager

Remarks:

Claim request:  Accept  Deny

Date: 10/5/17

  
Assistant General Manager / CFO

Remarks:

Claim request:  Accept  Deny

Date: \_\_\_\_\_

  
General Manager

Remarks:

**BOARD ACTION**

If applicable

Accept  Deny

# GENERAL INCIDENT INFORMATION

## Property Incident Other

Event ID: 17-316  
DOI: 8/20/2017

Event Type: Water Damage  
Company: Personal property

Name of Party: Betty Hansen  
Contact # [REDACTED]

Parties Address: [REDACTED]  
Timeliness of Claim: 0 Year(s) 0 Month(s) 18 Days

Type of Incident: Water Damage		Nature of Incident: Main Line Break	
Incident Description: Claimant requesting repairs for driveway due to water damage from a accidental main line leak			
Location of Incident: [REDACTED]			
Date Claim Received	9/7/2017		
Status of Claim	Open		
Incident Reported to JPIA			
Date Closed			
Settlement			
Release Signed			

DATE	ISSUE/REMARKS	COMMENTS

## MEMORANDUM FOR RECORD

**SUBJECT:** Claim# 17-316 BETTY HANSEN – DRIVEWAY DAMAGE

1. **RECOMMENDATION:** Based on the findings, recommend that the claim for damages be denied.
2. **INCIDENT:** On August 20, 2017 a water main break in the middle of Rock Mountain Road caused flooding that ran down the street, into the driveway, garage and the side of the home causing damage.

Crews performed debris clean-up of the driveway, garage and repair of the landscaping located on the side of the house.

The cracks within the driveway foundation are preexisting and can be seen from Google Earth maps imagery data – 10/21/2016.

Claimant had the driveway reseal 04/20/2017.

An inspection/examination of the driveway cracking was performed:

Finding from Todd Lange supervisor system services:

████████████████████ Mainline leak property damage.

It is my opinion that the asphalt/sealer on the property at ████████████████████ was not damaged during the mainline leak. The water flowed over the driveway and into the drain. The System Service crew cleaned the driveway and the drain from silt and debris.

Finding from Steve Stone supervisor construction & maintenance:

Larry Ragsdale asked me to inspect a paving damage claim at ████████████████████ I was not part of the department that repaired the leak so I was unaware of the site or conditions. Larry showed me the location of the repair, the areas that experienced high water flows and the site of the claimed asphalt damage. I asked what the claim was for because I saw that the driveway in question had recently been resealed. He explained the claim was for cracking damage to the driveway in question. I asked if the driveway had been resealed before or after the claim of damage. Larry said it was resealed before the leak occurred. I inspected closer and saw that the sealant used penetrated deep into the existing cracks in the driveway. The cracks also expands far beyond the area where water flowed. I explained to Larry in my professional opinion, the cracking of the driveway had taken place before the asphalt sealer was placed. I also added this wide spread cracking over the entire driveway is not typical of high water flows concentrated in one path.

██████████ Mainline leak property damage

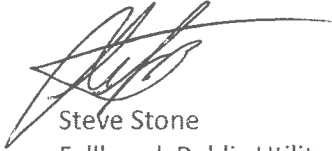
It is my opinion that the asphalt/ sealer on the property at ██████████ was not damaged during the mainline leak. The water flowed over the driveway and into the drain. The System Service crew cleaned the driveway and the drain from silt and debirs.

Ta Sean  
9/12/17

10-2-17

Larry Ragsdale asked me to inspect a paving damage claim at [REDACTED] I was not part of the department that repaired the leak so I was unaware of the site or conditions. Larry showed me the location of the repair, the areas that experienced high water flows and the site of the claimed asphalt damage. I asked what the claim was for because I saw that the driveway in question had recently been resealed. He explained the claim was for cracking damage to the driveway in question. I asked if the driveway had been resealed before or after the claim of damage. Larry said it was resealed before the leak occurred. I inspected closer and saw that the sealant used penetrated deep into the existing cracks in the driveway. The cracks also expands far beyond the area were water flowed. I explained to Larry in my professional opinion, the cracking of the driveway had taken place before the asphalt sealer was placed. I also added this wide spread cracking over the entire driveway is not typical of high water flows concentrated in one path.

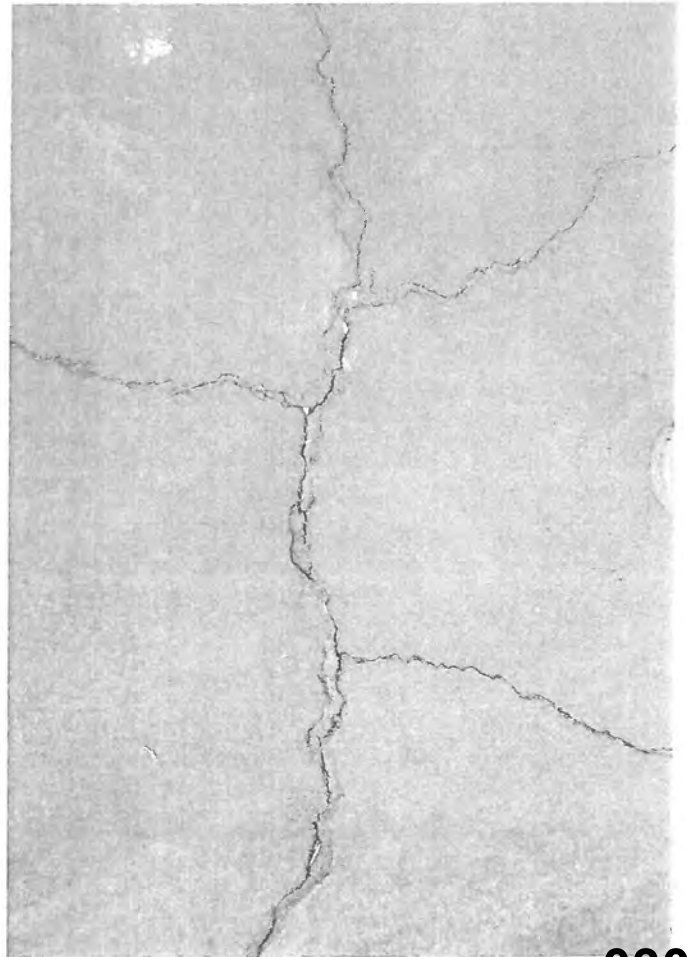
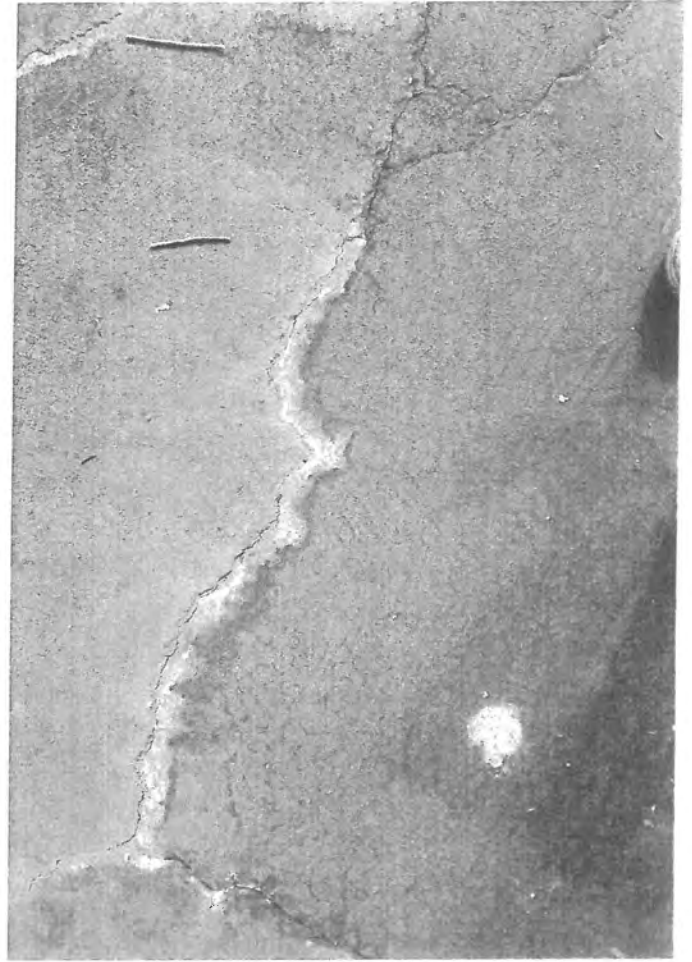
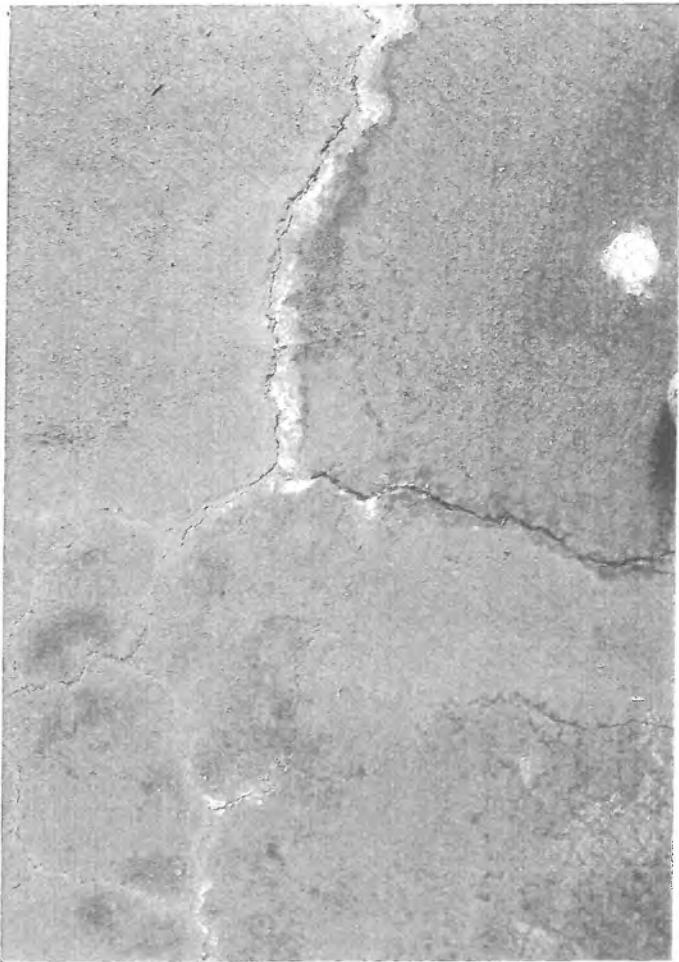
Respectfully,

A handwritten signature in black ink, appearing to read 'Steve Stone', with a long horizontal flourish extending to the right.

Steve Stone  
Fallbrook Public Utility District  
Construction Supervisor.







M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, Acting General Manager *NRB*  
**DATE:** October 23, 2017  
**SUBJECT:** Completion of "Of Counsel" Services

---

Purpose

During the transition of District Counsel to Best, Best and Krieger, Robert H. James services were retained to support the transition in an "Of Counsel" role. The transition is complete, and it is necessary for the Board to approve discharge of "Of Counsel" services for the Law Offices of Robert H. James to complete the process.

Recommended Action

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.

## CONTRACT FOR "OF COUNSEL" LEGAL SERVICES

Dear Client:

I appreciate the trust you have placed in me by selecting me as your attorney. California law requires that I give you a signed written agreement which explains what legal services I will be performing for you, and what you will be charged. This is that agreement.

### 1. Parties.

This Agreement is made between Robert H. James, referred to as "I," and Fallbrook Public Utility District, referred to as "You."

### 2. Attorney's Authority.

You are authorizing me to represent you in the following matter(s) only"

General Counsel services and consultation on all legal matters to the district and staff.

You are giving me authority to do everything necessary to represent you in this matter. You promise to be completely truthful with me, and to fully cooperate with me in my representation of you. You promise to provide me with all documents regarding your legal matter. Otherwise, I cannot properly advise you and represent your interests.

I am not responsible for representing you in any other legal matters except the matter(s) described above. I have no obligation to provide other legal services to you on other legal matters unless we enter into a further agreement.

Also, I will not be providing tax advice of any sort.

I am duly licensed to practice law by the California State Bar Association, and I currently maintain Errors and Omissions Insurance coverage applicable to the services rendered you.

### 3. Legal Fees.

You promise to pay me attorney's fees in the form of a monthly fee in the sum of nine hundred fifty dollars (\$950.00) per month for the legal matters referred to above. The fee shall include legal services (above) of up to seven (7) hours per month. Additional monthly services exceeding seven (7) hours shall be billed at the rate of one hundred ninety-five dollars (\$195.00) per hour. This includes, but is not limited to conferences with you, witnesses, opposing lawyers or anyone else directly related to the legal matter, telephone calls, court appearances, travel time, research related to your matter, correspondence, document review, etc. You promise to pay me ninety-five dollars (\$95.00) per hour for paralegal or law clerk services.

4. "Of Counsel".

I shall be included on the District letterhead and website as "Of Counsel". Staff shall cooperate with me and provide information as they do with other General Counsel.

5. Billing Statements.

The fee will be paid monthly. I will not bill you unless there are additional services. You promise to pay within thirty (30) days after you receive your bill. I will have the right to immediately withdraw and stop all work on your behalf if your bill is not paid timely. You promise to pay me accrued interest on any unpaid bill at the rate of ten percent (10%) per annum.

6. Discharge or Withdrawal.

The Board of Directors at a regular meeting may discharge me for any reason at any time by sending me a written notice. You promise to pay for all legal services and costs incurred by you prior to me receiving written notice of discharge. I may withdraw from this matter at any time with your consent, or for "good cause." Good cause exists whenever you fail to pay your legal fees or costs, you breach this contract, you refuse to cooperate with me, or you and I have a difference of opinion on any matter regarding your case which would render my representation of you unlawful, unethical or impractical.

7. Files and Records.

I will confidentially maintain all documents provided to me. You are entitled to the return of all writings you give me. However, if you have not asked me to provide your files and writings five (5) years after the conclusion of any matter, you hereby authorize me to shred and destroy all such files.

8. JAMS Mediation/Arbitration.

All Mediation Claims (defined below) between the parties shall be resolved by submission to non-binding mediation and if not resolved to final and binding arbitration at San Diego County, California, offices of JAMS/ENDISPUTE ("JAMS"). The parties may agree on a retired judge from the JAMS panel. If they are unable to agree, JAMS will provide a list of three available judges and each party shall strike one. The remaining judge shall serve as the mediator/arbitrator for purposes of resolving such dispute. The parties agree that arbitration must be initiated within ninety (90) days after unsuccessful mediation and a party initiates arbitration pursuant to the Section. The mediator's fees and/or arbitrator's fees shall be divided and paid equally by the parties and shall be a recoverable cost under any resulting arbitration award. The arbitration award shall be entered as an enforceable judgment pursuant to California Code of Civil Procedures section 1280 *et seq.*

**Initiation of Arbitration; Submission Agreement.** After mediation is completed, any party to this Agreement may initiate arbitration of a dispute subject to this Section, by sending written notice of an intention to arbitrate by registered or certified mail to all other parties and to JAMS. The notice shall contain a description of the Arbitration Claim(s) asserted by the party, the



amount involved and the remedy sought. In the event a demand for arbitration is made by any party to this Agreement, the parties agree to execute a Submission Agreement provided by JAMS, in a form customarily used by JAMS, setting forth (i) the rights of the parties if the matter is arbitrated and (ii) the rules and procedures to be followed at the arbitration hearing.

**"Arbitration Claim" Defined.** For purposes of the Agreement, "Arbitration Claims" shall mean any contract, tort, statutory or other claim, demand, cause of action or dispute asserted by any party to this Agreement arising out of or related to the duties, services, or payments required under this Agreement or any modification, amendment or supplement thereof.

**Intent of the Parties; Adequate Consideration.** By this provision, it is the intent of the parties to establish procedures to accomplish the informal and inexpensive resolution of any Arbitration Claim between the parties without resort to litigation. The parties agree that their mutual, binding promises to arbitrate any Arbitration Claim between them represent valuable and adequate consideration for the enforceability of this provision.

**NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDE BY NEUTRAL ARBITRATION AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT BY JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED OR PROVIDED FOR IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAYBE COMPELLED TO ARBITRATE UNDER CALIFORNIA LAW. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

**WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.**

Please initial acceptance:

  
\_\_\_\_\_  
Attorney

  
\_\_\_\_\_  
Client

\_\_\_\_\_  
Client

9. Contract.

This is a contract. By signing your name below, you represent and promise that you have read, understood, and agree to each and every provision of this contract. By signing below, I also agree, and promise to represent you to the best of my abilities, and to always candidly and honestly advise you regarding your legal matter. This contract shall be effective commencing October 1, 2016.

DATED: 9/9/2016

THE LAW OFFICE OF ROBERT H. JAMES

By:  \_\_\_\_\_

FALLBROOK PUBLIC UTILITY DISTRICT

DATED: 9-9-16

BY:  \_\_\_\_\_

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## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, Assistant General Manager, *JAB*  
**DATE:** October 23, 2017  
**SUBJECT:** Award of Harris Pump Station Electrical Improvements

---

Purpose

To request Board approval to award the Harris Pump Station Electrical Improvements to the lowest responsive bidder.

Summary

As part of the District Water Capital Improvement Program, the District is improving the reliability of the District pump stations. The Harris Pump Station has electrical equipment that due to its age is unreliable and difficult to find replacement parts. In addition, as part of the necessary electrical improvements, Variable Frequency Drives (VFDs) are being included that will improve performance of the pump station and decrease energy costs. The District staff prepared a bid package for the Harris Pump Station Electrical Improvements. Bid opening was on September 20, 2017, and seven bids were received. A summary of the bid results is below:

<b>JOB 3022 - HARRIS PUMP STATION ELECTRICAL IMPROVEMENTS</b>	
<b>BID RESULTS</b>	
<b>COMPANY</b>	<b>BID AMOUNT</b>
California Building Evaluation and Construction, Inc.	\$392,750
<i>Southern Contracting Co.</i>	<i>\$415,000</i>
<i>Amtek Construction</i>	<i>\$449,993</i>
<i>RIC Construction Co, Inc.</i>	<i>\$473,210</i>
<i>Wright Construction Engineering Corp.</i>	<i>\$478,930</i>
<i>United Engineering &amp; Construction, Inc.</i>	<i>\$520,700</i>
<i>AToM Engineering Construction, Inc.</i>	<i>\$527,398</i>

California Building Evaluation and Construction, Inc. was the apparent lowest responsible bidder. This project was included in the approved budget for \$500,000. California Building Evaluation and Construction, Inc. has previously done similar work for other agencies, and staff has reviewed other previous experience references to the District's satisfaction.

Recommended Action

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.

## M E M O

**TO:** Board of Directors  
**FROM:** Jack Bebee, Acting General Manager  
**DATE:** October 23, 2017  
**SUBJECT:** Memorandum of Understanding for Shared Facility Use with North County Fire Protection District

---

Purpose

To request Board approval for the Acting General Manager to execute the attached "Memorandum of Understanding (MOU) for Shared Facility Use" between Fallbrook Public Utility District (FPUD) and North County Fire Protection District (NCFPD) to develop the District boardroom into an Emergency Operations Center (EOC).

Summary

Staff has been collaborating with NCFPD to improve the ability of FPUD and NCFPD working together in an emergency. As part of this effort, it was identified that a joint EOC would be beneficial to the community by improving the coordination of emergency responders in an emergency. Since the District has an appropriately-sized meeting space in the District boardroom and has emergency power and communication facilities in order to maintain District operations, it was determined that the District boardroom could be utilized as an EOC with some additional equipment. The attached MOU sets the framework for FPUD and NCFPD to share these costs for improvements necessary for the EOC.

In addition, the MOU sets a framework for the agencies to work together on training and seeking grant funding to improve our emergency response capabilities.

Recommended Action

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.

**MEMORANDUM OF UNDERSTANDING (MOU)  
FOR SHARED FACILITY USE  
BETWEEN  
FALLBROOK PUBLIC UTILITY DISTRICT  
AND  
NORTH COUNTY FIRE PROTECTION DISTRICT**

**THIS MEMORANDUM OF UNDERSTANDING** (hereafter referred to as “this MOU”) is between the Fallbrook Public Utility District (hereafter referred to as FPUD) and the North County Fire Protection District (NCFPD).

1. **PURPOSE:**

- 1.1. The purpose of this MOU is to outline a cooperative relationship between NCFPD and FPUD that allows NCFPD to utilize the Emergency Operations Center (EOC) rooms at FPUD Complex located at 990 E. Mission Road, Fallbrook, CA 92028 in the event that an emergency condition or disaster arises. During an emergency condition or disaster, this MOU authorizes FPUD and NCFPD, as necessary, to operate an EOC in accordance with the County of San Diego Office of Emergency Services (OES) guidelines.

2. **TERM AND TERMINATION:**

- 2.1. This MOU is executed as of the date of the last signature (“Effective Date”) and shall remain in effect for five (5) years from the Effective Date. The Parties may mutually agree to extend this MOU for an additional period not to exceed five years and, if this MOU is so extended, shall confirm this in a signed addendum. This MOU may be terminated by written notice from either Party at any time. In the event of termination of this MOU, the assets of each Party shall be returned to that Party and jointly acquired assets shall be divided by mutual consent, the terms of which will be memorialized in a writing signed by both Parties.

3. **RESPONSIBILITIES:**

3.1. **FPUD RESPONSIBILITIES:**

- 3.1.1. Coordinate with NCFPD contact person, for NCFPD personnel’s access to FPUD Boardroom/EOC.
- 3.1.2. Provide access to designated facilities in the event of disaster-related activation to accommodate NCFPD EOC.
- 3.1.3. Provide training to NCFPD designated liaisons on the use of equipment located within the EOC.
- 3.1.4. Provide NCFPD with a fee schedule for purposes of Section 3.2.2. below.

3.2. NCFPD RESPONSIBILITIES:

- 3.2.1. Any costs subject to this cost share shall be mutually agreed upon by representatives from both Parties prior to purchase.
- 3.2.2. Compensate FPUD for the actual cost and/or administrative cost commensurate to facility use when activated for actual emergencies. Payment of such costs shall be payable to FPUD not later than thirty (30) days following the date that use of the EOC initiated.
- 3.2.3. Coordinate with NCFPD contact on grant applications specific to establishing and equipping facilities that will accommodate and/or enhance use of the EOC.
- 3.2.4. In the event of a declared emergency or disaster, FPUD will be eligible for reimbursement of eligible costs related to the utilization of the EOC from funds received by NCFPD from State or Federal emergency funding sources.
- 3.2.5. Provide ICS 100 level training for FPUD staff.
- 3.2.6. Attempt to secure EOC training funded through the County of San Diego OES and/or Urban Area Safety Initiative (UASI).

3.3. SHARED RESPONSIBILITIES:

- 3.3.1. All equipment necessary to initiate EOC operations shall be available to both Parties. This equipment shall be collaboratively agreed upon, inventoried and subsequently inventoried after each use.

4. CONFIDENTIALITY:

- 4.1. Each Party shall ensure that privileged information received from the other Party pursuant to this MOU is treated and maintained as confidential to the extent allowed by applicable Federal, State and local law. The Parties agree to label as "Confidential" documents that they believe are privileged and should not be disclosed. Neither Party will disclose privileged information received from the other Party, regardless of whether it is labeled "Confidential," without first notifying the other Party.

5. INDEMNITY:

- 5.1. NCFPD agrees to indemnify, defend and hold harmless FPUD, its officers, agents and employees from any and all claims, injuries, losses or damage, which arise in any way (i) out of or in connection with performance of this MOU by NCFPD or its officers, employees and agents and (ii) either directly or indirectly, from any act, error or omission or negligence of NCFPD or any of its officers, employees or agents.

5.2. FPUD agrees to indemnify, defend and hold harmless NCFPD, its officers, employees and agents from any and all claims, injuries, losses or damage, which arise in any way (i) out of or in connection with performance of this MOU by FPUD or any of its officers, employees or agents and (ii) either directly or indirectly from any act, error or omission or negligence of FPUD or any of its officers, employees or agents.

6. **INSURANCE:**

6.1. NCFPD shall provide FPUD with proof of insurance or an approved program of self-insurance for general liability in the minimum amount of \$1,000,000 and to the extent the insurance provided is not self-insurance, it shall name FPUD and its officers, employees and agents, as additionally insured. This proof shall be attached to the signed copy of this MOU. FPUD shall provide NCFPD with a current certificate of insurance for general liability in the minimum amount of \$1,000,000. The certificate shall be attached to the signed copy of this MOU and to the extent the insurance provided is not self-insurance, shall name NCFPD, and its officers, employees and agents, as additionally insured.

7. **MISCELLANEOUS:**

7.1. Neither Party to this MOU has the authority to act on behalf of the other Party or bind the other Party to any obligation. This MOU is not intended to be enforceable in any court of law or dispute resolution forum. The sole remedy for non-performance under this MOU shall be termination of this MOU, with no damages or penalty.

8. **NOTICE:**

8.1. Any notice, approval, instrument or other communication required to be given or delivered pursuant to this MOU, shall be in writing and shall be delivered by certified or registered mail, return receipt requested, or reliable overnight courier as set forth below:

**CONTACT PERSON FOR FPUD:**

NAME: Jack Bebee  
TITLE: Assistant General Manager  
ADDRESS: 990 E. Mission Rd  
Fallbrook, CA. 92028  
PHONE: 760-728-1125 ext. 1105  
EMAIL: jackb@fpud.com

**CONTACT PERSON FOR NCFPD:**

NAME: Stephen Abbott  
TITLE: Fire Chief/CEO  
ADDRESS: 330 S. Main Avenue  
Fallbrook, CA 92028-2938  
PHONE: 760-723-2012  
EMAIL: sabbott@ncfire.org

8.2. All notices shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.



9. **ENTIRE AGREEMENT:**

9.1. This MOU constitutes the entire understanding between the Parties with respect to the matters set forth herein and supersedes all prior or contemporaneous understanding or agreements between the Parties with respect to the subject matter, whether oral or written.

10. **COUNTERPARTS:**

10.1. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute the same instrument.

**IN WITNESS WHEREOF**, FPUD and NCFPD hereby agree to the terms of this MOU.

**APPROVED FOR:  
FALLBROOK PUBLIC UTILITY DISTRICT**

**APPROVED FOR:  
NORTH COUNTY FIRE PROTECTION DISTRICT**

Signed: \_\_\_\_\_

Signed:  \_\_\_\_\_

Name: \_\_\_\_\_

Name: Stephen J. Abbott

Title: \_\_\_\_\_

Title: Fire Chief/CEO

Date: \_\_\_\_\_

Date: 9-12-17

**APPROVED AS TO FORM**

Signed:  \_\_\_\_\_

Name: Robert H. James, Esquire

Title: District Counsel

Date: \_\_\_\_\_

**MEMO**

**TO:** Board of Directors  
**FROM:** Charley Wolk, Board President  
**DATE:** October 23, 2017  
**SUBJECT:** Consideration of Compensation for Acting General Manager (including Approval of Amended Salary Schedule)

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Purpose

To obtain approval from the Board of Directors regarding compensation for the Acting General Manager.

Summary

The Board President has completed negotiations with the Assistant General Manager regarding compensation for service as the Acting General Manager.

Recommendation

That the Board authorize an approximate 10% increase in compensation (for a total annual salary of \$220,150) to the Assistant General Manager, effective September 11, 2017, for 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.



CLASSIFICATION AND COMPENSATION SCHEDULE  
EFFECTIVE SEPTEMBER 11, 2017

CLASSIFICATION	MIN PER MONTH	MAX PER MONTH
ACCOUNTING SUPERVISOR	\$ 7,202.62	\$ 8,996.96
ACCOUNTING/ CUSTOMER SERVICES ASST I	\$ 4,290.19	\$ 5,355.98
ACCOUNTING/ CUSTOMER SERVICES ASST II	\$ 4,733.82	\$ 5,911.41
ACTING GENERAL MANGER		\$ 18,345.60
ADMINISTRATIVE OFFICE SPECIALIST	\$ 4,506.59	\$ 5,626.48
<del>ADMINISTRATIVE SERVICES MANAGER</del>	<del>\$ 11,290.45</del>	<del>14,099.80</del>
ASSISTANT GENERAL MANAGER	\$ 13,689.31	\$ 17,095.85
ASSISTANT GENERAL MANAGER/CFO	\$ 12,402.52	\$ 15,487.68
BACKFLOW/CROSS-CONNECTION TECH	\$ 5,226.13	\$ 6,690.47
CHIEF PLAN OPERATOR	\$ 8,151.19	\$ 10,483.44
COLLECTION SUPERVISOR	\$ 7,027.70	\$ 9,220.58
CONSTRUCTION/MAINTENANCE SUPERVISOR	\$ 7,027.70	\$ 9,220.58
CUSTOMER SERVICE REPRESENTATIVE I	\$ 3,884.44	\$ 4,852.84
CUSTOMER SERVICE REPRESENTATIVE II	\$ 4,290.19	\$ 5,355.98
CUSTOMER SERVICE SPECIALIST	\$ 4,973.66	\$ 6,212.58
DROUGHT MANAGEMENT COORDINATOR	\$ 3,981.81	\$ 4,973.66
ENGINEERING SUPERVISOR	\$ 6,212.58	\$ 8,149.38
ENGINEERING TECH I	\$ 4,396.59	\$ 5,768.95
ENGINEERING TECH II	\$ 5,226.13	\$ 6,690.47
ENGINEERING TECH III	\$ 5,768.95	\$ 7,382.95
ENVIRONMENT COMPLIANCE TECH	\$ 6,526.36	\$ 8,354.96
EQUIPMENT MECHANIC	\$ 4,973.66	\$ 6,212.58
EQUIPMENT TECH	\$ 5,626.48	\$ 7,202.62
GENERAL MANAGER		\$ 20,332.00
GIS SPECIALIST	\$ 5,911.41	\$ 7,382.95
HUMAN RESOURCES MANAGER	\$ 9,931.11	\$ 12,401.71
INFORMATION SYSTEMS TECH	\$ 5,768.95	\$ 7,202.62
INSTRUMENTATION & CONTROL SPECIALIST	\$ 6,365.86	\$ 8,562.35
LABORATORY TECH I	\$ 5,355.98	\$ 6,858.17
LABORATORY TECH II	\$ 5,911.41	\$ 7,566.90
LEAD PLANT OPERATOR	\$ 5,626.48	\$ 7,202.62
LEAD SYSTEM OPERATOR	\$ 4,212.58	\$ 7,951.01
MAINTENANCE ELECTRICIAN	\$ 5,355.98	\$ 7,382.95
MECHANICAL TECHNICIAN	\$ 5,491.23	\$ 7,202.62
OPERATIONS SPECIALIST	\$ 4,506.59	\$ 5,768.95
PLANT MAINTENANCE WORKER I	\$ 3,884.44	\$ 5,098.10
PLANT MAINTENANCE WORKER II	\$ 4,185.60	\$ 5,626.48
PLANT OPERATOR I	\$ 4,618.41	\$ 5,911.41
PLANT OPERATOR II	\$ 5,098.10	\$ 6,526.36
PLANT OPERATOR-IN-TRAINING	\$ 3,981.81	\$ 5,098.10
PUBLIC AFFAIRS SPECIALIST	\$ 6,526.60	\$ 8,149.38
SAFETY & RISK ADMINISTRATOR	\$ 7,756.25	\$ 10,179.97
SECRETARY	\$ 6,526.36	\$ 8,149.38
SYSTEM OPERATIONS MANAGER	\$ 8,562.35	\$ 10,960.82
SYSTEM OPERATOR I	\$ 4,852.84	\$ 6,212.58

SYSTEM OPERATOR II	\$ 5,355.98	\$ 6,858.17
SYSTEM SERVICE/ SHOP SUPERVISOR	\$ 7,027.70	\$ 9,220.58
UTILITY TECH	\$ 4,733.82	\$ 6,526.36
UTILITY WORKER I	\$ 3,884.44	\$ 5,098.10
UTILITY WORKER II	\$ 4,185.60	\$ 5,626.48
WAREHOUSE SUPERVISOR	\$ 6,690.47	\$ 8,562.35
WAREHOUSE/PURCHASING SPECIALIST	\$ 5,226.13	\$ 6,690.47

\*Items marked in blue will be added and items marked in red ~~strikeout~~ will be removed following Board Approval

**MEMO**

**TO:** Board of Directors  
**FROM:** Personnel Committee  
**DATE:** October 23, 2017  
**SUBJECT:** Modifications to Director Per Diem (Administrative Code Sections 2.12 and 12.1.1)

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Purpose

To obtain approval from the Board of Directors regarding modifications to the sections 2.12 and 12.1.1 of the Administrative Code.

Summary

The Personnel Committee met on October 12, 2017, to discuss the Directors' per diem. The Committee reviewed sections 2.12 and 12.1.1 and made suggested modifications.

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. During discussion, one committee member suggested a \$125 per diem 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.

**ORDINANCE NO. 341**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE FALLBROOK PUBLIC UTILITY DISTRICT  
REVISING ORDINANCE NO. 327**

**BE IT ENACTED BY** the Board of Directors of the Fallbrook Public Utility District as follows:

1. The Board of Directors of the District hereby amends Ordinance No. 327, "An Ordinance of the Board of Directors of the Fallbrook Public Utility District Authorizing an Increase in Compensation of Governing Board Members," Section 4, "Director Compensation," as follows:

Section 4. DIRECTOR COMPENSATION

Compensation for the Directors of the Governing Board for regular, adjourned and special meetings, to include occurrences set forth in Section 12.1.1 of the Administrative Code, is established at One Hundred Dollars (\$100) per day for each day's attendance. A Director shall not receive compensation for more than 10 days of service in a month. Increases will be subject to the requirements of California Public Utilities Code section 16002 and California Water Code section 20200 et seq.

2. All other provisions of Ordinance No. 327 as adopted on January 26, 2009, remain unchanged and in full effect.

Effective Date

This Ordinance shall be posted at three public places in the District and to cause the same to be published pursuant to Section 6061 of the Government Code in the Fallbrook Village News, a newspaper of general circulation, printed, published, and circulated in said District.

This Ordinance shall take effect 30 days after its passage.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Board of Directors of the Fallbrook Public Utility District held this 23<sup>rd</sup> day of October, 2017, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

ORDINANCE NO. 327

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT  
AUTHORIZING AN INCREASE IN COMPENSATION  
OF GOVERNING BOARD MEMBERS

\* \* \* \* \*

BE IT ENACTED BY THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT:

Section 1. BACKGROUND:

The Governing Board of any water district may, by Ordinance, provide compensation to members of the Governing Board in an amount not to exceed One Hundred Dollars (\$100) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by the request of the Board. Additionally, as provided by Section 16002 of the California Public Utility Code, no member of the Board shall receive compensation exceeding Four Thousand Eight Hundred Dollars (\$4,800) per year. The current Director's compensation is Forty Dollars (\$40) per meeting.

Section 2. INTENT AND PURPOSE:

Due to the Director's compensation being low compared to other public agencies and to the passage of time since the last increase, it is the intent of the Board of Directors and purpose of this Ordinance to increase Director's compensation to One Hundred Dollars (\$100) per Board meeting (for regular, adjourned and special meetings).

Section 3. PUBLIC HEARING:

The Board of Directors has conducted a public hearing prior to adoption of this Ordinance as required by law.

Section 4. DIRECTOR COMPENSATION:

Compensation for the Directors of the Governing Board for regular, adjourned and special meetings, to include occurrences set forth in Section 12.1.1 of the Administrative Code, is established at One Hundred Dollars (\$100) per day for each day's attendance, to be implemented at the first meeting in January 2010. A Director shall not receive compensation for more than 10 days of service in a month. The fee will include a 5% cost of living increase in all subsequent years beginning in January 2011. Increases will be subject to the requirements of California Public Utilities Code section 16002 and California Water Code section 20200 et seq.

RESOLUTION NO. 4917

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
FALLBROOK PUBLIC UTILITY DISTRICT AMENDING  
ADMINISTRATIVE CODE: ARTICLE 2, BOARD OF  
DIRECTORS, ORGANIZATION OF AND ARTICLE 12,  
EXPENSES INCURRED ON DISTRICT BUSINESS

\* \* \* \* \*

**WHEREAS**, on October 12, 2017, the Personnel Committee met and reviewed Section 2.12, *Directors Compensation*, and Section 12.1.1, *Directors and Meetings*, of the Administrative Code relative to Director per diem compensation, meetings that require advance approval, and occasions attended by Directors that are compensable; and

**WHEREAS**, based on its review the Personnel Committee recommends that Section 2.12, *Directors Compensation*, be amended to add (1) procedural requirements for an annual review of per diem compensation, (2) the process to make changes to per diem compensation, and (3) two meetings for which per diem compensation may be paid without advanced Board approval; and

**WHEREAS**, the Personnel Committee also recommends that Section 12.1.1., *Directors and Meetings*, be amended to clarify the occurrences for which per diem compensation may be paid to Directors.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. Section 2.12, *Directors Compensation*, shall be amended with the proposed revisions as shown on Attachment A, and the revisions are incorporated herein.
2. Section 12.1.1, *Directors and Meetings*, shall be amended with the proposed revisions as shown on Attachment B, and the revisions are incorporated herein.
3. The remaining provisions of Article 2 and Article 12, remain unchanged and in full effect.

**PASSED AND ADOPTED** by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 23<sup>rd</sup> day of October, 2017, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

## **ATTACHMENT A**

- A. The General Manager is responsible for presenting the agenda and all necessary background material and staff reports to the Board of Directors for their consideration.
- B. Any Board member can request that the General Manager place an item on the agenda for the next regular meeting.
- C. Any member of the public may request that the General Manager place an item on the agenda for the next regular meeting. At the General Manager's discretion, the item may or may not be placed on the agenda. If the General Manager declines, he will inform the requestor that they may speak at the next regular Board meeting during the public comment period and at that time, they may request that the Board member, or the full Board, place the item on the agenda for discussion.
- D. All background and necessary documents required to complete an agenda item must be submitted to the Board Secretary no later than 10 days prior to the Board meeting.
- E. All staff reports, other than the General Manager and San Diego County Water Authority (SDCWA) representative, will be in written format. Staff will only make oral presentations at the request of the Board.

Sec. 2.10      Consent Calendar.

The consent calendar shall consist of items of a routine non-controversial nature for action by the Board of Directors which require no discussion. 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 on the consent calendar. Such items shall be considered separately for action by the Board.

If an item is removed from the Consent Calendar, the following order of priority shall take place: (a) staff will first make its presentation and respond to questions from the Board of Directors; (b) the public may make comments and respond to questions from the Board of Directors; and (c) the Board will deliberate on the item.

Sec. 2.11      Minutes.

The minutes of the meetings of the Board of Directors shall be recorded and kept permanently by the Secretary in books maintained for that purpose entitled "Agendas, Minutes, and Treasurer's Reports and Monthly Reports". Unless otherwise expressly directed by the Board at the time of their adoption, the ordinances and resolutions adopted by the Board may be referred to in the minutes by number and title only, but the same shall be recorded in full in books kept for that purpose entitled "Ordinances" and "Resolutions" respectively.

Sec. 2.12      Directors Compensation.

Directors of the Fallbrook Public Utility District shall receive per diem compensation of One Hundred Dollars (\$100.00) for each meeting of the Board-~~in~~



~~accordance with actions of prior Boards to be implemented at the first meeting in January 2010. The fee will include a 5% cost of living increase in all subsequent years beginning in January 2011. Per diem compensation shall be reviewed each January at a Public Board meeting. If the Board determines to proceed with a change, a public hearing will be noticed to receive public comment prior to any action being taken. Changes in compensation shall require the approval of the Board at an open meeting held at least 60 days prior to the effective date of the ordinance making the change and cannot exceed five (5) percent per each calendar year following the operative date of the last adjustment. [Cal. Public Utilities Code § 16002; Cal. Water Code § 20200 et seq.]~~ Said meetings shall include regular, special, and adjourned meetings of the Board, and standing committee meetings. Compensation for attendance and reimbursement for expenses at other occasions, events, or meetings related to District business, other than those listed below, shall be determined by the Board of Directors, in advance, on a case-by-case basis. Should an occasion arise between Board meetings that would be appropriate for a Board member to attend, prior to the event, the President can authorize such attendance with notification of the rest of the Board at the next regular meeting. Director fees may be increased as provided by law. Meetings which shall not require advance approval are:

- A. Association of California Water Agencies (ACWA) (semi annual)
- B. Water Agencies Association of San Diego County (quarterly)
- C. California Special District Association (CSDA), San Diego chapter (quarterly)
- D. Council of Water Utilities (monthly)
- E. California Association of Sanitation Agencies (CASA) (semi annual)
- F. Training Courses in CA Local Agency Ethics (AB 1234) and / or Sexual Harassment for Supervisors (AB 1825)
- G. Metropolitan Water District of Southern California (up to one per month)
- F.H. San Diego County Water Authority (up to one per month)

Sec. 2.13 Board Packets.

Board packets are available for review at the District office on the Friday prior to a regular Board meeting after they have been made available to the Board of Directors. The general public may request and receive a copy of a full Board packet at no charge on the Friday preceding a regular Board meeting after 12:00 noon. Arrangements for review and pick-up shall be coordinated by the Secretary.

Sec. 2.14 Board Committees.

The Board currently has three (3) standing committees as follows:

- A. Fiscal Policy & Insurance Committee – This committee shall work with the General Manager and other officers of the District to review the annual audit, the annual financial statement before publication, budget, water rate structures and fees, investments, insurance, and other financial records and operations of the District.

## **ATTACHMENT B**

**Article 12. Expenses Incurred on District Business**

Sec. 12.1 Directors.

Members of the Board of Directors attend regular, adjourned, or special meetings of the Board. In addition, they attend other District meetings, committee meetings, association meetings, and/or community functions or education seminars on behalf of the District. State statutes authorize District payments for meetings, reimbursement of expenses, and the provision of health and welfare benefits for active Directors. The District will compensate Directors a per diem for attendance at authorized meetings or functions and will reimburse Directors for reasonable expenses incurred while traveling on District business to include lodging, dining, transportation, and related incidentals.

12.1.1 Directors and Meetings.

As provided in Article 2, Section 2.12 of the District's Administrative Code, each Director shall receive per diem compensation for each day of attendance at meetings of the Board or for each day of service rendered as a Director by request or authorization of the full Board, not to exceed a total of ten (10) days in any calendar month. Attendance at meetings or functions shall be approved in advance by the Board of Directors of the District in order to be eligible for compensation and/or reimbursement. Director's claims for per diem amounts shall be made on a Director Per Diem/Meeting Form.

The District may pay compensation to District Board members for attendance at the following occurrences:

1. A meeting of the Board of Directors.
- ~~2. A meeting of an advisory body.~~
- ~~23.~~ 3. A conference or organized educational activity.
3. Any meeting related to District business with prior approval pursuant to Section 2.12.
4. Standing committee meetings and ad hoc committee meetings. These meetings, where practical, should be scheduled to correlate with other meetings at the District on the same day.

When travel arrangements require a day earlier arrival or a day later departure, Directors will not be eligible for the compensation; however, reasonable expenses associated with the extended stay will be reimbursed as specified below.

12.1.2 Prepayment of Otherwise Reimbursable Expenses.

A Director may request prepayment of registration, transportation, and lodging using the Staff Travel Authorization Form. Prepayments shall be limited to the Director's expenses only. No advances shall be made on travel expenses.

12.1.3 Reimbursement of Expenses.

## MEMO

**TO:** Board of Directors  
**FROM:** David Shank, Assistant General Manager/CFO   
**DATE:** October 23, 2017  
**SUBJECT:** Potential Funding for Local Supply Development

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### Purpose

Discuss the potential to secure financial incentives offered by the Metropolitan Water District (MWD) to offset the Santa Margarita Conjunctive Use Project (SMCUP) costs.

### Summary

MWD has provided financial incentives for the development of local water supplies since the early 1980's. Currently, MWD maintains the Local Resources Program, which provides incentives designed to offset the cost of securing and utilizing alternative local water supplies. Currently there are three options for participants in the LRP program based upon the financial needs of the project. The options are:

1. Sliding scale incentives over 25-years (up to \$340/AF)
2. Sliding scale incentives over 15-years (up to \$475/AF)
3. Fixed incentives over 25-years (up to \$305/AF for 25-years)

With the recent court ruling final on the San Diego County Water Authority (SDCWA) vs. MWD lawsuit, MWD is no longer able to enforce the Rate Structure Integrity (RSI) language that was embedded in the MWD contract for LRP funding. The RSI prohibited the party from disputing MWD's rate structure in court. When the initial lawsuit was filed by SDCWA, MWD responded by terminating all existing contracts with the RSI in them and defer any pending contracts.

With the incentives available now to San Diego County again, there is the potential to significantly improve the economics of the SMCUP and provide real rate and charge relief to the District's rate payers. With an average annual production of 3,100 AF the District could receive up to \$1.4 million in LRP incentives to offset SMCUP's annual costs.

Staff are working with SDCWA staff to determine SMCUP's eligibility for the program and execute an application for LRP support. Because MWD sets production goals for the LRP program, it is important that the District move quickly to secure any potential funding before the goals are met and funding is no longer available.

### Recommended Action

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

MEMO

**TO:** Board of Directors  
**FROM:** Jack Bebee, Acting General Manager, VAB  
**DATE:** October 23, 2017  
**SUBJECT:** Updates to "Regulations for Use of the Santa Margarita River Property Owned by the District"

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Purpose

To request Board approval for the attached revisions to the "Regulations for Use of the Santa Margarita River Property Owned by the District" to prohibit operating drones with the Santa Margarita River Property.

Summary

Per the request of Director Davies, additional language has been prepared to prohibit operating drones within the Santa Margarita River Property by adding the following language to Section 5 of the regulations:

- e) No person shall operate a drone within the Santa Margarita River Property.

Per Subsection f, this does not prohibit such use by emergency response personnel or the District if necessary.

Recommended Action

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

## ORDINANCE NO. 340

### AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT REVISING ITS "REGULATIONS FOR USE OF THE SANTA MARGARITA RIVER PROPERTY OWNED BY THE DISTRICT"

**BE IT ENACTED BY** the Board of Directors of the Fallbrook Public Utility District as follows:

#### Regulations for Use of the Santa Margarita River Property

1. The Board of Directors of the District hereby amends the District's "Regulations for Use of the Santa Margarita River Property Owned by the District," as adopted by Ordinance No. 336, by adding a new Subsection (e) to Section 5 (Motor Vehicles and Other Conveyances) and renumbering existing Subsection (e) of Section 5 as Subsection (f), as follows:

- "e) No person shall operate a drone within the Santa Margarita River Property.
- f) These provisions shall not apply to motor vehicles and motorized equipment for District maintenance, patrol vehicles, or emergency vehicles in the process of conducting maintenance, operation or enforcement activities within the Santa Margarita River Property and contractors/consultants, performing work for the District as authorized by the Board of Directors or the District's General Manager."

2. These Regulations, as amended by this Ordinance No. 340 shall apply to all persons using the District's property and shall apply to all portions of the property.

3. All other provisions of Ordinance No. 336 as adopted on May 23, 2016, remain unchanged and in full effect.

#### Effective Date

This Ordinance shall be posted at three public places in the District and to cause the same to be published pursuant to Section 6061 of the Government Code in the Fallbrook Village News, a newspaper of general circulation, printed, published and circulated in said District.

This Ordinance shall take effect 30 days after its passage.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Board of Directors of the Fallbrook Public Utility District held this 23<sup>rd</sup> day of October, 2017, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**Regulations for Use of the Santa Margarita River Property Owned by the District**

**Section No.    Section Name**

1.            Definitions
2.            Breaking, Cutting, or Injuring Plants
3.            Care of Wildlife
4.            Taking Wood
5.            Motor Vehicles and Other Conveyances
6.            Bicycles
7.            Glass Beverage Containers Prohibited
8.            Regulation of Equestrians
9.            Pollution of Streams (Generally)
10.           Dogs
11.           Camp Fires
12.           Camping
13.           Disposal of Rubbish and Garbage
14.           Unreasonable Noises
15.           Advertising
16.           Hunting and Fishing
17.           Possession and Use of Firearms and Weapons
18.           No Smoking Allowed
19.           Night Closing
20.           Fireworks Prohibited
21.           Permit for Organized Public Programs or Private Programs
22.           Illegal Drugs
23.           Care of District Property
24.           Off Trail Travel
25.           Care of Watershed
26.           Exemptions from Regulations
27.           Severability

**Section 1: Definitions**

**Alcoholic Beverages.** For purposes of this title, the term alcoholic beverages shall include alcohol, spirits, liquor, wine, beer and every liquid or solid containing one-half of one percent or more of alcohol by volume and which is fit for beverage purposes either alone or when diluted, mixed or combined with other substances. No alcohol is allowed within the Santa Margarita River Property.

**Property Manager.** Property Manager is defined as the FPUD Supervisor tasked with overseeing the Property.

**Peace Officer.** Peace Officer is defined as any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.



Trail Rights-of-Way. Trail Rights-of-Way is defined as trail usage priority to yield to traffic in the following order: horses, hikers, and bicyclists.

## **Section 2: Breaking, Cutting or Injuring Plants**

No person shall pluck, take, remove, damage, or destroy any flower, shrubbery, plant, vine, tree, grass, ground cover or other natural or cultivated growth within the Santa Margarita River Property except with prior written permission of the Property Manager.

## **Section 3: Care of Wildlife**

It shall be unlawful for any person to hunt, molest, harm, frighten, kill, trap, chase, tease, shoot or throw projectiles at any animal, reptile or bird within the Santa Margarita River Property.

No person shall operate a remote controlled vehicle or drone in or near the property except law enforcement or governmental authorities in the discharge of their duties.

## **Section 4: Taking Wood**

No person shall cut or remove any wood or fallen trees within the Santa Margarita River Property except with written permission of the Property Manager.

## **Section 5: Motor Vehicles and Other Conveyances**

- a) It shall be unlawful for any person at any time to operate or drive an automobile, truck, trailer, motorcycle, motor scooter, motorbike, or any other type of motor vehicle within the Santa Margarita River Property unless such vehicles are in a designated parking or staging area or on a County of San Diego maintained road without prior written permission from the Property Manager.
- b) No person within the Santa Margarita River Property shall fail to comply with all applicable provisions of the State Motor Vehicle Code and traffic laws in regard to equipment, signs, speed limits and operation of vehicles together with such regulations as are contained in these regulations.
- c) No person shall park any vehicle within the Santa Margarita River Property except for the duration of their visit.
- d) Vehicles parked in violation of State of California Vehicle Code Sections 22651 (r) or 22652, may be subject to removal from the Santa Margarita River Property at the vehicle owner's expense.
- e) **No person shall operate a drone within the Santa Margarita River Property.**
- f) These provisions shall not apply to motor vehicles and motorized equipment for District maintenance, patrol vehicles, or emergency vehicles in the process of conducting maintenance, operation or enforcement activities within the Santa Margarita River Property and contractors/consultants, performing work for the District as authorized by the Board of Directors or the District's General Manager.

## **Section 6: Bicycles**

- a) It shall be unlawful for any person to ride a bicycle of any type on other than designated trails. Bicyclists shall be permitted to use designated hiking trails, but must use due care and caution to not interfere with hikers or equestrian users.
- b) Bicycle speed limits shall be as follows:
- c) Fifteen (15) miles/hour maximum in all recreational and park areas
- d) Five (5) miles/hour within one hundred (100) feet of pedestrians and equestrians
- e) Bicyclists must dismount and step to the side of the trail at least fifteen feet away in the presence of horses.
- f) Bicyclists must observe choke points on trails and slow their speed at these choke points. Bicyclist shall verbally notify or signal with a bell when behind or in front of horses, hikers, or other bicyclist.
- g) No motorized bicycles are permitted or allowed.

## **Section 7: Glass Beverage Containers Prohibited**

No person shall possess any glass beverage container within the Santa Margarita River Property of the District except that the sponsor of an organized public event may obtain written permission in advance from the Property Manager to possess glass beverage containers, provided that the containers remain under the sponsor's control and are not distributed to participants of the event.

## **Section 8: Regulation of Equestrians**

Horses ridden within the Santa Margarita River Property shall only be on designated equestrian routes and trails.

## **Section 9: Pollution of Streams (Generally)**

No person shall contaminate or pollute, or cause to be contaminated or polluted, any water of any creek flowing through the Santa Margarita River Property, or to deposit or cause to be deposited any refuse, rubbish or other waste matter of any kind or character, in such waters, or to wash or clean vehicles, clothing, animals or persons in the waters of the property. No body contact or swimming is allowed. No wading or walking in the stream is allowed except at designated trail crossings.

## **Section 10: Dogs**

Dogs will be required to remain on leash at all times in all areas of the Santa Margarita River Property. It shall be the duty of all persons having control of a dog to immediately remove any feces to a proper receptacle.

## **Section 11: Camp Fires**

It shall be unlawful to make any fire, of any kind, or utilize a barbeque, a propane grill, enclosed fire units, or hibachi-style cooking devices at any time within the Santa Margarita River Property.

### **Section 12: Camping and Picnicking**

No person or group of persons shall camp overnight or remain or stay overnight within the Santa Margarita River Property. The property shall be used for non-motorized trail use only. No group events, group picnicking or other group activities are allowed without a permit.

### **Section 13: Disposal of Rubbish and Garbage**

No person shall throw, dump, or otherwise place or cause to be placed, or leave, either directly or indirectly, any rubbish, garbage, sewage or waste matter, or any trash or refuse of any kind or character, other than in receptacles established and maintained for such purposes. No person shall bring or cause to be brought, any rubbish, garbage, sewage, waste matter, trash or refuse of any kind for the purpose of disposing of same within the property either in the receptacles described herein, or at any other place.

### **Section 14: Unreasonable Noises**

- a) No person shall operate any loudspeaker or any other sound amplification device within the Santa Margarita River Property.
- b) No person, either by voice, mechanical device, tumultuous or other offensive conduct or otherwise, shall create, or permit or cause to be created, any loud or unusual noises at any time which create a nuisance. Noises determined to be too loud or offensive shall be promptly reduced or discontinued as directed by any peace officer or authorized District employee.

### **Section 15: Advertising**

No person shall display or post any plates, markers, signs, commercial or message within the Santa Margarita River Property without prior written approval of the Property Manager.

### **Section 16: Hunting and Fishing**

No person shall take any wild game, animals, birds or eggs within the Santa Margarita River Property except with the prior written permission of the Property Manager.

No fishing allowed and shall be subject to the regulations of the California Fish and Game, et al.

### **Section 17: Possession and Use of Firearms and Weapons**

No person shall take, carry or transport any firearm, pellet gun, pump gun, zip gun, air

rifle, bow and arrow, BB gun or weapon of any kind within the Santa Margarita River Property.

### **Section 18: No Smoking Allowed**

No person shall light matches, smoke cigars, pipes, cigarettes or any other smoking device or instrument or carry, upon, or across, the Santa Margarita River Property, any lighted cigars, pipes, cigarettes or other lighted inflammable material at any time.

### **Section 19: Night Closing**

All trails shall be closed to the public from dusk to dawn based on posted hours. The hours will be coordinated with operating hours of the County of San Diego. Santa Margarita River Property hours may also be revised as deemed necessary by the District's General Manager.

Use of the Santa Margarita River Property outside of posted hours is considered trespassing per California Penal Code 602.

### **Section 20: Fireworks Prohibited**

No fireworks of any kind shall be lit within or discharged within the Santa Margarita River Property.

### **Section 21: Permit for Organized Public or Private Programs**

No person shall conduct any organized public program, public assemblage or public address within the Santa Margarita River Property without first obtaining the written permission of the Property Manager. The General Manager has the authority to approve or reject Special Use or Special Event requests at his or her discretion.

Written permission is required for any uses besides non-motorized trail use on the property as described in this ordinance.

### **Section 22: Illegal Drugs**

No person shall use or possess any illegal or illicit drug in any area within the Santa Margarita River Property.

### **Section 23: Care of District Property**

It shall be unlawful for any person to mark, deface, disfigure, injure, destroy, tamper with, displace, or remove any equipment, buildings, tables, benches, railings, fencing, paving, utilities, or parts or appurtenances thereof, signs, notices, place cards, District property, including but not limited to, monuments, stakes posts or any other boundary markers, or other structures, equipment, facilities or materials within the Santa Margarita River Property.

## **Section 24: Off Trail Travel**

It shall be unlawful for any person or group of persons to travel off any marked or designated trail by any means, including by foot, horse or bicycle, except to enter a developed area of the Santa Margarita River Property. Persons may briefly step off the marked trail to give right-of-way to passing horses, hikers, or bicyclists.

## **Section 25: Care of Watershed**

It shall be unlawful for any person to conduct any activity within the Santa Margarita River Property which may degrade the watershed and/or the resulting quality of water within that watershed.

## **Section 26: Exemptions from Regulations**

The provisions of these regulations shall not apply to or restrict any officer, employee, volunteer or agent of the District, or any other peace officer when such person is acting to enforce any of these regulations.

## **Section 27: Severability**

The District's regulations for the Santa Margarita River Property and their various parts, sections, and clauses thereof are declared by the Board of Directors to be severable. If any part, sentence, paragraph, section, subsection, clause, phrase, part or portion thereof is judged unconstitutional or invalid by a competent jurisdiction, the remainder of these regulations shall not be affected thereby. The Board of Directors hereby declares that it would have passed these regulations and each part thereof, regardless of the fact that one or more of such parts would be declared unconstitutional or invalid.

Adopted by the Board of Directors of  
the Fallbrook Public Utility District on  
May 23, 2016, by Ordinance No. 336.

Revised by the Board of Directors of  
the Fallbrook Public Utility District on  
October 23, 2017, by Ordinance No.  
340.

MEMO

TO: Board of Directors  
FROM: Mick Cothran, Drought Coordinator *Mc*  
DATE: October 23, 2017  
SUBJECT: Water Management at Heyneman Park

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Purpose

Update the Board on water management at Heyneman Park.

Summary

Earlier this month, Mission Resource Conservation District performed an irrigation audit at Heyneman Park. In the course of the audit, the water system was tested station by station, and a full report was provided. Several outstanding issues with the Heyneman Park irrigation system need to be addressed to promote more efficient water use on this site. In addition, a landscape measurement was performed, which has been used to establish a water budget for the park. Water use has been higher than the water budget in five of the last six years. The meter at Heyneman Park is fully AMI and transmits hourly data in gallons for FPUD staff review. Staff recommends developing a policy for users with a community benefit discount to receive an annual water budget.

Recommended Action

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.

## HEYNEMAN PARK USAGE HISTORY, WATER MANAGEMENT

PERIOD	YEAR	USE (KGAL)	USE (BY FISCAL YEAR)
SEP	2017	104	FY 2017 783
AUG	2017	77	FY 2016 531
JUL	2017	98	FY 2015 807
JUN	2017	101	FY 2014 693
MAY	2017	80	FY 2013 788
APR	2017	0	FY 2012 665
MAR	2017	0	
FEB	2017	0	<b>NOTES</b>
JAN	2017	0	METER ID: 15145227
DEC	2016	56	MXU ID: 79056863
NOV	2016	81	DEVICE SIZE: 3/4"
OCT	2016	96	DEVICE TYPE: BADGER BDPD
SEP	2016	113	AMI ENABLED?: YES, HOURLY INTERVAL DATA
AUG	2016	143	WATERSMART REVIEW?: YES, FPUD STAFF
JUL	2016	113	IRRIGATION AUDIT: SCHEDULED WITH MRCD *10/4/2017
JUN	2016	48	IRRIGATED AREA: TBD (AUDIT) *0.7 ACRES
MAY	2016	33	TURF AREA: TBD (AUDIT) *0.3 ACRES
APR	2016	25	TREES & SHRUBS IRRIGATED AREA: TBD (AUDIT) *0.4 ACRES
MAR	2016	0	WATER BUDGET?: TBD *(SEE BELOW)
FEB	2016	0	SMART CONTROLLER?: YES
JAN	2016	0	IRRIGATION TYPE: TBD (AUDIT) *SPRAYS, ROTORS
DEC	2015	32	(MULTIPLE REPAIRS NEEDED)
NOV	2015	59	
OCT	2015	61	
SEP	2015	110	<b>FY 2018 WATER BUDGET: 598 KGAL</b>
AUG	2015	65	(JULY-OCT USAGE: 332 KGAL, 56% OF BUDGET)
JUL	2015	98	
JUN	2015	77	
MAY	2015	92	
APR	2015	78	
MAR	2015	73	
FEB	2015	31	
JAN	2015	9	
DEC	2014	44	
NOV	2014	57	
OCT	2014	64	
SEP	2014	83	
AUG	2014	116	
JUL	2014	83	
JUN	2014	115	
MAY	2014	17	
APR	2014	41	





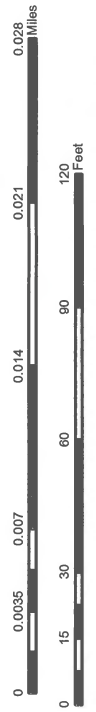
**DISCLAIMER:** By accepting this map, you agree that the Fallbrook Public Utility District assumes no liability or responsibility of any kind arising from use of this map. This map, its Data, and any calculations associated with this map is provided without warranty of any kind.



**LEGEND**

- TURF (0.3 ACRES)
- TREES AND SHRUBS (0.4 ACRES)
- LOCATION OF METER # 131, BACKFLOW DEVICE

**HEYNEMAN PARK IRRIGATION AUDIT, OCTOBER 4TH, 2017**



Source: ESRI, FPUD  
 Map Created by: Todd Jester (1-7-15). X:\GIS\Data - Inside\Project-Specific  
 Projection: California State Plane NAD 83, Feet. Zone 6. Epoch 1991.35



## M E M O

**TO:** Board of Directors  
**FROM:** Mary Lou West, Secretary  
**DATE:** October 23, 2017  
**SUBJECT:** Potential Nomination to the San Diego Chapter of the California Special Districts Association Board

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Purpose

To announce two vacancies on the Board of the San Diego Chapter of the California Special Districts Association.

Summary

Tom Kennedy, President of the San Diego Chapter of the California Special Districts Association (SDC CSDA), is accepting nominations for candidates for two positions on the SDC CSDA Board of Directors for Board Secretary and Second Vice-President in charge of membership.

Candidates must be a Board Member or an employee of the Fallbrook Public Utility District, and the District may only submit one nomination. The Candidate Nomination Form and a short bio is required and must be submitted via electronic mail by Friday, November 3, 2017.

Recommendation

Staff supports the Board's direction.



## CANDIDATE NOMINATION FORM

**DUE FRIDAY, NOVEMBER 3, 2017**

MAIL TO:  
Dawn  
Rainbow

Email:  
Phone:

NAME OF CANDIDATE \_\_\_\_\_

AGENCY \_\_\_\_\_ TITLE/POSITION \_\_\_\_\_

PHONE \_\_\_\_\_ FAX \_\_\_\_\_

E-MAIL \_\_\_\_\_

**BOARD POSITION: CHECK ONE. Only one candidate per district.**

*(\*In accordance with the Bylaws of the San Diego County Chapter of CSDA, the Chapter Officers' District must be a member of the California Special District Association AND the San Diego Chapter at the time of election. Article IV, Sec 4.2)*

\_\_\_\_ 2<sup>nd</sup> Vice President, Membership

\_\_\_\_ Secretary

Please include a short bio. (Include the number of years with your district and your current position. Board members and employees are eligible. Only one nomination per district.)



990 East Mission Road  
P. O. Box 2290  
Fallbrook, California  
92088-2290

(760) 728-1125 (Phone)  
(760) 728-5943 (Fax)

**Board of Directors:**

Milt Davies  
Jennifer DeMeo  
Al Gebhart  
Don McDougal  
Charley Wolk

**Staff:**

Brian J. Brady  
*General Manager*

Jack Bebee  
*Assistant General Manager*

David Shank  
*Assistant General Manager /  
Chief Financial Officer*

Paula de Sousa Mills  
*General Counsel*

Robert H. James  
*Of Counsel to the District*

Mary Lou West  
*Board Secretary*

**Treasurer's Report  
September 30, 1917**

**Money Market Account**

Disbursements		3,120,261.17
Receipts	\$	3,017,116.12
Interest		
Balance as of 8/31/17	\$	2,276,287.09
Balance as of 09/30/2017	\$	2,173,142.04

**Operating Account**

Disbursements	\$	2,987,069.56
Receipts	\$	2,980,211.02
Balance as of 8/31/17	\$	17,937.24
Balance as of 09/30/2017	\$	11,078.70

All investments have been made in accordance with the District's Annual Statement of Investment Policy.

David Shank  
October 17, 2017



**PFM Asset Management LLC**  
 One Keystone Plaza, Suite 300 • North Front & Market Streets • Harrisburg, PA 17101

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Reports - Transaction Query Results

TRANSACTION DETAILS FOR:  
 DATE RANGE: 9/1/2017 - 9/30/2017  
 TRANSACTION TYPE: All Types

28710100 - FPUD - INVESTMENT PORTFOLIO

Transaction Type	Trade Date	Settle Date	Security Description	CUSIP	Principal Proceeds	Accrued Interest	Total Amount
INTEREST	9/1/2017	9/25/2017	FNMA SERIES 2016-M9 ASQ2	3136ASPX8	\$0.00	\$67.72	\$67.72
PAYDOWNS	9/1/2017	9/25/2017	FNMA SERIES 2016-M9 ASQ2	3136ASPX8	\$4,614.33	\$0.00	\$4,614.33
SELL	9/1/2017	9/7/2017	US TREASURY NOTES	912828Q78	\$99,328.13	\$485.73	\$99,813.86
BUY	9/1/2017	9/7/2017	US TREASURY NOTES	912828XW5	\$235,330.47	\$771.09	\$236,101.56
SELL	9/1/2017	9/7/2017	RONDOUT SAVINGS BANK LT CD	776322AP4	\$244,534.50	\$416.84	\$244,951.34
BUY	9/1/2017	9/7/2017	BANK OF AMERICA CORP CORP NOTES	06051GEM7	\$147,414.80	\$885.08	\$148,299.88
SELL	9/1/2017	9/7/2017	CHEVRON CORP NOTES	166764BH2	\$149,931.00	\$721.96	\$150,652.96
BUY	9/1/2017	9/7/2017	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	06538CEV9	\$148,306.00	\$0.00	\$148,306.00
INTEREST	9/1/2017	9/1/2017	MONEY MARKET FUND	MONEY0002	\$0.00	\$16.80	\$16.80
SELL	9/5/2017	9/7/2017	CATERPILLAR FINANCIAL CORP NOTES	14912L6F3	\$111,142.90	\$660.00	\$111,802.90
BUY	9/5/2017	9/7/2017	CATERPILLAR FINL SERVICE NOTE	14913Q2A6	\$99,916.00	\$0.00	\$99,916.00
SELL	9/7/2017	9/8/2017	US TREASURY NOTES	912828XH8	\$50,349.61	\$154.55	\$50,504.16
BUY	9/7/2017	9/8/2017	FHLB NOTES	3130ACE26	\$49,839.50	\$0.00	\$49,839.50
SELL	9/12/2017	9/19/2017	US TREASURY NOTES	912828XH8	\$246,186.72	\$876.31	\$247,063.03
BUY	9/13/2017	9/18/2017	BANK OF AMERICA CORP	06051GGS2	\$90,000.00	\$0.00	\$90,000.00
SELL	9/13/2017	9/18/2017	MORGAN STANLEY CORP NOTES	61746BEA0	\$90,328.50	\$918.75	\$91,247.25
INTEREST	9/15/2017	9/15/2017	JOHN DEERE ABS 2017-A A3	47787XAC1	\$0.00	\$44.50	\$44.50
INTEREST	9/15/2017	9/15/2017	FORD ABS 2017-A A3	34531EAD8	\$0.00	\$132.21	\$132.21
INTEREST	9/15/2017	9/15/2017	CARMAX ABS 2016-3 A2	14314EAB7	\$0.00	\$72.26	\$72.26
INTEREST	9/15/2017	9/15/2017	HYUNDAI ABS 2016-B A3	44891EAC3	\$0.00	\$80.63	\$80.63
INTEREST	9/15/2017	9/15/2017	TOYOTA ABS 2016-B A3	89231UAD9	\$0.00	\$119.17	\$119.17
INTEREST	9/15/2017	9/15/2017	CNH 2017-A A2	12636WAB2	\$0.00	\$205.00	\$205.00
INTEREST	9/15/2017	9/15/2017	JOHN DEERE ABS 2017-B A3	47788BAD6	\$0.00	\$86.45	\$86.45
INTEREST	9/15/2017	9/15/2017	ALLY ABS 2017-4 A3	02007FAC9	\$0.00	\$106.94	\$106.94
INTEREST	9/15/2017	9/15/2017	TOYOTA ABS 2016-C A3	89237WAD9	\$0.00	\$42.75	\$42.75
INTEREST	9/15/2017	9/15/2017	JOHN DEERE ABS 2016-B A3	47788NAC2	\$0.00	\$36.46	\$36.46
PAYDOWNS	9/15/2017	9/15/2017	CARMAX ABS 2016-3 A2	14314EAB7	\$9,875.16	\$0.00	\$9,875.16
BUY	9/18/2017	9/19/2017	FHLB NOTES	3130ACE26	\$243,238.45	\$102.93	\$243,341.38
SELL	9/25/2017	10/2/2017	CHEVRON CORP NOTES	166764BH2	\$149,820.00	\$884.57	\$150,704.57
BUY	9/25/2017	10/2/2017	CCCIT 2017-A9 A9	17305EGH2	\$139,989.57	\$0.00	\$139,989.57
SELL	9/25/2017	9/27/2017	FREDDIE MAC NOTES	3137EAEH8	\$99,805.00	\$259.72	\$100,064.72
BUY	9/25/2017	9/27/2017	BANK TOKYO MITSUBISHI UFJ LTD LT CD	06539RGM3	\$140,000.00	\$0.00	\$140,000.00
INTEREST	9/28/2017	9/28/2017	FHLB NOTES	3130ACE26	\$0.00	\$38.19	\$38.19
INTEREST	9/28/2017	9/28/2017	FHLB NOTES	3130ACE26	\$0.00	\$187.15	\$187.15
INTEREST	9/30/2017	9/30/2017	US TREASURY NOTES	912828W89	\$0.00	\$1,031.25	\$1,031.25
INTEREST	10/1/2017	10/1/2017	BURLINGTON NRTH CORP	12189TBC7	\$0.00	\$4,700.00	\$4,700.00
INTEREST	10/1/2017	10/1/2017	BB&T CORP NOTES	05531FAX1	\$0.00	\$4,354.17	\$4,354.17

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TRUSTED SOLUTIONS. LASTING RESULTS.

**FALLBROOK PUBLIC UTILITY DISTRICT**  
**PARS Post-Employment Benefits Trust**

Account Report for the Period  
8/1/2017 to 8/31/2017

Paula Clark  
Accounting Supervisor  
Fallbrook Public Utility District  
PO Box 2290  
Fallbrook, CA 92088

### Account Summary

Source	Beginning Balance as of 8/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 8/31/2017
OPEB	\$764,966.28	\$0.00	\$2,866.10	\$159.37	\$0.00	\$0.00	\$767,673.01
PENSION	\$617,743.81	\$0.00	\$2,314.51	\$128.69	\$0.00	\$0.00	\$619,929.63
<b>Totals</b>	<b>\$1,382,710.09</b>	<b>\$0.00</b>	<b>\$5,180.61</b>	<b>\$288.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,387,602.64</b>

### Investment Selection

Source	
OPEB	Moderate Index PLUS
PENSION	Moderate Index PLUS

### Investment Objective

Source	
OPEB	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

### Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.37%	2.07%	-	-	-	-	2/16/2017
PENSION	0.37%	1.88%	-	-	-	-	2/16/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.



**Managed Account Summary Statement**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

<b>Transaction Summary - Managed Account</b>	
<b>Opening Market Value</b>	<b>\$14,390,298.57</b>
Maturities/Calls	(14,489.49)
Principal Dispositions	(1,091,606.36)
Principal Acquisitions	1,154,045.22
Unsettled Trades	(9,830.43)
Change in Current Value	(55,170.76)
<b>Closing Market Value</b>	<b>\$14,373,246.75</b>

<b>Cash Transactions Summary - Managed Account</b>	
Maturities/Calls	0.00
Sale Proceeds	1,096,100.22
Coupon/Interest/Dividend Income	2,267.48
Principal Payments	14,489.49
Security Purchases	(1,155,804.32)
Net Cash Contribution	0.00
Reconciling Transactions	0.00

<b>Earnings Reconciliation (Cash Basis) - Managed Account</b>	
Interest/Dividends/Coupons Received	6,761.34
Less Purchased Interest Related to Interest/Coupons	(1,759.10)
Plus Net Realized Gains/Losses	(4,119.92)
<b>Total Cash Basis Earnings</b>	<b>\$882.32</b>

<b>Cash Balance</b>	
<b>Closing Cash Balance</b>	<b>\$3,639.52</b>

<b>Earnings Reconciliation (Accrual Basis)</b>		<b>Total</b>
Ending Amortized Value of Securities	14,392,950.94	
Ending Accrued Interest	76,188.05	
Plus Proceeds from Sales	1,246,804.79	
Plus Proceeds of Maturities/Calls/Principal Payments	14,489.49	
Plus Coupons/Dividends Received	2,267.48	
Less Cost of New Purchases	(1,295,793.89)	
Less Beginning Amortized Value of Securities	(14,358,955.54)	
Less Beginning Accrued Interest	(58,541.40)	
<b>Total Accrual Basis Earnings</b>	<b>\$19,409.92</b>	

As of 9/30/17

As of 8/31/17



## Portfolio Summary and Statistics

For the Month Ending **September 30, 2017**

### FPUD - INVESTMENT PORTFOLIO - 28710100

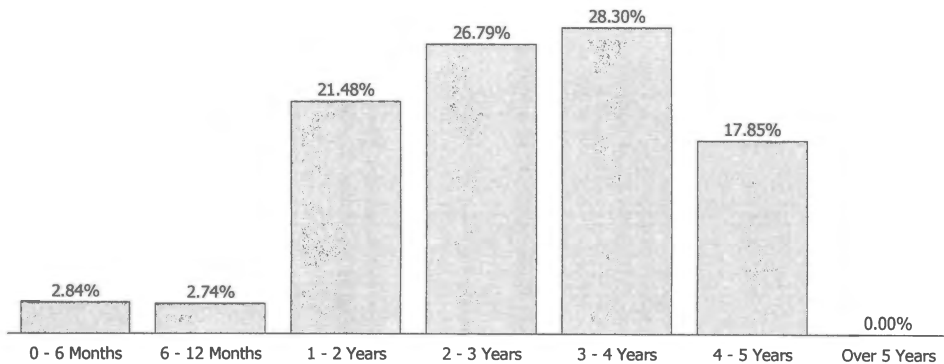
#### Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	4,700,000.00	4,688,248.18	32.62
Supra-National Agency Bond / Note	140,000.00	139,447.28	0.97
Federal Agency Collateralized Mortgage Obligation	40,908.70	40,933.54	0.28
Federal Agency Bond / Note	510,000.00	506,666.76	3.53
Corporate Note	3,987,000.00	4,059,189.23	28.24
Commercial Paper	400,000.00	397,201.80	2.76
Certificate of Deposit	3,540,000.00	3,548,762.54	24.69
Asset-Backed Security / Collateralized Mortgage Obligation	994,232.91	992,797.42	6.91
<b>Managed Account Sub-Total</b>	<b>14,312,141.61</b>	<b>14,373,246.75</b>	<b>100.00%</b>
Accrued Interest		76,188.05	
<b>Total Portfolio</b>	<b>14,312,141.61</b>	<b>14,449,434.80</b>	

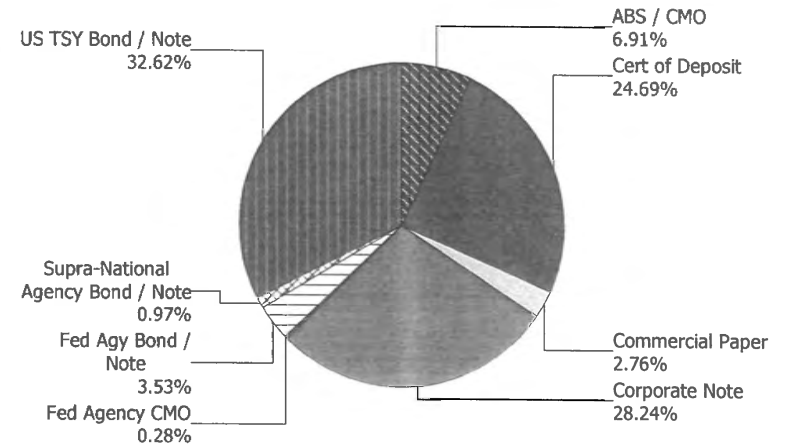
MARKET VALUE IS GREATER THAN PAR VALUE

Unsettled Trades **140,000.00** **140,000.00**

#### Maturity Distribution



#### Sector Allocation



#### Characteristics

Yield to Maturity at Cost	1.78%	8/31/17	1.81%
Yield to Maturity at Market			1.79%
Duration to Worst			2.63
Weighted Average Days to Maturity			1031



## Managed Account Issuer Summary

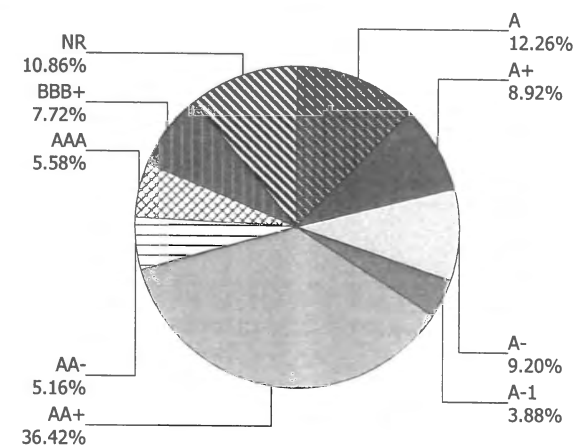
For the Month Ending September 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

### Issuer Summary

Issuer	Market Value of Holdings	Percent
ALLY AUTO RECEIVABLES TRUST	99,828.24	0.69
AMERICAN EXPRESS CO	530,512.78	3.69
AMERICAN HONDA FINANCE	115,156.25	0.80
BANK OF AMERICA CO	236,145.19	1.64
BANK OF BARODA	246,086.82	1.71
BANK OF MONTREAL	281,135.96	1.96
BANK OF NOVA SCOTIA	279,635.72	1.95
BB&T CORPORATION	554,597.90	3.86
BURLINGTON NORTHERN SANTA FE	211,222.80	1.47
CANADIAN IMPERIAL BANK OF COMMERCE	280,705.88	1.95
CAPITAL ONE FINANCIAL CORP	492,372.34	3.43
CARMAX AUTO OWNER TRUST	64,186.62	0.45
CATERPILLAR INC	557,826.43	3.88
CITIGROUP INC	520,216.37	3.62
CNH EQUIPMENT TRUST	150,033.44	1.04
CREDIT AGRICOLE SA	248,769.75	1.73
FANNIE MAE	255,422.27	1.78
FEDERAL HOME LOAN BANKS	292,178.03	2.03
FORD CREDIT AUTO OWNER TRUST	94,850.73	0.66
GOLDMAN SACHS GROUP INC	291,595.58	2.03
HYUNDAI AUTO RECEIVABLES	74,417.94	0.52
INTL BANK OF RECONSTRUCTION AND DEV	139,447.28	0.97
JOHN DEERE OWNER TRUST	94,831.27	0.66
JP MORGAN CHASE & CO	483,237.76	3.36
MITSUBISHI UFJ FINANCIAL GROUP INC	288,387.53	2.01
MORGAN STANLEY	481,625.74	3.35
NORDEA BANK AB	280,705.88	1.95
SKANDINAVISKA ENSKILDA BANKEN AB	184,831.65	1.29
STATE BANK OF INDIA	246,294.34	1.71
SUMITOMO MITSUI FINANCIAL GROUP INC	250,467.50	1.74
SVENSKA HANDELSBANKEN AB	199,359.00	1.39
THE BANK OF NEW YORK MELLON CORPORATION	353,690.30	2.46

### Credit Quality (S&P Ratings)







### Managed Account Issuer Summary

For the Month Ending **September 30, 2017**

FPUD - INVESTMENT PORTFOLIO - 28710100

<b>Issuer</b>	<b>Market Value of Holdings</b>	<b>Percent</b>
TOYOTA MOTOR CORP	154,534.03	1.08
UNITED STATES TREASURY	4,688,248.18	32.61
WELLS FARGO & COMPANY	389,429.81	2.71
WESTPAC BANKING CORP	261,259.44	1.82
<b>Total</b>	<b>\$14,373,246.75</b>	<b>100.00%</b>

DECREASED 1.31 FROM 8/31/17



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	360,000.00	AA+	Aaa	06/27/16	06/29/16	368,704.69	0.87	1,814.75	365,946.59	359,212.32
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	AA+	Aaa	09/01/16	09/02/16	533,469.73	1.06	2,646.52	531,063.20	523,851.30
US TREASURY NOTES DTD 12/02/2013 2.000% 11/30/2020	912828A42	470,000.00	AA+	Aaa	04/27/16	04/29/16	484,357.03	1.31	3,159.02	479,994.20	474,754.99
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	150,000.00	AA+	Aaa	02/01/17	02/03/17	147,035.16	1.86	863.11	147,480.30	148,101.60
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	235,000.00	AA+	Aaa	01/03/17	01/05/17	230,318.36	1.86	1,352.21	231,092.16	232,025.84
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	400,000.00	AA+	Aaa	10/04/16	10/05/16	413,828.13	1.23	2,688.52	410,955.65	403,562.40
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	175,000.00	AA+	Aaa	05/08/17	05/10/17	170,016.60	1.83	331.69	170,467.86	170,741.20
US TREASURY N/B DTD 07/31/2014 2.250% 07/31/2021	912828WY2	295,000.00	AA+	Aaa	11/22/16	11/23/16	301,268.75	1.78	1,118.27	300,164.63	300,081.97
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	400,000.00	AA+	Aaa	12/01/16	12/05/16	401,406.25	1.92	685.08	401,175.48	403,187.60
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	245,000.00	AA+	Aaa	08/30/17	08/31/17	241,152.73	1.64	1,281.59	241,228.70	239,525.72
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	250,000.00	AA+	Aaa	03/14/17	03/16/17	240,703.13	2.10	1,307.74	241,750.51	244,414.00
US TREASURY NOTES DTD 01/03/2017 2.000% 12/31/2021	912828U81	390,000.00	AA+	Aaa	06/26/17	06/28/17	394,737.89	1.72	1,971.20	394,475.72	392,422.29
US TREASURY NOTES DTD 02/02/2015 1.500% 01/31/2022	912828H86	460,000.00	AA+	Aaa	07/05/17	07/07/17	452,435.16	1.88	1,162.50	452,811.16	453,117.94
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	110,000.00	AA+	Aaa	06/26/17	06/28/17	110,648.83	1.75	5.67	110,615.85	109,965.68



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 06/30/2017 1.750% 06/30/2022	912828XW5	235,000.00	AA+	Aaa	09/01/17	09/07/17	235,330.47	1.72	1,039.30	235,326.56	233,283.33
<b>Security Type Sub-Total</b>		<b>4,700,000.00</b>					<b>4,725,412.91</b>	<b>1.57</b>	<b>21,427.17</b>	<b>4,714,548.57</b>	<b>4,688,248.18</b>
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 08/29/2017 1.625% 09/04/2020	459058GA5	140,000.00	AAA	Aaa	08/22/17	08/29/17	139,970.60	1.63	202.22	139,971.47	139,447.28
<b>Security Type Sub-Total</b>		<b>140,000.00</b>					<b>139,970.60</b>	<b>1.63</b>	<b>202.22</b>	<b>139,971.47</b>	<b>139,447.28</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	40,908.70	AA+	Aaa	06/09/16	06/30/16	41,317.77	1.05	60.85	41,112.80	40,933.54
<b>Security Type Sub-Total</b>		<b>40,908.70</b>					<b>41,317.77</b>	<b>1.05</b>	<b>60.85</b>	<b>41,112.80</b>	<b>40,933.54</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	215,000.00	AA+	Aaa	02/24/17	02/28/17	214,862.40	1.52	295.63	214,889.06	214,488.73
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	50,000.00	AA+	Aaa	09/07/17	09/08/17	49,839.50	1.48	5.73	49,842.66	49,521.70
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	245,000.00	AA+	Aaa	09/18/17	09/19/17	243,238.45	1.62	28.07	243,257.14	242,656.33
<b>Security Type Sub-Total</b>		<b>510,000.00</b>					<b>507,940.35</b>	<b>1.56</b>	<b>329.43</b>	<b>507,988.86</b>	<b>506,666.76</b>
<b>Corporate Note</b>											
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	BBB+	Baa1	06/02/16	06/09/16	99,948.00	2.07	649.17	99,970.35	100,077.00
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	A	A3	06/03/16	06/08/16	220,780.00	1.48	4,700.00	212,664.51	211,222.80



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
CATERPILLAR FINANCIAL CORP NOTES DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	455,000.00	A	A3	04/24/15	04/24/15	464,809.80	1.76	3,412.50	459,717.13	458,287.83
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	90,000.00	A+	A1	02/13/17	02/16/17	89,872.20	2.05	235.00	89,898.21	90,198.72
BNY MELLON (CALLABLE) CORP NOTE DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	352,000.00	A	A1	07/07/15	07/07/15	352,148.30	2.14	777.82	352,080.61	353,690.30
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	25,000.00	A+	A1	07/17/17	07/20/17	24,974.75	1.98	96.15	24,976.37	24,957.53
JP MORGAN CHASE & CO NOTES DTD 07/22/2010 4.400% 07/22/2020	46625HHS2	455,000.00	A-	A3	04/27/16	04/29/16	493,065.30	2.31	3,837.17	480,682.98	483,237.76
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	100,000.00	A	A3	09/05/17	09/07/17	99,916.00	1.88	123.33	99,917.82	99,538.60
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	385,000.00	A	A2	04/27/16	04/29/16	391,579.65	2.16	3,108.88	389,618.99	389,429.81
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	260,000.00	BBB+	A3	05/10/16	05/13/16	261,492.40	2.38	2,888.89	261,093.21	260,841.88
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	BBB+	A3	08/10/16	08/15/16	296,693.20	2.11	3,298.75	295,119.00	291,595.58
AMERICAN EXPRESS CREDIT CORP NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	285,000.00	A-	A2	05/05/16	05/10/16	286,558.95	2.13	2,600.63	286,140.51	284,584.47
BRANCH BANKING & TRUST CORP NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	250,000.00	A-	A2	05/10/16	05/16/16	249,835.00	2.06	2,007.29	249,879.18	248,990.00
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	90,000.00	BBB+	Baa1	09/13/17	09/18/17	90,000.00	2.33	75.66	90,000.00	89,811.99
MORGAN STANLEY BONDS DTD 11/17/2016 2.625% 11/17/2021	61746BED4	220,000.00	BBB+	A3	02/01/17	02/03/17	216,755.00	2.96	2,149.58	217,181.25	220,783.86
BANK OF AMERICA CORP CORP NOTES DTD 01/24/2012 5.700% 01/24/2022	06051GEM7	130,000.00	BBB+	Baa1	09/01/17	09/07/17	147,414.80	2.46	1,379.08	147,163.17	146,333.20



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
BB&T CORP NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	300,000.00	A-	A2	04/03/17	04/06/17	302,265.00	2.59	4,354.17	302,059.96	305,607.90
<b>Security Type Sub-Total</b>		<b>3,987,000.00</b>					<b>4,088,108.35</b>	<b>2.17</b>	<b>35,694.07</b>	<b>4,058,163.25</b>	<b>4,059,189.23</b>
<b>Commercial Paper</b>											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/15/2017 0.000% 02/09/2018	22533UB93	250,000.00	A-1	P-1	08/16/17	08/17/17	248,264.44	1.43	0.00	248,708.19	248,769.75
BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA -- 0.000% 05/29/2018	06538CEV9	150,000.00	A-1	P-1	09/01/17	09/07/17	148,306.00	1.56	0.00	148,460.00	148,432.05
<b>Security Type Sub-Total</b>		<b>400,000.00</b>					<b>396,570.44</b>	<b>1.48</b>	<b>0.00</b>	<b>397,168.19</b>	<b>397,201.80</b>
<b>Certificate of Deposit</b>											
CITIBANK NA CERT DEPOS DTD 06/16/2017 1.400% 01/02/2018	17305TPX4	160,000.00	A-1	P-1	06/16/17	06/16/17	160,000.00	1.40	665.78	160,000.00	160,024.22
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 1.700% 08/13/2018	14042E5N6	245,000.00	NR	NR	08/12/15	08/12/15	245,000.00	1.40	570.55	245,000.00	245,545.62
BANK OF BARODA LT CD DTD 10/28/2013 2.050% 10/29/2018	0606246K4	245,000.00	NR	NR	10/29/13	10/29/13	245,000.00	1.96	2,146.60	245,000.00	246,086.82
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	280,000.00	A+	A1	12/01/16	12/05/16	279,781.60	1.78	1,656.36	279,871.97	280,705.88
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	280,000.00	AA-	Aa3	12/01/16	12/05/16	280,000.00	1.74	1,697.42	280,000.00	280,705.88
STATE BANK OF INDIA LT CD DTD 12/18/2013 2.050% 12/18/2018	856283VY9	245,000.00	NR	NR	12/19/13	12/19/13	245,000.00	1.96	1,444.83	245,000.00	246,294.34
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	200,000.00	AA-	Aa2	01/10/17	01/12/17	200,000.00	1.91	871.50	200,000.00	199,359.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	280,000.00	A+	A1	02/08/17	02/09/17	280,000.00	1.90	789.60	280,000.00	281,135.96



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**FPUD - INVESTMENT PORTFOLIO - 28710100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	280,000.00	A+	A1	04/05/17	04/06/17	280,000.00	1.91	2,644.29	280,000.00	279,635.72
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	250,000.00	A	A1	05/03/17	05/04/17	250,000.00	2.05	2,092.71	250,000.00	250,467.50
AMERICAN EXPRESS BK FSB LT CD DTD 07/24/2014 2.000% 07/24/2019	02587CAJ9	245,000.00	NR	NR	07/25/14	07/25/14	245,000.00	1.92	926.30	245,000.00	245,928.31
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	185,000.00	A+	Aa3	08/03/17	08/04/17	184,927.85	1.85	548.42	184,933.60	184,831.65
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 2.000% 08/12/2019	140420UE8	245,000.00	NR	NR	08/12/15	08/12/15	245,000.00	1.94	671.23	245,000.00	246,826.72
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	140,000.00	A+	A1	09/25/17	09/27/17	140,000.00	2.07	32.20	140,000.00	139,955.48
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	260,000.00	AA-	Aa3	08/03/17	08/07/17	260,000.00	2.05	799.50	260,000.00	261,259.44
<b>Security Type Sub-Total</b>		<b>3,540,000.00</b>					<b>3,539,709.45</b>	<b>1.86</b>	<b>17,557.29</b>	<b>3,539,805.57</b>	<b>3,548,762.54</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	64,232.91	AAA	NR	07/14/16	07/20/16	64,227.67	1.18	33.40	64,229.80	64,186.62
TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	AAA	Aaa	05/02/16	05/11/16	109,994.38	1.30	63.56	109,996.65	109,754.62
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,000.00	NR	Aaa	07/19/16	07/27/16	34,997.21	1.25	19.44	34,998.19	34,851.71
CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	150,000.00	AAA	NR	03/15/17	03/22/17	149,994.24	1.80	109.33	149,994.24	150,033.44
TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	AAA	Aaa	08/01/16	08/10/16	44,998.79	1.14	22.80	44,999.19	44,779.41



## Managed Account Detail of Securities Held

For the Month Ending September 30, 2017

### FPUD - INVESTMENT PORTFOLIO - 28710100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	120,000.00	AAA	Aaa	01/19/17	01/26/17	119,977.02	1.75	429.20	120,000.00	120,115.15
JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	30,000.00	NR	Aaa	02/22/17	03/02/17	29,995.73	1.79	23.73	29,995.73	29,999.31
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	AAA	Aaa	09/14/16	09/21/16	74,989.91	1.30	43.00	74,992.42	74,417.94
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	95,000.00	NR	Aaa	01/18/17	01/25/17	94,999.65	1.67	70.51	94,999.73	94,850.73
<b>CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021</b>	<b>17305EGH2</b>	<b>140,000.00</b>	<b>NR</b>	<b>NR</b>	<b>09/25/17</b>	<b>10/02/17</b>	<b>139,989.57</b>	<b>1.80</b>	<b>0.00</b>	<b>139,989.57</b>	<b>140,000.00</b>
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	30,000.00	NR	Aaa	07/11/17	07/18/17	29,997.80	1.82	24.27	29,997.95	29,980.25
ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	100,000.00	AAA	NR	08/15/17	08/23/17	99,998.71	1.75	77.78	99,998.76	99,828.24
<b>Security Type Sub-Total</b>		<b>994,232.91</b>					<b>994,160.68</b>	<b>1.60</b>	<b>917.02</b>	<b>994,192.23</b>	<b>992,797.42</b>
<b>Managed Account Sub-Total</b>		<b>14,312,141.61</b>					<b>14,433,190.55</b>	<b>1.81</b>	<b>76,188.05</b>	<b>14,392,950.94</b>	<b>14,373,246.75</b>
<b>Securities Sub-Total</b>		<b>\$14,312,141.61</b>					<b>\$14,433,190.55</b>	<b>1.81%</b>	<b>\$76,188.05</b>	<b>\$14,392,950.94</b>	<b>\$14,373,246.75</b>
<b>Accrued Interest</b>											<b>\$76,188.05</b>
<b>Total Investments</b>											<b>\$14,449,434.80</b>

Bolded items are forward settling trades.



Managed Account Fair Market Value & Analytics

For the Month Ending September 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	360,000.00	CITIGRP		99.78	359,212.32	(9,492.37)	(6,734.27)	2.59	2.59	1.58
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	TD SEC U		99.78	523,851.30	(9,618.43)	(7,211.90)	2.59	2.59	1.58
US TREASURY NOTES DTD 12/02/2013 2.000% 11/30/2020	912828A42	470,000.00	CITIGRP		101.01	474,754.99	(9,602.04)	(5,239.21)	3.04	3.04	1.67
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	150,000.00	CITIGRP		98.73	148,101.60	1,066.44	621.30	3.46	3.46	1.74
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	235,000.00	MERRILL		98.73	232,025.84	1,707.48	933.68	3.46	3.46	1.74
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	400,000.00	MORGANST		100.89	403,562.40	(10,265.73)	(7,393.25)	3.50	3.50	1.75
US TREASURY NOTES DTD 08/01/2016 1.125% 07/31/2021	912828S76	175,000.00	CITIGRP		97.57	170,741.20	724.60	273.34	3.72	3.72	1.78
US TREASURY N/B DTD 07/31/2014 2.250% 07/31/2021	912828WY2	295,000.00	BNP PARI		101.72	300,081.97	(1,186.78)	(82.66)	3.65	3.65	1.78
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	400,000.00	MORGANST		100.80	403,187.60	1,781.35	2,012.12	3.75	3.75	1.79
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	245,000.00	MORGAN_S		97.77	239,525.72	(1,627.01)	(1,702.98)	3.94	3.94	1.82
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	250,000.00	CITIGRP		97.77	244,414.00	3,710.87	2,663.49	3.94	3.94	1.82
US TREASURY NOTES DTD 01/03/2017 2.000% 12/31/2021	912828U81	390,000.00	HSBC		100.62	392,422.29	(2,315.60)	(2,053.43)	4.04	4.04	1.85
US TREASURY NOTES DTD 02/02/2015 1.500% 01/31/2022	912828H86	460,000.00	MORGAN_S		98.50	453,117.94	682.78	306.78	4.16	4.16	1.86
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	110,000.00	MORGAN_S		99.97	109,965.68	(683.15)	(650.17)	4.30	4.30	1.88
US TREASURY NOTES DTD 06/30/2017 1.750% 06/30/2022	912828XW5	235,000.00	HSBC		99.27	233,283.33	(2,047.14)	(2,043.23)	4.52	4.52	1.91
<b>Security Type Sub-Total</b>		<b>4,700,000.00</b>				<b>4,688,248.18</b>	<b>(37,164.73)</b>	<b>(26,300.39)</b>	<b>3.54</b>	<b>3.54</b>	<b>1.75</b>

Supra-National Agency Bond / Note





Managed Account Fair Market Value & Analytics

For the Month Ending September 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst at Mkt	YTM
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 08/29/2017 1.625% 09/04/2020	459058GA5	140,000.00	JPM_CHAS		99.61	139,447.28	(523.32)	(524.19)	2.84	2.84	1.76
<b>Security Type Sub-Total</b>		<b>140,000.00</b>				<b>139,447.28</b>	<b>(523.32)</b>	<b>(524.19)</b>	<b>2.84</b>	<b>2.84</b>	<b>1.76</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	40,908.70	CSFB		100.06	40,933.54	(384.23)	(179.26)	0.94	1.49	1.66
<b>Security Type Sub-Total</b>		<b>40,908.70</b>				<b>40,933.54</b>	<b>(384.23)</b>	<b>(179.26)</b>	<b>0.94</b>	<b>1.49</b>	<b>1.66</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	215,000.00	JPM_CHAS		99.76	214,488.73	(373.67)	(400.33)	2.36	2.36	1.60
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	50,000.00	BARCLAYS		99.04	49,521.70	(317.80)	(320.96)	2.92	2.92	1.70
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	245,000.00	DEUTSCHE		99.04	242,656.33	(582.12)	(600.81)	2.92	2.92	1.70
<b>Security Type Sub-Total</b>		<b>510,000.00</b>				<b>506,666.76</b>	<b>(1,273.59)</b>	<b>(1,322.10)</b>	<b>2.68</b>	<b>2.68</b>	<b>1.66</b>
<b>Corporate Note</b>											
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	CITIGRP		100.08	100,077.00	129.00	106.65	1.64	1.64	2.00
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	GOLDMAN		105.61	211,222.80	(9,557.20)	(1,441.71)	1.88	1.88	1.83
CATERPILLAR FINANCIAL CORP NOTES DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	455,000.00	NEW ACCT		100.72	458,287.83	(6,521.97)	(1,429.30)	2.09	2.09	1.91
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	90,000.00	MIZUHO		100.22	90,198.72	326.52	300.51	2.30	2.30	1.90
BNY MELLON (CALLABLE) CORP NOTE DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	352,000.00	NEW ACCT	01/24/20	100.48	353,690.30	1,542.00	1,609.69	2.29	2.25	1.94



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<b>Corporate Note</b>											
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	25,000.00	BARCLAYS		99.83	24,957.53	(17.22)	(18.84)	2.71	2.71	2.01
JP MORGAN CHASE & CO NOTES DTD 07/22/2010 4.400% 07/22/2020	46625HHS2	455,000.00	BONY		106.21	483,237.76	(9,827.54)	2,554.78	2.63	2.63	2.11
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	100,000.00	BARCLAYS		99.54	99,538.60	(377.40)	(379.22)	2.83	2.83	2.01
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	385,000.00	WELLSFAR		101.15	389,429.81	(2,149.84)	(189.18)	3.02	3.02	2.17
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	260,000.00	SCOTIA		100.32	260,841.88	(650.52)	(251.33)	3.35	3.35	2.40
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	JPMCHASE	03/25/21	100.55	291,595.58	(5,097.62)	(3,523.42)	3.34	3.28	2.46
AMERICAN EXPRESS CREDIT CORP NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	285,000.00	GOLDMAN		99.85	284,584.47	(1,974.48)	(1,556.04)	3.41	3.41	2.29
BRANCH BANKING & TRUST CORP NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	250,000.00	KEYBAN		99.60	248,990.00	(845.00)	(889.18)	3.43	3.43	2.17
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	90,000.00	MERRILL		99.79	89,811.99	(188.01)	(188.01)	3.80	3.80	2.38
MORGAN STANLEY BONDS DTD 11/17/2016 2.625% 11/17/2021	61746BED4	220,000.00	MORGAN_S		100.36	220,783.86	4,028.86	3,602.61	3.86	3.86	2.53
BANK OF AMERICA CORP CORP NOTES DTD 01/24/2012 5.700% 01/24/2022	06051GEM7	130,000.00	INCAPITA		112.56	146,333.20	(1,081.60)	(829.97)	3.83	3.83	2.60
BB&T CORP NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	300,000.00	MORGAN_S		101.87	305,607.90	3,342.90	3,547.94	4.16	4.16	2.31
<b>Security Type Sub-Total</b>		<b>3,987,000.00</b>				<b>4,059,189.23</b>	<b>(28,919.12)</b>	<b>1,025.98</b>	<b>2.97</b>	<b>2.96</b>	<b>2.18</b>
<b>Commercial Paper</b>											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/15/2017 0.000% 02/09/2018	22533UB93	250,000.00	CRETAG		99.51	248,769.75	505.31	61.56	0.36	0.36	1.35
BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA -- 0.000% 05/29/2018	06538CEV9	150,000.00	BTM		98.95	148,432.05	126.05	(27.95)	0.66	0.66	1.58



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<b>Security Type Sub-Total</b>		<b>400,000.00</b>				<b>397,201.80</b>	<b>631.36</b>	<b>33.61</b>	<b>0.47</b>	<b>0.47</b>	<b>1.43</b>
<b>Certificate of Deposit</b>											
CITIBANK NA CERT DEPOS DTD 06/16/2017 1.400% 01/02/2018	17305TPX4	160,000.00	CITIGRP		100.02	160,024.22	24.22	24.22	0.25	0.25	1.34
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 1.700% 08/13/2018	14042E5N6	245,000.00	NEW ACCT		100.22	245,545.62	545.62	545.62	0.86	0.86	1.38
BANK OF BARODA LT CD DTD 10/28/2013 2.050% 10/29/2018	0606246K4	245,000.00	NEW ACCT		100.44	246,086.82	1,086.82	1,086.82	1.07	1.07	1.50
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	280,000.00	GOLDMAN		100.25	280,705.88	924.28	833.91	1.15	1.15	1.52
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	280,000.00	MERRILL		100.25	280,705.88	705.88	705.88	1.16	1.16	0.78
STATE BANK OF INDIA LT CD DTD 12/18/2013 2.050% 12/18/2018	856283VY9	245,000.00	NEW ACCT		100.53	246,294.34	1,294.34	1,294.34	1.21	1.21	1.48
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	200,000.00	MERRILL		99.68	199,359.00	(641.00)	(641.00)	1.27	1.27	1.38
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	280,000.00	GOLDMAN		100.41	281,135.96	1,135.96	1,135.96	1.35	1.35	1.54
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	280,000.00	MERRILL		99.87	279,635.72	(364.28)	(364.28)	1.50	1.50	1.38
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	250,000.00	JPM_CHAS		100.19	250,467.50	467.50	467.50	1.57	1.57	1.89
AMERICAN EXPRESS BK FSB LT CD DTD 07/24/2014 2.000% 07/24/2019	02587CAJ9	245,000.00	NEW ACCT		100.38	245,928.31	928.31	928.31	1.80	1.80	1.66
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	185,000.00	BARCLAYS		99.91	184,831.65	(96.20)	(101.95)	1.81	1.81	1.72
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 2.000% 08/12/2019	140420UE8	245,000.00	NEW ACCT		100.75	246,826.72	1,826.72	1,826.72	1.85	1.85	1.50
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	140,000.00	MITSU		99.97	139,955.48	(44.52)	(44.52)	1.97	1.97	2.06
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	260,000.00	JPM_CHAS		100.48	261,259.44	1,259.44	1,259.44	2.82	2.82	1.83
<b>Security Type Sub-Total</b>		<b>3,540,000.00</b>				<b>3,548,762.54</b>	<b>9,053.09</b>	<b>8,956.97</b>	<b>1.45</b>	<b>1.45</b>	<b>1.51</b>



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<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	64,232.91	CSFB		99.93	64,186.62	(41.05)	(43.18)	0.29	1.70	1.21
TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	CITIGRP		99.78	109,754.62	(239.76)	(242.03)	0.80	1.67	1.43
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,000.00	RBC CAP		99.58	34,851.71	(145.50)	(146.48)	1.18	1.87	1.48
CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	150,000.00	CITIGRP		100.02	150,033.44	39.20	39.20	0.76	1.89	1.63
TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	MITSU		99.51	44,779.41	(219.38)	(219.78)	1.03	2.06	1.38
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	120,000.00	CITIGRP		100.10	120,115.15	138.13	115.15	1.28	1.75	1.68
JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	30,000.00	MERRILL		100.00	29,999.31	3.58	3.58	1.90	2.34	1.78
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	JPMCHASE		99.22	74,417.94	(571.97)	(574.48)	1.67	2.96	1.55
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	95,000.00	CITIGRP		99.84	94,850.73	(148.92)	(149.00)	1.80	2.71	1.73
<b>CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021</b>	<b>17305EGH2</b>	<b>140,000.00</b>	<b>CITIGRP</b>		<b>100.00</b>	<b>140,000.00</b>	<b>10.43</b>	<b>10.43</b>	<b>1.92</b>	<b>2.18</b>	<b>1.80</b>
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	30,000.00	MITSU		99.93	29,980.25	(17.55)	(17.70)	2.14	1.66	1.86
ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	100,000.00	DEUTSCHE		99.83	99,828.24	(170.47)	(170.52)	2.05	2.09	1.83
<b>Security Type Sub-Total</b>		<b>994,232.91</b>				<b>992,797.42</b>	<b>(1,363.26)</b>	<b>(1,394.81)</b>	<b>1.36</b>	<b>2.07</b>	<b>1.63</b>
<b>Managed Account Sub-Total</b>		<b>14,312,141.61</b>				<b>14,373,246.75</b>	<b>(59,943.80)</b>	<b>(19,704.19)</b>	<b>2.58</b>	<b>2.63</b>	<b>1.79</b>



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<b>Securities Sub-Total</b>	<b>\$14,312,141.61</b>	<b>\$14,373,246.75</b>	<b>(\$59,943.80)</b>	<b>(\$19,704.19)</b>	<b>2.58</b>	<b>2.63</b>	<b>1.79%</b>
<b>Accrued Interest</b>		<b>\$76,188.05</b>					
<b>Total Investments</b>		<b>\$14,449,434.80</b>					

Bolded items are forward settling trades.



Managed Account Security Transactions & Interest

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Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>BUY</b>											
	09/01/17	09/07/17	US TREASURY NOTES DTD 06/30/2017 1.750% 06/30/2022	912828XW5	235,000.00	(235,330.47)	(771.09)	(236,101.56)			
	09/01/17	09/07/17	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA -- 0.000% 05/29/2018	06538CEV9	150,000.00	(148,306.00)	0.00	(148,306.00)			
	09/01/17	09/07/17	BANK OF AMERICA CORP CORP NOTES DTD 01/24/2012 5.700% 01/24/2022	06051GEM7	130,000.00	(147,414.80)	(885.08)	(148,299.88)			
	09/05/17	09/07/17	CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	100,000.00	(99,916.00)	0.00	(99,916.00)			
	09/07/17	09/08/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	50,000.00	(49,839.50)	0.00	(49,839.50)			
	09/13/17	09/18/17	BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	90,000.00	(90,000.00)	0.00	(90,000.00)			
	09/18/17	09/19/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	245,000.00	(243,238.45)	(102.93)	(243,341.38)			
	09/25/17	09/27/17	BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	140,000.00	(140,000.00)	0.00	(140,000.00)			
	<b>09/25/17</b>	<b>10/02/17</b>	<b>CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021</b>	<b>17305EGH2</b>	<b>140,000.00</b>	<b>(139,989.57)</b>	<b>0.00</b>	<b>(139,989.57)</b>			
<b>Transaction Type Sub-Total</b>					<b>1,280,000.00</b>	<b>(1,294,034.79)</b>	<b>(1,759.10)</b>	<b>(1,295,793.89)</b>			
<b>INTEREST</b>											
	09/01/17	09/01/17	MONEY MARKET FUND	MONEY0002	0.00	0.00	16.80	16.80			
	09/01/17	09/25/17	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	45,523.03	0.00	67.72	67.72			
	09/15/17	09/15/17	JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	30,000.00	0.00	86.45	86.45			
	09/15/17	09/15/17	ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	100,000.00	0.00	106.94	106.94			
	09/15/17	09/15/17	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,000.00	0.00	36.46	36.46			



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Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	09/15/17	09/15/17	TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	0.00	42.75	42.75			
	09/15/17	09/15/17	CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	150,000.00	0.00	205.00	205.00			
	09/15/17	09/15/17	TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	0.00	119.17	119.17			
	09/15/17	09/15/17	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	74,108.07	0.00	72.26	72.26			
	09/15/17	09/15/17	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	0.00	80.63	80.63			
	09/15/17	09/15/17	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	95,000.00	0.00	132.21	132.21			
	09/15/17	09/15/17	JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	30,000.00	0.00	44.50	44.50			
	09/28/17	09/28/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	50,000.00	0.00	38.19	38.19			
	09/28/17	09/28/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	245,000.00	0.00	187.15	187.15			
	09/30/17	09/30/17	US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	110,000.00	0.00	1,031.25	1,031.25			
<b>Transaction Type Sub-Total</b>					<b>1,194,631.10</b>	<b>0.00</b>	<b>2,267.48</b>	<b>2,267.48</b>			
<b>PAYDOWNS</b>											
	09/01/17	09/25/17	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	4,614.33	4,614.33	0.00	4,614.33	(46.14)	0.00	
	09/15/17	09/15/17	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	9,875.16	9,875.16	0.00	9,875.16	0.81	0.00	
<b>Transaction Type Sub-Total</b>					<b>14,489.49</b>	<b>14,489.49</b>	<b>0.00</b>	<b>14,489.49</b>	<b>(45.33)</b>	<b>0.00</b>	
<b>SELL</b>											
	09/01/17	09/07/17	US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	100,000.00	99,328.13	485.73	99,813.86	1,320.32	1,020.24	FIFO



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Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>SELL</b>										
09/01/17	09/07/17	CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	150,000.00	149,931.00	721.96	150,652.96	(69.00)	(69.00)	FIFO
09/01/17	09/07/17	RONDOUT SAVINGS BANK LT CD DTD 01/23/2015 1.350% 07/23/2018	776322AP4	245,000.00	244,534.50	416.84	244,951.34	(465.50)	(465.50)	FIFO
09/05/17	09/07/17	CATERPILLAR FINANCIAL CORP NOTES DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	110,000.00	111,142.90	660.00	111,802.90	(1,228.70)	(31.89)	FIFO
09/07/17	09/08/17	US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	50,000.00	50,349.61	154.55	50,504.16	(478.52)	(289.33)	FIFO
09/12/17	09/19/17	US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	245,000.00	246,186.72	876.31	247,063.03	(2,871.09)	(1,911.27)	FIFO
09/13/17	09/18/17	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	90,000.00	90,328.50	918.75	91,247.25	(188.10)	(53.59)	FIFO
09/25/17	09/27/17	FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	100,000.00	99,805.00	259.72	100,064.72	(94.00)	(99.69)	FIFO
<b>09/25/17</b>	<b>10/02/17</b>	<b>CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019</b>	<b>166764BH2</b>	<b>150,000.00</b>	<b>149,820.00</b>	<b>884.57</b>	<b>150,704.57</b>	<b>(180.00)</b>	<b>(180.00)</b>	<b>FIFO</b>
<b>Transaction Type Sub-Total</b>				<b>1,240,000.00</b>	<b>1,241,426.36</b>	<b>5,378.43</b>	<b>1,246,804.79</b>	<b>(4,254.59)</b>	<b>(2,080.03)</b>	
<b>Managed Account Sub-Total</b>					<b>(38,118.94)</b>	<b>5,886.81</b>	<b>(32,232.13)</b>	<b>(4,299.92)</b>	<b>(2,080.03)</b>	
<b>Total Security Transactions</b>					<b>(38,118.94)</b>	<b>5,886.81</b>	<b>(32,232.13)</b>	<b>(4,299.92)</b>	<b>(2,080.03)</b>	

Bolded items are forward settling trades.



**Fallbrook Public Utility District  
2017-18 Budget Overview-Through 09/30/17**

	2017-18 Adopted Budget	2017-18 Actual YTD	2017-18 Projected	Change from Projected to Adopted Budget	Percent Change from Prior Budget
<b>REVENUES:</b>					
Water Sales	8,673	2,963			
Recycled Sales	850	218			
	9,523	3,181	9,523.00		0.0%
<b>Operating Revenues:</b>					
Water Sales	16,124,308	4,940,494	16,124,308	-	0.0%
MWD Readiness to Serve	405,267	126,731	506,924	101,657	25.1%
CWA Infrastructure Access Charge	411,331	99,535	398,140	(13,191)	-3.2%
Meter Service Charges	5,348,419	1,361,895	5,447,580	99,161	1.9%
Wastewater Service Charges	5,787,904	1,396,975	5,587,900	(200,004)	-3.5%
Overuse Penalties	0		0	-	0.0%
Sundry Other Revenue	306,100	85,825	306,100	-	0.0%
CWA Rebates	162,448	52,480	162,448	-	0.0%
Total Operating Revenue	28,545,777	8,063,935	28,533,399	(12,378)	0.0%
<b>Non Operating Revenues:</b>					
Capital Improvement Charge	2,396,200	573,331	2,293,325	(102,875)	-4.3%
Property Taxes*	1,916,938	60,595	1,916,938	-	0.0%
Water Standby/Availability Charge	203,000		203,000	-	0.0%
Water/Wastewater Capacity Charges	136,914	35,888	136,914	-	0.0%
Portfolio Interest**	207,356	40,791	163,164	(44,192)	-21.3%
Pumping Charge	131,840	49,640	198,560	66,720	50.6%
Prop 84 & 50 Funds	0	28,500	28,500	28,500	100.0%
SRF Loan Proceeds	0		0	-	0.0%
CSI Rebate	0		0	-	0.0%
Facility Rents & Other Non Operating Revenues	173,055	52,729	210,915	37,860	21.9%
Total Non Operating Revenues	5,165,303	841,475	5,151,317	(13,986)	-0.3%
*FY 16-17 Opening Balances (did not use Raftelis figures)					
**Portfolio interested as calculated on actual investments					
<b>Total Budgeted Revenues</b>	<b>33,711,080</b>	<b>8,905,409</b>	<b>33,684,716</b>	<b>(26,364)</b>	<b>-0.1%</b>
<b>EXPENDITURES:</b>					
<b>Operating Expenses:</b>					
AF Purchased Potable Water	9,223	3,208			
AF Produced Recycled Water	902	387			
	10,125	3,595	10,125		
Purchased Water Expense	13,228,586	4,250,430	13,228,586	-	0.0%
MWD Readiness to Serve	405,267	89,298	357,192	48,075	-11.9%
CWA Infrastructure Access Charge	411,331	101,358	405,432	5,899	-1.4%
Production-Water Quality & Treatment	1,388,176	285,333	1,141,331	246,845	-17.8%
Distribution & Pumping	1,896,071	500,578	2,002,313	(106,242)	5.6%
Customer Service	1,421,119	358,878	1,435,510	(14,391)	1.0%
General Administration	5,094,194	1,319,401	5,277,602	(183,408)	3.6%
Collection, Treatment & Disposal	2,731,560	811,179	3,244,714	(513,154)	18.8%
Total Operating Expenses	26,576,304	7,716,453	27,092,680	(516,376)	1.9%
<b>Debt Service Expenses</b>					
Red Mountain SRF	395,893	197,712	395,893	-	0.0%
WWTP SRF	1,845,746	0	1,845,746	-	0.0%
QECCB Solar Debt	372,854	0	372,854	-	0.0%
CalPERS 17-18 Unfunded Actuarial Liability Lump Sum	572,652	572,652	572,652	-	0.0%
PARS	750,000		750,000	-	0.0%
Total Debt Service Expenses	3,937,145	770,364	3,937,145	-	0.0%
<b>Net Revenue(loss) From Operations and Debt Service</b>	<b>3,197,631</b>	<b>418,592</b>	<b>2,654,891</b>	<b>(542,740)</b>	<b>-17.0%</b>
Capital Project Expenses-completed and ongoing projects	8,395,283	1,090,069	8,395,283	-	0.0%
<b>NET REVENUES &amp; EXPENDITURES</b>	<b>(5,197,652)</b>	<b>(671,477)</b>	<b>(5,740,392)</b>	<b>(542,740)</b>	<b>10.4%</b>
Estimated Reserves as of 7/1/17	11,349,777	14,988,998	14,988,998	3,639,221	32.1%
Estimated Reserves as of 6/30/18	6,152,125	14,317,521	9,248,606	3,096,481	50.3%

**Fallbrook Public Utility District  
2017-18 Budget Overview-Through 09/30/17**

	2017-2018 Adopted Budget	2017-2018 Actual YTD	2017-18 Projected	Change from Projected to Adopted Budget	
<b>Labor Costs:</b>					
Annual Wages	5,828,492	1,573,790.39	5,845,507	(17,015)	0.3%
<b>Direct Benefits:</b>					
Medical/Dental/Vision (ACWA JPIA)	908,782	218,635	874,538	34,244	-3.8%
Other Post Employment Benefits (OPEB) contribution	150,000	0	150,000	-	0.0%
Life Insurance/Long Term Disability(Lincoln Life Ins)	35,780	9,571	38,283	(2,503)	7.0%
Uniforms/Safety Equipment	38,317	4,124	16,496	21,821	0.0%
Auto Allowance & Rec Fund	18,700	1,673	6,692	12,008	-64.2%
<b>Total Wages &amp; Direct Benefits</b>	<b>6,980,071</b>	<b>1,807,793</b>	<b>6,931,517</b>	<b>48,554</b>	<b>-0.7%</b>
<b>Indirect Benefits:</b>					
CalPERS/401A* (Lincoln Financial)	558,770 *	135,948	543,792	14,978	-2.7%
CalPERS Lump Sum Unfunded Liability Payment	572,652	572,652	572,652	-	0.0%
CalPERS Side Fund Payoff**	585,000 **		585,000	-	0.0%
CalPERS Unfunded Liability contribution	100,000 ***	0	100,000	-	0.0%
FICA/Social Security	426,321	103,594	414,375	11,946	-2.8%
Workers Comp Premiums (JPIA)	127,023	36,716	127,023	-	0.0%
Other-Unemployment Insurance	0	0	0	-	
**Reimburse Reserves for 6/30/14 Side Fund Payoff				-	
***Actuarial Unfunded Liability of \$9.8M				-	
<b>Total Indirect Benefits</b>	<b>2,369,766</b>	<b>848,910</b>	<b>2,342,842</b>	<b>26,924</b>	<b>-1.1%</b>
<b>Total Wages and Fringe Benefits</b>	<b>9,349,837</b>	<b>2,656,702</b>	<b>9,274,359</b>	<b>75,478</b>	<b>-0.8%</b>
*Employer Contribution 10.848% for Misc Members and 6.908% for PEPRA Members					
**Reimburse Reserves for 6/30/14 Side Fund Payoff Balance remaining is \$1,223,392 as of 6/30/17					
***Unfunded Actuarial Liability (UAL) of \$9.8M. This action prefunds a portion of the UAL into PARS					

9/30/2017

Treasurer's Warrant No. September

TO: Treasurer of the Fallbrook Public Utility District

The bills and claims listed below are approved as authorized by resolution no. 3538 of the Board of Directors dated July 8, 1985. You are hereby authorized and directed to pay said prospective claims in the amounts stated (less discounts in instances where discounts are allowed).

## Payroll -9/17

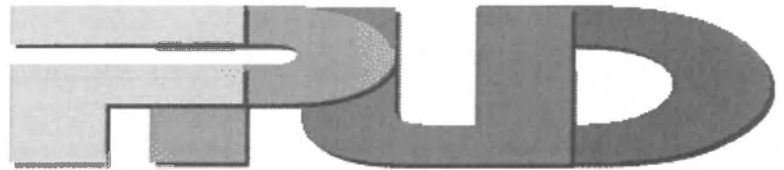
### Computer Check Register

Payroll #1	135,601.33
Payroll #2	<u>129,403.35</u>
	<u>265,004.68</u>

# Accounts Payable

## Checks by Date - Summary by Check Date

User: AnnaleceB  
Printed: 10/3/2017 10:21 AM



### Fallbrook Public Utility District

Purchasing Dept. Phone: (760) 728-1151, Fax (760) 728-8491

Main Office Phone: (760) 728-1125, Fax (760) 728-6029

Check No	Vendor No	Vendor Name	Check Date	Check Amount
76042	06661	MARK APRIL	09/06/2017	175.00
76043	00898	BP BATTERY	09/06/2017	107.52
76044	05897	FILOMENO CABALBAG	09/06/2017	411.50
76045	04178	CALOLYMPIC SAFETY CO., INC.	09/06/2017	436.77
76046	03978	CAMERON WELDING SUPPLY	09/06/2017	934.27
76047	06336	CAPITAL ONE COMMERCIAL	09/06/2017	705.48
76048	06115	CDW GOVERNMENT INC.	09/06/2017	1,742.07
76049	91008	MICHAEL COTHRAN	09/06/2017	70.00
76050	91044	CUBICLES OFFICE ENVIRONMENTS, I	09/06/2017	6,920.78
76051	91129	JENNIFER DEMEO	09/06/2017	38.52
76052	05180	NOELLE DENKE	09/06/2017	59.32
76053	06448	WILLIAM DENKE	09/06/2017	320.10
76054	05192	DIAMOND ENVIRONMENTAL SERVIC	09/06/2017	739.74
76055	91123	DIGITAL DEPLOYMENT, INC.	09/06/2017	550.00
76056	04944	DLT SOLUTIONS LLC	09/06/2017	2,820.45
76057	02647	FALLBROOK AWARDS	09/06/2017	16.16
76058	01099	FALLBROOK IRRIGATION INC	09/06/2017	178.33
76059	91121	GILMORE KRAMER	09/06/2017	6,839.70
76060	06429	HEALTHPOINTE MEDICAL GROUP, INC	09/06/2017	225.00
76061	06329	HILL BROTHERS CHEMICAL COMPAN	09/06/2017	1,603.12
76062	03276	HOME DEPOT CREDIT SERVICES	09/06/2017	3,082.26
76063	06687	ICE QUBE, INC	09/06/2017	5,863.18
76064	04926	KONICA MINOLTA PREMIER FINANCE	09/06/2017	3,606.12
76065	06659	KUBE ENGINEERING	09/06/2017	1,288.10
76066	01703	TODD LANGE	09/06/2017	36.02
76067	04638	LOWE'S CORPORATION	09/06/2017	1,245.64
76068	06614	MITEL LEASING	09/06/2017	1,041.15
76069	01406	NORTH COUNTY WELDING SUPPLY	09/06/2017	1,077.45
76070	01267	PACIFIC PIPELINE	09/06/2017	2,792.80
76071	04900	PARADISE CHEVROLET CADILLAC	09/06/2017	381.11
76072	91207	PARRISH & SON SPECIALTIES	09/06/2017	80.00
76073	90939	PCM SALES, INC.	09/06/2017	3,804.39
76074	91007	PFM ASSET MANGEMENT LLC	09/06/2017	1,226.15
76075	91189	PTC INC.	09/06/2017	1,534.00
76076	06064	SOLENIS LLC	09/06/2017	7,218.66
76077	90929	SOUTHWEST ANSWERING SERVICE, I	09/06/2017	837.60
76078	04092	STATE WATER RESOURCES CONT BRI	09/06/2017	165.00
76079	05883	TESTAMERICA LABORATORIES, INC.	09/06/2017	1,498.70
76080	90990	TK CONSTRUCTION, INC.	09/06/2017	140,600.00
76081	06005	UNIFIRST CORP.	09/06/2017	786.70
76082	00233	WAXIE SANITARY SUPPLY	09/06/2017	17.97
76083	02570	CHERYL WILLIAMS	09/06/2017	481.50
Total for 9/6/2017:				203,558.33
ACH	00152	FPUD EMPL ASSOCIATION	09/13/2017	905.78
ACH	06758	US TREASURY - PAYROLL TAXES	09/13/2017	57,111.50

Check No	Vendor No	Vendor Name	Check Date	Check Amount
ACH	06759	STATE OF CA - PR TAXES	09/13/2017	8,312.26
ACH	06760	STATE OF CA - SDI	09/13/2017	1,716.61
ACH	06761	LINCOLN FINANCIAL GROUP	09/13/2017	5,795.35
ACH	06763	PERS - PAYROLL	09/13/2017	35,195.26
ACH	06763	PERS - PAYROLL	09/13/2017	834.27
76093	06740	ACCELA, INC	09/13/2017	14,591.60
76094	04995	AMERICAN MESSAGING	09/13/2017	132.56
76095	05778	AQUATIC BIOASSAY AND CONSULTIN	09/13/2017	3,835.00
76096	91166	ARIZONA TILE LLC	09/13/2017	2,143.29
76097	06020	BABCOCK & SONS, INC.	09/13/2017	1,245.00
76098	06402	BRIAN BRADY	09/13/2017	35.17
76099	91069	BRENNTAG PACIFIC INC.	09/13/2017	1,744.54
76100	06012	CALIFORNIA DEPT OF CSS	09/13/2017	231.00
76101	01719	MICKEY M. CASE	09/13/2017	60.00
76102	04408	DEVIN CASTEEL	09/13/2017	1,246.35
76103	06572	CCL CONSTRUCTION INC	09/13/2017	32,822.50
76104	06115	CDW GOVERNMENT INC.	09/13/2017	594.14
76105	03205	CITY OF OCEANSIDE	09/13/2017	983.63
76106	05899	PAULA CLARK	09/13/2017	300.00
76107	UB*00092	TK CONSTRUCTION	09/13/2017	1,052.45
76108	02176	CORELOGIC SOLUTIONS, LLC	09/13/2017	225.00
76109	05953	CORODATA RECORDS MANAGEMENT	09/13/2017	641.55
76110	00425	C/O VALLECITOS WATER DISTRICT C	09/13/2017	50.00
76111	00370	CROP PRODUCTION SERVICES, INC.	09/13/2017	652.02
76112	02925	DATA NET SOLUTIONS	09/13/2017	1,078.20
76113	05180	NOELLE DENKE	09/13/2017	85.00
76114	06507	EUROFINS EATON ANALYTICAL INC	09/13/2017	2,400.00
76115	09523	FALLBROOK EQUIP RENTALS	09/13/2017	1,778.28
76116	01099	FALLBROOK IRRIGATION INC	09/13/2017	20.85
76117	00169	FALLBROOK OIL COMPANY	09/13/2017	2,589.16
76118	90945	FALLBROOK RADIATOR	09/13/2017	35.00
76119	01155	FALLBROOK REFUSE	09/13/2017	378.26
76120	00170	FALLBROOK WASTE & RECYCLING	09/13/2017	549.70
76121	04494	FEDERAL EXPRESS CORPORATION	09/13/2017	122.38
76122	91184	FKA NELSON MARKETING	09/13/2017	424.22
76123	05560	FRANCHISE TAX BOARD	09/13/2017	250.00
76124	06071	AL GEBHART	09/13/2017	1,119.37
76125	09517	GENCO	09/13/2017	248.90
76126	04958	GOSCH FORD TEMECULA	09/13/2017	6.53
76127	05803	HADRONEX INC	09/13/2017	13,704.00
76128	05925	HD SUPPLY WATERWORKS	09/13/2017	2,041.87
76129	06577	INFOSEND INC	09/13/2017	10,100.55
76130	00190	JCI JONES CHEMICALS INC.	09/13/2017	4,061.26
76131	04027	JOES HARDWARE	09/13/2017	1,666.13
76132	03299	KAMAN INDUSTRIAL TECHNOLOGIE	09/13/2017	53.89
76133	UB*00090	AJX HOMES LLC	09/13/2017	216.29
76134	04582	MAJOR MARKET INC	09/13/2017	19.35
76135	06601	MBC APPLIED ENVIRONMENTAL	09/13/2017	5,312.81
76136	03944	MISSION RESOURCE CONSV DISTRICT	09/13/2017	187.50
76137	90932	NAPA AUTO PARTS	09/13/2017	2,463.77
76138	03201	NATIONAL SAFETY COMPLIANCE INC	09/13/2017	869.31
76139	01406	NORTH COUNTY WELDING SUPPLY	09/13/2017	670.18
76140	06298	ONESOURCE DISTRIBUTORS, LLC	09/13/2017	229.86
76141	UB*00093	AM ORTEGA	09/13/2017	1,157.48
76142	00215	PETTY CASH	09/13/2017	135.63
76143	00216	PINE TREE LUMBER	09/13/2017	165.07
76144	91071	JACOB ROBINSON	09/13/2017	158.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
76145	05636	SAM'S CLUB	09/13/2017	3,410.60
76146	00231	SAN DIEGO COUNTY WATER AUTH	09/13/2017	1,741,575.10
76147	00236	SCRAPPYS	09/13/2017	571.90
76148	06388	SHAPE PRODUCTS	09/13/2017	522.47
76149	04434	SNAP ON TOOLS	09/13/2017	920.89
76150	06401	SONSRAY MACHINERY LLC	09/13/2017	5,260.37
76151	91107	SPECTRUM BUSINESS	09/13/2017	105.59
76152	00159	SUPERIOR READY MIX	09/13/2017	3,153.21
76153	91082	TELETRAC, INC	09/13/2017	969.75
76154	05883	TESTAMERICA LABORATORIES, INC.	09/13/2017	969.10
76155	91091	ORNEEN TOMA	09/13/2017	73.72
76156	02748	TREBOR SHORING RENTALS	09/13/2017	1,647.00
76157	06005	UNIFIRST CORP.	09/13/2017	389.06
76158	06211	UNITED IMAGING	09/13/2017	249.94
76159	UB*00091	THOMAS UNRUH	09/13/2017	990.63
76160	00458	VERIZON WIRELESS	09/13/2017	983.14
76161	04290	VILLAGE NEWS, INC.	09/13/2017	495.00
76162	06231	WESTERN WATER WORKS SUPPLY CC	09/13/2017	2,303.90
76163	02570	CHERYL WILLIAMS	09/13/2017	211.50
Total for 9/13/2017:				1,991,558.50
76164	00101	ACWA JPIA	09/21/2017	80,319.21
76165	04166	AMERICAN WATER WORKS ASSOCIAI	09/21/2017	1,600.00
76166	05088	AT&T	09/21/2017	901.16
76167	06578	AZTEC TECHNOLOGY CORPORATION	09/21/2017	3,965.20
76168	05958	BAMM! PROMOTIONAL PRODUCTS, II	09/21/2017	1,045.18
76169	02743	BEST BEST & KRIEGER	09/21/2017	3,300.00
76170	06402	BRIAN BRADY	09/21/2017	29.27
76171	04178	CALOLYMPIC SAFETY CO., INC.	09/21/2017	476.29
76172	03978	CAMERON WELDING SUPPLY	09/21/2017	213.29
76173	05899	PAULA CLARK	09/21/2017	576.08
76174	02925	DATA NET SOLUTIONS	09/21/2017	8,235.85
76175	05192	DIAMOND ENVIRONMENTAL SERVIC	09/21/2017	188.31
76176	04425	DOMINICK'S SANDWICHES	09/21/2017	24.99
76177	01262	KYLE D. DRAKE	09/21/2017	2,100.00
76178	06303	EXECUTIVE LANDSCAPE INC.	09/21/2017	417.50
76179	00169	FALLBROOK OIL COMPANY	09/21/2017	3,499.00
76180	02411	FALLBROOK PRINTING CORP	09/21/2017	1,755.77
76181	06286	GARDA CL WEST, INC.	09/21/2017	233.82
76182	04958	GOSCH FORD TEMECULA	09/21/2017	143.72
76183	02170	GRAINGER, INC.	09/21/2017	442.88
76184	02767	GRANGETTO FARM & GARDEN SUPPI	09/21/2017	22.65
76185	03174	HAAKER EQUIPMENT COMPANY	09/21/2017	3,209.55
76186	05380	HACH CO	09/21/2017	64.17
76187	05925	HD SUPPLY WATERWORKS	09/21/2017	17,482.45
76188	06267	J2 GLOBAL IRELAND LIMITED	09/21/2017	59.91
76189	06380	JANI-KING OF CALIFORNIA, INC - SA	09/21/2017	2,117.39
76190	00190	JCI JONES CHEMICALS INC.	09/21/2017	3,083.46
76191	90916	KELLY LAUGHLIN	09/21/2017	86.43
76192	06261	LAWTON GROUP	09/21/2017	748.88
76193	03765	LENNIHAN LAW	09/21/2017	7,935.69
76194	91209	LIFESTYLES INFOCUS	09/21/2017	2,248.07
76195	06123	MACIAS GINI & O'CONNELL	09/21/2017	14,000.00
76196	06633	MAINTENANCE CONNECTION INC	09/21/2017	756.20
76197	04582	MAJOR MARKET INC	09/21/2017	38.70
76198	91029	MALLORY SAFETY AND SUPPLY CO	09/21/2017	398.57

Check No	Vendor No	Vendor Name	Check Date	Check Amount
76199	UB*00094	CHAD & ERIN MCGOUGH	09/21/2017	111.36
76200	06338	MYTHOS TECHNOLOGY INC	09/21/2017	2,750.89
76201	01406	NORTH COUNTY WELDING SUPPLY	09/21/2017	633.31
76202	04236	PALOMAR INVESTIGATIVE GROUP, IN	09/21/2017	285.00
76203	90939	PCM SALES, INC.	09/21/2017	5,204.56
76204	UB*00096	JERRY PEREZ	09/21/2017	744.80
76205	02283	PETERS PAVING & GRADING	09/21/2017	3,677.50
76206	03137	GARY PITTS	09/21/2017	530.55
76207	91155	QUALITY GATE COMPANY	09/21/2017	125.00
76208	04075	RAYNE WATER SYSTEMS	09/21/2017	125.00
76209	00236	SCRAPPYS	09/21/2017	49.50
76210	04434	SNAP ON TOOLS	09/21/2017	581.14
76211	06735	TCN, INC.	09/21/2017	239.37
76212	04296	TRENCH PLATE RENTAL CO	09/21/2017	532.74
76213	00724	UNDERGROUND SERVICE ALERT	09/21/2017	404.35
76214	06005	UNIFIRST CORP.	09/21/2017	388.69
76215	03027	UPS STORE	09/21/2017	739.62
76216	06554	VOLVO CONSTRUCTION EQUIPMENT	09/21/2017	110,171.32
76217	05909	WAGNER & BONSIGNORE, CONSULTI	09/21/2017	4,881.50
76218	02570	CHERYL WILLIAMS	09/21/2017	589.50
76219	UB*00095	TERRY & JAMIE YORK	09/21/2017	47.51
Total for 9/21/2017:				294,532.85
ACH	06758	US TREASURY - PAYROLL TAXES	09/27/2017	54,687.69
ACH	06759	STATE OF CA - PR TAXES	09/27/2017	7,729.98
ACH	06760	STATE OF CA - SDI	09/27/2017	1,672.79
ACH	06761	LINCOLN FINANCIAL GROUP	09/27/2017	5,795.35
ACH	06763	PERS - PAYROLL	09/27/2017	34,743.86
ACH	00152	FPUD EMPL ASSOCIATION	09/27/2017	905.78
76227	01460	AFLAC	09/27/2017	1,574.51
76228	06235	JACK BEBEE	09/27/2017	108.03
76229	02743	BEST BEST & KRIEGER	09/27/2017	18,344.05
76230	91206	BIRKSCO	09/27/2017	320.00
76231	00898	BP BATTERY	09/27/2017	337.71
76232	06402	BRIAN BRADY	09/27/2017	39.32
76233	91118	BULLDOG TOWING	09/27/2017	375.00
76234	06012	CALIFORNIA DEPT OF CSS	09/27/2017	231.00
76235	91049	CALIFORNIA HAZARDOUS SERVICES,	09/27/2017	6,940.00
76236	03134	CALIFORNIA WATER ENVIRONMENT.	09/27/2017	180.00
76237	06675	CORODATA SHREDDING, INC	09/27/2017	109.00
76238	05180	NOELLE DENKE	09/27/2017	72.72
76239	03391	ELECTRICAL SALES INC	09/27/2017	892.91
76240	05719	ENVIRONMENTAL SYSTEMS RESEAR	09/27/2017	12,500.00
76241	05733	FIRST BANKCARD	09/27/2017	4,462.59
76242	91199	FIRST BANKCARD	09/27/2017	485.96
76243	91201	FIRST BANKCARD	09/27/2017	495.00
76244	91212	FIRST BANKCARD	09/27/2017	2,806.63
76245	05560	FRANCHISE TAX BOARD	09/27/2017	250.00
76246	02170	GRAINGER, INC.	09/27/2017	1,396.72
76247	05970	GRISWOLD INDUSTRIES	09/27/2017	7,485.40
76248	03174	HAAKER EQUIPMENT COMPANY	09/27/2017	99.41
76249	05505	TODD JESTER	09/27/2017	422.00
76250	90953	JR FILANC CONSTRUCTION CO., INC.	09/27/2017	34,687.35
76251	06479	KNOCKOUT PEST CONTROL & TERMI	09/27/2017	150.00
76252	00718	NATIONWIDE RETIREMENT SOLUTIO	09/27/2017	5,036.14
76253	06298	ONESOURCE DISTRIBUTORS, LLC	09/27/2017	484.98



Check No	Vendor No	Vendor Name	Check Date	Check Amount
76254	UB*00093	AM ORTEGA	09/27/2017	56.52
76255	06748	PSOMAS	09/27/2017	2,925.00
76256	91077	RED WING SHOE STORE	09/27/2017	203.63
76257	06485	FABRIENNE ROBINSON	09/27/2017	95.00
76258	02854	STEVE RUCKER	09/27/2017	410.69
76259	00232	SAN DIEGO GAS & ELECTRIC	09/27/2017	16,717.86
76260	00236	SCRAPPYS	09/27/2017	822.97
76261	90925	SHERWIN-WILLIAMS	09/27/2017	49.59
76262	04092	STATE WATER RESOURCES CONT BRI	09/27/2017	340.00
76263	00250	TRY ENTERPRISES	09/27/2017	4,507.50
76264	05065	TYCO INTEGRATED SECURITY LLC	09/27/2017	424.72
76265	06005	UNIFIRST CORP.	09/27/2017	389.07
76266	02570	CHERYL WILLIAMS	09/27/2017	324.00
76267	UB*00095	TERRY & JAMIE YORK	09/27/2017	160.97
Total for 9/27/2017:				233,249.40
Report Total (223 checks):				2,722,899.08

A handwritten signature in black ink, appearing to read "Jack Bebee", is written over a solid horizontal line.

Jack Bebee

Acting General Manager

Summary of Key Priorities during interim period

**1. Rate Study and Proposed Rate Changes**

Action: Continue Public Outreach. Keep Board informed of outreach efforts.

Status: Four Letters sent to specific customer groups are more impacted from results of rate study (TSAWR, Sewer Customers, Pumping Customers, Large Meters/Standby). The District held two public meetings on September 12<sup>th</sup> and 14<sup>th</sup> to discuss TSAWR rates and changes to sewer rates. The Proposition 218 letter was sent on September 29<sup>th</sup>.

Future Actions: A revised 218 notice is being sent out week of 10/16 to add the previously adopted Capital Improvement Charge into the Notice. The November 15<sup>th</sup> Public meeting will go forward to provide information on why there is a need for the proposed rates and methodology. The public Hearing is now scheduled to coincide with the December 11 regular board meeting. Transition new AGM/CFO fully into the process by the end of October.

**2. District Budget and Financial Reports**

Action: Continue to Improve District budgeting process and financial reporting to the Board. Complete FY 15/16 Audit for Board approval at October regular board meeting.

Status: Staff has been reviewing all line items and sources for budget and financial reporting data and identifying areas of potential improvement to review with new AGM/CFO. The draft audit was review with the Fiscal Policy and Insurance (FP&I) Committee. A new Budget Status Report format was developed with the FP&I Committee

Future Actions: The AGM/CFO will provide a detailed budget status report at the January regular Board meeting. Complete Audit for Board Approval for November special Board meeting.

**3. Santa Margarita Property**

Action: Issue Notice to Interested Parties Regarding Notice Transfer or Other Arrangement for Property. Continue to maintain safe operation of the property.

Status: The notice was advertised for proposals. District continues to utilize outside security to help maintain property operations. Security hours will be adjusted as needed.

Future Actions: Work with the Water Resources Committee and Board to evaluate proposals and identify preferred proposal. Target bringing forward preferred proposal from committee for January 2018 regular Board meeting.

**4. Santa Margarita Conjunctive Use Project**

Action: Complete steps necessary to issue the project for Construction.

Status: Before the State Revolving Fund (SRF) funding can be secured for construction, the water rights permit changes must be approved by the State Water Resources Control Board (SWRCB) and the Settlement Agreement between the District and U.S. must be finalized. The SWRCB is

processing the permits and some revisions have been requested, but no hurdles in securing the permits are anticipated. The settlement agreement is moving through the final approval stages by the U.S. Once these are completed the SRF funding package should be finalized.

Future Actions: A conference call with the SWRCB SRF Funding contact is scheduled for an update. Target signing of settlement agreement by end of calendar year 2017. Develop outreach by end of calendar year 2017 to publicize the Board's accomplishment in resolving the litigation related to U.S. versus FPUD and benefits to ratepayers. Target securing SRF funding by end of calendar year 2017 and advertise for construction in early summer 2018.

Status of Key Capital Projects

**Donnil PS Emergency Generator**

Awarded Construction Cost	\$139,900
Change Orders	\$ -
Total Cost	\$ 139,900.00
Total Completed	\$ 42,750.00
Percent Complete	31%
End Date	8/24/2017
Days Added	
Funding Source	Water Capital

**SMRCUP Design**

Awarded Design Cost*	\$ 3,205,140.00
Contract Ammendments	\$ 2,619.00
Total Cost	\$ 3,207,759.00
Total Completed	\$2,431,431
Percent Complete**	76%
End Date	4/1/2017
Days Added	0
* Only Preliminary Design and Design Task was Authorized for \$2,433,846	
**Authorized Tasks Completed (Design Complete)	
Funding Source	Prop 50 Grant: \$2.4 Million Balance Water Capital

**Beaver Creek Pipeline Replacement**

Awarded Construction Cost (Pending Approval)	\$ 1,446,000.00
Change Orders*	\$ 20,767.17
Total Cost	\$ 1,446,000.00
Total Completed*	\$ 1,388,524.00
Percent Complete	96%
End Date	12/25/2016
Days Added	6
Funding Source	Water Capital
*Complete pending final Change Order	

**N. Brandon and E. Alvarado Sewer Replacement**

Awarded Construction Cost	\$ 1,379,000.00
Change Orders	
Total Cost	\$ 1,379,000.00
Total Completed*	\$ 34,550.00
Percent Complete	3%
End Date	2/3/2018
Days Added	
Funding Source	Wastewater Capital
*Physical Completion close to 50%, Contractor behind in invoices	

**Vista Del Rio 30-14 Inch Connection**

Awarded Construction Cost	\$148,000
Change Orders	\$ -
Total Cost	\$ 148,000.00
Total Completed	\$ 148,000.00
Percent Complete	100%
End Date	8/4/2017
Days Added	
Funding Source	Water Capital

**8 MG Tank Recoating**

Awarded Construction Cost	\$804,060
Change Orders	\$ -
Total Cost	\$ 804,060.00
Total Completed	\$ -
Percent Complete	0%
End Date	
Days Added	
Funding Source	Water Capital

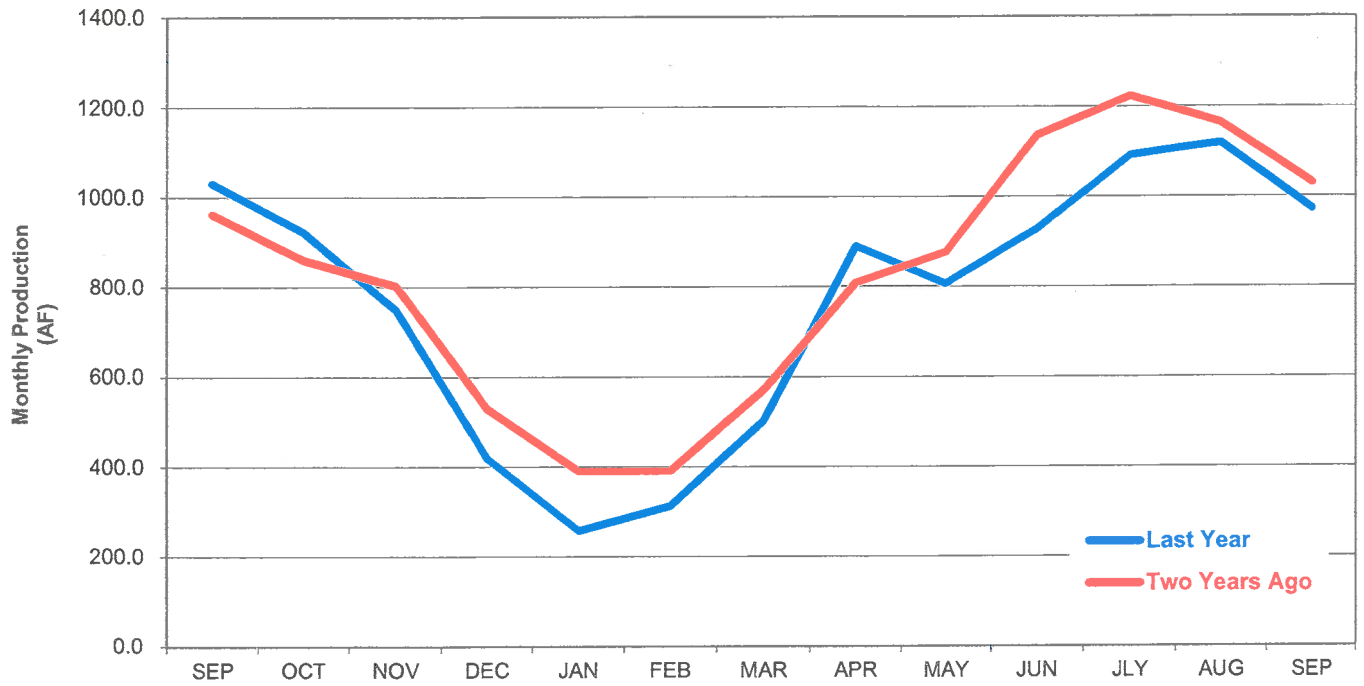
**Old Stage Pipeline Replacement**

Awarded Construction Cost	Project In Design
Change Orders*	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	

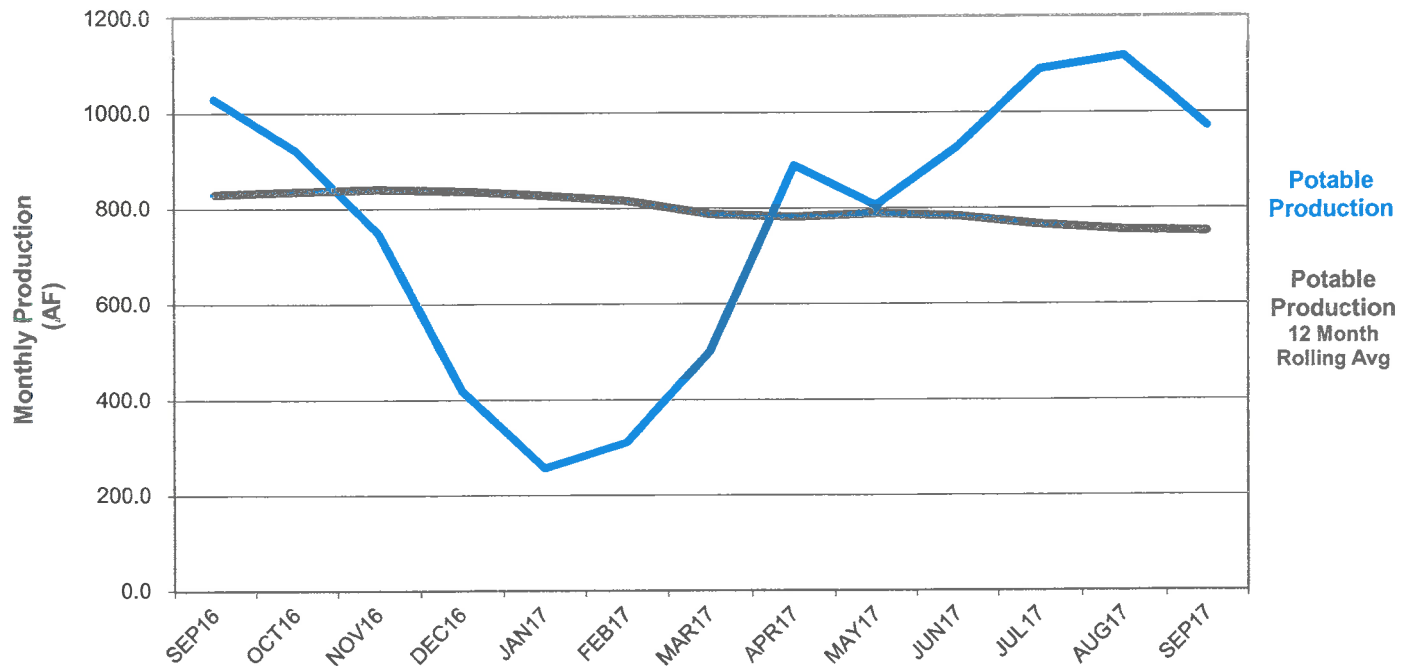
**24" FB3 Pipeline Replacement Under I-15**

Awarded Construction Cost	Issued for Bids
Change Orders*	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	

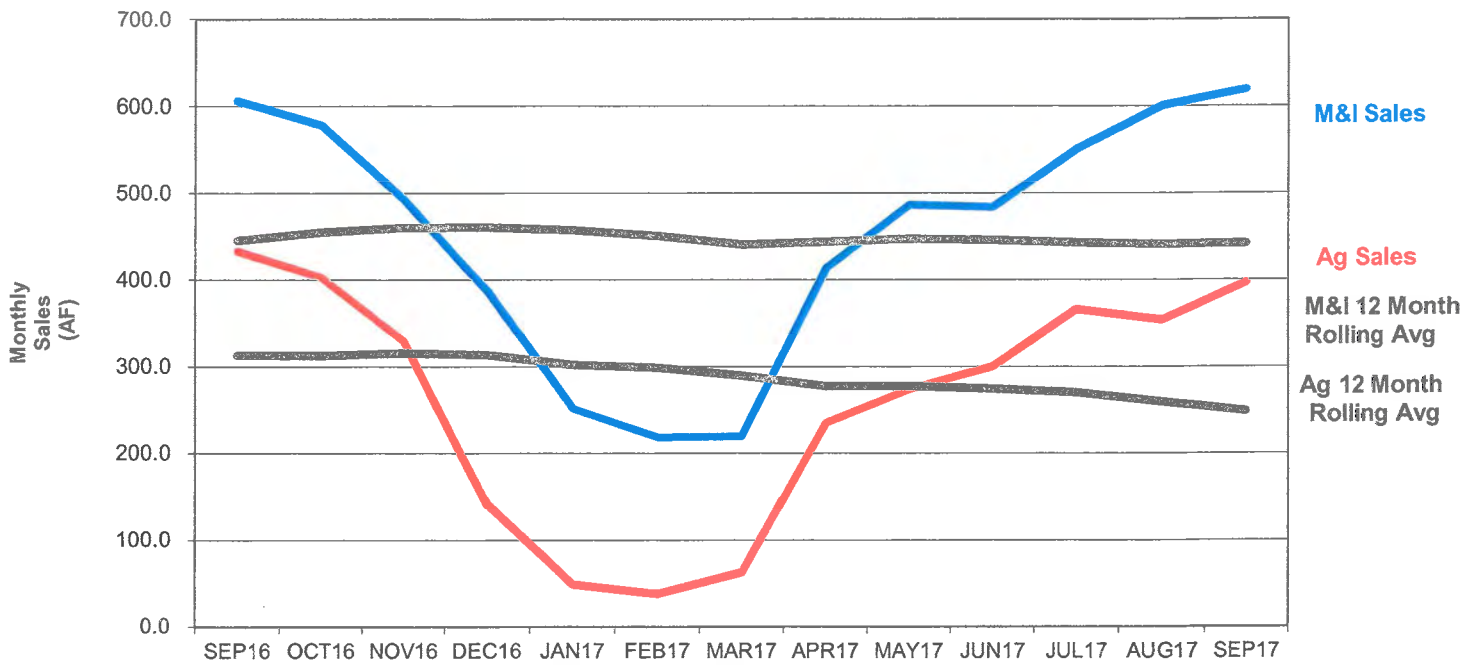
### Fallbrook Public Utility District Annual Production



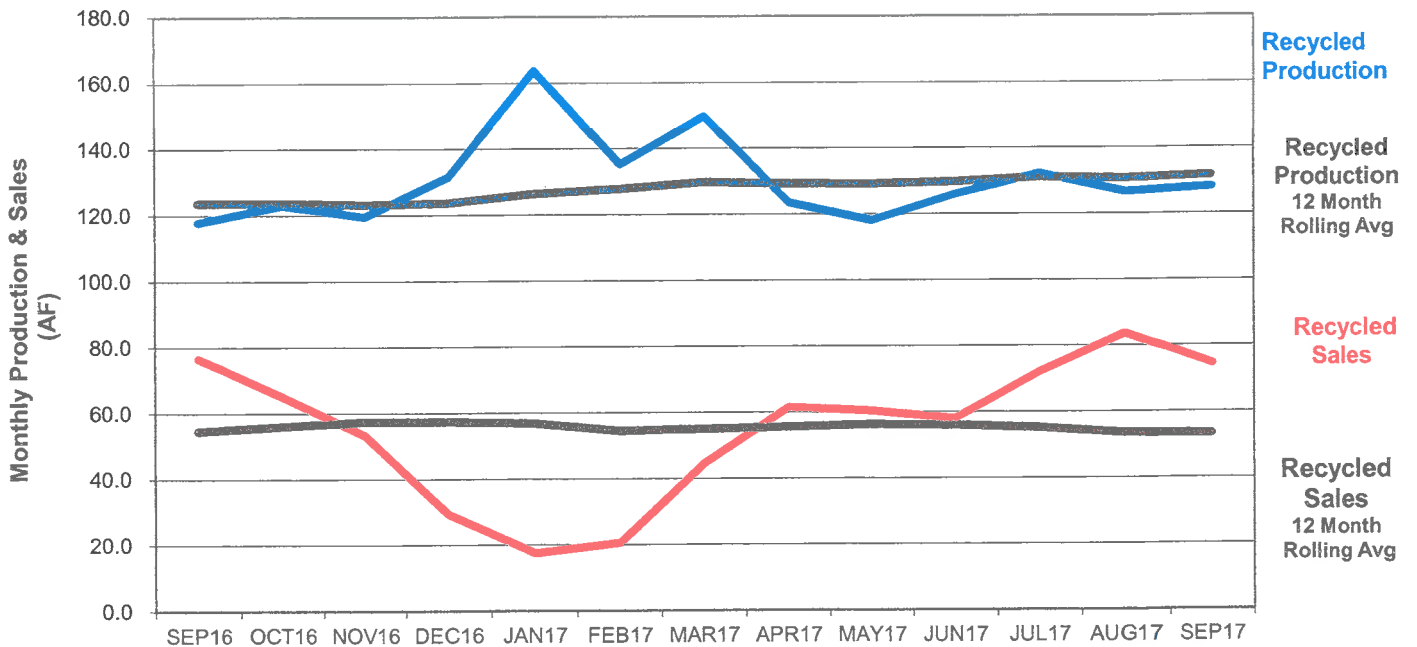
### Fallbrook Public Utility District Total Potable Production



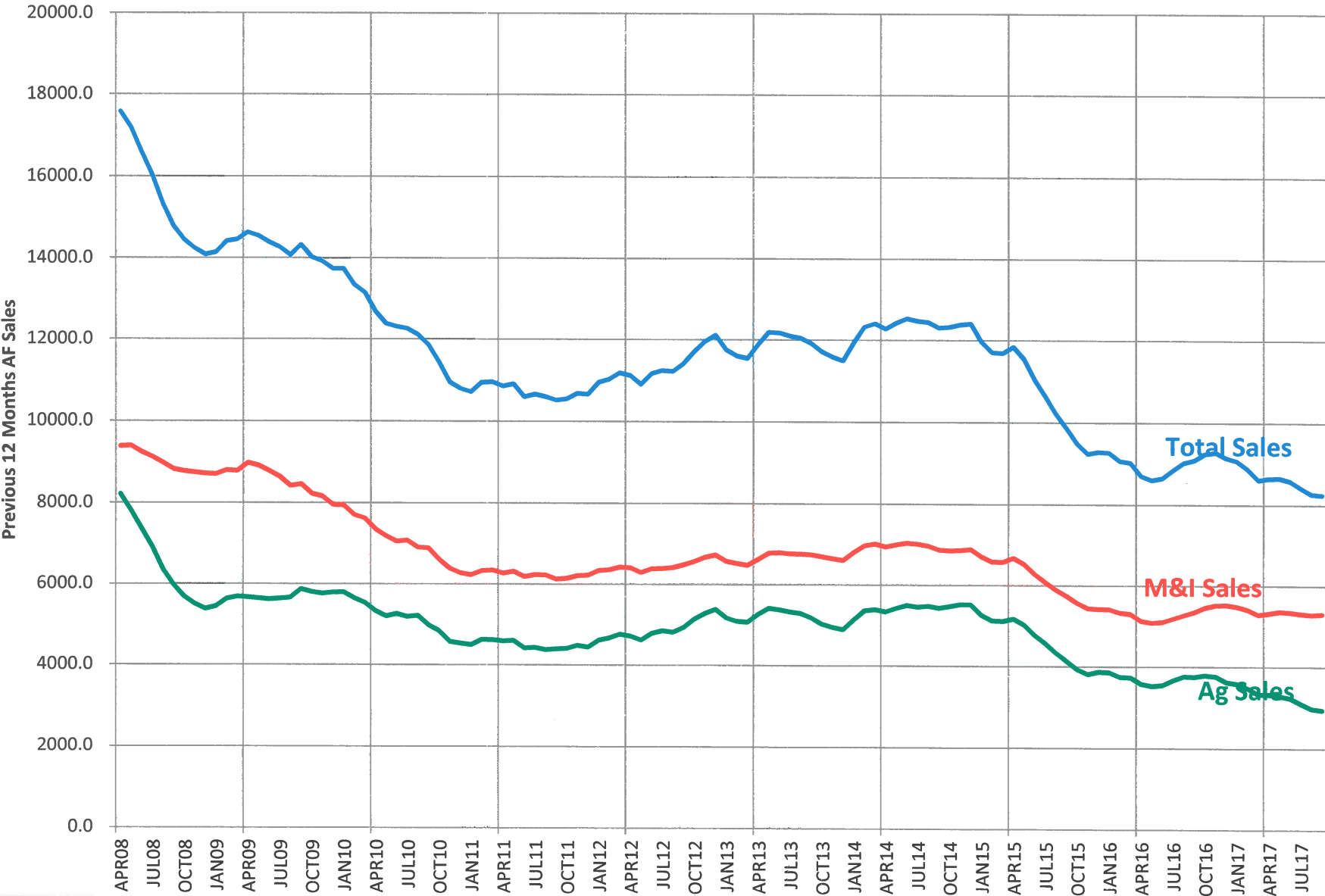
### Fallbrook Public Utility District Ag and M&I Sales



### Fallbrook Public Utility District Recycled Water Production & Sales

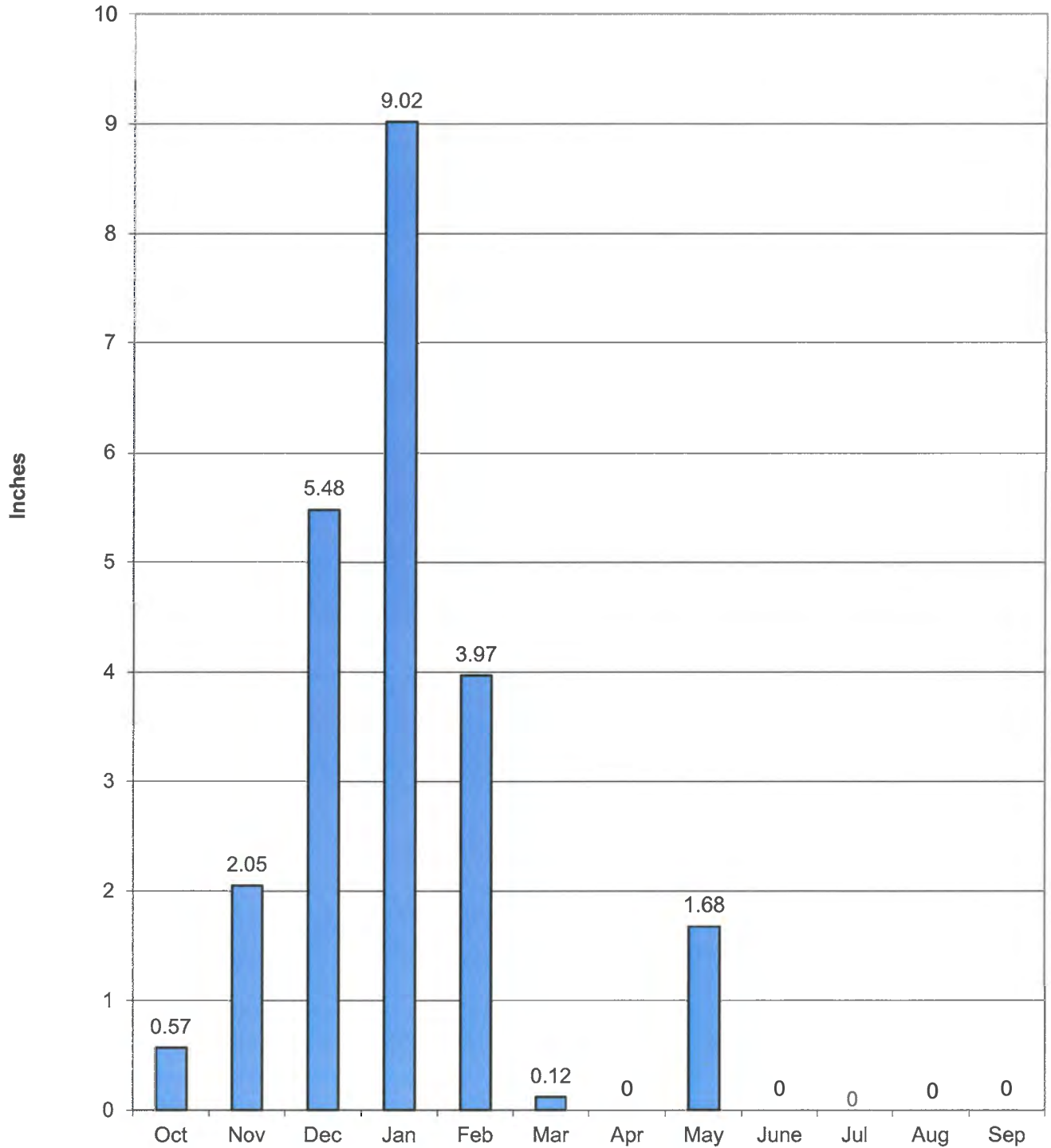


# FPUD 12 Month Running Water Sales



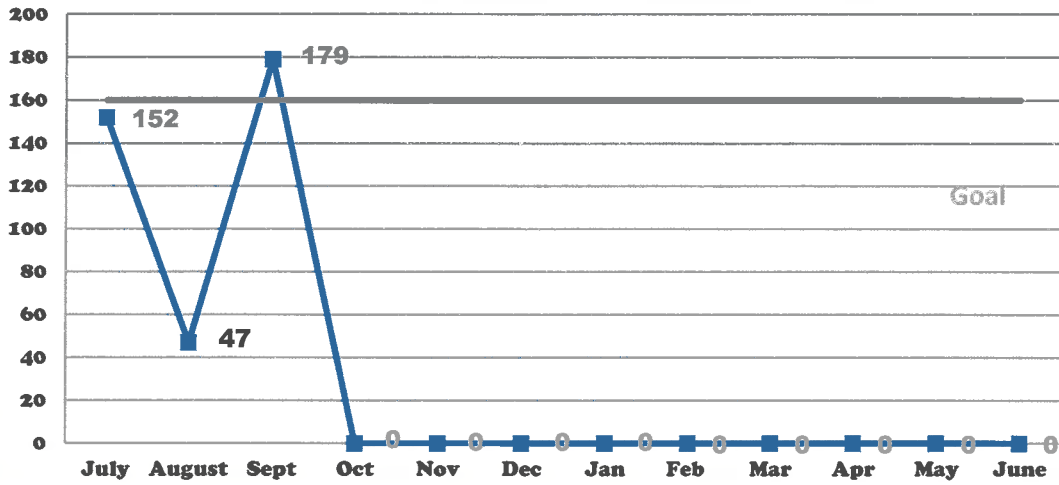


## Fallbrook Rainfall In The Last 12 Months



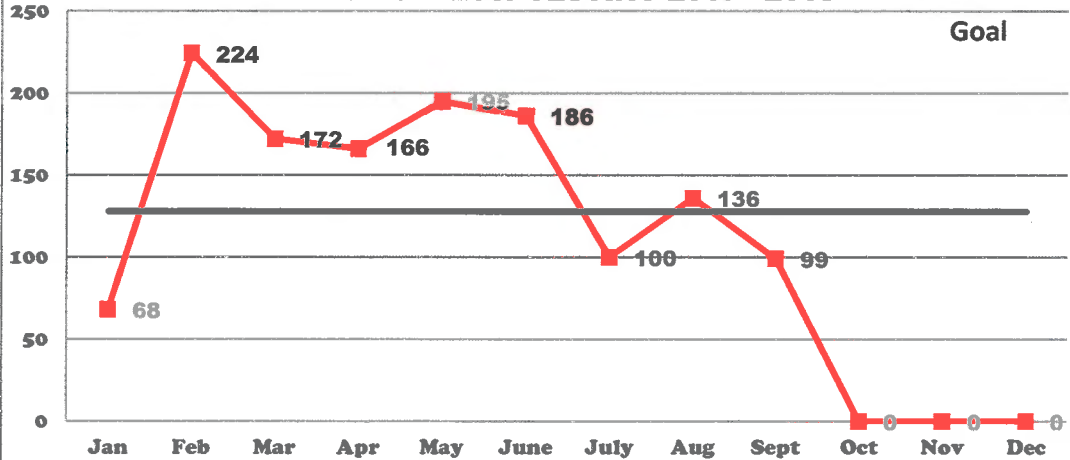
**DEPT 5  
MONTHLY REPORTS**

**METER EXCHANGE PROGRAM 2017 - 2018**



**TOTAL # METERS TO EXCHANGE:** 1920  
**TOTAL # METERS EXCHANGED:** 378  
**METERS LEFT TO EXCHANGE:** 1542  
**PERCENTAGE REMAINING** 80.31%

**BACKFLOW TESTING 2017 - 2018**



**TOTAL TESTED GOAL:** 1505  
**TOTAL TESTED TO DATE:** 1346  
**TOTAL NUMBER OF DEVICES ON STAND BY:** 126  
**DEVICES REMAINING TO TEST:** 33  
**PERCENTAGE REMAINING** 2.19%



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMeo

Name & Location of Function: Inspection Trip State Water Project and Delta Sacramento, CA

Date(s) of Attendance: Friday-Saturday, September 22 and 23, 2017

Purpose of Function: Education

Sponsoring Organization: Metropolitan Water District of Southern California

Summary of Conference or Meeting: Drove to meet tour at San Diego Airport

Friday: From the Sacramento Airport I joined 33 participants on a tour bus. First stop was the Feather River Fish Hatchery. We were able to watch the Salmon being selected and gutted before the Salmon Festival that weekend. Lunch was then provided before we arrived at the Oroville Dam Visitor's Center. We were unable to tour the Dam due to ongoing construction of the new spillway. They are rebuilding the spillway completely from the materials surrounding the dam. It was very interesting to watch the live feed of the construction. It gave a good picture of the scale of the project. After lunch we departed for Sacramento to visit MWD offices for a presentation on the WaterFix. I now have a better understanding of the project and implications for San Diego's water supply. Dinner in Old Town Sacramento was very enjoyable and we heard from Glenn Wilson, the staff lobbyist for Met.

Saturday: After breakfast at the Embassy Suites, we heard from Delta Expert, Curt Schmutte. I was able to ask why the Smelt is more important than our water supply. The answer was illuminating. Preservation of the species is only part of the overall issue, but I was not convinced that the shutdown of the pumps was the best solution. I was, though, more convinced that the "Fix"(the twin tunnels under the Delta) may be the solution. Once I actually visited the Delta, I was able to see the residents and farmers opposition. I was not expecting so much development and population on the Delta. We visited Big Break Visitor Center for lunch and got a good overview of the Delta. It is a very complex issue. The tour group was very involved.

Director Signature: Jennifer M DeMeo

Date: 9/24/2017

*The Administrative Code requires reports of conferences or meetings for which a director requests per diem or expense reimbursement. Reports must be submitted to the secretary no later than one (1) week prior to the board meeting.*

*Reports must be submitted before the District will pay per diem or reimbursement for the conference or meeting. Reports are not required for board or committee meetings or meetings with board or committee officers, the general manager, or the general counsel.*

**LOG OF BOARD REQUESTS**  
**October 23, 2017 Regular Board Meeting**

Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
6	AGM Target Activities	<u>Board:</u> SMR CUP Maintain current schedule for finalizing MOU and EIS with USMC and necessary work with California SWRCB.	<u>Status:</u> On-going. (a) EIR to Board for certification by September 2016. Complete. (b) Final Settlement Agreement to Board by May 2017. (Delayed to December 2017; still in approval process by U.S.) (c) Prepare reports to Board. Next report January 2018.	
10	GM Target Activities	<u>Board:</u> General Manager to actively participate in SDCWA board policy discussion.	<u>Status:</u> On-going.	
12	GM Target Activities	<u>Board:</u> Urban Water Standards (SWRCB); Urban Advisory Group (UAG) process. Targeted community outreach to be developed working with Conservation Committee.	<u>Status:</u> On-going. Status of SWRCB guidelines to Board by November 2016 (complete). Comment period extended by SWRCB until March 2017. (complete) Last Board update in March 2017. This activity to be combined with outcome of (Urban Water Standards), now targeted for August 2017. Board update August 2017.	8/20/17
13	GM Target Activities	<u>Board:</u> Metropolitan (new fixed charge on treated water)	<u>Status:</u> Complete/monitor on-going. Board briefed on 1/23/17. On-going analysis and development of rate alternatives w/SDCWA general managers group. Next report progress to Board in September 2017.	
14	GM Target Activities	<u>Board:</u> SDG&E General Rate Case re: Solar Contracts	<u>Status:</u> Water district consortium coordinating with BB&K special counsel. CPUC hearings originally scheduled for 10/17-10/21/2016. Opening briefs now set for 1/20/17 and reply briefs for 2/10/17. Proposed decision scheduled for February 27, 2017 unlikely. Updated Board in May 2017. Next update January 2018.	
22	GM Target Activities	<u>Board:</u> Explore functional consolidation opportunities with neighboring water districts (Valley Center, Yuima, Rainbow) in areas of information services, engineering, technical assistance, equipment sharing.	<u>Status:</u> General Managers are meeting in January 2017 to establish scope. At request of VCMWD and RMWD general managers, meeting postponed past March 2017. Meeting now scheduled for September 2017.	

**LOG OF BOARD REQUESTS**  
**October 23, 2017 Regular Board Meeting**

Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
24	GM Target Activities	<u>Board</u> : Update FPUD board room audio-visual equipment in conjunction with North County Fire.	<u>Status</u> : Upgrade to projection equipment complete. Audio equipment vendor proposal executed; to be completed by November 15, 2017.	
32	GM Target Activities	<u>Board</u> : Establish a 5-year strategic plan with 6 month updates. Complete by first quarter 2017.	<u>Status</u> : Need Board input.	
37	2/21/17	<u>Director Wolk</u> : Sit down with staff to walk-through the steps to the monthly accounting closing process.	<u>Brian J. Brady/Jack Bebee</u> : To schedule time with Director Wolk.	8/10/17
41	4/24/17	<u>Director Gebhart</u> : In lieu of paper board packets, request to be provided laptop computers.	<u>Brian J. Brady</u> : Finalizing equipment selection. Laptops distributed August 22, 2017.	8/22/17
42	6/26/17	<u>Board</u> : Contact fire agencies to develop a Fire Management Plan outline.	<u>Jack Bebee</u> : Contact North County Fire Protection District and Cal Fire, and reported to Board in August. Fire agencies requested meeting after fire season.	
43	7/18/17	<u>FP&amp;I Committee</u> : Water bill analysis. Explore /make service period and meter read period coincide.	<u>Brian J. Brady/Jack Bebee</u> : Bring back to FP&I Committee in August.	8/22/17
44	7/18/17	<u>FP&amp;I Committee</u> : Improving year end closing and audit process.	<u>Brian J. Brady/Jack Bebee</u> : <u>August</u> <ol style="list-style-type: none"> <li>1. Capital projects process and potential improvements.</li> <li>2. Provide update on unbilled receivables with input from auditor and other Districts, if needed.</li> <li>3. Provide update on timing of invoices based on feedback from auditor.</li> <li>4. Determine timing of GASB 68 report from PERS and from auditor.</li> </ol> <u>September</u> <ol style="list-style-type: none"> <li>1. Meeting with Auditor and FP&amp;I Committee</li> <li>2. Provide updates from September tasks above.</li> <li>3. Have audit draft for review</li> </ol> <u>October</u> <ol style="list-style-type: none"> <li>1. Provide final update on improvements to expedite closing CIP at year end.</li> </ol>	

**LOG OF BOARD REQUESTS**  
**October 23, 2017 Regular Board Meeting**

Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
			2. Provide final update on improvements to expedite reconciliation of sick/vacation and comp time balances. 3. Have audit ready for Board approval.	
45	7/31/17	Director Davies: "Bequests to a Santa Margarita River Property Endowment Fund."	Brian J. Brady: Added to August 16, 2017 Water Resources Committee meeting agenda and the August 28, 2017 Board of Directors regular board meeting agenda.	8/16/17
46	10/8/17	Complete process to secure easement off North Stagecoach.	Jack Bebee: In process to be reported out at October Board meeting.	
47	10/4/17	Request adding language to prohibit operating drones on SMR property.	Jack Bebee: Added to October Board meeting agenda.	
48	10/11/17	<u>FP&amp;I Committee:</u> 1. Audit  2. Staff Laptops 3. Pension Liability  4. District Credit Card Policy  5. Bill Format Revisions  6. Budget Status Report	<u>Jack Bebee:</u> 1. Review by FP&I Committee 11/13/17 and to full Board 11/15/17. 2. Staff will utilize existing loaner laptops. 3. Staff to review, evaluate potential increase in liability, and determine if budget adjustment is needed. 4. Staff to review, develop policies, review with FP&I Committee, and return to Board in January. 5. Remove "Sewer Flow," move "Charges Levied by Others", and include sewer formula/methodology in Message Center. 6. Mid-year status report in January with review of final format.	

*Note: Number sequencing is not in order as those tasks completed are removed from this list. New tasks are assigned a new number.*

**REPORT FROM THE SAN DIEGO COUNTY WATER AUTHORITY  
REPRESENTATIVE**

**Date:** October 23, 2017  
**To:** Board of Directors  
**From:** Brian J. Brady, General Manager  
**Subject:** San Diego County Water Authority (SDCWA) Activities

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**Litigation against the Metropolitan Water District (MWD)**

As the Board is aware, the series of issues contained within the lawsuits filed by the SDCWA against MWD, starting in 2010, included the following:

- State Water Project costs
- Preferential rights
- MWD's "Rate Structure Integrity" clause
- Applicability of Prop. 26 to MWD's rates
- Validity of 2003 Exchange Agreement
- Validation and statute of limitations
- Phase 1 attorneys' fees
- Phase 2 attorneys' fees
- Statutory interest rate (10% pre- and 7% post-judgment)

The SDCWA prevailed on all issues except for State Water Project costs, petitioning the California Supreme Court for reconsideration on that one issue. The Court declined on September 27<sup>th</sup>.

A letter to SDCWA Board members from the Municipal Water District of Orange County was received shortly after the California State Supreme Court refusal to consider SDCWA's request. The letter's opening paragraph:

Wednesday's decision by the California State Supreme Court not to review the San Diego County Water Authority lawsuit is an opportunity. It is an opportunity for the Authority and all the other Member Agencies of the Metropolitan Water District of Southern California to turn away from expensive and wasteful litigation and to move towards effective cooperation. As a water community, we have lost years of collaboration as we face increasing challenges in supply and reliability. Let's take a new direction.

The opening paragraph of another letter on behalf of Eastern Municipal Water District, Inland Empire Utilities Agency, Western Municipal Water District, and Three Valleys Municipal Water District struck a similar note:

With the recent news from the California Supreme Court regarding SDCWA's petition for review of the rate litigation and MWD's vote on Tuesday to participate in the California Water Fix, there appears to be a great opportunity to chart a more collaborative path forward. Our agencies, like SDCWA and its member agencies, share common goals for a secure, reliable and cost effective water supply for our service areas. We have all individually and collectively invested - and will continue to invest - in local water supply development and increased imported water supply reliability. MWD and its member agencies, including SDCWA, have jointly built one of the most reliable and drought resilient urban water systems in the nation.

On October 12<sup>th</sup> the SDCWA Board met in a day-long closed session workshop to consider the on-going MWD litigation. Subsequent to that workshop, SDCWA Chair Mark Muir penned the following letter to MWD Chair Randy Record (October 16<sup>th</sup>):

Dear Randy:

This letter is a follow-up to our informal lunch we had on October 7 to discuss the opportunity to resolve the business disputes between our agencies. At the meeting, we discussed forming a workgroup comprised of a small number of directors from each of our agencies to meet with the initial goal of identifying an agenda of issues we would seek to address over the next several months. We agreed to consult with our respective board members to determine support for engaging in such a process. I can confirm there is the sentiment on my board and board officers to proceed with this effort.

At such time you can confirm the support of your board members, we should agree on a process to move this effort forward, including:

- Identification of board member participants from each agency;
- Ground rules for our discussions
- Initial list of issues for discussion;
- Proposed date and location for our first meeting; and,
- Other issues or details, as may be needed.

During our past conversations, we both agreed that this was something that hasn't been done in many decades, but needs to be done. We both also agreed that this is the right time to start this constructive dialogue. With the right attitude of mutual respect, understanding, and trust, we can achieve mutual benefits for both of our organizations and our ratepayers. I look forward to hearing from you on your board's support for engaging in this effort.



Sincerely,

Mark Muir, Chair

The process described by Chair Muir is expected to play out over the next six to twelve months.

**Local Resources Program (LRP)**

Since 1982, Metropolitan has assisted local agencies in the development of local water recycling and groundwater recovery projects under the LRP. Metropolitan currently provides financial incentives up to \$250 per acre-foot (AF) of water production. Since program inception, Metropolitan has provided over \$500 million in incentives for the development of recycled water and recovered groundwater. More than half the recycled water and groundwater recovery supplies produced annually in the region have been developed through this program.

During the protracted period of litigation between MWD and SDCWA, San Diego local projects have been ineligible to apply for financial incentives. With the new commitment by both agencies to forge a more collaborative working relationship, many are optimistic that local projects such as FPUD's Santa Margarita Project may qualify under the LRP. To that end, Chair Muir is encouraging all member agencies developing a local project to complete the application process, working with the SDCWA staff.



October 11, 2017

Honorable Mark Muir  
Chairman of the Board  
San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA. 92123-1233

**Subject: Invitation to Establish a Collaborative Working Relationship**

Dear Chairman Muir:

With the recent news from the California Supreme Court regarding SDCWA's petition for review of the rate litigation and MWD's vote on Tuesday to participate in the California Water Fix, there appears to be a great opportunity to chart a more collaborative path forward. Our agencies, like SDCWA and its member agencies, share common goals for a secure, reliable and cost effective water supply for our service areas. We have all individually and collectively invested - and will continue to invest - in local water supply development and increased imported water supply reliability. MWD and its member agencies, including SDCWA, have jointly built one of the most reliable and drought resilient urban water systems in the nation.

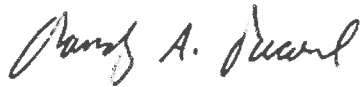
Notwithstanding our successes, there's much more to do. All of our agencies' and MWD are poised to make significant investments not only in the imported water system, but in large-scale water recycling, desalination, groundwater recovery, storm water capture, water use efficiency and storage. We believe that an approach of working together and resolving our differences through open discussion, debate and deliberation ultimately will advance the best solutions for all water users in southern California.

In closing, we want to express our desire to begin a dialogue that will result in a collaborative atmosphere of discussion and action on California water issues. There was a time when this was normal practice at MWD and we would like to discuss how we may return to that atmosphere.

Honorable Mark Muir  
Chairman of the Board  
San Diego County Water Authority  
October 11, 2017  
Page 2

Thank you for your consideration and please let us know if there is a desire on your part to move ahead so we can initiate discussions on a path forward.

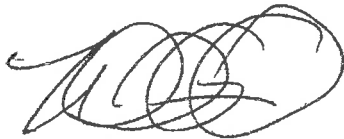
Sincerely,



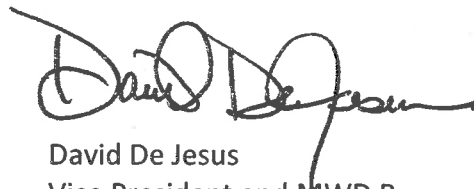
Randy Record  
Board Member, MWD Representative  
and Chair of MWD  
Eastern Municipal Water District



Don Galleano  
Board Member and MWD Representative  
Western Municipal Water District



Michael Camacho  
Vice President and MWD Representative  
Inland Empire Utilities Agency



David De Jesus  
Vice President and MWD Representative  
Three Valleys Municipal Water District

c: SDCWA Board of Directors  
SDCWA member agencies