



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

A G E N D A

MONDAY, JULY 25, 2016
BEGIN: 2:30 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.

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

ADJOURN TO CLOSED SESSION

I. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PER GC § 54956.9(a)(d)(1): US v. FPUD SETTLEMENT DISCUSSIONS
2. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9(D)(2), (E)(1)
3. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS PER GC § 54956.8

Property: Santa Margarita River Property (about 1,380 acres of wild watershed land north of Fallbrook around the Santa Margarita River Preserve)

Agency negotiators: Brian Brady and Robert James

Negotiating parties: Western Rivers Conservancy

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (As Necessary)

II. PRELIMINARY FUNCTIONS

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.

III. 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. CONSIDER APPROVING MINUTES

1. Special Board Meeting / LAFCO Workshop of June 16, 2016

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

IV. ACTION CALENDAR ----- (ITEMS B – G)

B. CONSIDER KHOURY QUITCLAIM REQUEST AND RESOLUTION NO. 4888

Recommendation: That the Board authorizes the quitclaim and adopts Resolution No. 4888.

C. CONSIDER AWARD OF SOLAR MIXER FOR WATER RECLAMATION PLANT (WRP)

Recommendation: That the Board authorize award of the Solar Mixing System to Medora Corporation for \$39,978 at the WRP in order to reduce electrical operating costs at the WRP.

D. CONSIDER CHANGE ORDER FOR PLANT 2 FORCEMAIN REPLACEMENT PROJECT

Recommendation: That the Board approve the attached Change Order #2 for the Plant 2 Forcemain Replacement Project to address changes required for differing existing utility locations and additional paving required by the county and increase the contract amount for JR Filanc Construction Co. to \$703,347.52.

- E. CONSIDER EARLY PRE-PAYMENT OPTION OF ANNUAL EMPLOYER PORTION OF CALPERS UNFUNDED LIABILITY

Recommendation: Staff supports Board direction.

- F. CONSIDER FORMING AN AD HOC CONSERVATION COMMITTEE

Recommendation: Staff supports the Board's direction.

- G. SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO): DISTRICT LATENT POWERS ACTIVATION, EXPANSION, AND/OR DIVESTITURE

Recommendation: Staff supports the Board's direction.

V. ORAL / WRITTEN REPORTS----- (ITEMS 1 – 6)

1. General Legal Counsel
2. SDCWA Representative/General Manager
3. Administrative Services Manager/Treasurer
4. Assistant General Manager
5. Public Affairs Specialist
6. Director Comments/Reports on Meetings Attended

ADJOURN TO CLOSED SESSION

VI. CLOSED SESSION

4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GC § 54957(b)(1): TITLE – GENERAL MANAGER

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

VII. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

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

July 21, 2016
Dated / Fallbrook, CA

Mary Lou Boultinghouse
Secretary, Board of Directors

MEMO

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mb*
DATE: July 25, 2016
SUBJECT: Consider Approving Minutes

Recommendation

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

1. Special Board Meeting/LAFCO Workshop of June 16, 2016


**FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING / LAFCO WORKSHOP**

MINUTES

THURSDAY, JUNE 16, 2016
4:00 P.M.

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

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

President Davies called the Special Board Meeting / LAFCO Workshop of the Board of Directors of the Fallbrook Public Utility District (FPUD) to order at 4:00 p.m. A quorum was established with the following members present:

Board of Directors

Present: Bob Anderson, Member
Milt Davies, Member/President
Al Gebhart, Member
Don McDougal, Member
Charley Wolk, Member/Vice President

Absent: None

District Staff

Present: Robert James, General Legal Counsel
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Mary Lou Boultinghouse, Secretary
Jason Cavender, System Operations Manager
Noelle Denke, Public Affairs Specialist
Marcie Eilers, Administrative Services Manager/Treasurer

Also present were others, including, but not limited to: Helene Brazier, Kirk Dulin, Donna Gebhart, Patti McPhee, Michael D. Ott, and Joe Serrano.

PLEDGE OF ALLEGIANCE

President Davies led the Pledge of Allegiance.

APPROVAL OF AGENDA

MOTION: Director McDougal moved to approve the agenda as presented; Director Anderson seconded. Motion carried; VOTE:

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

President Davies announced that Executive Officer Michael D. Ott from the San Diego Local Agency Formation Commission (LAFCO) would present a slide show to overview activation of latent powers for parks and recreation.

II. ACTION / DISCUSSION CALENDAR / LAFCO WORKSHOP -----(ITEMS A - B)

**A. SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO):
DISTRICT LATENT POWERS ACTIVATION, EXPANSION, OR DIVESTITURE**

Dr. Brady recapped that at the end of last year the Board directed staff to investigate activating latent powers for parks and recreation through the San Diego Local Agency Formation Commission. The Board also discussed potentially including a downtown improvement district as part of the application. Dr. Brady stated meetings were held to discuss the activation process and LAFCO advised a five-to-seven year plan for funding would be required as part of the application process. Dr. Brady further stated Mr. Ott would provide a slide show presentation of the process to activate latent powers and discuss the items that would be required to successfully complete the application.

Mr. Ott stepped to the podium and introduced Mr. Joe Serrano as the Local Governmental Analyst on staff at LAFCO who would most likely perform the work on the District's application if submitted. Mr. Ott provided an explanation for the term latent powers and displayed a map of County Service Area (CSA) No. 81, also known as Fallbrook Local Parks, to demonstrate the geographic boundaries and service territory of CSA No. 81. Mr. Ott pointed out that CSA No. 81 includes over 50% of the Rainbow Municipal Water District service territory and all of the District's service territory. Mr. Ott stated that LAFCO would perform an analysis of the District's proposal to provide parks and recreation services and how services provided by the District would integrate into the services currently provided by CSA No. 81. Mr. Ott emphasized that LAFCO was formed to avoid duplication of services, redundancy, and an over-collection of fees and revenue.

Mr. Ott explained that the District could pursue a detachment of the portion of CSA No. 81 that encompasses the District's boundaries; however, a detachment would trigger a number of ancillary steps that would include an analysis of funding for the next

five-to-seven years and its impact to the public. Mr. Ott added that if there were a need to impose fees or taxes, a disclosure would be required and must be included in the District's plan for service.

Mr. Ott continued with a flowchart of the activation, expansion, and/or divesture process and explained the process must be initiated by resolution adopted by the legislative body and include a plan for service and a feasibility study. Mr. Ott added that LAFCO fees are set by schedule based on acreage and if a detachment were initiated concurrently with an activation of latent powers, the initial fees would be between \$75,000 and \$100,000. Mr. Ott described the estimated timeframe, the need for public engagement, and potentially activating the LAFCO Advisory Committee to review the application and provide technical assistance.

Next, Mr. Ott provided a flowchart of the detachment process and emphasized the process includes protest and conducting authority hearing provisions. Mr. Ott explained that 25% or more protests would trigger an election and 50% or more protests would terminate the proceedings. Mr. Ott strongly encouraged the District to begin discussions with the County of San Diego relative to a partial detachment of CSA No. 81 and cautioned that if the District were to initiate a detachment without the support of the County of San Diego, the detachment may not be approved.

Mr. Ott continued with a flowchart of the property tax exchange process through the County of San Diego. He clarified that the amount of property tax revenue to be exchanged is negotiated between the parties and the County of San Diego could take up to one year to make a determination.

Director Gebhart discussed CSA No. 81 funding and stated CSA No. 81 receives approximately \$588,000 in property tax revenue annually, has \$342,000 in reserves, and has received \$865,000 in Park Land Dedication Ordinance (PLDO) funds. Mr. Ott remarked that revenue other than from property taxes would not be subject to the negotiation process and added that the County of San Diego would be the negotiator and a stakeholder in the process.

Discussion ensued concerning Live Oak Park and that Live Oak Park is not part of CSA No. 81 and is a County of San Diego regional park. It was noted that CSA No. 81's service territory encompasses the District's service territory in its entirety along with portions of other entities' service territories. Mr. Ott cautioned that because CSA No. 81's territory expands beyond the District's territory, a full detachment of CSA No. 81 could present challenges for the District should the District pursue a full detachment.

Director McDougal commented that Fallbrook is underserved by the County of San Diego and although the County of San Diego funds capital projects, it has little funding for maintenance, which is left to the community and performed by non-profit organizations and volunteers.

Mr. Ott suggested contacting County Supervisor Horn if service levels were less than adequate in order to secure county funding for maintenance projects; as an alternative, Fallbrook could pursue incorporation.

Discussion ensued concerning past efforts by Fallbrook to incorporate that failed and current law that present challenges to incorporation. Director McDougal remarked that Fallbrook does not have the funds to reimburse the County of San Diego for all of the improvements it has made to the community. Mr. Ott inquired if there was an idea of the funds required to support the community. Discussion surrounded options for revenue sources and funding for Fallbrook.

Director Gebhart inquired what steps would be required if the District were to pursue acquiring all of CSA No. 81. Mr. Ott explained the District would need to expand its sphere of influence to encompass CSA No. 81's territory followed by annexation of the territory within that sphere. Discussion ensued relative to a partial detachment of CSA No. 81, the financial impact to CSA No. 81, and that its ability to continue providing parks and recreation services would be analyzed by LAFCO.

In response to Director Wolk's questions concerning LAFCO fees, Mr. Ott explained the fees cover the independent review of the application by LAFCO and the District would be responsible for costs associated with its requirements as more fully described in the handout that was distributed by Mr. Ott.

Director McDougal inquired about the possibility of activating latent powers for other services, such as a business improvement district or for beautification and maintenance of the community. Discussion included fees associated with applications and latent powers authorized under the law for a public utility district.

At the conclusion of Mr. Ott's presentation, President Davies thanked Mr. Ott and Mr. Serrano for their time. Mr. Ott and Mr. Serrano left at 5:13 p.m.

President Davies suggested forming an ad hoc committee to investigate the feasibility of activating latent powers for parks and recreation and potentially other latent powers and suggested a minute order in lieu of an appointment.

MOTION: Director Gebhart moved to form an ad hoc committee consisting of Director Gebhart and Director McDougal to review latent powers activation, expansion, or divestiture through LAFCO and for the matter to be placed on the Action Calendar of all future agendas until resolved; Director Anderson seconded. Motion carried; VOTE:

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

B. LETTER OF OPPOSITION TO SENATE BILL 885

MOTION: Director McDougal moved to authorize President Davies to sign a Letter of Opposition to Senate Bill 885 on behalf of the Board; Director Gebhart seconded. Motion carried; **VOTE:**

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

NOES: None

ABSTAIN: None

ABSENT: None

III. ADJOURNMENT OF MEETING

There being no further business to discuss, President Davies adjourned the regular meeting of the Board of Directors of the Fallbrook Public Utility District at 5:26 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Jeff Marchand, Engineering Supervisor
DATE: July 25, 2016
SUBJECT: Khoury Quitclaim Request
Resolution No. 4888

Purpose

Request the Board to quitclaim unused portion of easement to the land owner.

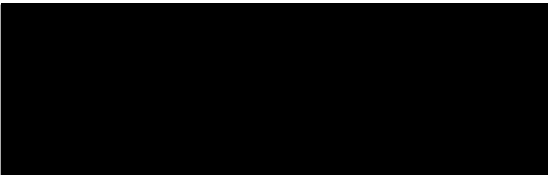
Summary

Nader Khoury has requesting the District quitclaim the unused portion of easement on his property. Currently, the 20 foot wide easement extends more than 100 feet beyond the end of the water main serving the fire hydrant and meter. Staff has determined that the portion of the easement the owner has requested to be quitclaimed will not be required in the future.

Recommended Action

That the Board authorizes the quitclaim and adopts Resolution No. 4888.

Nader Khoury



June 28, 2016

Fallbrook Public Utility District
Board of Directors
900 E. Mission Rd.
Fallbrook, CA 92028

RE: Easement quit claim request
APN No: 124-040-35-00

To whom it may concern,

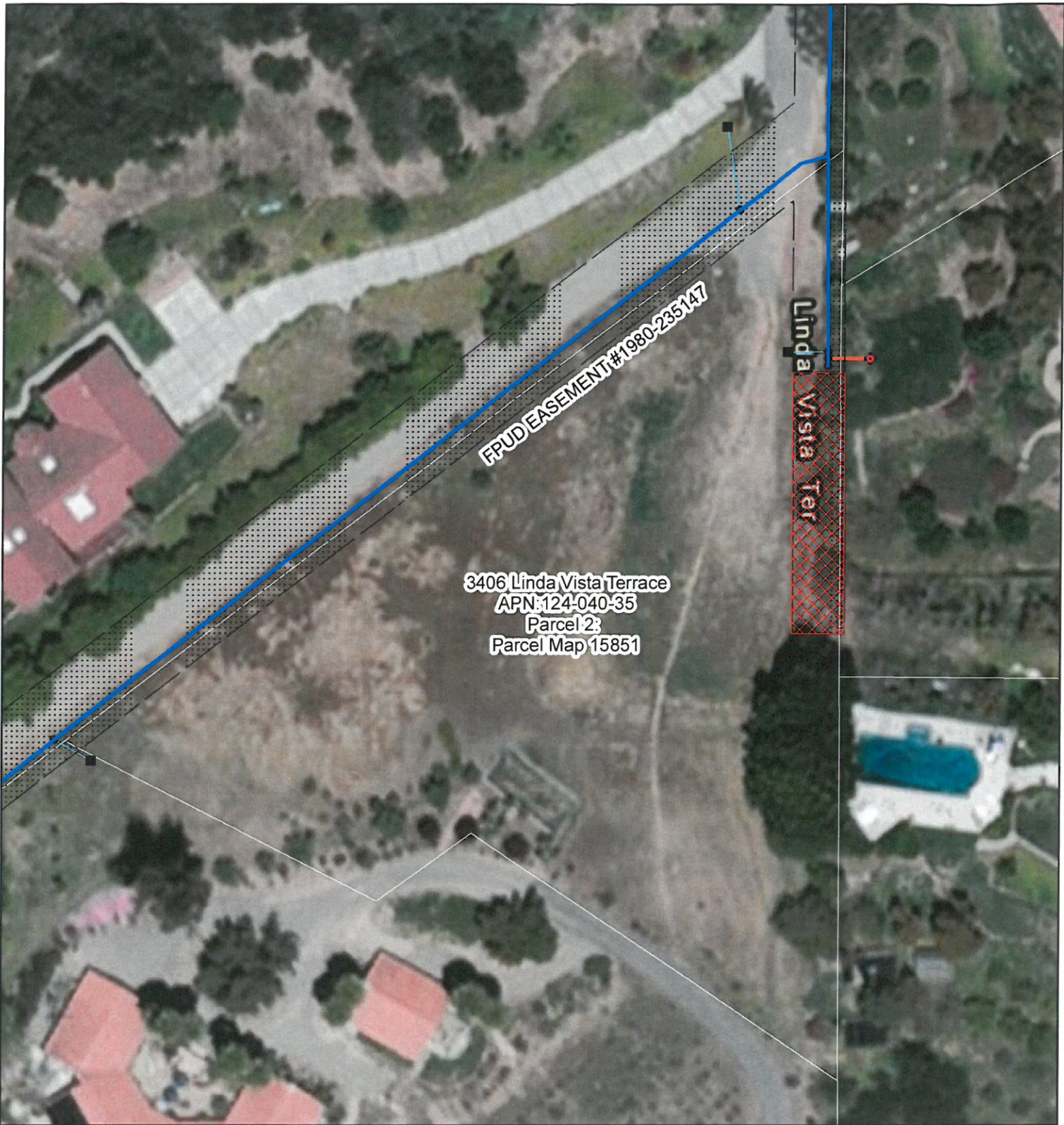
This letter is a request to quit claim a portion of the FPUD easement on the property located at [REDACTED] (APN No: 124-040-35-00). Based on recent exploration by digging, FPUD has determined the end location of the water lines. A separate document has been prepared by FPUD (to be provided by FPUD) that identifies the extent of the water lines and revised FPUD easement.

Thank you for your consideration in this matter. If you have any further concerns, please feel free to contact me.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read 'Nader Khoury', with a long, sweeping underline.

Nader Khoury








3406 Linda Vista Terrace
 APN: 124-040-35
 Parcel 2;
 Parcel Map 15851

FPUD EASEMENT #1980-235147

Linda Vista Ter

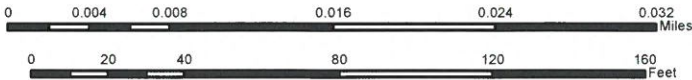
DISCLAIMER: By accepting this map, you agree that the Fallbrook Public Utility District assumes no liability or responsibility of any kind arising from use of this map. This map, its Data, and any calculations associated with this map is provided without warranty of any kind.

LEGEND

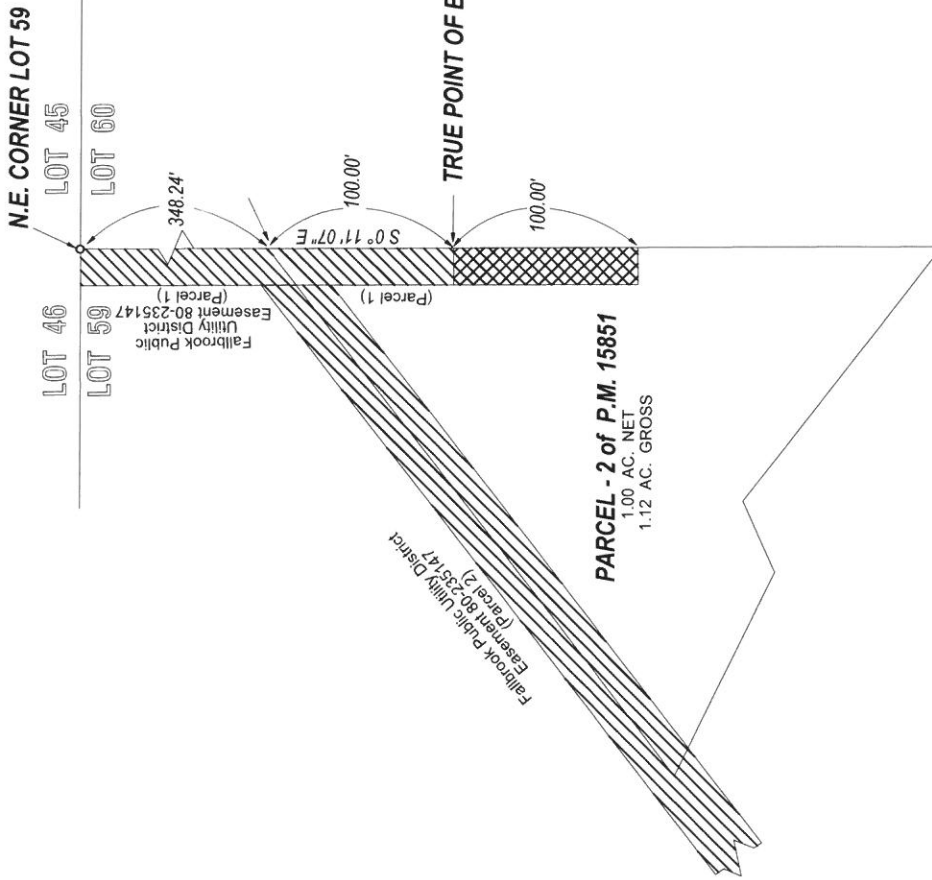
-  PORTION OF EASEMENT TO BE QUITCLAIMED
-  EASEMENT
-  METER
-  FIRE HYDRANT
-  WATER MAIN



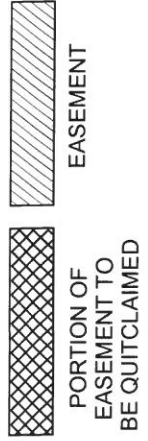
KHOURY QUITCLAIM



RANCHO MONSERATE TRACT 'D'



SCALE: 1" = 100'



KHOJURY
QUITCLAIM

RESOLUTION NO. 4888

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK PUBLIC UTILITY DISTRICT
GRANTING A QUITCLAIM OF A PORTION OF AN EASEMENT
TO THE PROPERTY OWNER**

* * * * *

WHEREAS, Mr. Nader Khoury is the current property owner of APN# 124-040-35-00 located within the Fallbrook Public Utility District's boundaries; and

WHEREAS, the District has an existing easement that is 20 feet wide and runs through APN# 124-040-35-00, and a portion of said easement is unused and will not be required by the District in the future; and

WHEREAS, Mr. Khoury has requested the District to quitclaim the portion of the easement that is unused and will not be required in the future by the District.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Fallbrook Public Utility District approves the property owner's request that the District quitclaim a portion of its easement across APN# 124-040-35-00 to the property owner as more fully described in Exhibit A attached hereto.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 25th day of July, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

President, Board of Directors

Secretary, Board of Directors

EXHIBIT "A"
QUITCLAIM FOR APN: 12404035

That portion of Lot 59 of the Subdivision of Tract "D" of the Rancho Monserate, according to Map thereof No. 821, in the County of San Diego, State of California:

A 20.00 foot strip of land the Easterly line described as follows:

Commencing at the Northeast corner of said lot 59; thence along the Easterly line thereof South 0°11'07" East 348.24 feet to the True Point of Beginning; thence South 0°11'07" East 100.00 feet.

Easement shall contain +/- 2,000 Square Feet or +/- 0.046 Acres

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JRB
DATE: July 25, 2016
SUBJECT: Award of Solar Mixer for Water Reclamation Plant

Purpose

Present to the Board for approval award to Medora Corporation of a solar mixing system for the recycled pond for \$39,978 at the Water Reclamation Plant.

Summary

The District recently completed construction of a recycled water storage pond as part of the WRP Improvements Project. The pond was designed to provide daily storage and eliminate the need for potable make up water due to peak daily demands. The pond was designed so water flowed through the pond to reduce algae growth, but the amount of algae growth is higher than anticipated. Facilities to mix the pond were also provided using the recycled water service line. It was anticipated that this use would be more intermittent than it has been required. Due to the high pressure of the recycled service line and the volume of water used, the pond mixing is energy intensive and costs approximately \$100/day in energy.

District staff evaluated alternative mixing systems including submersible mixers and solar powered mixers. Based on this evaluation it was determined a solar power floating pond mixing system would be the most cost effective approach. Based on the system cost and payback, the payback period is approximately one year. A Request for Proposals (RFP) was prepared to replace the equipment. Due to the specialty nature of this equipment only one proposal was received from Medora Corporation for a total of \$39,978.

Staff had budgeted \$240,000 in the Wastewater Capital Budget for FY 2016/17.

Staff reviewed the proposal from Medora Corporation and it meets District requirements.

Recommended Action

That the Board authorize award of the Solar Mixing System to Medora Corporation for \$39,978 at the WRP in order to reduce electrical operating costs at the WRP.

Fallbrook Public Utility District
Summary of RFP 2015 - 85
Floating Solar Power Mixer

VENDOR	Manufacturer	LOT PRICE (Tax Included)
Medora Corporation 3225 Hwy 22 Dickinson, ND 58601 Delivery: 21- 49 Days	Solar Bee SB2500V20	\$39,978.00
D & H Water Systems: 603 Seagaze Drive #241 Oceanside, CA 92054 Delivery:	NO BID	NO BID
Miscowater 27101 Burbank, Suite B Foothill Ranch, CA 92610	NO BID	NO BID

* Indicates Lowest Responsive Bid

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager , JRB
DATE: July 25, 2016
SUBJECT: Change Order for Plant 2 Forcemain Replacement Project

Purpose

To request Board approval for a Change Order #2 for \$201,772.08 to JR Filanc Construction Co., Inc. for construction of the Plant 2 Force Main Replacement Project based on additional costs due to differing locations of existing utilities to increase the total contract amount from \$501,575.44 to \$703,347.52.

Summary

The Board previously approved a contract with JR Filanc Construction Co. for the Plant 2 Forcemain Replacement Project. The existing force main from the Plant 2 Lift Station to the Water Reclamation Plant has experienced numerous breaks over the last several years. The location of the pipeline is near Ostrich creek so breaks often results in spills to the waterway.

During construction, due to the amount of existing utilities and facilities in Mission Road there were a number of field modifications required to re-route around these conflicts with existing utilities. Staff reviewed the change order requests and worked with the Contractor to reduce the amount to a level that adequately addresses the additional work required. In addition the County of San Diego is requiring additional paving above County Standards due to concerns over the high level of use and higher speeds on this section of the road in order to close out the County permit.

The board approved the project on September 14, 2015 for \$490,850. Change Order #1 for an amount of \$10,725 was approved by staff on May 7, 2016 to add tracer wire and associated appurtenances to the force main. Change Order #2 is attached and the total is \$201,772.08.

\$150,000 was budgeted for the additional costs to this project for this Fiscal Year.

Recommended Action

That the Board approve the attached Change Order #2 for the Plant 2 Forcemain Replacement Project to address changes required for differing existing utility locations and additional paving required by the county and increase the contract amount for JR Filanc Construction Co. to \$703,347.52.

CHANGE ORDER NUMBER 002

NAME OF PROJECT: Plant 2 Force Main Replacement

CONTRACTOR: FILANC
740 North Anderson Drive
Escondido, CA 92029

Original CONTRACT AMOUNT	\$490,850.00
Previous CHANGE ORDERS	\$10,725.44
Current CONTRACT PRICE	\$501,575.44
Amount of this CHANGE ORDER	\$201,772.08
New CONTRACT PRICE	\$703,347.52
Original COMPLETION Date.....	May 7, 2016
Time ADDED due to Previous CHANGE ORDERS.....	0 CALENDAR DAYS
Time ADDED due to this CHANGE ORDER.....	132 CALENDAR DAYS
New FINAL COMPLETION Date.....	September 16, 2016

This Change Order constitutes full and final payment for all direct, indirect, and consequential costs, including but not limited to, all labor, design, equipment, material, mark-ups, and time associated with performing the work described herein. This document will become a supplement to the Contract and all Contract provisions will apply hereto. The Change Order will become effective when approved by the Fallbrook Public Utility District. By accepting this Change Order, the Contractor waives the right to make any additional claim for any item related to these changes.

The following changes are hereby made to the CONTRACT DOCUMENTS:

Item 1 – Differing soil conditions and installation of 4” A/V (PCO #3,4,13,14)

The Contractor installed 4” A/V to edge of ROW with retaining wall around A/V, this work also included repair of AC paving and additional trench shoring in areas of poor soil conditions.

CHANGE TO CONTRACT AMOUNT	\$37,086.63
TIME EXTENSION	5 calendar days

Perform all work in accordance with the Contract Documents.

Item 2 – Unmarked Electrical conduit and Gas service (PCO #5 & 11)

There were unmarked Electrical conduits and Gas service in two locations which caused a delay in the pipeline installation.

CHANGE TO CONTRACT AMOUNT	\$19,323.31
TIME EXTENSION	2 calendar days

Perform all work in accordance with the Contract Documents.

Item 3 – Additional paving and concrete removal (PCO #10,15,16)

The Contractor removed existing concrete (old highway under exiting paving) in trench line and added additional paving to match existing thickness of pavement, this also included additional paving required by the County above County Standards.

CHANGE TO CONTRACT AMOUNT	\$78,092.24
TIME EXTENSION	120 calendar days

Perform all work in accordance with the Contract Documents.

Item 4 – Additional excavation due to Utility conflicts (PCO #6,7,8,9,12)

The Contractor excavated up to 10' depths, including hand digging, under existing storm drains and other utilities in different locations and elevations than shown on the drawings.

CHANGE TO CONTRACT AMOUNT	\$67,269.89
TIME EXTENSION	5 calendar days

Perform all work in accordance with the Contract Documents.

CONTRACTOR: FILANC

By: _____

Date: _____

Name: Vincent Diaz

Title: V.P. of Construction Operations

RECOMMENDATION AND CONCURRENCE

FALLBROOK PUBLIC UTILITY DISTRICT

By: _____

Date: _____

Name: BRIAN BRADY

Title: General Manager


By: _____

Date: _____

Name: JACK BEBEE

Title: Assistant General Manager

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager/Treasurer 
DATE: July 25, 2016
SUBJECT: Consider early pre-payment option of annual employer portion of CalPERS Unfunded Liability

Purpose

To discuss early pre-payment of annual employer portion of CalPERS Unfunded Liability.

Summary


Effective with FY 15-16, the CalPERS actuarial report includes an annual lump sum payment of the Unfunded Liability. In previous years this unfunded liability was imbedded in the annual Employer Normal Cost Rate. The CalPERS actuaries determined that rather than charging this annual lump sum in the Employer Normal Cost rate which is based on annual reported payroll, it would be more accurate to base the lump sum on the value of the liability itself.

For FY 16-17 this lump sum is \$476,386. If the District chooses to pay this as a lump sum before July 31, 2016, the lump sum is reduced to \$459,468, a savings of \$16,918 or 3.5%.

Recommended Action

Staff supports Board direction.

MEMO

TO: Board of Directors
FROM: Brian J. Brady, General Manager 
DATE: July 25, 2016
SUBJECT: Consider forming an ad hoc Conservation Committee

Purpose

To consider forming an ad hoc Conservation Committee.

Summary

Director Anderson has requested that an ad hoc Conservation Committee be formed by the Board of Directors and appointments be made as appropriate.

Recommendation

Staff supports the Board's direction.

Status of Key Projects

Daily Pump Station Replacement

Awarded Construction Cost	\$	806,000.00
Change Orders	\$	21,174.00
Total Cost	\$	827,174.00
Total Completed	\$	822,174.00
Percent Complete		99%
End Date		5/2/2016
Days Added		
Funding Source	Water Capital	

SMRCUP Design

Awarded Design Cost*	\$	3,205,140.00
Contract Ammendments	\$	(158,131.00)
Total Cost	\$	3,047,009.00
Total Completed		\$2,273,000
Percent Complete		75%
End Date		5/1/2016
Days Added		0
* Only Preliminary Design and Design Task was Authorized for \$2,273,096		
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	\$	-
Total Cost	\$	1,446,000.00
Total Completed	\$	758,712.00
Percent Complete		52%
End Date		12/19/2016
Days Added		0
Funding Source	Water Capital	

1 MG Tank Recoating

Awarded Construction Cost	
Change Orders	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Comments	

Plant 2 Force Main Replacement

Awarded Construction Cost*	\$	490,850.00
Change Orders	\$	10,725.44
Total Cost	\$	501,575.44
Total Completed	\$	480,000.00
Percent Complete		98%
End Date		8/2/2016
Days Added		120
Days added due to delays in county traffic control permit and unmarked utilities and additional paving requirements		
Funding Source	Wastewater Capital	

Brooke Street at Stagecoach Waterline

Awarded Construction Cost	
Change Orders	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	Water Capital

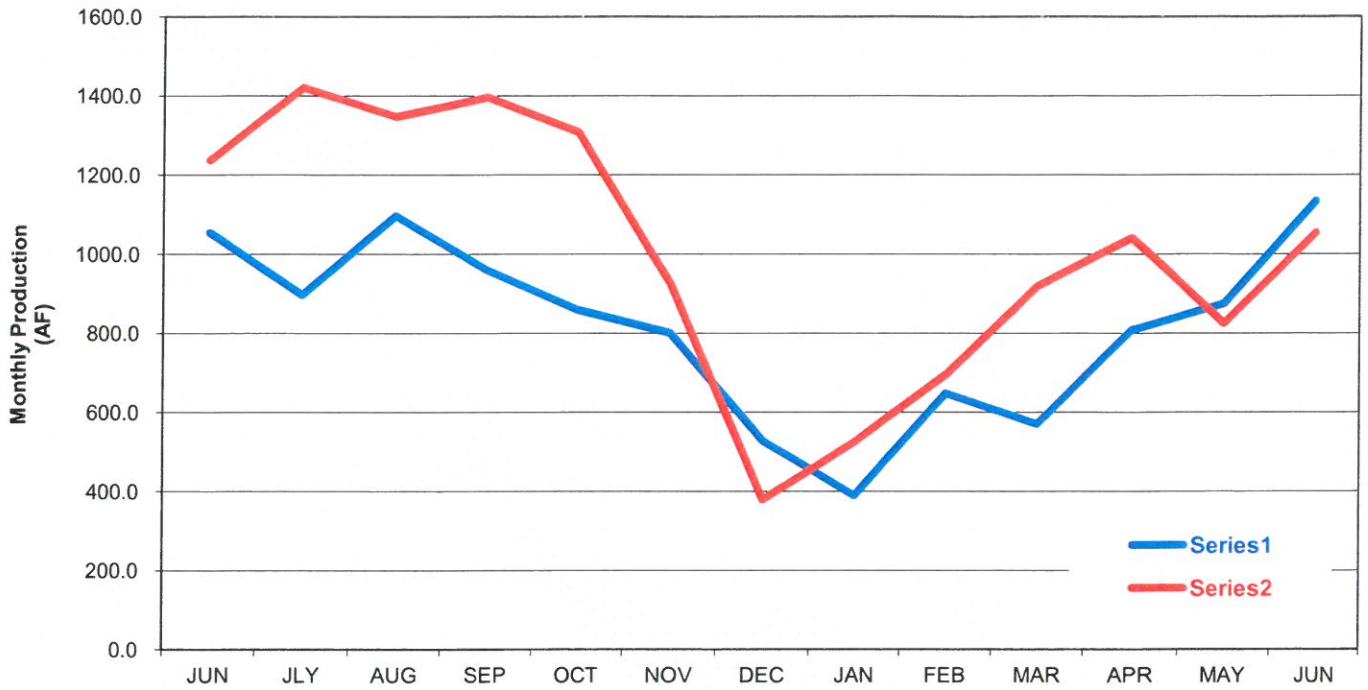
N. Brandon and E. Alvarado Sewer Replacement

Awarded Construction Cost	
Change Orders	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	Wastewater Capital

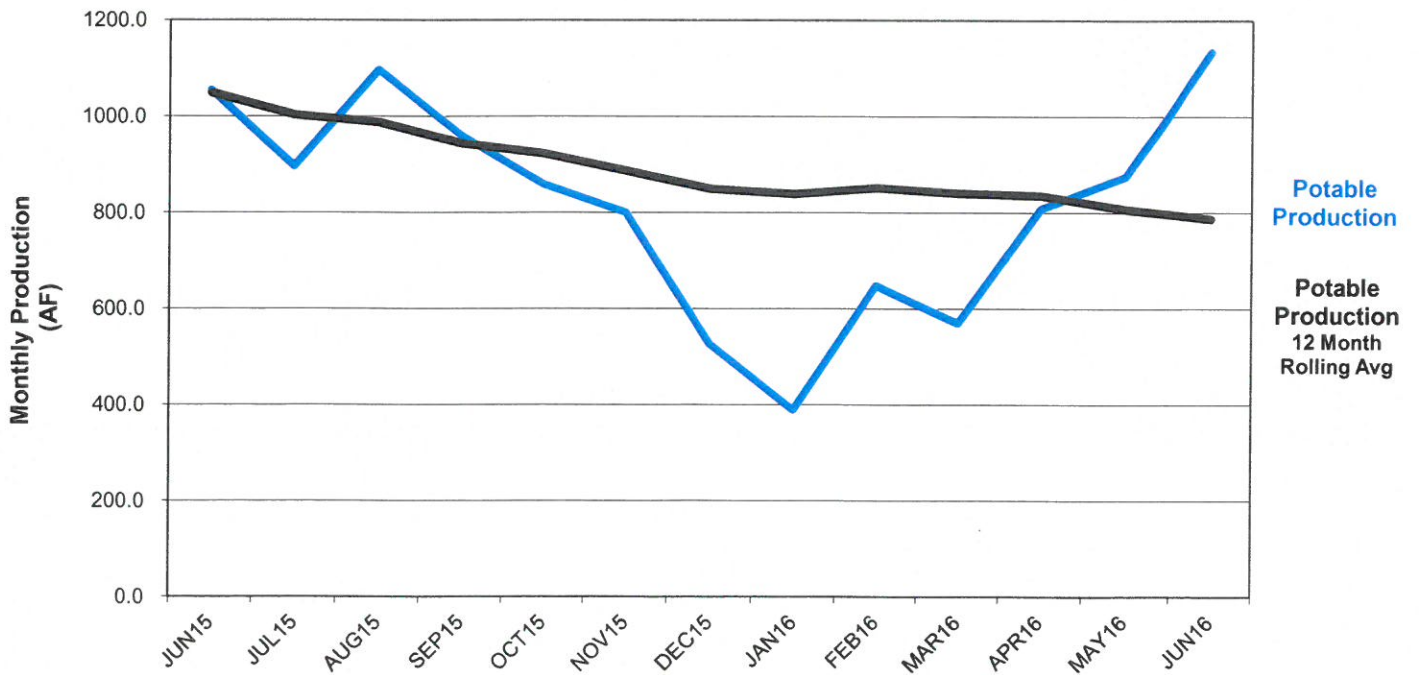
Donnil PS Emergency Generator

Awarded Construction Cost	
Change Orders	
Total Cost	
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	Water Capital

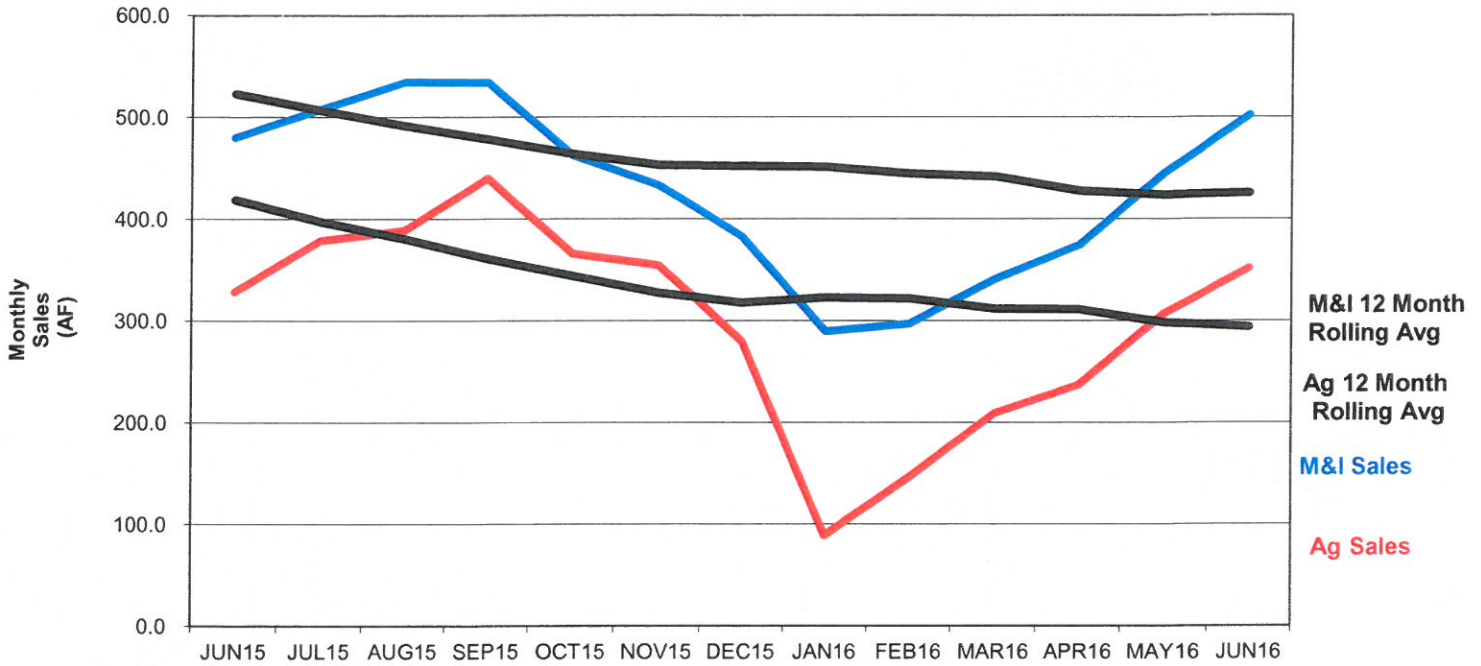
Fallbrook Public Utility District Annual Production



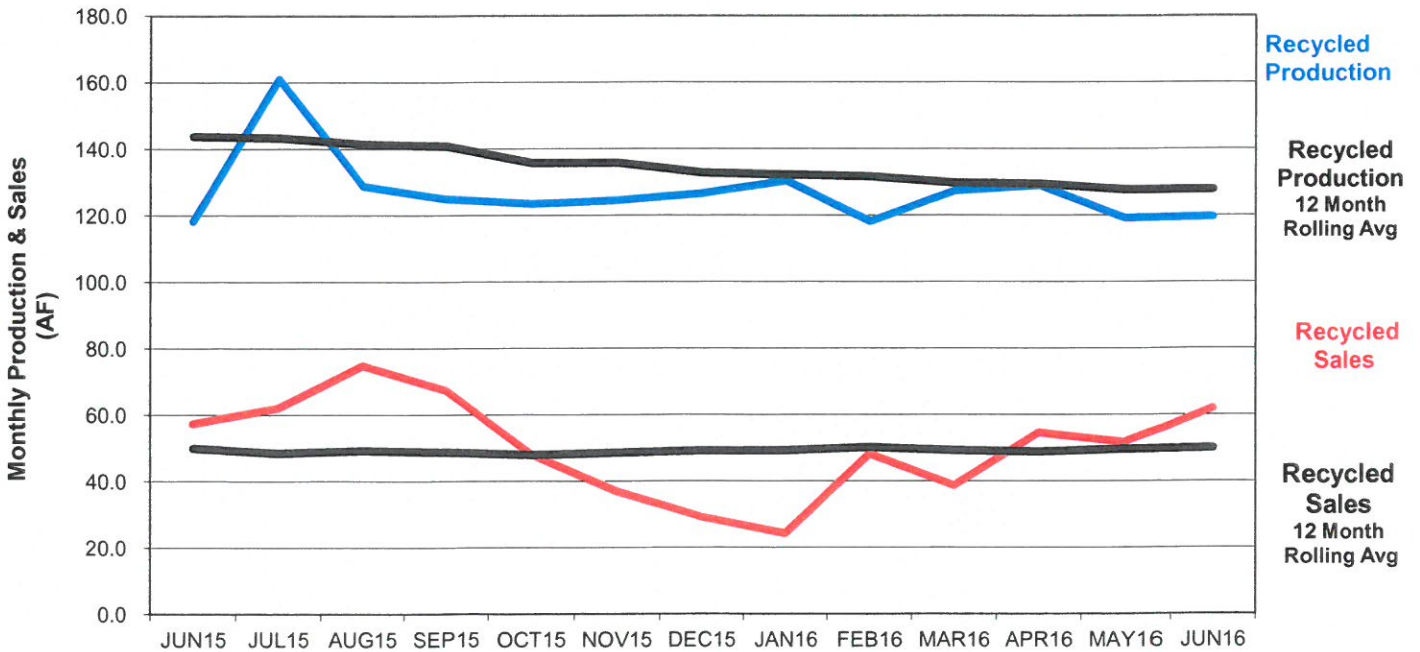
Fallbrook Public Utility District Total Potable Production



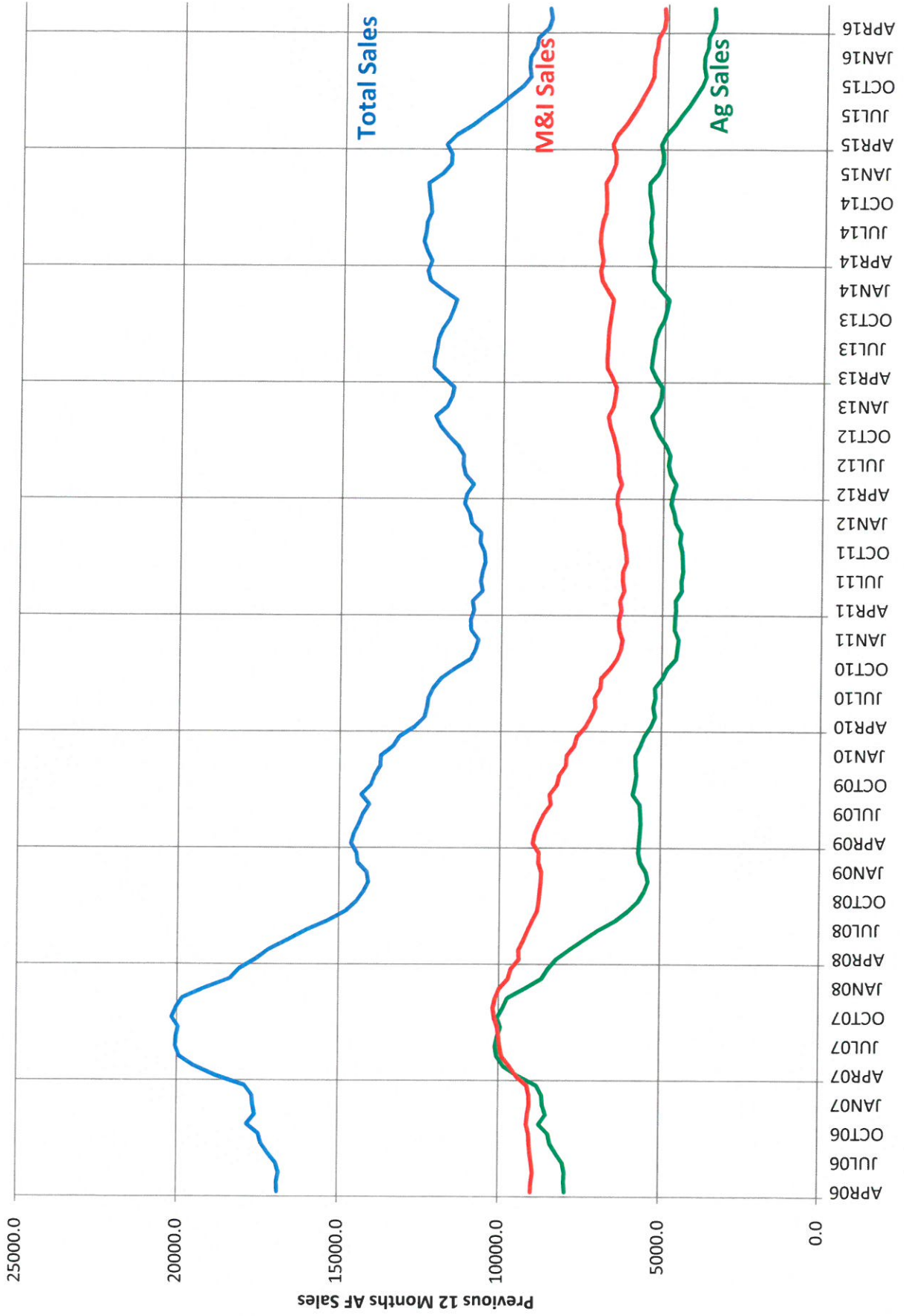
Fallbrook Public Utility District Ag and M&I Sales



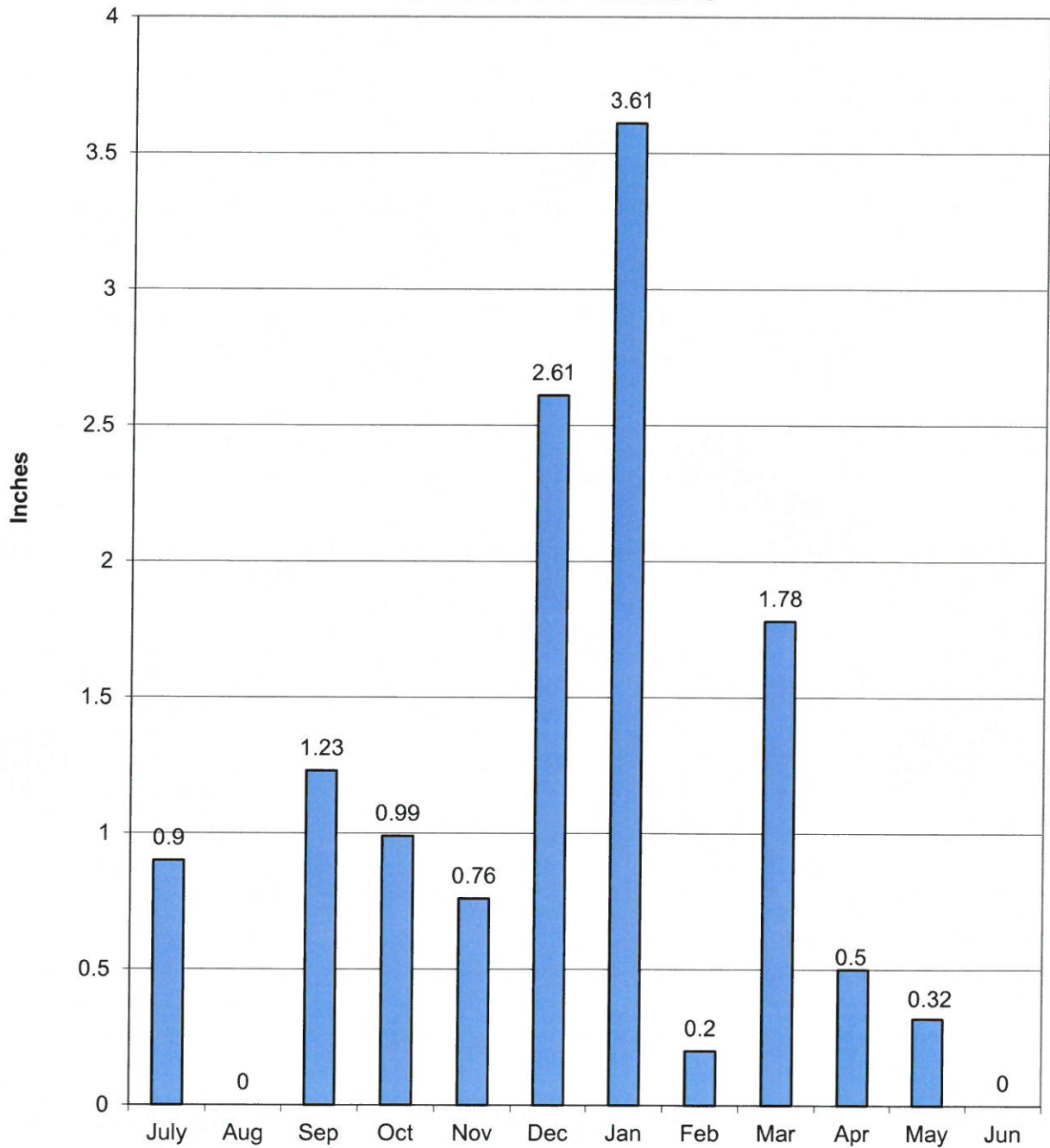
Fallbrook Public Utility District Recycled Water Production & Sales



FPUD 12 Month Running Water Sales



Fallbrook Rainfall In The Last 12 Months



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Re: General Counsel Board Report for July 2016

Practical Approaches to Medical Marijuana Use by Employees: Part II

Don't Ask, Don't Tell

As discussed in last month's report, there is a clear statutory language stating that employers do not have to accommodate medical marijuana use at the workplace or during work hours. This language presents an opportunity for employers to adopt a more liberal attitude toward off-duty use: as long as an employee does his or her job, meets the employer's standards, and is not impaired or using marijuana in the workplace, then what the employee does on his or her own time remains his or her own business. Indeed, unless an employer subjects employees to drug testing, this is essentially the default position. And drug testing is limited to the following circumstances: (1) where federal Department of Transportation (DOT) regulations require it; (2) as part of a pre-employment screening program applied to all applicants; (3) reasonable suspicion testing; (4) post-accident testing; (5) as part of a legitimate, job-related medical screening; or (6) as part of a random screening program for safety-sensitive positions. In the appropriate circumstances, this may be the simplest and most workable approach.

2. Treat Is Like Prescription Opiates

Another logical approach, albeit one that goes well beyond what is required by law, is to treat medical marijuana like any other prescription drug that may impair an employee's physical and cognitive capacity. Such an approach would of necessity have to include the following safeguards:

1. A requirement that employees disclose any circumstance, including any medication, that may jeopardize their ability to safely perform their jobs;
2. Any use of medical marijuana cannot directly impact other employees. It is not reasonable to expect co-workers to be subjected to second-hand smoke, for example, so smoking marijuana should not be permitted anywhere that smoking tobacco is prohibited.
3. Is cannot place the employee, co-workers, members of the public, or other third parties in danger. Employees who are impaired, regardless of the substance, should not be operating heavy equipment or motor vehicles.
4. It cannot unduly jeopardize the quality or quantity of an employee's work. If an employee who uses medical marijuana - or any other medicine for that matter - cannot keep up with his or her work, then that is an issue that must be addressed regardless if the cause.

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Obviously, this approach will not work with DOT-covered positions, and may not be suitable for other safety-sensitive or public protection positions. But here again, depending on the nature of the work, the culture of the workplace, and the standards of the particular community you serve, this framework may appropriately accommodate the changes that may be looming just over the legal horizon.

My recommendation is to follow the law and not try to liberalize it. Our present code adequately covers circumstances for testing.

ROBERT H. JAMES, Attorney at Law

A handwritten signature in black ink, appearing to read "R. H. James", with a long, sweeping flourish extending to the right.

General Counsel for Fallbrook Public Utility District

RHJ/kem
cc: Brian J. Brady