



FALLBROOK PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING

REVISED NOTICE AND AGENDA (REV. 1)

FRIDAY, JULY 14, 2017  
1:00 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

APPROVAL OF AGENDA

PUBLIC COMMENT

**II. ACTION / DISCUSSION**

A. SANTA MARGARITA PROPERTY – TERMINATION OF PURCHASE AND SALE AGREEMENT

*Recommendation: That the Board vote to terminate the Purchase and Sale Agreement for the 1,384 acre Santa Margarita River Property with Western Rivers Conservancy (WRC), and return escrowed funds to WRC.*

ADJOURN TO CLOSED SESSION

**III. CLOSED SESSION**

1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS PER GC § 54956.8

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

*Agency Negotiators: Brian J. Brady, Jack Bebee, and Paula de Sousa Mills*

*Under Negotiation: Price and terms of payment*

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PER GC § 54957

Title: General Manager

RECONVENE TO OPEN SESSION

REPORT FROM CLOSED SESSION (*As Necessary*)

IV. **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 24 hours prior to the meeting in accordance with Government Code § 54956.

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

7-11-17  
Dated / Fallbrook, CA

Mary Lou West  
Secretary Board of Directors

MEMO

**TO:** Board of Directors  
**FROM:** Brian J. Brady, General Manager   
**DATE:** July 14, 2017  
**SUBJECT:** Santa Margarita Property – Termination of Purchase and Sale Agreement

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Purpose

To present for Board consideration termination of the Purchase and Sale Agreement with Western Rivers Conservancy (WRC) for the Santa Margarita Property, and return of escrowed funds to WRC.

Summary

In September 2015, the Board entered into a Purchase and Sale Agreement (Agreement) for the 1,384 acre Santa Margarita River Property with WRC. At the June 26, 2017, Regular Board Meeting, the Board voted not to extend the Agreement. The Agreement expired on June 30, 2017.

Steve Lopardo, acting as District legal counsel, has provided the attached letter explaining the need to take formal action to terminate the Agreement and provide for the return of escrowed funds to WCR.

Recommended Action

That the Board vote to terminate the Purchase and Sale Agreement for the 1,384 acre Santa Margarita River Property with Western Rivers Conservancy (WRC), and return escrowed funds to WRC.

**LAW OFFICES OF  
STEPHEN V. LOPARDO**  
Attorney at Law

STEPHEN V. LOPARDO  
steve@stevelopardo.com

205 WEST ALVARADO STREET  
FALLBROOK, CALIFORNIA 92028-2025

TELEPHONE  
(760) 728-1155

FACSIMILE  
(760) 728-9648

July 10, 2017

**By Email**

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

Re: Santa Margarita Property; Termination of September 29, 2015  
Purchase and Sale Agreement with Western Rivers Conservancy

Dear Mr. Brady:

On June 26, 2017, the FPUD Board voted not to extend the close of escrow beyond June 30, 2017, as provided in the September 29, 2015 Purchase and Sale Agreement with Western Rivers Conservancy (the "Agreement"). In addition, Western Rivers has been unable to come up with Long Term Steward Agreement approved by FPUD.

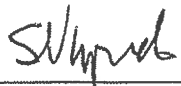
Based on the foregoing, it is necessary to formally cancel the Agreement so that (i) Escrow will release the Earnest Money Deposit to Western Rivers, and (ii) there is no "pending" contract with Western Rivers (albeit one that is no longer enforceable by Western Rivers) if and when FPUD decides to enter into a new contract regarding the property.

Accordingly, I recommend the Board of Directors formally vote to cancel the Agreement and authorize me to send Western Rivers the attached letter dated July 14, 2017.

Very truly yours,

LAW OFFICES OF STEPHEN V. LOPARDO

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

  
Stephen V. Lopardo

SVL:ccs

Enclosure

cc: Jack Bebee, Asst. General Manager  
Robert H. James, Esq.  
Paula C. P. deSousa Mills, Esq.

**LAW OFFICES OF  
STEPHEN V. LOPARDO  
Attorney at Law**

STEPHEN V. LOPARDO  
steve@stevelopardo.com

205 WEST ALVARADO STREET  
FALLBROOK, CALIFORNIA 92028-2025

TELEPHONE  
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FACSIMILE  
(760) 728-9648

July 14, 2017

Peter Colby, Project Manager  
Western Rivers Conservancy  
424 Clay Street, Lower Level  
San Francisco, CA 94111

Re: Santa Margarita River Property

Dear Mr. Colby:

I write on behalf of my client, the Fallbrook Public Utility District (FPUD) in response to your June 30, 2017 letter stating that "Pursuant to Paragraph 8(c) of the Purchase and Sale Agreement, Western Rivers Conservancy submits the Long Term Steward Agreement and draft RUE..." Your letter further states that "all documents will require some revisions," and other correspondence from you stated that Western Rivers was not in a position to close escrow on the June 30, 2017 date required under the Purchase and Sale Agreement.

A separate letter from you, also dated June 30, 2017, states, "Western Rivers Conservancy does not approve the condition of title pursuant to paragraph 6 of the Purchase and Sale Agreement, elects to terminate the contract and receive its Earnest Money back.

Prior correspondence from you on behalf of Western Rivers requested that FPUD agree to extend the Closing beyond June 30, 2017, which is not agreeable to FPUD.

Based on the foregoing, please be advised that pursuant to Paragraph 8(c) of the Purchase Agreement, FPUD hereby delivers its written disapproval of the Ongoing Access provision of the Long Term Steward Agreement and associated documentation submitted by Western Rivers, and on July 14, 2017, the Board of Directors of FPUD approved the termination of the contract and return of the Earnest Money Deposit to Western Rivers.

Pursuant to the applicable provisions of the September 29, 2015 Purchase and Sale agreement (1,384 Acres) between FPUD and Western Rivers Conservancy (the "Agreement"), the Agreement is cancelled, and the associated Escrow should also be cancelled, and the Earnest Money returned to Buyer, less any applicable fees, assessments, and charges payable by the Buyer under Section 12 of the Agreement.

Please have the Escrow Holder prepare and circulate the necessary escrow instructions to provide for cancellation.

Peter Colby, Project Manager  
July 14, 2017  
Page Two

Thank you for your ongoing cooperation on this transaction.

Very truly yours,

LAW OFFICES OF STEPHEN V. LOPARDO

By: \_\_\_\_\_  
Stephen V. Lopardo

SVL:ccs

cc: Brian J. Brady, P.E.  
Jack Bebee, Asst. General Manager  
Robert H. James, Esq.  
Paula C. P. deSousa Mills, Esq.