



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING

AGENDA

MONDAY, MAY 22, 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.

A. EMPLOYEE OF THE QUARTER FOR MAY 2017

- 1. Antonio Campos

II. CONSENT CALENDAR-----(ITEMS B - E)****

All items appearing on the Consent Calendar may be disposed of by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors or the public requests removal prior to a vote on a motion to approve the items. Such items shall be considered separately for action by the Board.

B. APPROVAL OF MINUTES

- 1. Regular Board Meeting of April 24, 2017

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

C. NOTICE OF COMPLETION – PLANT 2 FORCE MAIN REPLACEMENT

Recommendation: That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.

D. NOTICE OF COMPLETION – 1 MG RESERVOIR

Recommendation: That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.

E. ADOPTION OF RESOLUTION NO. 4912 SETTING THE 2017-18
APPROPRIATION GROWTH RATE

Recommendation: The Board adopt Resolution No. 4912 setting the tax appropriation limit for 2017-18 at \$2,933,265, which includes the Fallbrook and DeLuz service areas and Improvement District "S".

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

F. UPDATE ON THE SANTA MARGARITA RIVER PROPERTY

Presented by: Jack Bebee, Assistant General Manager

G. UPDATE ON THE SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)
EMERGENCY AND CARRYOVER STORAGE PROJECT

Presented by: Jack Bebee, Assistant General Manager

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

H. RESOLUTION NO. 4913 PLACING IN NOMINATION BRIAN J. BRADY AS VICE
CHAIR OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10
BOARD FOR THE 2018-2019 TERM

Recommendation: That the Board adopt Resolution No. 4913 placing in nomination Brian J. Brady as Vice Chair of the Association of California Water Agencies Region 10 Board for the 2018-2019 term.

I. PARTICIPATION IN THE UNIFORM PUBLIC CONSTRUCTION COST
ACCOUNTING ACT PROCEDURES

Recommendation: The Act offers significant benefits to the District's procurement methods. It is recommended that the Board direct staff to proceed with formalizing this process with legal counsel for consideration at the next Board meeting.

J. MANHOLE REHABILITATION SERVICES PROJECT AWARD

Recommendation: That the Board authorize award of the Manhole Rehabilitation Services Project to the apparent lowest responsible bidder of Zebron Contracting at an amount of \$23,925.

K. FIRE MANAGEMENT PLAN FOR THE SANTA MARGARITA RIVER PROPERTY

Recommendation: If the Board wishes to pursue this effort, that the Board direct staff to solicit for professional services to prepare a Fire Management Plan for the Santa Margarita River Property. Staff will bring back their recommendation for award to the Board for approval.

L. N. BRANDON AND E. ALVARADO SEWER REPLACEMENT PROJECT

Recommendation: That the Board authorize award of the N. Brandon and E. Alvarado Sewer Replacement Project to the lowest responsible bidder of CCL Contractors at an amount of \$1,379,000 to replace the deficient sections of the sewer line in Brandon Road and in Alvarado Street.

M. DEVELOP A POLICY FOR CLOSING THE FISCAL YEAR

Recommendation: No action at this time. Staff to report back in June with information from other agencies on their closing procedures and timelines.

N. ACCEPTANCE OF DEBT MANAGEMENT POLICY

Recommendation: That the Board accept the Debt Management Policy as recommended by the Fiscal Policy & Insurance Committee.

O. REPLACEMENT OF ONE CONSTRUCTION CREW TRUCK

Recommendation: That the Board approve the purchase of one Ford F550 4x2 for \$75,325.19 from North County Ford in Vista, the lowest responsive bidder, in order to maintain a reliable District fleet to complete necessary infrastructure repairs and replacement.

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

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

7. Log of Board Requests

ADJOURN TO CLOSED SESSION

VI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2): ONE
POTENTIAL CASE
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GC § 54956.8:
PROPERTY: 1492 NORTH STAGECOACH LANE, FALLBROOK, CA; AGENCY
NEGOTIATOR: JACK BEBEE; NEGOTIATING PARTIES: BRUCE E.
SCHWANDT, TRACEY L. SCHWANDT; UNDER NEGOTIATION: PRICE AND
TERMS OF PAYMENT
3. 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

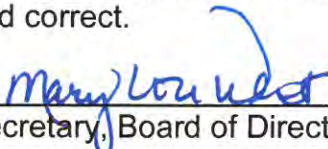
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DECLARATION OF POSTING

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.

March 18, 2017
Dated / Fallbrook, CA


Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Mary Lou West, Secretary *mlw*
DATE: May 22, 2017
SUBJECT: Employee of the Quarter for May 2017

Jamison Davis chose Antonio Campos as the Employee of the Quarter for May 2017 in his own words as follows:

"Antonio was hired January 25, 2010, and is a Plant Maintenance Worker II at the Wastewater Plant. This award is presented for your dedication to your work with the District. You are a team player always willing to help with a smile and good attitude. The willingness and attitude you display to help whenever needed makes everyone's job easier."

Antonio chose a gift valued at \$100, has received a Certificate of Appreciation, and will be taken to lunch by the General Manager and will include a Member of the Board of Directors, the previous Employee of the Quarter, and a member of the Recognition Committee.

M E M O

TO: Board of Directors
FROM: Mary Lou West, Secretary *mw*
DATE: May 22, 2017
SUBJECT: Approval of Minutes

Recommendation

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

1. Regular Board Meeting of April 24, 2017

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

MINUTES

**MONDAY, APRIL 24, 2017
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 Wolk called the regular meeting of the Board of Directors of the Fallbrook Public Utility District to order at 4:01 p.m. A quorum was established with attendance as follows:

Board of Directors

Present: Milt Davies, Member
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
Brian J. Brady, General Manager
Jack Bebee, Assistant General Manager
Marcie Eilers, Administrative Services Manager / Treasurer
Jason Cavender, System Operations Manager
Noelle Denke, Public Affairs Specialist
Todd Lange, System Service / Shop Supervisor
Jeff Marchand, Engineering Supervisor
Mary Lou West, Secretary

Also present were others, including, but not limited to: Helene Brazier, Donna Gebhart, Patricia McPhee, and representatives from the North County Fire Protection District.

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 Davies moved to approve the agenda as presented; Director McDougal seconded. Motion carried; 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.

Donna Gebhart stepped to the podium and introduced herself as Chair of the Fallbrook Trails Council. Mrs. Gebhart announced the trails cleanup has been completed, with the exception of a few trails to the east. Mrs. Gebhart reported the first two river crossings have quicksand and signs have been posted on-site and on social media to warn the public of the danger. Mrs. Gebhart further reported she notified the County of San Diego of the quicksand and requested they postpone opening their facilities to the public because of the hazardous conditions.

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 March 27, 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; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION----- (ITEMS B – E)

B. UPDATE ON CALIFORNIA WATER-RELATED LEGISLATION

Presented by: Brian J. Brady, General Manager

Dr. Brady presented a slide show of (1) the report released April 7, 2017, titled *Making Water Conservation a California Way of Life, Implementing Executive Order B-37-16*, and of (2) water-related legislation. Dr. Brady explained that the Department of Water Resources, the State Water Resources Control Board, the Public Utilities Commission, the Department of Food and Agriculture, and the Energy Commission developed the report as a framework on water use efficiency and drought planning as directed by the Governor's Executive Order. The framework addresses the Executive Order requirements, provides information to the Legislature and other interested parties on the State Agencies' proposed framework for efficient water use, and includes a proposed implementation timeline.

Dr. Brady mentioned that over the past year, the San Diego County Water Authority (SDCWA) and other agencies have identified concerns over the State's recent water use targets. A slide illustrated the concerns in a matrix and whether or not they had been addressed in the framework. Dr. Brady included discussion of recycled water use; provisional standards that will be set for water use; and mandatory water shortage contingency planning, reporting, and enforcement. Dr. Brady pointed out that the components of the framework will restrict water usage, decrease sales, and negatively-impact agencies' finances.

Next, Dr. Brady presented a slide of (1) actions that may be undertaken within existing authorities and (2) recommendations that will require new authorities. In response, a number of bills have been introduced by Assembly Members Rubio, Friedman, Levine, and Weber. The Administration has also introduced two trailer bills that would eliminate legislative oversight and provide the State Water Resources Control Board with full control to develop regulations, standards, and enforcement.

Dr. Brady provided an overview of the key points of each bill and the position taken by the San Diego County Water Authority (SDCWA). Dr. Brady noted the SDCWA is supporting AB 869, AB 968, AB 1323, AB 1654 and opposing AB 1041, AB 1667, AB 1668, AB 1669, and both trailers bills. The SDCWA has not taken a position on AB 1000. Dr. Brady stated AB 1668, AB 1669, and the trailer bills would shift all details relative to long-term water use efficiency standards and performance measures to the State Board; AB 1323 would create a stakeholder working group and provide legislative oversight in codifying recommendations; and AB 968 and AB 1654 would attempt to achieve the water community's preferred approach through legislation enacted this session. Dr. Brady reviewed the timeline for the legislative process and noted the deadline for bills to pass the second House policy committee is July 14.

Dr. Brady concluded the presentation with a summary of ongoing efforts by the San Diego County Water Authority, the Association of California Water Agencies, and other stakeholders concerning water-related legislation.

C. UPDATE ON THE WATER RIGHTS SETTLEMENT BETWEEN UTAH AND THE NAVAJO NATION

Presented by: Brian J. Brady, General Manager

Dr. Brady presented a slide show, at the request of Director Davies, of the Navajo-Utah Water Rights Settlement Act of 2017. Dr. Brady reported the settlement agreement ended 13 years of negotiations over Utah's Colorado River Rights of 1.7 million acre-feet and centered around the Winters Doctrine of 1908 concerning federal reserve rights. The settlement agreement provides that Utah will give up 81,500 acre-feet of water and contribute \$8 million to the Tribe, and the federal government will contribute \$198.3 million for Tribal water projects. Dr. Brady emphasized the Act will not impact other states' rights on the Colorado River.

D. UPDATE ON LANDSCAPE MAINTENANCE DISTRICT, COUNTY OF SAN DIEGO PARKS AND RECREATION DEPARTMENT

Presented by: Brian J. Brady, General Manager

Director McDougal reported that according to the San Diego Assessor / Recorder / County Clerk, there are 18,607 parcels in the 92028 area code. To support a Landscape Maintenance District, each parcel would be assessed approximately \$53.74 per year to collect \$1 million annually through the tax roll. Director McDougal recommended holding another community meeting to identify and prioritize projects and determine the costs to support those projects.

E. DISCUSS FLEET REPLACEMENT PROGRAM APPROACH

Presented by: Todd Lange, System Service/Shop Supervisor

Mr. Lange provided an overview of the District's Fleet Replacement Program (Program). The Program measures vehicles through guidelines, procedures, and a replacement point system to determine the correct time to retire vehicles, plan purchases, and relegate vehicles to lighter duty. Mr. Lange reviewed the replacement point system that evaluates age, miles, hours, types of service, reliability, maintenance costs, and condition used to determine vehicle scores.

In response to Director Davies' inquiry concerning California Air Resources Board (CARB) requirements, Mr. Lange responded that CARB requirements were tracked in a separate document for heavy duty equipment. Director Davies asked if the vehicles listed in the spreadsheet (attached to the staff memo) had been rated, and Mr.

Lange responded the vehicles were rated and a score of 24 points or more qualifies a vehicle for replacement.

Discussion followed concerning the spreadsheet, particularly the replacement years listed in two columns. Mr. Bebee explained the year listed in the "original plan" column represents when vehicles were scheduled for replacement prior to development of the Program, and the year listed in the "updated" column represents when vehicles are scheduled for replacement using the Program's evaluation process. Mr. Bebee pointed out that as a result of the evaluation process, there has been some reordering of vehicles in the replacement schedule.

President Wolk requested the Board be provided scores, as determined by the evaluation process, for vehicles when auctioned or replaced. Mr. Lange noted that vehicles auctioned earlier this year had not been scored at the time because the Program had not been developed until recently. Mr. Bebee stated scores would be provided to the Board at the time of replacement.

Discussion included a comparison of the vehicle makes and models and identified those that performed better than others. Mr. Lange stated that Chevrolet Colorado trucks experienced more maintenance issues than others. Director Gebhart recommended the District avoid purchasing vehicles that are known to have maintenance issues. Mr. Bebee explained the Public Utility District Act requires the District to accept the low bid; however, staff is working on the language in Requests for Proposals to ensure proposals meet the District's specific needs.

Mrs. de Sousa Mills, General Legal Counsel, clarified the District must award based on the low bid; however, when there is only one entity or one manufacturer that can provide specific needs of the District, the District can do a sole source procurement and memorialize the reasons why it would be appropriate.

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

F. KIRK QUITCLAIM REQUEST AND ADOPT RESOLUTION NO. 4910

Recommendation: *That the Board authorize the quitclaim and adopt Resolution No. 4910.*

Mr. Marchand reported that Mark Kirk is developing a 4-lot subdivision on McDonald Road, and District staff has been working with Mr. Kirk on an improvement plan for water and sewer service to the subdivision. The plan has been approved, and staff has determined a 10-foot strip of the existing 30-foot easement is not needed now nor will be in the future. As a result, Mr. Kirk has requested the District quitclaim the 10-foot strip, and staff supports Mr. Kirk's request.

President Davies asked if a 20-foot easement will be sufficient for the District's future needs, and Mr. Marchand explained it would since the easement will be used for sewer only and will not be needed for water service. The sewer pipe will be installed at a depth of 6-to-7 feet and located in the center of the easement.

Director Gebhart asked if a 20-foot easement would provide sufficient room for repair work, and Mr. Bebee responded it would because the sewer pipe will be the only utility in the easement and the pipe is not that large.

MOTION: Director McDougal moved to approve staff's recommendation and adopt Resolution No. 4910; Director DeMeo seconded. Motion carried; VOTE:

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

G. AWARD OF PUMP PARTS FOR LIFT STATION REPAIRS AT THE OVERLAND TRAIL LIFT STATION

Recommendation: That the Board authorize award of the pump replacement parts for the Overland Trail Lift Station for \$32,948.26 to Flo-Systems in order to maintain reliable operation of the collections system and prevent spills.

Mr. Bebee reported the parts recommended for purchase will be used to overhaul two pumps located at the Overland Trail Lift Station in order to maintain sewer system operation and prevent spills. Mr. Bebee further reported there is only one supplier that can provide the pump replacement parts; therefore, the award is a sole source procurement. Mr. Bebee added that staff is currently evaluating long-term options for the pump station, but repairs are required in the interim. Mr. Bebee stated the recommendation is for the Board to award the replacement parts to Flo-Systems in the amount of \$32,948.26.

Brief discussion followed concerning the cost of new pumps, and Mr. Bebee stated new pumps would be considerably more because the pumps required are large, submersible pumps.

MOTION: Director Davies moved to approve staff's recommendation; Director McDougal seconded. Motion carried; VOTE:

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

President Wolk announced that Item H would be considered next. Following the announcement, Director Gebhart read the following recusal statement out loud:

"Because I have a conflict of interest under the Political Reform Act (Government Code section 87100) and under Government Code section 1090 if it involves the contract for sale of the Santa Margarita River property with respect to Item H, Fire Management Plan for the Santa Margarita River Property, I am recusing myself from participating in any way on this agenda item because of my real property interest and my primary residence, and/or real property interests, and the access easement to the trails system."

Following his statement of recusal, Director Gebhart left the room at 5:06 p.m.

H. FIRE MANAGEMENT PLAN FOR THE SANTA MARGARITA RIVER PROPERTY

Recommendation: Staff supports Board direction.

Dr. Brady reported that Director Davies requested a fire management plan be placed on the agenda for consideration. The Santa Margarita River property is in the initial stages of sale to Western Rivers Conservancy, and as part of the process, a fire management plan is required to be developed within two years of the transfer of ownership, and Director Davies would like the Board to consider the development of the plan now rather than wait two years. Dr. Brady noted that a representative from North County Fire Protection District was present who may wish to provide comments.

Director Davies reiterated the management plan for the Santa Margarita River property requires a fire management plan to be developed within a two-year window. Following a historical overview of the fires that have burned in the Fallbrook region back to the 1950s, Director Davies reported that two burn piles were recently found in separate locations along the Santa Margarita River trails. Because of the approaching fire season and not knowing if the property sale will go through, Director Davies recommended the Board consider developing a fire management plan now rather than wait. Director Davies stated the Fire Safe Council previously created a plan for the whole river bottom, which included input from Cal Fire and other stakeholders.

Director McDougal inquired if developing a fire management plan would impact the property sale that is pending with Western Rivers Conservancy. Mr. Bebee suggested probably not since the buyer would have to develop the plan once the sale is final.

Mrs. Gebhart stepped to the podium and stated Sid Morel, who is a retired firefighter, is familiar with the Santa Margarita River property and does fire plans.

Mr. Bebee suggested staff research the cost of a fire management plan and bring a budget number back to the Board. If the Board directs staff to move forward, staff will initiate the formal request for proposals process and include Mr. Morel on the list.

MOTION: Director McDougal moved to direct staff to return to the Board with a cost estimate for a fire management plan; Director Davies seconded. Motion carried; VOTE:

AYES: Directors Davies, DeMeo, McDougal, and Wolk

NOES: None

ABSTAIN: None

ABSENT: Director Gebhart

Director Gebhart returned to the meeting at 5:20 p.m.

I. RESOLUTION NO. 4911 IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

Recommendation: That the Board adopt Resolution No. 4911 in support of the Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements.

Dr. Brady reported the Association of California Water Agencies (ACWA) has requested the District support the *Policy Statement on Bay-Delta Flow Requirements* to urge the State Water Resources Control Board to set aside its "unimpaired flow" approach to setting new water quality objectives in the Bay-Delta watershed. The proposal to base new water quality objectives on a "percentage of unimpaired flow" could lead to widespread fallowing of agricultural land. Staff is recommending Resolution No. 4911 be adopted in support of ACWA's policy statement.

MOTION: Director Davies moved to approve staff's recommendation to adopt Resolution No. 4911; Director McDougal seconded. Motion carried; VOTE:

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

NOES: None

ABSTAIN: None

ABSENT: None

J. POTENTIAL MODIFICATION OF BOARD STANDING COMMITTEES

Recommendation: Staff supports Board direction.

Dr. Brady reported that staff is recommending the Board alter its standing committee structure, as outlined in the staff memo, as follows: (1) the Fiscal Policy &

Insurance Committee becomes the Finance and Audit Committee, (2) the Personnel Committee becomes the Planning and Administration Committee, and (3) the Water Resources Committee becomes the Engineering and Operations Committee.

Dr. Brady pointed out that in the past six months, the Fiscal Policy & Insurance Committee has met many times on a variety of issues, all with some elements of finance, while the two other standing committees met infrequently because their responsibility is limited to very narrow, specific items. Dr. Brady stated staff is recommending the structure change to three committees that would enumerate issues more clearly than the way they are currently enumerated in the Administrative Code and would afford staff greater flexibility in giving each committee very targeted issues. Dr. Brady further stated the Engineering and Operations Committee would be assigned a variety of capital improvement projects that staff believes should be reviewed at the committee level before being taken to the full Board. Staff is anticipating a number of significant changes to the Administrative Code that would be appropriate for the proposed Planning and Administration Committee to review prior to being taken to the full Board. Although staff supports the Board's direction, staff is recommending the proposed changes in the standing committee structure.

MOTION: Director Gebhart moved to change the name, structure, and responsibilities of the Board's three standing committees; Director McDougal seconded.

Director Davies stated he was not interested in making changes to the existing standing committees.

Mr. Bebee provided examples of three items that staff would like reviewed by a standing committee, as follows: (1) the San Diego County Water Authority agreement on the ESP Pump Station, (2) the Oceanside Outfall agreement, and (3) purchasing provisions. Mr. Bebee noted staff has contemplated having the Water Resources Committee review these items, but the Water Resources Committee's focus is very limited.

Director McDougal remarked he did not have a problem with the proposal and the changes appear to spread out and broaden responsibilities. Director McDougal pointed out the Board would continue to make final decisions on all matters.

Director Gebhart talked about how he was uncomfortable with the changes, such as removing the General Manager's review from the Personnel Committee's responsibilities and including responsibility for review of fiscal policies in the proposed Finance and Audit Committee structure.

Discussion ensued concerning the wording of the committee structure descriptions.

Director DeMeo requested the item be postponed until the next meeting.

Director McDougal suggested renumbering the descriptions of the proposed committees to track with the current committees and specify the net changes between the two for clarity.

Director Gebhart requested that staff include related policies that are being addressed to assist with comprehension of the proposed changes.

Director Gebhart withdrew his motion; Director McDougal withdrew his second.

President Wolk announced that Item J was continued to the next regular board meeting with staff to return with the additional information requested by the Board.

K. GENERAL MANAGER PERFORMANCE EVALUATION FORM

Recommendation: It is the recommendation of the Personnel Committee to adopt the use of the attached evaluation form during the annual General Manager Evaluation process to be completed June of each calendar year.

Director Davies, as Chair of the Personnel Committee, reported that Director DeMeo provided the evaluation form (attached to the staff memo) that she brought back from a California Special Districts Association conference. Out of the three or four evaluation forms reviewed by the Personnel Committee, this form was found to be the most robust. Director Davies further reported he made a composite form that totals the scores, provides signature lines for the Board President and the General Manager, and includes an area for the General Manager's comments.

Brief discussion ensued concerning errors in the evaluation form. It was noted the sections were not enumerated consecutively, and staff was directed to correct the evaluation form as discussed.

Director Gebhart asked to be reminded as a Board to do the evaluation each year. President Wolk noted the existing contract requires written evaluations in June. Director Davies recommended beginning the process in April.

Mrs. de Sousa Mills stated she would email the Board President on May 1 as a reminder to begin the evaluation process of the General Manager.

MOTION: Director Gebhart moved to approve staff's recommendation; Director DeMeo seconded. Motion carried; VOTE:

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

Director McDougal suggested the evaluation form be revised, as discussed, and provided to the Board Members within the next one-to-two weeks. The Board Members will complete the evaluation form and return the completed form to the Board President by the end of May.

Director Davies recommended the matter be discussed in closed session in May and June.

Mrs. de Sousa Mills clarified the General Manager's contract provides the evaluation to be done annually by June 30.

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

1. General Legal Counsel

- Mrs. de Sousa Mills provided an overview of bills affecting special districts.

2. SDCWA Representative/General Manager

- Dr. Brady reported the District will begin using FedEx to deliver 48-hour notices that will provide the District with a verified receipt as proof the notice was delivered. InfoSend, the District's billing service provider, has partnered with FedEx to offer this service to water agencies, and many agencies using the service have reported they are pleased with the results. The District currently charges customers \$30 per notice, and FedEx will charge a \$25 delivery fee per notice.
- Dr. Brady further reported that Director Gebhart has requested the Directors be provided the board packet electronically. To facilitate the request, the District would be required to purchase tablets for the Directors. Director Gebhart suggested the Directors also be provided with an email address for District business.

3. Administrative Services Manager/Treasurer

- Mrs. Eilers provided an overview of the financial and investment reports in the board packet.
- Mrs. Eilers reported that one of the corporate notes in the Investment Portfolio is a Wells Fargo. The Office of the Comptroller of the Currency gave Wells Fargo an overall Community Reinvestment Act rating of "needs to improve," and PFM is holding those securities pending input from legal counsel.

4. Assistant General Manager

- Mr. Bebee reported the County of San Diego will begin repaving South Mission Road tomorrow.
- Mr. Bebee further reported a meeting with resources agencies will take place tomorrow concerning the Santa Margarita River property. Initial feedback from the U.S. Fish and Wildlife Service indicates there may be some challenges to overcome that may cause delays.
- Mr. Bebee pointed out that professional service vendors are listed on page 98 of the board packet.
- Mr. Bebee remarked nine valves were replaced during the recent emergency repairs at Alvarado Street.
- Mr. Bebee added the new website provides a tool for District staff to notify ratepayers of emergency repairs, outages, and other service-related news.

5. Public Affairs Specialist

- Mrs. Denke reported the website launched in early April and has received a very positive response. The new site has a section whereby construction projects are being posted and whether or not they have traffic impacts. There is also a robust Human Resources page and job seekers can request to receive an email when a job they are interested in becomes available. Specialized maps expand and contract to show every street in our service area, as well as an overall birds-eye view of our district boundaries. All posts and updates are being done in-house; several employees are posting in their appropriate areas: Noelle (main content, verbiage and images; general oversight), Mary Lou (board materials), Ace Rule (human resources), Kelly and Joye from engineering are posting Bids and RFPs, Mick Cothran is posting emergency notifications -- including weekends and after-hours.

6. Director Comments/Reports on Meetings Attended

- Director DeMeo reported she attended the Council of Water Utilities meeting and Gary Arant, the general manager of the Valley Center Municipal Water District, spoke on the history of water regulations in California.
- President Wolk reported a memo was distributed from the Water Resources Committee concerning the Cadiz Project in the Mojave Desert. At this time, the committee is not recommending the District enter into an agreement, but staff will continue to monitor the project.
- President Wolk further reported a handout titled "Auditor Rotation Requirements for Annual Audits of Local Governments" was distributed.

7. Log of Board Requests

- President Wolk noted the Log of Board Requests was included in the board packet.

Mrs. de Sousa Mills, General Legal Counsel, announced Closed Session Item VI.(1) and Closed Session Item VI.(2) by reading the agenda descriptions out loud.

Following Mrs. de Sousa Mills announcement, Director Gebhart read the following recusal statement out loud:

"Because I have a conflict of interest under the Political Reform Act (Government Code section 87100) and under Government Code section 1090, with respect to the Closed Session Item under "Conference with Real Property Negotiators" just announced to be discussed in Closed Session, I am recusing myself from participating in any way in that Closed Session item during the discussion or any action taken on the agenda item."

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 6:19 p.m.

VI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PER GC § 54956.9 (d)(2): ONE POTENTIAL CASE
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GC § 54956.8: PROPERTY: 1492 NORTH STAGECOACH LANE, FALLBROOK, CA; AGENCY NEGOTIATOR: JACK BEBEE; NEGOTIATING PARTIES: BRUCE E. SCHWANDT, TRACEY L. SCHWANDT; UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT

RECONVENE TO OPEN SESSION

The Board returned from Closed Session and reconvened to Open Session at 6:43 p.m. Director Gebhart left Closed Session at 6:32 p.m. after discussion on Closed Session Agenda Item VI.(1) had concluded and prior to the Board discussing Closed Session Agenda Item VI.(2).

REPORT FROM CLOSED SESSION (*As Necessary*)

President Wolk announced there was no reportable action taken in Closed Session.

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 6:44 p.m.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JRB
DATE: May 22, 2017
SUBJECT: Notice of Completion – Plant 2 Force Main Replacement

Purpose

File Notice of Completion of the Plant 2 Force Main Replacement Project with San Diego County Recorder.

Summary

The contract for the Plant 2 Force Main Project was completed on May 12, 2017. The Contract was awarded to J.R. Filanc Construction Company. The final total contract amount was \$640,355.33. The budgeted project amount was \$450,000, but more extensive road resurfacing was required by the county than originally anticipated which resulted in a project cost higher than the original budget.

Recommended Action

That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.

RECORDING REQUESTED BY:
Fallbrook Public Utility District

AND WHEN RECORDED MAIL TO:
Fallbrook Public Utility District
Post Office Box 2290
Fallbrook, CA 92088-2290

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the undersigned is Fallbrook Public Utility District.
3. The full address of the undersigned is 990 East Mission Road, Fallbrook, CA 92028.
4. The nature of the title of the undersigned is public utility district in fee.
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

<u>NAMES</u>	<u>ADDRESSES</u>
Fallbrook Public Utility District	PO Box 2290, Fallbrook, CA 92088-2290

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work of improvement herein referred to are (OR IF NO TRANSFER WAS MADE INSERT THE WORD "None")

<u>NAMES</u>	<u>ADDRESSES</u>
None	

7. The work of improvement on the property hereinafter described was completed on May 12, 2017.
8. The name of the original contractor, if any, for the work of improvement was: **J. R. Filanc Construction Company.**
The kind of work done or material furnished was for the **Plant 2 Force Main Replacement Project.**
9. The property on which the work of improvement was completed is in the unincorporated area of Fallbrook, County of San Diego, State of California, and is described as follows: Mission Road near Stagecoach Lane.
10. The street address of the said property is along Mission Road, near Stagecoach Lane, Fallbrook, California.

DATED: May 22, 2017

Jack Bebee, Assistant General Manager
Fallbrook Public Utility District

VERIFICATION

I, the undersigned, say:

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 22, 2017, at Fallbrook, California.

Signature

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, *JRB*
DATE: May 22, 2017
SUBJECT: Notice of Completion – 1 MG Reservoir

Purpose

File Notice of Completion of the 1 MG Reservoir Recoating Project with San Diego County Recorder.

Summary

The contract for the 1 MG Reservoir Recoating Project was completed on May 15, 2017. The Contract was awarded to Simpson Sandblasting and Specialty Coating. The final total contract amount was \$386,163.45. The budgeted project amount was \$200,000, but more extensive structural repairs were required than originally budgeted for.

Recommended Action

That the Board authorize staff to file the attached Notice of Completion with the San Diego County Recorder.

RECORDING REQUESTED BY:
Fallbrook Public Utility District

AND WHEN RECORDED MAIL TO:
Fallbrook Public Utility District
Post Office Box 2290
Fallbrook, CA 92088-2290

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the undersigned is Fallbrook Public Utility District.
3. The full address of the undersigned is 990 East Mission Road, Fallbrook, CA 92028.
4. The nature of the title of the undersigned is public utility district in fee.
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

<u>NAMES</u>	<u>ADDRESSES</u>
Fallbrook Public Utility District	PO Box 2290, Fallbrook, CA 92088-2290

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work of improvement herein referred to are (OR IF NO TRANSFER WAS MADE INSERT THE WORD "None")

<u>NAMES</u>	<u>ADDRESSES</u>
None	

7. The work of improvement on the property hereinafter described was completed on May 15, 2017.
8. The name of the original contractor, if any, for the work of improvement was: **Simpson Sandblasting and Specialty Coating.**
The kind of work done or material furnished was for the **1 MG Reservoir Recoating.**
9. The property on which the work of improvement was completed is in the unincorporated area of Fallbrook, County of San Diego, State of California, and is described as follows: near Doville Ranch Road in De Luz.
10. The street address of the said property is near Doville Ranch Road in De Luz, Fallbrook, California.

DATED: May 22, 2017

Jack Bebee, Assistant General Manager
Fallbrook Public Utility District

VERIFICATION

I, the undersigned, say:

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 22, 2017, at Fallbrook, California.

Signature

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager/Treasurer *ME*
DATE: May 22, 2017
SUBJECT: 2017-18 Appropriation Growth Rate
 Resolution No. 4912

Purpose

To set the tax appropriation limitation for 2017-18.

Summary

In November 1979, the voters of California approved the addition of Article XIII B to the State Constitution. This amendment provided a maximum annual percentage that proceeds of taxes could increase. This calculation is what the County of San Diego uses when determining what portion of the County's taxes that Fallbrook Public Utility District will receive for the Fallbrook service area, DeLuz service areas and Improvement District "S".

The California Revenue and Taxation Code, section 2227 mandates the Dept. of Finance transmit an estimate of the percentage change in population to local governments. Each jurisdiction uses their change in population factor for January 1, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for FY 17-18.

A certified copy of the attached Resolution must be sent to the State Controller's office by June 1, 2017.

Recommended Action

That the Board adopt attached Resolution No. 4912 setting the tax appropriation limit for 2017-18 at \$2,933,265, which includes the Fallbrook and DeLuz service areas and Improvement District "S".

RESOLUTION NO. 4912

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT ESTABLISHING THE LIMIT
FOR APPROPRIATION OF PROCEED OF TAX SUBJECT TO
LIMITATION FOR FISCAL YEAR 2017-18 IN COMPLIANCE WITH
ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF
CALIFORNIA

* * * * *

WHEREAS, the determination of appropriation limitation documentation and the population and cost of living per capita income increase provided by the State of California Department of Finance used to determine the appropriation limitations under Article XIII B of the Constitution of the State of California is on file and available for public inspection and is attached as Exhibit "A" to this Resolution.

THEREFORE, BE IT RESOLVED THAT the calculated maximum limit applicable to the 2017-18 appropriations of proceeds of tax subject to limitation established in compliance with Article XIII B of the Constitution of the State of California, including Fallbrook and DeLuz services areas and Improvement District "S". The calculated maximum limit is as follows:

➤ **TOTAL MAXIMUM LIMIT APPLICABLE TO 2017-18: \$2,933,265**

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 22nd day of May, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Exhibit "A"
FALLBROOK PUBLIC UTILITY DISTRICT

DETERMINATION OF PERMITTED GROWTH RATE IN APPROPRIATION

2017-18

Determination of Permitted Growth Rate Appropriations 2017-18

Given by Department of Finance:

Per Capita Income Change 3.69

Population Change 0.92

Per Capita Income Change Converted to a Factor: 1.0369

Population Change Converted to a Factor: 1.0092

2017-18 Growth Factor:

$$\boxed{1.0369} \times \boxed{1.0092} = \boxed{1.0464}$$

Appropriation Limit Adjustment Factor 2017-18 1.0464

2016-17 Appropriations for Proceeds to Tax Subject to Limitation per Resolution No. 4498 - FPUD: \$1,544,676

2016-17 Appropriations for Proceeds to Tax Subject to Limitation per Resolution No. 89-14 - DLHMWD:

Parent	\$96,979
I.D. # 1&2	\$334,913

2016-17 Appropriation For Proceeds to Tax Subject to Limitation per Resolution No. 4400 - I.D. "S" \$807,478

2016-17 Total Appropriation Limit for Proceeds of Tax Subject to Limitation - All Districts \$2,784,041

2017-18 Total Appropriation Limit for Proceeds of Tax Subject to Limitation - Combined Districts

$$\$2,784,041 \times 1.0536 \quad \boxed{\$2,933,265}$$

Item F



WESTERN RIVERS CONSERVANCY

May 16, 2017

Brian J. Brady, P.E.
Fallbrook Public Utility District
P.O. Box 2290
Fallbrook CA 92088-2290

Re: Update on Santa Margarita River Transaction

Dear Mr. Brady:

In preparation for the May 22 Board meeting, Western Rivers Conservancy (WRC) wishes to update the Board on the Santa Margarita River property transaction.

Status of Contract

The purchase agreement entered into between WRC and FPUD provided for closing no later than December 31, 2016, while allowing WRC the right to extend closing to June 30, 2017, which has been exercised. In our presentation to the Board in December, we outlined the process for closing, including the various documents that will be recorded and the order in which the events will occur.

The presentation we made in December remains accurate; however, it has become clear that not all the elements required for closing can be ready by June 30, 2017. Accordingly, WRC is going to need an extension of the closing date by one year, to mid-2018.

Recent Developments

Since we last reported to the Board on December 12, 2016, our efforts have been focused on preparing an Integrated Resource Management Plan (IRMP) that is acceptable to both FPUD and the resource agencies. Developing language that can be approved by the agencies while delivering the recreational experience that FPUD requires has turned out to be even more challenging than we expected. The active engagement of Donna Gebhart and other community members has helped ensure the work product will meet the Board's requirements.

The Wildlands Conservancy (TWC) and WRC, in collaboration with Fallbrook Trails Council (FTC) and other members of the community, prepared an initial draft in November and submitted it for review by the agencies. We received comments from California Department of Fish and Wildlife (CDFW) in February, and from the United States Fish and Wildlife Service (FWS) in April. Both sets of comments raised significant issues. However, after numerous calls, meetings, and three site visits with agency representatives, FTC, and community members, we appear to be in agreement on revisions that will be needed to receive approval from all parties.

The key meeting was a site visit on May 12 attended by representatives of FWS, CDFW, FPUD, Camp Pendleton, TWC, FTC, and WRC. At the end of the meeting, the agency representatives expressed confidence that we will be able to revise the IRMP to address the agencies' concerns while continuing to provide the same level of recreational opportunities. FTC and the community have enjoyed for many years. We agree with this, and we understand that FTC and the other members of the community are optimistic as well.

Brian J. Brady, P.E.

5/16/17

Page 2


We anticipate reaching agreement with the agencies, the FPUD Board, and the community on a revised IRMP within approximately 90 days. That milestone will reinforce the Department of Defense's previous commitment of funding. It will also provide support for additional funding through the California Wildlife Conservation Board.

Need for Extension

As noted above, we expect to reach closure on the IRMP within the next three months; however, additional time will be required to finalize the terms for funding and to obtain the agency approval of the grants involved. It is difficult at this time to know exactly how long that process will take; however, it is not likely we will be able to have all the pieces in place before the second quarter of 2018. Hence, the need for a one year extension. In the meantime, we will keep the Board apprised of all developments.

We appreciate your continued engagement and cooperation.

Sincerely,



Peter Colby

Project Manager

cc: Robert H. James, Esq.
Steve Lopardo, Esq.

MEMO

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JRB
DATE: May 22, 2017
SUBJECT: Update on the SDCWA Emergency and Carryover Storage Project

Purpose

To update the Board on progress being made with the San Diego County Water Authority (SDCWA) to provide necessary facilities to serve the District during an emergency outage of the imported water aqueduct.

Summary

SDCWA initiated the Emergency and Carryover Storage Project (E&CSP) in 2000 to provide water deliveries if imported deliveries are disrupted from MWD during an earthquake. The project also provides carryover storage for use during extended dry periods.

The current E&CSP facilities include (See Figure A):

1. Olivenhain Reservoir and Pipeline
2. Lake Hodges Pipeline and Pump Station
3. San Vicente Dam Raise
4. San Vicente Pipeline

In order to complete the E&CSP facilities to serve all SDCWA member agencies, two additional pump stations are required to bring water to the northern parts of the service area. These pump stations help to provide water to our Red Mountain, Sachse, and De Luz service areas, Rainbow's higher pressure zones, and some of Valley Center's and Yuima's service areas.

Based on studies completed by the SDCWA with input by the Districts served, it was determined that one of the pump stations should be located near Red Mountain and would only serve to move water to our District's higher zones.

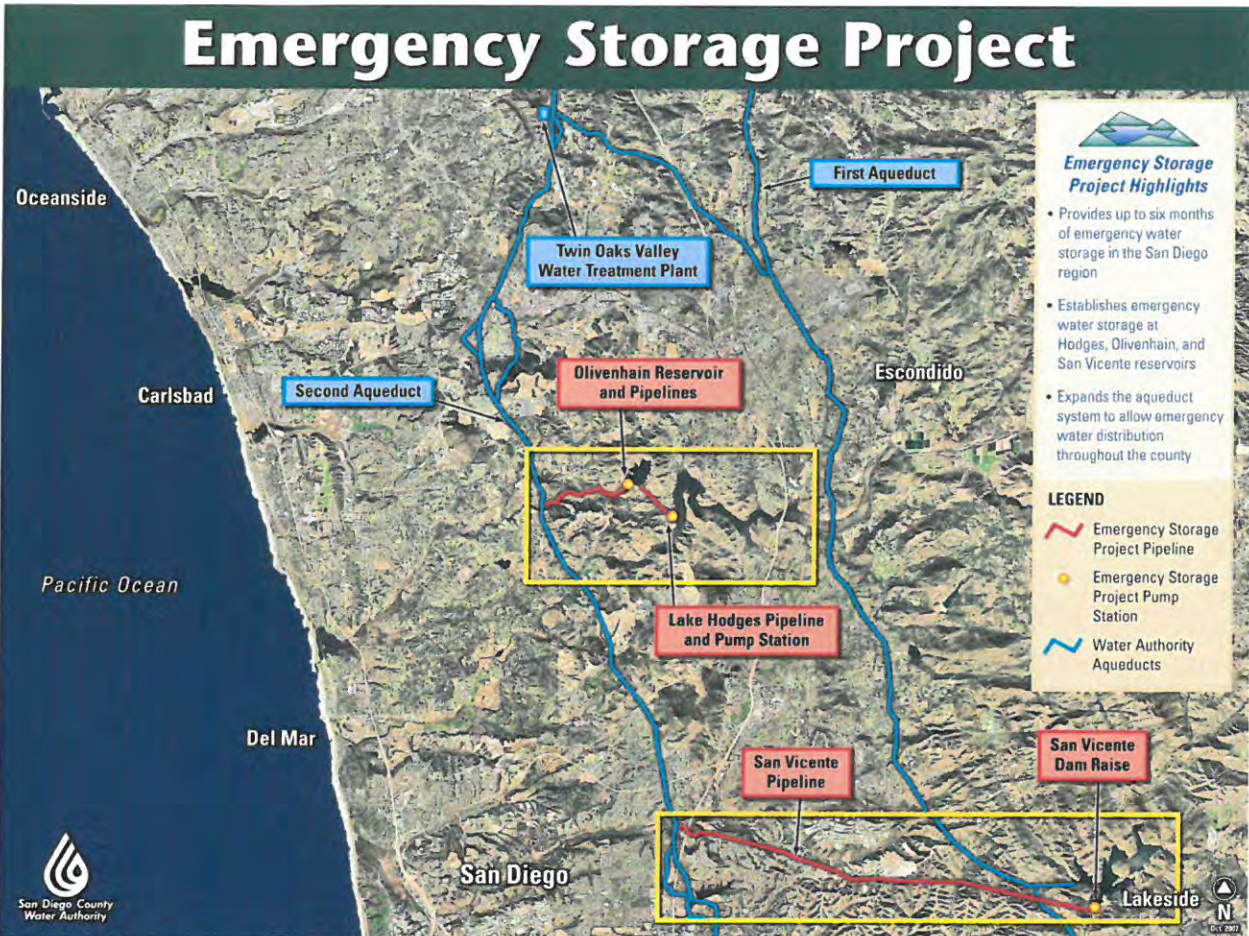


Figure A: Current E&CSP Facilities

Staff has worked with SDCWA staff to develop an approach to design and construct these facilities in which the facilities related to the connection to the aqueducts would be led by SDCWA and the pump station facilities would be led by the District, since the pump station is only connected to District facilities and will be integrated with District operations.

Since the E&CSP facilities are funded by the SDCWA, all District costs for the E&CSP facilities will be reimbursed by the SDCWA. A copy of the Principles of Understanding for the project is included in Attachment 1. This pump station will be constructed just to the south of Red Mountain Reservoir and the Red Mountain UV Disinfection Facility as shown in Figure 1 in Attachment 1. The District had a smaller De Luz Pump Station near this location which was destroyed in the Rice fire.

Some additional benefits of this pump station to the District in addition to the emergency water supply benefits are as follows:

1. Allows operation of Red Mountain at lower levels by utilizing pumps to draw water and boost pressure to more fully utilize water stored in Red Mountain.

2. Allows for delivery of water from Red Mountain to Sachse and De Luz zones during annual aqueduct outages. Currently, the District has to rent pumps during outages several times each year.
3. Provides additional flexibility to deliver future Santa Margarita Conjunctive Use Project Water (SMRCUP) to feed the entire District in lieu of taking SDCWA water.
4. Allows the District to serve all District customers from water stored in Red Mountain in an emergency.

The project benefits the SDCWA by having the District own and operate the facility instead of taking liability of operating a pump station completely interconnected with District facilities.

Recommended Action

This item is for information only; no action is necessary at this time. In the future, a formal agreement with SDCWA will be required that will require Board approval.

Attachment 1

PRINCIPLES OF UNDERSTANDING

Between

THE SAN DIEGO COUNTY WATER AUTHORITY (WATER AUTHORITY)

and

THE FALLBROOK PUBLIC UTILITY DISTRICT (FPUD)

(Collectively, "THE PARTIES")

FOR THE DELIVERY OF EMERGENCY STORAGE PROJECT FLOWS AT RED MOUNTAIN

I. GENERAL

The parties understand these Principles of Understanding are intended as a preliminary statement of shared understandings, and will not be binding upon any party to actually perform the matters addressed in sections II and III below until confirmed in a subsequent written Facilities Funding Agreement approved by all the parties and subsequent information produced from the CEQA environmental review process. The parties, by this Principles of Understanding document, are only agreeing to work together in good faith to try and achieve the matters addressed herein, and are not agreeing that such matters will actually be performed, or guaranteeing that a Facilities Funding Agreement will actually be reached. The parties also understand and agree that the adoption of these Principles of Understanding shall not obligate the Water Authority to implement a particular alternative for the North County Emergency Storage Project facilities.

II. BACKGROUND / MUTUAL UNDERSTANDINGS

Project Objectives

1. ESP Background: To safeguard against an interruption of imported water supply, the Water Authority's Board of Directors in 1996 approved the development of the Emergency Storage Project (ESP).
2. Final Phase: North County ESP: The final phase of the ESP, known as the North County ESP (NCESP) Facilities, is needed to serve the northernmost reaches of the Water Authority service area, including the portion of the FPUD service area normally supplied from the FB1 connection to the First San Diego Aqueduct (First Aqueduct), and the FB6 and DLZ1 connections to Second Aqueduct.

Planning Study / Preferred Alternative

3. NCESP Alternatives Evaluation: The Water Authority, with input from FPUD, completed a planning study evaluation of NCESP facility alternatives.
4. NCESP Preferred Alternative: The NCESP planning study has, with the support of each party, identified a Red Mountain Pump Station as an element of the preferred project configuration that would serve the connections referenced in these Principles. FPUD has indicated a preference to construct, own and operate the pump station.

5. NCESP Source Water: The Red Mountain Pump Station will receive ESP delivery from the Twin Oaks Valley Water Treatment Plant clearwells through a new turnout off a segment of Pipeline 4 owned by Metropolitan Water District of Southern California (MWD) and new flow control facility owned by the Water Authority.
6. FPUD 24-Inch Aqueduct Pipeline: The NCESP planning study has identified, with concurrence of FPUD staff, utilization of FPUD’s existing 24-inch aqueduct pipeline to deliver ESP water to other project facilities serving Rainbow Municipal Water District. ESP deliveries through the pipeline shall not exceed existing operating conditions.

Interests of Parties

7. Water Authority Benefit: In comparison to other feasible facility alternatives, the preferred project configuration, inclusive of a Red Mountain PS owned by FPUD and use of FPUD’s existing 24-inch Aqueduct Pipeline, will provide cost savings and operational efficiency benefits to the Water Authority.
8. FPUD Benefit: In comparison to other feasible facility alternatives, the preferred alternative, inclusive of a Red Mountain Pump Station owned by FPUD, provides system reliability and operational flexibility benefits to FPUD.
9. Mutual Interest to Proceed: Consistent with all of the above, the parties confirm their mutual interest in advancing the permitting, design, construction, and operation of the preferred NCESP facilities. Accordingly, the parties agree to proceed as generally set forth in the following principles, inclusive of the preparation of a formal Facilities Funding Agreement or similar instrument to govern project implementation and establish project cost allocations.

III. PRINCIPLES

1. ESP Point of Delivery for Service to FPUD FB1, DLZ1, and FB6 Service Areas: In lieu of delivering ESP flows to FPUD’s FB1, DLZ1, and FB6 connections, the Water Authority will deliver and FPUD will receive the ESP flows otherwise allocated for these service areas at a new connection (preliminarily, “FB7”) to Pipeline 4 to be constructed at Red Mountain. Deliveries at the new connection will supply a new pump station (the project’s Red Mountain Pump Station), which FPUD will use to boost the hydraulic gradient of the received flows and deliver these flows to the FPUD service areas normally supplied by the FB1, DLZ1, and FB6 connections. FPUD understands that during an ESP event zero flow may be available to the FB1, DLZ1, and FB6 connections, and that ESP deliveries to the service areas normally supplied by these connections will instead be made available via deliveries to the new FB7 connection via FPUD’s new Red Mountain Pump Station.
2. Capacity: The facilities, inclusive of the new FPUD Red Mountain Pump Station, shall have standard operating capacities sufficient deliver the flow rates identified by the Water Authority in its December 2016 North County ESP Technical Report. The flow rates from the 2016 study are as follows:

Service Area	Minimum Delivery Capacity
FB1, DLZ1, and FB6	~14 cfs

3. Facility Improvements: The NCESP improvements applicable to this agreement are those necessary for the Water Authority to deliver and meter ESP flows to FPUD at the new FB7 connection, and for FPUD to pump and convey these flows to those portions of its distribution system normally served by the FB1, DLZ1, and FB6 connections.

In general, the parties understand the applicable improvements will consist of the following components (also shown in Figure 1 attached hereto and incorporated herein by reference):

Component	Description / Notes	Concept-Level Capital Cost Expectation ¹
1. Connection to P4 (coordinated by Water Authority)	Install a 24-inch T connection with isolation valve to the existing Pipeline 4 at Red Mountain. P4 in this reach is an 88-inch ID PCCP line owned by MWD. Project design and construction will need to be coordinated with MWD. MWD will own and maintain the connection, inclusive of the isolation valve. Water Authority is actively working on an agreement with MWD for this new connection.	\$0.3 M
2. New FCF (led by Water Authority)	Downstream of the MWD isolation valve, the Water Authority will construct a new FB7 FCF for service to the new Red Mountain PS. The FCF will include a flow meter, a downstream isolation valve, and space for a potential future control valve, along with appropriate instrumentation and control capabilities.	\$2.4 M
3. Design, Permitting, Administration	Allowances	\$0.7 M
TOTAL WA LED FACILITIES:		~\$3.4 M
1. Red Mountain PS (led by FPUD)	FPUD will construct a new pump station with connections to the FPUD system, and with minimum capacities as specified in this agreement.	\$6.5 M to \$7.5 M
2. Design, Permitting, Administration	Allowance	\$1.3 M to \$1.9 M
TOTAL FPUD LED FACILITIES:		~\$7.8 M to \$9.4 M
TOTAL:		\$11.2 M to \$12.8 M

Notes:

1. Concept costs reflect the general expectations of the parties, and are subject to refinement by the final North County ESP Technical report described in Paragraph III.2.

4. Ownership, Operations, and Maintenance: MWD would own and maintain the connection to Pipeline 4, inclusive of the isolation valve. The Water Authority is actively working on an agreement with MWD for this new connection. The Water Authority will also own, operate, and maintain the new FB7 FCF. All facility improvements downstream of the new FCF, including the new Red Mountain Pump Station and associated piping, will be owned, operated, and maintained by FPUD. This includes operational use of FPUD's 24-inch Aqueduct Pipeline during an ESP event for delivery of other ESP flows to the Water Authority's proposed E. Mission Road Pump Station. Deliveries in this pipeline shall be below current operating pressures.

FPUD will make reasonable and customary efforts to maintain the facilities, including the 24-inch Aqueduct Pipeline, in good working order consistent with its standards for maintenance of comparable life-line facilities. The Water Authority shall also have the right to periodically inspect FPUD's 24-inch pipeline up to the delivery point for the proposed E. Mission Road Pump Station.

5. Environmental Permitting / CEQA Compliance: CEQA for the project will be undertaken as a modification to the original ESP EIR/EIS, with the Water Authority serving as lead agency for CEQA. The Water Authority anticipates the form of CEQA documentation will be an Addendum to the original EIR, subject to further review. Costs incurred by FPUD for permitting the construction of facilities referenced in these Principles shall be reimbursed by the Water Authority.
6. Design / Construction / Reliability: The facilities owned by FPUD will be designed and constructed by FPUD. The Water Authority will have the right to review and comment on the design of the facilities and on the administration of the construction contract(s), but authority for design and construction administration decisions shall remain with FPUD provided these decisions are consistent with these Principles and as further defined in a future Facilities Funding Agreement per Paragraph 11. The facilities shall be designed and constructed consistent with FPUD's standards for comparable life-line facilities.
7. Capital Costs / Funding: Total capital costs for the proposed facility only include costs incurred as a result of constructing facilities required for ESP delivery and associated piping. While additional operational benefit has been identified for FPUD, there are no additional facilities or improvements required for non-ESP operation. The Water Authority will be responsible for capital costs incurred for project elements required for ESP purposes, including the project elements listed in the table of Paragraph 3 and shown in Figure 1 attached hereto to the extent these are sized and otherwise designed consistent with ESP requirements. If during the design process, any additional capital costs are incurred for improved FPUD operation not related to ESP purposes, those costs shall be the responsibility of FPUD. During design review, the Water Authority will identify any modifications that they feel are for the sole purpose to improve FPUD operation and the parties will mutually identify the capital costs that would be the responsibility of FPUD.

For ESP-required project elements designed and constructed by FPUD, the Water Authority acknowledges that FPUD may require an advance of capital funds from the Water Authority. The Water Authority and FPUD will work together in good faith to develop funding structures and schedules sufficient to facilitate timely project implementation.

8. ESP Operations: During an ESP event, the Water Authority will coordinate with FPUD to schedule ESP deliveries through the operation of the new FCF, but the Water Authority will retain sole discretion for such scheduling and delivery rates. All other operations including operation of the Red Mountain pump station will be the responsibility of FPUD. Operation and maintenance costs associated with ESP operation of the FPUD-owned facilities will be borne by FPUD.
9. Non-ESP Operations / Cost Reimbursement: Facility operations other than during an ESP event shall be at the sole discretion of FPUD.

10. Schedule: The Water Authority and FPUD agree to work in good faith to advance the design and construction of the facilities without unreasonable delay.
11. Facilities Funding Agreement: The Water Authority and FPUD will work together in good faith to develop a Facilities Funding Agreement to govern the planning, design, cost allocation, and funding of the project facilities. This work shall include environmental permitting review, and preliminary design and cost definition of the facilities.

ATTEST:

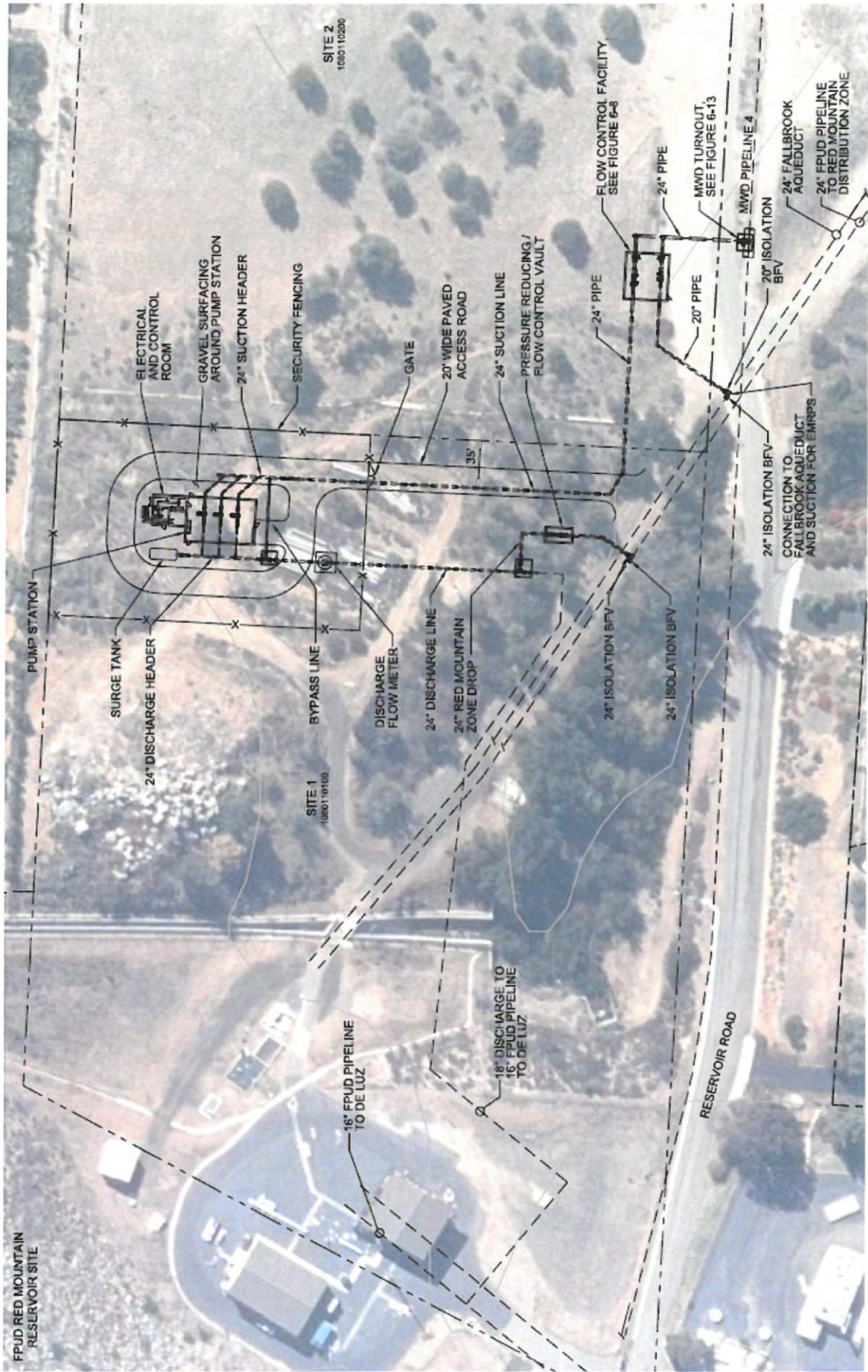
San Diego County Water Authority

Fallbrook Public Utility District


Maureen A. Stapleton
General Manager

Brian J. Brady
General Manager

FIGURE 1 – Preliminary Pump Station Layout



M E M O

TO: Board of Directors
FROM: Brian J. Brady, General Manager 
DATE: May 22, 2017
SUBJECT: Resolution No. 4913 Placing in Nomination Brian J. Brady as Vice Chair of the Association of California Water Agencies Region 10 Board for the 2018-2019 Term

Purpose

To nominate the District's General Manager, Brian J. Brady, as Vice Chair of the Association of California Water Agencies (ACWA) Region 10 Board for the 2018-2019 term.

Summary

On May 1, 2017, the call for candidate nominations was issued by the ACWA Region 10 Nominating Committee to the ACWA member agency Board Presidents and General Managers seeking candidates for the 2018-2019 term.

Dr. Brady has been serving on the ACWA Region 10 Board since 2015 and currently serves as the Region 10 Chair. Dr. Brady has expressed interest in continuing to serve on the Region 10 Board and wishes to be nominated to the position of Vice Chair. The 2017 ACWA Region Election Timeline and associated materials are attached for the Board's reference concerning the election process.

Recommended Action

That the Board adopt Resolution No. 4913 placing in nomination Brian J. Brady as Vice Chair of the Association of California Water Agencies Region 10 Board for the 2018-2019 term.

2017 ACWA Region Election Timeline 2018-2019 Term

February 28:

NOMINATING COMMITTEES APPOINTED

- With concurrence of the region board, the region chairs appoint at least three region members to serve as the respective region's Nominating Committee
- Those serving on nominating committees are ineligible to seek region offices
- Nominating Committee members are posted online at www.acwa.com

March 1-31:

NOMINATING COMMITTEE TRAINING

- Nominating Committee packets will be e-mailed out to each committee member
- ACWA staff will hold a training session via conference call with each nominating committee to educate them on their specific role and duties
 - Regions 1-10 Nominating Committees: via Go-to-Meeting

May 1:

CALL FOR CANDIDATES

- The call for candidate nominations packet will be e-mailed to ACWA member agency Board Presidents and General Managers

June 30:

DEADLINE FOR COMPLETED NOMINATION FORMS

- Deadline to submit all Nomination Forms and board resolutions of support for candidacy for region positions
- Nominating Committee members may need to solicit additional candidates in person to achieve a full complement of nominees for the slate

July 10:

CANDIDATE INFORMATION TO NOMINATING COMMITTEES

- All information submitted by candidates will be forwarded from ACWA staff to the respective region Nominating Committee members with a cover memo explaining their task

July 11 - 31:

RECOMMENDED SLATES SELECTED

- Nominating Committees will meet to determine the recommended individuals for their region. The slate will be placed on the election ballot.
- Nominating Committee Chairs will inform their respective ACWA Regional Affairs Representative of their recommended slate by July 24
- Candidates will be notified of the recommended slate by August 1
- The Nominating Committee Chair will approve the official region ballot

August 1:

ELECTIONS BEGIN

- All 10 official electronic ballots identifying the recommended slate and any additional candidates for consideration for each region will be produced and e-mailed to ACWA member agencies only
- Only one ballot per agency will be counted

September 29:

ELECTION BALLOTS DUE

- ***Deadline for all region elections. All region ballots must be received by ACWA by **September 29, 2017*****

October 5:

ANNOUNCEMENT OF ELECTION RESULTS

- Newly-elected members of the region boards will be contacted accordingly
- An ACWA Advisory will be distributed electronically to all members reporting the statewide region election results
- Results will be posted at acwa.com and will be published in the October issue of ACWA News

MEMORANDUM

Date: May 1, 2017

To: ACWA REGION 10 MEMBER AGENCY PRESIDENTS AND GENERAL MANAGERS
(sent via e-mail)

From: ACWA REGION 10 NOMINATING COMMITTEE
Doug Wilson, Padre Dam Municipal Water District
Bob Hill, El Toro Water District
Phil Anthony, Orange County Water District
Gary Arant, Valley Center Municipal Water District

The Region 10 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the 2018-2019 term. The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 10 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members and serve as a key role in ACWA's grassroots outreach efforts.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; the Election Timeline; and the Region 10 Rules and Regulations (all located at <http://www.acwa.com/content/region-elections>) and complete the following steps:

- **Complete the attached Region Board Candidate Nomination Form**
- **Obtain a Resolution of Support from your agency's Board of Directors**
- **Submit the requested information to ACWA as indicated by Friday, June 30, 2017**

The Region 10 Nominating Committee will announce their recommended slate by July 31, 2017. On August 1, 2017 the election will begin with ballots sent to General Managers and Board Presidents. One ballot per agency will be counted. The election will be completed on September 29, 2017. On October 5, 2017, election results will be announced. The newly elected Region 10 Board Members will begin their two-year term of service on January 1, 2017.

If you have any questions, please contact Senior Regional Affairs Representative Brandon Ida at brandoni@acwa.com or (916) 441-4545.

ACWA Region 10 Rules & Regulations

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

Officers

The chair and vice chair shall be from different counties.

At least one of the chair or vice chair positions must be an elected/appointed director from a member agency.

The region board members shall alternate every two years with three from one county and two from the other. The county from which the chair comes from shall have two region board members and the county from which the vice chair comes from shall have three region board members.

The chair will provide the region secretary.

Meetings

The region will hold at least quarterly meetings, including the ACWA spring and fall conferences.

The region chair will determine when and if nonmembers are invited to regional activities or events.

Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized

Updated May 2011

representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)

Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of four persons, two from each county.

The nominating committee shall pursue qualified members within the region to run for the region board and consider geographic diversity, agency size and focus in selecting a slate.

A member of the nominating committee cannot be nominated by the committee for an elected position.

See current region election timeline for specific dates.

Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

The chair and vice chair will recommend an official alternate for excused committee members.

Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a “release and waiver” to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

Finances

See “*Financial Guidelines for ACWA Region Events*” document.

Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors. The region 10 rules and regulations can be changed at any time with advanced written notice to member agencies.

THE ROLE OF THE REGIONS

Mission:

ACWA Regions will provide the grassroots support to advance ACWA's legislative and regulatory agenda.

Background:

As a result of ACWA's 1993 strategic planning process, known as Vision 2000, ACWA modified its governance structure from one that was based on sections to a regional-based configuration. Ten regions were established to provide geographic balance and to group agencies with similar interests.

The primary charge of regions:

- To provide a structure where agencies can come together and discuss / resolve issues of mutual concern and interest and based on that interaction, provide representative input to the ACWA board.
- To assist the Outreach Task Force in building local grassroots support for the ACWA Outreach Program in order to advance ACWA's legislative and regulatory priorities as determined by the ACWA Board and the State Legislative, Federal Affairs or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist staff with association membership recruitment at the regional level.
- To recommend specific actions to the ACWA Board on local, regional, state and federal issues as well as to recommend endorsement for various government offices and positions.
 - *Individual region boards CANNOT take positions, action or disseminate communication on issues and endorsements without going through the ACWA Board structure.*

Region chairs and vice chairs, with support from their region boards, provide the regional leadership to fulfill this charge.

GENERAL DUTIES / RESPONSIBILITIES FOR REGION OFFICERS

Region Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Chair will also call at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
 - Appoints Outreach Captain to help lead outreach effort within the region.

- Presides over all region activities and ensures that such activities promote and support accomplishment of ACWA's Goals.
- Makes joint recommendations to the ACWA President regarding regional appointments to all ACWA committees.
- Appoints representatives in concurrence of the region board, to serve on the region's nominating committee with the approval of the region board.
- Facilitates communication from the region board and the region membership to the ACWA board and staff.

Region Vice Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Vice Chair will also participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- In the absence of the chair and in partnership with the chair, exercises the powers and performs duties of the region chair.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.

Region Board Member:

- May serve as alternate for the chair and/or vice chair in their absence (if appointed) to represent the region to the ACWA Board.
- Will participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Supports program planning and activities for the region.
- Actively participates and encourages region involvement in ACWA's Outreach Program.



REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)

- Chair _____
- Vice Chair _____
- Board Member _____

In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section? (If neither is selected, your name will NOT appear on the ballot.)

- Yes
- No

Agency Function(s): (check all that apply)

- Wholesale
- Sewage Treatment
- Flood Control
- Urban Water Supply
- Retailer
- Groundwater Management / Replenishment
- Ag Water Supply
- Wastewater Reclamation
- Other: _____

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

*I hereby submit my name for consideration by the Nominating Committee.
(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

 Signature Title Date

RESOLUTION NO. 4913

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT
PLACING IN NOMINATION BRIAN J. BRADY
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 10 VICE CHAIR

* * * * *

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT AS FOLLOWS:

A. Recitals

- (i) The Board of Directors of the Fallbrook Public Utility District does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).
- (ii) General Manager Brian J. Brady is currently serving as Chair for ACWA Region 10.
- (iii) Brian J. Brady has indicated a desire to serve as Vice Chair of ACWA Region 10.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT:

- (i) Does place its full and unreserved support in the nomination of Brian J. Brady for Vice Chair of ACWA Region 10.
- (ii) Does hereby determine that the expenses attendant with the service of Brian J. Brady in ACWA Region 10 shall be borne by the Fallbrook Public Utility District.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 22nd day of May, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

* * * * *

I, Mary Lou West, Secretary to the Board of Directors of the Fallbrook Public Utility District, hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 22nd day of May, 2017, and was adopted at that meeting by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Mary Lou West, Secretary to the
Board of Directors of the Fallbrook Public
Utility District

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JRB
DATE: May 22, 2017
SUBJECT: Participation in the Uniform Public Construction Cost Accounting Act Procedures

Purpose

To introduce for Board consideration the District electing to become subject to the Uniform Public Construction Cost Accounting Act, Public Contract Code § 22000 et seq.

Background

At the September 2016 regular Board meeting the Board requested a review of the District's local preferences policy for purchases, which staff and legal counsel conducted. At the December regular 2016 Board meeting, staff and legal counsel provided an overview of the results of that review, informing the Board that a local preference for local vendors could be implemented, to a limited extent, for purchases for public projects and goods which fall beneath the dollar thresholds for contracts that must be awarded to the lowest responsible bidder. Staff and legal counsel cautioned that constitutional equal protection issues must be considered in implementing such a policy to mitigate the risk of legal challenge. The Board then directed staff and legal counsel formalize a local preference policy for inclusion in the District's Administrative Code, for Board review and approval including a process to better solicit local vendors.

Thereafter, staff and legal counsel, while moving forward with the update to the District's Administrative Code bidding and purchasing provisions, identified an opportunity to increase efficiency and implement a more workable cohesive bidding and purchasing procedure in light of the current legal requirements under which the District operates.

Summary

The District presently operates under Public Contract Code §§ 20200 et seq. and 20202.1 et seq., which generally require competitive bidding for all contracts for construction (including alteration, maintenance, and repair) in excess of \$15,000 and contracts for "articles"¹ in excess of \$10,000.

¹ The term "articles" includes goods, materials, supplies, equipment, capital assets, and advertising required to carry on the day-to-day operations of the District, including without limitation, office supplies, computer hardware and

As stated above, staff has concluded that there is a need to increase efficiency and implement a more workable, cohesive bidding and purchasing procedure. To achieve these goals, staff proposes that the District elect to follow the alternate bidding and purchasing procedures known as the Uniform Public Construction Cost Accounting Act, Public Contract Code § 22000 et seq., (the "Act").

The Act was passed in 1983 after the State Legislature identified a need for statewide uniformity of cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the State. The Act provides alternative bidding procedures which are available only to local agencies that elect to become subject to the Act.

The Act enables the District to raise its bidding threshold to \$45,000² and establishes both informal and formal bidding procedures. The informal bid procedures would apply to public projects between \$45,000 and \$175,000,³ and the formal bid procedures would apply to public projects of \$175,000 or more. While the purchase of articles is not included in the Act's definition of a "public project," it does permit a public agency which has elected to become subject to the Act to utilize the bidding procedures "when contracting for any other work which does not fall within the definition of 'public project'." (Pub. Contract Code § 22003.) Therefore, should the District elect to become subject to the Act, it appears that it may utilize the same bidding procedures for both construction projects and the purchase of articles.

Under the Act, contracts under \$45,000 may be performed by the District's employees by force account, negotiated contract, or by purchase order. (Pub. Contract Code § 22032(a).) For contracts between \$45,000 and \$175,000, the informal bidding process involves mailing a notice inviting informal bids 10 days before bids are due to contractors on a list maintained by the District and to construction trade journals. Allowing the informal bidding procedure for these contracts improves efficiency by cutting down on staff time and paperwork previously spent adhering to formal bidding requirements. The formal bidding process for contracts of \$175,000 or more requires compliance with State and local laws for competitive bidding, as well as following the specific time requirements set forth in the Act for sending and publishing the Notice Inviting Bids and providing specified information in the Notice. If the District opted into the Act, the Board would still retain the authority to establish contracting authority levels—currently the Board must award contracts and agreements in excess of \$22,000.

The Act would enable the District to create a single cohesive bidding procedure for all contracts, whether for construction contracts or for purchases of articles, instead of the

software, communications equipment, equipment, materials and supplies for distribution and treatment, including meters, meter parts, and pipeline materials.

² We highlight the fact that if the District opts into the Act, nothing precludes the District from establishing thresholds for both informal and informal bidding at a level below the maximum statutorily authorized levels.

³ See footnote 1.

bifurcated Public Contract Code scheme public utility districts must otherwise follow. In addition, staff has determined that 1) opting in will ensure the District's job cost accounting provides an apples to apples comparison of outside contractor costs to better evaluate internal versus external services 2) the Act provides the District greater flexibility to address procurement needs over the existing somewhat outdated procurement requirements, and 3) the streamlined procurement process, especially the informal bidding process, will also help the District to better utilize local suppliers.

In order to take advantage of the benefits of the Act, the District will need to adopt a resolution to elect to become subject to the Act and notify the State Controller. The District will also need to revise its admin code to implement the procurement procedure.

Recommendation

The Act offers significant benefits to the District's procurement methods. It is recommended that the Board direct staff to proceed with formalizing this process with legal counsel for consideration at the next Board meeting. This will include development of updates to the District's Administrative Code to address compliance with the Act as well implementation of a local preference policy.

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act (“the Act”). Public Contract Code section 22000 et seq., unless stated otherwise, all references are to the Public Contract Code.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state.” Section 22001. The Act is a voluntary program that is available to all public entities in the State but it only applies to those public agencies that have “opted in” to the provisions set forth by the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$45,000 or less to be performed by the public agency’s force account, by negotiated contract, or by purchase order. Section 22032(a). Public projects in the amount of \$175,000 or less can use the informal bidding procedures set forth in the Act in Section 22032(b). Public projects at a cost of more than \$175,000 shall use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

3. What are the benefits of the program?

- a) Increased force account limit
- b) Informal bidding for projects that are \$175,000 or less which do not require advertising.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal challenges with the accounting requirements and the overhead portion. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office. Section 22030. Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing a resolution of the agency's election to withdraw with the State Controller's Office.

7. What is the California Uniform Construction Cost Accounting Commission?

It is the Commission created to administer the Act. Section 22010. It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

8. What are the Uniform Public Construction Cost Accounting Procedures?

They are procedures to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency's own work force found at www.sco.ca.gov/ard_cuccac.html. The procedures follow normal accounting in the industry and in many cases are not much different from those already in place at the agency. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf

School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.

9. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and that contract all of its public projects to third parties?

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.

10. What is meant by the term "qualified contractors" as it pertains to the Act?

Qualified contractors are legally qualified contractors who perform work as a licensed contractor. In addition, the Commission has determined that nothing in the Act prohibits a participating agency from, at their discretion, using an objective pre-qualification process in the formation and maintenance of their Qualified Contractors lists.

11. Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission.

12. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list.

13. What is the difference between qualifying contractors under the Act and requalification of contractors under Section 20101?

Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria and does not apply to the Act. The prequalification process is applicable under the Local Agency Public Construction Act.

14. Must a public agency: (1) Notify contractors about public projects if the contractor is believed to not have the skills, credentials, or experience to perform the work required for the public project? (2) Consider bids submitted by a contractor that the public agency believes does not have the skills, credentials, or experience to perform the work?

- a) Yes. If a contractor is on the Qualified Contractors List the contractor must be notified by the agency of public projects for which he is licensed to perform. Section 22034(a)(1)
- b) Yes. All bids received from qualified contractors must be considered. Section 22034(a)(1).

15. Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

For the purposes of the Public Contract Code, “emergency” is defined at Section 1102 as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Act sets forth in Section 22035(a) how a governing body would proceed in the case of emergency repairs or replacements. This section states, “In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.” Section 22050 et seq., provides the emergency contract procedures to be followed in these cases.

16. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

No. The alternative bidding procedures can be used when contracting for “maintenance work” as defined at Section 22002(d) or when contracting for other work that does not fall within the definition of “public work” as defined in Section 22002(c).

17. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties. Section 22015(c).

18. What are the most common concerns addressed by the Act?

These are:

- a) Cost accounting policies and procedures;
- b) Informal bidding procedures;
- c) Accounting procedures review.

The cost accounting requirements follow those common to the construction industry. The informal bidding on public projects up to \$175,000 is seen by the agencies as an asset enhancing project completion. Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission’s history.

19. Does an agency have to calculate an overhead rate in order to apply the accounting procedures?

No. Cities with populations of less than 75,000 shall assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment and labor. Section 22017(b)(1). Cities with a population of more than 75,000, may either calculate an actual overhead or assume an overhead rate of 30% of the total costs of a public project including the costs of material, equipment and labor. Section 22017(b)(2).

20. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act only supersedes the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements are applicable.

21. Can a public agency, claim to be to be exempt from following all of the requirements in the Public Contract Code by claiming they only have to follow the language and procedures within the Act?

The Act is part of the Public Contract Code therefore, if the Act is silent on a particular matter the rest of the Public Contract Code would apply.

22. If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

No. The Commission cannot review any complaint of improper advertising by any public agency. The Commission can only review the accounting procedures of a public agency when a complaint from an interested party provides evidence that the participating agency:

1. Performs work, after rejecting all bids, claiming it can do it less expensively. (Section 22042(a))
2. The work performed exceeded the force account limits. (Section 22042(b))
3. The work has been improperly classified as maintenance. (Section 22042(c))
4. A public agency is accused of not complying with the informal bidding procedures set forth at Section 22034. (Section 22042.5)

23. Section 20112 specifically requires school districts to advertise twice for a two week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. Advertising once, 14 days in advance of the date of opening of bids is what is required by the Act. Districts participating in the Act may choose to maximize their outreach by continuing to advertise twice.

24. May a public agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?

No. Section 22033 provides that, “It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding”. Separating “like work” would only be permitted as long as the total of all the “like work” is less than \$45,000. If the work is more than \$45,000, the work needs to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

25. May a public agency bid out 2 separate projects that occur at the same time and site, but are different types of work?

Yes, there is no violation if the work is being competitively bid. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limits will apply.

26. Does a value need to be assigned to the volunteer labor when the California Conservation Corps, or some such volunteer organization provides volunteer labor on a public project?

No. Volunteer labor from the California Conservation Corps, or some such volunteer organization does not need to be included as a cost of a public project for bid limits purposes where no costs are associated with the volunteer labor.

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

27. Does a public agency by opting into the Act, automatically bring all departments of the public agency into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments will be exempt.

28. When a public agency opts into the Act, does it automatically bring all districts under control of the Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made for each special district.

29. PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do schools and special districts that cannot adopt Ordinances do to comply?

The Commission cannot provide legal advice. The school districts and special districts should check with their own legal counsel on how to comply with Section 22034.

Additional inquiries and questions can be directed to:

State Controller's Office

Local Government Programs and Services Division

Local Government Policy Section

P.O. Box 942850

Sacramento, CA 94250

or email LocalGovPolicy@sco.ca.gov

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, *JRB*
DATE: May 22, 2017
SUBJECT: Manhole Rehabilitation Services Project Award

Purpose

To present to the Board for approval of award to Zebron Contracting for the Fiscal Year 16/17 Manhole Rehabilitation Services Project for \$139,900.

Summary

The District has a program to identify and reline deficient manholes annually. This program is critical to maintain the integrity of the sewer collections system. The District prioritized eleven manholes that required rehabilitation and prepared documents to procure services to rehabilitate these manholes.

Due to the specialty nature of this work only two proposals were received:

Company	Bid Amount
Zebron Contracting	23,925.00
Sancon Engineering, Inc.	50,600.00

Zebron Contracting was the apparent lowest bidder at \$23,925. Staff had budgeted \$49,173 for the Project. Zebron Contracting has previously done relining work for the District and the work was satisfactory.

Recommended Action

That the Board authorize award of the Manhole Rehabilitation Services Project to the apparent lowest responsible bidder of Zebron Contracting at an amount of \$23,925.

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager / JAB
DATE: May 22, 2017
SUBJECT: Fire Management Plan for the Santa Margarita River Property

Purpose

To provide the requested information to the Board on preparation of a Fire Management Plan for the Santa Margarita River (SMR) Property

Summary

The District is currently in escrow with Western Rivers Conservancy for the sale of the SMR Property. The Board has requested information on the cost of preparing a Fire Management Plan for the property. If the plan is completed and the property is sold, the long-term steward would be responsible to follow any recommendations in the plan. If the District continues to own the property, the costs for any fire management items would be borne by the District.

The District staff reached out to local contractors that perform this work and an outline of the tasks anticipated to be in the Fire Management Plan is below:

1. Acquire digital property information (vegetation/biological, topography, boundary lines, fire history, weather, etc.)
2. Review digital files and develop field maps
3. Conduct field assessments and hazard analysis, collect information, and analyze risk
4. Conduct fire behavior modeling
5. Prepare Fire Management Report, which would include:
 - a. Discussion of existing conditions (fuels, topography, climate, land uses on and adjacent, assets to be protected – including habitat, watershed, structures, private property, etc)
 - b. Methods
 - c. Potential fire hazards,
 - d. Prioritized hazard reduction recommendations
6. Project Meetings – including with District staff and North County Fire Protection District and Cal Fire.

The estimated cost of this effort is \$50,000.

Recommended Action

If the Board wishes to pursue this effort, the Board direct staff to solicit for professional services to prepare a Fire Management Plan for the Santa Margarita River Property. Staff will bring back their recommendation for award to the Board for approval.

MEMO

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, *JBB*
DATE: May 22, 2017
SUBJECT: N. Brandon and E. Alvarado Sewer Replacement Project

Purpose

To present for Board approval of award for construction of the N. Brandon and E. Alvarado Sewer Replacement Project.

Summary

In 2012, the District completed an evaluation for replacement of two sewer sections that are in poor shape in Mission Road and in N. Brandon and E. Alvarado and have had past overflow issues. The sections along Mission Road have been completed and the next phase is the sewer line in Brandon Road and in Alvarado Street. The extent of the replacement is shown in the attached figure. This sewer line was installed in the early 1950s and is in poor condition. Some sections flow full, or almost full, that is not in compliance with sewer design standards and presents a risk for overflows and fines. During storm events, these sections can surcharge and almost overflow from the manholes. The replacement of this section was identified as a priority in the recently completed Sewer Lline Asset Management Plan.

The District staff prepared the design package for the project and solicited for general contractor construction bids. The following bids were received:

Company	Bid
CCL Contractors	1,379,000
Schilling Paradise	1,381,877
Downing	1,393,039
PAL Eng.	1,499,250
Southland Paving	1,634,700
Palm Eng.	1,806,600
Filanc	1,817,000
Utah Pacific	2,198,000

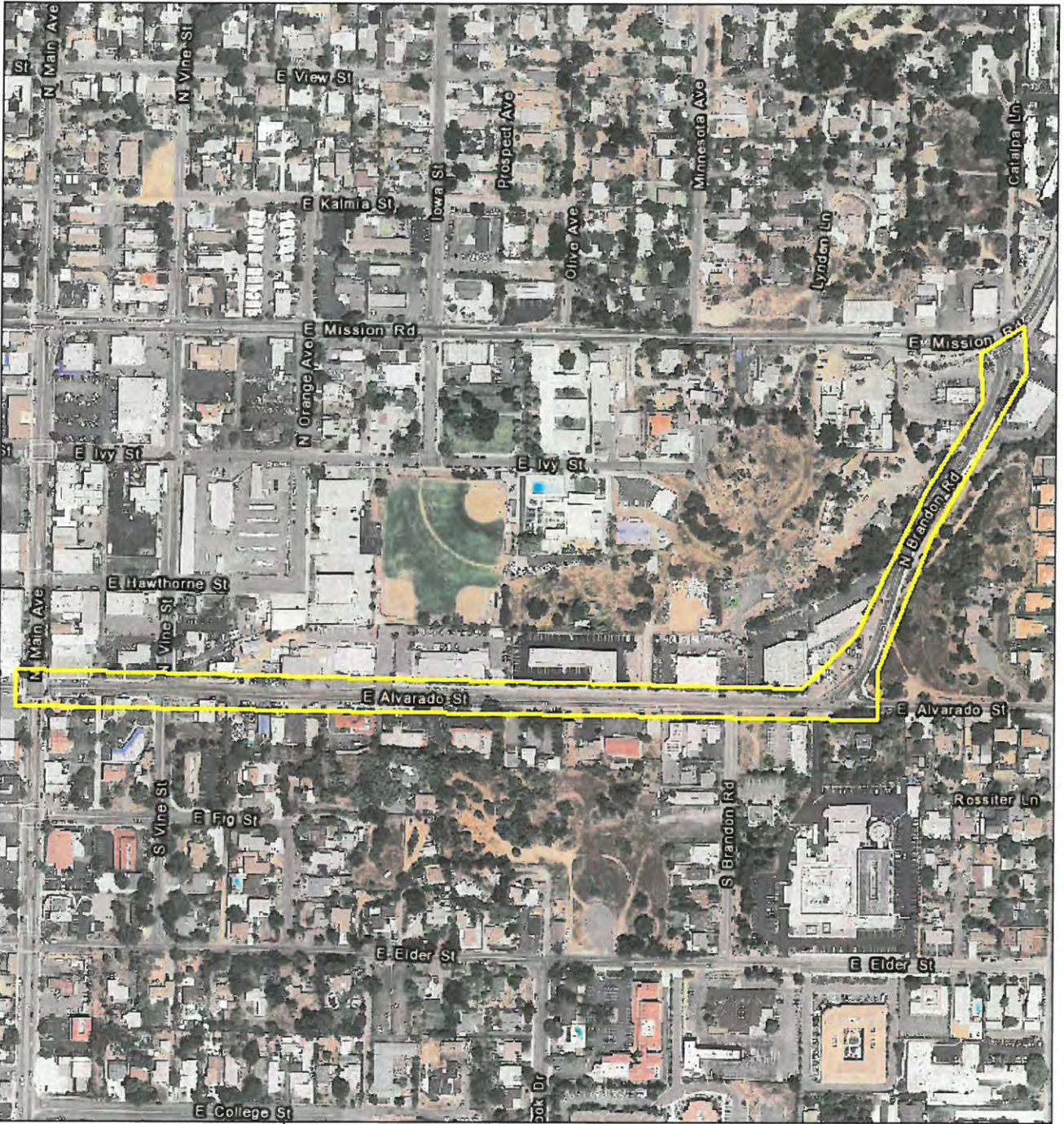
CCL Contractors was the apparent lowest bidder. CCL has previously done work for the District and it was satisfactory.

Due to the location of this project, the project will have traffic impacts during construction and staff will develop a plan based on the contractor schedule to provide timely notice of construction traffic impacts.

Staff has budgeted \$1,500,000 for Project for FY 2017/2018.

Recommended Action

That the Board authorize award of the N. Brandon and E. Alvarado Sewer Replacement Project to the lowest responsible bidder of CCL Contractors at an amount of \$1,379,000 to replace the deficient sections of the sewer line in Brandon Road and in Alvarado Street.



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

 PROJECT LOCATION



BRANDON/ALVARADO SEWER MAIN REPLACEMENT



Source: ESRI, BANG & Fallbrook Public Utility District. Projection: California State Plane NAD 83 Feet, Zone 6. EPOCH 1991.35
 Map Created by: Todd Jester (9-1-16), X:\GIS Files\ESRI\ESRI 8000 - Developer\GIS - Miscellaneous Projects\New Projects\ALVARADO_SEWER\ALVARADO_SEWER_EXTENSION.XD

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager *ME*
DATE: May 22, 2017
SUBJECT: Develop a Policy for Closing the Fiscal Year

Purpose

To develop a policy which details the timeframe of closing the fiscal year.

Summary

At the most recent Fiscal Policy and Insurance Committee meeting, the Committee asked staff to begin creating a procedure for closing the month of June and the fiscal year.

The month of June needs to be closed before staff can begin working on closing the fiscal year. It is extremely important that the month be closed accurately. Accuracy is more important than the speed and timing of the close. If the month is not closed accurately, audit findings could occur. For example, if a June invoice is received after the close and is posted to July and is then subsequently tested by the auditors, it will result in an audit finding. During a routine year (without special audits or software conversions) it is reasonable that the month of June be closed by the end of July.

The close of the fiscal year includes counting and re-counting of inventory in the warehouse and also the inventory of water in Red Mountain Reservoir. Additional closing procedures include capitalization of district and developer capital jobs along with complex calculations which are done only at year end. During a routine year, it is reasonable that the fiscal year be closed out by the 20th of August.

Staff has reached out to other North County agencies for their input.

Recommended Action

No action at this time. Staff to report back in June with information from other agencies on their closing procedures and timelines.

M E M O

TO: Board of Directors
FROM: Fiscal Policy and Insurance Committee
DATE: May 22, 2017
SUBJECT: Acceptance of Debt Management Policy

Purpose

To accept the Debt Management Policy as reviewed by the Fiscal Policy and Insurance committee on May 17, 2017.

Summary

Per the requirements set forth in Chapter 307, Statutes of 2016 (Senate Bill 1029, Herzog) of the State of California, District is required to have a formal written Debt Management Policy.

The staff used the services of our investment firm, PFM, for assistance in writing the policy. The policy is in compliance with all the requirements set forth in the statutes of 2016 of the State of California.

Having an approved Debt Management Policy is also a requirement of the SRF loan packet for the Santa Margarita Conjunctive Use Project.

Recommended Action

That the Board accept the Debt Management Policy as recommended by the Fiscal Policy & Insurance Committee.

**FALLBROOK PUBLIC UTILITY
DISTRICT**



**DEBT MANAGEMENT POLICY
APRIL 2017**

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Policy Statement

This Debt Management Policy ("Policy") documents Fallbrook Public Utility District's (the "District" or "FPUD") goals and guidelines for the use of debt instruments for financing District water, wastewater and recycled water infrastructure, projects, and other financing needs. The District recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities to ensure future viability of services, and that the appropriate use of debt can facilitate the timely construction of such facilities.

The District expects to pay for infrastructure and other projects (e.g., water supply) from a combination of current revenues, available reserves, and prudently issued debt. FPUD recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is cost-effective and fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iii) if there are other important policy reasons therefor. All District debt will be approved by the Board of Directors ("Board").

To achieve the highest practicable credit ratings and endorse prudent financial management, the District is committed to systematic capital planning, and long-term financial planning. Evidence of this commitment to long term capital planning is demonstrated through adoption and periodic adjustment of the District's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding capital improvement projects over the planning horizon.

Purpose of the Policy

The purpose of this Policy is to establish parameters for issuing debt; provide guidance to decision makers with respect to options available to finance capital projects and support other financing needs so that the most prudent, equitable and cost effective method of financing can be chosen; and promote objectivity in the decision-making process.

The District will adhere to the following legal requirements for the issuance of debt:

- The state law which authorizes the issuance of the debt;
- The federal and state law which govern the eligibility of the debt for tax-exempt status;
- The federal and state law which govern the issuance of taxable debt;
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance; and
- Generally Accepted Accounting Principles (GAAP).

Purpose and Use of Debt

The District will utilize reasonable debt financing to fund long-term improvements and thus ensure that existing and future users pay an equitable and fair share of capital project funding requirements. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or expansions to existing water, wastewater and recycled water capacity and facilities. Debt can be issued to fund the planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment and other costs as permitted by law.

The District will not issue debt to cover operating needs.

The District may utilize short term financing (including leases) to finance certain essential equipment and vehicles. These assets range from service vehicles to laboratory equipment. The underlying asset must have a minimum useful life of one year or more. Short-term financings, including loans, on bill financing and capital lease purchase agreements, are executed to meet such needs.

The General Manager and Administrative Services Manager/Treasurer will periodically evaluate the District's existing debt and execute re-financings or prepayment (refunding) when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to refund other obligations, such as commercial paper or loans.

The General Manager and Administrative Services Manager/Treasurer shall be responsible for analyzing any debt financing proposal to determine if it is beneficial to the District complies with the District's long-term financial planning objectives, including maintaining or improving the current credit ratings assigned to outstanding public debt (if applicable) by the major credit rating agencies.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued upon Board authorization. No debt shall be issued with a maturity date greater than the expected weighted average useful life of the facilities or improvements being financed. The final maturity of bonds or State Revolving Fund (SRF) loan debt shall be limited to 30 years after the date of issuance, unless circumstances warrant otherwise (e.g. Federal funding programs that offer 35-year repayment terms).

Debt Management

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting process. Necessary appropriations for annual debt service requirements will be routinely included in the District's budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

The District's Debt Management Policy and Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management.

The proceeds of the bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The District's Investment Policy and the specific bond indentures and/or loan agreements govern objectives and criteria for investment of bond proceeds. The Administrative Services Manager/Treasurer will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

Proceeds from bond or other debt issuance will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District cash. The District's trustee will administer the disbursement of bond proceeds pursuant to an Indenture of Trust. Requisition

for the disbursement of bonds funds will be approved by the District's General Manager or Administrative Services Manager/Treasurer. The District's Engineering Department is responsible for reviewing expenditures and submitting for reimbursement from the State of California with respect to State Revolving Fund (SRF) Loans.

The Administrative Services Manager/Treasurer will monitor dedicated debt reserve fund balances and periodically review the advisability of prepayment or refunding of related debt. The financial advantages of a current refunding must outweigh the cost of reissuing new debt. A potential refunding will be assessed in combination with any new capital projects requiring financing, and the benefits of the refunding will be evaluated in relation to its costs and risks.

Debt can be refunded to achieve one or more of the following objectives:

- Reduce future interest costs; Restructure future debt service in response to evolving conditions regarding anticipated revenue sources; and
- Restructure the legal requirements, termed covenants of the original issue to reflect more closely the changing conditions of the Agency or the type of debt.

Debt Service Coverage Target

The District will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in acceptable debt ratios. In determining the affordability of proposed revenue bonds, the District will perform an analysis comparing projected annual net revenues (after payment of operating and maintenance (O&M) expense) to estimated annual debt service and estimated debt coverage ratio (DCR). DCR is the amount of cash flow available to meet annual interest and principal payment on debt.

Debt Instrument Rating

The Administrative Services Manager/Treasurer, in consultation with a financial advisor if appropriate, will assess whether a credit rating should be obtained for an issuance and make a recommendation to the Board. If it is determined that a credit rating is desirable, the probable rating of the proposed debt issuance is assessed before its issuance, and necessary steps are taken in structuring the debt issuance to ensure that the best possible rating is achieved.

Debt Structuring

In structuring a debt issuance, the District will manage the amortization of debt, and to the extent possible, match its cash flow to the anticipated debt service payments. The District will seek to structure debt with aggregate level principal and interest payments over the life of the borrowing. "Backloading" of debt service will be considered only when such structuring is beneficial to the District's aggregate overall debt payment schedule.

The Administrative Services Manager/Treasurer and/or General Manager will evaluate and recommend to the Board the use of a call option, if any, and call protection period for each issuance. A call option, or optional redemption provision, gives the District the right to prepay or retire debt prior to its stated maturity. This option may permit the District to achieve interest savings in the future through refunding of the bonds. Because the cost of call options can vary widely, depending largely on market conditions, an evaluation of factors, such as the call premium, time until the bonds may be called at a premium or at par, and interest rate volatility

will all be considered when determining the call option. Generally, 30-year tax exempt municipal borrowings are structured with a 10-year call at no premium.

Types of Allowable Debt

There are many different types of financing instruments available to the District. The following are brief summaries of the types of long and short-term debt obligations that the District may consider:

Revenue Obligations/Certificates of Participation. Long-term revenue obligations / COPs issued through the District, a financing corporation, joint powers agency or other entity should be used to finance and refurbish capital facilities, projects and certain equipment where it is determined to be cost effective and fiscally prudent. Long-term revenue obligations will not be used to fund operations of the District. The scope, requirements, and demands of the budget, reserve levels, and the ability or need to expedite or maintain the programmed schedule of approved capital projects, will also be factors in the decision to issue long-term debt. Revenue obligations / COPs will be structured to achieve the lowest possible net cost to the District given market conditions while balancing risks, considering the District's CIP, and the nature and type of security to be provided.

The District's debt capacity will not exceed legal or contractual limitations, such as rate covenants or additional debt tests imposed by existing financing covenants. Prior to the issuance of any new revenue obligations, the impact of debt service payments on total annual fixed costs will be analyzed.

As users of the District facilities will benefit from long-term capital investments in future years, it is appropriate that future revenues pay a share of the costs and more closely match the term of repayment to the expected economic useful life of the project being financed.

Commercial Paper. Commercial paper and similar financing products including revolving bank credit agreements and letters of credit are cash management programs that the District may use to provide interim and long-term funding for capital expenditures that will ultimately be funded from another source such as a grant or long-term debt. Such a program may be implemented directly by the District or through a financing corporation or other entity. If implemented through a financing corporation or other entity a tax revenue anticipation note or other instrument will be delivered by the District as security for the program. Periodic issuances or retirements of commercial paper notes or similar financing products within a Board approved program would not require further Board action once the program is implemented.

The Administrative Services Manager/Treasurer and/or General Manager is responsible for implementing and managing the District's commercial paper or similar financing program. The Administrative Services Manager/Treasurer will work closely with commercial paper dealers, if any, to develop a marketing strategy for the initial sale and subsequent roll-over of maturing amounts.

Fixed and Variable Rate Obligations. The District typically issues fixed-rate obligations. When appropriate, however, the District may choose to issue variable rate obligations (including Commercial Paper), or securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing or auction of securities. Variable rate exposure can provide a means to enhance asset/liability management. The primary goal of

asset/liability management is to mitigate the impact of increased interest costs in a rising interest rate environment, and mitigate the impact of decreased interest income in a declining interest rate environment. The Administrative Services Manager/Treasurer and/or General Manager will review the net variable rate exposure of the overall debt portfolio on a quarterly basis and at any time that additional debt is issued.

In selecting and retaining remarketing agents for variable rate debt, the District should choose remarketing agents that diversify its exposure and foster competition. The Administrative Services Manager/Treasurer and/or General Manager will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs, and market indices.

Grant Anticipation Notes. The District may issue short-term notes to be repaid with the proceeds of State or Federal grants if appropriate for the project and in the best interest of the District. Generally, grant anticipation notes ("GAN's") will only be issued if there is no other viable source of up-front cash for the project. Prior to embarking on selling GAN's the District must identify a secondary source of repayment for the GAN's in the event that expected grant funding does not occur.

Lease Financings. Lease obligations are a routine and appropriate means of financing certain types of equipment, but are generally not appropriate for long-term financing of capital assets such as land or facilities. Leases should be considered where lease financing will be more beneficial than funding from reserves or current revenues. The useful life of capital equipment, the term and conditions of the lease, the direct impact on debt capacity and budget flexibility will be evaluated prior to the implementation of a lease program. Cash flow sufficiency, capital program requirements, lease program structures and cost, and market factors will be considered in conjunction with Pay-As-You-Go strategies in lieu of lease financing.

State Revolving Fund Loans. The District may enter into loan agreements with the State Revolving Fund (SRF), which provides a low or zero interest loan program made available for specific construction projects. SRF loans are generally structured such that the District is required to contribute a percentage of the total project cost and receives loan proceeds from the State of California for the balance. The SRF loan interest rate is calculated by taking half of the True Interest Cost (TIC) of the most recent sale of State General Obligation Bonds. The term of the loans can be 20 or, if applicable, an extended financing term of 30 years. SRF Loans may provide additional assistance in the form of principal forgiveness. Principal forgiveness must be specified at the execution of the loan agreement for the amount forgiven to be counted against the total loan required to be provided by the SRF.

Water Infrastructure Finance and Innovation Act (WIFIA) Loans. The WIFIA program is a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. The WIFIA program can fund development and implementation activities for eligible projects, including wastewater conveyance and treatment projects that are eligible for the Clean Water SRF; drinking water treatment and distribution projects that are eligible for the Drinking Water SRF; enhanced energy efficiency projects at drinking water and wastewater facilities; brackish or seawater desalination, aquifer recharge, alternative water supply, and water recycling projects; drought prevention, reduction, or mitigation projects; acquisition of property if it is integral to the project or will mitigate the environmental impact of a project. The minimum project size is \$20 million and a WIFIA loan can fund up to 49% of an eligible project cost with a

maximum final maturity date of 35 years after the date of substantial project completion. The District will evaluate the use and applicability of WIFIA for qualifying capital projects.

In addition to some of the long and short term financing instruments described above that the District may access, the District may also consider joint arrangements with other governmental agencies when a project serves the public interest beyond the District's boundaries.

Communication and coordination will be made with other local, state, and federal governments regarding potential jurisdictional overlap, joint projects, tax issues, and other issues that may arise. If the potential does exist, then the possibility of grants or cost sharing will be explored, quantified, and specific financial arrangements and liabilities negotiated. Municipal issuers are authorized to join together to create a separate entity, a Joint Powers Authority (JPA), to issue bonds on behalf of the municipality. The Board may sit as the governing body of the agency or authority. Typically, joint venture debt is repaid through revenues generated by the project and if structured as a JPA, a debt issuance associated with joint venture arrangements does not require voter approval. The District will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.

Credit Enhancement

Credit enhancement may be used to improve or establish a credit rating on a District debt obligation. Types of credit enhancement may include Letters of Credit, bond insurance or surety policies. The Board may be asked to authorize a credit enhancement if it reduces the overall cost of the proposed financing or if, in the opinion of the General Manager or the Administrative Services Manager/Treasurer, the use of such credit enhancement furthers the District's overall financial objectives.

Debt Service Reserve Fund

Unless there are extraordinary circumstances, the District will size the debt issuance such that a debt service reserve fund is established at the time of issuance. On a case-by-case basis, assuming there is no economic or credit disadvantage, the District may issue bonds without a debt service reserve fund or a reserve that is sized at a lower level.

Capitalized Interest

Generally, interest shall be capitalized for the construction period of a revenue-producing project, that debt service expense does not begin until the project is expected to be operational and producing revenues. In addition, for lease back arrangements, such as those used for lease revenue bond transactions interest may be capitalized for the construction period, until the asset is operational. Only under extraordinary circumstances, interest may be capitalized for a period longer than the construction period. Capitalized interest is sometimes referred to as "funded interest."

Credit Ratings

The District will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the District's policy objectives. Ratings are a reflection of the general fiscal soundness of the District and the capabilities of its management. Maintaining the highest possible credit ratings allows the District to issue debt at a lower interest cost. To enhance creditworthiness, the District is committed to prudent financial management, systematic capital planning, and long-term financial planning. The District recognizes that

external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Each proposal for new debt will be analyzed for its impact upon the District's debt rating on its outstanding debt.

Rating Agency Relationships

District staff shall be responsible for maintaining professional relationships with the rating agencies: including Standard & Poor's, Moody's Investors Service, and Fitch Ratings, as appropriate. This effort shall include providing periodic updates, both formal and informal, on the District's general financial condition and coordinating meetings and presentations in conjunction with a new debt issuance, when determined necessary. Written disclosure documents to the rating agencies shall be provided by District staff. The retention of a rating agency relationship will be based on a determination of the potential for more favorable interest costs as compared to the direct and indirect cost of maintaining that relationship.

Bond Ratings

District staff, working with the District's financial advisor, shall be responsible for determining whether a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Method of Sale

The District will select the method of sale that best fits the type of debt being issued, market conditions, and the desire to structure maturities to enhance the overall performance of the entire debt portfolio.

Three general methods exist for the sale of municipal bonds:

- I. **Competitive sale.** Bonds are marketed to a wide audience of investment banking (underwriting) firms. The underwriter is selected based on its best bid for its securities. The District will award the sale of the competitively sold bonds on a true interest cost (TIC) basis. Pursuant to this policy, District staff are authorized to sign the bid form on behalf of the District fixing the interest rates on bonds sold on a competitive basis.
- II. **Negotiated sale.** District staff selects the underwriter, or team of underwriters, of its securities in advance of the bond sale. District staff works with the underwriter to bring the issue to market and negotiates all rates and terms of the sale. In advance of the sale, District staff will determine compensation for and liability of each underwriter employed and the designation rules and priority of orders under which the sale itself will be conducted. Pursuant to this policy, the General Manager or his designee (typically the Administrative Services Manager/Treasurer) will be authorized to sign the bond purchase agreement on behalf of the District, fixing the interest rates on bonds sold on a negotiated basis.
- III. **Private placement.** The District may elect to issue debt on a private placement bases. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or of it is

determined that access to the public market is unavailable and timing considerations require that a financing be completed.

Roles and Responsibilities

The primary responsibility for developing debt financing recommendations rests with the General Manager and/or the Administrative Services Manager/Treasurer. In developing such recommendations, consideration should be given to the need for debt financing and an assessment of the progress on the current CIP and any other program/improvement deemed necessary by the District. The Board will review, authorize and approve debt financing and/or debt service related recommendations and proposals.

All proposed debt financings shall be presented to the Board through the Fiscal Policy and Insurance Committee and subsequently approved by the full Board. Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of California Government Code (CGC) §54300 et seq.

Bond Counsel

The District will retain external bond counsel for all public debt issues. As part of its responsibility to oversee and coordinate the marketing of all District indebtedness, District staff shall make recommendations for approval by the Board on the retention of bond counsel.

Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing. All debt issued by the District will include a written opinion by bond counsel affirming that the District is authorized to issue the debt, stating that the District has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

Financial Advisors

The District will select financial advisors who may either be independent financial advisors or firms who engage in municipal bond underwriting or brokerage services. While serving as the District's financial advisor, a firm may not also engage in the underwriting of the District's debt issuance for which that firm also acts as financial advisor. A firm may also not switch roles (i.e., from financial advisor to underwriter) after a financial transaction has begun. Financial advisors shall be selected through a competitive process.

During the contract term of any party acting as financial advisor, neither the firm nor any individual employed by that firm will perform financial advisory, investment banking or similar services for any entity other than the District in transactions involving a financial commitment of the District without the specific direction of District staff.

The financial advisor will advise the District on refunding opportunities for current outstanding debt, as well as assist in evaluating the merits of competitive, negotiated or private placement of new debt, and determining the most appropriate structure to ensure effective pricing that meets the District's near-term and long term cash flow needs. The financial advisor will work with all parties involved in the financing transaction, including the District's bond counsel, trustee, underwriters, credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement. The financial advisor will assist the District in developing and distributing bid specifications for desired services as, trustee and paying agents, printing,

remarketing and credit liquidity service providers, and assist the District in its review process. The District also expects its financial advisor to provide objective advice and analysis, maintain confidentiality of the District's financial plans, and be free from any conflict of interest.

Underwriters

For negotiated sales, the District will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. District staff will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. The District will not be bound by the terms and conditions of any underwriting agreement; oral or written, to which it was not a party.

Internal Controls Related to the Expenditure of Bond Proceeds

Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District funds. The District's Trustee or Fiscal Agent will administer the disbursement of bond proceeds pursuant to each certain Indenture of Trust or Fiscal Agent Agreement, respectively. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the Engineering Department and approved by the Finance Department for payment. Requisition for the disbursement of bonds funds will be approved by the District's Administrative Services Manager/Treasurer or designated alternate.

The District will fully comply with federal arbitrage and rebate regulations. Concurrent with this policy, District staff will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues. All of the District's tax-exempt issuances are subject to arbitrage compliance regulations.

The District's Finance Department shall be responsible for the following:

- I. Monitoring the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the District shall meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.
- II. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
- III. Contracting the services of outside arbitrage consultants to establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of federal tax code.

To the extent any arbitrage rebate liability exists, the District will report such liability in its annual audited financial statements.

Continuing Disclosure

So long as the District has public debt outstanding, the District will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the Securities Exchange Commission (SEC) Rule 15c2-12 and consistent with the District's Standard Operating Procedure for Compliance with Security and Exchange Commission Rule 15c2-12. The Administrative Services Manager/Treasurer shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers.

The District will keep current with any changes to the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event of a 'material event' requiring immediate disclosure, the District will work with its Dissemination Agent to ensure dissemination of the information to the appropriate disclosure notification parties.

Compliance with Bond Covenants

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the District is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments
- Timely transfer of debt service payments to the trustee or paying agent
- Compliance with insurance requirements
- Compliance with rate covenants where applicable
- Compliance with all other bond covenants

On an annual basis, the District will prepare all required debt-related schedules and footnotes for inclusion in the District's audited financial statements. The audited financial statements shall describe in detail all funds and fund balances established as part of any direct debt financing of the District.

Policy Review

On an as needed basis, the Administrative Services Manager/Treasurer will be responsible for updating and revising this Policy, and present any recommended revisions to the Board.

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager, JAB
DATE: May 22, 2017
SUBJECT: Replacement of One Construction Crew Truck

Purpose

To present the Board a request replacement of one on-road construction crew fleet vehicle in accordance with the approved District Fleet and Heavy Equipment Replacement Program and associated budget.

Summary

As part of the District's asset management plan to maintain reliable infrastructure, it is important to have a reliable fleet and heavy equipment to support the replacement program and operational needs. In March 2015, the Board approved an Off Road Heavy Equipment and Fleet Replacement Program to ensure reliability of the District's vehicles and equipment. In April 2017, the District provided some updates to the plan to help prioritize equipment replacements.

District On Road Fleet Replacement

The District on-road fleet includes equipment used for operations, maintenance, and construction. Currently, there are some higher mileage vehicles in poor condition that need to be replaced. Bids were solicited to replace one of the existing construction crew trucks. It is 24 years old and is in poor condition. A copy of the evaluation for replacement of the vehicle per the adopted scoring system of the existing crew truck is attached. This truck is used to support pipeline and valve construction activities as well as leak repairs and plays an important role in maintaining reliable water service.

The bid results are attached (Attachment 1) and it is recommended to purchase one F550 4x2 to replace Vehicle 1111 from North County Ford in Vista, the lowest responsive bidder, for \$75,325.19. Eighty-five thousand dollars was budgeted for this vehicle in the approved fiscal year 2016-17 budget in accordance with the adopted fleet replacement plan.

Recommended Action

That the Board approve the purchase of one Ford F550 4x2 for \$75,325.19 from North County Ford in Vista, the lowest responsive bidder, in order to maintain a reliable District fleet to complete necessary infrastructure repairs and replacement.

Attachment 1

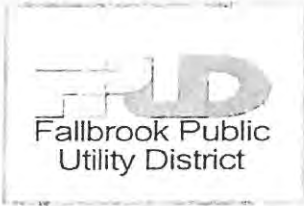
Fallbrook Public Utility District
Summary of RFP 2017- 95
Ford F550 4x2 Standard Cab with Scelzi Service Body

<u>VENDOR</u>	<u>Manufacturer</u>	LOT PRICE (Tax Included)
North County Ford * 450 West Vista Way Vista, CA 92083 Delivery: 160 Days ARO	Ford 2017 F550 with Scelzi Service Body	\$ 75,325.19 *
Fritts Ford 7990 Auto Drive Riverside, CA 92504 Delivery: 90-120 Days ARO	Ford 2017 F550 with Scelzi Service Body	\$ 76,931.72
Penske Ford 8970 La Mesa Blvd. La Mesa, CA 91942 Delivery: 90 Days ARO	Ford 2017 F550 with Scelzi Service Body	\$ 81,866.48

* Indicates Lowest Responsive Bid

No response from the following:

Raceway Ford, Kearny Pearson Ford, Ken Grody Ford, Sunrise Ford, Redlands Ford, Gosch Ford, Rush Truck Center, Ford of Escondido, Lake Elsinore Ford



990 E Mission Rd
 Fallbrook, CA
 Phone:(760) 728-1125
 Fax:(760) 728-8491

Vehicle/Equipment Evaluation Form

Vehicle or Equipment VIN or Serial # Truck # 1111 - 2F0JF37M2RB13508
 Vehicle or Equipment # 1111
 Make: Ford Model: F350 Year: 1993
 Mileage: 46604 Hours of Operation: 0
 Date of Evaluation: 5/8/2017 Evaluator: Toon Lange

System	Points
Age	24
Miles Hours	4.6
Type of service	1
Reliability	3
Maintenance Costs	3
Condition	3
Total Points	38.6

Diagnosis Code	Code Description
1	Excellent condition, like new, no repair needed in the near future
2	Good condition, minor wear and tear, system functions perfectly, no repair needed in the near future
3	Fair condition, significant signs of wear, system functions moderately well, repairs expected soon
4	Poor condition, substantial signs of degradation, system barely functions, repairs needed very soon

5	Bad condition, system inoperable repair, needed immediately
---	---

Point Ranges	
Under 20 points	Condition I: Excellent
20 to 23 points	Condition II: Good
24 to 30 points	Condition III: Qualifies for replacement
31 or more points	Condition IV: Needs immediate consideration

Evaluator's Comments:

38.6 Total Points

1993 Ford F350 - Parts are becoming
unavailable/obsolete

AGE - 24pts (1pt per year)

Miles - 46,000 = 4.6 pts (1 pt per 10,000)

Type of service = (.1) low maintenance

Reliability = 3 pts - constant replacement of hoses & parts,

Maintenance Costs = 3 pts - needs injectors, diesel pump, etc

Condition = 3 pts - truck is /has been well
used - 24 yrs old.



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

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

Board of Directors:

Milt Davies
Jennifer DeMeo
Al Gebhart
Don McDougal
Charley Wolk

Staff:

Brian J. Brady
General Manager

Jack Bebee
Assistant General Manager

Marcie Eilers
Admin Services Manager

Paula de Sousa Mills
General Counsel

Robert H. James
Of Counsel to the District

Mary Lou Boultinghouse
Board Secretary

**Treasurer's Report
April 30, 2017**

Money Market Account

Disbursements		1,912,742.94
Receipts	\$	2,607,870.89
Interest		
Balance as of 3/31/17	\$	940,362.85
Balance as of 4/30/17	\$	1,635,490.80

Operating Account

Disbursements	\$	1,951,129.95
Receipts	\$	1,928,265.72
Balance as of 3/31/17	\$	33,761.00
Balance as of 4/30/17	\$	10,896.77

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

Marcie Eilers
April 30, 2017

FALLBROOK PUBLIC UTILITY DISTRICT
PARS Post-Employment Benefits Trust

Monthly Account Report for the Period
3/1/2017 to 3/31/2017

Brian Brady
General Manager
Fallbrook Public Utility District
PO Box 2290
Fallbrook, CA 92088

Account Summary

Source	Beginning Balance as of 3/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 3/31/2017
OPEB	\$736,522.77	\$0.00	\$2,149.99	\$153.44	\$0.00	\$0.00	\$738,519.32
PENSION	\$100,013.12	\$500,000.00	\$300.18	\$20.84	\$0.00	\$0.00	\$600,292.46
Totals	\$836,535.89	\$500,000.00	\$2,450.17	\$174.28	\$0.00	\$0.00	\$1,338,811.78

As approved by the Board on 2/27/17

Investment Selection

Source	
OPEB	Moderate Index PLUS
PENSION	Moderately Conservative 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 Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.29%	Was .07%	-	-	-	-	2/16/2017
PENSION	0.06%	Was .01%	-	-	-	-	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.

Transaction Type	Trade Date	Settle Date	Security Description	CUSIP	Principal Proceeds	Accrued Interest	Total Amount
INTEREST	4/1/2017	4/25/2017	FNMA SERIES 2016-M9 ASQ2	3136ASPX8	-	156.19	156.19
INTEREST	4/1/2017	4/1/2017	BURLINGTON NRTH CORP	12189TBC7	-	4,700.00	4,700.00
BUY	4/3/2017	4/6/2017	BB&T CORP NOTES	05531FAX1	302,265.00	343.75	302,608.75
SELL	4/3/2017	4/6/2017	APPLE INC GLOBAL NOTES	037833AQ3	328,474.25	2,843.75	331,318.00
INTEREST	4/3/2017	4/3/2017	MONEY MARKET FUND	MONEY0002	-	10.53	10.53
SELL	4/5/2017	4/6/2017	GOLD COAST BANK LT CD	38058KCS3	245,085.75	56.38	245,142.13
BUY	4/5/2017	4/6/2017	BANK OF NOVA SCOTIA HOUSTON LT CD	06417GUE6	280,000.00	-	280,000.00
INTEREST	4/15/2017	4/15/2017	TOYOTA ABS 2016-C A3	89237WAD9	-	42.75	42.75
INTEREST	4/15/2017	4/15/2017	HYUNDAI AUTO RECEIVABLES TRUST	44891EAC3	-	80.63	80.63
INTEREST	4/15/2017	4/15/2017	JDOT 2017-A A3	47787XAC1	-	63.78	63.78
INTEREST	4/15/2017	4/15/2017	FORDO 2017-A A3	34531EAD8	-	132.21	132.21
INTEREST	4/15/2017	4/15/2017	CARMAX ABS 2016-3 A2	14314EAB7	-	121.48	121.48
INTEREST	4/15/2017	4/15/2017	CNH EQUIPMENT TRUST POOL	12636WAB2	-	157.17	157.17
INTEREST	4/15/2017	4/15/2017	JOHN DEERE ABS 2016-B A3	47788NAC2	-	36.46	36.46
INTEREST	4/15/2017	4/15/2017	TOYOTA ABS 2016-B A3	89231UAD9	-	119.17	119.17
PAYDOWNS	4/15/2017	4/15/2017	CARMAX ABS 2016-3 A2	14314EAB7	11,183.88	-	11,183.88
INTEREST	4/21/2017	4/21/2017	MORGAN STANLEY CORP NOTES	61746BEA0	-	4,375.00	4,375.00
INTEREST	4/24/2017	4/24/2017	FANNIE MAE GLOBAL NOTES	3135G0R39	-	1,267.92	1,267.92
INTEREST	4/25/2017	4/25/2017	SYNCHRONY BANK LT CD	36157QSM0	-	2,626.53	2,626.53
INTEREST	4/25/2017	4/25/2017	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	38141GVU5	-	3,806.25	3,806.25
INTEREST	4/28/2017	4/28/2017	BANK OF BARODA LT CD	0606246K4	-	2,504.37	2,504.37
INTEREST	4/30/2017	4/30/2017	US TREASURY NOTES	912828Q78	-	2,303.13	2,303.13
INTEREST	4/30/2017	4/30/2017	US TREASURY NOTES	912828Q78	-	1,031.25	1,031.25
INTEREST	4/30/2017	4/30/2017	US TREASURY NOTES	912828T67	-	1,562.50	1,562.50



Managed Account Summary Statement

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

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Summary - Managed Account	
Opening Market Value	\$14,215,222.38
Maturities/Calls	0.00
Principal Dispositions	(11,183.88)
Principal Acquisitions	(573,560.00)
Unsettled Trades	582,265.00
Change in Current Value	0.00
	27,218.09
Closing Market Value	\$14,239,961.59

Earnings Reconciliation (Cash Basis) - Managed Account	
Interest/Dividends/Coupons Received	27,997.45
Less Purchased Interest Related to Interest/Coupons	(343.75)
Plus Net Realized Gains/Losses	(1,021.59)
Total Cash Basis Earnings	\$26,632.11

Earnings Reconciliation (Accrual Basis)	
Ending Amortized Value of Securities	14,259,729.87
Ending Accrued Interest	68,317.04
Plus Proceeds from Sales	576,460.13
Plus Proceeds of Maturities/Calls/Principal Payments	11,183.88
Plus Coupons/Dividends Received	25,097.32
Less Cost of New Purchases	(582,608.75)
Less Beginning Amortized Value of Securities	(14,262,854.33)
Less Beginning Accrued Interest	(73,783.55)
Total Accrual Basis Earnings	\$21,541.61

Cash Transactions Summary - Managed Account	
Maturities/Calls	0.00
Sale Proceeds	576,460.13
Coupon/Interest/Dividend Income	25,097.32
Principal Payments	11,183.88
Security Purchases	(582,608.75)
Net Cash Contribution	0.00
Reconciling Transactions	0.00

Cash Balance	
Closing Cash Balance	\$61,959.71

← At 4/30/17



Portfolio Summary and Statistics

For the Month Ending April 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Account Summary

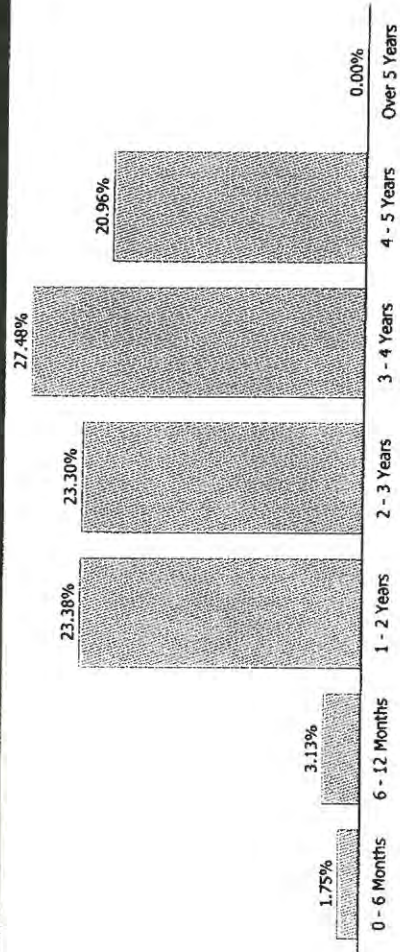
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	3,870,000.00	3,885,126.85	27.28
Federal Agency Collateralized Mortgage Obligation	105,000.00	105,040.25	0.74
Federal Agency Bond / Note	1,295,000.00	1,285,590.97	9.03
Corporate Note	4,142,000.00	4,194,631.31	29.45
Commercial Paper	350,000.00	348,542.05	2.45
Certificate of Deposit	3,625,000.00	3,648,300.19	25.62
Asset-Backed Security / Collateralized Mortgage Obligation	773,413.18	772,729.97	5.43
Managed Account Sub-Total	14,160,413.18	14,239,961.59	100.00%
Accrued Interest		68,317.04	
Total Portfolio	14,160,413.18	14,308,278.63	

Market value is greater than par value

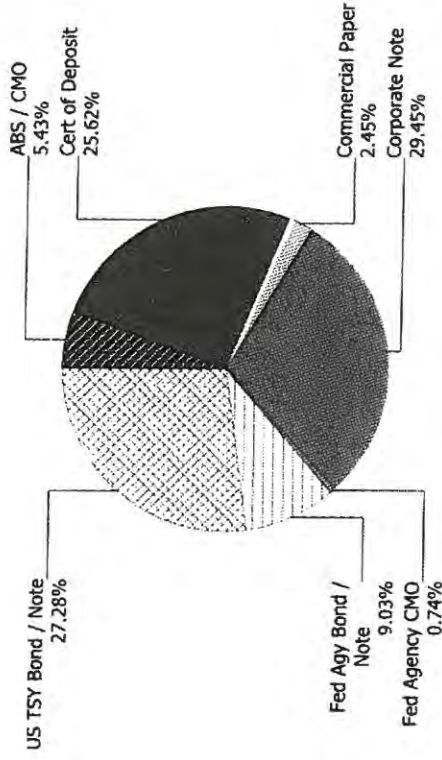
Unsettled Trades

0.00 0.00

Maturity Distribution



Sector Allocation



Characteristics

Yield to Maturity at Cost	Was 1.64% at 3/31/17	1.67%
Yield to Maturity at Market		1.64%
Duration to Worst		2.64
Weighted Average Days to Maturity	Holding steady	1025



Managed Account Issuer Summary

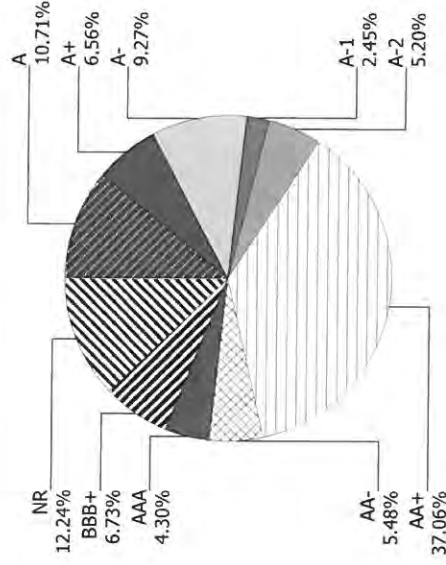
For the Month Ending April 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Issuer Summary

Issuer	Market Value of Holdings	Percent
AMERICAN EXPRESS CO	531,352.39	3.73
AMERICAN HONDA FINANCE	90,467.37	0.64
BANK OF BARODA	247,200.59	1.74
BANK OF MONTREAL	282,146.76	1.98
BANK OF NEW YORK CO INC	354,417.54	2.49
BANK OF NOVA SCOTIA	280,105.28	1.97
BB&T CORPORATION	551,617.70	3.87
BURLINGTON NORTHERN SANTA FE	213,960.80	1.50
CANADIAN IMPERIAL BANK OF COMMERCE	281,712.76	1.98
CAPITAL ONE FINANCIAL CORP	493,960.18	3.47
CARMAX AUTO OWNER TRUST	113,310.18	0.80
CATERPILLAR INC	568,420.51	3.99
CELTIC BANK	246,023.12	1.73
CHEVRON CORP	299,682.30	2.10
CIT BANK	100,291.40	0.70
CITIBANK CREDIT CARD ISSUANCE	120,248.42	0.84
CITIGROUP INC	99,771.90	0.70
CNH EQUIPMENT TRUST	150,415.83	1.06
FANNIE MAE	855,239.32	6.01
FEDERAL HOME LOAN BANKS	238,833.50	1.68
FIRST RESOURCE BANK	246,495.97	1.73
FORD CREDIT AUTO OWNER TRUST	94,986.35	0.67
FREDDIE MAC	296,558.40	2.08
GOLDMAN SACHS GROUP INC	290,262.16	2.04
HYUNDAI AUTO RECEIVABLES	74,497.81	0.52
ING GROUP NV	99,299.30	0.70
JOHN DEERE OWNER TRUST	64,847.02	0.46
JP MORGAN CHASE & CO	484,937.64	3.41
MITSUBISHI UFJ FINANCIAL GROUP INC	249,242.75	1.75
MORGAN STANLEY	568,244.79	3.99
NORDEA BANK AB	281,712.76	1.98
RONDOUT SAVINGS BANK	246,464.12	1.73

Credit Quality (S&P Ratings)





Managed Account Issuer Summary

For the Month Ending April 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Issuer	Market Value of Holdings	Percent
STATE BANK OF INDIA	247,377.73	1.74
SVENSKA HANDELSBANKEN	199,665.00	1.40
SYNCHRONY BANK	247,959.36	1.74
TOYOTA AUTO RECEIVABLES	154,424.36	1.08
UNITED STATES TREASURY	3,885,126.85	27.27
WELLS FARGO & COMPANY	388,681.37	2.73
Total	\$14,239,961.59	100.00%

← Was 27.24% at 3/31/17



Managed Account Detail of Securities Held

For the Month Ending **April 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
U.S. Treasury Bond / Note												
US TREASURY NOTES	DTD 01/31/2013 1.375% 01/31/2020	912828UL2	105,000.00	AA+	Aaa	05/03/16	05/06/16	106,185.35	1.07	358.94	105,877.70	104,909.81
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	2,254.95	366,868.58	360,084.24
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	3,288.46	532,000.61	525,122.85
US TREASURY NOTES	DTD 06/30/2015 1.625% 06/30/2020	912828XH8	320,000.00	AA+	Aaa	11/01/16	11/02/16	325,300.00	1.16	1,738.12	324,597.89	321,150.08
US TREASURY NOTE	DTD 12/02/2013 2.000% 11/30/2020	912828A42	730,000.00	AA+	Aaa	04/27/16	04/29/16	752,299.22	1.31	6,096.70	747,529.29	739,980.56
US TREASURY NOTES	DTD 05/02/2016 1.375% 04/30/2021	912828078	150,000.00	AA+	Aaa	02/01/17	02/03/17	147,035.16	1.86	5.60	147,198.25	148,189.50
US TREASURY NOTES	DTD 05/02/2016 1.375% 04/30/2021	912828078	335,000.00	AA+	Aaa	01/03/17	01/05/17	328,326.17	1.86	12.52	328,805.63	330,956.55
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	3,340.66	412,176.34	404,843.60
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	1,650.21	300,709.60	301,280.26
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	1,347.83	401,295.59	404,234.40
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	8.49	240,948.21	244,375.00
Security Type Sub-Total			3,870,000.00					3,918,526.58	1.43	20,102.48	3,908,007.69	3,885,126.85
Federal Agency Collateralized Mortgage Obligation												
FNMA SERIES 2016-M9 ASQ2	DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	105,000.00	AA+	Aaa	06/09/16	06/30/16	106,049.95	1.05	156.19	105,699.35	105,040.25
Security Type Sub-Total			105,000.00					106,049.95	1.05	156.19	105,699.35	105,040.25



Managed Account Detail of Securities Held

For the Month Ending April 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Security Type/Description Dated Date/Coupon/Maturity Federal Agency Bond / Note	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	125,000.00	AA+	Aaa	08/01/16	08/02/16	124,556.25	0.80	182.29	124,720.11	123,960.00
FHLB NOTES DTD 12/08/2016 1.250% 01/16/2019	3130AAE46	115,000.00	AA+	Aaa	12/07/16	12/08/16	114,995.40	1.25	419.27	114,995.96	114,873.50
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	285,000.00	AA+	Aaa	04/27/16	04/29/16	284,495.55	1.06	514.58	284,673.99	283,205.07
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	300,000.00	AA+	Aaa	07/19/16	07/20/16	299,274.00	0.96	743.75	299,461.13	296,558.40
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	255,000.00	AA+	Aaa	10/24/16	10/25/16	254,224.80	1.10	49.58	254,356.61	252,240.39
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	546.46	214,870.11	214,753.61

Security Type Sub-Total	1,295,000.00	1,292,408.40	1.12	2,455.93	1,293,077.91	1,285,590.97					
Corporate Note											
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	300,000.00	AA-	Aa2	05/09/16	05/16/16	300,000.00	1.56	2,146.38	300,000.00	299,682.30
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	820.00	99,963.17	99,771.90
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	783.33	215,254.82	213,960.80
CATERPILLAR FINANCIAL CORP NOTES DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	565,000.00	A	A3	04/24/15	04/24/15	577,181.40	1.76	5,296.88	571,959.43	568,420.51
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	375.00	89,880.03	90,467.37
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	1,408.49	352,094.22	354,417.54
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	5,505.50	484,354.87	484,937.64



Managed Account Detail of Securities Held

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

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Security Type/Description Dated Date/ Coupon/Maturity Corporate Note	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
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	3,927.00	390,200.93	388,681.37
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	350,000.00	BBB+	A3	05/10/16	05/13/16	352,009.00	2.38	243.06	351,636.20	348,815.25
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	126.88	295,706.83	290,262.16
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	3,135.00	286,267.30	284,167.23
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	2,434.38	249,865.78	247,689.50
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	2,630.83	216,914.05	219,429.54
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	916.67	302,235.71	303,928.20
Security Type Sub-Total		4,142,000.00					4,228,691.00	2.12	29,749.40	4,206,333.34	4,194,631.31

Security Type Sub-Total	Commercial Paper										
BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER DTD 02/03/2017 0.000% 08/02/2017	06538BV26	250,000.00	A-1	P-1	02/03/17	02/03/17	248,337.50	1.34	0.00	249,141.04	249,242.75
ING (US) FUNDING LLC COMM PAPER DTD 02/06/2017 0.000% 11/01/2017	4497W0Y10	100,000.00	A-1	P-1	02/06/17	02/06/17	98,928.00	1.46	0.00	99,264.00	99,299.30
Security Type Sub-Total		350,000.00					347,265.50	1.37	0.00	348,405.04	348,542.05

Certificate of Deposit											
CELTIC BANK LT CD DTD 12/20/2013 1.250% 12/20/2017	15118RJL2	245,000.00	NR	NR	12/21/13	12/21/13	245,000.00	1.22	1,107.53	245,000.00	246,023.12



Managed Account Detail of Securities Held

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Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CIT BANK LT CD		17284A6P8	NR	NR	03/14/13	03/14/13	100,000.00	1.08	147.67	100,000.00	100,291.40
DTD 03/13/2013 1.100% 03/13/2018											
ROUNDOUT SAVINGS BANK LT CD		776322AP4	NR	NR	01/24/15	01/24/15	245,000.00	1.32	888.04	245,000.00	246,464.12
DTD 01/23/2015 1.350% 07/23/2018											
FIRST RESOURCE BANK LT CD		336177A03	NR	NR	01/29/15	01/29/15	245,000.00	1.10	811.52	245,000.00	246,495.97
DTD 01/28/2015 1.300% 07/30/2018											
CAPTIAL ONE BANK USA NA LT CD		1404ZESN6	A-2	P-1	08/12/15	08/12/15	245,000.00	1.40	890.05	245,000.00	246,364.16
DTD 08/12/2015 1.700% 08/13/2018											
SYNCHRONY BANK LT CD		36157OSM0	NR	NR	10/25/13	10/25/13	245,000.00	2.05	86.59	245,000.00	247,959.36
DTD 10/25/2013 2.150% 10/25/2018											
BANK OF BARODA LT CD		0606246K4	NR	NR	10/29/13	10/29/13	245,000.00	1.96	41.28	245,000.00	247,200.59
DTD 10/28/2013 2.050% 10/29/2018											
CANADIAN IMPERIAL BANK NY CD		13606A5Z7	A+	Aa3	12/01/16	12/05/16	279,781.60	1.78	2,012.27	279,825.88	281,712.76
DTD 12/05/2016 1.760% 11/30/2018											
NORDEA BANK FINLAND NY CD		65558LWA6	AA-	Aa3	12/01/16	12/05/16	280,000.00	1.74	2,012.27	280,000.00	281,712.76
DTD 12/05/2016 1.760% 11/30/2018											
STATE BANK OF INDIA LT CD		856283Y99	NR	NR	12/19/13	12/19/13	245,000.00	1.96	1,843.88	245,000.00	247,377.73
DTD 12/18/2013 2.050% 12/18/2018											
SVENSKA HANDELSBANKEN NY LT CD		86958JHB8	AA-	Aa2	01/10/17	01/12/17	200,000.00	1.91	1,144.50	200,000.00	199,665.00
DTD 01/12/2017 1.890% 01/10/2019											
BANK OF MONTREAL CHICAGO CERT DEPOS		06427KRC3	A+	Aa3	02/08/17	02/09/17	280,000.00	1.90	1,184.40	280,000.00	282,146.76
DTD 02/09/2017 1.880% 02/07/2019											
BANK OF NOVA SCOTIA HOUSTON LT CD		06417GUE6	A+	Aa3	04/05/17	04/06/17	280,000.00	1.91	371.39	280,000.00	280,105.28
DTD 04/06/2017 1.910% 04/05/2019											
AMERICAN EXPRESS BK FSB LT CD		02587CAJ9	A-2	P-1	07/25/14	07/25/14	245,000.00	1.92	1,302.19	245,000.00	247,185.16
DTD 07/24/2014 2.000% 07/24/2019											
CAPTIAL ONE BANK USA NA LT CD		140420UE8	A-2	P-1	08/12/15	08/12/15	245,000.00	1.94	1,047.12	245,000.00	247,596.02
DTD 08/12/2015 2.000% 08/12/2019											



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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
Security Type Sub-Total			3,625,000.00					3,624,781.60	1.71	14,890.70	3,624,825.88	3,648,300.19
Asset-Backed Security / Collateralized Mortgage Obligation												
CARMAX ABS 2016-3 A2	DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	113,413.18	AAA	NR	07/14/16	07/20/16	113,403.92	1.18	58.97	113,406.38	113,310.18
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	109,996.00	109,703.69
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	34,997.86	34,813.12
CNH EQUIPMENT TRUST POOL	DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	150,000.00	AAA	Aaa	03/15/17	03/22/17	149,994.24	1.80	109.33	149,994.35	150,415.83
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	44,999.05	44,720.67
CCCT 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	551.00	120,000.00	120,248.42
JDOT 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	29,995.93	30,033.90
HYUNDAI AUTO RECEIVABLES TRUST	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	74,991.40	74,497.81
FORDO 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	94,999.69	94,986.35
Security Type Sub-Total			773,413.18					773,350.85	1.50	962.34	773,380.66	772,729.97
Managed Account Sub-Total			14,160,413.18					14,291,073.88	1.67	68,317.04	14,259,729.87	14,239,961.59
Securities Sub-Total			\$14,160,413.18					\$14,291,073.88	1.67%	\$68,317.04	\$14,259,729.87	\$14,239,961.59
Accrued Interest												\$68,317.04
Total Investments												\$14,308,278.63



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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	
U.S. Treasury Bond / Note												
US TREASURY NOTES DTD 01/31/2013 1.375% 01/31/2020	912828UL2	105,000.00	RBC CAP		99.91	104,909.81	(1,275.54)	(967.89)	2.68	2.68	1.41	
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	360,000.00	CITIGRP		100.02	360,084.24	(8,620.45)	(6,784.34)	2.99	2.99	1.49	
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	TD SEC U		100.02	525,122.85	(8,346.88)	(6,877.76)	2.99	2.99	1.49	
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	320,000.00	HSBC		100.36	321,150.08	(4,149.92)	(3,447.81)	3.06	3.06	1.51	
US TREASURY NOTE DTD 12/02/2013 2.000% 11/30/2020	912828A42	730,000.00	CITIGRP		101.37	739,980.56	(12,318.66)	(7,548.73)	3.42	3.42	1.61	
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828078	150,000.00	CITIGRP		98.79	148,189.50	1,154.34	991.25	3.87	3.87	1.69	
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828078	335,000.00	MERRILL		98.79	330,956.55	2,630.38	2,150.92	3.87	3.87	1.69	
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	400,000.00	MORGANST		101.21	404,843.60	(8,984.53)	(7,332.74)	3.88	3.88	1.69	
US TREASURY N/B DTD 07/31/2014 2.250% 07/31/2021	912828WY2	295,000.00	BNP PARI		102.13	301,280.26	11.51	570.66	4.03	4.03	1.73	
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	400,000.00	MORGANST		101.06	404,234.40	2,828.15	2,938.81	4.13	4.13	1.75	
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	250,000.00	CITIGRP		97.75	244,375.00	3,671.87	3,426.79	4.35	4.35	1.77	
Security Type Sub-Total		3,870,000.00				3,885,126.85	(33,399.73)	(22,880.84)	3.55	3.55	1.62	
Federal Agency Collateralized Mortgage Obligation												
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	105,000.00	CSFB		100.04	105,040.25	(1,009.70)	(659.10)	0.97	1.89	1.70	
Security Type Sub-Total		105,000.00				105,040.25	(1,009.70)	(659.10)	0.97	1.89	1.70	
Federal Agency Bond / Note												
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	125,000.00	TD SEC U		99.17	123,960.00	(596.25)	(760.11)	1.26	1.26	1.29	



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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
Federal Agency Bond / Note												
FHLB NOTES		3130AAE46	115,000.00	BAML		99.89	114,873.50	(121.90)	(122.46)	1.68	1.68	1.31
DTD 12/08/2016 1.250% 01/16/2019												
FNMA BENCHMARK NOTE		3135G0J53	285,000.00	NOMURA		99.37	283,205.07	(1,290.48)	(1,468.92)	1.80	1.80	1.35
DTD 02/23/2016 1.000% 02/26/2019												
FHLMC REFERENCE NOTE		3137EAE81	300,000.00	TD SEC U		98.85	296,558.40	(2,715.60)	(2,902.73)	2.18	2.18	1.40
DTD 07/20/2016 0.875% 07/19/2019												
FANNIE MAE GLOBAL NOTES		3135G0R39	255,000.00	TD SEC U		98.92	252,240.39	(1,984.41)	(2,116.22)	2.44	2.44	1.45
DTD 10/25/2016 1.000% 10/24/2019												
FNMA NOTES		3135G0T29	215,000.00	JPM_CHAS		99.89	214,753.61	(108.79)	(116.50)	2.76	2.76	1.54
DTD 02/28/2017 1.500% 02/28/2020												
Security Type Sub-Total			1,295,000.00				1,285,590.97	(6,817.43)	(7,486.94)	2.11	2.11	1.40

Corporate Note	Security Type	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
CHEVRON CORP NOTES		300,000.00	WELLSFAR		99.89	299,682.30	(317.70)	(317.70)	1.99	1.99	1.61
DTD 05/16/2016 1.561% 05/16/2019											
CITIGROUP INC CORP NOTES		100,000.00	CITIGRP		99.77	99,771.90	(176.10)	(191.27)	2.03	2.03	2.16
DTD 06/09/2016 2.050% 06/07/2019											
BURLINGTON NRTH CORP		200,000.00	GOLDMAN		106.98	213,960.80	(6,819.20)	(1,294.02)	2.29	2.29	1.74
DTD 09/24/2009 4.700% 10/01/2019											
CATERPILLAR FINANCIAL CORP NOTES		565,000.00	NEW ACCT		100.61	568,420.51	(8,760.89)	(3,538.92)	2.48	2.48	2.01
DTD 12/01/2014 2.250% 12/01/2019											
AMERICAN HONDA FINANCE		90,000.00	MIZUHO		100.52	90,467.37	595.17	587.34	2.69	2.69	1.81
DTD 02/16/2017 2.000% 02/14/2020											
BNY MELLON (CALLABLE) CORP NOTE		352,000.00	NEW ACCT	01/24/20	100.69	354,417.54	2,269.24	2,323.32	2.69	2.63	1.90
DTD 02/24/2015 2.150% 02/24/2020											
JP MORGAN CHASE & CO NOTES		455,000.00	BONY		106.58	484,937.64	(8,127.66)	582.77	2.98	2.98	2.27
DTD 07/22/2010 4.400% 07/22/2020											
WELLS FARGO & COMPANY NOTES		385,000.00	WELLSFAR		100.96	388,681.37	(2,898.28)	(1,519.56)	3.39	3.39	2.27
DTD 12/07/2015 2.550% 12/07/2020											
MORGAN STANLEY CORP NOTES		350,000.00	SCOTIA		99.66	348,815.25	(3,193.75)	(2,820.95)	3.76	3.76	2.59
DTD 04/21/2016 2.500% 04/21/2021											



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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
Corporate Note												
GOLDMAN SACHS GRP INC CORP NT (CALLABLE)		38141GVU5	290,000.00	JPMCHASE	03/25/21	100.09	290,262.16	(6,431.04)	(5,444.67)	3.77	3.69	2.60
DTD 04/25/2016 2.625% 04/25/2021												
AMERICAN EXPRESS CREDIT CORP NOTES		0258M0EB1	285,000.00	GOLDMAN		99.71	284,167.23	(2,391.72)	(2,100.07)	3.77	3.77	2.33
DTD 05/05/2016 2.250% 05/05/2021												
BRANCH BANKING & TRUST CORP NOTE		05531FAV5	250,000.00	KEYBAN		99.08	247,689.50	(2,145.50)	(2,176.28)	3.80	3.80	2.29
DTD 05/10/2016 2.050% 05/10/2021												
MORGAN STANLEY BONDS		61746BED4	220,000.00	MORGAN_S		99.74	219,429.54	2,674.54	2,515.49	4.21	4.21	2.69
DTD 11/17/2016 2.625% 11/17/2021												
BB&T CORP NOTES		05531FAX1	300,000.00	MORGAN_S		101.31	303,928.20	1,663.20	1,692.49	4.57	4.57	2.47
DTD 03/21/2017 2.750% 04/01/2022												
Security Type Sub-Total			4,142,000.00				4,194,631.31	(34,059.69)	(11,702.03)	3.19	3.18	2.21

Commercial Paper												
BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER		06538BV26	250,000.00	BTM		99.70	249,242.75	905.25	101.71	0.26	0.26	1.16
DTD 02/03/2017 0.000% 08/02/2017												
ING (US) FUNDING LLC COMM PAPER		4497W0Y10	100,000.00	BONY		99.30	99,299.30	371.30	35.30	0.50	0.50	1.37
DTD 02/06/2017 0.000% 11/01/2017												
Security Type Sub-Total			350,000.00				348,542.05	1,276.55	137.01	0.33	0.33	1.22

Certificate of Deposit												
CELTIC BANK LT CD		15118RJL2	245,000.00	NEW ACCT		100.42	246,023.12	1,023.12	1,023.12	0.64	0.64	0.57
DTD 12/20/2013 1.250% 12/20/2017												
CIT BANK LT CD		172846P8	100,000.00	NEW ACCT		100.29	100,291.40	291.40	291.40	0.87	0.87	0.72
DTD 03/13/2013 1.100% 03/13/2018												
RONDOUT SAVINGS BANK LT CD		776322AP4	245,000.00	NEW ACCT		100.60	246,464.12	1,464.12	1,464.12	1.23	1.23	0.84
DTD 01/23/2015 1.350% 07/23/2018												
FIRST RESOURCE BANK LT CD		336177AO3	245,000.00	NEW ACCT		100.61	246,495.97	1,495.97	1,495.97	1.24	1.24	0.79
DTD 01/28/2015 1.300% 07/30/2018												
CAPTIAL ONE BANK USA NA LT CD		14042E5N6	245,000.00	NEW ACCT		100.56	246,364.16	1,364.16	1,364.16	1.28	1.28	1.23
DTD 08/12/2015 1.700% 08/13/2018												



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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
Certificate of Deposit												
SYNCHRONY BANK LT CD	361570S0M0	245,000.00	NEW ACCT	101.21	247,959.36	2,959.36	2,959.36	1.48	1.48	1.48	1.48	1.22
DTD 10/25/2013 2.150% 10/25/2018												
BANK OF BARODA LT CD	0606246K4	245,000.00	NEW ACCT	100.90	247,200.59	2,200.59	2,200.59	1.49	1.49	1.49	1.49	1.33
DTD 10/28/2013 2.050% 10/29/2018												
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	280,000.00	GOLDMAN	100.61	281,712.76	1,931.16	1,931.16	1.57	1.57	1.57	1.57	0.91
DTD 12/05/2016 1.760% 11/30/2018												
NORDEA BANK FINLAND NY CD	65558LWA6	280,000.00	MERRILL	100.61	281,712.76	1,712.76	1,712.76	1.58	1.58	1.58	1.58	0.91
DTD 12/05/2016 1.760% 11/30/2018												
STATE BANK OF INDIA LT CD	856283VY9	245,000.00	NEW ACCT	100.97	247,377.73	2,377.73	2,377.73	1.62	1.62	1.62	1.62	1.34
DTD 12/18/2013 2.050% 12/18/2018												
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	200,000.00	MERRILL	99.83	199,665.00	(335.00)	(335.00)	1.68	1.68	1.68	1.68	1.64
DTD 01/12/2017 1.890% 01/10/2019												
BANK OF MONTREAL CHICAGO CERT DEPOS	06427KRC3	280,000.00	GOLDMAN	100.77	282,146.76	2,146.76	2,146.76	1.76	1.76	1.76	1.76	1.20
DTD 02/09/2017 1.880% 02/07/2019												
BANK OF NOVA SCOTIA HOUSTON LT CD	06417GUE6	280,000.00	MERRILL	100.04	280,105.28	105.28	105.28	1.91	1.91	1.91	1.91	1.82
DTD 04/06/2017 1.910% 04/05/2019												
AMERICAN EXPRESS BK FSB LT CD	02587CAJ9	245,000.00	NEW ACCT	100.89	247,185.16	2,185.16	2,185.16	2.22	2.22	2.22	2.22	1.49
DTD 07/24/2014 2.000% 07/24/2019												
CAPTIAL ONE BANK USA NA LT CD	140420UE8	245,000.00	NEW ACCT	101.06	247,596.02	2,596.02	2,596.02	2.27	2.27	2.27	2.27	1.46
DTD 08/12/2015 2.000% 08/12/2019												
Security Type Sub-Total		3,625,000.00				3,648,300.19	23,518.59	1.55	23,474.31	1.55	1.55	1.18

Asset-Backed Security / Collateralized Mortgage Obligation

CARMAX ABS 2016-3 A2	14314EAB7	113,413.18	CSFB	99.91	113,310.18	(93.74)	(96.20)	0.46	0.46	0.46	2.10	1.21
DTD 07/20/2016 1.170% 08/15/2019												
TOYOTA ABS 2016-B A3	89231UAD9	110,000.00	CITIGRP	99.73	109,703.69	(290.69)	(292.31)	1.12	1.12	1.12	2.00	1.43
DTD 05/11/2016 1.300% 04/15/2020												
JOHN DEERE ABS 2016-B A3	47788NAC2	35,000.00	RBC CAP	99.47	34,813.12	(184.09)	(184.74)	1.45	1.45	1.45	2.22	1.49
DTD 07/27/2016 1.250% 06/15/2020												
CNH EQUIPMENT TRUST POOL	12636WAB2	150,000.00	CITIGRP	100.28	150,415.83	421.59	421.48	1.42	1.42	1.42	1.28	1.42
DTD 03/22/2017 1.640% 07/15/2020												



Managed Account Fair Market Value & Analytics

For the Month Ending **April 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
Asset-Backed Security / Collateralized Mortgage Obligation												
TOYOTA ABS 2016-C A3	8/15/2020	89237WAD9	45,000.00	MITSU		99.38	44,720.67	(278.12)	(278.38)	1.35	2.43	1.40
DTD 08/10/2016 1.140%												
CCCT 2017-A2 A2	01/17/2021	17305EGA7	120,000.00	CITIGRP		100.21	120,248.42	271.40	248.42	1.69	1.91	1.63
DTD 01/26/2017 1.740%												
JDOT 2017-A A3	04/15/2021	47787XAC1	30,000.00	MERRILL		100.11	30,033.90	38.17	37.97	2.06	1.97	1.72
DTD 03/02/2017 1.780%												
HYUNDAI AUTO RECEIVABLES TRUST	04/15/2021	44891EAC3	75,000.00	JPMCHASE		99.33	74,497.81	(492.10)	(493.59)	1.93	3.36	1.49
DTD 09/21/2016 1.290%												
FORDO 2017-A A3	06/15/2021	34531EAD8	95,000.00	CITIGRP		99.99	94,986.35	(13.30)	(13.34)	2.01	3.08	1.67
DTD 01/25/2017 1.670%												
Security Type Sub-Total			773,413.18				772,729.97	(620.88)	(650.69)	1.42	2.16	1.48
Managed Account Sub-Total			14,160,413.18				14,239,961.59	(51,112.29)	(19,768.28)	2.59	2.64	1.64
Securities Sub-Total			\$14,160,413.18				\$14,239,961.59	(\$51,112.29)	(\$19,768.28)	2.59	2.64	1.64%
Accrued Interest							\$68,317.04					
Total Investments							\$14,308,278.63					



Managed Account Security Transactions & Interest

For the Month Ending April 30, 2017

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Type	Trade Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
04/03/17	04/06/17	BB&T CORP NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	300,000.00	(302,265.00)	(343.75)	(302,608.75)			
04/05/17	04/06/17	BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	280,000.00	(280,000.00)	0.00	(280,000.00)			
Transaction Type Sub-Total				580,000.00	(582,265.00)	(343.75)	(582,608.75)			

INTEREST										
04/01/17	04/01/17	BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	0.00	4,700.00	4,700.00			
04/01/17	04/25/17	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	105,000.00	0.00	156.19	156.19			
04/03/17	04/03/17	MONEY MARKET FUND	MONEY0002	0.00	0.00	10.53	10.53			
04/15/17	04/15/17	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	124,597.06	0.00	121.48	121.48			
04/15/17	04/15/17	FORDO 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	95,000.00	0.00	132.21	132.21			
04/15/17	04/15/17	TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	0.00	119.17	119.17			
04/15/17	04/15/17	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			
04/15/17	04/15/17	CNH EQUIPMENT TRUST POOL DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	150,000.00	0.00	157.17	157.17			
04/15/17	04/15/17	HYUNDAI AUTO RECEIVABLES TRUST DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	0.00	80.63	80.63			
04/15/17	04/15/17	TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	0.00	42.75	42.75			
04/15/17	04/15/17	JDOT 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	30,000.00	0.00	63.78	63.78			
04/21/17	04/21/17	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746EAO	350,000.00	0.00	4,375.00	4,375.00			
04/24/17	04/24/17	FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135GOR39	255,000.00	0.00	1,267.92	1,267.92			



Managed Account Security Transactions & Interest

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

FPUF - INVESTMENT PORTFOLIO - 28710100

Transaction Type Trade Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST									
04/25/17	04/25/17	SYNCHRONY BANK LT CD	36157OSM0	245,000.00	0.00	2,626.53			
		DTD 10/25/2013 2.150% 10/25/2018							
04/25/17	04/25/17	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	38141GVU5	290,000.00	0.00	3,806.25			
		DTD 04/25/2016 2.625% 04/25/2021							
04/28/17	04/28/17	BANK OF BARODA LT CD	0606246K4	245,000.00	0.00	2,504.37			
		DTD 10/28/2013 2.050% 10/29/2018							
04/30/17	04/30/17	US TREASURY NOTES	912828078	150,000.00	0.00	1,031.25			
		DTD 05/02/2016 1.375% 04/30/2021							
04/30/17	04/30/17	US TREASURY NOTES	912828T67	250,000.00	0.00	1,562.50			
		DTD 10/31/2016 1.250% 10/31/2021							
04/30/17	04/30/17	US TREASURY NOTES	912828078	335,000.00	0.00	2,303.13			
		DTD 05/02/2016 1.375% 04/30/2021							
Transaction Type Sub-Total				3,089,597.06	0.00	25,097.32			

PAYDOWNS

04/15/17	04/15/17	CARMAX ABS 2016-3 AZ	14314EAB7	11,183.88	0.00	11,183.88	0.91	0.00	
		DTD 07/20/2016 1.170% 08/15/2019							

Transaction Type Sub-Total

				11,183.88	0.00	11,183.88	0.91	0.00	
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SELL

04/03/17	04/06/17	APPLE INC GLOBAL NOTES	037833AO3	325,000.00	328,474.25	2,843.75	(1,108.25)	1,490.17	FIFO
		DTD 05/06/2014 2.100% 05/06/2019							
04/05/17	04/06/17	GOLD COAST BANK LT CD	38058KCS3	245,000.00	245,085.75	56.38	85.75	85.75	FIFO
		DTD 12/30/2013 1.200% 10/30/2017							

Transaction Type Sub-Total

				573,560.00	2,900.13	576,460.13	(1,022.50)	1,575.92	
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Managed Account Sub-Total

				2,478.88	27,653.70	30,132.58	(1,021.59)	1,575.92	
--	--	--	--	-----------------	------------------	------------------	-------------------	-----------------	--

Total Security Transactions

				\$2,478.88	\$27,653.70	\$30,132.58	(\$1,021.59)	\$1,575.92	
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FALLBROOK PUBLIC UTILITY DISTRICT

Investment Performance Review For the Quarter Ended March 31, 2017

Client Management Team

Sarah Meacham, Managing Director
Henry Sun, Senior Analyst

PFM Asset Management LLC

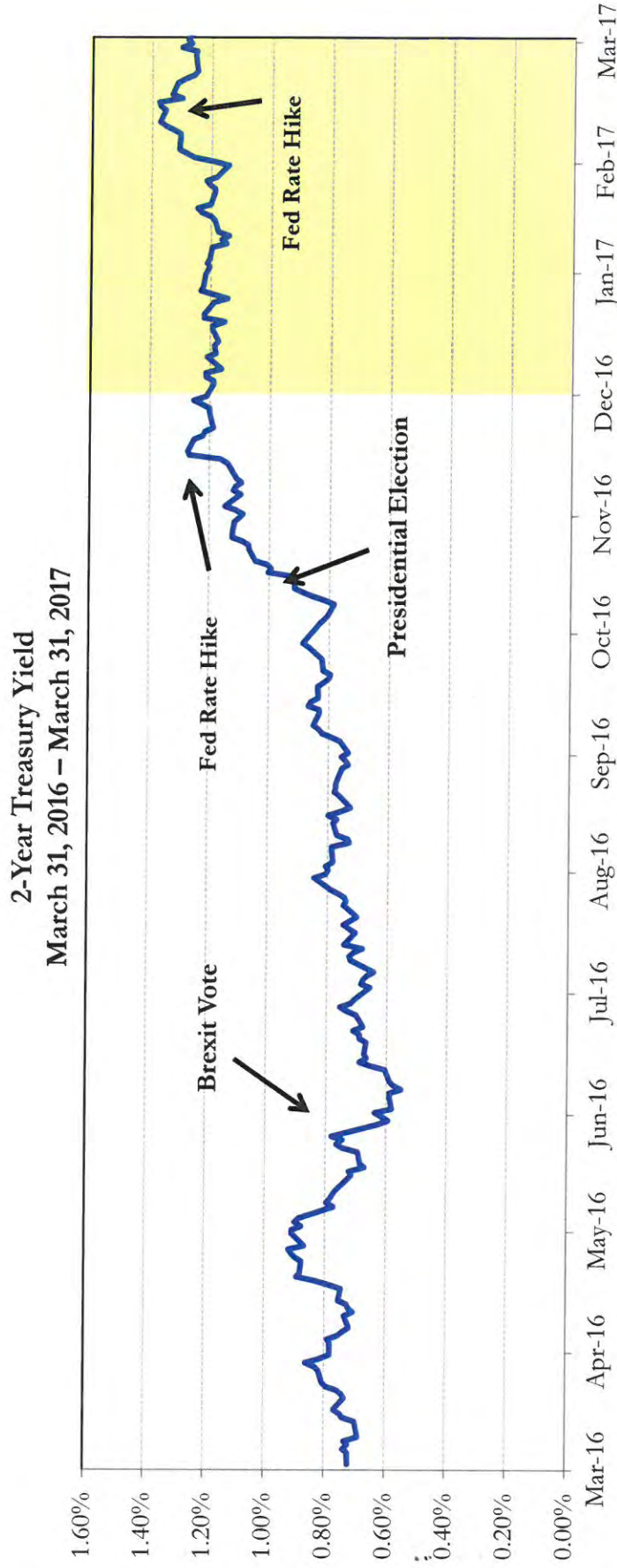
601 South Figueroa, Suite 4500
Los Angeles, CA 90017
213-489-4075

One Keystone Plaza, Suite 300
Harrisburg, PA 17101-2044
717-232-2723

Market Update

INTEREST RATE UPDATE

- Shorter-maturity U.S. Treasury yields moved higher following the Federal Reserve's decision to hike rates in March.

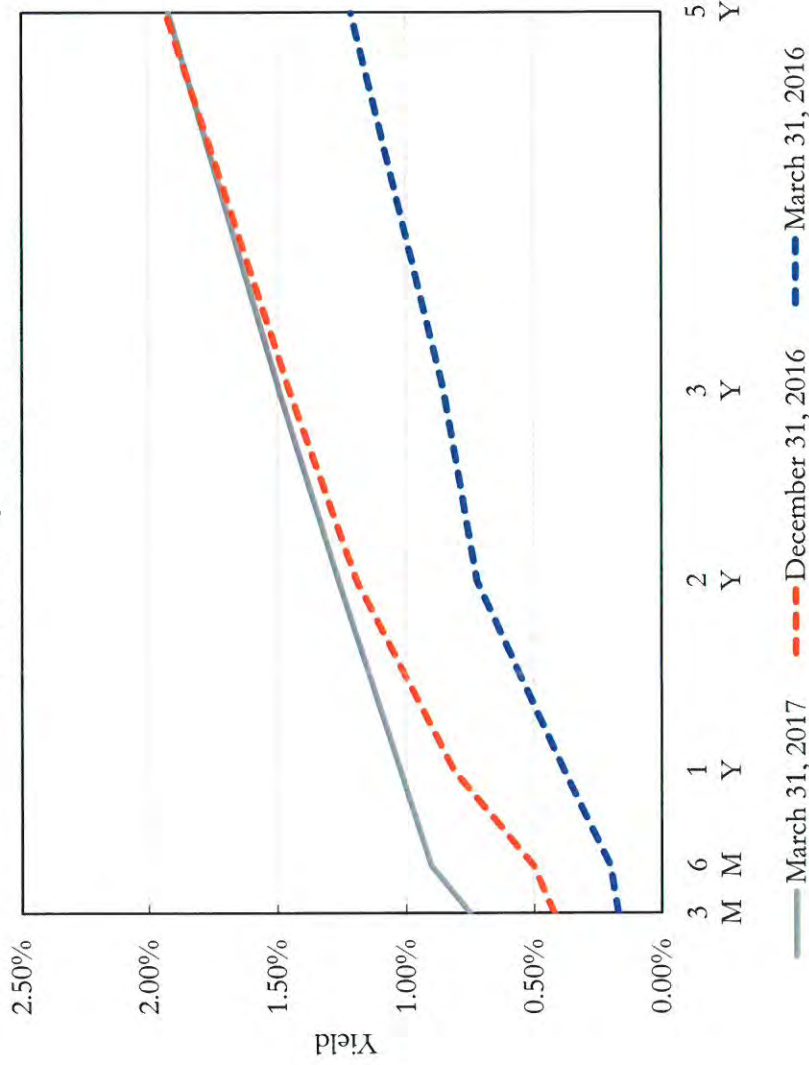


Source: Bloomberg, as of 3/31/17.

FLATTENING YIELD CURVE

- Treasury rates remain range-bound this quarter as long-term yields remain unchanged with future inflation expectations.
- The short end of the curve moved higher as participants priced in rate hikes in 2017.

U.S. Treasury Yield Curve



Yield Curve History

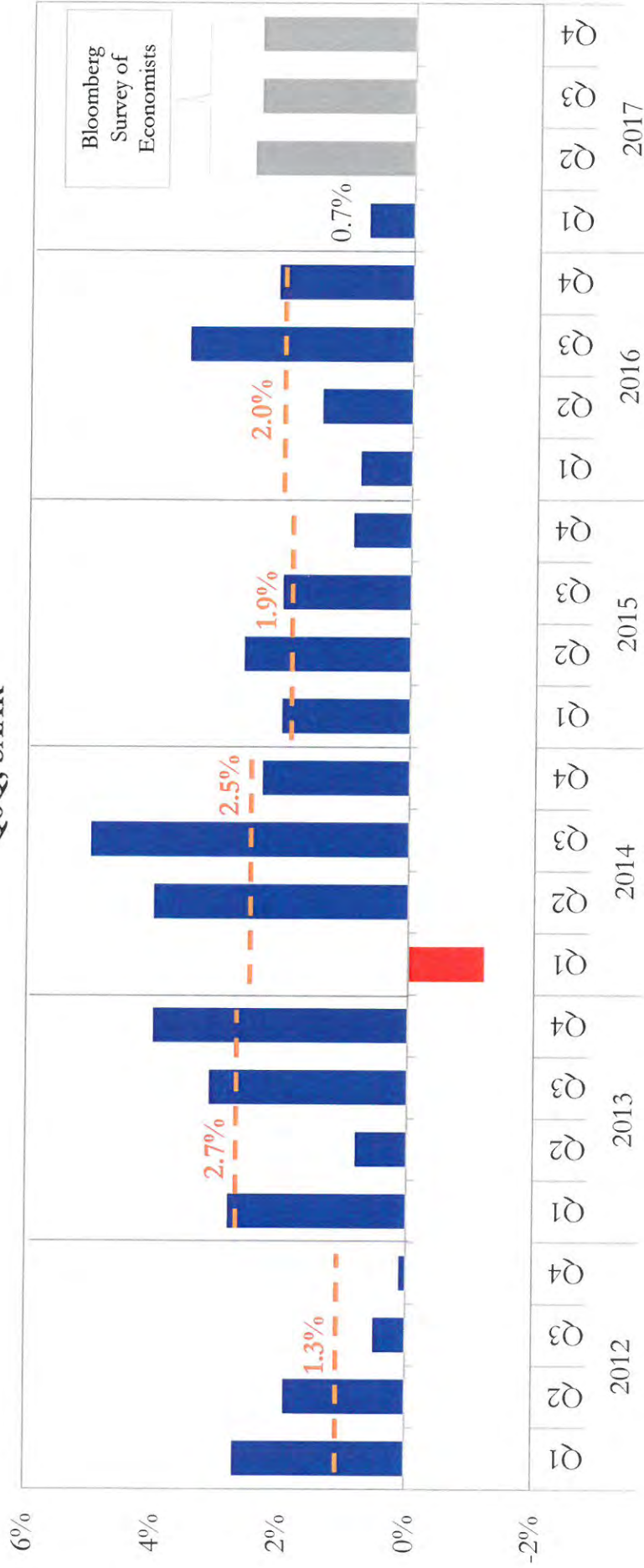
Maturity	3/31/16	12/31/16	3/31/17
3-Mo.	0.20	0.50	0.75
6-Mo.	0.38	0.61	0.90
1-Yr.	0.58	0.81	1.02
2-Yr.	0.72	1.19	1.26
3-Yr.	0.85	1.45	1.49
5-Yr.	1.21	1.93	1.92
7-Yr.	1.53	2.25	2.21
10-Yr.	1.77	2.45	2.39
30-Yr.	2.61	3.07	3.01

Source: Bloomberg, as of 3/31/17.

MODERATE BUT STABLE GROWTH

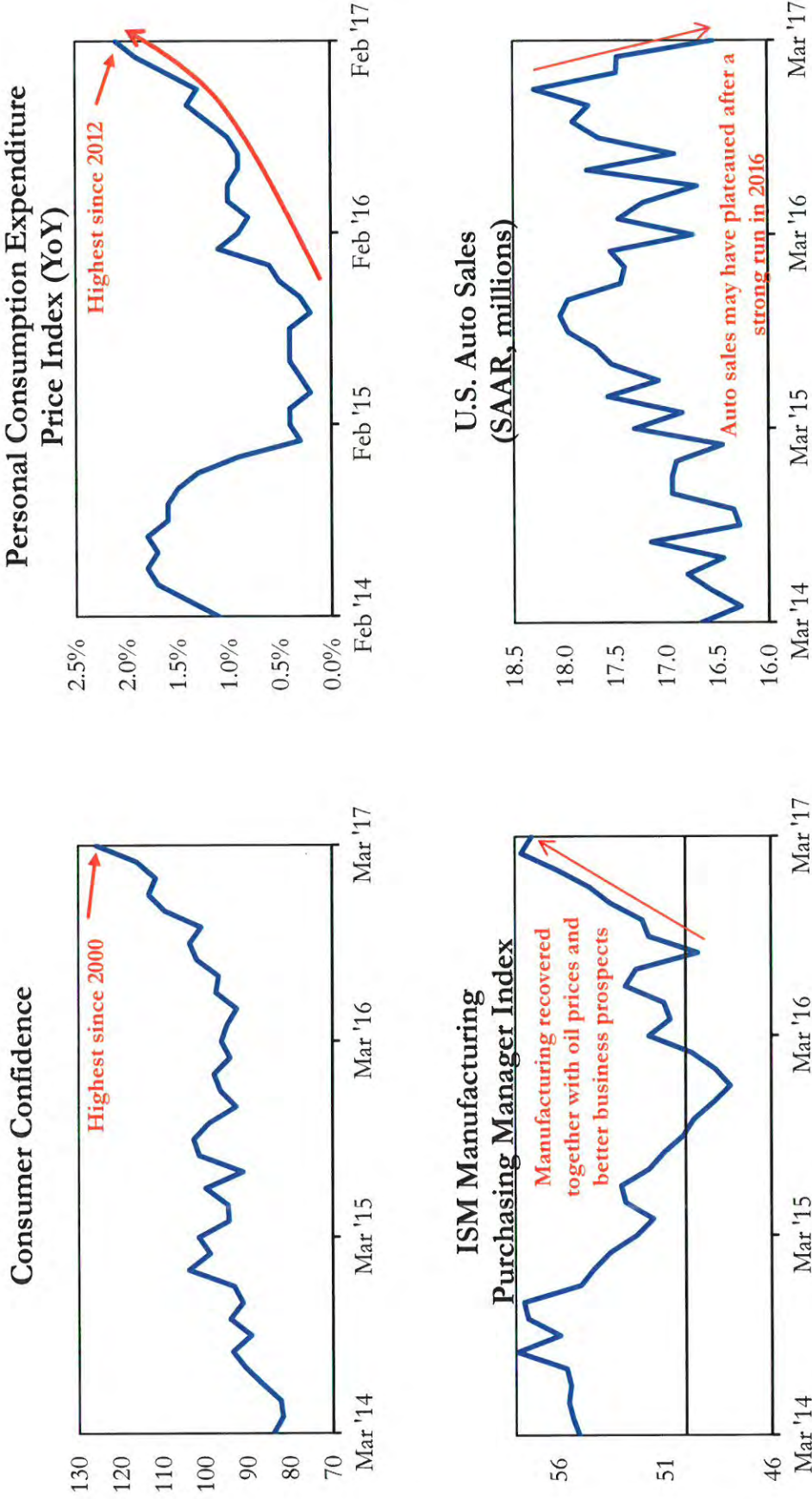
- Gross domestic product (GDP) increased at an annualized rate of 0.7% in the first quarter, down from the 2.1% pace of the prior quarter, and below expectations of 1.0%.
- A Bloomberg survey of economists project that GDP will increase at a rate of 2.4% for 2017.

**U.S. Real GDP
QoQ, SAAR**



Source: Bloomberg, as of April 2017. S-AAR is seasonally adjusted annualized rate.

THE SWEET SPOTS OF THE U.S. ECONOMY

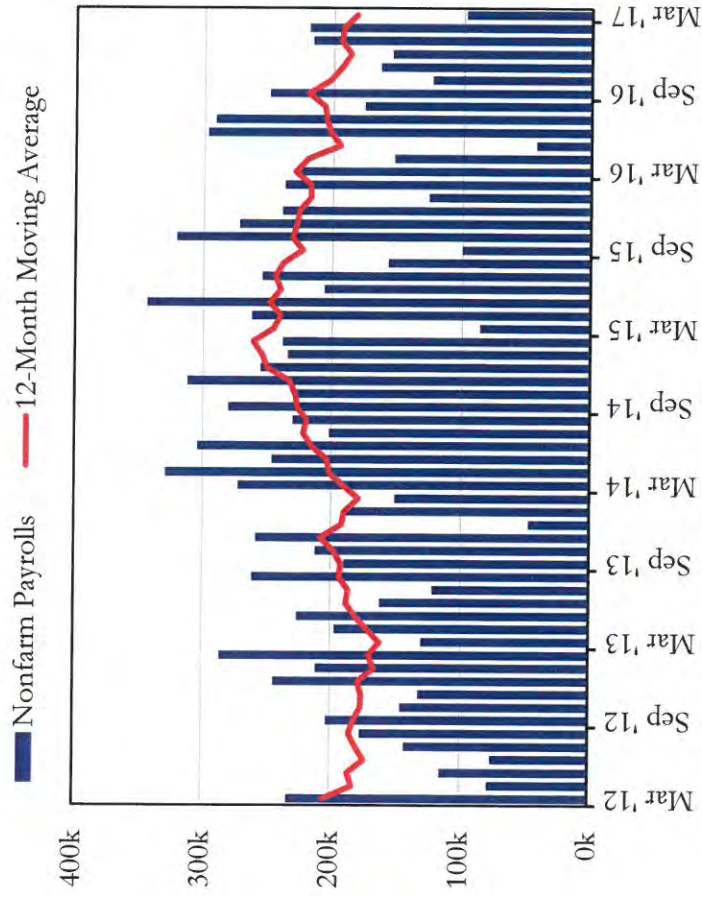


Source: Bloomberg, as of March 2017. S.A.A.R is seasonally adjusted annualized rate.

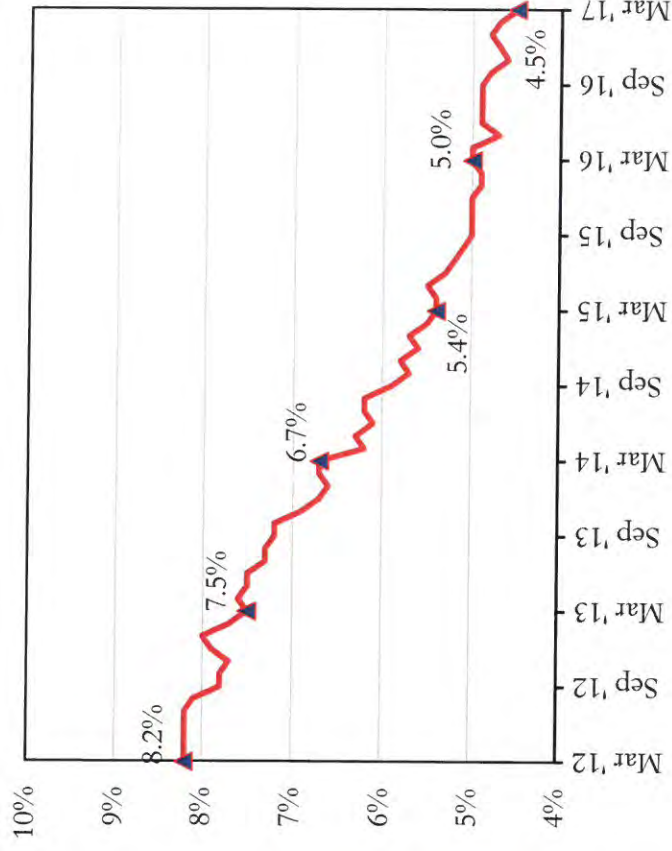
LABOR MARKET

- The U.S. labor market continues to tighten, adding an average of 182k jobs per month over the past year.
- The headline unemployment rate ticked down to 4.5% in March while the U-6 rate, which includes part-time and discouraged workers for economic reasons, fell to 8.9%, the lowest since 2007.
- The annual growth rate of average hourly earnings—an important gauge of wage growth—averaged 2.7% over the past 12 months.

Monthly Change in Nonfarm Payrolls



Unemployment Rate

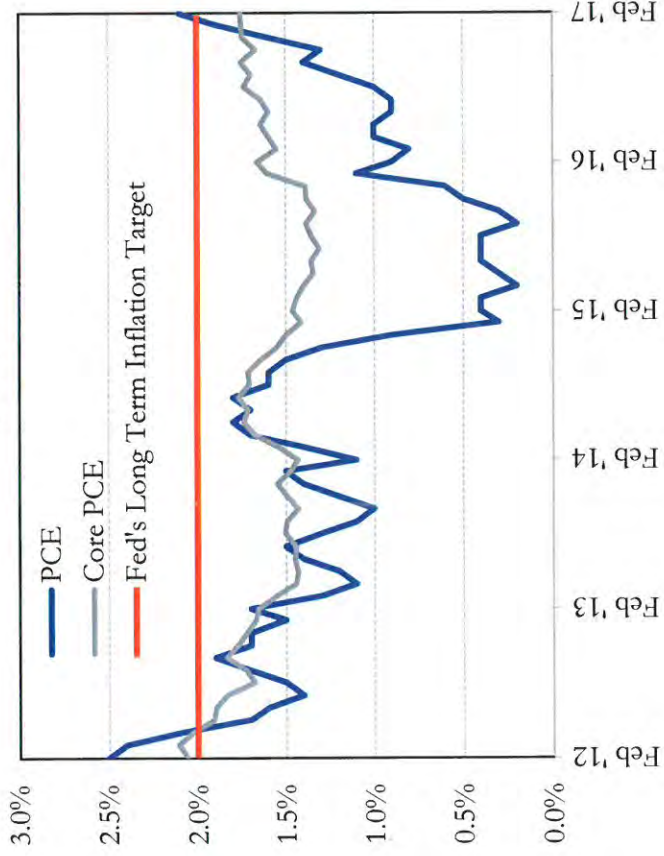


Source: Bloomberg, as of 3/31/17.

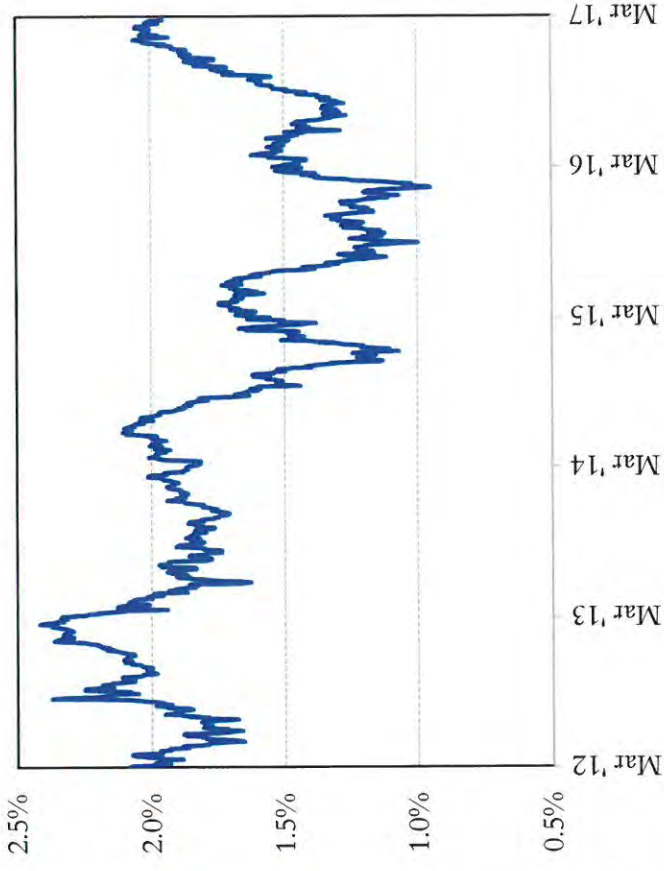
INFLATION RISING SLOWLY

- The core personal consumption expenditures (PCE) price index, the Fed’s preferred gauge of core inflation, ticked up during the first quarter to 1.8% year-over-year through February, inching closer to the Fed’s 2% target.
- Investors are expecting inflation to pick up, with market expectations for inflation over the next five years recovering to levels last seen in 2014; should President Trump realize his proposed spending policies, price pressures could increase and prompt the Federal Reserve to raise rates faster.

Inflation Measures (YoY)



Expectations for Average Inflation Rate over Next 5 Years

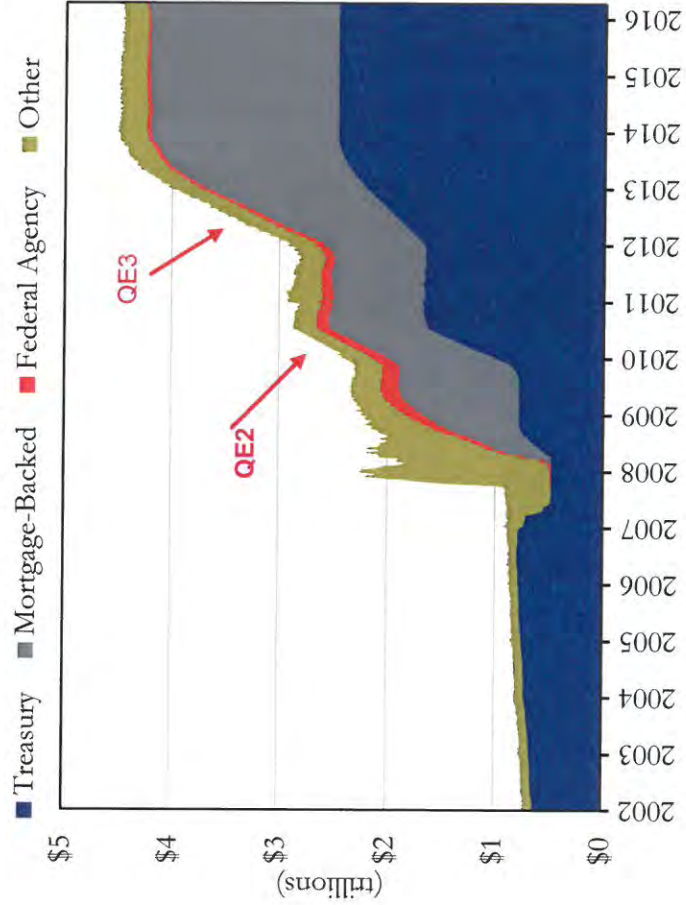


Source: Bloomberg, as of 3/31/17.

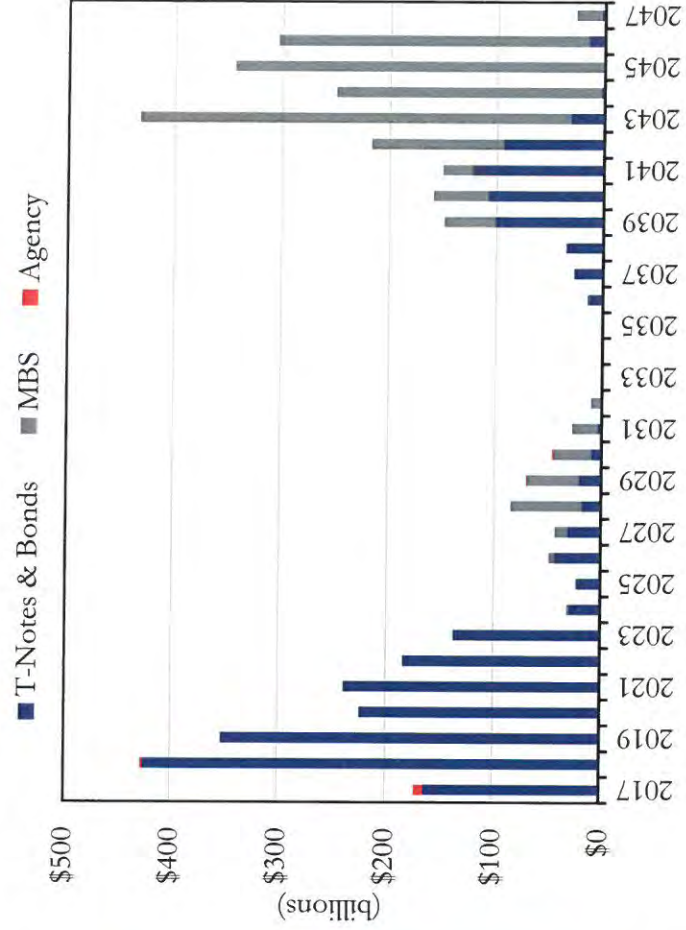
FOMC MEETING FOCUS: FED'S BALANCE SHEET

- After multiple rounds of quantitative easing, the Federal Reserve's balance sheet has swelled from under \$1 trillion to approximately \$4.5 trillion.
- March meeting highlights: "participants agreed that reductions in the Federal Reserve's securities holdings should be gradual and predictable, and accomplished primarily by phasing out reinvestments... Most participants anticipated that gradual increases in the federal funds rate would continue and judged that a change to the Committee's reinvestment policy would likely be appropriate later this year."

Total Balance Sheet Assets of the Federal Reserve



Maturity Distribution of Balance Sheet Assets



Source: The Federal Reserve, FRB of St. Louis, as of 3/29/17.

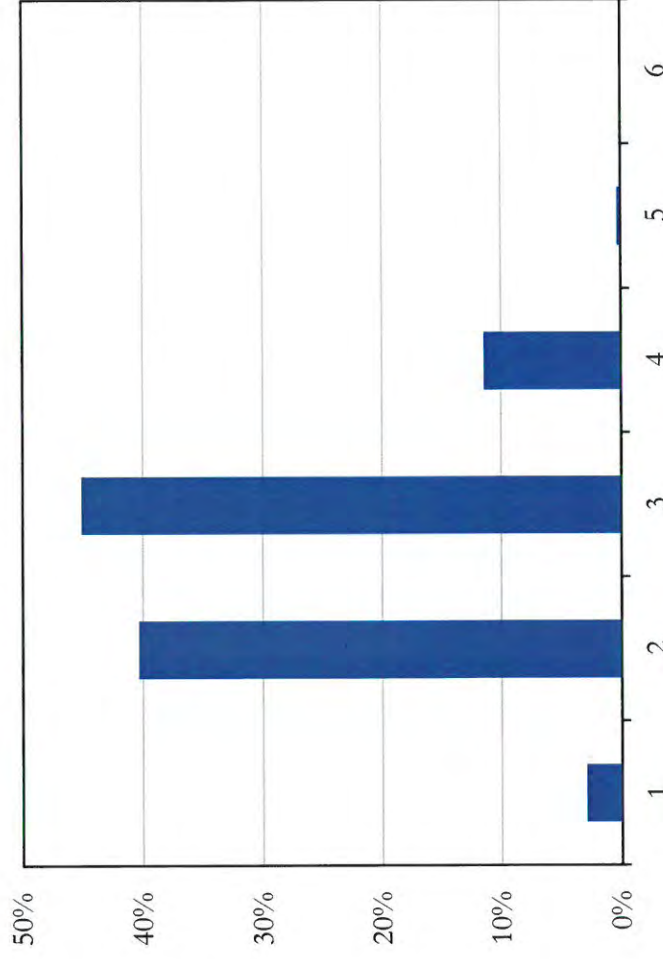
ON THE HORIZON: HIGHER YIELDS

- Market implied probabilities indicate that there is a 100% chance of the Fed raising rates at their June meeting. Additionally, the market has priced in a roughly 45% chance of three total rate hikes in 2017.

When Will the Next Rate Hike Occur?

Meeting	5/8/2017
6/14/2017	100%
7/26/2017	93%
9/20/2017	96%
11/1/2017	97%
12/13/2017	97%
1/31/2018	98%

Market Implied Total Number of Rate Hikes Expected in 2017



Source: Bloomberg and Federal Reserve.

Investment Performance Review

- Yields on the short end of the curve ended the quarter higher, reflecting the rate hike, while long-term yields declined alongside future inflation expectations.
- Seeing that investors had become a bit too complacent about the potential for near-term Fed rate hikes, which resulted in rates being too low in our opinion, we maintained a modestly short, more defensive posture in January and February. We took advantage of the higher yields by slightly extending duration just before the March 15 Fed meeting. Market yields fell after the meeting as the Fed's accompanying statement implied a more gradual tightening path than anticipated.
- Federal agency yield spreads remained historically tight throughout the quarter as demand continued to outpace supply. We evaluated agency spreads across the yield curve and took advantage of opportunities to swap out of expensive agency holdings and into certificates of deposit, U.S. Treasuries, and asset-backed securities with attractive yields.
- We maintained the portfolio's corporate allocation as the sector continued to provide incremental income and benefit from "roll-down." The corporate sector outperformed comparable-maturity Treasuries for the sixth straight quarter.
- We participated in a number of new asset-backed security (ABS) issues, as AAA-rated tranches of high quality structures continued to offer good value. The ABS sector performed well in the quarter, adding to returns and further diversifying the portfolio.
- Although negotiable CD spreads narrowed somewhat after the March Fed rate hike, the sector continued to offer excellent incremental yield opportunities.

- We anticipate the Fed to remain on track to make two additional rate hikes in 2017, matching the three hikes projected for 2017 by the Federal Open Market Committee's "dot plot." In addition, a potential reduction in the size of the Fed's balance sheet later in the year could have significant implications for the markets.
- As the market awaits clarity on policies proposed and enacted by the Trump administration, financial markets (both bonds and equities) may become more range-bound.
- Since yields are currently stable and we expect no action at the next FOMC meeting in May, we are targeting the portfolio's duration to closely match that of its benchmark. We will continue to revisit this position regularly, especially in light of the potential for higher yields later in the year. During periods of rising rates, our active management approach, which seeks to maximize long-term returns, may result in the realization of short-term losses. This is in contrast to the gains realized over the past several years, which resulted from generally declining rates.
- Agency yield spreads over Treasuries continue to remain historically narrow. As a result, our strategy will generally favor U.S. Treasuries over agencies unless specific issues offer identifiable value. Supranational issues may also offer opportunities in the space.
- Although yield spreads on corporate securities drifted wider at the end of the first quarter, they remain near multi-year lows. Identifying incremental return potential in the corporate bond sector requires careful relative value analysis.
- We anticipate continuing to add to ABS allocations, as the sector offers good incremental return potential.
- Yields on commercial paper and negotiable CDs continue to offer significant yield pickup relative to short-term government securities.
- We will continue to monitor incoming economic data, Fed policy, and sector relationships to identify market opportunities. This will include assessing the impact of additional policies put forth by the Trump administration.

FALLBROOK PUBLIC UTILITY DISTRICT

Security Type	Market Value as of March 31, 2017¹	Percentage of Portfolio	% Change vs. 12/31/16	Permitted by Policy	In Compliance
U.S. Treasury	\$3,870,195	27%	+3%	100%	✓
Federal Agencies	\$1,284,809	9%	-6%	100%	✓
Federal Agency CMOs	\$105,029	1%	-	100%	✓
Commercial Paper	\$348,131	2%	-3%	25%	✓
Certificate of Deposit	\$3,612,980	25%	+3%	30%	✓
Corporate Notes	\$4,210,442	30%	-	30%	✓
Asset-Backed Securities	\$783,636	5%	+3%	20%	✓
Money Market Fund	\$31,827	<1%	-	20%	✓
Securities Sub-Total	\$14,247,050	100%			
Accrued Interest	\$73,784				
Total Portfolio	\$14,320,833				

Notes:

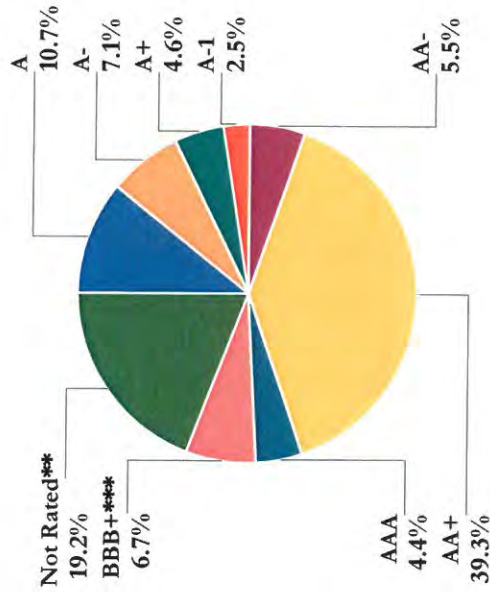
1. End of quarter trade-date market values of portfolio holdings include accrued interest.

Portfolio Statistics

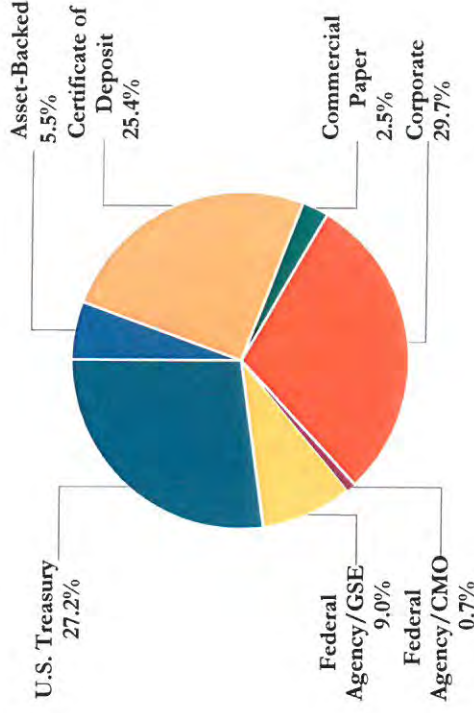
As of March 31, 2017

Par Value:	14,161,597
Total Market Value:	14,320,833
Security Market Value:	14,215,222
Accrued Interest:	73,784
Cash:	31,827
PFM	-
Amortized Cost:	14,262,854
Yield at Market:	1.67%
Yield at Cost:	1.64%
Effective Duration:	2.58 Years
Duration to Worst:	2.63 Years
Average Maturity:	2.80 Years
Average Credit: *	AA

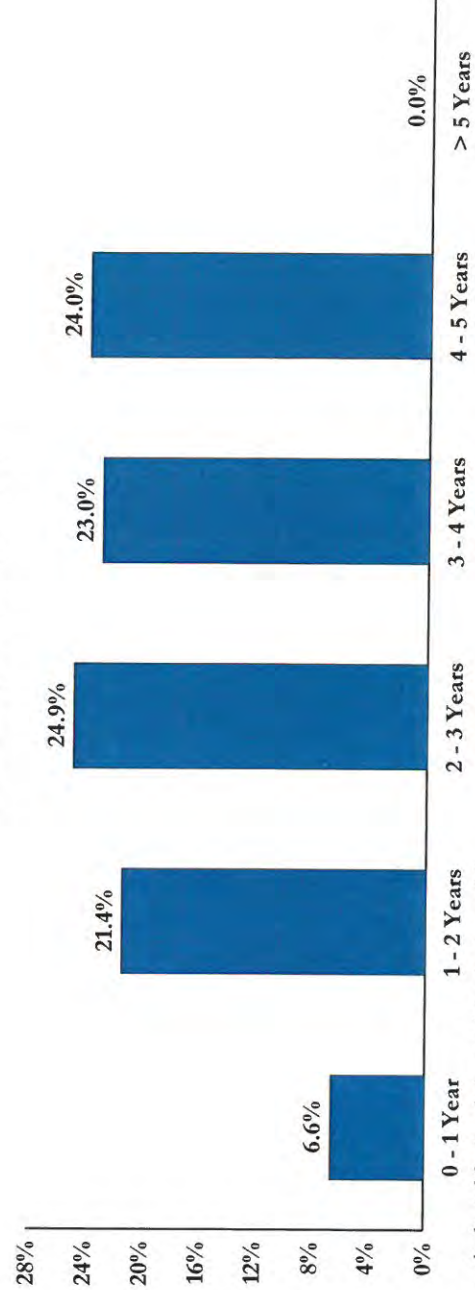
Credit Quality (S&P Ratings)



Sector Allocation



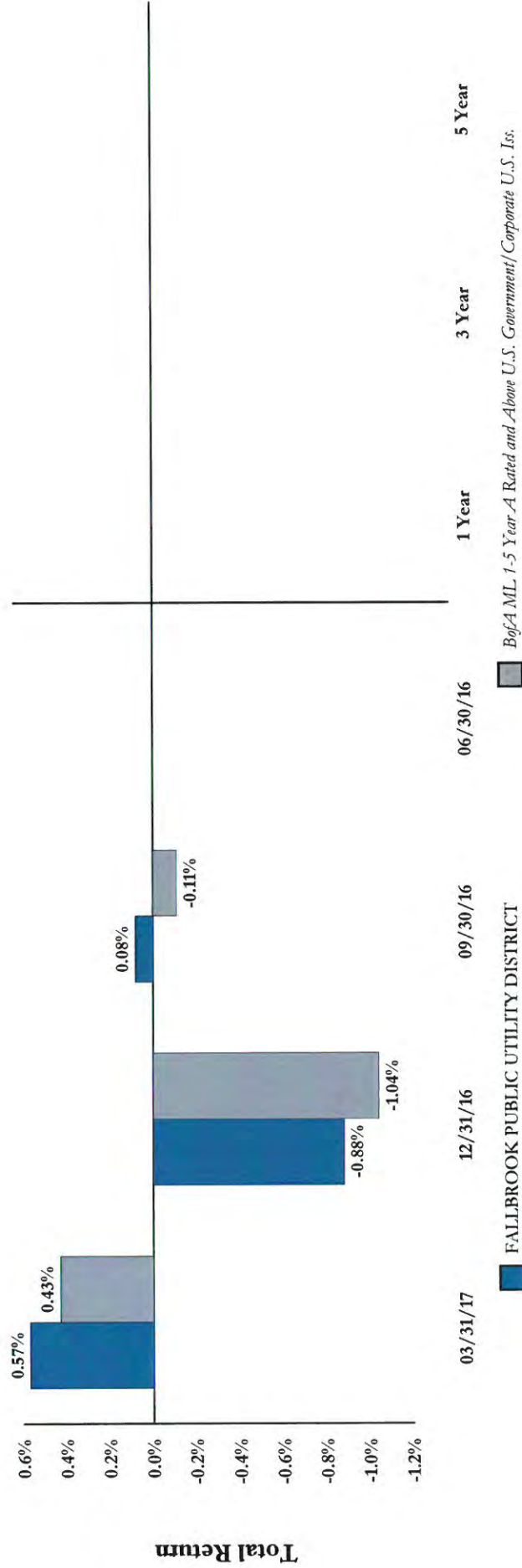
Maturity Distribution



*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.
 **Non-negotiable CDs are FDIC-insured and not rated by S&P. Ford ABS is not rated by S&P but is rated Aaaa by Moody's. John Deere ABS is not rated by S&P but is rated Aaa by Moody's.
 ***Citigroup is rated BBB+ by S&P but A by Fitch. Goldman Sachs is rated BBB+ by S&P but A3 by Moody's and A by Fitch. Morgan Stanley is rated BBB+ by S&P but A3 by Moody's and A by Fitch.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return	
		03/31/17	12/31/16	09/30/16	06/30/16	1 Year	3 Year
FALLBROOK PUBLIC UTILITY DISTRICT	2.58	0.57%	-0.88%	0.08%	-	-	-
<i>Net of Fees</i>	-	0.54%	-0.90%	0.05%	-	-	-
BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index	2.61	0.43%	-1.04%	-0.11%	-	-	-
Difference (Gross)		0.14%	0.16%	0.19%	-	-	-
Difference (Net)		0.11%	0.14%	0.16%	-	-	-



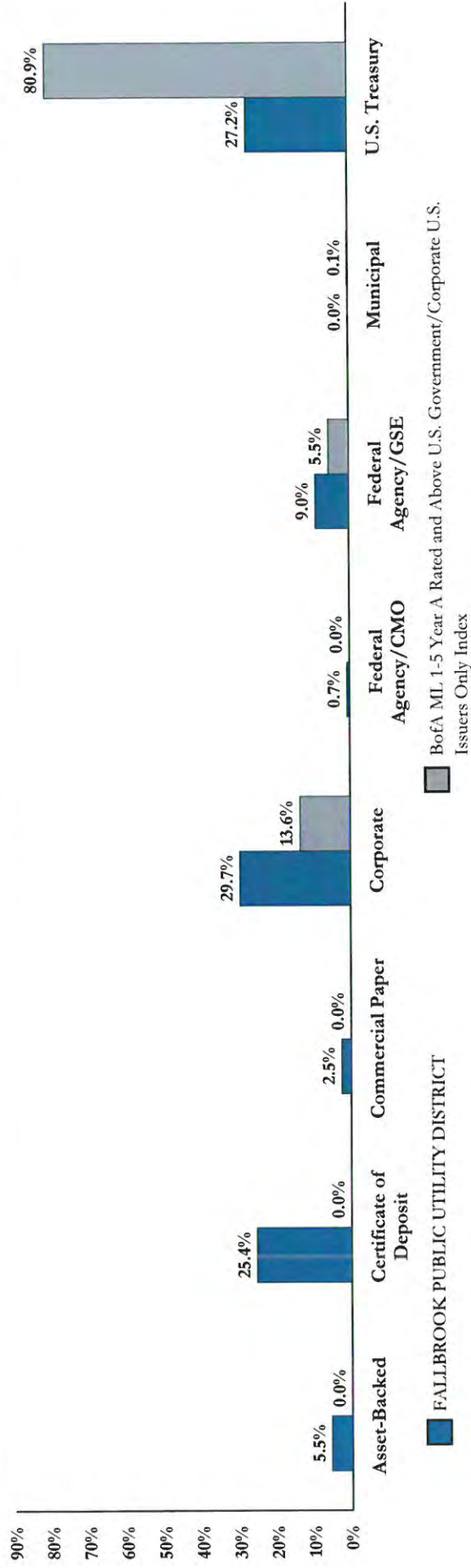
Portfolio performance is gross of fees unless otherwise indicated. *Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings
Quarter-Ended March 31, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2016)	\$14,142,765.73	\$14,225,196.20
Net Purchases/Sales	\$55,598.92	\$55,598.92
Change in Value	\$16,857.73	(\$17,940.79)
Ending Value (03/31/2017)	\$14,215,222.38	\$14,262,854.33
Interest Earned	\$63,790.98	\$63,790.98
Portfolio Earnings	\$80,648.71	\$45,850.19

Sector Allocation
As of March 31, 2017

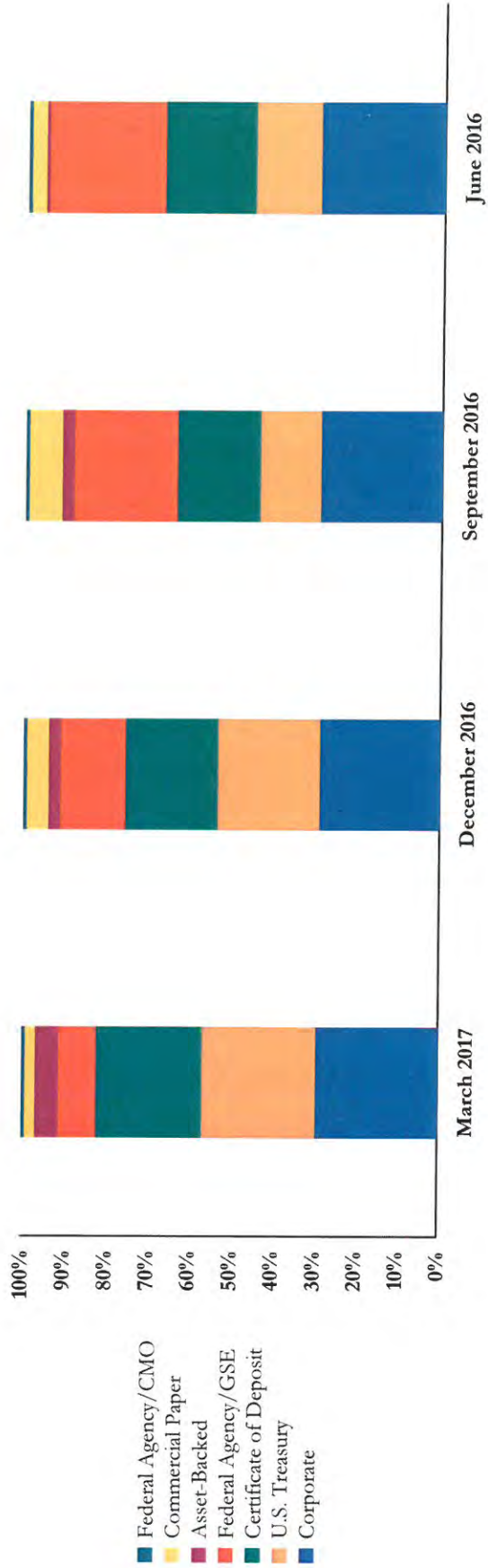
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Corporate	4,210,442	29.7%	13.6%
U.S. Treasury	3,870,195	27.2%	80.9%
Certificate of Deposit	3,612,980	25.4%	-
Federal Agency/GSE	1,284,809	9.0%	5.5%
Asset-Backed	783,636	5.5%	-
Commercial Paper	348,131	2.5%	-
Federal Agency/CMO	105,029	0.7%	-
Municipal	0	-	0.1%
Total	14,215,222	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

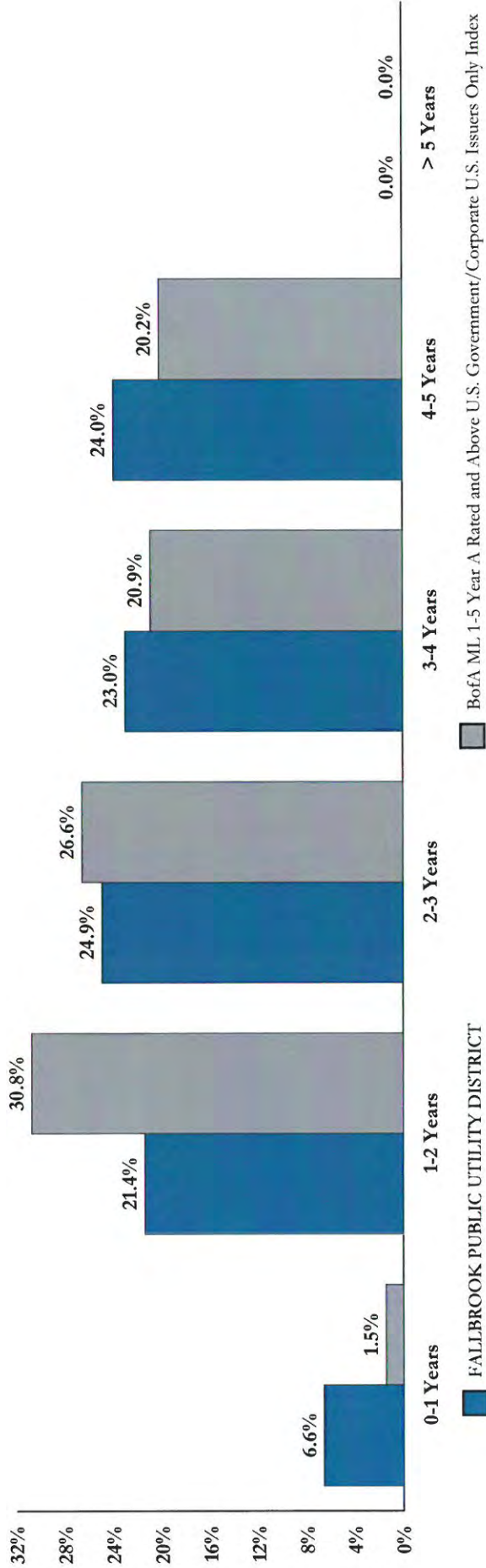
Sector	March 31, 2017		December 31, 2016		September 30, 2016		June 30, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	4.2	29.7%	4.1	29.2%	4.2	29.3%	4.2	29.8%
U.S. Treasury	3.9	27.2%	3.5	24.4%	2.1	14.5%	2.2	15.7%
Certificate of Deposit	3.6	25.4%	3.1	22.2%	2.8	19.9%	3.1	21.8%
Federal Agency/GSE	1.3	9.0%	2.2	15.5%	3.5	24.8%	3.9	27.7%
Asset-Backed	0.8	5.5%	0.4	2.8%	0.4	2.8%	0.1	0.8%
Commercial Paper	0.3	2.5%	0.7	5.2%	1.1	8.0%	0.5	3.4%
Federal Agency/CMO	0.1	0.7%	0.1	0.7%	0.1	0.7%	0.1	0.8%
Total	\$14.2	100.0%	\$14.1	100.0%	\$14.3	100.0%	\$14.2	100.0%



Detail may not add to total due to rounding.

Maturity Distribution
 As of March 31, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
FALLBROOK PUBLIC UTILITY DISTRICT	1.67%	2.80 yrs	6.6%	21.4%	24.9%	23.0%	24.0%	0.0%
BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index	1.57%	2.81 yrs	1.5%	30.8%	26.6%	20.9%	20.2%	0.0%



Issuer Distribution

As of March 31, 2017

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	3,870,195	27.2%
FANNIE MAE	854,542	6.0%
CATERPILLAR INC	569,401	4.0%
MORGAN STANLEY	566,660	4.0%
AMERICAN EXPRESS CO	529,552	3.7%
CAPITAL ONE FINANCIAL CORP	493,849	3.5%
JP MORGAN CHASE & CO	484,932	3.4%
WELLS FARGO & COMPANY	386,952	2.7%
BANK OF NEW YORK CO INC	353,444	2.5%
APPLE INC	328,528	2.3%
CHEVRON CORP	299,012	2.1%
FREDDIE MAC	296,355	2.1%
GOLDMAN SACHS GROUP INC	289,206	2.0%
BANK OF MONTREAL	281,934	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	281,550	2.0%
NORDEA BANK AB	281,550	2.0%
MITSUBISHI UFI FINANCIAL GROUP INC	248,956	1.8%
SYNCHRONY BANK	247,904	1.7%

Top 5 = 45.0%

Top 10 = 59.4%

FALLBROOK PUBLIC UTILITY DISTRICT

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
STATE BANK OF INDIA	247,260	1.7%
BANK OF BARODA	247,107	1.7%
FIRST RESOURCE BANK	246,451	1.7%
RONDOUT SAVINGS BANK	246,423	1.7%
CELTIC BANK	246,179	1.7%
BB&T CORPORATION	246,148	1.7%
GOLD COAST BANK	245,938	1.7%
FEDERAL HOME LOAN BANKS	238,941	1.7%
BURLINGTON NORTHERN SANTA FE	213,573	1.5%
SVENSKA HANDELSBANKEN	199,452	1.4%
TOYOTA AUTO RECEIVABLES	154,318	1.1%
CNH EQUIPMENT TRUST	150,392	1.1%
CARMAX AUTO OWNER TRUST	124,509	0.9%
CITIBANK CREDIT CARD ISSUANCE	120,191	0.9%
CIT BANK	100,282	0.7%
CITIGROUP INC	99,914	0.7%
ING GROUP NV	99,175	0.7%
FORD CREDIT AUTO OWNER TRUST	95,017	0.7%
AMERICAN HONDA FINANCE	90,221	0.6%
HYUNDAI AUTO RECEIVABLES	74,437	0.5%
JOHN DEERE OWNER TRUST	64,771	0.5%

For the Quarter Ended March 31, 2017

FALLBROOK PUBLIC UTILITY DISTRICT

Portfolio Composition

Grand Total:	14,215,222	100.0%
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Portfolio Holdings



Managed Account Detail of Securities Held

For the Month Ending March 31, 2017

FPUD - INVESTMENT PORTFOLIO

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
Federal Agency Bond / Note												
FHLB NOTES		3130A8PK3	125,000.00	AA+	Aaa	08/01/16	08/02/16	124,556.25	0.80	117.19	124,701.78	124,051.13
DTD 07/08/2016 0.625% 08/07/2018												
FHLB NOTES		3130AAE46	115,000.00	AA+	Aaa	12/07/16	12/08/16	114,995.40	1.25	299.48	114,995.76	114,890.06
DTD 12/08/2016 1.250% 01/16/2019												
FNMA BENCHMARK NOTE		3135G0J53	285,000.00	AA+	Aaa	04/27/16	04/29/16	284,495.55	1.06	277.08	284,659.19	283,137.24
DTD 02/23/2016 1.000% 02/26/2019												
FHLMC REFERENCE NOTE		3137EAE81	300,000.00	AA+	Aaa	07/19/16	07/20/16	299,274.00	0.96	525.00	299,441.09	296,354.70
DTD 07/20/2016 0.875% 07/19/2019												
FANNIE MAE GLOBAL NOTES		3135G0R39	255,000.00	AA+	Aaa	10/24/16	10/25/16	254,224.80	1.10	1,105.00	254,335.33	251,893.34
DTD 10/25/2016 1.000% 10/24/2019												
FNMA NOTES		3135G0T29	215,000.00	AA+	Aaa	02/24/17	02/28/17	214,862.40	1.52	277.71	214,866.32	214,482.50
DTD 02/28/2017 1.500% 02/28/2020												

Security Type Sub-Total	1,295,000.00	1,292,408.40	1.12	2,601.46	1,292,999.47	1,284,808.97						
Corporate Note												
APPLE INC GLOBAL NOTES	037833AO3	325,000.00	AA+	Aa1	05/29/14	05/29/14	329,582.50	1.80	2,748.96	326,997.02	328,527.88	
DTD 05/06/2014 2.100% 05/06/2019												
CHEVRON CORP NOTES	166764BH2	300,000.00	AA-	Aa2	05/09/16	05/16/16	300,000.00	1.56	1,756.13	300,000.00	299,012.40	
DTD 05/16/2016 1.561% 05/16/2019												
CITIGROUP INC CORP NOTES	172967KS9	100,000.00	BBB+	Baa1	06/02/16	06/09/16	99,948.00	2.07	649.17	99,961.74	99,914.30	
DTD 06/09/2016 2.050% 06/07/2019												
BURLINGTON NRTH CORP	12189TBC7	200,000.00	A	A3	06/03/16	06/08/16	220,780.00	1.48	4,700.00	215,772.89	213,573.20	
DTD 09/24/2009 4.700% 10/01/2019												
CATERPILLAR FINANCIAL CORP NOTES	14912L6F3	565,000.00	A	A3	04/24/15	04/24/15	577,181.40	1.76	4,237.50	572,178.27	569,401.35	
DTD 12/01/2014 2.250% 12/01/2019												
AMERICAN HONDA FINANCE	02665WBM2	90,000.00	A+	A1	02/13/17	02/16/17	89,872.20	2.05	225.00	89,876.90	90,221.04	
DTD 02/16/2017 2.000% 02/14/2020												
BNY MELLON (CALLABLE) CORP NOTE	06406HCZ0	352,000.00	A	A1	07/07/15	07/07/15	352,148.30	2.14	777.82	352,096.93	353,443.55	
DTD 02/24/2015 2.150% 02/24/2020												



Managed Account Detail of Securities Held

For the Month Ending March 31, 2017

FPUD - INVESTMENT PORTFOLIO

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note										
JP MORGAN CHASE & CO NOTES DTD 07/22/2010 4.400% 07/22/2020	46625HHS2	A-	A3	04/27/16	04/29/16	493,065.30	2.31	3,837.17	485,085.36	484,931.72
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	A	A2	04/27/16	04/29/16	391,579.65	2.16	3,108.88	390,316.37	386,952.34
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	BBB+	A3	05/10/16	05/13/16	352,009.00	2.38	3,888.89	351,668.86	348,110.00
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	BBB+	A3	08/10/16	08/15/16	296,693.20	2.11	3,298.75	295,823.42	289,206.27
AMERICAN EXPRESS CREDIT CORP NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	A-	A2	05/05/16	05/10/16	286,558.95	2.13	2,600.63	286,292.40	282,449.82
BRANCH BANKING & TRUST CORP NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	A-	A2	05/10/16	05/16/16	249,835.00	2.06	2,007.29	249,863.13	246,148.00
MORGAN STANLEY BONDS DTD 11/17/2016 2.625% 11/17/2021	61746BED4	BBB+	A3	02/01/17	02/03/17	216,755.00	2.96	2,149.58	216,859.83	218,550.20
Security Type Sub-Total						4,256,008.50	2.06	35,985.77	4,232,793.12	4,210,442.07
Commercial Paper										
BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER DTD 02/03/2017 0.000% 08/02/2017	06538BV26	A-1	P-1	02/03/17	02/03/17	248,337.50	1.34	0.00	248,863.96	248,955.50
ING (US) FUNDING LLC COMM PAPER DTD 02/06/2017 0.000% 11/01/2017	4497W0Y10	A-1	P-1	02/06/17	02/06/17	98,928.00	1.46	0.00	99,144.00	99,175.20
Security Type Sub-Total						347,265.50	1.37	0.00	348,007.96	348,130.70
Certificate of Deposit										
GOLD COAST BANK LT CD DTD 12/30/2013 1.200% 10/30/2017	38058KCS3	NR	NR	12/31/13	12/31/13	245,000.00	1.13	16.11	245,000.00	245,937.62

PFM Asset Management LLC



Managed Account Detail of Securities Held

For the Month Ending March 31, 2017

FPUD - INVESTMENT PORTFOLIO

Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CELTIC BANK LT CD	DTD 12/20/2013 1.250% 12/20/2017	151118RJL2	NR	NR	12/21/13	12/21/13	245,000.00	1.22	855.82	245,000.00	246,179.43
CIT BANK LT CD	DTD 03/13/2013 1.100% 03/13/2018	17284A6P8	NR	NR	03/14/13	03/14/13	100,000.00	1.08	57.26	100,000.00	100,281.80
ROUNDOUT SAVINGS BANK LT CD	DTD 01/23/2015 1.350% 07/23/2018	776322AP4	NR	NR	01/24/15	01/24/15	245,000.00	1.32	616.19	245,000.00	246,422.72
FIRST RESOURCE BANK LT CD	DTD 01/28/2015 1.300% 07/30/2018	336177AO3	NR	NR	01/29/15	01/29/15	245,000.00	1.10	549.74	245,000.00	246,451.14
CAPITAL ONE BANK USA NA LT CD	DTD 08/12/2015 1.700% 08/13/2018	14042E5N6	NR	NR	08/12/15	08/12/15	245,000.00	1.40	547.73	245,000.00	246,301.20
SYNCHRONY BANK LT CD	DTD 10/25/2013 2.150% 10/25/2018	36157OSM0	NR	NR	10/25/13	10/25/13	245,000.00	2.05	2,280.18	245,000.00	247,903.99
BANK OF BARODA LT CD	DTD 10/28/2013 2.050% 10/29/2018	0606246K4	NR	NR	10/29/13	10/29/13	245,000.00	1.96	2,132.84	245,000.00	247,107.00
CANADIAN IMPERIAL BANK NY CD	DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	A+	Aa3	12/01/16	12/05/16	279,781.60	1.78	1,601.60	279,816.85	281,549.52
NORDEA BANK FINLAND NY CD	DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	AA-	Aa3	12/01/16	12/05/16	280,000.00	1.74	1,601.60	280,000.00	281,549.52
STATE BANK OF INDIA LT CD	DTD 12/18/2013 2.050% 12/18/2018	856283VY9	NR	NR	12/19/13	12/19/13	245,000.00	1.96	1,431.07	245,000.00	247,260.13
SVENSKA HANDELSBANKEN NY LT CD	DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	AA-	Aa2	01/10/17	01/12/17	200,000.00	1.91	829.50	200,000.00	199,451.80
BANK OF MONTREAL CHICAGO CERT DEPOS	DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	A+	Aa3	02/08/17	02/09/17	280,000.00	1.90	745.73	280,000.00	281,934.24
AMERICAN EXPRESS BK FSB LT CD	DTD 07/24/2014 2.000% 07/24/2019	02587CAJ9	NR	NR	07/25/14	07/25/14	245,000.00	1.92	899.45	245,000.00	247,102.10
CAPITAL ONE BANK USA NA LT CD	DTD 08/12/2015 2.000% 08/12/2019	140420UE8	NR	NR	08/12/15	08/12/15	245,000.00	1.94	644.38	245,000.00	247,548.25



Managed Account Detail of Securities Held

For the Month Ending March 31, 2017

FPUD - INVESTMENT PORTFOLIO

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
Security Type Sub-Total			3,590,000.00					3,589,781.60	1.65	14,809.20	3,589,816.85	3,612,980.46
Asset-Backed Security / Collateralized Mortgage Obligation												
CARMAX ABS 2016-3 A2	DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	124,597.06	AAA	NR	07/14/16	07/20/16	124,586.89	1.18	64.79	124,589.30	124,508.76
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	109,995.87	109,645.40
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	34,997.79	34,782.67
CNH EQUIPMENT TRUST POOL	DTD 03/22/2017 1.800% 07/15/2020	12636WAB2	150,000.00	AAA	Aaa	03/15/17	03/22/17	149,994.24	1.80	67.50	149,994.26	150,392.39
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	44,999.02	44,672.73
CCCIT 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	377.00	120,000.00	120,190.97
JDOT 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	29,995.85	29,988.74
HYUNDAI AUTO RECEIVABLES TRUST	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	74,991.20	74,437.27
FORDO 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	94,999.68	95,017.35
Security Type Sub-Total			784,597.06					784,533.82	1.50	752.33	784,562.97	783,636.28
Managed Account Sub-Total			14,161,597.06					14,294,574.35	1.64	73,783.55	14,262,854.33	14,215,222.38
Securities Sub-Total			\$14,161,597.06					\$14,294,574.35	1.64%	\$73,783.55	\$14,262,854.33	\$14,215,222.38
Accrued Interest												\$73,783.55
Total Investments												\$14,289,005.93

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.

**Fallbrook Public Utility District
2016-17 Budget Overview-Through 4/30/17**

	2016-2017 Adopted Budget	2016-2017 Actual YTD	2016-17 Projected	Change from Projected to Adopted Budget	Percent Change from Prior Budget
REVENUES:					
Water and Recycled Sales	9,740	7,220	9,437	(303)	-3.1%
Operating Revenues:					
Water Sales	14,854,447	11,288,004	14,129,434	(725,013)	-4.9%
MWD Readiness to Serve	398,232	422,265	506,718	108,486	27.2%
CWA Infracture Access Charge	398,056	330,816	396,979	(1,077)	-0.3%
Meter Service Charges	5,338,784	4,526,040	5,431,248	92,464	1.7%
Wastewater Service Charges	5,804,379	4,599,059	5,518,871	(285,509)	-4.9%
Overuse Penalties	0	0	0	-	0.0%
Sundry Other Revenue	306,100	219,271	263,126	(42,974)	-14.0%
CWA Rebates	148,000	117,300	146,827	(1,173)	-0.8%
Total Operating Revenue	27,247,998	21,502,756	26,393,202	(854,796)	-3.1%
Non Operating Revenues:					
Capital Improvement Charge	2,282,000	1,902,383	2,282,860	860	0.0%
Property Taxes	1,814,077	1,610,280	1,916,939	102,862	5.7%
Water Standby/Availability Charge	203,000	126,463	203,000	-	0.0%
Water/Wastewater Capacity Charges	107,315	212,966	212,966	105,651	98.4%
Portfolio Interest	175,000	178,266	213,920	38,920	22.2%
Pumping Charge	60,000	31,175	39,022	(20,978)	-35.0%
Prop 84 & 50 Funds	0	773,163	773,163	773,163	100.0%
SRF Loan Proceeds	0	0	0	-	0.0%
CSI Rebate	559,450	234,930	234,930	(324,520)	-58.0%
Facility Rents & Other Non Operating Revenues	185,000	196,731	214,616	29,616	16.0%
Total Non Operating Revenues	5,365,842	5,266,359	6,091,416	705,574	13.1%
Total Budgeted Revenues	32,633,840	26,769,115	32,484,618	(149,222)	-0.5%
EXPENDITURES:					
Operating Expenses:					
Purchased Water Expense	12,263,929	10,711,067	12,102,900	(161,029)	-1.3%
MWD Readiness to Serve	398,232	331,860	398,232	-	0.0%
CWA Infracture Access Charge	398,056	328,782	398,056	-	0.0%
Production-Water Quality & Treatment	1,270,610	902,798	1,083,357	(187,253)	-14.7%
Distribution	2,047,562	1,202,840	1,443,408	(604,154)	-29.5%
Customer Service	1,290,349	1,047,128	1,256,554	(33,795)	-2.6%
General Administration	5,182,798	3,941,218	4,729,461	(453,337)	-8.7%
Collection, Treatment & Disposal	2,818,664	2,022,234	2,426,680	(391,984)	-13.9%
Total Operating Expenses	25,670,200	20,487,925	23,838,648	(1,831,552)	-7.1%
Debt Service Expenses					
Red Mountain SRF	395,893	395,893	395,893	-	0.0%
WWTP SRF	1,845,745	1,845,745	1,845,745	-	0.0%
QECB Solar Debt	349,024	349,024	349,024	-	0.0%
CalPERS 15-16 Unfunded Actuarial Liability Lump Sum	466,860	466,860	466,860	-	0.0%
Prefund FY 16-17 CalPERS UAL Lump Sum Pymt to PARS	0	500,000	500,000	500,000	100.0%
Total Debt Service Expenses	3,057,522	3,557,522	3,557,522	500,000	16.4%
Net Revenue/(loss) From Operations and Debt Service	3,906,118	2,723,667	5,088,448	1,182,330	30.3%
Capital Project Expenses-completed and ongoing projects	5,966,926	4,376,630	5,835,507	(131,419)	-2.2%
NET REVENUES & EXPENDITURES	(2,060,808)	(1,652,963)	(747,059)	1,313,749	-63.7%
Estimated Reserves as of 7/1/16	14,841,858	14,988,998	14,841,858	-	
Estimated Reserves as of 6/30/17	12,781,050	13,336,035	14,094,799	1,313,749	10.3%

**Fallbrook Public Utility District
2016-17 Budget Overview-Through 4/30/17**

	2016-2017 Adopted Budget	2016-2017 Actual YTD	2016-17 Projected	Change from Projected to Adopted Budget
Labor Costs:				
Annual Wages	5,698,680	4,826,957	5,704,586	5,906
Direct Benefits:				
Medical/Dental/Vision	964,259	788,984	946,781	(17,478)
Other Post Employment Benefits (OPEB) contribution	150,000	150,000	150,000	-
Life Insurance/Long Term Disability	38,418	30,000	36,000	(2,418)
Uniforms/Safety Equipment	38,317	36,050	43,260	4,943
Auto Allowance & Rec Fund	18,700	15,366	18,490	(210)
Total Wages & Direct Benefits	6,908,374	5,847,357	6,899,116	(9,257)
Indirect Benefits:				
CalPERS/401A*	438,162	421,085	511,926	73,764
CalPERS Lump Sum Unfunded Liability Payment	459,468	459,468	459,468	-
CalPERS Side Fund Payoff**	485,000	485,000	485,000	-
CalPERS Unfunded Liability contribution	100,000	100,000	100,000	-
FICA/Social Security	419,177	330,768	427,907	8,730
Workers Comp Premiums	130,558	98,130	134,800	4,242
Other-Unemployment Insurance	0	11,734	11,734	11,734
**Reimburse Reserves for 6/30/14 Side Fund Payoff				-
***Actuarial Unfunded Liability of \$9.8M				-
Total Indirect Benefits	2,032,365	1,906,185	2,130,836	98,471
Total Wages and Fringe Benefits	8,940,739	7,753,542	9,029,952	89,213
 *Employer Contribution 10.808% for Misc Members and 6.93% for PEPRAs Members				
 **Reimburse Reserves for 6/30/14 Side Fund Payoff Balance remaining is \$2,058,848 as of 6/30/16				
 ***Unfunded Actuarial Liability (UAL) of \$9.8M. This action prefunds a portion of the UAL into PARS				

General Ledger
Balance Sheet
Consolidated



Fallbrook Public Utility District

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

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

User: marcie
Printed: 5/11/2017 11:50:57 AM
Period 10 - 10
Fiscal Year 2017

<u>Description</u>	<u>End Bal</u>
Asset	
Cash and Investments	16,524,185.06
Cash With Treasurer's Fund	9,187,278.09
Receivables	4,569,556.48
Inventory	1,896,775.98
Other Current Assets	575,402.58
Restricted Cash & Investments	376,995.95
Board Designated Assets	1,464,204.78
Capital Assets-Being Depreciated	160,707,286.46
Capital Assets-Not Being Depreciated	16,954,357.51
Accumulated Depreciation	-64,932,906.74
Asset	147,323,136.15
Liability	
Accounts Payable	-4,941,393.76
Cash Due to Other Funds	-9,187,278.09
Accrued Wages	-12,187.53
Compensated Absences	-1,165,870.35
Construction and Other Deposits	-7,604.88
Accrued Interest Payable	-73,748.98
HRA Liability	-143,663.62
OPEB Liability	-634,637.00
Retention Payable	0.00
Other Long Term Liabilities	-45,900,386.62
Liability	-62,066,770.83
Fund Balance	
Fund Balance	-81,806,503.84
Fund Balance	-81,806,503.84
Ret Earnings Total	3,449,861.48
Liab Fund Bal and Ret Earnings Total	-147,323,136.15

4/30/2017

Treasurer's Warrant No. Apr

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).

Accounts Payable

Checks by Date - Summary by Check Date

User: annaleceb
Printed: 5/3/2017 6:08 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
74728	UB*00051	GERALD & WENDY ADLER	04/05/2017	10.63
74729	06560	ALL AMERICAN GASKET	04/05/2017	777.15
74730	91142	AMBIENT, LLC	04/05/2017	2,174.83
74731	04995	AMERICAN MESSAGING	04/05/2017	102.53
74732	06403	APPLEONE EMPLOYMENT SERVICES	04/05/2017	392.32
74733	90957	BIG TEX TRAILER WORLD, INC	04/05/2017	140.08
74734	00898	BP BATTERY	04/05/2017	66.65
74735	06402	BRIAN BRADY	04/05/2017	83.01
74736	03134	CALIFORNIA WATER ENVIRONMENT	04/05/2017	88.00
74737	03978	CAMERON WELDING SUPPLY	04/05/2017	270.59
74738	06676	CAROLLO ENGINEERS, INC	04/05/2017	3,843.95
74739	06115	CDW GOVERNMENT INC.	04/05/2017	1,427.21
74740	05935	CITRIX SYSTEMS INC	04/05/2017	746.02
74741	03205	CITY OF OCEANSIDE	04/05/2017	1,063.95
74742	05899	PAULA CLARK	04/05/2017	1,022.30
74743	02925	DATA NET SOLUTIONS	04/05/2017	1,020.00
74744	05180	NOELLE DENKE	04/05/2017	29.95
74745	91123	DIGITAL DEPLOYMENT, INC.	04/05/2017	550.00
74746	05177	DOWNEY BRAND, LLP	04/05/2017	3,002.00
74747	06020	E.S. BABCOCK & SONS, INC.	04/05/2017	500.00
74748	03087	MARCELLA M. EILERS	04/05/2017	988.86
74749	04411	ENVIRONMENTAL RESOURCE ASSOC	04/05/2017	1,913.92
74750	09523	FALLBROOK EQUIP RENTALS	04/05/2017	183.18
74751	05987	FALLBROOK GARAGE & QWIK LUBE	04/05/2017	129.33
74752	01432	FERGUSON WATERWORKS #1083	04/05/2017	974.44
74753	05733	FIRST BANKCARD	04/05/2017	5,865.29
74754	05559	FRY'S ELECTRONICS	04/05/2017	646.49
74755	06408	GIERLICH MITCHELL, INC.	04/05/2017	4,586.56
74756	05380	HACH CO	04/05/2017	16,505.30
74757	91083	NIKOLAY ILIEV	04/05/2017	67.19
74758	06577	INFOSEND INC	04/05/2017	1,348.90
74759	05505	TODD JESTER	04/05/2017	273.00
74760	04027	JOES HARDWARE	04/05/2017	761.67
74761	04926	KONICA MINOLTA PREMIER FINANCE	04/05/2017	3,334.31
74762	06263	LOS ANGELES FREIGHTLINER, LLC	04/05/2017	425.62
74763	04638	LOWE'S CORPORATION	04/05/2017	334.14
74764	06614	MITEL LEASING	04/05/2017	815.15
74765	06024	MATTHEW MORGAN	04/05/2017	47.30
74766	06338	MYTHOS TECHNOLOGY INC	04/05/2017	481.76
74767	00718	NATIONWIDE RETIREMENT SOLUTIO	04/05/2017	2,108.07
74768	01267	PACIFIC PIPELINE	04/05/2017	333.06
74769	00215	PETTY CASH	04/05/2017	100.00
74770	91007	PFM ASSET MANGEMENT LLC	04/05/2017	1,100.33
74771	00216	PINE TREE LUMBER	04/05/2017	246.08
74772	91104	RAFTELIS FINANCIAL CONSULTANTS	04/05/2017	26,473.75
74773	05636	SAM'S CLUB	04/05/2017	1,517.84
74774	03738	SAN DIEGO COUNTY SUPERINTENDE	04/05/2017	526.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74775	00231	SAN DIEGO COUNTY WATER AUTH	04/05/2017	642,720.30
74776	00232	SAN DIEGO GAS & ELECTRIC	04/05/2017	17,186.62
74777	00236	SCRAPPYS	04/05/2017	2,940.39
74778	04434	SNAP ON TOOLS	04/05/2017	1,022.55
74779	06064	SOLENIS LLC	04/05/2017	7,255.99
74780	05861	SOUTHERN CALIFORNIA ALLIANCE C	04/05/2017	1,686.00
74781	04113	SPECIALTY SEALS & ACCESSORIES, I	04/05/2017	924.52
74782	04092	STATE WATER RESOURCES CONT BRI	04/05/2017	105.00
74783	05608	STEVEN ENTERPRISES INC	04/05/2017	492.64
74784	05883	TESTAMERICA LABORATORIES, INC.	04/05/2017	55.12
74785	06608	THE ROTARY CLUB OF FALLBROOK	04/05/2017	203.00
74786	05065	TYCO INTEGRATED SECURITY LLC	04/05/2017	398.43
74787	06512	ULINE, INC	04/05/2017	44.61
74788	91067	UPODIUM ENTERPRISES, LLC	04/05/2017	983.70
74789	91150	TOM VAN WEI	04/05/2017	75.00
74790	02570	CHERYL WILLIAMS	04/05/2017	450.63
Total for 4/5/2017:				765,943.21
ACH	00152	FPUD EMPL ASSOCIATION	04/12/2017	917.55
ACH	06758	US TREASURY - PAYROLL TAXES	04/12/2017	56,521.23
ACH	06759	STATE OF CA - PR TAXES	04/12/2017	7,772.14
ACH	06760	STATE OF CA - SDI	04/12/2017	1,866.01
ACH	06761	LINCOLN FINANCIAL GROUP	04/12/2017	5,892.84
ACH	06763	PERS - PAYROLL	04/12/2017	33,907.42
74799	06403	APPLEONE EMPLOYMENT SERVICES	04/12/2017	980.80
74800	06710	AQUAGISTICS	04/12/2017	2,400.00
74801	02743	BEST BEST & KRIEGER	04/12/2017	12,397.04
74802	06402	BRIAN BRADY	04/12/2017	275.33
74803	06375	CALGON CARBON CORPORATION	04/12/2017	6,300.00
74804	06012	CALIFORNIA DEPT OF CSS	04/12/2017	231.00
74805	01719	MICKEY M. CASE	04/12/2017	333.80
74806	91141	CURTIS E. STIKA	04/12/2017	1,774.18
74807	06299	D & H WATER SYSTEMS, INC	04/12/2017	1,913.64
74808	UB*00048	MARY DEE	04/12/2017	5.55
74809	05180	NOELLE DENKE	04/12/2017	39.99
74810	05192	DIAMOND ENVIRONMENTAL SERVIC	04/12/2017	170.00
74811	06020	E.S. BABCOCK & SONS, INC.	04/12/2017	885.00
74812	03087	MARCELLA M. EILERS	04/12/2017	60.00
74813	05987	FALLBROOK GARAGE & QWIK LUBE	04/12/2017	867.39
74814	00169	FALLBROOK OIL COMPANY	04/12/2017	4,511.57
74815	UB*00052	HEATHER GALLAHER	04/12/2017	166.82
74816	06408	GIERLICH MITCHELL, INC.	04/12/2017	1,147.20
74817	00182	GLENNIE'S OFFICE PRODUCTS, INC	04/12/2017	946.05
74818	02170	GRAINGER, INC.	04/12/2017	673.34
74819	03174	HAAKER EQUIPMENT COMPANY	04/12/2017	563.72
74820	05380	HACH CO	04/12/2017	2,021.76
74821	05925	HD SUPPLY WATERWORKS	04/12/2017	10,763.15
74822	03276	HOME DEPOT CREDIT SERVICES	04/12/2017	2,017.78
74823	04309	JANIKOWSKI CONSTRUCTION	04/12/2017	4,475.00
74824	04027	JOES HARDWARE	04/12/2017	532.30
74825	90953	JR FILANC CONSTRUCTION CO., INC.	04/12/2017	48,497.50
74826	06596	MCS INSPECTION GROUP	04/12/2017	6,710.00
74827	01406	NORTH COUNTY WELDING SUPPLY	04/12/2017	81.12
74828	01267	PACIFIC PIPELINE	04/12/2017	21,770.11
74829	03708	PAULEY EQUIPMENT CO INC	04/12/2017	18.10
74830	00215	PETTY CASH	04/12/2017	13.75

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74831	91077	RED WING SHOE STORE	04/12/2017	146.95
74832	06485	FABRIENNE ROBINSON	04/12/2017	15.00
74833	91136	DUANE RULE	04/12/2017	360.00
74834	06703	S & C ELECTRIC COMPANY	04/12/2017	7,709.51
74835	00231	SAN DIEGO COUNTY WATER AUTH	04/12/2017	10,314.00
74836	06737	SIMPSON SANDBLASTING & SPECIAL	04/12/2017	65,766.27
74837	05883	TESTAMERICA LABORATORIES, INC.	04/12/2017	127.58
74838	06541	TIFCO INDUSTRIES, INC	04/12/2017	638.44
74839	91107	TIME WARNER CABLE ENTERPRISES,	04/12/2017	101.60
74840	91091	ORNEEN TOMA	04/12/2017	43.69
74841	04296	TRENCH PLATE RENTAL CO	04/12/2017	787.30
74842	02570	CHERYL WILLIAMS	04/12/2017	573.13
Total for 4/12/2017:				327,003.65
74843	00101	ACWA JPIA	04/19/2017	80,446.59
74844	06403	APPLEONE EMPLOYMENT SERVICES	04/19/2017	980.80
74845	06536	ARCADIS U.S., INC	04/19/2017	580.00
74846	05088	AT&T	04/19/2017	869.46
74847	91154	ANNALECE BOKMA	04/19/2017	129.00
74848	00898	BP BATTERY	04/19/2017	109.04
74849	06402	BRIAN BRADY	04/19/2017	125.60
74850	03035	BRITHINEE ELECTRIC	04/19/2017	757.48
74851	03978	CAMERON WELDING SUPPLY	04/19/2017	195.24
74852	06115	CDW GOVERNMENT INC.	04/19/2017	288.88
74853	02176	CORELOGIC SOLUTIONS, LLC	04/19/2017	225.00
74854	05953	CORODATA RECORDS MANAGEMENT	04/19/2017	500.24
74855	06675	CORODATA SHREDDING, INC	04/19/2017	54.50
74856	00425	C/O VALLECITOS WATER DISTRICT CO	04/19/2017	25.00
74857	00370	CROP PRODUCTION SERVICES, INC.	04/19/2017	2,839.29
74858	02925	DATA NET SOLUTIONS	04/19/2017	243.75
74859	02901	DAVID DEEM	04/19/2017	57.62
74860	05180	NOELLE DENKE	04/19/2017	105.23
74861	05192	DIAMOND ENVIRONMENTAL SERVIC	04/19/2017	333.74
74862	06020	E.S. BABCOCK & SONS, INC.	04/19/2017	240.00
74863	06303	EXECUTIVE LANDSCAPE INC.	04/19/2017	417.50
74864	09523	FALLBROOK EQUIP RENTALS	04/19/2017	1,818.71
74865	05987	FALLBROOK GARAGE & QWIK LUBE	04/19/2017	265.72
74866	01099	FALLBROOK IRRIGATION INC	04/19/2017	90.04
74867	00170	FALLBROOK WASTE & RECYCLING	04/19/2017	549.70
74868	06286	GARDA CL WEST, INC.	04/19/2017	228.46
74869	02170	GRAINGER, INC.	04/19/2017	1,487.36
74870	02767	GRANGETTO FARM & GARDEN SUPPI	04/19/2017	144.17
74871	06429	HEALTHPOINTE MEDICAL GROUP,INC	04/19/2017	150.00
74872	91083	NIKOLAY ILIEV	04/19/2017	32.77
74873	06426	INDUSTRIAL SAFETY PROFESSIONAL	04/19/2017	3,000.00
74874	06577	INFOSEND INC	04/19/2017	1,302.20
74875	06463	IOTUM INC.	04/19/2017	17.34
74876	06380	JANI-KING OF CALIFORNIA, INC - SA	04/19/2017	2,117.39
74877	03765	LENNIHAN LAW	04/19/2017	5,304.72
74878	06263	LOS ANGELES FREIGHTLINER, LLC	04/19/2017	2,664.45
74879	06123	MACIAS GINI & O'CONNELL	04/19/2017	7,500.00
74880	06633	MAINTENANCE CONNECTION INC	04/19/2017	756.20
74881	06014	KERRY MEHRENS	04/19/2017	1,001.08
74882	91140	MERSINO DEWATERING INC	04/19/2017	214.27
74883	06338	MYTHOS TECHNOLOGY INC	04/19/2017	2,744.74
74884	00718	NATIONWIDE RETIREMENT SOLUTIO	04/19/2017	2,108.07

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74885	91144	PACIFIC LIFT AND EQUIPMENT COMP	04/19/2017	240.00
74886	01267	PACIFIC PIPELINE	04/19/2017	1,086.55
74887	04900	PARADISE CHEVROLET CADILLAC	04/19/2017	52.74
74888	03137	GARY PITTS	04/19/2017	530.55
74889	04662	QUALITY FENCE COMPANY, INC.	04/19/2017	515.00
74890	00232	SAN DIEGO GAS & ELECTRIC	04/19/2017	7.60
74892	91153	COLTER SHANNON	04/19/2017	23.64
74893	90925	SHERWIN-WILLIAMS	04/19/2017	53.64
74894	90929	SOUTHWEST ANSWERING SERVICE, I	04/19/2017	929.44
74895	03197	SWRCB ACCOUNTING OFFICE	04/19/2017	1,676.00
74896	06735	TCN, INC.	04/19/2017	107.35
74897	05883	TESTAMERICA LABORATORIES, INC.	04/19/2017	481.98
74898	06261	LAWTON GROUP	04/19/2017	417.15
74899	00235	THE SAN DIEGO UNION-TRIBUNE	04/19/2017	241.22
74900	91091	ORNEEN TOMA	04/19/2017	51.41
74901	00724	UNDERGROUND SERVICE ALERT	04/19/2017	283.50
74902	06005	UNIFIRST CORP.	04/19/2017	825.30
74903	04313	USA BLUE BOOK	04/19/2017	1,084.76
74904	91148	VARGYAS NETWORKS, INC.	04/19/2017	424.84
74905	00458	VERIZON WIRELESS	04/19/2017	903.24
74906	04290	VILLAGE NEWS, INC.	04/19/2017	495.00
74907	02570	CHERYL WILLIAMS	04/19/2017	350.00
74908	06100	XYLEM DEWATERING SOLUTIONS IN	04/19/2017	1,927.84

Total for 4/19/2017:

135,730.10

ACH	00152	FPUD EMPL ASSOCIATION	04/26/2017	917.55
ACH	06758	US TREASURY - PAYROLL TAXES	04/26/2017	60,567.60
ACH	06759	STATE OF CA - PR TAXES	04/26/2017	8,767.47
ACH	06760	STATE OF CA - SDI	04/26/2017	1,954.82
ACH	06761	LINCOLN FINANCIAL GROUP	04/26/2017	5,892.84
ACH	06763	PERS - PAYROLL	04/26/2017	34,081.15
74916	00805	ACWA/JOINT POWERS INS.	04/26/2017	31,525.00
74917	06370	AIR RESOURCES BOARD	04/26/2017	570.00
74918	06431	BLACK & VEATCH CORPORATION	04/26/2017	3,682.50
74919	91028	BOB TURNER'S CRANE SERVICE	04/26/2017	1,059.30
74920	00898	BP BATTERY	04/26/2017	106.65
74921	06402	BRIAN BRADY	04/26/2017	601.92
74922	05897	FILOMENO CABALBAG	04/26/2017	60.24
74923	06012	CALIFORNIA DEPT OF CSS	04/26/2017	231.00
74924	03134	CALIFORNIA WATER ENVIRONMENT	04/26/2017	172.00
74925	01719	MICKEY M. CASE	04/26/2017	137.42
74926	00704	CMS BUSINESS FORMS	04/26/2017	626.81
74927	05953	CORODATA RECORDS MANAGEMENT	04/26/2017	497.57
74928	91141	CURTIS E. STIKA	04/26/2017	3,045.00
74929	06022	JAMISON DAVIS	04/26/2017	100.00
74930	02901	DAVID DEEM	04/26/2017	187.26
74931	04425	DOMINICK'S SANDWICHES	04/26/2017	44.99
74932	01262	KYLE D. DRAKE	04/26/2017	52.12
74933	03087	MARCELLA M. EILERS	04/26/2017	85.66
74934	00161	FALLBROOK CHAMBER OF COMMER	04/26/2017	42.00
74935	01099	FALLBROOK IRRIGATION INC	04/26/2017	72.69
74936	01155	FALLBROOK REFUSE	04/26/2017	235.99
74937	91099	FLUID COMPONENTS INTERNATIONAL	04/26/2017	1,610.72
74938	00182	GLENNIE'S OFFICE PRODUCTS, INC	04/26/2017	691.69
74939	04958	GOSCH FORD TEMECULA	04/26/2017	42.92
74940	90906	BRETT GRAHAM	04/26/2017	32.05

Check No	Vendor No	Vendor Name	Check Date	Check Amount
74941	02170	GRAINGER, INC.	04/26/2017	458.17
74942	02767	GRANGETTO FARM & GARDEN SUPPI	04/26/2017	144.17
74943	06457	GRAYBAR ELECTRIC COMPANY INC	04/26/2017	234.22
74944	05803	HADRONEX INC	04/26/2017	9,421.58
74945	06577	INFOSEND INC	04/26/2017	859.52
74946	06267	J2 GLOBAL IRELAND LIMITED	04/26/2017	59.91
74947	00190	JCI JONES CHEMICALS INC.	04/26/2017	3,075.88
74948	05505	TODD JESTER	04/26/2017	590.95
74949	06087	KENNEDY EQUIPMENT CO., INC.	04/26/2017	810.00
74950	90916	KELLY LAUGHLIN	04/26/2017	35.85
74951	90924	LAW OFFICES OF STEPHEN V. LOPARI	04/26/2017	29.00
74952	03201	NATIONAL SAFETY COMPLIANCE INC	04/26/2017	60.00
74953	01406	NORTH COUNTY WELDING SUPPLY	04/26/2017	138.33
74954	06298	ONESOURCE DISTRIBUTORS, LLC	04/26/2017	359.37
74955	01267	PACIFIC PIPELINE	04/26/2017	856.30
74956	03990	PEREZ UPHOLSTERY	04/26/2017	154.00
74957	06237	LARRY RAGSDALE	04/26/2017	107.88
74958	04075	RAYNE WATER SYSTEMS	04/26/2017	125.00
74959	90944	ROBERT H JAMES	04/26/2017	950.00
74960	91136	DUANE RULE	04/26/2017	75.00
74961	06552	SANDIA CREEK ROAD COMMITTEE	04/26/2017	60.00
74962	00236	SCRAPPYS	04/26/2017	925.21
74963	90925	SHERWIN-WILLIAMS	04/26/2017	53.64
74964	04434	SNAP ON TOOLS	04/26/2017	1,758.21
74965	06401	SONSRAY MACHINERY LLC	04/26/2017	92.00
74966	00159	SUPERIOR READY MIX	04/26/2017	4,360.35
74967	06261	LAWTON GROUP	04/26/2017	417.15
74968	91130	LINCOLN NATIONAL LIFE INSURANC	04/26/2017	3,261.45
74969	00250	TRY ENTERPRISES	04/26/2017	1,232.50
74970	03358	US BANK TRUST NA	04/26/2017	256,258.00
74971	00253	US POSTMASTER	04/26/2017	314.00
74972	91157	TOM VAN WIE	04/26/2017	75.00
74973	91100	WESTIN ENGINEERING, INC.	04/26/2017	5,448.14
74974	02570	CHERYL WILLIAMS	04/26/2017	336.88
Total for 4/26/2017:				450,832.59
Report Total (243 checks):				1,679,509.55

Payroll -4/17

Computer Check Register

Payroll #1	129,734.61
Payroll #2	<u>134,977.35</u>
	<u>264,711.96</u>

A handwritten signature in black ink, appearing to read "Brian J. Brady", is positioned above a solid horizontal line.

Brian J. Brady

General Manager

Consultant	Services Provided
Best, Best & Krieger	District Council
Data Net Solutions	Computer network support
Downey Brand, LLP	Legal support on proposed WDR and NPDES permits for WRP
Law offices of Stephen Lopardo	Legal Support on SMR Property agreement
Lennihan Law	Legal Support on SMRCUP Water Rights petitions
MCS Inspection Group	Tank re-coating inspection services
Westin Engineering	Operational practices review and KPI development
Carollo Engineers	Review of District Capital Asset Management approach
Ninyo and Moore	Geotechnical Borings for Alvarado/Brandon Sewer
PFM Asset Management LLC	Financial Management Services
Terra Technology Engineering	Soil Compaction Testing
Test America Laboratories	Water Quality Testing
Wagner & Bonsignore, Consulting	Preparation of Water Rights Change Petitions for SMRCUP
Robert James	District as-council legal services
Packard Government Affairs	Federal Government Lobbying services for SMRCUP
Water/Wastewater Design Associates	Design review of SMRCUP
E.S Babcock and Sons, Inc	Water Quality Testing Services
Infrastructure Engineering Corporation	Design of SMRCUP Facilities
Clinical Laboratory	Water Quality Testing Services
Raftelis Financial Consultants	Financial Plan and Rate Study
Townsend Public Affairs, Inc	State Government Lobbying Services
Macias Gini & O'Connell	Auditors

Status of Key Projects

Donnil PS Emergency Generator

Awarded Construction Cost	\$139,900
Change Orders	\$ -
Total Cost	\$ 139,900.00
Total Completed	\$ 8,000.00
Percent Complete	6%
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 Creak Pipeline Replacement

Awarded Construction Cost (Pending Approval)	\$ 1,446,000.00
Change Orders	\$ 20,767.17
Total Cost	\$ 1,446,000.00
Total Completed	\$ 1,334,073.74
Percent Complete	92%
End Date	12/25/2016
Days Added	6
Funding Source	Water Capital

1 MG Tank Recoating

Awarded Construction Cost	\$ 332,285.00
Change Orders	\$ 53,878.45
Total Cost	\$ 386,163.45
Total Completed	\$ 386,163.45
Percent Complete	100%
End Date	6/30/2017
Comments	
Funding Source	Water Capital

Plant 2 Force Main Replacement

Awarded Construction Cost*	\$ 490,850.00
Change Orders	\$ 212,497.52
Total Cost	\$ 703,347.52
Total Completed	\$ 703,347.52
Percent Complete	100%
End Date*	10/6/2016
Days Added	252
*Completion Delayed Pending Final Paving and County Approval to Proceed	
Funding Source	Wastewater Capital

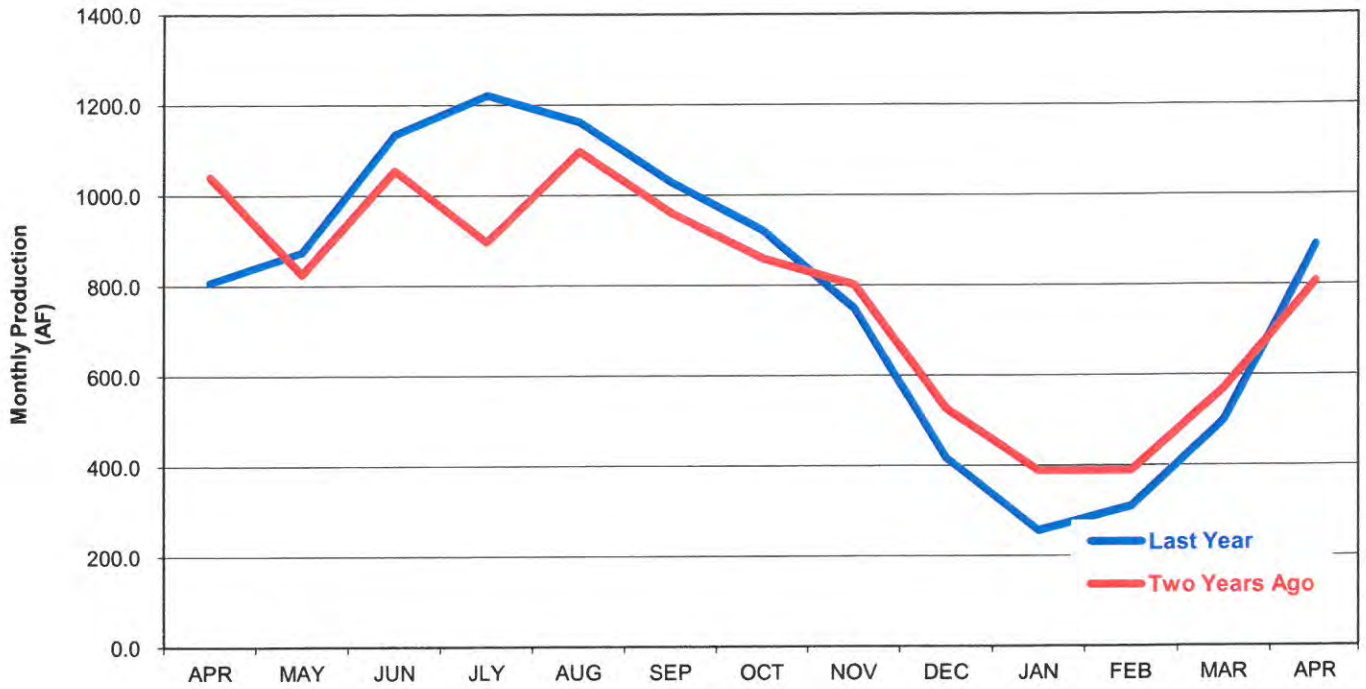
N. Brandon and E. Alvarado Sewer Replacement

Awarded Construction Cost	Award Pending Board Approval
Change Orders	
Total Cost	\$ 1,379,000.00
Total Completed	
Percent Complete	
End Date	
Days Added	
Funding Source	Wastewater Capital

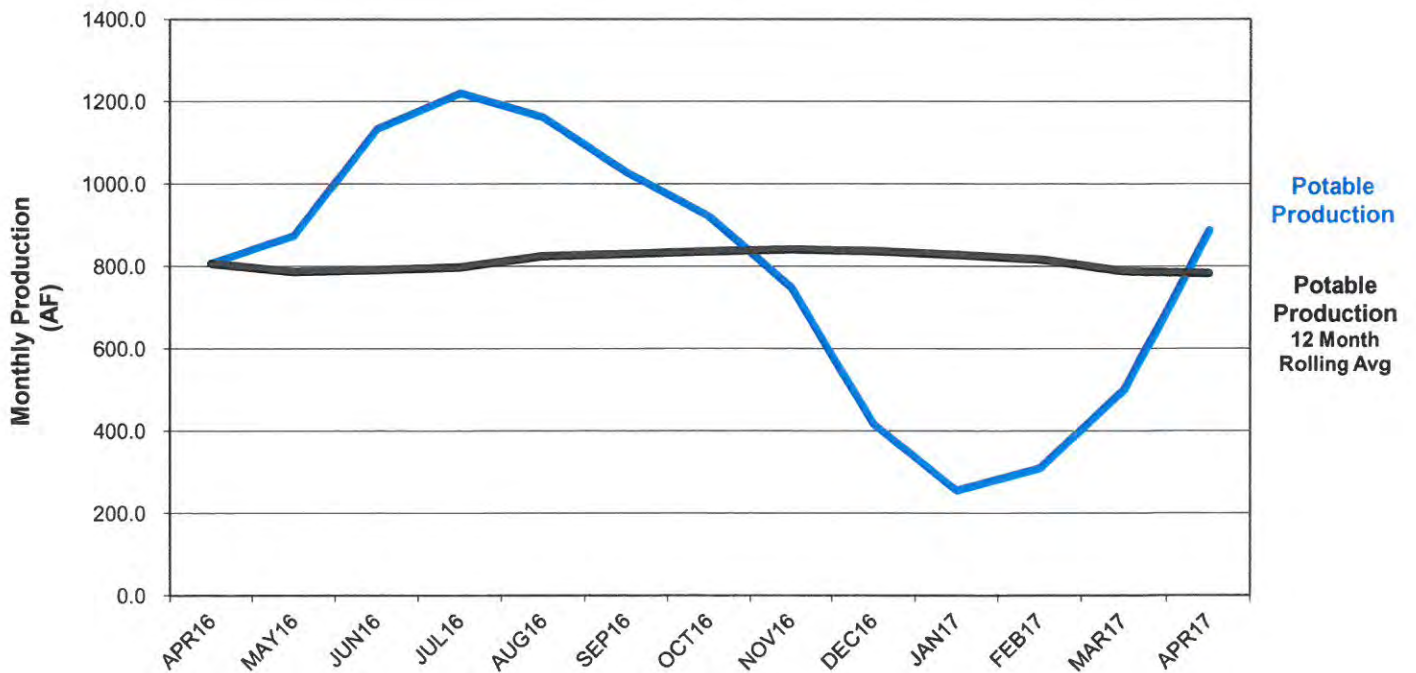
Vista Del Rio 30-14 Inch Connection

Awarded Construction Cost	\$148,000
Change Orders	\$ -
Total Cost	\$ 148,000.00
Total Completed	\$ 10,000.00
Percent Complete	7%
End Date	
Days Added	
Funding Source	Water Capital

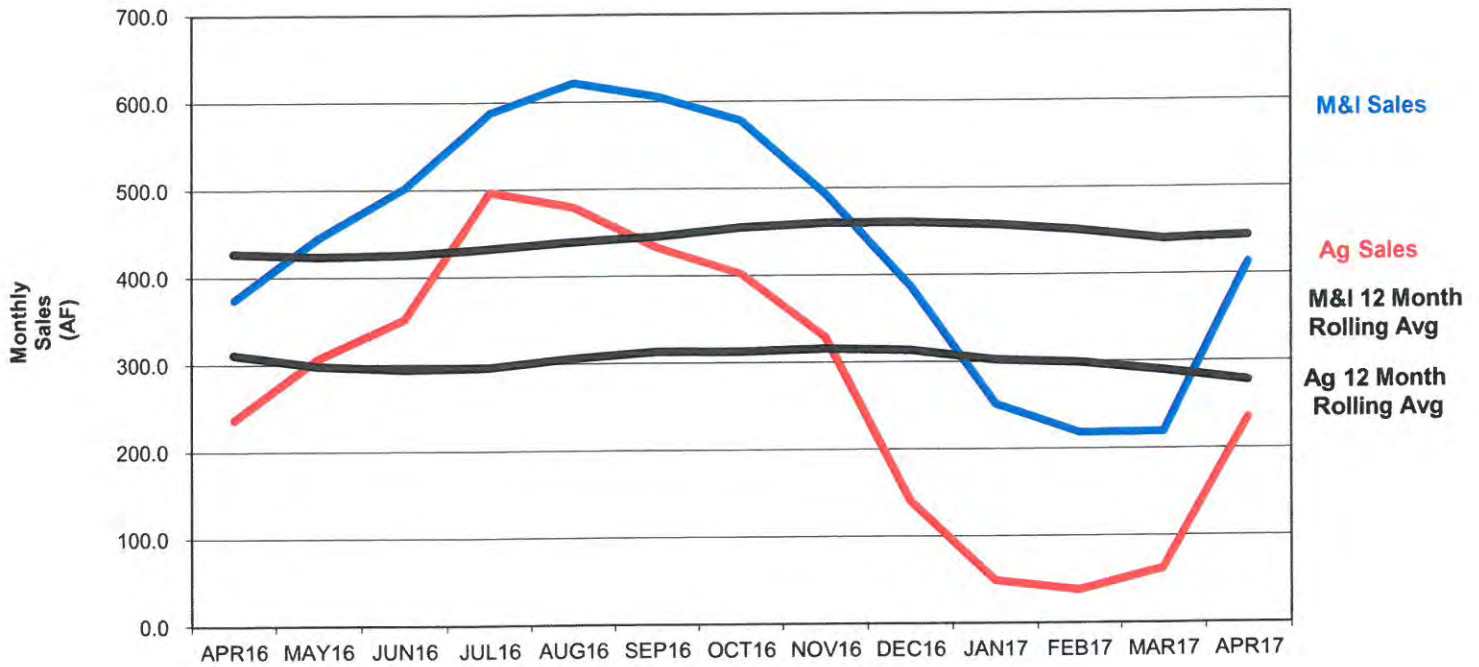
Fallbrook Public Utility District Annual Production



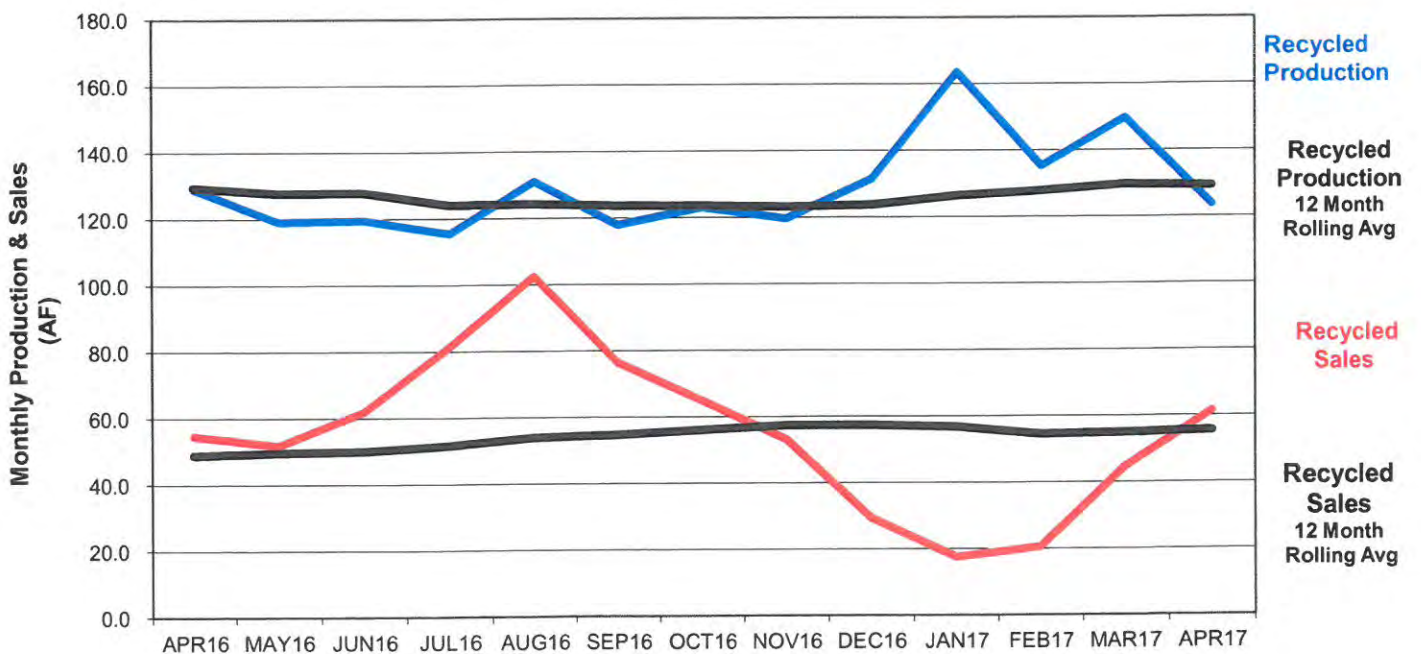
Fallbrook Public Utility District Total Potable Production



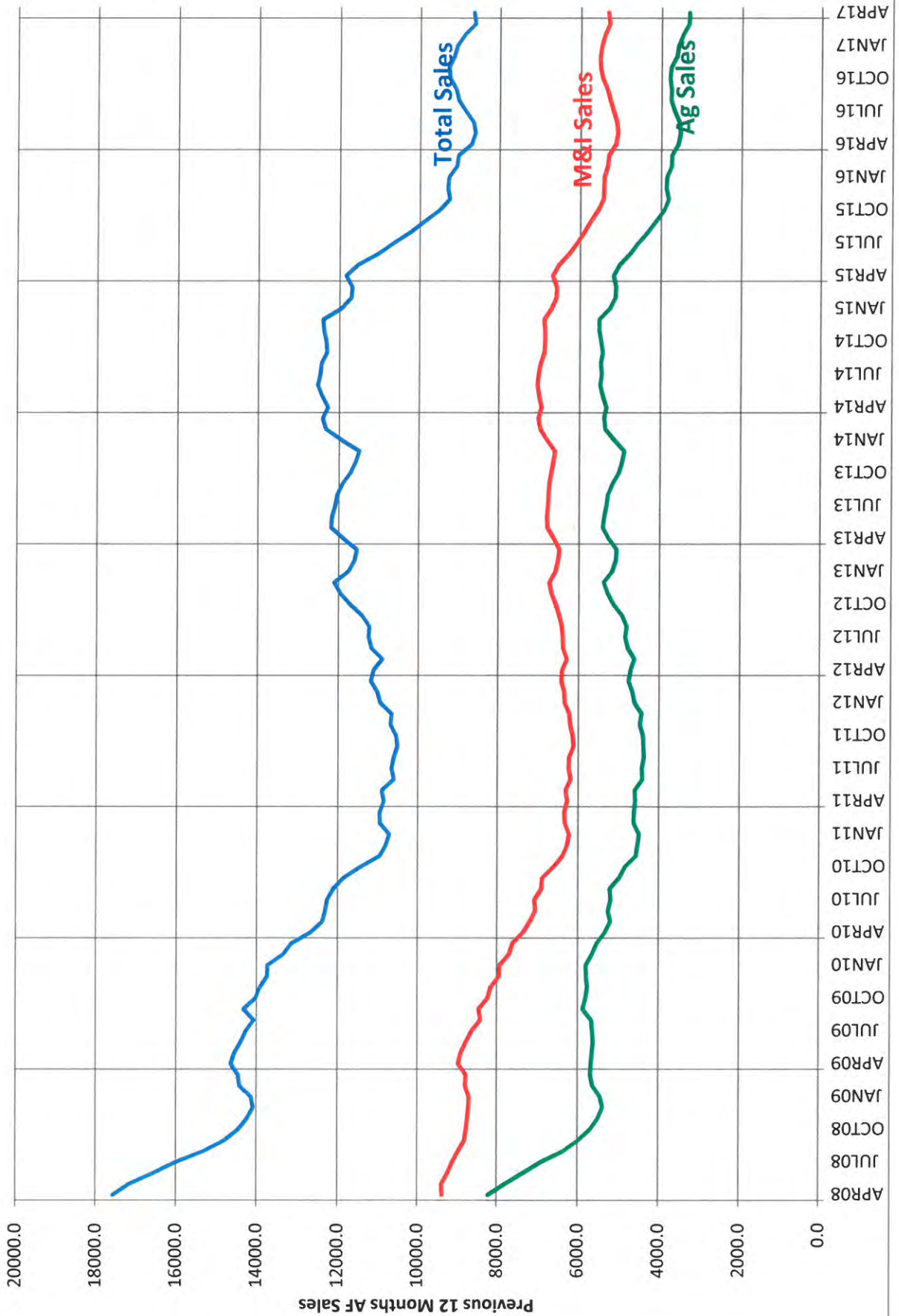
Fallbrook Public Utility District Ag and M&I Sales



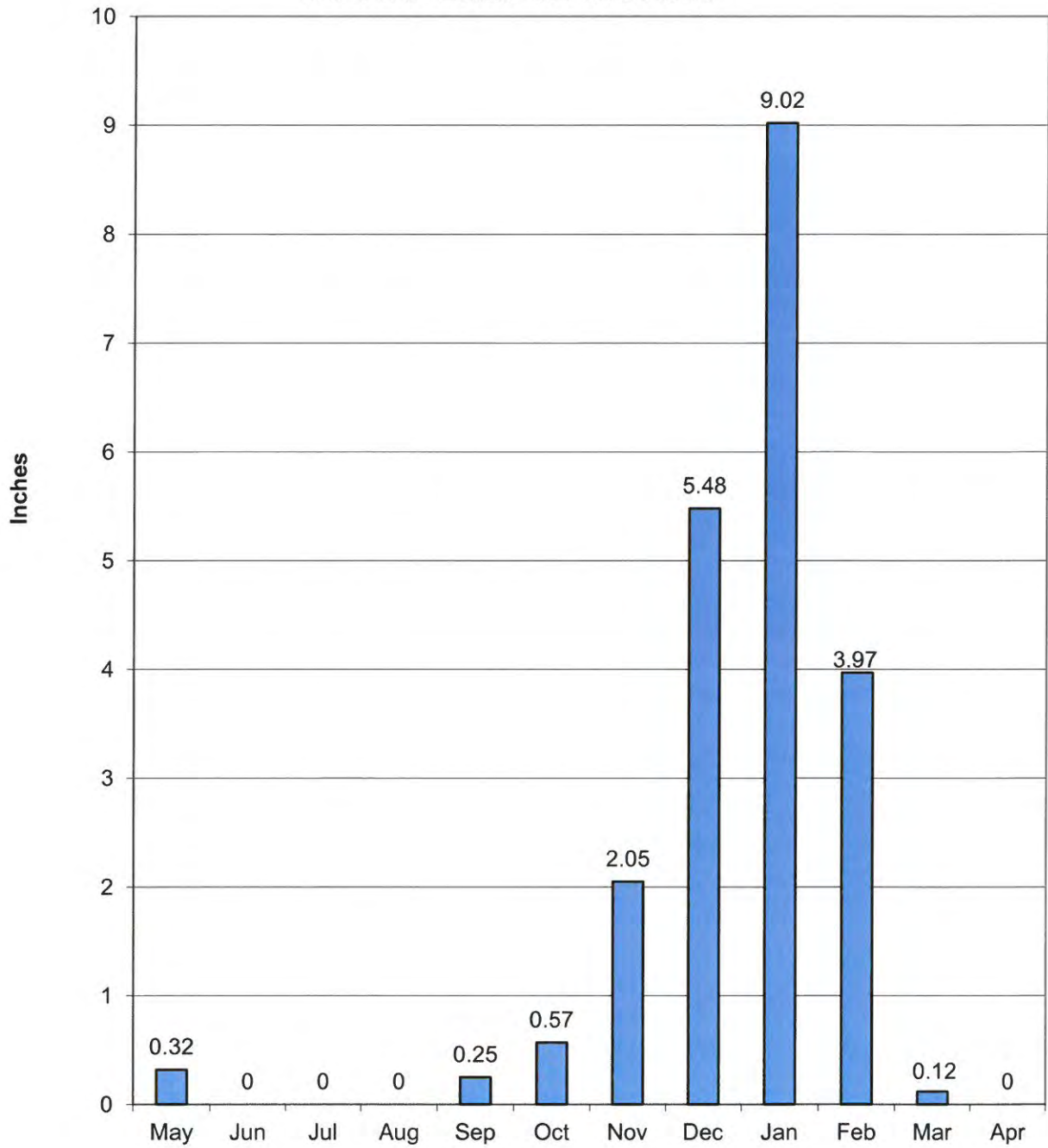
Fallbrook Public Utility District Recycled Water Production & Sales



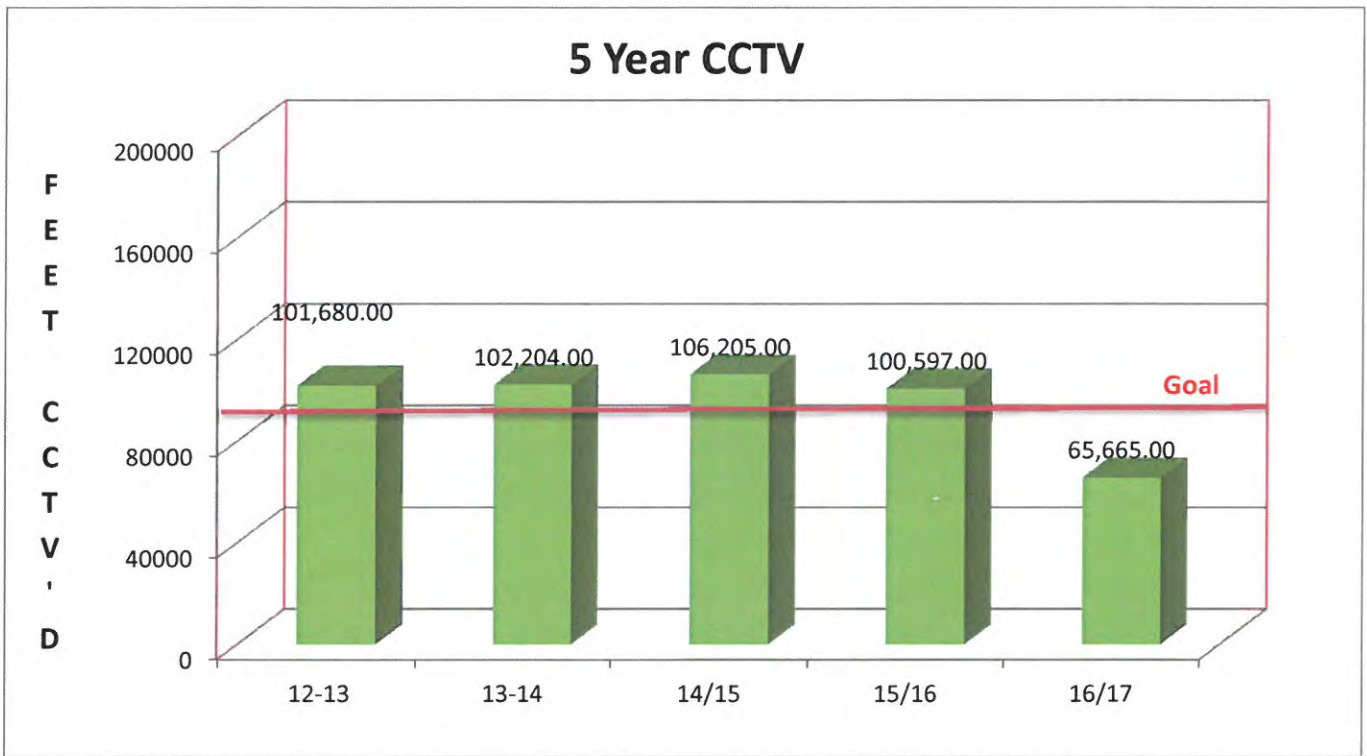
FPUD 12 Month Running Water Sales



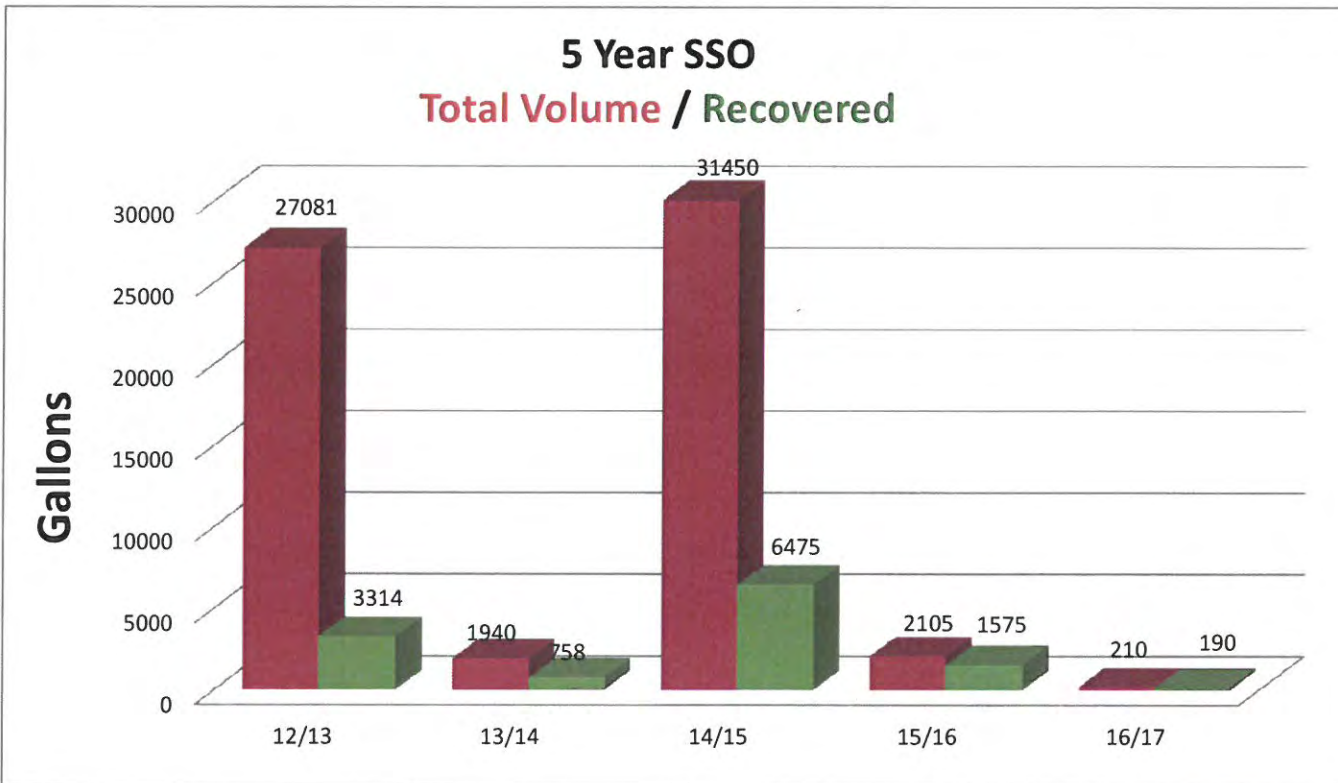
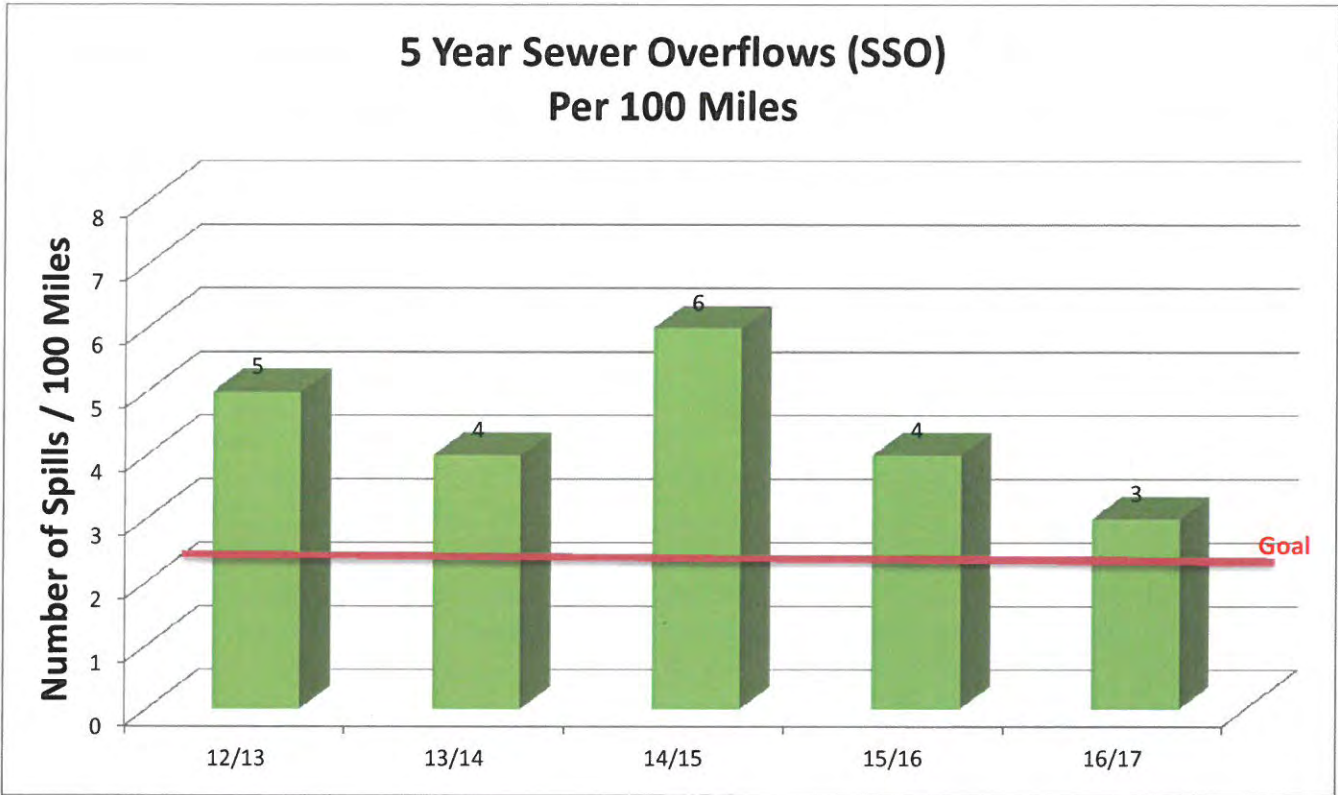
Fallbrook Rainfall In The Last 12 Months



COLLECTION MONTHLY REPORT

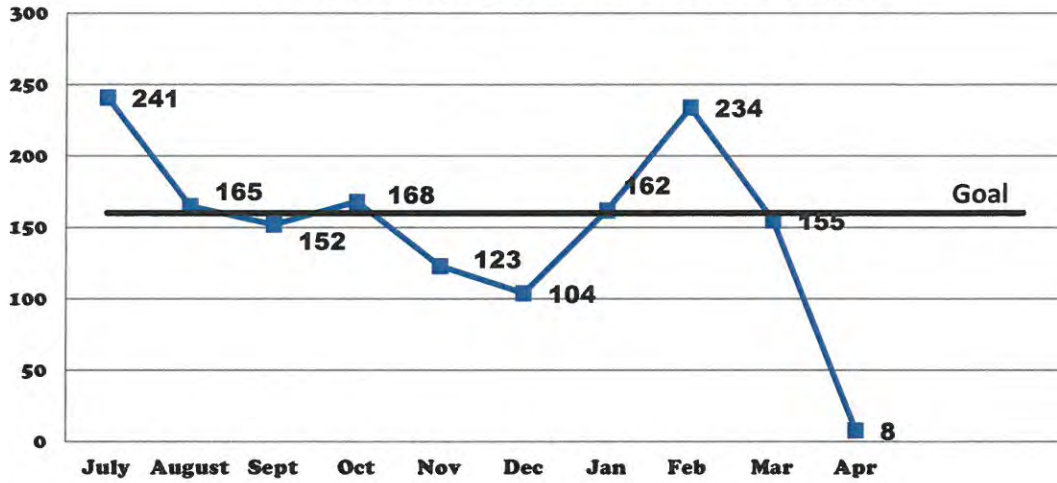


COLLECTION MONTH REPORT



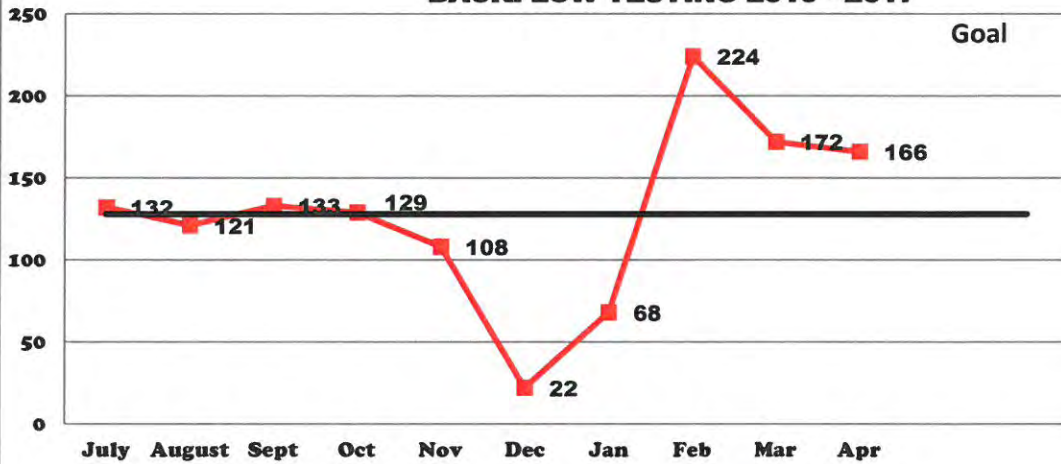
**DEPT 5
MONTHLY REPORTS**

METER EXCHANGE PROGRAM 2016 - 2017



TOTAL # METERS TO EXCHANGE:	1920
TOTAL # METERS EXCHANGED:	1512
METERS LEFT TO EXCHANGE:	408
PERCENTAGE REMAINING	21.25%

BACKFLOW TESTING 2016 - 2017



TOTAL TESTED GOAL:	1505
TOTAL TESTED TO DATE:	1275
TOTAL NUMBER OF DEVICES ON STAND BY:	126
DEVICES REMAINING TO TEST:	104
PERCENTAGE REMAINING	6.91%

System Operations Report - April 2017

Item	April-17	Year to Date
Valve Exercising Goal	189	756
Valves Exercised	120	462
Percentage Complete	63.5%	61.1%
Valves Replaced	14	78
Broken Valves Identified in System	11	288
Main Line leaks	2	12
Service Line Leaks	0	4
Approx. Gallons Lost Flushing	17,150	167,375
Approx. Gallons Lost to Leaks	397,500	659,545
Sewer Leaks	0	0

LOG OF BOARD REQUESTS
May 22, 2017 Regular Board Meeting

Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
1	1) 12/12/16 2) 2/25/16	<u>Charley Wolk:</u> Requested 1) a workshop be held to provide sufficient time for discussion of matters relating to the Santa Margarita River property and 2) a meeting with legal representation re: property.	<u>Jack Bebee</u> We are waiting to receive comments from resource agencies on the management plan and to complete an initial review with project partners. Workshop is anticipated in April 2017.	
5	1/27/17	<u>Al Gebhart:</u> Requested that staff prepare rate models based on decreased water sales over five years, to include funding of the CUP.	Request has been included in Raftelis rate model analysis. Fiscal Policy & Insurance Committee recommended projection with 9,000, 7,000 and 5,000 AFY sales. Committee review scheduled for March 6, 2017; Scheduled Board review March 20, 2017. Postponed by President Wolk. Rescheduling for mid-May 2017.	
6	GM Target Activities	<u>Board: SMR CUP</u> Maintain current schedule for finalizing MOU and EIS with USMC and necessary work with California SWRCB.	<u>Status: On-going.</u> (a) EIR to Board for certification by September 2016. Complete. (b) Final Settlement Agreement to Board by May 2017. (c) Prepare quarterly reports to Board. Last quarterly report given February 2017.	
7	GM Target Activities	<u>Board:</u> Finalize SMR CUP financing plan (options) by November 2016.	<u>Status:</u> Ongoing discussions with Fiscal Policy and Insurance Committee. Resolutions for SRF funding approved by Board at January 2017 meeting and sent to state.	2/8/17: Application submitted to SWRCB
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) Next Board update in March 2017. This activity to be combined with outcome of B-3 (Urban Water Standards), now targeted for March 2017.	
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. Report progress to Board in April 2017.	

LOG OF BOARD REQUESTS
May 22, 2017 Regular Board Meeting

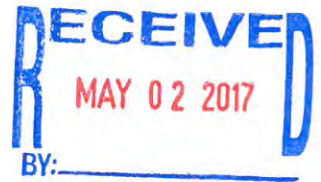
Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
14	GM Target Activities	<u>Board:</u> SDG&E General Rate Case re: Solar Contracts	<u>Status:</u> Water district consortium coordinating with BB&K special counsel. CPUC hearings originally scheduled for 10/17-10/21/2016. Opening briefs now set for 1/20/17 and reply briefs for 2/10/17. Proposed decision scheduled for February 27, 2017 unlikely. Update Board in May 2017.	
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. This activity postponed until after July 1, 2017.	
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 to be funded through MOU with NC Fire.	
26	GM Target Activities	<u>Board:</u> Complete general office space planning. Report to Board by October 2016.	<u>Status:</u> Plans and budget transmitted to Board in January 2017. On-going construction, as available, during rainy season.	
27	GM Target Activities	<u>Board:</u> Develop Managerial and Supervisory Succession Plan.	<u>Status:</u> Presented draft plan to Personnel Committee in March 2017.	3/29/17
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> Scheduled for Committee review in May 2017.	
35	2/23/17	<u>Director Volk:</u> Asked to speak with Brian or Jack concerning closure of the parking lot at the Sandia Creek trailhead. Referred to Jason Cavender for response.	<u>Jason Cavender:</u> I just spoke to Charley, and he has some concerns regarding the parking lot closure at the trailhead. He said that many people are still using the trail, that he has observed considerable traffic on Sandia Creek due to the parking lot closure, and that he feels that the closure is creating a considerable hazard. I explained that the Trails Council requested the closure until damage to the trail is repaired, and that I will call Donna tomorrow to get an update on the repairs. Charley feels that if the parking lot can't be opened soon, additional signage may be needed to warn people away from the trail. I told him I'd contact the Trails Council and provide him with a status report on the repairs,	3/21/17

LOG OF BOARD REQUESTS
May 22, 2017 Regular Board Meeting

Item No.	Date Requested	Requestor and Request	Action by Staff/Schedule	Date Completed
36	February 2017	FP&I Committee: Revise purchasing guidelines (Articles 14).	and let Brian know about this issue. Update (3/21/17): Trails and parking lot open.	
37	2/21/17	Director <u>Wolk</u> : Sit down with staff to walk-through the steps to the monthly accounting closing process.	Being reviewed by BB&K. Scheduled for May board meeting.	
38	3/21/17	Directors <u>Gebhart</u> and <u>McDougal</u> : PowerPoint presentation regarding potential Landscape Maintenance District in Fallbrook.	<u>Marcie Eilers</u> : To schedule time with Director <u>Wolk</u> .	
39	3/27/17	Director <u>Wolk</u> : Explain the technical differences in the AMI meters authorized for purchase at the 3/27/17 board meeting.	<u>Brian Brady</u> : Draft PPT presentation being reviewed 3/27/17.	3/27/17
40	3/27/17	Director <u>Wolk</u> : Provide a list of professional service providers from monthly warrant list.	<u>Jack Bebee</u> : Memo to Directors prepared 3/28/17.	3/28/17
			<u>Jack Bebee</u> : To be submitted with April 2017 board packet.	4/24/17

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

FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS



DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: SMCU stakeholders meeting

Date(s) of Attendance: April 25

Purpose of Function: Discuss project issues

Sponsoring Organization: US Fish & Wildlife

Summary of Conference or Meeting:

It was an attempt to get the stakeholders to find elements they could agree on. If accomplished then they hoped they could negotiate a solution. The players had a difficult time finding a place to compromise. Excluding Donna I don't believe anyone was willing to accept the community position

Director Signature: [Signature]

Date: 5/2/17

mileage RT. 52

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.



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Jennifer DeMedo

Name & Location of Function: Meeting to Discuss Senda

Marganda Conjunctive Use Project @ Fish + Game
office. Carlsbad

SMR property resource
agency meeting

Date(s) of Attendance: April 25

Purpose of Function: Information/Educ

Sponsoring Organization: FPUD/Fish + Game

Summary of Conference or Meeting:

Attended meeting as a guest
to learn more about Senda
Marganda project

Director Signature: [Signature]

Date: 5/17/2017

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Charley Wolk

Name & Location of Function: ACWA Monterey CA

Date(s) of Attendance: 5/9/17 to 5/12/17

Purpose of Function: Spring Conference "One water One future"

Sponsoring Organization: ACWA

Summary of Conference or Meeting:

A wide array of topics, both technical and political/policy. Meetings were better focused. I sensed better open dialog but questionable progress. At least there is less fighting and acrimony. I am still amazed at the ever increasing number of interest groups attending not necessarily water districts.

Director Signature: [Signature]

Date: 5/17/17

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FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: De Goblat

Name & Location of Function: ACWA

Date(s) of Attendance: 5/8 - 5/12/17

Purpose of Function: Learn about state wide issues

Sponsoring Organization: FPUD

Summary of Conference or Meeting: See attach sheet.

Director Signature: De Goblat Date: 5/17/17

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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.

- Energy program – How to generate power by water usage.
- Finance program – pension cost outlook: personal used 4.50% + 2.75% inflation measure, assumes no failures of operations. They have cut benefits to some operations. 2 court cases settle this year to income payments to offset pension contributions. Also, they felt the new pension program currently being challenged in court, even if it stands it won't help the current pension problem. It will take 30 years going forward to correct it.
- Attorney's program – fundamentals and questions of groundwater rights: State is trying to acquire those waters for fee from public
- Great program from Nature Conservancy – they are mapping the ground water areas of the state at the direction of the state. They are mapping the state water surface areas. The gentleman feels that eventually they will acquire those waters for fee generation or acquiring from land owners. Also in a period of a drought, take them and prevent owners from using. The website should be ready June/July timeline. You can email Kirk Klausmeyer kklausmeyer@tnc.org. His slide presentation shows how vegetation dies in drought and can come back.
- Orville dam was a talk on how they handled the project after the destruction. Nothing was said about how it could have been prevented. Hundred of millions of dollars to fix.
- Acting Secretary of Bureau of Reclamation: Basically, no money, looking now for 3 P's. Public Private Participation in projects. He was not very informative.
- Early Thursday am, attending a meeting with Charley on update of ACWA. The only important issue for me was a hand vote on developing a farm committee on the board. Interesting in that this non-profit was founded by farmers. We should know in the fall a vote if the bylaws allows this to happen. Lots of hopeful information but not much substance.
- Communications program: Do you have an action plan in case of an emergency, action, communication and follow-up.
- Finance program: Designing the appropriate affordability program that meets Prop 218 and your community needs, lifeline water charges. Governor Brown signed bill in June 2015 that everyone should have good clean water whether they can pay for it or not. Family of 4, poverty level in the U.S. is \$48,500, gets \$20 off their water portion. How do you pay for the program? 34% of California meets this standard. 10% in the valley, Tulare, Bakersfield, Fresno, San Bernardino. ACWA board stated they were gasping at the numbers. This would be in addition to Section 8 housing funds, energy credits, food stamps, etc. Seems like a reach.
- Overall, a good conference but my read is that they need new blood and they agreed.