



AGENDA
Regular Board Meeting
Monday, December 12, 2016, 4:00 p.m.

Board of Directors of the Fallbrook Public Utility District
990 East Mission Road, Fallbrook, CA 92028

TELECONFERENCE LOCATION

In addition, President Davies will be teleconferencing pursuant to Government Code section 54953 from the following location:
University of Utah, Patient and Family Housing, Conference Room, 2080 W. North Temple, Salt Lake City, Utah 84116

The public may participate in the meeting from either of the above locations.

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. SEATING OF DIRECTORS

1. Al Gebhart, Subdistrict No. 1
2. Jennifer DeMeo, Subdistrict No. 3
3. Don McDougal, Subdistrict No. 4

B. ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS

1. President
2. Vice President

C. APPOINTMENTS TO BOARD STANDING COMMITTEES

1. Fiscal Policy & Insurance
2. Personnel
3. Water Resources

D. EMPLOYEE OF THE QUARTER FOR NOVEMBER 2016

1. Todd Jester

E. MANAGER'S AWARDS

1. Noelle Denke
2. Larry Ragsdale
3. Jeff Marchand

F. OUTGOING EMPLOYEE RECOGNITION COMMITTEE MEMBERS

1. Ginny Walker
2. Mick Cothran
3. Steve Stone
4. Matt Perez
5. Josh Hargrove
6. Chris Hamilton
7. Steve Rucker
8. Tedd Theodore
9. Ace Rule

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

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.

G. 2017 BOARD MEETING SCHEDULE

Recommendation: The Board establish the 2017 Board Meeting Schedule, as proposed, to include combining the November and December regular Board meeting dates to Monday, December 11, 2017.

III. **INFORMATION**----- (ITEM H)

H. RECOGNITION AND COMMENDATION OF STUDENT ARTWORK

Presented by: Noelle Denke, Public Affairs Specialist

IV. ACTION / DISCUSSION CALENDAR ----- (ITEMS I – N)

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

Status Update.

- J. SANTA MARGARITA PROPERTY UPDATE

Recommendation: No action is requested at this time.

- K. LOCAL PREFERENCES POLICY FOR PURCHASES

Recommendation: The District currently uses a number of local vendors that are able to provide products and services at competitive costs for the ratepayers, but the local preferences policy is not clearly articulated in the District's Administrative Code. It is recommended that based on Board input staff formalize this policy with Legal Counsel and bring an updated local preference policy for Board review and approval including a process to better solicit local vendors.

- L. PURCHASE OF AIR-VACUUM VALVES

Recommendation: That the Board award the bid to Pacific Pipeline in the total amount of \$25,082.78, inclusive of taxes, in order to ensure the District maintains a reliable sewage collection and disposal system.

- M. AWARD OF ADDITIONAL RECYCLED WATER PUMP AND VARIABLE
FREQUENCY DRIVE FOR WRP

Recommendation: That the Board authorize award of a contract to Cortech Engineering Inc. for the procurement of a Vertical Lineshaft Pump And Variable Frequency Drive for \$96,400 to increase the recycled water delivery capacity to meet the needs of the recent expansion of the recycled distribution system.

- N. AMEND ARTICLE 21 OF THE ADMINISTRATIVE CODE TO INCORPORATE
PREVIOUSLY APPROVED WATER RATE CHANGES FOR JANUARY 1, 2017
THROUGH DECEMBER 31, 2017
RESOLUTION NO. 4894

Recommendation: That the Board adopt Resolution No. 4894 amending Article 21, to incorporate previously approved water rates effective January 1, 2017 for Calendar Year 2017.

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

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

VI. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

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

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

12-8-16
Dated / Fallbrook, CA

Mary Lou Boultinghouse
Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mb*
DATE: December 12, 2016
SUBJECT: Seating of Directors

On December 8, 2016, Michael Vu, Registrar of Voters for the County of San Diego, certified that he conducted the official canvass of the returns from the General Election held on November 8, 2016, and the results showed that Al Gebhart was declared elected to the office of member of the Board of Directors, Subdistrict 1; Jennifer DeMeo was appointed to the office of member of the Board of Directors, Subdistrict 3; and Don McDougal was declared elected to the office of member of the Board of Directors, Subdistrict 4 for terms to expire December 4, 2020.

Directors DeMeo, Gebhart, and McDougal have taken their Oaths of Office.

**CERTIFICATION OF
COUNTY CLERK/REGISTRAR OF VOTERS
OF THE RESULTS OF THE CANVASS
OF THE NOVEMBER 8, 2016, GENERAL ELECTION**

STATE OF CALIFORNIA

COUNTY OF San Diego

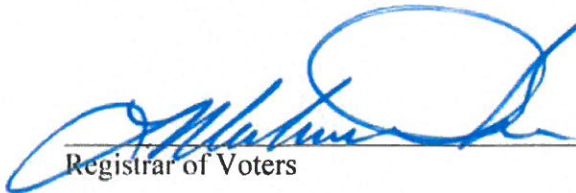
} ss.

I, Michael Vu, County Clerk/Registrar of Voters of said county, do hereby certify that, in pursuance to the provisions of Elections Code Section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 8, 2016, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast to which this certificate is attached, is full, true and correct.

I hereby set my hand and official seal this 8th day of December 2016

at the County of San Diego.





Registrar of Voters

County of San Diego
State of California

COUNTY OF SAN DIEGO
PRESIDENTIAL GENERAL ELECTION
Tuesday, November 8, 2016
Official Results - (San Diego County Portion Only)

Date:12/08/16
 Time:07:52:29
 Page:12 of 21

Registered Voters 1652875

Num. Report Precinct 2175 - Num. Reporting 2175 100.00%

FALLBROOK CPA		
	Total	
Number of Precincts	42	
Precincts Reporting	42	100.0 %
Vote For	8	
Times Counted	19830/23421	84.7 %
Total Votes	58939	
ROY MOOSA	8681	14.73%
LEE J. DE MEO	7283	12.36%
DONNA T. GEBHART	7246	12.29%
WILLIAM LEACH	6924	11.75%
WILLIAM A. OCONNOR	6317	10.72%
JACK F. WOOD	6212	10.54%
JAMES "JIM" LOGE	6106	10.36%
KAREL HANSON	5461	9.27%
RICHARD BILLBURG	4646	7.88%

HELIX WATER		
Div. No. 1		
	Total	
Number of Precincts	42	
Precincts Reporting	42	100.0 %
Vote For	1	
Times Counted	20822/26475	78.6 %
Total Votes	15860	
LUIS "LU" P. TEJEDA	5636	35.54%
DAN MCMILLAN	5451	34.37%
JOHN B LINDEN	3963	24.99%
AARON ZAJAC	795	5.01%

FALLBROOK PUBLIC UTILITY		
Div. No. 1		
	Total	
Number of Precincts	7	
Precincts Reporting	7	100.0 %
Vote For	1	
Times Counted	3782/4373	86.5 %
Total Votes	2568	
ALVIN W. GEBHART	1400	54.52%
ROBERT D. ANDERSON	1162	45.25%

HELIX WATER		
Div. No. 3		
	Total	
Number of Precincts	33	
Precincts Reporting	33	100.0 %
Vote For	1	
Times Counted	20450/26994	75.8 %
Total Votes	15755	
MARK GRACYK	9071	57.58%
ERIK COLLINS	3841	24.38%
CHUCK MUSE	2795	17.74%

FALLBROOK PUBLIC UTILITY		
Div. No. 4		
	Total	
Number of Precincts	5	
Precincts Reporting	5	100.0 %
Vote For	1	
Times Counted	3245/3757	86.4 %
Total Votes	2439	
DON B MCDUGAL	1279	52.44%
MARILEE LOWE	1153	47.27%

JACUMBA CSD		
	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Vote For	2	
Times Counted	144/195	73.8 %
Total Votes	190	
PATRICIA A. FAUBLE	79	41.58%
RICHARD HENRY ALCORN	67	35.26%
G. DAVID MOSS	44	23.16%

GROSSMONT HEALTHCARE		
	Total	
Number of Precincts	409	
Precincts Reporting	409	100.0 %
Vote For	3	
Times Counted	216054/265978	81.2 %
Total Votes	351027	
VIRGINIA HALL	88930	25.33%
MICHAEL A EMERSON	66967	19.08%
W.R. BOB AYRES	59221	16.87%
PRISCILLA SCHREIBER	56038	15.96%
ART MADRID	48956	13.95%
JIMMY L. PARKER	30588	8.71%

JULIAN-CUYAMACA FIRE		
	Total	
Number of Precincts	6	
Precincts Reporting	6	100.0 %
Vote For	3	
Times Counted	1961/2217	88.5 %
Total Votes	3543	
BRIAN KRAMER	1146	32.35%
HARRY C. SEIFERT	989	27.91%
AIDA TUCKER	809	22.83%
ALAN H MARVIN	594	16.77%

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *MLB*
DATE: December 12, 2016
SUBJECT: Election of Officers to the Board of Directors

Nominations for President and Vice President will be made at the Board meeting and an election will be held. The Board agreed to elect officers annually in the month of December.

The following table is a record of the Board members who have held the office of President and Vice President over the past four years:

Year	President	Vice President
2016	Milt Davies	Charley Wolk
2015	Don McDougal	Milt Davies
2014	Al Gebhart	Don McDougal
2013	Bert Hayden	Al Gebhart

The General Manager will preside over the election; and upon its conclusion, he will turn the gavel over to the new Board President to conduct the business of the regular (combined) board meeting.

MEMO

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mlb*
DATE: December 12, 2016
SUBJECT: Appointments to Board Standing Committees

Purpose

To appoint members to the three standing committees as prescribed in the Administrative Code.

Summary

Each year after the Election of Officers, and in accordance with Administrative Code Section 2.2.2, *Duties of President*, the President of the Board of Directors shall appoint members to serve on the standing committees.

As of December 1, 2016, the appointments to the Board standing committees were as follows:

Fiscal Policy & Insurance: *Directors Gebhart and Wolk*

Personnel: *Directors Davies and Anderson*

Water Resources: *Directors McDougal and Wolk*

Recommended Action

That the Board President appoint members of the Board of Directors to the Fiscal Policy & Insurance, Personnel, and Water Resources standing committees as prescribed by the Administrative Code.

M E M O


TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mlb*
DATE: December 12, 2016
SUBJECT: Employee of the Quarter for November 2016 - Todd Jester

Austin Wendt chose Todd Jester as the Employee of the Quarter for November 2016 as follows:

"Todd was hired January 5, 2004 and is a GIS Specialist in the Engineering Department. This award is presented for your consistent professional demeanor in your work you provide for the district. During shutdowns you always make yourself available for creating meter maps that make notifying customers easier for the staff. You are always a team player and show a tremendous amount of dedication to your job and the district."

Todd chose a gift valued at \$100, has received a Certificate of Appreciation, and was taken to lunch by the General Manager along with the previous Employee of the Quarter and a member of the Recognition Committee.

M E M O

TO: Board of Directors
FROM: Brian J. Brady, General Manager 
DATE: December 12, 2016
SUBJECT: Manager's Awards

Noelle Denke was presented with a Manager's Award for assisting Mr. and Mrs. Scudder in successfully claiming a \$500 sprinkler nozzle rebate from the Metropolitan Water District after receiving a letter of denial. Mr. and Mrs. Scudder wrote the District to express their gratitude to Mrs. Denke for her help and assistance in securing the rebate.

Larry Ragsdale was presented with a Manager's Award for his efforts that contributed to a reduction of claims in the Workers' Compensation and Liability Programs, which resulted in a savings in excess of \$36,000 over base premiums, and no property losses for the last six policy years.

Jeff Marchand was presented with a Manager's Award for providing excellent customer service to Mr. Lou Volpano in his search for acreage land to purchase in the De Luz area. Mr. Volpano wrote the Board President to express his appreciation to Mr. Marchand for his assistance.

Mrs. Denke, Mr. Ragsdale, and Mr. Marchand received a letter from the General Manager and will be presented with a certificate and a check in the sum \$25.

M E M O

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mlb*
DATE: December 12, 2016
SUBJECT: Outgoing Employee Recognition Committee Members

The following employees served on the Employee Recognition Committee over the past year and will receive Certificates of Appreciation for their efforts:

1. Ginny Walker
2. Mick Cothran
3. Steve Stone
4. Matt Perez
5. Josh Hargrove
6. Chris Hamilton
7. Steve Rucker
8. Tedd Theodore
9. Ace Rule

MEMO

TO: Board of Directors
FROM: Mary Lou Boultinghouse, Secretary *mlb*
DATE: December 12, 2016
SUBJECT: 2017 Board Meeting Schedule

Purpose

To establish the 2017 Board meeting dates.

Summary

Section 2.5 of the Administrative Code establishes the fourth Monday of each month as the regular Board meeting date. It also provides that the Board meeting time shall be changed from time-to-time as designated by the Board of Directors.

Historically, the Board has combined the November and December Board meetings to accommodate the fall/winter holiday schedule, the Association of California Water Agencies fall conference, and the Colorado River Board meeting.

The 2017 Board Meeting Schedule includes combining the November and December Board meetings, which is proposed for Monday, December 11, 2017.

The proposed meeting dates for 2017 are as follows:


Month	Day	Month	Day	Month	Day	Month	Day
January	23	April	24	July	24	October	23
February	27	May	22	August	28	November	<i>Combined with December</i>
March	27	June	26	September	25	December	11

Recommendation

The Board establish the 2017 Board Meeting Schedule, as proposed, to include combining the November and December regular Board meeting dates to Monday, December 11, 2017.

M E M O

TO: Board of Directors, Management Staff
FROM: Noelle Denke, Public Affairs Specialist
DATE: December 12, 2016
SUBJECT: Recognition and Commendation of Student Artwork



Purpose

To commend the top 14 student artists in the 4th grade who submitted artwork for the 2017 "Be Water Smart" calendar. The artists are from the FPUD service area schools.

Summary

During classroom presentations I gave, students played an interactive water bingo game, where they learned about the water cycle, drought, the need to conserve water and protect our storm drains. Students were asked to draw a picture of how to be water smart, or water smart ways to conserve water so there's enough for all living things, or imaginative new ways to conserve or recycle water, or water smart ways to prevent water pollution, or how our ancestors were water smart. Approximately 400 4th grade students were visited in their classrooms and about 200 submitted posters for the contest. I selected a panel of judges to judge the fourth-grade artwork. Fourteen of those posters really stood out for their creativity, artistic skill, and expression of the contest theme. I want to recognize those 14 artists. Twelve posters will be printed inside the calendar, one for each of the 12 months of the year, and the 13th and 14th posters will appear on the front cover and on a page for January 2018.

The winners will receive Walmart gift cards, McDonalds gift cards, and some items with the FPUD logo on them: a Frisbee and some school supplies. Many of the prizes have been donated. They will also have their artwork specially matted and framed. Additionally, the top three will win a T-shirt with their artwork printed on it.

All the winners' artwork will be displayed at the Fallbrook library for one month, and will be displayed in the FPUD boardroom hallway for one year.

The top 14 are:

- Leanna Barksdale, Ms. McSheehy's class
- Madisen Brooks, Mrs. Mariucci's class
- Amy Sanchez, Mr. Acevedo's class
- Daniela Martinez, Mrs. Mariucci's class
- Ciana Mejia, Mrs. Mariucci's class
- Johanna Vargas, Mrs. Max's class
- Angel Hernandez, Mr. Acevedo's class

- Adrian Luciano, Mr. Acevedo's class
- Valentin Rodriguez, Mr. Acevedo's class
- Zeltzin Favela, Mr. Acevedo's class
- Ayden Rice, Ms. McSheehy's class

- First place: Cerise Oliva, Ms. McSheehy's class
- Second place: Danielle Roberts, Ms. Seaux's class
- Third place: Kaylee Haywood, Mr. Acevedo's class

This page intentionally left blank.

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager
DATE: December 12, 2016
SUBJECT: Santa Margarita Property Update

Purpose

To update the Board on the progress of the Santa Margarita Property Purchase and Sale Agreement.

Summary

The Santa Margarita River Property (SMR Property) was acquired by the District in the 1950s for construction of a dam. The dam was to be constructed to resolve long-standing water rights disputes between Camp Pendleton and the District. Ultimately, due to financial and environmental reasons, the dam was not constructed. In-lieu of the dam, a project to store water in aquifers on Base was developed as the Santa Margarita Conjunctive Use Project (SMRCUP). As part of this project, it was originally intended to transfer the SMR Property to the Bureau of Reclamation, who would then transfer the property to the Bureau of Land Management and then allocate the property value to help off-set construction costs of the water project facilities. While the SMRCUP Project was being developed, the District held the property and allowed public access with support from a local non-profit (The Fallbrook Trails Council) to provide trail maintenance. Recently, improper use of the property has increased which has required the District to provide outside security services and physical improvements on the property.

As the SMRCUP project has evolved, it no longer included participation by the Bureau of Reclamation in facilities construction or the property, and after exploring alternative approaches to both preserve the property and recovery funds from the property sale for District ratepayers, in September 2015 the Board approved a Purchase and Sale Agreement for the 1,384 acre Santa Margarita River Property with Western Rivers Conservancy (WRC). The Purchase and Sale Agreement was signed, and escrow is pending.

The Purchase and Sale Agreement requires WRC to provide a Long Term Steward Agreement for Board approval before the sale can be completed and escrow closed. The original contract term for the agreement ended on December 31, 2016, with the ability for the buyer to extend by an additional six months through a deposit of an additional \$50,000 into escrow. WRC has provided the deposit and extended the contract term until June 2017 in accordance with the contract.

WRC has been working on securing funding and finding the Long Term Steward for the property. Initial outreach to the County of San Diego was unsuccessful, but The Wildlands

Conservancy, a non-profit Conservancy, (TWC) is interested in owning and managing the property. The Wildlands Conservancy operates twelve preserves across California with the specific mission to:

- Call people back to the beauty, wonder and inspiration of the natural world through outdoor education and the stewardship of some of California's most remarkable landscapes.
- Help preserve treasured landscapes and to ensure that these lands stay open to the public free of charge for passive recreation and outdoor education.

WRC has been working with TWC and the Fallbrook Trails Council to draft a Long Term Steward Agreement and develop an approach to preserve the property and trails and leverage the community support and dedicated local community resources of the Trails Council. TWC is planning to provide significant financial resources to not only maintain the current trails and uses but also enhance the property and the Fallbrook Trails Council would have control over the trails through a recorded easement.

Long Term Steward Agreement

As part of the Purchase and Sale Agreement, the Board must approve a Long Term Steward Agreement. WRC has proposed a Long Term Steward Agreement that ensures that all necessary documents are recorded on the same day in a single escrow, with the final outcome being the transfer of the property to TWC, payment of \$9.75 million to the District, and recordation of a trails easement in the name of the Fallbrook Trails Council. For these steps to occur, a number of transactions must occur within the closing. These transactions include recording a Restrictive Use Easement (RUE) by the Department of Navy, which prevents development on the property and provides funds for the sale.

A preliminary draft of the format of the Long Term Steward Agreement is included in Attachment 1. Paragraph 2 provides that all of the following must occur on the day of close of escrow:

2. Close of Escrow. As a condition of Close of Escrow under the Purchase and Sale Agreement, the Parties shall execute mutually agreeable escrow instructions and deliver them to Escrow Holder requiring recordation of documents in the following order on the day of Close of Escrow:
 - a. Deed from Seller to Buyer;
 - b. RUE from Buyer to the United States;
 - c. Grant Agreement and Deed from Buyer to the Long Term Steward (the order of recordation of these two documents will depend on whether the grant documented by the Grant Agreement is made to the Buyer or to the Long Term Steward);

d. Trail Easement from Long Term Steward to Fallbrook Trails Council.

WRC has been working with the parties to finalize the language in the RUE and the Integrated Resource Management Plan for the property that would be part of the Long Term Steward Agreement. The documents are in draft and while comments from the District, TWC, and the Fallbrook Trails Council have been incorporated, they are currently under review by the Department of Navy and resource agencies. Because the Navy and resource agencies will be providing the funding for WRC's purchase of the property, the parties will need to work through any substantial changes requested from these agencies so these documents can be finalized and the funding secured. The drafts of the RUE and Management Plan are included in Attachment 2.

Representatives from WRC, TWC, and the Fallbrook Trails Council will provide an additional update and will answer any questions or concerns from the Board on the process.

Recommended Action

No action is requested at this time.

Attachment 1

LONG TERM STEWARD AGREEMENT

This Long Term Steward Agreement (“**Agreement**”) dated _____, 2017, is entered into between FALLBROOK PUBLIC UTILITY DISTRICT, a California public utility (hereinafter referred to as "**Seller**"), and WESTERN RIVERS CONSERVANCY, a nonprofit Oregon corporation (hereinafter referred to as "**Buyer**"), each individually a “**Party**” or collectively the “**Parties**”.

Recitals

A. The addresses and telephone numbers of the Parties to this Agreement are as follows. Telephone numbers are included for information only.

Seller:

Fallbrook Public Utility District
990 E Mission Rd Fallbrook CA 92028
Mailing Address: PO Box 2290
Fallbrook CA 92088-2290
Attn: Brian J. Brady, P.E.
Phone: (760) 728-1125,
bbrady@fpud.com

Buyer:

Western Rivers Conservancy
71 SW Oak Street - #100
Portland, OR 97204
Attn: Sue Doroff
Phone: 503/241-0151
sdoroff@westernrivers.org

Copies of any notice to Seller should also be sent to:

Robert H. James
Sachse, James & Lopardo
205 W. Alvarado Street, Suite 1
Fallbrook, CA 92028
Phone: 760-728-1154
bob@fallbrooklawoffice.com

Copies of any notice to Buyer should also be sent to:

Rob Griffith
Western Rivers Conservancy
71 SW Oak Street, #100
Portland, OR 97204
Phone: 503/241-0151
rgriffith@westernrivers.org

B. Seller is the owner of 1,384 acres (more or less) of real property located in San Diego County, State of California along the Santa Margarita River. That real property, together with any and all appurtenances, including but not limited to improvements, fixtures, water, timber, minerals, water rights, overflow rights, water, ditch or irrigation company shares, access rights and grazing rights shall be referred to in this Agreement as the "**Sale Property**."

C. Seller acknowledges that Buyer is entering into this Agreement in its own right, and that Buyer is not an agent of any governmental agency or entity.

D. Buyer is a conservation organization having among its purposes the acquisition on behalf of the public of open space, scenic and recreational lands. Buyer represents to Seller that it is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, and that Buyer is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

E. Buyer encourages compatible public use of such open space, scenic and recreational lands, as appropriate.

F. Pursuant to the Purchase and Sale Agreement entered into by the Parties as of December 3, 2015 (“PSA”), Buyer has negotiated with The Wildlands Conservancy, a nonprofit California corporation (“**Long Term Steward**”) to purchase the Sale Property from Buyer concurrent with the closing of the transfer from Seller to Buyer, and the Long Term Steward has agreed to own and manage the Sale Property in perpetuity according to an Integrated Resource Management Plan (“**IRMP**”) that is acceptable to interested members of the Fallbrook community.

G. Pursuant to paragraph 8(c) of the PSA, the Seller must approve, and the Parties must enter into, this Agreement before close of escrow under the PSA can occur.

The Parties Agree As Follows:

1. Management of the Sale Property. The terms under which the Sale Property will be managed in perpetuity, including provisions for “**Ongoing Access**” as defined in paragraph 8(c) of the PSA, are contained in the following documents, all of which are attached as exhibits to this Agreement:

- a. Restrictive Use Easement. A Restrictive Use Easement (“**RUE**”) in substantially the form attached as Exhibit A, in favor of the United States, which prohibits development of the Sale Property but allows Ongoing Access.
- b. Grant Agreement. A [insert title of agreement] (“**Grant Agreement**”) in substantially the form attached as Exhibit B, required by [insert name] as a condition of funding acquisition of the Sale Property to ensure protection of the natural resources on the Sale Property while allowing Ongoing Access.
- c. Baseline Report. A Baseline Report (“**Baseline Report**”) in substantially the form attached as Exhibit C, documenting the conditions on the Sale Property as of the transfer from Seller to Buyer.
- d. IRMP. An IRMP in substantially the form attached as Exhibit D.
- e. Trail Easement. An easement from the Long Term Steward in favor of Fallbrook Trails Council (“**Trail Easement**”) in substantially the form attached as Exhibit E, ensuring Ongoing Access to the Sale Property in perpetuity.

2. Close of Escrow. As a condition of close of escrow under the PSA, the Parties shall execute mutually agreeable joint escrow instructions and deliver them to the escrow holder requiring recordation of documents in the following order on the day of close of escrow:

- a. Grant Deed from Seller to Buyer in the form prescribed by the PSA;
- b. RUE from Buyer to the United States;
- c. Grant Agreement and Deed from Buyer to the Long Term Steward (the order of recordation of these two documents will depend on whether the grant documented by the Grant Agreement is made to the Buyer or to the Long Term Steward);
- d. Trail Easement from Long Term Steward to Fallbrook Trails Council.

3. No Effect on PSA. This Agreement is intended to implement paragraph 8(c) of the PSA; all terms of the PSA, including paragraph 17 relating to close of escrow, remain in effect and are not modified by this Agreement.

4. Assignment. This Agreement may not be assigned.

5. Governing Law. This Agreement and the documents in the forms attached as exhibits hereto shall be governed by and construed under the laws of the State of California.

6. Modification. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by the Party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

7. Authority. Each of the persons executing this Agreement represents and warrants that he or she is authorized to execute this Agreement and the entity on whose behalf they are signing is also authorized and has taken all requisite steps to approve the transactions contemplated by this Agreement.

8. Time of the Essence. Time is of the essence of this Agreement.

9. Additional Documents. Seller and Buyer agree to execute such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Agreement.

10. Entire Agreement. This Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both Parties.

11. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall

constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the Parties had executed a single signature page.

IN WITNESS of the foregoing provisions, the Parties have signed this Agreement below:

SELLER:
Fallbrook Public Utility District

BUYER:
Western Rivers Conservancy

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Attachment 2

Recording requested by and when recorded mail to:

United States of America
Commanding Officer
Naval Facilities Engineering Command SW
1220 Pacific Highway, Real Estate Division
San Diego, CA 92132-5190

Exempt from Recording Fee
(Government Code § 6103)
Exempt from Documentary
Transfer Tax (Rev. & Taxation Code § 11922)

GRANT DEED OF RESTRICTIVE USE EASEMENT

THIS GRANT DEED OF RESTRICTIVE USE EASEMENT is made this ____ day of _____, 2017, by and between the fee simple owner, Western Rivers Conservancy, herein after referred to as (“Grantor”) and the United States of America, acting by and through the Department of the Navy, hereinafter referred to as (“Grantee”), in accordance with the terms and conditions set forth herein. The nature or purpose of the Restrictive Use Easement (“Easement”) and the extent of the restrictions on the Property (as defined below) are as described in the following provisions:

WITNESSETH:

WHEREAS, Grantor is the sole owner in fee simple interest of a total of approximately one thousand three hundred eighty three (1383) acres of real property, specifically Assessor Parcel Numbers, 101-361-17-00, 102-101-08-00, 102-101-09-00, 102-102-02-00, 102-102-03-00, 102-102-05-00, 102-102-06, 102-105-04, 102-105-06-00, 102-160-48-00, 102-180-13-00, 102-108-65-00, 102-250-24-00, 102-280-02-00, 102-280-55-00, 102-400-28-00, 102-400-29-00, 102-400-40-00, 102-400-05-00, 102-450-23-00, 102-490-29-00, 102-520-02-00, 102-590-15-00, 102-600-67-00, 102-601-01-00, 102-601-02-00, 102-601-03-00, 102-601-11-00, 102-690-08-00, 102-601-12, 102-710-11-00, 102-750-05, 105-020-02-00, and 102-490-29-00 located in an unincorporated area of San Diego County, California, (“Property”). The Property is described in Exhibit “A”, attached hereto and incorporated by this reference; and

WHEREAS, Grantee has requested a Restrictive Use Easement in order to limit development or use of the property in the vicinity of Marine Corps Base Camp Pendleton (“MCBCP” or “the Installation”) that would otherwise be incompatible with its mission; and

WHEREAS, the Property possesses significant habitat on the Property that is essential to maintaining various natural communities of sensitive, rare, and/or endangered plant and animal species, the enhanced connectivity between other nearby protected areas, parks, and/or watershed areas for wildlife, and the significant public benefit of preserving open space from development, improving and maintaining water quality and water supply, and providing protection for scenic qualities unique to the area; and

WHEREAS, Grantor, as owner of the Property, has the right to manage the Property and intends that the habitat of the Property be preserved, protected, and maintained in perpetuity, subject to the terms and conditions of this Easement; and

WHEREAS, Grantee may desire to determine the military value of preserving habitat on the Property to offset the environmental impacts, including impacts to species of habitat, of military

operations on the Installation; and

WHEREAS, Grantee acknowledges that military value is conceptually different from fair market value under Federal appraisal standards, and will be determined subject to provision of substantiating documentation specifying the nature and quantity of environmental, species and/or habitat impacts to be offset; and

WHEREAS, to accomplish the purposes of this Easement, Grantor desires to convey and Grantee desires to obtain from Grantor a perpetual Easement that restricts certain uses of the Property and grants certain rights to Grantee for the purposes of 1) permanently preserving, protecting, maintaining, restoring and enhancing the habitat on the Property; 2) extinguishing development rights on the Property; and 3) restricting uses of activities on the Property that could inhibit military training, testing or operations on the Installation; and

WHEREAS, Grantee desires to use the preservation of habitats on the Property, as they may be enhanced over time, to potentially offset the environmental impacts, including impacts to species or habitat, of military operations on the Installation, subject to provision of substantiating documentation in a Management Plan, approved in writing by the United States Fish and Wildlife Service (USFWS) or other relevant regulatory agency entitled [insert title from document] dated [insert], a copy of which will be maintained at the Installation and made available to the public upon request (the “Management Plan”); and

WHEREAS, Grantor and Grantee have entered into an agreement pursuant to Title 10 U.S.C. 2684a to acquire an interest in the Property to pursue mutually compatible goals of restricting development and facilitating habitat restoration; and

WHEREAS, the Grantor and the Grantee entered into an Encroachment Partnering Agreement, dated September 14, 2010, and subsequently modified (collectively, the “Agreement”), to prevent encroachment and stop incompatible development in the vicinity of the Installation, and, further, to promote the conservation of ecologically significant lands; and

WHEREAS, pursuant to the terms of the Agreement, the Grantor acquired the Property in fee using its own funds and funds provided by the United States in the amount of XXXX XXXXX Dollars (\$XXX,XXX.XX) for the purposes of preventing development incompatible to the Installation and promoting conservation of natural areas and ecologically significant land for scientific, charitable, and educational purposes; and

WHEREAS, pursuant to the terms of the Agreement and 10 U.S.C. §2684a, and to effectuate the intentions of the parties, the Grantor is granting to Grantee a perpetual and irrevocable Easement over the Property, which, in addition to the other rights conveyed, will extinguish irrevocably and perpetually the right of Grantor and Grantor’s heirs, successors, and assigns to develop the Property except as expressly permitted in this Easement;

NOW THEREFORE, for and in consideration of the mutual covenants, terms, conditions and restrictions contained herein, Grantor hereby grants, warrants and conveys to Grantee a Restrictive Use Easement, of the nature and character and to the extent set forth herein, in

perpetuity on and over the Property, which is shown in Exhibit “A,” attached hereto and by this reference made a part hereof.

1. Purpose. The purpose of this Easement is to prohibit residential, commercial, and industrial development and/or uses of the Property that would otherwise be incompatible with the current or future mission of the Installation, or might interfere, whether directly or indirectly, with current or future military training, testing or operations within the Installation, as defined above. Grantor and Grantee intend that the use of the Property shall be managed by Grantor, and by their successors and assigns and authorized representatives to preserve, protect, maintain, restore and enhance its habitat while also restricting uses that inhibit military operations on the Installation and eliminating development (“Easement Purposes”), subject to the terms of this Easement.

2. Rights of Grantee. To accomplish the purpose of this Easement, the following rights are conveyed to Grantee and its assigns by this Easement:

a. *Enforcement of Prohibitions*. To prohibit residential and/or industrial and/or commercial development or use of the Property that would otherwise be incompatible with the current or future mission of the Installation, as defined above and any use of the Property that is inconsistent with the preservation, protection, maintenance, restoration and enhancement of habitat;

b. *Right of Entry*. To enter upon the Property at reasonable times and with reasonable notice in order to monitor compliance with and to enforce the terms of this Easement; provided that such entry shall be upon reasonable notice to the owner (reasonable notice shall consist of written notice 72 hours prior to the desired inspection date), except when a threat of imminent harm of personal injury or property damage exists, and the Grantee shall not unreasonably interfere with Grantor’s use and quiet enjoyment of the Property;

c. *Prevention of Activities and Restoration of Property*. To prevent any activity on or use of the Property that is not permitted by the Easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent condition, activity or use that is not permitted.

3. Baseline Report. Grantor and Grantee shall retain copies of the Baseline Report dated [insert] (Exhibit “B”). The Baseline Report may be used to establish that a change in the use or condition of the Property has occurred, but its existence shall not preclude the use of other evidence to establish the condition of the Property as of the date of this Easement. The Baseline Report, which consists of reports, maps, photographs and other documentation, provides an accurate representation of the Property, including the existing trail system, as of the date of this Easement. The purpose of the Baseline Report is to serve as a baseline for monitoring compliance with the terms of this Easement. Grantor and Grantee acknowledge that it is accurate as of the date of this Easement.

4. Prohibited Uses. Any activity or use of the Property inconsistent with the purpose of this Easement is prohibited. All uses and activities allowed on the Property shall be consistent with applicable laws and shall be exercised in a manner that prevents or minimizes damage to habitats

and natural resources on the Property. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

a. *Subdivision.* The division, subdivision, *de facto* subdivision or partition of the Property, is prohibited. The Property is currently comprised of thirty-four (34) legal parcels, identified by assessor parcel numbers, 101-361-17-00, 102-101-08-00, 102-101-09-00, 102-102-02-00, 102-102-03-00, 102-102-05-00, 102-102-06, 102-105-04, 102-105-06-00, 102-160-48-00, 102-180-13-00, 102-108-65-00, 102-250-24-00, 102-280-02-00, 102-280-55-00, 102-400-28-00, 102-400-29-00, 102-400-40-00, 102-400-05-00, 102-450-23-00, 102-490-29-00, 102-520-02-00, 102-590-15-00, 102-600-67-00, 102-601-01-00, 102-601-02-00, 102-601-03-00, 102-601-11-00, 102-690-08-00, 102-601-12, 102-710-11-00, 102-750-05, 105-020-02-00, and 102-490-29-00 with fee title held by Grantor. Any development rights held by Grantor, as owner of the property, whether existing or arising out of future zone changes, are hereby surrendered by Grantor except as provided in this Easement. Grantor will not apply for, or otherwise seek recognition of additional legal parcels, lots or structures within the Property.

b. *Human Habitation.* The Property may not be used for human habitation, including but not limited to temporary accommodations such as cabins, trailers, RVs, tents, etc. Constructing or placing any temporary or permanent structure, facility or improvement for the purpose of human habitation that detracts from the wild character of the land, that may encourage human use that is more than transient, that may encourage people to leave trash behind, or that may require maintenance or invite nuisance animals or insects, including but not limited to picnic tables, trash cans, tent platforms is prohibited. Notwithstanding anything in this subsection, picnic tables and trash cans that are ancillary to the uses permitted in subsection 5(a) below are allowed until and unless Grantee specifically finds that those facilities are inconsistent with the purpose of this Easement. In addition, notwithstanding anything in this Easement, one residence can be constructed on the Property solely for the use of an individual serving as ranger for management of the Property (along with the ranger's immediate family), in accordance with the requirements of the Management Plan.

c. *Lighting.* All lighting equipment, including but not limited to floodlights and searchlights, and all protective lighting, such as street lights, shall have positive optical control that shines downward so that no direct light is emitted above the horizontal plane.

d. *Construction.* Construction of any structure, including but not limited to residential (aside from that permitted in Paragraph 4(b) above), commercial, agricultural, industrial structures is prohibited. New construction of any structure or edifice, including but not limited to buildings, antennas, towers, power or telephone wires and any other additions to, or alterations of the Property are prohibited except for those improvements or alterations reasonably related to the allowed uses of the Property and permitted by the Management Plan. Maintenance and replacement of existing roads and electric, water, and other utility facilities, as reflected in the Baseline Report (Exhibit B), are permitted.

e. *Uses.* Any and all commercial uses, any and all residential uses and any and all industrial uses are prohibited.

f. *Agriculture and Farming.* 'Agriculture and farming' means all methods designed to produce and manage crops, and the farming activities of feeding and housing of farm animals,

such as cattle, goats, and horses, including the construction of new structures for the housing of farm animals or storage of farm equipment is prohibited. The use of grazing animals solely to remove vegetation for fire control is not considered agriculture and is not prohibited.

g. *Plant Uses.* Planting, introducing, or dispersing of non-native or exotic plant or animal species is prohibited.

h. *Recreational Activities.* All recreational activities, except as set forth in Paragraph 5(a) are prohibited.

i. *Altering Topography.* Altering the surface or general topography of the Property, including building new roads or trails, paving, or otherwise covering the Property with concrete, asphalt, or any other impermeable material, except as set forth in Paragraph 4(b), and/or activities on the Property resulting in appreciable soil degradation or appreciable pollution or degradation of any surface or subsurface waters is prohibited; however, maintenance of the existing trail system on the Property, including replacing, restoring and realigning the trails to accommodate the impacts of permitted uses and the need for protection of the natural resources is permitted (including changes in response to natural disturbances such as floods or other changes in circumstances), so long as: (a) the linear extent of the trails does not increase by more than 15% beyond the 18 miles of trails that are reflected in the Baseline Report, (b) all work is completed in compliance with all applicable permitting requirements, and (c) the work is consistent with the requirements of the Management Plan.

j. *Other Hazards.* No activities or operations of any type shall be permitted that produce smoke, glare and/or other visual hazards or encourage concentrations of birds that may be dangerous for aircraft operating from MCBCP and/or its areas.

k. *Management Plan.* Subject to the activities allowed by this Easement, all activities not permitted in the Management Plan are prohibited.

l. *Mineral, Air or Water Rights.* It is prohibited to transfer, encumber, sell, lease, or otherwise separate the mineral, air, or water rights associated with the Property; change the place or purpose of use of the water rights; abandon or allow the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (i) riparian water rights; (ii) appropriative water rights; (iii) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (iv) any water from wells that are in existence or may be constructed in the future on the Property.

m. *Waste Removal.* No trash, refuse, vehicle bodies, rubbish, debris, junk, waste, garbage, sewage, hazardous or toxic substances, household garbage, or other unsightly material shall be placed on the Property. This provision does not prohibit composting of excess brush or other plant material resulting from activities permitted herein. Disposal of any waste materials generated by activities permitted under this Easement shall be in accordance with any Federal, State, and local laws and regulations.

5. Permitted Uses.

a. *Recreation.* Non-commercial, public recreational activities including, but not limited to, hiking, horseback riding, bicycle riding, and bird watching within the existing trail system, as may be modified from time to time in accordance with this Easement and the Management Plan, and other activities that require minimal or no improvements or habitat disturbance on the Property, in accordance with the Management Plan. A subsequent easement recorded against the Property for recreational trails will not be deemed to conflict with this Easement so long as the trails and uses described in the easement are consistent with this Easement and the Management Plan.

b. *Fire Prevention.* Thinning flammable vegetation on the Property is authorized as necessary to maintain defensible space and protect all structures and facilities to maintain the Property's safe environment and operating conditions.

c. *Signs.* Erection and maintenance of signs or other appropriate markers at locations on the Property indicating property ownership or similar information, or providing interpretive, cultural, historical, or recreational information about the Property and the surrounding area, provided they are consistent with the Management Plan.

d. *Right to Transfer.* Subject to Paragraph 10, transfer of the Property to the State, a political subdivision of the State, or a private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal.

e. *Conservation Activities.* Uses of the Property for wildlife habitat preservation, restoration, management, education, control of predatory and problem animals by the use of selective control techniques, and research that is consistent with the military training mission and primary functions of the Installation in accomplishing its mission. The natural condition existing on the Property as of the date of this Easement is deemed consistent with the military training mission and primary functions of the Installation in accomplishing its mission.

6. Notification Provisions.

a. *Notice of Intent to Undertake New Uses and/or Construction.* Grantor shall notify Grantee in writing not less than ninety (90) calendar days prior to the date that Grantor intends to undertake any actions that may have an adverse impact on the purpose of or rights granted to Grantee under this Easement and applicable law. The notice shall describe the nature, scope, design, location, timetable, and any other material aspects of the proposed activity in sufficient detail to permit the Grantee to make an informed judgment as to its consistency with the purpose of the Easement.

b. *Grantee's Response.* Within ninety (90) calendar days of receipt of the request, Grantee will grant or withhold approval in writing. The Grantee's approval may be withheld only upon a reasonable determination by the Grantee that the action proposed would have an

adverse impact on the purposes of or rights granted to Grantee under this Easement and applicable laws and regulations or would otherwise be inconsistent with this Easement.

7. Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of the Grantee. No failure on the part of the Grantee to enforce any term hereof shall discharge or invalidate such term or any other term hereof or affect the right of the Grantee to enforce the same in the event of a subsequent breach or default.

8. Enforcement and Remedies. Grantee is authorized to record or file any notices or instruments appropriate to assure the perpetual enforceability of this Easement. The current Grantor and subsequent owner(s) of the Property must provide and execute any instruments appropriate or reasonably necessary for enforcing this Easement. Grantee has the right to enforce the provisions of this Easement by proceedings at law or in equity and to prevent or remedy violations through appropriate judicial action brought against Grantor or other responsible parties in a court of competent jurisdiction.

a. *Violations: Notice and Injunctive Relief.*

(1) Except as permitted in sub-Paragraph 8.a.(2) below, if Grantee determines that there is a violation of the terms, conditions, or obligations created by this Easement or that a violation is threatened, Grantee shall give written notice to Grantor. The notice shall identify the violation or threatened violation. Where known to Grantee, the notice shall identify corrective action necessary to cure the violation. Where the violation involves injury to the Property resulting from any use or activity inconsistent with this Easement, the notice may demand restoration of the portion of the Property so injured. The Grantor shall be afforded ninety (90) days from the receipt of Grantee's notice of non-compliance to cure the subject breach, except where irreparable harm may result from any delay in curing a breach. If Grantor fails to cure the violation within the ninety (90) day period after Grantee gives notice, or under circumstances where the violation cannot reasonably be cured within the ninety (90) day period as determined by Grantee, if Grantor fails to begin curing the violation during that period, or if Grantor does not continue diligently to cure the violation until finally cured, or as otherwise provided in this Easement, Grantee may first attempt mediation or arbitration with Grantor and/or Grantee may bring an action at law or in equity to enforce the terms of this Easement.

(2) If Grantee, in its sole discretion, determines that an ongoing or imminent violation could irreversibly diminish or impair the open space character of the Property, Grantee may pursue its remedies under this Paragraph, including but not limited to ex parte judicial relief, with prior notice to Grantor but without waiting for the period provided for cure to expire. Grantee shall have the right to seek injunctive relief pursuant to this Paragraph if, in Grantee's reasonable discretion, an injunction is required to prevent the irreversible and material impairment of the purposes of or rights granted to Grantee under this Easement and applicable law or otherwise to enforce this Easement.

b. *Damages.* Grantee is entitled to recover damages from Grantor for violation of the terms of this Easement.

c. *Equitable Remedies.* Grantee's rights under this Paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantor and Grantee expressly agree that the Property is unique and that a violation of this Easement, and the ensuing harm or alteration of the Property, may result in damages that are irreparable and not subject to quantification. Grantor agrees that Grantee's remedies at law for a violation of the terms of this Easement may be inadequate and that Grantee is entitled to seek the injunctive relief described in this Paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including damages and specific performance of the terms of this Easement. Grantee's remedies described in this Paragraph shall be cumulative and shall be in addition to all remedies now or hereinafter existing at law or in equity. Equitable relief may include restoration of the Property to the condition that existed prior to the injury.

d. *Acts Beyond Grantor's Control.* Grantee may not bring any action against Grantor for any change to the Property resulting from causes beyond Grantor's control, such as changes caused by fire not caused or preventable by Grantor, flood, storm, earth movement, or natural deterioration, or resulting from prudent action taken in good faith under emergency conditions to prevent or mitigate damage from such causes.

e. *Right to Report.* In addition to other remedies, Grantee has the right to report any environmental concerns or conditions or any actual or potential violations of any environmental laws to appropriate regulatory agencies.

f. *Breach.* Upon any breach of a term of this Easement, Grantee may exercise any or all of the following remedies, including:

(1) Requiring that the Property be restored promptly to the condition required by this Easement; and/or

(2) Take necessary actions to correct the non-compliance and upon request by Grantee, Grantor shall reimburse Grantee for its reasonable costs incurred to correct the non-compliance; and/or,

(3) Instituting suits to enjoin any breach or enforce any term by injunction; and/or

(4) Enforcing abatement procedures to return the Property into compliance as productive land.

The Grantee's remedies shall be cumulative and shall be in addition to any other rights and remedies available to the Grantee at law or equity. If Grantor is found by a court of competent jurisdiction to have breached any of the obligations under this Easement, Grantor shall reimburse the Grantee for any costs or expenses incurred by the Grantee to cure or abate such breach, including court costs and attorney fees.

9. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership and maintenance of the Property, except as such costs or liabilities shall have resulted from the acts of Grantee or Grantee's agents or contractors.

10. Subsequent Transfers. Grantor agrees to incorporate the terms of this Easement in any deed or other legal instrument by which Grantor divests any interest, including but not limited to, a fee title or leasehold interest in the Property. Grantor further agrees to incorporate a requirement in any deed or legal instrument to give written notice to Grantee of the transfer of any interest at least sixty (60) days prior to the date of such transfer.

11. Notices. Any notice, approval or communication that either party is required to give in writing may be served personally or mailed to:

To Grantor: Western Rivers Conservancy
XXXXXXXXXXXXXXXX XXXXXXXX
XXXXXXXX X XXXXXXXX

To Grantee: Commanding Officer
Naval Facilities Engineering Command Southwest
Real Estate Division
1220 Pacific Highway
San Diego, CA 92132-5190

To Installation: Commanding General
Strategic Planning Section, Bldg 22165
MCIWEST-MCB Camp Pendleton
Box 555008
Marine Corps Base Camp Pendleton, CA 92055-5008

[add USFWS contact]

12. Recordation. Grantor shall record this Easement in a timely manner in the official records for San Diego County. Grantee may re-record this Easement or any other documents necessary to protect its rights under this Easement or to assure the perpetual enforceability of this Easement.

13. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

14. Restrictive Use Easement Runs with the Land. The covenants, terms, conditions, and restrictions of this grant of Easement shall run with the land in perpetuity and shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns and shall continue as a servitude running with the Property; without limiting the generality of the foregoing, subsequent owner(s) shall take title to the Property subject to the terms of this Easement.

15. Entire Agreement. This instrument, including the exhibits, sets forth the entire agreement of the parties with respect to the conveyance of an easement on the Property, and supersedes all prior discussions, negotiations, understandings or agreements relating to this Easement, all of which are merged herein.

16. Controlling Law. The interpretation and performance of this Easement shall be governed by applicable laws of the United States of America.

17. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of 10 U.S.C. 2684a, as amended. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. This Easement shall not be construed in favor of or against either party based on drafting, but shall be construed as if both parties prepared this Easement. Grantor and Grantee acknowledge that they have been represented, or have had the opportunity to be represented, by counsel of their own choice. The parties to this Easement participated equally in the negotiation and preparation of this Easement or have had equal opportunity to do so. The parties waive the legal effect of California Civil Code Section 1654 or any successor and/or amended statute which in part states that in cases of uncertainty, the language of the contract should be interpreted most strongly against the party who caused the uncertainty to exist.

18. Amendment. Any amendment shall be consistent with the purpose of this Easement and shall not affect its perpetual duration. Any such amendment shall be recorded in the Official Records of San Diego County, California, and a copy of the recorded amendment shall be provided to Grantee and USFWS.

19. Exhibits.

Exhibit "A" – Legal Description and Property Map

Exhibit "B" – Baseline Report

IN WITNESS WHEREOF, Grantor hereby grants this Grant Deed of Restrictive Use Easement.

Dated: _____, 2017

Grantor:

WESTERN RIVERS CONSERVANCY

XXXXXX XXXXXX, Director

State of California

County of _____

On _____, before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

(seal)

IN WITNESS WHEREOF, Grantee hereby accepts this Grant Deed of Restrictive Use Easement.

Dated: _____, 2017

Grantee:

UNITED STATES OF AMERICA, Department of the Navy

By: _____
D. B. BIXLER
Real Estate Contracting Officer

State of California

County of _____

On _____, before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

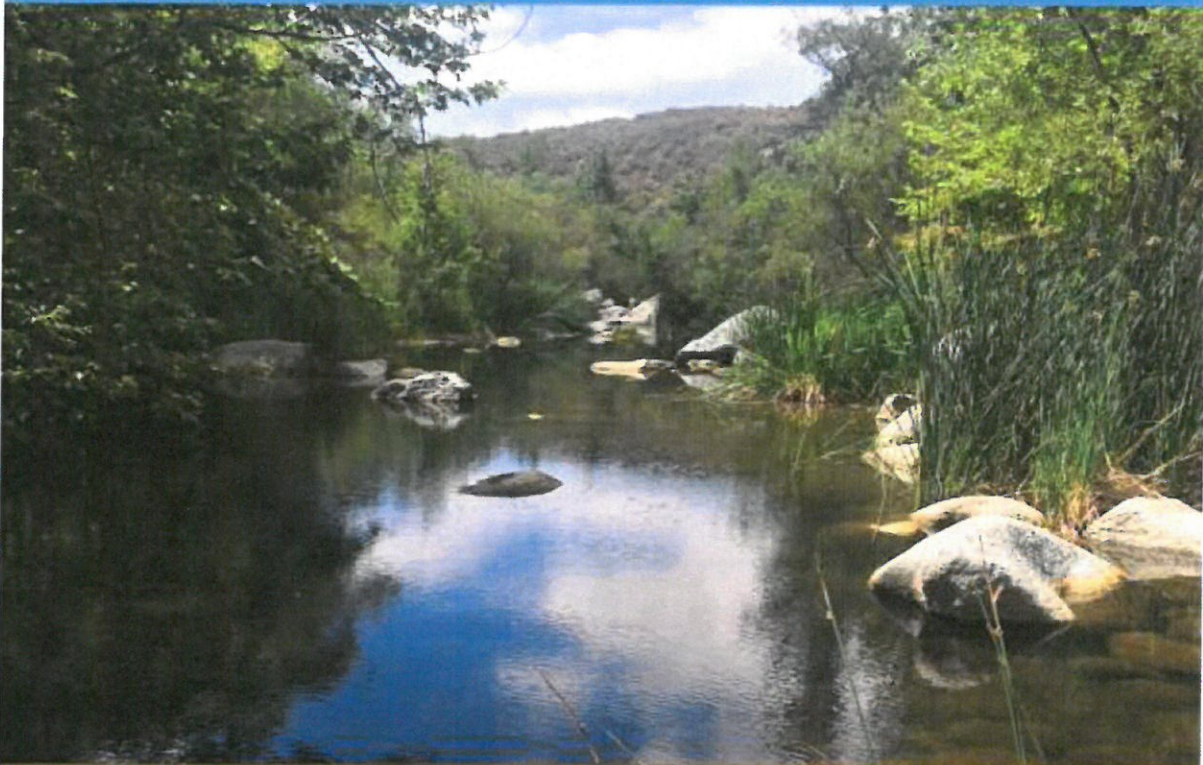
WITNESS my hand and official seal.

Notary Public

(seal)

SANTA MARGARITA RIVER PRESERVE

INTEGRATED RESOURCE MANAGEMENT PLAN



Prepared by:
The Wildlands Conservancy

November, 2016



Draft

Santa Margarita River Preserve
Draft Integrated Resource Management Plan

Table of Contents

I.	Introduction	3
	A. Purpose of Acquisition	3
	B. Acquisition History	3
	(Figure 1)	4
	C. Purpose of this Integrated Resource Management Plan	5
II.	Property Description	6
	A. Geographical Setting	6
	B. Property Boundaries and Adjacent Land Use	7
	(Figure 2)	8
	C. Geology, Soils, Climate, Hydrology	8
	(Figure 3)	9
	D. Cultural Resources	9
	E. Developed Infrastructure	10
	F. Public Access	10
	(Figure 4)	13
III.	Habitat and Species Description	14
	A. Vegetation Communities, Habitats, and Plant Species	14
	B. Animal Species	19
	C. Special Status Species	21
	1. Sensitive Plant Species	21
	2. Sensitive Animal Species	22
IV.	Management Goals and Strategies	25
	A. Natural Resource Management	25
	1. Water quality monitoring	25
	2. Sensitive plant and animal monitoring	26
	3. Botanical inventory	26
	4. Forest inventory	27
	5. Wildlife inventory	27
	6. Invasive plant and animal control	28
	7. Plant pathogens	28
	8. Fire plan	29
	B. Cultural Resource Management	29
	1. Identify and locate	29
	2. Protect and preserve	29
	C. Recreational Resource Management	30
	1. Partnership with Fallbrook Trails Council	30
	2. Recreational use surveys	31
	3. Trail assessment and maintenance	31

4. Educational programs	32
5. Visitor safety	32
6. Volunteer monitors	33
7. Prohibited activities	34
D. Infrastructure Development	34
1. Capital improvements	34
a) Restrooms	
b) Parking lots	
c) Ranger station	
d) Signage	
e) Interpretive kiosk	
f) Litter bag dispenser	
2. Maintenance of infrastructure	35
3. Ecological restoration	36
E. Operations Planning	36
1. Annual work plans	
References	37
Appendix "A" Assessor Parcel Numbers	40
Appendix "B" Soil Survey Report USDA & NRCS	41
Appendix "C" FPU D Ordinance Governing Santa Margarita River Property	53
Appendix "D" Sensitive Wildlife Species Helix Environmental Planning	59
Appendix "E" 2017 Work Plan Calendar	77
Figures	
Regional Map	4
Site Map	8
Annual Precipitation	9
Trail Map	13

I. Introduction

A. Purpose of Acquisition

The Wildlands Conservancy (TWC) is acquiring the Santa Margarita River Property in order to protect the natural environment for conservation purposes, in perpetuity. TWC will conduct land-based conservation through a variety of long-term stewardship efforts that aim to preserve and enhance the natural resources and protect the cultural resources of the property. Additionally, the Santa Margarita River Property will continue providing an open space for low-intensity, passive, non-motorized recreational opportunities that are compatible with the natural and cultural resource management objectives of the preserve, and specifically honor the trail use history established by the Fallbrook Trails Council.

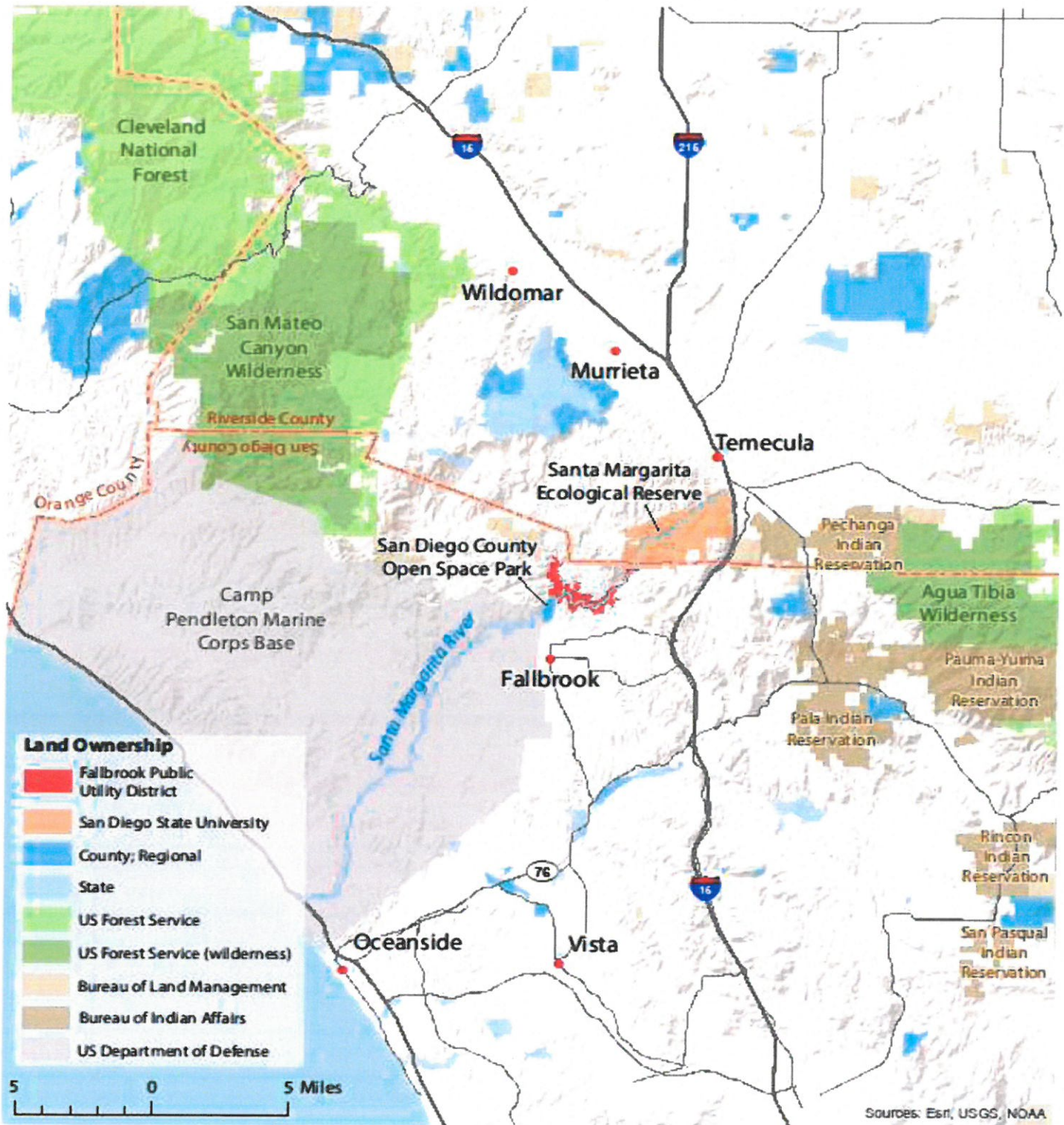
B. Acquisition History

Fallbrook Public Utility District (FPUD) has owned the Santa Margarita River Property since the 1950s. In 2015, Western Rivers Conservancy (WRC) entered into a Purchase and Sale Agreement with FPUD to acquire 1,384 acres within the Santa Margarita River Valley near Fallbrook, CA. (See figure 1.) TWC has partnered with WRC to develop a Memorandum of Understanding that transfers fee title ownership and long-term stewardship responsibilities of the property to TWC once the acquisition by WRC is recorded.

In preparation for the transfer of the property, TWC has developed this adaptive management plan that will guide the long-term management of the property. Adaptive management is a systematic approach for improving resource management by learning from management outcomes and incorporating those lessons into future management planning efforts. Since there are multiple resource elements that will require the attention of the managers at the preserve in perpetuity, a specific type of adaptive management plan known as an Integrated Resource Management Plan (IRMP) will be continuously refined to comprehensively address the broad suite of management issues. The major resource elements that will be addressed in this IRMP include natural resources, cultural resources, recreational resources, infrastructure and maintenance operations.



The Wildlands Conservancy Santa Margarita River Acquisition San Diego County, CA



(Figure 1. Overview map of the property's regional location)

C. Purpose of this Integrated Resource Management Plan

1. The Integrated Resource Management Plan (IRMP) provides the guiding vision for the adaptive management of the Santa Margarita River Preserve.
2. The IRMP describes the natural and cultural resources of the property.
3. The IRMP addresses specific conservation goals, objectives, strategies, and programs for the protection of habitat, sensitive wildlife species, cultural resources, and physical environmental elements of the property.
4. The IRMP describes the existing recreational use occurring on the property and addresses the management goals and strategies for managing those activities so that they are not only compatible with resource goals but also support those goals.
5. The IRMP addresses the maintenance operations and implementation plans for stewardship of the property.
6. The IRMP establishes a timeline and monitoring program for evaluating the progress made toward management goals. These timelines and monitoring programs will inform the adaptive management process by refining future planning efforts and elucidating emerging management objectives.

II. Property Description

A. Regional Geographic Setting

The property is situated within the middle reach of the Santa Margarita River (SMR) watershed which encompasses 738 square miles and includes 949 miles of stream between the river and its tributaries. At 27 miles in length, the SMR is the longest free flowing river on the southern California coast. Of the total watershed area, approximately 27% is within San Diego County and the remainder is in Riverside County. The SMR watershed provides one of the greatest remaining expanses of largely undisturbed riparian corridor in coastal southern California. As a result, this watershed serves as valuable habitat, providing a diversity of vegetative and aquatic habitats that support numerous plants and animals, including 500 plant species, 236 bird species, 52 mammal species, 43 reptile species, 26 fish species and 24 species of aquatic invertebrates. These include 7 federal or state listed endangered or threatened species, and more than 60 other species listed by the state and other groups as having special concern. As a result, the lower and middle watershed is an environment of high ecological importance. Increasing development and large-scale land use changes upstream and potential impacts to downstream ecosystems, however, are of increasing concern. The upper watershed includes some of the fastest growing urbanized areas in California (Cardno, 2013).

The northeast corner of the property is within a quarter mile of the border between San Diego County and Riverside County; the Community of De Luz Heights lies to the west; the San Diego State University Santa Margarita Ecological Reserve lies to the northeast and the San Diego County Santa Margarita Preserve lies to the southwest.

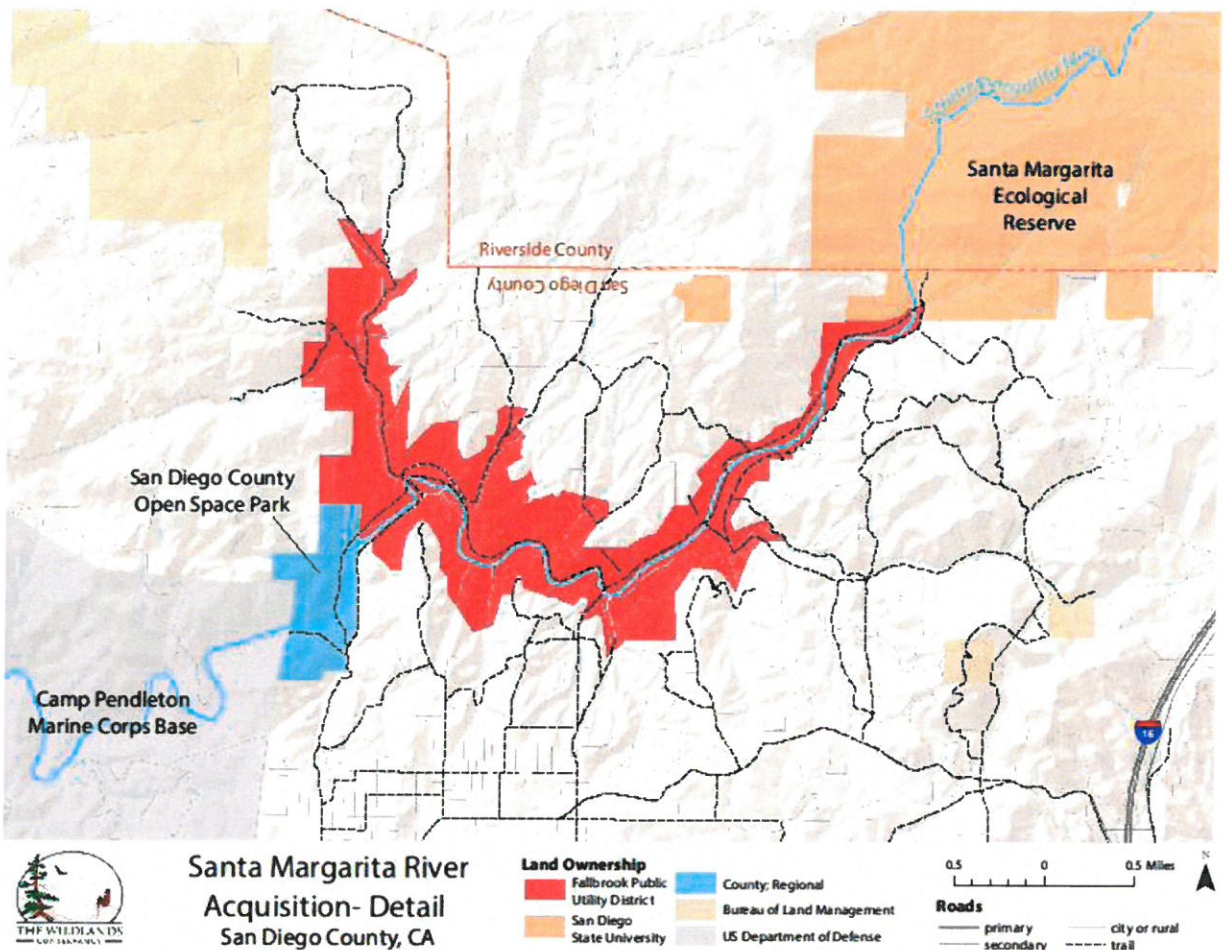
Specifically, the southwest corner of the property lies approximately one-half mile northeast of the intersection of Del Luz Road and Sandia Creek Drive, in the northern portion of Fallbrook. The property is bound by a mix of rural residential development, agricultural use land, and undeveloped land in all directions. According to the County of San Diego Planning Department, the property is zoned for Open Space Use (EEI, 2016). From Interstate 15, take E. Mission Rd. west toward Fallbrook. Continue on E. Mission Rd. to reach the intersection of De Luz Rd and make a right-hand turn to head north on De Luz Rd. Next, make a right-hand turn onto Sandia Creek Dr. Follow Sandia Creek Drive for two miles until you reach the parking area on the right-hand side of the road.

The approximately 1,384-acre property is composed of 34 parcels (Appendix A). The property is located in Section 36 of Township 8 South, Range 4 West; Sections 4,5,6,7,8,9 and 17 of Township 9 South, Range 3 West; and Sections 1 and 12 of Township 9 South, Range 4 West of the U. S. Geologic Survey (USGS) 7.5 minute Fallbrook and Temecula quadrangle maps.

B. Property Boundaries and Adjacent Land Use

The property is bound by a mix of rural residential development, agricultural use land, open space protected areas, and undeveloped land. Along the Santa Margarita River, both up and down river, two conservation properties adjoin the site. All together the three open space areas extend over an eleven-mile reach (See figure 2). Upriver from the site a 4,344-acre open space known as the Santa Margarita Ecological Reserve, managed by San Diego State University, provides protected sites for research and education on Southern California ecosystems. The reserve lies on the Riverside/San Diego county line between Temecula and Fallbrook. Downriver from the site a 221-acre open space known as the Santa Margarita Preserve, managed by the County of San Diego, is part of the Multiple Species Conservation Plan, and provides pedestrian and equestrian trail access to visitors. Visitors to the County of San Diego Santa Margarita Preserve use trail access to connect with existing trails on the subject property. The subject property is located within a key wildlife corridor that spans the area between the coastal Santa Ana Mountains, encompassing Marine Base Camp Pendleton, and the southeastern portion of the Santa Margarita River headwaters that lie on the northwestern slopes of Palomar Mountain within the Cleveland National Forest.

A central component of this land acquisition transfer is the protection of 1,384-acres of land for natural resource conservation purposes in perpetuity. By securing conservation of the property, this preserve will provide natural resource protection and wildlife connectivity between not only the adjacent open space properties but also, will contribute to the larger landscape level effort to conserve an ecologically important wildlife corridor known as the Palomar Mountain to Santa Ana Mountain connection (South Coast Wildlands, 2008). Preserving the Santa Margarita River Valley as a wildlife corridor is essential to protecting the ecological integrity of a significant portion of the California South Coast Ecoregion. Providing wildlife with refuge from anthropic pressures such as habitat loss, habitat fragmentation, pollution and other prominent disturbances and threats allows those species to avoid being harmed, and in some cases from going extinct. Wildlife corridors allow for the free movement of plant and animal species over time, enabling species to be more resilient when responding to human activities, climate change, disease outbreaks and competition. The unique habitats found at the Santa Margarita River Property, notably riparian areas, are important to the survival of a number of wildlife species and support critical habitat for several sensitive and endangered species. Providing natural resource protection for sensitive species and ecologically important wildlife habitats throughout the preserve will be a primary focus of The Wildlands Conservancy's ongoing adaptive management activities.



(Figure 2. Map of the property and nearby protected areas)

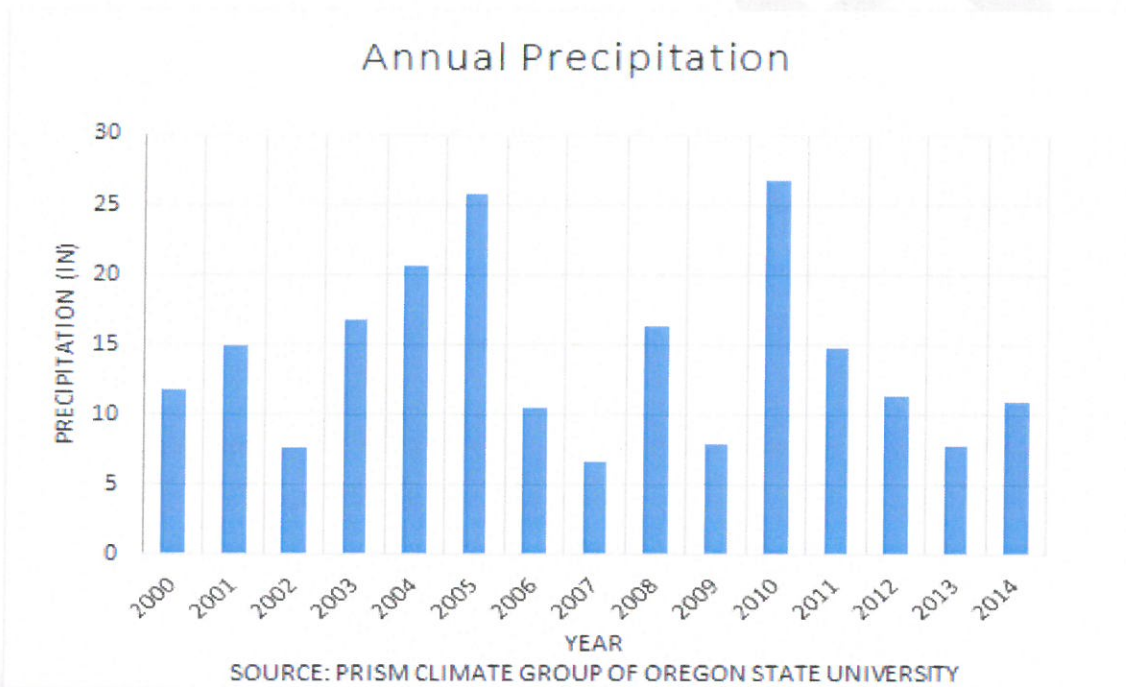
C. Geology, Soils, Climate, Hydrology

The confluence of Murrieta and Temecula Creeks join to form the Santa Margarita River on the Santa Margarita Ecological Reserve. Geologically, the Santa Margarita River has persisted within a relatively confined space for around 70 million years. The river has been confined within the canyon formed by a weakened interface between the Bedford Canyon Formation and Woodson Mountain Formation (Abbot, 1999). The riverine environment provides habitat for aquatic species and gives rise to a lush riparian forest in an otherwise semi-arid landscape.

A variety of distinct soil units occur throughout the Santa Margarita River Valley. On the property, in particular, two soil units are most abundant. Several Cieneba soil series, which are derived from granitic parent material, compose the vast majority of soil units found on the property. Cieneba and Vista soil units support the chaparral plant communities that occur outside of the riparian area. Riverwash is the second most prominent soil unit on the property. Riverwash is a collection of soil materials transported and deposited by a river. On the Santa Margarita River, riverwash supports a riparian forest of several broadleaved tree species and a

diverse understory assemblage of species that occupy the wide alluvial floodplains of the river. See appendix B for more information on the soils found on the property.

The Mediterranean climate of California is shared with the region encompassing the property. Specifically, the property belongs to the Humid Temperate Domain within the California Chaparral Province. With mild, wet winters and hot, dry summers, the Santa Margarita River Preserve is prone to both flooding during winter storm events and periods of drought during the summer season. Temperatures range from as low as 43 degrees Fahrenheit to as high as 90 degrees Fahrenheit. Within the past decade, the area's precipitation has ranged from 5 inches to 25 inches annually. Much of the precipitation falls during the months of October through April. (PRISM, 2016)



(Figure 3. Annual precipitation estimated for the property from 2000 to 2014)

D. Cultural Resources

The Santa Margarita River Valley was historically used by the people of the Luiseño tribe to travel between coastal village sites and inland village sites near Temecula. To this day there are signs of their presence within the river valley. A railroad was built in 1880 that connected Fallbrook to Temecula through the Santa Margarita River Valley. This railroad was used to transport visitors and goods. The railroad tracks were washed out several times by flood waters, although there are remnants of the rails that can be seen in several locations. These are but a few examples of the rich cultural history embedded in the Santa Margarita River valley. TWC intends to further study and learn about the fascinating array of cultural histories rooted in the Santa Margarita River Valley and share those with visitors.

E. Developed Infrastructure

County of San Diego maintains several miles of roads that transect through the property including Sandia Creek Drive, Rock Mountain Drive, Willow Glen Road, and North Stage Coach Lane. FPUD water supply lines traverse the property at the northwest, central and northeast portions of the property. Near Willow Glen Rd., in the eastern portion of the property, a domestic water supply well has been identified as State Well No. 09S03W09E001S. Records indicated that one community and five agricultural wells are located on the property (parcel APN 102-102-02). High voltage electrical transmission lines run across the northeast portion of the property near Sandia Creek. Low voltage electrical lines run along the road near the Sandia Creek parking area and along Rock Mountain Drive.

There are a number of former structures, debris deposits and one relatively intact vacant residential structure that occupy various areas throughout the property. Some of these structures and the debris associated with each site will be removed by FPUD before transfer of the property; the remainder will need to be further investigated and will be addressed in the management sections of this document. Restoration of disturbed sites will be carried out in conjunction with stewardship endowment funds made available from Marine Corps Base Camp Pendleton.

F. Public Access

The Santa Margarita River Property contains a locally popular trail system enjoyed by birders, equestrian riders, hikers, mountain bikers, naturalists and the general public alike. TWC will continue providing opportunities for visitors to engage in the varied forms of low-intensity, passive, non-motorized recreation in perpetuity. In addition, TWC plans to offer outdoor educational opportunities for children and adults to help deepen their understanding of nature and to encourage a passion for land stewardship in the generations of today and tomorrow.

The Fallbrook Trails Council (FTC), who are affiliated with Live Oak Park Coalition, a 501(c)(3) nonprofit organization, have been responsible for the development and maintenance of recreational infrastructure within the property since 1999. The Fallbrook Trails Council and its members have diligently worked to maintain and expand the network of trails for horseback riders, hikers, and bicyclists, including maintaining and utilizing designated river crossings for equestrians. Each year, the FTC carries out vegetation management, improves the quality of the trail surfaces, drainage features, and safety of the trail system through the efforts of a robust workforce. The members of the FTC have also contributed to the expansion of trails by working alongside county and local planning commissions and through fundraising efforts for their trail improvement projects.

The FTC has also worked in conjunction with Cal Fire, North County Fire, and the local Sheriff's department to develop first responder protocols for emergencies that may arise within the boundaries of the property.

Public access is concentrated from two locations, the adjoining Santa Margarita County Preserve and at the Sandia Creek Drive parking area. See figure 4. Several other access points are located along the border of the property, and enter from adjacent residential neighborhoods of Fallbrook.

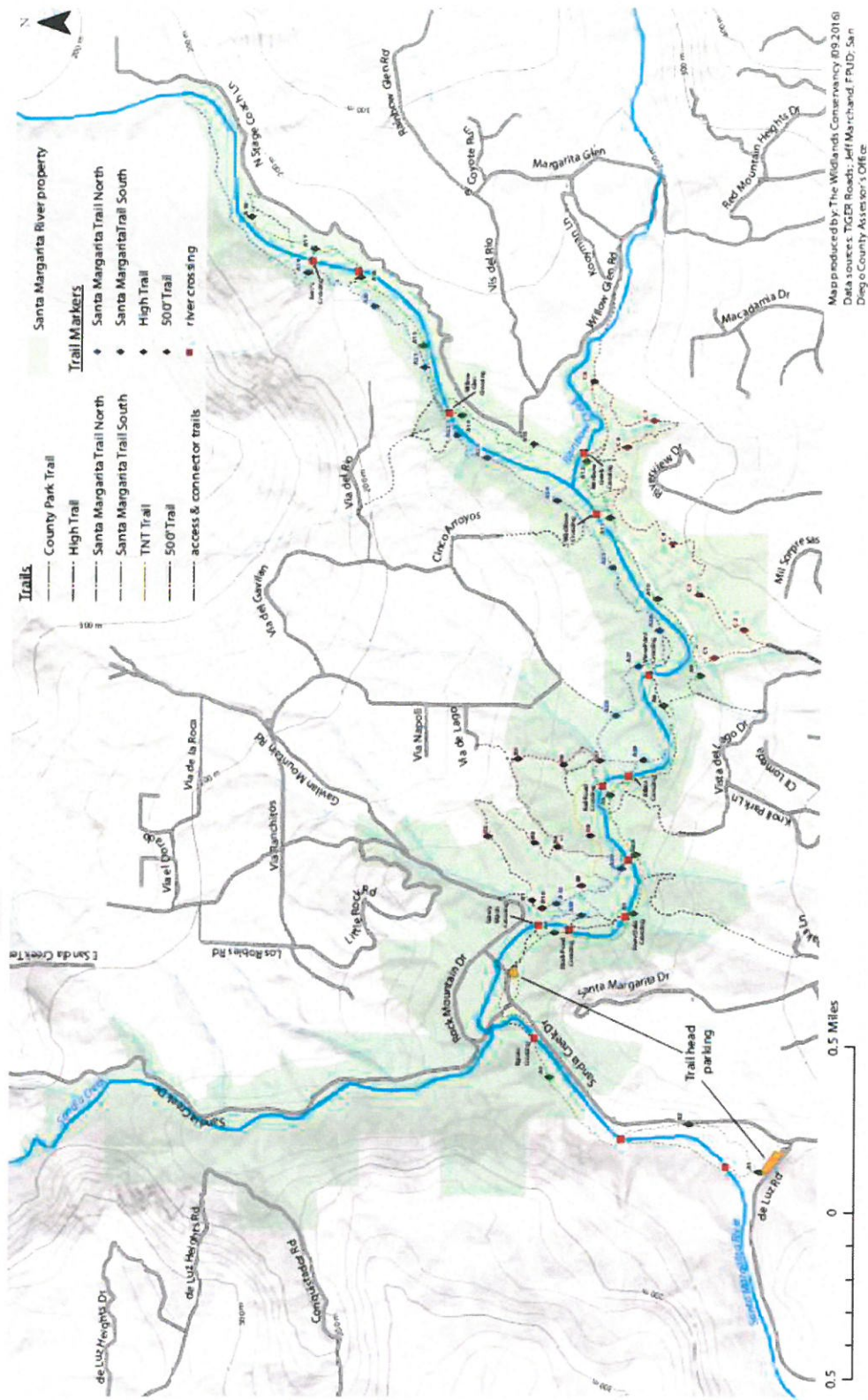
Once on the trail, visitors enter a mosaic of different environments. The most popular trail used by visitors initiates from the Sandia Creek parking lot and continues along the southern side of the Santa Margarita River on an unpaved trail. The trail is sheltered by a riparian forest canopy which provides a delightful shade-covered atmosphere to stroll through. Towering cottonwood and sycamore trees, as well as, large arching coast live oaks cast deep shade and help keep things cool in the river valley. The trail system follows the gentle grade of the Santa Margarita River, offering an approachable hike for the entire family to experience. However, if visitors are looking to explore the surrounding canyons and gain some elevation, they can climb the trails that span the rim of the Santa Margarita River Valley.

The popularity of the trail system has grown appreciably within the last decade. This increased pattern of use has led to the creation of unsanctioned social trails and the accumulation of trash at various locations throughout the property, especially in locations where people congregate near the river and access points. In response, Fallbrook Public Utility District created a set of rules that govern the conduct of visitors to the property. See Appendix C. The unauthorized practices of a few visitors have at times threatened some aspects of the natural habitats within the preserve. However, most users have practiced respectful, low-impact recreation on the property and consequently have had very little effect on the natural and cultural resources of the property. TWC's stewardship will provide an opportunity to educate visitors about the wide diversity of valuable natural resources present on the property and interpret the management rational used to protect those resources for generations to come. TWC will encourage visitors who use the property and trail system to help maintain the quality of the water, land, wildlife habitats, and trails by talking with Rangers, following all of the posted rules, and adhering to the applicable "leave no trace" principles.

Approximately 18 miles of multi-use trails extend throughout the property. The trail network contains a combination of single track width and double track width unpaved trails which are used by a variety of non-motorized recreational user groups. People on foot generally initiate their hikes from the Sandia Creek parking area. Whereas, equestrian riders typically commence their rides from the adjoining Santa Margarita County Preserve or near Willow Glen Road. The SMR Baseline Trail Map (Figure 4) provides the general

arrangement of the multi-use trail system, current as of October 2016. As part of the adaptive management process, TWC will continually assess the trail system to ensure that it maintains public access while safeguarding the natural resources. This process may result in trail modifications and realignments from time to time; however, the objective of the public access plan will be to maintain the current level of access with no net loss of trails. Based on its experience operating preserves across California, TWC is confident this goal can be achieved without impairing the incredible natural resources that make the preserve an outstanding refuge for wildlife occupants and human visitors alike.

The Fallbrook Trails Council has marked the trails with georeferenced fiberglass posts to both facilitate navigation of the trail system and to provide reference points in the event of an emergency. The lower network of trails has been established along the grade of the river for the majority of its length through the property, falling along sandy river terraces and floodplains. Several river fords link these major segments of trail that lie along the northern and southern floodplains and riparian areas. For hikers and bikers, trails may be accessed on both sides of the river, without having to cross. Due to the active riverine processes of flooding, erosion, sediment transportation and deposition, etc., that may affect small segments of the trail system, it will be necessary to routinely relocate trail alignments and ford locations to accommodate such natural forces and in order to maintain connectivity between the greater trail system and areas that are impacted by flooding. On the south side of the river, the Five-Hundred Foot trail cuts along the middle of the hillslope providing a number of great vantage points to view the Santa Margarita River Valley. Likewise, on the north side of the river there are multiple trail segments that rise in elevation from near the river bottom onto surrounding ridgetops that line the rim of the river valley. These ridgetop trails have commanding views of the riparian canopy, river, and adjoining upland landscapes. The Santa Margarita River Property is a remarkable sight to behold, one worth preserving forever.



(Figure 4. Topographic trail map)

III. Habitat and Species Description

A. Vegetation Communities, Habitats, and Plant Species

The Santa Margarita River exemplifies the meaning of a high value conservation area. With the only remaining free-flowing river system in Southern California draining through a suite of biologically diverse ecosystems, this property combines to offer an exceptional opportunity for sustaining the ongoing conservation efforts of San Diego and Riverside counties, NGOs, as well as state and federal government agencies within the California South Coast Ecoregion. The Santa Margarita River Preserve is a key wildlife and migration corridor for many sensitive and endangered species. In addition, several endemic flora and fauna species are found on the property. Stewarding the natural resources of this vital wildlife corridor is an important component of preserving the ecology of the Palomar-Santa Ana mountain region of the South Coast Ecoregion of California. The following paragraphs draw from an analysis report composed by Helix Environmental Planning in 2015.

Over a dozen distinct vegetation communities exist on the property, harboring unique habitat for a variety of associated wildlife species. These vegetation communities include streams (open water, scoured bedrock, sand bars, and freshwater marsh) southern cottonwood-willow riparian forest, southern riparian woodland, southern coast live oak riparian forest, southern willow scrub, southern riparian scrub, coast live oak woodland, mule fat scrub, Diegan coastal sage scrub, cottonwood scrub oak chaparral, southern mixed chaparral, chamise chaparral, coastal sage-chaparral, eucalyptus woodland, and non-native grassland. Many of these habitats are designated as sensitive and are listed in Table 1 and described below (HEP, 2015).

Sensitive habitat is defined as land that supports unique vegetation communities or the habitats of rare or endangered species or subspecies of animals or plants as defined by Section 15380 of the California Environmental Quality Act (CEQA) Guidelines. Sensitive vegetation communities in the study area include: southern riparian forest, southern riparian woodland, southern coast live oak riparian forest, southern willow scrub, mule fat scrub, southern riparian scrub, streambed, coast live oak woodland, Diegan coastal sage scrub, coastal sage-chaparral transition, all chaparral types, and non-native grassland.

TYPE*	ACRE(S)
Southern Cottonwood-Willow Riparian Forest (61300)	209.1
Southern Riparian Woodland - including disturbed (62000)	4.0
Southern Coast Live Oak Riparian Forest (61310)	82.5
Southern Willow Scrub (63220)	0.4
Mule Fat Scrub (63310)	4.3
Riparian Scrub (63000)	1.6
Stream (64140; includes Freshwater Marsh [52400])	20.5
Coast Live Oak Woodland (71160)	71.4
Diegan Coastal Sage Scrub - including disturbed (32500)	64.0
Coastal Sage-Chaparral Transition (37G00)	18.1
Scrub Oak Chaparral (37900)	5.9
Southern Mixed Chaparral (37121)	811.8
Chamise Chaparral (37200)	24.0
Eucalyptus Woodland (79100)	1.0
Non-native Grassland (42200)	17.2
Agriculture (18000)	6.4
Disturbed Habitat (11300)	24.2
Developed Land (12000)	13.1
TOTAL	1,379.5

*Holland vegetation codes are provided in parentheses (Oberbauer, et. al. 2008).

A total of 209.1 acres of southern riparian forest and 4.0 acres of southern riparian woodland are present in the major streambeds and canyons (HEP, 2015). Southern riparian forests and woodlands are comprised of winter-deciduous trees that rely on water availability provided by the Santa Margarita River. Western sycamores (*Plantanus racemosa*) and Fremont Cottonwood (*Populus fremontii spp. fremontii*) dominate the upper canopy while a variety of willow (*Salix spp.*) occur within the lower strata of this habitat type (Holland, 1986). Associated understory species include mule fat (*Baccharis salicifolia*), stinging nettle (*Urtica dioica ssp. holosericea*), and wild grape (*Vitis girdiana*). A woodland differs from a forest in arrangement rather than composition, where a forest has a dense canopy of overlapping tree crowns in the upper stratum. Woodlands, on the other hand, have large gaps between individual trees or groups of trees. Southern riparian forests and southern riparian woodlands fall under the California Department of Fish and Wildlife (CDFW) habitat and County Resource Protection Ordinance (RPO) wetland.

A total of 71.4 acres of southern coast live oak riparian forest is present in the upper reaches of several streams and along the edges of the canyon drainages. Southern coast live oak riparian forest is an open to locally dense, evergreen, sclerophyllous, riparian woodland that is dominated by coast live oak (*Quercus agrifolia* var. *agrifolia*), but it is common to find western sycamore interspersed within this habitat type (HEP, 2015). Southern coast live oak riparian forest occurs on fine-grained alluvial soils on the floodplains along large streams in the canyons and valleys of coastal southern California (Holland, 1986). Species associated with this vegetation community include toyon (*Heteromeles arbutifolia*), Mexican elderberry (*Sambucus mexicana*), spreading snowberry (*Symphoricarpos mollis*), California rose (*Rosa californica*), California blackberry (*Rubus ursinus*), and poison oak (*Toxicodendron diversilobum*). South coast live oak riparian forest is CDFW habitat and RPO wetland.

Approximately one-half acre of southern willow scrub is present within the major drainages of the property (HEP, 2015). Southern willow scrub consists of dense broadleaved, winter-deciduous stands of trees dominated by short statured willows (*Salix* sp.) in association with mule fat (*Baccharis salicifolia*), and with scattered emergent cottonwood (*Populus fremontii*) and western sycamores (*Plantnus racemosa*). This vegetation community occurs on loose, sandy or fine gravelly alluvium deposited near stream channels during flood events. Frequent flooding maintains this early seral community, preventing succession to a riparian woodland or forest (Holland, 1986).

Mule fat scrub composes approximately 4.3 acres of land scattered throughout the edges of the riparian corridor in patches of various sizes located on floodplains. Mule fat scrub is a shrubby riparian scrub community dominated by mule fat and interspersed with small willows. The rather frequent occurrence of floods prevents the conversion of this community to a cottonwood- or sycamore- dominated riparian woodland or forest (Holland, 1986).

A total of 1.6 acres of southern riparian scrub occurs in the larger drainages of the property. Southern riparian scrub is a generic term for several shrub dominated communities that occur along drainages and/or riparian corridors including southern willow scrub, mule fat scrub, and tamarisk scrub. Riparian scrub habitat is CDFW jurisdictional and is considered RPO wetland.

Over twenty acres of the property is classified as belonging to stream, or freshwater marsh. The Santa Margarita River typically has slow moving or standing water flowing through it, with the exception of winter storm events that have the capacity to produce floods. Freshwater marsh is dominated by perennial, emergent monocots, 5 to 13 feet tall, forming incompletely to completely closed canopies. This marsh vegetation occurs along the coast and in coastal valleys near river mouths and around the margins of lakes and springs, and

freshwater or brackish marshes. These areas are semi- or permanently flooded yet lack a significant current (Holland, 1986). Stream habitat is United State Army Corps of Engineer (USACE) and CDFW jurisdictional and is considered RPO wetland. The upper main stem of the Santa Margarita River, Rainbow Creek and Sandia Creek are listed as impaired under the US Environmental Protection Agency Clean Water Act section 303 (d) list of impaired water bodies. Total Daily Maximum Load are required for each of these water bodies to address the pollutants found in water quality samples over the course of monitoring by the San Diego Regional Water Quality Control Board.

Approximately 71.4 acres of coast live oak woodland is present along the fringes of the major drainages and within the canyons. Coast live oak woodland is an open to dense evergreen woodland or forest community (dominated by coast live oak) that may reach a height of 35 to 80 feet. The understory is composed of toyon, blue elderberry, spreading snowberry, fuchsia-flowered gooseberry (*Ribes speciosum*), and poison oak. The herbaceous understory is dominated by miner's lettuce (*Claytonia perfoliata* var. *perfoliata*) and chickweed (*Stellaria media*). This community occurs along the coastal foothills of the Peninsular Ranges, typically on north-facing slopes and shaded ravines (Holland, 1986).

A total of 64 acres of Diegan coastal sage scrub occurs on the property. Diegan coastal sage scrub is considered a sensitive habitat by the United State Fish and Wildlife Services (USFWS), CDFW, and the County due to the destruction of nearly 72 percent of the San Diego County's original sage scrub habitat (Oberbauer and Vanderwier, 1991). Diegan coastal sage scrub may be dominated by a variety of species depending upon the edaphic, slope, and aspect of the given site. Associated species within this habitat type include California sagebrush (*Artemisia californica*), California buckwheat (*Eriogonum fasciculatum* ssp. *fasciculatum*) and black sage (*Salvia mellifera*).

Approximately 5.9 acres of scrub oak chaparral occur on the property. Scrub oak chaparral is a dense, evergreen chaparral up to 20 feet tall, dominated by scrub oak (*Quercus dumosa*) with considerable mountain mahogany (*Cercocarpus betuloides*). Scrub oak chaparral occurs in somewhat more mesic areas than many other chaparrals, such as north facing slopes, and recovers more rapidly from fires than other chaparrals due to resprouting capabilities of scrub oak (Holland 1986; Keeley and Keeley 1988).

Approximately 811 acres of southern mixed chaparral occur in the study area with the vast majority arising from granitic soils. A mafic southern mixed chaparral component of this classification occurs on 17.8 acres located on the slopes above the Santa Margarita River in the northeastern portion of the property. Southern mixed chaparral is comprised of broad-leaved sclerophyllous shrubs that can reach 6 to 10 feet in height and form dense often nearly impenetrable stands with poorly developed understories. In this mixed chaparral, the shrubs are generally tall and deep rooted, with a well-developed soil litter layer, high

canopy coverage, low light levels within the canopy, and lower soil temperatures (Keeley and Keeley 1988). This vegetation community occurs on dry, rocky, often steep north-facing slopes with little soil. As conditions become more mesic, broad-leaved sclerophyllous shrubs that resprout from underground root crowns become dominant. Depending upon relative proximity to the coast, southern mixed chaparral is dominated by chamise (*Adenostoma fasciculatum*), mission manzanita (*Xylococcus bicolor*), coast white lilac (*Ceanothus verrucosus*), Ramona lilac (*Ceanothus tomentosus*), white-stem wild-lilac (*Ceanothus leucodermis*), big-berry manzanita (*Arctostaphylos glauca*), and scrub oak (*Quercus dumosa*). This vegetation community provides important habitat for wide-ranging species such as mule deer (*Odocoileus hemionus*) and mountain lion (*Felis concolor*). This vegetation community is considered sensitive by the County.

Approximately 24 acres of granitic form chamise chaparral occur on the property. Chamise chaparral is the most widely distributed chaparral shrub and is dominated by the species chamise. This vegetation community is found from Baja to northern California in pure or mixed stands. The ubiquitous distribution of chamise chaparral may be the result of chamise being the only chaparral species that regenerates from fire from both an underground root crown and the production of seeds (Rundel, 1986). It often dominates at low elevations and on xeric south facing slopes with 60 to 90 percent canopy cover. Along its lower elevation limit, chamise chaparral intergrades with coastal sage scrub (Rundel, 1986). Mission manzanita and black sage are minor plant species associated within this vegetation community. Chamise chaparral is considered a sensitive habitat by CDFW and the County. (HEP, 2015)

A total of 1.0 acre of eucalyptus woodland was identified on the property and are dominated by stands of red gum (*Eucalyptus camaldulensis*) within the major drainages. Red gum is a non-native species that is commonly found in disturbed areas, it is also widely cultivated in California and is the most widely planted species of eucalyptus. (Hickman, ed. 1993)

Non-native grassland dominated by annual grasses and a mixture of native forbs covers approximately 17.2 acres of the property. Non-native grassland is a dense to sparse cover of annual grasses, often associated with native annual forbs. This association occurs on gradual slopes with deep, fine-textured, usually clay soils. Most of the introduced annual species that comprise non-native grassland originated from the Mediterranean region of Europe, an area with a climate similar to that in California and a long history of agriculture. These two factors have contributed to the successful invasion and establishment of these species and the replacement of native grasslands by annual-dominated non-native grassland (Jackson, 1985).

Approximately 6.4 acres of the property has been classified as having been under agricultural production, though none of the property is currently agricultural. Orchards in

the area studied are primarily avocado, although a few citrus trees are also present. The orchards are likely associated with adjacent operations.

Disturbed habitat occupies 24.2 acres. Disturbed habitat includes land cleared of vegetation (e.g., dirt roads and borrow pits), land containing a preponderance of non-native plant species such as ornamentals or ruderal exotic species that take advantage of disturbance (previously cleared or abandoned landscaping), or land showing signs of past or present animal usage that removes any capability of providing viable habitat (HEP, 2015).

Plant pathogens, disease outbreaks, and insect infestations are important to monitor, and treat, whenever feasible. In particular, non-native disease outbreaks have a disproportionately high capacity to affect significant components of a given habitat (i.e. structural or compositional elements). Such disturbances may upset the balance of an existing natural community and therefore may pose an ecological threat to the integrity of the habitats found on the property. For example, the Goldspotted Oak Borer may pose a threat to the population of coast live oaks on the property (UC Riverside, 2014).

B. Animal Species

The Santa Margarita River Valley is an important area for endemic wildlife in Southern California. The availability of year-round water provides a vital resource that supports an array of important wildlife habitats and is utilized by an abundance of associated wildlife species. In addition, the upland ecosystems are home to a wide variety of unique wildlife species and sensitive natural communities that make the property rich in biodiversity. Moreover, several federal and state threatened and/ or endangered species inhabit the land encompassing the Santa Margarita River Preserve. The survival of these natural communities and the individual threatened species depends largely upon the long term existence of a wildlife corridor throughout the Santa Margarita River Valley. One critical function of the proposed preserve is to protect the wildlife habitat and the copious biological and ecological elements of the land to ensure that the natural communities and wildlife species are given room to roam and expand over time.

A number of wildlife surveys have been completed on the property within the previous twenty years. Most recently, in 2015, Helix Environmental Planning conducted a series of wildlife surveys in the field and though the California Natural Diversity Database (CNDDDB 2015). Review of U.S. Fish and Wildlife (USFWS), MSCP sensitive species, and California Native Plant Society (CNPS; 2015) databases was also conducted. In 2013, a steelhead trout habitat assessment and enhancement plan was complete for the Santa Margarita River, encompassing the proposed watercourses on the property. Additionally, wildlife surveys were conducted by Davenport Biological Services, in 2008, between June 17th and July 30th. The results of these surveys have been summarized and are

supplemented by additional findings that can be found in appendix D. TWC will refine wildlife inventories and wildlife occurrence data as new information is collected through additional surveys in the immediate period of time following the transfer acquisition.

Animals observed on the property by Davenport Biological Services in 2008 are listed below.

Fish

Arroyo Chub (*Gila orcutti*) were the only native fish that were observed within the Santa Margarita River. However, three exotic fish, the mosquito fish (*Gambusia affinis*), bluegill (*Lepomis macrochirus*), and common carp (*Cyprinus carpio*) were also observed.

Amphibians

Two native amphibians, the California toad (*Bufo boreas halophilus*), and Pacific tree frog (*Pseudacris regilla*), were also abundant and commonly observed within the Santa Margarita River. The Pacific tree frog was also common within Sandia Creek. The bullfrog (*Rana catesbeiana*) was also present and was heard calling from several deep pools.

Reptiles

Despite the appropriateness of the habitat for most of southern California's native reptiles, only a few reptiles were observed during this survey. Reptiles observed included the western pond turtle (*Clemmys marmorata pallida*), western skink (*Eumeces skiltonianus*), Belding orange-throated whiptail (*Cnemidophorus hyperythrus beldingi*), western fence lizard (*Sceloporus occidentalis*), alligator lizard (*Gerrhonotus multicarinatus*), and southern Pacific rattlesnake (*Crotalus oreganos helleri*).

Mammals

Other than bats, mammals detected during this survey included the big-eared woodrat (*Neotoma macrotus*), California ground squirrel (*Spermophilus beecheyi nudipus*), desert cottontail rabbit (*Sylvilagus audobonii sanctidiegi*), striped skunk (*Mephitis mephitis holzneri*), western spotted skunk (*Spilogale gracilis*), long-tailed weasel (*Mustela frenata*), coyote (*Canis latrans clepticus*), and bobcat (*Lynx rufus californicus*).

Bats

Seven species of bats were found to be occupying the site. Bats detected during this summer survey included the big brown bat (*Eptesicus fuscus*), Silver-haired bat (*Lasionycteris noctivagans*), western red bat (*Lasiurus blossevillii*), California bat (*Myotis*

californicus), western small-footed bat (*Myotis ciliolabrum*), western pipistrelle bat (*Pipistrellus Hesperus*), and Brazilian free-tailed bat (*Tadarida brasiliensis*).

Birds

Sixty-three species of birds were detected during surveys of the site. In both total number, and number of unique species, birds accounted for the majority of vertebrates observed. Several nesting pairs of least Bell's vireo (*Vireo bellii pusillus*) were observed within and adjacent to the riparian plant communities associated with the Santa Margarita River and near the mouth of Sandia Creek. In addition, least Bell's vireos were observed nesting in the coast live oak woodlands that bordered the Santa Margarita River.

Additional surveys will be carried out in accordance with local, state, and federal law to determine whether or not any proposed future projects would result in negative impacts to wildlife and/or wildlife habitat. Wildlife surveys will be conducted prior to the implementation of any management activity. Each project will include preliminary planning phases that require wildlife surveys to ensure that no harm would result the wildlife that inhabit and use the property.

C. Special Status Species

Based on a 2015 report by Helix Environmental Planning, both sensitive plant and animal species inhabit, or use the property. A full list of the sensitive plants and animals are presented in Appendix D along with a ranking of their relative probability to occur on the property and a discussion of the methods used to ascertain their listing status. Sensitive plant species were defined in the report as those considered unusual or limited in that they are: (1) only found in the San Diego region; (2) a local representative of a species or association of species not otherwise found in the region; (3) severely depleted within their ranges or within the region.

1. Sensitive Plant Species

Twenty-five sensitive plant species potentially occur on the property, two of which are federally listed and both have a low probability of occurring on the property (San Diego Ambrosia [*Ambrosia pumila*] and thread-leaved brodiaea (*Brodiaea filifolia*). Please refer to Appendix D for further descriptions of all twenty-five sensitive plant species.

San Diego Ambrosia is a clonal herbaceous perennial plant that is found primarily on the upper terraces of rivers and drainages (McGlaughin and Friar, 2007). Within these areas, the species is found in open grassland of native and nonnative plant species, and openings in coastal sage scrub (Dudek, 2003 P-330; CNDDDB, 2010) and primarily on sandy loam and clay soils (Dudek, 2000, p. 18; CNDDDB 2010; USDA 2008). The species range is limited to parts of southern California and Baja Mexico from northwestern Riverside

County, south through western San Diego County, to northwestern Baja California, Mexico. (CNDDDB, 2010). San Diego Ambrosia is a clonal herbaceous perennial plant. Individual stems are generally 5 to 30 centimeters (cm) (2 to 12 inches (in)) tall, but may grow to 50 cm (20 in), and are densely covered with short hairs. The leaves are two to four times pinnately divided into many small segments and are covered with short, soft, gray-white, appressed (lying flat on surface) hairs. The species has separate male and female flowers on the same plant (monoecious). Male flowers have no petals, are yellow to translucent, and are borne in clusters on terminal flower stalks. Female flowers have no petals, are yellowish-white, and occur in clusters in the axils of the leaves below the male flower clusters (Keck, 1959 p.1103; Munz, 1974, p. 112; Beauchamp 1986, p. 94; Payne 1993, p. 194).

Thread-leaved brodiaea sacaton grassland, nonnative grassland, alkali playa, southern interior basalt vernal pools, San Diego mesa hardpan vernal pools, and San Diego mesa claypan vernal pools (Holland 1986, pp. 34-37, 41, 44). *Brodiaea filifolia* grows in interstitial areas (often narrow bands of habitat surrounded by other vegetation) in association with coastal sage scrub in some locations (Service 2005a, p. 73837). These herbaceous communities occur in open areas on clay soils, soil with clay subsurface, or clay lenses within loamy, silty loam, loamy sand, silty deposits with cobbles or alkaline soils; they may range in elevation from 100 feet (30 meters) to 2,500 feet (765 meters), depending on soil series. These soils facilitate the natural processes of seed dispersal and germination, cormlet disposition to an appropriate soil depth, and corm persistence through seedling and adult phases of flowering and fruit set (Service 2005a, p. 73837).

Brodiaea filifolia is a perennial herb with dark-brown, fibrous-coated corms (underground bulblike storage stem). The flower stalks (scapes) are 8 to 16 inches (20 to 40 centimeters) tall. The leaves are basal, narrow, and shorter than the scape. The flowers are arranged in a loose umbel. The six perianth (collective term for sepals and petals) segments are violet, spreading, and 0.4 to 0.5 inches (9 to 12 millimeters) long. The broad and notched anthers are 0.1 to 0.2 inches (3 to 5 millimeters) long. The fruit is a capsule (Munz 1974, pp. 877-878; Keator 1993, pp. 1180-1182). *Brodiaea filifolia* can be distinguished from the other species of *Brodiaea* that occur within its range (*B. orcuttii*, *B. jolonensis*, and *B. terrestris* ssp. *kernensis*) by its narrow, pointed staminodia (characteristic sterile stamens), rotate perianth lobes (i.e., a saucer-shaped flower), and a thin perianth tube, which is subsequently split by developing fruit (Niehaus 1971, p. 37; Munz 1974, pp. 877-878).

2. Sensitive Animal Species

Thirty-seven sensitive animal species have a moderate to high potential to occur on the property. There is a high number of species that may occur on the property due to the undisturbed nature of the property and high quality of the various habitats therein. Please

refer to Appendix D (Helix Environmental Planning report) for further descriptions of the sensitive animal species that may utilize or inhabit the property.

The property supports federally designated Critical Habitat for the coastal California gnatcatcher (*Polioptila californica californica*), least Bell's vireo (*Vireo pusillus bellii*), southwestern willow flycatcher (*Empidonax traillii extimus*), arroyo toad (*Anaxyrus californicus*), and habitat for the California species of special concern, the arroyo chub (*Gila orcutti*) and southwestern pond turtle (*Actinemys marmorata pallida*), as well as potential habitat for the yellow-billed cuckoo (*Coccyzus americanus occidentalis*) and steelhead trout (*Oncorhynchus mykiss*).

The range and distribution of the coastal California gnatcatcher (is closely aligned with coastal scrub vegetation. This vegetation is typified by low (*Polioptila californica californica*) less than 1 meter (3 feet)), shrub and sub-shrub species that are often drought deciduous (O'Leary 1990, p. 24; Holland and Keil 1995, p. 163; Rubinoff 2001, p. 1376). As defined by Westman (1983, pp. 6 and 10), the coastal scrub plant communities that overlap the range of the gnatcatcher include Venturan, Diegan, and Riversidean coastal sage scrub communities. As detailed by Campbell et al. (1998, pp. 421–433), gnatcatchers may also occur in other nearby plant communities, especially during the non-breeding season, but gnatcatchers are closely tied to coastal scrub for reproduction (Atwood 1993, p. 151). Moreover, all coastal scrub is not equal with respect to gnatcatchers. Gnatcatchers are patchily distributed, and Winchell and Doherty (2008, p. 1325) found the density of gnatcatchers was highest in high-quality habitat and decreased as habitat quality decreased.

The vast majority of the breeding least Bell's vireo (*Vireo bellii pusillus*) population occurs in southern California from Santa Barbara County south through the lowland coastal areas to Baja, Mexico. A majority of the population currently inhabits territories in San Diego County, particularly on the Marine Corps Base Camp Pendleton (FWS, 1998). Least Bell's vireos require dense riparian woodlands and dense shrub-cover for breeding and foraging. Nests are commonly found below 20 feet in willow stands and in areas where a dense understory of herbaceous plants are present (RECON, 1989; Kus, 2002).

The Southwestern willow flycatcher (*Empidonax traillii extimus*) has a breeding range that includes southern California, Arizona, New Mexico, extreme southern portions of Nevada and Utah, far western Texas, perhaps southwestern Colorado, and extreme northwestern Mexico (USFWS, 2002). In southern California southwestern willow flycatchers breed within thickets of willows or other riparian understory usually along streams, ponds, lakes, or canyons. The southwestern flycatcher is highly likely to use the property. Surveys have yielded confirmed presence of a transient male (Zych, 2015). One of the most important characteristics of the habitat appears to be the presence of dense vegetation, usually throughout all vegetation layers present. Almost all breeding habitats are within close proximity of water or very saturated soil.

The arroyo toad (*Anaxyrus californicus*) breeding habitat is restricted to shallow, slow-moving stream habitats, and riparian habitats that are disturbed naturally on a regular basis, primarily by flooding. To provide appropriate arroyo toad habitat, a stream must be large enough for channel scouring processes to occur but not so large that habitat structure is lost after floods (Sweet, 1992).

The arroyo chub (*Gila orcutti*) are native to the Santa Margarita River and are considered to be abundant in the upper reaches and in De Luz creek (Swift et al, 1993). Arroyo chub are found in habitats characterized by slow-moving water, mud or sand substrate, and depths greater than 40cm (Wells and Diana 1975). They are most common in streams with gradients of less than 2.5% slope (Feeney and Swift 2008), where water temperatures range from 10 to 28 degrees C (J. O'Brien, CDFW, unpublished data)

The southwestern pond turtle (*Actinemys marmorata pallida*) is native to central and southern California coastal areas. The western pond turtle is in decline throughout 75-80 percent of its range (Stebbins, 2003). Populations in southern California are particularly imperiled and have therefore are included on the proposed list of protected species in the North County Multiple Species Conservation Plan (County of San Diego). Southwestern pond turtles occur in ponds, streams, creeks, and rivers with abundant vegetation in grasslands, woodlands, and forests.

Historical occurrence records for steelhead trout (*Oncorhynchus mykiss*) in the Santa Margarita River are primarily based on anecdotal observations and CDFW reports. CDFW Warden E.H. Glidden was reported to have rescued adult steelhead in the Santa Margarita River in the 1930s or 1940s (USFWS, 1998). Steelhead fry were collected in 1939 in the Santa Margarita River near its confluence with De Luz Creek (USFWS, 1998). One adult weighing five pounds was reported near the town of Temecula in the 1940s (USFWS 1993, as cited in USFWS 1998).

IV. Goals, Objectives and Strategies

Vision Statement

The ultimate goal for the Santa Margarita River Preserve is to maintain and enhance the unique biological values on the property in perpetuity, and to engage the local community in the appreciation and preservation of those values by providing compatible passive, trail-based, non-motorized multi-use recreational and educational opportunities.

Goals, Objectives, and Strategies

The following section describes long-term management objectives and strategies that focus on maintaining and enhancing the natural resources of the property under the framework of the adaptive management goals. Subject to available grants and participation by partners and funders the actions proposed below will assist and enhance the long-term stewardship efforts of TWC; these may be completed by or with assistance from project partners, including universities, professional consultants, government agencies, NGOs, and volunteer citizen scientists.

A. Natural Resource Management

Goal: Identify native plant and animal species and the key habitats of sensitive species; maintain and enhance existing vegetation communities and water quality to support sensitive and other native wildlife species; identify the threats to native species and their respective habitats.

1. Water quality monitoring

Objective: Review existing data and ongoing studies on the Santa Margarita River water quality in order to inform aquatic habitat management.

Strategy 1.1: Within the first two years, TWC staff will establish contact with local water quality resource managers to obtain information about possible impairments to water quality and threats to aquatic habitats. The aim of the program will be to garner information regarding several water quality parameters that could be used as indicators of the health of aquatic resources and help advise future management objectives on the property.

Strategy 1.2: As funding is available, TWC and project partners will implement an independent water quality monitoring program, operated by water quality monitoring experts, that focuses on specific pollutants contributing to the Environmental Protection Agency's 303d listings of Rainbow and Sandia Creeks as impaired water bodies for pollutants such as phosphorus, nitrogen, metals, sulfates, and total dissolved solids. An additional aspect of the water quality monitoring program will include routine testing for indicators of insecticides, pesticides, and herbicides that may harm aquatic resources when applied in excess.

Strategy 1.3: In advance of the second summer, review water resource management goals and identify best management practices.

Strategy 1.4: Regularly, review published water quality data and collaborate with project partners to identify any changes in management strategies that are necessary to protect aquatic resources.

2. Sensitive plant and animal management

Objective: Identify the habitats of sensitive plant and animal species through habitat assessments and presence-absence surveys.

Strategy 2.1: In collaboration with the US Fish and Wildlife Service, California Department of Fish and Wildlife, DoD biologists from MCBCP, San Diego State University, consultants, resource conservation districts, and citizen scientists, TWC will carry out presence-absence surveys for sensitive plant and animal species, important measures to support the conservation of biodiversity on the property. If special status species are confirmed to exist on the property, the locations where such species are utilizing habitat will be identified, and potential threats to the species and their habitats will be assessed in accordance with USFWS and CDFW regulations. Working in conjunction with regulatory agencies, mitigation measures will be administered that suitably address impacts to special status species.

Strategy 2.2: Focused surveys for known special status bird species including, California coastal gnatcatcher (*Polioptila californica californica*), least Bell's vireo (*Vireo bellii pusillus*), southwestern willow flycatcher (*Empidonax trailli extimus*), and western yellow-billed cuckoo (*Coccyzus americanus occidentalis*) will be carried out within the first three years. Following initial surveys, monitoring programs for each bird species will be conducted based on their specific recovery protocols.

Strategy 2.3: Focused surveys for special status aquatic species including, Arroyo chub (*Gila orcutti*), Arroyo toad (*Anaxyrus californicus*), and Southwestern pond turtle (*Actinemys marmorata pallida*) will be carried out within the first three years. Following initial surveys, monitoring programs will be developed for each species confirmed to occupy the property.

3. Botanical inventory

Objective: Compile a master list of flora occupying the property.

Strategy 3.1: Within the first three years, project partners will establish a master list of botanical species that occupy the property; and will conduct annual surveys, commencing within the first year, to ensure that a census of annual and perennial plant species are accounted for. Existing botanical survey lists will be compiled and then amended to reflect the current assemblage of plant species occurring on the property. The botanical surveys will include focused surveys for identifying the presence and specific locations of sensitive species.

Strategy 3.2: At the end of five years, review the inventory results to determine if species have disappeared or appear to be threatened. Develop plans to maintain vegetation communities and control threats to sensitive plant species.

Strategy 3.3: At the end of five years, review the monitoring protocols and revise to reflect best practices and lessons learned in the initial period.

Strategy 3.4: Rare, threatened and endangered plant surveys will be conducted every three to five years.

4. Forest inventory

Objective: Develop a forest inventory.

Strategy 4.1: Approximately three-hundred and fifty acres of the property supports forest and woodland habitat. Riparian forest and woodland habitats are important landscape elements within the larger mosaic of habitats found on the property, and support numerous sensitive and native wildlife species. Within the first three years, the project partners, will develop forest inventory plots designed to track the changes in southern riparian forest, southern riparian woodlands, and riparian oak woodlands, as these are designated as sensitive habitats by CDFW and County of San Diego Resource Protection Ordinances.

Strategy 4.2: Review inventory on a biennial basis to observe changes in forest cover; assess whether changes in management are required.

5. Wildlife inventory

Objective: Identify the wildlife species that utilize and occupy the property.

Strategy 5.1: An ongoing effort by the project partners to record the presence of wildlife species that utilize and occupy the property will commence within the first

year of TWC management. Wildlife studies have indicated the presence of hundreds of wildlife species. Recording wildlife presence through ongoing observations will help managers to better understand the habitat requirements of the species that occupy the property and the interaction between natural resources and recreation.

Strategy 5.2: On an annual basis, review inventory results and adapt management regimes as necessary.

6. Invasive, non-native plant and animal control

Objective: Identify and address populations of invasive, non-native plants and animals.

Strategy 6.1: Within the first two years, the project partners will implement surveys for invasive plants and animals. The collection of GPS data that will delineates the areas where invasive plant occurrences are distributed throughout the property will be a leading priority for management.

Strategy 6.2: As funding is available, invasive plant survey and control programs will be developed in order to identify the populations, occurrences and potential threats that invasive plant species pose to native plant communities. On a case by case basis, as funding is available and projects are deemed feasible, invasive plant removal treatments will be implemented.

Strategy 6.3: TWC Project partners will coordinate to manage invasive animal species found to have significant, negative impacts on the native flora and/ or fauna of the property.

Strategy 6.4: Due to the known presence of the non-native species wild pigs (*Sus scrofa*) in San Diego County, TWC will coordinate with project partners to develop a contingency mitigation plan for addressing their possible future encroachment onto the property. The contingency plan will be developed within the first twenty-four months.

Strategy 6.5: Invasive aquatic animal survey and control programs will be developed in order to identify the populations and potential threats that they pose to native aquatic species and habitat. Invasive aquatic animal survey and control programs will be developed in coordination with project partners within the first twenty-four months.

7. Plant pathogens

Objective: Survey the property to identify plant pathogens and disease outbreaks that pose a significant threat to the habitats of the property.

Strategy 7.1: Within the first two years, develop a survey program with assistance from project partners to identify plant pathogens, disease outbreaks or other insect outbreaks that could pose a threat to the biological resources, vegetation communities or habitats found on the property.

Strategy 7.2: In collaboration with project partners, pathogens identified through surveys, and those known to project partners, will collaboratively be assessed on a case by case basis to determine the level of threat that they pose to the habitats within the property.

Strategy 7.3: Collaborate with project partners to understand management options for addressing the impacts associated with specific plant pathogens or pests and determine if management strategies should be revised.

Strategy 7.4: Annual surveys will be conducted to determine the presence-absence of the golden spotted oak borer (*Augrilus auroguttatus*).

8. Fire plan

Objective: Develop a fire plan.

Strategy: 8.1: Within the first two years, the project partners in collaboration with local fire and emergency response agencies will develop a fire plan. The fire plan will address such topics as egress routes from the property, staging areas, roads, trails and other resources available to fire crews during the event of a fire. The fire plan may also include a discussion about wildfire prevention strategies and post-fire rehabilitation options specific to the property.

B. Cultural Resource Management

Goal: Identify, preserve and protect the cultural resources of the property.

1. Identify cultural sites

Objective: Locate significant historic and pre-historic cultural sites throughout the property.

Strategy 1.1: Review archeological reports and meet with archeologists and consultants to identify significant cultural sites.

2. Preserve and protect cultural resources

Objective: Ensure that culturally significant sites and artifacts are protected from looters, vandals, and share educational information about the various periods of human use of the Santa Margarita River Valley.

Strategy 2.1: Erect interpretive signage that depicts the lifestyles of past visitors and inhabitants of the Santa Margarita River Valley area during various periods of history. Interpretive signage will be designed in collaboration with project partners and be placed in areas that do not pose any threats of exposing sensitive cultural sites to anthropic disturbances but rather help to illustrate the presence of an array of past visitors and how they spent their time in the Santa Margarita River Valley.

Strategy 2.2: Realign trails to avoid human caused disturbances to sensitive cultural sites, if deemed necessary by archeologists.

C. Recreational Resource Management

Goal: Continuously review and periodically revise recreational and educational resources and activities on the property to ensure that they provide valuable services to the community while protecting the natural resources.

1. Partnership with Fallbrook Trails Council

Objective: Establish and maintain a close, working relationship with the Fallbrook Trails Council so that community priorities are reflected in the recreational and educational aspects of the property.

TWC greatly appreciates and will continue welcoming the involvement of the volunteer workforce composed of the members of the FTC and community members, TWC is not able to depend on volunteers to maintain the trail system. Rather, a team of stewards that will include TWC staff, FTC members, community volunteers, paid contractors, and youth service workers will combine together to offer comprehensive care to the trails. There is no doubt that the expertise and knowledge of the FTC is paramount in the continued success of the Santa Margarita River trail system. In collaboration with, and under the direction of The Wildlands Conservancy, the FTC will continue to provide the essential role of trail stewards and docents of this one of a kind recreational marvel.

Strategy 1.1: Negotiate terms for a trail easement in favor of FTC that ensures compatible public access while providing flexibility to adapt to changing circumstances and to protect the unique natural resources on the property.

Strategy 1.2: Enter into an agreement (Memorandum of Understanding) between TWC and FTC under which FTC will both advise and support TWC trail management initiatives in accordance with this plan.

2. Recreational use surveys

Objective: Identify the current use patterns and user behaviors.

Strategy 2.1: In order to better understand how the property is being used by visitors, recreational use surveys will be given to visitors throughout the first year of TWC's management. These surveys will be designed to help TWC gain valuable information such as the most popular modes of travel, popular times of day for guests to visit specific areas, which days of the week the greatest volume of visitation occurs, and during which season visitation to various sites is at its peak. Additionally, user-experience information will be collected and analyzed to identify which areas of the user experience are considered satisfactory and which aspects may benefit from improvements. Understanding these use patterns and visitor experiences details will help managers protect the natural and cultural resources of the preserve while ensuring that visitors are also provided with a safe and enjoyable user experiences while recreating at the preserve.

Strategy 2.2: At the end of the second year, assess the results of user surveys and revise facilities and regulations accordingly.

3. Trail assessment and maintenance

Objective: Routinely evaluate the condition of the trail system to determine how to improve the trail system over time.

Strategy 3.1 An assessment of the trail system will be an immediate priority. The initial trail assessment will take place within the first two years of TWC becoming the long-term steward of the property. The trail assessment will include a detailed inspection of the existing trail network. TWC staff will assess such elements of the trail network as, placement, erosion hazards, redundancy of alignments, vegetation encroachment, unofficial social trail development, river crossings, signage, natural and cultural resource disturbance potential and assess any potential risks associated with visitor health and safety.

Strategy 3.2 The results of the trail assessment will help to generate trail management objectives for TWC and partnering organizations to discuss and prioritize into annual work plans for the subsequent implementation period.

Strategy 3.3: TWC will partner with the FTC and other agencies to provide comprehensive care for the trail system, in perpetuity. Together, the staff of TWC, the workforce of the FTC and other agency partners will improve the sustainability and durability of the trails, reduce and mitigate impacts to natural and cultural resources on the property, and enhance user safety and user experience through a multifaceted adaptive management approach.

4. Educational programs

Objective: To enhance the user experience by providing educational opportunities and to help inculcate a land stewardship ethic in children and other visitors to the preserve.

The Wildlands Conservancy plans to develop outdoor educational opportunities to enrich the recreational experiences of visitors to the preserve. The educational interpretation of the property will take multiple forms. Signage will be installed to describe and depict such elements of the property as, unique geologic features, land use history, detailed trail information, botanical and wildlife species, and cultural histories to help visitors acquire a sense of place when visiting specific sites within the property.

Strategy 4.1: Within the first two years of operation, TWC and partners will formulate a plan for enhancing the existing educational opportunities on the property, including a timeline for implementing the plan.

Strategy 4.2: Over the following two years, TWC and partners will implement the outreach plan.

Strategy 4.3: TWC will continuously look for opportunities to partner with schools and local community groups to offer outdoor education to those interested in learning about the preserve. Additionally, the property will be made available to those interested in nature study. Researchers interested in studying wildlife, biology, ecology, etc. are encouraged to contact the preserve manager for further details.

5. Visitor safety

Objective: Provide a safe environment for visitors to recreate.

Strategy 5.1: TWC staff will interact with the public by answering their questions, enforcing the rules, interpreting the dynamic nature of the continuously changing

conditions of the environment, including the weather, trail conditions, potentially dangerous wildlife, and other hazards that may be present.

Strategy 5.2: Rules and warnings of the potential dangers that may be encountered while on the property will be made available for visitors near the primary access points to the preserve, helping reduce the likelihood of injury or illness.

Strategy 5.3: The Fallbrook Trails Council has georeferenced trail markers throughout the trail system. These trail markers can be used by visitors to navigate the trail system and report the location of unsafe conditions to management. In addition, these trail markers can be used to provide first responders with GPS coordinates in the event of an emergency response team is dispatched to assist with a rescue on the property.

Strategy 5.4: Emergency evacuation sites have been designated at four locations on the property. These locations will be marked on trail maps to provide visitors with important information about where safe evacuation sites are located on the property. The evacuation sites include the Sandia Creek Dr. parking lot, in the southwestern portion of the property, the terminus of Stagecoach Rd at the “sandpit”, in the southcentral portion of the property, the large staging area at the intersection of Via Ranchitos and Gavilan Rd., in the northcentral portion of the property, and at the large staging area at the intersection of Willow Glen Rd. and N. Stagecoach Ln., in the southeastern portion of the property. Each location will be mapped with GPS coordinates and shared with local first responders and emergency personnel within the first three months of TWC taking over management of the property. Within the first two years, an Emergency Action Plan will be developed by project partners to provide guidance for the safe evacuation of the property in the event of an emergency.

6. Volunteer monitors

Objective: Establish a program of volunteer monitoring to assist with property management and public outreach.

Strategy 6.1: Within the first two years of management TWC will develop a volunteer monitoring program. The volunteer monitoring program will begin as a pilot project. A small number of volunteers that frequently visit the property and who are interested in supporting the efforts of TWC management to improve the property will be recruited as members to the initial volunteer group. Members chosen to participate in the volunteer monitoring program will be oriented on how to gather and report information to TWC Preserve Manager. Volunteers will document and then notify the Preserve Manager about issues such as dangerous

trail conditions, damaged property, graffiti, poaching, or any other observations of the preserve rules being breached or any unsafe situations. Individuals interested in participating in the volunteer monitoring program will be directed to Preserve Manager for further information.

Strategy 6.2: After two years of operation, TWC will review the volunteer program and revise it to ensure that it continues to serve the objectives for which it was developed.

7. Prohibited activities

Objective: Prevent the degradation, deterioration, damage or destruction of any part of the property.

Strategy 7.1: A declaration of all rules will be posted at the primary access points of the preserve, be made available online and in writing. TWC plans to develop a series of rules that will be fashioned similarly to the rules previously developed by the current owner FPUD. Those rules are included in Appendix C.

Strategy 7.2: TWC will help to maintain safety and orderly conduct by enforcing the rules through an educational approach, including principles of Authority of Resource and Leave No Trace. TWC staff will strive to make contact with individuals or groups breaking the rules to help interpret the importance of the particular rule(s) being broken and provide a verbal warning of the consequences of said breach to the offending party. This warning and educational information sharing is the first phase in response to situations where the rules are being broken. If said person(s) continue to break the rules they may lose their privileges of visiting the property and/or be prosecuted when their actions warrant a legal response.

D. Infrastructure Development

Goal: To identify needs for additional infrastructure on the property in order to ensure protection of natural resources, promote and regulate compatible recreation, and improve management efficiency, and to maintain all infrastructure in good condition throughout its useful life.

1. Capital improvements

Objective: In order to achieve the management goals of preserving the natural environment and biological resources of the property while also maintaining safe and high quality

recreational opportunities, appropriate capital improvement projects will be planned and implemented. Capital improvements will be constructed on disturbed ground.

Strategy 1.1: Within the first two years of management, TWC and project partners will assess the need for additional capital improvements, and will prioritize the projects that are found to be beneficial. Capital improvement projects that will be considered include:

- a. Restrooms—a restroom will be sited near the Sandia Creek Dr. parking lot. This area receives the heaviest volume of use by the public. A second restroom will be considered for the Willow Glen/Stagecoach Lane parking area.
- b. Parking lots—a parking lot currently exists and is the primary access point for visitors to the property. Improvements to the existing parking lot would be proposed. A second parking lot may be sited at the corner of Willow Glen Road and N Stagecoach Lane.
- c. Ranger station—a single-family dwelling (1200 sq. ft., combined with a Preserve Manager office space and visitor center 400 sq. ft. at the Sandia Creek Dr. parking lot.
- d. Signage—signage will be posted at the primary access points and distributed throughout the trail system.
- e. Interpretive kiosk—an interpretive kiosk will be placed at the Sandia Creek Dr. parking area.
- f. Litter bag dispensers—locations are yet to be determined

Strategy 1.2: Each infrastructure development project will be proposed, planned, and permitted prior to the commencement of any construction. In some instances, funds will need to be raised to complete specific capital improvement projects.

Strategy 1.3: All development projects will be coordinated with Camp Pendleton and the applicable resource agencies (including County of San Diego, California Department of Fish and Wildlife and the United States Fish and Wildlife Service) to ensure that the goals and objectives of this plan are addressed and all permitting requirements are identified and addressed.

Strategy 1.4: Project planning documents will be viewable by the general public during the planning phases of such projects. The goal of infrastructure development projects will be to enhance the protection of natural and cultural resources, and to improve the quality of user experiences.

2. Maintenance of infrastructure

Objective: Maintain infrastructure throughout its useful life.

Strategy 2.1: TWC staff and partners will maintain the infrastructure of the property. Duties of the onsite personnel will range from such tasks as trail inspections and maintenance, trash clean-up and graffiti removal, vegetation management, as well as maintenance of all structures developed by TWC including fencing, signage, visitor amenities, buildings.

3. Ecological restoration

Objective: Restoration of disturbed sites

Strategy 3.1: TWC will cooperate with project partners to carry out restoration of areas that have been disturbed by previous land uses.

Strategy 3.2: An area approximately nine acres in size that was formerly used for the agricultural production of succulents, near N. Stagecoach Lane, should be remediated and restored with native vegetation.

Strategy 3.3: A vacant residence and outbuildings located on Sandia Creek Drive will be dismantled and removed, and the site should be restored to natural habitat. The site is approximately two acres and occurs within Coast Live Oak woodland and Coast Live Oak Riparian Forest habitat.

Strategy 3.4: Approximately four acres of additional disturbed areas along Sandia Creek Dr. should be restored with native vegetation.

E. Operations Planning

Goal: Establish a timeline and monitoring program for evaluating the progress made toward management goals. These planning timelines and monitoring programs will inform the adaptive management process by refining future planning efforts and elucidating emerging management objectives.

1. Annual work plans

Objective: Develop a framework that describes the operations to be implemented within each calendar year.

Strategy 1.1: Preserve Manager will develop work plan calendars to schedule the sequence of operations pursuant to the management plan. An example is attached in appendix E.

Strategy 1.2: TWC will meet with MCBCP and other natural resource management agency representatives on an annual or biennial basis to discuss and coordinate the Preserve's current and emerging natural resource management priorities.

References

- Abbott, P. L. 1999. The rise and fall of San Diego: 150 million years of history recorded in sedimentary rocks. San Diego, CA: Sunbelt Publications.
- Atwood, J.L. 1993. California gnatcatchers and coastal sage scrub: The biological basis for endangered species listing. Pp. 149–169 in Keeley, J.E. (ed.). *Interface Between Ecology and Land Development in California*. Proceedings of the symposium convened. May 1–2, 1992, at Occidental College in Los Angeles. Southern California Academy of Sciences.
- Beauchamp, R.M. 1986. *A Flora of San Diego County, California*. Sweetwater River Press. National City, California.
- Campbell, K.F., R.E. Erickson, W.E. Haas, and M.A. Patten. 1998. California gnatcatcher use of habitats other than coastal sage scrub: conservation and management implications. *Western Birds* 29: 421–433.
- Cardno ENTRIX, 2013, Santa Margarita River Steelhead Habitat Assessment and Enhancement Plan. Santa Rosa, Ca. April 2013.
- [CNDDDB] California Department of Fish and Game, Natural Diversity Data Base. 2010. Element Occurrence Reports for *Ambrosia pumila*. Unpublished cumulative data current to January 26, 2010.
- [Dudek] Dudek and Associates, Inc. 2000. City of San Diego Mission Trails Regional Park, San Diego ambrosia management plan.
- [Dudek] Dudek and Associates, Inc. 2003. Western Riverside County Final Multiple Species Habitat Conservation Plan, Volumes I -V. Dudek and Associates, Inc., Encinitas, California.
- Feeney, R.F. and C.C. Swift. 2008. Description and ecology of larvae and juveniles of three native cypriniforms of coastal southern California. *Ichthyological Research* 55:65-77.
- Fish and Wildlife Service. 1998. Draft recovery plan for the least Bell's vireo. U.S. Fish and Wildlife Service, Portland, OR. Pp 139.
- Geotechnical & Environmental Solutions (EEI). 2016. Baseline Environmental Survey Santa Margarita River Property. Carlsbad, CA. April 2016.
- Helix Environmental Planning (HEP). 2015. Fallbrook Public Utility District Mitigation Analysis. La Mesa, CA. May 2015.
- Hickman, J.C., ed. 1993. *The Manual: Higher Plants of California*. University of California Press, Berkeley, 1400 pp.
- Holland, R.F. 1986. Preliminary Descriptions of the Terrestrial Natural Communities of California. California Department of Fish and Game, Non-game Heritage Program, Sacramento, CA.
- Holland, V.L., and D.J. Keil. 1995. *California vegetation*. Kendall/Hunt Publishing

- Company.
- Jackson, L. 1985. Ecological origins of California's Mediterranean Grasses. *Journal of Biogeography* 12: 349-361.
- Keator, G. 1993. Brodiaea. In J.C. Hickman (edit.), *The Jepson Manual, Higher Plants of California*. University of California Press, Berkeley, California.
- Keck, D.D. 1959. Compositae. In: Munz P.A. *A California flora*. University of California Press, Berkeley, California.
- Kus, B. 2002. Least Bell's Vireo (*Vireo bellii pusillus*). In *The Riparian Bird Conservation Plan: a strategy for reversing the decline of riparian-associated birds in California*. California Partners in Flight. http://www.prbo.org/calpif/htmldocs/riparian_v-2.html
- McCown, B. E. (1964). *Collected papers of Benjamin Ernest McCown*. LaVerne, Calif.?: Archaeological Survey Association of Southern California
- McGlaughlin, M.E. and E.A. Friar. 2007. Clonality in the endangered *Ambrosia pumila* (Asteraceae) inferred from RAPD markers; implications for conservation and management. *Cons. Genetics* 8:319-330.
- Munz, P.A. 1974. *A Manual of Southern California Botany*. University of California Press, Berkeley and Los Angeles, California.
- Niehaus, T.F. 1971. A biosystematic study of the genus *Brodiaea* (*Amaryllidaceae*). *U.C. Publications in Botany* 60: 1-66, pl. 1.
- O'Leary, J.F. 1990. Californian coastal sage scrub: General characteristics and considerations for biological conservation. Pp. 24–31 in Schoenherr, A.A. (ed.). *Endangered plant communities of southern California*. Southern California Botanists Special Publication No. 3.
- Payne, W. 1993. *Ambrosia*. In: Jepson WL, Hickman JC (eds.) *The Jepson manual: higher plants of California*. University of California Press, Berkeley, California.
- PRISM Climate Group, Oregon State University, <http://prism.oregonstate.edu/>, created September 2016.
- RECON (Regional Environmental Consultants). 1989. Comprehensive species management plan for the least Bell's vireo (*Vireo bellii pusillus*). Prepared for San Diego Association of Governments, San Diego
- Rubinoff, D. 2001. Evaluating the California gnatcatcher as an umbrella species for conservation of southern California coastal sage scrub. *Conservation Biology* 15: 1374–1383.
- Santa Margarita Ecological Reserve. (n.d.). Retrieved August 31, 2016, from <http://fs.sdsu.edu/santa-margarita-ecological-reserve/>
- South Coast Wildlands. 2008. *South Coast Missing Linkages: A Wildland Network for the South Coast Ecoregion*. Produced in cooperation with partners in the South Coast Missing Linkages Initiative. Available online at <http://www.scwildlands.org>.
- Stebbins, Robert C. *A Field Guide to Western Reptiles and Amphibians*. 3rd Edition. Houghton Mifflin Company, 2003.
- Sweet, S.S. 1992. Initial report on the ecology and status of the arroyo toad (*Bufo microscaphus californicus*) on the Los Padres National Forest of southern

California, with management recommendations. Report to United States Department of Agriculture, Forest Service, Los Padres National Forest, Goleta, California. ii + 198 pp.

- Swift, C.C., T.R. Haglund, M. Ruiz, and R.N. Fisher. 1993. The status and distribution of the freshwater fishes of southern California. *Bulletin Southern California Academy Sciences* 92:101-167.
- University of California (UC), Riverside. 2014. The Goldspotted Oak Borer. Center for Invasive Species Research. Available at: http://civr.ucr.edu/goldspotted_oak_borer.html. Accessed on May 9, 2014.
- U.S. Fish and Wildlife Service, 1998, Southern steelhead *Oncorhynchus mykiss* habitat suitability survey of the Santa Margarita River, San Mateo and San Onofre Creeks on Marine Corps Base Camp Pendleton. Coastal California Fish and Wildlife Office, Arcata, CA. Prepared for Assistant Chief of Staff, Environmental Security.
- U.S. Fish and Wildlife Service, 2002, Southwestern Willow Flycatcher (*Empidonax traillii extimus*) final recovery plan: U.S. Fish and Wildlife Service, Albuquerque, New Mexico.
- Westman, W.E. 1983. Xeric Mediterranean-type shrubland associations of Alta and Baja California and the community/continuum debate. *Vegetation* 52: 3–19.
- Winchell, C.S., and P.F. Doherty. 2008. Using California gnatcatcher to test underlying models of habitat conservation plans. *Journal of Wildlife Management* 72: 1322–1327.

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager
DATE: December 12, 2016
SUBJECT: Local Preferences Policy for Purchases

Purpose

To present for Board consideration potential updates to the District's local preferences policy for purchases.

Summary

At the September 2016 regular Board meeting, the Board requested a review of the District's local preferences policy for purchases.

Currently as described in Article 14 of the District's Administrative Code, the District's local preferences policy for purchases is:

"...purchases should be made from vendors located within the boundaries of the District when cost, quality and delivery times are equal or better than competing quotes from distant areas"

In practice, the District does utilize local vendors where District purchasing has found suitable business that can meet the District requirement and are cost effective. A list of local vendors currently used by the District is attached. These purchases are typically for smaller items and are typically less than \$5,000 annually. There currently is no formal process for maintaining a local vendors list or process for soliciting local vendors to be added to a list.

Staff reviewed the District purchasing policy with legal counsel and requested verification of what local preferences policies could be implemented. Based on the review from legal counsel, a preference for local vendors for purchases for public projects and goods which fall beneath the dollar thresholds for contracts that must be awarded to the lowest responsible bidder could be implemented to a limited extent. However, there is a risk of legal challenge due to constitutional equal protection issues that should be considered.

Recommended Action

The District currently uses a number of local vendors that are able to provide products and services at competitive costs for the ratepayers, but the local preferences policy is not clearly articulated in the District's Administrative Code. It is recommended that

based on Board input staff formalize this policy with Legal Counsel and bring an updated local preference policy for Board review and approval including a process to better solicit local vendors.

Local Companies in FPUD service area used by FPUD

**Ahrend Studios
BP Battery
Crop Production
Fallbrook Auto Parts - NAPA
Fallbrook Equipment
Fallbrook Fertilizer
Fallbrook Irrigation
Fallbrook Oil
Fallbrook Pest Control
Fallbrook Radiator
Fallbrook Village News
Foothill Lock & Security
Genco Printers
Grangetto's
Hartcorn Construction
Jim's Sign Shop
Joe's Hardware
Major Market
Neiman's Collision Center
North County Welding Supply
Perez Upholstery
Peters Paving
Pine Tree Lumber
Quality Fence
Ride Out Electric
Scrappys Tire and Auto
Smog Brothers
Snow Irrigation
So Cal Plumbing
T.R.Y. Enterprises - Security
UPS Store**

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager
DATE: December 12, 2016
SUBJECT: Purchase of Air-Vacuum Valves

Purpose

To present for Board consideration the bids to purchase combination air-vacuum valves for sewage service to replace existing valves.

Summary

The District requested bids for five (5) combination air-vacuum valves to replace existing valves in poor condition on the force mains and outfall. Replacement of these valves is important to ensure they function properly and to prevent air pockets and overflows and vacuum conditions that can cause breakages.

The low bid (bid summary attached) is from Pacific Pipeline of San Marcos for five (5) combination air-vacuum valves for a total of \$25,082.78.

Recommended Action

That the Board award the bid to Pacific Pipeline in the total amount of \$25,082.78, inclusive of taxes, in order to ensure the District maintains a reliable sewage collection and disposal system.

Fallbrook Public Utility District

Summary

*4" Combination Air Valves for Sewage "SAAR"
for the Outfall line and Overland Trail Lift Station*

VENDOR	Manufacturer	Unit Price	Lot Price Including Tax
Pacific Pipeline * San Marcos, CA <i>Delivery: 3-5 Days</i>	ARI D-020	4,644.96	\$ 25,082.78*
HD Supply San Marcos <i>Delivery: TBD</i>	ARI D-020	4,865.00	\$ 26,271.00
Ferguson Waterworks Poway, CA <i>1-2 Working Days</i>	ARI D-020	4,889.00	\$ 26,400.60
S & J Supply Co. Murrieta, CA <i>Delivery: 1 Week</i>	ARI D-020	4,889.00	\$ 26,400.60
Western Water Works El Cajon, CA <i>Delivery: 1 Week</i>	ARI D-020	4,889.40	\$ 26,402.76

* Indicates Lowest Responsive Bid

M E M O

TO: Board of Directors
FROM: Jack Bebee, Assistant General Manager
DATE: December 12, 2016
SUBJECT: Award of Additional Recycled Water Pump and Variable Frequency Drive for WRP

Purpose

Present to the Board for approval, the award of a contract to Cortech Engineering , Inc. for the procurement of a Vertical Lineshaft Pump and Variable Frequency Drive for \$96,400 to increase the recycled water delivery system capacity at the Water Reclamation Plant.

Summary

The District recently completed the expansion of the recycled water distribution system. As part of the expansion, the District had budgeted to add additional pumping capacity and backup pumping reliability at the WRP to keep up with anticipated peak demands due to the expansion.

District prepared specifications for the additional pump and variable frequency drive. Two bids were received by the due date. A summary of the bids are below.

Bidder	Amount
Cortech Engineering, Inc.*	\$96,400.00
Gierlich-Mitchell, Inc.	\$99,613.00


*Apparent Lowest responsive bidder

Staff had budgeted \$240,000 in the Wastewater Capital Budget for FY 2016/17 for equipment at the WRP. \$80,000 of this has already been expended on a washer compactor and pond mixing system previously approved by the board.

Recommended Action

That the Board authorize award of a contract to Cortech Engineering Inc. for the procurement of a Vertical Lineshaft Pump And Variable Frequency Drive for \$96,400 to increase the recycled water delivery capacity to meet the needs of the recent expansion of the recycled distribution system.

M E M O

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager 
DATE: December 12, 2016
SUBJECT: Amend Article 21 of the Administrative Code to Incorporate Previously Approved Water Rate Changes for January 1, 2017 through December 31, 2017
Resolution No. 4894

Purpose

To set water rates the calendar year 2017.

Summary

The Final Budget for FY 2016-17 contained changes to water rate calculations as follows.

- Water rates are no longer “blended” into a fiscal year. Instead they were “unblended” and will be updated on January 1 of each year to match the timing of rate changes by Metropolitan Water District (MWD) and San Diego County Water Authority (SDCWA). Only water rates will be affected, monthly operations charges and pass through charges will be unchanged and based on a Fiscal Year.

Per the June 2016 Prop 218 Notice and 30 day notice of increase sent with customer bills in October and November 2016, water rates for Calendar Year 2017 are as follows:

- a) Increase M&I rates by \$.59 per kgal (Tier 1) and \$.61 per kgal (Tier 2) and \$.67 per kgal (Tier 3).
- b) Increase SAWR interruptible rates by \$.37 per kgal.
- c) Increase commercial AG rates by \$.21 per kgal.
- d) Increase recycled water rate by \$.47 per kgal.

These rates remain unchanged from amounts budgeted and approved by the Board on July 14, 2016. M&I rates are increasing approximately 12% due to rising wholesale water rates and the Board’s decision to prefund a portion of the District’s \$6.8M GASB 68 Net Pension Liability which was booked June 30, 2015 The changes indicated above must be incorporated into the Administrative Code for this budget year. Changes required to Article 21 of the Administrative Code are incorporated into attached Resolution No. 4894.

Recommended Action

That the Board adopt Resolution No. 4894 amending Article 21, to incorporate previously approved water rates effective January 1, 2017 for Calendar Year 2017.

RESOLUTION NO. 4894

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FALLBROOK PUBLIC UTILITY DISTRICT AMENDING ARTICLE 21,
WATER AND SEWER RATES AND SERVICE CHARGES**

* * * * *

WHEREAS, at the February 24, 2014 regular board meeting, the Board of Directors approved unblending water rates from a fiscal year basis and raising water rates at the same time the rates are raised by the San Diego County Water Authority (SDCWA) and the Metropolitan Water District of Southern California (MWD) on January 1 of each year; and

WHEREAS, customers were notified of the January 1, 2017 water rate increases per the June 2016 Prop 218 Notice and the 30-day Notice to Increase that was sent with customer bills in October and November 2016; and

WHEREAS, the proposed water rate increases to Article 21 of the Administrative Code are indicated in documents that are part of the agenda packet and referenced herein.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Article 21, Water and Sewer Rates and Service Charges, shall be amended with the proposed changes as shown in Attachment "A" and are incorporated herein.
2. The amendments are effective January 1, 2017, and the remaining provisions of Article 21 are unaffected and reconfirmed hereby.

PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a regular meeting of the Board held on the 12th day of December, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Attachment A

Article 21

Water and Sewer Rates and Service Charges

Article 21. Water and Sewer Rates and Service Charges.

Operations Charges are set at 80% of the fixed costs to run the District's Water Operations. The remaining 20% of fixed costs are collected on the water rates.

From and after January 1, ~~2016~~2017, through December 31, ~~2016~~2017, the following rates for water deliveries to each class of service are established:

Sec. 21.1 Water Rates.

For purposes of determining water rates, one unit equals 1,000 gallons:

Base Rate. \$~~5.135~~.74 per unit

Domestic (D), Large Lot Domestic (L/D).

1-5 units per month \$~~4.625~~.21 per unit

6-30 units per month \$~~5.135~~.74 per unit

Over 30 units per month \$~~5.656~~.32 per unit

Commercial (C).

1-30 units per month \$~~4.625~~.21 per unit

Over 30 units per month \$~~5.135~~.74 per unit

Multi-Unit (M).

1 - 5 units per month \$~~4.625~~.21 per unit

6 - 18 units per month \$~~5.135~~.74 per unit

Over 18 units per month \$~~5.656~~.32 per unit

Government (G).

All Usage \$~~5.135~~.74 per unit

Irrigation Only (I). \$~~5.135~~.74 per unit

SAWR - Ag Only (AS).

All usage \$~~3.283~~.65 per unit

SAWR - Ag & Home (AT).

1-5 units per month \$~~4.625~~.21 per unit

6-20 units per month \$~~5.135~~.74 per unit

Over 20 units per month \$3.283.65 per unit

Commercial Ag (CA).

All usage \$4.764.97 per unit

Commercial Ag Domestic (CB).

1-5 units per month \$4.625.21 per unit

6-20 units per month \$5.135.74 per unit

Over 20 units per month \$4.764.97 per unit

Recycled Water.

Recycled water furnished within the District service area for any appropriate purpose will be billed at \$3.964.43 per 1,000 gallons. Recycled water sold outside the District service area will be sold by contract with specific customers. For San Diego County Water Authority and Metropolitan Water District rebate purposes, reclaimed water rates must be set at higher of 85 percent of lowest applicable potable water rate or 80 percent of the average of Tier 1 and Tier 2 rates.

Construction Meter.

Water furnished for construction purposes will be billed at \$6.417.17 per 1,000 gallons.

Pumping Charges. (DSA and Toyon only)

Pumping charges for the DeLuz High Pressure Service Area and Toyon Heights shall be furnished at \$0.33 per 1,000 gallons to recover the cost of electricity. An additional \$.10 per 1,000 gallons is charged and allocated to capital improvements for the DeLuz High Pressure service area and Toyon Heights zone. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 21.2 Operation Charges.

Operations Charges are set at 80% of the fixed costs to run the District's Water Operations. The remaining 20% of fixed costs are collected on the water rates.

From and after July 1, 2016, the following rates and charges are established and shall be collected by the District for water service:

Monthly Service Charges for each meter:

	<u>Classes</u>	
	AS, AT, CA, CB, G	D, L/D, C, M, R
3/4 inch meter	\$49.01	\$41.59
1 inch meter	\$64.72	\$54.12
1-1/2 inch meter	\$93.56	\$77.23
2 inch meter	\$138.25	\$113.03

3 inch meter	\$227.48	\$184.39
4 inch meter	\$353.45	\$293.17
6 inch meter	\$636.95	\$523.95
Standby service, all sizes	\$24.78	\$24.78

For each additional unit or fraction thereof served through any meter, defined as each additional living unit or separate business, a monthly service charge of \$6.55 will be made.

Recycled water service charges are the same as those for potable meters under the Domestic (D), Large Domestic (L/D), Commercial (C) and Multi-unit (M) schedule.

For construction meters, a service charge of \$169.55 per month or fraction thereof will be made in addition to the cost of water consumed. This rate is calculated using a factor of 1.5 times the commercial rate for a 2" water meter.

The foregoing minimum charges for water service through various sized meters will be effective commencing the day of installation, regardless of the amount of water used, as long as the consumer's property is actually connected with the District's distribution system.

Billings for water furnished to all accounts will be on a monthly basis.

A monthly service charge to cover the District's cost for annual inspection, maintenance, repair and replacement of backflow prevention devices will be made as follows:

Reduced Pressure Principle Devices

For each 3/4 inch device	\$6.88
For each 1 inch device	\$6.88
For each 1-1/2 inch device	\$9.94
For each 2 inch device	\$9.94
For each 3 inch device	\$11.27
For each 4 inch device	\$15.92
For each 6 inch device	\$19.06
Recycled Water	No charge

Double Check Valves

For each 3/4 or 1 inch meter	\$5.55
For each 1-1/2 or 2 inch meter	\$7.29
For each 3 inch meter	\$7.64
For each 4 inch meter	\$10.85
For each 6 inch meter	\$14.34

The monthly service charge for annual inspection, maintenance, repair and replacement of fire service detector check valve systems will be made as follows:

For each 2 inch service	\$68.26
For each 3 inch service	\$78.74
For each 4 inch service	\$89.22
For each 6 inch service	\$122.49

For each 8 inch service	\$155.76
-------------------------	----------

Sec. 21.3 Discount.

Monthly Discount for bills paid prior to becoming delinquent:

3/4 inch meter	\$5.00
1 inch meter	\$5.00
1-1/2 inch meter	\$5.00
2 inch meter	\$5.00
3 inch meter	\$5.00
4 inch meter	\$5.00
6 inch meter	\$5.00
Standby service, all sizes	\$5.00

Sec. 21.4 MWD Readiness-to-Serve Charge (RTS) and SDCWA Infrastructure Access Charge (IAC).

From and after July 1, 1997, the following monthly charges are established and shall be collected by the District for the Metropolitan Water District of Southern California's Readiness-to-Serve charge and San Diego County Water Authority's Infrastructure Access Charge:

Monthly charges for each meter:

(----- RTS -----)
AS, AT, CA, CB, D,
LD, C, M, G CWA/IAC

	AS, AT, CA, CB, D, LD, C, M, G	CWA/IAC
3/4"	\$4.00	\$2.82
1"	\$5.50	\$4.51
1-1/2"	\$8.00	\$8.46
2"	\$12.50	\$14.66
3"	\$21.00	\$27.07
4"	\$33.00	\$46.25
6"	\$60.00	\$84.60
SS	\$2.00	

Sec. 21.4.1 MWD IAWP Overuse Penalty

MWD lifted all allocations and penalties as of April 2011.

Sec. 21.4.2 SAWR/LD/Commercial Ag/Commercial Ag Domestic Penalties.

Allocations are 85% of the water use for FY 2013-14 usage by month. Penalties for water usage over allocation are evaluated and levied every 6 months.

Sec. 21.5 Water Capital Improvement Charge.

For each water account as calculated by this Section, an additional \$9.45 per month per Equivalent Meter Unit (EMU) shall be added as a Capital Improvement Charge beginning FY 2014-15. This charge is solely dedicated to Water Capital

Improvement projects. The Water Capital Improvement Charge has been implemented to partially fund the design and build-out of the UV treatment facility at the Red Mountain Reservoir and to fund pipeline replacement projects.

Water Capital Improvement Charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February plus 3 percent to at least 2033. Staff will report back to the Board of Directors no less than every five (5) years with analysis of its necessity. The Water Capital Improvement Charge was last analyzed and approved by the Board of Directors effective July 1, 2013; therefore, the first analysis is required by 2018.

Fallbrook Public Utility District's Equivalent Meter Unit (EMU) is associated with meter size as listed below.

Meter Size	FPUD EMU	Charge
3/4"	1.0	\$9.45
1"	1.375	\$12.99
1 1/2"	2.0	\$18.90
2"	3.125	\$29.53
3"	5.25	\$49.61
4"	8.25	\$77.96
6"	15.0	\$141.75

Sec. 21.6 Billing Periods.

Billing periods end on the 10th, 20th, and 30th of the month depending on meter location in the District. All charges for water and sewer service and water usage during any billing period are due and payable when rendered and become delinquent on either the 10th, 20th, or 30th of the month, as noted on the bills. Bills paid prior to becoming delinquent will be credited with a discount. Accounts not paid by the delinquent date are sent special delinquent notices and the meters are subject to lock-up for non-payment. Delinquent accounts are subject to a pre lock-up notice implemented by a door hanger on the property, which is delivered a minimum of 48 hours before the meter is locked. Such accounts accrue a \$30 lock-up notice fee upon the District's preparation of the final pre lock-up notice report, regardless of when the actual door hanger is placed on the property. Accounts not paid within 30 days after lock-up and accounts that have tampered with the meter to obtain water illegally are subject to removal of meters and permanent disconnection of water service. Standby charges will continue to accrue after the meter has been removed.

If a meter has been locked for non-payment for a period of 90 days, it may be placed on Standby Service by FPUD. Standby Service charges will accrue from that time until an application for service restoration has been received by the District.

The District must be notified in a timely manner with the name and mailing address of the new owner or tenant and the upcoming date of transfer. Notification of the transfer of property ownership, or tenancy, is the responsibility of the owner/seller. The District is not responsible for the proration of the final billing if notification is not received prior to the date of sale, or change of tenancy.

Sec. 21.7 Meter Locks and Restrictors.

If for any reason, other than District convenience, a water meter shall be locked by the District, the water may not be again turned on to serve the property through such meter until all past due charges plus a turn-on charge of Fifty Dollars (\$50) shall have been paid to the District. There shall be a fee of \$30 to process and deliver Pre-Lock Notices and a fee of \$100 for broken or damaged locks. Damage to corp or angle stop in attempt to restore services locked for non-payment will be billed at actual time and material and added to the water bill.

If flow restrictors are required for any reason in order to implement policies within this Administrative Code, the fees are as follows:

<u>Meter Size</u>	<u>Installation Fee</u>
3/4" and 1" Meters	\$137
1-1/2" and larger	\$582

Sec. 21.8 Meter Not Registering.

Whenever, for any reason, a meter fails to register correctly, the consumer will be charged an amount for the previous billing period increased or decreased by the percentage change in total billing by the District for all consumers for the two billing periods.

Sec. 21.9 Water Rates or Service Charges Lien on Property.

In addition to any other remedy provided therein or by law for the collection of any water rate, charges or account, all rates or service charges provided for in this Administrative Code shall be charged and become a charge against the property on which the water is furnished and against the owner thereof, and all charges for water so served to a property shall be and become a lien against the premises upon which the water is used or served.

Standby accounts with a delinquent balance greater than \$250 as of April 1st of each year may be sent notification of intent to place delinquent and unpaid charges on the annual tax roll. The notification will be sent by May 1st and provides the customer 60 days to bring the account current. If the amount is not brought current by July 1st, the portion of the delinquency due as of the prior April 1st may be reported to the County Treasurer for inclusion on the annual taxes levied on the property.

If for any reason or cause the sums of money owing for such water services are not paid as required by the terms and provisions of this Administrative Code, the District shall have the right to shut off such water, and in no case shall service of water be resumed on the same property until all such delinquencies and additional turn-on charges shall have been paid in full. Delinquent bills from former owners or tenants are the responsibility of the present owner.

Sec. 21.9.1 Theft of Water.

Water is defined as stolen from the customer if the water is stolen from the customer's side of the meter. Water stolen from a mainline, hydrant, District

pipeline, appurtenance, or tampering with a customer's meter is defined as water being stolen from the District.

Water Stolen from Customer.

Customers who have reported water theft to the District must also notify local law enforcement agencies. The District will require proof of theft from a law enforcement agency that a theft of water occurred. Customer's asking for credit on the bill for water theft will be processed by account type. If a full price M&I customer, the District may discount the estimated amount of water stolen and charge the District's wholesale cost of water for the amount stolen. An estimate of the amount of water stolen will be made by District staff using that customer's usage history. Water sold to agricultural customers, , SAWR, and Commercial Ag/Commercial Ag Domestic, is sold at District cost so no discount may be applied. If the stolen water caused the customer's allocation bank to be adversely affected, the District will restore the estimated amount stolen to the customer's allocation bank. If the water theft resulted in an overuse penalty, the District will credit the penalty to the customer for the estimated amount of water stolen.

Water Stolen from District.

Any theft of water from the District will be reported to law enforcement agencies. If the theft is due to meter tampering, the customer will be charged a \$250 fee for tampering with the meter plus time and materials to place the meter back into proper position. If a water theft from the District due to meter tampering occurs again on the same meter, the customer will be charged a \$500 fee for tampering and an item will be brought forward to the Board of Directors to consider discontinuance of service. An estimate of the amount of water stolen will be calculated and billed to the customer's account. Collection of said fees are subject to all District regulations regarding collection of past due accounts.

Sec. 21.10 Sewer Rates.

Sewer service charges are established upon each property within the District that is connected to a sewer line of the District whether said premises are occupied or unoccupied.

<u>USER CLASS</u>	<u>COMMODITY RATE</u> <u>1,000 GAL OF SEWAGE</u>
Single Family Residence, Ag Domestic, Multi-Family, Schools, Churches, and	
Low-Strength Commercial (Average BOD & SS = 0-200)	\$8.77
Medium Strength Commercial (Average BOD & SS = 201-600)	\$13.27
High Strength Commercial (Average BOD & SS ≥ 601)	\$22.28

METER SIZE	FIXED CHARGE
¾" and All Domestic	\$ 16.12
1"	\$ 24.01
1 ½"	\$ 43.75
2"	\$ 67.42
3"	\$122.67
4"	\$201.60
6"	\$398.91

USER CODE	RTS
Multi-Family & SFR	90%
Commercial	
Low / Medium / High	90%
Government	
Low / Medium / High	90%
Schools	80%
Churches	80%
Special	
Low / Medium / High	100%
Special 10% RTS (1-10%)	
Low / Medium / High	10%
Special 20% RTS (11-20%)	
Low / Medium / High	20%
Special 30% RTS (21-30%)	
Low / Medium / High	30%
Special 40% RTS (31-40%)	
Low / Medium / High	40%
Special 50% RTS (41-50%)	
Low / Medium / High	50%
Special 60% RTS (51-60%)	
Low / Medium / High	60%
Special 70% RTS (61-70%)	
Low / Medium / High	70%
Special 80% RTS (71-80%)	
Low / Medium / High	80%

For those Single Family Residences (D, LD, AD, AT, CB), charges are calculated as follows:

1. Determined by lowest one-month winter water use from prior fiscal year for period November through March. If all five months are zero, usage will be set to 1. If any one month is equal to zero, next lowest month's usage is used.
2. 90% of this water is assumed Returned to Sewer (RTS).
3. FY 2016-17 fixed component based on meter size (see chart).
4. FY 2016-17 flow component \$8.77/unit.
5. Rate is fixed and remains in effect throughout FY 2016-17.

6. Consumption analysis is performed annually. Appeal for consumption is available.
7. Cap of 18 units.
8. No prior history customer will be placed at that customer class median currently 4 for FY 2016-17.
9. Use must be > 0 unless customer is on standby.
10. Billing cycles are as follows:

WINTER WATER USE	CYCLE 1	CYCLE 2	CYCLE 3
November	October 1st to Nov 1st	Oct. 10th to Nov 10 th	Oct. 30th to Nov. 30th
December	Nov 1st to Dec 1st	Nov. 10th to Dec 10 th	Nov. 30th to Dec 30th
January	Dec 1st to Jan 1st	Dec 10th to Jan 10 th	Dec 30th to Jan 30th
February	Jan 1st to Feb 1st	Jan 10th to Feb 10 th	Jan 30th to Feb 28th
March	Feb 1st to March 1st	Feb 10th to Mar 10 th	Feb 28th to Mar 30th

All other water customer classes (M, G, C, A, AS, CA), with the exception of public elementary and public junior high schools:

1. Monthly sewer bill based on actual water sold.
2. RTS factor as determined by customer class. Appeals for irrigation and/or water usage which does not get returned to the sewer is available.
3. Customer is classified as high, medium, or low strength (based upon BOD and SS). See attached Appendix A. Appeal for strength classification is available.
4. FY 2016-17 monthly fixed component based on meter size (see chart).
5. FY 2016-17 flow component for low strength sewage = \$8.77/unit
6. FY 2016-17 flow component for medium strength sewage = \$13.27/unit
7. FY 2016-17 flow component for high strength sewage = \$22.28/unit

Public elementary and public junior high schools:

1. Monthly sewer bill based on per person, per month charge.
2. The public elementary and / or public junior high school district to provide a report each October that documents the number of students and faculty at each site.
3. FY 2016-17 public elementary school rate is \$1.06 per person, per month.
4. FY 2016-17 public junior high school and administrative offices rate is \$1.55 per person, per month.
5. Rates to be increased by the percentage change in the wastewater budget each year.

Sec. 21.10.1 Wastewater Capital Improvement Charge.

For each sewer account, an additional \$10.84 per month per Equivalent Dwelling Unit (EDU) shall be added as a Wastewater Capital Improvement Charge beginning FY 2016-17. This charge is dedicated to Wastewater Debt Service and Wastewater Capital Improvements. The Wastewater Capital Improvement Charge has been implemented to partially fund the debt service payments for upgrades to the Wastewater Treatment Plant. EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3, or 20.7.4. This Capital Improvement Charge will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors every five (5) years with analysis of its necessity.

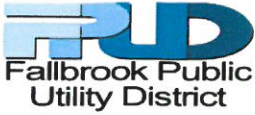
Sec. 21.11 Allocations and Special Water Conservation Rates.

When it is considered critical for the well being of the citizens within the District that all existing water supplies be husbanded and future available imported supplies be fairly and uniformly allocated among the District's customers so that water essential for domestic use, sanitation, and fire protection will remain available through the duration of the drought, the Board of Directors may implement special water pricing.

ARTICLE 21

- Sec. 21.1 – Rev. 7/02
- Sec. 21.2-21.8.2 – Rev. 9/96
- Sec. 21.3 – Rev. 10/96
- Sec. 21.4 & 21.9 – Rev. 6/97
- Sec. 21.4 – Rev 7/02
- Sec. 21.9 – Rev. 10/97
- Sec. 21.9 – Rev. 6/04
- Sec. 21.9 – Rev. 1/05
- Sec. 21.1, 21.3, 21.4, 21.9 – Rev. 6/05
- Sec. 21.1, 21.2, 21.4, & 21.9 – Rev. 6/06
- Sec. 21.9, Flat Rate + Metered Flow – Rev. 7/06
- Sec. 21.9 (Flat Rate classification) – Rev. 10/06
- Sec. 21.4 (construction meters), Sec. 21.5 & Sec. 21.6 – Rev. 12/06
- Sec. 21.5 – Rev. 3/07
- Sec. Sec. 21.1, 21.2, 21.4 , 21.10, 21.10.1– Rev. 6/07
- Sec. 21.5 – Added 6/07
- Sec. 21.10.2 – Deleted 6/07
- Sec. 21.11 – Added 10/07
- Sec. 21.4.1 – Added 12/07; Sec. 21.7 renamed and addition of flow restrictors – Rev. 12/07
- Sec. 21.1, 21.2, 21.4, 21.5, 21.7, 21.10, and 21.11 – Rev. 6/08
- Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2 (added), 21.5, 21.7, 21.10 (new table), 21.10.1, - Rev. 6/09
- Sec. 21.4, 21.10 – Rev. 12/09
- Sec. 21.6, 21.9 – Rev. 5/10
- Sec. 21.1, 21.2, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 – Rev. 6/10
- Sec. 21.9.1 (added) – Rev. 9/10
- Sec. 21.1, 21.4, 21.4.1, 21.4.2, 21.5, 21.10, 21.10.1 - Rev. 6/11
- Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/12
- Sec. 21.1, 21.2, 21.4, 21.5, 21.10, 21.10.1 – Rev. 6/13
- Sec. 12.1, 21.2, 21.4, 21.5, 21.9.1, 21.10, 21.10.1 – Rev. 6/14
- Sec. 21.1, 21.2, 21.5 – Rev. 1/15
- Sec. 21.1, 21.2, 21.3, 21.4, 21.4.2, 21.5, 21.10, 21.10.1 Rev 6/15
- Sec. 21, 21.1 – Rev. 11/15
- Secs. 21, 21.2, 21.4, 21.5, 21.7, 21.10, 21.10.1 – Rev. 7/16

Reports



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

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

Board of Directors:

Milt Davies
Jennifer DeMeo
Al Gebhart
Don McDougal
Charley Wolk

Staff:

Brian J. Brady
General Manager

Jack Bebee
Assistant General Manager

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
October 31, 2016**

Money Market Account

Disbursements		2,116,275.85
Receipts	\$	2,900,108.97
Interest		
Balance as of 9/30/16	\$	2,993,022.48
Balance as of 10/31/16	\$	3,776,855.60

Operating Account

Disbursements	\$	2,110,411.53
Receipts	\$	2,109,405.00
Balance as of 9/30/16	\$	33,715.36
Balance as of 10/31/16	\$	32,708.83

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

Marcie Eilers
October 31, 2016

Transaction Type	Trade Date	Settle Date	Security Description	CUSIP	Principal Proceeds	Accrued Interest	Total Amount
INTEREST	10/1/2016	10/25/2016	FNMA SERIES 2016-M9 ASQ2	3136ASPX8	-	156.19	156.19
INTEREST	10/1/2016	10/1/2016	BURLINGTON NRTH CORP	12189TBC7	-	4,700.00	4,700.00
INTEREST	10/3/2016	10/3/2016	MONEY MARKET FUND	MONEY0002	-	3.95	3.95
BUY	10/4/2016	10/5/2016	US TREASURY NOTES	912828WN6	413,828.13	2,775.95	416,604.08
SELL	10/4/2016	10/5/2016	FHLB NOTES	3130A8PK3	397,996.00	402.78	398,398.78
INTEREST	10/15/2016	10/15/2016	JOHN DEERE ABS 2016-B A3	47788NAC2	-	36.46	36.46
INTEREST	10/15/2016	10/15/2016	HYUNDAI AUTO RECEIVABLES TRUST	44891EAC3	-	64.50	64.50
INTEREST	10/15/2016	10/15/2016	CARMAX ABS 2016-3 A2	14314EAB7	-	131.63	131.63
INTEREST	10/15/2016	10/15/2016	TOYOTA ABS 2016-C A3	89237WAD9	-	42.75	42.75
INTEREST	10/15/2016	10/15/2016	TOYOTA ABS 2016-B A3	89231UAD9	-	119.17	119.17
INTEREST	10/21/2016	10/21/2016	MORGAN STANLEY CORP NOTES	61746BEA0	-	4,375.00	4,375.00
BUY	10/24/2016	10/25/2016	FANNIE MAE GLOBAL NOTES	3135G0R39	254,224.80	-	254,224.80
INTEREST	10/24/2016	10/24/2016	SALLIE MAE BANK LT CD	795450PZ2	-	1,665.05	1,665.05
MATURITY	10/24/2016	10/24/2016	SALLIE MAE BANK LT CD	795450PZ2	246,000.00	-	246,000.00
INTEREST	10/25/2016	10/25/2016	MORGAN STANLEY CORP NOTE	6174467U7	-	2,337.50	2,337.50
INTEREST	10/25/2016	10/25/2016	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	38141GVU5	-	3,806.25	3,806.25
INTEREST	10/25/2016	10/25/2016	SYNCHRONY BANK LT CD	36157QSM0	-	2,640.97	2,640.97
INTEREST	10/28/2016	10/28/2016	BANK OF BARODA LT CD	0606246K4	-	2,518.13	2,518.13
INTEREST	10/30/2016	10/30/2016	GOLD COAST BANK LT CD	38058KCS3	-	241.64	241.64
INTEREST	11/1/2016	11/25/2016	FNMA SERIES 2016-M9 ASQ2	3136ASPX8	-	156.19	156.19
BUY	11/1/2016	11/2/2016	US TREASURY NOTE	912828XH8	325,300.00	1,766.30	327,066.30
SELL	11/1/2016	11/2/2016	FNMA BENCHMARK NOTES	3135G0D75	323,840.00	1,733.33	325,573.33



Managed Account Summary Statement

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

Transaction Summary - Managed Account	
Opening Market Value	\$14,285,588.62
Maturities/Calls	(246,000.00)
Principal Dispositions	(397,996.00)
Principal Acquisitions	668,052.93
Unsettled Trades	0.00
Change in Current Value	(34,070.01)
Closing Market Value	Remaining Steady → \$14,275,575.54

Cash Transactions Summary - Managed Account	
Maturities/Calls	246,000.00
Sale Proceeds	398,398.78
Coupon/Interest/Dividend Income	22,839.19
Principal Payments	0.00
Security Purchases	(670,828.88)
Net Cash Contribution	0.00
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account	
Interest/Dividends/Coupons Received	23,241.97
Less Purchased Interest Related to Interest/Coupons	(2,775.95)
Plus Net Realized Gains/Losses	(1,172.00)
Total Cash Basis Earnings	\$19,294.02

Earnings Reconciliation (Accrual Basis)	
Ending Amortized Value of Securities	14,224,237.76
Ending Accrued Interest	62,444.55
Plus Proceeds from Sales	398,398.78
Plus Proceeds of Maturities/Calls/Principal Payments	246,000.00
Plus Coupons/Dividends Received	22,839.19
Less Cost of New Purchases	(670,828.88)
Less Beginning Amortized Value of Securities	(14,203,395.50)
Less Beginning Accrued Interest	(63,617.69)
Total Accrual Basis Earnings	\$16,078.21

Cash Balance	
Closing Cash Balance	\$14,113.69

At 10/31/16

At 9/30/16





Portfolio Summary and Statistics

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

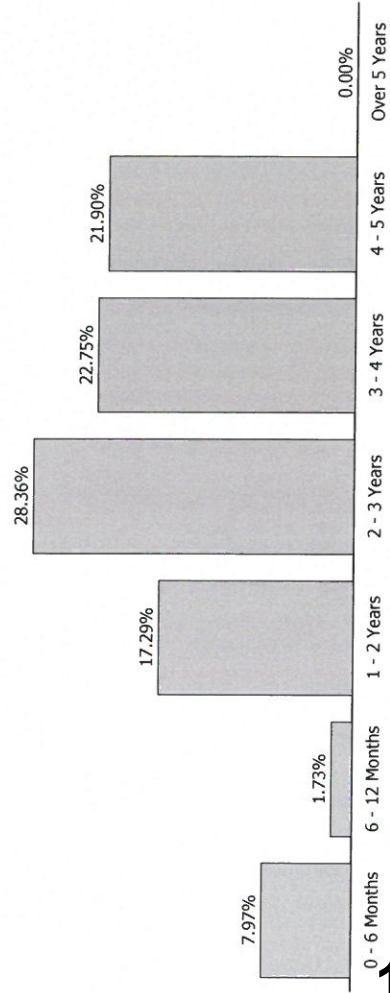
Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	2,425,000.00	2,475,682.22	17.34
Federal Agency Collateralized Mortgage Obligation	105,000.00	105,648.82	0.74
Federal Agency Bond / Note	3,395,000.00	3,390,672.38	23.75
Corporate Note	4,077,000.00	4,172,584.41	29.24
Commercial Paper	1,140,000.00	1,136,990.19	7.96
Certificate of Deposit	2,550,000.00	2,593,814.98	18.17
Asset-Backed Security / Collateralized Mortgage Obligation	400,000.00	400,182.54	2.80
Managed Account Sub-Total	14,092,000.00	14,275,575.54	100.00%
Accrued Interest		62,444.55	
Total Portfolio	14,092,000.00	14,338,020.09	

Unsettled Trades

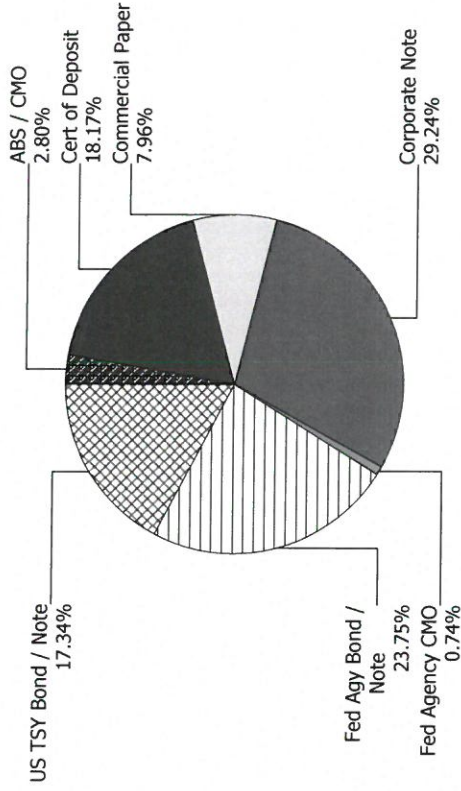
0.00

Maturity Distribution



102

Sector Allocation



Characteristics

Yield to Maturity at Cost	1.42% on 9/30/16	1.43%
Yield to Maturity at Market		1.24%
Duration to Worst		2.68
Weighted Average Days to Maturity	1006 on 9/30/16	1023





Managed Account Issuer Summary

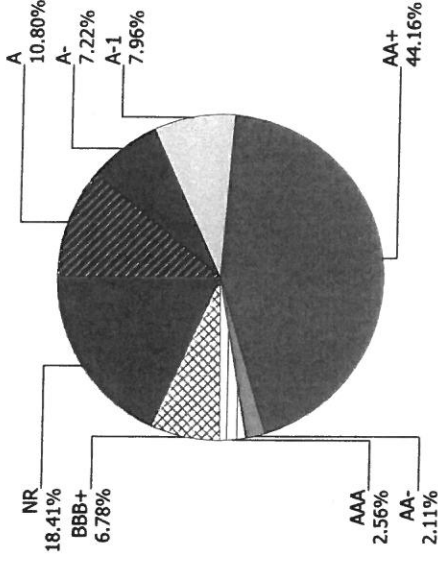
For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

Issuer Summary

Credit Quality (S&P Ratings)

Issuer	Market Value of Holdings	Percent
AMERICAN EXPRESS CO	538,715.71	3.77
APPLE INC	331,325.15	2.32
BANK OF BARODA	249,758.15	1.75
BANK OF MONTREAL	248,880.75	1.74
BANK OF NEW YORK CO INC	356,115.23	2.49
BB&T CORPORATTON	250,895.25	1.76
BNP PARIBAS	488,890.64	3.42
BURLINGTON NORTHERN SANTA FE	218,740.20	1.53
CAPTIAL ONE FINANCIAL CORP	500,084.94	3.50
CARMAX AUTO OWNER TRUST	135,050.81	0.95
CATERPILLAR INC	575,272.27	4.03
CELTIC BANK	247,267.23	1.73
CHEVRON CORP	301,269.90	2.11
CIT BANK	100,779.00	0.71
CITIGROUP INC	100,455.20	0.70
FANNIE MAE	2,234,080.65	15.66
FEDERAL HOME LOAN BANKS	963,591.75	6.75
FIRST RESOURCE BANK	248,526.53	1.74
FREDDIE MAC	298,648.80	2.09
GOLD COAST BANK	246,893.85	1.73
GOLDMAN SACHS GROUP INC	293,095.46	2.05
HYUNDAI AUTO RECEIVABLES	74,988.97	0.53
ING GROUP NV	399,218.80	2.80
JOHN DEERE OWNER TRUST	35,014.10	0.25
JP MORGAN CHASE & CO	491,692.11	3.44
MORGAN STANLEY	574,376.70	4.02
ROUNDOUT SAVINGS BANK	248,459.89	1.74
STATE BANK OF INDIA	250,202.82	1.75
SYNCHRONY BANK	250,752.85	1.76
TOYOTA AUTO RECEIVABLES	155,128.66	1.09
UNITED STATES TREASURY	2,475,682.22	17.35
WELLS FARGO & COMPANY	391,720.95	2.74





Managed Account Issuer Summary

For the Month Ending **October 31, 2016**

FPUD - INVESTMENT PORTFOLIO - 28710100

Total **\$14,275,575.54** **100.00%**



Managed Account Detail of Securities Held

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

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
U.S. Treasury Bond / Note											
US TREASURY NOTES	DTD 01/31/2013 1.375% 01/31/2020	912828JL2	AA+	Aaa	05/03/16	05/06/16	197,201.37	1.07	677.60	196,918.79	196,934.79
US TREASURY NOTES	DTD 06/01/2015 1.500% 05/31/2020	912828XE5	AA+	Aaa	09/01/16	09/02/16	533,469.73	1.06	3,313.52	533,107.25	531,705.83
US TREASURY NOTES	DTD 06/01/2015 1.500% 05/31/2020	912828XE5	AA+	Aaa	06/27/16	06/29/16	588,903.32	0.87	3,629.10	587,711.48	582,344.48
US TREASURY NOTE	DTD 12/02/2013 2.000% 11/30/2020	912828A42	AA+	Aaa	04/27/16	04/29/16	752,299.22	1.31	6,143.17	749,896.30	752,384.72
US TREASURY NOTES	DTD 06/02/2014 2.000% 05/31/2021	912828WN6	AA+	Aaa	10/04/16	10/05/16	413,828.13	1.23	3,366.12	413,616.12	412,312.40
Security Type Sub-Total							2,485,701.77	1.12	17,129.51	2,481,249.94	2,475,682.22
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2016-M9 ASQ2	DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	AA+	Aaa	06/09/16	06/30/16	106,049.95	1.05	156.19	105,909.72	105,648.82
Security Type Sub-Total							106,049.95	1.05	156.19	105,909.72	105,648.82
Federal Agency Bond / Note											
FHLB NOTES	DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	AA+	Aaa	07/07/16	07/08/16	124,740.00	0.73	182.29	124,778.92	124,493.38
FHLB NOTES	DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	AA+	Aaa	08/01/16	08/02/16	528,118.50	0.80	772.92	528,348.01	527,851.91
FNMA BENCHMARK NOTE	DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	AA+	Aaa	04/27/16	04/29/16	1,547,256.50	1.06	2,798.61	1,547,745.59	1,550,602.95
FILMC REFERENCE NOTE	DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	AA+	Aaa	07/19/16	07/20/16	299,274.00	0.96	736.46	299,341.14	298,648.80
FANNIE MAE GLOBAL NOTES	DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	AA+	Aaa	10/24/16	10/25/16	254,224.80	1.10	42.50	254,229.05	254,098.32





Managed Account Detail of Securities Held

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

Security Type/Description Dated Date/Coupon/Maturity Federal Agency Bond / Note	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	AA+	Aaa	07/06/16	07/07/16	326,617.60	0.97	1,720.00	326,097.35	323,730.56
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A80S5	AA+	Aaa	07/14/16	07/15/16	313,084.49	1.25	1,053.28	313,194.23	311,246.46
Security Type Sub-Total						3,393,315.89	1.01	7,306.06	3,393,734.29	3,390,672.38
Corporate Note										
MORGAN STANLEY CORP NOTE DTD 04/25/2013 2.125% 04/25/2018	6174467U7	BBB+	A3	07/13/16	07/18/16	222,382.60	1.50	77.92	222,003.35	221,608.20
APPLE INC GLOBAL NOTES DTD 05/06/2014 2.100% 05/06/2019	037833AQ3	AA+	Aa1	05/29/14	05/29/14	329,582.50	1.80	3,317.71	327,385.26	331,325.15
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	AA-	Aa2	05/09/16	05/16/16	300,000.00	1.56	2,146.38	300,000.00	301,269.90
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	BBB+	Baa1	06/02/16	06/09/16	99,948.00	2.07	808.61	99,954.64	100,455.20
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	A	A3	06/03/16	06/08/16	220,780.00	1.48	783.33	218,344.24	218,740.20
CATERPILLAR FINANCIAL CORP NOTES DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	A	A2	04/24/15	04/24/15	577,181.40	1.76	5,296.88	573,270.57	575,272.27
MELLON BANK (CALLABLE) CORPORATE NOTE DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	A	A1	07/07/15	07/07/15	352,148.30	2.14	1,408.49	352,110.39	356,115.23
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	5,505.50	488,715.29	491,692.11
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	3,927.00	390,892.11	391,720.95
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	243.06	351,831.50	352,768.50





Managed Account Detail of Securities Held

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

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											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE)		38141GVU5	BBB+	A3	08/10/16	08/15/16	296,693.20	2.11	126.88	296,405.14	293,095.46
DTD 04/25/2016 2.625% 04/25/2021											
AMERICAN EXPRESS CREDIT CORP NOTES		0258M0EB1	A-	A2	05/05/16	05/10/16	286,558.95	2.13	3,135.00	286,417.84	287,625.99
DTD 05/05/2016 2.250% 05/05/2021											
BRANCH BANKING & TRUST CORP NOTE		05531FAV5	A-	A2	05/10/16	05/16/16	249,835.00	2.06	2,434.38	249,849.85	250,895.25
DTD 05/10/2016 2.050% 05/10/2021											
Security Type Sub-Total							4,171,763.90	1.98	29,211.14	4,157,180.18	4,172,584.41
Commercial Paper											
ING (US) FUNDING LLC COMM PAPER		4497W0P10	A-1	P-1	08/02/16	08/03/16	397,755.33	1.12	0.00	398,865.33	399,218.80
-- 0.000% 02/01/2017											
BNP PARIBAS NY BRANCH COMM PAPER		09659BP38	A-1	P-1	05/09/16	05/10/16	486,155.54	1.06	0.00	488,656.58	488,890.64
-- 0.000% 02/03/2017											
BANK OF MONTREAL CHICAGO COMM PAPER		06366GRM3	A-1	P-1	07/25/16	07/26/16	247,907.78	1.13	0.00	248,670.00	248,880.75
-- 0.000% 04/21/2017											
Security Type Sub-Total							1,140,000.00	1.09	0.00	1,136,191.91	1,136,990.19
Certificate of Deposit											
GOLD COAST BANK LT CD		38058KCS3	NR	NR	12/31/13	12/31/13	245,000.00	1.13	16.11	245,000.00	246,893.85
DTD 12/30/2013 1.200% 10/30/2017											
CELTIC BANK LT CD		15118RJL2	NR	NR	12/21/13	12/21/13	245,000.00	1.22	1,124.32	245,000.00	247,267.23
DTD 12/20/2013 1.250% 12/20/2017											
CIT BANK LT CD		17284A6P8	NR	NR	03/14/13	03/14/13	100,000.00	1.08	147.67	100,000.00	100,779.00
DTD 03/13/2013 1.100% 03/13/2018											
RONDOUT SAVINGS BANK LT CD		77632AP4	NR	NR	01/24/15	01/24/15	245,000.00	1.32	915.23	245,000.00	248,459.89
DTD 01/23/2015 1.350% 07/23/2018											





Managed Account Detail of Securities Held

For the Month Ending October 31, 2016

FPUD - INVESTMENT PORTFOLIO - 28710100

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										
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	837.70	245,000.00	248,526.53
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 1.700% 08/13/2018	14042ESN6	NR	NR	08/12/15	08/12/15	245,000.00	1.40	924.29	245,000.00	248,379.29
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	101.02	245,000.00	250,752.85
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	55.04	245,000.00	249,758.15
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	1,871.40	245,000.00	250,202.82
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	1,342.47	245,000.00	251,089.72
CAPTIAL 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	1,087.40	245,000.00	251,705.65
Security Type Sub-Total						2,550,000.00	1.58	8,422.65	2,550,000.00	2,593,814.98

Asset-Backed Security / Collateralized Mortgage Obligation	Security Type Sub-Total	Yield	Accrued Interest	Amortized Cost	Market Value					
CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	AAA	NR	07/14/16	07/20/16	134,988.98	1.18	70.20	134,990.03	135,050.81
TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	AAA	Aaa	05/02/16	05/11/16	109,994.38	1.30	63.56	109,995.20	110,197.34
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	NR	Aaa	07/19/16	07/27/16	34,997.21	1.25	19.44	34,997.42	35,014.10
TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	AAA	Aaa	08/01/16	08/10/16	44,998.79	1.14	22.80	44,998.87	44,931.32
HYUNDAI AUTO RECEIVABLES TRUST DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	AAA	Aaa	09/14/16	09/21/16	74,989.91	1.30	43.00	74,990.20	74,988.97
Security Type Sub-Total	400,000.00					399,969.27	1.24	219.00	399,971.72	400,182.54





Managed Account Detail of Securities Held

For the Month Ending October 31, 2016

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
Managed Account Sub-Total			14,092,000.00					14,238,619.43	1.43	62,444.55	14,224,237.76	14,275,575.54
Securities Sub-Total			\$14,092,000.00					\$14,238,619.43	1.43%	\$62,444.55	\$14,224,237.76	\$14,275,575.54
Accrued Interest												\$62,444.55
Total Investments												\$14,338,020.09





Managed Account Fair Market Value & Analytics

For the Month Ending October 31, 2016

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
U.S. Treasury Bond / Note												
US TREASURY NOTES	DTD 01/31/2013 1.375% 01/31/2020	912828UL2	195,000.00	RBC CAP		100.99	196,934.79	(266.58)	16.00	3.16	3.16	1.06
US TREASURY NOTES	DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	TD SEC U		101.28	531,705.83	(1,763.90)	(1,401.42)	3.46	3.46	1.14
US TREASURY NOTES	DTD 06/01/2015 1.500% 05/31/2020	912828XE5	575,000.00	CITIGRP		101.28	582,344.48	(6,558.84)	(5,367.00)	3.46	3.46	1.14
US TREASURY NOTE	DTD 12/02/2013 2.000% 11/30/2020	912828A42	730,000.00	CITIGRP		103.07	752,384.72	85.50	2,488.42	3.89	3.89	1.23
US TREASURY NOTES	DTD 06/02/2014 2.000% 05/31/2021	912828WN6	400,000.00	MORGANST		103.08	412,312.40	(1,515.73)	(1,303.72)	4.34	4.34	1.31
Security Type Sub-Total			2,425,000.00				2,475,682.22	(10,019.55)	(5,567.72)	3.71	3.71	1.19
Federal Agency Collateralized Mortgage Obligation												
FNMA SERIES 2016-M9 ASQ2	DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	105,000.00	CSFB		100.62	105,648.82	(401.13)	(260.90)	1.66	2.37	1.48
Security Type Sub-Total			105,000.00				105,648.82	(401.13)	(260.90)	1.66	2.37	1.48
Federal Agency Bond / Note												
FHLB NOTES	DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	125,000.00	BARCLAYS		99.59	124,493.38	(246.62)	(285.54)	1.75	1.75	0.86
FHLB NOTES	DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	530,000.00	TD SEC U		99.59	527,851.91	(266.59)	(496.10)	1.75	1.75	0.86
FNMA BENCHMARK NOTE	DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,550,000.00	NOMURA		100.04	1,550,602.95	3,346.45	2,857.36	2.28	2.28	0.98
FHLMC REFERENCE NOTE	DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	300,000.00	TD SEC U		99.55	298,648.80	(625.20)	(692.34)	2.67	2.67	1.04
FANNIE MAE GLOBAL NOTES	DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	255,000.00	TD SEC U		99.65	254,098.32	(126.48)	(130.73)	2.93	2.93	1.12
FNMA BENCHMARK NOTES	DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	320,000.00	MERRILL		101.17	323,730.56	(2,887.04)	(2,366.79)	3.52	3.52	1.17
FHLB GLOBAL NOTE	DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	315,000.00	TD SEC U		98.81	311,246.46	(1,838.03)	(1,947.77)	4.55	4.55	1.39





Managed Account Fair Market Value & Analytics

For the Month Ending October 31, 2016

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
Security Type Sub-Total			3,395,000.00				3,390,672.38	(2,643.51)	(3,061.91)	2.59	2.59	1.03
Corporate Note												
MORGAN STANLEY CORP NOTE	DTD 04/25/2013 2.125% 04/25/2018	6174467U7	220,000.00	CSFB		100.73	221,608.20	(774.40)	(395.15)	1.46	1.46	1.62
APPLE INC GLOBAL NOTES	DTD 05/06/2014 2.100% 05/06/2019	037833AO3	325,000.00	NEW ACCT		101.95	331,325.15	1,742.65	3,939.89	2.42	2.42	1.31
CHEVRON CORP NOTES	DTD 05/16/2016 1.561% 05/16/2019	166764BH2	300,000.00	WELLSFAR		100.42	301,269.90	1,269.90	1,269.90	2.47	2.47	1.39
CITIGROUP INC CORP NOTES	DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	CITIGRP		100.46	100,455.20	507.20	500.56	2.50	2.50	1.87
BURLINGTON NRTH CORP	DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	GOLDMAN		109.37	218,740.20	(2,039.80)	395.96	2.74	2.74	1.41
CATERPILLAR FINANCIAL CORP NOTES	DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	565,000.00	NEW ACCT		101.82	575,272.27	(1,909.13)	2,001.70	2.95	2.95	1.64
MELLON BANK (CALLABLE) CORPORATE NOTE	DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	352,000.00	NEW ACCT	01/24/20	101.17	356,115.23	3,966.93	4,004.84	3.16	3.10	1.78
JP MORGAN CHASE & CO NOTES	DTD 07/22/2010 4.400% 07/22/2020	46625HHS2	455,000.00	BONY		108.06	491,692.11	(1,373.19)	2,976.82	3.41	3.41	2.14
WELLS FARGO & COMPANY NOTES	DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	385,000.00	WELLSFAR		101.75	391,720.95	141.30	828.84	3.84	3.84	2.10
MORGAN STANLEY CORP NOTES	DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	350,000.00	SCOTIA		100.79	352,768.50	759.50	937.00	4.21	4.21	2.31
GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	JPMCHASE	03/25/21	101.07	293,095.46	(3,597.74)	(3,309.68)	4.20	4.13	2.37
AMERICAN EXPRESS CREDIT CORP NOTES	DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	285,000.00	GOLDMAN		100.92	287,625.99	1,067.04	1,208.15	4.23	4.23	2.04
BRANCH BANKING & TRUST CORP NOTE	DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	250,000.00	KEYBAN		100.36	250,895.25	1,060.25	1,045.40	4.26	4.26	1.97
Security Type Sub-Total			4,077,000.00				4,172,584.41	820.51	15,404.23	3.29	3.28	1.86
Commercial Paper												



PFM Asset Management LLC



Managed Account Fair Market Value & Analytics

For the Month Ending October 31, 2016

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
Commercial Paper												
ING (US) FUNDING LLC COMM PAPER	-- 0.000% 02/01/2017	4497W0P10	400,000.00	BARCLAYS		99.80	399,218.80	1,463.47	353.47	0.25	0.25	0.76
BNP PARIBAS NY BRANCH COMM PAPER	-- 0.000% 02/03/2017	09659BP38	490,000.00	BNP PARI		99.77	488,890.64	2,735.10	234.06	0.26	0.26	0.86
BANK OF MONTREAL CHICAGO COMM PAPER	-- 0.000% 04/21/2017	06366GRM3	250,000.00	BMO		99.55	248,880.75	972.97	210.75	0.47	0.47	0.94
Security Type Sub-Total			1,140,000.00				1,136,990.19	5,171.54	798.28	0.30	0.30	0.84
Certificate of Deposit												
GOLD COAST BANK LT CD	DTD 12/30/2013 1.200% 10/30/2017	38058KCS3	245,000.00	NEW ACCT		100.77	246,893.85	1,893.85	1,893.85	1.00	1.00	0.40
CELTIC BANK LT CD	DTD 12/20/2013 1.250% 12/20/2017	15118R1L2	245,000.00	NEW ACCT		100.93	247,267.23	2,267.23	2,267.23	1.13	1.13	0.42
CIT BANK LT CD	DTD 03/13/2013 1.100% 03/13/2018	17284A6P8	100,000.00	NEW ACCT		100.78	100,779.00	779.00	779.00	1.36	1.36	0.51
ROUNDOUT SAVINGS BANK LT CD	DTD 01/23/2015 1.350% 07/23/2018	77632ZAP4	245,000.00	NEW ACCT		101.41	248,459.89	3,459.89	3,459.89	1.72	1.72	0.51
FIRST RESOURCE BANK LT CD	DTD 01/28/2015 1.300% 07/30/2018	336177AO3	245,000.00	NEW ACCT		101.44	248,526.53	3,526.53	3,526.53	1.74	1.74	0.46
CAPITAL ONE BANK USA NA LT CD	DTD 08/12/2015 1.700% 08/13/2018	14042E5N6	245,000.00	NEW ACCT		101.38	248,379.29	3,379.29	3,379.29	1.78	1.78	0.89
SYNCHRONY BANK LT CD	DTD 10/25/2013 2.150% 10/25/2018	36157OSM0	245,000.00	NEW ACCT		102.35	250,752.85	5,752.85	5,752.85	1.97	1.97	0.88
BANK OF BARODA LT CD	DTD 10/28/2013 2.050% 10/29/2018	0606246K4	245,000.00	NEW ACCT		101.94	249,758.15	4,758.15	4,758.15	1.98	1.98	0.99
STATE BANK OF INDIA LT CD	DTD 12/18/2013 2.050% 12/18/2018	856283VY9	245,000.00	NEW ACCT		102.12	250,202.82	5,202.82	5,202.82	2.12	2.12	0.97
AMERICAN EXPRESS BK FSB LT CD	DTD 07/24/2014 2.000% 07/24/2019	02587CAJ9	245,000.00	NEW ACCT		102.49	251,089.72	6,089.72	6,089.72	2.72	2.72	1.01
CAPITAL ONE BANK USA NA LT CD	DTD 08/12/2015 2.000% 08/12/2019	140420UE8	245,000.00	NEW ACCT		102.74	251,705.65	6,705.65	6,705.65	2.77	2.77	0.96
Security Type Sub-Total			2,550,000.00				2,593,814.98	43,814.98	43,814.98	1.88	1.88	0.74

112





Managed Account Fair Market Value & Analytics

For the Month Ending October 31, 2016

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												
CARMAX ABS 2016-3 A2	DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	135,000.00	CSFB		100.04	135,050.81	61.83	60.78	0.92	2.59	1.16
TOYOTA ABS 2016-B A3	DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	CITIGRP		100.18	110,197.34	202.96	202.14	1.62	2.41	1.23
JOHN DEERE ABS 2016-B A3	DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,000.00	RBC CAP		100.04	35,014.10	16.89	16.68	1.88	2.66	1.23
TOYOTA ABS 2016-C A3	DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	MITSU		99.85	44,931.32	(67.47)	(67.55)	1.86	2.88	1.19
HYUNDAI AUTO RECEIVABLES TRUST	DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	JPMCHASE		99.99	74,988.97	(0.94)	(1.23)	2.37	3.83	1.29
Security Type Sub-Total			400,000.00				400,182.54	213.27	210.82	1.57	2.81	1.21
Managed Account Sub-Total			14,092,000.00				14,275,575.54	36,956.11	51,337.78	2.64	2.68	1.24
Securities Sub-Total			\$14,092,000.00				\$14,275,575.54	\$36,956.11	\$51,337.78	2.64	2.68	1.24%
Accrued Interest							\$62,444.55					
Total Investments							\$14,338,020.09					





Managed Account Security Transactions & Interest

For the Month Ending October 31, 2016

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											
	10/04/16	10/05/16	US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WNG	400,000.00	(413,828.13)	(2,775.95)	(416,604.08)			
	10/24/16	10/25/16	FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	255,000.00	(254,224.80)	0.00	(254,224.80)			
Transaction Type Sub-Total						655,000.00	(2,775.95)	(670,828.88)			
INTEREST											
	10/01/16	10/01/16	BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	0.00	4,700.00	4,700.00			
	10/01/16	10/25/16	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	105,000.00	0.00	156.19	156.19			
	10/03/16	10/03/16	MONEY MARKET FUND	MONEY0002	0.00	0.00	3.95	3.95			
	10/15/16	10/15/16	HYUNDAI AUTO RECEIVABLES TRUST DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	75,000.00	0.00	64.50	64.50			
	10/15/16	10/15/16	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			
	10/15/16	10/15/16	TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	110,000.00	0.00	119.17	119.17			
	10/15/16	10/15/16	TOYOTA ABS 2016-C A3 DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	45,000.00	0.00	42.75	42.75			
	10/15/16	10/15/16	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	135,000.00	0.00	131.63	131.63			
	10/21/16	10/21/16	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	350,000.00	0.00	4,375.00	4,375.00			
	10/24/16	10/24/16	SALLIE MAE BANK LT CD DTD 10/24/2012 1.350% 10/24/2016	795450PZZ	246,000.00	0.00	1,665.05	1,665.05			
	10/25/16	10/25/16	MORGAN STANLEY CORP NOTE DTD 04/25/2013 2.125% 04/25/2018	6174467U7	220,000.00	0.00	2,337.50	2,337.50			
	10/25/16	10/25/16	SYNCHRONY BANK LT CD DTD 10/25/2013 2.150% 10/25/2018	36157OSM0	245,000.00	0.00	2,640.97	2,640.97			
	10/25/16	10/25/16	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	290,000.00	0.00	3,806.25	3,806.25			





Managed Account Security Transactions & Interest

For the Month Ending October 31, 2016

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
INTEREST											
	10/28/16	10/28/16	BANK OF BARODA LT CD	0606246K4	245,000.00	0.00	2,518.13	2,518.13			
			DTD 10/28/2013 2.050% 10/29/2018								
	10/30/16	10/30/16	GOLD COAST BANK LT CD	38058KCS3	245,000.00	0.00	241.64	241.64			
			DTD 12/30/2013 1.200% 10/30/2017								
Transaction Type Sub-Total								22,839.19			
MATURITY											
	10/24/16	10/24/16	SALLIE MAE BANK LT CD	795450PZ2	246,000.00	246,000.00	0.00	246,000.00	0.00	0.00	
			DTD 10/24/2012 1.350% 10/24/2016								
Transaction Type Sub-Total								246,000.00			
SELL											
	10/04/16	10/05/16	FHLB NOTES	3130A8PK3	400,000.00	397,996.00	402.78	398,398.78	(1,172.00)	(1,267.81)	SPEC LOT
			DTD 07/08/2016 0.625% 08/07/2018								
Transaction Type Sub-Total								398,398.78			
Managed Account Sub-Total								(3,590.91)			
Total Security Transactions								(\$3,590.91)			





PFM Asset Management LLC

FALLBROOK PUBLIC UTILITY DISTRICT

Investment Performance Review For the Quarter Ended September 30, 2016

Client Management Team

Sarah Meacham, Director

Monique Spyke, Director

Meredith LaBuda, Portfolio Trader

Rachael Camacci, Client Consultant

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

QUARTERLY MARKET SUMMARY

Summary

- The volatile effects of Britain's Brexit vote to leave the European Union (EU) quickly dissipated at the beginning of the third quarter as investors concluded that any effects could take up to two years to play out. Investors turned their focus back to fundamental economic factors, such as growth, inflation, and the timing of future rate hikes by the Federal Reserve (Fed).
- The Fed left rates unchanged at its third quarter meetings and lowered rate expectations in September. Given the upcoming U.S. presidential election, the market expects no action at the Fed's November meeting, but holds roughly a 60% chance of a rate hike in December.
- Other central banks continued to implement accommodative monetary policy. The European Central Bank (ECB) kept its benchmark interest rate near 0% and continued its 80-billion-euro monthly bond-buying program. Meanwhile, the Bank of Japan (BoJ) introduced two policies: one keeps 10-year Japanese government bond yields near zero percent; the other expands money supply until inflation remains above the 2% target. The Bank of England (BoE) joined the easing by cutting its interest rate to 0.25% from 0.50% and enacting a bond purchase program to the tune of 10 billion pounds a month.

Economic Snapshot

- The U.S. economy continued to grow at a slow but steady pace. Consumers drove growth in the first half of the year, while business investment lagged. The labor market remained strong, with the unemployment rate remaining below 5% throughout most of the third quarter. The housing market was arguably the economy's strongest sector as home sales rose to levels not seen since before the 2008 financial crisis
- U.S. gross domestic product (GDP) grew at a 1.4% rate in the second quarter, a modest rebound from the first quarter's 0.8% rate. Consumer spending drove growth in the second quarter, contributing the most to GDP since 2014, while weakness in business investment detracted the most since 2009. Economic growth is expected to rebound in the third quarter to between 2.5% and 3%.
- The unemployment rate ticked up to 5.0% by the end of the third quarter, as the pace of hiring aligned with the pace of economic growth. September's modest addition of 156,000 jobs rounded out a quarter that added 575,000 jobs, the most jobs added since the first quarter of 2016.

Weekly unemployment filings continued to fall to levels not seen since the early 1970s, while job openings reached record levels. Both were positive indications of labor market strength.

- Inflation pressures firmed slightly over the third quarter as the person consumption expenditure (PCE) price index, the Fed's favored inflation metric, rose 1.7% for the year ended August 31. Housing and medical costs continued to rise. Average hourly earnings, an important measure of wages in the manufacturing sector, grew 2.6% over the 12 months ended September, the 19th consecutive month of greater than 2% year-over-year (YoY) growth.

Interest Rates

- Interest rates rose significantly in the third quarter, reversing second-quarter declines spurred by Brexit. Short-term yields led the rise, as expectations rebounded for a Fed rate hike this year, slightly flattening the yield curve. The two-year Treasury yield climbed 18 basis points (bps), while the yield on the 10-year Treasury rose 12 bps.
- In the money market space, shorter-term Treasury yields rebounded from their second-quarter compression. Short-term credit instruments, like commercial paper and negotiable bank certificates of deposit (CDs), continued to offer significant added income as yields remained elevated ahead of the Securities and Exchange Commission's money market reform effective October 14.

Sector Performance

- Returns declined for U.S. Treasury indexes for the third quarter as yields rose, decreasing market values. The declines offset second quarter gains. Shorter maturity issues outperformed longer maturities.
- Non-callable federal agency spreads drifted tighter during the quarter, leading to the sector's modest outperformance relative to comparable-maturity Treasuries.
- Corporate yield spreads tightened throughout most of the third quarter, reaching their lowest levels of the year, as Brexit fears abated and investors' search for yield continued. The sector once again outperformed Treasuries.
- Mortgage-backed (MBS) and asset-backed securities (ABS) outperformed Treasuries for the first quarter this year as rising interest rates decreased prepayment risk.

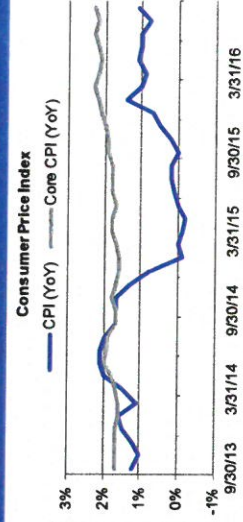
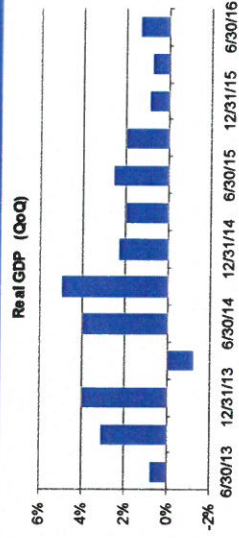
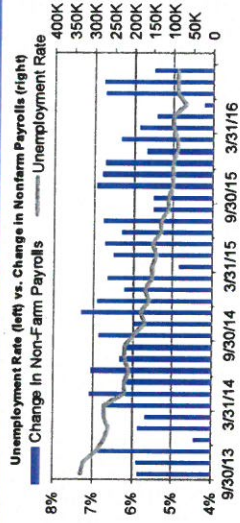
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market	Latest	Jun 2016	Sep 2015
Unemployment Rate	Aug'16	4.9%	5.1%
Change In Non-Farm Payrolls	Aug'16	151,000	149,000
Average Hourly Earnings (YoY)	Aug'16	2.4%	2.4%
Personal Income (YoY)	Aug'16	3.1%	4.0%
Initial Jobless Claims (week)	9/23/16	254,000	277,000

Growth	2016Q2	2016Q1	2016Q2
Real GDP (QoQ SAAR)	1.4%	0.8%	2.6%
GDP Personal Consumption (QoQ SAAR)	4.3%	1.6%	2.9%
Retail Sales (YoY)	Aug'16	2.8%	2.1%
ISM Manufacturing Survey (month)	Aug'16	49.4	50.0
Existing Home Sales SAAR (month)	Aug'16	5.33 mil.	5.44 mil.

Inflation / Prices	Aug'16	Aug'16	Aug'16
Personal Consumption Expenditures (YoY)	1.0%	0.9%	0.2%
Consumer Price Index (YoY)	1.1%	1.0%	0.0%
Consumer Price Index Core (YoY)	2.3%	2.3%	1.9%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$48.24	\$45.09
Gold Futures (oz.)	Sep 30	\$1,313	\$1,116



1. Data as of Fourth Quarter 2015 2. Data as of First Quarter 2015

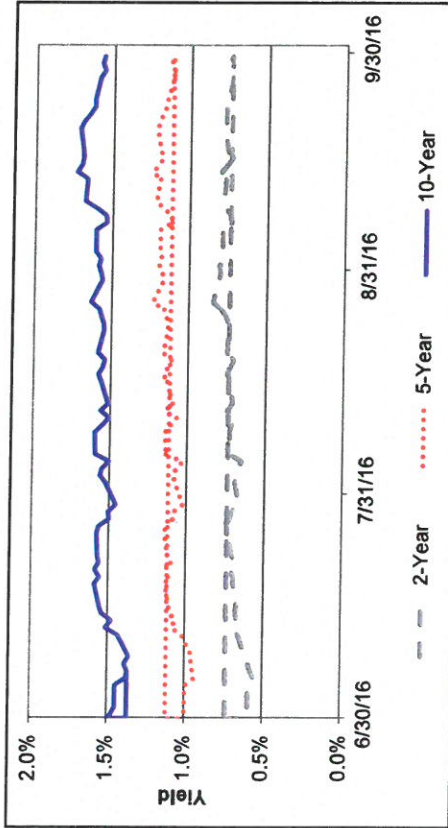
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

Source: Bloomberg

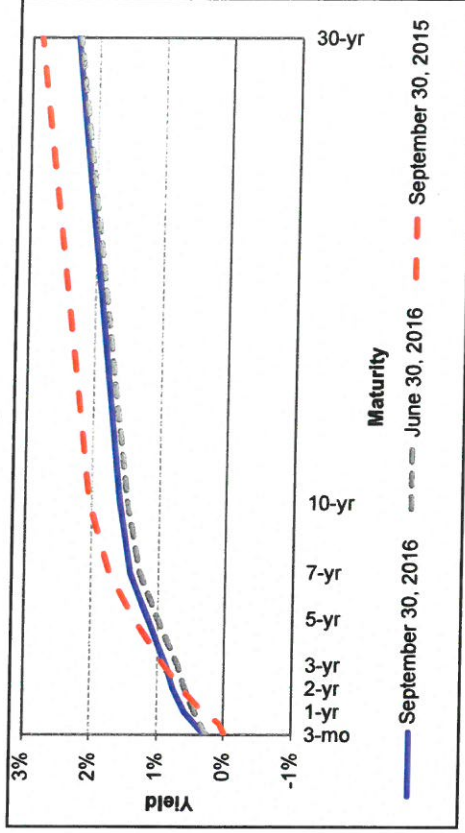
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



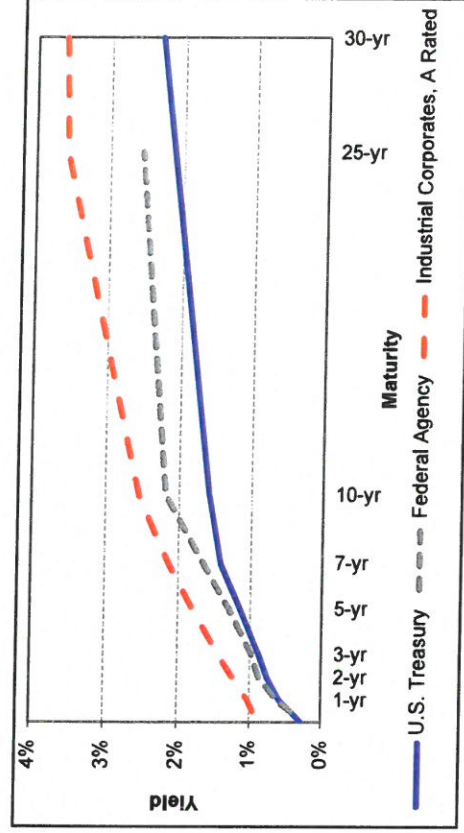
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	9/30/16	6/30/16	Change over Quarter	9/30/15	Change over Year
3-month	0.28%	0.26%	0.02%	(0.02%)	0.30%
1-year	0.59%	0.44%	0.15%	0.31%	0.28%
2-year	0.76%	0.58%	0.18%	0.63%	0.13%
5-year	1.15%	1.00%	0.15%	1.36%	(0.21%)
10-year	1.60%	1.47%	0.13%	2.04%	(0.44%)
30-year	2.32%	2.29%	0.03%	2.85%	(0.53%)

Yield Curves as of 9/30/2016



QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

		Returns for Periods ended 9/30/16			
		As of 9/30/16			
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.78%	(0.11%)	0.88%	0.85%
Federal Agency	1.69	0.90%	0.03%	0.94%	0.95%
U.S. Corporates, A-AAA rated	1.90	1.48%	0.17%	2.04%	1.60%
Agency MBS (0 to 3 years)	2.22	1.40%	0.29%	2.43%	1.67%
Taxable Municipals	1.99	1.95%	0.56%	3.44%	2.71%
1-5 Year Indices					
U.S. Treasury	2.73	0.90%	(0.19%)	1.52%	1.43%
Federal Agency	2.14	0.98%	0.00%	1.36%	1.41%
U.S. Corporates, A-AAA rated	2.76	1.66%	0.30%	3.01%	2.44%
Agency MBS (0 to 5 years)	3.29	1.81%	0.61%	3.29%	2.91%
Taxable Municipals	2.64	1.90%	0.52%	4.16%	3.64%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.59	1.28%	(0.33%)	4.33%	3.70%
Federal Agency	3.90	1.27%	0.13%	2.98%	2.82%
U.S. Corporates, A-AAA rated	7.16	2.46%	0.89%	7.52%	5.38%
Agency MBS (0 to 30 years)	3.49	1.90%	0.61%	3.66%	3.57%
Taxable Municipals	4.09	2.43%	0.09%	5.53%	5.19%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices

QUARTERLY MARKET SUMMARY

Disclosures

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities. PFMAM is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. PFMAM's clients are state and local governments, non-profit corporations, pension funds, and similar institutional investors. www.pfm.com

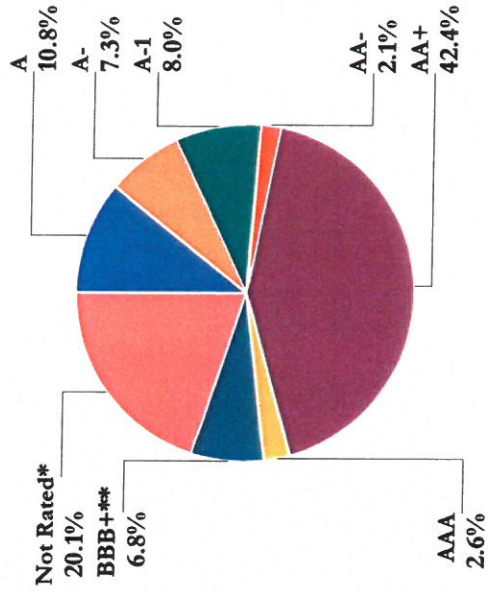
© 2016 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.



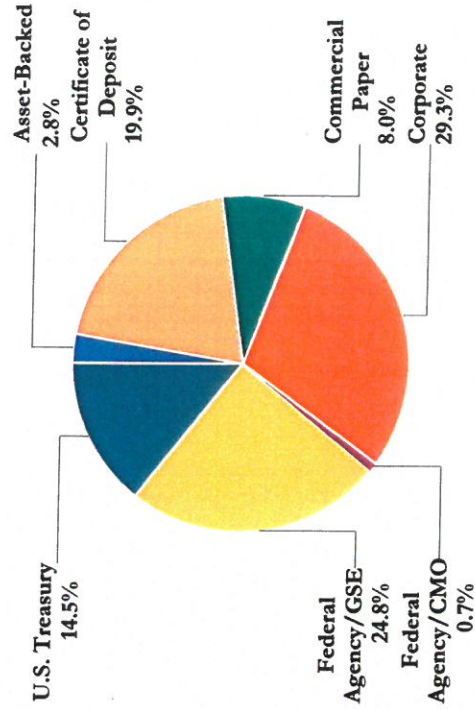
PFM Asset Management LLC

Investment Performance Review

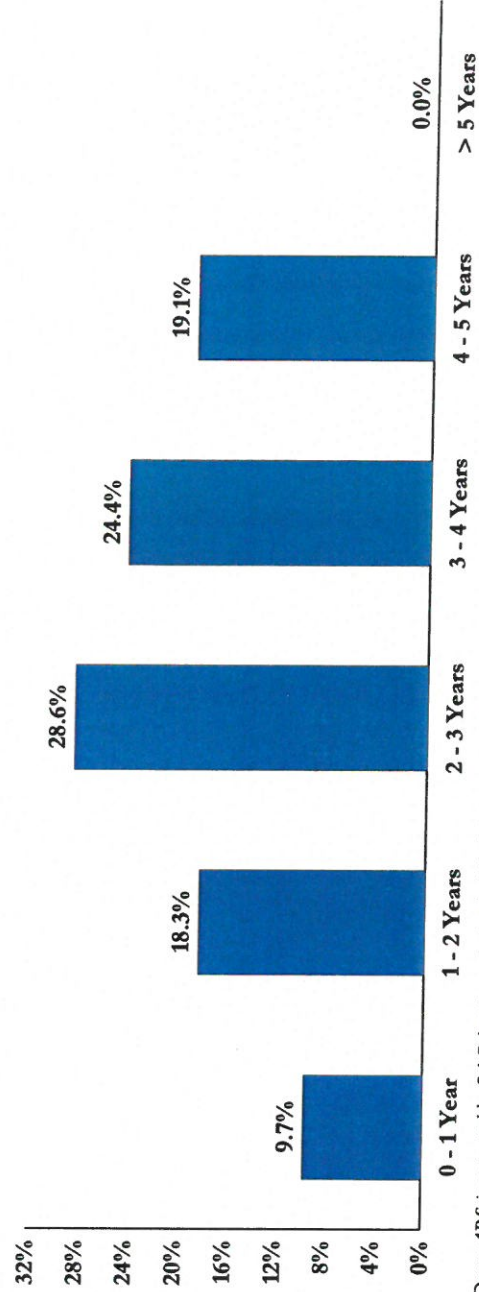
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



Portfolio Statistics
 As of September 30, 2016

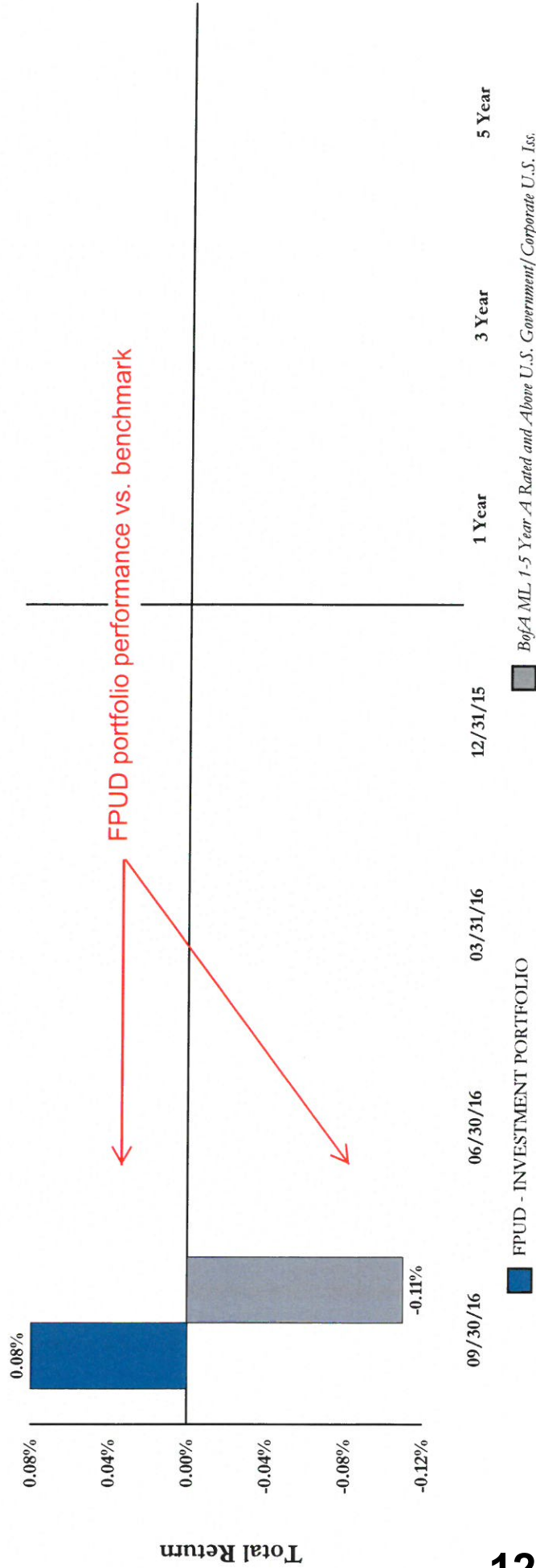
Par Value:	14,083,000
Total Market Value:	14,366,911
Security Market Value:	14,285,589
Accrued Interest:	63,618
Cash:	17,705
PFM	-
Amortized Cost:	14,203,396
Yield at Market:	1.18%
Yield at Cost:	1.42%
Effective Duration:	2.60 Years
Duration to Worst:	2.64 Years
Average Maturity:	2.76 Years
Average Credit: ***	AA

124

Non-negotiable CDs are FDIC-insured and not rated by S&P. John Deere ABS is not rated by S&P but is rated Aaa by Moody's and AAA by Fitch. 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. *** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/16	06/30/16	03/31/16	12/31/15	1 Year	3 Year	5 Year
FPUD - INVESTMENT PORTFOLIO	2.60	0.08%	-	-	-	-	-	-
<i>Net of Fees **</i>	-	0.05%	-	-	-	-	-	-
<i>BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index</i>	2.62	-0.11%	-	-	-	-	-	-
Difference (Gross)		0.19%	-	-	-	-	-	-
Difference (Net)		0.16%	-	-	-	-	-	-



Portfolio Earnings
Quarter-Ended September 30, 2016

	Market Value Basis	Accrual (Amortized Cost) Basis ← FPUD
Beginning Value (06/30/2016)	\$14,180,768.30	\$14,045,501.92
Net Purchases/Sales	\$152,752.98	\$152,752.98
Change in Value	(\$47,932.66)	\$5,140.60
Ending Value (09/30/2016)	\$14,285,588.62	\$14,203,395.50
Interest Earned	\$59,465.26	\$59,465.26
Portfolio Earnings	\$11,532.60	\$64,605.86

Portfolio Transactions and Holdings

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/6/16	7/7/16	300,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	306,516.14	0.97%	
7/6/16	7/7/16	320,000	3135G0D75	FNMA BENCHMARK NOTES	1.50%	6/22/20	326,817.60	0.97%	
7/7/16	7/8/16	525,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	523,908.00	0.73%	
7/13/16	7/18/16	220,000	6174467U7	MORGAN STANLEY CORP NOTE	2.12%	4/25/18	223,460.45	1.50%	
7/14/16	7/15/16	315,000	3130A8QS5	FHLB GLOBAL NOTE	1.12%	7/14/21	313,094.33	1.25%	
7/14/16	7/20/16	135,000	14314EAB7	CARMAX ABS 2016-3 A2	1.17%	8/15/19	134,988.98	1.18%	
7/19/16	7/20/16	300,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	299,274.00	0.96%	
7/19/16	7/27/16	35,000	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	34,997.21	1.25%	
7/25/16	7/26/16	250,000	06366GRM3	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	4/21/17	247,907.78	1.13%	
8/1/16	8/2/16	530,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	528,339.33	0.80%	
8/1/16	8/10/16	45,000	89237WAD9	TOYOTA ABS 2016-C A3	1.14%	8/15/20	44,998.79	1.14%	
8/2/16	8/3/16	400,000	4497W0P10	ING (US) FUNDING LLC COMM PAPER	0.00%	2/1/17	397,755.33	1.12%	
8/10/16	8/15/16	290,000	38141GVU5	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.62%	4/25/21	299,019.24	2.11%	
8/10/16	8/15/16	500,000	3137EAEA3	FHLMC REFERENCE NOTE	0.75%	4/9/18	501,103.33	0.78%	
9/1/16	9/2/16	525,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	535,492.27	1.06%	
9/14/16	9/21/16	75,000	44891EAC3	HYUNDAI AUTO RECEIVABLES TRUST	1.29%	4/15/21	74,989.91	1.30%	
Total BUY							4,792,662.69		

INTEREST

7/1/16	7/1/16	0	MONEY0002	MONEY MARKET FUND			29.58		
7/1/16	7/25/16	105,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	156.19		
7/15/16	7/15/16	110,000	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	119.17		
7/22/16	7/22/16	455,000	46625HHS2	JP MORGAN CHASE & CO NOTES	4.40%	7/22/20	10,010.00		
7/23/16	7/23/16	245,000	776322AP4	RONDOUT SAVINGS BANK LT CD	1.35%	7/23/18	1,649.22		

For the Quarter Ended September 30, 2016
Portfolio Activity

FALLBROOK PUBLIC UTILITY DISTRICT

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/24/16	7/24/16	245,000	02587CAJ9	AMERICAN EXPRESS BK FSB LT CD	2.00%	7/24/19	2,443.29		
7/25/16	7/25/16	247,000	02005Q3S0	ALLY BANK LT CD	1.00%	7/25/16	1,238.38		
7/28/16	7/28/16	245,000	336177AQ3	FIRST RESOURCE BANK LT CD	1.30%	7/30/18	1,588.14		
7/30/16	7/30/16	245,000	38058KCS3	GOLD COAST BANK LT CD	1.20%	10/30/17	241.64		
7/31/16	7/31/16	545,000	912828UL2	US TREASURY NOTES	1.37%	1/31/20	3,746.88		
8/1/16	8/25/16	105,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	156.19		
8/1/16	8/2/16	0	MONEY0002	MONEY MARKET FUND			56.08		
8/7/16	8/7/16	530,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	266.84		
8/7/16	8/7/16	525,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	264.32		
8/12/16	8/12/16	245,000	14042ESN6	CAPTIAL ONE BANK USA NA LT CD	1.70%	8/13/18	2,076.79		
8/12/16	8/12/16	245,000	14042UJE8	CAPTIAL ONE BANK USA NA LT CD	2.00%	8/12/19	2,443.29		
8/15/16	8/15/16	135,000	14314EAB7	CARMAX ABS 2016-3 A2	1.17%	8/15/19	109.68		
8/15/16	8/15/16	110,000	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	119.17		
8/24/16	8/24/16	352,000	06406HCZ0	MELLON BANK (CALLABLE) CORPORATE NOTE	2.15%	2/24/20	3,784.00		
8/26/16	8/26/16	1,625,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	8,125.00		
8/30/16	8/30/16	245,000	38058KCS3	GOLD COAST BANK LT CD	1.20%	10/30/17	249.70		
9/1/16	9/1/16	0	MONEY0002	MONEY MARKET FUND			55.58		
9/1/16	9/25/16	105,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	156.19		
9/13/16	9/13/16	100,000	17284A6P8	CIT BANK LT CD	1.10%	3/13/18	554.52		
9/15/16	9/15/16	135,000	14314EAB7	CARMAX ABS 2016-3 A2	1.17%	8/15/19	131.63		
9/15/16	9/15/16	45,000	89237WAD9	TOYOTA ABS 2016-C A3	1.14%	8/15/20	49.88		
9/15/16	9/15/16	35,000	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	58.33		
9/15/16	9/15/16	110,000	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	119.17		
9/30/16	9/30/16	245,000	38058KCS3	GOLD COAST BANK LT CD	1.20%	10/30/17	249.70		
Total INTEREST							7,334,000	40,248.55	

MATURITY

7/25/16	7/25/16	247,000	02005Q3S0	ALLY BANK LT CD	1.00%	7/25/16	247,000.00		0.00
---------	---------	---------	-----------	-----------------	-------	---------	------------	--	------

For the Quarter Ended September 30, 2016
Portfolio Activity

FALLBROOK PUBLIC UTILITY DISTRICT

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total MATURITY		247,000					247,000.00		0.00
SELL									
7/7/16	7/8/16	75,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	75,051.75	0.67%	131.97
7/13/16	7/18/16	225,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	225,097.56	0.70%	288.05
7/14/16	7/15/16	300,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	312,983.79	1.04%	3,489.62
7/14/16	7/20/16	120,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	120,020.20	0.73%	116.44
7/19/16	7/20/16	300,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	301,986.00	0.90%	1,274.71
8/1/16	8/10/16	50,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	50,396.28	0.87%	248.21
8/1/16	8/2/16	530,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	530,194.33	0.73%	477.60
8/2/16	8/3/16	400,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	400,197.61	0.72%	402.48
8/10/16	8/11/16	600,000	3130A6LZ8	FHLB NOTES	0.62%	10/26/17	600,451.75	0.71%	652.04
8/10/16	8/11/16	350,000	912828UL2	US TREASURY NOTES	1.37%	1/31/20	355,790.33	0.90%	1,970.21
8/10/16	8/15/16	500,000	36962G3U6	GENERAL ELEC CAP CORP NOTES	5.62%	5/1/18	548,100.00	0.90%	25,730.14
8/10/16	8/15/16	300,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	305,312.67	1.08%	(1,517.08)
9/1/16	9/2/16	500,000	3137EAEA3	FHLMC REFERENCE NOTE	0.75%	4/9/18	500,645.42	0.86%	(641.77)
9/14/16	9/21/16	75,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	75,165.33	0.94%	227.50
Total SELL		4,325,000					4,401,393.02		32,850.12



Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

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
U.S. Treasury Bond / Note										
US TREASURY NOTES DTD 01/31/2013 1.375% 01/31/2020	912828UL2	AA+	Aaa	05/03/16	05/06/16	197,201.37	1.07	451.73	196,967.72	197,551.77
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	AA+	Aaa	09/01/16	09/02/16	533,469.73	1.06	2,646.52	533,294.53	534,002.70
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	AA+	Aaa	06/27/16	06/29/16	588,903.32	0.87	2,898.57	588,007.06	584,860.10
US TREASURY NOTE DTD 12/02/2013 2.000% 11/30/2020	912828A42	AA+	Aaa	04/27/16	04/29/16	752,299.22	1.31	4,906.56	750,297.63	756,690.26
Security Type Sub-Total						2,071,873.64	1.10	10,903.38	2,068,566.94	2,073,104.83
Federal Agency Collateralized Mortgage Obligation										
FNMA SERIES 2016-M9 AS2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	AA+	Aaa	06/09/16	06/30/16	106,049.95	1.05	156.19	105,944.27	105,772.47
Security Type Sub-Total						106,049.95	1.05	156.19	105,944.27	105,772.47
Federal Agency Bond / Note										
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	AA+	Aaa	07/07/16	07/08/16	523,908.00	0.73	492.19	524,027.94	522,953.55
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	AA+	Aaa	08/01/16	08/02/16	528,118.50	0.80	496.88	528,270.62	527,934.06
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	AA+	Aaa	04/27/16	04/29/16	1,547,256.50	1.06	1,506.94	1,547,665.51	1,552,199.45
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	AA+	Aaa	07/19/16	07/20/16	299,274.00	0.96	517.71	299,321.20	298,952.70
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	AA+	Aaa	07/06/16	07/07/16	326,617.60	0.97	1,320.00	326,234.26	324,896.00
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8O55	AA+	Aaa	07/14/16	07/15/16	313,084.49	1.25	757.97	313,163.17	312,686.01





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

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
Security Type Sub-Total							3,538,259.09	0.97	5,091.69	3,538,682.70	3,539,621.77
Corporate Note							3,540,000.00				
MORGAN STANLEY CORP NOTE	DTD 04/25/2013 2.125% 04/25/2018	6174467U7	BBB+	A3	07/13/16	07/18/16	222,382.60	1.50	2,025.83	222,114.00	221,849.10
APPLE INC GLOBAL NOTES	DTD 05/06/2014 2.100% 05/06/2019	037833AO3	AA+	Aa1	05/29/14	05/29/14	329,582.50	1.80	2,748.96	327,462.24	332,105.48
CHEVRON CORP NOTES	DTD 05/16/2016 1.561% 05/16/2019	166764BH2	AA-	Aa2	05/09/16	05/16/16	300,000.00	1.56	1,756.13	300,000.00	301,586.40
CTTIGROUP INC CORP NOTES	DTD 06/09/2016 2.050% 06/07/2019	172967KS9	BBB+	Baa1	06/02/16	06/09/16	99,948.00	2.07	637.78	99,953.23	100,761.40
BURLINGTON NRTH CORP	DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	A	A3	06/03/16	06/08/16	220,780.00	1.48	4,700.00	218,858.51	219,799.40
CATERPILLAR FINANCIAL CORP NOTES	DTD 12/01/2014 2.250% 12/01/2019	14912L6F3	A	A2	04/24/15	04/24/15	577,181.40	1.76	4,237.50	573,487.50	577,022.07
MELLON BANK (CALLABLE) CORPORATE NOTE	DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	A	A1	07/07/15	07/07/15	352,148.30	2.14	777.82	352,113.07	358,037.15
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	489,437.44	495,740.70
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	391,006.32	392,555.24
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	351,863.44	354,376.05
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	296,519.19	294,476.15
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	286,442.59	289,371.90
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	249,847.15	252,610.75

132





Managed Account Detail of Securities Held

For the Month Ending September 30, 2016

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
Security Type Sub-Total	4,077,000.00					4,171,763.90	1.98	35,625.63	4,159,104.68	4,190,291.79
Commercial Paper										
ING (US) FUNDING LLC COMM PAPER -- 0.000% 02/01/2017	4497W0P10	A-1	P-1	08/02/16	08/03/16	397,755.33	1.12	0.00	398,483.00	398,654.00
BNP PARIBAS NY BRANCH COMM PAPER -- 0.000% 02/03/2017	09659BP38	A-1	P-1	05/09/16	05/10/16	486,155.54	1.06	0.00	488,213.54	488,339.88
BANK OF MONTREAL CHICAGO COMM PAPER -- 0.000% 04/21/2017	06366GRM3	A-1	P-1	07/25/16	07/26/16	247,907.78	1.13	0.00	248,428.89	248,440.75
Security Type Sub-Total	1,140,000.00					1,131,818.65	1.09	0.00	1,135,125.43	1,135,434.63
Certificate of Deposit										
SALLIE MAE BANK LT CD DTD 10/24/2012 1.350% 10/24/2016	795450P22	NR	NR	10/25/12	10/25/12	246,000.00	1.32	1,455.78	246,000.00	246,122.51
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	8.05	245,000.00	246,994.30
CELTIC BANK LT CD DTD 12/20/2013 1.250% 12/20/2017	15118RUL2	NR	NR	12/21/13	12/21/13	245,000.00	1.22	864.21	245,000.00	247,375.77
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	54.25	100,000.00	100,800.20
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	634.32	245,000.00	248,543.44
FIRST RESOURCE BANK LT CD DTD 01/28/2015 1.300% 07/30/2018	336177A03	NR	NR	01/29/15	01/29/15	245,000.00	1.10	567.19	245,000.00	248,610.81
CAPTIAL ONE BANK USA NA LT CD DTD 08/12/2015 1.700% 08/13/2018	1404ZE5N6	NR	NR	08/12/15	08/12/15	245,000.00	1.40	570.55	245,000.00	248,452.05
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	2,294.61	245,000.00	250,900.09





For the Month Ending September 30, 2016

Managed Account Detail of Securities Held

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											
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	2,146.60	245,000.00	249,863.50
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	1,444.83	245,000.00	250,303.27
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	926.30	245,000.00	251,208.55
CAPTIAL 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	671.23	245,000.00	251,835.75
Security Type Sub-Total							2,796,000.00	1.56	11,637.92	2,796,000.00	2,841,010.24
Asset-Backed Security / Collateralized Mortgage Obligation											
CARMAX ABS 2016-3 A2	DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	AAA	NR	07/14/16	07/20/16	135,000.00	1.18	70.20	134,989.72	135,114.95
TOYOTA ABS 2016-B A3	DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	AAA	Aaa	05/02/16	05/11/16	110,000.00	1.30	63.56	109,995.05	110,168.31
JOHN DEERE ABS 2016-B A3	DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	NR	Aaa	07/19/16	07/27/16	35,000.00	1.25	19.44	34,997.80	35,053.81
TOYOTA ABS 2016-C A3	DTD 08/10/2016 1.140% 08/15/2020	89237WAD9	AAA	Aaa	08/01/16	08/10/16	45,000.00	1.14	22.80	44,999.00	44,918.22
HYUNDAI AUTO RECEIVABLES TRUST	DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	AAA	Aaa	09/14/16	09/21/16	75,000.00	1.30	26.88	74,989.91	75,097.60
Security Type Sub-Total							400,000.00	1.24	202.88	399,971.48	400,352.89
Managed Account Sub-Total							14,083,000.00	1.42	63,617.69	14,203,395.50	14,285,588.62
Securities Sub-Total							\$14,215,734.50	1.42%	\$63,617.69	\$14,203,395.50	\$14,285,588.62
Accrued Interest											\$63,617.69
Total Investments											\$14,349,206.31

134



PFM Asset Management LLC

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 a third party vendor. 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.

Glossary

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount, expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

Glossary

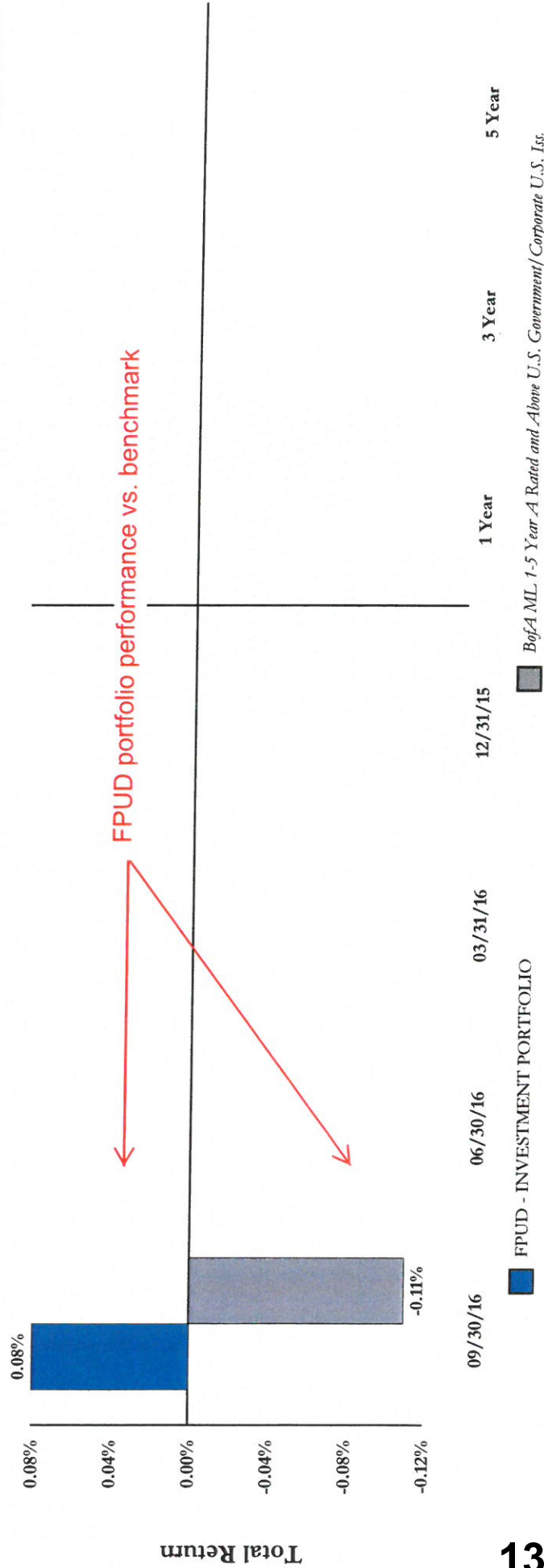
- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred however the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Portfolio Earnings
Quarter-Ended September 30, 2016

	Market Value Basis	Accrual (Amortized Cost) Basis ← FPUD
Beginning Value (06/30/2016)	\$14,180,768.30	\$14,045,501.92
Net Purchases/Sales	\$152,752.98	\$152,752.98
Change in Value	(\$47,932.66)	\$5,140.60
Ending Value (09/30/2016)	\$14,285,588.62	\$14,203,395.50
Interest Earned	\$59,465.26	\$59,465.26
Portfolio Earnings	\$11,532.60	\$64,605.86

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended					Annualized Return	
		09/30/16	06/30/16	03/31/16	12/31/15	1 Year	3 Year	5 Year
FPUD - INVESTMENT PORTFOLIO	2.60	0.08%	-	-	-	-	-	-
<i>Net of Fees **</i>	-	0.05%	-	-	-	-	-	-
<i>BofA ML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index</i>	2.62	-0.11%	-	-	-	-	-	-
Difference (Gross)		0.19%	-	-	-	-	-	-
Difference (Net)		0.16%	-	-	-	-	-	-



139

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

11/30/2016

Treasurer's Warrant No. Nov

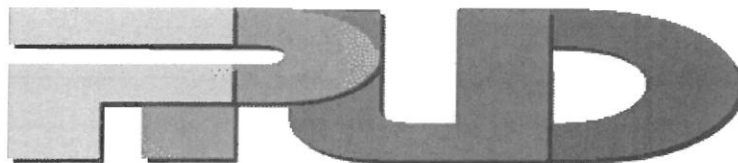
TO: Treasurer of the Fallbrook Public Utility District

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: paula
Printed: 12/5/2016 8:48 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	Void Checks	Check Amount
73319	06323	ADVANCED COMMUNICATION SYSTE	11/02/2016	0.00	2,619.70
73320	01460	AFLAC	11/02/2016	0.00	1,287.16
73321	05880	ALLEN INSTRUMENTS & SUPPLIES	11/02/2016	0.00	179.28
73322	05621	ALLIED ELECTRONICS INC	11/02/2016	0.00	1,829.88
73323	06570	ANCHOR QEA, LLC	11/02/2016	0.00	13,511.84
73324	91084	BOB ANDERSON	11/02/2016	0.00	354.88
73325	05778	AQUATIC BIOASSAY AND CONSULTIN	11/02/2016	0.00	2,045.00
73326	06536	ARCADIS U.S., INC	11/02/2016	0.00	2,882.50
73327	06754	BACKFLOW APPARATUS & VALVE CO	11/02/2016	0.00	2,304.60
73328	06235	JACK BEBEE	11/02/2016	0.00	60.00
73329	02743	BEST BEST & KRIEGER	11/02/2016	0.00	3,300.00
73330	00898	BP BATTERY	11/02/2016	0.00	204.89
73331	04741	CALIFORNIA SPECIAL DISTRICT ASSC	11/02/2016	0.00	225.00
73332	06336	CAPITAL ONE COMMERCIAL	11/02/2016	0.00	408.81
73333	06115	CDW GOVERNMENT INC.	11/02/2016	0.00	983.94
73334	00129	CLINICAL LABORATORY	11/02/2016	0.00	1,616.00
73335	00228	CO OF SAN DIEGO-REGISTRAR	11/02/2016	0.00	3,903.00
73336	00370	CROP PRODUCTION SERVICES, INC.	11/02/2016	0.00	1,242.00
73337	06169	CS-ASSOCIATED MUNICIPAL SALES C	11/02/2016	0.00	13,017.52
73338	02925	DATA NET SOLUTIONS	11/02/2016	0.00	2,230.00
73339	05180	NOELLE DENKE	11/02/2016	0.00	191.93
73340	UB*00004	DEUTSCHE BK TRUST CO AM 2007	11/02/2016	0.00	187.38
73341	05985	SOLEIL DEVELLE	11/02/2016	0.00	196.86
73342	05192	DIAMOND ENVIRONMENTAL SERVIC	11/02/2016	0.00	333.78
73343	05177	DOWNEY BRAND, LLP	11/02/2016	0.00	259.00
73344	03087	MARCELLA M. EILERS	11/02/2016	0.00	354.57
73345	02582	EMPLOYMENT DEVELOPMENT DEPT	11/02/2016	0.00	9,204.00
73346	04122	EVOQUA WATER TECHNOLOGIES LLC	11/02/2016	0.00	371.35
73347	09523	FALLBROOK EQUIP RENTALS	11/02/2016	0.00	1,032.00
73348	01099	FALLBROOK IRRIGATION INC	11/02/2016	0.00	137.26
73349	00169	FALLBROOK OIL COMPANY	11/02/2016	0.00	2,751.62
73350	04494	FEDERAL EXPRESS CORPORATION	11/02/2016	0.00	135.07
73351	05733	FIRST BANKCARD	11/02/2016	0.00	3,854.44
73352	09517	GENCO	11/02/2016	0.00	270.00
73353	05140	GMC ELECTRICAL, INC.	11/02/2016	0.00	24,103.25
73354	04958	GOSCH FORD TEMECULA	11/02/2016	0.00	1,636.55
73355	02170	GRAINGER, INC.	11/02/2016	0.00	127.13
73356	05380	HACH CO	11/02/2016	0.00	2,656.66
73357	05925	HD SUPPLY WATERWORKS	11/02/2016	0.00	572.41
73358	UB*00002	VINCENT & CATHERINE HEILKER	11/02/2016	0.00	49.77
73359	06577	INFOSEND INC	11/02/2016	0.00	2,450.00
73360	06359	INFRASTRUCTURE ENGINEERING CO	11/02/2016	0.00	129,958.32
73361	05984	LARRY WALKER ASSOCIATES. INC	11/02/2016	0.00	2,155.00
73362	03322	LIGHTHOUSE AUTOMOTIVE	11/02/2016	0.00	7,761.83
73363	06156	LOMACK SERVICE CORPORATION	11/02/2016	0.00	194.00
73364	04638	LOWE'S CORPORATION	11/02/2016	0.00	1,381.70
73365	91029	MALLORY SAFETY AND SUPPLY CO	11/02/2016	0.00	3,670.48

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
73366	06546	MUTUAL OF OMAHA	11/02/2016	0.00	1,709.08
73367	06338	MYTHOS TECHNOLOGY INC	11/02/2016	0.00	438.04
73368	90955	NEWest CONSTRUCTION	11/02/2016	0.00	4,750.00
73369	06298	ONESOURCE DISTRIBUTORS, LLC	11/02/2016	0.00	224.10
73370	91068	QUALITY ARG, INC	11/02/2016	0.00	252.60
73371	91086	SAFETY SUPPLY AMERICA, INC.	11/02/2016	0.00	114.72
73372	05636	SAM'S CLUB	11/02/2016	0.00	229.36
73373	00231	SAN DIEGO COUNTY WATER AUTH	11/02/2016	0.00	1,384,473.67
73374	00232	SAN DIEGO GAS & ELECTRIC	11/02/2016	0.00	33,552.19
73375	UB*00003	JOHN & MARY SCHENSNOL	11/02/2016	0.00	30.65
73376	00236	SCRAPPYS	11/02/2016	0.00	28.00
73377	90925	SHERWIN-WILLIAMS	11/02/2016	0.00	319.85
73378	04434	SNAP ON TOOLS	11/02/2016	0.00	766.97
73379	06064	SOLENIS LLC	11/02/2016	0.00	7,260.44
73380	06401	SONSRAY MACHINERY LLC	11/02/2016	0.00	4,957.67
73381	90929	SOUTHWEST ANSWERING SERVICE, I	11/02/2016	0.00	545.14
73382	00159	SUPERIOR READY MIX	11/02/2016	0.00	3,057.64
73383	04129	TNEMEC CO., INC,	11/02/2016	0.00	910.60
73384	06005	UNIFIRST CORP.	11/02/2016	0.00	758.48
73385	02570	CHERYL WILLIAMS	11/02/2016	0.00	358.76
Total for 11/2/2016:				0.00	1,694,940.32
ACH	06758	US TREASURY - PAYROLL TAXES	11/09/2016	0.00	55,043.65
ACH	06759	STATE OF CA - PR TAXES	11/09/2016	0.00	7,881.81
ACH	06760	STATE OF CA - SDI	11/09/2016	0.00	1,676.61
ACH	06761	LINCOLN FINANCIAL GROUP	11/09/2016	0.00	5,642.84
ACH	06763	PERS - PAYROLL	11/09/2016	0.00	35,461.90
73393	00100	ACWA	11/09/2016	0.00	20,319.09
73394	05317	ACWA	11/09/2016	0.00	50.00
73395	06323	ADVANCED COMMUNICATION SYSTE	11/09/2016	0.00	4,615.19
73396	04995	AMERICAN MESSAGING	11/09/2016	0.00	111.69
73397	91084	BOB ANDERSON	11/09/2016	0.00	21.60
73398	02713	AWWA CAL-NEV SECTION	11/09/2016	0.00	577.17
73399	06235	JACK BEBEE	11/09/2016	0.00	55.00
73400	06402	BRIAN BRADY	11/09/2016	0.00	284.06
73401	05897	FILOMENO CABALBAG	11/09/2016	0.00	47.99
73402	06012	CALIFORNIA DEPT OF CSS	11/09/2016	0.00	231.00
73403	03978	CAMERON WELDING SUPPLY	11/09/2016	0.00	160.83
73404	05876	JASON CAVENDER	11/09/2016	0.00	43.10
73405	00709	COUNTY OF SAN DIEGO	11/09/2016	0.00	3,777.00
73406	06021	JOSHUA COUVEAU	11/09/2016	0.00	50.11
73407	00370	CROP PRODUCTION SERVICES, INC.	11/09/2016	0.00	597.32
73408	04128	CUES	11/09/2016	0.00	1,161.94
73409	UB*00007	BRUNO & MICHELINA CURIALE	11/09/2016	0.00	34.83
73410	02925	DATA NET SOLUTIONS	11/09/2016	0.00	418.75
73411	05192	DIAMOND ENVIRONMENTAL SERVIC	11/09/2016	0.00	170.02
73412	04425	DOMINICK'S SANDWICHES	11/09/2016	0.00	79.93
73413	03391	ELECTRICAL SALES INC	11/09/2016	0.00	66.68
73414	01099	FALLBROOK IRRIGATION INC	11/09/2016	0.00	25.91
73415	00169	FALLBROOK OIL COMPANY	11/09/2016	0.00	2,309.01
73416	00152	FPUD EMPL ASSOCIATION	11/09/2016	0.00	4,824.61
73417	91025	FRITTS FORD	11/09/2016	0.00	108,332.44
73418	UB*00006	GREGORY & MARTINA GEORGE	11/09/2016	0.00	29.72
73419	00182	GLENNIE'S OFFICE PRODUCTS, INC	11/09/2016	0.00	67.62
73420	05140	GMC ELECTRICAL, INC.	11/09/2016	0.00	2,520.00
73421	02170	GRAINGER, INC.	11/09/2016	0.00	694.38

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
73422	05970	GRISWOLD INDUSTRIES	11/09/2016	0.00	4,985.51
73423	03276	HOME DEPOT CREDIT SERVICES	11/09/2016	0.00	2,709.61
73424	06577	INFOSEND INC	11/09/2016	0.00	1,239.88
73425	90944	ROBERT H JAMES	11/09/2016	0.00	950.00
73426	00190	JCI JONES CHEMICALS INC.	11/09/2016	0.00	2,581.11
73427	05505	TODD JESTER	11/09/2016	0.00	131.00
73428	04027	JOE'S HARDWARE	11/09/2016	0.00	1,699.40
73429	06479	KNOCKOUT PEST CONTROL & TERMI	11/09/2016	0.00	300.00
73430	04926	KONICA MINOLTA BUSINESS SOLUTIO	11/09/2016	0.00	3,255.36
73431	90916	KELLY LAUGHLIN	11/09/2016	0.00	77.05
73432	05194	LESLIE'S SWIMMING POOL SUPPLIES	11/09/2016	0.00	3,088.58
73433	91029	MALLORY SAFETY AND SUPPLY CO	11/09/2016	0.00	1,200.43
73434	04649	MAR-CON PRODUCTS, INC	11/09/2016	0.00	2,565.60
73435	05942	MSDSOONLINE, INC	11/09/2016	0.00	898.00
73436	90932	NAPA AUTO PARTS	11/09/2016	0.00	387.77
73437	00718	NATIONWIDE RETIREMENT SOLUTIO	11/09/2016	0.00	2,098.07
73438	UB*00005	WAYNE OLSON	11/09/2016	0.00	68.65
73439	01267	PACIFIC PIPELINE	11/09/2016	0.00	43.55
73440	91096	PATRIOT ENVIRONMENTAL LABORAI	11/09/2016	0.00	595.00
73441	00215	PETTY CASH	11/09/2016	0.00	38.15
73442	00216	PINE TREE LUMBER	11/09/2016	0.00	217.29
73443	04662	QUALITY FENCE COMPANY, INC.	11/09/2016	0.00	625.00
73444	05442	QUEXION, LLC	11/09/2016	0.00	74.95
73445	91097	R2L2 VENTURES, LLC	11/09/2016	0.00	2,100.81
73446	91093	RANCHO CALIFORNIA WATER DISTRI	11/09/2016	0.00	27.15
73447	91077	RED WING SHOE STORE	11/09/2016	0.00	300.00
73448	90987	RF PARTS COMPANY	11/09/2016	0.00	1,048.60
73449	06485	FABRIENNE ROBINSON	11/09/2016	0.00	60.00
73450	91094	SCADA INTEFRATIONS	11/09/2016	0.00	8,581.20
73451	00236	SCRAPPYS	11/09/2016	0.00	28.00
73452	06738	SHAWN'S CONCRETE PUMPING	11/09/2016	0.00	380.00
73453	06401	SONSRAY MACHINERY LLC	11/09/2016	0.00	103.05
73454	05415	STATE WATER RESOURCE CONTROL	11/09/2016	0.00	400.00
73455	05904	RICHARD TANNER	11/09/2016	0.00	100.00
73456	06541	TIFCO INDUSTRIES, INC	11/09/2016	0.00	571.58
73457	00724	UNDERGROUND SERVICE ALERT	11/09/2016	0.00	232.50
73458	06005	UNIFIRST CORP.	11/09/2016	0.00	379.09
73459	04330	UNION BANK	11/09/2016	0.00	1,466.00
73460	00710	UNITED WAY OF SAN DIEGO	11/09/2016	0.00	57.00
73461	06726	WCT PRODUCTS, INC	11/09/2016	0.00	2,667.25
73462	02570	CHERYL WILLIAMS	11/09/2016	0.00	546.88
Total for 11/9/2016:				0.00	306,262.87
73473	06740	ACCELA, INC	11/16/2016	0.00	29,337.07
73474	00101	ACWA JPIA	11/16/2016	0.00	84,049.49
73475	04166	AMERICAN WATER WORKS ASSOCIAI	11/16/2016	0.00	3,128.00
73476	06595	AVANTPAGE INC	11/16/2016	0.00	88.20
73477	91102	RAUL BASTIDAS	11/16/2016	0.00	6,114.00
73478	06402	BRIAN BRADY	11/16/2016	0.00	1,284.53
73479	01719	MICKEY M. CASE	11/16/2016	0.00	217.47
73480	90930	CRANENWORKS SOUTHEWEST, INC.	11/16/2016	0.00	820.13
73481	05180	NOELLE DENKE	11/16/2016	0.00	100.75
73482	03391	ELECTRICAL SALES INC	11/16/2016	0.00	1,293.90
73483	06507	EUROFINS EATON ANALYTICAL INC	11/16/2016	0.00	600.00
73484	05987	FALLBROOK GARAGE & QWIK LUBE	11/16/2016	0.00	1,459.37
73485	00170	FALLBROOK WASTE & RECYCLING	11/16/2016	0.00	549.70

Check No	Vendor No	Vendor Name	Check Date		Void Checks	Check Amount
73486	01432	FERGUSON WATERWORKS #1083	11/16/2016		0.00	1,771.20
73487	06764	G & W TRUCK ACCESSORIES	11/16/2016		0.00	4,999.66
73488	02170	GRAINGER, INC.	11/16/2016		0.00	2,260.41
73489	02767	GRANGETTO FARM & GARDEN SUPPI	11/16/2016		0.00	26.74
73490	05970	GRISWOLD INDUSTRIES	11/16/2016		0.00	8,873.23
73491	05925	HD SUPPLY WATERWORKS	11/16/2016		0.00	16,825.33
73492	02773	HDS WHITE CAP CONST SUPPLY	11/16/2016		0.00	2,564.96
73493	06577	INFOSEND INC	11/16/2016		0.00	1,258.47
73494	06359	INFRASTRUCTURE ENGINEERING CO	11/16/2016		0.00	14,266.03
73495	06267	J2 GLOBAL IRELAND LIMITED	11/16/2016		0.00	59.91
73496	05401	Joe's Paving	11/16/2016		0.00	11,637.50
73497	03765	LENNIHAN LAW	11/16/2016		0.00	1,335.60
73498	90887	LLOYD PEST CONTROL	11/16/2016		0.00	367.00
73499	06614	MITEL LEASING	11/16/2016		0.00	817.05
73500	06150	NEOPOST USA INC.	11/16/2016	VOID	18,077.00	0.00
73501	01267	PACIFIC PIPELINE	11/16/2016		0.00	18,211.89
73502	91007	PFM ASSET MANGEMENT LLC	11/16/2016		0.00	1,173.43
73503	04662	QUALITY FENCE COMPANY, INC.	11/16/2016		0.00	125.00
73504	03930	ROYAL WHOLESALE ELECTRIC	11/16/2016		0.00	375.97
73505	02854	STEVE RUCKER	11/16/2016		0.00	690.00
73506	00232	SAN DIEGO GAS & ELECTRIC	11/16/2016		0.00	20,059.68
73507	91098	SO CAL HOME THEATER, INC.	11/16/2016		0.00	2,018.80
73508	06401	SONSRAY MACHINERY LLC	11/16/2016		0.00	79.57
73509	04092	STATE WATER RESOURCES CONT BRI	11/16/2016		0.00	60.00
73510	05883	TESTAMERICA LABORATORIES, INC.	11/16/2016		0.00	588.56
73511	06005	UNIFIRST CORP.	11/16/2016		0.00	378.72
73512	00458	VERIZON WIRELESS	11/16/2016		0.00	1,257.34
73513	04290	VILLAGE NEWS, INC.	11/16/2016		0.00	495.00
73514	02570	CHERYL WILLIAMS	11/16/2016		0.00	341.26
Total for 11/16/2016:					18,077.00	241,960.92
ACH	06758	US TREASURY - PAYROLL TAXES	11/23/2016		0.00	56,179.62
ACH	06759	STATE OF CA - PR TAXES	11/23/2016		0.00	8,152.06
ACH	06760	STATE OF CA - SDI	11/23/2016		0.00	1,672.04
ACH	06761	LINCOLN FINANCIAL GROUP	11/23/2016		0.00	5,692.84
ACH	06763	PERS - PAYROLL	11/23/2016		0.00	35,367.29
73521	01460	AFLAC	11/23/2016		0.00	1,287.16
73522	05088	AT&T	11/23/2016		0.00	854.70
73523	05958	BAMM! PROMOTIONAL PRODUCTS, I	11/23/2016		0.00	518.40
73524	02743	BEST BEST & KRIEGER	11/23/2016		0.00	16,097.67
73525	06256	MARYLOU BOULTINGHOUSE	11/23/2016		0.00	66.96
73526	00898	BP BATTERY	11/23/2016		0.00	374.55
73527	06402	BRIAN BRADY	11/23/2016		0.00	1,593.79
73528	06012	CALIFORNIA DEPT OF CSS	11/23/2016		0.00	231.00
73529	04741	CALIFORNIA SPECIAL DISTRICT ASSC	11/23/2016		0.00	6,485.00
73530	90884	MAVIS CANPINAR	11/23/2016		0.00	29.81
73531	06115	CDW GOVERNMENT INC.	11/23/2016		0.00	46.58
73532	03205	CITY OF OCEANSIDE	11/23/2016		0.00	984.52
73533	05714	CNTY OF SAN DIEGO DEPT PUB WRK	11/23/2016		0.00	588.50
73534	02176	CORELOGIC SOLUTIONS, LLC	11/23/2016		0.00	225.00
73535	05953	CORODATA RECORDS MANAGEMENT	11/23/2016		0.00	536.75
73536	05180	NOELLE DENKE	11/23/2016		0.00	14.08
73537	91103	EASTOM ENGINEERING CO.	11/23/2016		0.00	250.00
73538	03087	MARCELLA M. EILERS	11/23/2016		0.00	525.00
73539	03391	ELECTRICAL SALES INC	11/23/2016		0.00	390.58
73540	06303	EXECUTIVE LANDSCAPE INC.	11/23/2016		0.00	2,311.50

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
73541	09523	FALLBROOK EQUIP RENTALS	11/23/2016	0.00	228.00
73542	01582	FALLBROOK MUFFLER	11/23/2016	0.00	106.60
73543	90945	FALLBROOK RADIATOR	11/23/2016	0.00	196.96
73544	00152	FPUD EMPL ASSOCIATION	11/23/2016	0.00	836.08
73545	06286	GARDA CL WEST, INC.	11/23/2016	0.00	228.46
73546	00182	GLENNIE'S OFFICE PRODUCTS, INC	11/23/2016	0.00	913.22
73547	02170	GRAINGER, INC.	11/23/2016	0.00	1,450.31
73548	06577	INFOSEND INC	11/23/2016	0.00	1,024.75
73549	06463	IOTUM INC.	11/23/2016	0.00	7.27
73550	06380	JANI-KING OF CALIFORNIA, INC - SA	11/23/2016	0.00	2,117.39
73551	05505	TODD JESTER	11/23/2016	0.00	80.93
73552	05401	Joe's Paving	11/23/2016	0.00	1,880.00
73553	90924	LAW OFFICES OF STEPHEN V. LOPARJ	11/23/2016	0.00	261.00
73554	06633	MAINTENANCE CONNECTION INC	11/23/2016	0.00	756.20
73555	91029	MALLORY SAFETY AND SUPPLY CO	11/23/2016	0.00	8.10
73556	03944	MISSION RESOURCE CONSV DISTRIC	11/23/2016	0.00	312.50
73557	06338	MYTHOS TECHNOLOGY INC	11/23/2016	0.00	2,737.03
73558	03201	NATIONAL SAFETY COMPLIANCE INC	11/23/2016	0.00	60.00
73559	00718	NATIONWIDE RETIREMENT SOLUTIO	11/23/2016	0.00	2,098.07
73560	06298	ONESOURCE DISTRIBUTORS, LLC	11/23/2016	0.00	1,947.88
73561	91105	P.W. STEPHENS ENVIRONMENTAL IN	11/23/2016	0.00	1,768.70
73562	01267	PACIFIC PIPELINE	11/23/2016	0.00	438.05
73563	05033	PACKARD GOVERNMENT AFFAIRS	11/23/2016	0.00	5,000.00
73564	04075	RAYNE WATER SYSTEMS	11/23/2016	0.00	125.00
73565	06485	FABRIENNE ROBINSON	11/23/2016	0.00	45.00
73566	06130	S & J SUPPLY COMPANY, INC.	11/23/2016	0.00	3,032.64
73567	00232	SAN DIEGO GAS & ELECTRIC	11/23/2016	0.00	4,496.89
73568	91094	SCADA INTEFRATIONS	11/23/2016	0.00	2,731.40
73569	04434	SNAP ON TOOLS	11/23/2016	0.00	188.30
73570	04820	KEVIN STAMPER	11/23/2016	0.00	149.76
73571	05278	STATE WATER RESOURCES CONTROL	11/23/2016	0.00	810.00
73572	00159	SUPERIOR READY MIX	11/23/2016	0.00	2,448.47
73573	05904	RICHARD TANNER	11/23/2016	0.00	434.32
73574	06735	TCN, INC.	11/23/2016	0.00	78.99
73575	05731	TEMECULA VALLEY POWDER COATIN	11/23/2016	0.00	1,058.40
73576	05883	TESTAMERICA LABORATORIES, INC.	11/23/2016	0.00	518.70
73577	06608	THE ROTARY CLUB OF FALLBROOK	11/23/2016	0.00	260.00
73578	91107	TIME WARNER CABLE ENTERPRISES,	11/23/2016	0.00	259.47
73579	06579	TOWNSEND PUBLIC AFFAIRS, INC	11/23/2016	0.00	5,000.00
73580	00250	TRY ENTERPRISES	11/23/2016	0.00	3,420.00
73581	06005	UNIFIRST CORP.	11/23/2016	0.00	382.87
73582	00710	UNITED WAY OF SAN DIEGO	11/23/2016	0.00	57.00
73583	04290	VILLAGE NEWS, INC.	11/23/2016	0.00	80.00
73584	05909	WAGNER & BONSIGNORE, CONSULTI	11/23/2016	0.00	11,546.15
73585	06436	WATER/WASTEWATER DESIGN ASSOC	11/23/2016	0.00	1,200.00
73586	06231	WESTERN WATER WORKS SUPPLY CC	11/23/2016	0.00	1,416.90
73587	02570	CHERYL WILLIAMS	11/23/2016	0.00	371.88
Total for 11/23/2016:				0.00	205,045.04
73588	06029	ASSURANT EMPLOYEE BENEFITS	11/30/2016	0.00	2,467.66
73589	06696	AT & T MOBILTIY	11/30/2016	0.00	54.97
73590	06235	JACK BEBEE	11/30/2016	0.00	60.00
73591	00898	BP BATTERY	11/30/2016	0.00	277.49
73592	06402	BRIAN BRADY	11/30/2016	0.00	56.80
73593	06336	CAPITAL ONE COMMERCIAL	11/30/2016	0.00	509.27
73594	90885	CENTRO BUSINESS FORMS. INC	11/30/2016	0.00	195.77

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
73595	00129	CLINICAL LABORATORY	11/30/2016	0.00	1,214.00
73596	06675	CORODATA SHREDDING, INC	11/30/2016	0.00	109.00
73597	90930	CRANWORKS SOUTHEWEST, INC.	11/30/2016	0.00	203.75
73598	06762	DENALI WATER SOLUTIONS LLC	11/30/2016	0.00	2,539.23
73599	05180	NOELLE DENKE	11/30/2016	0.00	137.20
73600	05192	DIAMOND ENVIRONMENTAL SERVIC	11/30/2016	0.00	333.79
73601	04425	DOMINICK'S SANDWICHES	11/30/2016	0.00	34.38
73602	05177	DOWNEY BRAND, LLP	11/30/2016	0.00	740.00
73603	03391	ELECTRICAL SALES INC	11/30/2016	0.00	832.66
73604	02647	FALLBROOK AWARDS	11/30/2016	0.00	48.60
73605	01099	FALLBROOK IRRIGATION INC	11/30/2016	0.00	32.50
73606	00169	FALLBROOK OIL COMPANY	11/30/2016	0.00	4,645.95
73607	02411	FALLBROOK PRINTING CORP	11/30/2016	0.00	162.00
73608	04494	FEDERAL EXPRESS CORPORATION	11/30/2016	0.00	240.09
73609	01432	FERGUSON WATERWORKS #1083	11/30/2016	0.00	4,791.68
73610	05733	FIRST BANKCARD	11/30/2016	0.00	9,830.73
73611	02972	FISHER SCIENTIFIC	11/30/2016	0.00	168.51
73612	91108	FLEETCREW	11/30/2016	0.00	3,359.70
73613	06764	G & W TRUCK ACCESSORIES	11/30/2016	0.00	997.68
73614	00182	GLENNIE'S OFFICE PRODUCTS, INC	11/30/2016	0.00	180.80
73615	91110	GOVERNMENTJOBS.COM, INC.	11/30/2016	0.00	18,077.00
73616	03174	HAAKER EQUIPMENT COMPANY	11/30/2016	0.00	340.04
73617	05380	HACH CO	11/30/2016	0.00	2,617.51
73618	05925	HD SUPPLY WATERWORKS	11/30/2016	0.00	1,661.05
73619	06429	HEALTHPOINTE MEDICAL GROUP,INC	11/30/2016	0.00	75.00
73620	06577	INFOSEND INC	11/30/2016	0.00	2,177.13
73621	05255	INLAND WATER WORKS SUPPLY CO.	11/30/2016	0.00	10,438.20
73622	00190	JCI JONES CHEMICALS INC.	11/30/2016	0.00	3,079.85
73623	05792	JOSEPH G POLLARD CO INC	11/30/2016	0.00	504.68
73624	06479	KNOCKOUT PEST CONTROL & TERMI	11/30/2016	0.00	99.00
73625	02577	LEWIS & LEWIS ENTERPRISES	11/30/2016	0.00	1,643.68
73626	03322	LIGHTHOUSE AUTOMOTIVE	11/30/2016	0.00	1,027.89
73627	06546	MUTUAL OF OMAHA	11/30/2016	0.00	1,709.08
73628	01267	PACIFIC PIPELINE	11/30/2016	0.00	12,014.61
73629	91007	PFM ASSET MANGEMENT LLC	11/30/2016	0.00	1,213.93
73630	02662	QUALITY CHEVROLET	11/30/2016	0.00	378.51
73631	04662	QUALITY FENCE COMPANY, INC.	11/30/2016	0.00	2,169.00
73632	91104	RAFTELIS FINANCIAL CONSULTANTS	11/30/2016	0.00	8,309.06
73633	91077	RED WING SHOE STORE	11/30/2016	0.00	474.94
73634	06666	SAGINAW CONTROL & ENGINEERING	11/30/2016	0.00	614.50
73635	00231	SAN DIEGO COUNTY WATER AUTH	11/30/2016	0.00	1,123,768.37
73636	00232	SAN DIEGO GAS & ELECTRIC	11/30/2016	0.00	44,046.38
73637	04124	SDIPMA	11/30/2016	0.00	75.00
73638	90929	SOUTHWEST ANSWERING SERVICE, I	11/30/2016	0.00	751.99
73639	04092	STATE WATER RESOURCES CONT BRI	11/30/2016	0.00	330.00
73640	00159	SUPERIOR READY MIX	11/30/2016	0.00	538.97
73641	05883	TESTAMERICA LABORATORIES, INC.	11/30/2016	0.00	610.58
73642	05403	THE SAN DIEGO UNION-TRIBUNE CO	11/30/2016	0.00	232.18
73643	06005	UNIFIRST CORP.	11/30/2016	0.00	429.76
73644	06231	WESTERN WATER WORKS SUPPLY CC	11/30/2016	0.00	760.11
73645	91100	WESTIN ENGINEERING, INC.	11/30/2016	0.00	6,869.41
73646	02570	CHERYL WILLIAMS	11/30/2016	0.00	389.38
Total for 11/30/2016:				0.00	1,281,651.00

Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
Report Total (315 checks):				18,077.00	3,729,860.15

Payroll -11/16

Computer Check Register

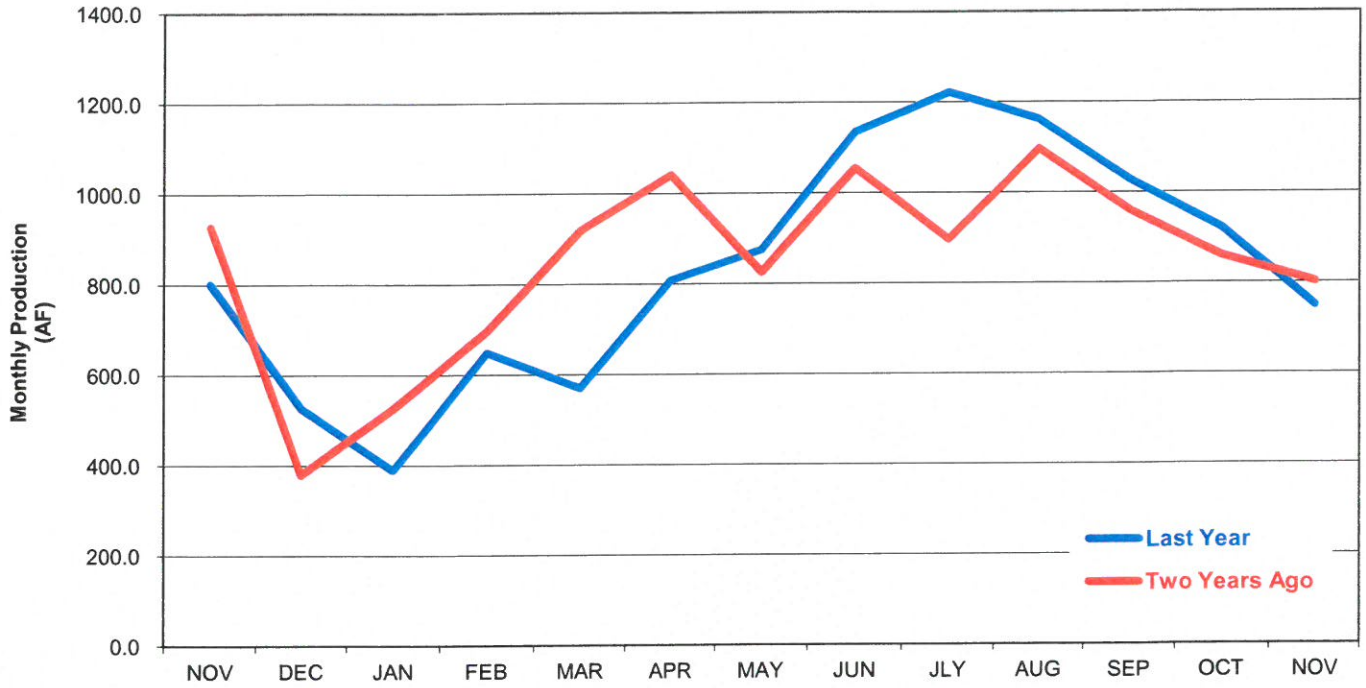
Payroll #1	138,069.62
Payroll #2	<u>138,808.77</u>
	<u>276,878.39</u>

A handwritten signature in blue ink, appearing to read "Brian Brady", is written over a solid horizontal line.

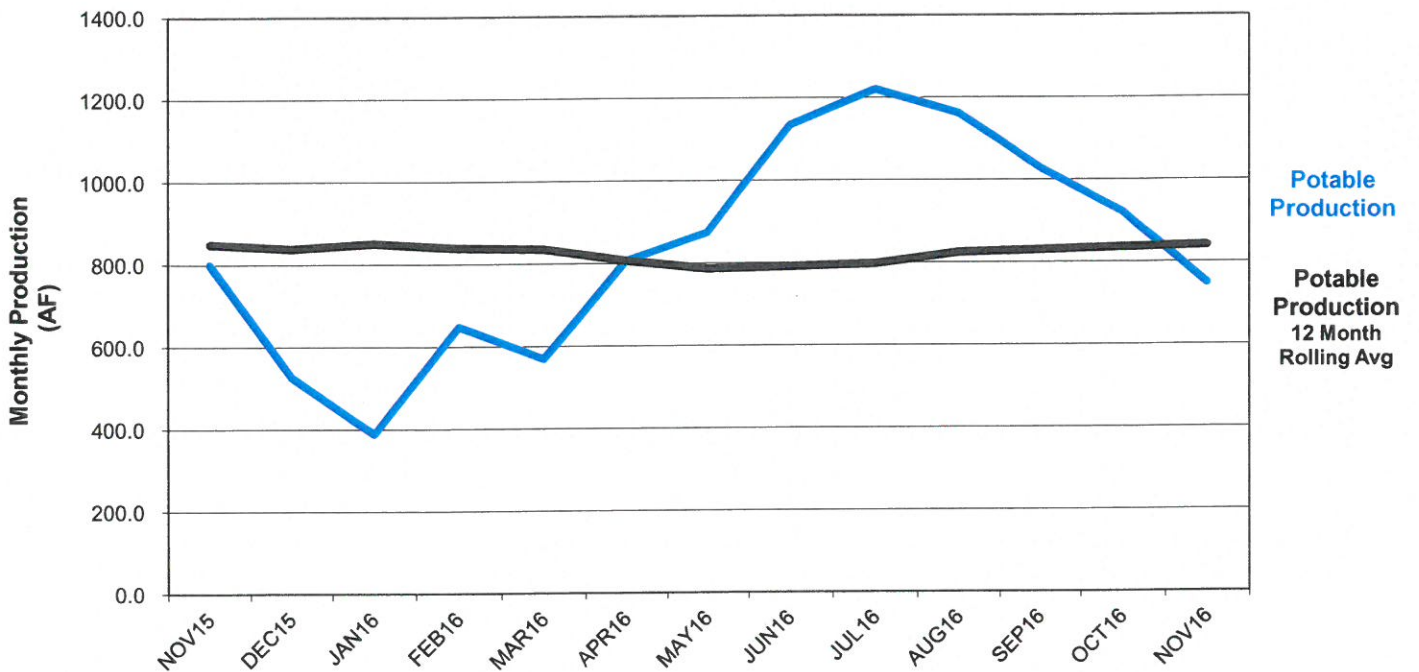
Brian Brady

General Manager

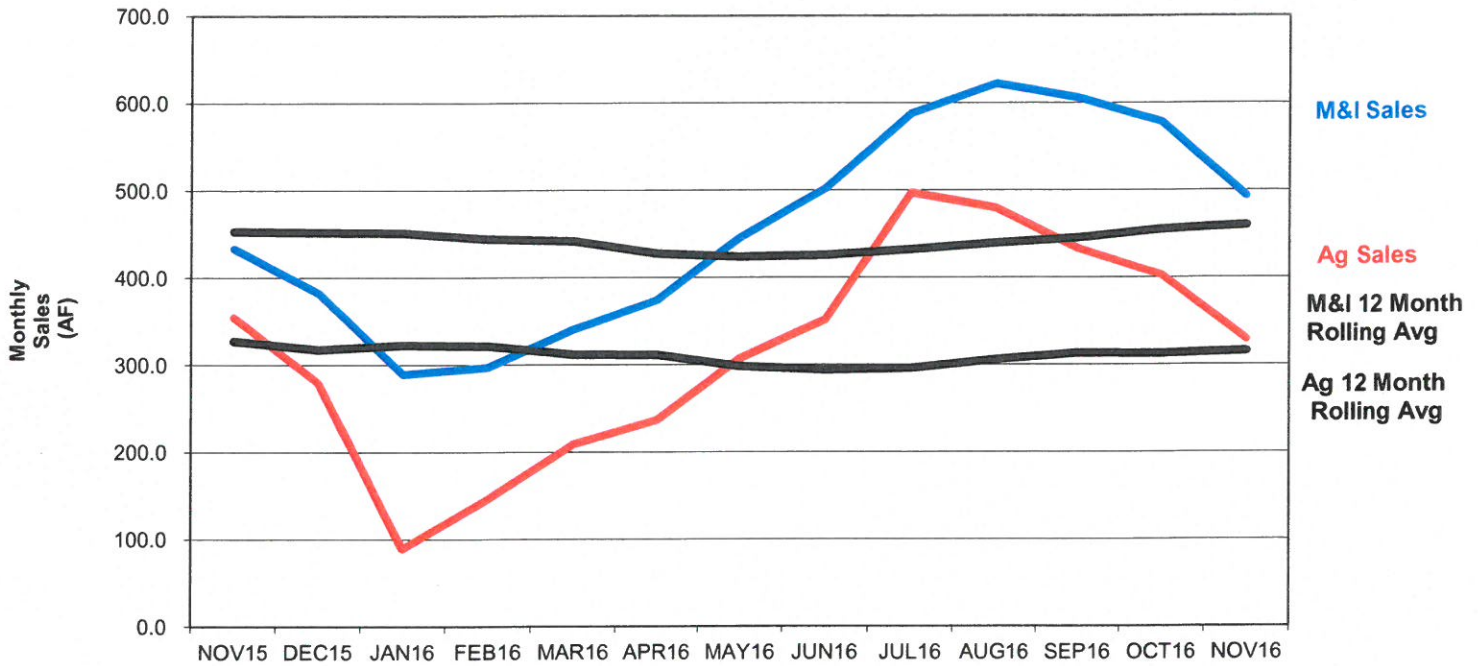
Fallbrook Public Utility District Annual Production



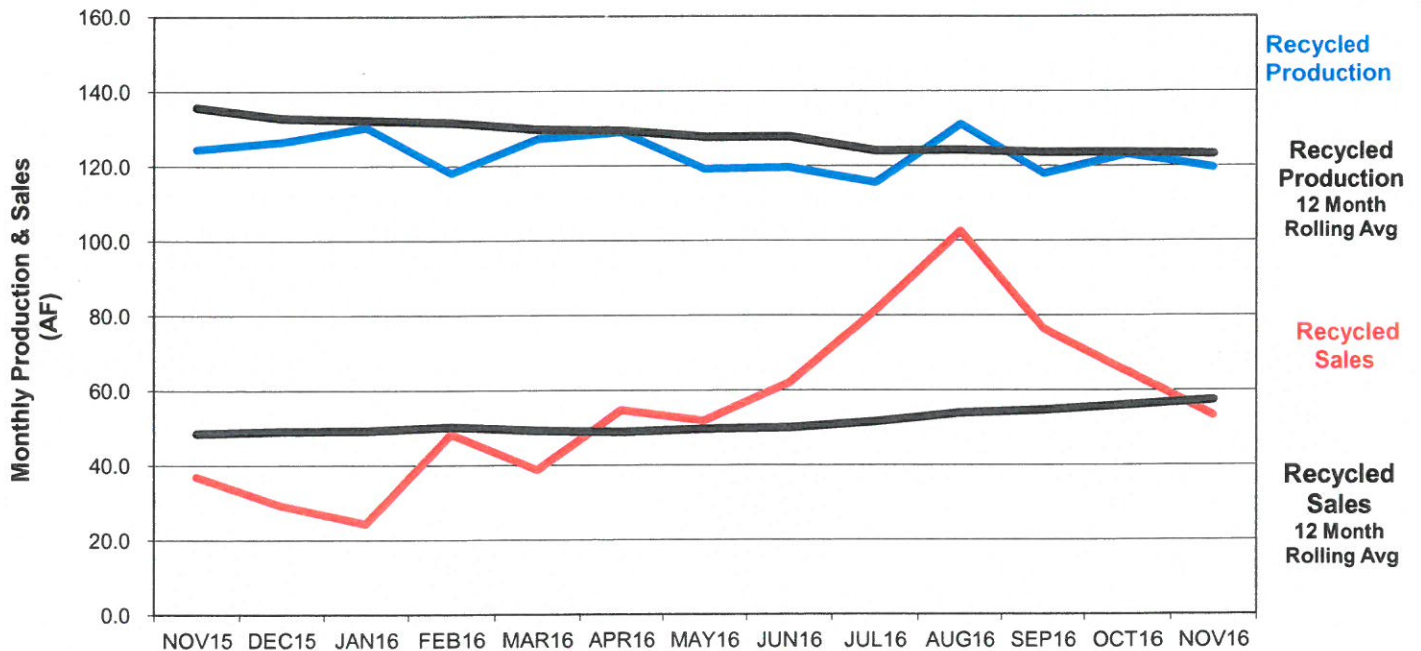
Fallbrook Public Utility District Total Potable Production



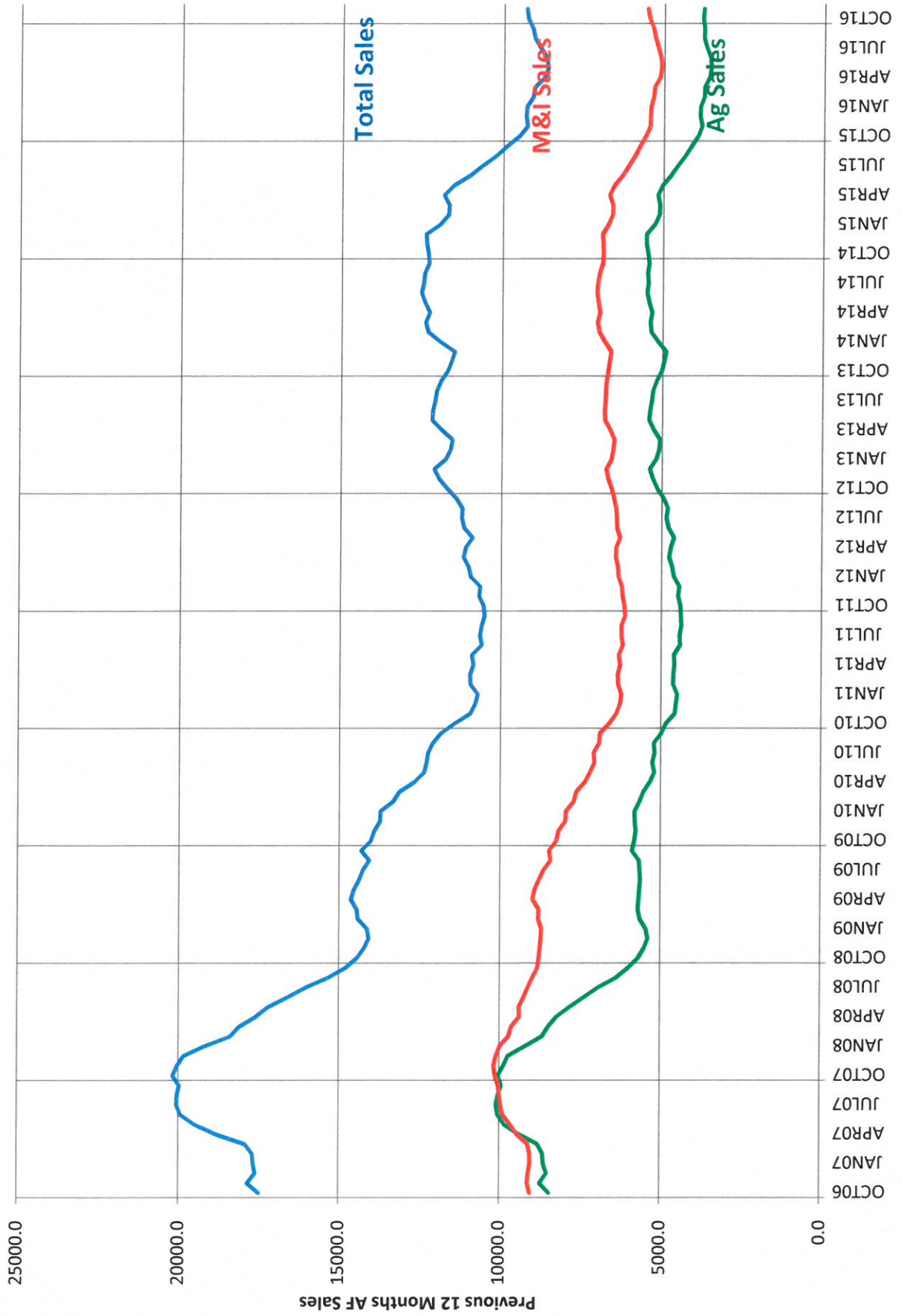
Fallbrook Public Utility District Ag and M&I Sales



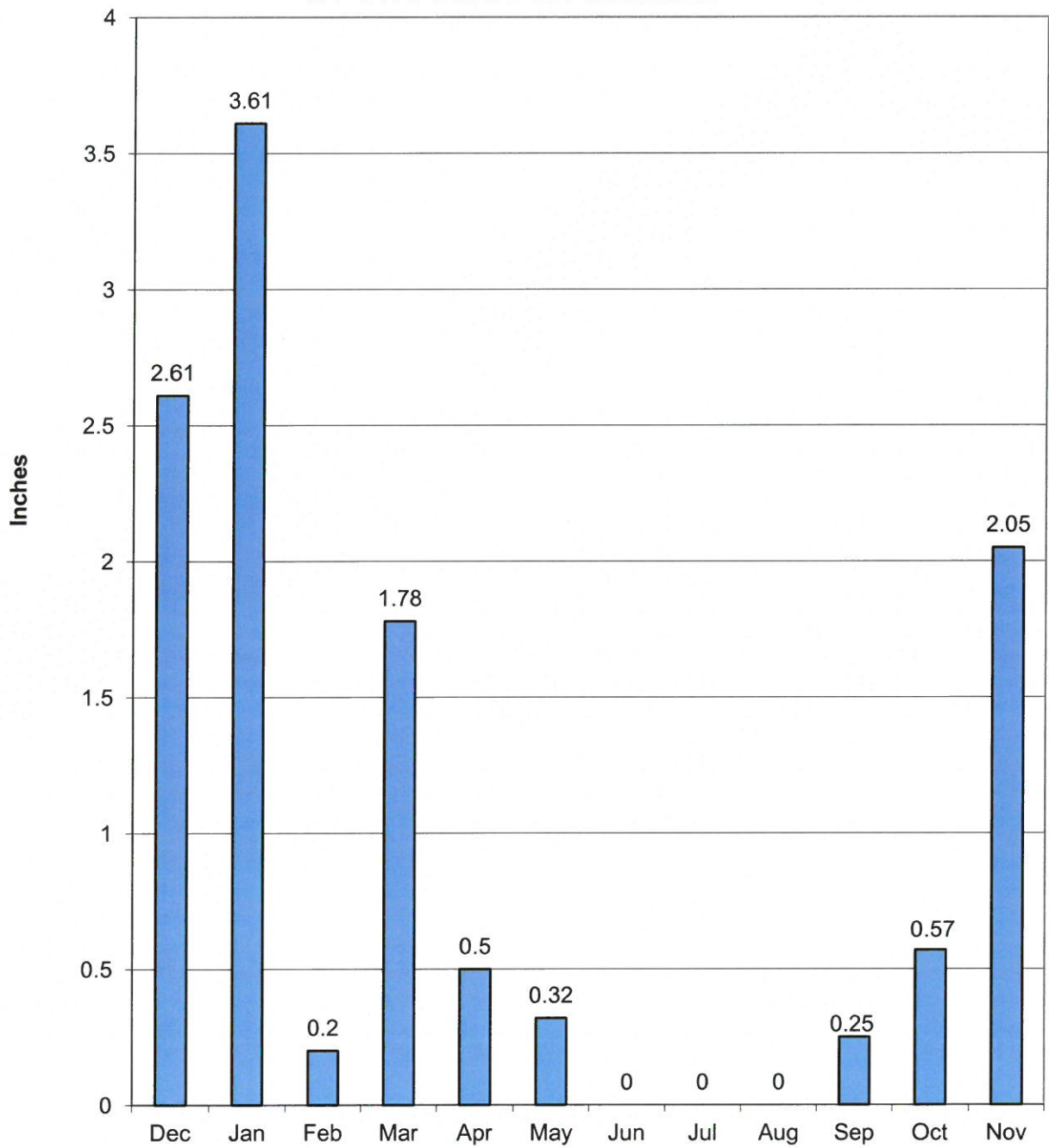
Fallbrook Public Utility District Recycled Water Production & Sales



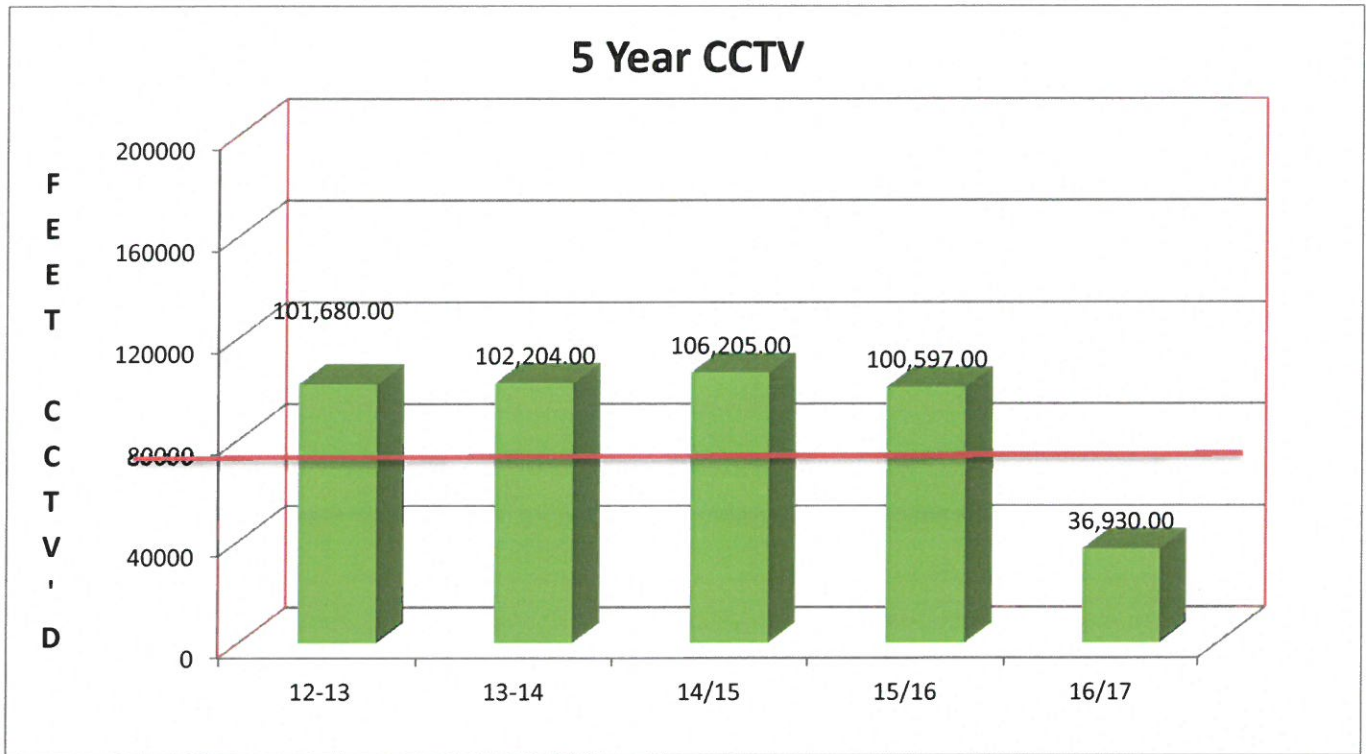
FPUD 12 Month Running Water Sales



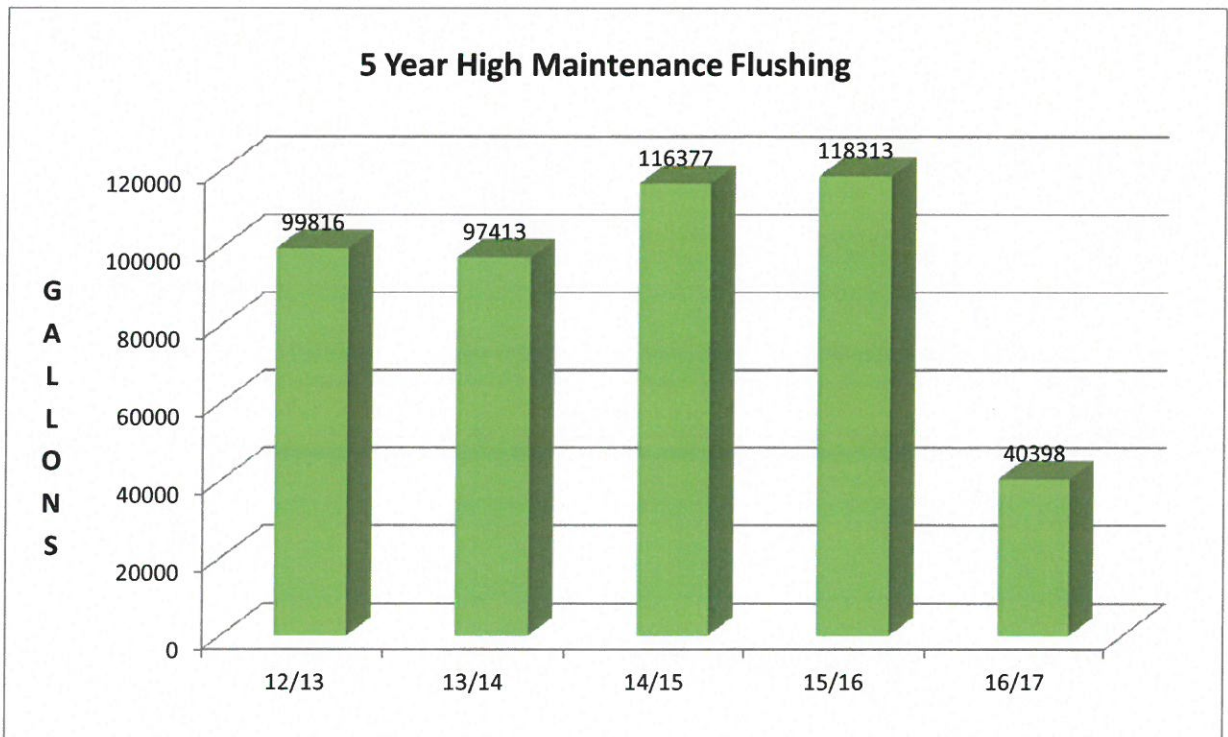
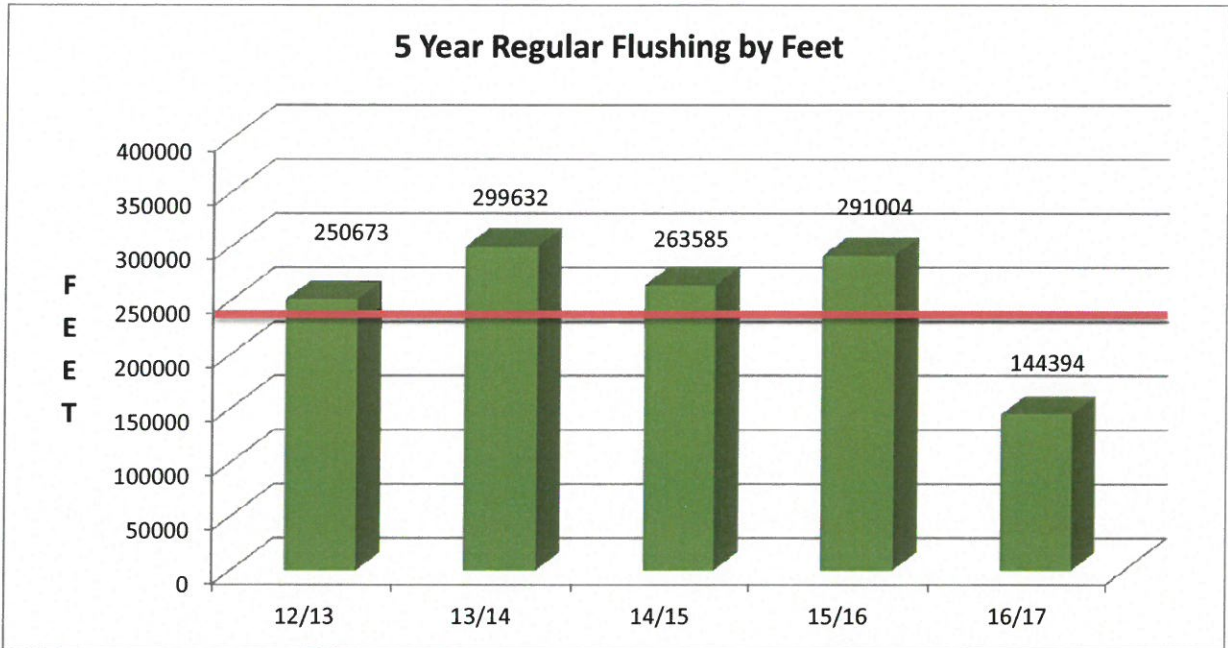
Fallbrook Rainfall In The Last 12 Months



COLLECTION MONTHLY REPORT

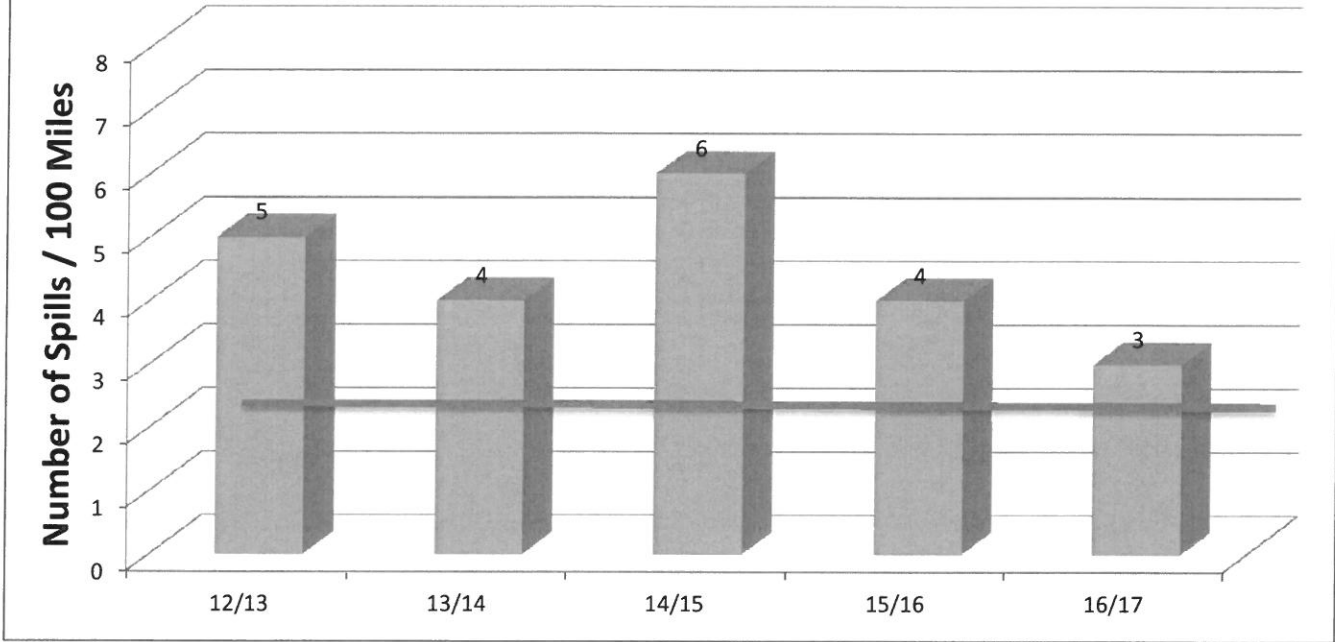


COLLECTION MONTHLY REPORT

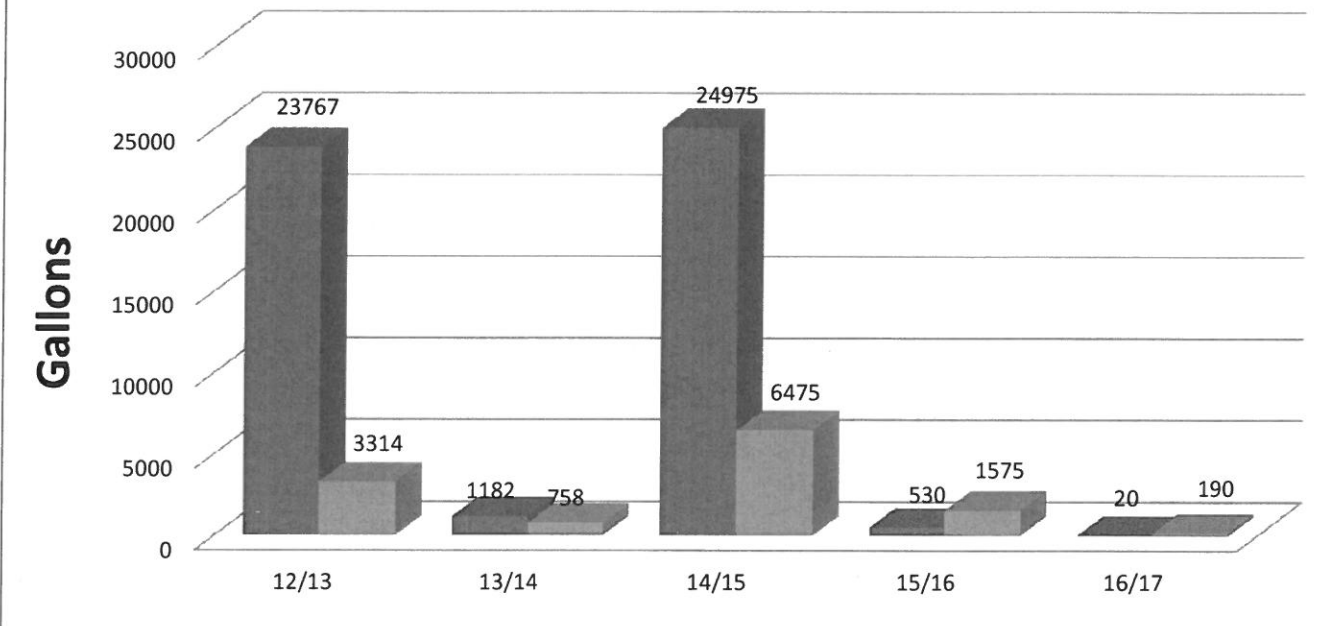


COLLECTION MONTH REPORT

5 Year Sewer Overflows (SSO) Per 100 Miles



5 Year SSO Lost / Recovered



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

DIRECTOR'S REPORT OF CONFERENCE / MEETING ATTENDANCE

Director Name: Bob Anderson

Name & Location of Function: ACWA Annual Conference – Anaheim

Date(s) of Attendance: 11/29/2016 – 12/1/2016

Purpose of Function: 2016 Annual Conference

Sponsoring Association of California Water Agencies

Summary of Conference or Meeting:

11/29/2016 - On Trial: Your Water District

11/29/2016 - Water Management Committee

11/29/2016 – Federal Affairs Committee

11/30/2016 – Unlocking the Science Behind Atmospheric Rivers

11/30/2016 – How Corporate California is Raising the Bar on Conservation and Sustainability

11/30/2016 – Connecting with the Public – Creating an Agency Brand

11/30/2016 – Collaboration, Comprehensive Solutions, and State-Federal Cooperation

12/1/2016 – Why it Matters? Generational Diversity & the Changing Workplace

12/1/2016 – Framework for Long Term Urban Water Conservation Policy

Director Signature:  Date: 12/2/2016

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 DeMeo

Name & Location of Function: "How to be an Effective New Board Member,"

located at Fallbrook Public Utility District, 990 E Mission Rd, Fallbrook, CA

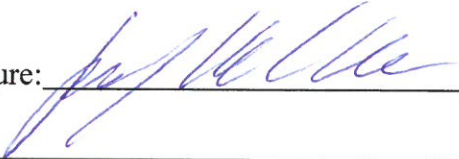
Date(s) of Attendance: Tuesday, December 6, 2016

Purpose of Function: Educational; AB 1234 Mandatory Training

Sponsoring Organization: California Special Districts Association

Summary of Conference or Meeting:

The purpose of the workshop was to provide instruction to new board members on the following, including but not limited to, (1) the role a of a new board member, 2) essential components of effective meetings, (3) legislative and community advocacy, (4) the Brown Act, and (5) Conflict of Interest issues and AB 1234 training.

Director Signature: 

Date: December 6, 2016

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: Al Gebhart

Name & Location of Function: "How to be an Effective New Board Member,"

located at Fallbrook Public Utility District, 990 E Mission Rd, Fallbrook, CA

Date(s) of Attendance: Tuesday, December 6, 2016

Purpose of Function: Educational; AB 1234 Mandatory Training

Sponsoring Organization: California Special Districts Association

Summary of Conference or Meeting:

The purpose of the workshop was to provide instruction to new board members on the following, including but not limited to, (1) the role a of a new board member, 2) essential components of effective meetings, (3) legislative and community advocacy, (4) the Brown Act, and (5) Conflict of Interest issues and AB 1234 training.

Director Signature: 

Date: December 6, 2016

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.